

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, CA**  
**Board of Directors Meeting**  
**Agenda**  
**September 8, 2020 at 1:30 p.m.**

**Revised**

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/83652829780>  
MEETING ID: 836 5282 9780

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

**2. Adoption and Adjustment of Agenda**

**3. Public Comment:** Members of the public may address the Board at this time concerning items relating to any matter within the Agency's jurisdiction. Speakers are requested to keep their comments to no more than five minutes. Under the Brown Act, no action or discussion shall take place on any item not appearing on the agenda, except that the Board or staff may briefly respond to statements made or questions posed for the purpose of directing statements or questions to staff for follow up.

**4. Consent Calendar:**

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

- A. Approval of the Minutes of the Regular Board Meeting, August 17, 2020\* (p. 3)
- B. Approval of the Minutes of the Finance and Budget Workshop, August 24, 2020\* (p. 8)
- C. Approval of the Finance and Budget Report, August 24, 2020\* (p. 10)

**5. Reports (Discussion and Possible Action)**

- A. General Manager's Report
  - 1. Revenue Assessment & Financial Model\* (p. 23)
  - 2. Discussion to Amend Contract with Inland Empire Resource Conservation District (IERCD) for Agency's Social Media Content\* (p. 136)
  - 3. Discussion of Production of Flume and Fire Damage Video\* (p. 157)
- B. General Counsel Report\* (p. 165)
- C. Directors' Reports
- D. Committee Reports

**6. New Business (Discussion and Possible Action)**

- A. Consideration and Possible Action Regarding Changes in LAIF Signatories\* (p. 166)
- B. Discussion and Possible Action of Agency Vehicle

**7. Topics for Future Agendas**

**8. Announcements -**

- A. Water Conservation and Education Committee, September 10, 2020 at 1:30 p.m. – Cancelled
- B. Engineering Workshop, September 14, 2020 at 1:30 p.m.
- C. Regular Board Meeting, September 21, 2020 at 1:30 p.m.

**9. Closed Session (1 Item)**

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9  
One potential case

**10. Adjournment**

**\*Information included in Agenda Packet**

(1) Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Agency's office at 1210 Beaumont Avenue, Beaumont during normal business hours. (2) Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, located at 1210 Beaumont Avenue, Beaumont, California 92223, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Web site, accessible at: [www.sgpwa.com](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 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**  
**August 17th, 2020**

IN AN EFFORT TO PREVENT THE SPREAD OF COVID-19 (CORONAVIRUS), AND IN ACCORDANCE WITH THE GOVERNOR'S EXECUTIVE ORDER N-29-20, **THERE WILL BE NO PUBLIC LOCATION FOR ATTENDING THIS BOARD MEETING IN PERSON.** MEMBERS OF THE PUBLIC MAY LISTEN AND PROVIDE PUBLIC COMMENT TELEPHONICALLY BY CALLING THE FOLLOWING NUMBER: 669-900-6833  
 OR JOIN BY ZOOM: <https://us02web.zoom.us/j/84741543920>  
 MEETING ID **847 4154 3920**

**Directors Present:** Ron Duncan, President  
 Lenny Stephenson, Vice President  
 Michael Thompson, Treasurer  
 Blair Ball, Director (arrived 2:00 pm)  
 David Fenn, Director  
 David Castaldo, Director  
 Steve Lehtonen, Director

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

- 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., August 17, 2020 by teleconference. David Fenn led the Pledge of Allegiance to the flag. Director Thompson gave the invocation. President Duncan requested a roll call.

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

A quorum was present.

- 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, July 6, 2020
- B. Approval of the Minutes of the Engineering Workshop, July 13, 2020

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

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

Motion passed 6-0-1.

5. **Reports:**

**A. General Manager's Report:** General Manager Eckhart stated that the Agency is flowing 24 cfs to Noble Creek; 700 acre-feet has been delivered since recharged started a about 2 weeks ago. Operations and Maintenance Manager Ken Falls is working with vendors to repair Fiesta Facility pond controllers.

**General Manager's Update:** General Manager Eckhart reported on the following: **Sites Reservoir:** SWCs are in talks with DWR on a potential contract amendment to help pay for Sites through Debt Service funds. It is possible that some SWCs will have to drop out if it cannot be paid for through the tax rate. The project is now moving into Phase 2. **Staff Resignation:** Our Public Information Specialist has handed in her two week resignation. Staff has been speaking with Inland Empire Resource Conservation District (IERCD) about potentially hiring them to do the Agency's Social Media content at an affordable price.

**B. General Counsel Reports:** General Counsel Ferre provided a written report. There was no discussion on this item.

**C. Directors Reports: 1) Director Fenn** reported that he attended a Beaumont Chamber of Commerce Breakfast on August 14<sup>th</sup>. He also announced that he has decided to run for Beaumont City Counsel. He stated that it is not in conjunction with Counsel Member Carroll's filing of running for



the Agency's Board. He mentioned that should he win the City Council seat he will be handing in his resignation to the Agency. **1) Director Stephenson** reported that he attended YVWD's Board meeting on August 11<sup>th</sup>. **3) Director Lehtonen** reported on the Watermaster meeting that was held on August 5<sup>th</sup>. **4) President Duncan** reported that he attended the Banning Chamber of Commerce Drive-thru Food Distribution on August 16<sup>th</sup>.

**D. Committee Reports:** **1) Director Thompson** stated that the Conservation and Education Committee stated that in addition to what will be discussed during item 6A of the Agenda, the committee also discussed a potential Social Media campaign that will integrate the Banning Bench and the White Water flume, and how it affects this region.

**6. New Business:**

**A. Consideration and Possible Action to Contract with Inland Empire Resource Conservation District (IERCD):** A staff report and a Contract for Performance of Water Conservation Public Outreach Programs for the 2020-21 Academic Year were included in the agenda packet. Director Thompson stated that in the past the Agency has budgeted \$15k for the Agency's classroom educational programs, which is administered by IERCD. This year the Committee is recommending, in addition to the 15k, that an additional \$10k be allotted for optional programs. General Manager Eckhart noted that we have contracted with IERCD for the past seven years to develop and implement classroom educational programs associated with resource management. The contract is basically doing the same curriculum as before, but with utilizing social distance learning in order to deal with the COVID-19 issue. The proposal also considers 3 optional programs for the 2020-21 fiscal year that could widely benefit the greater region. These optional programs are well within the IERCD's areas of competency and the local office has qualified staff to implement said optional programs. General Manager Eckhart provided a brief outline of what each of the optional programs would entail. Education Coordinator Jasmine Orozco Clark spoke on how IERCD is pivoting with COVID-19 for classroom discussions. She also provided some incite IERCD's social media for other agencies. IERCD's District Manager Mandy Parkes also provided additional information on social media for other agencies. Director Thompson made a motion, seconded by Director Castaldo to approve the contract for the academic year 2020-21, not to exceed \$25k. President Duncan asked for public comment. There being none this item was open for discussion with the Board members. President Duncan requested from IERCD to provide to the Board, sometime in the near future, an example of how the additional \$10k will be utilized. After discussion, President Duncan requested a roll call vote.

<b><u>Roll Call:</u></b>	<b>Aye</b>	<b>Noes</b>	<b>Absent</b>	<b>Abstain</b>
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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Motion passed 6-1, with Director Stephenson opposed.

**B. Consideration and Possible Action of Cost Share Agreement with BCVWD**

**on Sites Reservoir:** A staff report and a copy of the Sites Reservoir Project Participation in Phase 2 Reservoir Project Agreement were included in the agenda packet. General Manager Eckhart noted that the Board considered participation in Phase 2 of the Sites Reservoir Project on May 18, 2020. Phase 2 of the project will include major permitting work, environmental compliance and design work. BCVWD has been participating in the Sites project since 2018. The Agency is participating in the Sites project at 14k acre-feet; 10k will go to the Agency and 4k acre-feet will go to BCVWD. The Agency's share of Phase 2 is \$1 million; \$400k is BCVWD cost. BCVWD is concerned that if the Agency were to pull out of the project it would leave BCVWD with a stranded asset. Therefore, modifications to the original agreement between the Agency and the District were requested by the District. The modifications would allow the District to continue participation in the Sites project if the Agency was to opt out of future project phases. Staff is requesting that the Board authorize the General Manager to execute the Sites Reservoir Project Participation in Phase 2 Reservoir Project Agreement between the Agency and the District. President Duncan requested public comment. There being none discussion of this item ensued between he Board members. After discussion, Director Castaldo made a motion, seconded by Director Ball, to accept the contract as presented. President Duncan asked for a roll call vote.

<b><u>Roll Call:</u></b>	<b><i>Aye</i></b>	<b><i>Noes</i></b>	<b><i>Absent</i></b>	<b><i>Abstain</i></b>
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 to Contract with Tully & Young for 2020**

**Urban Water Management Plan:** A staff report was included in the agenda packet. General Manager Eckhart stated that this item was initially discussed back in May 2020. At that time the Board considered the item and requested that staff present additional proposals for consideration. During the August 10<sup>th</sup>, 2020 Engineering workshop three proposals and a PowerPoint presentation were presented to the Board. After discussion, the Committee recommended moving this item forward to the Board for discussion and possible action. General Manager Eckhart noted that Tully & Young has an extensive amount of experience on some of the larger issues dealing with Delta Conveyance, Delta Stewardship Councils, and water transfers.

Considering the area’s foreseeable supply challenges, it will be important to the Agency and stakeholders to have a legally defensible approach to UWMP planning for the region. Tully & Young also provided the greatest value when considering costs and hours. Staff’s recommendation is to contract with Tully & Young for the preparation of the Agency’s 2020 Urban Water Management Plan for a cost not to exceed \$93k. President Duncan requested public comment. There being none discussion on this item was open to the Board members. Director Stephenson made a motion, seconded by Director Ball, to accept the contract as presented in the amount of \$93k. Discussion ensued among the Board members. After discussion, President Duncan requested a roll call vote.

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

Motion passed 7-0.

**7. Topics for Future Agendas: None.**

**8. Announcements:**

- A. Finance & Budget Workshop, August 24 2020 at 1:30 p.m.  
 – Teleconference/Zoom
- B. Office closed Monday, September 7, 2020 in Observance of Labor Day
- C. Regular Board Meeting, Tuesday September 8, 2020 at 1:30 p.m.  
 – Teleconference/Zoom

**9. Adjournment**

**Time: 2:57 pm**

**Draft - Subject to Board Approval**

Lance E. Eckhart, Secretary of the Board

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**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue**  
**Beaumont, California 92223**  
**Minutes of the**  
**Board Finance and Budget Workshop**  
**August 24, 2020**

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

**Directors Present via Zoom:**

Ron Duncan, President  
Lenny Stephenson, Vice President  
Mike Thompson, Treasurer  
Blair Ball, Director  
David Fenn, Director  
Steve Lehtonen, Director

**Directors Absent:** David Castaldo, Director

**Staff and Consultants Present via Zoom:**

Lance Eckhart, 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 Treasurer Mike Thompson at 1:30 pm, August 24, 2020. Treasurer Thompson led the Pledge of Allegiance to the flag. A quorum was present.

Treasurer Thompson 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:** Treasurer Thompson asked if anyone connected to the meeting wished to make a comment; no members of the public requested to speak at this time.
4. **New Business:**
  - A. Ratification of Paid Invoices and Monthly Payroll for July, 2020 by Reviewing Check History Reports in Detail: After review and discussion, a motion was made by President Duncan, seconded by Director Lehtonen, to recommend that the Board ratify paid monthly invoices of \$1,265,289.56 and payroll of \$41,125.92 for the month of July, 2020, for a combined total of \$1,306,415.48. The motion passed 6 in favor, no opposed, by roll-call vote.

- B. Review Pending Legal Invoices: After review and discussion, a motion was made by Director Lehtonen, seconded by President Duncan, to recommend that the Board approve payment of the pending legal invoice for July, 2020 for \$13,941.30. The motion passed 6 in favor, no opposed, by roll-call vote.
  - C. Review of July, 2020 Bank Reconciliation: After review and discussion, a motion was made by President Duncan, seconded by Director Fenn, to recommend that the Board acknowledge receipt of the Wells Fargo bank reconciliation for July, 2020 as presented. The motion passed 6 in favor, no opposed, by roll-call vote.
  - D. Review of Budget Report for July, 2020: Finance Manager Tom Todd reviewed the budget report, noting that this was the first report of the new fiscal year. After further review and discussion, a motion was made by Vice President Stephenson, seconded by Director Lehtonen, to recommend that the Board acknowledge receipt of the Budget Report for July, 2020. The motion passed 6 in favor, no opposed, by roll-call vote.
- 5. Announcements:** Treasurer Thompson reviewed the announcements:
- A. The office will be closed Monday, September 7, 2020 in observance of Labor Day
  - B. Regular Board Meeting, Tuesday, September 8, 2020, 1:30 pm, via Teleconference/Zoom
  - C. Engineering Workshop, September 14, 2020, 1:30 pm, via Teleconference/Zoom
- 6. Adjournment:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was adjourned at 1:47 pm.

Draft - Not  
Approved

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Lance E. Eckhart, Secretary of the Board

## Finance and Budget Workshop Report

From Treasurer Mike Thompson

The Finance and Budget Workshop was held on August 24, 2020. The following recommendations were made:

1. The Board ratify payment of Invoices of \$1,265,289.56 and Payroll of \$41,125.92 as detailed in the Check History Report for Accounts Payable and the Check History Report for Payroll for July, 2020 for a combined total of \$1,306,415.48.
2. The Board authorize payment of the following vendor's amounts:

Best, Best & Krieger LLP	\$13,491.30
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3. The Board acknowledge receipt of the following:
  - A. Wells Fargo bank reconciliation for July, 2020
  - B. Budget Report for July, 2020

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Ave, Beaumont, CA 92223**  
**Board Finance & Budget Workshop**  
**Agenda**  
**August 24, 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 9825 3228

**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 July, 2020 by Reviewing Check History Reports in Detail\*
- B. Review of Pending Legal Invoices\*
- C. Review of July, 2020 Bank Reconciliation\*
- D. Review of Budget Report for July, 2020\*

**5. Announcements**

- A. The office will be closed Monday, September 7, 2020 in observance of Labor Day
- B. Regular Board Meeting, Tuesday, September 8, 2020, 1:30 pm, via Teleconference/Zoom
- C. Engineering Workshop, September 14, 2020, 1:30 pm, via Teleconference/Zoom

**6. Adjournment**

**\*Information Included In Agenda Packet**

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

**San Geronio Pass Water Agency**  
**Check History Report**  
**July 1 through July 31, 2020**

ACCOUNTS PAYABLE
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Date	Number	Name	Amount
07/01/2020	119734	ACWA BENEFITS	873.59
07/01/2020	119735	BDL ALARMS, INC.	78.00
07/01/2020	119736	BEAUMONT CHAMBER OF COMMERCE	300.00
07/01/2020	119737	THE RECORD-GAZETTE	24.95
07/01/2020	119738	VALLEY OFFICE EQUIPMENT, INC.	113.90
07/01/2020	119739	WASTE MANAGEMENT INLAND EMPIRE	115.90
07/08/2020	119740	BEST BEST & KRIEGER	14,899.34
07/08/2020	119741	GOPHER PATROL	51.00
07/08/2020	119742	HEEMSTRA SIGNS	240.00
07/08/2020	119743	MACRO COMMUNICATIONS	495.00
07/08/2020	119744	LAFCO RIVERSIDE	6,434.93
07/08/2020	119745	CHERYLE M. STIFF	443.09
07/08/2020	119746	STATE WATER CONTRACTORS	58,515.00
07/08/2020	119747	UNLIMITED SERVICES	295.00
07/08/2020	119748	UNDERGROUND SERVICE ALERT	36.40
07/23/2020	119749	ACWA BENEFITS	873.59
07/23/2020	119750	ACWA JPIA	3,754.66
07/23/2020	119751	ALBERT WEBB ASSOCIATES	5,000.50
07/23/2020	119752	BANNING CHAMBER OF COMMERCE	350.00
07/23/2020	119753	BEAUMONT COPY & GRAPHICS	57.05
07/23/2020	119754	ERSC	2,846.20
07/23/2020	119755	FEDERAL EXPRESS	29.50
07/23/2020	119756	FRONTIER COMMUNICATIONS	1,317.08
07/23/2020	119757	MATTHEW PISTILLI LANDSCAPE SERVICES	2,115.00
07/23/2020	119758	NICE-INCONTACT	118.93
07/23/2020	119759	OFFICE SOLUTIONS	628.49
07/23/2020	119760	PROVOST & PRITCHARD	15,378.13
07/23/2020	119761	SANTA ANA WATERSHED PROJ. AUTHORITY	16,737.00
07/23/2020	119762	VISIONARY LOGICS	360.00
07/23/2020	119763	WELLS FARGO ELITE CREDIT CARD	1,074.70
07/30/2020	119764	STANDARD INSURANCE COMPANY	499.59
07/15/2020	575985	EMPLOYMENT DEVELOPMENT DEPARTMENT	648.92
07/15/2020	506175	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	4,451.50
07/30/2020	520569	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,393.97
07/30/2020	525024	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	8,547.48
07/01/2020	900325	CALPERS HEALTH	8,142.79
07/08/2020	900326	CALPERS RETIREMENT	56,842.00
07/27/2020	900327	CALPERS RETIREMENT	4,262.85
07/27/2020	900328	CAL PERS RETIREMENT - SIP-457	1,050.00
07/30/2020	900329	CALPERS RETIREMENT	5,735.53
07/30/2020	900330	CAL PERS RETIREMENT - SIP-457	1,050.00
07/31/2020	900331	DEPARTMENT OF WATER RESOURCES	1,039,108.00
<b>TOTAL ACCOUNTS PAYABLE CHECKS</b>			<b>1,265,289.56</b>



**San Geronio Pass Water Agency**  
**Check History Report**  
**July 1 through July 31, 2020**

<b>PAYROLL</b>
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Date	Number	Name	Amount
07/14/2020	801931	LANCE E. ECKHART	1,818.07
07/14/2020	801932	KENNETH M. FALLS	3,429.12
07/14/2020	801933	CASMIR J. OLAIVAR	655.25
07/14/2020	801934	CHERYLE M. STIFF	2,459.43
07/14/2020	801935	THOMAS W. TODD, JR.	3,798.63
07/29/2020	801936	BLAIR M. BALL	1,272.58
07/29/2020	801937	JEFFREY W. DAVIS	5,589.76
07/29/2020	801938	RONALD A. DUNCAN	1,272.58
07/29/2020	801939	LANCE E. ECKHART	5,906.77
07/29/2020	801940	KENNETH M. FALLS	3,429.12
07/29/2020	801941	DAVID L. FENN	1,018.07
07/29/2020	801942	STEPHEN J. LEHTONEN	1,018.07
07/29/2020	801943	CASMIR J. OLAIVAR	655.25
07/29/2020	801944	LEONARD C. STEPHENSON	1,272.58
07/29/2020	801945	CHERYLE M. STIFF	2,459.43
07/29/2020	801946	MICHAEL D. THOMPSON	1,272.58
07/29/2020	801947	THOMAS W. TODD, JR.	3,798.63

	41,125.92
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TOTAL DISBURSEMENTS FOR JULY, 2020	1,306,415.48
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SAN GORGONIO PASS WATER AGENCY  
New Vendors List  
August, 2020

Vendor - Name and Address	Expenditure Type
Ernst & Young old address: 2901 Douglas Blvd. Suite 300; Roseville, CA 95661 new address: P O Box 846793; Los Angeles, CA 90084	SWC Audit

**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	200731	LEGAL SERVICES JULY 2020	13,941.30

TOTAL PENDING INVOICES FOR APPROVAL AUGUST 2020

13,941.30

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

BALANCE PER BANK ON 07/31/2020 - CHECKING ACCOUNT 358,552.33

LESS OUTSTANDING CHECKS

CHECK NUMBER	AMOUNT	CHECK NUMBER	AMOUNT
		119764	499.59
		ACH	1,050.00

0.00

1,549.59

TOTAL OUTSTANDING CHECKS -1,549.59

BALANCE PER GENERAL LEDGER 357,002.74

BALANCE PER GENERAL LEDGER ON 06/30/2020 323,241.81

CASH RECEIPTS FOR JULY 239,080.42

CASH DISBURSEMENTS FOR JULY

ACCOUNTS PAYABLE - CHECK HISTORY REPORT	-1,265,289.56
PAYROLL TRANSFER - BANK OF HEMET	<u>-40,000.00</u>

-1,305,289.56

BANK CHARGES -29.93

TRANSFER FROM LAIF 1,100,000.00

BALANCE PER GENERAL LEDGER AT 07/31/2020 357,002.74

REPORT PREPARED BY:

  
Cheryle M. Stiff

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

<u>DATE</u>	<u>RECEIVED FROM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>TOTAL DEPOSIT AMOUNT</u>
<b>DEPOSIT TO CHECKING ACCOUNT</b>				
7/28/20	BCVWD	WATER SALES	231,021.00	231,021.00
7/28/20	TVI	CD - BOND INTEREST	8,059.42	8,059.42
		TOTAL FOR JULY 2020	239,080.42	239,080.42

**SAN GORGONIO PASS WATER AGENCY**  
**BUDGET REPORT FY 2019-20**  
**BUDGET VS. REVISED BUDGET VS. ACTUAL**  
**FOR THE ONE MONTH ENDING ON JULY 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
<b>GENERAL FUND - INCOME</b>				Comparison:	92%
<b>INCOME</b>					
WATER SALES	4,200,000		4,200,000	0.00	100.00%
TAX REVENUE	3,300,000		3,300,000	0.00	100.00%
INTEREST	250,000		250,000	4,059.11	98.38%
DESIGNATED REVENUES	910,000		910,000	0.00	100.00%
CAPACITY FEE	0		0	0.00	
OTHER (REIMBURSEMENTS, TRANSFERS)	32,000		32,000	0.00	100.00%
<b>TOTAL GENERAL FUND INCOME</b>	<b>8,692,000</b>	<b>0</b>	<b>8,692,000</b>	<b>4,059.11</b>	<b>99.95%</b>
<b>GENERAL FUND - EXPENSES</b>					
<b>COMMODITY PURCHASE</b>					
PURCHASED WATER	6,000,000		6,000,000	0.00	100.00%
<b>TOTAL COMMODITY PURCHASE</b>	<b>6,000,000</b>	<b>0</b>	<b>6,000,000</b>	<b>0.00</b>	<b>100.00%</b>
<b>SALARIES AND EMPLOYEE BENEFITS</b>					
SALARIES	543,000		543,000	35,957.10	93.38%
PAYROLL TAXES	48,000		48,000	3,444.80	92.82%
RETIREMENT	470,000		470,000	58,305.53	87.59%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	63,000		63,000	1,723.70	97.26%
HEALTH INSURANCE	78,000		78,000	5,539.54	92.90%
DENTAL INSURANCE	6,100		6,100	688.64	88.71%
LIFE INSURANCE	1,700		1,700	284.12	83.29%
DISABILITY INSURANCE	5,800		5,800	448.47	92.27%
WORKERS COMP INSURANCE	4,500		4,500	0.00	100.00%
SGPWA STAFF MISC. MEDICAL	12,000		12,000	443.09	96.31%
EMPLOYEE EDUCATION	3,000		3,000	0.00	100.00%
<b>TOTAL SALARIES AND EMPLOYEE BENEFITS</b>	<b>1,235,100</b>	<b>0</b>	<b>1,235,100</b>	<b>106,834.99</b>	<b>91.35%</b>

**SAN GORGONIO PASS WATER AGENCY**  
**BUDGET REPORT FY 2019-20**  
**BUDGET VS. REVISED BUDGET VS. ACTUAL**  
**FOR THE ONE MONTH ENDING ON JULY 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
<b>GENERAL FUND - EXPENSES</b>				Comparison:	92%
<b>ADMINISTRATIVE &amp; PROFESSIONAL</b>					
DIRECTOR EXPENDITURES					
DIRECTORS FEES	117,000		117,000	7,716.80	93.40%
DIRECTORS TRAVEL & EDUCATION	15,000		15,000	0.00	100.00%
DIRECTORS MISC. MEDICAL	21,000		21,000	0.00	100.00%
OFFICE EXPENDITURES					
OFFICE EXPENSE	15,000		15,000	1,064.39	92.90%
POSTAGE	600		600	0.00	100.00%
TELEPHONE	11,500		11,500	707.72	93.85%
UTILITIES	5,000		5,000	78.00	98.44%
SERVICE EXPENDITURES					
COMPUTER, WEB SITE AND PHONE SUPPORT	25,000		25,000	360.00	98.56%
GENERAL MANAGER & STAFF TRAVEL	12,000		12,000	0.00	100.00%
INSURANCE & BONDS	23,000		23,000	2,566.87	88.84%
ACCOUNTING & AUDITING	21,000		21,000	0.00	100.00%
STATE WATER CONTRACT AUDIT	6,000		6,000	0.00	100.00%
DUES & ASSESSMENTS	35,000		35,000	59,165.00	-69.04%
OUTSIDE PROFESSIONAL SERVICES	100,000		100,000	7,165.42	92.83%
BANK CHARGES	1,500		1,500	67.45	95.50%
MISCELLANEOUS EXPENSES	500		500	0.00	100.00%
MAINTENANCE & EQUIPMENT EXPENDITURES					
TOOLS PURCHASE & MAINTENANCE	1,000		1,000	0.00	100.00%
VEHICLE REPAIR & MAINTENANCE	8,000		8,000	51.00	99.36%
MAINTENANCE & REPAIRS - BUILDING	25,000		25,000	760.90	96.96%
MAINTENANCE & REPAIRS - FIELD	25,000		25,000	1,765.00	92.94%
CONTRACT OPERATIONS AND MAINTENANCE	140,000		140,000	0.00	100.00%
WATER TREATMENT EXPENSE	75,000		75,000	0.00	100.00%
COUNTY EXPENDITURES					
LAFCO COST SHARE	7,500		7,500	6,434.93	14.20%
ELECTION EXPENSE	125,000		125,000	0.00	0.00%
TAX COLLECTION CHARGES	10,000		10,000	0.00	100.00%
<b>TOTAL ADMINISTRATIVE &amp; PROFESSIONAL</b>	<b>825,800</b>	<b>0</b>	<b>825,600</b>	<b>87,903.48</b>	<b>89.35%</b>

**SAN GORGONIO PASS WATER AGENCY  
BUDGET REPORT FY 2019-20  
BUDGET VS. REVISED BUDGET VS. ACTUAL  
FOR THE ONE MONTH ENDING ON JULY 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
<b>GENERAL FUND - EXPENSES</b>				Comparison:	92%
<b>GENERAL ENGINEERING</b>					
SGMA					
GSP CONSULTANT	500,000		500,000	495.00	99.90%
YUCAIPA GSA	30,000		30,000	0.00	100.00%
STUDIES					
URBAN WATER MANAGEMENT PLAN (UWMP)	125,000		125,000	0.00	100.00%
WATER RATE NEXUS STUDY	52,000		52,000	0.00	100.00%
CAPACITY FEE NEXUS STUDY UPDATE	20,000		20,000	0.00	100.00%
WHEELING RATE STUDY	4,000		4,000	0.00	100.00%
USGS	115,000		115,000	0.00	100.00%
UPDATED STUDY ON AVAILABLE WATER SOURCES	2,000		2,000	0.00	100.00%
GENERAL ENGINEERING STUDIES	15,000		15,000	0.00	100.00%
OTHER PROJECTS					
FLUME MONITORING	30,000		30,000	0.00	0.00%
INFRASTRUCTURE PLAN	12,000		12,000	0.00	
BASIN MONITORING TASK FORCE	30,000		30,000	16,737.00	44.21%
GIS SERVICES	5,000		5,000	0.00	100.00%
GENERAL AGENCY, CEQA, ETC.	10,000		10,000	0.00	100.00%
<b>TOTAL GENERAL ENGINEERING</b>	950,000	0	950,000	17,232.00	98.19%
<b>LEGAL SERVICES</b>					
LEGAL SERVICES - GENERAL	125,000		125,000	0.00	100.00%
<b>TOTAL LEGAL SERVICES</b>	125,000	0	125,000	0.00	100.00%
<b>CONSERVATION &amp; EDUCATION</b>					
SCHOOL EDUCATION PROGRAMS	16,000		16,000	0.00	100.00%
ADULT EDUCATION PROGRAMS	10,000		10,000	0.00	100.00%
SPONSORSHIPS	5,000		5,000	0.00	100.00%
OTHER CONSERVATION, EDUCATION AND P. R.	15,000		15,000	0.00	100.00%
<b>TOTAL CONSERVATION &amp; EDUCATION</b>	46,000	0	46,000	0.00	100.00%



<b>SAN GORGONIO PASS WATER AGENCY</b> <b>BUDGET REPORT FY 2019-20</b> <b>BUDGET VS. REVISED BUDGET VS. ACTUAL</b> <b>FOR THE ONE MONTH ENDING ON JULY 31, 2020</b>					
<b>FOR THE FISCAL YEAR JULY 1, 2019 - JUNE 30, 2020</b>					
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
<b>GENERAL FUND - EXPENSES</b>				Comparison:	92%
<b>GENERAL FUND CAPITAL EXPENDITURES</b>					
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%
MT. VIEW CONNECTION					
INTEGRATION AND PROGRAMMING	7,500		7,500	0.00	100.00%
NOBLE TURNOUT EXPANSION					
INTEGRATION AND PROGRAMMING	2,500		2,500	0.00	100.00%
BUNKER HILL CONJUNCTIVE USE PROJECT	40,000		40,000	0.00	100.00%
SITES RESERVOIR	1,400,000		1,400,000	0.00	100.00%
<b>TOTAL GENERAL FUND CAPITAL EXPENDITURES</b>	<b>1,485,000</b>	<b>0</b>	<b>1,485,000</b>	<b>0.00</b>	<b>100.00%</b>
<b>TRANSFERS TO OTHER FUNDS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL GENERAL FUND EXPENSES</b>	<b>10,666,700</b>	<b>0</b>	<b>10,666,700</b>	<b>211,970.47</b>	<b>98.01%</b>
<b>GENERAL FUND NET INCOME YEAR TO DATE</b>	<b>-1,974,700</b>	<b>0</b>	<b>-1,974,700</b>	<b>-207,911</b>	
<b>ITEMS FUNDED BY RESERVES</b>					
MT. VIEW INTEGRATION AND PROGRAMMING	7,500				
NICKEL WATER SUBSIDY	1,000,000				
SITES RESERVOIR	1,000,000				
<b>TOTAL ITEMS FUNDED BY RESERVES</b>	<b>2,007,500</b>				

**SAN GORGONIO PASS WATER AGENCY**  
**BUDGET REPORT FY 2019-20**  
**BUDGET VS. REVISED BUDGET VS. ACTUAL**  
**FOR THE ONE MONTH ENDING ON JULY 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
<b>DEBT SERVICE FUND - INCOME</b>				Comparison:	92%
<b>INCOME</b>					
TAX REVENUE	25,651,818		25,651,818	0.00	100.00%
INTEREST	600,000		600,000	15,269.98	97.46%
DWR CREDITS - BOND COVER, OTHER	3,307,573		3,307,573	0.00	100.00%
<b>TOTAL DEBT SERVICE FUND INCOME</b>	<b>29,559,391</b>	<b>0</b>	<b>29,559,391</b>	<b>15,269.98</b>	<b>99.95%</b>
<b>DEBT SERVICE FUND - EXPENSES</b>					
<b>EXPENSES</b>					
SALARIES	63,000		63,000	4,914.90	92.20%
PAYROLL TAXES	6,000		6,000	375.98	93.73%
BENEFITS	77,000		77,000	8,628.87	88.79%
STATE WATER CONTRACT PAYMENTS	23,000,000		23,000,000	843,158.00	96.33%
WATER TRANSFERS	2,107,500		2,107,500	0.00	100.00%
SWC CONTRACTOR DUES	75,000		75,000	0.00	100.00%
DELTA CONVEYANCE FACILITY AUTHORITY	0		0	0.00	0.00%
EBX CONTRACT OPERATIONS AND MAINTENANCE	150,000		150,000	0.00	100.00%
SWP ENGINEERING AND MAINTENANCE	250,000		250,000	0.00	100.00%
DEBT SERVICE UTILITIES	11,000		11,000	728.29	93.38%
STATE WATER PROJECT LEGAL SERVICES	0		0	0.00	0.00%
TAX COLLECTION CHARGES	90,000		90,000	0.00	
SBVMWD FOOTHILL PIPELINE CAPACITY	3,129,634		3,129,634	0.00	100.00%
<b>TOTAL DEBT SERVICE FUND EXPENSES</b>	<b>28,959,134</b>	<b>0</b>	<b>28,959,134</b>	<b>857,806.04</b>	<b>97.04%</b>
<b>TRANSFERS FROM RESERVES</b>	<b>0</b>		<b>0</b>	<b>0.00</b>	
<b>DEBT SERVICE NET INCOME YEAR TO DATE</b>	<b>600,257</b>	<b>0</b>	<b>600,257</b>	<b>-842,536.06</b>	

# ***San Geronio Pass Water Agency***

**DATE:** September 8, 2020  
**TO:** Board of Directors  
**FROM:** Lance Eckhart, General Manager  
**SUBJECT: REVENUE ASSESSMENT & FINANCIAL MODEL**

## **MANAGER'S REPORT SUMMARY**

The Agency is planning to retain the services of HDL Coren & Cone (HDL) as well as Raftelis Financial Consultants to develop a financial model for the Agency. A financial model(s) was budgeted in the current fiscal year to address various rate and fee studies. Furthermore, the Agency will need to consider committing to major multi-decade investments related to Delta Conveyance and Sites Reservoir. A firm grasp of future financial business certainty will be paramount for the Agency.

Other similar water districts were contacted to discuss their successful approaches to financial decisions. It was determined that the combination of the aforementioned firms will result in a set of tools that staff can utilize to make much more accurate recommendations to the Board with regard major financial decisions. Part of the work includes an audit of the tax rolls to determine if the Agency is receiving its appropriate payments and a potential re-capture of misallocated funds.

## **PREVIOUS CONSIDERATION**

- **Board of Directors – August 3, 2020:** The Board approved a reduction of the tax rate. During the August 3<sup>rd</sup> meeting, the Board discussed uncertainty with Agency income, the effects of development on the tax rolls, an appropriate reserve amount and upcoming major investments/expenses associated with the State Water Project (SWP). A model was recommended to assist with Agency financial matters and it was generally agreed that better tools would help the Board make more informed and transparent decisions.

## **BACKGROUND**

The Agency is currently in a solid financial position with total reserves of approximately \$72 million and annual income increasing approximately 7% over the past nine years, primarily driven by development. Decisions with regards to upcoming local and external Agency financial matters will become necessary in the near future. A transparent and holistic understanding of income/expenses, supported by a robust and adaptable model, will greatly assist staff in making informed decisions to the Board.

<b>Local Financial Matters</b>	<b>External Financial Matters</b>
Capacity Fee	Sites Reservoir
Rate Study	Delta Conveyance
Wheeling Fee	EBX Balloon Charges/Pay Off
GSA Support	DWR Fixed Cost Increases
Monitoring and Scientific Studies	Transfers/External Water Bank
New Facilities/Infrastructure	Subsidence and SWP Repairs

## **ANALYSIS**

Several water agencies were contacted to discuss their approach to finance projection. The contacted agencies consisted of Antelope Valley East Kern, Mojave Water Agency, Cucamonga Valley Water District and Beaumont Cherry Valley Water District. The interviewed agencies were asked questions regarding selected modeling approach(s), consulting selection, flexibility, transparency, value, customer satisfaction, ease of use and etcetera. Based on the interviews, a combination of two firms appears to be the most reasonable approach for the Agency.

**Income:** HDL offers a comprehensive property tax projection model along with audit services to potentially capture lost revenues. The region is a transition period and experiencing a surge in development which affects the Agency's income. A comprehensive multi-year tax projection, broken down by unincorporated and incorporated areas (Calimesa, Beaumont and Banning) is part of the product. The product also provides in-depth information on land use changes, new construction, top tax payers, Prop. 8 recapture, historic housing prices, ownership transfers, assessed values, and etcetera. It should be noted HDL's product may be very useful in the Urban Water Management Plan (UWMP) demand projections for the Agency's wholesale plan as well as local retailers individual UWMPs. A copies of sample reports are attached at the end HDL's proposal and it is recommended that these be reviewed. *Note: these reports are for proposal purposes only and data should not be used as a final product.*

**Income, Expenses and Investments:** Raftelis builds upon the income projections produced by HDL and will construct a comprehensive financial model that will include all major Agency income/expenses. This tool will be owned by the Agency and can be used by staff. The financial model will be the foundation for assessing the affordability of major SWP investments such as Delta Conveyance and Sites Reservoir as well as the primary tool for rate setting and developing a capacity fee. This is tool that is expandable, nimble, will grow the Agency and includes a 25-year cash flow outlook. A copy of the Raftelis proposal and Statement of Qualifications is attached.

## **FISCAL IMPACT**

The Fiscal Year 2020-21 Budget includes approximately \$76,000 for the development of financial planning/modeling work associated with a water rate study, capacity fee nexus study and wheeling rate study. HDL proposal comes in at \$5,563/quarter (\$22,250/annual) for detailed revenue projections; plus 25% fee of any recovered net tax revenues. Raftelis proposal is \$30,305 for model construction, workshops and training. Work has been anticipated and within the current fiscal year budget.

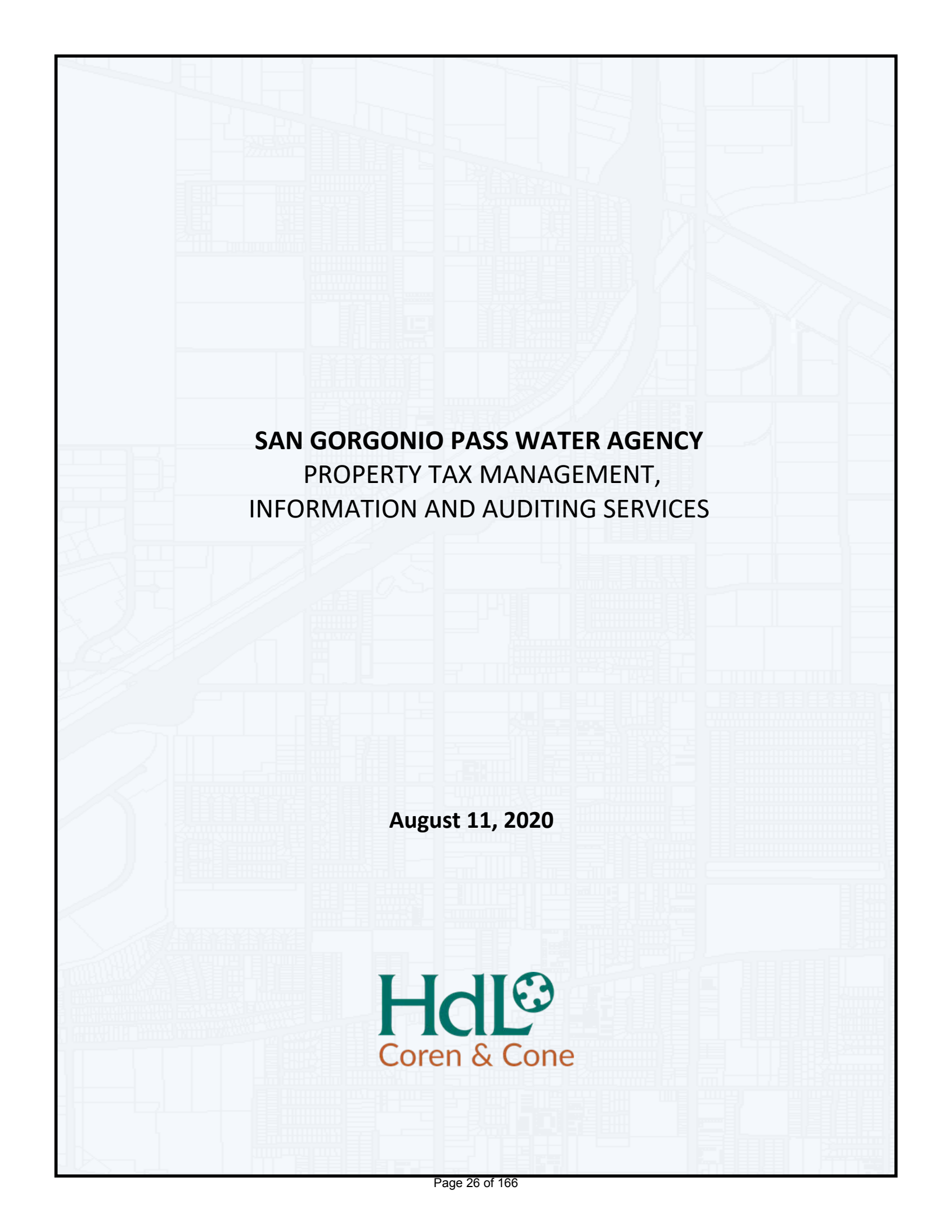
## **ACTION**

General Manager is planning to retain the services of HDL and Raftelis. Work associated with the revenue assessment/financial model would be approved under Section 8.04 of the Agency's Procurement Policy.

## **ATTACHMENTS**

Attachment 1: HDL proposal and sample reports

Attachment 2: Raftelis proposal and Statement of Qualifications



**SAN GORGONIO PASS WATER AGENCY  
PROPERTY TAX MANAGEMENT,  
INFORMATION AND AUDITING SERVICES**

**August 11, 2020**





August 11, 2020

Lance Eckhart, General Manager  
San Gorgonio Pass Water Agency  
1210 Beaumont Avenue  
Beaumont, California 92223

Dear Mr. Eckhart,

Re: Property Tax Management, Audit and Information Services

Thank you for your interest in our Property Tax Services. In response, enclosed is our firm's proposal to provide property tax management, audit, and information services for the San Gorgonio Pass Water Agency.

Founded in 1992, HdL Coren & Cone (HdLCC) developed the first computer software system in California for tracking property tax revenues for counties, cities, and special districts. The company was the first in the state to go beyond using parcel data for allocation audits by developing specialized reports and models to assist government agencies by using the data for parcel administration, focused economic development strategies and revenue projections. The corporation is owned by its employees and the major stockholders that manage the firm. The staff consists of 12 highly qualified analysts, auditors and information systems technology professionals.

HdLCC currently provides ongoing services to over 240 California agencies. The company maintains annual property tax records for Riverside County back to 1992. HdLCC's experienced team has worked with a number of key county staff and is thoroughly familiar with county property tax procedures in California.

Specific advantages that HdLCC possesses to perform the services being sought by the San Gorgonio Pass Water Agency include:

- HdLCC maintains property tax data for 45 California counties, including all agencies in those counties. The size of the database plus a sophisticated computer system uniquely qualifies HdLCC to provide the most comprehensive property tax analysis available in California.
- HdLCC's audit team has developed specialized databases and audit techniques and is thoroughly familiar with the County of Riverside. This familiarity, and excellent working

relationships with County departments, will allow the District to recover all misallocated property tax revenue in a timely manner.

- HdLCC's service team is comprised of individuals with extensive experience in property tax assessment, administration, auditing, economic development and financial management. All the firms' key personnel have worked in or with public agencies and thoroughly understand their challenges and needs. This ensures prompt and knowledgeable response to inquiries and provides for relevant and timely information.
- HdLCC employs a staff of three full time information technology professionals with expertise in applications development, network design and maintenance, database management and technical support. These staff members continually work on developing and enhancing the firm's technological capabilities.
- All HdLCC staff works from our centrally located headquarters in Brea, California. The decision to operate out of a single location allows the company to minimize overhead costs and thereby lower service fees, maximize coordination of client services, protect the company's substantial databases and allows for immediate response to requests for information or assistance.
- HdLCC will provide San Gorgonia Pass Water Agency's staff with access to the firm's web-based property tax software which affords District staff a user-friendly tool for parcel look-up and will display parcel ownership, valuation, sales and building/land characteristic information and links with the County GIS maps.

We look forward to reviewing this proposal with you in greater detail and demonstrating how our services and software products can benefit the San Gorgonio Pass Water Agency.

Sincerely,



Paula Cone, President  
[pcone@hdlccpropertytax.com](mailto:pcone@hdlccpropertytax.com)



714.879.5000 | [hdlcompanies.com](http://hdlcompanies.com) | Suite 200  
120 S. State College Blvd.  
Brea, CA 92821



## **1. HISTORY AND DESCRIPTION OF COMPANY EXPERIENCE**

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HdL Coren and Cone (HdLCC) provides property tax management services to over 240 California public agencies. The company consists of a team of seasoned professionals with decades of experience in every aspect of local government including finance, management, auditing, economic development, redevelopment and legislative advocacy. This ensures prompt and knowledgeable response to inquiries and provides for relevant and timely information on issues impacting the District's property tax. HdLCC's specialized computer software, databases and highly trained staff have generated over \$85,000,000 in new revenues for client agencies, \$52.6 million since 2000.

HdLCC was founded in 1992 and developed California's first computerized property tax management program. In addition, the firm provides clients with parcel tax administration and successor agency consulting. HdLCC is a California "S" Corporation which has been serving cities and special districts for 28 years. All HdLCC staff work from our centrally located headquarters in Brea, California. The decision to operate out of a single location allows the company to minimize overhead costs and thereby lower service fees, maximize coordination of client services, protect the company's substantial databases and allows for immediate response to requests for information or assistance.

HdLCC maintains property tax data from 45 California counties, including all cities and successor agency project areas in those counties. Our data resources include 15-22 years of historical data in most counties and the company maintains more than twenty years of annual property tax records for Riverside County. Our audit team has worked extensively with key County staff and is thoroughly familiar with property tax administration.

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## **2. SUMMARY OF PROFESSIONAL QUALIFICATIONS**

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Property taxes in California have evolved into an extremely complex system that requires experience and expertise to fully monitor. There are two broad categories of property

(real and personal), three tax rolls (secured, unsecured and state assessed), and numerous peculiarities such as possessory interest and the distribution of tax revenue from private aircraft. The revenues generated by the property tax system need to be distributed to a myriad of taxing entities including cities, counties, schools, special districts and successor agencies. The company's extensive property tax information systems allow us to perform tax audits and provide information and analysis from a District's property tax data to District staff quickly and accurately.

HdL Coren & Cone is dedicated to helping cities, counties, successor agencies and special districts maximize revenues through allocation audits, financial and economic analysis and provision of related software products. The firm has provided property tax audit and information services to a number of California's largest cities including; Los Angeles, Long Beach, Oakland, San Francisco and Fresno.

The firms' staff have performed thousands of secured and unsecured property tax audits for client agencies over the past twenty-two years and recovered millions of dollars in misallocated property tax revenue. Our management team and staff pride themselves on being highly responsive to client needs and cordial in our contacts with taxpayers. This philosophy has served our clients and the company well. This is evident by the fact that 83% of our property tax audit and information services clients have been using our services for more than 10 years and 50% of our clients have been under contract for more than 15 years.

Since 2000, HdLCC has recovered \$52.6 million of property tax revenue for California cities and their former redevelopment agencies. This total includes recoveries from both the secured and unsecured tax rolls.

## **KEY STAFF**

### **Paula Cone**

Paula Cone is a principal with HdL Coren and Cone, the property tax arm of the HdL Companies, and has over twenty years of municipal experience in finance and city management and 29 years of property tax analysis, local agency interface and audit review experience. She joined the firm in 1990 to oversee the development of the property tax analysis, audit and software elements in use today. She developed the first cost-effective and accurate computer program for identifying, monitoring, auditing and correcting property tax misallocations. Paula oversees the company's property tax management and auditing division which is also responsible for verifying and correcting jurisdictional and boundary errors. She and her team have identified errors which have resulted in a redistribution of net tax revenues of \$ 52.6 million to client agencies since 2000. The property tax database is also used to verify jurisdictional and boundary errors for sales tax audit purposes.

Ms. Cone earned her bachelor's degree from California State University at Long Beach. She is former Parks and Recreation Director and Assistant City Manager for the City of Lawndale.

### **David Schey**

David has 25 years of experience with HdLCC since joining the firm in 1994. His prior experience includes service as Planning Director, Community Development Director and Deputy Director of Redevelopment as well as having provided development and consulting services to municipal clients. As a principal with HdLCC, David has provided client services in connection with tax allocations bonds; property tax and tax increment issues; tax sharing calculation; and analysis of legislative actions. David has spoken at numerous conferences and seminars sponsored by the California Redevelopment Association and the League of California Cities.

In addition to his professional work in connection with local government, David served for over six years as a member and chairman of both the Planning Commission and Parks and Recreation Commission. Education: Bachelor of Arts, University of California; Los Angeles, California; Bachelor of Arts, California State University; Long Beach, California; Master of Public Administration, University of Southern California; Los Angeles, CA

### **Nichole Cone**

Nichole has 18 years' property tax analytical and processing experience, and specializes in understanding the data received from Assessor & Auditor, used for secured and unsecured parcel audits, and property tax analysis

Nichole Cone joined HdLCC in 1992. She is responsible for the acquisition and processing of county assessor and auditor-controller data. Preparation and production and delivery of property tax reports and the preparing the property tax program for client delivery are also part of Ms. Cone's responsibilities. She serves as the contact person for all production and questions regarding the HdLCC Comprehensive Annual Financial Report (CAFR) product. Education: Bachelor of Arts, Loyola Marymount University, Los Angeles, California.

### **Cheryl Murase**

Cheryl Murase joined HdL Coren & Cone in 1997 after five years with O'Connor & Company Securities as a Vice President. Prior to that, Ms. Murase worked for a California municipal financial advising firm for five years in Senior Associate and Associate positions where she gained experience in structuring a wide variety of issues including tax allocation, certificates of participation, Marks-Roos and Mello-Roos issues. Her understanding of county assessments of property value and tax collections has aided in the projection of tax increment revenue. She has assisted clients with the various government reporting requirements, and has gathered information necessary for continued rating of debt.

Ms. Murase gained her municipal accounting background from working in a variety of capacities for the cities of Montebello and Commerce. She served as the Redevelopment Accountant for the City of Commerce.

### **3. SCOPE OF SERVICES**

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Using HdLCC's custom software, a data set of all parcels in the District including those in former redevelopment project area(s), Successor Agency, will be established and be available via the internet through the HdLCC Web-Based Property Tax Program. This data is prepared from the Riverside County Lien Date Rolls that is purchased annually in July. HdLCC updates the original County rolls with any transfers in ownership, which have occurred, between the lien date and the current month and updates the ownership information (name and mailing address), date of transfer, sale price, and document (deed) number monthly.

#### **A. Reports and Analytical Services**

HdLCC furnishes a variety of reports detailing property and revenue trends for the District and for custom defined geographic areas. These reports can be used for budgeting purposes, planning, economic development and public information. Among the reports available are top 25, 50, 100-property owner/taxpayer listings, multiple ownership properties, non-owner occupied parcels, identification of property ownership transfers and completed construction projects for tracking of reassessments. We also provide the District with quarterly reports of successful, pending and historical assessment appeals in counties where this data is available for purchase.

HdL Coren and Cone will reconcile the annual Auditor/Controller Assessed Valuations Report and will furnish a breakdown of assessed values within the District various fund assignments.

The identification of escaping revenue through the use of property tax data sets has been a targeted focus for HdLCC during the past 28 years.

The company will provide the following reports based on the current year lien date rolls and will provide the reports annually, quarterly or monthly as appropriate: Reports are also available from prior years if required.

- A five year history of the values within the District and custom (district defined) geographic area;
- A listing of the largest value changes, positive and negative between tax years;
- An annual parcel listing of properties with parcel number changes between tax years identifying parcel splits and combines;
- A listing of the major property owners in the District, including the combined assessed values of their property and property use code designation;
- A listing of the major property tax payers, including an estimate of the property taxes;
- A listing of property tax transfers which occurred since the lien date ordered by month;
- A listing of parcels that have not changed ownership since the enactment of Proposition 13;
- A comparison of property within the District by county use-code designation;

- A multiple year comparison of growth by use code designation over a 10 year period;
- A listing of multiple owned parcels;
- A listing of absentee owner parcels;
- Calculate an estimate of property tax revenue anticipated to be received for the fiscal year by the District and residual revenue from former redevelopment agency (Successor Agencies in the represented cities). This report is interactive for tax modeling. This estimate shall not be used to secure the indebtedness of the District.
- Analyses based on geo areas designated by the District to include assessed valuations and square footage computations for use in economic analysis and planning.
- Annual 1 year and 5-year budget forecasting tools and methodology memoranda.

**B. Identification and Correction of Errors**

Property taxes in California have evolved into an extremely complex system that requires experience and expertise to fully monitor. There are two broad categories of property (real and personal); three tax rolls (secured, unsecured and state assessed), and numerous peculiarities such as possessory interests, mines & mineral rights and the distribution of tax revenue from private aircraft. The revenues generated by the property tax system need to be distributed to a myriad of taxing entities including cities, counties, schools, special districts and successor agencies. The company's property tax information systems allow us to provide information and analysis from a district's property tax data set to staff quickly and accurately.

HdL Coren & Cone has the technology, methodology and trained staff to analyze all secured parcels within the District to identify costly errors resulting in the misallocation of property taxes.

The company has the ability to audit the secured and unsecured property tax rolls two ways, first reviewing the entire county to find parcels miscoded to other jurisdictions; and second, reviewing the parcels within the district to ensure that each is coded to the appropriate taxing entity. To date, we have recovered in excess of \$85 million in net revenue for our client agencies in 45 counties statewide. Our advanced technology, accuracy and track record have placed us in a unique position to be hired by cities to find additional revenues after audits have been performed by prior consultants. In addition, by filing audit results with the County Assessor in a timely manner, we can assure that the repetitive errors from previous years will not re-occur.

Upon approval of the contract, the company will perform an analysis of the Assessor Rolls to identify all parcels on both the secured and unsecured tax rolls and verify that parcel assessed valuations and the resulting taxes are correctly allocated to the District. This analysis is accomplished through the use of specialized computer software, assessor maps, District GIS maps, District records, other pertinent documents, and field investigations. The review will include the lien date secured and unsecured data for the current tax year as well as historical data back for a total of four (4) tax years.

**C. Information Provided Quarterly/Monthly**

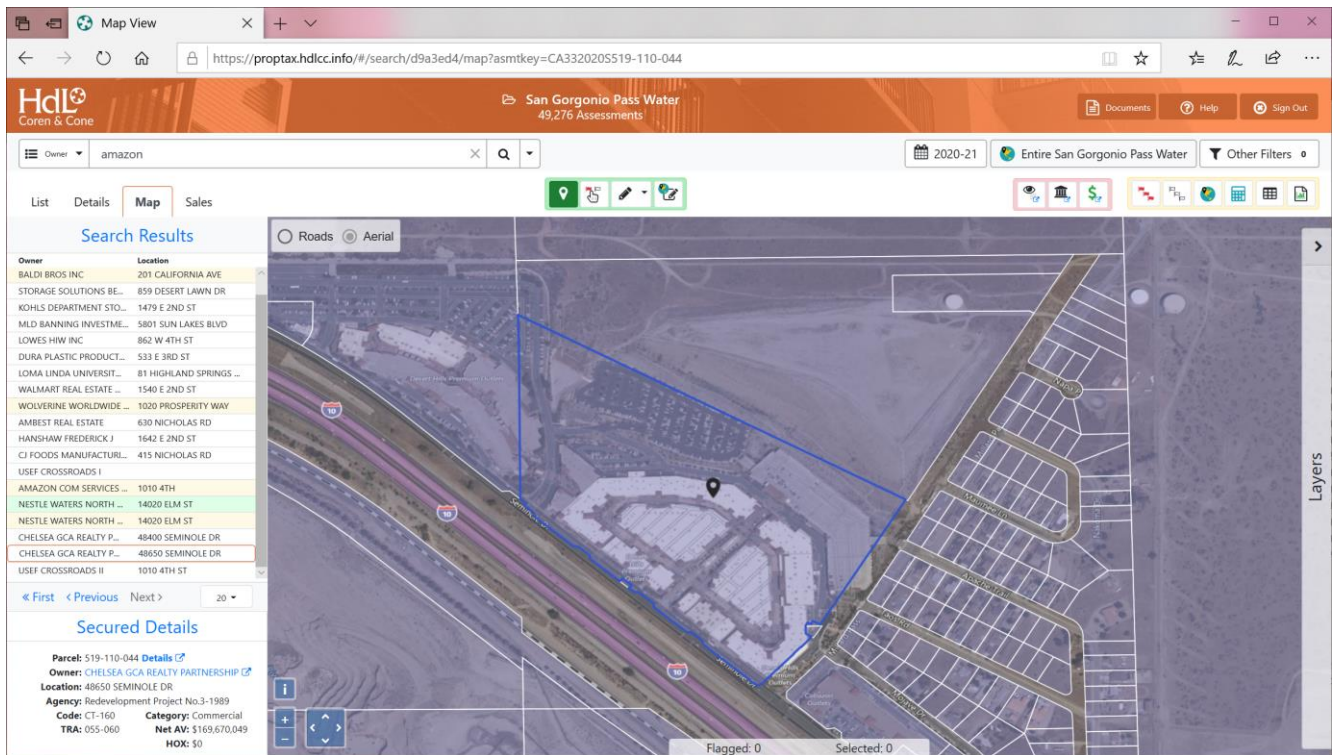
- A listing of property tax appeals filed on properties in the District where data is available for purchase from the Clerk of the Board. These reports will be prepared for District and include a history of all appeals filed; the disposition of those appeals, successful appeals, pending appeals, Proposition 8 appeals



and a report to assist the District in determining the potential impact of pending appeals. These reports are provided in a pdf format and are emailed to designated District staff.

- A listing of property transfers that have occurred since the last report will be available through the software provided and updated on a quarterly basis. This data will include the new owner/seller of the property, new mailing address if not the situs address, the date of sale, the sale price when verified, document number, and transaction type.
- Monthly update of CONTRACTOR’s web-based software program to include parcel transfer data and in select counties, appeal updates.

#### **D. Property Tax Application and Database**



The HdLCC provides a web-based software application to clients as a user-friendly tool to access the District’s property tax data. HdLCC provides updates

to the data portion of the product on monthly basis to reflect changes in ownership, updated appeals filings, and deed recordings.

As modifications and enhancements are made to the program, clients receive the enhanced version of the software at no additional cost.

Training will be provided to staff within the first two months after the execution of the agreement for property tax management and audit services and is available annually for new staff members or staff requiring a refresher course. If additional training sessions are required, the fees in the compensation section under hourly fees will be charged.

The help manual available within the program is easy to navigate and "user friendly." HdLCC staff is available Monday through Friday, 8 a.m. to 5 p.m. to answer questions and assist staff on the use of the software. Assistance is available either by phone or via email.

The District will be granted a "site license" for the application, providing no limit to the number of users. HdLCC will not charge an annual maintenance fee for the software program. Periodically, as the program changes and product enhancements are developed, upgrades or new releases of the software are issued at no additional cost to the client.

#### **E. Consultation Services**

- Advice and consultation on the District's preparation of revenue projections; review of Recognized Obligation Payment Schedules (ROPS), submittals filed by the Successor Agencies in cities served by the District, and estimates of residual revenue to be received annually.
- Analysis of legislative matters impacting the District relative to general property tax issues.

**4. PROPOSED CONTRACT AMOUNT FOR SERVICES**

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Based on the of parcels within the San Gorgonio Pass Water Agency, (46,166 secured parcels, 1,697 mobile home/possessory interests, and 1,413 unsecured assets) our standard fee for property tax services is **\$5,562.50 per quarter**, (\$22,250/year) plus 25% of net tax revenues recovered for the District in the audits performed over the period of time allowable by State statute (current year and 3 prior lien date years). Net tax revenues mean the taxes received by the District as a result of our audit efforts. The term for this proposal is two (2) years with the option of two one-year extensions.

The work that is requested by the District and that is beyond the scope of services outlined in this proposal shall be charged on a time and material basis. No work shall be performed without prior written approval of the District. Fees for these services are as follows:

Partner	\$225 per hour
Principal	\$195 per hour
Associate	\$150 per hour
Programmer	\$175 per hour
Senior Analyst	\$100 per hour
Analyst	\$ 65 per hour
Administrative	\$ 45 per hour

Hourly rates are exclusive of expenses. Expenses, reasonable travel and lodging fees are billed at 1.15 times actual incurred costs.

**5. PROPOSED WORK PLAN/STAFFING SCHEDULE**

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The methodology that the company follows in identifying, correcting and recovering property tax errors includes the following:

Task I	Establishment of County Data Set
Task II	Identify and Correct Errors
Task III	Prepare Reports
Task IV	Ongoing Analysis

HdL Coren & Cone has ample staff to devote to the tasks required in this request for qualifications. Our knowledgeable staff will be assigned to ensure that the deadlines for deliverables are met and that requests placed by District staff are handled expeditiously.

**Timeline for Property Tax Analysis and Audit Services:**

- County assessment rolls are purchased annually in July.
- The property data program will be available for access via the internet within 30 days of the execution of the agreement. Parcel data will be updated monthly to include the most current ownership information due to parcel transfers.
- The secured audits for the District will be completed and submitted to the County Assessor for corrective action within 90 days of receipt of county rolls. The District will receive file copies of submittals simultaneous with submissions to the County Assessor.
- Data collection from the county assessor's and auditor controller's offices for reports is performed in August and September each year and preliminary reports will be delivered to the District prior to the end of November annually.
- Budget Forecast Projections are released on or before the first week in February after sales transactions are received for the end of the previous tax year.
- The final tax ratio percentages are available from the auditor controller' office annually in February/March. Final reports will be prepared and emailed prior to the end of April annually.

**6. REFERENCES / CLIENT LISTING**

Geoffrey Kiehl, Finance Director 760.398.2661  
Coachella Valley Water District  
75-525 Hovley Lane East  
Palm Desert, California 92211  
Property Tax Management, Reporting and Budget forecasting since 2013.

Kathy Courtner, General Manager 760.946.7054  
Mojave Water Agency  
13846 Conference Center Drive  
Apple Valley, CA 92307  
Property Tax Management, Reporting and Budget forecasting since 2011.

Kevin Mascaro, Director of Finance 951.571.7160  
Western Municipal Water District  
14205 Meridan Parkway  
Riverside, California 92518  
Property Tax Management, Reporting and Budget forecasting since 2011.



PROPERTY TAX CLIENTS  
May 14, 2020

Agency	Client Since	Agency	Client Since	Agency	Client Since
Adelanto	Jul-04	Dana Point	May-20	La Verne	Jul-91
Agoura Hills	Jul-09	Danville	Sep-04	Lafayette	Jul-17
Alameda	Jul-09	Desert Hot Springs	Aug-08	Laguna Hills	Apr-19
Alhambra	Oct-91	Diamond Bar	Oct-15	Lake Elsinore	Jun-07
Aliso Viejo	Jan-08	Dixon	May-13	Lake Forest	Jul-13
American Canyon	Apr-07	Downey	Jun-95	Lakewood	Jul-93
AVEK Water Agency	Jul-16	Dublin	Apr-95	Lancaster	Mar-19
Arcata	Apr-99	Eastvale	Feb-13	Lathrop	Mar-16
Atherton	Apr-12	El Cerrito	Apr-10	Lemon Grove	Jul-96
Avalon	May-14	El Monte	Dec-18	Live Oak	Feb-11
Azusa	Mar-93	El Segundo	Aug-97	Livermore	Dec-92
Baldwin Park	Dec-94	Encinitas	Mar-97	Livingston	Dec-07
Barstow	Oct-91	Eureka	May-99	Lompoc	Dec-18
Barstow Fire District	Oct-13	Fairfield	Dec-94	Long Beach	Oct-01
Beaumont	Jul-97	Fontana	Mar-95	Los Alamitos	Aug-05
Bell Gardens	Jul-93	Fortuna	May-99	Los Altos	Jul-14
Bellflower	Apr-95	Fountain Valley	Dec-98	Los Altos Hills	Jul-04
Belmont	Nov-16	Fremont	Jan-97	Manhattan Beach	Dec-96
Benicia	Feb-93	Garden Grove	Jun-98	Manteca	May-20
Beverly Hills	Oct-13	Glendale	Oct-93	Martinez	Feb-09
Big Bear Lake	Mar-07	Glendora	Nov-95	Marysville	Apr-15
Blythe	Aug-09	Goleta	Nov-14	Maywood	May-16
Brentwood	Oct-97	Gonzales	Jul-07	Menifee	Sep-11
Buellton	Jul-00	Grand Terrace	Oct-17	Menlo Park	Aug-16
Buena Park	Feb-98	Greenfield	Aug-08	Milpitas	Mar-19
Burbank	Aug-92	Hawaiian Gardens	Jul-06	Mission Viejo	Nov-95
Calabasas	Jun-94	Hawthorne	Jul-17	Mojave Water Dsitrict	Sep-11
Callexico	Mar-15	Hayward	May-15	Monrovia	Feb-92
Calistoga	Aug-01	Hemet	Jan-16	Montclair	Aug-91
Camarillo	Apr-08	Hercules	Nov-14	Montebello	Sep-91
Carson	May-92	Hermosa Beach	May-99	Monterey Park	Jan-93
Cathedral City	Nov-97	Holtville	Nov-11	Moorpark	Jul-95
Chico	Dec-94	Huntington Beach	Dec-91	Moreno Valley	Jun-02
Chino	Aug-91	Huntington Park	Dec-91	Moulton Niguel Water	Apr-11
Chino Valley IFD	Apr-09	Huron	Jul-09	Mountain View	May-95
Citrus Heights	Apr-97	Imperial	Apr-06	Napa	Apr-20
Claremont	Nov-95	Imperial Beach	Jan-04	National City	Jul-98
Coachella Valley Water	Sep-13	Indio	Jul-92	Newark	Feb-20
Coalinga	Mar-20	Industry	Aug-91	Norco	Nov-94
Colton	Feb-00	Inglewood	Feb-92	Norwalk	May-96
Colusa	Jun-17	Irvine	Feb-07	Oakland	Mar-94
Commerce	May-94	Irwindale	May-95	Oceanside	Aug-08
Concord	Mar-09	Jurupa Valley	Aug-14	Ontario	Mar-20
Coronado	Sep-15	King City	Oct-97	Orange	Oct-99
Costa Mesa	Jan-19	La Habra	Mar-98	Oxnard	Jan-99
Cotati	May-15	La Habra Heights	Jul-08	Pacifica	Nov-19
Covina	Oct-93	La Mesa	Apr-18	Palmdale	Aug-93
Cudahy	Jan-95	La Mirada	Jul-02	Palo Alto	Mar-20
Culver City	Dec-01	La Palma	Apr-98	Palos Verdes Estates	Jul-97
Cupertino	Jun-17	La Puente	Jul-10	Paramount	Aug-91
Cypress	Jan-19	La Quinta	Dec-17	Parlier	Dec-15

Agency	Client Since	Agency	Client Since	Agency	Client Since
Pasadena	Dec-16	San Dimas	Jun-91	Suisun City	Jul-15
Paso Robles	Aug-01	San Fernando	Apr-95	Sunnyvale	Mar-96
Pico Rivera	Apr-94	San Gabriel	Apr-19	Taft	Oct-93
Pinole	Sep-99	San Jacinto	Aug-91	Temecula	Mar-92
Pismo Beach	Mar-07	San Marcos	Feb-19	Temple City	Feb-92
Placentia	Sep-03	San Mateo	Sep-10	Thousand Oaks	Jan-20
Pleasant Hill	Jul-08	San Pablo	Jul-09	Torrance	Jul-19
Pleasanton	May-97	San Rafael	Jan-97	Tracy	Jul-17
Pomona	Jan-19	San Ramon Valley Fire	Jan-14	Tustin	Sep-10
Port Hueneme	Mar-18	Sand City	Mar-01	Union City	Feb-09
Rancho Cordova	Jul-16	Santa Ana	Mar-17	Upland	Jun-91
Rancho Cucamonga	Dec-00	Santa Clara	Jun-17	Vacaville	Jul-00
Rancho Mirage	Oct-98	Santa Clarita	Jan-08	Vallejo	Jan-01
Rancho Palos Verdes	Mar-16	Santa Cruz	Oct-19	Vernon	Jul-98
Rancho Santa Margarita	Jun-00	Santa Maria	Feb-00	Vista	May-96
Red Bluff	Aug-07	Santa Monica	Dec-97	Watsonville	Aug-18
Redlands	Feb-07	Santa Paula	Jun-07	West Covina	Nov-93
Redondo Beach	Jan-92	Santee	Feb-05	West Hollywood	Oct-91
Rialto	Jun-91	Sausalito	Aug-19	West Sacramento	Feb-19
Ridgecrest	Dec-17	Seal Beach	Aug-99	Western Muni Water Dist.	Feb-11
Riverside	Apr-19	Seaside	Jan-03	Westminster	Apr-94
Rocklin	Feb-05	Sierra Madre	Jun-06	Whittier	Feb-93
Rosemead	Jun-07	Signal Hill	Dec-95	Winters	Jun-19
Roseville	Aug-19	Simi Valley	May-07	Yuba City	Feb-98
Ross	Aug-13	Soledad	Oct-06		
Sacramento Metro Fire	Dec-11	Sonoma	Mar-19		
San Anselmo	Apr-18	South El Monte	May-16		
San Bernardino	Oct-10	South Gate	Jan-05		
San Bruno	Mar-19	South Pasadena	Jul-09		
San Carlos	Jan-93	Stanton	Aug-95		
San Clemente	Jul-07	Stockton	Sep-07		

Agency	Client Since
<i>Limited Services</i>	
Escondido	Aug-96
Beach Cities Health	Apr-13
Hesperia	Jul-14
Laguna Woods	Feb-15
East Bay Regional Park District	Jul-17
Fullerton	Jul-10
Yorba Linda	Jul-95

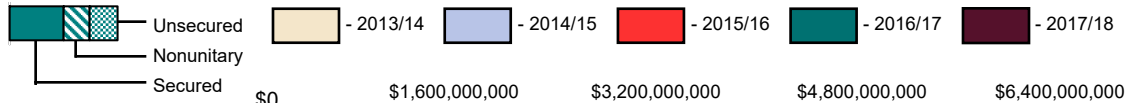
**SAN GORGONIO PASS WATER AGENCY**

SAMPLE REPORTS  
2017-18 TAX YEAR



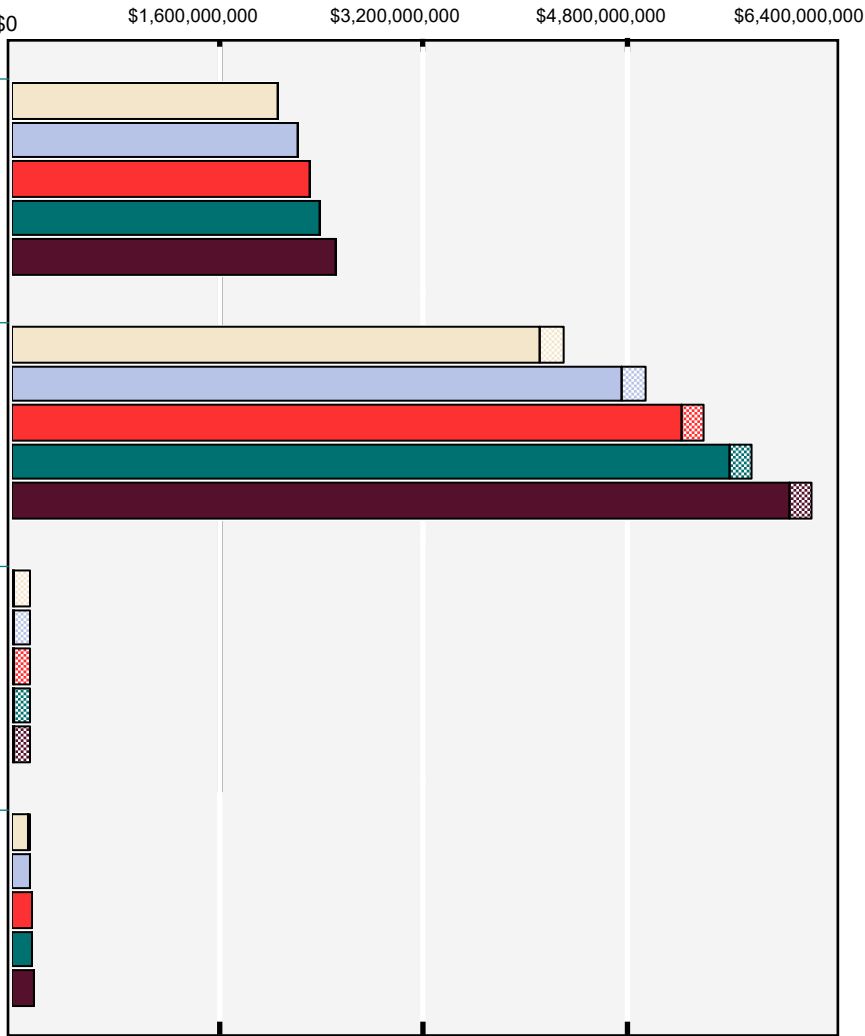


# SAN GORGONIO PASS WATER 2013/14 TO 2017/18 ASSESSED VALUES



### Land

\$2,077,700,578  
\$2,228,424,876  
\$2,320,580,991  
\$2,402,330,335  
\$2,536,524,694

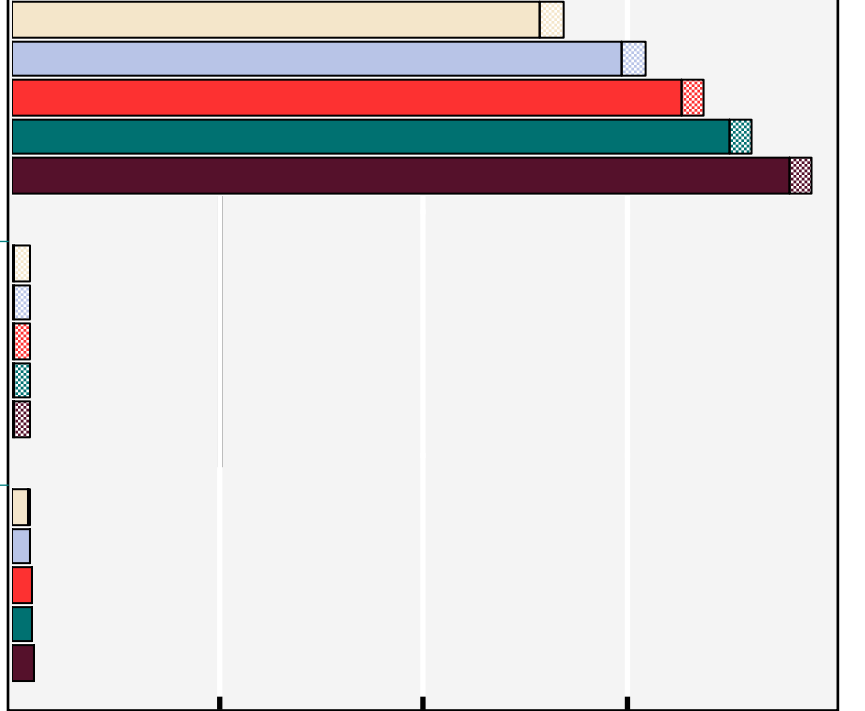


### Percent Change District | County

|  
7.3% | 6.2%  
4.1% | 5.0%  
3.5% | 4.0%  
5.6% | 4.5%

### Improvements

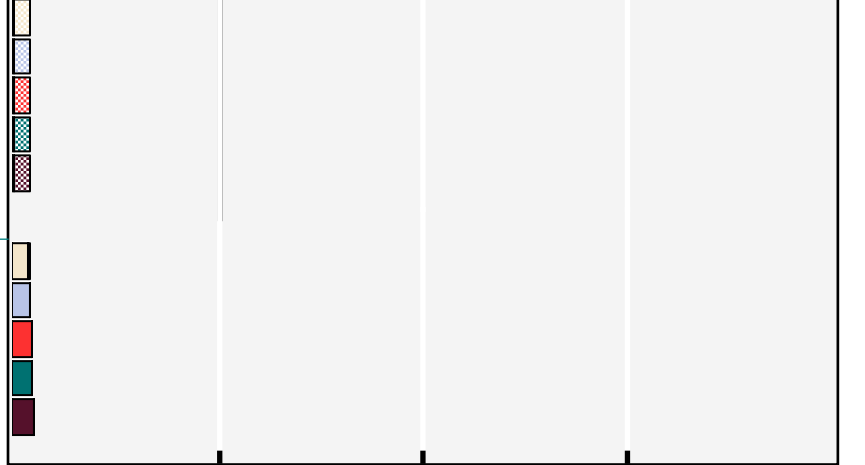
\$4,306,880,456  
\$4,945,650,294  
\$5,400,947,962  
\$5,770,253,110  
\$6,240,175,500



|  
14.8% | 8.6%  
9.2% | 5.8%  
6.8% | 5.7%  
8.1% | 5.7%

### Personal Property

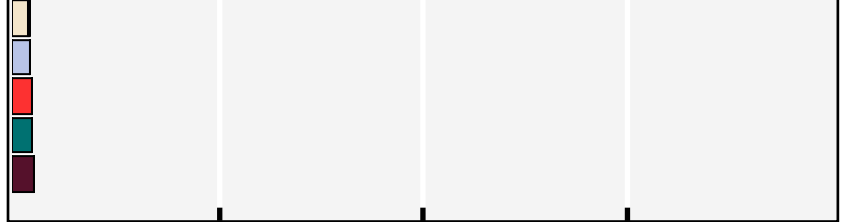
\$146,077,612  
\$141,935,128  
\$139,641,975  
\$134,404,212  
\$140,512,709



|  
-2.8% | 16.1%  
-1.6% | 2.5%  
-3.8% | 6.0%  
4.5% | 0.1%

### Exemptions

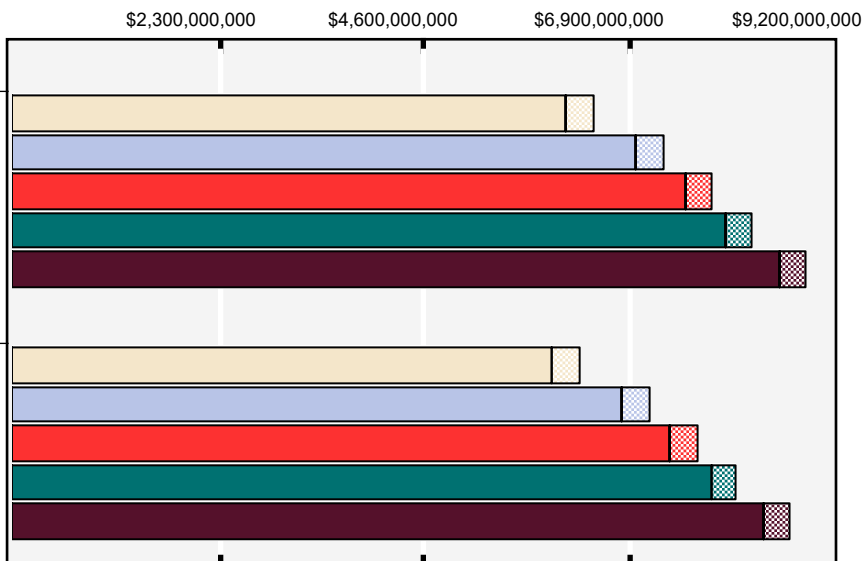
\$133,515,540  
\$147,073,883  
\$152,945,551  
\$156,696,564  
\$166,859,539



|  
10.2% | 4.0%  
4.0% | 5.2%  
2.5% | 6.3%  
6.5% | 7.0%

### Gross Assessed

\$6,530,658,646  
\$7,316,010,298  
\$7,861,170,928  
\$8,306,987,657  
\$8,917,212,903



### District | County

|  
12.0% | 8.0%  
7.5% | 5.5%  
5.7% | 5.2%  
7.3% | 5.2%

### Net Taxable Value

\$6,378,437,763  
\$7,149,956,660  
\$7,688,496,036  
\$8,130,016,319  
\$8,730,133,050



|  
12.1% | 8.2%  
7.5% | 5.5%  
5.7% | 5.2%  
7.4% | 5.2%



# SAN GORGONIO PASS WATER

## 2017/18 TOP 40 NET TAXABLE SECURED VALUE CHANGES

Parcel	Use Category	Owner	Situs	Current Net Taxable Value	Net Taxable Value Change	Value Change from Prior Year
413-140-026	Recreational	Mills Road Holdings Inc	32300 San Timoteo Canyon I	\$6,830,000	+\$5,366,467	+367%
411-190-036	Vacant	Adachi Property Management Llc	1060 Calimesa Blvd	\$4,463,000	+\$3,503,577	+365%
413-460-050	Vacant	Cate Reggie And Selena		\$3,727,420	+\$3,444,126	+1,216%
519-110-044	Commercial	Chelsea Gca Realty Partnership	48800 Seminole Dr	\$157,577,075	+\$3,089,745	+2%
417-080-035	Industrial	B Street Partners	550 B St	\$3,932,669	+\$2,410,444	+158%
408-120-004	Vacant	Pardee Homes		\$2,406,629	+\$2,301,943	+2,199%
417-020-074	Industrial	Rudolph Foods Company Inc	920 W 4Th St	\$8,645,742	+\$2,228,347	+35%
408-120-009	Vacant	Pardee Homes		\$2,240,941	+\$2,143,418	+2,198%
419-111-006	Commercial	Beaver Kirkmulon; 729 733 Victory	6109 W Ramsey St	\$8,738,623	+\$1,838,623	+27%
532-130-006	Industrial	Weeks Investment Group	700 S Hathaway St	\$2,142,000	+\$1,779,566	+491%
408-120-014	Vacant	Pardee Homes		\$2,626,167	+\$1,666,536	+174%
408-120-020	Vacant	Pardee Homes		\$2,459,442	+\$1,560,502	+174%
411-190-044	Commercial	Tom And Jerry Hsiung Llc	1166 Calimesa Blvd	\$1,938,577	+\$1,522,325	+366%
519-110-046	Commercial	Chelsea Gca Realty Partnership	48400 Seminole Dr	\$77,576,934	+\$1,521,115	+2%
407-230-027	Vacant	City Ventures Homebuilding Llc		\$1,509,600	+\$1,335,562	+767%
408-120-018	Vacant	Pardee Homes		\$1,952,020	+\$1,239,928	+174%
419-260-078	Commercial	Hanshaw Frederick J	1642 E 2Nd St	\$38,502,717	+\$1,239,268	+3%
408-120-016	Vacant	Pardee Homes		\$1,899,207	+\$1,205,300	+174%
418-310-007	Vacant	Beaumont B; Yafo		\$2,293,753	+\$1,136,368	+98%
408-120-003	Vacant	Pardee Homes		\$1,174,318	+\$1,123,218	+2,198%
418-310-008	Vacant	Beaumont B; Yafo		\$1,889,887	+\$1,118,297	+145%
514-160-001	Residential	Moses Robert Lee; Jour Moses Jitka De	12000 Rushmore Ave	\$1,903,431	+\$1,118,130	+142%
408-090-015	Vacant	Pardee Homes		\$1,302,727	+\$1,076,755	+476%
408-120-015	Vacant	Pardee Homes		\$1,527,442	+\$969,378	+174%
541-121-042	Residential	Riverside Community Housing Corporation		\$952,000	+\$952,000	+9,999%
532-130-004	Industrial	Weeks Investment Group	700 S Hathaway St	\$1,318,860	+\$942,964	+251%
543-040-008	Residential	Henson Manor Estate	1455 S San Gorgonio Ave	\$2,250,000	+\$928,864	+70%
408-090-037	Vacant	Pardee Homes		\$1,118,399	+\$914,129	+448%
408-090-048	Vacant	Pardee Homes		\$1,058,336	+\$910,730	+617%
538-200-027	Commercial	Ank Properties Llc	2034 W Ramsey St	\$1,983,900	+\$883,900	+80%
408-120-019	Vacant	Pardee Homes		\$1,332,758	+\$845,773	+174%
404-190-001	Vacant	Santiago Holdings		\$1,877,000	+\$831,317	+79%
418-230-006	Industrial	Pb 240	240 Maple Ave	\$3,811,472	+\$778,810	+26%
540-168-004	Commercial	Prime Office	66 N 1St St	\$540,000	-\$752,577	-58%
408-120-025	Vacant	Pardee Homes		\$164,859	-\$752,686	-82%
556-060-003	Recreational	Girl Scouts Of San Gorgonio Council		\$0	-\$800,000	-100%
411-190-046	Commercial	Calimesa Dt Llc	1136 Calimesa Blvd	\$2,655,398	-\$1,051,813	-28%
424-080-001	Vacant	Eichenberg Brian J; Taurek Eichenberg Deb		\$262,446	-\$1,175,149	-82%
538-190-011	Commercial	C And M Real Estate Holdings	2648 W Ramsey St	\$2,405,886	-\$2,159,253	-47%
541-200-026	Commercial	Inland Behavioral And Health Services Inc	1070 E Ramsey St	\$0	-\$2,953,690	-100%

Data Source: Riverside County Assessor 2016/17 And 2017/18 Secured Tax Rolls

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Prepared On 8/10/2020 By PC



# SAN GORGONIO PASS WATER 2017/18 ROLL SUMMARY

## Taxable Property Values

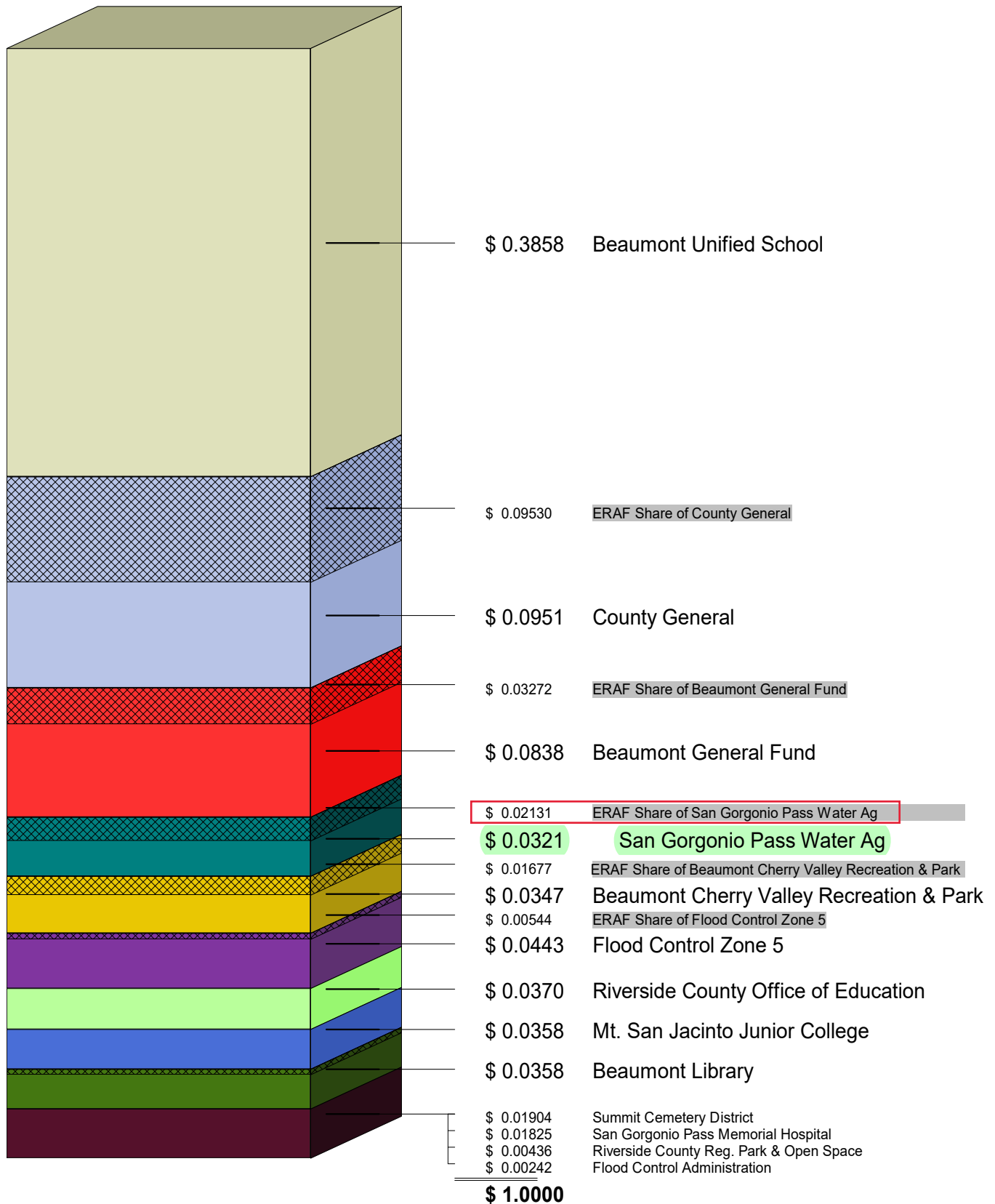
	Secured	Nonunitary Utilities	Unsecured
Parcels	40,670	7	1,346
TRAs	151	6	63
<b>Values</b>			
Land	2,524,857,931	230,116	0
Improvements	6,056,072,631	0	5,965,179
Personal Property	9,252,207	0	128,292,567
Fixtures	10,190,436	0	159,163,587
Aircraft	0	0	2,967,935
<b>Total Value</b>	<b>\$8,600,373,205</b>	<b>\$230,116</b>	<b>\$293,421,333</b>
<b>Exemptions</b>			
Real Estate	163,471,516	0	0
Personal Property	785,435	0	1,803,002
Fixtures	415,045	0	287,541
Aircraft	0	0	97,000
Homeowners*	106,103,592	0	0
<b>Total Exemptions*</b>	<b>\$164,671,996</b>	<b>\$0</b>	<b>\$2,090,543</b>
<b>Total Net Value</b>	<b>\$8,435,701,209</b>	<b>\$230,116</b>	<b>\$291,330,790</b>

Combined Values	Total
Total Values	\$8,894,024,654
Total Exemptions	\$166,762,539
Net Total Values	\$8,727,262,115
Net Aircraft Values	\$2,870,935

\* Note: Homeowner Exemptions are not included in Total Exemptions

Totals do not Include Aircraft Values or Exemptions

# SAN GORGONIO PASS WATER PROPERTY TAX DOLLAR BREAKDOWN



**ATI (Annual Tax Increment) Ratios for Tax Rate Area 002-051, Excluding Redevelopment Factors & Additional Debt Service**

Data Source: Riverside County Assessor 2017/18 Annual Tax Increment Tables

Prepared On 8/10/2020 By PC

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# SAN GORGONIO PASS WATER PROPERTY TAX REVENUE - 2017/18

Estimated Revenue, Assuming Zero Delinquency, County Admin Fees Not Deducted

General Fund Summary - Non SA TRAs							
Roll	Non SA TRAs Taxable Value	Rate	General Fund Revenue	Debt Rate	Debt Revenue	Total Revenue	
SEC	\$6,723,334,465	0.051796627	\$3,482,460.46	0.182500	\$12,270,085.40	\$15,752,545.86	
UTIL	\$125,360	0.051828813	\$64.97	0.182500	\$228.78	\$293.75	
UNS	\$140,653,921	0.054493038	\$76,646.59	0.185000	\$260,209.76	\$336,856.35	
TOTAL	\$6,864,113,746	0.051851880	\$3,559,172.02	0.182551	\$12,530,523.94	\$16,089,695.96	
+ Aircraft	\$0		\$0.00		\$0.00	\$0.00	
<b>Total Before Adjustments</b>	\$6,864,113,746	0.051851880	\$3,559,172.02	0.182551	\$12,530,523.94	\$16,089,695.96	
+ Adjustment of Original Charge (Net effective Total Revenue Loss/Gain)			\$33,743.84			\$33,743.84	
+ Adjustment for ERAF (From Basic Non-Aircraft Tax Rate Revenue Only)			-\$1,434,940.47			-\$1,434,940.47	
<b>Non SA TRAs Total</b>	<b>\$6,864,113,746</b>	<b>0.031438515</b>	<b>\$2,157,975.40</b>			<b>\$14,688,499.33</b>	
General Fund Summary - SA TRAs							
Roll	Net Value	SA TRAs Base Year Value	Rate	Base Year Revenue	Debt Rate	Debt Revenue	Total Revenue
SEC	\$1,712,366,744	\$458,031,658	0.046978804	\$215,177.79	0.182500	\$3,125,069.31	\$3,340,247.10
UTIL	\$104,756	\$556,440	0.044423136	\$247.19	0.182500	\$191.18	\$438.37
UNS	\$150,676,869	\$14,733,907	0.043580056	\$6,421.04	0.185000	\$278,752.21	\$285,173.25
TOTAL	\$1,863,148,369**	\$473,322,005**	0.046870001	\$221,846.03	0.182702	\$3,404,012.70	\$3,625,858.73
+ Aircraft	\$2,870,935	\$0		\$0.00		\$5,311.23	\$5,311.23
+ Adjustment of Original Charge (Net effective Total Revenue Loss/Gain)			\$2,103.28				\$2,103.28
+ Adjustment for ERAF (From Basic Non-Aircraft Tax Rate Revenue Only)			-\$89,440.98				-\$89,440.98
<b>SA TRAs Total</b>	<b>\$1,866,019,304**</b>						<b>\$3,543,832.25</b>
<b>General Fund Total</b>	<b>\$8,730,133,050</b>	<b>\$7,337,435,751**</b>	<b>0.031243663</b>	<b>\$2,292,483.72</b>	<b>0.182584</b>	<b>\$15,939,847.87</b>	<b>\$18,232,331.59</b>
<b>SB 2557 County Admin Fees (Current Year Actual Amount)</b>							<b>-\$17,607.24</b>
<b>Unitary Revenue</b>							<b>\$5,038,802.77</b>

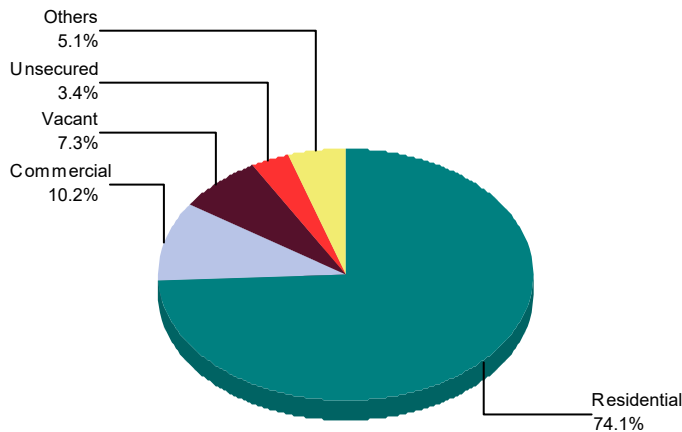
\*\*Value is net of Subordinate TRAs with a Net Taxable Value of \$1,863,148,369, Aircraft Value of 2,870,935, Base Year Values of \$473,322,005 for the Subordinate TRAs are included in the General Fund Total

# SAN GORGONIO PASS WATER 2017/18 USE CATEGORY SUMMARY

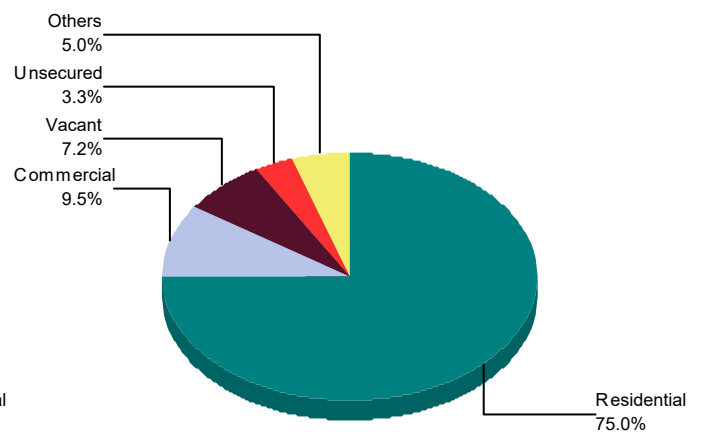
## BASIC PROPERTY VALUE TABLE

Category	Parcels	Net Taxable Value	Revenue
Residential	30,008	\$6,469,255,863 (74.1%)	\$13,676,610.17 (75.0%)
Commercial	689	\$891,384,950 (10.2%)	\$1,738,349.60 (9.5%)
Industrial	253	\$292,013,692 (3.3%)	\$588,022.94 (3.2%)
Agricultural	77	\$24,397,315 (0.3%)	\$52,600.19 (0.3%)
Govt. Owned	3	\$397,834 (0.0%)	\$754.63 (0.0%)
Institutional	84	\$3,533,318 (0.0%)	\$7,304.09 (0.0%)
Miscellaneous	34	\$14,978,007 (0.2%)	\$29,180.18 (0.2%)
Recreational	36	\$28,509,994 (0.3%)	\$61,007.77 (0.3%)
Vacant	9,486	\$633,330,284 (7.3%)	\$1,315,041.75 (7.2%)
Exempt	2,278	\$0 (0.0%)	\$0.00 (0.0%)
SBE Nonunitary	[7]	\$230,116 (0.0%)	\$609.23 (0.0%)
Cross Reference	[92]	\$77,899,952 (0.9%)	\$168,212.84 (0.9%)
Unsecured	[1,346]	\$294,201,725 (3.4%)	\$594,638.26 (3.3%)
<b>TOTALS</b>	<b>42,948</b>	<b>\$8,730,133,050</b>	<b>\$18,232,331.65</b>

**Net Taxable Value**



**Revenue**



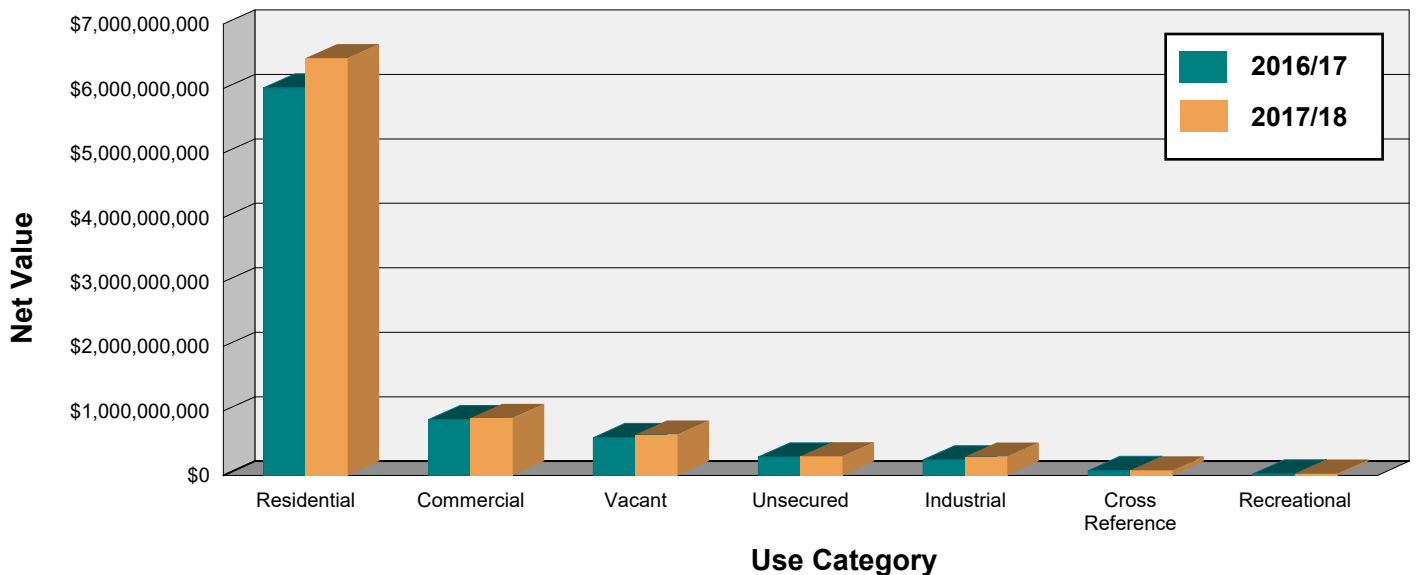
# SAN GORGONIO PASS WATER 2017/18 GROWTH BY USE CATEGORY

## 2016/17 to 2017/18 Value Growth by Use Category

Category	2016/17 Net Taxable Value		2017/18 Net Taxable Value			\$ Change	% Change
Residential	29,619	\$6,010,053,886	30,008	\$6,469,255,863	(74.1%)	\$459,201,977	7.6%
Commercial	687	\$867,034,098	689	\$891,384,950	(10.2%)	\$24,350,852	2.8%
Vacant	8,995	\$585,602,350	9,486	\$633,330,284	(7.3%)	\$47,727,934	8.2%
Unsecured	[1,244]	\$286,466,987	[1,346]	\$294,201,725	(3.4%)	\$7,734,738	2.7%
Industrial	251	\$239,012,524	253	\$292,013,692	(3.3%)	\$53,001,168	22.2%
Cross Reference	[90]	\$74,310,378	[92]	\$77,899,952	(0.9%)	\$3,589,574	4.8%
Recreational	36	\$23,902,180	36	\$28,509,994	(0.3%)	\$4,607,814	19.3%
Agricultural	76	\$23,588,815	77	\$24,397,315	(0.3%)	\$808,500	3.4%
Miscellaneous	34	\$15,540,289	34	\$14,978,007	(0.2%)	-\$562,282	-3.6%
Institutional	84	\$3,884,662	84	\$3,533,318	(0.0%)	-\$351,344	-9.0%
Govt. Owned	3	\$390,034	3	\$397,834	(0.0%)	\$7,800	2.0%
SBE Nonunitary	[7]	\$230,116	[7]	\$230,116	(0.0%)	\$0	0.0%
Exempt	2,219	\$0	2,278	\$0	(0.0%)	\$0	0.0%
<b>TOTALS</b>	<b>42,004</b>	<b>\$8,130,016,319</b>	<b>42,948</b>	<b>\$8,730,133,050</b>	(100.0%)	<b>\$600,116,731</b>	<b>7.4%</b>

Numbers in blue are parcel/assessment counts

## Assessed Value by Major Use Category





# SAN GORGONIO PASS WATER TRANSFER OF OWNERSHIP (2013 - 2017)

### Single Family Residential

### Multifamily, Commercial, Industrial, Vacant

### Totals

Tax Year	# SFR Sales	Original Values	Sale Price	% Change	Non SFR Sales	Original Values	Sale Price	% Change	Total Sales	Original Values	Sale Values	% Change	\$ Change
<b>ENTIRE DISTRICT</b> <i>Valid Sales Price Analysis</i>													
<b>2017</b> 1/1/17-12/31/17	1,622	\$365,098,099	\$474,369,087	29.9%	637	\$92,622,322	\$258,443,133	179.0%	2,259	\$457,720,421	\$732,812,220	60.1%	\$275,091,799
<b>2016</b> 1/1/16-12/31/16	1,521	\$314,163,873	\$421,168,400	34.1%	319	\$56,022,687	\$92,078,251	64.4%	1,840	\$370,186,560	\$513,246,651	38.6%	\$143,060,091
<b>2015</b> 1/1/15-12/31/15	1,319	\$254,081,059	\$325,892,400	28.3%	443	\$101,937,422	\$153,971,854	51.0%	1,762	\$356,018,481	\$479,864,254	34.8%	\$123,845,773
<b>2014</b> 1/1/14-12/31/14	1,259	\$223,047,357	\$291,284,045	30.6%	410	\$40,190,466	\$106,095,317	164.0%	1,669	\$263,237,823	\$397,379,362	51.0%	\$134,141,539
<b>2013</b> 1/1/13-12/31/13	1,257	\$200,939,982	\$257,157,993	28.0%	511	\$42,447,221	\$113,585,758	167.6%	1,768	\$243,387,203	\$370,743,751	52.3%	\$127,356,548
<b>DISTRICT NON SA AREA</b> <i>Valid Sales Price Analysis</i>													
<b>2017</b> 1/1/17-12/31/17	1,385	\$327,676,403	\$420,075,087	28.2%	522	\$57,780,181	\$200,312,724	246.7%	1,907	\$385,456,584	\$620,387,811	60.9%	\$234,931,227
										<i>Est. Override:</i>	<b>\$428,749.49</b>	<i>Est. Revenue Change:</i>	<b>\$74,047.25</b>
<b>2016</b> 1/1/16-12/31/16	1,275	\$277,654,394	\$369,238,500	33.0%	226	\$36,551,080	\$65,128,500	78.2%	1,501	\$314,205,474	\$434,367,000	38.2%	\$120,161,526
										<i>Est. Override:</i>	<b>\$222,298.82</b>	<i>Est. Revenue Change:</i>	<b>\$37,795.21</b>
<b>2015</b> 1/1/15-12/31/15	1,093	\$226,070,994	\$282,934,400	25.2%	309	\$65,396,525	\$110,618,309	69.2%	1,402	\$291,467,519	\$393,552,709	35.0%	\$102,085,190
										<i>Est. Override:</i>	<b>\$188,857.60</b>	<i>Est. Revenue Change:</i>	<b>\$31,168.34</b>
<b>2014</b> 1/1/14-12/31/14	1,063	\$199,958,376	\$258,731,045	29.4%	312	\$19,807,292	\$71,888,954	262.9%	1,375	\$219,765,668	\$330,619,999	50.4%	\$110,854,331
										<i>Est. Override:</i>	<b>\$205,080.51</b>	<i>Est. Revenue Change:</i>	<b>\$34,963.96</b>
<b>2013</b> 1/1/13-12/31/13	1,075	\$182,034,525	\$232,931,993	28.0%	429	\$24,842,006	\$95,758,100	285.5%	1,504	\$206,876,531	\$328,690,093	58.9%	\$121,813,562
										<i>Est. Override:</i>	<b>\$225,355.09</b>	<i>Est. Revenue Change:</i>	<b>\$39,342.61</b>

\* Sale value is a sum of all full value parcel sales (sales not included are quitclaim deeds, trust transfers, partial sales, timeshares, and non-reported document number transfers). Est Rev Change includes all assigned agencies.

^ RPPTTF revenue reflects all Incremental revenue (including qualified override rates) generated in successor project areas, excluding base year revenue.





# SAN GORGONIO PASS WATER SALES VALUE HISTORY

Detached Single Family Residential Full Value Sales (01/01/2008 - 06/30/2020)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2008	1,491	\$245,789	\$245,000	
2009	1,588	\$170,049	\$175,000	-28.57%
2010	1,503	\$169,656	\$174,000	-0.57%
2011	1,463	\$153,767	\$157,000	-9.77%
2012	1,358	\$163,048	\$160,000	1.91%
2013	1,262	\$204,901	\$200,000	25.00%
2014	1,279	\$231,954	\$235,000	17.50%
2015	1,320	\$247,742	\$247,000	5.11%
2016	1,512	\$277,027	\$275,000	11.34%
2017	1,572	\$294,617	\$295,000	7.27%



\*Sales not included in the analysis are quitclaim deeds, trust transfers, timeshares, and partial sales.

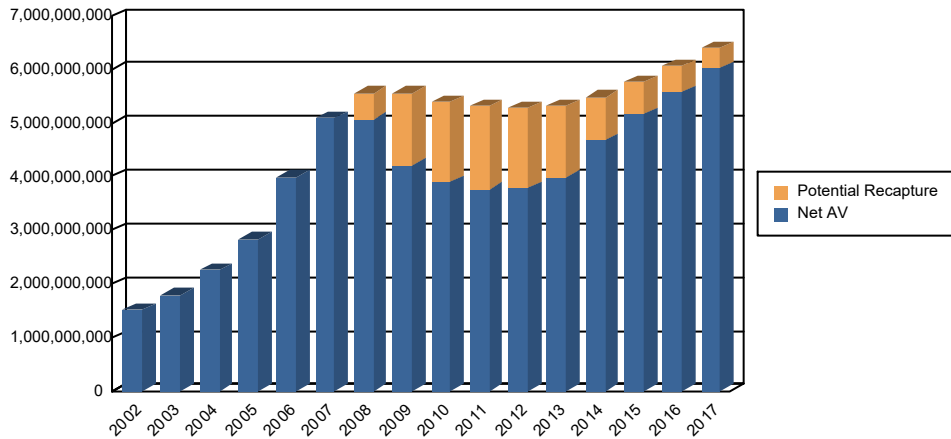
# SAN GORGONIO PASS WATER

## PROP 8 POTENTIAL RECAPTURE HISTORY

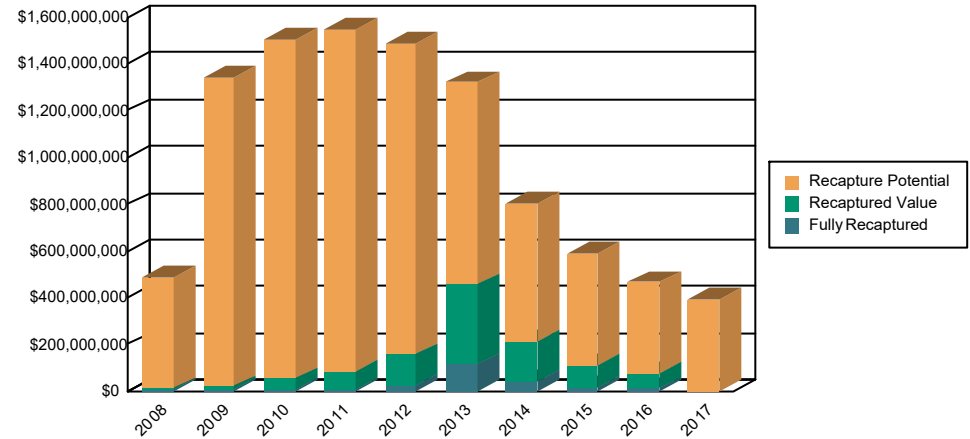
Single Family Residential Parcels - Compiled Using Parcels Supplied by County

Roll Year	Prop 8 Parcel Count	Real Value of Prop 8 Parcels	Inflation Adjusted Peak Taxable Values	Potential Recapture	% of All Parcels	Prop 8 Parcels that have fully Recaptured	Increase in Real AV Due to full Recaptures	Prop 8 Parcels that have Recaptured Value	Increase in Real AV Due to Recaptures
2008	7,048	2,046,938,987	2,424,894,713	377,955,726	26.6%	80	7,764,095	269	11,970,578
2009	12,036	2,354,886,144	3,676,874,802	1,321,988,658	45.2%	222	7,435,901	1,324	21,481,197
2010	13,702	2,351,975,672	3,842,173,129	1,490,197,457	51.5%	539	9,529,733	3,738	55,582,375
2011	13,476	2,168,681,000	3,713,275,478	1,544,594,478	50.7%	382	8,174,191	6,732	85,987,117
2012	14,184	2,337,980,116	3,822,811,591	1,484,831,475	53.2%	1,204	26,949,617	9,891	156,709,868
2013	13,116	2,303,987,579	3,621,410,526	1,317,422,947	49.1%	4,523	113,474,485	12,528	456,178,551
2014	8,183	1,824,825,455	2,626,190,067	801,364,612	30.6%	1,690	42,608,474	7,207	211,819,901
2015	6,077	1,540,051,837	2,126,674,262	586,622,425	22.5%	836	16,482,201	5,251	110,419,254
2016	4,877	1,345,857,254	1,810,314,291	464,457,037	17.8%	588	12,916,845	4,227	74,982,039
2017	3,993	1,181,866,453	1,570,769,865	388,903,412	14.5%				

Totals for Single Family Residential Parcels



Prop 8 History



The report identifies those parcels which have been granted a value reduction and are eligible for further potential of recaptured value per Proposition 8. The reductions were based on market conditions at the time of assessor review. This calculation is derived from historical transfers of ownership, Assessor applied Proposition 8 reductions and trends in the marketplace relative to median and average home sales and is an estimate of the impact of current adjustments to the assessment roll as of the 2017-18 lien date.

The Inflation Adjusted Peak Value is defined as a parcel's highest value after its most recent sale. If a parcel is assessed for a lower value after its most recent sale, then the sales price becomes the peak value. Peak values are inflated annually according to the maximum allowed rate under proposition 13.

The count of Prop 8 Parcels that have recaptured value includes both parcels that have been fully recaptured and are no longer in the Prop 8 Parcel Count as well as parcels that have only recaptured a portion of the Inflation Adjusted Peak Values.

The Proposition 8 potential value recapturing is shown in the Potential Recapture Column and assumes no future sales transactions. As properties transfer ownership they are removed from the Prop 8 Parcel Count



# SAN GORGONIO PASS WATER

## 2017/18 TOP TEN PROPERTY TAXPAYERS

Top Property Owners Based On Net Values

Owner	Secured			Unsecured			Combined		Primary Use & Primary Agency
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	Value	% of Net AV	
1) CHELSEA GCA REALTY PARTNERSHIP	4	\$236,115,094	2.80%				\$236,115,094	2.70%	Commercial County Unincorporated
2) NESTLE WATERS NORTH AMERICA	1	\$63,972,675	0.76%	1	\$72,880,008	24.77%	\$136,852,683	1.57%	Unsecured County Unincorporated
3) PARDEE HOMES	515	\$39,731,202	0.47%	6	\$1,531,339	0.52%	\$41,262,541	0.47%	Vacant Banning
4) FREDERICK J HANSHAW	2	\$41,177,058	0.49%				\$41,177,058	0.47%	Commercial Beaumont
5) HIGH DESERT PARTNERS	4	\$37,788,881	0.45%				\$37,788,881	0.43%	Industrial Beaumont
6) SAN GORGONIO LAND	26	\$36,980,770	0.44%				\$36,980,770	0.42%	Vacant Calimesa
7) AMBEST REAL ESTATE	1	\$31,066,650	0.37%				\$31,066,650	0.36%	Industrial Beaumont
8) USEF CROSSROADS II	3	\$30,247,032	0.36%				\$30,247,032	0.35%	Vacant Beaumont
9) MESA VERDE RE VENTURES	14	\$29,368,317	0.35%				\$29,368,317	0.34%	Vacant Calimesa
10) LOMA LINDA UNIVERSITY	32	\$27,897,424	0.33%	2	\$0	0.00%	\$27,897,424	0.32%	Commercial Beaumont
<b>Top Ten Total</b>	602	\$574,345,103	6.81%	9	\$74,411,347	25.29%	\$648,756,450	7.43%	
<b>District Total</b>		\$8,435,931,325			\$294,201,725		\$8,730,133,050		

Top Owners last edited on 8/10/20 by paulac using sales through 06/30/18 (Version R.1)

Data Source: Riverside County Assessor 2017/18 Combined Tax Rolls and the SBE Non Unitary Tax Page 55 of 166

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# SAN GORGONIO PASS WATER NONRESIDENTIAL NEW CONSTRUCTION

2016/17 TO 2017/18 TAX YEARS - IN PARCEL NUMBER ORDER

Parcel	Use Category	Owner	Prior Year Improvements	Current Year Improvements	Percent Change
400-520-008	Commercial	B And M Oil Land Inc	1,888,026	1,931,786	+ 2.3%
403-251-015	Commercial	Guerrero Nathan D	72,933	85,791	+ 17.6%
403-270-027	Commercial	His Place Inc	292,166	306,909	+ 5.0%
413-151-001	Recreational	Mills Road Holdings Inc	53,848	70,000	+ 30.0%
413-155-001	Recreational	Mills Road Holdings Inc	0	70,000	+ 99,999.9%
413-156-001	Recreational	Mills Road Holdings Inc	8,770	50,000	+ 470.1%
417-080-035	Industrial	B Street Partners	844,864	3,241,761	+ 283.7%
417-123-003	Industrial	Bogh Allen Roy	0	270,600	+ 99,999.9%
418-113-016	Commercial	Luna Carlos	2,485	3,457	+ 39.1%
418-121-001	Commercial	Stanmar Partners	503,399	525,000	+ 4.3%
418-222-042	Industrial	Koltura J And C A Living Trust	47,000	50,000	+ 6.4%
418-230-006	Industrial	Pb 240	3,096,575	3,343,506	+ 8.0%
419-150-035	Commercial	Mumey Michael R	611,925	654,163	+ 6.9%
419-250-011	Commercial	Stanmar Partners	30,969	288,000	+ 830.0%
519-350-010	Industrial	Velazco Arturo	65,253	88,307	+ 35.3%
532-160-003	Commercial	Gen Cord Corporation	190,213	214,200	+ 12.6%
532-160-007	Industrial	Zenner Performance Meters Inc	618,339	633,436	+ 2.4%
534-100-004	Miscellaneous	Rrm Properties Limited	0	101,300	+ 99,999.9%
537-090-083	Commercial	Sunset Center	1,746,757	1,850,032	+ 5.9%
538-200-004	Commercial	Dara Enterprises	691,385	1,065,212	+ 54.1%
538-200-027	Commercial	Ank Properties Llc	130,000	994,500	+ 665.0%
538-210-067	Commercial	Patel Jayant B	753,443	803,130	+ 6.6%
540-164-011	Commercial	Peyton Terria Hunt	35,975	43,294	+ 20.3%
540-166-004	Commercial	Omari Osama And Evit K	75,609	408,000	+ 439.6%
541-161-039	Commercial	Carlton Gary L	0	15,300	+ 99,999.9%
541-161-040	Commercial	Carlton Gary L	0	36,720	+ 99,999.9%
541-161-042	Commercial	Carlton Gary	0	9,180	+ 99,999.9%
<b>27 Parcels Listed</b>			<b>11,759,934</b>	<b>17,153,584</b>	<b>+ 45.9%</b>

This calculation reflects the 2017/18 increase in taxable values for this city due to non-residential new construction as a percentage of the total taxable value **Increase** (as of the 2017/18 lien year roll date). This percentage may be used as an alternative to the change in California per-capita personal income for calculating a taxing agency's annual adjustment of its Appropriation Limit pursuant to Article XIII B of the State Constitution as Amended by Proposition 111 in June, 1990.

Total Change in Non-Residential Valuation Due to New Development	5,393,650
Less Automatic 2.000% Assessors's Inflation Adjustment	-235,199
Actual Change in Non-Residential Valuation	5,158,451
Change in Total Assessed Value	600,116,731
= Alternate 2018/19 Appropriations Limit Factor	<b>0.86%</b>

# SAMPLE AGENCY GENERAL FUND REVENUE ESTIMATE

2018-19 Revenue Estimate based on 2017-18 Values and Estimated Changes

	District Revenue	Dist Wide Value Change
<b>Non RDA and BY Values 2017-18</b>	<b>\$7,337,435,751</b>	
<b>District Net Taxable Value 2017-18</b>		<b>\$8,730,133,050</b>
<b>Real Property Value (Incl. Prop 8 parcels)</b>	<b>\$6,808,325,369</b>	<b>\$8,592,075,662</b>
CPI of Non Prop 8 Parcels (2.000%)	\$114,211,725	\$148,204,184
Transfer of Ownership Assessed Value Change	\$230,174,286	\$271,227,454
Est. SFR Prop 8 Adj Based on Recent SFR Price	\$64,094,065	\$68,739,559
<b>2018-19 Estimated Real Property Value</b>	<b>\$7,216,805,446</b>	<b>\$9,080,246,859</b>
Base Year Values	\$473,322,005	<i>Included in AV</i>
Secured Personal Property Value (0.0% growth)	\$4,702,976	\$8,466,772
Unsecured Personal Property Value (0.0% growth)	\$50,960,041	\$129,360,500
Nonunitary Utility Value	\$125,360	\$230,116
Enter Completed New Construction		
<b>2018-19 Estimated Net Taxable Value</b>	<b>\$7,745,915,828</b>	<b>\$9,218,304,247</b>
 <b>Estimated Total Percent Change 2018-19</b>	 <b>5.57%</b>	 <b>5.59%</b>
Taxed @ 1%	\$77,459,158	
Aircraft Value	\$2,870,935	
Average District Share 0.0312436633	\$2,420,108	
Aircraft Rate (.01 * 0.0)	\$0	
Enter Unitary Taxes Budgeted Flat		
<b>Net District Estimate for 2018-19</b>	<b>\$2,420,108</b>	
Enter Suppl. Apportionment Recd. - Avg. 3 Yrs		
Enter Delinquent Apportionment Recd. - Avg. 3 Yrs		

**NOTES:**

- Estimated Assessor Prop 8 Adjustments: Prop 8 reductions in value are TEMPORARY reductions applied by the assessor that recognize the fact that the current market value of a property has fallen below its trended (Prop 13) assessed value. For 2018-19, properties with prior Prop 8 reductions are not included in the CPI increase. Prop 8 parcel values are projected to be increased, decreased, or projected flat depending on median sale price changes until they are sold and reset per Prop 13.
- Base Year Values Entry: With the dissolution of redevelopment, base year values are unlikely to change and are budgeted flat.
- Secured personal property and unsecured values are projected at 100% of 2017-18 levels. Unsecured escaped assessments may be included in the unsecured value. The value of escaped assessments is generally inconsistent and varies from year to year.
- Completed new construction entry: if completed new construction has resulted in a sale of the property it is likely that the new value will appear in the value increase due to transfers of ownership entry and therefore should not be also included in the completed new construction value. Enter the value of new construction completed between Nov. 2016 and Oct. 2017.
- Supplemental and delinquent revenue allocations are pooled countywide and are erratic. They should be budgeted conservatively using historical averages over a minimum of 3 years.
- General Fund Revenue Estimate does not include any ad valorem voter approved debt service revenue.
- The revenue projection assumes 100% payment of taxes. Delinquency is not considered in the projection; however, rates of between 1% and 2.5% are typical.
- Pass through and residual revenues from former redevelopment agencies are not included in this estimate.
- SB 2557 Administration Fees are not deducted from the general fund projections.

Prepared on 8/10/20 Using Sales Through 6/30/20

**This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL Coren & Cone**



**SAMPLE AGENCY  
STATE WATER PROJECT DEBT SERVICE  
SPECIAL DISTRICT REVENUE ESTIMATE**

2020-21 Revenue Estimate based on 2019-20 Values and Estimated Changes

**Dist Wide Value Change**

*Non RDA and BY Values 2019-20*

**District Net Taxable Value 2019-20**

**\$66,164,585,286**

**Real Property Value (Incl. Prop 8 parcels)**

**\$65,313,646,505**

CPI of Non Prop 8 Parcels (2.000%)

\$1,130,819,171

Transfer of Ownership Assessed Value Change

\$674,625,459

Est. SFR Prop 8 Adj Based on Recent SFR Price

\$380,000,364

**2020-21 Estimated Real Property Value**

**\$67,499,091,499**

Base Year Values

*Included in AV*

Secured Personal Property Value (0.0% growth)

\$191,396,419

Unsecured Personal Property Value (0.0% growth)

\$655,079,347

Nonunitary Utility Value

\$4,463,015

Enter Completed New Construction

**2020-21 Estimated Net Taxable Value**

**\$68,350,030,280**

*Estimated Total Percent Change 2020-21*

**3.30%**

**Revenue Calculations**

All Values 2019-20

\$66,164,585,286

**2020-21 Estimated Taxable Value**

**\$68,350,030,280**

2019-20 Override Tax Rate

0.100000

**Rev Estimate for 2020-21**

**\$68,350,030**



# SAMPLE AGENCY GENERAL FUND REVENUE ESTIMATE

2018-19 Revenue Estimate based on 2017-18 Values and Estimated Changes

District Revenue	2018-19	2019-20	2020-21	2021-22	2022-23
<b>Non RDA and BY Values</b>	<b>\$7,337,435,751</b>	<b>\$7,745,915,828</b>	<b>\$8,089,459,099</b>	<b>\$8,436,728,316</b>	<b>\$8,789,378,130</b>
<b>Real Property Value (Incl. Prop 8 parcels)</b>	<b>\$6,808,325,369</b>	<b>\$7,216,805,446</b>	<b>\$7,560,348,717</b>	<b>\$7,907,617,934</b>	<b>\$8,260,267,748</b>
CPI of Non Prop 8 Parcels (Max 2.0%)	\$114,211,725	122,107,692	130,633,184	139,063,677	147,276,349
Transfer of Ownership Assessed Value Change	\$230,174,286	173,337,372	180,443,273	187,777,740	195,369,024
Est. SFR Prop 8 Adj Based on Recent SFR Price	\$64,094,065	\$48,098,208	\$36,192,759	\$25,808,397	\$16,701,693
<b>Estimated Real Property Value</b>	<b>\$7,216,805,446</b>	<b>\$7,560,348,717</b>	<b>\$7,907,617,934</b>	<b>\$8,260,267,748</b>	<b>\$8,619,614,813</b>
Base Year Values	\$473,322,005	\$473,322,005	\$473,322,005	\$473,322,005	\$473,322,005
Secured Personal Property Value (0.0% growth)	\$4,702,976	\$4,702,976	\$4,702,976	\$4,702,976	\$4,702,976
Unsecured Personal Property Value (0.0% growth)	\$50,960,041	\$50,960,041	\$50,960,041	\$50,960,041	\$50,960,041
Nonunitary Utility Value (0.0% growth)	\$125,360	\$125,360	\$125,360	\$125,360	\$125,360
Enter Completed New Construction					
<b>Estimated Net Taxable Value</b>	<b>\$7,745,915,828</b>	<b>8,089,459,099</b>	<b>8,436,728,316</b>	<b>8,789,378,130</b>	<b>9,148,725,195</b>
<b>Estimated Total Percent Change</b>	<b>5.57%</b>	<b>4.44%</b>	<b>4.29%</b>	<b>4.18%</b>	<b>4.09%</b>
Taxed @ 1%	\$77,459,158	\$80,894,591	\$84,367,283	\$87,893,781	\$91,487,252
Aircraft Value	\$2,870,935	\$2,870,935	\$2,870,935	\$2,870,935	\$2,870,935
Average District Share 0.0312436633	\$2,420,108	\$2,527,443	\$2,635,943	\$2,746,124	\$2,858,397
Aircraft Rate (.01 * 0.0)	\$0	\$0	\$0	\$0	\$0
Enter Unitary Taxes Budgeted Flat					
<b>Net District Estimate</b>	<b>\$2,420,108</b>	<b>\$2,527,443</b>	<b>\$2,635,943</b>	<b>\$2,746,124</b>	<b>\$2,858,397</b>
Enter Suppl. Apportionment - Average 3 Yrs.					
Enter Delinquent Apportionment - Average 3 Yrs.					



# SAMPLE AGENCY GENERAL FUND REVENUE ESTIMATE

2018-19 Revenue Estimate based on 2017-18 Values and Estimated Changes

Dist Wide Value Change	2018-19	2019-20	2020-21	2021-22	2022-23
<b>District Net Taxable Value</b>	<b>\$8,730,133,050</b>	<b>\$9,218,304,247</b>	<b>\$9,645,228,226</b>	<b>\$10,078,625,755</b>	<b>\$10,520,396,315</b>
<b>Real Property Value (Incl. Prop 8 parcels)</b>	<b>\$8,592,075,662</b>	<b>\$9,080,246,859</b>	<b>\$9,507,170,838</b>	<b>\$9,940,568,367</b>	<b>\$10,382,338,927</b>
CPI of Non Prop 8 Parcels (Max 2.0%)	\$148,204,184	\$157,635,809	\$167,962,765	\$178,208,301	\$188,304,321
Transfer of Ownership Assessed Value Change	\$271,227,454	\$217,431,351	\$226,419,655	\$235,713,133	\$245,340,493
Est. SFR Prop 8 Adj Based on Recent SFR Price	\$68,739,559	\$51,856,819	\$39,015,110	\$27,849,127	\$18,014,363
<b>Estimated Real Property Value</b>	<b>\$9,080,246,859</b>	<b>\$9,507,170,838</b>	<b>\$9,940,568,367</b>	<b>\$10,382,338,927</b>	<b>\$10,833,998,104</b>
Secured Personal Property Value (0.0% growth)	\$8,466,772	\$8,466,772	\$8,466,772	\$8,466,772	\$8,466,772
Unsecured Personal Property Value (0.0% growth)	\$129,360,500	\$129,360,500	\$129,360,500	\$129,360,500	\$129,360,500
Nonunitary Utility Value	\$230,116	\$230,116	\$230,116	\$230,116	\$230,116
Enter Completed New Construction					
<b>Estimated Net Taxable Value</b>	<b>\$9,218,304,247</b>	<b>\$9,645,228,226</b>	<b>\$10,078,625,755</b>	<b>\$10,520,396,315</b>	<b>\$10,972,055,492</b>
<b>Estimated Total Percent Change</b>	<b>5.59%</b>	<b>4.63%</b>	<b>4.49%</b>	<b>4.38%</b>	<b>4.29%</b>

**NOTES:**

- Transfer of Ownership Assessed Value Change: For years 2019-20 and later a growth rate is applied that is representative of the historical average rate of real property growth due to properties that have transferred ownership. The percentage used in Riverside County of 2.35% is applied to real property value.
- Estimated Assessor Prop 8 Adjustments: Prop 8 reductions in value are TEMPORARY reductions applied by the assessor that recognize the fact that the current market value of a property has fallen below its trended (Prop 13) assessed value. For 2018-19 and later, properties with prior Prop 8 reductions are not included in the CPI increase, they are projected flat until either the Assessor begins to recapture value as the economy improves and median sale prices begin to increase, they are further reduced, or they sell and are reset per Prop 13.
- Where they exist, Prop 8 restoration adjustments are based on projected median SFR home price growth. For this projection the following median year to year percentage changes are used for San Geronio Pass Water: 2019-20 @ 4.7%; 2020-21 @ 3.8%; 2021-22 @ 2.9%; 2022-23 @ 2.0%;
- Base Year Values Entry: With the dissolution of redevelopment, base year values are unlikely to change and are budgeted flat.
- Secured personal property and unsecured values are projected at 100% of 2017-18 levels. Unsecured escaped assessments may be included in the unsecured value. The value of escaped assessments is generally inconsistent and varies from year to year.
- Completed new construction entry: This data entry point allows for the inclusion of new construction projects completed annually. Due to processing delays we suggest that a time frame of November - October be selected. (i.e. Nov. 2016 - Oct. 2017 for the 2019-20 FY). If completed new construction has resulted in a sale of the property it is likely that the new value will appear in the value increase due to transfers of ownership entry and therefore should not be also included in the completed new construction value.
- Pooled Revenue Sources include supplemental allocations, redemptions for delinquent payments in Non-Teeter cities, tax payer refunds due to successful appeals, roll corrections and other adjustments applied after the release of the roll. The forecasting of these revenues should be developed based on historical averages over a minimum of 3 years.
- General Fund Revenue Estimate does not include any ad valorem voter approved debt service revenue.
- The revenue projection assumes 100% payment of taxes. Delinquency is not considered in the projection; however, rates of between 1% and 2.5% are typical.
- Pass through and residual revenues from former redevelopment agencies are not included in this estimate.

Prepared on 8/10/20 Using Sales Through 6/30/20

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# PROPERTY TAX PROPOSAL FOR PROPERTY DATA MANAGEMENT, INFORMATION AND BUDGET FORECAST

September 8, 2020

## STATEMENT OF QUALIFICATIONS:

- HdL Coren & Cone provides property tax services for over 240 California Agencies.  
This includes Mojave Water Agency, Western Municipal Water District, Coachella Valley Water District, Moulton Niguel Water District, Antelope Valley East Kern Water Agency.
- HdLCC purchases property data for 45 California Counties.
- HdLCC prepares trending information, parcel audits, management reports, annual budget forecast tools, educational services, HdLCC Web-PTAX software.
- Annual meeting with staff and available to answer property related question.
- Review of Successor Agency allocations from former RDAs.
- Audit of parcels to ensure that all properties are correctly coded and returning property taxes to the District.

## AUDIT ANALYSIS

**Review of Secured and Unsecured parcels to verify that the tax rate areas assigned are correctly coded.**

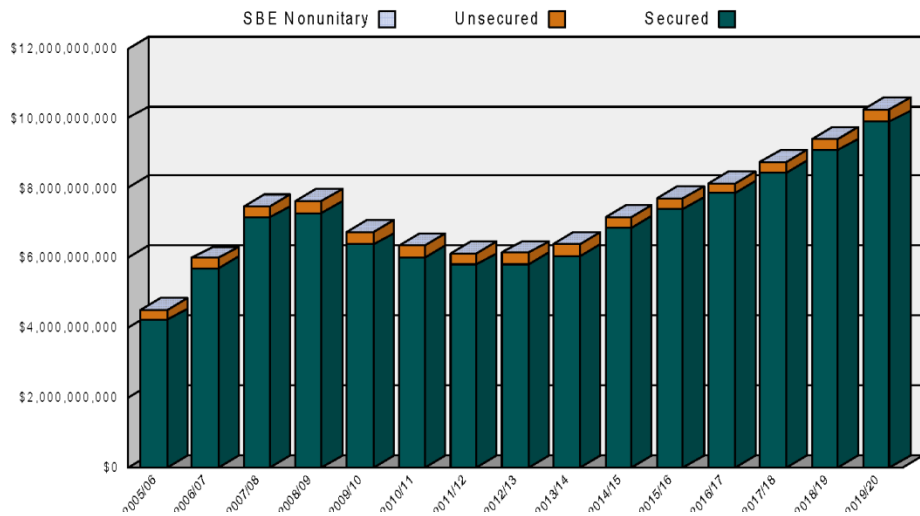
- Use of District Boundary
- Use of County generated GIS Maps
- Use of Google Maps and Internet Searches
- Research of parcel changes – Subdivisions and parcel combines
- Preparation of submittal materials to the County Assessor for corrective action
- Follow up with County assessor and auditor staff to ensure miscoded parcels are corrected.
- **A recent audit identified a \$50 million apartment complex that was not correctly coded.**



## SAN GORGONIO PASS WATER NET TAXABLE ASSESSED VALUE HISTORY

2005/06 - 2019/20 Taxable Property Values

Lien Year	Secured	Unsecured	SBE Nonunitary	Net Total AV	% Change*
2005/06	\$4,214,260,935	\$293,115,688	\$2,935,464	4,510,312,087	
2006/07	\$5,685,495,116	\$297,605,783	\$2,857,269	5,985,958,168	32.72%
2007/08	\$7,142,258,845	\$341,858,866	\$1,156,432	7,485,274,143	25.05%
2008/09	\$7,282,090,320	\$358,026,203	\$1,156,432	7,641,272,955	2.08%
2009/10	\$6,372,220,614	\$368,088,432	\$1,156,432	6,741,465,478	-11.78%
2010/11	\$5,992,731,924	\$371,162,463	\$1,156,432	6,365,050,819	-5.58%
2011/12	\$5,793,719,198	\$335,826,661	\$559,656	6,130,105,515	-3.69%
2012/13	\$5,826,526,977	\$310,770,360	\$230,116	6,137,527,453	0.12%
2013/14	\$6,055,873,711	\$322,333,936	\$230,116	6,378,437,763	3.93%
2014/15	\$6,841,166,292	\$308,560,252	\$230,116	7,149,956,660	12.10%
2015/16	\$7,390,366,418	\$297,899,502	\$230,116	7,688,496,036	7.53%
2016/17	\$7,843,319,216	\$286,466,987	\$230,116	8,130,016,319	5.74%
2017/18	\$8,435,701,209	\$294,201,725	\$230,116	8,730,133,050	7.38%
2018/19	\$9,075,143,559	\$322,302,022	\$270,876	9,397,716,457	7.65%
2019/20	\$9,884,534,782	\$356,279,488	\$270,876	10,241,085,146	8.97%
Average % Change					7.23%



15 YEAR  
TAXABLE  
VALUE  
HISTORY  
REVIEW

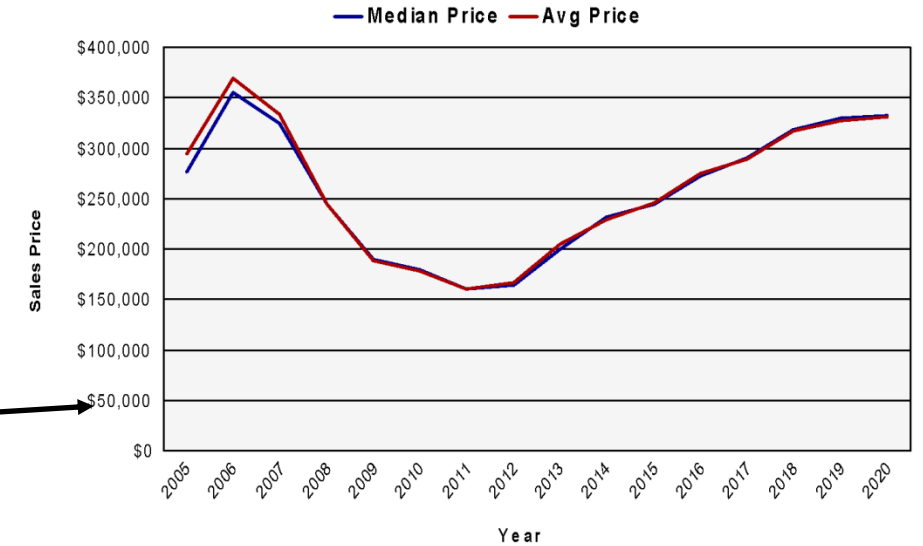
15 YEAR  
HISTORY OF  
MEDIAN  
AND  
AVERAGE  
SFR SALE  
PRICES



## SAN GORGONIO PASS WATER SALES VALUE HISTORY

Single Family Residential Full Value Sales (01/01/2005 - 7/31/2020)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2005	1,303	\$294,269	\$276,000	
2006	1,585	\$369,855	\$355,000	28.62%
2007	775	\$334,275	\$325,000	-8.45%
2008	1,521	\$245,197	\$245,000	-24.62%
2009	1,384	\$188,421	\$189,750	-22.55%
2010	1,390	\$178,975	\$180,000	-5.14%
2011	1,358	\$160,161	\$160,000	-11.11%
2012	1,301	\$167,345	\$164,000	2.50%
2013	1,266	\$205,417	\$199,500	21.65%
2014	1,306	\$229,626	\$232,000	16.29%
2015	1,353	\$245,960	\$245,000	5.60%
2016	1,564	\$274,584	\$272,000	11.02%
2017	1,689	\$288,773	\$290,000	6.62%
2018	1,941	\$317,501	\$319,000	10.00%
2019	1,991	\$327,669	\$330,000	3.45%
2020	897	\$331,002	\$333,000	0.91%





**SAMPLE WATER DISTRICT  
SAMPLE WATER DISTRICT GENERAL BONDS  
SPECIAL DISTRICT REVENUE ESTIMATE**

2020-21 Through 2024-25 Revenue Estimate Based on 2019-20 Values and Estimated Changes

District Revenue	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Non RDA and BY Values</b>	<b>\$364,951,441</b>	<b>\$380,837,692</b>	<b>\$392,219,666</b>	<b>\$404,737,804</b>	<b>\$419,113,802</b>
<b>Real Property Value (Incl. Prop 8 parcels)</b>	<b>\$342,953,193</b>	<b>\$358,839,444</b>	<b>\$370,221,418</b>	<b>\$382,739,556</b>	<b>\$397,115,554</b>
CPI of Non Prop 8 Parcels (Max 2.0%)	\$6,435,294	\$6,459,787	\$6,502,051	\$6,798,909	\$7,116,947
Transfer of Ownership Assessed Value Change	\$7,820,372	\$6,198,122	\$5,729,167	\$6,915,928	\$8,239,425
Est. SFR Prop 8 Adj Based on Recent Price	\$1,630,585	(\$1,275,935)	\$286,920	\$661,162	\$989,481
<b>Estimated Real Property Value</b>	<b>\$358,839,444</b>	<b>\$370,221,418</b>	<b>\$382,739,556</b>	<b>\$397,115,554</b>	<b>\$413,461,407</b>
Base Year Values	\$0	\$0	\$0	\$0	\$0
Secured Personal Property Value (0.0% growth)	\$13,518,735	\$13,518,735	\$13,518,735	\$13,518,735	\$13,518,735
Unsecured Personal Property Value (0.0% growth)	\$8,479,513	\$8,479,513	\$8,479,513	\$8,479,513	\$8,479,513
Nonunitary Utility Value (0.0% growth)	\$0	\$0	\$0	\$0	\$0
Enter Completed New Construction					
<b>Estimated Net Taxable Value</b>	<b>\$380,837,692</b>	<b>\$392,219,666</b>	<b>\$404,737,804</b>	<b>\$419,113,802</b>	<b>\$435,459,655</b>
<b>Estimated Total Percent Change</b>	<b>4.35%</b>	<b>2.99%</b>	<b>3.19%</b>	<b>3.55%</b>	<b>3.90%</b>
<b>Revenue Calculations</b>					
All Values	\$364,951,441	\$380,837,692	\$392,219,666	\$404,737,804	\$419,113,802
<b>Estimated Taxable Value</b>	<b>\$380,837,692</b>	<b>\$392,219,666</b>	<b>\$404,737,804</b>	<b>\$419,113,802</b>	<b>\$435,459,655</b>
2019-20 Override Tax Rate	0.100000	0.100000	0.100000	0.100000	0.100000
<b>Rev Estimate*</b>	<b>\$380,838</b>	<b>\$392,220</b>	<b>\$404,738</b>	<b>\$419,114</b>	<b>\$435,460</b>

September 1, 2020

Lance Eckhart  
General Manager/Chief Hydrogeologist  
San Geronio Pass Water Agency  
1210 Beaumont Avenue  
Beaumont, CA 92223

**Subject: Scope of Services for Financial Plan Study**

Dear Mr. Eckhart:

Raftelis Financial Consultants, Inc. (Raftelis) is pleased to submit this scope of services for the Financial Plan Study (Study) for the San Geronio Pass Water Agency (Agency). The following sections outline the tasks that Raftelis believes will be involved in completing a study that accomplishes the Agency's goals and objectives. Specifically, Raftelis will perform the following tasks:

- Conduct a financial planning framework session
- Develop a long-term Financial Plan Model
- Lead a workshop with Agency personnel to discuss financial plan scenarios and options and finalize the Financial Plan Model
- Conduct a Board Workshop to show the results of the model
- Model training so that staff can update the model for future use

The Financial Plan Model developed during the Study will build on previous work done by the Agency such as the development of the current imported water rate and capacity fees. Additionally, the Financial Plan Model will act as a foundation upon which the Agency can base future studies. It will assist the Agency in forecasting future revenues and expenditures and, thereby, assist the Agency in setting long-term future rates for its retail agencies.

The proposed scope and fees are presented below.

## **SCOPE OF SERVICES**

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### **TASK 1 —Project Initiation, On-going Project Management, and Quality Assurance/Quality Control Process**

#### ***Task 1.1 – Ongoing Project Management and Quality Assurance***

Our project management approach stresses communication, teamwork, objectivity, and accountability to meet project objectives. Task 1.1 includes general administrative duties including client correspondence, billing, project documentation, and administration of the study control plan. We believe in a no-surprises approach and communicate regularly with clients through web

conferences, and telephone conferences so that the Agency is aware of the project status at all times.

Raftelis' quality assurance / quality control (QA/QC) process fosters high quality and accurate work. The QA/QC process includes reviews by the Project Manager and Technical Reviewer. The Technical Reviewers primary responsibility is to examine work products for consistency and validity and ensure that the financial plan is based on solid principles and standard industry practice.

### **Task 1.2 – Project Initiation and Data Collection**

We believe that the execution of a productive kick-off meeting is the most effective way to begin a Study of this nature. Raftelis uses the kick-off meeting to perform our due diligence to ensure that project stakeholders agree to the goals, approach, work plan, schedule, and study priorities. In addition, we will discuss any pertinent background information as well as gain a general familiarity with the Agency. As part of the meeting, Raftelis will:

- Discern the major drivers for the study
- Discuss the Agency's current sources of revenue, potential shortfalls, and future liabilities
- Discuss reserves and reserve policies
- Review the data request list and pinpoint data gaps or questions

A detailed data request list will be submitted prior to the kick-off meeting so that the Agency can begin assembling the appropriate data in the required format. The Project Team will study this data diligently to understand the Agency's revenue streams and tax base, operating needs, and capital equipment and facilities replacement needs. Raftelis will also review the Agency's current reserve structure and reserve targets.

**Meetings:** *One kick-off meeting with Agency staff*

**Deliverables:** *Data Request list, Kick-off Meeting Agenda Materials and Minutes*

## **Task 2 – Financial Plan Development**

After discussion of project objectives and review of policies and financial information, Raftelis will develop projections for the Agency's revenue needs. This task includes projection of budget items, such as annual costs related to operating and maintenance (O&M) expenses, debt service, capital expenditures, and reserve contributions using assumptions based on different economic factors and growth trends.

### **Task 2.1 – Development of Model Framework**

The purpose of this task is to understand the requirements for inputs and outputs of the Financial Plan Model. Raftelis will work with Agency Staff to develop the framework for the model.

Raftelis will develop a forecast of revenue requirements over the planning horizon. This will include an estimate of revenues based on property tax, current fees and projected levels of usage, and other revenues. Revenue requirements will be projected over the planning period based on historical results, the current budget, capital improvement plans (CIP), existing debt service, and other obligations using assumptions mentioned above. Various debt instruments, grants, and/or government loans will be provided as options for capital financing. Projecting revenue adjustments over a long planning horizon can illustrate future impacts and potential challenges to the Agency's

financial position. This will allow the Agency to adjust expenses, reserve balances, or capital project scheduling to smooth impacts (to the extent possible) and to maintain financial stability.

Raftelis will develop a 25-year cash flow analysis to determine revenue adjustments needed to meet projected revenue requirements for the planning period. The cash flow worksheet incorporates revenues generated from different sources, expenses needed to maintain operations, facilities, and equipment, and any transfers in and out of the reserve funds. In addition, the study will factor in any coverage necessary to meet current and proposed debt service requirements.

The financial plan will be presented in an easy-to-understand format on an interactive 'Dashboard' which shows the impacts of various assumptions so that decisions regarding revenue adjustments, capital financing through pay-as-you-go (PAYGO), debt, or grants, and reserve balances can all be viewed quickly and efficiently. Several features of the Model Dashboard include the ability to display:

1. Adjust property tax revenue in order to meet debt coverage and target reserve balance(s)
2. Projected operating costs and revenue streams
3. Reserve balances and desired target levels according to the Agency's policies
4. Different funding sources of CIP (PAYGO, debt, loan, or grant)

### ***Task 2.2 – Financial Reserve Policy***

In addition to discussion within the Framework meeting, Raftelis will conduct web meetings with Staff to discuss concerns and critical challenges facing the Agency, which will serve as guidance for determining the appropriate types of reserves and general criteria to utilize for establishing the funding level of each reserve. In addition, current funds will be evaluated to determine if individual funds require re-balancing, elimination, or amendment to achieve the goals for which each is designed. Reserves to discuss include, but are not limited to, the following:

- Operation Reserve
- Capital Equipment Reserve (vehicle, equipment, etc.)
- Facilities Replacement Reserve
- Specific Activities, Programs, and Special Projects Reserves
- Emergency Reserve

As part of this Study, we will discuss critical challenges that the Agency faces in today's environment. Questions to consider include:

- What are the current financial concerns to be addressed?
- What potential Federal, state, or local regulations will impact the Agency?
- What are potential risks the Agency may face?
- What are the top risk factors to be evaluated in the Study? For example, decreasing property tax revenue, future liabilities related to Delta Conveyance and the Sites Reservoir Project, asset failures, etc.
- How do these risk factors financially impact the Agency?

Raftelis will conduct a thorough review of information to gain an understanding of the current financial challenges and potential risks faced by the Agency. Ultimately, Raftelis will review the Agency's current reserve policies and develop recommendations for reserve levels that are



consistent with industry standards, as well as the Agency's risk management practices, and maintain or enhance financial solvency. The recommendations' goals will be:

- To ensure sufficient cash flows for daily and yearly operations and capital replacement
- To provide adequate cash flows to maintain, or to quickly resume, normal service levels after exposure to unexpected risks or failure
- To maintain or achieve specific credit ratings

As part of Task 2, Raftelis will conduct conference calls and web-meetings with Agency staff to present the recommended financial plan from the model development as well as fiscal reserve policy (reserves/target levels) for the Agency.

**Meeting(s):** *Up to two (2) web meetings with Agency staff to determine model inputs, assumptions, reserves policies, and preliminary results.*

**Deliverable(s):** *Draft Financial Plan Model in Microsoft Excel*

### Task 3 – Financial Plan Workshop

After the financial plan has been developed, Raftelis will conduct a Workshop via a web meeting with Agency staff to finalize the Financial Plan Model. During the Workshop, we will discuss both the short- and long-term financial plans and examine various scenarios. The Workshop will provide Raftelis and the Agency staff the opportunity to discuss recommendations, underlying assumptions, policies, and make any final adjustments to the Financial Plan Model.

**Meeting(s):** *One (1) web meeting with Agency staff to finalize Financial Plan Model*

**Deliverable(s):** *Final Financial Plan Model in Microsoft Excel*

### Task 4 – Board Workshop

After the financial plan has been finalized, Raftelis will present the results via a web meeting Workshop with the Agency Board of Directors. The presentation will highlight the collaborative process used to identify and prioritize the important issues facing the Agency as well as the financial policies that serve as a framework for the financial plan.

**Meeting(s):** *One (1) web meeting with Agency Board*

**Deliverable(s):** *Presentation materials*

### Task 5 – Model Training

Raftelis will conduct a training session with Agency staff of how to use the Financial Plan Model and how to adjust inputs to run various scenarios. We will teach staff how the model operates and how the results of future recommendations can be illustrated on the Dashboard. The models will be developed using Microsoft Excel. Using a familiar program like Excel instead of proprietary software promotes comprehension of the model by Agency staff and those who may need to use or update the model in the future. Raftelis models have numerous features that make them easy to use.

**Meeting(s):** *One (1) web meeting model training session with Agency staff*

**Deliverable(s):** *Presentations materials*

## FEES AND SCHEDULE

Raftelis proposes to complete the scope of work outlined above on a time-and-materials basis as shown in the table below with a not-to-exceed cost of \$30,305. The following table provides a breakdown of the estimated level of effort required for completing each task described and the hourly billing rates for the personnel scheduled to complete the project.

Tasks	Web Meetings	Hours					Total Fees & Expenses
		SG	JW	LD	SC	Total	
Task 1: Project Management, Kickoff Meeting, and Data Collection	1	5	2	8	12	27	\$5,800
Task 2: Financial Plan Development	2	10	2	20	45	77	\$15,675
Task 3: Financial Plan Workshop	1	4	2	6	6	18	\$4,010
Task 4: Board Workshop	1	4	0	4	2	10	\$2,350
Task 5: Model Training	1	2	0	6	4	12	\$2,470
<b>Total Estimated Meetings / Hours</b>	<b>6</b>	<b>25</b>	<b>6</b>	<b>44</b>	<b>69</b>	<b>144</b>	
<b>Hourly Billing Rate</b>		<b>\$310</b>	<b>\$275</b>	<b>\$185</b>	<b>\$185</b>		
<b>Total Professional Fees</b>		<b>\$7,750</b>	<b>\$1,650</b>	<b>\$8,140</b>	<b>\$12,765</b>	<b>\$30,305</b>	

SG - Sanjay Gaur  
JW - John Wright  
LD - Lauren Demine  
SC - Staff Consultants

Total Fees & Expenses **\$30,305**

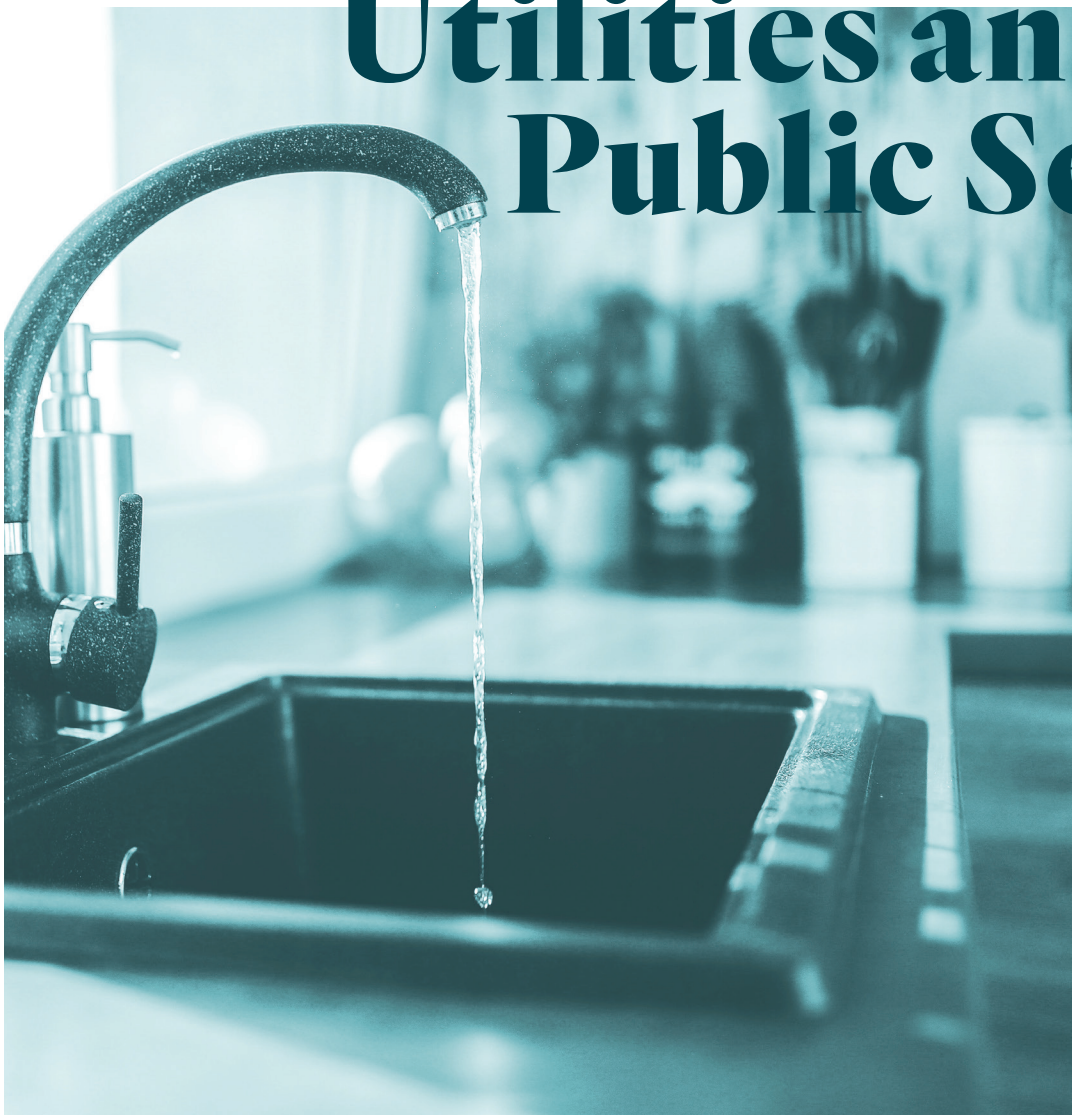
Raftelis is excited to have the opportunity to assist the Agency with this important study. If you have any questions, please do not hesitate to contact Sanjay Gaur at (213-262-9304).

Sincerely,  
**RAFTELIS FINANCIAL CONSULTANTS, INC.**



**Sanjay Gaur**  
Vice President

# The Trusted Advisor to Utilities and the Public Sector





## **Diversity and inclusion are an integral part of Raftelis' core values.**

We are committed to doing our part to fight prejudice, racism, and discrimination by becoming more informed, disengaging with business partners that do not share this commitment, and encouraging our employees to use their skills to work toward a more just society that has no barriers to opportunity.



## **Raftelis is registered with the U.S. Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB) as a Municipal Advisor.**

Registration as a Municipal Advisor is a requirement under the Dodd-Frank Wall Street Reform and Consumer Protection Act. All firms that provide financial forecasts that include assumptions about the size, timing, and terms for possible future debt issues, as well as debt issuance support services for specific proposed bond issues, including bond feasibility studies and coverage forecasts, must be registered with the SEC and MSRB to legally provide financial opinions and advice. Raftelis' registration as a Municipal Advisor means our clients can be confident that Raftelis is fully qualified and capable of providing financial advice related to all aspects of financial planning in compliance with the applicable regulations of the SEC and the MSRB.

WHO IS

# Raftelis

**RAFTELIS IS THE TRUSTED  
ADVISOR TO UTILITIES  
AND THE PUBLIC SECTOR.**

+ VISIT [RAFTELIS.COM](https://www.raftelis.com) TO LEARN MORE

Raftelis provides utilities and public-sector organizations with insights and expertise to help them operate as high-performing, sustainable entities providing essential services to their citizens. We help our clients solve their financial, organizational, technology, and communication challenges, achieve their objectives, and, ultimately, make their communities better places to live, work, and play.

**27** years serving the public sector

# How we stack up

## OUR TEAM INCLUDES

**120+** consultants focused on finance/management/communication/technology for the public sector

**5** chairs & **20** members of AWWA and WEF utility finance and management committees and subcommittees

**&** the President of AWWA

## RAFTELIS HAS PROVIDED ASSISTANCE FOR

**1,200+** public agencies and utilities

that serve more than

**25%** of the U.S. population

including the agencies serving

**38** of the nation's 50 largest cities

In the past year alone, we worked on

**900+** projects for **600+** agencies in **44** states



## Leading the industry

Raftelis staff shape industry standards for water and wastewater utility finance and management through our active leadership in AMWA, AWWA, WEF, and EPA.

Leadership positions and projects for these organizations include:

### AMWA

- INSIGHT database and survey

### AWWA

- President
- Asset Management Committee - 1 member
- Benchmarking Committee - 1 member
- Finance, Accounting, and Management Controls Committee - Chair and 2 members
- Management and Leadership Division - Vice Chair & Trustee
- Rates and Charges Committee - Chair and 4 members
- Strategic Management Practices Committee - Chair
- Co-lead biennial *National Water & Wastewater Rate Survey*

### WEF

- Finance and Administration Subcommittee - Chair
- Technical Practices Committee - 1 member
- Utility Management Committee - 5 members
- WEFTEC Conference Planning Committee - 1 member

### EPA

- Environment Financial Advisory Board - 1 member



## We wrote the book

Raftelis staff have co-authored many of the industry's leading guidebooks regarding water and wastewater financial and management issues, including:

- *Affordability of Wastewater Service* (WEF)
- *Manual of Practice No. 27, Financing and Charges for Wastewater Systems* (WEF)
- *Manual M1, Principles of Water Rates, Fees and Charges* (AWWA)
- *Manual M5, Water Utility Management* (AWWA)
- *The Effective Water Professional* (WEF)
- *Water and Wastewater Finance and Pricing: The Changing Landscape*
- *Water and Wastewater Rate Survey* (conducted and published collaboratively with AWWA and Raftelis)
- *Water Rates, Fees, and the Legal Environment* (AWWA)



# How We Can Help

Utilities and public-sector organizations provide life-sustaining services to maintain a high quality of life for their citizens and to help their communities thrive. Raftelis provides trusted expertise, coupled with a focus on innovation, to help utilities and public-sector organizations function as high-performing, sustainable entities.

We are consultants focused on helping our clients solve their finance, organizational, and technology challenges, achieve their objectives, and, ultimately, make their communities better places to live, work, and play. Our services primarily focus on the areas of finance, organization, technology, and communication; however, we listen to our clients to understand their unique needs and develop solutions that meet their specific objectives.



## Finance

Utilities and public-sector agencies all share a common requirement – to provide critical services on which their communities rely. At the core of providing these services is maintaining revenues that support sustainable operations and long-term planning.

Raftelis collaborates with organizations to identify the financial policies, business

processes, and customer rates and charges that promote financial integrity and the equitable recovery of costs to achieve the objectives of the organization and community.

### Affordability Analysis & Program Development

Access to clean water is one of the most basic needs to ensure the health of any community. The cost of providing such

water has steadily increased as water utilities are faced with growing costs related to aging infrastructure, regulatory requirements, and system reinvestment. With the resulting water and wastewater rates consistently increasing at a pace that sometimes exceeds inflation and wage growth, affordability is a growing focus within the water industry, both at the utility- and customer-level. Raftelis helps utilities address affordability concerns, implement solutions to address them, and communicate these

problems to utility rate-setting boards and their customers.

### What is Affordability?

The most commonly used metric to assess water and wastewater customer rate affordability is based on guidance provided by the U.S. EPA which utilizes median household income (MHI) metrics. However, MHI can be a poor indicator of utility rate affordability, and specifically affordability at the individual household level, because it does not describe the situation



of those people at the lowest ends of the income spectrum. We utilize industry-leading analysis techniques to combine unique customer billing data with census block-level demographic information to develop a comprehensive evaluation of the local affordability conditions which can be used for negotiation with regulators, assistance program development, and utility management decision making. Raftelis is at the forefront of industry efforts to define and assess affordability.

**Who is At Risk?**

The first step in assessing customer affordability is to fully understand the demographics and consumption characteristics of your customers. We do this by analyzing various data sets, such as census information and billing data, with the ultimate objective of identifying “at-risk” customer groups. Through this analysis, we are able to identify: household income characteristics; consumption geocoded to address and by census tract; and, ultimately, “at-risk” customers.

**What Solutions are Available?**

Raftelis assists utilities in developing and implementing affordability programs that address critical needs within the community, while minimizing administrative and cost impacts to the utility. At the utility-level, by conducting a financial capability assessment, utilities can assess their ability to address growing needs for capital investment. There are a number of ways to ensure customer affordability, including implementing bill assistance programs or water efficiency programs, or incorporating

affordability programs directly into the utility’s rate structure.

**How will this Impact My Utility?**

When considering affordability programs, utilities must understand the impact of proposed programs on utility operations and financial performance. Raftelis can help quantify these impacts and ensure the utility isn’t “biting off more than it can chew”.

**Stakeholder Outreach**

Once an affordability program has been established, Raftelis assists utilities in stakeholder outreach initiatives to ensure that target customer groups are aware of the available programs.

**Capital Improvement Planning / Prioritization**

Your organization has limited funds, and investments must be made to support growth, regulatory compliance, and capital renewal. Balancing these competing needs is part of managing any public organization. Pressures from stakeholders and inefficient practices complicate this process. Raftelis can work with you to develop rock-solid capital planning strategies and tactics that manage risk and provide the appropriate resources to meet your organization’s needs.

**An Implementation Focus**

While many firms can talk about the latest and greatest capital planning techniques, few can help you effectively implement them. What good are strategies if they do not

become a key component to how your organization does business? Raftelis links the technical elements of capital planning with organizational changes and engagement strategy to implement capital planning solutions. From creating defensible prioritization processes to incorporating new technologies and asset management concepts like reliability-centered maintenance, Raftelis will help you implement streamlined practices that maximize your precious resources.

**Defensible Prioritization**

Making choices about which capital investments to make and when to make them is difficult and often politically charged. Every organization needs a defensible system to share with stakeholders explaining capital prioritization methods. Using stakeholder-supported and easy-to-understand rationale, we will work with you to implement a system that stakeholders understand and embrace.



## Debt Issuance Support

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As the need for capital investment grows, including repair and replacement of aging infrastructure and the addition of new assets, more utilities and government agencies are leveraging their available funds by issuing tax-exempt revenue bonds and other types of debt financing. These funding sources are often a better alternative than funding capital improvements with rates, and can dramatically decrease the rate volatility that often accompanies pay-as-you-go funding. However, to fully realize the benefits of debt financing, a utility must take steps to reduce its cost of borrowing.

### Provide Confidence

Through the preparation of a financial feasibility report that is included in the official statement prepared to help market and sell the bonds, Raftelis can help you demonstrate to potential investors and rating agencies the relatively low level of risk associated with your borrowing, thereby reducing your cost of borrowing. Rating agencies, investors, and underwriters are familiar with Raftelis reports, which provides them with a confidence regarding the information provided in the report. We have participated in many meetings with rating agencies and state agencies that regulate the issuance of municipal debt to demonstrate the credibility of the financial forecast prepared for the issuance.

**Raftelis can assess our clients' current and future revenue requirements by developing a financial plan that is customized to the unique aspects and circumstances of each client.**

### Understand the Impacts

Another benefit of having Raftelis as a member of your financing team is that we can translate different financing options into potential rate and customer impacts. This will allow you to understand how the debt issuance will directly impact your customers.

### Registered Municipal Advisor

Raftelis is registered with the U.S. Securities Exchange Commission (SEC) and the Municipal Securities Rule-making Board (MSRB) as a Municipal Advisor. Visit the MSRB's website for more information on this designation.

### Economic & Financial Evaluations

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Opportunities often arise that require data-driven decision making. Information is critical

to making decisions to guide and direct future performance when developing a management plan. Raftelis has a suite of capabilities to assess your utility or public organization's current capabilities and performance, as well as evaluate future opportunities.

### Identification of Financial Policies and Objectives

Raftelis works with you to determine and document the goals and objectives that have guided past decisions and what goals and objectives are needed to support future plans. Raftelis will draw upon our comprehensive experience with utilities, regulatory and rating agencies, and other stakeholders to recommend financial policies that meet the current and future needs of your agency. Once these policies have been enumerated, evaluated, and established, we will identify a plan to achieve and surpass these goals that

will provide confidence to both internal and external stakeholders.

### **Current State of the Utility Assessment**

If you have ever wondered, how well are we doing right now? Raftelis has developed a streamlined process for assessing the performance of a utility or public-sector organization and benchmarking them against their own policies and objectives, as well as against industry peers. Raftelis assessments review past and current performance, while providing a firm starting point for making management and policy decisions. We leverage our expertise to develop a holistic view of the industry and share this perspective with your organization to explain trends, opportunities, and best practices. We are also aware of regional and local concerns, and use this awareness to best position you to solve challenges ranging from revenue stability to water supply funding.

### **Economic Feasibility Analysis**

Do you know if that \$10 million investment to provide service to a new service area is a wise decision? Or should your utility expand current facilities instead of increasing wholesale purchases from an adjacent utility? Raftelis develops economic models that provide utility and government managers with the data needed to make informed decisions about the best use of resources. Our analysis provides visibility into the future cost-benefit of any opportunity with the ability to measure outcome sensitivity based on changing input parameters.

## **Financial Planning**

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In today's environment, utilities and government agencies need to have a multi-year financial plan that integrates capital improvement financing and customer impact awareness. Raftelis tailors each financial plan to meet the specific needs of the utility. Raftelis works with our clients to develop a comprehensive, reliable, and flexible financial plan that forecasts system operational and maintenance (O&M) costs, plans for necessary capital improvements and how these will be financed, projects customer account and usage information, and monitors the overall financial performance and health of the organization.

### **Managing Capital Spending**

A key component in utility and public sector financial planning is the management of capital spending. Whether your capital improvement program is driven by rehabilitation and replacement or meeting regulatory requirements, Raftelis has the industry experience and tools necessary to help schedule and identify funding for these capital projects. Raftelis is registered with the U.S. Securities Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB) as a Municipal Advisor – this allows us to include robust capital financing planning modules in our financial planning models. Our financial planning models are designed for scenario-based analysis, allowing you to quickly adjust capital project lists and the associated funding options, easily varying cash and

debt funding levels and seeing the impact on revenue requirements.

### **Understanding and Predicting Customer Behavior**

Raftelis has helped hundreds of utilities and public-sector entities across the United States better plan for the ever-changing behavior of their customers. Mitigating the impacts of declining per capita water usage is a major concern for many agencies. Others are facing water shortages and must consider developing drought rates, and designing rates that promoting conservation through clear price signals. All of these challenges require an understanding of the current customer base served by your organization, how those accounts have changed over time, and how each member of the various customer classes is expected to behave in the future. Raftelis' experience throughout the industry helps us to interpret your data and plan for dynamic customer behavior.

### **Tools for Planning and Communicating**

A financial plan that is only known to and used by the chief financial officer is not as meaningful as the plan that can be shared with internal and external stakeholders. Raftelis develops custom financial planning computer models that are built around your organization's accounting hierarchy, capital planning needs, customer information, and financial goals and policies. These models are built upon our defensible and proven methodologies and incorporate the latest in data analysis techniques, technol-

# Raftelis will develop a customized financial models that incorporate a dashboard to allow you to easily run scenarios and see the impacts in real time.

Shown below is a sample dashboard that we developed for another project.





ogy, and graphic visualizations with dashboard controls. Our models allow utilities and public-sector agencies to make plans for today while always being aware of the needs of tomorrow.

## Rate, Charge, & Fee Studies

The primary purpose of rates and fees for utility and government services are to recover sufficient revenues to cover costs. However, expertly designed rates can be used as tools to help accomplish your strategic objectives while maintaining equity among all customer classes.

### Identification of Pricing Objectives

Raftelis works with our clients to develop pricing objectives that guide the determination of the most appropriate rate structure to satisfy your organization’s strategic and operational goals. These objectives range from promoting conservation to minimizing customer affordability concerns to promoting economic development.

### Evaluation of Rate/Fee Structure

Raftelis has experience developing a variety of rate structures that meet the specific needs and goals of each client and its stakeholders. Some agencies are best served by basic rate structures, whereas others benefit from the most innovative solutions. There is no one size fits all solution and we use our experience to help you determine the optimal rate structure for your utility or organization.

### Development of a Financial Plan

Raftelis has a proven and data-driven method of forecasting costs and customer data to inform the rate-setting process. We forecast system operational and maintenance (O&M) costs, capital needs, and customer accounts and usage and monitor overall financial performance of a utility or government agency.

### Allocation of Costs

To ensure appropriate recovery of costs from different user classes, Raftelis reviews existing customer classifications to ensure proportionality. We consider historical customer class usage and peaking characteristics, along with emerging demographic and conservation trends. Raftelis employs methodologies and standards endorsed by the American Water Works Association, Water Environment Federation, and the National Association of Regulatory Utility Commissioners to allocate costs that can withstand scrutiny under regulated rate cases and interjurisdictional disputes.

### Model Development and Rate/Fee Alternatives

Developing rates requires sophisticated models to project revenue requirements and customer data, allocate costs appropriately, and allow for the evaluation of multiple rate structure alternatives. Raftelis develops customized, non-proprietary computer models with an emphasis on being user-friendly and flexible. In addition, our models monitor customer impacts to provide organizations the information needed to

minimize rate shock and unnecessary financial burden.

### Gaining Buy-In and Adoption

The perfect rate/fee structure that is not approved by the governing body has no value. Raftelis is adept at effectively communicating recommendations to stakeholders and elected officials. Our focus is on the importance of the rate recommendation and the comprehensive analysis behind our recommendation to ensure buy-in and adoption.

### Additional Rate, Charge, and Fee Services

- Capacity, system development, or impact fees
- Rate case support
- Dispute resolution and litigation support related to rates and fees
- Wholesale service rates
- High-strength and industrial wastewater surcharges
- Outside-city rate differentials
- Late payment, penalty, account activation, and other customer service-related charges
- Administrative procedures and on-going implementation of rates/fees
- Development agreements and evaluation of credits for system improvements

**customers and stakeholders are also evolving and increasing. Public officials can take steps to get out in front of these challenges through proactive, effective moves.**

**From major governance or leadership changes to incremental performance improvements in individual business processes, Raftelis can help your organization identify needs, plan for the future, and implement positive changes.**

## Organizational, Governance, & Operations Optimization

Stakeholders want responsive, high-performing public services, without substantial increases to rates and fees. Producing value for each dollar spent is imperative. Raftelis helps utilities and public-sector entities structure, assess, and optimize their organization and its resources to meet the often complex and sometimes conflicting desires of stakeholders.

### Organized and Optimized

Agencies with efficient practices and optimized structures have lower lifecycle asset costs, and lower operations and maintenance expenditures for the same activities. Compared with their peers, they also provide better service. There are many proven models for providing public services – from traditional municipal structures to public-private partnerships. There is an equally diverse number of management and governance



## Organization

**Utilities and public-sector organizations are constantly facing an evolving array of challenges. Demands from**

approaches. Sorting through the options and making necessary changes is complex. Things can get politically and emotionally charged.

We can analyze your business processes and show you opportunities to add value and save resources. We can also show you where to innovate, and incorporate best practices from top-performing organizations. Raftelis has governance and organizational development experts that have walked in your shoes as elected and appointed officials, public organization directors, and staff in government entities. Our team evaluates every situation from multiple perspectives, applying proven approaches to identify areas for improvement and suggesting a path to optimize performance. We help implement innovative ways to operate and make them permanent so that they become a part of the way an organization does business.

### Assessing the Situation

To understand an organization's needs, it is helpful to have an outside perspective. Raftelis' team of former utility managers, operations professionals, and subject matter experts engage with organizations to learn about what makes them different, their culture and people, and their performance-limiting factors. Our team examines productivity measures, such as those associated with meeting service levels or efficiency, to determine if money is being spent wisely. We'll learn a lot about your organization through this process, and so will you. We can then leverage these opportunities and strengths to enhance organizational performance.

### Making Recommendations a Reality

Our actionable recommendations are developed based on priority, cost benefit, and ease of implementation. In addition, methods for implementation are suggested, with consideration for change management practices and operating environment limitations (unions, budgets, service levels, etc.). We then work with clients to manage the implementation of these recommendations and to track progress towards making them a reality.

You need the buy-in of customers, employees, and other stakeholders as you adopt new approaches and begin new initiatives. They want to know what's in it for them. How you collaborate and communicate with them is critical. Raftelis can bring an array of effective approaches to engage these groups. We can help build communication pathways and form new relationships that will improve your organization. Our deliverables don't sit on shelves – they're living, working documents that effectively communicate your message to stakeholders. They will provide you with the ammunition that your organization needs to achieve the performance that it desires.

### Performance Measurement & Benchmarking

Public organizations used to be the silent servants, providing effective and vital services while keeping a low profile. Today, things are different.

Stakeholders want to hear what you're doing and how you're doing it. They want to see they're getting good value for their money and that you're providing the services that they want. Raftelis can help provide the tools to showcase your organization's accomplishments, and highlight opportunities to achieve even greater success.

### Metrics and Beyond

Raftelis works with hundreds of utilities and public-sector agencies across the country and helps write the industry guidance on performance management. We'll show you how your practices and metrics compare to both neighboring peers and national benchmarks. Your organization will understand its strengths and where its greatest opportunities to enhance performance lie, as well as the practices that others employ to succeed.

Successful performance measurement means looking beyond the numbers (metrics) to the underlying practices. Raftelis can assess your operation, and compare it to best practices and those of peer organizations. We can then help you develop enhanced practices and set appropriate goals and metrics. You will know where you are now, where you need to be, and the practices that will move you in the right direction.

### We Have the Right Tools

We have been involved in drafting much of the leading guidance on management and financial topics in the industry, and our solutions incorporate the latest information available. We combine the best elements

of frameworks like APWA's Self-Assessment and Effective Utility Management (EUM) with recognized approaches from the business world, such as Lean Six Sigma and those of the American Society for Quality (ASQ).

Raftelis also develops applications to help our clients measure and compare their performance. These tools help to keep track of progress towards meeting performance goals and to ensure you stay on track.

### Performance on Display

Why hide the good things that you're doing for your customers? Show them to gain the trust and support needed to tackle your toughest challenges. Raftelis can help you communicate effectively with customers and other stakeholders.

### Program Planning & Support

Today's utilities and public-sector organizations are faced with growing capital needs and increasing regulations. Raftelis develops funding strategies to address these needs and provide long-term financial sustainability for our clients. We can help you meet and exceed expectations for organizational and operations optimization, and plan and implement effective management strategies to ensure long-term success. Our team has the skills and experience to help you develop and select an approach to achieve your goals.

### Program Planning

Raftelis has extensive experience and expertise in the development and imple-

mentation of stormwater management programs, solid waste programs, and other utility services. We have executed a wide range of analytical and evaluative projects, including policy development, process development, data management, and public stakeholder process implementation. For clients just starting to differentiate service delivery to those with well-established programs aiming to improve service delivery, fee structures, or customer service, our staff have helped many utilities evaluate alternative policies, benchmark their programs and policies, document and improve business processes, and develop and implement new programs.

**Program Development and Support**

An important aspect of program development is defining exactly which historic and future activities are included in a particular program. For some of these programs, and stormwater in particular, services are provided in a distributed manner by different departments, unlike most other government activities, such as transportation or fire protection. For these and other challenges, such as determining appropriate levels of service for non-metered services from solid waste to stormwater, Raftelis has used a variety of approaches to help clients define these services for estimating costs and new utility development.

Raftelis also assists with regulatory compliance by supporting client interaction with regulators, developing permit-based programs and activity timelines, and per-

forming compliance activities such as public involvement and outreach.

**Putting Plans Into Action**

A solution is only effective as its actual implementation. Raftelis has implemented many fees and rates for large and small local governments, with a variety of billing methods in communities with different concerns, varying data quality, and differing goals for funding structures and incentives. One of our particular strengths is in developing processes and software that will enable billing for non-metered services on legacy utility and tax billing systems.

Raftelis also specializes in assisting with customer and public relations during utility development, implementa-

tion, and post-go live periods with our expertise in public outreach, stakeholder facilitation, and customer service provision.

**Strategic Communications & Public Outreach**

There has never been a more critical time for the public

sector to communicate the value of the services it provides. Now, more than ever, meaningful, deliberate, and strategic communication efforts can make the difference between a successful infrastructure project or revenue request and a public outcry resulting in a reputational crisis.

**Tell Your Story to Build Understanding**

Today, we can engineer and







finance solutions for the ongoing needs of our community, yet success often relies on public trust and support for our efforts. People know that infrastructure investment is important – but they often don't understand how impactful and costly it is and what that will mean to them personally. Strategic communication and stakeholder engagement are the tools we use to build an informed, supportive community; making your efforts to accomplish your objectives more effective and efficient.

#### **Use Best Practices and Innovative Tools**

There are endless choices when it comes to developing a strategic communication plan for your organization or project. How do you know which social media strategy or public

participation technique is the best and will get the results you want? Raftelis designs the right communication solution for your unique needs, ensuring that the strategy and tactics match your organization's goals and your ability to implement the plan. Traditional public outreach approaches can easily be combined with innovative online stakeholder engagement efforts to tailor a solution that is cost-effective and manageable for staff.

#### **Enhanced by Design**

In the age of endless distractions and information overload, people want information in a visual format that is quickly and easily understood. While detailed, 100-page reports may provide great detail into a topic, this is typically not the most effective way to communicate with your

stakeholders. Raftelis' team of in-house graphic designers and communications experts utilize the art of design and visualization to develop concise, visually pleasing, and easily digestible materials and content to effectively communicate your message.

#### **Communicating From Experience**

Raftelis has proven ability to successfully communicate and build consensus on large, complex, and often controversial projects – and we've walked in your shoes, working directly with customers, stakeholders, elected officials, media, and environmental organizations to engage and collaborate with them. Whether your goal is to build support for a rate structure change or analyze public perceptions to effectively



neutralize opposition to an infrastructure project or new program, we've been there and done it successfully.

## Strategic Planning

There never seems to be enough time, money, or staff to meet every need, and allocating limited resources is one of the most difficult aspects of effectively managing a public organization. Raftelis assists its clients in developing strategic plans to guide policy and operational decision making.

### A Broad and Deep Approach

Our strategic planning approach utilizes interviews, focus groups, workshops, Board retreats, and facilitated meetings to drive the planning process and to develop relevant goals and objectives that meet the needs of your organization.

Our approach to strategic planning involves a proven and unique process that:

- Engages internal and external stakeholders
- Links strategy to performance
- Sets up for effective implementation
- Builds on industry best practices, such as those outlined in Effective Utility Management (EUM)

A successful strategic planning process should provide the organization with several important benefits, including:

- Well-defined strategies directed toward achieving the organization's goals
- A committed team of employees working toward

a shared vision

- Enhanced Board engagement
- An effective tool for enhanced communication with external stakeholders
- Predictable performance reflecting achievement of measurable objectives

### From Plan to Action

Even the most in-depth and skilfully developed strategic plan will fall short of success if the plan is never implemented. Raftelis works with our clients after the development of the plan to ensure successful implementation on a realistic timeline. We also provide tools to track progress as the objectives and strategies of the plan come to fruition.

Strategic planning that is incorporated into the fabric of the organization is a valuable tool to help ensure that the organization is sustainable operationally, environmentally, socially, and financially.



## Technology

**Utilities are embracing technology as a means to better connect with customers, increase the accuracy of customer and financial information, and improve organizational performance. Raftelis staff are trusted advisors who can assist utilities in planning information technology improvements, gathering the best information available from their data and systems, improving information processes, and building custom**

**tools to increase effectiveness across the organization.**

**Raftelis can assist utilities in planning IT improvements, gathering the best information available from their data and systems, improving information processes, and building custom tools to increase effectiveness across the organization.**

## Billing, Permitting, & Customer Information Audits

Are your staff losing confidence in the numbers being reported from your key information systems? We can help you confirm the source of data management or reporting errors that may be casting doubts across your operations, and improve your processes to provide more accurate data in the future.

### Forensic Data Analysis

Our staff have analyzed customer, financial, and regulatory systems using "Forensic Data Analysis" concepts to identify opportunities for data cleansing, process improvements, and system upgrades that can restore confidence in the organization's information. We have successfully identified system configuration errors resulting in millions of dollars in annual losses, have uncovered unallowable behaviors by temporary utility staff resulting in the prevention of collections enforcement, and have identified billable customers not receiving bills for services. We work to pair audit findings with recommendations that can be rapidly implemented to prevent further financial losses.

### Accurate Reporting

In many cases, doubts relating to information originating from key utility systems are not caused by the source data, but rather by the reporting mechanisms employed to extract the information. Raftelis staff have the ability to review reporting logic in a variety of programming languages and systems to ensure that the results of reports reflect the desires of utility decision makers. We have rewritten reporting logic for metrics as seemingly simple as the number of billable accounts, to complex financial reports used to support bond purchases or regulatory requirements. Our staff have also created data warehouses to support performance metrics and reporting needs that are not natively supported by a utility's standard information systems. We can help restore staff confidence by providing objective analysis of your key reports and information systems.

## Business Process Development

Are your staff members putting the technology that you have available to its best use? We can help you take a step back and assess how effectively your operations are employing their information resources and if there are more efficient paths leading to the same or improved results.

Our team can help encourage improved communication between teams and develop transparent procedures for achieving business goals. We can teach staff how to better use their tools and provide targeted support that combines technical

knowledge with subject matter expertise.

### Process Mapping

A great deal of value can be uncovered by mapping current business processes as they exist within the utility organization and comparing these processes to industry best practices. Process maps can uncover minor disconnects in communication or understanding that may result in lost time or revenue. Raftelis staff have worked closely with utility staff at all levels of an organization to understand how jobs are performed on a daily and annual basis. By interviewing staff and understanding their needs and challenges, we can suggest holistic modifications to processes to improve individual and organizational effectiveness.

## Data Management, Analytics, & Visualization

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You already collect a vast array of information about your customers and finances, but how do you put that data to work? Our team can help you ask and answer critical operational questions using the data that you already have on hand.

### Understanding Through Data

We understand how to translate plain English questions into analytics that can be gathered and put to use in planning where your business is headed. Our team speaks the language of dozens of customer and financial systems and can assist with making key quantitative business metrics available to

your decision making. Access the data that you already have and combine it with other available data sources to learn the most about where you stand.

### Data Visualization

To create an even more compelling message, utilities' data can be presented visually in a way that can be understood by audiences from ranging from executives, to customers, to technical staff. Utility data can be combined with geographic data to create maps to highlight parts of the service area that show high or low consumption, areas that could benefit from increased outreach on affordability, or have longstanding work order requests that are interrupting billing. Beyond mapping, Raftelis staff have provided visualizations of customer and financial data time series to show trends over time that could assist with future projections or forecasting. Visualizations help utilities reach a broader audience and can facilitate the communication of complex information in a concise medium.

## Software Solutions

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Custom software empowers you to interact with your data and customers in a more accessible way. Our application development staff have designed and implemented customer service, billing, GIS, financial, performance, and other applications across web, mobile, and desktop platforms to help support a variety of business objectives.

### Tools of the Trade

Custom software helps users to be more efficient during their daily work, have greater access to the data that matter to them, and have greater connectivity with their stakeholders and customers. Our staff are able to combine in-depth knowledge of utilities, government, and finance with strong technology skills to provide a tailored solution to meet your technology needs.

Raftelis have successfully implemented software solutions for utilities using a methodology that limits risk and ensures that the final product blends the desired functionality with ease of use. Our products are used to bill hundreds of millions of dollars of utility charges and fees annually, intake tens of thousands of affordability program applications, and communicate organizational performance metrics both internally and to the public. Our software has empowered our clients to be more responsive, more transparent, and more accurate across administrative and operational functions.

# Experience

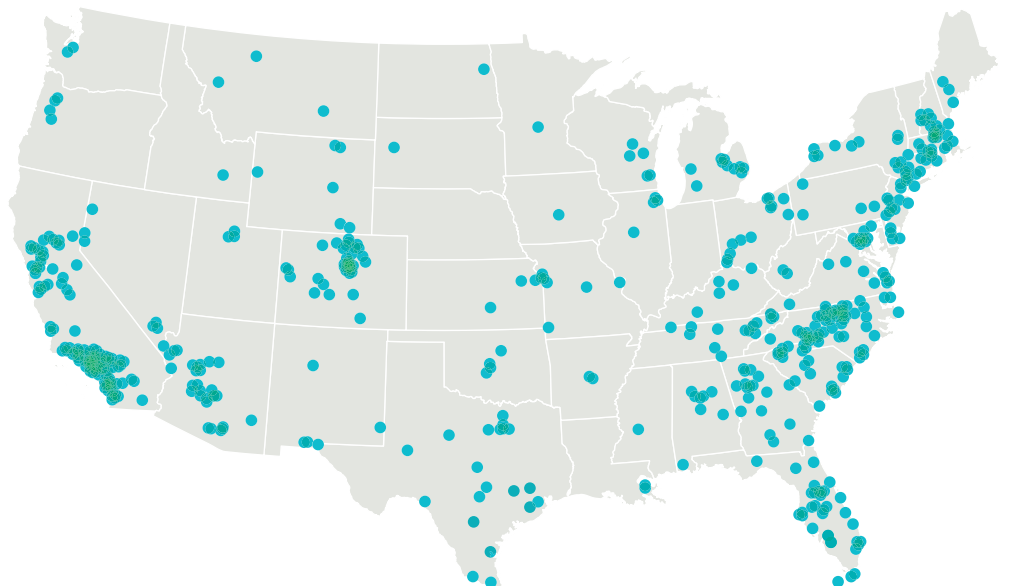
**RAFTELIS HAS THE MOST EXPERIENCED UTILITY FINANCIAL AND MANAGEMENT CONSULTING PRACTICE IN THE NATION.**

Our staff has assisted more than 1,000 utilities across the U.S., including some of the largest and most complex agencies in the nation. In the past year alone, Raftelis worked on more than 600 financial/organizational/technology consulting projects for over 400 water, wastewater, and/or stormwater utilities in 40 states, the District of Columbia, and Canada.

THIS MAP AND THE MATRIX ON THE FOLLOWING PAGES SHOW SOME OF THE UTILITY CLIENTS THAT WE HAVE ASSISTED.

**Raftelis has provided financial/organizational/technology assistance to utilities serving more than**

**25% of the U.S. population**



## California Experience

This table lists the California utilities that Raftelis has assisted over the past five years on financial, rate, and/or management consulting projects.

Client	Affordability Analysis & Program Development	Debt Issuance Support	Dispute Resolution	Financial and Capital Improvements Planning	Rate Case Support	Rate Design	Risk Analysis	Cost of Service	Development / Impact Fees	Stormwater Utility Development	Organizational Optimization	Water/Wastewater Utility Valuation
Alameda County Water District		●		●		●	●	●	●			
Anaheim, City of				●		●	●	●				
Arroyo Grande, City of				●		●	●	●				
Atwater, City of				●	●	●		●				
Bakersfield, City of		●		●		●		●				
Benicia, City of									●			
Beverly Hills, City of		●		●		●	●	●	●		●	
Borrego Water District			●	●		●						
Brea, City of				●		●		●				
Brentwood (CA), City of				●		●	●	●				
CAL FIRE/San Luis Obispo								●				
Calleguas Municipal Water District		●		●		●	●	●				
Camarillo, City of		●		●		●		●	●			
Carlsbad Municipal Water District		●		●		●	●	●				
Casitas Municipal Water District				●		●		●				
Castaic Lake Water Agency			●	●		●	●	●	●			
Central Basin Municipal Water District		●		●			●	●				
Central Contra Costa Sanitary District				●		●		●				
Channel Islands Beach Community Services District				●		●		●				
Chino Hills, City of				●		●		●				
Chino, City of				●		●		●				
Chowchilla, City of				●		●	●	●				
Corona, City of						●			●			
County of San Diego				●				●		●		
Crescenta Valley Water District				●		●		●				
Cucamonga Valley Water District				●		●						
Del Mar Union School District		●										
Delta Diablo Sanitation District											●	
East Bay Municipal Utility District				●				●	●			
East Orange County Water District				●		●		●	●			
East Valley Water District				●		●	●	●				
Eastern Municipal Water District				●								
El Toro Water District				●		●		●				
Elk Grove Water District	●			●		●	●	●	●			
Elsinore Valley Municipal Water District				●		●		●				
Escondido, City of		●		●		●	●	●	●			
Galt, City of		●		●		●		●	●			
Glendora, City of						●						
Goleta Water District				●		●	●	●				
Goleta West Sanitary District			●	●		●	●	●	●			
Helix Water District				●		●		●				
Henderson, City of				●		●		●	●			
Hollister, City of				●		●		●	●			
Holtville, City of				●				●				
Huntington Beach, City of				●		●	●	●				
Imperial County				●		●		●				
Inland Empire Utilities Agency				●								

Client	Affordability Analysis & Program Development	Debt Issuance Support	Dispute Resolution	Financial and Capital Improvements Planning	Rate Case Support	Rate Design	Risk Analysis	Cost of Service	Development / Impact Fees	Stormwater Utility Development	Organizational Optimization	Water/Wastewater Utility Valuation
Irvine Unified School District		●										
Jurupa Community Services District				●		●	●	●				
Kern County Water Agency					●							
La Canada Irrigation District				●		●		●				
La Habra Heights County Water District				●		●	●	●	●			
Laguna Beach, City of				●								
Lake Valley Fire Protection District				●			●	●				
Las Virgenes Municipal Water District				●		●		●				
Leucadia Wastewater District				●		●						
Livermore, City of				●		●		●	●			
Long Beach City of	●	●		●		●		●				
Los Alamos Community Services District		●		●		●		●	●			
Los Angeles Department of Water and Power						●		●				
Los Angeles, City of Bureau of Sanitation					●							
Madera, City of		●		●								
Mammoth Community Water District				●		●		●				
Marin Municipal Water District					●							
Merced, City of				●		●		●	●			
Mesa Water District				●				●				
Metropolitan Water District of Southern California			●									
Modesto Irrigation District						●		●				
Mojave Water Agency				●		●	●					
Monterey County Water Resources Agency				●		●		●				
Monterey, City of		●		●		●	●					
Moulton Niguel Water District									●			
Municipal Water District of Orange County					●			●				
Napa Sanitation District				●		●		●				
Ojai Valley Sanitary District				●		●		●				
Olivenhain Municipal Water District				●		●	●					
Ontario Municipal Utilities Company								●				
Ontario, City of				●		●	●	●				
Orange, City of				●		●		●				
Palo Alto, City of				●		●	●	●				
Phelan Pinon Hills Community Services District	●			●		●		●	●			
Placer County Water Agency					●			●				
Pleasant Hill Recreation & Park District				●				●				
Pomona, City of				●		●		●	●			
Rainbow Municipal Water District				●		●	●	●				
Ramona Municipal Water District				●		●		●				
Rancho California Water District						●	●	●	●			
Redlands, City of				●		●	●	●	●			
Rincon del Diablo Municipal Water District				●		●		●				
Riverside Public Utilities				●		●	●	●	●			
Roseville, City of		●		●					●			
Sacramento Regional County Sanitation District						●						
Sacramento, City of				●		●		●				
Salton Community Services District				●				●				

Client	Affordability Analysis & Program Development	Debt Issuance Support	Dispute Resolution	Financial and Capital Improvements Planning	Rate Case Support	Rate Design	Risk Analysis	Cost of Service	Development / Impact Fees	Stormwater Utility Development	Organizational Optimization	Water/Wastewater Utility Valuation
San Bernardino Valley Municipal Water District						●						
San Bernardino, County of				●		●		●	●			
San Clemente, City of				●		●	●	●				
San Diego, City of Public Utilities Department		●	●	●		●	●	●	●			
San Dieguito Water District				●		●		●				
San Elijo Joint Powers Authority				●	●	●	●	●	●			
San Gabriel County Water District				●		●		●				
San Gabriel, City of				●		●		●				
San Jose, City of								●				
San Juan Capistrano, City of				●		●	●	●	●			
Santa Ana, City of								●				
Santa Barbara, City of				●		●	●	●	●			
Santa Clara Valley Water District			●	●	●							
Santa Clarita Water District		●		●		●	●	●	●			
Santa Cruz, City of				●		●	●	●				
Santa Fe Irrigation District				●		●	●	●	●			
Santa Fe Springs, City of				●		●		●				
Santa Margarita Water District				●		●	●	●				
Santa Rosa, City Attorney's Office									●			
Scotts Valley Water District		●		●		●	●	●	●			
Shafter, City of				●		●		●				
Shasta Lake, City of				●		●	●	●				
Sierra Madre, City of	●			●		●		●				
Signal Hill, City of				●		●		●				
Simi Valley, City of				●		●	●	●	●			
Sonoma, City of				●		●		●				
South Mesa Water Company				●		●	●	●				
South Pasadena, City of				●		●		●				
South San Francisco, City of				●				●				
Sunnyslope County Water District				●		●	●	●	●			
Sweetwater Authority				●		●		●				
Temescal Valley Water District				●		●		●	●			
Thousand Oaks, City of				●		●	●	●	●			
Torrance, City of				●		●		●				
Trabuco Canyon Water District				●		●		●				
Triunfo Sanitation District				●		●		●				
Tustin, City of				●		●		●				
Union Sanitary District				●		●	●	●	●			
Ventura Regional Sanitation District				●		●		●				
Ventura, City of	●	●	●	●	●	●	●	●	●			
Vista, City of				●		●			●			
Walnut Valley Water District				●		●		●				
Watsonville, City of	●			●		●	●	●				
West Basin Municipal Water District				●		●	●	●				
Western Municipal Water District				●		●		●	●			
Yorba Linda Water District				●		●		●				
Zone 7 Water Agency				●		●		●				

Below, we have provided descriptions of several example projects that we have worked on. We have included references for each of these clients and urge you to contact them to better understand our capabilities and the quality of service that we provide.

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## Mojave Water Agency

### CALIFORNIA

**Reference:** Kathy Cortner, Chief Financial Officer

**P:** 760.946.7054 / **E:** [kcortner@mojavewater.org](mailto:kcortner@mojavewater.org)

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As a State Water Project contractor, Mojave Water Agency (MWA) is entitled to receive an annual allotment of up to 82,800 acre feet of water from the State Water Project via the California Aqueduct to replenish local aquifers that serve residents living in 4,900 square miles of the High Desert in San Bernardino County. The essential mission of MWA is to seek sources of water, including supplemental water, and to deliver that water in the most effective fashion to ensure the quality of life within its boundaries.

In 2012, MWA engaged Raftelis to develop the financial plan model as a tool assess risk in water supply variance, capital spending plans including estimated Delta repair costs, property tax growth rates, and evaluate associated potential financial impacts and ensure financial sufficiency for MWA's operational and capital expenditures. Raftelis presented the model to the Board of Directors to show the financial health under various scenarios related to water supply and growth rates. The model was delivered to MWA staff along with a training session to demonstrate all key aspects of the model and a user manual was provided for MWA's future use.

In 2013, MWA retained Raftelis to upgrade its financial plan model to include a water leasing module to evaluate the potential water supply risk under different growth and hydrological conditions and the associated risks and financial impacts of selling their multi-year pool water to defer the Delta repair costs. Upon the completion of the model upgrade, Raftelis conducted financial sensitivity workshops with MWA staff and the Board and presented the results of the study and delivered the model to MWA along with a manual for its future use and reference.

In 2015, MWA again retained Raftelis to provide ongoing financial plan support to examine the financial effects of the historic drought. Because of the then ongoing drought, Department of Water Resources (DWR) costs had been rapidly increasing. Raftelis was retained to evaluate the feasibility, magnitude, and efficacy of potential financial tools that would help the Agency generate additional revenue. As part of this project, Raftelis met with the MWA Board and the Personnel, Finance & Security working group several times, on an ongoing basis as the Agency's financial outlook changed. At the conclusion of the study, Raftelis provided the Agency with an update to its Strategic Financial Plan.



## Zone 7 Water Agency

### CALIFORNIA

**Reference:** Valerie Pryor, General Manager  
**P:** 925.454.5016 / **E:** vpryor@zone7water.com

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In July 2015, Raftelis was selected to conduct a comprehensive Cost of Service Wholesale Rate Study for the Zone 7 Water Agency (the Agency). Given the recent state-wide emphasis for retail water agencies to meet conserve mandates of the Governor's Executive Order, the Agency experienced a significant reduction in water sales when compared to the previous Fiscal Year. These cutbacks also affect the Agency's revenue stability as nearly 100% of the Agency's revenue is recovered through variable rates and fixed revenue recovery is negligible, even though a majority of the Agency's costs are fixed. As a result, the Agency has seen a \$5M reduction in expected sales or 15% revenue loss. Given the severity of the financial impact, Raftelis completed the cost of service rate study over an aggressive timeline and presented rates in September 2015.

After reviewing the Agency's current financials and revenue requirements over a 5-year planning period, Raftelis developed the following recommendations to meet the Agency's critical short-term needs: 1) Recover lost revenue due to a reduction in sales through a Temporary Conservation Surcharge, 2) The Temporary Conservation Surcharge would be in place while revenue adjustments of 10% are made to permanently replace revenue generated from the Temporary Conservation Surcharge, 3) Fund capital through a combination of Pay-As-You-Go (PAYGO) (cash on hand) and Debt financing, and 4) Build up reserves to meet minimum target level over the three year planning period.

Sanjay Gaur also reviewed the current rate structure and consumption data and recommended the following adjustments to the current rate structure: 1) adjust the current 100% variable rate structure and to one that includes both fixed and variable, with approximately 35% of required revenue generated through fixed charges. Given that the Agency is a wholesaler, fixed charged would be based on historical water sales for allocating the 35% of revenue recovery to each retailer.

## Beaumont Cherry Valley Water District

### CALIFORNIA

**Reference:** Yolanda Rodriguez, Director of Finance & Administrative Services  
**P:** 951.845.9581 ext. 224 / **E:** Yolanda.rodriguez@bcvwd.org

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The Beaumont-Cherry Valley Water District (District) is an area that experienced explosive growth in recent years, as much as 20-30% annually. As one would expect with such growth, the District has had to secure additional water rights through the State Water Project and planned significant capital projects to ensure the infrastructure can support the additional users. Raftelis assisted the District in in developing capacity charges. The charges were computed for specific facilities such as water supply, storage, transmission, distribution (frontage), etc. so that developer capacity fees could be individually computed based on specific circumstances and provide flexibility for reimbursement agreements. The demands were based on acreage, land use, and intensity of developments to ensure appropriate facilities would be available.

Water supply fees were the most significant component of the capacity charge to new customers and involved review of multiple water sources such as recycled water, State Water Project water, and stormwater capture.

The Beaumont-Cherry Valley Water District commissioned Raftelis in 2019 to develop a financial plan and cost-of-service study. The main objectives of the study were to ensure financial sufficiency, meet operation and maintenance costs, and to ensure funding for both capital and reserves. Raftelis provided recommendations to the rate structure to ensure compliance with the cost of service principles of Proposition 218. Residential water rates switched from a two-tiered rate structure to a three-tiered rate structure. Additionally, Raftelis assisted the District in calculating drought rates and miscellaneous fees.



## Antelope Valley-East Kern Water Agency

### CALIFORNIA

**Reference:** Matthew Knudson, Assistant General Manager  
**P:** 661.349.7310 / **E:** mknudson@avek.org

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As a State Water Project contractor, Antelope Valley-East Kern Water Agency (AVEK) is entitled to receive an annual allotment of up to 141,400 acre feet of water from the State Water Project via the California Aqueduct to replenish local aquifers that serve residents living in an area that encompasses nearly 2,400 square miles of the Mojave Desert area, northeast of Los Angeles including eastern Kern County and a small portion of Ventura County. AVEK has the third largest water entitlement of all SWP agencies in California. The mission of AVEK is to seek sources of water and develop the infrastructure to deliver water in the most effective manner to ensure the quality of life within its boundaries.

In 2013, AVEK engaged Raftelis to develop a Wholesale Water Rate Model as a tool to develop a revised rate structure that recovers anticipated increases in electrical and operational expenditures without overburdening taxpayers or customers. The engagement has been split into two phases, the first was to create a financial plan and update the current rate structure for 2014. The financial plan was designed to sufficiently fund annual operating, capital, and reserves needs while meeting other financial performance goals and policies of AVEK, such as revenue and rate stability and debt service coverage requirements. The second phase involves developing the full wholesale water rate model which includes the implementation of AVEK's reserve policies and reviewing alternate rate structures to provide revenue stability and incentives for conservation. One of the structures investigated was a two-tier postage stamp rate structure similar to the structure employed by Metropolitan Water District of Southern California. Raftelis has met with AVEK's Board of Directors and member agencies and presented the financial plan along with 2014 wholesale rates to show the financial health under various scenarios related to water supply and growth rates. The second phase of developing the wholesale water rate model has commenced. Upon completion of the study, the user-friendly wholesale rate model will be delivered to AVEK staff along with a training session to demonstrate all key aspects of the model.

## Cucamonga Valley Water District

### CALIFORNIA

**Reference:** Chad Brantley, Director of Finance and Technology Services  
**P:** 909.483.7453 / **E:** chadb@cvwdwater.com

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Cucamonga Valley Water District (District) is currently providing water, wastewater and recycled water services to a population of nearly 190,000 with an average daily demand of approximately 50 million gallons per day (mgd). The water furnished to the District's customers comes from several sources including imported water from Northern California via the State Water Project, groundwater pumped from local aquifers, and a combination of other sources from canyons and tunnels along the local mountains. Increasing operation and maintenance costs along with projected intensive capital program over the next 30 years and volatile water sales in recent years have driven the District to conduct a long-range financial plan to ensure financial sufficiency and sustainability of the District. In late 2012, the District commissioned Raftelis to develop the 30-year Financial Plan Model as a tool to assess the potential risks associated with water supply and to evaluate the financial impacts of different capital projects and Other Post-Employment Benefits (OPEB) funding levels for its Water, Wastewater and Recycled Water Enterprises. The Model will be used as a tool to effectively communicate with the elected officials (District Board of Directors) and key stakeholders about the potential risks imposed on the District's financial health and the financial impacts of different capital project and OPEB funding levels.

WITH  
**120+**

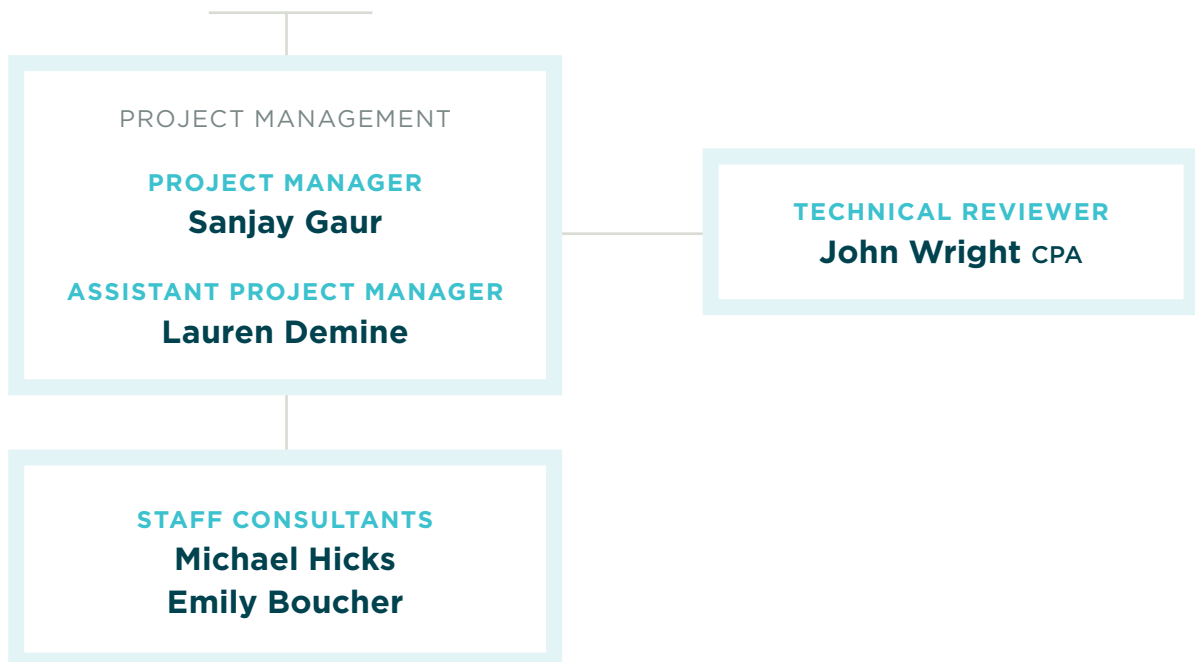
**WATER/WASTEWATER/STORMWATER  
UTILITY FINANCIAL  
& MANAGEMENT  
CONSULTANTS,  
RAFTELIS HAS THE  
LARGEST PRACTICE  
IN THE NATION.**

# Project Team

**OUR TEAM INCLUDES SENIOR-LEVEL PROFESSIONALS TO PROVIDE EXPERIENCED PROJECT LEADERSHIP WITH SUPPORT FROM TALENTED CONSULTANT STAFF. THIS CLOSE-KNIT GROUP HAS FREQUENTLY COLLABORATED ON SIMILAR SUCCESSFUL PROJECTS.**

Here, we have included an organizational chart showing the structure of our project team. On the following pages, we have included resumes for each of our team members as well as a description of their role.

## SAN GORGONIO PASS WATER AGENCY



# Sanjay Gaur

## PROJECT MANAGER

Vice President

### ROLE

Sanjay will manage the day-to-day aspects of the project ensuring it is within budget, on schedule, and effectively meets the objectives. He will also lead the consulting staff in conducting analyses and preparing deliverables for the project. Sanjay will serve as the main point of contact.

### PROFILE

Sanjay has over 20 years of public-sector consulting experience, primarily focusing on providing financial and rate consulting services to water and wastewater utilities. His experience includes providing rate structure design, cost-of-service studies, financial analysis, cost benefit analysis, capacity fee studies, conservation studies, and demand forecasting for utilities spanning the west coast. He has also international experience in water and wastewater rate studies, including the country of Belize and Grenada. He has provided consulting service to over 100 different agencies. Sanjay is considered one of the leading experts in developing rates that meet Proposition 218 requirements, has exceptional public speaking skills and, due to these qualities, he is often sought out to provide assistance on rate studies that are complex and controversial. He has often provided his insight into utility rate and conservation-related matters for various publications and industry forums including: authoring articles in *Journal AWWA*; being quoted in various newspaper articles including the *Los Angeles Times* and the *New York Times*; participating in a forum regarding the future of water in Southern California sponsored by the Milken Institute; being quoted on National Public Radio; speaking at various industry conferences including American Water Works Association (AWWA), the Utility Management Conference, Association of California Water Agencies, and California Society of Municipal Finance Officers; and, co-authoring several industry guide books including AWWA's *Manual M1 Principles of Water Rates, Fees and Charges, 7th Edition* as well as AWWA's *Water Rates, Fees, and the Legal Environment, Second Edition*. Sanjay co-authored a chapter entitled, "Understanding Conservation and Efficiency Rate Structures," for the Fourth Edition of the industry guidebook, *Water and Wastewater Finance and Pricing: The Changing Landscape*. Sanjay is also active in a number of utility-related associations, including serving as a member of AWWA's Rates and Charges Committee.

### KEY PROJECT EXPERIENCE

#### Alameda County Water District (CA)

Sanjay has provided financial and rate consulting experience to Alameda County Water District (District) since 2010. During these years, Sanjay has been the project manager on numerous studies, including the evaluation of different types of conservation rates, development of a 25-year financial model that assists the District in evaluating different financial risks, development of drought rates, and public outreach to stakeholders. During these projects, Sanjay has led a series of



### Specialties

- Proposition 218 rate compliance
- Financial analysis
- Cost-of-service studies
- Conservation rate structure design
- Capacity fee studies
- Cost benefit analysis
- Econometric analysis
- Professional History
- Raftelis: Vice President (2015-present); Senior Manager (2012-2014); Manager (2009-2012)
- Red Oak Consulting, Division of Malcolm Pirnie (2007-2009)
- MuniFinancial (2005-2006)
- A & N Technical Services (1999-2003)
- United States Peace Corps, Bulgaria (1995-1997)

### Education

- Master of Public Administration, Public Administration/International Development, Kennedy School of Government - Harvard University (2003)
- Master of Science, Applied Economics - University of California, Santa Cruz (1994)
- Bachelor of Arts, Economics & Environmental Studies - University of California, Santa Cruz (1992)

### Professional Memberships

- AWWA: Rates & Charges Committee
- California Society of Municipal Finance Officers

### Professional Recognition

- Who's Who in America, 63rd Edition (2009)
- Finalist, National Venture Competition (2003); Goldman Sachs Foundation
- Roy Environmental Fellowship (2002), Kennedy School of Government, Harvard University
- Kennedy School of Government, Harvard University Academic Scholarship (2001-2003)
- United States Peace Corps - Certificate of Outstanding Service (1997)

workshops with the Executive Management and the Board of Directors in evaluating and identifying which financial/rate solutions meet their objectives.

### **East Bay Municipal Utility District (CA)**

Since 2013, Sanjay has provided consulting services to East Bay Municipal Utility District (District). He successfully accomplished several objectives for the District and served as the project manager for a comprehensive water and wastewater cost-of-service study. The last comprehensive cost-of-service study was done in 2000. As part of the study, Raftelis thoroughly examined the District's cost structure, analyzed water and wastewater flow and customers data, and evaluated alternative rate structures to develop an equitable rate structure that meets Proposition 218 requirements and the District's goals and objectives. One of the key deliverables was the administrative record, which is a document that clearly explains how the rates are derived and is a critical document to support the requirements of Proposition 218.

### **Castaic Lake Water Agency (CA)**

Castaic Lake Water Agency is a wholesale water agency that is a member of the State Water Contractor. Since 2012, Sanjay has provided numerous consulting services including the evaluation of different types of wholesale rates, a financial model, annexation fees, capacity fees, and other financial consulting services. Sanjay has made numerous presentations to the Board of Directors and has secured their supports on critical matters.

### **City of San Juan Capistrano (CA)**

In 2012, City of San Juan Capistrano (City) was in the midst of a legal lawsuit over its water rates. A group of taxpayers sued the City over its water rates, saying they did not comply with Proposition 218. The City sought out an expert rate consultant to assist them in developing new rates that will meet the stringent requirements of the taxpayer group and City Council. The City hired Raftelis and Sanjay served as the project manager for this significant project. The project required a series of six City Council Workshops, with each one lasting over 3 hours. In addition, two members of the City Council were active in supporting the lawsuit against the City. Sanjay was successful in mustering support for the new rates and developing the new standard associated with the administrative record. The rates were approved and the President of the Taxpayer association expressed his support of the new rates.

### **City of Long Beach (CA)**

In 2016, the City of Long Beach hired Raftelis in conducting a comprehensive rate study that meets the heightened standard associated with Proposition 218. Given the large percentage of the population at the poverty rate, the City was concerned about affordability, revenue stability due to the recent drought, and developing a strong nexus associated with its water and wastewater rates. Sanjay served as the project manager and successfully assisted the City in adopting rates that meet their requirements. Since then, Sanjay has provided financial and rate consulting services to the City, including how to fund stormwater services.

### **Fallbrook Public Utility District (CA)**

Fallbrook Public Utility District (District) provides water, recycled water, and wastewater services. The District has a complex rate structure due to the fact that it provides both domestic service, special agricultural rates from the San Diego County Water Authority, normal agricultural service, and a combination of these services to the same meter. Given the recent lawsuit associated with San Juan Capistrano, the District was interested in developing a comprehensive rate study that can fund a new source of water supply and cost-of-service rate study that can justify the different types of rates. In 2016, Sanjay served as the project manager on this study and was successful in developing a 180-page administrative record that clearly explains the nexus requirement associated with Proposition 218 and the adoption of the five years of rates.

### **Placer County Water Agency (CA)**

Placer County Water Agency (Agency) provides four major types of water services: treated retail, untreated retail, treated wholesale, and untreated wholesale. Given the complexity of the system, the agency has over 50 different types of rates. The agency has evolved over the last 60 years of existence and has acquired numerous neighboring agencies. Given the

San Juan Capistrano ruling, the Agency was interested in consolidating and developing a clear rationale behind the complex services it provides. The Agency sought out Sanjay to be the project manager on this significant study in redeveloping all the different water rates. Sanjay conducted a series of workshops with Executive Management in developing a rationale and logic behind the services it provides. The 150-page administrative record was well received by the Board of Directors and they were pleased with this study. The new rates were approved in 2017.

### **Las Virgenes Municipal Water District (CA)**

Since 2008, Sanjay has provided financial and rate consulting services to Las Virgenes Municipal Water District (District). This include assisting the District in adopting a controversial rate increase, the evaluation and implementation of a water budget rate structure, capacity fees for water and wastewater services, and other financial related matters. The District receives water from only one source, Metropolitan Water District of Southern California. With the desire to implement a water budget tiered rate, Sanjay assisted the District in establishing tiered rates that meet the requirements of Proposition 218.

### **City of Santa Cruz (CA)**

Since 2012, Sanjay has provided financial and rate consulting services to the City of Santa Cruz (City). This includes developing a financial model that can evaluate different water demand factors and associated drought rates, reserve policies, a comprehensive rate study, drought rates, capacity fees and other financial/rate matters. The drought rates study was particularly complex. The City experienced a significant drought and had to allocate water. Water use was already at a historical low level and residential water use was one of the lowest in California. With the desire of refunding a debt and low commodity revenues sales, the City needed to adopt drought rates within a short time period. Sanjay was successful in adopting 5 stage drought rates and was able to assist the City in at this critical time. Lastly, Sanjay assisted the City in redeveloping its rate structure so that it would meet the values of the community, while remaining both be financially sustainable and meeting the requirements of Proposition 218.

### **Rancho California Water District (CA)**

Sanjay has provided consulting services to Rancho California Water District (District) since 2007. During this time, he has assisted the District in the development of a water budget rate structure. The project required the consultant to develop a flexible water budget model that could determine multiple blocks widths and allocations. The team was successfully able to accomplish this task and assisted the District in implementing the new water budget rate structure. The rates where successfully adopted in November 2009.

Sanjay also assisted the District in the development of a New Water Demand Offset Fee. The New Water Demand Offset Program is a form of funding for conservation measures that will help to create sustainable, zero water footprint development. New developments will pay fees called New Water Demand Offset Fees to create potable water savings in the existing system to support water demand generated by new developments. Water savings can be achieved by converting irrigation accounts to recycled water or installing high efficiency retrofits to replace inefficient fixtures for existing accounts in the District. Lastly, Sanjay has provided consulting services on Capacity Fee studies and updating water rates.

### **Western Municipal Water District (CA)**

Since 2009, Sanjay has provided consulting services to Western Municipal Water District (District). Sanjay successfully accomplished several objectives for the District including the implementation of water budget rates, which included facilitating and leading a discussion on the policy options associated with the development of water budget rates. Based on these policy options, a water budget model was developed that evaluated different allocation factors for indoor and outdoor water use, determined rate components for the corresponding tiers, and developed the corresponding rates and customer impacts.

In addition, Sanjay served as the project manager for the development of a financial model for the District. The model has the capability of examining the 14 different fund centers of the District, develop and save different Capital



Improvement Plan scenarios, examine the financial consequences of these scenarios and compare the results. In addition, the model has the ability aggregate the fund centers by water, wastewater, or by the whole District. The model is currently being utilized by the District to examine long term health of the District.

Lastly, Sanjay conducted a Capacity Fee study for the District, which included water, wastewater, and recycled water. The prior Capacity Fee was outdated and significant changes were required. This study included public outreach to the Business Industry Association. Since then, Sanjay has provided assistance to the District in updating its water rates and developing the administrative record required.

## PROJECT LIST

- American Water Company (CA) - Water rate study
- Country of Belize - Water and wastewater rate study
- Borrego Water District (CA) - Financial planning study, groundwater sustainability plan, water rate study, and basin management evaluation
- City of Calexico (CA) - Water and sewer rate study
- City of Camarillo (CA) - Water and wastewater rate study, financial plan study, and cost-of-service study
- Carpinteria Sanitary District (CA) - Sewer rate and fee study
- Central Basin Municipal Water District (CA) - Financial plan
- City of Chino Hills (CA) - Water budget rate design, financial plan study and cost-of-service and rate design
- City of Chowchilla (CA) - Water and wastewater rate study
- Coastside County Water District (CA) - Water rate study
- Contra Costa Water District (CA) - Financial plan study, water rate study and drought rates study
- City of Corona (CA) - Water budget rate study, wastewater capacity fees study
- Cucamonga Valley Water District (CA) - Financial plan, water conservation rate study, and drought rates
- Eastern Municipal Water District (CA) - Water budget study and financial plan study
- Elsinore Valley Municipal Water District (CA) - Financial model, drought rate analysis, water and recycled water rate study, capacity fee study, and wastewater rate study
- City of El Segundo (CA) –Water and wastewater rate study
- El Toro Water District (CA) - Water budget study and recycled water financial plan study
- City of Escondido (CA) - Water and wastewater rate study and capacity fees study
- City of Glendora (CA) - Water budget feasibility study
- Country of Grenada - Water and wastewater rate study
- Helix Water District (CA) - Water rate and cost-of-service study
- Hi-Desert Water District (CA) - Water rate study
- City of Hollister (CA) - Sewer rate and impact fee study, water rates study, and capacity fee study
- City of Huntington Beach (CA) - Sewer rate study, water budget rate study, and financial plan study
- Imperial County Gateway County Service Area(CA) - Water and wastewater rate study
- Indio Water Authority (CA) - User fee study and water rate study
- Inland Empire Utilities Agency (CA) - Conservation rate structure workshop and financial plan study
- Inyo County Water Department (CA) - Water rate study
- Jurupa Community Services District (CA) - Water budget study and water and wastewater rate study
- La Habra Heights County Water District (CA) - Wheeling rate study and financial plan study
- La Puente Valley County Water District (CA) - Water rate and fee study
- City of Livermore (CA) - Water cost-of-service study
- City of Livingston (CA) - Water rate study
- City of Lomita (CA) - Water rate workshop

- Los Alamos Community Services District (CA) - Water and wastewater rate study
- Los Angeles Department of Water and Power (CA) - Daily demand estimates
- City of Lynwood (CA) - Cost allocation plan
- City of Malibu (CA) - Wastewater and recycled water rate study
- Mammoth Community Water District (CA) - Water rate study
- City of Merced (CA) - Water and sewer rate and impact fee study
- Mesa Consolidated Water District (CA) - Financial plan study, cost comparison study, water and recycled water cost-of-service and rate design study
- Metropolitan Water District of Southern California (CA) - Drought allocation model, long range financial plan, and cost-of-service evaluation
- Mill Valley - Tamalpais Community Services District (CA) - Financial plan study
- Mojave Water Agency (CA) - Financial plan study, financial impact analysis for water exchange and leasing programs and water reliability rate development
- Modesto Irrigation District (CA) - Stormwater fee study
- Montecito Water District (CA) - Water rate study
- Municipal Water District of Orange County (CA) - Conservation potential study and rate study
- City of Newport Beach (CA) - Water rate study
- City of Palo Alto (CA) - Water and wastewater cost-of-service and rate study
- Pasadena Water and Power (CA) - Water cost-of-service and rate design study
- City of Pleasanton (CA) - Water and wastewater rate study
- City of Port Hueneme (CA) - Water and solid waste rate study
- City of Orange (CA) - Water and sanitation rate study
- City of Reno (NV) - Wastewater rate study
- City of Rio Vista (CA) - Water and sewer rate and impact fee study
- Salton Community Services District (CA) - Sewer rate study
- City of San Clemente (CA) - Water and wastewater rate study
- San Diego County Water Authority (CA) - Indexing model and wholesale water rate
- Santa Ana Watershed Project Authority (CA) - Financial model and wastewater rate study
- Santa Clara Valley Water District (CA) - Project evaluation - water conservation project
- Santa Clarita Valley Water Agency (CA) - Wholesale water rate study, Drought Rates, Rate Analysis, and Facility Capacity Fees
- Santa Clarita Water District (CA) - Retail water rate study
- City of Santa Monica (CA) - Rate study for the Groundwater Sustainability Plan
- Scotts Valley Water District (CA) - Water and recycled water rate study
- City of Seal Beach (CA) - Water rate study
- City of Shasta Lake (CA) - Water rate study and water and wastewater capacity fee study
- City of Sierra Madre (CA) - Water and sewer rate study
- City of Signal Hill (CA) - Water rate and cost-of-service study
- City of Simi Valley (CA) - Sewer rate study
- Soquel Creek Water District (CA) - Water rate structure study
- South Mesa Water Company (CA) - Rate structure and recycled water rate study
- Sunnyslope County Water District (CA) - Water rates and capacity fees
- Temescal Valley Water District (CA) - Water and sewer rate study and capacity fee study
- Trabuco Canyon Water District (CA) - Water rate study
- City of Thousand Oaks (CA) - Water and wastewater cost-of-service and financial plan study
- City of Ventura (CA) - Water and wastewater rate study



- City of Vista (CA) - Sewer rate and connection fee study
- Victor Valley Wastewater Reclamation Authority (CA) - Wholesale wastewater rate study and connection fee study
- Walnut Valley Water District (CA) - Water rate study
- City of Watsonville (CA) - Utility enterprise rate study
- West Basin Municipal Water District (CA) - Wholesale water rate study and desalination financial evaluation
- City of Westminster (CA) - Water rate study
- Yorba Linda Water District (CA) - Sewer and water budget rate study, financial plan study, and cost-of-service rate study
- Zone 7 Water Agency (CA) - Cost-of-services study and water rate study update

## PUBLICATIONS

- "Mandates and Messaging: How Californians Responded to the State's Historical Drought," Journal - American Water Works Association, Volume 111, Issue 3, 2019
- "California Water Rate Trends: Maintaining Affordable Rates in a Volatile Environment," Journal - American Water Works Association, Volume 109, Number 9, 2017
- "M1 Principles of Water Rates, Fees and Charges," Journal - American Water Works Association, 7th Edition, 2017
- "Committee Report: Ripples from the San Juan Capistrano Decision," Journal - American Water Works Association, Volume 108, 2016
- "The Drought is Over - Now is The Time to Develop Drought Rates," CSMFO Magazine, 2016
- "Developing Drought Rates: Why Agencies Should Prepare for a Not-So-Rainy Day," Journal AWWA, Volume 108, 2016
- "There's Opportunity in the San Juan Capistrano Rates Decision," California-Nevada Section AWWA, Volume 29, Number 4, 2015
- "California Water Rate Trends," Journal - American Water Works Association, Volume 107, Number 1, 2015
- "Water and Wastewater Finance and Pricing: The Changing Landscape," 4th Edition, 2015
- "Why do Water Agencies need Reserves?," Journal - American Water Works Association, Volume 106, Number 11, 2014
- "Conservation Rates Offer Options," CA/NV Section of American Water Works Association, Volume 28, Number 2, 2014
- "California Water Rate Trends," Journal - American Water Works Association, Volume 105, Number 3, 2013
- "Water Rates, Fees and the Legal Environment," American Water Works Association, 2nd Edition, 2010
- "Water Conservation Made Legal: Water Budgets and California Law," Journal - American Water Works, 101:4,p.85-89, 2009
- "Policy Objectives in Designing Water Rates," Journal of American Water Works, 99:5 p.112- 116, 2005
- "Adelman and Morris Factor Analysis of Developing Countries," The Journal of Policy Modeling, Vol. 19, Issue 4, pp. 407-415, 1997

# Lauren Demine

## ASSISTANT PROJECT MANAGER

Consultant



### ROLE

Lauren will assist the Project Manager with managing the day-to-day aspects of the project and leading the consulting staff in conducting analyses and preparing deliverables.

### PROFILE

Lauren has a background in geology and geophysics. During her time with Raftelis, Lauren has become proficient in financial modeling, data analysis, and technical writing. She joined Raftelis in 2017 as an associate consultant after working as a geophysicist for more than ten years. As a geophysicist she worked with private firms and water districts to address capital infrastructure needs, mitigate the potential of groundwater contaminants, and evaluate the integrity of groundwater basins/well locations.

### KEY PROJECT EXPERIENCE

#### Beaumont-Cherry Valley Water District (CA)

The Beaumont-Cherry Valley Water District commissioned Raftelis in 2019 to develop a financial plan and cost-of-service study. The main objectives of the study were to ensure financial sufficiency, meet operation and maintenance costs, and to ensure funding for both capital and reserves. Lauren served as lead consultant and was responsible for gathering and analyzing data, creating the financial plan and rate model, developing rate options, and drafting the detailed report highlighting the decisions made and the explaining the calculation of the final rates. Raftelis provided recommendations to the rate structure to ensure compliance with the cost of service principles of Proposition 218. Residential water rates switched from a two-tiered rate structure to a three-tiered rate structure. Additionally, Raftelis calculated drought rates.

#### Dublin San Ramon Services District (CA)

The Dublin San Ramon Services District commissioned Raftelis in 2018 to develop a financial plan and cost-of-service study for the water utility. The main objectives of the study were to ensure financial sufficiency, meet operation and maintenance costs, and to ensure funding for both capital and reserves. Lauren was responsible for gathering and analyzing data, creating the financial plan, developing the cost-of-service model and rate model, and assisted in drafting the detailed report highlighting the decisions made and the explaining the calculation of the final rates. Raftelis recommended that the District adjust revenue by 3% for each of the next five years and incorporate a pass-through provision for increased costs incurred from their wholesaler, Zone 7 Water Agency. In addition, Raftelis provided recommendations to the rate structure to ensure compliance with the cost of service principles of Proposition 218. Residential switched from a three-tiered rate structure to a uniform rate structure and non-residential rates were adjusted from a seasonal rate structure to a uniform rate structure.

#### East Bay Municipal Utility District (CA)

East Bay Municipal Utility District (District) hired Raftelis in 2018 to perform a comprehensive wastewater cost of service study and to update the capacity fee for its wastewater utility. The last comprehensive cost of service study was done in 2015 for the wastewater treatment charges. As part of the study, Raftelis thoroughly examined the District's cost

### Specialties

- Excel modeling
- Utility financial analysis
- Utility cost of service & rate structure studies
- Capacity fee studies
- Data collection & analysis
- Geophysical data analysis
- Groundwater sustainability analysis
- Database management
- Technical report writing & review

### Professional History

- Raftelis: Consultant (2019-present); Associate Consultant (2017-2018)
- GEOVision Geophysical Services: Senior Staff Geophysicist (2007-2017)
- GeoConcepts, Inc.: Staff Geologist (2005-2007)

### Education

- Bachelors in Geology - California State University, San Bernardino (2012)

### Professional Memberships

- California Society of Municipal Finance Officers

structure, analyzed wastewater flow and customers data, and evaluated alternative billable constituents to develop an equitable rate structure that meets Proposition 218 requirements and the District's goals and objectives. While the proposed treatment rates retain the current rate structure, the individual rates are realigned to reflect the cost of service. Lauren assisted with data collection and model development for both the cost of service and capacity fee studies.

### **City of Galt (CA)**

In early 2017, the City of Galt (City) began working on a comprehensive wastewater rate study for the City. The goal of the project was to evaluate several cost allocation and rate structures to ensure compliance with Proposition 218. Additionally, the City hired Raftelis to perform annual updates of the financial plan for both water and wastewater. Lauren worked with the City and project manager to assist with completing the 2019 annual update.

### **Helix Water District (CA)**

The Helix Water District (District) hired Raftelis to conduct a comprehensive cost-of-service analysis and financial plan update. The last cost-of-service study was conducted back in 1988 and needed to be updated to be in compliance with Government Code Section 54999.7(c). Rates for a five-year period were adopted in October of 2015. Additionally, the District hired Raftelis to perform annual updates of the financial plan. Lauren worked with the District and project manager to assist with completing the 2018 and 2019 annual updates.

### **Jurupa Community Services District (CA)**

The Jurupa Community Services District commissioned Raftelis in 2019 to develop financial plans and cost-of-service studies for the water and wastewater services. The main objectives of the study were to ensure financial sufficiency, meet operation and maintenance costs, and to ensure funding for both capital and reserves. Lauren was responsible for gathering and analyzing data, creating the financial plans, developing the cost-of-service and rate models, and drafting the detailed report highlighting the decisions made and the explaining the calculation of the final rates. Raftelis provided recommendations to the rate structure for the water utility to ensure compliance with the cost of service principles of Proposition 218. Water rates retained the four-tier rate structure for single-family residential customers but revised the tier definitions based upon water demand patterns. Multi-family residential and non-residential accounts switched from a four-tiered rate structure to a uniform rate structure.

### **Lake Hemet Municipal Water District (CA)**

The Lake Hemet Municipal Water District commissioned Raftelis in 2017 to develop financial plans and cost-of-service studies for the water and wastewater services. The main objectives of the study were to ensure financial sufficiency, meet operation and maintenance costs, and to ensure funding for both capital and reserves. Lauren was responsible for gathering and analyzing data, creating the Garner Valley enterprise financial plan, developing the cost-of-service model and rate model, and assisted in drafting the detailed report highlighting the decisions made and the explaining the calculation of the final rates. As part of the study, Raftelis evaluated interfund loans between enterprises with varying repayment terms and modeled various rate structures.

### **Las Virgenes Municipal Water District (CA)**

Lauren assisted in the preparation of the 2018 miscellaneous fees study report for Las Virgenes Municipal Water District (District). In this report, she documented the principles and methodologies used to update the District's miscellaneous fee schedule. The miscellaneous fees included both penalty fees, charged when users violate terms of agreement/service, and user fees charged to recover the costs of a service provided by the District.

### **Leucadia Wastewater District (CA)**

The Leucadia Wastewater District hired Raftelis to update its financial plan for both its wastewater and recycled water enterprises and to update the capacity fee for its wastewater utility. The main objectives of the study were to ensure long-term financial sufficiency, meet operation and maintenance costs, and to ensure funding for both capital and reserves over a 20-year planning period. Lauren assisted with data collection and model development for both enterprises and assisted in drafting the detailed report highlighting the decisions made.

### **Monterey County Water Resources Agency (CA)**

Lauren assisted in the preparation of the 2017 new source waters study report for Monterey County Water Resources Agency. In this report, she documented the cost analysis for the operation and maintenance of new source waters as well as the capital costs of the new source waters. New source waters included additional agricultural wash, pond water, and new treated effluent from industrial users.

### **City of Poway (CA)**

Lauren completed a comprehensive cost of service water and wastewater rate study for the City of Poway (City) in 2019. Lauren served as lead consultant and was responsible for data analysis, model development, and drafting the report. Raftelis provided recommendations to the rate structure for both water and wastewater to ensure compliance with the cost of service principles of Proposition 218. Residential water rates switched from a two-tiered rate structure to a three-tiered rate structure. Wastewater rates changed from a fixed charge that varied by meter size for non-residential customers to a uniform fixed charge for all customer classes. Additionally, Residential commodity rates switched from a seven-tiered volumetric charge to a uniform volumetric charge with a cap on billed wastewater flow of 24 ccf per bimonthly wastewater bill. A uniform wastewater commodity rate was retained for all other customer classes.

### **City of Sierra Madre (CA)**

Lauren assisted in the preparation of the 2018 comprehensive water and wastewater cost-of-service study report for the City of Sierra Madre (City). The purpose of this study was to develop a financial plan and design rates for the City's utilities over the next five years.

## **PROJECT LIST**

- City of Atwater (CA) – Water and wastewater rate study
- Citrus Heights Water District (CA) – Water rate study
- City of Livermore (CA) – Water and wastewater rate study
- City of Roseville (CA) – Water, wastewater, recycled water, and solid waste rate study
- Sacramento Suburban Water District (CA) – Water rate study
- Rancho Santa Fe Community Services District (CA) – Wastewater capacity fee study

## **RELEVANT PROFESSIONAL EXPERIENCE**

As a geophysicist for GEOVision Geophysical Services, Lauren was responsible for conducting subsurface investigations. She was also involved in helping to determine the best geophysical method to meet the client's needs. Lauren was responsible for efficiently managing and organizing the data collection, analysis, and processing phases of the geophysical investigation. She has worked on projects ranging from determining the depth and lateral extent of groundwater tables in various basins, gathering data on bedrock properties for the construction or repair of various infrastructure projects (e.g. dams, tunnels, and pipelines), relocating abandoned water wells, locating the depth and/or lateral extent of contamination plumes or seawater intrusion, and determining the best location for the placement of new water wells.

## **RELEVANT GEOPHYSICAL EXPERIENCE**

- Cadiz Inc. Pipeline (CA)
- Catalina Seawater Intrusion Analysis (CA)
- Hinkley Chromium Cleanup (CA)
- Monterey Interlake Tunnel (CA)
- Oroville Dam (CA)
- San Vicente Dam (CA)
- Sierra Madre Dam (CA)
- Stringfellow Acid Pits (CA)

# John Wright CPA

## TECHNICAL REVIEWER

Senior Manager



### ROLE

John will provide oversight for the project ensuring it meets both Raftelis and industry standards.

### PROFILE

John has more than 25 years of professional experience in financial management and economic analysis positions involving water, wastewater, energy, and telecommunications utilities. Prior to joining Raftelis in 2010, he served as the Manager of Rate Administration at Denver Water, one of the largest and most complex municipal water utilities in the western United States. In this role, John supervised the completion of Denver Water's annual financial planning, cost-of-service, and capacity fee studies. He also served as the liaison on financial issues to Denver Water's retail and wholesale outside-city customers.

Prior to joining Denver Water, John served as a Senior Economist at the Portland Bureau of Environmental Services, a nationally recognized leader in water pollution control and sustainable stormwater management programs. He assisted in the development of the annual financial plan and was responsible for preparing the annual sewer and stormwater cost-of-service and capacity fee studies.

John has also served as a Senior Analyst at the both the Colorado and Oregon public utility commissions. His work at the Colorado PUC included testifying as an expert witness in electric power and natural gas utility rate cases. At the Oregon PUC, John specialized in telecommunications utility issues and served as an expert witness in regulatory proceedings.

Since joining Raftelis, John has served as the project manager or lead consultant for numerous water and wastewater utility consulting engagements, primarily focusing on financial planning, cost of service, rate design, and capacity fees.

### KEY PROJECT EXPERIENCE

#### Rancho California Water District (CA)

Rancho California Water District (District) serves approximately 43,000 water and sewer customers in Temecula, CA. The City has a sophisticated water budget rate structure that was developed by Raftelis. John is currently serving as the project manager for an update of the District's rates for FY 2021 - FY 2023.

#### City of San Diego (CA)

The City of San Diego (City) provides water and wastewater service to approximately 1.4 million people in metropolitan San Diego. The City is currently in the process of completing a comprehensive cost-of-service study for its water, wastewater, and recycled water operations. John is serving as the lead consultant on this project. His responsibilities include assisting the City develop its financial planning, cost of service, and rate design models; public presentations to the City's Independent Rate Oversight Committee; and, coordination with the City's public outreach team.

### Specialties

- Cost-of-service studies
- Capacity fee studies
- Financial & economic analysis
- Expert testimony & litigation support

### Professional History

- Raftelis: Senior Manager (2020-present); Manager (2017-2019); Senior Consultant (2010-2016)
- Denver Water: Manager of Rate Administration (2006-2009)
- Portland Bureau of Environmental Services: Senior Economist (2004-2006)
- Public Utility Commission of Oregon: Senior Utility Analyst (2002-2004)
- Positions in the Competitive Telecommunications Industry (1997-2002)
- Colorado Public Utilities Commission: Senior Financial Analyst (1991-1997)

### Education

- Master of Science in Finance - University of Colorado, Denver
- Bachelor of Science in Accounting - Metropolitan State University of Denver

### Certifications

- Certified Public Accountant, State of Colorado #11959
- Series 50 Municipal Advisor Representative

### Professional Memberships

- AWWA - Rates & Charges Committee; Finance, Accounting & Management Controls Committee; Asset Management Committee
- WEF Utility Management Committee
- Government Finance Officers Association



**Santa Clara County Water District (CA)**

The Santa Clara Valley Water District (District) is the primary water resources agency for almost 2 million people in Santa Clara County. The District is responsible for water supply, watershed stewardship, and flood management. The District recently completed an updated zone of benefit study for its groundwater management activities. Raftelis is assisting the District modify its cost of service allocations to reflect this update. John is serving as the lead consultant on this project.

**Austin Water (TX)**

Austin Water (AW) provides water and wastewater service to a population of over one million in metropolitan Austin. In 2017, AW undertook a comprehensive review of its water and wastewater cost-of-service models to ensure the maximum possible equity in customer class revenue requirement determination and to aid regulatory analysis of AW's wholesale rates by the Public Utility Commission of Texas. As part of this process, John has played a lead role in the redesign of AW's water and wastewater cost-of-service models to enhance their transparency and ease of usage. He has also made numerous presentations to stakeholder groups composed of AW retail and wholesale customers.

**Puerto Rico Aqueduct and Sewer Authority (Puerto Rico)**

The Puerto Rico Aqueduct and Sewer Authority (PRASA) provides water and wastewater service to approximately three million people in the Commonwealth of Puerto Rico. John was a member of the Raftelis project team retained to provide an independent third-party Professional Opinion regarding operations and financial position of PRASA. The Raftelis professional opinion report was prepared in light of the on-going economic and fiscal challenges facing Puerto Rico and was specifically intended to identify opportunities for cost reductions and revenue increases to ultimately position PRASA to access capital markets. John's role in this consulting assignment was the development of financial planning models used to assess PRASA's projected financing gap without the restructuring of existing debt or the acquisition of new external debt financing.

**Metropolitan Water District of Southern California (CA)**

John served as the lead consultant on a project with the Metropolitan Water District of Southern California (MWD) to develop a recommended alternative rate design for the recovery of wholesale water treatment costs from MWD's member agencies. John is also assisted MWD in the economic/financial analysis of a potential regional water recycled program with the Los Angeles County Sanitation District.

**City of Calgary Utilities and Environmental Protection Department (AB, Canada)**

John served as the lead consultant of a comprehensive financial review of the water, wastewater and stormwater utilities operated by the City of Calgary's Utilities and Environmental Protection Department (UEP). The objective of the financial review was to assess UEP's current and projected levels of financial risk and to make recommendations regarding how to mitigate these risks by modifying UEP's financial policies, financial management practices, governance structure, and financial management organizational structure. John's activities included conducting detailed interviews with UEP senior executives and high-level management personnel; reviewing UEP financial, engineering and planning documents; analyzing the assumptions used in UEP's long-range financial planning models; and comparing UEP financial and managerial performance to metrics to the benchmarks used by U.S. credit ratings agencies to assess the default risk of water and wastewater utility debt.

**Portland Water Bureau (OR)**

The Portland Water Bureau (PWB) operates a regional water supply system that delivers drinking water to approximately 950,000 people in the Portland metropolitan area. The PWB provides service to wholesale customers under the terms of a standardized wholesale water supply contract that defines the specific ratemaking methodology that must be used. Per the requirements of this contract, the wholesale rate model is subject to a comprehensive audit every five-years to determine its continued compliance with contract requirements and industry standard cost-of-service methodologies as contained in AWWA Manual M1. John served as Raftelis' lead consultant on this project and was responsible for auditing all aspects

of the wholesale rate model in order to assess the appropriateness of the PWB's revenue requirement calculation for wholesale customers under the utility basis method of revenue requirement determination and the commodity-demand method of cost allocations.

### **Milwaukee Water Works (WI)**

Milwaukee Water Works (MWW) provides water service to a population of approximately 860,000 in metropolitan Milwaukee including nine wholesale customers. Municipal utilities in the State of Wisconsin are subject to economic regulation by the Public Service Commission of Wisconsin (PSCW). Raftelis represented MWW in a litigated rate case before the PSCW (Docket No. 3720-WR-108) that was opposed by MWW's wholesale customers who account for approximately 20% of total treated water sales. John served as the lead consultant responsible for the development of a cost-of-service model filed with the PSCW. John also provided both written and oral expert testimony on cost-of-service issues including the allocation of water main costs between the retail and wholesale service functions, the provision of public fire protection services to wholesale customers, and the rate of return on rate base assets paid by outside city customers.

### **City of Westminster (CO)**

The City of Westminster (City) is a northern suburb of Denver with a population of over 120,000. The City has a sophisticated asset management process and plans to make large capital expenditures for the repair and replacement of existing water and wastewater underground infrastructure. The City also plans to construct a new water treatment facility to enhance system reliability. John served as the project manager for a comprehensive consulting engagement with the City that includes the development of water and wastewater utility financial plans, the completion of water and wastewater cost-of-service and capacity fee studies, and the development of alternative water and wastewater rate designs. John continues to serve the City on water and wastewater financial issues on an on-call consulting basis.

### **East Larimer County Water District (CO)**

The East Larimer County Water District (District) provides water service to approximately 9,000 customer accounts in Fort Collins, CO. In 2018, John served as the project manager who led the completion of a financial plan, cost of service, and capacity fee study for the District. As part of the project, Raftelis developed a new rate structure that was adopted and successfully implemented by then District.

### **Boxelder Sanitation District (CO)**

The Boxelder Sanitation District (District) serves approximately 6,000 customer accounts in Fort Collins, CO. John served as the project manager who lead the successful completion of a capacity fee study and financial plan update for the District.

### **Ken Caryl Ranch Water and Sanitation District (CO)**

The Ken Caryl Ranch Water and Sanitation District (District) is serves approximately 6,000 customer accounts in the southwest portion of metropolitan Denver. The District purchases water supplies from Denver Water and wastewater treatment services from the South Platte Water Renewal Partners. John served as the project manager for a study that included financial planning, a cost of service study, and modifications to the District's inclining TIER water rate design.

### **Soldier Canyon Water Treatment Authority (CO)**

The Soldier Canyon Water Treatment Authority (Authority) provides wholesale water treatment services to three retail water districts in northern Colorado. The Authority was initially jointly owned by these three districts. In 2017, the Authority was created as a separate and distinct entity that required the development of a new long-range financial plans and rate structures. John served as the project manager responsible for conducting the study.

### **Left Hand Water District (CO)**

The Left Hand Water District (District) serves approximately 7,000 customer accounts in Boulder County, CO. John served as the project manager responsible for updating the District's financial planning, cost allocation and rate design

model. He also helped the District develop a pricing tool to analyze how the cost of short-term leases of water supplies would impact the District's capacity fee calculation.

### **Fort Collins Loveland-Water District (CO)**

The Fort Collins-Loveland Water District (District) serves approximately 17,000 water service customers in the City of Fort Collins, CO and surrounding areas. In 2018, John served as the project manager who led a water rate study for the District that included the development of a financial plan and long-term capital financing strategy for the District's share of the costs for the Northern Integrated Supply Project (NISP). NISP will provide up to 40,000 acre feet of additional water supplies to 15 water agencies in northern Colorado. The District's share of NISP is 3,000 acre feet at an estimated cost of approximately \$75 million. Traditionally, the District has used the same volumetric rate structure to bill all customer classes. Raftelis conducted a cost of service study and recommended the development of customer class specific rate structures that were implemented by the District in 2019. Raftelis also developed a new tap fee assessment schedule for single family residential customers based on gross lot size. This new assessment schedule was implemented by the District in September 2018. As part of the rate study, Raftelis developed a comprehensive strategic communications strategy for outreach to key stakeholders on financial planning, cost of service and rate design issues.

### **South Fort Collins Sanitation District (CO)**

The South Fort Collins Sanitation District (District) operates a 5 MGD wastewater treatment facility and serves approximately 14,000 customer accounts on the eastern side of the City of Fort Collins, CO. In 2018, John served as the project manager for a consulting engagement that included the completion of a financial plan, cost of service study and capacity fee update. Key issues faced by the District that were addressed by Raftelis included whether the current residential flat rate structure should be converted to volumetric rates and whether multi-family and single family residential capacity fees should reflect different estimated discharge volumes.

### **Prosper Coordinating Metropolitan District (CO)**

Prosper Coordinating Metropolitan District (District) in Arapahoe County is a greenfield 5,100-acre master planned development located in unincorporated Arapahoe County, east of Aurora, CO. At buildout, the District is envisioned to feature 9,000 housing units and over 8 million square feet of mixed use non-residential development. John served as the project manager responsible for developing the initial financial plans, capacity fees, and rate designs for the District's water and wastewater utilities. John also assisted the District on financial planning and capacity fee issues related to its acquisition of long-term renewable water supplies.

### **City of Norman (OK)**

The City of Norman (City) retained the services of Raftelis to update the water and wastewater capacity fees paid by developers and assist in the development of a long-term CIP financing strategy for the City's water, wastewater and planned future reuse water options. John served as the project manager on this consulting engagement.

### **City of Chandler (AZ)**

John served as the project manager for a cost-of-service study update of the potable water, reuse water, and wastewater services provided by the City of Chandler (City). The City's water supply includes underground aquifers augmented by a large scale aquifer storage and recovery program, purchases from the Central Arizona Project and exchanges with the nearby Gila River Indian Reservation. The City's water and wastewater supply infrastructure must not only meet State of Arizona and U.S. EPA requirements, but the exacting standards imposed by large semiconductor manufacturing facilities located in the City.

### **City of Thornton (CO)**

John served as the project manager for a financial planning and cost-of-service study consulting engagement with the City of Thornton (City). The City, located in the fast growing northern suburbs of metropolitan Denver, currently provides water service for a population of 125,000 with a projected service territory population of approximately 250,000 at full system build-out. The City plans to invest approximately \$560 million in new water resource and treatment facilities over



the next fifteen years to meet this projected long-term demand growth. As part of the consulting engagement, John assisted in the development of a long-range financial plan and updated capacity fees in addition to performing a comprehensive cost-of-service study.

### **Strathcona County (AB, Canada)**

John served as the project manager and lead consultant on water and wastewater utility cost-of-service study engagements with Strathcona County (County), Alberta. The County is located in a fast growing region located east of Edmonton, Alberta that includes urban, suburban and rural land use areas. The County provides differing levels of retail water and wastewater service to customers in each land use area. The County, which purchases its water supplies from the City of Edmonton, also serves four different wholesale water customers. As part of the water cost-of-service study, John developed cost allocations and customer class demand ratios that allowed the County to consolidate its retail water customer classes while maintaining rate equity and the adherence to industry cost-of-service principles. The County's wastewater utility provides wastewater collection and conveyance services to its retail customers. Wastewater discharges from these customers are conveyed to treatment facilities operated by the City of Edmonton and the Alberta Capital Region Wastewater Treatment Commission. As part of the wastewater cost-of-service study, John assisted in the development of a new rate design applied to residential wastewater customers in the County's urban and suburban land use areas.

### **EXPERT WITNESS TESTIMONY**

- Wisconsin Public Service Commission, Milwaukee Water Works rate case proceeding
- Colorado Public Utilities Commission, Electric and natural gas rate utility case proceedings
- Oregon Public Utility Commission, Telecommunications utility regulatory proceedings

### **PUBLICATIONS**

- "Financing and Charges for Wastewater Systems," WEF Manual of Practice No. 27 Second Edition, 2018
- "Principles of Water Rates, Fees and Charges," AWWA Manual M1, Sixth and Seventh Edition, 2012 and 2017
- "Water Utility Capital Financing," AWWA Manual M29, Fourth Edition, 2017
- "AWWA Asset Management Definitions Guidebook," Version 1.0, 2018
- "WEF Effective Water Professional," First Edition, 2015
- "WEF User-Fee Funded Stormwater Programs," Second Edition, 2013
- "WEF The Energy Roadmap: A Water & Wastewater Utility Guide to More Sustainable Energy Management," First Edition, 2013
- "Water and Wastewater Finance and Pricing, The Changing Landscape," CRC Press, Fourth Edition, 2015

### **PRESENTATIONS**

- "Developing a Financial Plan to Support Deferred Maintenance Funding," AWWA/WEF Utility Management Conference, 2019
- "Water System Development Charges Tailored to Land Use," AWWA/WEF Utility Management Conference, 2019
- "Utility Financial Risk Assessment - The Calgary Experience," AWWA Annual Conference, 2017
- "Water Profession: Current Issues and Future Challenges," Guest Lecturer at the University of Colorado-Boulder, Civil Engineering Class No. 5574, 2017 and 2018
- "Community Involvement Committees from a Municipal Utility Perspective," Colorado GFOA Conference, 2016
- "Securing Thornton's Water Future," RMSAWWA/RMWEA Annual Joint Conference, 2015
- "Financial Strategies to Prepare for the Next Economic Crises," AWWA Annual Conference, 2014
- "Weathering Economic Crises: Creating a Resilient Financial Plan for Your Utility," AWWA Webinar, 2014
- "Wichita Water Utilities Financial Restructuring," KWEA/KAWWA Annual Joint Conference, 2013
- "Capital Planning - A Business Case Process," AWWA Annual Conference, 2013
- "Declining Revenues and Your Rate Structure," AWWA Annual Conference, 2012

# Michael Hicks

## STAFF CONSULTANT

Associate Consultant

### ROLE

Michael will work at the direction of Sanjay and Lauren in conducting analyses and preparing deliverables for the project.

### PROFILE

Michael has a background in utility management and operations. His primary expertise lies in statistical analysis, utility rate analysis, and expense management. He initially joined Raftelis in 2019 as an associate consultant after working as a rate analyst for Conservice where he assisted development companies and property managers throughout the US in managing their utilities expenditures and utility billing procedures. Michael has also worked with UCLA's marine operations team where he assisted the Lab in collecting and analyzing submesoscale features such as fronts and eddies in the Santa Monica Bay region.

### KEY PROJECT EXPERIENCE

#### City of Long Beach (CA)

Michael served as the lead analyst on a project with the City of Long Beach in conducting a rate/ benchmarking survey of twenty-one different water and wastewater utilities. The project involves the analysis of rates for the typical residential customer, water supply mix, asset value for the last 10 years, population, and debt amount. The update was based on multiple publicly available information sources such as the City's CAFR, urban water management plan, and websites. Mr. Hicks also developed a model to efficiently summarize the information.

#### Mesa Water District (CA)

Michael served as the lead analyst on a project with Mesa Water District to conduct a market research on special districts and cities to identify member agencies who have more than 3,000 connections and a revenue base made up of 80 % retail water sales. The project involved analyzing data from the Department of Water Resources and California State Controller's Office.

Michael served as the lead analyst to perform a Water Cost Comparison Study update for Mesa Water District. The study utilizes the most recent data obtained from the California State Controller's office and the Municipal Water District of Orange County. It summarizes background information regarding water rates and identifies a set of indicators to measure the efficiency of water districts operations. The update was based on multiple publicly available databases.

#### South Mesa Water Company (CA)

Michael assisted South Mesa Water Company in conducting a Water Rate Study and Connection Fee Update. The project included developing a new financial planning and rate model for the District. Using the model, Raftelis developed the required rate increase scenarios which were based on the City's capital obligations, projected expenditures and projected debt issuance.

#### La Habra Heights Community Water District and Rowland Water District (CA)

Michael served as the lead analyst for La Habra Heights Community Water District and Rowland Water District in conducting a Wheeling Water Rate Study. He developed the model to calculate rates that allow both districts to



### Specialties

- Utility rate analysis
- Expense management
- Statistical analysis

### Professional History

- Raftelis: Associate Consultant (2019-present)
- Conservice: Utility Rate Analyst (2018-2019)

### Education

- Bachelor of Science in Math & Atmospheric & Oceanic Science - University of California, Los Angeles (2018)

sufficiently recover the costs associated with wheeling water by reviewing the capital costs and creating a fair and equitable wheeling rate that compensated LHHCWD for the use of its assets.

### **City of Palo Alto (CA)**

Michael served as an associate consultant for the City of Palo Alto in conducting their Wastewater Cost of Service Study. He assisted in the development of a comprehensive cost of service section of the model that determines the equity and sufficiency of the City's current wastewater rate structure to aid in the recommendation for any necessary changes that must be made to ensure the defensibility of the rate structure and the rates under the new legal environment for wastewater rates.

### **City of Westminster (CA)**

Michael is currently serving as an associate consultant for the City of Westminster (City) in conducting a water rate study and cost-of-service analysis for water service. He has currently developing a financial planning tool for the city to analyze their retail water sales, operational expenses, and capital & debt obligations. He will develop a comprehensive cost-of-service section of the model that determines the equity and sufficiency of the City's current rate structure and Retail water sales and recommend necessary changes to ensure the defensibility of the rate structure and the rates under the new legal environment for water rates.

### **Las Virgenes Municipal Water District (CA)**

Mr. Hicks is currently serving as an associate consultant for the Las Virgenes Municipal Water District in conducting a Water Sanitation and Recycled Water Financial Plan and Cost of Service Analysis. He has currently developing a financial planning tool for the city to analyze their potable water, recycled water and sanitation enterprise funds. He is also developing a comprehensive cost of service section of the model that determines the equity and sufficiency of the City's current rate structure that will assist in recommending the necessary changes to ensure the defensibility of the rate structure for each enterprise.

### **Placer County Water Authority (CA)**

Michael is currently serving as the lead analyst for Placer County Water Authority (Authority) and in conducting a water capacity fee study for their Upper Zone 6 service area. The project includes developing a new financial planning and rate model for the Authority. Using the model, Raftelis will be able to develop the required rates to capture new development's share of current facilities and the need for new facilities to accommodate growth.

## **RELEVANT PROFESSIONAL EXPERIENCE**

### **Conservice: Utility Rate Analyst (2018-2019)**

Michael previously worked for the utility management company Conservice as part of the rates and budget teams. There he assisted multifamily and commercial property managers in managing their expenses, forecasting their future utility expenditures, and auditing their utility bills.

# Emily Boucher

## STAFF CONSULTANT

Associate Consultant



### ROLE

Emily will work at the direction of Sanjay and Lauren in conducting analyses and preparing deliverables for the project.

### PROFILE

Emily studied Economics at the University of California, Berkeley. Her background in Student Services has prepared her to evaluate and consider the needs of each unique utility and has given her a passion to equip clients with the resources and information they need to achieve success. Emily started working at Raftelis in December of 2019 as an Associate Consultant in Murrieta, CA.

### KEY PROJECT EXPERIENCE

#### Santa Clara Valley Water District (CA)

Ms. Boucher served as an Associate Consultant for the zone of benefits study and the resulting cost of service update. She assisted in the analysis of various cost allocations and in the preparation of the study's final report.

#### Imperial County (CA)

Ms. Boucher served as an Associate Consultant for the 2020 financial plan, cost of service, and rate updates for water and wastewater. She updated the existing models' financial and consumption data and assisted in updating the cost of service and rates for water and wastewater.

#### Crescenta Valley Water District (CA)

Ms. Boucher served as the lead Associate Consultant for the 2020 financial plan and cost of service updates for water and wastewater. She updated the existing models with current financial information, performed consumption analyses, and updated the cost of service for water and wastewater.

#### City of Ventura (CA)

Emily serves as an Associate Consultant for the 2020 financial plan, cost of service, and rate updates for water and wastewater. She performed consumption analyses on water and wastewater data and is currently building the wastewater financial plan.

#### City of Solana Beach (CA)

Emily serves as the lead Associate Consultant for the wastewater financial plan and rate update. She is building a financial planning model and analyzing EDU assignments.

### Specialties

- Financial Modeling
- Financial Analysis

### Professional History

- Raftelis: Associate Consultant (2019-Present)
- UC Berkeley Transfer Student Center – Peer Advocate (2018-2019)
- City of Temecula – Department of Economic Development Intern (2018)

### Education

- Bachelor of Arts in Economics – University of California, Berkeley (2019)
- Associate of Arts in Economics and Liberal Arts with an Emphasis in Behavioral Sciences – West Valley College (2017)

### Professional Memberships

- Water Environment Federation – California Water Environment Association

# San Geronio Pass Water Agency

Financial Plan Study

September 8, 2020





# Agenda

- **Who We Are**
- **Our Experience**
- **Our Team**
- **Study Objectives**
- **Our Approach**
- **Case Study**
- **Questions**

# Who is Raftelis?

The most experienced utility financial and management consulting practice in the nation.

With more than...

# 120+

consultants across the U.S.

Raftelis has provided financial/organizational assistance for

# 1,200+

public agencies and utilities

that serve more than

# 25%

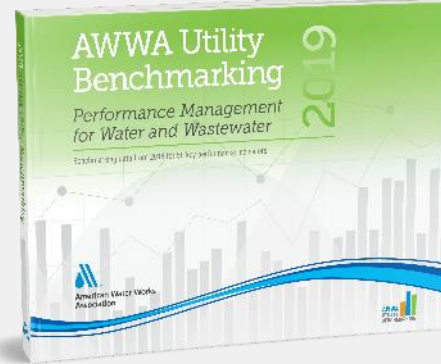
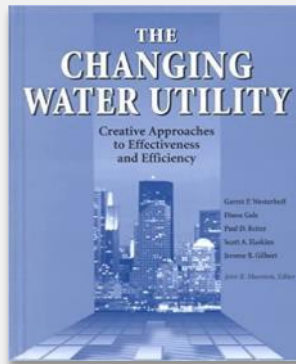
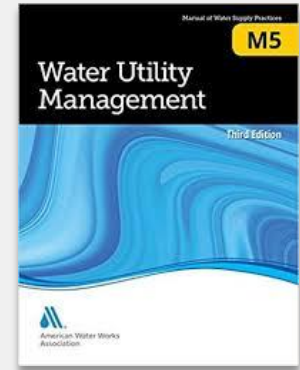
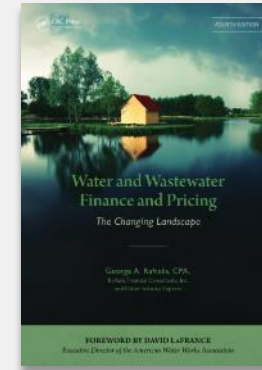
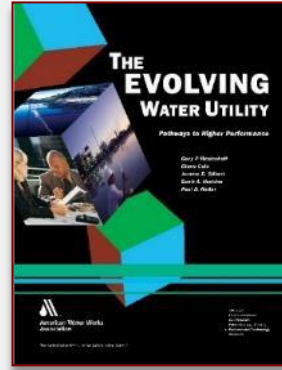
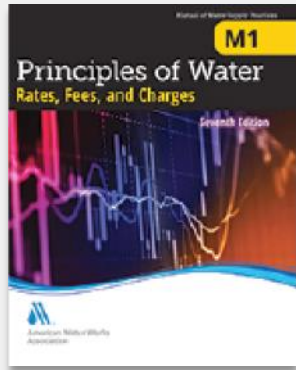
of the U.S. population

including the agencies serving

# 38/50

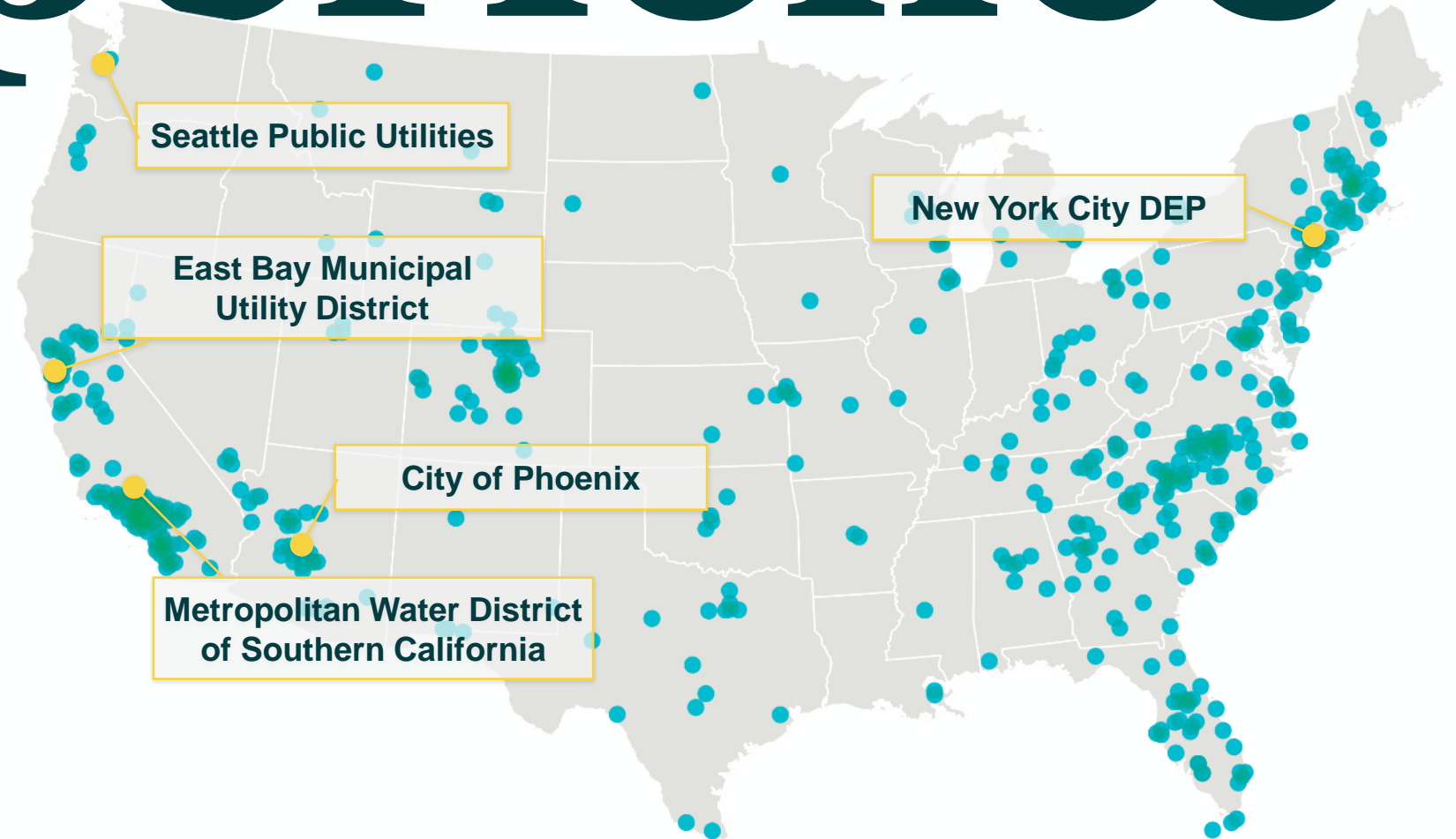
of the nation's 50 largest cities

# We Wrote the Book





# NATIONAL Experience



Raftelis has provided financial/organizational/technology assistance to utilities serving more than

**25%** of the U.S. population

# Leading the Industry



- President Elect
- Asset Management Committee
- Benchmarking Committee
- Finance, Accounting, and Management Controls Committee
- Management and Leadership Division
- Public Affairs Council
- Rates and Charges Committee
- Strategic Management Practices Committee
- Technical and Education Council
- CA-NV AWWA Finance Committee



- Utility Management
- Finance and Administration
- Technical Practices
- WEFTEC Conference Planning
- Utility Management Conference Planning



- Environmental Financial Advisory Board

# Experience

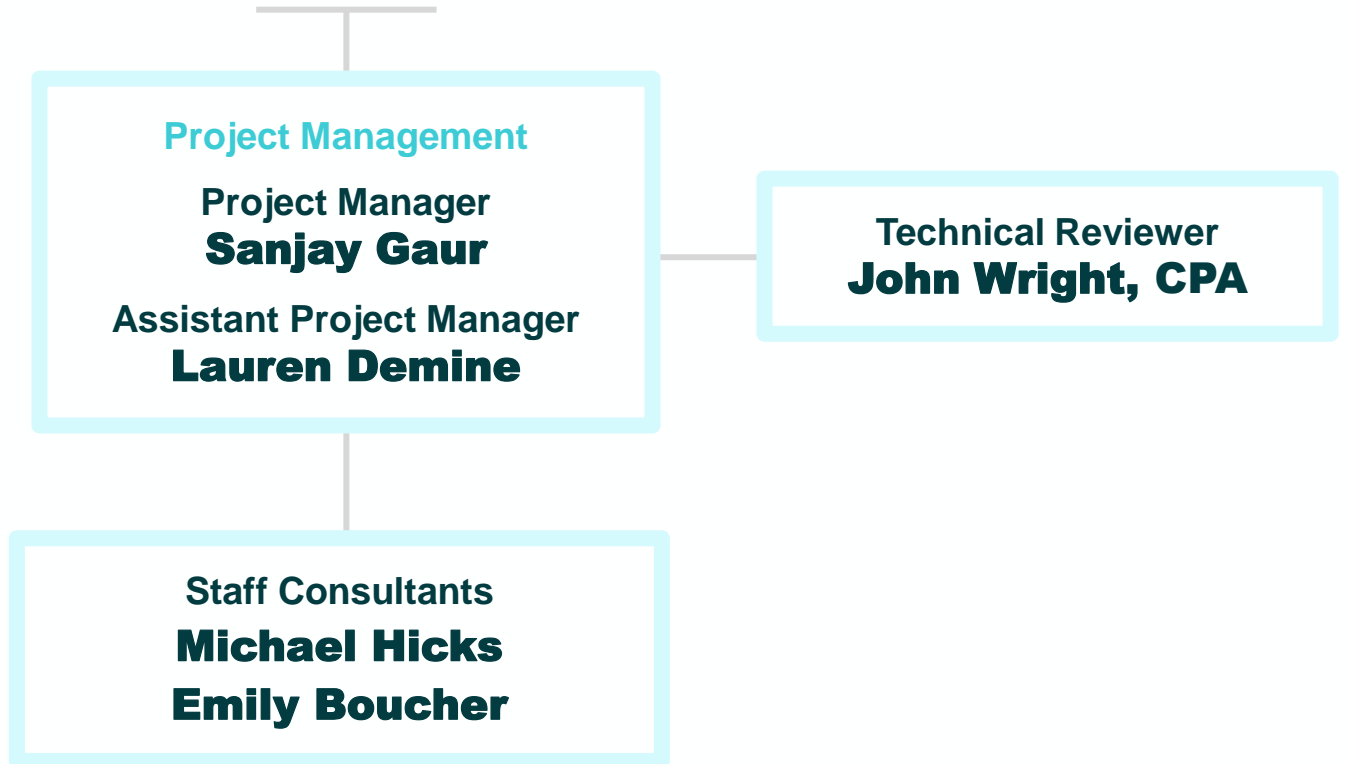
## Partial list of financial plan and rate studies in the last 5 years

- Alameda County WD
- AVEK Water Agency
- Beaumont-Cherry Valley WD
- City of Beverly Hills
- City of Chino
- City of Chino Hills
- City of Huntington Beach
- City of Long Beach
- City of Ontario
- City of Orange
- City of Pomona
- City of Redlands
- City of San Clemente
- City of Santa Cruz
- City of Simi Valley
- City of Thousand Oaks
- Cucamonga Valley WD
- East Bay MUD
- East Valley WD
- Elsinore Valley MWD
- Helix WD
- Las Virgenes MWD
- MET
- MWDOC
- Mojave Water Agency
- Placer County Water Agency
- Rancho California WD
- Rincon del Diablo WD
- Santa Clara WD
- Santa Clarita Valley WD
- Santa Margarita WD
- South Mesa Water Company
- Sweetwater Authority
- Western Municipal WD
- Yorba Linda WD
- Zone 7 Water Agency



# Our Team

## SAN GORGONIO PASS WATER AGENCY



# Study Objectives

- The Agency would like to evaluate the long-term financial condition, which incorporates:
  - › Understand the future risk of the Agency and developing the appropriate reserve policy
  - › Evaluate different scenarios associated with future liability associated with Delta Conveyance and the Sites Reservoir Project
  - › Project out revenues under different scenarios associated with property value increase
  - › Develop the appropriate financial plan to navigate through these uncertainties

# Financial Plan Model



# Financial Challenges of Managing a Utility System

A FINANCIAL MODEL CAN BE A TOOL TO NAVIGATE THROUGH THESE CHALLENGES

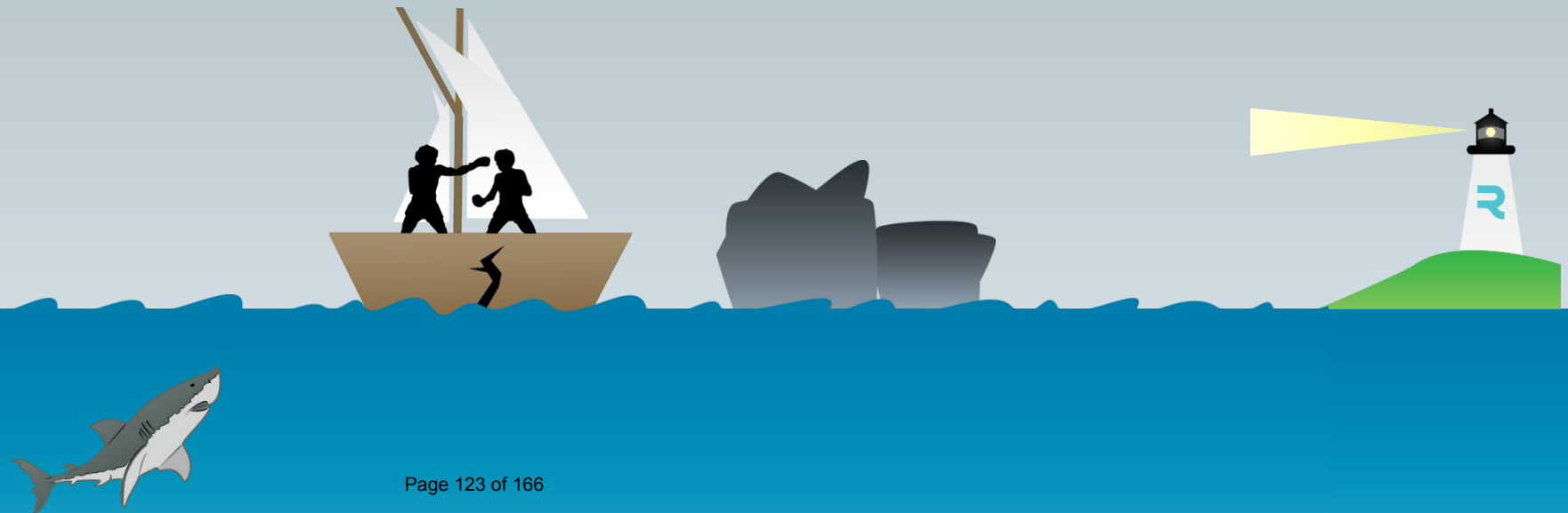
## Properties of Utility System

- Capital intensive
- Highly fluctuating capital cost
- Unknown liability
- Increasing regulatory demand



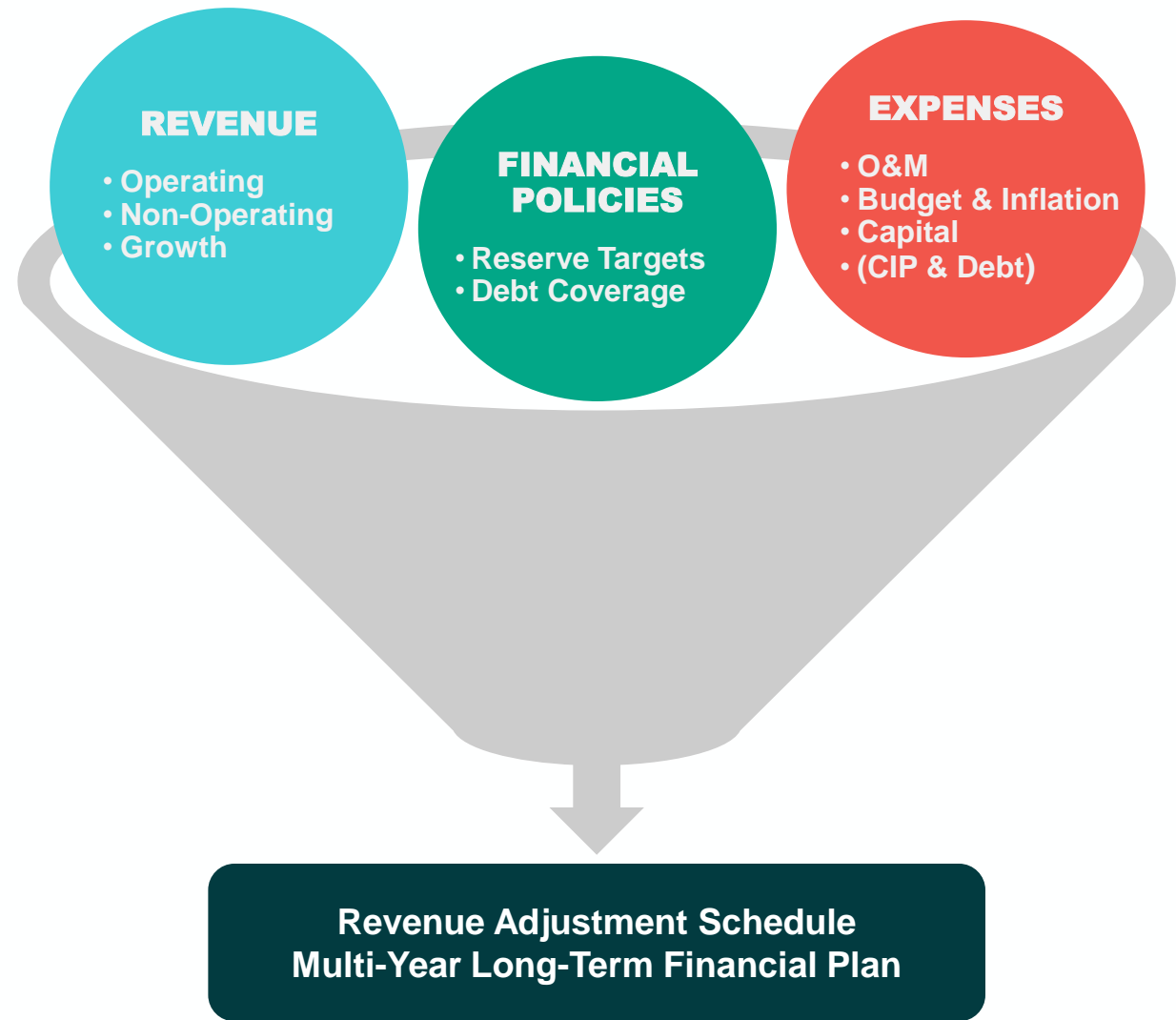
## Political Acceptance on Rates

- Rate stability
- Affordability
- Equity
- Environmental stewardship



# Financial Plan

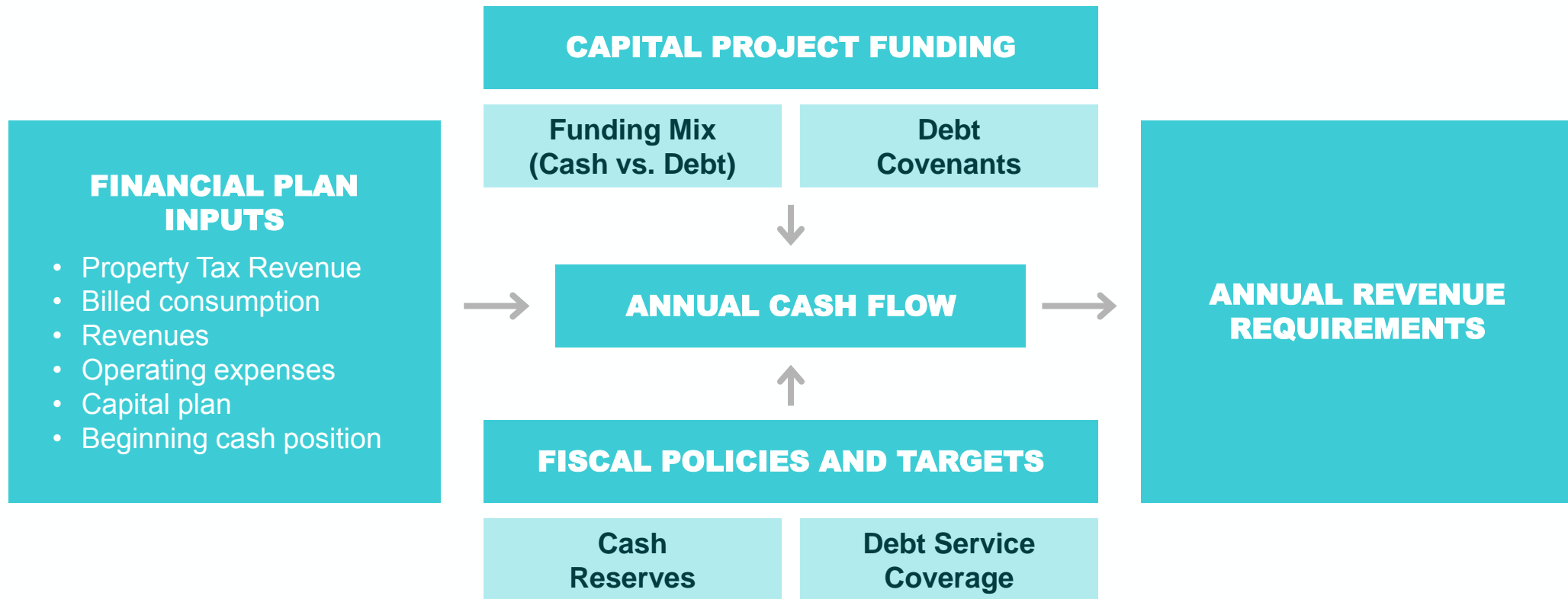
Financial Plan models yearly cash flow and reserve balances





# Revenue Requirements & Financial Planning

## FINANCIAL PLAN ELEMENTS



# **Financial / Rate Model**

**Custom-built for each client**

**Designed for use by client staff now and in the future**

**Non-proprietary**

**User-friendly**

**Cutting-edge dashboard and scenario analysis**

# Our Model Features



## **Comprehensive Analysis**

- Thorough review on risk / impacts to utilities' financial health



## **Independent validation**

- Confirms methodology and results
- Incorporates best industry practices



## **Facilitate decision making through scenario analysis tools**

- Ease of understanding through graphical interface (Dashboard)
- Develop consensus
- User friendly – navigation, updates, reports

CASE STUDY:

# Beaumont Cherry-Valley Water District



# Beaumont Cherry-Valley Water District



Raftelis conducted a water rate study in 2019/2020. Rates were last adjusted in 2012. The District was facing a revenue shortfall due to planned Capital replacement expenses in the amount of \$36M over the next five years, increasing operating costs, and mandated drought restrictions.



Raftelis Developed a Multi-Year Financial Plan that considered customer growth, operating expenditures, capital improvement expenditures, capital financing strategies, cash reserves, and required debt service coverage ratios.



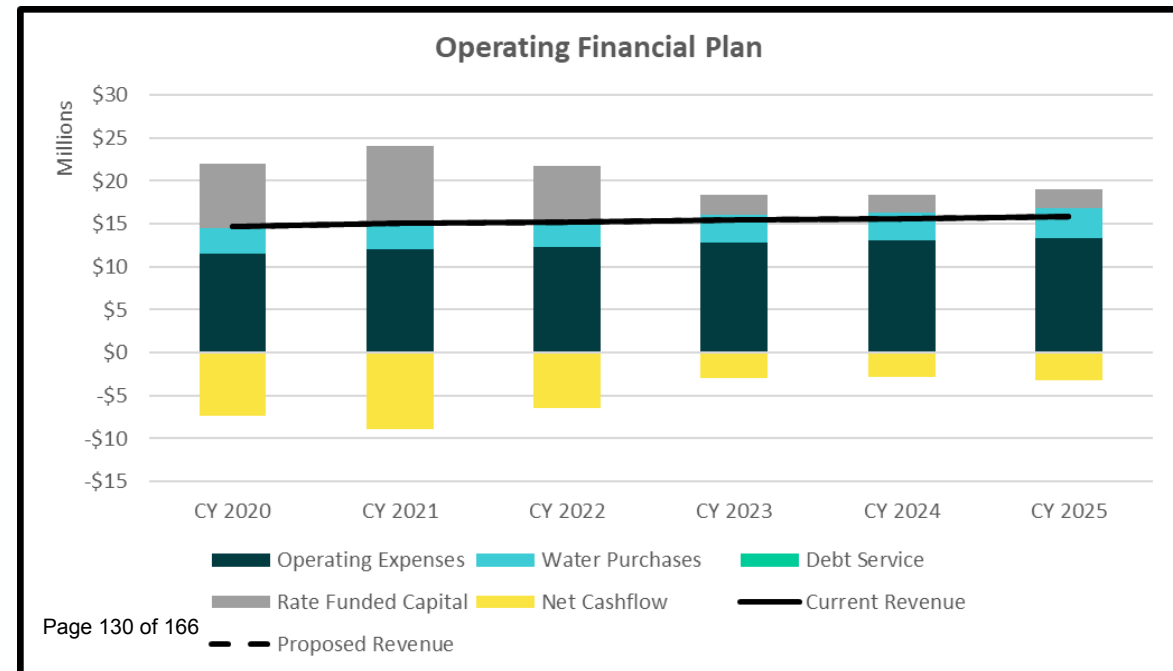
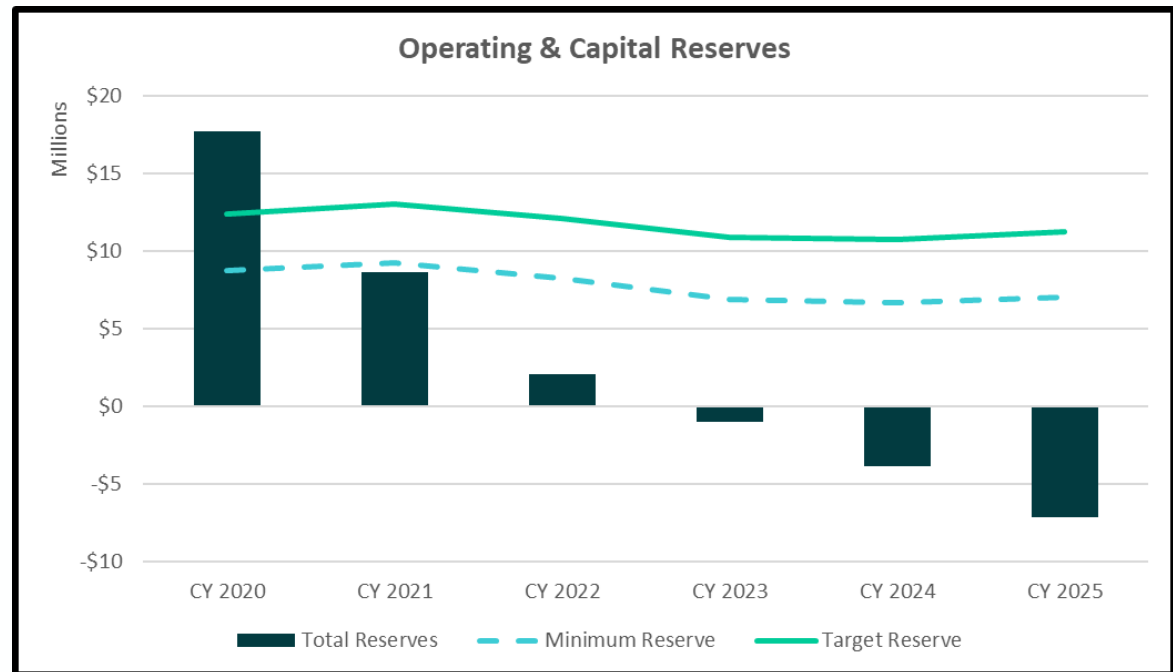
The Financial Plan developed for the District determined the projected annual % revenue increase needed from rates to fund their operating and capital expenses. The forecast of required rate revenue allowed the District to adopt a 5-year schedule of water rates.

# Beaumont-Cherry Valley Water District

## Status Quo Financial Plan

Without revenue adjustments:

- The District would not meet its minimum reserve targets beginning in CY 2021
- The District would have negative cashflow in every year of the planning period.
- The Districts Operating and Capital Reserves would have negative balances beginning in CY 2023.



# Beaumont-Cherry Valley Water District

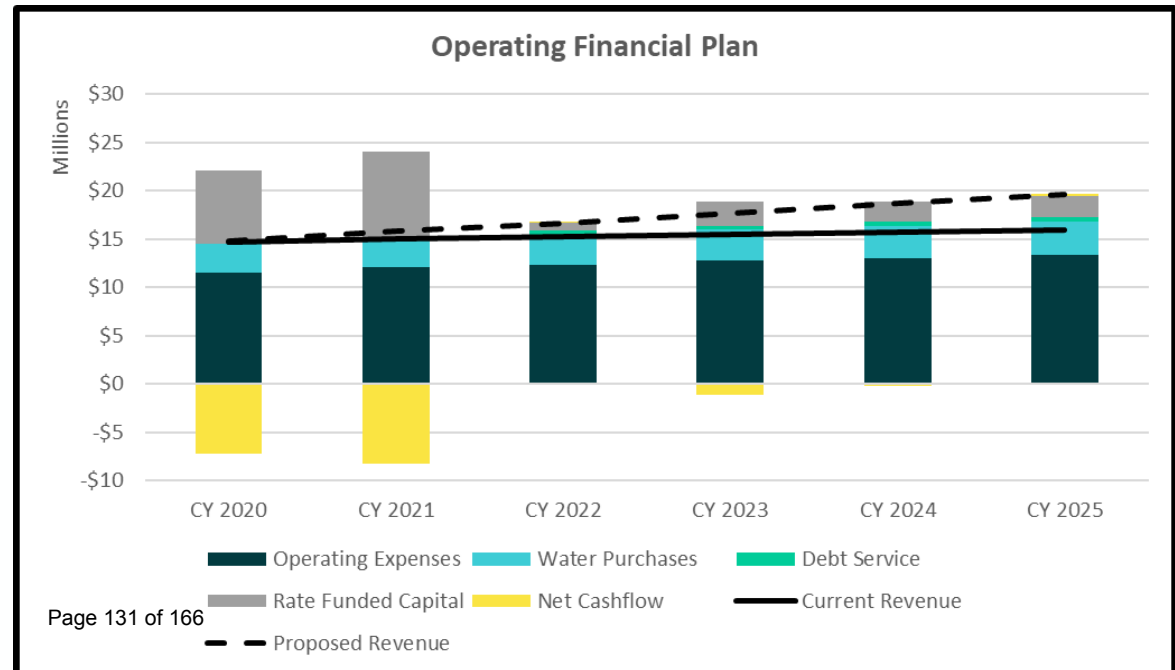
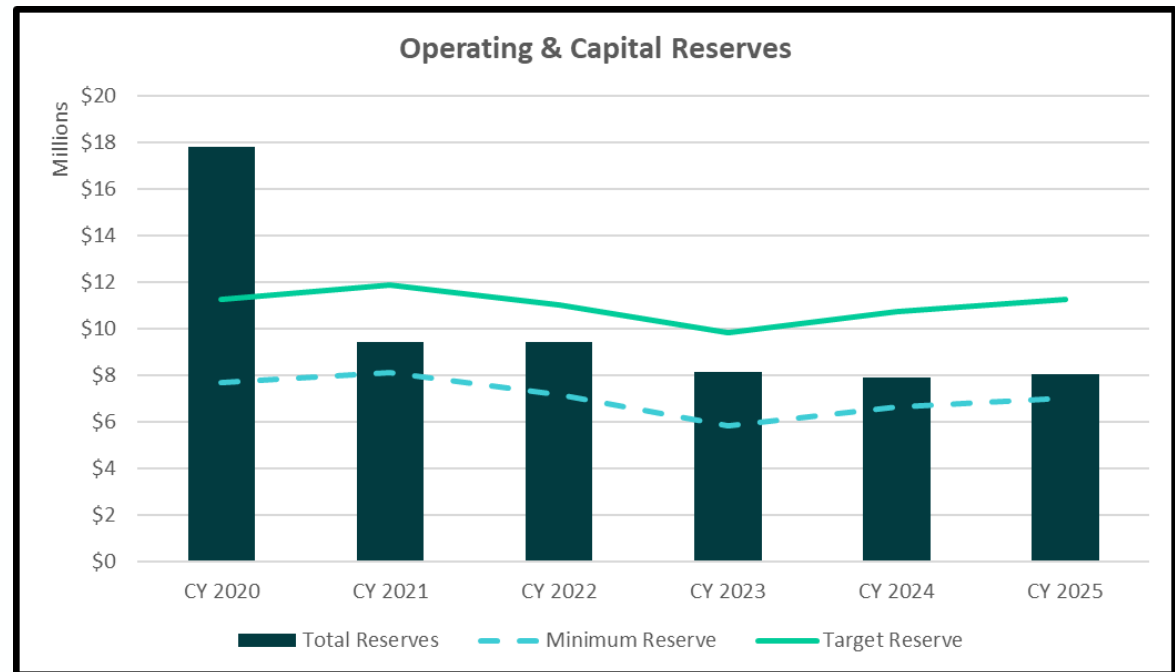
## Adopted Financial Plan

The District adopted:

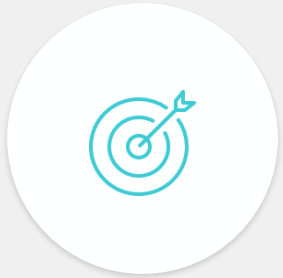
- 1% revenue adjustments in the first year and 7% and 6% revenue adjustments in CY 2021 through CY 2025
- To issue debt in CY 2022 to fund capital expenses and mitigate the impact to rate payers.

This allowed the District to:

- Meet and exceed their minimum reserve target in every year of the planning period.
- Begin to rebuild its Operating and Capital Reserves beginning in CY 2025.

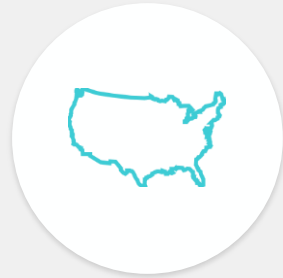


# What Sets us Apart



## Focus

Financial, rate, communication, and management consulting services for water and wastewater utilities



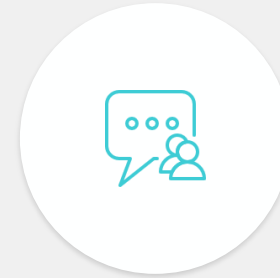
## California & National Experience

Unmatched in the industry with proven success with comparable utilities



## Depth of Experience

With more than 120+ consultants across California and in the U.S.



## Communications

Uniting public engagement with our financial work garners buy-in and acceptance



## Qualification

Registered Municipal Advisor with the MSRB and SEC





**Raftelis is a Registered Municipal Advisor within the meaning as defined in Section 15B (e) of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder (Municipal Advisor Rule).**

However, except in circumstances where Raftelis expressly agrees otherwise in writing, Raftelis is not acting as a Municipal Advisor, and the opinions or views contained herein are not intended to be, and do not constitute “advice” within the meaning of the Municipal Advisor Rule.

Q&A



# Thank you!

## Contacts:

Sanjay Gaur – 213.262.9304 / [sgaur@raftelis.com](mailto:sgaur@raftelis.com)

Lauren Demine – 951.376.4405 / [ldemine@raftelis.com](mailto:ldemine@raftelis.com)

# ***San Geronio Pass Water Agency***

**DATE:** September 8, 2020  
**TO:** Board of Directors  
**FROM:** Lance Eckhart, General Manager  
**SUBJECT: CONTRACT AMMENDMENT WITH IE-RCD FOR SOCIAL MEDIA**

## **MANAGER'S REPORT SUMMARY**

The Agency will retain the services of the Inland Empire Resource Conservation District (IERCD) to assist the Agency with their social media program for a period of six months. The Agency lost the services of the part-time Social Media Coordinator on August 27, 2020 due to the pursuit of other employment opportunities. Staff reviewed options to eliminate any gap in the well-established Agency social media program. It was determined that the IERCD was well qualified to assist the Agency in maintaining a social media presence at a cost similar to employing the part-time Social Media Coordinator.

## **PREVIOUS CONSIDERATION**

- Board of Directors – August 17, 2020: The Board approved a contract to continue the Agency's education program for the 2020-21 fiscal year. A discussion of the potential of social media assistance by the IERCD was discussed at this meeting but no action was taken.

## **BACKGROUND**

The Agency has invested in and established a regular social media presence over the past two years. The Agency's various social media accounts were developed and maintained by an Agency part-time employee acting as the Social Media Coordinator. As of August 27, 2020, the Agency's Social Media Coordinator left the Agency to pursue other opportunities leaving the Agency's social media presence unmaintained. Agency staff are presently not in a position to take on this responsibility.

The IERCD has well-trained social media specialists in-house that can assist and maintain the Agency's various social media accounts. The IERCD already provides this function for other government organizations and has an established track record.

## **ANALYSIS**

During their last few days of service with the Agency, the Social Media Coordinator worked with IERCD to develop a transition plan to take over, maintain and expand upon the Agency's social media presence. The term of the plan is six (6) months. A plan beyond 6 months will be developed working with the Conservation and Education Committee.

## **FISCAL IMPACT**

The cost for the Agency's part time Social Media Coordinator was approximately \$7,800 for 6 months. The IERCD proposal (Attached) will provide similar or better levels of service for \$7,440 for 6 months.

## **ACTION**

General Manager is planning to retain the IERCD to maintain the Agency's social media program. Work associated with the program would be approved under Section 8.04 of the Agency's Procurement Policy.

**ATTACHMENT:** *Addendum to Contract for Performance of Water Conservation Public Outreach Programs, August 25, 2020.*

# ADDENDUM TO CONTRACT FOR PERFORMANCE OF WATER CONSERVATION PUBLIC OUTREACH PROGRAMS

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9-3-20

**Proposal To:**  
**San Geronio Pass Water Agency**  
**Contact: Lance Eckhart, General Manager/Chief Hydrogeologist**  
**1210 Beaumont Ave**  
**Beaumont, Ca 92223**

**Proposal From:**  
**Inland Empire Resource Conservation District**  
**Contact: Mandy Parkes, District Manager**  
**25864-K Business Center Drive**  
**Redlands, CA 92374**



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## 2020-21 PROPOSAL AMENDMENT SUMMARY

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This proposal is being submitted as an amendment to the 2020-21 Contract for Performance of Water Conservation Outreach Programs between the San Geronio Pass Water Agency and the Inland Empire Water Conservation District. The amendment to the contract covers IERCD management of SGPWA social media accounts for a period of six months from the date of execution. If approved, the scope of services and NTE total in this proposal will become part of the final 2020-21 SGPWA-IERCD contract.

Please note that this proposal is for IERCD management of SGPWA social media accounts. It does not include costs or scope of services associated with IERCD social media promotion of SGPWA water conservation content programs for youth/adults on its own accounts, separately contracted with SGPWA.

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### SCOPE OF SERVICES: SOCIAL MEDIA MANAGEMENT

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The SGPWA social media strategy consists of management of Facebook, Twitter and Instagram pages focused on provision of helpful, informative, easily understood content primarily on local, regional, and statewide trends in precipitation and water capture; methods for water conservation; and general Agency news. The current Agency employee managing SGPWA accounts updates content an average of three times/week using both Facebook and Instagram as a platform for Agency messaging. Post content and scheduled publishing are available for review/edits by the Agency's General Manager. The full draft SGPWA social media strategy is attached to this proposal for reference.

In the event that IERCD is contracted to assume this role, the District would provide management of social media strategy on behalf of the Agency, consistent with current facilitation. The anticipated Scope of Services includes:

- A minimum of two and maximum of four original posts/week created and published on behalf of SGPWA, ensuring even distribution between Facebook, Twitter and Instagram pages.
- Creation of each post according to guidance listed in SGPWA's social media guide, following guidelines including:
  - Focus on major areas of SGPWA mission and objectives, including but not limited to water conservation, regional/state water movement and supply, and announcements/updates on SGPWA and partners including the Association of California Water Agencies (ACWA).
  - When appropriate, use of significant dates as foundation for creating posts found in SGPWA's media guide, and including observations such as August's National Water Quality Month and March 16-22 National Fix a Leak Week.
  - Use of professional design program such as Canva, offering a range of high-quality colorful graphics to accompany and underscore post content
  - Branding including SGPWA logo and colors, link back to SGPWA website, and connection to partner websites where appropriate
  - Scheduling of posts using social media publishing program, ensuring spacing consistent with SGPWA social media approach.
  - IERCD QC prior to submitting for publishing to ensure no spelling/grammar issues of any kind
- Submittal of proposed suite of weekly posts to the SGPWA's GM by close of business each Wednesday, to allow for review/edits/request for major revisions prior to anticipated publishing

beginning the following Monday. Major and minor revisions from the GM are included in budget for this amendment.

- Submittal of monthly metrics report to be reviewed by GM and possibly included in Board Packets, including but not limited to page/post likes, clicks, and changes in website traffic.
- Creation of materials in preparation for/participation in overview of social media strategy and metrics to the appropriate SGPWA Committee or full Board.

**SGPWA Social Media Management Costs**

Task	Description	Cost	Frequency	6-Month NTE Cost
Post Creation	2-4 posts researched/created weekly; edited as needed in coordination with SGPWA GM	\$240	Week	\$5,760
Social Media Metrics Management	Analyzing metrics and creation of reports for SGPWA GM	\$120	Month	\$720
Committee/ Board Presentation	Creation/Delivery of presentation to SGPWA Committee and/or full BOD	\$480	Quarterly	\$960
<b>Total for Six Months of SGPWA Social Media Management</b>				<b>\$7,440</b>

**CONTRACT DETAILS**

**Not To Exceed Total:** \$7,500

**Cancellation:** This contract may be cancelled at any time, via the submission of a letter from the terminating agency. Any unpaid program costs will be invoiced and paid within thirty (30) days of cancellation.

**APPROVAL**

**San Geronio Pass Water Agency**  
1210 Beaumont Ave  
Beaumont, CA 92223

**Inland Empire Resource Conservation District**  
25864-K Business Center Drive  
Redlands, CA 92374

\_\_\_\_\_  
**Lance Eckhart, General Manager**

\_\_\_\_\_  
**Mandy Parkes, District Manager**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



## Clean Water AND Household Savings?!

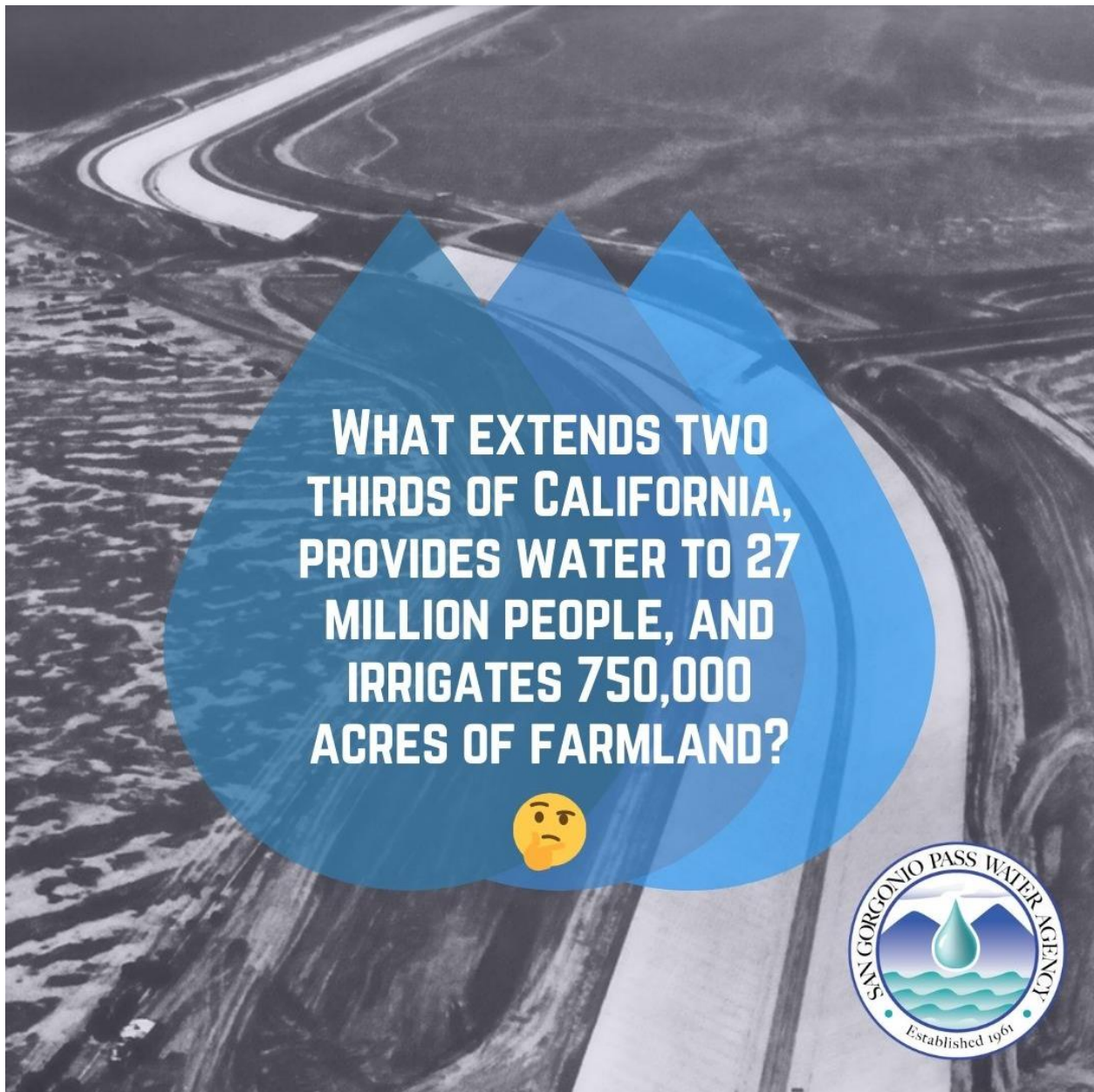
Pass area  
property owners  
are going to see  
a reduction in  
their property tax  
bill this year!



**Additional post text:** Pass area property owners are going to see a reduction in their property tax bill this year. On August 3, 2020 the San Geronio Pass Water Agency voted to lower its property tax rate by a quarter cent, from 17.75 cents per \$100 of assessed valuation to 17.50 cents. The reduction enables a small savings/household for SGPWA residents while maintaining the Agency's ability to contribute its share to maintenance and operations of the State Water Project!

**Link to full announcement:** <https://www.sgpwa.com/wp-content/uploads/2020/08/2020ReductionofTaxRate.pdf>

**Come back and check for regular updates on SGPWA news:** <https://www.sgpwa.com/news-2/>



**WHAT EXTENDS TWO  
THIRDS OF CALIFORNIA,  
PROVIDES WATER TO 27  
MILLION PEOPLE, AND  
IRRIGATES 750,000  
ACRES OF FARMLAND?**



**Additional post text:** Happy birthday State Water Project! In 1960, California voters approved what would become the nation’s largest state-built, multi-purpose, user-financed water project. Today, it supplies water to people in northern California, the Bay Area, the San Joaquin Valley, the Central Coast and southern California using a network of 29 contractors including the San Geronio Pass Water Agency! In addition to water for farms, people and industry, the SWP provides benefits including flood control, power generation, recreation, and species’ habitat. SGPWA wants to recognize and thank all who have worked so hard to establish and operate this critical network of water movement that improves and supports critical needs for all of California.





**Additional Post Text:** Tell us how you're saving water outside! The first five responses will receive an SGPWA native seed/water efficient gardening kit!





**Text:** Did you know that groundwater is the largest source of usable, fresh water in the world? Defined as water stored in cracks and spaces in soil and rock called aquifers, groundwater supports the needs of more than 30 million Californians, in addition to buffering impacts of drought and climate change, and playing a vital role in economic and environmental stability statewide. SGPWA is doing its part to maintain this critical regional resource through active monitoring of area basins alongside agencies including United States Geological Survey (USGS). Data collected from this monitoring is critical in ensuring groundwater basins are effectively managed to meet area water needs without long-term depletion of supply.

**Call to action:** SGPWA residents can help protect groundwater by reducing personal water use! Respond by letting us know how you are helping protect and lengthen local supply!

**San Geronio Pass Water Agency  
Social Media Guide**

**iPad Login Information**

**Passcode:** 071261 (Agency's Birthday)

**Apple ID:** [sgpwa@icloud.com](mailto:sgpwa@icloud.com)

**Social Media Login Information**

**Instagram:** will update Thursday

**Facebook:** will update Thursday

**Twitter:** will update Thursday

**Apps Used**

- PicsArt
- VSCO
- Canva

**Types of Posts**

- Did You Know
- Water Conservation Tip
- Sites Project
- State Water Contractors
- State Water Project
- ACWA
- Lake Oroville Storage Levels (June-December)
- California Snow Water Content (December-July)
- Anything relevant that comes up like: tax reduction, SWP water allocation, new board of directors, board members being sworn in, national holidays, water awareness month, etc.

**Brand**

SGPWA's social media presence should be:

- Informative
- Helpful
- Easy to understand

Graphics should be:

- Clean
- Bright
- Colorful
- Eye-catching

### National Days/Weeks/Month

January

N/A

February

N/A

March

- National Groundwater Awareness Week – First full week in March
- National Fix a Leak Week – March 16-22

April

- National Earth Day – April 22

May

- National Water Safety Month
- National Water a Flower Day – May 30

June

- National Gardening Week – First full week
- National Fishing and Boating Week – First full weekend
- National Gardening Exercise Day – June 6
- National Weed Your Garden Day – June 13
- First Day of Summer – June 20
- National Hydration Day – June 23

July

- National Refreshment Day – Fourth Thursday in July

August

- National Water Quality Month

September

- National Indoor Plant Week – Third full week in September

October

N/A

November

N/A

December

N/A

### Resources

- San Geronio Pass Water Agency - <https://www.sgpwa.com>
- California DWR - <https://water.ca.gov>
- SWC - <https://swc.org>
- Sites - <https://sitesproject.org>
- CA Data Exchange - <https://cdec.water.ca.gov>
- Delta Conveyance - <https://water.ca.gov/deltaconveyance> & <http://www.mwdh2o.com/DocSvc/Pubs/DeltaConveyance/index.html>
- National Calendar - <https://nationaldaycalendar.com/calendar-at-a-glance/>





# IERCD Social Media Proposal Presentation

9-8-20







SGPWA & USGS:

# SUPERHEROES AT WORK



Sample  
Post  
Category I:  
SGPWA  
Foundation  
and  
Function



# Clean Water AND Household Savings?!

Pass area  
property owners  
are going to see  
a reduction in  
their property tax  
bill this year!



Sample Post  
Category II:  
SGPWA  
Resident  
Benefit





**WHAT EXTENDS TWO  
THIRDS OF CALIFORNIA,  
PROVIDES WATER TO 27  
MILLION PEOPLE, AND  
IRRIGATES 750,000  
ACRES OF FARMLAND?**



**Sample Post  
Category III:  
Large-scale  
infrastructure  
benefit**







**DID YOU KNOW:**

**In our region, nearly two-thirds of the water used in any residence is exterior use?**

**Sample Post  
Category IV:  
General  
resident  
interest/  
engagement**







Current Contract example: IERCD social media management on behalf of City of San Bernardino MWD

City of San Bernardino Municipal Water Department is with Inland Empire Resource Conservation District and City of San Bernardino Municipal Government.

August 6 at 10:30 AM · 🌐

Do your little ones know what a watershed is? Learn about natural water systems by following this fun video activity. The Inland Empire Resource Conservation District and SBMWD have developed step by step virtual water education lessons to demonstrate the wonderful properties of water. This week's lesson is about watersheds. Visit [www.sbmwd.org/education](http://www.sbmwd.org/education) for activity sheets in English and Spanish, lesson resources and to watch all the whole series of virtual water education lessons.

#SanBernardino #summer #Fun #DistanceLearning #WaterEducation #ForKids #athome



JOIN US FOR...

## Butterflies in Your Backyard



A Landscape Webinar!



Saturday, May 2nd  
10:00 am-12:00 pm



This webinar will help you select water saving garden friendly plants that will attract butterflies into your yard!

To RSVP, sign up on [www.sbvmwd.com](http://www.sbvmwd.com)

Every virtual attendee will receive a copy of the SoCal Yard Transformation Guide!



San Bernardino Valley Municipal Water District

April 22 · 🌐

Join Valley District for an Online Landscape Workshop, focused on making your garden inviting to butterflies. This webinar will help you select water-saving, ga... See More

Current Contract example: IERCD social media management on behalf of San Bernardino Valley Municipal Water District







**Huerta del Valle Ontario Community Garden**

February 7 · 🌐

DONT FORGET: Pop-Up Market in Jurupa Valley tomorrow Saturday, February 8th from 8am-12pm!

RECORDATORIO: Mercado en Jurupa Valley mañana, Sábado Febrero 8 de ... [See More](#)

[See Translation](#)

72  
People Reached

4  
Engagements

Boost Unavailable

Current Contract example: IERCD bilingual social media management on behalf of grant-funded project







## Next steps: potential amendment to existing 20-21 contract

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# San Gorgonio Pass Water Agency

**DATE:** September 8, 2020  
**TO:** Board of Directors  
**FROM:** Lance Eckhart, General Manager  
**SUBJECT: PRODUCTION OF SHORT VIDEO DOCUMENTING FLUME HISTORY AND APPLE FIRE DAMAGE**

## MANAGER’S REPORT SUMMARY

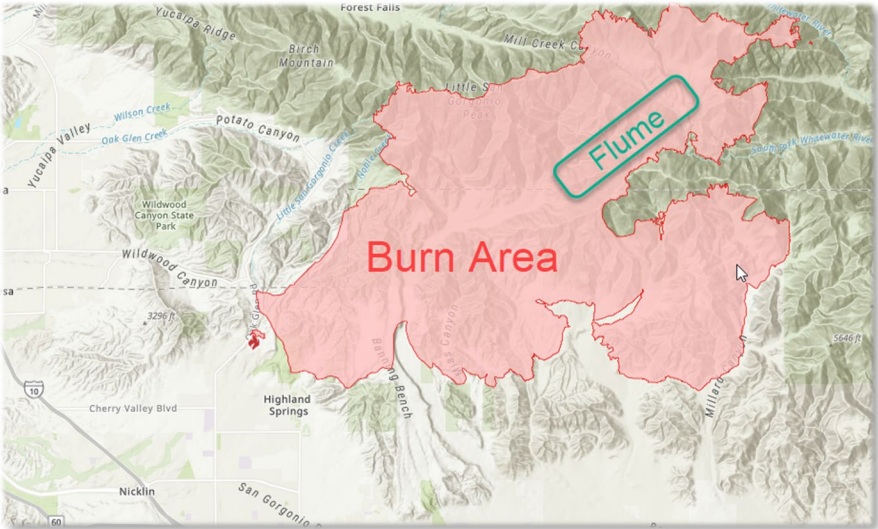
On July 31, 2020 the Apple Fire started in the Oak Glen Road area. The fire was contained as of August 18, 2020 and had burned approximately 34,400 acres. The San Gorgonio Water Conveyance (Flume) is located in the Apple Fire burn area. The Flume began to convey water to the Banning Heights and City of Banning area in 1913 and has become an important water supply for these respective communities. Fire damage to the watershed has damaged the Flume and further impacts associated with mud/debris flows are anticipated in the future.

A request by Board Member(s) was made to produce a short film documenting the Flume and the 2020 fire damage. A pathway to produce this film along with collaboration opportunities are discussed below.

## PREVIOUS CONSIDERATION

- Conservation and Education Workshop – August 13, 2020: Workshop members discussed documenting damage to the Flume associated with the recent Apple Fire.

## BACKGROUND



Staff was asked to investigate the possibility of documenting the Flume and the associated damage with the Apple Fire. A local video production company with experience producing films for local municipalities was contacted. Below is an example of the production company's work with the City of Yucaipa.

EXAMPLE VIDEO [CLICK HERE](#)



Other area Flume experts were also contacted and asked to if they were willing to participate to some degree with time, photos/film, narrative and creative input on the project. All agreed to some degree of collaboration.

- Art Vela – Banning Public Works Director
- Duane Burk – Beaumont Cherry Valley Recreation and Park District General Manager
- Julie Hutchinson – Banning Heights Mutual Water Company President

It is the intent to have the 5-10 minute film briefly capture the following:

- History of Flume
- Past and current uses
- Importance to the community(s)
- Apple Fire
- Uncertain future of the Flume

The Flume has had a long history of not only being an important water supply for the region but a subject for local “*spirited*” political discussion. This effort would avoid legal or political issues and focus on the history of this important resource, the use by locals, the Apple Fire and challenges of an uncertain local water supply post fire. This film would ultimately help document the local historical aspect of the Flume, the dramatic events of the Apple Fire and potentially convey the importance of this supply to public, permitting authorities and grant funding agencies.

If footage of the burn area destruction is to be captured, it should be done before any monsoonal or winter rains occur.

## **ANALYSIS**

Although not directly related to and imported supply project, the Agency has a long history of making investments in the Flume. The Agency may determine this project is a way to help local water systems who are struggling with future supply. Considerable permitting challenges with rebuilding the Flume are likely. Grant funding may be sought to make capital improvements. A film documenting the history and state of the Flume may assist in permitting negotiations and/or conveying the importance of the Flume to grant funding agencies.

Furthermore, the Flume represents several thousand acre-feet of local supply (Note: water rights volumes and actual Flume yield volumes may be different but still represent

a material local source of water). If some/all of this supply was at future risk it could result in additional imported supply demands. Any tool to help elevate public and/or political awareness preserving local water supplies may provide long-term value to the region.

### **FISCAL IMPACT**

The Fiscal Year 2020-21 Budget includes areas where funds for the Flume project could be utilized. A proposal from Props AV of Beaumont, California for \$5,000 to produce the film is attached. Work will consist of a film crew, drone work, editing and production of a 5-10 minute finished video. The Agency will own all rights to the video including raw footage (B-roll).

### **ACTION**

General Manager is planning to retain the services of Props AV to shoot and produce the Flume project. Work associated with the Props AV would be approved under Section 8.04 of the Agency's Procurement Policy.

### **ATTACHMENTS**

Attachment – Props AV Proposal



**Audio Visual FX**

945 E. 6th St.  
 Beaumont , California  
 92223  
 United States  
 Phone (800) 733-1182

**Account Manager:** Brady Westbrook  
**Deposit Due:** 9/30/2020  
**Deposit Required:** \$2,500.00

# Quote 20-0405

Banning Flume Burn Video 9/30/20

**Ship Date:** 9/30/2020 9:00 AM  
**Load In:** 9/30/2020 10:00 AM  
**Show Start:**  
**Show End:**  
**Load Out:**  
**Return Date:** 9/30/2020 5:00 PM

Client
San Gorgonio Pass Water Agency Lance Eckhart 1210 Beaumont Ave. Beaumont, CA 92223 Mobile Phone: 909-549-4739 Phone: 951-845-2577 LEckhart@sgpwa.com

Venue / Site
Banning Water Canyon Burned Flume Area

Qty	Item Description	Notes	Time	Price	Ext. Price
<b>Equipment</b>					
1	DSLR Cameras & Various Lenses		1	200.00	200.00
1	Drone Cameras		1	200.00	200.00
1	Audio Recorders		1	50.00	50.00
1	External Hard Drive		1	100.00	100.00
2	MacBooks w/ Editing software		1	100.00	200.00
1	License Free Music and Plungins		1	100.00	100.00
				<b>Equipment:</b>	<b>850.00</b>
<b>Labor</b>					
1	Director	1 On Site Filming & Post Edit. 30 Hours	30	40.00	1,200.00
2	Camera Crew	2 Cameramen On Site Filming.	20	40.00	1,600.00
1	Post Film Editing	1 Editors. 40 Hours	40	40.00	1,600.00
				<b>Labor:</b>	<b>4,400.00</b>



## Locations

Banning Water Canyon,  
 Water Agency  
 Banning

## Scope Of Work

Props AV to film and edit a professional "Water Flume Historical" Film . Approx 5-10mins

Filmed & Edited.  
 Multi Camera Shots Including Drone,  
 Audio Recording & Music

Photos, Logos, Graphics, Plans, Slides provided by the San

Qty	Item Description	Notes	Time	Price	Ext. Price
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Gorgonio Pass Water Agency

**Project Specific Terms**

Props AV will provide the San Gorgonio Pass Water Agency with a rough draft video by: TBD and Final Draft by: TBD of filming starts on TBD.

Props AV will send occasional samples during the editing process.

San Gorgonio Pass Water Agency to provide the following:  
 Photos, Logos, Graphics, Plans, Slides, Interviewees, Scheduling of Interviews, Program Details, and Script.  
 City will provide above listed items in organized folders in the cloud or on a flash drive.

The Client understands that the vision, feel and specific imagery need to be clearly stated by the Client on or before filming to reduce subjective revisions to the video post edit.

The Client has viewed some of Props AV's work and is comfortable with their editing style and skill. Props AV agrees to provide a film with similar professional quality.

Props AV reserves the rights to use any footage for promotional purposes.

<b>Prod Sub Labor:</b>	\$4,400.00
<b>Production:</b>	\$850.00
<b>Subtotal:</b>	\$5,250.00
<b>Sales Tax:</b>	\$0.00
<b>Discount:</b>	(\$250.00)
<b>Delivery and Pickup:</b>	\$0.00
<b>Total:</b>	\$5,000.00
<b>Total Applied Payments:</b>	\$0.00
<b>Balance Due:</b>	\$5,000.00



**Beaumont**  
 945 E. 6th St.  
 Beaumont , California 92223  
 United States  
 Phone: (800) 733-1182

**Deposit Invoice**  
 Quote: Banning Flume Burn Video 9/30/20  
 Quote Number: 20-0405

Client
San Geronio Pass Water Agency Lance Eckhart 1210 Beaumont Ave. Beaumont, CA 92223 Mobile Phone: 909-549-4739 Phone: 951-845-2577 LEckhart@sgpwa.com

Venue / Site
Banning Water Canyon Burned Flume Area

Account Manager	Quote Ship Date	Client PO	Total	Deposit %	Deposit Due	Deposit Due Date
Brady Westbrook	9/30/2020		\$5,000.00	50%	\$2,500.00	9/30/2020

Subtotal	\$5,250.00
Sales Tax	\$0.00
Discount	(\$250.00)
Delivery and Pickup	\$0.00
<b>Total</b>	<b>\$5,000.00</b>
Total Applied Payments	\$0.00

**This order requires a deposit of \$2,500.00**  
**Please remit \$2,500.00 by 9/30/2020**





**Beaumont**  
 945 E. 6th St.  
 Beaumont , California 92223  
 United States  
 Phone: (800) 733-1182

<b>Quote Number</b>	20-0405
<b>Name</b>	Banning Flume Burn Video 9/30/20
<b>Account Manager</b>	Brady Westbrook
<b>Quote Date</b>	8/27/2020

<b>Client</b>
San Gorgonio Pass Water Agency Lance Eckhart 1210 Beaumont Ave. Beaumont, CA 92223 Mobile Phone: 909-549-4739 Phone: 951-845-2577 LEckhart@sgpwa.com

<b>Venue / Site</b>
Banning Water Canyon Burned Flume Area

Ship Date	Return Date	Status	Terms	Total
9/30/2020 9:00 AM	9/30/2020 5:00 PM	Inquiry		\$5,000.00

**THE PARTIES:** This Agreement is for entertainment production services for the event described herein, between the undersigned Client and Props AV LLC.

**JOB DESCRIPTION:** Props AV LLC agrees to furnish services listed herein to the Client and specifications listed above:

**PAYMENT TERMS:**

To confirm this Agreement, return one signed and completed copy along with a DEPOSIT of **(see amount listed above.)** Agreements received after the Deposit Date is subject to availability. The balance is due no later than the date of the event unless otherwise previously arranged. **All checks should be made out to Props AV.** There will be a \$25.00 fee charged for all returned checks. Gratuities given to a technicians at an event are made at the sole discretion of the Client.

**CANCELLATION:** This Agreement cannot be canceled or modified except in writing by either the Client or Props AV LLC. If cancellation is initiated by Client less than 60 days prior to the event, then the deposit will be forfeited. For cancellations less than 30 days prior to the event, Client is responsible for the total fee OR may forfeit deposit only by signing a new entertainment/ production agreement with Props AV LLC within two weeks of cancellation for a substitute engagement performed in the following 6 months. If Client has utilized Props AV's Service, then the deposit will be forfeited regardless of the date of cancellation. Rescheduling for events cancelled due to inclement weather shall be accommodated whenever possible. Rescheduled events are subject to availability.

*(If applicable)*

**DJ PERSONALITY:** Client's choice of DJ Personality is offered on a first come, first served basis. If a specific DJ is not selected, Props AV LLC will assign an available DJ best suited for the event. If by unavoidable circumstance, your scheduled DJ is not able to perform on the date of your event, Props AV LLC shall substitute a DJ Personality of similar experience.

**PROVISIONS / LOSS & DAMAGES:**

(1) The Client shall ensure that facility or event space is open with sufficient time to set up prior to scheduled start time. (2) The facility or event space meets all federal and state safety regulations and has all appropriate music licenses and performance permits. (3) Reasonable steps will be taken to protect Props AV's equipment, personnel, and crowd control will be provided if warranted; (4) For outdoor performances, shelter is provided that completely covers and protects equipment from adverse weather conditions. (5) For overnight set ups, Client will insure reasonable steps will be taken with security to protect Props AV's equipment. (6) Client accepts full responsibility and is liable for any damages, injuries, or delays that occur as a result of failure to comply with these provisions. (7) Failure to comply with the provisions Client is responsible for any damages that may occur to any equipment rented from Props AV or sub-rented by Props AV. (8) In the event of circumstances deemed by Props AV's technicians to present a real or implied threat of injury or harm to personnel or equipment, Props AV reserves the right to cease performance until such time as Client resolves the threatening situation. (9) Props AV holds all appropriate insurances for its equipment and personnel.

(10) Props AV LLC is not responsible for any loss or damage no matter how caused, to any samples, displays, properties, or personal effects brought into the event space, and/or for the loss of equipment, exhibits or other materials left in event spaces. (11) Damage to the event space premises or equipment by the Client, it's attendees or appointed contractors will be the Client's responsibility. Client will accept full responsibility for any damages resulting from any action or omission of their individual attendees in conjunction with organized group activities.

**SECURITY:**

The Client acknowledges the Props AV LLC cannot be responsible for the safekeeping of equipment (i.e., laptop/notebook computers, etc.), supplies, written material or any other items left in event areas, by the Client or its attendees. Accordingly, Client acknowledges it will be responsible to provide security for any such above mentioned items and hereby assumes responsibility of loss thereof. Client further agrees to provide attendees with same information in their own advance collateral as a preventative measure. The Client may choose to hire its own security services to comply with this contract or The client may contract security services through Props AV LLC.

**Travel & Per Diem:**

For events that are more than 50 miles distance from Props AV's headquarters and require Props AV's services in the morning or late night return travel, a hotel may be necessary for Props AV's Technicians. Hotel costs may be passed along to the Client. For multi day events and conferences a "Per Diem" allowance may be required of the Client. Please discuss this with Props AV before signing this agreement.

**INDEMNIFICATION AND HOLD HARMLESS:**

Props AV LLC agrees to defend, indemnify and hold harmless Client from and against all claims, actions, causes of action, or liabilities, including reasonable attorneys' fees, arising out of or resulting from any act undertaken or committed by Props AV LLC pursuant to the performance of its obligations under this Agreement. Props AV LLC also agrees to defend, indemnify and hold harmless Client from any liability resulting from any claim, action or cause of action, which may be asserted by third parties arising out of Props AV's performance pursuant to this Agreement, except for those actions or liabilities which are due to the misconduct or negligence of the Client.

Client agrees to defend, indemnify, and hold harmless Props AV from and against all claims, actions, causes of action, or liabilities, including reasonable attorneys' fees, arising out of or resulting from any act undertaken or committed by Client or any contractors hired or engaged by the Client in connection with the performance of the Client's obligations under this Agreement. Client also agrees to defend, indemnify, and hold harmless Props AV LLC from any liability resulting from any claim, action or cause of action, which may be asserted by third parties arising out of the performance of the Clients' obligations pursuant to this Agreement, except those actions which are due to the misconduct or negligence of Props AV LLC.

**INSURANCE:**

Both Parties are required to insure their obligations set forth in the section entitled Indemnification and Hold Harmless above, and to provide evidence of such insurance upon request. For any activity introduced into the event by an outside contractor hired by either party will be fully responsible for the actions of such outside contractor. Upon request both parties will provide a certificate of insurance, naming the Client as additional insured.

**ACTS OF GOD & WEATHER CONTINGENCY:**

If performance of this agreement by either party is subject to an Acts of God, war, government regulations, disaster, strikes, civil disorder, curtailment or transportation facilities or any other emergency making it illegal or impossible to provide service or to host this event. This agreement may be terminated for any one or more of the aforementioned reasons by written notice from one party to another without a cancellation charge. Should rain or adverse weather occur the Client is responsible for any charges that Props AV will incur to cover and protect its equipment. The Client is responsible to pay for any rentals needed due to adverse weather. Props AV will help assist in with a rain contingency plan. Props AV reserves the right to cease performance until adverse weather has ceased.

**Please retain the copy provided of this Agreement for your records.**

**SIGN AND RETURN ALONG WITH THE DEPOSIT LISTED ABOVE BEFORE THE DEPOSIT DUE DATE.**

**A check is preferred. Credit cards are accepted for your convenience. 3% Fee may be applied.**

Credit Card Number: \_\_\_\_\_

Name on Card: \_\_\_\_\_ Expiration Date: \_\_\_\_\_ CVV: \_\_\_\_\_

Billing Street Address: \_\_\_\_\_ Billing Zip code: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Company \_\_\_\_\_

Client \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name/Title: \_\_\_\_\_

Name/Title: \_\_\_\_\_



**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

**Memorandum**

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

**From:** Jeff Ferre, General Counsel

**Date:** September 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.*

**DELTA CONVEYANCE PROJECT VALIDATION ACTION**

Last month, the Department of Water Resources (“DWR”) filed a “validation action” (“Validation”) in the Sacramento County Superior Court regarding DWR’s authority to issue revenue bonds to finance the planning, design and construction of the Delta Conveyance Project (“DCP”).

The common legal process involves a project proponent approving a project and then parties who wish to challenge the project file lawsuits. By contrast, in a validation action, the project proponent takes the proactive step of filing a legal action and notifying the public and interested parties that this is their opportunity to challenge the project if wished. A validation action is often used in cases, such as with the DCP, where the project proponent (DWR) plans to issue public financing/bonds. The underwriter and potential purchasers of those bonds will want to make sure DWR’s legal authority to issue such bonds, and to proceed with the DCP, has been validated.

Through the Validation, DWR is seeking a Court judgment that DWR has the authority to: (a) plan, engineer and design and, if and when the applicable conditions precedent are satisfied, acquire and construct the DCP as a unit of the State Water Project; and (b) issue the proposed bonds, apply bond proceeds to the DCP costs and to pledge revenues to secure the repayment of the bonds.

The Validation makes it clear that DWR is not seeking to adjudicate: (a) legal challenges based on the adequacy or implementation of the planning, engineering or construction of the DCP, including any future CEQA litigation; or (b) how costs will be allocated between State Water Contractors, or how a State Water Contractor might seek to recover DCP costs.

DWR plans to provide notice of the Validation by publication in newspapers in all 58 counties in California. DWR also plans to provide extensive additional notice to persons and organizations that have informed DWR of their interest in the DCP.

# ***San Gorgonio Pass Water Agency***

**DATE:** September 8, 2020  
**TO:** Board of Directors  
**FROM:** Lance Eckhart, General Manager  
**BY:** Tom Todd, Jr., Finance Manager  
**SUBJECT: Local Agency Investment Fund (LAIF) Authorization**

## **RECOMMENDATION**

Staff recommends the Board approve the action to appoint Lance Eckhart, Ronald Duncan and Michael Thompson as authorized representatives of the San Gorgonio Pass Water Agency.

## **BACKGROUND**

LAIF requires documentation to change the Agency members who are authorized to transact business with it. The original resolution (Resolution 1990-04) stipulates that the General Manager/Secretary, the president of the Board and the treasurer of the Board are authorized representatives.

This action certifies that Lance Eckhart, General Manager/Secretary, Ronald Duncan, President, and Michael Thompson, Treasurer are designated as authorized representatives of the San Gorgonio Pass Water Agency, and are authorized to do business with LAIF.

This is a routine housekeeping action, and will be required periodically as authorized representatives change.

## **ANALYSIS**

No resolution is required to certify these changes, just an approval by the Board, which will be recorded in the minutes of this meeting. When the minutes are approved, a copy of them will be sent, along with the completed LAIF form, to make these changes.

## **FISCAL IMPACT**

There is no fiscal impact for this action.

## **ACTION**

Motion to approve the appointment of Lance Eckhart, Ronald Duncan and Michael Thompson to be authorized to do business with LAIF as necessary.