

# **PROPOSED:** Significant Items

## *General Budget FY 2022-23*





# Strategic Plan ~~2019~~ 2022

- |        |                                                          |
|--------|----------------------------------------------------------|
| Goal 1 | Regional Water Supply Plan                               |
| Goal 2 | Effective Communication of Agency's strategy and mission |
| Goal 3 | Sustainable Groundwater Management Act Implementation    |
| Goal 4 | Infrastructure Plan                                      |
| Goal 5 | Financial Plan                                           |

Refresh of the 2019 plan to reflect changing priorities.  
Includes Board/Staff "offsite".



Public Information is an important tool the Agency could further develop. Regional alignment, collaboration, and inter-agency trust is built upon effective communication.

# Public Information

- Awareness of SGPWA can be expanded
- Need for partnerships growing
- Messaging is an important aspect of collaboration
- Couples with strategic planning efforts
- Regional alignment important for major projects and grant funding
- Consistent and meaningful drought messaging is critical this year



# Staffing

- Accounting Support – Permanent
- Additional Position?

Part-Time Accounting Support to transition to permanent status.

1 new hire (done); 1 replacement in FY 2022-23 (with overlap).

Will include hiring/attrition/succession plan as part of strategic planning efforts.

Update employee guide and benefits program.



## Grant Support

- State/Fed quickly moving into a funding cycle
- Likely the best opportunity to fund projects over next several years
- Professional grant consultants yield higher degree of success
- Success depends on front-side positioning to locate and fit projects into various funding mechanisms



Focused grant positioning for planning money, recharge projects, pipeline & collaborative programs should be a focus for the next several years.



## Federal & State Advocacy

- Represents Agency to promote support for funding capital improvements
- Important for “Big Ticket” projects
- Used for a specific purpose to garner high-level project support



This needs more attention, especially with the recent anticipated acquisition of additional Table A.

This project should be initiated this year to anticipate wet years and will need to be updated as planning work for the DCP and Sites becomes available in the next 2-3 years.

## Infrastructure Plan (Phase 2)

- First Phase Completed late 2020 (on hold pending 2020 UWMP)
  - [See October 12, 2020 Engineering Workshop](#)
- Deals with external projects with regards to local supply
- Identifies liabilities as well as projects/actions needed for future supply
- Will need to be refined based on 2020 UWMP projections and changing landscape in CA water
- Inclusion of respective retailer's UWMP projections may be beneficial
- Includes optimization of regional (wholesale and retail) investments, Sites water

Photo: Pearblossom Pumping Plant, East Branch, east of Palmdale  
*Known capacity limitation identified in the Phase 1 Infrastructure Plan*

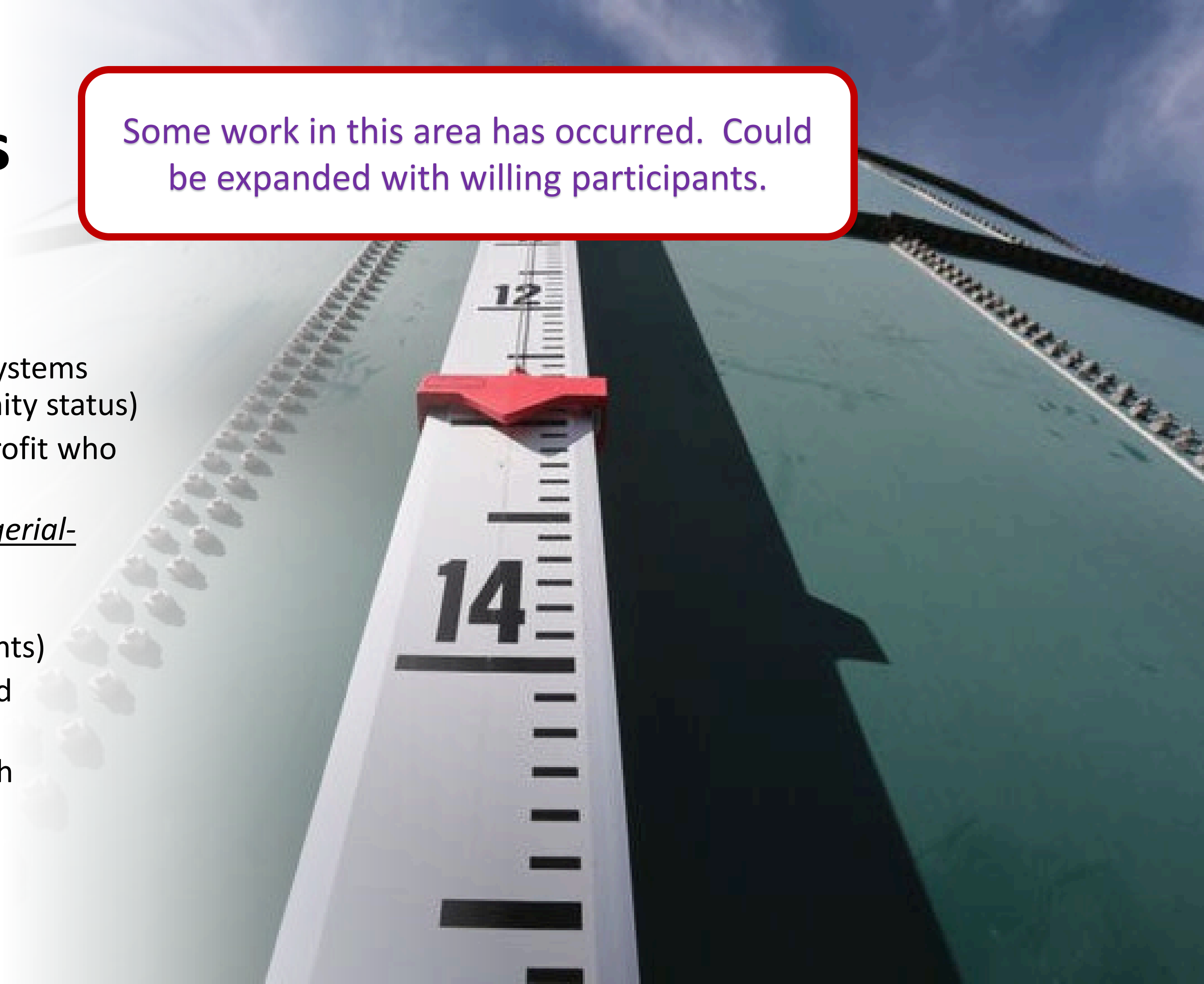
*\*May span multiple fiscal-years*



# Small Systems Support

Some work in this area has occurred. Could be expanded with willing participants.

- Focuses on local small water systems (many disadvantaged community status)
- Works with established non-profit who caters to work
- Foundational Technical-Managerial-Financial (TMF) support
- Conduit between local needs state/federal support (i.e., grants)
- Well established successful and recognized model for support
- Return on investment very high



Funding from the current FY carried forward.

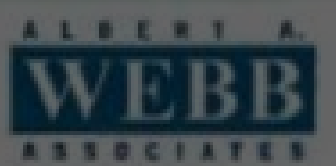
May need additional funding depending on the approach as the project develops.

# Backbone Pipeline

- Discussed for many years
- 2020 UWMP and San Gorgonio GSP demonstrate growing need
- Renewed local interest and support
- Potentially materially grant fundable
- Will need:
  - Right-of-Way
  - CEQA/NEPA
  - Alignment and design
  - Financial and grant strategy
- “Shovel Ready” is goal (in phases)

*\*May span multiple fiscal-years*

**PLATE 1**  
**San Gorgonio Pass Water**  
**Agency Water Delivery**  
**and Storage Facilities**

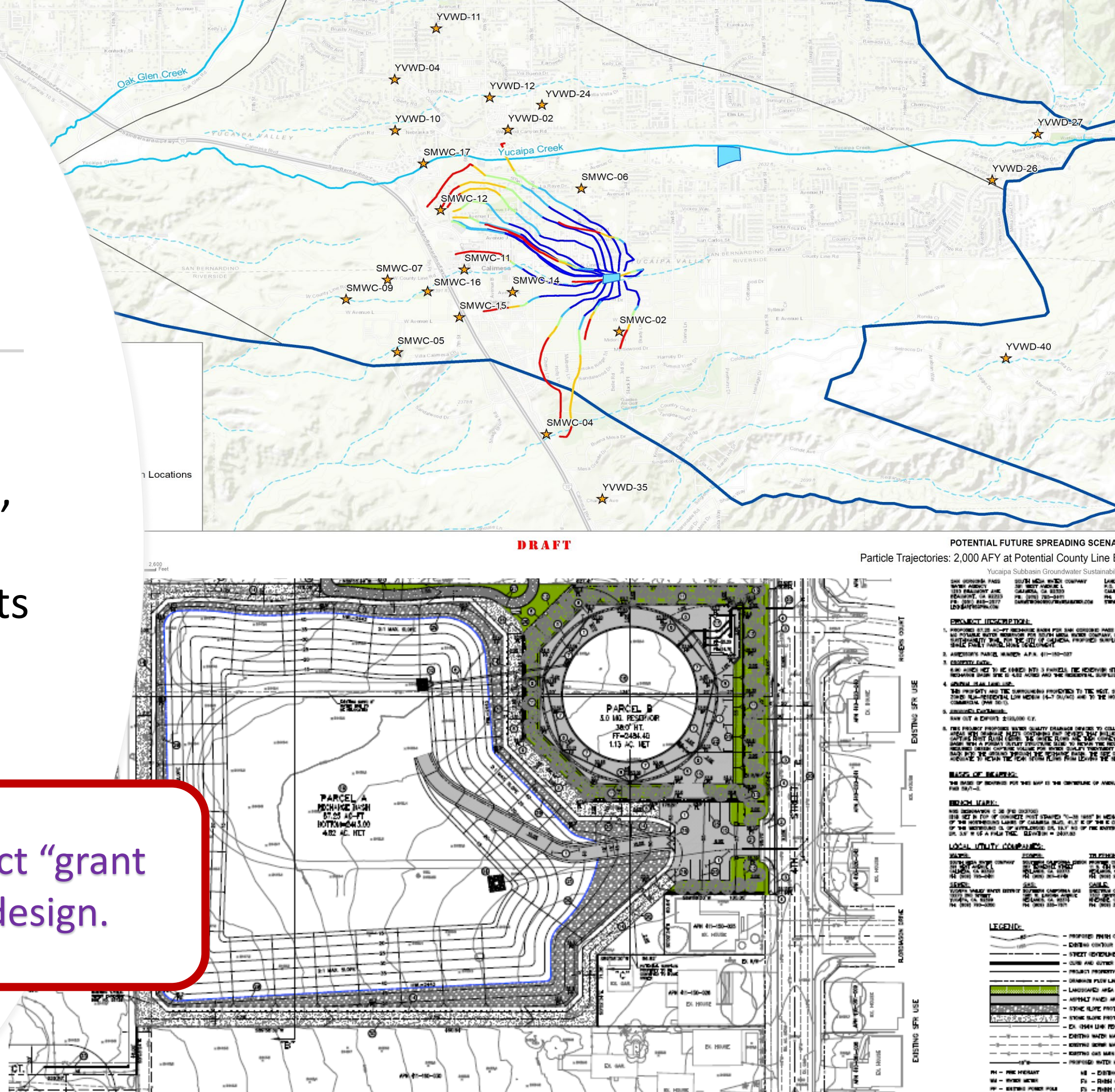




# Calimesa Recharge Basin

- 5-acre multi-purpose basin
- Calimesa, County Flood, SBVMWD, SMWD and SGPWA
- Flood, Recharge, and other benefits
- Some design and feasibility done

With assistance of partners, get the project “grant ready” ASAP. Agency will take lead on design.

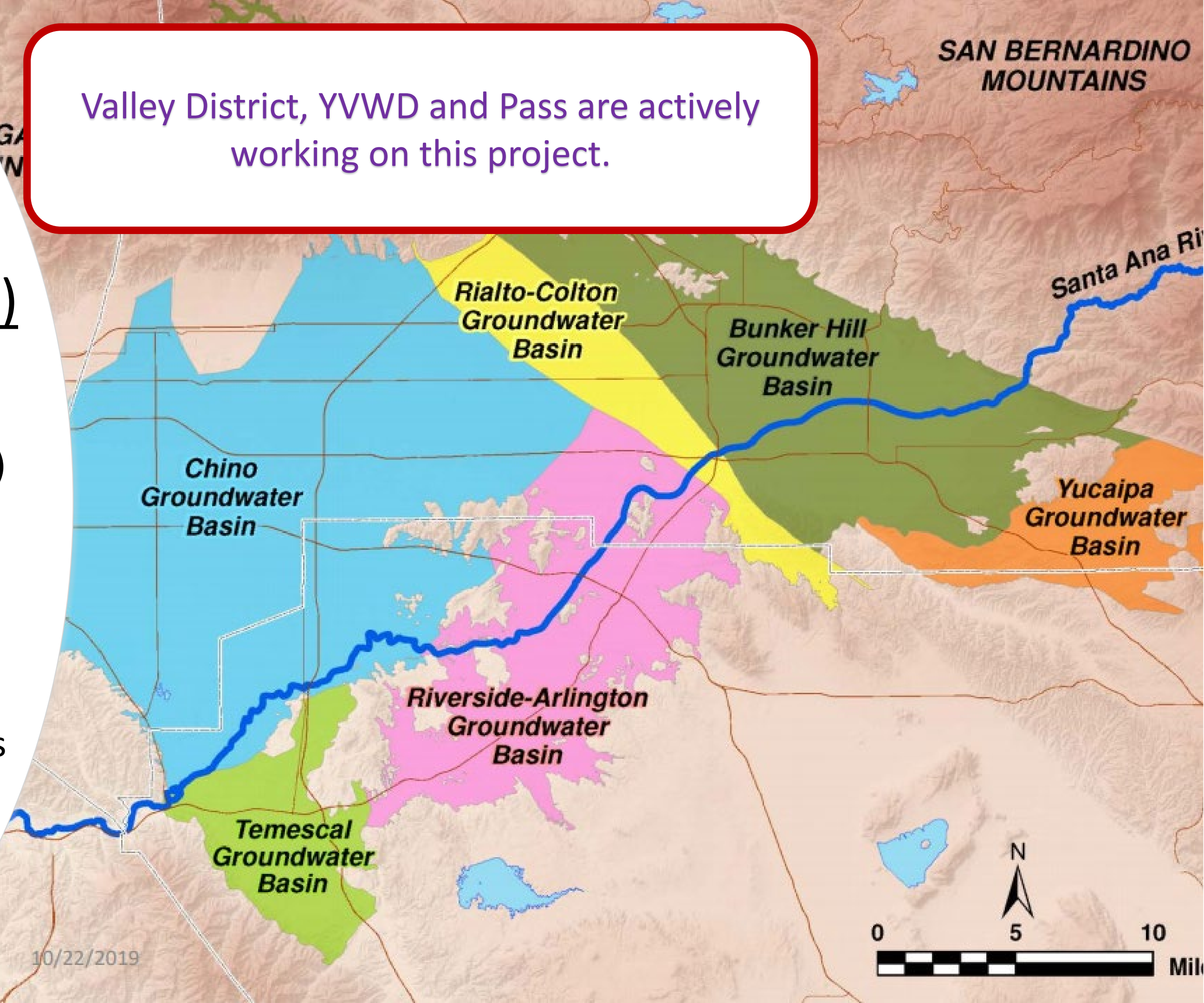




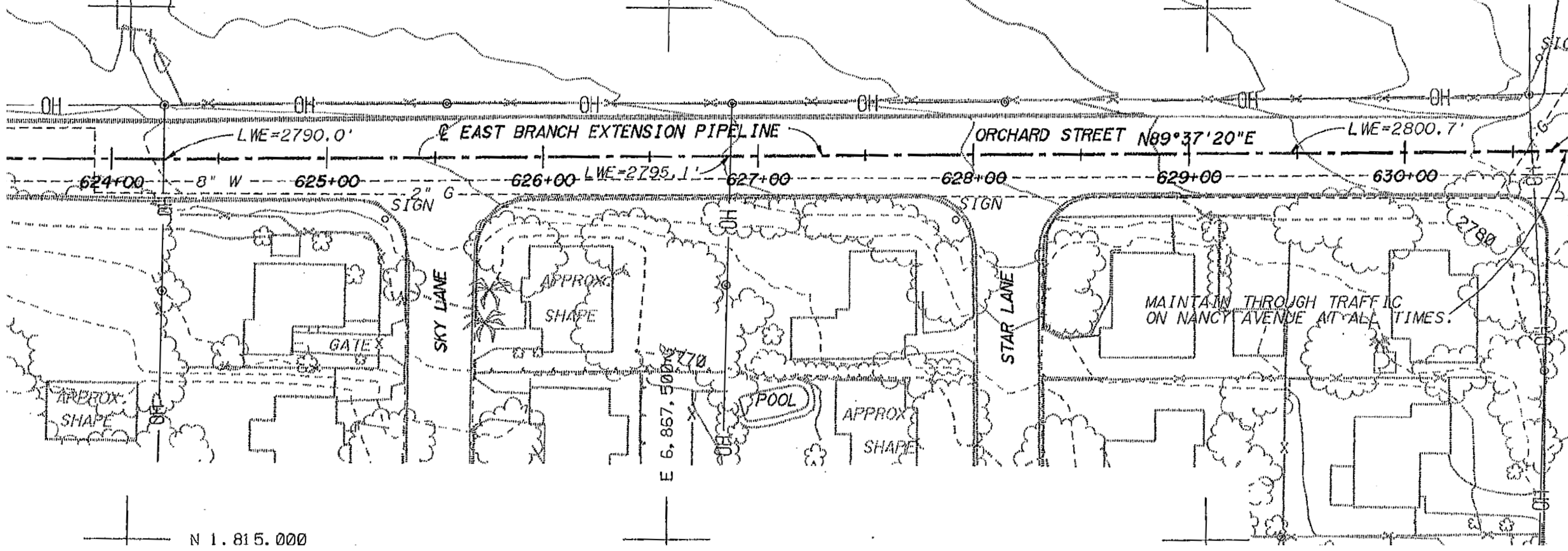
Valley District, YVWD and Pass are actively working on this project.

## Three-Party Deal (San Bernardino/Bunker Hill)

- Agreement to bank water in Bunker Hill (San Bernardino) Basin
- Principles of Agreement Drafted
- Some technical challenges
- Will need local support via Valley District's stakeholders







# Property, Easement & Infrastructure Inventory

Property, easement, and infrastructure information needs to be cataloged and modernized.

*\*May span multiple fiscal-years*



Initiated and work will continue in FY 2022-23.  
The conversation has become more complex as  
the supply portfolio and supply infrastructure  
investments have been expanded.

# Financial Modeling

- Develop a fair and reliable rate structure
- Business certainty all the way around
- Evaluates tax/income trends against needs
- Evaluates other sources of income (e.g. capacity fee) against fiscal needs
- Transparent process (no surprises)
- Plugs into financial model





# Agency Audio/Video Update

- Update Boardroom/Conference room IT
- Leverage experience of 2+ year of remote meetings
- Meetings and participation has changed
- Facilitate “New Normal”
- Facilitate remote participation
- Accessibility and convenience

Audio/Video solution selected. Boardroom modifications happening presently. Expected completion late in FY 2022-23.  
Add Boardroom furniture in FY 2022-23.



# Maintenance and Improvements

- Demonstration Garden
- Power Backup







# Schedule

~~May 9, 2022 — Board Meeting~~  
~~Recap of 2021-22 FY and Discussion~~

May 16, 2022 – Workshop  
Discuss 2022-23 FY General Fund Budget

May 23, 2022 – Board Meeting\*  
Discuss 2022-23 FY General Fund Budget

June 13, 2022 – Board Meeting\*  
Discuss 2022-23 FY General Fund Budget

June 27, 2022 – Board Meeting\*  
Discuss 2022-23 FY General Fund Budget

*\*Possible Adoption*

**SAN GORGONIO PASS WATER AGENCY**  
**DRAFT GENERAL FUND AND CONSIGNED FUND BUDGET FY 2022-23**

(Based on April, 2022 Budget Report)

**DRAFT**

		FISCAL YEAR JULY 1, 2021 - JUNE 30, 2022				FISCAL YEAR JULY 1, 2022 TO	
		1	2	3	4	5	6
		TOTAL REVISED	ACTUAL APRIL, 2022	PROJECTED YEAR-END	REMAINING PERCENT	PROPOSED FY 2022-23	% Actual to Projected
<b>GENERAL FUND</b>							
<b>GENERAL FUND - INCOME</b>							
WATER SALES		4,100,000	722,658	867,190	78.8%	2,375,320	174%
TAX REVENUE		4,100,000	3,221,510	4,300,000	-4.9%	4,600,000	7%
TAX REVENUE - SBE		5,300,000	2,527,078	5,100,000	3.8%	5,355,000	5%
INTEREST		87,000	51,975	62,370	28.3%	75,000	20%
DESIGNATED REVENUES		400,000	449,595	520,078	-30.0%	40,000	-92%
OTHER (REIMBURSEMENTS, TRANSFERS)		32,000	42,739	42,739	-33.6%	32,000	-25%
<b>TOTAL GENERAL FUND INCOME</b>		<b>14,019,000</b>	<b>7,015,554</b>	<b>10,892,376</b>	<b>22.3%</b>	<b>12,477,320</b>	<b>15%</b>
<b>GENERAL FUND - EXPENSES</b>							
<b>COMMODITY PURCHASE</b>							
PURCHASED WATER FOR DELIVERY		6,000,000	3,152,524	3,783,028	47.5%	5,493,829	45%
PURCHASED WATER FOR BANKING (Asset - Future Sale)		2,000,000	0	0	100.0%	2,000,000	-
<b>TOTAL COMMODITY PURCHASE</b>		<b>8,000,000</b>	<b>3,152,524</b>	<b>3,783,028</b>	<b>52.7%</b>	<b>7,493,829</b>	<b>98%</b>
<b>SALARIES AND EMPLOYEE BENEFITS</b>							
SALARIES		500,000	305,971	400,000	20.0%	550,000	38%
PAYROLL TAXES		45,000	30,097	40,000	11.1%	58,000	45%
RETIREMENT		440,000	146,289	172,000	60.9%	110,000	-36%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)		39,000	35,636	24,000	38.5%	40,000	67%
HEALTH INSURANCE		83,000	48,433	58,119	30.0%	75,000	29%
DENTAL INSURANCE		8,000	3,110	3,732	53.4%	4,000	7%
LIFE INSURANCE		1,000	802	962	3.8%	2,000	108%
DISABILITY INSURANCE		6,000	2,948	3,538	41.0%	6,000	70%
WORKERS COMP INSURANCE		4,000	1,514	3,500	12.5%	5,000	43%
SGPWA STAFF MISC. MEDICAL		9,000	4,026	6,000	33.3%	8,000	33%
EMPLOYEE EDUCATION		4,000	0	0	100.0%	4,000	-
<b>TOTAL SALARIES AND EMPLOYEE BENEFITS</b>		<b>1,139,000</b>	<b>578,825</b>	<b>711,851</b>	<b>37.5%</b>	<b>862,000</b>	<b>21%</b>



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<b>GENERAL FUND - EXPENSES</b>							
<b>ADMINISTRATIVE AND PROFESSIONAL SERVICES</b>							
DIRECTOR EXPENDITURES							
DIRECTORS FEES		120,000	98,082	155,000	-29.2%	250,000	61%
DIRECTORS TRAVEL AND EDUCATION		25,000	14,662	25,000	0.0%	30,000	20%
DIRECTORS MISC. MEDICAL		28,000	5,828	10,000	64.3%	40,000	300%
OFFICE EXPENDITURES							
OFFICE EXPENSE		20,000	15,072	18,087	9.6%	20,000	11%
POSTAGE		1,000	54	65	93.5%	1,000	1448%
TELEPHONE		12,000	6,952	8,342	30.5%	9,000	8%
UTILITIES		5,000	4,346	6,000	-20.0%	6,000	0%
SERVICE EXPENDITURES							
COMPUTER, WEB SITE AND PHONE SUPPORT		35,000	37,441	45,000	-28.6%	40,000	-11%
GENERAL MANAGER AND STAFF TRAVEL		15,000	5,198	7,000	53.3%	15,000	114%
INSURANCE AND BONDS		25,000	24,882	25,000	0.0%	26,000	4%
ACCOUNTING AND AUDITING		21,000	21,100	21,100	-0.5%	23,000	9%
DUES AND ASSESSMENTS		35,000	33,145	33,145	5.3%	35,000	6%
OTHER PROFESSIONAL SERVICES		80,000	47,603	57,124	28.6%	60,000	5%
PUBLIC INFORMATION					NEW	60,000	
BANK CHARGES		2,000	570	684	65.8%	1,000	46%
MISCELLANEOUS EXPENSES		5,000	0	0	100.0%	3,000	-
MAINTENANCE AND EQUIPMENT EXPENDITURES							
TOOLS PURCHASE AND MAINTENANCE		1,000	18	22	97.8%	1,000	4540%
VEHICLE REPAIR AND MAINTENANCE		10,000	3,012	5,000	50.0%	7,000	40%
MAINTENANCE AND REPAIRS - BUILDING		47,000	51,393	54,000	-14.9%	25,000	-54%
MAINTENANCE AND REPAIRS - FIELD		25,000	18,120	25,000	0.0%	25,000	0%
CONTRACT OPERATIONS AND MAINTENANCE		100,000	31,394	95,000	5.0%	125,000	32%
WATER TREATMENT EXPENSE		50,000	57,649	88,000	-76.0%	65,000	-26%
COUNTY EXPENDITURES							
LAFCO COST SHARE		7,000	6,950	6,950	0.7%	7,000	1%
ELECTION EXPENSE		0	0	0	0.0%	125,000	-
TAX COLLECTION CHARGES		10,000	35,299	43,000	-330.0%	46,000	7%
<b>TOTAL ADMINISTRATIVE AND PROFESSIONAL SERVICES</b>		<b>679,000</b>	<b>518,769</b>	<b>728,518</b>	<b>-7.3%</b>	<b>1,045,000</b>	<b>43%</b>



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<b>GENERAL FUND - EXPENSES</b>						
<b>CONSULTING AND ENGINEERING SERVICES</b>						
<b>PLANS &amp; CONSTRUCTION</b>						
INFRASTRUCTURE PLAN - Phase 2	125,000	1,034	1,034	99.2%	125,000	11989%
BACKBONE INFRASTRUCTURE STUDY AND DESIGN	250,000	10,890	20,000	92.0%	230,000	1050%
BUNKER HILL BANKING AND RECOVERY PROGRAM	50,000	0	0	100.0%	75,000	-
CALIMESA AREA RECHARGE	50,000	42,061	50,473	-0.9%	250,000	395%
SMALL SYSTEM ASSISTANCE PROGRAM	30,000	13,688	16,426	45.2%	40,000	144%
<b>OTHER PROJECTS</b>						
SAN GORGONIO GSA	25,000	377,216	1,000	96.0%	90,000	8900%
YUCAIPA GSA VERBENIA GSA	15,000	6,508	7,810	47.9%	10,000	28%
FLUME MONITORING AND SUPPORT	50,000	53,089	63,707	-27.4%	30,000	-53%
SCADA INTEGRATION	30,000	0	0	100.0%	5,000	-
<b>STUDIES AND REPORTS</b>						
FINANCIAL MODELING (was FEE STUDIES)	60,000	2,840	20,000	66.7%	100,000	400%
USGS STUDIES AND MONITORING	150,000	127,923	153,508	-2.3%	165,000	7%
INFRASTRUCTURE AND EASEMENT INVENTORY	25,000	0	0	100.0%	75,000	-
DISCHARGE PERMIT	25,000	0	0	100.0%	25,000	-
WATER PORTFOLIO	0	0	0	-	50,000	-
LOCAL SUPPLIES	50,000	50,823	51,000	-2.0%	50,000	-2%
LOCAL RECHARGE PROJECTS	0	0	0	-	200,000	-
UWMP SUPPORT AND ANNUAL REPORT COMPLETION	5,000	10,298	14,000	-180.0%	50,000	257%
STRATEGIC PLAN UPDATE				NEW	60,000	-
<b>GENERAL ENGINEERING SERVICES</b>						
GRANT SUPPORT SERVICES	75,000	14,535	17,442	76.7%	75,000	330%
FEDERAL/STATE ADVOCATE	0	0	0	-	30,000	-
SAWPA REGIONAL PROJECTS (was BASIN MONITORING)	33,000	37,061	37,061	-12.3%	60,000	62%
GENERAL ENGINEERING, CEQA, EIR, ETC	65,000	0	5,000	92.3%	150,000	2900%
GIS SERVICES	10,000	0	0	100.0%	10,000	-
<b>TOTAL CONSULTING AND ENGINEERING SERVICES</b>	<b>1,123,000</b>	<b>747,966</b>	<b>458,460</b>	<b>59.2%</b>	<b>1,955,000</b>	<b>326%</b>



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<b>GENERAL FUND - EXPENSES</b>						
<b>LEGAL SERVICES</b>						
LEGAL SERVICES - GENERAL	140,000	97,500	117,000	16.4%	125,000	7%
<b>TOTAL LEGAL SERVICES</b>	140,000	97,500	117,000	16.4%	125,000	7%
<b>CONSERVATION AND EDUCATION</b>						
SCHOOL EDUCATION PROGRAMS	16,000	24,700	20,000	-25.0%	35,000	75%
ADULT EDUCATION AND SOCIAL MEDIA	10,000	0	12,000	-20.0%	10,000	-17%
SPONSORSHIPS	6,000	4,369	5,243	12.6%	6,000	14%
OTHER CONSERVATION, EDUCATION AND P. R.	20,000	1,860	2,232	88.8%	10,000	348%
<b>TOTAL CONSERVATION AND EDUCATION</b>	52,000	30,929	39,475	24.1%	61,000	55%
<b>MAJOR AND CAPITAL EXPENDITURES</b>						
<b>BUILDING AND EQUIPMENT</b>						
BUILDING	225,000	0	0	100.0%	250,000	-
AV UPGRADE	100,000	74,117	91,000	9.0%	85,000	-7%
FURNITURE AND OFFICE EQUIPMENT	15,000	0	0	100.0%	75,000	-
OTHER EQUIPMENT	5,000	0	0	100.0%	10,000	-
CALIMESA LAND PURCHASE	0	2,351,856	2,351,856	-	0	-
RECHARGE ACQUISITION (was CALIMESA FACILITY)	0	0	0	-	0	-
<b>TOTAL MAJOR AND CAPITAL EXPENDITURES</b>	345,000	2,425,973	2,442,856	-608.1%	420,000	-83%
<b>TRANSFERS TO OTHER FUNDS</b>	0	0	0	0	0	
<b>TOTAL GENERAL FUND EXPENSES</b>	11,478,000	7,552,486	8,281,187	27.9%	11,961,829	44%
<b>GENERAL FUND NET INCOME YEAR TO DATE</b>	2,541,000	-536,932	2,611,189		515,491	

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<b>CONSIGNED - SWP SUPPORT FUND</b>							
<b>SWP SUPPORT FUND - INCOME</b>							
<b>INCOME</b>							
SBE TAX REVENUE ALLOCATED TO SWP-RELATED PROJECTS		4,000,000	2,191,987	4,383,975	-9.6%	4,600,000	5%
<b>SWP SUPPORT FUND - EXPENSES</b>							
<b>EXPENDITURES</b>							
TAX COLLECTION CHARGES			5,480	10,960		12,000	9%
<b>RESERVES</b>		4,000,000	2,186,508	4,373,015	-9.3%	4,588,000	5%