



**SAN GORGONIO PASS WATER AGENCY**  
**Finance and Budget Committee Meeting**  
**Agenda**  
**December 14, 2023 at 9:00 a.m.**

President  
Larry Smith

Vice President  
Mickey Valdivia

Treasurer  
Chander Letulle

Directors  
Dr. Blair M Ball  
Ron Duncan  
Kevin Walton  
Robert Ybarra

General Manager  
Lance Eckhart,  
PG, CHG

Legal Counsel  
Jeffrey Ferre

THIS MEETING IS BEING HELD IN PERSON.  
REMOTE ACCESS IS AVAILABLE FOR THE CONVENIENCE OF THE PUBLIC.  
TO JOIN VIA ZOOM, CLICK HERE: [Zoom Teleconference Link](#)  
TO JOIN THE MEETING BY TELEPHONE,  
CALL: 669-900-6833 MEETING ID: 942 7637 8467

- 1. Call to Order, Flag Salute, and Roll Call**
- 2. Adjustment and Adoption of Agenda**
- 3. Public Comment:** Members of the public may address the Committee at this time concerning items relating to any matter within the Agency's jurisdiction. There will be an opportunity to comment on specific agenda items as the items are addressed. 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 Committee 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. Approval of the Minutes**
  - A. Approval of the Minutes of the Finance & Budget Committee Meeting, November 16, 2023, [\(pg. 2\)](#)
- 5. New Business – Discussion and possible action**
  - A. Ratification of Paid Invoices and Monthly Payroll for November 2023, [\(pg. 4\)](#)
  - B. Review of Bank Reconciliation for November 2023, [\(pg. 8\)](#)
  - C. Review of Budget Report for November 2023, [\(pg. 11\)](#)
  - D. Review of Pending Legal Invoices for November 2023, [\(pg. 21\)](#)
  - E. Gap Funding Report, [\(pg. 22\)](#)
  - F. General Fund Budget Revision, [\(pg. 23\)](#)
  - G. Procurement Policy Additional Discussion, [\(pg. 24\)](#)
- 6. Committee Member Comments**
- 7. Announcements**
  - A. Winter Soiree, December 18, 2023, 5:00 p.m. to 6:00 p.m.
  - B. Regular Board Meeting, December 18, 2023 at 6:00 p.m.
  - C. Office closed December 25<sup>th</sup> - January 1, 2024, in observance of the Christmas and New Year's Holidays
  - D. Finance & Budget Committee, January 18, 2024, 9:00 a.m.
- 8. Adjournment**

(1) 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 made available on the Agency's website, accessible at: [www.sgpwa.com](http://www.sgpwa.com)  
(2) Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency 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**  
**Finance and Budget Committee**  
**November 16, 2023**

THIS MEETING WAS HELD IN PERSON AND VIA ZOOM.

**Committee Members Present:** Chander Letulle, Chair  
Micky Valdivia, Member  
Robert Ybarra, Member

**Staff Present:** Tom Todd, Jr., Chief Financial Officer  
Matt Howard, Operations Manager

1. **Call to Order, Flag Salute, and Roll Call:** The San Gorgonio Pass Water Agency Finance and Budget Committee meeting was called to order by Chair Chander Letulle 9:00 a.m., November 16, 2023. Mr. Letulle led the committee in the Pledge of Allegiance. Mr. Letulle asked for a roll call. A quorum was present.
2. **Adjustment and/or Adoption of the Agenda.** The agenda was adopted as published.
3. **Public Comment:** None.
4. **Approval of Minutes**
  - A. Approval of the Minutes of the Finance & Budget Committee Meeting, October 25, 2023: Mr. Valdivia moved, seconded by Mr. Ybarra to approve the minutes of the Finance & Budget Committee meeting of October 25, 2023. Approved unanimously by voice vote.
5. **New Business**
  - A. Ratification of Paid Invoices and Monthly Payroll for October 2023
  - B. Review of Bank Reconciliation for October 2023
  - C. Review of Budget Report for October 2023

After review and further discussion, Mr. Valdivia moved, seconded by Mr. Ybarra, to accept Items A-C. Approved unanimously by voice vote.

  - D. Review of Pending Legal Invoices for October 2023  
After review and discussion, Mr. Ybarra moved, seconded by Mr. Valdivia, to approve payment of the Legal Invoice. Approved unanimously by voice vote.
  - E. Cabazon Gap Funding Report  
The Committee reviewed the Cabazon Gap Funding Report.
6. **Committee Member Comments**

None.

**7. Announcements**

- A. Regular Board Meeting, November 20, 2023 at 6:00 p.m.
- B. Regular Board Meeting, December 4, 2023 at 1:30 p.m.
- C. Finance and Budget Committee Meeting, December 14, 2023 at 9:00 a.m.

**8. Adjournment**

The Finance and Budget Committee of the San Geronio Pass Water Agency was adjourned by Mr. Letulle at 9:40 a.m.

*Draft - Subject to Committee Approval*

Chander Letulle, Committee Chair

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

**DATE:** December 14, 2023  
**TO:** Finance and Budget Committee  
**FROM:** Lance Eckhart, General Manager  
**BY:** Tom Todd, Jr., Chief Financial Officer  
**SUBJECT: Summary of Recommended Regular Committee Actions**

**RECOMMENDATION**

Recommendations for Finance and Budget Committee actions:

Item 4A: Approve the minutes.

Item 5A: The Committee **accept** payments as listed in the Check History reports for Accounts Payable and Payroll for the month of November 2023.

Item 5B: The Committee **accept** the Bank Reconciliation for November 2023.

Item 5C: The Committee **accept** the Budget Report for November 2023.

**Motion: The Committee accepts items 5 A-C.**

Item D: The Committee **approve** payment of the Legal Invoice for November 2023.

**Motion: The Committee approves payment of the Legal Invoice.**

**BACKGROUND**

The Finance & Budget Committee reviews the necessary financial material during this meeting and will present its findings at the next regular Board meeting.

**ACTION**

The Committee takes the above listed actions and recommends Board ratification of the same.

**ATTACHMENTS**

- Minutes
- Check History Report
- Bank Reconciliation
- Budget Report
- Pending Legal Invoice Report
- Gap Funding Report

**San Gorgonio Pass Water Agency**  
**Check History Report**  
**November 1 through November 30, 2023**

ACCOUNTS PAYABLE
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Date	Number	Name	Amount
11/15/2023	121124	ACWA BENEFITS	900.70
11/15/2023	121125	AUTOMATION PRIDE	190.00
11/15/2023	121126	BEAUMONT-CHERRY VALLEY WATER DISTRICT	501.79
11/15/2023	121127	BEST BEST & KRIEGER	8,663.06
11/15/2023	121128	CITY OF BEAUMONT	4,258.34
11/15/2023	121129	CONTROL TEMP, INC.	185.00
11/15/2023	121130	CALIFORNIA RURAL WATER ASSN	20,396.26
11/15/2023	121131	CV STRATEGIES	3,000.00
11/15/2023	121132	ERNST & YOUNG LLP	1,237.00
11/15/2023	121133	THE FERGUSON GROUP	2,500.00
11/15/2023	121134	FRONTIER COMMUNICATIONS	305.83
11/15/2023	121135	HDL COREN & CONE	6,475.73
11/15/2023	121136	NEW RESOURCES GROUP	373.00
11/15/2023	121137	NIGRO & NIGRO	10,000.00
11/15/2023	121138	PROVOST & PRITCHARD	555.80
11/15/2023	121139	SAN BERNARDINO VALLEY MUNI WATER DISTRICT	221,727.49
11/15/2023	121140	SOUTHERN CALIFORNIA GAS	3.35
11/15/2023	121141	STANDARD INSURANCE COMPANY	773.19
11/15/2023	121142	UNLIMITED SERVICES	350.00
11/15/2023	121143	UNDERGROUND SERVICE ALERT	17.00
11/15/2023	121144	U. S. GEOLOGICAL SURVEY	105,375.00
11/15/2023	121145	WASTE MGT CORPORATE SERVICES	128.17
11/15/2023	121146	ZANJERO WATER CONSULTING	16,185.00
11/21/2023	121147	ALBERT WEBB ASSOCIATES	12,325.00
11/21/2023	121148	GOPHER PATROL	60.59
11/21/2023	121149	LENITY TECHNOLOGY	6,072.66
11/21/2023	121150	MATTHEW PISTILLI LANDSCAPE SERVICES	1,290.00
11/21/2023	121151	SOUTHERN CALIFORNIA EDISON	96.75
11/21/2023	121152	VALLEY OFFICE EQUIPMENT, INC.	465.23
11/21/2023	121153	WELLS FARGO ELITE CREDIT CARD	10,590.94
11/3/2023	900776	EMPLOYMENT DEVELOPMENT DEPARTMENT	3,493.61
11/3/2023	900777	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	14,536.17
11/3/2023	900778	CALPERS RETIREMENT	11,086.80
11/3/2023	900779	CAL PERS RETIREMENT - SIP-457	3,650.00
11/3/2023	900780	PAYCHEX	172.50
11/3/2023	900781	RONALD A. DUNCAN	113.11
11/17/2023	900782	EMPLOYMENT DEVELOPMENT DEPARTMENT	3,677.08
11/17/2023	900783	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	14,553.57
11/17/2023	900784	CALPERS RETIREMENT	9,197.23
11/17/2023	900785	CAL PERS RETIREMENT - SIP-457	3,650.00
11/17/2023	900786	PAYCHEX	164.10
11/27/2023	900787	CALPERS HEALTH	9,982.42
11/29/2023	900788	DEPARTMENT OF WATER RESOURCES	1,506,734.00
TOTAL ACCOUNTS PAYABLE CHECKS			2,016,013.47

**San Gorgonio Pass Water Agency**  
**Check History Report**  
**November 1 through November 30, 2023**

<b>PAYROLL</b>
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Date	Number	Name	Amount
11/2/2023	802619	EMMETT G. CAMPBELL	3,178.17
11/2/2023	802620	RONALD A. DUNCAN	2,586.20
11/2/2023	802621	LANCE E. ECKHART	9,123.48
11/2/2023	802622	MATTHEW E. HOWARD	4,782.03
11/2/2023	802623	CHERYLE M. STIFF	2,947.69
11/2/2023	802624	SCOTT W. TIRRELL	723.45
11/2/2023	802625	THOMAS W. TODD, JR.	5,417.60
11/2/2023	802626	KEVIN D. WALTON	2,574.87
11/2/2023	802627	ROEBERT G. YBARRA	2,693.71
11/16/2023	802628	EMMETT G. CAMPBELL	3,178.17
11/16/2023	802629	LANCE E. ECKHART	10,669.32
11/16/2023	802630	MATTHEW E. HOWARD	4,782.04
11/16/2023	802631	LAWRENCE R. SMITH	2,693.70
11/16/2023	802632	CHERYLE M. STIFF	2,947.67
11/16/2023	802633	SCOTT W. TIRRELL	471.46
11/16/2023	802634	THOMAS W. TODD, JR.	5,417.60
11/16/2023	802635	MICHAEL R. VALDIVIA	2,454.65
TOTAL PAYROLL			66,641.81
TOTAL DISBURSEMENTS FOR NOVEMBER 2023			2,082,655.28

**NOTES**

Check and expenditure series numbers:

- |        |                                      |
|--------|--------------------------------------|
| 121xxx | Accounts payable checks              |
| 802xxx | Payroll direct deposits to employees |
| 900xxx | Electronic Funds Transfers           |

SAN GORGONIO PASS WATER AGENCY  
New Vendors List  
November, 2023

Vendor - Name and Address	Expenditure Type
New Resources Group, Inc. P O Box 320049; Fairfield, CT 06825	(type) P.R. Outside Communcatn

**SAN GORGONIO PASS WATER AGENCY  
BANK RECONCILIATION  
November 30, 2023**

BANK BALANCE - CHECKING ACCOUNT - November 30, 2023 \$ 322,142.04

LESS: OUTSTANDING CHECKS

CHECK NUMBER	AMOUNT	CHECK NUMBER	AMOUNT
None			
	-		-

TOTAL OUTSTANDING CHECKS -

BALANCE PER **GENERAL LEDGER** - November 30, 2023 \$ 322,142.04

BALANCE PER **GENERAL LEDGER** AT END OF PRIOR MONTH ( + ) \$ 2,295,372.19

CASH RECEIPTS FOR CURRENT MONTH ( + ) 109,425.13

CASH DISBURSEMENTS FOR CURRENT MONTH

ACCOUNTS PAYABLE ( - )	Checks	(435,002.88)	
ACCOUNTS PAYABLE ( - )	ACHs	(1,581,010.59)	(2,016,013.47)
PAYROLL ( - )	Prior Month: 16th-EOM	(34,027.20)	
PAYROLL ( - )	This Month: 1st-15th	(32,614.61)	(66,641.81)

TRANSFERS FROM LAIF ( + ) -


TRANSFERS TO LAIF ( - ) -

TRANSFER TO CAMP ( - ) -

TRANSFER FROM CAMP ( + ) -

BALANCE PER **GENERAL LEDGER** November 30, 2023 \$ 322,142.04

REPORT PREPARED BY:

  
\_\_\_\_\_  
Scott Tirrell

12/4/23  
Date



**SAN GORGONIO PASS WATER AGENCY  
DEPOSIT RECAP  
FOR THE MONTH OF NOVEMBER 2023**

DATE	RECEIVED FROM	DESCRIPTION	AMOUNT
<b>DEPOSIT TO CHECKING ACCOUNT</b>			
11/14/23	SAN BERNARDINO COUNTY	PROPERTY TAXES	10.02
11/14/23	CITY OF BANNING	WATER SALES	99,750.00
11/14/23	CHANDER LETULLE	SPOUSE DINNER REIMBURSEMENT	150.00
11/17/23	RIVERSIDE COUNTY	PROPERTY TAXES - RDV ASSET DIST.	9,515.11
TOTAL FOR NOVEMBER 2023			109,425.13

**San Geronio Pass Water Agency  
Water Purchases and Deliveries  
Summary  
2023 - DRAFT**

Date	Retail Deliveries				Total
	YVWD	BCVWD	Banning	SGPWA	
Jan	0.0	0.0	0.0	0.0	0.0
Feb	5.0	1,339.0	0.0	0.0	1,344.0
Mar	0.0	2,539.0	0.0	0.0	2,539.0
Apr	0.0	2,529.0	0.0	0.0	2,529.0
May	0.0	1,454.0	0.0	0.0	1,454.0
Jun	14.5	1,984.0	0.0	0.0	1,998.5
Jul	55.8	1,067.0	0.0	0.0	1,122.8
Aug	509.8	1,058.0	750.0	208.0	2,525.8
Sep	0.0	1,006.0	250.0	34.0	1,290.0
Oct	0.0	1,175.0	0.0	837.8	2,012.8
Nov	0.0	0.0	0.0	0.0	0.0
Dec	0.0	0.0	0.0	0.0	0.0
<b>TOTALS</b>	<b>585.1</b>	<b>14,151.0</b>	<b>1,000.0</b>	<b>1,079.8</b>	<b>16,815.9</b>

Date	Delivery Point				Total
	SBVMWD	Noble Turnout	Mt. View	LSGC	
Jan	0.0	0.0	0.0	0.0	0.0
Feb	5.0	678.0	661.0	0.0	1,344.0
Mar	0.0	1,341.2	1,197.4	0.0	2,538.6
Apr	0.0	1,475.3	1,054.0	0.0	2,529.3
May	0.0	623.0	831.0	0.0	1,454.0
Jun	14.5	897.4	1,086.6	0.0	1,998.5
Jul	55.8	1,067.0	746.0	0.0	1,868.8
Aug	9.8	1,058.0	712.0	0.0	1,779.8
Sep	0.0	1,006.0	284.0	0.0	1,290.0
Oct	0.0	1,175.0	837.8	0.0	2,012.8
Nov	0.0	0.0	0.0	0.0	0.0
Dec	0.0	0.0	0.0	0.0	0.0
<b>TOTALS</b>	<b>85.1</b>	<b>9,320.9</b>	<b>7,409.8</b>	<b>0.0</b>	<b>16,815.8</b>

As of Nov. 9, 2023

**DRAFT - Subject to Change  
Reconciliation at Year-End**

San Gorgonio Pass Water Agency  
Budget Highlights

November 2023

General Fund

Revenue:

Revenue from water sales was received this month, but not much else. December is projected to be a significant month for tax revenue.

Disbursements:

As the year progresses, more budget items begin to fall within expected projections. Overall, most disbursements are within budget expectations. As mentioned last month, Directors Travel is currently over budget, but the rate of expenditures in this item is expected to decrease until the spring. Insurance and Bonds is over budget as was mentioned last month. Accounting and Auditing and Sponsorships appear to be over budget currently, but few additions are expected for these items for the rest of the fiscal year. Field Maintenance is edging into over-budget status, but this is another item where expenditures are not evenly spread over the fiscal year.

In Consulting and Engineering, one item stands out, Yucaipa GSA. The Board approved the joint contract for additional studies by the USGS on September 11, 2023, and this is the total amount for that contract.

Expenditures for the Water Portfolio and the Strategic Plan will both slow down in the next few months. No additional invoices for SWAPA Regional Projects are expected.

Legal Services is currently within budget, but additional requirements for Legal Counsel interaction are likely to push this item into over-budget status in the next few months.

Consigned – SWP Support Fund

Revenue:

Interest income is doing well in all funds; the SWP fund is benefiting as well.

Debt Service Fund

Revenue:

Interest income was the only category that received revenue this month. As mentioned under the General Fund, significant receipts of tax revenue are expected in December.

Disbursements:

As mentioned previously, items that appear over-budget in this report are not expected to be over budget at year-end.

Gap Funding Program

No additional funds were received or expended for the Gap Funding program this month.

**SAN GORGONIO PASS WATER AGENCY  
BUDGET REPORT FOR FY 2023-24  
FOR THE FIVE MONTHS ENDING ON NOVEMBER 30, 2023**

		FISCAL YEAR JULY 1, 2023 - JUNE 30, 2024				
		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>GENERAL FUND</b>						
<b>GENERAL FUND - INCOME</b>					Remaining %	58%
1	WATER SALES	7,800,000		7,800,000	1,873,963.35	-76.0%
2	TAX REVENUE	11,800,000		11,800,000	181,590.67	-98.5%
3	INTEREST	130,000		130,000	100,567.39	-22.6%
4	GOV'T CONTRIBUTIONS, GRANT REVENUE	50,000		50,000	0.00	-100.0%
5	OTHER MISCELLANEOUS INCOME	10,000		10,000	1,156.58	-88.4%
6	<b>TOTAL GENERAL FUND INCOME</b>	<b>19,790,000</b>	<b>0</b>	<b>19,790,000</b>	<b>2,157,277.99</b>	<b>-89.1%</b>
<b>GENERAL FUND - EXPENSES</b>						
<b>COMMODITY PURCHASE</b>						
10	PURCHASED WATER FOR DELIVERY	9,100,000		9,100,000	2,661,451.00	70.8%
11	PURCHASED WATER FOR BANKING (FUTURE SALE)	2,000,000		2,000,000	0.00	100.0%
12	<b>TOTAL COMMODITY PURCHASE</b>	<b>11,100,000</b>	<b>0</b>	<b>11,100,000</b>	<b>2,661,451.00</b>	<b>76.0%</b>
<b>SALARIES AND EMPLOYEE BENEFITS</b>						
15	SALARIES	630,000		630,000	206,744.44	67.2%
16	PAYROLL TAXES	63,000		63,000	16,243.09	74.2%
17	PAYROLL SERVICE	5,000		5,000	1,734.60	65.3%
18	RETIREMENT	135,000		135,000	40,268.56	70.2%
19	OTHER POST-EMPLOYMENT BENEFITS (OPEB)	75,000		75,000	29,378.30	60.8%
20	HEALTH INSURANCE	80,000		80,000	21,875.29	72.7%
21	ACWA BENEFITS	10,000		10,000	2,985.42	70.1%
22	DISABILITY INSURANCE	6,000		6,000	1,677.28	72.0%
23	WORKERS COMPENSATION INSURANCE	5,000		5,000	887.07	82.3%
24	SGPWA STAFF MEDICAL REIMBURSEMENT	10,000		10,000	1,835.48	81.6%
25	EMPLOYEE EDUCATION	4,000		4,000	0.00	100.0%
26	<b>TOTAL SALARIES AND EMPLOYEE BENEFITS</b>	<b>1,023,000</b>	<b>0</b>	<b>1,023,000</b>	<b>323,629.53</b>	<b>68.4%</b>

**SAN GORGONIO PASS WATER AGENCY  
BUDGET REPORT FOR FY 2023-24  
FOR THE FIVE MONTHS ENDING ON NOVEMBER 30, 2023**

		FISCAL YEAR JULY 1, 2023 - JUNE 30, 2024				
		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>GENERAL FUND - EXPENSES</b>						
	<b>ADMINISTRATIVE AND PROFESSIONAL SERVICES</b>				Remaining %	58%
30	DIRECTOR EXPENDITURES					
31	DIRECTORS FEES	264,000		264,000	59,804.55	77.3%
32	DIRECTORS TRAVEL AND EDUCATION	50,000		50,000	33,301.94	33.4%
33	DIRECTORS MEDICAL REIMBURSEMENT	46,000		46,000	3,918.06	91.5%
	OFFICE EXPENDITURES					
35	OFFICE EXPENSE	20,000		20,000	8,520.08	57.4%
36	POSTAGE	1,000		1,000	30.16	97.0%
37	TELEPHONE	10,000		10,000	2,744.75	72.6%
38	UTILITIES	8,000		8,000	918.96	88.5%
	SERVICE EXPENDITURES					
40	COMPUTER, WEBSITE AND PHONE SUPPORT	50,000		50,000	18,088.01	63.8%
41	GENERAL MANAGER AND STAFF TRAVEL	25,000		25,000	9,683.75	61.3%
42	INSURANCE AND BONDS	35,000		35,000	48,432.65	-38.4%
43	ACCOUNTING AND AUDITING	23,000		23,000	20,000.00	13.0%
44	DUES AND ASSESSMENTS	45,000		45,000	40,488.00	10.0%
45	OTHER PROFESSIONAL SERVICES	75,000		75,000	29,984.70	60.0%
46	PUBLIC INFORMATION	60,000		60,000	18,019.21	70.0%
47	BANK CHARGES	1,000		1,000	0.00	100.0%
48	MISCELLANEOUS EXPENSES	2,000		2,000	0.00	100.0%
	MAINTENANCE AND EQUIPMENT EXPENDITURES					
50	TOOLS PURCHASE AND MAINTENANCE	3,000		3,000	103.14	96.6%
51	MAINTENANCE AND REPAIRS - VEHICLE	10,000		10,000	3,895.90	61.0%
52	MAINTENANCE AND REPAIRS - BUILDING	30,000		30,000	9,420.98	68.6%
53	MAINTENANCE AND REPAIRS - FIELD	40,000		40,000	17,708.05	55.7%
54	CONTRACT OPERATIONS AND MAINTENANCE	220,000		220,000	54,597.09	75.2%
55	WATER TREATMENT EXPENSE	130,000		130,000	29,671.23	77.2%
	COUNTY EXPENDITURES					
57	LAFCO COST SHARE	9,000		9,000	8,282.94	8.0%
58	ELECTION EXPENSE	0		0	0.00	
59	TAX COLLECTION CHARGES	52,000		52,000	430.17	99.2%
60	<b>TOTAL ADMINISTRATIVE AND PROFESSIONAL SERVICES</b>	<b>1,209,000</b>	<b>0</b>	<b>1,209,000</b>	<b>418,044.32</b>	<b>65.4%</b>

**SAN GORGONIO PASS WATER AGENCY  
BUDGET REPORT FOR FY 2023-24  
FOR THE FIVE MONTHS ENDING ON NOVEMBER 30, 2023**

		FISCAL YEAR JULY 1, 2023 - JUNE 30, 2024				
		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>GENERAL FUND - EXPENSES</b>						
	<b>CONSULTING AND ENGINEERING SERVICES</b>				Remaining %	58%
	PLANS & CONSTRUCTION					
65	INFRASTRUCTURE PLAN - Phase 2	25,000		25,000	1,999.20	92.0%
66	BACKBONE INFRASTRUCTURE STUDY AND DESIGN	150,000		150,000	12,325.00	91.8%
67	BUNKER HILL BANKING AND RECOVERY PROGRAM	75,000		75,000	0.00	100.0%
68	CALIMESA AREA RECHARGE	250,000		250,000	2,007.25	99.2%
69	SMALL SYSTEM ASSISTANCE PROGRAM	150,000		150,000	20,396.26	86.4%
70	SIGNAGE AND FRONTAGE BROOKSIDE EAST	100,000		100,000	0.00	100.0%
	OTHER PROJECTS					
72	WATER BANKING INVESTIGATIONS	100,000		100,000	0.00	100.0%
73	SAN GORGONIO GSA	50,000		50,000	1,430.00	97.1%
74	YUCAIPA GSA VERBENIA GSA	10,000		10,000	46,484.48	-364.8%
75	FLUME MONITORING AND SUPPORT	30,000		30,000	0.00	100.0%
	STUDIES AND REPORTS					
77	FINANCIAL MODELING	70,000		70,000	0.00	100.0%
78	USGS STUDIES AND MONITORING	250,000		250,000	105,375.00	57.9%
79	INFRASTRUCTURE AND EASEMENT INVENTORY	75,000		75,000	0.00	100.0%
80	DISCHARGE PERMIT	25,000		25,000	0.00	100.0%
81	WATER PORTFOLIO	125,000		125,000	60,747.50	51.4%
82	LOCAL SUPPLIES	50,000		50,000	6,524.80	87.0%
83	LOCAL RECHARGE FEASIBILITY STUDIES	700,000		700,000	8,325.00	98.8%
84	UWMP SUPPORT AND ANNUAL REPORT COMPLETION	25,000		25,000	0.00	100.0%
85	STRATEGIC PLAN UPDATE	20,000		20,000	9,306.25	53.5%
	GENERAL ENGINEERING SERVICES					
87	AGENCY ENGINEER	250,000		250,000	0.00	100.0%
88	GRANT SUPPORT SERVICES	75,000		75,000	26,585.00	64.6%
89	FEDERAL - STATE ADVOCATE	30,000		30,000	0.00	100.0%
90	SAWPA REGIONAL PROJECTS	36,000		36,000	29,071.05	19.2%
91	GENERAL ENGINEERING, CEQA, EIR, ETC	150,000		150,000	0.00	100.0%
92	<b>TOTAL CONSULTING AND ENGINEERING SERVICES</b>	<b>2,821,000</b>	<b>0</b>	<b>2,821,000</b>	<b>330,576.79</b>	<b>88.3%</b>

**SAN GORGONIO PASS WATER AGENCY  
BUDGET REPORT FOR FY 2023-24  
FOR THE FIVE MONTHS ENDING ON NOVEMBER 30, 2023**

		FISCAL YEAR JULY 1, 2023 - JUNE 30, 2024				
		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>GENERAL FUND - EXPENSES</b>						
					Remaining %	58%
	<b>LEGAL SERVICES</b>					
98	LEGAL SERVICES	150,000		150,000	56,812.33	62.1%
99	<b>TOTAL LEGAL SERVICES</b>	150,000	0	150,000	56,812.33	62.1%
	<b>CONSERVATION AND EDUCATION</b>					
102	SCHOOL EDUCATION PROGRAMS	45,000		45,000	0.00	100.0%
103	ADULT EDUCATION AND SOCIAL MEDIA	10,000		10,000	0.00	100.0%
104	SPONSORSHIPS	6,000		6,000	1,995.00	66.8%
105	CONSERVATION, EDUCATION AND PUBLIC RELATIONS	20,000		20,000	0.00	100.0%
106	<b>TOTAL CONSERVATION AND EDUCATION</b>	81,000	0	81,000	1,995.00	97.5%
	<b>MAJOR AND CAPITAL EXPENDITURES</b>					
109	<b>BUILDING AND EQUIPMENT</b>					
110	BUILDING	50,000		50,000	0.00	100.0%
112	FURNITURE AND OFFICE EQUIPMENT	25,000		25,000	0.00	100.0%
113	OTHER EQUIPMENT	20,000		20,000	0.00	100.0%
114	SITES RESERVOIR	2,800,000		2,800,000	0.00	100.0%
116	<b>TOTAL MAJOR AND CAPITAL EXPENDITURES</b>	2,895,000	0	2,895,000	0.00	100.0%
118	<b>TRANSFERS TO OTHER FUNDS</b>			0		
120	<b>TOTAL GENERAL FUND EXPENSES</b>	19,279,000	0	19,279,000	3,792,508.97	80.3%
122	<b>GENERAL FUND NET INCOME YTD</b>	511,000	0	511,000	-1,635,230.98	

**SAN GORGONIO PASS WATER AGENCY  
BUDGET REPORT FOR FY 2023-24  
FOR THE FIVE MONTHS ENDING ON NOVEMBER 30, 2023**

						FISCAL YEAR JULY 1, 2023 - JUNE 30, 2024				
						1	2	3	4	5
						ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>CONSIGNED - SWP SUPPORT FUND</b>										
									Remaining %	58%
<b>CONSIGNED - SWP SUPPORT FUND - INCOME</b>										
<b>INCOME</b>										
130	UNITARY TAX REVENUE ALLOCATED		6,600,000			6,600,000		6,600,000	0.00	-100.0%
131	INTEREST		15,000			15,000		72,021.34	380.1%	
132	OTHER INCOME		0			0		0.00		
133	<b>TOTAL SWP SUPPORT FUND INCOME</b>		<b>6,615,000</b>		<b>0</b>	<b>6,615,000</b>		<b>72,021.34</b>		<b>-98.9%</b>
<b>CONSIGNED - SWP SUPPORT FUND - EXPENSES</b>										
<b>EXPENDITURES</b>										
139	TAX COLLECTION CHARGES		16,000			16,000		0.00	100.0%	
140	OTHER EXPENSES		0			0		0.00		
141	<b>TOTAL SWP SUPPORT FUND EXPENSES</b>		<b>16,000</b>		<b>0</b>	<b>16,000</b>		<b>0.00</b>		<b>100.0%</b>
143	<b>TRANSFERS TO OTHER FUNDS</b>									
145	<b>CONSIGNED - SWP SUPPORT FUND NET INCOME YTD</b>		<b>6,599,000</b>		<b>0</b>	<b>6,599,000</b>		<b>72,021.34</b>		



**SAN GORGONIO PASS WATER AGENCY  
BUDGET REPORT FOR FY 2023-24  
FOR THE FIVE MONTHS ENDING ON NOVEMBER 30, 2023**

		FISCAL YEAR JULY 1, 2023 - JUNE 30, 2024				
		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>DEBT SERVICE FUND</b>						
<b>DEBT SERVICE FUND - INCOME</b>					Remaining %	58%
<b>INCOME</b>						
153	TAX REVENUE	26,100,000		26,100,000	1,213,946.98	-95.3%
154	INTEREST	460,000		460,000	398,332.16	-13.4%
155	CONTRIBUTIONS - GOVERNMENT	0		0	0.00	
156	DWR CREDITS - BOND COVER, OTHER	3,100,000		3,100,000	1,706,468.00	-45.0%
157	<b>TOTAL DEBT SERVICE FUND INCOME</b>	<b>29,660,000</b>	<b>0</b>	<b>29,660,000</b>	<b>3,318,747.14</b>	<b>-88.8%</b>
<b>DEBT SERVICE FUND - EXPENSES</b>						
<b>EXPENSES</b>						
161	SALARIES	425,000		425,000	155,711.51	63.4%
162	PAYROLL TAXES	30,000		30,000	7,764.00	74.1%
163	BENEFITS	220,000		220,000	45,545.37	79.3%
164	LEGAL FEES	0		0	0.00	
165	UTILITIES	11,000		11,000	1,731.75	84.3%
166	ENGINEERING, MAINTENANCE, CONSULTING	200,000		200,000	51,115.70	74.4%
167	SWC AUDIT	7,000		7,000	5,563.00	20.5%
168	SWC CONTRACTOR DUES	51,000		51,000	51,064.00	-0.1%
169	EBX CONTRACT OPERATIONS	200,000		200,000	54,597.09	72.7%
170	DELTA CONVEYANCE FACILITY AUTHORITY	30,000		30,000	0.00	100.0%
171	WATER TRANSFERS	2,500,000		2,500,000	2,181,803.98	12.7%
172	STATE WATER CONTRACT PAYMENTS	26,000,000		26,000,000	13,805,308.00	46.9%
173	TAX COLLECTION CHARGES	130,000		130,000	3,034.86	97.7%
174	<b>TOTAL DEBT SERVICE FUND EXPENSES</b>	<b>29,804,000</b>	<b>0</b>	<b>29,804,000</b>	<b>16,363,239.26</b>	<b>45.1%</b>
176	<b>TRANSFERS FROM RESERVES</b>			0.00	0.00	
178	<b>DEBT SERVICE NET INCOME YTD</b>	<b>-144,000</b>	<b>0</b>	<b>-144,000</b>	<b>-13,044,492.12</b>	

**SAN GORGONIO PASS WATER AGENCY  
 BUDGET REPORT FOR FY 2023-24  
 FOR THE FIVE MONTHS ENDING ON NOVEMBER 30, 2023**

FISCAL YEAR JULY 1, 2023 - JUNE 30, 2024				
1	2	3	4	5
ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget

GAP FUNDING PROGRAM						
GAP FUNDING PROGRAM - INCOME						
185	CABAZON WATER DISTRICT #1	1,000,000		1,000,000	9,787.96	99.0%
186				0		
187				0		
188				0		
189				0		
190				0		
191	<b>TOTAL INCOME</b>	<b>1,000,000</b>	<b>0</b>	<b>1,000,000</b>	<b>9,787.96</b>	
GAP FUNDING PROGRAM - EXPENSES						
194	CABAZON WATER DISTRICT #1	500,000		500,000	105,533.66	78.9%
195				0		
196				0		
197				0		
198				0		
199				0		
200	<b>TOTAL EXPENSE</b>	<b>500,000</b>	<b>0</b>	<b>500,000</b>	<b>105,533.66</b>	<b>78.9%</b>
202	<b>GAP FUNDING PROGRAM NET BALANCE YTD</b>	<b>500,000</b>	<b>0</b>	<b>500,000</b>	<b>-95,745.70</b>	

**NOTES**

In the 'Over/Under Budget' column, the highlighted percentage changes from red to black depending on:

For Income: less income than budgeted- under budget  
more income that budgeted - over budget

For Expenses: less spent than budgeted - under budget  
more spent than budgeted - over budget

## San Gorgonio Pass Water Agency

### List of Some Acronyms and Vendors and Their Functions

Acronym	Name and Function	Version 231116
ACWA	Association of California Water Agencies	Affinity organization that provides conferences, training, lobbying and insurance services
ACWA		for water agencies in California
ACWA JPIA	ACWA Joint Powers Insurance Agency	Designation for payments made for property, liability and workers compensation insurance
ACWABE	ACWA Benefits	Designation for dental and life insurance
ALWEAS	Albert Webb Associates	Provides engineering consulting services
BBK	Best Best & Krieger	Provides legal counsel
BCVWD	Beaumont-Cherry Valley Water District	Provides retail water service in Beaumont
CalPERS	California Public Employees Retirement System	Provides retirement and health insurance services for public agencies in California
CAMP	California Asset Management Plan	Financial entity that advises and manages investments for public agencies in California
COBRA	Consolidated Omnibus Budget Reconciliation Act	Designation for continued health coverage
CONTEM	Control Temp, Inc.	Provides building maintenance for heating and air conditioning
DUCCLE	Ducking Clean	Provides building maintenance for outside cleaning - gutters and solar panels
DWR	Department of Water Resources	Branch of the California government that is responsible for managing the SWP
EBX	East Branch Extension	Infrastructure from East Branch of SWP to SGPWA service area
EDD	Employee Development Department	State of California department for collection of employment taxes
EFTPS	Electronic Federal Tax Payment System	Federal system for collection of employment taxes
ERSC	Engineering Services of Southern California	Provides engineering consulting services
ESRI	ESRI	Provides mapping services
GSA	Groundwater Sustainability Act	or Groundwater Sustainability Agency
GSP	Groundwater Sustainability Plan	
HCN	HCN Bank	Local regional bank; formerly the Bank of Hemet
HdL Coren & Cone		Provide tax revenue consulting services.
HOX	Homeowners Exemption	
IERCD	Inland Empire Resources Conservation District	Special District that provides conservation education
LAFCO	Local Agency Formation Commission	Branch of Riverside County government; reviews district and agency formation
LAIF	Local Agency Investment Fund	Financial organization sponsored by California for investments of surplus money
LAMMA	Local Agency Money Market Account	
MAPILA	Matthew Pistilli Landscape Services	Provides landscape and gardening services
OAP	Off-Aqueduct Power	DWR invoice for specific facilities that are not directly part of the SWP aqueduct
OPEB	Other Post-Employment Benefits	

San Gorgonio Pass Water Agency

List of Some Acronyms and Vendors and Their Functions

Acronym	Name and Function	Version 231116
PPIC	Public Policy Institute of California	Think tank on issues in California
PROPRI	Provost & Pritchard	Provides engineering and other consulting services
RC	Riverside County	
RDV	Redevelopment	
SBE	State Board of Equalization	
SCADA	Supervisory Control and Data Acquisition	
SMIF	Surplus Money Investment Fund	State of California depository for government funds that are not currently needed
SRJP	Sites Reservoir Joint Powers Authority	Joint powers authority formed to construct and manage Sites Reservoir
STAINS	Standard Insurance Company	Disability insurance provider
SWC	State Water Contractors	Affinity organization representing districts and agencies that have a water supply
SWC		contract with the state of California
SWP	State Water Project	System of reservoirs, aqueducts, and pump stations that distributes water throughout
SWP		the state of California; governed by agreements called water supply contracts
TSAB	Tehachapi Second After-Bay	A DWR facility that SGPWA participates in
UNIVAR	Univar Solutions, Inc.	Provides EarthTec solution for water treatment
UWMP	Urban Water Management Plan	
WSRB	Water System Revenue Bonds	Bonds sold by the state of California to pay for SWP construction
YTD	Year to Date	

**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	231130	LEGAL SERVICES NOVEMBER 2023	31,581.68

TOTAL PENDING INVOICES FOR APPROVAL DECEMBER 2023

31,581.68

San Gorgonio Pass Water Agency  
 Gap Funding Program  
 Cabazon Water District Tracking  
 Report Date: December 6, 2023

**Current Balance: 95,745.70** (CWD owes us)

Payments Made to CWD: 1,284,221.36

Payments Received from CWD: 1,188,475.66

Approximate Project Cost: 1,700,000.00

Approximate Remaining Amount: 400,000.00

**Payments Made**

<b>Date</b>	<b>Request Amount</b>	<b>Paid Date</b>	<b>Check #</b>
9/13/22	75,583.32	9/20/22	120650
11/17/22	27,699.45	11/21/22	120724
2/27/23	279,168.30	3/6/23	120844
4/26/23	796,236.63	5/4/23	120913
8/1/23	105,533.66	8/29/23	121053

**Reimbursements Received**

<b>Date</b>	<b>Rec'd Amount</b>	<b>Check #</b>
11/7/22	42,465.59	25301
1/10/23	33,117.73	25424
1/10/23	5,600.75	25425
2/7/23	22,098.70	25488
5/8/23	1,304.00	25667
6/23/23	1,523.00	25774
7/18/23	277,864.30	25848
9/11/23	794,713.63	25934
10/10/23	9,787.96	26002

**SAN GORGONIO PASS WATER AGENCY**  
**FISCAL YEAR 2023-24**  
**BUDGET REVISIONS FOR BOARD APPROVAL**  
**DATE OF PROPOSAL: December 14, 20203**

	<b>A</b>	<b>B</b>	<b>A+B</b>		<b>C</b>	<b>A+B+C</b>
LINE ITEM	AMOUNT IN ORIGINAL ADOPTED BUDGET	BOARD APPROVED PRIOR BUDGET REVISIONS	REVISED BUDGET BEFORE NEW REVISIONS		CURRENT BUDGET REVISIONS FOR APPROVAL	REVISED BUDGET AFTER CURRENT REVISIONS
<b>GENERAL FUND</b>						
<b>ADMINISTRATIVE AND PROFESSIONAL SERVICES</b>						
Utilities - add Monitoring of EarthCam	8,000	0	8,000	+	7,000	15,000
<b>TOTAL REVISIONS - ADMIN. AND PROF. SERVICES</b>	8,000	0	8,000		7,000	15,000
<b>MAJOR AND CAPITAL EXPENDITURES</b>						
Other Equipment - add Purchase and Installation of EarthCam	20,000	0	20,000	+	10,000	30,000
<b>TOTAL REVISIONS - MAJOR AND CAPITAL EXPENDITURES</b>	20,000	0	20,000		10,000	30,000
<b>GENERAL FUND TOTALS</b>	<b>28,000</b>	<b>0</b>	<b>28,000</b>		<b>17,000</b>	<b>45,000</b>

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

**DATE:** December 14, 2023  
**TO:** Finance & Budget Committee  
**FROM:** Lance Eckhart, General Manager  
**BY:** Tom Todd, Jr., Chief Financial Officer  
**SUBJECT: PROCUREMENT POLICY ADDITIONAL DISCUSSION**

## **RECOMMENDATION**

The Committee consider the suggestions provided in this report and direct Staff to make appropriate changes to the proposed Procurement Policy update to present to the Board.

## **PREVIOUS CONSIDERATION**

- Board Meeting – December 17, 2007: The Procurement Policy was updated.
- Board Meeting – December 4, 2023: The Board reviewed the proposed Procurement Policy update and recommended further consideration by the Finance & Budget Committee.

## **BACKGROUND**

Additional research has been completed to answer questions posed by the Board about the proposed update to the Procurement Policy. Questions related to inflation, budget levels, comparisons to other organizations, and requirements about bid/quote levels.

Regarding inflation, there are a number of indexes that can be used to estimate the impact of price increases over time. A common one is the Consumer Price Index, similar to the one used by the Agency for review of changes in salaries. Another one is the California Construction Cost Index. Inflation between 2007 and 2023 estimated with CPI is about 50%; the CCCI increase is about 100%.

The following information relates to budgets: the General Fund budget for FY 2007-08 was \$3,235,780. Including the Debt Service budget, the overall budget for FY07-08 was \$17,174,941. The General Fund budget for FY 2023-24 is \$19,279,000. Including the Debt Service budget, the overall budget for FY23-24 is \$49,083,000. The increase in the General Fund budgets is about 500%. The Increase in overall budgets is about 190%.

The current Procurement Policy established in 2006 authorizes the General Manager to approve purchases of up to \$10,000 without seeking bids or quotes. Applying the range of estimates as listed above would give an updated amount between \$15,000 and \$50,000.



Additional information was sought from other southern California State Water Contractors, specifically Antelope Valley-East Kern Water Agency, Desert Water Agency, Mojave Water Agency, and San Bernardino Valley Municipal Water District. Director Letulle kindly provided the Procurement Policy from Jurupa Community Services District. A chart was obtained from the minutes of a City of Banning staff report they issued that provides information about 25 municipalities in California.

The Agency faces two significant differences from all these other organizations: it has a more modest budget and has fewer staff. The competing goals of efficiency and control need to be balanced, but the ability to approve purchases 'nimble,' and consideration of the level of staffing and the number and amounts of purchases also needs to be included in the discussion.

## **ANALYSIS**

The goal of efficiency and ease of administration would appear to be met with the proposed policy update, by setting similar limits for all categories of expenditures. On the other hand, Board comments suggest that control should be strengthened.

A general conclusion reached after review of all the above listed procurement policies shows that while some organizations chose to set similar approval levels for all types of expenditures, many chose separate approval levels for separate types of expenditures. It would be easy to conclude that the process of purchasing 'goods' differs enough from the process of securing a 'service' that different levels of approval would be a worthwhile idea.

Staff would like to propose the following ideas for Committee and Board consideration:

- Additional review by the CFO
- Additional levels of bids/quotes
- Additional thresholds for Goods

Review by the CFO: All purchases covered by the Procurement Policy will be reviewed by the CFO. This allows for budget alignment, requests for additional information, and/or confirmation of bids/quotes. No purchasing authority is granted to the CFO, that is reserved for the General Manager.

Additional levels of bids/quotes: Add a recommendation for verbal and/or internet quotes and add a recommendation of at least two or three quotes, depending on threshold.

Additional thresholds: for Goods, add a threshold at \$5,000 and \$15,000.

The combination of additional bids/quotes and additional thresholds could look like this:

- All procurement requests will be reviewed by the CFO before being presented for approval.
- Procurements of goods, materials, supplies and equipment: up to \$5,000, no bids/quotes required, but two verbal and/or internet bids/quotes recommended; over \$5,000 up to \$15,000, two verbal and/or internet bids/quotes required, and

CFO has discretion to require one written bid/quote; over \$15,000 up to \$35,000, three verbal and/or internet bids/quotes required, and the CFO has discretion to require one written bid/quote.

For all other contracts, a brief summary is listed below:

- Up to \$35,000: three verbal and/or internet bids/quotes required; the CFO may require one written bid/quote; the General Manager has authority to approve.
- \$35,000 to \$50,000: three written bids/quotes required; General Manager has authority to approve; Board to be informed upon execution of contract.
- \$50,000 and above: three written bids/quotes required; Board approval required.
- The General Manager may approve a 10% extension on any contract and needs to inform the Board.
- Board approval required for anything over a 10% extension.
- Emergency conditions described and excepted.

### **FISCAL IMPACT**

As mentioned in the previous Staff report about the Procurement Policy update, these changes will not have a financial impact on Agency purchases.

### **ACTION**

The Committee consider the above suggestions and direct Staff to make appropriate changes to the proposed Procurement Policy update to present to the Board.

**San Gorgonio Pass Water Agency**

**DRAFT**

**Procurement Policy**

**Adopted December 18, 2006**

**Revised December 17, 2007**

**Revised December 18, 2023**

**Section 1. Purpose and Applicability:** The purpose of this San Gorgonio Pass Water Agency (“Agency”) Procurement Policy is to establish policies and procedures applicable to the procurement of materials, supplies, equipment, services, bidding and approval of contracts related to the construction of improvements to, new or existing, Agency structures, buildings or facilities for public works projects, including maintenance, pursuant to the provisions of Public Contract Code Section 21510 et seq. pertaining to the Agency, Public Contract Code Section 22050 and Government Code Section 54202. In addition, to establish certain delegations of authority for the General Manager to execute contracts. This Policy does not apply to operating expenses such as payroll, utilities, employee benefits, water purchases or taxes.

**Section 2. Delegation of Authority of the General Manager to Execute Contracts**

The Board of Directors for the Agency delegates to the General Manager the authority to execute contracts as follows without prior approval from the Board:

**A. Contracts for the procurement of materials, supplies and equipment, including vehicles (“Goods”)**

For items up to \$5,000, (including cooperative purchasing as set out in Section 4 below) without advertising for bids, although two verbal and/or internet quotes are recommended.

For items where the cost exceeds \$5,000 up to \$15,000, Staff shall solicit at least two verbal and/or internet quotes (where possible) from qualified vendors and shall determine which vendor provides the best value, considering quality as well as price.

For items where the cost exceeds \$15,000 up to \$35,000, Staff shall solicit at least three verbal and/or internet quotes (where possible) from qualified vendors and shall determine which vendor provides the best value, considering quality as well as price. The Chief Financial Officer may require at least one written quote.

For items where the cost exceeds \$35,000 up to \$50,000, Staff shall solicit at least three written quotes (where possible) from qualified vendors and shall determine which vendor provides the best value, considering quality as well as price. The General Manager shall report the execution of the contract to the Board.

If an item is not readily available or a specific type is required to fit with existing Agency equipment, Staff shall note the justification for sole source acquisition as set out in Section 4.

The Chief Financial Officer will review all contracts before presenting them to the General Manager for approval.

**B. Contracts for services to perform maintenance or construction work**

For contracts up to \$35,000, Staff shall solicit at least three verbal and/or internet quotes (where possible) from qualified vendors and shall determine which vendor provides the best value, considering quality as well as price. The Chief Financial Officer may require at least one written quote to be documented.

For contracts over \$35,000 up to \$50,000, Staff shall solicit at least three written quotes for the work (where possible) from qualified vendors and shall determine which vendor provides the best value, considering quality as well as price. The General Manager shall report the execution of the contract to the Board.

If at least two quotes are not received, or if the service or work is not readily available, or if a specific type of service or work is required to fit with existing Agency infrastructure, Staff shall note the justification for sole source acquisition as set out in Section 4.

The Chief Financial Officer will review all contracts before presenting them to the General Manager for approval.

**C. Contracts for other services, not including professional services described in subsections B. and D. of Section 2. in this Policy**

For contracts up to \$35,000, Staff shall solicit at least three verbal and/or internet quotes (where possible) from qualified vendors and shall determine which vendor provides the best value, considering quality as well as price. The Chief Financial Officer may require at least one written quote to be documented.

For such contracts over \$35,000 up to \$50,000, Staff shall solicit at least three written quotes (where possible) from qualified vendors and shall determine which vendor provides the best value, considering quality as well as price. The General Manager shall report the execution of the contract to the Board.

If at least two quotes are not received, or if the service is not readily available, or if a specific type of service is required to fit with existing Agency services or procedures, Staff shall note the justification for sole source acquisition as set out in Section 4.

The Chief Financial Officer will review all contracts before presenting them to the General Manager for approval.

**D. Professional services**

Professional services contracts by law do not require bidding, however, the selection of private architectural, landscape architectural, engineering, land surveying or construction project management firms shall be based on demonstrated competence and on professional qualifications necessary for the satisfactory performance of the services required.

For such contracts up to \$35,000, Staff shall solicit verbal and/or internet proposals from at least three consultants and, based on proposals received, shall determine which

consultant provides the best value, has demonstrated competence and experience in the type of services required. The Chief Financial Officer may require at least one written proposal to be documented.

For such contracts over \$35,000 up to \$50,000, Staff shall solicit written proposals from at least three consultants and, based on proposals received, shall determine which consultant provides the best value, has demonstrated competence and experience in the type of services required. The General Manager shall report the execution of the contract to the Board.

If at least two proposals are not received, Staff shall note the justification for sole source procurement as set out in Section 4.

The Chief Financial Officer will review all contracts before presenting them to the General Manager for approval.

- E. Emergency contracts as further specified below in Section 4. without advertising for bids and with no limits on amount.
- F. In addition to the authority to execute contracts for goods, maintenance, construction, or professional services as set out in Section 2, the General Manager shall have the authority to approve increases in all such contracts up to 10% of the contract amount. All such changes shall be reported to the Board.
- G. The policies and procedures provided in this Policy are summarized below:

<b>Purchase Limit</b>	<b>Minimum Number of Quotes/Bids Sought</b>	<b>Form of Quotes/Bids</b>	<b>Approval Authority</b>
<b>Goods – materials, supplies &amp; equipment</b>			
Up to \$5,000	2 recommended	Verbal/Internet	General Manager
Over \$5,000 up to \$15,000	2	Verbal/Internet	General Manager
Over \$15,000 up to \$35,000	3 Optional: 1 written	Verbal/Internet	General Manager
Over \$35,000 up to \$50,000	3	Written	General Manager
Over \$50,000	3	Written	Board
Over \$50,000 and for materials, supplies & equipment for use in any new construction or improvement work	Advertise for all bids as provided in Section 3	Written	Board

<b>Services for maintenance or construction work</b>			
Up to \$35,000	3 Optional: 1 written	Verbal/Internet	General Manager
Over \$35,000 up to \$50,000	3	Written	General Manager
Over \$50,000	Advertise for all bids as provided in Section 3	Written	Board
<b>Other Services</b>			
Up to \$35,000	3 Optional: 1 written	Verbal/Internet	General Manager
Over \$35,000 up to \$50,000	3	Written	General Manager
Over \$50,000	3	Written	Board
<b>Professional Services</b>			
Up to \$35,000	3 Optional: 1 written	Verbal/Internet	General Manager
Over \$35,000 up to \$50,000	3	Written	General Manager
Over \$50,000	3	Written	Board
<b>Emergency Goods and Services</b>			
No limitation	Not required	Verbal or Written	General Manager but with notice to Board at next meeting

H. All contracts over \$35,000 and up to \$50,000, along with their price, shall be reported to the Board at the earliest practicable time after the contract has been executed.

I. For all contracts over \$50,000, Staff shall solicit written proposals from at least three vendors, and, based on the proposals received, shall determine which vendor provides the best value, except Staff shall follow the procedures for the types of contracts described in Section 3 below. The General Manager shall present his findings to the Board with his recommendations for approval.

**Section 3. Bidding and Procurement Procedures for Public Construction Improvements of Work Estimated to Cost more than \$50,000**

Where any improvement or unit of work is estimated by the General Manager to cost more than \$50,000 or the procurement of the materials and supplies for use in any new construction work

or improvement will cost exceeds \$50,000, the Agency shall let the contract to the lowest responsible bidder(s) and in compliance with the following bidding procedures and :

- A. The work may be performed in one or more contracts and the call for bids shall state whether the work shall be awarded as a single unit or divided into severable parts.
- B. The call for bids shall describe the project and shall invite and specify procedures for the submission of sealed bids for such project. The call for bids shall describe how to obtain information regarding the project in order to submit such a bid and shall specify the deadline for submission of bids and the time for their opening.
- C. The Agency shall advertise the work by publishing the call for bids three times in a daily newspaper of general circulation printed and published within the Agency boundaries or two times in a weekly newspaper of general circulation printed and published within the Agency boundaries.
- D. At the time set for the opening of bids, the General Manager shall open and review all bids and shall determine which is the lowest responsible bidder(s).
- E. Contract(s) with the lowest responsible bidder(s) shall be approved by the Board prior to execution.
- F. For any public works or improvement contracts, the Board shall require the successful bidder(s) to file with the Board for its approval good and sufficient labor and materials and faithful performance bonds in in compliance with Civil Code Section 9000 et seq.
- G. The Board may reject any and all bids and may perform the work by force account or by contracting in the open market or may acquire the materials and supplies in the open market.
- H. In the event no bids are received, the Board may direct the General Manager to rebid the project or may proceed under Section (G) above.
- I. Construction change orders may be approved by the General Manager without prior approval of the Board of Directors in amounts up to 10% of the contract cost. In such a case, the General Manager shall inform the Board of this action at the earliest practicable time. Change orders for more than 10% of the contract price must be approved by the Board of Directors prior to execution.

#### **Section 4. Exceptions**

- A. Emergency condition. An emergency is defined as a breakdown in machinery or equipment resulting in the interruption of an essential service, or threat to public health, safety, or welfare. In the case of an emergency requiring the immediate purchase of supplies, materials, equipment or contractual services, the General Manager hereby is authorized to secure in the open market, without bidding, at the lowest obtainable price, any supplies, materials, equipment, or contractual services required, regardless of the amount of the expenditure and to report such action to the Board at its next meeting, in compliance with Public Contract Code Section 22050.

- B. Limited availability/sole source. Occasionally, required supplies, material, equipment, or services are of a proprietary nature, or are otherwise of such specific design or construction, or are specifically desired for purposes of maintaining cost effective system consistency, as to be available from only one source. After reasonable efforts to find alternative suppliers, the General Manager may make or may recommend making the purchase from the sole source.
- C. Cooperative purchasing. The Agency shall have the authority to join with other public jurisdictions in cooperative purchasing agreements or to buy directly from a vendor at a price established by competitive bidding by another public jurisdiction in substantial compliance with this policy, even if the Agency has not joined with that public agency in a formal agreement. The Agency also may purchase from the United States of America or any state, municipality or other public corporation or agency without following formal purchasing procedures as defined in this policy.

### **Section 5. Review**

The Board of Directors will review this policy annually.