

SAN GORGONIO PASS WATER AGENCY
Board of Directors Meeting Agenda
April 1, 2024 at 1:30 p.m.



SAN GORGONIO PASS
WATER AGENCY
A California State Water Project Contractor

THIS MEETING IS BEING HELD IN PERSON.
REMOTE ACCESS IS AVAILABLE FOR THE CONVENIENCE OF THE PUBLIC.
TO JOIN VIA ZOOM, CLICK HERE: [Zoom Link Board Meeting](#)
TO JOIN THE MEETING BY TELEPHONE
CALL: 669-900-6833 | MEETING ID: 956 9367 4121

Teleconference Location:

Palo Verde Valley Library, 125 W. Chanslor Way, Blythe, CA 92225

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

2. Adjustment and Adoption 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. 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 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 March 18, 2024, Regular Meeting of the San Gorgonio Pass Water Agency ([pg. 3](#))
- B. Approval of the Finance and Budget Committee Meeting Report of March 28, 2024 ([pg. 8](#))

5. Reports – Staff

- A. General Manager's Report
- B. General Counsel's Report

6. Informational Presentations and Updates:

- A. Policy: Board Cost of Living Adjustment (COLA) ([pg. 38](#))
- B. 2024 Water Portfolio Update ([pg. 43](#))

7. New Business – Discussion and Possible Action:

- A. LAFCO 2024 Special District Selection Committee Ballot ([pg. 50](#))
- B. Approve Resolution No. 2024-03 Authorizing Delegates to Vote on Behalf of the District, as the LAFCO Special Districts Election ([pg. 62](#))
- C. Agreement to Provide Gap Funding to the High Valleys Water District Related to Approved Proposition 1 Integrated Regional Water Management Grant Funds ([pg. 65](#))

President
Mickey Valdivia

Vice President
Chander Letulle

Treasurer
Robert Ybarra

Secretary
Kevin Walton

Directors
Dr. Blair M Ball
Ron Duncan
Larry Smith

General Manager
Lance Eckhart,
PG, CHG

Legal Counsel
Jeffry Ferre

8. Reports – Directors and Committees

9. Topics for Future Agendas

10. Announcements

- A. Water Conservation & Education Committee Meeting April 9, 2024, at 1:30 p.m.
- B. Regular Board Meeting, April 15, 2024, at 6:00 p.m.
- C. Finance & Budget Committee Meeting April 25, 2024, at 10:00 a.m.

11. Adjournment

Pending Agenda Items:

<i>Request</i>	<i>Requester</i>	<i>Date of Request</i>	<i>Status</i>
Retailer Water Rate	Letulle	8/21/2023	Update expected early 2024
Board Handbook Update	Walton	1/22/2024	Potential Ad-Hoc Committee
Flume Tour Update	Ybarra	2/5/2024	Per BHMWC – Spring/Summer 2024
Increase Water Allocation: Water Delivery Capacity Constraints and Vulnerabilities	Letulle	2/5/2024	TBD
Potential Well Site w/BCVWD	Valdivia	2/26/2024	TBD
I-10 Logistics & Easements	Ball	3/18/2024	

(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 (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

Official Minutes
Board of Directors Regular Meeting
March 18, 2024

THIS MEETING WAS HELD IN PERSON,
WITH PUBLIC AVAILABILITY PROVIDED VIA ZOOM.

Board Present: Mickey Valdivia, President
Chander Letulle, Vice President
Kevin Walton, Secretary
Blair M Ball, Director
Ron Duncan, Director
Larry Smith, Director

Absent: Robert Ybarra, Treasurer

Staff Present: Lance Eckhart, General Manager
In person Maricela Cabral, Executive Assistant/Clerk of the Board
Emmett Campbell, Sr. Water Resources Planner
Matt Howard, Operations Manager

Consultants Present:
In person Holland Stewart, Legal Counsel

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

The San Gorgonio Pass Water Agency Board of Directors meeting was called to order by President Valdivia at 6:01 p.m., Monday, March 18, 2024, at the office of the Agency. Director Duncan gave the invocation; President Valdivia led the Pledge of Allegiance and requested a roll call.

Roll Call	Present	Absent
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Vice President Letulle	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Secretary Walton	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Treasurer Ybarra	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Director Smith	<input checked="" type="checkbox"/>	<input type="checkbox"/>
President Valdivia	<input checked="" type="checkbox"/>	<input type="checkbox"/>

A quorum was present.

2. Adoption and Adjustment of Agenda

The agenda was adopted as published.

3. Public Comment

Joyce McIntire, President of Yucaipa Valley Water District, addressed the board and provided a reminder of the upcoming Recycled Water Reservoirs Groundbreaking event of Thursday, March 21, 2024.

4. Consent Calendar

A. Approval of the Minutes of the Board Meeting, March 4, 2024

On a motion by President Mickey Valdivia, second by Director Ron Duncan, the board approved the Consent Calendar as presented.

Approved by the following roll call vote:

Ayes: Valdivia, Letulle, Ball, Duncan, Walton, Smith

Noes: None

Absent: Ybarra

The motion passed 6-0.

5. Reports

A. General Manager's Report

General Manager, Lance Eckhart reported on the following:

1. Congratulated Executive Assistant Cheryle Stiff on her retirement and thanked her for her dedication and years of service to the Agency.
2. Introduced Executive Assistant/Clerk of the Board Maricela Cabral. Ms. Cabral provided the board with a brief introduction of herself.
3. Provided an update on the Steelhead trout issues affecting the Central Valley and State Water Project.
4. Responded to the Boards previous question concerning bodily contact for water in Site's Reservoir. He said once the reservoir is built there will be a recreational element associated with it. There is no direct use, rather water will be released, go through agricultural canals, through the Delta and make its way south, no impact to the immediate water supply. Recreational body contact in the reservoir will be determined as the project develops further.
5. Recapped the long-term agreement with Ventura and the ability to carry over water in the San Luis Reservoir; a first for the Agency and State Water Contract.
6. Briefed the Board on the Heli-Hydrant Project.
7. Briefed the Board on the status of the future 3x2x2 Committee meetings for the Recycled Water Program with Beaumont Cherry Valley.

B. Legal Counsel's Report

Counsel, Holland Stewart thanked Cheryle Stiff, Executive Assistant for her dedication and years of service with the Agency. No formal report was given.

6. Informational Presentations

A. Water Conditions Update

Matt Howard, Operations Manager updated the Board on the water conditions for the month of March.

7. New Business – Discussion and Possible Action

A. Establish Pass Water Agency Foundation Ad Hoc Committee and Appointment of Committee Members by Board President (Ad Hoc Committee to review draft formation documents in preparation for first meeting of Foundation Board)

The Board discussed establishing the Pass Water Agency Foundation Ad Hoc Committee. After discussion, President Valdivia appointed Directors Duncan, Walton and himself to serve on the committee. Director Smith requested all action taken by the committee be agendized under new business and not placed on the consent calendar.

On a motion by President Mickey Valdivia, second by Director Ron Duncan, the board approved the establishment of the Pass Water Agency Foundation Ad Hoc Committee and appointed President Valdivia, Directors Duncan and Walton to serve on the committee.

Approved by the following roll call vote:

Ayes: Valdivia, Letulle, Ball, Duncan, Walton, Smith

Noes: None

Absent: Ybarra

The motion passed 6-0.

B. Easements Relocation Agreement with Yucaipa Valley Water District

Emmett Campbell, Senior Water Resources Planner presented the staff report on the Easements Relocation Agreement with Yucaipa Valley Water District. The Board discussed the agreement; Joe Zoba, General Manager of Yucaipa Valley Water District provided background on the reservoir project.

On a motion by Director Blair Ball, second by Vice President Chander Letulle, the board approved the Easements Relocation Agreement with Yucaipa Valley Water District.

Approved by the following roll call vote:

Ayes: Valdivia, Letulle, Ball, Duncan, Walton, Smith

Noes: None

Absent: Ybarra

The motion passed 6-0.

C. Adopt Resolution 2024-02 Honoring George Jorritsma

General Manager Eckhart reported on the March 15, 2024, George Jorritsma dedication ceremony where Resolution No. 2024-02 was presented to the Jorritsma family and South Mesa Water Company recognizing Georges' 20 years of dedicated service as a board member on the San Geronio Pass Water Agency.

On a motion by Director Larry Smith, second by President Mickey Valdivia, the board approved Resolution 2024-02 honoring George Jorritsma.

Approved by the following roll call vote:

Ayes: Valdivia, Letulle, Ball, Duncan, Walton, Smith

Noes: None

Absent: Ybarra

The motion passed 6-0.

D. Proposed Invocation Policy

Counsel Stewart reviewed the proposed Invocation Policy. The board discussed the revisions to the policy and requested language in section 2, be revised to include the word “intentionally” so that the sentence reads, “Clergy, religious leaders, SGPWA Directors, SGPWA Staff, or other persons may open a legislative session of the SGPWA with an invocation so long as it is respectful, neutral, and does not intentionally disparage any other faith or belief”.

On a motion by Director Larry Smith, second by Director Chander Letulle, the board approved the Invocation Policy as amended.

Approved by the following roll call vote:

Ayes: Valdivia, Letulle, Ball, Duncan, Walton, Smith

Noes: None

Absent: Ybarra

The motion passed 6-0.

8. Reports - Directors and Committee Report

Director Ball reported on:

- Beaumont Cherry Valley Water District meeting of March 13, 2024
- George Jorritsma dedication ceremony of March 15, 2024

Vice President Letulle, Directors Duncan, Walton and Smith reported on:

- George Jorritsma dedication ceremony of March 15, 2024. Vice President Letulle thanked General Manager Eckhart for his commitment to ensuring the ceremony was successful.

Director Smith reported on:

- Beaumont Cherry Valley Water District meeting of March 13, 2024
- Yucaipa Valley Water District meeting of March 5, 2024
- San Bernardino Valley Municipal Water District meeting of March 5, 2024

President Valdivia reported on:

- 2024 Banning Chamber Installation Dinner of March 21, 2024
- Banning City Council meeting of March 12, 2024

The entire Board thanked Executive Assistant Stiff for her dedication and years of service with the Agency and wished her well in her future endeavors.

9. Topics for Future Agendas

- A. Director Ball requested an update on the I-10 Logistics & Easements and other areas of concern before development.
- B. Director Duncan requested an update on the Backbone Pipeline.

10. Announcements

President Valdivia reviewed the following announcements:

- A. Finance & Budget Committee Meeting, March 28, 2024, at 10:00 a.m.
- B. Regular Board Meeting, April 1, 2024, at 1:30 p.m.
- C. Water Conservation & Education Committee Meeting, April 9, 2024, at 1:30 p.m.

Save the Date: Thursday, March 21, 2024, at 10:00 a.m.
Yucaipa Valley Water District – Groundbreaking Ceremony
R-12.5 Recycled Water Reservoir Complex
Cherry Valley Boulevard, Cherry Valley, CA

11. Adjournment

President Valdivia adjourned the meeting at 7:14 p.m.

Draft – Subject to Board Approval

Kevin Walton, Secretary of the Board

mvc

San Gorgonio Pass Water Agency

DATE: April 1, 2024
TO: Board of Directors
FROM: Lance Eckhart, General Manager
BY: Tom Todd, Jr., Chief Financial Officer
SUBJECT: Report from the Finance and Budget Committee

RECOMMENDATION

The Board ratify the actions of the Finance and Budget Committee as listed below.

PREVIOUS CONSIDERATION

The Finance and Budget Committee of the San Gorgonio Pass Water Agency met on March 28, 2024. During that meeting, the Committee took the following actions:

Accepted the following items:

- Item 5A: Payments as listed in the Check History reports for Accounts Payable and Payroll for the month of February 2024.
- Item 5B: The Bank Reconciliation for February 2024.
- Item 5C: The Budget Report for February 2024.

Approved the following items:

- Item 4A: Minutes of the February 20, 2024 meeting of the Committee.
- Item 5D: Payment of the Legal Invoices for January 2024.

BACKGROUND

The Finance & Budget Committee reviewed the necessary financial material during this meeting and took the actions listed above.

ACTION

The Board ratify the actions of the Finance and Budget Committee as listed above.

ATTACHMENTS

- Minutes
- Check History Report
- Bank Reconciliation
- Budget Report
- Water Delivery Report
- Pending Legal Invoice Report
- Gap Funding Report
- OPEB Update

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Finance and Budget Committee
February 20, 2024

THIS MEETING WAS HELD IN PERSON AND VIA ZOOM.

Committee Members Present: Robert Ybarra, Chair (arrived at 9:32)
Chander Letulle, Member
Kevin Walton, Member

Staff Present: Lance Eckhart, General Manager
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 Vice President Chander Letulle at 9:04 a.m., February 20, 2024. Mr. Letulle led 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, January 18, 2024
Mr. Walton moved, seconded by Mr. Letulle, to approve the minutes of the Finance and Budget Committee meeting of January 18, 2024. Approved unanimously by voice vote, with Mr. Ybarra not yet arrived.
5. **New Business**
 - A. Review of Audited Financial Statements FY 2022-23
Mr. Paul Kaymark of Nigro and Nigro presented the audited financial statements of the Agency for FY 2022-23. After review and discussion, Mr. Walton moved, seconded by Mr. Letulle, to accept the audit as presented. Approved unanimously by voice vote, with Mr. Ybarra not yet arrived.
 - B. Presentation of Investment Report for December 2023
Mr. Richard Babbe, Senior Managing Consultant of PFM Asset Management presented the investment report of the Agency portfolio for the quarter ending on December 31, 2023.

- C. Ratification of Paid Invoices and Monthly Payroll for January 2024
 - D. Review of Bank Reconciliation for January 2024
 - E. Review of Budget Report for January 2024
 - F. Review of Cash Reconciliation Report for December 2023
- After review and discussion, Mr. Ybarra moved, seconded by Mr. Walton, to accept Items C-F. Approved unanimously by voice vote.

- G. Review of Pending Legal Invoices for January 2024
- After review and discussion, Mr. Ybarra moved, seconded by Mr. Walton, to approve payment of the Legal Invoices. Approved unanimously by voice vote.

- H. Review of Reserves Report for December 2023
- After review and discussion, Mr. Ybarra moved, seconded by Mr. Walton, to approve the Reserves Report for December 2023 as presented. Approved unanimously by voice vote.

- I. Cabazon Gap Funding Report
- The Committee reviewed the Cabazon Gap Funding Report; there were no changes for January 2024.

6. Committee Member Comments

After further discussion of the Cash Reconciliation Report, the Committee recommends closing the Money Market LAMMA account at HCN Bank and transferring the funds to another Agency interest-bearing account that has already been established.

7. Announcements

Mr. Letulle reviewed the announcements:

- A. Regular Board Meeting, February 26, 2024 at 6:00 p.m.
- B. Regular Board Meeting, March 4, 2024 at 1:30 p.m.
- C. Regular Board Meeting, March 18, 2024 at 6:00 p.m.

8. Adjournment

The Finance and Budget Committee of the San Gorgonio Pass Water Agency was adjourned by Mr. Letulle at 11:02 a.m.

Draft - Subject to Committee Approval

Robert Ybarra, Committee Chair

San Geronio Pass Water Agency

DATE: March 28, 2024
TO: Finance and Budget Committee
FROM: Lance Eckhart, General Manager
BY: Tom Todd, Jr., Chief Financial Officer
SUBJECT: Summary of Recommended 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 February 2024.

Item 5B: The Committee **accept** the Bank Reconciliation for February 2024.

Item 5C: The Committee **accept** the Budget Report for February 2024.

Motion: The Committee accepts items 5 A-C.

Item D: The Committee **approve** payment of the Legal Invoice for February 2024.

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 Geronio Pass Water Agency
Check History Report
February 1 through February 29, 2024

ACCOUNTS PAYABLE

Date	Number	Name	Amount
2/5/2024	121210	ACWA BENEFITS	1,159.08
2/5/2024	121211	ALBERT WEBB ASSOCIATES	12,248.04
2/5/2024	121212	AVEK WATER AGENCY	3,216,751.33
2/5/2024	121213	THE FERGUSON GROUP	2,500.00
2/5/2024	121214	LAND ENGINEERING CONSULTANTS	5,126.00
2/5/2024	121215	MACRO COMMUNICATIONS	1,130.00
2/5/2024	121216	PURCOR PEST SOLUTIONS	60.59
2/5/2024	121217	RODRIGUEZ DISKING	832.80
2/5/2024	121218	SITES PROJECT JPA	2,240,000.00
2/5/2024	121219	STANDARD INSURANCE COMPANY	721.59
2/5/2024	121220	STATE WATER CONTRACTORS	2,338.00
2/5/2024	121221	UNLIMITED SERVICES	350.00
2/5/2024	121222	UNDERGROUND SERVICE ALERT	17.00
2/5/2024	121223	U. S. GEOLOGICAL SURVEY	14,284.00
2/5/2024	121224	WATER RESOURCES ECONOMICS	2,100.00
2/14/2024	121225	BEAUMONT PRINT	103.44
2/14/2024	121226	CONTROL TEMP, INC.	325.00
2/14/2024	121227	DESERT FIRE EXTINGUISHER	288.60
2/14/2024	121228	THE FERGUSON GROUP	2,500.00
2/14/2024	121229	FRONTIER COMMUNICATIONS	306.42
2/14/2024	121230	LENITY TECHNOLOGY	1,930.50
2/14/2024	121231	SOUTHERN CALIFORNIA GAS	280.63
2/14/2024	121232	SOUTHERN CALIFORNIA WATER COMMITTEE	1,000.00
2/14/2024	121233	WASTE MGT CORPORATE SERVICES	128.17
2/21/2024	121234	ALBERT WEBB ASSOCIATES	7,225.00
2/21/2024	121235	GRISWOLD INDUSTRIES	9,148.92
2/21/2024	121236	MATTHEW PISTILLI LANDSCAPE SERVICES	350.00
2/21/2024	121237	PROVOST & PRITCHARD	5,543.10
2/21/2024	121238	PURCOR PEST SOLUTIONS	60.59
2/21/2024	121239	SOUTHERN CALIFORNIA EDISON	239.56
2/21/2024	121240	WELLS FARGO ELITE CREDIT CARD	15,943.90
2/2/2024	900824	EMPLOYMENT DEVELOPMENT DEPARTMENT	2,238.94
2/2/2024	900825	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	13,175.24
2/2/2024	900826	CALPERS RETIREMENT	9,339.65
2/2/2024	900827	CAL PERS RETIREMENT - SIP-457	3,750.00
2/2/2024	900828	PAYCHEX	176.70
2/2/2024	900829	RONALD A. DUNCAN - REIMBURSEMENT	135.73
2/2/2024	900830	KEVIN D. WALTON - REIMBURSEMENT	140.00
2/17/2024	900831	EMPLOYMENT DEVELOPMENT DEPARTMENT	2,509.06
2/17/2024	900832	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	14,276.54
2/17/2024	900833	CALPERS RETIREMENT	9,697.95
2/17/2024	900834	CAL PERS RETIREMENT - SIP-457	3,750.00
2/17/2024	900835	PAYCHEX	250.90
2/17/2024	900836	LAWRENCE R. SMITH - REIMBURSEMENT	344.79
2/17/2024	900837	MICHAEL R. VALDIVIA - REIMBURSEMENT	431.11
2/17/2024	900838	ROBERT G. YBARRA - REIMBURSEMENT	1,220.19

San Geronio Pass Water Agency
Check History Report
February 1 through February 29, 2024

ACCOUNTS PAYABLE (CON'T)

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
2/22/2024	900839	CALPERS HEALTH	10,888.76
2/29/2024	900840	DEPARTMENT OF WATER RESOURCES	1,266,867.00
TOTAL ACCOUNTS PAYABLE CHECKS			6,884,184.82

PAYROLL

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
2/1/2024	802671	EMMETT G. CAMPBELL	3,520.54
2/1/2024	802672	RONALD A. DUNCAN	2,710.92
2/1/2024	802673	LANCE E. ECKHART	6,089.28
2/1/2024	802674	MATTHEW E. HOWARD	4,904.77
2/1/2024	802675	LAWRENCE R. SMITH	2,818.42
2/1/2024	802676	CHERYLE M. STIFF	2,922.08
2/1/2024	802677	SCOTT W. TIRRELL	482.25
2/1/2024	802678	THOMAS W. TODD, JR.	5,069.82
2/1/2024	802679	MICHAEL R. VALDIVIA	2,568.37
2/16/2024	802680	EMMETT G. CAMPBELL	3,520.56
2/16/2024	802681	LANCE E. ECKHART	6,089.29
2/16/2024	802682	MATTHEW E. HOWARD	5,677.34
2/16/2024	802683	CHANDER P. LETULLE	4,646.19
2/16/2024	802684	CHERYLE M. STIFF	2,922.07
2/16/2024	802685	SCOTT W. TIRRELL	515.52
2/16/2024	802686	THOMAS W. TODD, JR.	5,069.80
2/16/2024	802687	KEVIN D. WALTON	2,693.14
2/16/2024	802688	ROEBERT G. YBARRA	2,318.30
TOTAL PAYROLL			64,538.66
TOTAL DISBURSEMENTS FOR FEBRUARY 2024			6,948,723.48

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
March 2024

Vendor - Name and Address	Expenditure Type
New Vendor: EarthCam, Inc. 650 E. Crescent Ave, Upper Saddle River, NJ 07458	Security Camera
ParWest 11276 5th St. Suite 100, Rancho Cucamonga, CA 91730	Pole for security camera

**SAN GORGONIO PASS WATER AGENCY
BANK RECONCILIATION
February 29, 2024**

BANK STATEMENT BALANCE (CHECKING ACCOUNT) - February 29, 2024 \$ 495,359.01

LESS: OUTSTANDING CHECKS

CHECK NUMBER	AMOUNT	CHECK NUMBER	AMOUNT
121234	7,225.00		
121238	60.59		
121239	239.56		
	7,525.15		-

TOTAL OUTSTANDING CHECKS (7,525.15)

ADJUSTED BANK STATEMENT BALANCE - February 29, 2024 **\$ 487,833.86**

BALANCE PER **GENERAL LEDGER** AT END OF PRIOR MONTH (+) \$ 16,113,489.26

CASH RECEIPTS FOR CURRENT MONTH (+) 323,068.08

CASH DISBURSEMENTS FOR CURRENT MONTH

ACCOUNTS PAYABLE (-)	Checks	(5,544,992.26)	
ACCOUNTS PAYABLE (-)	ACHs	(1,339,192.56)	(6,884,184.82)
PAYROLL (-)	Prior Month: 16th-EOM	(31,086.45)	
PAYROLL (-)	This Month: 1st-15th	(33,452.21)	(64,538.66)

TRANSFERS FROM LAIF (+) 1,000,000.00

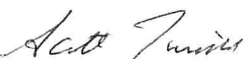
TRANSFERS TO LAIF (-) (10,000,000.00)

TRANSFER TO CAMP (-) -

TRANSFER FROM CAMP (+) -

BALANCE PER GENERAL LEDGER - February 29, 2024 **\$ 487,833.86**

REPORT PREPARED BY:



Scott Tirrell

3/7/2024

Date

**SAN GORGONIO PASS WATER AGENCY
DEPOSIT RECAP
FOR THE MONTH OF FEBRUARY 2024**

DATE	RECEIVED FROM	DESCRIPTION	AMOUNT
DEPOSIT TO CHECKING ACCOUNT			
2/7/24	RIVERSIDE COUNTY	PROPERTY TAXES - PRIOR YEAR SECURED	241,668.05
2/13/24	YVWD	WATER SALES - ADJ JUN-JUL-AUG-23	4,301.22
2/13/24	RIVERSIDE COUNTY	PROPERTY TAXES-HOMEOWNERS EXEMP.	77,098.81
TOTAL FOR FEBRUARY 2024			323,068.08

SAN GORGONIO PASS WATER AGENCY
Water Purchases and Deliveries
2024 - DRAFT - Subject to Change
March 13, 2024

ORDERS (AF)					
City of Banning		BCVWD		YVWD	
Replenish	Pre-Stored	Replenish	Pre-Stored	Direct	Pre-Stored*
1,250	250	11,200	7,000	250	2,000

Delivery Point					
Month	Brookside East	LSGC	Noble Connect.	SBVMWD	Total
Jan	438	0	279	13	730
Feb	744	0	162	6	912
Mar	0		0	0	0
Apr	0		0	0	0
May	0		0	0	0
Jun	0		0	0	0
Jul	0		0	0	0
Aug	0		0	0	0
Sep	0		0	0	0
Oct	0		0	0	0
Nov	0		0	0	0
Dec	0		0	0	0
TOTALS	1,182	0	441	19	1,642

Transfers					
Month	From SGPWA	To Banning	To BCVWD	To YVWD	Balance SGPWA
from 2023	893				893
Jan	438				438
Feb	744				744
Mar					0
Apr					0
May					0
Jun					0
Jul					0
Aug					0
Sep					0
Oct					0
Nov					0
Dec					0
TOTALS	2,075	0	0	0	2,075

Retail Delivery					
Date	SGPWA	Banning	BCVWD	YVWD	Total
Jan			279	13	292
Feb			162	6	168
Mar			0	0	0
Apr			0	0	0
May			0	0	0
Jun			0	0	0
Jul			0	0	0
Aug			0	0	0
Sep			0	0	0
Oct			0	0	0
Nov			0	0	0
Dec			0	0	0
TOTALS	0	0	441	19	460

*Pre-stored water for YVWD will be delivered thru the Brookside East facility.

San Geronio Pass Water Agency
Budget Highlights

February 2024

Overall Summary

Expenditure totals for all funds are below budget at this time. Income for all funds is being received as projected, even though some may be less than budgeted at this time.

General Fund

Previous

- Directors Travel is currently over budget.
- Office Expense is expected to be over budget by year end.
- Insurance and Bonds is over budget due to increased insurance premiums this year.
- Expenditures for Accounting and Auditing are mostly done for the fiscal year.
- Dues and Assessments are mostly done for the fiscal year.
- The Board approved additional studies by the USGS.
- Water Portfolio and the Strategic Plan will both come within budget by year-end.
- No additional invoices for SWAPA Regional Projects are expected.
- Vehicle Maintenance is negative due to credits from personal use of the Agency vehicles.
- Legal Services is likely to finish the fiscal year over budget, due to additional work requested by the Board.

Income

Minimal tax revenue is expected for the next couple of months. Approximately 56% of total tax revenue has been received to date. Receipts are approximately 8% more than last fiscal year. The water year seems to be improving, so it is probable that the budget for water sales will be met by year-end.

Expenses

Purchased Water for Delivery will likely be over budget by year-end, but the DWR invoice rate for water deliveries has recently been reduced. This will have a beneficial effect on this budget category.

Directors Travel and Education has exceeded its budget amount as of this report. As requested, the specific amounts for each director as of February 29, 2024 are as follows:

Ball	125.00
Duncan	10,975.45
Letulle	12,047.21
Smith	7,638.32
Valdivia	6,608.35
Walton	5,630.49
Ybarra	7,670.50

General Manager and Staff Travel and Field Maintenance and Repairs are slightly over budget for this report, but are very likely to be within budget by year-end.

Adult Education and Social Media are projected to be over budget by year-end.

Consigned – SWP Support Fund

The SWP Fund received tax revenue as projected in the Mid-Year Budget review. The final amount for the year will be deposited near the end of the fiscal year.

Debt Service Fund

Previous

- State Water Contract Payments – the large EBX payment in September throws off the remaining percentage.
- SWC Dues – paid for the fiscal year.
- SWC Audit – no additional invoices.
- Water Transfers – no additional invoices expected.

Income

Little tax revenue is expected for the next couple of months. Approximately 45% of total tax revenue will be received in May and June.

Expenses

Overall, expenditures are trending as projected for the Debt Service budget.

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 EIGHT MONTHS ENDING ON FEBRUARY 29,2024**

		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
GENERAL FUND						
GENERAL FUND - INCOME					Remaining %	33%
1	WATER SALES	7,800,000		7,800,000	3,882,840.57	-50.2%
2	TAX REVENUE	11,800,000		11,800,000	5,801,018.20	-50.8%
3	INTEREST	130,000		130,000	193,707.28	49.0%
4	GOV'T CONTRIBUTIONS, GRANT REVENUE	50,000		50,000	0.00	-100.0%
5	OTHER MISCELLANEOUS INCOME	10,000		10,000	1,686.33	-83.1%
6	TOTAL GENERAL FUND INCOME	19,790,000	0	19,790,000	9,879,252.38	-50.1%
GENERAL FUND - EXPENSES						
COMMODITY PURCHASE						
10	PURCHASED WATER FOR DELIVERY	9,100,000		9,100,000	6,046,600.33	33.6%
11	PURCHASED WATER FOR BANKING (FUTURE SALE)	2,000,000		2,000,000	922,678.60	53.9%
12	TOTAL COMMODITY PURCHASE	11,100,000	0	11,100,000	6,969,278.93	37.2%
SALARIES AND EMPLOYEE BENEFITS						
15	SALARIES	630,000		630,000	363,574.98	42.3%
16	PAYROLL TAXES	63,000		63,000	30,481.49	51.6%
17	PAYROLL SERVICE	5,000		5,000	3,167.10	36.7%
18	RETIREMENT	135,000		135,000	70,143.43	48.0%
19	OTHER POST-EMPLOYMENT BENEFITS (OPEB)	75,000		75,000	45,039.54	39.9%
20	HEALTH INSURANCE	80,000		80,000	33,381.55	58.3%
21	ACWA BENEFITS	10,000		10,000	4,725.23	52.7%
22	DISABILITY INSURANCE	6,000		6,000	3,175.13	47.1%
23	WORKERS COMPENSATION INSURANCE	5,000		5,000	2,265.70	54.7%
24	SGPWA STAFF MEDICAL REIMBURSEMENT	10,000		10,000	2,471.50	75.3%
25	EMPLOYEE EDUCATION	4,000		4,000	0.00	100.0%
26	TOTAL SALARIES AND EMPLOYEE BENEFITS	1,023,000	0	1,023,000	558,425.65	45.4%

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FOR FY 2023-24
FOR THE EIGHT MONTHS ENDING ON FEBRUARY 29,2024

						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
GENERAL FUND - EXPENSES										
	ADMINISTRATIVE AND PROFESSIONAL SERVICES								Remaining %	33%
30	DIRECTOR EXPENDITURES									
31	DIRECTORS FEES		264,000				264,000	122,096.82	53.8%	
32	DIRECTORS TRAVEL AND EDUCATION		50,000				50,000	50,695.32	-1.4%	
33	DIRECTORS MEDICAL REIMBURSEMENT		46,000				46,000	13,947.09	69.7%	
	OFFICE EXPENDITURES									
35	OFFICE EXPENSE		20,000				20,000	17,404.07	13.0%	
36	POSTAGE		1,000				1,000	30.16	97.0%	
37	TELEPHONE		10,000				10,000	4,543.27	54.6%	
38	UTILITIES		8,000	7,000.00			15,000	1,966.38	75.4%	
	SERVICE EXPENDITURES									
40	COMPUTER, WEBSITE AND PHONE SUPPORT		50,000				50,000	27,943.21	44.1%	
41	GENERAL MANAGER AND STAFF TRAVEL		25,000				25,000	17,485.66	30.1%	
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	41,488.00	7.8%	
45	OTHER PROFESSIONAL SERVICES		75,000				75,000	24,945.41	66.7%	
46	PUBLIC INFORMATION		60,000				60,000	9,626.03	84.0%	
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	-157.13	101.6%	
52	MAINTENANCE AND REPAIRS - BUILDING		30,000				30,000	13,559.90	54.8%	
53	MAINTENANCE AND REPAIRS - FIELD		40,000				40,000	27,744.27	30.6%	
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	30,903.37	40.6%	
60	TOTAL ADMINISTRATIVE AND PROFESSIONAL SERVICES		1,209,000	7,000			1,216,000	565,308.88	53.2%	

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FOR FY 2023-24
FOR THE EIGHT MONTHS ENDING ON FEBRUARY 29,2024**

						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
GENERAL FUND - EXPENSES										
	CONSULTING AND ENGINEERING SERVICES								Remaining %	33%
	PLANS & CONSTRUCTION									
65	INFRASTRUCTURE PLAN - Phase 2	25,000			25,000			3,313.20	86.7%	
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			26,606.29	89.4%	
69	SMALL SYSTEM ASSISTANCE PROGRAM	150,000			150,000			83,544.54	44.3%	
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			4,200.50	91.6%	
74	YUCAIPA GSA VERBENIA GSA	10,000			10,000			0.00	100.0%	
75	FLUME MONITORING AND SUPPORT	30,000			30,000			0.00	100.0%	
	STUDIES AND REPORTS									
77	FINANCIAL MODELING	70,000			70,000			3,800.00	94.6%	
78	USGS STUDIES AND MONITORING	250,000			250,000			166,143.48	33.5%	
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			79,887.70	36.1%	
82	LOCAL SUPPLIES	50,000			50,000			11,515.02	77.0%	
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			11,956.25	40.2%	
	GENERAL ENGINEERING SERVICES									
87	AGENCY ENGINEER	250,000			250,000			0.00	100.0%	
88	GRANT SUPPORT SERVICES	75,000			75,000			37,962.50	49.4%	
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	TOTAL CONSULTING AND ENGINEERING SERVICES	2,821,000		0	2,821,000			478,650.53	83.0%	

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FOR FY 2023-24
FOR THE EIGHT MONTHS ENDING ON FEBRUARY 29,2024**

						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
GENERAL FUND - EXPENSES									Remaining %	33%
LEGAL SERVICES										
98	LEGAL SERVICES		150,000			150,000		116,915.36	22.1%	
99	TOTAL LEGAL SERVICES		150,000	0		150,000		116,915.36	22.1%	
CONSERVATION AND EDUCATION										
102	SCHOOL EDUCATION PROGRAMS		45,000			45,000		0.00	100.0%	
103	ADULT EDUCATION AND SOCIAL MEDIA		10,000			10,000		9,000.00	10.0%	
104	SPONSORSHIPS		6,000			6,000		4,745.00	20.9%	
105	CONSERVATION, EDUCATION AND PUBLIC RELATIONS		20,000			20,000		7,583.12	62.1%	
106	TOTAL CONSERVATION AND EDUCATION		81,000	0		81,000		21,328.12	73.7%	
MAJOR AND CAPITAL EXPENDITURES										
109	BUILDING AND EQUIPMENT									
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	10,000.00		30,000		0.00	100.0%	
114	SITES RESERVOIR		2,800,000			2,800,000		2,240,000.00	20.0%	
116	TOTAL MAJOR AND CAPITAL EXPENDITURES		2,895,000	10,000		2,905,000		2,240,000.00	22.6%	
118	TRANSFERS TO OTHER FUNDS					0				
120	TOTAL GENERAL FUND EXPENSES		19,279,000	17,000		19,296,000		10,949,907.47	43.2%	
122	GENERAL FUND NET INCOME YTD		511,000	-17,000		494,000		-1,070,655.09		

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FOR FY 2023-24
FOR THE EIGHT MONTHS ENDING ON FEBRUARY 29,2024**

						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
CONSIGNED - SWP SUPPORT FUND										
						Remaining % 33%				
CONSIGNED - SWP SUPPORT FUND - INCOME										
INCOME										
130	UNITARY TAX REVENUE ALLOCATED		6,600,000			6,600,000		3,206,527.49		-51.4%
131	INTEREST		15,000			15,000		86,663.74		477.8%
132	OTHER INCOME		0			0		0.00		
133	TOTAL SWP SUPPORT FUND INCOME		6,615,000		0	6,615,000		3,293,191.23		-50.2%
CONSIGNED - SWP SUPPORT FUND - EXPENSES										
EXPENDITURES										
139	TAX COLLECTION CHARGES		16,000			16,000		8,217.13		48.6%
140	OTHER EXPENSES		0			0		0.00		
141	TOTAL SWP SUPPORT FUND EXPENSES		16,000		0	16,000		8,217.13		48.6%
143	TRANSFERS TO OTHER FUNDS									
145	CONSIGNED - SWP SUPPORT FUND NET INCOME YTD		6,599,000		0	6,599,000		3,284,974.10		

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FOR FY 2023-24
FOR THE EIGHT MONTHS ENDING ON FEBRUARY 29,2024**

		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
DEBT SERVICE FUND						
					Remaining %	33%
DEBT SERVICE FUND - INCOME						
INCOME						
153	TAX REVENUE	26,100,000		26,100,000	16,655,377.11	-36.2%
154	INTEREST	460,000		460,000	770,253.36	67.4%
155	CONTRIBUTIONS - GOVERNMENT	0		0	0.00	
156	DWR CREDITS - BOND COVER, OTHER	3,100,000		3,100,000	1,761,012.63	-43.2%
157	TOTAL DEBT SERVICE FUND INCOME	29,660,000	0	29,660,000	19,186,643.10	-35.3%
DEBT SERVICE FUND - EXPENSES						
EXPENSES						
161	SALARIES	425,000		425,000	276,950.74	34.8%
162	PAYROLL TAXES	30,000		30,000	14,514.45	51.6%
163	BENEFITS	220,000		220,000	76,914.33	65.0%
164	LEGAL FEES	0		0	0.00	
165	UTILITIES	11,000		11,000	2,610.38	76.3%
166	ENGINEERING, MAINTENANCE, CONSULTING	200,000		200,000	63,335.70	68.3%
167	SWC AUDIT	7,000		7,000	6,181.00	11.7%
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	16,789,947.00	35.4%
173	TAX COLLECTION CHARGES	130,000		130,000	79,455.81	38.9%
174	TOTAL DEBT SERVICE FUND EXPENSES	29,804,000	0	29,804,000	19,597,374.48	34.2%
176	TRANSFERS FROM RESERVES			0.00	0.00	
178	DEBT SERVICE NET INCOME YTD	-144,000	0	-144,000	-410,731.38	

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FOR FY 2023-24
FOR THE EIGHT MONTHS ENDING ON FEBRUARY 29,2024**

		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	TOTAL INCOME	1,000,000	0	1,000,000	9,787.96	
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	TOTAL EXPENSE	500,000	0	500,000	105,533.66	78.9%
202	GAP FUNDING PROGRAM NET BALANCE YTD	500,000	0	500,000	-95,745.70	
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 240320
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
AVEK	Antelope Valley-East Kern Water Agency	State Water Contractor
BBK	Best Best & Krieger	Provides legal counsel
BCVWD	Beaumont-Cherry Valley Water District	Provides retail water service in Beaumont
BHMWC	Banning Heights Mutual Water Company	Mutual water company within Agency boundaries
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
CWD	Cabazon Water District	Retail water agency within Agency boundaries
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	
HVWD	High Valleys Water District	Mutual water company within Agency boundaries
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

San Gorgonio Pass Water Agency

List of Some Acronyms and Vendors and Their Functions

Acronym	Name and Function	Version 240320
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	
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	
SAWPA	Santa Ana Watershed Project Authority	Coordinates activities to protect the Santa Ana watershed
SBE	State Board of Equalization	
SBVMWD	San Bernardino Valley Municipal Water District	State Water Contractor in San Bernardino County and a partner with EBX
SCADA	Supervisory Control and Data Acquisition	Electronic monitoring and control system used by DWR and other water purveyors
SCWC	Southern California Water Coalition	
SMIF	Surplus Money Investment Fund	State of California depository for government funds that are not currently needed
SMWC	South Mesa Water Company	Retail water agency within Agency boundaries
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 contract with the state of California
SWP	State Water Project	System of reservoirs, aqueducts, and pump stations that distributes water throughout 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
USGS	U.S. Geological Survey	Federal agency that provides groundwater data and modeling
UWMP	Urban Water Management Plan	
WEF	Water Education Foundation	
WSRB	Water System Revenue Bonds	Bonds sold by the state of California to pay for SWP construction
YTD	Year to Date	
YVWD	Yucaipa Valley Water District	Retail water district with part of its service area within Agency boundaries

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	240229	LEGAL SERVICES FEBRUARY 2024	17,878.70

TOTAL PENDING INVOICES FOR APPROVAL APRIL 2024

17,878.70

San Gorgonio Pass Water Agency
 Gap Funding Program
 Cabazon Water District Tracking
 Report Date: March 20, 2024

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

Date	Request Amount	Paid Date	Check #
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

Date	Rec'd Amount	Check #
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

UPDATE: OTHER POST- EMPLOYMENT BENEFITS

Finance & Budget Committee
March 28, 2024

What does OPEB mean?

- Other Post-Employment Benefits are benefits provided to employees after retirement
- Most public agencies provide some sort of benefits to retirees
- Enhances recruitment efforts by the Agency
- Enhances retention efforts by the Agency



What does SGPWA provide?

- Contracted with CalPERS for health coverage since 1989
- Lifetime medical insurance after retirement for employee and family
 - Full retirement age at age 60
 - Reduced cost when enrolled in Medicare at age 65
 - Reduced cost after dependents reach the age of 26
- Employee must have worked for the Agency for 5 years
- Employee must retire from the Agency
- Maximum benefit: Blue Shield Access+HMO Family



What does CalPERS require?

- All full-time employees must be treated equally
- PEPRA and Classic employees receive the same benefit
- Current and retired employees receive the same benefit



What does GASB require?

- Actuarial study every two or three years
 - Estimate of Agency liability
- Results of study included in audited financial statements
 - Balance Sheet: liability or asset
 - Balance Sheet: deferred outflows and deferred inflows
 - Report: Changes in OPEB Liability and Related Ratios
- Impacts Net Position



How does SGPWA respond?

- Invests in CERBT; started in 2009
 - California Employers' Retiree Benefit Trust (CERBT)
 - IRS Section 115 Irrevocable Trust
- Pays retiree benefits annually on a 'pay as you go' basis
- Makes additional contributions to CERBT
- Has requested occasional disbursements



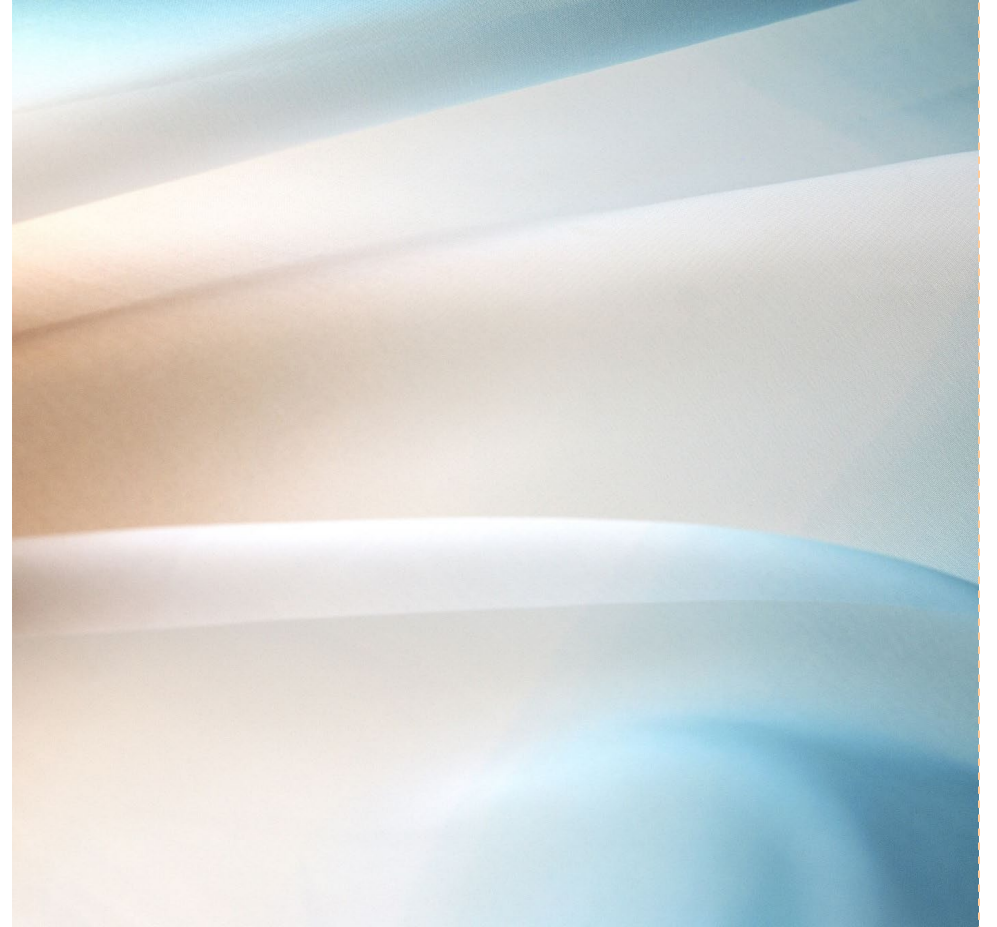
What are SGPWA's results?

- Minimal impact on financial statements (6-30-23)
- Contributions: \$588,305
- Investment earnings: \$570,438
- Money-weighted annualized rate of return: 6.8%
- Total assets as of March 5, 2024: \$1,066,094
- Current funded status: 118% - super-funded



Board of Directors Cost-of-Living Adjustments

April 1, 2024, Board of Directors Meeting
San Geronio Pass Water Agency



Governing Principles

California Water Code: up to 5% annually

- Section 20202: “The increase may not exceed an amount equal to 5%, for each calendar year following the operative date of the last adjustment...”

Resolution No. 2013-04: up to amount granted to Staff annually

- Section 1: “...adjusted on January 1 of future years equal to the cost-of-living adjustments for the Agency employees.”

Procedures

COLA is established for staff at beginning of fiscal year

CFO determines which rule prevails

Board COLA takes effect automatically at beginning of next calendar year

Optional Board Actions



BOARD MAY
AGENDIZE
DISCUSSION ITEM IN
DECEMBER



BOARD MEMBER MAY
DECLINE THE COLA



BOARD MEMBER MAY
REDUCE AN AMOUNT
FOR A PARTICULAR
MEETING

Discussion & Questions



2024 Water Portfolio Update

BOARD OF DIRECTORS

4/1/2024

2024 Portfolio

Allocation	15%
SGPWA CO	8,650
Ventura CO	4,178
SGPWA Table A	2,595
Ventura Table A	1,500
Nickel Water	1,700
AVEK Return Water	3,200
Beaumont Basin	893
Potential Water Debt	(650)
Total Available Water	18,800 AF

*AVEK return water is available in a >30% allocation

The allocation was 15% in February

What has happened
since then?



2024 Portfolio

Allocation	30%
SGPWA CO	8,650
Ventura CO	4,178
SGPWA Table A	5,190
Ventura Table A	3,000
Nickel Water	1,700
AVEK Return Water	3,200*
Beaumont Basin	893
Potential Water Debt	(650)
Total Available Water	22,900 AF

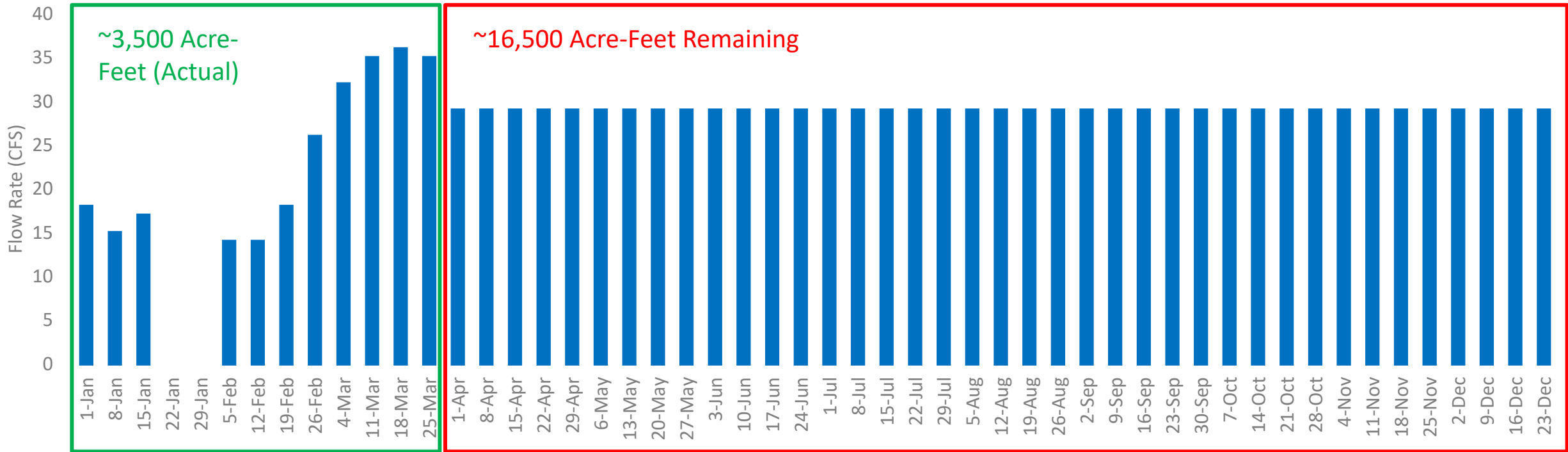
*AVEK return water is available in a >30% allocation

The March allocation was set at 30%

Flow Rate per Week

20k AF Estimated for 2024

(Deliveries do not include direct deliveries to YVWD)



In a 30% allocation, we are targeting 20,000 acre-feet of replenishment deliveries this year

Questions?

San Gorgonio Pass Water Agency

DATE: April 1, 2024
TO: Board of Directors
FROM: Lance Eckhart, General Manager
SUBJECT: LAFCO 2024 Special District Selection Committee Ballot

RECOMMENDATION

Staff has no recommendation.

BACKGROUND

The Riverside County Local Agency Formation Commission (LAFCO) Board consists of commissioners and alternates. In Riverside County, commissioners represent either the eastern or western portion of the County. However, Special Districts participate in the election for Special District commissioners. The current election is for one commissioner representing the eastern half of the County, and one commissioner representing the western half of the County.

ANALYSIS

LAFCO, is the arm of the County government that deals with annexations, incorporation of new cities, changes in service areas, etc. It is governed by a board of directors that represents the County, cities, and special districts. The purpose of this proposed board action is for the Board to give direction to the President as to who it wishes to support for both a regular and alternate member of the LAFCO board representing Special Districts.

ACTION

One (1) LAFCO Regular Special District Member – Eastern Region: A total of two (2) eligible nominations were received for this position. Although candidates were restricted to the Eastern Region area of the County, all members of the SDSC may cast ballots for this position.

One (1) LAFCO Regular Special District Member – Countywide: A total of five (5) eligible nominations were received for this position. Candidates for the Alternate Special District Member are not restricted to a Region, and all members of the SDSC may cast ballots for this position.

The ballot is to be filled out by ranking each region’s nominees in the order of preference, using “1” for your first choice, “2” for your second choice, “3” for your third choice and so on. Please note ranking more than one candidate will not work against your first-choice candidate, however, voting for only one candidate is allowed.

Completed ballots must be delivered via electronic mail to rholtzclaw@lafco.org, or by regular mail or hand delivered to the LAFCO office at 6216 Brockton Avenue, Suite 111-B, Riverside CA 92506 **no later than 5:00 p.m. on Monday, April 15, 2024.**

Fiscal Impact:

There is no fiscal impact to voting for LAFCO commissioners.

ATTACHMENTS

2024 LAFCO SDSC Official Election Ballot and Instructions
Candidates Statement and Letter of Support



February 15, 2024

via electronic mail

2024 BALLOT INSTRUCTIONS FOR SPECIAL DISTRICT SELECTION COMMITTEE- ONE (1) EASTERN REGION REGULAR MEMBER AND ONE (1) COUNTYWIDE ALTERNATE MEMBER OF THE RIVERSIDE LOCAL AGENCY FORMATION COMMISSION

To the Special District Selection Committee (Presiding Officers of Independent Special Districts of Riverside County c/o District Clerks):

Please read these instructions carefully before completing your ballots.

As previously announced, a physical meeting of the Special District Selection Committee (SDSC) is not feasible at this time, therefore, the selection proceedings are being conducted by electronic mail or regular USPS mail. A nomination period for the positions in the title above was opened on December 15, 2023, and closed at 5:00 p.m. on February 13, 2024.

Enclosed you will find an official election ballot for each position as follows:

One (1) LAFCO Regular Special District Member – Eastern Region: A total of two (2) eligible nominations were received for this position. Although candidates were restricted to the Eastern Region area of the County, all members of the SDSC may cast ballots for this position.

One (1) LAFCO Alternate Special District Member – Countywide: A total of five (5) eligible nominations were received for this position. Candidates for the Alternate Special District Member are not restricted to a Region, and all members of the SDSC may cast ballots for this position.

All members of the SDSC may cast a ballot for one (1) Regular member for the Eastern Region, and one (1) for the Alternate member Countywide.

Pursuant to procedures adopted by the Selection Committee in 2016, the election for a LAFCO regular member position will be conducted using Instant Runoff Voting (IRV). IRV eliminates the requirement for the expensive and lengthy process of sending out a second runoff ballot to achieve a majority. An example demonstrating how IRV works is attached.

Please fill out your ballot by ranking each region's nominees in the order of preference, using "1" for your first choice, "2" for your second choice, "3" for your third choice and so on. Please note ranking more than one candidate will not work against your first choice candidate, however, voting for only one candidate is allowed. Do not mark the same number beside more than one candidate and do not skip numbers.

General Instructions and Information:

- Completed ballots must be delivered via electronic mail to rholtzclaw@lafco.org, or by regular mail or hand delivered to the LAFCO office at 6216 Brockton Avenue, Suite 111-B, Riverside CA 92506 **no later than 5:00 p.m. on Monday, April 15, 2024.**
- Only the presiding officer or another board member authorized by your board of directors to vote, may cast the ballots. Board members designated by their district board to vote in place of the presiding officer must provide that authorization (in the form of a resolution or minute order) to LAFCO no later than the time the ballots are cast. District managers or other staff members may not vote.
- The voting member must print his or her name on the ballots as well as sign and date the certification indicating he or she is authorized to vote for the district.
- We must receive each ballot with an original signature. However, if you deliver your ballot via electronic mail, you may return a scanned copy of the signed ballot by email to rholtzclaw@lafco.org
- Failure to follow these instructions will invalidate the ballot not meeting these requirements.

Finally, these positions ensure special districts are appropriately represented on the LAFCO Commission. Appointments are only valid if ballots representing a quorum, from 29 of our 55 independent special districts, are returned. Please return your ballots in a timely manner.

If you have any questions, please contact our office at (951) 369-0631.

Sincerely,



Gary Thompson
Executive Officer

cc: Special District Selection Committee - District Managers

Attachments:

2024 Special District Selection Committee – Official Election Ballots
Instant Runoff Voting Election Process (IRV)

**SPECIAL DISTRICT SELECTION COMMITTEE
REGULAR MEMBER
2024 BALLOT**

Name of District: _____
Print District Name Here (required)

Certification of voting member:

I, _____ hereby certify that I am (check one):
Print Name Here (required)

- The presiding officer of the above-named district.
- A member of the board of the above-named district authorized by the board to vote in place of the presiding officer. [Authorization previously transmitted attached]

Signature (required)

Date (required)

**Regular Special District Member of the
Local Agency Formation Commission – Eastern Region – Riverside County**
(Term running May 6, 2024 through May 1, 2028)

Please rank the candidates in preferential order, “1” being the first preference, “2” being the second.

	<i>Circle rank for each candidate</i>	
BRUCE UNDERWOOD, Coachella Valley Public Cemetery District	1	2
CÁSTULO ESTRADA, Coachella Valley Water District	1	2

Listed in random drawing order conducted on 2/14/2024 at 9:39 a.m.

Completed ballots must be delivered via electronic mail to rholtzclaw@lafco.org, or by regular mail or hand delivered to the LAFCO office at 6216 Brockton Avenue, Suite 111-B, Riverside CA 92506 **no later than 5:00 p.m. on April 15, 2024.**

**SPECIAL DISTRICT SELECTION COMMITTEE
ALTERNATE MEMBER
2024 BALLOT**

Name of District: _____
Print District Name Here (required)

Certification of voting member:

I, _____ hereby certify that I am (check one):
Print Name Here (required)

- The presiding officer of the above-named district.
- A member of the board of the above-named district authorized by the board to vote in place of the presiding officer. [Authorization previously transmitted attached]

Signature (required)

Date (required)

**Alternate Special District Member of the
Local Agency Formation Commission (Countywide)**
(Term running May 6, 2024 through May 1, 2028)

Please rank the candidates in preferential order, "1" being the first preference, "2" being the second, etc.:

	<i>Circle rank for each candidate</i>				
BERNARD MURPHY, Rubidoux Community Services District	1	2	3	4	5
STEVE PASTOR, Lake Hemet Municipal Water District	1	2	3	4	5
ANGELA LITTLE, Valley-Wide Recreation & Park District	1	2	3	4	5
HARVEY RYAN, Elsinore Valley Municipal Water District	1	2	3	4	5
RICHARD LAWHEAD, Beaumont-Cherry Valley Recreation & Park District	1	2	3	4	5

Listed in random drawing order conducted on 2/14/2024 at 9:39 a.m.

Completed ballots must be delivered via electronic mail to rholtzclaw@lafco.org, or by regular mail or hand delivered to the LAFCO office at 6216 Brockton Avenue, Suite 111-B, Riverside CA 92506 **no later than 5:00 p.m. on April 15, 2024.**

INSTANT RUNOFF VOTING (IRV) ELECTION PROCESS

Introduction

In 2016, the Special District Selection Committee voted to utilize instant runoff voting (IRV) for all future elections to select members to the Riverside Local Agency Formation Commission (LAFCO). IRV is a method of conducting elections with three or more candidates whereby a majority determines the winner without the need to have a second ballot/runoff proceeding. A separate runoff election could cause a delay of more than 90 days, as well as causing LAFCO additional expense.

The explanation below and example that follows illustrates how the instant runoff voting method will be used for determining the winner in a fictional election for the "Porcupine LAFCO" Special District Commissioner open seat. A process similar to the one explained below will be utilized to determine the Riverside LAFCO Special District Member.

Ballot Specifications and Directions to Voters

The ballot will allow a voter to rank candidates in order of preference. All nominated candidates are listed on the ballot. Voters will vote for candidates by indicating their first-choice candidate, their second-choice candidate, their third-choice candidate, and so on.

The voter will indicate his/her first choice by marking or circling the number "1" beside a candidate's name, the second choice by marking or circling the number "2" by that candidate's name, the third choice by marking the number "3," and so on, for as many choices as the voter wishes.

Voters are free to rank only one candidate, however, doing so does not offer any additional advantage to that candidate, as ranking additional candidates cannot help defeat a voter's first-choice candidate. Voters must not mark the same number beside more than one candidate or skip rank numbers.

Ballot Counting

The ballots cast will be tabulated and the result declared by the official responsible for conducting the election. Votes will be counted for each candidate using the following procedure:

- The first choice marked on each ballot shall be counted. If any candidate receives a majority of the first choices, that candidate shall be declared elected.
- A majority is a number of votes greater than half (50%+1) of the total number of ballots received.
- If no candidate receives a majority of first choices, the candidate who received the fewest first choices shall be eliminated and each vote cast for that candidate shall be transferred to the next-ranked candidate on that voter's ballot. If, after this transfer of votes, any candidate has a number of votes constituting a majority, that candidate shall be declared elected.

- If no candidate receives a majority of votes from the continuing ballots after a candidate has been eliminated and his/her votes have been transferred to the next-ranked candidate, the continuing candidate with the fewest votes from the continuing ballots shall be eliminated. All votes cast for that candidate shall be transferred to the next-ranked continuing candidate on each voter's ballot. This process of eliminating candidates and transferring their votes to the next-ranked continuing candidates shall be repeated until a candidate receives a majority of the votes from the continuing ballots. This candidate shall be declared elected.

Example:

Four candidates are running for the Porcupine LAFCO Special District Commissioner open seat: Paul Alto, Mort Bragg, Charlene Newberry, and Samantha Cruz. 60 ballots are cast, therefore a candidate needs a majority of 31 votes to win the election:

- Alto is ranked #1 on 10 ballots
- Bragg is ranked #1 on 25 ballots
- Newberry is ranked #1 on 5 ballots
- Cruz is ranked #1 on 20 ballots

In the first round no one receives the required majority of 31 votes. Newberry, as the candidate receiving the fewest first (#1) choice votes, is eliminated. Those 5 ballots that had Newberry ranked as their first (#1) choice are reviewed for their second (#2) choice. On those 5 ballots:

- Alto is ranked #2 on 3 of those 5 ballots
- Bragg is ranked #2 on 1 of those 5 ballots
- Cruz is ranked #2 on 1 of the 5 ballots.

These second (#2) choice votes, which are now first (#1) choice votes for the succeeding candidates, are added to the results of the first (#1) choice count in round one as follows:

- Alto has 10 plus 3 for a total of 13 votes
- Bragg has 25 plus 1 for a total of 26 votes
- Cruz has 20 plus 1 for a total of 21 votes

Thus, in the second round, no one receives the required majority of 31 votes. Alto, as the candidate receiving the fewest adjusted first (#1) choice votes in this round is eliminated. Those thirteen ballots that had Alto ranked as their adjusted first (#1) choice are reviewed for their second (#2) choice, or (third (#3) choice, if adjusted from the previous round). On those 13 ballots:

- Bragg is ranked #2 (plus one adjusted #1 from the first round) on 8 of those 13 ballots
- Cruz is ranked #2 (plus one adjusted #1 from the first round) on 4 of the 13 ballots.

These second (#2) choice or third (#3) choice votes, are now designated as first (#1) choice votes for the succeeding candidates, and are added to the results of the adjusted first (#1) choice count from the second round as follows:

- Bragg has 26 plus 8 for a total of 34 votes
- Cruz has 21 plus 4 for a total of 25 votes
- One of the ballots did not pick a second or third choice candidate.

Bragg wins with 34 votes (the required majority was 31) and Cruz is second with 25 votes.

Rubidoux Community Services District

Board of Directors

John Skerbelis, President
Hank Trueba Jr., Vice-President
Bernard Murphy
Armando Muniz
F. Forest Trowbridge

General Manager

Brian R. Laddusaw



Water Resource Management Refuse Collection Street Lights Fire / Emergency Services Weed Abatement

February 29, 2024

To Special District Board Presiding Officers and District Clerks

To Whom it May Concern:

The Rubidoux Community Services District (“Rubidoux”) is proud to endorse Bernard Murphy for the Local Agency Formation Commission (“LAFCO”) of Riverside County Alternate Special District Member – Countywide seat.

Mr. Murphy brings a wealth of experience and expertise to this role, particularly in the realms of water and wastewater infrastructure. His tenure on the Rubidoux Board of Directors, which began with his appointment in April 2016 and subsequent election that same year, has been marked by dedicated service and exemplary leadership. Mr. Murphy has demonstrated his commitment to Rubidoux's mission through two terms as Board President, first in 2018 and most recently in 2023.

As California's first community services district, Rubidoux has a long history of providing essential services to its residents. From water and wastewater management to solid waste disposal, fire protection, weed abatement and street lighting, Rubidoux's contributions have been instrumental in the development and growth of the region, culminating in the incorporation of the City of Jurupa Valley in 2011.

Mr. Murphy's professional background spans over 25 years in the engineering industry, with notable positions at esteemed firms such as JF Davidson Associates, Inc., the Army Corps of Engineers, and Hewitt Zollars. His specialization in storm drains projects and his current role at the Riverside County Flood Control and Water Conservation District underscore his expertise in infrastructure development and water resource management. Given his extensive experience and proven track record of community engagement, Mr. Murphy is eminently qualified to serve on the LAFCO Board. His deep understanding of the complexities of local governance, coupled with his engineering acumen, make him an ideal candidate for this position.

Rubidoux wholeheartedly endorses Mr. Murphy's candidacy and urges your support for his election to the LAFCO Board. Should you have any questions or require further information, please do not hesitate to contact Rubidoux at (951) 684-7580 or Mr. Murphy directly at (951) 790-2347.

Thank you for considering this endorsement.

Sincerely,



BRIAN R. LADDUSAW, CPA
General Manager

March 5, 2024

Morning Esteemed Colleagues and Leaders of Special Districts in Riverside County,

On behalf of Elsinore Valley Municipal Water District (EVMWD), I humbly request your district's support and vote for Director Harvey R. Ryan for the Alternate Special District Countywide seat on the Riverside County Local Agency Formation Commission (LAFCO). I've attached his biography for reference.

Director Ryan has been serving the public for over 20 years as a member of the EVMWD Board of Directors. I feel Director Ryan is an ideal candidate and suitably qualified for this seat. As a long term resident of the region, he has seen the area grow, and understands the dynamics of all the moving parts that make a community effective and what it can be. He is extremely involved in the community and providing excellent public service, whether as a board member for EVMWD or through his numerous charitable and philanthropic work. He has a passion for education and helping young people succeed, which is admirable in today's society. Additionally, he brings a wealth of knowledge and a wide range of expertise in planning and development, where he has served on the Lake Elsinore City Planning Commission and the RDA, and is frequently sought out by local city council or county officials for advice and information. He is currently the Vice President of the Board, serving on several committees and as District representative for multiple organizations including Legislative, Conservation & Outreach Committee, Finance & Administration Committee, Engineering and Operations Committee, Water Planning Committee, Groundwater Advisory Committee, EMWD/EVMWD Group representative, Lake Elsinore Chamber of Commerce, and several others. In fact, he was recently the Chair of ACWA Region 9, where he was recognized for his leadership in advancing the aims and needs of the region at the state level. Lastly, he has made numerous trips to Sacramento and Washington DC over the 20 years working to advance the needs of the region, support or oppose legislation or regulations that impact the district and region, and obtain various funds that help lower costs to our ratepayers and improve the health of our customers.

I believe that Harvey will do an excellent job representing ALL special districts on LAFCO. With his extensive experience and passion for serving the region along with the support and resources of EVMWD, EVMWD has the upmost confidence he will add value and be a highly regarded member to the proceedings at Riverside County LAFCO.

Please let me know if you have any questions or need any additional information.

Sincerely,
Greg

Greg Thomas

General Manager

Elsinore Valley Municipal Water District

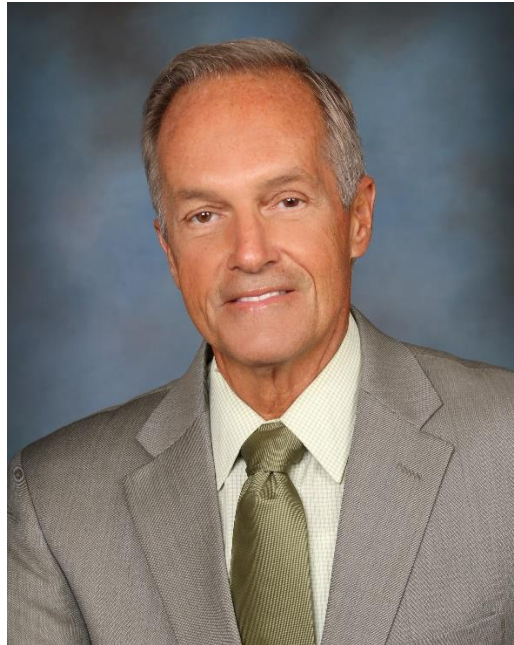
951-674-3146 Ext. 8243

31315 Chaney Street, Lake Elsinore, CA 92530



INLAND NEWS GROUP
The Press-Enterprise • The Sun
The Facts • Inland Valley Daily Bulletin

Elsinore Valley Municipal Water
District is a 2022 Top Workplace!
4 Years Running



Harvey Ryan

Candidate Statement

Hello, I'm Harvey Ryan, a Lake Elsinore resident for over 35 years. My wife and I have joyfully raised four kids in this wonderful community. Engaging with our neighbors and actively participating in local initiatives has been a fulfilling journey for us.

In my professional journey, I've thrived in the business sector, with a successful track record in the automobile industry—managing and owning businesses for over 25 years. My knack for objective thinking, honed through my experiences, is an asset that I believe is crucial in community service.

For more than three decades, my dedication to Lake Elsinore has taken various forms. I've actively contributed to local organizations, from serving as the vice president of Little League to being the president of the football boosters. My involvement extends to key roles in the Lake Elsinore RDA Committee, Planning Commission, and other local committees. Volunteering with HOPE, a local food distribution organization, and currently presiding as the board president of the Kennedie June Von Ryan Foundation, reflect my commitment to giving back. For the past 20 years, I've been a proud board member of the Elsinore Valley Municipal Water District, consistently making a positive impact.

If chosen, I look forward to being a positive influence on the growth of our great county.

San Geronio Pass Water Agency

DATE: April 1, 2024
TO: Board of Directors
FROM: Lance Eckhart, General Manager
SUBJECT: APPROVE RESOLUTION 2024-03 LAFCO VOTING DESIGNEE ALTERNATE

RECOMMENDATION

Staff has no recommendation.

BACKGROUND

Local Agency Formation Commissions (LAFCOs) are state-mandated regulatory agencies established by the Legislature in 1963. LAFCOs were created to help implement State policy of encouraging orderly growth and development through the regulation of local public agency boundaries. The composition of LAFCO Commissions varies from County to County. Riverside’s Commission consists of members who represent all levels of local government. These are: two County supervisors selected by the Board of Supervisors; two city council representatives selected by the City Selection Committee within Riverside County; two special district board members selected by the Special District Selection Committee, one public member selected by the other members of the Commission. Each category of commissioner represented (county, city special district, and public) has one alternate. Alternate members may attend LAFCO meetings but only vote on items when a regular member from their category is absent. Each Commission member serves a four-year term.

ANALYSIS

LAFCO, is the arm of the County government that deals with annexations, incorporation of new cities, changes in service areas, etc. It is governed by a board of directors that represents the County, cities, and special districts. The Agency’s Board President casts a vote for Riverside County Eastern and Western Regions. The purpose of this proposed board action is for the Board to designate a member of the Board as the alternate voter in the event that the Board President is unable or has a conflict to perform his voting duties.

ACTION

The Board elect an alternate Board member to vote on items when the Board President is unable or a conflict to perform his voting duties.

Fiscal Impact:

There is no fiscal impact to voting for LAFCO commissioners.

ATTACHMENTS

Resolution 2024-03

RESOLUTION NO. 2024-03

**A RESOLUTION OF THE SAN GORGONIO PASS WATER AGENCY
AUTHORIZING DELEGATES TO VOTE ON BEHALF OF THE DISTRICT,
AT THE LAFCO SPECIAL DISTRICTS ELECTION**

WHEREAS, the Local Agency Formation Commission (LAFCO) is a regulatory and planning agency responsible for coordinating logical and timely changes in local government boundaries within the County; and,

WHEREAS, San Gorgonio Pass Water Agency is a special district in Riverside County under the jurisdiction of LAFCO; and,

WHEREAS, special districts within Riverside County elect individuals from among their district boards as Special District members of the LAFCO Commission pursuant to Government Code Section 56332; and,

WHEREAS, pursuant to Section 56332, the presiding officer of the legislative body of each independent Special District is allowed to cast one vote; and

WHEREAS, in the event the presiding officer (Board President) of the legislative body (Board of Directors) is unable to cast a vote, the Board may designate another member of the Board to vote, on behalf of the Agency.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN GORGONIO PASS WATER AGENCY designates Chander Letulle, as the respective successor voting delegate in the event the Board President is unable or has a conflict to participate in the proceedings of the Special District Selection Committee election.

ADOPTED AND APPROVED this 1st day of April 2024.

Mickey Valdivia, President
San Gorgonio Pass Water Agency

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of Resolution No. 2024-03 adopted by the Board of Directors of San Gorgonio Pass Water Agency at a duly noticed regular meeting held on April 1, 2024.

Kevin Walton, Secretary
San Gorgonio Pass Water Agency

San Geronio Pass Water Agency

DATE: April 1, 2024
TO: Board of Directors
FROM: Lance Eckhart, General Manager
BY: Lance Eckhart, General Manager
SUBJECT: AGREEMENT TO PROVIDE GAP FUNDING TO THE HIGH VALLEYS WATER DISTRICT RELATED TO APPROVED PROPOSITION 1 INTEGRATED REGIONAL WATER MANAGEMENT GRANT FUNDS

RECOMMENDATION

Authorize the General Manager to enter into an Agreement with the High Valleys Water District (HVWD) to provide Gap Funding support to utilize Proposition 1 Integrated Regional Water Management Plan (IRWM) grant funds through the Department of Water Resources.

PREVIOUS CONSIDERATION

- February 14, 2022: The Board reviewed a draft Gap Funding Agreement with the Cabazon Water District to assist in utilizing awarded grant funding.
- March 14, 2022: The Board reviewed a draft Gap Funding Agreement with the Cabazon Water District to assist in utilizing awarded grant funding.
- July 17, 2023: The Board expands the gap funding concept to a total of four small systems in the service area, including South Mesa Water Company.
- March 4, 2024: The Board approved an agreement to provide \$10.2 million in Gap Funding assistance to South Mesa Water Company for the County Line Pipeline Replacement Project

BACKGROUND

The Agency's Gap Funding program was initiated in 2022 in response to an opportunity to provide grant reimbursement assistance to the Cabazon Water District (CWD). Despite being awarded grants by the State Water Resources Control Board (State Board) and the Department of Water Resources (DWR), CWD faced financial constraints hindering its ability to fund routine operations and fulfill obligations associated with these large grant projects simultaneously. Upon confirming the CWD's cash flow challenges in utilizing authorized grant funds, Agency staff engaged with CWD to address this issue. Recognizing CWD's status as a small disadvantaged water system, collaborative efforts ensued between Agency and CWD staff and grant administrators from the State Board and DWR, to explore potential solutions. Both State Board and DWR representatives acknowledged that Gap Funding from regional entities had become increasingly common

and often necessary for small disadvantaged water systems to utilize state grant funding effectively.

Upon confirming the necessity for regional grant implementation Gap Funding assistance, Staff started drafting a Gap Funding Agreement with CWD. The Gap Funding Agreement aims to bridge the financial gap between the actual project expenses and the delayed reimbursement cycles from the State Board and DWR. The Gap Funding Agreement was presented and approved by the Board of Directors on March 14, 2022. The total project costs between the two grants awarded to CWD was \$1,700,000, with the maximum amount of Gap Funding available of \$1,100,000 between reimbursement cycles (~65% of the grant awards).

Following the Board's approval of the Gap Funding Agreement, the initial payment was issued to CWD in September 2022, and the first reimbursement was received in November 2022. Implementing the Gap Funding Program with CWD has proceeded seamlessly, with payments allocated to cover project expenditures and regular reimbursements quickly returned to the Agency. To date, the Agency has provided CWD with \$1,284,221 in Gap funding assistance, while CWD has reimbursed the Agency with \$1,188,475.66 sourced from their grants from the State Board and DWR..

The Gap Funding Program has proven to be mutually beneficial for the Agency and CWD, gaining support and generating interest at both state and regional levels. This initiative has attracted attention from various small disadvantaged water systems. The Agency has received Gap Funding requests from South Mesa Water Company, High Valley Water Company, and Banning Heights Mutual Water Company.

On March 4, 2024, the Board approved a similar Gap Funding Agreement with South Mesa Water Company based on the success of the Gap Funding Program with CWD.

ANALYSIS

The Agency has received a Gap Funding Program request from the High Valleys Water District (HVWD). HVWD was recently awarded a \$984,324 grant from DWR through the San Gorgonio Integrated Regional Water Management (IRWM) program. The City of Banning (City) is responsible for the administration and management of the San Gorgonio IRWM Plan. Acting as a pass-through entity, the City facilitates allocating funding from DWR to projects outlined in the San Gorgonio IRWM Plan. Additionally, the City is the designated administrator for the IRWM Plan and any associated grants awarded through the program. It should be noted that the City's role primarily involves facilitating grant distribution and is not directly involved in the grant work associated with HVWD. The Twin Pines Water Supply Reliability and Fire Protection Upgrades project involves improving and upsizing the HVWDs distribution system. The construction will include upgrading the approximately 1 mile of existing 2-inch pipeline mains to 8-inch, installing hydrants every 500 feet, and connecting 12 new meter connections to the newly realigned main along Twin Pipes Road. These upgrades ensure adequate fire flows, maintain consistent pressure throughout the system, and facilitate the construction of new homes on vacant property.

As part of the planning aspect of this project, HVWD utilized Provost and & Pritchard to perform a Feasibility Study for this project. The Feasibility Study assessed various components of the project, including CEQA compliance requirements, various alignments and easements along Twin Pines Road, various pipeline materials, performing system hydraulics on upsizing the existing mains, ensuring Fire Code and flow requirements are met, drafting feasibility maps outlining the different options, and providing a thorough cost estimate for construction.

Staff has collaborated with HVWD to obtain project schedules to estimate the necessary Gap Funding payments between reimbursement cycles. Projected grant expenditures are expected to average around \$200,000 per month, with quarterly expenses ranging from approximately \$450,000 to a peak of about \$984,324. HVWD aims to complete the project within 2024, with the bulk of the work scheduled during Q3 & Q4 of 2024. Given the short duration of the project, Staff recommends providing Gap Funding assistance in up to the full grant amount of \$984,324 to HVWD. Typically, grant reimbursements from DWR occur within 90 days (one quarter) but can extend up to 6 months (two quarters). The estimated project duration slightly exceeds six months.

A Gap Funding Agreement between the Agency and HVWD has been drafted, which defines roles, responsibilities, and expectations between HVWD and the Agency. The Gap Funding Agreement documents the public purpose and interests that would be provided by the Agency for engaging in such a transaction. The Gap Funding Agreement now includes revised terms concerning the repayment of advanced funds by the Agency. It stipulates that the repayment schedule may include an interest rate permitted by law, subject to the Agency's reasonable discretion in cases of non-payment or reimbursement by HVWD or DWR.

During the Gap Funding period, Staff intends to work closely with HVWD, their consultant, and DWR grant administrators to keep reimbursement cycles as efficient as possible. Regular updates will be given at the Agency's monthly Finance and Budget Committee meetings, which will include a Gap Funding Report detailing payments issued, reimbursements received, and the current outstanding Gap Funding balance.

FISCAL IMPACT

The Agency has two designations for its budgets and reserves, the General Fund, also known as the Green Bucket, which is an unrestricted fund in accounting terms, and the Debt Service Fund, also known as the Red Bucket, which is a restricted fund in accounting terms.

The Debt Service Fund is set aside for all revenues and expenditures related to the State Water Project, and it is restricted to those uses. The General Fund is available for all other Agency financial activities. Within the General Fund, other designations for revenues and expenditures have been established that do not affect the General Fund budget.

Funds for the Gap Funding Program come from General Fund reserves, but are reported separately in the monthly budget report. Because of the temporary nature of the financial activity, transactions of the Gap Funding Program will not affect the General Fund budget. The General Fund activity will continue to be included in the budget report, as it has been in the past, and revenues and expenditures for the Gap Funding Program will not affect this part of the report.

If the Board chooses to approve the Gap Funding Agreement for HVWD, the total possible outstanding expenditure level will be approximately \$8 million. This includes the remaining receivable from Cabazon Water District of about \$100,000, South Mesa's portion of about \$7 million, and HVWD's portion of about \$1 million. The Agency is well-positioned to provide this financial resource to the above-mentioned organizations.

AGENCY'S STRATEGIC PLAN APPLICATION

The Gap Funding Program is consistent with the Agency's Mission Statement to support the region's quality of life through sustainable water management and with the following strategies:

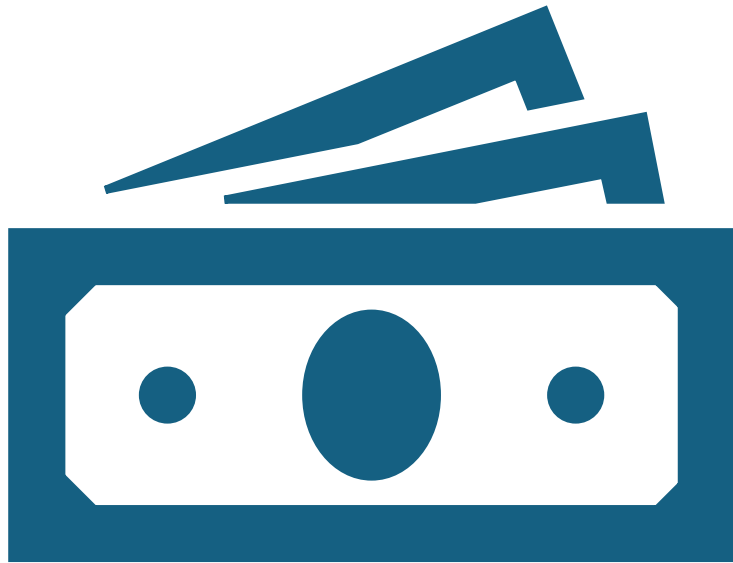
- Align with the current and future water landscape, supporting the region's long-term needs by diversifying the local supply portfolio and advancing water sustainability.
- Sustain long-term financial stability by engaging in prudent planning to guide informed decision-making.
- Maintain, foster and expand collaboration with local, regional, state and federal partners to develop strategic solutions to water supply challenges and opportunities.
- Serve the public with dedication, determination, transparency, collaboration, and a commitment to expanding knowledge.

ACTION

Authorize the General Manager to enter into an Agreement with the High Valleys Water District to provide Gap Funding support to utilize Proposition 1 Integrated Regional Water Management Plan (IRWM) grant funds through the Department of Water Resources

ATTACHMENTS

- Agreement for Providing Gap Funding to High Valleys Water District Related to Approved Proposition 1 Round 2 Integrated Regional Water Management Plan (IRWM) Implementation Grant
- Agreement Between High Valleys Water District and the City of Banning for Funds from a Proposition 1 Round 2 Integrated Regional Water Management (IRWM) Implementation Grant to the San Gorgonio Region
- Gap Funding Program Cabazon Water District Tracking Sheet

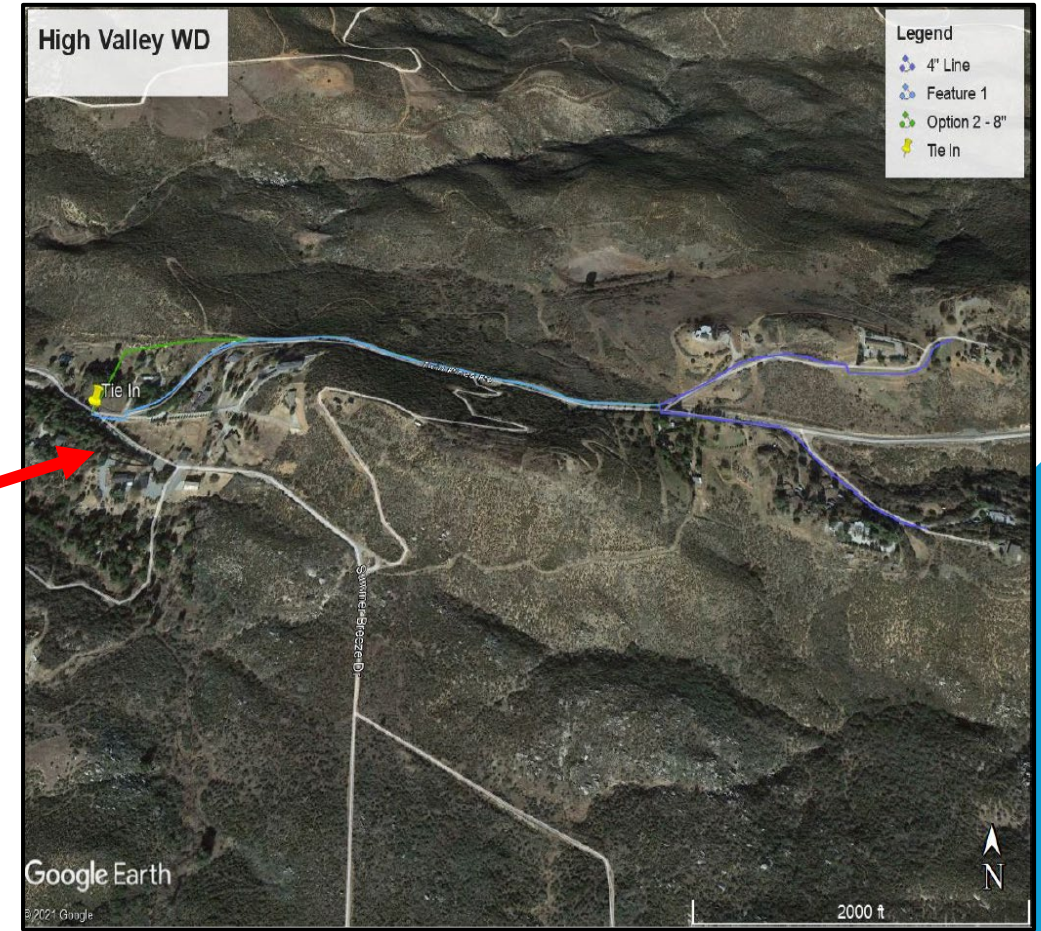
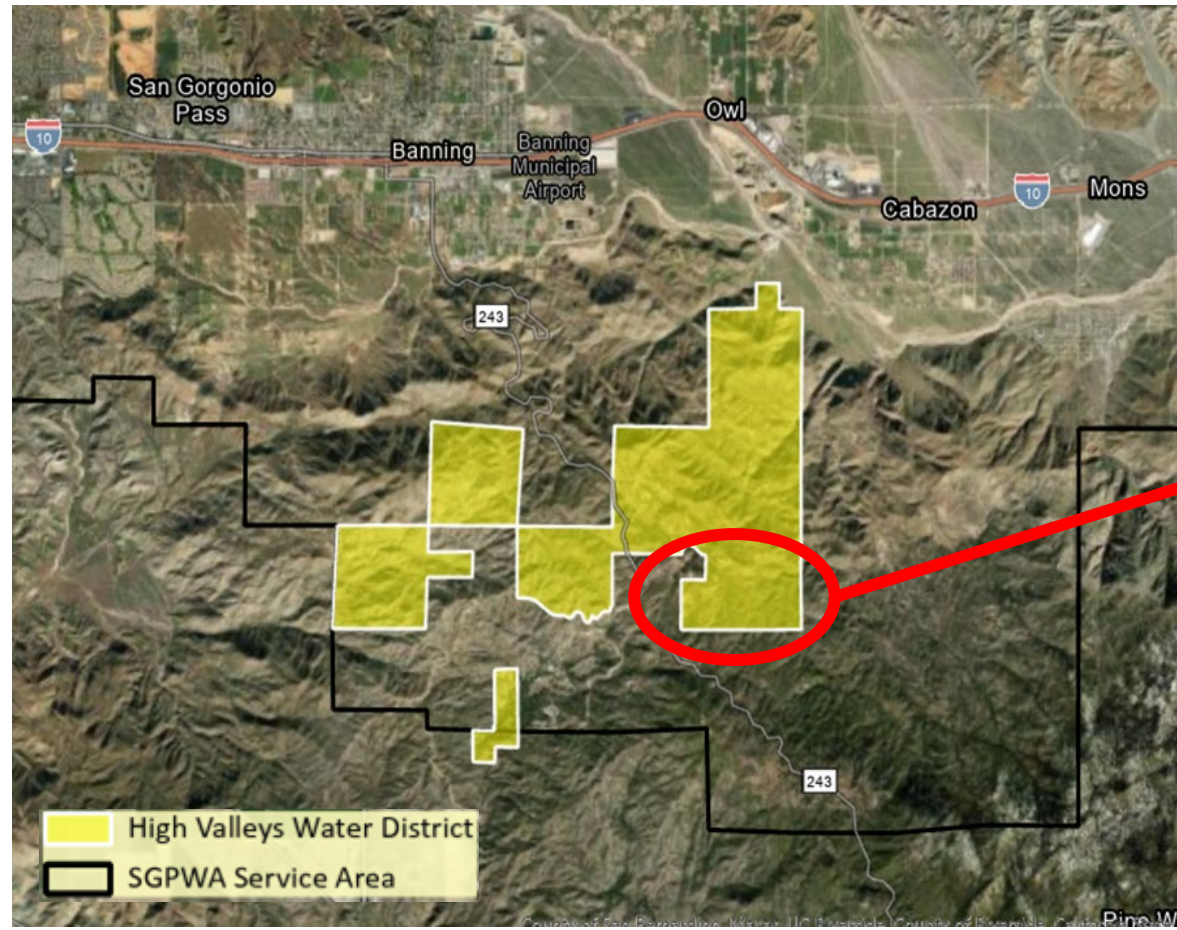


High Valleys Water District Gap Funding Program

Board of Directors Meeting

April 1, 2024

Twin Pines Water Supply Reliability and Fire Protection Upgrades



Twin Pines Water Supply Reliability and Fire Protection Upgrades

- DWR Integrated Regional Water Management (IRWM) Grant
- \$984,324 Grant
- Construction Grant:
 - Upsizing existing pipelines
 - 2” current to 8” upgrade
 - Adequate fire flow protection
 - 12 new metered connections
 - Ensuring reliable water supply to existing homes

Date	Milestone
February 2024	Submit 50% design submittal
April 2024	Submit 90% design submittal
May 2024	Design complete; advertised for construction
July 2024	Open bids
August 2024	HVWD board awards contract
September 2024	First monthly payment
December 2024	Probably last monthly payment

Twin Pines Water Supply Reliability and Fire Protection Upgrades



Date	Amount
September 2024	~\$50,000
October 2024	~\$350,000
November 2024	~\$350,000
December 2024	~\$150,000

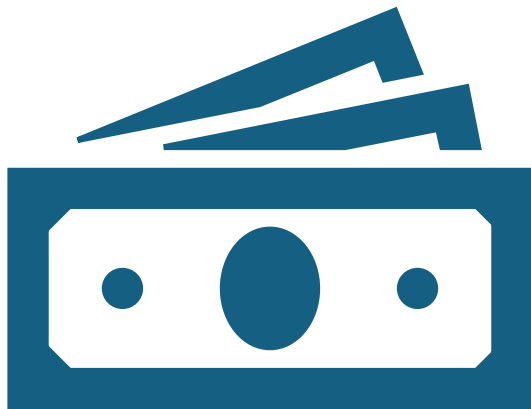
Twin Pines Water Supply Reliability and Fire Protection Upgrades



Twin Pines Water Supply Reliability and Fire Protection Upgrades

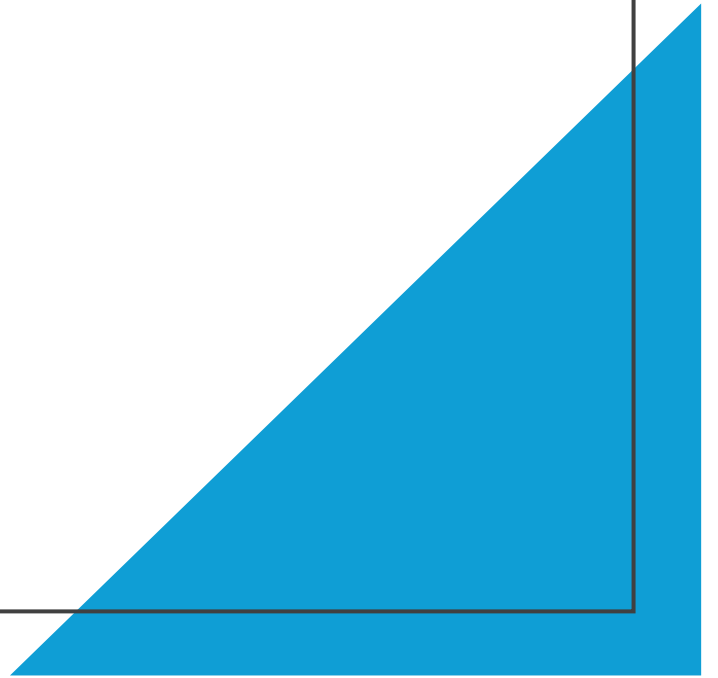


Recommendation



Authorize the General Manager to enter into an Agreement with the High Valleys Water District to provide Gap funding support to utilize Proposition 1 Integrated Regional Water Management Plan (IRWM) grant funds through the Department of Water Resources

Questions



AGREEMENT FOR PROVIDING GAP FUNDING
TO
HIGH VALLEYS WATER DISTRICT
RELATED TO APPROVED PROPOSITION 1 ROUND 2 INTEGRATED REGIONAL
WATER MANAGEMENT (IRWM) IMPLEMENTATION GRANT

This AGREEMENT FOR PROVIDING GAP FUNDING (“**Agreement**”) is made and entered into as of March ___, 2024, by and between the SAN GORGONIO PASS WATER AGENCY, a public agency formed under the San Gorgonio Pass Water Agency Law set forth in Act 1100 of the Water Code Uncodified Acts (“**SGPWA**”) and the HIGH VALLEYS WATER DISTRICT, a public agency organized and operating under the California Water District Law, Water Code section 34000 *et seq.* (“**HVWD**”). SGPWA and HVWD are sometimes individually referred to herein as a “**Party**” and collectively as the “**Parties**”.

RECITALS

A. HVWD and SGPWA are within the San Gorgonio Pass Integrated Regional Water Management Plan (“**Plan**”). The Plan provides a pathway for local agencies and stakeholders to collaboratively identify and implement water management solutions that provide multiple integrated benefits to stakeholders and communities within the San Gorgonio Region. SGPWA and HVWD participated in the development of the Plan, which is administered by the City of Banning (“**City**”).

B. HVWD succeeded in securing a Proposition 1, Round 2 IRWM Implementation Grant (“**Grant**”) to complete Project 1, identified as the Twin Pines Water Supply Reliability And Fire Protection Upgrades (“**Project**”), as set forth in that certain grant agreement with City, dated as of January 17, 2024 (“**City Agreement**”). A copy of the City Agreement is attached hereto as **Exhibit “A”**. The City Agreement documents that City will engage HVWD as a Subgrantee to complete the Project Scope of Work, which is an integral part of the State Grant Agreement between the State of California Department of Water Resources (“**DWR**”) and City

under Agreement Number 4600015401, pursuant to Chapter 7. Regional Water Security, Climate and Drought Preparedness.

C. The implementation of the Project will help reduce water losses, which helps meet the objectives of the Plan.

D. The Grant will be distributed quarterly to HVWD through the City as the disbursement administrator. Disbursements under the Grant can involve lengthy warrant procedures (“**Reimbursement Cycle**”). This time period may necessitate that HVWD advance its own funds to pay its contractors while awaiting reimbursement. As a small water system servicing disadvantaged communities, HVWD would likely have difficulty advancing the necessary sums and may risk losing the Grant as contractors require a much shorter invoice payment turnaround time in order to undertake the Project.

E. HVWD estimates the need for an advance of funds during one or more Reimbursement Cycles to cover Project costs. HVWD desires to enter into a gap funding agreement with SGPWA to avoid the loss of the Grant and potential abandonment of the Project.

F. SGPWA agrees to enter into a gap funding agreement with HVWD because the Project provides a benefit to the public by improving water supply reliability within the Plan area.

NOW THEREFORE, in consideration of the foregoing recitals and the promises and covenants contained herein, the Parties agree as follows:

1. **Incorporation of Recitals.** The above Recitals are hereby incorporated into the Agreement and made a part thereof by this reference.

2. **Purpose.** The purpose of this Agreement is to establish: (i) the manner, terms and conditions pursuant to which SGPWA will advance certain funds to HVWD; and (ii) the purposes for which HVWD may use the funds so advanced.

3. **Effective Date.** The Effective Date of this Agreement shall be _____, 2024.

4. **Term of Agreement.** Unless otherwise extended or earlier terminated, the term of this Agreement shall commence on the Effective Date and shall end on the date that HVWD repays the Advanced Funds, as defined below and as required under this Agreement (“**Term**”).

5. **Maximum Advanced Funds.** The maximum amount that may be requested by HVWD and advanced by SGPWA (“**Advanced Funds**”) shall not exceed the total of **Nine Hundred and Eighty-Four Thousand Three Hundred and Twenty-Four Dollars (\$984,324.00)** during any and all Reimbursement Cycles and during the term of this Agreement. Once the maximum amount of Advanced Funds is reached, SGPWA shall have no obligation to consider any further advance requests from HVWD.

6. **Payment Procedures to HVWD.** HVWD will submit to SGPWA a copy of the invoice or invoices, and accompanying backup documentation, that HVWD has submitted or intends to submit to City/DWR and for which HVWD is requesting Advanced Funds from SGPWA (“**Invoices**”). Subject to availability of funds as determined in SGPWA’s reasonable discretion, and the limitations set forth in Section 5 above, and provided HVWD is not otherwise in breach of any term of this Agreement, SGPWA will issue payment to HVWD in the amounts so requested within ____ days of receiving the Invoices. Notwithstanding anything to the contrary as may be set forth herein, all such requests shall be made no later than December 31, 2024.

(a) **Outstanding Gap Funding Agreements** It is hereby acknowledged that as of the Effective Date of this Agreement, SGPWA may be a party to one or more similar gap funding agreements with other entities. The reasonable discretion of SGPWA in determining whether, and in what amounts, to provide Advanced Funds to HVWD may be based on a number of factors including, but not limited to, the amount of advanced funds outstanding from all such gap funding agreements and the amount SGPWA has budgeted for all such gap funding agreements in the applicable fiscal year.

7. **Use of Advanced Funds.** HVWD may use the Advanced Funds solely to pay Project costs that are eligible for reimbursement under the terms of the City Agreement, and for no other purpose.

8. **Repayment of Advanced Funds to SGPWA.** The Parties agree as follows:

a. HVWD shall repay SGPWA the Advanced Funds in monthly or quarterly increments, on whichever of the following occurs first: (i) within 15 days of HVWD's receipt of Grant funds from a Reimbursement Cycle; or (ii) as other general funds become available as determined in HVWD's reasonable discretion. Said repayment obligation shall continue until the Advanced Funds are repaid to SGPWA in full; provided, however, that Advanced Funds not spent by HVWD at the time the Project is complete shall become immediately due and payable to SGPWA.

b. Upon expiration or earlier termination of this Agreement, whichever occurs first, all Advanced Funds that have not been spent by HVWD shall become immediately due and payable to SGPWA. HVWD's obligation to repay the Advanced Funds in full to Agency is not limited or extinguished by reason of the failure of City/DWR to distribute the Grant to HVWD. If necessary, the Parties shall negotiate in good faith a reasonable repayment schedule pursuant to which HVWD will repay to SGPWA the Advanced Funds for which HVWD expected but did not receive Grant disbursements from City/DWR. Said repayment schedule may include, in SGPWA's reasonable discretion, an interest rate at a rate as permitted by law.

c. HVWD's obligation to repay the Advanced Funds under this Section 8 shall survive the expiration or earlier termination of this Agreement.

d. Notwithstanding anything to the contrary as may be set forth herein, the repayment of any and all outstanding Advanced Funds shall be due and owing as of March 31, 2025.

9. **Indemnification.** HVWD shall indemnify and hold and save SGPWA, its officers, agents and employees free and harmless from any and all liabilities for any liens, claims and damages that may arise out of or in any way related to this Agreement and the Projects,

including without limitation any liens, claims and damages (including attorneys' fees) arising from or in any way related to planning, design, construction, maintenance and operation of the Projects and any breach of this Agreement. The indemnification obligation under this Section 9 shall survive the expiration or earlier termination of this Agreement.

10. No Partnership, Joint Venture or Agency Relation. Nothing in this Agreement shall be construed to render SGPWA in any way or for any purpose a partner, joint venture with HVWD, nor shall this Agreement be construed to authorize either Party to act as agent for the other.

11. Insurance. HVWD shall name SGPWA, SGPWA's officers, employees and agents as additional insureds on all insurance policies procured for the Projects.

12. Entire Agreement; Amendment. This Agreement contains the entire understanding between the Parties with respect to its subject matter, and supersedes all prior agreements, oral or written, and all prior or contemporaneous discussions or negotiations between the Parties. This Agreement cannot be amended except in a writing signed by both Parties.

13. No Waiver. Any failure or delay on the part of either Party to exercise any right under this Agreement shall not constitute a waiver of the right, and shall not preclude such Party from exercising or enforcing the right, or any other provision of this Agreement, on any subsequent occasion.

14. Notices. All notices or other communications required or desired to be given pursuant to this Agreement shall be in writing and shall be hand-delivered or sent by a reputable overnight courier service providing delivery confirmation. Each such notice or communication shall be deemed to be duly given when hand-delivered or one (1) day after being deposited for next day delivery with an overnight courier. Each such notice or communication shall be addressed to the Parties at the address noted on the signature page, or such other address as a Party notifies the other in writing.

15. Headings; Section References. Captions and headings appearing in this Agreement are inserted solely as reference aids for ease and convenience; they shall not be

deemed to define or limit the scope or substance of the provisions they introduce, nor shall they be used in construing the intent or effect of such provisions.

16. Severability. If any provision of this Agreement is finally determined by a court to be invalid or unenforceable as written, the provision shall, if possible, be enforced to the extent reasonable under the circumstances and otherwise shall be deemed deleted from this Agreement. The other provisions of this Agreement shall remain in full force and effect so long as the material purposes of the Agreement and understandings of the Parties are not impaired.

17. Binding Effect Assignment. This Agreement shall be binding on and inure to the benefit of the Parties, and their respective successors and permitted assigns. HVWD shall not have the right to assign its rights under this Agreement except with the prior written consent of SGPWA, which consent may be withheld at SGPWA's sole discretion.

18. Attorneys' Fees. In the event that any action or proceeding is brought to enforce one or more of the terms of this Agreement, to restrain an alleged violation of this Agreement, or to determine the validity of this Agreement or any part, the prevailing Party in any such action or proceeding shall be entitled to recover from the other its reasonable costs and attorneys' fees, in addition to any other remedies available to it in law or equity. If both Parties are successful in one or more causes of action during any such proceeding, the costs and fees shall be apportioned as determined by the court.

19. Governing Law and Venue. This Agreement is a contract governed in accordance with the laws of the State of California. The Parties hereby agree that venue for any action brought to enforce the terms of this Agreement shall be in a court of competent jurisdiction in the county of Riverside, California, and consent to the jurisdiction thereof.

20. Counterparts. Counterpart execution of this Agreement is hereby authorized, including electronic transmission of pdf or similar format, and each counterpart of this Agreement so executed shall, irrespective of the date of its execution and delivery, be deemed an original, and all such counterparts together shall constitute one and the same instrument.

21. Time of Essence. Time is of the essence of each and every term, condition, obligation and provision hereof.

22. No Obligations to Third Parties. Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights or benefit upon, nor obligate any Party to any person or entity other than the Parties.

[Signatures follow on the next page]

DRAFT

IN WITNESS WHEREOF, the Parties have executed this agreement as of the date first written above.

HVWD:

SGPWA:

HIGH VALLEYS WATER DISTRICT

SAN GORGONIO PASS WATER
AGENCY

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Address: _____

Address: _____

EXHIBIT "A"
CITY AGREEMENT

DRAFT

**AGREEMENT BETWEEN THE
THE CITY OF BANNING, CALIFORNIA
AND
HIGH VALLEYS WATER DISTRICT
FOR FUNDS FROM A PROPOSITION 1 ROUND 2 INTEGRATED REGIONAL
WATER MANAGEMENT (IRWM) IMPLEMENTATION GRANT TO THE SAN
GORGONIO REGION TO COMPLETE**

**PROJECT 1: TWIN PINES WATER SUPPLY RELIABILITY AND FIRE
PROTECTION UPGRADES**

THIS AGREEMENT is entered into this 17th day of January 2024, by and between the High Valleys Water District, hereinafter called "Subgrantee" or "Local Project Sponsor," and the City of Banning, hereinafter called "THE CITY" or "Grantee" for the purposes of completing PROJECT 1: TWIN PINES WATER SUPPLY RELIABILITY AND FIRE PROTECTION UPGRADES, hereinafter called "Project," and receiving reimbursement from the State Grant for a portion of Project expenses.

RECITALS

A. The City of Banning, California hereinafter called "THE CITY" or "Grantee" has agreed to enter into Agreement Number 4600015401, hereinafter called State Grant Agreement, with the Department of Water Resources of the State of California, hereinafter called "DWR" or "State," pursuant to Chapter 7. Regional Water Security, Climate, and Drought Preparedness (Wat. Code, § 79740 et seq.). The State funding will assist in financing the projects identified in the Grant Agreement associated with the adopted Integrated Regional Water Management (IRWM) Plan for the San Gorgonio Region. The State Grant Agreement (**Exhibit F**), and any subsequent amendments thereto, are incorporated herein by reference.

B. The term Local Project Sponsor (LPS) refers to the implementing agency intended to receive grant funding pursuant to said State Grant Agreement for work to be completed by LPS as set forth in said State Grant Agreement. LPS shall be assigned in accordance with the participating agencies identified in the State Grant Agreement. All work to be completed by LPS is referred to in this Agreement as "Project" and is defined as a group of activities as set forth in the State Grant Agreement **Exhibit A** (Work Plan); however, an individual LPS that enters into a Subgrantee Agreement with THE CITY for grant funds is responsible only for its portion of activities and not for activities proposed by any other LPS.

C. The parties acknowledge that THE CITY will administer the distribution of grant funds to each LPS pursuant to the State Grant Agreement. The LPS agrees to act on behalf of THE CITY

for the purposes of its individual Project management, oversight, compliance, and operations and maintenance. LPS is responsible for all other aspects of its Project in a manner to ensure THE CITY's compliance with the State Grant Agreement. LPS is solely responsible for design, construction, and operation and maintenance of the project it has proposed in State Grant Agreement, **Exhibit A**, Work Plan. Review or approval of plans, specifications, bid documents, or other construction documents by THE CITY or the State is solely for the purpose of proper administration of funds by THE CITY or the State and shall not be deemed to relieve or restrict responsibilities of the LPS under this Agreement.

D. The term of this Agreement begins on the date this Agreement is fully executed by both THE CITY and the Local Project Sponsor and ends on the termination date specified in the State Grant Agreement.

E. The parties desire to set forth the terms and conditions under which the Local Project Sponsor is to receive grant funds from THE CITY.

SECTION I SCOPE OF SERVICES

THE CITY hereby engages Subgrantee to complete the Project as forth in **Exhibit A**, Project Scope of Work, hereinafter referred to as **Exhibit A**, Work Plan, which is an integral part of the State Grant Agreement between the State of California Department of Water Resources and THE CITY of Banning, Agreement Number 4600015401, pursuant to Chapter 7. Regional Water Security, Climate, and Drought Preparedness (Wat. Code, § 79740 et seq.), hereinafter referred to as State Grant Agreement and incorporated as **Exhibit F** to this Agreement.

SECTION II COMPENSATION

A. GRANT REIMBURSEMENT SCHEDULE

Grant reimbursements payable to Subgrantee for services specified herein shall be in accordance with **Exhibit B**, Budget as shown in the State Grant Agreement. The cost of the Project is estimated to be \$984,324. Subgrantee agrees to be responsible for the Other Cost Share of the Project as shown in **Exhibit B**, Budget (\$20,000). Costs incurred after May 5, 2023 will be eligible for grant reimbursement and costs incurred after May 5, 2023 can be used as required local cost share. However, Grantee received 100% local cost share waiver.

B. METHOD OF PAYMENT

Reimbursement of funds expended by Subgrantee shall be based on work described in **Exhibit A**,

Work Plan. In order to receive disbursement of grant funds, Local Project Sponsor shall submit to THE CITY quarterly invoices for eligible project costs as defined in the State Grant Agreement Item 7 (Eligible Project Cost) in a form required by THE CITY. Supporting documentation as described in the State Grant Agreement Item 8 (Method of Payment) shall accompany each invoice. The documentation required by this paragraph shall be sent to:

Jennifer Jackson, Grants Coordinator
City of Banning
jjackson@banningca.gov

THE CITY shall request reimbursement from the State for Subgrantee's costs, subject to a finding by THE CITY that the invoice and supporting documentation are consistent with the requirements of **Exhibit F**, State Grant Agreement. Where THE CITY finds the invoice and supporting documentation for work to be unsatisfactory, THE CITY shall describe deficiencies in writing or by electronic mail (e-mail) to Subgrantee within ten (10) days. Subgrantee shall have the option of revising the invoice and supporting documentation to delete reimbursement requests for invoices that are deemed unsatisfactory or revising unsatisfactory invoices and resubmitting a reimbursement request. Payments to Subgrantee are due and payable within thirty (30) days after receipt of grant funds from the State. As specified in State Grant Agreement, Exhibit D.36, ten percent (10%) of the maximum payment shall be retained by State, until such time as State releases the retention to THE CITY. The final invoice for work performed shall be submitted by Subgrantee to THE CITY not later than 30 days after completion of Project work as set forth in **Exhibit C**, Schedule. THE CITY shall submit such invoice to State with request for release of retention(s) not later than 60 days after receipt of invoice.

C. MAXIMUM PAYMENT

Payments to Subgrantee for Project expenses incurred under this Agreement **shall not exceed \$964,324.**

SECTION III INSPECTION OF WORK

Authorized representatives of THE CITY shall have access to Subgrantee's offices or other work location during normal business hours for the purpose of review and inspection of work activities undertaken pursuant to this Agreement.

SECTION IV OWNERSHIP OF PROJECT REPORT

For the purposes of retaining records for any future audits, Subgrantee shall provide THE CITY electronic copies of all original documents, explanations of methods, maps, tables, computer

programs, reports and other documents prepared under this Agreement and described as deliverables in **Exhibit F**, State Grant Agreement. Subgrantee may be required to provide additional documents to the State. THE CITY shall forward to the State all such requested documents.

SECTION V TIME OF PERFORMANCE

Subgrantee shall begin work upon the effective date of the DWR Grant Agreement and shall complete all tasks described herein according to the schedule shown in **Exhibit C**, Schedule. Time is of the essence to the Agreement, and late performance may result in a termination of the Agreement pursuant to Section IX, Termination.

SECTION VI RESPONSIBILITIES

- A. Subgrantee agrees to secure at Subgrantee's own expense all personnel, materials, and related services required to perform the services under this Agreement. Subgrantee shall act as an independent contractor and not as an agent or employee of THE CITY. Subgrantee shall have exclusive and complete control over Subgrantee's employees and subcontractors and shall determine the method of performing the services hereunder.
- B. THE CITY shall provide Subgrantee with all data and documents in its possession related to the State Grant as requested.
- C. Subgrantee shall perform the work and provide the documentation required of THE CITY or pertinent to Local Project Sponsor's Project in a timely manner as set forth, without limitation, in **Exhibit A**, Work Plan. Notwithstanding the foregoing, any documents or information required to be submitted to the State, Department of Water Resources, agents of the Department of Water Resources, agents of the State, shall be submitted by Subgrantee to THE CITY for submittal by THE CITY to the appropriate party designated in the State Grant Agreement.
- D. Subgrantee agrees to provide all required reports as specified in State Grant Agreement Item 14 (Submission of Reports), **Exhibit F**, according to a format and schedule as specified by THE CITY. This pertains to the quarterly Progress Report, Final Report, and Post-Performance Reports.
- E. Subgrantee shall coordinate and arrange for all meetings required to be held with other agencies or persons hereunder for the Project work specified in **Exhibit A**, Work Plan. Subgrantee shall be responsible for the reproduction of work produced by Subgrantee hereunder.
- F. THE CITY is to provide administrative services for the benefit of Local Project Sponsor and other local project sponsors, in the administration of this Agreement and the State Grant

Agreement. THE CITY is to receive compensation via grant reimbursement for these services as set forth in the State Grant Agreement Exhibits A and B (Work Plan and Budget).

G. THE CITY agrees to provide grant administrative services for the term specified in the State Grant Agreement. In the event the terms or conditions of the State Grant Agreement are changed to accommodate the Local Project Sponsor, THE CITY shall be reimbursed by the Subgrantee for any additional administrative costs that are solely attributable to grant administration occurring beyond the original scope of work described in the State Grant Agreement.

H. Subgrantee acknowledges that State Grant Agreement Item 5 (Basic Conditions) establishes the State shall have no obligation to disburse money for the Project under this Agreement until THE CITY, and as applicable the Subgrantee, has satisfied all the applicable conditions specified in Item 5.

I. Subgrantee acknowledges its responsibility to comply with the applicable provisions of the State Grant Agreement Exhibit D. Standard Conditions. Special attention is directed to State Grant Agreement Section D5 "Audits." Subgrantee may be required to share in expenses associated with an audit and shall be required to maintain records for at least three 3) years after Project completion.

J. The Subgrantee agrees to indemnify, defend and save harmless THE CITY, its officers, agents and employees, from any and all claims and losses accruing or resulting to any and all subcontractors, material suppliers, laborers and any other person, firm or corporation who may be injured or damaged by the negligent acts, errors, and/or omissions of the Subgrantee, Subgrantee's employees, or Subgrantee's subcontractors or sub-subcontractors in the performance of this Agreement.

K. Subgrantee agrees to perform all work for the Project under this Agreement in compliance with the terms and conditions of **Exhibit F**, State Grant Agreement.

SECTION VII INSURANCE

The Subgrantee shall procure, purchase at its expense and maintain in full force and effect such insurance as will protect it from claims, damages, losses, liability, costs, and expenses as set forth herein which may arise out of or result from or in any way connected with the Subgrantee's activities, work, services, and/or operations performed by the Subgrantee under this Agreement, whether such activities or operations be by itself or by any subcontractor or by any sub-subcontractor or by anyone directly or indirectly employed by any of them, or by anyone else for whose acts the Subgrantee or any of them is or may be liable. The procurement and maintenance by the Subgrantee of policies required under this Agreement shall not relieve, limit or satisfy Subgrantee's obligation to indemnify, defend and save harmless THE CITY, its officers, directors, agents and employees pursuant to Section VIII of this Agreement.

A. Subgrantee represents that Subgrantee will, prior to commencement of work pursuant to this agreement, name and endorse on to his Comprehensive General Liability insurance policy THE CITY and the State, its officers, agents and employees as "an insured" with respect to liability arising out of the activities, services, operations or work performed by Subgrantee for THE CITY (ISO form CG 20 09 11 85 or its equivalence). Subgrantee shall obtain and keep in full force and effect insurance policies and in appropriate limits as specified by the Insurance Requirements (**Exhibit D**) and shall require any subcontractor or sub-subcontractor to provide evidence of similar liability insurance coverages.

B. Subgrantee shall add to Subgrantee's Comprehensive General Liability insurance policy a severability interest clause or such similar wording if Subgrantee's policy does not automatically have this clause already written into it. Such language shall be similar to: "The insurance afforded applies separately to each insured against whom claim is made or suit is brought, including claims made or suits brought by any person included within the persons insured provision of this insurance against any other such person or organization."

C. All policies carried by Subgrantee shall contain a provision or be endorsed to state that coverage as respects to THE CITY and the State, its officers, agents and employees shall not be suspended, voided, canceled or non-renewed except after the insurance company has given to THE CITY at least forty-five (45) days prior written notice to the address shown below prior to any such termination of coverage becomes effective.

D. Subgrantee shall, on all policies or coverages required to be carried by Subgrantee pursuant to this Agreement, give THE CITY forty-five (45) days prior written notice by certified mail, return receipt requested, to the address shown below notification of any limitations, reductions or material change in coverage or in limits available.

E. Prior to the execution of the Agreement, Subgrantee shall file with THE CITY certificates of insurance coverage actually in force required to be carried by Subgrantee pursuant to this Section VII and Insurance Requirements (**Exhibit D**). With respect to each renewal or replacement of any such insurance, the requirements of this paragraph must be complied with not less than forty-five (45) days prior to the expiration or cancellation of the policy being renewed or replaced.

F. All insurance policies carried by or available to Subgrantee shall be primary and not excess nor contributing with any insurance issued to or available to THE CITY. Any insurance or self-insurance maintained or carried by THE CITY shall be excess of the Subgrantee's insurance and shall not participate in nor contribute with such insurance carried by or available to Subgrantee. THE CITY will not be responsible for any payment of premiums due as a result of compliance with the terms and conditions of the insurance requirements. The cost of such insurance shall be borne solely by the Subgrantee.

G. In the event Subgrantee elects to utilize existing policies to meet insurance requirements specified herein for comprehensive general liability and or professional errors and omissions coverages, Subgrantee shall provide an accurate history of claims filed against either of those policies during the past twenty-four (24) months along with amounts paid and reserves outstanding.

H. THE CITY shall be under no duty either to ascertain the existence of or to examine such insurance policies or to advise Subgrantee in the event such insurance coverage does not comply with the requirements hereof. However, THE CITY may, at any time, and from time to time, inspect and copy any and all insurance policies, endorsements, certificates and correspondence required to be carried by Subgrantee pursuant to this Agreement.

SECTION VIII INDEMNIFICATION

Subgrantee shall defend, indemnify and hold and save THE CITY, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement caused by the negligence acts, errors, and/or omissions of the Subgrantee, including, but not limited to any claims or damages arising from planning, design, construction, maintenance and/or operation of this Project and any breach of this Agreement caused by the negligence acts, errors, and or omissions of the Subgrantee.

THE CITY shall defend, indemnify and hold and save Subgrantee, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement caused by the negligence acts, errors, and/or omissions of THE CITY, including, but not limited to any claims or damages arising from any breach of this Agreement caused by the negligence acts, errors, and, or omissions of THE CITY.

SECTION IX CHANGES AND CHANGED CONDITIONS

If, during the course of the work herein contemplated, the need to change the Project Work Plan or the time schedule should arise, for whatever reasons, whichever party first identifies such need to change shall notify the other party in writing. The representatives of the parties shall meet within seven (7) working days of the date of such notice, to discuss the need for change so identified and to set the proposed action to be taken by the parties. A change in the Project Work Plan may also result in a change in the compensation amount. Compensation changes shall be based upon the Project Budget (**Exhibit B**) attached hereto. Any changes agreed to shall be documented by duly executed amendments to this Agreement and to **Exhibit F**, State Grant Agreement.

SECTION X TERMINATION

THE CITY may terminate this Agreement by written notice to Subgrantee at any time prior to completion of work described in **Exhibit A**, Work Plan, at the option of THE CITY, upon violation

by the Subgrantee of any material provision after such violation has been called to the attention of the Subgrantee and after failure by the Subgrantee to bring itself into compliance with the provisions of this Agreement within a reasonable time as established by THE CITY. In the event of such termination, the Subgrantee agrees, upon demand, to immediately repay to THE CITY an amount equal to the amount of grant funds disbursed to the Subgrantee prior to such termination, if such a demand is made by the State. In the event of termination, interest shall accrue on all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to the Subgrantee to the date of full repayment by the Subgrantee. In addition, Subgrantee agrees to pay all costs incurred by THE CITY to recover such funds.

SECTION XI SUB-CONTRACTING

Subgrantee agrees that all provisions in the State Grant Agreement applying to Subgrantee shall also apply to its sub-contractors.

SECTION XII NONDISCRIMINATION AND FAIR EMPLOYMENT

During the performance of this Agreement, the Subgrantee and its contractors shall comply with the requirements in State Grant Agreement, **Exhibit F**.

SECTION XIII DRUG-FREE WORKPLACE CERTIFICATION

Certification of Compliance: Subgrantee, its contractors or subcontractors shall certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code 8350 et seq.) and have or will provide a drug-free workplace. Prior to commencement of work pursuant to this agreement, the Subgrantee, and all sub-subgrantees and subcontractors performing any portion of the work, shall complete and submit to THE CITY a Drug-Free Workplace Certification (**Exhibit E**).

SECTION XIV INTEREST OF SUBGRANTEE

During the performance of this Agreement, the Subgrantee and its contractors shall comply with the requirements in State Grant Agreement, **Exhibit F**.

SECTION XV
CONTINGENT FEES

Subgrantee warrants that Subgrantee has not employed or retained any company or person, other than a bona fide employee working solely for the Subgrantee to solicit or secure this Agreement, and that Subgrantee has not paid or agreed to pay any company, or person, other than a bona fide employee working solely for Subgrantee, any fee, commission, percentage, brokerage fee, gifts, or other consideration, contingent upon or resulting from the award or making of this Agreement. For breach of violation of this warranty, THE CITY shall have the right to annul this Agreement without liability or at its discretion to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage, gift or contingent fee.

SECTION XVI
DISPUTES

In the event of a dispute arising out of the performance of this Agreement either party shall, as soon as a conflict is identified, submit a written statement of the conflict to the other party. Within five (5) working days of receipt of such a statement of conflict, the second party will respond and a meeting will be arranged not more than five (5) working days thereafter to arrive at a negotiated settlement or procedure for settlement. If, within twenty (20) working days from the initial filing of a statement of conflict an agreement cannot be reached, it is agreed that the dispute may be resolved in a court of law competent to hear this matter. This Agreement shall be construed in accord with California law and it is agreed that venue shall be in the County of Riverside. The prevailing party shall be awarded costs of suit, and attorneys' fees.

SECTION XVII
NOTICES

All communications to either party by the other shall be deemed given when made in writing and delivered or mailed to such party at its respective address, as follows:

GRANTEE:	City of Banning 99 E. Ramsey St. P.O. Box 998 Banning, CA 92220-0998
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SUBGRANTEE:	High Valleys Water District 47781 Twin Pines Road Banning, CA 92220
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SECTION XVIII
AMENDMENTS

This Agreement together with **Exhibits A through F** sets forth the entire understanding of the parties with respect to the subject matter herein. There are no other agreements expressed or implied, oral or written, except as set forth herein. This Agreement may not be amended except upon written amendment, executed by both parties hereto.


SECTION XIX
ATTACHMENTS

The following exhibits attached hereto and referred to in the preceding sections are, by reference, incorporated herein and made an integral part of this Agreement:

- Exhibit A.** Work Plan
- Exhibit B.** Project Schedule
- Exhibit C.** Project Budget
- Exhibit D.** Insurance Requirements
- Exhibit E.** Drug-Free Workplace Policy and Certification
- Exhibit F.** Grant Agreement between the State of California Department of Water Resources and the City of Banning, Agreement Number 4600015401, Proposition 1 Round 2 Integrated Regional Water Management (IRWM) Implementation Grant

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement effective as of the day and year first above written.

CITY OF BANNING

SIGNED: 
BY: DOUGLAS SCHULZE
TITLE: CITY MANAGER

HIGH VALLEYS WATER DISTRICT


SIGNED: 
BY: Curtis S. Haughton
TITLE: General Manager
FEDERAL TAX ID: 95-2798225

EXHIBIT A – WORK PLAN

See Exhibit A to State Grant Agreement No. 4600015401

PROJECT 1: TWIN PINES WATER SUPPLY RELIABILITY AND FIRE PROTECTION UPGRADES

EXHIBIT B – BUDGET

See Exhibit B to State Grant Agreement No. 4600015401

PROJECT 1: TWIN PINES WATER SUPPLY RELIABILITY AND FIRE PROTECTION UPGRADES

EXHIBIT C – SCHEDULE

See Exhibit C to State Grant Agreement No. 4600015401

PROJECT 1: TWIN PINES WATER SUPPLY RELIABILITY AND FIRE PROTECTION UPGRADES

EXHIBIT D -- INSURANCE REQUIREMENTS

I. Minimum Scope and Limits of Insurance

Subgrantee shall procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

A. Commercial General Liability Insurance with a minimum limit of \$1,000,000.00 per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of \$2,000,000.00 per project or location.

B. Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of \$1,000,000.00 per accident for bodily injury and property damage. If Subgrantee does not use any owned, non-owned or hired vehicles in the performance of Services under this Agreement, Subgrantee shall obtain a non-owned auto endorsement to the Commercial General Liability policy.

C. Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of \$1,000,000.00 per accident for bodily injury or disease. If Subgrantee has no employees while performing Services under this Agreement, workers' compensation policy is not required; however, Subgrantee shall execute a declaration that it has no employees.

D. Professional Liability/Errors and Omissions Insurance with minimum limits of \$1,000,000.00 per claim and in the aggregate.

II. Acceptability of Insurers.

The insurance policies required under this Article shall be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self-insurance shall not be considered to comply with the insurance requirements under this Article.

III. Additional Insured.

The commercial general and automobile liability policies shall contain an endorsement naming THE CITY, its officers, employees, agents and volunteers as additional insureds.

IV. Primary and Non-Contributing.

The insurance policies required under this Article shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to THE CITY. Any insurance or self-insurance maintained by THE CITY, its officers, employees, agents or volunteers, shall be in excess of Subgrantee's insurance and shall not contribute with it.

V. Subgrantee's Waiver of Subrogation.

The insurance policies required under this Article shall not prohibit Subgrantee and Subgrantee's employees, agents or sub-contractors from waiving the right of subrogation prior to a loss. Subgrantee hereby waives all rights of subrogation against THE CITY.

VI. Deductibles and Self-Insured Retentions.

Any deductibles or self-insured retentions must be declared to and approved by THE CITY. At THE CITY's option, Subgrantee shall either reduce or eliminate the deductibles or self-insured retentions with respect to THE CITY; or Subgrantee shall procure a bond guaranteeing payment of losses and expenses.

VII. Cancellations or Modifications to Coverage.

Subgrantee shall not cancel, reduce or otherwise modify the insurance policies required by this Article during the term of this Agreement. The commercial general and automobile liability policies required under this Agreement shall be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail 30 days' prior written notice to THE CITY. If any insurance policy required under this Article is canceled or reduced in coverage or limits, Subgrantee shall, within two (2) Business Days of notice from the insurer, phone, fax or notify THE CITY via certified mail, return receipt requested, of the cancellation of or changes to the policy.

EXHIBIT E -- DRUG-FREE WORKPLACE POLICY CERTIFICATION

EXHIBIT F

Grant Agreement

between

The State of California Department of Water Resources

and

The City of Banning,

Agreement Number 4600015401

Proposition 1 Round 2 Integrated Regional Water Management (IRWM) Implementation Grant

San Gorgonio Pass Water Agency
 Gap Funding Program
 Cabazon Water District Tracking
 Report Date: March 20, 2024

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

Date	Request Amount	Paid Date	Check #
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

Date	Rec'd Amount	Check #
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