



# San Geronio Pass Water Agency

DRAFT BUDGET FY 2024-25

## FROM THE GENERAL MANAGER



Lance Eckhart, PG, CHG

I am pleased to present the proposed budget for the fiscal year 2024. This budget is crafted to strengthen our agency’s foundation while advancing strategic initiatives that ensure a sustainable and secure water future for our region.

### **Strategic Alignment and Budget Overview**

Aligned with our Five-Year Strategic Plan, this budget supports our mission to enhance water supply reliability, ensure financial stability, and sustain our infrastructure resilience. In the General Fund budget, we anticipate approximately \$30 million in revenues and project to spend approximately \$21 million, with strategic allocations designed to maximize our impact and fulfill our commitment to the community.

### **Forward-Focused Investment**

A pivotal element of our strategy for both the General Fund and Debt Service Fund involves positioning SGPWA to invest in a variety projects through the various budgeting processes. This includes our participation in “generational projects” like the Sites Reservoir and the Delta Conveyance Project. These initiatives, along with local projects, are crucial for enhancing the long-term reliability and sustainability of water supplies for the region. Our financial commitment to regional and inter-regional projects reflects our proactive approach to securing water resources that will benefit generations to come.

### **Enhancing Regional Water Importation and Collaboration**

Recognizing the critical need for a reliable water supply, the General Fund budget prioritizes investments to improve and expand our capacity to bring imported water into our service area and support our local stakeholders where our goals overlap. These holistic efforts are vital to meet the growing economic development, mitigate the impacts of drought, and support our regional partners to incorporate an “all of the above” approach to local water supplies and resiliency.

### **Key Financial Strategies and Capital Investments**

*Infrastructure Enhancements:* Significant funds are allocated to maintain our infrastructure and expand groundwater recharge facilities, ensuring we can maintain supply during critical periods.

*Sustainability Projects:* Our commitment to sustainable practices is reinforced through targeted investments in groundwater basin management and water conservation for the Beaumont Basin and the two Groundwater Sustainability Agencies in the service area.

*Community Engagement:* Budget provisions for public outreach and educational programs will enhance community understanding and support for our strategic water management initiatives.

### **Financial Projections and Health**

We remain committed to maintaining a strong financial position, with conservative revenue estimates and a detailed assessment of our operational needs and strategic investments. This approach ensures our readiness to address both current and future challenges.

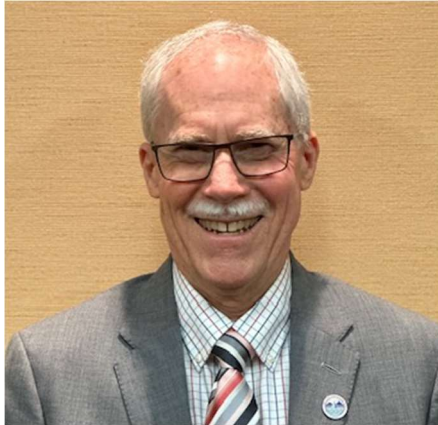
### **Conclusion**

This budget is part of a strategic roadmap designed to ensure SGPWA remains a leader in water resource management. It balances our immediate needs with our collaborative vision for future generations, ensuring we continue to provide exceptional value, service, and stewardship for the region.

Respectfully,

A handwritten signature in black ink, appearing to read "James E. Cook". The signature is stylized with a large initial "J" and "E".

## FROM THE CHIEF FINANCIAL OFFICER



Thomas W. Todd, Jr.

*“A budget is a spending plan that helps manage an organization, not a program limit.”*

Some see the budget process as a difficult exercise, while others see it as something to be done and shelved. The Board and Staff of the Agency have always taken the process seriously. Not only is the budget an integral part of our internal controls, but it is also an important guide for Agency activities in the years ahead.

Before looking at the proposed General Fund budget for FY 2024-25, I'd like to briefly examine the current fiscal year. For FY 2023-24, the budget is projected to increase reserves by about \$3 million at year-end. While income and expense for water sales and water purchases were both reduced by about \$2 million and therefore balance their changes in income and expense, expenses for both Consulting and Engineering Services and Capital Expenditures are expected to be less than budgeted, making up most of the surplus. Almost all categories are expected to be within budget at year-end.

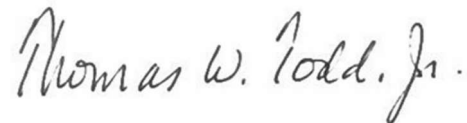
Income for FY 2024-25 is projected to increase. While less is projected for water sales, tax revenue is expected to increase by about 5%. The big increase will be from a new category, Grant Revenue. Five grant awards are anticipated to fund four separate projects. Grant funding usually happens on the basis of reimbursements submitted to the granting agencies, but a couple of the projects are projected to be completed quickly, so reports and requests for reimbursements can also be submitted quickly. Note that the budget projects grant-funded expenditures in FY 2024-25, but income (grant reimbursements) to cover those expenses may not be received until FY 2025-26. Total income is projected to be about \$25.9 million.

On the expense side, some new line items have been added: Succession Planning, Monitoring Well Drilling, Heli-Hydrant, Front Landscaping, and Vehicles. Some line items have been deleted: Contract Operations and Water Treatment Expense will be transferred to the Debt Service budget; Infrastructure and Easement Inventory and Discharge Permit will be transferred to Agency Engineer; and Strategic Plan Update is complete. In addition, Public Information, Adult Education and Social Media, and Conservation, Education, and Public Relations are combined into Public Information and Education and placed in the Conservation and Education sub-category. Total expenses are projected to be about \$20.8 million.

The Gap Funding program has also expanded. South Mesa Water Company and High Valleys Water District have been added to the program. A net expense is projected at year-end; offsetting income is expected to be received in the next fiscal year.

Overall, the budget reflects the Agency's commitment to using resources wisely and, at the same time, moving ahead with major projects to meet our commitments to provide an adequate water supply to our region.

Respectfully,

A handwritten signature in cursive script that reads "Thomas W. Todd, Jr.".



# Board of Directors 2024



**Larry Smith**  
Director, Division 5



**Dr. Blair M Ball**  
Director, Division 4



**Ron Duncan**  
Director, Division 1



**Mickey Valdivia**  
President, At Large No. 1



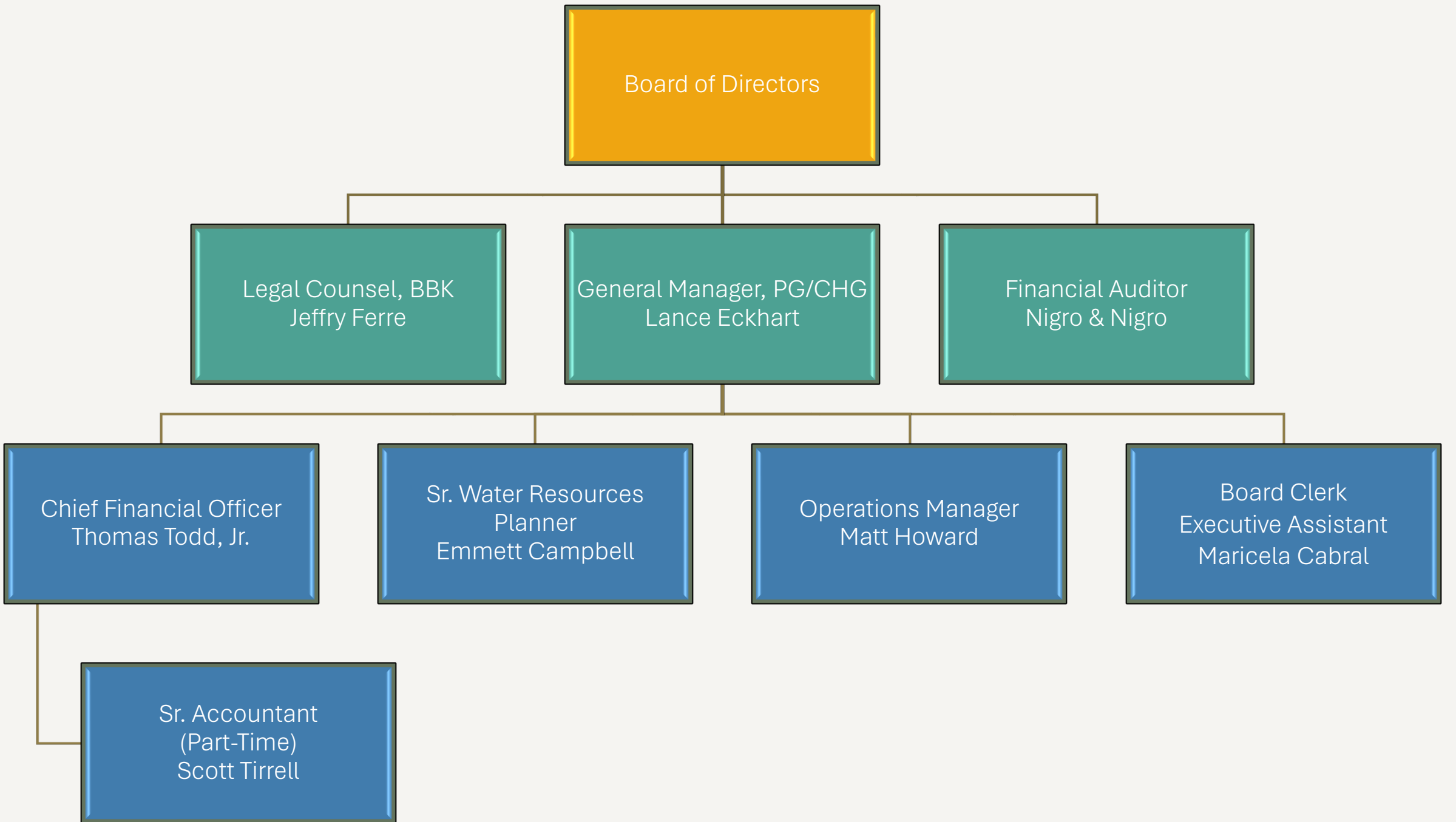
**Kevin Walton**  
Secretary, Division 3



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**Robert Ybarra**  
Treasurer, At Large No. 2



**SAN GORGONIO PASS WATER AGENCY**  
**DRAFT GENERAL FUND AND CONSIGNED FUND BUDGET FOR FY 2024-25**  
**BASED ON APRIL 2024 BUDGET REPORT**

DRAFT

FISCAL YEAR JULY 1, 2023 - JUNE 30, 2024				FY JULY 1, 2024 - JUNE 30, 2025	
1	2	3	4	5	6
TOTAL REVISED BUDGET	ACTUAL MARCH 2024	PROJECTED YEAR END	REMAINING PERCENT	PROPOSED FY 2024-25	%Projected to Proposed

**GENERAL FUND**

<b>GENERAL FUND - INCOME</b>							
1	WATER SALES	7,800,000	3,890,206.11	5,200,000	-33.3%	7,100,000	36.5%
2	<b>NEW - OTHER WATER SALES</b>					0	
3	TAX REVENUE	11,800,000	5,823,716.16	11,800,000	0.0%	12,400,000	5.1%
4	INTEREST	130,000	250,924.61	313,656	141.3%	290,000	-7.5%
5	GOV'T CONTRIBUTIONS	50,000	0.00	42,000	-16.0%	42,000	0.0%
6	<b>NEW - GRANT REVENUE</b>					6,000,000	
7	OTHER MISCELLANEOUS INCOME	10,000	2,438.45	3,048	-69.5%	35,000	1048.3%
8	<b>TOTAL GENERAL FUND INCOME</b>	<b>19,790,000</b>	<b>9,967,285</b>	<b>17,358,704</b>	<b>-12.3%</b>	<b>25,867,000</b>	<b>-100.0%</b>
<b>GENERAL FUND - EXPENSES</b>							
11	<b>COMMODITY PURCHASE</b>						
12	PURCHASED WATER FOR DELIVERY	9,100,000	6,406,283.33	8,007,854	12.0%	8,500,000	6.1%
13	PURCHASED WATER FOR BANKING (FUTURE SALE)	2,000,000	922,678.00	922,678	53.9%	1,000,000	8.4%
14	<b>TOTAL COMMODITY PURCHASE</b>	<b>11,100,000</b>	<b>7,328,961</b>	<b>8,930,532</b>	<b>19.5%</b>	<b>9,500,000</b>	<b>6.4%</b>
16	<b>SALARIES AND EMPLOYEE BENEFITS</b>						
17	SALARIES	630,000	456,192.02	570,240	9.5%	640,000	12.2%
18	PAYROLL TAXES	63,000	38,769.21	48,462	23.1%	52,000	7.3%
19	PAYROLL SERVICE	5,000	3,663.60	4,580	8.4%	6,000	31.0%
20	RETIREMENT	135,000	79,827.37	99,784	26.1%	250,000	150.5%
21	OTHER POST-EMPLOYMENT BENEFITS (OPEB)	75,000	50,256.60	81,000	-8.0%	145,000	79.0%
22	HEALTH INSURANCE	80,000	37,101.96	46,377	42.0%	54,000	16.4%
23	ACWA BENEFITS	10,000	5,343.74	7,000	30.0%	9,000	28.6%
24	DISABILITY INSURANCE	6,000	3,594.41	4,493	25.1%	6,000	33.5%
25	WORKERS COMPENSATION INSURANCE	5,000	2,265.70	4,600	8.0%	6,000	30.4%
26	SGPWA STAFF MEDICAL REIMBURSEMENT	10,000	5,075.71	6,345	36.6%	11,000	73.4%
27	EMPLOYEE EDUCATION	4,000	0.00	0	100.0%	4,000	no change
28	<b>TOTAL SALARIES AND EMPLOYEE BENEFITS</b>	<b>1,023,000</b>	<b>682,090</b>	<b>872,880</b>	<b>14.7%</b>	<b>1,183,000</b>	<b>35.5%</b>



**SAN GORGONIO PASS WATER AGENCY**  
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**GENERAL FUND - EXPENSES**

31	<b>ADMINISTRATIVE AND PROFESSIONAL SERVICES</b>						
32	DIRECTOR EXPENDITURES						
33	DIRECTORS FEES	264,000	137,816.02	172,270	34.7%	275,000	59.6%
34	DIRECTORS TRAVEL AND EDUCATION	50,000	57,020.57	71,276	-42.6%	80,000	12.2%
35	DIRECTORS MEDICAL REIMBURSEMENT	46,000	14,255.25	17,819	61.3%	43,000	141.3%
36	OFFICE EXPENDITURES						
37	OFFICE EXPENSE	20,000	38,428.51	45,000	-125.0%	40,000	-11.1%
38	POSTAGE	1,000	67.28	84	91.6%	1,000	1089.1%
39	TELEPHONE	10,000	5,644.69	7,056	29.4%	8,000	13.4%
40	UTILITIES	15,000	2,757.29	3,447	77.0%	5,000	45.1%
41	SERVICE EXPENDITURES						
42	COMPUTER, WEBSITE AND PHONE SUPPORT	50,000	45,128.47	54,000	-8.0%	54,000	0.0%
43	GENERAL MANAGER AND STAFF TRAVEL	25,000	18,182.41	22,728	9.1%	25,000	10.0%
44	<b>NEW</b> SUCCESSION PLANNING	0	0.00	0		65,000	
45	INSURANCE AND BONDS	35,000	48,783.65	49,000	-40.0%	55,000	12.2%
46	ACCOUNTING AND AUDITING	23,000	20,000.00	20,000	13.0%	22,000	10.0%
47	DUES AND ASSESSMENTS	45,000	41,488.00	42,000	6.7%	45,000	7.1%
48	OTHER PROFESSIONAL SERVICES	75,000	24,945.41	35,000	53.3%	35,000	0.0%
49	PUBLIC INFORMATION	60,000	9,626.03	45,000	25.0%		
50	BANK CHARGES	1,000	25.00	31	96.9%	1,000	
51	MISCELLANEOUS EXPENSES	2,000	0.00	0	100.0%	1,000	reduced
52	MAINTENANCE AND EQUIPMENT EXPENDITURES						
53	TOOLS PURCHASE AND MAINTENANCE	3,000	103.14	129	95.7%	2,000	1451.3%
54	MAINTENANCE AND REPAIRS - VEHICLE	10,000	745.31	6,000	40.0%	10,000	66.7%
55	MAINTENANCE AND REPAIRS - BUILDING	30,000	15,391.69	20,000	33.3%	40,000	100.0%
56	MAINTENANCE AND REPAIRS - FIELD	40,000	31,688.02	45,000	-12.5%	50,000	11.1%
57	CONTRACT OPERATIONS AND MAINTENANCE	220,000	54,597.09	55,000	75.0%		
58	WATER TREATMENT EXPENSE	130,000	35,626.37	36,000	72.3%		
59	COUNTY EXPENDITURES						
60	LAFCO COST SHARE	9,000	8,282.94	8,300	7.8%	10,000	20.5%
61	ELECTION EXPENSE	0	0.00	0	#DIV/0!	150,000	#DIV/0!
62	TAX COLLECTION CHARGES	52,000	32,127.50	52,000	0.0%	60,000	15.4%
63	<b>TOTAL ADMINISTRATIVE AND PROFESSIONAL SERVICES</b>	<b>1,216,000</b>	<b>642,731</b>	<b>807,140</b>	<b>33.6%</b>	<b>1,077,000</b>	<b>100.0%</b>

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**GENERAL FUND - EXPENSES**

66	<b>CONSULTING AND ENGINEERING SERVICES</b>						
67	PLANS & CONSTRUCTION						
68	INFRASTRUCTURE PLAN - Phase 2	25,000	5,913.20	7,392	70.4%	25,000	238.2%
69	BACKBONE INFRASTRUCTURE STUDY AND DESIGN	150,000	12,325.00	15,406	89.7%	150,000	873.6%
70	BUNKER HILL BANKING AND RECOVERY PROGRAM	75,000	0.00	0	100.0%	75,000	#DIV/0!
71	CALIMESA AREA RECHARGE	250,000	43,103.04	53,879	78.4%	1,250,000	2220.0%
72	SMALL SYSTEM ASSISTANCE PROGRAM	150,000	83,544.54	104,431	30.4%	180,000	72.4%
73	SIGNAGE AND FRONTAGE BROOKSIDE EAST	100,000	0.00	0	100.0%	75,000	#DIV/0!
74	<b>NEW</b> MONITORING WELL DRILLING					2,300,000	
75	<b>NEW</b> HELI-HYDRANT					1,800,000	
76	OTHER PROJECTS						
77	WATER BANKING INVESTIGATIONS	100,000	0.00	0	100.0%	25,000	#DIV/0!
78	SAN GORGONIO GSA	50,000	15,438.60	19,298	61.4%	50,000	159.1%
79	YUCAIPA GSA VERBENIA GSA	10,000	0.00	0	100.0%	10,000	#DIV/0!
80	FLUME MONITORING AND SUPPORT	30,000	0.00	0	100.0%	30,000	#DIV/0!
81	STUDIES AND REPORTS						
82	FINANCIAL MODELING + RATE STUDY	70,000	5,320.00	6,650	90.5%	90,000	1253.4%
83	USGS STUDIES AND MONITORING	250,000	166,143.48	207,679	16.9%	300,000	44.5%
84	<del>INFRASTRUCTURE AND EASEMENT INVENTORY</del>	75,000					
85	<del>DISCHARGE PERMIT</del>	25,000					
86	WATER PORTFOLIO	125,000	80,089.10	100,111	19.9%	100,000	-0.1%
87	LOCAL SUPPLIES	50,000	11,515.02	14,394	71.2%	50,000	247.4%
88	LOCAL RECHARGE FEASIBILITY STUDIES/PLANNING	700,000	8,325.00	10,406	98.5%	750,000	7107.2%
89	UWMP SUPPORT AND ANNUAL REPORT COMPLETION	25,000	0.00	0	100.0%	25,000	#DIV/0!
90	<del>STRATEGIC PLAN UPDATE</del>	20,000	11,956.25	14,945	25.3%		
91	GENERAL ENGINEERING SERVICES						
92	AGENCY ENGINEER	250,000	0.00	0	100.0%	250,000	#DIV/0!
93	GRANT SUPPORT SERVICES	75,000	40,462.50	50,578	32.6%	75,000	48.3%
94	FEDERAL - STATE ADVOCATE	30,000	0.00	0	100.0%	30,000	#DIV/0!
95	SAWPA REGIONAL PROJECTS	36,000	29,071.05	36,339	-0.9%	36,000	-0.9%
96	GENERAL ENGINEERING and ENVIRONMENTAL	150,000	0.00	0	100.0%	75,000	#DIV/0!
97	<b>TOTAL CONSULTING AND ENGINEERING SERVICES</b>	<b>2,821,000</b>	<b>513,207</b>	<b>641,508</b>	<b>77.3%</b>	<b>7,751,000</b>	<b>1108.2%</b>

**SAN GORGONIO PASS WATER AGENCY**  
**DRAFT GENERAL FUND AND CONSIGNED FUND BUDGET FOR FY 2024-25**  
**BASED ON APRIL 2024 BUDGET REPORT**

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**GENERAL FUND - EXPENSES**

101	<b>LEGAL SERVICES</b>						
102	LEGAL SERVICES	150,000	134,794.06	168,493	-12.3%	200,000	18.7%
103	<b>TOTAL LEGAL SERVICES</b>	150,000	134,794	168,493	-12.3%	200,000	18.7%
105	<b>CONSERVATION AND EDUCATION</b>						
106	SCHOOL EDUCATION PROGRAMS	45,000	0.00	45,000	0.0%	60,000	33.3%
107	<b>NEW NAME:</b> PUBLIC INFORMATION AND EDUCATION	10,000	9,000.00	18,000	-80.0%	170,000	844.4%
108	SPONSORSHIPS	6,000	9,745.00	12,181	-103.0%	0	-100.0%
109	<b>NEW:</b> TRANSFER TO PASS FOUNDATION	0	0.00	0		32,000	
110	CONSERVATION, EDUCATION AND PUBLIC RELATIONS	20,000	7,583.12	9,479	52.6%		-100.0%
111	<b>TOTAL CONSERVATION AND EDUCATION</b>	81,000	26,328	84,660	-4.5%	262,000	209.5%
113	<b>MAJOR AND CAPITAL EXPENDITURES</b>						
114	BUILDING AND EQUIPMENT						
115	BUILDING	50,000	0.00	0	100.0%	50,000	#DIV/0!
116	<b>NEW FRONT LANDSCAPING</b>					75,000	
117	FURNITURE AND OFFICE EQUIPMENT	25,000	0.00	0	100.0%	25,000	#DIV/0!
118	OTHER EQUIPMENT	30,000	0.00	30,000	0.0%	20,000	-33.3%
119	<b>NEW VEHICLES</b>	0	0.00	0		125,000	
120	SITES RESERVOIR	2,800,000	2,240,000.00	2,240,000	20.0%	560,000	-75.0%
121	<b>TOTAL MAJOR AND CAPITAL EXPENDITURES</b>	2,905,000	2,240,000	2,270,000	21.9%	855,000	-62.3%
123	<b>TRANSFERS TO OTHER FUNDS</b>						
125	<b>TOTAL GENERAL FUND EXPENSES</b>	19,296,000	11,568,111	13,775,213	28.6%	20,828,000	51.2%
127	<b>GENERAL FUND NET INCOME YTD</b>	494,000	-1,600,826	3,583,491		5,039,000	

**SAN GORGONIO PASS WATER AGENCY  
DRAFT GENERAL FUND AND CONSIGNED FUND BUDGET FOR FY 2024-25  
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**CONSIGNED - SWP SUPPORT FUND**

<b>CONSIGNED - SWP SUPPORT FUND - INCOME</b>							
134	<b>INCOME</b>						
135	UNITARY TAX REVENUE ALLOCATED	6,600,000	3,206,527.49	6,600,000	0.0%	7,200,000	-100.0%
136	INTEREST	15,000	89,325.01	111,656	644.4%	100,000	-100.0%
137	OTHER INCOME	0	0.00				
138	<b>TOTAL SWP SUPPORT FUND INCOME</b>	<b>6,615,000</b>	<b>3,295,853</b>	<b>6,711,656</b>	<b>1.5%</b>	<b>7,300,000</b>	<b>-100.0%</b>
<b>CONSIGNED - SWP SUPPORT FUND - EXPENSES</b>							
141	<b>EXPENDITURES</b>						
144	TAX COLLECTION CHARGES	16,000	8,217.13	16,000	0.0%	18,000	100.0%
145	OTHER EXPENSES	0	0.00			0	
146	<b>TOTAL SWP SUPPORT FUND EXPENSES</b>	<b>16,000</b>	<b>8,217</b>	<b>16,000</b>	<b>0.0%</b>	<b>18,000</b>	<b>100.0%</b>
148	<b>TRANSFERS TO OTHER FUNDS</b>						
150	<b>CONSIGNED - SWP SUPPORT FUND NET INCOME YTD</b>	<b>6,599,000</b>	<b>3,287,635</b>	<b>6,695,656</b>		<b>7,282,000</b>	

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**GAP FUNDING PROGRAM**

**GAP FUNDING PROGRAM - INCOME**

188						
189	CABAZON WATER DISTRICT #1	1,000,000	9,787.96	95,746		96,000
190	SOUTH MESA WATER COMPANY			0		2,000,000
191	HIGH VALLEYS WATER DISTRICT			0		500,000
192	<b>NEW</b> BANNING HEIGHTS MUTUAL WATER CO.			0		0
193						
194						
195	<b>TOTAL INCOME</b>	<b>1,000,000</b>	<b>9,788</b>	<b>95,746</b>		<b>2,596,000</b>

**GAP FUNDING PROGRAM - EXPENSES**

197						
198	CABAZON WATER DISTRICT #1	500,000	105,533.66	105,534		0
199	SOUTH MESA WATER COMPANY			0		5,000,000
200	HIGH VALLEYS WATER DISTRICT			0		1,000,000
201	<b>NEW</b> BANNING HEIGHTS MUTUAL WATER CO.			0		0
202						
203						
204	<b>TOTAL EXPENSE</b>	<b>500,000</b>	<b>105,534</b>	<b>105,534</b>		<b>6,000,000</b>
206	<b>GAP FUNDING PROGRAM NET BALANCE YTD</b>	<b>500,000</b>	<b>-95,746</b>	<b>-9,788</b>		<b>-3,404,000</b>

**NOTES**

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

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

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

## **LINE ITEM AND PROJECT DESCRIPTIONS, page 1**

### **Water Sales from Banking Operations**

This is for income from water that is sold from banking operations, compared with the Water Sales line item, which is for water sold to retailers within the Agency service area.

### **Government Contributions**

The Agency participates in a number of joint efforts in which other districts and agencies agree to share the cost. Sometimes, the Agency is the lead for a study or a consulting contract. This budget item is for income that is reimbursed to the Agency for these expenditures.

### **Other Miscellaneous Income**

This line item includes a variety of small-dollar receipts that the Agency receives in a year. This cell tower lease income and could include a credit for an unused service, cash-back credit from the Wells Fargo credit card, or a refund for a returned purchase.

### **Purchased Water for Banking (Future Sale)**

This provides for water purchased that will be held for a period of time before being sold.

### **Office Expense**

This item seems self-explanatory but includes more than office supplies. Examples include (but aren't limited to) postage meter rental charges, copier charges, subscriptions, Board supplies, and name plaques.

### **Succession Planning**

This is a new item, and includes salary survey studies, recruitment efforts and associated costs with hiring new personnel.

### **Other Professional Services**

Throughout the year, various reports and services are necessary for information for the Board or Staff or to complete mandated requirements. Examples include actuarial studies for Other Post-Employment Benefits, tax projections from HdL, and assistance with accounting matters.

## **LINE ITEM AND PROJECT DESCRIPTIONS, page 2**

### **LAFCO Cost Share**

The Local Agency Formation Commission is a regional service planning agency mandated by the State of California. This is our annual share of the cost of maintaining that agency.

### **Grant Support Services**

This line item supports various consultants to assist staff in drafting and submitting grants for Agency Capital and Improvement projects.

### **Infrastructure Plan**

The results of this project will provide the Agency with a suggested plan for the use of current facilities and a potential list of future facilities that will allow the Agency to fulfill its mission of delivering water to the region.

### **Backbone Infrastructure Study and Design**

This study will investigate the feasibility of installing a form of conveyance from San Geronio Pass Water Agency facilities to deliver water to groundwater facilities within the Banning and Cabazon Groundwater Basins. The study will identify potential alignments for a pipeline, identify the necessary facilities to deliver State Water Project water or other water supplies.

### **Bunker Hill Banking and Recovery Program**

Working with San Bernardino Valley Municipal Water District (SBVMWD), a water banking program will be studied and evaluated for a potential program to allow the Agency to store and retrieve water in the Bunker Hill Basin which is inside the SBVMWD service area.

### **Calimesa Are Recharge**

This is a proposed joint conjunctive-use water supply project between SBVMWD and SGPWA located in the City of Calimesa.

### **Small Water Assistance Program**

This program utilizes the California Rural Water Association to provide various technical, managerial, financial, and grant support assistance to small water systems in our service area.

## **LINE ITEM AND PROJECT DESCRIPTIONS, page 3**

### **Signage and Frontage Brookside East**

This project will develop and construct a sign for the Brookside East facility in conjunction with the City of Beaumont.

### **Monitoring Well Drilling**

The USGS will be drilling nested monitoring wells to augment data gathering for the San Gorgonio Pass GSA. The expense will be mostly covered by a grant.

### **Heli-Hydrant**

This project will receive and disburse American Rescue Plan Act (ARPA) funds to support the construction of six Heli-Hydrant systems within the SGPWA service area. A Heli-Hydrant is a specifically designed facility attached to a water source that allows fire-fighting helicopters to refill their water tanks.

### **Water Banking Investigations**

Consultants will explore various water banking opportunities across the state of California.

### **San Gorgonio GSA**

The Agency participates in the San Gorgonio Pass GSA and includes work that is outlined in the Groundwater Sustainability Plan (GSP) and the generation of an Annual Report as required by DWR. The costs of these items are shared with the other GSA members.

### **Yucaipa GSA and Verbena GSA**

This line item consists of the costs of participating in each of these GSAs and generating their Annual Reports as required by DWR.

### **Flume Monitoring and Support**

The Agency has been involved in trying to preserve the water supply provided to the Banning Heights Mutual Water Company by the flume for many years. This is included in the budget to assist the efforts by the City of Banning to continue this effort.



## **LINE ITEM AND PROJECT DESCRIPTIONS, page 4**

### **Financial Modeling + Rate Study**

Water Resources Economics is the consultant who is working with the Agency to review, analyze and potentially propose a new water rate structure.

### **USGS Studies and Monitoring**

The USGS collects water level and water quality data to support various groundwater modeling and reporting requirements for the Agency. This item appears each year, so is considered an on-going effort, although a new contract is considered by the Board each year. Other specific studies requested by the Agency are sometimes included.

### **Water Portfolio**

This line item will help the Agency explore and forecast regional water demands, regional water supplies, and potential new sources of water that may be required in the context of a changing regulatory environment.

### **Local Supplies**

Expenditures in this line item are currently designated to help secure recycled water for the region.

### **Local Recharge Feasibility Studies**

Consultants will investigate various potential recharge projects, including Brookside West and Danny Thomas Ranch.

### **UWMP Support and Annual Report Completion**

As part of the on-going process of developing the Urban Water Management Plan, various tasks must be completed, including annual reports.

### **Agency Engineer**

The Agency secured the services of two engineering firms in FY 2023-24. This is a continuation of those services.

### **Grant Support Services**

This line item supports various consultants to assist staff in drafting and submitting grants for Agency Capital and Improvement projects.

## **LINE ITEM AND PROJECT DESCRIPTIONS, page 5**

### **Federal – State Advocate**

These funds are planned for advocacy efforts that may be necessary to support proposed grant funding of Agency projects.

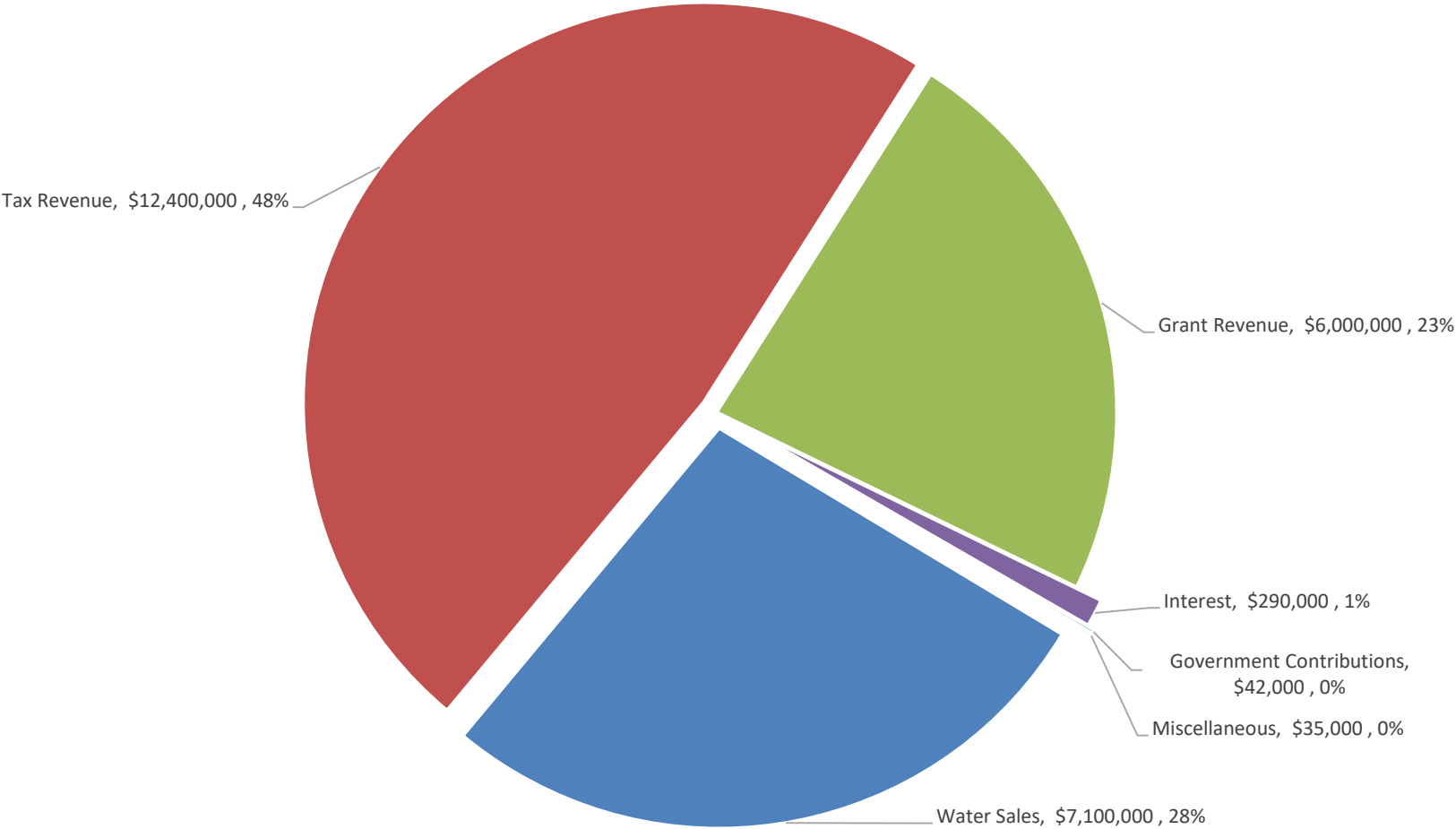
### **SAWPA Regional Projects**

Part of the Agency service area falls within the boundaries of the Santa Ana Watershed Project Authority. The Agency shares the cost of an annual study to review water quality and other factors within the Santa Ana watershed.

### **General Engineering and Environmental**

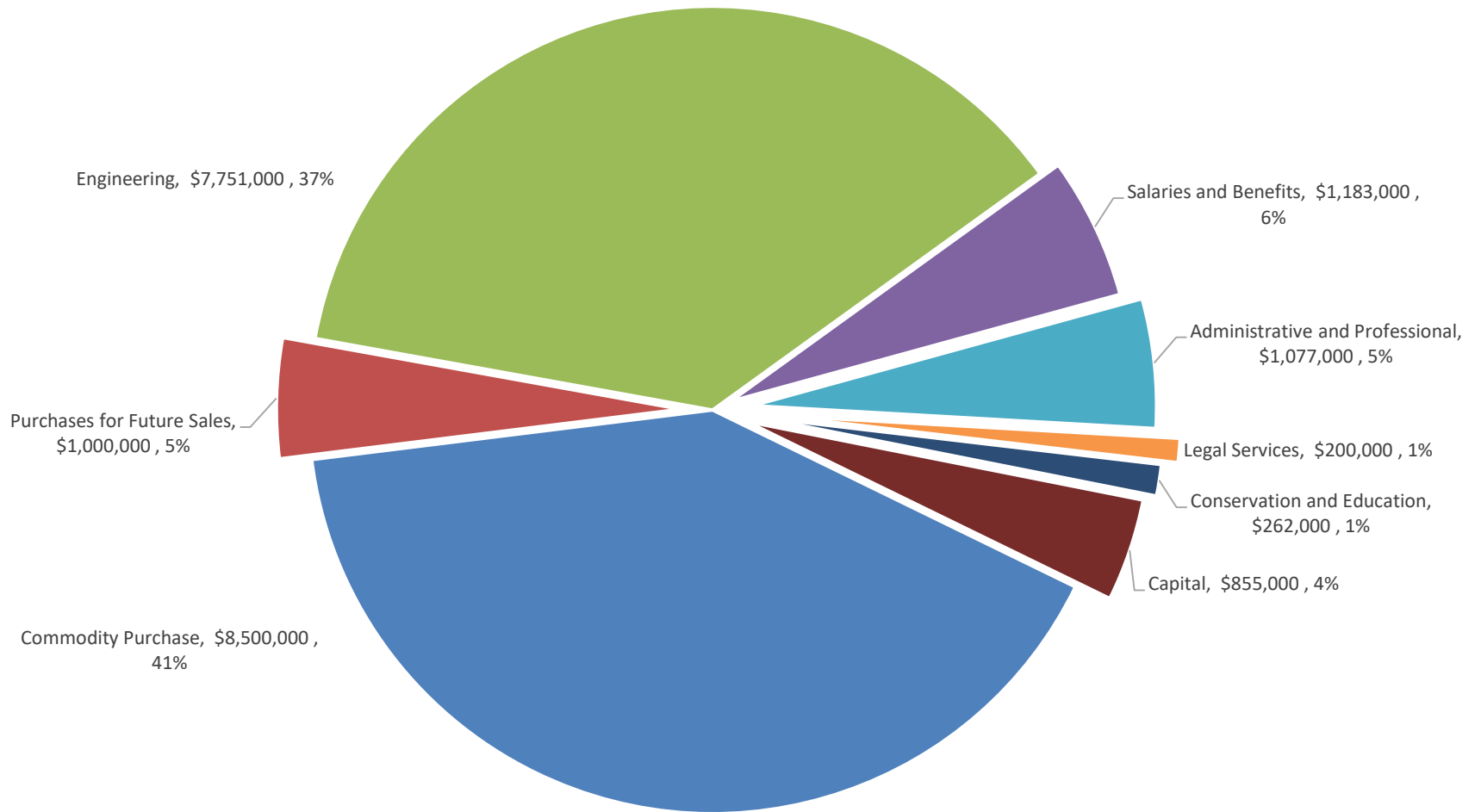
This line item provides funds for small projects that come up each year that need small-dollar contracts to complete.

# Proposed General Fund Sources of Revenue FY 2024-25



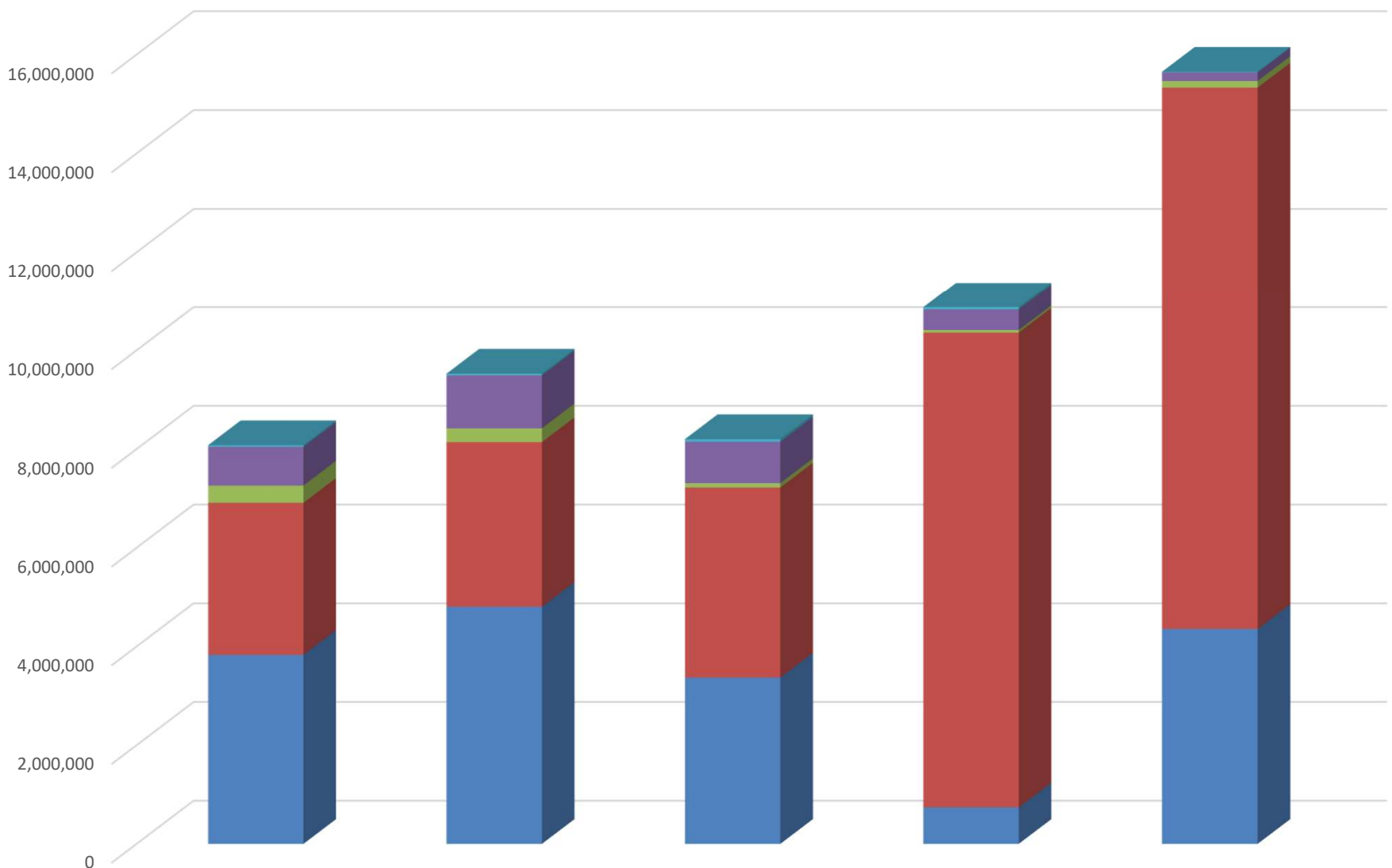
■ Water Sales ■ Tax Revenue ■ Grant Revenue ■ Interest ■ Government Contributions ■ Miscellaneous

# Proposed General Fund Expenditure Categories FY 2024-25



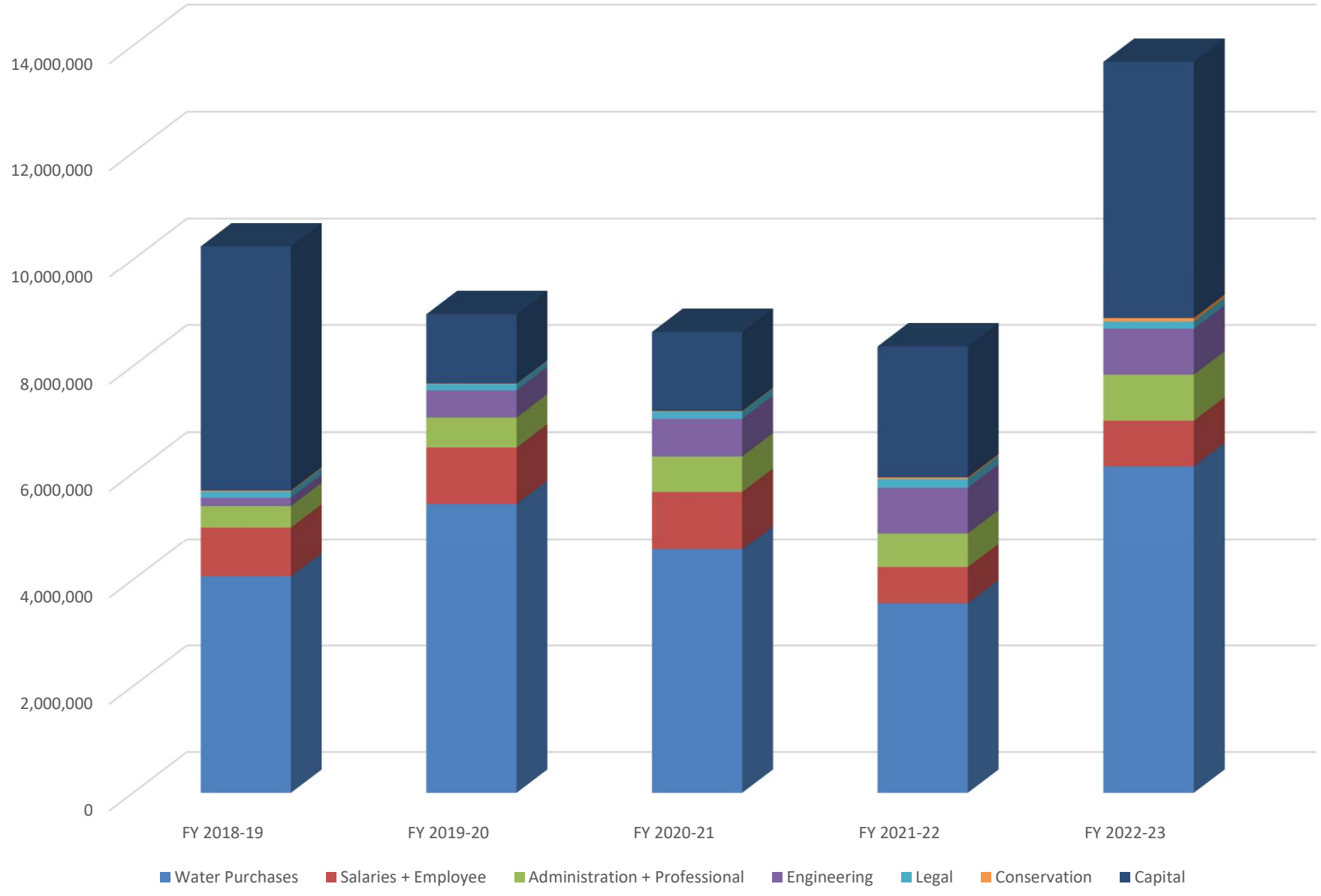
- Commodity Purchase
- Purchases for Future Sales
- Engineering
- Salaries and Benefits
- Administrative and Professional
- Legal Services
- Conservation and Education
- Capital

# Income Type by Fiscal Year



■ Water Sales ■ Tax Revenue ■ Interest ■ Government + Grants ■ Other

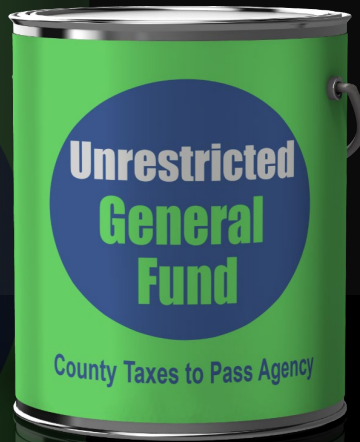
# Expense Category by Fiscal Year



# The State of the Buckets

## Other Funds

Unrestricted  
Portion of County 1%  
Water Sales  
Grants  
Unitary Tax



\$10.7 m



\$11.6 m

## Debt Service

Restricted  
SGPWA Ad Valorem Tax



\$70.9 m

*We Control Income*  
*We DON'T Control Income*  
*We DON'T Control Income*



As of June 2023

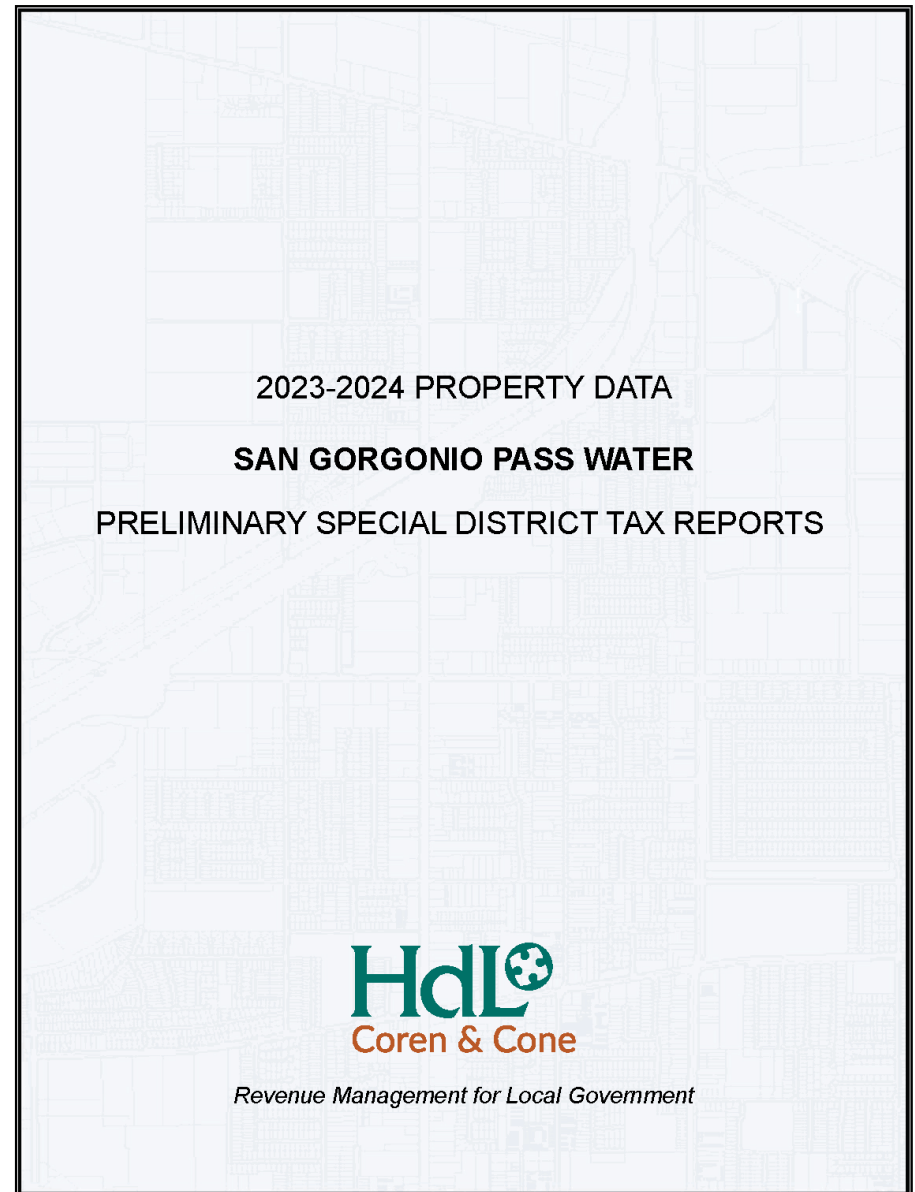




**SAN GORGONIO PASS  
WATER AGENCY**  
***PROPERTY TAX REVIEW***  
***2023-24***  
***AND FORECAST FOR***  
***2024-25***

**December 18, 2023**

Powerful Solutions, Proven Results





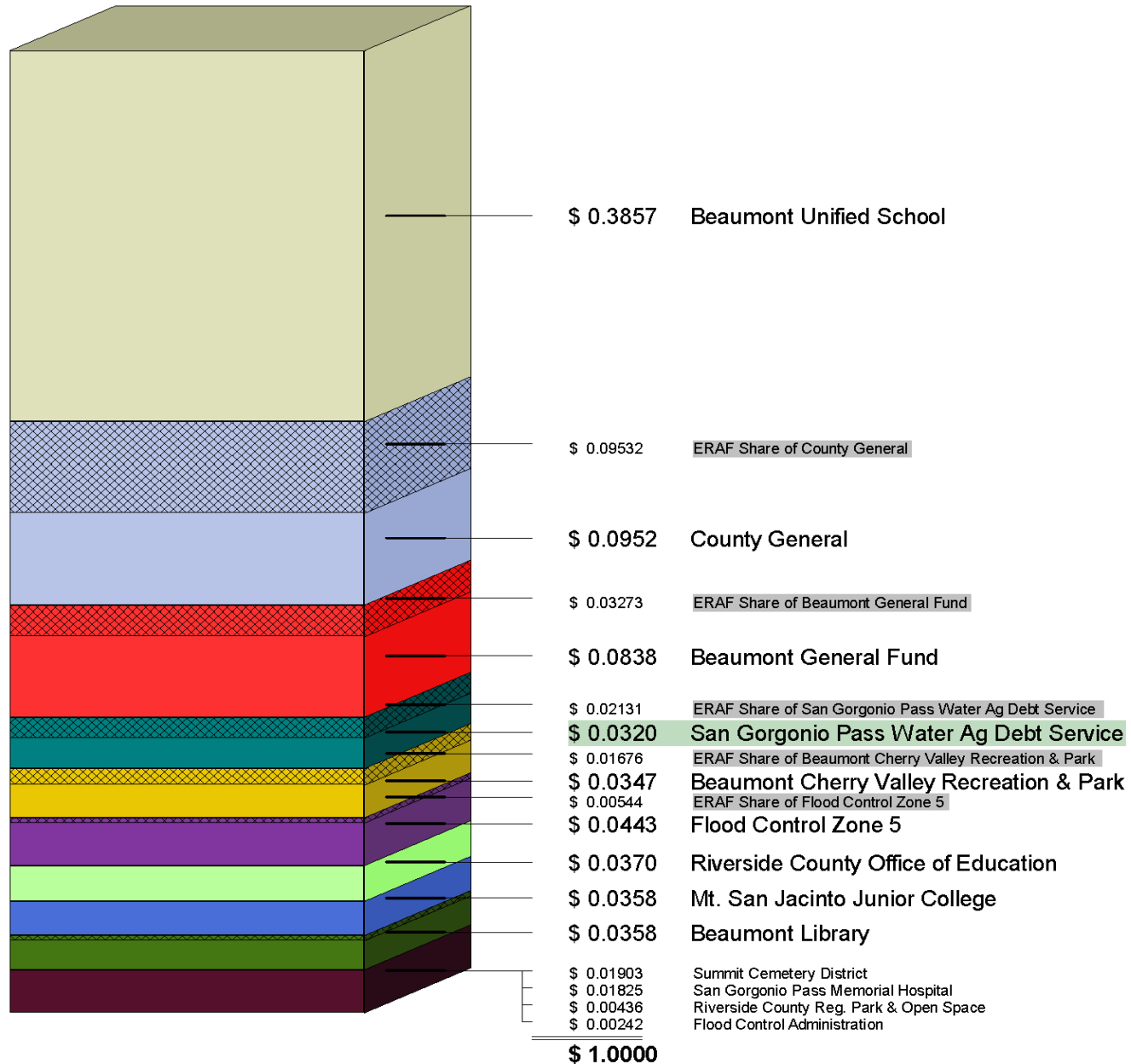


# SAN GORGONIO PASS WATER TRANSFER OF OWNERSHIP (2019 - 2023)

<u>Single Family Residential</u>					<u>Multifamily, Commercial, Industrial, Vacant</u>					<u>Totals</u>				
Tax Year	# SFR Sales	Original Values	Sale Price	% Change	Non SFR Sales	Original Values	Sale Price	% Change	Total Sales	Original Values	Sale Values	% Change	\$ Change	
<b>ENTIRE DISTRICT</b> <i>Valid Sales Price Analysis</i>														
<b>2023</b> 1/1/23-10/31/23	1,362	\$384,118,200	\$607,354,543	58.1%	548	\$117,578,293	\$355,593,625	202.4%	1,910	\$501,696,493	\$962,948,168	91.9%	\$461,251,675	
<b>2022</b> 1/1/22-12/31/22	2,077	\$540,466,189	\$1,012,077,025	87.3%	904	\$167,139,403	\$640,648,518	283.3%	2,981	\$707,605,592	\$1,652,725,543	133.6%	\$945,119,951	
<b>2021</b> 1/1/21-12/31/21	2,596	\$609,405,386	\$1,097,913,466	80.2%	948	\$233,526,801	\$523,369,784	124.1%	3,544	\$842,932,187	\$1,621,283,250	92.3%	\$778,351,063	
<b>2020</b> 1/1/20-12/31/20	2,086	\$523,192,812	\$753,156,611	44.0%	778	\$135,844,822	\$392,754,324	189.1%	2,864	\$659,037,634	\$1,145,910,935	73.9%	\$486,873,301	
<b>2019</b> 1/1/19-12/31/19	1,952	\$491,340,845	\$644,182,163	31.1%	851	\$130,392,848	\$316,401,730	142.7%	2,803	\$621,733,693	\$960,583,893	54.5%	\$338,850,200	
<b>DISTRICT NON SA AREA</b> <i>Valid Sales Price Analysis</i>														
<b>2023</b> 1/1/23-10/31/23	1,265	\$361,292,187	\$566,955,395	56.9%	399	\$95,781,568	\$269,870,142	181.8%	1,664	\$457,073,755	\$836,825,537	83.1%	\$379,751,782	
												<i>Est. Revenue Change:</i>	<b>\$183,655.34</b>	
<b>2022</b> 1/1/22-12/31/22	1,895	\$500,253,123	\$933,221,749	86.5%	710	\$137,535,239	\$538,180,426	291.3%	2,605	\$637,788,362	\$1,471,402,175	130.7%	\$833,613,813	
												<i>Est. Revenue Change:</i>	<b>\$247,274.16</b>	
<b>2021</b> 1/1/21-12/31/21	2,265	\$543,421,586	\$969,014,705	78.3%	644	\$188,937,654	\$392,464,149	107.7%	2,909	\$732,359,240	\$1,361,478,854	85.9%	\$629,119,614	
												<i>Est. Revenue Change:</i>	<b>\$183,071.57</b>	
<b>2020</b> 1/1/20-12/31/20	1,762	\$455,939,577	\$646,602,429	41.8%	400	\$90,270,689	\$244,301,467	170.6%	2,162	\$546,210,266	\$890,903,896	63.1%	\$344,693,630	
												<i>Est. Revenue Change:</i>	<b>\$105,313.01</b>	
<b>2019</b> 1/1/19-12/31/19	1,707	\$441,961,270	\$571,859,759	29.4%	493	\$73,029,828	\$169,599,599	132.2%	2,200	\$514,991,098	\$741,459,358	44.0%	\$226,468,260	
												<i>Est. Revenue Change:</i>	<b>\$71,356.29</b>	

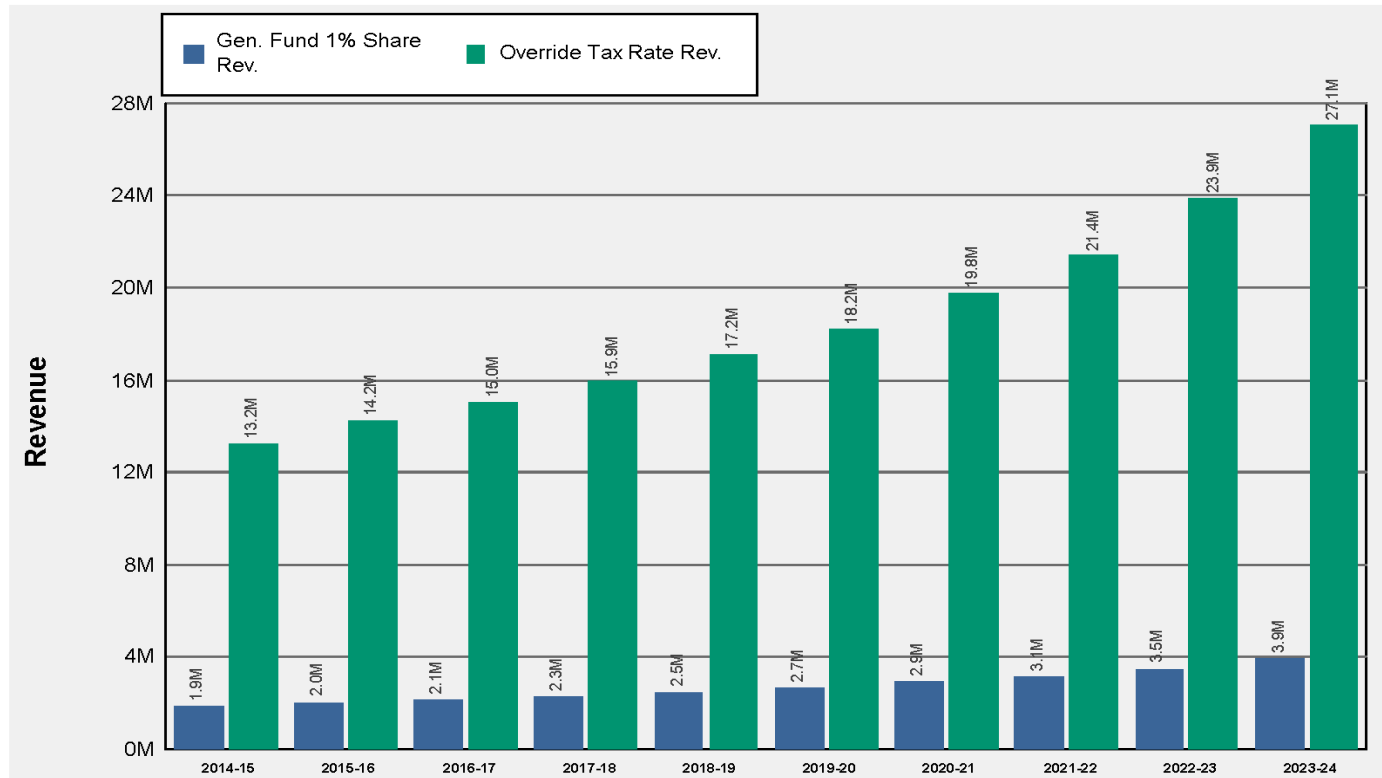
It will require the addition of \$133.6 million in additional value to increase the GF 1% portion of the SGPWA revenue 1% next year in 2024-25. The sales reported in the first 10 months of 2023 with an additive of \$379.7 million will result in the addition of 2.84% to the CPI granted for a conservative growth estimate of 4.52%. New construction added 2.17% to the overall increase this year. Budgeting 1/2 of this amount next year will grow this estimate to 5.6%. The balance of the calendar year sales are not known yet but will likely result in the addition of a modest value increase to this early forecast view. Prop 8 reductions will need to be monitored for a potential negative impact.

# SAN GORGONIO PASS WATER PROPERTY TAX DOLLAR BREAKDOWN



2023-24 RATE FOR STATE  
WATER PROJECT 0.175000

Roll Year	Gen. Fund 1% Share Rev.	% Chg	Override Tax Rate Rev.	% Chg
2014-15	\$1,881,521		\$13,227,420	
2015-16	\$2,026,300	7.6%	\$14,223,718	7.5%
2016-17	\$2,141,989	5.7%	\$15,040,530	5.7%
2017-18	\$2,292,484	7.0%	\$15,939,848	5.9%
2018-19	\$2,480,408	8.2%	\$17,150,833	7.6%
2019-20	\$2,667,891	7.5%	\$18,195,740	6.0%
2020-21	\$2,939,769	10.1%	\$19,779,724	8.7%
2021-22	\$3,146,604	7.0%	\$21,408,739	8.2%
2022-23	\$3,491,780	10.9%	\$23,918,845	11.7%
2023-24	\$3,934,896	12.6%	\$27,068,474	13.1%



## 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