

SAN GORGONIO PASS WATER AGENCY
Board of Directors Regular Meeting
Agenda



SAN GORGONIO PASS
WATER AGENCY
A California State Water Project Contractor

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

July 15, 2024, at 6:00 p.m.

1210 Beaumont Avenue, Beaumont, CA 92223

*This meeting is being held virtually and in person.
Link and telephone option provided is available for the
convenience of the public.*

TO JOIN VIA ZOOM: [Zoom Link Board Meeting](#)

TO JOIN THE MEETING BY TELEPHONE

CALL: 669-900-6833 | MEETING ID: 926 3191 5535

Members of the public who wish to comment on any item within the jurisdiction of the Agency or any item on the agenda may submit comments by emailing mcabral@sgpwa.com or may do so during the meeting. Comments will become part of the Board meeting record.

***In order to reduce feedback, please mute your audio when you are not speaking.**

Esta reunión se llevará a cabo virtualmente y en persona.

*El enlace y la opción telefónica proporcionada
es para la comodidad del público.*

PARA UNIRSE VÍA ZOOM: [Zoom Link Board Meeting](#)
PARA UNIRSE A LA JUNTA CON LA OPCIÓN TELEFÓNICA
LLAMAR: 669-900-6833 | ID DE REUNIÓN: 926 3191 5535

Los miembros del público que deseen comentar sobre cualquier tema dentro de la jurisdicción de la Agencia o cualquier tema en la agenda pueden enviar comentarios por correo electrónico a mcabral@sgpwa.com o pueden hacerlo durante la reunión. Los comentarios pasarán a formar parte del registro de la reunión de la Junta.

***Para reducir los comentarios, silencia el audio cuando no estés hablando.**

- 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. Approve Minutes of the June 17, 2024, Regular Meeting of the San Gorgonio Pass Water Agency Board of Directors, [\(pg. 4\)](#)
- B. Approval of the Finance and Budget Committee Meeting Report, for June 2024, [\(pg. 9\)](#)

5. Reports – Staff

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

6. Informational Presentations and Updates:

- A. Water Conditions Report, [\(pg. 31\)](#)

7. New Business – Discussion and Possible Action:

- A. Approve Proposed Debt Service Budget for Fiscal Year 2024-25, [\(pg. 37\)](#)
- B. Approve Resolution No. 2024-06, Setting Tax Rate for Fiscal Year 2024-25, [\(pg. 67\)](#)

8. Reports – Directors and Committees

9. Topics for Future Agendas

10. Announcements

- A. Public Information & Outreach Committee Meeting, July 23, 2024 at 10:00 a.m.
- B. Finance & Budget Committee Meeting, July 25, 2024 at 10:00 a.m.
- C. Regular Board Meeting, August 5, 2024 at 1:30 p.m.
- D. Southern California Water Conference, August 9, 2024

11. Closed Session Agenda

- A. Public Employee Performance Evaluation
Counsel: Holland Stewart
Title: General Manager

12. Reconvene

- A. Report out of Closed Session Action

13. Adjournment

Pending Agenda Items:

Request	Requester	Date of Request	Status
Board Handbook Update	Walton	1/22/2024	Potential Ad-Hoc Committee

SGPWA
Regular Board Meeting
July 15, 2024

Flume Tour Update	Ybarra	2/5/2024	Per BHMWC – Spring/Summer 2024
Potential Well Site w/BCVWD	Valdivia	2/26/2024	Working w/BCVWD
Backbone Pipeline Update	Duncan	4/1/2024	Estimated Workshop July/August
Bond Payoff w/DWR	Ball	5/20/2024	

(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
June 17, 2024**

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

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

The San Gorgonio Pass Water Agency Board of Directors meeting was called to order by President Mickey Valdivia at 6:00 p.m., Monday, June 17, 2024, at the office of the Agency. Director Ball gave the invocation; President Valdivia led the Pledge of Allegiance and requested a roll call.

Board Present: Mickey Valdivia, President
Robert Ybarra, Treasurer
Kevin Walton, Secretary
Blair M Ball, Director
Ron Duncan, Director (via teleconference)
Larry Smith, Director

Board Absent: Chander Letulle, Vice President

Staff Present: Lance Eckhart, General Manager
Thomas Todd, Jr., Chief Financial Officer
Maricela Cabral, Executive Assistant/Clerk of the Board
Emmett Campbell, Sr. Water Resources Planner
Matt Howard, Operations Manager

Consultant Present: Holland Stewart, Legal Counsel

A quorum was present.

Counsel Stewart asked Director Duncan to make certain disclosures to comply with AB 2449 teleconference requirements.

President Valdivia recognized the following guests in attendance:
Joyce McIntire, Yucaipa Valley Water District
Nyles O'Harr, Yucaipa Valley Water District

2. Adoption and Adjustment of Agenda

The agenda was adopted as published.

3. Public Comment

Joyce McIntire, Board President for the Yucaipa Valley Water District reminded the board of the Groundbreaking Ceremony on June 20, 2024, for the Wochholz Regional Water Recycling Facility.

4. Consent Calendar

A. Approval of the Minutes of the June 3, 2024, Regular Meeting of the San Gorgonio Pass Water Agency Board of Directors.

On a motion by Director Larry Smith, seconded by Treasurer Robert Ybarra, the board approved the Consent Calendar as presented.

Approved by the following vote:

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

Noes: None

Absent: Letulle

Motion passed 6-0.

5. Reports

A. General Manager's Report

General Manager, Lance Eckhart reported on the following:

1. Collaboration with Jeff Crider and Steve Stockton to document the history of the water agency, aiming for completion in time for the 65th anniversary.
2. Participated in the H2KnowItAlls Podcast.
3. Enhancement of Agency Security System.

B. Legal Counsel's Report

Counsel, Holland Stewart provided an update on the following:

1. Recent court ruling which upheld the CEQA approval for Sites Reservoir Project. Additionally, there was a mention of the simplified procedure that challengers must adhere to if they intend to appeal the ruling.

6. Informational Presentations and Updates:

A. Public Outreach Initiative Update – FY 2023-24

Tara Bravo Mulally, Chief Strategy Officer at CV Strategies provided an update on the public outreach initiatives, including social media engagement, website revisions, and press releases.

B. Water Conditions Report

Operations Manager, Matt Howard reviewed current water conditions, including precipitation totals, reservoir conditions, and local deliveries.

C. Fiscal Year 2023-24 Review and Highlights

General Manager, Lance Eckhart provided an overview of the accomplishments and initiatives for the past Fiscal Year 2023-24:

- Partnerships with Inland Empire Resource Conservation District, DWR approvals, and collaborations with CLAWA and San Bernardino Valley Municipal Water District.

- Reviewed water movement and storage operations, including record-breaking water transfers and new agreements with Ventura for long-term water storage.
- Highlighted local support initiatives including gap funding, turf removal programs, and technical support for small water systems.
- Agency initiatives that included strategic plans, gravity surveys, formation of Pass Agency nonprofit organization, and building modifications.

7. New Business – Discussion and Possible Action:

A. Approve Resolution Nos. 2024-04 and 2024-05, calling for an election for up to four (4) seats of the San Gorgonio Pass Water Agency (SGPWA) Board of Directors, requesting consolidation with the counties of Riverside and San Bernardino, and notifying the County Clerk that candidates will be responsible to pay costs associated with Publication of the Statement of Qualifications

Exec. Asst/Clerk of the Board, Maricela Cabral reviewed the actions needed in connection with the November 5, 2024 General Election: Approval of Resolution Nos. 2024-04 and 2024-05, calling for an election for up to four (4) seats of the San Gorgonio Pass Water Agency (SGPWA) Board of Directors, requesting consolidation with the counties of Riverside and San Bernardino, and notifying the County Clerk that candidates will be responsible to pay costs associated with publication of the Statement of Qualifications.

On a motion by Treasurer Robert Ybarra, seconded by President Mickey Valdivia, the board approved the following actions related to the November 5, 2024, General Election:

- Adopted Resolution No. 2024-04, calling for an election of up to four (4) seats of the San Gorgonio Pass Water Agency Board of Directors within the County of Riverside.
- Adopted Resolution No. 2024-05, calling for an election of up to two (2) seats of the San Gorgonio Pass Water Agency Board of Directors within the County of San Bernardino.
- Approved necessary expenditures associated with the elections up to the budgeted fiscal year 2024-25 amount of \$150,000.

Approved by the following roll call vote:

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

Noes: None

Absent: Letulle

Motion passed 6-0.

B. Approve Proposed Workplace Violence Prevention Policy

Chief Financial Officer Thomas Todd, Jr., reviewed the proposed workplace violence prevention policy in compliance with Senate Bill 533, outlining management responsibilities, employee involvement, and incident reporting procedures. The Board discussed the proposed workplace violence prevention policy.

On a motion by Treasurer Robert Ybarra, seconded by Secretary Kevin Walton, the board approved the Workplace Violence Prevention Policy.

Approved by the following roll call vote:

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

Noes: None

Absent: Letulle

Motion passed 6-0.

C. 2024 Water Transfer Agreement between San Gorgonio Pass Water Agency and the Westside Water Districts

Sr. Water Resources Planner Emmett Campbell reviewed the 2024 Water Transfer Agreement between San Gorgonio Pass Water Agency and the Westside Water Districts. The Board discussed the agreement.

Joyce McIntire, Board President of Yucaipa Valley Water District inquired about the agreement and the need to meet water orders.

Mark Swanson, Director of Engineering for Beaumont Cherry Valley Water District provided comment on the water supply and demand assessments required by July 1, 2024. He mentioned their numbers are lower than previous years but align with regional supply needs.

On a motion by Director Blair Ball, seconded by Treasurer Robert Ybarra, the board approved the 2024 Water Transfer Agreement between San Gorgonio Pass Water Agency and the Westside Water Districts.

Approved by the following roll call vote:

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

Noes: None

Absent: Letulle

Motion passed 6-0.

8. Reports - Directors and Committee Report

Director Ball reported on the following:

- June 12, 2024, Beaumont Cherry Valley Water District Board Meeting

Treasurer Ybarra had no comment.

Secretary Walton reported on the following:

- June 12, 2024, South Mesa Water Company Board Meeting

Director Smith discussed a lunch meeting he had with a former agency president, recommending to General Manager Eckhart the continuation of progress with substantial projects.

President Valdivia commented on the following:

- Reminder of the Yucaipa Valley Water District Groundbreaking Ceremony of the Wochholz Regional Water Recycling Facility on June 20, 2024.
- Special Meeting of the Board of Directors will convene, if necessary, on July 29, 2024, to review the debt service fund.

Director Duncan reported on the following:

- June 17, 2024, Water Conservation and Education Committee Meeting. He indicated that the Solar Challenge would undergo a name change to So Cal Stem Challenge.

9. Topics for Future Agendas

- Secretary Walton asked for an update on the East Branch and discussed plans for a future field trip meeting with the Metropolitan Water District representative.

10. Announcements

President Valdivia reviewed the following announcements:

- A. Finance & Budget Committee Meeting, June 27, 2024, at 2:00 p.m.
- B. Regular Board Meeting, July 1, 2024, has been canceled.
- C. Office closed July 4, 2024, in observance of Independence Day.
- D. Water Portfolio Workshop, July 8, 2024, at 12:00 p.m.

11. Adjournment

There being no further business to discuss, President Valdivia adjourned the meeting at 7:53 p.m. The next scheduled meeting is Monday, July 15, 2024, at 6:00 p.m.

Kevin Walton, Secretary of the Board

mvc

San Gorgonio Pass Water Agency

DATE: July 15, 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 June 27, 2024. During that meeting, the Committee took the following actions:

Accepted the following items:

Item 6A: Payments as listed in the Check History reports for Accounts Payable and Payroll for the month of May 2024.

Item 6B: The Bank Reconciliation for May 2024.

Item 6C: The Budget Report for May 2024.

Approved the following item:

Item 5A: Minutes of the May 23, 2024 meeting of the Committee.

Item 6D: Payment of the Legal Invoice for May 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

Water Delivery Report

Budget Report

Pending Legal Invoice Report

Gap Funding Report

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Finance and Budget Committee
May 23, 2024

THIS MEETING WAS HELD IN PERSON AND VIA ZOOM.

Committee Members Present: Robert Ybarra, Chair
In person Chander Letulle, Member
Kevin Walton, Member

Staff Present: Tom Todd, Jr., Chief Financial Officer
In person Lance Eckhart, General Manager
By teleconference

- 1. Call to Order, Flag Salute, and Roll Call:** The San Gorgonio Pass Water Agency Finance and Budget Committee meeting was called to order by Chair Robert Ybarra at 10:02 a.m., May 23, 2024. Vice President Chander Letulle led the Pledge of Allegiance. Mr. Ybarra asked for a roll call. A quorum was present.
- 2. Adjustment and/or Adoption of the Agenda.** General Manager Lance Eckhart asked to move Item 5H first on the agenda. The agenda was adopted as modified.
- 3. Public Comment:** None.
- 5. New Business**
 - H.** Consideration of Draft General Fund Budget for FY 2024-25
Mr. Todd presented the revised draft budget for the General Fund for FY 2024-25. After further review and discussion, Mr. Ybarra moved, seconded by Mr. Letulle, to present the budget at the next Board meeting. Approved unanimously by voice vote.
- 4. Approval of Minutes**
 - A.** Approval of the Minutes of the Finance & Budget Committee Meeting, April 29, 2024
Mr. Walton moved, seconded by Mr. Letulle, to approve the minutes of the Finance and Budget Committee meeting of April 29, 2024. Approved unanimously by voice vote.
- 5. New Business (cont.)**
 - A.** Ratification of Paid Invoices and Monthly Payroll for April 2024
 - B.** Review of Bank Reconciliation for April 2024
 - C.** Review of Budget Report for April 2024
After review and further discussion, Mr. Walton moved, seconded by Mr. Ybarra, to accept Items 5A-C. Approved unanimously by voice vote.

D. Review of Pending Legal Invoices for April 2024

After review and discussion, Mr. Letulle moved, seconded by Mr. Walton, to approve payment of the Legal Invoice. Approved unanimously by voice vote.

E. Review of Cash Reconciliation Report for March 2024

The Committee reviewed the Cash Reconciliation Report for March 2024. After review and discussion, Mr. Ybarra moved, seconded by Mr. Walton, to accept the Cash Reconciliation Report for March 2024. Approved unanimously by voice vote.

F. Review of Reserves Report for March 2024

The Committee reviewed the Reserves Report for March 2024. After review and discussion, Mr. Letulle moved, seconded by Mr. Walton, to approve the Reserves Report for March 2024. Approved unanimously by voice vote.

G. Gap Funding Report

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

6. Committee Member Comments

The Committee made no additional comments.

7. Announcements

Mr. Ybarra reviewed the announcements:

- A. The office will be closed May 27, 2024 in observance of Memorial Day
- B. Regular Board Meeting, June 3, 2024 at 1:30 p.m.
- C. Water Conservation & Education Committee meeting, June 11, 2024 at 1:30 p.m.
- D. Regular Board Meeting, June 17, 2024 at 6:00 p.m.
- E. Finance & Budget Committee Meeting, June 27, 2024 at 10:00 a.m.

8. Adjournment

The Finance and Budget Committee of the San Gorgonio Pass Water Agency was adjourned by Mr. Ybarra at 10:52 a.m.

Draft - Subject to Committee Approval

Robert Ybarra, Committee Chair

San Gorgonio Pass Water Agency
Check History Report
May 1 through May 31, 2024

ACCOUNTS PAYABLE

Date	Number	Name	Amount
5/7/2024	121303	BEAUMONT-CHERRY VALLEY WATER DISTRICT	476.47
5/7/2024	121304	CV STRATEGIES	24,091.25
5/7/2024	121305	HDL COREN & CONE	6,475.73
5/7/2024	121306	LENITY TECHNOLOGY	1,943.10
5/7/2024	121307	MATTHEW PISTILLI LANDSCAPE SERVICES	2,375.00
5/7/2024	121308	OFFICE SOLUTIONS	510.44
5/7/2024	121309	SO. CAL. WEST COAST ELECTRIC	270.00
5/7/2024	121310	STANDARD INSURANCE COMPANY	752.74
5/7/2024	121311	UNLIMITED SERVICES	350.00
5/7/2024	121312	UNDERGROUND SERVICE ALERT	15.25
5/7/2024	121313	U. S. GEOLOGICAL SURVEY	49,516.00
5/7/2024	121314	VALLEY OFFICE EQUIPMENT, INC.	373.87
5/7/2024	121315	WATER RESOURCES ECONOMICS	1,160.00
5/7/2024	121316	WASTE MGT CORPORATE SERVICES	128.17
5/7/2024	121317	WEAVER GRADING	2,100.00
5/21/2024	121318	ACWA BENEFITS	1,131.02
5/21/2024	121319	ALBERT WEBB ASSOCIATES	9,200.66
5/21/2024	121320	ATAC EXTERMINATORS INC	175.00
5/21/2024	121321	BEST BEST & KRIEGER	35,463.35
5/21/2024	121322	CONTROL TEMP, INC.	284.00
5/21/2024	121323	CV STRATEGIES	15,355.00
5/21/2024	121324	EARTHCAM, INC	20,537.05
5/21/2024	121325	THE FERGUSON GROUP	2,500.00
5/21/2024	121326	FRONTIER COMMUNICATIONS	324.45
5/21/2024	121327	I. E. RESOURCE CONSERVATION DISTRICT	14,975.00
5/21/2024	121328	PROVOST & PRITCHARD	1,522.30
5/21/2024	121329	SOUTHERN CALIFORNIA EDISON	79.04
5/21/2024	121330	SOUTHERN CALIFORNIA GAS	75.91
5/21/2024	121331	UNIVAR SOLUTIONS	5,955.14
5/21/2024	121332	VALLEY OFFICE EQUIPMENT, INC.	276.93
5/28/2024	121333	SOUTH MESA WATER COMPANY	477,487.02
5/28/2024	121334	WELLS FARGO ELITE CREDIT CARD	12,954.82
5/3/2024	900880	EMPLOYMENT DEVELOPMENT DEPARTMENT	2,236.52
5/3/2024	900881	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	14,341.45
5/3/2024	900882	CALPERS RETIREMENT	9,674.21
5/3/2024	900883	CAL PERS RETIREMENT - SIP-457	3,500.00
5/3/2024	900884	PAYCHEX	257.45
5/3/2024	900885	KEVIN D. WALTON - REIMBURSEMENT	68.34
5/3/2024	900886	CALPERS RETIREMENT	231.15
5/16/2024	900887	EMPLOYMENT DEVELOPMENT DEPARTMENT	2,006.72
5/16/2024	900888	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	12,350.21
5/16/2024	900889	CALPERS RETIREMENT	9,674.21
5/16/2024	900890	CAL PERS RETIREMENT - SIP-457	3,500.00
5/16/2024	900891	PAYCHEX	183.00
5/16/2024	900892	RONALD A. DUNCAN - REIMBURSEMENT	1,341.50
5/16/2024	900893	THOMAS W. TODD, JR. - REIMBURSEMENT	1,450.33
5/16/2024	900894	KEVIN D. WALTON - REIMBURSEMENT	178.56

San Gorgonio Pass Water Agency
Check History Report
May 1 through May 31, 2024

ACCOUNTS PAYABLE (CON'T)

Date	Number	Name	Amount
5/21/2024	900895	CALPERS HEALTH	10,490.65
5/30/2024	900896	DEPARTMENT OF WATER RESOURCES	1,506,108.00
TOTAL ACCOUNTS PAYABLE CHECKS			<u>2,266,427.01</u>

PAYROLL

Date	Number	Name	Amount
5/2/2024	802727	MARICELA V. CABRAL	3,882.87
5/2/2024	802728	EMMETT G. CAMPBELL	3,520.55
5/2/2024	802729	RONALD A. DUNCAN	2,710.94
5/2/2024	802730	LANCE E. ECKHART	6,072.28
5/2/2024	802731	MATTHEW E. HOWARD	5,102.27
5/2/2024	802732	LAWRENCE R. SMITH	2,818.43
5/2/2024	802733	SCOTT W. TIRRELL	515.52
5/2/2024	802734	THOMAS W. TODD, JR.	6,194.73
5/2/2024	802735	MICHAEL R. VALDIVIA	2,818.42
5/2/2024	802736	KEVIN D. WALTON	2,693.15
5/15/2024	802737	MARICELA V. CABRAL	3,882.87
5/15/2024	802738	EMMETT G. CAMPBELL	3,520.54
5/15/2024	802739	LANCE E. ECKHART	6,072.28
5/15/2024	802740	MATTHEW E. HOWARD	4,716.48
5/15/2024	802741	SCOTT W. TIRRELL	473.94
5/15/2024	802742	THOMAS W. TODD, JR.	5,428.12
5/15/2024	802743	ROEBERT G. YBARRA	1,754.58
TOTAL PAYROLL			<u>62,177.97</u>
TOTAL DISBURSEMENTS FOR MAY 2024			<u>2,328,604.98</u>

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
June 2024

Vendor - Name and Address	Expenditure Type
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Inland Overhead Door Co. Building Maintenance
12401 S. La Cadena Drive, Colton, CA 92324

SAN GORGONIO PASS WATER AGENCY
BANK RECONCILIATION
May 31, 2024

BANK STATEMENT BALANCE (CHECKING ACCOUNT) - May 31, 2024 \$ 388,834.83

LESS: OUTSTANDING CHECKS

CHECK NUMBER	AMOUNT	CHECK NUMBER	AMOUNT
5/7/24 121308	510.44		
5/21/24 121320	175.00		
5/21/24 121327	14,975.00		
<u>15,660.44</u>		<u>-</u>	

TOTAL OUTSTANDING CHECKS (15,660.44)

ADJUSTED BANK STATEMENT BALANCE - May 31, 2024 \$ **373,174.39**

BALANCE PER GENERAL LEDGER AT END OF PRIOR MONTH (+) \$ 1,898,157.04

CASH RECEIPTS FOR CURRENT MONTH (+) 20,303,622.33

CASH DISBURSEMENTS FOR CURRENT MONTH

ACCOUNTS PAYABLE (-)	Checks	(688,834.71)	
ACCOUNTS PAYABLE (-)	ACHs	<u>(1,577,592.30)</u>	(2,266,427.01)
PAYROLL (-)	Prior Month: 16th-EOM	(36,329.16)	
PAYROLL (-)	This Month: 1st-15th	<u>(25,848.81)</u>	(62,177.97)

TRANSFERS FROM LAIF (+) 500,000.00

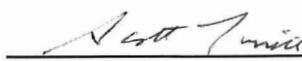
TRANSFERS TO LAIF (-) (11,000,000.00)

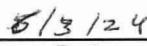
TRANSFER TO CAMP (-) (9,000,000.00)

TRANSFER FROM CAMP (+) -

BALANCE PER GENERAL LEDGER - May 31, 2024 \$ **373,174.39**

REPORT PREPARED BY:


 Scott Tirrell


 Date

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

DATE	RECEIVED FROM	DESCRIPTION	AMOUNT
DEPOSIT TO CHECKING ACCOUNT			
5/2/24	STATE OF CALIF/DWR	2023 POWER DEBT SERVICE REFUND	144,296.00
5/2/24	STATE OF CALIF/DWR	MAR23 EBX BOND COVER REFUND	1,345,089.00
5/2/24	STATE OF CALIF/DWR	MAR23 TEHACHAPI 2ND AFTERBAY B C R	4,403.00
5/2/24	STATE OF CALIF/DWR	JAN23 WSRB BOND COVER REFUND	174,651.00
5/6/24	STATE OF CALIF/DWR	SMIF INTEREST JUL-DEC23	120,024.00
5/9/24	RIVERSIDE COUNTY	PROPERTY TAXES - SBE UNITARY	8,246,469.77
5/14/24	RIVERSIDE COUNTY	PROPERTY TAXES - HOMEOWNERS EXMPTN	77,098.77
5/16/24	RIVERSIDE COUNTY	PROPERTY TAXES - SUPPLEMENTAL	427,211.86
5/20/24	BCVWD	WATER SALES	547,827.00
5/24/24	RIVERSIDE COUNTY	SECURED	9,216,551.93
TOTAL FOR MAY 2024			20,303,622.33

SAN GORGONIO PASS WATER AGENCY

Water Purchases and Deliveries
Calendar Year 2024
DRAFT - Subject to Change
June 12, 2024

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

Month	Delivery Point					Pre-Stored Water					
	Brookside East	LSGC	Noble Connect.	SBVMWD	Total	SGPWA Transfers-In	SGPWA Transfers-Out	SGPWA Balance	Banning Transfers-In	BCVWD Transfers-In	YVWD Transfers-In
Bal. Prior Year						Bal. Prior Year					
Jan	438	0	279	13	730	438		893			
Feb	744	0	162	6	912	744		1,331			
Mar	679	0	1,351	0	2,030	679		2,075			
Apr	468	0	1,373	0	1,840	468		2,754			
May	552	0	837	0	1,389	552	2,000	3,222			
Jun					0			1,774	1,000		
Jul					0						
Aug					0						
Sep					0						
Oct					0						
Nov					0						
Dec					0						
TOTALS	2,881	0	4,001	19	6,901	2,881	2,000		1,000	0	1,000

Month	City of Banning			BCVWD			YVWD			Totals
	Deliveries	Transfers-in	Total	Deliveries	Transfers-in	Total	Deliveries	Transfers-in	Total	
			0	279		279	13		13	292
Jan			0	279		279	13		13	292
Feb			0	162		162	6		6	168
Mar			0	1,351		1,351	0		0	1,351
Apr			0	1,373		1,373	0		0	1,373
May		1,000	1,000	837		837	0	1,000	1,000	2,837
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	0	1,000	1,000	4,001	0	4,001	19	1,000	1,019	6,020

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

San Gorgonio Pass Water Agency
Budget Highlights

May 2024

Overall Summary

Expenditure totals for all categories in the General Fund are below budget at this time, except for Legal Services, which has been previously mentioned. Expenditures for the Debt Service Fund as a whole are within budget at this time, with only two line items being slightly over budget. Income for all funds is being received as projected, even though some line items may be less than budgeted at this time. Interest for all funds is exceeding expectations.

General Fund

Previous

- Office Expense is over budget.
- Insurance and Bonds is over budget due to increased insurance premiums this year.
- Dues and Assessments is over budget.
- Field Maintenance and Repairs is slightly over budget.
- Legal Services is over budget due to additional work requested by the Board.

Income

About \$5.3 million was received in tax revenue this month. Additional tax revenue is expected for June, which is likely to slightly exceed the projection. Receipts are approximately 8% more than last fiscal year. The water delivery allocation was raised to 40% by DWR on April 23rd, so the outlook for water deliveries is improving. The actual amount received for water sales is likely to be within 15% of the projected amount by year-end.

About \$53,000 was billed to the Groundwater Sustainability Agency participants. This will make the line item positive by year end.

Expenses

Purchased Water for Delivery will likely be close to budget by year-end. The recent maintenance for the recharge ponds has improved the infiltration rate significantly.

The Board approved a new contract for Public Relations, which will be included in Public Information. All invoices for social media and public relations in the Conservation and Education category will be included here.

All categories except Legal Services are within budget at this time.

Overall, all expenditures for the General Fund have approximately 30% of the budget left at this time.

Consigned – SWP Support Fund

The final deposit for the SWP Fund was received, bringing the total amount received for this fund above the projected amount.

Debt Service Fund

Previous

- SWC Dues – paid for the fiscal year.

Income

Overall, tax revenue is being received as projected. \$8.6 million was received in May; the total amount of tax revenue received this fiscal year now exceeds the projected amount. Additional tax revenue will be received in June, with the balance due in July.

Expenses

Tax collection charges have increased in relation to tax revenue received and will be over budget at year end. Payments for the State Water Contract are expected to be under budget, because of a revision in the Statement of Charges. As much as \$5 million may be added to reserves for future State Water Project payments.

Gap Funding Program

The first payment was made to the South Mesa Water Company for about \$478,000 in May. The request for reimbursement from the State Water Resources Control Board (the funding entity) for this expenditure has been submitted by SMWC.

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FOR FY 2023-24
FOR THE ELEVEN MONTHS ENDING ON MAY 31, 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					
1	WATER SALES	7,800,000		7,800,000	5,153,104.95	-33.9%
2	TAX REVENUE	11,800,000		11,800,000	11,441,926.45	-3.0%
3	INTEREST	130,000		130,000	266,001.27	104.6%
4	GOV'T CONTRIBUTIONS, GRANT REVENUE	50,000		50,000	0.00	-100.0%
5	OTHER MISCELLANEOUS INCOME	10,000		10,000	2,573.45	-74.3%
6	TOTAL GENERAL FUND INCOME	19,790,000	0	19,790,000	16,863,606.12	-14.8%
	GENERAL FUND - EXPENSES					
	COMMODITY PURCHASE					
10	PURCHASED WATER FOR DELIVERY	9,100,000		9,100,000	7,630,448.33	16.1%
11	PURCHASED WATER FOR BANKING (FUTURE SALE)	2,000,000		2,000,000	922,678.00	53.9%
12	TOTAL COMMODITY PURCHASE	11,100,000	0	11,100,000	8,553,126.33	22.9%
	SALARIES AND EMPLOYEE BENEFITS					
15	SALARIES	630,000		630,000	553,367.72	12.2%
16	PAYROLL TAXES	63,000		63,000	48,927.21	22.3%
17	PAYROLL SERVICE	5,000		5,000	4,465.85	10.7%
18	RETIREMENT	135,000		135,000	99,996.74	25.9%
19	OTHER POST-EMPLOYMENT BENEFITS (OPEB)	75,000		75,000	62,489.06	16.7%
20	HEALTH INSURANCE	80,000		80,000	46,441.79	41.9%
21	ACWA BENEFITS	10,000		10,000	6,604.04	34.0%
22	DISABILITY INSURANCE	6,000		6,000	4,577.96	23.7%
23	WORKERS COMPENSATION INSURANCE	5,000		5,000	3,338.92	33.2%
24	SGPWA STAFF MEDICAL REIMBURSEMENT	10,000		10,000	6,336.10	36.6%
25	EMPLOYEE EDUCATION	4,000		4,000	0.00	100.0%
26	TOTAL SALARIES AND EMPLOYEE BENEFITS	1,023,000	0	1,023,000	836,545.39	18.2%

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FOR FY 2023-24
FOR THE ELEVEN MONTHS ENDING ON MAY 31, 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 %	8%
30	DIRECTOR EXPENDITURES					
31	DIRECTORS FEES	264,000		264,000	173,424.82	34.3%
32	DIRECTORS TRAVEL AND EDUCATION	50,000		50,000	62,498.54	-25.0%
33	DIRECTORS MEDICAL REIMBURSEMENT	46,000		46,000	19,412.48	57.8%
	OFFICE EXPENDITURES					
35	OFFICE EXPENSE	20,000		20,000	43,821.52	-119.1%
36	POSTAGE	1,000		1,000	67.28	93.3%
37	TELEPHONE	10,000		10,000	7,908.73	20.9%
38	UTILITIES	8,000	7,000.00	15,000	4,659.38	68.9%
	SERVICE EXPENDITURES					
40	COMPUTER, WEBSITE AND PHONE SUPPORT	50,000		50,000	52,993.40	-6.0%
41	GENERAL MANAGER AND STAFF TRAVEL	25,000		25,000	26,207.75	-4.8%
42	INSURANCE AND BONDS	35,000		35,000	48,783.65	-39.4%
43	ACCOUNTING AND AUDITING	23,000		23,000	20,000.00	13.0%
44	DUES AND ASSESSMENTS	45,000		45,000	48,838.00	-8.5%
45	OTHER PROFESSIONAL SERVICES	75,000		75,000	31,421.14	58.1%
46	PUBLIC INFORMATION	60,000		60,000	49,072.28	18.2%
47	BANK CHARGES	1,000		1,000	25.00	97.5%
48	MISCELLANEOUS EXPENSES	2,000		2,000	0.00	100.0%
	MAINTENANCE AND EQUIPMENT EXPENDITURES					
50	TOOLS PURCHASE AND MAINTENANCE	3,000		3,000	499.66	83.3%
51	MAINTENANCE AND REPAIRS - VEHICLE	10,000		10,000	5,447.77	45.5%
52	MAINTENANCE AND REPAIRS - BUILDING	30,000		30,000	18,066.90	39.8%
53	MAINTENANCE AND REPAIRS - FIELD	40,000		40,000	43,225.87	-8.1%
54	CONTRACT OPERATIONS AND MAINTENANCE	220,000		220,000	54,597.09	75.2%
55	WATER TREATMENT EXPENSE	130,000		130,000	41,581.51	68.0%
	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	48,247.71	7.2%
60	TOTAL ADMINISTRATIVE AND PROFESSIONAL SERVICES	1,209,000	7,000	1,216,000	809,083.42	33.1%

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FOR FY 2023-24
FOR THE ELEVEN MONTHS ENDING ON MAY 31, 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 %
	PLANS & CONSTRUCTION					8%
65	INFRASTRUCTURE PLAN - Phase 2	25,000		25,000	5,913.20	76.3%
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	66,514.91	73.4%
69	SMALL SYSTEM ASSISTANCE PROGRAM	150,000		150,000	90,537.04	39.6%
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	18,491.00	63.0%
74	YUCAIPA GSA VERBENIA GSA	10,000		10,000	2,612.50	73.9%
75	FLUME MONITORING AND SUPPORT	30,000		30,000	0.00	100.0%
	STUDIES AND REPORTS					
77	FINANCIAL MODELING	70,000		70,000	6,480.00	90.7%
78	USGS STUDIES AND MONITORING	250,000		250,000	215,659.48	13.7%
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	80,089.10	35.9%
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	941.25	99.6%
88	GRANT SUPPORT SERVICES	75,000		75,000	45,462.50	39.4%
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	3,052.80	98.0%
92	TOTAL CONSULTING AND ENGINEERING SERVICES	2,821,000	0	2,821,000	608,946.10	78.4%

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FOR FY 2023-24
FOR THE ELEVEN MONTHS ENDING ON MAY 31, 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 %
						8%
LEGAL SERVICES						
98	LEGAL SERVICES	150,000		150,000	202,850.11	-35.2%
99	TOTAL LEGAL SERVICES	150,000	0	150,000	202,850.11	-35.2%
CONSERVATION AND EDUCATION						
102	SCHOOL EDUCATION PROGRAMS	45,000		45,000	40,175.00	10.7%
103	ADULT EDUCATION AND SOCIAL MEDIA	10,000		10,000	9,000.00	10.0%
104	SPONSORSHIPS	6,000		6,000	12,245.00	-104.1%
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	69,003.12	14.8%
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	15,861.40	36.6%
113	OTHER EQUIPMENT	20,000	10,000.00	30,000	34,891.25	-16.3%
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	2,290,752.65	20.9%
118	TRANSFERS TO OTHER FUNDS			0		
120	TOTAL GENERAL FUND EXPENSES	19,279,000	17,000	19,296,000	13,370,307.12	30.7%
122	GENERAL FUND NET INCOME YTD	511,000	-17,000	494,000	3,493,299.00	

SAN GORGONIO PASS WATER AGENCY
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FOR THE ELEVEN MONTHS ENDING ON MAY 31, 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						
	CONSIGNED - SWP SUPPORT FUND - INCOME				Remaining %	8%
INCOME						
130	UNITARY TAX REVENUE ALLOCATED	6,600,000		6,600,000	7,421,464.49	12.4%
131	INTEREST	15,000		15,000	228,627.59	1424.2%
132	OTHER INCOME	0		0	0.00	
133	TOTAL SWP SUPPORT FUND INCOME	6,615,000	0	6,615,000	7,650,092.08	15.6%
 CONSIGNED - SWP SUPPORT FUND - EXPENSES						
EXPENDITURES						
139	TAX COLLECTION CHARGES	16,000		16,000	18,754.48	-17.2%
140	OTHER EXPENSES	0		0	0.00	
141	TOTAL SWP SUPPORT FUND EXPENSES	16,000	0	16,000	18,754.48	-17.2%
143	TRANSFERS TO OTHER FUNDS					
145	CONSIGNED - SWP SUPPORT FUND NET INCOME YTD	6,599,000	0	6,599,000	7,631,337.60	

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FOR FY 2023-24
FOR THE ELEVEN MONTHS ENDING ON MAY 31, 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 %	8%
	DEBT SERVICE FUND - INCOME				
	INCOME				
153	TAX REVENUE	26,100,000	26,100,000	27,772,190.13	6.4%
154	INTEREST	460,000	460,000	1,329,122.51	188.9%
155	CONTRIBUTIONS - GOVERNMENT	0	0	0.00	0.00
156	DWR CREDITS - BOND COVER, OTHER	3,100,000	3,100,000	3,549,475.63	14.5%
157	TOTAL DEBT SERVICE FUND INCOME	29,660,000	0	29,660,000	32,650,788.27
	DEBT SERVICE FUND - EXPENSES				
	EXPENSES				
161	SALARIES	425,000	425,000	385,396.66	9.3%
162	PAYROLL TAXES	30,000	30,000	22,810.79	24.0%
163	BENEFITS	220,000	220,000	106,932.67	51.4%
164	LEGAL FEES	0	0	0.00	0.00
165	UTILITIES	11,000	11,000	3,704.39	66.3%
166	ENGINEERING, MAINTENANCE, CONSULTING	200,000	200,000	88,967.56	55.5%
167	SWC AUDIT	7,000	7,000	6,181.00	11.7%
168	SWC CONTRACTOR DUES	51,000	51,000	53,402.00	-4.7%
169	EBX CONTRACT OPERATIONS	200,000	200,000	193,334.09	3.3%
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	22,679,142.00	12.8%
173	TAX COLLECTION CHARGES	130,000	130,000	137,349.88	-5.7%
174	TOTAL DEBT SERVICE FUND EXPENSES	29,804,000	0	29,804,000	25,859,025.02
176	TRANSFERS FROM RESERVES			0.00	0.00
178	DEBT SERVICE NET INCOME YTD	-144,000	0	-144,000	6,791,763.25

SAN GORGONIO PASS WATER AGENCY
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FOR THE ELEVEN MONTHS ENDING ON MAY 31, 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		Carry over from last fiscal year	9,787.96	%NA
186	SOUTH MESA WATER CO	0	0.00	0	
187	HIGH VALLEYS WATER DISTRICT		0.00	0	
188				0	
189				0	
190				0	
191	TOTAL INCOME	0	0	0	9,787.96

GAP FUNDING PROGRAM - EXPENSES

194	CABAZON WATER DISTRICT #1	110,000	110,000	105,533.66	4.1%
195	SOUTH MESA WATER CO		2,000,000.00	2,000,000	477,487.02
196	HIGH VALLEYS WATER DISTRICT		1,000,000.00	1,000,000	
197				0	
198				0	
199				0	
200	TOTAL EXPENSE	110,000	3,000,000	3,110,000	583,020.68
202	GAP FUNDING PROGRAM NET BALANCE YTD	-110,000	-3,000,000	-3,110,000	-573,232.72

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

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 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	AKA Unitary taxes
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	240531	LEGAL SERVICES MAY 2024	28,400.98
TOTAL PENDING INVOICES FOR APPROVAL MAY 2024			<u><u>28,400.98</u></u>

San Gorgonio Pass Water Agency
Gap Funding Program
Summary Report
Report Date: June 21, 2024

OVERALL Current Balance: 573,233.32

(Owed to Agency)

Cabazon Water District #1	(CWD owes us) - Current Balance: 95,745.70
Gap Funding Maximum: 1,300,000	
Approximate Project Cost: 1,700,000.00	Approximate Gap Funding Available: 1,204,254.30
Payments Made to CWD: 1,284,221.36	Payments Received from CWD: 1,188,475.66

South Mesa Water Company	(SMWC owes us) - Current Balance: 477,487.62
Gap Funding Maximum: 7,000,000	
Approximate Project Cost: 10,300,000.00	Approximate Gap Funding Available: 6,522,512.38
Payments Made to SMWC: 477,487.62	Payments Received from SMWC: 0.00

High Valleys Water District	(HVWD owes us) - Current Balance: 0.00
Gap Funding Maximum: 1,000,000	
Approximate Project Cost: 1,000,000.00	Approximate Gap Funding Available: 1,000,000.00
Payments Made to HVWD: 0.00	Payments Received from HVWD: 0.00

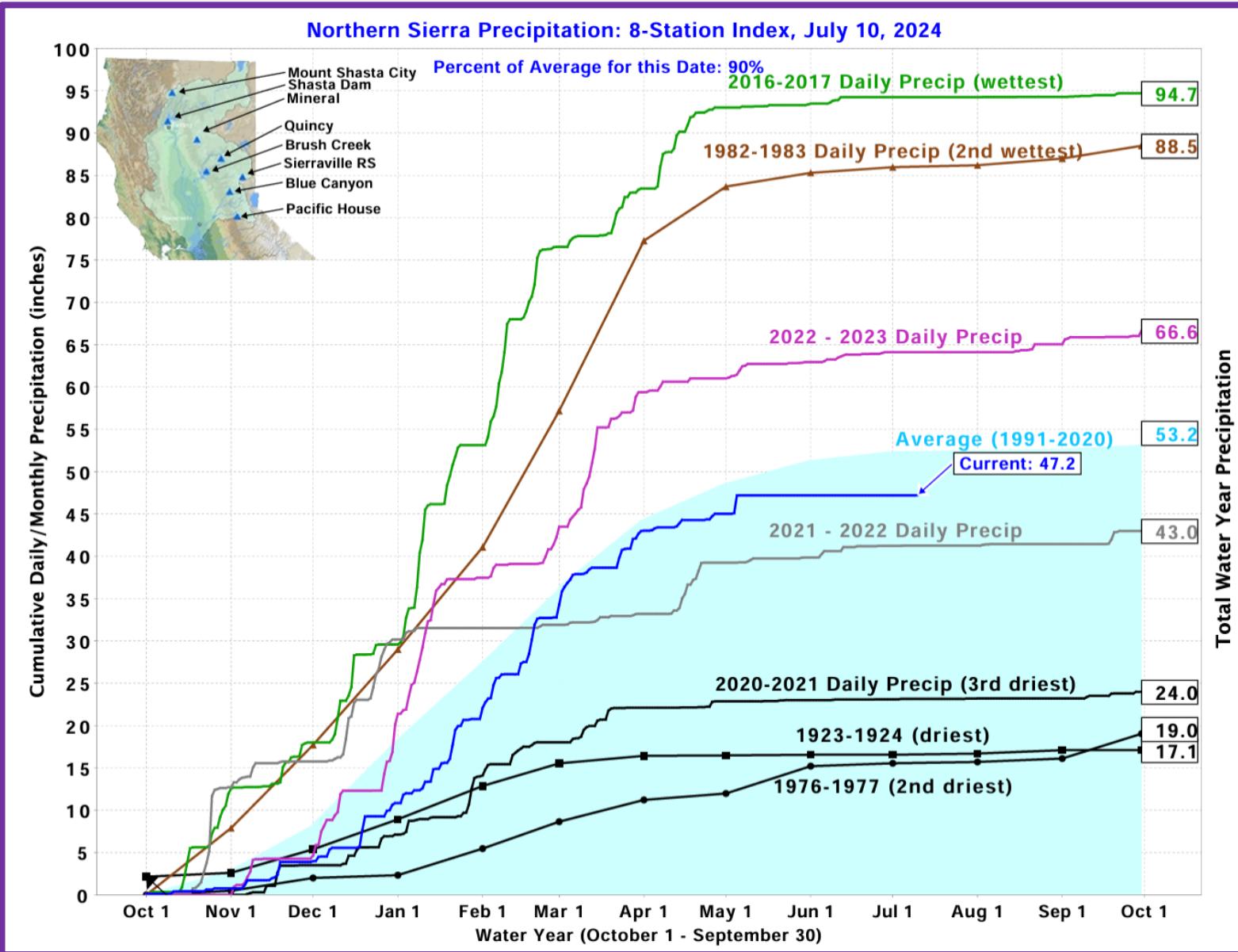


Water Conditions Report



Board of Directors Meeting
July 15, 2024





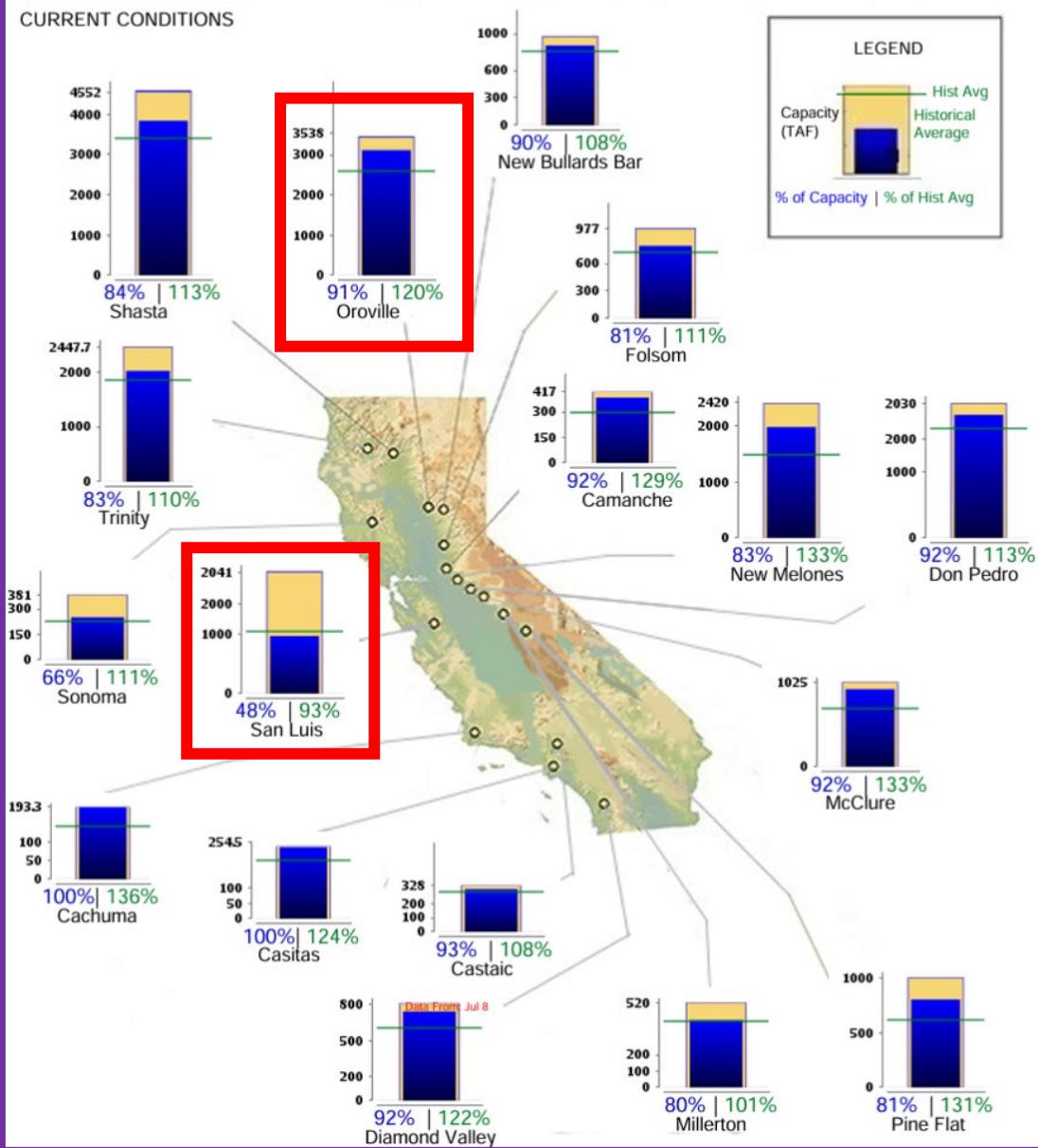
State Precipitation Stations – North Sierra



CALIFORNIA MAJOR WATER SUPPLY RESERVOIRS

CURRENT CONDITIONS

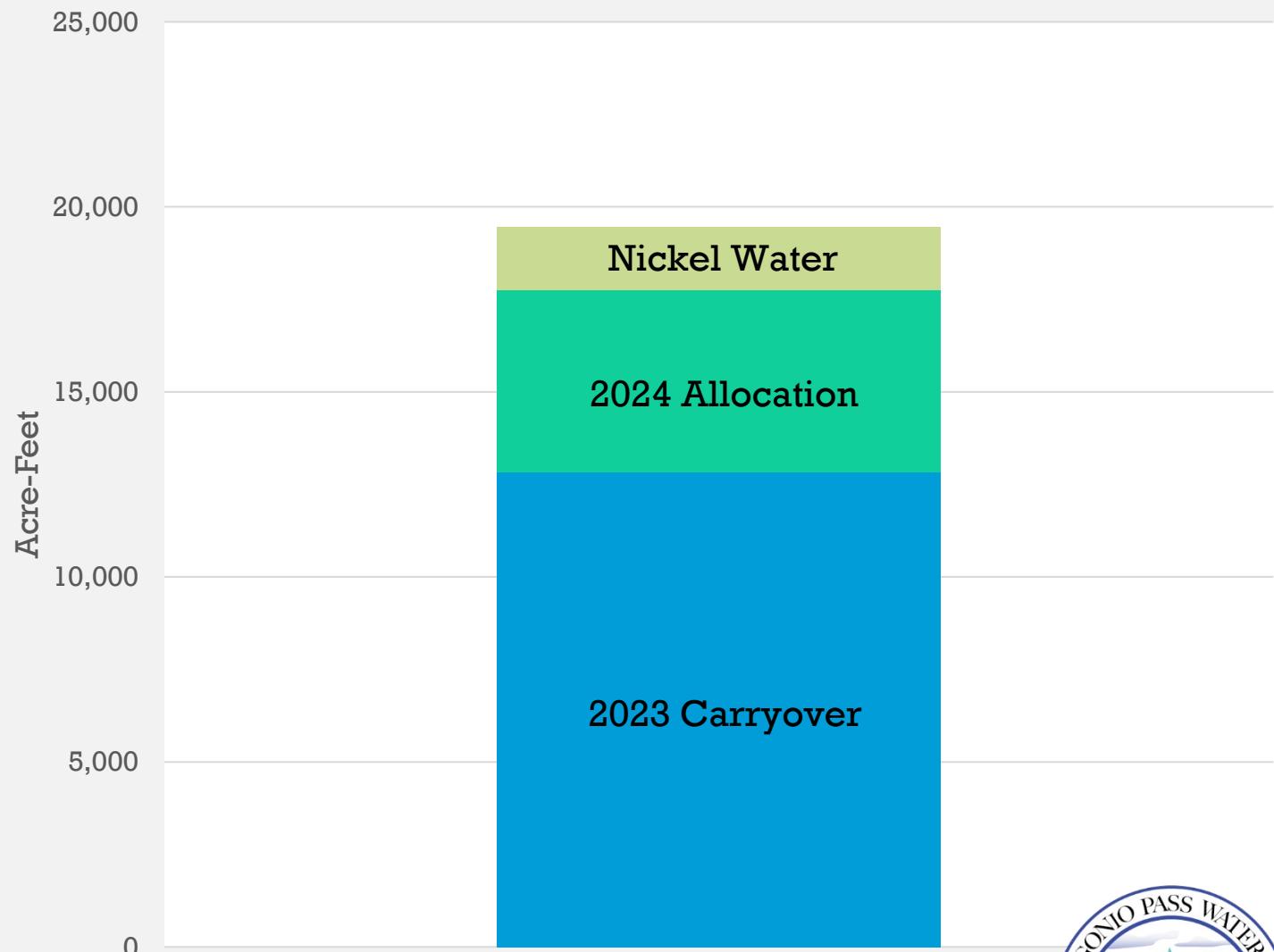
Midnight - July 9, 2024



Current Reservoir Conditions



2024 Total Supply



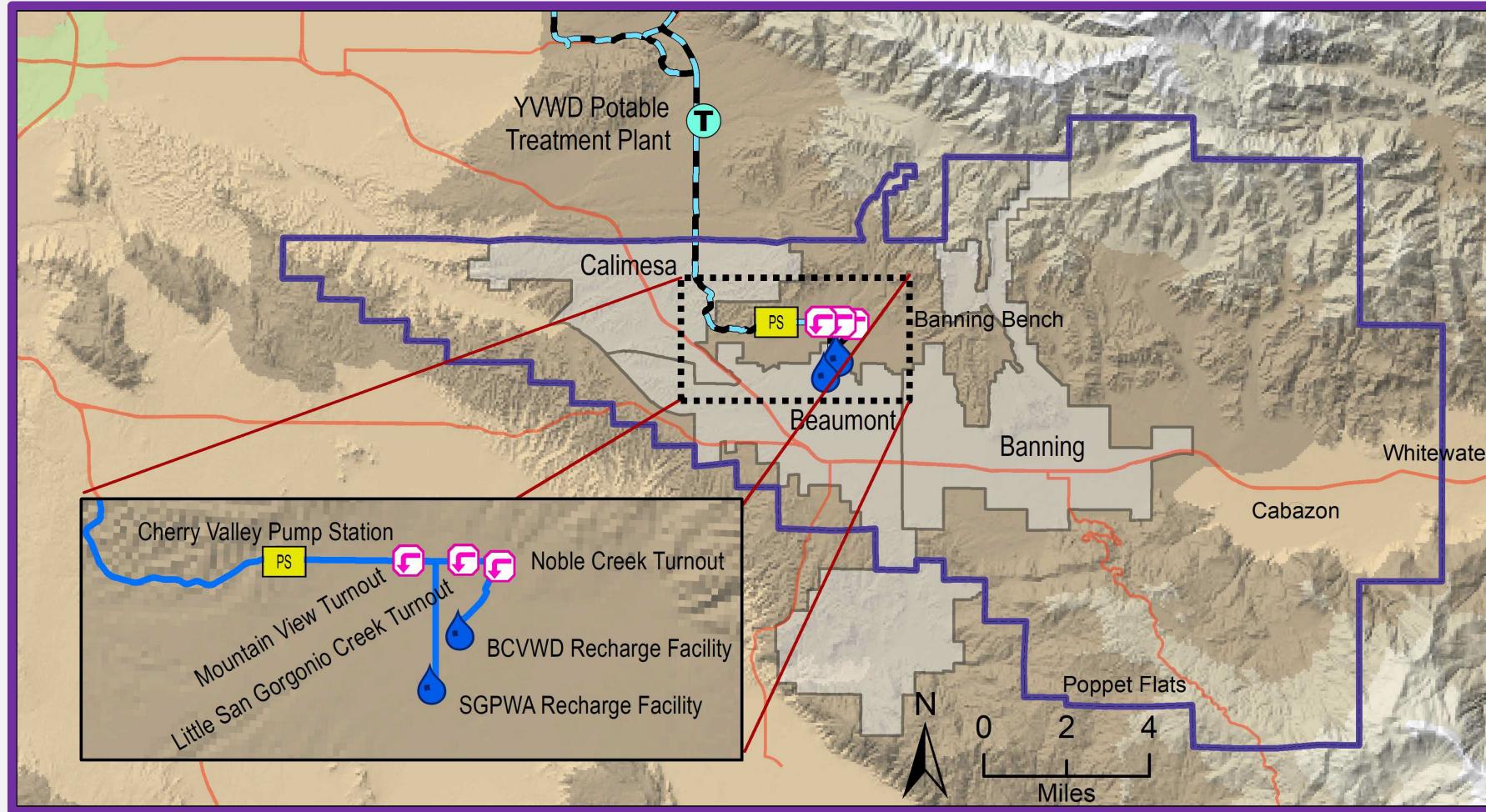
SGPWA Portfolio @ 40%

Source	TOTAL (AF)
SWP – Carryover SGPWA	8,650
SWP – Carryover Ventura	4,178
SWP – Table A	6,920
SWP – Ventura	4,000
Non-SWP - Nickel Water	1,700
<u>Subtotal Supply</u>	<u>25,448</u>
Westside Transfer	(6,000)
Total Supply	19,448



2024 SWP Allocation & Portfolio Update





	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
Recharge	717	906	2,030	1,840	1,389	1,304	1,400						9,586
Direct	13	6	0	0	0	0	0						19

*Estimated
*From Local Storage



Local Deliveries 2024 (acre-feet)

Subject to Final Verification





Brookside East Recharge Facility



BCVWD Recharge Facilities



July Recharge Activities



San Gorgonio Pass Water Agency

DATE: July 15, 2024
TO: Board of Directors
FROM: Lance Eckhart, General Manager
BY: Tom Todd, Jr., Chief Financial Officer
SUBJECT: DEBT SERVICE BUDGET FOR FY 2024-25

RECOMMENDATION

Approve the Debt Service Budget for FY 2024-25.

PREVIOUS CONSIDERATION

- Finance and Budget Committee – June 27, 2024: The Committee reviewed and discussed the proposed budget. After Committee input, some changes were made, reflected in the latest version of the proposed budget.

BACKGROUND

The Board considers and adopts a Debt Service budget every year. Normally, about 90% of the expenditures are dictated by the Statement of Charges (SOC) issued by the Department of Water Resources (DWR). For the coming fiscal year, due to some additional local expenditures, the SOC makes up 85% of the budget.

Because the Agency operates on a fiscal year, and DWR operates on a calendar year, there are parts of two SOCs, part to finish the calendar year 2024, and part to start the calendar year 2025.

ANALYSIS

The proposed FY24-25 Debt Service Budget projects expenditures of \$33,107,000. This budget includes a reduction of charges in the SOC, mostly in the invoice for Operations, Maintenance, Power and Replacements, also known as the T-invoice. There is a slight increase in the EBX payments, but not the significant increase expected in the years 2026 through 2029. The major increase is due to the Agency's participation in the City Creek Crossing repair, of which the Agency's share is projected to be about \$3.2 million.

The Draft Debt Service Budget for FY 2024-25 presentation, which is included in the agenda packet, contains a detailed explanation of the proposed expenditures and line items, as well as a discussion of the future direction of the Agency.

FISCAL IMPACT

The Agency is well-prepared to utilize this budget to meet its obligations to the State Water Project, as well as its partners in EBX infrastructure. Previous Board decisions have assured the Agency of sufficient resources to meet current demands and provided reserves to help with future obligations.

ACTION

Approve the Debt Service Budget for FY 2024-25.

ATTACHMENTS

Draft Debt Service Budget for FY 2024-25



San Gorgonio Pass Water Agency

DRAFT DEBT SERVICE FUND BUDGET FY 2024-25



Headquarters



Brookside East Recharge Facility

ABOUT THE AGENCY

The San Gorgonio Pass Water Agency is one of 29 local government organizations, called State Water Contractors, that have contracted with the State of California to import water to their local service areas using the State Water Project. The Agency was created by the Legislature of the State of California under Senate Bill 8, Chapter 40, which was signed into law by Governor Edmund "Pat" Brown on April 19, 1961. The purpose for creating this public agency by special law was for the "planning, conservation, development, distribution, control and use of an adequate water supply for the public good and for the protection of life and property therein." As part of the act, the Agency was given taxing authority similar to the taxing power of other local governments.

The Agency service area covers about 141,000 acres and has an estimated population of slightly more than 100,000. Major communities include Banning, Beaumont, Cabazon, Calimesa, and Cherry Valley. Retail water purveyors that serve the region include the City of Banning, Banning Heights



Cherry Valley Pump Station



Citrus Reservoir and Pump Station



Crafton Hills Reservoir

Mutual Water Company, Beaumont Cherry Valley Water District, Cherry Valley Water Company, High Valleys Water District, Mission Springs Water District, South Mesa Water Company, and Yucaipa Valley Water District.

The Agency entered into a contract with the State of California Department of Water Resources for an annual entitlement of 15,000 acre-feet from the State Water Project in 1962. Two years later, additional entitlement became available. Even then, the forward-focused Board was concerned that the original entitlement might not be sufficient for future needs, but was also concerned about the cost to local taxpayers. They took a bold step and voted to increase the Agency's entitlement to its current amount of 17,300 acre-feet.

However, water did not get delivered to the region until the completion of the East Branch Extension. The East Branch Extension, known locally as EBX, completed the necessary infrastructure to deliver water to the Agency's service area. EBX Phase 1 was completed in 2003; EBX Phase 2 was completed in 2018. The new facilities included an additional pipeline, an additional reservoir, additional pumps and expanded an existing reservoir. The Agency now had sufficient capacity to deliver its entire allotment in any year that it was available. EBX is unique in the State Water Project because it is jointly operated by DWR, San Bernardino Valley Municipal Water District and the Agency.

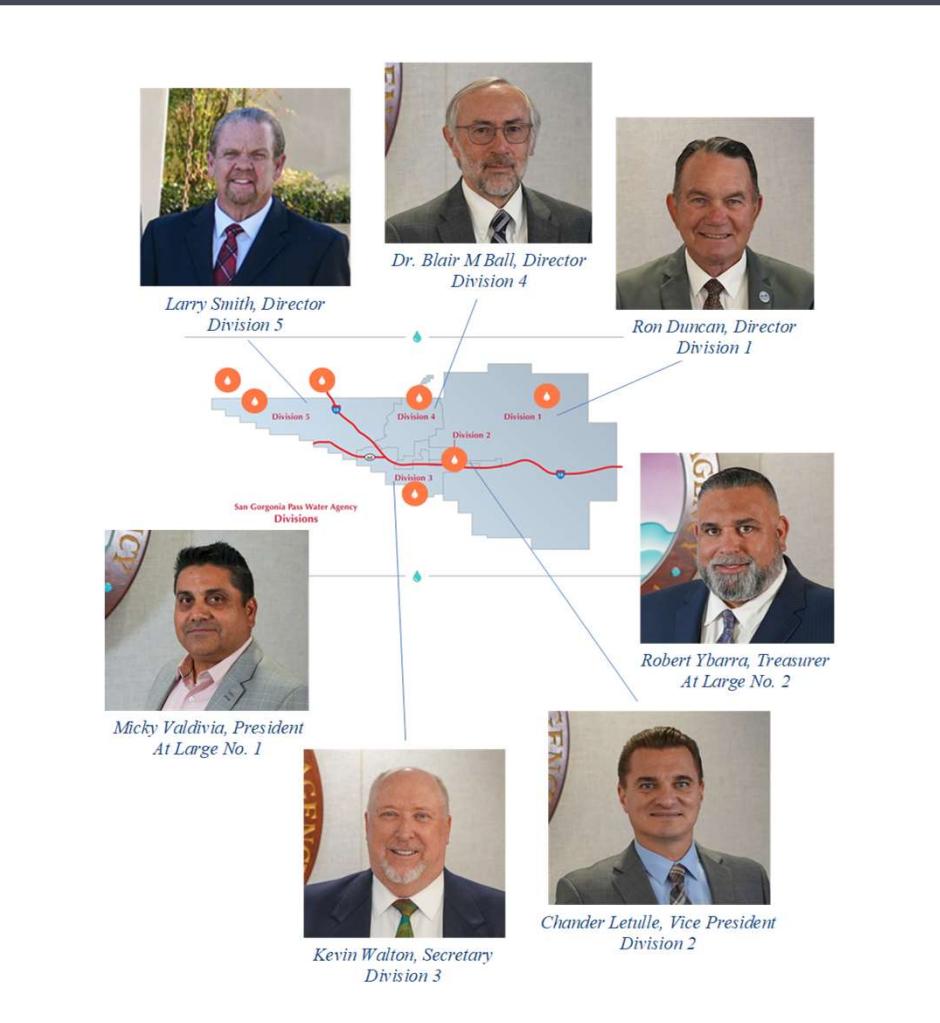
In 2020, the Agency completed construction and started using its new recharge site on the corner of Beaumont Avenue and Brookside in Beaumont. This facility was built to be able to recharge water, most often during wet years, but also as necessity arises because of operational constraints. The Agency is currently planning on expanding additional recharge in this area to maximize wet-year deliveries and respond to increasing water supply variability in the SWP.

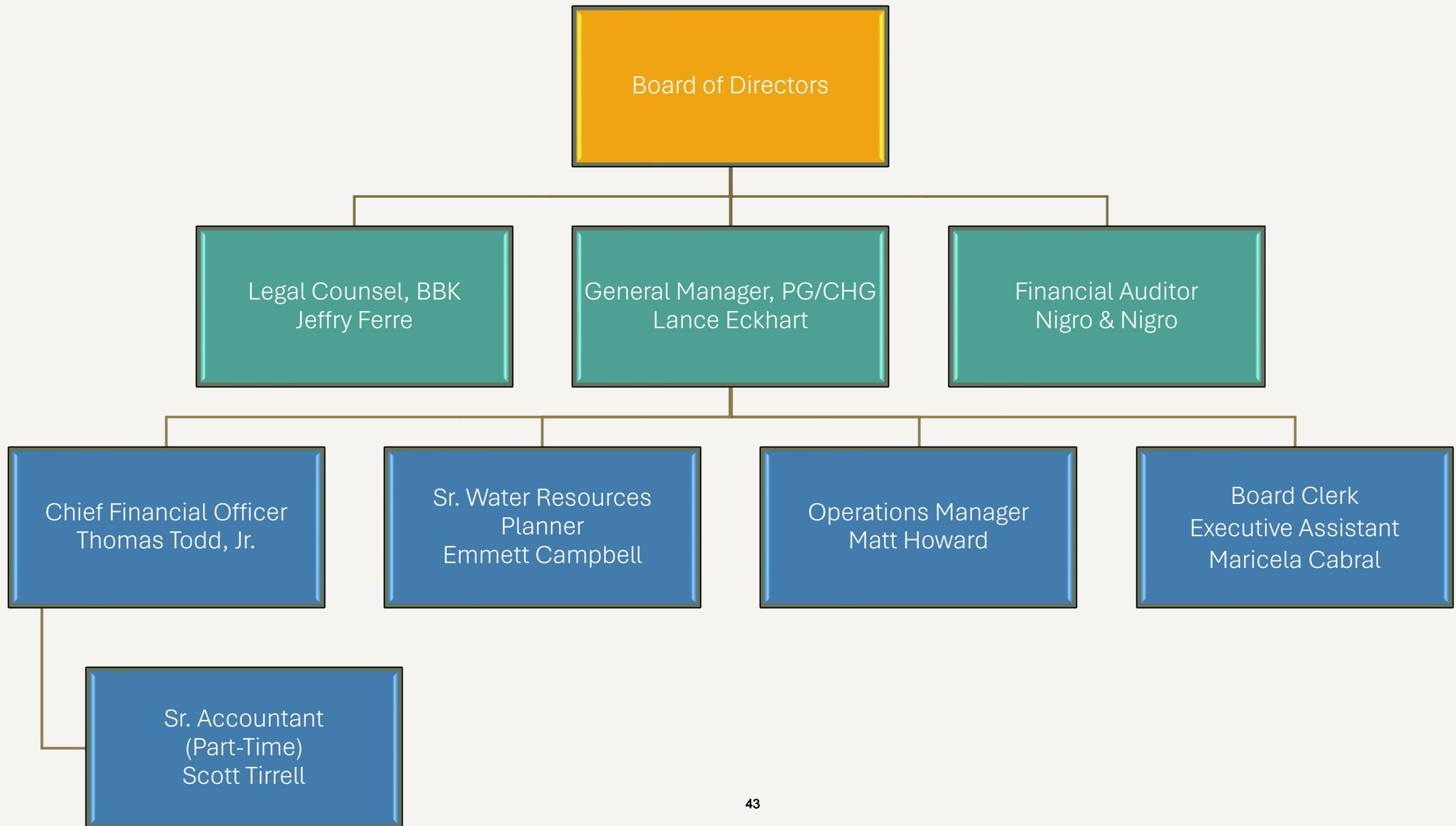
In 2022, the Agency finalized a 20-year exchange agreement with the City of Ventura, another State Water Contractor, to use its annual entitlement of 10,000 acre-feet.

In 2023, the Agency set a historical record by receiving, delivering, and storing over 24,400 acre-feet of SWP water.



Board of Directors 2024





FROM THE GENERAL MANAGER



Lance Eckhart, PG, CHG

Dear Board Members,

As we prepare for the fiscal year 2024-2025, I am pleased to present our Debt Service Budget, structured to robustly support our long-term strategic goals and continue our commitment to regional water security. This budget aligns with our Strategic Plan, focusing on financial prudence while gearing us towards significant infrastructural, environmental, and regulatory resilience projects.

Strategic Fiscal Management and Budget Overview

The proposed Debt Service Budget is a testament to our agency's solid financial health and strategic foresight. Anticipated revenues of approximately \$33.6 million, bolstered by consistent local economic development and efficient management of resources, enable us to meet our foreseeable financial obligations. Our expenditures, projected at about \$33.1 million, are strategically directed toward critical State Water Project payments and operational sustainability.

Generational Investments and Strategic Initiatives

Looking ahead, the agency is poised to tackle substantial financial commitments as we conclude payments for the East Branch Extension and engage in transformative projects like the Delta Conveyance Project and the Sites Reservoir. These generational projects are crucial for securing a dependable water supply for the region for decades to come, embodying our role in prudent long-term planning.

Debt Management and Long-term Planning

Our debt service strategy is not merely about meeting current obligations

but is intricately linked with our strategic vision of ensuring water availability and system reliability long into the future. The upcoming fiscal years will see us navigating increased payments for the East Branch Extension, with strategic reserves set aside to manage these without financial strain.

Commitment to Strategic Goals

Our budget supports the agency's mission to enhance water supply reliability through proactive financial management and strategic capital investments. It reflects our commitment to maintaining and expanding our infrastructure, managing our resources sustainably, and engaging with the community to support our regional water security goals.

Conclusion

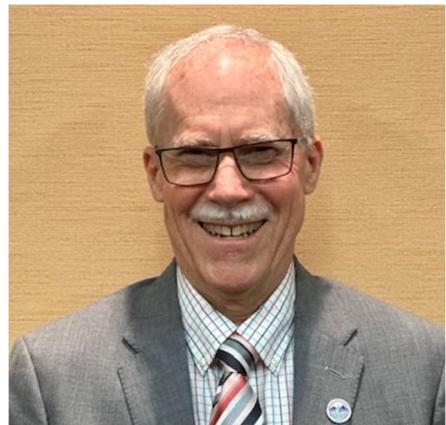
This budget underscores our dedication to fulfilling our obligations not only to the State of California but also to the residents and stakeholders of our region. By judiciously managing our debt service obligations and investing in pivotal infrastructure projects, we ensure the continued provision of an adequate and reliable water supply.

I look forward to your insights and approval to move forward with these plans, ensuring that the San Gorgonio Pass Water Agency remains a leader in regional water management and a regional resource steward.

Respectfully,

A handwritten signature in black ink, appearing to read "Diane Edd". The signature is fluid and cursive, with a large, stylized 'D' at the beginning.

FROM THE CHIEF FINANCIAL OFFICER



Thomas W. Todd, Jr.

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

The General Fund supports the many regional initiatives the Agency participates in, and is available for a multitude of activities and expenditures. The Debt Service Fund on the other hand, is dedicated to fulfilling our obligation to the State of California for the State Water Project and our primary objective: importing water to the Pass area. As such, we are called a State Water Contractor, because we have a contract with the State to pay for our participation in the State Water Project.

The Debt Service Fund also supports activities directly related to the SWP. As you will see in the following information, there are a number of line items that relate directly to the delivery of State Water Project water into the region.

As FY 2023-24 comes to a close, it appears that two factors will affect excess revenues positively. First, current projections suggest that tax revenue will exceed expectations. Second, there was a significant reduction in charges owed to the State due to a credit applied towards the East Branch Extension payment schedule.

As a result, the Debt Service Fund will conclude FY 2023-24 within budget and with a surplus.

For FY 2024-25, tax revenue is projected to increase by about 5%. Additional revenue comes from interest and refunds issued by the Department of Water Resources. **Total income is projected to be about \$33.6 million.**

On the expense side, there are two basic expense categories for the Debt Service Fund. The major one is State Water Contract Payments and Water Transfers. State Water Contract Payments are derived from the annual Statement of Charges issued by the Department of Water Resources. They are shown in a table later in this document.

Water Transfers is the line item for expenditures related to transfer agreements the Agency has with other State Water Contractors. An example of this is the transfer agreement we have with the City of Ventura. Throughout the year, we may enter into other agreements with other State Water Contractors, and those expenditures would be added to this line item.

These two categories account for about 85% of the expenditures from the Debt Service Fund in FY 2024-25.

The other line items account for activities directly related to the delivery of water through the SWP, and for operations and administration of the same. Two line items are being transferred to the Debt Service Fund from the General Fund for this fiscal year. Contract Operations and Maintenance, which are charges generally paid to San Bernardino Valley Municipal Water District (SBVMWD) to operate the East Branch Extension, will be added to the Debt Service budget. Water Treatment Expense is a line item that was added about three years ago, to help reduce algae that grows during the summer months. Originally, we supported efforts by SBVMWD to treat water before it reached Cherry Valley Pump Station, and we continue to do so. But in FY23-24 we also added our own system to introduce water treatment chemicals (copper sulfate) closer to the delivery point to more effectively treat the water.

For FY24-25, the SWP Engineering and Maintenance line item includes \$3.2 million to share the cost of repairing the City Creek Crossing with San Bernardino Valley Municipal Water District. The design of the project is underway; construction is expected to start in 2025. This is an expense included for FY24-25, and is not expected to extend into FY 2025-26.

Altogether, total expenses for the Debt Service Fund are projected to be \$33.1 million.

One thing to note that causes some confusion: the Statement of Charges is issued on a calendar basis, while our financial cycle operates on a fiscal year basis, from July 1 to June 30. So, any budget we consider has DWR charges from two different calendar years.

Due to some changes suggested by the Board, we have changed the way we consider the Debt Service Budget for the coming fiscal year. In order to allow the Finance and Budget Committee to review the proposed budget first, we are using the May Estimate issued by DWR, rather than the Statement of Charges, which is not available until July 1. When the Statement of Charges is received, the Finance Department will make any revisions necessary to bring the budget in line with the best available information.

Once that is done, the budget will be presented to the Board for consideration.

At the same time the Board considers the Debt Service Budget, it also considers and approves a tax rate that will support the activities related to the SWP. Of necessity, the Board considers what is necessary for the coming year, but also considers what will be necessary in the years ahead.

The SWP will face a number of challenges in the coming years. Besides the expected effects of inflation and cost increases, and repairs needed to aging infrastructure, the SWP will continue to face environmental and mandated restrictions that reduce the delivery capability of the Project. This makes the Project more expensive but reduces the amount of water available for delivery.

In addition, SWP improvements are necessary to offset the continued degradation of water delivery. The most important project is probably the Delta Conveyance Project. It is designed to help restore some of the lost delivery capability by building a dedicated conveyance across the Delta to take advantage of wet years and guard against potential seismic events and the effects of climate change.

Another important project the Agency participates in is Sites Reservoir. This is another project to help restore lost delivery capability by storing water in wet years, to be delivered during drier years.

Besides on-going refurbishment of aging facilities, the SWP is facing another challenge because of subsidence. As the ground level sinks, SWP facilities can't maintain the gradients set by the original designers to allow water to easily flow through the Central Valley. Considerable work must be done to address this unexpected development.

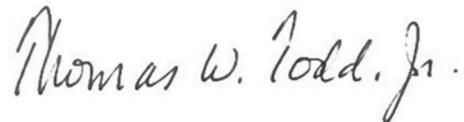
An additional financial challenge specific to the Agency is the increased payments for EBX in the later part of this decade. Some bond payments were deferred to later time periods, in the expectation that the Agency would be better able to afford

the payments. In years 2026 through 2029, the Agency will pay a total of about \$18 million over the average payment of about \$10 million annually.

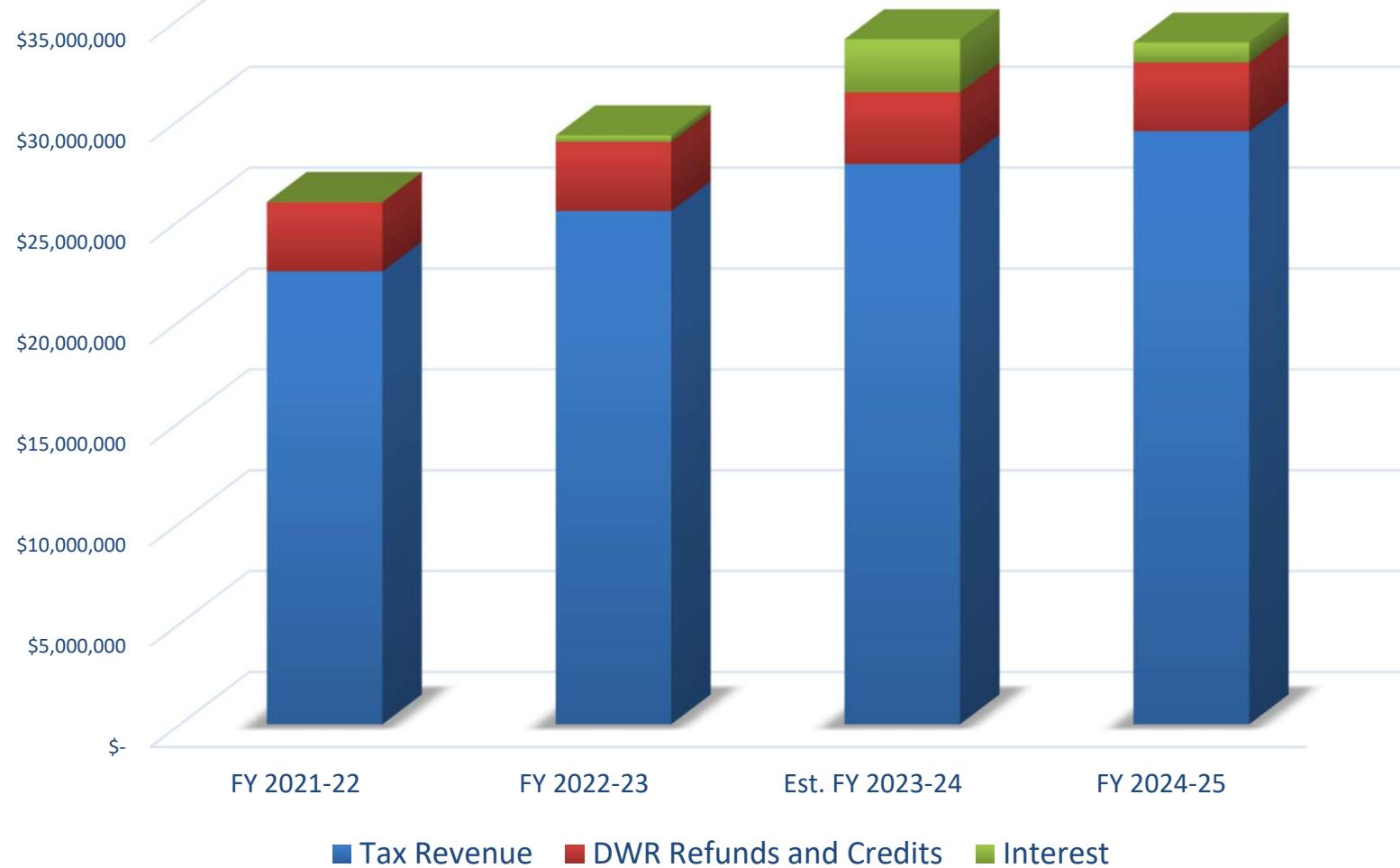
The Agency is well prepared to meet this unique challenge. In 2011, the Board chose to raise the tax rate to 18.5 cents per \$100 of assessed value to build up reserves to make these payments when they came due. As a result of this decision, the Agency is also prepared to meet the known challenges in coming years. But equally important is the Agency's ability to meet unknown challenges in the coming years. **Maintaining the current level of income is vitally important to stability for taxpayers as well as resilience for the Agency.**

This budget reflects the Agency's commitment to fulfilling its obligations to the State of California as well as its obligations to the taxpayers of the region. By participating in generational opportunities and maintaining adequate funding and reserves, the Agency can continue to provide an adequate water supply to our region.

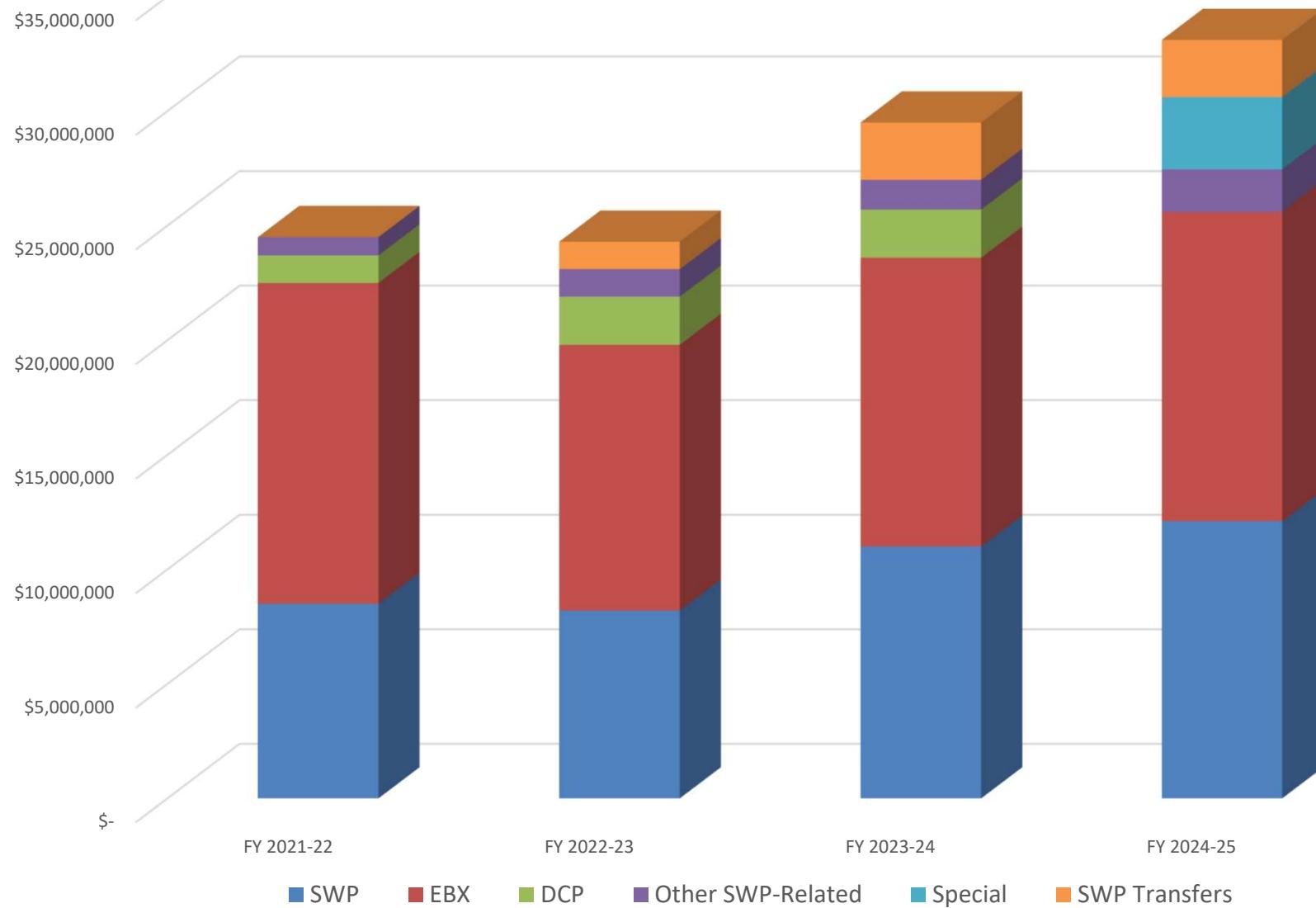
Respectfully,

A handwritten signature in black ink that reads "Thomas W. Todd, Jr." The signature is written in a cursive style with a large, stylized "T" and "W".

Debt Service Fund Income by Type



Debt Service Expenditures by Fiscal Year



SAN GORGONIO PASS WATER AGENCY
DRAFT DEBT SERVICE FUND BUDGET FOR FY 2024-25
BASED ON MAY 2024 BUDGET REPORT

	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 MAY 2024	PROJECTED YEAR END	Over/Under Budget	PROPOSED FY 2024-25	%Projected to Proposed

150	DEBT SERVICE FUND - INCOME					
151	INCOME					
152	TAX REVENUE	26,100,000	27,772,190.13	28,672,190.13	9.9%	29,400,000
153	INTEREST	460,000	1,329,122.51	1,435,452.32	212.1%	1,000,000
154	CONTRIBUTIONS - GOVERNMENT	0	0.00	0.00	0.0%	0
155	DWR CREDITS - BOND COVER, OTHER	3,100,000	3,549,475.63	3,549,475.63	14.5%	3,200,000
156	TOTAL DEBT SERVICE FUND INCOME	29,660,000	32,650,788.27	33,657,118.08	13.5%	33,600,000
157						
158	DEBT SERVICE FUND - EXPENSES					
159	EXPENSES					
160	SALARIES	425,000	385,396.66	416,228.39	2.1%	500,000
161	PAYROLL TAXES	30,000	22,810.79	24,635.65	17.9%	35,000
162	BENEFITS	220,000	106,932.67	189,487.28	13.9%	320,000
163	SWP LEGAL SERVICES	0	0.00	0.00		0
164	SWP UTILITIES	11,000	3,704.39	4,000.74	63.6%	10,000
165	STATE WATER CONTRACT AUDIT	7,000	6,181.00	6,181.00	11.7%	7,000
166	STATE WATER CONTRACTOR DUES	51,000	53,402.00	53,402.00	-4.7%	55,000
167	DELTA CONVEYANCE FINANCING AUTHORITY	30,000	0.00	0.00	100.0%	30,000
168	NEW - WATER TREATMENT EXPENSE - TRANSFERRED		41,581.51	55,000.00	%NA	100,000
169	EBX CONTRACT OPERATIONS	200,000	193,334.09	380,000.00	-90.0%	400,000
170	SWP ENGINEERING AND MAINTENANCE	200,000	88,967.56	100,000.00	50.0%	3,400,000
171	WATER TRANSFERS	2,500,000	2,181,803.98	2,181,803.98	0.0%	2,500,000
172	STATE WATER CONTRACT PAYMENTS	26,000,000	22,679,142.00	23,624,871.00	9.1%	25,600,000
173	TAX COLLECTION CHARGES	130,000	137,349.88	145,000.00		150,000
174	TOTAL DEBT SERVICE FUND EXPENSES	29,804,000	25,900,606.53	27,035,610.05	9.3%	33,107,000
175						
176	TRANSFERS FROM RESERVES	0	0.00	0.00	0.00	0
177						
178	DEBT SERVICE NET INCOME YEAR-END	-144,000	6,750,181.74	6,621,508.03	-4698.3%	493,000
179						

SAN GORGONIO PASS WATER AGENCY
DEPARTMENT OF WATER RESOURCES EXPENSE REQUIREMENTS
FOR THE FISCAL YEAR 2024-25

DRAFT

DEPARTMENT OF WATER RESOURCES		Statement of Charges	May Estimate
		FOR THE INVOICE PERIOD	FOR THE PERIOD
	INVOICE (type) - NUMBER (attachment)	JUL - DEC 2024	JAN - JUN 2025
	Water Supply - T Invoice - ATTACHMENT 1	5,938,345	4,197,924
	Delta Conveyance Project	1,054,772	0
	Sites Reservoir	0	0
	Other		
	Sub-Total Water Supply	6,993,117	4,197,924
	OAP - O Invoice- ATTACHMENT 1-1	0	5,009
	RAS - U Invoice - ATTACHMENT 1-2	0	0
	EBX - X Invoice - ATTACHMENT 1-5	10,378,654	2,875,982
	Tehachapi - TAB Invoice - ATTACHMENT 1-6	22,135	21,664
	DWR FIXED CHARGES	17,393,906	7,100,579
			Y
	TOTAL DWR STATEMENT OF CHARGES		24,494,485
	OTHER DWR CHARGES		
	Health Rivers and Landscapes		110,000
	CONTINGENCY		1,000,000
	TOTAL OTHER CHARGES		1,110,000
	TOTAL PROJECTED DWR EXPENDITURES (rounded)		25,600,000

SAN GORGONIO PASS WATER AGENCY			
ADDITIONAL DEBT SERVICE EXPENDITURES			
FOR THE FISCAL YEAR 2024-25			
	Debt Service Salaries		500,000
	Debt Service Payroll Taxes		35,000
	Debt Service Benefits		320,000
	SWP Legal Services		0
	Debt Service Utilities		10,000
	State Water Contract Audit		7,000
	SWC Contractor Dues		55,000
	Delta Conveyance Financing Authority		30,000
	Water Treatment		100,000
	EBX Contract Operations		400,000
	SWP Engineering and Maintenance		3,400,000
	Tax Collection Charges		150,000
	TOTAL ADDITIONAL EXPENSES		5,007,000
	WATER TRANSFERS		
	Ventura Water Transfer		2,500,000
	TOTAL WATER TRANSFERS		2,500,000
	GRAND TOTAL DEBT SERVICE EXPENDITURES		33,107,000

DRAFT

SAN GORGONIO PASS WATER AGENCY
DEBT SERVICE REVENUE REQUIREMENTS
COMPARISON OF TAX RATE ALTERNATIVES FOR FY 2024-25

CALCULATION OF POTENTIAL REVENUE PER CENT OF TAX RATE

CURRENT FY 2023-24

Tax Revenue (Projected) FY 2023-24	28,670,400	Current Tax Rate
Adjustments	0	17.50
Total Projected Tax Revenue FY 2023-24	28,670,400	
Income derived for each cent of tax FY 2023-24	1,638,308.57	

PROJECTION FOR FY 2024-25

Income derived for each cent of tax FY 2023-24	1,638,309	
Estimated percentage increase in assessed value		5.0%
Estimated percentage delinquency rate FY 2024-25		-2.4%
Net percentage revenue increase		2.6%
Estimated increase in tax revenue for 1 cent	42,596	
Estimate of revenue for each cent of tax FY 2024-25	1,680,905	

COMPARISON OF PROJECTED EXPENSES WITH POTENTIAL REVENUE

Projected Debt Service Expenditures 33,107,000

Potential Debt Service Non-Tax Revenue 4,200,000

Potential Debt Service Tax Revenue

Alternative Tax Rates

Reduced Rate	Reduced Rate	Reduced Rate	Reduced Rate	Maintain Rate	Increased Rate	Increased Rate	Increased Rate	Increased Rate
16.50	16.75	17.00	17.25	17.50	17.75	18.00	18.25	18.50

Resulting Alternative Tax Revenue

27,734,926	28,155,152	28,575,378	28,995,604	29,415,830	29,836,057	30,256,283	30,676,509	31,096,735
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Estimate of Total Debt Service Revenue FY 2024-25

31,934,926	32,355,152	32,775,378	33,195,604	33,615,830	34,036,057	34,456,283	34,876,509	35,296,735
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PROJECTED DEDUCTION FROM OR ADDITION TO NET RESERVES FY 2024-25

-1,172,074	-751,848	-331,622	88,604	508,830	929,057	1,349,283	1,769,509	2,189,735
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LINE ITEM AND PROJECT DESCRIPTIONS, page 1

DEBT SERVICE FUND INCOME

Tax Revenue (reference line #153)

Tax revenue for the Debt Service Fund comes from the Agency's authority to levy a tax. The rate is based on the assessed valuation of property located within the Agency's service area and is currently set at 17.5 cents per \$100 of assessed value. As shown on the HdL Transfer of Ownership (2019 – 2023) page in this report, the projected increase in assessed value for FY2024-25 is about 5%.

Government Contributions (#155)

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 agency for a study or a consulting contract. This line item relates to items that can be allocated to the Debt Service Fund only. This budget item is for income that is reimbursed to the Agency for these expenditures. Currently, no projects are contemplated that would be included in this line item.

DWR Credits (#156)

The Agency receives credits from the Department of Water Resources (DWR) for a number of items, mostly in the form of bond cover refunds. A bond cover is a stipulation in the bond covenants attached to the bonds sold by DWR. The cover is designed to provide a reserve and an alternative payment mechanism in case a State Water Contractor should default on their payment. This provides additional assurance to potential purchasers of DWR bonds and the bondholders that lowers the risk associated with bond payment defaults. The cover amount is 25% of the face value of the bond. For this provision, the bond issuer (DWR) receives a discount in the interest rate. DWR administers this by collecting the cover amount when the payment is due, holding the income in an interest-bearing account (California's Surplus Money Investment Fund (SMIF)) for one year, then returning the funds to the Contractors, along with an allocation of interest earned while deposited in SMIF.

LINE ITEM AND PROJECT DESCRIPTIONS, page 2

DEBT SERVICE FUND EXPENSES

SWP Legal Services (#164)

This line item is for legal services related to the State Water Project (SWP). Past expenditures were made for Agency participation in Environmental Impact Review (EIR) challenges or other matters that Contractors decided were necessary. No expenditures are expected for FY24-25.

SWP Utilities (#165)

This covers charges for phone service and electric service for Agency turnouts. Additional electronic connections are being planned for security and other needs for FY24-25.

State Water Contract Audit (#166)

The Agency participates in the Independent Audit Association (IAA), which includes most of the other Contractors except for the Metropolitan Water District. The IAA contracts with Ernst & Young, a major accounting firm, to perform an annual audit of DWR procedures. This helps the Contractors review the procedures DWR uses to calculate the Statement of Charges, to help make sure no mistakes are being made.

State Water Contractor Dues (#167)

The Agency is a member of the State Water Contractors, an association of 27 of the public agencies that have contracted with the State of California to receive a water supply through the State Water Project. The SWC represents the legal, policy and regulatory interests of the 27 State Water Project Contractors who are responsible for the capital, operations, and maintenance costs of the SWP. The Agency pays a proportional share of the cost to operate the SWC.

Delta Conveyance Financing Authority (#168)

The Agency is a founding member of the Delta Conveyance Financing Authority (DCFA), which was formed to explore possible alternatives for funding solutions for the Delta Conveyance Project. The DCFA is currently waiting for further developments in the DCP, which will determine what future steps the DCFA might consider to advance the project. The DCFA has sufficient funds in reserve to maintain their current level of activity, but has indicated that they may need contributions from member agencies if it is decided that additional work is to be done.

LINE ITEM AND PROJECT DESCRIPTIONS, page 3

Water Treatment Expense (#169)

This line item was transferred from the General Fund. This pays for the expenditures related to treating SWP deliveries with algaecide (copper sulfate) to reduce the occurrence of algae at the delivery points in the region. This was determined by Staff to be a necessary expense of delivering water, so included in the Debt Service Fund.

EBX Contract Operations (#170)

EBX Contract Operations are charges paid to San Bernardino Valley Municipal Water District (SBVMWD) to operate the East Branch Extension (EBX). SBVMWD calculates the charges based on staff time needed to operate EBX to deliver water. Originally, the Agency split the invoices evenly between the General Fund (known as Contract Operations and Maintenance) and the Debt Service Fund. After consideration by Staff and discussion with Legal Counsel, it was decided that all of the expenses should be borne by the Debt Service Fund.

SWP Engineering and Maintenance (#171)

The Agency shares the other costs of improvements and maintenance of the EBX with SBVMWD. There are a variety of routine costs, for example, air conditioning maintenance, or fuel for back-up generators. We also share the costs of major repairs and improvements. SBVMWD is currently working on the repair of the City Creek Crossing. We are responsible for approximately 18% of these costs, which are divided into two major categories, design and construction. The design element is expected to cost the Agency about \$150,000 this fiscal year. The construction contract for the repairs is projected to cost about \$16 million in total, of which the Agency would be responsible for about \$3 million. Construction is likely to start in 2025 and once under way will be completed fairly quickly.

Water Transfers (#172)

In 2022, the Agency entered into an agreement with the City of Ventura to receive their water supply for the next 20 years. This line item is for the annual cost of that agreement. The expense of other water transfers to the Agency from other Contractors would also be included in this line item.

State Water Contract Payments (#173)

This is the line item that accounts for the payments the Agency makes to the State of California for its participation in the State Water Project. This is the largest part of the Debt Service expenditures, approximately 85% this year. In a year when we are not responsible for major improvements (SWP Engineering and Maintenance), the percentage is closer to 95%.

The State of the Buckets

Other Funds

Unrestricted
Portion of County 1%
Water Sales
Grants
Unitary Tax



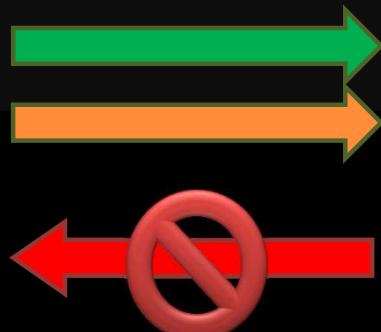
Estimate as of May 2024

Debt Service

Restricted
SGPWA Ad Valorem Tax



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





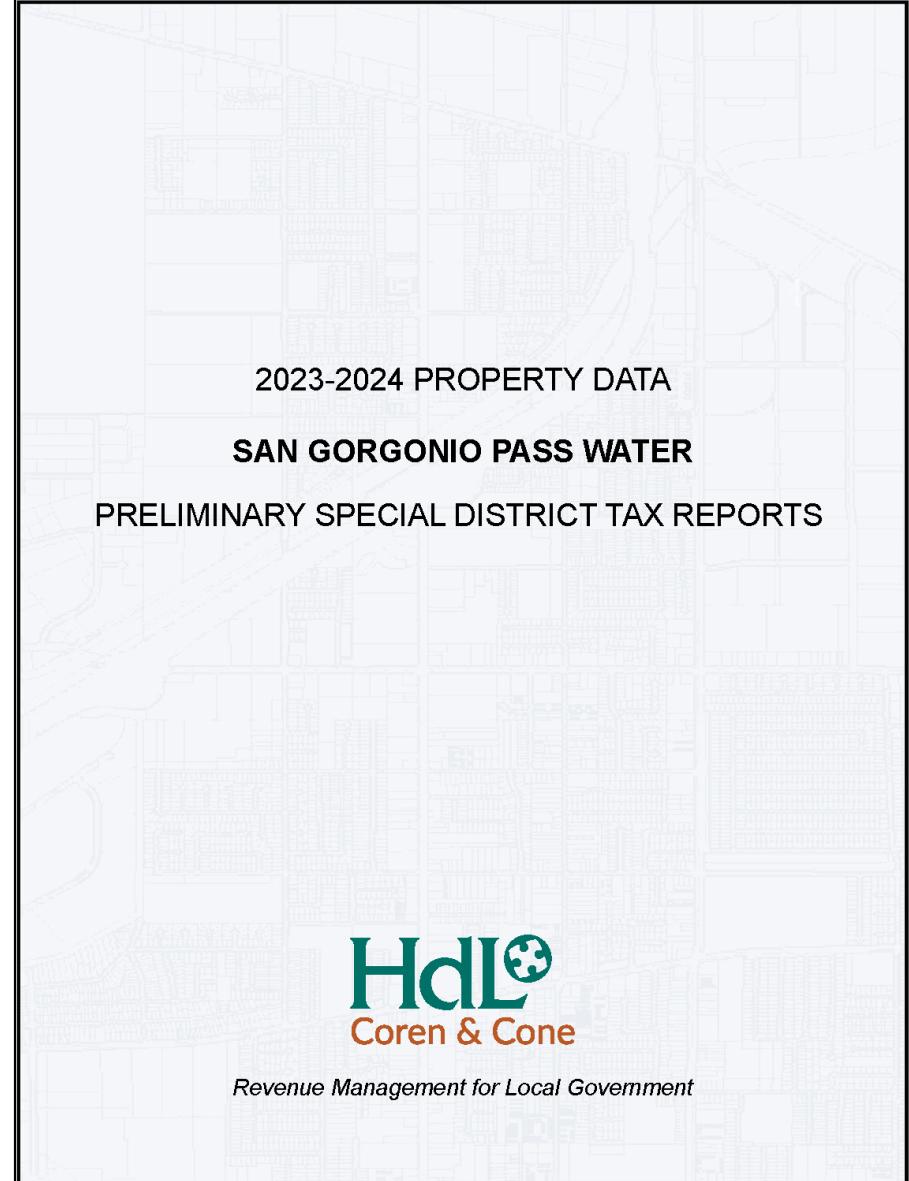
SAN GORGONIO PASS WATER AGENCY

PROPERTY TAX REVIEW 2023-24 AND FORECAST FOR 2024-25

December 18, 2023

Powerful Solutions, Proven Results

60 HdL



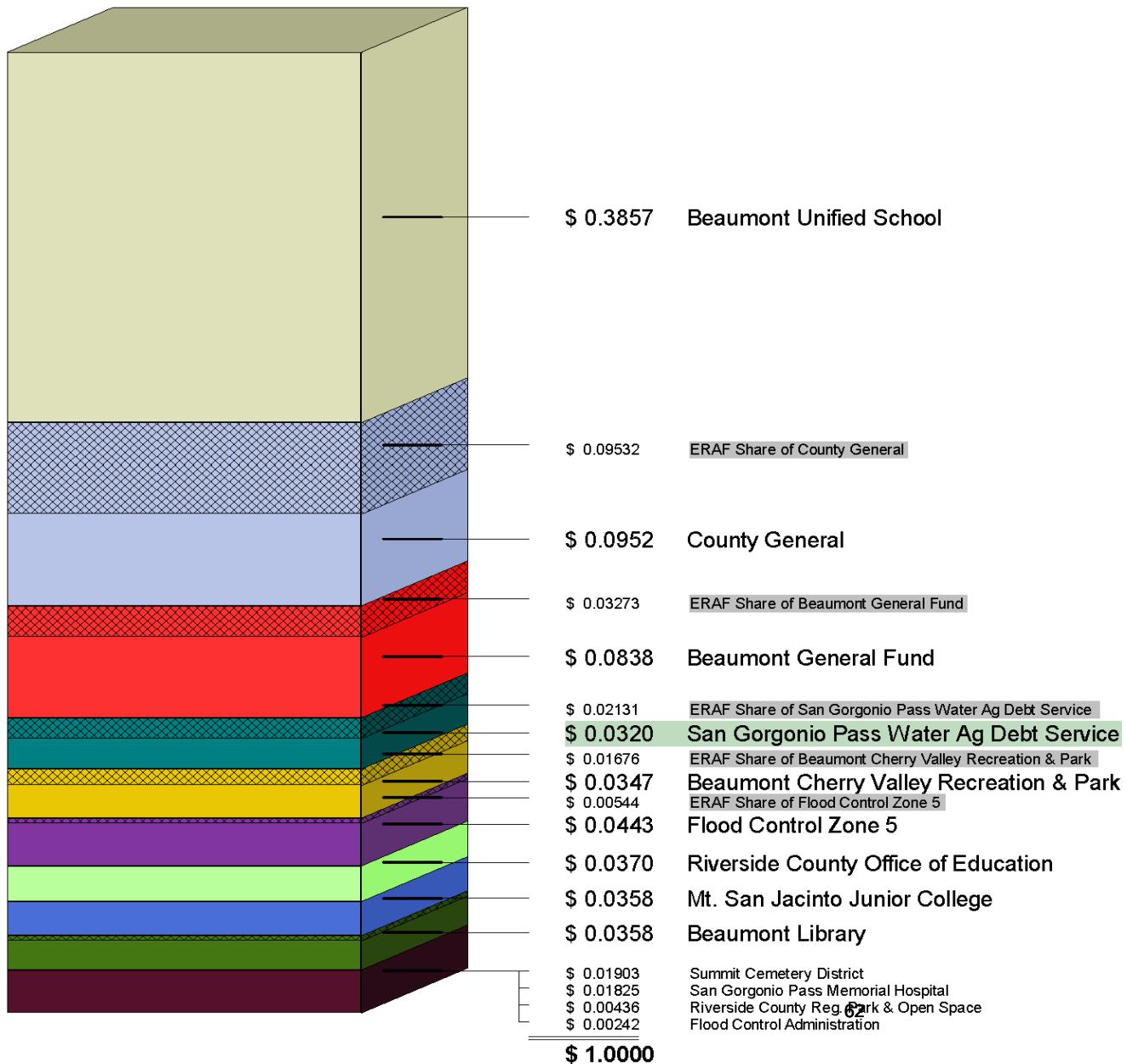
Coren & Cone

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

Single Family Residential					Multifamily, Commercial, Industrial, Vacant					Totals			
Tax Year	# SFR Sales	Original Values	Sale Price	% Change	Non SFR Sales	Original Values	Sale Price	% Change	Total Sales	Original Values	Sale Values	% Change	\$ Change
ENTIRE DISTRICT Valid Sales Price Analysis													
2023 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
2022 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
2021 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
2020 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
2019 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
DISTRICT NON SA AREA Valid Sales Price Analysis													
2023 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
2022 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
2021 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
2020 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
2019 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

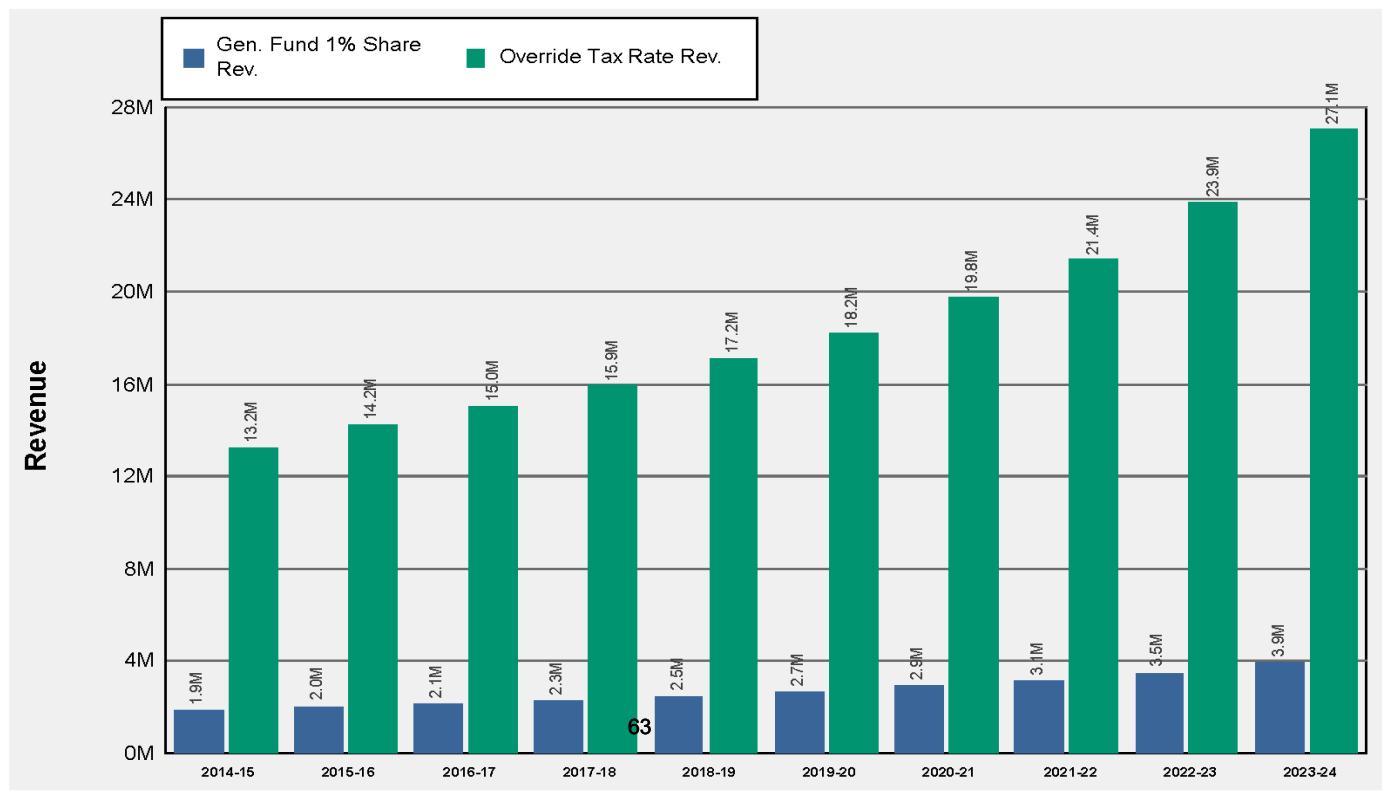
It will require the addition of \$133.6 million in additional value to increase the GF 1% portion of the SGPWA revenue 1% next year in 2024-25. The sales reported in the first 10 months of 2023 with an additive of \$379.7 million will result in the addition of 2.84% to the CPI granted for a conservative 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

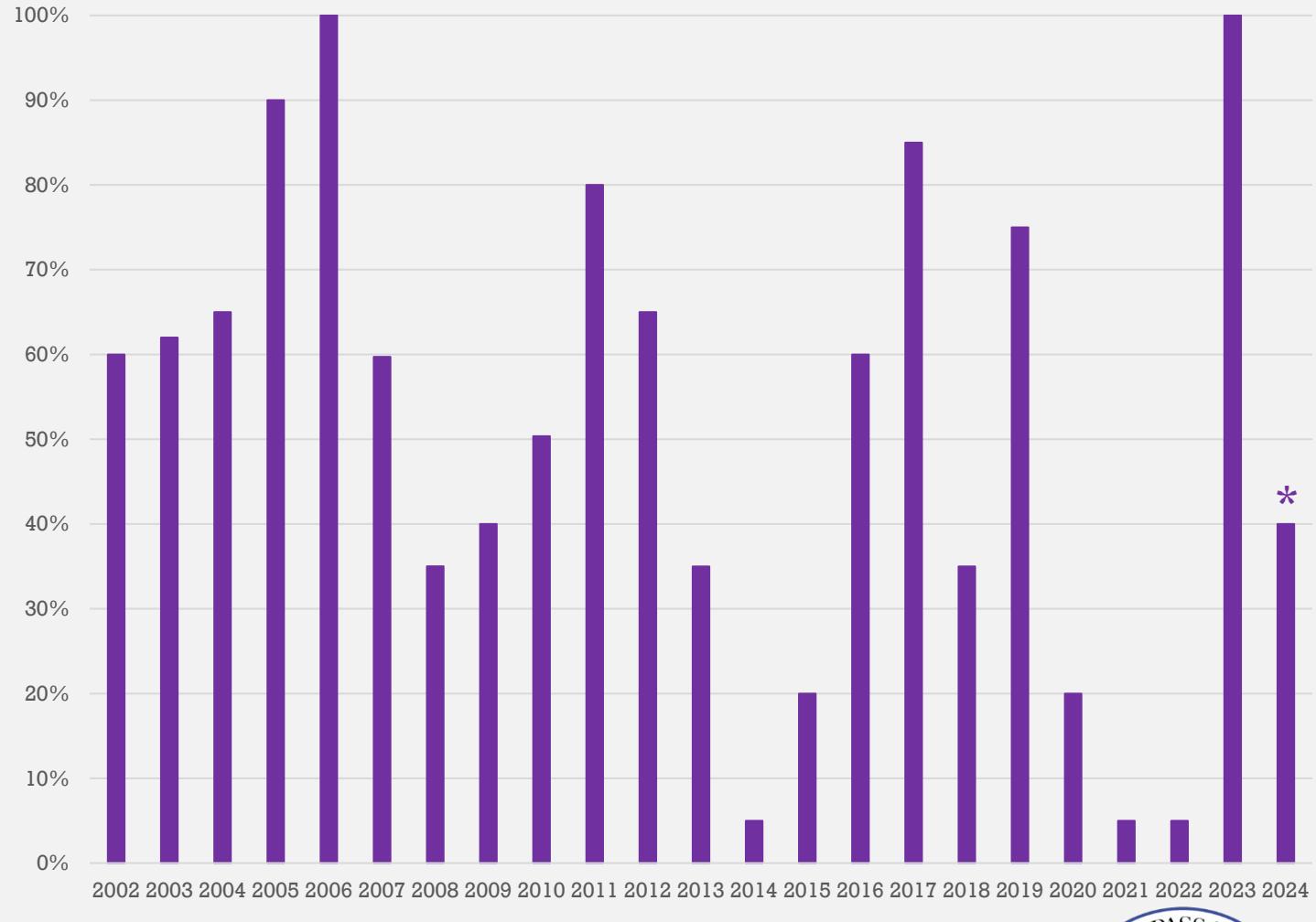


2023-24 RATE FOR STATE
WATER PROJECT 0.175000

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%



Historic SWP Allocations



* Final DWR Allocation and Portfolio Subject to Change



2024 SWP Allocation & Portfolio Update

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 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	AKA Unitary taxes
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

DATE: July 15, 2024

TO: Board of Directors

FROM: Lance Eckhart, General Manager

BY: Tom Todd, Jr., Chief Financial Officer

SUBJECT: TAX RATE FOR FY 2024-25

RECOMMENDATION

The Board set the tax rate by approving Resolution 2024-06.

PREVIOUS CONSIDERATION

- Finance and Budget Committee – June 27, 2024: The Committee reviewed and discussed the proposed Debt Service Budget for FY 2024-25. After Committee input, some changes were made, reflected in the latest version of the proposed budget.

BACKGROUND

The Board sets the tax rate for the Debt Service Fund every year. The Riverside County Board of Supervisors has set the deadline for submission of tax rate resolutions as Thursday, August 1, 2024.

ANALYSIS

The current tax rate is 17.5 cents per \$100 of assessed valuation, which has been in effect since 2020. From 2017 to 2020, the Board has gradually reduced the rate from 18.5 cents to its current rate.

The current Debt Service Fund balance is projected to be about \$75 million at year-end. This is projected to enable the Agency to meet its obligations to the State Water Project (SWP) through 2030 using the built-up reserves. However, increasing financial pressures on the SWP, generational opportunities, and aging SWP infrastructure suggest that the current tax rate may not be sufficient to continue to meet our participation obligations and maintain a prudent level of reserves past 2030.

FISCAL IMPACT

As shown in the proposed Debt Service Budget for FY24-25, reductions in SWP expenses are offset by increases in local expenditures, resulting in an overall increase from the previous fiscal year. However, comparing expenditure increases with potential tax revenue at the current rate would also suggest that the current tax rate is sufficient to meet the expenditure needs of the coming fiscal year.

Additional revenue could be derived by increasing water rates, but the Board has determined that previously adopted customer rates based on rate studies and a formal public review process are currently appropriate. The Board has determined that it would be infeasible to expend revenues derived from such customer rates, or an increase in such rates, on estimated SWP expenditures.

ACTION

The Board set the tax rate by approving Resolution 2024-06.

ATTACHMENTS

Resolution 2024-06

Setting Tax Rate for FY 2024-25 – Resolution 2024-06



Review of Funds

“The Bucket List”

Other Funds

Unrestricted
Unitary Tax

Unrestricted
General
Fund

County Taxes to Pass Agency

~13M

Consigned
SWP Support
Fund

County Debt Service Unitary

~17M

Debt Service

SGPWA Special Tax

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



Restricted
Debt Service
Fund

SGPWA Special Tax

~75M

Restricted
Debt Service
Fund
SGPWA Special Tax



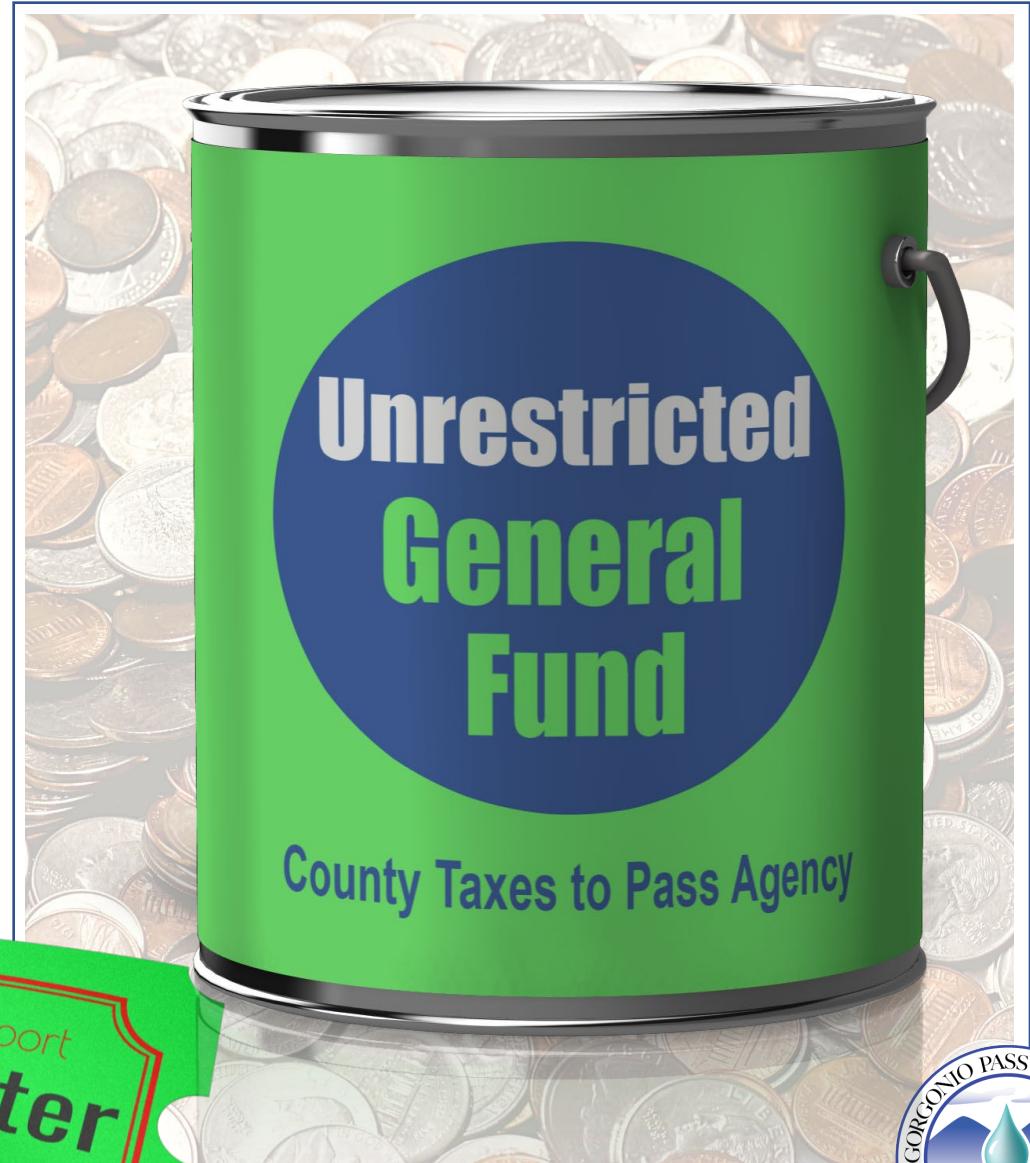
General Fund

Adopted June 6, 2024

Administrative Overhead
Engineering/Science
Local Projects (e.g. Backbone Pipeline)
External Projects (e.g. Water Bank)
Nickel Water

Water Purchases

*Transport Cost
Non-Project Water
Power/Wheeling*



Consigned Fund

Adopted June 6, 2026

Same as the General Fund with some potential restrictions.

At the discretion of the Board





Debt Service

Bond Payments

EBX 1 & 2

SWP Administrative Overhead

Project Water & Exchange Fixed Costs

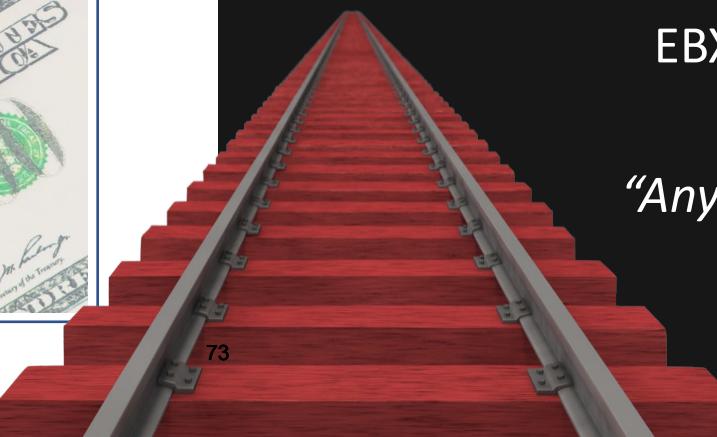
SWP Projects & Repairs

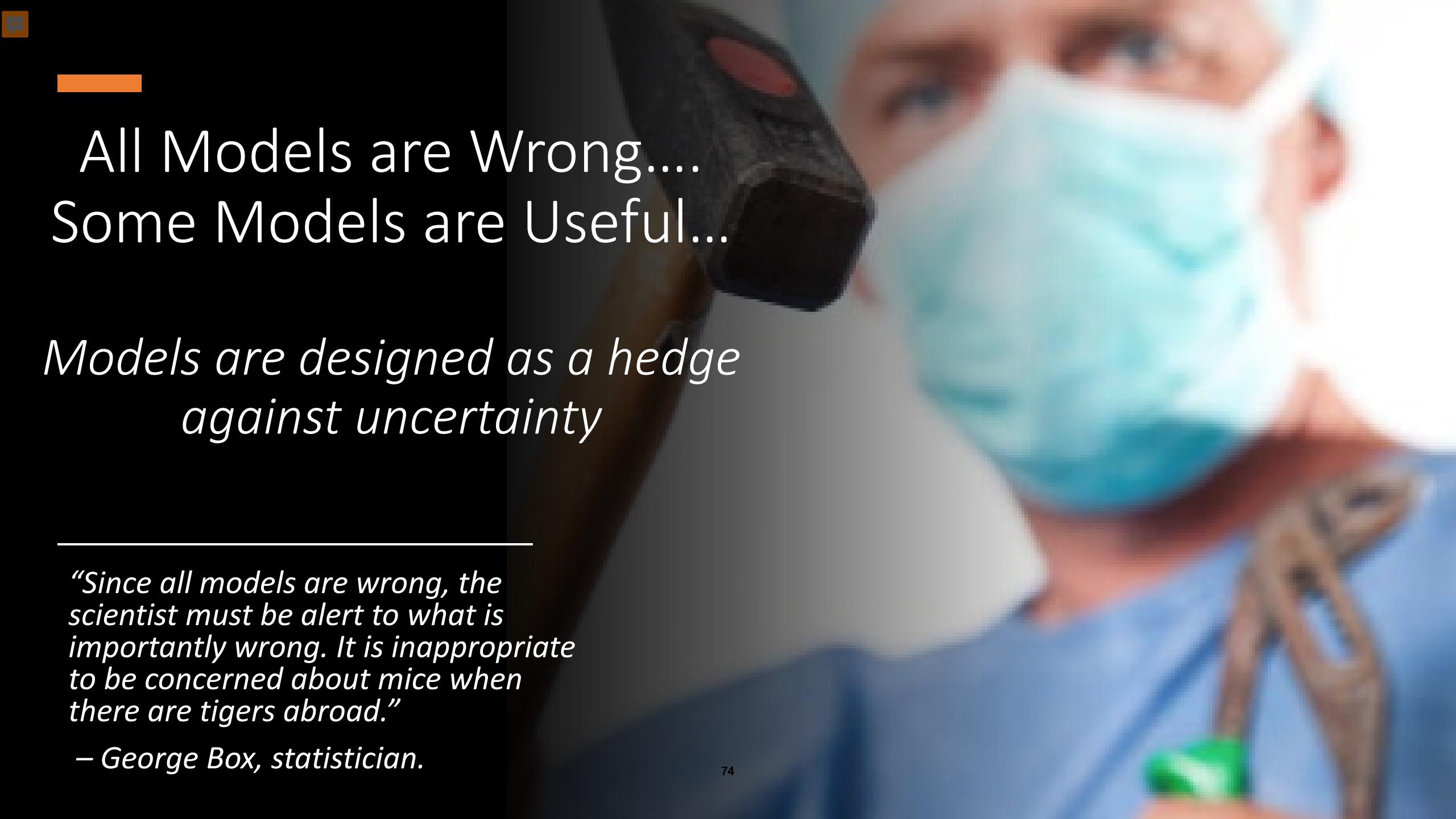
Delta Tunnel

Ventura Water

EBX Balloon Payments

"Any SWP-Related Costs"





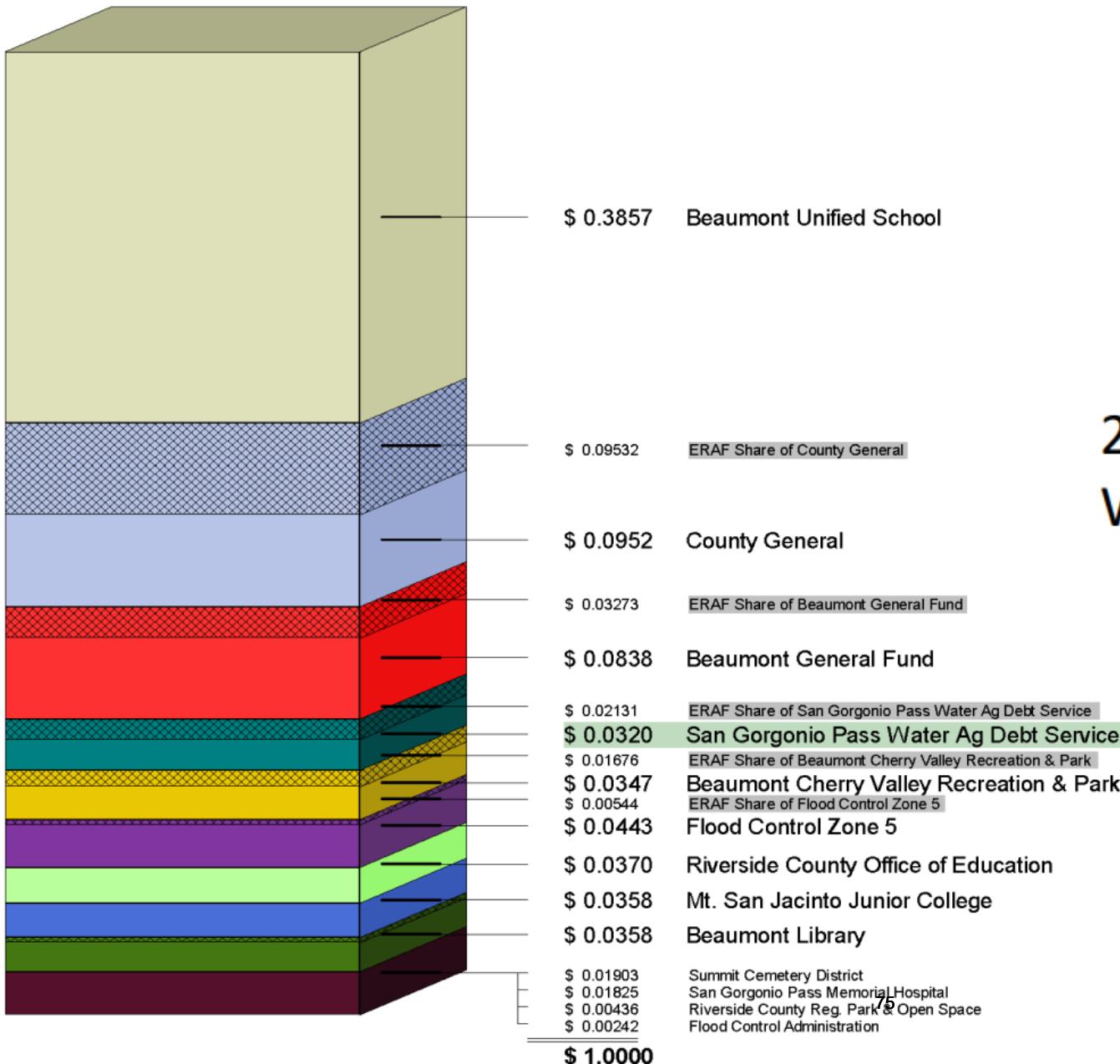
All Models are Wrong....
Some Models are Useful...

*Models are designed as a hedge
against uncertainty*

“Since all models are wrong, the scientist must be alert to what is importantly wrong. It is inappropriate to be concerned about mice when there are tigers abroad.”

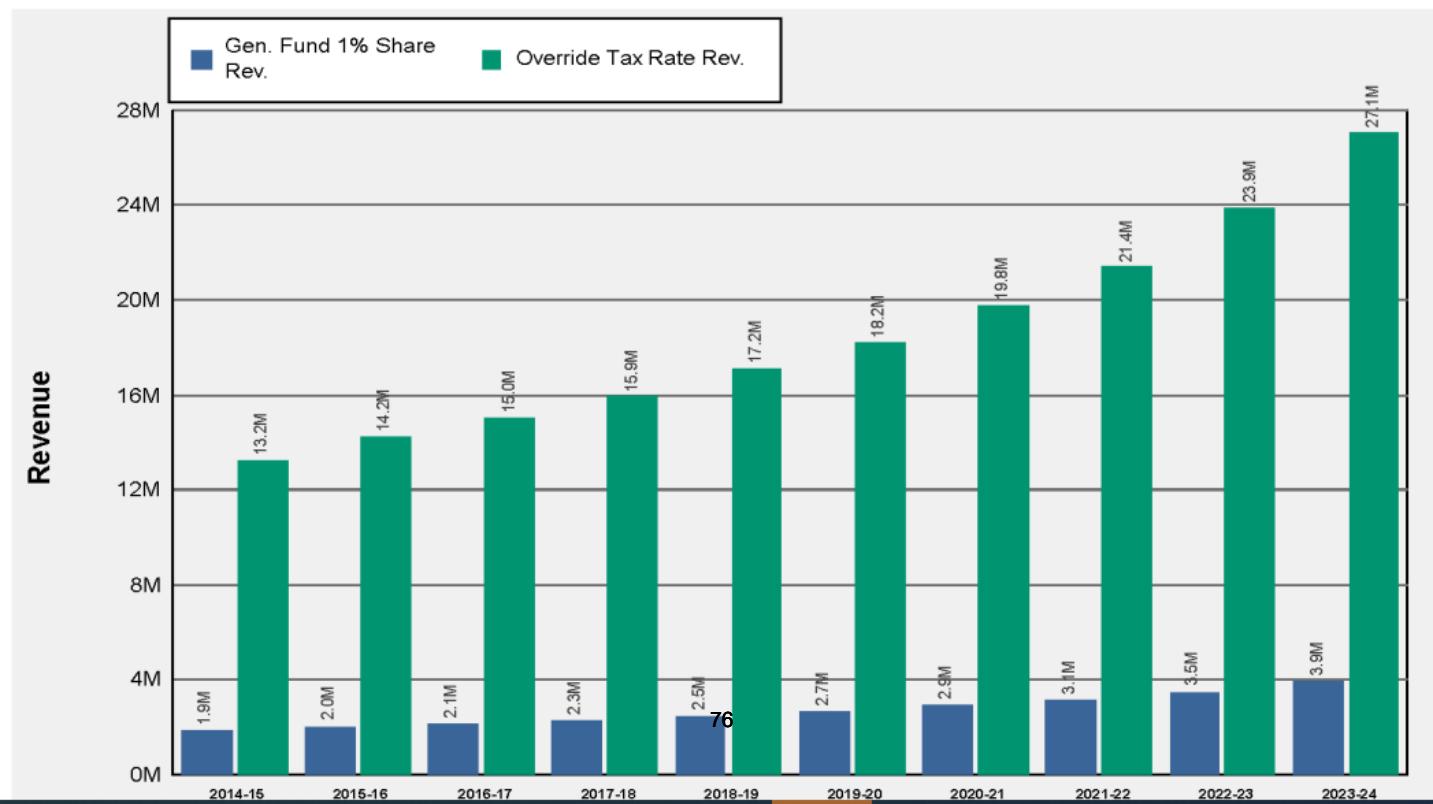
– George Box, statistician.

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
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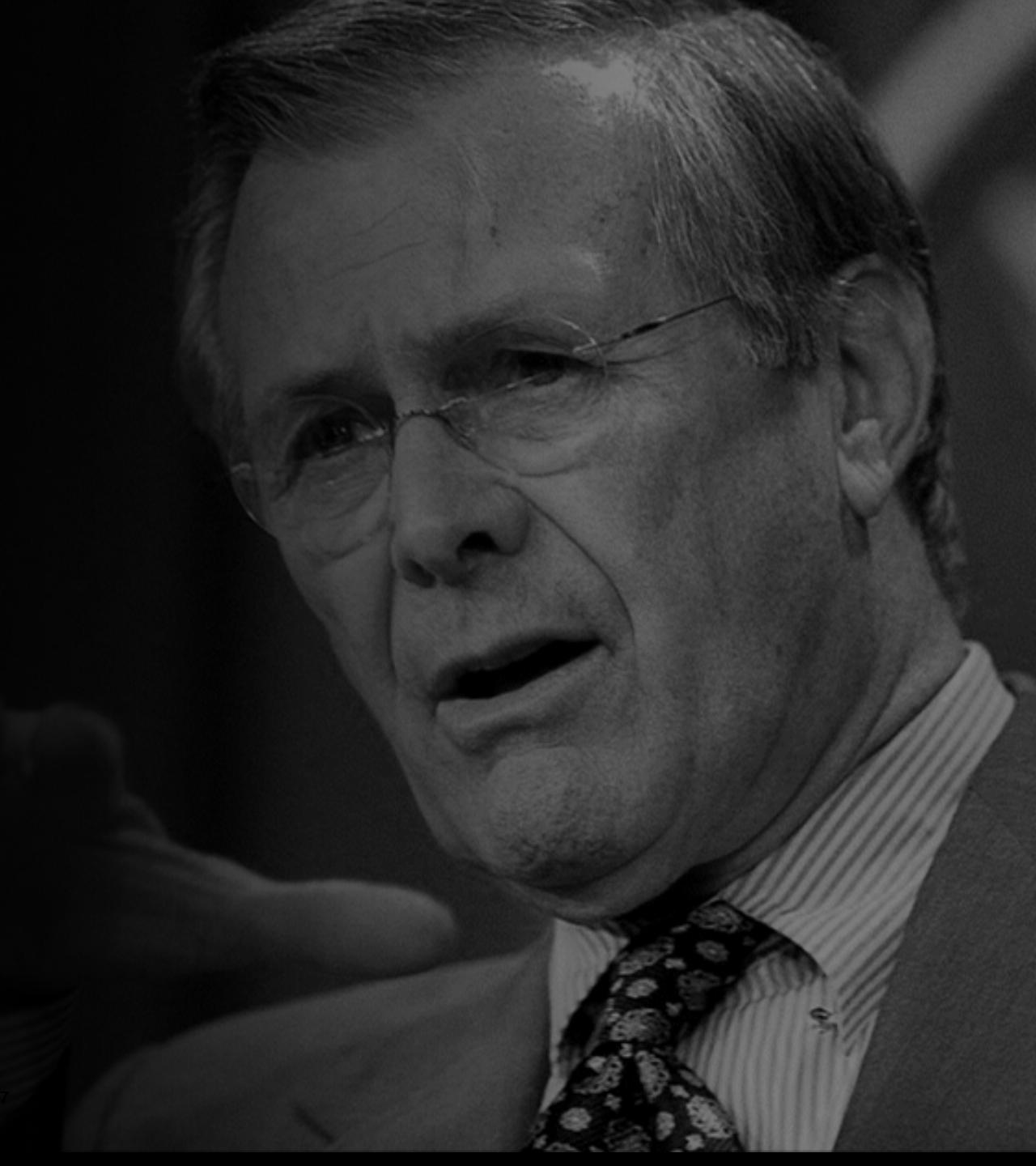
Known Knowns

vs.

Unknown Unknowns

“... as we know, there are known knowns; there are things we know we know. We also know there are known unknowns; that is to say we know there are some things we do not know. But there are also unknown unknowns—the ones, we don’t know we don’t know.”

Donald Rumsfeld – U.S. Defense Secretary to DoD; February 12, 2002





Rumsfeld Matrix

(unfortunate homeowner example)

Known knowns (aware & understand)

- *The water heater will eventually fail, but the life expectancy is generally understood.*

Known Unknowns (aware & don't fully understand)

- *As the house ages, it needs to be maintained, and updated and parts will fail. It is expected but not known when or how bad.*

Unknown knowns (aren't aware & understand)

- *Do we have TERMITES!?*

Unknown Unknowns (aren't aware & don't understand)

- *The house got hit by a meteor.*

Known



Unknown



Knowns

Unknowns



Rumsfeld Matrix

Known knowns (aware & understand)

- This year's taxes
- 2023-24 Budget
- Reserve Minimums
- Balloon Payments
- Rough DCP/Sites Costs
- HDL Tax Estimates 5 Years Maximum
- Ventura Water

Known Unknowns (aware & don't fully understand)

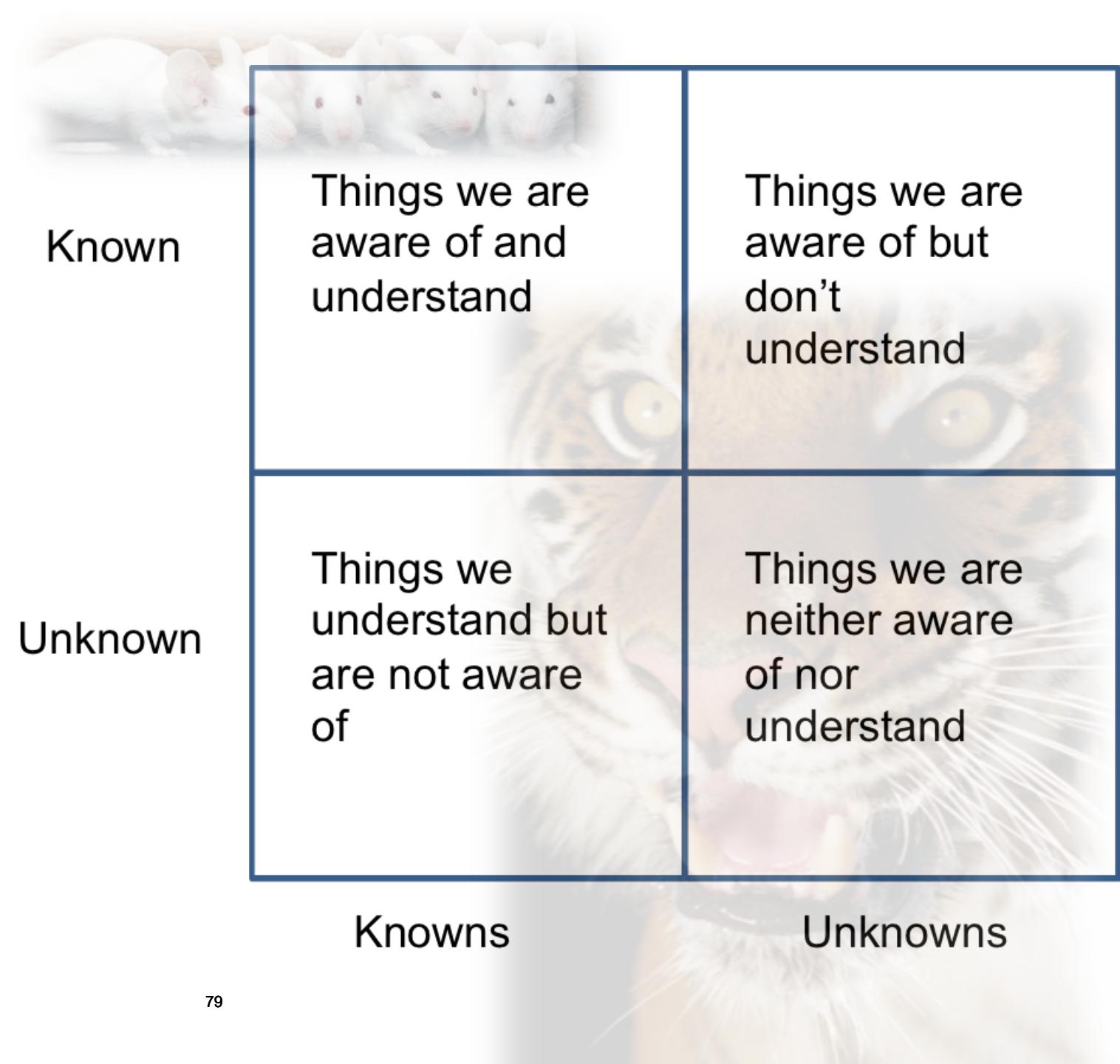
- Aging Infrastructure
- Increasing SWP costs
- Precise DCP/Sites Costs
- Long Term Transfer Costs (other people's Table A)

Unknown knowns (aren't aware & understand)

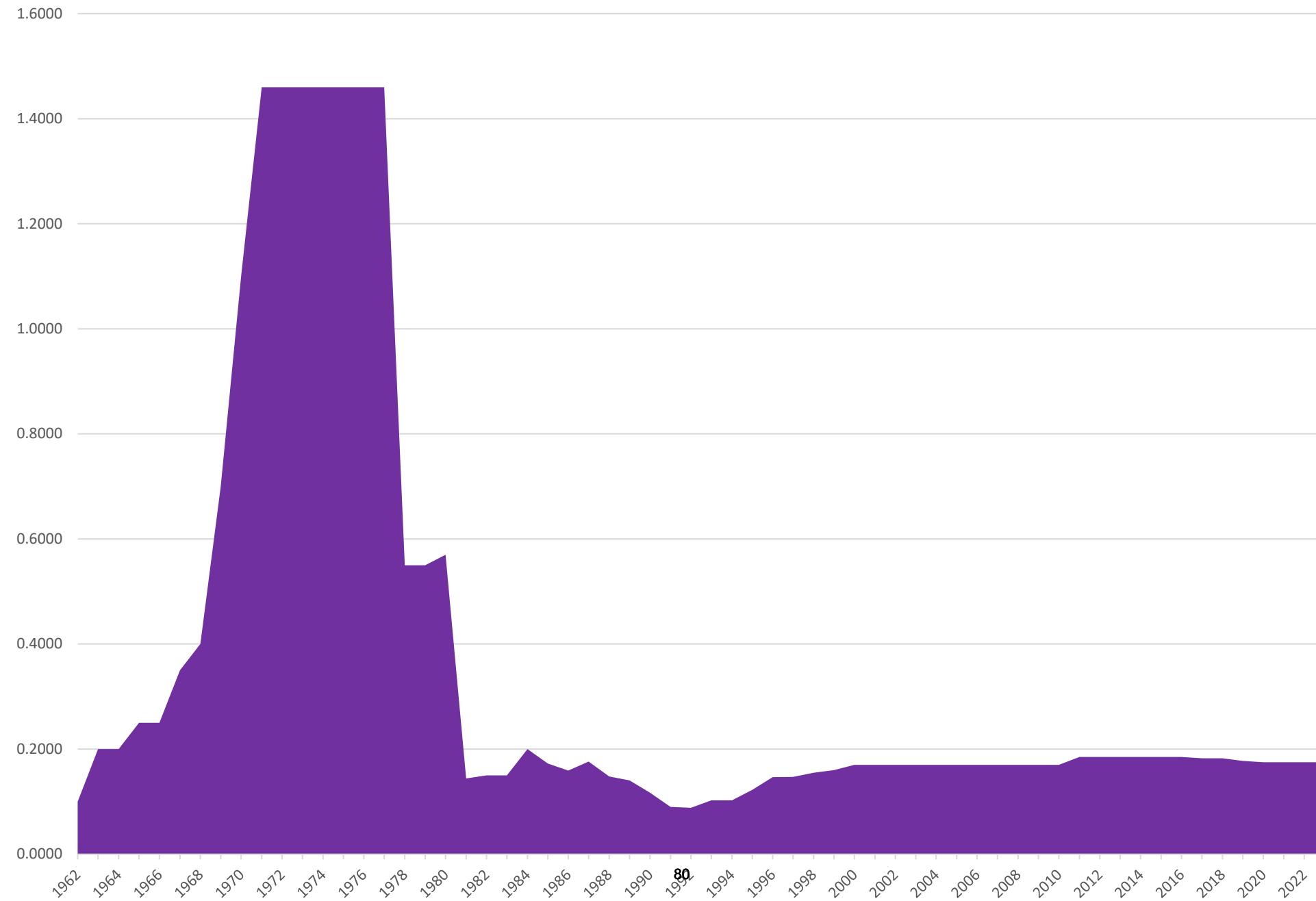
- Subsidence
- Delta Outage (e.g., earthquake in Delta)
- Climate Change and Effects on Supply
- Effect of Contract Extension on Statement of Charges
- Inflation Pressures

Unknown Unknowns (aren't aware & don't understand)

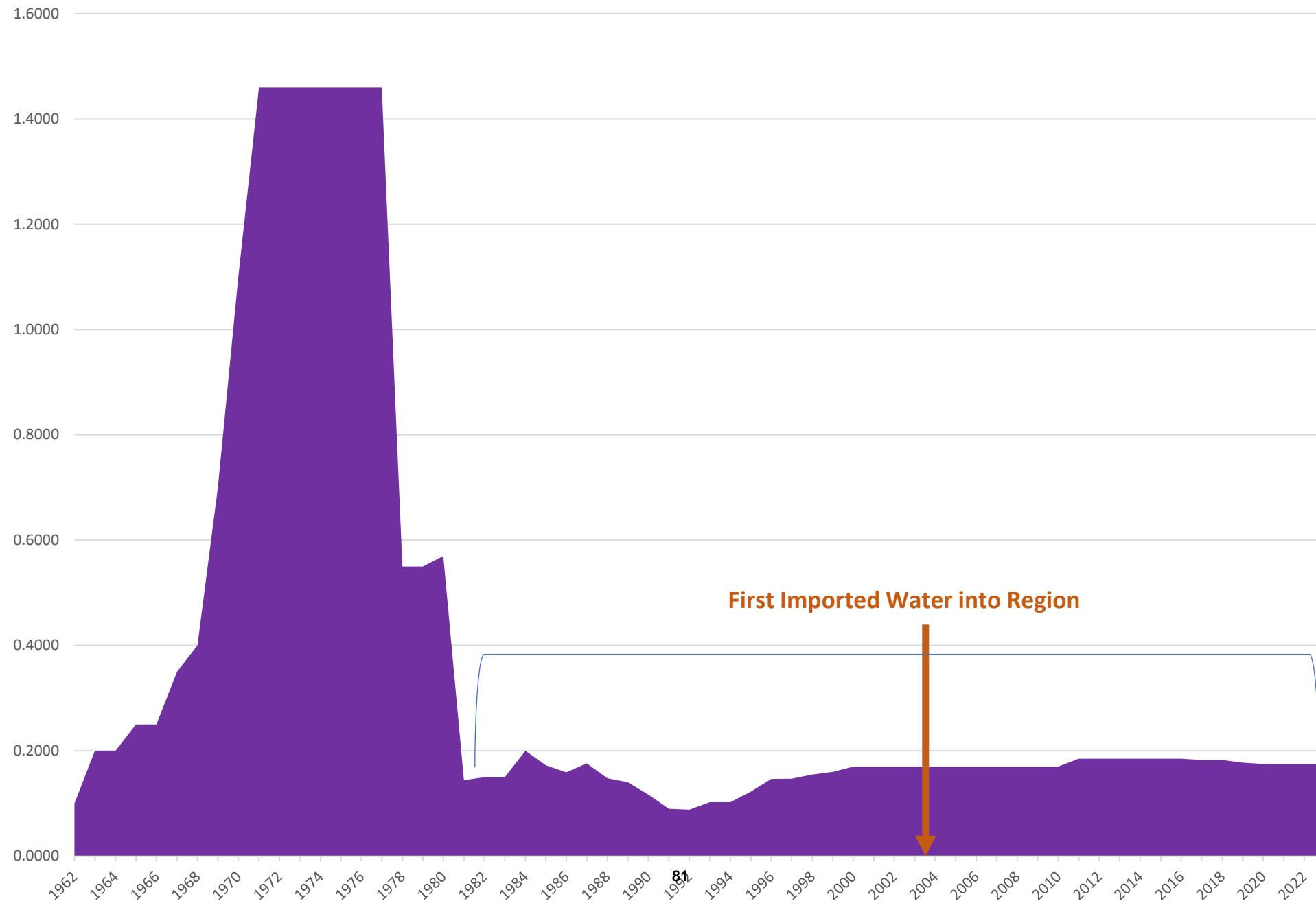
- Recessions
- Force Majeure
- Major Disaster
 - Earthquake
 - Delta Levee Failure
 - Other?



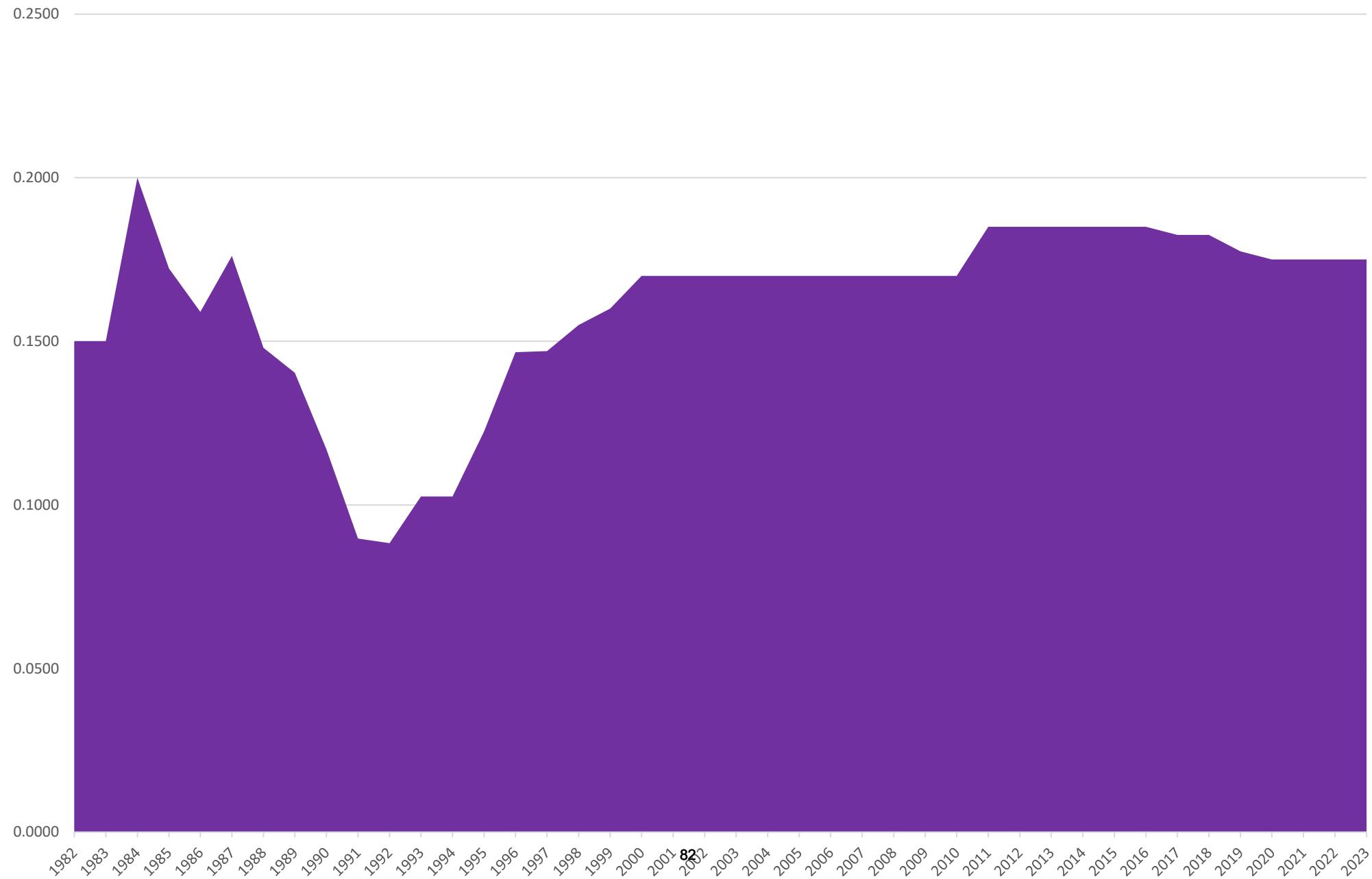
Tax Rate (per \$100 Assessed Value)



Tax Rate (per \$100 Assessed Value)



Tax Rate (per \$100 Assessed Value)



Summary

- Tax rate roughly maintained for the last 40 years
- High growth area of the Riverside County
 - Higher revenues & greater need for committed investments (Sites, DCP, etc.)
- **Budget: This year, revenue will be slightly greater than expenditures at the current tax rate**

The Agency is presently well fiscally positioned, noting that there are future uncertainties.

Staff Recommendation
Board set tax rate
and
approve Resolution 2024-06

RESOLUTION NO. 2024-06

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN GORGONIO PASS WATER AGENCY DETERMINING THE AMOUNT OF MONEY NEEDED TO MAKE ANNUAL PAYMENTS FOR THE INTEREST AND PRINCIPAL ON GENERAL OBLIGATION BONDS AND FOR OTHER INDEBTEDNESS APPROVED BY THE VOTERS PRIOR TO JULY 1, 1978, AND/OR FOR WHICH A TAX LEVY IS REQUIRED UNDER ARTICLE 1, SECTION 10 OF THE UNITED STATES CONSTITUTION AND MAKING A TAX LEVY THEREOF

WHEREAS, pursuant to California Revenue and Taxation Code Section 96.31(a)(2), a local water district may levy property taxes to provide for payments to the state under a state water supply contract entered into pursuant to the California Water Resources Development Bond Act; now therefore,

BE IT RESOLVED by the Board of Directors of the San Gorgonio Pass Water Agency, as follows:

1. That said Board of Directors has determined that the amount of money needed to make annual payments during the fiscal year, beginning July 1, 2024, and ending June 30, 2025, for the interest and principal on general obligation bonds and other indebtedness and outlays as approved by the voters prior to July 1, 1978, and/or required by Article 1, Section 10 of the United States Constitution is \$33,107,000 for payments on the Contract between the State of California Department of Water Resources and the San Gorgonio Pass Water Agency for a water supply, dated November 16, 1962.

2. That the Board of Directors has determined, after a public process over a number years, that as of the date of this Resolution, it is not currently practicable or feasible to raise water rates to generate revenues sufficient to pay the above-mentioned expense for the upcoming fiscal year.

3. That the Board of Directors has determined that it is therefore necessary to levy and collect a tax sufficient to raise the amount of money required to pay the above-mentioned expense, and hereby fixes the rate of tax which will raise the amount of money required by said Agency at the following amount per hundred dollars of assessed valuation of taxable property within said Agency:

\$ _____ State Water Contract

4. That the Board of Directors does hereby certify the rates so fixed, and as herein before set forth, to the Board of Supervisors of the County of Riverside, State of California, and to the County Auditor of said County.

5. That pursuant to California Water Code – Appendix Section 101-27, the determination of the amount necessary to be raised by taxation for such purpose during the fiscal year and the order fixing the rate of tax made herein shall constitute a valid assessment of the property within the Agency and a valid levy of taxes so fixed. Said levy is permitted by California Revenue and Taxation Code Section 93 and/or required by Article 1, Section 10 of the United States Constitution.

6. That a certified copy of this Resolution be transmitted to the County Auditor of said County, and that when so transmitted, said certified copy shall constitute the certification required in Section 101-27 of the California Water Code – Appendix.

7. That funds received by the San Gorgonio Pass Water Agency pursuant to the aforesaid tax levy shall be placed in a separate fund identified for such purposes as set forth above and shall be disbursed only for lawful payments for aforesaid purposes.

8. The Recital set forth above is incorporated herein and made an operative part of this Resolution.

9. The President of the Board shall sign this Resolution and the Secretary of the Board shall attest thereto, and this Resolution shall be in full force and effect immediately upon adoption.

10. If any section, subsection, clause or phrase in this Resolution is for any reason held invalid, the validity of the remainder of this Resolution shall not be affected thereby. The Board hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof be held invalid.

ADOPTED AND APPROVED this 15th day of July, 2024.

ATTEST:

Mickey Valdivia
President, Board of Directors
San Gorgonio Pass Water Agency

Kevin Walton
Secretary, Board of Directors
San Gorgonio Pass Water Agency