

**SAN GORGONIO PASS WATER AGENCY**  
**Finance & Budget Committee Meeting**  
**Agenda**



SAN GORGONIO PASS  
WATER AGENCY  
A California State Water Project Contractor

**September 5, 2024, at 10:00 a.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 Teleconference Link](#)**

**TO JOIN THE MEETING BY TELEPHONE**

**CALL: 669-900-6833 | MEETING ID: 942 7637 8467**

*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](mailto:mcabral@sgpwa.com) or may do so during the meeting. Comments will become part of the 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 Teleconference Link](#)**  
**PARA UNIRSE A LA JUNTA CON LA OPCIÓN TELEFONICA**  
**LLAMAR: 669-900-6833 | ID DE REUNIÓN: 942 7637 8467**

*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](mailto: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, Flag Salute, and Roll Call**

**2. Adjustment and Adoption of Agenda**

**3. Public Comment:** Members of the public may address the Committee at this time concerning items relating to any matter within the Agency's jurisdiction. There will be an opportunity to comment on specific agenda items as the items are addressed. Speakers are requested to keep their comments to no more than five minutes. Under the Brown Act, no action or discussion shall take place on any item not appearing on the agenda, except that the Committee or Staff may briefly respond to statements made or questions posed for the purpose of directing statements or questions to Staff for follow-up.

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  
Jeffrey Ferre

#### **4. Approval of the Minutes**

- A. Approval of the Minutes of the Finance & Budget Committee Meeting, July 25, 2024, ([pg. 4](#))

#### **5. New Business – Discussion and Possible Action:**

- A. Review of Investment Report for June 30, 2024, ([pg. 6](#))
- B. Ratification of Paid Invoices and Monthly Payroll for July 2024, ([pg. 27](#))
- C. Review of Bank Reconciliation for July 2024, ([pg. 30](#))
- D. Review of Budget Report for July 2024, ([pg. 33](#))
- E. Review of Pending Legal Invoices for July 2024, ([pg. 44](#))
- F. Gap Funding Report, ([pg. 45](#))
- G. Consideration of Updated Credit Card Policy, ([pg. 46](#))
- H. Consideration of Public Agency Retirement Services Trust Retirement Plan, ([pg. 55](#))

#### **6. Committee Member Comments**

#### **7. Announcements**

- A. Regular Board Meeting, September 9, 2024 at 1:30 p.m.
- B. Regular Board Meeting, September 16, 2024 at 6:00 p.m.
- C. Finance & Budget Committee Meeting, September 26, 2024 at 10:00 a.m.

#### **8. Adjournment**

(1) Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, during regular business hours. When practical, these public records will also be made available on the Agency's website, accessible at: [www.sgpwa.com](http://www.sgpwa.com) (2) Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

# ***San Gorgonio Pass Water Agency***

**DATE:** September 5, 2024  
**TO:** Finance and Budget Committee  
**FROM:** Lance Eckhart, General Manager  
**BY:** Tom Todd, Jr., Chief Financial Officer  
**SUBJECT: Summary of Recommended Committee Actions**

## **RECOMMENDATIONS**

Recommendations for Finance and Budget Committee actions:

Item 4A: Approve the minutes.

**Motion: The Committee approves item 4A.**

Item 5B: The Committee **accepts** payments as listed in the Check History reports for Accounts Payable and Payroll for the month of July 2024.

Item 5C: The Committee **accepts** the Bank Reconciliation for July 2024.

Item 5D: The Committee **accepts** the Budget Report for July 2024.

**Motion: The Committee accepts items 5B-D.**

Item 5E: The Committee **approves** payment of the Legal Invoice for July 2024.

**Motion: The Committee approves item 5E.**

Item 5G: The Committee reviews the Updated Credit Card Policy.

**Motion: The Committee makes a recommendation to the Board.**

## **BACKGROUND**

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

## **ACTION**

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

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue**  
**Beaumont, California 92223**  
**Minutes of the**  
**Finance and Budget Committee**  
**July 25, 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:**  
In person Tom Todd, Jr., Chief Financial Officer

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 10:00 p.m., July 25, 2024. Chair Ybarra led the Pledge of Allegiance. Mr. Ybarra asked for a roll call. A quorum was present.
2. **Adjustment and/or Adoption of the Agenda.** The agenda was adopted as posted.
3. **Public Comment:** None.
4. **Approval of Minutes**
  - A. Approval of the Minutes of the Finance & Budget Committee Meeting, June 27, 2024  
Mr. Letulle moved, seconded by Mr. Walton, to approve the minutes of the Finance and Budget Committee meeting of June 27, 2024. Approved unanimously by voice vote.
5. **New Business**
  - A. Ratification of Paid Invoices and Monthly Payroll for June 2024
  - B. Review of Bank Reconciliation for June 2024
  - C. Review of Budget Report for June 2024  
After review and discussion, Mr. Walton moved, seconded by Mr. Letulle, to accept Items 5A-C. Approved unanimously by voice vote.
  - D. Review of Pending Legal Invoices for June 2024  
After review and discussion, Mr. Walton moved, seconded by Mr. Letulle, to approve payment of the Legal Invoice. Approved unanimously by voice vote.
  - E. Review of Cash Reconciliation Report 2<sup>nd</sup> Quarter 2024  
After review and discussion, Mr. Walton moved, seconded by Mr. Letulle, to accept the Cash Reconciliation Report. Approved unanimously by voice vote.

F. Review of Reserve Allocation Report for 2<sup>nd</sup> Quarter 2024

After review and discussion, Mr. Letulle moved, seconded by Mr. Walton, to approve the Reserve Allocation Report. Approved unanimously by voice vote.

G. Gap Funding Report

The Committee reviewed the Cabazon Gap Funding Report.

**6. Committee Member Comments**

The Committee made no additional comments.

**7. Announcements**

Mr. Ybarra reviewed the announcements:

A. Regular Board Meeting, August 5, 2024, 1:30 p.m.

B. Regular Board Meeting, August 19, 2024 at 6:00 p.m.

C. Finance & Budget Committee Meeting, August 29, 2024 at 10:00 a.m.

**8. Adjournment**

The Finance and Budget Committee of the San Geronio Pass Water Agency was adjourned by Mr. Ybarra at 10:41 a.m.

**Draft - Subject to Committee Approval**

Robert Ybarra, Committee Chair



# San Geronio Pass Water Agency

## Investment Performance Review For the Quarter Ended June 30, 2024

### Client Management Team

Monique Spyke, Managing Director  
Richard Babbe, CCM, Senior Managing Consultant  
Jeremy King, Key Account Manager  
Rachael Miller, Client Consultant

### PFM Asset Management LLC

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Harrisburg, PA 17101-2141  
717-232-2723

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## Market Update

## Current Market Themes



- ▶ The U.S. economy is characterized by:
  - ▶ Moderating economic growth following two quarters of exceptional strength
  - ▶ Recent inflation prints resuming the path towards the Federal Reserve (Fed)'s 2% target
  - ▶ Labor markets continuing to show strength while unemployment has ticked up modestly
  - ▶ Resilient consumer spending supported by wage growth that is outpacing inflation

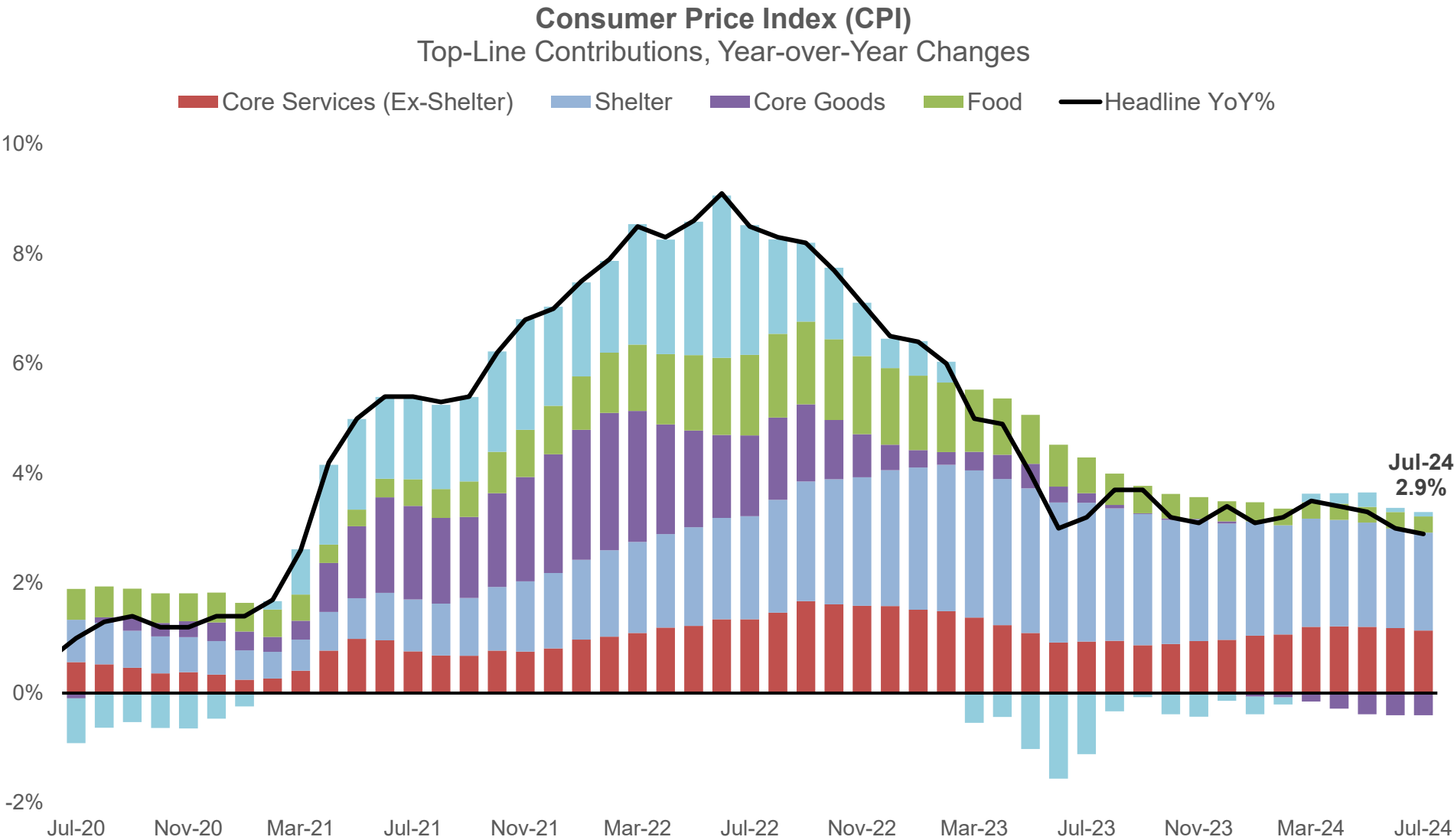


- ▶ Federal Reserve pushes out rate cuts
  - ▶ Fed revises expectations from 3 rate cuts in 2024 to 1 by year end following a lack of progress in the fight against inflation
  - ▶ Market continues to expect 1 or 2 rate cuts in 2024
  - ▶ Fed officials note that the risks to its “dual mandate” of stable inflation and maximum employment are becoming more balanced

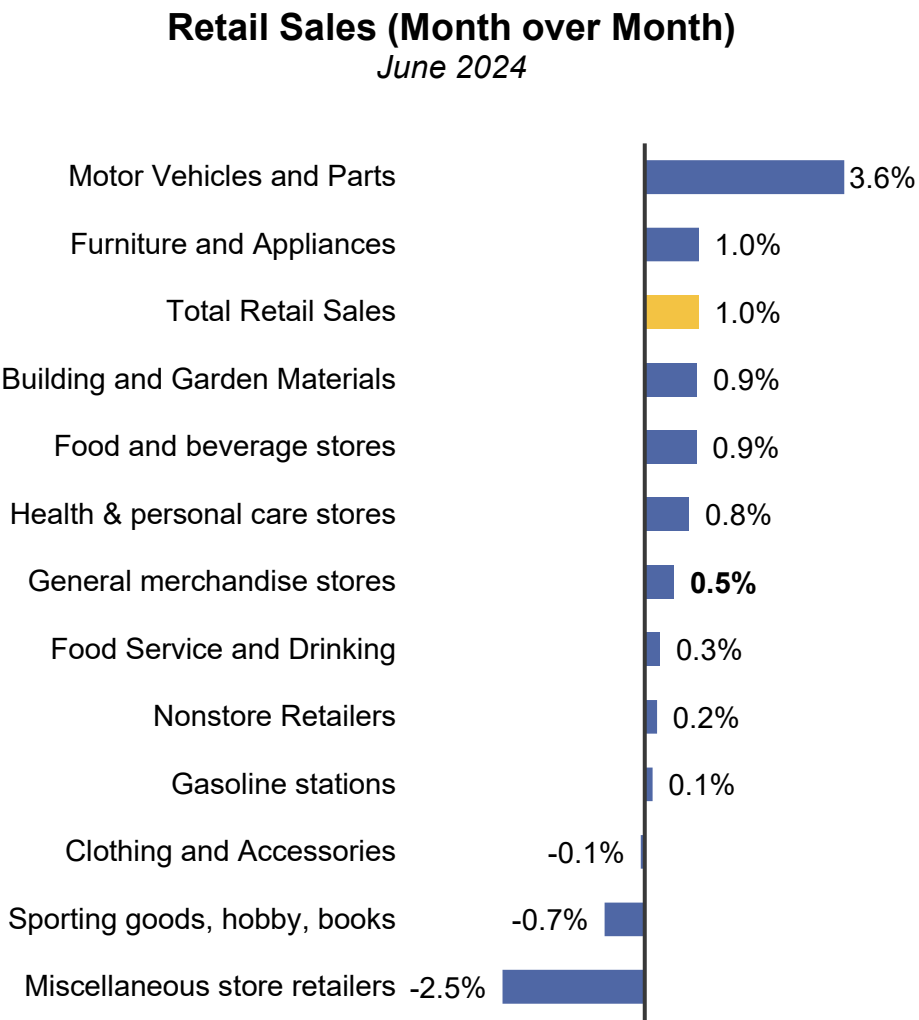


- ▶ Treasury yields increase in response to economic data over the quarter
  - ▶ Yields on maturities between 2 and 10 years rose 13-20 basis points during the quarter
  - ▶ The yield curve has now been inverted for 24 months, the longest period in history
  - ▶ Spreads across most sectors remain near multi-year tightness and represent market expectations for a soft landing



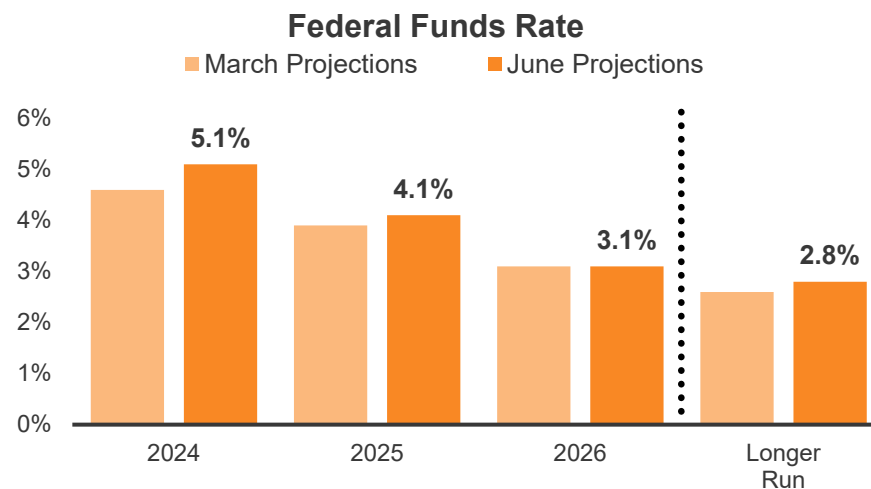
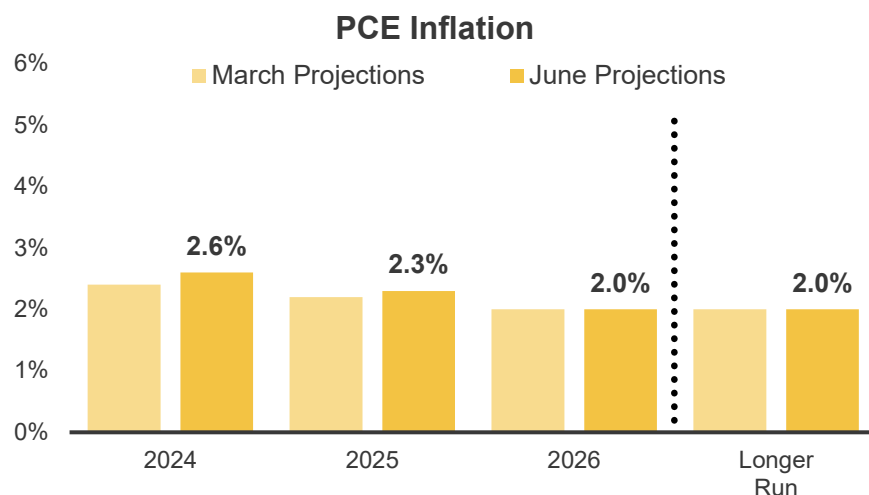
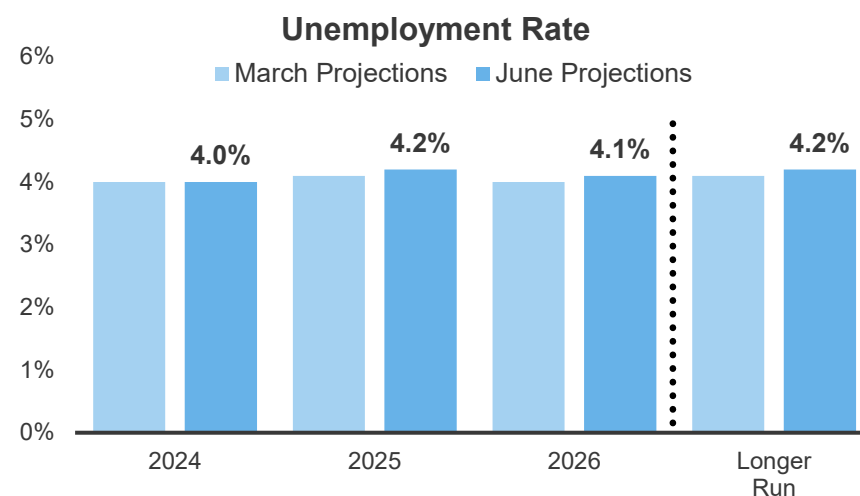
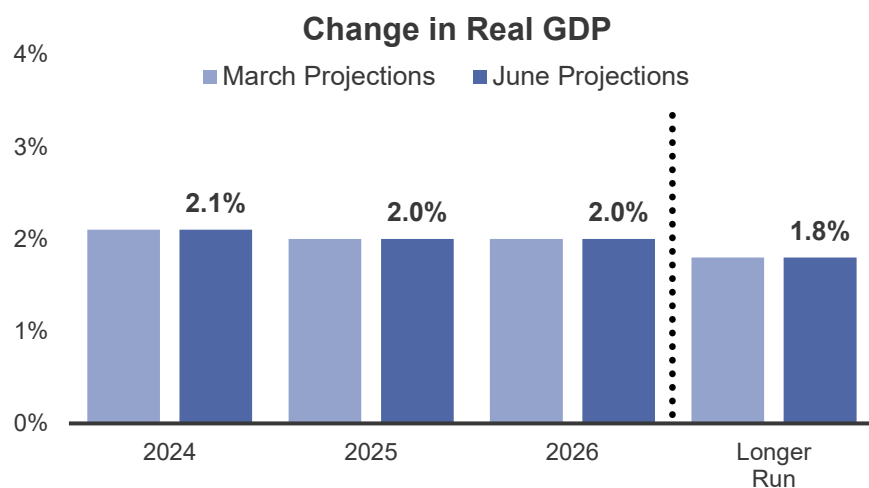


Source: Bloomberg Finance L.P., as of July 2024.



Source: Bloomberg, as of July 2024.

## Fed's Updated June Projections Reflect Stable Economic Expectations for 2024



Source: Federal Reserve, latest economic projections as of June 2024.

## Factors to Consider for 6-12 Months

### Monetary Policy (Global):



- The Fed remains data dependent. Recent Fed guidance has been revised from three rate cuts to one rate cut in 2024. Markets currently expect one or two cuts.
- Globally, major central banks have begun easing cycle with rate cuts leading to divergence from Fed policy.

### Economic Growth (Global):



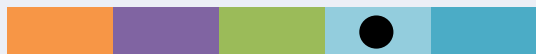
- U.S. economic growth remains resilient but there has been some softness recently as consumer spending tapers.
- Economic growth outside U.S. remain mixed with slower but improved growth projected in Eurozone and continued growth projected in emerging markets.

### Inflation (U.S.):



- The latest inflation reading has revived market confidence that inflation is heading in the right direction after experiencing broad disinflation across both goods and services.
- Despite the progress on inflation, policymakers would like more data to confirm the downward trend.

### Financial Conditions (U.S.):



- Market measures, such as narrow corporate yield spreads, record equity index levels and low volatility, reflect economic confidence.
- With interest rates elevated and the gradual normalization of labor markets and the consumer, we continue to focus on identifying potential catalysts for a broader slow down.

### Consumer Spending (U.S.):



- The consumer has begun to exercise caution and limit spending, which has shed light on a notable downshift over recent months.
- Moderation in the pace of overall spending is expected to continue given persistent inflation, reduced/lower savings, and a cooling job market.

### Labor Markets:



- The labor market normalization has begun. After the pandemic-led jolt, the labor force participation rate and non-farm payrolls have moved to be in line with long-term averages.
- With the quits rate and excess demand for workers reaching a better balance, this should help cool wage pressures and inflation.

● Current outlook    ○ Outlook one quarter ago



Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg and FactSet. The views expressed within this material constitute the perspective and judgment of PFM Asset Management LLC at the time of distribution (6/30/2024) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness, or suitability.

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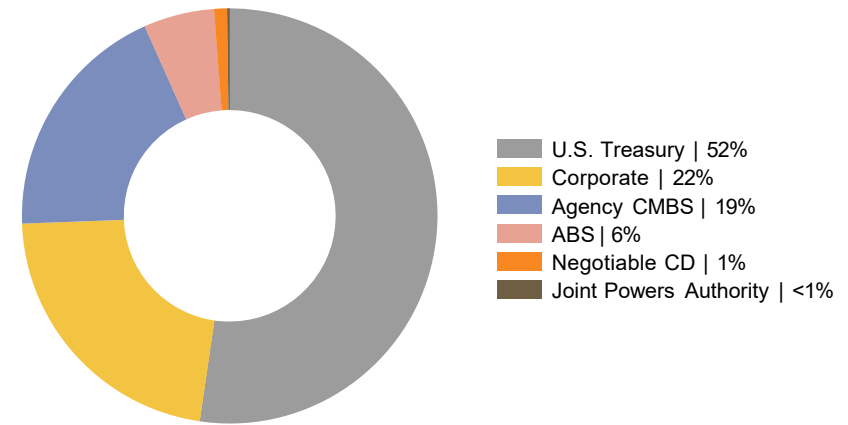
## Portfolio Review

## Managed Portfolio Snapshot<sup>1</sup>

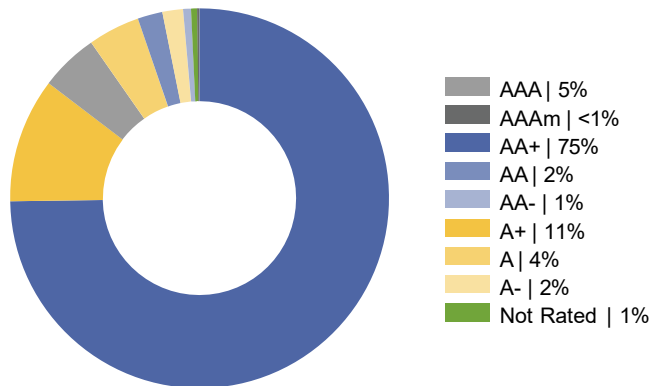
### Portfolio Statistics

<b>Total Market Value</b>	\$62,545,622.94
Managed Account Sub-Total	\$62,116,222.13
Accrued Interest	\$305,401.28
Pool	\$123,999.53
<b>Portfolio Effective Duration</b>	2.49 years
<b>Benchmark Effective Duration</b>	2.52 years
<b>Yield At Cost</b>	3.31%
<b>Yield At Market</b>	4.82%
<b>Portfolio Credit Quality</b>	AA

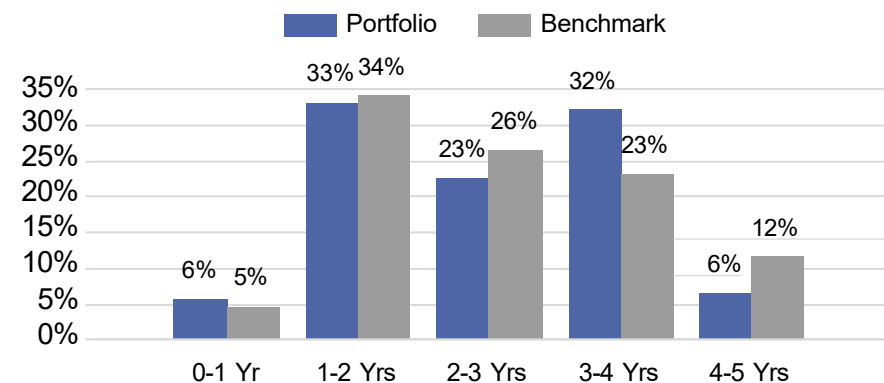
### Sector Allocation



### Credit Quality - S&P



### Duration Distribution



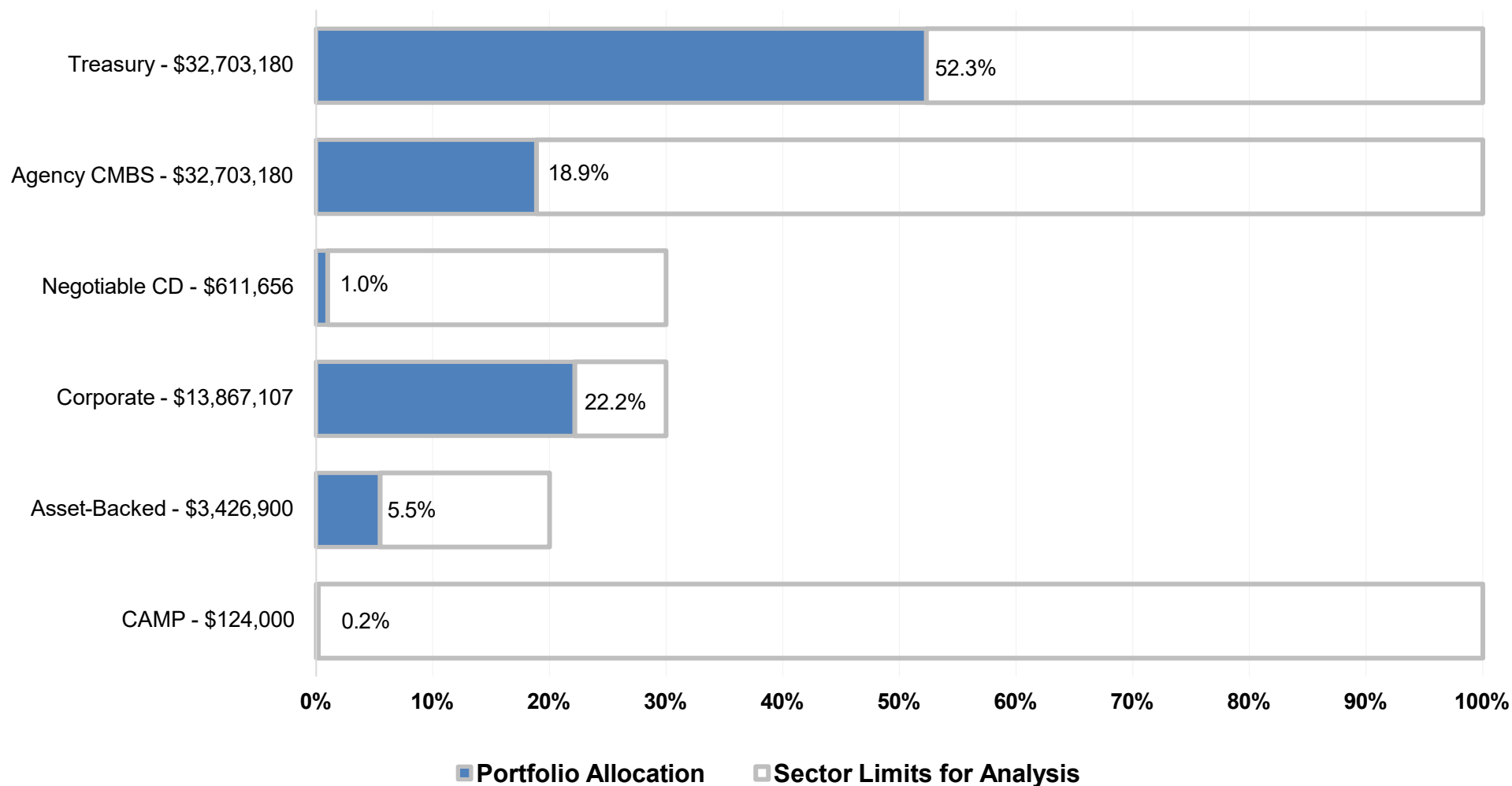
1. Total market value includes accrued interest and balances invested in CAMP, as of June 30, 2024.

Yield and duration calculations exclude balances invested in CAMP.

The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Treasury Index. Source: Bloomberg.

An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

## Sector Allocation Analytics



*For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest.*

*\*Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.*

## Certificate of Compliance

During the reporting period for the quarter ended June 30, 2024, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

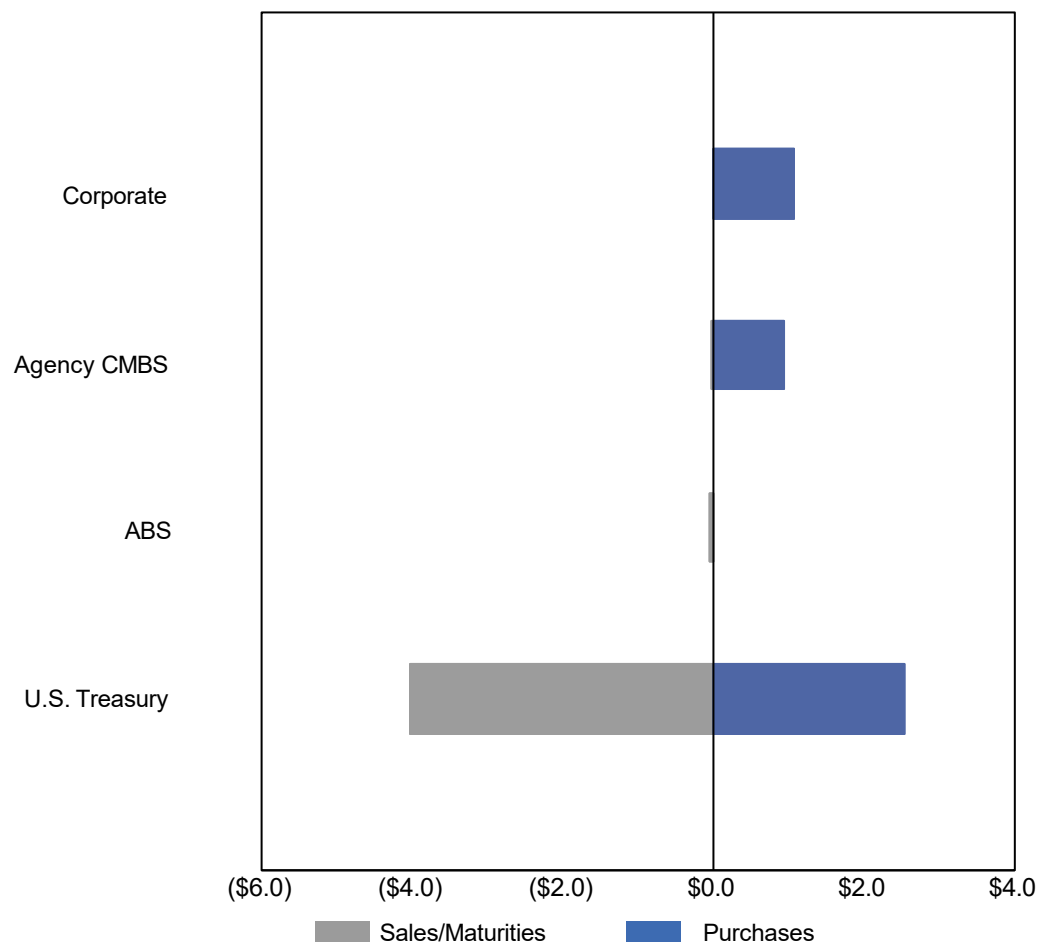
Acknowledged : *PFM Asset Management LLC*

*Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Asset and Investment Management ("AIM").*



## Managed Portfolio Activity

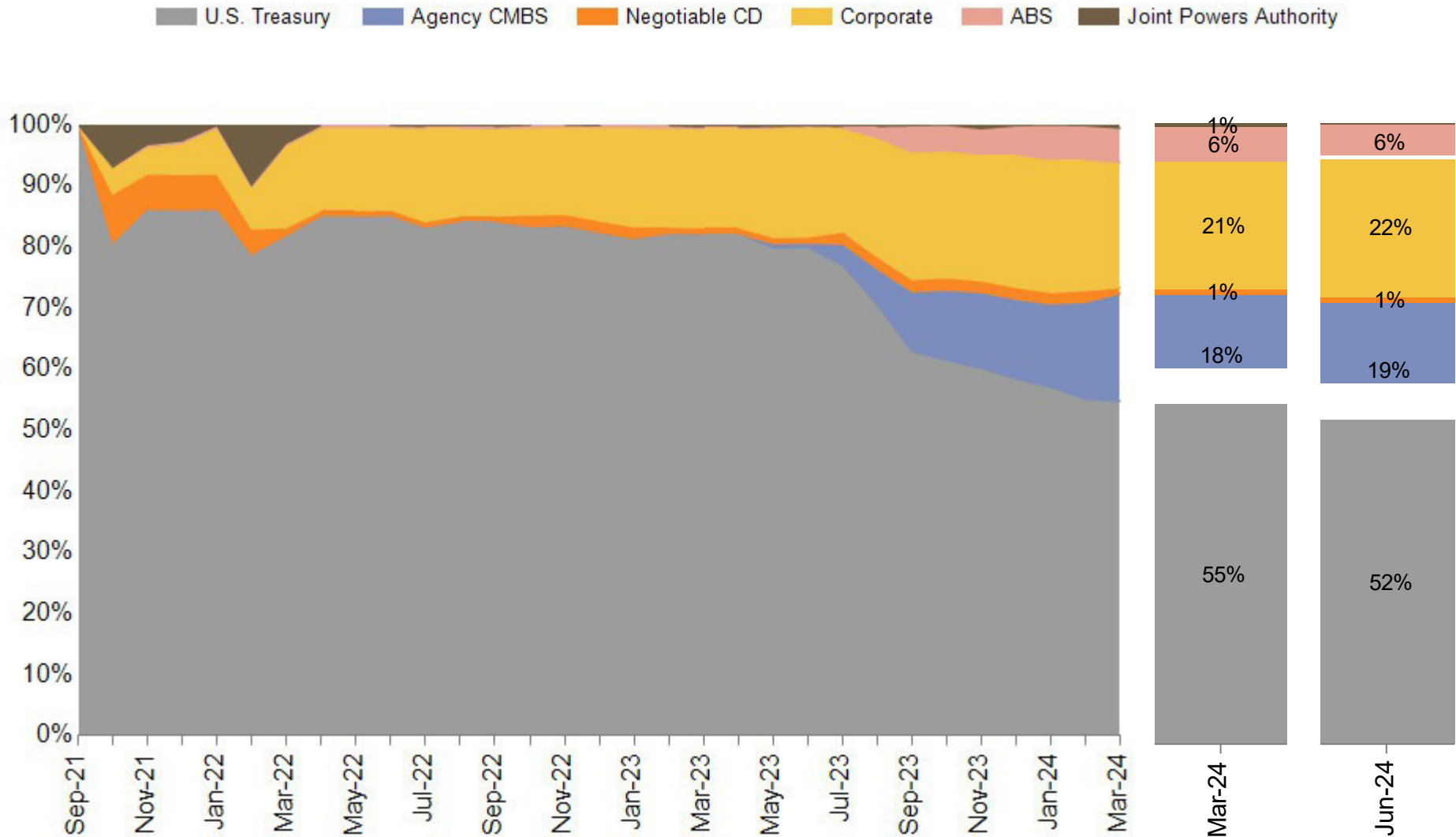
**Net Activity by Sector**  
(\$ millions)



Sector	Net Activity
Corporate	\$1,081,244
Agency CMBS	\$933,697
ABS	(\$31,901)
U.S. Treasury	(\$1,460,026)
<b>Total Net Activity</b>	<b>\$523,015</b>

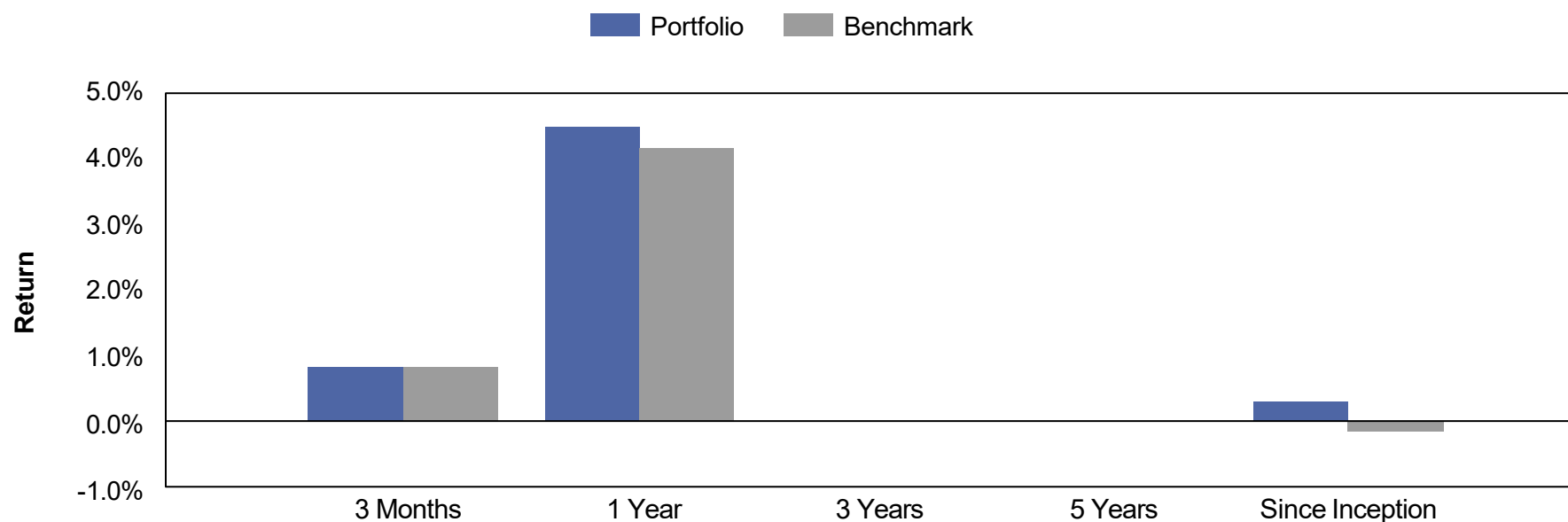
Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

Managed Portfolio Historical Sector Allocation



Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM.

## Managed Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception <sup>1</sup>
Interest Earned <sup>2</sup>	\$407,595	\$1,416,443	-	-	\$2,281,225
Change in Market Value	\$100,737	\$1,277,946	-	-	(\$1,746,356)
<b>Total Dollar Return</b>	<b>\$508,332</b>	<b>\$2,694,389</b>	<b>-</b>	<b>-</b>	<b>\$534,869</b>
<b>Total Return<sup>3</sup></b>					
Portfolio	0.82%	4.50%	-	-	0.30%
Benchmark <sup>4</sup>	0.82%	4.16%	-	-	-0.15%
<b>Difference</b>	<b>0.00%</b>	<b>0.33%</b>	<b>-</b>	<b>-</b>	<b>0.45%</b>













1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is December 31, 2021.

2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

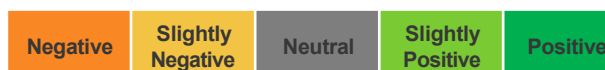
4. The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Treasury Index. Source: Bloomberg.

## Fixed-Income Sector Outlook – 3Q 2024

Sector	Our Investment Preferences
<b>COMMERCIAL PAPER / CD</b>	
<b>TREASURIES</b>	
<b>T-Bill</b>	
<b>T-Note</b>	
<b>FEDERAL AGENCIES</b>	
<b>Bullets</b>	
<b>Callables</b>	
<b>SUPRANATIONALS</b>	
<b>CORPORATES</b>	
<b>Financials</b>	
<b>Industrials</b>	
<b>SECURITIZED</b>	
<b>Asset-Backed</b>	
<b>Agency Mortgage-Backed</b>	
<b>Agency CMBS</b>	
<b>MUNICIPALS</b>	

● Current outlook

○ Outlook one quarter ago



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## Issuer Distribution

## Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
<b>U.S. Treasury</b>	<b>52.4%</b>	
UNITED STATES TREASURY	52.4%	AA / Aaa / AA
<b>Agency CMBS</b>	<b>18.9%</b>	
FANNIE MAE	0.9%	AA / Aaa / AA
FREDDIE MAC	18.0%	AA / Aaa / AA
<b>Negotiable CD</b>	<b>1.0%</b>	
RABOBANK NEDERLAND	1.0%	A / Aa / AA
<b>Corporate</b>	<b>22.2%</b>	
ADOBE INC	0.7%	A / A / NR
AMAZON.COM INC	1.2%	AA / A / AA
APPLE INC	2.5%	AA / Aaa / NR
BANK OF AMERICA CO	1.5%	A / Aa / AA
BLACKROCK INC	0.1%	AA / Aa / NR
BRISTOL-MYERS SQUIBB CO	0.7%	A / A / NR
BURLINGTON NORTHERN SANTA FE	0.6%	AA / A / NR
CITIGROUP INC	1.5%	A / Aa / A
DEERE & COMPANY	0.7%	A / A / A
GOOGLE INC	0.9%	AA / Aa / NR
HOME DEPOT INC	1.0%	A / A / A
JP MORGAN CHASE & CO	1.5%	A / Aa / AA
MASTERCARD INC	1.5%	A / Aa / NR
MORGAN STANLEY	1.0%	A / Aa / AA
PACCAR FINANCIAL CORP	0.7%	A / A / NR
STATE STREET CORPORATION	0.6%	A / A / AA
TARGET CORP	0.6%	A / A / A
TEXAS INSTRUMENTS INC	1.0%	A / Aa / NR
THE BANK OF NEW YORK MELLON CORPORATION	0.8%	A / A / AA

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
<b>Corporate</b>	<b>22.2%</b>	
TOYOTA MOTOR CORP	0.6%	A / A / A
WAL-MART STORES INC	1.0%	AA / Aa / AA
WELLS FARGO & COMPANY	1.5%	A / Aa / AA
<b>ABS</b>	<b>5.5%</b>	
AMERICAN EXPRESS CO	0.8%	AAA / NR / AAA
BANK OF AMERICA CO	0.3%	NR / Aaa / AAA
CHASE ISSURANCE	1.6%	AAA / NR / AAA
CITIGROUP INC	0.2%	AAA / Aaa / AAA
FIFTH THIRD AUTO TRUST	0.7%	AAA / Aaa / NR
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	0.1%	NR / Aaa / AAA
HONDA AUTO RECEIVABLES	0.7%	AAA / Aaa / AAA
HYUNDAI AUTO RECEIVABLES	0.1%	AAA / NR / AAA
TOYOTA MOTOR CORP	0.2%	AAA / NR / AAA
USAA AUTO OWNER TRUST	0.8%	AAA / Aaa / NR
<b>Total</b>	<b>100.0%</b>	

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

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It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

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- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. **Past performance is not indicative of future returns.**
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.



## Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

## Glossary

- Repurchase Agreements: A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- Settle Date: The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- Supranational: A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- Trade Date: The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- Unsettled Trade: A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- U.S. Treasury: The department of the U.S. government that issues Treasury securities.
- Yield: The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- YTM at Cost: The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- YTM at Market: The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

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

**ACCOUNTS PAYABLE**

<b>Date</b>	<b>Number</b>	<b>Name</b>	<b>Amount</b>
7/2/2024	121361	ACWA BENEFITS	1,119.18
7/2/2024	121362	ATAC EXTERMINATORS INC	89.00
7/2/2024	121363	BEAUMONT CHAMBER OF COMMERCE	375.00
7/2/2024	121364	CV STRATEGIES	18,145.00
7/2/2024	121365	LAND ENGINEERING CONSULTANTS	676.20
7/2/2024	121366	LASTPASS ...	216.00
7/2/2024	121367	MACRO COMMUNICATIONS	765.00
7/2/2024	121368	PUBLIC POLICY INSTITUTE OF CA	7,800.00
7/2/2024	121369	PURCOR PEST SOLUTIONS	63.62
7/2/2024	121370	LAFCO RIVERSIDE	7,800.78
7/2/2024	121371	THE RECORD-GAZETTE	49.95
7/2/2024	121372	STANDARD INSURANCE COMPANY	828.26
7/2/2024	121373	UNIVAR SOLUTIONS	5,955.14
7/2/2024	121374	UNLIMITED SERVICES	350.00
7/2/2024	121375	UNDERGROUND SERVICE ALERT	11.75
7/2/2024	121376	VALLEY OFFICE EQUIPMENT, INC.	334.38
7/2/2024	121377	WATER RESOURCES ECONOMICS	80.00
7/2/2024	121378	WASTE MGT CORPORATE SERVICES	133.30
7/8/2024	121379	ACWA BENEFITS	1,119.18
7/8/2024	121380	LENITY TECHNOLOGY	1,766.70
7/8/2024	121381	PETTY CASH	82.11
7/15/2024	121382	MICHELLE PETITE	450.00
7/15/2024	121383	AUTOMATION PRIDE	100.00
7/15/2024	121384	BEAUMONT-CHERRY VALLEY WATER DISTRICT	490.81
7/15/2024	121385	BEST BEST & KRIEGER	28,400.98
7/15/2024	121386	BRI COMMUNICATIONS	1,960.00
7/23/2024	121387	ACWA JPIA	1,997.82
7/23/2024	121388	ATAC EXTERMINATORS INC	89.00
7/23/2024	121389	AVEK WATER AGENCY	165,799.13
7/23/2024	121390	BEACON ECONOMICS, LLC	17,500.00
7/23/2024	121391	CONTROL TEMP, INC.	99.00
7/23/2024	121392	CALIFORNIA RURAL WATER ASSN	8,757.50
7/23/2024	121393	DUCKING CLEAN	720.00
7/23/2024	121394	FRONTIER COMMUNICATIONS	325.44
7/23/2024	121395	MATTHEW PISTILLI LANDSCAPE SERVICES	350.00
7/23/2024	121396	SAN BERNARDINO VALLEY MUNI WATER DISTRICT	158,228.04
7/23/2024	121397	SOUTHERN CALIFORNIA EDISON	428.20
7/23/2024	121398	UNIVAR SOLUTIONS	5,955.14
7/23/2024	121399	U. S. GEOLOGICAL SURVEY	117,429.00
7/23/2024	121400	VALLEY OFFICE EQUIPMENT, INC.	341.11
7/23/2024	121401	WELLS FARGO ELITE CREDIT CARD	10,545.09
7/23/2024	121402	ZANJERO WATER CONSULTING	18,097.50
7/24/2024	121403	WEX HEALTH	3,200.00
7/31/2024	121404	WEX HEALTH	300.00
7/3/2024	900923	CALPERS RETIREMENT	59,693.00
7/3/2024	900924	CALPERS RETIREMENT	147.00
7/3/2024	900925	CALPERS HEALTH	11,566.01

**San Geronio Pass Water Agency**  
**Check History Report**  
**July 1 through July 31, 2024**

**ACCOUNTS PAYABLE (CON'T)**

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
7/17/2024	900926	EMPLOYMENT DEVELOPMENT DEPARTMENT	2,584.05
7/17/2024	900927	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	15,982.47
7/17/2024	900928	CALPERS RETIREMENT	10,455.90
7/17/2024	900929	CAL PERS RETIREMENT - SIP-457	4,030.00
7/17/2024	900930	PAYCHEX	196.35
7/17/2024	900931	RONALD A. DUNCAN - REIMBURSEMENT	2,065.04
7/24/2024	900932	CALPERS HEALTH	11,556.79
7/30/2024	900933	DEPARTMENT OF WATER RESOURCES	1,610,156.00
TOTAL ACCOUNTS PAYABLE CHECKS			<u>2,317,756.92</u>

**PAYROLL**

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
7/16/2024	802769	MARICELA V. CABRAL	4,012.02
7/16/2024	802770	EMMETT G. CAMPBELL	3,815.55
7/16/2024	802771	RONALD A. DUNCAN	2,460.87
7/16/2024	802772	LANCE E. ECKHART	7,545.87
7/16/2024	802773	MATTHEW E. HOWARD	4,668.84
7/16/2024	802774	CHANDER P. LETULLE	4,956.50
7/16/2024	802775	LAWRENCE R. SMITH	2,818.42
7/16/2024	802776	SCOTT W. TIRRELL	555.54
7/16/2024	802777	THOMAS W. TODD, JR.	5,774.80
7/16/2024	802778	MICHAEL R. VALDIVIA	2,818.43
7/16/2024	802779	KEVIN D. WALTON	2,693.14
7/16/2024	802780	ROEBERT G. YBARRA	2,568.37
TOTAL PAYROLL			<u>44,688.35</u>
TOTAL DISBURSEMENTS FOR JULY 2024			<u><u>2,362,445.27</u></u>

**NOTES**

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  
August 2024

Vendor - Name and Address	Expenditure Type
Beacon Economics P.O. Box 2431 Mill Valley, CA 94942	Financial Projections
Crider Public Relations, Inc. 74464 Candlewood St. Palm Desert, CA 92260	Public Relations 65th Anniversary
WEX Health, Inc. P O Box 2926; Fargo, ND 58108-2926	FSA Administrators
Verizon Business P O Box 660108; Dallas, TX 75266-0108	Debt Service Utilities Security Wireless Monitoring
Sharp Designs Custom Embroidery 1088 Hillcrest Ct., Calimesa, CA 92320	SGPWA Clothing

**SAN GORGONIO PASS WATER AGENCY**  
**BANK RECONCILIATION**  
**July 31, 2024**

**BANK STATEMENT BALANCE (CHECKING ACCOUNT) -** July 31, 2024 \$ 2,643,263.66

LESS: OUTSTANDING CHECKS

CHECK NUMBER	AMOUNT	CHECK NUMBER	AMOUNT
121368	7,800.00	121393	720.00
121383	100.00	121396	158,228.04
121386	1,960.00	121404	300.00
131388	89.00		
121392	8,757.50		
	<u>18,706.50</u>		<u>159,248.04</u>

TOTAL OUTSTANDING CHECKS (177,954.54)

ADJUSTED **BANK STATEMENT** BALANCE - July 31, 2024 \$ 2,465,309.12

BALANCE PER **GENERAL LEDGER** AT END OF PRIOR MONTH ( + ) \$ 352,531.26

CASH RECEIPTS FOR CURRENT MONTH ( + ) 3,175,223.13

CASH DISBURSEMENTS FOR CURRENT MONTH

ACCOUNTS PAYABLE ( - )	Checks	(589,324.31)	
ACCOUNTS PAYABLE ( - )	ACHs	<u>(1,728,432.61)</u>	(2,317,756.92)
PAYROLL ( - )	Prior Month: 16th-EOM	-	
PAYROLL ( - )	This Month: 1st-15th	<u>(44,688.35)</u>	(44,688.35)

TRANSFERS FROM LAIF TO CHECKING ACCT ( + ) 1,300,000.00

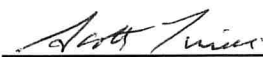
TRANSFER FROM CAMP TO CHECKING ACCT ( + ) -

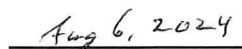
TRANSFERS TO LAIF FROM CHECKING ACCT ( - ) -

TRANSFER TO CAMP FROM CHECKING ACCT ( - ) -

BALANCE PER **GENERAL LEDGER** - July 31, 2024 \$ 2,465,309.12

REPORT PREPARED BY:

  
 Scott Tirrell

  
 Date

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

DATE	RECEIVED FROM	DESCRIPTION	AMOUNT
<b>DEPOSIT TO CHECKING ACCOUNT</b>			
7/8/24	MISCELLANEOUS	MISCELLANEOUS CASH	9.43
7/11/24	ROND DUNCAN	REPAYMENT FOR ACWA DINNER	125.00
7/11/24	DESERT WATER AGENCY	GSA ANNUAL REPORT 2021	10,604.57
7/19/24	BCVWD	WATER SALES	480,396.00
7/19/24	CITY OF BANNING	WATER SALES	399,000.00
7/19/24	CABAZON WATER DIST.	GSA ANNUAL REPORT 2021	10,604.57
7/19/24	PTINEY BOWES	POSTAGE REFUND	210.59
7/19/24	RIVERSIDE COUNTY	PROPERTY TAXES - SUPPLMNTL FY23-24	276,925.04
7/24/24	BANNING HEIGHTS MWC	GSA ANNUAL REPORT 2021	10,604.57
7/25/24	RIVERSIDE COUNTY	PROPERTY TAXES - SUPPLMNTL FY23-24	56,543.66
7/29/24	RIVERSIDE COUNTY	PROPERTY TAXES - UNSECURED	79,780.38
7/29/24	RIVERSIDE COUNTY	PROPERTY TAXES - CY SBE UNITARY	1,850,203.60
7/30/24	RIVERSIDE COUNTY	PROPERTY TAXES - SBE FY23-24 JUN24	215.72
TOTAL FOR JULY 2024			3,175,223.13

# SAN GORGONIO PASS WATER AGENCY

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

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

Delivery Point						Pre-Stored Water					
Month	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		893			
Jan	438	0	279	13	730	438		1,331			
Feb	744	0	162	6	912	744		2,075			
Mar	679	0	1,351	0	2,030	679		2,754			
Apr	468	0	1,373	0	1,840	468		3,222			
May	552	0	837	0	1,389	552	2,000	1,774	1,000		1,000
Jun	937	0	367	0	1,304	937		2,711			
Jul	628	0	733	0	1,361	628		3,339			
Aug					0						
Sep					0						
Oct					0						
Nov					0						
Dec					0						
<b>TOTALS</b>	4,446	0	5,101	19	9,566	4,446	2,000		1,000	0	1,000

Billing Detail										
Month	City of Banning			BCVWD			YVWD			Totals
	Deliveries	Transfers-in	Total	Deliveries	Transfers-in	Total	Deliveries	Transfers-in	Total	
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	367		367	0		0	367
Jul			0	733		733	0		0	733
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
<b>TOTALS</b>	0	1,000	1,000	5,101	0	5,101	19	1,000	1,019	7,120

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



San Gorgonio Pass Water Agency  
Budget Highlights

July 2024

**Overall Summary**

This is the first report for FY 2024-25. As usual at the beginning of the fiscal year, income was received, but was credited to the previous fiscal year because it is attributable to financial activity conducted in the previous fiscal year. In accounting terms, this is considered a receivable, and a classified in Accounts Receivable.

Invoices were also received that are attributable to financial activity conducted in the previous fiscal year, even though they will be paid in the current fiscal year. In accounting terms, these are considered payables, and classified in Accounts Payable.

**General Fund (Green Bucket)**

**Income**

Although the General Fund received about \$1 million in cash from tax revenue and about \$900,000 in water sales, it was credited to FY2023-24 receivables. So, the Budget report shows healthy interest income, but only \$134.43 in miscellaneous income.

**Expenses**

All categories in the General Fund are within budget. As usual for the first month of the fiscal year, benefit payments look a bit overspent because invoices are paid a month in advance, so July records two months of payments.

LAFCO Cost-share has been paid, one payment for the year. Unexpectedly, the payment for this year is less than the payment for last year.

**Consigned – SWP Support Fund (Orange Bucket)**

The SWP Fund also received cash this month, about \$900,00, all of which is a receivable from FY 2023-24. It also recorded some allocated interest.

**Debt Service Fund (Red Bucket)**

**Income**

The Debt Service Fund also received tax revenue attributable to the previous fiscal year, about \$800,000. It also recorded healthy allocated interest.

**Expenses**

The July and January payments for the State Water Contract are always more than the regular monthly payment, so the line item is a bit over an evenly divided amount spread over the year, even though anticipated. Benefits payments are also a bit over budget, also as expected for the first month of the fiscal year.

**Gap Funding Program**

There was no activity in the Gap Funding Program.

**SAN GORGONIO PASS WATER AGENCY**  
**APPROVED BUDGET FOR FY 2024-25**  
**FOR THE ONE MONTH ENDING ON JULY 31, 2024**

				FISCAL YEAR JULY 1, 2024 - JUNE 30, 2025				
				1	2	3	4.00	5
				ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
GENERAL FUND								
		GENERAL FUND - INCOME					Remaining %	92%
1		WATER SALES	7,100,000			7,100,000	0.00	-100.0%
2		OTHER WATER SALES	0			0	0.00	NA
3		TAX REVENUE	12,400,000			12,400,000	0.00	-100.0%
4		INTEREST	270,000			270,000	33,699.14	-87.5%
5		GOV'T CONTRIBUTIONS	42,000			42,000	0.00	-100.0%
6		GRANT REVENUE	6,000,000			6,000,000	0.00	-100.0%
7		OTHER MISCELLANEOUS INCOME	35,000			35,000	134.43	-99.6%
8		TOTAL GENERAL FUND INCOME	25,847,000	0		25,847,000	33,833.57	-99.9%
		GENERAL FUND - EXPENSES						
		COMMODITY PURCHASE						
12		PURCHASED WATER FOR DELIVERY	8,500,000			8,500,000	0.00	100.0%
13		PURCHASED WATER FOR BANKING (FUTURE SALE)	1,000,000			1,000,000	0.00	100.0%
14		TOTAL COMMODITY PURCHASE	9,500,000	0		9,500,000	0.00	100.0%
		SALARIES AND EMPLOYEE BENEFITS						
17		SALARIES	640,000			640,000	24,911.84	96.1%
18		PAYROLL TAXES	52,000			52,000	3,201.67	93.8%
19		PAYROLL SERVICE	6,000			6,000	196.35	96.7%
20		RETIREMENT	250,000			250,000	39,798.83	84.1%
21		OTHER POST-EMPLOYMENT BENEFITS (OPEB)	145,000			145,000	12,227.65	91.6%
22		HEALTH INSURANCE	54,000			54,000	7,548.03	86.0%
23		ACWA BENEFITS	9,000			9,000	1,259.90	86.0%
24		DISABILITY INSURANCE	6,000			6,000	0.00	100.0%
25		WORKERS COMPENSATION INSURANCE	6,000			6,000	0.00	100.0%
26		SGPWA STAFF MEDICAL REIMBURSEMENT	11,000			11,000	0.00	100.0%
27		EMPLOYEE EDUCATION	4,000			4,000	0.00	100.0%
28		TOTAL SALARIES AND EMPLOYEE BENEFITS	1,183,000	0		1,183,000	89,144.27	92.5%

**SAN GORGONIO PASS WATER AGENCY**  
**APPROVED BUDGET FOR FY 2024-25**  
**FOR THE ONE MONTH ENDING ON JULY 31, 2024**

				FISCAL YEAR JULY 1, 2024 - JUNE 30, 2025				
				1	2	3	4.00	5
				ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>GENERAL FUND - EXPENSES</b>								
	<b>ADMINISTRATIVE AND PROFESSIONAL SERVICES</b>						Remaining %	92%
	DIRECTOR EXPENDITURES							
33	DIRECTORS FEES	275,000		275,000		15,398.40	94.4%	
34	DIRECTORS TRAVEL AND EDUCATION	80,000		80,000		3,854.75	95.2%	
35	DIRECTORS MEDICAL REIMBURSEMENT	43,000		43,000		2,279.89	94.7%	
	OFFICE EXPENDITURES							
37	OFFICE EXPENSE	40,000		40,000		1,788.18	95.5%	
38	POSTAGE	1,000		1,000		0.00	100.0%	
39	TELEPHONE	8,000		8,000		257.90	96.8%	
40	UTILITIES	17,000		17,000		43.48	99.7%	
	SERVICE EXPENDITURES							
42	COMPUTER, WEBSITE AND PHONE SUPPORT	54,000		54,000		2,432.70	95.5%	
43	GENERAL MANAGER AND STAFF TRAVEL	25,000		25,000		64.74	99.7%	
44	SUCCESSION PLANNING	65,000		65,000		0.00	100.0%	
45	INSURANCE AND BONDS	55,000		55,000		0.00	100.0%	
46	ACCOUNTING AND AUDITING	22,000		22,000		0.00	100.0%	
47	DUES AND ASSESSMENTS	45,000		45,000		8,175.00	81.8%	
48	OTHER PROFESSIONAL SERVICES	35,000		35,000		0.00	100.0%	
49	BANK CHARGES	1,000		1,000		0.00	100.0%	
50	MISCELLANEOUS EXPENSES	1,000		1,000		0.00	100.0%	
	MAINTENANCE AND EQUIPMENT EXPENDITURES							
52	TOOLS PURCHASE AND MAINTENANCE	2,000		2,000		0.00	100.0%	
53	MAINTENANCE AND REPAIRS - VEHICLE	10,000		10,000		425.60	95.7%	
54	MAINTENANCE AND REPAIRS - BUILDING	40,000		40,000		1,642.30	95.9%	
55	MAINTENANCE AND REPAIRS - FIELD	50,000		50,000		0.00	100.0%	
	COUNTY EXPENDITURES							
57	LAFCO COST SHARE	10,000		10,000		7,800.78	22.0%	
58	ELECTION EXPENSE	150,000		150,000		0.00	100.0%	
59	TAX COLLECTION CHARGES	60,000		60,000		0.00	100.0%	
60	<b>TOTAL ADMINISTRATIVE AND PROFESSIONAL SERVICES</b>	<b>1,089,000</b>	<b>0</b>	<b>1,089,000</b>		<b>44,163.72</b>	<b>95.9%</b>	

**SAN GORGONIO PASS WATER AGENCY**  
**APPROVED BUDGET FOR FY 2024-25**  
**FOR THE ONE MONTH ENDING ON JULY 31, 2024**

				FISCAL YEAR JULY 1, 2024 - JUNE 30, 2025				
				1	2	3	4.00	5
				ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>GENERAL FUND - EXPENSES</b>								
	<b>CONSULTING AND ENGINEERING SERVICES</b>						Remaining %	92%
	PLANS & CONSTRUCTION							
65	INFRASTRUCTURE PLAN - Phase 2	25,000		25,000		0.00	100.0%	
66	BACKBONE INFRASTRUCTURE STUDY AND DESIGN	150,000		150,000		0.00	100.0%	
67	BUNKER HILL BANKING AND RECOVERY PROGRAM	75,000		75,000		0.00	100.0%	
68	COUNTY LINE RECHARGE	1,250,000		1,250,000		0.00	100.0%	
69	SMALL SYSTEM ASSISTANCE PROGRAM	210,000		210,000		0.00	100.0%	
70	SIGNAGE AND FRONTAGE BROOKSIDE EAST	75,000		75,000		0.00	100.0%	
71	MONITORING WELL DRILLING	2,300,000		2,300,000		0.00	100.0%	
72	HELI-HYDRANT	1,800,000		1,800,000		0.00	100.0%	
	OTHER PROJECTS							
74	WATER BANKING INVESTIGATIONS	25,000		25,000		0.00	100.0%	
75	SAN GORGONIO GSA	50,000		50,000		315.00	99.4%	
76	YUCAIPA GSA VERBENIA GSA	10,000		10,000		0.00	100.0%	
77	FLUME MONITORING AND SUPPORT	30,000		30,000		0.00	100.0%	
	STUDIES AND REPORTS							
79	FINANCIAL MODELING + NEXUS RATE STUDY	90,000		90,000		17,500.00	80.6%	
80	USGS STUDIES AND MONITORING	300,000		300,000		0.00	100.0%	
81	WATER PORTFOLIO	100,000		100,000		9,477.50	90.5%	
82	LOCAL SUPPLIES	50,000		50,000		0.00	100.0%	
83	LOCAL RECHARGE FEASIBILITY STUDIES	750,000		750,000		0.00	100.0%	
84	UWMP SUPPORT AND ANNUAL REPORT COMPLETION	25,000		25,000		0.00	100.0%	
	GENERAL ENGINEERING SERVICES							
86	ON-CALL AGENCY ENGINEER	250,000		250,000		0.00	100.0%	
87	GRANT SUPPORT SERVICES	75,000		75,000		0.00	100.0%	
88	FEDERAL - STATE ADVOCATE	30,000		30,000		0.00	100.0%	
89	SAWPA REGIONAL PROJECTS	36,000		36,000		0.00	100.0%	
90	GENERAL ENGINEERING and ENVIRONMENTAL	75,000		75,000		0.00	100.0%	
91	<b>TOTAL CONSULTING AND ENGINEERING SERVICES</b>	<b>7,781,000</b>	<b>0</b>	<b>7,781,000</b>		<b>27,292.50</b>	<b>99.6%</b>	

**SAN GORGONIO PASS WATER AGENCY**  
**APPROVED BUDGET FOR FY 2024-25**  
**FOR THE ONE MONTH ENDING ON JULY 31, 2024**

				FISCAL YEAR JULY 1, 2024 - JUNE 30, 2025				
				1	2	3	4.00	5
				ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>GENERAL FUND - EXPENSES</b>								
							Remaining %	92%
	<b>LEGAL SERVICES</b>							
96	LEGAL SERVICES	200,000		200,000		0.00	100.0%	
97	<b>TOTAL LEGAL SERVICES</b>	200,000	0	200,000		0.00	100.0%	
	<b>CONSERVATION AND EDUCATION</b>							
100	SCHOOL EDUCATION PROGRAMS	60,000		60,000		0.00	100.0%	
101	PUBLIC INFORMATION AND EDUCATION	260,000		260,000		1,960.00	99.2%	
102	SPONSORSHIPS	0		0		0.00	NA	
103	TRANSFER TO PASS WATER AGENCY FOUNDATION	32,000		32,000		0.00	100.0%	
104	65th ANNIVERSARY CELEBRATION	20,000		20,000		0.00	100.0%	
105	<b>TOTAL CONSERVATION AND EDUCATION</b>	372,000	0	372,000		1,960.00	99.5%	
	<b>MAJOR AND CAPITAL EXPENDITURES</b>							
	<b>BUILDING AND EQUIPMENT</b>							
109	BUILDING	50,000		50,000		0.00	100.0%	
110	FRONT LANDSCAPING	75,000		75,000		0.00	100.0%	
111	FURNITURE AND OFFICE EQUIPMENT	25,000		25,000		0.00	100.0%	
112	OTHER EQUIPMENT	20,000		20,000		0.00	100.0%	
113	VEHICLES	125,000		125,000		0.00	100.0%	
	<b>OTHER ITEMS</b>							
115	SITES RESERVOIR	560,000		560,000		0.00	100.0%	
116	<b>TOTAL MAJOR AND CAPITAL EXPENDITURES</b>	855,000	0	855,000		0.00	100.0%	
118	<b>TRANSFERS TO OTHER FUNDS</b>			0				
120	<b>TOTAL GENERAL FUND EXPENSES</b>	20,980,000	0	20,980,000		162,560.49	99.2%	
122	<b>GENERAL FUND NET INCOME YTD</b>	4,867,000	0	4,867,000		-128,726.92		

**SAN GORGONIO PASS WATER AGENCY**  
**APPROVED BUDGET FOR FY 2024-25**  
**FOR THE ONE MONTH ENDING ON JULY 31, 2024**

				FISCAL YEAR JULY 1, 2024 - JUNE 30, 2025				
				1	2	3	4.00	5
				ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>CONSIGNED - SWP SUPPORT FUND</b>								
								Remaining % 92%
<b>CONSIGNED - SWP SUPPORT FUND - INCOME</b>								
<b>INCOME</b>								
130		UNITARY TAX REVENUE ALLOCATED		7,200,000		7,200,000	0.00	-100.0%
131		INTEREST		240,000		240,000	35,945.75	-85.0%
132		OTHER INCOME		0		0	0.00	NA
133		<b>TOTAL SWP SUPPORT FUND INCOME</b>		<b>7,440,000</b>	<b>0</b>	<b>7,440,000</b>	<b>35,945.75</b>	<b>-99.5%</b>
<b>CONSIGNED - SWP SUPPORT FUND - EXPENSES</b>								
<b>EXPENDITURES</b>								
139		TAX COLLECTION CHARGES		18,000		18,000	0.00	100.0%
140		OTHER EXPENSES		0		0	0.00	NA
141		<b>TOTAL SWP SUPPORT FUND EXPENSES</b>		<b>18,000</b>	<b>0</b>	<b>18,000</b>	<b>0.00</b>	<b>100.0%</b>
143		<b>TRANSFERS TO OTHER FUNDS</b>						
145		<b>CONSIGNED - SWP SUPPORT FUND NET INCOME YTD</b>		<b>7,422,000</b>	<b>0</b>	<b>7,422,000</b>	<b>35,945.75</b>	

**SAN GORGONIO PASS WATER AGENCY**  
**APPROVED BUDGET FOR FY 2024-25**  
**FOR THE ONE MONTH ENDING ON JULY 31, 2024**

				FISCAL YEAR JULY 1, 2024 - JUNE 30, 2025				
				1	2	3	4.00	5
				ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>DEBT SERVICE FUND</b>								
<b>DEBT SERVICE FUND - INCOME</b>							Remaining %	92%
<b>INCOME</b>								
153	TAX REVENUE	29,400,000		29,400,000		29,400,000	0.00	-100.0%
154	INTEREST	1,000,000		1,000,000		1,000,000	155,016.03	-84.5%
155	CONTRIBUTIONS - GOVERNMENT	0		0		0	0.00	NA
156	DWR CREDITS - BOND COVER, OTHER	3,400,000		3,400,000		3,400,000	0.00	-100.0%
157	<b>TOTAL DEBT SERVICE FUND INCOME</b>	<b>33,800,000</b>	<b>0</b>	<b>33,800,000</b>		<b>33,800,000</b>	<b>155,016.03</b>	<b>-99.5%</b>
<b>DEBT SERVICE FUND - EXPENSES</b>								
<b>EXPENSES</b>								
161	SALARIES	500,000		500,000		500,000	18,559.00	96.3%
162	PAYROLL TAXES	35,000		35,000		35,000	1,071.35	96.9%
163	BENEFITS	320,000		320,000		320,000	33,194.66	89.6%
164	SWP LEGAL SERVICES	0		0		0	0.00	NA
165	SWP UTILITIES	10,000		10,000		10,000	452.26	95.5%
166	STATE WATER CONTRACT AUDIT	7,000		7,000		7,000	0.00	100.0%
167	STATE WATER CONTRACTOR DUES	55,000		55,000		55,000	0.00	100.0%
168	DELTA CONVEYANCE FINANCING AUTHORITY	30,000		30,000		30,000	0.00	100.0%
169	WATER TREATMENT EXPENSE	100,000		100,000		100,000	5,955.14	94.0%
170	EBX CONTRACT OPERATIONS	400,000		400,000		400,000	0.00	100.0%
171	SWP ENGINEERING AND MAINTENANCE	3,400,000		3,400,000		3,400,000	0.00	100.0%
172	WATER TRANSFERS	2,500,000		2,500,000		2,500,000	0.00	100.0%
173	STATE WATER CONTRACT PAYMENTS	25,600,000		25,600,000		25,600,000	1,209,527.00	95.3%
174	TAX COLLECTION CHARGES	160,000		160,000		160,000	0.00	100.0%
175	<b>TOTAL DEBT SERVICE FUND EXPENSES</b>	<b>33,117,000</b>	<b>0</b>	<b>33,117,000</b>		<b>33,117,000</b>	<b>1,268,759.41</b>	<b>96.2%</b>
177	<b>TRANSFERS FROM RESERVES</b>					0.00	0.00	
179	<b>DEBT SERVICE NET INCOME YTD</b>	<b>683,000</b>	<b>0</b>	<b>683,000</b>		<b>683,000</b>	<b>-1,113,743.38</b>	



**SAN GORGONIO PASS WATER AGENCY**  
**APPROVED BUDGET FOR FY 2024-25**  
**FOR THE ONE MONTH ENDING ON JULY 31, 2024**

				FISCAL YEAR JULY 1, 2024 - JUNE 30, 2025				
				1	2	3	4.00	5
				ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>GAP FUNDING PROGRAM</b>								
<b>GAP FUNDING PROGRAM - INCOME</b>								
185	CABAZON WATER DISTRICT #1			96,000		96,000	0.00	100.0%
186	SOUTH MESA WATER COMPANY			2,000,000		2,000,000	0.00	100.0%
187	HIGH VALLEYS WATER DISTRICT			500,000		500,000	0.00	100.0%
188	BANNING HEIGHTS MUTUAL WATER CO.			0		0	0.00	NA
191	<b>TOTAL INCOME</b>			<b>2,596,000</b>	<b>0</b>	<b>2,596,000</b>	<b>0.00</b>	
<b>GAP FUNDING PROGRAM - EXPENSES</b>								
194	CABAZON WATER DISTRICT #1			0		0	0.00	NA
195	SOUTH MESA WATER COMPANY			5,000,000		5,000,000	0.00	100.0%
196	HIGH VALLEYS WATER DISTRICT			1,000,000		1,000,000	0.00	100.0%
197	BANNING HEIGHTS MUTUAL WATER CO.			0		0	0.00	NA
200	<b>TOTAL EXPENSE</b>			<b>6,000,000</b>	<b>0</b>	<b>6,000,000</b>	<b>0.00</b>	<b>100.0%</b>
202	<b>GAP FUNDING PROGRAM NET BALANCE YTD</b>			<b>-3,404,000</b>	<b>0</b>	<b>-3,404,000</b>	<b>0.00</b>	

## San Gorgonio Pass Water Agency

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

Acronym	Name and Function	Version 240801
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
FSA	Flexible Spending Account	Pre-tax deduction for health and dependent-care expenses
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

## San Gorgonio Pass Water Agency

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

Acronym	Name and Function	Version 240801
LAIF	Local Agency Investment Fund	Financial organization sponsored by California for investments of surplus money
LAMMA	Local Agency Money Market Account	
MAPILA	Matthew Pistilli Landscape Services	Provides landscape and gardening services
OAP	Off-Aqueduct Power	DWR invoice for specific facilities that are not directly part of the SWP aqueduct
OPEB	Other Post-Employment Benefits	
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	240731	LEGAL SERVICES JULY 2024	27,087.86

TOTAL PENDING INVOICES FOR APPROVAL AUGUST 2024

27,087.86

San Geronio Pass Water Agency  
Gap Funding Program  
Summary Report  
Report Date: August 14, 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

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

**DATE:** September 5, 2024

**TO:** Finance and Budget Committee

**FROM:** Lance Eckhart, General Manager

**BY:** Tom Todd, Jr., Chief Financial Officer

**SUBJECT: UPDATE OF CREDIT CARD POLICY**

## **RECOMMENDATION**

Recommend adoption of revised Credit Card Policy by the Board.

## **PREVIOUS CONSIDERATION**

- Board of Directors – July 26, 2021: The Board reviewed and approved the current Credit Card Policy.

## **BACKGROUND**

The Agency Credit Card Policy is one of a number of policies whose purpose is to guide Staff and Board members in good financial management practices for the Agency.

This policy is more of a procedural statement, which provides direction for the issuance and use of Agency credit cards and reporting of credit card charges.

## **ANALYSIS**

Credit cards are a financial tool that have reached the level of necessity in today's world. Any online transaction requires a credit card to pay for or reserve a service or product. Most in-person transactions are simpler with credit cards. Sometimes cash can be refused in preference to a credit card payment.

For the Agency, credit cards simplify the many transactions needed by the Board and Staff. In previous decades, purchases for travel or other services and some products required payment up front by the employee, and reimbursement by the Agency. Credit cards eliminate the cashflow issue for the employee and simplify tracking and accounting for Staff.

However, convenience can also encourage abuse. Issuing an Agency credit card to employees is evidence of trust on the part of the Agency and a responsibility requirement on the part of the employee. The Credit Card policy has a number of provisions to help ensure employee accountability and measures to redress any abuses.

The current policy was approved by the Board on July 26, 2021.

The proposed update removes some redundant provisions related to other policies for administrative clarity. Both the Board of Directors Travel and Expense Policy and the General Manager and Staff Travel Policy are currently in effect and are included in the list of policies for Board review.

The proposed update also broadens the authority of the General Manager to authorize credit card users and adds language to deal with fraudulent activity related to credit cards.

### **FISCAL IMPACT**

Credit cards in and of themselves are a tool, not a cost element. As a payment vehicle, all credit card charges are allocated to the appropriate budget line item when the invoice is received and prepared for payment.

### **ACTION**

Recommend adoption of revised Credit Card Policy by the Board.

### **ATTACHMENTS**

Draft #1 Revised Credit Card Policy – includes items and sections to be removed

Draft #2 Revised Credit Card Policy – items and section have been removed, and additions are highlighted in red.

# San Gorgonio Pass Water Agency

## Credit Card Policy

# DRAFT #1

August 2021~~4~~

This policy supersedes and rescinds all previous credit card policies, rules, or regulations adopted by the San Gorgonio Pass Water Agency Board of Directors.

### Preamble

This policy is not intended to be a comprehensive set of rules for all issues related to Agency travel and meals. It is intended to cover the use of Agency credit cards by ~~Directors~~ **Board members** and Staff. Specific issues related to travel are covered in a separate Board of Directors Travel and Expense Reimbursement Policy **and General Manager and Staff Travel Policy**. In the event of a conflict between this policy and the Travel and Expense Reimbursement Policies, the Travel and Expense Policies will take precedence.

### A. Purpose

This policy applies to all Agency credit cards issued to ~~b~~**Board** members or ~~s~~**Staff members** and is intended to ensure that Agency credit cards are not abused or utilized in any way for personal gain.

### B. ~~Authorized Cards~~ Users of Agency Credit Cards

**Board members are authorized users of Agency credit cards. The General Manager is an authorized user of an Agency credit card. Staff may be authorized to use Agency credit cards at the General Manager's discretion. All users of Agency credit cards agree to abide by the requirements of this policy.** ~~Those authorized to have Agency credit cards are all directors, the General Manager, the Chief Financial Officer and the Operations and Maintenance Manager.~~

### C. Use of Agency Credit Cards

1. Credit cards are issued solely for Agency business and are not to be used for personal purchases. In the rare case of a personal item being included on a larger bill (such as a spouse attending a conference or a movie included in a hotel bill) such charges shall be reimbursed to the Agency prior to the credit card payment being made. The Finance Office is responsible for notifying the cardholder what charges need to be reimbursed to the Agency.
2. Agency credit cards are not to be used as an alternate method of procurement to avoid a bidding process or in any way to circumvent the Agency's Procurement Policy.
3. Agency credit cards issued to Board members are to be used only for Agency related travel, registration for appropriate seminars or conferences, Agency-related business meals, or purchase of educational materials related to water issues. **The Director Travel and Expense Policy governs the use of credit cards for Directors' travel.**
4. Agency credit cards issued to the General Manager and Staff are generally to be used for travel or items related to managing the day-to-day affairs of the Agency. **The General Manager and Staff Travel Policy governs the use of credit cards for travel-related expenses.**



The following sections have been removed from the polciy:

3. *Travel includes air travel, rental car, taxi, bus, train, use of a local transportation system, lodging, meals, airport parking, fuel for rental cars, conference registration, tips, and incidentals.*
4. *Hotel bills incurred while on Agency business paid with Agency credit cards will be paid by the Agency. However the following costs will not be paid for by the Agency: in-room movies, visits to a hotel spa, or other charges considered personal or extravagant. Room service (for the cardholder only), wireless internet charges, tips, and incidentals will be paid by the Agency.*
5. *Agency credit cards issued to the General Manager, the Chief Financial Officer and the Operations and Maintenance Manager are generally to be used for travel or items related to managing the day-to-day affairs of the Agency. This includes, but is not limited to, the following:*
  - a. *Tools*
  - b. *Operating expenses*
  - c. *Office expenses*
  - d. *Vehicle maintenance, including fuel*
  - e. *Agency related travel, including air travel, rental car, taxi, bus, train, use of a local transportation system, lodging, meals, airport parking, conference registration, tips, and incidentals. See above for restrictions on hotel charges.*
  - f. *Business meals not related to travel (see IV. below for restrictions)*
6. *When a credit card is used for air travel and a flight is booked online, a confirmation form for the flight(s) shall be sufficient as a receipt. When a credit card is used to purchase any product online, an emailed receipt shall be sufficient.*
7. *Agency credit cards may only be used to purchase “coach” class tickets, if available, unless authorization is given in advance by the Board. Without advance authorization from the Board, any flight booked at any rate above “coach,” if available, requires the cardholder to reimburse the Agency for the difference between “coach” class and the class purchased.*

#### **D. Reporting**

1. All receipts must be turned in to the Finance Office accompanied by an Expense Reimbursement form, **or other form provided by the Finance Office**. The form must list the date, purpose of the charge, vendor, and amount charged.
2. If a receipt is not turned in, the Finance Office shall request a copy of the receipt from the cardholder, and every effort shall be made to obtain the original receipt or a copy thereof. The Finance and Budget Committee is not required to authorize payment for any Agency credit card expenditure that does not include a receipt.

#### **E. Payment**

1. The Finance Office shall ensure that all Agency credit cards will be paid in full each month in order to avoid paying finance or late charges. The General Manager and the Chief Financial Officer will review all credit card bills prior to approving them for payment. Approval by the General Manager does not necessarily mean that all costs on the bill will be paid for by the Agency (see below).

2. Because of the payment schedule, it is unlikely that the Board will be able to authorize payment in advance for credit card bills.
3. The Finance Office will prepare a summary report each month of all charges for each credit card, with totals for the various accounting designations.
4. This report will be made available to the Finance and Budget Committee each month for ratification.
5. It is the responsibility of the Finance and Budget Committee to review all credit card bills, receipts, and payments each month and to require reimbursement from the cardholder for items deemed by the Committee to be inconsistent with this policy or, at its discretion, for items that do not include a receipt. It is the responsibility of the Chief Financial Officer to bring potential inconsistencies to the attention of the Committee.
6. If the cardholder and the Committee disagree as to the expense being consistent with this Policy, the Agency Board of Directors will make the decision at a regular meeting where the item is properly agendaized.

#### **F. Loss of Card or Suspected Fraud**

1. If an Agency credit card is lost, it is the responsibility of the cardholder to notify the Finance Office within one business day of the discovery of the loss.
2. It is the responsibility of the cardholder to notify the Finance Office promptly if a fraudulent charge is suspected.
3. The Finance Office shall cancel the credit card immediately and order a new one for the cardholder. Any items purchased with a lost credit card that are not credited by the card issuer are the responsibility of the cardholder, if the loss is not reported within one business day.

#### **G. Cancellation**

1. It is the responsibility of the Finance Office to cancel credit cards for Board members when they leave office.
2. It is the responsibility of the Finance Office to cancel credit cards for the General Manager and Staff upon separation from the Agency.
3. The Board can authorize the cancellation of any credit card issued to a Board member or the General Manager or staff member upon a majority vote. Such a vote can only take place after having been presented evidence of systematic abuse of this policy on the part of the cardholder.
4. The General Manager can authorize the cancellation of a credit card issued to Staff, after having been presented with evidence of systematic abuse of this policy on the part of the cardholder.

#### **H. Credit Card Records**

All credit card records will be kept with Agency accounting records, and retained for the period of time prescribed for such records in accordance with government regulations and generally accepted accounting practices.

Adopted by Board of Directors on \_\_\_\_\_.

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Mickey Valdivia  
President of the Board

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Kevin Walton  
Secretary

# San Gorgonio Pass Water Agency

## Credit Card Policy

# DRAFT #2

August 2024

This policy supersedes and rescinds all previous credit card policies, rules, or regulations adopted by the San Gorgonio Pass Water Agency Board of Directors.

### Preamble

This policy is not intended to be a comprehensive set of rules for all issues related to Agency travel and meals. It is intended to cover the use of Agency credit cards by **Board members** and Staff. Specific issues related to travel are covered in a separate Board of Directors Travel and Expense Reimbursement Policy **and General Manager and Staff Travel Policy**. In the event of a conflict between this policy and the Travel and Expense Reimbursement Policies, the Travel and Expense Policies will take precedence.

### A. Purpose

This policy applies to all Agency credit cards issued to **Board members** or **Staff** and is intended to ensure that Agency credit cards are not abused or utilized in any way for personal gain.

### B. Authorized Users of Agency Credit Cards

**Board members are authorized users of Agency credit cards. The General Manager is an authorized user of an Agency credit card. Staff may be authorized to use Agency credit cards at the General Manager's discretion. All users of Agency credit cards agree to abide by the requirements of this policy.**

### C. Use of Agency Credit Cards

1. Credit cards are issued solely for Agency business and are not to be used for personal purchases. In the rare case of a personal item being included on a larger bill (such as a spouse attending a conference or a movie included in a hotel bill) such charges shall be reimbursed to the Agency prior to the credit card payment being made. The Finance Office is responsible for notifying the cardholder what charges need to be reimbursed to the Agency.
2. Agency credit cards are not to be used as an alternate method of procurement to avoid a bidding process or in any way to circumvent the Agency's Procurement Policy.
3. Agency credit cards issued to Board members are to be used only for Agency related travel, registration for appropriate seminars or conferences, Agency-related business meals, or purchase of educational materials related to water issues. **The Director Travel and Expense Policy governs the use of credit cards for Directors' travel.**
4. Agency credit cards issued to the General Manager and Staff are generally to be used for travel or items related to managing the day-to-day affairs of the Agency. **The General Manager and Staff Travel Policy governs the use of credit cards for travel-related expenses.**

#### **D. Reporting**

1. All receipts must be turned in to the Finance Office accompanied by an Expense Reimbursement form, **or other form provided by the Finance Office**. The form must list the date, purpose of the charge, vendor, and amount charged.
2. If a receipt is not turned in, the Finance Office shall request a copy of the receipt from the cardholder, and every effort shall be made to obtain the original receipt or a copy thereof. The Finance and Budget Committee is not required to authorize payment for any Agency credit card expenditure that does not include a receipt.

#### **E. Payment**

1. The Finance Office shall ensure that all Agency credit cards will be paid in full each month in order to avoid paying finance or late charges. The General Manager and the Chief Financial Officer will review all credit card bills prior to approving them for payment. Approval by the General Manager does not necessarily mean that all costs on the bill will be paid for by the Agency (see below).
2. Because of the payment schedule, it is unlikely that the Board will be able to authorize payment in advance for credit card bills.
3. The Finance Office will prepare a summary report each month of all charges for each credit card, with totals for the various accounting designations.
4. This report will be made available to the Finance and Budget Committee each month for ratification.
5. It is the responsibility of the Finance and Budget Committee to review all credit card bills, receipts, and payments each month and to require reimbursement from the cardholder for items deemed by the Committee to be inconsistent with this policy or, at its discretion, for items that do not include a receipt. It is the responsibility of the Chief Financial Officer to bring potential inconsistencies to the attention of the Committee.
6. If the cardholder and the Committee disagree as to the expense being consistent with this Policy, the Agency Board of Directors will make the decision at a regular meeting where the item is properly agendaized.

#### **F. Loss of Card or Suspected Fraud**

1. If an Agency credit card is lost, it is the responsibility of the cardholder to notify the Finance Office within one business day of the discovery of the loss.
2. **It is the responsibility of the cardholder to notify the Finance Office promptly if a fraudulent charge is suspected.**
3. The Finance Office shall cancel the credit card immediately and order a new one for the cardholder. Any items purchased with a lost credit card that are not credited by the card issuer are the responsibility of the cardholder, if the loss is not reported within one business day.

#### **G. Cancellation**

1. It is the responsibility of the Finance Office to cancel credit cards for Board members when they **leave office**.
2. It is the responsibility of the Finance Office to cancel credit cards for the General Manager **and Staff** upon separation from the Agency.

3. The Board can authorize the cancellation of a credit card **issued** to a Board member **or the General Manager** upon a majority vote. Such a vote can only take place after having been presented evidence of systematic abuse of this policy on the part of the cardholder.
4. **The General Manager can authorize the cancellation of a credit card issued to Staff, after having been presented with evidence of systematic abuse of this policy on the part of the cardholder.**

#### **H. Credit Card Records**

All credit card records will be kept with Agency accounting records, and retained for the period of time prescribed for such records in accordance with government regulations and generally accepted accounting practices.

Adopted by Board of Directors on \_\_\_\_\_.

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**Mickey Valdivia**  
**President of the Board**

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**Kevin Walton**  
**Secretary**

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

**DATE:** September 5, 2024

**TO:** Finance & Budget Committee

**FROM:** Lance Eckhart, General Manager

**BY:** Tom Todd, Jr., Chief Financial Officer

**SUBJECT: APPROVING AN AGREEMENT WITH THE PUBLIC AGENCY  
RETIREMENT SERVICES TRUST FOR A 401(a) RETIREMENT PLAN**

## **RECOMMENDATION**

The Committee recommends that the Board of Directors adopt a resolution authorizing execution of an agreement with the Public Agency Retirement Services (PARS) Trust to provide a Defined Contribution Retirement Plan for Agency employees.

## **PREVIOUS CONSIDERATION**

- Board of Directors – November 6, 2023: The Board approved the updated Employee Guide, which included provision of “an additional deferred compensation plan of Agency choice” (top of page 36, Section 3.12 Retirement).

## **BACKGROUND**

PARS is the third largest multiple employer public retirement system in California with over 600 member agencies representing over 500,000 public employees. Several nearby agencies including the Palm Springs Aerial Tramway, Desert Recreation District, City of Calimesa, and City of Canyon Lake utilize this program to provide a source of retirement benefits to its employees with a Defined Contribution Retirement Plan.

## **ANALYSIS**

Staff selected PARS because of their responsiveness to the Agency’s need for a 401(a) retirement plan. Thorough investigation showed that no other providers were interested in setting up and administering a plan for an entity as small as the Agency.

Effective July 1, 2024, the Agency will contribute the following amounts based on the employee’s classification under CalPERS:

- Employees who meet the “New Member” definition under CalPERS as defined by PEPR: 10% of compensation. This represents a 5% baseline with the addition to a 5% option exercised by the employee.
- Employees who meet the “Classic Member” definition under CalPERS as defined by PEPR: 0% of Compensation

Employees will contribute a fixed percentage of their compensation to the plan based on their placement in a specific employment tier and such contribution amounts are not subject to change by the Employee.

There are several benefits of a Defined Contribution Plan including:

1. All contribution rates are set by the Agency.
2. The Agency can increase or decrease employer contributions at its discretion.
3. External factors (e.g., volatility in the financial markets or mortality rates) do not impact the Agency's ultimate cost of the program.
4. The employee benefits through participation in a tax-qualified retirement program that provides advantages during employment (e.g., no immediate taxation on any contributions received and tax-deferred accumulation).
5. At termination of employment, the employee's vested account balance may be rolled over into an Individual Retirement Account (IRA) or other qualified retirement plans that accept rollovers.

As the trust administrator, PARS will ensure that San Geronio Water Pass Agency eligible employees are educated in the program and will be provided information regarding plan investments. PARS also provides training to payroll staff to ensure that the program is properly implemented and will also monitor the program and generate and submit all required reports. US Bank serves as the Trustee of the program. The assets are held separately from the assets of US Bank and cannot be accessed by creditors of either the Trustee or the District. Investments through a variety of mutual funds for selection by the employees are provided through John Hancock Retirement Services.

### **FISCAL IMPACT**

Costs for setting up and maintaining the plan will be allocated to the Retirement line item in the General Fund and the Debt Service Fund. The allocation will be based on the actual percentages of expenditures of the Retirement line item for each fund.

The plan set-up fee will be \$1,500. Ongoing fees will be 0.50% for assets between \$0 and \$2.5 million and 0.35% for assets over \$2.5 million, subject to a \$400 monthly minimum. Filing fees charged by the IRS, if any, will be paid by the Agency separately.

### **ACTION**

The Committee recommends that the Board of Directors adopt a resolution authorizing execution of an agreement with the Public Agency Retirement Services (PARS) Trust to provide a Defined Contribution Retirement Plan for Agency employees at its next regular meeting.

### **ATTACHMENTS**

Resolution 2024-10  
San Geronio Pass Water Agency Plan Provisions



**RESOLUTION NO. 2024-10**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN GORGONIO PASS WATER AGENCY ESTABLISHING A DEFINED CONTRIBUTION RETIREMENT PLAN WITH THE PUBLIC AGENCY RETIREMENT SYSTEM TRUST.**

**WHEREAS** it is determined to be in the best interest of the San Gorgonio Pass Water Agency (“Agency”) and its employees to provide a defined contribution program to eligible employees;

**WHEREAS** the Agency is eligible to be a member of the Public Agency Retirement System (PARS) Trust, which has made available a defined contribution plan qualifying under the relevant sections of the Internal Revenue Code and the California Government Code.

**NOW THEREFORE, BE IT RESOLVED THAT:**

1. The Board of Directors hereby adopts the PARS Trust for Participant Directed Investment Program, including the PARS Supplemental Defined Contribution Plan, as part of the Agency’s Retirement Program, effective September 9, 2024;
2. The Board of Directors, pursuant to IRC Section 414(h) authorizes the Agency to “pick up” mandatory employee contributions to the Plan on behalf of Plan participants;
3. The Board of Directors hereby appoints PARS as Trust Administrator, U.S. Bank National Association, as Trustee, and John Hancock Life Insurance Company as Custodian/Recordkeeper for the PARS Supplemental Defined Contribution Plan effective September 9, 2024;
4. The Board of Directors hereby appoints the General Manager or their successor or their designee as the Agency’s Plan Administrator for the Public Agency Retirement System; and
5. The Agency's Plan Administrator is hereby authorized to execute the PARS legal and administrative documents on behalf of the Agency and to take whatever additional actions are necessary to maintain the Agency’s participation in PARS and to maintain PARS compliance of any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer the Agency’s PARS plan(s).

AYES:

NOES:

ABSENT:

ABSTAIN:

STATE OF CALIFORNIA  
COUNTY OF RIVERSIDE

Kevin Walton, the Secretary of the Board of Directors of the San Gorgonio Pass Water Agency of Riverside County, California, hereby certifies that the above foregoing resolution was duly and regularly adopted by said Board at a regular meeting thereof held on the ninth day of September, 2024, and passed by a roll call vote of said Board.

**IN WITNESS WHEREOF** I have hereunto set my hand and seal this day, September 9, 2024.

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Secretary of the Board

## **San Gorgonio Pass Water Agency – Supplemental Defined Contribution Plan Proposal- FINAL 08/20/24**

### **a. Plan Vehicle**

401(a) Tax-Qualified Governmental Profit-Sharing Plan

### **b. Eligible Employees**

Eligible Employees shall include all employees of the Agency employed on or after July 1, 2024.

#### **Tier I**

Employees who meet the New Member definition under CalPERS as defined by PEPRAs.

#### **Tier II**

Executive Employees who meet the Classic Member definition under CalPERS as defined by PEPRAs.

#### **Tier III**

Senior Management Employees who meet the Classic Member definition under CalPERS as defined by PEPRAs.

#### **Tier IV**

Mid-Management Employees who meet the Classic Member definition under CalPERS as defined by PEPRAs.

#### **Tier V**

Non-Management Employees who meet the Classic Member definition under CalPERS as defined by PEPRAs.

### **c. Vesting**

Participants shall be 100% vested in their Employer contributions if they have attained five (5) years of Agency service or Normal Retirement Age at the time of termination/retirement from the Agency.

If neither of the age or service requirements have been met at termination/retirement, plan vesting for Employer contributions shall be based on the following schedule:

<b>Years of Service Credit completed</b>	<b>Vesting Percentage for Employer Contributions</b>
Less than 1 year	0%
1	20%
2	40%
3	60%
4	80%
5	100%

Employees are always 100% vested in their employee contributions.

#### **d. Employer Contributions**

Employer contributions shall be based on the Employee's Tier of eligibility as follows:

Tier I: 10%

Tiers II-V: 0%

Compensation shall be defined as "CalPERS reportable compensation." For Classic Employees. It shall be defined as "Regular Base Pay" for PEPRAs employees.

#### **e. Pre-Tax Employee Contributions**

Employee contributions shall be based on the Employee's Tier of eligibility as follows:

Tier I: 5%

Tier II: 0%

Tier III 7%

Tier IV: 0%

Tier V: 0%

#### **f. Distribution Options**

Eligible participants shall have the option of selecting a lump sum distribution, IRA rollover, or to purchase an annuity with account balance proceeds following termination of employment.

#### **g. Hardship Withdrawals and Loans**

None permitted.

#### **h. Investment Platform**

PARS utilizes a pre-selected lineup of mutual funds available from John Hancock. All proceeds from the transfer and subsequent contributions will be automatically invested in the appropriate John Hancock LifeCycle portfolio based on the projected retirement date of the employee. For example, if an employee is 43 years of age, the entire account balance and all new contributions are automatically defaulted into the John Hancock LifeCycle Fund – 2045.

These LifeCycle funds utilize a diversified array of investments that are professionally managed by John Hancock. As an employee approaches retirement age, these LifeCycle funds generally become more conservative in their investments.

If the Agency's employees prefer to utilize investments other than LifeCycle funds, they will have the ability to rebalance their investments and future contributions among an array of twenty (20) different mutual funds that have been selected by an independent registered investment advisor. The following represents a sampling of funds that have been made available through the PARS program.

# JOHN HANCOCK: SELF DIRECTED INVESTMENTS

## Fixed Income Funds

Fidelity Advisor Total Bond Fund  
PIMCO Real Return Fund  
Vanguard Short-Term Federal Fund  
Money Market Fund

## Growth

J.H. Disciplined Value Fund  
500 Index Fund  
Franklin Mutual Global Discovery Fund

## Lifecycle Portfolios\*

J.H. Lifecycle 2065 Portfolio  
J.H. Lifecycle 2060 Portfolio  
J.H. Lifecycle 2055 Portfolio  
J.H. Lifecycle 2050 Portfolio  
J.H. Lifecycle 2045 Portfolio  
J.H. Lifecycle 2040 Portfolio  
J.H. Lifecycle 2035 Portfolio  
J.H. Lifecycle 2030 Portfolio  
J.H. Lifecycle 2025 Portfolio

## Aggressive Growth

The Growth Fund of America  
Mid Cap Index Fund  
American Century Heritage Fund  
Royce Opportunity Fund  
DFA US Small Cap Fund  
Vanguard Small Cap Fund  
Vanguard Small Cap Growth Index Fund  
DFA International Value Fund  
Invesco International Growth Fund

## Growth and Income

PIMCO Global Bond Opportunities Fund

## Summary of Services

### 1. Plan Installation Services:

- Assisting appropriate Agency personnel to finalize Plan provisions, implementation timelines, benefit communication strategies, data reporting and contribution submission requirements;
- Providing the necessary analysis and advisory services to finalize these elements of the Plan;
- Providing documentation needed to establish the Plan for review by Agency legal counsel;
- Upon Agency authorization, preparing and submitting application to the Internal Revenue Service for a determination that the Plan is qualified (the application fee for which shall be paid by the Agency).

### 2. Plan Administration Services:

- Monitoring the receipt of Plan contributions made by the Agency to the trustee and/or custodian/recordkeeper of the PARS Trust Program

("Trustee and/or Custodian/Recordkeeper"), based upon information received from the Agency and the Trustee;

- Performing periodic accounting of Plan assets, including the allocation of employer and employee contributions, distributions, investment activity and expenses (if applicable) to individual Plan participant ("Participant") accounts, based upon information received from the Agency and/or Trustee and/or Custodian/Recordkeeper;
- Acting as ongoing liaison between the Participant and the Agency in regard to distribution payments, which shall include use by the Participants of toll-free telephone communication to PARS;
- Providing Participant onboarding materials and information;
- Conducting group Participant orientation meeting(s) at a select Agency site or via an online meeting platform;
- Coordinating the processing of Participant distribution payments pursuant to authorized written Agency certification of distribution eligibility, authorized direction by the Agency, and the provisions of the Plan, and the agreement for administrative services ("Agreement"), and, to the extent possible, based upon Agency-provided data;
- Directing Trustee and/or Custodian/Recordkeeper to liquidate Plan assets (if necessary) and make Participant distribution payments, and providing required tax filings in regarding said distribution payments;
- Notifying the Trustee and/or Custodian/Recordkeeper of the amount of Plan assets available for further investment and management, or, the amount of Plan assets necessary to be liquidated in order to fund Participant distribution payments;
- Coordinating actions with the Trustee and/or Custodian/Recordkeeper as directed by the Plan Administrator within the scope of the Agreement;
- Preparing and submitting a quarterly report of Plan activity to the Agency, unless directed by the Agency otherwise;
- Providing quarterly statements to plan Participants and to the Agency;
- Preparing and submitting the Annual Report of Financial Transactions to the California State Controller, as required by law, for the PARS Trust Program, including the required certified audit of the PARS Trust.
- Plan Compliance Services: Preparing draft amendments and other associated documents to the Plan or Trust, as required by federal and state regulatory agencies, to be reviewed and approved by Agency's legal counsel.

PARS is not licensed to provide and does not offer tax, accounting, legal, investment or actuarial advice.

<b>Implementation Steps</b>	<b>Suggested Time Frame for completion</b>
Finalize PARS plan provisions, establish contribution percentages, plan eligibility, etc.	Mid- August 2024
Agency's Board passes resolution to; adopt PARS plan & trust and appoint a position of employment to act as plan administrator (sign documents, etc.) on behalf of the Agency	September 9, 2024
Agency provides PARS with a copy of signed resolution	Week of September 16 <sup>th</sup>
PARS provides "signature ready" legal documents including the services agreement, finalized plan document, trust document, and trustee forms for review and execution by the Board-appointed Plan Administrator	Early October 2024
Agency returns executed documents to PARS for countersignatures and account set up	Mid-October 2024
PARS meets with Agency Staff to review administrative procedures, contribution submission instructions, etc.	
Once the Agency's account is set up, Plan contributions can be submitted to John Hancock.	December 1, 2024

(Agency should submit the contribution report directly to PARS in conjunction with the contribution)	
PARS conducts a Participant investment education meeting. Participants can access account balances online through John Hancock's website	Early-Mid December 2024