



San Geronio Pass Water Agency

DRAFT General Fund Budget FY 2025-26



Headquarters

ABOUT THE AGENCY

The San Geronio 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.



Brookside East Recharge Facility

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.

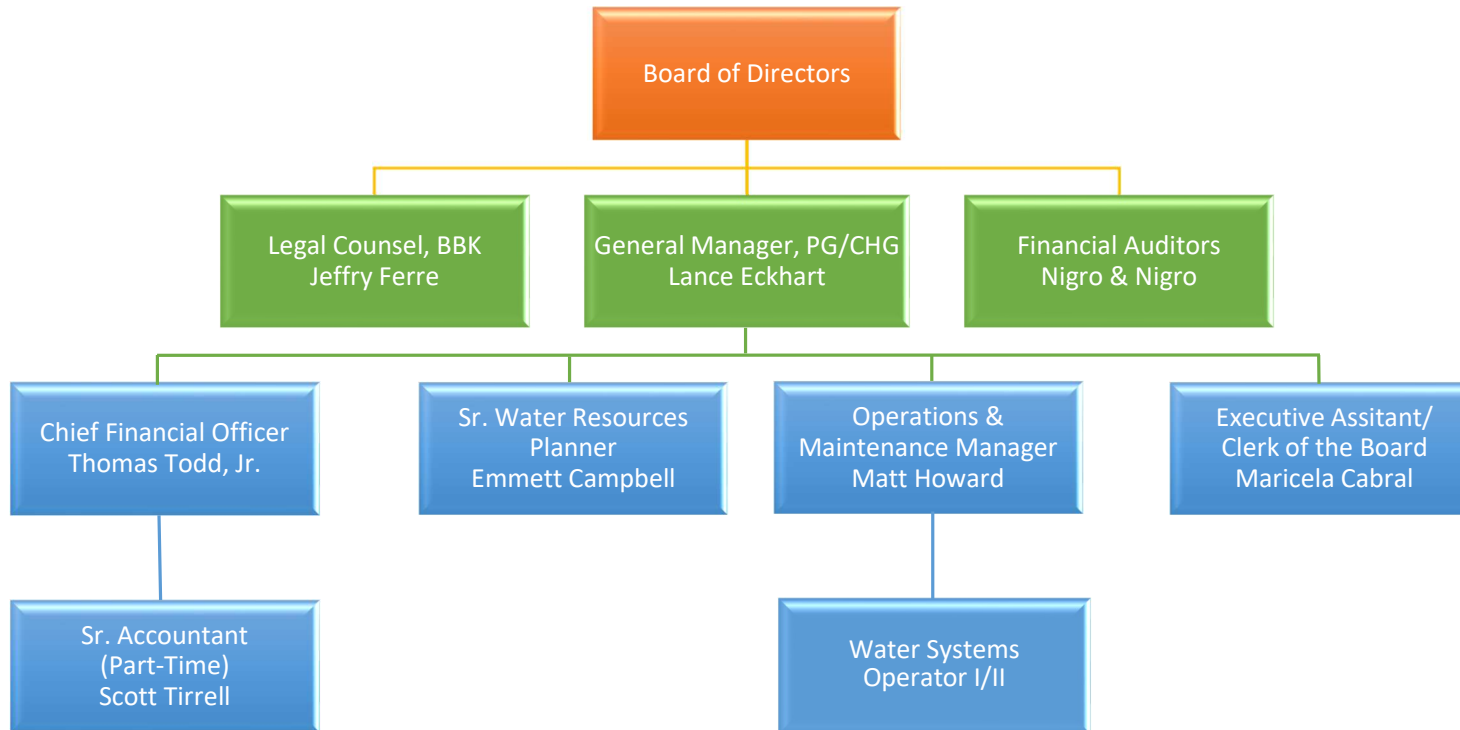


Board of Directors 2025





San Geronio Pass Water Agency 2025 Organizational Chart



FROM THE GENERAL MANAGER



Lance Eckhart, PG, CHG

It is my pleasure to present the proposed budget for Fiscal Year 2025–26. This budget reflects a clear continuation of our mission to enhance regional water security and aligns closely with the San Geronio Pass Water Agency’s Five-Year Strategic Plan. With this budget, we reaffirm our responsibility to support the region’s current needs while making intentional and visionary investments in long-term solutions that will secure water for generations to come.

Maintaining Fiscal Strength While Planning for the Future

The Agency remains in a solid fiscal position, guided by conservative financial practices and effective stewardship of public resources. We continue to prioritize strategic investments that balance immediate operational needs with future regional opportunities.

Investing in Generational Projects for a Reliable Future

The Agency is positioning itself to participate in transformative regional infrastructure efforts such as the Sites Reservoir Project and the Delta Conveyance Project. These generational investments are designed to safeguard the State Water Project’s delivery capabilities, improve flexibility during drought years, and prepare for a variable hydrology. Participation in these initiatives demonstrates our long-term commitment to the region’s water future and is a cornerstone of our strategic vision.

Leveraging ARPA Funds for Regional Resiliency

We are making meaningful use of American Rescue Plan Act (ARPA) funds from Riverside County to implement projects that strengthen the region’s water and emergency response infrastructure. Notable among these are the regional Heli-Hydrant initiative and the County Line Recharge project—both of which represent collaborative, multi-agency efforts to improve resilience and operational readiness.

Supporting Smaller Retailers and Stakeholders

This year, we continue to remain committed to supporting smaller retail

agencies in the region. Through our Gap Funding Program and Small Systems Assistance program, we assist smaller systems in accessing critical grant funding, enabling them to strengthen their infrastructure and improve service delivery. This collaborative effort ensures that all stakeholders, regardless of size, can contribute to and benefit from our region's water security initiatives.

Expanding Local Recharge and Regional Collaboration

We remain focused on expanding our local capacity to recharge State Water Project water through the development of new recharge infrastructure. At the same time, we are deepening our partnerships with local retail agencies to cooperatively address shared resource challenges. These collaborative efforts are vital to ensuring long-term sustainability, regional adaptability, and water affordability.

Conclusion

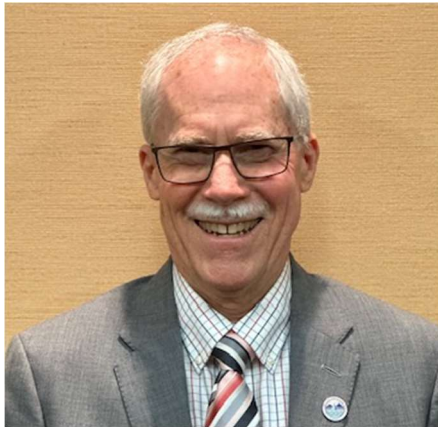
This budget represents a strategic path forward. With strong fiscal stewardship, clear alignment with our Strategic Plan, maintaining a statewide presence, and a commitment to interagency collaboration, the San Geronio Pass Water Agency continues to lead in building a secure, resilient, and sustainable water future for our region.

I extend my thanks to the Board for its continued leadership and to the staff for their efforts in preparing this budget. We look forward to another successful year of progress, collaboration, and responsible stewardship on behalf of the region we serve.

Respectfully,

A handwritten signature in black ink, appearing to read "James E. O'Connell". The signature is stylized with a large, looped "G" for the first letter of the first name and a series of connected loops for the last name.

FROM THE CHIEF FINANCIAL OFFICER



Thomas W. Todd, Jr.

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

A quick review of FY 2024-25 reveals a year of exciting activity. We welcomed a new staff member. We started drilling monitoring wells. We expanded the Gap Funding Program. We completed the installation of two Heli-Hydrant tanks, funded by American Rescue Plan Act funds courtesy of Riverside County and are on track to install four more. We have made excellent progress in a multi-agency collaborative effort to provide more water for the region through the County Line Recharge project.

Financially, we expect to end the year by adding to the reserves of all funds. The Board approved a robust budget for FY 2024-25, which included a number of new projects. We have made progress on all of them, and expect to see the completion of a number of them in FY 2025-26.

The proposed General Fund budget for FY 2025-26 looks very similar to the approved budget for FY 2024-25. Overall, Staff is proposing a slight reduction in income, and a slight reduction in expenses, which results in a slight reduction in net positive balance to add to reserves. Within that framework, however, there are some major shifts between the different categories.

Water Purchases for Delivery is reduced to the amount needed to meet our obligation for Nickel water and the possibility of purchasing water on the spot market if necessary. This frees up significant resources which will be used in Major and Capital Expenditures.

Salaries and Employee Benefits is increased about 13% compared to the previous budget due to the addition of a new employee.

Administrative and Professional Services includes Legal Services, a line item that has been moved at the suggestion of the Finance and Budget Committee. Without this change, the proposed budget would be less than the previous year, due to the cyclical elimination of Election Expense. Including this new item results in about a 5% increase.

Consulting and Engineering expects to see a reduction of about 10%. A couple of projects have been completed, progress has been made in a couple of projects, while a couple of other projects will see additional efforts needed to move them to completion.

Conservation and Education will see an increase of about 13% concentrated in the 65th Anniversary Celebration.

The big change is in Major and Capital Expenditures, where \$6.5 million is proposed to construct the County Line Recharge facility.

In the Consigned State Water Project Fund, an increase of about 3% is projected in income, with no planned expenditures at this time.

In Gap Funding, we expect expenditures to be about the same as income. At least one project is planned for completion, while two other projects will continue to see progress but are not expected to be completed until FY 2026-27.

Overall, the proposed General Fund budget for FY 2025-26 projects \$25.3M in income, \$21.8M in expenditures, for a net positive balance at year-end of \$3.5M. This budget expects to meet the needs of the Agency,

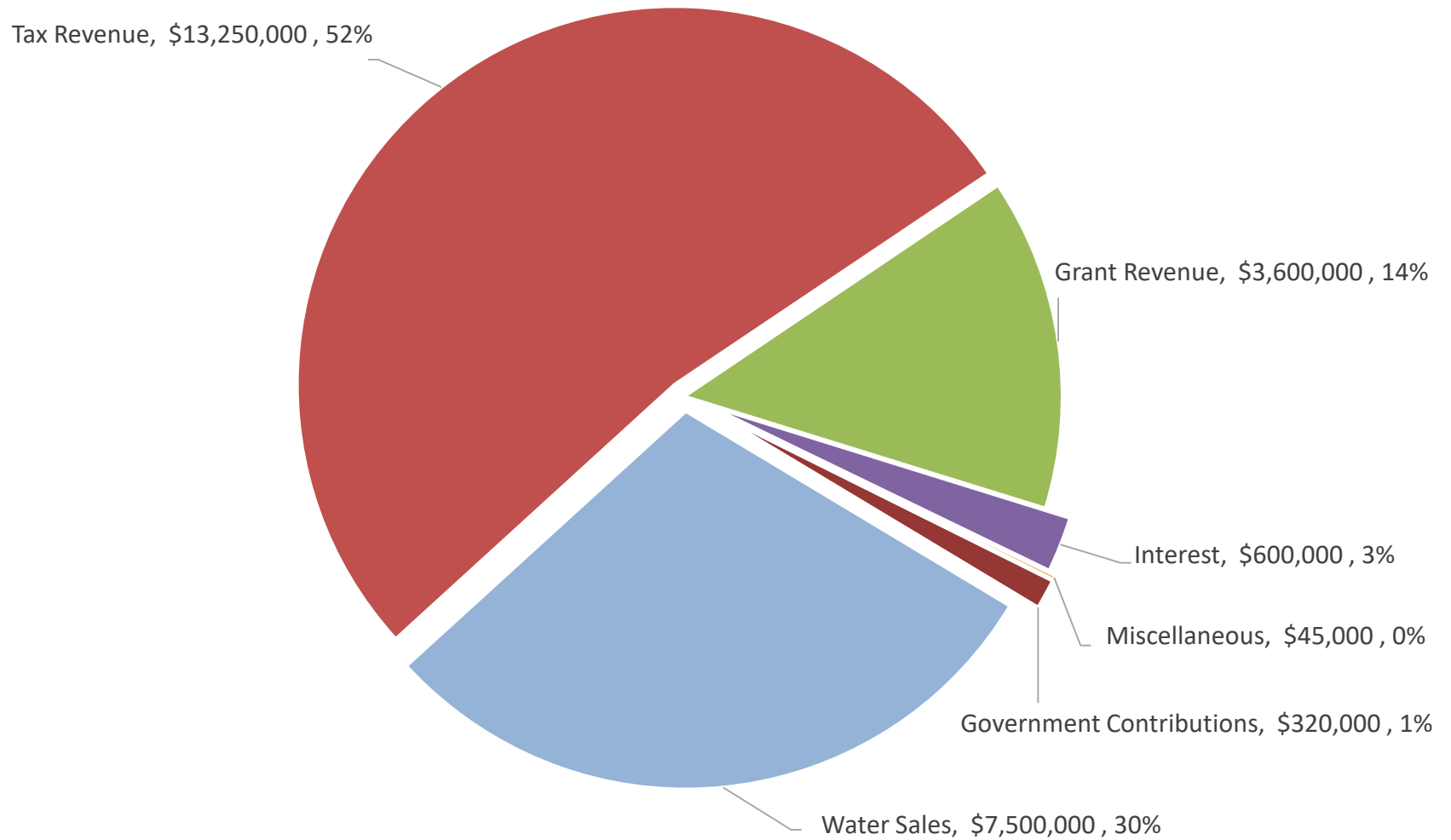
make significant progress in adding to our infrastructure, and still be able to add to reserves by the end of the fiscal year.

Finally, I would like to express my sincere appreciation to the Board for their forward thinking and diligent oversight of the Agency's finances. The support of the Board for the many projects the Agency seeks to move forward is critical to the success of the Agency, and as such, is a key factor in fulfilling the mission of the Agency. Staff look forward to another year of significant progress and exciting new opportunities.

Respectfully,

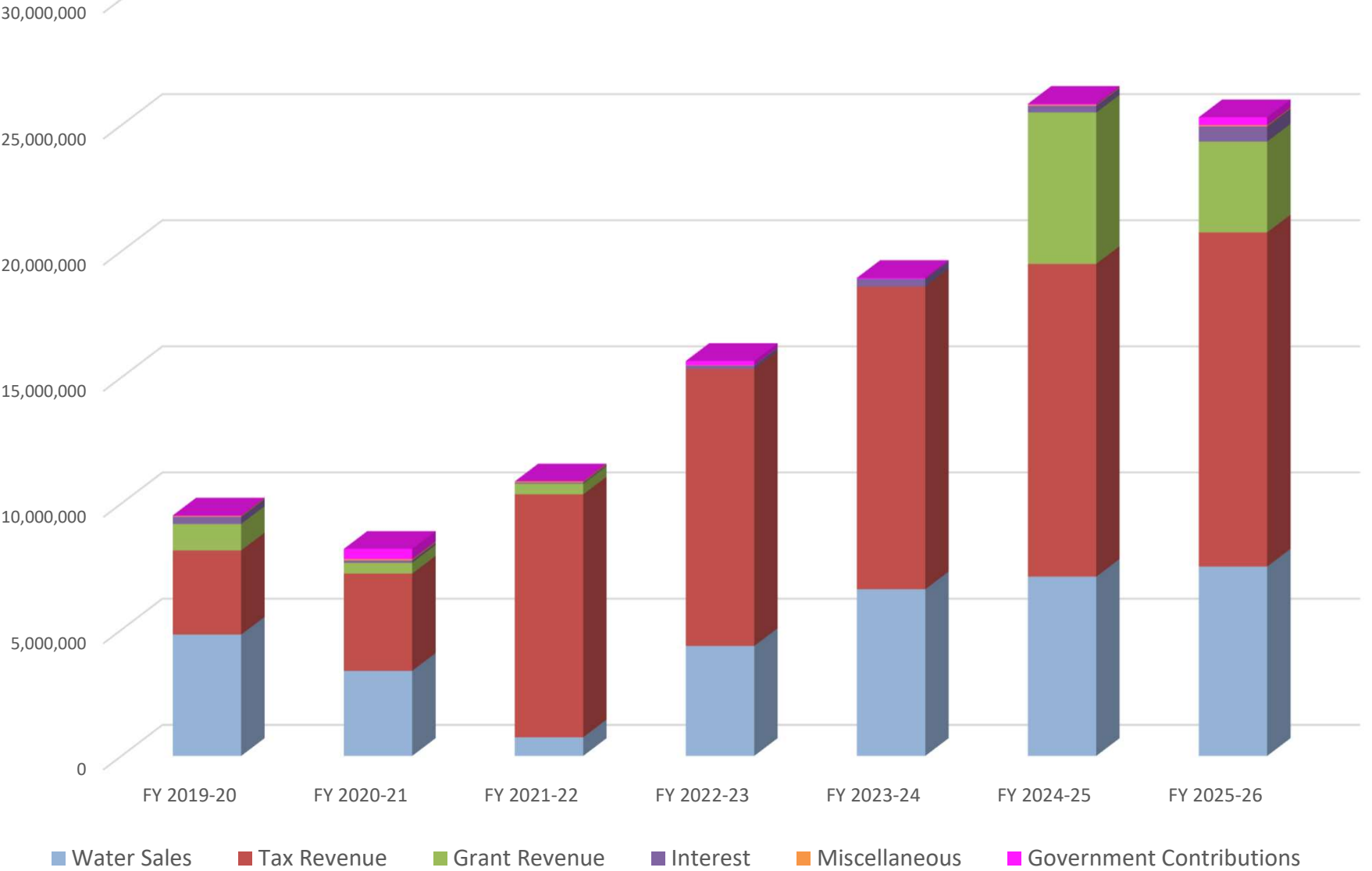
Thomas W. Todd, Jr.

Proposed General Fund Sources of Revenue FY 2024-25

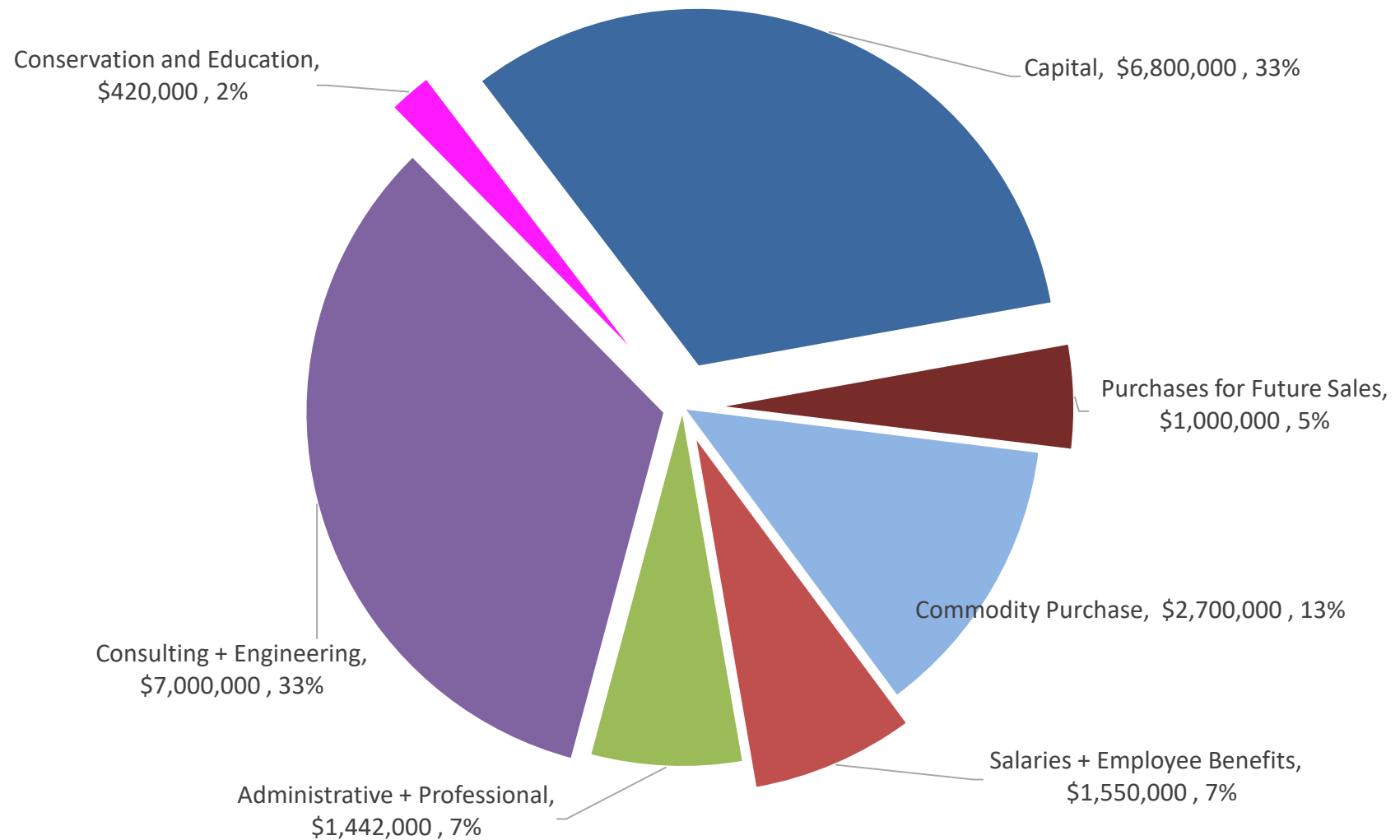


■ Water Sales ■ Tax Revenue ■ Grant Revenue ■ Interest ■ Miscellaneous ■ Government Contributions

Income Category by Fiscal Year

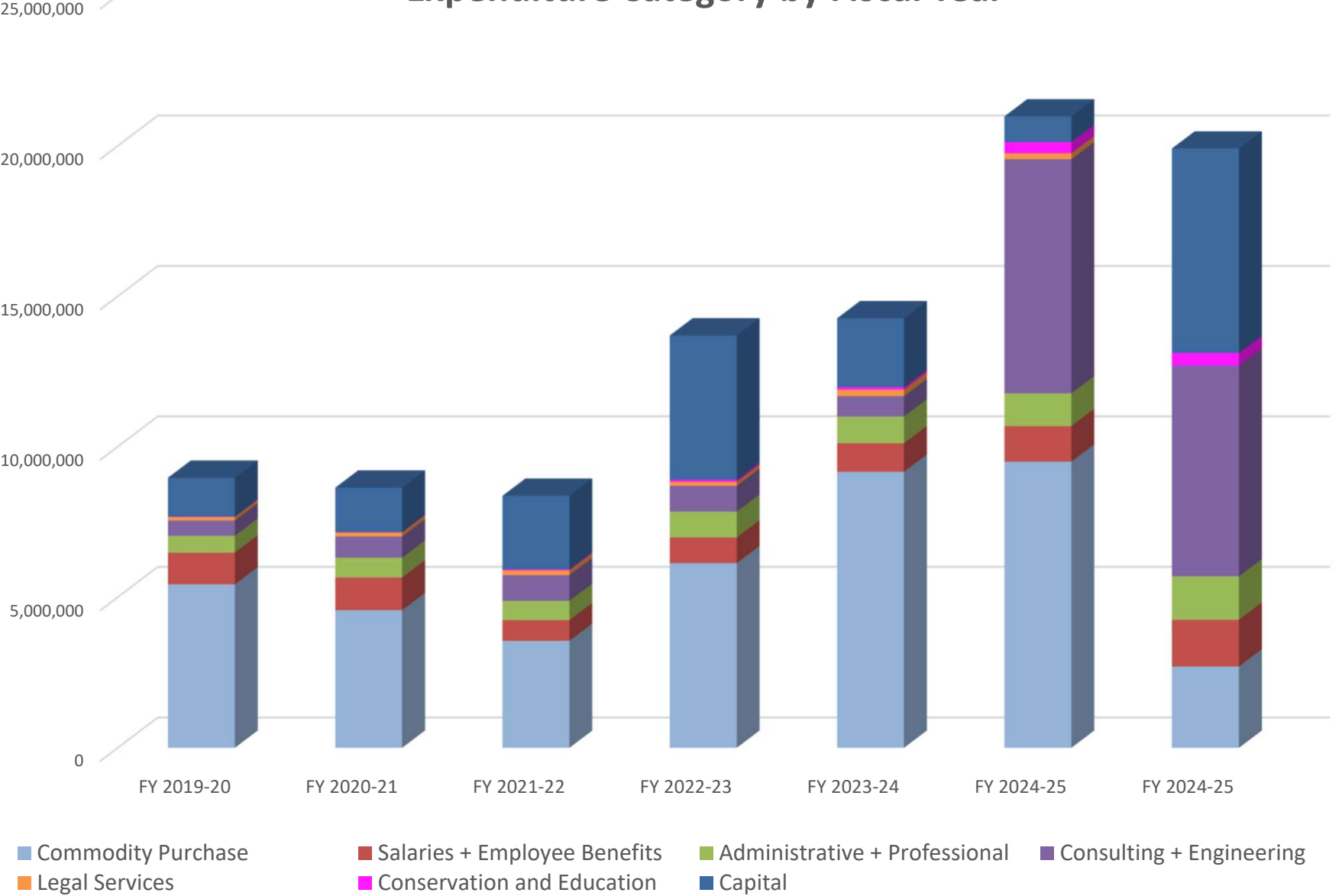


Proposed General Fund Expenditure Categories FY 2024-25



- Commodity Purchase
- Consulting + Engineering
- Capital
- Salaries + Employee Benefits
- Legal Services (transferred to new line)
- Purchases for Future Sales
- Administrative + Professional
- Conservation and Education

Expenditure Category by Fiscal Year



SAN GORGONIO PASS WATER AGENCY
DRAFT BUDGET FOR FY 2025-26
ESTIMATE FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2026

DRAFT

FISCAL YEAR JULY 1, 2024 - JUNE 30, 2025			FY JULY 1, 2025 - JUNE 30, 2026	
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TOTAL REVISED BUDGET	PROJECTED EOY	Over/Under Budget	PROPOSED FY 2025-26	% EOY to Proposed

GENERAL FUND

GENERAL FUND - INCOME

1	WATER SALES	7,100,000	10,731,062	51.1%	7,500,000	-30.1%
2	OTHER WATER SALES	0	0	NA	0	NA
3	TAX REVENUE	12,400,000	12,955,448	4.5%	13,250,000	2.3%
4	INTEREST	270,000	706,884	161.8%	600,000	-15.1%
5	GOV'T CONTRIBUTIONS	42,000	45,000	7.1%	320,000	611.1%
6	GRANT REVENUE	6,000,000	121,065	-98.0%	3,600,000	2873.6%
7	OTHER MISCELLANEOUS INCOME	35,000	43,495	24.3%	45,000	3.5%
8	TOTAL GENERAL FUND INCOME	25,847,000	24,602,954	-4.8%	25,315,000	2.9%

GENERAL FUND - EXPENSES

COMMODITY PURCHASE

12	PURCHASED WATER FOR DELIVERY	8,500,000	3,930,337	53.8%	2,700,000	-31.3%
13	PURCHASED WATER FOR BANKING (FUTURE SALE)	1,000,000	0	100.0%	1,000,000	
14	TOTAL COMMODITY PURCHASE	9,500,000	3,930,337	58.6%	3,700,000	-5.9%

SALARIES AND EMPLOYEE BENEFITS

17	SALARIES	665,000	603,746	9.2%	800,000	32.5%
18	PAYROLL TAXES	55,000	54,652	0.6%	73,000	33.6%
19	PAYROLL SERVICES	12,000	8,582	28.5%	11,000	28.2%
20	RETIREMENT	350,000	355,460	-1.6%	350,000	-1.5%
21	OTHER POST-EMPLOYMENT BENEFITS (OPEB)	195,000	200,000	-2.6%	200,000	0.0%
22	HEALTH INSURANCE	57,000	51,367	9.9%	75,000	46.0%
23	ACWA BENEFITS	10,000	8,337	16.6%	12,000	43.9%
24	DISABILITY INSURANCE	6,000	5,326	11.2%	8,000	50.2%
25	WORKERS COMPENSATION INSURANCE	6,000	4,453	25.8%	7,000	57.2%
26	SGPWA STAFF MEDICAL REIMBURSEMENT	11,000	7,494	31.9%	22,000	193.6%
27	EMPLOYEE EDUCATION	4,000	3,299	17.5%	7,000	112.2%
28	TOTAL SALARIES AND EMPLOYEE BENEFITS	1,371,000	1,302,716	5.0%	1,565,000	20.1%

SAN GORGONIO PASS WATER AGENCY
DRAFT BUDGET FOR FY 2025-26
ESTIMATE FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2026

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GENERAL FUND - EXPENSES

ADMINISTRATIVE AND PROFESSIONAL SERVICES						
DIRECTOR EXPENDITURES						
33	DIRECTORS FEES	275,000	223,888	18.6%	285,000	27.3%
34	DIRECTORS TRAVEL AND EDUCATION	80,000	63,820	20.2%	80,000	25.4%
35	DIRECTORS MEDICAL REIMBURSEMENT	43,000	7,835	81.8%	80,000	921.1%
OFFICE EXPENDITURES						
37	OFFICE EXPENSE	40,000	30,176	24.6%	40,000	32.6%
38	POSTAGE	1,000	866	13.4%	1,000	15.4%
39	TELEPHONE	8,000	7,867	1.7%	8,000	1.7%
40	UTILITIES	17,000	4,330	74.5%	7,000	61.7%
SERVICE EXPENDITURES						
42	COMPUTER, WEBSITE AND PHONE SUPPORT	54,000	71,415	-32.3%	75,000	5.0%
43	GENERAL MANAGER AND STAFF TRAVEL	35,000	41,596	-18.8%	50,000	20.2%
44	SUCCESSION PLANNING	65,000	40,800	37.2%	65,000	59.3%
45	INSURANCE AND BONDS	55,000	57,806	-5.1%	70,000	21.1%
46	ACCOUNTING AND AUDITING	22,000	20,000	9.1%	22,000	10.0%
47	LEGAL SERVICES - MOVED ITEM	260,000	297,038	-14.2%	350,000	17.8%
48	DUES AND ASSESSMENTS	45,000	61,327	-36.3%	70,000	14.1%
49	OTHER PROFESSIONAL SERVICES	35,000	18,450	47.3%	25,000	35.5%
50	BANK CHARGES	1,000	0	100.0%	1,000	
51	MISCELLANEOUS EXPENSES	1,000	0	100.0%	1,000	
MAINTENANCE AND EQUIPMENT EXPENDITURES						
53	TOOLS PURCHASE AND MAINTENANCE	2,000	725	63.8%	2,000	176.0%
54	MAINTENANCE AND REPAIRS - VEHICLE	25,000	16,334	34.7%	30,000	83.7%
55	MAINTENANCE AND REPAIRS - BUILDING	40,000	43,293	-8.2%	50,000	15.5%
56	MAINTENANCE AND REPAIRS - FIELD	50,000	39,164	21.7%	60,000	53.2%
COUNTY EXPENDITURES						
58	LAFCO COST SHARE	10,000	7,801	22.0%	10,000	28.2%
59	ELECTION EXPENSE	150,000	45,821	69.5%	0	-100.0%
60	TAX COLLECTION CHARGES	60,000	62,603	-4.3%	70,000	11.8%
60	TOTAL ADMINISTRATIVE AND PROFESSIONAL SERVICES	1,374,000	1,162,955	15.4%	1,452,000	24.9%

SAN GORGONIO PASS WATER AGENCY
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ESTIMATE FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2026

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GENERAL FUND - EXPENSES

	CONSULTING AND ENGINEERING SERVICES					
	PLANS & CONSTRUCTION					
65	INFRASTRUCTURE PLAN - Phase 2	25,000	5,772	76.9%	25,000	333.2%
66	SAN GORGONIO PASS REGIONAL MASTERPLAN	150,000	0	100.0%	750,000	
67	BUNKER HILL BANKING AND RECOVERY PROGRAM	75,000	0	100.0%	75,000	
68	COUNTY LINE RECHARGE - PLANNING AND DESIGN	1,250,000	161,877	87.0%	100,000	-38.2%
69	SMALL SYSTEM ASSISTANCE PROGRAM	210,000	117,553	44.0%	210,000	78.6%
70	SIGNAGE AND FRONTAGE BROOKSIDE EAST	75,000	0	100.0%	75,000	
71	MONITORING WELL DRILLING	2,300,000	672,399	70.8%	1,800,000	167.7%
72	HELI-HYDRANT	1,800,000	600,000	66.7%	1,200,000	100.0%
	OTHER PROJECTS					
74	WATER BANKING INVESTIGATIONS	25,000	0	100.0%	25,000	
75	SAN GORGONIO GSA	50,000	28,358	43.3%	550,000	1839.5%
76	YUCAIPA GSA VERBENIA GSA	10,000	29,483	-194.8%	50,000	69.6%
77	FLUME MONITORING AND SUPPORT	30,000	0	100.0%	30,000	
	STUDIES AND REPORTS					
79	FINANCIAL MODELING + NEXUS RATE STUDY	90,000	81,402	9.6%	55,000	-32.4%
80	USGS STUDIES AND MONITORING	300,000	61,133	79.6%	400,000	554.3%
	WATER PORTFOLIO - DELETED ITEM	100,000	63,307	36.7%	0	-100.0%
81	LOCAL SUPPLIES	50,000	10,680	78.6%	50,000	368.2%
82	LOCAL RECHARGE FEASIBILITY STUDIES	750,000	0	100.0%	750,000	
83	UWMP SUPPORT AND ANNUAL REPORT COMPLETION	25,000	1,062	95.8%	300,000	28148.6%
	GENERAL ENGINEERING SERVICES					
86	ON-CALL ENGINEERING SERVICES	250,000	93,323	62.7%	500,000	435.8%
87	GRANT SUPPORT SERVICES	75,000	25,800	65.6%	50,000	93.8%
88	FEDERAL - STATE ADVOCATE	30,000	0	100.0%	30,000	
89	SAWPA REGIONAL PROJECTS	36,000	28,484	20.9%	15,000	-47.3%
90	GENERAL ENGINEERING and ENVIRONMENTAL	75,000	0	100.0%	50,000	
91	TOTAL CONSULTING AND ENGINEERING SERVICES	7,781,000	1,980,632	74.5%	7,090,000	258.0%

SAN GORGONIO PASS WATER AGENCY
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GENERAL FUND - EXPENSES

	CONSERVATION AND EDUCATION					
100	SCHOOL EDUCATION PROGRAMS	60,000	59,972	0.0%	65,000	8.4%
101	PUBLIC INFORMATION AND EDUCATION	260,000	195,531	24.8%	260,000	33.0%
102	SPONSORSHIPS	0	8,950		10,000	11.7%
103	TRANSFER TO PASS WATER AGENCY FOUNDATION	32,000	32,000	0.0%	35,000	9.4%
104	65th ANNIVERSARY CELEBRATION	20,000	11,832	40.8%	50,000	322.6%
105	TOTAL CONSERVATION AND EDUCATION	372,000	308,285	17.1%	420,000	36.2%
	MAJOR AND CAPITAL EXPENDITURES					
	BUILDING AND EQUIPMENT					
109	BUILDING	50,000	0		50,000	
110	FRONT LANDSCAPING	75,000	0		0	
111	FURNITURE AND OFFICE EQUIPMENT	25,000	0		25,000	
112	OTHER EQUIPMENT	20,000	0		20,000	
113	VEHICLES	125,000	60,000	52.0%	80,000	33.3%
	OTHER ITEMS					
115	SITES RESERVOIR	560,000	560,000	0.0%	840,000	50.0%
116	NEW PROPERTY - NEW ITEM				50,000	
117	COUNTY LINE RECHARGE - CONSTRUCTION - NEW ITEM				6,500,000	
119	TOTAL MAJOR AND CAPITAL EXPENDITURES	855,000	620,000	27.5%	7,565,000	1120.2%
121	TRANSFERS TO OTHER FUNDS	0				
123	TOTAL GENERAL FUND EXPENSES	21,253,000	9,304,925	56.2%	21,792,000	134.2%
125	GENERAL FUND NET INCOME YTD	4,594,000	15,298,028		3,523,000	

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CONSIGNED - SWP SUPPORT FUND

CONSIGNED - SWP SUPPORT FUND - INCOME

INCOME

130	UNITARY TAX REVENUE ALLOCATED	7,200,000	8,862,255	-23.1%	9,100,000	2.7%
131	INTEREST	240,000	685,489	-185.6%	580,000	-15.4%
132	OTHER INCOME	0	0		0	
133	TOTAL SWP SUPPORT FUND INCOME	7,440,000	9,547,743	-28.3%	9,680,000	1.4%

CONSIGNED - SWP SUPPORT FUND - EXPENSES

EXPENDITURES

139	TAX COLLECTION CHARGES	18,000	22,410	-24.5%	24,000	7.1%
140	OTHER EXPENSES	0	0	NA	0	
141	TOTAL SWP SUPPORT FUND EXPENSES	18,000	22,410	-24.5%	24,000	7.1%

143 **TRANSFERS TO OTHER FUNDS**

145	CONSIGNED - SWP SUPPORT FUND NET INCOME YTD	7,422,000	9,525,333		9,656,000	
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SAN GORGONIO PASS WATER AGENCY
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ESTIMATE FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2026

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GAP FUNDING PROGRAM

GAP FUNDING PROGRAM - INCOME

185	CABAZON WATER DISTRICT #1-A	96,000	95,746	0.3%	0	
186	CABAZON WATER DISTRICT #2	0	0	0.0%	600,000	
187	SOUTH MESA WATER COMPANY	2,000,000	0	0.0%	2,000,000	
188	HIGH VALLEYS WATER DISTRICT	500,000	0	0.0%	0	
189	BANNING HEIGHTS MUTUAL WATER CO.	0	0	0.0%	0	

191	TOTAL INCOME	2,596,000	95,746	96.3%	2,600,000	2615.5%
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GAP FUNDING PROGRAM - EXPENSES

194	CABAZON WATER DISTRICT #1-A	0	292,664		0	
195	CABAZON WATER DISTRICT #2 - Heli-Hydrant	0	600,000		0	
196	SOUTH MESA WATER COMPANY	5,000,000	5,847,530	-17.0%	1,100,000	
197	HIGH VALLEYS WATER DISTRICT	1,000,000	520,695	47.9%	1,000,000	
198	BANNING HEIGHTS MUTUAL WATER CO.	0	566,529		900,000	

200	TOTAL EXPENSE	6,000,000	7,827,418	-30.5%	3,000,000	-61.7%
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202	GAP FUNDING PROGRAM NET BALANCE YTD	-3,404,000	-7,731,672		-400,000	
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LINE ITEM AND PROJECT DESCRIPTIONS, page 1

GENERAL FUND INCOME

Other Water Sales (line #2)

This item records income from water that is sold from banking operations or other water sales activity. This item is separate from the Water Sales line item, which is for water sold to retailers within the Agency service area. There is no amount projected at this time.

Tax Revenue (reference line #3)

Tax revenue for the General Fund comes from the Agency's allocation of the 1% property tax collected by the County of Riverside. The Agency's share of the County-wide collection is determined by a formula maintained by the County Auditor.

Government Contributions (#5)

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

Grant Revenue (#6)

This line item was originally included in Government Contributions. Because of the magnitude of grant revenue expected in the coming years, Staff decided to separate the items to make tracking these income streams easier. The Agency has been formally approved for \$2,055,000 from DWR for nested monitoring wells. In addition, the Agency has been approved for \$1,800,000 for the Heli-Hydrant project and \$3,000,000 for the County Line Road project in America Rescue Plan Act funds. Finally, the Agency has been approved for \$400,000 for planning for the Brookside West project from the U.S. Bureau of Reclamation. The Agency expects to receive a portion of these grants in FY 2025-26.

Other Miscellaneous Income (#7)

This line item includes a variety of small-dollar receipts that the Agency receives in a year. Income from the cell tower lease falls in this item. Additionally, credits for an unused service, cash-back credit from the Wells Fargo credit card, or a refund for a returned purchase could be included.

LINE ITEM AND PROJECT DESCRIPTIONS, page 2

GENERAL FUND EXPENSES

Category: Commodity Purchase

Purchased Water for Delivery (#12)

This line item provides for purchases of non-State Water Project water. Nickel water payments are charged to this line item, as well as potential purchases of water on the spot market, for example, purchases to bolster water supplies in drought years. All State Water Project water delivery costs are charged to the Debt Service fund.

Purchased Water for Banking (Future Sale) (#13)

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

Category: Salaries and Employee Benefits

Salaries (#17)

This item covers all General Fund employee salaries and pay. Salaries for some employees are allocated between the General Fund and the Debt Service Fund, so this is not the total estimate for all salaries and pay for the Agency. This is calculated by reviewing current pay levels, then estimating potential increases, for example, COLA and merit increases. This amount is allocated between funds. Finally, an estimate for a potential new employee was added.

Retirement (#20)

This item covers all expenses related to retirement payments made to CalPERS and other Agency retirement obligations. It also includes an additional contribution of \$200,000 to lower the Unfunded Accrued Liability (UAL) with CalPERS.

Other Post-Employment Benefits (OPEB) (#21)

This item covers pay-as-you-go expenses related to the Agency's obligations for health care for retirees. It also includes an additional contribution of \$150,000 to the California Employer's Retirement Benefit Trust to pre-fund future Agency obligations.

LINE ITEM AND PROJECT DESCRIPTIONS, page 3

Category: Administrative and Professional Services

Directors Expenditures (#33 thru #35)

For directors fees and medical reimbursements, these estimates are based on maximum potential Agency expenditures for these items. The estimate for travel and education is based on previous experience.

Office Expense (#37)

This item seems self-explanatory but includes more than office supplies. Examples include (but aren't limited to) copier charges, subscriptions, Board supplies, purchases of food for Board activities and name plaques.

Succession Planning (#44)

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

Legal Services (#47)

This item was transferred from its own category to Administrative and Professional Services Category at the suggestion of the Finance and Budget Committee.

Other Professional Services (#49)

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

Maintenance and Equipment Expenditures (#53 thru #56)

These items are generally self-explanatory. Field maintenance includes weed abatement, recharge pond maintenance, and other service and maintenance requirements for Agency real property.

LAFCO Cost Share (#58)

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

LINE ITEM AND PROJECT DESCRIPTIONS, page 4

Election Expense (#59)

This item appears in the budget every other year, based on the election cycle. There are no elections planned for this fiscal year.

Category: Consulting and Engineering Services

Infrastructure Plan (#65)

This project models the State Water Project system from the Delta to the SGPWA service area, which gives the Agency a basis for making informed decisions on optimizing water deliveries to our service area.

San Gorgonio Pass Regional Masterplan (formerly Backbone Infrastructure Study and Design) (#66)

This multi-year study will assess the regional water supply and demand needs across the San Gorgonio Pass area, with a focus on developing a comprehensive master plan for long-term water infrastructure. Building on previous feasibility work such as with the Backbone Pipeline, the scope of this project expands from a conveyance study into a broader regional planning effort.

Bunker Hill Banking and Recovery Program (#67)

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

County Line Recharge (#68)

This is a proposed joint conjunctive-use water supply project between SBVMWD and SGPWA located in the City of Calimesa. This project would include the construction of a water recharge basin, a turnout that connects to the East Branch Extension of the State Water Project, and a pipeline down 4th Street in Calimesa. Most of the planning and design is complete, reflected in the significantly reduced budget amount. Construction is planned for this fiscal year, see Major and Capital Expenditures.

LINE ITEM AND PROJECT DESCRIPTIONS, page 5

Small Water Assistance Program (#69)

This program leverages the expertise of the California Rural Water Association (CRWA) to offer a comprehensive range of technical, managerial, financial, and grant support services to small water systems within our service area. Currently, support is being provided to Cherry Valley Water Company, High Valleys Water District, Banning Heights Mutual Water Company, and Cabazon Water District. We plan to continue our efforts to expand this program and the services offered by CRWA. In response to positive feedback from our retailers, we will continue to offer water treatment and distribution courses that provide attendees with Continuing Education Units (CEUs) for their certifications, as we did in FY 2024-25. The goal of this program is to equip small water systems with the necessary technical assistance to position them for successful grant applications for their needed improvement projects.

Signage and Frontage Brookside East (#70)

This project is a part of the City of Beaumont's plan to beautify the intersection of Beaumont Ave and Brookside Ave. The project will be designed to develop and construct signage and frontage improvements in conjunction with the City's plans for this intersection.

Monitoring Well Drilling (#71)

This line item continues funds for the United States Geological Survey (USGS) to conduct the Nested Casings Monitoring Wells Project for the San Geronio Pass Groundwater Sustainability Agency (GSA). The project will significantly enhance the understanding of groundwater conditions, flow patterns, and quality within the San Geronio Pass region, particularly in the data gap area identified in the Groundwater Sustainability Plan (GSP). The majority of the expenses for this initiative will be covered by a grant from the Department of Water Resources (DWR), allowing the Agency to leverage external funding for this crucial activity. The budget also includes resources for site preparation, drilling operations, data analysis, and reporting to ensure comprehensive and effective monitoring well installation and utilization.

Heli-Hydrant (#72)

This project will facilitate the construction of four Heli-Hydrant systems in the Agency's service area. Two systems were completed in FY 2024-25. A Heli-Hydrant is a specifically designed facility, basically a fire hydrant for helicopters, attached to a water source that allows fire-fighting helicopters to refill their water tanks. This helps provide regional protection against wildfires. The County of Riverside has approved American Rescue Plan Act (ARPA) funds in support of this project. The Agency would receive and disburse the ARPA funds to partners in the region to construct the systems.

LINE ITEM AND PROJECT DESCRIPTIONS, page 6

Water Banking Investigations (#74)

With recharge capacity limitations locally, the Agency has a need to find external opportunities to store water outside of our boundaries. Consultants will assist with the exploration of various water banking opportunities across the state of California that most fit with the needs of the Agency.

San Gorgonio GSA (#75)

This budget line item supports the Agency's continued participation in the San Gorgonio Pass Groundwater Sustainability Agency (GSA). As a member agency, we contribute to the development, implementation, and periodic updates of the Groundwater Sustainability Plan (GSP), as well as the preparation of the Annual Report required by the California Department of Water Resources (DWR). The significant increase in this line item for FY 2025–26 reflects several major initiatives, including the DWR-mandated 5-Year Periodic Update to the GSP, basin underflow studies between the Beaumont Basin and the San Gorgonio Pass Subbasin, analysis of outflow from the San Gorgonio Pass Subbasin to the Indio Subbasin, and preparation of the Annual Report for Water Year 2025. These efforts are critical to ensuring sustainable groundwater management within the San Gorgonio Pass Subbasin. The costs associated with these activities, including 5-Year Periodic Update, Subbasin Coordination, and Annual Report are shared amongst all GSA members, which include Banning Heights Mutual Water Company, Cabazon Water District, City of Banning, Desert Water Agency, and Mission Springs Water District. This collaboration is essential for achieving long-term groundwater sustainability and compliance with state regulations.

Yucaipa GSA and Verbena GSA (#76)

This line item covers the costs associated with the Agency's participation in the Yucaipa Groundwater Sustainability Agency (GSA) and the Verbena Groundwater Sustainability Agency (GSA). This includes contributions to the development and implementation of the Yucaipa Subbasin Groundwater Sustainability Plan (GSP) and the generation of Annual Reports required by the Department of Water Resources (DWR). The funding supports activities such as data collection, analysis, project planning, and annual report preparation. These efforts are crucial for maintaining compliance with state regulations, promoting sustainable groundwater management practices, and ensuring the long-term viability of the groundwater resources within the Yucaipa and Verbena subbasins.

LINE ITEM AND PROJECT DESCRIPTIONS, page 7

Flume Monitoring and Support (#77)

This line item funds the Agency's efforts to help preserve the water supply provided by the flume to the Banning Heights Mutual Water Company and the City of Banning. The Agency has been dedicated to this initiative for many years, recognizing its critical importance for the region's water security. The funding supports activities such as monitoring the flume's condition and collaborating with the City of Banning to ensure the continued viability of this water source. Additionally, this line item allocates resources for technical assistance, infrastructure improvements, and necessary studies to maintain the long-term sustainability and reliability of the flume system.

Financial Modeling + Nexus Rate Study (#79)

As the region has developed, so has the need to expand facilities, both internally and externally. With these changes, it is necessary to update the Agency financial model to accommodate these new aspects. As a part of this work, the updated financial model will help to facilitate a new rate study for the Agency.

USGS Studies and Monitoring (#80)

This line item funds the United States Geological Survey (USGS) for collecting water level and water quality data, which supports the Agency's various groundwater modeling and reporting requirements. The USGS will be incorporating the 13 monitoring wells that are currently being drilled into the USGS database, taking water level measurements, and performing water quality sampling to get a baseline of water quality. Additionally, it includes specific studies requested by the Agency to address emerging concerns or specific project needs, such as gravity and electrical resistivity tomography (ERT) surveys, Burnt Canyon streamgage monitoring, data documentation, reporting, interpretation, and publications. This ongoing effort appears annually in the budget, with the Board reviewing and approving a new contract each year. USGS studies are crucial for ensuring accurate groundwater assessments, aiding in effective resource management, and fulfilling regulatory and planning obligations.

Water Portfolio

This line item has been completed, so is being removed from the budget.

LINE ITEM AND PROJECT DESCRIPTIONS, page 8

Local Supplies (#81)

Keeping local water local is always a welcome goal. As an importer of water, it isn't in the Agency's scope to directly provide recycled water to customers, but the Agency can assist with facilitating recycled water projects through thoughtful accommodation in the construction of our facilities. This line item investigates the potential for joint-use facilities that can accommodate imported water, recycled water, and stormwater capture to ensure the most effective use of regional resources.

Local Recharge Feasibility Studies (#82)

The expansion of regional groundwater recharge projects has become necessary to facilitate additional water needs of customers in the SGPWA service area. To accommodate this need, the Agency is actively investigating recharge projects in the Beaumont Basin. This includes the groundwater recharge project at Brookside West as well as at the Danny Thomas Ranch.

UWMP Support and Annual Report Completion (#83)

This line item funds the activities required for the development, maintenance, and updating of the Agency's Urban Water Management Plan (UWMP). Key tasks include compiling data, conducting analyses, and preparing comprehensive annual reports with our retailers. These reports are essential for tracking water usage throughout our service area, meeting regulatory requirements, and providing stakeholders with up-to-date information on water management strategies and projects. The funding ensures that all necessary tasks for the UWMP are completed efficiently and thoroughly as required by law, supporting the Agency's commitment to sustainable and effective water resource management.

On-Call Engineering Services (#86)

The Agency secured the on-call engineering services of two engineering firms in FY 2024-25. This is a continuation of those services.

Grant Support Services (#87)

This line item funds various consultants who assist Agency staff in drafting and submitting grant applications for capital improvement projects. These consultants provide specialized expertise in grant writing, project planning, and regulatory compliance, ensuring that our proposals are comprehensive, competitive, and aligned with funding requirements. Their support enhances the Agency's ability to secure the financial resources necessary for infrastructure development, planning, design, and construction, thereby promoting the successful execution of our capital improvement projects.

LINE ITEM AND PROJECT DESCRIPTIONS, page 9

Federal – State Advocate (#88)

These funds are planned for advocacy efforts that may be necessary to support proposed grant funding of Agency projects, and to lobby for the completion of currently planned regional projects.

SAWPA Regional Projects (#89)

A portion of the Agency's service area falls within the Santa Ana Watershed Project Authority (SAWPA) boundaries. To support the management and sustainability of this critical water resource, the Agency collaborates with SAWPA on various regional projects. These projects include annual monitoring of salinity and nitrogen concentrations, administering regional multi-agency task forces, and evaluating new and emerging regulations on constituents of concern. By sharing the cost of these studies and task forces, the Agency contributes to a comprehensive understanding of the watershed's health, helping to ensure the long-term viability and quality of the water supply for the Agency.

General Engineering and Environmental (#90)

This line item provides funds for small projects that come up each year that need small-dollar contracts to complete. Some past examples include designing and constructing the Agency's algaecide injection facility, advice and procurement of a mast for the recent EarthCam installation, and preparing and delivering a Notice of Exemption for a recent project.

Category: Conservation and Education

Public Information and Education (#101)

Previous budgets had three different line items related to social media, public education, conservation-related activities that were targeted for the general public, as well as other educational efforts, such as workshops and events. The Agency has secured the services of C V Strategies to provide comprehensive public outreach services, such as social media, advertising campaigns, press releases, special events, branding, and other activities to inform the general public about Agency-related efforts to provide water for the region.

Sponsorships (#102)

This line item will continue to be used in conjunction with the newly formed Pass Water Agency Foundation.

LINE ITEM AND PROJECT DESCRIPTIONS, page 10

Transfer to Pass Foundation (#103)

This line item provides funds for the newly formed Pass Water Agency Foundation. The amount suggested by Staff approximates expected income from the cell tower lease, but can be more or less, depending on Board decisions.

65th Anniversary Celebration (#104)

The Agency's 65th anniversary will be in 2026. The Committee suggested producing a yearbook, which takes 12 to 18 months, and is currently in progress. The amount allows for the completion of the book, as well as other elements for a public event.

Category: Major and Capital Expenditures

Front Landscaping (#110)

This item has been put on hold. The front landscaping needs attention, but waiting to integrate any changes with potential future plans seems like a good idea.

Vehicles (#113)

This line item is needed for a new vehicle to be added to our fleet.

Sites Reservoir (#115)

The Agency continues to maintain a substantial participation position with the Sites Reservoir Project. At this time, no further requests for funds for planning have been made from the Sites Joint Reservoir Committee. However, the Agency is currently considering its position with Beaumont Cherry Valley Water District, and preparing for the possibility of reimbursing it for its investment to date. As the project moves ahead, if there may be additional funds needed before construction starts, Staff would bring a budget revision to the Board for consideration.

New Property (#116)

This is a new line item for the potential of making changes to recently purchased property. No firm plans have been made at this time, but repairs, security, and other contingencies may be needed to manage the property.

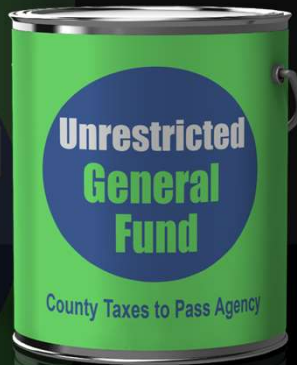
County Line Recharge – Construction (#117)

This line item provides for the construction of the County Line Recharge facility.

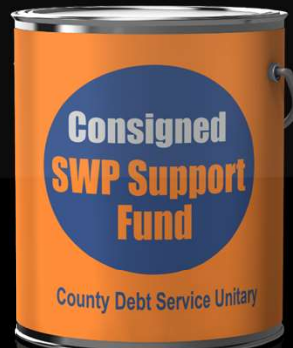
The State of the Buckets

Other Funds

Unrestricted
Portion of County 1%
Water Sales
Grants
Unitary Tax



\$27 m



\$28 m

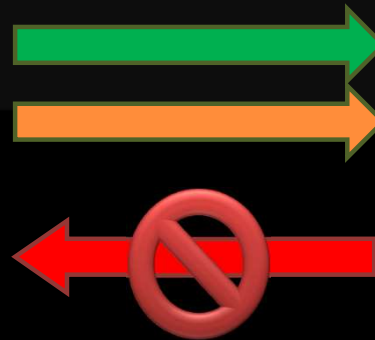
Debt Service

Restricted
SGPWA Ad Valorem Tax



\$80 m

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

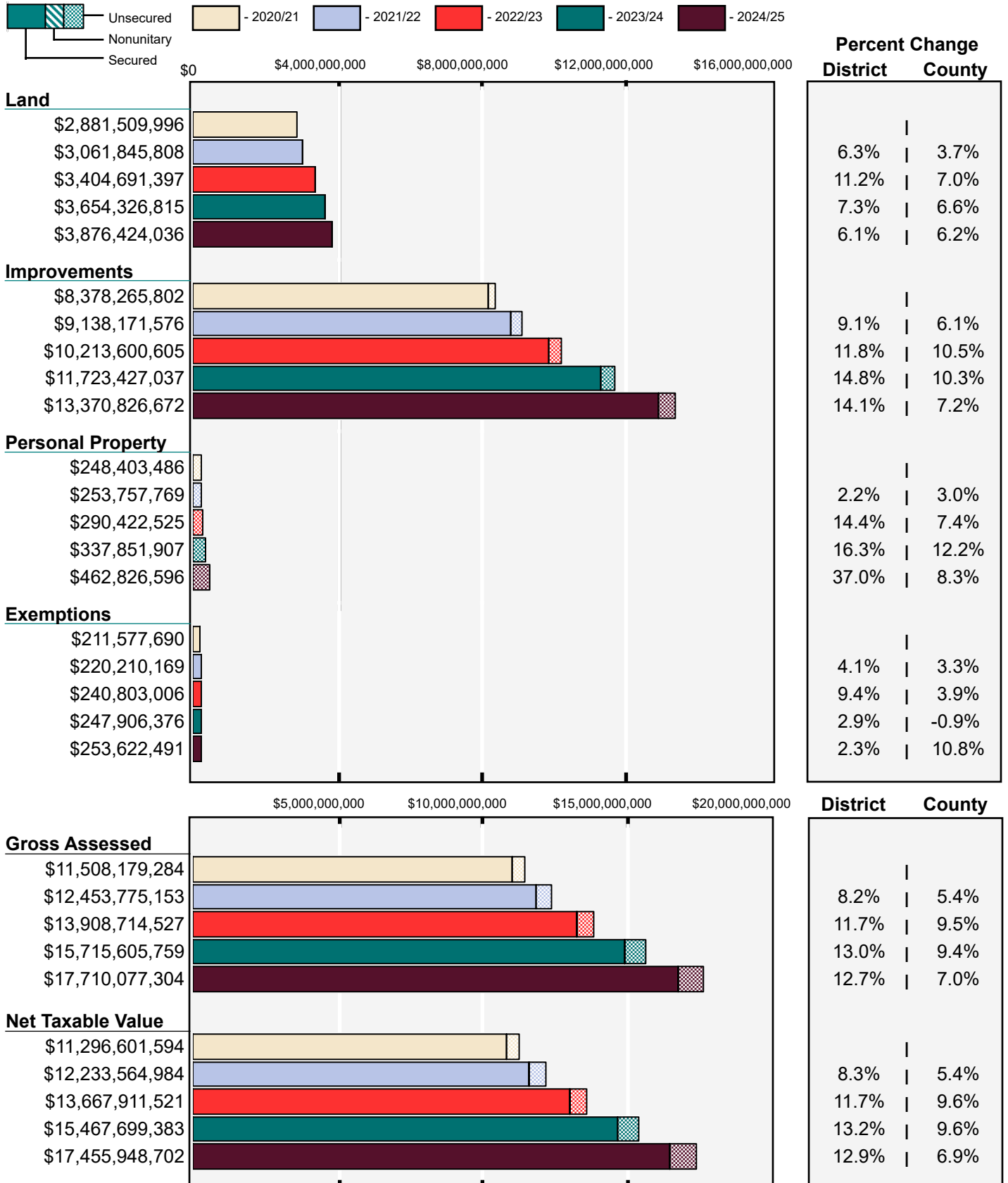


Estimate as of May 2025



SAN GORGONIO PASS WATER

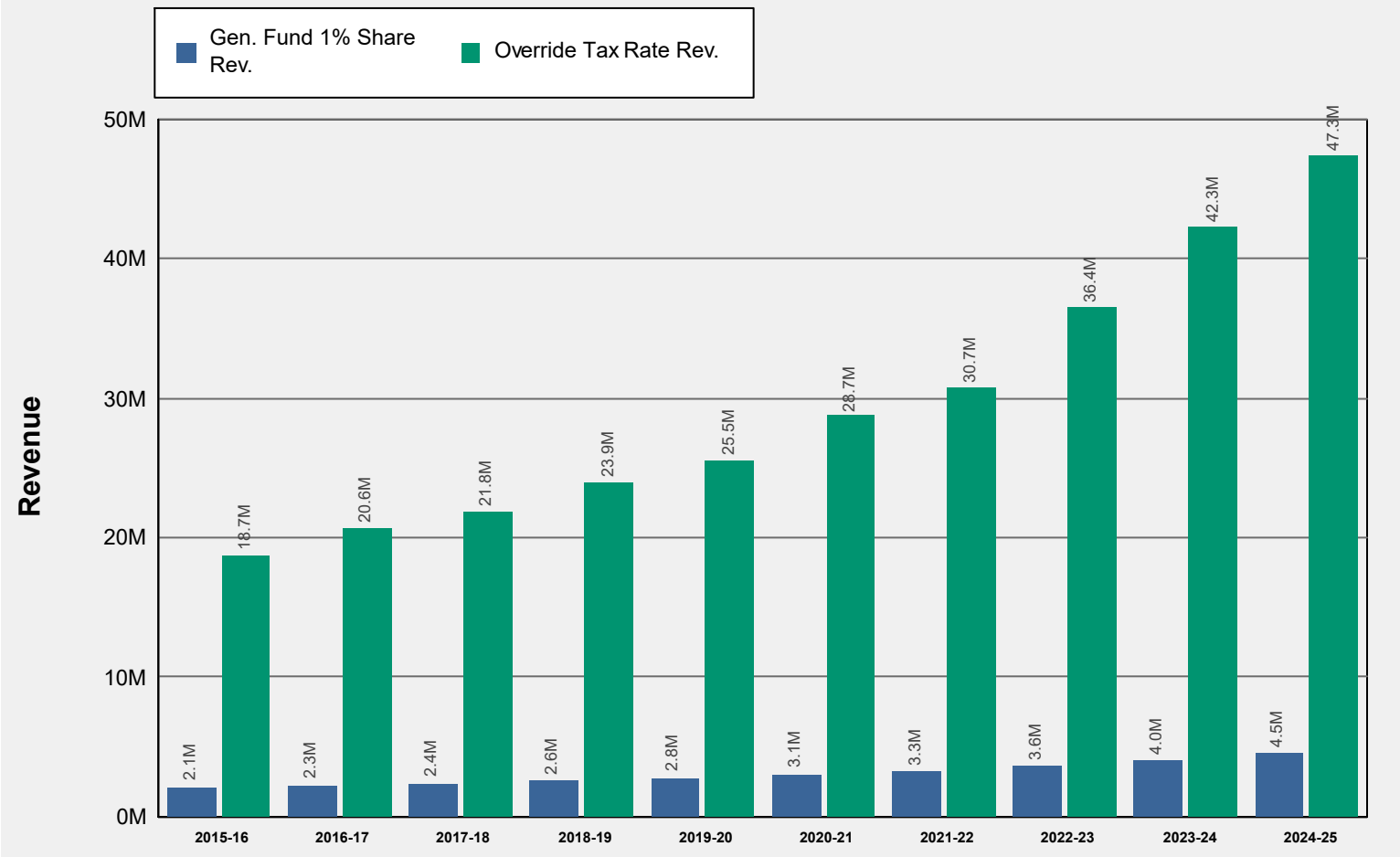
2020/21 TO 2024/25 ASSESSED VALUES



SAN GORGONIO PASS WATER

REVENUE HISTORY

Roll Year	Gen. Fund 1% Share Rev.	% Chg	Override Tax Rate Rev.	% Chg
2015-16	\$2,138,046		\$18,731,551	
2016-17	\$2,252,705	5.3%	\$20,599,545	9.9%
2017-18	\$2,401,383	6.6%	\$21,815,188	5.9%
2018-19	\$2,589,746	7.8%	\$23,944,724	9.7%
2019-20	\$2,778,698	7.3%	\$25,458,677	6.3%
2020-21	\$3,057,769	10.0%	\$28,696,548	12.7%
2021-22	\$3,262,261	6.6%	\$30,669,566	6.8%
2022-23	\$3,620,472	10.9%	\$36,441,384	18.8%
2023-24	\$4,022,301	11.1%	\$42,280,722	16.0%
2024-25	\$4,532,619	12.6%	\$47,319,881	11.9%



Override Tax Rate Rev. includes: San Gorgonio Pass Water Ag

Revenue flowing through a Successor Agency's RPTTF process as residual distribution is not included in this data, nor are most pooled revenue adjustments, such as County administrative fees, supplemental allocations, redemptions for delinquent payments in Non-Teeter cities, tax payer refunds due to successful appeals, and roll corrections. Homeowner exemption revenue is included in this revenue model. Where available and applicable, unitary revenues and TEA revenue are included.

Data Source: 2024-25 Combined Tax Rolls

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

Prepared On 3/13/2025 By MV

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SWP Allocation Timeline

December 2, 2024: 5% Allocation

December 23, 2024: 15% Allocation

January 28, 2025: 20% Allocation

February 25, 2025: 35% Allocation

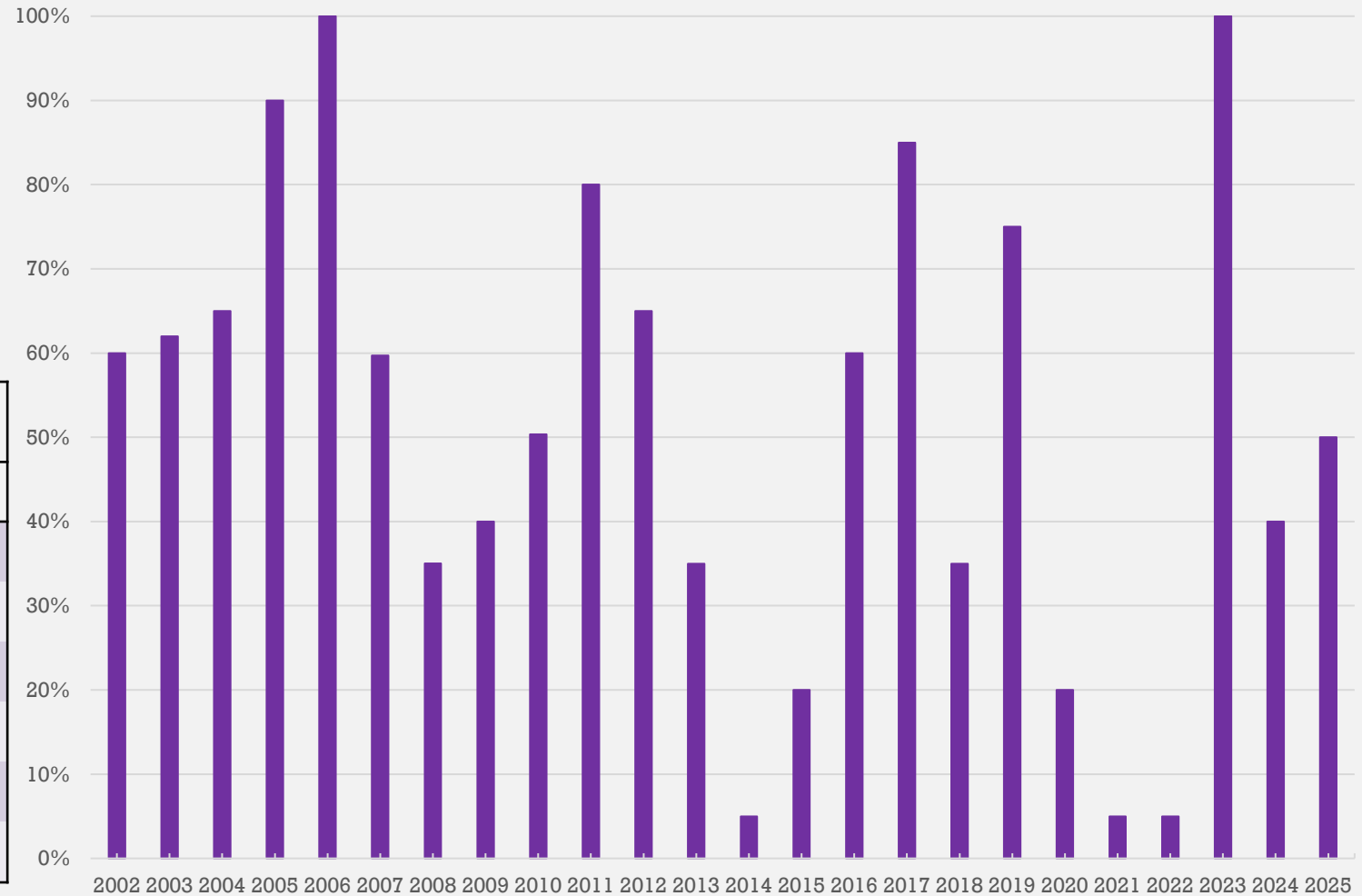
March 25, 2025: 40% Allocation

April 29, 2025: 50% Allocation

SGPWA Portfolio @ 50%

Source	Total (AF)	Delivered
SWP – Carryover	1,217	✓
SWP – Table A	8,650	
SWP – Ventura	5,000	
Non-SWP - Nickel Water	1,700	✓
City of Yuba City Purchase	3,000	✓
Total Available Supply	19,567	

Historic SWP Allocations



2025 SWP Allocation & Portfolio Update

San Gorgonio Pass Water Agency

List of Some Acronyms and Vendors and Their Functions

Acronym	Name	Function and Information
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, vision and life insurance
ALWEAS	Albert Webb Associates	Provides engineering consulting services
ARPA	American Rescue Plan Act	Grants from the Federal Government, channeled to counties, to fund specific projects.
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
EBE	East Branch Enlargement	Construction projects along the East Branch of the SWP to increase capacity
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; required under SGMA to manage groundwater
GSP	Groundwater Sustainability Plan	Plan required under SGMA to manage groundwater assets
HCN	HCN Bank	Local regional bank; formerly the Bank of Hemet
HdL Coren & Cone		Provide tax revenue consulting services.
HOX	Homeowners Exemption	Exemption for homeowners; also a tax revenue income received by the Agency
HVWD	High Valleys Water District	Mutual water company within Agency boundaries

San Gorgonio Pass Water Agency

List of Some Acronyms and Vendors and Their Functions

Acronym	Name	Function and Information
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 the state California for public agencies to investment surplus money on a short-term basis
LAMMA	Local Agency Money Market Account	Investment account provided by HCN for local agencies
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	
PARS	Public Agency Retirement Services	Provider of defined contribution plans, of which the Agency participates
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	
RPTTF	Redevelopment Property Tax Trust Fund	Proceeds of redevelopment properties that are sold and distributed to County entities.
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	
SGMA	Sustainable Groundwater Management Act	A legislative package that requires local agencies to form GSAs and develop GSPs.
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	Professional 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

San Gorgonio Pass Water Agency

List of Some Acronyms and Vendors and Their Functions

Acronym	Name	Function and Information
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
		Version 250131