

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA 92223



SAN GORGONIO PASS
WATER AGENCY
A California State Water Project Contractor

Regular Meeting of the Board of Directors
July 7, 2025 at 1:30 p.m.

President Valdivia will be participating via teleconference from the following location:

Carivan Outpost, 317 Bryant St. Ojai, CA 93023

AGENDA

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

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

TO JOIN THE MEETING BY TELEPHONE

CALL: 669-900-6833 | MEETING ID: 956 9367 4121

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

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

*Esta reunión se llevará a cabo virtualmente y en persona.
El enlace y la opción telefónica proporcionada
es para la comodidad del público.*

PARA UNIRSE VÍA ZOOM: [Zoom Link Board Meeting](#)
PARA UNIRSE A LA JUNTA CON LA OPCIÓN TELEFONICA
LLAMAR: 669-900-6833 | ID DE REUNIÓN: 956 9367 4121

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

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

- 1. Call to Order, Invocation and Pledge of Allegiance**
- 2. Roll Call**
- 3. Adjustment and Adoption of Agenda**
- 4. Public Comment**

Members of the public may address the Board at this time concerning items relating to any matter within the Agency's jurisdiction. There will be an opportunity to comment on specific agenda items, as the items are addressed.

President
Mickey Valdivia

Vice President
Chander Letulle

Treasurer
Robert Ybarra

Secretary
Kevin Walton

Directors
Dr. Blair M Ball
Sarah Wargo
Larry Smith

General Manager
Lance Eckhart,
PG, CHG

Legal Counsel
Jeffrey Ferre

Speakers are requested to keep their comments to no more than five minutes. Under the Brown Act, no action or discussion shall take place on any item not appearing on the agenda, except that the Board or staff may briefly respond to statements made or questions posed for the purpose of directing statements or questions to staff for follow-up.

5. Consent Calendar

If any board member requests that an item be removed from the Consent Calendar, it will be removed so that it may be acted upon separately.

- A. Approve Minutes of the June 16, 2025, Regular Meeting of the San Geronio Pass Water Agency Board of Directors, [\(pg. 4\)](#)
- B. Approve Finance and Budget Committee Meeting Report for June 2025, [\(pg. 9\)](#)
- C. Approve Resolution No. 2025-04, Appropriations Limit for Fiscal Year 2025-26, [\(pg.33\)](#)

6. Reports – Staff

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

7. Informational Presentations and Updates

- A. Update on Golden Mussels, [\(pg. 37\)](#)

8. New Business – Discussion and Possible Action

- A. Consideration of Approval for the Purchase of One (1) 2025 Ford Explorer through Sourcewell Cooperative Purchasing Program in an amount not to exceed \$60,000, including all applicable taxes and fees, [\(pg. 52\)](#)
- B. Consideration of Cost-of-Living Adjustment for Fiscal Year 2025-26, [\(pg. 103\)](#)
- C. Approve Proposed Debt Service Budget for Fiscal Year 2025-26, [\(pg. 107\)](#)
- D. Approve Resolution No. 2025-05, Setting Tax Rate for Fiscal Year 2025-26, [\(pg.124\)](#)

9. Reports – Directors and Committees

10. Board Requests for Future Agenda Items

11. Announcements

- A. Regular Board Meeting, July 21, 2025 at 6:00 p.m.
- B. Finance & Budget Committee Meeting, July 24, 2025 at 10:00 a.m.
- C. Regular Board Meeting, August 4, 2025 at 1:30 p.m.
- D. Southern California Water Conference, August 8, 2025

12. Adjournment

SGPWA
Regular Board Meeting
July 7, 2025

Pending Agenda Items:

<i>Request</i>	<i>Requester</i>	<i>Date of Request</i>	<i>Status</i>
Agency Law Workshop	Walton	5/5/25	
Heli-Hydrant Dedication to Fallen Firefighter(s)	Walton	6/16/25	

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

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223

Official Minutes
Board of Directors Regular Meeting
June 16, 2025

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

1. Call to Order, Pledge of Allegiance, and Invocation

The San Gorgonio Pass Water Agency Board of Directors meeting was called to order by President Valdivia at 6:02 p.m., Monday, June 16, 2025, at the office of the Agency. Director Smith gave the invocation, and Director Walton led the Pledge of Allegiance.

2. Roll Call

President Valdivia requested a roll call.

Board Present:

Mickey Valdivia, President
Chander Letulle, Vice-President
Kevin Walton, Secretary
Blair M Ball, Director
Sarah Wargo, Director
Larry Smith, Director

Absent:

Robert Ybarra, Treasurer

Staff Present:

Lance Eckhart, General Manager
Thomas Todd, Jr., Chief Financial Officer
Maricela Cabral, Exec. Asst./Clerk of the Board
Matt Howard, Operations Manager

Consultant Present:

Holland Stewart, Legal Counsel

A quorum was present.

3. Adoption and Adjustment of Agenda

President Valdivia announced the following adjustments to the agenda:

- Moved Item 7.A (Update on Delta Conveyance Project) after Public Comment
- Moved Item 8.A, (MOU with Metropolitan Water District) after Delta Conveyance update
- Removed Item 7.C (Update on Golden Mussels) to be deferred to the July 7, 2025, meeting
- Moved Items 7.D, 7.E & 7.F to the Consent Calendar

4. Public Comment

Dave Armstrong, South Mesa Water Company General Manager, expressed gratitude for the Agency's Gap Funding program, which allowed the successful completion of their \$10.2 million grant-funded project.

No additional public comments were received.

7. Informational Presentations and Updates:

Update on Delta Conveyance Project, presentation by Adán Ortega, Jr., Chair of the Board, Metropolitan Water District

Chairman Adán Ortega of the Metropolitan Water District of Southern California delivered a comprehensive update on the Delta Conveyance Project, legislative challenges, litigation, and the importance of the Governor's trailer bills. He called upon all agencies to actively engage their legislators in support of the DCP and emphasized regional unity. Directors thanked Chairman Ortega for his advocacy and presence.

8. New Business – Discussion and Possible Action:

A. Authorize the General Manager to Execute the Memorandum of Understanding with the Metropolitan Water District of Southern California for Identifying and Developing Mutually Beneficial Projects

General Manager Eckhart provided background on the Memorandum of Understanding with Metropolitan Water District.

On a motion by Director Smith, seconded by Secretary Walton, the board approved the General Manager to execute the Memorandum of Understanding with the Metropolitan Water District of Southern California for Identify and Developing Mutually Beneficial Projects.

Approved by the following roll call vote:

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

Noes: None

Absent: Ybarra

Motion passed 6-0.

The Board recessed for a short break at 6:48 p.m. and reconvened the meeting at 6:53 p.m.

5. Consent Calendar

A. Approve Minutes of the June 2, 2025, Regular Meeting of the San Geronio Pass Water Agency Board of Directors

7D. Procurement Policy Required Notification: Contract Extension with Albert A. Webb for On-Call Engineering Services, in the amount of \$25,000

7E. Procurement Policy Required Notification: Contract Extension with CV Strategies for Public Relations and Social Media, in the amount of \$19,760

7F. Procurement Policy Required Notification: Contract Extension with Provost & Pritchard for 2024 Annual Report for the San Geronio Pass Subbasin, in the amount of \$2,440

On a motion by President Valdivia, seconded by Director Smith, the board approved the Consent Calendar as presented.

Approved by the following vote:

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

Noes: None

Absent: Ybarra

Motion passed 6-0.

6. Reports

A. General Manager's Report

General Manager Eckhart showcased awards and recognition received from recent events, including the SoCAL STEAM Challenge and the Cabazon Heli-Hydrant ribbon cutting ceremony.

B. Legal Counsel's Report

Counsel Stewart had no report.

7. Informational Presentations and Updates:

B. Water Conditions Report

Operations Manager Matt Howard reported that Northern Sierra precipitation was at 106% of average, with Lake Oroville near full capacity at 98%. San Luis Reservoir levels were decreasing due to deliveries but remained average. Mr. Howard noted that 2024 carryover, City of Yuba City transfer water, and non-SWP "nickel water" deliveries were completed, with current deliveries being applied to the 5,000 acre-feet Ventura agreement. May deliveries were just over 1,500 acre-feet, impacted by scheduled maintenance at Brookside East. Recharge operations have resumed: Brookside East is recharging at 20 CFS into Pond 4; BCVWD recharge facilities resumed operations and are expected to increase flows by 5 CFS next week.

Cumulative 2025 deliveries are trending similar to 2024. Director Walton inquired about the 50% SWP allocation despite full reservoirs. Mr. Howard explained this was due to low snowpack and the lack of upstream storage. A suggestion was made to invite a State Water Contractors representative to further explain allocation decisions.

8. New Business – Discussion and Possible Action:

B. Authorize the Solicitation of Bids for the Construction of the County Line Road Recharge Basin and Turnout Project

General Manager Eckhart presented plans to proceed with advertising for construction bids as a single contract. Representatives from LEC and Webb Engineering answered technical questions from the Board.

On a motion by President Valdivia, seconded by Vice President Letulle, the board approved the solicitation of bids for the construction of the County Line Road Recharge Basin and Turnout Project.

Approved by the following roll call vote:

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

Noes: None

Absent: Ybarra

Motion passed 6-0.

C. Authorize the General Manager to Execute an On-Call Engineering Services Contract with Provost and Pritchard for a Not-To-Exceed amount of \$250,000

General Manager Eckhart provided background recommending contracting directly with Provost & Pritchard (Eric Howard) for on-call engineering support due to increasing inefficiencies in pass-through arrangements.

On a motion by Director Smith, seconded by Secretary Walton, the board approved and authorized the General Manager to execute an On-Call Engineering Services Contract with Provost and Pritchard for a not-to-exceed amount of \$250,000.

Approved by the following roll call vote:

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

Noes: None

Absent: Ybarra

Motion passed 6-0.

D. Authorize the General Manager to Execute Amendment No. 2 to the Professional Services Agreement with Albert A. Webb Associates, Inc., for On-Call Engineering Services; Authorize the General Manager to Make Non-Substantive Revisions as Needed; and Approve a One-Year Extension Through Fiscal Year 2025-26

General Manager Eckhart presented background on Amendment No. 2 to the Professional Services Agreement with Albert A. Webb Associates, Inc., for On-Call Engineering Services. The Board discussed the approval of an increase in the annual on-call engineering contract up to \$500,000, to be shared between selected firms on a task-order basis.

On a motion by President Valdivia, seconded by Vice President Letulle, the board approved and authorized the General Manager to execute Amendment No. 2 to the Professional Services Agreement with Albert A. Webb Associates, Inc., for On-Call Engineering Services; authorized the General Manager to make non-substantive revisions as needed; and approved a one-year extension through Fiscal year 2025-26.

Approved by the following roll call vote:

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

Noes: None

Absent: Ybarra

Motion passed 6-0.

9. Reports - Directors and Committee Report

The following meetings were reported on:

- June 6-8, 2025, State Water Project Tour with Metropolitan Water District and San Bernardino Valley Municipal Water District (Smith, Walton)
- June 11, 2025, Board Handbook Committee Meeting (Ball, Letulle, Walton)
- June 11, 2025, Beaumont Basin Watermaster Meeting (Ball)
- June 11, 2025, Beaumont-Cherry Valley Water District Board Meeting (Ball)
- June 12, 2025, Cabazon Heli-Hydrant Ribbon Cutting Event (Smith, Walton, Wargo, Valdivia)

Director Smith shared insights from the recent State Water Project tour and emphasized the importance of continued advocacy and involvement at the source.

Directors Walton and Wargo praised the success of the heli-hydrant project, noting its visibility and contribution to regional fire preparedness and water infrastructure efforts.

Director Letulle had no report.

President Valdivia reflected on the success of the heli-hydrant event and the growing regional importance of the Agency's leadership.

10. Topics for Future Agendas

Director Smith requested formation of an ad hoc legislative committee to monitor state activity and coordinate rapid response. President Valdivia appointed an ad-hoc committee consisting of Directors Smith (chair), Valdivia and Wargo.

Director Walton requested the Board consider dedicating a heli-hydrant site in memory of fallen Cal Fire Captain Mark Miller.

11. Announcements

President Valdivia reviewed the following announcements:

- A. Waterwise Planting Workshop, June 17, 2025, 5-7pm at Noble Creek Community Center
- B. Finance & Budget Committee Meeting, June 19, 2025 at 3:30 p.m.
- C. Office closed July 4, 2025 in observance of Independence Day
- D. Regular Board Meeting, July 7, 2025 at 1:30 p.m.
- E. Regular Board Meeting, July 21, 2025 at 6:00 p.m.

12. Adjournment

There being no further business to discuss, President Valdivia adjourned the meeting at 7:53 p.m. The next regularly scheduled meeting is Monday, July 7, 2025, at 1:30 p.m.

Maricela V. Cabral, CMC, CPMC
Deputy Secretary of the Board

San Gorgonio Pass Water Agency

DATE: July 7, 2025
TO: Board of Directors
FROM: Lance Eckhart, General Manager
BY: Tom Todd, Jr., Chief Financial Officer
SUBJECT: Report from the Finance and Budget Committee

RECOMMENDATION

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

PREVIOUS CONSIDERATION

The Finance and Budget Committee of the San Gorgonio Pass Water Agency met on June 19, 2025. During that meeting, the Committee took the following actions:

Accepted the following items:

Item 5A: Payments as listed in the Check History reports for Accounts Payable and Payroll for the month of May 2025.

Item 5B: The Bank Reconciliation for May 2025.

Item 5C: The Budget Report for May 2025.

Approved the following items:

Item 4A: Minutes of the May 28, 2025 meeting of the Committee.

Item 5D: Payment of the Legal Invoice for May 2025.

Item 5F: Appropriations Limit for FY 2025-26

Approved the following items for Board Consideration:

Item 5G: Cost of Living Adjustment for Staff for FY 2025-26

Item 5H: Draft Debt Service Fund Budget for FY 2025-26

BACKGROUND

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

ACTION

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

ATTACHMENTS

Minutes

Check History Report

Bank Reconciliation

Water Delivery Report

Budget Report

Pending Legal Invoice Report

Gap Funding Report

*Appropriations Limit for FY 2025-26 as a separate agenda item

*Cost of Living Adjustment for FY 2025-26 as a separate agenda item

*Draft Debt Service Budget for FY 2025-26 as a separate agenda item

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Finance and Budget Committee
May 28, 2025

THIS MEETING WAS HELD IN PERSON AND VIA ZOOM.

Committee Members Present:

In person

Robert Ybarra, Chair
Chander Letulle, Member
Kevin Walton, Member

Staff Present:

In person

Tom Todd, Jr., Chief Financial Officer
Lance Eckhart, General Manager

1. **Call to Order, Flag Salute, and Roll Call:** The San Gorgonio Pass Water Agency Finance and Budget Committee meeting was called to order by Chair Robert Ybarra at 10:05 a.m., May 28, 2025. Mr. 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, May 1, 2025.
Mr. Letulle moved, seconded by Mr. Walton, to approve the minutes of the Finance and Budget Committee meeting of May 1, 2025. Approved unanimously by voice vote.
5. **New Business**
 - A. Ratification of Paid Invoices and Monthly Payroll for April 2025
 - B. Review of Bank Reconciliation for April 2025
 - C. Review of Budget Report for April 2025
After review and discussion, Mr. Ybarra moved, seconded by Mr. Walton, to accept Items 5A-C. Approved unanimously by voice vote.
 - D. Review of Pending Legal Invoices for April 2025
After review and discussion, Mr. Letulle moved, seconded by Mr. Walton, to approve payment of the Legal Invoice. Approved unanimously by voice vote.
 - E. Gap Funding Report
The Committee reviewed the Gap Funding Report.

F. Review of Draft General Fund Budget for FY 2025-26

After review and discussion, Mr. Ybarra moved, seconded by Mr. Letulle, to forward the draft General Fund Budget for FY 2025-26 to the Board for review, discussion and possible approval. Approved unanimously by voice vote.

6. Committee Member Comments

There were no additional Committee comments.

7. Announcements

Mr. Ybarra reviewed the announcements:

- A. Regular Board Meeting, June 2, 2025, 1:30 p.m.
- B. Water Conservation and Education Committee Meeting, June 10, 2025, 1:30 pm
- C. Regular Board Meeting, June 16, 2025, 6:00 p.m.
- D. Finance & Budget Committee Meeting, June 26, 2025, 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 Gorgonio Pass Water Agency
Check History Report
May 1 through May 31, 2025

ACCOUNTS PAYABLE

Date	Number	Name	Amount
5/2/25	121756	STANDARD INSURANCE COMPANY	831.62
5/2/25	121757	PUBLIC AGENCY RETIREMENT SERVICES	1,666.00
5/5/25	121758	ATAC EXTERMINATORS INC	89.00
5/5/25	121759	BEAUMONT-CHERRY VALLEY WATER DISTRICT	514.62
5/5/25	121760	BEST BEST & KRIEGER	23,865.01
5/5/25	121761	CALIFORNIA RURAL WATER ASSN	9,586.50
5/5/25	121762	CV STRATEGIES	22,518.75
5/5/25	121763	I. E. RESOURCE CONSERVATION DISTRICT	23,575.00
5/5/25	121764	PURCOR PEST SOLUTIONS	66.80
5/5/25	121765	SAN BERNARDINO VALLEY MUNI WATER DISTRICT	70,220.13
5/5/25	121766	UNLIMITED SERVICES	407.00
5/5/25	121767	UNDERGROUND SERVICE ALERT	10.00
5/5/25	121768	VERIZON BUSINESS	80.04
5/5/25	121769	WASTE MGT CORPORATE SERVICES	133.30
5/5/25	121770	WEAVER GRADING	2,200.00
5/19/25	121771	ACWA BENEFITS	1,126.91
5/19/25	121772	ALBERT WEBB ASSOCIATES	64,056.42
5/19/25	121773	CONTROL TEMP, INC.	185.00
5/19/25	121774	CRM TECH	5,650.00
5/19/25	121775	CRIDER PUBLIC RELATIONS	1,976.25
5/19/25	121776	CV STRATEGIES	18,853.75
5/19/25	121777	THE FERGUSON GROUP	2,500.00
5/19/25	121778	FRONTIER COMMUNICATIONS	377.40
5/19/25	121779	HDL COREN & CONE	6,689.43
5/19/25	121780	T. R. HOLLIMAN	525.00
5/19/25	121781	LAND ENGINEERING CONSULTANTS	30,436.50
5/19/25	121782	LENITY TECHNOLOGY	3,718.99
5/19/25	121783	MATTHEW PISTILLI LANDSCAPE SERVICES	3,025.00
5/19/25	121784	PUBLIC AGENCY RETIREMENT SERVICES	1,633.00
5/19/25	121785	PARS ADMINISTRATION	400.00
5/19/25	121786	PROVOST & PRITCHARD	13,637.00
5/19/25	121787	SAN BERNARDINO VALLEY MUNI WATER DISTRICT	56,057.15
5/19/25	121788	SOUTHERN CALIFORNIA GAS	74.74
5/19/25	121789	YUBA CITY	675,000.00
5/28/25	121790	CABAZON WATER DISTRICT	120,000.00
5/28/25	121791	HIGH VALLEYS WATER DISTRICT	387,932.50
5/28/25	121792	WELLS FARGO ELITE CREDIT CARD	12,253.62
5/2/25	901084	EMPLOYMENT DEVELOPMENT DEPARTMENT	2,668.70
5/2/25	901085	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	15,957.01
5/2/25	901086	CALPERS RETIREMENT	10,633.37
5/2/25	901087	CAL PERS RETIREMENT - SIP-457	5,039.00
5/2/25	901088	PAYCHEX	261.90
5/2/25	901089	LAWRENCE R. SMITH - REIMBURSEMENT	510.40
5/17/25	901090	EMPLOYMENT DEVELOPMENT DEPARTMENT	2,300.89
5/17/25	901091	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	13,847.16
5/17/25	901092	CALPERS RETIREMENT	10,633.37
5/17/25	901093	CAL PERS RETIREMENT - SIP-457	5,189.00

San Gorgonio Pass Water Agency
Check History Report
May 1 through May 31, 2025

ACCOUNTS PAYABLE (CON'T)

Date	Number	Name	Amount
5/17/25	901094	PAYCHEX	269.50
5/17/25	901095	KEVIN D. WALTON - REIMBURSEMENT	1,493.58
5/17/25	901096	SARAH C. WARGO - REIMBURSEMENT	185.35
5/17/25	901097	ROBERT G. YBARRA - REIMBURSEMENT	2,567.44
5/19/25	901098	CALPERS HEALTH	13,353.86
5/19/25	901099	CALPERS RETIREMENT	343,000.00
5/19/25	901100	CALPERS CERBT	214,000.00
5/30/25	901110	DEPARTMENT OF WATER RESOURCES	1,186,779.00
TOTAL ACCOUNTS PAYABLE CHECKS			<u>3,390,561.96</u>

PAYROLL

Date	Number	Name	Amount
5/1/25	802946	MARICELA V. CABRAL	3,951.21
5/1/25	802947	EMMETT G. CAMPBELL	3,598.13
5/1/25	802948	LANCE E. ECKHART	6,682.23
5/1/25	802949	MATTHEW E. HOWARD	4,668.27
5/1/25	802950	CHANDER P. LETULLE	2,131.44
5/1/25	802951	LAWRENCE R. SMITH	2,935.04
5/1/25	802952	SCOTT W. TIRRELL	410.14
5/1/25	802953	THOMAS W. TODD, JR.	4,077.29
5/1/25	802954	MICHAEL R. VALDIVIA	2,935.05
5/1/25	802955	SARAH C. WARGO	2,877.57
5/1/25	802956	ROBERT G. YBARRA	2,935.04
5/16/25	802957	MARICELA V. CABRAL	3,850.54
5/16/25	802958	EMMETT G. CAMPBELL	3,598.12
5/16/25	802959	LANCE E. ECKHART	6,682.23
5/16/25	802960	MATTHEW E. HOWARD	4,668.29
5/16/25	802961	SCOTT W. TIRRELL	184.30
5/16/25	802962	THOMAS W. TODD, JR.	4,077.29
5/16/25	802963	KEVIN D. WALTON	2,805.33
TOTAL PAYROLL			<u>63,067.51</u>
TOTAL DISBURSEMENTS FOR MAY 2025			<u><u>3,453,629.47</u></u>

NOTES

*Reimbursements to Staff and Directors may include medical, wellness, travel or office expenditures.
Check and expenditure series numbers:

121xxx	Accounts payable checks
802xxx	Payroll direct deposits to employees
900xxx	Electronic Funds Transfers

SAN GORGONIO PASS WATER AGENCY
New Vendors List
June 2025

Vendor - Name and Address	Expenditure Type
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no new vendors to report

**SAN GORGONIO PASS WATER AGENCY
DEPOSIT RECAP
FOR THE MONTH OF MAY 2025**

DATE	RECEIVED FROM	DESCRIPTION	AMOUNT
DEPOSIT TO CHECKING ACCOUNT			
5/6/25	STATE OF CALIF/DWR	BOND COVER REFUND	222,751.00
5/6/25	STATE OF CALIF/DWR	WSRB BOND COVER REFUND	164,266.00
5/6/25	STATE OF CALIF/DWR	POWER DEBT SERVICE REFUND	17,744.00
5/6/25	STATE OF CALIF/DWR	TEHACHAPIE 2ND AFTERBAY CVR RFND	4,427.00
5/6/25	STATE OF CALIF/DWR	EBX BOND COVER REFUND	1,340,518.00
5/8/25	RIVERSIDE COUNTY	PROPERTY TAXES SBE-UNITARY	8,423,364.15
5/12/25	RIVERSIDE COUNTY	PROPERTY TAXES HOMOWNERS' EXEMPT.	78,150.94
5/12/25	TOM TODD, JR.	CREDIT CARD REPAYMENT	87.82
5/15/25	RIVERSIDE COUNTY	PROPERTY TAXES SUPPLEMENTAL	471,609.84
5/20/25	SAN BERNARDINO COUNTY	PROPERTY TAXES - MAY25 DEPOSIT	10.04
5/20/25	BLAIR BALL	REPAYMENT - BREAKFAST MEETING	25.00
5/29/25	RIVERSIDE COUNTY	PROPERTY TAXES SECURED	10,969,918.69
5/29/25	BCVWD	WATER SALES	558,999.00
5/29/25	RIVERSIDE COUNTY	ARPA GRANT - HELI-HYDRANT	120,000.00
TOTAL FOR MAY 2025			22,371,871.48

SAN GORGONIO PASS WATER AGENCY

Local Water Purchases and Deliveries
Calendar Year 2025
DRAFT - Subject to Change
May 15, 2025

ORDERS (AF)					
City of Banning		BCVWD		YVWD	
Replenish	Pre-Stored	Replenish	Pre-Stored	Direct	Pre-Stored*
1,500	250	11,200	5,000	200	0

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		1,595			
Jan	10		43		53	10		1,605			
Feb	397		637		1,034	397		2,002			
Mar	724		1,582	13	2,319	724		2,726			
Apr	572		1,401		1,973	572		3,298			
May	126		1,389		1,515	126		3,424			
Jun					0						
Jul					0						
Aug					0						
Sep					0						
Oct					0						
Nov					0						
Dec					0						
TOTALS	1,829	0	5,052	13	6,894	1,829	0		0	0	0

Billing Detail										
Month	City of Banning			BCVWD			YVWD			Totals
	Deliveries	Transfers-in	Total	Deliveries	Transfers-in	Total	Deliveries	Transfers-in	Total	
Jan			0	43		43			0	43
Feb			0	637		637			0	637
Mar			0	1,582		1,582	13		13	1,595
Apr			0	1,401		1,401			0	1,401
May			0	1,389		1,389			0	1,389
Jun			0			0			0	0
Jul			0			0			0	0
Aug			0			0			0	0
Sep			0			0			0	0
Oct			0			0			0	0
Nov			0			0			0	0
Dec			0			0			0	0
TOTALS	0	0	0	5,052	0	5,052	13	0	13	5,065

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

San Geronio Pass Water Agency
Budget Highlights

May 2025

Overall Summary

All expense categories are within budget with two exceptions, one of which has been noted in previous reports. All income line items have exceeded projections except for one line item.

General Fund (Green Bucket)

Income

Tax revenue from May exceed expectations. As a result, tax revenue has exceeded projections for the fiscal year. Current receipts are about 10% more than last fiscal year. An additional \$150,000 may be received from June through August, the end of the tax year.

However, Grant Revenue is much less than expected, which affects the category total significantly. Additional grant revenue is not expected before the end of the fiscal year.

Expenses

These categories were previously mentioned:

- Computer, Website and Phone Support
- Insurance and Bonds
- Dues and Assessments
- Yucaipa GSA

All categories are within budget at this time, except Legal Services, which has been previously reported.

The individual line items listed below have experienced excess expenses this month:

- Other-Post Employment Benefits (OPEB)
- Employee Education

Consigned – SWP Support Fund (Orange Bucket)

Tax revenue was received this month, which exceeded projections. Because Tax Collection Charges are a factor of the amount received, this line item has also exceed projections this month. In addition, interest is also exceeding expectations, which makes the net addition to reserves of the Orange Bucket significantly more than projected.

Debt Service Fund (Red Bucket)

Income

As mentioned under the General Fund, tax revenue from May exceed expectations. As a result, tax revenue has exceeded projections for the fiscal year. Current receipts are about 10% more than last fiscal year. Also, interest revenue is exceeding projections. This category is currently almost 11% more than projected for the fiscal year.

Expenses

Overall expenses for the Debt Service Fund are within budget. The individual line items listed below have experienced excess expenses this month:

- Purchased Water
- Benefits
- Water Transfers

These items are counter-balanced by other line items, which results in Debt Service expenses being under projections for this month.

Gap Funding Program

Banning Heights Mutual Water Company and Cabazon Water District's Heli-Hydrant project have increased the amount expended for Gap Funding beyond expectations. Income is below expectations, so while the whole category has expended more than projected, the purpose for the Gap Funding Program is being utilized for the significant projects that were envisioned.

SAN GORGONIO PASS WATER AGENCY
APPROVED BUDGET FOR FY 2024-25
FOR THE ELEVEN MONTHS ENDING ON MAY 31, 2025

				FISCAL YEAR JULY 1, 2024 - JUNE 30, 2025				
				1	2	3	4	5
				ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
GENERAL FUND								
GENERAL FUND - INCOME							Remaining %	8%
1	WATER SALES	7,100,000		7,100,000		8,908,060.83	25.5%	
2	OTHER WATER SALES	0		0		0.00	NA	
3	TAX REVENUE	12,400,000		12,400,000		12,571,555.89	1.4%	
4	INTEREST	270,000		270,000		654,292.31	142.3%	
5	GOV'T CONTRIBUTIONS	42,000		42,000		0.00	-100.0%	
6	GRANT REVENUE	6,000,000		6,000,000		121,065.00	-98.0%	
7	OTHER MISCELLANEOUS INCOME	35,000		35,000		43,607.92	24.6%	
8	TOTAL GENERAL FUND INCOME	25,847,000	0	25,847,000		22,298,581.95	-13.7%	
GENERAL FUND - EXPENSES								
COMMODITY PURCHASE								
12	PURCHASED WATER FOR DELIVERY	8,500,000		8,500,000		3,930,337.20	53.8%	
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		3,930,337.20	58.6%	
SALARIES AND EMPLOYEE BENEFITS								
17	SALARIES	640,000	25,000	665,000		553,210.49	16.8%	
18	PAYROLL TAXES	52,000	3,000	55,000		50,750.71	7.7%	
19	PAYROLL SERVICE	6,000	6,000	12,000		8,083.05	32.6%	
20	RETIREMENT	250,000	100,000	350,000		349,489.89	0.1%	
21	OTHER POST-EMPLOYMENT BENEFITS (OPEB)	145,000	50,000	195,000		206,659.41	-6.0%	
22	HEALTH INSURANCE	54,000	3,000	57,000		46,875.13	17.8%	
23	ACWA BENEFITS	9,000	1,000	10,000		7,578.66	24.2%	
24	DISABILITY INSURANCE	6,000		6,000		4,914.56	18.1%	
25	WORKERS COMPENSATION INSURANCE	6,000		6,000		3,253.46	45.8%	
26	SGPWA STAFF MEDICAL REIMBURSEMENT	11,000		11,000		6,245.37	43.2%	
27	EMPLOYEE EDUCATION	4,000		4,000		5,764.42	-44.1%	
28	TOTAL SALARIES AND EMPLOYEE BENEFITS	1,183,000	188,000	1,371,000		1,242,825.15	9.3%	

SAN GORGONIO PASS WATER AGENCY
APPROVED BUDGET FOR FY 2024-25
FOR THE ELEVEN MONTHS ENDING ON MAY 31, 2025

				FISCAL YEAR JULY 1, 2024 - JUNE 30, 2025				
				1	2	3	4	5
				ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
GENERAL FUND - EXPENSES								
	ADMINISTRATIVE AND PROFESSIONAL SERVICES						Remaining %	8%
	DIRECTOR EXPENDITURES							
33	DIRECTORS FEES	275,000		275,000		205,644.65	25.2%	
34	DIRECTORS TRAVEL AND EDUCATION	80,000		80,000		57,530.45	28.1%	
35	DIRECTORS MEDICAL REIMBURSEMENT	43,000		43,000		9,903.77	77.0%	
	OFFICE EXPENDITURES							
37	OFFICE EXPENSE	40,000		40,000		25,925.59	35.2%	
38	POSTAGE	1,000		1,000		867.93	13.2%	
39	TELEPHONE	8,000		8,000		8,002.92	0.0%	
40	UTILITIES	17,000		17,000		3,682.96	78.3%	
	SERVICE EXPENDITURES							
42	COMPUTER, WEBSITE AND PHONE SUPPORT	54,000		54,000		63,608.33	-17.8%	
43	GENERAL MANAGER AND STAFF TRAVEL	25,000	10,000	35,000		39,861.60	-13.9%	
44	SUCCESSION PLANNING	65,000		65,000		21,500.00	66.9%	
45	INSURANCE AND BONDS	55,000		55,000		57,805.89	-5.1%	
46	ACCOUNTING AND AUDITING	22,000		22,000		20,000.00	9.1%	
47	DUES AND ASSESSMENTS	45,000		45,000		61,327.32	-36.3%	
48	OTHER PROFESSIONAL SERVICES	35,000		35,000		15,375.00	56.1%	
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		603.78	69.8%	
53	MAINTENANCE AND REPAIRS - VEHICLE	10,000	15,000	25,000		14,624.75	41.5%	
54	MAINTENANCE AND REPAIRS - BUILDING	40,000		40,000		37,019.10	7.5%	
55	MAINTENANCE AND REPAIRS - FIELD	50,000		50,000		35,487.20	29.0%	
	COUNTY EXPENDITURES							
57	LAFCO COST SHARE	10,000		10,000		7,800.78	22.0%	
58	ELECTION EXPENSE	150,000		150,000		45,821.40	69.5%	
59	TAX COLLECTION CHARGES	60,000		60,000		50,571.34	15.7%	
60	TOTAL ADMINISTRATIVE AND PROFESSIONAL SERVICES	1,089,000	25,000	1,114,000		782,964.76	29.7%	

SAN GORGONIO PASS WATER AGENCY
APPROVED BUDGET FOR FY 2024-25
FOR THE ELEVEN MONTHS ENDING ON MAY 31, 2025

				FISCAL YEAR JULY 1, 2024 - JUNE 30, 2025				
				1	2	3	4	5
				ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
GENERAL FUND - EXPENSES								
	CONSULTING AND ENGINEERING SERVICES						Remaining %	8%
	PLANS & CONSTRUCTION							
65	INFRASTRUCTURE PLAN - Phase 2	25,000		25,000		4,809.60	80.8%	
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		176,342.40	85.9%	
69	SMALL SYSTEM ASSISTANCE PROGRAM	210,000		210,000		97,960.89	53.4%	
70	SIGNAGE AND FRONTAGE BROOKSIDE EAST	75,000		75,000		0.00	100.0%	
71	MONITORING WELL DRILLING	2,300,000		2,300,000		563,344.77	75.5%	
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		27,691.20	44.6%	
76	YUCAIPA GSA VERBENIA GSA	10,000		10,000		24,568.79	-145.7%	
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		74,524.02	17.2%	
80	USGS STUDIES AND MONITORING	300,000		300,000		50,944.00	83.0%	
81	WATER PORTFOLIO	100,000		100,000		52,755.44	47.2%	
82	LOCAL SUPPLIES	50,000		50,000		9,425.00	81.2%	
83	LOCAL RECHARGE FEASIBILITY STUDIES	750,000		750,000		0.00	100.0%	
84	UWMP SUPPORT AND ANNUAL REPORT COMPLETION	25,000		25,000		885.00	96.5%	
	GENERAL ENGINEERING SERVICES							
86	ON-CALL AGENCY ENGINEER	250,000		250,000		136,467.29	45.4%	
87	GRANT SUPPORT SERVICES	75,000		75,000		24,000.00	68.0%	
88	STATE + FEDERAL ADVOCACY	30,000		30,000		0.00	100.0%	
89	SAWPA REGIONAL PROJECTS	36,000		36,000		28,484.21	20.9%	
90	GENERAL ENGINEERING and ENVIRONMENTAL	75,000		75,000		0.00	100.0%	
91	TOTAL CONSULTING AND ENGINEERING SERVICES	7,781,000	0	7,781,000		1,272,202.61	83.6%	

SAN GORGONIO PASS WATER AGENCY
APPROVED BUDGET FOR FY 2024-25
FOR THE ELEVEN MONTHS ENDING ON MAY 31, 2025

				FISCAL YEAR JULY 1, 2024 - JUNE 30, 2025				
				1	2	3	4	5
				ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
GENERAL FUND - EXPENSES								
							Remaining %	8%
	LEGAL SERVICES							
96	LEGAL SERVICES	200,000	60,000	260,000	271,920.86	-4.6%		
97	TOTAL LEGAL SERVICES	200,000	60,000	260,000	271,920.86	-4.6%		
	CONSERVATION AND EDUCATION							
100	SCHOOL EDUCATION PROGRAMS	60,000		60,000	42,972.00	28.4%		
101	PUBLIC INFORMATION AND EDUCATION	260,000		260,000	156,926.24	39.6%		
102	SPONSORSHIPS	0		0	8,950.00	NA		
103	TRANSFER TO PASS WATER AGENCY FOUNDATION	32,000		32,000	10,000.00	68.8%		
104	65th ANNIVERSARY CELEBRATION	20,000		20,000	11,836.25	40.8%		
105	TOTAL CONSERVATION AND EDUCATION	372,000	0	372,000	230,684.49	38.0%		
	MAJOR AND CAPITAL EXPENDITURES							
	BUILDING AND EQUIPMENT							
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%		
	OTHER ITEMS							
115	SITES RESERVOIR	560,000		560,000	560,000.00	0.0%		
116	TOTAL MAJOR AND CAPITAL EXPENDITURES	855,000	0	855,000	560,000.00	34.5%		
118	TRANSFERS TO OTHER FUNDS			0				
120	TOTAL GENERAL FUND EXPENSES	20,980,000	273,000	21,253,000	8,290,935.07	61.0%		
122	GENERAL FUND NET INCOME YTD	4,867,000	-273,000	4,594,000	14,007,646.88			

SAN GORGONIO PASS WATER AGENCY
APPROVED BUDGET FOR FY 2024-25
FOR THE ELEVEN MONTHS ENDING ON MAY 31, 2025

				FISCAL YEAR JULY 1, 2024 - JUNE 30, 2025				
				1	2	3	4	5
				ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
CONSIGNED - SWP SUPPORT FUND								
							Remaining %	8%
CONSIGNED - SWP SUPPORT FUND - INCOME								
INCOME								
130		UNITARY TAX REVENUE ALLOCATED		7,200,000		7,200,000	8,884,661.70	23.4%
131		INTEREST		240,000		240,000	630,251.40	162.6%
132		OTHER INCOME		0		0	0.00	NA
133		TOTAL SWP SUPPORT FUND INCOME		7,440,000	0	7,440,000	9,514,913.10	27.9%
CONSIGNED - SWP SUPPORT FUND - EXPENSES								
EXPENDITURES								
139		TAX COLLECTION CHARGES		18,000		18,000	22,407.19	-24.5%
140		OTHER EXPENSES		0		0	0.00	NA
141		TOTAL SWP SUPPORT FUND EXPENSES		18,000	0	18,000	22,407.19	-24.5%
143		TRANSFERS TO OTHER FUNDS						
145		CONSIGNED - SWP SUPPORT FUND NET INCOME YTD		7,422,000	0	7,422,000	9,492,505.91	

SAN GORGONIO PASS WATER AGENCY
APPROVED BUDGET FOR FY 2024-25
FOR THE ELEVEN MONTHS ENDING ON MAY 31, 2025

				FISCAL YEAR JULY 1, 2024 - JUNE 30, 2025				
				1	2	3	4	5
				ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
DEBT SERVICE FUND								
DEBT SERVICE FUND - INCOME							Remaining %	8%
INCOME								
153	TAX REVENUE	29,400,000		29,400,000		31,503,801.86	7.2%	
154	INTEREST	1,000,000		1,000,000		2,302,642.20	130.3%	
155	CONTRIBUTIONS - GOVERNMENT	0		0		0.00	NA	
156	DWR CREDITS - BOND COVER, OTHER	3,400,000		3,400,000		3,615,327.20	6.3%	
157	TOTAL DEBT SERVICE FUND INCOME	33,800,000	0	33,800,000		37,421,771.26	10.7%	
DEBT SERVICE FUND - EXPENSES								
EXPENSES								
160	PURCHASED WATER-SWP	0	1,800,000	1,800,000		1,833,838.00	-1.9%	
161	SALARIES	500,000		500,000		418,977.66	16.2%	
162	PAYROLL TAXES	35,000		35,000		24,661.04	29.5%	
163	BENEFITS	320,000		320,000		378,299.44	-18.2%	
164	SWP LEGAL SERVICES	0		0		0.00	NA	
165	SWP UTILITIES	10,000		10,000		9,352.46	6.5%	
166	STATE WATER CONTRACT AUDIT	7,000		7,000		6,495.00	7.2%	
167	STATE WATER CONTRACTOR DUES	55,000		55,000		39,185.00	28.8%	
168	DELTA CONVEYANCE FINANCING AUTHORITY	30,000		30,000		0.00	100.0%	
169	WATER TREATMENT EXPENSE	100,000		100,000		53,749.37	46.3%	
170	EBX CONTRACT OPERATIONS	400,000		400,000		264,202.17	33.9%	
171	SWP ENGINEERING AND MAINTENANCE	3,400,000		3,400,000		90,766.94	97.3%	
172	WATER TRANSFERS	2,500,000		2,500,000		2,626,205.50	-5.0%	
173	STATE WATER CONTRACT PAYMENTS	25,600,000		25,600,000		22,855,774.00	10.7%	
174	TAX COLLECTION CHARGES	160,000		160,000		147,675.37	7.7%	
175	TOTAL DEBT SERVICE FUND EXPENSES	33,117,000	0	34,917,000		28,749,181.95	17.7%	
177	TRANSFERS FROM RESERVES			0.00		0.00		
179	DEBT SERVICE NET INCOME YTD	683,000	0	-1,117,000		8,672,589.31		

SAN GORGONIO PASS WATER AGENCY
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FOR THE ELEVEN MONTHS ENDING ON MAY 31, 2025

				FISCAL YEAR JULY 1, 2024 - JUNE 30, 2025				
				1	2	3	4	5
				ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
GAP FUNDING PROGRAM								
GAP FUNDING PROGRAM - INCOME								
185	CABAZON WATER DISTRICT #1		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	TOTAL INCOME		2,596,000	0	2,596,000	0.00	100%	
GAP FUNDING PROGRAM - EXPENSES								
194	CABAZON WATER DISTRICT #1		0			0	292,664.18	NA
195	SOUTH MESA WATER COMPANY		5,000,000			5,000,000	5,847,530.11	-17.0%
196	HIGH VALLEYS WATER DISTRICT		1,000,000			1,000,000	908,627.50	9.1%
197	BANNING HEIGHTS MUTUAL WATER CO.		0			0	566,528.75	NA
198	CABAZON WATER DISTRICT #2		0			0	600,000.00	NA
200	TOTAL EXPENSE		6,000,000	0	6,000,000	8,215,350.54	-36.9%	
202	GAP FUNDING PROGRAM NET BALANCE YTD		-3,404,000	0	-3,404,000	-8,215,350.54		

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

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	250531	LEGAL SERVICES MAY 2025	21,755.40

TOTAL PENDING INVOICES FOR APPROVAL JUNE 2025

21,755.40

San Geronio Pass Water Agency
Gap Funding Program
Summary Report
Report Date: June 11, 2025

OVERALL Current Balance: 8,095,350.54

(Owed to Agency)

Cabazon Water District #1	(CWD owes us) - Current Balance: 292,664.18
Gap Funding Maximum: 1,300,000	
Approximate Project Cost: 1,700,000.00	Approximate Gap Funding Available: 1,007,335.82
Payments Made to CWD: 1,576,885.54	Payments Received from CWD: 1,284,221.36
12/2/24	292,664.18
3/13/25	95,745.70

Cabazon Water District #2	(CWD owes us) - Current Balance: 480,000.00
Gap Funding Maximum: 500,000	
Approximate Project Cost: 600,000.00	Approximate Gap Funding Available: 20,000.00
Payments Made to CWD: 600,000.00	Payments Received from CWD: 120,000.00
4/29/25	360,000.00
5/28/25	120,000.00
5/28/25	120,000.00

South Mesa Water Company	(SMWC owes us) - Current Balance: 5,847,530.11
Gap Funding Maximum: 7,000,000	
Approximate Project Cost: 10,300,000.00	Approximate Gap Funding Available: 1,152,469.89
Payments Made to SMWC: 6,325,017.13	Payments Received from SMWC: 477,487.02
1/14/25	2,097,743.37

High Valleys Water District	(HVWD owes us) - Current Balance: 908,627.50
Gap Funding Maximum: 1,000,000	
Approximate Project Cost: 1,000,000.00	Approximate Gap Funding Available: 91,372.50
Payments Made to HVWD: 908,627.50	Payments Received from HVWD: 0.00
4/28/25	520,695.00
2/28/25	387,932.50

Banning Heights Mutual Water Co.	(BHMWC owes us) - Current Balance: 566,528.75
Gap Funding Maximum: 1,500,000	
Approximate Project Cost: 3,756,000.00	Approximate Gap Funding Available: 933,471.25
Payments Made to BHMWC: 566,528.75	Payments Received from BHMWC: 0.00
3/27/25	331,036.75

San Gorgonio Pass Water Agency

DATE: July 7, 2025
TO: Board of Directors
FROM: Lance Eckhart, General Manager
BY: Tom Todd, Jr., Chief Financial Officer
SUBJECT: ADOPT RESOLUTION 2025-04 APPROPRIATIONS LIMIT

RECOMMENDATION

Adopt Resolution 2025-04, Appropriations Limit for FY 2025-26

BACKGROUND

The Gann Limit was approved by voters on November 6, 1979 and incorporated into the California Constitution in Article XIII B. Also known as the Appropriations Limit, this bill was intended to keep California legislators from overspending limited tax resources during a time when other voter-approved measures severely limited available tax revenue (think Proposition 13).

Ballot initiatives in 1988 and 1990 weakened the Gann Limit, so that today, the calculation and adoption of the Appropriations Limit by public agencies is considered a housekeeping item, with little or no impact on an agency's ability to disburse tax revenue.

ANALYSIS

The calculation for the current fiscal year starts with the previous year's amount, then adjusts it by multiplying it by the factors for California per-capita personal income and the population change for Riverside County. This information is provided by the California Department of Finance, which posts it on their website.

The attached calculation of the Appropriations Limit for the San Gorgonio Pass Water Agency shows that we are limited to spending a bit over \$90.1 million in FY 2025-26. The combined expenditure budgets for the Agency are expected to total around \$57 million, so the Agency is well within the Appropriations Limit for FY25-26.

FISCAL IMPACT

There is no fiscal impact as a result of this action.

ACTION

Adopt Resolution 2025-04, Appropriations Limit for FY 2025-26

ATTACHMENTS

Appropriations Limit calculation for FY 2025-26

Resolution 2024-04, Appropriations Limit for FY 2025-26



**SAN GORGONIO PASS WATER AGENCY
APPROPRIATIONS LIMIT
FISCAL YEAR ENDING 6/30/2026**

APPROPRIATIONS LIMIT FYE 6/30/2025			84,452,886
	<u>Percent</u>	<u>Ratio</u>	
ADJUSTMENT FOR PERCENTAGE CHANGES			
California Per Capita Personal Income From 2025	6.44	1.0644	
Annual Polpulation Change From 2025	0.27	1.0027	
PERCENT CHANGE AS A FACTOR:			<u>106.7274%</u>
APPROPRIATIONS LIMIT FYE 6/30/2026			<u><u>90,134,359</u></u>

THE ABOVE APPROPRIATION LIMITS WERE CALCULATED IN ACCORDANCE WITH
PROPOSITION 111 WHICH AMENDED ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION.

Posted June 10, 2025

RESOLUTION NO. 2025-04

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SAN GORGONIO PASS WATER AGENCY ESTABLISHING THE
APPROPRIATIONS LIMIT FOR FISCAL YEAR 2025-26**

WHEREAS, Article XIII B of the California Constitution places an annual limitation upon appropriations from proceeds of taxes by each local government of the State of California; and

WHEREAS, Section 7910 of the California Government Code implements Article XIII B of the California Constitution by requiring each local jurisdiction to establish, by resolution, its appropriations limit for each fiscal year, and to make the documentation used in determining the appropriations limit available to the public fifteen days prior to adoption of the resolution establishing the appropriations limit; and

WHEREAS, The San Gorgonio Pass Water Agency has documented its calculations of the Agency's appropriations limit for Fiscal Year 2025-26, and notice of said calculations has been posted on the Agency's outside bulletin board (said notice being visible from the public walkway in front of the Agency's building) and the calculations have been made available to the public at least fifteen days prior to the adoption of this resolution;

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

1. The appropriation limit applicable to this Agency pursuant to Article XIII B of the California Constitution for Fiscal Year 2025-26 is hereby established and determined to be the sum of \$90,134,359.
2. A copy of the documentation used in the determination of the Fiscal Year 2025-26 appropriations limit shall be affixed hereto and shall be available for public inspection.
3. Pursuant to Section 7910 of the California Government Code, any judicial action or proceeding to attach, review, set aside, void or annul the establishment of the Fiscal Year 2025-26 appropriations limit as set forth herein must be commenced within forty-five days of the adoption of this resolution.

Resolution No. 2025-04 was adopted by the following roll call vote:

Ayes:

Noes:

Abstain:

Absent:

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2025-04 adopted by the Board of Directors of San Gorgonio Pass Water Agency at its meeting on July 7, 2025.

Maricela V. Cabral, CMC, CPMC
Deputy Secretary to the Board



Update on the Golden Mussels in the State Water Project

Board of Directors

July 7, 2025

Discussion Topics

- Golden Mussel Background
- Detections in the State Water Project
- Golden Mussel Biology and Conveyance Impacts
- State Water Project Monitoring
- Statewide Coordination



Golden Mussels colonizing a water pipe at a hydroelectric plant in Brazil (Mountinho, 2021).

Golden Mussel Background

- New invasive Mollusk (Golden Mussel) discovered in the Delta and O'Neill Forebay in October 2024
- First ever detection of the Golden Mussel in North America, originating from China and southeast Asia, and has been identified as one of the highest-risk invasive species globally
- Likely introduced through international shipping into the Port of Stockton



Golden Mussel shells collected in October 2024 at a water quality station at Rough & Ready Island near Stockton in San Joaquin County, California, USA. Photo: Elizabeth Wells, Ph. D. (DWR)



Golden Mussel Discovered in Delta

Golden mussels colonizing the exterior hull of a quality equipment at Rough and Ready Island in 2024. Photo: Jay Aldrich (DWR)

Golden Mussel Detections

- Golden mussels have been confirmed in approximately 30 locations throughout the California Delta and in the State Water Project, including:
- Banks Pumping Plant
- O'Neill Forebay at San Luis Reservoir
- Further south in the Coastal Aqueduct

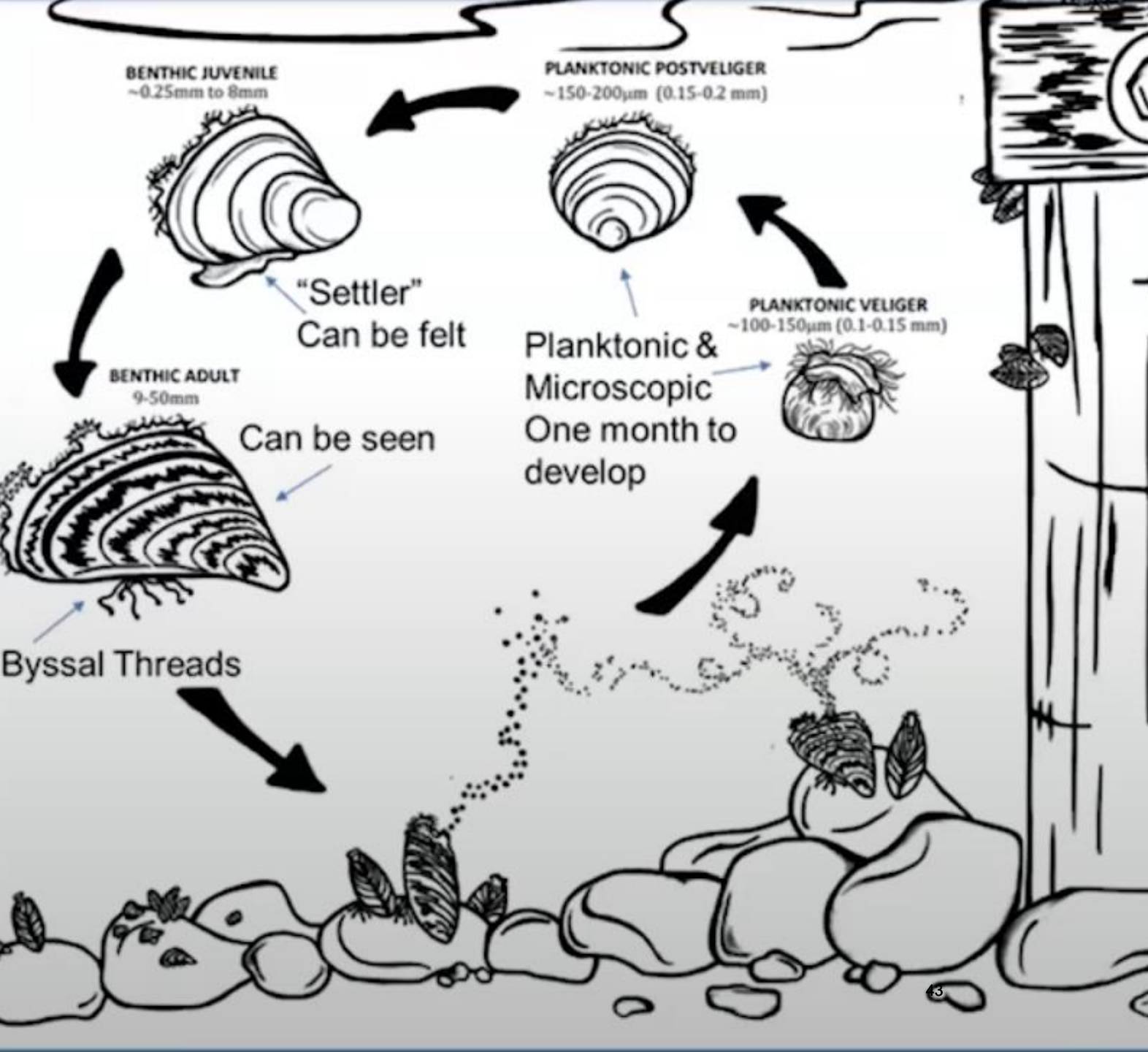


Golden Mussel Biology

- Golden Mussels attached to surfaces with their byssal threads
- Can attach to each other and form large colonies
- Can attached to boats and spread to other waterbodies
- Can survive out of water for days
- Lifespan is approximately 3-4 years



Byssal threads



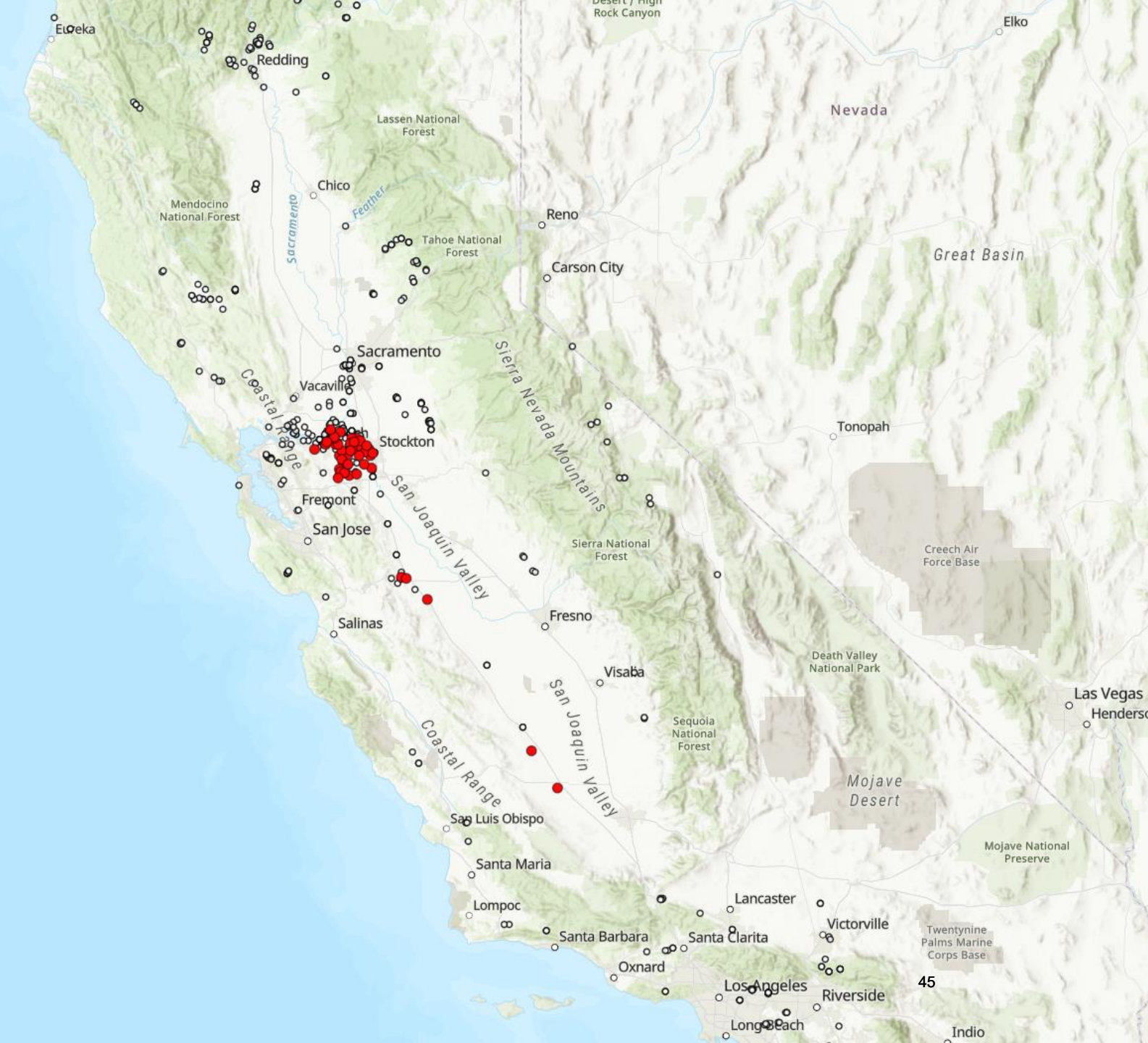
Golden Mussel Biology

- Golden Mussel Larval stage (veliger's) are microscopic, and free-float in the water
- Survive several weeks
- Enters facilities in raw water (SWP) and attach inside
- Spread downstream with water flow or transported by boats



Golden Mussel Impacts

- Golden Mussel are filter feeders
 - Feeds on phytoplankton & increases the water clarity
- Promotes harmful algae blooms
 - Doesn't feed on blue-green algae or cyanobacteria
- Increased water clarity
 - Deeper sunlight penetration promote harmful algae blooms
- Biofouling
 - They attach in dense clusters, clogging water conveyance systems, pipelines, pumps, filters, and hydropower facilities



Golden Mussel SWP Monitoring

- Sampling Stations for the Golden Mussel (and other Mussels) are located throughout the SWP system and sampled by DWR
- Monitoring Stations sampling includes Golden, Quagga, and Zebra Mussels
 - DNA, veliger's, adults
- Facility inspections
 - Raw water intakes
 - Fish screens & trash racks
 - Dewatered pipelines



Golden Mussel SWP Monitoring

- Boat Sampling Stations for the Golden Mussel, Zebra, and Quagga Mussel have been increased to prevent the spread.
 - Inspectors found Golden Mussels on a boat trying to enter Lake Tahoe
 - “We are fortunate to have such highly trained inspectors and committed partners at marinas and boat ramps, but protecting the waters of the Tahoe region from the spread of aquatic invasive species takes all of us.”

Golden Mussel DNA Autosampler at Citrus Reservoir

- SBVMWD had an DNA autosampler stationed and several settling plates at Citrus Reservoir for two weeks in April
- The autosampler sampled water daily through the 2-week period
- Test results are still pending, and staff continue to strategize the need and interval of repeat sampling



Golden Mussel Statewide Coordination

- Golden Mussel Task Force formed
- Multi-Agency effort to develop a Statewide response framework
 - Specific teams focused on Monitoring, Containment, Outreach, Policy, and Funding
 - Framework released in April 2025
 - Ongoing Science and Outreach Coordination
 - Increased boat inspections across the State to prevent the spread

State of California

GOLDEN MUSSEL RESPONSE FRAMEWORK

California Department of Fish and Wildlife

California State Parks

California Department of Water Resources

California State Lands Commission

California Department of Food and Agriculture

California State Water Resources Control Board

United States Bureau of Reclamation

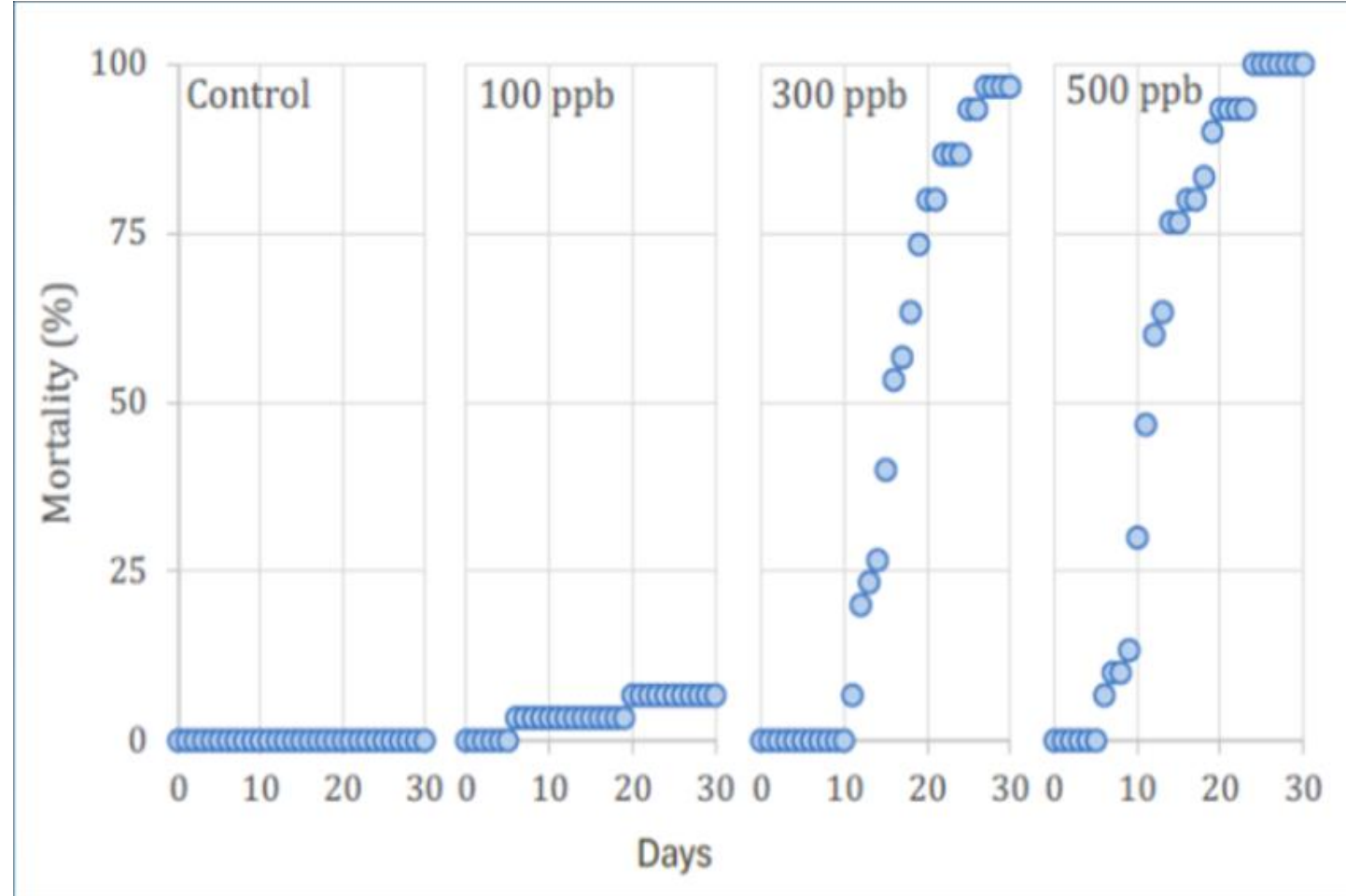
United States Fish and Wildlife Service

April 14, 2025

Golden Mussel

Statewide Coordination

- DWR Conducted Copper Exposure Trials On Golden Mussels
- Adult mussels exposed to copper pesticides for 30 days
- EarthTec QZ and Cutrine Plus
- 3 copper concentrations
- 30-Day Results:
 - 100 ppb = 0% - 7% mortality
 - 300 ppb = 94% - 97% mortality
 - 500 ppb = 100% mortality
- EarthTec QZ = 24 days to 100% mortality
- Cutrine Plus – 28 days to 100% mortality



Take Aways



- Golden Mussels were first discovered in North America in the Delta in October 2024 via shipping container ship
- Golden Mussels have a high reproductive and growth rate
- Detections of Golden Mussel have reached San Luis Reservoir and further south as Check 24 (Costal Branch of SWP)
- Golden Mussels have the potential to cause statewide water quality issues and damage SWP infrastructure
- DWR is monitoring and conducting various treatment methods to eliminate the presence of Golden Mussels
- EBX Citrus Reservoir has already had Golden Mussel DNA samples taken in April 2025

Questions?



**DON'T MOVE
A MUSSEL**

Clean, Drain, and Dry
to Protect California Waters

  www.wildlife.ca.gov/Invasives | 866-440-9530

 **GOLDEN MUSSEL**

 **QUAGGA MUSSEL**

 **ZEBRA MUSSEL**

San Geronio Pass Water Agency

DATE: July 7, 2025

TO: Board of Directors Meeting

FROM: Lance Eckhart, General Manager

BY: Matt Howard, Operations Manager

SUBJECT: CONSIDER AUTHORIZATION TO PURCHASE A 2025 FORD EXPLORER

RECOMMENDATION

Staff recommends that the Board authorize the purchase of one (1) 2025 Ford Explorer through the Sourcewell cooperative purchasing program in an amount not to exceed \$60,000, including all applicable taxes and fees.

PREVIOUS CONSIDERATION

- Board of Directors – November 6, 2023: The Board of Directors requested that staff review the California Air Resources Control Board (CARB) requirements regarding electric vehicle mandates, specifically vehicle weight, prior to making a recommendation to the Board.

BACKGROUND

Sourcewell is a government agency and cooperative purchasing organization that streamlines procurement for public agencies by offering access to competitively solicited contracts. It operates under the laws of public procurement, allowing government agencies to make purchases without conducting their own formal bidding processes. Sourcewell contracts are awarded through a transparent and competitive solicitation process, ensuring that agencies receive quality products at the lowest responsible cost. This helps save time and resources while maintaining compliance with procurement regulations.

The vehicle recommended for purchase, the 2025 Ford Explorer, is available through Sourcewell's competitively bid contract with National Auto Fleet Group, which offers favorable government pricing and terms that are not available through standard retail channels.

In addition to procurement considerations, this recommended purchase is informed by the evolving regulatory landscape in California. Under the California Air Resources Board (CARB) Advanced Clean Fleets (ACF) regulation, public agencies will be required to purchase only zero-emission vehicles (ZEVs) beginning in 2027. The regulation is part of the state's broader strategy to reduce greenhouse gas emissions and transition to a clean transportation system.

The current limitations of electric vehicle (EV) infrastructure, vehicle availability, and operational feasibility make it necessary to plan strategically. Purchasing internal combustion engine (ICE) vehicles before the 2027 CARB deadline ensures that we can continue to meet operational needs during the transition period, while allowing time to develop the necessary charging infrastructure and assess long-term fleet planning.

This purchase of a 2025 Ford Explorer aligns with that strategy by filling a near-term need with a reliable and cost-effective vehicle, while still complying with all applicable CARB regulations.

ANALYSIS

The 2025 Ford Explorer is recommended to replace the 2017 Ford Explorer, which will be repurposed as a pooled agency vehicle, allowing staff to use this vehicle for routine business as necessary. The 2025 Explorer meets the operational needs of our Agency with sufficient cargo space, reliability, safety features, and fuel efficiency. The specifications for the 2025 Explorer include four-wheel drive, skid plates, a towing package, hands-free Bluetooth capability, 110V outlets, and advanced safety features such as a blind spot monitoring system. The trim package of the new Explorer will be comparable to the current Explorer in the Agency's fleet.

The vehicle will be purchased through National Auto Fleet Group, an authorized vendor under Sourcewell Contract #091521-NAF. Pricing through the Sourcewell contract includes the base cost of the vehicle, applicable taxes, and the manufacturer's destination charge. Additional after-market equipment, such as safety lighting, will be installed separately after the vehicle is delivered.

FISCAL IMPACT

The total cost of the 2025 Ford Explorer will not exceed \$60,000, which includes the base vehicle price, applicable taxes, registration, and additional safety equipment or accessories. This purchase will be funded from the FY 2025–26 General Fund Budget, specifically from the "Vehicles" line item (line 113) within the Green Bucket.

AGENCY'S STRATEGIC PLAN APPLICATION

The purchase of this Ford Explorer is consistent with the Agency's Mission Statement to support the region's quality of life through sustainable water management and with the following strategies:

- Ensure a reliable delivery system that advances efficiency and resiliency.
- Sustain long-term financial stability by engaging in prudent planning to guide informed decision-making.
- Serve the public with dedication, determination, transparency, collaboration, and a commitment to expanding knowledge.

ACTION

Staff recommends that the Board authorize the purchase of one (1) 2025 Ford Explorer through the Sourcewell cooperative purchasing program in an amount not to exceed \$60,000, including all applicable taxes and fees.

ATTACHMENTS

1. Sourcewell Vehicle Quote for 2025 Ford Explorer
2. Sourcewell Contract with National Auto Fleet



National Auto Fleet Group

A Division of Chevrolet of Watsonville

490 Auto Center Drive, Watsonville, CA 95076

(855) 289-6572 • (831) 480-8497 Fax

Fleet@NationalAutoFleetGroup.com

6/20/2025

Quote ID: **39836**

Order Cut Off Date: **TBA**

Matthew Howard
San Geronio Pass Water Agency
Operations Manager

1210 Beaumont Ave

Beaumont, California, 92223

Dear Matthew Howard,

National Auto Fleet Group is pleased to quote the following vehicle(s) for your consideration.

One (1) New/Unused (2025 Ford Explorer (K8K) ST-Line 4WD,) and delivered to your specified location, each for

	One Unit (MSRP)	One Unit	Total % Savings	Total Savings
Contract Price	\$53,115.00	\$51,817.80	2.442 %	\$1,297.20
1 Additional Key(s)		\$300.00		
Tax (7.7500 %)		\$4,039.13		
Tire fee		\$8.75		
Total		\$56,165.68		

- per the attached specifications.

This vehicle(s) is available under the **Sourcewell Contract 091521-NAF** . Please reference this Contract number on all purchase orders to National Auto Fleet Group. Payment terms are Net 20 days after receipt of vehicle.

Thank you in advance for your consideration. Should you have any questions, please do not hesitate to call.

Sincerely,

Jesse Cooper
Account Manager
Email: Fleet@NationalAutoFleetGroup.com
Office: (855) 289-6572
Fax: (831) 480-8497



GMC

Purchase Order Instructions & Resources

Once units are scheduled by OEM, no cancellations are accepted

In order to finalize your purchase please submit this purchase packet to your governing body for a purchase order approval and submit your purchase order in the following way:

Email: Fleet@NationalAutoFleetGroup.com

Fax: (831) 480-8497

Mail: National Auto Fleet Group

490 Auto Center Drive

Watsonville, CA 95076

We will send a courtesy confirmation for your order and a W-9 if needed.

Additional Resources

Learn how to track your vehicle: www.NAFGETA.com

Use the upfitter of your choice: www.NAFGpartner.com

Vehicle Status: ETA@NationalAutoFleetGroup.com

General Inquiries: Fleet@NationalAutoFleetGroup.com

For general questions or assistance please contact our main office at:

1-855-289-6572

Vehicle Configuration Options

ENGINE	
Code	Description
99H	Engine: 2.3L EcoBoost I-4, (STD)
TRANSMISSION	
Code	Description
44T	Transmission: 10-Speed Automatic, (STD)
WHEELS	
Code	Description
___	Wheels: 21" Magnetite-Painted Aluminum, -inc: Tires: P275/45R21 AS BSW
PRIMARY PAINT	
Code	Description
AZ	Star White Metallic Tri-Coat
SEAT TYPE	
Code	Description
EW	Onyx, Heated Unique Cloth Captain's Chairs, -inc: red stitching, 8-way power driver w/memory (power function for tilt, lumbar and recline) and 6-way power front passenger (power function for lumbar and recline)
ADDITIONAL EQUIPMENT	
Code	Description
68P	ST-Line Street Pack, -inc: Wheels: 21" Magnetite-Painted Aluminum, Tires: P275/45R21 AS BSW, Performance Brakes, Red Painted Perf Front & Rear Brake Calipers
68L	Premium Package, -inc: 110V/150W AC Power Outlet, Replaces the powerpoint port on the rear side of the center floor console, Auto-Dimming Interior Rearview Mirror, Memory Driver's Seat, Power-Folding Sideview Mirrors w/Autofold, power and heated glass, LED turn signal indicators, security approach lamps, driver's side auto-dimming and driver and passenger side memory, Rain-Sensing Wipers (Front Only), Ambient Lighting, Wireless Charging Pad, 2nd Row Heated Seats
___	Tires: P275/45R21 AS BSW
76U	18" Spare Wheel & Jack Kit, -inc: 18" spare tire
942	Daytime Running Lamps (DRL) (Non-Configurable), -inc: Replaces the standard configurable Daytime Running Lamps (DRL)
18B	Ford BlueCruise Equipped (1-Year Plan), -inc: See ford.com/bluecruise for version details, Select option to purchase 1 year of BlueCruise access at time of vehicle order, After this initial duration, customers need to purchase a subscription to continue using BlueCruise, See subscription options and pricing on ford.com/bluecruise, Not available to military personnel sales (WAFAC)

16B	Front & 2nd Rows Floor Liners w/Carpet Floor Mats, -inc: front and 2nd rows black carpet floor mats
OPTION PACKAGE	
Code	Description
300A	Equipment Group 300A Standard Package

2025 Fleet/Non-Retail Ford Explorer ST-Line 4WD

WINDOW STICKER

2025 Ford Explorer ST-Line 4WD		
CODE	MODEL	MSRP
K8K	2025 Ford Explorer ST-Line 4WD	\$47,020.00
OPTIONS		
99H	Engine: 2.3L EcoBoost I-4, (STD)	\$0.00
44T	Transmission: 10-Speed Automatic, (STD)	\$0.00
—	Wheels: 21" Magnetite-Painted Aluminum, -inc: Tires: P275/45R21 AS BSW	INC
AZ	Star White Metallic Tri-Coat	\$795.00
EW	Onyx, Heated Unique Cloth Captain's Chairs, -inc: red stitching, 8-way power driver w/memory (power function for tilt, lumbar and recline) and 6-way power front passenger (power function for lumbar and recline)	\$0.00
68P	ST-Line Street Pack, -inc: Wheels: 21" Magnetite-Painted Aluminum, Tires: P275/45R21 AS BSW, Performance Brakes, Red Painted Perf Front & Rear Brake Calipers	\$1,105.00
68L	Premium Package, -inc: 110V/150W AC Power Outlet, Replaces the powerpoint port on the rear side of the center floor console, Auto-Dimming Interior Rearview Mirror, Memory Driver's Seat, Power-Folding Sideview Mirrors w/Autofold, power and heated glass, LED turn signal indicators, security approach lamps, driver's side auto-dimming and driver and passenger side memory, Rain-Sensing Wipers (Front Only), Ambient Lighting, Wireless Charging Pad, 2nd Row Heated Seats	\$1,360.00
—	Tires: P275/45R21 AS BSW	INC
76U	18" Spare Wheel & Jack Kit, -inc: 18" spare tire	\$400.00
942	Daytime Running Lamps (DRL) (Non-Configurable), -inc: Replaces the standard configurable Daytime Running Lamps (DRL)	\$45.00
18B	Ford BlueCruise Equipped (1-Year Plan), -inc: See ford.com/bluecruise for version details, Select option to purchase 1 year of BlueCruise access at time of vehicle order, After this initial duration, customers need to purchase a subscription to continue using BlueCruise, See subscription options and pricing on ford.com/bluecruise, Not available to military personnel sales (WAFAC)	\$495.00
16B	Front & 2nd Rows Floor Liners w/Carpet Floor Mats, -inc: front and 2nd rows black carpet floor mats	\$200.00
300A	Equipment Group 300A Standard Package	\$0.00
Please note selected options override standard equipment		
SUBTOTAL		\$51,420.00
Advert/ Adjustments		\$0.00
Manufacturer Destination Charge		\$1,695.00
TOTAL PRICE		\$53,115.00
Est City: 20 MPG Est Highway: 27 MPG Est Highway Cruising Range: 502.20 mi		

Any performance-related calculations are offered solely as guidelines. Actual unit performance will depend on your operating conditions.

Notes

**Solicitation Number: RFP #091521****CONTRACT**

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and 72 Hour LLC dba: National Auto Fleet Group, 490 Auto Center Drive, Watsonville, CA 95076 (Supplier).

Sourcewell is a State of Minnesota local government unit and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to eligible federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Automobiles, SUVs, Vans, and Light Trucks with Related Equipment and Accessories from which Supplier was awarded a contract.

Supplier desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

- A. **EFFECTIVE DATE.** This Contract is effective upon the date of the final signature below.
- B. **EXPIRATION DATE AND EXTENSION.** This Contract expires November 8, 2025, unless it is cancelled sooner pursuant to Article 22. This Contract may be extended one additional year upon the request of Sourcewell and written agreement by Supplier.
- C. **SURVIVAL OF TERMS.** Notwithstanding any expiration or termination of this Contract, all payment obligations incurred prior to expiration or termination will survive, as will the following: Articles 11 through 14 survive the expiration or cancellation of this Contract. All rights will cease upon expiration or termination of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

- A. **EQUIPMENT, PRODUCTS, OR SERVICES.** Supplier will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above.

Supplier's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new and the current model. Supplier may offer close-out or refurbished Equipment or Products if they are clearly indicated in Supplier's product and pricing list. Unless agreed to by the Participating Entities in advance, Equipment or Products must be delivered as operational to the Participating Entity's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. **WARRANTY.** Supplier warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Supplier's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that extends beyond the expiration of the Supplier's warranty will be passed on to the Participating Entity.

C. **DEALERS, DISTRIBUTORS, AND/OR RESELLERS.** Upon Contract execution and throughout the Contract term, Supplier must provide to Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers relative to the Equipment, Products, and Services offered under this Contract, which will be incorporated into this Contract by reference. It is the Supplier's responsibility to ensure Sourcewell receives the most current information.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced at or below the price stated in Supplier's Proposal.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

A. **SHIPPING AND SHIPPING COSTS.** All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Supplier must permit the Equipment and Products to be

returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Supplier as soon as possible and the Supplier will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity.

Supplier must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Supplier in breach of this Contract if the Supplier intentionally delivers substandard or inferior Equipment or Products.

B. SALES TAX. Each Participating Entity is responsible for supplying the Supplier with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Supplier may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Supplier determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities.

4. PRODUCT AND PRICING CHANGE REQUESTS

Supplier may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Supplier Development Administrator. This approved form is available from the assigned Sourcewell Supplier Development Administrator. At a minimum, the request must:

- Identify the applicable Sourcewell contract number;
- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;

- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Change Request Form will become an amendment to this Contract and will be incorporated by reference.

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities that can legally access the Equipment, Products, or Services under this Contract. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Supplier understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Equipment, Products, or Services from any other source.

Supplier is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Supplier's employees may be required to perform work at government-owned facilities, including schools. Supplier's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Supplier that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Supplier. Typically, a Participating Entity will issue an order directly to Supplier or its authorized subsidiary, distributor, dealer, or reseller. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell

contract number. All Participating Entity orders under this Contract must be issued prior to expiration or cancellation of this Contract; however, Supplier performance, Participating Entity payment obligations, and any applicable warranty periods or other Supplier or Participating Entity obligations may extend beyond the term of this Contract.

Supplier's acceptable forms of payment are included in its attached Proposal. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM. Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Supplier, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum; the terms of which will be negotiated directly between the Participating Entity and the Supplier. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

C. SPECIALIZED SERVICE REQUIREMENTS. In the event that the Participating Entity requires service or specialized performance requirements not addressed in this Contract (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements), the Participating Entity and the Supplier may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

D. TERMINATION OF ORDERS. Participating Entities may terminate an order, in whole or in part, immediately upon notice to Supplier in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the equipment, products, or services to be purchased; or
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements.

E. GOVERNING LAW AND VENUE. The governing law and venue for any action related to a Participating Entity's order will be determined by the Participating Entity making the purchase.

7. CUSTOMER SERVICE

A. PRIMARY ACCOUNT REPRESENTATIVE. Supplier will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcewell and Participating Entity inquiries; and
- Business reviews to Sourcewell and Participating Entities, if applicable.

B. BUSINESS REVIEWS. Supplier must perform a minimum of one business review with Sourcewell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, sales data reports, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Supplier must provide a contract sales activity report (Report) to the Sourcewell Supplier Development Administrator assigned to this Contract. Reports are due no later than 45 days after the end of each calendar quarter. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;
- Participating Entity Contact Name;
- Participating Entity Contact Email Address;
- Participating Entity Contact Telephone Number;
- Sourcewell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Supplier.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcewell, the Supplier will pay an administrative fee to Sourcewell on all Equipment, Products, and Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Supplier may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Supplier will submit payment to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased

by Participating Entities under this Contract during each calendar quarter. Payments should note the Supplier's name and Sourcewell-assigned contract number in the memo; and must be mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

Supplier agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Supplier is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Supplier in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Supplier's Authorized Representative is the person named in the Supplier's Proposal. If Supplier's Authorized Representative changes at any time during this Contract, Supplier must promptly notify Sourcewell in writing.

10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. **AUDIT.** Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

B. **ASSIGNMENT.** Neither party may assign or otherwise transfer its rights or obligations under this Contract without the prior written consent of the other party and a fully executed assignment agreement. Such consent will not be unreasonably withheld. Any prohibited assignment will be invalid.

C. **AMENDMENTS.** Any amendment to this Contract must be in writing and will not be effective until it has been duly executed by the parties.

D. **WAIVER.** Failure by either party to take action or assert any right under this Contract will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right. Any such waiver must be in writing and signed by the parties.

E. **CONTRACT COMPLETE.** This Contract represents the complete agreement between the parties. No other understanding regarding this Contract, whether written or oral, may be used to bind either party. For any conflict between the attached Proposal and the terms set out in Articles 1-22 of this Contract, the terms of Articles 1-22 will govern.

F. **RELATIONSHIP OF THE PARTIES.** The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

11. INDEMNITY AND HOLD HARMLESS

Supplier must indemnify, defend, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees incurred by Sourcewell or its Participating Entities, arising out of any act or omission in the performance of this Contract by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

12. GOVERNMENT DATA PRACTICES

Supplier and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Supplier under this Contract.

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:
 - a. Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use the trademark(s) provided to Supplier by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Supplier.
 - b. Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising and promotional materials for the purpose of marketing Supplier's relationship with Sourcewell.
2. *Limited Right of Sublicense.* The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers,

resellers, marketing representatives, and agents (collectively “Permitted Sublicensees”) in advertising and promotional materials for the purpose of marketing the Parties’ relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.

3. *Use; Quality Control.*

- a. Neither party may alter the other party’s trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.
- b. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party’s trademarks only in good faith and in a dignified manner consistent with such party’s use of the trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.

4. As applicable, Supplier agrees to indemnify and hold harmless Sourcewell and its Participating Entities against any and all suits, claims, judgments, and costs instituted or recovered against Sourcewell or Participating Entities by any person on account of the use of any Equipment or Products by Sourcewell or its Participating Entities supplied by Supplier in violation of applicable patent or copyright laws.

5. *Termination.* Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party’s name or logo (excepting Sourcewell’s pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell’s written directions.

B. PUBLICITY. Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Supplier individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

C. MARKETING. Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Send all approval requests to the Sourcewell Supplier Development Administrator assigned to this Contract.

D. ENDORSEMENT. The Supplier must not claim that Sourcewell endorses its Equipment, Products, or Services.

14. GOVERNING LAW, JURISDICTION, AND VENUE

The substantive and procedural laws of the State of Minnesota will govern this Contract. Venue for all legal proceedings arising out of this Contract, or its breach, must be in the appropriate state court in Todd County, Minnesota or federal court in Fergus Falls, Minnesota.

15. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

16. SEVERABILITY

If any provision of this Contract is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Contract is capable of being performed, it will not be affected by such determination or finding and must be fully performed.

17. PERFORMANCE, DEFAULT, AND REMEDIES

A. **PERFORMANCE.** During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Supplier will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Supplier may escalate the resolution of the issue to a higher level of management. The Supplier will have 30 calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending.* Notwithstanding the existence of a dispute, the Supplier must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Supplier fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, the Supplier will bear any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed.

B. **DEFAULT AND REMEDIES.** Either of the following constitutes cause to declare this Contract, or any Participating Entity order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

The party claiming default must provide written notice of the default, with 30 calendar days to cure the default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

18. INSURANCE

A. REQUIREMENTS. At its own expense, Supplier must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*

Workers' Compensation: As required by any applicable law or regulation.

Employer's Liability Insurance: must be provided in amounts not less than listed below:

Minimum limits:

\$500,000 each accident for bodily injury by accident

\$500,000 policy limit for bodily injury by disease

\$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.

Minimum Limits:

\$1,000,000 each occurrence Bodily Injury and Property Damage

\$1,000,000 Personal and Advertising Injury

\$2,000,000 aggregate for Products-Completed operations

\$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Supplier will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms

no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.

Minimum Limits:

\$1,000,000 each accident, combined single limit

4. *Umbrella Insurance*. During the term of this Contract, Supplier will maintain umbrella coverage over Employer's Liability, Commercial General Liability, and Commercial Automobile.

Minimum Limits:

\$2,000,000

5. *Network Security and Privacy Liability Insurance*. During the term of this Contract, Supplier will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Supplier's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Minimum limits:

\$2,000,000 per occurrence

\$2,000,000 annual aggregate

Failure of Supplier to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Supplier Development Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

Failure to request certificates of insurance by Sourcewell, or failure of Supplier to provide certificates of insurance, in no way limits or relieves Supplier of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Supplier agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is

primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. **WAIVER OF SUBROGATION.** Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. **UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION.** The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

19. COMPLIANCE

A. **LAWS AND REGULATIONS.** All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. **LICENSES.** Supplier must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Supplier conducts with Sourcewell and Participating Entities.

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Supplier certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Supplier declares bankruptcy, Supplier must immediately notify Sourcewell in writing.

Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Supplier further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

21. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or conditions. Within this Article, all references to “federal” should be interpreted to mean the United States federal government. The following list only applies when a Participating Entity accesses Supplier’s Equipment, Products, or Services with United States federal funds.

A. **EQUAL EMPLOYMENT OPPORTUNITY.** Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of “federally assisted construction contract” in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 C.F.R. § 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.” The equal opportunity clause is incorporated herein by reference.

B. **DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148).** When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must be in compliance with all applicable Davis-Bacon Act provisions.

C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of \$150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Supplier certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. § 180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names

of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation

and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

M. FEDERAL SEAL(S), LOGOS, AND FLAGS. The Supplier not use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

N. NO OBLIGATION BY FEDERAL GOVERNMENT. The U.S. federal government is not a party to this Contract or any purchase by an Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Contract or any purchase by an authorized user.

O. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS. The Contractor acknowledges that 31 U.S.C. 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Contract or any purchase by a Participating Entity.

P. FEDERAL DEBT. The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

Q. CONFLICTS OF INTEREST. The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Contract or any aspect related to the anticipated work under this Contract raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

R. U.S. EXECUTIVE ORDER 13224. The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

S. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT. To the extent applicable, Supplier certifies that during the term of this Contract it will comply with applicable requirements of 2 C.F.R. § 200.216.

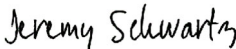
T. DOMESTIC PREFERENCES FOR PROCUREMENTS. To the extent applicable, Supplier certifies that during the term of this Contract will comply with applicable requirements of 2 C.F.R. § 200.322.


22. CANCELLATION

Sourcewell or Supplier may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Supplier's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.


Sourcewell

72 Hour LLC dba: National Auto
Fleet Group

DocuSigned by:

By: C0FD2A139D06489...
Jeremy Schwartz
Title: Chief Procurement Officer
11/4/2021 | 1:28 PM CDT
Date: _____

DocuSigned by:

By: FACBB5730C1E467...
Jesse Cooper
Title: Fleet Manager
11/4/2021 | 10:46 AM CDT
Date: _____

Approved:

DocuSigned by:

By: 7E42B8F817A64CC...
Chad Coauette
Title: Executive Director/CEO
11/4/2021 | 1:34 PM CDT
Date: _____

RFP 091521 - Automobiles, SUVs, Vans, and Light Trucks with Related Equipment and Accessories

Vendor Details

Company Name: 72 HOUR LLC

Does your company conduct business under any other name? If yes, please state: National Auto Fleet Group

Address: 490 Auto Center Drive
Watsonville, CA 95076

Contact: Jesse Cooper

Email: Jcooper@nationalautofleetgroup.com

Phone: 951-440-0585

Fax: 831-840-8497

HST#: 263297677

Submission Details

Created On: Tuesday August 24, 2021 16:34:10

Submitted On: Tuesday September 14, 2021 14:10:21

Submitted By: Jesse Cooper

Email: Jcooper@nationalautofleetgroup.com

Transaction #: d2e890de-e761-4f47-9b23-bef3d512bd76

Submitter's IP Address: 76.81.241.2

Specifications**Table 1: Proposer Identity & Authorized Representatives**

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond "N/A" if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *	
1	Proposer Legal Name (one legal entity only): (In the event of award, will execute the resulting contract as "Supplier")	72 Hour LLC	*
2	Identify all subsidiary entities of the Proposer whose equipment, products, or services are included in the Proposal.	WCAF, LLC WCDJR, LLC Alan Jay Automotive Inc	*
3	Identify all applicable assumed names or DBA names of the Proposer or Proposer's subsidiaries in Line 1 or Line 2 above.	NAFG has numerous subsidiaries and DBA's including but not limited to: National Auto Fleet Group, Chevrolet of Watsonville, Watsonville Ford Watsonville CDJR Watsonville Fleet Group Alan Jay Chrysler Jeep Inc Alan Jay Chevrolet, Cadillac Alan Jay Buick, GMC Alan Jay Auto Outlet Clewiston Motor Company, Inc Alan Jay Chrysler Dodge Ram Jeep Alan Jay Lincoln Alan Jay Ford Alan Jay Nissan Alan Jay Toyota	*
4	Proposer Physical Address:	490 Auto Center Drive Watsonville, CA 95076	*
5	Proposer website address (or addresses):	www.NationalAutoFleetGroup.com	*
6	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	Jesse Cooper Fleet Manager 1-855-289-6572 490 Auto Center Drive Watsonville, CA 95076 Jcooper@nationalautofleetgroup.com	*
7	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Jesse Cooper Fleet Manager 1-855-289-6572 490 Auto Center Drive Watsonville, CA 95076 Jcooper@nationalautofleetgroup.com	*
8	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Clarke Cooper Fleet Manager 1-855-289-6572 490 Auto Center Drive Watsonville, CA 95076 ClarkeCooper@watsonvillefleetgroup.com	

Table 2: Company Information and Financial Strength

Line Item	Question	Response *	
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9	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	<p>National Auto Fleet Group started as a new division of 72 Hour LLC, in the summer of 2010 in the heart of Southern California. We began our network with a single automobile dealership and have now grown our network to encompass numerous dealerships located in and outside of California.</p> <p>We stand by providing opportunities for advancement by hiring and promoting from within our organization. Many of the Fleet Managers who started with us in 2010 are still with us today.</p> <p>Through the years, we have evolved and adapted to the new technology driven trends that are revolutionizing the automotive industry today. However, our brand's fundamental core values have remained unchanged – We are committed to do right for the members. If we take care of them, they will in return take care of us.</p> <p>National Auto Fleet Group's operational blueprint and business philosophy has always been the "4 RIGHT's" for every member: We deliver the RIGHT vehicle, at the RIGHT time, to the RIGHT place at the RIGHT price.</p> <p>The integrity of our business stems on our deep family roots in the automotive industry. We are and always will be family owned and operated with our future generations already in their infant stages today. We are committed to pioneering our industry for decades to come.</p>
10	What are your company's expectations in the event of an award?	<p>If awarded, this would be our 5th Sourcewell Contract and we would execute as such. We will continue to serve your members and provide them with excellent customer service while continuing to advance customer satisfaction. Along with implementing new business growth strategies that will ultimately launch us into new heights once again.</p> <p>Furthermore, we will launch our Partner Program detailed in the attached "marketing Plan Compressed" Zip file. This next generation application will give members the power to select upfitters they would like NAFG to partner with in providing satisfactory quotes and service. We see tremendous value in building out these mutually beneficial partnerships, so we can provide 100% satisfactory turnkey solutions to the members.</p>
11	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	<p>To demonstrate NAFG's financial strength and stability, we have uploaded Bank Commitment letters under the Financial Strength Section of the online application. We have a direct line of credit of \$52,000,00.00 that we are currently utilizing with our current and past Sourcewell Contracts. However, this number is not capped as we have the freedom to extend the cap to accommodate the revolving needs of the members.</p> <p>Referenced below is a short register of some of our market success from awarded government contracts that encompass over \$140,000,000.00 worth of products and goods under our current Sourcewell Contract.</p> <p>A. City of San Diego, CA \$ 72,000,000 contract under our Sourcewell Contract 120716-NAF.</p> <p>B. City of San Diego, CA \$ 55,400,000 contract under our Sourcewell Contract 081716-NAF.</p> <p>C. Government Fleet Article Highlighting our transaction with the City of San Diego, CA procuring over 100 Police vehicles through NAFG Sourcewell Contract 120716-NAF.</p> <p>D. City of Los Angeles World Airports, CA Contract for \$ 24,003,500 under Sourcewell Contract 120716-NAF for the procurement of 400 vehicles.</p> <p>E. City of Los Angeles Harbor, CA Contract Extension to \$ 4,500,000 contract under Sourcewell Contract 120716-NAF.</p> <p>F. City of Los Angeles Harbor, CA Contract for \$1,500,000 under our Sourcewell Contract 120716-NAF.</p> <p>G. City of Los Angeles Harbor, CA Renewal for another \$ 1,500,000 under Sourcewell Contract Class 6, 7 and 8 Contract 081716-NAF.</p> <p>H. City of Costa Mesa, CA Contract \$1,023,220 under our Sourcewell Contract 120716-NAF.</p> <p>I. Blanket Contracts with the State of Maryland, MD off our current Class 6, 7 and 8 Chassis Contract 081716-NAF.</p> <p>J. Blanket Contracts with the State of Maryland, MD off our Current Sourcewell Contract 120716-NAF.</p> <p>We have also attached our Commitment Letter's for unparalleled support from leading nationally recognized upfit suppliers such as The Knapheide Manufacturing Company. Along with regional suppliers such as Brand FX and Phenix Truck Body located in Southern California serve as regional support locations, whom we often work alongside to fulfill all member needs with past, present, and future orders with NAFG.</p> <p>Included are also Upfitter Recommendation letters to illustrate how National Auto Fleet Group has taken a proactive interest in building mutually beneficial relationship with our upfitters. Mutuality and reciprocity relationships between body companies and our dealer's are two of the key components that help members receive what they need in a smooth and efficient fashion.</p> <p>In addition, the adoption of our Class 6, 7, and 8 Contract from Anne Arundel County in the state of Maryland is as an example of how National Auto Fleet Group attracts and retains new clients by demonstrating to them there's a better and more efficient way of finding turnkey solutions.</p> <p>Lastly, we have attached supporting documents that help emphasize and exemplify our growth since our first awarded Sourcewell Contract in 2012. We sincerely hope it helps portray our commitment to building lifelong rapport and trust with our partner upfitters and members.</p>
12	What is your US market share for the solutions that you are proposing?	. Of our respective brands and OEM's we represent, the US market share is estimated to be 60 – 75%.
13	What is your Canadian market share for the solutions that you are proposing?	It is difficult to estimate the market share for the brands and OEM's we represent, however we estimate that it should be the same 60 -75 % of the US share.
14	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	No.

15	<p>How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization.</p> <p>a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned?</p> <p>b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?</p>	<p>National Auto Fleet Group is a dealer network best categorized as "A" - Distributer/Dealer/Reseller and Dealer Partner for (15) OEM Manufacturers including Ford Motor Company, Chevrolet, RAM, GMC, Buick, Chrysler, Dodge, Jeep, Toyota, Nissan, KIA, BMW, Honda, Cadillac and Volkswagen, All orders are placed with the franchised dealer and ultimately titled directly to the member. All appropriate certification certificates and authorized DMV/Factory licenses may be found in the "Related Certification" section uploaded to this RFP. It should be noted we do not sell used equipment to members.</p>
16	<p>If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.</p>	<p>Required licenses include a Dealer's License, a Franchise issued by the Manufacture, a Department of Motor Vehicles License, as well as a Reseller's permit license. All which NAFG and Dealer Partner's hold. Please review our attachment documents in section "Related Certification" for licenses that we either solely own or are jointly owned by our partner dealers that pertain to this RFP. A list of all our licenses are below, some of which may not pertain to class 1-3 but to class 4-8.</p> <p>CA Certificate of Good Standing 200824810190 State of Florida License Certificates: VF/1000974/4 VF/1000950/1 VF/1046516/1 VF/1024619/2 VF/1024619/1 VF/1018615/1 VF/1021891/1 VF/1000974/3 VF/1105916/1 VF/1020705/1 VF/1000969/1 CA State Seller's Permit 101-135239 CA State Seller's Permit 245364864-00001 Department of Motor Vehicle, Vehicle Dealer/ License Number 97772 Department of Motor Vehicle, Vehicle Dealer License Number 97771 Department of Motor Vehicle, Vehicle Dealer License Number 43609 Bureau of Automotive repair Registration # ARD00296319 123120 CA State Seller's Permit 232781952-00001 City of Watsonville Business License Number 1792 City of Watsonville Business License Number 4358 Fictitious Business Names from Santa Cruz County for National Auto Fleet Group FBN: 2017-0000138 California General Resale Certificate Dun & Bradstreet Number: 023680653 Government of The District of Columbia Certificate Government of the District of Columbia Tax Registration # 7815888160711 City of Los Angeles Tax Registration Government of The District of Columbia CLEAN HANDS CERTIFICATION San Diego Freightliner Seller's Permit Commonwealth of Virginia State Corporation Commission Certificate State of Maryland Good Standing Certificate Kansas Department of Revenue for Kansas City Peterbilt New Jersey Department of Treasury Registration Certificate New Jersey Business Registration Notice of Compliance of the Canton City Codified Ordinance Employee Information Report for the State of New Jersey State of Maryland New Sales and Use tax License CA State Seller's Permit 98-037902 00006 South Carolina Department of Motor Vehicles License Number 36133 State of South Carolina Retail License Commonwealth of Kentucky Vehicle Dealer License 1583 20 100 State of West Virginia Dealer License Commonwealth of Kentucky Vehicle Dealer License 1581 20 036 State of Tennessee Vehicle Dealer License</p>
17	<p>Provide all "Suspension or Debarment" information that has applied to your organization during the past ten years.</p>	<p>Not Applicable, none.</p>

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *	
18	Describe any relevant industry awards or recognition that your company has received in the past five years	National Auto Fleet Group's received its most prestigious award for Top Placement within Ford Motor Company as the leading dealership in Government Sales. In addition, our Chevrolet brand was highly ranked and honored 4/5 consecutive years by General Motors.	*
19	What percentage of your sales are to the governmental sector in the past three years	Within our fleet division, 90% of our contracts within the past three years have been with government accounts.	*
20	What percentage of your sales are to the education sector in the past three years	Within the past 3 years 90% of our sales have been to government accounts, 20% of which are within the education sector.	*
21	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	We hold the State of California contract with volumes from 200 to 500 units a year over the past three years. In addition, our Sourcewell Contract's 091219, 081716 and 120716 that we have maintained over the past three years has sold combined north of 400 million of Combined Quarterly Sales.	*
22	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	National Auto Fleet Group's focus lies on the Sourcewell Contract. NAFG holds no other GSA contract, Standing Offers, or Supply Arrangements other than the State of California contract. Our annual sales volume is estimated to be north of \$200 million.	*

Table 4: References/Testimonials

Line Item 23. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *	
Port of Los Angeles, CA	Mr. Dave Comer	310-72-3794	*
County of Venture, CA	Mr. Jorge Brilla	805-672-2044	*
City of Austin, TX	Mr. Matt Sager	512-978-2637	*
County of San Joaquin, CA	Mr. David Myers	209-468-9745	
City of Palo Alto, CA	Ms. Danitra Bahlman	650-496-5920	

Table 5: Top Five Government or Education Customers

Line Item 24. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
City of Austin	Government	Texas - TX	Purchaser	10-15 Vehicles at once, Vans and SUVs	Over 1M	*
Los Angeles Department of Water and Power	Government	California - CA	Purchaser	Over 120 Vehicles, Vans and SUVs	Over 3M	*
Port of Los Angeles	Government	California - CA	Purchaser	Over 80 Trucks, Vans and SUVs	Over 2M	*
Anne Arundel County	Government	Maryland - MD	Purchaser	Over 40 Trucks, Vans and SUVs	Over 1M	*
City of San Diego	Government	California - CA	Purchaser	Over 500 Trucks, Vans, SUV	Over 15M	*

Table 6: Ability to Sell and Deliver Service

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *	
25	Sales force.	<p>Our sales force consists of direct and an indirect sales force. Our direct sales force consists of direct employees and partner dealers, which exceeds an employee count of 300 personnel both full time and part time. Many of our sales force are spread across the US and we leverage our relationships with our larger class dealerships to service the members lower class vehicle needs as well. A cross sales force. These individuals help support our dealerships and NAFG Fleet Division directly. On the other hand, our indirect sales force made up of upfitters and partner suppliers consists of over 100 personnel with our partner network and sales force growing annually.</p> <p>With both direct and indirect sales force staff working together, NAFG has been able to successfully grow, maintain and service the demand of the members. As the number of your members grow, we will continuously welcome more staff to not only meet customer demand, but also to exceed customer expectations.</p>	*

26	Dealer network or other distribution methods.	<p>Our franchise network in Canada and the U.S. is fortunately second to none. Our 15 proposed OEMS previously mentioned, all of which have established a presence nationwide with factory stores strategically placed where all members can receive service and complete warranty repairs with their respective products.</p> <p>Simple put the North American and Canadian automobile supply chain network is one of the best in the world. Of the 15 brands we represent, the OEMs have put in place a dealer network across all 50 states that will allow us to best serve all members.</p>	*
27	Service force.	The 15 manufactures we represent have thousands of service locations that would be easily accessible to all your members. Service centers and warranty repair facilities for all 15 OEMs are ample and ready to help service our members and their needs. However, Alaska and Hawaii may be exceptions as they may have farther distances between franchises where members can utilize the repair services.	*
28	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	The member may order their vehicles by navigating to our website, www.NationalAutoFleetGroup.com and going through the step-by-step process to generate an online quote or by calling one of our representatives at 855-289-6572 or by sending NAFG an email at Fleet@NationalAutoFleetGroup.com . Orders are then processed directly to the manufacturer who will work to supply the vehicle to the ship-to location for upfitting or end user desired delivery location.	*
29	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	<p>To best demonstrate our Customer Service program, kindly reference the ZIP file "Member Walk Through" that is attached in the Additional Documents folder. Please begin with and review in order that is explained below:</p> <p>How Members Can Get Quotes Online: A member can obtain most quotes by visiting our website www.NationalAutoFleetGroup.com where a simple one step form is needed for registration. This is to protect the price information from nonmembers. Once a member registers they will receive an automated welcome email with a demo video on how to use our site. Members will gain access to there very own dashboard which will house all there quotes in one safe secure login. Member's can select which brand they are looking for and model year. Our site shows all the categories the brand offers such as: Cars, Vans, SUV's Trucks and Chassis Cabs. Members will then be able to drill down for the right selection by picking from the filter menu of what cab there looking for (Regular, Extended or Crew) to 2 wheel or 4 wheel drive down to the bed length there looking for. All factory options are then presented for the member to select from, this will show all current factory orderable options, taking the guess work out for the member. Once a member selects a desire build, they will see there Sourcewell Price report showing the MSRP, there contract price, the saving in real dollars and as a percentage. In the PDF example you can see a saving of \$ 9,175.96 of 22.345% to the member showing a significant savings. Members then can chose to add extra's to there order like extra keys' service manuals, sales tax and even request an upfit to be added to there quote. Lastly they will be given a complete turn key quote package to print which will include there customized Quote ID, Description and Specifications of what they built.</p> <p>How Members and Upfitters can Partner with NAFG: Our dedicated website www.NAFGPartner.com was built to accommodate the member who would like a certain upfitter to upfit there vehicles. It was also built for upfitters to have a place to go where they can find information on how to partner with NAFG to better serve there local members.</p> <p>Example of A Member with Upfit Quote: This is an example of how we use our Cab Chassis and combine them with an upfit to provide a turnkey solution for the member in a simple to follow format.</p> <p>ETA System for Members Walk Through: This is where members can easily come to our website, the same website they built there chassis on and track there order like they would a UPS package. We have a very simple display on our homepage "Track your order" where members can enter one of the following: Purchase Order Number, Quote ID, Upfit Quote ID or vin to easily see there in the process there particular order is in.</p> <p>Courtesy Confirmation Explained: After NAFG receives an order from a Member, we always like to send them a Courtesy Confirmation. This is were the member will double check some particulars on there order like, Color, Quantity, Upfit and Specification's are all correct before order placement. We also like to ask for title information at this point so we can help process the paperwork at delivery promptly.</p> <p>Factory Order Cut Off Notices: Here is were we like to highlight were members can access any upcoming factory order cut off dates. We walk them through the process step by step to ensure everyone knows the upcoming order cut off date, we even print this information (if known at the time) right on the cover page of there quotes.</p> <p>Validation Walk Through Example: To demonstrate a price validation, we show what a member would see when they build a truck on our site. At check out the member would see the Total Configured MSRP of \$ 35,730.00, A Sourcewell Price of \$ 27,331.68, Total Saving of \$ 8,398.32 or 23.505% for a 2020 F-250 followed by the pricing page which shows the Minimum Discount of at least 18.50%. As you see we provided an additional 5% discount on top of the 18.50% contract discount. This would be the case in most instances.</p>	*
30	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	Our willingness and ability to service members nationwide is unparalleled. We have dedicated staff 5 days a week, from 7am to 7pm standing by ready to assist any member help find the best solution for there needs even if helping assist them to the best Sourcewell Contract that could be a solution. We have a dedicated live chat feature on our online quote generating website in case any member has any trouble at all in building there quotes. NAFG has established a chain of suppliers who are at the ready to serve if called upon by any member. We are here to help.	*
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	We are willing and eager to soon extend our business model and network into Canada. We believe partnering with local Canadian based dealer groups is key to success in the Canadian market. NAFG's competitive pricing as well as a simple US Dollar to Canadian conversation will help NAFG expand into the Canadian market for participating Sourcewell members.	*
32	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	National Auto Fleet Group will handle servicing 100% of all geographic areas located in the United States. Although it is unclear what unseen obstacles we may face in Canada, NAFG is committed to building the same model to service Canada and providing the same level of customer satisfaction, service, and care as in the United States.	*

33	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	NAFG will continue to service all Sourcewell Members through our 24 hour a day, 7 days a week online portal with the exclusion of Non-Profits. Unfortunately, Non-Profits are often not eligible for the same discount's government entities are qualified for. However, Non-Profits are subject to a different pricing program and will be evaluated on a case to case basis.	*
34	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	The only possible logistical constraints we may face is the shipping constraints for shipments arriving in Alaska, Hawaii and US Territories. For example, we often provide members in Alaska or Hawaii with vehicles that often have upfits. To circumvent this potential issue, members allow us to add these extra shipping and port costs to their quotes.	*

Table 7: Marketing Plan

Line Item	Question	Response *
35	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	<p>National Auto Fleet Group encompasses a variety of marketing strategies to promote our products and services to streamline the vehicle purchasing process for government entities. Below are a few strategies used to serve as the gateway between our business and public agencies.</p> <p>Website and Inbound Marketing: The creation of a professional customer-focused website is one of our main features to market our products and services. The NAFG website encourages our members to interact and browse through products offered along with pricing and information about National Auto Fleet Group. Inbound marketing is created when potential members are directed to the company website. With this method, we are able to not only connect with members but to put the purchasing ability into the hands of each member. Our inbound marketing strategy attracts members by creating valuable content and experiences tailored to the needs of each individual. Examples include email campaign flyers on our products, informative and how-to videos, social media and engaging members with top-notch customer service to build brand awareness.</p> <p>Email Marketing: One of the main strategies used to engage current and potential members is Email Marketing. Our emails include different types of flyers that consist of information of the Sourcewell contract, promoting manufacturer brands, holiday themed flyers, discounts offered to first time buyers, important cutoff date reminders and upcoming products and events.</p> <p>The use of marketing campaigns plays a major role in enhancing the growth of our client database. Emails are a big part of our daily lives due to government agency employees utilizing emails as their main source of communication. We use campaigner.com as the emailing platform to reach our target members. Videos and descriptive images are used on all flyers and are compatible with a desktop or mobile device. Messages are short and to the point with links leading to the Sourcewell and NAFG homepage. The Campaigner email system allows the ability to track email activity based on open rate, unsubscribes and link clicks which is beneficial to understanding email effectiveness.</p> <p>Once potential members are directed to our website, they are welcomed with a wide range of options to explore an array of our products and services. They are able to register to become a member, view pricing, explore available in-stock vehicles, view how-to-videos, build a vehicle online to request an immediate quote or use our live chat assistant or call/email for live support.</p> <p>Face to Face Marketing Strategies: This strategy has proven to be successful in generating leads and creating lasting relationships by developing genuine connections with prospective members. National Auto Fleet Group attends several trades shows per year to engage members and put a face to the company. This in person meeting aids to build the brand by nurturing relationships between members and other vendors associated through the process. Trade shows attended include GFX, IAPPO, NIGP, ACT, CAPPO, and CASBO throughout the United States.</p> <p>NAFG has many opportunities to make in person presentations to propose products, services offered and to answer any questions potential members may have. These PowerPoint Presentations include topics on NAFG/Sourcewell process, how to facilitate the vehicle purchasing without bidding, informational videos, and the brands and services we provide. These meetings have been held at local cities, counties, school districts, water districts and ports.</p> <p>Relationship Marketing is a vital strategy used in building and maintaining long-term relationships practiced by National Auto Fleet Group on a daily basis.</p> <p>NAFG strives to create a positive and supportive connection with members by providing personalized and responsive customer service practices. The sales team has worked tirelessly to focus on providing outstanding customer support to create a powerful rapport with existing and new members. By going above and beyond, they have enhanced existing relationships and executed customer loyalty with repeat businesses. They strive to deviate from the "Car Salesperson" mentality which is 100% sales driven to a more product and customer service approach by instilling a sense of confidence in our clients. The goal is to regularly assist clients and address any needs and concerns even after the purchase has occurred. The strive to focus on solution selling vs. product selling develops into a mutually beneficial agreement for members and the business.</p> <p>Below are a few examples on successful relationship marketing from our Fleet Department:</p> <p>We had a member call in to request financing/lease options for a truck needed through our National Auto Fleet Group/Sourcewell vehicle contract. I contacted another Sourcewell vendor, Matt Geiselhart from NCL Gov Capital and he was happy to assist with a financing quote. The member also requested to trade in a current vehicle in their fleet and was directed to Govdeals for assistance in removing the outdated unit through an auction. The member was able to utilize three Sourcewell contracts to complete his transaction which simplified the entire process. The member was very satisfied with the amount of care and ease through his experience and became a repeat customer. By utilizing a cross-selling strategy, National Auto Fleet Group became his one stop shop to fulfill all fleet vehicle purchasing needs.</p> <p>"I had a member call in desperate to obtain a new truck because an employee had gotten into a serious accident and had the truck totaled. Due to covid restrictions, most manufacturers are currently experiencing microchip shortages which relays to production delays at the factory. We were able to direct buyer to our in-stock inventory on the NAFG website and member was ecstatic to locate truck to meet their needs. Instead of having to wait 30 weeks to receive the new vehicle, member was able to obtain the new truck within 3 weeks."</p>

"I once had a member contact us two years after purchasing a vehicle from us. They had a malfunction with the liftgate on the box truck which caused a logistical nightmare. I was able to contact one of our body vendors that upfitted the lift gate installation and a service technician was able to go onsite to resolve the liftgate issue at no additional cost. The member was very impressed with the quality of our customer service even after purchase. "

"I had a member request a ¾ ton truck pricing but was unsure about their budget at the time. I took the time to go through each option with the client to provide a Sourcewell pricing quote through multiple manufacturers from Ram, Chevrolet and Ford. This empowered the member to have multiple pricing options for review to align with their budget as well as eliminating the need to shop anywhere else. "

"We work with many body companies to assist customers with the body upfitting process. One of our members called in a request to expedite a particular vehicle that was held up at one of their local body upfitters. I contacted the body company representative and put in a request to expedite the upfitting per request of the member. The body company was able to comply with the request and delivery was made sooner than expected."

Word-of-Mouth Marketing: The positive quality of service has led to more sales based on previous customers' impressions on their experience. NAFG's goal is to provide exemplary customer service throughout the entire purchasing process to encourage repeat business and advocate services to other members. NAFG has been fortunate to experience multiple instances of leads generated based solely on word-of-mouth marketing through our existing customers.

Cross-promotion: National Auto Fleet Group is currently collaborating with another Sourcewell Vendor, NCL Government Capital to promote each other's products and services. NCL Government Capital specializes in providing competitive equipment financing programs for municipalities and public education entities across the United States. As a team, NCL and NAFG produced a variety of marketing materials such as videos, flyers and info graphs to promote purchasing and leasing opportunities.

Hoglund Bus Company is another cross-promotion vendor NAFG had the opportunity to create a partnership with. Flyers were created to advertise Chassis from NAFG along with a variety of bus bodies from Hoglund Bus Company.

With cross-promotion, companies exchange knowledge and provide endorsements on websites, social media, and email campaigns. This strategy creates an influx of new leads, brand awareness, increased sales and recurrence of customers. National Auto Fleet Group will continue to create new partnerships and facilitate more cross-promotion opportunities in the near future to provide turnkey solutions for a variety of vehicle purchasing needs.

Coming in 2022, National Auto Fleet Group will be launching a NAFG Partner Website to further increase business growth. The website www.nafgpartner.com is expected to launch next year in 2022. The site encourages body upfitting companies throughout the United States to partner up with NAFG to become a preferred member. The benefits of becoming a preferred member include endorsements on website and social media avenues along with word-of-mouth referral for clients with upfitting needs. Our dedicated public relations representative will conduct phone and in person meetings to discuss the advantages of partnering up with NAFG, therefore generating more cross-promotion opportunities.

Members from government agencies are encouraged to go on the site to search for local body upfitting companies they are interested in working with. As a prerequisite in becoming a preferred vendor, they are required to advertise NAFG and the Sourcewell contract on their business website and refer their clients to purchase their cab/chassis needs through NAFG. This establishes a partnership that will generate increased sales all around. We are still currently building the website and interacting with body companies across the United States that would be interested in partnering up with NAFG.

36	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	<p>Social media plays a crucial element in the way people communicate and connect with each other. LinkedIn is the go-to platform used by NAFG as it offers a variety of ways to expand our network by locating and connecting with relevant professionals in the industry. National Auto Fleet Group has utilized LinkedIn to engage current and potential members through personalized messages and posts. Personalized messages include thanking them for registering on site as well as directing them to our link to the website, LinkedIn, YouTube, Facebook and Instagram company pages. The goal is to unite with people already on our database as well as people that would benefit from our products and services. Current flyers or messages about our company are also posted on the LinkedIn site to generate and attract more business. Time is also spent on reading posts from connections and observe any needs that National Auto Fleet Group may assist with.</p> <p>National Auto Fleet Group has begun utilizing video marketing strategies to further promote and market products by engaging on social media channels and email flyers. Programs such as Vimeo, Video Scribe, Cartoon Animator, Adobe Animate, Illustrate, Captive, Photoshop and Movavi Video Editor Plus are employed to edit and create videos to assist in endorsing our company. The following videos were recently created by our marketing department along with outside video production companies:</p> <p>Explainer Video: The first video created was a 90 second explainer video about National Auto Fleet Group that used animated characters to visualize our products and services along with information on the Sourcewell awarded contract. The video has been incorporated into all our weekly email flyers and social media platforms as an informative video on our products and how to purchase vehicles off Sourcewell Government Contract.</p> <p>How To Videos: National Auto Fleet Group has also created step-by-step How-To videos on the process to purchase both Light Duty and Heavy-Duty vehicles off the contract.</p> <p>In Stock Vehicles: This video showcases our in-stock vehicles available and the process of requesting a quote.</p> <p>ETA Tracking System: This video was created to not only introduce but to encourage clients to self-track their vehicle status.</p> <p>Holiday Themed Videos: These amusing videos were created to celebrate the holidays and add humor and lightness to our company and products sold.</p> <p>Cross Promotion Video: This video markets our relationship with NCL Government Capital and Sourcewell to endorse EV vehicles.</p> <p>Videos for social media: Mini videos were created to advertise new vehicles available, pricing and cutoff date reminders.</p> <p>NAFG has recently introduced a newly built live chat feature on our website for customer convenience as well as improving customer service. Visitors have access to chat with a live sales representative 24 hours a day, 7 days a week. With this feature potential customers are provided with another avenue for assistance in addition to emailing and phone calls. The benefits of a live chat option include quicker response time to assist buyers in reaching a purchasing decision and answer their questions.</p> <p>Improving customer service will also lead to increased sales, customer loyalty and engagement. Many studies have shown a strong correlation between live chat and increase in conversion rates. Potential clients appreciate having their questions answered in real-time when trying to build a vehicle quote online and allowing the user to multi-task different projects.</p>
37	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	<p>Sourcewell's mission states: "Our commitment to service and exceeding client expectations." This statement integrates with our relationship marketing strategy with our commitment to go above and beyond for all our members. Sourcewell is a trusted brand that government entities can rely on to access a wide variety of products and services for their everyday needs. With over 40 years of partnerships and relationship building, they are the glue that connects government, education, and nonprofit agencies to companies of all sizes to offer turnkey solutions to their needs.</p> <p>Sourcewell is also a reliable resource for vendors by not only connecting with potential prospects but by providing valuable marketing materials readily available for download on their website. Resources and tools provided include flyers, vendor training videos along with compliance information.</p> <p>The Sourcewell brand integrates a thorough documentation review of all vendors prior to awarding their cooperative contracts to ensure products and services are from reputable vendors. The brand provides a sense of legitimacy of our company name and members recognize that products and services are from reliable sources that will meet their needs.</p> <p>Sourcewell's aim is to simplify the purchasing and procurement process of government entities by eliminating the costly bidding procedure. The process of researching the right vendor is not only stressful and time-consuming but can be expensive as well. Sourcewell has completed the bidding for government entities which simplifies the overall purchasing process by providing access to competitively bid contracts procured by a government agency.</p> <p>Sourcewell has provided NAFG with overwhelming opportunities to work with government agencies across the United States. The Sourcewell name represents a high standard of integrity and ethics which is a dynamic National Auto Fleet Group is proud to be part of. Sourcewell members have access to a contract that is more flexible than the standard bidding process. Sourcewell is an organization that aids government entities to stay competitive without the frustrations and issues involved with the traditional bidding process. This contract can be customized to meet the unique needs of each client. The sales team has incorporated not only this standard of integrity in their sales practice ensuring clients' purchasing needs will always be met. The cost savings and stress-free nature of the cooperative contracts favors that of the traditional bidding process. It enables vendors to work with qualifying government entities in a more efficient manner. We vow to maintain these levels of standards across the board throughout all departments within the company.</p>

38	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	<p>Our website provides a hands-on empowering approach to ordering vehicles online. Clients can search through many vehicles makes and models with the ability to customize a vehicle tailored to their specific needs of their agency. A personalized quote with pricing can be available in as little as 5 minutes depending on the complexity of the vehicle. If upfitting is needed, the buyer can list the details of the up-fit while building their vehicle on our website to receive a complete quote or a sales representative can be reached through phone, email or our new live chat feature built on our website.</p> <p>We have recently created and uploaded a "How-To Videos" section on the homepage of our website which highlights a step-by-step process on how to build an online quote. This informative video demonstrates how to navigate the website in how to generate a vehicle quote with or without upfitting options. It begins by explaining how to register on our website as a member and then details on how to select vehicle model and type and the factory options needed.</p> <p>Once a customized quote is built, clients have the option to finalize the sales transaction by submitting a purchase order to our sales team via email. This gives complete autonomy to the client to purchase vehicles without the need to speak to a sales rep. If assistance is needed, they can contact sales through email, live chat or phone.</p> <p>If assistance is required to build a quote, our sales rep is also available to walk a client through the e-procurement process step by step. This ensures someone is available to answer any questions if needed and empowering the client to make any future purchases on their own. Clients may also call or email the needs of the company and receive a customized vehicle quote.</p>	*
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Table 8: Value-Added Attributes

Line Item	Question	Response *	
39	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	National Auto Fleet Group extends any and all product, equipment, maintenance and operating programs provided by the Manufacturer directly to Sourcewell participating entities during the quoting process. The manufacturer will provide quotes to the member based on the vehicles class and size, and geographic location. NAFG will always pass these quotes onto members and treat them like an upfit to the vehicle.	*
40	Describe any technological advances that your proposed products or services offer.	Technological accomplishments by Manufactures like Ford Motor Company and General Motors serve members by keeping many models available for members to choose from. Additionally, NAFG allows members the ability to choose to electrify their vehicle by opting into the Motive Power Systems we can still help supply this kind of an upfit. For more information, we have attached the product and pricing information within the "Upfits Available" and "All 15 Manufactures" ZIP files under the supporting documents portion of the application.	*
41	Describe any "green" initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	. National Auto Fleet Group helped create the Climate Mayor Purchasing Collaborative by partnering with over 400 Mayors nationwide. This initiative was created for the benefit of members who wanted to create and sustain an all-electric fleet. We offer 100% purely electric vehicles your members to choose from. Some popular models include the Chevrolet Bolt, Ford Fusion, Ford Mustang Mach-E, as well as Ford's all electric F-150. We are confident that as more OEM's continue to manufacture new electric vehicles, we will provide them for members to select from. More information about this initiative can be found at www.Driveevfleet.org	*
42	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	NAFG has the California Air Resource Board (CARB) Certificate as well as the Ford Qualified Vehicle Modifier Certificate on file with some of our partner suppliers and upfitters hold these certifications and these certifications help illustrate how each vehicle conserves energy and remains energy efficient.	*
43	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	NAFG holds a current partnership with many suppliers some of which are veteran owned such as Pacific Truck Body located in CA. Our Ford, Chevrolet and Ram,Jeep,Dodge,Chrysler stores are jointly owned and operated by Minorities.	*
44	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	. National Auto Fleet Group was not only built on dedication and hard work, but also through quantifiable metrics that directly measure the results of our efforts to ensure real goals are being measured and met. Through measuring results, NAFG takes responsibility in ensuring we deliver only the best customer care to your members. NAFG offers members 24 hour website access to customer support to personally walk members through any questions they may have. No matter what the issue may be, we always think outside the box to help members find a solution.	*

Table 9A: Warranty

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	
45	Do your warranties cover all products, parts, and labor?	Each of the 15 manufactures we represent cover their own products, parts, and labor. All warranty information may be found in our attachments under the ZIP File "All 15 Manufactures".	*
46	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	Prior to purchase, members should be aware of each manufacturer's restrictions. Such as improper use of the vehicle may result in disqualification of coverage under the OEM's warranty. An example of this may be an F-350 being used for a police related pursuit, which may void certain warranties. Although, we always welcome and encourage members to contact us for their particular warranty coverage.	*
47	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	In some cases, manufacturers will tow a member's vehicle to the nearest warranty repair facility in case of a breakdown and cover expenses, but prior approval is required.	*
48	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	This may vary from manufacturer to manufacturer. Thus, we encourage members to call in prior to purchase and inquire about their specific region and how their warranty repairs will be covered with their manufacturer.	*
49	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	All warranties are typically passed on to the original equipment manufacturer and any upfit warranty will be passed on to the upfitter to perform.	*
50	What are your proposed exchange and return programs and policies?	If a member changes their mind, NAFG will quickly make every effort to change or cancel the order with the factory. However, once the manufacturer begins producing the vehicle, there are no changes, exchanges, or refunds available. The order is then deemed non-cancellable. This includes any upfit equipment an upfitter has ordered for the unit.	*
51	Describe any service contract options for the items included in your proposal.	NAFG offers any and all manufacturer service contracts for all members. There are several parameters in which a service contract may be customizable. These customized service contracts will be treated as add factory options and following the same discount schedule provided in the pricing file.	*

Table 9B: Performance Standards or Guarantees

Describe in detail your performance standards or guarantees, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your performance materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	
52	Describe any performance standards or guarantees that apply to your services	The only guarantee we can ever provide is the guarantee that we will treat and help every member that contacts with respect, integrity and professionalism.	*
53	Describe any service standards or guarantees that apply to your services (policies, metrics, KPIs, etc.)	NAFG and staff uphold high standards with how we provide service to the members, not only holding each other accountable but by embracing member feedback of how we can improve. Then we act upon it and implement improvements.	*

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *	
54	Describe your payment terms and accepted payment methods?	Standard payment terms are Net 20, with a 10 – day grace period.	*
55	Describe any leasing or financing options available for use by educational or governmental entities.	. In order to provide leasing or financing options, NAFG has partnered with National Cooperative Leasing to offer leasing terms for Sourcewell members for all NAFG quotes under the Sourcewell contract. For further review, we have attached a PDF called "NCL Sample Lease" in the "Member Walk Through" Zip file.	*
56	Describe any standard transaction documents that you propose to use in connection with an awarded contract (order forms, terms and conditions, service level agreements, etc.). Upload a sample of each (as applicable) in the document upload section of your response.	National Auto Fleet Group's transaction process (Purchase Order) is closely tracked, well documented, and neatly organized to monitor each transaction performed through our Sourcewell Contract. This way, NAFG may produce swift and accurate quarterly reporting.	*
57	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	Yes, NAFG accepts up to \$2,500 per vehicle. However, any dollar amount higher than \$2,500 will require a P-card/ Credit Card transactional fee that would be passed onto the member	*

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

Line Item	Question	Response *	
58	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	National Auto Fleet Group is offering Line-Item Discounts Off Manufacture Suggested Retail Price for 15 manufacturers that is detailed in the Price File. NAFG will also offer any Upfits to be added to any and all vehicles' that members wish to add. Details are located on the Price Summary Page in the Price File.	*
59	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	NAFG has an provided offerings from 15 Brands/OEMS and there respective percentage off vary and are detailed in the "Price File" zip Each Manufacture Range is detailed in the tabs below, here is an overview Chevrolet from -.077 to 24.45 % Ford Motor Company from -5.19 to 23.31 % GMC from 6.14 to 22.45 % Ram from 4.99 to 14.23 % Dodge from 3.09 to 9.96 % Jeep from 1.38 to 4.17 % Chrysler from 1.65 to 4.55 % Toyota from .03 to 8.98 % Honda from 1.34 to 4.9 % Nissan from -.085 to 14.61 % Buick from 2.36 to 6.08 Kia from .69 to 8.39 % BMW from 3.8 to 4.77 % Cadillac from 4.22 to 6.77 % Volkswagen from 2.17 to 2.46 %	*
60	Describe any quantity or volume discounts or rebate programs that you offer.	If clients are considering an order of 150 or more units, we encourage members to contact us for any additional discounted quotes.	*
61	Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "nonstandard options". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.	"Open Market" products or "Sourced Goods" will be considered and treated as regular upfits. However, they may be quoted up to a 10% mark up, if applicable.	*
62	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	All considerations have already been taken into account in its entirety. The Price Summary Page and Price Table contained in the price file includes all considered costs. Although if a member requested a specialized quote for a unique situation that requires special training, direction, or installation, the additional costs would be added as a part of the upfit and then included inside the member's quote.	*
63	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	All manufactures charge a standard "Factory Destination Charge". However, that is separate from the freight/destination cost that members may incur to ship a vehicle to and from an installer, if applicable. These subsequent locational movements may bare additional freight costs that will be outlined within the members quote for their review prior to purchase.	*
64	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	Freight, shipping, and delivery terms among these regions sometimes carry additional logistical charges for added ferry, port and driver costs from both to and from the mainland. These added costs will be disclosed on the quote for members to review and approve prior to purchase.	*
65	Describe any unique distribution and/or delivery methods or options offered in your proposal.	National Auto Fleet Group already has a well-established Automobile Franchise Distribution Network that allows for swift and relatively seamless delivery to members and their end users.	*

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
66	c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	NAFG Strives to offer the best overall value to the member with each and every quote.

Table 13: Audit and Administrative Fee

Line Item	Question	Response *	
67	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell. Provide sufficient detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template.	Sourcewell participating members are able to obtain proper pricing directly from our website, where they are able to use our user-friendly design to build and price their vehicles. The NAFG is updated daily to reflect updated manufacturer MSRP information. Our system will provide members with an accurate quote 99.99% of the time. In addition, NAFG has a stream line and organized process that calculates administrative fees and allows NAFG to give a turnaround time of 15 – 30 days for quarterly reports.	*
68	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	One of the internal metrics NAFG uses to track and measure success with the Sourcewell Contract is maintained through our website. Our website keeps a detailed log of quotes that members are generating. We oversee and keep track of how many quotes are being generated and which quotes are met with a purchase order. Every month we evaluate our sales indicators and closely monitor the volume and frequency of sales. One example is by evaluating which members are purchasing from our platform – new members or frequent members to ensure we are growing our member base. We use these metrics to measure our projected growth rate and work to exceed our expectations.	*
69	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	NAFG will submit \$ 300 per vehicle purchased through NAFG and \$ 200 per vehicle purchased through our partner dealer Alan Jay Automotive. For the purpose of an admin fee there are no other partner dealer groups considered.	*

Table 14A: Depth and Breadth of Offered Equipment Products and Services

Line Item	Question	Response *	
70	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	NAFG has provided a "Model Roll Out" Charts in the "Price File" zip, but of the 15 manufacturers we represent, they have over 100 makes and models for members to choose from that range from Class 1-3 and supporting Class 4 Cab and Chassis trucks. NAFG's platforms can add any upfit of their choosing, ranging from toolboxes to Line Mechanic Bodies. Any and all upfits can be added to any one of our vehicles through one of our upfit partner suppliers or by an upfit supplier of the members choosing. NAFG and the supplier will work together to supply members with turnkey quotes.	*
71	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	National Auto Fleet Group lists the makes and models of all 15 manufacturers we represent under the ZIP File "All 15 Manufacturers". These 15 OEMs make up over 100 combined makes, models, and engine combinations for members to select from along with several subtitle "Upfits" detailed for members in the price file.	*

Table 14B: Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments
72	Automobiles	<input checked="" type="radio"/> Yes <input type="radio"/> No	15 Manufacturers totaling well above 700 makes and models
73	Sport Utility Vehicles	<input checked="" type="radio"/> Yes <input type="radio"/> No	15 Manufacturers totaling well above 700 makes and models
74	Vans	<input checked="" type="radio"/> Yes <input type="radio"/> No	15 Manufacturers totaling well above 700 makes and models
75	Trucks	<input checked="" type="radio"/> Yes <input type="radio"/> No	15 Manufacturers totaling well above 700 makes and models
76	Vehicles described in Lines 72-75 above for Public Safety applications	<input checked="" type="radio"/> Yes <input type="radio"/> No	15 Manufacturers totaling well above 700 makes and models
77	Conventional internal combustion models	<input checked="" type="radio"/> Yes <input type="radio"/> No	15 Manufacturers totaling well above 700 makes and models
78	Natural gas or propane autogas, hybrid, or alternative fuel models	<input checked="" type="radio"/> Yes <input type="radio"/> No	15 Manufacturers totaling well above 700 makes and models
79	Electric powered models	<input checked="" type="radio"/> Yes <input type="radio"/> No	15 Manufacturers totaling well above 700 makes and models

Table 15: Exceptions to Terms, Conditions, or Specifications Form

Line Item 80. NOTICE: To identify any exception, or to request any modification, to the Sourcewell template Contract terms, conditions, or specifications, a Proposer must submit the exception or requested modification on the **Exceptions to Terms, Conditions, or Specifications Form** immediately below. The contract section, the specific text addressed by the exception or requested modification, and the proposed modification must be identified in detail. Proposer's exceptions and proposed modifications are subject to review and approval of Sourcewell and will not automatically be included in the contract.

Contract Section	Term, Condition, or Specification	Exception or Proposed Modification

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.
 2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.
 3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.
 4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as "Marketing Plan."
- [Pricing](#) - NAFG Price File for Bid 091521.zip - Monday September 13, 2021 19:29:27
 - [Financial Strength and Stability](#) - Market Success and Financial Stability.zip - Monday September 13, 2021 19:30:12
 - [Marketing Plan/Samples](#) - Marketing Plan Compressed.zip - Tuesday September 14, 2021 11:38:30
 - [WMBE/MBE/SBE or Related Certificates](#) - Insurance and Related Documents.zip - Tuesday September 14, 2021 11:40:18
 - [Warranty Information](#) - Warranties RFP 091521.zip - Tuesday September 14, 2021 11:40:36
 - [Standard Transaction Document Samples](#) - Standard Transaction.zip - Monday September 13, 2021 19:54:48
 - [Upload Additional Document](#) - ALL 15 Makes and Upfits.zip - Tuesday September 14, 2021 11:35:54

Addenda, Terms and Conditions**PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE**

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.
2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.
3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.
4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.
5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.
6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.
7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.
8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.
9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
11. Proposer its employees, agents, and subcontractors are not:
 1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>;
 2. Included on the government-wide exclusions lists in the United States System for Award Management found at: <https://sam.gov/SAM/>; or
 3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

☒ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Jesse Cooper, Fleet Manager, 72 Hour LLC

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

☒ Yes ☐ No

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "I have reviewed this addendum" below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_6_Autos_SUVs_Vans_Trucks_RFP_091521 Wed September 8 2021 06:27 PM	<input checked="" type="checkbox"/>	1
Addendum_5_Autos_SUVs_Vans_Trucks_RFP_091521 Tue September 7 2021 07:28 PM	<input checked="" type="checkbox"/>	2
Addendum_4_Autos_SUVs_Vans_Trucks_RFP_091521 Thu August 26 2021 05:55 PM	<input checked="" type="checkbox"/>	1
Addendum_3_Autos_SUVs_Vans_Trucks_RFP_091521 Mon August 23 2021 09:47 AM	<input checked="" type="checkbox"/>	1
Addendum_2_Autos_SUVs_Vans_Trucks_RFP_091521 Sun August 8 2021 09:02 PM	<input checked="" type="checkbox"/>	1
Addendum_1_Autos_SUVs_Vans_Trucks_RFP_091521 Thu August 5 2021 03:58 PM	<input checked="" type="checkbox"/>	1

**AMENDMENT #1
TO
CONTRACT # 091521-NAF**

THIS AMENDMENT is effective upon the date of the last signature below by and between **Sourcewell** and **72 Hour LLC dba: National Auto Fleet Group** (Supplier).

Sourcewell awarded a contract to Supplier to provide Automobiles, SUVs, Vans, and Light Trucks with Related Equipment and Accessories to Sourcewell and its Participating Entities, effective November 4, 2021, through November 8, 2025 (Contract).

The parties wish to amend the Proposal to ensure compliance with Sourcewell’s Procurement Policy and standard government procurement practices.

NOW, THEREFORE, the parties amend the Contract as follows:

Line item 28 of “Table 6: Ability to Sell and Deliver Service” of the Proposal is modified to add the following:

“For Tesla and Mullen vehicles, the Participating Entity will work directly with Supplier when ordering the vehicle. Once a purchase order is issued and received by Supplier, Supplier will work with the appropriate Tesla or Mullen representative to process the order and deliver the vehicle directly to the Participating Entity. All necessary paperwork will be handled directly between the Participating Entity and Supplier.”

Except as amended by this Amendment, the Contract remains in full force and effect.

Sourcewell

Signed by:
By: Jeremy Schwartz
C0FD2A139D06489...
Jeremy Schwartz, Chief Operating Officer

Date: 2/21/2025 | 4:19 PM CST

**72 Hour LLC
dba: National Auto Fleet Group**

Signed by:
By: James Cooper
FACBB5730C1E467...
Jesse Cooper, Fleet Manager

Date: 2/21/2025 | 2:34 PM CST

Consider Authorization to Purchase One 2025 Ford Explorer

BOARD OF DIRECTORS MEETING

JULY 7, 2025

Current Explorer in Agency's Fleet

- 2017 Ford Explorer 4x4
- Approximately 132,000 Miles
- Vehicle will be reassigned as a pooled vehicle for staff
- Staff has seen an increase in the need for a pooled vehicle for site visits, off-site meetings, and major projects (CLR, HH's, and Brookside West Design)



Upcoming State Fleet Requirements

- California has set a requirement that 100% of the vehicles sold in the state must be Zero Emissions Vehicles by 2035.
- California Air Resource Board (CARB) has passed regulations that require the public agencies to transition from Internal Combustion Engines to Zero Emissions Vehicles by 2027.

Purchases between 2024-2027

- CARB has passed regulations with the following requirements for public agencies, effective January 1, 2024:
 - 50% of vehicles purchased must be Zero Emissions Vehicles (ZEV), or electric vehicles (EV) which applies to vehicle purchases over 8,500 Lbs. GVWR
 - Starting 2027: 100% of new fleet purchases must be ZEVs.

Sourcewell New 2025 Ford Explorer

- Sourcewell Price through National Auto Fleet Group: \$56,165.68*
 - Four-wheel Drive
 - Off-road skid plates
 - Towing Package
 - Enhanced safety features
 - Comparable trim to existing Explorer
- *This price include sales tax, delivery, and doc fees (Out-the-door price)



Stock Photo of 2025 Ford Explorer

Fiscal Impact

The total cost of the 2025 Ford Explorer will not exceed \$60,000, which includes the base vehicle price, applicable taxes, and additional safety equipment or accessories.

This purchase will be funded from the FY 2025–26 General Fund Budget, specifically from the “Vehicles” line item (line 113) within the Green Bucket.

Staff Recommendation

Staff recommends that the Board authorize the purchase of one (1) 2025 Ford Explorer through the Sourcewell cooperative purchasing program in an amount not to exceed \$60,000, including all applicable taxes and fees.

Questions



San Gorgonio Pass Water Agency

DATE: July 7, 2025
TO: Board of Directors
FROM: Lance Eckhart, General Manager
BY: Tom Todd, Jr., Chief Financial Officer
SUBJECT: COST-OF-LIVING ADJUSTMENT (COLA) FOR FY 2025-26

RECOMMENDATION

The Board authorize a 2.5% cost-of-living adjustment for Staff, effective July 1, 2025.

PREVIOUS CONSIDERATION

- The Board considers a COLA every year as part of the budget cycle

BACKGROUND

A cost-of-living adjustment helps counteract the increases of inflation that employees experience and helps them maintain the buying power of their salary. Because General Manager compensation is determined and formalized by separate Board action, this action is for Staff and may affect Board compensation.

By providing COLAs, the Agency accomplishes two objectives: 1) encourages employees to remain with the Agency, and 2) maintains competitive salary levels to attract new employees.

ANALYSIS

Determination of a COLA percentage is a data-driven process. The Bureau of Labor Statistics keeps records of consumer prices for the United States, subdivided into multiple categories and regional areas. The Agency uses this data to determine if a COLA is warranted.

COLA is determined by comparing the consumer price index at a specific point in the year to the same point in the previous year. The Agency has consistently made the calculation in April, using the data from March. By using the same month each year, there is no possibility of under- or over-counting the change in the index.

The Agency also uses the same demographic each year. The index used is the 'All Urban Consumers' and 'All Items.' Until 2017, the Los Angeles area was the geographic identifier. In 2017, the BLS sub-divided the Los Angeles area, and the Agency currently uses the Riverside-San Bernardino-Ontario statistical area.

The Board has been consistent in its approach to COLAs. If a COLA is warranted, it has been granted. If a COLA is negative or minimal, it has not been granted. In recent history, from 2007-2010 (recession years), the Board did not approve an adjustment because the increase was minimal, or there was a decrease. The Board also did not grant a COLA in 2015 because it was minimal. In years when COLA has been an increase, the Board has consistently approved the calculated amount, even in years when inflation was significant.

Currently, the economy seems to be on an even keel. The Federal Reserve Board is uncertain about what it will do with the interest rate, but appears to be holding it at this time. Tariffs have made the news, but do not seem to be impacting the economy as much as expected.

Adjustments are historical by definition; COLAs are not forward-looking. The index changes on the basis of historical data collected. So, granting a COLA tries to restore buying power, after the negative effects of inflation have already been experienced. The effects of a recession in the future do not change the effects of inflation that have already been experienced in the previous 12 months.

For the years between 2024 and 2025, the index for the Riverside-San Bernardino-Ontario area, March to March, has changed from 133.144 to 136.511. This represents a 2.53% increase in 12 months. By comparison, the U.S. City Average, March to March, has changed from 312.332 to 319.799, which represents a 2.39% increase.

The formula for determining the percentage change compared to the previous year is the difference between the years compared to the previous year and looks like this: the current-year value minus the previous-year value (difference between the years) divided by the previous-year value.

This is the calculation for the current year: 136.511 (current year value) minus 133.144 (previous year value) = 3.367 (difference between the years); 3.367 divided by 133.144 = 2.5% .

Historically, COLA takes effect for Staff on July 1, concurrent with the beginning of the new fiscal year.

FISCAL IMPACT

The COLA amount the Board authorizes will affect the budget for Staff salaries in the General Fund and in the Debt Service Fund. The amount the Board authorizes may affect

Board compensation, depending on a future Board action. Based on projected budget amounts for these categories, an estimate of the increases due to COLA is as follows:

- General Fund Staff: up to \$15,000
- Debt Service Staff: up to \$11,000

This represents 0.1% of the overall approved General Fund Budget for FY 2025-26.

ACTION

The Board authorize a 2.5% cost-of-living adjustment for Staff, effective July 1, 2025.

ATTACHMENTS

CPI Comparison Data Table

SAN GORGONIO PASS WATER AGENCY						
CPI Comparison						
Time Period: Thru March or April 2025						
Area	Month	Yr	Previous	Current	Difference	% change
US City	May	24	304.127	314.069	9.942	3.27%
	Jun	24	305.109	314.175	9.066	2.97%
	Jul	24	305.691	314.540	8.849	2.89%
	Aug	24	307.026	314.796	7.770	2.53%
	Sep	24	307.789	315.301	7.512	2.44%
	Oct	24	307.671	315.664	7.993	2.60%
	Nov	24	307.051	315.493	8.442	2.75%
	Dec	24	306.746	315.605	8.859	2.89%
	Jan	25	308.417	317.671	9.254	3.00%
	Feb	25	310.326	319.082	8.756	2.82%
	Mar	25	312.332	319.799	7.467	2.39%
R-S-O	May	24	128.768	133.144	4.376	3.40%
	Jul	24	129.525	133.943	4.418	3.41%
	Sep	24	131.372	133.113	1.741	1.33%
	Nov	24	131.372	133.179	1.807	1.38%
	Jan	25	131.358	132.853	1.495	1.14%
	Mar	25	133.144	136.511	3.367	2.53%



San Geronio Pass Water Agency

DRAFT Debt Service Budget FY 2025-26

FROM THE GENERAL MANAGER



Lance Eckhart, PG, CHG

I am pleased to present the proposed Debt Service Budget for Fiscal Year 2025–26. This budget reaffirms the Agency’s long-standing commitment to regional water security and responsible financial stewardship. It supports our primary mission—importing, delivering, and managing State Water Project (SWP) supplies for the San Geronio Pass region.

Our Five-Year Strategic Plan calls for sound financial planning and leadership in long-term infrastructure investments. This year’s budget reflects that with our continuing contribution toward the Delta Conveyance Project (DCP)—a project essential for improving flexibility, reliability, and resilience in California’s water delivery system. Our participation, along with sustained support for the Sites Reservoir Project, positions the Agency to help lead the state’s response to climate-driven challenges.

We anticipate increased SWP costs, including higher base contract payments, additional costs for purchased water based on allocation, and the City Creek Crossing remediation. These increases are anticipated and have been carefully planned for. Our stable tax revenue and reserves allow us to absorb these increases while continuing to meet obligations without disruption.

While the Debt Service Fund is primarily structured to fulfill SWP-related contracts, it also enables broader regional resilience. Through reliable imported water delivery, we support local recharge efforts, economic development, and joint efforts with regional partners.

This year’s budget reflects our commitment to long-term infrastructure investment and prudent financial planning, as outlined in our Five-Year Strategic Plan. The next phase of our contributions toward the Delta Conveyance Project (DCP) is included—an essential step to improve California’s water delivery flexibility, reliability, and climate resilience. Coupled with our on-going investment in the Sites Reservoir Project,

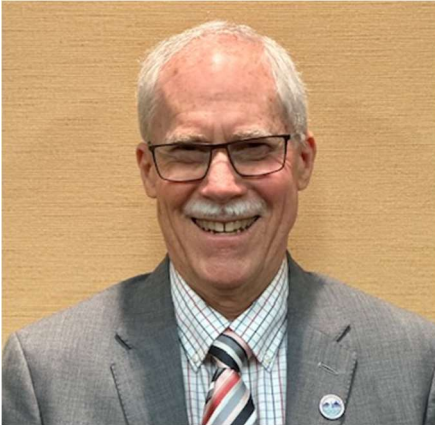
these actions position the Agency as a leader in addressing statewide water infrastructure needs.

This budget also reflects our strategic, forward-looking mission—balancing current commitments with long-term investments to ensure water reliability for decades to come. I want to thank the Board for your continued leadership and guidance.

Respectfully,

A handwritten signature in black ink, appearing to read "James E. Zook". The signature is fluid and cursive, with the first name "James" written in a smaller, more legible script than the last name "Zook", which is more stylized.

FROM THE CHIEF FINANCIAL OFFICER



Thomas W. Todd, Jr.

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

The Debt Service Fund (also known as the Red Bucket) is dedicated to fulfilling our obligation to the State of California for the State Water Project and our primary objective: importing water to the Pass area. While the General Fund supports the many regional initiatives the Agency participates in, and is available for a multitude of activities and expenditures, the focus of the Debt Service Fund is providing the water resources necessary to sustain the Agency’s service area.

As FY 2024-25 comes to a close, we are once again in a positive position: tax revenue has exceeded projections, and State Water Project payments are less than expected.

As a result, the Debt Service Fund will conclude FY 2024-25 within budget and with a surplus.

Adding to Debt Service reserves will serve the Agency well as we begin to pay for generational opportunities such as the Delta Conveyance Project and the Sites Reservoir Project. In addition, repairs and upgrades to aging infrastructure, such as subsidence remediation, will begin to impact our State Water payments in the future.

There are three major expense categories charged to the Debt Service Fund. The biggest category is the State Water Contract Payments. As part of our obligation to pay for our share of the State Water Project (SWP), the Agency is assessed an allocated amount of costs to operate and maintain the SWP. State Water Contract Payments are derived from the annual Statement of Charges issued by the Department of Water Resources. They are shown in a table later in this document.

In addition, for this fiscal year, the Agency will pay 100% of the SWP water

delivery charges from the Debt Service Fund. This includes fixed costs for facilities needed to transport water, as well as variable costs related to electrical service and infrastructure.

And as in previous years, the Agency will pay for water transfers out of the Debt Service Fund. Water Transfers are the line item for expenditures related to transfer agreements the Agency has with other State Water Contractors. An example of this is the transfer agreement we have with the City of Ventura. Throughout the year, we may enter into other transfer agreements with other State Water Contractors, and those expenditures would be added to this line item.

These three categories account for about 90% of the expenditures from the Debt Service Fund in FY 2025-26.

The other line items account for activities directly related to the delivery of water through the SWP. Personnel costs and administration, along with operations and maintenance, are included in this category of expenses. Water Treatment Expense, EBX Contract Operations, and SWP Engineering and Maintenance are three line items that are used to account for costs that we share with San Bernardino Valley Municipal Water District (SBVMWD) to efficiently operate the East Branch Extension.

For FY25-26, the SWP Engineering and Maintenance line item includes \$2 million to share the cost of repairing the City Creek Crossing with SBVMWD. The design of the project is temporarily on hold due to permitting issues, but the situation must be addressed, so this amount has been added to cover the extra efforts needed going forward.

Altogether, total expenses for the Debt Service Fund are projected to be about \$37.7 million.

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

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

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

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

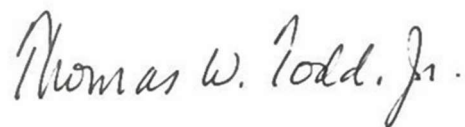
The SWP will face a number of challenges in the coming years. Besides the expected effects of inflation and cost increases, and repairs needed to aging infrastructure, the SWP will continue to face environmental and mandated restrictions that reduce the delivery capability of the Project. This not only makes the Project more expensive, but it also reduces the amount of water available for delivery, making the overall cost doubly expensive.

The Agency is well prepared to meet these unique challenges. The Board has a long history of considering the impacts future years will have on the resources available to the Agency, and taking action to prepare for those contingencies. One example of the Board's forward thinking is the decision it made years ago to set aside tax revenue for future 'balloon payments' for the East Branch Extension. As a result, funds have been set aside in reserves and are ready for deployment.

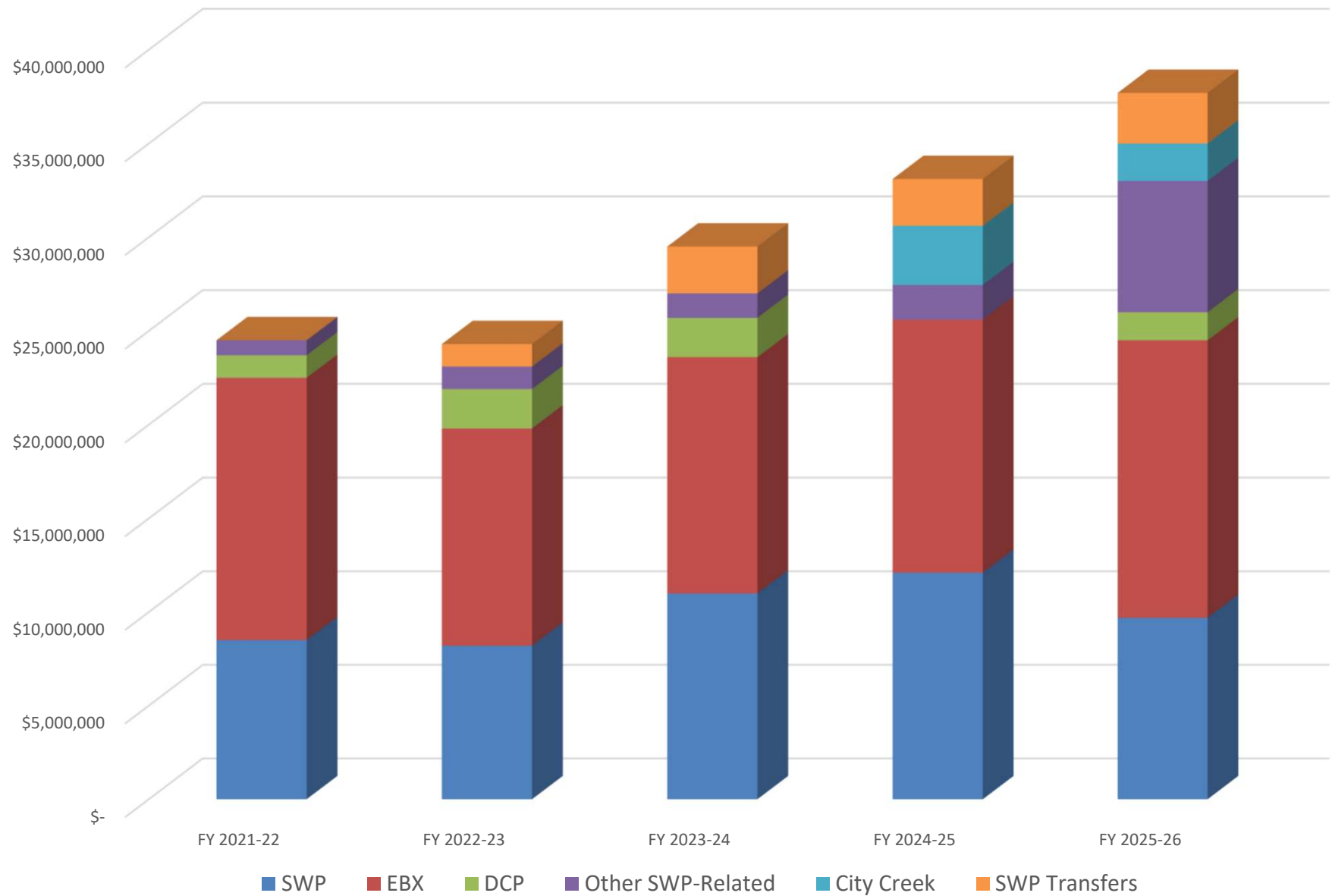
This mindset is increasingly important as the Agency faces uncertain impacts from future activities. The Agency is currently well-positioned to meet its obligations; it is important that it be able to continue to do so. **Maintaining the current level of income would be an effective investment (at this time) in future stability for taxpayers as well as supporting resiliency for the Agency.**

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

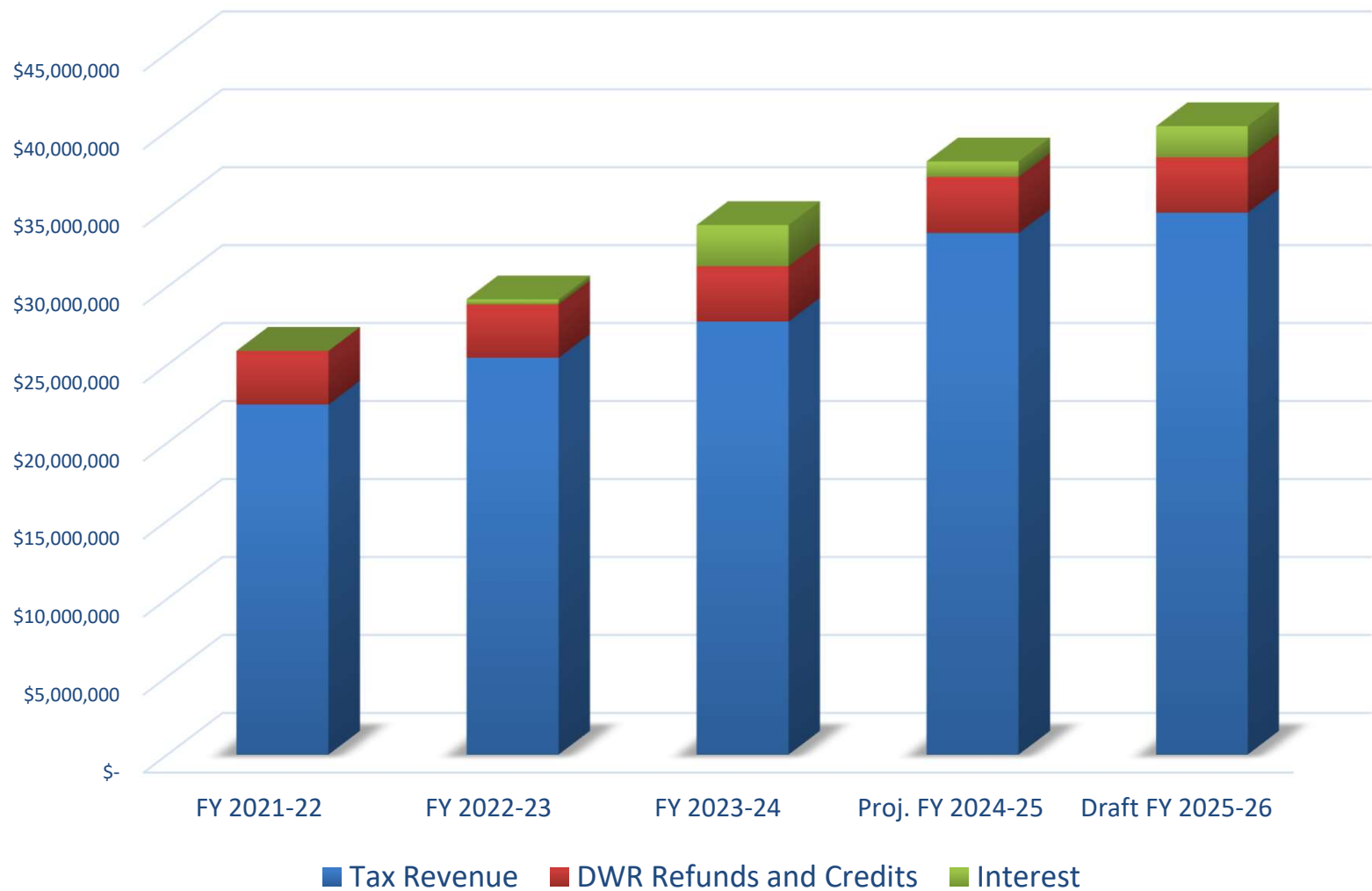
Respectfully,

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

Debt Service Expenditures by Fiscal Year



Debt Service Fund Income by Type



SAN GORGONIO PASS WATER AGENCY
DEPARTMENT OF WATER RESOURCES EXPENSE REQUIREMENTS
FOR THE FISCAL YEAR 2025-26

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DEPARTMENT OF WATER RESOURCES		Statement of Charges FOR THE PERIOD JUL - DEC 2025	May Estimate FOR THE PERIOD JAN - JUN 2026
INVOICE			
INVOICE (type) - NUMBER (attachment)			
Water Supply - T Invoice - ATTACHMENT 1		4,197,924	4,608,376
Delta Conveyance Project		0	1,500,000
Sites Reservoir		0	0
Other			
Sub-Total Water Supply		4,197,924	6,108,376
OAP - O Invoice- ATTACHMENT 1-1			1,704
RAS - U Invoice - ATTACHMENT 1-2		0	0
EBX - X Invoice - ATTACHMENT 1-5		11,852,040	2,806,430
Tehachapi - TAB Invoice - ATTACHMENT 1-6		21,664	31,820
DWR FIXED CHARGES		16,071,628	8,948,330
TOTAL DWR STATEMENT OF CHARGES			25,019,958
OTHER DWR CHARGES			
Healthy Rivers and Landscapes			86,000
CONTINGENCY			900,000
TOTAL OTHER CHARGES			986,000
TOTAL PROJECTED DWR EXPENDITURES (rounded)			26,000,000

SAN GORGONIO PASS WATER AGENCY				
OTHER DEBT SERVICE EXPENSE REQUIREMENTS				
FOR THE FISCAL YEAR 2025-26				
			DRAFT	
			ADDITIONAL DEBT SERVICE EXPENSES	
			Purchased Water	4,800,000
			Debt Service Salaries	640,000
			Debt Service Payroll Taxes	40,000
			Debt Service Benefits	400,000
			Debt Service Utilities	12,000
			State Water Contract Audit	8,000
			SWC Contractor Dues	45,000
			SWP Legal Services	1,000
			Delta Conveyance Financing Authority	30,000
			Water Treatment	100,000
			EBX Contract Operations	400,000
			SWP Engineering and Maintenance	2,400,000
			Tax Collection Charges	170,000
			TOTAL ADDITIONAL EXPENSES	9,046,000
			WATER TRANSFERS	
			Ventura Water Transfer	2,200,000
			Other Water Transfers	500,000
			TOTAL WATER TRANSFERS	2,700,000
			GRAND TOTAL DEBT SERVICE EXPENDITURES	37,746,000

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**SAN GORGONIO PASS WATER AGENCY
DEBT SERVICE REVENUE REQUIREMENTS
CALCULATION OF POTENTIAL REVENUES FOR FY 2025-26**

STEP ONE: REVIEW PROJECTED DEBT SERVICE EXPENSES

DWR Contract Payments	26,000,000
Purchased Water	4,800,000
Water Transfers	2,700,000
Other Debt Service Expenditures	4,246,000
Total Projected Debt Service Expenditures	37,746,000

STEP TWO: REVIEW PROJECTED NON-TAX DEBT SERVICE REVENUE

Other Debt Service Revenue (does not include tax revenue)	
Estimate of Bond Cover Refunds and Credits	3,550,000
Estimate of SGPWA Allocated Interest	2,000,000
Other Revenue	0
Total Other Debt Service Revenue	5,550,000

STEP THREE: DETERMINE CURRENT INCOME RATE

Tax Revenue (Projected) FY 2024-25	33,449,480
Tax Rate	17.50
Income derived for each cent of tax FY 2023-24	1,911,399

STEP FOUR: CALCULATE POTENTIAL INCOME RATE FOR FY 2025-26

Income derived for each cent of tax FY 2024-25	1,911,399
Estimated percentage increase in assessed value	6.7%
Estimated percentage delinquency rate FY 2024-25	-2.8%
Net percentage revenue increase	3.9%
Estimated increase in tax revenue for 1 cent	74,545
Estimate of revenue for each cent of tax FY 2025-26	1,985,943

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**SAN GORGONIO PASS WATER AGENCY
DEBT SERVICE REVENUE REQUIREMENTS
CALCULATION OF TAX RATE ALTERNATIVES FOR FY 2025-26**

STEP FIVE: COMPARE PROJECTED EXPENSES WITH POTENTIAL REVENUE

Estimate of Debt Service expenses for FY 2025-26:	37,746,000
Estimate of non-tax income for FY 2025-26:	5,550,000
Estimate of projected revenue for each cent of tax FY 2025-26	1,985,943

Tax Rates Less than Current Rate					Current Tax Rate	Tax Rates More than Current Rate				
Tax Rate	Tax Revenue		Total income	Impact to Net Reserves	Tax Rate:	Tax Rate	Tax Revenue		Total income	Impact to Net Reserves
10.00	19,859,434		25,409,434	-12,336,566	17.50	17.75	35,250,496		40,800,496	3,054,496
10.25	20,355,920		25,905,920	-11,840,080		18.00	35,746,981		41,296,981	3,550,981
10.50	20,852,406		26,402,406	-11,343,594	Estimated Tax Revenue:	18.25	36,243,467		41,793,467	4,047,467
10.75	21,348,892		26,898,892	-10,847,108	34,754,010	18.50	36,739,953		42,289,953	4,543,953
11.00	21,845,378		27,395,378	-10,350,622		18.75	37,236,439		42,786,439	5,040,439
11.25	22,341,863		27,891,863	-9,854,137	Estimated Total Income:	19.00	37,732,925		43,282,925	5,536,925
11.50	22,838,349		28,388,349	-9,357,651	40,304,010	19.25	38,229,411		43,779,411	6,033,411
11.75	23,334,835		28,884,835	-8,861,165		19.50	38,725,897		44,275,897	6,529,897
12.00	23,831,321		29,381,321	-8,364,679	Compare Estimated	19.75	39,222,382		44,772,382	7,026,382
12.25	24,327,807		29,877,807	-7,868,193	Income with Estimated	20.00	39,718,868		45,268,868	7,522,868
12.50	24,824,293		30,374,293	-7,371,707	Expenses - Net Reserves:	20.25	40,215,354		45,765,354	8,019,354
12.75	25,320,779		30,870,779	-6,875,221	2,558,010	20.50	40,711,840		46,261,840	8,515,840
13.00	25,817,264		31,367,264	-6,378,736		20.75	41,208,326		46,758,326	9,012,326
13.25	26,313,750		31,863,750	-5,882,250		21.00	41,704,812		47,254,812	9,508,812
13.50	26,810,236		32,360,236	-5,385,764		21.25	42,201,298		47,751,298	10,005,298
13.75	27,306,722		32,856,722	-4,889,278		21.50	42,697,783		48,247,783	10,501,783
14.00	27,803,208		33,353,208	-4,392,792		21.75	43,194,269		48,744,269	10,998,269
14.25	28,299,694		33,849,694	-3,896,306		22.00	43,690,755		49,240,755	11,494,755
14.50	28,796,179		34,346,179	-3,399,821		22.25	44,187,241		49,737,241	11,991,241
14.75	29,292,665		34,842,665	-2,903,335		22.50	44,683,727		50,233,727	12,487,727
15.00	29,789,151		35,339,151	-2,406,849		22.75	45,180,213		50,730,213	12,984,213
15.25	30,285,637		35,835,637	-1,910,363		23.00	45,676,698		51,226,698	13,480,698
15.50	30,782,123		36,332,123	-1,413,877		23.25	46,173,184		51,723,184	13,977,184
15.75	31,278,609		36,828,609	-917,391		23.50	46,669,670		52,219,670	14,473,670
16.00	31,775,095		37,325,095	-420,905		23.75	47,166,156		52,716,156	14,970,156
16.25	32,271,580		37,821,580	75,580		24.00	47,662,642		53,212,642	15,466,642
16.50	32,768,066		38,318,066	572,066		24.25	48,159,128		53,709,128	15,963,128
16.75	33,264,552		38,814,552	1,068,552		24.50	48,655,614		54,205,614	16,459,614
17.00	33,761,038		39,311,038	1,565,038		24.75	49,152,099		54,702,099	16,956,099
17.25	34,257,524		39,807,524	2,061,524		25.00	49,648,585		55,198,585	17,452,585

DRAFT

SAN GORGONIO PASS WATER AGENCY
DRAFT DEBT SERVICE FUND BUDGET FOR FY 2025-26
BASED ON MAY 2025 BUDGET REPORT

				FISCAL YEAR JULY 1, 2024 - JUNE 30, 2025				FY JULY 1, 2025 - JUNE 30, 2026	
				1	2	3	4	5	6
				TOTAL REVISED BUDGET	ACTUAL MAY 2025	PROJECTED YEAR END	Over/Under Budget	PROPOSED FY 2025-26	%Projected to Proposed
DEBT SERVICE FUND - INCOME									
INCOME									
153	TAX REVENUE			29,400,000	31,503,801.86	33,449,480.00	13.8%	34,754,000	3.9%
154	INTEREST			1,000,000	2,302,642.20	2,486,853.57	148.7%	2,000,000	-19.6%
155	CONTRIBUTIONS - GOVERNMENT			0	0.00	0.00	0.0%	0	
156	DWR CREDITS - BOND COVER, OTHER			3,400,000	3,615,327.20	3,615,327.20	6.3%	3,550,000	-1.8%
157	TOTAL DEBT SERVICE FUND INCOME			33,800,000	37,421,771.26	39,551,660.77	17.0%	40,304,000	1.9%
DEBT SERVICE FUND - EXPENSES									
EXPENSES									
160	SWP PURCHASED WATER			1,800,000	1,833,838.00	2,145,590.46	19.2%	4,800,000	
161	SALARIES			500,000	418,977.66	452,495.87	-9.5%	640,000	41.4%
162	PAYROLL TAXES			35,000	24,661.04	26,633.92	-23.9%	40,000	50.2%
163	BENEFITS			320,000	378,299.44	408,563.40	27.7%	400,000	-2.1%
164	SWP UTILITIES			10,000	9,352.46	10,100.66	1.0%	12,000	18.8%
165	STATE WATER CONTRACT AUDIT			7,000	6,495.00	7,014.60	0.2%	8,000	14.0%
166	STATE WATER CONTRACTOR DUES			55,000	39,185.00	39,185.00	-28.8%	45,000	14.8%
167	STATE WATER LEGAL SERVICES			0	0.00	0.00	0.0%	1,000	increase
168	DELTA CONVEYANCE FINANCING AUTHORITY			30,000	0.00	0.00	-100.0%	30,000	no change
169	WATER TREATMENT EXPENSE			100,000	53,749.37	84,000.00	-16.0%	100,000	19.0%
170	EBX CONTRACT OPERATIONS			400,000	264,202.17	355,000.00	-11.3%	400,000	12.7%
171	SWP ENGINEERING AND MAINTENANCE			3,400,000	90,766.94	150,000.00	-95.6%	2,400,000	1500.0%
172	WATER TRANSFERS			2,500,000	2,626,205.50	2,626,205.00	5.0%	2,700,000	2.8%
173	STATE WATER CONTRACT PAYMENTS			25,600,000	22,855,774.00	23,436,162.00	-8.5%	26,000,000	10.9%
174	TAX COLLECTION CHARGES			160,000	147,675.37	160,000.00	0.0%	170,000	6.3%
175	TOTAL DEBT SERVICE FUND EXPENSES			34,917,000	26,915,343.95	29,900,950.91	-14.4%	37,746,000	8.1%
176									
177	TRANSFERS FROM RESERVES			0	0.00	0.00	0.00	0	
178									
179	DEBT SERVICE NET INCOME YEAR-END			-1,117,000	10,506,427.31	9,650,709.87		2,558,000	

LINE ITEM AND PROJECT DESCRIPTIONS, page 1

DEBT SERVICE FUND INCOME

Tax Revenue (reference line #153)

Tax revenue for the Debt Service Fund comes from the Agency's authority to levy a tax. The rate is based on the assessed valuation of property located within the Agency's service area and is currently set at 17.5 cents per \$100 of assessed value. Riverside County has projected a delinquency rate of about 2.8%. Combined with a projected increase in assessed value of about 6.7% for FY 2025-26 yields a 3.9% increase for FY2025-26.

Government Contributions (#155)

The Agency participates in a number of joint efforts in which other districts and agencies agree to share the cost. Sometimes, the Agency is the lead agency for a study or a consulting contract. This line item relates to items that can be allocated to the Debt Service Fund only. This budget item is for income that is reimbursed to the Agency for these expenditures. Currently, no projects are contemplated that would be included in this line item.

DWR Credits (#156)

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

DEBT SERVICE FUND EXPENSES

SWP Purchased Water (#160)

This line item records the expenses related to delivering State Water Project water to the Agency service area. This line item has been transitioned to the Debt Service fund starting in January 2025. For FY 2025-26, the cost of delivering water to the region will be fully borne by the Debt Service Fund.

LINE ITEM AND PROJECT DESCRIPTIONS, page 2

SWP Utilities (#164)

This covers charges for phone service, electric service, and monitoring services for Agency turnouts.

State Water Contract Audit (#165)

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

State Water Contractor Dues (#166)

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

SWP Legal Services (#167)

This line item is for legal services related to the State Water Project (SWP). Past expenditures were made for Agency participation in Environmental Impact Review (EIR) challenges or other matters that Contractors decided were necessary. Minimal expenses are expected for FY25-26.

Delta Conveyance Financing Authority (#168)

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

Water Treatment Expense (#169)

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

LINE ITEM AND PROJECT DESCRIPTIONS, page 3

EBX Contract Operations (#170)

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

SWP Engineering and Maintenance (#171)

The Agency shares the other costs of improvements and maintenance of the EBX with SBVMWD. There are a variety of routine costs, for example, air conditioning maintenance, or fuel for back-up generators. We also share the costs of major repairs and improvements. SBVMWD is currently working on the repair of the City Creek Crossing. We are responsible for approximately 18% of these costs, which are divided into two major categories, design and construction. The design element is expected to cost the Agency about \$150,000 this fiscal year. The construction contract for the repairs is projected to cost about \$16 million in total, of which the Agency would be responsible for about \$3 million. Currently, the project is experiencing difficulties with permitting and environmental constraints, which likely means the project will cost more. Funds will need to be expended no matter what is decided going forward. \$2 million is included in the budget as an educated guess about what is expected to be paid in FY25-26.

Water Transfers (#172)

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

State Water Contract Payments (#173)

This is the line item that accounts for the payments the Agency makes to the State of California for its participation in the State Water Project. This is the largest part of the Debt Service expenditures, approximately 70% this year. Other items that are paid for the State Water Project include State Water Project Purchased Water and Water Transfers. Combined together, these expense categories make up about 90% of the Debt Service budget.

San Geronio Pass Water Agency

DATE: July 7, 2025

TO: Board of Directors

FROM: Lance Eckhart, General Manager

BY: Tom Todd, Jr., Chief Financial Officer

SUBJECT: TAX RATE FOR FY 2025-26

RECOMMENDATION

The Board set the tax rate by approving Resolution 2025-05.

PREVIOUS CONSIDERATION

- Finance and Budget Committee – June 19, 2025: The Committee reviewed and discussed the proposed Debt Service Budget for FY 2025-26. After Committee input, minor changes were made, reflected in the latest version of the proposed budget.

BACKGROUND

The Board sets the tax rate for the Debt Service Fund every year. The Riverside County Board of Supervisors has set the deadline for submission of tax rate resolutions as Thursday, August 1, 2025.

ANALYSIS

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

The current Debt Service Fund balance is projected to be about \$85 million at year-end. This is projected to enable the Agency to meet its obligations to the State Water Project (SWP) through 2030 using the built-up reserves. However, increasing financial pressures on the SWP, along with the cost of generational project opportunities, aging SWP infrastructure, and subsidence remediation suggest that the current tax rate may not be sufficient to continue to meet our participation obligations and maintain a prudent level of reserves past 2030.

FISCAL IMPACT

As shown in the proposed Debt Service Budget for FY25-26, SWP expenses are projected to increase and local expenditures are expected to increase, resulting in an overall increase from the previous fiscal year. However, comparing expenditure

increases with potential tax revenue at the current rate would also suggest that the current tax rate is sufficient to meet the expenditure needs for the coming fiscal year.

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

ACTION

The Board set the tax rate by approving Resolution 2025-05.

ATTACHMENTS

Resolution 2025-05

DRAFT

RESOLUTION NO. 2025-05

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

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

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

1. That said Board of Directors has determined that the amount of money needed to make annual payments during the fiscal year, beginning July 1, 2025, and ending June 30, 2026, for the interest and principal on general obligation bonds and other indebtedness and other outlays as approved by the voters prior to July 1, 1978, and/or required by Article 1, Section 10 of the United States Constitution is \$37,746,000 for payments on the Contract between the State of California Department of Water Resources and the San Gorgonio Pass Water Agency for a water supply, dated November 16, 1962.

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

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

\$ 0.175 for the State Water Contract and other payments

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

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

Taxation Code Section 93 and/or required by Article 1, Section 10 of the United States Constitution.

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

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

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

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

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

ADOPTED AND APPROVED this 7th day of July, 2025.

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

Maricela V. Cabral, CMC, CPMC
Deputy Secretary to the Board
San Geronio Pass Water Agency

Setting Tax Rate for FY 2025-26 – Resolution 2025-05



Review of Funds

“The Bucket List”

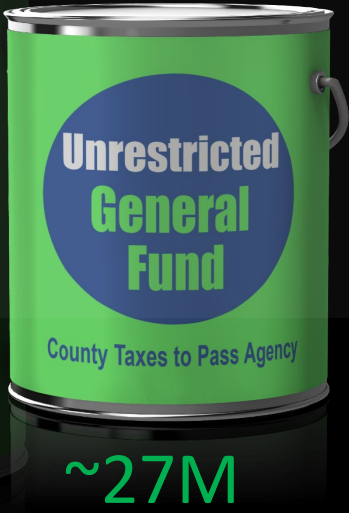
Other Funds

Unrestricted
Unitary Tax

Debt Service

SGPWA Special Tax

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



General Fund

Adopted June 2, 2025

Administrative Overhead

Engineering/Science

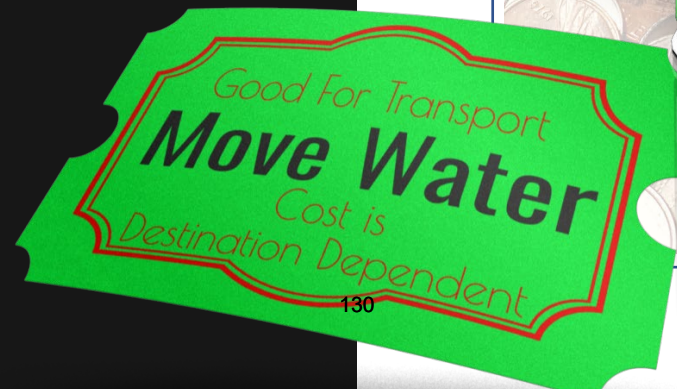
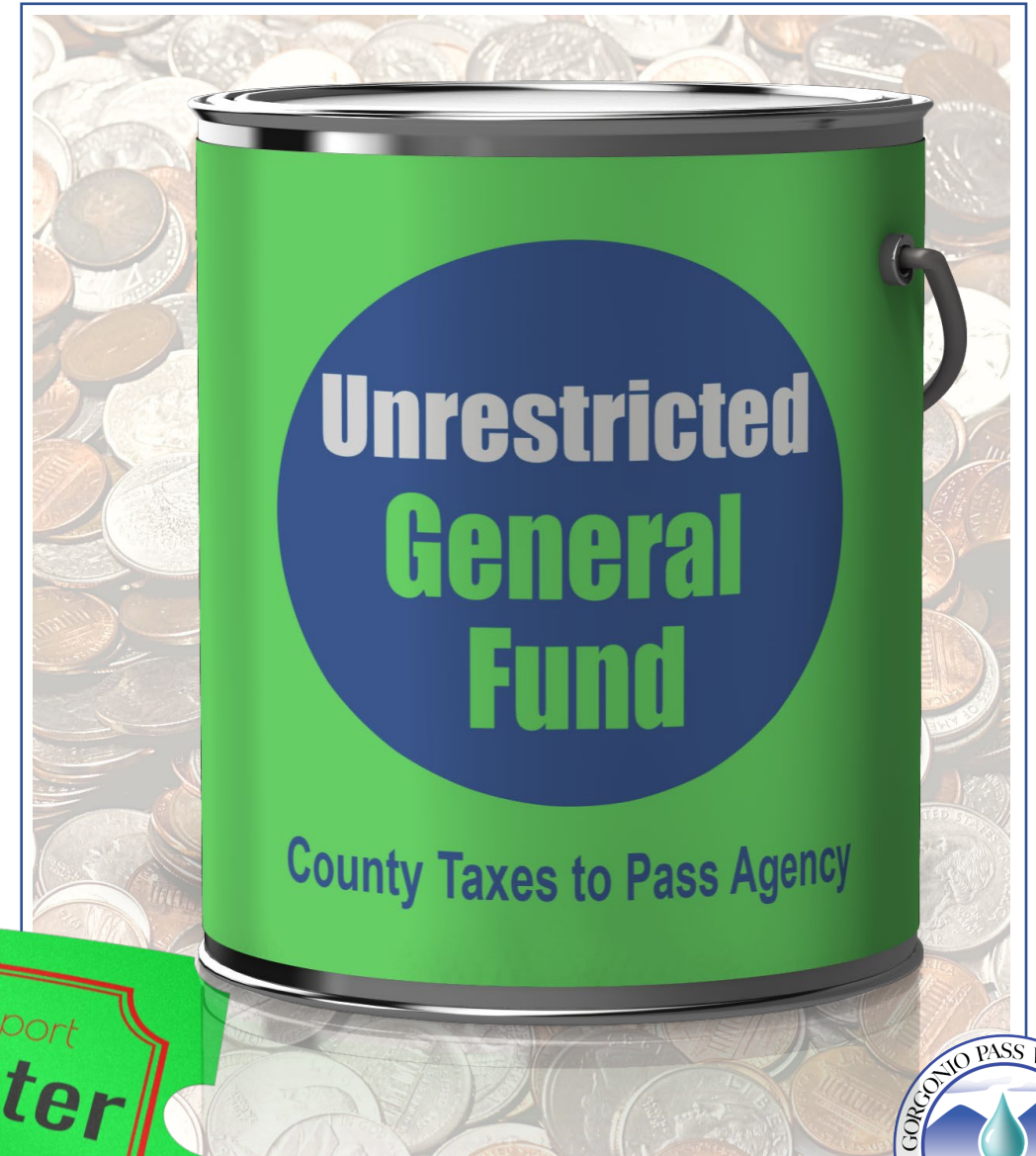
Local Projects (e.g. Backbone Pipeline)

External Projects (e.g. Water Bank)

Water Purchases

Non-Project Water

Nickel Water



Consigned Fund

Adopted June 2, 2025

Same as the General Fund with some potential restrictions.

At the discretion of the Board





Debt Service

Bond Payments

EBX 1 & 2

SWP Administrative Overhead

Project Water & Exchange Fixed Costs

SWP Projects & Repairs

Delta Tunnel

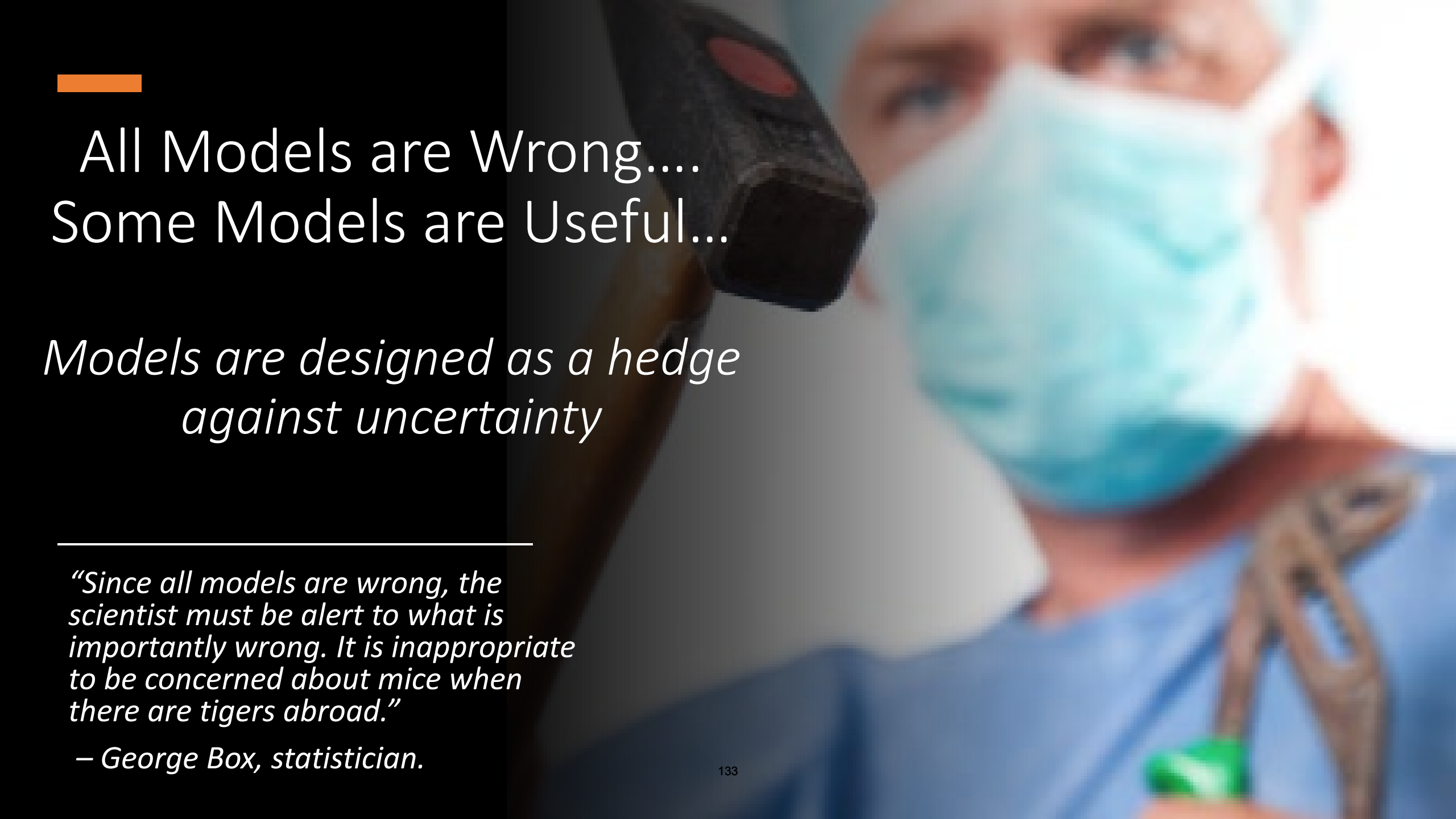
Ventura Water

City Creek Crossing

EBX Balloon Payments

“Any SWP-Related Costs”





—

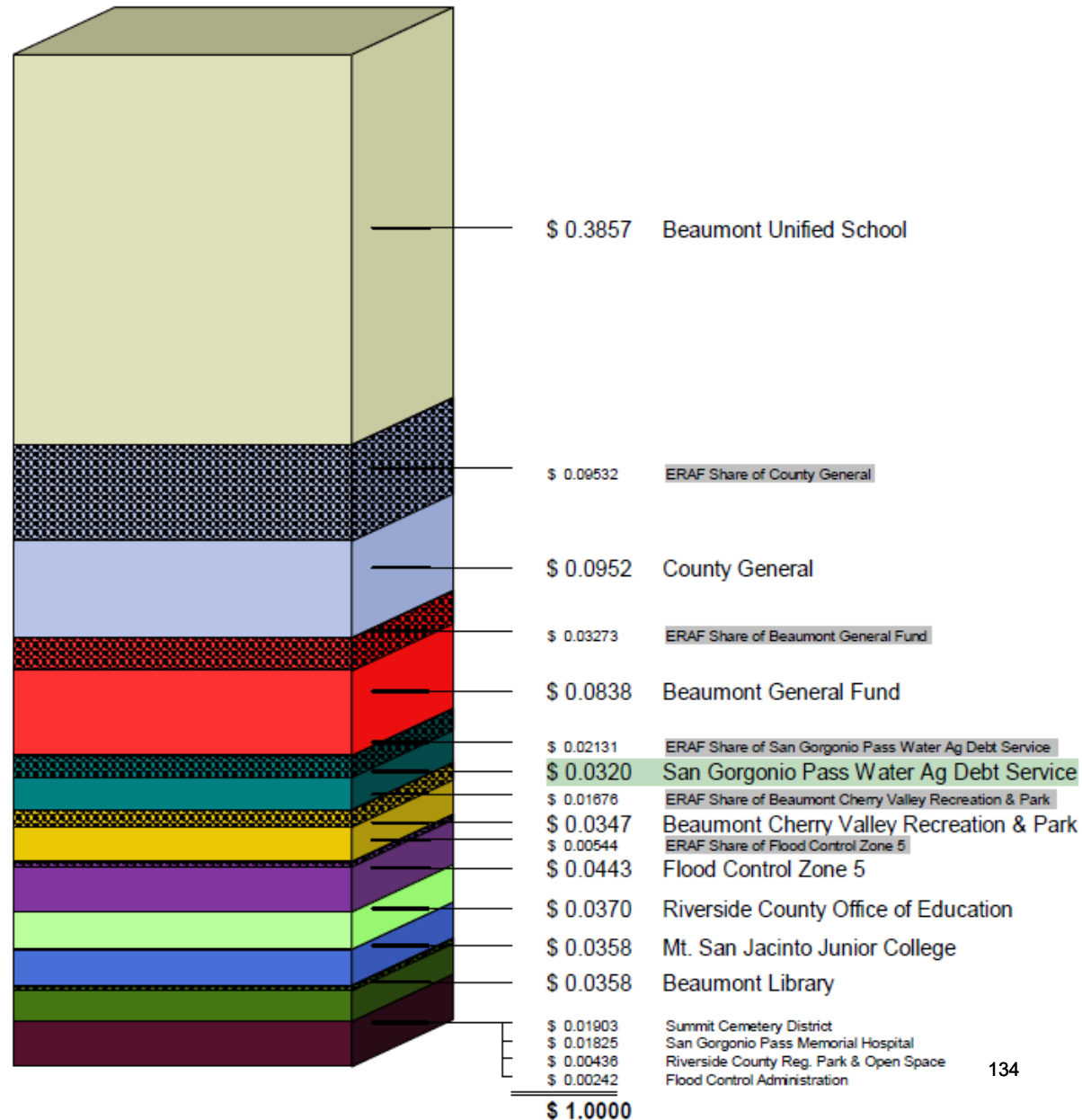
All Models are Wrong....
Some Models are Useful...

*Models are designed as a hedge
against uncertainty*

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

— George Box, statistician.

SAN GORGONIO PASS WATER PROPERTY TAX DOLLAR BREAKDOWN

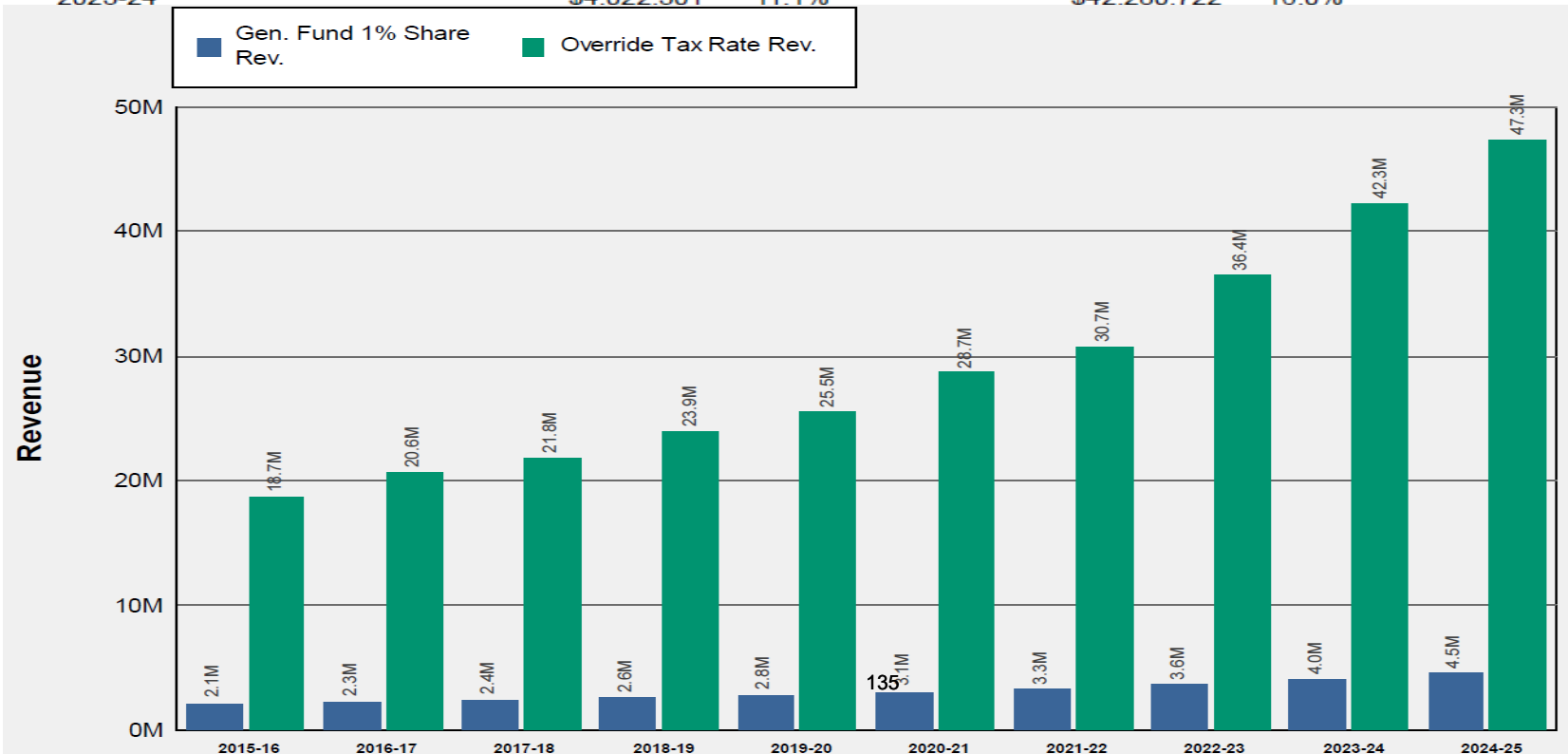



2024-25 RATE FOR STATE
WATER PROJECT 0.175000

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%





Known Knowns vs. Unknown Unknowns

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

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

Rumsfeld Matrix

(unfortunate homeowner example)

Known knowns (aware & understand)

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

Known Unknowns (aware & don't fully understand)

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

Unknown knowns (aren't aware & understand)

- *Do we have TERMITES!?*

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

- *The house got hit by a meteor.*

Known



Unknown



Knowns

Unknowns

Rumsfeld Matrix

Known Knowns (aware & understand)

- This Year's Taxes
- 2024-25 Budget
- Reserve Minimums
- Balloon Payments
- Rough DCP/Sites Costs
- HDL Tax Estimates 5 Years Maximum
- Ventura Water

Known Unknowns (aware & don't fully understand)

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

Unknown Knowns (aren't aware & understand)

- Subsidence
- Delta Outage (e.g., earthquake in Delta)
- Climate Change and Effects on Supply
- Infrastructure Failures

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

- Last 5-year recap: Drought, Global Pandemic, Multiple Wars, Runaway Inflation, Recession?, Historically Important Election (until the next one).
- Force Majeure
- Major Disaster
 - Earthquake
 - Delta Levee Failure
 - Other?

Known

Things we are
aware of and
understand

Things we are
aware of but
don't
understand

Unknown

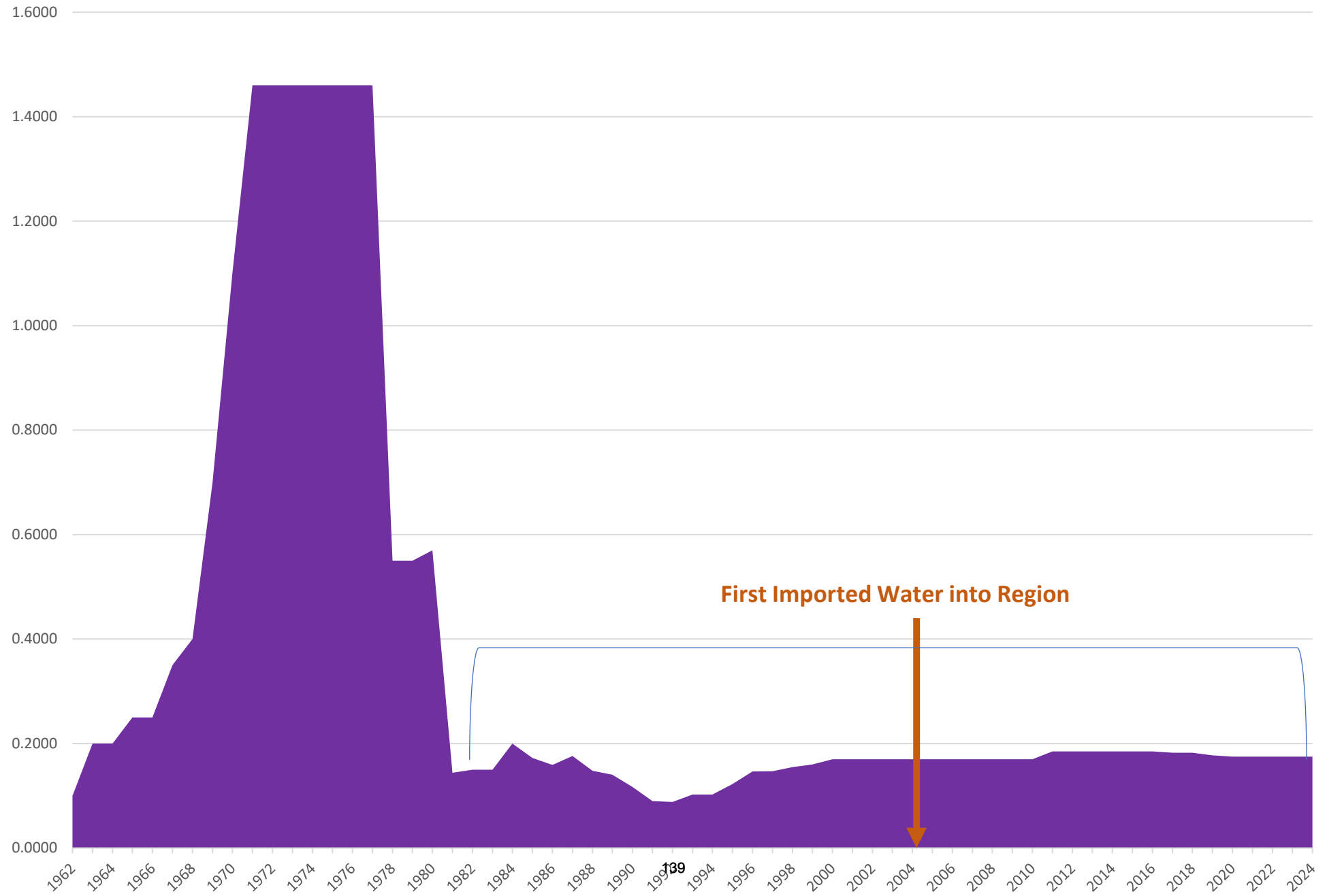
Things we
understand but
are not aware
of

Things we are
neither aware
of nor
understand

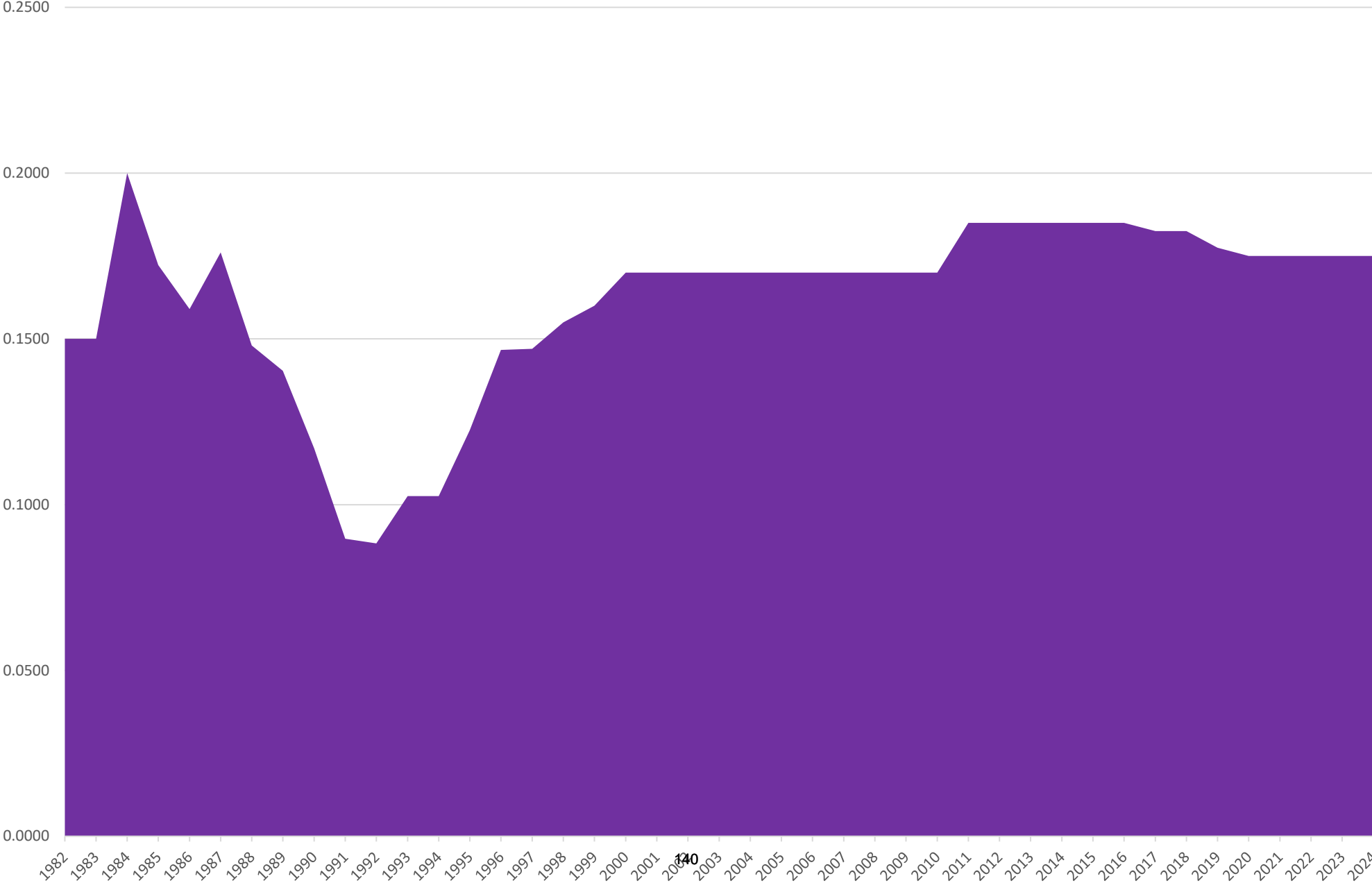
Knowns

Unknowns

Tax Rate (per \$100 Assessed Value)



Tax Rate (per \$100 Assessed Value)



Summary

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

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

The background features a detailed, aged map of the world, likely from the 17th or 18th century, showing continents, oceans, and various geographical features. Overlaid on the right side of the map is a large, ornate compass rose with intricate designs and Roman numerals. The text is centered over the map.

Staff Recommendation Board set tax rate and approve Resolution 2025-05