

# ***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.

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