



SAN GORGONIO PASS
WATER AGENCY
A California State Water Project Contractor

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

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
Holland Stewart

Regular Meeting of the Board of Directors
October 6, 2025 at 1:30 p.m.

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 TELEFÓNICA
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. Speakers are requested to keep their comments to no more than five (5) 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 September 15, 2025, Regular Meeting of the San Gorgonio Pass Water Agency Board of Directors, [\(pg. 4\)](#)
- B. Approve Finance and Budget Committee Meeting Report for September 23, 2025, [\(pg. 9\)](#)

6. Reports – Staff

- A. General Manager's Report
 - Beacon Economic Outlook and Forecast, [\(pg. 33\)](#)
 - State Water Contractors (SWC) Comment Letter to Department of Water Resources (DWR) regarding Subsidence, [\(pg. 92\)](#)
- B. General Counsel's Report

7. Informational Presentations and Updates

- A. Legislative Briefing, presentation by Glenn Farrel, [\(pg. 95\)](#)
- B. Investment Performance Report, presentation by Robert Montoya, PFM, [\(pg. 105\)](#)
- C. Water Education Foundation's Klamath River Tour Recap, presentation by Director Larry Smith
- D. United Water Conservation District Amicus Brief Request, presentation by Mauricio Guardado, General Manager, [\(pg. 126\)](#)

****Recess as the San Gorgonio Pass Water Agency Board of Directors; convene as the Pass Water Agency Foundation Board***

8. Pass Water Agency Foundation

- A. Accept and file the Pass Water Agency Foundation report of activities for Fiscal Year 2024-25, [\(pg. 136\)](#)

****Adjourn as Pass Water Agency Foundation Board; reconvene as San Gorgonio Pass Water Agency Board of Directors***

9. New Business – Discussion and Possible Action

- A. Consider Joint Funding Agreement between San Gorgonio Pass Water Agency and the United States Geological Survey (USGS) for the Annual Extension of the Cooperative Water Resources Program for Fiscal Year 2025-26, in the amount of \$440,252, which includes a USGS cost share credit of \$65,489, [\(pg. 142\)](#)

- B. Adopt Resolution 2025-09, Honoring Kevin Walton, Secretary and Division 3 Director for his years of Dedicated Service on the Board of Directors of the San Gorgonio Pass Water Agency, [\(pg. 167\)](#)
- C. Decision to fill Board vacancy in Division 3 by appointment or by calling a special election; authorize the posting of a Notice of Vacancy, and consider establishing an Ad-Hoc Committee to review applications to fill vacancy, [\(pg. 171\)](#)
- D. Board Committee Assignments Review and Reappointment Due to Division 3 Vacancy, [\(pg. 174\)](#)

10. Reports – Directors and Committees

11. Board Requests for Future Agenda Items

12. Announcements

- A. Gardening with Native Plants Community Workshop, Banning Senior Center, October 9, 2025 at 5:00 p.m.
- B. County Line Recharge Basin & Turnout Project Groundbreaking Ceremony, October 14, 2025 at 1:00 p.m.
- C. Water Conservation & Education Committee Meeting, October 16, 2025 at 1:30 p.m.
- D. Gardening with Native Plants Community Workshop, Noble Creek Community Center, October 16, 2025 at 5:00 p.m.
- E. Regular Board Meeting, October 20, 2025 at 6:00 p.m.

13. Adjournment

Pending Agenda Items:

Request	Requester	Date of Request	Status
Agency Law Workshop	Walton	5/5/25	Scheduling for Oct.
City Creek Update	Wargo	6/16/25	Scheduled for Oct./Nov.
Overview of Water Mounding/Monitoring Wells relative to Backbone Pipeline	Ball	8/18/25	Scheduled for Oct./Nov.
Discussion on prioritizing local vendors – maintenance and related services	Ball	9/15/25	

(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
September 15, 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 Mickey Valdivia at 6:00 p.m., Monday, September 15, 2025, at the office of the Agency. Director Smith asked for a moment of silence in memory of Charlie Kirk, followed by a statement on the importance of unity in times of national tragedy. Director Smith then provided the invocation and President Valdivia led the Pledge of Allegiance.

2. Roll Call

President Valdivia requested a roll call.

Board Present:

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

Staff Present:

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

Consultant Present:

Holland Stewart, Legal Counsel

A quorum was present.

3. Adoption and Adjustment of Agenda

The agenda was adopted as published.

4. Public Comment

Ron Duncan addressed the Board expressing appreciation for the Agency's work and leadership.

5. Consent Calendar

A. Approve Minutes of the September 8, 2025, Regular Meeting of the San Gorgonio Pass Water Agency Board of Directors.

On a motion by Treasurer Ybarra, seconded by Secretary Walton, the board approved the Consent Calendar as presented.

Approved by the following vote:

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

Noes: None

Absent: None

Motion passed 7-0.

6. Reports

A. General Manager's Report

General Manager Eckhart summarized a letter from Karla Nemeth, Director of the Department of Water Resources, regarding the Delta Conveyance Project. Director Smith emphasized the political challenges of advancing such a large scale project and suggested federal collaboration will be necessary. Director Ball asked about next steps; staff confirmed project permitting continues on schedule despite loss of legislative streamlining.

B. Legal Counsel's Report

Counsel, Holland Stewart provided an update on the following:

1. AB 259, would extend current teleconferencing provisions.
2. SB 707 (recently passed the Assembly) proposes substantial changes, including redefining "legislative body" to include ad hoc committees, expanded accessibility requirements, and adjustments to teleconferencing.

Counsel will continue to monitor and provide updates.

7. Informational Presentations and Updates:

A. Water Conditions Report

Operations Manager Matt Howard presented the September 2025 Water Conditions Report, noting that the Northern Sierra Precipitation Index closed the water year at 107% of average. Reservoir storage levels remained favorable, with Lake Oroville at 64% of capacity and San Luis Reservoir trending above average. The State Water Project allocation remains at 50%, providing approximately 19,500 acre-feet of supply. Deliveries in August totaled 2,132 acre-feet, and September deliveries are projected at roughly 2,100 acre-feet to the Brookside East and Beaumont-Cherry Valley recharge facilities. Ponds will continue operating into December through coordination with SGPWA and BCVWD, allowing the Agency to meet all annual demands while also replenishing storage accounts, positioning the region well for future transfers.

8. New Business – Discussion and Possible Action:

A. Adopt Resolution 2025-06, Awarding a Construction Contract to WEKA, Inc., as the lowest responsive and responsible bidder, in the amount of \$4,676,332, for the County Line Road Recharge Basin Project

Sr. Water Resources Planner Emmett Campbell reported on the bid results for the project, noting that eight bids were received against the engineer's estimate of \$4.9

million. The lowest responsive and responsible bid was submitted by Weka, Inc. at \$4,676,332, with no protests filed. The project will be partially funded with \$3.1 million in ARPA funds secured through Riverside County, and coordination with San Bernardino Valley Municipal Water District is ongoing regarding the turnout facilities.

On a motion by Treasurer Ybarra, seconded by Vice President Letulle, the board Adopted Resolution 2025-06, Awarding a Construction Contract to WEKA, Inc., as the lowest responsive and responsible bidder, in the amount of \$4,676,332, for the County Line Road Recharge Basin Project.

Approved by the following roll call vote:

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

Noes: None

Absent: None

Motion passed 7-0.

B. Adopt Resolution 2025-07, Approving the Property and Facility Exchange Agreement between San Gorgonio Pass Water Agency and South Mesa Water Company to Facilitate the Exchange of Property for Mutual Benefit and Consideration of the Parties

Mr. Campbell explained that South Mesa will transfer a one-mile, 14-inch pipeline to SGPWA, which will be relined for long-term use. In return, SGPWA will convey one acre at the Fourth Street recharge basin for a future reservoir, while South Mesa grants permanent easements along County Line Road and Fourth Street.

General Manager Eckhart read a letter submitted by South Mesa Water Company General Manager Dave Armstrong and the Board. They expressed appreciation for the strong partnership with SGPWA and their shared commitment to advancing water sustainability. SGPWA directors emphasized the collaborative nature of the project, the benefit of avoiding eminent domain, and the importance of recharge in Calimesa.

On a motion by President Valdivia, seconded by Treasurer Ybarra, the board Adopted Resolution 2025-07, Approving the Property and Facility Exchange Agreement between San Gorgonio Pass Water Agency and South Mesa Water Company to Facilitate the Exchange of Property for Mutual Benefit and Consideration of the Parties.

Approved by the following roll call vote:

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

Noes: None

Absent: None

Motion passed 7-0.

C. Authorize the General Manager to Enter into a Funding Agreement with Beaumont-Cherry Valley Water District to Develop the San Gorgonio Pass Water Agency Urban Water Management Plan

Mr. Campbell provided background on the proposed funding agreement with Beaumont-Cherry Valley Water District (BCVWD). He reported that BCVWD's

Board approved a cost-share agreement on September 11, 2025, with costs divided two-thirds to SGPWA and one-third to BCVWD.

On a motion by Treasurer Ybarra, seconded by Director Wargo, the board approved and authorized the General Manager to Enter into a Funding Agreement with Beaumont-Cherry Valley Water District to develop the San Gorgonio Pass Water Agency Urban Water Management Plan.

Approved by the following roll call vote:

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

Noes: None

Absent: None

Motion passed 7-0.

D. Adopt Resolution 2025-08, Authorizing the Purchase of Property located at 1216 Beaumont Avenue, Beaumont, CA and Authorize the General Manager to Organize Inspections and Sign All Necessary Documentation

General Manager Eckhart reported that an adjacent parcel had been offered for sale, with an appraisal supporting the purchase price of \$462,000. Escrow was opened with a 1% deposit and a 60-day period for due diligence and inspections. He noted that acquiring the property would provide valuable opportunities for future Agency expansion and confirmed that funding is available from Agency reserves.

The Board discussed and expressed strong support, citing prudent long-term planning and comparisons with other public agencies acquiring adjacent property for future growth.

On a motion by Treasurer Ybarra, seconded by Secretary Walton, the board Adopted Resolution 2025-08, Authorizing the Purchase of Property located at 1216 Beaumont Avenue, Beaumont, CA and Authorized the General Manager to Organize Inspections and Sign All Necessary Documentation.

Approved by the following roll call vote:

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

Noes: None

Absent: None

Motion passed 7-0.

9. Reports - Directors and Committee Report

The following meetings were reported on:

- September 3, 2025, Beaumont Chamber of Commerce Morning Breakfast with Supervisor Yxstian Gutierrez (Ball)
- September 8-12, 2025, Water Education Foundation Klamath River Tour (Smith)
- September 10, 2025, City of Beaumont State of the City (Wargo, Ybarra, Ball, Valdivia)
- September 11, 2025, Beaumont-Cherry Valley Water District Special Board Meeting (Wargo, Ball, Walton)

Vice President Letulle had no report.

Director Wargo reported she observed helicopters utilizing the Heli-hydrants in Cabazon.

Secretary Walton provided an update on the Heli-hydrants, including dust abatement, aviation safety, and new site considerations. He announced with regret that he will resign from the Board effective October 2025 due to family health matters requiring relocation.

10. Topics for Future Agendas

- Director Smith requested a future agenda item where he can provide a formal presentation on his recent statewide water tour.
- Director Ball requested a future discussion regarding the Agency's use of local vendors, particularly for maintenance and related services. He emphasized the importance of prioritizing businesses located within the region, from Calimesa through Cabazon, noting that these entities contribute tax revenue to the local community.

11. Announcements

President Valdivia reviewed the following announcements:

- A. Public Information & Outreach Committee Meeting, September 22, 2025, at 1:00 p.m.
- B. Finance & Budget Committee Meeting, September 23, 2025, at 10:00 a.m.
- C. SBVMWD State Water Project Tour, September 24-26, 2025
- D. Regular Board Meeting, October 6, 2025, at 1:30 p.m.

12. Adjournment

There being no further business to discuss, President Valdivia adjourned the meeting at 7:10 p.m. The next regularly scheduled meeting is Monday, October 6, 2025, at 1:30 p.m.

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

San Gorgonio Pass Water Agency

DATE: October 6, 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 September 23, 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 August 2025.

Item 5B: The Bank Reconciliation for August 2025.

Item 5C: The Budget Report for August 2025.

Approved the following items:

Item 4A: Minutes of the August 19, 2025 meeting of the Committee.

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

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 and Heli-Hydrant Report

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

THIS MEETING WAS HELD IN PERSON AND VIA ZOOM.

Committee Members Present:

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

Staff Present:

In person	Tom Todd, Jr., Chief Financial Officer Lance Eckhart, General Manager
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Consultants Present: Robert Montoya, PFM Asset Management

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., August 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:** There was no public comment.
4. **Approval of Minutes**
 - A. Approval of the Minutes of the Finance & Budget Committee Meeting, July 24, 2025
Mr. Ybarra moved, seconded by Mr. Walton, to approve the minutes of the Finance and Budget Committee meeting of July 24, 2025. Approved unanimously by voice vote.
5. **New Business**
 - A. Review of Investment Report for June 30, 2025
CFO Tom Todd introduced Robert Montoya, Relationship Manager for the Agency's investment at PFM Asset Management. Robert reviewed the investment report included in the agenda. After additional review and discussion, Mr. Ybarra moved, seconded by Mr. Walton, to accept the Investment Report for June 30, 2025. Approved unanimously by voice vote.
 - B. Ratification of Paid Invoices and Monthly Payroll for July 2025
 - C. Review of Bank Reconciliation for July 2025
 - D. Review of Budget Report for July 2025

After review and discussion, Mr. Walton moved, seconded by Mr. Ybarra, to accept Items 5 B-D. Approved unanimously by voice vote.

E. Review of Pending Legal Invoices for July 2025

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

F. Gap Funding Report

The Committee reviewed the Gap Funding Report.

6. Committee Member Comments

There were no Committee comments.

7. Announcements

Mr. Ybarra reviewed the announcements:

- A. The office will be closed in observance of Labor Day, September 1, 2025
- B. Regular Board Meeting, September 8, 2025, 1:30 p.m.
- C. Regular Board Meeting, September 15, 2025, 6:00 p.m.
- D. Finance & Budget Committee Meeting, September 23, 2025, 10:00 a.m.

8. Adjournment

The Finance and Budget Committee of the San Gorgonio Pass Water Agency was adjourned by Mr. Ybarra at 11:04 a.m.

Draft - Subject to Committee Approval

Robert Ybarra, Committee Chair

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

ACCOUNTS PAYABLE			
Date	Number	Name	Amount
8/4/25	121877	ACWA JPIA	1,850.00
8/4/25	121878	ALBERT WEBB ASSOCIATES	36,252.84
8/4/25	121879	ATAC EXTERMINATORS INC	89.00
8/4/25	121880	BEST BEST & KRIEGER	14,148.18
8/4/25	121881	COMPLETE PAPERLESS SOLUTIONS	9,900.00
8/4/25	121882	CPS HR CONSULTING	172.50
8/4/25	121883	CALIFORNIA RURAL WATER ASSN	38,366.25
8/4/25	121884	CV STRATEGIES	18,057.17
8/4/25	121885	DUCKING CLEAN	770.00
8/4/25	121886	HDL COREN & CONE	6,689.43
8/4/25	121887	I. E. RESOURCE CONSERVATION DISTRICT	17,028.00
8/4/25	121888	PUBLIC AGENCY RETIREMENT SERVICES	1,926.00
8/4/25	121889	PURCOR PEST SOLUTIONS	66.80
8/4/25	121890	R.C. DEPT. OF ENVIRONMENTAL HEALTH	1,040.00
8/4/25	121891	RIVERSIDE COUNTY TRAN & LAND MANAGEMENT	129.00
8/4/25	121892	RECORD-GAZETTE	49.95
8/4/25	121893	STANDARD INSURANCE COMPANY	919.42
8/4/25	121894	STATE WATER CONTRACTORS	47,973.00
8/4/25	121895	UNIVAR SOLUTIONS	5,955.14
8/4/25	121896	UNLIMITED SERVICES	407.00
8/4/25	121897	UNDERGROUND SERVICE ALERT	16.00
8/4/25	121898	U. S. GEOLOGICAL SURVEY	78,728.00
8/4/25	121899	VALLEY OFFICE EQUIPMENT, INC.	176.63
8/4/25	121900	VERIZON BUSINESS	80.04
8/4/25	121901	WASTE MGT CORPORATE SERVICES	138.46
8/12/25	121902	ACWA BENEFITS	1,126.91
8/12/25	121903	ACWA JPIA	5,544.02
8/12/25	121904	AUTOMATION PRIDE	105.44
8/12/25	121905	BANNING CHAMBER OF COMMERCE	330.00
8/12/25	121906	BANNING HEIGHTS MUTUAL WATER CO.	1,100.00
8/12/25	121907	CRIDER PUBLIC RELATIONS	1,020.00
8/12/25	121908	ERNST & YOUNG LLP	2,044.00
8/12/25	121909	LAND ENGINEERING CONSULTANTS	4,635.00
8/12/25	121910	LENITY TECHNOLOGY	2,289.78
8/12/25	121911	NATIONAL TRENCH SAFETY	432.00
8/18/25	121912	FRONTIER COMMUNICATIONS	378.00
8/18/25	121913	HIGH VALLEYS WATER DISTRICT	120,000.00
8/18/25	121914	MATTHEW PISTILLI LANDSCAPE SERVICES	350.00
8/18/25	121915	NATIONAL TRENCH SAFETY	207.00
8/18/25	121916	NIGRO & NIGRO	10,000.00
8/18/25	121917	PUBLIC AGENCY RETIREMENT SERVICES	1,926.00
8/18/25	121918	SANTA ANA WATERSHED PROJ. AUTHORITY	9,889.00
8/18/25	121919	SAN BERNARDINO VALLEY MUNI WATER DISTRICT	306,381.44
8/18/25	121920	U. S. GEOLOGICAL SURVEY	101,839.00
8/25/25	121921	PURCOR PEST SOLUTIONS	66.80
8/25/25	121922	UNIVAR SOLUTIONS	5,955.14
8/25/25	121923	VALLEY OFFICE EQUIPMENT, INC.	538.56
8/25/25	121924	WELLS FARGO ELITE CREDIT CARD	10,823.15
8/25/25	121925	ZANJERO WATER CONSULTING	2,160.00

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

ACCOUNTS PAYABLE (CON'T)			
Date	Number	Name	Amount
8/2/25	901150	EMPLOYMENT DEVELOPMENT DEPARTMENT	2,948.89
8/2/25	901151	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	15,043.59
8/2/25	901152	CALPERS RETIREMENT	11,939.07
8/2/25	901153	CAL PERS RETIREMENT - SIP-457	5,389.00
8/2/25	901154	PAYCHEX	208.75
8/2/25	901155	EMMETT G. CAMPBELL - REIMBURSEMENT	544.80
8/2/25	901156	THOMAS W. TODD, JR. - REIMBURSEMENT	171.41
8/2/25	901157	MICHAEL R. VALDIVIA - REIMBURSEMENT	1,056.50
8/2/25	901158	SARAH C. WARGO - REIMBURSEMENT	158.95
8/17/25	901159	EMPLOYMENT DEVELOPMENT DEPARTMENT	2,659.98
8/17/25	901160	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	13,415.51
8/17/25	901161	CALPERS RETIREMENT	11,830.67
8/17/25	901162	CAL PERS RETIREMENT - SIP-457	5,389.00
8/17/25	901163	PAYCHEX	189.75
8/17/25	901164	MATTHEW E. HOWARD - REIMBURSEMENT	1,588.47
8/17/25	901165	LAWRENCE R. SMITH - REIMBURSEMENT	1,785.00
8/17/25	901166	MICHAEL R. VALDIVIA - REIMBURSEMENT	45.00
8/18/25	901167	CALPERS HEALTH	13,332.54
8/29/25	901168	DEPARTMENT OF WATER RESOURCES	1,132,631.00
TOTAL ACCOUNTS PAYABLE CHECKS			<u>2,090,397.93</u>
PAYROLL			
Date	Number	Name	Amount
8/1/25	803003	MARICELA V. CABRAL	4,709.93
8/1/25	803004	EMMETT G. CAMPBELL	4,360.90
8/1/25	803005	LANCE E. ECKHART	8,052.36
8/1/25	803006	MATTHEW E. HOWARD	4,765.26
8/1/25	803007	LAWRENCE R. SMITH	2,935.05
8/1/25	803008	SCOTT W. TIRRELL	497.60
8/1/25	803009	THOMAS W. TODD, JR.	4,530.71
8/1/25	803010	MICHAEL R. VALDIVIA	2,131.45
8/1/25	803011	SARAH C. WARGO	2,877.56
8/16/25	803012	MARICELA V. CABRAL	4,485.33
8/16/25	803013	EMMETT G. CAMPBELL	4,360.91
8/16/25	803014	LANCE E. ECKHART	7,994.38
8/16/25	803015	MATTHEW E. HOWARD	4,765.25
8/16/25	803016	SCOTT W. TIRRELL	497.58
8/16/25	803017	THOMAS W. TODD, JR.	4,530.72
TOTAL PAYROLL			<u>61,494.99</u>
TOTAL DISBURSEMENTS FOR AUGUST YEAR			<u>2,151,892.92</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
September 2025

Vendor - Name and Address	Expenditure Type
Citrus Escrow 3162 W. Ramsey St. Banning, CA 92220	Adjacent Property Deposit
Everything Branded 3271 S. Highland Drive Suite #715, Las Vegas, NV 89109	Giveaways (Swag gifts)

SAN GORGONIO PASS WATER AGENCY
BANK RECONCILIATION
August 31, 2025

BANK STATEMENT BALANCE (CHECKING ACCOUNT) - August 31, 2025 \$ 517,103.14

LESS: OUTSTANDING CHECKS

CHECK NUMBER	AMOUNT	CHECK NUMBER	AMOUNT
121904	105.44		
121925	2,160.00		
	2,265.44		-

TOTAL OUTSTANDING CHECKS (2,265.44)

ADJUSTED BANK STATEMENT BALANCE - August 31, 2025 \$ **514,837.70**

BALANCE PER **GENERAL LEDGER** AT END OF PRIOR MONTH \$ 609,175.00

CASH RECEIPTS FOR CURRENT MONTH 1,357,555.62

CASH DISBURSEMENTS FOR CURRENT MONTH

ACCOUNTS PAYABLE	Checks	(870,070.05)	
ACCOUNTS PAYABLE	ACHs	<u>(1,220,327.88)</u>	(2,090,397.93)
PAYROLL	Prior Month: 16th-EOM	(34,860.82)	
PAYROLL	This Month: 1st-15th	<u>(26,634.17)</u>	(61,494.99)

TRANSFERS

FROM LAIF TO CHECKING ACCT	700,000.00	
FROM CAMP TO CHECKING ACCT	<u>-</u>	700,000.00
FROM CHECKING ACCT TO LAIF	-	
FROM CHECKING ACCT TO CAMP	<u>-</u>	-

BALANCE PER **GENERAL LEDGER -** August 31, 2025 \$ **514,837.70**

REPORT PREPARED BY:

Scott Tirrell
 Scott Tirrell

9/2/25
 Date

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

DATE	RECEIVED FROM	DESCRIPTION	AMOUNT
DEPOSIT TO CHECKING ACCOUNT			
8/4/25	RIVERSIDE COUNTY	TAXES - UNSECURED PRIOR YEAR	13,798.81
8/5/25	BCVWD	WATER SALES MAY25	554,211.00
8/5/25	STATE OF CALIF/DWR	SGMA GRANT WELL DRILLING	828.80
8/11/25	RIVERSIDE COUNTY	TAXES - SECURED	400,139.89
8/11/25	CITY OF BANNING	WATER SALES - JUN25	299,250.00
8/14/25	RIVERSIDE COUNTY	TAXES - SUPPLEMENTAL	56,105.50
8/27/25	AMERICAN TOWER	CELL TOWER PAYMENT	33,221.62
TOTAL FOR AUGUST 2025			1,357,555.62

SAN GORGONIO PASS WATER AGENCY

Local Water Purchases and Deliveries
Calendar Year 2025
DRAFT - Subject to Change
September 16, 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

Month	Delivery Point					Pre-Stored Water					
	Brookside East	LSGC	Noble Connect.	SBVMWD	Total	SGPWA Transfers-In	SGPWA Transfers-Out	SGPWA Balance	Banning Transfers-In	BCVWD Transfers-In	YVWD Transfers-In
Bal. Prior Year						Bal. Prior Year		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	1,056		996		2,052	1,056	3,250	1,230	750	2,500	
Jul	922		867		1,789	922		2,152			
Aug	820		1,312		2,132	820		2,972			
Sep					0						
Oct					0						
Nov					0						
Dec					0						
TOTALS	4,627	0	8,227	13	12,867	4,627	3,250		750	2,500	0

Month	Billing Detail			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		750	750	996	2,500	3,496			0	4,246
Jul			0	867		867			0	867
Aug			0	1,312		1,312			0	1,312
Sep			0		0			0		0
Oct			0		0			0		0
Nov			0		0			0		0
Dec			0		0			0		0
TOTALS	0	750	750	8,227	2,500	10,727	13	0	13	11,490

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

San Gorgonio Pass Water Agency
Budget Highlights

August 2025

New for FY 2025-26

The budget report remains basically the same, but with changes to column 5, 'Over/Under Budget.'

The title for the budget comparison has been changed to ' % of Budget Year' rather than 'Remaining.' Underneath that, a new box reads 'Over budget/**Under budget**' and this is repeated in each income and expense section and on a new page.

The column contents under the title box are designed to more quickly highlight the difference from the month's budget percentage. The monthly budget amount is evenly divided over the year, so the comparison is to the listed budget percentage, which represents the current month's percentage of the year. For income, the number will become **red** for a difference that is less than the percentage of the current month, which means that income is lower than expected according to the monthly budget. The income percentage will be black if income is greater than expected for the monthly budget.

For expenses, the number will become **red** for a difference that is greater than the percentage of the current month, which means that expenses are greater than expected according to the monthly budget, and will remain black for expenses that are less than the monthly budget.

Expense items that have been previously identified in the monthly highlights report as 'over budget,' and therefore highlighted in red, will probably be changed, especially if they represent one-time payments, or have uneven payment cycles. Again, the overall goal of this part of the budget report is to highlight current items that might be of interest to the Committee, without presenting repetitious data.

General Fund (Green Bucket)

Income

Income attributable to the new fiscal year was water sales, a little for SGMA grant reimbursement, and the cell tower payment. There were three deposits that were attributable to the previous fiscal year, and this is the last of the income that will be received for the previous fiscal year. Interest continues to exceed expectations.

Expenses

Previously mentioned:

- Payroll Services
- Retirement
- Health Insurance
- ACWA Benefits
- Dues and Assessments
- Office Expense
- LAFCO Cost Share

For the month of August, Accounting and Auditing shows up as exceeding projections, but this is expected because of the way the audit is billed. SAWPA regional projects also shows up as exceeding projections, because it is billed for the entire year at once.

Consigned – SWP Support Fund (Orange Bucket)

No changes.

Debt Service Fund (Red Bucket)

Income

Interest was the only income received this month for the Debt Service Fund.

Expenses

Previously mentioned:

- State Water Contract Dues

As projected in the previous month's report, the Benefits line item came back within budget.

The State Water Contract Audit will appear to be exceeding projections because it is billed more heavily toward the beginning of the fiscal year, but will even out as the months progress.

Funding Programs

Gap Funding Expenses

Previously mentioned:

- Banning Heights Mutual Water Company

Heli-Hydrant Funding

This report page has been modified to track Heli-Hydrant Funding. A new report is also included in the agenda packet. Funds were distributed to High Valleys Water District this month.

SAN GORGONIO PASS WATER AGENCY
APPROVED BUDGET FOR FISCAL YEAR JULY 1, 2025 - JUNE 30, 2026
FOR THE TWO MONTHS ENDING ON AUGUST 31, 2025

		1 ADOPTED BUDGET	2 REVISIONS TO BUDGET	3 TOTAL REVISED BUDGET	4 ACTUAL YTD	5 Over/Under Budget
GENERAL FUND						
	INCOME				% of Budget Year:	16.7%
						Over budget
						Under budget
1	WATER SALES	7,500,000		7,500,000	0.00	0.0%
2	OTHER WATER SALES	0		0	0.00	
3	TAX REVENUE	13,250,000		13,250,000	0.00	0.0%
4	INTEREST	600,000		600,000	181,128.59	30.2%
5	GOV'T CONTRIBUTIONS	320,000		320,000	0.00	0.0%
6	GRANT REVENUE	3,600,000		3,600,000	828.80	0.0%
7	OTHER MISCELLANEOUS INCOME	45,000		45,000	33,221.62	73.8%
8	TOTAL GENERAL FUND INCOME	25,315,000	0	25,315,000	215,179.01	0.9%
	EXPENSES					Under budget
						Over budget
COMMODITY PURCHASE						
12	PURCHASED WATER FOR DELIVERY	2,700,000		2,700,000	0.00	0.0%
13	PURCHASED WATER FOR BANKING (FUTURE SALE)	1,000,000		1,000,000	0.00	0.0%
14	TOTAL COMMODITY PURCHASE	3,700,000	0	3,700,000	0.00	0.0%
SALARIES AND EMPLOYEE BENEFITS						
17	SALARIES	800,000		800,000	85,311.86	10.7%
18	PAYROLL TAXES	73,000		73,000	5,815.96	8.0%
19	PAYROLL SERVICES	11,000		11,000	5,820.25	52.9%
20	RETIREMENT	350,000		350,000	58,776.60	16.8%
21	OTHER POST-EMPLOYMENT BENEFITS (OPEB)	200,000		200,000	22,079.19	11.0%
22	HEALTH INSURANCE	75,000		75,000	12,350.06	16.5%
23	ACWA BENEFITS	12,000		12,000	1,893.39	15.8%
24	DISABILITY INSURANCE	8,000		8,000	531.84	6.6%
25	WORKERS COMPENSATION INSURANCE	7,000		7,000	0.00	0.0%
26	SGPWA STAFF MEDICAL REIMBURSEMENT	22,000		22,000	1,317.22	6.0%
27	EMPLOYEE EDUCATION	7,000		7,000	0.00	0.0%
28	TOTAL SALARIES AND EMPLOYEE BENEFITS	1,565,000	0	1,565,000	193,896.37	12.4%

SAN GORGONIO PASS WATER AGENCY
APPROVED BUDGET FOR FISCAL YEAR JULY 1, 2025 - JUNE 30, 2026
FOR THE TWO MONTHS ENDING ON AUGUST 31, 2025

		1 ADOPTED BUDGET	2 REVISIONS TO BUDGET	3 TOTAL REVISED BUDGET	4 ACTUAL YTD	5 Over/Under Budget
GENERAL FUND						
	EXPENSES				Remaining %	16.7%
	ADMINISTRATIVE AND PROFESSIONAL SERVICES					
	DIRECTOR EXPENDITURES					
33	DIRECTORS FEES	285,000		285,000	9,033.93	3.2%
34	DIRECTORS TRAVEL AND EDUCATION	80,000		80,000	844.96	1.1%
35	DIRECTORS MEDICAL	214,000		214,000	3,098.35	1.4%
	OFFICE EXPENDITURES					
37	OFFICE EXPENSE	40,000		40,000	16,210.50	40.5%
38	POSTAGE	1,000		1,000	31.98	3.2%
39	TELEPHONE	8,000		8,000	924.28	11.6%
40	UTILITIES	7,000		7,000	22.23	0.3%
	SERVICE EXPENDITURES					
42	COMPUTER, WEBSITE AND PHONE SUPPORT	75,000		75,000	7,365.08	9.8%
43	GENERAL MANAGER AND STAFF TRAVEL	50,000		50,000	2,384.69	4.8%
44	SUCCESSION PLANNING	65,000		65,000	0.00	0.0%
45	INSURANCE AND BONDS	70,000		70,000	7,394.02	10.6%
46	ACCOUNTING AND AUDITING	22,000		22,000	10,000.00	45.5%
47	LEGAL SERVICES	350,000		350,000	53,600.37	15.3%
48	DUES AND ASSESSMENTS	70,000		70,000	9,870.57	14.1%
49	OTHER PROFESSIONAL SERVICES	25,000		25,000	0.00	0.0%
50	BANK CHARGES	1,000		1,000	0.00	0.0%
51	MISCELLANEOUS EXPENSES	1,000		1,000	0.00	0.0%
	MAINTENANCE AND EQUIPMENT EXPENDITURES					
53	TOOLS PURCHASE AND MAINTENANCE	2,000		2,000	91.56	4.6%
54	MAINTENANCE AND REPAIRS - VEHICLE	30,000		30,000	886.31	3.0%
55	MAINTENANCE AND REPAIRS - BUILDING	50,000		50,000	3,288.96	6.6%
56	MAINTENANCE AND REPAIRS - FIELD	60,000		60,000	67.17	0.1%
	COUNTY EXPENDITURES					
58	LAFCO COST SHARE	10,000		10,000	10,915.52	109.2%
59	ELECTION EXPENSE	0		0	0.00	
60	TAX COLLECTION CHARGES	70,000		70,000	0.00	0.0%
61	TOTAL ADMINISTRATIVE AND PROFESSIONAL SERVICES	1,586,000	0	1,586,000	136,030.48	8.6%

SAN GORGONIO PASS WATER AGENCY
APPROVED BUDGET FOR FISCAL YEAR JULY 1, 2025 - JUNE 30, 2026
FOR THE TWO MONTHS ENDING ON AUGUST 31, 2025

		1 ADOPTED BUDGET	2 REVISIONS TO BUDGET	3 TOTAL REVISED BUDGET	4 ACTUAL YTD	5 Over/Under Budget
GENERAL FUND						
	EXPENSES				Remaining %	16.7%
	CONSULTING AND ENGINEERING SERVICES					Under budget
	PLANS & CONSTRUCTION					Over budget
65	INFRASTRUCTURE PLAN - Phase 2	25,000		25,000	0.00	0.0%
66	BACKBONE INFRASTRUCTURE STUDY AND DESIGN	750,000		750,000	0.00	0.0%
67	BUNKER HILL BANKING AND RECOVERY PROGRAM	75,000		75,000	0.00	0.0%
68	COUNTY LINE RECHARGE	100,000		100,000	4,635.00	4.6%
69	SMALL SYSTEM ASSISTANCE PROGRAM	210,000		210,000	0.00	0.0%
70	SIGNAGE AND FRONTAGE BROOKSIDE EAST	75,000		75,000	0.00	0.0%
71	MONITORING WELL DRILLING	1,800,000		1,800,000	768.00	0.0%
72	HELI-HYDRANT	1,200,000		1,200,000	0.00	0.0%
	OTHER PROJECTS					
74	WATER BANKING INVESTIGATIONS	25,000		25,000	0.00	0.0%
75	SAN GORGONIO GSA	550,000		550,000	315.00	0.1%
76	YUCAIPA GSA VERBENIA GSA	50,000		50,000	0.00	0.0%
77	FLUME MONITORING AND SUPPORT	30,000		30,000	0.00	0.0%
	STUDIES AND REPORTS					
79	FINANCIAL MODELING + NEXUS RATE STUDY	55,000		55,000	6,689.43	12.2%
80	USGS STUDIES AND MONITORING	400,000		400,000	0.00	0.0%
81	LOCAL SUPPLIES	50,000		50,000	0.00	0.0%
82	LOCAL RECHARGE FEASIBILITY STUDIES	750,000		750,000	0.00	0.0%
83	UWMP SUPPORT AND ANNUAL REPORT COMPLETION	300,000		300,000	2,160.00	0.7%
	GENERAL ENGINEERING SERVICES					
85	ON-CALL ENGINEERING SERVICES	500,000		500,000	0.00	0.0%
86	GRANT SUPPORT SERVICES	50,000		50,000	0.00	0.0%
87	STATE + FEDERAL ADVOCACY	80,000		80,000	0.00	0.0%
88	SAWPA REGIONAL PROJECTS	15,000		15,000	9,889.00	65.9%
89	GENERAL ENGINEERING and ENVIRONMENTAL	50,000		50,000	0.00	0.0%
90	TOTAL CONSULTING AND ENGINEERING SERVICES	7,140,000	0	7,140,000	24,456.43	0.3%

SAN GORGONIO PASS WATER AGENCY
APPROVED BUDGET FOR FISCAL YEAR JULY 1, 2025 - JUNE 30, 2026
FOR THE TWO MONTHS ENDING ON AUGUST 31, 2025

		1 ADOPTED BUDGET	2 REVISIONS TO BUDGET	3 TOTAL REVISED BUDGET	4 ACTUAL YTD	5 Over/Under Budget
GENERAL FUND						
	EXPENSES				Remaining %	16.7%
						Under budget
						Over budget
	CONSERVATION AND EDUCATION					
98	SCHOOL EDUCATION PROGRAMS	65,000		65,000	0.00	0.0%
99	PUBLIC INFORMATION AND EDUCATION	260,000		260,000	0.00	0.0%
100	SPONSORSHIPS	10,000		10,000	0.00	0.0%
101	TRANSFER TO PASS WATER AGENCY FOUNDATION	35,000		35,000	0.00	0.0%
102	65th ANNIVERSARY CELEBRATION	50,000		50,000	1,020.00	2.0%
103	TOTAL CONSERVATION AND EDUCATION	420,000	0	420,000	1,020.00	0.2%
	MAJOR AND CAPITAL EXPENDITURES					
	BUILDING AND EQUIPMENT					
107	BUILDING	50,000		50,000	0.00	0.0%
108	FRONT LANDSCAPING	0		0	0.00	
109	FURNITURE AND OFFICE EQUIPMENT	25,000		25,000	0.00	0.0%
110	OTHER EQUIPMENT	20,000		20,000	0.00	0.0%
111	VEHICLES	80,000		80,000	0.00	0.0%
	OTHER ITEMS					
113	SITES RESERVOIR	840,000		840,000	0.00	0.0%
114	NEW PROPERTY	50,000		50,000	0.00	0.0%
115	COUNTY LINE RECHARGE - CONSTRUCTION	6,500,000		6,500,000	0.00	0.0%
117	TOTAL MAJOR AND CAPITAL EXPENDITURES	7,565,000	0	7,565,000	0.00	0.0%
119	TRANSFERS TO OTHER FUNDS					
121	TOTAL GENERAL FUND EXPENSES	21,976,000	0	21,976,000	355,403.28	1.6%
123	GENERAL FUND NET INCOME YTD	3,339,000	0	3,339,000	-140,224.27	

SAN GORGONIO PASS WATER AGENCY
APPROVED BUDGET FOR FISCAL YEAR JULY 1, 2025 - JUNE 30, 2026
FOR THE TWO MONTHS ENDING ON AUGUST 31, 2025

	1 ADOPTED BUDGET	2 REVISIONS TO BUDGET	3 TOTAL REVISED BUDGET	4 ACTUAL YTD	5 Over/Under Budget
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CONSIGNMENT - SWP SUPPORT FUND

				Remaining %	16.7%
	INCOME				Over budget Under budget
	INCOME				
130	UNITARY TAX REVENUE ALLOCATED	9,100,000		9,100,000	0.00 0.0%
131	INTEREST	580,000		580,000	163,878.25 28.3%
132	OTHER INCOME	0		0	
133	TOTAL SWP SUPPORT FUND INCOME	9,680,000	0	9,680,000	163,878.25 1.7%
	EXPENSES				Under budget Over budget
	EXPENDITURES				
139	TAX COLLECTION CHARGES	24,000		24,000	0.00 0.0%
140	OTHER EXPENSES	0		0	
141	TOTAL SWP SUPPORT FUND EXPENSES	24,000	0	24,000	0.00 0.0%
143	TRANSFERS TO OTHER FUNDS				
145	CONSIGNMENT - SWP SUPPORT FUND NET INCOME YTD	9,656,000	0	9,656,000	163,878.25

SAN GORGONIO PASS WATER AGENCY
APPROVED BUDGET FOR FISCAL YEAR JULY 1, 2025 - JUNE 30, 2026
FOR THE TWO MONTHS ENDING ON AUGUST 31, 2025

	1 ADOPTED BUDGET	2 REVISIONS TO BUDGET	3 TOTAL REVISED BUDGET	4 ACTUAL YTD	5 Over/Under Budget
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DEBT SERVICE FUND

				Remaining %	16.7%
	INCOME				Over budget
					Under budget
153	TAX REVENUE	34,754,000	34,754,000	0.00	0.0%
154	INTEREST	2,000,000	2,000,000	517,510.27	25.9%
155	CONTRIBUTIONS - GOVERNMENT	0	0		
156	DWR CREDITS - BOND COVER, OTHER	3,550,000	3,550,000	0.00	0.0%
157	TOTAL DEBT SERVICE FUND INCOME	40,304,000	0	517,510.27	1.3%
	EXPENSES				Under budget
					Over budget
161	SWP PURCHASED WATER	4,800,000	4,800,000	552,293.00	11.5%
162	SALARIES	640,000	640,000	62,311.50	9.7%
163	PAYROLL TAXES	40,000	40,000	3,425.70	8.6%
164	BENEFITS	400,000	400,000	51,270.03	12.8%
165	SWP UTILITIES	12,000	12,000	586.51	4.9%
166	STATE WATER CONTRACT AUDIT	8,000	8,000	2,044.00	25.6%
167	STATE WATER CONTRACTOR DUES	45,000	45,000	47,973.00	106.6%
168	STATE WATER LEGAL SERVICES	1,000	1,000	0.00	0.0%
169	DELTA CONVEYANCE FINANCING AUTHORITY	30,000	30,000	0.00	0.0%
170	WATER TREATMENT EXPENSE	100,000	100,000	11,910.28	11.9%
171	EBX CONTRACT OPERATIONS	400,000	400,000	0.00	0.0%
172	SWP ENGINEERING AND MAINTENANCE	2,400,000	2,400,000	587.04	0.0%
173	WATER TRANSFERS	2,700,000	2,700,000	0.00	0.0%
174	STATE WATER CONTRACT PAYMENTS	26,000,000	26,000,000	1,878,765.00	7.2%
175	TAX COLLECTION CHARGES	170,000	170,000	0.00	0.0%
176	TOTAL DEBT SERVICE FUND EXPENSES	37,746,000	0	2,611,166.06	6.9%
178	TRANSFERS FROM RESERVES			0.00	0.00
180	DEBT SERVICE NET INCOME YTD	2,558,000	0	2,558,000	-2,093,655.79

SAN GORGONIO PASS WATER AGENCY
APPROVED BUDGET FOR FISCAL YEAR JULY 1, 2025 - JUNE 30, 2026
FOR THE TWO MONTHS ENDING ON AUGUST 31, 2025

		1 ADOPTED BUDGET	2 REVISIONS TO BUDGET	3 TOTAL REVISED BUDGET	4 ACTUAL YTD	5 Over/Under Budget
FUNDING PROGRAMS						
	GAP FUNDING PROGRAM					
	INCOME					
185	CABAZON WATER DISTRICT	0		0	0.00	
186	SOUTH MESA WATER COMPANY	600,000		600,000	0.00	0.0%
187	HIGH VALLEYS WATER DISTRICT	2,000,000		2,000,000	0.00	0.0%
188	BANNING HEIGHTS MUTUAL WATER CO.	0		0	0.00	
191	TOTAL INCOME	2,600,000	0	2,600,000	0.00	0.0%
	EXPENSES					
194	CABAZON WATER DISTRICT	0		0	0.00	
195	SOUTH MESA WATER COMPANY	1,100,000		1,100,000	0.00	0.0%
196	HIGH VALLEYS WATER DISTRICT	1,000,000		1,000,000	0.00	0.0%
197	BANNING HEIGHTS MUTUAL WATER CO.	900,000		900,000	331,868.25	36.9%
198	TOTAL EXPENSE	3,000,000	0	3,000,000	331,868.25	11.1%
202	GAP FUNDING PROGRAM NET BALANCE YTD	-400,000	0	-400,000	-331,868.25	
	HELI-HYDRNAT FUNDING PROGRAM					
	INCOME					
208	CABAZON WATER DISTRICT			0	0.00	
210	SOUTH MESA WATER COMPANY			0	0.00	
212	HIGH VALLEYS WATER DISTRICT			0	0.00	
214	BANNING HEIGHTS MUTUAL WATER CO.			0	0.00	
216	TOTAL INCOME	0	0	0	0.00	
	EXPENSES					
222	SOUTH MESA WATER COMPANY			0	0.00	
224	HIGH VALLEYS WATER DISTRICT			0	120,000.00	
226	BANNING HEIGHTS MUTUAL WATER CO.			0	0.00	
228	TOTAL EXPENSE	0	0	0	120,000.00	
232	HELI-HYDRANT FUNDING PROGRAM NET BALANCE YTD	26	0	0	0	-120,000.00

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
FY	Fiscal Year	12-month accounting cycle used for financial reporting
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

San Gorgonio Pass Water Agency
List of Some Acronyms and Vendors and Their Functions

Acronym	Name	Function and Information
HVWD	High Valleys Water District	Mutual water company within Agency boundaries
IERCD	Inland Empire Resources Conservation District	Special District that provides conservation education
LAFCO	Local Agency Formation Commission	Branch of Riverside County government; reviews district and agency formation
LAIF	Local Agency Investment Fund	Financial organization sponsored by 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
LEC	Land Engineering Consultants	Consulting firm based in Calimesa that provides engineering services to the Agency.
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

San Gorgonio Pass Water Agency
List of Some Acronyms and Vendors and Their Functions

Acronym	Name	Function and Information
TSAB	Tehachapi Second After-Bay	A DWR facility that SGPWA participates in
UNIVAR	Univar Solutions, Inc.	Provides EarthTec copper sulfite solution for water treatment
USGS	U.S. Geological Survey	Federal agency that provides groundwater data and modeling
UWMP	Urban Water Management Plan	
WEF	Water Education Foundation	
Weka, Inc.	Construction firm	Bid approved to construct County Line Recharge facility
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 250916

SAN GORGONIO PASS WATER AGENCY

**LEGAL INVOICES
ACCOUNTS PAYABLE INVOICE LISTING**

VENDOR	INVOICE NBR	COMMENT	AMOUNT
BEST, BEST & KRIEGER	250831	LEGAL SERVICES AUGUST 2025	35,244.28
TOTAL PENDING INVOICES FOR APPROVAL AUGUST 2025			<u>35,244.28</u>

San Gorgonio Pass Water Agency
Gap Funding Program
Summary Report
Report Date: September 15, 2025

OVERALL Current Balance: 7,688,924.61

(Owed to Agency)

Cabazon Water District	(CWD owes us) - Current Balance: 34,370.00
Gap Funding Maximum:	1,300,000
Approximate Project Cost:	1,700,000.00
Payments Made to CWD:	1,576,885.54
	Approximate Gap Funding Available: 1,265,630.00
	Payments Received from CWD: 1,542,515.54
	9/10/25 258,294.18

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
Payments Made to SMWC:	6,325,017.13
	Approximate Gap Funding Available: 1,152,469.89
	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
Payments Made to HVWD:	908,627.50
	Approximate Gap Funding Available: 91,372.50
	Payments Received from HVWD: 0.00
	4/28/25 520,695.00
	5/28/25 387,932.50

Banning Heights Mutual Water Co.	(BHMWC owes us) - Current Balance: 898,397.00
Gap Funding Maximum:	1,500,000
Approximate Project Cost:	3,756,000.00
Payments Made to BHMWC:	898,397.00
	Approximate Gap Funding Available: 601,603.00
	Payments Received from BHMWC: 0.00
	3/27/25 331,036.75
	7/15/25 331,868.25

San Gorgonio Pass Water Agency
Hel-Hydrant Funding Program
Summary Report
Report Date: September 15, 2025

OVERALL Current Balance: 600,000.00

(Owed to Agency)

Cabazon Water District		(Owed to us) - Current Balance: 480,000.00	
Heli-Hydrant Maximum: 600,000			
Payments Made to CWD: 600,000.00		Payments Received: 120,000.00	
3/11/25	120,000.00	5/29/25	120,000.00
4/29/25	360,000.00		
5/28/25	120,000.00		

South Mesa Water Company		(Owed to us) - Current Balance: 0.00
Heli-Hydrant Maximum: 300,000		
Payments Made to SMWC: 0.00		Payments Received from SMWC: 0.00

High Valleys Water District		(Owed to us) - Current Balance: 120,000.00
Heli-Hydrant Maximum: 600,000		
Payments Made to HVWD: 120,000.00		Payments Received from HVWD: 0.00
8/18/25	120,000.00	

Banning Heights Mutual Water Co.		(Owed to us) - Current Balance: 0.00
Heli-Hydrant Maximum: 300,000		
Payments Made to BHMWC: 0.00		Payments Received from BHMWC: 0.00

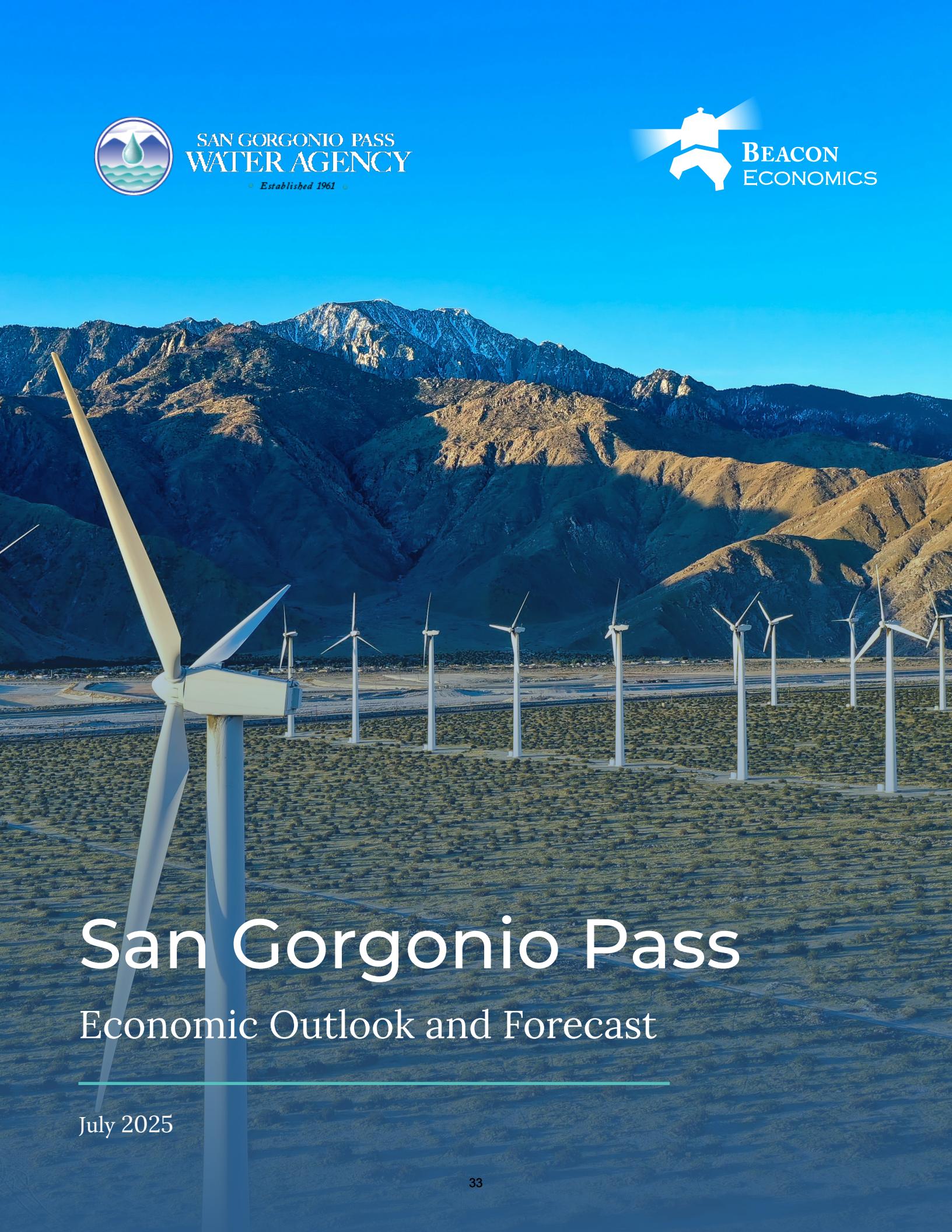


SAN GORGONIO PASS
WATER AGENCY

Established 1961



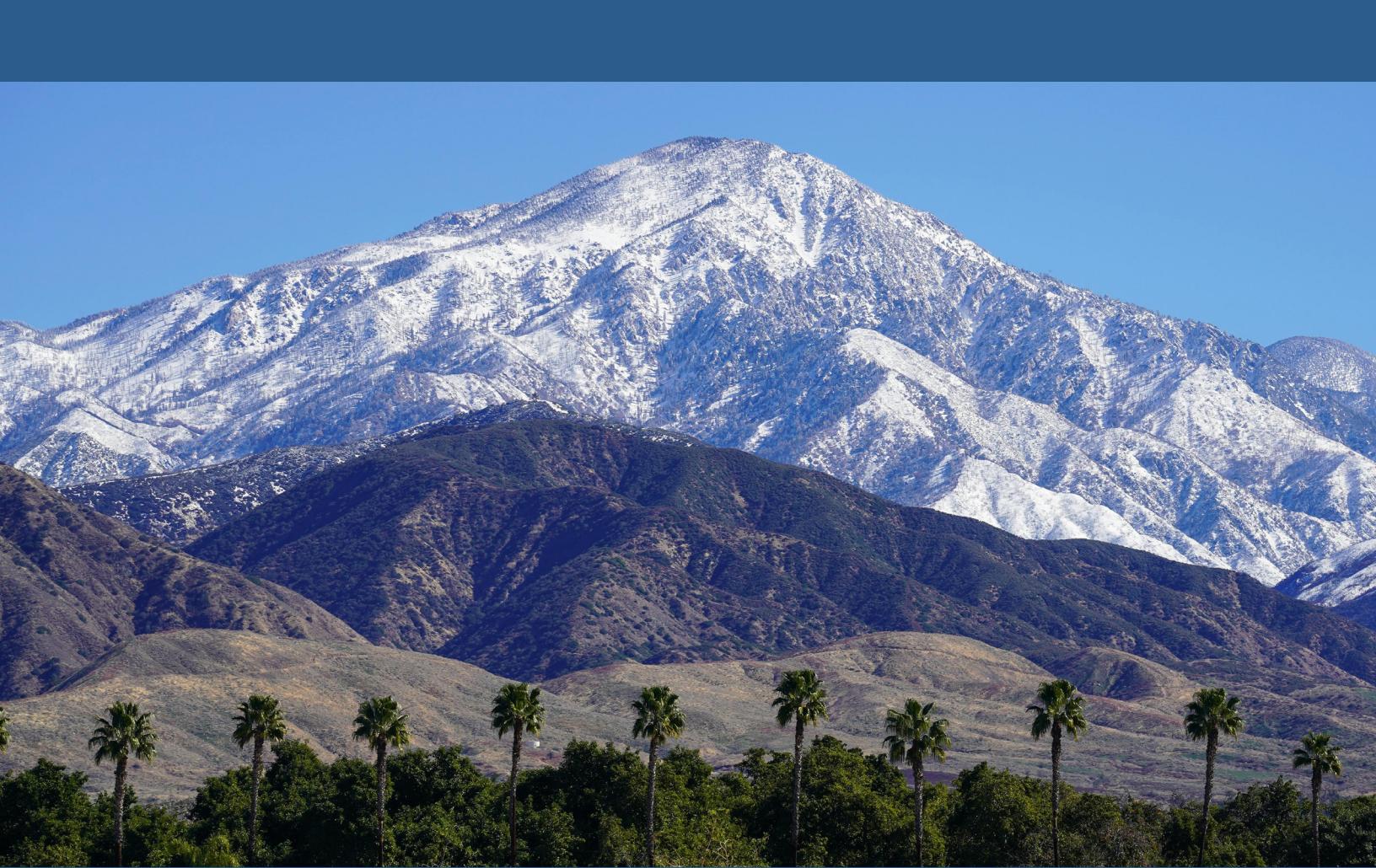
BEACON
ECONOMICS



San Gorgonio Pass

Economic Outlook and Forecast

July 2025



Introduction

Located in Riverside County and bounded by the San Bernardino Mountains to the north and the San Jacinto Mountains to the south, the San Gorgonio Pass is an important economic corridor for Southern California, connecting the Coachella Valley and eastern Riverside County to Greater Los Angeles. The area is home to the growing cities of Beaumont, Banning, and Calimesa, as well as the Morongo Band of Mission Indians. While the San Gorgonio Pass has historically served as a key transportation and trade route for the Logistics sector, it has seen explosive recent growth in population and employment. In the last ten years, employment has grown by 38.4%, more than double the national rate of 13.7%. Logistics accounted for one in four of the jobs added in the last decade, but impressive gains also occurred in other industries such as Government and Leisure and Hospitality.

The pandemic had a milder impact on employment in the San Gorgonio area compared to the county and state. By late 2021, the area had recovered all jobs lost during the pandemic and has continued to grow ever since. Compared to the first quarter of 2020, payrolls in the San Gorgonio Pass Water Agency Service Area (SGPWA) are 13.5% above pre-pandemic levels compared to just 1.7% statewide. Similarly, labor force growth in the San Gorgonio Pass has been equally impressive, expanding by 34.1% since January 2010, more than five times the statewide rate.

The growth in the labor force is due to increased local housing stock, which has driven population gains. Beaumont has experienced the most robust population growth in recent decades, due to the development of numerous master-planned communities. Over a shorter period, both Beaumont and Calimesa have grown significantly faster than the state or the county.

The following report provides an economic overview and population forecast for the San Gorgonio Pass Water Agency Service Area to 2065. In addition to the San Gorgonio Pass Water Agency Service Area, the forecast includes the following regions:¹

- South Mesa Water Company
- Yucaipa Valley Water District
- Beaumont Cherry Valley Water District
- Banning Water District
- San Gorgonio Pass Groundwater Sustainability Plan area

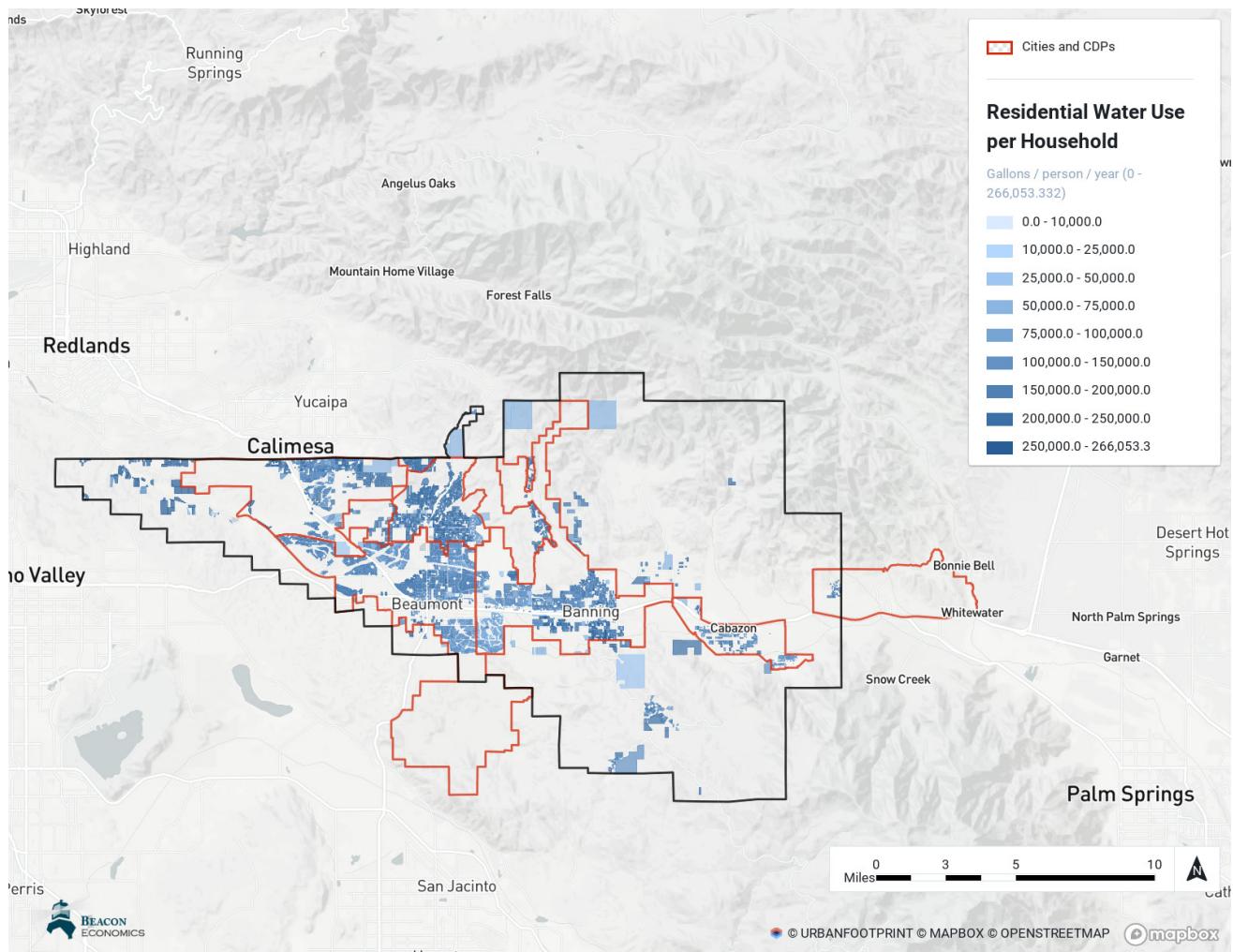
¹ The South Mesa Water Company and Yucaipa Valley Water District have breakouts for Riverside and San Bernardino Counties.



Regional Overview

Population Trends in the SGPWA Region

To begin, the report examines trends within the cities (both incorporated and census-designated places) and will later discuss housing and population trends in relation to individual water agency service areas and their growth potential. The three incorporated cities of the SGPWA region account for nearly 90% of the population of the SGPWA service area. Among the cities in the region, Beaumont has experienced the strongest growth in recent decades, due to the development of numerous master-planned communities. In 1990, Beaumont had a population half that of Banning. By 2020, however, Beaumont's population was 80% larger than Banning's. Between the two most recent Decennial Censuses (2010 to 2020), population growth was minimal in absolute terms across all areas except Beaumont, which added more than 16,000 new residents. Population in Banning, the region's second-largest city, has remained essentially unchanged over the last ten years.



Population Totals

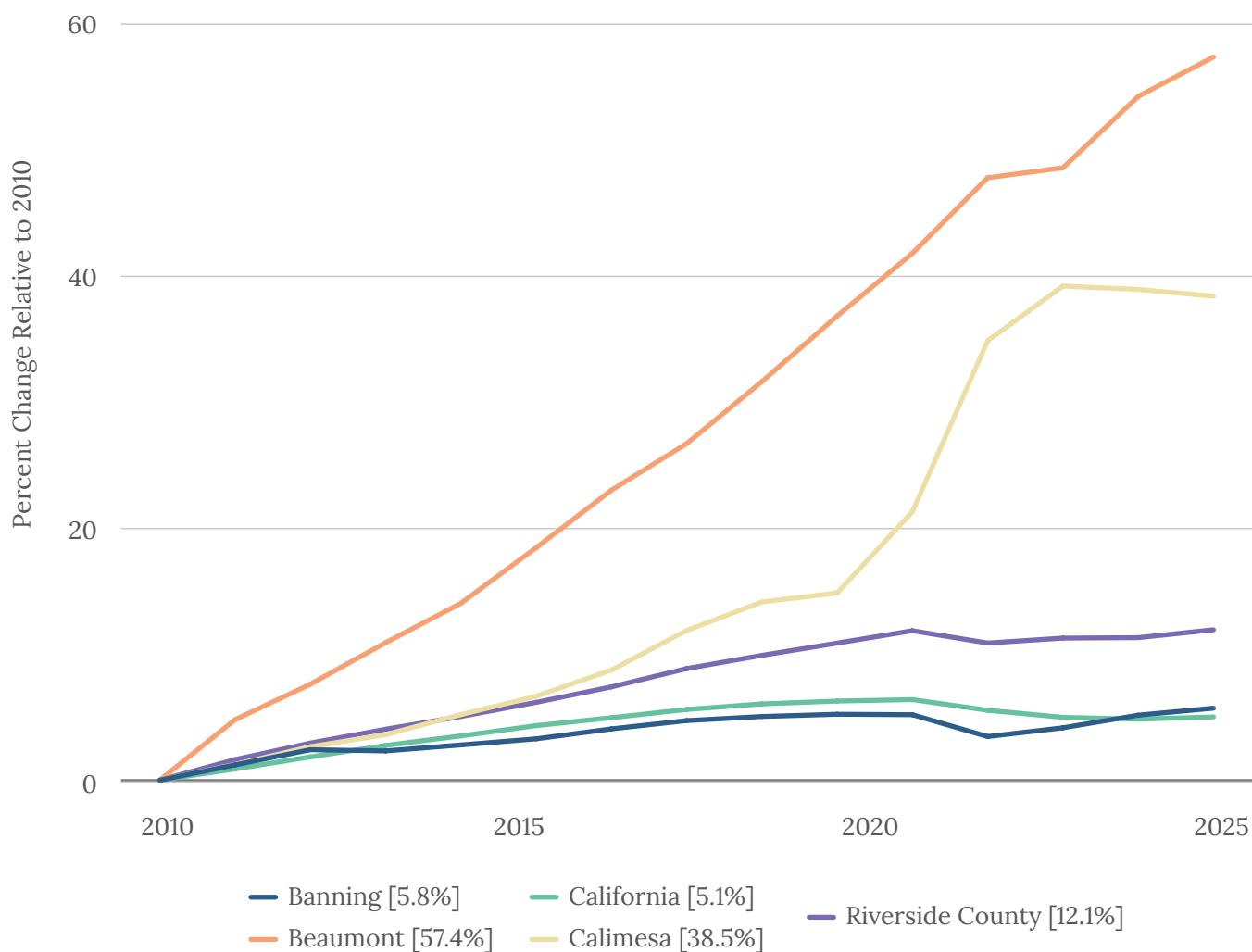
San Gorgonio Pass Water Agency Cities and Census Designated Places (CDPs)

	Calimesa	Cherry Valley	Beaumont	Banning	Cabazon	Whitewater
1980			6,818	14,020		
1990	4,647		9,685	20,570		
2000	7,139	5,891	11,384	23,562	2,229	
2010	7,879	6,362	36,877	29,603	2,535	859
2020	10,026	6,509	53,036	29,505	2,629	971

Source: US Census Bureau. Analysis by Beacon Economics

To further understand the outlook for the SGPWA service area, it is useful to examine data provided by the California Department of Finance that assesses how recent dynamics have unfolded since 2010, a period of significant transformation in the Inland Empire. This also allows a discussion of some of the more recent (post-Covid) data not captured by the 2020 Decennial Census. Again, looking past 2020, Beaumont's population growth has been remarkable—and the same goes for Calimesa. Since 2010, both Beaumont and Calimesa have grown significantly faster than the state or the county. Banning's growth has been comparatively weaker, but still on par with state figures.

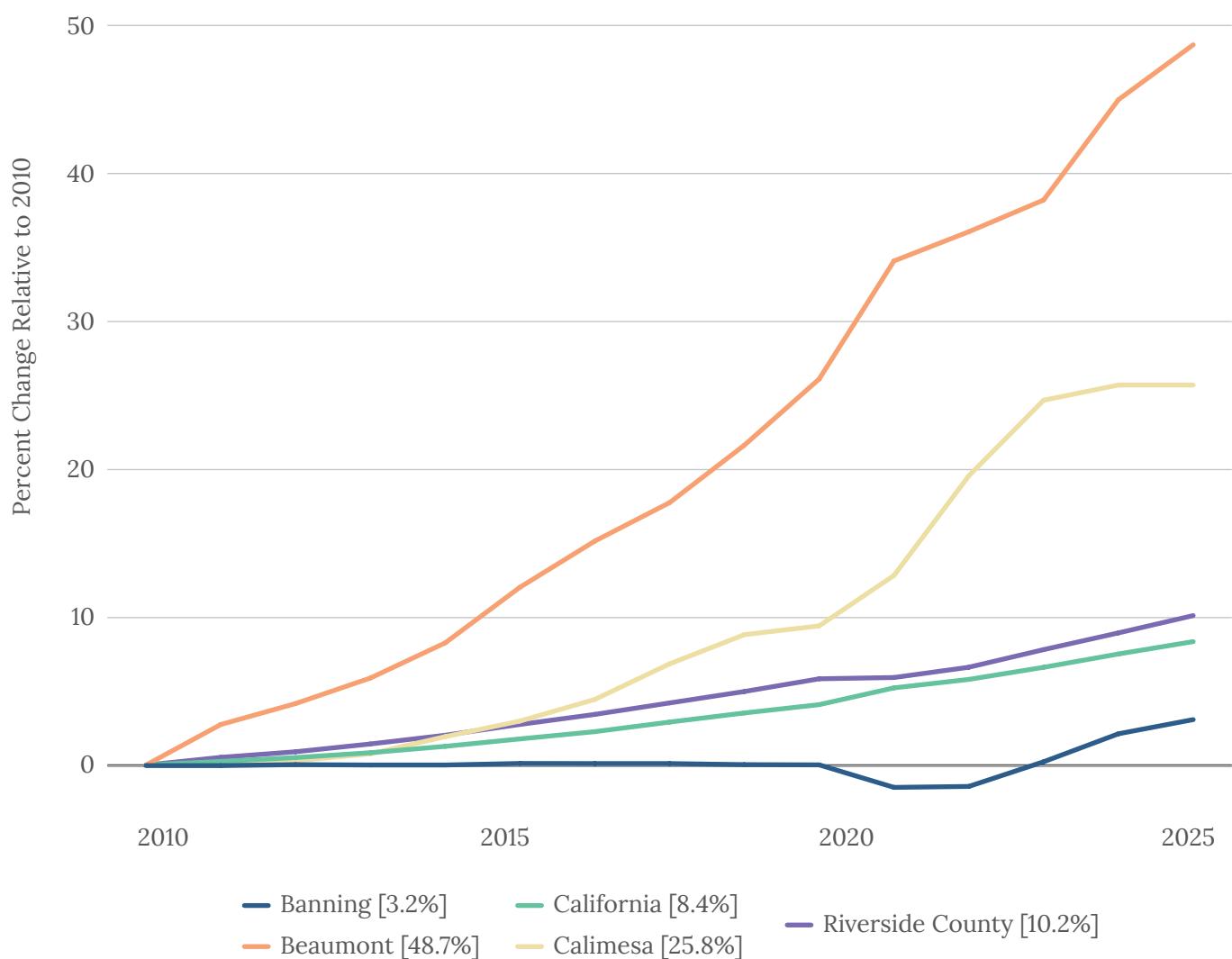
Percent Change in Population San Gorgonio Pass Water Agency Incorporated Cities



Source: California Department of Finance. Analysis by Beacon Economics

Housing remains one of the key drivers of growth across Southern California. Put simply, areas that have built the most housing have seen the highest population growth. Between 2010 and 2024, Banning's population grew 5.8%, with housing stock expanding by 3.2%, slower than the statewide rate of 8.4%. In contrast, Calimesa saw a nearly 26% increase in housing stock and a population increase of around 39%. The pandemic redirected a great deal of the state's growth from the coast to inland areas, benefiting the communities within the SGWPA service area. There has been a stark contrast in performance between California's coastal and inland labor markets. The best-performing communities (measured by job recovery) are mostly found inland, while the worst-performing are mostly found on the coast.

Percent Change in Housing Stock San Gorgonio Pass Water Agency Incorporated Cities



Source: California Department of Finance. Analysis by Beacon Economics



Employment Trends in the SGPWA Region

The longer-term trends in population growth have fueled job gains across the SGPWA service area. As more people move into the region, businesses respond to increased demand by hiring more workers in locally serving sectors like Retail Trade, Health Care, Education, and Construction. Expansions of the Logistics sector has also been an important driver of employment growth.

The table below shows the most specialized major industries in the SGWPA Service area, with comparisons to Riverside County and California for context (the report later provides a more detailed breakdown of industry specialization). The top three most specialized major industries in the SGWPA service area are Retail Trade, Government, and Leisure and Hospitality. The cells are color-coded for the specialized sectors ($LQ^2 > 1$) so that the commonalities across all three areas are more apparent. For example, Riverside County shares the same specializations as the SGWPA service area but is also specialized in Logistics and Natural Resources and Construction. At 1.94, Retail Trade is nearly twice as concentrated in the SGWPA service area than in the nation.

Industry Specialization

Industry	San Gorgonio Service Area	Riverside County	California
Retail Trade	1.94	1.12	0.88
Government	1.73	1.14	0.99
Leisure and Hospitality	1.12	1.17	1.03
Logistics ³	0.99	1.44	0.96
NR/Construction	0.98	1.63	1.16
Other Services	0.94	0.90	1.00
Education/Health	0.91	1.00	1.05
Manufacturing	0.69	0.65	0.88
Admin Support	0.35	1.00	1.01
Financial Activities	0.32	0.45	0.79
Information	0.19	0.36	1.57
Prof, Sci, Tech, and Management	0.12	0.36	1.05

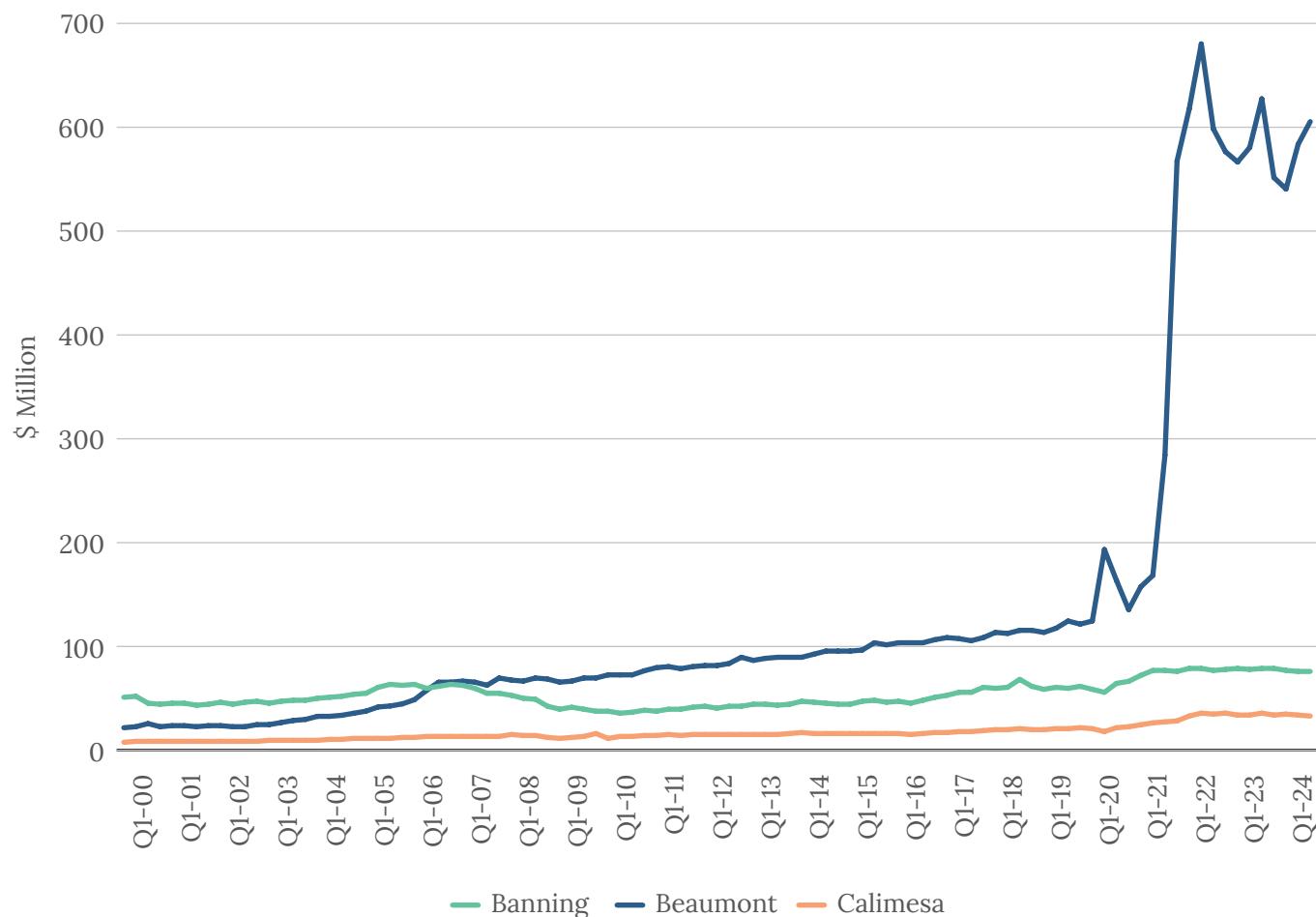
Source: US Bureau of Labor Statistics. California Employment Development Department.
Analysis by Beacon Economics

² A location quotient (LQ) is a ratio that compares the distribution of an industry in an area to the distribution in the nation.

³ Logistics here is comprised of the following sectors: Utilities (NAICS 22), Wholesale Trade (NAICS 42), and Transportation and Warehousing (NAICS 48-49).

Taxable Sales

San Gorgonio Pass Water Agency Incorporated Cities



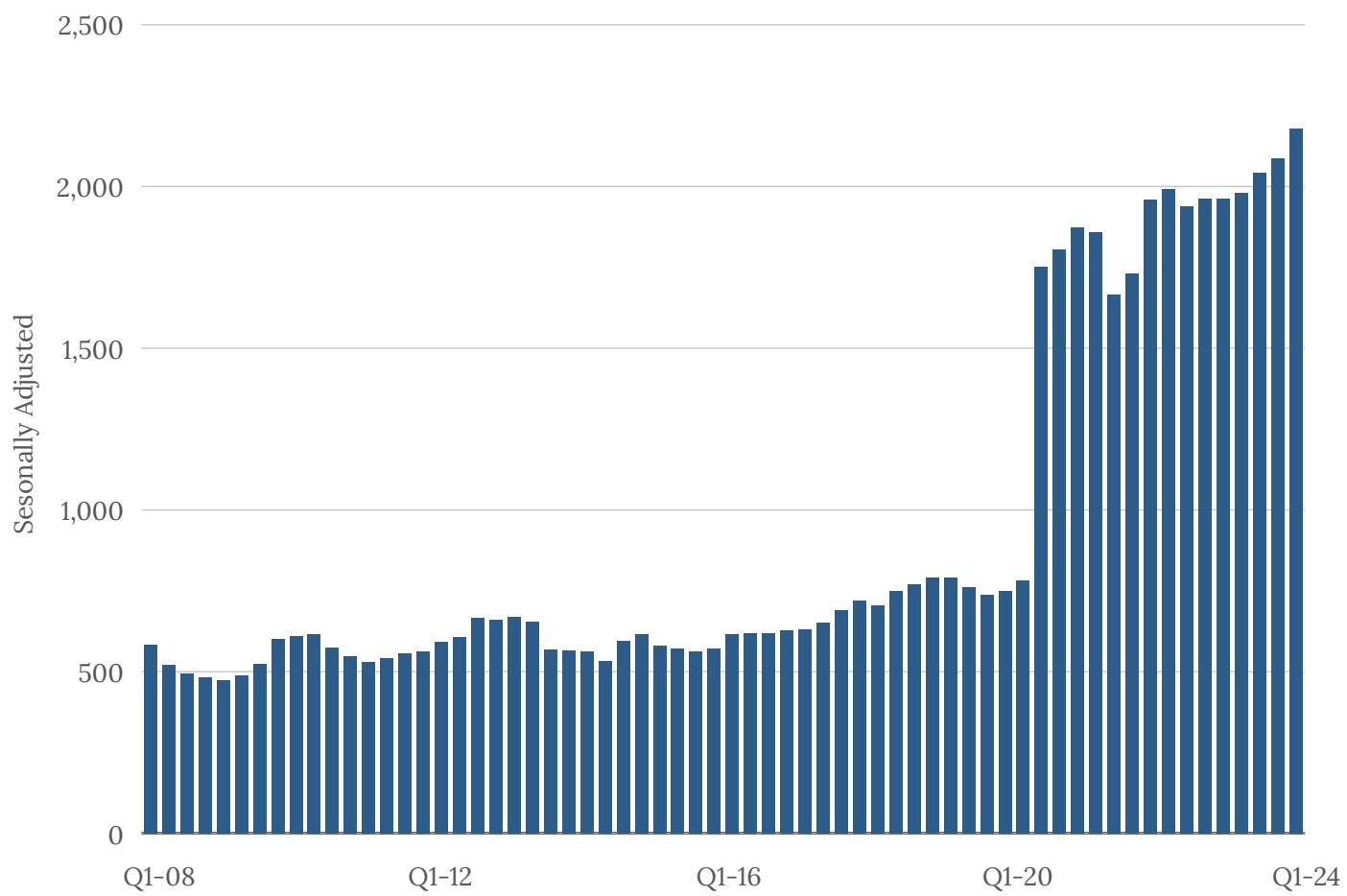
Source: California Department of Tax and Fee Administration. Analysis by Beacon Economics.

Logistics is as specialized in the San Gorgonio Pass as it is in the nation, with an LQ of 1.00 (0.99 unrounded). This is partly due to Logistics recent emergence in the area. From 2008 until late 2019, the LQ for Logistics averaged around 0.4 but ballooned 150% to today's figure thanks largely to new Amazon fulfillment centers opening in Beaumont.⁴ This has been beneficial for the city as it stands to collect a portion of every transaction shipped from each warehouse. The impact of the Amazon warehouses can be clearly seen in the jump in taxable sales, which tripled over the course of a few quarters. This bodes well for Beaumont's growth potential.

⁴ Amazon. 2020. "Amazon's Beaumont Fulfillment Center Is Now Open for Business." Amazon Press Center, September 10, 2020. <https://press.aboutamazon.com/2020/9/amazons-beaumont-fulfillment-center-is-now-open-for-business>.

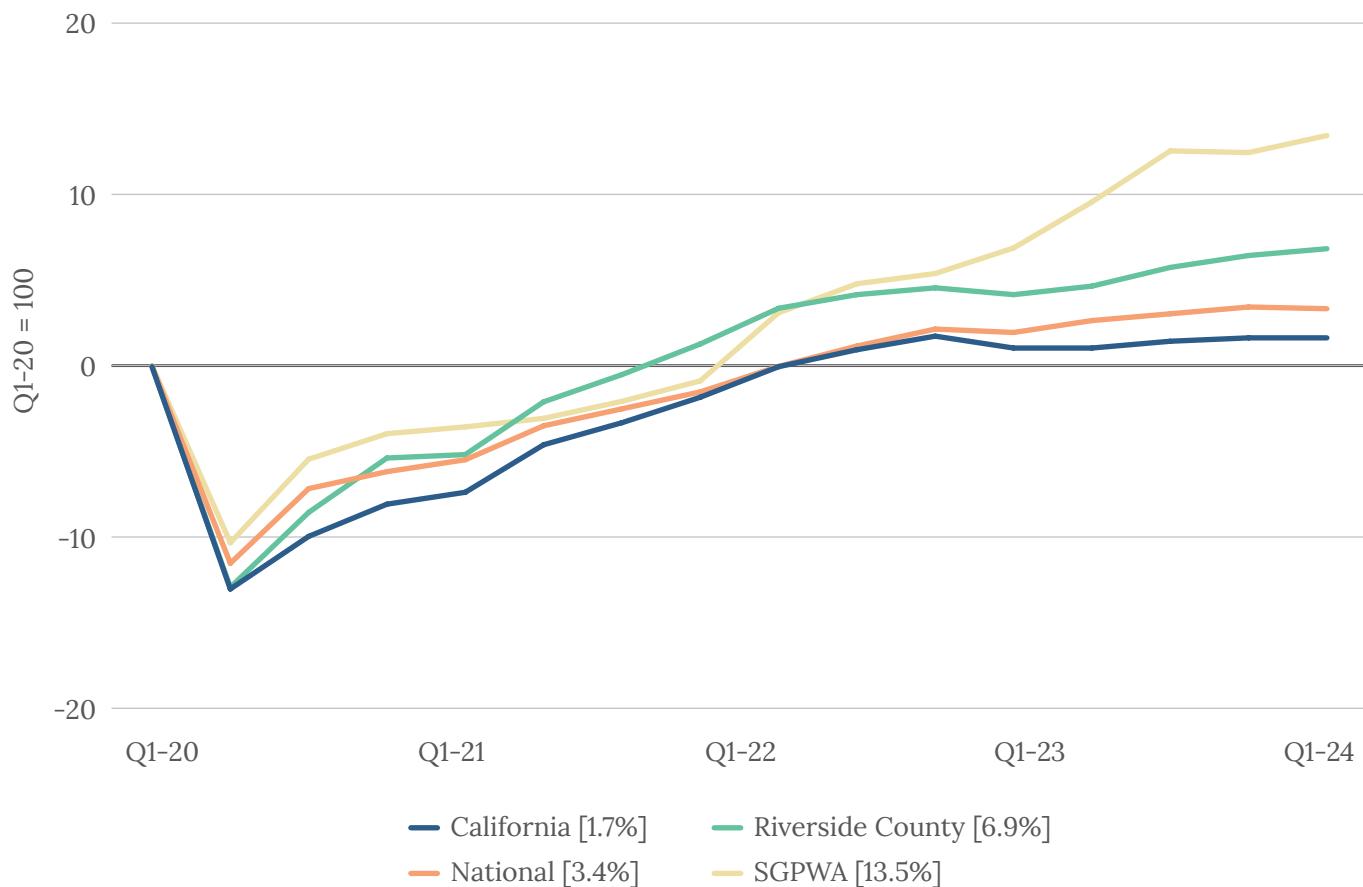
Driven by an increase in online consumption, employment has surged in the Logistics sector. The pandemic created massive disruptions across many industries and regions, but San Gorgonio is one of few beneficiaries. The largest disruptions occurred in the Warehouse and Distribution sector, which was buoyed by the shift from traditional brick-and-mortar shopping to e-commerce, an already existing trend greatly accelerated by the pandemic. The increase is apparent in the chart of Logistics employment in the area, which jumped by nearly 1,000 jobs in mid-2020 and has since expanded to all-time highs.

Logistics Employment San Gorgonio Service Area



Source: California Employment Development Department. Analysis by Beacon Economics.

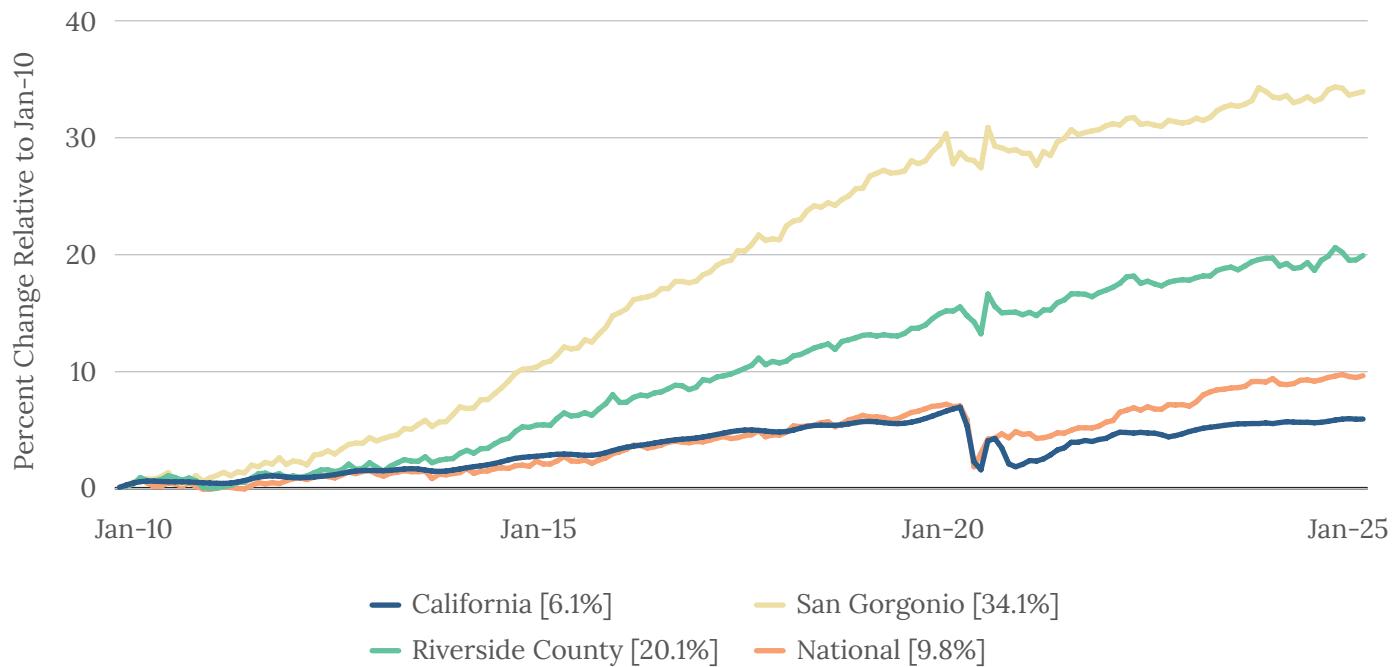
Indexed Employment Pre-Pandemic



Source: California Employment Development Department. Analysis by Beacon Economics.

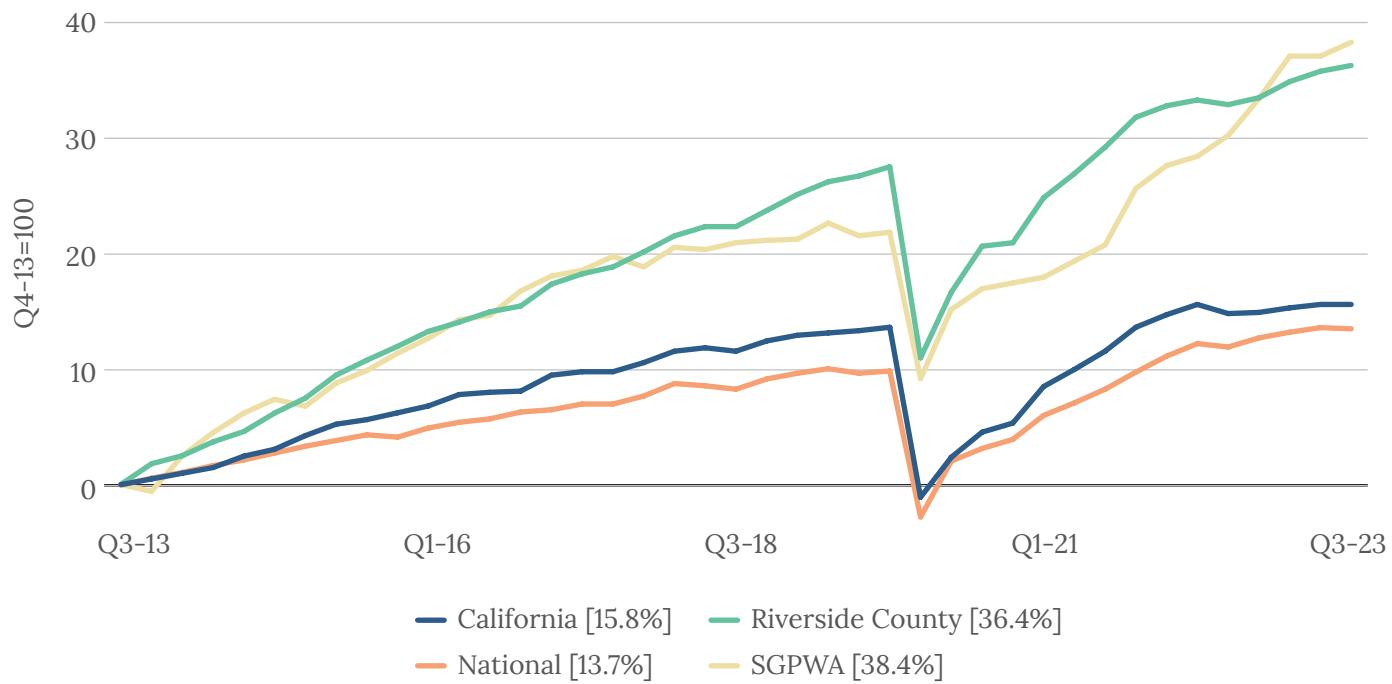
The pandemic did affect employment in the San Gorgonio area but to a lesser extent compared to the county and state. By late 2021, the San Gorgonio area had recovered all jobs lost during the pandemic and has since continued to grow. Compared to the first quarter of 2020, payrolls in the SGWPA service area are 13.5% above pre-pandemic levels. In other words, the SGWPA saw a remarkably rapid recovery relative to pre-pandemic norms. Other areas have not seen the same level of growth. This includes the nation overall, where employment was only 3.4% above pre-pandemic, and California (1.7%). In general, there has been a marked difference in performance between California's coastal and inland labor markets; job growth in inland communities has grown much faster than in coastal communities. The sluggish performance in job recovery can be traced back to limited labor force expansion. Like population, labor force growth among the Census places in SGWPA has been impressive. Since Jan 2010, the labor force in the San Gorgonio region has expanded 34.1%, more than five times the statewide increase.

Percent Change In Labor Force San Gorgonio Pass Water Agency Service Area



Source: California Employment Development Department. Analysis by Beacon Economics.

Indexed Employment 10 Year



Source: California Employment Development Department. Analysis by Beacon Economics.

The longer-term picture shows a similar dynamic, with the SGWPA service area growing substantially faster than the state and the nation. Between the fourth quarter of 2013 and the fourth quarter of 2023, employment in the SGWPA service area grew 38.4%, outpacing the countywide figure of 36.4% and more than double the national figure of 13.7%. Perhaps most impressive has been industrywide growth. Employment has grown across all major industries in the SGWPA service area over the last decade. Logistics, including Transportation, Warehousing, and Wholesale Trade, saw the largest increase. Logistics in the SGWPA grew nearly 238% between 2013 and 2023, compared to 26% statewide and 127.1% at the county level. Logistics alone accounted for one in four jobs added, but impressive gains also occurred in Government and Leisure and Hospitality. Altogether, Government, Leisure and Hospitality, and Logistics accounted for 56% of jobs added, but there have also been significant gains in industries that expand with population growth such as Education, Health Care, Construction, and Retail Trade.

Percent Change Major Industry Employment, 2023

Industry	San Gorgonio		10-Yr Growth (%)			
	Employment (SA) ⁵	Change	SG Service Area	Riverside	California	National
Logistics	2073	1460	237.9	127.1	25.9	24.6
Information	94	51	117.9	-9.2	26.0	10.2
Other Services	768	293	61.6	20.5	5.6	12.0
Leisure and Hospitality	3161	1185	60.0	39.8	20.4	15.9
Admin Support	534	193	56.8	36.6	14.7	13.1
Manufacturing	1431	461	47.6	15.7	6.7	7.3
NR/Construction	1602	489	44.0	54.5	24.7	24.8
Education/Health	3765	995	35.9	59.9	32.4	20.8
Retail Trade	5004	579	13.1	14.7	0.7	3.0
Professional/Business ⁶	271	7	2.7	25.3	22.2	30.2
Financial Activities	476	11	2.3	5.7	4.1	14.0
Total Private	19178	5724	42.5	43.0	18.0	16.2
Government	6210	1265	25.6	15.5	11.8	4.0
Total	25388	6989	38.0	37.7	17.1	14.3

Source: California Employment Development Department, Bureau of Labor Statistics. Analysis by Beacon Economics

⁵ Seasonally Adjusted

⁶ Professional, Scientific, and Technical Services, and Management.

A shift-share analysis of industry subsectors provides better insight into the drivers of industry growth. Shift-share analysis assumes that local economic growth can be explained by the combined effect of national share, industry mix, and regional shift. Using this technique, we can understand how an industry's performance can be affected by factors unique to the San Gorgonio area.

The shift-share table shows how San Gorgonio's industries have performed over the ten-year period ending in the fourth quarter of 2023. The National Share column measures how much total employment in the SGWPA increased because of growth in the national economy. In other words, the National Share column indicates a level of employment if the local industry had grown at the national rate. For example, had the Limited-Service Eating Places industry grown at the same rate as the national economy overall, employment would be 1,254.

Similarly, the Industry Mix column identifies fast- or slow-growing industries in SGWPA based on the national growth rates for a given industry minus the National Share. This indicates whether a local industry grew more (or less) than the national rate for that given industry. In other words, growth in a given industry is explained by the growth in the industry at the national level (not to be confused with national share, which measures growth in the overall economy). The Regional Shift (or competitive effect) column is the most important because it highlights the lagging and leading industries over the last ten years. This is the most important column since it identifies whether an industry is lagging or leading after accounting for industry and growth trends. Note that the Employment column is equal to the sum of the three components. So how much of the employment increase across these subsectors is due to the U.S. economy (National Share), how much can be attributed to a given industry (Industry Mix), and how much can be credited to the SGWPA (Regional Shift or competitive effect)?

The Regional Shift is sometimes referred to as the competitive effect, which in a shift-share framework shows where the SGWPA has a competitive advantage. The table is interpreted using a SWOT framework:

- **Green:** Specialized subsector ($LQ > 1$) that is also Leading. These are strengths.
- **Orange:** Specialized subsector that is lagging. These are weaknesses.
- **Blue:** Leading subsector with $LQ < 1$. These are opportunities.
- **Purple:** Lagging subsector with $LQ < 1$. These are threats.

The shift-share analysis again illustrates how population has driven growth for locally serving industries, such as Limited-Service Eating Places and Individual and Family Services, but also in industries tied to Logistics such as General Freight Trucking—although there are some underperforming sectors, namely traditional finance, medical offices, and some specialized construction trades.

Subsector Shift-Share

San Gorgonio Pass Water Agency Service Area, Q4-2023

NAICS	Industry	Local	National Share	Industry Mix	Regional Shift	Class	LQ
7222	Limited-Service Eating Places	2047	1254	68	725	Leading	3.000
6241	Individual and Family Services	1339	862	318	159	Leading	3.009
4451	Grocery and Convenience Retailers	704	546	-25	183	Leading	1.696
7221	Full-Service Restaurants	677	667	-40	50	Leading	0.867
2381	Building Foundation/Exterior Contractors	462	738	155	-431	Lagging	3.166
2382	Building Equipment Contractors	363	123	29	211	Leading	0.989
4841	General Freight Trucking	280	68	0	212	Leading	1.760
4441	Building Material and Supplies Dealers	262	225	-1	38	Leading	1.457
4571	Gasoline Stations	235	115	-1	121	Leading	1.625
8111	Automotive Repair and Maintenance	212	186	12	14	Leading	1.404
2361	Residential Building Construction	203	40	12	151	Leading	1.476
6213	Offices of Other Health Practitioners	164	56	21	87	Leading	0.938
6212	Offices of Dentists	164	140	4	20	Leading	1.084
6233	Senior Care Facilities	161	184	5	-28	Lagging	1.130
5617	Services to Buildings and Dwellings	159	70	3	86	Leading	0.482
7211	Traveler Accommodation	154	150	-19	23	Leading	0.585
8121	Personal Care Services	132	77	0	55	Leading	1.238
4413	Auto Parts and Tire Stores	128	102	-1	27	Leading	1.474
2383	Building Finishing Contractors	124	98	8	18	Leading	1.003
6211	Offices of Physicians	119	155	7	-43	Lagging	0.275
5221	Depository Credit Intermediation	98	159	-14	-47	Lagging	0.370
2389	Other Specialty Trade Contractors	97	88	19	-10	Lagging	0.845
4412	Other Motor Vehicle Dealers	88	70	9	9	Leading	3.396
8139	Membership Organizations	87	58	-6	35	Leading	1.380
5311	Lessors of Real Estate	78	94	-3	-13	Lagging	0.838
5416	Consulting Services	68	66	23	-21	Lagging	0.250
6232	Behavioral Health Residential Facilities	49	132	-7	-76	Lagging	0.519
5412	Accounting and Payroll Services	39	60	5	-26	Lagging	0.231
5411	Legal Services	35	35	-2	2	Leading	0.199
5242	Insurance Services	26	30	7	-11	Lagging	0.130
4453	Beer, Wine, and Liquor Retailers	26	13	0	13	Leading	1.005

Source: California Employment Development Department, US Census Bureau. Analysis by Beacon Economics.

The more recent trends show that the SGWPA has been growing substantially faster than county, state, or the nation. From 2022 to 2023, total employment in the SGWPA service area increased 6.7%, compared to 1.8% countywide and 0.6% statewide. And recent gains have not been limited to locally serving industries. Manufacturing was one of the fastest-growing industries, expanding payrolls by more than 12%. However, not every industry saw job gains. Job numbers declined across Financial Activities (Fin. Services and Real Estate), Information, and Professional, Scientific, Technical Services, and Management. These industries are fairly small, accounting for 3.3% of total employment in the region and with total job losses of 49. Moreover, the declines were not unique to the SGWPA. For example, Information saw a roughly 13% decline locally, but the industry also contracted at the state and national levels. In some cases, San Gorgonio bucked the trend, such as in payrolls for Admin Support, which expanded by 13.3%, making it the fastest-growing industry in 2023. At the same time, the industry contracted at the county, state, and national levels.

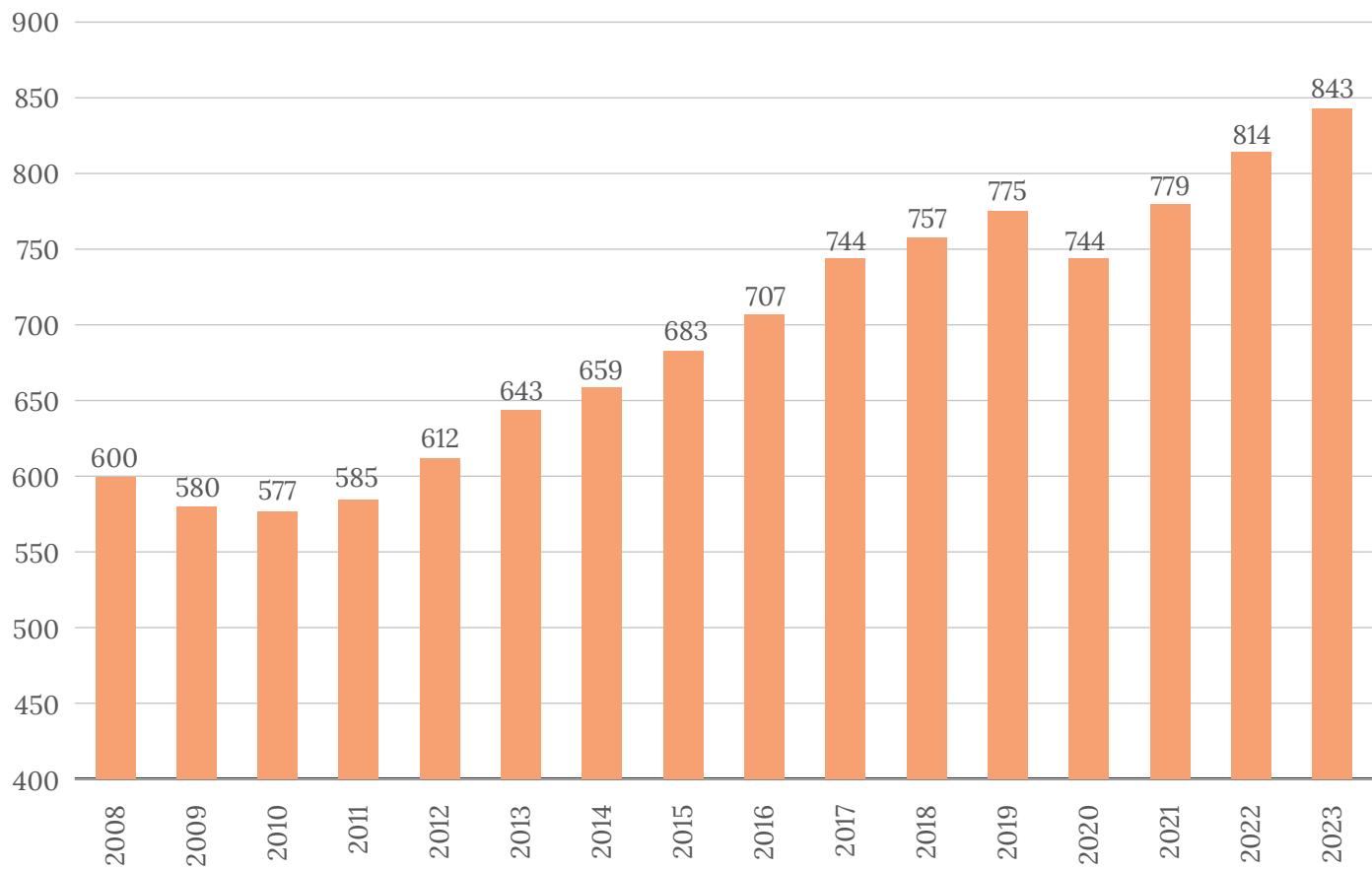
Percent Change Major Industry Employment, 2023

Industry	San Gorgonio			10-Yr Growth (%)		
	Employment (SA)	Change	SG Service Area	Riverside	California	National
Admin Support	534	63	13.3	-3.8	-5.3	-2.0
Manufacturing	1431	156	12.3	0.5	-0.5	0.9
NR/Construction	1602	142	9.7	-0.8	-0.9	2.7
Other Services	768	65	9.2	4.9	5.1	3.0
Logistics	2073	109	5.5	-2.6	-1.3	1.3
Leisure and Hospitality	3161	129	4.2	3.7	4.0	4.7
Retail Trade	5004	190	3.9	2.0	-0.6	0.3
Education/Health	3765	137	3.8	6.6	4.3	4.5
Financial Activities	476	-12	-2.6	-6.1	-3.6	0.9
Professional/Business	271	-23	-7.9	-0.6	-1.2	1.9
Information	94	-14	-12.9	2.1	-7.7	-2.3
Total Private	19178	941	5.2	1.2	0.1	2.0
Government	6210	648	11.6	5.2	3.2	2.6
Total	25388	1588	6.7	1.8	0.6	2.1

Source: California Employment Development Department, Bureau of Labor Statistics. Analysis by Beacon Economics

The trends in an increasing employment base are also reflected by the increasing number of business establishments operating in the region. Here, an establishment is defined using the unemployment insurance filings for locations with more than three employees. As of 2023, the number of business establishments in the region had increased to 843, an all-time high, with the average establishment employing around 31 persons. The total number of establishments surpassed its pre-pandemic level in 2021.

Business Establishments San Gorgonio Pass Water Agency Service Area



Source: California Employment Development Department. Analysis by Beacon Economics

Leisure and Hospitality and Retail Trade are the largest industries in terms of establishments, which is to be expected given these sectors tend not to be large employers. Establishment formation has remained strong over both the last five and ten years. The only exceptions are Financial Activities (Fin. Services and Real Estate), Information, and Professional, Scientific, Technical Services, and Management, which have consolidated operations, particularly the Insurance industry within the Financial Activities super-sector.

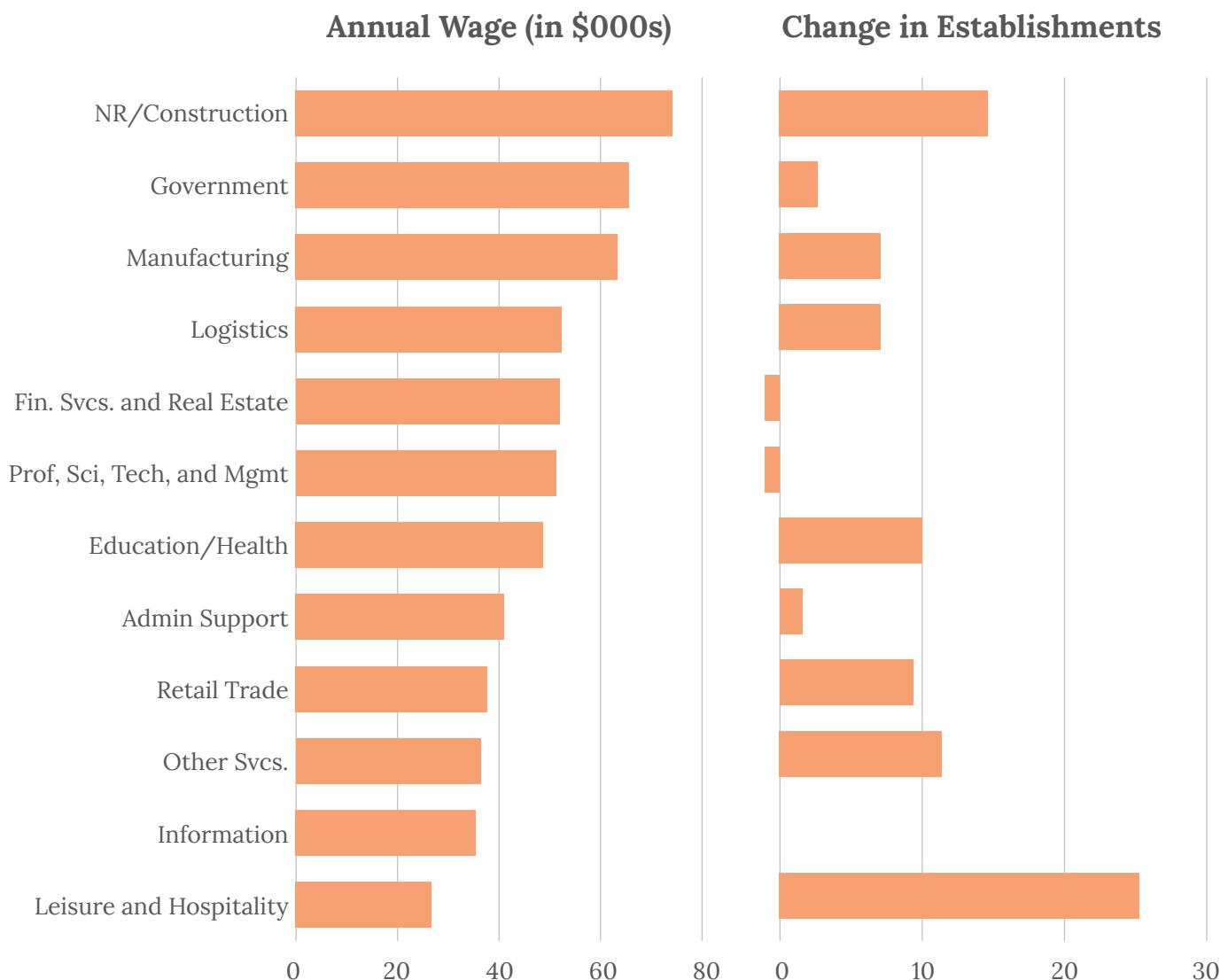
Establishment Counts by Industry San Gorgonio Water Pass Agency Service Area

Industry	2023	Change	
		5-Year	10-Year
Admin Support	27	2	9
Education/Health	87	10	11
Financial Activities	34	-1	-6
Information	8	0	5
Leisure and Hospitality	155	25	62
Logistics	44	6	11
Manufacturing	39	6	9
NR/Construction	75	14	31
Other Services.	58	12	21
Prof, Sci, Tech, and Mgmt	15	-2	-4
Retail Trade	227	9	46
Government	74	4	4
Total Private	769	82	196
Total	843	86	200

Source: California Employment Development Department, Bureau of Labor Statistics. Analysis by Beacon Economics

The only downside to the expansion of Leisure and Hospitality is that it tends to be an industry that employs a large number of part-time workers. As such, its average wage is lower compared to other industries. This is clear from the chart below, which shows the change in number of establishments over the last five years across major industries sorted by average annual wage. Yes, there still have been increases in the number of establishments in the region for the higher-wage sectors like Government, Manufacturing, and Natural Resources and Construction.

San Gorgonio Pass Water Agency Service Area 5-Year Change in Establishments by Average Wage, 2023



Source: California Employment Development Department. Analysis by Beacon Economics

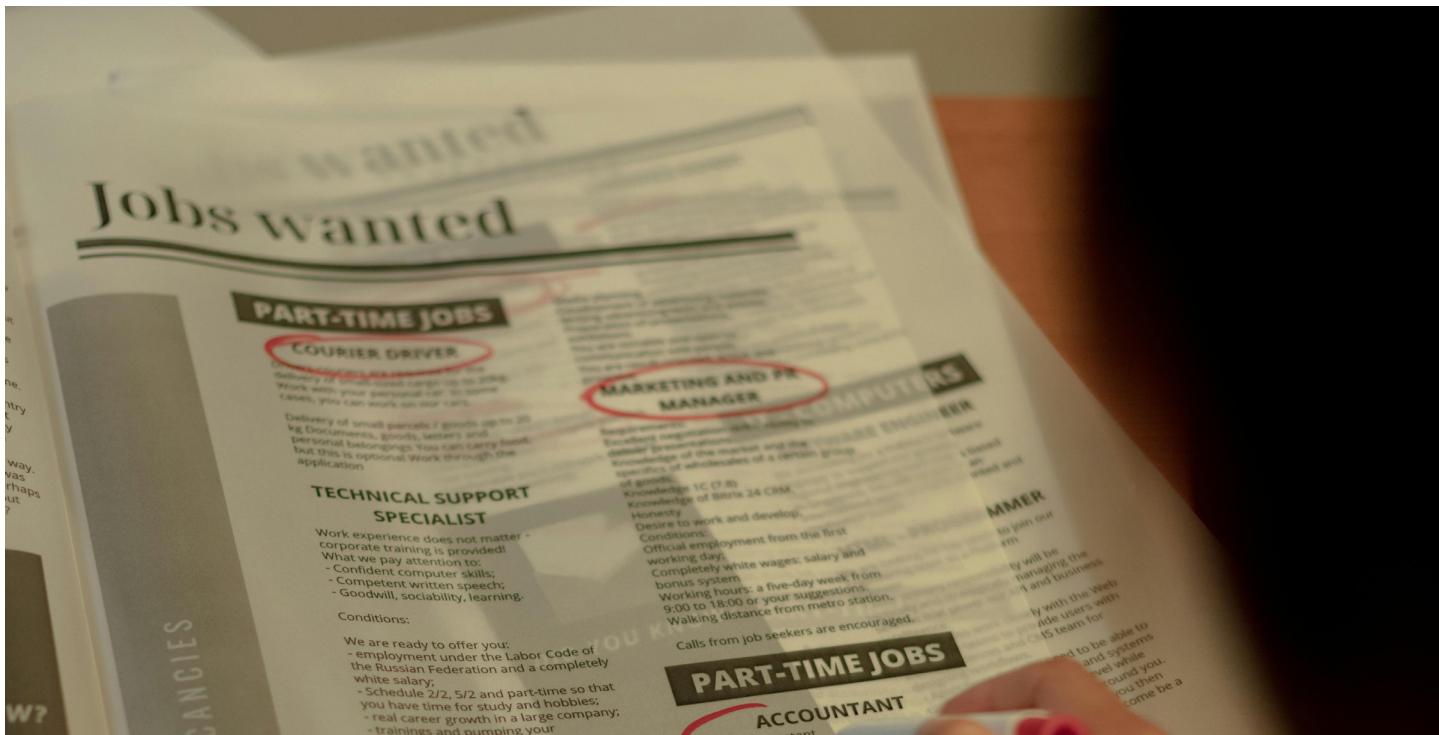
Most of the region's major employers are in Beaumont, the largest being Amazon, which began operations in the city in 2020. Amazon is unique in that it is an external industry (i.e., its goods and services are exported). This is in contrast to many of the other larger employers in the region, which tend to be schools, medical clinics, or large retail establishments like Home Depot and Walmart.

Largest Employers by Size

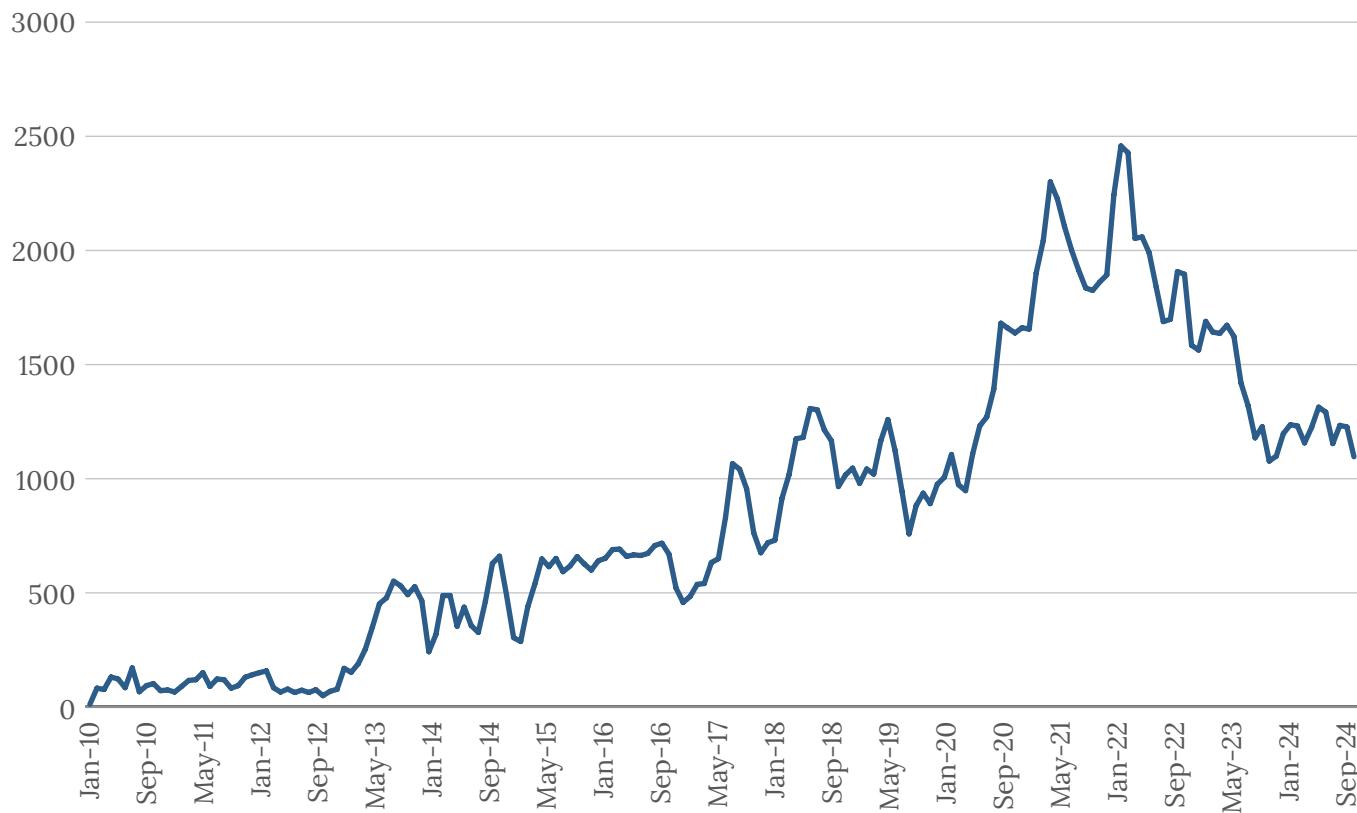
San Gorgonio Water Pass Agency Service Area

Business Name	Industry	Business Size	City
Amazon Fulfillment Center	Other Miscellaneous Durable Goods Merchant Wholesalers	1,000 to 4,999	Beaumont
Banning Prek	Elementary and Secondary Schools	250 to 499	Banning
Walmart Supercenter	Department Stores	250 to 499	Beaumont
San Gorgonio Memorial Medical Clinic	Offices of Physicians (except Mental Health Specialists)	250 to 499	Banning
Home Depot	Home Centers	100 to 249	Beaumont
Perricone Juices	Fruit and Vegetable Markets	100 to 249	Beaumont
Tommy Gun Plastering Inc	Drywall and Insulation Contractors	100 to 249	Calimesa
Morongo	Convenience Retailers	100 to 249	Cabazon
Cherry Valley Healthcare	Nursing Care Facilities (Skilled Nursing Facilities)	100 to 249	Banning
Diesel Outlet Store	Clothing and Clothing Accessories Retailers	100 to 249	Cabazon
Green Thumb Produce	Fruit and Vegetable Markets	100 to 249	Banning
San Gorgonio Memorial Hospital	General Medical and Surgical Hospitals	100 to 249	Banning
Childhelp Merv Griffin Village	Elementary and Secondary Schools	100 to 249	Beaumont
Southern Calif West Coast Electric Inc	Electrical Contractors and Other Wiring Installation Contractors	100 to 249	Beaumont
Beaumont Unified School District	All Other Miscellaneous Schools and Instruction	100 to 249	Beaumont

Source: DatabaseUSA/Lightcast. Analysis by Beacon Economics.



Job Postings San Gorgonio Pass Water Agency Service Area



Source: Lightcast. Analysis by Beacon Economics.

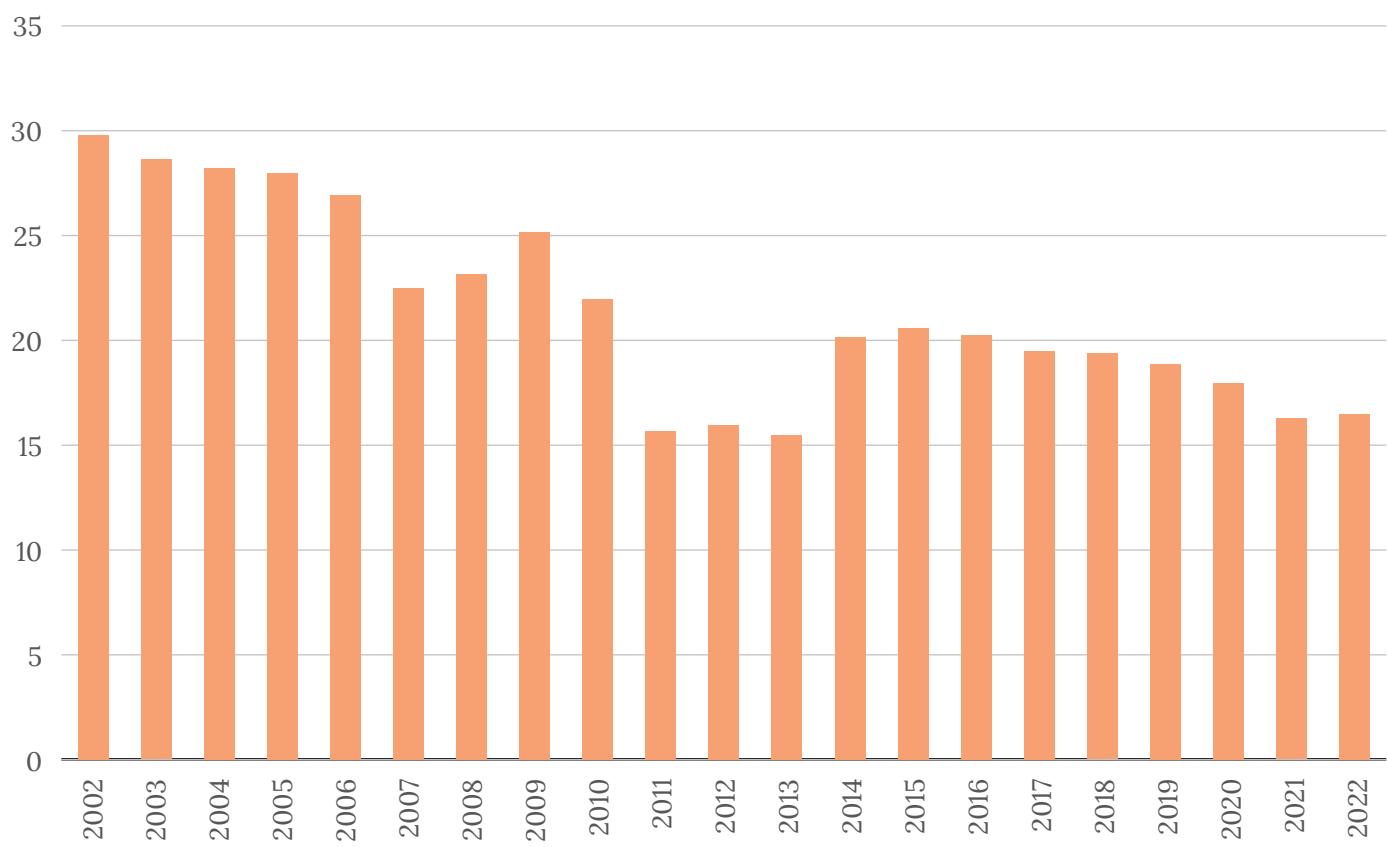
Job postings
San Gorgonio Region, Dec-2024

Industry	Postings	Change	
		1-Yr.	2-Yr.
Total Across All Industries	1096	19	-802
Retail Trade	211	-17	-206
Accommodation and Food Services	140	11	-144
Health Care and Social Assistance	130	15	-114
Admin Support	107	-15	-36
Other Services	83	35	45
Manufacturing	61	-22	-68
Wholesale Trade	40	11	-16
Transportation and Warehousing	37	21	-27
Professional, Scientific, and Technical Services	21	-3	-47
Finance and Insurance	19	-5	-43
Real Estate and Rental and Leasing	18	-3	-9
Construction	14	-13	0
Information	10	-2	-25
Government	8	1	-11
Educational Services	6	-47	-24
Utilities	3	0	-4
Arts, Entertainment, and Recreation	2	1	-1
Agriculture	1	1	-3
Management	0	-1	-11

Source: Lightcast. Analysis by Beacon Economics

Despite the rapid growth in population and jobs in the San Gorgonio region, an increasing number of workers who live in the San Gorgonio Pass are taking jobs outside of the area. In 2002, nearly one-third of the area's workers were employed locally. By 2022, that figure had dropped into the mid-teens. This decline indicates that an increasing share of local workers now commute out of the San Gorgonio—8.4% of employed residents work in the City of San Bernardino for example—indicating that the region has gradually become a “bedroom community” within the broader Inland Empire, even though the area is adding jobs and expanding its population.

Share of San Gorgonio Pass Water Agency Service Area Workers who work in the Service Area

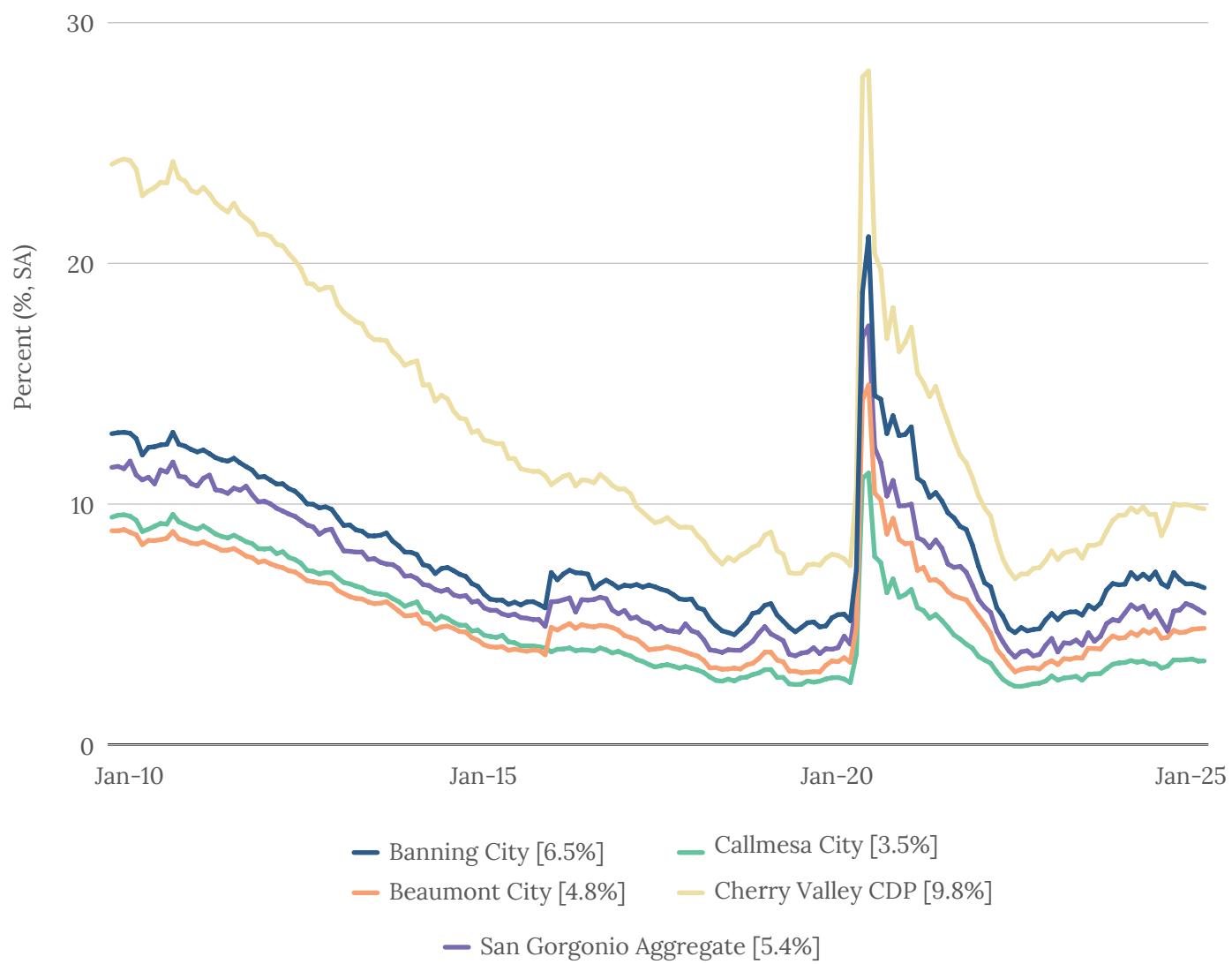


Source: US Census Bureau. Analysis by Beacon Economics.

Because figures on local work share are somewhat lagged, the most recent monthly unemployment data can help gauge the current economic health of residents in the San Gorgonio area. Locally, the unemployment rate has remained above 5% since July 2023, reaching 5.9% in September 2024. This isn't particularly high, but the level matters less than the trend. A look at the historic patterns of unemployment reveals that such increases have only previously occurred during a recession—certainly an ominous sign.

However, the unemployment rate is a lagging indicator, not a leading one, meaning it says nothing about where the economy is going, only where it came from. Previous increases in the unemployment rate occurred when the economy was already in recession, something that does not apply to the current situation. Thus, while the rate of unemployment has risen, other indicators of a weakening labor market, such as initial claims for unemployment insurance and data on involuntary job separations, have not risen at all.

Unemployment Rate San Gorgonio Pass Water Agency Incorporated Cities



Source: California Employment Development Department. Analysis by Beacon Economics



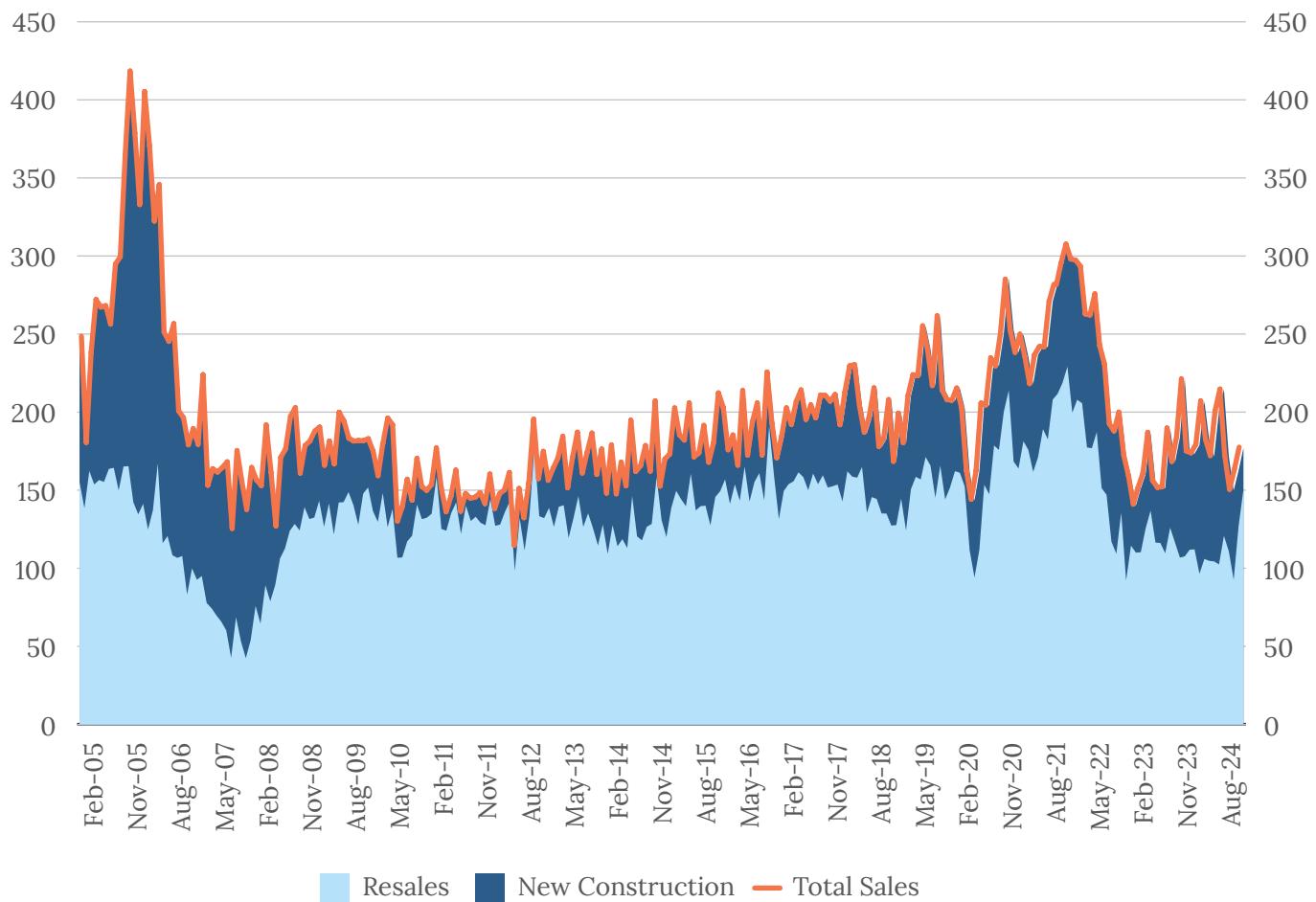
What's Going on with Housing?

As alluded to earlier in this report, housing is an important part of the long-term outlook. The housing market has recently undergone some significant shifts. Over the last few months, interest rates drifted down in anticipation of a Fed rate cut, which finally occurred on September 18, 2024. The 10-Year Treasury is now slightly below 4.5%, and a 30-year fixed-rate mortgage is on the verge of exceeding 7%. Affordability is improving, though only modestly. The local market is constrained by low supply. What is really needed is an increase in supply to rebalance the market—and listings have begun to increase, signaling that the market is gaining momentum.

Celebrations should be muted for now. Although the tide is turning, several factors will keep the market slow. First, the Fed Funds rate primarily affects the short end of the yield curve. Those focused on the long end should consult the fine print of the Fed's recent monetary policy announcement, as the Fed also stated that "[t]he Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities."

This refers to quantitative tightening, another facet of the Fed's anti-inflation efforts, a \$60-\$80 billion ongoing monthly reduction of the Fed's balance sheet designed to curtail growth in the money supply. This will tend to keep long-term rates higher, even as the short end of the curve follows the downward trend of the Federal Funds rate. So, why take the foot off one brake and not the other? As it turns out, the Fed's objective is not to stimulate the economy but to unwind the inverted yield curve.

Home Sales San Gorgonio Pass Water Agency Service Area

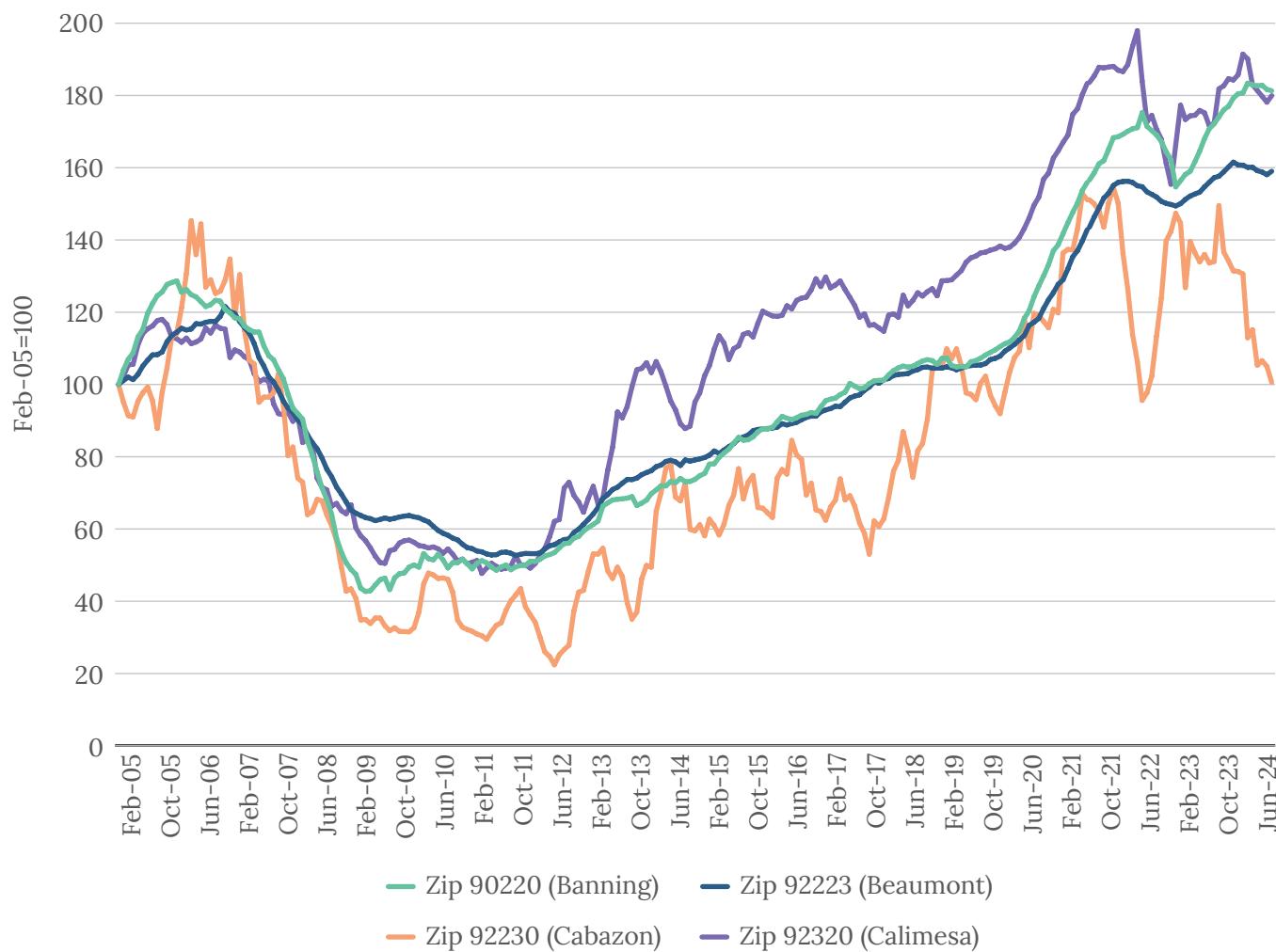


Source: CoreLogic. Analysis by Beacon Economics.

A lack of liquidity in the housing market has created a filtering issue. There are simply not enough entry-level homes in the existing homes market, meaning new buyers have to make the jump from renting to an ownership market that has very limited inventories. Available inventory in the existing homes market remains low, while available inventory in the new home market is comparatively high. In the San Gorgonio area, home sales have been sluggish since interest rates spiked. The major hindrance to more available housing now is the ultra-low mortgage rates homeowners currently enjoy. Interest rates have skyrocketed since the Federal Reserve began its rate hikes in March 2022, and homeowners who sell now face a jump from a sub-3% rate to rates nearing 7%, a shift most homeowners are unwilling or unable to make unless absolutely necessary.

Business Establishments

San Gorgonio Pass Water Agency Service Area



Source: CoreLogic. Analysis by Beacon Economics.

Regionally, Home price appreciation has been exceptionally strong in Banning and Calimesa, but most home sales have occurred in Beaumont, which accounted for nearly a third of homes sold in the region, up nearly five percentage points from a decade ago. The broader trend in home sales has been a decline from the 2021 peak, which was driven largely by the rise in interest rates resulting from the Fed's response to the pandemic. Recent trends have been more mixed. In 2024 for example, home sales in Beaumont increased 2% over 2023 figures, while Banning saw a nearly 5% decline over the same period. Home sales in Calimesa are up nearly 20% compared to last year, but Calimesa represents only 5% of the San Gorgonio region's overall housing market.

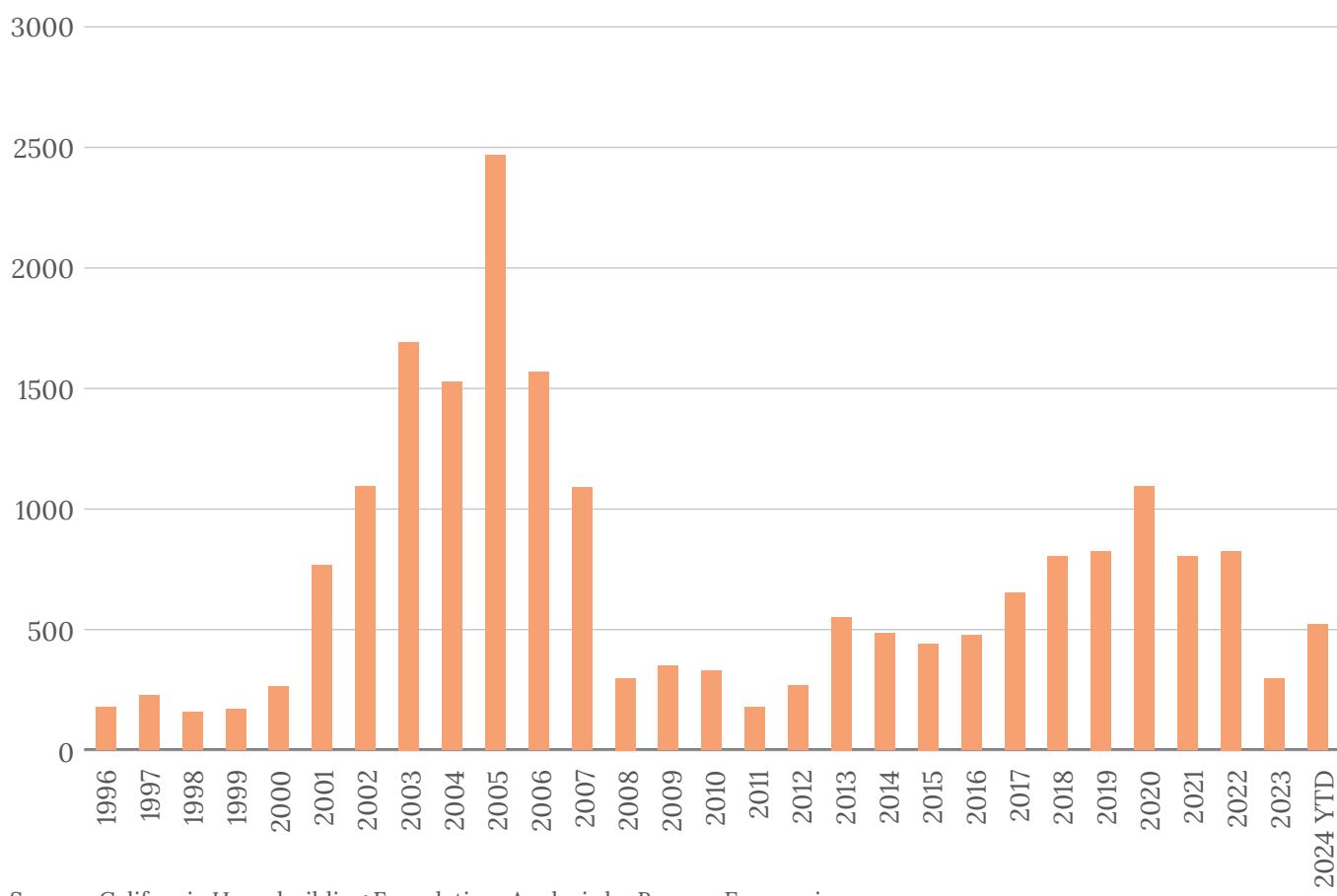
Home Sales San Gorgonio Region

	Banning	Beaumont	Cabazon	Calimesa
2014	535	1298		180
2015	591	1365		168
2016	609	1413		230
2017	586	1583	47	204
2018	576	1687		154
2019	628	1598	41	359
2020	612	1399	40	447
2021	1094	1536	58	392
2022	919	1727		182
2023	688	1248	63	96
2024	655	1273	58	115

Source: CoreLogic. Analysis by Beacon Economics.

Housing production in the region was exceptionally strong during the run-up to the Great Recession, with nearly 2,500 homes permitted across the San Gorgonio region's three incorporated cities. However, since 2008, there has not been a single year in which permits exceeded 1,000 housing units. The good news is that home permits in the region were up year-to-date in 2024 compared to 2023—although 2023 was one of the weaker years. The slowdown in construction is largely due to rising rates. Housing in the San Gorgonio region has been almost exclusively single-family homes. In the last ten years, only 50 multifamily units have been permitted in the region, compared to more than 7,200 single-family units. Moreover, all the multifamily developments permitted have been in the City of Beaumont.

Housing Permits Issued in San Gorgonio Pass Water Agency Incorporated Cities



Source: California Homebuilding Foundation. Analysis by Beacon Economics.

The region's three incorporated cities show strikingly different patterns of residential development. Banning remains dominated by single-family permits, which ballooned from just 14 in 2019 to 483 in 2020, but permit activity has been weaker since then. Beaumont, the most populous city, consistently boasts high single-family numbers (peaking at 714 in 2018) and permitted a large multifamily development in 2024. Meanwhile, new development in Calimesa has been virtually nonexistent since 2022, with only 13 housing units permitted.

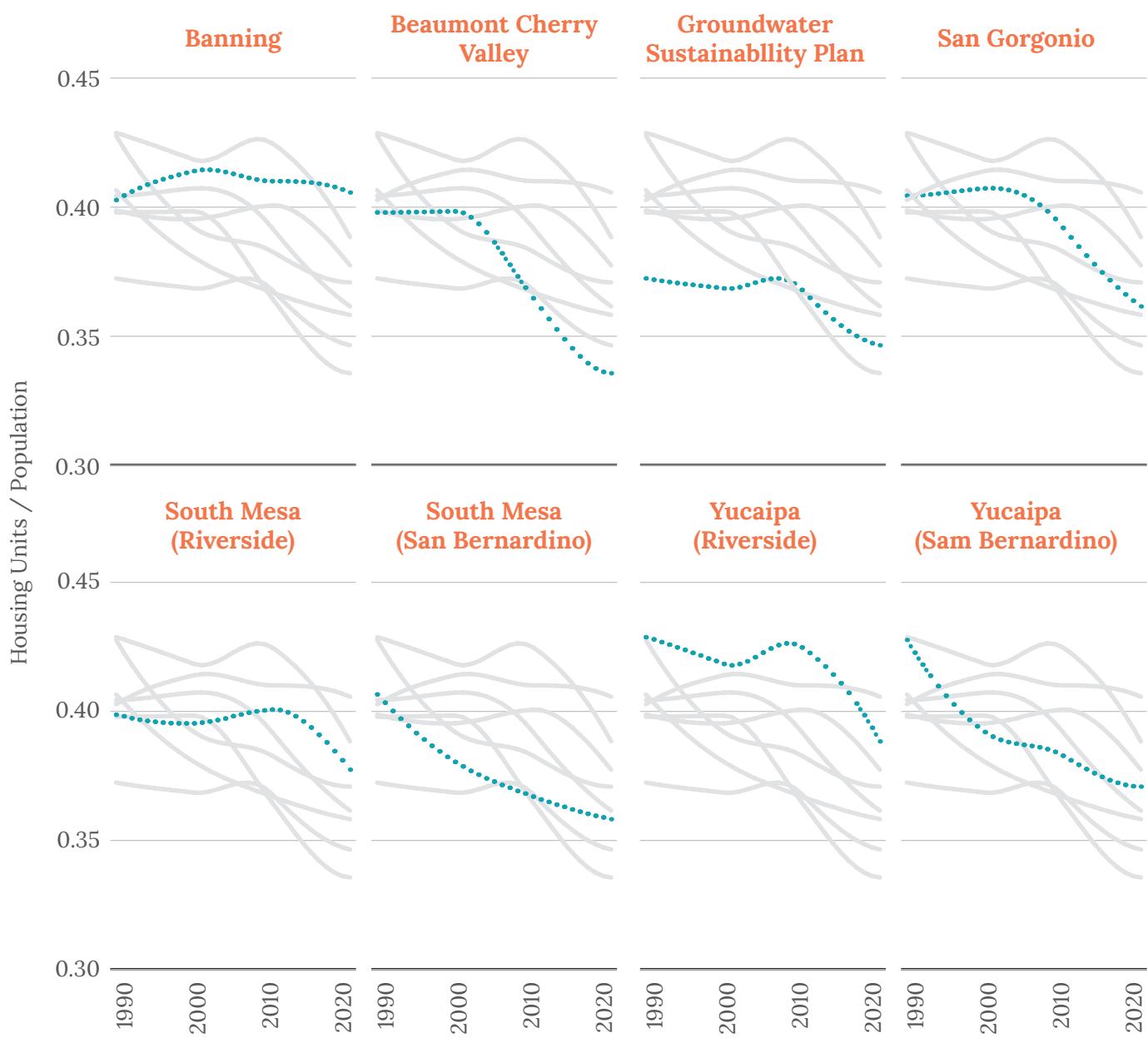
Housing Permits by Type

City	Segment	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 YTD
Banning												
	Multifamily	0	0	0	0	0	0	0	0	0	0	0
	Single-Family	2	0	0	2	3	14	483	219	164	44	231
	Total	2	0	0	2	3	14	483	219	164	44	231
Beaumont												
	Multifamily	0	0	0	2	0	0	0	0	0	0	48
	Single-Family	435	380	408	595	714	528	271	494	651	255	244
	Total	435	380	408	597	714	528	271	494	651	255	292
Calimesa												
	Multifamily	0	0	0	0	0	0	0	0	0	0	0
	Single-Family	51	64	71	56	90	286	343	91	13	0	0
	Total	51	64	71	56	90	286	343	91	13	0	0

Source: California Homebuilding Foundation. Analysis by Beacon Economics.

Beyond the incorporated cities, individual service areas exhibit a general pattern across all areas: a falling number of housing units per capita. This means that new housing construction is slowing and not keeping up with population growth. The most pronounced declines are observed in certain markets, where the ratio has dropped closer to 0.35 housing units per person. One example is the Beaumont Cherry Valley Water District, which has been building new units but not, arguably, enough to match population increases.

Housing Units per Capita by Individual Water Agency/District



Source: US Census Bureau. IPUMS. Analysis by Beacon Economics.

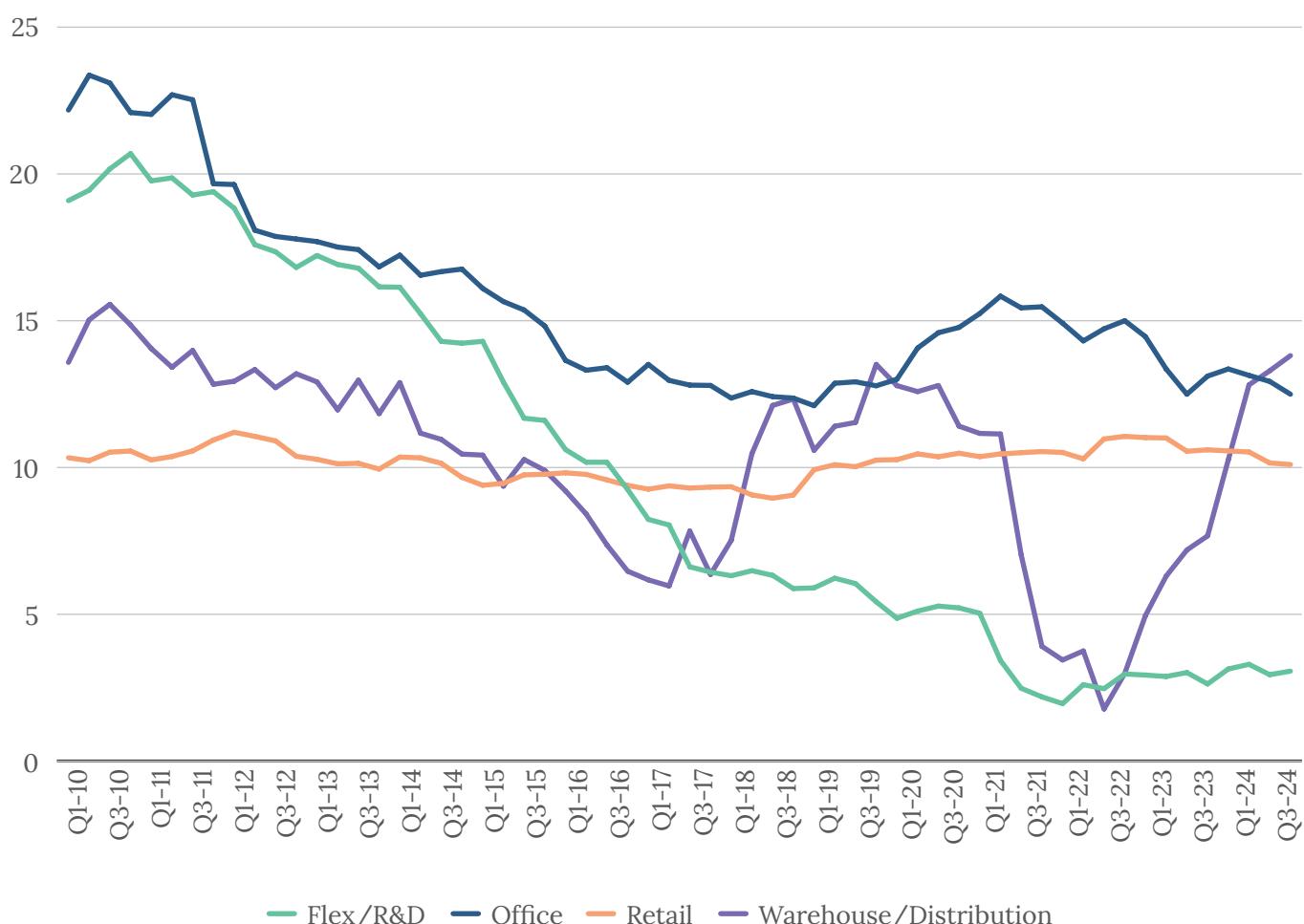


Other Considerations for the Outlook

At a broader level, Riverside County has been one of the stronger performing economies. Growth in Riverside is broadly positive for San Gorgonio residents. All things considered, employment in Riverside County is on solid ground and the economy is expected to maintain forward momentum in the near term, which bodes well for the San Gorgonio region. Some concerns may arise over the decline in Logistics, and whether the industry overexpanded during the rapid growth following the pandemic. However, payrolls have leveled off rather than declining. Although vacancy rates have been driven up substantially by new stock coming online, there is still a fair amount of warehousing property potentially in the pipeline.

What is clear is that even though the industry has slowed down in terms of job creation and absorption of new space, there is still high demand from a development standpoint. Several projects are underway in the San Gorgonio area, including the Beaumont Heights project, which would bring 5,275,306 square feet of combined office and industrial space. At the time of writing, the project is progressing through the planning stages. The City of Banning could see new commercial development from the Sunset Crossroads Project, which would add multiple commercial projects while reducing the city's residential capacity by up to 1,146 units.⁷ The proposal also includes annexing 253.7 acres into the city's jurisdiction and reallocating residential capacity to a 49.2-acre site owned by Mt. San Jacinto Community College District to help offset the loss of up to 1,146 residential units on the main site.

Commercial Vacancy Rates Riverside County



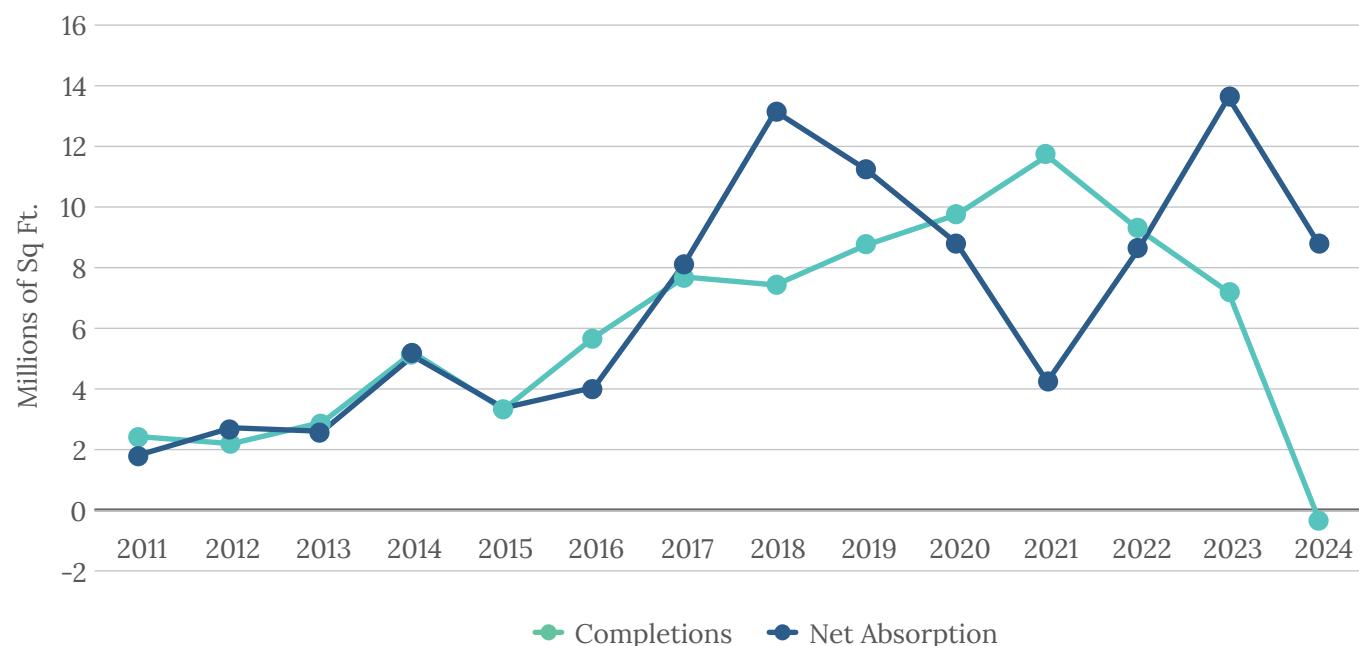
Source: Moody's Analytics. Analysis by Beacon Economics.

⁷ City of Banning. 2023. Notice of Availability of a Draft Environmental Impact Report for the Sunset Crossroads Project. City of Banning. <https://www.banningca.gov/ArchiveCenter/ViewFile/Item/2967>.

There is an argument to be made that Riverside County is overbuilding Warehouse and Distribution centers. As of the fourth quarter of 2024, the vacancy rate for warehouse properties hit 13.8%. This was lower than the peak of the Great Recession, where vacancy rates were above 15%, but vacancies have jumped markedly in recent years. During the early half of 2022, the vacancy rate in the county was below 5%, getting as low as 1.7%. In other words, the vacancy rate has increased by more than 10 percentage points over the last two years alone.

Office properties in Riverside County now have a lower vacancy rate due to the amount of new stock coming online. The issue has been one of net absorption whereby new completions are not getting absorbed, a trend that has played out throughout southern California. Across the Inland Empire, net absorption for warehouse properties was -5.5 million square feet in 2024, meaning the total amount of occupied space fell by 5.5 million square feet in 2024. At the same time, 17.9 million square feet of completions came online. To be clear, the drop-off in occupied space was almost exclusively in San Bernardino, but net absorption in Riverside County was still negative, a first since the Great Recession. Los Angeles County also saw a similar drop, with a net absorption of -5.7 million square feet. The drop-off is not necessarily indicative of a weakening economy, however, but rather a shift away from goods purchases to services.

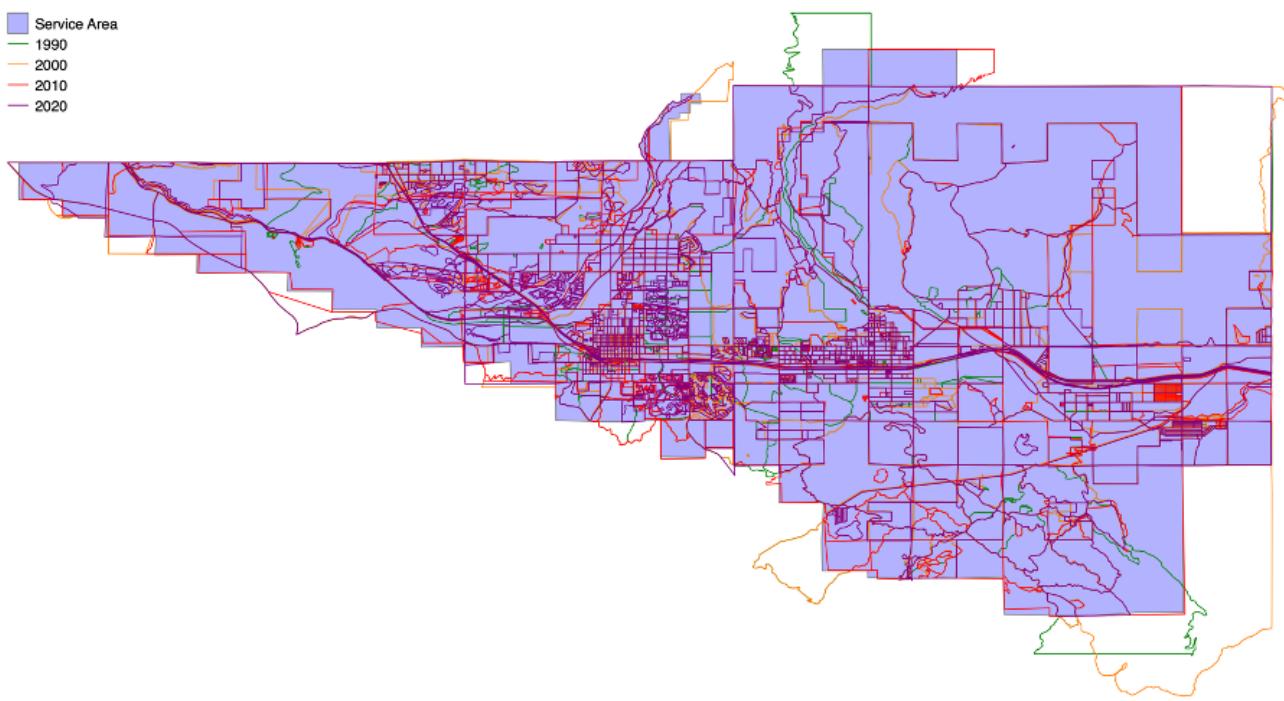
Warehouse/Distribution Centers Riverside County



Source: Moody's Analytics. Analysis by Beacon Economics

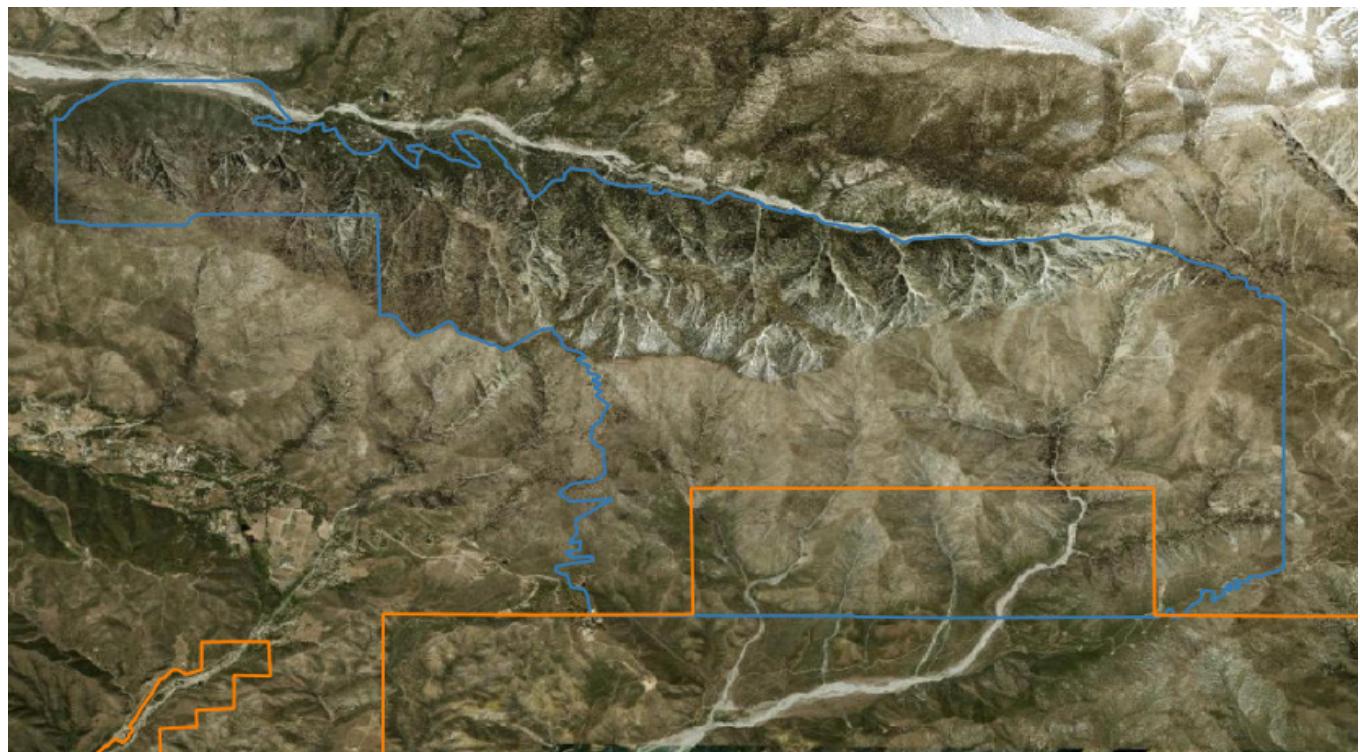
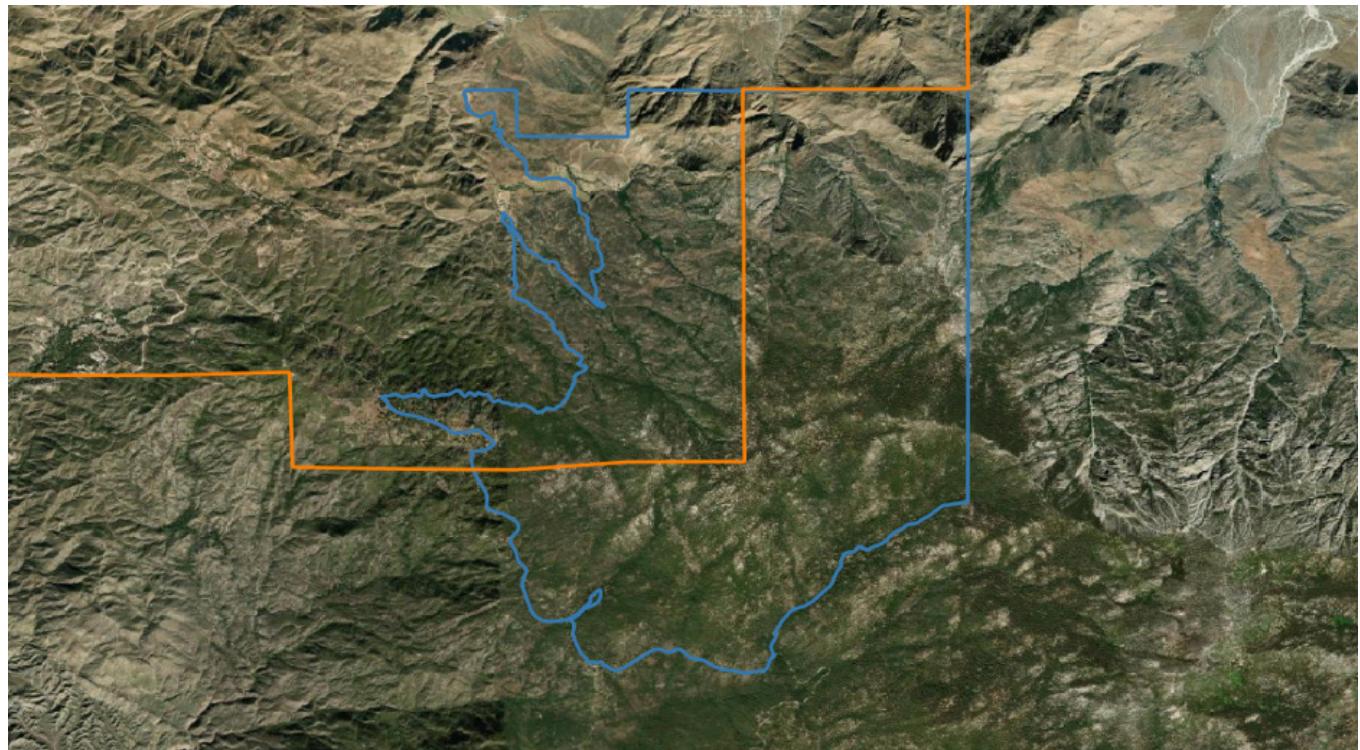
Building the Population Counts

The Water Agency service areas in this report do not conform to traditional boundaries such as cities or zip codes. Beacon Economics created the population series for each agency by mapping Census Blocks from the Decennial Census to a service area, including a block if its centroid fell within the area's boundaries. The advantage here is that Census Blocks are the smallest geographic area that the Census tabulates Decennial Census data. This is done using the data and polygons for the 1990, 2000, 2010, and 2020 Decennial Censuses. The San Gorgonio Pass Water Agency service area is shown on the map against the matched Census Blocks from each of the four Decennial Censuses.



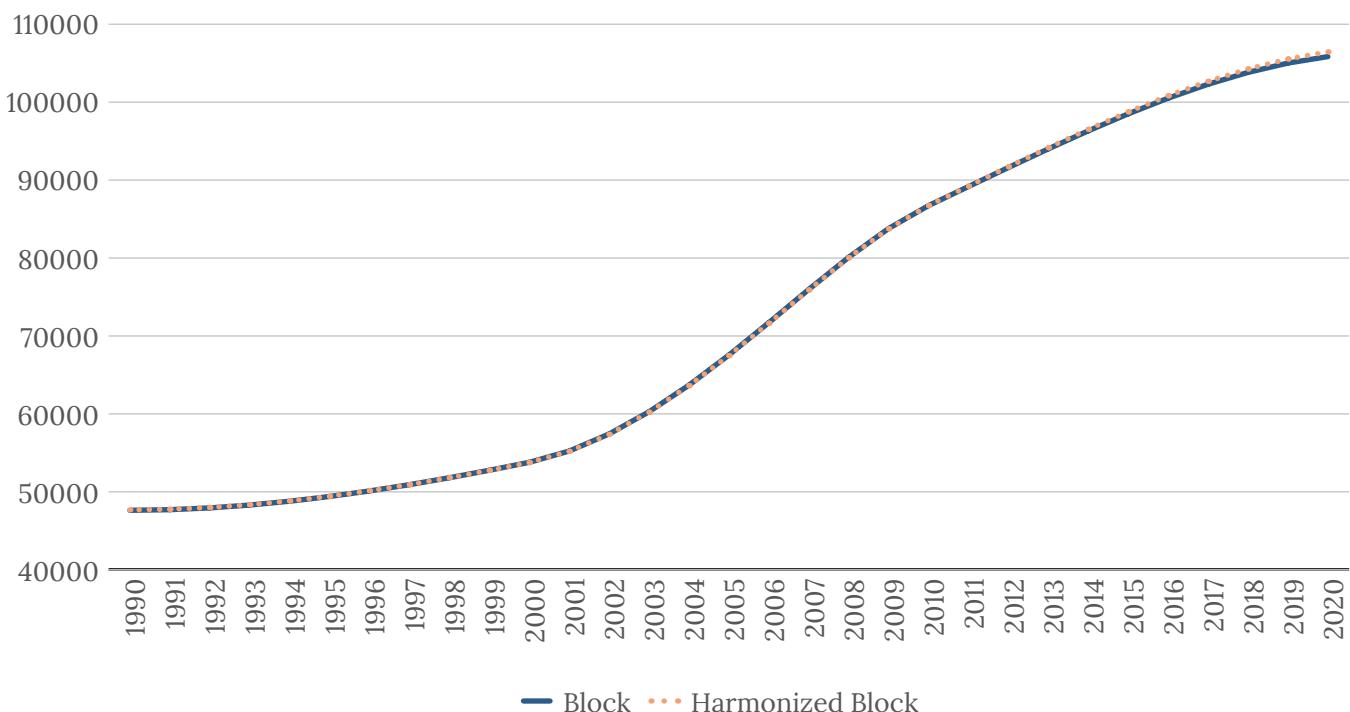
What should be clear is that the Census Block polygons map on to approximate the San Gorgonio service area with a reasonably great deal of accuracy, as the areas not covered by Blocks tend to be those are not part of developable land. A clear example is the Census Block in the lower right-hand corner of the service area. This Block, while not large (population: 12), does contain a large amount of land beyond the service area. However, it's clear that the land is largely mountainous and therefore the approach is suitable for creating a population profile for the area as the residential units are contained within the service area polygon. In other words, for the Blocks that extend beyond the service area, the areas tend to be undevelopable land.

Map of the Census Block Outlined in Blue against the San Gorgonio Pass Water Agency Service Area boundary in Orange



In certain cases, a Census Block may fall within the service area but is not included if its centroid lies outside the boundary. This is evident in the rectangular region in the northern part of the service area (as shown in the map above). Given the Block's size relative to its overlap with the service area, this reinforces the validity of the centroid-based approach

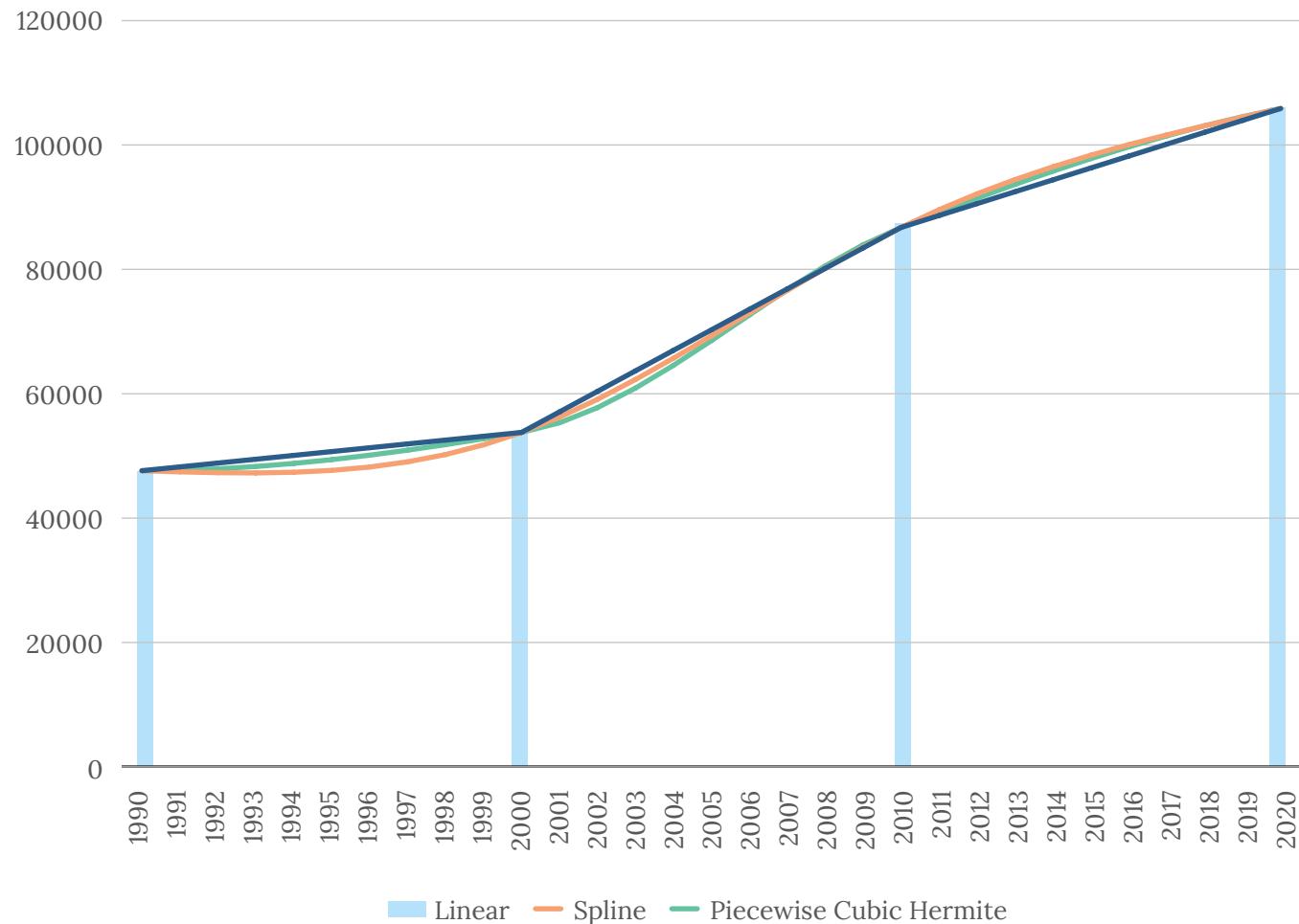
Comparison of Population Counts San Gorgonio Pass Water Agency Service Area



Source: Analysis by Beacon Economics



Population Estimates using Multiple Interpolation Methods



Source: IPUMS. US Census Bureau. Analysis by Beacon Economics.

The one potential disadvantage of this approach is that the Blocks are redrawn every Decennial Census, leading to a potentially inconsistent definition of the service area across Decennial Census years. The National Historical Geographic Information System (NHGIS) provides a consistent set of harmonized Blocks across all Decennial Censuses, which allows us to use a consistent set of Blocks that are harmonized with the 2010 definition. However, a comparison of the two approaches reveals that the estimates are largely the same. Beacon Economics opts to use the former approach. Lastly, we create a time series of the population by imputing the years between Decennial Censuses using piecewise cubic Hermite interpolation. A comparison with other imputation methods is presented in the chart above, along with a comparison of population totals for the harmonized blocks versus the centroid approach. The end result is a time series for each area that can be used to build a forecast for the individual service areas.

The outlook for each region is based on certain factors, such as recent population trends and the availability of developable land. There are other broader dynamics to consider beyond the service area, which can be seen from the population projections provided by the California Department of Finance. These projections are more macro level but give an insight into how population will evolve at the county level and are based on data such as birth rates and net migration. The latest forecasts from the Department of Finance suggest San Bernardino's population will peak in the early 2050s, while Riverside's population is expected to grow at an average annual rate of 0.16% from 2030 through 2070. An aging population and declining birthrate are demographic shifts that have been occurring and these trends are unlikely to reverse in the foreseeable future.

We consider both projections as exogenous drivers for each service area's forecast.

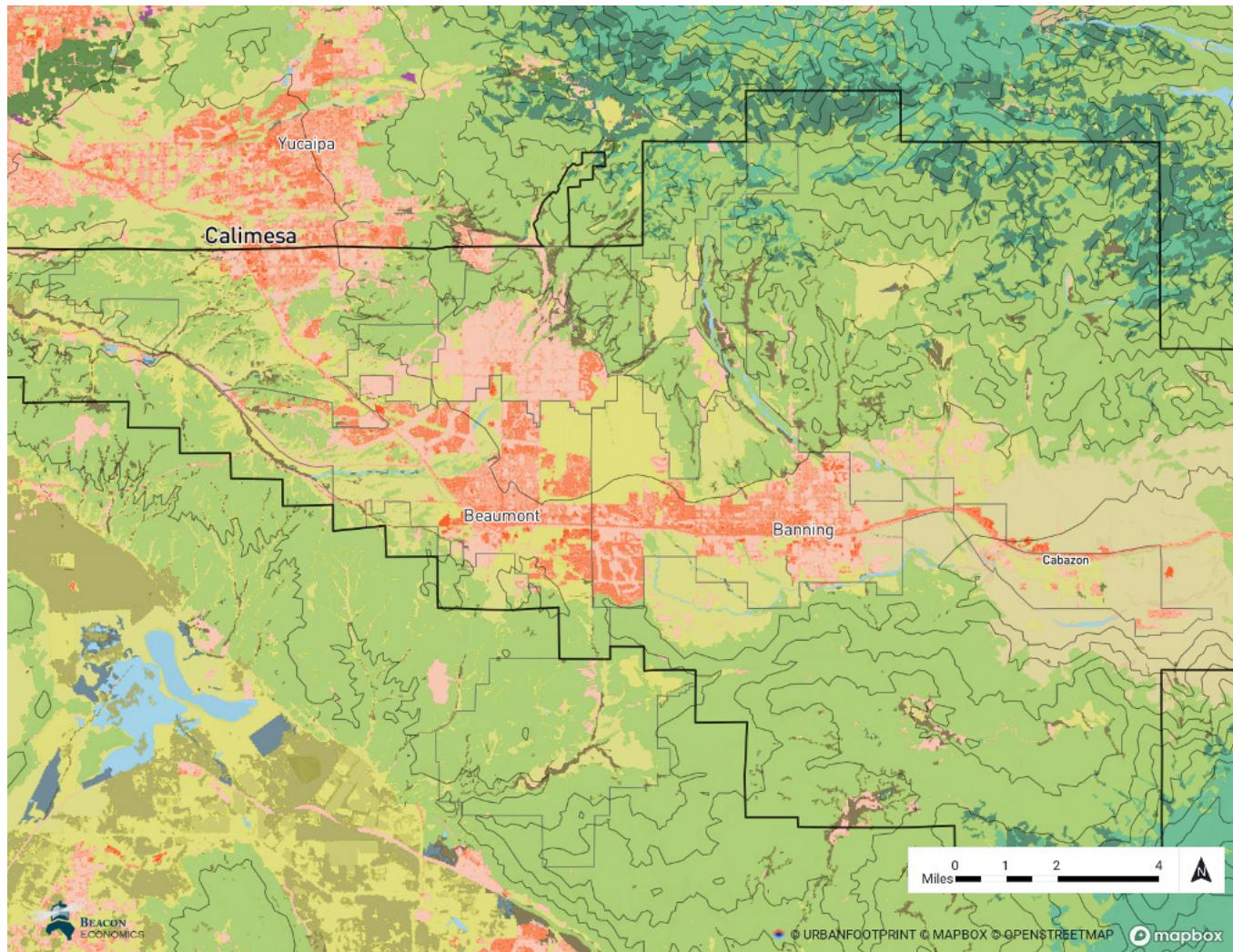
California Department of Finance Population Projections (in Thousands)



Source: California Department of Finance. Analysis by Beacon Economics.

San Gorgonio Pass Water Agency

Conservation Land Cover: San Gorgonio Pass Water Agency Service Area

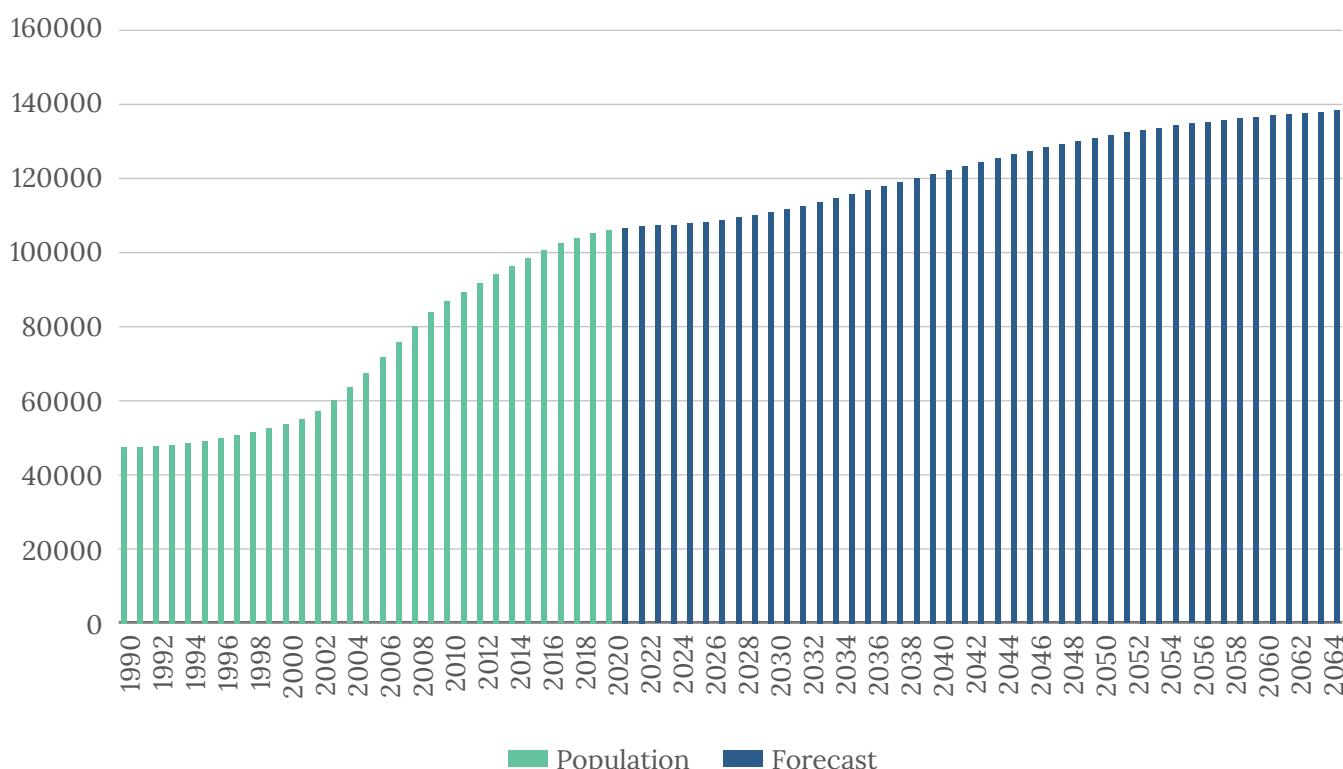


The general pattern of existing land use suggests there is room for the San Gorgonio Pass Water Agency service area to grow over the next four decades. The area is home to growing cities like Beaumont, Banning, and Calimesa, as well as the Morongo Band of Mission Indians, whose sovereign land includes the Morongo Casino Resort & Spa and commercial developments along Interstate 10. Large portions of the area are designated for open space, wildlife preservation, and watershed protection. In other words, land use is restricted or constrained by natural features, but there is still much potential for development.

In terms of vacant land, Beacon Economics estimates that the population could increase by nearly 68,000 if all vacant parcels are zoned for small lot single-family, which amounts to nearly 32,800 new housing units. Of course, this is something of an extreme assumption, but it offers a guardrail for the long-run regional forecast. Compared to the 56.4% increase in Riverside County, population in the region has nearly doubled in the last 20 years, growing from less than 54,000 in 2000 to nearly 106,000 today. Over that time the region's housing stock grew at a slower rate, increasing by roughly 75% to a total of 38,265. The Cabazon area has the most potential from a development standpoint, although a large amount of vacant land is owned by the Morongo Band of Mission Indians, and tribal land development has historically not been focused on new residential units. A new hotel is slated to open in early 2026,⁸ which will bring fresh economic opportunities to the area. But from a long-term standpoint, housing will be the most important driver of population growth. The current forecast for the region puts population around 140,000 by 2065, which suggests around 32,330 new residents over the next four decades. In 2020, the region accounted for 4.4% of the countywide population. Mapped against the projections from the California Department of Finance, Beacon Economics' forecast suggests that figure will approach 5% by 2065.

Population Forecast

San Gorgonio Pass Water Agency Service Area



Source: Forecast by Beacon Economics.

⁸ New Four-Story Hotel Coming to Morongo Casino Resort & Spa," MSN Travel. <https://www.msn.com/en-us/travel/tips/new-4-story-hotel-coming-to-morongo-casino-resort-spa/ar-BB1rs7MG>

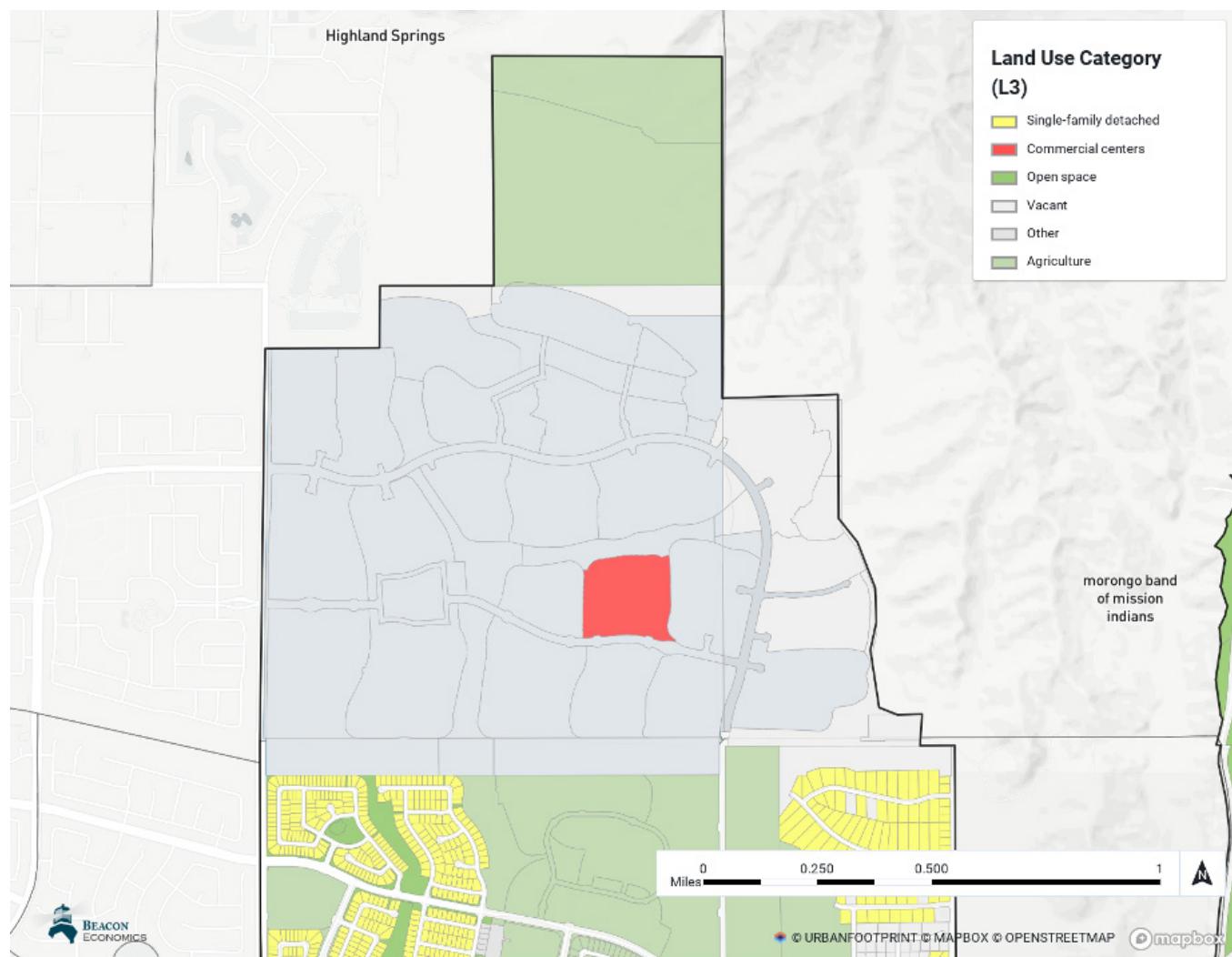


City of Banning

The area in the Banning Water District with the most growth potential is located alongside N Highland Springs Ave. This is an active area with many new housing communities currently under construction. We consider the scenario where the northern plot of land is developed for large lot single-family, which is what most of the recent residential development in the area has been. The area of consideration is shown in the grey parcels in the land use map. Under the assumption that the vacant parcels are rezoned for large lot single-family detached, this gives a potential increase of 3,970 units and 8,957 new residents.

Of course, not all these units will be occupied and it's entirely possible that not all of these parcels will be zoned for single-family homes. If it's conservatively assumed that 10% of units are unoccupied, that still gives a potential long-run increase of nearly 3,600 residents. Banning's recent growth has been limited by a slow expansion of housing stock, which grew by just 0.1% over the last decade. Beacon Economics' current forecast assumes that these units will be added to the housing stock in the 2030s, which will help drive the forecast from there to 2065. We do not foresee a scenario where the Banning District's population exceeds 35,000, although these projections might be too conservative. It is possible the region could expand to nearly 40,000 by 2065, but over the last ten years, the population in the area has remained virtually unchanged.

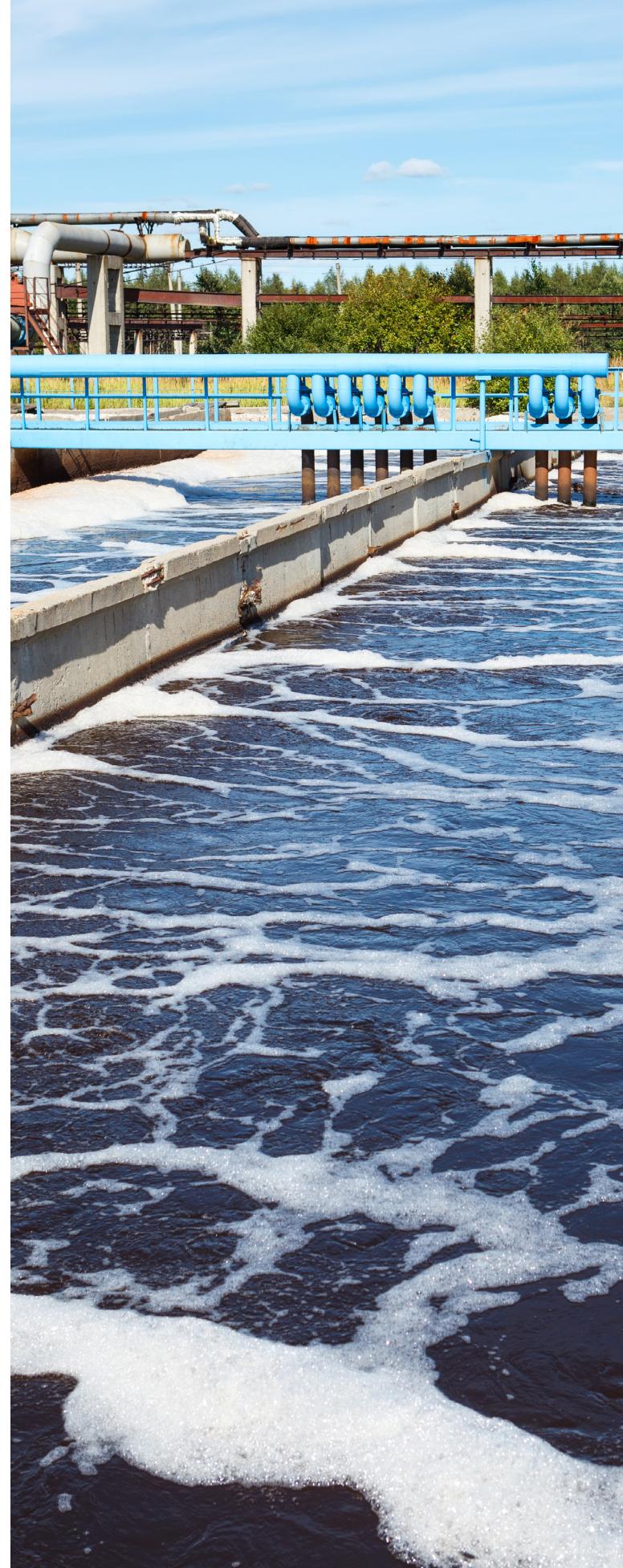
Map of Vacant Parcels in Banning where Single-Family Development Could Occur

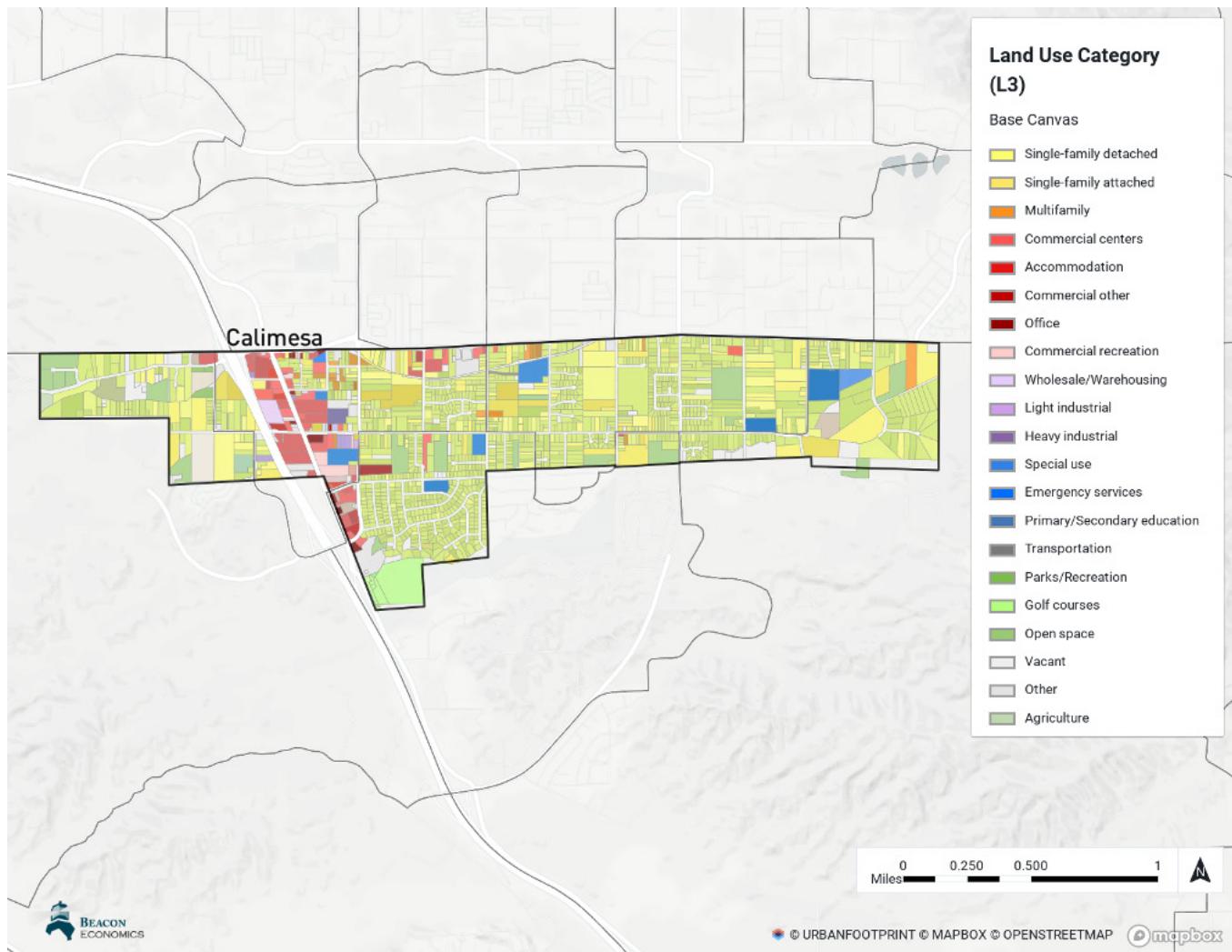


South Mesa Water Company

The South Mesa Water Company service area includes an individual breakout for both Riverside and San Bernardino counties. In other words, the service area encompasses a portion of both counties. Growth in the Riverside portion of the market will be limited going forward. According to the map below, which shows the land use designations for the area, there is very little room for new development, despite 2.8% of the region's area being zoned as vacant residential lots. A simple way to assess growth potential is to rezone vacant residential lots for single-family developments. The following schedule shows the impact of reclassifying these parcels:

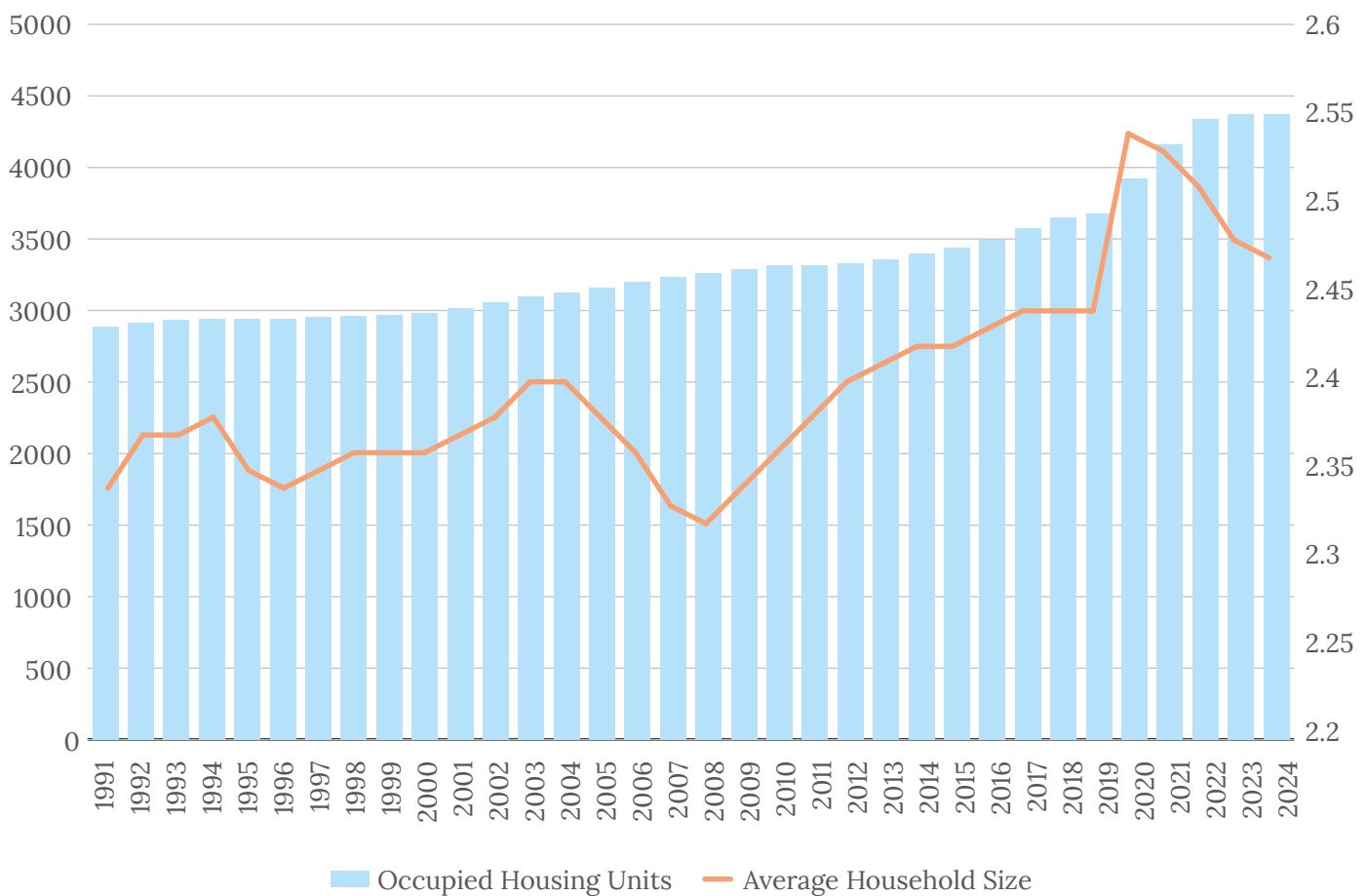
- Very Small Lot Single-Family Detached + 922
- Small Lot Single-Family Detached +612
- Medium Lot Single-Family Detached +468
- Large Lot Single-Family Detached +366





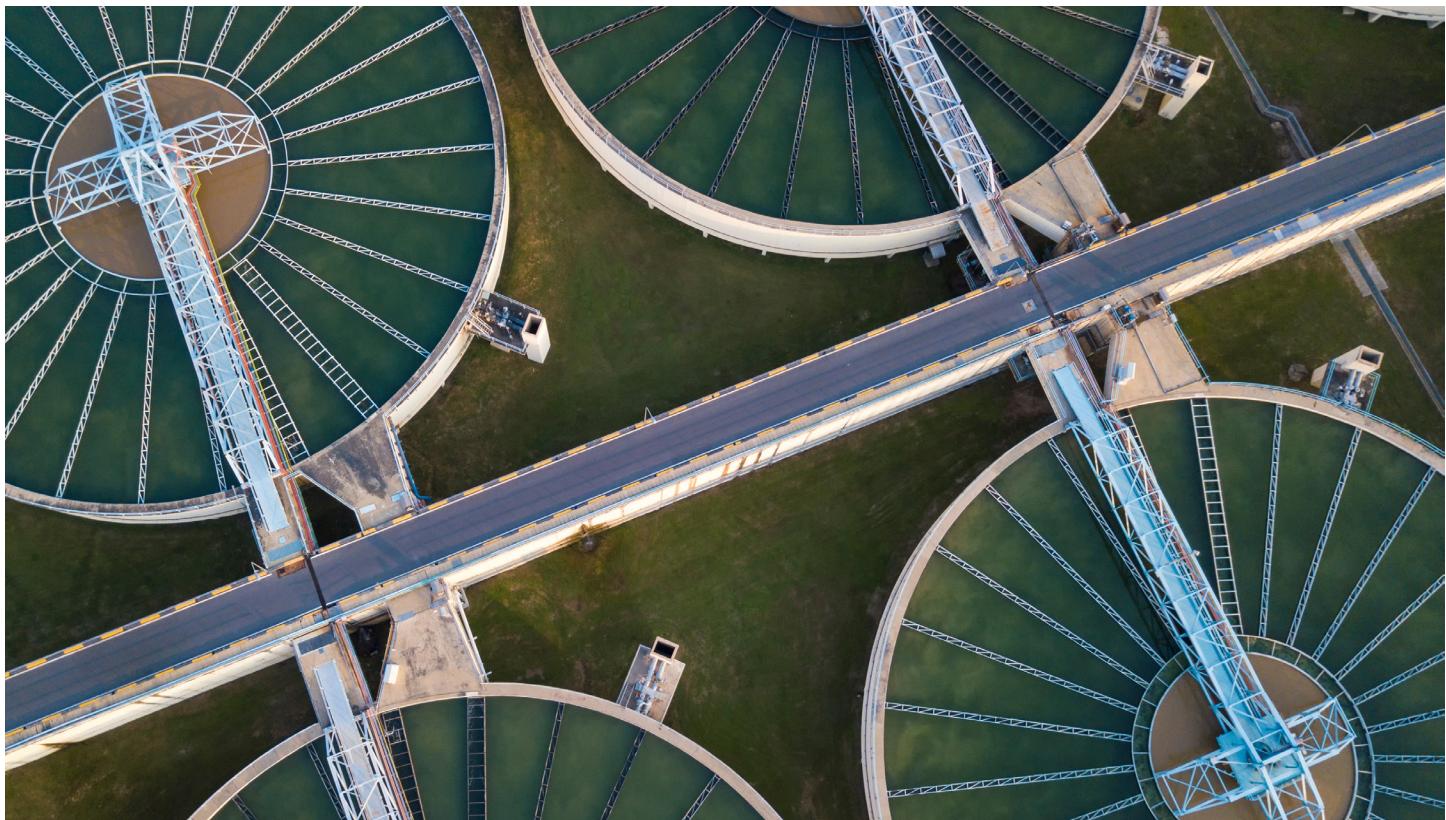
The most extreme case would be to reclassify all vacant residential land as suburban multifamily, which would add nearly 2,100 new residents. However, the most likely scenario would be a mix of single-family homes which, depending on what gets built, adds anywhere from 200-900 residents to the area. The region does encompass a large portion of Calimesa, so it helps to look at some of the data provided by the California Department of Finance for that incorporated city. The number of occupied housing units in the city is currently at an all-time high, despite a decline in the average household size. In other words, the pandemic did not have any noticeable impact on the local population—people just spread out. In addition, the area has only seen its housing stock increase by 339 units in the last 30 years. All things considered, the region will likely trend between 5,000 and 6,000 residents. Beacon Economics' current forecast suggests the population will approach 6,000 by 2065.

Household Trends Incorporated Calimesa

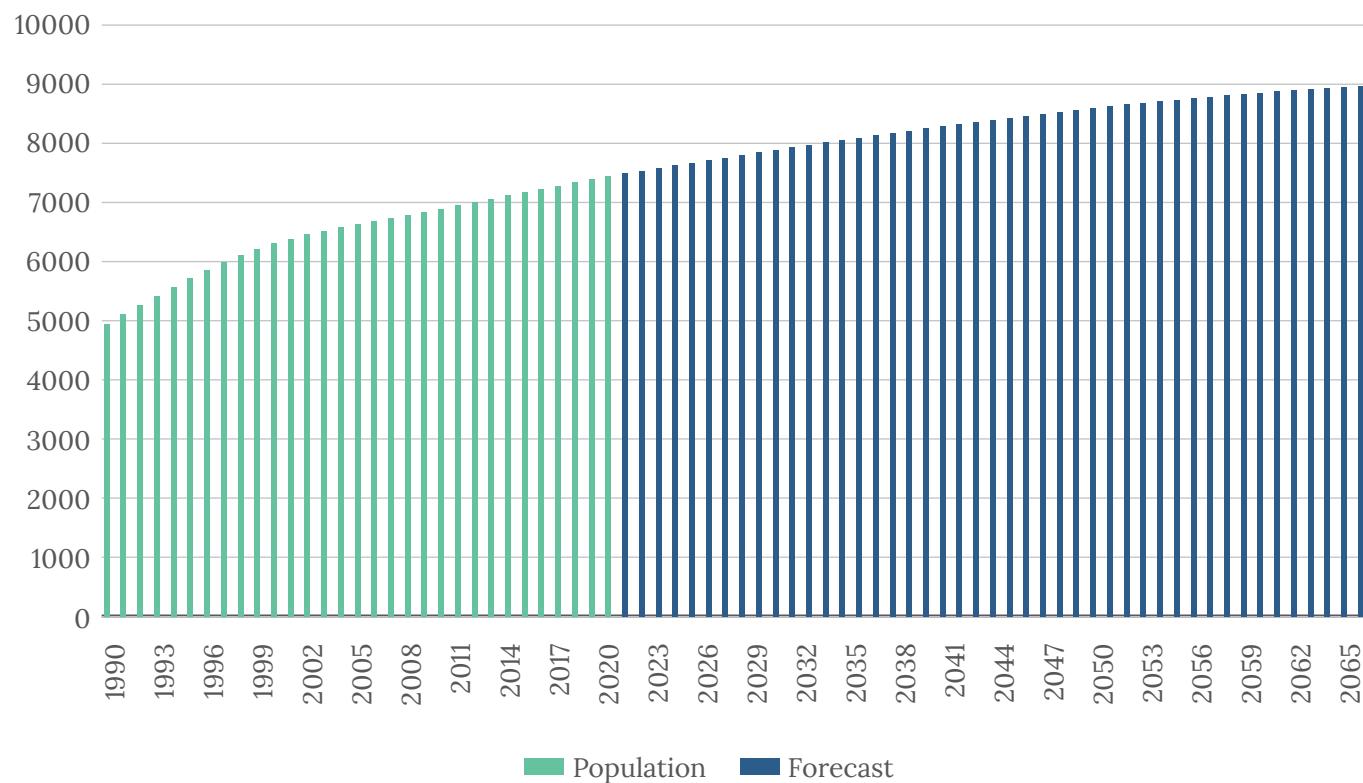


Source: California Department of Finance. Analysis by Beacon Economics.

The story for the San Bernardino portion of the market isn't markedly different. The area is largely built out so there is not much room for population growth, and most of the residential parcels are zoned for large lot single-family detached. If it's assumed that the vacant residential lots are rezoned for medium lot single-family detached, that still only yields a population increase of 267, which is well within the margin of error for any forecast model. However, if the analysis is extended to include all vacant parcels, the potential population growth jumps to over 3,000, implying 1,472 new housing units are built. This might be optimistic, considering only 650 houses have been built over the last 30 years. Beacon Economics' current forecast assumes that roughly half of the vacant parcels will be zoned for residential, which will allow the region to add nearly 1,500 new residents over the course of the forecast horizon, amounting to nearly 9,000 residents by 2065.



South Mesa Water Company Service Area Population Forecast San Bernardino Portion



Source: Forecast by Beacon Economics.



Yucaipa Valley Water District

Like the South Mesa Water District, the Yucaipa Valley Water District is split into two distinct zones—one in Riverside County and the other in San Bernardino County. Surprisingly, the two water districts share a common parcel. However, this doesn't affect the forecast or population counts as the parcel is the site for the I-10 Logistics Center in Cherry Valley and doesn't have any housing units.

**Lane Use Summary in Yucaipa Valley Water District
San Bernardino**

Property	Land Sq Ft.	Building Sq Ft	Building Sq Ft	Building Units
Not Specified	1,341,922	-	-	1
Agricultural	22,248,734	64,035	64,035	12
Amusement/Recreation	9,015,032	28,945	28,945	10
Apartment	6,858,699	851,816	859,366	114
Commercial	30,859,881	10,176,825	10,184,433	136
Condominium	1,800,223	919,203	766,865	379
Duplex	4,866,497	368,981	399,820	248
Exempt	6,051,478	505,862	509,821	44
Financial Institution	149,956	17,515	17,515	3
Hospital	1,630,072	311,383	312,475	14
Hotel, Motel	169,744	12,779	12,779	5
Industrial	47,044	12,350	12,350	2
Industrial Light	1,455,405	73,013	73,873	33
Miscellaneous	1,751,227	-	-	-
Office Building	1,252,430	147,197	147,197	55
Parking	84,758	29,400	29,400	5
Retail	6,574,667	1,032,012	1,034,759	215
Service	3,874,591	292,054	294,538	116
Single-Family Residence	323,551,062	30,590,411	24,923,277	13,398
Transport	9,225	-	-	-
Utilities	2,995,618	-	-	-
Vacant	329,989,875	4,705	4,705	4
Warehouse	1,391,301	357,327	357,327	20
Total	757,969,441	45,795,813	40,033,480	14,814

Source: CoreLogic. Analysis by Beacon Economics.

The San Bernardino portion of the Yucaipa Valley Water District doesn't have a lot of vacant residential land as a share of total land. However, there is a great deal of vacant land in the area that could be rezoned for residential use in the future. In terms of land use, nearly 330 million square feet (11.8 square miles) of land is currently zoned as vacant, which exceeds the amount of land zoned for single-family. Of course, not all of the vacant land is developable. Considering only the currently vacant residential parcels, the population could increase by nearly 3,300 across 1,580 housing units—assuming the parcels are zoned for medium-lot single-family homes. Infill development (very small lot single-family detached) would yield an increase of more than 6,400 residents.

Proposed Developments in Yucaipa Valley Water District Riverside

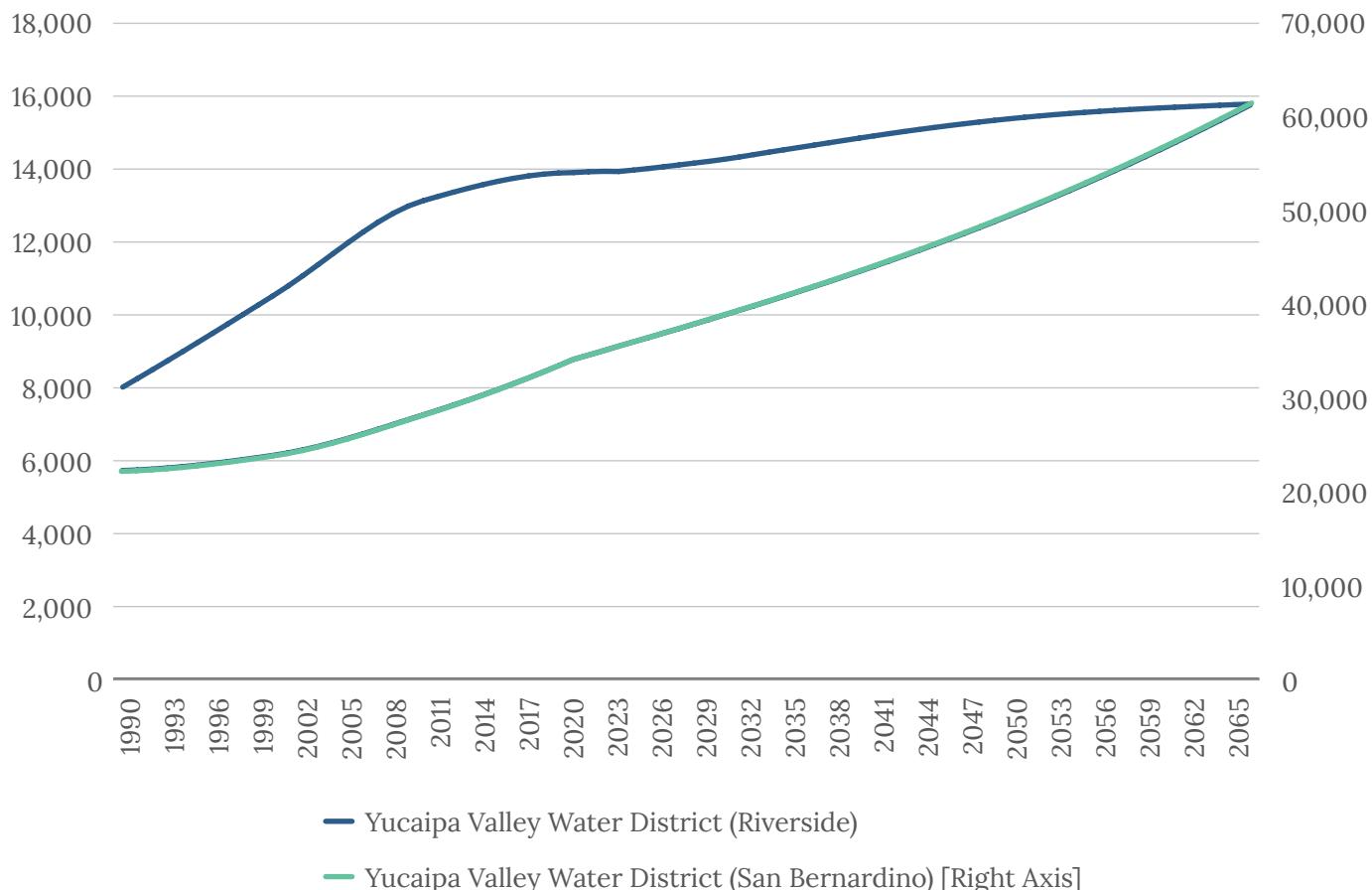
Type	Property Name	Address	Size SF	No of Buildings
Warehouse Distribution	Oak Valley North Bldg 1	Calimesa Blvd and Singleton Rd	236,892	1
Warehouse Distribution	Oak Valley North Bldg 2	Calimesa Blvd and Singleton Rd	249,840	1
Warehouse Distribution	Oak Valley North Bldg 3	Calimesa Blvd and Singleton Rd	249,000	1
Warehouse Distribution	Oak Valley North Bldg 4	Calimesa Blvd and Singleton Rd	246,500	1
Warehouse Distribution	SW of Roberts Rd and Singleton Rd, Bldg A	SW of Roberts Rd and Singleton Rd, Bldg A	705,783	1
Warehouse Distribution	SW of Roberts Rd and Singleton Rd, Bldg B	SW of Roberts Rd and Singleton Rd, Bldg B	466,172	
Warehouse Distribution	SW of Roberts Rd and Singleton Rd, Bldg C	SW of Roberts Rd and Singleton Rd, Bldg C	457,257	1
Warehouse Distribution	SW of Roberts Rd and Singleton Rd, Bldg D	SW of Roberts Rd and Singleton Rd, Bldg D	619,358	1
Strip Center		NE of 7th St and Sandalwood Dr	5,849	1
Townhouse	The Enclaves	1105 5th St		22

Source: Moody's Analytics. Analysis by Beacon Economics

An unpredictable element of long-run forecasting is how existing land could be rezoned for future developments. For example, in the Riverside portion of the district, there is a General Plan Amendment that has been submitted for the Oak Valley North Specific Development Plan in Calimesa, which would include (up to) 982,232 square feet of warehouse/office space and 223 multi-family residential units across a site of roughly 110.2 acres. The Birtcher Oak Valley Commerce Center is another large project in the pipeline. This project alone will add 2.5 million square feet of industrial space to the commercial landscape, limiting population expansion in the area.

The population will grow over time, but some factors weigh on the overall trend—an aging population, falling birth rate, and a decline in household size are evident in all districts. However, Beacon Economics' baseline forecast assumes that the region will continue to grow, with population nearing 6,230 residents by 2065. This growth is predicated on the assumption that more of the vacant land is developed for small lot single-family or suburban multifamily homes.

Yucca Valley Water District Population Forecast

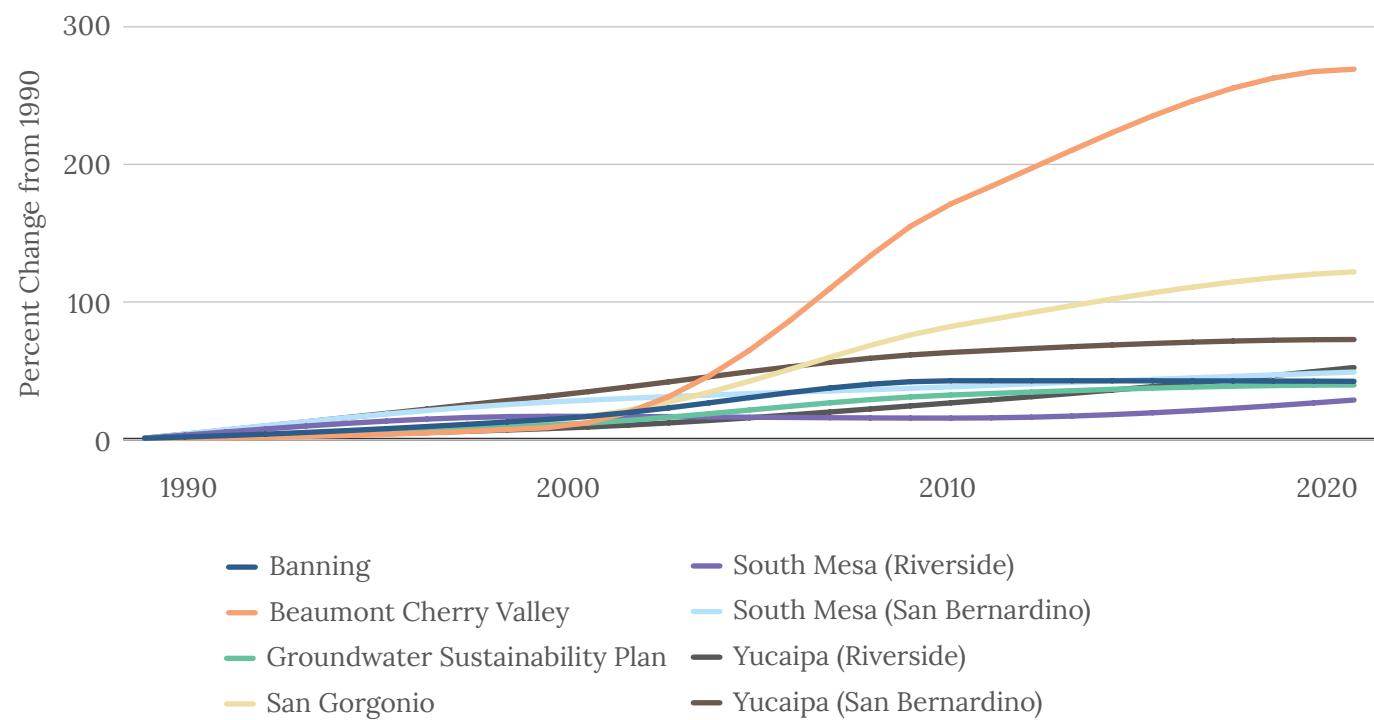


Source: Forecast by Beacon Economics



Beaumont Cherry Valley Water District

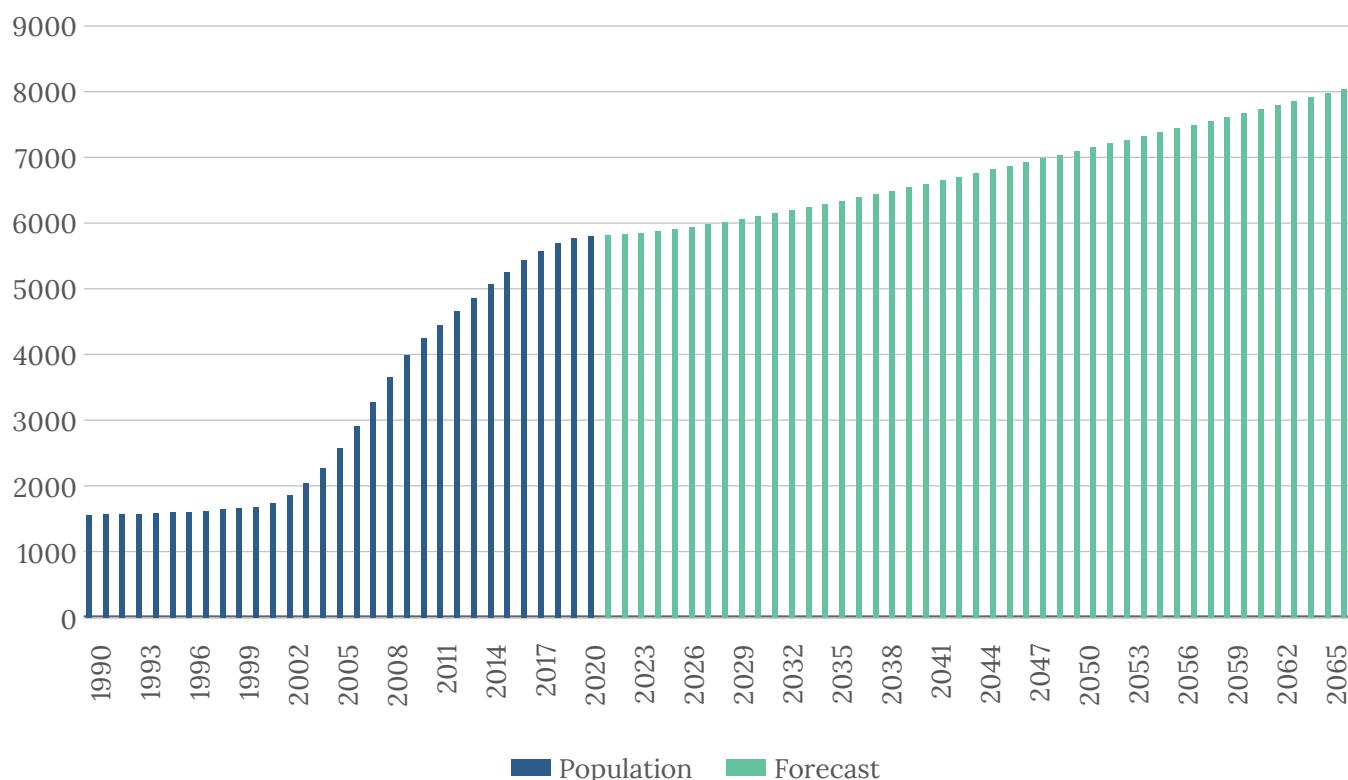
Percent Change in Population from 1990



Source: US Census Bureau, IPUMS, Analysis by Beacon Economics

The Beaumont Cherry Valley Water District has been the fastest-growing area among the service areas in this report by a sizable margin. Since 1990, the population in the district has increased by more than 270%, adding nearly 42,300 residents over three decades. The increase is attributed to a build-out of the area that started in the early 2000s, with Beaumont Cherry Valley Water District accounting for 70% of the increase in the housing stock in the San Gorgonio Pass region in the last thirty years. The district still has developable residential land, which will help support population growth in the coming decades, although a lot of land is currently being scouted for large industrial projects.

Population Forecast Beaumont Cherry Valley Water District



Source: Forecast by Beacon Economics.

This rapid growth in recent decades is not sustainable over the long run, but the forecast for the Beaumont Cherry Valley Water District is more optimistic, considering recent developments in the region and its location. Beacon Economics' current forecast for the region suggests the district will grow at an average annual rate of 0.8% in the long term. This is predicated on the assumption that a large amount of the vacant land is developed and land that is not currently zoned for single-family housing will be rezoned for residential uses. Moreover, the Beaumont Cherry Valley Water District will likely see more multifamily development over the long run, which will allow for more population growth, adding over 22,000 residents between now and 2065.

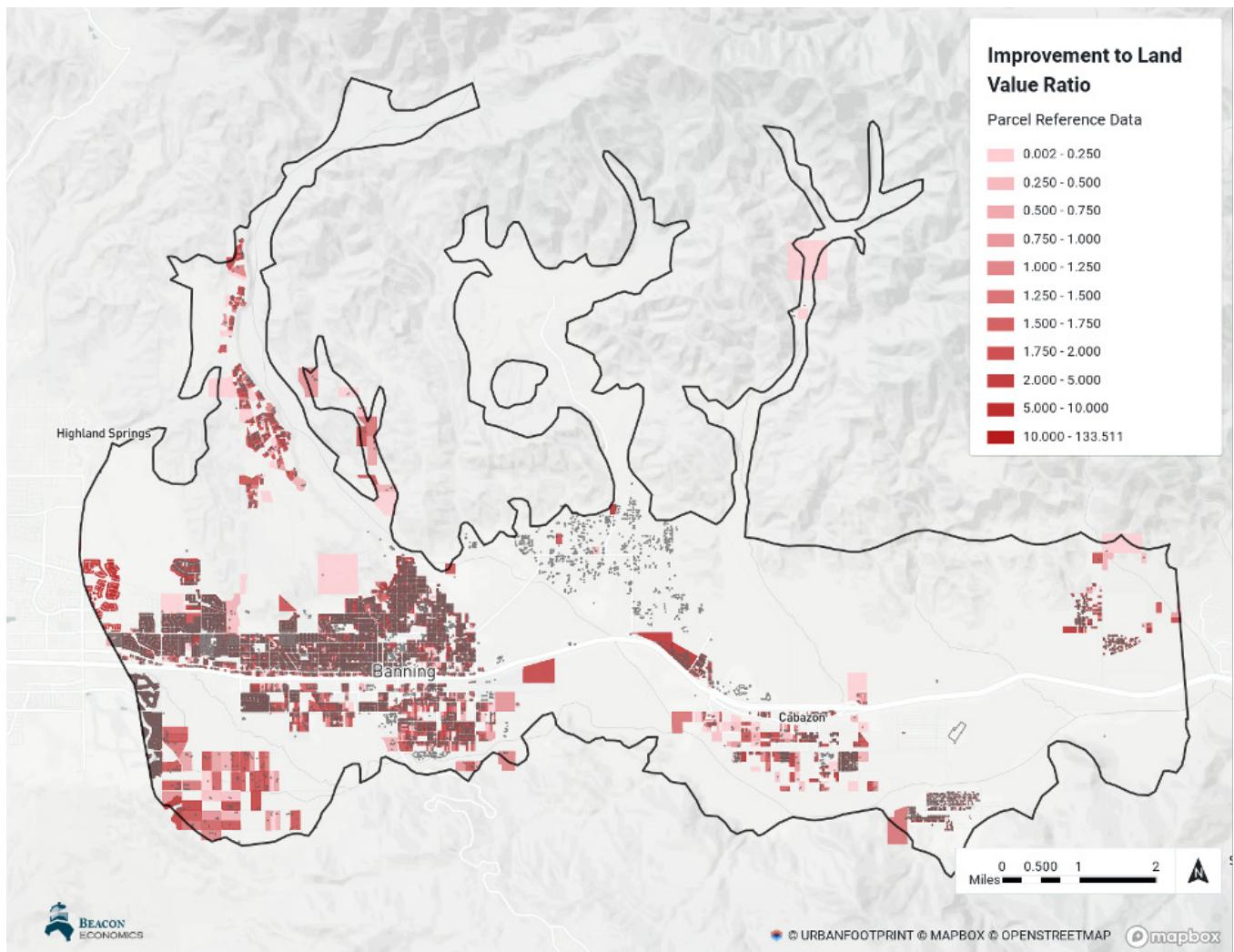
San Gorgonio Pass Groundwater Sustainability Plan Area

The San Gorgonio Pass Groundwater Sustainability Plan Area covers a large portion of the Banning district as well as the community of Cabazon. There is a considerable amount of vacant land on the eastern portion of the plan area that encompasses the community of Cabazon, although a lot of this land is owned by the Morongo Band of Mission Indians. California tribes often focus on commercial or gaming development before or instead of extensive residential projects, such as the aforementioned hotel development. That said, residential development does occur. In 2020, the Morongo Band of Mission Indians was awarded roughly \$360,000 by HUD to support affordable housing initiatives.⁹

⁹ "HUD awards local tribes grant to support affordable housing." The Desert Sun, February 18, 2020. <https://www.desertsun.com/story/news/2020/02/18/hud-awards-local-tribes-grant-support-affordable-housing/4801454002/>.



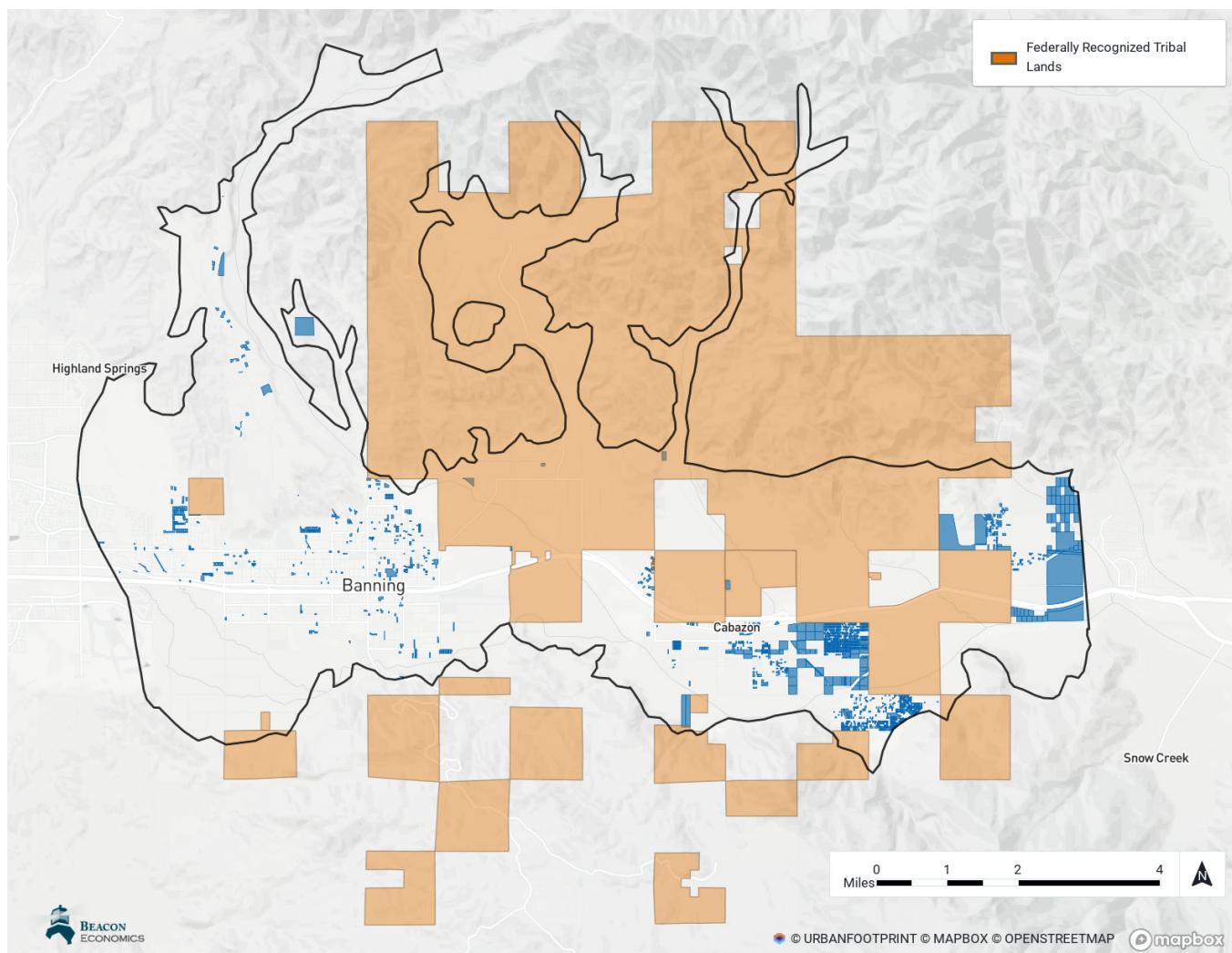
Improvement to Land Value Ratio: San Gorgonio Pass Groundwater Sustainability Plan Area



The sparseness of development in the eastern half of the district can be seen on the map, which contains Improvement to Land Value Ratios for parcels identified in the CoreLogic data. The lack of development along I-10 near Cabazon is largely the result of tribal land control, zoning restrictions, and competition from nearby cities. Moreover, developers tend to focus on areas with existing infrastructure which lowers construction costs. Large-scale residential or commercial development requires extensive infrastructure investment, particularly for water and sewage systems.

The San Gorgonio Pass Groundwater Sustainability Plan Area has strong growth potential due to its strategic location along I-10, a major transportation corridor. Targeted economic development policies and infrastructure investment will be key drivers of this growth. However, realizing this potential depends on infrastructure expansion (water, sewers, and roads) and incentives for private investment. Ultimately, the region's future hinges on policy decisions and strategic investments. If the County prioritizes the eastern half for long-term growth, population could increase significantly given the available land. However, Beacon Economics' baseline forecast is largely based on assumed developments in the Banning area, with minimal activity expected in Cabazon, despite its potential.

Vacant Residential Parcels and Tribal Lands in the San Gorgonio Pass Groundwater Sustainability Plan Area





About Beacon Economics

Founded in 2006, Beacon Economics, an LLC and certified Small Business Enterprise with the state of California, is an independent research and consulting firm dedicated to delivering accurate, insightful, and objectively based economic analysis. Employing unique proprietary models, vast databases, and sophisticated data processing, the company's specialized practice areas include sustainable growth and development, real estate market analysis, economic forecasting, industry analysis, economic policy analysis, and economic impact studies. Beacon Economics equips its clients with the data and analysis they need to understand the significance of on-the-ground realities and to make informed business and policy decisions.

Learn more at beaconecon.com

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Justin Niakamal

Manager, Regional and Sub-Regional Analysis

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SAN GORGONIO PASS
WATER AGENCY

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BEACON
ECONOMICS

September 22, 2025



Mr. Paul Gosselin
Deputy Director of Sustainable Groundwater Management
California Department of Water Resources
901 P Street, Room 213
Sacramento, CA 94236

DIRECTORS

Jacob Westra
President
Tulare Lake Basin Water Storage District

Chris Lee
Vice President
Solano County Water Agency

Peter Thompson, Jr.
Secretary-Treasurer
Antelope Valley-East Kern Water Agency

Robert Cheng
Coachella Valley Water District

Brad Coffey
Metropolitan Water District of Southern California

Cindy Kao
Santa Clara Valley Water District

Ray Stokes
Central Coast Water Authority

Matthew Stone
Santa Clarita Valley Water Agency

Craig Wallace
Kern County Water Agency

General Manager
Jennifer Pierre

Email: sgmps@water.ca.gov

Mr. Gosselin:

The State Water Contractors (SWC)¹ thank you for the opportunity to comment on the Draft Best Management Practices of the Sustainable Management of Groundwater, Land Subsidence (Subsidence BMPs), released by California Department of Water Resources (DWR) on July 24, 2025. The SWC are providing these comments on behalf of itself and its member agencies, which hold long-term State Water Project water supply contracts and provide water to more than 27 million California residents and 750,000 acres of farmland throughout the state. The vast majority of SWP water deliveries depend on the proper function of the San Luis Canal (SLC), which is a joint-use facility of the Department of Water Resources (DWR) and the Bureau of Reclamation, and the California Aqueduct (Aqueduct). Approximately 245 miles of the SLC and Aqueduct travel north to south within the San Joaquin Valley.

As documented in the Subsidence BMPs and State Water Project Delivery Capability Report, the SLC and Aqueduct have experienced substantial subsidence, resulting in reduced conveyance capacity. If subsidence goes unchecked, the future SWP conveyance capacity could be reduced by 87%. Additionally, the cost to mitigate the impacts of subsidence on these conveyance facilities is estimated to be four billion dollars. Hence, SWC has a strong interest in protecting these critical statewide water conveyance facilities from any further subsidence-induced impacts. We strongly support the DWR's effort to provide a consistent, science-based framework to address land subsidence.

¹ Alameda County Flood Control and Water Conservation District Zone 7, Alameda County Water District, Antelope Valley – East Kern Water Agency, Casitas Municipal Water District, Central Coast Water Authority, City of Yuba City, Coachella Valley Water District, Crestline – Lake Arrowhead Water Agency, Desert Water Agency, Dudley Ridge Water District, Empire West Side Irrigation District, Kern County Water Agency, Kings County, Littlerock Creek Irrigation District, Metropolitan Water District of Southern California, Mojave Water Agency, Napa County Flood Control and Water Conservation District, Oak Flat Water District, Palmdale Water District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Gorgonio Pass Water Agency, San Luis Obispo County Flood Control and Water Conservation District, Santa Clara Valley Water District, Santa Clarita Valley Water Agency, Solano County Water Agency, and Tulare Lake Basin Water Storage District.

The Subsidence BMPs represent a carefully developed, technically robust approach to monitoring groundwater levels, identifying critical head thresholds, and guiding management actions to protect both groundwater basins and essential infrastructure. Managing each Groundwater Sustainable Agency (GSA) according to the identified critical heads is essential because the thresholds represent the minimum groundwater elevation needed to prevent irreversible land subsidence and further impact to infrastructure. It is imperative that GSAs establish appropriate critical head values within their GSA area. If GSAs are allowed to operate below their critical heads, the result will be continued compaction of aquifer systems, permanent loss of storage capacity, and even higher costs to improve impaired water delivery facilities. Managing to critical heads provides a measurable and enforceable benchmark for sustainability, ensuring that local management actions protect not only groundwater resources but also the backbone conveyance infrastructure that millions of Californians depend on.

SWC² therefore urges DWR to elevate the Subsidence BMPs from a voluntary guidance document into an enforceable regulation. This will ensure consistent adoption across GSAs and standardize DWR's review of Groundwater Sustainability Plans (GSPs). Given the scale of the risks, voluntary adoption is insufficient to protect the public interest. Groundwater Level Thresholds Scenarios 3 and 4, where ongoing subsidence is occurring, as described in Section 7.4 of the Subsidence BMPs, cannot be allowed to continue to manage their GSAs to historic groundwater levels. The Subsidence BMPs emphasize that to halt ongoing subsidence and prevent new subsidence, groundwater must be managed so that levels remain at or above the critical head. Therefore, there is no time that can be afforded for voluntary implementation of the Subsidence BMPs. Specifically, all GSAs in high-priority basins should be required to establish appropriate critical head values and manage their basins to those thresholds.

Additionally, the Subsidence BMPs explicitly state that GSAs should consult with owners and operators of critical infrastructure to determine if and how infrastructure in their area will be affected, and when making decisions. This consultation should be documented in GSPs and annual reports. Any approved GSP that failed to consult with the owners and operators of critical infrastructure, or where disputes exist, should have its GSP approval rescinded, and the GSP should be deemed "inadequate" until the disputes between the parties can be reconciled.

The Sustainable Groundwater Management Act (SGMA) explicitly grants authority to adopt emergency regulations to carry out its provisions. Specifically, California Water Code § 10733.2 authorizes DWR to adopt regulations, including emergency regulations, necessary to evaluate GSPs and ensure compliance with SGMA. We believe this authority provides the clear legal pathway for DWR to codify the Subsidence BMPs as regulation, ensuring that all GSAs operate under a consistent, enforceable standard. SWC² respectfully requests that DWR use this authority to initiate emergency rulemaking to incorporate the Subsidence BMPs into SGMA's regulatory framework for high-priority basins. Doing so will provide the urgency and consistency needed to protect California's essential water conveyance facilities that deliver invaluable water to millions of Californians and prime farmland.

²This does not represent the perspective of the Santa Clara Valley Water District.

Lastly, in Appendix F, it is noted that "CalGEM has broad authority over oil and gas production operations, and any possible damage to life, health, property, or natural resources resulting from those production operations is within the scope of CalGEM's regulatory authority. (Pub. Resources Code, § 3106.)" This complicates SGMA implementation because oil and gas extraction can also cause pressure changes that lead to land subsidence. This complicates SGMA implementation because oil and gas extraction can also cause pressure changes that lead to land subsidence, and there are ongoing difficulties for GSAs with oilfields in their basin to distinguish between land subsidence caused by groundwater pumping and that caused by oil and gas extractions. Moreover, CalGEM does not have a defined process for assessing land subsidence, established thresholds to avoid "significant and unreasonable" land subsidence, or mitigating measures. It is urged that DWR, State Water Resources Control Board, and CalGEM coordinate to establish and adopt policies to ensure land subsidence management is cohesive and thorough, especially given the recent passage of Senate Bill 237, which streamlines the review and permit process and allows Kern County to approve up to 2,000 new gas and oil wells per year, which is a substantial increase from years past.

Thank you for considering our comments. We look forward to continuing to work in partnership with the Department to advance sustainable groundwater management while protecting the State's critical water infrastructure.

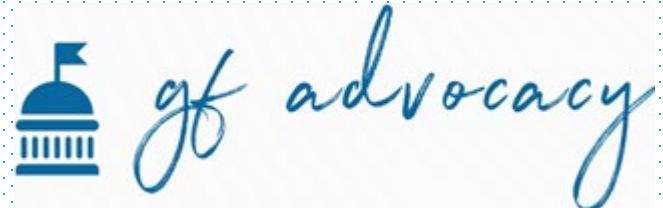
If you have any questions or need further coordination, please reach out to Mr. Manny Bahia at mbahia@swc.org.

Sincerely,



Jennifer Pierre
General Manager

San Gorgonio Pass Water Agency State Legislative Update



October 6, 2025

State Legislature

- Notable legislative deadlines/milestones:
 - **September 13** – Final day of 2025 legislative session
 - **October 13** – Deadline for Governor to act on legislation
 - **November 4** – Special election – Proposition 50
 - **January 5, 2026** – Two-year legislative session reconvenes



By the numbers:

- 2,833 bills introduced
- 805 bills on Governor's Desk
- 418 bills already signed
- 43% of introduced bills made it to the Governor's Desk

Governor's Actions on Legislation



OFFICE OF THE GOVERNOR

OCT 01 2025

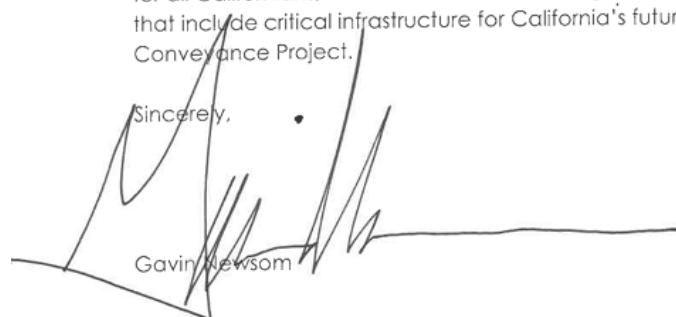
To the Members of the California State Senate:

I am signing Senate Bill 72, which directs the Department of Water Resources (DWR) to modernize the California Water Plan and develop a water supply target to be achieved in 2050 and beyond.

The California Water Plan is the state's primary strategic document guiding the orderly and coordinated control, protection, conservation, development, management, and efficient utilization of the state's water resources. Primarily a technical document focused on water supply development, the plan includes information on various strategies to help meet the water needs of the state.

This bill will require DWR, in its next plan update, to analyze current and future water needs trends, including identifying additional water necessary to sustain public trust resources. This is a welcome opportunity to ensure the next plan update recognizes the impacts of climate change, ensures safe drinking water for all Californians, and reflects statewide, regional, and local planning efforts that include critical infrastructure for California's future – including the Delta Conveyance Project.

Sincerely,
Gavin Newsom

A handwritten signature of Gavin Newsom in black ink, with a stylized, expressive line drawing of a signature line extending across the bottom of the page.

Major Issues – Delta Conveyance Streamlining Trailer Bill

- **Final Disposition** – Failed to get a Floor vote for consideration during 2025 legislative session
- **Positive Developments**
 - Massive statewide coalition developed and activated – approx. 150 signatories
 - Inland Empire legislative delegation – present and accounted-for!
 - SGPWA answered the call from MWD Board Chair – continued personal presence important
 - Legislative champions in both Houses identified
 - Broad education/outreach throughout Legislature
 - Partners'/allies' relationships strengthened
 - Messaging content strengthened
- **Ongoing Challenges**
 - Legislative leadership break-through remains challenging
 - Key regions of state require additional attention – Bay Area, San Diego
- **Next Steps:** Re-group and explore alternatives/options for Fall and into 2026

End of Session Actions: Proposition 4 Allocations

- **SB 105** – “Budget Bill Junior”
- Appropriates \$3.2B in Prop 4 bond funds out of total \$10B
 - **\$1.2B allocated from the water resilience chapter** - key allocations include:
 - **\$183M – to SWRCB for drinking water quality** – important funding component for state revolving loan program
 - **\$153M – to SWRCB for water recycling**
 - \$231.5M – to DWR for dam safety
 - \$170M – to DWR for levee subventions
 - \$148M – to DWR and CNRA for Salton Sea
 - \$28M – to DWR for groundwater storage, banking, and recharge
 - **\$74M – to CA Water Commission for Water Storage Investment Program**
 - **\$2M – to DWR for conveyance subsidence repairs**
- **Next steps:** State administering agencies will develop guidelines and begin soliciting competitive grant applications later in the Fall and into 2026

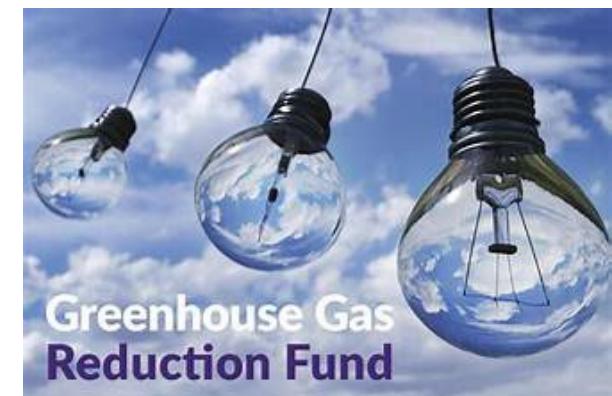
End of Session Actions: Water/Resources

- **Golden Mussels** – Statutory language approved through AB 149 – Signed by Governor
 - Statutory language to authorize golden mussel control/eradication plans
 - Increases mussel infestation prevention fee paid by boaters
 - Appropriates \$20M from Prop 4
- **Water Quality Control Plan CEQA Exemption**
 - Failed to get a Floor vote for consideration during 2025 legislative session
 - Intended to expedite SWRCB proceeding toward approval of Healthy Rivers and Landscapes approach to Bay-Delta Water Quality Control Plan update



End of Session Actions: Cap/Trade

- **Cap and Trade/Invest**
 - Legislature approved cap-trade reauthorization program through 2045
- **Greenhouse Gas Reduction Fund**
 - CalFire backfill: \$1B this year; \$1.25B next year + potential out-year backfill
 - High-Speed Rail: \$1B annually ongoing
 - **\$1B reserved for appropriation by the Legislature in the annual budget**
 - Additional continuous appropriations:
 - Strategic Growth Council - \$800M
 - Transit and Intercity Rail - \$400M
 - CARB – community air protection programs - \$250M
 - Low Carbon Transit Operations Program - \$200M
 - CalFire – forestry health and fire prevention - \$200M
 - **SAFER Program - \$130M**



End of Session Actions: Energy

- **Grid Regionalization**
 - Legislature approved AB 825 (Petrie-Norris), which authorizes the CAISO and the electrical corporations whose transmission is operated by CAISO to use voluntary energy markets governed by an independent regional organization
- **State Water Project Renewable Energy – SB 1020 Modifications**
 - Failed to be amended into trailer bill legislation during end of legislative session
 - Intended to address energy affordability challenges for state water contractors



Fall State Legislative Workplan

- **Prop 4 allocation programming**
 - Explore grant funding opportunities through first round of Prop 4 allocations
 - Advocate for additional allocations during next budget cycle
- Development of **San Gorgonio Pass Water Agency-specific budget requests** for submittal to legislative delegation
- Engage with colleague agencies and organizations to explore opportunities for leadership roles related to **legislative concepts for 2026**
- **Begin planning for SGPWA visit to Sacramento in early 2026**

QUESTIONS?



San Gorgonio Pass Water Agency

Investment Performance Review For the Quarter Ended June 30, 2025

Client Management Team

Monique Spyke, Managing Director

Robert Montoya, Institutional Relationship Manager

Jeremy King, Key Account Manager

Rachael Miller, Client Consultant

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Market Update

Current Market Themes



- ▶ U.S. economy is resilient but showing signs of cooling
 - ▶ Headline employment data belies underlying weakening
 - ▶ Inflation remained rangebound but does not yet reflect the full impact of tariffs
 - ▶ Fiscal policy uncertainty and volatile tariff rollouts weigh on consumer sentiment

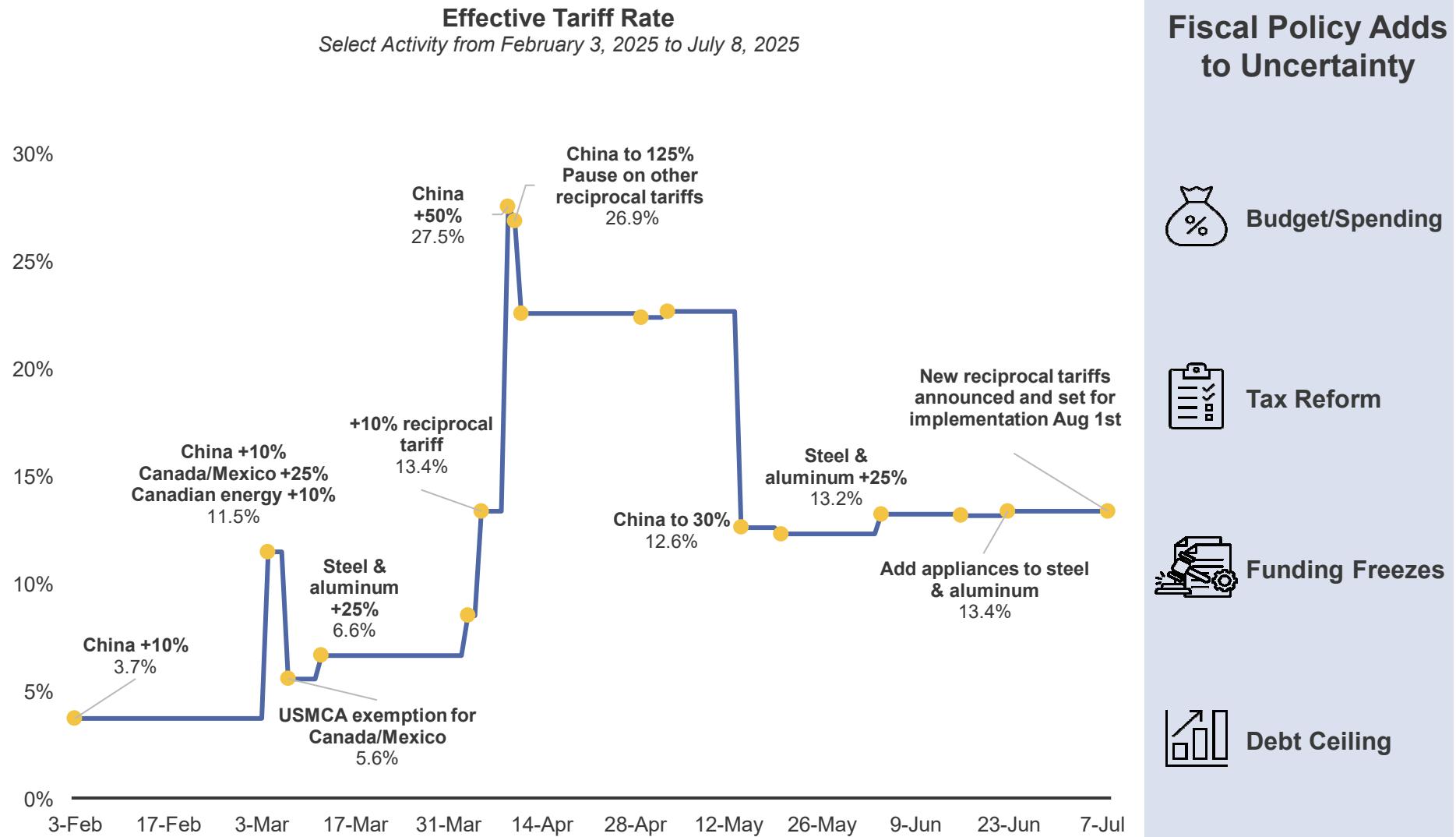


- ▶ Fed remains on hold but may cut rates later this year
 - ▶ The Fed's June "dot plot" implies 50 bps of cuts in the back half of 2025 but members are split between 0 and 2 cuts this year
 - ▶ Fed Chair Powell stated the effect, size, and duration of tariffs are all highly uncertain making staying on hold the appropriate thing to do as they wait to learn more



- ▶ Treasury yields whipsawed by tariff announcements in Q2
 - ▶ Concerns over the budget bill, debt ceiling, and monetary policy added to volatility
 - ▶ The yield curve continued to steepen between 2 years and 10 years
 - ▶ Credit spreads widened sharply following tariff fears but tightened to levels near historic tights by quarter end

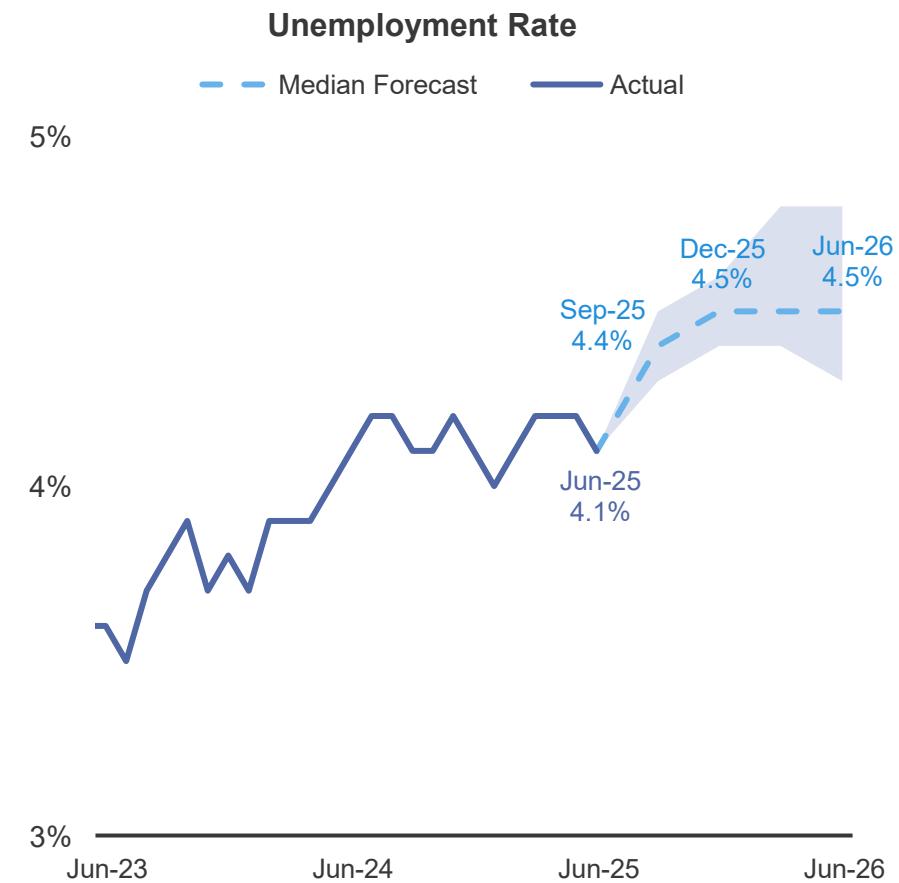
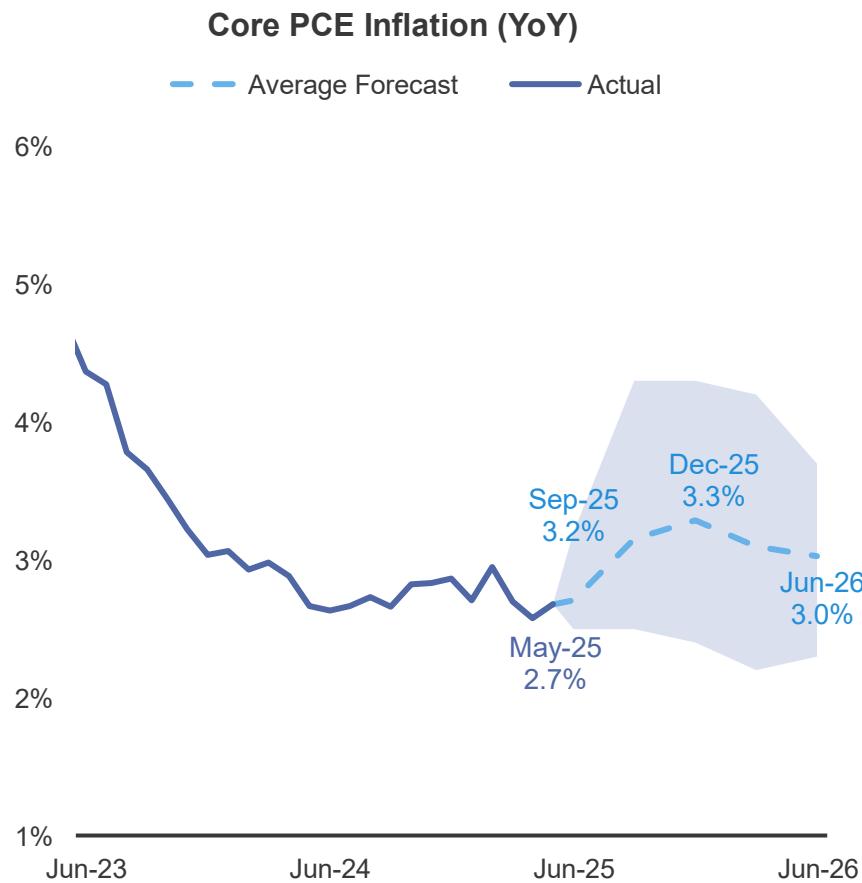
Uncertainty Remains Exceptionally High



Source: Bloomberg Finance L.P. as of July 8, 2025. Yellow dots represent activity impacting effective tariff rate.

The Fed's Dual Mandate Gets More Complicated

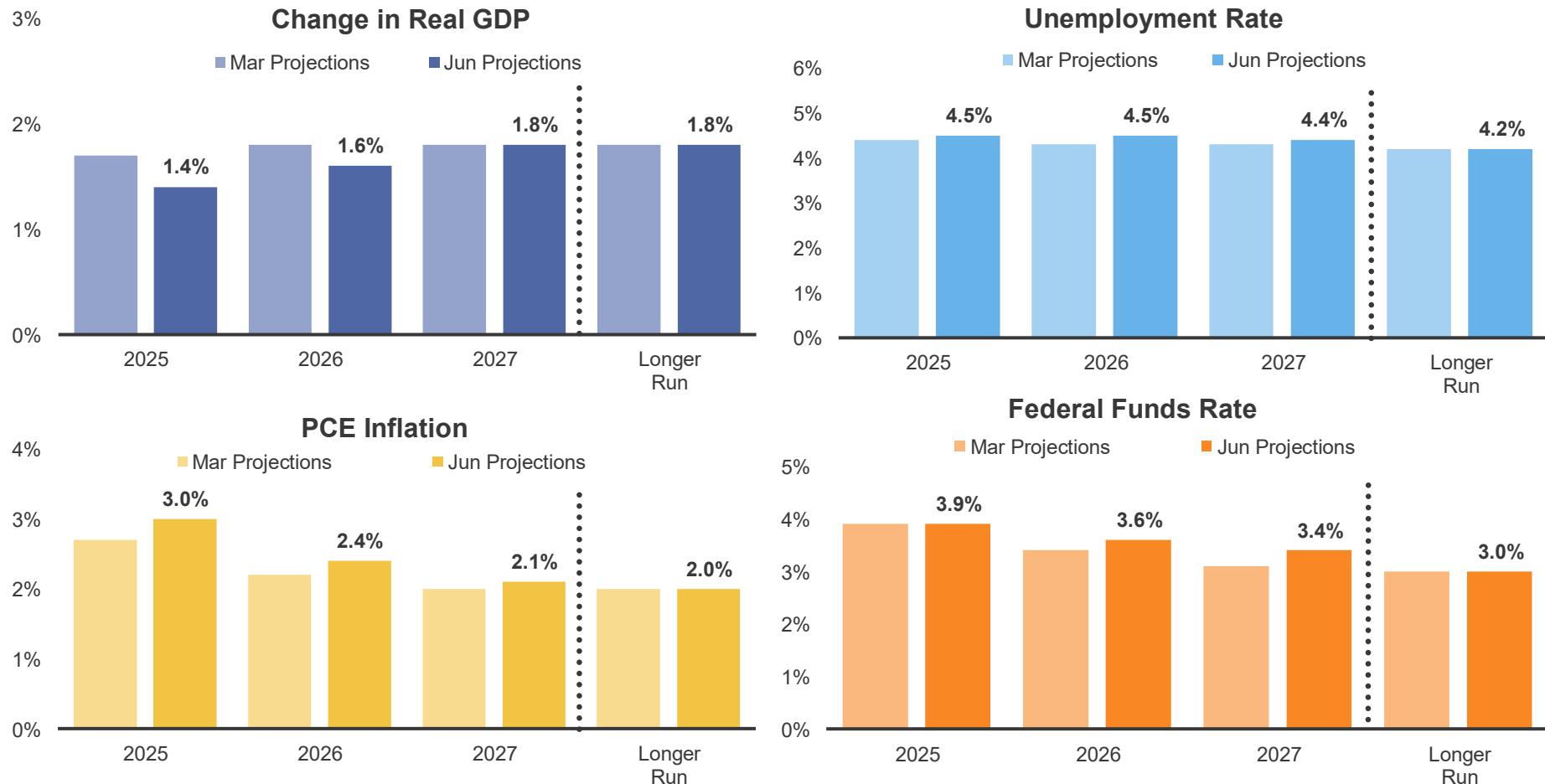
Fed Chair Powell : "We may find ourselves in the challenging scenario in which our dual mandate goals are in tension. If that were to occur, we would consider how far the economy is from each goal and the potentially different time horizons over which those respective gaps would be anticipated to close."



Source: FOMC Chair Jerome Powell Press Conference, June 18, 2025. Bureau of Economic Analysis, and Bloomberg Finance L.P., as of May 2025 (left). Bureau of Labor Statistics, and Bloomberg Finance L.P., as of June 2025 (right). Data is seasonally adjusted. Survey responses after June 27, 2025, included in median and forecast range. Forecast range shown is the 75th and 25th percentile of responses.

Fed's Updated Summary of Economic Projections

Fed Chair Powell : “[T]hink of it as the least unlikely path in a situation like this where uncertainty is very high.”



Source: FOMC Chair Jerome Powell Press Conference, June 18, 2025. Federal Reserve, latest median economic projections as of June 2025.

Factors to Consider for 6-12 Months

Monetary Policy (Global):



- The Fed held rates steady in Q2 amid healthy labor markets and tariff-driven inflation concerns.
- The “dot plot” still signals 50 bps in cuts for 2025 but views have diverged as seven members are calling for no cuts in 2025.
- Other major central banks (except Japan) continued cutting rates as global inflation cools, though tariffs pose inflation risks and cloud the outlook.

Economic Growth (Global):



- U.S. growth turned negative in early 2025, driven by a historically high trade deficit and weaker consumer spending. Strong inventory build and fixed investment helped offset this weakness.
- The drag to GDP from net exports is expected to reverse, but declining consumer confidence may dampen spending and investment.
- Escalating trade and geopolitical tensions create the potential for slower global growth.

Inflation (U.S.):



- Inflation has moved closer to the Fed's 2% target, but tariff-driven price pressures may emerge as businesses deplete pre-tariff inventories.
- Fed Chair Powell said that he does expect tariffs to impact inflation but that the size, duration, and time of tariff effects are highly uncertain.

Financial Conditions (U.S.):



- Financial conditions swung sharply during the quarter as the tariff rollout caused equities to sell off, credit spreads to widen, and heightened Treasury volatility.
- The announcement of tariff pauses sparked a risk-on trade resulting in equities near record highs and credit spreads tightening beyond long-run averages.
- The evolving fiscal landscape and persistent uncertainty may lead to tightening financial conditions over the next 6-12 months.

Consumer Spending (U.S.):



- Consumer sentiment remains subdued due to expectations of higher prices, weaker labor markets, and tepid growth. Sentiment has improved slightly since April amid tariff negotiation progress but remains low.
- A sharp labor market downturn remains the biggest threat to consumer spending.
- Tariff-driven inflation increases present additional risks such as slower real wage growth and reduced spending.

Labor Markets (U.S.):



- The labor market remains healthy, though early signs of cooling are emerging, particularly in rising jobless claims.
- Monthly job gains have slowed but still match labor force growth. Slower population growth may lower the job creation rate needed to maintain stable unemployment.
- With hiring and quits rates low, any acceleration in layoffs may result in job seekers remaining unemployed for longer.

● Current outlook

○ Outlook one quarter ago

Stance Unfavorable to
Risk Assets



Stance Favorable to
Risk Assets

Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg Finance L.P. and FactSet. The views expressed within this material constitute the perspective and judgment of PFM Asset Management at the time of distribution (6/30/2025) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management cannot guarantee its accuracy, completeness, or suitability.

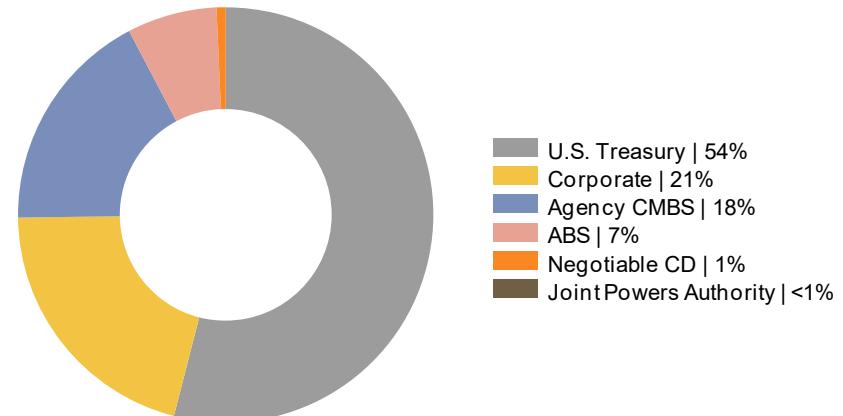
Portfolio Review

Portfolio Snapshot - CA-SAN GORGONIO PASS WATER AGENCY¹

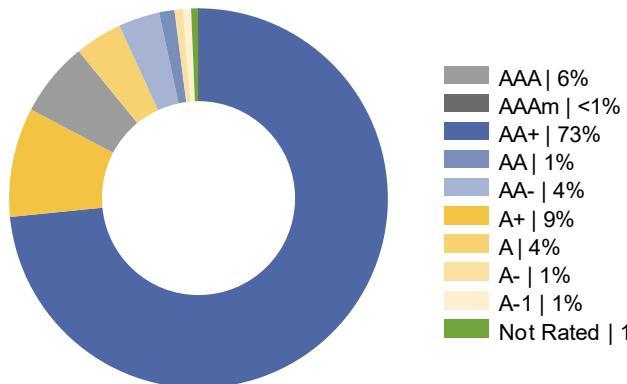
Portfolio Statistics

Total Market Value	\$87,288,879.44
Managed Account Sub-Total	\$86,595,436.11
Accrued Interest	\$678,315.32
Pool	\$15,128.01
Portfolio Effective Duration	2.51 years
Benchmark Effective Duration	2.48 years
Yield At Cost	4.03%
Yield At Market	4.00%
Portfolio Credit Quality	AA

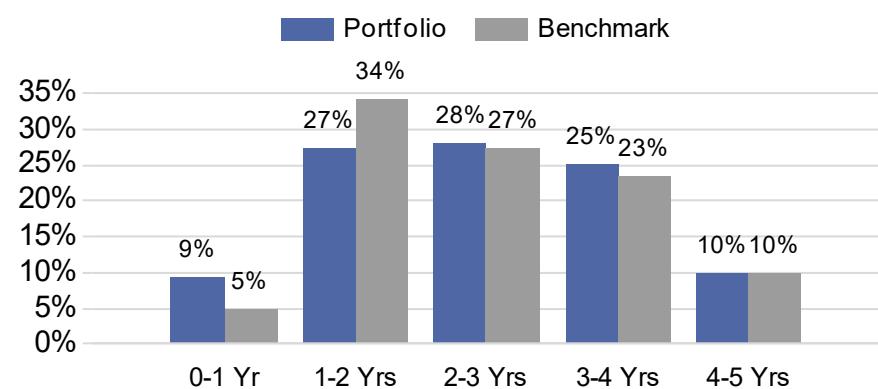
Sector Allocation



Credit Quality - S&P



Duration Distribution



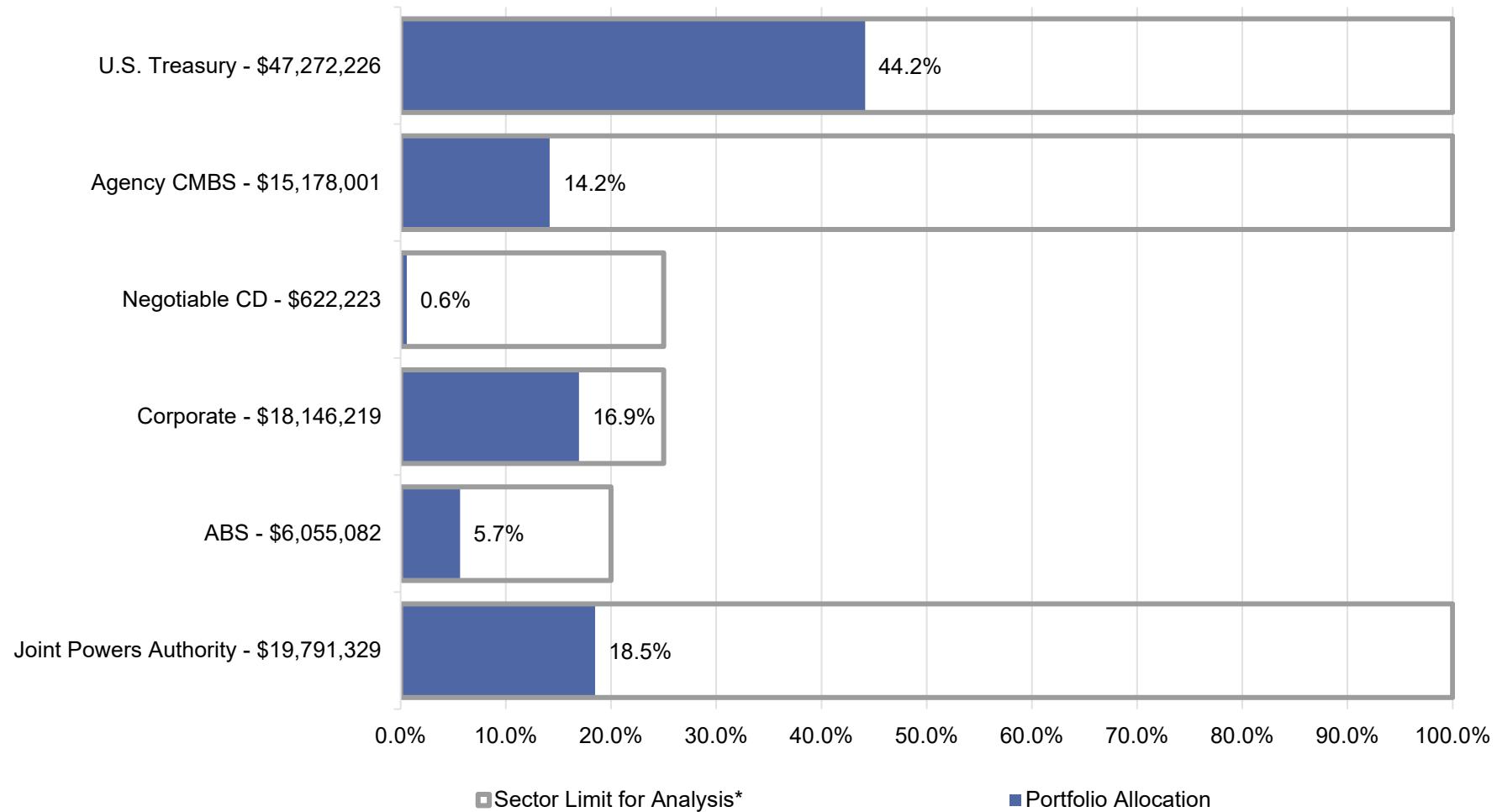
1. Total market value includes accrued interest and balances invested in CAMP, as of June 30, 2025.

Yield and duration calculations exclude balances invested in CAMP.

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

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

Sector Allocation Analytics



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

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

Certificate of Compliance

During the reporting period for the quarter ended June 30, 2025, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

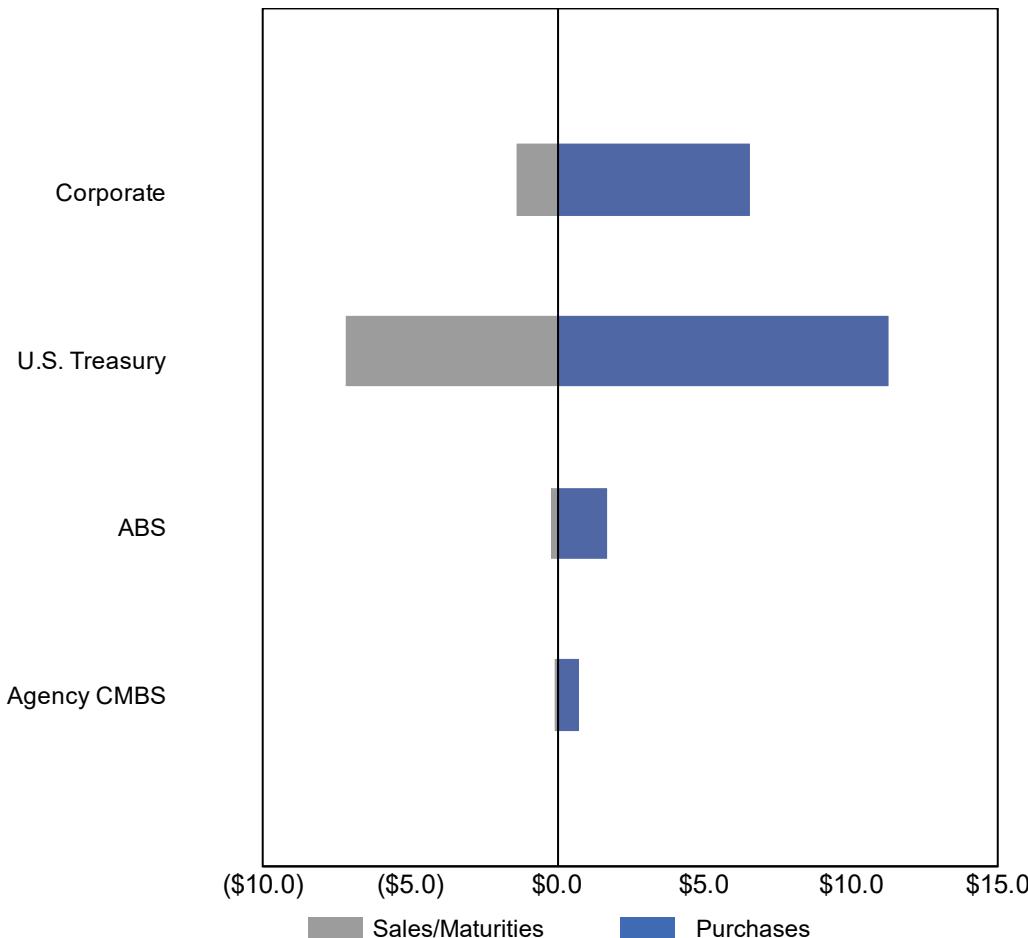
Acknowledged : *PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc.*

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

Portfolio Activity - CA-SAN GORGONIO PASS WATER AGENCY

Net Activity by Sector

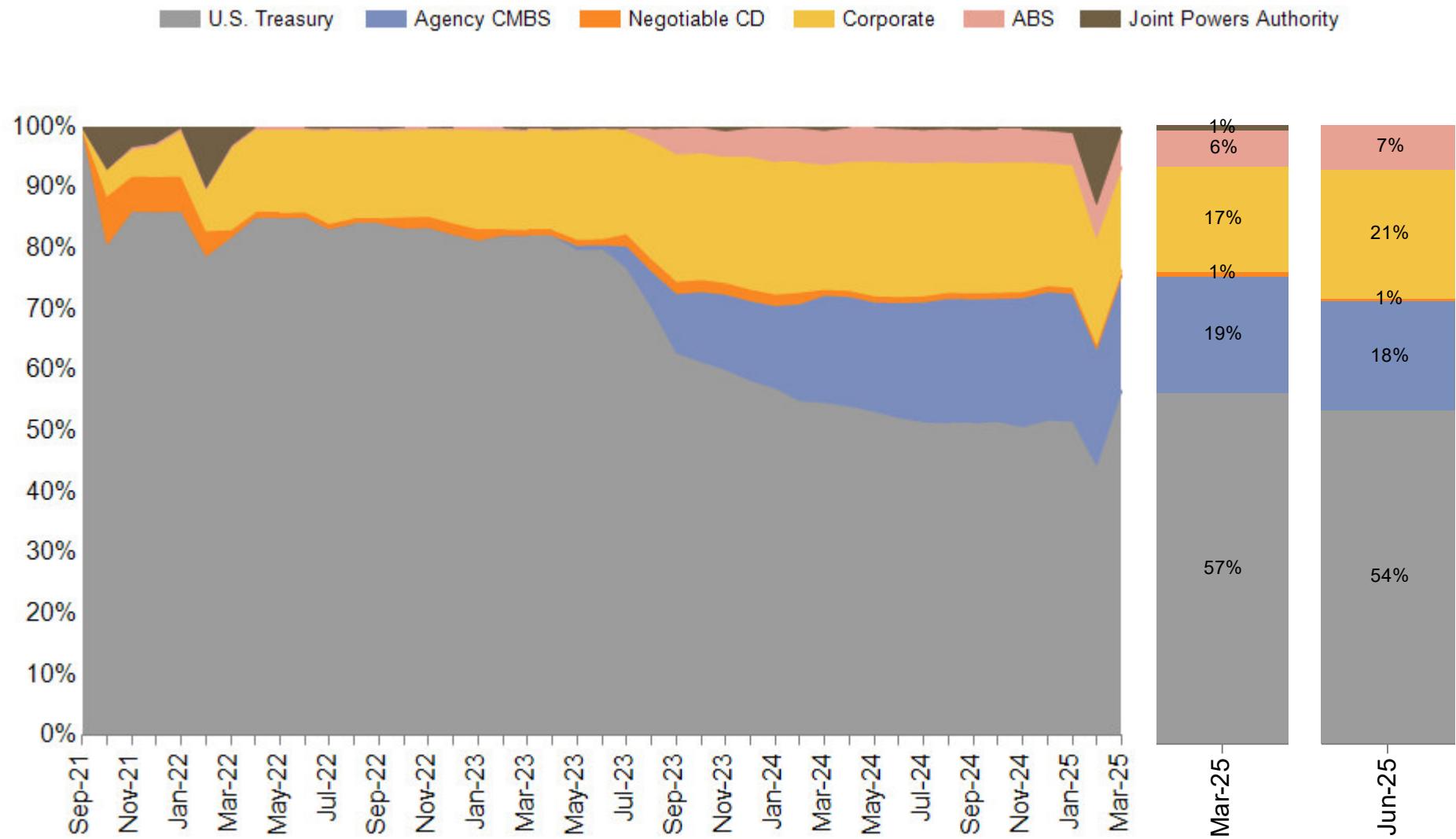
(\$ millions)



Sector	Net Activity
Corporate	\$5,170,572
U.S. Treasury	\$4,047,667
ABS	\$1,486,444
Agency CMBS	\$726,125
Total Net Activity	\$11,430,808

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

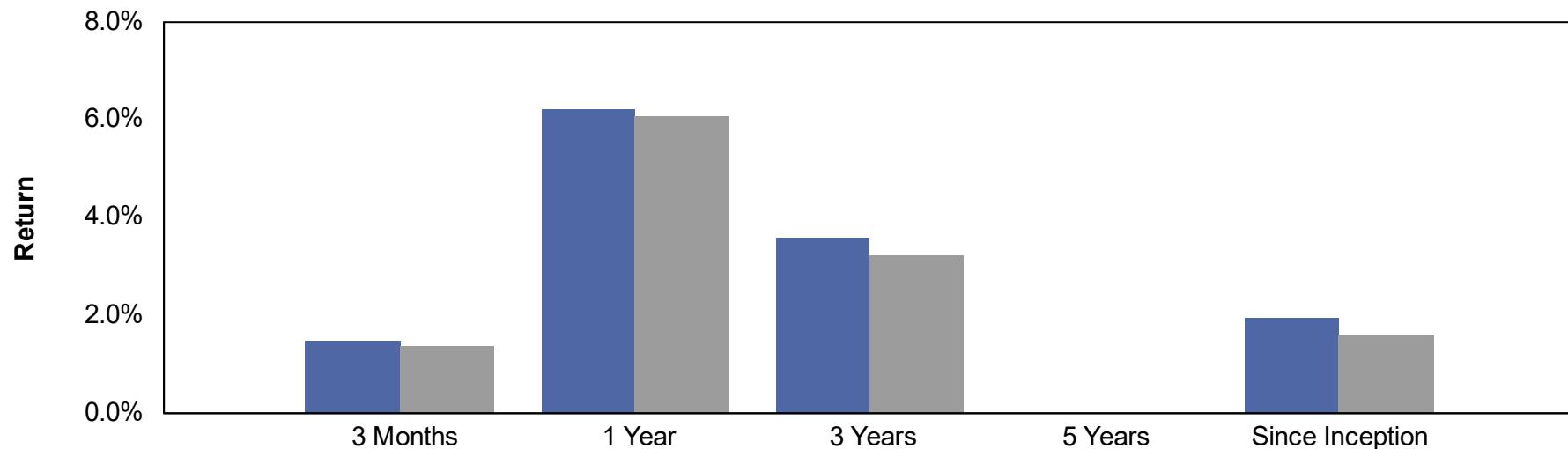
Historical Sector Allocation - CA-SAN GORGONIO PASS WATER AGENCY



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

Portfolio Performance

Portfolio Benchmark



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$698,103	\$2,245,569	\$4,312,607	-	\$4,526,795
Change in Market Value	\$527,597	\$2,040,904	\$2,756,577	-	\$294,548
Total Dollar Return	\$1,225,700	\$4,286,473	\$7,069,184	-	\$4,821,343
Total Return³					
Portfolio	1.49%	6.25%	3.60%	-	1.96%
Benchmark ⁴	1.36%	6.07%	3.23%	-	1.59%
Difference	0.13%	0.18%	0.37%	-	0.38%

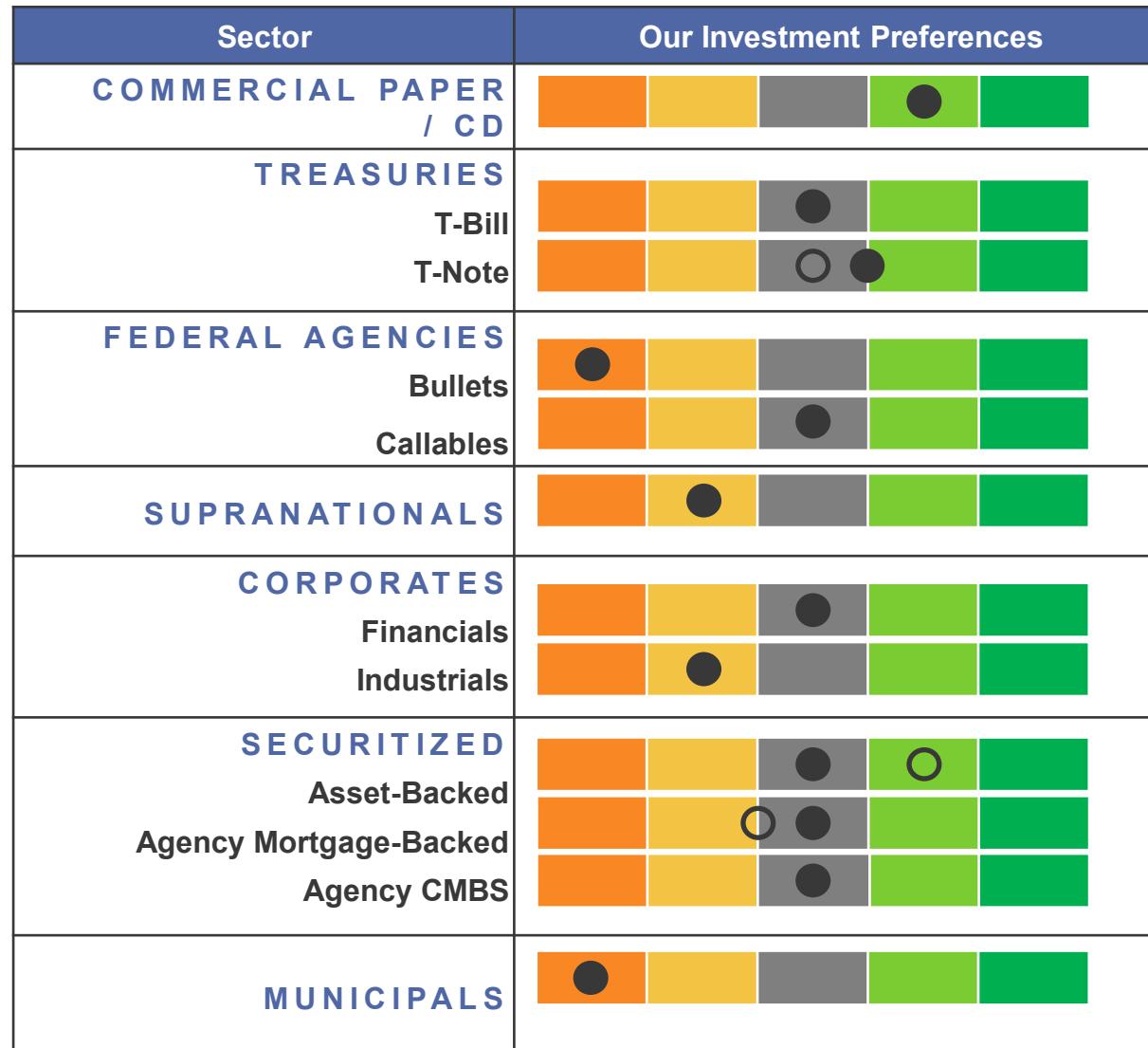
1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is December 31, 2021.

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

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

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

Fixed – Income Sector Outlook – 3Q 2025



● Current outlook

○ Outlook one quarter ago



Issuer Distribution

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	54.3%	
United States Treasury	54.3%	AA / Aa / AA
Agency CMBS	17.4%	
Federal Home Loan Mortgage Corp	15.9%	AA / Aa / AA
Federal National Mortgage Association	0.7%	AA / Aa / AA
FREMF Mortgage Trust	0.9%	AA / Aa / AA
Negotiable CD	0.7%	
Cooperatieve Rabobank UA	0.7%	A / Aa / AA
Corporate	20.8%	
Adobe Inc	0.5%	A / A / NR
Alphabet Inc	0.7%	AA / Aa / NR
Apple Inc	1.2%	AA / Aaa / NR
Bank of America Corp	0.2%	A / Aa / AA
Bank of New York Mellon Corp	2.0%	A / Aa / AA
BlackRock Inc	1.5%	AA / Aa / NR
Bristol-Myers Squibb Co	0.6%	A / A / NR
Citigroup Inc	2.0%	A / Aa / A
Deere & Co	0.5%	A / A / A
Eli Lilly & Co	0.8%	A / Aa / NR
Goldman Sachs Group Inc	0.6%	A / A / A
Home Depot Inc	0.7%	A / A / A
HSBC Holdings PLC	0.7%	A / A / A
JPMorgan Chase & Co	1.3%	A / Aa / AA
Kenvue Inc	0.5%	A / A / NR
Mastercard Inc	1.1%	A / Aa / NR
Morgan Stanley	0.7%	A / Aa / AA
PACCAR Inc	0.5%	A / A / NR

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	20.8%	
PepsiCo Inc	0.5%	A / A / NR
Target Corp	0.5%	A / A / A
Texas Instruments Inc	0.7%	A / Aa / NR
Toyota Motor Corp	0.6%	A / A / A
Walmart Inc	1.3%	AA / Aa / AA
Wells Fargo & Co	1.1%	A / Aa / AA
ABS	6.7%	
American Express Co	0.6%	AAA / NR / AAA
BA Credit Card Trust	0.6%	AAA / Aaa / AAA
Citigroup Inc	1.0%	AAA / Aaa / AAA
Fifth Third Auto Trust	0.4%	AAA / Aaa / NR
GM Financial Consumer Automobile Receiv	0.2%	AAA / Aaa / AAA
Honda Auto Receivables Owner Trust	0.9%	AAA / NR / AAA
Hyundai Auto Receivables Trust	0.5%	AAA / NR / AAA
JPMorgan Chase & Co	1.2%	AAA / NR / AAA
Kubota Credit Owner Trust	0.3%	NR / Aaa / AAA
Toyota Auto Receivables Owner Trust	0.5%	AAA / NR / AAA
USAA Auto Owner Trust	0.4%	AAA / Aaa / NR
Total	100.0%	

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

Important Disclosures

This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation, as it was prepared without regard to any specific objectives or financial circumstances.

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

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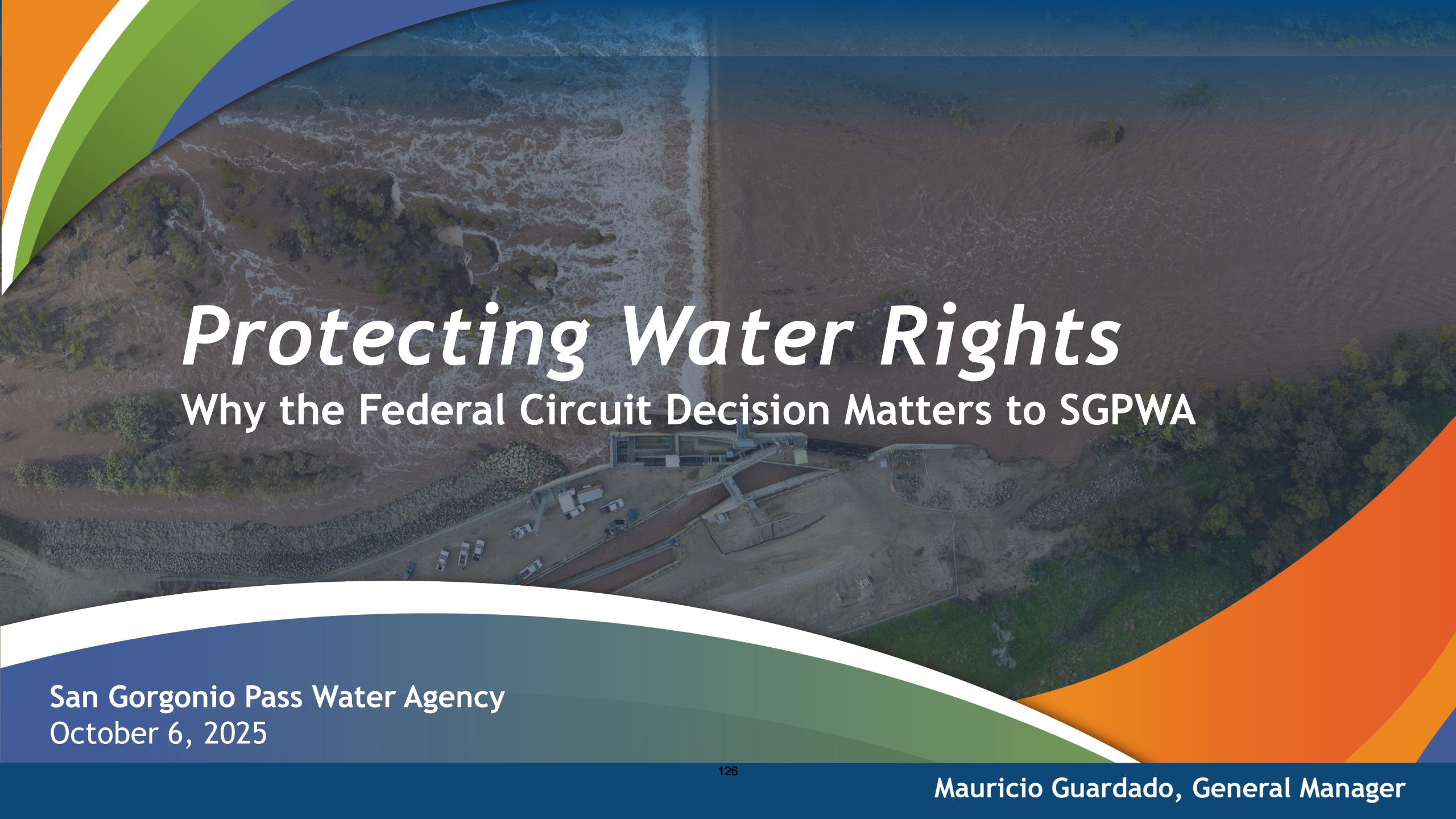
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- Generally, PFMAM's market prices are derived from closing bid prices as of the last business day of the month as supplied by ICE Data Services. There may be differences in the values shown for investments due to accrued but uncollected income and the use of differing valuation sources and methods. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. Although PFMAM believes the prices to be reliable, the values of the securities may not represent the prices at which the securities could have been bought or sold. Explanation of the valuation methods for a registered investment company or local government investment program is contained in the appropriate fund offering documentation or information statement.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. **Past performance is not indicative of future returns.**
- ICE Bank of America Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

Glossary

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

Glossary

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

The background of the slide is a high-angle aerial photograph of a large dam and a diversion facility. The dam is a concrete structure with multiple gates, and there is a significant amount of brown sediment or debris in the water behind it. In the foreground, there is a concrete diversion structure with several pipes and pumps. The surrounding area is a mix of dry, brown earth and some green vegetation. The slide has a decorative border with orange, green, and blue curved stripes.

Protecting Water Rights

Why the Federal Circuit Decision Matters to SGPWA

San Gorgonio Pass Water Agency
October 6, 2025

Governance



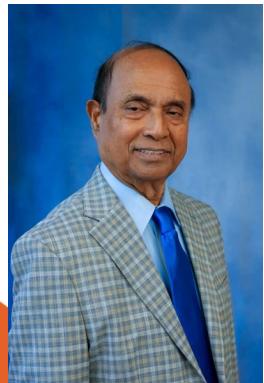
Lynn Maulhardt
President
Division 4



Catherine Keeling
Vice President
Division 2



Gordon Kimball
Secretary/Treasurer
Division 1



Mohammed Hasan
Division 3



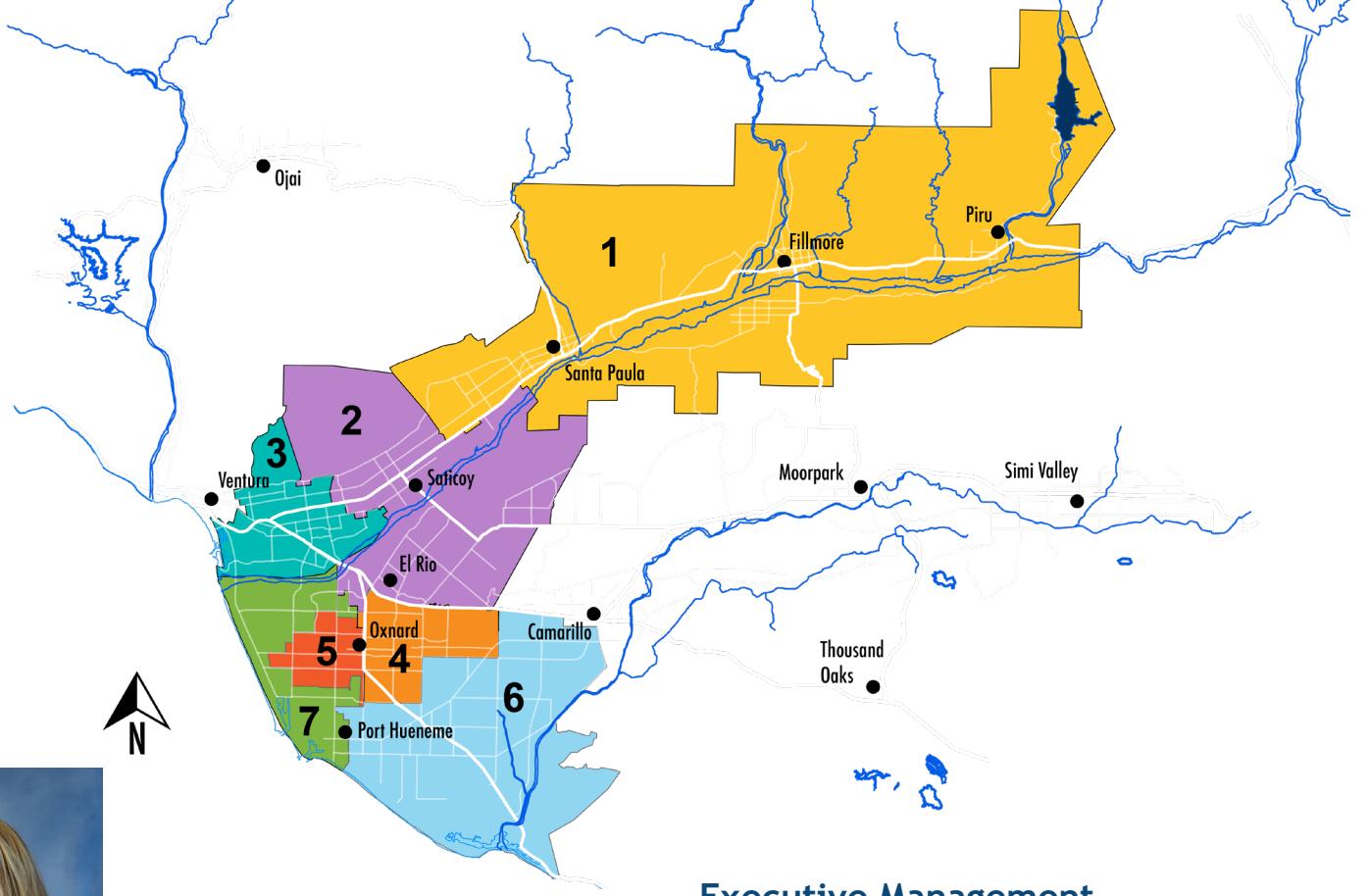
Steve Huber
Division 5



Keith Ford
Division 6



Rachel Jones
Division 7



Executive Management



Mauricio Guardado, P.E.
General Manager



Maryam Bral, Ph.D., P.E.
Assistant GM



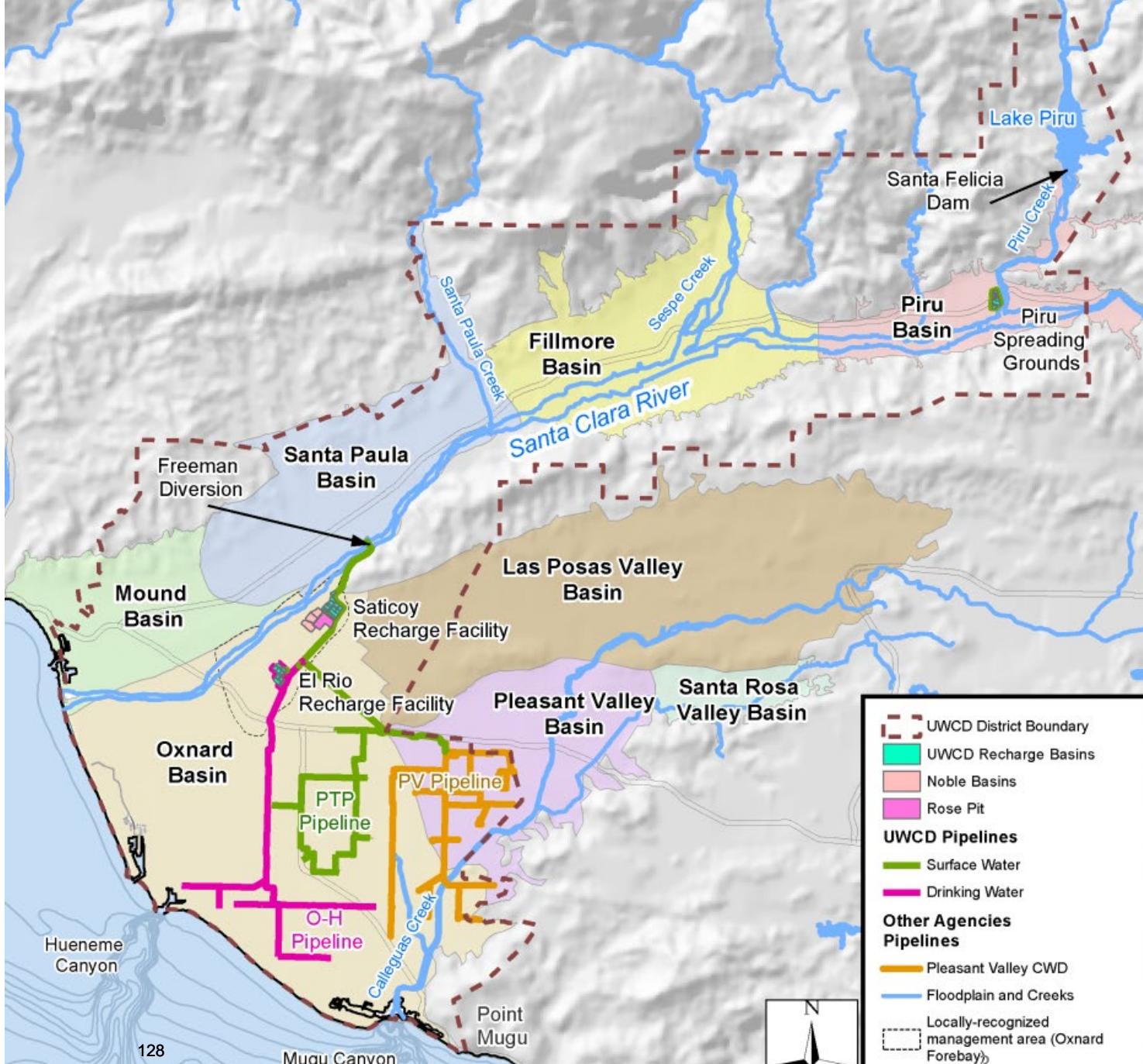
Anthony Emmert
Assistant GM

Since 1927

- ◆ **Large Groundwater Basins** in southern Ventura County (all except Santa Paula are DWR high-priority basins)
- ◆ **Extensive Reliance** on groundwater for both Ag and M&I supply
- ◆ **Long History** of overdraft and seawater intrusion in coastal basins

Long history of conjunctive use strategies

- ◆ Managed aquifer recharge
- ◆ Use surface water and imported water when available
- ◆ Use of groundwater when it is not



Legislative and Legal Efforts to Support the Water Industry

2020 DOE Law Change

Collaboration with Feinstein's office on grant eligibility for small hydropower plants

5th Amendment Takings

Federal claim filed seeking just compensation from NMFS for "takings"

ACWA State LEG Committee

Active member providing leadership, education, and coalition building



2025 FISH Act

Congressional collaboration on bill language to support effective regulation

2025 ESA Amendments Act

Congressional Testimony in 2024 and 2025, and contributed bill language

Critical Habitat Petition

Legal petition requesting NMFS remove costly and erroneous habitat designation

UWCD Case at a Glance:

- UWCD has legal rights to divert 144,630 acre-feet of water/year
- U.S. government appropriated ~1/3 for steelhead trout under ESA
- UWCD sought compensation under the Takings Clause
- Federal Circuit dismissed partial-taking claim, forcing UWCD to navigate years of ESA permits before seeking relief

Stakes for SGPWA



Water rights at risk:
Partial appropriations could go uncompensated



Precedent impact:
Federal Circuit ruling affects all physical-takings claims nationwide



Financial exposure:
Delayed or denied compensation could affect budgets and project funding



Legal uncertainty:
Weakens property rights protections against federal government actions



Why SGPWA Should Care

- ✓ Protect long-term water reliability for member agencies
- ✓ Support strong legal precedent defending water rights
- ✓ Prevent erosion of property rights under the Takings Clause
- ✓ Signal proactive leadership on key water law issues

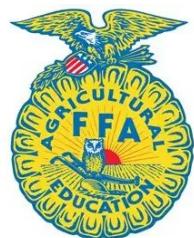
NOW IS THE TIME TO ACT

Please consider supporting UWCD's certiorari petition via amicus brief

- Ensuring strong water rights protections safeguards SGPWA's mission
- Acting now can shape national precedent
- Collaboration amplifies impact



SOUTH SAN JOAQUIN
IRRIGATION DISTRICT



An aerial photograph of a rural landscape. In the foreground, a river or canal flows through a dirt channel, with agricultural fields on either side. The fields are a mix of green and brown, suggesting different stages of crop growth or fallow land. In the background, a two-lane highway runs horizontally, with a few vehicles visible. The sky is clear and blue. A large, solid orange rectangular block is overlaid on the bottom left of the image, containing the text.

Bottom Line:
We can't do it alone.



Questions?

Mauricio Guardado
General Manager

United Water Conservation District
(805) 525-4431
mauriciog@unitedwater.org

San Gorgonio Pass Water Agency

DATE: October 6, 2025

TO: Pass Water Agency Foundation
Board of Directors

FROM: Lance Eckhart, General Manager

BY: Tom Todd, Jr., Chief Financial Officer

SUBJECT: FOUNDATION ACTIVITY DURING FY 2024-25

RECOMMENDATION

Accept and file the report of Pass Water Agency Foundation activity for FY 2024-25.

BACKGROUND

The Pass Water Agency Foundation is meeting to review activity for FY 2024-25 and give guidance for any recommended activities for FY 2025-26.

ANALYSIS

The Foundation was formed by Board action at the end of FY 2023-24.

During FY 2024-25, an Employer Identification Number was obtained, and information and forms were filed to obtain a federal exemption. This effort is on-going.

In October, 2024, a checking account was opened in the Foundation's name at HCN Bank in Beaumont.

FISCAL IMPACT

On October 29, 2024, a deposit was made to the Foundation's HCN checking account from the San Gorgonio Pass Water Agency for \$10,000. This was the initial deposit used to open the account.

No other activity took place until June, 2025.

In June, the Agency accepted a check for \$5,000 as repayment for funds advanced for the sponsorship of an event at the Museum of Latin American Art in which Board members of the Agency participated in October. In addition, the Agency accepted a check for repayment of expenses incurred by Board members attending the event in the amount of \$1,410.17.

On June 18, 2025, the Agency deposited \$22,254.00 in the Foundation checking account. The combined amount of deposits for the fiscal year, \$32,254.00, represents the income

received by the Agency from the cell tower lease that the Agency Board allocated for Foundation use.

The final balance at June 30, 2025 in the Foundation checking account was \$25,843.83

ACTION

Accept and file the report of Pass Water Agency Foundation activity for FY 2024-25.

ATTACHMENTS

List of Foundation Financial Transactions for FY 2024-25

Copy of Foundation HCN Bank checking account statement for June 30, 2025

PASS WATER AGENCY FOUNDATION
Financial Transactions
FY 2024-25

Date	Item		Check #	Amount	Balance
7/1/24	Balance forward				0.00
10/29/24	Open account at HCN Bank, deposit ck # 121502 from SGPWA	S	121502	10,000.00	10,000.00
6/17/25	Payment for Museum of Latin American Art event sponsorship	F	2000	-5,000.00	5,000.00
6/17/25	Payment for MOLAA event expenses by Foundation members	F	2003	-1,410.17	3,589.83
6/18/25	Transfer from SGPWA to PWAF balance of cell tower income FY24-25	S	121825	22,254.00	25,843.83
6/31/25	Ending balance FY 2024-25				25,843.83



P.O. Box 12002
Hemet, CA 92546-8002

>000357 4853244 0001 92413 102

PASS WATER AGENCY FOUNDATION
1210 BEAUMONT AVE
BEAUMONT CA 92223-1506



Statement Ending 06/30/2025

PASS WATER AGENCY

Page 1 of 4

Customer Number: XXXXXXXXXX

Managing Your Accounts

Customer Service (951) 766-4100

Telebanc (800) 642-5575

Mailing Address P.O Box 12002
Hemet, CA 92546-8002

Online Access hcnbank.com

Notice: Funds Availability Changes - Effective July 1, 2025

We are increasing the amount of funds available for withdrawal from checks not subject to next day availability from \$225 to \$275. Additionally, the threshold amounts for exception holds such as new accounts, large deposits, and repeat overdrafts will increase from \$5,525 to \$6,725. For questions, please contact Client Services at (951) 766-4100.

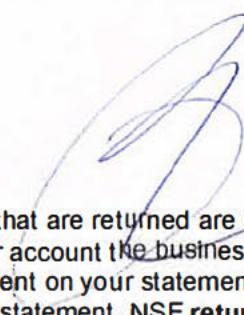
Summary of Accounts

Account Type	Account Number	Ending Balance
FREEDOM BUSINESS CHK	XXXXXXXXXXXX	\$25,843.83

FREEDOM BUSINESS CHK - XXXXXXXXXXXX

Account Summary

Date	Description	Amount
05/31/2025	Beginning Balance	\$10,000.00
	1 Credit(s) This Period	\$22,254.00
	2 Debit(s) This Period	\$6,410.17
06/30/2025	Ending Balance	\$25,843.83


Statement Entries Related to Overdraft Situations. Non-sufficient fund (NSF) items that are returned are not posted to your account and therefore do not appear on your statement. NSF fees post to your account the business day after the NSF items are presented for payment. NSF paid items that are presented for payment on your statement cycle date, and the applicable fees, will be posted and shown on the first day of your next periodic statement. NSF returned items presented on your statement cycle date will not appear on your statement, however, the applicable NSF fees will be posted and shown on the first day of your next periodic statement. Please see your Account Terms and Conditions for additional information or call client services at 951-766-4100 with any questions.

Account Activity

Post Date	Description	Debits	Credits	Balance
05/31/2025	Beginning Balance			\$10,000.00
06/23/2025	DEPOSIT		\$22,254.00	\$32,254.00
06/24/2025	CHECK # 2000	\$5,000.00		\$27,254.00
06/24/2025	CHECK # 2003	\$1,410.17		\$25,843.83
06/30/2025	Ending Balance			\$25,843.83





Statement Ending 06/30/2025

PASS WATER AGENCY

Page 3 of 4

Customer Number: xxxxxxxx xxxx

FREEDOM BUSINESS CHK - XXXXXXXXXXXX (continued)

Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount	
2000	06/24/2025	\$5,000.00		2003*	06/24/2025	\$1,410.17

* Indicates skipped check number

Daily Balances

Date	Amount	Date	Amount
06/23/2025	\$32,254.00	06/24/2025	\$25,848.83

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00



2000/2000 ԵՐԻ 100 ՏԵՍ ՀԱՅԱՍՏԱՆԻ ՀԱՆՐԱՊԵՏՈՒԹՅՈՒՆ

Customer Number: XXXXXXXXX.XX

PASS WATER AGENCY FOUNDATION 1210 BALTIMORE AVENUE BETHLEHEM, CA 92223	002000
PAY TO THE ORDER OF <u>San Gorgonio Pass Water Agency</u>	
for <u>One Thousand and Two</u> <input type="checkbox"/>	
HCB Bank 1040 E 10th Street BETHLEHEM, CA 92223	
MEMO: <input type="checkbox"/>	
#0020001# 01222341940 [REDACTED]	

#2000 06/24/2025 \$5,000.00

PASS WATER AGENCY FOUNDATION 1210 BALTIMORE AVENUE BETHLEHEM, CA 92223	002003
PAY TO THE ORDER OF <u>San Gorgonio Pass Water Agency</u>	
one Thousand four hundred ten and <u>17</u> <input type="checkbox"/>	
HCB Bank 1040 E 10th Street BETHLEHEM, CA 92223	
MEMO: <input type="checkbox"/>	
#0020031# 01222341940 [REDACTED]	

#2003 06/24/2025 \$1,410.17

San Gorgonio Pass Water Agency

DATE: October 6, 2024

TO: Board of Directors

FROM: Lance Eckhart, General Manager

BY: Matthew Howard, Operations Manager

SUBJECT: CONSIDER JOINT FUNDING AGREEMENT BETWEEN SAN GORGONIO PASS WATER AGENCY AND THE UNITED STATES GEOLOGICAL SURVEY FOR THE ANNUAL EXTENSION OF THE COOPERATIVE WATER RESOURCES PROGRAM

RECOMMENDATION

Staff recommends the Board of Directors approve the execution of a Joint Funding Agreement for the annual extension of the Cooperative Water Resources Program between the Agency and the United States Geological Survey (USGS) for FY 2025-26 in the amount of \$440,252, which includes a USGS cost share credit of \$65,489.

PREVIOUS CONSIDERATION

- Board of Directors: A cooperative Joint Funding Agreement (JFA) between the USGS and the Agency has been considered annually and approved by the Board since 1995.

BACKGROUND

Since 1995, the Pass Agency and the USGS have cooperated on scientific investigations and data collection throughout the Pass Agency service area. The program has served, and continues to serve, as an integral part of the Agency's ability to understand and manage the basin(s). The extension of this program for FY 2025-26 will be crucial to the Agency's ongoing basin management efforts. Groundwater monitoring is fundamental to the support and management of the Beaumont Bain Watermaster, the San Gorgonio Pass Subbasin Groundwater Sustainability Agency, and the Yucaipa Basin Groundwater Sustainability Agency.

The elements of this cooperative agreement consist of:

1. Groundwater-Level Monitoring
 - USGS staff will measure water levels at selected wells to supplement regional monitoring efforts and maintain the regional water level monitoring program.
2. Water-Quality Monitoring
 - USGS staff will collect water quality samples at selected wells to supplement regional monitoring efforts and maintain the regional water-quality monitoring program.

3. Data Documentation, Reporting, Interpretation, and Publications

- The USGS will continue development of the SGPWA/USGS project web page, which will provide updates on program activities such as gravity surveys, electrical resistivity tomography (ERT) surveys, and newly drilled wells. The site will also host an interactive map as a central hub for groundwater-level, water-quality, and surface water data. In addition, USGS will continue preparing a multi-year interpretive report describing the physical and hydrogeologic characteristics of the study area, incorporating results from the Danny Thomas Ranch gravity survey, the Brookside West ERT survey, data from newly drilled monitoring wells, and historical groundwater trends. A draft report is expected by October 2026, with final publication in October 2027.

4. Burnt Canyon Stream gage Installation and Monitoring

- Technicians from the USGS Redlands Field Office will maintain the Upper and Lower Burnt Canyon gaging stations. These sites are essential for tracking diversions from the East and South Forks of the Whitewater River into the San Gorgonio Pass Subbasin, providing key data on the amount of water reaching the Subbasin, which is vital for the San Gorgonio Pass Groundwater Sustainability Agency.

ANALYSIS

Below is a list of tasks and funds associated with the USGS JFA for FY 2025-26.

<u>USGS-SGPWA Task</u>	<u>Agency Funds</u>	<u>USGS Funds</u>	<u>Total Funds</u>
Task 1: Water-Level Monitoring	\$116,176	\$26,975	\$143,151
Task 2: Groundwater Quality Monitoring	\$150,623	\$15,808	\$166,431
Task 3: Data Documentation, Reporting, Interpretation, and Publications	\$90,824	\$22,706	\$113,530
Task 4: Burnt Canyon Gage Sites	\$17,140	\$0	\$17,140
Total:	\$374,763	\$65,489	\$440,252

The USGS has procured Cooperative Matching Funds (CMF) of \$65,489 to augment the total cost of this year's program. There is a decrease in USGS matching funds of ~\$7,000 from last year and an increase of ~\$40,000 in the Agency portion compared to the

previous year. Comparison of this year's USGS program costs to the 2024-2025 program, results in a 12% increase in overall costs. The increase in costs from the previous fiscal year is due to the expanded scope items outlined in Tasks 2 and Task 3. The costs for Task 2 are related to the newly drilled monitoring wells requirement to have each well sampled for water quality per the DWR grant agreement requirement. Task 3 has increased as the USGS will be updating and populating our USGS/SGPWA project website with relevant water level, water quality, and survey requirements, which can be found here:<https://www.usgs.gov/centers/california-water-science-center/science/evaluating-geohydrology-san-gorgonio-pass-area>

A letter specifying work and expected matching funds from the USGS is attached (Attachment 1). Signing this letter will commit parties to specified work associated with Tasks 1 through 4. Following the signing of the attached letter, matching funds will be secured, and the USGS will execute the Joint Funding Agreement.

The USGS and the Agency have maintained a collaborative and productive partnership for the past thirty years. Over this period, the USGS has consistently assisted in the development and execution of groundwater quality and groundwater level monitoring, groundwater model studies, and investigations, aligning with SGPWA's mission and goals. The USGS cooperative water resources program continues to evolve. It will continue to provide sound groundwater data collection, interpretation, and investigations supporting the Pass Agency's current projects throughout our service area.

As per SGPWA's procurement policy, a sole-source contract may be considered when the required services are considered proprietary and specifically desired to maintain cost-effective system consistency. The USGS meets these requirements for the following reasons:

- Has been working in the region for decades and specifically for the Agency for 30 years.
- Is considered "best in class" regarding data collection and interpretation and develops scientific standards that are globally adopted.
- Acts as a primary data repository for high-quality scientific data, studies, models, and other products that maintain and grow the "body of knowledge."
- Impartiality and objectivity: Public agencies can trust that the findings and recommendations provided by the USGS will be free from bias and political influence, enhancing the credibility of the results.
- The USGS utilizes state-of-the-art equipment and technology utilizing rigorous peer-reviewed standards, ensuring the scientific efforts can be trusted.
- Is publicly accountable as a federal agency and operates with high transparency.
- The USGS provides federal matching funds to cover a portion of the project costs, helping to support collaborative research and data collection efforts.

Considering the investment in the long-term development and ongoing costs of this program, that the USGS is a federal organization with similar organizational goals, and to maintain system consistency, Staff has determined that the unique expertise, specialized

knowledge, and established local presence possessed by the USGS are not readily available from other entities.

FISCAL IMPACT

The fiscal impact to the Agency for the Joint Funding Agreement with the USGS is \$374,763, with an additional \$65,489 contributed by the USGS, for a total program cost of \$440,252. The Agency has allocated \$400,000 in the FY2025-26 General Fund Budget (line 80) for USGS studies and monitoring services.

AGENCY'S STRATEGIC PLAN APPLICATION

Contracting with the USGS with the annual extension of the cooperative water resources program 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:

- Align with the current and future water landscape, supporting the region's long-term needs by diversifying the local supply portfolio and advancing water sustainability.
- Serve the public with dedication, determination, transparency, collaboration, and a commitment to expanding knowledge.
- Maintain, foster and expand collaboration with local, regional, state and federal partners to develop strategic solutions to water supply challenges and opportunities.
- Engage and educate the public in a meaningful way that generates a greater understanding of the agency's role in water supply reliability and the importance of sustainability.

ACTION

Staff recommends the Board of Directors approve the execution of a Joint Funding Agreement for the annual extension of the Cooperative Water Resources Program between the Agency and the United States Geological Survey (USGS) for FY 2025-26 in the amount of \$440,252, which includes a USGS cost share credit of \$65,489.

ATTACHMENT

1. U.S. Geological Survey Joint Funding Agreement with SGPWA for Water Resource Investigations for FY2025-2026



United States Department of the Interior

U.S. GEOLOGICAL SURVEY
California Water Science Center
6000 J Street, Placer Hall
Sacramento, CA 95819

September 8, 2025

Lance Eckhart, PG, CHG
General Manager/Chief Hydrogeologist
San Gorgonio Pass Water Agency
1210 Beaumont Ave.
Beaumont, CA 92223

Dear Mr. Eckhart:

This letter confirms discussions between our respective staff, concerning the cooperative program between the San Gorgonio Pass Water Agency (SGPWA) and the U.S. Geological Survey (USGS) during the period October 1, 2025, to October 31, 2026.

The work proposed under the enclosed Joint Funding Agreement (JFA) is a continuation of the cooperative basin-wide monitoring network and study to identify, characterize and evaluate potential aquifer storage and recovery (ASR) sites in the San Gorgonio Pass area. The work consists of four main tasks: (1) groundwater-level monitoring; (2) groundwater-quality monitoring; (3) data documentation, reporting, interpretation, and publications; and (4) Burnt Canyon stream gage monitoring. A description of these tasks is included as an attachment to this letter.

The proposed funding for this agreement is \$440,252. Of this total, the USGS will contribute \$65,489, subject to the availability of Cooperative Matching Funds, and the SGPWA will contribute \$374,763.

Enclosed is a digital version of Joint Funding Agreement (JFA) XXXXXXXXX, signed by our agency, for your approval. If you are in agreement with this proposed program, please return a fully executed JFA to our office via email, cawscagreements@usgs.gov. Work performed with funds from this agreement will be conducted on a fixed-price basis. Billing for this agreement will be rendered quarterly. The USGS is required to have an agreement in place prior to any work being performed on a project. We request that a fully executed JFA be returned prior to October 15, 2025.

If you have any questions concerning this program, please contact Meghan Dick at (619) 225-6154 in our San Diego Office. If you have any administrative questions, please contact Lolomi Richter-Mathany at (916) 278-3043.

Sincerely,

Anke Mueller-Solger
Director, USGS California Water Science Center

Enclosures

Cc: Meghan Dick, USGS CAWSC

Geoff Cromwell, USGS CAWSC

San Gorgonio Pass Water Agency Cooperative Program: Progress, Plans, and Costs

Task 1 - Groundwater-Level Monitoring

Progress

A basin-wide groundwater-level monitoring network (108 active wells) was established in the San Gorgonio Pass area in Federal Fiscal Year 1997 (FFY97) to evaluate existing hydrologic conditions and to monitor the effects of pumping and artificial recharge on the groundwater system. A key component of the network is collecting data from multiple-well monitoring sites, which provide information on groundwater-level changes and potential vertical gradients within aquifers. During FFY25, continuous (hourly) and quarterly discrete groundwater-level data were collected, analyzed, reviewed, and approved from 18 wells. Additionally, semi-annual discrete groundwater-level measurements were able to be taken at 69 of the 73 active wells in the network.

Plans

In FFY26, U.S. Geological Survey (USGS) personnel will collect discrete and continuous groundwater-level measurements at up to 108 wells in the study area. Quarterly discrete groundwater-level measurements will be collected at 35 wells, and semi-annual discrete groundwater-level measurements will be collected at up to 73 wells in spring and fall (fig. 1; table 2). SGPWA personnel will accompany USGS personnel during the collection of semi-annual measurements. Discrete data collected as part of the groundwater-level network will be reviewed, approved, and will be available through USGS Water Data for the Nation online database; links to these wells are provided in table 2. Continuous groundwater-level data will be collected from 19 of the quarterly groundwater-level measurement wells (fig. 1; table 2). Transducers are installed in these wells to record hourly groundwater-level measurements. In FFY26, continuous groundwater-level data will be collected at 8 wells at the three multiple-depth monitoring-well sites installed by the USGS in FFY25 (CBBB, CBBC, 3S/1E-06M2-5; table 2). A fourth multiple-depth monitoring-well site (MW-P2; table 2) is scheduled to be installed in October 2025 as part of the SGPWA/USGS cooperative drilling program. Once that is complete, transducers will be installed in up to 4 wells at that site and the wells will be added to the quarterly monitoring schedule. Transducer data will be downloaded, reviewed, and approved quarterly and the data will be available through the USGS Water Data for the Nation online database; links to these wells are provided in table 2.

Total cost for Task 1 is \$143,151. Of this total, the SGPWA will contribute \$116,176 and subject to the availability of Cooperative Matching Funds, the USGS will contribute \$26,975, as reflected in the summary funding table 1.

Task 2 - Groundwater-Quality Monitoring

Progress

Since FFY21, the sample interval of each well in the groundwater-quality network was extended from once every three years to once every four years. This extension ensures that each site is sampled on a

regular basis and helps maintain reasonable costs compared to previous years. The groundwater-quality network currently has a total of 49 wells.

In FFY25, the USGS sampled 12 wells. Groundwater samples were collected and analyzed for major ions, nutrients, selected trace elements, and stable isotopes of oxygen and hydrogen. Samples collected from selected wells also were analyzed for chromium speciation, based on the concentration of dissolved chromium from the previous years' sampling results. Complete results for all samples collected as part of the groundwater-quality monitoring network are available through the National Water Quality Monitoring Council Water Quality Portal (<https://www.waterqualitydata.us/>). USGS Water Data for the Nation links to individual wells are provided in table 3.

Plans

The current groundwater-quality monitoring network includes 61 wells (fig. 2; table 3). During FFY26, the USGS plans to sample 12 newly installed wells in the groundwater-quality network (table 3). Eight of these wells were installed by the USGS in FFY25, and four wells are scheduled to be installed by the USGS in October 2025 as part of the SGPWA/USGS cooperative drilling program. Sampling protocol will also include quality assurance samples (replicates and blank samples). The samples collected will be analyzed for the program's typical schedule of major ions, nutrients, selected trace elements, stable isotopes of oxygen and hydrogen, and chromium speciation. Additional constituents will be sampled for during FFY26 to comply with the requirements of the drilling grant. These additional constituents are listed in table 4. All data collected will be entered into the USGS Aquarius samples database with appropriate quality-control measures and will be made publicly available through the National Water Quality Monitoring Council Water Quality Portal (<https://www.waterqualitydata.us/>).

Total cost for Task 2 is \$166,431. Of this total, the SGPWA will contribute \$150,623 and subject to the availability of Cooperative Matching Funds, the USGS will contribute \$15,808, as reflected in the summary funding table 1.

Task 3 – Data Documentation, Reporting, Interpretation, and Publications

Plans

The project web page will be updated with information about ongoing and completed program activities such as gravity and electrical resistivity tomography surveys and information about newly drilled wells. The website will also host an interactive map that will serve as a centralized location for the groundwater-level, groundwater-quality, and surface water data collected as part of the study (tasks 1,2, and 4). An interpretive report describing the physical and hydrogeologic characteristics of the SGPWA study area, including results from recent gravity surveys at Danny Thomas Ranch and electrical resistivity tomography surveys at Brookside West, and historical changes in groundwater levels and water chemistry within the basin will be prepared for publishing as a USGS interpretive report. This report is a multi-year activity. A preliminary copy of the report is anticipated to be available for cooperative review by the end of October 2026 and a final version will be available by October 2027.

Total cost for Task 3 is \$113,530. Of this total, the SGPWA will contribute \$90,824 and subject to the availability of Cooperative Matching Funds, the USGS will contribute \$22,706, as reflected in the summary funding table 1.

Task 4 - Burnt Canyon Streamgage monitoring

Plans

Technicians from the USGS Redlands Field Office will maintain gaging stations at Upper and Lower Burnt Canyon (fig. 2). These gages are critical to understanding the importation of diverted flow from the East and South Forks of the Whitewater River into the San Gorgonio River watershed. As part of this task, the [Upper Burnt Canyon gage](#) is rated for flow and telemetry equipment is installed to report flow at 15-minute intervals to NWIS. Due to weather related access issues, the Upper Burnt Canyon gage will be considered a seasonal gage. This data will be published during the period of April 1 to November 1 each year. The [Lower Burnt Canyon gage](#) will maintain the weir, provide a flow rating, and telemetry equipment will report flow at 15-minute intervals. The Lower Burnt Canyon gage will operate year-round. For both gages a check measurement will be made annually to ensure rating accuracy within 10 percent. In addition, four routine visits will be made each year, weather and access permitting.

Total cost for Task 4 is \$17,140. SGPWA will bear the full cost of streamgage monitoring.

Figures

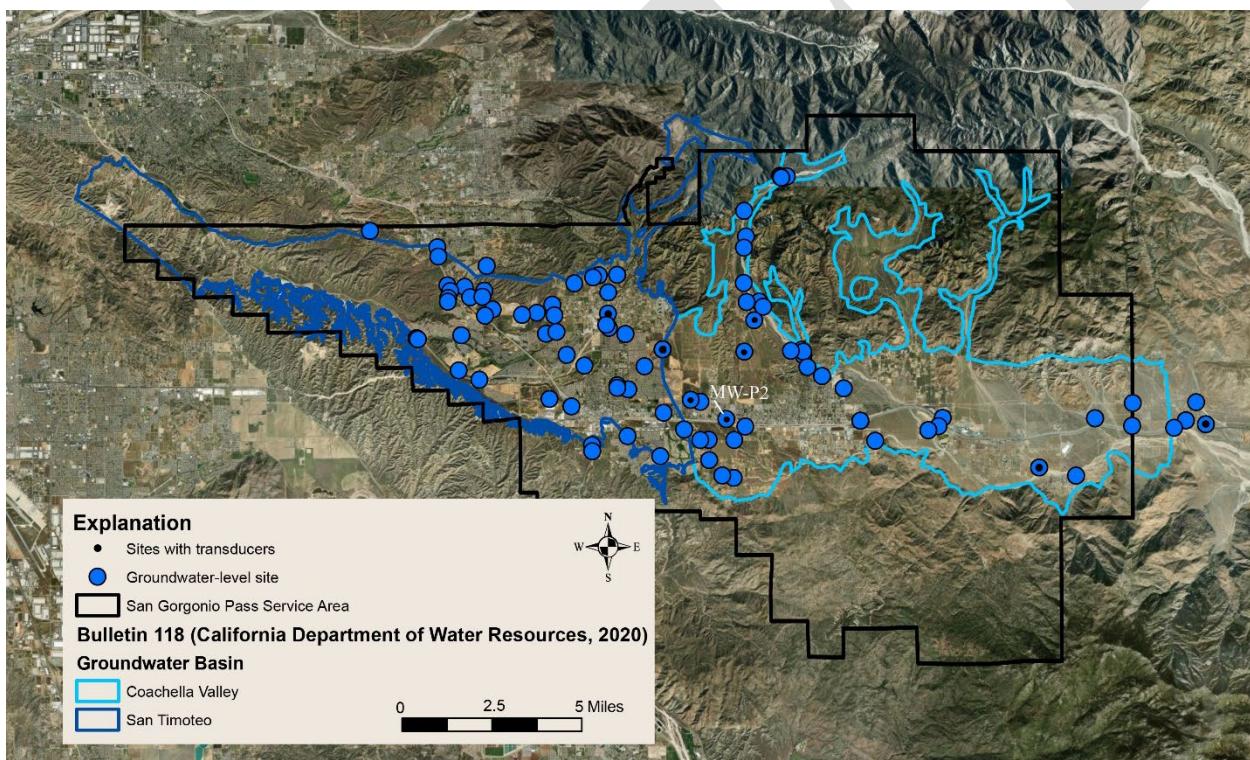


Figure 1. Groundwater-level monitoring network

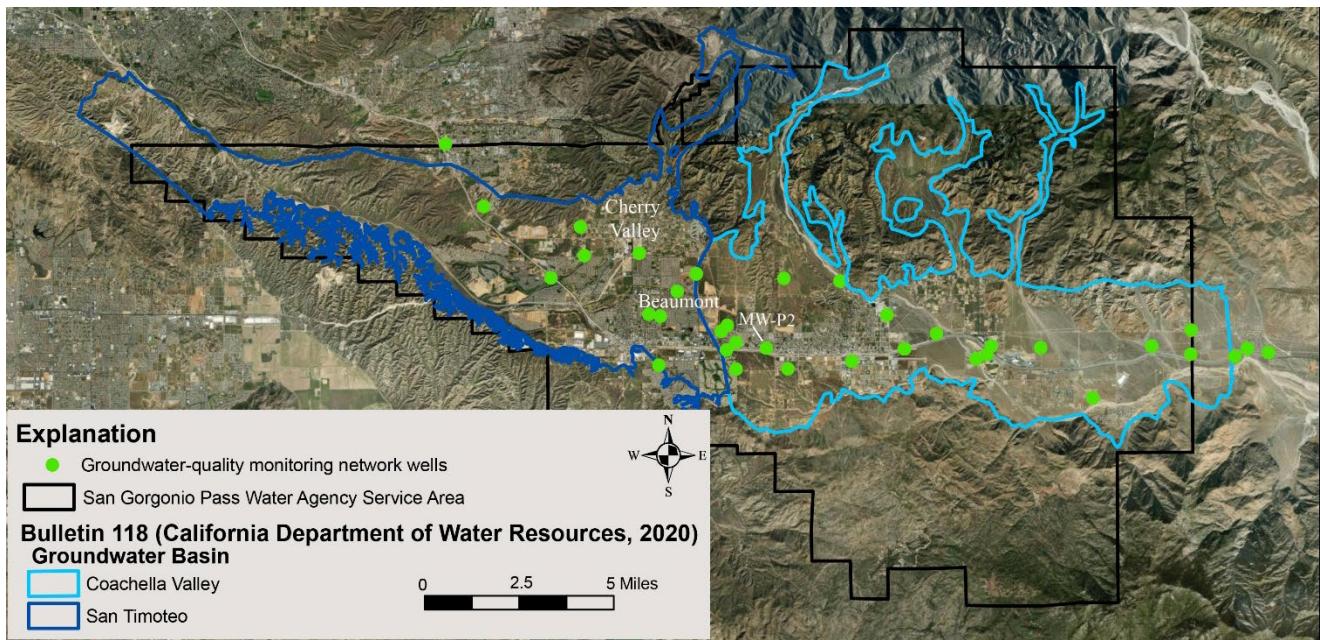


Figure 2. Groundwater-quality monitoring network

Tables

Table 1. FFY26 Summary Funding

Program Element	USGS	SGPWA	Total
Task 1 - Groundwater-Level monitoring	\$26,975	\$116,176	\$143,151
Task 2 - Groundwater quality-monitoring	\$15,808	\$150,623	\$166,431
Task 3 - Data Documentation, Reporting, Interpretation, and Publications	\$22,706	\$90,824	\$113,530
Task 4 - Burnt Canyon Gage Sites	\$0	\$17,140	\$17,140
Total	\$65,489	\$374,763	\$440,252

Table 2. Water-level network.

Abbreviated State well number	USGS site number	Site name	Measurement schedule	Site with transducer (hourly interval)	Link to USGS online data containing site, water-quality, and water-level data
2S/1E-04L1S	340126116532501		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-340126116532501
2S/1E-04L2S	340124116531901		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-340124116531901
2S/1E-04L3S	340126116531301		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-340126116531301
2S/1E-04N1S	340124116532301		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-340124116532301
2S/1E-04P3S	340123116532201		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-340123116532201
2S/1E-08M1S	340035116542701		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-340035116542701
2S/1E-17F2S	335928116542001		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335928116542001
2S/1E-17M1S	335942116542701		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335942116542701
2S/1E-20P1S	335851116542701		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335851116542701
2S/1E-29B1S	335845116535801		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335845116535801
2S/1E-29G1S	335823116542301		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335823116542301
2S/1E-29K2S	335757116541001		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335757116541001
2S/1E-33J1S	335707116524101		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335707116524101
2S/1E-33J2S	335715116524701		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335715116524701
2S/1E-33J4S	335712116524501		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335712116524501
2S/1E-33K1S	335712116530501		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335712116530501
2S/1W-19D1S	335916117015601		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335916117015601
2S/1W-19N1S	335840117015801		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335840117015801
2S/1W-21L4S	335849116592101		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335849116592101
2S/1W-22E1S	335902116583701		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335902116583701
2S/1W-22G3S	335902116580901	Site 4	Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335902116580901
2S/1W-22G4S	335903116580902	Site 4	Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335903116580902
2S/1W-22E1S	335902116583701		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335902116583701
2S/1W-22M1S	335859116584901		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335859116584901
2S/1W-27L1S	335807116582201	Site 1	Quarterly	X	https://waterdata.usgs.gov/monitoring-location/USGS-335807116582201
2S/1W-27P2S	335746116582301		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335746116582301
2S/1W-27P3S	335750116582701		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335750116582701
2S/1W-29H1S	335820116595901		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335820116595901
2S/1W-29J2S	335804116595801		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335804116595801
2S/1W-29M2S	335807117005601		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335807117005601
2S/1W-30M2S	335803117015901		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335803117015901
2S/1W-32B3S	335737117001301		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335737117001301
2S/1W-33R2S	335651116590601		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335651116590601
2S/1W-34A2S	335740116575001		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335740116575001
2S/1W-35J1S	335714116565001	Site 6	Quarterly	X	https://waterdata.usgs.gov/monitoring-location/USGS-335714116565001
2S/1W-35J2S	335714116565002	Site 6	Quarterly	X	https://waterdata.usgs.gov/monitoring-location/USGS-335714116565002
2S/1W-35J3S	335714116565003	Site 6	Quarterly	X	https://waterdata.usgs.gov/monitoring-location/USGS-335714116565003
2S/1W-35J4S	335714116565004	Site 6	Quarterly		https://waterdata.usgs.gov/monitoring-location/USGS-335714116565004
2S/1W-35P1S	335650116572101		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335650116572101
2S/2W-14J2S	335943117032001		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335943117032001
2S/2W-14R1S	335930117032101		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335930117032101
2S/2W-16A1S	340006117051801		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-340006117051801
2S/2W-24K2S	335846117023201		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335846117023201

Abbreviated State well number	USGS site number	Site name	Measurement schedule	Site with transducer (hourly interval)	Link to USGS online data containing site, water-quality, and water-level data
2S/2W-24M2S	335847117030201		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335847117030201
2S/2W-24N2S	335840117025701		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335840117025701
2S/2W-25B1S	335830117022201		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335830117022201
2S/2W-25B5S	335831117020401		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335831117020401
2S/2W-35D5S	335731117035601		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335731117035601
2S/2W-35D6S	335729117035401		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335729117035401
2S/2W-36C1S	335735117023401		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335735117023401
3S/1E-03C2S	335636116520901		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335636116520901
3S/1E-03J1S	335618116513401	Site 7	Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335618116513401
3S/1E-03J2S	335618116513402	Site 7	Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335618116513402
3S/1E-04A1S	335649116523401		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335649116523401
3S/1E-06M2S	335611116553801	CBDD	Quarterly	X	https://waterdata.usgs.gov/monitoring-location/USGS-335611116553801
3S/1E-06M3S	335611116553802	CBDD	Quarterly	X	https://waterdata.usgs.gov/monitoring-location/USGS-335611116553802
3S/1E-06M4S	335611116553803	CBDD	Quarterly	X	https://waterdata.usgs.gov/monitoring-location/USGS-335611116553803
3S/1E-06M5S	335611116553804	CBDD	Quarterly	X	https://waterdata.usgs.gov/monitoring-location/USGS-335611116553804
3S/1E-06N1S	335558116554001		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335558116554001
3S/1E-08M1S	335523116542301		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335523116542301
3S/1E-11F1S	335531116510401	Site10	Quarterly		https://waterdata.usgs.gov/monitoring-location/USGS-335531116510401
3S/1E-11F2S	335531116510402	Site10	Quarterly		https://waterdata.usgs.gov/monitoring-location/USGS-335531116510402
3S/1E-11F3S	335531116510403	Site10	Quarterly		https://waterdata.usgs.gov/monitoring-location/USGS-335531116510403
3S/1E-11F4S	335531116510404	Site10	Quarterly		https://waterdata.usgs.gov/monitoring-location/USGS-335531116510404
3S/1E-14A1S	335502116503601		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335502116503601
3S/1E-18A1S	335504116544201		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335504116544201
3S/1E-18C1S	335504116552601		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335504116552601
3S/1E-18D1S	335504116554101		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335504116554101
3S/1E-18L1S	335434116552601		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335434116552601
3S/1E-19A1S	335408116544601		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335408116544601
3S/1E-19B1S	335412116550401		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335412116550401
3S/1W-02M1S	335616116574901		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335616116574901
3S/1W-03K1S	335623116581701		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335623116581701
3S/1W-05R3S	335603117000401		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335603117000401
3S/1W-09C4S	335552116592801		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335552116592801
3S/1W-10R3S	335509116575101		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335509116575101
3S/1W-12E1S	335543116564801		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335543116564801
3S/1W-12L1S	335519116561701		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335519116561701
3S/1W-14J2S	335440116565101		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335440116565101
3S/1W-15E1S	335447116585201		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335447116585201
3S/2E-07P1S	335513116490601	Site 8	Quarterly		https://waterdata.usgs.gov/monitoring-location/USGS-335513116490601
3S/2E-07P2S	335513116490602	Site 8	Quarterly		https://waterdata.usgs.gov/monitoring-location/USGS-335513116490602
3S/2E-07P3S	335513116490603	Site 8	Quarterly		https://waterdata.usgs.gov/monitoring-location/USGS-335513116490603
3S/2E-07P4S	335513116490604	Site 8	Quarterly		https://waterdata.usgs.gov/monitoring-location/USGS-335513116490604
3S/2E-11H1S	335534116441501	Site 13	Quarterly		https://waterdata.usgs.gov/monitoring-location/USGS-335534116441501
3S/2E-11H2S	335534116441502	Site 13	Quarterly		https://waterdata.usgs.gov/monitoring-location/USGS-335534116441502
3S/2E-11H3S	335534116441503	Site 13	Quarterly		https://waterdata.usgs.gov/monitoring-location/USGS-335534116441503

Abbreviated State well number	USGS site number	Site name	Measurement schedule	Site with transducer (hourly interval)	Link to USGS online data containing site, water-quality, and water-level data
3S/2E-15P1S	335423116455301	Site 9	Quarterly	X	https://waterdata.usgs.gov/monitoring-location/USGS-335423116455301
3S/2E-15P2S	335423116455302	Site 9	Quarterly	X	https://waterdata.usgs.gov/monitoring-location/USGS-335423116455302
3S/2E-15P3S	335423116455303	Site 9	Quarterly	X	https://waterdata.usgs.gov/monitoring-location/USGS-335423116455303
3S/2W-01C1S	335645117024201		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335645117024201
3S/2W-01H1S	335631117020601		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335631117020601
3S/3E-07D1S	335556116431001		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335556116431001
3S/3E-07M1S	335522116430701		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335522116430701
3S/3E-08A1S	335557116411901		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335557116411901
3S/3E-08L1S	335530116413701	Site 12	Quarterly		https://waterdata.usgs.gov/monitoring-location/USGS-335530116413701
3S/3E-08L2S	335530116413702	Site 12	Quarterly		https://waterdata.usgs.gov/monitoring-location/USGS-335530116413702
3S/3E-08L3S	335530116413703	Site 12	Quarterly		https://waterdata.usgs.gov/monitoring-location/USGS-335530116413703
3S/3E-08L4S	335530116413704	Site 12	Quarterly		https://waterdata.usgs.gov/monitoring-location/USGS-335530116413704
3S/3E-08M1S	335522116415201		Semi-annual		https://waterdata.usgs.gov/monitoring-location/USGS-335522116415201
3S/3E-09M1S	335525116410201	Site 11	Quarterly	X	https://waterdata.usgs.gov/monitoring-location/USGS-335525116410201
3S/3E-09M2S	335525116410202	Site 11	Quarterly	X	https://waterdata.usgs.gov/monitoring-location/USGS-335525116410202
3S/3E-09M3S	335525116410203	Site 11	Quarterly	X	https://waterdata.usgs.gov/monitoring-location/USGS-335525116410203
3S/3E-09M4S	335525116410204	Site 11	Quarterly	X	https://waterdata.usgs.gov/monitoring-location/USGS-335525116410204
--	--	CBBC	Quarterly	X	--
--	--	CBBC	Quarterly	X	--
--	--	CBBB	Quarterly	X	--
--	--	CBBB	Quarterly	X	--
--	--	MW-P2	Quarterly	X	--
--	--	MW-P2	Quarterly	X	--
--	--	MW-P2	Quarterly	X	--
--	--	MW-P2	Quarterly	X	--

Table 3. Groundwater-quality network and sampling schedule

Abbreviated State well number	USGS site number	Site name	Sampling Year	Link to USGS online data containing site, water-quality, and water-level data					
				2026	2027	2028	2029	2030	
--	--	CBBC	X						
--	--	CBBC	X						
--	--	CBBB	X						
--	--	CBBB	X						
--	--	MW-P2	X						
--	--	MW-P2	X						
--	--	MW-P2	X						
--	--	MW-P2	X						
2S/1W-27P1S	335743116582401			X					https://waterdata.usgs.gov/monitoring-location/USGS-335743116582401
2S/1W-29H1S	335820116595901				X				https://waterdata.usgs.gov/monitoring-location/USGS-335820116595901
2S/1W-32M1S	335709117004701					X			https://waterdata.usgs.gov/monitoring-location/USGS-335709117004701
2S/1W-33D2S	335741116595201			X					https://waterdata.usgs.gov/monitoring-location/USGS-335741116595201
2S/1W-35J1S	335714116565001	Site 6		X					https://waterdata.usgs.gov/monitoring-location/USGS-335714116565001
2S/1W-35J2S	335714116565002	Site 6		X					https://waterdata.usgs.gov/monitoring-location/USGS-335714116565002
2S/1W-35J3S	335714116565003	Site 6		X					https://waterdata.usgs.gov/monitoring-location/USGS-335714116565003
2S/1W-35P1S	335650116572101			X					https://waterdata.usgs.gov/monitoring-location/USGS-335650116572101
2S/2W-14C1S	340014117034301				X				https://waterdata.usgs.gov/monitoring-location/USGS-340014117034301
2S/2W-24L1S	335848117024301			X					https://waterdata.usgs.gov/monitoring-location/USGS-335848117024301
3S/1E-03J1S	335618116513401			X					https://waterdata.usgs.gov/monitoring-location/USGS-335618116513401
3S/1E-06M2S	335611116553801	CBDD	X						https://waterdata.usgs.gov/monitoring-location/USGS-335611116553801
3S/1E-06M3S	335611116553802	CBDD	X						https://waterdata.usgs.gov/monitoring-location/USGS-335611116553802
3S/1E-06M4S	335611116553803	CBDD	X						https://waterdata.usgs.gov/monitoring-location/USGS-335611116553803
3S/1E-06M5S	335611116553804	CBDD	X						https://waterdata.usgs.gov/monitoring-location/USGS-335611116553804
3S/1E-07E2S	335540116553901			X					https://waterdata.usgs.gov/monitoring-location/USGS-335540116553901
3S/1E-10N1S	335515116522801			X					https://waterdata.usgs.gov/monitoring-location/USGS-335515116522801
3S/1E-11F1S	335531116510401	Site 10	X						https://waterdata.usgs.gov/monitoring-location/USGS-335531116510401
3S/1E-11F2S	335531116510402	Site 10	X						https://waterdata.usgs.gov/monitoring-location/USGS-335531116510402
3S/1E-11F3S	335531116510403	Site 10	X						https://waterdata.usgs.gov/monitoring-location/USGS-335531116510403
3S/1E-11F4S	335531116510404	Site 10	X						https://waterdata.usgs.gov/monitoring-location/USGS-335531116510404
3S/1E-12D1S	335552116500901				X				https://waterdata.usgs.gov/monitoring-location/USGS-335552116500901
3S/1E-17C1S	335504116541501				X				https://waterdata.usgs.gov/monitoring-location/USGS-335504116541501
3S/1E-18D1S	335504116554101			X					https://waterdata.usgs.gov/monitoring-location/USGS-335504116554101

Abbreviated State well number	USGS site number	Site name	Sampling Year	Link to USGS online data containing site, water-quality, and water-level data					
				2026	2027	2028	2029	2030	
3S/1W-02M1S	335616116574901			X					https://waterdata.usgs.gov/monitoring-location/USGS-335616116574901
3S/1W-03K2S	335621116581701				X				https://waterdata.usgs.gov/monitoring-location/USGS-335621116581701
3S/1W-10R4S	335509116575201					X			https://waterdata.usgs.gov/monitoring-location/USGS-335509116575201
3S/1W-12B2S	335556116560701					X			https://waterdata.usgs.gov/monitoring-location/USGS-335556116560701
3S/1W-12K1S	335530116555901						X		https://waterdata.usgs.gov/monitoring-location/USGS-335530116555901
3S/2E-07G2S	335535116483801					X			https://waterdata.usgs.gov/monitoring-location/USGS-335535116483801
3S/2E-07K1S	335523116484601						X		https://waterdata.usgs.gov/monitoring-location/USGS-335523116484601
3S/2E-07P1S	335513116490601	Site 8					X		https://waterdata.usgs.gov/monitoring-location/USGS-335513116490601
3S/2E-07P2S	335513116490602	Site 8					X		https://waterdata.usgs.gov/monitoring-location/USGS-335513116490602
3S/2E-07P3S	335513116490603	Site 8					X		https://waterdata.usgs.gov/monitoring-location/USGS-335513116490603
3S/2E-07P4S	335513116490604	Site 8					X		https://waterdata.usgs.gov/monitoring-location/USGS-335513116490604
3S/2E-09E1S	335532116471701					X			https://waterdata.usgs.gov/monitoring-location/USGS-335532116471701
3S/2E-11H1	335534116441501	Site 13				X			https://waterdata.usgs.gov/monitoring-location/USGS-335534116441501
3S/2E-11H2	335534116441502	Site 13				X			https://waterdata.usgs.gov/monitoring-location/USGS-335534116441502
3S/2E-11H3	335534116441503	Site 13				X			https://waterdata.usgs.gov/monitoring-location/USGS-335534116441503
3S/2E-15P1S	335423116455301	Site 9				X			https://waterdata.usgs.gov/monitoring-location/USGS-335423116455301
3S/2E-15P2S	335423116455302	Site 9				X			https://waterdata.usgs.gov/monitoring-location/USGS-335423116455302
3S/2E-15P3S	335423116455303	Site 9				X			https://waterdata.usgs.gov/monitoring-location/USGS-335423116455303
3S/3E-07D1S	335556116431001					X			https://waterdata.usgs.gov/monitoring-location/USGS-335556116431001
3S/3E-07M1S	335522116430701					X			https://waterdata.usgs.gov/monitoring-location/USGS-335522116430701
3S/3E-08L1S	335530116413701	Site 12				X			https://waterdata.usgs.gov/monitoring-location/USGS-335530116413701
3S/3E-08L2S	335530116413702	Site 12				X			https://waterdata.usgs.gov/monitoring-location/USGS-335530116413702
3S/3E-08L3S	335530116413703	Site 12				X			https://waterdata.usgs.gov/monitoring-location/USGS-335530116413703
3S/3E-08L4S	335530116413704	Site 13				X			https://waterdata.usgs.gov/monitoring-location/USGS-335530116413704
3S/3E-08M1S	335522116415201					X			https://waterdata.usgs.gov/monitoring-location/USGS-335522116415201
3S/3E-09M1S	335525116410201	Site 11				X			https://waterdata.usgs.gov/monitoring-location/USGS-335525116410201
3S/3E-09M2S	335525116410202	Site 11				X			https://waterdata.usgs.gov/monitoring-location/USGS-335525116410202
3S/3E-09M3S	335525116410203	Site 11				X			https://waterdata.usgs.gov/monitoring-location/USGS-335525116410203
3S/3E-09M4S	335525116410204	Site 11				X			https://waterdata.usgs.gov/monitoring-location/USGS-335525116410204

Table 4.

Domestic Wells: Chemicals and Test Methods			
Compound	Drinking Water Standard	DLR ¹	Typical Test Method(s)
BACTERIA INDICATORS			
Total Coliform	Present ⁴		EPA ² Method 1604, SM ³ 9223B, SM ³ 9221B; IDEXX Labs Methods (Colilert, Colisure, Quanti-tray)
Fecal Coliform	Present ³		EPA Method 1680; IDEXX Labs Methods (Colilert, Colisure, Quanti-tray); others
GENERAL MINERALS & IONS			
Nitrate	10 mg/L ⁴	0.4 mg/L	EPA 353.2, EPA Method 9210; Anions by EPA Method 300
Nitrite	1 mg/L ⁴	0.4 mg/L	EPA Method 300
Perchlorate	6 µg/L ⁴	4.0 µg/L	EPA Method 314.0
Chloride	500 mg/L ⁵	1 mg/L	Anions by EPA Method 300
Fluoride	2 mg/L ⁴	0.1 mg/L	Anions by EPA Method 300
Sulfate	500 mg/L ⁵	0.5 mg/L	Anions by EPA Method 300
Total Dissolved Solids	1,000 mg/L ⁵	10 mg/L	EPA General Methods
METALS⁸			
Aluminum	1,000 µg/L ⁴	50 µg/L	EPA Methods 200.7, 200.8, or 200.9
Antimony	6 µg/L ⁴	6 µg/L	EPA Methods 200.7, 200.8, or 200.9
Arsenic	10 µg/L ⁴	2 µg/L	EPA Methods 200.7, 200.8, or 200.9
Beryllium	4 µg/L ⁴	1 µg/L	EPA Methods 200.7, 200.8, or 200.9
Cadmium	5 µg/L ⁴	1 µg/L	EPA Methods 200.7, 200.8, or 200.9
Chromium	50 µg/L ³	10 µg/L	EPA Methods 200.7, 200.8, or 200.9
Hexavalent Chromium	n/a	1 µg/L	EPA Method 218.6
Iron	300 µg/L ⁵	100 µg/L	EPA Methods 200.7, 200.8, or 200.9
Manganese	50 µg/L ⁵	20 µg/L	EPA Methods 200.7, 200.8, or 200.9
Mercury	2 µg/L ⁴	1 µg/L	EPA Method 245.1
Selenium	50 µg/L ⁴	5 µg/L	EPA Methods 200.8, or 200.9
Thallium	2 µg/L ⁴	1 µg/L	EPA Methods 200.7, 200.8, or 200.9
Vanadium	50 µg/L ⁶	3 µg/L	EPA Methods 200.7, 200.8, or 200.9
Zinc	5,000 µg/L ⁵	50 µg/L	EPA Methods 200.7, 200.8, or 200.9

ORGANICS			
Volatile Organic Compounds	Varies by compound	Varies by compound	EPA Method 524.2 or 524.3
DBCP ⁷	0.2 µg/L ⁴	0.2 µg/L ⁴	EPA Method 524.2 or 504.1
RADIONUCLIDES			
Gross Alpha	15 pCi/L ⁴	3 pCi/L	EPA Methods 9310, 900; SMWW 7110
Gross Beta	50 pCi/L or 4 millirem/yr ⁴	4 pCi/L	EPA Methods 9310, 900
Radium 226+228	5 pCi/L ⁴	1 pCi/L	Radium 226: EPA Methods 9315, 903.0; Radium 228: EPA Methods 9320, 904.0
Tritium	20,000 pCi/L ⁴	1,000 pCi/L	EPA Method 906
Uranium	20 pCi/L ⁴	1 pCi/L	EPA Methods 908.0, 908.1

Notes:

1. DLR = Detection Limit for Reporting. The testing procedure must be able to resolve concentrations of a particular chemical at this level in order for the Division of Drinking Water and/or the US EPA to accept the results.
2. EPA - US Environmental Protection Agency
3. SM = Standard Method
4. MCL = Maximum Contaminant Level
5. SMCL = Secondary Maximum Contaminant Level
6. NL = Notification Level
7. Other names for this chemical include: Dibromochloropropane and 1,2-Dibromo-3-chloropropane
8. For other metals not specifically listed, generally use EPA Method 200.7 or 200.8, 200.9
9. For additional questions, please contact gama@waterboards.ca.gov/gama

USGS Program Letter

2025-2026

BOARD OF DIRECTORS MEETING
OCTOBER 6, 2025



Agenda

USGS Program Letter
History

USGS Program Letter
Elements

Staff Recommendation



USGS -SGPWA Program History

USGS Program Letter has historically been the primary source of hydrologic data collection and water resources investigations in the Agency service area since 1995

USGS Program in recent years

- Water Level and Water Quality Monitoring
- Calimesa Subarea Data Collection
- Gravity Survey Performed on Danny Thomas Ranch
- ERT Survey performed on Brookside West Property
- Surface Water Flow Gaging in the Banning Canyon
- Smaller focused studies for strategic purposes

Underground Storage of Imported Water in the San Gorgonio Pass Area, Southern California

By R. M. BLOYD, JR.

CONTRIBUTIONS TO THE HYDROLOGY OF THE UNITED STATES

GEOLOGICAL SURVEY WATER-SUPPLY PAPER 1999-D

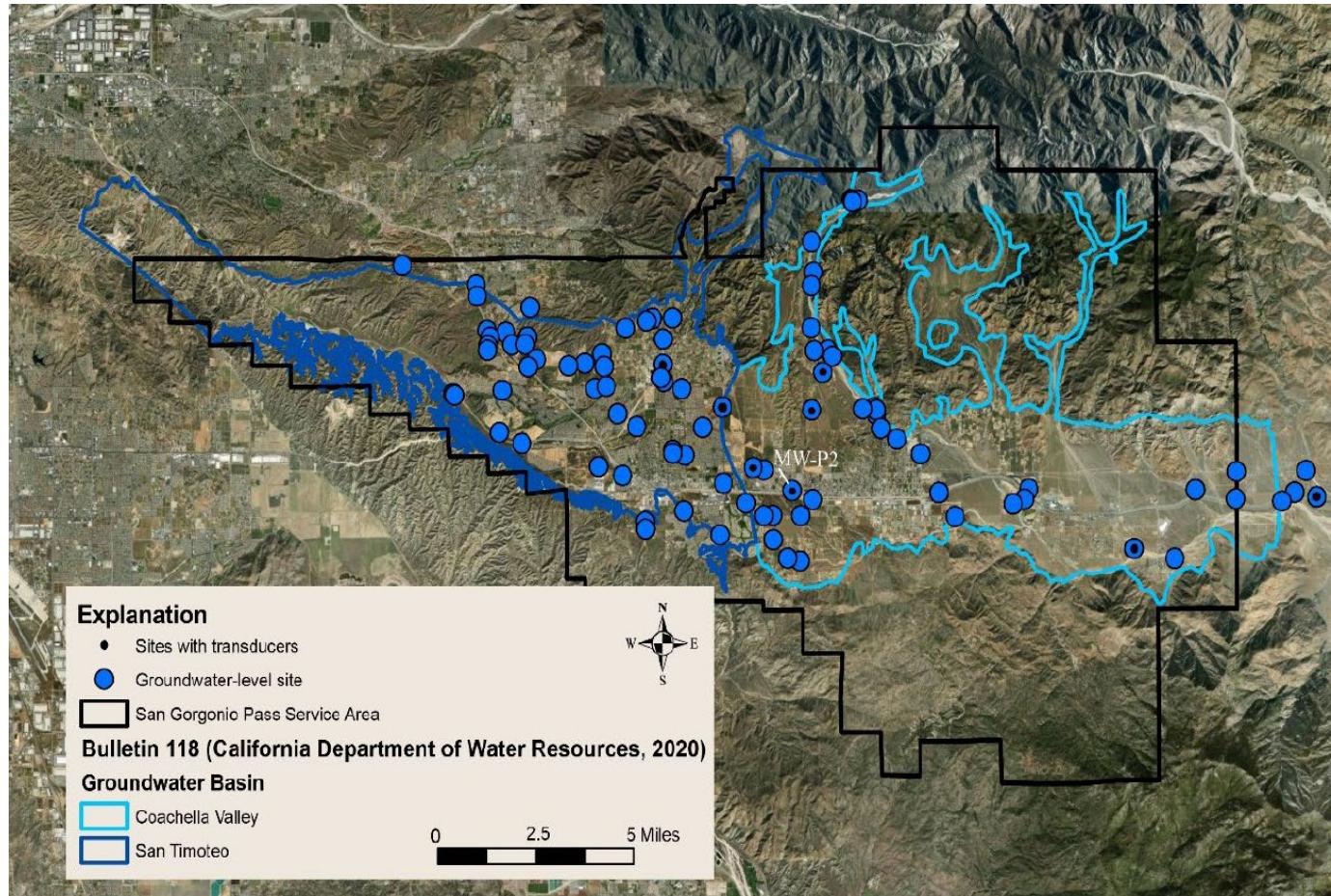
*Prepared in cooperation with the
San Gorgonio Pass Water Agency*



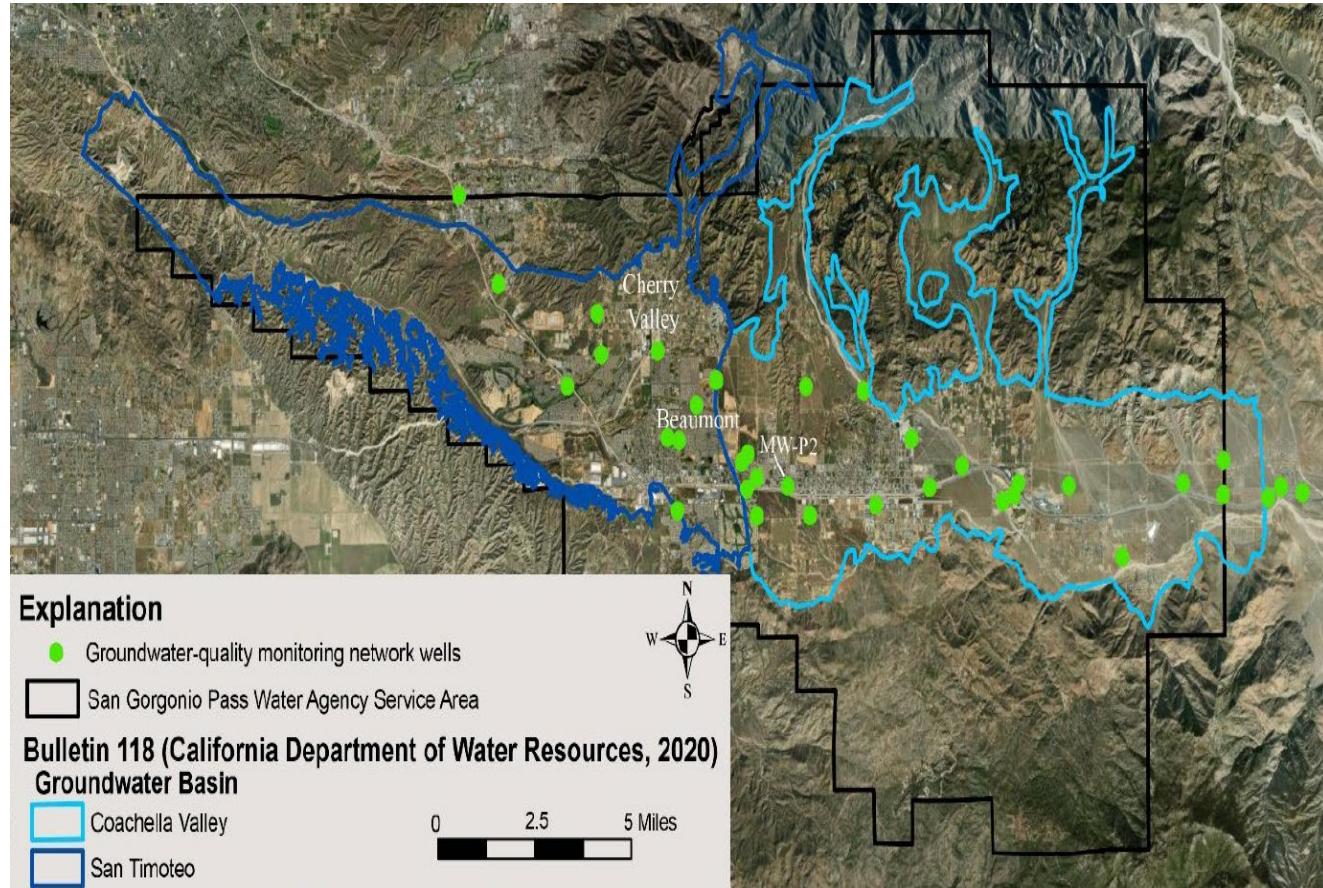
UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON :



Task 1 – Groundwater Level Monitoring

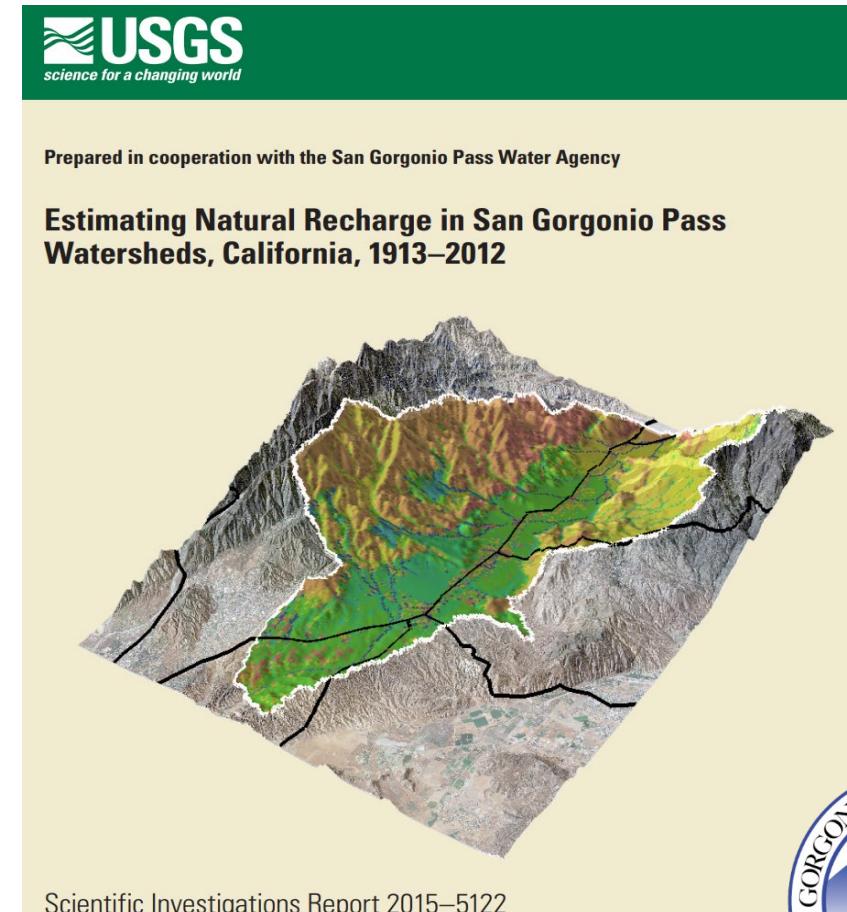
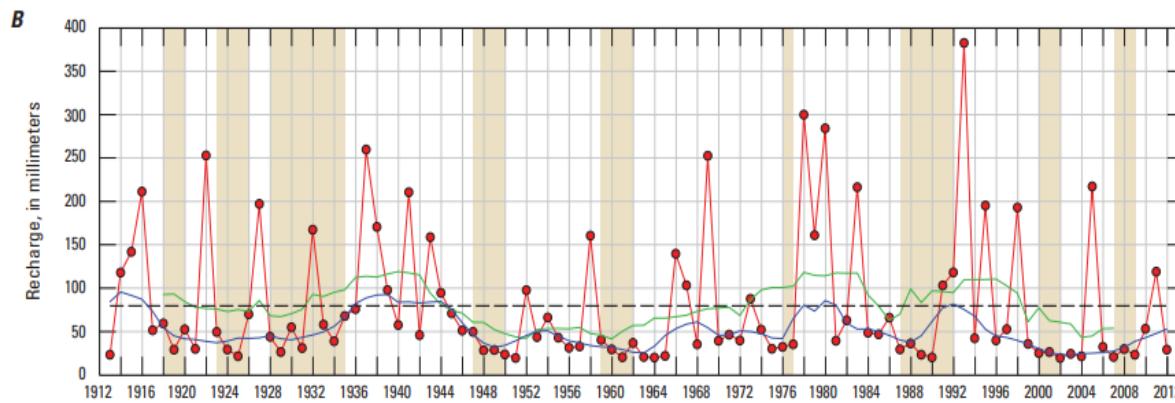


Task 2 – Groundwater Quality Monitoring



Task 3 – Data Documentation, Reporting, Interpretation and Publications

Development of a project web page and interpretive report describing the physical and hydrogeologic characteristics, gravity results, and changes in groundwater chemistry of the SGPWA service area since 1995.



Task 4 – Burnt Canyon Gage Sites

Burnt Canyon Gage Sites Monitoring

- Gages will be rated and calibrated for flow, reporting data every 15 minutes to the USGS database along with quarterly visits to the gages to ensure they are reporting accurately
- These Stream gages are a vital tool in water management as they will show how much water is diverted from the Whitewater River watershed into the San Gorgonio Pass Subbasin watershed.



USGS Program Letter Cost

- Cost of FY25-26 Program Letter: \$440,252
- USGS Cooperative Matching Funds: \$65,489
- Total Cost to the Agency: \$374,763
- 12% increase in overall costs from F24-25
- Why the increase?
- Task 1 and 2: Updated the Program Letter to include 12 newly drilled monitoring wells requiring water level measurements and water quality sampling.
- Task 3: Emphasis on developing the Interpretive Report that will be draft in October 2026

<u>USGS-SGPWA Task</u>	<u>Agency Funds</u>	<u>USGS Funds</u>	<u>Total Funds</u>
Task 1: Water-Level Monitoring	\$116,176	\$26,975	\$143,151
Task 2: Groundwater Quality Monitoring	\$150,623	\$15,808	\$166,431
Task 3: Data Documentation, Reporting, Interpretation, and Publications	\$90,824	\$22,706	\$113,530
Task 4: Burnt Canyon Gage Sites	\$17,140	\$0	\$17,140
Total:	\$374,763	\$65,489	\$440,252

Recommendation

Staff recommends the Board of Directors approve the execution of a Joint Funding Agreement for the annual extension of the Cooperative Water Resources Program between the Agency and the United States Geological Survey (USGS) for FY 2025-26 in the amount of \$440,252, which includes a USGS cost share credit of \$65,489.



San Gorgonio Pass Water Agency

DATE: October 6, 2025

TO: Board of Directors

FROM: Lance Eckhart, General Manager

BY: Maricela V. Cabral, Exec. Asst./Clerk of the Board

SUBJECT: **Adopt Resolution 2025-09, Honoring Kevin Walton, Secretary and Division 3 Director for his years of Dedicated Service on the Board of Directors of the San Gorgonio Pass Water Agency**

RECOMMENDATION

Adopt Resolution 2025-09, honoring Kevin Walton, Secretary and Division 3 Director for his years of dedicated service on the Board of Directors of the San Gorgonio Pass Water Agency.

ANALYSIS

N/A

FISCAL IMPACT

There is no fiscal impact for this action.

ACTION

Adopt Resolution 2025-09, honoring Kevin Walton, Secretary and Division 3 Director for his years of dedicated service on the Board of Directors of the San Gorgonio Pass Water Agency.

ATTACHMENTS

Resolution 2025-09

RESOLUTION 2025-09

HONORING KEVIN WALTON, SECRETARY AND DIVISION 3 DIRECTOR FOR HIS YEARS OF DEDICATED SERVICE ON THE BOARD OF DIRECTORS OF THE SAN GORGONIO PASS WATER AGENCY

WHEREAS, Secretary Kevin Walton has served continuously as a member of the Board of Directors of the San Gorgonio Pass Water Agency from February 2022 through October 2025, representing Division 3; and

WHEREAS, Secretary Walton has been an invaluable contributor to the Board of Directors, serving in various leadership capacities for the Board, including Board Secretary; and

WHEREAS, throughout more than three years with the Agency, Secretary Walton has distinguished himself as a responsible steward of public funds, a champion of Agency transparency and accountability, and an advocate who fostered public trust, integrity, and credibility in all work that the Agency conducted; and

WHEREAS, Secretary Walton has secured critical water supplies for the Pass area through creative, forward-thinking partnerships; and

WHEREAS, Secretary Walton has helped create a culture of local small systems support throughout the San Gorgonio Pass Water Agency; and

WHEREAS, Secretary Walton helped drive Agency investment in the Sites Reservoir Project, a vital step toward creating a generational, sustainable water supply for the Pass area; and

WHEREAS, Secretary Walton has used his more than 30 years of experience in public safety to propel fire security projects, such as the seven total Heli-Hydrants serving the Pass area; and

WHEREAS, the members of the Board of Directors wish to thank Secretary Walton for his many contributions to the Board of Directors and to the Agency overall; and

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors hereby expresses its gratitude to Secretary Walton for his service on the Board of Directors, for his sound and valued counsel, and for all that he has contributed to the Board of Directors and the Agency; and

FURTHER RESOLVED, that the Board of Directors wishes Secretary Walton continued success in all his endeavors and expresses its hope for his continued health, happiness, and prosperity; and

FURTHER RESOLVED, that a copy of this proclamation be presented to Secretary Walton as a token of the Board's appreciation and respect.

IN WITNESS WHEREOF, we have hereunto set our hand and caused the seal of the San Gorgonio Pass Water Agency to be affixed this October 6, 2025

This Resolution shall be effective as of the date of adoption.

ADOPTED AND APPROVED this 6th day of October 2025.

Mickey Valdivia, Board President
San Gorgonio Pass Water Agency

ATTEST:

Maricela V. Cabral, Deputy Secretary
San Gorgonio Pass Water Agency

PASSED AND ADOPTED by the San Gorgonio Pass Water Agency Board of Directors at a regular meeting of said Board held on the 6th day of October 2025, by the following vote:

AYES:

NOES:

ABSENT:

Maricela V. Cabral, CMC, CPMC
Deputy Secretary
San Gorgonio Pass Water Agency

San Gorgonio Pass Water Agency

DATE: October 6, 2025

TO: Board of Directors

FROM: Lance Eckhart, General Manager

BY: Holland Stewart, Legal Counsel

SUBJECT: Memorandum on Board Vacancies and Procedures for Filling Vacant Board Seats

RECOMMENDATION

Consider appointment or election of new director to fill Director Kevin Walton's seat, which will be considered vacant when Director Walton submits his letter of resignation to the Clerk (defined below).

BACKGROUND

Director Walton notified the San Gorgonio Pass Water Agency (Pass Agency) Board of Directors (Board) at its September 15, 2025, regular meeting that he would soon be leaving the Board before the conclusion of his term to focus on his family's needs. On September 24, 2025, Director Walton sent a letter to Mickey Valdivia, the Pass Agency's Board President, informing him that Director Walton's last Board meeting would be the October 6, 2025, regular meeting.

ANALYSIS

Board resignations must be made in writing and sent to the Clerk of the Riverside County Board of Supervisors (Clerk). The date of transmittal of Director Walton's resignation letter to the Clerk should be treated as the effective date of his resignation. (Gov. Code section 1770(c).) Thus, if Director Walton sends his resignation letter to the Clerk on October 7, 2025, his seat will become vacant at that time. Upon vacancy, the Board has 60 days to act, subject to other date requirements detailed below, and dependent on course of action. The Board may choose to make an appointment or call an election to fill Director Walton's seat (Gov. Code section 1780(d)(1) and (e)(1).) Whether appointment or election – the Board must notify the Riverside County elections official no later than 15 days after 1) the date in which the Board is notified or 2) the effective date of the resignation, whichever is later. Here, assuming that Director Walton sends his resignation letter in on October 7, 2025, the Board must notify the Riverside County elections official no later than October 22, 2025.

If the Board chooses to appoint an eligible candidate who resides within Director Walton's district to fill his seat, the following requirements must be met:

- Fifteen days prior to appointment – the Board must post notice of the vacancy in three or more conspicuous places within the Pass Agency's District 3. (Gov. Code section 1780 (d)(1).)
- Within 60 days after Director Walton's resignation – the Board must make an appointment. (Gov. Code section 1780 (e)(1).)
- Fifteen days after making the appointment – the Board must notify the Riverside County elections official of the appointment. (Gov. Code section 1780 (d)(1).)

If the Board chooses to hold an election to fill Director Walton's seat, the following requirements must be met:

- The Board must call the election within 60 days of 1) the date in which the Board is notified or 2) the effective date of Director Walton's resignation, whichever is later. The election is then held at the next-established election date that is 130 or more days after the date the Board calls the election. (Gov. Code section 1780 (e)(2).)

The Board has, to date, signaled a desire to appoint an eligible resident of District 3 to fill Director Walton's seat for the remainder of his term. If such is the case, the appointment would need to be made by December 6, 2025.

Board President Valdivia has also signaled that he wishes to form an ad hoc committee to interview prospective appointees and bring a recommendation back to the Board in open session. As with all ad hoc committees, only sitting Board members may sit on the committee, the total number may not equal a quorum (i.e., not more than three), and the committee must dissolve once the appointment is made.

FISCAL IMPACT

None.

ACTION

Consider appointment or election of new director to fill Director Kevin Walton's seat, which will be considered vacant when Director Walton submits his letter of resignation to the Clerk, and determine course of action with direction to the Pass Agency's General Manager and Legal Counsel.

NOTICE OF VACANCY
BOARD OF DIRECTORS
SAN GORGONIO PASS WATER AGENCY

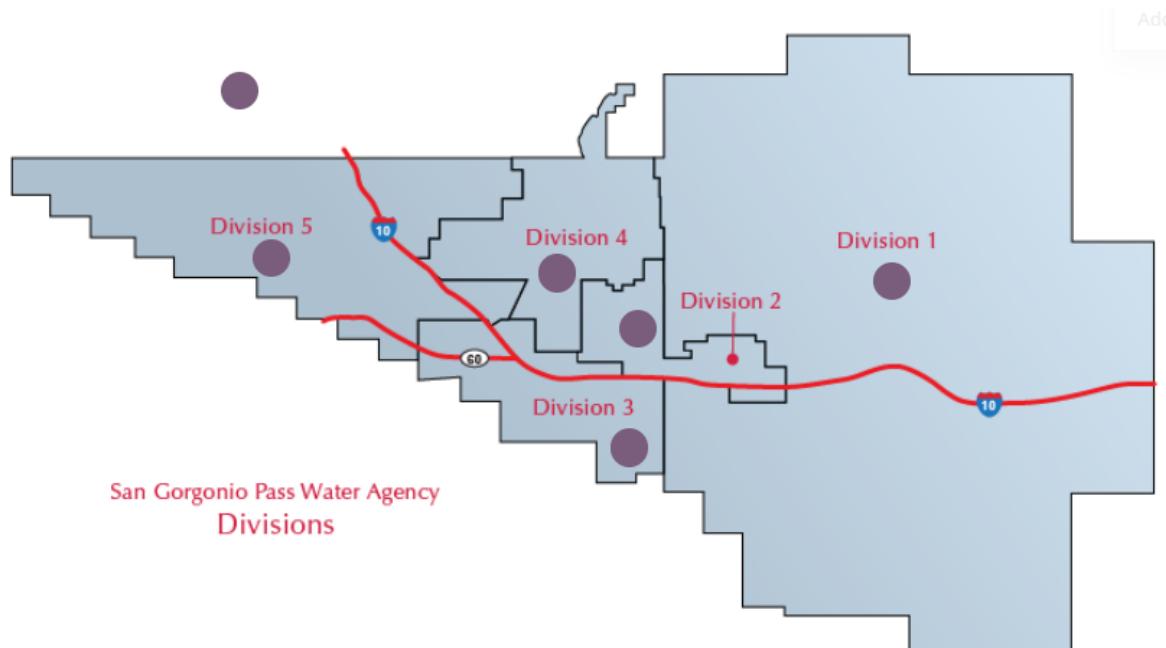
Please take notice that there is a vacancy in the District #3 Seat on the Board of Directors of the San Gorgonio Pass Water Agency (Agency). Pursuant to Government Code section 1780, the Board of Directors may, within 60 days of October 7, 2025, appoint a successor for the vacant seat.

A person appointed to the office of District #3 must be a resident of the Agency's District #3. The boundaries of the Agency, and specifically District #3, are depicted in the map set forth below. Please contact the Agency's representative as set forth below if there are any questions.

Anyone interested in being appointed is required to submit a letter of interest and/or a resume setting forth a brief summary of the person's interest, qualifications, and background. The letter of interest/resume must include the residency address. Letters of interest and/or resumes should be delivered or mailed to the Agency offices so that they are received at the Agency offices no later than 9:30 a.m. on Monday, November 10, 2025. Letters of interest and/or resumes should be delivered or mailed to the following address:

San Gorgonio Pass Water Agency
1210 Beaumont Ave.
Beaumont, CA 92223
Attn: Maricela V. Cabral
Phone: (951) 845-2577

The Agency will contact the applicants regarding the time, date and location of the interviews, which may be conducted by an ad hoc committee of the Board, at an open and public Board meeting by the Board itself, or both. The Board may elect to schedule additional meetings if necessary. The Board will make a decision on appointment at one of its open and public meetings.



San Gorgonio Pass Water Agency

DATE: October 6, 2025

TO: Board of Directors

FROM: Lance Eckhart, General Manager

BY: Maricela Cabral, Exec. Asst./Clerk of the Board

SUBJECT: Board Committee Assignments Review and Reappointment Due to Division 3 Vacancy

RECOMMENDATION

Review and discuss the current committee assignments and approve any necessary changes to ensure that all committees remain fully staffed and able to carry out their responsibilities effectively.

BACKGROUND

With the recent resignation of Secretary Kevin Walton, Director of Division 3, vacancies now exist on several Board committees to which he had been assigned. In order to ensure continuity of operations and maintain effective representation across all committees, it is necessary for the Board to review the current committee assignments and consider adjustments.

The purpose of this item is to provide an opportunity for the Board to discuss potential changes and, if appropriate, take action to reassign committee memberships to fill the vacancies created by the Division 3 seat.

FISCAL IMPACT

N/A

ACTION

Review the current Board Committee Assignments and take action to reassign members as necessary to fill the vacancies created by the Division 3 resignation.

ATTACHMENTS

Board Committee Assignment Listing

SGPWA Committee Assignments

Standing Committees

