

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



SAN GORGONIO PASS  
WATER AGENCY  
*A California State Water Project Contractor*

**Finance & Budget Committee Meeting**  
**April 23, 2026 at 4:00 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 Teleconference Link](#)**  
**TO JOIN THE MEETING BY TELEPHONE**  
**CALL: 669-900-6833 | MEETING ID: 942 7637 8467**

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

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

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

**PARA UNIRSE VÍA ZOOM: [Zoom Teleconference Link](#)**  
**PARA UNIRSE A LA JUNTA CON LA OPCIÓN TELEFONICA**  
**LLAMAR: 669-900-6833 | ID DE REUNIÓN: 942 7637 8467**

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

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

- 1. Call to Order, Pledge of Allegiance, and Roll Call**
- 2. Adjustment and Adoption of Agenda**
- 3. Public Comment:** Members of the public may address the Committee at this time concerning items relating to any matter within the Agency's jurisdiction. There will be an opportunity to comment on specific agenda items as the items are addressed. Speakers are requested to keep their comments to no more than five (5) minutes. Under the Brown Act, no action or discussion shall take place on any item not appearing on the agenda, except that the Committee or Staff may briefly respond to statements made or questions posed for the purpose of directing statements or questions to Staff for follow-up.

President  
Robert Ybarra

Vice President  
Larry Smith

Treasurer  
James Tickemyer

Secretary  
Sarah Wargo

Directors  
Dr. Blair M Ball  
Chander Letulle  
Mickey Valdivia

General Manager  
Lance Eckhart,  
PG, CHG

Legal Counsel  
Holland Stewart

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

- A. Approval of the Minutes of the Finance & Budget Committee Meeting, March 26, 2026, ([pg. 3](#))

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

- A. Investment Report for the Quarter Ending March 31, 2026, ([pg. 6](#))
- B. Ratification of Paid Invoices and Monthly Payroll for March, 2026, ([pg. 21](#))
- C. Review of Bank Reconciliation for March, 2026, ([pg. 25](#))
- D. Review of Budget Report for March, 2026, ([pg. 28](#))
- E. Review of Cash Reconciliation Report March, 2026, ([pg. 39](#))
- F. Review of Pending Legal Invoices for March, 2026, ([pg. 41](#))
- G. Review of Reserve Allocation Report for March, 2026, ([pg. 43](#))
- H. Water Rate Presentation, ([pg. 44](#))
- I. Budget Preview, ([pg. 59](#))
- J. Discussion of Capitalization Policy , ([pg. 67](#))
- K. Discussion of Procurement Policy, ([pg. 72](#))
- L. Gap Funding and Heli-Hydrant Funding Report ([pg. 80](#))

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

#### **7. Announcements**

- A. Regular Board Meeting, May 4, 2026 at 1:30 p.m.
- B. Regular Board Meeting, May 18, 2026 at 6:00 p.m.
- C. Finance & Budget Committee Meeting, May 28, 2026 at 4:00 p.m.

#### **8. Adjournment**

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

# San Geronio Pass Water Agency

**DATE:** April 23, 2026  
**TO:** Finance and Budget Committee  
**FROM:** Lance Eckhart, General Manager  
**BY:** Jennifer Ustation, Chief Financial Officer  
**SUBJECT: Summary of Recommended Committee Actions**

## RECOMMENDATIONS

Recommendations for Finance and Budget Committee actions:

- Item 4A: **Motion: The Committee approves the minutes.**
  
- Item 5A: The Committee **accepts** the Investment Report for the Quarter Ending March 31, 2026
- Item 5B: The Committee **accepts** payments as listed in the Check History reports for Accounts Payable and Payroll.
- Item 5C: The Committee **accepts** the Bank Reconciliation.
- Item 5D: The Committee **accepts** the Budget Report.
- Item 5E: The Committee **accepts** the Cash Reconciliation Report.  
**Motion: The Committee accepts items 5A-E.**
  
- Item 5F: The Committee **approves** the payment of the Legal invoice.
- Item 5G: The Committee **approves** the Reserve Allocation Report.  
**Motion: The Committee approved items 5F-G.**
  
- Item 5J: **Motion: The Committee recommends forwarding the Capitalization Policy to the Board for approval.**
  
- Item 5K: **Motion: The Committee recommends forwarding the Procurement Policy to the Board for approval.**

## BACKGROUND

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

## ACTION

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

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue**  
**Beaumont, California 92223**  
**Minutes of the**  
**Finance and Budget Committee**  
**April 23, 2026**

THIS MEETING WAS HELD IN PERSON AND VIA ZOOM.

**Committee Members Present:** Mickey Valdivia, Chair  
In person James Tickemyer, Member  
Robert Ybarra, Member

**Staff Present:** Tom Todd, Jr., Chief Financial Officer  
Jennifer Ustation, Chief Financial Officer  
Lance Eckhart, General Manager

1. **Call to Order, Flag Salute, and Roll Call:** The San Gorgonio Pass Water Agency Finance and Budget Committee meeting was called to order by Chair Mickey Valdivia at 4:00 p.m., March 26, 2026. Mr. Valdivia led the Pledge of Allegiance. Mr. Valdivia asked for a roll call. A quorum was present.
2. **Adjustment and/or Adoption of the Agenda.**  
The agenda was adopted as published.
3. **Public Comment:** Dr. Della Condon
4. **Approval of Minutes**
  - A. Approval of the Minutes of the Finance & Budget Committee Meeting, February 19, 2026  
Mr. Ybarra moved, seconded by Mr. Tickemyer, to approve the minutes of the Finance and Budget Committee meeting of February 19, 2026. Approved unanimously by voice vote.
5. **New Business**
  - A. Ratification of Paid Invoices and Monthly Payroll for February 2026
  - B. Review of Bank Reconciliation for February 2026
  - C. Review of Budget Report for February 2026  
After review and discussion, Mr. Ybarra, seconded by Mr. Valdivia, to accept Items 5A-C. Approved unanimously by voice vote.
  - D. Review of Pending Legal Invoices for February 2026  
After review and discussion, Mr. Tickemyer moved, seconded by Mr. Ybarra, to approve payment of the Legal Invoice. Approved unanimously by voice vote.
  - E. Review of Gap Funding and Heli-Hydrant Funding Report  
The Committee reviewed the Gap Funding and Heli-Hydrant Funding Reports.
6. **Committee Member Comments**

The Committee directed the General Manager to complete the arrangements for attendee sponsorship at the WELL conference. The committee appreciated the attendance of the public at the meeting.

**7. Announcements**

Mr. Valdivia reviewed the announcements:

- A. Board Workshop – Media Training, March 30, 2026 at 10:00 a.m.
- A. Regular Board Meeting, April 6, 2026 at 1:30 p.m.
- B Regular Board Meeting, April 20, 2026 at 6:00 p.m.
- C. Finance & Budget Committee Meeting, April 23, 2026 at 4:00 p.m.

**8. Adjournment**

The Finance and Budget Committee of the San Gorgonio Pass Water Agency was adjourned by Mr. Valdivia at 4:57 p.m.

***Draft - Subject to Committee Approval***

Mickey Valdivia, Committee Chair



# San Geronio Pass Water Agency

## Investment Performance Review For the Quarter Ended March 31, 2026

### Client Management Team

Monique Spyke, Managing Director  
Robert Montoya, Relationship Manager  
Jeremy King, Key Account Manager  
Rachael Miller, Client Consultant

### PFM Asset Management A division of U.S. Bancorp Asset Management, Inc

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Los Angeles, CA 90071  
949-230-6896

213 Market Street  
Harrisburg, PA 17101-2141  
717-232-2723

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# Market Update

## Current Market Themes



- ▶ Geopolitics has overtaken U.S. macro fundamentals as the market's primary focus
  - ▶ Conflict in Iran has increased near-term inflation risks due to higher commodity prices
  - ▶ Unemployment rate remains stable with net new job creation near zero
  - ▶ Consumer spending and business investment continue to support growth, though momentum is slowing



- ▶ The Federal Reserve paused during both meetings in Q1, keeping rates at 3.50-3.75%
  - ▶ The median "dot plot" projection continues to show one 25 basis point cut in 2026, though individual projections showed less easing
  - ▶ Fed Chair Powell acknowledged the path forward is complicated by geopolitical uncertainty, making it more difficult for the Fed to balance its dual mandate



- ▶ Rising front-end yields unwound the inversion in the Treasury curve
  - ▶ Rate cut expectations were pushed further out, lifting front-end yields
  - ▶ Escalating Middle East conflict drove a spike in volatility
  - ▶ Credit spreads widened from historically tight levels amid heavy supply and geopolitical pressure

Source: Details on market themes and economic indicators provided throughout the body of the presentation. Bloomberg Finance L.P., as of March 31, 2026.

## Factors Shaping the Economic Outlook

### Negative

- ▶ Geopolitical uncertainty
- ▶ Higher energy prices
- ▶ Net new job creation near zero
- ▶ Increasing retail credit card balances
- ▶ Rising student loan delinquencies

### Neutral

- ▶ Stable Fed Policy
- ▶ Core inflation stable but above target
- ▶ Stabilizing credit card delinquencies

### Positive

- ▶ Above-average tax refunds
- ▶ Resilient consumer spending
- ▶ Positive real disposable personal income growth
- ▶ Corporate fundamentals

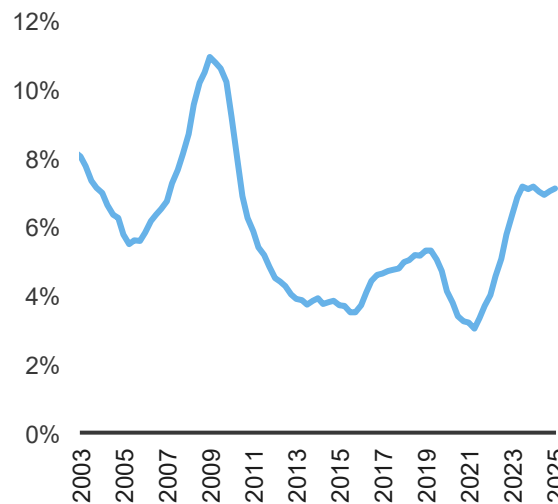
### Price of Oil

WTI crude oil futures, \$/barrel



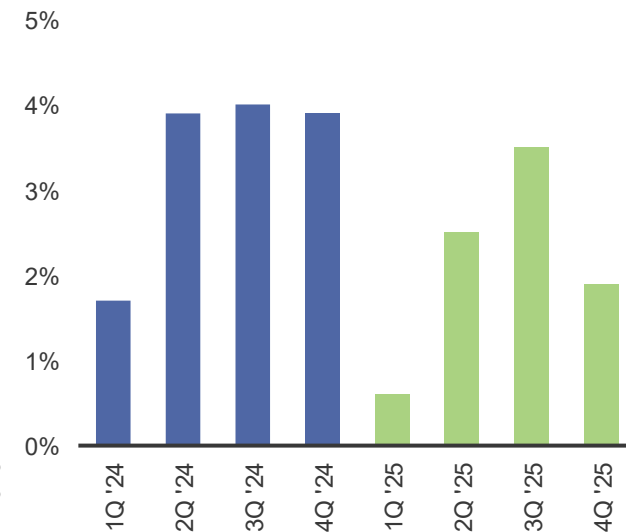
### Credit Card Delinquencies

90+ Days



### Personal Consumption

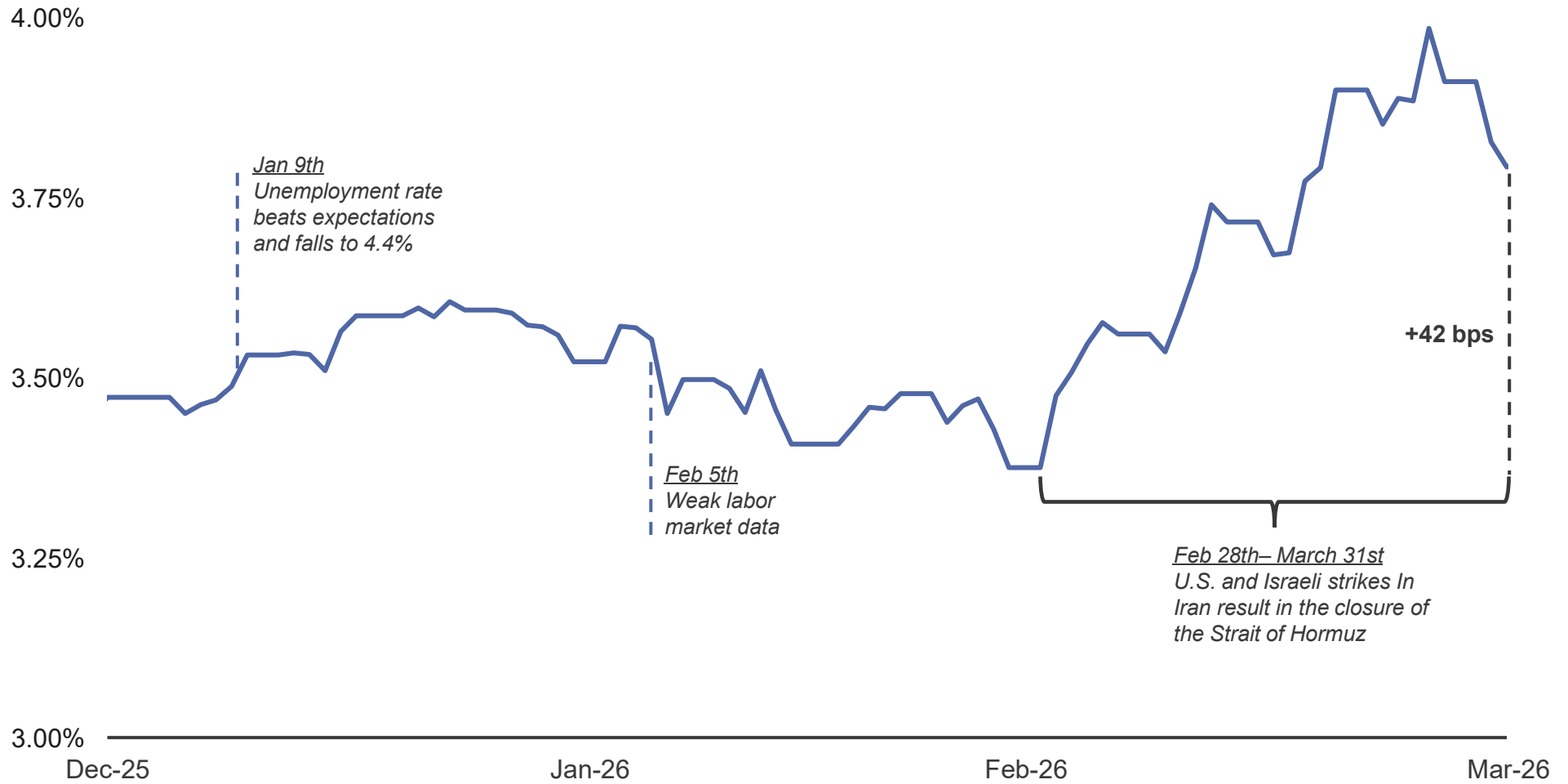
Quarter-Over-Quarter Change



Sources: Bloomberg Finance L.P., March 31, 2026, Federal Reserve Bank of New York as of December 2025, and Bureau of Economic Analysis as of December 2025.

## Treasury Yields Reach 8-Month High

### 2-Year U.S. Treasury Yield December 31, 2025 – March 31, 2026



Source: Bloomberg Finance L.P., as of March 31, 2026.

### Factors to Consider for 6-12 Months

#### Monetary Policy (Global):



- The Fed held rates steady in Q1 amid persistent inflation pressures and limited net job creation.
- Policymakers acknowledged the path forward is complicated, with geopolitical uncertainty adding additional strain to the Fed’s dual mandate.
- The “dot plot” projects 25 bps of rate cuts in both 2026 and 2027; however, this is predicated on inflation progress.
- Global central banks remained on pause in Q1 but energy inflation pressures may necessitate hikes.

#### Economic Growth (Global):



- Stable consumer and business spending support growth, offsetting the weakness seen from the U.S. government shutdown in Q4 GDP.
- Fiscal support and AI investment should aid growth; however, a prolonged conflict in Iran may weigh on consumer discretionary spending.
- Risks to global growth prospects have increased amid the escalating conflict due to higher energy prices, supply-chain disruptions, and increased uncertainty.

#### Inflation (U.S.):



- The inflation outlook depends on the duration of the Middle East conflict and the degree to which higher energy and commodity costs raise core goods and services prices.
- Inflation remains sticky with limited progress on core services and continuing pressure from tariffs passthroughs.
- Near-term inflation expectations have increased due to the higher energy prices while long-run expectations remain anchored.

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



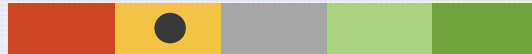
- Corporate fundamentals and underlying demand remain strong. Spread widening has improved valuations, though the sector is still rich from a historic perspective.
- The conflict in the Middle East has tightened financial conditions. The duration of the conflict and its impact on the economy will be a key driver of corporate fundamentals.
- Geopolitical conflict, higher oil prices, and the evolution of the economy are key risks. At this time we view volatility in private credit as contained and not a systemic risk.

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



- Modest job growth and inflationary pressures continue to weigh on consumer sentiment. Higher energy and food prices will likely drive consumer sentiment lower.
- Wage growth continues to exceed inflation, but this gap has narrowed. Energy shocks may compress real incomes and reduce discretionary spending.
- Lower-income cohorts remained more exposed to higher energy prices as a larger share of household budgets are allocated to essentials.
- Higher-income cohorts benefit from strong equity markets and home price appreciation in recent years.

#### Labor Markets (U.S.):



- Labor market conditions continued to cool with net new job creation close to zero.
- The unemployment rate remained unchanged as lower job creation was offset by a reduction in the pace of labor force growth.
- The Fed has framed the combination of limited job growth and a stable unemployment rate as an uncomfortable balance.
- Initial jobless claims and layoff rates remain low, consistent with a continued “low-hire/low-fire” environment.

● Current outlook    ○ Outlook one quarter ago    
 **Stance Unfavorable to Risk Assets**    
 Negative    Slightly Negative    Neutral    Slightly Positive    Positive    
 **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 (3/31/2026) 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.

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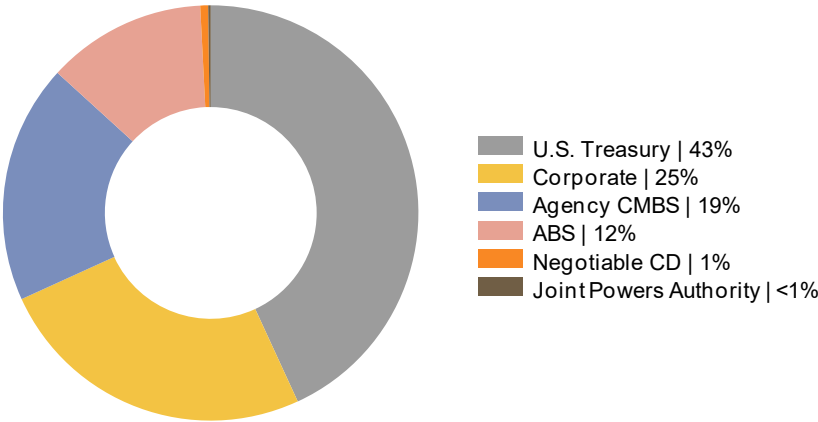
Portfolio Review:  
CA-SAN GORGONIO PASS WATER AGENCY

# Portfolio Snapshot - CA-SAN GORGONIO PASS WATER AGENCY<sup>1</sup>

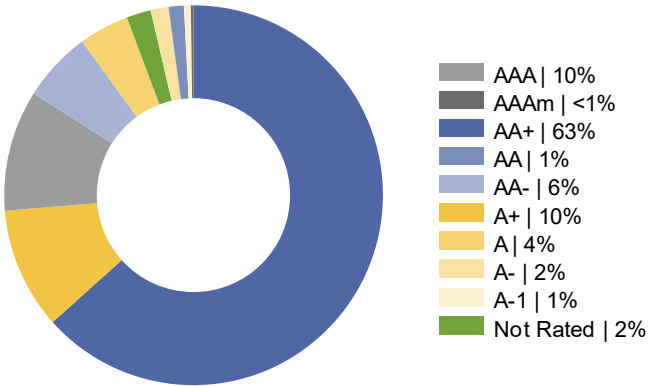
## Portfolio Statistics

<b>Total Market Value</b>	\$101,678,187.91
Managed Account Sub-Total	\$100,869,774.51
Accrued Interest	\$586,844.49
Pool	\$221,568.91
<b>Portfolio Effective Duration</b>	2.55 years
<b>Benchmark Effective Duration</b>	2.47 years
<b>Yield At Cost</b>	4.16%
<b>Yield At Market</b>	4.04%
<b>Portfolio Credit Quality</b>	AA

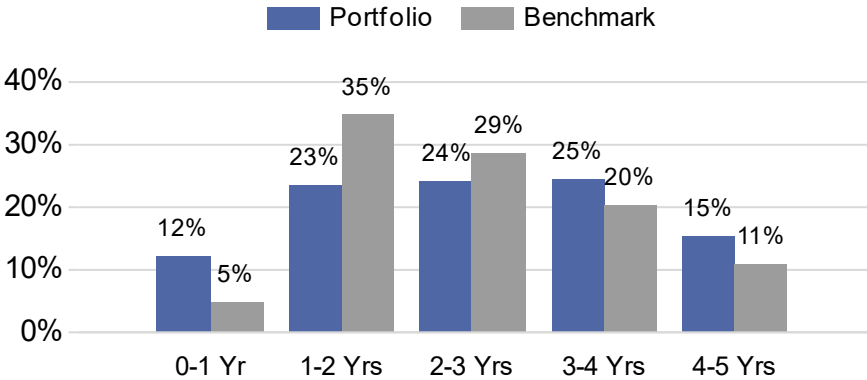
## Sector Allocation



## Credit Quality - S&P

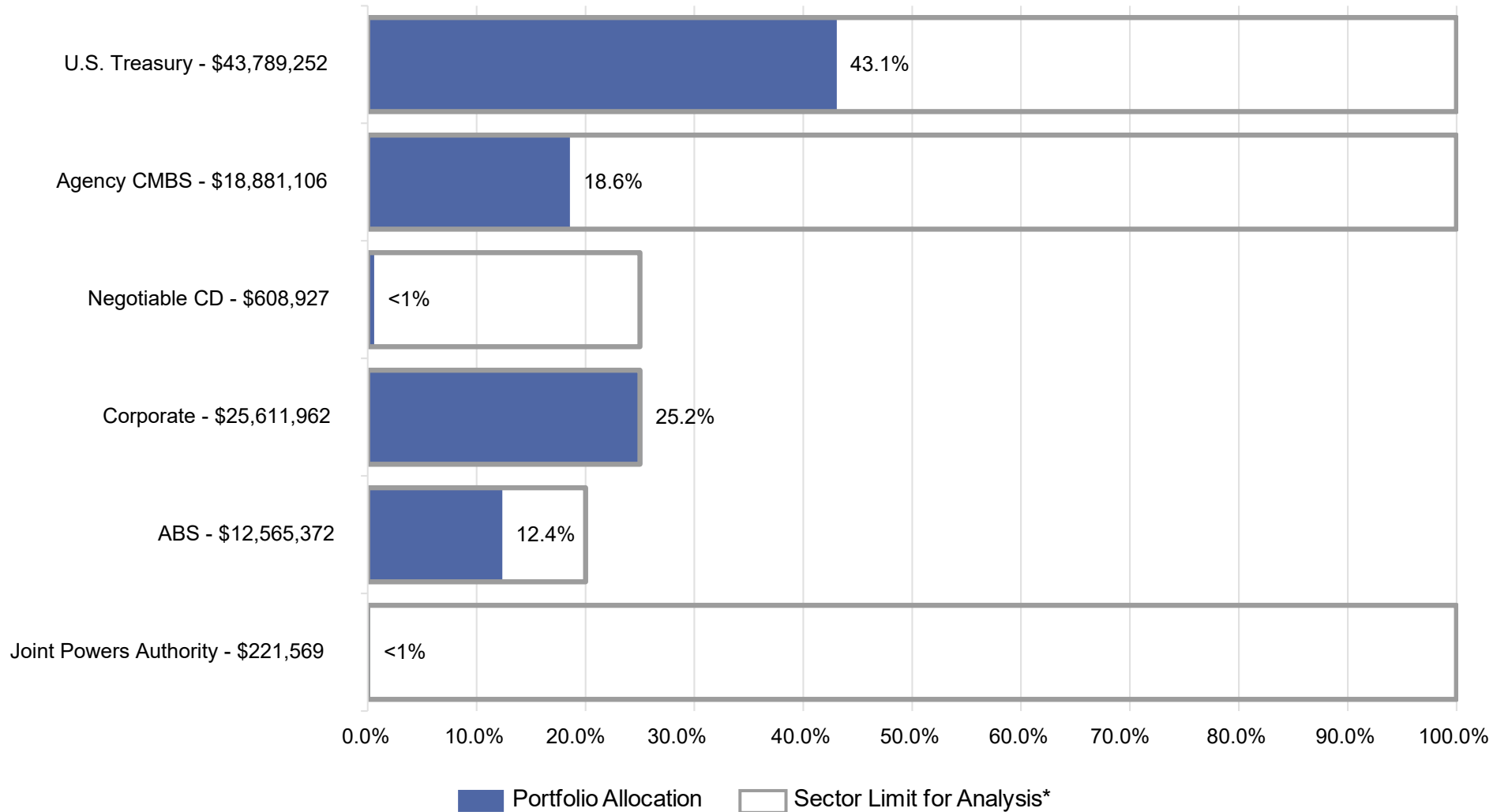


## Duration Distribution



1. Total market value includes accrued interest and balances invested in CAMP, as of March 31, 2026. 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

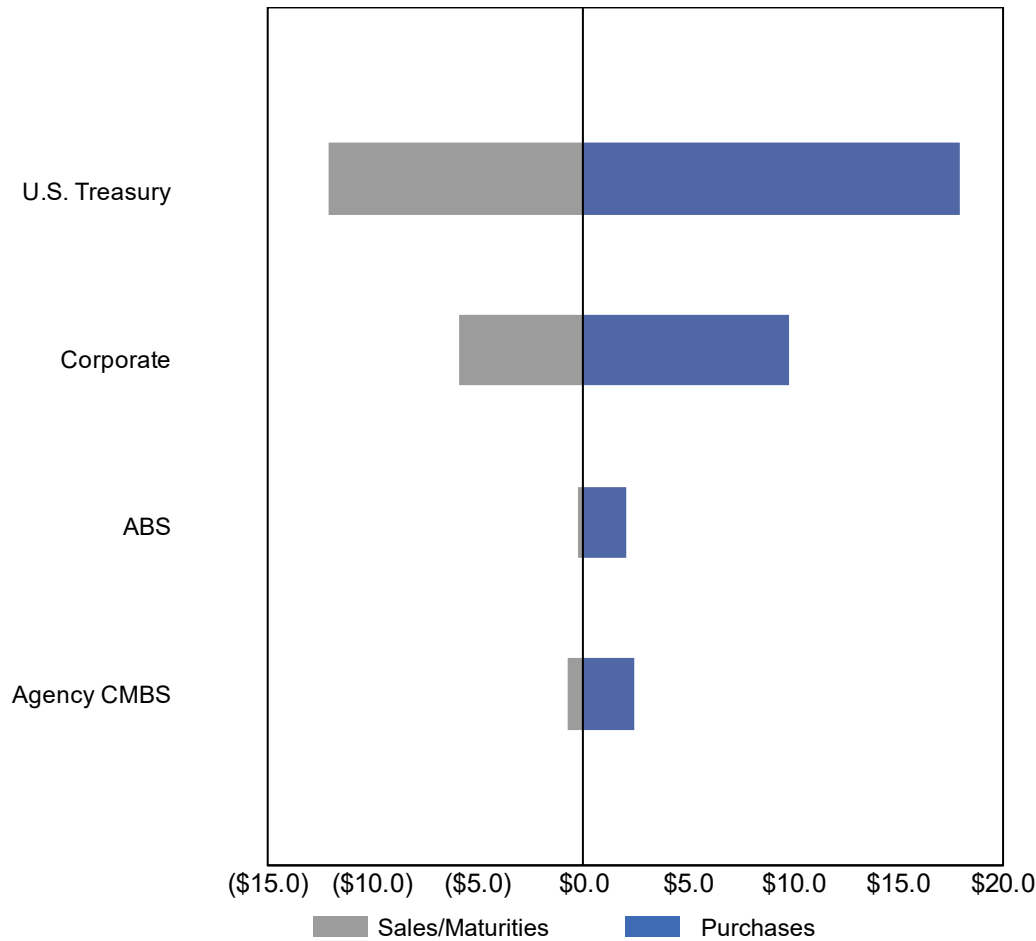
During the reporting period for the quarter ended March 31, 2026, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

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)

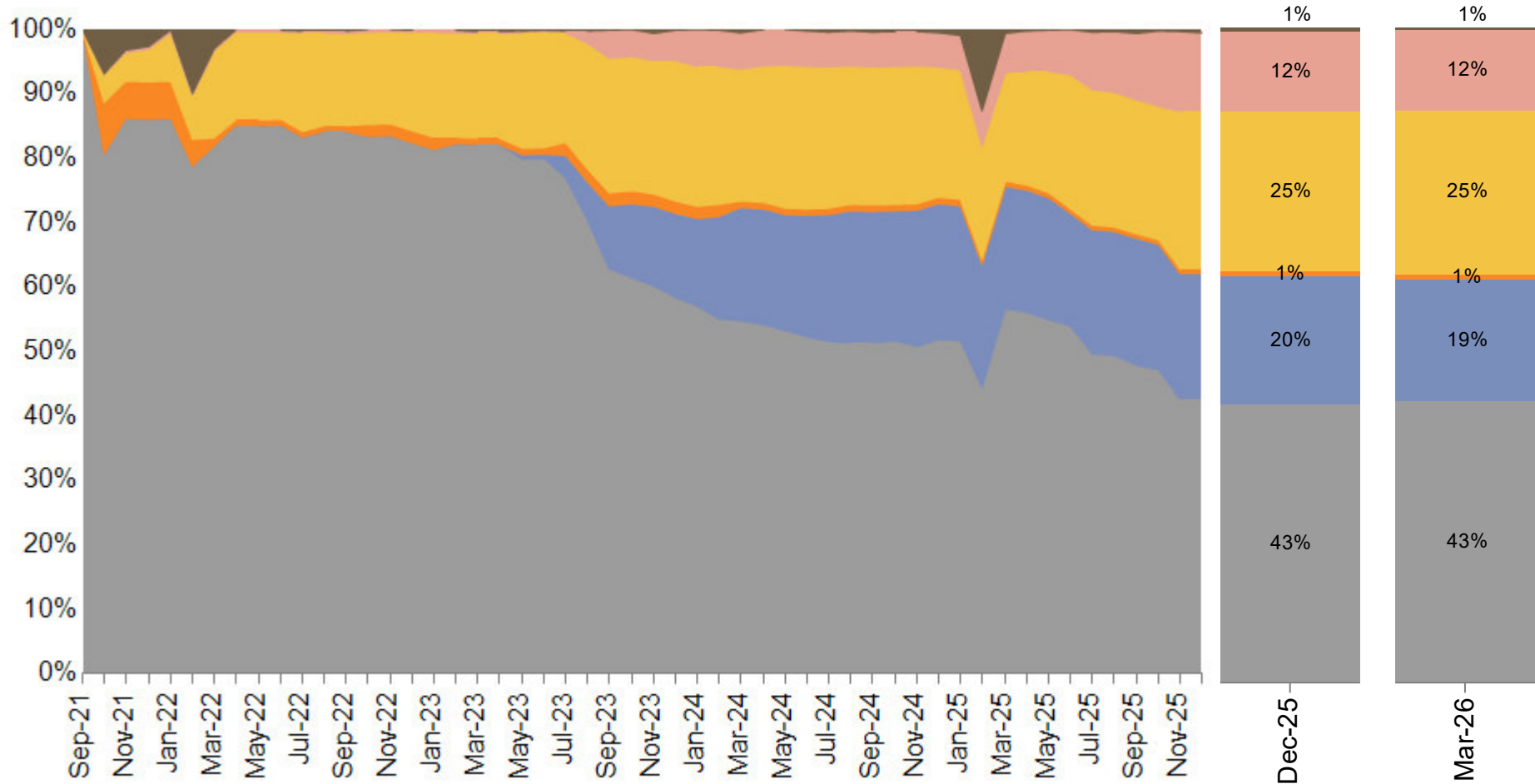


Sector	Net Activity
U.S. Treasury	\$5,824,557
Corporate	\$3,866,823
ABS	\$1,808,048
Agency CMBS	\$1,702,168
<b>Total Net Activity</b>	<b>\$13,201,596</b>

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

### Historical Sector Allocation - CA-SAN GORGONIO PASS WATER AGENCY

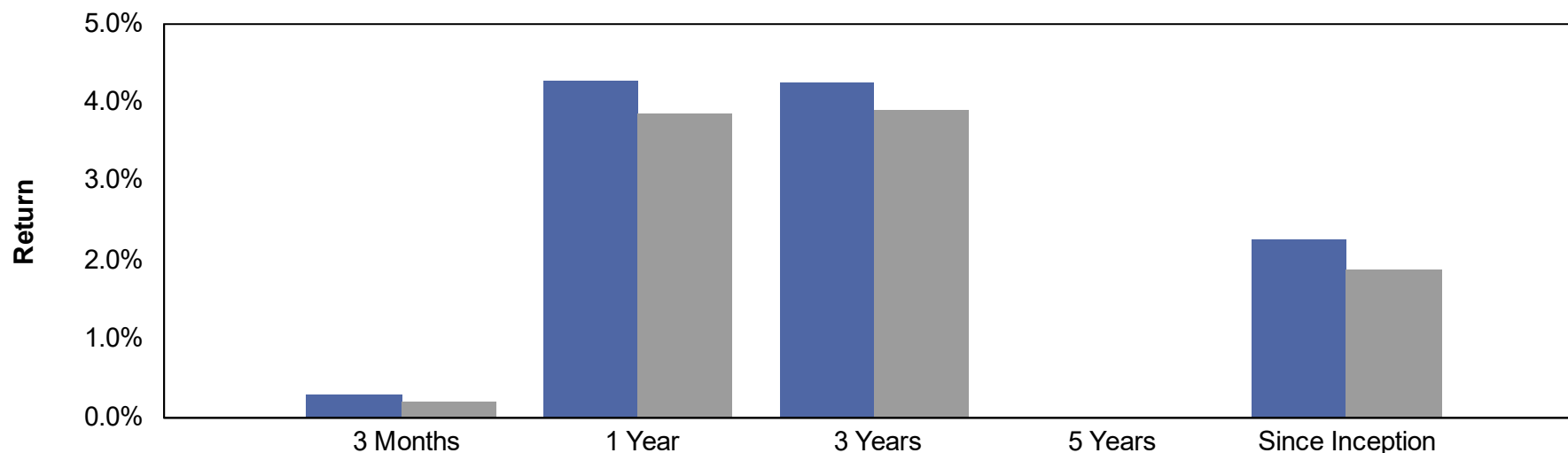
U.S. Treasury
  Agency CMBS
  Negotiable CD
  Corporate
  ABS
  Joint Powers Authority



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 <sup>1</sup>
Interest Earned <sup>2</sup>	\$969,085	\$3,374,451	\$6,537,665	-	\$7,203,143
Change in Market Value	(\$663,920)	\$297,205	\$2,497,281	-	\$64,156
<b>Total Dollar Return</b>	<b>\$305,165</b>	<b>\$3,671,656</b>	<b>\$9,034,946</b>	<b>-</b>	<b>\$7,267,299</b>
<b>Total Return<sup>3</sup></b>					
Portfolio	0.29%	4.29%	4.26%	-	2.27%
Benchmark <sup>4</sup>	0.20%	3.86%	3.92%	-	1.89%
<b>Difference</b>	<b>0.09%</b>	<b>0.42%</b>	<b>0.34%</b>	<b>-</b>	<b>0.38%</b>

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

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

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

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

## 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.

PFMAM professionals have exercised reasonable professional care in the preparation of this performance report. Information in this report is obtained from sources external to PFMAM and is generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness or suitability. We rely on the client's custodian for security holdings and market values. Transaction dates reported by the custodian may differ from money manager statements. While efforts are made to ensure the data contained herein is accurate and complete, we disclaim all responsibility for any errors that may occur. References to particular issuers are for illustrative purposes only and are not intended to be recommendations or advice regarding such issuers. Fixed income manager and index characteristics are gathered from external sources. When average credit quality is not available, it is estimated by taking the market value weights of individual credit tiers on the portion of the strategy rated by a NRSRO.

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.

The views expressed within this material constitute the perspective and judgment of PFMAM at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon certain assumptions and current opinion as of the date of issue and are also subject to change. Some, but not all assumptions are noted in the report. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Opinions and data presented are not necessarily indicative of future events or expected performance.

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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.

**San Gorgonio Pass Water Agency**  
**Check History Report**  
**March 1 through March 31, 2026**

ACCOUNTS PAYABLE
------------------

Date	Number	Name	Amount
3/3/26	122181	ATAC EXTERMINATORS INC	89.00
3/3/26	122182	BEST BEST & KRIEGER	19,517.98
3/3/26	122183	CALIMESA CHAMBER OF COMMERCE	150.00
3/3/26	122184	CALIFORNIA RURAL WATER ASSN	25,987.69
3/3/26	122185	CV STRATEGIES	19,618.75
3/3/26	122186	THE FERGUSON GROUP	1,907.50
3/3/26	122187	KVAC ENVIRONMENTAL	3,573.46
3/3/26	122188	LAND ENGINEERING CONSULTANTS	41,342.50
3/3/26	122189	NATIONAL TRENCH SAFETY	7,933.17
3/3/26	122190	PROVOST & PRITCHARD	8,973.70
3/3/26	122191	PURCOR PEST SOLUTIONS	66.80
3/3/26	122192	UNLIMITED SERVICES	437.00
3/3/26	122193	UNDERGROUND SERVICE ALERT	18.60
3/3/26	122194	VALLEY OFFICE EQUIPMENT, INC.	454.91
3/3/26	122195	VERIZON BUSINESS	60.04
3/3/26	122196	WASTE MGT CORPORATE SERVICES	138.46
3/3/26	122197	WEKA, INC	826,859.67
3/10/26	122198	ACWA BENEFITS	1,263.09
3/10/26	122199	ALBERT WEBB ASSOCIATES	20,044.00
3/10/26	122200	CRM TECH	7,050.00
3/10/26	122201	THE FERGUSON GROUP	2,625.00
3/10/26	122202	GF ADVOCACY, LLC	2,500.00
3/10/26	122203	LAND ENGINEERING CONSULTANTS	7,425.00
3/10/26	122204	LENITY TECHNOLOGY	6,505.61
3/10/26	122205	MATTHEW PISTILLI LANDSCAPE SERVICES	713.39
3/10/26	122206	KRISHAN NAGIN	11,750.00
3/10/26	122207	STANDARD INSURANCE COMPANY	973.43
3/10/26	122208	WEX HEALTH	1,000.00
3/10/26	122209	ZANJERO WATER CONSULTING	11,170.00
3/18/26	122210	CALMUTUAL	10,000.00
3/18/26	122211	CRIDER PUBLIC RELATIONS	892.50
3/18/26	122212	FRONTIER COMMUNICATIONS	390.09
3/18/26	122213	T. R. HOLLIMAN	1,800.00
3/18/26	122214	IN-SITU, INC.	7,292.52
3/18/26	122215	KVAC ENVIRONMENTAL	5,184.76
3/18/26	122216	NATIONAL TRENCH SAFETY	832.00
3/18/26	122217	PUBLIC AGENCY RETIREMENT SERVICES	0.00
3/18/26	122218	PROVOST & PRITCHARD	14,471.40
3/18/26	122219	SBVMD	207,728.63
3/18/26	122220	SOUTHERN CALIFORNIA GAS	191.43
3/18/26	122221	WATER RESOURCES ECONOMICS	3,137.75
3/23/26	122222	AV SIGNS AND DESIGNS, INC.	2,627.76
3/23/26	122223	EARTHCAM, INC	637.92
3/23/26	122224	THE FERGUSON GROUP	1,102.50
3/23/26	122225	MATTHEW PISTILLI LANDSCAPE SERVICES	1,050.00
3/23/26	122226	NAPA COUNTY FLOOD CONTROL & WCD	675,000.00
3/23/26	122227	PUBLIC AGENCY RETIREMENT SERVICES	3,441.00
3/23/26	122228	PROVOST & PRITCHARD	14,347.48

**San Gorgonio Pass Water Agency**  
**Check History Report**  
**March 1 through March 31, 2026**

<b>ACCOUNTS PAYABLE (CON'T)</b>
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<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
3/23/26	122229	SHARP DESIGNS CUSTOM EMBROIDERY	255.00
3/23/26	122230	UNIVAR SOLUTIONS	5,955.14
3/23/26	122231	VALLEY OFFICE EQUIPMENT, INC.	693.44
3/30/26	122232	WELLS FARGO ELITE CREDIT CARD	40,043.89
3/31/26	122233	PUBLIC AGENCY RETIREMENT SERVICES	1,926.00
3/31/26	122234	PUBLIC AGENCY RETIREMENT SERVICES	2,625.00
3/2/26	901291	EMPLOYMENT DEVELOPMENT DEPARTMENT	3,268.96
3/2/26	901292	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	17,778.81
3/2/26	901293	CALPERS RETIREMENT	12,674.35
3/2/26	901294	CAL PERS RETIREMENT - SIP-457	5,563.00
3/2/26	901295	PAYCHEX	194.50
3/17/26	901296	EMPLOYMENT DEVELOPMENT DEPARTMENT	3,698.85
3/17/26	901297	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	19,244.23
3/17/26	901298	CALPERS RETIREMENT	13,597.86
3/17/26	901299	CAL PERS RETIREMENT - SIP-457	5,563.00
3/17/26	901300	PAYCHEX	223.00
3/17/26	901301	MARICELA V. CABRAL	2,560.00
3/17/26	901302	MATTHEW E. HOWARD	217.47
3/17/26	901303	JAMES N. TICKEMYER	526.68
3/17/26	901304	THOMAS W. TODD, JR.	5,628.95
3/17/26	901305	JENNIFER L. USTATION	85.27
3/17/26	901306	MICHAEL R. VALDIVIA	69.60
3/17/26	901307	SARAH C. WARGO	109.20
3/24/26	901308	CALPERS HEALTH	14,926.49
3/25/26	901309	EMPLOYMENT DEVELOPMENT DEPARTMENT	864.88
3/25/26	901310	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	4,480.77
3/25/26	901311	PAYCHEX	156.50
3/30/26	901312	DEPARTMENT OF WATER RESOURCES	4,508,613.00
		TOTAL ACCOUNTS PAYABLE CHECKS	6,651,820.33

<b>PAYROLL</b>
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<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
3/1/26	803128	MARICELA V. CABRAL	4,511.55
3/1/26	803129	EMMETT G. CAMPBELL	5,533.62
3/1/26	803130	LANCE E. ECKHART	7,524.30
3/1/26	803131	MATTHEW E. HOWARD	4,831.21
3/1/26	803132	LAWRENCE R. SMITH	3,020.93
3/1/26	803133	SCOTT W. TIRRELL	410.68
3/1/26	803134	THOMAS W. TODD, JR.	4,226.80
3/1/26	803135	JENNIFER L. USTATION	2,974.61
3/1/26	803136	MICHAEL R. VALDIVIA	3,020.94
3/1/26	803137	SARAH C. WARGO	2,953.50
3/16/26	803138	MARICELA V. CABRAL	4,511.56
3/16/26	803139	EMMETT G. CAMPBELL	5,533.63
3/16/26	803140	LANCE E. ECKHART	7,524.31

**San Gorgonio Pass Water Agency**  
**Check History Report**  
**March 1 through March 31, 2026**

3/16/26	803141	MATTHEW E. HOWARD	4,831.21
3/16/26	803142	JAMES N. TICKEMYER	2,617.33
3/16/26	803143	SCOTT W. TIRRELL	494.70
3/16/26	803144	THOMAS W. TODD, JR.	4,226.80
3/16/26	803145	JENNIFER L. USTATION	5,922.71
3/16/26	803146	ROBERT G. YBARRA	3,020.94
3/25/26	803147	LANCE E. ECKHART	6,570.60
3/25/26	803148	MATTHEW E. HOWARD	<u>2,414.14</u>
		TOTAL PAYROLL	<u>86,676.07</u>
		TOTAL DISBURSEMENTS FOR MARCH 2026	<u><u>6,738,496.40</u></u>

**NOTES**

\*Reimbursements to Staff and Directors may include medical, wellness, travel or office expenditures.

Check and expenditure series numbers:

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

SAN GORGONIO PASS WATER AGENCY  
 New Vendors List  
 April 2026

Vendor - Name and Address	Expenditure Type
AV Signs and Designs Inc. Dba The Sign Company 620 E. Rancho Vista Blvd, Palmdale, CA 93550	Furniture & Fixtures
Napa County Flood Control & Water Conservation District 804 First St., Napa, CA 94559	Purchase Water
AgostinoCreative 120 332nd St. Unit 108, Federal Way, CA 98023	65th Anniversary printing

**SAN GORGONIO PASS WATER AGENCY  
BANK RECONCILIATION  
March 31, 2026**

**BANK STATEMENT BALANCE (CHECKING ACCOUNT) -** March 31, 2026 \$ 4,936,593.89

LESS: OUTSTANDING CHECKS

CHECK NUMBER	AMOUNT	CHECK NUMBER	AMOUNT
122224	1,102.50		
122227	3,441.00		
122229	255.00		
122233	1,926.00		
122234	2,625.00		
	9,349.50		-

TOTAL OUTSTANDING CHECKS (9,349.50)

ADJUSTED **BANK STATEMENT** BALANCE - March 31, 2026 **\$ 4,927,244.39**

BALANCE PER **GENERAL LEDGER** AT END OF PRIOR MONTH \$ 2,555,241.56

CASH RECEIPTS FOR CURRENT MONTH 6,110,499.23

CASH DISBURSEMENTS FOR CURRENT MONTH

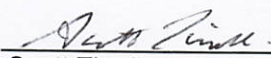
ACCOUNTS PAYABLE	Checks	(2,031,774.96)	
ACCOUNTS PAYABLE	ACHs	(4,620,045.37)	(6,651,820.33)
PAYROLL	Prior Month: 16th-EOM	(39,008.14)	
PAYROLL	This Month: 1st-15th	(47,667.93)	(86,676.07)

TRANSFERS

FROM LAIF TO CHECKING ACCT	3,000,000.00	
FROM CAMP TO CHECKING ACCT	-	3,000,000.00
FROM CHECKING ACCT TO LAIF	-	
FROM CHECKING ACCT TO CAMP	-	-

BALANCE PER **GENERAL LEDGER** - March 31, 2026 **\$ 4,927,244.39**

REPORT PREPARED BY:

  
\_\_\_\_\_  
Scott Tirrell

March 14, 2026  
\_\_\_\_\_  
Date

**SAN GORGONIO PASS WATER AGENCY  
DEPOSIT RECAP  
FOR THE MONTH OF MARCH 2026**

DATE	RECEIVED FROM	DESCRIPTION	AMOUNT
<b>DEPOSIT TO CHECKING ACCOUNT</b>			
3/5/26	DWR	MONITORING WELLS GRANT RMBRSMNT	1,000,087.05
3/5/26	ACWA	EXPLORER REPAIRS INS PMNT	4,628.95
3/19/26	RIVERSIDE COUNTY	PROPERTY TAXES CY SUP	119,689.69
3/19/26	BCVWD	WATER SALES	513,114.00
3/20/26	RIVERSIDE COUNTY	PROPERTY TAXES PY SUP	29,563.41
3/26/26	YVWD	WATER SALES	3,140.13
3/26/26	MICHAEL VALDIVIA	SPOUSE EVENT TICKET	125.00
3/27/26	SOUTH MESA WATER CO.	GAP FUNDING REIMBURSEMENT	4,440,151.00
TOTAL FOR MARCH 2026			6,110,499.23

## SAN GORGONIO PASS WATER AGENCY

**Local Water Purchases and Deliveries**  
**Calendar Year 2026**  
**DRAFT - Subject to Change**  
**April 7, 2026**

ORDERS (AF)					
City of Banning		BCVWD		YVWD	
Replenish	Pre-Stored	Replenish	Pre-Stored	Direct	Pre-Stored*
1,500	500	11,200	5,300	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		2,519			
Jan	553		774		1,327	553		3,072			
Feb	595		1,286	8	1,889	595		3,667			
Mar	872		1,283	51	2,206	872		4,539			
Apr					0						
May					0						
Jun					0						
Jul					0						
Aug					0						
Sep					0						
Oct					0						
Nov					0						
Dec					0						
<b>TOTALS</b>	2,020	0	3,343	59	5,422	2,020	0		0	0	0

Month	City of Banning			BCVWD			YVWD			Totals
	Deliveries	Transfers-in	Total	Deliveries	Transfers-in	Total	Deliveries	Transfers-in	Total	
Jan			0	774		774			0	774
Feb			0	1,286		1,286	8		8	1,294
Mar			0	1,283		1,283	51		51	1,334
Apr			0			0			0	0
May			0			0			0	0
Jun			0			0			0	0
Jul			0			0			0	0
Aug			0			0			0	0
Sep			0			0			0	0
Oct			0			0			0	0
Nov			0			0			0	0
Dec			0			0			0	0
<b>TOTALS</b>	0	0	0	3,343	0	3,343	59	0	59	3,402

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

San Geronio Pass Water Agency  
Budget Highlights

March 2026

**Overall FY 2025-26**

All budget expense categories are within budget at this time.

**General Fund (Green Bucket)**

Income

General Fund income is slightly under budget but is expected to end within budget by year-end.

Expenses

As mentioned above, all expense categories for the General Fund are well within budget. Within categories, there are some line items worth noting.

Previously mentioned:

- Insurance and Bonds
- Grant Support Services

For this month, Tools Purchase and Maintenance are slightly over-expensed for this time of year but expected to be within budget for year-end.

Public Information and Education is within budget at this time.

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

Nothing to report.

**Debt Service Fund (Red Bucket)**

Income

Overall, Debt Service Income is near budget expectations at this time. Little activity for tax revenue is expected for the next two months.

Expenses

Purchased water is higher than normal for this time but this is due to purchasing water from Napa County Flood & Water Conservation District. This item will be watched and a future budget adjustment may be needed. Water Treatment Expense is over budget for this time period due to additional charges from the San Bernardino Valley Municipal Water District. State Water Contractor Payments are over budget for this time period due to the large payment for EBX made in March, but are expected to be within budget for year-end. Overall, expenses in the Debt Service Fund are within budget.

**Funding Programs**

Gap Funding Expenses

The Agency received \$4.44M from South Mesa Water Company this month. This reduces their outstanding balance to \$1,407,379.11.

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

		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>GENERAL FUND</b>						
<b>INCOME</b>					% of Budget Year:	75.0%
						Over budget
						Under budget
1	WATER SALES	7,500,000		7,500,000	4,297,142.22	57.3%
2	OTHER WATER SALES	0		0	0.00	
3	TAX REVENUE	13,250,000		13,250,000	6,730,776.07	50.8%
4	INTEREST	600,000		600,000	1,228,362.38	204.7%
5	GOV'T CONTRIBUTIONS	320,000		320,000	0.00	0.0%
6	GRANT REVENUE	3,600,000		3,600,000	2,335,381.73	64.9%
7	OTHER MISCELLANEOUS INCOME	45,000		45,000	41,061.76	91.2%
8	<b>TOTAL GENERAL FUND INCOME</b>	<b>25,315,000</b>	<b>0</b>	<b>25,315,000</b>	<b>14,632,724.16</b>	<b>57.8%</b>
<b>EXPENSES</b>						Under budget
						Over budget
<b>COMMODITY PURCHASE</b>						
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	<b>TOTAL COMMODITY PURCHASE</b>	<b>3,700,000</b>	<b>0</b>	<b>3,700,000</b>	<b>0.00</b>	<b>0.0%</b>
<b>SALARIES AND EMPLOYEE BENEFITS</b>						
17	SALARIES	800,000		800,000	531,568.12	66.4%
18	PAYROLL TAXES	73,000		73,000	38,944.37	53.3%
19	PAYROLL SERVICES	11,000	5,000	16,000	10,065.69	62.9%
20	RETIREMENT	350,000		350,000	230,529.31	65.9%
21	OTHER POST-EMPLOYMENT BENEFITS (OPEB)	200,000		200,000	77,375.55	38.7%
22	HEALTH INSURANCE	75,000		75,000	42,554.15	56.7%
23	ACWA BENEFITS	12,000		12,000	6,413.81	53.4%
24	DISABILITY INSURANCE	8,000		8,000	4,580.28	57.3%
25	WORKERS COMPENSATION INSURANCE	7,000		7,000	2,191.32	31.3%
26	SGPWA STAFF MEDICAL REIMBURSEMENT	22,000		22,000	8,665.25	39.4%
27	EMPLOYEE EDUCATION	7,000		7,000	2,560.00	36.6%
28	<b>TOTAL SALARIES AND EMPLOYEE BENEFITS</b>	<b>1,565,000</b>	<b>5,000</b>	<b>1,570,000</b>	<b>955,447.85</b>	<b>61.1%</b>

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

		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>GENERAL FUND</b>						
<b>EXPENSES</b>					% of Budget Year:	75.0%
<b>ADMINISTRATIVE AND PROFESSIONAL SERVICES</b>						Under budget
DIRECTOR EXPENDITURES						Over budget
33	DIRECTORS FEES	285,000		285,000	121,928.77	42.8%
34	DIRECTORS TRAVEL AND EDUCATION	80,000		80,000	39,638.77	49.5%
35	DIRECTORS MEDICAL	214,000		214,000	23,125.36	10.8%
OFFICE EXPENDITURES						
37	OFFICE EXPENSE	40,000	12,000	52,000	33,336.16	64.1%
38	POSTAGE	1,000		1,000	377.16	37.7%
39	TELEPHONE	8,000		8,000	5,484.63	68.6%
40	UTILITIES	7,000		7,000	2,921.62	41.7%
SERVICE EXPENDITURES						
42	COMPUTER, WEBSITE AND PHONE SUPPORT	75,000		75,000	52,736.29	70.3%
43	GENERAL MANAGER AND STAFF TRAVEL	50,000		50,000	31,848.19	63.7%
44	SUCCESSION PLANNING	65,000		65,000	38,455.91	59.2%
45	INSURANCE AND BONDS	70,000		70,000	69,170.39	98.8%
46	ACCOUNTING AND AUDITING	22,000		22,000	20,000.00	90.9%
47	LEGAL SERVICES	350,000		350,000	257,874.05	73.7%
48	DUES AND ASSESSMENTS	70,000		70,000	54,835.02	78.3%
49	OTHER PROFESSIONAL SERVICES	25,000		25,000	6,039.30	24.2%
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	1,509.26	75.5%
54	MAINTENANCE AND REPAIRS - VEHICLE	30,000		30,000	12,233.25	40.8%
55	MAINTENANCE AND REPAIRS - BUILDING	50,000		50,000	14,818.80	29.6%
56	MAINTENANCE AND REPAIRS - FIELD	60,000		60,000	35,432.26	59.1%
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	46,891.61	67.0%
61	<b>TOTAL ADMINISTRATIVE AND PROFESSIONAL SERVICES</b>	<b>1,586,000</b>	<b>12,000</b>	<b>1,598,000</b>	<b>879,572.32</b>	<b>55.5%</b>

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

		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>GENERAL FUND</b>						
<b>EXPENSES</b>					% of Budget Year:	75.0%
<b>CONSULTING AND ENGINEERING SERVICES</b>						Under budget
<b>PLANS &amp; CONSTRUCTION</b>						Over budget
65	INFRASTRUCTURE PLAN - Phase 2	25,000		25,000	0.00	0.0%
66	BACKBONE INFRASTRUCTURE STUDY AND DESIGN	750,000	-415,000	335,000	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	88,294.24	88.3%
69	SMALL SYSTEM ASSISTANCE PROGRAM	210,000		210,000	64,467.58	30.7%
70	SIGNAGE AND FRONTAGE BROOKSIDE EAST	75,000		75,000	0.00	0.0%
71	MONITORING WELL DRILLING	1,800,000		1,800,000	861,051.52	47.8%
72	HELI-HYDRANT	1,200,000		1,200,000	134,873.97	11.2%
<b>OTHER PROJECTS</b>						
74	WATER BANKING INVESTIGATIONS	25,000	415,000	440,000	393,326.40	89.4%
75	SAN GORGONIO GSA	550,000		550,000	46,959.76	8.5%
76	YUCAIPA GSA VERBENIA GSA	50,000		50,000	7,552.29	15.1%
77	FLUME MONITORING AND SUPPORT	30,000		30,000	0.00	0.0%
<b>STUDIES AND REPORTS</b>						
79	FINANCIAL MODELING + NEXUS RATE STUDY	55,000		55,000	28,525.78	51.9%
80	USGS STUDIES AND MONITORING	400,000		400,000	213,095.94	53.3%
81	LOCAL SUPPLIES	50,000		50,000	0.00	0.0%
82	LOCAL RECHARGE FEASIBILITY STUDIES	750,000		750,000	19,670.10	2.6%
83	UWMP SUPPORT AND ANNUAL REPORT COMPLETION	300,000		300,000	78,995.00	26.3%
<b>GENERAL ENGINEERING SERVICES</b>						
85	ON-CALL ENGINEERING SERVICES	500,000		500,000	85,770.54	17.2%
86	GRANT SUPPORT SERVICES	50,000		50,000	47,967.50	95.9%
87	STATE + FEDERAL ADVOCACY	80,000		80,000	20,000.00	25.0%
88	SAWPA REGIONAL PROJECTS	15,000		15,000	9,889.00	65.9%
89	GENERAL ENGINEERING and ENVIRONMENTAL	50,000		50,000	1,247.50	2.5%
90	<b>TOTAL CONSULTING AND ENGINEERING SERVICES</b>	<b>7,140,000</b>	<b>0</b>	<b>7,140,000</b>	<b>2,101,687.12</b>	<b>29.4%</b>

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

		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>GENERAL FUND</b>						
<b>EXPENSES</b>					% of Budget Year:	75.0%
						Under budget
<b>CONSERVATION AND EDUCATION</b>						Over budget
98	SCHOOL EDUCATION PROGRAMS	65,000		65,000	14,658.00	22.6%
99	PUBLIC INFORMATION AND EDUCATION	260,000		260,000	188,425.38	72.5%
100	SPONSORSHIPS	10,000		10,000	3,750.00	37.5%
101	TRANSFER TO PASS WATER AGENCY FOUNDATION	35,000		35,000	33,221.62	94.9%
102	65th ANNIVERSARY CELEBRATION	50,000		50,000	14,960.00	29.9%
103	<b>TOTAL CONSERVATION AND EDUCATION</b>	<b>420,000</b>	<b>0</b>	<b>420,000</b>	<b>255,015.00</b>	<b>60.7%</b>
<b>MAJOR AND CAPITAL EXPENDITURES</b>						
<b>BUILDING AND EQUIPMENT</b>						
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	18,087.03	72.3%
110	OTHER EQUIPMENT	20,000		20,000	0.00	0.0%
111	VEHICLES	80,000	65,000	145,000	55,632.32	38.4%
<b>OTHER ITEMS</b>						
113	SITES RESERVOIR	840,000		840,000	0.00	0.0%
114	NEW PROPERTY	50,000	480,000	530,000	477,343.96	90.1%
115	COUNTY LINE RECHARGE - CONSTRUCTION	6,500,000		6,500,000	1,757,174.63	27.0%
117	<b>TOTAL MAJOR AND CAPITAL EXPENDITURES</b>	<b>7,565,000</b>	<b>545,000</b>	<b>8,110,000</b>	<b>2,308,237.94</b>	<b>30.5%</b>
119	<b>TRANSFERS TO OTHER FUNDS</b>					
121	<b>TOTAL GENERAL FUND EXPENSES</b>	<b>21,976,000</b>	<b>562,000</b>	<b>22,538,000</b>	<b>6,499,960.23</b>	<b>28.8%</b>
123	<b>GENERAL FUND NET INCOME YTD</b>	<b>3,339,000</b>	<b>-562,000</b>	<b>2,777,000</b>	<b>8,132,763.93</b>	

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

		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>CONSIGNED - SWP SUPPORT FUND</b>						
					%	75.0%
<b>INCOME</b>						Over budget
						Under budget
<b>INCOME</b>						
130	UNITARY TAX REVENUE ALLOCATED	9,100,000		9,100,000	3,795,574.11	41.7%
131	INTEREST	580,000		580,000	778,239.24	134.2%
132	OTHER INCOME	0		0		
133	<b>TOTAL SWP SUPPORT FUND INCOME</b>	<b>9,680,000</b>	<b>0</b>	<b>9,680,000</b>	<b>4,573,813.35</b>	<b>47.3%</b>
<b>EXPENSES</b>						Under budget
						Over budget
<b>EXPENDITURES</b>						
139	TAX COLLECTION CHARGES	24,000		24,000	9,488.94	39.5%
140	OTHER EXPENSES	0		0		
141	<b>TOTAL SWP SUPPORT FUND EXPENSES</b>	<b>24,000</b>	<b>0</b>	<b>24,000</b>	<b>9,488.94</b>	<b>39.5%</b>
143	<b>TRANSFERS TO OTHER FUNDS</b>					
145	<b>CONSIGNED - SWP SUPPORT FUND NET INCOME YTD</b>	<b>9,656,000</b>	<b>0</b>	<b>9,656,000</b>	<b>4,564,324.41</b>	

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

		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>DEBT SERVICE FUND</b>						
					% of Budget Year:	75.0%
<b>INCOME</b>						Over budget
						Under budget
153	TAX REVENUE	34,754,000		34,754,000	19,740,215.43	<b>56.8%</b>
154	INTEREST	2,000,000		2,000,000	2,304,586.49	115.2%
155	CONTRIBUTIONS - GOVERNMENT	0		0		
156	DWR CREDITS - BOND COVER, OTHER	3,550,000		3,550,000	1,727,252.00	<b>48.7%</b>
157	<b>TOTAL DEBT SERVICE FUND INCOME</b>	<b>40,304,000</b>	<b>0</b>	<b>40,304,000</b>	<b>23,772,053.92</b>	<b>59.0%</b>
<b>EXPENSES</b>						Under budget
						Over budget
161	SWP PURCHASED WATER	4,800,000		4,800,000	4,431,083.00	<b>92.3%</b>
162	SALARIES	640,000		640,000	402,786.23	62.9%
163	PAYROLL TAXES	40,000		40,000	20,070.86	50.2%
164	BENEFITS	400,000		400,000	210,355.01	52.6%
165	SWP UTILITIES	12,000		12,000	5,791.23	48.3%
166	STATE WATER CONTRACT AUDIT	8,000		8,000	6,818.00	85.2%
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	110,234.46	<b>110.2%</b>
171	EBX CONTRACT OPERATIONS	400,000		400,000	232,274.25	58.1%
172	SWP ENGINEERING AND MAINTENANCE	2,400,000		2,400,000	124,478.17	5.2%
173	WATER TRANSFERS	2,700,000		2,700,000	1,970,322.00	73.0%
174	STATE WATER CONTRACT PAYMENTS	26,000,000		26,000,000	21,076,128.00	<b>81.1%</b>
175	TAX COLLECTION CHARGES	170,000		170,000	72,847.13	42.9%
176	<b>TOTAL DEBT SERVICE FUND EXPENSES</b>	<b>37,746,000</b>	<b>0</b>	<b>37,746,000</b>	<b>28,711,161.34</b>	<b>76.1%</b>
178	<b>TRANSFERS FROM RESERVES</b>			0.00	0.00	
180	<b>DEBT SERVICE NET INCOME YTD</b>	<b>2,558,000</b>	<b>0</b>	<b>2,558,000</b>	<b>-4,939,107.42</b>	

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

		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>FUNDING PROGRAMS</b>						
<b>GAP FUNDING PROGRAM</b>					%	75.0%
<b>INCOME</b>						Over budget
						Under budget
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	100,000.00	
191	<b>TOTAL INCOME</b>	2,600,000	0	2,600,000	100,000.00	3.8%
<b>EXPENSES</b>						Under budget
						Over budget
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	920,983.20	102.3%
198	<b>TOTAL EXPENSE</b>	3,000,000	0	3,000,000	920,983.20	30.7%
202	<b>GAP FUNDING PROGRAM NET BALANCE YTD</b>	-400,000	0	-400,000	-820,983.20	
<b>HELI-HYDRNAT FUNDING PROGRAM</b>						
<b>INCOME</b>						
208	CABAZON WATER DISTRICT			0	480,000.00	
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	<b>TOTAL INCOME</b>	0	0	0	480,000.00	
<b>EXPENSES</b>						
222	SOUTH MESA WATER COMPANY			0	0.00	
224	HIGH VALLEYS WATER DISTRICT			0	600,000.00	
226	BANNING HEIGHTS MUTUAL WATER CO.			0	0.00	
228	<b>TOTAL EXPENSE</b>	0	0	0	600,000.00	
232	<b>HELI-HYDRANT FUNDING PROGRAM NET BALANCE YTD</b>	35 0	0	0	-120,000.00	

## San Gorgonio Pass Water Agency

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

<b>Acronym</b>	<b>Name</b>	<b>Function and Information</b>
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
CY	Calendar Year	12-month reporting period that coincides with the calendar year
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

## San Gorgonio Pass Water Agency

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

Acronym	Name	Function and Information
HOX	Homeowners Exemption	Exemption for homeowners; also a tax revenue income received by the Agency
HVWD	High Valleys Water District	Mutual water company within Agency boundaries
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
NAPCFC	Napa County Flood Control and Water Conservation	A state water contractor, participated in water transfer to SGPWA
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

**San Gorgonio Pass Water Agency**

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

<b>Acronym</b>	<b>Name</b>	<b>Function and Information</b>
SWP	State Water Project	System of reservoirs, aqueducts, and pump stations that distributes water throughout the state of California; governed by agreements called water supply contracts
TSAB	Tehachapi Second After-Bay	A DWR facility that SGPWA participates in
UNIVAR	Univar Solutions, Inc.	Provides EarthTec 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 260408

SAN GORGONIO PASS WATER AGENCY  
 CASH RECONCILIATION REPORT  
 FY 2025-26  
 FOR THE NINE MONTHS ENDING ON MARCH 31, 2026

**RESTRICTED - DEBT SERVICE FUND**

BEGINNING BALANCE - JULY 1, 2025			<u>84,030,484</u>
RESERVE FOR STATE WATER PROJECT			
DEBT SERVICE ACTIVITY			
DEBT SERVICE DEPOSITS			
PROPERTY TAX - DEBT SERVICE DEPOSITS			19,740,215
INTEREST INCOME AND CHANGE IN MARKET VALUES			1,971,309
DWR REFUNDS			1,727,252
CHANGE IN RECIEVABLES			770,042
DEBT SERVICE DISBURSEMENTS			<u>-28,711,161</u>
<b>ENDING DEBT SERVICE FUND BALANCE ----- Mar. 31, 2026</b>			<u><b>79,528,141</b></u> <u><b>79,528,141</b></u>

**UNRESTRICTED - GENERAL FUND**

BEGINNING BALANCE - JULY 1, 2025			<u>37,475,569</u>
GENERAL FUND ACTIVITY			
GENERAL FUND DEPOSITS			
WATER SALES			4,297,142
PROPERTY TAX - GENERAL PURPOSE DEPOSITS			6,730,776
INTEREST INCOME AND CHANGE IN MARKET VALUES			1,050,723
OTHER INCOME			2,376,443
CHANGE IN RECIEVABLES			2,931,593
GENERAL FUND DISBURSEMENTS			
CHANGE IN LIABILITIES			-1,487,403
CHANGE IN CAPITAL ASSETS			-3,244,867
OPERATING EXPENDITURES			<u>-6,744,827</u>
<b>ENDING GENERAL FUND BALANCE ----- Mar. 31, 2026</b>			<u><b>43,385,149</b></u> <u><b>43,385,149</b></u>

**UNRESTRICTED- CONSIGNED SWP SUPPORT FUND**

BEGINNING BALANCE - JULY 1, 2025			<u>29,169,103</u>
CONSIGNED FUND ACTIVITY			
PROPERTY TAX DEPOSITS			3,795,574
INTEREST INCOME AND CHANGE IN MARKET VALUES			665,694
CHANGE IN RECIEVABLES			277
CONSIGNED FUND EXPENDITURES			<u>0</u>
<b>ENDING CONSIGNED SWP FUND BALANCE ----- Mar. 31, 2026</b>			<u><b>33,630,648</b></u> <u><b>33,630,648</b></u>

**GAP FUNDING PROGRAM**

<b>Net Gap Funding Balance as of:</b>	<b>Mar. 31, 2026</b>		<u><b>-3,737,889</b></u> <u><b>-3,737,889</b></u>
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<b>TOTAL CASH -----</b>	<b>Mar. 31, 2026</b>		<u><b>152,806,051</b></u>
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<b>LOCATION OF CASH -----</b>	<b>Mar. 31, 2026</b>		
PETTY CASH			100
CASH IN WELLS FARGO CHECKING ACCOUNT			4,927,244
LOCAL AGENCY INVESTMENT FUND			26,614,431
CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP) - LIQUIDITY			20,394,501
CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP) - PFM INVESTMENTS			<u>100,869,775</u>
<b>TOTAL CASH -----</b>	<b>Mar. 31, 2026</b>		<u><b>152,806,051</b></u>

SAN GORGONIO PASS WATER AGENCY  
CASH RECONCILIATION SUMMARY REPORT  
FY 2025-26  
BY QUARTER

	SEP 30, 25	DEC 31, 25	MAR 31, 26	JUN 30, 26
<b>RESTRICTED - DEBT SERVICE FUND</b>				
BEGINNING BALANCE - JULY 1, 2024				
RESERVE FOR STATE WATER PROJECT	84,030,484	84,030,484	84,030,484	
DEBT SERVICE ACTIVITY				
DEBT SERVICE DEPOSITS				
PROPERTY TAX - D. S. DEPOSITS	0	10,257,047	19,740,215	
INTEREST INCOME + MARKET CHANGES	945,697	1,648,614	1,971,309	
DWR REFUNDS	0	1,727,252	1,727,252	
CHANGES IN RECIEVABLES	770,042	770,042	770,042	
DEBT SERVICE DISBURSEMENTS	-14,401,822	-17,860,662	-28,711,161	
<b>ENDING DEBT SERVICE FUND BALANCE</b>	<b>71,344,401</b>	<b>80,572,777</b>	<b>79,528,141</b>	
<b>UNRESTRICTED - GENERAL FUND</b>				
BEGINNING BALANCE - JULY 1, 2024	37,475,569	37,475,569	37,475,569	
GENERAL FUND ACTIVITY				
GENERAL FUND DEPOSITS				
WATER SALES	869,421	2,055,628	4,297,142	
PROPERTY TAX - GENERAL DEPOSITS	40	1,553,052	6,730,776	
INTEREST INCOME + MARKET CHANGES	425,564	822,275	1,050,723	
OTHER INCOME	829	939,168	2,376,443	
CHANGES IN RECIEVABLES	2,981,926	3,145,555	2,931,593	
GENERAL FUND DISBURSEMENTS			0	
CHANGE IN LIABILITIES	-1,425,709	-1,214,043	-1,487,403	
CHANGE IN CAPITAL ASSETS	-47,951	-1,155,985	-3,244,867	
OPERATING EXPENDITURES	-666,514	-2,108,755	-6,744,827	
<b>ENDING GENERAL FUND BALANCE</b>	<b>39,613,175</b>	<b>41,512,464</b>	<b>43,385,149</b>	
<b>UNRESTRICTED - CONSIGNED SWP SUPPORT FUND</b>				
BEGINNING BALANCE - JULY 1, 2024	29,169,103	29,169,103	29,169,103	
CONSIGNED FUND ACTIVITY				
PROPERTY TAX DEPOSITS	0	0	3,795,574	
INTEREST INCOME + MARKET CHANGES	299,471	548,123	665,694	
CHANGES IN RECIEVABLES	277	277	277	
CONSIGNED FUND EXPENDITURES	0	0	0	
<b>ENDING CONSIGNED FUND BALANCE</b>	<b>29,468,851</b>	<b>29,717,503</b>	<b>33,630,648</b>	
<b>GAP FUNDING PROGRAM</b>				
Net Gap Funding Balance as of: March 31, 2025	-7,837,056	-8,369,899	-3,737,889	
<b>TOTAL CASH - END OF QUARTER</b>	<b>132,589,370</b>	<b>143,432,846</b>	<b>152,806,051</b>	<b>0</b>
<b>LOCATION OF CASH AND INVESTMENTS</b>				
PETTY CASH	100	100	100	
CASH IN WELLS FARGO CHECKING ACCOUNT	479,543	1,919,216	4,927,244	
LOCAL AGENCY INVESTMENT FUND	24,255,801	32,614,431	26,614,431	
CA ASSET MNGMNT PRGRM - LIQUIDITY	19,995,958	20,203,371	20,394,501	
CA ASSET MNGMNT PRGRM - PFM INVESTMENTS	87,857,968	88,695,729	100,869,775	
<b>TOTAL - END OF QUARTER</b>	<b>132,589,370</b>	<b>143,432,846</b>	<b>152,806,051</b>	

**SAN GORGONIO PASS WATER AGENCY**

**LEGAL INVOICES  
ACCOUNTS PAYABLE INVOICE LISTING**

<u>VENDOR</u>	<u>INVOICE NBR</u>	<u>COMMENT</u>	<u>AMOUNT</u>
BEST, BEST & KRIEGER	260331	LEGAL SERVICES MARCH 2026	47,666.10

TOTAL PENDING INVOICES FOR APPROVAL APR 2026

47,666.10

Past Pending Invoices files are located in this folder:  
ttodd > Accounting Activity + Supporting Documentation  
Other files in this folder:  
Numbering Invoices  
Numbering AJEs  
New Vendors List (previous years)  
Other Vendor information

**SAN GORGONIO PASS WATER AGENCY  
RESERVE ALLOCATION REPORT  
FY 2025-26  
FOR THE NINE MONTHS ENDING MARCH 31, 2025**

	JUN 30, 25	SEP 30, 25	DEC 31, 25	MAR 31, 26	JUN 30, 26
<b>RESTRICTED</b>					
<b>STATE WATER CONTRACT FUND</b>	<b>84,030,484</b>	<b>71,344,401</b>	<b>80,572,777</b>	<b>79,528,141</b>	
<b>UNRESTRICTED</b>					
<b>GENERAL FUND</b>					
OPERATIONS	1,500,000	2,500,000	2,500,000	3,000,000	
NEW INFRASTRUCTURE		30,085,858	30,723,464	32,622,753	
Adjustments/Additions		637,606	1,899,289	1,468,154	
Expenditures				-1,845,469	
Ending Balance	30,085,858	30,723,464	32,622,753	32,245,438	0
ADDITIONAL WATER		4,339,711	4,839,711	4,839,711	
Adjustments/Additions		500,000			
Expenditures					
Ending Balance	4,339,711	4,839,711	4,839,711	4,839,711	0
RATE STABILIZATION					
Previous Balance	150,000	150,000	150,000	150,000	
Expenditures					
Ending Balance	150,000	150,000	150,000	150,000	0
REPLACEMENTS	1,250,000	1,250,000	1,250,000	3,000,000	
UNEXPECTED LEGAL SERVICES	150,000	150,000	150,000	150,000	
<b>SUB-TOTAL GENERAL FUND</b>	<b>37,475,569</b>	<b>39,613,175</b>	<b>41,512,464</b>	<b>43,385,149</b>	<b>0</b>
<b>UNRESTRICTED</b>					
<b>CONSIGNED SWP FUND</b>	29,169,103	29,169,103	29,468,851	29,717,503	
Net Changes		299,748	248,652	3,913,145	
Ending Balance	<b>29,169,103</b>	<b>29,468,851</b>	<b>29,717,503</b>	<b>33,630,648</b>	<b>0</b>
Gap Funding and Heli-Hydrant Programs	-8,095,351	-7,837,056	-8,369,899	-3,737,889	
<b>TOTAL UNRESTRICTED RESERVES</b>	<b>58,549,321</b>	<b>61,244,969</b>	<b>62,860,067</b>	<b>73,277,910</b>	<b>0</b>
<b>TOTAL RESERVES</b>	<b>142,579,805</b>	<b>132,589,370</b>	<b>143,432,846</b>	<b>152,806,051</b>	<b>0</b>
<b>CASH LOCATION</b>					
Petty Cash	100	100	100	100	
Wells Fargo Checking Account	302,082	479,543	1,919,216	4,927,244	
LAIF	35,890,858	24,255,801	32,614,431	26,614,431	
CAMP - Liquidity	19,776,201	19,995,958	20,203,371	20,394,501	
CAMP - PFM - Investments	86,610,564	87,857,968	88,695,729	100,869,775	
<b>TOTAL CASH</b>	<b>142,579,805</b>	<b>132,589,370</b>	<b>143,432,846</b>	<b>152,806,051</b>	<b>0</b>

# SAN GORGONIO PASS WATER AGENCY

## WATER RATE UPDATE DISCUSSION

**Finance and Budget Committee Meeting**

April 23, 2026



**Water Resources  
Economics**

**Promoting the Value  
and Price of Water Service**



# Introductions

- Water Resources Economics Project Team:
  - Sanjay Gaur, Project Manager
    - Email: [sgaur@water-economics.com](mailto:sgaur@water-economics.com)
  - Charles Diamond, Project Analyst
    - Email: [cdiamond@water-economics.com](mailto:cdiamond@water-economics.com)

# Agenda

- Overview of rate update process
- Recap of Feb. 24<sup>th</sup> presentation to retailers
- Discussion & next steps

# SGPWA Water Rate Update Process

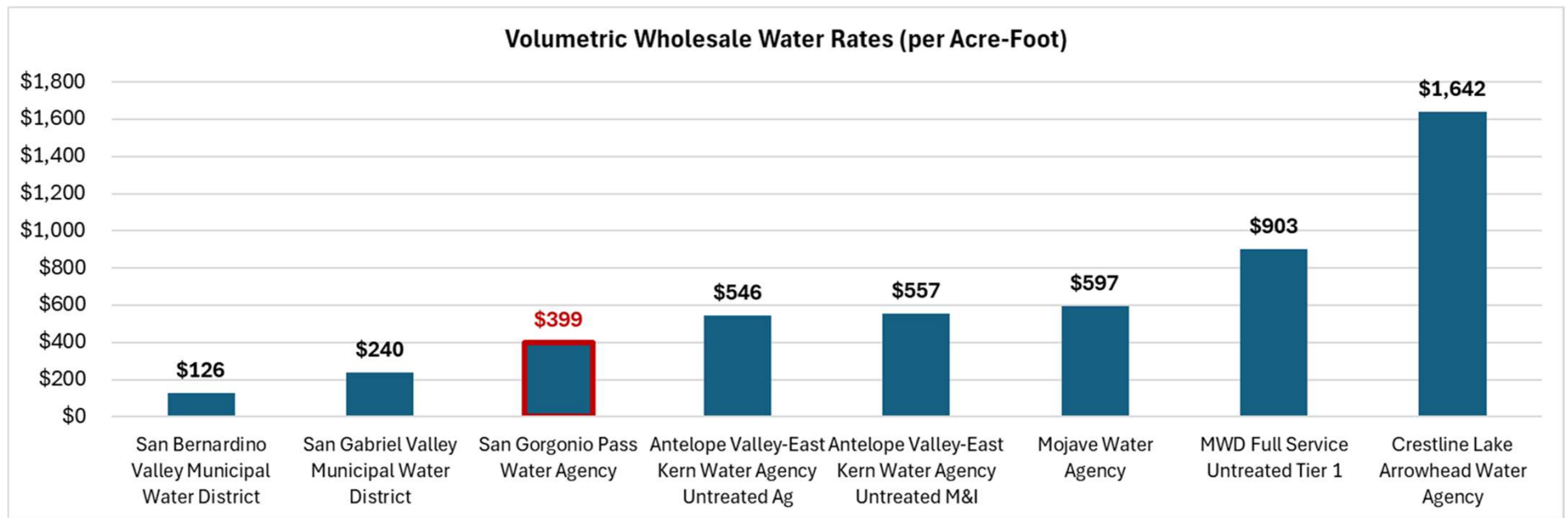
- Solicit upfront input from retail agencies (Feb. 24, 2026)
- Solicit upfront input from SGPWA Finance & Budget Committee (**TODAY**)
- Develop a financial model to project long-term revenues and expenses
- Evaluate SGPWA's existing revenue/cost structure
- Determine which costs should be recovered by wholesale water rates
- Develop updated wholesale water rates

# Current SGPWA Wholesale Water Rates

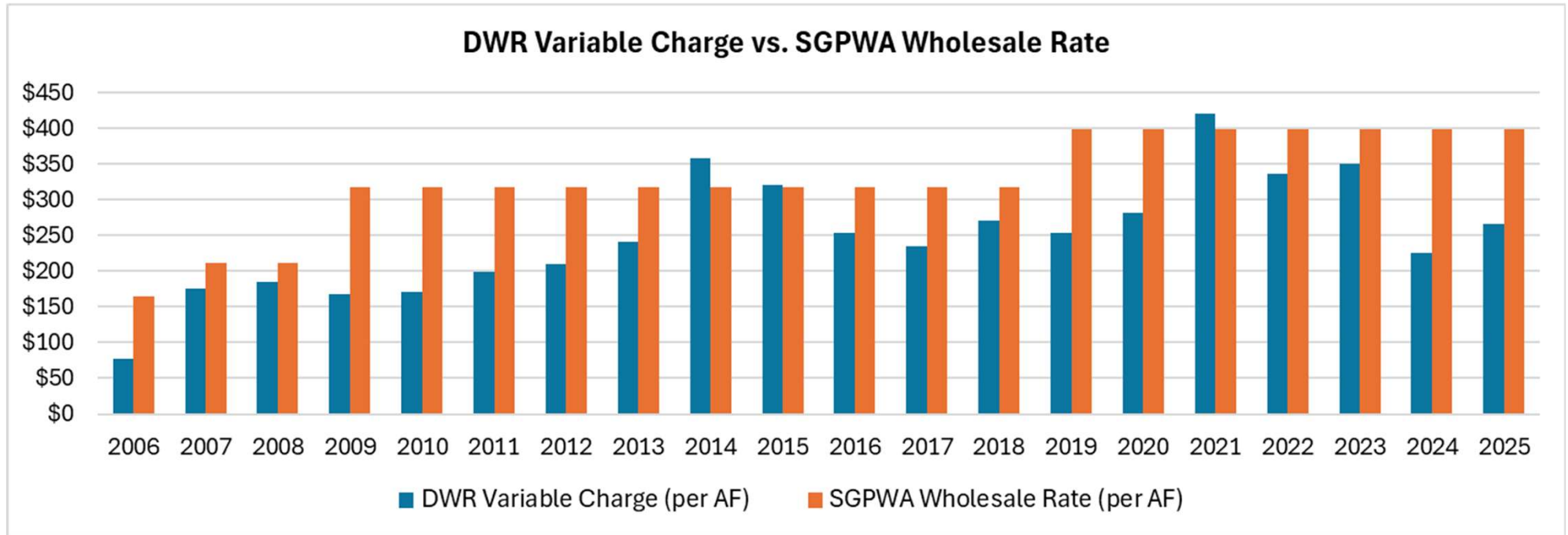
- Per Rules & Regulations: SGPWA may “establish and charge rates for delivery of water sufficient to cover the Agency’s variable costs for delivery of water, internal Agency costs, and other amounts as determined by the Board which are reasonably related to the cost of delivery”

# Comparison to Other State Water Contractors

- East Branch Wholesalers & MWD (as of FY 2024/25):



# Current SGPWA Wholesale Water Rates (cont.)



**Notes:**

- DWR variable charges are for power and transmission
- SGPWA wholesale rates prior to 2019 are for Beaumont-Cherry Valley Water District; since 2019 all retailers pay the same rate

# What Costs Should Wholesale Water Rates Recover?

- Costs that should be recovered by rates:
  - Electrical costs to transport water (~\$270/AF but highly volatile)
  - Costs directly associated with recharging water
    - Chemical costs
    - Pond maintenance
  - Indirect costs
    - Administration
    - Overhead costs
- Other costs that could potentially be recovered by rates:
  - Water supply costs
    - Nickel agreement (~\$1,500/AF)
    - Yuba accord
    - City of Ventura long-term lease
    - Water market purchases
    - Future local projects

# Nickel Water Agreement

- 2017 agreement to purchase 1,700 AFY of supplemental water from AVEK
- Motivated by retail agency concerns about dry year supply shortages
- Expensive: about \$1,500/AF
- Nickel water costs are not covered by the current water rate or other specified revenue sources

# City of Ventura Agreement

- 2022 agreement to lease 10,000 AFY of Ventura's Table A for 20 years
- SGPWA pays for Ventura's SWP Statement of Charges
  - ~\$2 million per year
  - Expected to increase over time

# Water Sales Revenues vs. Supply Costs

Description	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	5-Year Total
<b>Water Sales Revenue</b>	\$3,371,063	\$738,498	\$5,153,069	\$6,431,501	\$11,156,426	<b>\$26,850,557</b>
<b>Costs</b>						
DWR Variable	\$2,394,305	\$1,100,234	\$4,632,720	\$6,067,665	\$4,451,081	<b>\$18,646,005</b>
Yuba Water	\$82,661	\$194,894	\$67,293	\$0	\$0	<b>\$344,848</b>
Nickel Water	\$2,128,881	\$2,307,187	\$2,232,253	\$2,554,997	\$2,535,386	<b>\$11,758,704</b>
Ventura Lease	\$1,499,648	\$1,429,041	\$1,423,188	\$2,181,804	\$1,951,205	<b>\$8,484,886</b>
<b>Total</b>	<b>\$6,105,495</b>	<b>\$5,031,356</b>	<b>\$8,355,454</b>	<b>\$10,804,466</b>	<b>\$8,937,672</b>	<b>\$39,234,443</b>
<b>Gain/loss</b>	<b>(\$2,734,432)</b>	<b>(\$4,292,858)</b>	<b>(\$3,202,385)</b>	<b>(\$4,372,965)</b>	<b>\$2,218,754</b>	<b>(\$12,383,886)</b>

# Policy Objectives

- Challenge: Volatile electricity costs are a large part of the water rate
- Policy objectives: What is the most important factor we should consider?
  - Feed back from Retailers:
    - High Priority:
      - Rate stability
      - Predictability
    - Lower Priority:
      - Lowest rate possible

# Additional Considerations

- Future financial impacts:
  - Delta Conveyance Project – funded by Debt Service
  - Sites Reservoir – potentially funded by Debt Service
  - Backbone pipeline – General Fund
  - Other future activities – General Fund
- Challenge: Significant amount of SGPWA funds are restricted

# Next Steps

- Receive feedback today
- Begin water rate update technical analysis
- Continue to engage with retailers & SGPWA Board



**Water Resources  
Economics**

**Sanjay Gaur**

Founder / President

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Principal Consultant

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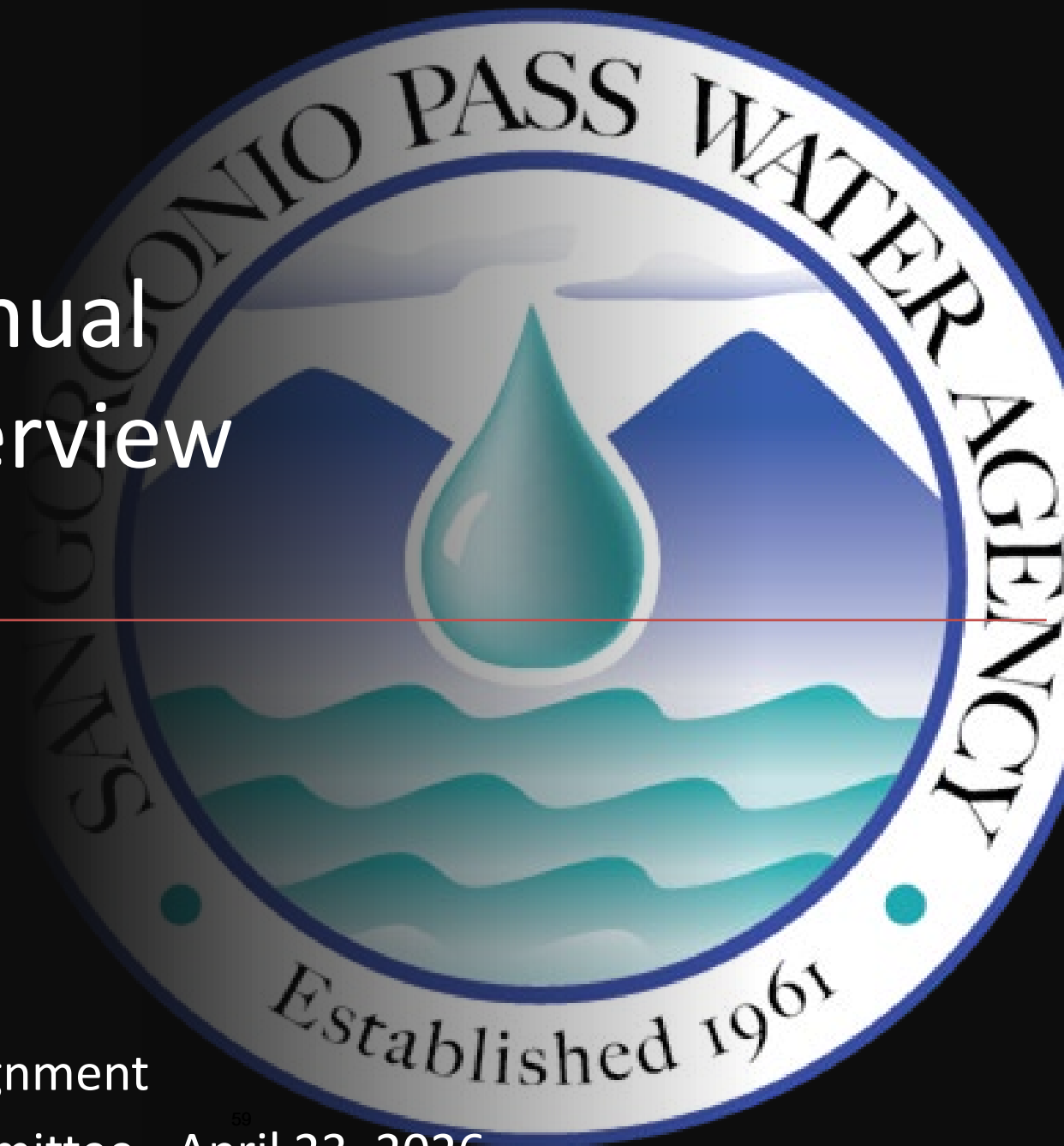
[water-economics.com](http://water-economics.com)

**Promoting the  
Value and Price  
of Water Service**



# SGPWA Annual Budget Overview

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Budget Strategic Plan Alignment

Finance and Budget Committee - April 23, 2026

# Personnel

- Administrative support (Maricela/Jennifer)
- Supports staffing capacity and efficiency
- *Strategic Goal 5 – Objective 2 (Compensation & staffing planning)*



# Construction

- Brookside West – planning and design
- Noble Connection upgrade
- Brookside & Beaumont intersection beautification
- *Strategic Goal 1 – Objective 9 (Land use alignment)*
- *Strategic Goal 2 – Objective 2 (Infrastructure investment)*



# Facilities

- Headquarters expansion
- Facilities upgrades
- Asset management plan
- *Strategic Goal 2 – Objective 8  
(Asset management program)*



# Land Purchases

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- Right-of-way acquisition
- Adjacent parcel acquisition
- *Strategic Goal 2 – Objective 3 (Property acquisition for long-term needs)*



# Future Projects

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- Colorado River Mitigation Project
- AVEK Bank
- Hub and Spoke system
- *Strategic Goal 2 – Objective 7 (Expand storage and supply opportunities)*

Approx. 34.5 Miles  
Up to 290,000 AFY

Potential Pump Ba  
Colorado Aqued

A topographic map of a watershed area, outlined in blue. The map shows several creeks: Wilson Creek, Oak Glen Creek, Yucaipa Creek, and San Timoteo Creek. Numerous monitoring wells are marked with red dots and labeled with alphanumeric codes: YVWD-09, YVWD-19, YVWD-53, YVWD-58, YVWD-55, YVWD-05, YVWD-07, YVWD-18, YVWD-37, USGS Wilson Creek, Chlorinator, YVWD-27A, YVWD-26, YVWD-28, YVWD-47, South Mesa 17, South Mesa 12, South Mesa 11, South Mesa 09, South Mesa 16, South Mesa 07, South Mesa 05, and YVWD-44. A red rectangular box is located in the upper left corner of the map. The title 'Operations and GSA' is overlaid in large white text across the center of the map.

# Operations and GSA

- Additional monitoring well
- ESRI workflow product
- *Strategic Goal 1 – Objective 4 (Maximize water asset utilization)*

# Lobbying

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- Additional state/federal lobbyist (Board direction)
  - Supports regional/state/federal coordination
  - *Strategic Goal 6 – Objective 5 (Expand partnerships and advocacy)*
- 



# **San Geronio Pass Water Agency**

**DATE:** April 23, 2026  
**TO:** Finance and Budget Committee  
**FROM:** Lance Eckhart, General Manager  
**BY:** Jennifer Ustation, Chief Financial Officer  
**SUBJECT: REVIEW OF CAPITALIZATION POLICY**

## **RECOMMENDATION**

That the Finance and Budget Committee review and recommend approval of the updated Capitalization Policy to the Board of Directors.

## **PREVIOUS CONSIDERATION**

- Board Meeting – October 1, 2018: The Board approved the Capitalization Policy.
- Board Meeting – November 20, 2023: Board reviewed the policy as a part of the Agency’s ongoing policy review process and no changes were recommended at that time.

## **BACKGROUND**

The Capitalization Policy establishes the criteria used to determine whether expenditures are recorded as expenses or capital assets. Capital assets are recorded on the Agency’s financial statements and depreciated over their useful lives, while expenditures below the capitalization threshold are expensed in the year incurred.

Historically, the Agency established a capitalization threshold of \$5,000 based on prior operational scale, asset inventory, and auditor guidance.

As part of ongoing policy review and alignment with current accounting standards and operational practices, staff conducted an evaluation of the Agency’s capitalization practices, administrative burden, and industry trends.

## **ANALYSIS**

The updated Capitalization Policy includes several key revisions intended to improve clarity, align with current accounting standards, and enhance administrative efficiency.

1. Increase to Capitalization Threshold

The most significant update is an increase in the capitalization threshold:

- From: \$5,000
- To: \$20,000

This change reflects:

- Inflationary impacts on asset costs since the policy was last substantively updated
- Industry practices among similar agencies
- The desire to reduce administrative burden associated with tracking lower-value assets

Raising the threshold allows staff to focus on material assets while maintaining accurate and meaningful financial reporting.

In evaluating the updated capitalization threshold, staff considered current industry standards among comparable public agencies and incorporated feedback from the Agency's auditors. These factors, combined with internal operational experience, support the proposed increase as both appropriate and consistent with best practices.

## 2. Inclusion of GASB Guidance (Leases and Subscription-Based IT Arrangements (SBITA))

The updated policy incorporates guidance from:

- GASB Statement No. 87 (Leases)
- GASB Statement No. 96 (SBITA)

The policy now clarifies that:

- Lease and SBITA assets will be capitalized based on the Agency's established threshold for materiality

This ensures compliance with current governmental accounting standards and provides clear direction for implementation.

## 3. Clarification of Capitalization Criteria

Additional language improves clarity and consistency in application, including:

- Assets must have a useful life greater than 12 months
- Routine repairs and maintenance are expensed regardless of cost
- Projects are evaluated in aggregate when determining capitalization
- Construction in Progress (CIP) is used until assets are placed into service

These updates reduce ambiguity and support consistent decision-making.

## 4. Formalization of Depreciation Methodology

The policy now explicitly states that:

- Capital assets will be depreciated using a systematic and rational method, such as straight-line depreciation

This addition strengthens the policy by documenting existing practice and ensuring continuity for future staff.

## 5. Administrative and Operational Improvements

The revised policy:

- Reduces the number of assets requiring tracking and annual inventory
- Improves efficiency in financial reporting and audit preparation
- Aligns policy language with current practices and expectations

### **FISCAL IMPACT**

The capitalization threshold has no impact on the Agency budget or expenditure plans. However, it may result in:

- Slight increases in annual operating expenses due to more items being expensed rather than capitalized
- Reduced administrative costs and staff time associated with asset tracking and depreciation.

Overall, the fiscal impact is expected to be minimal and operationally beneficial.

### **ACTION**

That the Finance and Budget Committee review and recommend approval of the updated Capitalization Policy to the Board of Directors.

### **ATTACHMENTS**

Updated Capitalization Policy (Redlined)

**SAN GORGONIO PASS WATER AGENCY  
CAPITALIZATION POLICY  
Adopted October 1, 2018**

Purpose

This accounting policy establishes the capitalization amount that shall be used to determine the capital assets that are to be recorded in the annual financial statements and asset records of the San Gorgonio Pass Water Agency.

Capital Asset Definition

A “Capital Asset” is defined as a unit of property that: (1) has an economic useful life that extends beyond 12 months; and (2) was acquired or produced for a cost of ~~\$5,000~~ \$20,000 or more. Capital Assets must be capitalized and depreciated for financial statement purposes. Capital Assets, or Fixed Assets, generally include items of property and equipment such as buildings, leasehold improvements, water supply facilities, office furniture, fixtures, computers and other technology-related equipment.

Leases and subscription-based information technology arrangements (SBITAs), in accordance with GASB Statement No. 87 and No. 96, shall be recognized and capitalized based on the Agency’s established capitalization threshold for materiality to lease and SBITA assets.

Capitalization Thresholds

The San Gorgonio Pass Water Agency establishes ~~\$5,000~~ \$20,000 as the threshold amount for minimum capitalization. Any items costing below this amount shall be expensed in the accounting records and financial statements of the San Gorgonio Pass Water Agency.

Capitalization Method and Procedure

The basis of accounting for capital assets is the historical acquisition cost, and all normal expenditures, including installation costs, architect-engineer fees, etc., of readying an asset for use will be capitalized. However, unnecessary expenditures that do not add to the utility of the asset will be charged to the period incurred.

Tangible assets costing below the aforementioned threshold amount are recorded as an expense. ~~Alternatively, Additionally,~~ **Alternatively, Additionally,** assets with an economic useful life of 12 months or less are **also** required to be expensed for financial statement purposes, regardless of the acquisition or production cost. **Individual items that are part of a larger project or system shall be evaluated in aggregate for capitalization purposes. Repairs or improvements to a capital asset will be reviewed by management in accordance with the above principles to determine their inclusion or exclusion in the capital asset listing.** Expenditures that extend the useful life, increase capacity, or improve the efficiency of an asset shall be capitalized. Routine repairs and maintenance shall be expensed regardless of the cost.

Capital projects shall be recorded as Construction in Progress (CIP) until the asset is substantially complete and placed into service, at which point it will be capitalized and depreciated.

#### Depreciation Method

Capital assets shall be depreciated over their estimated useful lives using a systematic and rational method such as straight-line depreciation.

#### Recordkeeping

Invoices substantiating an acquisition cost of each unit of property shall be retained according to guidelines set by the document retention policy of the San Geronio Pass Water Agency.

#### Asset Review

The assets and the asset listing shall be reviewed annually. New assets need to be listed, and assets that are no longer in service shall be removed from the list and disposed of. Procedures and policies for the proper disposal of surplus property are described in other policy statements of the San Geronio Pass Water Agency.

#### Policy Review

This policy shall be reviewed at least every 5 years, to make sure the asset threshold and the procedures meet current accounting standards and the needs of the San Geronio Pass Water Agency.

# San Geronio Pass Water Agency

**DATE:** April 23, 2026  
**TO:** Finance and Budget Committee  
**FROM:** Lance Eckhart, General Manager  
**BY:** Jennifer Ustation, Chief Financial Officer  
**SUBJECT: PROCUREMENT POLICY APPROVAL**

## RECOMMENDATION

That the Finance and Budget Committee review the proposed updates to the Procurement Policy and recommend approval to the Board of Directors.

## PREVIOUS CONSIDERATION

- Board Meeting – December 17, 2007: The Procurement Policy was updated.
- Board Meeting – December 4, 2023: The Board reviewed the proposed Procurement Policy update and recommended further consideration by the Finance & Budget Committee.
- Finance and Budget Committee: – December 14, 2023: The Committee reviewed the updated draft of the Procurement Policy, recommended changes, and approved returning it to the Board for consideration.
- Board Meeting - January 22, 2024: – Board approved current Procurement Policy.

## BACKGROUND

The Procurement Policy establishes the framework for purchasing goods and services, including delegation of authority, competitive requirements, and internal controls.

As part of the Agency’s Strategic Plan under the Finance & Administration category, staff was directed to “*evaluate the Agency procurement process regularly for opportunities to enhance efficiency.*” The proposed updates are a direct result of this effort.

Procurement related to public construction improvements continues to be governed by the San Geronio Pass Water Agency Act and applicable law, and the policy has been updated to further clarify these requirements.

## ANALYSIS – NEW CHANGES

The following items represent new additions or substantive clarifications to the Procurement Policy:

1. New Local Vendor Preference Policy
  - Establishes a 5% local vendor preference for goods and non-professional services
  - Applies only when pricing, quality, and service are otherwise equal
  - Does not apply to public works or professional services

- Defines local vendors as businesses within Agency boundaries

This is a new policy addition intended to support the local economy while maintaining fair and competitive procurement practices.

## 2. Sole Source Verification Requirement

- Requires completion of a Sole Source Verification Form
- Documentation must include justification and market research
- Form must be:
  - Reviewed by the Chief Financial Officer
  - Approved by the General Manager prior to purchase

This formalizes internal controls around sole source procurements.

## 3. Enhanced Public Works Definitions

- Adds clear definitions distinguishing:
  - Routine maintenance
  - Repair work
  - Public works projects
- Clarifies that work exceeding routine maintenance and materially improving an asset is treated as public works

Provides clearer guidance and reduces ambiguity in procurement classification.

## 4. Clarified Emergency Procurement Definition

- Establishes a more detailed definition of “emergency”
- Aligns policy language with:
  - Public Contract Code Section 22050
  - Agency Act requirements
- Reinforces requirement to report emergency purchases to the Board

Improves consistency and legal alignment.

## 5. Task Order Clarification

- Explicitly states that task orders under existing contracts must follow the same procurement thresholds as new contracts

Ensures consistent application of procurement controls.

## **FISCAL IMPACT**

The proposed updates do not directly impact the Agency’s budget. The changes are intended to improve clarity, strengthen internal controls, and enhance procurement efficiency.

## **ACTION**

The Finance and Budget Committee review and recommend approval of the updated Procurement Policy to the Board of Directors.

## **ATTACHMENT**

Draft Procurement Policy (Redlined)

# San Gorgonio Pass Water Agency

## Procurement Policy

DRAFT

Adopted December 18, 2006

Revised May 4, 2026

### **Section 1. Purpose and Applicability**

The purpose of this San Gorgonio Pass Water Agency (“Agency”) Procurement Policy is to establish policies and procedures applicable to the procurement of materials, supplies, equipment, services, as well as the bidding and approval of contracts related to the construction of improvements to, new or existing, Agency structures, buildings or facilities for public works projects, including maintenance, pursuant to applicable law. In addition, this Policy establishes certain delegations of authority for the General Manager to execute contracts. This Policy does not apply to operating expenses such as payroll, utilities, employee benefits, water purchases or taxes.

### **Section 2. Procurement Methods & Delegation of Authority of the General Manager to Execute Contracts**

The Board of Directors for the Agency delegates to the General Manager the authority to execute contracts as follows without prior approval from the Board:

#### **A. Contracts for the procurement of materials, supplies and equipment including vehicles (“Goods”), and non-professional services (including routine maintenance)**

For items up to ~~\$5,000~~ \$15,000, (including cooperative purchasing as set out in Section 4 below) without advertising for bids, although two verbal and/or internet quotes are recommended.

For items where the cost exceeds ~~\$5,000 up to \$15,000~~ \$15,000 up to \$50,000, Staff shall solicit at least ~~two~~ three written quotes (where possible) from qualified vendors and shall determine which vendor provides the best value, considering quality as well as price.

For items where the cost exceeds ~~\$35,000 up to \$50,000~~ \$50,000 up to \$75,000, Staff shall solicit at least three written quotes (where possible) from qualified vendors and shall determine which vendor provides the best value, considering quality as well as price. The General Manager shall report the execution of the contract to the Board.

For items exceeding \$75,000, Board approval is required and formal procurement procedures shall apply where applicable.

If an item is not readily available or a specific type is required to fit with existing Agency equipment, Staff shall note the justification for sole source acquisition as set out in Section 3-B.

All quotes will be documented in writing. The Chief Financial Officer will review all contracts before presenting them to the General Manager for approval.

Task orders for existing contracts will be treated with the same thresholds as listed above.

**B. Local Preferences for Goods and Non-Professional Services.**

A local business preference allows the Agency to promote local business as well as benefit from enhanced economic activity as dollars re-circulate in the local economy by way of multiplier effects. These effects have been shown to benefit the community in the following ways:

- Direct effects. Benefits the local economy by directly investing money in a local business.
- Indirect effects. Occurs when money awarded to a local business results in inter-industry purchases of materials, supplies, goods and services. Another potential indirect effect is the increase in employment associated with greater workloads/demands.
- Induced effects. Increases in household income as a result of both the direct and indirect effects.
- Local vendors are granted a five percent (5%) differential in lieu of sales and transactions tax loss for the purchase of materials, supplies, equipment and personal property. Prices, functionality, quality, delivery and service being equal, preference will be given to the local vendor, in the purchase of supplies, equipment, and non-professional services.
- This Local vendor preference shall not be granted for contracts involving public works, professional and consultant services, or as otherwise prohibited by law.
- For the purposes of this section, “local vendor” means a business having a bona-fide place of business within the San Gorgonio Pass Waer Agency’s district boundaries.
- For purposes of this section, when the Agency considers a local vendor’s bid, quote, or proposal in connection with the purchase of supplies and equipment or non-professional services, the local vendor’s bid shall be the bid amount after the applicable percent differential is applied.”

**C. Professional services**

Professional services contracts by law do not require bidding, however, the selection of private architectural, landscape architectural, engineering, land surveying or construction project management firms shall be based on demonstrated competence and on professional qualifications necessary for the satisfactory performance of the services required.

For such contracts up to ~~\$35,000~~ \$50,000, Staff shall solicit written proposals from at least three consultants and, based on proposals received, shall determine which consultant provides the best value, has demonstrated competence and experience in the type of services required.

For such contracts over ~~\$35,000 up to \$50,000~~ \$50,000 up to \$75,000, Staff shall solicit written proposals from at least three consultants and, based on proposals received, shall determine which consultant provides the best value, has demonstrated competence and experience in the type of services required. The General Manager shall report on the execution of the contract to the Board.

**For contracts exceeding \$75,000, Board approval is required.**

If Staff solicits written proposals from at least three consultants, but does not receive at least two proposals, Staff shall note the justification for moving forward with the sole proposer. The failure to obtain three written proposals will not prevent the procurement of the Professional Services.

All proposals will be documented in writing. The Chief Financial Officer will review all contracts before presenting them to the General Manager for approval.

**Task orders for existing contracts will be treated with the same thresholds as listed above.**

#### **D. Public Works Contracts**

For projects up to ~~\$5,000~~ \$15,000, (including cooperative purchasing as set out in Section 4 below) the Agency may procure public works contracts without advertising for bids, although two verbal and/or internet quotes are recommended.

For Public Works projects where the cost exceeds ~~\$5,000 up to \$15,000~~ \$15,000 up to \$50,000, Staff shall solicit at least ~~two~~ three written quotes (where possible) from qualified vendors and shall determine which vendor provides the best value, considering quality as well as price.

Where any public works project is estimated by the General Manager to cost more than \$50,000 or the procurement of the materials and supplies for use in any new construction work or improvement will cost exceeds \$50,000, the Agency shall let the contract to the lowest responsible bidder(s) and in compliance with the following bidding procedures:

- The work may be performed in one or more contracts and the call for bids shall state whether the work shall be awarded as a single unit or divided into severable parts.
- The call for bids shall describe the project and shall invite and specify procedures for the submission of sealed bids for such project. The call for bids shall describe how to obtain information regarding the project in order to submit such a bid and shall specify the deadline for submission of bids and the time for their opening.

- The Agency shall advertise the work by publishing the call for bids three times in a daily newspaper of general circulation printed and published within the Agency boundaries or two times in a weekly newspaper of general circulation printed and published within the Agency boundaries.
- At the time set for the opening of bids, the General Manager shall open and review all bids and shall determine which is the lowest responsible bidder(s).
- Contract(s) with the lowest responsible bidder(s) shall be approved by the Board prior to execution.
- For any public works or improvement contracts greater than \$25,000, the Board shall require the successful bidder(s) to file with the Board for its approval good and sufficient labor and materials and faithful performance bonds in compliance with Civil Code Section 9000 et seq. The Board may require contractors to file these bonds for projects less than \$25,000.
- The Board may reject any and all bids and may perform the work by force account or by contracting in the open market or may acquire the materials and supplies in the open market.
- In the event no bids are received, the Board may direct the General Manager to rebid the project or may proceed under Section (G) above.

Construction change orders may be approved by the General Manager without prior approval of the Board of Directors in amounts up to 10% of the contract cost. In such a case, the General Manager shall inform the Board of this action at the earliest practicable time. Change orders for more than 10% of the contract price must be approved by the Board of Directors prior to execution.

For purposes of procurement and application of the Agency's public construction threshold, a "public works project" shall be interpreted consistent with the California Public Contract Code and applicable California case law.

- A public works project includes the erection, construction, alteration, repair or improvement of any public structure, building, road, or other public improvement of any kind.
- Routine maintenance is not considered a public works project. Maintenance is defined as recurring, usual, or routine work performed to preserve an asset in its original condition and that does not materially extend the asset's useful life, increase its capacity, or significantly enhance its value.
- Repair work shall be classified as a public works project when it exceeds routine maintenance and constitutes a material rehabilitation, replacement, or improvement of the asset. Any such work shall be subject to the Agency's public construction procurement requirements, including applicable competitive bidding thresholds.

The policies and procedures provided in this Policy are summarized below. To the extent any conflict or ambiguity exists between the Policy and the information contained in the table, the express language of the Policy will control:

Purchase Limit	Minimum Number of Quotes/Proposals Sought	Form of Quotes/Proposals	Approval Authority
<b>Materials, Supplies &amp; Equipment, Non-Professional Services (Including Maintenance)</b>			
Up to <del>\$5,000</del> -\$15,000	2 recommended	Verbal/Internet	General Manager
<del>Over \$5,000 up to \$15,000</del>	<del>2</del>	<del>Written</del>	<del>General Manager</del>
Over \$15,000 up to <del>\$35,000</del> -\$50,000	3	Written	General Manager
Over <del>\$35,000 up to \$50,000</del> -\$50,000 up to \$75,000	3	Written	General Manager Inform Board
Over <del>\$50,000</del> \$75,000	3	RFP required, unless cooperative purchase source	Board
<del>Over \$50,000 and for materials, supplies &amp; equipment for use in any new construction or improvement work</del>	<del>Advertise for all bids as provided in Section 3</del>	<del>Written</del>	<del>Board</del>
<b>Professional Services</b>			
Up to <del>\$35,000</del> \$50,000	3	Written	General Manager
Over <del>\$35,000 up to \$50,000</del> -\$50,000 up to \$75,000	3	Written	General Manager Inform Board
Over <del>\$50,000</del> \$75,000	3	RFP Required	Board
<b>Public Works Contracts</b>			
<del>Less than \$50,000</del>	<del>2 Quotes/Proposals recommended</del>	<del>Verbal/Internet</del>	<del>General Manager</del>
<del>Over \$50,000</del>	<del>See Section 3</del>	<del>Formal Bid Required</del>	<del>Board</del>
<b>Emergency Goods and Services</b>			
No limitation	Not required		General Manager but with notice to Board at next meeting

### **Section 3. Exceptions to Bidding Requirements**

The following are allowable exceptions to the above described bidding process:

A. Emergency condition. An emergency is defined as a breakdown in machinery or equipment resulting in the interruption of an essential service, or threat to public health, safety, or welfare. In the case of an emergency requiring the immediate purchase of supplies, materials, equipment or contractual services, the General Manager hereby is authorized to secure in the open market, without bidding, at the lowest obtainable price, any supplies, materials, equipment, or contractual services required, regardless of the amount of the expenditure and to report such action to the Board at its next meeting, in compliance with Public Contract Code Section 22050.

For purposes of procurement under the San Geronio Pass Water Agency enabling act, an “emergency” is a situation requiring immediate action to protect public health, safety, or essential public services, where compliance with standard competitive procurement procedures would be impractical due to the urgent nature of the circumstances. In such cases, the Agency may proceed with necessary work without formal bidding to address the emergency condition.

B. Limited availability/sole source. Occasionally, required supplies, material, equipment, or services are of a proprietary nature, or are otherwise of such specific design or construction, or are specifically desired for purposes of maintaining cost effective system consistency, as to be available from only one source. After reasonable efforts to find alternative suppliers, the General Manager may make or may recommend making the purchase from the sole source. **The individual requesting a sole source procurement shall complete a Sole Source Verification Form documenting the justification and market research conducted. The form shall be reviewed by the Chief Financial Officer and approved by the General Manager prior to proceeding with the purchase.**

C. Cooperative purchasing. The Agency shall have the authority to join with other public jurisdictions in cooperative purchasing agreements or to buy directly from a vendor at a price established by competitive bidding by another public jurisdiction in substantial compliance with this policy, even if the Agency has not joined with that public agency in a formal agreement. The Agency also may purchase from the United States of America or any state, municipality or other public corporation or agency without following formal purchasing procedures as defined in this policy.

### **Section 4. Review**

The Board of Directors will review this policy annually.

San Gorgonio Pass Water Agency  
 Gap Funding Program  
 Summary Report  
 Report Date: April 9, 2026

**OVERALL Current Balance: 3,737,888.56** (Owed to Agency)

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

<b>South Mesa Water Company</b>	(SMWC owes us) - Current Balance: <b>1,407,379.11</b>
Gap Funding Maximum: 7,000,000	
Approximate Project Cost: 10,300,000.00	Approximate Gap Funding Available: 5,592,620.89
Payments Made to SMWC: 6,325,017.13	Payments Received from SMWC: 4,917,638.02

<b>High Valleys Water District</b>	(HVWD owes us) - Current Balance: <b>908,627.50</b>
Gap Funding Maximum: 1,000,000	
Approximate Project Cost: 1,000,000.00	Approximate Gap Funding Available: 91,372.50
Payments Made to HVWD: 908,627.50	Payments Received from HVWD: 0.00

<b>Banning Heights Mutual Water Co.</b>	(BHMWC owes us) - Current Balance: <b>1,387,511.95</b>
Gap Funding Maximum: 1,500,000	
Approximate Project Cost: 3,756,000.00	Approximate Gap Funding Available: 112,488.05
Payments Made to BHMWC: 1,487,511.95	Payments Received from BHMWC: 100,000.00
(12/19/25)    1/14/26    300,974.25	10/29/25    100,000.00
2/16/26    2/18/26    288,140.70	

San Gorgonio Pass Water Agency  
Heli-Hydrant Funding Program  
Summary Report  
Report Date: April 9, 2026

**OVERALL Current Balance: 480,000.00** (Owed to Agency)

<b>Cabazon Water District</b>	(Owed to us) - Current Balance: <b>0.00</b>
Heli-Hydrant Maximum: 600,000	
Heli-Hydrant Funding Available: 600,000.00	
Payments Made to CWD: 600,000.00	Payments Received: 600,000.00

<b>South Mesa Water Company</b>	(Owed to us) - Current Balance: <b>0.00</b>
Heli-Hydrant Maximum: 300,000	
Heli-Hydrant Funding Available: 300,000.00	
Payments Made to SMWC: 0.00	Payments Received: 0.00

<b>High Valleys Water District</b>	(Owed to us) - Current Balance: <b>480,000.00</b>
Heli-Hydrant Maximum: 600,000	
Heli-Hydrant Funding Available: 120,000.00	
Payments Made to HVWD: 600,000.00	Payments Received: 120,000.00
8/18/25      120,000.00	12/9/25      120,000.00
10/13/25     240,000.00	
11/3/25      240,000.00	

<b>Banning Heights Mutual Water Co.</b>	(Owed to us) - Current Balance: <b>0.00</b>
Heli-Hydrant Maximum: 300,000	
Heli-Hydrant Funding Available: 300,000.00	
Payments Made to BHMWC: 0.00	Payments Received: 0.00