

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
May 28, 2026 at 4:00 p.m.

Director Valdivia will be participating via teleconference from the following location:
Hyatt Regency Monterey Hotel and Spa
1 Old Golf Course Rd.
Monterey, CA 93940

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 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 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)

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

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.

4. Approval of the Minutes

- A. Approval of the Minutes of the Finance & Budget Committee Meeting, April 23, 2026, ([pg. 4](#))

5. New Business – Discussion and Possible Action:

- A. Ratification of Paid Invoices and Monthly Payroll for April 2026, ([pg. 6](#))
- B. Review of Bank Reconciliation for April 2026, ([pg. 10](#))
- C. Review of Budget Report for April 2026, ([pg. 13](#))
- D. Review of Pending Legal Invoices for April 2026, ([pg. 24](#))
- E. Gap Funding Report and Heli-Hydrant Report, ([pg. 25](#))
- F. Review of Draft General Fund Budget for FY 2026-27, ([pg. 27](#))
- G. Discussion of Procurement Policy, ([pg. 63](#))

6. Committee Member Comments

7. Announcements

- A. Regular Board Meeting, June 1, 2026 at 1:30 p.m.
- B. Regular Board Meeting, June 15, 2026 at 6:00 p.m.
- C. Finance & Budget Committee Meeting, June 16 at 2:00 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 (2) Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

San Gorgonio Pass Water Agency

DATE: May 28, 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** payments as listed in the Check History reports for Accounts Payable and Payroll.
- Item 5B: The Committee **accepts** the Bank Reconciliation.
- Item 5C: The Committee **accepts** the Budget Report.
Motion: The Committee accepts items 5A-C.
- Item 5D: **Motion: The Committee approves payment of the Legal Invoice.**
- Item 5F: **Motion: The Committee (approves or approves with changes) for Board action** the draft General Fund Budget for FY 2026-27.
- Item 5G: **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
Emmett Campbell, Director of Water Resources
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., April 23, 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:** None
4. **Approval of Minutes**
 - A. Approval of the Minutes of the Finance & Budget Committee Meeting, March 26, 2026
Mr. Ybarra moved, seconded by Mr. Valdivia, to approve the minutes of the Finance and Budget Committee meeting of March 26, 2026. Approved unanimously by voice vote.
5. **New Business**
 - A. Review Investment Report for 1st Quarter, 2026
 - B. Ratification of Paid Invoices and Monthly Payroll for March 2026
 - C. Review of Bank Reconciliation for March 2026
 - D. Review of Budget Report for March 2026
 - E. Review of Cash Reconciliation Report for March 2026
After review and discussion, Mr. Valdivia, seconded by Mr. Tickemyer, to accept Items 5A-E. Approved unanimously by voice vote.
 - F. Review of Pending Legal Invoices for March 2026
 - G. Review of Reserve Allocation Report for March 2026
After review and discussion, Mr. Valdivia moved, seconded by Mr. Ybarra, to approve payment of the Legal Invoice and accept Reserve Allocation Report. Approved unanimously by voice vote.

H. Review Water Rate Presentation

I. Review Budget Preview

After review and discussion, there was no action taken.

J. Review Draft Capitalization Policy

After review and discussion, Mr. Tickemyer moved, seconded by Mr. Ybarra, to recommend approval to the Board of Directors.

K. Review Draft Procurement Policy

After review and discussion, Mr. Tickemyer moved, seconded by Mr. Ybarra, to recommend approval to the Board of Directors.

L. 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. 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

The Finance and Budget Committee of the San Gorgonio Pass Water Agency was adjourned by Mr. Valdivia at 6:15 p.m.

Draft - Subject to Committee Approval

Mickey Valdivia, Committee Chair

San Gorgonio Pass Water Agency
Check History Report
April 1 through April 30, 2026

ACCOUNTS PAYABLE

Date	Number	Name	Amount
4/6/26	122235	ACWA BENEFITS	1,237.41
4/6/26	122236	ACWA JPIA	1,984.75
4/6/26	122237	AGOSTINOCREATIVE	7,475.00
4/6/26	122238	ATAC EXTERMINATORS INC	89.00
4/6/26	122239	BEST BEST & KRIEGER	35,623.40
4/6/26	122240	BRI COMMUNICATIONS	9,600.00
4/6/26	122241	CRIDER PUBLIC RELATIONS	500.00
4/6/26	122242	CV STRATEGIES	25,168.75
4/6/26	122243	THE FERGUSON GROUP	2,625.00
4/6/26	122244	FISH WINDOW CLEANING	130.00
4/6/26	122245	GF ADVOCACY, LLC	2,500.00
4/6/26	122246	T. R. HOLLIMAN	14,190.00
4/6/26	122247	IN-SITU, INC.	81.00
4/6/26	122248	LAND ENGINEERING CONSULTANTS	30,646.50
4/6/26	122249	LENITY TECHNOLOGY	6,511.35
4/6/26	122250	MACRO COMMUNICATIONS	1,305.00
4/6/26	122251	MATTHEW PISTILLI LANDSCAPE SERVICES	3,000.00
4/6/26	122252	INES S. MEJIA	115.00
4/6/26	122253	PURCOR PEST SOLUTIONS	66.80
4/6/26	122254	SOUTH MESA WATER COMPANY	600.00
4/6/26	122255	SOUTHERN CALIFORNIA EDISON	226.00
4/6/26	122256	STANDARD INSURANCE COMPANY	1,263.56
4/6/26	122257	UNLIMITED SERVICES	437.00
4/6/26	122258	UNDERGROUND SERVICE ALERT	18.60
4/6/26	122259	VERIZON BUSINESS	60.04
4/6/26	122260	WATER RESOURCES ECONOMICS	550.00
4/6/26	122261	WASTE MGT CORPORATE SERVICES	138.46
4/6/26	122262	WEAVER GRADING	3,520.00
4/13/26	122263	ALBERT WEBB ASSOCIATES	57,290.96
4/13/26	122264	AUTOMATION PRIDE	100.00
4/13/26	122265	CRM TECH	18,430.66
4/13/26	122266	SOUTHERN CALIFORNIA GAS	49.29
4/13/26	122267	STATE WATER CONTRACTORS	2,338.00
4/13/26	122268	WEAVER GRADING	4,068.00
4/13/26	122269	ZANJERO WATER CONSULTING	23,795.00
4/28/26	122270	AUTOMATION PRIDE	100.00
4/28/26	122271	BEAUMONT-CHERRY VALLEY WATER DISTRICT	585.42
4/28/26	122272	BUILDING INDUSTRY ASSN OF SOCAL	1,000.00
4/28/26	122273	CITY OF BEAUMONT	253.09
4/28/26	122274	COMPLETE PAPERLESS SOLUTIONS	12,000.00
4/28/26	122275	CALIFORNIA RURAL WATER ASSN	10,019.63
4/28/26	122276	THE FERGUSON GROUP	2,922.50
4/28/26	122277	FRONTIER COMMUNICATIONS	389.68
4/28/26	122278	HR DYNAMICS & PERFORMANCE MGT	21,500.00
4/28/26	122279	MATTHEW PISTILLI LANDSCAPE SERVICES	375.00
4/28/26	122280	PUBLIC AGENCY RETIREMENT SERVICES	10,397.00
4/28/26	122281	PROVOST & PRITCHARD	10,731.20
4/28/26	122282	PURCOR PEST SOLUTIONS	66.80

San Gorgonio Pass Water Agency
Check History Report
April 1 through April 30, 2026

ACCOUNTS PAYABLE (CON'T)

Date	Number	Name	Amount
4/28/26	122283	RAEL & LETSON	8,500.00
4/28/26	122284	SAN BERNARDINO COUNTY MUSEUM	240.00
4/28/26	122285	SOCAL STEAM CHALLENGE	5,000.00
4/28/26	122286	SOUTHERN CALIFORNIA EDISON	103.36
4/28/26	122287	SO. CAL. WEST COAST ELECTRIC	810.00
4/28/26	122288	VALLEY OFFICE EQUIPMENT, INC.	466.88
4/28/26	122289	WELLS FARGO ELITE CREDIT CARD	25,736.33
4/28/26	122290	WEKA, INC	767,085.71
4/28/26	122291	WEX	210.00
4/2/26	901313	EMPLOYMENT DEVELOPMENT DEPARTMENT	4,010.91
4/2/26	901314	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	21,221.90
4/2/26	901315	CALPERS RETIREMENT	13,824.69
4/2/26	901316	CAL PERS RETIREMENT - SIP-457	5,563.00
4/2/26	901317	PAYCHEX	226.70
4/2/26	901318	MATTHEW E. HOWARD - REIMBURSEMENT	217.47
4/2/26	901319	THOMAS W. TODD, JR. - REIMBURSEMENT	6,191.11
4/16/26	901320	EMPLOYMENT DEVELOPMENT DEPARTMENT	3,495.24
4/16/26	901321	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	17,935.14
4/16/26	901322	CALPERS RETIREMENT	13,824.69
4/16/26	901323	CAL PERS RETIREMENT - SIP-457	5,563.00
4/16/26	901324	PAYCHEX	201.45
4/16/26	901325	JAMES N. TICKEMYER - REIMBURSEMENT	650.33
4/16/26	901326	THOMAS W. TODD, JR. - REIMBURSEMENT	3,613.03
4/29/26	901327	CALPERS HEALTH	14,926.49
4/29/26	901328	DEPARTMENT OF WATER RESOURCES	1,710,531.00
TOTAL ACCOUNTS PAYABLE CHECKS			2,956,223.28

PAYROLL

Date	Number	Name	Amount
4/1/26	803149	MARICELA V. CABRAL	4,688.98
4/1/26	803150	EMMETT G. CAMPBELL	5,533.64
4/1/26	803151	LANCE E. ECKHART	7,524.30
4/1/26	803152	MATTHEW E. HOWARD	4,831.21
4/1/26	803153	LAWRENCE R. SMITH	3,020.94
4/1/26	803154	JAMES N. TICKEMYER	2,408.57
4/1/26	803155	SCOTT W. TIRRELL	774.75
4/1/26	803156	THOMAS W. TODD, JR.	4,655.32
4/1/26	803157	JENNIFER L. USTATION	5,922.70
4/1/26	803158	MICHAEL R. VALDIVIA	3,020.93
4/1/26	803159	SARAH C. WARGO	2,953.51
4/1/26	803160	ROBERT G. YBARRA	3,020.93
4/15/26	803161	MARICELA V. CABRAL	4,688.98
4/15/26	803162	EMMETT G. CAMPBELL	5,533.63
4/15/26	803163	LANCE E. ECKHART	7,524.31

San Gorgonio Pass Water Agency
Check History Report
April 1 through April 30, 2026

4/15/26	803164	MATTHEW E. HOWARD	4,831.22
4/15/26	803165	SCOTT W. TIRRELL	494.70
4/15/26	803166	THOMAS W. TODD, JR.	4,655.32
4/15/26	803167	JENNIFER L. USTATION	5,922.70
			<hr/>
TOTAL PAYROLL			82,006.64
			<hr/>
TOTAL DISBURSEMENTS FOR APRIL 2026			3,038,229.92
			<hr/> <hr/>

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
 May 2026

Vendor - Name and Address	Expenditure Type
San Bernardino County Museum 2024 Orange Tree Lane Redlands, CA 92374	SGPWA History book
Fish Window Cleaning Old Address: P.O. Box GE, Beaumont, CA 92223 New address: 613 W. County Line Road Calimesa, CA 92320	Building Maintenance
Rael & Letson P.O. Box 104019, Pasadena, CA 91189	OPEB Valuation
Complete Paperless Solutions Old Address: 5130 La Palma Ave Su 206, Anaheim, CA 92807 New Address: 20264 Carey Road, Walnut, CA 91789	Office Expense

**SAN GORGONIO PASS WATER AGENCY
BANK RECONCILIATION
April 30, 2026**

BANK STATEMENT BALANCE (CHECKING ACCOUNT) -	April 30, 2026	\$	1,600,000.00
SWEEP ACCOUNT DEBIT (Balance)	April 30, 2026	\$	4,434,956.32

LESS: OUTSTANDING CHECKS

	CHECK NUMBER	AMOUNT	CHECK NUMBER	AMOUNT
SHADES	122229	255.00	122278	21,500.00
	122250	1,305.00	122279	375.00
	122263	57,290.96	122280	10,397.00
	122267	2,338.00	122281	10,731.20
	122270	100.00	122282	66.80
	122271	585.42	122283	8,500.00
	122272	1,000.00	122284	240.00
	122273	253.09	122285	5,000.00
	122274	12,000.00	122286	103.36
	122275	10,019.63	122287	810.00
	122276	2,922.50	122288	466.88
	122277	389.68	122291	210.00
		<u>88,459.28</u>		<u>58,400.24</u>

TOTAL OUTSTANDING CHECKS (146,859.52)

ADJUSTED BANK STATEMENT BALANCE - April 30, 2026 **\$ 5,888,096.80**

BALANCE PER GENERAL LEDGER AT END OF PRIOR MONTH \$ 4,930,685.39

CASH RECEIPTS FOR CURRENT MONTH 3,995,641.33

CASH DISBURSEMENTS FOR CURRENT MONTH

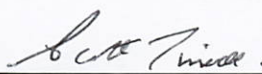
ACCOUNTS PAYABLE		Checks	(1,134,227.13)	
ACCOUNTS PAYABLE		ACHs	(1,821,996.15)	(2,956,223.28)
PAYROLL	Prior Month: 16th-EOM		(48,355.78)	
PAYROLL	This Month: 1st-15th		<u>(33,650.86)</u>	(82,006.64)

TRANSFERS

FROM LAIF / CAMP TO CHECKING ACCT	-
FROM CHECKING ACCT TO LAIF / CAMP	-

BALANCE PER GENERAL LEDGER - April 30, 2026 **\$ 5,888,096.80**

REPORT PREPARED BY:



Scott Tirrell

May 4, 2026

Date

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

DATE	RECEIVED FROM	DESCRIPTION	AMOUNT
DEPOSIT TO CHECKING ACCOUNT			
4/3/26	DWR	DAVIS DOLWIG	34,984.00
4/14/26	BCVWD	WATER SALES	511,917.00
4/14/26	RIVERSIDE COUNTY	SEC SA2	3,291,901.79
4/20/26	YVWD	WATER SALES	20,305.11
4/20/26	THOMAS TODD JR	CC RMBRSMNT	97.43
4/21/26	ROBERT YBARRA	CC RMBRSMNT	125.00
4/27/26	DWR	DWR REFUND	136,311.00
TOTAL FOR APRIL 2026			3,995,641.33

SAN GORGONIO PASS WATER AGENCY

**Local Water Purchases and Deliveries
Calendar Year 2026
DRAFT - Subject to Change
May 21, 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	279		864	23	1,166	279		4,818			
May					0						
Jun					0						
Jul					0						
Aug					0						
Sep					0						
Oct					0						
Nov					0						
Dec					0						
TOTALS	2,299	0	4,207	81	6,587	2,299	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	864		864	23		23	887
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
TOTALS	0	0	0	4,207	0	4,207	81	0	81	4,288

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

San Geronio Pass Water Agency
Budget Highlights

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:

- Tools Purchase and Maintenance

For this month, Purchased Water for Delivery and Succession Planning are slightly over-expensed for this time of year but expected to be within budget for year-end.

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

- Grant Support Services
- Sponsorships

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 until next month.

Expenses

Overall expenses for the Debt Service Fund are within budget.

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

- Purchased Water – SWP
- State Water

The line item for Water Treatment Expense was previously mentioned. The overall expenses for the Debt Service Fund are expected to remain within budget.

Funding Programs

There were no expenditures or receipts for the Gap Funding Program in April.

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

		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
GENERAL FUND						
INCOME					% of Budget Year:	83.3%
						Over budget
						Under budget
1	WATER SALES	7,500,000		7,500,000	4,829,364.33	64.4%
2	OTHER WATER SALES	0		0	0.00	
3	TAX REVENUE	13,250,000		13,250,000	7,172,219.63	54.1%
4	INTEREST	600,000		600,000	1,389,114.19	231.5%
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	TOTAL GENERAL FUND INCOME	25,315,000	0	25,315,000	15,767,141.64	62.3%
EXPENSES						Under budget
						Over budget
COMMODITY PURCHASE						
12	PURCHASED WATER FOR DELIVERY	2,700,000		2,700,000	2,454,426.00	90.9%
13	PURCHASED WATER FOR BANKING (FUTURE SALE)	1,000,000		1,000,000	0.00	0.0%
14	TOTAL COMMODITY PURCHASE	3,700,000	0	3,700,000	2,454,426.00	66.3%
SALARIES AND EMPLOYEE BENEFITS						
17	SALARIES	800,000		800,000	601,092.72	75.1%
18	PAYROLL TAXES	73,000		73,000	45,493.79	62.3%
19	PAYROLL SERVICES	11,000	5,000	16,000	10,703.84	66.9%
20	RETIREMENT	350,000		350,000	245,173.19	70.0%
21	OTHER POST-EMPLOYMENT BENEFITS (OPEB)	200,000		200,000	85,685.47	42.8%
22	HEALTH INSURANCE	75,000		75,000	47,055.59	62.7%
23	ACWA BENEFITS	12,000		12,000	7,100.98	59.2%
24	DISABILITY INSURANCE	8,000		8,000	5,285.67	66.1%
25	WORKERS COMPENSATION INSURANCE	7,000		7,000	3,449.80	49.3%
26	SGPWA STAFF MEDICAL REIMBURSEMENT	22,000		22,000	10,202.02	46.4%
27	EMPLOYEE EDUCATION	7,000		7,000	2,560.00	36.6%
28	TOTAL SALARIES AND EMPLOYEE BENEFITS	1,565,000	5,000	1,570,000	1,063,803.07	68.0%

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

		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
GENERAL FUND						
EXPENSES					% of Budget Year:	83.3%
ADMINISTRATIVE AND PROFESSIONAL SERVICES						Under budget
DIRECTOR EXPENDITURES						Over budget
33	DIRECTORS FEES	285,000		285,000	138,733.81	48.7%
34	DIRECTORS TRAVEL AND EDUCATION	80,000		80,000	46,577.97	58.2%
35	DIRECTORS MEDICAL	214,000		214,000	24,665.65	11.5%
OFFICE EXPENDITURES						
37	OFFICE EXPENSE	40,000	12,000	52,000	47,291.51	90.9%
38	POSTAGE	1,000		1,000	377.16	37.7%
39	TELEPHONE	8,000		8,000	6,475.39	80.9%
40	UTILITIES	7,000		7,000	3,371.67	48.2%
SERVICE EXPENDITURES						
42	COMPUTER, WEBSITE AND PHONE SUPPORT	75,000		75,000	60,916.08	81.2%
43	GENERAL MANAGER AND STAFF TRAVEL	50,000		50,000	34,056.21	68.1%
44	SUCCESSION PLANNING	65,000		65,000	59,955.91	92.2%
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	55,935.02	79.9%
49	OTHER PROFESSIONAL SERVICES	25,000		25,000	14,539.30	58.2%
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	16,175.85	53.9%
55	MAINTENANCE AND REPAIRS - BUILDING	50,000		50,000	17,131.86	34.3%
56	MAINTENANCE AND REPAIRS - FIELD	60,000		60,000	46,119.86	76.9%
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	47,995.22	68.6%
61	TOTAL ADMINISTRATIVE AND PROFESSIONAL SERVICES	1,586,000	12,000	1,598,000	979,787.69	61.8%

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

		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
GENERAL FUND						
EXPENSES					% of Budget Year:	83.3%
CONSULTING AND ENGINEERING SERVICES						Under budget
PLANS & CONSTRUCTION						Over budget
65	INFRASTRUCTURE PLAN - Phase 2	25,000		25,000	0.00	0.0%
66	BACKBONE INFRASTRUCTURE STUDY AND DESIGN	750,000	-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	74,487.21	35.5%
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	161,552.45	13.5%
OTHER PROJECTS						
74	WATER BANKING INVESTIGATIONS	25,000	415,000	440,000	393,326.40	89.4%
75	SAN GORGONIO GSA	550,000		550,000	47,274.76	8.6%
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%
STUDIES AND REPORTS						
79	FINANCIAL MODELING + NEXUS RATE STUDY	55,000		55,000	29,075.78	52.9%
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	33,860.10	4.5%
83	UWMP SUPPORT AND ANNUAL REPORT COMPLETION	300,000		300,000	102,790.00	34.3%
GENERAL ENGINEERING SERVICES						
85	ON-CALL ENGINEERING SERVICES	500,000		500,000	90,241.89	18.0%
86	GRANT SUPPORT SERVICES	50,000		50,000	53,515.00	107.0%
87	STATE + FEDERAL ADVOCACY	80,000		80,000	22,500.00	28.1%
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	TOTAL CONSULTING AND ENGINEERING SERVICES	7,140,000	0	7,140,000	2,189,754.08	30.7%

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

		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
GENERAL FUND						
EXPENSES					% of Budget Year:	83.3%
						Under budget
CONSERVATION AND EDUCATION						Over budget
98	SCHOOL EDUCATION PROGRAMS	65,000		65,000	14,658.00	22.6%
99	PUBLIC INFORMATION AND EDUCATION	260,000		260,000	227,315.34	87.4%
100	SPONSORSHIPS	10,000		10,000	11,750.00	117.5%
101	TRANSFER TO PASS WATER AGENCY FOUNDATION	35,000		35,000	33,221.62	94.9%
102	65th ANNIVERSARY CELEBRATION	50,000		50,000	22,935.00	45.9%
103	TOTAL CONSERVATION AND EDUCATION	420,000	0	420,000	309,879.96	73.8%
MAJOR AND CAPITAL EXPENDITURES						
BUILDING AND EQUIPMENT						
107	BUILDING	50,000		50,000	0.00	0.0%
108	FRONT LANDSCAPING	0		0	0.00	
109	FURNITURE AND OFFICE EQUIPMENT	25,000		25,000	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%
OTHER ITEMS						
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	2,575,220.00	39.6%
117	TOTAL MAJOR AND CAPITAL EXPENDITURES	7,565,000	545,000	8,110,000	3,126,283.31	41.3%
119	TRANSFERS TO OTHER FUNDS					
121	TOTAL GENERAL FUND EXPENSES	21,976,000	562,000	22,538,000	10,123,934.11	44.9%
123	GENERAL FUND NET INCOME YTD	3,339,000	-562,000	2,777,000	5,643,207.53	

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

		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
CONSIGNED - SWP SUPPORT FUND						
					%	83.3%
INCOME						Over budget
						Under budget
INCOME						
130	UNITARY TAX REVENUE ALLOCATED	9,100,000		9,100,000	3,795,574.11	41.7%
131	INTEREST	580,000		580,000	892,877.30	153.9%
132	OTHER INCOME	0		0		
133	TOTAL SWP SUPPORT FUND INCOME	9,680,000	0	9,680,000	4,688,451.41	48.4%
EXPENSES						Under budget
						Over budget
EXPENDITURES						
139	TAX COLLECTION CHARGES	24,000		24,000	9,488.94	39.5%
140	OTHER EXPENSES	0		0		
141	TOTAL SWP SUPPORT FUND EXPENSES	24,000	0	24,000	9,488.94	39.5%
143	TRANSFERS TO OTHER FUNDS					
145	CONSIGNED - SWP SUPPORT FUND NET INCOME YTD	9,656,000	0	9,656,000	4,678,962.47	

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

		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
DEBT SERVICE FUND						
					% of Budget Year:	83.3%
INCOME						Over budget
						Under budget
153	TAX REVENUE	34,754,000		34,754,000	22,598,924.04	65.0%
154	INTEREST	2,000,000		2,000,000	2,664,523.46	133.2%
155	CONTRIBUTIONS - GOVERNMENT	0		0		
156	DWR CREDITS - BOND COVER, OTHER	3,550,000		3,550,000	1,898,547.00	53.5%
157	TOTAL DEBT SERVICE FUND INCOME	40,304,000	0	40,304,000	27,161,994.50	67.4%
EXPENSES						Under budget
						Over budget
161	SWP PURCHASED WATER	4,800,000		4,800,000	5,292,517.00	110.3%
162	SALARIES	640,000		640,000	456,216.23	71.3%
163	PAYROLL TAXES	40,000		40,000	24,082.25	60.2%
164	BENEFITS	400,000		400,000	226,988.47	56.7%
165	SWP UTILITIES	12,000		12,000	6,702.12	55.9%
166	STATE WATER CONTRACT AUDIT	8,000		8,000	6,818.00	85.2%
167	STATE WATER CONTRACTOR DUES	45,000		45,000	50,311.00	111.8%
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	110.2%
171	EBX CONTRACT OPERATIONS	400,000		400,000	232,274.25	58.1%
172	SWP ENGINEERING AND MAINTENANCE	2,400,000		2,400,000	124,593.17	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	21,925,225.00	84.3%
175	TAX COLLECTION CHARGES	170,000		170,000	79,993.90	47.1%
176	TOTAL DEBT SERVICE FUND EXPENSES	37,746,000	0	37,746,000	30,506,277.85	80.8%
178	TRANSFERS FROM RESERVES			0.00	0.00	
180	DEBT SERVICE NET INCOME YTD	2,558,000	0	2,558,000	-3,344,283.35	

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

		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
FUNDING PROGRAMS						
GAP FUNDING PROGRAM					%	83.3%
INCOME						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	TOTAL INCOME	2,600,000	0	2,600,000	100,000.00	3.8%
EXPENSES						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	TOTAL EXPENSE	3,000,000	0	3,000,000	920,983.20	30.7%
202	GAP FUNDING PROGRAM NET BALANCE YTD	-400,000	0	-400,000	-820,983.20	
HELI-HYDRNAT FUNDING PROGRAM						
INCOME						
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	TOTAL INCOME	0	0	0	480,000.00	
EXPENSES						
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	TOTAL EXPENSE	0	0	0	600,000.00	
232	HELI-HYDRANT FUNDING PROGRAM NET BALANCE YTD	20	0	0	-120,000.00	

San Gorgonio Pass Water Agency

List of Some Acronyms and Vendors and Their Functions

Acronym	Name	Function and Information
ACWA	Association of California Water Agencies	Affinity organization that provides conferences, training, lobbying and insurance services for water agencies in California
ACWA JPIA	ACWA Joint Powers Insurance Agency	Designation for payments made for property, liability and workers compensation insurance
ACWABE	ACWA Benefits	Designation for dental, vision and life insurance
ALWEAS	Albert Webb Associates	Provides engineering consulting services
ARPA	American Rescue Plan Act	Grants from the Federal Government, channeled to counties, to fund specific projects.
AVEK	Antelope Valley-East Kern Water Agency	State Water Contractor
BBK	Best Best & Krieger	Provides legal counsel
BCVWD	Beaumont-Cherry Valley Water District	Provides retail water service in Beaumont
BHMWC	Banning Heights Mutual Water Company	Mutual water company within Agency boundaries
CalPERS	California Public Employees Retirement System	Provides retirement and health insurance services for public agencies in California
CAMP	California Asset Management Plan	Financial entity that advises and manages investments for public agencies in California
COBRA	Consolidated Omnibus Budget Reconciliation Act	Designation for continued health coverage
CONTEM	Control Temp, Inc.	Provides building maintenance for heating and air conditioning
CWD	Cabazon Water District	Retail water agency within Agency boundaries
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

Acronym	Name	Function and Information
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

**LEGAL INVOICES
ACCOUNTS PAYABLE INVOICE LISTING**

<u>VENDOR</u>	<u>INVOICE NBR</u>	<u>COMMENT</u>	<u>AMOUNT</u>
BEST, BEST & KRIEGER	260430	LEGAL SERVICES APRIL 2026	39,148.77

TOTAL PENDING INVOICES FOR APPROVAL MAY 2026

39,148.77

San Gorgonio Pass Water Agency
 Gap Funding Program
 Summary Report
 Report Date: May 21, 2026

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

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

South Mesa Water Company	(SMWC owes us) - Current Balance: 1,407,379.11
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

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

Banning Heights Mutual Water Co.	(BHMWC owes us) - Current Balance: 1,387,511.95
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: May 21, 2026

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

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

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

High Valleys Water District	(Owed to us) - Current Balance: 480,000.00
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	

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



San Geronio Pass Water Agency

DRAFT General Fund Budget FY 2026-27



Headquarters

ABOUT THE AGENCY

The San Geronio Pass Water Agency is one of 29 local government organizations, called State Water Contractors, that have contracted with the State of California to import water to their local service areas using the State Water Project. The Agency was created by the Legislature of the State of California under Senate Bill 8, Chapter 40, which was signed into law by Governor Edmund “Pat” Brown on April 19, 1961. The purpose for creating this public agency by special law was for the “planning, conservation, development, distribution, control and use of an adequate water supply for the public good and for the protection of life and property therein.” As part of the act, the Agency was given taxing authority similar to the taxing power of other local governments.

The Agency service area covers about 141,000 acres and has an estimated population of slightly more than 100,000. Major communities include Banning, Beaumont, Cabazon, Calimesa, and Cherry Valley. Retail water purveyors that serve the region include the City of Banning, Banning Heights



Brookside East Recharge Facility



Cherry Valley Pump Station

Mutual Water Company, Beaumont Cherry Valley Water District, Cherry Valley Water Company, High Valleys Water District, Mission Springs Water District, South Mesa Water Company, and Yucaipa Valley Water District.

The Agency entered into a contract with the State of California Department of Water Resources for an annual entitlement of 15,000 acre-feet from the State Water Project in 1962. Two years later, additional entitlement became available. Even then, the forward-focused Board was concerned that the original entitlement might not be sufficient for future needs, but was also concerned about the cost to local taxpayers. They took a bold step and voted to increase the Agency’s entitlement to its current amount of 17,300 acre-feet.



Citrus Reservoir and Pump Station

However, water did not get delivered to the region until the completion of the East Branch Extension. The East Branch Extension, known locally as EBX, completed the necessary infrastructure to deliver water to the Agency’s service area. EBX Phase 1 was completed in 2003; EBX Phase 2 was completed in 2018. The new facilities included an additional pipeline, an additional reservoir, additional pumps and expanded an existing reservoir. The Agency now had sufficient capacity to deliver its entire allotment in any year that it was available. EBX is unique in the State Water Project because it is jointly operated by DWR, San Bernardino Valley Municipal Water District and the Agency.

In 2020, the Agency completed construction and started using its new recharge site on the corner of Beaumont Avenue and Brookside in Beaumont. This facility was built to be able to recharge water, most often during wet years, but also as necessity arises because of operational constraints. The Agency is currently planning on expanding additional recharge in this area to maximize wet-year deliveries and respond to increasing water supply variability in the SWP.



Crafton Hills Reservoir

In 2022, the Agency finalized a 20-year exchange agreement with the City of Ventura, another State Water Contractor, to use its annual entitlement of 10,000 acre-feet.

In 2023, the Agency set a historical record by receiving, delivering, and storing over 24,400 acre-feet of SWP water.



Board of Directors 2026

*Larry Smith, Vice President
Division 5*

*Dr. Blair M Ball, Director
Division 4*

*Sarah Wargo, Secretary
Division 1*

*Robert Ybarra, President
At Large No. 2*

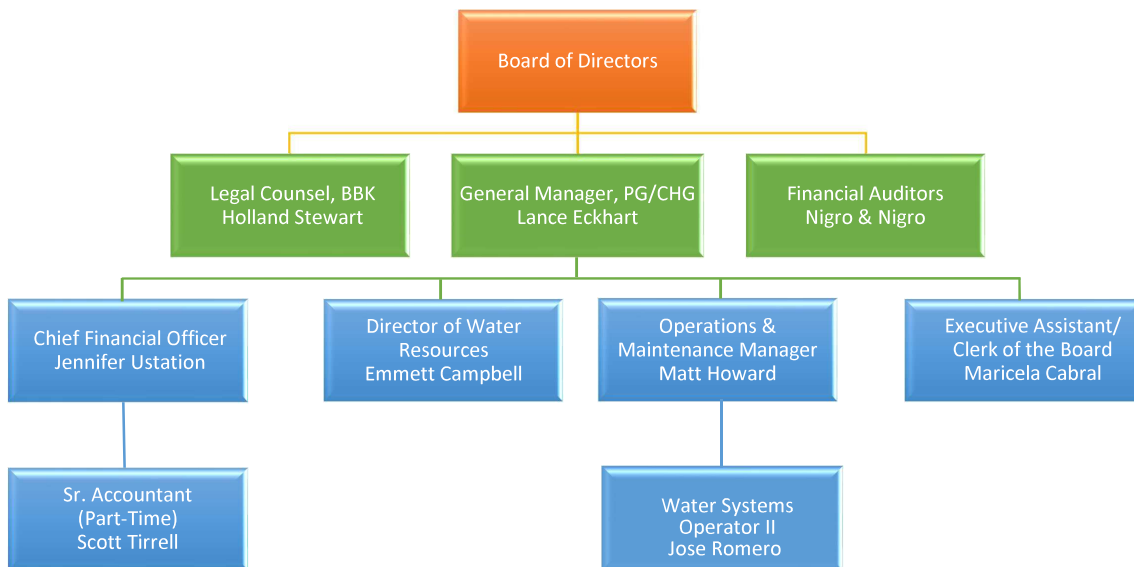
*Micky Valdivia, Director
At Large No. 1*

*James Tickemyer, Treasurer
Division 3*

*Chander Letulle, Director
Division 2*



San Geronimo Pass Water Agency 2026 Organizational Chart



FROM THE GENERAL MANAGER



Lance Eckhart, PG, CHG

To the Board of Directors:

Subject: Fiscal Year 2026–27 Budget – Strategic Investment in Regional Infrastructure and Operational Capacity

Dear Board Members,

It is my pleasure to present the proposed budget for Fiscal Year 2026–27. This budget reflects the San Geronio Pass Water Agency’s continued commitment to responsible fiscal stewardship, strategic infrastructure investment, and long-term regional water reliability. Guided by the Agency’s Strategic Plan, this budget prioritizes investments that strengthen operational capacity, support future growth, and position the Agency to proactively address evolving regional water challenges.

Investing in Organizational Capacity and Operational Efficiency

As the Agency continues to expand its responsibilities and regional role, the proposed budget includes additional administrative support resources to improve organizational efficiency and support staff capacity. These investments are intended to enhance operational effectiveness while ensuring the Agency remains responsive to the increasing demands associated with regional water planning, project coordination, and regulatory compliance. The budget also includes investments in technology and operational tools, including ESRI workflow enhancements and additional groundwater monitoring capabilities, to support improved data management, groundwater sustainability efforts, and resource utilization.

Advancing Regional Infrastructure Improvements

The Fiscal Year 2026–27 Budget continues the Agency’s focus on infrastructure planning and system improvements that support long-term regional reliability. Planned initiatives include continued planning and design

for the Brookside West project, upgrades to the Noble Connection, and improvements associated with the Brookside and Beaumont intersection area.

These projects support the Agency's efforts to align infrastructure planning with regional growth, improve operational reliability, and maintain flexibility to meet future water supply and delivery needs.

Strengthening Facilities and Asset Management

The proposed budget includes continued investment in Agency facilities and long-term asset management planning. Planned efforts include headquarters expansion planning, facility upgrades, and development of an asset management program designed to improve long-term maintenance planning and infrastructure sustainability.

These investments reflect the Agency's commitment to protecting public assets while ensuring facilities and operational systems continue to support the Agency's evolving regional responsibilities.

Planning for Future Water Supply Opportunities

The Agency remains focused on identifying and advancing long-term water supply and storage opportunities that strengthen regional resiliency. The budget supports ongoing evaluation of future projects including the Colorado River Mitigation Project, AVEK banking opportunities, and development of a regional hub-and-spoke system.

These strategic efforts are intended to expand storage opportunities, improve operational flexibility, and position the Agency to respond to changing hydrologic and regulatory conditions affecting water supply reliability throughout the region.

Supporting Strategic Land Acquisition and Regional Coordination

The Fiscal Year 2026–27 Budget also includes funding for strategic right-of-way and adjacent property acquisition opportunities that support future operational and infrastructure needs. Preserving these opportunities today helps ensure the Agency maintains flexibility for future recharge, conveyance, and facility improvements.

Additionally, the budget supports expanded regional, state, and federal coordination efforts, including additional advocacy resources consistent with Board direction.

Maintaining a strong presence at all levels of government remains important to advancing regional partnerships, securing funding opportunities, and protecting the Agency's long-term interests.

Conclusion

The Fiscal Year 2026–27 Budget reflects a balanced and strategic approach to advancing the Agency's mission while maintaining strong fiscal stewardship and operational stability. Through thoughtful investment in infrastructure, personnel, facilities, technology, and regional partnerships, the San Gorgonio Pass Water Agency continues to position itself to meet both current and future regional water needs.

I would like to thank the Board of Directors for its continued leadership and support, and Agency staff for their dedication and professionalism in preparing this budget. We look forward to another year of progress, collaboration, and responsible stewardship on behalf of the communities we serve.

Respectfully,

A handwritten signature in black ink, appearing to read "Lance Eckhart". The signature is stylized with a large, looped initial "L" and "E".

Lance Eckhart, PG, CHG
General Manager/Chief Hydrogeologist
San Geronio Pass Water Agency

FROM THE CHIEF FINANCIAL OFFICER



Jennifer Ustation

To the Board of Directors:

The proposed Fiscal Year 2026–27 Budget reflects the San Geronio Pass Water Agency’s continued commitment to responsible fiscal stewardship while strategically investing in the region’s long-term water reliability, infrastructure, and operational capacity. As the Agency’s regional role continues to expand, this budget prioritizes investments that strengthen organizational support, advance critical water supply initiatives, and position the Agency to proactively address future water resource challenges.

Financially, the Agency remains in a strong position. Based on current estimates, the General Fund is projected to end Fiscal Year 2025–26 above the originally budgeted year-end balance due to strong revenues, conservative budgeting practices, and the timing of project expenditures. The proposed Fiscal Year 2026–27 General Fund budget includes approximately \$24.0 million in revenues and approximately \$17.2 million in expenditures, resulting in a projected positive year-end balance of approximately \$6.9 million.

The proposed budget continues to prioritize investment in regional infrastructure planning, recharge, and water supply reliability projects. Significant funding is included for the San Geronio Pass Regional Masterplan, Beaumont Basin Recharge planning and design, County Line Recharge construction wrap-up, and continued water banking development opportunities. These projects are intended to expand recharge capacity, improve operational flexibility, and support long-term regional water sustainability.

The budget also reflects the Agency’s continued commitment to groundwater sustainability and scientific monitoring efforts. Funding is included for monitoring well development, USGS studies and monitoring, San Geronio

Groundwater Sustainability Agency activities, Yucaipa and Verbena GSA participation, and flume monitoring support. These efforts support the Agency's groundwater management responsibilities, regulatory compliance, and regional planning initiatives.

As Agency operations and project coordination efforts continue to grow, the proposed budget also includes funding for an additional administrative support position to assist with increasing operational, financial, and project administration demands. This position is intended to improve organizational efficiency, support staff capacity, and help ensure the Agency continues to effectively manage its expanding regional responsibilities.

Additional capital investment priorities in Fiscal Year 2026–27 include groundwater well drilling, Heli-Hydrant construction projects, and facility upgrades. The budget also includes continued investment in financial modeling, asset management planning, grant support services, and state and federal advocacy efforts to position the Agency for future funding opportunities and regional partnerships.

The Agency also continues to support regional collaboration efforts through the Gap Funding Program and Small Water Assistance Program, which provide technical assistance, infrastructure support, and grant coordination for smaller water systems throughout the region.

Overall, the proposed Fiscal Year 2026–27 Budget reflects a balanced and strategic approach that supports ongoing operations, invests in critical infrastructure and groundwater sustainability efforts, strengthens organizational capacity, and maintains the Agency's long-term financial stability.

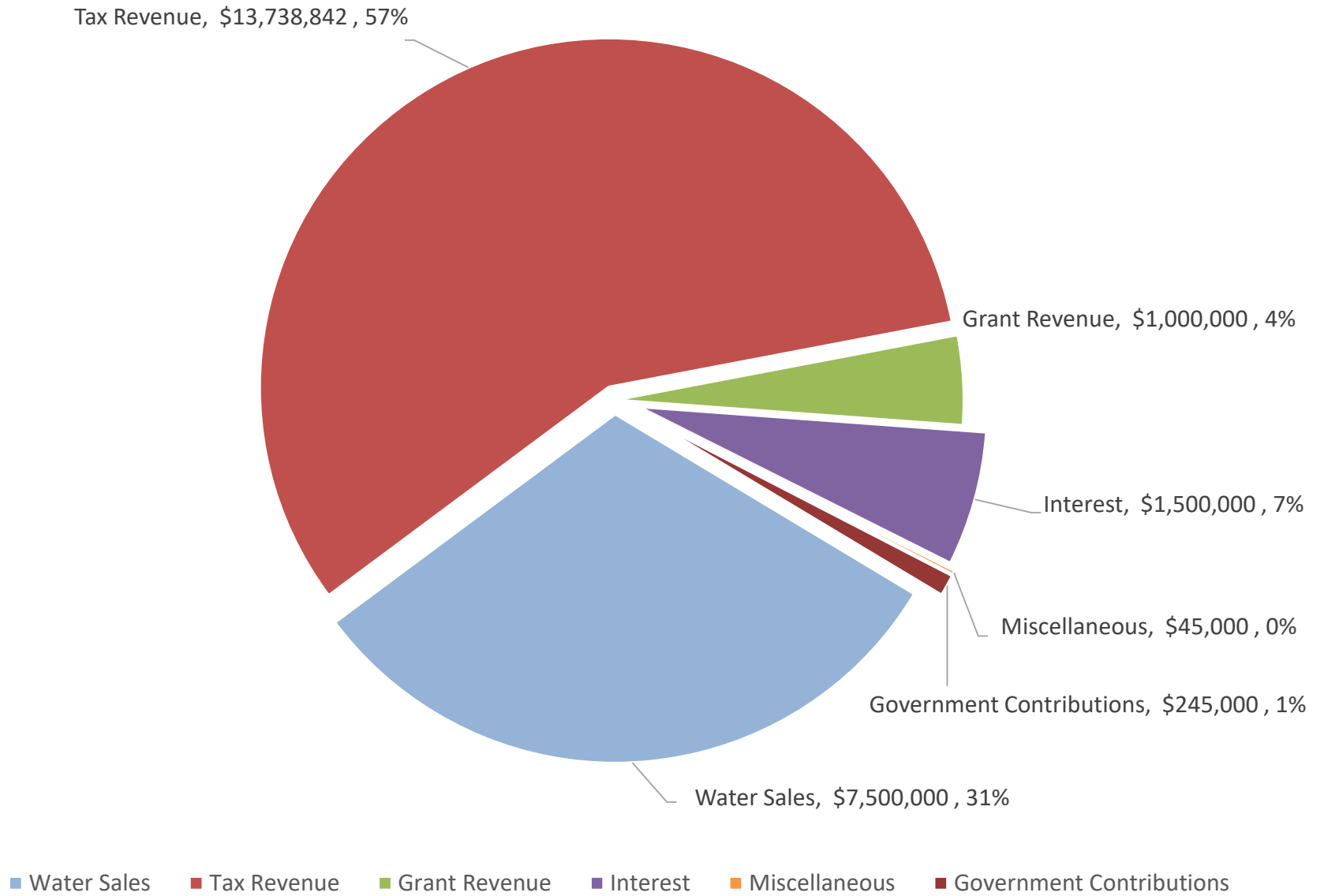
Finally, I would like to express my sincere appreciation to the Board of Directors for its continued leadership and support, and to Agency staff for their dedication and professionalism in preparing this budget and advancing the Agency's strategic priorities. Staff look forward to another year of meaningful progress, regional collaboration, and responsible stewardship on behalf of the communities we serve.

Respectfully,

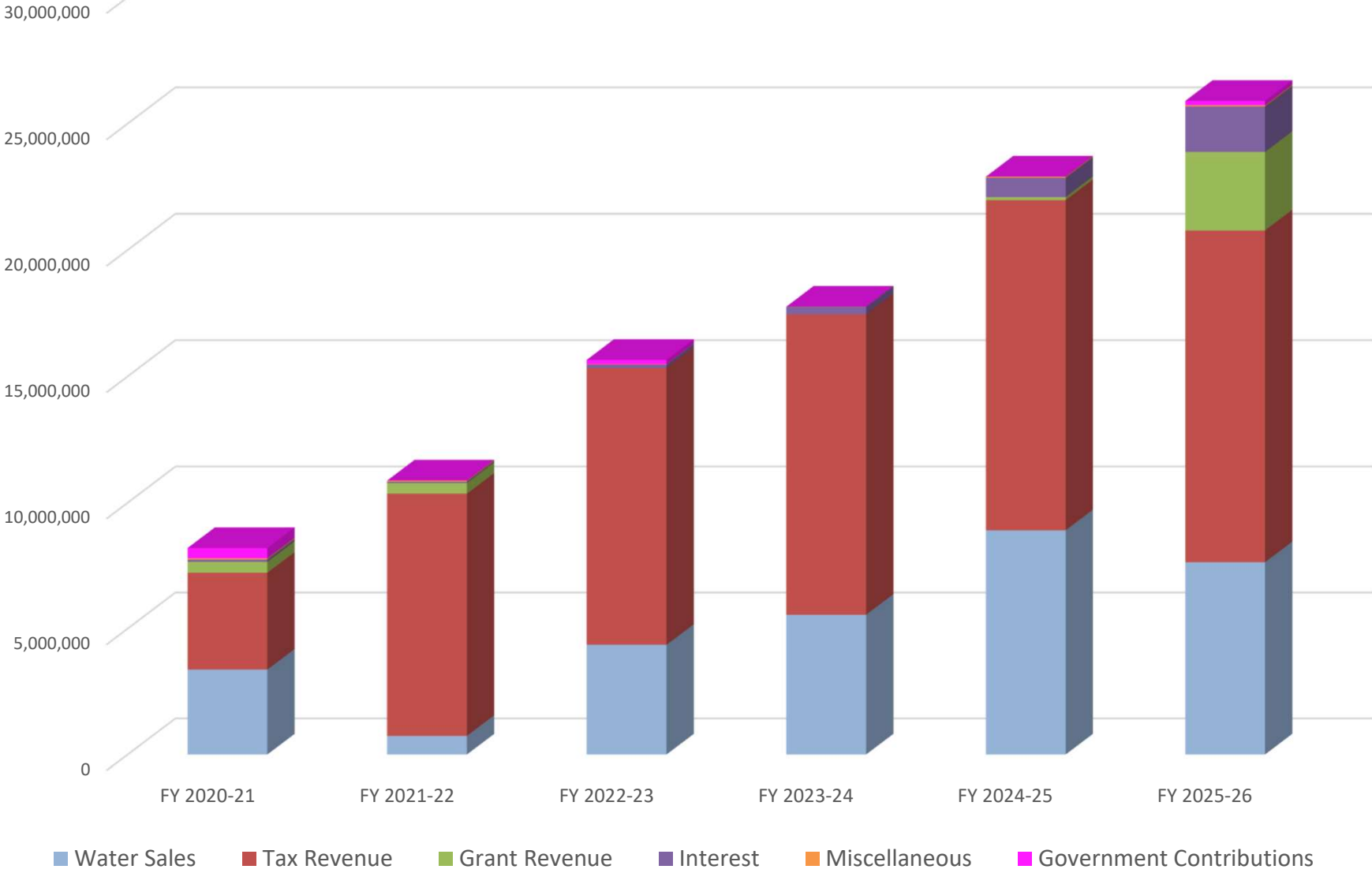


Jennifer Ustation, CPFO
Chief Financial Officer
San Geronio Pass Water Agency

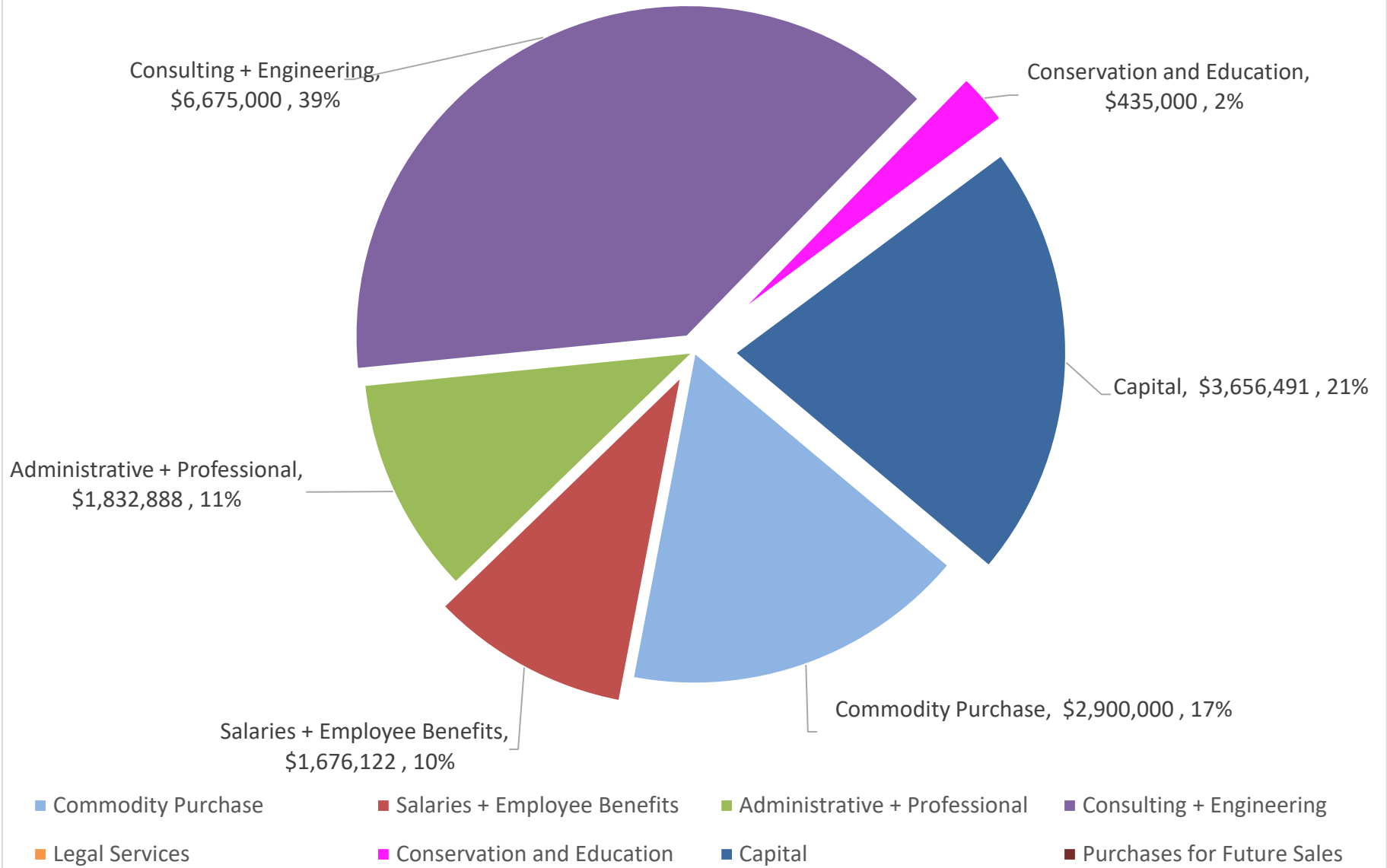
Proposed General Fund Sources of Revenue FY 2024-25



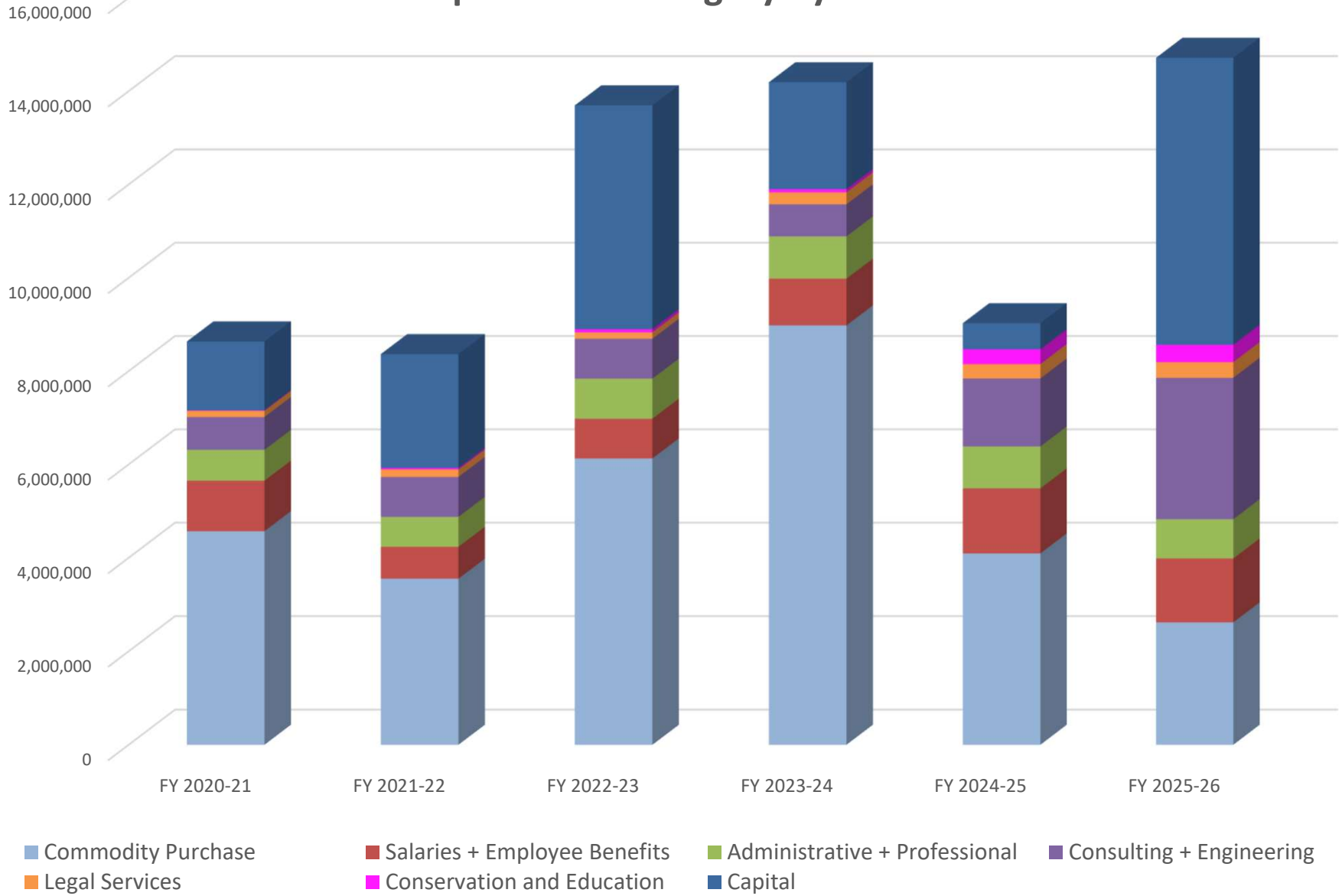
Income Category by Fiscal Year



Proposed General Fund Expenditure Categories FY 2024-25



Expenditure Category by Fiscal Year



**SAN GORGONIO PASS WATER AGENCY
DRAFT BUDGET FOR FY 2026-27
ESTIMATE FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2027**

DRAFT

FISCAL YEAR JULY 1, 2025 - JUNE 30, 2026			FY JULY 1, 2026 - JUNE 30, 2027		
1	2	3	4	5	
TOTAL REVISED BUDGET	PROJECTED EOY	Over/Under Budget	PROPOSED	FY 2025-26	% EOY to Proposed

GENERAL FUND

GENERAL FUND - INCOME

1	WATER SALES	7,500,000	7,636,728	1.8%	7,500,000	-1.8%
2	OTHER WATER SALES	0	0	NA	0	NA
3	TAX REVENUE	13,250,000	13,138,416	-0.8%	13,738,842	4.6%
4	INTEREST	600,000	1,801,056	200.2%	1,500,000	-16.7%
5	GOV'T CONTRIBUTIONS	320,000	174,365	-45.5%	245,000	40.5%
6	GRANT REVENUE	3,600,000	3,102,468	-13.8%	1,000,000	-67.8%
7	OTHER MISCELLANEOUS INCOME	45,000	47,504	5.6%	45,000	-5.3%
8	TOTAL GENERAL FUND INCOME	25,315,000	25,900,537	2.3%	24,028,842	-7.2%

GENERAL FUND - EXPENSES

COMMODITY PURCHASE

12	PURCHASED WATER FOR DELIVERY	2,700,000	2,619,426	3.0%	2,900,000	10.7%
13	PURCHASED WATER FOR BANKING (FUTURE SALE)	1,000,000	0	100.0%	0	
14	TOTAL COMMODITY PURCHASE	3,700,000	2,619,426	29.2%	2,900,000	10.7%

SALARIES AND EMPLOYEE BENEFITS

17	SALARIES	800,000	725,949	9.3%	921,645	27.0%
18	PAYROLL TAXES	73,000	54,938	24.7%	91,111	65.8%
19	PAYROLL SERVICES	11,000	13,827	-25.7%	15,000	8.5%
20	RETIREMENT	350,000	270,627	22.7%	300,165	10.9%
21	OTHER POST-EMPLOYMENT BENEFITS (OPEB)	200,000	200,000	0.0%	200,000	0.0%
22	HEALTH INSURANCE	75,000	65,862	12.2%	83,677	27.1%
23	ACWA BENEFITS	12,000	8,521	29.0%	15,750	84.8%
24	DISABILITY INSURANCE	8,000	6,870	14.1%	9,000	31.0%
25	WORKERS COMPENSATION INSURANCE	7,000	4,950	29.3%	7,000	41.4%
26	SGPWA STAFF MEDICAL REIMBURSEMENT	22,000	12,242	44.4%	25,775	110.5%
27	EMPLOYEE EDUCATION	7,000	3,072	56.1%	7,000	127.9%
28	TOTAL SALARIES AND EMPLOYEE BENEFITS	1,565,000	1,366,857	12.7%	1,676,122	22.6%

GENERAL FUND - EXPENSES

ADMINISTRATIVE AND PROFESSIONAL SERVICES

DIRECTOR EXPENDITURES						
33	DIRECTORS FEES	285,000	166,481	41.6%	285,000	71.2%
34	DIRECTORS TRAVEL AND EDUCATION	80,000	55,894	30.1%	80,000	43.1%
35	DIRECTORS MEDICAL REIMBURSEMENT	214,000	29,599	86.2%	77,770	162.7%
OFFICE EXPENDITURES						
37	OFFICE EXPENSE	40,000	49,410	-23.5%	51,880	5.0%
38	POSTAGE	1,000	527	47.3%	1,000	89.7%
39	TELEPHONE	8,000	14,065	-75.8%	15,465	10.0%
40	UTILITIES	7,000	4,046	42.2%	7,000	73.0%
SERVICE EXPENDITURES						
42	COMPUTER, WEBSITE AND PHONE SUPPORT	75,000	75,099	-0.1%	100,000	33.2%
43	GENERAL MANAGER AND STAFF TRAVEL	50,000	40,867	18.3%	50,000	22.3%
44	SUCCESSION PLANNING (ORGANIZATIONAL DEVELOPME	65,000	60,156	7.5%	65,000	8.1%
45	INSURANCE AND BONDS	70,000	71,333	-1.9%	87,740	23.0%
46	ACCOUNTING AND AUDITING	22,000	20,000	9.1%	24,500	22.5%
47	LEGAL SERVICES	350,000	336,172	4.0%	350,000	4.1%
48	DUES AND ASSESSMENTS	70,000	56,135	19.8%	130,000	131.6%
49	SOFTWARE (NEW ITEM)	0	0	#DIV/0!	75,000	
50	OTHER PROFESSIONAL SERVICES	25,000	20,039	19.8%	26,532	32.4%
51	BANK CHARGES	1,000	0	100.0%	1,000	
52	MISCELLANEOUS EXPENSES	1,000	0	100.0%	1,000	
MAINTENANCE AND EQUIPMENT EXPENDITURES						

**SAN GORGONIO PASS WATER AGENCY
DRAFT BUDGET FOR FY 2026-27
ESTIMATE FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2027**

DRAFT

		FISCAL YEAR JULY 1, 2025 - JUNE 30, 2026			FY JULY 1, 2026 - JUNE 30, 2027		
		1	2	3	4	5	
		TOTAL REVISED BUDGET	PROJECTED EOY	Over/Under Budget	PROPOSED	FY 2025-26	% EOY to Proposed
54	TOOLS PURCHASE AND MAINTENANCE	2,000	1,811	9.4%		8,000	341.7%
55	MAINTENANCE AND REPAIRS - VEHICLE	30,000	19,411	35.3%		45,000	131.8%
56	MAINTENANCE AND REPAIRS - BUILDING	50,000	20,558	58.9%		50,000	143.2%
57	MAINTENANCE AND REPAIRS - FIELD	60,000	55,344	7.8%		70,000	26.5%
COUNTY EXPENDITURES							
59	LAFCO COST SHARE	10,000	10,916	-9.2%		11,000	0.8%
60	ELECTION EXPENSE	0	0	#DIV/0!		150,000	#DIV/0!
61	TAX COLLECTION CHARGES	70,000	67,995	2.9%		70,000	2.9%
62	TOTAL ADMINISTRATIVE AND PROFESSIONAL SERVICES	1,586,000	1,175,858	25.9%		1,832,888	55.9%
GENERAL FUND - EXPENSES							
CONSULTING AND ENGINEERING SERVICES							
66	PLANS & CONSTRUCTION						
67	INFRASTRUCTURE PLAN - Phase 2	25,000	0	100.0%		0	#DIV/0!
68	SAN GORGONIO PASS REGIONAL MASTERPLAN	750,000	0	100.0%		1,000,000	
69	BUNKER HILL BANKING AND RECOVERY PROGRAM	75,000	0	100.0%		10,000	
70	COUNTY LINE RECHARGE - PLANNING AND DESIGN (CALIF)	100,000	105,953	-6.0%		100,000	-5.6%
71	BEAUMONT BASIN RECHARGE (NEW)					750,000	
72	SMALL SYSTEM ASSISTANCE PROGRAM	210,000	89,385	57.4%		200,000	123.8%
73	SIGNAGE AND FRONTAGE BROOKSIDE EAST (FACILITY UP)	75,000	0	100.0%		150,000	
74	MONITORING WELL DRILLING	1,800,000	1,033,262	42.6%		0	-100.0%
75	HELI-HYDRANT	1,200,000	600,000	50.0%		100,000	-83.3%
OTHER PROJECTS							
76	WATER BANKING INVESTIGATIONS (DEVELOPMENT)	25,000	471,992	-1788.0%		2,000,000	
77	SAN GORGONIO GSA	550,000	56,730	89.7%		500,000	781.4%
78	YUCAIPA GSA VERBENIA GSA	50,000	9,063	81.9%		30,000	231.0%
79	FLUME MONITORING AND SUPPORT	30,000	0	100.0%		30,000	
STUDIES AND REPORTS							
81	FINANCIAL MODELING + NEXUS RATE STUDY	55,000	34,891	36.6%		55,000	57.6%
82	USGS STUDIES AND MONITORING	400,000	255,715	36.1%		430,000	68.2%
83	LOCAL SUPPLIES	50,000	0	100.0%		50,000	#DIV/0!
84	LOCAL RECHARGE FEASIBILITY STUDIES	750,000	40,632	94.6%		100,000	146.1%
85	UWMP SUPPORT AND ANNUAL REPORT COMPLETION	300,000	123,348	58.9%		100,000	-18.9%
86	ASSET MANAGEMENT (NEW)					100,000	
GENERAL ENGINEERING SERVICES							
88	ON-CALL ENGINEERING SERVICES	500,000	108,290	78.3%		0	-100.0%
89	GRANT SUPPORT SERVICES	50,000	64,218	-28.4%		100,000	55.7%
90	FEDERAL - STATE ADVOCATE	80,000	27,000	66.3%		500,000	
91	SAWPA REGIONAL PROJECTS	15,000	9,889	34.1%		20,000	102.2%
92	GENERAL ENGINEERING and ENVIRONMENTAL	50,000	1,497	97.0%		350,000	
93	TOTAL CONSULTING AND ENGINEERING SERVICES	7,140,000	3,031,864	57.5%		6,675,000	120.2%
GENERAL FUND - EXPENSES							
CONSERVATION AND EDUCATION							
97	SCHOOL EDUCATION PROGRAMS	65,000	31,658	51.3%		70,000	121.1%
98	PUBLIC INFORMATION AND EDUCATION	260,000	259,558	0.2%		260,000	0.2%
99	SPONSORSHIPS	10,000	11,750	-17.5%		20,000	70.2%
100	TRANSFER TO PASS WATER AGENCY FOUNDATION	35,000	32,000	8.6%		35,000	9.4%
101	65th ANNIVERSARY CELEBRATION	50,000	36,410	27.2%		50,000	37.3%
102	TOTAL CONSERVATION AND EDUCATION	420,000	371,376	11.6%		435,000	17.1%
MAJOR AND CAPITAL EXPENDITURES							
BUILDING AND EQUIPMENT							
106	BUILDING	50,000	0			50,000	
107	FURNITURE AND OFFICE EQUIPMENT	25,000	18,087			25,000	
108	OTHER EQUIPMENT	20,000	0			20,000	

**SAN GORGONIO PASS WATER AGENCY
DRAFT BUDGET FOR FY 2026-27
ESTIMATE FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2027**

DRAFT

		FISCAL YEAR JULY 1, 2025 - JUNE 30, 2026			FY JULY 1, 2026 - JUNE 30, 2027		
		1	2	3	4	5	
		TOTAL REVISED BUDGET	PROJECTED EOY	Over/Under Budget	PROPOSED	FY 2025-26	% EOY to Proposed
109	OTHER ITEMS	VEHICLES	80,000	55,632	30.5%	86,491	55.5%
111		SITES RESERVOIR	840,000	0	0.0%	900,000	#DIV/0!
112		NEW PROPERTY	50,000	477,344		50,000	
113		COUNTY LINE RECHARGE - CONSTRUCTION	6,500,000	5,600,000		900,000	
114		WELL DRILLING (NEW)				750,000	
115		HELI-HYDRANT CONSTRUCTION (NEW)				375,000	
116		FACILITY UPGRADES (NEW)				500,000	
118	TOTAL MAJOR AND CAPITAL EXPENDITURES		7,565,000	6,151,063	18.7%	3,656,491	-40.6%
120	TRANSFERS TO OTHER FUNDS		0				
122	TOTAL GENERAL FUND EXPENSES		21,976,000	14,716,446	33.0%	17,175,501	16.7%
124	GENERAL FUND NET INCOME YTD		3,339,000	11,184,092		6,853,341	

CONSIGNED - SWP SUPPORT FUND

CONSIGNED - SWP SUPPORT FUND - INCOME							
		INCOME					
130		UNITARY TAX REVENUE ALLOCATED	9,100,000	9,577,771	-5.3%	10,015,475	4.6%
131		INTEREST	580,000	1,071,452	-84.7%	900,000	-16.0%
132		OTHER INCOME	0	0		0	
133	TOTAL SWP SUPPORT FUND INCOME		9,680,000	10,649,223	-10.0%	10,915,475	2.5%
CONSIGNED - SWP SUPPORT FUND - EXPENSES							
		EXPENDITURES					
139		TAX COLLECTION CHARGES	24,000	23,944	0.2%	25,039	4.6%
140		OTHER EXPENSES	0	0	NA	0	
141	TOTAL SWP SUPPORT FUND EXPENSES		24,000	23,944	0.2%	25,039	4.6%
143	TRANSFERS TO OTHER FUNDS						
145	CONSIGNED - SWP SUPPORT FUND NET INCOME YTD		7,422,000	10,625,279		10,890,436	

GAP FUNDING PROGRAM

GAP FUNDING PROGRAM - INCOME							
185		CABAZON WATER DISTRICT	0	95,746	#DIV/0!	0	
187		SOUTH MESA WATER COMPANY	600,000	0	0.0%		
188		HIGH VALLEYS WATER DISTRICT	2,000,000	0	0.0%		
189		BANNING HEIGHTS MUTUAL WATER CO.	0	0	0.0%		
191	TOTAL INCOME		2,600,000	95,746	96.3%	0	-100.0%
GAP FUNDING PROGRAM - EXPENSES							
194		CABAZON WATER DISTRICT	0	292,664			
196		SOUTH MESA WATER COMPANY	1,100,000	5,847,530	-431.6%	4,500,000	
197		HIGH VALLEYS WATER DISTRICT	1,000,000	520,695	47.9%		
198		BANNING HEIGHTS MUTUAL WATER CO.	900,000	566,529			

**SAN GORGONIO PASS WATER AGENCY
DRAFT BUDGET FOR FY 2026-27
ESTIMATE FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2027**

DRAFT

		FISCAL YEAR JULY 1, 2025 - JUNE 30, 2026			FY JULY 1, 2026 - JUNE 30, 2027		
		1	2	3	4	5	
		TOTAL REVISED BUDGET	PROJECTED EOY	Over/Under Budget	PROPOSED	FY 2025-26	% EOY to Proposed
200	TOTAL EXPENSE	3,000,000	7,227,418	-140.9%		4,500,000	-37.7%
202	GAP FUNDING PROGRAM NET BALANCE YTD	-400,000	-7,131,672			-4,500,000	
		HELI-HYDRANT FUNDING PROGRAM					
		INCOME					
208	CABAZON WATER DISTRICT		480,000.00				
210	SOUTH MESA WATER COMPANY		0.00				
212	HIGH VALLEYS WATER DISTRICT		0.00				
214	BANNING HEIGHTS MUTUAL WATER CO.		0.00				
216	TOTAL INCOME	0	480,000.00				
		EXPENSES					
222	SOUTH MESA WATER COMPANY		0.00			300,000.00	
224	HIGH VALLEYS WATER DISTRICT		600,000.00				
226	BANNING HEIGHTS MUTUAL WATER CO.		0.00			300,000.00	
228	TOTAL EXPENSE	0	600,000.00				
232	HELI-HYDRANT FUNDING PROGRAM NET BALANCE YTD	0	-120,000.00				

LINE ITEM AND PROJECT DESCRIPTIONS, page 1

GENERAL FUND INCOME

Other Water Sales (line #2)

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

Tax Revenue (reference line #3)

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

Government Contributions (#5)

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

Grant Revenue (#6)

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

Other Miscellaneous Income (#7)

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

LINE ITEM AND PROJECT DESCRIPTIONS, page 2

GENERAL FUND EXPENSES

Category: Commodity Purchase

Purchased Water for Delivery (#12)

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

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

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

Category: Salaries and Employee Benefits

Salaries (#17)

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

Retirement (#20)

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

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

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

LINE ITEM AND PROJECT DESCRIPTIONS, page 3

Category: Administrative and Professional Services

Directors Expenditures (#33 thru #35)

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

Office Expense (#37)

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

Organizational Development (#44)

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

Legal Services (#47)

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

Other Professional Services (#50)

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

Maintenance and Equipment Expenditures (#54 thru #57)

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

LAFCO Cost Share (#58)

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

LINE ITEM AND PROJECT DESCRIPTIONS, page 4

Election Expense (#59)

This item appears in the budget every other year, based on the election cycle. There is elections planned for this fiscal year.

Category: Consulting and Engineering Services

San Gorgonio Pass Regional Masterplan (formerly Backbone Infrastructure Study and Design) (#68)

This line item supports planning and coordination for regional water infrastructure projects that improve system connectivity, supply reliability, and long-term operational flexibility across the San Gorgonio Pass region.

Bunker Hill Banking and Recovery Program (#69)

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

Calimesa Area Recharge (formerly County Line Recharge) (#70)

This line item supports groundwater recharge projects in the Calimesa area, including closeout activities for the County Line Recharge Project and planning or implementation of additional recharge opportunities that improve regional water supply reliability.

Beaumont Basin Recharge (71)

This line item supports groundwater recharge projects in the Beaumont Basin Area, including planning and design of Agency facilities that improve groundwater sustainability, storage, and regional water supply reliability.

LINE ITEM AND PROJECT DESCRIPTIONS, page 5

Small Water Assistance Program (#72)

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

SGPWA Facility Upgrades (#73)

This line item supports planning and design for minor upgrades at existing Agency facilities, including site, frontage, signage, drainage, and related improvements that enhance facility appearance, functionality, and coordination with surrounding public improvements.

Monitoring Well Drilling (#74)

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

Heli-Hydrant (#75)

This line item supports planning and design for additional Heli-Hydrant facilities in the Agency's service area. These facilities improve regional wildfire response capabilities by providing dedicated water refill infrastructure for firefighting helicopters.

LINE ITEM AND PROJECT DESCRIPTIONS, page 6

Water Banking Development (#76)

This line item supports activities associated with developing external water banking opportunities, including partnership coordination, agreements, and related costs needed to advance long-term water storage and supply reliability.

San Gorgonio GSA (#77)

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

Yucaipa GSA and Verbena GSA (#78)

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

LINE ITEM AND PROJECT DESCRIPTIONS, page 7

Flume Monitoring and Support (#79)

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

Financial Modeling + Nexus Rate Study (#81)

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

USGS Studies and Monitoring (82)

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

Local Supplies (#83)

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

LINE ITEM AND PROJECT DESCRIPTIONS, page 8

Local Recharge Feasibility Studies (#84)

This line item supports feasibility studies, planning, and groundwater modeling for local recharge opportunities within the Agency's service area to help expand regional recharge capacity and support long-term water supply reliability.

UWMP Support and Annual Report Completion (#85)

This line item supports completion and maintenance of the Agency's Urban Water Management Plan, including any carryover tasks, as well as required annual reporting with retailers to track water use, meet regulatory requirements, and support water resource planning.

ASSET MANAGEMENT (86)

This line item supports a facility inventory, asset management program, and capital improvement plan to track Agency infrastructure, evaluate future needs, and guide long-term capital planning.

Grant Support Services (#89)

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

Federal – State Advocate (#88)

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

LINE ITEM AND PROJECT DESCRIPTIONS, page 9

SAWPA Regional Projects (#91)

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

General Engineering and Environmental (#92)

This line item supports miscellaneous engineering, environmental, and technical services for Agency needs that arise during the fiscal year, including project support, permitting, design assistance, environmental documentation, and related professional services not assigned to a specific project line item.

Category: Conservation and Education

Public Information and Education (#98)

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

Sponsorships (#99)

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

LINE ITEM AND PROJECT DESCRIPTIONS, page 10

Transfer to Pass Foundation (#100)

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

65th Anniversary Celebration (#101)

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

Category: Major and Capital Expenditures

Vehicles (#109)

This line item is carryover from vehicle approved in FY2025-26. The vehicle is on order and will not be received until FY2026-27.

Sites Reservoir (#111)

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

New Property (#112)

This line item supports the acquisition of property, easements, or related real estate interests needed for current or future Agency projects.

County Line Recharge – Construction (#113)

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

WELL DRILLING (#114)

This line item supports the development of groundwater monitoring wells in the San Gorgonio Pass Water Agency service area.

LINE ITEM AND PROJECT DESCRIPTIONS, page 11

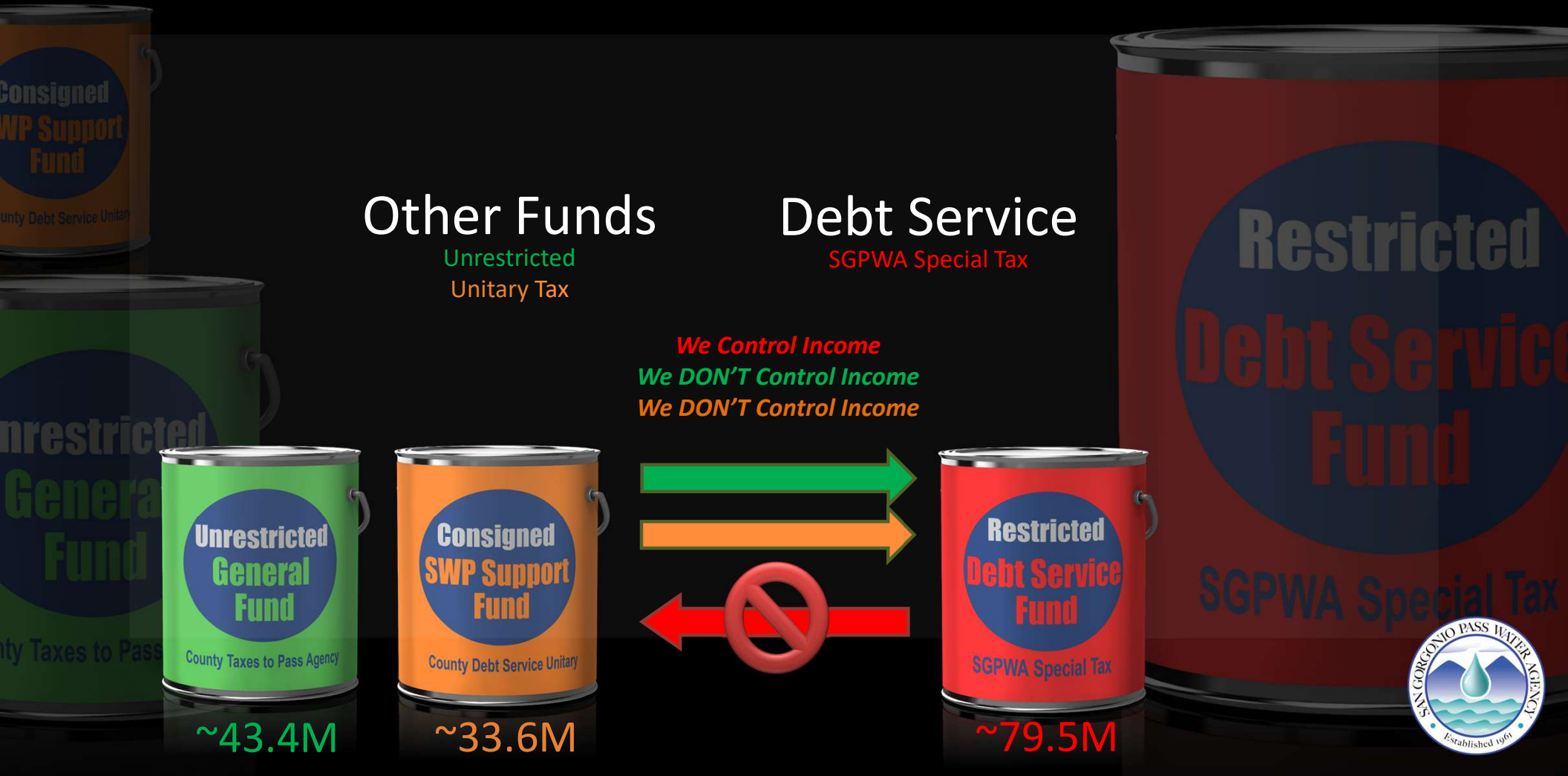
Heli-Hydrant (#115)

This line item supports construction and installation of additional Heli-Hydrant facilities within the Agency's service area, including Agency-led projects. These facilities enhance regional wildfire response capabilities by providing dedicated water refill infrastructure for firefighting helicopters.

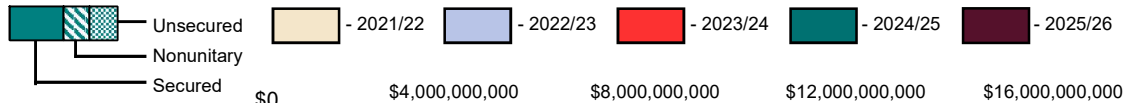
Facility Upgrades (#116)

This line item supports capital improvements and construction activities for upgrades at existing Agency facilities, including site, frontage, signage, drainage, and related improvements that enhance facility appearance, functionality, and coordination with surrounding public improvements.

State of the Buckets

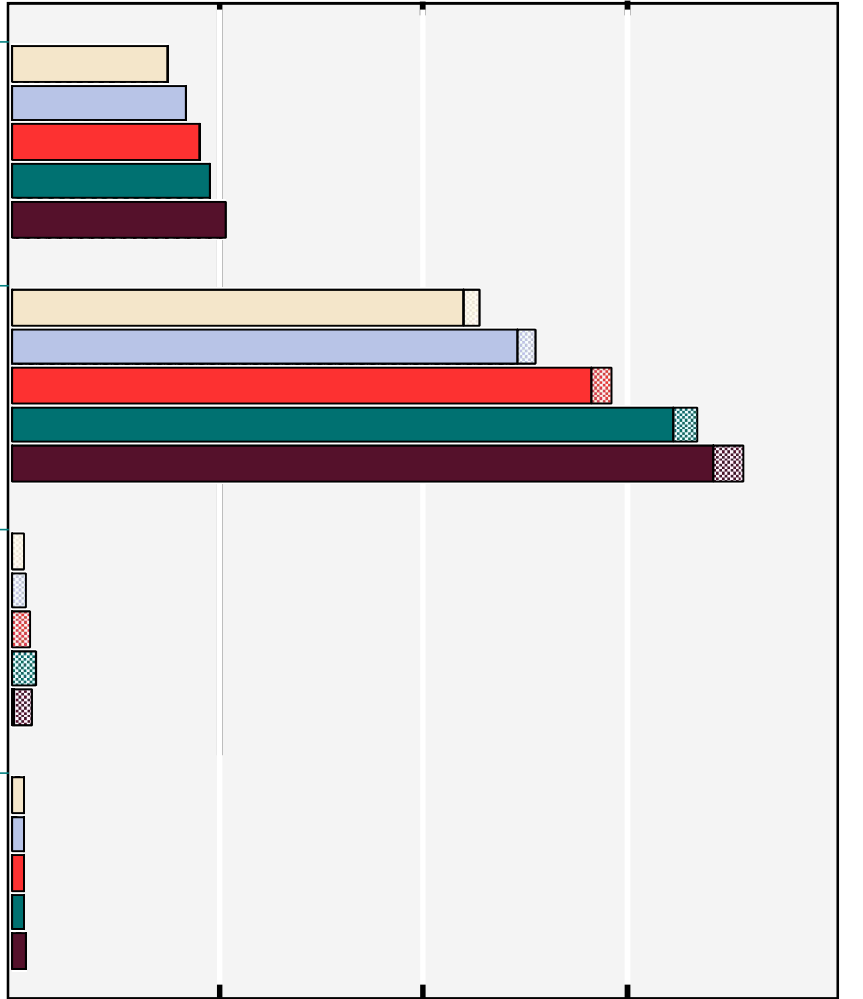


SAN GORGONIO PASS WATER 2021/22 TO 2025/26 ASSESSED VALUES



Land

\$3,061,845,808
\$3,404,691,397
\$3,654,326,815
\$3,876,424,036
\$4,161,807,192

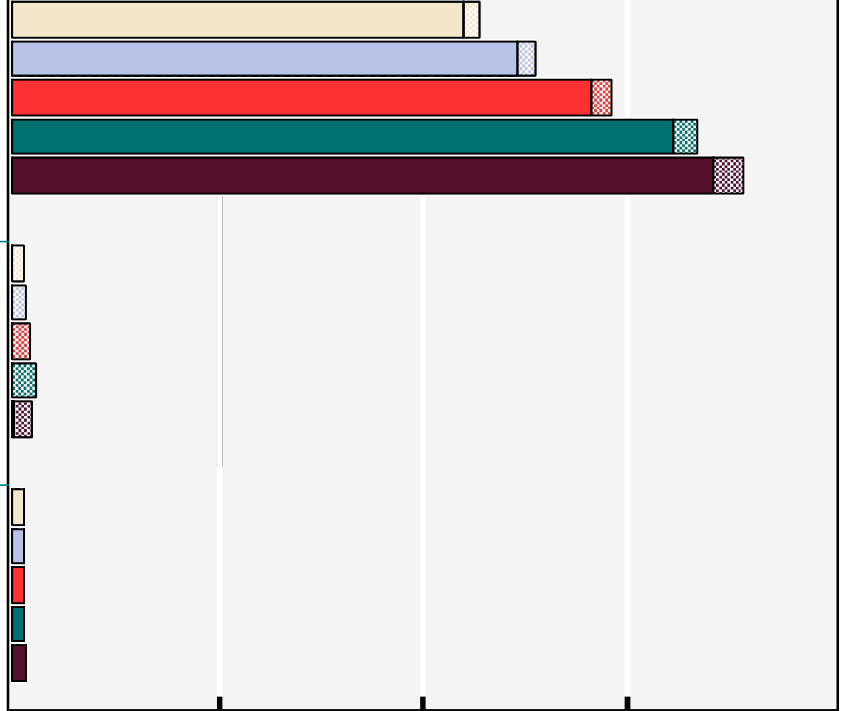


Percent Change District County

11.2%		7.0%
7.3%		6.6%
6.1%		6.2%
7.4%		6.9%

Improvements

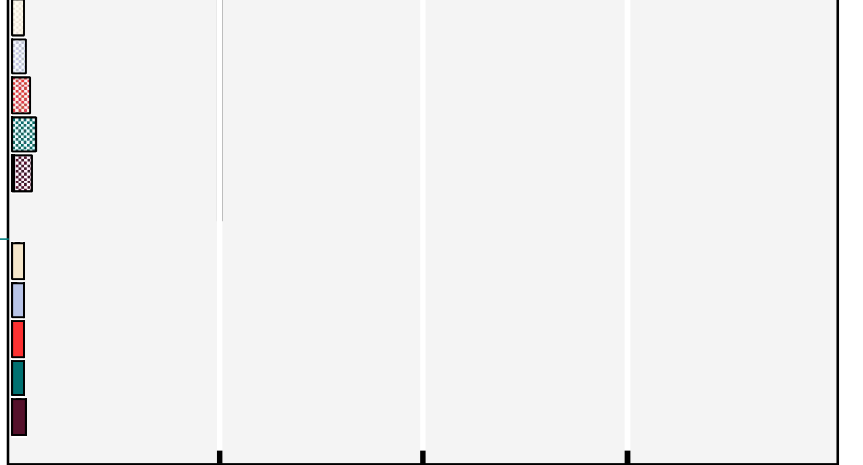
\$9,138,171,576
\$10,213,600,605
\$11,723,427,037
\$13,370,826,672
\$14,280,268,683



11.8%		10.5%
14.8%		10.3%
14.1%		7.2%
6.8%		6.2%

Personal Property

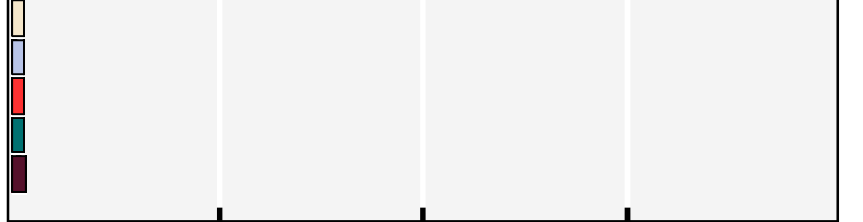
\$253,757,769
\$290,422,525
\$337,851,907
\$462,826,596
\$374,782,751



14.4%		7.4%
16.3%		12.2%
37.0%		8.3%
-19.0%		5.0%

Exemptions

\$220,210,169
\$240,803,006
\$247,906,376
\$253,622,491
\$280,137,350

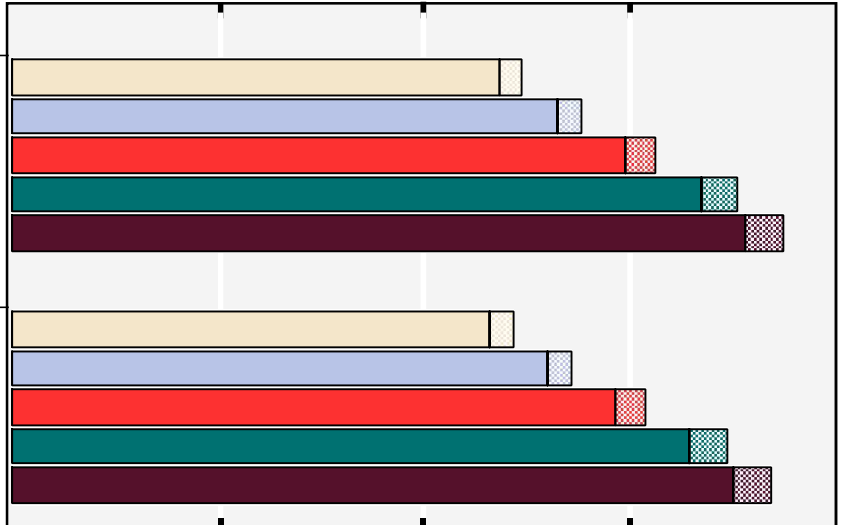


District County

9.4%		3.9%
2.9%		-0.9%
2.3%		10.8%
10.5%		11.0%

Gross Assessed

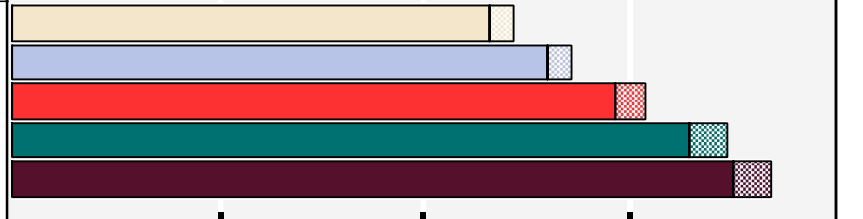
\$12,453,775,153
\$13,908,714,527
\$15,715,605,759
\$17,710,077,304
\$18,816,858,626



11.7%		9.5%
13.0%		9.4%
12.7%		7.0%
6.2%		6.4%

Net Taxable Value

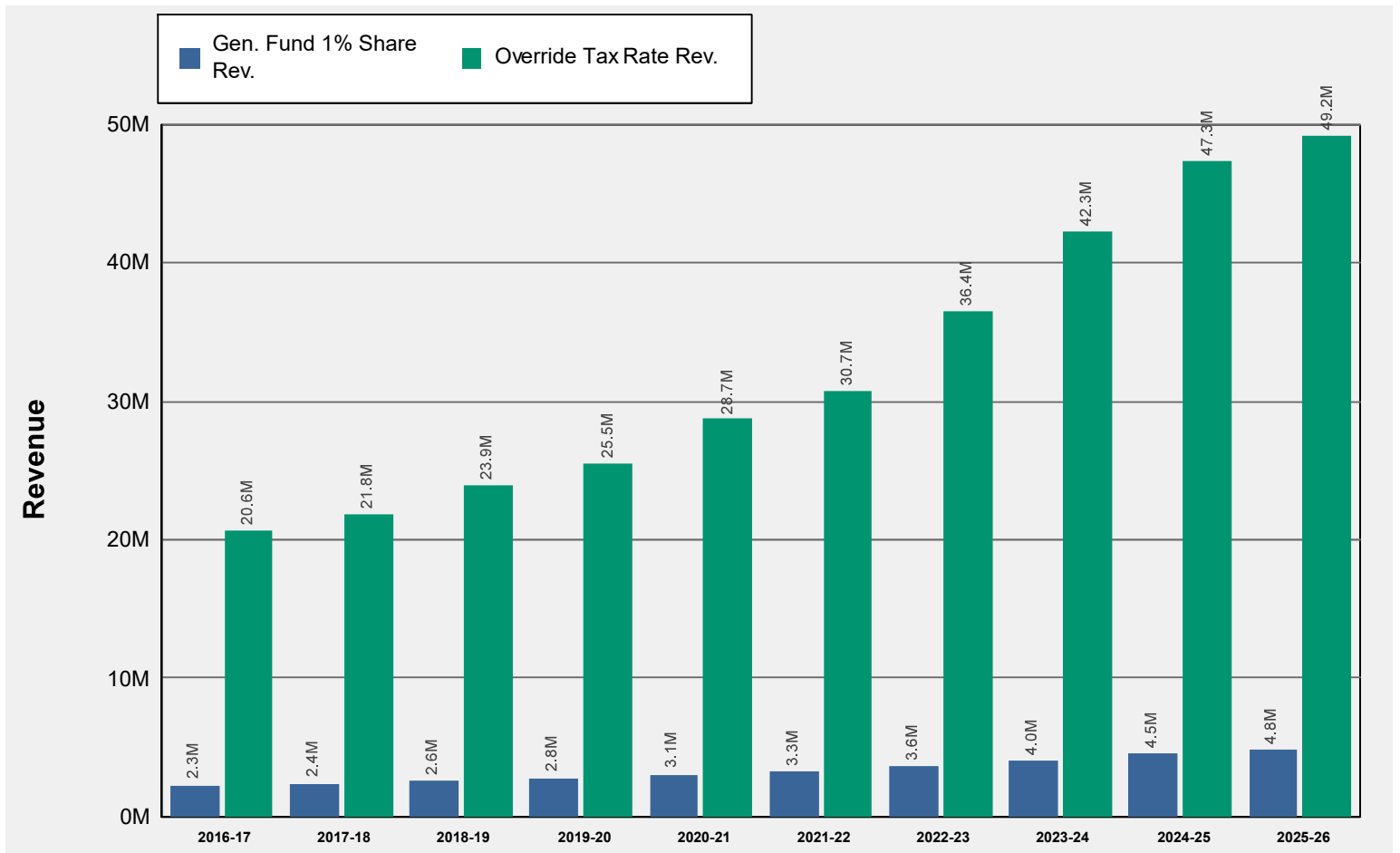
\$12,233,564,984
\$13,667,911,521
\$15,467,699,383
\$17,455,948,702
\$18,536,721,276



11.7%		9.6%
13.2%		9.6%
12.9%		6.9%
6.2%		6.3%

SAN GORGONIO PASS WATER REVENUE HISTORY

Roll Year	Gen. Fund 1% Share Rev.	% Chg	Override Tax Rate Rev.	% Chg
2016-17	\$2,252,705		\$20,599,545	
2017-18	\$2,401,383	6.6%	\$21,815,188	5.9%
2018-19	\$2,589,746	7.8%	\$23,944,724	9.7%
2019-20	\$2,778,698	7.3%	\$25,458,677	6.3%
2020-21	\$3,057,769	10.0%	\$28,696,548	12.7%
2021-22	\$3,262,261	6.6%	\$30,669,566	6.8%
2022-23	\$3,620,472	10.9%	\$36,441,384	18.8%
2023-24	\$4,022,301	11.1%	\$42,280,722	16.0%
2024-25	\$4,532,619	12.6%	\$47,319,881	11.9%
2025-26	\$4,803,591	5.9%	\$49,211,233	4.0%



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

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

SWP Allocation Timeline

2026 Table A Allocation Timeline

December 1, 2025: 10% allocation

January 29, 2026: 30% allocation

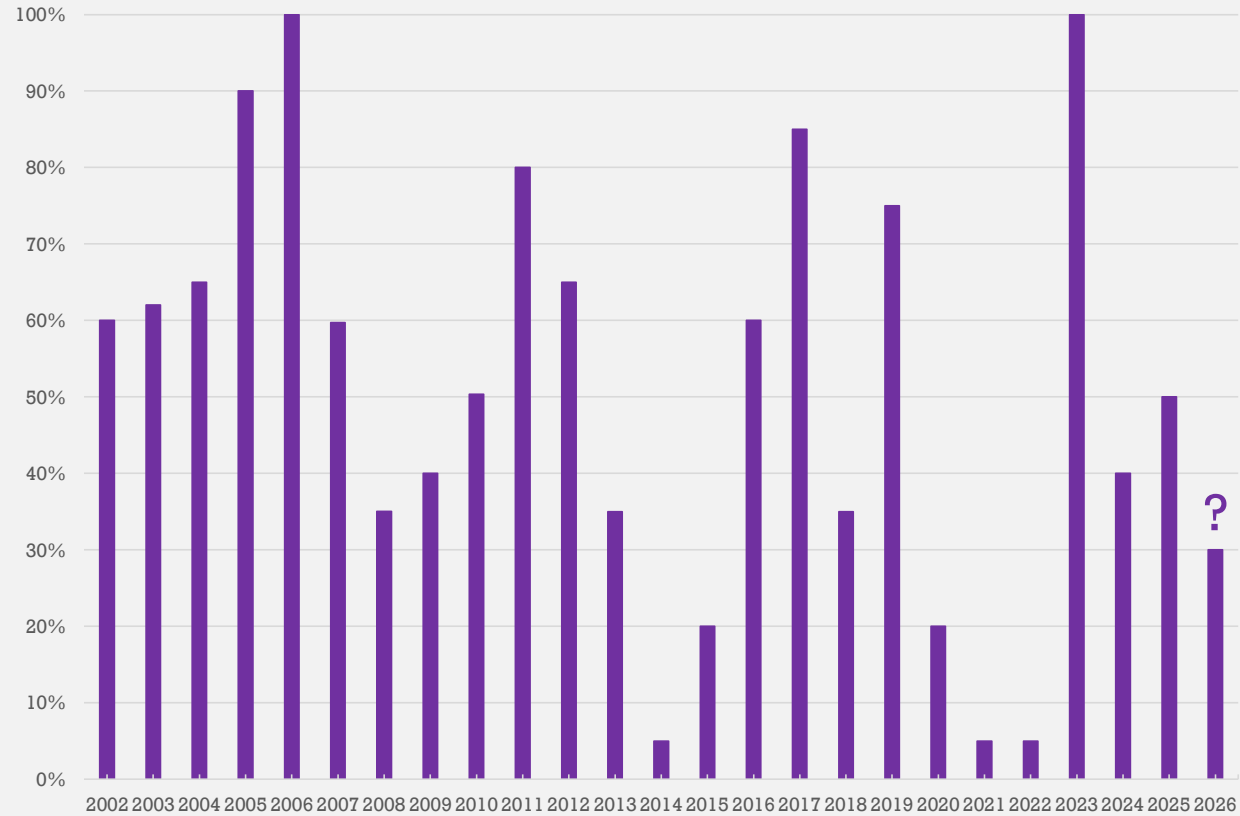
SGPWA Portfolio @ 45%

Source	Total (AF)	Delivered
SWP – Carryover	50	✓
SWP – Table A	7,785	✓
SWP – Ventura	4,500	✓
Non-SWP - Nickel Water	1,700	
County of Napa Transfer	3,000	✓
Total Available Supply	17,035	

*Note: Does not include:

1. AVEK Return Water = 3,200 AF
2. Beaumont Basin Storage Account = 2,500 AF
3. SBVMWD Return Water = 4,250 AF

Historic SWP Allocations



2026 SWP Allocation & Portfolio Update



San Gorgonio Pass Water Agency

List of Some Acronyms and Vendors and Their Functions

Acronym	Name	Function and Information
ACWA	Association of California Water Agencies	Affinity organization that provides conferences, training, lobbying and insurance services for water agencies in California
ACWA JPIA	ACWA Joint Powers Insurance Agency	Designation for payments made for property, liability and workers compensation insurance
ACWABE	ACWA Benefits	Designation for dental, vision and life insurance
ALWEAS	Albert Webb Associates	Provides engineering consulting services
ARPA	American Rescue Plan Act	Grants from the Federal Government, channeled to counties, to fund specific projects.
AVEK	Antelope Valley-East Kern Water Agency	State Water Contractor
BBK	Best Best & Krieger	Provides legal counsel
BCVWD	Beaumont-Cherry Valley Water District	Provides retail water service in Beaumont
BHMWC	Banning Heights Mutual Water Company	Mutual water company within Agency boundaries
CalPERS	California Public Employees Retirement System	Provides retirement and health insurance services for public agencies in California
CAMP	California Asset Management Plan	Financial entity that advises and manages investments for public agencies in California
COBRA	Consolidated Omnibus Budget Reconciliation Act	Designation for continued health coverage
CONTEM	Control Temp, Inc.	Provides building maintenance for heating and air conditioning
CWD	Cabazon Water District	Retail water agency within Agency boundaries
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

Acronym	Name	Function and Information
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 Geronio Pass Water Agency

DATE: May 28, 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 that exceed \$75,000 will be reported to the Board of Directors.

Ensures consistent application of procurement controls.

6. Regulatory Compliance Expenditures

- Clarifies that regulatory compliance costs, including permits, licenses, mitigation requirements, assessments, filing fees, and other mandatory governmental or regulatory expenditures necessary for legal compliance, operational authority, or project implementation, are excluded from standard procurement requirements when appropriate.

Ensures the Agency maintains timely compliance with applicable federal, state, regional, and local regulatory obligations while minimizing delays to critical operations and projects.

*The updated Procurement Policy was previously presented to the Finance and Budget Committee on April 23, 2026. Following that meeting, it was determined that additional clarity was needed within the policy regarding contract change orders, exclusions of

regulatory costs, contract amendments, and task order reporting requirements to the Board of Directors. This item is being presented again for transparency purposes.

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 December 17, 2007

Revised January 22, 2024

Revised June 1, 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, 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. Board approval is required.

Contract change orders/amendments for Board approved contracts 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.

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.

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, 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. Board approval is required.

Contract change orders/amendments for Board approved contracts 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.

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 covered under existing contracts that exceed \$75,000 will be reported to the Board of Directors.

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 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 **for Board approved contracts** 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
Materials, Supplies & Equipment, Non-Professional Services (Including Maintenance)			
Up to \$5,000 -\$15,000	2 recommended	Verbal/Internet	General Manager
Over \$5,000 up to \$15,000	2	Written	General Manager
Over \$15,000 up to \$35,000 -\$50,000	3	Written	General Manager
Over \$35,000 up to \$50,000 -\$50,000 up to \$75,000	3	Written	General Manager Inform Board
Over \$50,000 \$75,000	3	Written	Board
Over \$50,000 and for materials, supplies & equipment for use in any new construction or improvement work	Advertise for all bids as provided in Section 3	Written	Board
Professional Services			
Up to \$35,000 \$50,000	3	Written	General Manager

Over \$35,000 up to \$50,000 -\$50,000 up to \$75,000	3	Written	General Manager Inform Board
Over \$50,000 \$75,000	3	Written	Board
Public Works Contracts			
Less than \$15,000	2 Quotes/Proposals recommended	Verbal/Internet	General Manager
Over \$15,000 up to \$50,000	3 Quotes/Proposals recommended	Written	General Manager
Over \$50,000	See Section 3	Formal Bid Required	Board
Emergency Goods and Services			
No limitation	Not required		General Manager but with notice to Board at next meeting

Section 3. Exceptions to Bidding Requirements

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 Gorgonio 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.

D. Regulatory compliance costs, including fees, permits, licenses, assessments, mitigation requirements, filing costs, and other mandatory expenditures imposed by federal, state, regional, or local governmental or regulatory agencies necessary to maintain legal compliance, operational authority, or project implementation.

Section 4. Review

The Board of Directors will review this policy annually.