

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

Official Minutes
Board of Directors Regular Meeting
May 18, 2026

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

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

The San Gorgonio Pass Water Agency Board of Directors meeting was called to order by President Robert Ybarra at 6:00 p.m., Monday, May 18, 2026, at the office of the Agency. Treasurer Tickemyer provided the invocation, and Director Valdivia led the Pledge of Allegiance.

2. Roll Call

President Ybarra requested a roll call.

Board Present:

Robert Ybarra, President
Larry Smith, Vice-President
James Tickemyer, Treasurer
Sarah Wargo, Secretary
Blair M Ball, Director
Mickey Valdivia, Director

Absent:

Chander Letulle, Director

Staff Present:

Lance Eckhart, General Manager
Jennifer Ustation, Chief Financial Officer
Maricela Cabral, Exec. Asst./Clerk of the Board
Emmett Campbell, Director of Water Resources
Matt Howard, Operations Manager

Consultant Present:

Holland Stewart, Legal Counsel

A quorum was present.

3. Adoption and Adjustment of Agenda

The agenda was adopted as published.

4. Public Comment

No public comment received.

5. Consent Calendar

- A. Approve Minutes of the May 4, 2026, Regular Meeting of the San Gorgonio Pass Water Agency Board of Directors

- B. Approve and authorize the General Manager to execute the Eleventh Amendment to the Tolling and Waiver Agreement with the California Department of Water Resources, extending the tolling period for State Water Project claims

Secretary Wargo requested Item 5.B. be pulled for discussion.

On a motion by Vice President Smith, seconded by Director Valdivia, the board approved Item 5.A on the Consent Calendar.

Approved by the following vote:

Ayes: Valdivia, Wargo, Smith, Tickemyer, Ball, Ybarra

Noes: None

Absent: Letulle

Motion passed 6-0.

Item pulled for Discussion

- 5.B. Approve and authorize the General Manager to execute the Eleventh Amendment to the Tolling and Waiver Agreement with the California Department of Water Resources, extending the tolling period for State Water Project claims**

Secretary Wargo requested clarification on the Tolling Agreement amendment and any financial impact. Counsel stated the amendment preserves the Agency's rights and allows continued coordination with other State Water Contractors. Staff noted there is no current financial impact.

Director Ball inquired about the length of the billing dispute process. General Manager Eckhart explained the issues involve historical cost allocations and emphasized the importance of continued collective oversight.

On a motion by Director Valdivia, seconded by Secretary Wargo, the board approved and authorized the General Manager to execute the Eleventh Amendment to the Tolling and Waiver Agreement with the California Department of Water Resources, extending the tolling period for State Water Project claims.

Approved by the following roll call vote:

Ayes: Valdivia, Wargo, Smith, Tickemyer, Ball, Ybarra

Noes: None

Absent: Letulle

Motion passed 6-0.

6. Reports

A. General Manager's Report

General Manager, Lance Eckhart reported on the following:

1. ACWA Spring Conference – opportunities to meet with partners and State Water Project stakeholders
2. Participated in Sites Reservoir Benefits and Obligations Contract Workshop
3. Presented at the Banning Heights Mutual Water Company (BHMWC) Stakeholder Meeting

4. BHMWC Ribbon Cutting event scheduled for June 11, 2026
5. Agency's Grant Consultant helped place City Creek/Foothill Pipeline Improvement Project before the Senate Appropriations Committee through Senator Schiff's request list for a potential \$5 million federal appropriation in FY 2027

B. Legal Counsel's Report

Counsel Stewart provided a Brown Act refresher, including noticing, quorum, public comment, and Board training requirements under AB 1234 and SB 827.

Vice President Smith and Director Valdivia requested additional guidance on SB 707, social media use, and related Brown Act requirements. Counsel stated he would confirm the Agency's obligations and provide further guidance.

7. Informational Presentations and Updates:

A. Water Conditions Report

Operations Manager, Matt Howard reported that the State Water Project allocation increased from 30 percent to 45 percent, adding approximately 4,100 acre-feet to the Agency's portfolio. He reviewed improved April runoff and reservoir conditions, noted that deliveries will increase, and reported that the recharge facility was back in operation. Board discussion included early storage efforts, snowmelt conditions, Sites Reservoir benefits, and El Niño uncertainty.

B. County Line Road Construction Update

Director of Water Resources, Emmett Campbell provided an update on the County Line Road Recharge Basin and Turnout Project.

C. State Water Project Fundamentals – Water Supply Contract Recap

Director of Water Resources, Emmett Campbell provided a recap of the Agency's State Water Project water supply contract.

8. New Business – Discussion and Possible Action:

A. Approve updated Capitalization Policy

Chief Financial Officer Jennifer Ustation presented the updated Capitalization Policy, including an increase to the capitalization threshold from \$5,000 to \$20,000 and related accounting updates. She stated the policy was reviewed by the auditor and Finance and Budget Committee, with minimal fiscal impact expected. Board discussion included clarification on capitalized assets, expensed items, and treatment of repairs.

On a motion by Director Valdivia, seconded by Director Ball, the board approved the updated Capitalization Policy.

Approved by the following roll call vote:

Ayes: Valdivia, Wargo, Smith, Tickemyer, Ball, Ybarra

Noes: None

Absent: Letulle

Motion passed 6-0.

9. Reports - Directors and Committee Report

The following meetings were reported by the Board members identified beside each item:

- April 21, 2026, Cabazon Water District Board Meeting (Wargo)
- April 23, 2026, Riverside County Supervisor Karen Spiegel's Elected Women's Leadership Meeting (Wargo)
- April 27, 2026, Public Information and Outreach Committee Meeting (Wargo)
- April 28, 2026, County Line Road pipeline rehab demonstration (Ball, Wargo)
- April 29, 2026, Collaborative Agencies Committee Meeting (Valdivia)
- May 5-7, 2026, ACWA Spring Conference (Smith, Tickemyer, Valdivia, Wargo, Ybarra)
- May 11, 2026, Banning Heights Mutual Water Company Shareholders Meeting (Ball, Wargo)
- May 12, 2026, City of Banning City Council Meeting (Tickemyer, Valdivia, Ybarra)
- May 12, 2026, Board Handbook Committee Meeting (Ball, Smith, Wargo)
- May 13, 2026, Beaumont-Cherry Valley Water District Board Meeting (Ball)
- May 15, 2026, Southern California Water Coalition – Quarterly Luncheon (Smith)

Director Wargo reminded the Board of the upcoming IERCD Firewise Landscaping Workshop scheduled for June 14, 2026, at 10:00 a.m. at Noble Creek Community Center.

Vice President Smith reported during ACWA Conference there was discussion on AB 2215 with State Water Contractors and contacted Assemblymember Natasha Johnson regarding support for the bill.

10. Topics for Future Agendas

Director Ball requested future agenda discussion of the Pass Agency Foundation and potential capacity, development, or impact fee options related to future infrastructure needs, including the backbone pipeline.

11. Closed Session Agenda

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
(Gov. Code § 54956.9)
Significant Exposure to Litigation: One Potential Case

12. Reconvene

- A. Report out of Closed Session

President Ybarra reconvened the meeting into open session. Counsel Stewart reported the Board met in closed session and there was no reportable action.

13. Announcements

President Ybarra reviewed the following announcements:

- A. Office closed May 25, 2026, in observance of Memorial Day
- B. Finance & Budget Committee Meeting, May 28, 2026 at 4:00 p.m.
- C. Regular Board Meeting, June 1, 2026 at 1:30 p.m.

14. Adjournment

There being no further business to discuss, President Ybarra adjourned the meeting at 8:00 p.m. The next regularly scheduled meeting is Monday, June 1, 2026, at 1:30 p.m.

Maricela V. Cabral, MPA, CMC
Exec. Asst./Clerk of the Board

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