

San Geronio Pass Water Agency

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

RECOMMENDATIONS

Recommendations for Finance and Budget Committee actions:

Item 4A: **Motion: The Committee approves the minutes.**

Item 5A: The Committee **accepts** the Investment Report for the Quarter Ending June 31, 2026

Item 5B: The Committee **accepts** payments as listed in the Check History reports for Accounts Payable and Payroll.

Item 5C: The Committee **accepts** the Bank Reconciliation.

Item 5D: The Committee **accepts** the Budget Report.

Item 5E: The Committee **accepts** the GAP and Heli-Hydrant Funding Report

Item 5F: The Committee **accepts** the Cash Reconciliation Report.

Motion: The Committee accepts items 5A-F.

Item 5G: The Committee **approves** the payment of the Legal invoice.

Item 5H: The Committee **approves** the Reserve Allocation Report.

Motion: The Committee approved items 5G-H.

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

Official Minutes
Finance & Budget Committee Meeting
June 16, 2026

THIS MEETING WAS HELD IN PERSON AND VIA ZOOM.

Committee Members Present: Mickey Valdivia, Chair
James Tickemyer, Treasurer
Robert Ybarra, President

Staff Present: Jennifer Ustation, Chief Financial Officer
Lance Eckhart, General Manager
Matt Howard, Operations Manager

1. Call to Order, Pledge of Allegiance, 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., Tuesday, June 16, 2026, at the office of the Agency. Chair Valdivia led the Pledge of Allegiance and requested a roll call. A quorum was present.

2. Adoption and Adjustment of Agenda

The agenda was adopted as published.

3. Public Comment

No public comment received.

4. Approval of the Minutes

A. Approval of the Minutes of the Finance & Budget Committee Meeting,
May 28, 2026

On a motion duly made and seconded, the Committee approved the minutes of the May 28, 2026, Finance & Budget Committee Meeting.

Approved by the following vote:

Ayes: Valdivia, Tickemyer, Ybarra

Noes: None

Absent: None

Motion passed 3-0.

5. New Business – Discussion and Possible Action

A. Ratification of Paid Invoices and Monthly Payroll for May 2026

Ms. Ustation reviewed the May 2026 paid invoices and payroll, including major expenses related to USGS work, surplus water purchase, County Line Road monitoring and engineering, recycled water contract costs, and credit card charges. She reported accounts payable of approximately \$4.4 million and payroll totaling \$82,585.

B. Review of Bank Reconciliation for May 2026

Ms. Ustation reviewed the May bank reconciliation, reporting an adjusted bank and general ledger balance of approximately \$18 million. She noted \$22,620 in sweep account interest income and total May receipts of approximately \$25.6 million, including property taxes, DWR bond recovery funds, and ARPA grant reimbursement.

C. Review of Budget Report for May 2026

Ms. Ustation reviewed the May budget report, noting General Fund income was slightly under budget but expected to be within budget by year-end, with overall expenses remaining within budget. She reported consigned fund income exceeded budget due to unitary tax revenues, and Debt Service Fund income and expenses were within expectations. The Committee also discussed water transfer and treatment expenses related to additional water movement and golden mussel prevention.

On a motion duly made and seconded, the Committee accepted items 5.A through 5.C.

Approved by the following vote:

Ayes: Valdivia, Tickemyer, Ybarra

Noes: None

Absent: None

Motion passed 3-0.

D. Gap Funding Report and Heli-Hydrant Report

Ms. Ustation reviewed the Gap Funding and Heli-Hydrant Program reports, noting no activity in May and that Cabazon Water District's paid balance would appear in the next report. General Manager Eckhart stated reimbursements are expected to be completed before the December 31, 2026, deadline, and project work remains on schedule.

On a motion duly made and seconded, the Committee accepted item 5.D.

Approved by the following vote:

Ayes: Valdivia, Tickemyer, Ybarra

Noes: None

Absent: None

Motion passed 3-0.

E. Review of Pending Legal Invoices for May 2026

Ms. Ustation presented the May legal invoice from Best Best & Krieger in the amount of \$34,462. The Committee discussed the general matter billing summary, including work related to SB 707 and Brown Act changes.

On a motion duly made and seconded, the Committee approved item 5.E.

Approved by the following vote:

Ayes: Valdivia, Tickemyer, Ybarra

Noes: None

Absent: None

Motion passed 3-0.

F. Review Appropriations Limit for FY 2026-27

Ms. Ustation presented the Fiscal Year 2026-27 appropriations limit as an annual compliance item, noting the Agency's limit is approximately \$95 million, with approximately \$28 million in expenditures subject to the limit. She stated the Agency remains well within the constitutional limit and that the calculation was posted for the required period.

On a motion duly made and seconded, the Committee approved item 5.F.

Approved by the following vote:

Ayes: Valdivia, Tickemyer, Ybarra

Noes: None

Absent: None

Motion passed 3-0.

G. Review Cost of Living Adjustment for FY 2026-27

Ms. Ustation presented a proposed 3.09 percent COLA for staff, effective July 1, 2026, based on the Riverside-San Bernardino-Ontario CPI. She stated the estimated cost is approximately \$21,400 to the General Fund and \$16,000 to the Debt Service Fund, which can be absorbed within the proposed FY 2026-27 budget. The Committee discussed the Agency's historical COLA approach and its relationship to merit increases.

On a motion duly made and seconded, the Committee recommended Board approval of the 3.09 percent cost of living adjustment for Fiscal Year 2026-27.

Approved by the following vote:

Ayes: Valdivia, Tickemyer, Ybarra

Noes: None

Absent: None

Motion passed 3-0.

H. Review Draft Debt Service Budget for FY 2026-27

General Manager Eckhart and Ms. Ustation presented the draft FY 2026-27 Debt Service Budget and long-term fiscal forecast, including State Water Project obligations, bond payments, Sites Reservoir, Delta Conveyance, infrastructure needs, and reserve planning. Ms. Ustation reported projected revenues of approximately \$40.8 million and expenditures of approximately \$48.2 million, resulting in a planned \$7.4 million deficit to be covered by reserves. Staff recommended prioritizing Sites Reservoir, reducing Delta Conveyance participation to the Agency's proportional SWP share, using the consigned fund to meet future obligations, and maintaining the current 17.5-cent tax rate.

On a motion duly made and seconded, the Committee recommended Board approval of the draft Fiscal Year 2026-27 Debt Service Budget and recommended maintaining the current tax rate at 17.5 cents.

Approved by the following vote:

Ayes: Valdivia, Tickemyer, Ybarra

Noes: None

Absent: None

Motion passed 3-0.

I. Discussion regarding Agency's Application for Cal-Card Program

Ms. Ustation updated the Committee on the Agency's Cal-Card application, noting the program includes purchasing controls, receipt upload features, and potential rebates. She stated a response is expected in approximately six weeks. This item was informational only, and no action was taken.

6. Committee Member Comments

The Committee expressed appreciation for the long-term planning, reserve preparation, and financial forecasting presented during the meeting.

7. Items to Report Out to Board

The Committee recommended forwarding the Fiscal Year 2026-27 appropriations limit, Fiscal Year 2026-27 cost of living adjustment, and draft Fiscal Year 2026-27 Debt Service Budget, including the recommendation to maintain the current tax rate at 17.5 cents, to the Board for consideration.

8. Announcements

Chair Valdivia reviewed the following announcements:

A. Regular Board Meeting, July 13, 2026 1:30 p.m.

B. Regular Board Meeting, July 20, 2026 at 6:00 p.m.

C. Finance & Budget Committee Meeting, July 23, 2026 at 4:00 p.m.

9. Adjournment

There being no further business to discuss, Chair Valdivia adjourned the Finance & Budget Committee meeting at 3:15 p.m.

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