

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

Official Minutes
Board of Directors Regular Meeting
July 13, 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 1:30 p.m., Monday, July 13, 2026, at the office of the Agency. Vice President Smith provided the invocation and Treasurer Tickemyer 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, Executive Assistant /Clerk of the Board
Emmett Campbell, Director of Water Resources
Matt Howard, Operations Manager
Jose Romero, Water Systems Operator II

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 June 15, 2026, Regular Meeting of the San Geronio Pass Water Agency Board of Directors and Pass Water Agency Foundation Board
- B. Approve Finance and Budget Committee Meeting Report, for June 2026

Director Ball requested Item 5.B be removed 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 removed from Consent Calendar

5B. Approve Finance and Budget Committee Meeting Report for June 2026

Director Ball requested clarification regarding payments to the Morongo Band of Mission Indians, San Bernardino Valley Municipal Water District, Wells Fargo credit card expenses, and Seek Personnel Staffing. Director Valdivia reported that the Finance and Budget Committee reviewed the financial items and staff responded to questions.

On a motion by Director Valdivia, seconded by Treasurer Tickemyer, the Board approved item 5.B, Finance and Budget Committee Meeting Report for June 2026.

Approved by the following 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. Nomination period for Agency's Board seats in Division 3, Division 4, and At-Large No. 2 is open through August 7, 2026
2. Sites Reservoir benefits and obligations contract continues to move forward, and additional state conditional funding was announced for the project
3. Bureau of Reclamation Grant Application submitted to support development of a regional groundwater model, with letters of support from Watermaster entities
4. 2025 Urban Water Management Plan finalized and filed with the state
5. Data Center informational and related white paper will be presented at next Board meeting
6. Working on Federal Water Resources Development Act (WRDA) language that could support future regional water infrastructure projects, including backbone pipeline and hub and spoke concept

B. Legal Counsel's Report

Counsel Stewart provided an update on the following:

1. Monitoring the Sites Reservoir water rights process and coordinating with staff and partner agencies.
2. SB 707 presentation will be presented at next Board meeting

7. Informational Presentations and Updates:

A. Update on Inland Empire Resource Conservation District (IERCD) Outreach, presentation by IERCD

Heidi Ortloff and Gabriella Preciado, representing Inland Empire Resource Conservation District, provided an update on Agency outreach activities, including classroom programs, community workshops, event outreach, and plans to expand future programming.

B. Update on Quarter 2 Outreach, presentation by CV Strategies

Beatrice Eslamboly, representing CV Strategies, provided an update on second quarter outreach activities, including the Board Handbook, media training workshop, recognition of former Chief Financial Officer Tom Todd, social media and community storytelling, the Banning Heights tank ribbon cutting, monthly media reporting, website redesign, and preparations for a future State of the Pass event.

8. New Business – Discussion and Possible Action:

A. Consideration of Cost-of-Living Adjustment for Fiscal Year 2026-27

Chief Financial Officer Jennifer Ustation presented a proposed 3.09 percent cost of living adjustment for staff effective July 1, 2026. She stated the adjustment is based on the Riverside-San Bernardino-Ontario Consumer Price Index and is consistent with the Agency's historical approach. The estimated fiscal impact is approximately \$21,400 to the General Fund and \$16,000 to the Debt Service Fund.

Given the floor by President Ybarra, Della Condon commented on the placement of the item on the agenda in relation to the budget item.

On a motion by Treasurer Tickemyer, seconded by Director Valdivia, the board approved a 3.09 percent cost-of-living adjustment for staff effective July 1, 2026, for Fiscal Year 2026-27.

Approved by the following roll call vote:

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

Noes: None

Absent: Letulle

Motion passed 6-0.

B. Adopt Resolution No. 2026-06, Approving the Fiscal Year 2026-27 Debt Service Fund Budget and Establishing the Fiscal Year 2026-27 Tax Rate

General Manager Eckhart and Chief Financial Officer Ustation presented the Fiscal Year 2026-27 Debt Service Fund Budget and tax rate reviewing the Agency's fund structure, long-term State Water Project obligations, reserves,

projected revenues and expenditures, balloon payments, Sites Reservoir, Delta Conveyance, and future financial planning. Staff recommended maintaining the tax rate at 17.5 cents per \$100 of assessed valuation.

Board discussion included the use of reserves, the orange bucket, future obligations, timing of budget review, potential tax rate reductions, and the importance of stable long-term financial planning.

Given the floor by President Ybarra, Ms. Della Condon commented on the proposed tax rate and shared concerns she heard from seniors in the community.

Given the floor by President Ybarra, Laura Leindecker commented on how she appreciated the Board's discussion and commended the Agency for its professionalism, diplomacy, and financial responsibility.

On a motion by Director Mickey Valdivia, seconded by Vice President Smith, the Board adopted Resolution No. 2026-06 approving the Fiscal Year 2026-27 Debt Service Fund Budget and establishing the Fiscal Year 2026-27 tax rate at 17.5 cents per \$100 of assessed valuation.

Approved by the following roll call vote:

Ayes: Valdivia, Wargo, Smith, Tickemyer, Ybarra

Noes: Ball

Absent: Letulle

Motion passed 5-1.

C. Adopt Resolution No. 2026-07, Appropriations Limit for Fiscal Year 2026-27

Chief Financial Officer Ustation presented the annual appropriations limit, also known as the Gann limit. She reported that the Agency's Fiscal Year 2026-27 appropriations limit is approximately \$95 million, while appropriations subject to the limit are approximately \$28 million. Ms. Ustation stated the item is an annual compliance requirement and that the Agency is well within the limit.

On a motion by Vice President Smith, seconded by President Ybarra, the Board adopted Resolution No. 2026-07 approving the Fiscal Year 2026-27 appropriations limit.

Approved by the following roll call vote:

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

Noes: Ball

Absent: Letulle

Motion passed 6-0.

D. Adopt the San Geronio Pass Water Agency Board of Directors Handbook

Beatrice Eslamboly, representing CV Strategies, presented the San Geronio Pass Water Agency Board of Directors Handbook. She stated the handbook was developed with the Board Handbook Committee, staff, and legal counsel as a resource for current and future Board members regarding Agency history,

governance, roles, procedures, communications, ethics, policies, and related resources.

On a motion by Secretary Wargo, seconded by Treasurer Tickemyer, the Board adopted the Board of Directors Handbook with the changes discussed and any other non-substantive edits identified by staff of CV Strategies.

Approved by the following roll call vote:

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

Noes: None

Absent: Letulle

Motion passed 6-0.

E. Approve the Seventh Amendment to the Employment Agreement between the San Geronio Pass Water Agency and Lance Eckhart, General Manager/Chief Hydrogeologist

Counsel Stewart summarized the proposed Seventh Amendment to the General Manager's Employment Agreement, including provisions related to future merit and market equity adjustments, a non-pensionable annual incentive bonus, automatic renewal and notice requirements, severance provisions, a technology loan, and preventative body scan reimbursement or coverage.

On a motion by Vice President Smith, seconded by President Ybarra, the Board approved the Seventh Amendment to the Employment Agreement between the San Geronio Pass Water Agency and Lance Eckhart, General Manager/Chief Hydrogeologist.

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:

- June 16, 2026, Cabazon Water District Board Meeting (Wargo)
- June 17, 2026, High Valleys Water District Board Meeting (Valdivia, Wargo)
- June 30, 2026, The Giving Heart of the Pass Rotary Event (Wargo)
- July 1, 2026, San Bernardino Valley Municipal Water District Board Meeting (Smith, Wargo)
- July 8, 2026, South Mesa Water Company Board Meeting (Valdivia)
- July 8, 2026, Beaumont-Cherry Valley Water District Board Meeting (Ball, Wargo)
- July 9, 2026, Cabazon Mall Plan Informational Meeting (Wargo)

Treasurer Tickemyer and President Ybarra had no report.

Vice President Smith requested Board consensus to provide supportive comments to San Bernardino Valley Municipal Water District regarding its presentation on restricted funds. The Board expressed support.

10. Topics for Future Agendas

No topics were discussed.

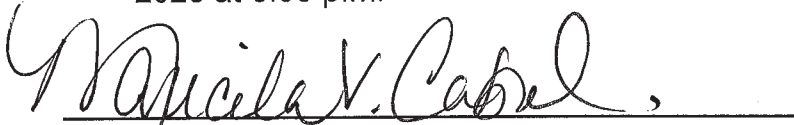
11. Announcements

President Ybarra reviewed the following announcements:

- A. Regular Board Meeting, July 20, 2026 at 6:00 p.m.
- B. Finance & Budget Committee Meeting, July 23, 2026 at 4:00 p.m.
- C. Water Conservation & Education Committee Meeting, August 11, 2026 at 1:30 p.m.
- D. Regular Board Meeting, August 17, 2026 at 6:00 p.m.

12. Adjournment

There being no further business to discuss, President Ybarra adjourned the meeting at 4:23 p.m. The next regularly scheduled meeting is Monday, August 17, 2026 at 6:00 p.m.

A handwritten signature in black ink, reading "Maricela V. Cabral", is written over a horizontal line.

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