San Gorgonio Pass Water Agency

DATE: August 27, 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.
Item 5D: The Committee **accepts** the GAP Funding and Heli-Hydrant Report.
Item 5E: The Committee **accepts** the Treasury Report (New).
Motion: The Committee accepts items 5A-E.

Item 5F: **Motion: The Committee approves payment of the Legal Invoice.**

Item 5G: Discussion regarding the Agency's application submitted to U.S. Bank for participation in the State of California Cal-Card Program.

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
July 23, 2026

THIS MEETING WAS HELD IN PERSON AND VIA ZOOM.

Committee Members Present:	Mickey Valdivia, Chair James Tickemyer, Treasurer Robert Ybarra, President
Staff Present:	Lance Eckhart, General Manager Jennifer Ustation, Chief Financial Officer Jagger Mattox, Agency Intern

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., Thursday, July 23, 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, June 16, 2026

On a motion duly made and seconded, the Committee approved the minutes of the June 16, 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. Investment Report for the Quarter Ending June 30, 2026
Robert Montoya, representative from PFM Asset Management presented the quarterly investment report and reviewed current market conditions, including consumer spending, inflation, Federal Reserve policy, labor market trends, and treasury yield movement. The portfolio remained in compliance with the Agency investment policy and California Government Code, with strong credit quality and

diversification among U.S. Treasuries, corporate securities, asset-backed securities, agency securities, and other approved investments.

Mr. Montoya reported a yield at cost of 4.21 percent, yield at market of 4.37 percent, and overall portfolio credit quality of AA. He stated the portfolio outperformed the benchmark by 18 basis points for the quarter, 47 basis points for the year, and 40 basis points since inception.

B. Ratification of Paid Invoices and Monthly Payroll for June 2026
Ms. Ustation reviewed the June paid invoices and payroll. She reported accounts payable of approximately $1.2 million and payroll of approximately $98,000, for total disbursements of approximately $1.3 million. The Committee discussed payroll, employee leave buyout, new vendor information, the Weka, Inc. progress payment for the County Line Road project, project retention, and related construction closeout items.

C. Review of Bank Reconciliation for June 2026
Ms. Ustation reviewed the June bank reconciliation, reporting a beginning general ledger balance of approximately $18 million, cash receipts of approximately $2.4 million, sweep account interest income of $46,468, cash disbursements of approximately $1.3 million, and a $10 million transfer to LAIF, resulting in an ending general ledger balance of approximately $9.17 million.

D. Review of Budget Report for June 2026
Ms. Ustation reviewed the preliminary year-end budget report for June 2026. She reported that General Fund revenues exceeded budget by approximately $2 million, expenditures were approximately $10 million below budget, and preliminary net income was approximately $14.8 million. She noted the results remain subject to year-end accruals and audit adjustments.

Ms. Ustation also reviewed the consigned fund and Debt Service Fund. She reported consigned fund revenues exceeded budget by approximately $982,000, with preliminary net income of approximately $10.6 million. Debt Service Fund revenues were approximately $40 million, slightly below budget, and expenditures were approximately $35.6 million, below budget, resulting in preliminary net income of approximately $4.4 million.

E. Gap Funding and Heli-Hydrant Funding Report
Ms. Ustation reviewed the Gap Funding and Heli-Hydrant Funding reports, noting Cabazon Water District paid off its funding balance of approximately $34,000. The Committee discussed anticipated future funding activity, including South Mesa-related reimbursements and fire hydrant work.

F. Review of Cash Reconciliation Report for June 2026
Ms. Ustation reviewed the quarterly cash reconciliation report and fund balances. She reported approximately $88.5 million in the Debt Service Fund, $52.5 million in the General Fund, $39.6 million in the consigned fund, and $3.7 million in the Gap Funding fund, for total ending fund balances of approximately $176.8 million.

On a motion duly made and seconded, the Committee accepted items 5.A through 5.F.
Approved by the following vote:
Ayes: Valdivia, Tickemyer, Ybarra
Noes: None
Absent: None
Motion passed 3-0.

G. Review of Pending Legal Invoices for June 2026
Ms. Ustation presented the June legal invoice from Best Best & Krieger in the amount of $36,263.63. The Committee discussed the general matter billing summary, including work related to legislative and policy updates and Sites Reservoir.

H. Review of Reserve Allocation Report for June 2026
Ms. Ustation reviewed the quarterly reserve allocation report and stated the Agency met or exceeded the minimum reserve requirements established by the Agency reserve policy. She reported the operations reserve, new infrastructure reserve, additional water reserve, rate stabilization reserve, replacement reserve, and unexpected legal services reserve met their respective targets.

On a motion duly made and seconded, the Committee approved items 5.G and 5.H.
Approved by the following vote:
Ayes: Valdivia, Tickemyer, Ybarra
Noes: None
Absent: None
Motion passed 3-0.

6. Committee Member Comments
The Committee briefly discussed recent local reports regarding fire hydrant theft and comments received regarding the Agency's informational data center presentation. Staff noted the presentation was intended to provide technical information and that refinements would be made to clarify the scope and use of hypothetical examples.

7. Announcements
Chair Valdivia reviewed the following announcements:
A. Regular Board Meeting, August 17, 2026, at 6:00 p.m.
B. Finance & Budget Committee Meeting, August 27, 2026, at 4:00 p.m.

8. Adjournment
There being no further business to discuss, Chair Valdivia adjourned the Finance & Budget Committee meeting at 4:54 p.m.

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