San Gorgonio Pass Water Agency

DATE: November 19, 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
Motion: The Committee accepts items 5A-E.

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

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
Special Meeting of the Finance & Budget Committee
October 29, 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

1. Call to Order, Pledge of Allegiance, and Roll Call
The San Gorgonio Pass Water Agency Special Finance & Budget Committee Meeting was called to order by Chair Mickey Valdivia at 4:00 p.m., Thursday, October 29, 2026, at the Agency office. The Pledge of Allegiance was recited, roll call was taken, and a quorum was present.

2. Adjustment and Adoption of Agenda
The agenda was adopted as published, with no adjustments.

3. Public Comment
No public comment was received.

4. Approval of the Minutes
A. Approval of the Minutes of the Finance & Budget Committee Meeting, September 24, 2026
On a motion duly made and seconded, the Committee approved the minutes of the September 24, 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. Review of Investment Report for the Quarter Ending September 30, 2026
Robert Montoya of PFM presented the quarterly investment report, discussing market volatility, interest rate changes, and the Agency's fixed-income portfolio. He reported a yield at cost of 4.25%, a yield at market of 5.05%, and an overall AA credit quality. The portfolio remained diversified and within applicable investment limits. The Committee discussed the effect of rising rates on unrealized market values and the opportunity to reinvest at higher yields. Members requested that Mr. Montoya present the quarterly report to the full Board in December.

B. Ratification of Paid Invoices and Monthly Payroll for September 2026
Ms. Ustation reviewed September accounts payable totaling $13,627,341.87 and payroll totaling $97,980.42, for total disbursements of $13,725,322.29. The Committee discussed the larger Department of Water Resources payment associated with bond principal and interest, Covenant Government Affairs fees, engineering services, and cultural monitoring for the County Line Road project.

C. Review of Bank Reconciliation for September 2026
Ms. Ustation reviewed the September bank reconciliation, reporting cash receipts of approximately $2.78 million, sweep interest income of $13,403, and a $10 million transfer from LAIF to help cover the DWR payment. The ending general ledger balance was approximately $4.63 million.

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D. Review of Budget Report for September 2026

Ms. Ustation reviewed first-quarter financial results. General Fund revenues were approximately $1.3 million and expenditures approximately $1.2 million, with major expense categories within budget. The Consigned Fund had approximately $281,416 in interest earnings and no recorded expenses. Debt Service Fund revenues were approximately $907,000 and expenditures approximately $17 million, reflecting significant State Water Project bond payments and the timing of property tax receipts. Staff noted that use of reserves and an annual deficit were anticipated in the budget.

E. Gap Funding Report and Heli-Hydrant Report

Ms. Ustation reported no Gap Funding Program activity in September. A $120,000 payment was made to South Mesa Water Company for its heli-hydrant project.

F. Review of Treasurer's Report for September 2026

Ms. Ustation presented the monthly investment report, showing a total portfolio of approximately $175.4 million, an average yield of 3.8%, and approximately $505,000 in monthly interest earnings. She reviewed the portfolio's investment allocations and cash activity.

G. Review of Cash Reconciliation Report for the Quarter Ending September 30, 2026

Ms. Ustation presented the quarterly cash reconciliation, identifying the Agency's cash and investments by fund and by financial institution or investment account. The Committee expressed appreciation for the color-coded presentation distinguishing the General, Consigned, and Debt Service Funds.

On a motion duly made and seconded, the Committee accepted Items 5.A through 5.G.

Approved by the following vote:

Ayes: Valdivia, Tickemyer, Ybarra
Noes: None
Absent: None
Motion passed 3-0.

H. Review of Pending Legal Invoices for September 2026

Ms. Ustation presented September legal invoices totaling $35,187.58. She reviewed significant general-matter charges, including agreement work, public records requests, and closed-session matters. The Committee discussed the appropriate process for requesting legal work and the importance of coordinating potentially billable requests through Board leadership and the General Manager.

On a motion duly made and seconded, the Committee approved Item 5.H, the pending legal invoices for September 2026.

Approved by the following vote:

Ayes: Valdivia, Tickemyer, Ybarra
Noes: None
Absent: None
Motion passed 3-0.

I. Review of Reserve Allocation Report for the Quarter Ending September 30, 2026

Ms. Ustation reviewed the quarterly reserve allocation report and the distinction between annual operating budgets and funds held for future obligations. She reported approximately $85 million in the Debt Service Fund, $51.2 million in the General Fund, and $40.1 million in the Consigned State Water Project Fund. The Gap Funding and Heli-Hydrant programs reflected a net negative balance of approximately $957,000 associated with reimbursable program activity. The Committee discussed presenting that reimbursement context clearly in future reports.

On a motion duly made and seconded, the Committee approved Item 5.I, the Reserve Allocation Report for the quarter ending September 30, 2026.

Approved by the following vote:

Ayes: Valdivia, Tickemyer, Ybarra
Noes: None
Absent: None
Motion passed 3-0.

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6. Committee Member Comments
No additional Committee member comments were made.

7. Announcements
Chair Valdivia reviewed the following announcements:
A. Regular Board Meeting, November 2, 2026, at 1:30 p.m.
B. Regular Board Meeting, November 16, 2026, at 6:00 p.m.
C. Finance & Budget Committee Meeting, November 19, 2026, at 4:00 p.m.

8. Adjournment
There being no further business, Chair Valdivia adjourned the meeting at 4:51 p.m.

Maricela V. Cabral, MPA, CMC
Executive Assistant/Clerk of the Board

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