

**SAN GORGONIO PASS WATER AGENCY**  
1210 Beaumont Avenue, Beaumont, CA 92223



SAN GORGONIO PASS  
WATER AGENCY  
*A California State Water Project Contractor*

**Regular Meeting of the Board of Directors**  
January 6, 2025 at 1:30 p.m.

**AMENDED AGENDA**

*This meeting is being held virtually and in person.  
Link and telephone option provided is available for the  
convenience of the public.*

**TO JOIN VIA ZOOM: [Zoom Link Board Meeting](#)**  
**TO JOIN THE MEETING BY TELEPHONE**

**CALL: 669-900-6833 | MEETING ID: 956 9367 4121**

*Members of the public who wish to comment on any item within the jurisdiction of the Agency or any item on the agenda may submit comments by emailing [mcabral@sgpwa.com](mailto:mcabral@sgpwa.com) or may do so during the meeting. Comments will become part of the Board meeting record.*

***\*In order to reduce feedback, please mute your audio when you are not speaking.***

*Esta reunión se llevará a cabo virtualmente y en persona.  
El enlace y la opción telefónica proporcionada  
es para la comodidad del público.*

**PARA UNIRSE VÍA ZOOM: [Zoom Link Board Meeting](#)**  
**PARA UNIRSE A LA JUNTA CON LA OPCIÓN TELEFONICA**  
**LLAMAR: 669-900-6833 | ID DE REUNIÓN: 956 9367 4121**

*Los miembros del público que deseen comentar sobre cualquier tema dentro de la jurisdicción de la Agencia o cualquier tema en la agenda pueden enviar comentarios por correo electrónico a [mcabral@sgpwa.com](mailto:mcabral@sgpwa.com) o pueden hacerlo durante la reunión. Los comentarios pasarán a formar parte del registro de la reunión de la Junta.*

***\*Para reducir los comentarios, silencia el audio cuando no estés hablando.***

- 1. Call to Order, Invocation, Pledge of Allegiance**
- 2. Roll Call**
- 3. Adjustment and Adoption of Agenda**
- 4. Public Comment:** Members of the public may address the Board at this time concerning items relating to any matter within the Agency's jurisdiction. There will be an opportunity to comment on specific agenda items, as the items are addressed. Speakers are requested to keep their comments to no more than five minutes. Under the Brown Act, no action or discussion shall take place on any item not appearing on the agenda, except that the Board or staff may briefly respond to statements made or questions posed for the purpose of directing statements or questions to staff for follow-up.

President  
Mickey Valdivia

Vice President  
Chander Letulle

Treasurer  
Robert Ybarra

Secretary  
Kevin Walton

Directors  
Dr. Blair M Ball  
Sarah Wargo  
Larry Smith

General Manager  
Lance Eckhart,  
PG, CHG

Legal Counsel  
Jeffry Ferre

**5. Election of Board Officers**

- A. Nominations/Election of Board President
- B. Nominations/Election of Vice President
- C. Nominations/Election of Treasurer
- D. Nominations/Election of Secretary

**6. Consent Calendar:**

If any board member requests that an item be removed from the Consent Calendar, it will be removed so that it may be acted upon separately.

- A. Approve Minutes of the December 16, 2024, Regular Meeting of the San Geronio Pass Water Agency, ([pg. 4](#))
- B. Approve the Finance and Budget Committee Report for December 2024, ([pg. 9](#))

**7. Reports – Staff**

- A. General Manager's Report
- B. General Counsel's Report

**8. Informational Presentations and Updates:**

- A. State Water Project Overview, ([pg. 33](#))
- B. 2025 Water Portfolio Update, ([pg. 53](#))

**9. New Business – Discussion and Possible Action:**

- A. Ratify and File the Audited Financial Statements for FY 2023-24, ([pg. 64](#))
- B. Authorize the General Manager to Execute the Letter Agreement between SGPWA and CRM TECH for Archaeological and Paleontological work and monitoring related to the County Line Road Recharge Basin and Turnout Project for a not-to-exceed amount of \$78,410, ([pg. 128](#))
- C. Review of current Board Committee Assignments and approve assignments for 2025, ([pg. 146](#))
- D. Approve Director participation in Water Education for Latino Leaders (WELL) UnTapped Fellowship Program in the amount of \$4,000, ([pg. 148](#))

**10. Reports – Directors and Committees**

**11. Topics for Future Agendas**

**12. Announcements**

- A. Office closed in observance of Martin Luther King, Jr. Day, January 20, 2025
- B. Finance & Budget Committee Meeting, January 23, 2025 at 10:00 a.m.
- C. Rescheduled Regular Board Meeting, January 27, 2025 at 6:00 p.m.
- D. Regular Board Meeting, February 3, 2025 at 1:30 p.m.

**13. Adjournment**

*Pending Agenda Items:*

<i>Request</i>	<i>Requester</i>	<i>Date of Request</i>	<i>Status</i>
Potential Well Site w/BCVWD	Valdivia	2/26/2024	Working w/BCVWD
Bond Payoff w/DWR	Ball	5/20/2024	
Beautification Project	Walton	10/07/2024	

(1) Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, during regular business hours. When practical, these public records will also be made available on the Agency's website, accessible at: [www.sgpwa.com](http://www.sgpwa.com) (2) Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

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

**Official Minutes**  
**Board of Directors Regular Meeting**  
**December 16, 2024**

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 Valdivia at 6:02 p.m., Monday, December 16, 2024, at the office of the Agency. President Valdivia gave the invocation, and Director Wargo led the Pledge of Allegiance.

**2. Roll Call**

President Valdivia requested a roll call.

**Board Present:**

Mickey Valdivia, President  
Chander Letulle, Vice-President  
Robert Ybarra, Treasurer  
Kevin Walton, Secretary  
Blair M Ball, Director  
Sarah Wargo, Director  
Larry Smith, Director

**Staff Present:**

Lance Eckhart, General Manager  
Thomas Todd, Jr., Chief Financial Officer  
Maricela Cabral, Exec. Asst. /Clerk of the Board  
Emmett Campbell, Sr. Water Resources Planner  
Matt Howard, Operations Manager

**Consultant Present:**

Holland Stewart, Legal Counsel

A quorum was present.

**3. Adoption and Adjustment of Agenda**

General Manager Eckhart requested that Item 8.B be moved to the beginning of the meeting to accommodate former board member Ron Duncan. On a motion by President Valdivia, seconded by Secretary Walton, it was moved to adjust the meeting agenda by placing Item 8B—Adoption of Resolution No. 2024-16, honoring Ron Duncan for 12 years of dedicated service on the Board of Directors of the San Gorgonio Pass Water Agency—immediately following Item 4, Public Comment.

Approved by the following vote:

Ayes: Smith, Walton, Wargo, Ybarra, Letulle, Ball, Valdivia

Noes: None  
Absent: None  
**Motion passed 7-0.**

**4. Public Comment**

Joyce McIntyre, Board President of the Yucaipa Valley Water District, extended a warm welcome to newly appointed Board Director Sarah Wargo and expressed gratitude to former Board Member Ron Duncan.

Daniel Slawson, Board President of Beaumont-Cherry Valley Water District, congratulated Board Member Wargo on her election and thanked Ron Duncan for his service and contributions to the water community.

Alberto Sanchez, former Mayor of the City of Banning, extended a warm welcome to Board Director Sarah Wargo and thanked the Board for their work and emphasized the importance of water resources.

**8. New Business – Discussion and Possible Action:**

**B. Adopt Resolution No. 2024-16, Honoring Ron Duncan for 12 Years of Dedicated Service on the Board of Directors of the San Gorgonio Pass Water Agency**

General Manager Eckhart thanked former board member Duncan for his contributions, including regional collaboration, groundwater stability efforts, and promoting solar boat races.

Deja McNair, representative for Senator Ochoa-Bogh's office, thanked Mr. Duncan for his years of dedicated service and presented him with a proclamation.

Mr. Duncan expressed gratitude and appreciation and is looking forward to new opportunities.

On a motion by President Valdivia, seconded by Director Smith, the board approved Resolution No 2024-16, honoring Ron Duncan for 12 years of dedicated service on the Board of Directors of the San Gorgonio Pass Water Agency.

Approved by the following roll call vote:

Ayes: Smith, Walton, Wargo, Ybarra, Letulle, Ball, Valdivia

Noes: None

Absent: None

**Motion passed 7-0.**

President Valdivia called for a recess, and reconvened the meeting at 6:30 p.m.

**5. Consent Calendar**

A. Approve Minutes of the December 2, 2024, Regular Meeting of the San Gorgonio Pass Water Agency Board of Directors.

On a motion by Treasurer Ybarra, seconded by Vice President Letulle, the board approved the Consent Calendar as presented.

Approved by the following vote:

Ayes: Smith, Walton, Ybarra, Letulle, Ball, Valdivia

Noes: None

Absent: None

Abstain: Wargo

**Motion passed 6-0-1.**

## **6. Reports**

### **A. General Manager's Report**

General Manager, Lance Eckhart reported on the following:

1. Various meetings while in attendance at the ACWA Fall Conference:
  - a) AVEK
  - b) Sites/SBVWD
  - c) United Water Conservation District
  - d) Provost & Pritchard
  - e) Westside District Water Authority
  - f) Gwyn-Mohr Tully – Zanjero, Inc.
  - g) Best, Best & Krieger Dinner
2. Provided update on Delta Conveyance Project
3. Provided update on Colorado Aqueduct Memorandum of Understanding with Metropolitan Water District
4. Update on Kern County

### **B. Legal Counsel's Report**

Counsel Stewart had no report.

## **7. Informational Presentations and Updates:**

### **A. 2024 Retrospective**

General Manager Eckhart provided a comprehensive overview of the Agency's key achievements and highlights for 2024 included moving 18,000 acre-feet of water, expanding the agency's boundary, budget overhaul, installation of the Earth Cam system, successful maintenance of the tax rate, and establishing the San Gorgonio Pass Foundation.

General Manager Eckhart underscored the value of public information and outreach programs, which have received positive community feedback. He discussed the agency's involvement in local initiatives such as the County Line Road project which secured a \$3.1 million grant, the solar boat races, along with collaborations with the Inland Empire Resource Conservation District.

Additionally, he highlighted the recognition of George Jorritsma's' contributions and the success of the gap funding program in enhancing local water infrastructure. General Manager Eckhart concluded by reaffirming the critical role of partnerships and strategic planning in shaping the agency's future.

The Board conveyed their appreciation for General Manager Eckhart's leadership, staff's dedicated efforts and the successful outcomes of various initiatives.

## **B. Water Conditions Report**

Operations Manager Matt Howard provided the water conditions report reflecting on the latest data which included highlighting significant rainfall in the Northern Sierras, positioning the water year ahead of 2023's wet year. Mr. Howard said storage levels at Lake Oroville have risen, and the San Luis Reservoir is aggressively being filled, increasing capacity from 45% to 68%. Snowpack levels are strong at 107% of the average for this date, with additional rainfall and snowfall expected in Northern California. These favorable conditions are bolstering water supply allocations and supporting the agency's strategic planning.

Mr. Howard also reviewed the agency's water supply portfolio, with a total of 25,500 acre-feet available, including carryover and current year allocations. Local deliveries for November totaled 1,536 acre-feet, with December projections at 1,800 acre-feet, leaving a carryover balance of approximately 1,300 acre-feet and minimal spill risk at the San Luis Reservoir. Maintenance of recharge facilities, including a planned East Branch Extension shutdown from January 2 to February 3, is on schedule, ensuring infrastructure readiness for continued operations. He concluded by emphasizing the agency's strong water conditions and readiness to address future challenges.

## **8. New Business – Discussion and Possible Action:**

### **A. Review of Electronic Signature Policy**

Chief Financial Officer Thomas Todd, Jr., reviewed the electronic signature policy, noting its efficiency and legal counsel's approval. Director Smith suggested exploring the possibility of electronic signing for checks to expedite the process. The Board discussed the electronic signature policy and determined the item would be revisited for an amendment if necessary.

## **9. Reports - Directors and Committee Report**

Board members reported attending the following:

- December 3-5, 2024, ACWA Fall Conference (Smith, Valdivia, Walton, Ybarra)
- December 4-5, 2024, GOV AI Coalition Summit (Letulle)
- December 9, 2024, Joint Sites Reservoir Committee Meeting (Ball, Letulle, Valdivia)
- December 10, 2024, Board Members Handbook Committee Meeting (Ball, Letulle, Walton)
- December 10, 2024, Banning City Council Meeting (Ball, Valdivia, Wargo, Ybarra)
- December 10, 2024, Metropolitan Water District Special Joint Executive Committee and Board of Directors Meeting (Smith)
- December 11, 2024, Beaumont-Cherry Valley Water District Board Meeting (Ball)
- December 12, 2024, San Geronio Pass Economic Development Alliance Meeting (Smith)

Director Ball remarked on Metropolitan Water District's decision to proceed with the Delta Conveyance Project. He also extended his appreciation to SGPWA staff for the thoughtful Agency Christmas card.

Vice President Letulle reported that the City of Banning had conducted a pilot trial of Madison AI, a program with actionable potential. He indicated plans to discuss the possibility of a no-cost pilot with staff, recommending further evaluation of its potential benefits to the agency.

Director Wargo expressed her deep gratitude and honor to serve alongside her fellow board members on the dais.

Director Valdivia welcomed Director Wargo to the Board of Directors. He also expressed gratitude to SGPWA's consultants and CV Strategies for helping to take the agency to a different level in 2024.

With the floor granted by President Valdivia, Alberto Sanchez addressed the board, encouraging their attendance at Banning City Council meetings to support ongoing projects.

#### **10. Topics for Future Agendas**

Secretary Walton recommended engaging with Beaumont Cherry Valley Water District as they undergo a comprehensive review of their policies and procedures, suggesting an opportunity to assess and address any gaps in SGPWA's own policies and procedures.

#### **11. Announcements**

President Valdivia reviewed the following announcements:

- A. Finance & Budget Committee Meeting, December 19, 2024, at 10:00 a.m.
- B. Office closed in observance of Christmas and New Year's Holiday's, December 23-January 1, 2025
- C. Regular Board Meeting, January 6, 2025, at 1:30 p.m.
- D. Office closed in observance of Martin Luther King, Jr. Day, January 20, 2025
- E. Regular Board Meeting, January 27, 2025, at 6:00 p.m.

#### **12. Adjournment**

There being no further business to discuss, President Valdivia adjourned the meeting at 7:41 p.m. The next regularly scheduled meeting is Monday, January 6, 2025, at 1:30 p.m.

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Kevin Walton, Secretary of the Board

mvc



# ***San Gorgonio Pass Water Agency***

**DATE:** January 6, 2025  
**TO:** Board of Directors  
**FROM:** Lance Eckhart, General Manager  
**BY:** Tom Todd, Jr., Chief Financial Officer  
**SUBJECT: Report from the Finance and Budget Committee**

**RECOMMENDATION**

The Board ratify the actions of the Finance and Budget Committee as listed below.

**PREVIOUS CONSIDERATION**

The Finance and Budget Committee of the San Gorgonio Pass Water Agency met on December 19, 2024. During that meeting, the Committee took the following actions:

**Accepted the following items:**

- Item 5B: Payments as listed in the Check History reports for Accounts Payable and Payroll for the month of November 2024.
- Item 5C: The Bank Reconciliation for November 2024.
- Item 5D: The Budget Report for November 2024.

**Approved the following items:**

- Item 4A: Minutes of the November 21, 2024 meeting of the Committee.
- Item 5E: Payment of the Legal Invoice for November 2024.

**Reviewed the following items:**

- Item 5G: Gap Funding Report

**BACKGROUND**

The Finance & Budget Committee reviewed the necessary financial material during this meeting and took the actions listed above.

**ACTION**

The Board ratify the actions of the Finance and Budget Committee as listed above.

**ATTACHMENTS**

- Minutes
- Check History Report
- Bank Reconciliation
- Water Delivery Report
- Budget Report
- Pending Legal Invoice Report
- Gap Funding Report

# *San Geronio Pass Water Agency*

**DATE:** December 19, 2024  
**TO:** Finance and Budget Committee  
**FROM:** Lance Eckhart, General Manager  
**BY:** Tom Todd, Jr., Chief Financial Officer  
**SUBJECT: Summary of Recommended Committee Actions**

**RECOMMENDATIONS**

Recommendations for Finance and Budget Committee actions:

Item 4A: Approve the minutes.

**Motion: The Committee approves item 4A.**

Item 5A: The Committee recommends the Board accept and file the Audited Financial Statements for FY 2023-24.

Item 5B: The Committee **accepts** payments as listed in the Check History reports for Accounts Payable and Payroll for the month of November 2024.

Item 5C: The Committee **accepts** the Bank Reconciliation for November 2024.

Item 5D: The Committee **accepts** the Budget Report for November 2024.

**Motion: The Committee accepts items 5B-D.**

Item 5E: The Committee **approves** payment of the Legal Invoice for November 2024.

**Motion: The Committee approves item 5E.**

**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**  
**Minutes of the**  
**Finance and Budget Committee**  
**November 21, 2024**

THIS MEETING WAS HELD IN PERSON AND VIA ZOOM.

**Committee Members Present:**

In person

Robert Ybarra, Chair  
Chander Letulle, Member  
Kevin Walton, Member

**Staff Present:**

In person

Tom Todd, Jr., Chief Financial Officer

1. **Call to Order, Flag Salute, and Roll Call:** The San Gorgonio Pass Water Agency Finance and Budget Committee meeting was called to order by Chair Robert Ybarra at 10:00 a.m., November 21, 2024. Chair Ybarra led the Pledge of Allegiance. Mr. Ybarra asked for a roll call. A quorum was present.
2. **Adjustment and/or Adoption of the Agenda.** The agenda was adopted as posted.
3. **Public Comment:** None.
4. **Approval of Minutes**
  - A. Approval of the Minutes of the Finance & Budget Committee Meeting, October 23, 2024.  
Mr. Letulle moved, seconded by Mr. Walton, to approve the minutes of the Finance and Budget Committee meeting of October 23, 2024. Approved unanimously by voice vote.
5. **New Business**
  - A. Ratification of Paid Invoices and Monthly Payroll for October 2024
  - B. Review of Bank Reconciliation for October 2024
  - C. Review of Budget Report for October 2024  
After review and discussion, Mr. Walton moved, seconded by Mr. Letulle, to accept Items 5A-C. Approved unanimously by voice vote.
  - D. Review of Pending Legal Invoices for October 2024  
After review and discussion, Mr. Letulle moved, seconded by Mr. Walton, to approve payment of the Legal Invoice. Approved unanimously by voice vote.
  - E. Gap Funding Report  
The Committee reviewed the Cabazon Gap Funding Report.

**6. Committee Member Comments**

Mr. Letulle would like to discuss the roles and responsibilities of the Finance and Budget Committee. One discussion item was mentioned specifically, related to review of potential contracts by the Committee before presentation to the Board.

**7. Announcements**

Mr. Ybarra reviewed the announcements:

- A. Regular Board Meeting, December 2, 2024, 1:30 p.m.
- B. Regular Board Meeting, December 16, 2024 at 6:00 p.m.
- E. Finance & Budget Committee Meeting, December 19, 2024 at 10:00 a.m.

**8. Adjournment**

The Finance and Budget Committee of the San Gorgonio Pass Water Agency was adjourned by Mr. Ybarra at 10:28 a.m.

***Draft - Subject to Committee Approval***

Robert Ybarra, Committee Chair

**San Gorgonio Pass Water Agency**  
**Check History Report**  
**November 1 through November 30, 2024**

ACCOUNTS PAYABLE
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Date	Number	Name	Amount
11/12/24	121515	ACWA BENEFITS	1,120.75
11/12/24	121516	ALBERT WEBB ASSOCIATES	13,728.97
11/12/24	121517	ATAC EXTERMINATORS INC	89.00
11/12/24	121518	BEAUMONT-CHERRY VALLEY WATER DISTRICT	577.57
11/12/24	121519	ERNST & YOUNG LLP	1,299.00
11/12/24	121520	ENGINEERING RESOURCES OF SO. CAL.	840.00
11/12/24	121521	ESPY'S ELECTRICAL SERVICES	17,740.00
11/12/24	121522	THE FERGUSON GROUP	5,000.00
11/12/24	121523	HDL COREN & CONE	6,689.43
11/12/24	121524	LENITY TECHNOLOGY	2,112.00
11/12/24	121525	SOUTHERN CALIFORNIA GAS	10.15
11/12/24	121526	STANDARD INSURANCE COMPANY	812.17
11/12/24	121527	UNLIMITED SERVICES	407.00
11/12/24	121528	UNDERGROUND SERVICE ALERT	26.65
11/12/24	121529	URBAN WATER INSTITUTE	5,000.00
11/12/24	121530	VERIZON BUSINESS	80.04
11/12/24	121531	WATER RESOURCES ECONOMICS	620.00
11/12/24	121532	WASTE MGT CORPORATE SERVICES	133.30
11/12/24	121533	ZANJERO WATER CONSULTING	625.00
11/14/24	121534	CA DEPT OF FISH & WILDLIFE	2,775.50
11/19/24	121535	ALBERT WEBB ASSOCIATES	1,605.00
11/19/24	121536	BEST BEST & KRIEGER	38,321.45
11/19/24	121537	CALIFORNIA RURAL WATER ASSN	15,490.13
11/19/24	121538	FOSTER & FOSTER	10,250.00
11/19/24	121539	FRONTIER COMMUNICATIONS	351.92
11/19/24	121540	I. E. RESOURCE CONSERVATION DISTRICT	9,522.00
11/19/24	121541	PROVOST & PRITCHARD	2,337.20
11/19/24	121542	SAN BERNARDINO VALLEY MUNI WATER DISTRICT	6,271.67
11/19/24	121543	WELLS FARGO ELITE CREDIT CARD	11,237.14
11/2/24	900981	EMPLOYMENT DEVELOPMENT DEPARTMENT	2,590.92
11/2/24	900982	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	12,917.49
11/2/24	900983	CALPERS RETIREMENT	10,454.28
11/2/24	900984	CAL PERS RETIREMENT - SIP-457	4,030.00
11/2/24	900985	PAYCHEX	187.45
11/2/24	900986	MARICELA V. CABRAL - REIMBURSEMENT	170.30
11/17/24	900987	EMPLOYMENT DEVELOPMENT DEPARTMENT	2,449.93
11/17/24	900988	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	12,030.98
11/17/24	900989	CALPERS RETIREMENT	10,454.28
11/17/24	900990	CAL PERS RETIREMENT - SIP-457	4,030.00
11/17/24	900991	PAYCHEX	191.90
11/17/24	900992	EMMETT G. CAMPBELL - REIMBURSEMENT	131.99
11/17/24	900993	THOMAS W. TODD, JR. - REIMBURSEMENT	72.67
11/17/24	900994	MICHAEL R. VALDIVIA - REIMBURSEMENT	600.00
11/17/24	900995	KEVIN D. WALTON - REIMBURSEMENT	246.90
11/19/24	900996	CALPERS HEALTH	11,556.79
11/27/24	900997	DEPARTMENT OF WATER RESOURCES	945,554.00
TOTAL ACCOUNTS PAYABLE CHECKS			1,172,742.92

**San Geronio Pass Water Agency**  
**Check History Report**  
**November 1 through November 30, 2024**

<b>PAYROLL</b>
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<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
11/1/24	802832	MARICELA V. CABRAL	3,936.46
11/1/24	802833	EMMETT G. CAMPBELL	3,446.20
11/1/24	802834	RONALD A. DUNCAN	2,710.94
11/1/24	802835	LANCE E. ECKHART	7,354.93
11/1/24	802836	MATTHEW E. HOWARD	4,530.34
11/1/24	802837	LAWRENCE R. SMITH	2,818.43
11/1/24	802838	SCOTT W. TIRRELL	483.32
11/1/24	802839	THOMAS W. TODD, JR.	4,558.26
11/1/24	802840	MICHAEL R. VALDIVIA	2,568.36
11/1/24	802841	ROEBERT G. YBARRA	2,818.43
11/16/24	802842	BLAIR M. BALL	2,710.93
11/16/24	802843	MARICELA V. CABRAL	3,936.47
11/16/24	802844	EMMETT G. CAMPBELL	3,414.02
11/16/24	802845	LANCE E. ECKHART	7,354.92
11/16/24	802846	MATTHEW E. HOWARD	4,530.34
11/16/24	802847	SCOTT W. TIRRELL	474.20
11/16/24	802848	THOMAS W. TODD, JR.	4,304.92
11/16/24	802849	KEVIN D. WALTON	2,693.13
TOTAL PAYROLL			64,644.60
TOTAL DISBURSEMENTS FOR NOVEMBER 2024			1,237,387.52

**NOTES**

Check and expenditure series numbers:

- |        |                                      |
|--------|--------------------------------------|
| 121xxx | Accounts payable checks              |
| 802xxx | Payroll direct deposits to employees |
| 900xxx | Electronic Funds Transfers           |

SAN GORGONIO PASS WATER AGENCY  
New Vendors List  
December 2024

Vendor - Name and Address	Expenditure Type
Beavens Systems, Inc. 383 Van Ness Ave Suite 1604, Torrance, CA 90501	SCADA Calibration

**SAN GORGONIO PASS WATER AGENCY  
BANK RECONCILIATION  
November 30, 2024**

**BANK STATEMENT BALANCE (CHECKING ACCOUNT) -** November 30, 2024 \$ 409,133.65

LESS: OUTSTANDING CHECKS

CHECK NUMBER	AMOUNT	CHECK NUMBER	AMOUNT
121534	2,775.50		
121538	10,250.00		
121540	9,522.00		
	22,547.50		-

TOTAL OUTSTANDING CHECKS (22,547.50)

**ADJUSTED BANK STATEMENT BALANCE -** November 30, 2024 **\$ 386,586.15**

BALANCE PER **GENERAL LEDGER** AT END OF PRIOR MONTH ( + ) \$ 3,661,187.67

CASH RECEIPTS FOR CURRENT MONTH ( + ) 162,786.00

CASH DISBURSEMENTS FOR CURRENT MONTH

ACCOUNTS PAYABLE ( - )	Checks	(155,073.04)	
ACCOUNTS PAYABLE ( - )	ACHs	(1,017,669.88)	(1,172,742.92)
PAYROLL ( - )	Prior Month: 16th-EOM	(35,225.67)	
PAYROLL ( - )	This Month: 1st-15th	(29,418.93)	(64,644.60)

TRANSFERS FROM LAIF TO CHECKING ACCT ( + ) 800,000.00

TRANSFERS FROM CAMP TO CHECKING ACCT ( + ) -

TRANSFERS FROM CHECKING ACCT TO LAIF ( - ) (3,000,000.00)

TRANSFERS FROM CHECKING ACCT TO CAMP ( - ) -

**BALANCE PER GENERAL LEDGER -** November 30, 2024 **\$ 386,586.15**

REPORT PREPARED BY:

  
\_\_\_\_\_  
Scott Tirrell

12/12/24  
\_\_\_\_\_  
Date



**SAN GORGONIO PASS WATER AGENCY  
DEPOSIT RECAP  
FOR THE MONTH OF NOVEMBER 2024**

<u>DATE</u>	<u>RECEIVED FROM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
<b>DEPOSIT TO CHECKING ACCOUNT</b>			
11/13/24	STATE OF CALIF/DWR	SMIF INTEREST JAN-JUN24	162,786.00
		TOTAL FOR NOVEMBER 2024	162,786.00

## SAN GORGONIO PASS WATER AGENCY

**Local Water Purchases and Deliveries**  
**Calendar Year 2024**  
**DRAFT - Subject to Change**  
 December 12, 2024

ORDERS (AF)					
City of Banning		BCVWD		YVWD	
Replenish	Pre-Stored	Replenish	Pre-Stored	Direct	Pre-Stored*
1,250	250	11,200	7,000	250	2,000

Month	Delivery Point					Pre-Stored Water					
	Brookside East	LSGC	Noble Connect.	SBVMWD	Total	SGPWA Transfers-In	SGPWA Transfers-Out	SGPWA Balance	Banning Transfers-In	BCVWD Transfers-In	YVWD Transfers-In
Bal. Prior Year						Bal. Prior Year		893			
Jan	438	0	279	13	730	438		1,331			
Feb	744	0	162	6	912	744		2,075			
Mar	679	0	1,351	0	2,030	679		2,754			
Apr	468	0	1,373	0	1,840	468		3,222			
May	552	0	837	0	1,389	552	2,000	1,774	1,000		1,000
Jun	937	0	367	0	1,304	937		2,711			
Jul	628	0	733	0	1,361	628		3,339			
Aug	398	0	1,498	0	1,896	398		3,737			
Sep	847	0	870	0	1,717	847		4,584			
Oct	860	0	646	0	1,506	860		5,444			
Nov	739	0	797	0	1,536	739		6,183			
Dec					0						
<b>TOTALS</b>	7,290	0	8,912	19	16,221	7,290	2,000		1,000	0	1,000

Month	Billing Detail									
	City of Banning			BCVWD			YVWD			Totals
	Deliveries	Transfers-in	Total	Deliveries	Transfers-in	Total	Deliveries	Transfers-in	Total	
Jan			0	279		279	13		13	292
Feb			0	162		162	6		6	168
Mar			0	1,351		1,351	0		0	1,351
Apr			0	1,373		1,373	0		0	1,373
May		1,000	1,000	837		837	0	1,000	1,000	2,837
Jun			0	367		367	0		0	367
Jul			0	733		733	0		0	733
Aug			0	1,498		1,498	0		0	1,498
Sep			0	870		870	0		0	870
Oct			0	646		646	0		0	646
Nov			0	797		797	0		0	797
Dec			0			0			0	0
<b>TOTALS</b>	0	1,000	1,000	8,912	0	8,912	19	1,000	1,019	10,931

\*Pre-stored water for YVWD will be delivered thru the Brookside East facility.  
 Westside Water Authority will receive a transfer of 6,000 AF of water this calendar year.

San Gorgonio Pass Water Agency  
Budget Highlights

November 2024

**Overall Summary**

November was a slow month for income. All General Fund categories except Legal Services are within budget, which was reported last month. The Debt Service Fund is not within budget, but trending as projected.

**General Fund (Green Bucket)**

Previously mentioned:

- LAFCO
- Accounting and Auditing
- Dues and Assessments
- Payroll service
- Health Insurance and ACWA Benefits
- Staff Travel

Income

No General Fund revenue was recorded in November. Water sales were delayed by a couple of days, so will be recorded in December. October and November are normally low months for income, as tax revenue does not start being delivered until December and January. Water sales from Westside Water Authority will also be reported in December. Interest income continues to track higher than projected.

Expenses

All categories in the General Fund are within budget except Legal Services. Additional legal expenses are being charged in the General matter related to the Brookside West grant agreement and the Cal Rural Water agreement. Additional charges for Sites Reservoir and agreements related to the Heli-Hydrant are also part of the increases in legal expenses.

Health Insurance and ACWA Benefits are back on budget. Vehicle Maintenance is over budget this month due to unexpected vehicle repairs. Building Maintenance is over budget due to repairs and upgrades to the lighting in the office.

Yucaipa GSA and Verbenia GSA are over budget currently, due to an invoice from SBVMWD that was expected for consultant services related to the Yucaipa GSA.

As previously mentioned, no additional invoices are expected for SAWPA Regional Projects.

**Consigned – SWP Support Fund (Orange Bucket)**

Previously mentioned:

- Increased interest income.

### **Debt Service Fund (Red Bucket)**

Previously mentioned:

- Increased interest income.
- State Water Project payments

### Income

The only income received by the Agency this month came from DWR and was credited to DWR Refunds. As with the General Fund, the Agency will see more activity in tax revenue in December and January.

### Expenses

The only other line item that isn't in budget (besides State Water Contract Payments) is the State Water Contract Audit. These invoices come at the beginning of the fiscal year; once the total is reached, usually in December, no more invoices are received.

### **Gap Funding Program**

As was mentioned last month, South Mesa Water Company requested a distribution of \$3,027,547.72, which is reflected in the Gap Funding Report. An additional request from Cabazon Water District was approved by the Board on December 2, and will be reflected in next month's report.

**SAN GORGONIO PASS WATER AGENCY  
APPROVED BUDGET FOR FY 2024-25  
FOR THE FIVE MONTHS ENDING ON NOVEMBER 30, 2024**

		FISCAL YEAR JULY 1, 2024 - JUNE 30, 2025				
		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>GENERAL FUND</b>						
<b>GENERAL FUND - INCOME</b>					Remaining %	58%
1	WATER SALES	7,100,000		7,100,000	1,237,299.00	-82.6%
2	OTHER WATER SALES	0		0	0.00	NA
3	TAX REVENUE	12,400,000		12,400,000	198,735.71	-98.4%
4	INTEREST	270,000		270,000	232,170.01	-14.0%
5	GOV'T CONTRIBUTIONS	42,000		42,000	0.00	-100.0%
6	GRANT REVENUE	6,000,000		6,000,000	0.00	-100.0%
7	OTHER MISCELLANEOUS INCOME	35,000		35,000	42,142.70	20.4%
8	<b>TOTAL GENERAL FUND INCOME</b>	<b>25,847,000</b>	<b>0</b>	<b>25,847,000</b>	<b>1,710,347.42</b>	<b>-93.4%</b>
<b>GENERAL FUND - EXPENSES</b>						
<b>COMMODITY PURCHASE</b>						
12	PURCHASED WATER FOR DELIVERY	8,500,000		8,500,000	964,073.00	88.7%
13	PURCHASED WATER FOR BANKING (FUTURE SALE)	1,000,000		1,000,000	0.00	100.0%
14	<b>TOTAL COMMODITY PURCHASE</b>	<b>9,500,000</b>	<b>0</b>	<b>9,500,000</b>	<b>964,073.00</b>	<b>89.9%</b>
<b>SALARIES AND EMPLOYEE BENEFITS</b>						
17	SALARIES	640,000		640,000	233,430.13	63.5%
18	PAYROLL TAXES	52,000		52,000	19,317.77	62.9%
19	PAYROLL SERVICE	6,000		6,000	2,532.60	57.8%
20	RETIREMENT	250,000		250,000	80,624.03	67.8%
21	OTHER POST-EMPLOYMENT BENEFITS (OPEB)	145,000		145,000	36,673.33	74.7%
22	HEALTH INSURANCE	54,000		54,000	22,414.75	58.5%
23	ACWA BENEFITS	9,000		9,000	3,787.98	57.9%
24	DISABILITY INSURANCE	6,000		6,000	1,945.38	67.6%
25	WORKERS COMPENSATION INSURANCE	6,000		6,000	930.17	84.5%
26	SGPWA STAFF MEDICAL REIMBURSEMENT	11,000		11,000	1,654.46	85.0%
27	EMPLOYEE EDUCATION	4,000		4,000	0.00	100.0%
28	<b>TOTAL SALARIES AND EMPLOYEE BENEFITS</b>	<b>1,183,000</b>	<b>0</b>	<b>1,183,000</b>	<b>403,310.60</b>	<b>65.9%</b>

**SAN GORGONIO PASS WATER AGENCY  
APPROVED BUDGET FOR FY 2024-25  
FOR THE FIVE MONTHS ENDING ON NOVEMBER 30, 2024**

		FISCAL YEAR JULY 1, 2024 - JUNE 30, 2025				
		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>GENERAL FUND - EXPENSES</b>						
<b>ADMINISTRATIVE AND PROFESSIONAL SERVICES</b>					Remaining %	58%
DIRECTOR EXPENDITURES						
33	DIRECTORS FEES	275,000		275,000	78,596.00	71.4%
34	DIRECTORS TRAVEL AND EDUCATION	80,000		80,000	25,667.92	67.9%
35	DIRECTORS MEDICAL REIMBURSEMENT	43,000		43,000	4,103.79	90.5%
OFFICE EXPENDITURES						
37	OFFICE EXPENSE	40,000		40,000	13,759.20	65.6%
38	POSTAGE	1,000		1,000	201.58	79.8%
39	TELEPHONE	8,000		8,000	2,656.48	66.8%
40	UTILITIES	17,000		17,000	861.79	94.9%
SERVICE EXPENDITURES						
42	COMPUTER, WEBSITE AND PHONE SUPPORT	54,000		54,000	17,449.09	67.7%
43	GENERAL MANAGER AND STAFF TRAVEL	25,000		25,000	15,555.69	37.8%
44	SUCCESSION PLANNING	65,000		65,000	7,500.00	88.5%
45	INSURANCE AND BONDS	55,000		55,000	8,037.22	85.4%
46	ACCOUNTING AND AUDITING	22,000		22,000	10,000.00	54.5%
47	DUES AND ASSESSMENTS	45,000		45,000	41,472.00	7.8%
48	OTHER PROFESSIONAL SERVICES	35,000		35,000	12,650.00	63.9%
49	BANK CHARGES	1,000		1,000	0.00	100.0%
50	MISCELLANEOUS EXPENSES	1,000		1,000	0.00	100.0%
MAINTENANCE AND EQUIPMENT EXPENDITURES						
52	TOOLS PURCHASE AND MAINTENANCE	2,000		2,000	0.00	100.0%
53	MAINTENANCE AND REPAIRS - VEHICLE	10,000		10,000	5,826.36	41.7%
54	MAINTENANCE AND REPAIRS - BUILDING	40,000		40,000	24,418.63	39.0%
55	MAINTENANCE AND REPAIRS - FIELD	50,000		50,000	12,172.02	75.7%
COUNTY EXPENDITURES						
57	LAFCO COST SHARE	10,000		10,000	7,800.78	22.0%
58	ELECTION EXPENSE	150,000		150,000	0.00	100.0%
59	TAX COLLECTION CHARGES	60,000		60,000	496.84	99.2%
60	<b>TOTAL ADMINISTRATIVE AND PROFESSIONAL SERVICES</b>	<b>1,089,000</b>	<b>0</b>	<b>1,089,000</b>	<b>289,225.39</b>	<b>73.4%</b>

**SAN GORGONIO PASS WATER AGENCY  
APPROVED BUDGET FOR FY 2024-25  
FOR THE FIVE MONTHS ENDING ON NOVEMBER 30, 2024**

		FISCAL YEAR JULY 1, 2024 - JUNE 30, 2025				
		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>GENERAL FUND - EXPENSES</b>						
	<b>CONSULTING AND ENGINEERING SERVICES</b>				Remaining %	58%
	PLANS & CONSTRUCTION					
65	INFRASTRUCTURE PLAN - Phase 2	25,000		25,000	4,809.60	80.8%
66	BACKBONE INFRASTRUCTURE STUDY AND DESIGN	150,000		150,000	0.00	100.0%
67	BUNKER HILL BANKING AND RECOVERY PROGRAM	75,000		75,000	0.00	100.0%
68	COUNTY LINE RECHARGE	1,250,000		1,250,000	43,891.15	96.5%
69	SMALL SYSTEM ASSISTANCE PROGRAM	210,000		210,000	58,087.13	72.3%
70	SIGNAGE AND FRONTAGE BROOKSIDE EAST	75,000		75,000	0.00	100.0%
71	MONITORING WELL DRILLING	2,300,000		2,300,000	1,278.00	99.9%
72	HELI-HYDRANT	1,800,000		1,800,000	0.00	100.0%
	OTHER PROJECTS					
74	WATER BANKING INVESTIGATIONS	25,000		25,000	0.00	100.0%
75	SAN GORGONIO GSA	50,000		50,000	3,805.90	92.4%
76	YUCAIPA GSA VERBENIA GSA	10,000		10,000	6,271.67	37.3%
77	FLUME MONITORING AND SUPPORT	30,000		30,000	0.00	100.0%
	STUDIES AND REPORTS					
79	FINANCIAL MODELING + NEXUS RATE STUDY	90,000		90,000	33,525.16	62.7%
80	USGS STUDIES AND MONITORING	300,000		300,000	0.00	100.0%
81	WATER PORTFOLIO	100,000		100,000	42,400.44	57.6%
82	LOCAL SUPPLIES	50,000		50,000	0.00	100.0%
83	LOCAL RECHARGE FEASIBILITY STUDIES	750,000		750,000	0.00	100.0%
84	UWMP SUPPORT AND ANNUAL REPORT COMPLETION	25,000		25,000	0.00	100.0%
	GENERAL ENGINEERING SERVICES					
86	ON-CALL AGENCY ENGINEER	250,000		250,000	25,087.00	90.0%
87	GRANT SUPPORT SERVICES	75,000		75,000	9,000.00	88.0%
88	FEDERAL - STATE ADVOCATE	30,000		30,000	0.00	100.0%
89	SAWPA REGIONAL PROJECTS	36,000		36,000	28,484.21	20.9%
90	GENERAL ENGINEERING and ENVIRONMENTAL	75,000		75,000	0.00	100.0%
91	<b>TOTAL CONSULTING AND ENGINEERING SERVICES</b>	<b>7,781,000</b>	<b>0</b>	<b>7,781,000</b>	<b>256,640.26</b>	<b>96.7%</b>

**SAN GORGONIO PASS WATER AGENCY  
APPROVED BUDGET FOR FY 2024-25  
FOR THE FIVE MONTHS ENDING ON NOVEMBER 30, 2024**

						FISCAL YEAR JULY 1, 2024 - JUNE 30, 2025				
						1	2	3	4	5
						ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>GENERAL FUND - EXPENSES</b>										
									Remaining %	58%
<b>LEGAL SERVICES</b>										
96	LEGAL SERVICES		200,000			200,000		200,000	130,715.37	34.6%
97	<b>TOTAL LEGAL SERVICES</b>		200,000		0	200,000		200,000	130,715.37	34.6%
<b>CONSERVATION AND EDUCATION</b>										
100	SCHOOL EDUCATION PROGRAMS		60,000			60,000		60,000	9,522.00	84.1%
101	PUBLIC INFORMATION AND EDUCATION		260,000			260,000		260,000	45,830.99	82.4%
102	SPONSORSHIPS		0			0		0	950.00	NA
103	TRANSFER TO PASS WATER AGENCY FOUNDATION		32,000			32,000		32,000	10,000.00	68.8%
104	65th ANNIVERSARY CELEBRATION		20,000			20,000		20,000	5,440.00	72.8%
105	<b>TOTAL CONSERVATION AND EDUCATION</b>		372,000		0	372,000		372,000	71,742.99	80.7%
<b>MAJOR AND CAPITAL EXPENDITURES</b>										
<b>BUILDING AND EQUIPMENT</b>										
109	BUILDING		50,000			50,000		50,000	0.00	100.0%
110	FRONT LANDSCAPING		75,000			75,000		75,000	0.00	100.0%
111	FURNITURE AND OFFICE EQUIPMENT		25,000			25,000		25,000	0.00	100.0%
112	OTHER EQUIPMENT		20,000			20,000		20,000	0.00	100.0%
113	VEHICLES		125,000			125,000		125,000	0.00	100.0%
<b>OTHER ITEMS</b>										
115	SITES RESERVOIR		560,000			560,000		560,000	0.00	100.0%
116	<b>TOTAL MAJOR AND CAPITAL EXPENDITURES</b>		855,000		0	855,000		855,000	0.00	100.0%
118	<b>TRANSFERS TO OTHER FUNDS</b>					0		0		
120	<b>TOTAL GENERAL FUND EXPENSES</b>		20,980,000		0	20,980,000		20,980,000	2,115,707.61	89.9%
122	<b>GENERAL FUND NET INCOME YTD</b>		4,867,000		0	4,867,000		4,867,000	-405,360.19	



**SAN GORGONIO PASS WATER AGENCY  
APPROVED BUDGET FOR FY 2024-25  
FOR THE FIVE MONTHS ENDING ON NOVEMBER 30, 2024**

		FISCAL YEAR JULY 1, 2024 - JUNE 30, 2025				
		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>CONSIGNED - SWP SUPPORT FUND</b>						
					Remaining %	58%
<b>CONSIGNED - SWP SUPPORT FUND - INCOME</b>						
<b>INCOME</b>						
130	UNITARY TAX REVENUE ALLOCATED	7,200,000		7,200,000	0.00	<b>-100.0%</b>
131	INTEREST	240,000		240,000	214,225.06	<b>-10.7%</b>
132	OTHER INCOME	0		0	0.00	NA
133	<b>TOTAL SWP SUPPORT FUND INCOME</b>	<b>7,440,000</b>	<b>0</b>	<b>7,440,000</b>	<b>214,225.06</b>	<b>-97.1%</b>
<b>CONSIGNED - SWP SUPPORT FUND - EXPENSES</b>						
<b>EXPENDITURES</b>						
139	TAX COLLECTION CHARGES	18,000		18,000	0.00	100.0%
140	OTHER EXPENSES	0		0	0.00	NA
141	<b>TOTAL SWP SUPPORT FUND EXPENSES</b>	<b>18,000</b>	<b>0</b>	<b>18,000</b>	<b>0.00</b>	<b>100.0%</b>
143	<b>TRANSFERS TO OTHER FUNDS</b>					
145	<b>CONSIGNED - SWP SUPPORT FUND NET INCOME YTD</b>	<b>7,422,000</b>	<b>0</b>	<b>7,422,000</b>	<b>214,225.06</b>	

**SAN GORGONIO PASS WATER AGENCY**  
**APPROVED BUDGET FOR FY 2024-25**  
**FOR THE FIVE MONTHS ENDING ON NOVEMBER 30, 2024**

		FISCAL YEAR JULY 1, 2024 - JUNE 30, 2025				
		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>DEBT SERVICE FUND</b>						
					Remaining %	58%
<b>DEBT SERVICE FUND - INCOME</b>						
<b>INCOME</b>						
153	TAX REVENUE	29,400,000		29,400,000	1,484,185.14	-95.0%
154	INTEREST	1,000,000		1,000,000	1,039,586.33	4.0%
155	CONTRIBUTIONS - GOVERNMENT	0		0	0.00	NA
156	DWR CREDITS - BOND COVER, OTHER	3,400,000		3,400,000	1,560,879.20	-54.1%
157	<b>TOTAL DEBT SERVICE FUND INCOME</b>	<b>33,800,000</b>	<b>0</b>	<b>33,800,000</b>	<b>4,084,650.67</b>	<b>-87.9%</b>
<b>DEBT SERVICE FUND - EXPENSES</b>						
<b>EXPENSES</b>						
161	SALARIES	500,000		500,000	175,310.52	64.9%
162	PAYROLL TAXES	35,000		35,000	8,529.61	75.6%
163	BENEFITS	320,000		320,000	74,431.31	76.7%
164	SWP LEGAL SERVICES	0		0	0.00	NA
165	SWP UTILITIES	10,000		10,000	3,092.45	69.1%
166	STATE WATER CONTRACT AUDIT	7,000		7,000	5,845.00	16.5%
167	STATE WATER CONTRACTOR DUES	55,000		55,000	0.00	100.0%
168	DELTA CONVEYANCE FINANCING AUTHORITY	30,000		30,000	0.00	100.0%
169	WATER TREATMENT EXPENSE	100,000		100,000	23,820.56	76.2%
170	EBX CONTRACT OPERATIONS	400,000		400,000	0.00	100.0%
171	SWP ENGINEERING AND MAINTENANCE	3,400,000		3,400,000	2,046.20	99.9%
172	WATER TRANSFERS	2,500,000		2,500,000	0.00	100.0%
173	STATE WATER CONTRACT PAYMENTS	25,600,000		25,600,000	15,392,532.00	39.9%
174	TAX COLLECTION CHARGES	160,000		160,000	3,710.46	97.7%
175	<b>TOTAL DEBT SERVICE FUND EXPENSES</b>	<b>33,117,000</b>	<b>0</b>	<b>33,117,000</b>	<b>15,689,318.11</b>	<b>52.6%</b>
177	<b>TRANSFERS FROM RESERVES</b>			0.00	0.00	
179	<b>DEBT SERVICE NET INCOME YTD</b>	<b>683,000</b>	<b>0</b>	<b>683,000</b>	<b>-11,604,667.44</b>	

**SAN GORGONIO PASS WATER AGENCY  
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 FOR THE FIVE MONTHS ENDING ON NOVEMBER 30, 2024**

		FISCAL YEAR JULY 1, 2024 - JUNE 30, 2025				
		1	2	3	4	5
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	Over/Under Budget
<b>GAP FUNDING PROGRAM</b>						
<b>GAP FUNDING PROGRAM - INCOME</b>						
185	CABAZON WATER DISTRICT #1	96,000		96,000	0.00	100.0%
186	SOUTH MESA WATER COMPANY	2,000,000		2,000,000	0.00	100.0%
187	HIGH VALLEYS WATER DISTRICT	500,000		500,000	0.00	100.0%
188	BANNING HEIGHTS MUTUAL WATER CO.	0		0	0.00	NA
191	<b>TOTAL INCOME</b>	<b>2,596,000</b>	<b>0</b>	<b>2,596,000</b>	<b>0.00</b>	
<b>GAP FUNDING PROGRAM - EXPENSES</b>						
194	CABAZON WATER DISTRICT #1	0		0	0.00	NA
195	SOUTH MESA WATER COMPANY	5,000,000		5,000,000	3,749,786.74	25.0%
196	HIGH VALLEYS WATER DISTRICT	1,000,000		1,000,000	0.00	100.0%
197	BANNING HEIGHTS MUTUAL WATER CO.	0		0	0.00	NA
200	<b>TOTAL EXPENSE</b>	<b>6,000,000</b>	<b>0</b>	<b>6,000,000</b>	<b>3,749,786.74</b>	<b>37.5%</b>
202	<b>GAP FUNDING PROGRAM NET BALANCE YTD</b>	<b>-3,404,000</b>	<b>0</b>	<b>-3,404,000</b>	<b>-3,749,786.74</b>	

## San Gorgonio Pass Water Agency

### List of Some Acronyms and Vendors and Their Functions

Acronym	Name	Function and Information
ACWA	Association of California Water Agencies	Affinity organization that provides conferences, training, lobbying and insurance services for water agencies in California
ACWA JPIA	ACWA Joint Powers Insurance Agency	Designation for payments made for property, liability and workers compensation insurance
ACWABE	ACWA Benefits	Designation for dental, vision and life insurance
ALWEAS	Albert Webb Associates	Provides engineering consulting services
ARPA	American Rescue Plan Act	Grants from the Federal Government, channeled to counties, to fund specific projects.
AVEK	Antelope Valley-East Kern Water Agency	State Water Contractor
BBK	Best Best & Krieger	Provides legal counsel
BCVWD	Beaumont-Cherry Valley Water District	Provides retail water service in Beaumont
BHMWC	Banning Heights Mutual Water Company	Mutual water company within Agency boundaries
CalPERS	California Public Employees Retirement System	Provides retirement and health insurance services for public agencies in California
CAMP	California Asset Management Plan	Financial entity that advises and manages investments for public agencies in California
COBRA	Consolidated Omnibus Budget Reconciliation Act	Designation for continued health coverage
CONTEM	Control Temp, Inc.	Provides building maintenance for heating and air conditioning
CWD	Cabazon Water District	Retail water agency within Agency boundaries
DUCCLE	Ducking Clean	Provides building maintenance for outside cleaning - gutters and solar panels
DWR	Department of Water Resources	Branch of the California government that is responsible for managing the SWP
EBE	East Branch Enlargement	Construction projects along the East Branch of the SWP to increase capacity
EBX	East Branch Extension	Infrastructure from East Branch of SWP to SGPWA service area
EDD	Employee Development Department	State of California department for collection of employment taxes
EFTPS	Electronic Federal Tax Payment System	Federal system for collection of employment taxes
ERSC	Engineering Services of Southern California	Provides engineering consulting services
ESRI	ESRI	Provides mapping services
FSA	Flexible Spending Account	Pre-tax deduction for health and dependent-care expenses
GSA	Groundwater Sustainability Act	or Groundwater Sustainability Agency; required under SGMA to manage groundwater
GSP	Groundwater Sustainability Plan	Plan required under SGMA to manage groundwater assets
HCN	HCN Bank	Local regional bank; formerly the Bank of Hemet
HdL Coren & Cone		Provide tax revenue consulting services.
HOX	Homeowners Exemption	Exemption for homeowners; also a tax revenue income received by the Agency
HVWD	High Valleys Water District	Mutual water company within Agency boundaries

## San Gorgonio Pass Water Agency

### List of Some Acronyms and Vendors and Their Functions

Acronym	Name	Function and Information
IERCD	Inland Empire Resources Conservation District	Special District that provides conservation education
LAFCO	Local Agency Formation Commission	Branch of Riverside County government; reviews district and agency formation
LAIF	Local Agency Investment Fund	Financial organization sponsored by the state California for public agencies to investment surplus money on a short-term basis
LAMMA	Local Agency Money Market Account	Investment account provided by HCN for local agencies
MAPILA	Matthew Pistilli Landscape Services	Provides landscape and gardening services
OAP	Off-Aqueduct Power	DWR invoice for specific facilities that are not directly part of the SWP aqueduct
OPEB	Other Post-Employment Benefits	
PARS	Public Agency Retirement Services	Provider of defined contribution plans, of which the Agency participates
PPIC	Public Policy Institute of California	Think tank on issues in California
PROPRI	Provost & Pritchard	Provides engineering and other consulting services
RC	Riverside County	
RDV	Redevelopment	
SAWPA	Santa Ana Watershed Project Authority	Coordinates activities to protect the Santa Ana watershed
SBE	State Board of Equalization	AKA Unitary taxes
SBVMWD	San Bernardino Valley Municipal Water District	State Water Contractor in San Bernardino County and a partner with EBX
SCADA	Supervisory Control and Data Acquisition	Electronic monitoring and control system used by DWR and other water purveyors
SCWC	Southern California Water Coalition	
SGMA	Sustainable Groundwater Management Act	A legislative package that requires local agencies to form GSAs and develop GSPs.
SMIF	Surplus Money Investment Fund	State of California depository for government funds that are not currently needed
SMWC	South Mesa Water Company	Retail water agency within Agency boundaries
SRJP	Sites Reservoir Joint Powers Authority	Joint powers authority formed to construct and manage Sites Reservoir
STAINS	Standard Insurance Company	Disability insurance provider
SWC	State Water Contractors	Professional organization representing districts and agencies that have a water supply contract with the state of California
SWP	State Water Project	System of reservoirs, aqueducts, and pump stations that distributes water throughout the state of California; governed by agreements called water supply contracts
TSAB	Tehachapi Second After-Bay	A DWR facility that SGPWA participates in
UNIVAR	Univar Solutions, Inc.	Provides EarthTec solution for water treatment
USGS	U.S. Geological Survey	Federal agency that provides groundwater data and modeling

**San Gorgonio Pass Water Agency**

**List of Some Acronyms and Vendors and Their Functions**

<b>Acronym</b>	<b>Name</b>	<b>Function and Information</b>
UWMP	Urban Water Management Plan	
WEF	Water Education Foundation	
WSRB	Water System Revenue Bonds	Bonds sold by the state of California to pay for SWP construction
YTD	Year to Date	
YVWD	Yucaipa Valley Water District	Retail water district with part of its service area within Agency boundaries

Version 241001

**SAN GORGONIO PASS WATER AGENCY**

**LEGAL INVOICES  
ACCOUNTS PAYABLE INVOICE LISTING**

<u>VENDOR</u>	<u>INVOICE NBR</u>	<u>COMMENT</u>	<u>AMOUNT</u>
BEST, BEST & KRIEGER	241130	LEGAL SERVICES NOVEMBER 2024	23,751.60

TOTAL PENDING INVOICES FOR APPROVAL DECEMBER 2024

23,751.60

San Gorgonio Pass Water Agency  
 Gap Funding Program  
 Summary Report  
 Report Date: December 12, 2024

**OVERALL Current Balance: 4,138,197.22** (Owed to Agency)

<b>Cabazon Water District #1</b>	(CWD owes us) - Current Balance: <b>388,409.88</b>
Gap Funding Maximum: 1,300,000	
Approximate Project Cost: 1,700,000.00	Approximate Gap Funding Available: 911,590.12
Payments Made to CWD: 1,576,885.54	Payments Received from CWD: 1,188,475.66
12/2/24	292,664.18

<b>South Mesa Water Company</b>	(SMWC owes us) - Current Balance: <b>3,749,787.34</b>
Gap Funding Maximum: 7,000,000	
Approximate Project Cost: 10,300,000.00	Approximate Gap Funding Available: 3,250,212.66
Payments Made to SMWC: 4,227,274.36	Payments Received from SMWC: 477,487.02
8/27/24	722,239.02
10/22/24	3,027,547.72
	9/25/24
	477,487.02

<b>High Valleys Water District</b>	(HVWD owes us) - Current Balance: <b>0.00</b>
Gap Funding Maximum: 1,000,000	
Approximate Project Cost: 1,000,000.00	Approximate Gap Funding Available: 1,000,000.00
Payments Made to HVWD: 0.00	Payments Received from HVWD: 0.00





# State Water Project Overview

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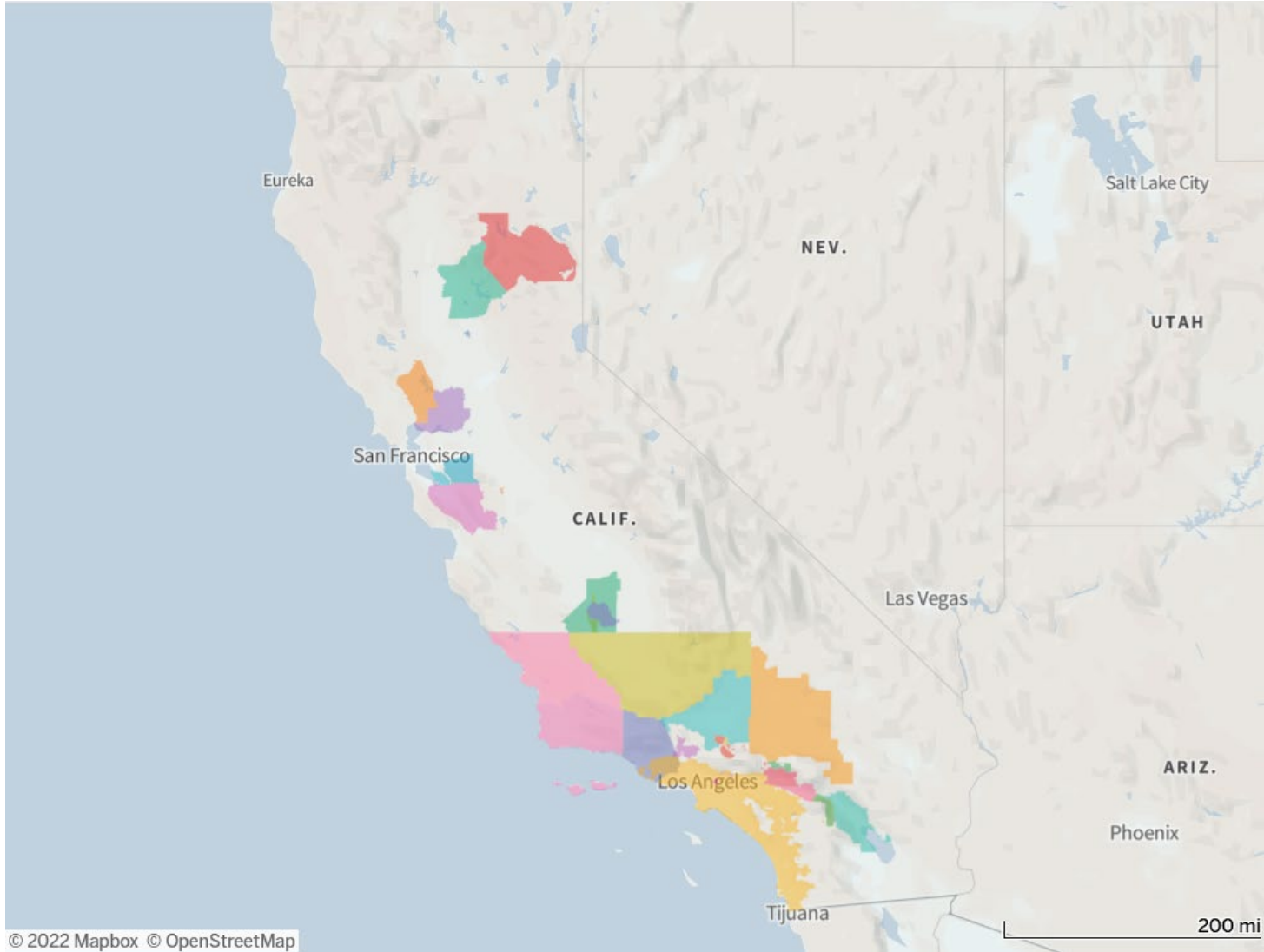
BOARD OF DIRECTORS

JANUARY 6, 2025

# An acre-foot is...

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- A unit of volume
- Equal to 325,000 gallons
- Enough water for approximately 3 households each year



## The State Water Project moves water from Northern California to Southern California

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- 29 State Water Contractors
- Capable of moving over 4 million acre-feet per year
- Uses the snowpack from the Sierra's as a “reservoir”
- Provides water for over 25 million people
- Sustains billions of dollars to California's economy

There are many assets on along the SWP but some of the major assets include...

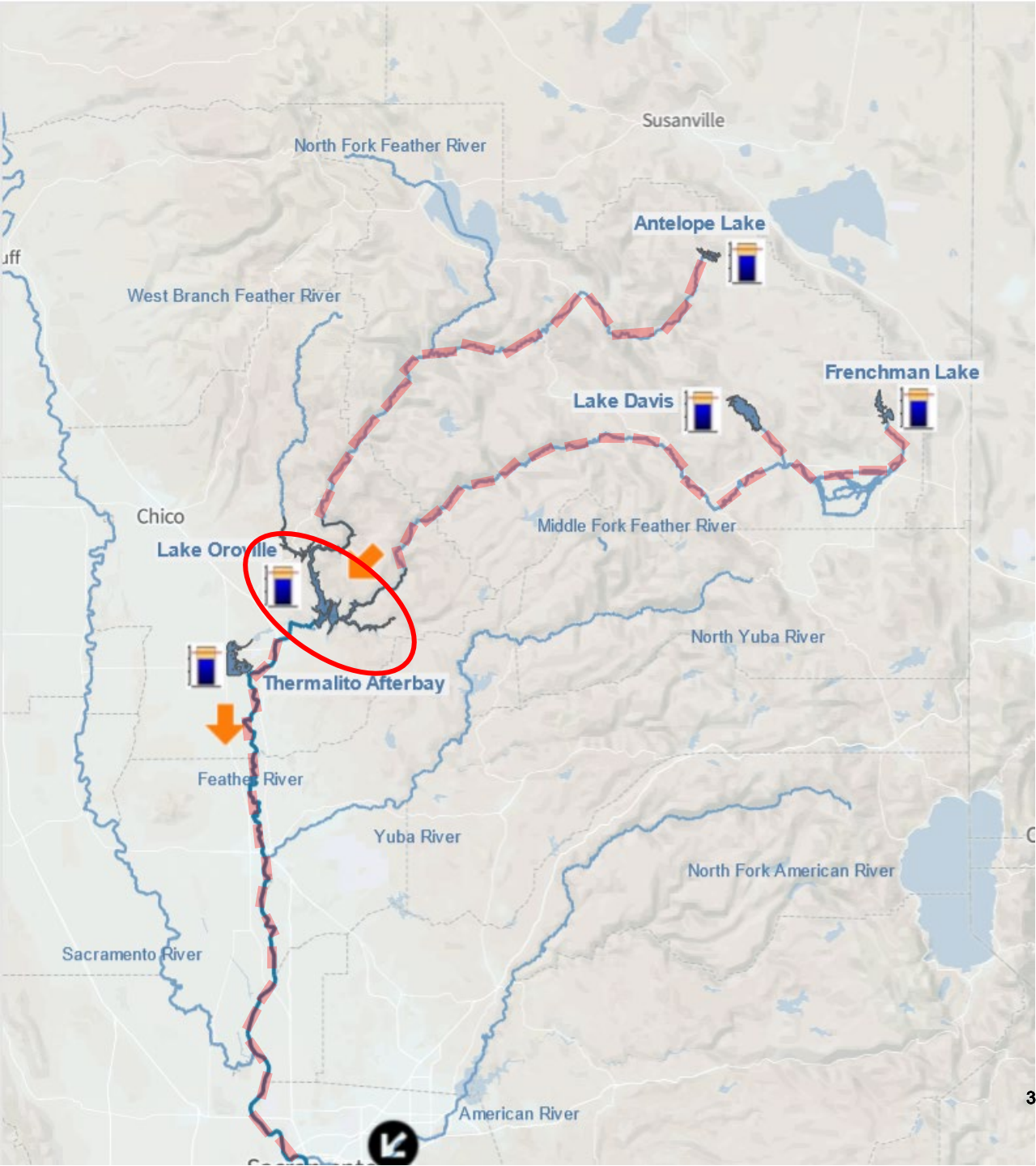
- 30 dams
- 20 reservoirs
- 29 pumping and generating plants
- 700 miles of aqueducts, canals, and pipelines





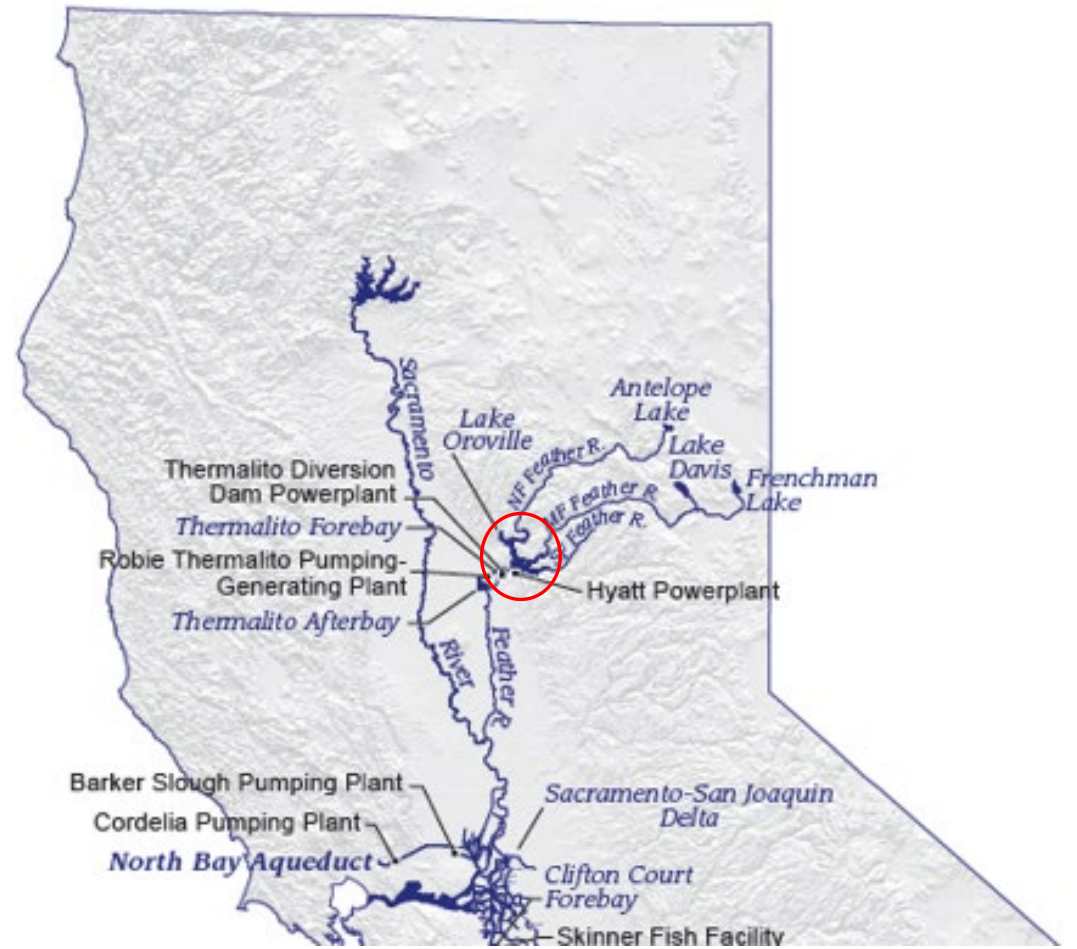
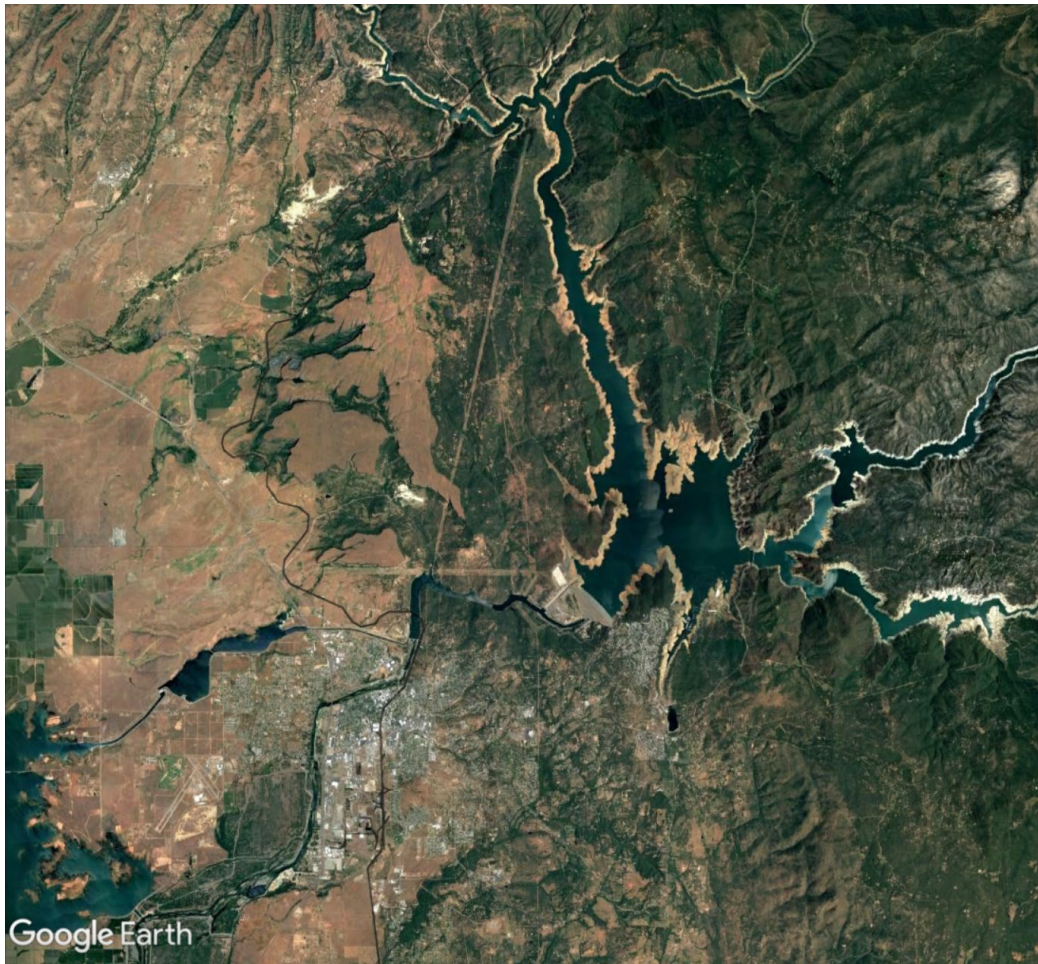
The SWP is broken up into 5 management zones (Field Divisions)

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# Oroville Field Division

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# Lake Oroville

- WATER FLOWS FROM LAKE OROVILLE TO THE FEATHER RIVER WHICH SUBSEQUENTLY FLOWS INTO THE SACRAMENTO RIVER



# Delta Field Division

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# Sacramento-San Joaquin Delta

WATER FLOWS FROM THE SACRAMENTO RIVER INTO THE DELTA



# Clifton Court Forebay

- WATER FLOWS FROM THE DELTA INTO THE CLIFTON COURT FOREBAY
- WATER IS THEN PUMPED OUT OF CLIFTON COURT FOREBAY INTO THE CALIFORNIA AQUEDUCT



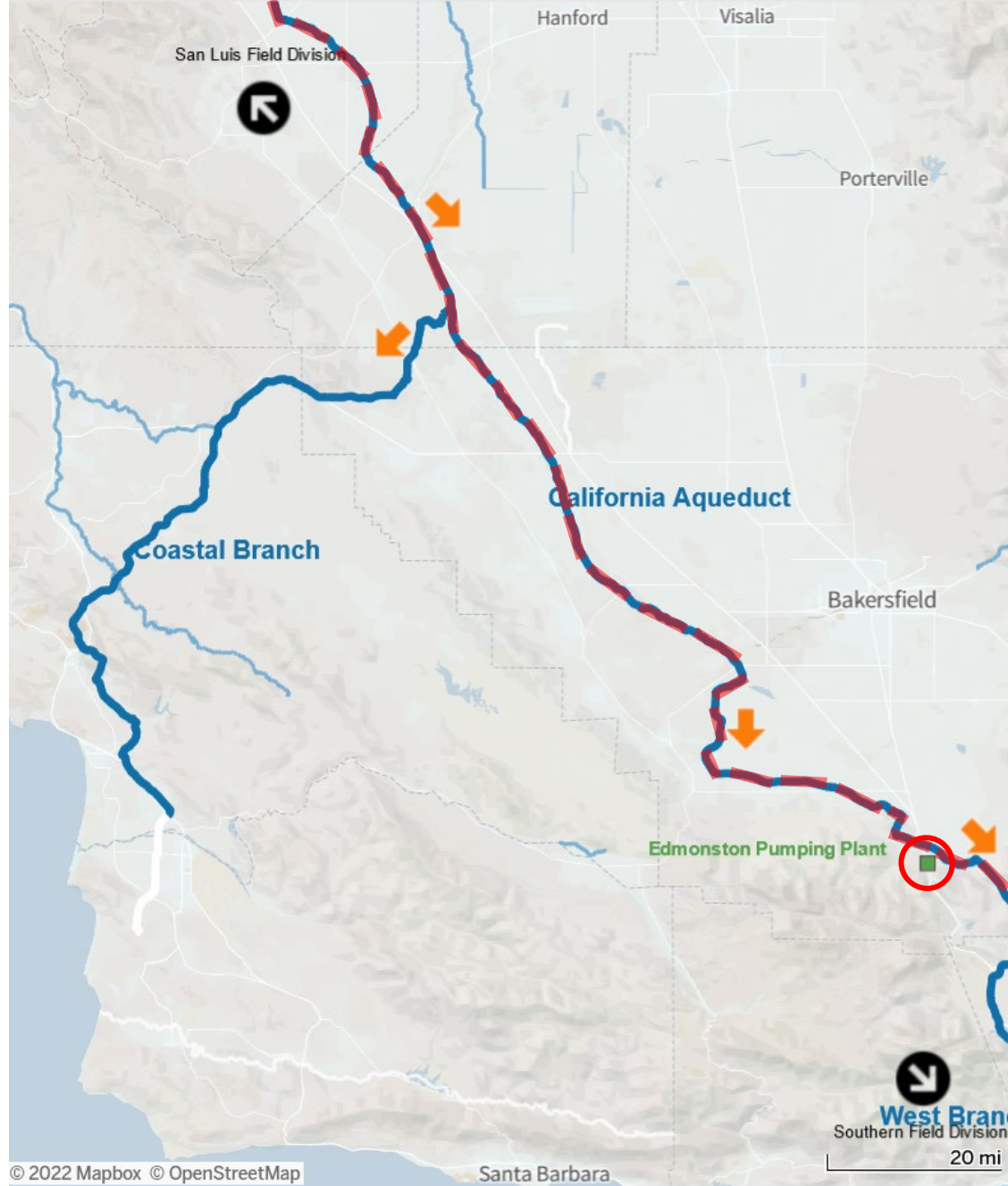
# San Luis Field Division

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# San Luis Reservoir

- WATER FLOWS THROUGH THE CALIFORNIA AQUEDUCT AND CAN BE STORED IN SAN LUIS RESERVOIR
- SAN LUIS RESERVOIR CAN STORE APPROXIMATELY 244 MILLION ACRE-FEET



# San Joaquin Field Division

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# Edmonston Pumping Plant

- PUMPS WATER FROM THE AQUEDUCT UP 2,000 FT IN ELEVATION TO CONTINUE IN THE AQUEDUCT
- LARGEST SINGLE LIFT PUMP STATION IN THE WORLD



# Southern Field Division

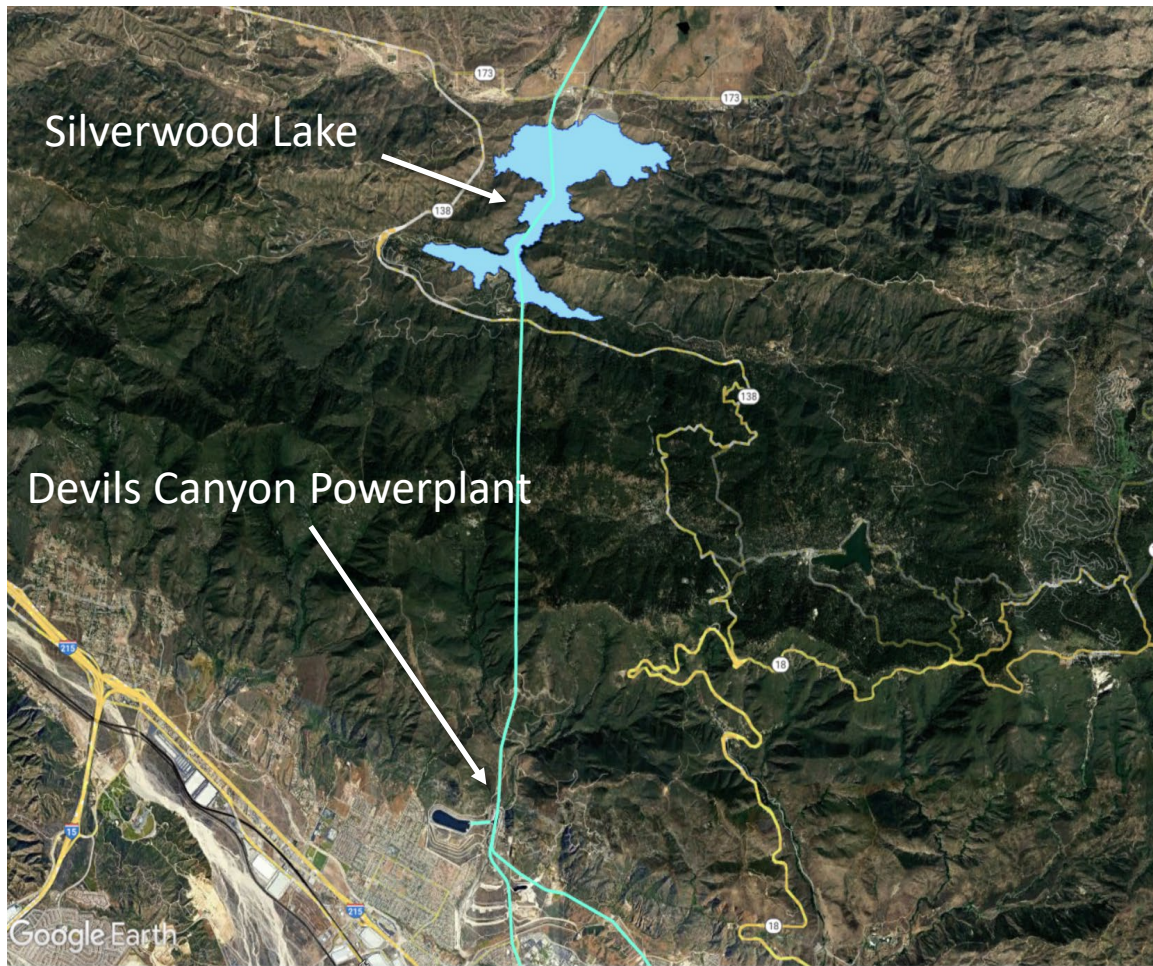
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# Pearblossom Pumping Plant

- PUMPS WATER FROM THE AQUEDUCT UP 500 FT IN ELEVATION OVER THE MOUNTAIN TO CONTINUE IN THE AQUEDUCT





# Silverwood Lake and Devils Canyon Powerplant

- WATER MOVES FROM THE AQUEDUCT INTO SILVERWOOD LAKE
- WATER FLOWS FROM SILVERWOOD LAKE THROUGH DEVILS CANYON TO START THE EBX



# East Branch Extension

- WATER FLOWS FROM DEVILS CANYON INTO THE EAST BRANCH EXTENSION
- SBVMWD AND SGPWA ARE THE ONLY TWO PARTICIPANTS FOR THIS PIPELINE
- END OF THE LINE FOR THE STATE WATER PROJECT

# State Water Project Recap



- The State Water Project moves upwards of 4 million acre-feet from Northern CA to Southern CA
- Water moves from...
  - Lake Oroville to the Sacramento-San Joaquin Delta
  - Delta to San Luis Reservoir
  - San Luis Reservoir to Edmonston Pump Station
  - Edmonston Pump Station to Pearblossom Pump Station
  - Pearblossom to Lake Silverwood/Devi's Canyon
  - Lake Silverwood/Devi's Canyon to SGPWA
- Water travels over 500 miles before it gets to SGPWA

# For more information please visit:

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[water.ca.gov](http://water.ca.gov)

[swc.org](http://swc.org)

# 2025 Water Portfolio Update

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BOARD OF DIRECTORS

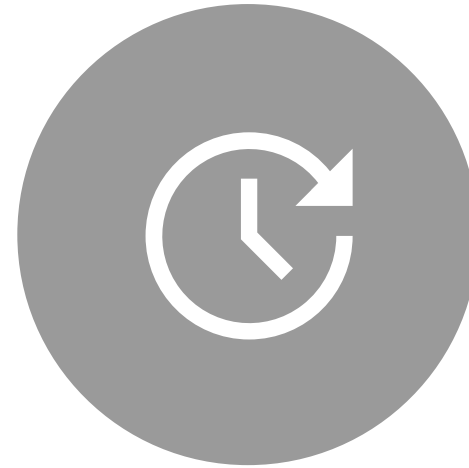
JANUARY 6, 2025

# Discussion Topics

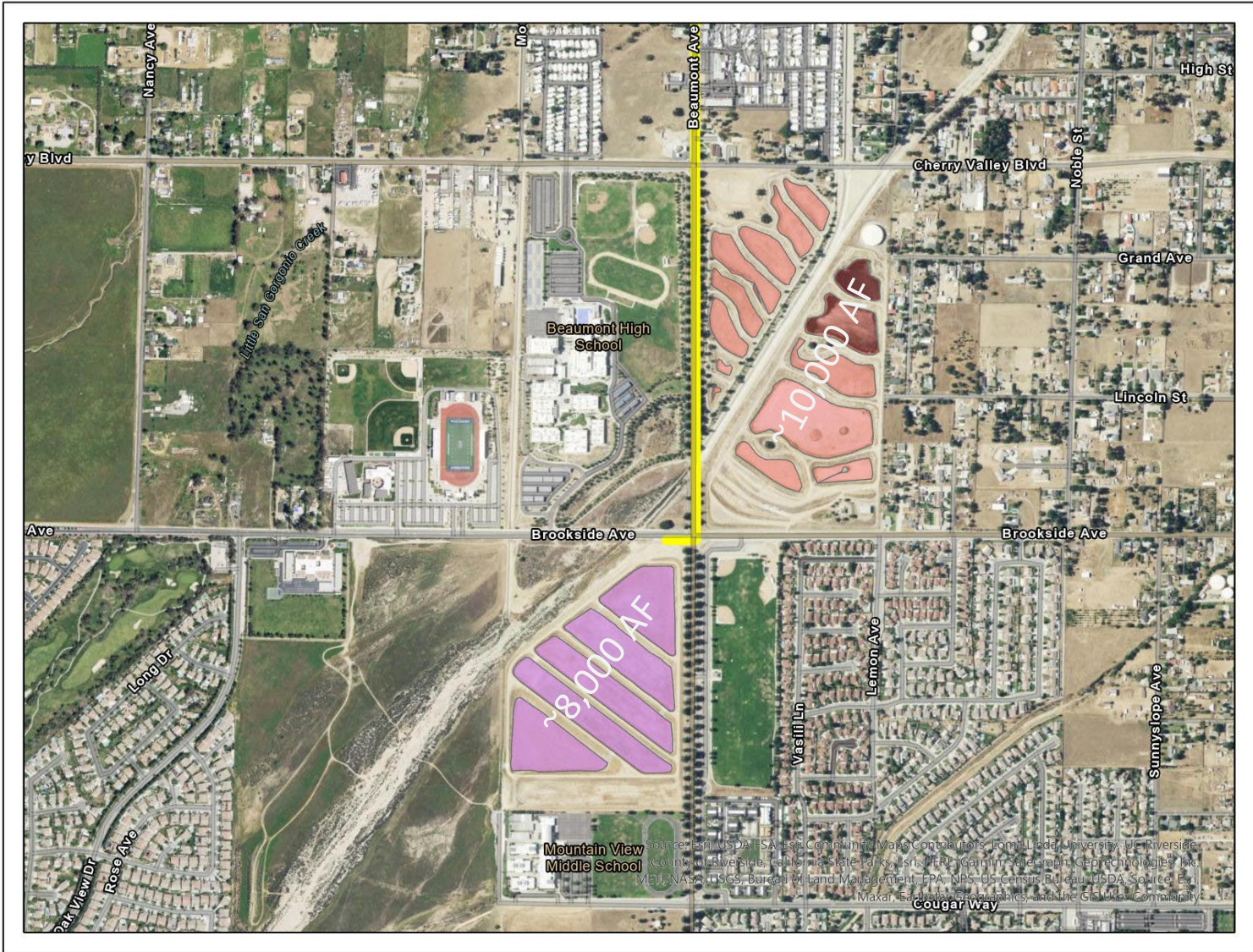
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2024 RECAP



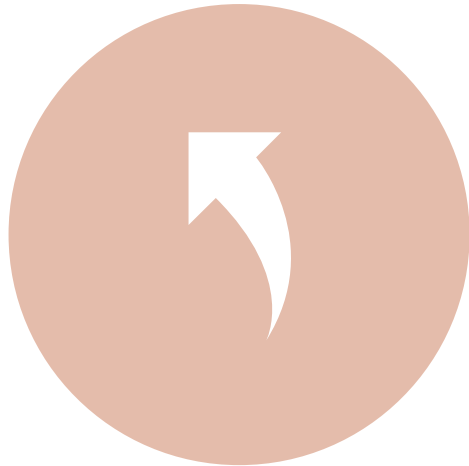
2025 OUTLOOK



~18,000 acre-feet was recharged in 2024

# Discussion Topics

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2024 RECAP



2025 OUTLOOK



## 2025 Water Supply

All Values in Acre-Feet

	15%
Table A	4,095
Carryover	1,250
Nickel Water	1,700
Dry Year Water	300
<b>Pre-Stored Water</b>	<b>894</b>
AVEK Return	3,200*
Total Available Supply	8,000

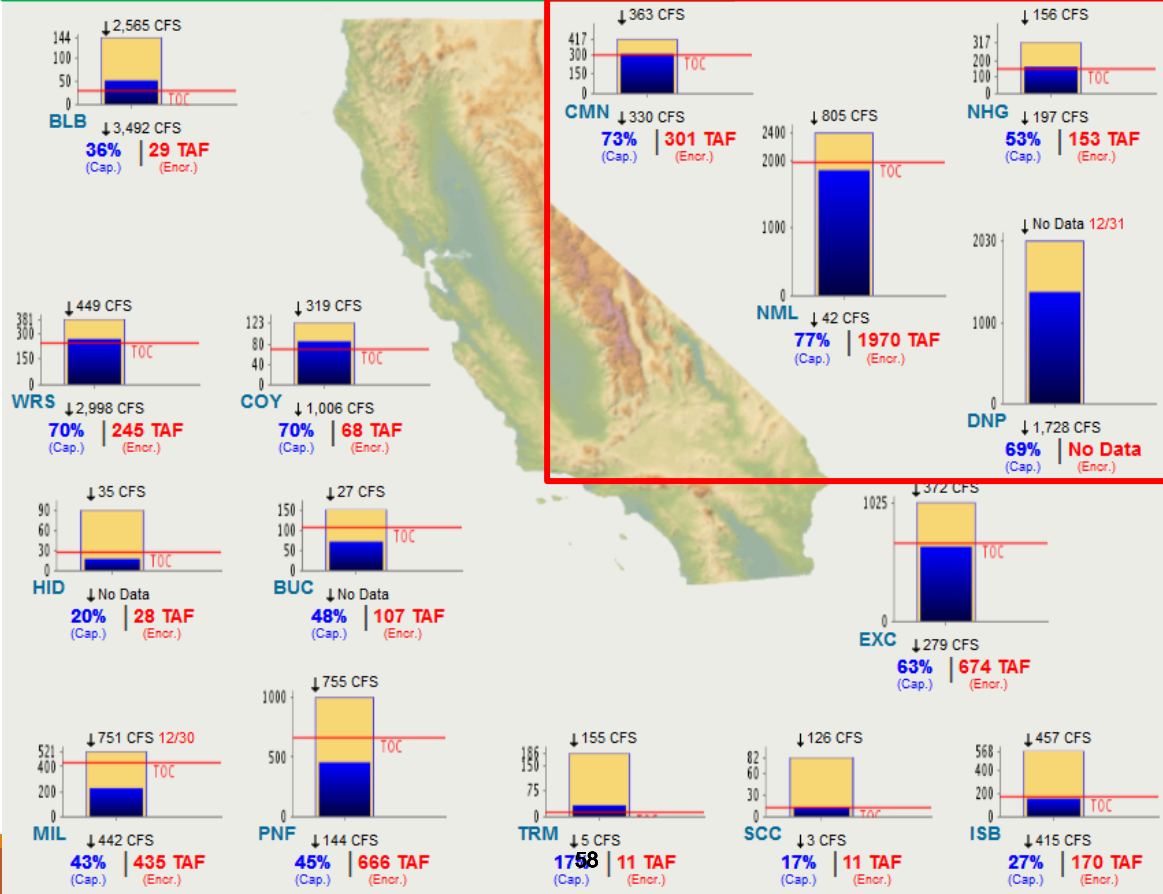
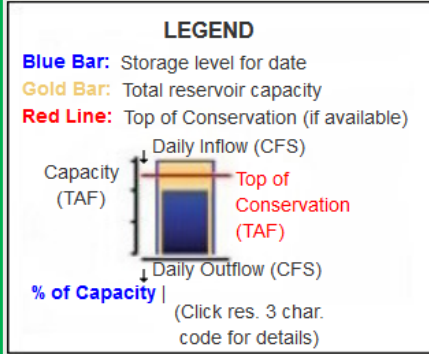
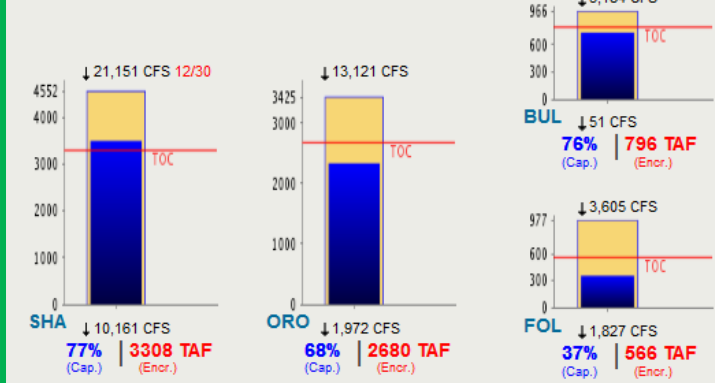
\* AVEK return water is available in 30% or higher allocations

The allocation as of January 2, 2025, is set at 15% - total SGPWA available supply at this allocation is estimated at around 8,000 acre-feet

TOP OF CONSERVATION CONDITIONS:  
CENTRAL VALLEY AND RUSSIAN RIVER FLOOD CONTROL RESERVOIRS: 01-JAN-2025

Data as of Midnight: 01-Jan-2025

Change Date: 01-Jan-2025



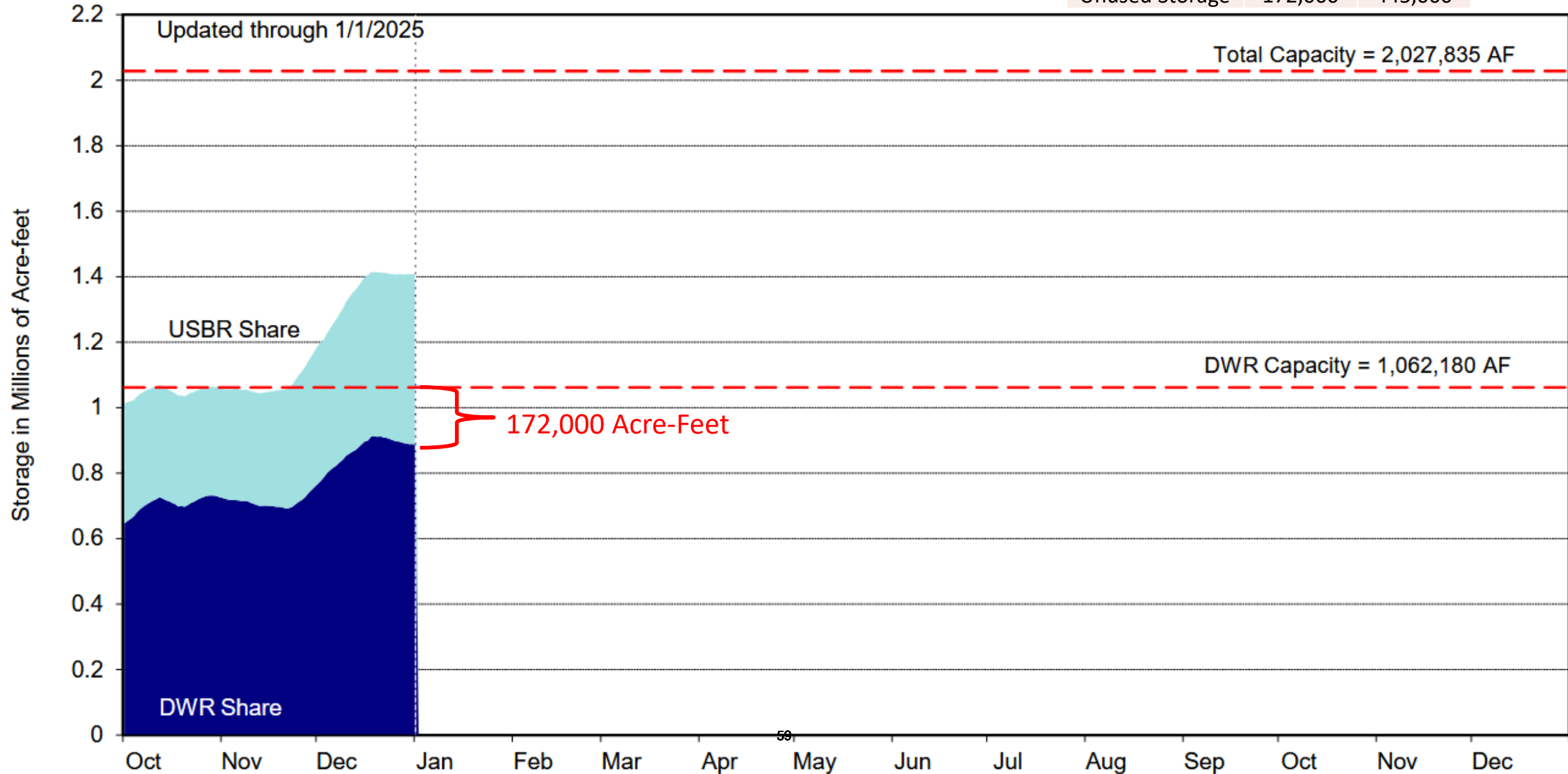
[Click for printable version of current data.](#)

Report Generated: 02-Jan-2025 11:43 AM

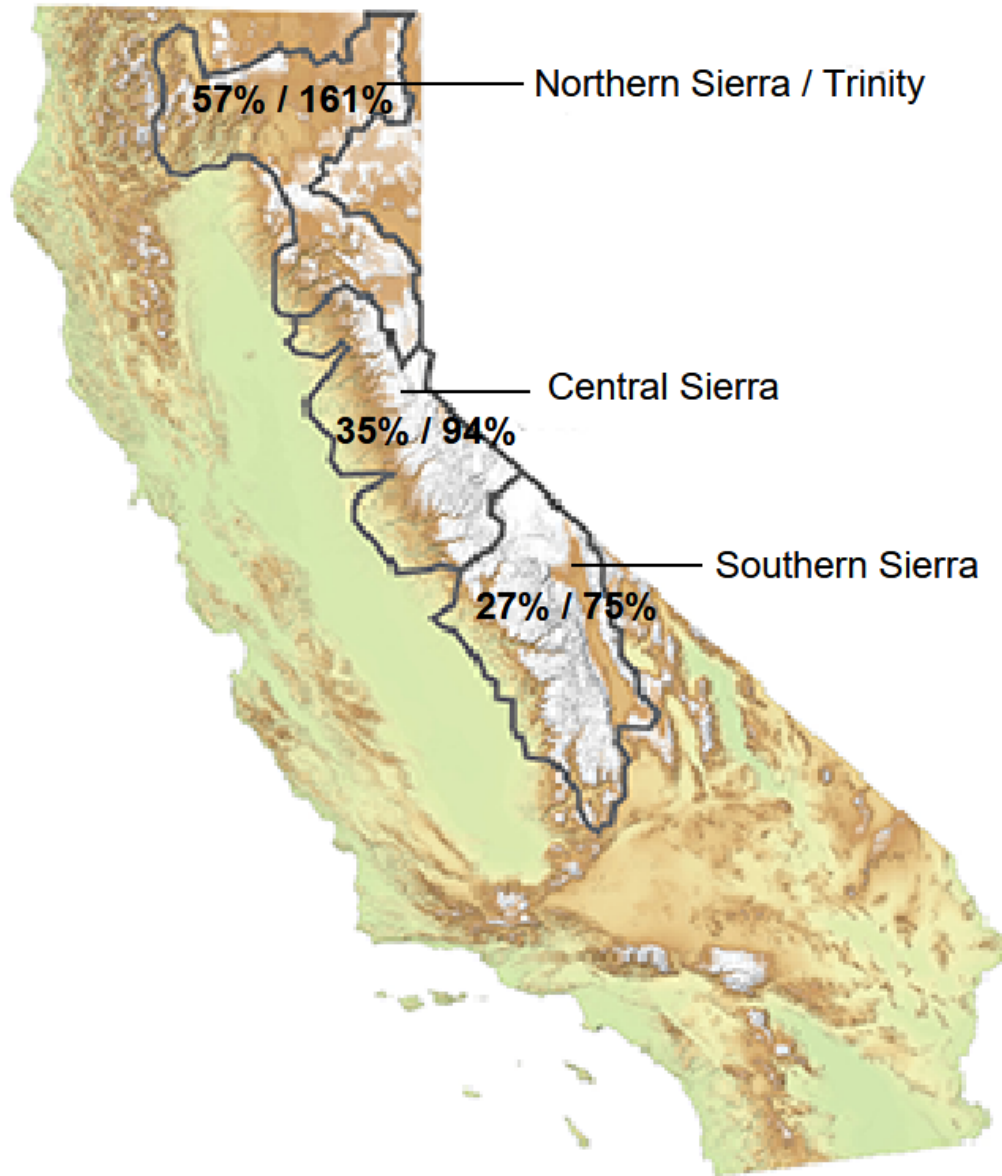
# San Luis Reservoir Storage

## Combination Water/Calendar Year

	State	Federal
Current Storage	890,000	520,000
Max Storage	1,062,000	965,000
Unused Storage	172,000	445,000



% of April 1 Average / % of Normal for This Date



<b>NORTH</b>	
Data as of January 2, 2025	
Number of Stations Reporting	28
Average snow water equivalent (Inches)	15.9
Percent of April 1 Average (%)	57
Percent of normal for this date (%)	161

<b>CENTRAL</b>	
Data as of January 2, 2025	
Number of Stations Reporting	52
Average snow water equivalent (Inches)	10.0
Percent of April 1 Average (%)	35
Percent of normal for this date (%)	94

<b>SOUTH</b>	
Data as of January 2, 2025	
Number of Stations Reporting	25
Average snow water equivalent (Inches)	6.2
Percent of April 1 Average (%)	27
Percent of normal for this date (%)	75

<b>STATE</b>	
Data as of January 2, 2025	
Number of Stations Reporting	105
Average snow water equivalent (Inches)	10.7
Percent of April 1 Average (%)	39
Percent of normal for this date (%)	108

# 2025 is still uncertain, but it's likely to be higher than 15%

2025 Water Portfolio Scenarios				
All Values in Acre-Feet				
	65%	45%	25%	15%
Table A	17,745	12,285	6,825	4,095
Carryover	1,250	1,250	1,250	1,250
Nickel Water	1,700	1,700	1,700	1,700
Dry Year Program	0	300	300	300
<b>Pre-Stored Water</b>	<b>893</b>	<b>893</b>	<b>893</b>	<b>893</b>
AVEK Return	3,200*	3,200*	3,200*	3,200*
Total Available Supply	21,500	16,400	10,900	8,000

\* AVEK return water is available in 30% or higher allocations

# Takeaways

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- Pass delivered over 18,000 acre-feet in 2024
- The risk of San Luis filling up is moderately high at this time
- Although uncertain, it is likely the allocation will rise before April 1<sup>st</sup>

# Questions?

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**SAN GORGONIO PASS WATER AGENCY**  
**Presentation to the Board of Directors**  
**For the Fiscal Year Ended**  
**June 30, 2024**

NIGRO & NIGRO<sup>PC</sup>





## SCOPE OF WORK

Perform Audit Testwork of the Entity's Annual Financial Statements/Report

Report on the Entity's internal control over financial reporting and on compliance in accordance with Government Auditing Standards

## OUR RESPONSIBILITY IN ACCORDANCE WITH PROFESSIONAL STANDARDS

1. Form and express an opinion about whether the Annual Financial Statements results, that have been prepared by management, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
2. Our responsibility is to plan and perform the audit to obtain **reasonable assurance (not absolute assurance)** about whether the Annual Financial Statements are free of material misstatements.
3. We are to consider the Entity's internal controls and segregations of duties over accounting procedures and financial reporting as we perform our audit testwork. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal controls.

## AUDIT RESULTS

An Auditor's **Unmodified Opinion** has been issued on the Annual Financial Statements.

- The Annual Financial Statements are fairly presented in all material respects.
- The adopted significant accounting policies have been consistently applied.
- Estimates are considered reasonable for Depreciation, Pension and OPEB expenses.
- Required disclosures are properly reflected in the Annual Financial Statements.

## AU-C 265 – Communicating Internal Control Related Matters Identified in an Audit

**No Material Issues Arose to be Reported to the Governing Board/Management**

**Any Minor Issues Were Discussed Orally and Corrected by Management**

## How Do We Make You Better?

**Best Practice Solutions Were Conveyed to Management – That's the Audit ROI**

**San Gorgonio Pass Water Agency**  
**Dashboard – Audited Financial Statements**

**June 30, 2024 vs 2023**

Revenues & Expenses	2024	2023	Variance
<b>Operating Revenues:</b>			
Water sales	\$ 6,431,501	\$ 5,153,069	\$ 1,278,432
GSP – grants and reimbursements	53,023	67,822	(14,799)
<b>Non-Operating Revenues:</b>			
Property taxes	50,059,530	42,947,540	7,111,990
Rental revenue	27,825	29,571	(1,746)
Investment earnings	4,252,397	366,479	3,885,918
Other non-operating revenues(expenses)	(33,806)	1,959	(35,765)
<b>Total Revenues</b>	<u>60,790,470</u>	<u>48,566,440</u>	<u>12,224,030</u>
<b>Operating Expenses:</b>			
Source of supply – water purchases	9,545,340	6,932,266	2,613,074
Source of supply – operations	16,949,587	13,472,177	3,477,410
Engineering and consulting	872,685	828,350	44,335
Groundwater sustainability plan – costs	28,196	1,148,380	(1,120,184)
General and administrative	2,283,482	2,218,860	64,622
<b>Operating expenses before depr.</b>	<u>29,679,290</u>	<u>24,600,033</u>	<u>5,079,257</u>
Depreciation expense	5,677,772	10,888,338	(5,210,566)
<b>Total Expenses</b>	<u>35,357,062</u>	<u>35,488,371</u>	<u>(131,309)</u>
<b>Change in Revenues &amp; Expenses</b>	<u>\$ 25,433,408</u>	<u>\$ 13,078,069</u>	<u>\$ 12,355,339</u>
<b>Capital Outlay:</b>			
<b>Capital Asset Additions</b>	\$ (9,225,297)	\$ (10,844,051)	\$ 1,618,754
<b>Depreciation Expense</b>	<u>5,677,772</u>	<u>10,888,338</u>	<u>(5,210,566)</u>
<b>Change in Capital Expense</b>	<u>\$ (3,547,525)</u>	<u>\$ 44,287</u>	<u>\$ (3,591,812)</u>
<b>Cash &amp; Investments</b>	<u>\$ 113,921,247</u>	<u>\$ 93,189,298</u>	<u>\$ 20,731,949</u>
<b>Quick Summary:</b>			
<b>Change in Revenues &amp; Expenses</b>	\$ 25,433,408		
<b>Change in Capital Expense</b>	(3,547,525)	Use of cash	
<b>Change in Receivables/Payables</b>	(658,277)	Change in cash	
<b>Change in Cash &amp; Investments</b>	<u>\$ 21,227,606</u>	<b>Approximately</b>	<u>\$ 495,657</u>
<b>Investment Earnings to Portfolio</b>	<u>4.11%</u>		
	103,555,273	Average Portfolio	

**SAN GORGONIO PASS WATER AGENCY**  
**Report to the Board of Directors**  
**For the Fiscal Year Ended**  
**June 30, 2024**

**NIGRO & NIGRO<sup>PC</sup>**

**SAN GORGONIO PASS WATER AGENCY**

*Table of Contents*

*For the Fiscal Year Ended June 30, 2024*

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	<u>Page</u>
<b>Letter to Board of Directors .....</b>	<b>1</b>
<b>Required Communications .....</b>	<b>2</b>
<b>Summary of Adjusting Journal Entries .....</b>	<b>4</b>



Board of Directors  
San Geronio Pass Water Agency  
Beaumont, California

We are pleased to present this report related to our audit of the financial statements of the San Geronio Pass Water Agency (Agency) as of and for the year ended June 30, 2024. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Agency financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the Agency.

Very truly yours,

A handwritten signature in blue ink that reads 'Nigro &amp; Nigro, PC'. The signature is written in a cursive, flowing style.

Murrieta, California  
December 9, 2024

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## ***Required Communications***

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**SAN GORGONIO PASS WATER AGENCY**

*Required Communications*

*For the Fiscal Year Ended June 30, 2024*

Generally accepted auditing standards (AU-C 260, *The Auditor’s Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
<p><b>Our Responsibilities with Regard to the Financial Statement Audit</b></p>	<p>Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated May 1, 2024. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.</p>
<p><b>Overview of the Planned Scope and Timing of the Financial Statement Audit</b></p>	<p>An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions and the account-type of areas tested. There were no changes to the planned scope and timing of our audit testwork.</p>
<p><b>Accounting Policies and Practices</b></p>	<p><b>Accounting Policies and Practices</b> Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. During our audit, no such circumstances were noted.</p> <p><b>Adoption of, or Change in, Significant Accounting Policies or Their Application</b> Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Agency. The Agency did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.</p> <p><b>Significant or Unusual Transactions</b> We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p><b>Management’s Judgments and Accounting Estimates</b> Accounting estimates are an integral part of the preparation of financial statements and are based upon management’s current judgement. No such significant accounting estimates were noted or estimate applications were changed from the previous year.</p>
<p><b>Audit Adjustments</b></p>	<p>Audit adjustments are summarized in the attached <b>Summary of Adjusting Journal Entries</b>.</p>
<p><b>Uncorrected Misstatements</b></p>	<p>We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.</p>

**SAN GORGONIO PASS WATER AGENCY**

*Required Communications*

*For the Fiscal Year Ended June 30, 2024*

Area	Comments
<b>Discussions With Management</b>	We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
<b>Disagreements With Management</b>	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
<b>Consultations With Other Accountants</b>	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
<b>Significant Issues Discussed With Management</b>	No significant issues arising from the audit were discussed or the subject of correspondence with management.
<b>Significant Difficulties Encountered in Performing the Audit</b>	No significant difficulties were encountered in performing our audit.
<b>Required Supplementary Information</b>	<p>We applied certain limited procedures to the:</p> <ol style="list-style-type: none"> <li>1. Management's Discussion and Analysis</li> <li>2. Required Pension Plan Disclosures</li> <li>3. Required OPEB Plan Disclosures</li> </ol> <p>Which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.</p>

This information is intended solely for the information and use of Board of Directors and management of the Agency and is not intended to be, and should not be, used by anyone other than these specified parties.



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***Summary of Adjusting Journal Entries***

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**SAN GORGONIO PASS WATER AGENCY**

*Summary of Adjusting Journal Entries  
For the Fiscal Year Ended June 30, 2024*

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*See Attached Report*

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
<b>Adjusting Journal Entries JE # 1</b>			
To reclass FA reduced asset value			
1100001	SOURCE OF SUPPLY	18,129.61	
4600002	OTHER INCOME - DS	36,415.02	
1100001	SOURCE OF SUPPLY		36,415.02
1110001	RECHARGE FACILITIES		18,129.61
<b>Total</b>		<b>54,544.63</b>	<b>54,544.63</b>
<b>Adjusting Journal Entries JE # 2</b>			
To correct Prepaid balance			
5550011	INSURANCE & SURETY BONDS	4,310.00	
1820011	PREPAID INSURANCE		4,310.00
<b>Total</b>		<b>4,310.00</b>	<b>4,310.00</b>
<b>Adjusting Journal Entries JE # 3</b>			
To Correct Investment balance			
1770041	CAMP - MANAGED LONG TERM	267,416.33	
1770051	CAMP - MANAGED POOL		267,416.33
<b>Total</b>		<b>267,416.33</b>	<b>267,416.33</b>
<b>Adjusting Journal Entries JE # 4</b>			
To True up GASB 87			
1800051	LEASES RECEIVABLE	31,314.56	
1800051	LEASES RECEIVABLE	132,582.00	
4610001	LEASE PAYMENTS	3,490.00	
2652001	DEFERRED INFLOWS - LEASES		133,414.00
4610001	LEASE PAYMENTS		31,314.56
4610011	LEASE INTEREST		2,658.00
<b>Total</b>		<b>167,386.56</b>	<b>167,386.56</b>
<b>Adjusting Journal Entries JE # 5</b>			
To record GASB 75 OPEB.			
1910001	DEFERRED OUTFLOWS OPEB	311,958.00	
2651001	DEFERRED INFLOWS - OPEB	23,389.00	
5330001	OPEB EXPENSE/CERBT- GEN	4,866.00	
5330002	OPEB EXPENSE/CERBT - DS	3,558.00	
2610001	OPEB LIABILITY		343,771.00
<b>Total</b>		<b>343,771.00</b>	<b>343,771.00</b>
<b>Adjusting Journal Entries JE # 6</b>			
To true up GASB 68 balances to agree to CalPERS Tool.			
5320001	RETIREMENT EMPLOYER PD - GEN	1.00	
5320002	RETIREMENT EMPLOYER PD - DS	1.00	
1900001	DEFERRED OUTFLOWS PENSION		1.00
2650001	DEFERRED INFLOWS - PENSION		1.00
<b>Total</b>		<b>2.00</b>	<b>2.00</b>
	<b>Total Adjusting Journal Entries</b>	<b>837,430.52</b>	<b>837,430.52</b>

**SAN GORGONIO PASS WATER AGENCY  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
For the Fiscal Year Ended  
June 30, 2024  
(With Comparative Amounts as of June 30, 2023)**

**NIGRO & NIGRO<sup>PC</sup>**

**SAN GORGONIO PASS WATER AGENCY**

*For the Fiscal Year Ended June 30, 2024*

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## ***Financial Section***

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
San Geronio Pass Water Agency  
Beaumont, California

### Opinion

We have audited the accompanying financial statements of the San Geronio Pass Water Agency (Agency), which comprise the balance sheets as of June 30, 2024, and related statements of revenue, expenses, and changes in net position, and cash flows for the years then ended, and related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2024, and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Agency's Proportionate Share of the Plan's Net Pension Liability, Schedule of the Agency's Contributions to the Pension Plan, Schedule of Changes in the Agency's Net OPEB Liability and Related Ratios, and Schedule of the Agency's Contributions to the OPEB Plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



**Prior-Year Comparative Information**

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended June 30, 2023, from which such partial information was derived.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a separate report dated December 19, 2024, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Murrieta, California  
December 19, 2024

**SAN GORGONIO PASS WATER AGENCY**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Years Ended June 30, 2024 and 2023*

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Management's Discussion and Analysis (MD&A) offers readers of San Gorgonio Pass Water Agency's financial statements a narrative overview of the Agency's financial activities for the year ended June 30, 2024. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- In fiscal year 2024, the Agency's net position increased 11.11%, or \$25,443,408 from the prior year's net position of \$228,838,309 to \$254,271,717, as a result of the year's financial activities.
- In fiscal year 2024, operating revenues increased by 24.20%, or \$1,263,633 from \$5,220,891 to 6,484,524, from the prior year, due to an increase in water sales.
- In fiscal year 2024, operating expenses before depreciation expense increased by 20.65% or \$5,079,257 from \$24,600,033 to \$29,679,290, from the prior year, primarily due to an increase in source of supply – water purchases and operational costs.

**REQUIRED FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The Balance Sheet, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows provide information about the activities and performance of the Agency using accounting methods similar to those used by private sector companies.

The Balance Sheet includes all of the Agency's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the Agency and assessing the liquidity and financial flexibility of the Agency. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the Agency's operations over the past year and can be used to determine if the Agency has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and creditworthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the Agency's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

**SAN GORGONIO PASS WATER AGENCY**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Years Ended June 30, 2024 and 2023*

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**FINANCIAL ANALYSIS OF THE AGENCY**

One of the most important questions asked about the Agency's finances is, "Is the Agency better off or worse off as a result of this year's activities?" The Balance Sheet and the Statement of Revenues, Expenses and Changes in Net Position report information about the Agency in a way that helps answer this question.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the Agency's net position and changes in them. You can think of the Agency's net position – the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources – as one way to measure the Agency's financial health, or financial position. Over time, increases or decreases in the Agency's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation.

**Condensed Balance Sheets**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Change</u>
<b>Assets:</b>			
Current assets	\$ 40,482,896	\$ 25,426,688	\$ 15,056,208
Non-current assets	78,184,451	70,892,797	7,291,654
Capital assets, net	<u>137,020,286</u>	<u>133,472,761</u>	<u>3,547,525</u>
<b>Total assets</b>	<u>255,687,633</u>	<u>229,792,246</u>	<u>25,895,387</u>
<b>Deferred outflows of resources</b>	<u>1,007,013</u>	<u>802,986</u>	<u>204,027</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 256,694,646</u>	<u>\$ 230,595,232</u>	<u>\$ 26,099,414</u>
<b>Liabilities:</b>			
Current liabilities	\$ 1,267,941	\$ 1,119,037	\$ 148,904
Non-current liabilities	<u>946,984</u>	<u>493,026</u>	<u>453,958</u>
<b>Total liabilities</b>	<u>2,214,925</u>	<u>1,612,063</u>	<u>602,862</u>
<b>Deferred inflows of resources</b>	<u>208,004</u>	<u>144,860</u>	<u>63,144</u>
<b>Net position:</b>			
Investment in capital assets	137,020,286	133,472,761	3,547,525
Restricted	78,052,241	70,892,797	7,159,444
Unrestricted	<u>39,199,190</u>	<u>24,472,751</u>	<u>14,726,439</u>
<b>Total net position</b>	<u>254,271,717</u>	<u>228,838,309</u>	<u>25,433,408</u>
<b>Total liabilities, deferred outflows of resources and net position</b>	<u>\$ 256,694,646</u>	<u>\$ 230,595,232</u>	<u>\$ 26,099,414</u>

**SAN GORGONIO PASS WATER AGENCY**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Years Ended June 30, 2024 and 2023*

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**FINANCIAL ANALYSIS OF THE AGENCY (continued)**

**Condensed Balance Sheets (continued)**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Agency, assets and deferred outflows of resources of the Agency exceeded liabilities and deferred inflows of resources by \$254,271,717 as of June 30, 2024.

By far the largest portion of the Agency's net position (54% as of June 30, 2024) reflects the Agency's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The Agency uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending.

At the end of year 2024, the Agency showed a positive balance in its unrestricted net position of \$39,199,190 which may be utilized in future years.

**Condensed Statements of Revenues, Expenses, and Changes in Net Position**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Change</u>
Operating revenues	\$ 6,484,524	\$ 5,220,891	\$ 1,263,633
Operating expenses	<u>(29,679,290)</u>	<u>(24,600,033)</u>	<u>(5,079,257)</u>
<b>Operating income before depreciation</b>	(23,194,766)	(19,379,142)	(3,815,624)
Depreciation expense	<u>(5,677,772)</u>	<u>(10,888,338)</u>	5,210,566
<b>Operating income</b>	(28,872,538)	(30,267,480)	1,394,942
Non-operating revenues(expenses), net	<u>54,305,946</u>	<u>43,345,549</u>	<u>10,960,397</u>
<b>Change in net position</b>	25,433,408	13,078,069	12,355,339
Net position:			
<b>Beginning of year</b>	<u>228,838,309</u>	<u>215,760,240</u>	<u>13,078,069</u>
<b>End of year</b>	<u>\$ 254,271,717</u>	<u>\$ 228,838,309</u>	<u>\$ 25,433,408</u>

The statement of revenues, expenses and changes in net position shows how the Agency's net position changed during the fiscal years. In the case of the Agency, net position increased 11.11%, or \$25,443,408 from the prior year's net position of \$228,838,309 to \$254,271,717, as a result of the year's financial activities.

**SAN GORGONIO PASS WATER AGENCY**  
*Management's Discussion and Analysis (Unaudited)*  
For the Years Ended June 30, 2024 and 2023

**FINANCIAL ANALYSIS OF THE AGENCY (continued)**

**Total Revenues**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Increase (Decrease)</u>
<b>Operating revenues:</b>			
Water sales	\$ 6,431,501	\$ 5,153,069	\$ 1,278,432
Groundwater sustainability plan – grants and reimbursements	53,023	67,822	(14,799)
<b>Total operating revenues</b>	<u>6,484,524</u>	<u>5,220,891</u>	<u>1,263,633</u>
<b>Non-operating revenues:</b>			
Property taxes	50,059,530	42,947,540	7,111,990
Investment earnings	4,252,397	366,479	3,885,918
Rental and contract revenue	27,825	29,571	(1,746)
Other non-operating revenues	<u>(36,415)</u>	<u>-</u>	<u>(36,415)</u>
<b>Total non-operating revenues</b>	<u>54,305,946</u>	<u>43,345,549</u>	<u>10,960,397</u>
<b>Total revenues</b>	<u>\$ 60,790,470</u>	<u>\$ 48,566,440</u>	<u>\$ 12,224,030</u>

In fiscal year 2024, operating revenues increased by 24.20%, or \$1,263,633 from \$5,220,891 to 6,484,524, from the prior year, due to an increase in water sales. Non-operating revenues increased by 25.29%, or \$9,678,622 from \$43,345,549 to \$54,305,946 due to an increase in property tax revenue as well as an increase in investment earnings as the result of increasing market interest rates.

**Total Expenses**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Increase (Decrease)</u>
<b>Operating expenses:</b>			
Source of supply - water purchases	\$ 9,545,340	\$ 6,932,266	\$ 2,613,074
Source of supply - operations	16,949,587	13,472,177	3,477,410
Engineering and consulting	872,685	828,350	44,335
Groundwater sustainability plan – costs	28,196	1,148,380	(1,120,184)
General and administrative	<u>2,283,482</u>	<u>2,218,860</u>	<u>64,622</u>
<b>Total operating expenses</b>	<u>29,679,290</u>	<u>24,600,033</u>	<u>5,079,257</u>
Depreciation expense	<u>5,677,772</u>	<u>10,888,338</u>	<u>(5,210,566)</u>
<b>Total expenses</b>	<u>\$ 35,357,062</u>	<u>\$ 35,488,371</u>	<u>\$ (131,309)</u>

In fiscal year 2024, operating expenses before depreciation expense increased by 20.65% or \$5,079,257 from \$24,600,033 to \$29,679,290, from the prior year, primarily due to an increase in source of supply – water purchases and operational costs.

**SAN GORGONIO PASS WATER AGENCY**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Years Ended June 30, 2024 and 2023*

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**FINANCIAL ANALYSIS OF THE AGENCY (continued)**

**Capital Assets**

<b>Capital assets:</b>	<b>Balance</b>	<b>Balance</b>
	<b>June 30, 2024</b>	<b>June 30, 2023</b>
Non-depreciable assets	\$ 18,746,399	\$ 17,048,943
Depreciable assets	215,712,642	208,185,381
Accumulated depreciation	<u>(97,438,755)</u>	<u>(91,761,563)</u>
<b>Total capital assets, net</b>	<b><u>\$ 137,020,286</u></b>	<b><u>\$ 133,472,761</u></b>

At the end of year 2024, the Agency's investment in capital assets amounted to \$137,020,286 (net of accumulated depreciation). Capital asset additions amounted to \$9,279,842 for various projects and equipment. See Note 6 for further information.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

**CONDITIONS AFFECTING CURRENT AND FUTURE FINANCIAL POSITION**

Management is unaware of any item that would affect the current financial position.

**CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the Agency's funding sources, customers, stakeholders and other interested parties with an overview of the Agency's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Agency's Finance Department, 1210 Beaumont Avenue, Beaumont, CA 92223 - (951) 845 -2577.

# SAN GORGONIO PASS WATER AGENCY

## Balance Sheets

June 30, 2024 (With Comparative Amounts as of June 30, 2023)

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	<u>2024</u>	<u>2023</u>
<b>Current assets:</b>		
Cash and cash equivalents (Note 2)	\$ 36,693,698	\$ 23,156,952
Accrued interest receivable	234,177	133,844
Accounts receivable	932,629	797,398
Property taxes receivable	1,984,407	230,789
Other receivables	573,233	1,072,578
Lease receivable (Note 4)	29,029	28,657
Prepaid expenses	35,723	6,470
<b>Total current assets</b>	<u>40,482,896</u>	<u>25,426,688</u>
<b>Non-current assets:</b>		
Restricted: (Note 3)		
Cash and cash equivalents	15,111,327	10,400,975
Investments	62,116,222	59,631,371
Property taxes receivable	824,692	860,451
Lease receivable (Note 4)	132,210	-
Capital assets – not being depreciated (Note 6)	18,746,399	17,048,943
Capital assets – being depreciated, net (Note 6)	118,273,887	116,423,818
<b>Total non-current assets</b>	<u>215,204,737</u>	<u>204,365,558</u>
<b>Total assets</b>	<u>255,687,633</u>	<u>229,792,246</u>
<b>Deferred outflows of resources:</b>		
Deferred amounts related to net OPEB liability (Note 8)	439,130	127,172
Deferred amounts related to net pension liability (Note 9)	567,883	675,814
<b>Total deferred outflows of resources</b>	<u>1,007,013</u>	<u>802,986</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 256,694,646</u>	<u>\$ 230,595,232</u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u></b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 1,245,507	\$ 1,098,161
Long-term liabilities – due within one year:		
Compensated absences (Note 7)	22,434	20,876
<b>Total current liabilities</b>	<u>1,267,941</u>	<u>1,119,037</u>
<b>Non-current liabilities:</b>		
Long-term liabilities – due in more than one year:		
Compensated absences (Note 7)	127,125	118,294
Net OPEB liability (Note 8)	410,829	67,058
Net pension liability (Note 9)	409,030	307,674
<b>Total non-current liabilities</b>	<u>946,984</u>	<u>493,026</u>
<b>Total liabilities</b>	<u>2,214,925</u>	<u>1,612,063</u>
<b>Deferred inflows of resources:</b>		
Deferred amounts related to leases (Note 4)	161,239	27,825
Deferred amounts related to net OPEB liability (Note 8)	-	23,389
Deferred amounts related to net pension liability (Note 9)	46,765	93,646
<b>Total deferred inflows of resources</b>	<u>208,004</u>	<u>144,860</u>
<b>Net position:</b>		
Investment in capital assets	137,020,286	133,472,761
Restricted for State Water Project participation (Note 3)	78,052,241	70,892,797
Unrestricted	39,199,190	24,472,751
<b>Total net position</b>	<u>254,271,717</u>	<u>228,838,309</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 256,694,646</u>	<u>\$ 230,595,232</u>

**SAN GORGONIO PASS WATER AGENCY***Statements of Revenues, Expenses and Changes in Net Position**For the Fiscal Year Ended June 30, 2024 (With Comparative Amounts as of June 30, 2023)*

	<u>2024</u>	<u>2023</u>
<b>Operating revenues:</b>		
Water sales	\$ 6,431,501	\$ 5,153,069
Groundwater sustainability plan – grants and reimbursements	53,023	67,822
<b>Total operating revenues</b>	<u>6,484,524</u>	<u>5,220,891</u>
<b>Operating expenses:</b>		
Source of supply – water purchases	9,545,340	6,932,266
Source of supply – operations	16,949,587	13,472,177
Engineering and consulting	872,685	828,350
Groundwater sustainability plan – costs	28,196	1,148,380
General and administrative	2,283,482	2,218,860
<b>Total operating expenses</b>	<u>29,679,290</u>	<u>24,600,033</u>
<b>Operating loss before depreciation</b>	(23,194,766)	(19,379,142)
Depreciation expense	(5,677,772)	(10,888,338)
<b>Operating loss</b>	<u>(28,872,538)</u>	<u>(30,267,480)</u>
<b>Non-operating revenues(expenses):</b>		
Property taxes	50,059,530	42,947,540
Investment earnings	4,252,397	366,479
Rental revenue	27,825	29,571
Other non-operating revenues	2,609	1,959
Other non-operating expenses	(36,415)	-
<b>Total non-operating revenues(expenses), net</b>	<u>54,305,946</u>	<u>43,345,549</u>
<b>Change in net position</b>	25,433,408	13,078,069
<b>Net position:</b>		
Beginning of year	<u>228,838,309</u>	<u>215,760,240</u>
End of year	<u>\$ 254,271,717</u>	<u>\$ 228,838,309</u>



**SAN GORGONIO PASS WATER AGENCY***Statements of Cash Flows**For the Fiscal Year Ended June 30, 2024 (With Comparative Amounts as of June 30, 2023)*

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities:</b>		
Cash receipts from customers and others	\$ 6,842,657	\$ 3,483,354
Cash paid to employees for salaries and wages	(1,266,395)	(798,187)
Cash paid to vendors and suppliers for materials and services	<u>(28,112,751)</u>	<u>(22,252,834)</u>
<b>Net cash used in operating activities</b>	<u>(22,536,489)</u>	<u>(19,567,667)</u>
<b>Cash flows from non-capital financing activities:</b>		
Proceeds from property taxes	<u>48,341,671</u>	<u>42,604,693</u>
<b>Net cash provided by non-capital financing activities</b>	<u>48,341,671</u>	<u>42,604,693</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets	<u>(9,225,297)</u>	<u>(10,844,051)</u>
<b>Net cash used in capital and related financing activities</b>	<u>(9,225,297)</u>	<u>(10,844,051)</u>
<b>Cash flows from investing activities:</b>		
Change in investments	(451,497)	(204,330)
Investment earnings	<u>2,118,710</u>	<u>632,806</u>
<b>Net cash provided by investing activities</b>	<u>1,667,213</u>	<u>428,476</u>
<b>Net increase in cash and cash equivalents</b>	18,247,098	12,621,451
<b>Cash and cash equivalents:</b>		
Beginning of year	<u>33,557,927</u>	<u>20,936,476</u>
End of year	<u>\$ 51,805,025</u>	<u>\$ 33,557,927</u>

**SAN GORGONIO PASS WATER AGENCY***Statements of Cash Flows (continued)**For the Fiscal Year Ended June 30, 2024 (With Comparative Amounts as of June 30, 2023)*

	<u>2024</u>	<u>2023</u>
<b>Reconciliation of operating loss to net cash used operating activities:</b>		
Operating loss	\$ (28,872,538)	\$ (30,267,480)
<b>Adjustments to reconcile operating loss to net cash used in operating activities:</b>		
Depreciation	5,677,772	10,888,338
Rental revenue	27,825	29,571
Other non-operating revenues and expenses, net	(33,806)	1,959
<b>Change in assets – (increase)decrease:</b>		
Accounts receivable	(135,231)	(796,489)
Other receivables	499,345	(972,578)
Lease Receivable	(132,582)	28,095
Prepaid expenses	(29,253)	(1,000)
<b>Change in deferred outflows of resources – (increase)decrease</b>		
Deferred amounts related to net OPEB obligation liability	(311,958)	(82,089)
Deferred amounts related to net pension liability	107,931	149,704
<b>Change in liabilities – increase(decrease):</b>		
Accounts payable and accrued expenses	147,346	915,003
Compensated absences	10,389	(12,622)
Net OPEB obligation liability	343,771	229,794
Net pension liability	101,356	635,377
<b>Change in deferred inflows of resources – increase(decrease)</b>		
Deferred amounts related to leases	133,414	(27,825)
Deferred amounts related to net OPEB obligation liability	(23,389)	(156,972)
Deferred amounts related to net pension liability	(46,881)	(128,453)
<b>Total adjustments</b>	<u>6,336,049</u>	<u>10,699,813</u>
<b>Net cash used in operating activities</b>	<u>\$ (22,536,489)</u>	<u>\$ (19,567,667)</u>
<b>Noncash investing, capital and financing transactions:</b>		
Change in fair-value of investments	<u>\$ 2,033,354</u>	<u>\$ (376,865)</u>

# SAN GORGONIO PASS WATER AGENCY

## Notes to Financial Statements

June 30, 2024

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### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

#### A. Description of Organization

The San Gorgonio Pass Water Agency Act was passed in 1961 by the California State Legislature. The Act created the San Gorgonio Pass Water Agency (Agency) and defined its powers. The Agency's service area of approximately 225 square miles is located in Riverside County and extends from Calimesa to Cabazon. The service area includes the incorporated cities of Calimesa, Beaumont, and Banning, and the communities of Cherry Valley, Cabazon, and the Banning Bench. The Agency purchases water from the State of California and sells it to local retail water agencies. The water is imported into the service area by the California Aqueduct.

In June of 2020, the Agency entered into a cost sharing agreement with the Cabazon Water District, City of Banning, Banning Heights Mutual Water Company, Mission Springs Water District, and Desert Water Agency. The agreement exists solely for the purpose of developing a Groundwater Sustainability Plan (GSP) for the San Gorgonio Pass Sub-basin (Basin), and to ensure the sustainable management of the Basin by January 1, 2042; as defined by the Sustainable Groundwater Act of 2014. The Agency acts as administrator for the agreement and pays 33.3% of all costs as well as funds all services up front, with any costs not covered by Proposition No. 1 grant funding, being periodically reimbursed on an equal basis of 13.3% by each of the 5 other member agencies based on actual costs incurred.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board Statement No. 61, The Financial Reporting Entity (GASB Statement No. 61). The Agency is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The Agency is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The Agency has no additional component units.

#### B. Basis of Presentation, Basis of Accounting

The Agency reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Agency is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The primary revenue source of the Agency is water sales.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Agency gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied.

Operating revenues are those revenues that are generated from the primary operations of the Agency. The Agency reports a measure of operations by presenting the change in net position from operations as operating income in the statement of revenues, expenses, and changes in net position. Operating activities are defined by the Agency as all activities other than financing and investing activities (interest expense and investment income), grants and subsidies, and other infrequently occurring transactions of a non-operating nature. Operating expenses are those expenses that are essential to the primary operations of the Agency. All other expenses are reported as non-operating expenses.

## SAN GORGONIO PASS WATER AGENCY

### Notes to Financial Statements

June 30, 2024

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#### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

##### C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

###### 1. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Agency considers all highly liquid investments with a maturity of 90 days or less, when purchased, to be cash equivalents. Cash deposits are reported at the carrying amount, which reasonably estimates fair value.

###### 2. Investments

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the Agency categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The Agency has the ability to access the holding and quoted prices as of the measurement date.

*Level 2* – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

*Level 3* – Inputs that are unobservable. Unobservable inputs reflect the Agency's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

###### 3. Restricted Assets

Amounts shown as restricted assets have been restricted by either bond indentures, external constraints, or laws and regulations of other governments.

###### 4. Receivables

Customer accounts receivable consist of amounts owed by private individuals and organizations for services rendered in the regular course of business operations.

###### 5. Prepaids

Certain payments of vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**SAN GORGONIO PASS WATER AGENCY**

*Notes to Financial Statements*

*June 30, 2024*

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**NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)**

**6. Lease receivable and Deferred Inflows of Resources - Leases**

Lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The payments are recorded as an inflow of resources in the period the payment is received. A deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources are amortized on a straight-line basis over the term of the lease.

**7. Capital Assets**

Capital assets are stated at cost or at their estimated fair value at date of donation. It is the Agency's policy to capitalize assets costing over \$5,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets. Estimated service lives for the Agency's classes of assets are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Transmission and distribution system	15-75 years
Equipment	5-10 years

**8. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

**9. Compensated Absences**

The Agency's personnel policies provide for accumulation of vacation and sick leave. Liabilities for vacation and sick leave are recorded when benefits are earned. Cash payment of unused vacation is available to those qualified employees when retired or terminated. Additionally, employees have the option to cash-out vacation and sick leave balances. Cash payment of up to 50% of unused sick leave is available to qualified employees when retired or terminated. The balance after the cash payment is calculated is available as an addition to credited service toward the CalPERS pension plan.

**10. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Agency's California Public Employees' Retirement System (CalPERS) plans and addition to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## SAN GORGONIO PASS WATER AGENCY

### Notes to Financial Statements

June 30, 2024

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#### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

##### C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

###### 10. Pensions (continued)

The following timeframes are used for pension reporting:

Valuation Date June 30, 2022

Measurement Date June 30, 2023

Measurement Period July 1, 2022 to June 30, 2023

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retirees) as of the beginning of the measurement period.

###### 11. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Agency's Retiree Benefits Plan ("the Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments which are reported at cost.

The following timeframes are used for OPEB reporting:

Valuation Date June 30, 2022

Measurement Date June 30, 2023

Measurement Period July 1, 2022 to June 30, 2023

###### 12. Net Position

Net position is classified into three components: investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

- **Investment in capital assets** – This component of net position consists of capital assets, net of accumulated depreciation.
- **Restricted net position** – This component of net position consists of items that do not meet the definition of "investment in capital assets" that are reserved for a specific purpose by covenants, grants, contracts or regulatory requirements.
- **Unrestricted net position** – This component of net position consists of net position that does not meet the definition of "investment in capital assets and/or restricted."

**NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Reclassifications**

The Agency has reclassified certain prior year information to conform with current year presentation.

**E. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

**F. Property Taxes**

Property taxes are attached as an enforceable lien on property as of January 1, each year. Secured property taxes are levied on July 1 and are payable in two installments, on December 10 and April 10. The Counties of Riverside and San Bernardino Assessor’s Offices assess all real and personal property within their respective County each year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one (1%) of countywide assessed valuations. The Counties of Riverside and San Bernardino Treasurer’s Offices remit an undisclosed portion of the one (1%) current and delinquent property tax collections to the Agency throughout the year.

**NOTE 2 – CASH AND INVESTMENTS**

Cash and investments were classified in the accompanying financial statements as follows:

<u>Description</u>	<u>June 30, 2024</u>
Cash and cash equivalents	\$ 36,693,698
Restricted – cash and cash equivalents	15,111,327
Restricted – investments	<u>62,116,222</u>
<b>Total cash and investments</b>	<b><u>\$ 113,921,247</u></b>

Cash and investments consisted of the following:

<u>Description</u>	<u>June 30, 2024</u>
Petty cash	\$ 100
Demand deposits held with financial institutions	352,531
Local Agency Investment Fund (LAIF)	24,768,702
California Asset Management Program (CAMP) Pool	26,683,692
Investments	<u>62,116,222</u>
<b>Total cash and investments</b>	<b><u>\$ 113,921,247</u></b>

## SAN GORGONIO PASS WATER AGENCY

### Notes to Financial Statements

June 30, 2024

#### NOTE 2 – CASH AND INVESTMENTS (continued)

##### Demand Deposits with Financial Institutions

At June 30, 2024, the carrying amounts of the Agency's demand deposits were \$352,531 and the financial institution's balances were \$415,630. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution's balance and the Agency's balance for each year.

##### Custodial Credit Risk – Deposits

Custodial credit risk for *deposits* is the risk that in the event of the failure of a depository financial institution the Agency will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction the Agency will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2024, the Agency's deposits were covered by the Federal Deposit Insurance Corporation insurance limits or collateralized as required by California law.

##### Investments

The Agency's investments as of June 30, 2024 are presented in the following Investment Table:

Type of Investments	Measurement Input	Credit Rating	Total Fair Value	Maturity		
				12 Months or Less	13 to 24 Months	25 to 120 Months
U.S. treasury obligations	Level 2	N/A	\$ 32,585,885	\$ -	\$ 15,899,292	\$ 16,686,593
Federal Agency Commercial Mortgage - Backed	Level 2	A to AAA	11,767,072	-	-	11,767,072
Corporate Notes	Level 2	A to AAA	12,215,603	2,044,150	1,901,482	8,269,971
Asset-backed securities	Level 2	A to AAA	3,419,201	-	82,265	3,336,936
Negotiable certificates-of-deposit	Level 2	AAA	2,128,461	-	-	2,128,461
<b>Total investments</b>			<b>\$ 62,116,222</b>	<b>\$ 2,044,150</b>	<b>\$ 17,883,039</b>	<b>\$ 42,189,033</b>

The Agency has placed its investments with the California Asset Management Program (CAMP) in an individually managed portfolio to meet the Agency's specific investment objectives. Individually managed portfolios are automatically linked to the Investor's/Participant's CAMP Pool account so that maturities and coupon payments are invested at all times. Individually managed investment portfolios are placed under a separate agreement with PFM Asset Management LLC, the program's investment adviser.

##### California Asset Management Program (CAMP) Pool – External Pool

The Authority is a voluntary participant in the California Asset Management Program (CAMP), a California Joint Powers Authority (JPA) established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is managed to maintain a dollar-weighted average portfolio maturity of 60 days or less and seeks to maintain a constant net asset value (NAV) per share of \$1.00. The CAMP Pool invests in obligations of the United States Government and its agencies, high-quality, short-term debt obligations of U.S. companies and financial institutions.



## SAN GORGONIO PASS WATER AGENCY

### Notes to Financial Statements

June 30, 2024

#### NOTE 2 – CASH AND INVESTMENTS (continued)

##### Investments (continued)

##### California Asset Management Program (CAMP) Pool – External Pool (continued)

The CAMP Pool is a permitted investment for all local agencies under CGC Section 53601(p). CAMP is directed by a Board of Trustees, which is made up of experienced finance directors and treasurers of California public agencies that are members of the JPA. CAMP determines fair value on its investment portfolio based on amortized cost. The Authority measures the value of its CAMP Pool investment at the fair value amount provided by CAMP. On June 30, 2024, the CAMP Pool had a total portfolio of approximately \$20.5 billion of which all was invested in non-derivative financial products. The average maturity of the CAMP Pool's investments was 38 days as of June 30, 2024. For financial reporting purposes, the Agency considers CAMP Pool a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2024, the Authority held \$26,683,692 in the CAMP Pool.

##### Investments Authorized by the California Government Code and the Agency's Investment Policy

The table below identifies the investment types that are authorized for the Agency by the California Government Code (or the Agency's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Agency's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. The table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the Agency or the investment of funds within the OPEB Trust that are governed by the agreement between the Agency and the Trustee, rather than the general provisions of the California Government Code or the Agency's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5-years	None	None
U.S. Government Sponsored Agency Securities	5-years	None	None
State of California Obligations	5-years	None	None
CA Local Agency Obligations	5-years	None	None
Negotiable Certificates of Deposit (Negotiable CD)	5-years	30%	5%
CD Placement Service	5-years	30%	None
Banker's Acceptances	180 days	40%	30%
Reverse Purchase Agreement	92 days	20%	None
Repurchase Agreements	1-year	None	None
Commercial Paper	270 days	25%	10%
Medium- Term Notes	5-years	30%	None
California Local Agency Investment Fund (LAIF)	N/A	None	None
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	None
Mutual Funds and Money Market Mutual Funds	N/A	20%	10%
Collateralized Bank Deposits	5-years	None	None
Bank/Time Deposits	5-years	None	None

## SAN GORGONIO PASS WATER AGENCY

### Notes to Financial Statements

June 30, 2024

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#### NOTE 2 – CASH AND INVESTMENTS (continued)

##### Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Agency's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of risk. The Agency currently has no debt agreements.

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>	<b>Maximum Percentage of Portfolio</b>	<b>Maximum Investment in One Issuer</b>
US Treasury Obligations	None	None	None
US Government Sponsored Agency Securities:	None	None	None
Federal Home Loan Bank	None	None	None
Federal Home Loan Mortgage Corporation	None	None	None
Federal National Mortgage Association	None	None	None
Federal Farm Credit Bank	None	None	None
State and Local Agency Obligations	None	None	None
Banker's Acceptances	1-year	None	None
Medium- Term Notes	3-year	None	None
Commercial Paper	None	None	None
Money Market Mutual Funds	N/A	None	None
Investment Agreements	None	None	None
Certificates of Deposit	None	None	None
Repurchase Agreements	30 days	None	None
Local Agency Investment Fund (LAIF)	None	None	None

##### Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Agency manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the Agency's investments to market interest rate fluctuations is provided in the Investment Table that shows the distribution of the Agency's investments by maturity as of June 30, 2024.

##### Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented in the Investment Table are Standard & Poor's credit ratings for the Agency's investments as of June 30, 2024. U.S. treasury obligations are not required to be rated and therefore no rating has been assigned.

**SAN GORGONIO PASS WATER AGENCY**

*Notes to Financial Statements*

June 30, 2024

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**NOTE 2 – CASH AND INVESTMENTS (continued)**

**Fair Value Measurements**

The Agency categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs. All of the Agency’s investments were assigned a Level 2 input on the Investment Table.

**Investment in State Investment Pool**

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Agency’s investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency’s pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on an amortized cost basis and is Not Rated under the current credit risk ratings format. For financial reporting purposes, the Agency considers LAIF a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2024, the Agency held \$24,768,702 in LAIF.

**NOTE 3 – RESTRICTED ASSETS**

Restricted assets at June 30, 2024 consists of the following:

<u>Description</u>	<u>June 30, 2023</u>
Restricted – cash and cash equivalents	\$ 15,111,327
Restricted – investments	62,116,222
Restricted – property taxes receivable	<u>824,692</u>
<b>Total restricted assets and net position</b>	<b><u>\$ 78,052,241</u></b>

The Agency’s restricted assets consisted of tax proceeds levied for State Water Project debt payments, less actual State Water Project related expenditures.

**NOTE 4 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES**

Changes in the Agency’s lease receivable for the year ended June 30, 2024 was as follows:

<u>Description</u>	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>
Cellular antenna site rental	<u>\$ 28,657</u>	<u>\$ 161,239</u>	<u>\$ (28,657)</u>	<u>\$ 161,239</u>

**SAN GORGONIO PASS WATER AGENCY**

*Notes to Financial Statements*

June 30, 2024

**NOTE 4 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES (continued)**

The lease held by the Agency does not have an implicit rate of return, therefore the Agency used their incremental borrowing rate of 2.00% to discount the lease revenue to the net present value. In some cases, leases contain termination clauses. In these cases, the clause requires the lessee or lessor to show cause to terminate the lease. Also, certain leasing-types are considered “volatile leases.” Those volatile leases were not extended past their initial lease period for financial statement recognition due to their volatility. The Agency’s lease is summarized as follows:

***Cellular Antenna Site Rental***

The Agency, on July 1, 2024, renewed a continuous lease for 60 months as lessor for the use of a cellular antenna site rental. An initial lease receivable was recorded in the amount of \$161,239. As of June 30, 2024, the value of the lease receivable was \$161,239. The lease is required to make annual fixed payments of \$32,254 for the first 12-month period, then increase 3.0% per year. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources was \$161,239 as of June 30, 2024. The Agency recognized lease revenue of \$32,248, and interest revenue of \$2,658 during the fiscal year. The lease will be evaluated by the Agency for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

Minimum future lease receipts for the next five fiscal years are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 29,029	\$ 3,225	\$ 32,254
2026	30,577	2,644	33,221
2027	32,186	2,033	34,219
2028	33,856	1,389	35,245
2029	35,591	712	36,303
Total	161,239	<u>\$ 10,003</u>	<u>\$ 171,242</u>
Current	<u>(29,029)</u>		
Long-term	<u>\$ 132,210</u>		

Changes in the Agency’s deferred inflows of resources related to leases for June 30, 2024 is as follows:

<u>Description</u>	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>
Cellular antenna site rental	<u>\$ 27,825</u>	<u>\$ 161,239</u>	<u>\$ (27,825)</u>	<u>\$ 161,239</u>

The amounts reported as deferred inflows of resources related to leases for the year ended June 30, 2024, will be amortized in future periods as follows:

## SAN GORGONIO PASS WATER AGENCY

Notes to Financial Statements

June 30, 2024

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### NOTE 4 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES (continued)

<b>Amortization Period Fiscal Year Ended June 30</b>	<b>Deferred Inflows of Resources</b>
2025	\$ 32,248
2026	32,248
2027	32,248
2028	32,248
2029	32,247
<b>Total</b>	<b>\$ 161,239</b>

### NOTE 5 – INVESTMENTS IN JOINT-VENTURES

#### Delta Conveyance Finance Authority (DCFA)

The Agency participates under a joint powers agreement (JPA) with the Delta Conveyance Finance Authority (DCFA). The DCFA is JPA created in July 2018 as a conduit financing authority to assist the Department of Water Resources and the public water agency participants, currently all of whom are State Water Project Contractors, finance all or a portion of the Delta Conveyance Project. The Delta Conveyance Project is a major project that will deliver water from the Sacramento River to the existing State Water Project and Central Valley Project pumping plants in the southern end of the Delta. Its members consist of water agencies that contract with DWR for the purchase of water. Its operations are supported by the collection of contributions from its members. The governing board is made up of eleven representatives from member agencies. Audited financial statements are available by contacting the DCFA at 112 L street, Suite 1045, Sacramento, CA 95814.

Condensed audited financial information of the Delta Conveyance Finance Authority for the year ended June 30, 2023, the most recent financial information available, which is reported on a cash basis of accounting, is as follows:

<b>Description</b>	<b>2023</b>
Cash receipts	\$ 9,401
Cash disbursements	152,344
Excess of receipts over disbursements	(142,943)
Cash and investments at beginning of the year	479,077
Cash and investmetns at end of the year	<u>\$ 336,134</u>
Member agencies share of year-end financial position	Not Calculated

## SAN GORGONIO PASS WATER AGENCY

### Notes to Financial Statements

June 30, 2024

#### NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Changes in capital assets for the fiscal year ended June 30, 2024, were as follows:

Description	Balance June 30, 2023	Additions	Deletions/ Transfers	Adjustments	Balance June 30, 2024
<b>Non-depreciable assets:</b>					
Land and land rights	\$ 9,670,970	\$ -	\$ -	\$ -	\$ 9,670,970
Construction-in-process	7,377,973	2,377,130	(679,674)	-	9,075,429
<b>Total non-depreciable assets</b>	<b>17,048,943</b>	<b>2,377,130</b>	<b>(679,674)</b>	<b>-</b>	<b>18,746,399</b>
<b>Depreciable assets:</b>					
SWP – participation rights	174,830,020	6,902,711	-	-	181,732,731
Sources of supply	22,377,732	450,322	-	(36,415)	22,791,639
Recharge facilities	9,005,268	-	-	(18,130)	8,987,138
Technical equipment	91,189	34,891	-	-	126,080
Buildings and improvements	1,669,668	-	-	-	1,669,668
Furniture and fixtures	132,891	194,462	(580)	-	326,773
Transportation equipment	78,613	-	-	-	78,613
<b>Total depreciable assets</b>	<b>208,185,381</b>	<b>7,582,386</b>	<b>(580)</b>	<b>(54,545)</b>	<b>215,712,642</b>
<b>Accumulated depreciation:</b>					
SWP – participation rights	(78,320,735)	(4,454,594)	-	-	(82,775,329)
Sources of supply	(9,471,092)	(705,943)	-	-	(10,177,035)
Recharge facilities	(2,426,393)	(402,860)	-	-	(2,829,253)
Technical equipment	(91,189)	-	-	-	(91,189)
Buildings and improvements	(1,294,445)	(65,528)	-	-	(1,359,973)
Furniture and fixtures	(79,096)	(48,847)	580	-	(127,363)
Transportation equipment	(78,613)	-	-	-	(78,613)
<b>Total accumulated depreciation</b>	<b>(91,761,563)</b>	<b>(5,677,772)</b>	<b>580</b>	<b>-</b>	<b>(97,438,755)</b>
<b>Total depreciable assets, net</b>	<b>116,423,818</b>	<b>1,904,614</b>	<b>-</b>	<b>(54,545)</b>	<b>118,273,887</b>
<b>Total capital assets, net</b>	<b>\$ 133,472,761</b>	<b>\$ 4,281,744</b>	<b>\$ (679,674)</b>	<b>\$ (54,545)</b>	<b>\$ 137,020,286</b>

#### State Water Project – Participation Rights

In 1962, the Agency contracted with the State of California (the State) for water rights from the State Water Project (SWP). Initially the annual entitlement was 15,000 acre-feet, but in 1965 the annual entitlement increased to 17,300 acre-feet. The SWP distributes water from Northern California to Southern California through a system of reservoirs, canals, pumps stations, and power generation facilities.

The Agency is one of many participants contracting with the State of California Department of Water Resources (DWR) for a system to provide water throughout California. Under the terms of the State Water Contract, as amended, the Agency is obligated to pay allocable portions of the cost of construction of the system and ongoing operations and maintenance costs through at least the year 2035, regardless of the quantities of water available from the project. The Agency and the other contractors may also be responsible to the State for certain obligations by any contractor who defaults on its payments to the State.

Management's present intention is to exercise the Agency's option to extend the contractual period to at least 2052, under substantially comparable terms. This corresponds to an estimated 80-year service life for the original facilities. The State is obligated to provide specific quantities of water throughout the life of the contract, subject to certain conditions.

**SAN GORGONIO PASS WATER AGENCY**

*Notes to Financial Statements*

*June 30, 2024*

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**NOTE 6 – CAPITAL ASSETS AND DEPRECIATION (continued)**

In addition to system on-aqueduct power facilities, the State has, either on their own or through joint ventures, financed certain off-aqueduct power facilities (OAPF). The power generated is utilized by the system for water transportation and distribution purposes. Power generated in excess of system needs is marketed to various utilities and California’s power market.

The Agency is entitled to a proportionate share of the revenues resulting from sales of excess power. The Agency and the other water providers are responsible for repaying the capital and operating costs of the OAPF regardless of the amount of power generated.

The Agency capitalizes its share of system construction costs as participation rights in the State water facilities when such costs are billed by the DWR. Unamortized participation rights essentially represent a prepayment for future water deliveries through the State system. The Agency’s share of system operations and maintenance costs is charged to expenses as incurred.

The Agency amortizes a portion of capitalized participation rights each year using a formula that considers the total estimated cost of the project, estimated useful life and estimated production capacity of the assets based upon information provided by the State of California. The participation rights have been included with the Agency’s capital assets as shown in the schedule of changes in capital assets.

**NOTE 7 – COMPENSATED ABSENCES**

Summary changes to compensated absences balances for the year ended June 30, 2024, were as follows:

<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Due Within</u> <u>One Year</u>	<u>Due in More</u> <u>Than One Year</u>
<u>\$ 139,170</u>	<u>\$ 98,464</u>	<u>\$ (88,075)</u>	<u>\$ 149,559</u>	<u>\$ 22,434</u>	<u>\$ 127,125</u>

**SAN GORGONIO PASS WATER AGENCY**

*Notes to Financial Statements*

*June 30, 2024*

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**NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**Summary**

The following balances on the balance sheet will be addressed in this footnote as follows:

<u>Description</u>	<u>2024</u>
OPEB related deferred outflows	\$ 439,130
Net other post-employment benefits liability	410,829
OPEB related deferred inflows	-

**A. General Information about the OPEB Plan**

**Plan Description**

The Agency offers an agent multiple-employer post-employment benefit plan that provides medical coverage for eligible employees and retirees. Currently, there are five active employees, of which three are enrolled in Agency offered health coverage. Currently, there are five retired employees and five dependents who are enrolled in other-post employment benefit plans. CalPERS provides health coverage for current employees and their dependents and retired annuitants and their dependents.

At retirement, the Agency pays 100% for the continuation of these coverages for the retiree and their dependents as long as they are eligible, for life. Eligibility for Agency coverage requires retirement from the Agency and CalPERS on or after age 50, with at least five years of continuous service with the Agency. For the purposes of this benefit, “retirement from the Agency” means the employee’s effective retirement date is within 120 days of separation from employment with the Agency and the employee receives either a service or disability retirement allowance from CalPERS resulting from his or her service to the Agency.

**Funding Policy**

Contribution requirements of the Agency are established by Ordinance and may be amended through board action to update the original Ordinance. For the year ended June 30, 2024, the Agency’s average contribution rate was 12.5 percent and 7.4 percent of covered-employee payroll, respectively. Employees are not required to contribute to the plan.

**Contributions**

Benefit provisions and contribution requirements are established and may be amended through agreements and memorandums of understanding between the Agency and its employees. The plan does not require employee contributions. The administrative costs of this plan are financed by the Agency. For fiscal year ended June 30, 2024, the measurement period, the Agency’s contributions totaling \$131,489 included \$67,000 made to an OPEB trust, and an implied subsidy of \$2,000.



**SAN GORGONIO PASS WATER AGENCY**

*Notes to Financial Statements*

*June 30, 2024*

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**NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**A. General Information about the OPEB Plan (continued)**

**Accounting for the Plan**

The other post-employment benefit trust is prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits are recognized when due and payable in accordance with the terms of each plan.

**Method Used to Value Investments**

Investments are reported in the accompanying financial statements at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measure date. Securities for which market quotations are not readily available are valued at their fair value as determined by the custodian with the assistance of a valuation service.

**B. Net OPEB Liability(Asset)**

The Agency’s total OPEB liability(asset) was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2023. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

**Actuarial Assumptions**

The total OPEB liability(asset) in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry age normal, level percentage of payroll
Asset Valuation Method	Market value of assets as of the measurement date
Actuarial Assumptions:	
Discount Rate	
Long-Term Expected	
Rate of Return on Investments	6.25%
Inflation	2.50%
Payroll increases	2.75%
Healthcare Trend Rates	Pre-65 - 7.90% trending down annually to 3.45% by 2076 and later Post-65 - 6.90% trending down annually to 3.45% by 2076 and later
Morbidity	CalPERS 2021 Study
Mortality	CalPERS 2021 Study
Disability	Not valued
Retirement	2021 CalPERS Public Agency Miscellaneous experience study; 2.5% @55 and 2% @62
Percent Married	80% of future retirees would enroll a spouse

**SAN GORGONIO PASS WATER AGENCY**

*Notes to Financial Statements*

*June 30, 2024*

**NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)**

**B. Net OPEB Liability (continued)**

**Actuarial Assumptions (continued)**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
PARS moderate investment policy:		
Equity	49.00%	4.56%
Fixed income	23.00%	1.56%
TIPS	5.00%	-0.08%
Commodities	3.00%	1.22%
REITs	20.00%	4.06%
<b>Total</b>	<u>100.00%</u>	

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that the Agency’s contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**C. Changes in the Net OPEB Liability/(Asset)**

The changes in the total OPEB liability are as follows:

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability(Asset)</u>
<b>Balance at July 1, 2023 (Measurement date June 30, 2022)</b>	\$ 998,587	\$ 931,529	\$ 67,058
<b>Changes for the year:</b>			
Service cost	72,397	-	72,397
Interest	65,305	-	65,305
Differences in experience	245,712	-	245,712
Changes in assumption	72,116	-	72,116
Changes in terms	-	-	-
Employer contributions	-	52,373	(52,373)
Net investment income	-	59,816	(59,816)
Benefit payments	(52,214)	(52,214)	-
Administrative expenses	-	(430)	430
Net changes	403,316	59,545	343,771
<b>Balance at June 30, 2023 (Measurement date June 30, 2022)</b>	<u>\$ 1,401,903</u>	<u>\$ 991,074</u>	<u>\$ 410,829</u>

**SAN GORGONIO PASS WATER AGENCY**

*Notes to Financial Statements*

*June 30, 2024*

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**NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)**

**C. Changes in the Net OPEB Liability(Asset) (continued)**

**Changes of Assumptions**

In fiscal year 2023-2, the medical trend rates were updated and spouses actual date of birth is used for active employees when available.

**Change of Benefit Terms**

There were no changes to benefit terms.

**Subsequent Events**

There were no subsequent events that would materially affect the results presented in this disclosure.

**Sensitivity of the Total OPEB Liability (Asset) to Changes in the Discount Rate**

The following presents the total OPEB liability of the Agency, as well as what the Agency’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.25%) or 1 percentage point higher (7.25%) than the current discount rate:

	<u>1% Decrease</u> 5.25%	<u>Discount Rate</u> 6.25%	<u>1% Increase</u> 7.25%
<b>Net OPEB Liability</b>	<u>\$ 565,515</u>	<u>\$ 410,829</u>	<u>\$ 280,773</u>

**Sensitivity of the Total OPEB Liability (Asset) to Changes in Medical Trend Rates**

The following presents the total OPEB liability of the Agency, as well as what the Agency’s total OPEB liability would be if it were calculated using medical trend rates that are 1-percentage point lower:

	<b>Healthcare Cost</b>		
	<u>6.9% Decreasing</u> to 2.45%	<u>7.9% Decreasing</u> to 3.45%	<u>8.9% Decreasing</u> to 4.45%
<b>Net OPEB Liability</b>	<u>\$ 273,014</u>	<u>\$ 410,829</u>	<u>\$ 573,509</u>

**D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2024, the Agency recognized OPEB expense of \$139,913. At June 30, 2024, the Agency reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Account Description</u>	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
OPEB contributions made after the measurement date	\$ 131,489	\$ -
Changes in assumptions	56,090	-
Differences between expected and actual experience	191,109	-
Differences between projected and actual earnings on OPEB plan investments	60,442	-
<b>Total Deferred Outflows/(Inflows) of Resources</b>	<u>\$ 439,130</u>	<u>\$ -</u>

**SAN GORGONIO PASS WATER AGENCY**

*Notes to Financial Statements*

*June 30, 2024*

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**NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)**

**D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (continued)**

The differences between projected and actual earnings on plan investments is amortized over five years. The Agency reported \$131,489 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<b>Amortization Period</b> <b>Fiscal Year Ended June 30</b>	<b>Deferred</b> <b>Outflows/(Inflows)</b> <b>of Resources</b>
2025	\$ 82,558
2026	77,538
2027	112,552
2028	34,993
<b>Total</b>	<b>\$ 307,641</b>

At June 30, 2024, the Agency had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2024.

**NOTE 9 – PENSION PLAN**

**Summary**

The following balances on the balance sheet will be addressed in this footnote as follows:

<b>Description</b>	<b>2024</b>
Pension related deferred outflows	\$ 567,883
Net pension liability	409,030
Pension related deferred inflows	46,765

Qualified employees are covered under a multiple-employer defined benefit pension plan maintained by agencies of the State of California known as the California Public Employees' Retirement System (CalPERS), or "The Plan".

**SAN GORGONIO PASS WATER AGENCY**

*Notes to Financial Statements*

June 30, 2024

**NOTE 9 – PENSION PLAN (continued)**

**A. General Information about the Pension Plan**

**The Plan**

The Agency has engaged with CalPERS to administer the following pension plans for its employees (members):

	<b>Miscellaneous Plans</b>	
	<b>Classic Tier 1</b>	<b>PEPRA Tier 2</b>
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	3.0% @ 60	2.0% @ 62
Benefit vesting schedule	5-years of service	5-years of service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 67 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.0%
Required member contribution rates	8.000%	8.250%
Required employer contribution rates – FY 2023	17.220%	N/A
Required employer contribution rates – FY 2024	18.940%	N/A

**Plan Description**

The Plan is an agent multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the Plan’s June 30, 2022 and June 30, 2020 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website.

At June 30, 2023 measurement date, the following members were covered by the benefit terms:

<b>Plan Members</b>	<b>Miscellaneous Plans</b>		<b>Total</b>
	<b>Classic Tier 1</b>	<b>PEPRA Tier 2</b>	
Active members	4	1	5
Transferred and terminated members	1	-	1
Retired members and beneficiaries	4	-	4
<b>Total plan members</b>	<b>9</b>	<b>1</b>	<b>10</b>

All qualified permanent and probationary employees are eligible to participate in the Agency’s cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by state statute and Agency resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

# SAN GORGONIO PASS WATER AGENCY

## Notes to Financial Statements

June 30, 2024

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### NOTE 9 – PENSION PLAN (continued)

#### A. General Information about the Pension Plan (continued)

##### Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to Plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonindustrial disability benefits after five years of service. The death benefit is one of the following the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each Plan are applied as specified by the Public Employees' Retirement Law.

##### Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

Contributions for the year ended June 30, 2024, were as follows:

Contribution Type	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Contributions – employer	\$ 197,053	\$ 12,142	\$ 209,195

#### B. Pension Liabilities(Assets), Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

##### Proportionate Share of Net Pension Liability/(Asset) and Pension Expense

The Agency's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2023, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard update procedures. The Agency's proportionate share of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

**SAN GORGONIO PASS WATER AGENCY**

*Notes to Financial Statements*

June 30, 2024

**NOTE 9 – PENSION PLAN (continued)**

**B. Pension Liabilities(Asset), Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)**

**Proportionate Share of Net Pension Liability/(Asset) and Pension Expense (continued)**

The following table shows the Agency’s proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2024:

	<u>Percentage Share of Risk Pool</u>		<u>Change Increase/ (Decrease)</u>
	<u>Fiscal Year Ending June 30, 2024</u>	<u>Fiscal Year Ending June 30, 2023</u>	
Measurement Date	June 30, 2023	June 30, 2022	
Percentage of Risk Pool Net Pension Liability	0.008180%	0.006575%	0.001605%
Percentage of Plan Net Pension Liability	0.003279%	0.002664%	0.000615%

The Agency’s proportionate share percentage of the net pension liability for the June 30, 2023, measurement date was as follows:

<u>Plan Type and Balance Descriptions</u>	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Change in Plan Net Pension Liability</u>
<b>CalPERS – Miscellaneous Plan:</b>			
Balance as of June 30, 2022(Measurement Date)	\$ 4,562,393	\$ 4,254,719	\$ 307,674
Balance as of June 30, 2023(Measurement Date)	\$ 5,003,875	\$ 4,594,845	\$ 409,030
<b>Change in Plan Net Pension Liability</b>	<u>\$ 441,482</u>	<u>\$ 340,126</u>	<u>\$ 101,356</u>

For the year ended June 30, 2023, the Agency recognized pension expense of \$371,601. At June 30, 2024, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 209,195	\$ -
Difference between actual and proportionate share of employer contributions	59,900	(14,478)
Adjustment due to differences in proportions	186,971	(29,045)
Differences between expected and actual experience	20,896	(3,242)
Differences between projected and actual earnings on pension plan investments	66,226	-
Changes in assumptions	24,695	-
<b>Total Deferred Outflows/(Inflows) of Resources</b>	<u>\$ 567,883</u>	<u>\$ (46,765)</u>

**SAN GORGONIO PASS WATER AGENCY**

*Notes to Financial Statements*

*June 30, 2024*

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**NOTE 9 – PENSION PLAN (continued)**

**B. Pension Liabilities/(Asset), Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)**

**Proportionate Share of Net Pension Liability and Pension Expense (continued)**

The deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.8 years.

An amount of \$209,195 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction to pension expense as follows:

<u>Amortization Period</u> <u>Fiscal Year Ended June 30</u>	<u>Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u>
2025	\$ 158,325
2026	96,411
2027	55,288
2028	1,900
<b>Total</b>	<u>\$ 311,924</u>

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability/(Asset)**

For the measurement period ending June 30, 2023 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2022, total pension liability. The June 30, 2023, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter



## SAN GORGONIO PASS WATER AGENCY

### Notes to Financial Statements

June 30, 2024

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#### NOTE 9 – PENSION PLAN (continued)

##### B. Pension Liabilities,(Asset) Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

###### Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

The table below reflects the long-term expected real rate of return by asset class.

Asset Class	Assumed Asset Allocation	Real Return <sup>1,2</sup>
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Estate	15.0%	3.21%
Leverage	-5.0%	-0.59%
	100.0%	

<sup>1</sup> An expected inflation of 2.3% is used for this period.

<sup>2</sup> Figures are based on the 2022 Asset Liability Management study.

###### Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**SAN GORGONIO PASS WATER AGENCY**

*Notes to Financial Statements*

*June 30, 2024*

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**NOTE 9 – PENSION PLAN (continued)**

**B. Pension Liabilities(Asset), Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)**

**Subsequent Events**

There were no subsequent events that would materially affect the results presented in this disclosure.

**Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate**

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

Plan Type	Plan's Net Pension Liability/(Asset)		
	Discount Rate -	Current Discount	Discount Rate +
	1% 5.90%	Rate 6.90%	1% 7.90%
CalPERS – Miscellaneous Plan	\$ 1,085,783	\$ 409,030	\$ (147,995)

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

**C. Payable to the Pension Plans**

At June 30, 2023, the Agency reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2024.

**SAN GORGONIO PASS WATER AGENCY**

*Notes to Financial Statements*

June 30, 2024

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**NOTE 10 – RISK MANAGEMENT POOL**

The Agency is a member of the Association of California Water Agencies Joint Powers Insurance Authority (Insurance Authority). The Insurance Authority is a risk-pooling self-insurance authority, created under provisions of California Government Code Sections 6500 et seq. The purpose of the Insurance Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. Further information about the Insurance Authority is as follows:

<b>A. Entity</b>	ACWA-JPIA	
<b>B. Purpose</b>	To pool member contributions and realize the advantages of self-insurance	
<b>C. Participants</b>	As of September 30, 2023 – 401 member districts	
<b>D. Governing board</b>	Nine representatives employed by members	
<b>E. Condensed financial information</b>	September 30, 2023	
<b>Audit signed</b>	March 20, 2024	
<b>Statement of financial position:</b>		<b><u>Sept 30, 2023</u></b>
<b>Total assets</b>		<u>\$ 288,462,503</u>
<b>Deferred outflows</b>		<u>4,654,911</u>
<b>Total liabilities</b>		<u>167,203,667</u>
<b>Deferred inflows</b>		<u>5,200,835</u>
<b>Net position</b>		<u>\$ 120,712,912</u>
<b>Statement of revenues, expenses and changes in net position:</b>		
<b>Total revenues</b>		\$ 248,013,664
<b>Total expenses</b>		<u>(240,084,673)</u>
<b>Change in net position</b>		7,928,991
<b>Beginning – net position</b>		<u>112,783,921</u>
<b>Ending – net position</b>		<u>\$ 120,712,912</u>
<b>F. Member agencies share of year-end financial position</b>		Not Calculated

The Agency participated in the self-insurance programs of the Insurance Authority as follows:

Property Loss - The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence and has purchased excess insurance coverage up to \$500,000,000 (total insurable value of \$48,405,017). The Agency has a \$2,500 deductible for buildings, personal property and fixed equipment, a \$25,000/\$50,000 deductible for accidental mechanical breakdown, a \$1,000 deductible for mobile equipment, and a \$500 deductible for licensed vehicles.

General Liability - The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage in layers up to of \$60,000,000. This program does not have a deductible.

Auto Liability - The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage in layers up to \$60,000,000. This program does not have a deductible.

Public Officials' Liability - The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage in layers up to \$60,000,000.

## SAN GORGONIO PASS WATER AGENCY

### Notes to Financial Statements

June 30, 2024

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#### NOTE 10 – RISK MANAGEMENT POOL (continued)

Cyber Liability - The Insurance Authority has purchased insurance coverage of \$3,000,000 per occurrence/\$5,000,000 aggregate. This program does not have a deductible.

Crime - The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence. The Agency has a \$1,000 deductible.

Public Official Bond - The Agency has purchased a \$200,000 bond to cover the general manager’s faithful performance of duty.

Workers’ Compensation - The Insurance Authority is self-insured up to \$2,000,000 and excess insurance coverage has been purchased up to the statutory limit for workers’ compensation coverage.

Underground Storage Tank Pollution Liability - The Insurance Authority is self-insured up to \$500,000 per occurrence and has purchased excess coverage of \$3,000,000. The Agency has a \$10,000 deductible.

The Agency pays annual premiums for these coverages. They are subject to retrospective adjustments based on claims expended. The nature and amount of these adjustments cannot be estimated and are charged to expenses as invoiced. There were no instances in the past three years where a settlement exceeded the Agency’s coverage.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the Agency’s insurance coverage during the years ending June 30, 2024, 2023, and 2022. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2024, 2023, and 2022.

#### NOTE 11 – COMMITMENTS AND CONTINGENCIES

##### State Water Contract

Estimates of the Agency’s share of the projected fixed costs of the State Water Project (SWP) are provided annually by the State. The estimates are subject to future increases or decreases resulting from changes in planned facilities, refinements in cost estimates, and inflation. During the next five years, payments under the State Water Contract are currently estimated by the State to be as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2025	\$17,296,715
2026	14,080,544
2027	14,082,490
2028	14,340,775
2029	14,542,667

As of June 30, 2024, the Agency has expended approximately \$200,911,638 since the Agency started participating in the State Water Contract.

## SAN GORGONIO PASS WATER AGENCY

Notes to Financial Statements

June 30, 2024

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### NOTE 11 – COMMITMENTS AND CONTINGENCIES (continued)

#### State Water Contract (continued)

According to the State’s latest estimates, the Agency’s long-term obligations under the contract, for capital and minimum operations and maintenance costs, including interest to the year 2035, are as follows:

<u>Type of Long-Term Obligation</u>	<u>Amount</u>
State Water Project Contract:	
Transportation facilities	\$9,327,800
Delta water charges	18,520,341
Off-aqueduct power facilities	10,658
Revenue bond surcharge	6,235,807
Conservation charge	524,944
Transportation charge	<u>165,487,763</u>
Total	<u>\$200,107,313</u>

#### Construction Contracts

The Agency has a variety of agreements with private parties relating to the installation, improvement, or modification of water facilities and distribution systems within its service area. The financing of such construction contracts is being provided primarily from the Agency’s replacement reserves and advances for construction. The Agency has estimated the cost complete the projects currently in construction-in-process to be approximately \$13,000,000 as of June 30, 2024.

#### Excluded Leases – Short-Term Leases and De Minimis Leases

The Agency does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12-months (or less), including any options to extend, regardless of their probability of being exercised.

Also, *de minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

#### Grant Awards

Grant funds received by the Agency are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under the terms of the grant. Management of the Agency believes that such disallowances, if any, would not be significant.

#### Litigation

In the ordinary course of operations, the Agency is subject to claims and litigation from outside parties. After consultation with legal counsel, the Agency believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

### NOTE 12 – SUBSEQUENT EVENTS

The Agency has evaluated subsequent events through December 19, 2024, the date on which the financial statements were available to be issued.

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***Required Supplementary Information***

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**SAN GORGONIO PASS WATER AGENCY**

*Schedule of the Agency's Proportionate Share of the Net Pension Liability  
For the Year Ended June 30, 2024*

**Last Ten Fiscal Years\***

**California Public Employees' Retirement System (CalPERS) Miscellaneous Plan**

Measurement Date	Agency's Proportion of the Net Pension Liability	Agency's Proportionate Share of the Net Pension Liability (Asset)	Agency's Covered Payroll	Agency's	Plan's Fiduciary
				Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Net Position as a Percentage of the Plan's Total Pension Liability
June 30, 2014	0.01065%	\$ 662,864	\$ 407,378	162.71%	75.86%
June 30, 2015	0.00715%	490,726	425,739	115.26%	78.04%
June 30, 2016	0.00754%	652,703	461,852	141.32%	74.06%
June 30, 2017	0.00778%	771,494	478,062	161.38%	73.31%
June 30, 2018	0.00784%	755,595	505,149	149.58%	75.26%
June 30, 2019	0.00612%	627,260	522,545	120.04%	83.42%
June 30, 2020	0.00513%	558,416	545,993	102.28%	86.18%
June 30, 2021	-0.00606%	(327,702)	541,807	-60.48%	107.61%
June 30, 2022	0.00266%	307,674	628,907	48.92%	93.26%
June 30, 2023	0.00328%	409,030	850,112	48.11%	91.83%

**Notes to Schedule:**

**Benefit Changes:**

There were no changes in benefits.

**Changes in Assumptions:**

**From fiscal year June 30, 2015 and June 30, 2016:**

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

**From fiscal year June 30, 2016 to June 30, 2017:**

There were no changes in assumptions.

**From fiscal year June 30, 2017 to June 30, 2018:**

The discount rate was reduced from 7.65% to 7.15%.

**From fiscal years June 30, 2018 to June 30, 2022:**

There were no significant changes in assumptions.

**From fiscal year June 30, 2022 to June 30, 2023:**

The discount rate was reduced from 7.15% to 6.90%

**From fiscal year June 30, 2023 to June 30, 2024:**

There were no significant changes in assumptions.

**SAN GORGONIO PASS WATER AGENCY**

*Schedule of the Agency's Contributions to the Defined Benefit Pension Plan  
For the Year Ended June 30, 2024*

**Last Ten Fiscal Years\***

**California Public Employees' Retirement System (CalPERS) Miscellaneous Plan**

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions in Relation to the Actuarially Determined Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
June 30, 2015	\$ 112,491	\$ (112,491)	\$ -	\$ 425,739	26.42%
June 30, 2016	109,010	(109,010)	-	461,852	23.60%
June 30, 2017	95,564	(95,564)	-	478,062	19.99%
June 30, 2018	105,338	(105,338)	-	505,149	20.85%
June 30, 2019	121,289	(321,289)	(200,000)	522,545	23.21%
June 30, 2020	138,162	(288,162)	(150,000)	545,993	25.30%
June 30, 2021	151,073	(451,073)	(300,000)	541,807	27.88%
June 30, 2022	140,349	(240,349)	(100,000)	628,907	22.32%
June 30, 2023	171,367	(171,367)	-	850,112	20.16%
June 30, 2024	159,195	(209,195)	(50,000)	919,283	17.32%

**Notes to Schedule:**

<b>Fiscal Year</b>	<b>Valuation Date</b>	<b>Actuarial Cost Method</b>	<b>Asset Valuation Method</b>	<b>Inflation</b>	<b>Investment Rate of Return</b>
June 30, 2015	June 30, 2013	Entry Age	Fair Value	2.75%	7.65%
June 30, 2016	June 30, 2014	Entry Age	Fair Value	2.75%	7.65%
June 30, 2017	June 30, 2015	Entry Age	Fair Value	2.75%	7.65%
June 30, 2018	June 30, 2016	Entry Age	Fair Value	2.75%	7.15%
June 30, 2019	June 30, 2017	Entry Age	Fair Value	2.50%	7.15%
June 30, 2020	June 30, 2018	Entry Age	Fair Value	2.50%	7.15%
June 30, 2021	June 30, 2019	Entry Age	Fair Value	2.50%	7.15%
June 30, 2022	June 30, 2020	Entry Age	Fair Value	2.50%	7.15%
June 30, 2023	June 30, 2021	Entry Age	Fair Value	2.30%	6.90%
June 30, 2024	June 30, 2022	Entry Age	Fair Value	2.30%	6.90%

**Amortization Method**

Level percentage of payroll, closed

**Salary Increases**

Depending on age, service, and type of employment

**Investment Rate of Return**

Net of pension plan investment expense, including inflation

**Retirement Age**

50 years (3%@60), 52 years (2%@62)

**Mortality**

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.



# SAN GORGONIO PASS WATER AGENCY

## Schedule of Changes in the Agency's Net OPEB Liability and Related Ratios For the Year Ended June 30, 2024

Fiscal Year Ended	Last Ten Fiscal Years*				
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
<b>Total OPEB liability:</b>					
Service cost	\$ 72,397	\$ 70,459	\$ 65,667	\$ 64,873	\$ 73,296
Interest	65,305	60,064	62,508	57,294	69,685
Changes of assumptions	72,116	-	(22,486)	(16,297)	(5,992)
Differences between expected and actual experience	245,712	-	(59,377)	-	(289,302)
Changes of benefit terms	-	-	25,731	-	-
Benefit payments	(52,214)	(44,989)	(38,705)	(20,161)	(25,520)
<b>Net change in total OPEB liability</b>	<b>403,316</b>	<b>85,534</b>	<b>33,338</b>	<b>85,709</b>	<b>(177,833)</b>
<b>Total OPEB liability - beginning</b>	<b>998,587</b>	<b>913,053</b>	<b>879,715</b>	<b>794,006</b>	<b>971,839</b>
<b>Total OPEB liability - ending</b>	<b>1,401,903</b>	<b>998,587</b>	<b>913,053</b>	<b>879,715</b>	<b>794,006</b>
<b>Plan fiduciary net position:</b>					
Contributions - employer	52,373	45,083	38,788	70,211	25,564
Net investment income	59,816	(143,988)	232,029	26,844	44,669
Administrative expense	(430)	(366)	(402)	(426)	(199)
Benefit payments	(52,214)	(44,989)	(38,705)	(20,161)	(25,520)
<b>Net change in plan fiduciary net position</b>	<b>59,545</b>	<b>(144,260)</b>	<b>231,710</b>	<b>76,468</b>	<b>44,514</b>
<b>Plan fiduciary net position - beginning</b>	<b>931,529</b>	<b>1,075,789</b>	<b>844,079</b>	<b>767,611</b>	<b>723,097</b>
<b>Plan fiduciary net position - ending</b>	<b>991,074</b>	<b>931,529</b>	<b>1,075,789</b>	<b>844,079</b>	<b>767,611</b>
<b>District's net OPEB liability(asset)</b>	<b>\$ 410,829</b>	<b>\$ 67,058</b>	<b>\$ (162,736)</b>	<b>\$ 35,636</b>	<b>\$ 26,395</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability(asset)</b>	<b>70.69%</b>	<b>93.28%</b>	<b>117.82%</b>	<b>95.95%</b>	<b>96.68%</b>
<b>Covered payroll</b>	<b>\$ 889,111</b>	<b>\$ 608,089</b>	<b>\$ 544,138</b>	<b>\$ 555,060</b>	<b>\$ 530,033</b>
<b>District's net OPEB liability(asset) as a percentage of covered payroll</b>	<b>46.21%</b>	<b>11.03%</b>	<b>-29.91%</b>	<b>6.42%</b>	<b>4.98%</b>

### Notes to Schedule:

#### Benefit Changes:

- Measurement Date June 30, 2019 – There were no changes in benefits
- Measurement Date June 30, 2020 – There were no changes in benefits
- Measurement Date June 30, 2021 – There was a change in benefit terms that increased OPEB liability by \$25,731.
- Measurement Date June 30, 2022 – There were no changes in benefits
- Measurement Date June 30, 2023 – There were no changes in benefits

#### Changes in Assumptions:

- Measurement Date June 30, 2019 – Census data from the plans participants was updated.
- Measurement Date June 30, 2020 – There were no changes in assumptions
- Measurement Date June 30, 2021 – The discount rate increased to 6.75% and inflation increased to 2.75%.
- Measurement Date June 30, 2022 – The discount rate increased to 6.25% and inflation increased to 2.50%.
- Measurement Date June 30, 2023 – Medical trend rates were updated.

\* Fiscal year 2018 was the first year of implementation; therefore, only seven years are shown.

## SAN GORGONIO PASS WATER AGENCY

### Schedule of Changes in the Agency's Net OPEB Liability and Related Ratios (continued) For the Year Ended June 30, 2024

Fiscal Year Ended Measurement Date	Last Ten Fiscal Years*	
	June 30, 2019	June 30, 2018
<b>Total OPEB liability:</b>		
Service cost	\$ 71,161	\$ 69,088
Interest	62,344	55,712
Benefit payments	<u>(28,262)</u>	<u>(28,972)</u>
<b>Net change in total OPEB liability</b>	105,243	95,828
<b>Total OPEB liability - beginning</b>	<u>866,596</u>	<u>770,768</u>
<b>Total OPEB liability - ending</b>	<u>971,839</u>	<u>866,596</u>
<b>Plan fiduciary net position:</b>		
Contributions - employer	7,315	6,512
Net investment income	54,942	68,257
Administrative expense	(1,281)	(345)
Benefit payments	<u>(28,262)</u>	<u>(28,972)</u>
<b>Net change in plan fiduciary net position</b>	32,714	45,452
<b>Plan fiduciary net position - beginning</b>	<u>690,383</u>	<u>644,931</u>
<b>Plan fiduciary net position - ending</b>	723,097	690,383
<b>District's net OPEB liability(asset)</b>	<u>\$ 248,742</u>	<u>\$ 176,213</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability(asset)</b>	<u>74.41%</u>	<u>79.67%</u>
<b>Covered payroll</b>	<u>\$ 512,238</u>	<u>\$ 485,156</u>
<b>District's net OPEB liability(asset) as a percentage of covered payroll</b>	<u>48.56%</u>	<u>36.32%</u>

#### Notes to Schedule:

##### Benefit Changes:

Measurement Date June 30, 2017 – There were no changes in benefits  
Measurement Date June 30, 2018 – There were no changes in benefits

##### Changes in Assumptions:

Measurement Date June 30, 2017 – Average per capita claims cost was updated to reflect actual 2017 premiums, health care cost trend rate was updated to reflect 2018 industry survey data, and mortality table was updated to reflect most recent CalPERS studies.  
Measurement Date June 30, 2018 – There were no changes in assumptions

\* Fiscal year 2018 was the first year of implementation; therefore, only seven years are shown.

**SAN GORGONIO PASS WATER AGENCY**

*Schedule of Contributions – Other Post-Employment Benefits (OPEB) Plan  
For the Year Ended June 30, 2024*

Fiscal Year Ended	Last Ten Fiscal Years*				
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Actuarially determined contribution	\$ 66,898	\$ 60,056	\$ 73,770	\$ 71,584	\$ 69,448
Contributions in relation to the actuarially determined contributions	(131,489)	(52,373)	(45,083)	(38,788)	(70,211)
Contribution deficiency (excess)	\$ (64,591)	\$ 7,683	\$ 28,687	\$ 32,796	\$ (763)
Covered payroll	\$ 1,051,316	\$ 889,111	\$ 608,089	\$ 544,138	\$ 555,060
Contributions as a percentage of covered payroll	12.51%	5.89%	7.41%	7.13%	12.65%

**Notes to Schedule:**

Valuation Date	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019
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**Methods and Assumptions Used to**

**Determine Contribution Rates:**

Actuarial cost method	Entry age normal	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	Closed period, level percent of pay	(1)	(1)	(1)	(1)
Amortization period	16-years	16-years	17-years	20-years	20-years
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value
Discount rate	6.25%	6.25%	6.75%	6.50%	6.50%
Inflation	2.50%	2.50%	2.75%	2.26%	2.26%
Payroll increases	3.25%	3.25%	3.25%	3.25%	3.25%
Mortality	(2)	(2)	(2)	(2)	(2)
Morbidity	(3)	(3)	(3)	(3)	(3)
Disability	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued
Retirement	(4)	(4)	(4)	(4)	(4)
Percent Married	80%	80%	80%	80%	80%
Healthcare trend rates	(5)	(5)	(5)	(5)	(5)

(1) Closed period, level percent of pay

(2) CalPERS 2014 Study

(3) CalPERS 2013 Study

(4) CalPERS Public Agency Miscellaneous 3.0% @60 and 2% @62

(5) Pre-65 - 7.90% trending down 0.25% annually to 3.45% in 2079 and later

Post-65 - 6.90% trending down 0.25% annually to 3.45% in 2079 and later

\* Fiscal year 2018 was the first year of implementation; therefore, only seven years are shown.

**SAN GORGONIO PASS WATER AGENCY**

*Schedule of Contributions – Other Post-Employment Benefits (OPEB) Plan (continued)  
For the Year Ended June 30, 2024*

**Last Ten Fiscal Years\***

<b>Fiscal Year Ended</b>	<b><u>June 30, 2019</u></b>	<b><u>June 30, 2018</u></b>
Actuarially determined contribution	\$ 91,647	\$ 88,920
Contributions in relation to the actuarially determined contributions	<u>(25,564)</u>	<u>(7,315)</u>
Contribution deficiency (excess)	<u>\$ 66,083</u>	<u>\$ 81,605</u>
Covered payroll	<u>\$ 530,033</u>	<u>\$ 512,238</u>
Contributions as a percentage of covered payroll	4.82%	1.43%

**Notes to Schedule:**

<b>Valuation Date</b>	June 30, 2017	June 30, 2017
<b>Methods and Assumptions Used to Determine Contribution Rates:</b>		
Actuarial cost method	Entry Age	Entry Age
Amortization method	(1)	(1)
Amortization period	20-years	20-years
Asset valuation method	Market Value	Market Value
Discount rate	6.50%	6.50%
Inflation	2.26%	2.26%
Payroll increases	3.25%	3.25%
Mortality	(2)	(2)
Morbidity	(3)	(3)
Disability	Not Valued	Not Valued
Retirement	(4)	(4)
Percent Married	80%	80%
Healthcare trend rates	(5)	(5)

(1) Closed period, level percent of pay

(2) CalPERS 2014 Study

(3) CalPERS 2013 Study

(4) CalPERS Public Agency Miscellaneous 3.0% @60 and 2% @62

(5) Pre-65 - 7.90% trending down 0.25% annually to 3.45% in 2079 and later

Post-65 - 6.90% trending down 0.25% annually to 3.45% in 2079 and later

\* Fiscal year 2018 was the first year of implementation; therefore, only seven years are shown.

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***Other Independent Auditors' Reports***

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
San Geronio Pass Water Agency  
Beaumont, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the San Geronio Pass Water Agency (Agency), which comprise the balance sheet as of June 30, 2024, and the related statement of revenues, expenses and changes in net position and cash flows for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated December 19, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Murrieta, California  
December 19, 2024

# San Gorgonio Pass Water Agency

**DATE:** January 6, 2025  
**TO:** Board of Directors  
**FROM:** Lance Eckhart, General Manager  
**BY:** Emmett Campbell, Senior Water Resources Planner  
**SUBJECT:** Approve the Letter Agreement for CRM TECH Archaeological and Paleontological Mitigation for County Line Road Recharge Basin and Turnout Project

## **RECOMMENDATION**

Authorize the General Manager to execute the Letter Agreement (“Agreement”) between SGPWA and CRM TECH for Archaeological and Paleontological work and monitoring related to the County Line Rd Recharge Basin and Turnout Project for a not-to-exceed amount of \$78,410.

## **PREVIOUS CONSIDERATIONS**

- October 7, 2024 – Approval of Resolution 2024-11: The Board of Directors Approved and Adopted the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the County Line Road Recharge Basin and Turnout Project and Approving the Project

## **BACKGROUND AND ANALYSIS**

On October 7, 2024, the Board of Directors approved and adopted the Mitigated Negative Declaration (“MND”) and the Mitigation Monitoring and Reporting Program (“MMRP”) for the County Line Road Recharge Basin and Turnout Project.

As a part of the MMRP, there are archaeological, paleontological, and Tribal Monitoring requirements that the Agency needs to adhere to before and during construction of the County Line Road Recharge Basin and Turnout Project. These items include:

1. A Tribal Monitoring Agreement with the Morongo Band of Mission Indians
2. The development of a Cultural Resources Monitoring and Treatment Plan
3. The development of a Paleontological Resource Impact Mitigation Program (“PRIMP”)
4. Preparation and presentation of a cultural resources sensitivity training
5. Archaeological and Paleontological Monitoring during construction

Outside consultants will be necessary to facilitate these requirements. To abide by SGPWA’s procurement policy, Albert A. Webb Associates (“Webb”) assisted staff with obtaining three proposals to complete this work. The cost of the three proposals were:

1. \$160,000
2. \$114,000



### 3. \$78,410

CRM TECH was the Firm with the \$78,410 proposal. Webb has worked with CRM TECH in the past and recommended them for the completion of this work.

CRM TECH's proposal encompasses all the requirements for Archaeological and Paleontological resources in the MMRP. The proposal also assumes that no archaeological or paleontological resources are found. If any resources are found, a change order will be necessary to accommodate the additional work.

### **STRATEGIC PLAN NEXUS**

Archaeological and paleontological monitoring supports the construction of the County Line Road Recharge Basin and Turnout Project and helps advance various aspects of the Agency's Strategic Plan, including:

Strategic Goal 1: Align with the current and future water landscape, supporting the region's long-term needs by diversifying the local supply portfolio and advancing water sustainability.

Objective 1 – Sustain infrastructure investment to provide a robust regional water distribution and storage system

Strategic Goal 2: Ensure a reliable delivery system that advances efficiency and resiliency.

Objective 1 – Develop additional recharge facilities to support conjunctive use.

Objective 2 – Investigate additional opportunities to increase water storage capabilities

### **FISCAL IMPACT**

The General Fund Budget for FY 2024-25 includes the line item 'County Line Recharge' (line #68) under Plans & Construction in the Consulting and Engineering Services section. The amount budgeted is \$1,250,000 and about \$44,000 has been expended through November 30, 2024.

The Finance and Budget Committee has recently expressed the desire to review appropriate proposals before being presented to the Board for approval to streamline the vetting process. However, time is of the essence for this proposal and contract, so it is being presented directly to the Board for consideration.

## **ACTION**

Authorize the General Manager to execute the Letter Agreement between SGPWA and CRM TECH for Archaeological and Paleontological work and monitoring related to the County Line Rd Recharge Basin and Turnout Project for a not-to-exceed amount of \$78,410.

## **ATTACHMENTS**

1. Letter Agreement for the County Line Rd Recharge Basin and Turnout Project for: Cultural Resources Monitoring and Treatment Plan, Paleontological Resource Impact Mitigation Program, Cultural Resources Sensitivity Training Program, Workers Environmental Awareness Program, Archaeological and Paleontological Monitoring
  - Exhibit A: Scopes of Work and Cost Proposal

January 6, 2025

Michael Hogan  
CRM TECH  
1016 E. Cooley Drive, Suite A/B  
Colton, CA 92324

Letter Agreement

Re: Project: County Line Road Recharge Basin and Turnout Project

Programs: Cultural Resources Monitoring and Treatment Plan,  
Paleontological Resource Impact Mitigation Program,  
Cultural Resources Sensitivity Training Program,  
Workers Environmental Awareness Program,  
Archaeological and Paleontological Monitoring

This letter shall be our Agreement (“Letter Agreement”) regarding the services to be performed by CRM TECH (“Consultant”) for the Programs in connection with the Project. Consultant shall perform the services as an independent contractor to the San Geronio Pass Water Agency (“Agency”). Consultant is retained as an independent contractor and is not an employee of Agency. Agency and Consultant are sometimes referred to herein as “Party” or “Parties.”

The services (“Services”) to be provided are more particularly described in the SCOPES OF WORK AND COST PROPOSAL AGREEMENT (“Proposal”), dated December 9, 2024 attached hereto as Exhibit “A” and incorporated herein by reference. In the event of a conflict between the provisions of this Letter Agreement and the Proposal, the terms of this Letter Agreement shall be controlling.

The term of this Letter Agreement shall be pursuant to the Project Schedule set forth in the Proposal. Services on the Project shall be completed within the term of this Letter Agreement, unless extended by Agency in writing.

Consultant shall perform all Services in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California, and consistent with all applicable laws. Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including any required business license, and that such licenses and approvals shall be maintained throughout the term of this Letter Agreement. Consultant shall maintain insurance coverage as may be required for its performance of the Services.

Consultant has represented to Agency that certain key personnel will perform and coordinate the Services under this Letter Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of equal competence upon written approval of the Agency. In the event Agency and Consultant cannot agree as to the substitution of key personnel, Agency shall be entitled to terminate this Letter Agreement for cause.

Compensation shall be based on the costs and rates as set forth in the Proposal and will be billed and paid for pursuant to the Payment Schedule set forth in the Proposal. The total compensation shall not exceed the costs and expenses set forth in the Proposal without written approval of the Agency General Manager. Consultant's invoices shall include a detailed description of the Services performed. Invoices shall be submitted to Agency pursuant to the Payment Schedule in the Proposal. Agency shall review and pay the approved charges on such invoices in a timely manner.

Agency may terminate this Letter Agreement at any time with or without cause. If Agency finds it necessary to terminate this Letter Agreement without cause before Project completion, Consultant shall be entitled to be paid in full for those Services adequately completed prior to the notification of termination. Consultant may terminate this Letter Agreement only upon 30 calendar days' written notice to Agency and only in the event of Agency's failure to perform in accordance with the terms of this Letter Agreement through no fault of Consultant.

To the fullest extent permitted by law, Consultant shall defend (with counsel of Agency's choosing), indemnify and hold Agency, its officials, officers, employees and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Services. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant or Agency.

By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment in violation of state or federal law. As provided for in the indemnity obligations of this Letter Agreement, Consultant shall indemnify Agency against any alleged violations of this paragraph, including, but not limited to, any fines or penalties imposed by any governmental agency.

This Letter Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Letter Agreement, the action shall be brought in a state or federal court situated in Riverside County, State of California.

Consultant shall not assign, sublet, or transfer this Letter Agreement or any rights under or interest in this Letter Agreement without the written consent of Agency, which may be withheld for any reason. This Letter Agreement may not be modified or altered except in writing signed by both Parties.


This is an integrated Letter Agreement representing the entire understanding of the Parties as to those matters contained herein, and supersedes and cancels any prior oral or written understanding or representations with respect to matters covered hereunder. Since the Parties or their agents have participated fully in the preparation of this Letter Agreement, the language of this Letter Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party.

Consultant warrants that the individual who has signed this Letter Agreement has the legal power, right and authority to make this Letter Agreement and bind Consultant hereto. If you agree with the terms of this Letter Agreement, please indicate by signing and dating where indicated below.

**SAN GORGONIO PASS WATER  
AGENCY**

**CRM TECH**

\_\_\_\_\_  
Lance Eckhart, PG, CHG  
General Manager

  
\_\_\_\_\_  
Michael Hogan  
Principal

\_\_\_\_\_  
Date

Dec. 19, 2024  
\_\_\_\_\_  
Date

EXHIBIT "A"

Proposal

(attached behind this page)



**CRM TECH**

1016 E. Cooley Drive, Suite A/B  
Colton, CA 92324

December 18, 2024

San Gorgonio Pass Water Agency  
1210 Beaumont Avenue  
Beaumont, CA 92223  
ATTN: Emmett Campbell, Senior Water Resources Planner

## **SCOPES OF WORK AND COST PROPOSAL**

**To Prepare the Required  
The Cultural Resources Monitoring and Treatment Plan  
The Paleontological Resource Impact Mitigation Program Document  
Preparation and Presentation of the Cultural Resource Sensitivity Training Program  
Preparation and Presentation of the Workers Environmental Awareness Program  
And For Archaeological and Paleontological Monitoring During Earthmoving  
For the County Line Road Recharge Basin and Turnout Project  
Cities of Calimesa and Yucaipa, California**

CRM TECH is submitting to San Gorgonio Pass Water Agency ("Client") this Scope of Work and Cost Proposal for preparing a Cultural Resources Monitoring and Treatment Plan and a Paleontological Resource Impact Mitigation Program Document, for preparing and presenting the Cultural Resource Sensitivity Training Program and Workers Environmental Awareness Program training to construction staff prior to commencement of construction activities, and for archaeological and paleontological monitoring during earthmoving for the project referred to above. The project is located along County Line Road, from Byrant Street to 4th Street, south on 4th Street to Flordason Drive and the area to the west for the proposed Recharge Basin. The monitoring will be performed under the provisions of the California Environmental Quality Act (CEQA) and in compliance with the requirements and conditions for the project. The Scope of Work and Costs are outlined here for informational and contractual purposes.

### **SCOPES OF WORK**

#### **Scope of Work: Assist the San Gorgonio Pass Water Agency with Tribal Monitoring Agreement**

CRM TECH will assist the San Gorgonio Pass Water Agency in obtaining the tribal monitoring agreement with the Morongo Tribe. This will include providing contact information and other assistance as needed. Also includes communicating with the Tribal Monitor and the Tribe as needed during the project work.

#### **Scope of Work: Preparation of the Cultural Resources Monitoring and Treatment Plan**

**MM CR-1** states that a Monitoring and Treatment Plan that is reflective of the project mitigation measures ("Cultural Resources" and "Tribal Cultural Resources") shall be completed by the Project archaeologist. To meet the requirement to develop a Cultural Resources Monitoring Plan specific to this project, CRM TECH will review historical/archaeologic reports and site records available for the project area and vicinity; review

ethnographic and historic literature that deals with the general area; and review the site plan and grading plans. This information will be synthesized into a site-specific plan that will outline the procedures for archaeological monitoring and for the proper treatment of all cultural and/or Tribal cultural resources that may be encountered while monitoring earth-disturbing activities associated with the project, as per the conditions for this project.

### **Scope of Work: Preparation of the Paleontological Resource Impact Mitigation Program Document**

**MM PALEO-1** states that prior to the issuance of grading permits and consistent with Riverside County General Plan policies, a Paleontological Resource Impact Mitigation Program (PRIMP) shall be prepared by a qualified professional paleontologist. To meet the requirement to develop this document for this project, CRM TECH will review pertinent geological and paleontological documents available for the project area and vicinity and review the geotechnical study completed for the project as well as the site plan and grading plans. This information will be synthesized into a site-specific Program document that will outline the procedures for paleontological monitoring and for the proper treatment of all paleontological resources that may be encountered while monitoring the earth-disturbing activities associated with the project, as per the conditions for this project.

### **Scope of Work: Preparing and Presenting the Cultural Resource Sensitivity Training and Preparing and Presenting the Worker's Environmental Awareness Program**

**MM CR-2** states that the retained archaeologist shall conduct a Cultural Resource Sensitivity Training at the pre-grade/kick-off meeting while **MM PALEO-1** states that the PRIMP will include a Worker's Environmental Awareness Program training prepared prior to the start of Project-related ground disturbance and presented in person to all field personnel. To prepare for and present one training program that will cover both cultural and paleontological resources at the same time, CRM TECH will review the available archaeological, ethnographical, geological, and paleontological information for the study area and vicinity; collect information about the types of artifacts, features, and fossils that might be present in the project area; gather examples of cultural resources and fossils (or photographs of artifacts and fossils), maps, contact information, and other data for use during the training session; review and compile information regarding the monitoring activities including safety measures and the procedures to be followed during ground disturbance in sensitive areas and protocols that apply in the event that resources are discovered. This information will be assembled so that it can be presented in an easily understood, comprehensive Worker Environmental Awareness Program regarding cultural and paleontological resources.

### **Scope of Work: Archaeological and Paleontological Monitoring**

CRM TECH has trained, experienced, and qualified monitors that conduct both archaeological and paleontological monitoring at the same time. CRM TECH will complete the archaeological and paleontological monitoring programs following professional standards and project requirements. Pre-monitoring tasks typically include producing appropriate maps of the project area, reviewing the available data, communicating with the appropriate Tribe(s), and consulting with the project proponent. On-site monitoring is done using established professional monitoring techniques/methods including completing daily logs and documenting all resources that are encountered (if any). Lab and office work includes maintaining field documents and recovered resources in an organized and retrievable manner; processing and cataloguing recovered resources; completing site record/fossil locality forms; analyzing and interpreting the recovered resources; producing the required reports at the end of the monitoring programs; and arranging and facilitating the curation/final treatment of recovered resources.



## COSTS

### **Cost to Assist the San Geronio Pass Water Agency with Tribal Monitoring Agreement**

There will be **no additional charges** for the services as needed to assist the Agency in obtaining the Tribal Monitoring Agreement with the Morongo Tribe.

### **Cost to Prepare the Cultural Resources Monitoring and Treatment Plan**

The cost for preparing the site-specific Cultural Resources Monitoring and Treatment Plan meeting the requirements for the project is **\$2,870.00**.

### **Cost to Prepare the Paleontological Resource Impact Mitigation Program**

The cost for preparing the Paleontological Resource Impact Mitigation Program meeting the requirements for the project is **\$2,780.00**.

### **Cost for Preparing and Presenting the Preparing and Presenting the Cultural Resource Sensitivity Training and the Worker's Environmental Awareness Program (One Presentation)**

The cost for preparing and presenting one Worker's Sensitivity/Awareness Program for the project, covering both cultural and paleontological resources, on-site at the start of earth-disturbing activities is **\$1,680.00**.

### **Costs for Archaeological and Paleontological Monitoring**

As noted above CRM TECH has trained, experienced, and qualified monitors that conduct both archaeological and paleontological monitoring at the same time. Due to the disturbed nature of sediments within the streets, it is likely that archaeological and paleontological monitoring will only be needed within the basin area, below the artificial fill dirt. CRM TECH proposes to carry out the tasks necessary to complete the archaeological and paleontological monitoring programs at a professional level, following the Monitoring Plans, and according to the Conditions for the project at a flat rate of \$110 per hour for the lead monitor [and \$90 per hour for additional personnel (if needed)]. Work beyond eight hours per day and/or forty per week will be billed at an overtime rate of \$150 per hour for the lead monitor and \$120 per hour for additional personnel. Based on the size of the proposed project, one person should be able to monitor all earth-moving activities associated with this project (one person covering both archaeological and paleontological monitoring); if, however, earth-moving is occurring at separate locations and/or occurring at a very fast rate, additional monitors *may* be needed. Also, in the event that work is halted or does not get started on a scheduled workday (without sufficient prior notification), the Client will be billed a minimum of four (4) hours (show-up time).

### **Additional Tasks (if needed)**

If cultural and/or paleontological resources are encountered during ground-disturbing activities associated with the project, additional tasks will be performed to complete the monitoring programs according to professional standards, CEQA, and project requirements. These may include the preparation of a research design and a plan to evaluate the resource for significance under CEQA criteria; maintaining the field documents, photographs, and artifacts/fossils in an organized manner to facilitate analyses, interpretation, and

reporting; processing and cataloguing all recovered resources; completing site record forms for cultural resources and fossil locality forms for paleontological resources; and analyzing and interpreting the data. Also, if resources are found the preparation of the reports for the project will require more time and effort. The extent of these efforts depends mostly on the number and type of resources that are found during monitoring and, therefore, cannot be predicted or estimated in advance.

*It is understood, therefore, that the full amount of the monitoring programs, as outlined in this document, depends on the number of days of monitoring earth-moving activities and the amount of time needed to catalogue and analyze the finds, prepare resource records, write the reports, and “curate” the resources.*

## **Estimate of Costs**

The cost of a monitoring program is impossible to determine. There are too many variables, including the amount of time that a monitor is actually needed in the field and whether or not resources are encountered. Even if no resources are found, the reports still need to be produced to document the monitoring programs. If cultural resources are found, then site records need to be generated; if paleontological resources are found, then fossil locality forms need to be generated. In both cases, the resources will need to be analyzed and interpreted for significance; and writing the report(s) in this case would necessarily require more time and effort.

Examples of possible costs, to provide the Client an idea of the costs of the monitoring programs, are provided here. The client has estimated that the earthwork that needs monitoring will be completed in 3 months (12 weeks; 60 days; 480 hours of fulltime monitoring) at the recharge basin. These are only example estimates; as noted above, the cost will depend on the number of days of actual monitoring and the types, number, and condition of any recovered resources (if any).

### **Examples of Costs (for Billing Rates, see below)**

#### **Archaeological and Paleontological Fieldwork (\$110 per hour) (one person)**

1 day (8 hours) = \$880.00.

1 week (40 hours) = \$4,400.00.

3 months (12 weeks; 60 days; 480 hours) = **\$52,800.00**.

We can estimate some 2 hours per week to maintain the field documents = \$180.00 per week, which would be **\$2,160.00** in 12 weeks.

#### **Archaeological Report**

We can estimate some 36 hours (more or less) to produce graphics and complete the archaeological report if no cultural resources are found (example estimate = **\$3,960.00** for a report **with no findings**).

If cultural resources are found, the cost, as noted above would depend on the quantity and type of artifacts.

#### **Paleontological Report**

We can estimate some 32 hours or less to produce graphics and complete the paleontological report if no paleontological resources are found (example estimate = **\$3,520.00** for a paleontological report **with no findings**).

Paleontological monitoring programs require that soil samples be collected and processed to determine if small paleontological resources are present. Our trained monitors determine if potentially fossiliferous soils are present and, if so, they recover samples from them. The amount of soil that is collected for processing depends on the types and abundance of these paleo-sensitive sediments and whether the analyses of them

actually determine that paleo resources are present. We try to process and examine soil samples in the field, as part of the field monitoring. If earthwork is proceeding at an extremely fast pace or if extremely fossiliferous soils appear to be impacted, soil samples may need to be taken to the lab for processing and examination.

Based on the client’s estimation of some 3 months (480 hours of fulltime monitoring) this would result in an estimated not to exceed figure of **\$62,440.00** for the monitoring, field documentation, and the two final monitoring reports (**with no findings**).

**Estimated (Example) Monitoring Costs**

Field Monitoring (3 months/12 weeks/60 days)	<b>\$52,800.00</b>
Field Documentation (3 months/12 weeks)	<b>\$2,160.00</b>
Archaeological Monitoring Report (no findings)	<b>\$3,960.00</b>
Paleontological Monitoring Report (no findings)	<b>\$3,520.00</b>
<b>Total Estimated Monitoring Cost (3 months; no findings:</b>	<b>\$62,440.00</b>

The full cost for the monitoring programs, however, will depend on the number of days of monitoring and the number, types, and condition of finds, if any.

**Reimbursable Expenses**

**Mileage**, at the current government rate, will be billed as a reimbursable expense. Additionally, depending on the homebase of the qualified monitor, the monitor may prefer *not* to commute. In that case, **per diem**, at the current government rate, will be added as a reimbursable expense. Estimates of these costs are provided here. Note that the per diem estimate is based on the assumption that half of the time (30 days) we will be able to have a local person conduct the monitoring so that per diem will not be required on those days.

Estimate mileage cost (12 weeks; 60 days)	\$3,300.00
Estimate per diem (half of the time = 30 days)	\$5,340.00
<b>Estimated total for Reimbursable Expenses</b>	<b>\$8,640.00</b>

No other reimbursable expenses or indirect costs will be added to our invoices. The rates quoted here include items such as copying and printing, equipment maintenance and depreciation, administrative fees, and other such normal operating expenses.

**The full cost for the monitoring program will depend on the number of days of monitoring, the number and types of finds, if any, plus mileage and per diem.**

**Payment Schedule**

Invoices for the preparation of the Cultural Resources Monitoring and Treatment Plan and the Paleontological Resources Impact Mitigation Program will be submitted and payable upon their completion.

An invoice for the preparation and presentation of the one Training Programs will be submitted and payable upon completion of the Training.

Invoices for on-going monitoring will be submitted regularly.

**Project Schedule**

The cultural and paleontological plans (and preparation of the training programs) will be completed approximately four (4) weeks after receiving the grading plans, site plan, and geotechnical report.

A one-week notice prior to starting the earth-work would be appreciated, but no less than four (4) days is required. Co-ordination of project schedules should be made with Daniel Ballester in the CRM TECH office.

**REVIEW OF COSTS AND RATES:**

Cultural Resources Monitoring and Treatment Plan: **\$2,870.00**  
 Paleontological Resource Impact Mitigation Program: **\$2,780.00**  
 Preparation and Presentation of the Cultural and Paleontological Resources Training Programs: **\$1,680.00**

**Monitoring:**

Lead Monitor (1 person covering both archaeological and paleontological monitoring): \$110.00 per hour  
 Additional Monitors (if needed): \$90.00 per hour  
 Overtime Rates: \$150 per hour for the lead monitor and \$120 per hour for additional personnel  
 Maintaining field documents and resources: \$90.00 per hour  
 Artifact and/or fossil processing and cataloguing (if needed): \$90.00 per hour  
 Site record and/or fossil locality preparation (if needed): \$110 per hour  
 In-house artifact and or fossil analysis (if needed): \$110 per hour  
 Outside Special Studies (if needed): Cost plus 15%  
 Report preparation: \$110 per hour

Cultural Resources Monitoring and Treatment Plan	\$2,870.00
Paleontological Resource Impact Mitigation Program	\$2,780.00
Cultural and Paleontological Resources Training Programs	\$1,680.00
Estimated Monitoring Cost (3 months; no findings)	\$62,440.00
<b>Total Estimated Cultural and Paleontological Monitoring Programs (12 weeks; no findings)</b>	<b>\$69,770.00</b>

**Reimbursable Expenses (Estimates):**

Estimate mileage cost (12 weeks; 60 days)	\$3,300.00
Estimate per diem (half of the time = 30 days)	\$5,340.00
<b>Estimated total for Reimbursable Expenses</b>	<b>\$8,640.00</b>

**Estimated Total (60 days of monitoring, no findings): \$78,410.00**

**Agreement**

If the Client agrees to the terms and conditions of this Scope of Work and Cost Proposal, this document can be incorporated into a letter agreement.

Submitted by:



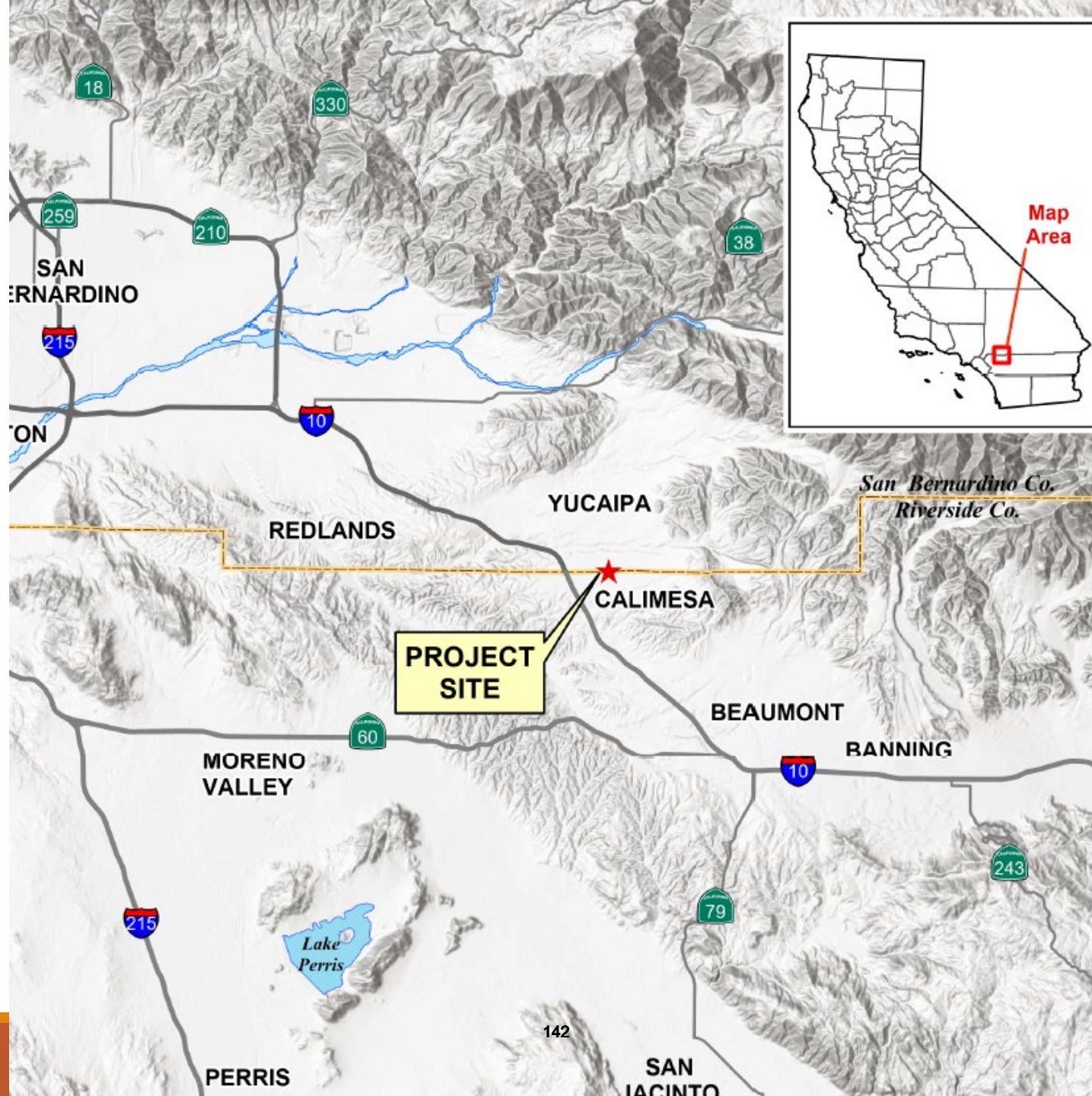
Michael Hogan  
 CRM TECH

# CRM TECH Archaeological and Paleontological Mitigation for County Line Road Recharge Basin and Turnout Project

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BOARD OF DIRECTORS

JANUARY 6, 2025



The Board Adopted the MMRP for Archaeology and Paleontology on October 7, 2024. This included the following mitigation measures:

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- MM CR-1: Monitoring and Treatment Plan to be developed for cultural resources
- MM CR-2: Archaeological monitoring shall be conducted during ground disturbing activities
- MM CR-3: A process outlined in the event there's an inadvertent discovery of human remains
- MM Paleo-1: A Paleontological Resource Impact Mitigation Program will be prepared
- MM TCR-1: SGPWA will enter into a Tribal Monitoring Agreement with the MBMI

To abide by the Agency procurement policy, Webb assisted staff with obtaining three proposals to complete this work. The costs of each proposal are:

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- \$160,000
- \$114,000
- \$78,410

CRM TECH's proposal was \$78,410 to complete the work. Webb has worked with them in the past and recommended them for doing these tasks.



# Recommendation

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Authorize the General Manager to execute the Letter Agreement between SGPWA and CRM TECH for Archaeological and Paleontological work and monitoring related to the County Line Rd Recharge Basin and Turnout Project for a not-to-exceed amount of \$78,410.

# ***San Geronio Pass Water Agency***

**DATE:** January 6, 2025  
**TO:** Board of Directors  
**FROM:** Lance Eckhart, General Manager  
**BY:** Maricela Cabral, Administrative Asst./Clerk of the Board  
**SUBJECT: Review of current Board Committee Assignments**

**RECOMMENDATION**

Review the current board committee assignments and approve necessary changes to current assignments for the 2025 year.

**BACKGROUND**

Due to the recent change in director for Division 1, the need to review and make changes to the current board committee assignments is necessary.

**FISCAL IMPACT**

N/A

**ACTION**

Review and approve necessary changes to the current Board Committee assignments listing.

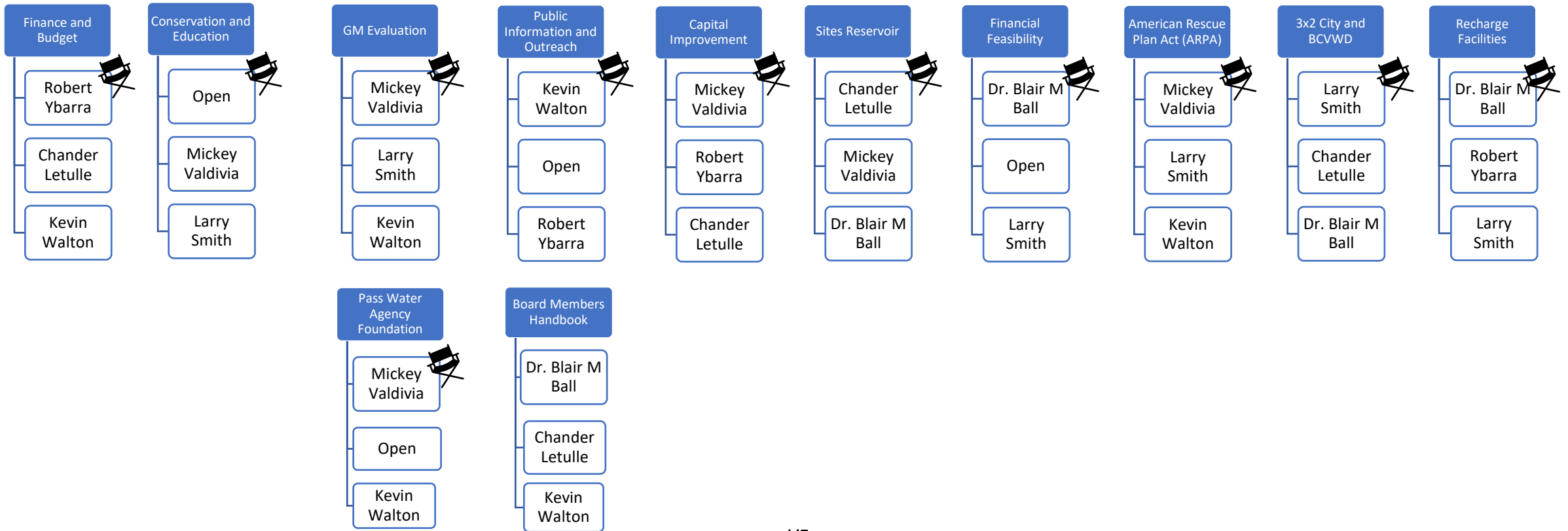
**ATTACHMENTS**

Board Committee Assignment Listing

# SGPWA Committee Assignments

## Standing Committees

## Ad-Hoc Committees



# ***San Geronio Pass Water Agency***

**DATE:** January 6, 2025  
**TO:** Board of Directors  
**FROM:** Lance Eckhart, General Manager  
**BY:** Lance Eckhart, General Manager  
**SUBJECT: DIRECTOR’S PRESENTATION: WATER EDUCATION FOR LATINO LEADERS (WELL) PROGRAM**

**RECOMMENDATION**

This is a Board-related presentation and discussion; Staff have no recommendation.

**PREVIOUS CONSIDERATION**

- Board of Directors – July 10, 2023: The Board approved a request from Director Chander Letulle to participate in this program.

**BACKGROUND**

Director Ybarra was recently accepted to participate in the Winter 2025 AAPI UnTapped Fellowship Program that is sponsored by the Education for Latino Leaders (WELL) organization.

The cost of the program is \$4,000, and meetings will commence shortly. This program is similar in scope and practice to the program attended by Mr. Letulle in 2023, and consists of five in-person meetings in locations throughout California, with the possibility of additional teleconference meetings.

**ANALYSIS**

The Board has approved various policies and ordinances to guide Board members and Staff in making decisions about participation in various meetings and conferences, and consideration of the cost of such participation. The policies and ordinances guide the decision-making process for Board and Staff participation in various meetings, conferences, and programs. In addition, the Board reserves the right to approve programs not mentioned in these policies and ordinances that will benefit the Agency and the members of the Agency in the furtherance of its goals and objectives.

Specifically, the Board approved a similar program for a Board member in 2023.

Besides the educational benefit of the proposed program, the Board may also see this as an opportunity for additional networking and continued involvement with the Water for Latino Leaders organization, and their events and conferences. As mentioned in a

previous staff report, Mr. Letulle's completion of the fellowship paves the way for additional opportunities for Board member engagement.

### **STRATEGIC PLAN NEXUS**

STRATEGIC GOAL 4: Serve the public with dedication, determination, transparency, collaboration, and a commitment to expanding knowledge.

Objective:

- Provide ongoing education to the Board of Directors on issues affecting the Agency and the regional water landscape.

STRATEGIC GOAL 6: Maintain, foster, and expand collaboration with local, regional, state and federal partners to develop strategic solutions to water supply challenges and opportunities.

Objective:

- Cultivate local, regional, state, and federal partnerships and identify opportunities to promote and expand collaboration with new or existing partners.

### **FISCAL IMPACT**

In addition to the cost of the fellowship, Director Ybarra would be able to include these meetings on his monthly pay requests. An average of about two meeting-days per month could be included over the five-month period. Reimbursement for travel expenses for the meetings would also be expected.

The General Fund Budget for FY 2024-25 includes \$80,000 for Directors Travel and Education. As of November 30, 2024, approximately \$26,000 has been expended.

### **ACTION**

Board decision.

### **ATTACHMENTS**

Excerpt from Water Education for Latino Leaders website  
Acceptance letter  
Invoice



## WELL UnTapped Fellowship Program

Applications for the WELL – AAPI UnTapped Fellowship are now open! Apply below! Water is one of the most important public policy issues in California and local Latino leaders are now emerging as key contributors in the water policy arena. Water Education for Latino Leaders (WELL) was founded in 2012 with the goal of strengthening the voice of local Latino leaders, ensuring they have context for and participation in water policy decisions. Latino and other people of color have been historically locked out of decision-making and leadership roles, particularly on the issue of water policy. Latinos represent nearly 40 percent of California’s population but only account for 2 percent of elected water officials and water policy professionals. WELL believes that the next generation of leaders should reflect the diversity of California and that they should have the knowledge and expertise about water issues that will make them more effective in leading water policy.

### **WELL UnTapped**

Building on its success in water education, WELL launched **WELL UnTapped**, a selective, six-month program for local elected leaders aimed at helping participants make an impact on California water policy while addressing individual community water challenges. The UnTapped program creates an opportunity for local leaders to engage with water issues through a comprehensive and active exploration of history, governance, public policy, geography, and economics and their relationship to human rights and climate change.

The overarching goal of the WELL UnTapped fellowship program is to give local elected officials a deeper understanding of the fundamentals of water policy and governance. UnTapped sessions are held at different watersheds throughout California, and session content includes lectures given by water professionals and skill-based exercises that help participants ask better public policy questions and strengthen public leadership and relational skills. Upon completing the program, fellows will have gained the following skills:

**Public Narrative:** An evidence-based method to engage others in organizing work. The method, developed by Marshall Ganz, an organizer and lecturer at Harvard Kennedy School of Government, comes out of his theory of *strategic capacity*. Through practicing what Ganz coined the Story of Self, Story of Us, and Story of Now, fellows hone critical *public leadership skills* and learn how to *recruit important allies* to build a team of concerned and willing leaders. Through the process of Public Narrative, WELLos share what motivated them to become a local elected official and what prompts them to continue. This motivation engages like-minded individuals to join them in not only improving their community’s water situation but improving the outcomes for all kinds of issues.

**WELL Method of Inquiry:** The Method of Inquiry is modeled after established teaching models that develop analytic skills to deal with complex fact situations. It is assumed that UnTapped fellows already possess many of these skills acquired through experience and common sense problem-solving in their personal and professional lives. The Method of Inquiry will build on those skills. It is also assumed that while fellows may have the experience

to varying degrees in dealing with complex water issues, they do not have the time to become experts in the field of water policy and management in California or even experts within their own communities. The objective of the Method of Inquiry is to give each fellow the skills needed to ask questions of water experts, organize the relevant facts, recognize what is unknown, find out where to get the information needed to make intelligent choices about complex water policy and management issues, and as necessary, how to lead communities in better planning and managing water supplies and water quality.

**Legislative Water Workshop Project:** Led by UnTapped Fellowship graduates, the Legislative Water Workshop capstone project gives graduates an opportunity to work with their California state legislators to share educational discussions with the local elected officials in the legislative district regarding the water issues impacting their region.

Once fellows graduate from UnTapped, they are inducted into the [WELL UnTapped Network \(WUN\)](#), where they can continue engaging in learning and training opportunities about California water policy. Graduates of the WELL UnTapped Fellowship program are referred to as WELLO's and to date WELL has graduated a total of 45 elected officials from throughout California.

Join WELL UnTapped's statewide network of Latino elected leaders. Learn from each other. Leverage the Power of UnTapped. Together we can make a difference in our communities and help address one of the most critical issues of our day.



Robert Ybarra  
Boardmember  
San Geronio Pass Water Agency  
1210 Beaumont Ave,  
Beaumont, CA 92223

Dear Mr. Ybarra,

**Congratulations!**

**On behalf of Water Education for Latino Leaders (WELL), I am pleased to inform you that you have been accepted as a Fellow for the Winter 2025 WELL UnTapped Fellowship Program.** We received several applications this year and you were selected from a competitive group of elected leaders. Your application and interview demonstrated a true passion for protecting our environment and advancing your community's interests. We look forward to the synergy from your cohort's dynamic experience and backgrounds.

This is the ninth cohort of the WELL UnTapped Fellowship. By accepting to be a part of next year's cohort you will be a part of a vigorous group made up of other local elected officials to learn and discuss some of the state's most pressing water policies. Your participation in WELL UnTapped will play a significant role in preparing our state as it faces the fourth year of drought and many other water challenges in the coming years. WELL staff will provide you with the social media kit for sharing your acceptance into the program.

**To confirm your participation in the program, these are the next steps:**

1. Sign a copy of the acceptance letter with the link emailed to you.
2. Sign the WELL Photograph & Video Release Form so that we may include you in the press release announcing the next WELL UnTapped Fellowship cohort and use your image when referencing the program.
3. Submit your onboarding documents.

If you have any questions or concerns, please feel free to contact me at (909) 670-2928.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul C. Hernandez", written over a light blue horizontal line.

Paul C. Hernandez  
Executive Director

**WELL Board of Directors:** Victor R. Griego, Jr. [Founder and President, WELL](#), Miguel A. Luna, [Principal of Urban Semillas](#), Cástulo R. Estrada, [Vice President, Coachella Valley Water District](#), Tony Estremera, [Director, Santa Clara Valley Water District](#), Irais Lopez-Ortega, [Councilmember, City of Calistoga](#), Joone Kim Lopez, [General Manager, Moulton Niguel Water District](#), Diana Mahmud, [Councilmember, City of South Pasadena](#), Gary Serrato, [Former General Manager, Fresno Irrigation District](#)

**930 Colorado Blvd., Building 1, Los Angeles, CA 90041 | 909.670.2928 | [www.latinosforwater.org](http://www.latinosforwater.org)**





# Invoice

Date	Invoice #
12/18/2024	2024-67

Water Education for Latino Leaders

**930 Colorado Blvd Building 1**  
**Los Angeles, CA 90041**  
**Federal Tax ID No:84-3563310**

Bill To
San Gorginio Pass Water Agency Robert Ybarra 1210 Beaumont Ave, Beaumont, CA 92223

Quantity	Description	Rate	Amount
1	WELL UnTapped Fellowship Program - January 2025 - May 2025 Pricing includes: - 5 in-person Water Education Sessions - Hotel accomadations	4,000.00	4,000.00
Make all checks payable to Water Education for Latino Leaders If you have any questions concerning this invoice, contact Marrisa Stanley, Marissa@latinosforwater.org or 909-670-2928		<b>Total</b>	<b>\$4,000.00</b>