

**MEETING MINUTES OF THE
San Gorgonio Pass Regional Water Alliance
July 23, 2025 at 5:00 p.m.**

Meeting Attendees

Agency	Representative	
City of Banning	Art Vela	Present
City of Beaumont	David Fenn Thaxton Van Belle	Present
Banning Heights Mutual Water Company		Absent
Beaumont Basin Watermaster	Art Vela Dan Jagers	Present
Beaumont-Cherry Valley Water District	Daniel Slawson Dan Jagers	Present
Cabazon Water District	Taffy Brock	Present
City of Calimesa		Absent
High Valleys Water District	Stan Houghton	Present
Mission Springs Water District	Amber Duff	Present
Morongo Band of Mission Indians		Absent
Riverside County EDA / Flood Control		Absent
San Gorgonio Pass Water Agency	Larry Smith Lance Eckhart Kevin Walton Sarah Wargo	Present
South Mesa Water Company		Absent
Yucaipa Valley Water District	Joyce McIntire	Present

Members of the Public in Attendance: Steve Grasha, Desert Water Agency

1. Call to Order - Roll Call

Chairman Daniel Slawson called to order the regular meeting of the San Gorgonio Pass Regional Water Alliance at 5:08 p.m. Roll call was conducted of the attendees and is reflected in the list of meeting participants above.

2. Public Comments: None.

3. Consent Calendar

- A. Approval of Alliance Meeting Minutes from May 28, 2025
The Consent Calendar was approved by the following vote:

MOVED: Slawson	SECONDED: None
CONSENT CALENDAR APPROVED	VOTE 7-0-1
City of Banning	YES
City of Beaumont	YES
Banning Heights Mutual Water Company	Absent
Beaumont Basin Watermaster	YES
Beaumont-Cherry Valley Water District	YES
Cabazon Water District	YES
City of Calimesa	Absent
High Valleys Water District	YES
Mission Springs Water District	Abstain
Morongo Band of Mission Indians	Absent
Riverside County EDA / Flood Control	Absent
San Gorgonio Pass Water Agency	No vote
South Mesa Water Company	Absent
Yucaipa Valley Water District	YES

4. Presentation by San Gorgonio Pass Water Agency General Manager Lance Eckhart:

- Update and Discussion Regarding Funding for the Sites Reservoir Project
- Discussion Regarding Funding for the Delta Conveyance Project

Lance Eckhart provided a financial and economic update regarding the San Gorgonio Pass Water Agency's (SGPWA) position in relation to two major state water infrastructure projects: the Sites Reservoir and the Delta Conveyance Project (DCP). He emphasized that the SGPWA is in a strong financial and economic position to participate in both projects. The Alliance members acknowledged the importance of remaining proactive about infrastructure funding and regional economic development. Eckhart discussed:

1. Budget Overview and Financial Position

- SGPWA's annual income is approximately \$70 million, with about 40% in unrestricted funds and 60% in restricted (debt service-related) funds.
- The agency maintains strong reserves and is financially positioned to support local infrastructure projects and debt obligations, including balloon payments on the State Water Project (SWP) East Branch Extension (EBX) bonds due in the next few years.
- Overall, SGPWA's financial health is robust, buoyed by steady growth in assessed valuation and tax revenues in the region.

2. Sites Reservoir Project

- The Sites Reservoir is considered imminent, with an expected operational date in the early 2030s.
- It is projected to have a significant impact on regional water supply security.
- SGPWA holds approximately 90,000 acre-feet of storage capacity in the reservoir. If it fills and empties multiple times during wet periods, this could translate to 180,000–270,000 acre-feet of usable water.
- Estimated cost is under \$20 million annually. The agency can afford this within its current revenue structure.

3. Delta Conveyance Project (DCP)

- This is a more complex and expensive project, with estimated annual costs for the agency in the mid-\$30 million range.
- SGPWA has committed to a 2% share of the project, with the ability to adjust this.
- Funding will be supported by tapering off of older debt obligations (like EBX) around 2035, creating room in the budget.

4. Economic Analysis

- Mr. Eckhart shared preliminary findings from an economic study by Beacon Economics and financial forecasting by HDL:
 - The assessed value in the region has grown from \$11 billion in 2020 to approximately \$18 billion in 2025.
 - Beaumont has experienced substantial population and housing growth, from 11,000 residents in 2000 to over 53,000 in 2020.
 - Local tax revenue, economic development, and retail sales—especially logistics—are increasing.
 - The area's robust economic trajectory supports the agency's financial capacity to invest in generational water projects.
- Lance concluded that the agency is in a position to participate meaningfully in both Sites and DCP, likely without new taxes or drastic financial measures.

Steve Grasha, Desert Water Agency Director, asked whether the spike in taxable sales in Beaumont was due to distribution centers (like Amazon) or secondary economic activity from employees. Alliance members discussed the economic impact and policy considerations surrounding fulfillment centers. Eckhart and others noted that these centers can generate substantial local tax revenue if structured to include a point-of-sale designation. Beaumont was highlighted as a case study, where a noticeable spike in taxable sales appeared to correlate with such a facility. However, caution was raised about the potential for the State to redistribute this revenue, prompted by complaints from cities that host no fulfillment centers but still want a share of the associated taxes.

Jaggers and others emphasized that while fulfillment centers bring economic advantages, they also introduce challenges such as traffic, infrastructure wear, and mixed public sentiment. Nonetheless, they acknowledged the importance of protecting these revenue sources legislatively. Grasha noted that in regions like the Coachella Valley, the facilities provide essential

employment opportunities, filling a void for local residents. Overall, the group expressed both appreciation for the economic benefits and awareness of the need for vigilance in retaining the tax revenues.

Daniel Slawson (Chair) asked about the long-term funding horizon for the SWP and whether current payments would really sunset or could be replaced. Eckhart responded that while some bonds will retire around 2035, new funding mechanisms will be required for modernization and ongoing infrastructure needs. Jagers affirmed this and added that while legacy debt tapers off, it will be replaced by new capital obligations to support system improvements, such as Sites and DCP.

5. Comments and Updates by the Elected Official or Agency Representative

A. City of Beaumont – Thaxton Van Belle reported:

- Completed maintenance work on a sewer bridge near Three Rings Ranch.
- Continuing work on road improvements and upgrades to the Mesa Lift Station.
- Emphasized focus on advancing recycled water initiatives in collaboration with regional partners.

B. City of Banning – Art Vela reported:

- Reported progress on the long-anticipated expansion of the wastewater treatment plant, now underway under a progressive design-build agreement with AECOM and WM Lyles.
- Noted completion of a waterline replacement and ongoing construction of two booster stations and two wells.
- Announced his temporary appointment as Acting City Manager; recruitment for a permanent position is pending.

C. Banning Heights – Absent

D. Beaumont-Cherry Valley Water District – Daniel Slawson and Dan Jagers highlighted:

- Currently drilling new wells and nearing completion on two ARPA-funded pipeline projects.
- Actively supporting recycled water implementation efforts.
- Highlighted fire-readiness measures including coordination on heli-hydrants and water system interconnections with neighboring agencies.

E. Cabazon Water District – Taffy Brock reported:

- Confirmed successful use of heli-hydrants during the Wolf Fire; minor infrastructure adjustments (e.g., additional rock) are planned.
- Announced that the District's General Manager will retire in February; search for a replacement is underway.

- F. City of Calimesa – Absent
- G. High Valleys Water District – Stan Houghton reported:
- Reported minimal infrastructure damage from recent fires, aside from one damaged transition line.
 - New heli-hydrant tanks are being installed, with anticipated completion in two weeks.
 - IRWM grant-funded water lines were heavily utilized during fire response, though high demand briefly reduced pressure to some properties.
- H. Mission Springs Water District – Amber Duff reported:
- Another group of interns from the high school will start soon in wastewater, water production, and engineering
 - A young man from the first internship will be taking classes for Wastewater I
 - A CVAG Civic Spark intern was awarded to MSWD to help with the Making Conservation a California Way of Life compliance, pleased to receive that grant money
- I. Morongo Band of Mission Indians – Absent
- J. Riverside County EDA / Flood Control District – Absent
- K. South Mesa Water Company – Absent
- L. Yucaipa Valley Water District – Joyce McIntire reported:
- Reported on Calimesa City Council's approval of two new projects: a low-income housing development and the Bircher's Logistics Center.
 - YVWD will be responsible for installing lift stations and reservoirs to support the developments.
- M. San Geronio Pass Water Agency – Lance Eckhart reported:
- Two heli-hydrants are operational in Cabazon; two more are nearly ready in High Valleys, with additional installations planned in Beaumont and Calimesa.
 - A seventh heli-hydrant is slated for Banning Heights with \$300,000 from Riverside County Flood Control.
 - Acknowledged Director Kevin Walton's key role in initiating and advancing the heli-hydrant program.
- N. Beaumont Basin Watermaster – Dan Jagers and Art Vela reported:
- The next meeting will be August 6
- O. Desert Water Agency – Steve Grasha reported:
- New DWA General Manager Esther Saenz took over in July

- 6. Suggested Presentations and Topics for Future Meetings**
- a. Update and Discussion Regarding Funding for the Sites Reservoir Project
 - b. Discussion Regarding Funding for the Delta Conveyance Project
 - c. Discussion Regarding Funding for the Regional Cabazon/Banning Backbone Project
 - d. PFAS
 - e. Lead and Copper Rule
 - f. Preparation of 2025-2026 Urban Water Management Plans

- 7. Future Meeting Dates**
Committee is dark in November
Meeting time is 4th Wednesday of odd months at 5 p.m.

- September 24, 2025
- January 28, 2026

- 8. Adjournment**

Chairman Daniel Slawson adjourned the meeting at 6:06 p.m.