



FOR IMMEDIATE RELEASE
Contact: Daniel Cozad, General Manager,
Phone: (909) 793-2503

Nov. 10, 2010

Water Conservation District cuts budget to meet revenue reductions

REDLANDS, Calif. – The San Bernardino Valley Water Conservation District Board of Directors on Wednesday adopted nearly \$1 million in budgetary changes to address significant reductions in revenue experienced in the last two years. Board members voted unanimously to curtail spending on administrative costs, including expenses of the Board itself, and to defer costs in construction and maintenance.

The District has been operating within its 2010 approved budget with respect to costs, but has had to rely on reserves to make up for unanticipated revenue shortfalls. The past two years have seen revenue drop significantly with the general economy. Mining royalties are down by 30 percent due the slowdown in the construction industry. Revenues from the District's groundwater charge are about 50 percent below the initial budget for the year. Interest rates on District reserves also have fallen.

“Today's economy is forcing everyone to cut back,” said General Manager Daniel Cozad. “These reductions enable us to address revenue shortfalls without jeopardizing essential operations and programs.”

With the budget changes in place, overall expenses for the district have been reduced by more than \$900,000, or about 41 percent. The revisions include:

- **Revenue updates:** Revise revenue projections to reflect current economic realities and trends. Consider revenue enhancements recommended by the Ad Hoc Committee.
- **Personnel expense cuts:** Reduce staffing and leave senior management positions open, and contract for a general manager and other services at costs lower than previous costs for direct District employees.
- **Board of Directors cuts:** Ban all out-of-state Board travel for 2010-11, limit Board member expenses for other meetings, and reduce Board meetings to one per month.
- **Other cost reductions:** Reduce capital spending on construction projects and defer non-essential maintenance until the budget is balanced.

These changes were adopted by the Board today [Nov. 10] and come from recommendations of the Budget Revision Ad Hoc Committee set up in October to address the District's drop in projected revenue.

In recent weeks the Board also has voted to seek a change in state law to permit reducing the size of the Board of Directors from seven members to five without the currently required cost of a special election, and to reduce other staff and Board meeting and travel

expenses. The Board also has voted for additional cost reductions and/or deferrals for construction, equipment, professional studies, memberships, and property costs.

“I am pleased by the work of the Budget Revision Committee and grateful for the suggestions and support of our new General Manager,” said Committee Chair John Longville. “The committee has spent many hours working with our staff to come up with cuts in all areas to make us more financially sound and our finances more transparent to the public.”

The San Bernardino Valley Water Conservation District is a public agency formed to ensure an adequate water supply for the San Bernardino Valley through operation of recharge facilities, partnerships with other agencies, and by providing stewardship for the many uses of the Santa Ana Wash.

##