

District and Enterprise Budgets for Fiscal Year



2013-2014

As Approved May 15, 2013



Contents

Introduction and Purpose	3
Review and Approval Process	3
District Enterprises	3
Enterprise Policy	3
Enterprise Descriptions	3
Reserves	5
Reserve Policy	5
Scope of Policy	6
Reserve Descriptions	6
Groundwater Recharge Enterprise Reserve	6
Redlands Plaza Reserve	7
Land Resources Reserve	7
Prepaid Royalties Reserve	7
General Fund Reserves	7
Clarifications	8
Reserve and Enterprise Transfers, Loans and Approval	9
District Budget	9
Development	9
Budget Summary	10
Risks	10
Reserves	11
Opportunities for additional Revenue	11
Reporting and Auditing	11
Monthly Reporting	11
Annual Reporting	11
Auditing	11
ATTACHMENT A – Enterprise and District Budget Data	12

Introduction and Purpose

The purpose of the Enterprise Budget process is to provide clear understandable financial information to the Board and the public in a planning document that forecasts future revenue and expenses in the most accurate manner possible. Budgets are planning documents intended to guide the District activities and compare actual revenue and expenses to determine financial performance. As soon as a budget is approved the possibility for conditions to change begins. The budget is intended to be revised as appropriate when conditions or Board direction makes significant changes to the basis underlying the Budget.

Review and Approval Process

The Conservation District is formed under the Water Conservation District Law of 1931, Section 74,000 of the California Water Code. This Code requires a Groundwater Charge be developed based on the needs for replenishment as documented in the Engineering Investigation and District services and adopted prior to the end of April. Therefore the District develops the Groundwater Enterprise Budget and the Groundwater Charge Rate prior to the development of the rest of the Budget. To gain Board involvement Staff prepared a budget approach to document the method and assumptions to be used in the budget. This approach was approved in January and used to develop the budget.

When the Board had the opportunity to review the draft budget and range of groundwater charges, the Board selected a Noticed Rate to advertise in accordance with the Code. A public meeting and public hearing were held to solicit feedback or hear testimony on the noticed rate. No negative comments were provided on the rate and the Board adopted the noticed rate.

The Administrative Committee was convened, recommended changes to the overall budget for the district and requested changes to employee's health care and retirement benefits to bring them into line with other public agencies. These efforts are represented in the document prepared for recommendation by the Committee to the Board. The Board of Directors will consider approval of the Budget in May, 2013.

District Enterprises

The District follows an Enterprise Accounting system and separates the District's business areas into enterprises as described in the policy below.

Enterprise Policy

The purpose of this policy is to provide the basis of a clear and transparent accounting and finance program that supports and separates financial dealings fairly among all District efforts and activities. The descriptions here will be used for reworking of the Budget for 2013-2014, the General Ledger and the financial and audit processes. The policy lays out the separate enterprises and related funds and reserves and the interconnections between the funds.

Enterprise Descriptions

The General Fund Enterprise aggregates all the enterprise funds and acts as the umbrella for all effort of the District. The General Fund contains all funds that are not ascribed to an enterprise. Examples of these are Board expenses and meeting costs, agency related costs and all overhead until applied to enterprises. The general fund receives funding from the Districts limited property taxes, interest on the general fund reserves

and proceeds from overhead from all other enterprises. Expenses of this fund include all indirect and overhead cost including:

- Office staff and Management for District and Board Management and costs not charged to other enterprises, salary, burden, and overhead
- Office equipment, supplies, maintenance and related costs
- Non-Capital Repairs and maintenance, basin cleaning and reconstruction
- Office rent, utilities, maintenance, and IT
- Communications costs, phones, cell phones and etc.
- Capital Improvements and major repairs that are capitalized
- Share of insurance based on facilities and carrier advice.
- Share of Board costs recovered on labor overhead.
- Directly allocable legal costs.

Reserves should be developed by this enterprise for unexpected costs and operating capital in accordance with the District Reserve Policy.

The Groundwater Recharge Enterprise encompasses all activities directly allocable to groundwater recharge or water management operations. This enterprise includes the facilities at Mill Creek and Santa Ana River spreading grounds. This enterprise is funded by the Groundwater Charge and any service reimbursements or leases of facilities for groundwater purposes. Additionally, funding from the sale of aggregate from the cleaning of the District's facilities and interest from enterprise reserves are allocated to this enterprise. Expenses of this fund include the directly allocable portions of the following:

- Field staff, salary, burden, and overhead
- Field equipment, fuel, maintenance and related costs
- Non-Capital Repairs and Maintenance, basin cleaning and reconstruction
- Field Shop (Mentone) utilities, maintenance, grounds and IT
- Communications costs, cell phones and etc.
- Capital Improvements and major repairs that are capitalized
- Share of insurance based on facilities and carrier advice.
- Share of Board costs recovered on labor overhead.
- Directly allocable legal costs.

The Redlands Plaza and Leased Property Enterprise is mainly the property leased in the Redlands Plaza units. However it may also contain like real property that is held by the District for lease revenue. This enterprise is funded by lease payments paid by tenants and allocated interest from enterprise reserves. Expenses of the fund include the directly allocable portions of costs for the following:

- Property Management staff and Management, salary, burden, and overhead
- Equipment, fuel, maintenance and related costs
- Non-Capital Repairs and Maintenance, cleaning and reconstruction
- Utilities, Grounds maintenance, and IT
- Capital Improvements and major repairs that are capitalized
- Taxes and property fees

- Share of insurance based on facilities and carrier advice.
- Share of Board costs recovered on labor overhead.
- Directly allocable legal costs.

This fund should consider any rent increases or vacancies expected for marketing costs. Reserves should be developed by this enterprise for contingencies and repairs in accordance with the District Reserve Policy.

Land Resource/Wash Plan Enterprise is mainly the property owned by the District and leased for mining and or held for future use. These lands do not include lands actively managed for Groundwater Recharge or water management operations. Additionally, it also includes the Wash Planning efforts and habitat or other activities required to comply with environmental requirements or management. This enterprise is funded by lease payments and realties paid by tenants and mining partners. It also receives funding from wash plan participants. Expenses of the fund include the directly allocable portions of costs for the following:

- Land management planning staff and Management, salary, burden, and overhead
- Equipment, fuel, maintenance and related costs
- Non-Capital Repairs and Maintenance, cleaning and reconstruction
- Capital Improvements and major repairs that are capitalized
- Share of insurance based on facilities and carrier advice.
- Share of Board costs recovered on labor overhead.
- Directly allocable legal costs.

This fund should consider any rent increases or royalties expected. Reserves should be developed by this enterprise for contingencies and repairs in accordance with the District Reserve Policy.

Reserves

To insure financial stability and reduce variability in the budget it is important for the District to develop clear and specific policy for building and utilizing District reserves. The District Reserve policy is included in the budget document for clarity and because it is still new.

Reserve Policy

SBVWCD desires to better document and communicate its reserve policy to identify the necessity, purpose, development, use of District general and Enterprise Reserves.

Additionally the District needs to document a calculation methodology and/or maintained level of reserves for all existing and future needs within the agency where reserve funds are required and/or necessary. Allocate and separate fund excesses for similar use, restrict transfer without Board Approval.

Considerations on the establishment and development or continuation of a reserve fund will be decided based on the following criteria:

- Purpose and need for the reserve fund;
- Availability and source of funds to continue, replenish or establish the reserve;
- Operating expenditures approved by annual budgets or Groundwater Charge processes;
- Current and future emergency repairs, capital expenditures and debt service requirements;
- Board approval or changes to the reserve policy.

SBVWCD recognizes the importance of operating an agency or company with sound reserve levels in place that provides for unanticipated/emergency costs should they arise within a budgeted fiscal year. These costs would be set aside to avoid requesting significant increased funding from year to year from groundwater charge entities or other revenue sources and to insure the District is able to perform the critical tasks needed.

Scope of Policy

As part of the review of performance in prior fiscal years the development of the Enterprise Model for the District's operation was proposed. Additionally the enterprise model requires a policy for reserves and transfer of reserves. Staff intends to utilize the district reserve policy in the 2013 budget process. It is critical to identify a General Fund operating reserve to provide funding for District special contingencies and annual budget contingencies.

This policy will provide direction to staff for the following areas:

- Sources of funds and segregation of the accounts and reserves
- Level and/or target for a reserve;
- Place limits on the use of reserves;
- Require reporting trends for reserves
- Limit transfer without Board Approval;

Reserve Descriptions

Groundwater Recharge Enterprise Reserve

The Groundwater Recharge Enterprise Reserve (GRER) shall be developed to fund general operating cash flow needs relative to the operation of the GRE fund. Through the Groundwater Charge process each year Staff shall coordinate with Groundwater Charge payees on the level of this reserve in accordance with this policy. Initially it is proposed that the reserve level be set at an amount equal to 25% of the GRE operating budget or \$200,000 for fiscal year 2013-14. This level is intended to build over three years to cover large emergency repairs and significant operations costs or capital purchases and mitigate large changes in rates from year to year as needed. The primary source of these funds is the District Groundwater Charge and the General Fund Reserve when approved by the Board. The GRER shall stop accumulating funding when it contains one year's operating costs for the Groundwater Enterprise.

Groundwater Enhanced Recharge Reserve

The Agreement with SBVMWD and WMWD provide funding for Enhanced Recharge operation and maintenance and recommend a reserve of a portion of those funds annually to fund larger water year events and costs, just as the Groundwater recharge reserve above. The funding of this reserve is dependent upon the adequate funding of the ongoing operations costs. A maximum of \$50,000 per year contribution planned, up to \$250,000.

Groundwater Assessment Rate Stabilization Reserve

This is a new reserve recommended to assist the District in providing stability and predictability in the Groundwater Assessment Fee. The reserve budget and excess funds will allow multi-year stability and support when costs increase or revenues decrease due to adverse weather or other changes. This reserve will accumulate 10% of any net retained earnings of the Groundwater Enterprise and beginning in 2014 will be budgeted at 5% of the total rate. This 5% may be phased in over time. The reserve shall no longer be budgeted when it reaches \$400,000 or one half year expense budget for the Groundwater Enterprise.

Redlands Plaza Reserve

The District's offices are in Redlands Plaza and it manages the building for itself and its tenants. In addition, other real property owned by the District that is leased is also managed under this enterprise. The Redlands Plaza Reserve (RPR) shall be developed solely of lease payments of the property leased up to an amount not to exceed 150% of the annual maintenance budget or 50% of annual rental proceeds for Fiscal 2013-2014 approximately \$65,000. The purpose of the RPR is to accumulate funding to pay for major maintenance, upgrades, marketing, or emergency repairs.

Land Resources Reserve

The Land Resource Reserve (LRR) shall be developed to fund general operating cash flow needs relative to the land management, planning, habitat, wash plan and other costs related to the Districts held lands. Through the payment of Aggregate royalties and other revenue, the LRR will accumulate to be able to fund the management needs and secure against future expenses. Staff shall coordinate with Land Resource Partners on likely income for each fiscal year and plan for the contribution or use of this reserve fund.

Prepaid Royalties Reserve

The District holds a \$5 Million prepaid royalty from Robertson's. This reserve is subject to call provisions in the contract with Robertson's and is invested in 1 year or shorter investments. This Prepaid Royalties Reserve (PRR) is intended to provide the assurance to the District from Robertson's for the long term lease of District property and the payment of future royalties. District revenue from interest may be used in the General Fund or fund the PRR as identified in the Annual Budget.

Wash Plan Reserve

This reserve is to provide multi-year funding to support future Wash Plan requirements requiring restricted reserve funds for payment of future costs. The District does not currently have any Wash Plan requirements budgeted for reserve but may have when the Wash Plan is implemented. The level for this reserve will be determined when a plan is approved by the Board.

Habitat Management Reserve/Trust (future)

This reserve is to provide multi-year funding to support future habitat projects in support of the Wash Plan related project requiring restricted reserve funds for payment of future costs. These funds may be contributed to a Trust for safekeeping if required. The District does not currently have any habitat management requirements budgeted for reserve but will when the Wash Plan is implemented. The level for this reserve will be determined when a plan is approved by the Board.

General Fund Reserves

General Fund Reserve

This reserve is to secure funding to the General Fund for District operations in time of temporary deficit and to balance large swings in District cash flow. The sources of funding to the District are ephemeral and tend toward moving together so when one revenue source is down others are as well. Thus, the District needs to have longer term reserves and short term operating funds and capital.

Because there will be urgent needs and possible unforeseen costs after the District sets rates and/or costs which are over budget, the District will use the General Fund Reserve (GFR). This allows the District flexibility to operate even in down economic cycles.

This is the only existing reserve (with the exception of the Prepaid Royalty Reserve) and it has been significantly depleted in the past two years due to the general economy and litigation costs. This reserve will be budgeted each year to increase and/or decrease based on annual operating expenditures of the General Fund and annual decisions made by the Board. It is envisioned that this reserve level balance be maintained, once achieved, at a level equal to two years budgeted General Fund operating expenses or approximately \$1,200,000..

Operating Fund and Level

The Board has established an “Operating Fund” as a subset of the General Fund Reserve. This fund, not to exceed \$300,000, is established and may be withdrawn by the General Manager, from LAIF or other investments to meet the projected operating cash flow needs of the District within the budget year. Because revenue and expense timing as well as contract reimbursements do not align with expenses, this Operating Funding is important. Costs vary from year to year; therefore, the Operating Fund level should be reviewed and may be modified by the Board as part of the Annual Budget process. The General Manager shall not transfer operating funds from investments beyond the level of the Operating Fund without Board approval.

PERS Employer Contribution and Post Employment Expense Reserve

This reserve is to provide funding for the District to protect against future fluctuations in the employer contribution as witnessed over the past several years. SBVWCD, as most agencies were not obligated to contribute to the PERS retirement program as interest rates and earnings exceeded the projected liabilities of the retirement fund. Over the past few years the SBVWCD Employer Contribution has increased and additional increases are forecasted in the future. This reserve will be created to set aside funds at 7% of payroll even when the requested contribution from PERS falls below this level.

The District has limited post-employment liabilities due to its prudent management of benefits. The District shall complete an actuarial evaluation every three years or similar report to provide reserve funding adequate to fund projected post-employment expenses. In November 2011, the Board authorized \$3,118.00 allocated to this Reserve for the full funding of anticipated costs. The actuarial evaluation recommended additional annual contributions of \$1,000.00.

Self-Insurance Reserve

This reserve is to provide insurance protection to the District for losses that could arise from property, general liability and worker’s compensation claims. The reserve should be maintained at a level that together with SBVWCD’s existing insurance policies would adequately protect SBVWCD and its member agencies. The self-insurance reserve (SIR) will accumulate funds at an annual rate of \$5,000 earning interest allocated quarterly on balances maintained. The fund shall be utilized to cover insurance losses experienced by the agency that may or may not be awaiting insurance claim reimbursement. The agency shall cease to contribute set-aside funds upon reaching a \$50,000 balance.

Capital Improvement Plan (CIP) Reserve (future)

This reserve is to provide multi-year funding to support future capital projects and equipment identified and approved by the Board in the District plans and budget. Costly equipment or vehicles are budgeted and reserves maintained as an alternative to funding depreciation in the budget process. The District currently has only an equipment plan and contributions are determined on a budget basis currently approximately \$30,000 per year.

Clarifications

Restricted Reserves

The only funds classified as restricted are those which are specifically governed by a written contract with the agency or outlined within the “bond covenants” of a bond issue.

Unrestricted Reserves

Reserve levels classified as unrestricted are set by SBVWCD Board Resolution. The Board may modify or transfer funds between reserves by Board action.

Reserve and Enterprise Transfers, Loans and Approval

The District Board has authority over all transfers and loans among enterprises and their Reserve accounts. The Board delegates day to day management of the funds of the enterprises to the General Manager. Under this authority, the General Manager may approve the transfer/loan of funds from one enterprise/reserve to/from another within the fiscal year in an amount not to exceed \$50,000. Such transfers/loans must be repaid within the same fiscal year and accrued interest (at the LAIF rate) is due to the lending enterprise reserve from the borrowing enterprise reserve.

Transactions beyond/above this limit or which will extend past the end of the fiscal year shall be disclosed and approved by the Board unless included in the approved annual budget.

District Budget

Development

Based on the Enterprise Policy and Budget approach and Committee feedback in April, staff has prepared the District and Enterprise Budget described in this document. The spreadsheet shown in Attachment A to this document contains all enterprise budgets as well as overall District results of each enterprises operations. The Board reviewed and approved the Groundwater Enterprise budget in May and set the Groundwater Charge rate for the 2013-2014 Fiscal Year.

This document follows the approved budget approach which included:

- Budget development approach
- District Enterprise Policy
- Reserve and Operating Fund Policies
- 2010 zero based budget
- Policy Changes to meetings Board Policy
- Groundwater Enterprise Budget and groundwater charges approved in April 2013
- Policy reductions to CalPERS and Health Care Employer share contributions
- Comments and feedback from the Administrative Committee, Public Meeting and Hearing

The approved budget approach uses the following assumptions and basis for the 2013-14 Budget:

Revenue

- Groundwater revenue based on actual charges paid and with review from groundwater partners
- Groundwater revenue will include a portion of the lease/services reimbursement from SBVMWD allocated to the Enterprises where the preliminary work, engineering review, maintenance and environmental permitting is occurring
- Mining Revenue will be estimated based on lease guarantee

Expenses

- Expenses are estimated on the 2010 zero basis or actual costs/estimates documented in 2011 and 2012
- COLA increases based on Bureau of Labor Statistics CPI-U at 2% <http://www.bls.gov/cpi/cpid1012.pdf>
- Salary forecast includes raise pool at 5% of total salaries
- Utilities, fuel and electricity increase at approximately 8% based on sector CPI
- Miscellaneous expenses were generally increased where no other basis is available - 3% or less.

The Budget is based on full costs of field and office operations, repairs and regular maintenance, reporting and management.

Budget Summary

Based on the approval of the Groundwater Enterprise budget and Groundwater Charge rates the budget aggregates the other enterprises to form the District budget. The following table shows the overall enterprise with its operating gains or losses:

Groundwater Enterprise Revenue	\$ 900,245
Groundwater Enterprise Expenses	<u>\$ 901,772</u>
Gain or Loss	(\$ 1,527)
Redlands Plaza Enterprise Revenue	\$ 130,784
Redlands Plaza Enterprise Expenses	<u>\$ 126,635</u>
Gain or Loss	\$ 4,149
Land and Wash Plan Revenue	\$1,042,883
Land and Wash Plan Expenses	<u>\$ 841,333</u>
Gain or Loss	\$ 201,550
General Fund Revenue	\$ 375,300
General Fund Expense	<u>\$ 624,908</u>
Gain or loss	(\$ 249,608)
Overhead Charged Out	\$ 92,432
Contribution to Reserves	<u>\$ 20,000</u>
Net Gain or Loss	\$ 62,847

The existing estimated revenue projects the District and Enterprises will have an operating credit of approximately \$62,847.

Risks

Election costs were estimated at \$100,000 based on the District All Mail Ballot. The estimate from the Registrar of Voters for one division election at the August Consolidated Election is approximately \$50,000. The budget estimates 1.5 divisions' costs; the total will be either too high or too low depending on the actual number of challengers. With three seats open to challenge, these costs could be under estimated by as much as \$81,000 leading to a larger deficit in budget for the year. In June after the passage of the budget by the Board the

Registrar notified the District all incumbent Board members had stood for election and none drew opposition. This allows a savings to the District of the \$100,000.

Reserves

The proposed budget will fund from excess revenue as identified in the District Reserve Policy, except for the rate stabilization reserves identified in the District Reserve policy. As has been the past policy and practice of the District should other revenue be produced it should be first credited to the reserves and repayment of loans provided by the enterprises.

Opportunities for additional Revenue

The District has limited opportunities for additional revenue, lease of land or facilities surplus to the District as well as sales of aggregate materials from mining or aggregate management from groundwater operations are likely sources for the budget year. Funding from the Wash Plan partners is very likely in this year however this will only serve to offset costs for the Wash Plan.

Reporting and Auditing

Many different reports are generated by the District. The District uses Enterprise accounting and will be reporting profit and loss by Enterprise to assist the Board in making policy decisions related to each enterprise. A summary of Reports provided to the Board and available to the public is described below.

Monthly Reporting

Each month in the Board Package several unaudited financial reports are prepared and provided at the District and Enterprise levels.

- Budget to Actual
- Profit and Loss
- Check Register

Annual Reporting

Annual reporting includes both the information that is shown in the monthly unaudited financial reports as well as end of the year reports showing budget to actual information. Special reporting related to Groundwater charge and other financial issues will be reported prior to the Engineering Investigation.

Auditing

As required, the District is audited by an independent outside auditor, who reports to the Board of Directors. This role is critical to ensure the accuracy of the statements prepared and distributed to the Board and public. The Board does not have a policy for auditing but changes firms from time to time to ensure independence and reduce bias.

ATTACHMENT A - Enterprise and District Budget Data

GL ACCT:	GL DESCRIPTION:	Proposed 2012-2013 Budget	Projected Annual Costs (7/1/12-6/30/13)	Increase/Decrease	DRAFT 2013-2014 Budget	GENERAL FUND			GROUNDWATER RECHARGE ENTERPRISE			REDLANDS PLAZA & LEASED PROPERTY-MENTONE HOUSE			LAND RESOURCE (WASH PLAN & MINING)		
						2013 BUDGET:	% BUDGET	BASIS:	2013 BUDGET:	% BUDGET	BASIS:	2013 BUDGET:	% BUDGET	BASIS:	2013 BUDGET:	% BUDGET	BASIS:
INCOME:																	
4012	INTEREST INCOME-LAIF	5,000.00	1,762.08	\$237.92	2,000.00	2,000.00	100.00%		0.00			0.00			0.00		
4013	INTEREST INCOME-CALTRUST	50,000.00	54,093.21	\$5,906.79	60,000.00	60,000.00	100.00%		0.00			0.00			0.00		
4021	GROUNDWATER CHARGE-AG	48,730.50	42,190.00	-3,725.00	38,465.00	0.00		38,465.00	100.00%	No Rate increase		0.00			0.00		
4023	GROUNDWATER CHARGE-NON AG	652,610.25	766,975.00	-50,695.00	716,280.00	0.00		716,280.00	100.00%	No Rate lincrease		0.00			0.00		
4031	PLANT SITE CEMEX	48,000.00	48,000.00	\$0.00	48,000.00	0.00		0.00		754,745.00		0.00			48,000.00	100.00% PER LEASE MIN	
4032	CEMEX - ROYALTY/LEASE	208,333.33	208,333.00	\$100,000.00	308,333.33	0.00	Includes CEMEX Wash Plan	0.00				0.00			308,333.33	100.00% Per Lease Agreement	
4034	REDLANDS AGGREGATE 5% ROYALTY	36,000.00	36,000.00	\$0.00	36,000.00	0.00		0.00				0.00			36,000.00	100.00% PER CONTRACT	
4036	AGGREGATE MAINTENANCE	23,500.00	23,500.00	\$0.00	23,500.00	0.00		0.00				0.00			23,500.00	100.00% EST FROM 2010	
4040	MISCELLANEOUS INCOME	25,000.00	25,000.00	\$0.00	25,000.00	18,750.00	75.00%	ESTIMATE	0.00			0.00			6,250.00	25.00% ESTIMATE	
4050	PROPERTY TAX	75,000.00	75,000.00	\$1,000.00	76,000.00	76,000.00	100.00%	Assessor \$70K plus \$6K RDA	0.00			0.00			0.00		
4055	SBVMWD LEASE AGREEMENT	300,000.00	638,026.02	\$50,000.00	350,000.00	210,000.00	60.00%	General and Reserve	115,500.00	33.00%	Allocation to Cost	0.00			24,500.00	7.00% Land Lease Cost	
4062	MENTONE PROPERTY INCOME	19,800.00	11,778.51	\$7,121.49	18,900.00	0.00		0.00				18,900.00	100.00%	PER LEASE	0.00		
4065	REDLANDS PLAZA	88,349.58	88,349.58	\$3,533.98	91,883.56	0.00		0.00				91,883.56	100.00%	Estimated via revised leases	0.00		
4066	REDLANDS PLAZA CAM	20,000.00	20,000.00	\$0.00	20,000.00	0.00		0.00				20,000.00	100.00%	Estimated via revised leases	0.00	0.00%	
4080	EXCHANGE PLAN	30,000.00	30,000.00	\$0.00	30,000.00	0.00		30,000.00	100.00%	HISTORIC		0.00			0.00		
4025	WASH PLAN REVENUE	409,500.00	0.00	\$6,300.00	415,800.00	0.00	Per Wash Plan	0.00				0.00			415,800.00	100.00%	
4086	PLUNGE CREEK IRWMP	0.00	0.00	\$190,000.00	190,000.00	8,550.00	4.50%		0.00			0.00			180,500.00	95.00%	
TOTAL INCOME:		2,039,823.66	2,069,007.40	\$119,680.19	2,450,161.90	375,300.00			900,245.00			130,783.56			1,042,883.33		
EXPENSES:																	
5080	LAFCO CONTRIBUTION/FEES	3,750.00	8,345.83	\$1,000.00	9,345.83	9,345.83	100.00%		0.00			0.00			0.00		
5082	PLUNGE CREEK LABOR EXPENSE		0.00	\$8,617.03	8,617.03	0.00	0.00%		0.00			0.00			8,617.03	100.00%	
5120	MISC. PROFESSIONAL SERVICES	95,000.00	74,795.97	\$25,000.00	120,000.00	120,000.00	100.00%	Accounting/Sub.	0.00	0.00%		0.00	0.00%		0.00		
5122	WASH PLAN PROFESSIONAL SERVICES	127,000.00	37,011.63		127,000.00	0.00	Per Wash Plan Budget	0.00				0.00			127,000.00	100.00% Per Wash Plan Budget	
5124	PLUNGE CREEK PROFESSIONAL SERVICES		15,000.00	\$164,510.00	179,510.00	0.00		17,951.00	10.00%			0.00			161,559.00	90.00% Per Wash Plan Budget	
5125	ENGINEERING SERVICES	15,000.00	15,000.00	\$0.00	15,000.00	0.00		15,000.00	100.00%	GENERAL ENG./GIS		0.00			0.00		
5130	AERIAL PHOTO/SURVEYING/MARKET	60,000.00	15,000.00	-59,000.00	1,000.00	0.00	Complete 2013	0.00				0.00			1,000.00	100.00%	
5145	ENVIRONMENTAL SERVICES (WASH PLAN)	213,000.00	213,000.00	\$0.00	213,000.00	0.00	Per Wash Plan Budget	0.00				0.00			213,000.00	100.00% Per Wash Plan Budget	
5160	IT SUPPORT	7,500.00	7,655.81	\$155.81	7,500.00	2,750.00	36.67%		4,000.00	53.33%	% OF 2010	0.00			750.00	10.00%	
5170	AUDIT	19,000.00	19,000.00	\$0.00	19,000.00	1,900.00	10.00%		10,640.00	56.00%	ON REVENUE	2,850.00	15.00%	ON REVENUE	3,610.00	19.00% ON REVENUE	
5175	LEGAL-WASH PLAN	42,000.00	4,870.00	\$37,130.00	42,000.00	0.00	Per Wash Plan Budget	0.00				0.00			42,000.00	100.00% Per Wash Plan Budget	
5180	LEGAL	160,000.00	71,538.39	-88,461.61	120,000.00	48,000.00	40.00%		60,000.00	50.00%	Collaboative Agreement Etc.	12,000.00	10.00%	REV/NO WASH PLAN	0.00		
FIELD OPERATIONS:																	
5123	TEMP FIELD LABOR	2,500.00	0.00	-2,500.00	0.00	0.00		0.00	100.00%			0.00			0.00		
5210	EQUIPMENT MAINTENANCE	2,500.00	5,708.88	\$3,208.88	8,000.00	0.00		8,000.00	100.00%	EST. FROM 2010		0.00			0.00		
5215	PROPERTY MAINTENANCE	6,500.00	7,000.00	\$500.00	7,500.00	0.00		7,500.00	100.00%	EST. FROM 2010		0.00			0.00		
5310	VEHICLE MAINTENANCE	12,500.00	13,895.39	\$1,395.39	15,000.00	0.00		15,000.00	100.00%	EST. FROM 2010 BASE		0.00			0.00		
5320	FUEL	15,000.00	13,663.60	-1,336.40	16,500.00	0.00		16,500.00	100.00%	EST. PLUS FUEL COST		0.00			0.00		
UTILITIES:																	
5410	ALARM SERVICE	4,150.00	2,363.47	-1,786.53	3,000.00	1,500.00	50.00%		1,500.00	50.00%		0.00			0.00		
5420	ELECTRICITY	15,000.00	15,000.00	\$0.00	14,000.00	3,920.00	28.00%		2,800.00	20.00%	% OF 2010	7,280.00	52.00%		0.00		
5430	MOBILE PHONES	1,500.00	1,500.00	\$0.00	1,000.00	26.67	2.67%		973.33	97.33%	% OF 2010	0.00			0.00		
5440	TELEPHONE	7,000.00	7,000.00	\$0.00	7,400.00	5,180.00	70.00%		2,220.00	30.00%	% OF 2010	0.00			0.00		
5450	NATURAL GAS	1,050.00	962.64	-87.36	1,500.00	900.00	60.00%		600.00	40.00%	% OF 2010	0.00			0.00		
5460	WATER / TRASH / SEWER	10,600.00	6,655.23	-3,944.77	11,660.00	5,830.00	50.00%		4,664.00	40.00%	% OF 2010	0.00			1,166.00	10.00%	
5470	INTERNET SERVICES	7,000.00	7,000.00	\$0.00	7,500.00	3,750.00	50.00%		2,250.00	30.00%		375.00	5.00%		1,125.00	15.00%	
GENERAL ADMINISTRATION:																	
6001	GENERAL ADMIN-OTHER	10,000.00	10,000.00	\$0.00	7,500.00	3,750.00	50.00%		3,750.00	50.00%		0.00			0.00		
6002	WEBSITE ADMINISTRATION	3,100.00	3,880.42	\$780.42	3,100.00	3,100.00	100.00%		0.00			0.00			0.00		
6003	PROPERTY TAX	2,170.00	2,170.00	\$0.00	2,170.00	2,170.00	100.00%		0.00			0.00			0.00		
6004	MEETING EXPENSES	4,000.00	3,032.71	-967.29	5,200.00	3,900.00	75.00%		0.00			0.00			1,300.00	25.00%	
6006	PERMITS	1,600.00	1,600.00	\$0.00	1,648.00	824.00	50.00%		824.00	50.00%	% OF 2010	0.00			0.00		
6007	INTER DISTRICT COSTS	0.00	0.00	\$10,000.00	10,000.00	1,000.00	10.00%		3,750.00	37.50%		0.00			5,250.00	52.50%	
6009	LICENSES	1,000.00	1,000.00	\$0.00	1,300.00	260.00	20.00%		1,040.00	80.00%	% OF 2010	0.00			0.00		
6010	SURETY BOND	1,900.00	1,815.00	-85.00	2,000.00	0.00	0.00%		0.00			0.00			2,000.00	100.00%	

GL ACCT:	GL DESCRIPTION:	Proposed 2012-2013 Budget	Projected Annual Costs (7/1/12-6/30/13)	Increase/Decrease	DRAFT 2013-2014 Budget	GENERAL FUND			GROUNDWATER RECHARGE ENTERPRISE			REDLANDS PLAZA & LEASED PROPERTY-MENTONE HOUSE			LAND RESOURCE (WASH PLAN & MINING)		
						2013 BUDGET:	% BUDGET	BASIS:	2013 BUDGET:	% BUDGET	BASIS:	2013 BUDGET:	% BUDGET	BASIS:	2013 BUDGET:	% BUDGET	BASIS:
Budget 2013-2014																	
6012	OFFICE MAINTENANCE	1,000.00	3,511.38	\$2,000.00	3,000.00	1,200.00	40.00%		0.00			1,800.00	60.00%	upkeep	0.00		
6015	MENTONE HOUSE MAINTENANCE	3,300.00	4,050.35	-250.00	3,050.00	0.00	0.00%		0.00			3,050.00	100.00%	TERMITE REPAIRS	0.00		
6016	REDLANDS PLAZA MAINTENANCE	14,000.00	14,000.00		14,000.00	0.00	0.00%	New sign on Redlands Blvd from	0.00			14,000.00	100.00%	ADJUST FOR CAM	0.00		
6026	REDLANDS PLAZA CAM EXPENSES	20,000.00	29,699.51	\$5,000.00	25,000.00	0.00	0.00%		0.00			25,000.00	100.00%	ADJUST FOR CAM	0.00		
6018	JANITORIAL SERVICES	8,100.00	8,100.00	\$243.00	8,343.00	8,343.00	100.00%		0.00			0.00	0.00%		0.00		
6019	JANITORIAL SUPPLIES	300.00	300.00	\$15.00	315.00	189.00	60.00%		126.00	40.00%		0.00			0.00		
6020	VACANCY MARKETING-REDLANDS PLAZA	5,540.00	5,540.00	\$277.00	5,817.00	0.00			0.00			5,817.00	100.00%	RENTAL SUPPORT	0.00		
6024	COMPUTER EQUIPMENT MAINTENANCE	100.00	100.00	\$100.00	200.00	55.00	27.50%		125.00	62.50%	% OF 2010	20.00	10.00%		0.00		
6027	COMPUTER SUPPLIES	500.00	500.00	\$150.00	650.00	455.00	70.00%		130.00	20.00%		65.00	10.00%		0.00		
6030	OFFICE SUPPLIES	3,500.00	3,500.00	\$175.00	3,675.00	2,940.00	80.00%		183.75	5.00%	% OF 2010	367.50	10.00%		183.75	5.00%	
6033	OFFICE EQUIPMENT RENTAL	8,000.00	8,000.00	\$240.00	8,240.00	6,180.00	75.00%		412.00	5.00%	% OF 2010	1,236.00	15.00%		412.00	5.00%	
6036	PRINTING	1,000.00	1,525.83		1,000.00	500.00	50.00%		400.00	40.00%		0.00			100.00	10.00%	
6039	POSTAGE AND OVERNIGHT DELIVERY	1,600.00	1,600.00		1,600.00	880.00	55.00%		400.00	25.00%	% OF 2010	160.00	10.00%		160.00	10.00%	
6042	PAYROLL PROCESSING FEES	1,500.00	1,500.00		1,500.00	1,500.00	100.00%		0.00			0.00			0.00		
6045	BANK SERVICE CHARGES	500.00	2,206.30	\$2,500.00	3,000.00	3,000.00	100.00%		0.00			0.00			0.00		
6051	UNIFORMS	750.00	1,315.99	\$700.00	1,450.00	580.00	40.00%		870.00	60.00%	% OF 2010	0.00			0.00		
6060	OUTREACH	0.00	0.00	\$5,000.00	5,000.00	2,500.00	50.00%		2,000.00	40.00%	Estimate	0.00			500.00	10.00%	
6087	EDUCATIONAL REIMBURSEMENT	2,000.00	2,000.00		2,000.00	2,000.00	100.00%		0.00			0.00			0.00		
6090	SUBSCRIPTIONS/PUBLICATIONS	1,500.00	1,500.00		1,500.00	1,500.00	100.00%		0.00			0.00			0.00		
6091	PUBLIC NOTICES	2,000.00	2,000.00		2,000.00	200.00	10.00%		1,600.00	80.00%	% OF 2010	0.00			200.00	10.00%	
6093	MEMBERSHIPS	25,135.00	18,989.00	-5,135.00	20,000.00	20,000.00	100.00%	ACWA CSDA see subsheet	0.00			0.00			0.00		
BENEFITS:																	
6110	VISION INSURANCE	1,568.62	1,568.62	\$44.18	1,612.80	249.10	15.45%	7% INCREASE FORECAST	816.99	50.66%	Based on percent of hours	81.95	5.08%		464.76	28.82%	
6120	WORKER'S COMP INSURANCE	13,500.00	16,180.00	\$1,892.08	18,072.08	2,791.30	15.45%	BASE ON LABOR	9,154.74	50.66%	Based on percent of hours	918.24	5.08%		5,207.81	28.82%	
6130	DENTAL INSURANCE	5,170.20	5,170.20	\$1,291.80	6,462.00	998.08	15.45%	BASE ON LABOR	3,273.44	50.66%	Based on percent of hours	328.33	5.08%		1,862.15	28.82%	
6150	MEDICAL INSURANCE	93,022.60	61,258.41	\$13,704.11	74,962.52	11,578.23	15.45%	Policy Reduction	37,973.62	50.66%	Based on percent of hours	3,808.82	5.08%		21,601.84	28.82%	
6160	PAYROLL TAXES - EMPLOYER	36,047.50	29,345.36	\$16,176.28	45,521.63	7,030.98	15.45%	Consolidated	23,059.81	50.66%	Based on percent of hours	2,312.94	5.08%		13,117.90	28.82%	
6170	PERS RETIREMENT	81,309.00	70,550.34	\$48,229.67	118,780.01	18,346.00	15.45%	Actual increase	60,170.16	50.66%	Based on percent of hours	6,035.18	5.08%		34,228.67	28.82%	
SALARIES:																	
6230	REGULAR SALARIES				563,468.43												
Overhead Offset 20%																	
-92,432.44																	
Sub	Field Supervisor	50,000.00	16,326.40	\$16,457.60	32,784.00	0.00			39,340.80	100.00%	Salary+overhead 20% % time	0.00	0.00%		0.00		
Sub	Field Tech II	66,424.78	66,424.78	-5,358.58	61,066.21	0.00		Increase COLA 2%/RP - EMP Pbs	69,615.48	95.00%	Salary+overhead 20% % time	3,663.97	5.00%		0.00		
Sub	Field Tech I	34,530.30	34,530.30	\$476.16	35,006.46	0.00		Increase COLA 2%/RP - EMP Pbs	42,007.75	100.00%	Salary+overhead 20% % time	0.00			0.00		
Sub	Lands and Habitat Mgr.	0.00	0.00	\$119,973.00	119,973.00	11,997.30	10.00%	Increase COLA 2%/RP - EMP Pbs	43,190.28	30.00%	Salary overhead 20% % time	0.00	0.00%		86,380.56	60.00%	
Sub	Admin Services Spec.	59,400.00	59,400.00	-1,090.54	58,309.46	23,323.78	40.00%	Increase COLA 2%/RP - EMP Pbs	30,787.40	44.00%	Salary+overhead 20% % time	3,498.57	5.00%		7,696.85	11.00%	
Sub	Admin Services Spec.	59,071.68	59,071.68	-7,205.41	51,866.27	12,966.57	25.00%	Increase COLA 2%/RP - EMP Pbs	18,671.86	30.00%	Salary+overhead 20% % time	15,559.88	25.00%		12,447.91	20.00%	
Sub	Engineering Intern	12,135.00	16,357.90	-1,977.10	14,380.80	0.00		Increase hrs COLA 2%/RP-EMP Pbs	13,805.57	80.00%	Salary+overhead 20% % time	0.00			3,451.39	20.00%	
Sub	GIS Intern/contract	10,000.00	12,674.35	\$679.25	13,353.60	0.00		Increase COLA 2%/RP - EMP Pbs	11,217.02	70.00%	Salary+overhead 20% % time	0.00			4,807.30	30.00%	
Sub	General Manager	179,256.24	164,260.50	\$12,468.12	176,728.62	53,018.59	30.00%	Increase COLA 2%/RP - EMP Pbs	63,622.30	30.00%	Salary overhead 20% % time	10,603.72	5.00%		74,226.02	35.00%	
INSURANCE:																	
6310	PROPERTY / AUTO INSURANCE	3,424.00	3,572.00	\$3,500.00	6,924.00	346.20	5.00%	Labor Total \$	563,468.43			0.47		0.05			
6320	GENERAL LIABILITY INSURANCE	25,124.00	17,463.00	-5,000.00	20,124.00	1,006.20	5.00%		5,193.00	75.00%	FROM INSURER	1,038.60	15.00%		346.20	5.00%	
DIRECTOR'S EXPENSES:																	
6401	DIRECTOR'S FEES	67,500.00	69,541.00	\$11,500.00	79,000.00	79,000.00	100.00%	Based on board Polic and 2011 a	0.00			0.00			0.00		
6410	MILEAGE	2,850.00	2,850.00	\$150.00	3,000.00	3,000.00	100.00%	Based on board Polic and 2011 a	0.00			0.00			0.00		
6415	AIR FARE	3,000.00	5,100.00	\$1,750.00	4,750.00	4,750.00	100.00%	Based on board Polic and 2011 a	0.00			0.00			0.00		
6420	OTHER TRAVEL	350.00	350.00	\$150.00	500.00	500.00	100.00%	Based on board Polic and 2011 a	0.00			0.00			0.00		
6425	MEALS	1,500.00	2,930.37	\$0.00	2,930.37	2,930.37	100.00%	Based on board Polic and 2011 a	0.00			0.00			0.00		
6430	LODGING	3,500.00	3,758.82	-258.82	3,500.00	3,500.00	100.00%	Based on board Polic and 2011 a	0.00			0.00			0.00		
6435	CONF/SEMINAR REGISTRATIONS	4,500.00	4,500.00	\$90.00	4,590.00	4,590.00	100.00%	Based on board Polic and 2011 a	0.00			0.00			0.00		
6440	ELECTION FEES/REDISTRICTING	5,000.00	5,000.00	\$95,000.00	100,000.00	100,000.00	100.00%	2x\$50K from registrar	0.00			0.00			0.00		
ADMINISTRATIVE/STAFF EXPENSES:																	
6510	MILEAGE	1,500.00	1,552.89	\$400.00	1,900.00	1,425.00	75.00%		380.00	20.00%	Allocation of 2011	0.00			95.00	5.00%	
6515	AIR FARE	1,500.00	500.00		1,500.00	1,125.00	75.00%		300.00	20.00%	Allocation of 2011	0.00			75.00	5.00%	
6520	OTHER TRAVEL	500.00	500.00		500.00	375.00	75.00%		100.00	20.00%	Allocation of 2011	0.00			25.00	5.00%	

GL ACCT:	GL DESCRIPTION:	Proposed 2012-2013 Budget	Projected Annual Costs (7/1/12-6/30/13)	Increase/Decrease	DRAFT 2013-2014 Budget	GENERAL FUND			GROUNDWATER RECHARGE ENTERPRISE			REDLANDS PLAZA & LEASED PROPERTY- MENTONE HOUSE			LAND RESOURCE (WASH PLAN & MINING)		
						2013 BUDGET:	% BUDGET	BASIS:	2013 BUDGET:	% BUDGET	BASIS:	2013 BUDGET:	% BUDGET	BASIS:	2013 BUDGET:	% BUDGET	BASIS:
Budget 2013-2014																	
6525	MEALS	1,500.00	1,500.00		1,500.00	1,125.00	75.00%		300.00	20.00%	Allocation of 2011	0.00			75.00	5.00%	
6530	LODGING	1,200.00	1,200.00		1,200.00	900.00	75.00%		240.00	20.00%	Allocation of 2011	0.00			60.00	5.00%	
6535	CONF/SEMINAR REGISTRATIONS	2,000.00	2,137.00	\$631.32	2,631.32	2,631.32	100.00%		0.00			0.00			0.00		
CONSTRUCTION CAPITAL COSTS:																	
7010	MATERIALS	5,000.00	5,000.00	\$2,500.00	7,500.00	0.00			7,500.00	100.00%	Field Security Changes	0.00			0.00		
7050	BASINS -CAPITAL ANNUAL REPAIRS	60,000.00	17,733.00		60,000.00	0.00			60,000.00	100.00%	ANNUAL MAINTENANCE	0.00			0.00		
7055	PLUNGE CREEK EXPANSION				0.00	0.00			0.00			0.00			0.00		
	3 year Maintenance	30,000.00			30,000.00	0.00			30,000.00	100.00%	25% OF \$120K IN 3 YEARS	0.00			0.00		
LAND & BUILDINGS																	
7110	PROPERTY - CAPITAL REPAIRS	27,500.00	35,585.08	\$2,500.00	30,000.00	0.00			27,000.00	90.00%	Allocation of 2011	0.00			3,000.00	10.00%	
7130	MENTONE PROPERTY (HOUSE) CAPITAL REPAIR	2,000.00	3,746.00	-2,000.00	1,746.00	0.00			0.00			1,746.00	100.00%		0.00		
7140	MENTONE PROPERTY (SHOP) CAPITAL REPAIR	2,500.00	2,500.00	\$15,000.00	15,500.00	0.00			15,500.00	100.00%	Field Shop capital repairs	0.00			0.00		
EQUIPMENT & VEHICLES																	
7210	COMPUTER HARDWARE CAPITAL REPAIRS	6,500.00	6,500.00	-2,000.00	4,500.00	4,050.00	90.00%		450.00	10.00%	Allocation of 2011	0.00			0.00		
7220	COMPUTER SOFTWARE	5,500.00	5,241.84	-2,000.00	3,500.00	1,225.00	35.00%		1,050.00	30.00%	Allocation of 2011	0.00			1,225.00	35.00%	
7230	FIELD EQUIPMENT / VEHICLES	30,500.00	60,000.00	-25,000.00	35,000.00	0.00			35,000.00	100.00%	Vehicle expense/Replacement	0.00			0.00		
7240	OFFICE EQUIPMENT	0.00	0.00		0.00	0.00	100.00%		0.00			0.00			0.00		
8010	Capital Reserve GWE/Rate Stabilization			\$20,000.00	20,000.00	0.00	0.00%		20,000.00	100.00%	Rate Stabilization/Capital	0.00			0.00		
PROFESSIONAL SERVICES:																	
7438	ENGINEERING SERVICES-OTHER	25,000.00	25,000.00	\$6,750.00	31,750.00	0.00			31,750.00	100.00%	Add Rate Study for 14	0.00			0.00		
TOTAL EXPENSES:		1,972,528.92	1,592,283.16	\$467,473.16	2,402,216.02	624,907.51			901,772.32			126,635.30			841,333.33		
Projected Revenue		2,039,823.66	2,069,007.40	\$119,680.19	2,450,161.90	375,300.00			900,245.00			130,783.56			1,042,883.33		
Revenue Minus Expenses		67,294.74	476,724.24	-347,792.98	47,945.88	249,607.51											
Overhead Charged out		70,708.17				-92,432.44											
One Time revenue			293,500.00														
Contributions to Reserves			750,000.00		20,000.00							4148.26			0.00		
Projected Deficit (-Credit)			20,224.24		-62,847.61	157,175.08			1,527.32			0.00			-201,550.00		