

San Bernardino Valley Water Conservation District



Approved May 18, 2011

District and Enterprise Budgets for Fiscal Year 2011-2012



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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 forecast 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 underlying basis of 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 the rest of the Budget. Additionally, significant payers of the Groundwater Charge were asked to be involved in the review of the Groundwater Enterprise budget and Charge rate. Staff had good feedback and appreciates the time that the groundwater partners provided in reviewing and considering 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 February and used to develop the budget.

When the Board and Groundwater partners 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, 2011.

District Enterprises

To assist the development of an improved financial management system the Board approved an Enterprise Accounting system and separated the Districts 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 2011-2012, 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 the 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 in 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 royalties 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 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. The policy addresses:

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 provide 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. Additionally, staff intends to utilize the district reserve policy in the 2011 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 \$170,000 for fiscal year 2011-12. 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.

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 shall be developed solely of the 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 2011-2012 approximately \$65,000. The purpose of the RPR is to accumulate funding to pay for major maintenance, upgrades, marketing, or emergency repairs.

Land Resources Wash Plan 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 District land. 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.

Initially for 2011 this reserve is not expected to have contribution due to limited mining activities. Costs to the Land Resource Enterprise will be funded by mining interests and District General Fund Reserve if they cannot be avoided the target for this reserve should be \$150,000 above the Prepaid Royalty reserve.

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 PRR is intended to provide the assurance that the lease is committed to the long term lease of District property and the payment of royalties. District revenue from interest may be used in the General Fund or the land Resources Enterprise.

General Fund Reserves

General Fund Operating Reserve

This reserve is to provide cash flow funding to the General Fund for District Operations and balance the large swings in District cash flow over the year. 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. So 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 Operating Reserve. 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 decisions made by the SBVWCD Board each year. It is envisioned that this reserve level balance be maintained, once achieved, at a level equal to one year of budgeted General Fund operating expenses or approximately \$550,000 plus \$1,000,000 contingency. Contribution over three years shall be made to reach the \$550,000 operating level.

PERS Employer Contribution 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 will likely do so 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. No contribution and/or set aside will be required until this time.

Self-Insurance Reserve

This reserve is to provide insurance protection to the JPI A 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 will accumulate funds at an annual rate of \$25,000 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 \$250,000 balance.

Capital Improvement Plan (CIP) Reserve (future)

This reserve is to provide multi-year funding to support future capital projects identified and approved by the Board in the Districts CIP Plan. The District does not currently have a CIP and contributions will be determined when a plan is approved by the Board.

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.

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 pass the end of the fiscal year shall be approved by the Board unless included in the annual budget process approved by the Board.

Enterprise Loans for 2011-12

The Land/Wash Plan and Property/Redlands Plaza Enterprises are loaning all excess revenue (\$90,278 and \$7,456 respectively) to the General Fund Enterprise to cover costs. In addition, the General Funding is loaning the Groundwater Enterprise Approximately \$95,570 to cover enterprise minimum costs.

District Budget

Development

Based on the Enterprise Policy and Budget approach approved by the Board in February 2011 and Committee feedback in March 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 April and set the Groundwater Charge rate for the 2011-2012 Fiscal Year.

This document follows the approved budget approach which included:

- Develop and review draft budget with groundwater partners (those who pay the groundwater charge)
- Review the budget the Admin Committee and with partners and others before submitting to the Board for approval.
- Utilize the Groundwater Enterprise Budget to develop the proposed groundwater charge
- Review and discuss the groundwater charge with the groundwater partners

The approved budget approach uses the following assumptions and basis for the 2011-12 budget:

Revenue

- Groundwater revenue based on actual charges and overhead with review from groundwater partners
- Groundwater revenue will include the lease or services reimbursement from groundwater operations
- Mining Revenue will be estimated based on lease and market conditions

Expenses

- Expenses will be estimated on a zero basis from actual costs or estimates documented in the budget
- COLA increases based on Bureau of Labor Statistics CPI-U at 1.5% <http://www.bls.gov/cpi/cpid1012.pdf>
- Salary forecast includes raise pool at 5% of total salaries – no raises given in 2010-2011
- Utilities, fuel and electricity increase at 8% based on sector CPI
- Miscellaneous expense increase (no other basis available) 4% or less.

The Budget is based on full costs of field and office operations, repairs and regular maintenance, reporting and management. Additionally, it includes significant cost reductions in the following areas:

1. District Legal costs
2. Computer services, hardware and software
3. Telephone and Cell Phone costs
4. Engineering and ion professional services (-\$289,000)
5. Health Care cost- shift cost to employees -\$13,100
6. CALPERS cost- shift to employees -\$6491
7. Reduced Board of Directors costs in accordance with policy direction from 2010

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	\$581,739
Groundwater Enterprise Expenses	<u>\$677,309</u>
Gain or Loss	(\$ 95,570)
Redlands Plaza Enterprise Revenue	\$130,152
Redlands Plaza Enterprise Expenses	<u>\$122,695</u>
Gain or Loss	\$ 7,456
Land and Wash Plan Revenue	\$581,000
Land and Wash Plan Expenses	<u>\$490,713</u>
Gain or Loss	\$ 90,287
General Fund Revenue	\$112,500
General Fund Expenses	<u>\$538,301</u>
Gain or loss	(\$425,801)

Overhead	\$ 81,385
Other One-Time Revenue	<u>\$146,750</u>
Net Gain or Loss	(\$8,046)

The existing estimated revenue projects the District and Enterprises will have an operating deficit of approximately \$8,046, even with the increase in groundwater rates of 25%.

Risks

Election costs are estimated at \$81,000 based on the District decision to go to an All Mail Ballot. The estimate from the Registrar of Voters for one division election at the August Consolidated Election is approximately \$53,000. 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.

The budget obligates the minimum appraised value of the East Branch Extension Easement to the budget for the fiscal year; while this agreement is approved in concept by all parties it has not been fully executed. Additionally, changes to the aggregate market or leases may reduce revenue. Other major risks include increased costs or reduced revenue due to changes in general economy or climatic conditions.

Reserves

The proposed budget is unable to fund any of the Reserves identified in the District Reserve policy. The total reserve contributions are show within the budget document. Inadequate revenue exists to meet minimal expenses, therefore budgeted reserve contributions are deferred to the next fiscal year. 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

Revenue opportunities include the sale of real property, approximately 22 acres above the Cuttle Weir in the Santa Ana Canyon. This property is estimated to sell for more than \$1.3 million after commission and other costs. Other agreements for groundwater cost reimbursement may yield additional revenue for the Groundwater Enterprise and reduce its loan level over the year.

Reporting and Auditing

Many different reports are generated by the District. The District is changing to the Enterprise system 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
- Balance Sheet
- Check Register

- Groundwater Receipts
- New for the Fiscal Year will be a one page summary

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 insure 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 insure independence and reduce bias.

GL ACCT:	GL DESCRIPTION:	2010 TOTAL BUDGET:	ANNUALIZED COSTS (BASED ON ACTIVITY 7/1/10-2/28/11):	2011 TOTAL BUDGET:	GENERAL FUND			GROUNDWATER RECHARGE ENTERPRISE			REDLANDS PLAZA & LEASED PROPERTY- MENTONE HOUSE			LAND RESOURCE (WASH PLAN & MINING)		
					2011 BUDGET:	% BUDGET	BASIS:	2011 BUDGET:	% BUDGET	BASIS:	2011 BUDGET:	% BUDGET	BASIS:	2011 BUDGET:	% BUDGET	BASIS:
INCOME:																
4012	LAIF INTEREST INCOME	32,000.00	22,660.44	25,000.00	25,000.00	100.00%		0.00			0.00			0.00		
4021	GROUNDWATER CHARGE-AG	22,398.12	17,151.72	36,639.00	0.00			36,639.00	100.00%	25% INCREASE TO 36,639.00	0.00			0.00		
4023	GROUNDWATER CHARGE-NON AG	426,927.86	432,742.08	505,100.00	0.00			505,100.00	100.00%	25% INCREASE TO 505,100.00	0.00			0.00		
4031	PLANT SITE RENT	9,499.86	16,624.68	17,500.00	0.00			0.00		Not including 2500AF production	0.00			17,500.00	100.00% EST	
4032	CEMEX LEASE MINING	18,707.10	27,187.20	35,000.00	0.00			0.00			0.00			35,000.00	100.00% EST	
4034	REDLANDS AGGREGATE 5% ROYALTY	36,000.00	27,000.00	36,000.00	0.00			0.00			0.00			36,000.00	100.00% PER CONTRACT	
4036	AGGREGATE MINING	9,000.00	4,843.56	7,500.00	0.00			0.00			0.00			7,500.00	100.00% EST FROM 2010	
4040	MISCELLANEOUS INCOME	25,000.00	20,367.24	25,000.00	12,500.00	50.00%	ESTIMATE	0.00			0.00			12,500.00	50.00% ESTIMATE	
4050	PROPERTY TAX	72,000.00	67,831.98	75,000.00	75,000.00	100.00%	PER ASSESSOR	0.00			0.00			0.00		
4055	SBVMWD EASEMENT AGREEMENT REIMB	10,000.00	94,122.24	15,000.00	0.00		HISTORIC	15,000.00	100.00%	HISTORIC	0.00			0.00		
4062	MENTONE PROPERTY INCOME	6,000.00	0.00	19,200.00	0.00			0.00			19,200.00	100.00%	PER LEASE	0.00		
4065	REDLANDS PLAZA	110,951.52	94,122.24	110,951.52	0.00			0.00			110,951.52	100.00%	PER LEASE	0.00		
4080	EXCHANGE PLAN	25,000.00	0.00	25,000.00	0.00		HISTORIC	25,000.00	100.00%	HISTORIC	0.00			0.00		
	WASH PLAN REVENUE			472,500.00	0.00			0.00			0.00			472,500.00	100.00%	
	TOTAL INCOME:	803,484.46	824,653.38	1,405,390.52	112,500.00			581,739.00			130,151.52			581,000.00		
EXPENSES:																
5080	LAFCO CONTRIBUTION	3,500.00	3,290.60	3,750.00	3,750.00	100.00%		0.00			0.00			0.00		
5081	WASH PLAN	6,500.00	75.00		0.00			0.00			0.00			0.00	100.00%	
5120	MISC. PROFESSIONAL FEES	329,000.00	238,043.63	60,000.00	54,000.00	90.00%	Accounting	2,500.00	4.17%		0.00	0.00%		3,498.00	5.83%	
5122	WASH PLAN PROFESSIONAL FEES	20,000.00	31,861.56	127,000.00	0.00		Per Wash Plan Budget	0.00			0.00			127,000.00	100.00% Per Wash Plan Budget	
5125	ENGINEERING SERVICES	20,000.00	1,393.56	15,000.00	0.00			15,000.00	100.00%	GENERAL ENGINEERING GIS	0.00			0.00		
5130	AERIAL PHOTOGRAPHY & SURVEYING	0.00		0.00	0.00			0.00	100.00%		0.00			0.00		
5145	ENVIRONMENTAL SERVICES (WASH PLAN)	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	COMPUTER SERVICES	7,600.00	19,872.46	7,500.00	2,750.00	36.67%		4,000.00	53.33%	% OF 2010	0.00			750.00	10.00%	
5170	AUDIT & ACCOUNTING	18,000.00	18,000.00	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	30,000.00	28,004.88	42,000.00	0.00		Per Wash Plan Budget	0.00			0.00			42,000.00	100.00% Per Wash Plan Budget	
5180	LEGAL	92,942.50	71,229.40	120,000.00	48,000.00	40.00%	Per Wash Plan Budget	60,000.00	50.00%	REV/NO WASH PLAN	12,000.00	10.00%	REV/NO WASH PLAN	0.00		
FIELD OPERATIONS:																
5210	EQUIPMENT MAINTENANCE	2,500.00	2,324.16	2,500.00	0.00			2,500.00	100.00%	EST. FROM 2010	0.00			0.00		
5215	PROPERTY MAINTENANCE	2,500.00	2,747.40	4,500.00	0.00			4,500.00	100.00%	EST. FROM 2010	0.00			0.00		
VEHICLE OPERATIONS:																
5310	VEHICLE MAINTENANCE	9,341.79	6,482.64	10,000.00	0.00			10,000.00	100.00%	EST. FROM 2010	0.00			0.00		
5320	FUEL	12,000.00	11,677.68	15,000.00	0.00			15,000.00	100.00%	EST. PLUS FUEL COST	0.00			0.00		
UTILITIES:																
5410	ALARM SERVICES	0.00	3,609.24	3,650.00	1,825.00	50.00%		1,825.00	50.00%		0.00			0.00		
5420	ELECTRICITY	1,432.77	12,051.00	13,000.00	3,640.00	28.00%		2,600.00	20.00%	% OF 2010	6,760.00	52.00%		0.00		
5430	MOBILE PHONES	2,837.88	3,519.36	3,000.00	80.00	2.67%		2,920.00	97.33%	% OF 2010	0.00			0.00		
5440	TELEPHONE	4,844.64	5,243.40	6,000.00	4,200.00	70.00%		1,800.00	30.00%	% OF 2010	0.00			0.00		
5450	NATURAL GAS	180.00	584.76	600.00	360.00	60.00%		240.00	40.00%	% OF 2010	0.00			0.00		
5460	WATER	1,617.15	2,516.51	2,600.00	1,499.94	57.69%		1,100.00	42.31%	% OF 2010	0.00			0.00		
GENERAL ADMINISTRATION																
6001	GENERAL ADMIN-OTHER	500.00	12,605.64	10,000.00	6,000.00	60.00%		4,000.00	40.00%		0.00			0.00		
6002	WEBSITE	500.00	519.24	600.00	600.00	100.00%		0.00			0.00			0.00		
6003	PROPERTY TAX	456.00	665.84	670.00	670.00	100.00%		0.00			0.00			0.00		
6004	MEETING EXPENSES	1,500.00	1,294.08	1,500.00	1,125.00	75.00%		0.00			0.00			375.00	25.00%	
6006	PERMITS	200.00	150.00	1,600.00	800.00	50.00%		800.00	50.00%	% OF 2010	0.00			0.00		
6009	LICENSES	0.00	843.84	1,000.00	200.00	20.00%		800.00	80.00%	% OF 2010	0.00			0.00		
6010	SURETY BOND	1,800.00		1,800.00	0.00	0.00%		0.00			0.00			1,800.00	100.00%	
6012	OFFICE MAINTENANCE		184.02	500.00	500.00	100.00%		0.00			0.00			0.00		
6015	MENTONE HOUSE MAINTENANCE	1,914.84	1,113.48	1,800.00	0.00	0.00%		0.00			1,800.00	100.00%		0.00		
6016	REDLANDS PLAZA MAINTENANCE	25,116.00	11,472.47	30,000.00	0.00	0.00%		0.00			30,000.00	100.00%		0.00		
6017	MANAGEMENT LABOR-REDLANDS PLAZA	20,413.64		5,000.00	0.00	0.00%		0.00			5,000.00	100.00%		0.00		
6018	JANITORIAL SERVICES	5,877.00	6,779.46	7,000.00	7,000.00	100.00%		0.00			0.00	0.00%		0.00		
6020	VACANCY MARKETING-REDLANDS PLAZA	5,040.00	276.90	5,040.00	0.00			0.00			5,040.00	100.00%		0.00		
6024	COMPUTER EQUIPMENT MAINTENANCE	396.36	973.28	800.00	220.00	27.50%		500.00	62.50%	% OF 2010	80.00	10.00%		0.00		
6030	OFFICE SUPPLIES	3,618.30	2,911.52	3,500.00	2,800.00	80.00%		175.00	5.00%	% OF 2010	350.00	10.00%		175.00	5.00%	
6033	OFFICE EQUIPMENT RENTAL	7,000.00	5,067.77	7,000.00	5,250.00	75.00%		350.00	5.00%	% OF 2010	1,050.00	15.00%		350.00	5.00%	
6036	PRINTING	1,000.00	1,026.93	1,000.00	500.00	50.00%		400.00	40.00%		0.00			100.00	10.00%	
6039	POSTAGE AND OVERNIGHT DELIVERY	2,000.00	1,712.42	2,100.00	1,155.00	55.00%		525.00	25.00%	% OF 2010	210.00	10.00%		210.00	10.00%	
6042	PAYROLL PROCESSING FEES	2,000.00	2,000.27	2,050.00	2,050.00	100.00%		0.00			0.00			0.00		
6045	BANK SERVICE CHARGES	300.00	421.07	500.00	500.00	100.00%		0.00			0.00			0.00		
6051	UNIFORMS	500.00	125.67	600.00	240.00	40.00%		360.00	60.00%	% OF 2010	0.00			0.00		
6087	EDUCATIONAL REIMBURSEMENT	1,000.00		2,000.00	2,000.00	100.00%		0.00			0.00			0.00		
6090	SUBSCRIPTIONS/PUBLICATIONS	2,500.00	1,138.56	2,500.00	2,500.00	100.00%		0.00			0.00			0.00		
6091	PUBLIC NOTICES	1,000.00	1,320.00	2,000.00	500.00	25.00%		1,500.00	75.00%	% OF 2010	0.00			0.00		
6093	MEMBERSHIPS	12,525.00	6,298.50	13,635.00	13,635.00	100.00%	ACWA CSDA see subsheet	0.00			0.00			0.00		
	BENEFITS:															

GL ACCT:	GL DESCRIPTION:	2010 TOTAL BUDGET:	ANNUALIZED COSTS (BASED ON ACTIVITY 7/1/10-2/28/11):	2011 TOTAL BUDGET:	GENERAL FUND			GROUNDWATER RECHARGE ENTERPRISE			REDLANDS PLAZA & LEASED PROPERTY- MENTONE HOUSE			LAND RESOURCE (WASH PLAN & MINING)			
					2011 BUDGET:	% BUDGET	BASIS:	2011 BUDGET:	% BUDGET	BASIS:	2011 BUDGET:	% BUDGET	BASIS:	2011 BUDGET:	% BUDGET	BASIS:	
	Draft Budget																
6110	VISION INSURANCE	1,191.78	993.15	1,466.00	405.94	27.69%	BASE ON LABOR	776.98	53.00%	Based on percent of hours	95.79	6.53%		187.25	12.77%		
6120	WORKER'S COMP INSURANCE	12,609.00	11,789.72	13,000.00	3,599.70	27.69%	BASE ON LABOR	6,890.00	53.00%	Based on percent of hours	849.42	6.53%		1,660.50	12.77%		
6130	DENTAL INSURANCE	5,018.94	4,239.78	4,424.00	1,225.01	27.69%	BASE ON LABOR	2,344.72	53.00%	Based on percent of hours	289.06	6.53%		565.08	12.77%		
6140	STATE UNEMPLOYMENT INSURANCE	494.91	264.98	550.00	152.30	27.69%	BASE ON LABOR	291.50	53.00%	Based on percent of hours	35.94	6.53%		70.25	12.77%		
6150	MEDICAL INSURANCE	65,000.00	53,862.92	71,566.00	19,816.63	27.69%	Inc. reduction of \$13000	37,929.98	53.00%	Based on percent of hours	4,676.13	6.53%		9,141.19	12.77%		
6160	SOCIAL SECURITY/MEDICARE TAXES	33,235.26	28,176.98	25,000.00	6,922.50	27.69%	BASE ON LABOR	13,250.00	53.00%	Based on percent of hours	1,633.50	6.53%		3,193.27	12.77%		
6170	PERS RETIREMENT	81,922.68	64,647.63	78,509.00	21,739.14	27.69%	Inc. reduction of \$6491	41,609.77	53.00%	Based on percent of hours	5,129.79	6.53%		10,028.02	12.77%		
	SALARIES:																
6230	REGULAR SALARIES	338,800.00	361,247.87		0.00		81,384.85	0.00			0.00			0.00			
Sub	Field Supervisor			70,373.60	0.00		Overhead Offest	80,225.91	95.00%	Salary+overhead 20% % time	4,222.42	5.00%		0.00			
Sub	Field Tech II			61,504.43	0.00			70,115.05	95.00%	Salary+overhead 20% % time	3,690.27	5.00%		0.00			
Sub	Field Tech I			31,972.50	0.00			38,367.00	100.00%	Salary+overhead 20% % time	0.00			0.00			
Sub	Admin Mgr.			57,750.00	38,115.00	55.00%		17,325.00	25.00%	Salary+overhead 20% % time	3,465.00	5.00%		10,395.00	15.00%		
Sub	Admin Asst			42,630.00	12,789.00	25.00%		15,346.80	30.00%	Salary+overhead 20% % time	15,346.80	30.00%		7,673.40	15.00%		
Sub	Interns			9,135.00	548.10	5.00%		8,221.50	75.00%	Salary+overhead 20% % time	0.00			2,192.40	20.00%		
Sub	GIS			10,000.00	600.00	5.00%		9,600.00	80.00%	% Contract Time	0.00			1,800.00	15.00%		
Sub	General Manager			165,191.25	79,291.80	40.00%		59,468.85	30.00%	Salary overhead 20% % time	9,911.48	5.00%		49,557.38	25.00%		
	INSURANCE:						448,556.79			0.53			0.07				0.13
6310	PROPERTY INSURANCE	3,500.00	3,424.00	3,424.00	342.40	10.00%		2,396.80	70.00%	FROM INSURER	684.80	20.00%		0.00			
6320	GENERAL LIABILITY INSURANCE	26,624.00	28,749.24	27,624.00	4,143.60	15.00%		16,574.40	60.00%	FROM INSURER	5,524.80	20.00%		1,381.20	5.00%		
	DIRECTOR'S EXPENSES:																
6401	DIRECTOR'S FEES	75,711.00	64,155.00	70,000.00	70,000.00	100.00%	Based on 2010 budget/act	0.00			0.00			0.00			
6410	MILEAGE	1,800.00	879.36	1,100.00	1,100.00	100.00%	Based on 2010 budget/act	0.00			0.00			0.00			
6415	AIR FARE	3,600.00	1,201.80	3,000.00	3,000.00	100.00%	Based on 2010 budget/act	0.00			0.00			0.00			
6420	OTHER TRAVEL	750.00	165.08	600.00	600.00	100.00%	Based on 2010 budget/act	0.00			0.00			0.00			
6425	MEALS	1,950.00	1,021.46	1,500.00	1,500.00	100.00%	Based on 2010 budget/act	0.00			0.00			0.00			
6430	LODGING	4,000.00	6,414.57	4,000.00	4,000.00	100.00%	Based on 2010 budget/act	0.00			0.00			0.00			
6435	CONF/SEMINAR REGISTRATIONS	3,500.00	11,627.25	7,000.00	7,000.00	100.00%	Based on 2010 budget/act	0.00			0.00			0.00			
6440	ELECTION FEES	1,435.00		81,000.00	81,000.00	100.00%	Budget 1.5 Mail Ballots	0.00			0.00			0.00			
	ADMINISTRATIVE/STAFF EXPENSES:																
6510	MILEAGE	721.50	687.62	1,000.00	800.00	80.00%		200.00	20.00%	ALLOCATION OF 2010	0.00			0.00			
6515	AIR FARE	1,500.00	600.00	1,500.00	1,200.00	80.00%		300.00	20.00%	ALLOCATION OF 2010	0.00			0.00			
6520	OTHER TRAVEL	500.00		500.00	400.00	80.00%		100.00	20.00%	ALLOCATION OF 2010	0.00			0.00			
6525	MEALS	437.82	1,456.41	1,500.00	1,200.00	80.00%		300.00	20.00%	ALLOCATION OF 2010	0.00			0.00			
6530	LODGING	1,200.00	600.00	1,200.00	960.00	80.00%		240.00	20.00%	ALLOCATION OF 2010	0.00			0.00			
6535	CONF/SEMINAR REGISTRATIONS	2,500.00	1,550.75	2,000.00	2,000.00	100.00%		0.00			0.00			0.00			
	CONSTRUCTION COSTS																
7010	MATERIALS	0.00		5,000.00	0.00			5,000.00	100.00%		0.00			0.00			
7050	BASINS and Annual Repairs	64,000.00	60,000.00	60,000.00	0.00			60,000.00	100.00%	ANNUAL MAINTENANCE	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	BUILDINGS	0.00	500.00	2,500.00	0.00			2,500.00	100.00%	ALLOCATION OF 2010	0.00			0.00			
7130	MENTONE PROPERTY (HOUSE)	12,000.00	14,737.50	2,000.00	0.00			0.00			2,000.00	100.00%		0.00			
7140	MENTONE PROPERTY (SHOP)	2,000.00	1,000.00	2,500.00	0.00			2,500.00	100.00%	ALLOCATION OF 2010	0.00			0.00			
	EQUIPMENT & VEHICLES																
7210	COMPUTER HARDWARE	2,500.00	2,500.00	2,500.00	1,875.00	75.00%		625.00	25.00%	ALLOCATION OF 2010	0.00			0.00			
7220	COMPUTER SOFTWARE	5,000.00	5,500.00	3,500.00	1,225.00	35.00%		2,275.00	65.00%	ALLOCATION OF 2010	0.00			0.00			
7230	FIELD EQUIPMENT	0.00	3,031.17	3,500.00	0.00			3,500.00	100.00%	ALLOCATION OF 2010	0.00			0.00			
7240	OFFICE EQUIPMENT	1,000.00		500.00	500.00	100.00%		0.00			0.00			0.00			
	PROFESSIONAL SERVICES:																
7438	ENGINEERING SERVICES-OTHER	10,000.00	10,000.00	5,000.00	0.00			5,000.00	100.00%	ALLOCATION OF 2010	0.00			0.00			
	TOTAL EXPENSES:	1,426,455.76	1,296,452.44	1,739,314.79	538,301.04			677,309.26			122,695.20			490,712.94			
	Projected Revenue			1,405,390.52	112,500.00			581,739.00			130,151.52			581,000.00			
	Overhead Charged out			81,384.85													
	Excess Revenue Redlands Plaza			7,456.32													
	Excess Revenue Land/Wash Plan			90,287.06													
	EBX Minimum Revenue			146,750.00													
	Contributions to Reserves			0.00	0.00			0.00						0.00			
	Projected Deficit (-Credit)			8,046.03	425,801.04			95,570.26			-7,456.32			-90,287.06			
	Forecast July 1, 2011 Reserve Level				1,000,000.00			0.00			20,000.00			5,000,000.00			
	Minimum Reserve Contribution				206,500.00			56,100.00			21,450.00			150,000.00			
	Total Reserve Target				1,800,000.00			170,000.00			65,000.00			6,000,000.00			
	% funded				56%			0%			31%			83%			