



San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

BUDGET WORKSHOP AGENDA

Wednesday, April 24, 2024 – 2:30 p.m. (or Immediately Following Board Meeting)

Anyone wishing to listen to or participate in the meeting can join via Zoom:

Call in (669) 900-6833, Meeting ID: 811 9302 1966

To join the Zoom Meeting on <https://us02web.zoom.us/j/81193021966>

While the District makes every attempt to follow all guidance re COVID-19 safety protocols, the District cannot assure in-person attendees that they will not be exposed to COVID-19 or persons who have been so exposed, and attendees are advised to exercise caution in limiting their own incidences of exposure, particularly those who may be in groups at higher risk of infection, or serious symptoms of COVID-19 if infected.

Note: Copies of staff reports and other documents relating to the items on this agenda are on file at the District office and are available for public review during normal District business hours. New information relating to agenda topics listed, received, or generated by the District after the posting of this agenda, but before the meeting, will be made available upon request at the District office and in the Agenda Package on the Districts website. It is the intention of the San Bernardino Valley Water Conservation District to comply with the Americans with Disabilities Act (ADA) in all respects. If you need special assistance with respect to the agenda or other written materials forwarded to the members of the Board for consideration at the public meeting, or if as an attendee or a participant at this meeting you will need special assistance, the District will attempt to accommodate you in every reasonable manner. Please contact Athena Laroche at (909) 793-2503 at least 48 hours prior to the meeting to inform her of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

CALL TO ORDER

1. PUBLIC PARTICIPATION

Members of the public may address the Board of Directors on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) Section 54954.2 of the Government Code.

2. ADDITIONS/DELETIONS TO AGENDA

Section 54954.2 provides that a legislative body may take action on items of business not appearing on the posted agenda under the following conditions: (1) an emergency situation exists, as defined in Section 54956.5; (2) a need to take immediate action and the need for action came to the attention of the District subsequent to the agenda being posted; and (3) the item was posted for a prior meeting occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

1630 W. Redlands Blvd, Suite A
Redlands, CA 92373
Phone: 909.793.2503
Fax: 909.793.0188
www.sbvwd.org Email: info@sbvwd.org

BOARD OF DIRECTORS

Division 1:
Richard Corneille

Division 2:
David E. Raley

Division 3:
Robert Stewart

Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL MANAGER

Betsy Miller

3. **DISCUSSION ITEMS**

- A. DISTRICT ENTERPRISE BUDGET FOR FISCAL YEAR 2024-2025
(M#2019)3

Presenter: *Betsy Miller*

Recommendations: Review, discuss in a workshop format and provide any feedback on the draft FY25 District Enterprise Budget for consideration in May, including:

1. Draft District Enterprise Budget for FY25
2. Capital Improvement Program Budget for FY25
3. Projected Reserve Balances as of June 30, 2024

4. **ADJOURN MEETING**



San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

Memorandum No. 2019

To: Board of Directors

From: Finance & Administration Committee
Betsy Miller, General Manager

Date: April 24, 2024

Subject: District Enterprise Budget Approval for Fiscal Year 2024-2025

Staff has prepared a draft budget for FY25 for Board review at the April 24 workshop. To support Board review, we have included notes below on specific changes that vary from last year's budget. We look forward to discussion and feedback from the Board as we work to finalize the budget for Board action at the May 15 meeting.

The draft Board memo for the May 15 Board meeting is included as an attachment and provides further details on certain items noted below.

Income GL 4015, Interest Income-UBS: Includes 75% of interest earned from Groundwater Enterprise-related reserves in the Groundwater Enterprise per Board direction.

Income GL 4016, Interest Income CAMP: Includes 75% of interest earned from Groundwater Enterprise-related reserves in the Groundwater Enterprise per Board direction.

Income GL 4022, Groundwater Charge: Adjusted for cessation of Groundwater Council and associated shift to collection of the Groundwater Charge for former Groundwater Council member producers within the District's boundary.

Income GL 4025, Wash Plan Revenue: Based on 4% interest from the current value of the Wash Plan endowment. A budget adjustment will be presented to the Board if additional endowment deposits are received during FY25.

Income GL 4040, Miscellaneous Income: Includes \$54,000 in funds from the WaterSmart Applied Science Grant.

Income GL 4043, Project Salary Reimbursement: Includes \$37,373 in funds from the WaterSmart Applied Science Grant.

Expense GL 5050, Basin Cleaning: Basin cleaning and maintenance at the Mill Creek and Santa Ana

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Groundwater Recharge Facilities, including equipment rentals and/or contracted work, following significant recharge during two high precipitation years. Includes \$165,000 from Groundwater Recharge Enterprise Reserve.

Expense GL 5120, Professional Services:

- Groundwater modeling to determine the impact of District recharge efforts*
- DR Horton trespass remediation

Expense GL 5123, Wash Plan Implementation: Based on 4% interest earned from the current value of the Wash Plan endowment. A budget adjustment will be presented to the Board if additional endowment deposits are received during FY25.

Expense GL 5160, IT Support: Reduced following major one-time costs for upgrades/modernization.

Expense GL 5320, Vehicle Operations - Fuel: Increased approximately 11% based on FY24 actuals based on significant basin-cleaning work and increases in fuel prices.

Expense GL 6016, Redlands Plaza Maintenance: Decreased due to significant potential maintenance costs being funded through the capital budget.

Expense GL 6060, Outreach: –Includes Thunderwheel Communications and remaining costs for two projects funded in FY24: development of low water demonstration garden at the San Bernardino County Natural History Museum and 2) a partnership with Cal Poly Pomona to publish work to define annual streamflows in arid climates developed for the PERC projects by District staff and consultants.

Expense GL 6093, Memberships: Includes addition of Southern California Water Coalition and California Groundwater Coalition.

Expense GL 6230, Regular Salaries: Following the retirement of the PERC Engineer retired annuitant, the Senior Engineer/Project Manager is budgeted as a full-time employee.

Expense GL 6530, Lodging: Increased based on FY24 actual costs, which reflect the increased number of staff.

Capital Expense 7110, Property Capital Repairs: Increased to include potential expansion of District offices into Suite E.

Capital Expense 7120, Land Purchase: Includes purchase price for BLM Land Exchange budgeted initially in FY24.

Capital Expense GL 7140, Mentone Property Shop CIP: Includes costs from approved contract along with estimated costs for alarm and surveillance, fire hydrant, off-site water line, and septic, less FY 24 expenses.

Capital Expense GL 7126, ARTP Engineering/Professional Services: Includes costs from four

approved contracts less FY24 expenses, as well as funds for final design for a selected PERC project.

Capital Expense 7240, Office Equipment: Includes furniture for new offices in Suite E.

Other items to note:

- GL 4999, Trust Reimbursement from Wash Plan, received payments of \$1,125,000 and \$160,625.66 in FY24 for Wash Plan issuance costs (expenses prior to Wash Plan adoption in July 2020) and interest on the amount loaned, respectively. These funds will be applied to the District's Other Current Assets/Other Current Liabilities on our balance sheet.
- The expenses for the Brownstein Hyatt contract, which extended from April 2019 to August 2023, include \$415,000 charged through June 2021. The Board memo that recommended hiring Brownstein Hyatt, dated April 10, 2019, noted that "The cost of the agreement (\$15,375 per month) is expected to be included in the issuance costs for the Wash Plan"; however, these costs were never presented to or discussed by the Wash Plan Task Force. Therefore, we recommend a prior period adjustment to accept responsibility for these costs, thereby reducing the liability the Trust owes the District. Adjustment of these expenses will not affect the District reserves as they have already been accounted for under Land Resources in prior years.

ATTACHMENTS

Attachment 1-Draft District Enterprise Budget for FY25

Attachment 2-Capital Improvement Program Budget for FY25

Attachment 3-DRAFT Board Memo No. 2020 for May 15, 2024

Projected Reserve Balances as of June 30, 2024 (Handout)

Attachment 1-Draft District Enterprise Budget for FY25

GL ACCT:		GL DESCRIPTION:		Approved 2023-2024 Budget	Projected Annual Costs (7/1/23- 6/30/24)	Increase/ Decrease	Draft 2024- 2025 Budget	GENERAL FUND			GROUNDWATER RECHARGE ENTERPRISE			REDLANDS PLAZA & LEASED PROPERTY- MENTONE HOUSE			LAND RESOURCES			PERC (Formerly ARTP)			WASH PLAN & TRUST SUPPORT		
Draft 2024-2025 Budget		2025 BUDGET:	% BUDGET					BASIS:	2025 BUDGET:	% BUDGET	BASIS:	2025 BUDGET:	% BUDGET	BASIS:	2025 BUDGET:	% BUDGET	BASIS:	2025 BUDGET:	% BUDGET	BASIS:	2025 BUDGET:	% BUDGET	BASIS:	2025 BUDGET:	% BUDGET
INCOME:																									
4012	INTEREST INCOME-LAIF	0.00	1,025.00	0.00	0.00	0.00	100%		0.00			0.00			0.00			0.00			0.00				
4013	INTEREST INCOME-CALTRUST	99,038.99	71,315.78	-99,038.99	0.00	0.00	100%		0.00			0.00			0.00			0.00			0.00				
4015	INTEREST INCOME-UBS	510,000.00	1,270,635.66	765,000.00	1,275,000.00	357,506.25	3% of \$5M + 25% PER		73,743.75		Shared Interest	0.00			0.00			843,750.00			0.00				
4016	INTEREST INCOME CAMP	562,000.00	470,000.00	-177,000.00	385,000.00	163,727.50	4.5% of \$3M + 25% PER		33,772.50		Shared Interest	0.00			0.00			187,500.00		5% of \$5M -25%	0.00				
4017	PERC CAPITAL INCOME	171,900.00	0.00	-171,900.00	0.00	0.00	10%		0.00			0.00			0.00			0.00		90%	0.00				
4022	GROUNDWATER CHARGE	753,061.42	753,061.42	687,287.99	1,440,349.41	0.00			1,440,349.41	100%	5% increase	0.00			0.00			0.00			0.00				
4024	GROUNDWATER COUNCIL REVENUE	731,858.00	645,302.01	-731,858.00	0.00	0.00			0.00	100%	5% increase	0.00			0.00			0.00			0.00				
4024-2	GW COUNCIL PASSTHROUGH	200,000.00	176,345.99	-200,000.00	0.00	0.00			0.00	100%		0.00			0.00			0.00			0.00				
4026	GW SUSTAIN./REPLENISHMENT	61,040.75	131,975.00	-61,040.75	0.00	0.00			0.00	100%		0.00			0.00			0.00			0.00				
4031	PLANT SITE CEMEX	48,000.00	48,000.00	0.00	48,000.00	0.00		Agreement	0.00			0.00			48,000.00	100%	PER LEASE MIN	0.00			0.00				
4032	CEMEX - ROYALTY/LEASE	600,000.00	974,248.33	0.00	600,000.00	0.00		Estimated sales	0.00			0.00			600,000.00	100%	Per Lease Agrmt	0.00			0.00				
4036	AGGREGATE MAINTENANCE	60,000.00	70,000.00	5,000.00	65,000.00	0.00			0.00			0.00			65,000.00	100%	Estimate	0.00			0.00				
4040	MISCELLANEOUS INCOME	10,000.00	3,500.00	54,000.00	64,000.00	7,500.00		Estimated	54,000.00		Bureau of Rec grant funds	0.00			2,500.00		Estimate	0.00			0.00				
4043	PROJECT SALARY REIMBURSEMENT	15,000.00	22,000.00	37,373.50	52,373.50	0.00			37,373.50			0.00			15,000.00			0.00			0.00				
4050	PROPERTY TAX	141,479.29	193,685.29	28,295.86	169,775.15	169,775.15	100%	+20%	0.00			0.00			0.00			0.00			0.00				
4051	WASH PLAN TRAILS	66,000.00	0.00	0.00	66,000.00	0.00			0.00			0.00			66,000.00	100%		0.00			0.00				
4055	SBVMWD LEASE AGREEMENT	483,213.76	479,961.36	19,328.55	502,542.31	226,144.04	45%	+1.4% CPI	276,398.27	55%		0.00			0.00			0.00			0.00				
4062	MENTONE PROPERTY INCOME	100.00	100.00	0.00	100.00	0.00			0.00			100.00	100%	PER LEASE	0.00			0.00			0.00				
4065	REDLANDS PLAZA	206,160.35	160,732.66	-4,998.09	201,162.26	0.00			0.00			201,162.26	100%	Est. via revised leases	0.00			0.00			0.00				
4066	REDLANDS PLAZA CAM	46,621.41	46,684.33	932.43	47,553.84	0.00			0.00			47,553.84	100%		0.00			0.00			0.00				
4025	WASH PLAN REVENUE	374,450.00	414,410.64	-254,194.56	120,255.44	0.00			0.00			0.00			0.00			0.00			120,255.44	100%			
	GW Recharge Enterprise Reserve	110,000.00	110,000.00	0.00	185,000.00	0.00			185,000.00	100%		0.00			0.00			0.00			0.00				
4998	RATE STABILIZATION *From Reserves		0.00	0.00	0.00	0.00			0.00	100%		0.00			0.00			0.00			0.00				
4999	TRUST REIMBURSEMENT WP	225,000.00	1,566,153.64	-225,000.00	0.00	0.00			0.00			0.00			0.00			0.00			0.00	100%	Trust proceeds		
TOTAL INCOME:				5,474,923.97	7,609,137.11	-327,812.06	5,222,111.91	924,652.94				2,100,637.43			248,816.10			796,500.00			1,031,250.00			120,255.44	Or Comm. MI
EXPENSES:																									
5080	LAFCO CONTRIBUTION/FEES	2,056.95	2,048.06	0.00	2,056.95	2,056.95	100%	LAFCO Charges	0.00			0.00			0.00			0.00			0.00				
5120	PROFESSIONAL SERVICES	539,625.00	322,240.80	-62,125.00	477,500.00	50,000.00			255,000.00		Consulting Services	0.00			172,500.00			0.00			0.00				
5122	WASH PLAN PROF. SERVICES	28,000.00	20,000.00	-28,000.00	0.00	0.00			0.00			0.00			0.00			0.00			0.00	100.00%			
5123	WASH PLAN IMPLEMENTATON	329,700.00	329,700.00	-242,110.22	87,589.78	0.00			0.00			0.00			0.00			0.00			87,589.78	100.00%			
5125	ENGINEERING SERVICES	35,000.00	17,500.00	0.00	35,000.00	0.00			35,000.00	100%		0.00			0.00			0.00			0.00				
5126	GW SUSTAIN./REPLENISHMENT	61,040.75	131,930.00	-61,040.75	0.00	0.00			0.00	100%	Pass through of GC cost	0.00			0.00			0.00			0.00				
5127	PROJECT ACCOUNTING SERVICES	5,000.00	5,000.00	2,500.00	7,500.00	1,500.00	20.00%		0.00			0.00			0.00			6,000.00	80%		0.00				
5128	GC NONDISTRICT FACILITIES MAINT.	200,000.00	176,345.99	-200,000.00	0.00	0.00			0.00	100%	Pass through of GC cost	0.00			0.00			0.00			0.00				
5130	AERIAL PHOTO/SURVEYING/MARKET	2,425.50	2,425.50	121.28	2,546.78	0.00			0.00			0.00			2,546.78	100%		0.00			0.00				
5133	Regional River HCP Contribution	30,000.00	30,000.00	0.00	30,000.00	0.00			24,000.00	80%		0.00			6,000.00	20%		0.00			0.00				
5155	WP TRAILS SERVICES	100,000.00	10,000.00	0.00	100,000.00	0.00			0.00			0.00			100,000.00	100%	Dst/Cemex/Rob	0.00			0.00				
5160	IT SUPPORT	45,625.00	40,486.19	-11,125.00	34,500.00	10,350.00	30%		15,525.00	45%	Share by need	0.00			3,450.00	10%		3,450.00	10%		1,725.00	5.00%			
5170	AUDIT	28,500.00	29,800.00	2,850.00	31,350.00	4,702.50	15%	Based on Revenue	13,794.00	44%	Share based on Revenue	1,567.50	5%	Based on Revenue	5,016.00	16%	Based on Rev.	6,270.00	20%	Based on Rev	0.00				
5175	LEGAL-WASH PLAN	0.00	0.00	0.00	0.00	0.00			0.00			0.00			0.00			0.00			0.00				
5180	LEGAL	25,000.00	25,000.00	0.00	25,000.00	6,250.00	25%	Litigation on SOD	6,250.00	25%	GC and COE Litigation	0.00			5,000.00	20%	Agreements	7,500.00	30%		0.00				
FIELD OPERATIONS:																									
5210	EQUIPMENT MAINTENANCE	8,528.40	22,000.00	6,471.60	15,000.00	0.00	0%		15,000.00	100%	based on average actual	0.00			0.00			0.00			0.00				
5215	PROPERTY MAINTENANCE	40,000.00	25,000.00	0.00	40,000.00	0.00	0%		32,000.00	80%		0.00			8,000.00	20%	Tamerisk	0.00			0.00				
5223	TEMP FIELD LABOR	10,000.00	10,000.00	0.00	10,000.00	0.00	0%		10,000.00	100%	Invasive and canal cleaning	0.00			0.00			0.00			0.00				
5225	FIELD CLEAN UP-DUMPING/VECTOR	60,000.00	60,000.00	0.00	60,000.00	0.00	0%		36,000.00	60%		0.00			24,000.00	40%		0.00			0.00				
5050	BASIN CLEANING	250,000.00	250,000.00	0.00	250,000.00	0.00	0%		250,000.00	100%		0.00			0.00			0.00			0.00				
VEHICLE OPERATIONS:																									
5310	VEHICLE MAINTENANCE	9,240.00	9,240.00	1,386.00	10,626.00	0.00	0%		10,626.00	100%		0.00			0.00			0.00			0.00				
5320	FUEL	21,560.77	31,560.77	13,439.23	35,000.00	0.00	0%		35,000.00	100%	Based on FY 23 Actuals	0.00			0.00			0.00			0.00				
UTILITIES:																									
5410	ALARM SERVICE	1,200.00	1,000.00	60.00	1,260.00	504.00	40%		504.00	40%	FACILITIES SHARE	0.00			0.00			252.00	20%		0.00				
5420	ELECTRICITY	10,815.69	8,849.62	216.31	11,032.00	3,088.96	28%		2,206.40	20%	FACILITIES SHARE	4,633.44	42%		0.00			1,103.20	10%		0.00				
5430	MOBILE PHONES	7,150.00	6,500.00	357.50	7,507.50	1,876.88	25%		3,753.75	50%	FACILITIES SHARE	0.00			750.75	10%		1,126.13	15%		0.00				
5440	TELEPHONE	3,000.00	3,500.00	240.00	3,240.00	1,944.00	60%		810.00	25%	FACILITIES SHARE	0.00			0.00										

GL ACCT:		GL DESCRIPTION:		Approved 2023-2024 Budget	Projected Annual Costs (7/1/23- 6/30/24)	Increase/ Decrease	Draft 2024- 2025 Budget	GENERAL FUND				GROUNDWATER RECHARGE ENTERPRISE				REDLANDS PLAZA & LEASED PROPERTY- MENTONE HOUSE				LAND RESOURCES				PERC (Formerly ARTP)				WASH PLAN & TRUST SUPPORT			
Draft 2024-2025 Budget		2025 BUDGET:	% BUDGET					BASIS:	2025 BUDGET:	% BUDGET	BASIS:	2025 BUDGET:	% BUDGET	BASIS:	2025 BUDGET:	% BUDGET	BASIS:	2025 BUDGET:	% BUDGET	BASIS:	2025 BUDGET:	% BUDGET	BASIS:	2025 BUDGET:	% BUDGET	BASIS:	2025 BUDGET:	% BUDGET	BASIS:		
6009 LICENSES		2,000.00	1,911.42	0.00	2,000.00	200.00	10%		1,600.00	80%		0.00			0.00			0.00			200.00	10%		0.00							
6010 SURETY BOND		1,900.00	1,815.00	0.00	1,900.00	0.00	0%		0.00			0.00			1,900.00	100%		0.00			0.00			0.00							
6012 OFFICE MAINTENANCE		10,000.00	11,000.00	0.00	10,000.00	4,000.00	40%		0.00			6,000.00	60%	upkeep	0.00			0.00			0.00			0.00							
6013 OFFICE LEASE PAYMENT		50,000.00	50,000.00	0.00	50,000.00	17,500.00	35%		10,000.00	20%	Share by allocation	5,000.00	10%		10,000.00	20%		7,500.00	15%		0.00			0.00							
6015 MENTONE HOUSE MAINTENANCE		4,000.00	2,000.00	0.00	4,000.00	0.00	0%		0.00			4,000.00	100%		0.00			0.00			0.00			0.00							
6016 REDLANDS PLAZA MAINTENANCE		47,000.00	20,000.00	-32,000.00	15,000.00	0.00	0%		0.00			15,000.00	100%	ADJUST FOR CAM	0.00			0.00			0.00			0.00							
6026 REDLANDS PLAZA CAM EXPENSES		42,861.03	42,861.03	4,692.81	47,553.84	0.00	0%		0.00			47,553.84	100%	ADJUST FOR CAM	0.00			0.00			0.00			0.00							
6018 JANITORIAL SERVICES		10,500.00	10,000.00	60.00	10,560.00	10,560.00	100%		0.00			0.00	0%		0.00			0.00			0.00			0.00							
6019 JANITORIAL SUPPLIES		375.00	750.00	75.00	450.00	270.00	60%		180.00	40%	FACILITIES SHARE	0.00			0.00			0.00			0.00			0.00							
6020 VACANCY MARKETING-RP		5,000.00	5,000.00	0.00	5,000.00	0.00			0.00			5,000.00	100%	RENTAL SUPPORT	0.00			0.00			0.00			0.00							
6024 COMPUTER HARDWARE		3,000.00	3,000.00	150.00	3,150.00	866.25	28%		1,968.75	63%	FACILITIES SHARE	315.00	10%		0.00			0.00			0.00			0.00							
6027 COMPUTER SOFTWARE		23,250.00	15,000.00	0.00	23,250.00	8,835.00	38%		2,325.00	10%	FACILITIES SHARE	3,487.50	15%		3,487.50	15%		3,952.50	17%		1,162.50	5.00%		1,162.50	5.00%						
6030 OFFICE SUPPLIES		12,100.00	8,000.00	-2,100.00	10,000.00	3,000.00	30%		2,000.00	20%	FACILITIES SHARE	1,000.00	10%		1,500.00	15%		2,000.00	20%		500.00	5.00%		500.00	5.00%						
6033 OFFICE EQUIPMENT RENTAL		8,000.00	7,000.00	100.00	8,100.00	6,075.00	75%		405.00	5%	FACILITIES SHARE	1,215.00	15%		405.00	5%		0.00			0.00			0.00							
6036 PRINTING		2,500.00	3,400.00	0.00	2,500.00	1,250.00	50%		1,000.00	40%		0.00			250.00	10%		0.00			0.00			0.00							
6039 POSTAGE AND OVERNIGHT DELIVERY		1,200.00	1,200.00	0.00	1,200.00	660.00	55%		300.00	25%		120.00	10%		120.00	10%		0.00			0.00			0.00							
6042 PAYROLL PROCESSING FEES		5,000.00	5,000.00	0.00	5,000.00	5,000.00	100%		0.00			0.00			0.00			0.00			0.00			0.00							
6045 BANK INVESTMT. SERVICE CHARGES		10,000.00	1,500.00	0.00	10,000.00	10,000.00	100%		0.00			0.00			0.00			0.00			0.00			0.00							
6051 UNIFORMS		3,115.75	3,200.00	93.47	3,209.22	962.77	30%		2,246.46	70%	Field Uniforms	0.00			0.00			0.00			0.00			0.00							
6060 OUTREACH		127,000.00	127,000.00	3,000.00	130,000.00	28,500.00	30%	BTAC Coop + Board O	19,000.00	20%	share by mission	0.00			28,500.00	30%		49,250.00	15%		4,750.00	5.00%		4,750.00	5.00%						
6087 EDUCATIONAL REIMBURSEMENT		5,000.00	5,000.00	0.00	5,000.00	5,000.00	100%		0.00			0.00			0.00			0.00			0.00			0.00							
6090 SUBSCRIPTIONS/PUBLICATIONS		3,000.00	3,000.00	150.00	3,150.00	3,150.00	100%		0.00			0.00			0.00			0.00			0.00			0.00							
6091 PUBLIC NOTICES		3,200.00	3,200.00	800.00	4,000.00	800.00	20%	Ordinance Change	3,200.00	80%		0.00			0.00			0.00			0.00			0.00							
6093 MEMBERSHIPS		25,364.28	25,364.28	12,218.32	37,582.60	37,582.60	100%	ACWA CSDA Etc.	0.00			0.00			0.00			0.00			0.00			0.00							
BENEFITS:								Benefit Total	678,506.69																						
6110 VISION INSURANCE		3,169.97	3,169.97	-0.00	3,169.97	412.10	13%		1,740.31	45%	Based on percent of hours	154.69	4%		386.74	10%		812.15	21%		31.70	1%		31.70	1%						
6120 WORKER'S COMP INSURANCE		21,426.97	21,426.97	1,858.82	23,285.79	3,027.15	13%	BASE ON LABOR/reduce	12,783.90	45%	Based on percent of hours	1,136.35	4%		2,840.87	10%		5,965.82	21%			232.86	1%		232.86	1%					
6130 DENTAL INSURANCE		10,959.08	10,959.08	1,177.56	12,136.64	1,577.76	13%	BASE ON LABOR	6,663.01	45%	Based on percent of hours	592.27	4%		1,480.67	10%		3,109.41	21%			121.37	1%		121.37	1%					
6150 MEDICAL INSURANCE		271,181.40	271,181.40	7,232.14	278,413.54	36,193.76	13%	Policy Reduction	152,849.04	45%	Based on percent of hours	13,586.58	4%		33,966.45	10%		71,329.55	21%			2,784.14	1%		2,784.14	1%					
##### MEDICAL EMPLOYEE CONTRIBUTION		-41,288.07	-41,288.07	2,057.69	-39,230.38	-5,099.95	13%		-17,653.67	45%		-1,569.22	4%		-9,923.04	10%		-8,238.38	21%			-392.30	1%		-392.30	1%					
6160 PAYROLL TAXES - EMPLOYER		120,309.44	120,309.44	-2,461.28	117,848.16	15,320.26	13%		64,698.64	45%	Based on percent of hours	5,750.99	4%		14,377.48	10%		30,192.70	21%			1,178.48	1%		1,178.48	1%					
6170 PERS RETIREMENT		225,400.91	225,400.91	57,482.06	282,882.97	36,774.79	13%	Includes UA Liability	155,302.75	45%	Based on percent of hours	13,804.69	4%		34,511.72	10%		72,474.62	21%			2,828.83	1%		2,828.83	1%					
##### PERS EMPLOYEE CONTRIBUTION		-68,320.21	-68,320.21	-17,485.25	-85,805.46	-11,154.71	13%		-38,612.46	45%		-3,432.22	4%		-8,580.55	10%		-18,019.15	21%			-858.05	1%		-858.05	1%					
##### 457 Plan EMPLOYEE CONTRIBUTION				0.00																											
SALARIES:								Overhead Offset 22%																							
6210 OVERTIME				0.00		0.00			0.00		887,030.27	0.00			0.00			0.00			0.00			0.00							
6230 REGULAR SALARIES		1,676,139.84	1,676,139.84	154,943.60	1,831,083.44																			0.00							
Sub Field Staff Part Time				0.00		0.00			0.00	100%	Salary+overhead 22% time	0.00			0.00			0.00			0.00			0.00	0%						
Sub Field Supervisor		104,175.72	104,175.72	5,696.20	109,871.92	0.00	0%		134,043.75	100%	Salary+overhead 22% time	0.00	0%		0.00	0%		0.00	0%		0.00	0%		0.00	0%						
Sub Field Operations Spec I		69,388.80	69,388.80	6,803.22	76,192.02	0.00	0%		92,954.27	100%	Salary+overhead 22% time	0.00	0%		0.00	0%		0.00	0%		0.00	0%		0.00	0%						
Sub Field Operations Spec I		57,824.00	57,824.00	7,073.62	64,897.62	0.00	0%		71,257.59	90%	Salary+overhead 22% time	0.00	0%		7,917.51	10%		0.00	0%		0.00	0%		0.00	0%						
Sub Lands Resources Mgr.		172,523.69	172,523.69	13,336.96	185,860.65	18,586.06	10%		90,700.00	40%	Salary+overhead 22% time	0.00	0%		90,700.00	40%		11,337.50	5%		9,293.03	5%		9,293.03	5%						
Sub Admin Services Spec.		100,521.24	100,521.24	366.35	100,887.59	40,355.04	40%		49,233.14	40%	Salary+overhead 22% time	12,308.29	10%		6,154.14	5%		6,154.14	5%		0.00	0%		0.00	0%						
Sub Senior Admin Analyst		109,541.79	109,541.79	2,808.16	112,349.95	44,939.98	40%		27,413.39	20%	Salary+overhead 22% time	12,336.02	9%		13,706.69	10%		27,413.39	20%		1,123.50	1%		1,123.50	1%						
Sub Senior Engineer		98,542.77	98,542.77	78,257.23	176,800.00																										

GL ACCT: GL DESCRIPTION:	Approved 2023-2024 Budget	Projected Annual Costs (7/1/23- 6/30/24)	Increase/ Decrease	Draft 2024- 2025 Budget	GENERAL FUND			GROUNDWATER RECHARGE ENTERPRISE			REDLANDS PLAZA & LEASED PROPERTY- MENTONE HOUSE			LAND RESOURCES			PERC (Formerly ARTP)			WASH PLAN & TRUST SUPPORT		
					2025 BUDGET:	% BUDGET	BASIS:	2025 BUDGET:	% BUDGET	BASIS:	2025 BUDGET:	% BUDGET	BASIS:	2025 BUDGET:	% BUDGET	BASIS:	2025 BUDGET:	% BUDGET	BASIS:	2025 BUDGET:	% BUDGET	BASIS:
Draft 2024-2025 Budget																						
ADMIN/STAFF EXPENSES:			0.00																			
6510 MILEAGE	2,750.00	2,750.00	275.00	3,025.00	1,210.00	40%		756.25	25%		0.00			302.50	10%		756.25	25%		0.00		
6515 AIR FARE	4,950.00	4,950.00	1,800.00	6,750.00	2,025.00	30%		675.00	10%		0.00			1,620.00	24%		2,430.00	36%		0.00		
6520 OTHER TRAVEL	1,500.00	1,500.00	0.00	1,500.00	675.00	45%		375.00	25%		0.00			450.00	30%		0.00			0.00		
6525 MEALS	4,500.00	4,500.00	225.00	4,725.00	2,126.25	45%		1,653.75	35%		0.00			945.00	20%		0.00			0.00		
6530 LODGING	6,500.00	8,000.00	2,300.00	8,800.00	3,960.00	45%		3,080.00	35%		0.00			1,760.00	20%		0.00			0.00		
6535 CONF/TRAINING REGISTRATIONS	29,875.00	29,875.00	-1,600.00	28,275.00	12,723.75	45%		9,896.25	35%		0.00			5,655.00	20%		0.00			0.00		
9999 Contribution toward Capital Maint.	220,000.00	220,000.00	-120,000.00	100,000.00	100,000.00		See Below in 7000 series	0.00		Reduced Allocation	0.00		See Below in 7000 series	0.00		See Below in 7000 series	0.00			0.00		
8010 Capital Reserve GWE/Rate Stabilizati	0.00	0.00	0.00	0.00	0.00	0%		0.00	100%	Use not contribution	0.00			0.00			0.00			0.00		
TOTAL EXPENSES:	4,979,301.60	4,644,943.39	-284,919.30	4,539,438.69	960,027.24			2,096,216.22			216,254.42			817,800.43			746,299.48			120,255.44		
Operating Revenue	5,474,923.97	7,609,137.11	-327,812.06	5,222,111.91	924,652.94			2,100,637.43			248,816.10			796,500.00			1,031,250.00			120,255.44		
NET OPERATING REVENUE	495,622.37	2,964,193.72	-42,892.76	682,673.22	-35,374.31			4,421.21			32,561.67			-21,300.43			284,950.52			0.00		

GL ACCT: GL DESCRIPTION:	Approved 2023-2024 Budget	Projected Annual Costs (7/1/23- 6/30/24)	Increase/ Decrease	Draft 2024- 2025 Budget	GENERAL FUND			GROUNDWATER RECHARGE ENTERPRISE			REDLANDS PLAZA & LEASED PROPERTY- MENTONE HOUSE			LAND RESOURCES			PERC (Formerly ARTP)			WASH PLAN & TRUST SUPPORT		
					2025 BUDGET:	% BUDGET	BASIS:	2025 BUDGET:	% BUDGET	BASIS:	2025 BUDGET:	% BUDGET	BASIS:	2025 BUDGET:	% BUDGET	BASIS:	2025 BUDGET:	% BUDGET	BASIS:	2025 BUDGET:	% BUDGET	BASIS:
Draft 2024-2025 Budget																						
Multi-year Capital Projects																						
7010 MATERIALS	12,000.00	12,000.00	0.00	12,000.00	0.00			6,000.00	50%	Field Security Changes	0.00			6,000.00	50%		0.00			0.00		
LAND & BUILDINGS																						
7110 PROPERTY - CAPITAL REPAIRS	387,999.50	387,999.50	202,000.00	589,999.50	20,000.00		Office interior paint	307,499.50	52%	CIP #11 #15	200,000.00			62,500.00	11%	CIP #14 #34	0.00			0.00		
7120 PROPERTY - LAND PURCHASE	70,000.00	70,000.00	0.00	70,000.00	0.00			0.00			0.00			70,000.00	100%		0.00			0.00		
7130 MENTONE PROPERTY (HOUSE) REPAIR	7,000.00	29,000.00	0.00	7,000.00	0.00			0.00			7,000.00	100%		0.00			0.00			0.00		
7140 MENTONE PROPERTY (SHOP) CIP #3b	891,649.15	891,649.15	-123,484.65	768,164.50	0.00			768,164.50	100%		0.00			0.00			0.00			0.00		
7160 MENDOZA PROPERTY CIP #9 & #12	137,000.00	137,000.00	0.00	137,000.00	0.00			0.00			0.00			137,000.00	100%		0.00			0.00		
EQUIPMENT & VEHICLES																						
7210 COMPUTER HARDWARE REPAIRS	10,000.00	15,000.00	0.00	10,000.00	7,500.00	75%		2,500.00	25%	Allocation basis 2011	0.00			0.00			0.00			0.00		
7220 COMPUTER SOFTWARE	1,000.00	5,263.06	4,000.00	5,000.00	1,000.00	20%		1,500.00	30%	Allocation basis 2011	0.00			1,250.00	25%		1,000.00	20%		250.00	5%	
7230 FIELD EQUIPMENT / VEHICLES CIP #8	225,000.00	225,000.00	-85,000.00	140,000.00	0.00			112,000.00	80%	New truck	0.00			28,000.00	20%		0.00			0.00		
7240 OFFICE EQUIPMENT	54,400.00	54,400.00	-24,000.00	30,400.00	7,600.00	25%		10,640.00	35%		1,520.00	5%		4,864.00	16%		4,864.00	16%		912.00	3%	
PROFESSIONAL SERVICES:																						
7126 PERC ENGR/PROF SERVICES CIP #31	3,532,019.00	3,532,019.00	-1,112,762.65	2,419,256.35	0.00			0.00	0%		0.00	0%		0.00	0%		2,419,256.35	100%		0.00		
7150 MILL CREEK DIVERSION PROJECT CIP #	2,299,616.86	2,299,616.86	-2,049,616.86	250,000.00	0.00			250,000.00	100%	In WIP Acct until completion	0.00			0.00			0.00			0.00		
7151 MILL CREEK PERMITTING CIP #7 & #36	285,207.27	285,207.27	-98,106.16	187,101.11	0.00			187,101.11	100%	District Permitting +River HC	0.00			0.00			0.00			0.00		
7438 ENGINEERING SERVICES-OTHER CIP #2	125,000.00	125,000.00	0.00	125,000.00	0.00			125,000.00	100%	Mill Creek O&M Plans	0.00			0.00	0%		0.00	0%		0.00		
CAPITAL EXPENSE	8,037,891.78	8,069,154.84	-3,286,970.32	4,750,921.46	36,100.00			1,770,405.11			208,520.00			309,614.00			2,425,120.35			1,162.00		

Attachment 2 - Capital Improvement Program Budget for FY25

CIP No.	Capital Equipment or Project	Cost Est.	Cost to Date	Budget		Status	Running Total
				Remaining	FY Ending		
1	Mill Creek Diversion Improvement	\$2,695,000	\$2,173,821	\$521,179	2016-2024	Ongoing	\$521,179
	Design/Permitting-	COMPLETED	\$480,000	\$454,125			
	Construction	COMPLETED	\$1,750,000	\$1,546,608			
	Mitigation/Monitoring/ Construction Management		\$465,000	\$173,087	2023-2029		
31	PERC Projects (formerly ARTP)	\$36,551,336	\$3,476,575	\$33,074,761	2020-2030	Ongoing	\$33,992,106
3b	Mentone Shop Engineering, Permitting and Construction	\$552,550	\$209,386	\$343,165	2018-2024	Ongoing	\$647,453
36	Mill Creek Permitting	\$390,978	\$323,877	\$67,101	2022-2025	Ongoing	\$35,597,753
34	Initial Wash Plan Trails Tasks, including fencing, signage, COI	\$125,000	\$0	\$125,000	2025	Start-up Costs	\$772,453
11	Mill Creek North Canal Flume SB-88 Compliance	\$169,954	\$24,955	\$145,000	2020-2024	Ongoing	\$917,453
23	Mill Creek/SAR Facility Maintenance Upgrades	\$1,000,000	\$0	\$1,000,000	2024-2028	Ongoing	\$35,405,652
25	Community (Distributed) Recharge Planning *moved up from potential	\$100,000	\$0	\$100,000	2025	Opportunity	\$35,683,652
9	Land Stewardship Costs (fencing, gates, aerial survey, etc.)	\$50,000	\$33,000	\$17,000	2020-2025	Ongoing	\$34,405,652
7	River HCP Permitting	\$240,000	\$120,000	\$120,000	2024-2025	Upon HCP Approval	\$34,508,652
3c	Canyon House	\$425,000	\$0	\$425,000	2024-2027	Future Project	\$34,983,652
14	Demolition	\$125,000	0	\$125,000	2024-2027	Future Project	\$35,530,652
15	Replacement	\$300,000	0	\$300,000	2024-2027	Future Project	\$35,283,652
32a	Seven W Property Cleanup and Planning	\$50,000	\$0	\$50,000	2023-2025	Start-up Costs	\$34,558,652
12	Planning for Mendoza	\$120,000	\$0	\$120,000	2026	Opportunity	\$34,132,156
8	Capital Equipment	\$350,000	\$94,004	\$255,996	2029	Ongoing	\$34,388,652
Potential Future Projects, as Resources Allow							
17	Water Recharge Mendoza Design	\$50,000	\$0	\$50,000	2026	Opportunity	\$35,283,652
18	Water Recharge Mendoza Implementation	\$300,000	\$0	\$300,000	2028	Conceptual	\$35,583,652
23	Aggressive Recharge Planning/Permitting-Mill	COMPLETED	\$100,000	\$100,000	2017-2021	Conceptual	\$35,783,652
26	Community (Distributed) Recharge Implementation-Stormwater capti	\$2,000,000	\$0	\$2,000,000	2018-2030	Conceptual	\$39,358,652
27	Greenspot and Cone camp parking/staging/trailheads Project Plannin	\$50,000	\$0	\$50,000	2018-2026	Conceptual	\$39,408,652
28	Post Mine Planning	\$100,000	\$0	\$100,000	2029	Conceptual	\$39,508,652
30	Greenspot/Cone camp parking/staging/trailheads Implementation	\$350,000	\$0	\$350,000	2018-2027	Conceptual	\$39,858,652
25	Bulldozer/long reach excavator permitted cleaning D6T \$400K	\$500,000	\$0	\$500,000	2030	Potential	\$36,358,652
35	Dumptruck with grappel	\$190,000	\$0	\$190,000	2030	Conceptual	\$40,048,652
Total Budgeted Capital Cost		\$16,467,297	\$11,485,880	\$41,562,753			
Net of Grant		\$15,967,297		\$41,062,753			



**San Bernardino Valley
Water Conservation District**

Helping Nature Store Our Water

Memorandum No. 2020

To: Board of Directors

From: Finance & Administration Committee
Betsy Miller, General Manager

Date: May 15, 2024

Subject: District Enterprise Budget Approval for Fiscal Year 2024-2025

RECOMMENDATION

The Finance & Administration Committee recommends the Board approve the 2024-2025 District Enterprise Budget as presented with incorporated changes from the Budget Workshop held on April 24, 2024.

BACKGROUND

Each year, San Bernardino Valley Water Conservation District (District) staff prepares revenue and expense estimates for the Groundwater Enterprise in February, as underlying support for the Board to determine a proposed amount for the Groundwater Charge for public notice purposes. Based on this analysis, the Board noticed a 5% increase in the Groundwater Charge using the current unitary groundwater rate in the newspaper and via mail to groundwater producers, with opportunities for community input and feedback at both a public meeting and a Board hearing to determine the annual Groundwater Charge. The remainder of the budget is prepared based on a similar analysis of the other enterprise funds and Board priorities.

DISCUSSION

Based on performance for three quarters of the current fiscal year, staff has projected a budget for each enterprise along with updated capital expenses. The Board reviewed the draft budget in workshop format on April 24, 2024. Based on Board feedback, staff revised:

Add any changes here.

Budget Approach and Assumptions

The budget approach recommended by staff includes the following efforts and activities:

- Utilize the Groundwater Enterprise Budget to develop the proposed Groundwater Charge
- Review the draft budget with the Finance & Administration Committee and a Board workshop before submitting it to the Board for approval.
- Solicit public feedback in public meetings such as a public meeting, public hearing, Board workshop, and Board meetings.

1630 W. Redlands Blvd, Suite A
Redlands, CA 92373
Phone: 909.793.2503
Fax: 909.793.0188
www.sbvwd.org Email: info@sbvwd.org

**BOARD OF
DIRECTORS**

Division 1:
Richard Corneille

Division 2:
David E. Raley

Division 3:
Robert Stewart

Division 4:
John Longville

Division 5:
Melody McDonald

**GENERAL
MANAGER**

Betsy Miller

The budget process used for FY25 followed that used for previous budgets, including the following specific assumptions:

Revenue:

- Groundwater Charge revenue is based on actual charges paid during the prior two-year
- Property tax is estimated from FY24 actual receipts
- Mining revenue is estimated based on lease-guaranteed annual minimum payments
- Interest revenue is based on conservative investment forecasts
- Expansion of Recharge Capacity (PERC) (formerly ARTP) revenue is on interest and capital income needed for completion of existing contracts and new work planned for FY25
- Wash Plan revenue is based on 4% interest generated on the Wash Plan endowment held by the Conservation Trust

Expenses:

- Expenses are estimated on a zero basis, or actual costs/estimates modified based on specific needs and actual FY24 costs
- Board administrative costs and staff COLA increases are based on Bureau of Labor Statistics CPI-U All West December 2023 rate of 3.6% (https://www.bls.gov/regions/west/news-release/consumerpriceindex_west.htm)
- Utilities increase between 0-15%, based on sector CPI or projected rate changes
- Salary forecast includes raise pool of up to 5% as a percentage of total salaries
- Miscellaneous expenses are generally increased at 5% where no other basis is available
- Expenses related directly to the Groundwater Council have been removed
- Annual permit fees for state and waters permits for Santa Ana Groundwater Recharge Facility operations & maintenance
- Year 5 of Upper Santa Ana River Wash HCP Implementation
- Basin cleaning and maintenance at the Mill Creek and Santa Ana Groundwater Recharge Facilities, including equipment rentals and/or contracted work, following significant recharge during multiple high precipitation years. Includes \$185,000 from Groundwater Recharge Enterprise Reserve.
- Memberships have increased approximately 40% to allow for additional opportunities.

Capital Improvement Projects

CIP expenses are incorporated into the annual operating budget to account for specific instances where operating revenue is paid to capital projects, and capital funding covers annual costs such as salaries. Capital Improvement Projects scheduled for planning, permitting, and/or construction in FY25 include:

- Completion of PERC feasibility studies
- Initiation of final design for early lead PERC project(s)
- Installation of the Mill Creek North Canal Flume Flow Meter
- Permits for the Mill Creek Groundwater Recharge Facility
- Initial Wash Plan trails tasks

Salary and Benefits

Following retirement of the PERC Engineer retired annuitant, the Senior Engineer/Project Manager is budgeted as an FTE in the FY25 budget.

Staffing needs related to the operations of the new Enhanced Recharge basins will be evaluated throughout FY25 and, if necessary, included in the proposed FY26 budget.

Groundwater Enterprise

The Groundwater Enterprise fund revenue has met its expenditures for the past seven years, with use of reserves to fund significant maintenance following high recharge years in FY24.

Groundwater Council and the Sustainability and Replenishment Component of the Groundwater Charge

Beginning in 2018, the Groundwater Council (GC) provided an alternate method for members to pay a fair share towards the District groundwater recharge operations costs, previously paid through the Groundwater Charge, with GC revenue reflected in the District's budgets from FY19-FY24. With the cessation of the GC planned for June 2024, the Groundwater Council Revenue and Groundwater Council Passthrough lines are not included in the FY25 budget, with all producer revenue now being collected through the Groundwater Charge.

As part of the FY22 rate-setting process, the Board approved a request from the GC to include a Replenishment/Sustainability component in the Groundwater Charge to provide equity on costs of basin-benefitting water supply and recharge enhancement between GC members and non-members. After collection, this portion of the Groundwater Charge was paid to the San Bernardino Valley Municipal Water District to purchase imported water for groundwater recharge. With the cessation of the GC planned for June 2024, the Sustainability Component of the Groundwater Charge will not be collected in FY25.

Wash Plan Implementation

FY25 is the fifth year of the implementation of the Wash Plan. Jump-start costs (\$33,000 per Wash Plan Table 7-5) and endowment earnings at four percent interest (\$87,255) are available for expenditure to implement the Wash Plan. Unfortunately, not all Wash Plan Participating Entities have paid endowment funds at this time, resulting in a short-fall of approximately \$300,000 below what is needed to fulfill planned Wash Plan tasks for FY25. If additional Wash Plan endowment funds are deposited with the San Bernardino Valley Conservation Trust before or during FY25, staff will bring a budget adjustment to the Board to account for additional revenue and expenses.

Other Income*Community Mitigation Program*

The San Bernardino Valley Conservation Trust has been contracted by the San Bernardino County Transportation Authority to support the implementation of certain mitigation measures required by CDFW for a take permit under the California Endangered Species Act. District staff time towards these efforts are reimbursed by the Trust, with \$15,000 budgeted for salary reimbursements for this project in FY25.

Grants

The District has been selected for award of a U.S. Bureau of Reclamation WaterSmart Applied Science grant which includes funds for consultants, academic partners, and District staff salaries. \$54,000 is budgeted for miscellaneous income and \$37,373 is budgeted for salary reimbursements for this project in FY25.

POLICY CONSIDERATIONS

The proposed budget presented to the Board today incorporates comments received at the Board's April 24, 2024, Budget Workshop. The budget reflects adopted policies, Board priorities and directives, and the Board's prior action on the Groundwater Charge.

FISCAL IMPACT

Approval of the proposed FY25 budget would result in annual operating expenditures of up to \$4,539,439 from July 1, 2024 to June 30, 2025, and an additional \$4,750,921 in CIP expenses authorized for expenditure during the same period. As proposed, the District's revenues and reserves are sufficient to support the proposed FY25 expenditures.

POTENTIAL MOTIONS

1. Approve the District Enterprise Budget for FY25 budget; including Capital Improvement Program Budget for FY25 and Reserve Balances as presented.
2. Approve the District Enterprise Budget for FY25 budget with specific changes.
3. Provide feedback to staff and request a revised budget be presented for consideration of approval on June 12, 2024.

ATTACHMENTS

Draft District Enterprise Budget for FY25
Capital Improvement Program Budget for FY25
Projected Reserve Balances as of June 30, 2024

APPROVALS

Finance & Administration Committee