

**SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS**

**GROUNDWATER PUBLIC HEARING and REGULAR BOARD MEETING
AGENDA**

April 24, 2013 – 1:30 p.m.

Location--1630 West Redlands Boulevard, Suite A, Redlands, California

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.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

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.

3. PUBLIC HEARING RELATED TO ADOPTION OF GROUNDWATER CHARGE

- Open Public Hearing
- Receive Public Comments or Testimony
- Close Public Hearing
- Consider Adoption of Resolution No. 492 (**Page 4**)

Article 1, Section 75560 of the California Water Code requires that a Water Conservation District that proposes to levy a groundwater charge "...shall annually cause to be made an

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 Medina 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.

engineering investigation and report upon groundwater conditions of the District." District staff will present the annual Bunker Hill Engineering Investigation Report and review the Groundwater Replenishment Program annual budget District staff is recommending to the District's Board of Directors to continue the current groundwater rate of \$3.14 per acre-foot for groundwater production for direct agricultural production \$11.28 per acre-foot for groundwater production for non-agricultural purposes. These rates will pertain to agricultural and non-agricultural groundwater production from July 1, 2013- through June 30, 2014. The purpose of the groundwater charge is to fund the District's continuing groundwater replenishment efforts. District staff will present any written comments received and the board will hear oral comments.

4. **CONSENT CALENDAR**

1. Approval of Board Minutes, April 10, 2013 (**Page 8**)

5. **ACTION ITEMS, NEW BUSINESS**

A. QUARTERLY FINANCIAL REPORT (Page 15)

Recommendation: The Administrative Committee recommends the Board review the quarterly financial report and receive and file the report.

B. PRELIMINARY DISTRICT AND ENTERPRISE BUDGET FOR 2013-2014 (Page 20)

Recommendation: Staff recommends the Board review the 2013-2014 Preliminary District Enterprise Budget and provide comments to staff to incorporate into the budget presented for approval in May.

C. STAFFING LAND RESOURCES MANAGER (Page 31)

Recommendation: Staff recommends the Board review the Land Resources Manager position description and consider approval of the position/salary range and authorize Staff to post the position.

D. RESERVE POLICY CHANGES FOR 2013-14 (Page 43)

Recommendation: The Administrative Committee recommends the Board review and discuss Staff's changes to the District Reserve Policy. Based on comments received, Staff will revise for Board approval with the 2013-2014 Budget.

E. STATEMENT OF INVESTMENT POLICY REVIEW (Page 49)

Recommendation: Staff recommends the Board review and approve the updated Statement of Investment Policy which is essentially the same as that approved in 2012.

6. **INFORMATION ITEMS:**

- A. Future Agenda Items & Staff Task requests from Directors

7. **MONTHLY BOARD MEMBER COMMITTEE ACTIVITY REPORTS, AND/OR COMMENTS BY BOARD MEMBERS**

8. **UPCOMING MEETINGS:**

1. April 29, 2013 Special Board of Directors Meeting, 1:30 p.m. at the District Office
2. May 6, 2013 Basin Technical Advisory Committee, 1:30 p.m. at SBVMWD District Office
3. May 7-10, 2013 ACWA 2013 Spring Conference, Sacramento at the Sacramento Convention Center
4. May 9, 2013 Upper Santa Ana Water Resources Association, 2:30 p.m. at the District Office
5. May 15, 2013 Board of Directors Meeting, 1:30 p.m. at the District Office
6. May 20, 2013 Association of San Bernardino County Special District's Dinner, 6:00 p.m. (location to be determined)
7. May 21, 2013 SBVMWD Board of Directors Meeting, 2:30 p.m. at the SBVMWD District Office
8. July 11, 2013 Advisory Commission on Water, 7:00 p.m. at SBVMWD District Office

9. **ADJOURN MEETING.** The next regular Board meeting will be on May 15, 2013 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

RESOLUTION NO. 492

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN BERNARDINO VALLEY WATER CONSERVATION
DISTRICT ESTABLISHING A GROUNDWATER CHARGE ON THE PRODUCTION OF
GROUNDWATER WITHIN DISTRICT BOUNDARIES, AND MAKING CERTAIN
FINDINGS RELATIVE THERETO**

WHEREAS, California Water Code, Division 21, Part 9 provides authority for the San Bernardino Valley Water Conservation District to consider and impose a groundwater charge on groundwater production within the District; and

WHEREAS, the California Legislature has found, in Water Code Section 75521, that such groundwater charges are in furtherance of District activities in the protection and augmentation of water supplies for users, which are necessary for the public health, welfare and safety; and

WHEREAS, Water Code Section 75523 allows for the use of proceeds from a groundwater charge for any District purposes, which may be authorized by law; and

WHEREAS, The District has presented a budget showing the needs and uses of the Groundwater Charge for 2013-2014 water year; and

WHEREAS, at the regular meeting of the Board of Directors on March 13, 2013, the District accepted an engineering investigation report, prepared by district Staff with the assistance of the agencies in the basin under the direction of Daniel Cozad, General Manager relating to groundwater conditions in the Bunker Hill Basin underlying the District boundaries; and

WHEREAS, the Engineering Investigation and preliminary Groundwater Enterprise Budget and rate options was presented to the Upper Santa Ana Water Resources Association on March 14, 2013; and

WHEREAS, the District provided mailed notice to all groundwater producers within its District boundaries of a public meeting held on April 10, 2013, and a public hearing held on April 24, 2013, inviting all groundwater producers and all persons interested in the condition of groundwater or surface water supplies of the District to appear and submit evidence, and inviting all water producers to examine the engineering investigation report; and

WHEREAS, the Board of Directors has conducted a public meeting on April 10, 2013, and a public hearing on April 24, 2013, and has received comment and evidence submitted by the public at such hearing; and

WHEREAS, the Board has considered the engineering investigation report, and considered all comments and evidence presented to it at the public meetings and hearing; and

WHEREAS, the District has made available by wide distribution a Groundwater Enterprise Budget identifying the estimated use of the Groundwater Charge proceeds which will be subsequently incorporated in the District budget; and

WHEREAS, the District's ad valorem tax revenues are limited and the District has experienced a decrease in revenues from interest on reserves, which is expected to continue; and

WHEREAS, on the basis of all evidence presented, including the engineering investigation and report and such public comment, the Board has determined that it is appropriate and in the best interests of the District and all those water users who rely, directly or indirectly, on the District's services, to levy a groundwater charge as further provided herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT AS FOLLOWS:

Section 1. As required by Water Code Section 75574, the Board hereby makes the following findings:

- A. Annual Change in Storage in those portions of the Bunker Hill Basin lying within the District's boundaries ("Bunker Hill Basin" herein), Fall 2011 to Fall 2012, is an decrease of -89,775 acre-feet.
- B. Accumulated Change in Storage in the Bunker Hill Basin as of the Last Day of the Preceding Water Year (using 1993 as base year) is -314,377 acre-feet.
- C. Total Groundwater Production from the Bunker Hill Basin from the Preceding Water Year July 1, 2011 to June 30, 2012 is 164,981 acre-feet.

- D. Estimate of the Annual Change in Storage for the Current Water Year (July 1, 2012 to June 30, 2013) in the Bunker Hill Basin is -79,944 acre-feet.
- E. Estimate of the Annual Change in Storage for the Ensuing Water Year (July 1, 2013 to June 30, 2014) in the Bunker Hill Basin is 6,047 acre-feet.
- F. Average Annual Change in Storage for the Immediate Past Ten Water Years in the Bunker Hill Basin is -646 acre-feet.
- G. Estimated Amount of Agricultural Water Withdrawn from the Groundwater Supplies of the District for the Ensuing Water Year (July 1, 2013 to June 30, 2014) is 7,406 acre-feet.
- H. Estimated Amount of Other-than-Agricultural Water Withdrawn from the Groundwater Supplies of the District for the Ensuing Water Year (July 1, 2013 to June 30, 2014) is 58,807 acre-feet.
- I. Estimated Amount of Water Necessary for Surface Distribution for the Ensuing Water Year (July 1, 2013 - June 30, 2014) within the Bunker Hill Basin is 74,870 acre-feet.
- J. Estimated Amount of Water Necessary for Surface Distribution for the Ensuing Water Year (July 1, 2013 - June 30, 2014) for the District is 66,214 acre-feet.
- K. The Amount of Water which is Necessary for the Replenishment of the Groundwater Supplies of the Bunker Hill Basin to maintain constant groundwater supplies for the Ensuing Water Year (July 1, 2013 to June 30, 2014) is 136,515 acre-feet.
- L. The Amount of Water which is Necessary from all sources, including natural recharge to bring the basin back to its "full" condition of 1993 is 314,377 acre-feet.

Section 2. The Board of Directors hereby finds that the entire District constitutes a single zone of benefit for the imposition of this charge. The basis for this finding is that the entire portion of the basin underlying the District boundary is fed by the same naturally occurring surface flows. Although the basin may be divided into various subparts, because of hydrogeologic conditions these areas are interconnected, and water recharged by the District from its existing recharge facilities contributes to underground "flows" which eventually reach other subparts of the basin. Thus, the District's recharge inures to the benefit of users in other areas by enhancing the availability of water supplies throughout the basin. In addition, the District maintains both the availability of surface water flows for groundwater recharge, and the facilities for accommodating the recharge, whether by the District or by other parties pursuant to collaborative regional groundwater management efforts. Agricultural production represents 18.5% of the District total production and non-agricultural production 81.5% for Calendar Year 2012.

Section 3. The Board finds that there is no past accumulation of the amount of water necessary to be replaced in the intake areas of the groundwater basins within the District to prevent the landward movement of salt water into the fresh groundwater body, or to prevent subsidence of the land within the District, either in the past water year or the preceding 10 years, nor is there likely to be any amount of water necessary for these purposes in the ensuing water year. The Board further finds that the District is not obligated by contract to purchase any water. The Board also finds that further recharge of the basin is required based upon the findings related to change in storage stated in Section 1 above, to prevent depletion or degradation to the basin's groundwater supplies, to enhance both the availability and accessibility of such supplies, and to replenish, augment, and protect such supplies, and that the proceeds of the groundwater charge established hereon shall be used for such purposes.

Section 4. The Board of Directors hereby levies, assesses and affixes a groundwater charge in the amount of \$3.14 per acre-foot for agricultural water (§75508), and in the amount of \$11.28 per acre-foot for non-agricultural water the latter being 3.59 times the agricultural rate. Late charges on delinquent accounts will be 1% interest per month in accordance with Water Code §75615 et set. and any additional actual costs to collect delinquent amounts not paid by February 1, 2014 and August 1, 2014. Deposit or prepayment of production costs may be made by written agreement with the District. Direct production of water for agricultural use on Golf Courses by the owners of the course will be set at a rate equal to the Agricultural rate, in accordance with California Water Code §75592 and § 75594. Exemptions: Notwithstanding the foregoing, for producers who can demonstrate either (1) that their production for the water year is restricted to basic, personal residential use limited to the property on which the applicable groundwater production facility is based; or (2) that their production for the water year is restricted to agricultural use limited to the property on which the applicable groundwater production facility is based, and total cumulative production for the applicable producer within the District is not in excess of two (2) acre feet over the course of the water year; such production shall be exempted from the groundwater charge provided the producer documents its exemption prior to bi-annual collection of the groundwater charge. In establishing this exemption, the Board finds that the likely revenues to be derived from the groundwater production subject to the exemption is outweighed by the administrative burdens in

administering and collecting the charge. The District General manager is authorized to waive late fees with explanation and request from payees or if the cost of recovery outweighs the fee to be collected.

Section 5. In connection with fixing the groundwater charge as set forth in Section 4 above, the Board of Directors makes the following findings:

- A. The groundwater charge is imposed upon the action of extraction of groundwater from the basin underlying the basin's boundaries, and not on property or groundwater extraction facilities as such. The groundwater charge will be incurred by groundwater producers through their voluntary action of groundwater production. The groundwater charge is not one for water delivery by the District to groundwater extractors, but rather relates to the District's service of maintaining groundwater supplies, recharge facilities, and management of both for groundwater extractors within the District. The District maintains no pipes, canals or other facilities directly connecting District facilities to the groundwater extractors' property or pumping facilities. In addition, parties subject to the groundwater charge are not property owners, per se, but predominantly either public or private entities involved in the business of providing water, or persons or entities involved in irrigation, for agricultural-related activities, and for uses of water exceeding what would be required for basic residential use of the property.
- B. The District has provided notice of the proposal for imposition of the groundwater charge through a number of different avenues. Mailed notice was provided to all operators reflected on the District's records as containing active groundwater production facilities within the District. In addition, published notice was provided in the San Bernardino Sun on March 8, March 16, and March 23, 2013 and in the Highland Community News on March 15 and March 22, 2013. All such notices identified the prior and proposed existing rate for agricultural and non-agricultural water, the estimated total revenue to be collected from the charge, and the time and place for public hearing at a public meeting at which parties objecting to the charge could appear and be heard.
- C. The proposed groundwater charges, and engineering investigation prepared by the District, were reviewed at a public meeting held April 10, 2013, and a public hearing held April 24, 2013 and a special meeting on April 29, 2013. In addition, the engineering investigation prepared by the District was presented to and reviewed with the Board of Directors at a public meeting on March 13, 2013, and was presented to the Upper Santa Ana Water Resources Association on March 14, 2013.
- D. The groundwater charge is being levied to assist in offsetting the costs of the District's Groundwater Enterprise in providing groundwater supplies, groundwater recharge facilities, and recharge management and administration for the benefit of groundwater producers within the District. The Groundwater Enterprise Budget includes, but are not limited to, the following:
 1. Making available the District's Santa Ana River water rights, in an amount no less than 10,400 acres per feet per year, for recharge into the Bunker Hill Basin;
 2. Conducting groundwater recharge activities by diverting both Santa Ana River and Mill Creek water supplies into District recharge facilities;
 3. Applying the District's experience and expertise in directing groundwater recharge effectively and efficiently, administering the physical recharge of groundwater both directly for the District and its water supplies, and recharging on behalf of other entities, including exchanges under the Santa Ana River/Mill Creek Cooperative Water Project Agreement;
 4. Maintaining and operating the District's diversion works, recharge basins and canals to insure the availability of sufficient infrastructure to accommodate needed groundwater recharge; and defense and protection of the District's water rights and manner of operations;
 5. Investigation and implementation of improvements to groundwater recharge infrastructure;
 6. Reporting to groundwater producers and other interested parties of groundwater recharge activities and conditions, including but not limited to the daily flow report;
 7. Conducting engineering analyses, such as the District's annual engineering investigation, designed to provide information regarding the District's groundwater basin and groundwater recharge facilities; and
 9. Administrative support, training and overhead for all the above-listed activities.
- E. The total amount of estimated revenues from the groundwater charge is estimated at approximately \$900,245 based on production reported for the 2011-2012 water year. These revenues fully recover

expected cost and will not exceed the costs of providing the services as detailed above, in that the District's Groundwater Enterprise Budget for fiscal year 2013-2014 proposes \$900,245.

- F. The amount of groundwater charge paid by each individual payor will not exceed the benefit of the Conservation District's services to such parties, because the structure of the groundwater charge is such that the amount paid varies in direct proportion to the amount of groundwater supplies extracted, and therefore is proportional to the benefit each individual payor receives from the District's services.
- G. The District's services are immediately available to all parties subject to the charge, because the charge is limited to those extracting groundwater, and therefore able to take advantage of the District's services relative to groundwater recharge activities, facilities, and programs.
- H. The District's services are directed toward groundwater production and extractors, and are not generally available to parties not involved with groundwater extraction, as are other general governmental services such as police, fire, library, or other broad governmental services. The District's service is directed toward, and of benefit to, parties utilizing and extracting groundwater in the District.

Section 6. District staff is directed to prepare a report at the end of the water year for which the charge levied herein is imposed, detailing the revenues collected from the groundwater charge, and describing the purposes and expenses to which such revenues were applied toward the services detailed in Section 5(D) above.

Section 7. The Board of Directors further finds that the groundwater charge adopted herein is statutorily exempt from CEQA under Title 14, California Code of Regulations Sections 15273, 15301, and 15306. The action contemplated herein constitutes a structuring and establishment of a charge which will be used in part for meeting operating expenses and for purchasing or leasing equipment and materials. To the extent the groundwater charge revenues will be applied to groundwater testing, these activities fit within Title 14, California Code of Regulations Section 15306. Such activities involve the occasional taking of groundwater samples by means of temporary equipment, which will not cause any alteration to the land, and consist solely of information gathering. To the extent any portion of the funds is directed to maintenance, operation, or repair of existing facilities, involving no or negligible expansion of existing uses, these activities fit within Title 14, California Code of Regulations Section 15301. To the extent any portion of the funds is directed to construction or establishment of new facilities, environmental review of such facilities will occur at such time those facilities are proposed, and the nature, location, scope, and function of such potential future facilities becomes known. Under each of the above-referenced exemptions, therefore, the Board of Directors finds that the levy and implementation of the groundwater charge is therefore properly exempt from CEQA.

Section 8. The General Manager is hereby authorized and directed to provide notice to operators of the levy of the groundwater charge, as provided for in Water Code Section 75610.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Board of Directors this 29th day of April 2013, by the following roll-call vote:

YES:	DIRECTORS:
NO:	DIRECTORS:
ABSTAIN:	DIRECTORS:
ABSENT:	DIRECTORS:

ATTEST:

Richard Corneille, President

Daniel Cozad, Secretary

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF April 10, 2013
1:30 P.M.

President Corneille called the Board Meeting of the Board of Directors to order at 1:30 p.m. All present stood for the pledge of allegiance, led by President Corneille.

ROLL CALL:

BOARD MEMBERS PRESENT:

Richard Corneille, President
Melody McDonald, Vice President
Bob Glaubig, Director
David E. Raley, Director
Manuel Aranda, Director
Clare Henry Day, Director (1:42 p.m. arrival)
John Longville, Director (1:37 p.m. arrival)

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David B. Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

Daniel Cozad, General Manager
Athena Medina, Administrative Services Specialist

GUESTS PRESENT:

Don Lee, Tetra Tech
Charles Roberts, Highland Community News
Matt Litchfield, San Bernardino Municipal Water Department

1. PUBLIC PARTICIPATION

President Corneille announced this as the time for any persons present, who so desire, to make an oral presentation to the Board of Directors. Hearing none, the meeting continued with published agenda items.

2. ADDITIONS/DELETIONS TO AGENDA

There were no additions/deletions to the agenda.

3. PRESENTATIONS

There were no presentations.

4. PUBLIC MEETING RELATED TO ADOPTION OF THE GROUNDWATER CHARGE

President Corneille opened the Public Meeting related to the adoption of the groundwater charge. General Manager, Daniel Cozad presented a Power Point on the Engineering Investigation Report (EI) required for the District to implement the groundwater charge. Mr. Cozad also presented and reviewed the Draft Groundwater Enterprise Budget for FY 2013-2014. President Corneille noted that the Draft Resolution is included in the Board package for review. President Corneille announced this as the time for any persons present, who so desire, to make a comment pertaining to the groundwater charge to the Board of Directors. There being none, the Public Meeting was closed.

5. CONSENT CALENDAR

President Corneille announced this as the time for any director who desires to pull an item from consent calendar prior to approval. Director Raley requested the board minutes from March 13, 2013 be pulled for discussion.

1. Approval of the Board Minutes from March 13, 2013

This item was taken out of order.

Director Raley indicated minor revisions to be made to board minutes. Brief discussion ensued.

It was moved by Director Raley and seconded by Director Aranda to approve Board Minutes with revisions. The motion carried 7-0.

2. Approval of Check Register, March 2013

President Corneille asked the Board if the Check Register should be an action item. The Board concurred that it should remain a consent calendar item since it is informational and can be pulled for discussion prior to approval of consent calendar.

3. GWA #39

Mr. Cozad presented a letter of request for fee waiver from the City of Redlands as requested by the Board at their prior meeting.

It was moved by Director McDonald and seconded by Director Longville to approve balance of the consent calendar (items two and three). The motion carried 7-0.

6. ACTION ITEMS, NEW BUSINESS

A. UNAUDITED FINANCIAL REPORTS FOR MARCH 2013 AND
COMPENSATION AND EXPENSE ANNUAL DISCLOSURE

Mr. Cozad introduced this item for discussion. He provided an overview of financials. Mr. Cozad indicated that under California Government Code § 53065.5; the District has implemented the requirement to disclose reimbursed expenses which exceed \$100 for each year to provide transparency. A report is included on package page 29-30. Director McDonald reviewed director's expenses, fees and benefits for additional public agencies. She noted that the District does not provide benefits for the Board as some agencies do. The only items the Board is eligible for are the per diem rate, mileage and reimbursements for travel expenses.

President Corneille noted that this is the end of the quarter and a quarterly report will be anticipated for the April 24th meeting. Mr. Cozad indicated there is an Administrative Committee scheduled for April 15th for the Committee to review and prepare report for the April 24th meeting. This item was received and filed.

B. OUTREACH COMMITTEE BUDGET FOR FY 2013-2014

Director Aranda spoke on this item indicating that a Redlands High School student had requested \$500 from the District for completion of a conservation project and the project has been completed. There may be a ribbon cutting ceremony in the near future. Mr. Cozad presented a Power Point slide show of the student's completed conservation project. He stated that the conservation

project includes a drip irrigation system, decomposed granite, mulch, and native plants among other conservation mechanisms. Staff will advise the Board of the date of ribbon cutting once it becomes known. Mr. Cozad reviewed the Outreach Budget; noting that the IERCD programs have been increased from ten to twenty for next fiscal year. He stated the budget amount is \$5,000 and a breakdown of expenses is included on package page 31 for review.

It was moved by Director McDonald and seconded by Director Aranda to approve the Outreach Budget. The motion carried unanimously.

C. ASBCSD BOARD OF DIRECTORS OPENING

Director Aranda is seeking a position on the Board for The Association of San Bernardino County Special Districts. Director Raley inquired as to the fiscal impact. It was noted that there will be no additional fiscal impact aside from those approved under Appendix C.

It was moved by Director McDonald and seconded by Director Glaubig to support Director Aranda in seeking a position on the Board for ASBCSD. The motion carried unanimously.

D. CONCURRING NOMINATIONS FOR ACWA

It was moved by Director McDonald and seconded by Director Glaubig to support Kathy Tiegs of Cucamonga Valley Water District in seeking a position as Board Vice-President for ACWA. The motion carried unanimously.

E. AGGREGATE MATERIAL SALE/ROYALTY AGREEMENT

Mr. Cozad presented the Board Letter and a letter of request from Upland Rock to enter into a short term contract for sale of aggregate materials accumulated at project site. Upland Rock would like to process material near the Borrow Pit area and the District would receive a small amount of revenue in the future. Mr. Cozad stated it may also help reduce hauling costs for DWR and outside agencies.

It was moved by Director Longville and seconded by Director McDonald to authorize the General Manager and General Counsel to negotiate a short term contract for the sale of aggregate for Upland Rock. The motion carried unanimously.

F. BOARD POLICY MANUAL APPROVAL

President Corneille introduced this item for discussion. Mr. Cozad indicated that suggested revisions have been incorporated including additional policies such as the addition of an annual disclosure policy. He noted that revisions are shown in redline. President Corneille stated that the new policy on consent calendar will need to be incorporated as well. Mr. Cozad stated that the Form 806 has been included in the Board package and upon approval will be published on the District website. Director Raley inquired as to what is defined as a presentation under Appendix C. Director McDonald stated that it is an agendized or formal presentation to the public or other entities. Brief discussion ensued. Director McDonald noted that the Form 806 is a document which is updated as the Board makes appointments and changes of meetings and committees. It will be posted on District website.

It was moved by Director Aranda and seconded by Director Day to approve the Board Policy Manual Final Revisions and approve the presented Form 806. The motion carried unanimously.

7. INFORMATION ITEMS:

A. General Manager's Report

This written report was included in the Agenda package. Mr. Cozad noted that the District's GIS Intern, Craig Brudin will graduate in the near future and will be obtaining employment elsewhere. Therefore, the District has hired Emerald Mancilla to fill this position. He also noted that the cost for the LiDAR Agreement approved at the March 13th meeting has been reduced by approximately \$15,000 due to other agencies participation. President Corneille asked when the Wash Plan Task Force meeting indicated in the General Manager's report will be held. Mr. Cozad stated we do not have a firm date yet and that he is in the process of obtaining one.

B. Monthly Recharge Report

Mr. Cozad stated that the District is taking SWP water due to pipeline rerouting in the field. The USACOE will begin releasing 100 cfs between now and next week to draw down the reservoir. They will also be removing stop logs to dewater basin for maintenance. Mr. Cozad noted that even though we have received minor amounts of rainfall, it is being absorbed. The dry year continues and there seems to be 46% of normal, about 20% less precipitation than last year.

C. Future Agenda Items & Staff Task requests from Directors

President Corneille announced that he will not be attending the Public Hearing on April 24th.

8. MONTHLY BOARD MEMBER COMMITTEE ACTIVITY REPORTS, AND /OR COMMENTS BY BOARD MEMBERS

Director Activity Reports

Director Day attended the Resources Committee Meeting and will be attending the Administrative Committee meeting on April 15th. He also noted that he will be out of the country for the Board meeting in June.

Director Longville made no report.

Director Glaubig attended the Ad Hoc Committee meeting and Resource Committee meeting.

Director McDonald attended BTAC. She noted that Doug Headrick of SBVMWD made a presentation at that meeting and reviewed the Basin Management Fund among other issues. Director McDonald also attended the Advisory Commission on Water Policy where Mr. Cozad presented a PowerPoint presentation. She attended the Water Management Committee where they reviewed the Water Management Framework, CA Headwater Initiative and Strategic Plan on IRWMP.

Director Aranda attended the BTAC, San Bernardino Chamber, Redlands Chamber, and Loma Linda Chamber of Commerce meetings. He will be attending the ASBCSD meeting on April 15th.

Director Raley attended the Advisory Commission on Water Policy meeting; where they discussed that Riverside be permitted to increase their allocation of water. Additionally, he attended the Redlands Chamber of Commerce meeting.

President Corneille attended the SBVMWD Board meeting where they passed a joint agreement to take over construction on E Street Park project. SBVMWD is also in the process of updating their Communications Plan. He chaired the Advisory Commission on Water Policy meeting. President Corneille stated that Mr. Cozad made an excellent presentation pertaining to the District and its functions. There was also a video on the Delta Conservation Plan and a presentation by Sam Fuller on the field activities. President Corneille attended the Resources Committee meeting and Ad Hoc Committee meeting.

9. UPCOMING MEETINGS

President Corneille advised the Board of the upcoming SBVMWD facilities tour to be held on April 19th. The next Advisory Commission meeting will be on July 11th.

10. ADJOURN MEETING

It was moved by Director Day and seconded by Director Aranda to adjourn to the next scheduled meeting. The motion carried.

At 3:17 p.m. the meeting adjourned to the Groundwater Public Hearing and Board meeting scheduled for April 24, 2013 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

Daniel B. Cozad
General Manager

AM/DC/AQ



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

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Memorandum No. 1166

To: Board of Directors

From: General Manager, Daniel Cozad

Date: April 24, 2013

Subject: Quarterly Financial Report

RECOMMENDATION

The Administrative Committee (Committee) recommends the Board review the Quarterly Financial Report and receive and file the report.

BACKGROUND

At the January 14th Administrative Committee meeting the Committee requested a new format for the Quarterly Financial Budget to actual report. Staff prepared a draft which was approved in February. Staff updated this report including estimated reserve contributions for the April 15th Committee meeting. The Committee reviewed the attached Quarterly Financial Report. There were no changes or recommendations from the Committee to the quarterly financials format.

DISCUSSION

Staff will review with the Board the quarterly operating results and the forecast of full costs and revenue for the fiscal year. These forecasts were used to develop the draft 2013-2014 Enterprise and District Budget.

FISCAL IMPACT

Current costs are included in the quarterly financial spreadsheet for FY 2012-2013.

BOARD
OF
DIRECTORS

Richard W. Corneille
Clare Henry Day

Bob Glaubig
John Longville

David E. Raley
Melody McDonald
Manuel Aranda, Jr.

GENERAL
MANAGER

Daniel B. Cozad

San Bernardino Valley Water Conservation District Enterprise Budget to Actual Report

GL ACCT:	GL DESCRIPTION:	Approved 2012-2013 Budget	Expended/Received to Date as of 3/31/13	Expected Remaining Costs/Revenue	Projected Annual Costs (7/1/12-6/30/13)	Over/Under Budget	Notes
	Draft Budget						
	INCOME:						
4012	INTEREST INCOME-LAIF	5,000.00	1,262.08	500.00	1,762.08	3,237.92	Based on current rates
4013	INTEREST INCOME-CALTRUST	50,000.00	43,093.21	11,000.00	54,093.21	-4,093.21	
4021	GROUNDWATER CHARGE-AG	48,730.50	42,190.00	0.00	42,190.00	6,540.50	Lower Ag Production than est.
4023	GROUNDWATER CHARGE-NON AG	652,610.25	766,975.00	0.00	766,975.00	-114,364.75	Higher production dry weather
4031	PLANT SITE CEMEX	48,000.00	36,000.00	12,000.00	48,000.00	0.00	
4032	CEMEX - ROYALTY/LEASE	208,333.00	145,833.32	62,499.68	208,333.00	0.00	
4034	REDLANDS AGGREGATE 5% ROYALTY	36,000.00	27,000.00	9,000.00	36,000.00	0.00	
4036	AGGREGATE MAINTENANCE	23,500.00	13,409.00	10,091.00	23,500.00	0.00	
4040	MISCELLANEOUS INCOME	25,000.00	22,587.19	2,412.81	25,000.00	0.00	
4050	PROPERTY TAX	75,000.00	71,388.22	3,611.78	75,000.00	0.00	
4055	SBVMWD SPREADING AGREEMENT REIMB	300,000.00	638,026.02	0.00	638,026.02	-338,026.02	Payment of back costs
4062	MENTONE PROPERTY INCOME	19,800.00	7,278.51	4,500.00	11,778.51	8,021.49	Vacant for several months
4065	REDLANDS PLAZA	88,349.58	66,140.46	22,209.12	88,349.58	0.00	
4066	REDLANDS PLAZA CAM	20,000.00	11,188.98	8,811.02	20,000.00	0.00	
4080	EXCHANGE PLAN	30,000.00	0.00	30,000.00	30,000.00	0.00	
4025	WASH PLAN REVENUE	409,500.00	0.00	0.00	0.00	409,500.00	Not initiated
4085	AB 303 GRANT	0.00	0.00	0.00	0.00	0.00	
	TOTAL INCOME:	2,039,823.33	1,892,371.99	176,635.41	2,069,007.40	-29,184.07	
	EXPENSES:						
5080	LAFCO CONTRIBUTION/FEEES	3,750.00	345.83	8,000.00	8,345.83	-4,595.83	Expected fees for SOI
5120	MISC. PROFESSIONAL SERVICES	95,000.00	44,795.97	30,000.00	74,795.97	20,204.03	
5122	WASH PLAN PROFESSIONAL SERVICES	127,000.00	7,011.63	30,000.00	37,011.63	89,988.37	Depending on approval
5125	ENGINEERING SERVICES	15,000.00	4,357.50	10,642.50	15,000.00	0.00	
5130	AERIAL PHOTO/SURVEYING/MARKET	60,000.00	0.00	15,000.00	15,000.00	45,000.00	Deal with County for LIDAR
5145	ENVIRONMENTAL SERVICES (WASH PLAN)	213,000.00	0.00	213,000.00	213,000.00	0.00	
5160	IT SUPPORT	7,500.00	6,155.81	1,500.00	7,655.81	-155.81	
5170	AUDIT	19,000.00	11,940.00	7,060.00	19,000.00	0.00	
5175	LEGAL-WASH PLAN	42,000.00	2,370.00	2,500.00	4,870.00	37,130.00	Limited requests and needs
5180	LEGAL	160,000.00	31,538.39	40,000.00	71,538.39	88,461.61	Limited requests and litigation
	FIELD OPERATIONS:					0.00	
5123	TEMP FIELD LABOR	2,500.00	0.00	0.00	0.00	2,500.00	No planned
5210	EQUIPMENT MAINTENANCE	2,500.00	2,708.88	3,000.00	5,708.88	-3,208.88	Higher than normal repairs
5215	PROPERTY MAINTENANCE	6,500.00	3,650.10	3,349.90	7,000.00	-500.00	Expected costs for maintenance
	VEHICLE OPERATIONS:					0.00	
5310	VEHICLE MAINTENANCE	12,500.00	10,395.39	3,500.00	13,895.39	-1,395.39	Higher maintenance
5320	FUEL	15,000.00	9,663.60	4,000.00	13,663.60	1,336.40	Lower vehicle use
	UTILITIES:					0.00	
5410	ALARM SERVICE	4,150.00	1,818.05	545.42	2,363.47	1,786.54	Based on actual
5420	ELECTRICITY	15,000.00	6,800.38	8,199.62	15,000.00	0.00	Summer to come

San Bernardino Valley Water Conservation District Enterprise Budget to Actual Report

GL ACCT:	GL DESCRIPTION:	Approved 2012-2013 Budget	Expended/Received to Date as of 3/31/13	Expected Remaining Costs/Revenue	Projected Annual Costs (7/1/12-6/30/13)	Over/Under Budget	Notes
	Draft Budget						
5430	MOBILE PHONES	1,500.00	1,345.99	154.01	1,500.00	0.00	
5440	TELEPHONE	7,000.00	5,594.98	1,405.02	7,000.00	0.00	
5450	NATURAL GAS	1,050.00	712.64	250.00	962.64	87.36	
5460	WATER / TRASH / SEWER	10,600.00	2,655.23	4,000.00	6,655.23	3,944.77	Summer to come
5470	INTERNET SERVICES	7,000.00	4,860.24	2,139.76	7,000.00	0.00	
	GENERAL ADMINISTRATION					0.00	
6001	GENERAL ADMIN-OTHER	10,000.00	333.47	9,666.53	10,000.00	0.00	
6002	WEBSITE ADMINISTRATION	3,100.00	980.42	2,900.00	3,880.42	-780.42	site improvements
6003	PROPERTY TAX	2,170.00	0.00	2,170.00	2,170.00	0.00	
6004	MEETING EXPENSES	4,000.00	1,032.71	2,000.00	3,032.71	967.29	
6006	PERMITS	1,600.00	50.00	1,550.00	1,600.00	0.00	Paid late in year
6009	LICENSES	1,000.00	819.00	181.00	1,000.00	0.00	
6010	SURETY BOND	1,900.00	1,815.00	0.00	1,815.00	85.00	
6012	OFFICE MAINTENANCE	1,000.00	511.38	3,000.00	3,511.38	-2,511.38	Plan for office repairs in spring
6015	MENTONE HOUSE MAINTENANCE	3,300.00	3,300.35	750.00	4,050.35	-750.35	Dishwasher etc.
6016	REDLANDS PLAZA MAINTENANCE	14,000.00	4,780.00	9,220.00	14,000.00	0.00	Potential cleanup
6026	REDLANDS PLAZA CAM EXPENSES	20,000.00	23,759.61	5,939.90	29,699.51	-9,699.51	Actual CAM, Better allocation
6017	MANAGEMENT LABOR-REDLANDS PLAZA	0.00	0.00	0.00	0.00	0.00	
6018	JANITORIAL SERVICES	8,100.00	6,530.00	1,570.00	8,100.00	0.00	
6019	JANITORIAL SUPPLIES	300.00	135.78	164.22	300.00	0.00	
6020	VACANCY MARKETING-REDLANDS PLAZA	5,540.00	0.00	5,540.00	5,540.00	0.00	
6024	COMPUTER EQUIPMENT MAINTENANCE	100.00	0.00	100.00	100.00	0.00	
6027	COMPUTER SUPPLIES	500.00	515.74	-15.74	500.00	0.00	
6030	OFFICE SUPPLIES	3,500.00	2,161.70	1,338.30	3,500.00	0.00	
6033	OFFICE EQUIPMENT RENTAL	8,000.00	5,706.14	2,293.86	8,000.00	0.00	
6036	PRINTING	1,000.00	525.83	1,000.00	1,525.83	-525.83	PO Box change
6039	POSTAGE AND OVERNIGHT DELIVERY	1,600.00	1,149.90	450.10	1,600.00	0.00	
6042	PAYROLL PROCESSING FEES	1,500.00	445.95	1,054.05	1,500.00	0.00	
6045	BANK SERVICE CHARGES	500.00	1,697.15	509.15	2,206.30	-1,706.30	Lower balance that expected
6045.01	WASH PLAN BANK CHARGES	0.00	0.00	0.00	0.00	0.00	
6051	UNIFORMS	750.00	965.99	350.00	1,315.99	-565.99	New employees
6087	EDUCATIONAL REIMBURSEMENT	2,000.00	363.00	1,637.00	2,000.00	0.00	
6090	SUBSCRIPTIONS/PUBLICATIONS	1,500.00	321.99	1,178.01	1,500.00	0.00	
6091	PUBLIC NOTICES	2,000.00	1,255.62	744.38	2,000.00	0.00	
6093	MEMBERSHIPS	25,135.00	13,989.00	5,000.00	18,989.00	6,146.00	
	BENEFITS:					0.00	
6110	VISION INSURANCE	1,568.62	863.60	705.02	1,568.62	0.00	
6115	MAINT/REP. ROLLING MAINT. EQUIP	1,500.00	0.00		0.00	1,500.00	Now in Vehicle Maintenance
6120	WORKER'S COMP INSURANCE	13,500.00	11,383.00	4,797.00	16,180.00	-2,680.00	broken out from payroll
6130	DENTAL INSURANCE	5,170.20	3,904.16	1,266.04	5,170.20	0.00	
6140	STATE UNEMPLOYMENT INSURANCE	0.00	0.00	0.00	0.00	0.00	

San Bernardino Valley Water Conservation District Enterprise Budget to Actual Report

GL ACCT:	GL DESCRIPTION:	Approved 2012-2013 Budget	Expended/Received to Date as of 3/31/13	Expected Remaining Costs/Revenue	Projected Annual Costs (7/1/12-6/30/13)	Over/Under Budget	Notes
	Draft Budget						
6150	MEDICAL INSURANCE	93,022.60	43,756.01	17,502.40	61,258.41	31,764.19	
6160	PAYROLL TAXES - EMPLOYER	36,047.50	22,573.35	6,772.01	29,345.36	6,702.15	separate Workers comp
6170	PERS RETIREMENT	81,309.00	54,269.49	16,280.85	70,550.34	10,758.66	
	SALARIES:					0.00	
6230	REGULAR SALARIES					0.00	
Sub	Field Supervisor	50,000.00	1,326.40	15,000.00	16,326.40	33,673.60	Lower need than expected EBX2
Sub	Field Tech II	66,424.78	49,406.25	17,018.53	66,424.78	0.00	
Sub	Field Tech I	34,530.30	26,173.70	8,356.60	34,530.30	0.00	
Sub	Admin Services Spec.	59,400.00	45,551.29	13,848.71	59,400.00	0.00	
Sub	Admin Services Spec.	59,071.68	37,362.89	21,708.79	59,071.68	0.00	
Sub	Engineering Intern	12,135.00	12,583.00	3,774.90	16,357.90	-4,222.90	Higher availability and work
Sub	GIS Intern/contract	10,000.00	9,749.50	2,924.85	12,674.35	-2,674.35	Higher availability and work
Sub	General Manager	179,256.24	131,408.40	32,852.10	164,260.50	14,995.74	
Sub	Document Imaging Assistant		1,227.88	700.00	1,927.88		
	INSURANCE:					0.00	
6310	PROPERTY / AUTO INSURANCE	3,424.00	3,572.00	-148.00	3,424.00	0.00	
6320	GENERAL LIABILITY INSURANCE	25,124.00	17,463.00	0.00	17,463.00	7,661.00	Lower billing and rates
	DIRECTOR'S EXPENSES:					0.00	
6401	DIRECTOR'S FEES	67,500.00	49,644.00	20,000.00	69,644.00	-2,144.00	Additional meetings added
6410	MILEAGE	2,850.00	1,323.27	1,526.73	2,850.00	0.00	
6415	AIR FARE	3,000.00	2,531.00	469.00	3,000.00	0.00	
6420	OTHER TRAVEL	350.00	345.25	4.75	350.00	0.00	
6425	MEALS	1,500.00	2,254.13	676.24	2,930.37	-1,430.37	
6430	LODGING	3,500.00	2,684.87	1,073.95	3,758.82	-258.82	ACWA to come
6435	CONF/SEMINAR REGISTRATIONS	4,500.00	2,375.00	2,125.00	4,500.00	0.00	
6440	ELECTION FEES/REDISTRICTING	5,000.00	0.00	5,000.00	5,000.00	0.00	
	ADMINISTRATIVE/STAFF EXPENSES:					0.00	
6505	MEETING SUPPORT EXP (FOOD,BEV...)	0.00	0.00	0.00	0.00	0.00	
6510	MILEAGE	1,500.00	1,194.53	358.36	1,552.89	-52.89	
6515	AIR FARE	1,500.00	0.00	500.00	500.00	1,000.00	ACWA to come
6520	OTHER TRAVEL	500.00	142.00	358.00	500.00	0.00	
6525	MEALS	1,500.00	831.96	668.04	1,500.00	0.00	
6530	LODGING	1,200.00	672.84	527.16	1,200.00	0.00	
6535	CONF/SEMINAR REGISTRATIONS	2,000.00	1,387.00	750.00	2,137.00	-137.00	
6502.01	WASH PLAN-ENVIRON SERVICES		0.00	0.00	0.00	0.00	
	CONSTRUCTION COSTS					0.00	
7010	MATERIALS	5,000.00	0.00	5,000.00	5,000.00	0.00	
7050	BASINS -CAPITAL ANNUAL REPAIRS	60,000.00	5,733.00	12,000.00	17,733.00	42,267.00	Dry Year Limited needs
	3 year Maintenance	30,000.00		0.00		30,000.00	Dry Year Limited needs
	LAND & BUILDINGS					0.00	
7110	PROPERTY - CAPITAL REPAIRS	27,500.00	585.08	35,000.00	35,585.08	-8,085.08	New Sign and Landscape
7130	MENTONE PROPERTY (HOUSE) CAPITAL REPAIRS	2,000.00	3,246.00	500.00	3,746.00	-1,746.00	Required repairs termite
7140	MENTONE PROPERTY (SHOP) CAPITAL REPAIRS	2,500.00	0.00	2,500.00	2,500.00	0.00	Paint and roof
	EQUIPMENT & VEHICLES					0.00	
7210	COMPUTER HARDWARE CAPITAL REPAIRS	6,500.00	6,002.91	497.09	6,500.00	0.00	
7220	COMPUTER SOFTWARE	5,500.00	3,741.84	1,500.00	5,241.84	258.16	
7230	FIELD EQUIPMENT / VEHICLES	30,500.00	0.00	60,000.00	60,000.00	-29,500.00	Expected Tractor Purchase

San Bernardino Valley Water Conservation District Enterprise Budget to Actual Report

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	Draft Budget						
7240	OFFICE EQUIPMENT	0.00	414.59	-414.59	0.00	0.00	
	PROFESSIONAL SERVICES:					0.00	
7438	ENGINEERING SERVICES-OTHER	25,000.00	0.00	25,000.00	25,000.00	0.00	
	TOTAL EXPENSES:	1,974,028.92	789,549.53	787,516.51	1,577,066.04	398,890.77	
	Projected Revenue	2,039,823.33			2,069,007.40		
	Revenue Minus Expenses	-65,794.41			491,941.36		
	EBX Minimum Revenue				293,500.00		
	Contributions to Reserves Various				750,000.00		
	Projected Deficit (-Credit)	18,803.18			35,441.36		



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

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Memorandum No. 1167

To: Board of Directors

From: Administrative Committee and the General Manager, Daniel Cozad

Date: April 24, 2013

Subject: Preliminary District and Enterprise Budget for 2013-2014

RECOMMENDATION

Staff recommends the Board review the 2013-2014 Preliminary District Enterprise Budget and provide comments to staff to incorporate into the budget presented for approval in May.

BACKGROUND AND PROCESS

Several District policies, approaches and precedents have been used by staff in the preparation of the 2013-2014 budget and are incorporated into the Budget by reference. Some of the more significant sources are shown below:

- 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 considered in April 2013
- Policy reductions to CalPERS and Health Care Employer share contributions
- Comments and feedback from the Administrative Committee and Public Meeting and Hearing

Based on these documents and feedback Staff has prepared the District and Enterprise Budget for 2013-2014. This financial spreadsheet, shown in Attachment A, looks similar to the prior years but has been redesigned to facilitate staff's budgeting efforts and better document the basis of the budget. This budget aggregates all District enterprises and projects to develop the District budget in a manner similar to that done in 2011 and 2012. Staff will also use the 2013-2014 Budget to develop the financial spreadsheet and project 2014-2015 budget to guide staff and provide for multiyear planning. The spreadsheet and the companion documents, reserve policy, investment policy, and others will comprise the final budget planned for the May 2013 agenda. The District Budget approval must be completed before the end of June 2013.

BOARD
OF
DIRECTORS

Richard W. Corneille
Clare Henry Day

Bob Glaubig
John Longville

David E. Raley
Melody McDonald
Manuel Aranda, Jr.

GENERAL
MANAGER

Daniel B. Cozad

These budgets follow the approved budget approach which includes the following elements and activities:

- Develop and review draft budget with groundwater partners (those who pay the groundwater charge)
- Review the budget with the Administrative Committee or in a Board Workshop and with groundwater 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
- Utilize feedback from all of the above in the development of the budget

All changes and requests identified were made in the Draft Budget with two exceptions. Some Administrative Committee members requested the separation of the Wash Plan Budget and Plunge Creek Project from the District General Budget. Separating these projects is desired to provide added transparency and understanding of the costs and performance of the project separate from the Land Resource Enterprise. At the time these projects are approved and funded the recommendation will include potential changes to the budget structure to accommodate this request.

The second exception was to budget depreciation and remove capital purchases from the budget. Staff is working with our CPA from RAMS to determine if there is a method to perform this change within standard governmental accounting procedures.

Assumptions

The budget used the approved approach which uses the following assumptions and basis for the 2013-2014 budget where known:

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 12
- 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.

DISCUSSION

The Budget prepared by staff is based on full costs of field and office operations, repairs and regular maintenance, reporting and management for all enterprises. Additionally, it includes cost reductions compared to the 2010 budget:

1. Computer services reduced
2. Legal services costs reduced
3. Cell phone costs reduced

4. Air photo costs reduced due to partnership with the SB County
5. Health care costs shift from 2011, employees pay 25% of dependent coverage
6. CalPERS costs shift increase to 2% from employees per 2011 policy

Increases to the Budget include

1. Wash Plan Costs Revenue has been adjusted to actual expected costs
2. Plunge Creek Project costs for year one (mostly grant reimbursed)
3. An Inter District Cost line was added to fund cooperative agreements for Services
4. Salaries and Benefits were increased for the Land Resources Manager
5. Significant increase in Board related costs due to the costs of 2013 elections.
6. Inclusion of capital improvements to the Mentone shop

Estimated Total Revenue for the District is estimated at \$2,325,612. Estimated costs including contributions to reserves are expected to be \$2,319,836. This projects a surplus of about \$20,000 plus a contribution to GWE Rate Stabilization Reserve of \$20,000.

Reserves

Operating costs were lower than budgeted in 2012-2013 and one time revenue from repayment of reimbursable agreements and the expected payment of East Branch Extension II easement have generated significant excess revenue that is by policy contributed to reserves. The results of these reserve repayments and contributions achieve most of the minimum reserve needs for 2012. Attachment B shows the preliminary Reserve balances, contributions, uses and loans. At the end of fiscal 2012-13 we

The proposed does not significantly contribute to reserves overtly, with the exception of the Groundwater Enterprise Rate Stabilization Reserve which is included in the revised District Reserve Policy proposed for 2013-2014. Total investment and returns are shown in Attachment C. By policy one time/new revenue should be allocated to repay prior use of reserves. Excess revenue should be credited to the reserves and repayment of loans provided by the enterprises.

Risks

The budget under Director expenses is increased to \$95,000 to cover expected election costs, however this could be higher or lower than the actual cost depending on the actual number of challengers for the 3 divisions up for election. This year has been dry and groundwater production is likely higher than in prior years, we have budgeted conservatively despite this due to the variability of weather. This level of production is used for the revenue estimates. Actual production and payments may be lower or higher.

A large part of the budget, both revenue and expense is dependent on a full restart of the Wash Plan. If the Wash Plan is not initiated the FY 2013-2014 revenue and expense will be significantly reduced for professional services and text in green. Some costs for land planning and permitting will be required if the Wash Plan is not approved. Decisions on the method and manner of accounting for costs will be proposed with the recommendation on the project. Other major risks include increased costs or reduced revenue due to changes in general economy or climatic conditions affecting reimbursements or minimum royalties.

Loans

At the close of the year accounting funding will be reviewed and booked as loans or repayment of loans to the Enterprises. In 2011-2012 the Land Resource Enterprise and Property/Redlands Plaza Enterprises loaned all excess revenue to the General Fund Enterprise to cover costs. These balances will be entered at the end of the year and the reserve levels adjusted.

2014-2015 Budget

The Board authorized the development of a two year budget process to provide additional planning and capacity to forecast rates and charges in advance. Based on the Review of 2013-2014 budget staff will prepare a preliminary 2014-2015 budget and 5 year groundwater charge projection. To accomplish staff will use forecast revenue and cost including the following:

- Groundwater charge rates to unchanged or at the level forecast in the 5 year projection
- CEMEX minimum annual guarantee increment increases
- Wash Plan revenue reduced for year two based on project budget
- Revenue from Enhanced Recharge Collaborative Agreement continues with 2012 COLA level
- Staffing adjusted by 1 full time equivalent for Field construction/operations
- No election costs are budgeted and Board expense saving occurs
- CalPERS and Health Care costs adjusted based on 2013 increases
- Capital repairs and improvements for security increase

The 2014-2015 budget will be reviewed and revised before acceptance by the Board of Directors in spring 2014. Assumptions and bases for the budget are likely to changes in the ensuing year and require revision.

FISCAL IMPACT

The development of the budget itself does not have a significant fiscal impact however the development of a balanced budget is critical to the ongoing financial health of the District. The Budget has a goal of a balanced budget. A primary goal for the budget is to eliminate the use of the District's reserves by recovering all costs in each enterprise and fund enterprise reserves so that they minimize future cost increases.

GL ACCT: GL DESCRIPTION:

Draft Budget

	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 Increase	0.00			0.00		
4031 PLANT SITE CEMEX	48,000.00	48,000.00		48,000.00	0.00			0.00			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			0.00		Includes CEMEX Wash Plan	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		Lower rental value	0.00			18,900.00	100.00%	PER LEASE	0.00		
4065 REDLANDS PLAZA	88,349.58	88,349.58	3533.98	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		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		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 PL)	213,000.00	213,000.00		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		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		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		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	-40,000.00	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	5,500.00	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	1,000.00	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	2,500.00	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	1,500.00	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	-1,150.00	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	-1,000.00	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	-500.00	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	400.00	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	450.00	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	1,060.00	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	500.00	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	-2,500.00	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		3,100.00	3,100.00	100.00%		0.00			0.00			0.00		
6003 PROPERTY TAX	2,170.00	2,170.00		2,170.00	2,170.00	100.00%		0.00			0.00			0.00		
6004 MEETING EXPENSES	4,000.00	3,032.71	1,200.00	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	48.00	1,648.00	824.00	50.00%		824.00	50.00%	% OF 2010	0.00			0.00		

GL ACCT: GL DESCRIPTION:

Draft Budget

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:
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	300.00	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	100.00	2,000.00	0.00	0.00%		0.00			0.00			2,000.00	100.00%	
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												
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%		5,193.00	75.00%	FROM INSURER	1,038.60	15.00%		346.20	5.00%	
6320	GENERAL LIABILITY INSURANCE	25,124.00	17,463.00	-5,000.00	20,124.00	1,006.20	5.00%		15,093.00	75.00%	FROM INSURER	3,018.60	15.00%		1,006.20	5.00%	
DIRECTOR'S EXPENSES:																	
6401	DIRECTOR'S FEES	67,500.00	69,644.00	12,000.00	79,500.00	79,500.00	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	3,000.00	500.00	3,500.00	3,500.00	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		

GL ACCT:

GL DESCRIPTION:

Draft Budget

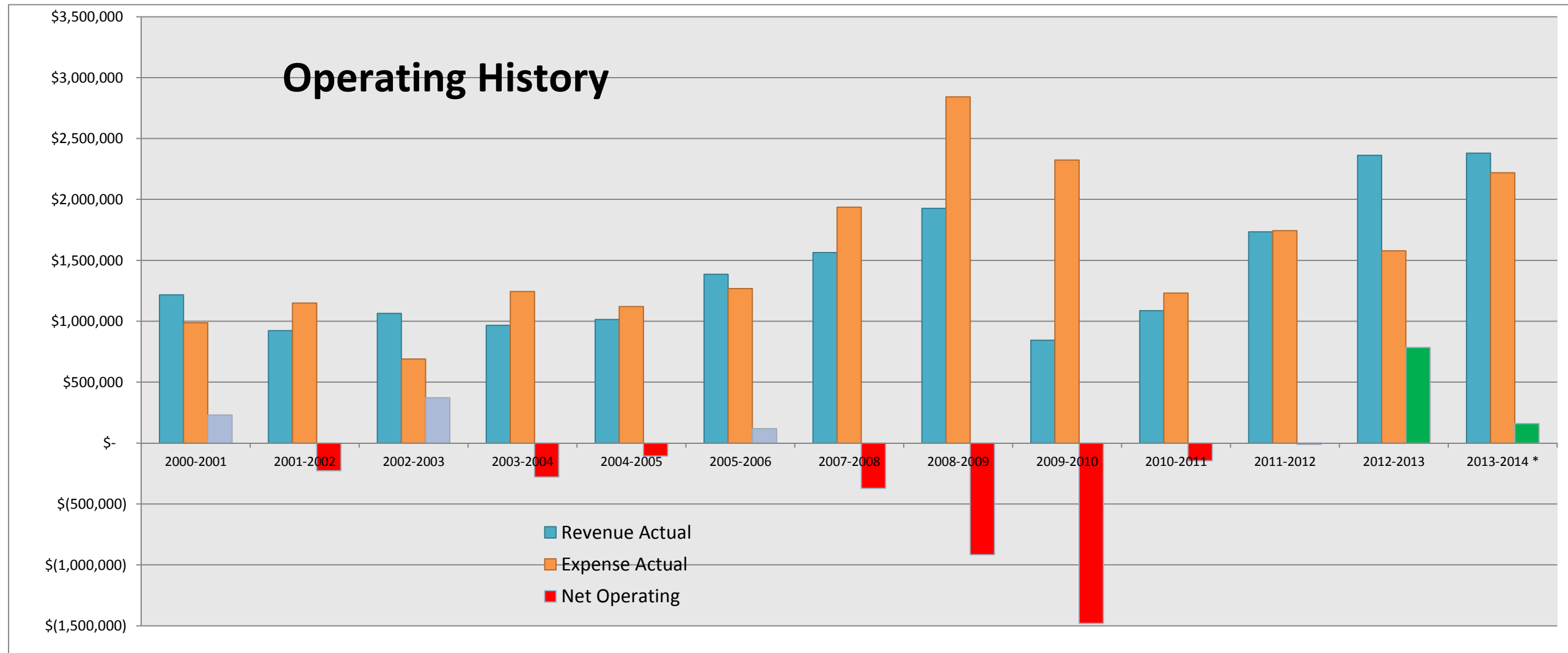
GL ACCT:	GL DESCRIPTION:	Proposed 2012-2013 Budget	Projected Annual Costs (7/1/12-6/30/13)	Increase/Decrease	DRAFT 2013-2014 Budget	GENERAL FUND			GROUNDWATER RECHARGE ENTERPRISE			REDLANDS PLAZA & LEASED PROPERTY- MENTONE HOUSE			LAND RESOURCE (WASH PLAN & MINING)		
						2013 BUDGET:	% BUDGET	BASIS:	2013 BUDGET:	% BUDGET	BASIS:	2013 BUDGET:	% BUDGET	BASIS:	2013 BUDGET:	% BUDGET	BASIS:
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:							\$ 197,520									
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%	
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	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	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 REPA	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		Inc. Capital Repair/Replace	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	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	1,590,286.16	446,723.16	2,401,466.02	624,157.51			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	478,721.24	-327,042.98	48,695.88	248,857.51											
	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)		22,221.24		-63,597.61	156,425.08			1,527.32			0.00			-201,550.00		

Est. 2013 Reserve Contribution
Forecast July 1, 2013 Reserve Level
Minimum Reserve Contribution
Total Reserve Target
% funded

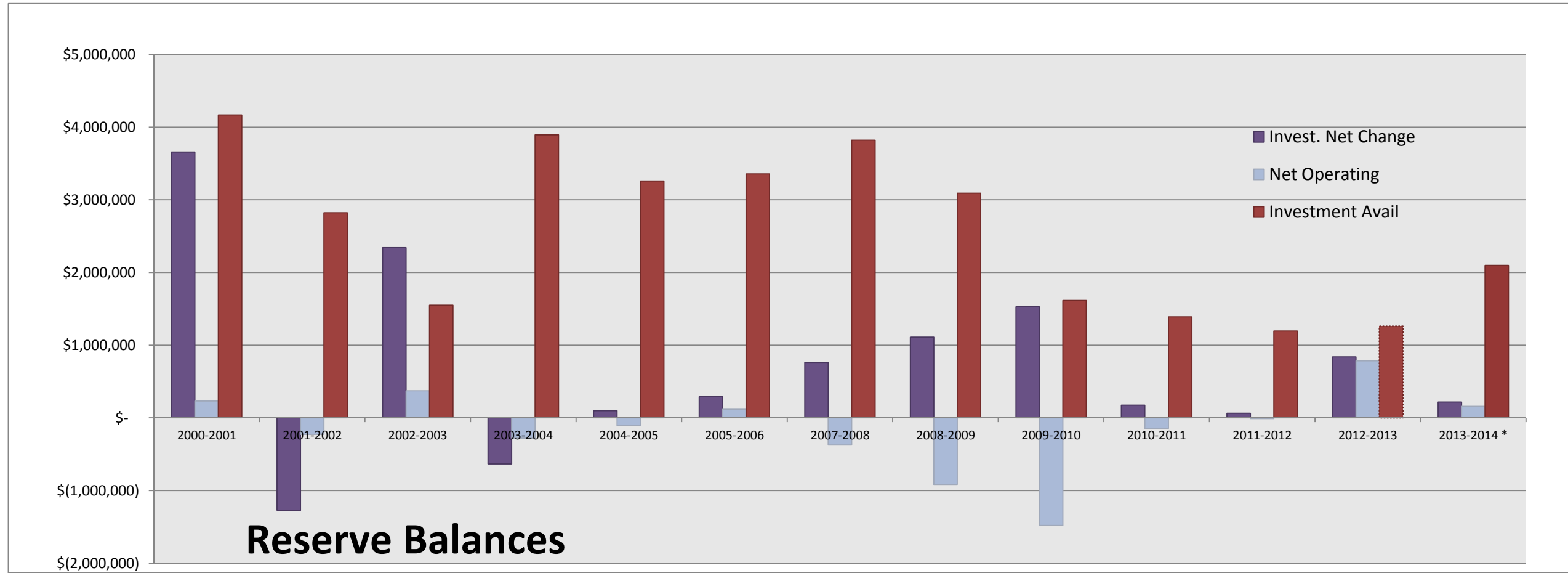
San Bernardino Valley Water Conservation District

SBVWCD Operating History and Reserve Balances 2000 to 2010 and Projected to 2014

	Audited										Unaudited	Estimated	Projected
	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2007-2008	2008-2009	2009-2010	2010-2011			
Total Investments	\$ 4,166,509	\$ 7,822,997	\$ 6,551,180	\$ 8,892,193	\$ 8,257,618	\$ 8,357,013	\$ 8,818,969	\$ 8,091,273	\$ 6,614,595	\$ 6,389,500	\$ 6,194,467	\$ 6,259,010	\$ 7,098,861
Investment Avail	\$ 4,166,509	\$ 2,822,997	\$ 1,551,180	\$ 3,892,193	\$ 3,257,618	\$ 3,357,013	\$ 3,818,969	\$ 3,091,273	\$ 1,614,595	\$ 1,389,500	\$ 1,194,467	\$ 1,259,010	\$ 2,098,861
Interest	\$ 4,333,992	\$ 378,183	\$ 3,364,175	\$ 168,099	\$ 259,898	\$ 292,860	\$ 391,474	\$ 194,867	\$ 47,727	\$ 29,879	\$ 55,030	\$ 55,000	\$ 58,000
Withdrawal	\$ 677,504	\$ 1,650,000	\$ 1,023,163	\$ 802,674	\$ 160,502	\$ -	\$ (372,144)	\$ (915,890)	\$ (1,480,373)	\$ (145,659)	\$ (9,513)	\$ (784,851)	\$ (159,776)
Invest. Net Change	\$ 3,656,489	\$ (1,271,817)	\$ 2,341,013	\$ (634,575)	\$ 99,396	\$ 292,860	\$ 763,618	\$ 1,110,757	\$ 1,528,100	\$ 175,538	\$ 64,543	\$ 839,851	\$ 217,776
Budget													
Revenue Budget	\$ 1,258,600	\$ 1,561,145	\$ 1,227,100	\$ 1,175,275	\$ 1,173,529	\$ 1,164,500	\$ 1,834,500	\$ 2,096,046	\$ 1,028,147	\$ 1,223,637	\$ 1,405,391	\$ 2,039,824	\$ 2,325,612
Expense Budget	\$ 879,516	\$ 1,096,174	\$ 1,159,339	\$ 1,216,231	\$ 1,029,690	\$ 915,880	\$ 1,811,115	\$ 3,049,954	\$ 2,592,800	\$ 1,088,830	\$ 1,739,315	\$ 1,972,529	\$ 2,319,836
Net Budget Op.	\$ 379,084	\$ 464,971	\$ 67,761	\$ (40,956)	\$ 143,839	\$ 248,620	\$ 23,385	\$ (953,908)	\$ (1,564,653)	\$ 134,807	\$ (333,924)	\$ 67,295	\$ 5,776
Actual													
Revenue Actual	\$ 1,217,743	\$ 922,306	\$ 1,063,660	\$ 966,248	\$ 1,014,058	\$ 1,386,228	\$ 1,563,824	\$ 1,926,148	\$ 843,739	\$ 1,086,456	\$ 1,733,625	\$ 2,362,507	\$ 2,379,612
Expense Actual	\$ 987,008	\$ 1,149,083	\$ 690,759	\$ 1,244,352	\$ 1,120,977	\$ 1,268,307	\$ 1,935,968	\$ 2,842,038	\$ 2,324,112	\$ 1,232,115	\$ 1,743,138	\$ 1,577,656	\$ 2,219,836
Net Operating	\$ 230,736	\$ (226,777)	\$ 372,901	\$ (278,104)	\$ (106,919)	\$ 117,921	\$ (372,144)	\$ (915,890)	\$ (1,480,373)	\$ (145,659)	\$ (9,513)	\$ 784,851	\$ 159,776



San Bernardino Valley Water Conservation District



Reserve Balances, Contributions, Uses and Loans

District Policy Reserves	July 2011 at Adoption						July 2012						July 2013						July 2014						
	Beginning	Increases	Uses	Loans	Target or Max	% Funded	Balance	Increases	Uses	Loans	Target or Max	% Funded	Balance	Increases	Uses	Loans	Target or Max	% Funded	Balance	Increases	Uses	Loans	Target or Max	Balance	% Funded
Groundwater Recharge Enterprise Reserve	\$0	\$0	\$0	\$0	\$130,000	0%	\$0	\$130,000	\$0	\$0	\$130,000	100%	\$130,000	\$40,000	\$0	\$0	\$200,000	85%	\$170,000	\$30,000	\$0	\$0	\$200,000	\$200,000	100%
Groundwater ER Maintenance Reserve	\$0	\$0	\$0	\$0	\$0	#DIV/0!	\$0	\$50,000	\$0	\$0	\$50,000	100%	\$50,000	\$50,000	\$0	\$0	\$50,000	200%	\$100,000	\$50,000	\$0	\$0	\$100,000	\$150,000	150%
GWA Rate Stabilization	\$0	\$0	\$0	\$0	\$0	#DIV/0!	\$0	\$0	\$0	\$0	#DIV/0!	\$20,000	\$20,000	\$0	\$0	\$45,000	89%	\$40,000	\$40,000	\$0	\$0	\$90,000	\$80,000	89%	
Redlands Plaza Reserve	\$0	\$0	\$0	\$0	\$50,000	0%	\$0	\$75,000	\$0	\$0	\$50,000	150%	\$75,000	\$0	\$0	\$0	\$65,000	115%	\$75,000	\$20,000	\$0	\$0	\$80,000	\$95,000	119%
Land Resources Reserve	\$0	\$0	\$0	\$0	\$0	#DIV/0!	\$0	\$384,882	\$0	\$0	\$50,000	770%	\$384,882	\$15,000	\$0	\$0	\$50,000	800%	\$399,882	\$50,000	\$0	\$0	\$50,000	\$449,882	900%
Prepaid Royalties Reserve	\$5,000,000	\$0	\$0	\$0	\$5,000,000	100%	\$5,000,000	\$0	\$0	\$0	\$5,000,000	100%	\$5,000,000	\$0	\$0	\$0	\$5,000,000	100%	\$5,000,000	\$0	\$0	\$0	\$5,000,000	\$5,000,000	100%
Wash Plan Reserve	-\$60,000	\$0	\$40,000	\$0	\$0	#DIV/0!	-\$100,000	\$0	\$0	\$0	#DIV/0!	\$0	\$0	\$0	\$0	\$0	#DIV/0!	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!
Habitat Management Reserve/Trust	\$0	\$0	\$0	\$0	\$0	#DIV/0!	\$0	\$0	\$0	\$0	#DIV/0!	\$0	\$0	\$0	\$0	\$0	#DIV/0!	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!
PERS/Post Employment Expense Trust	\$3,118	\$0	\$0	\$0	\$3,118	100%	\$3,118	\$1,000	\$0	\$0	\$4,118	100%	\$4,118	\$1,000	\$0	\$0	\$5,118	100%	\$5,118	\$1,000	\$0	\$0	\$6,118	\$6,118	100%
Self Insurance Reserve	\$0	\$0	\$0	\$0	\$5,000	0%	\$0	\$0	\$0	\$0	\$10,000	0%	\$0	\$0	\$0	\$0	\$15,000	0%	\$0	\$0	\$0	\$0	\$20,000	\$0	0%
Capital Improvement/Equipment Reserve	\$0	\$0	\$0	\$0	\$0	#DIV/0!	\$0	\$30,000	\$0	\$0	\$30,000	100%	\$30,000	\$30,000	\$0	\$0	\$60,000	100%	\$60,000	\$30,000	\$0	\$0	\$90,000	\$90,000	100%
Operating Fund*	\$0	\$0	\$0	\$0	\$0		\$300,000	\$0	\$0	\$0	\$300,000	100%	\$300,000	\$0	\$0	\$0	\$300,000	100%	\$300,000	\$0	\$0	\$0	\$300,000	\$300,000	100%
General Fund Reserve	\$1,191,349	\$0	\$0	\$0	\$1,200,000	81%	\$971,779	-\$21,779	\$0	\$0	\$1,000,000	95%	\$950,000	\$0	\$0	\$0	\$1,048,000	91%	\$950,000	\$0	\$0	\$0	\$1,048,000	\$950,000	91%
Total All Allocated Reserves	\$6,134,467	\$0	\$40,000	\$0	\$6,388,118		\$6,174,897	\$649,103	\$0	\$0	\$6,624,118		\$6,944,000	\$156,000	\$0	\$0	\$6,838,118	98%	\$7,100,000	\$221,000	\$0	\$0	\$6,984,118	\$7,321,000	105%

* Operating Fund while shown here as reserve, is an annual appropriation total reserve use.
 Restricted fund sources not transferable

Estimated

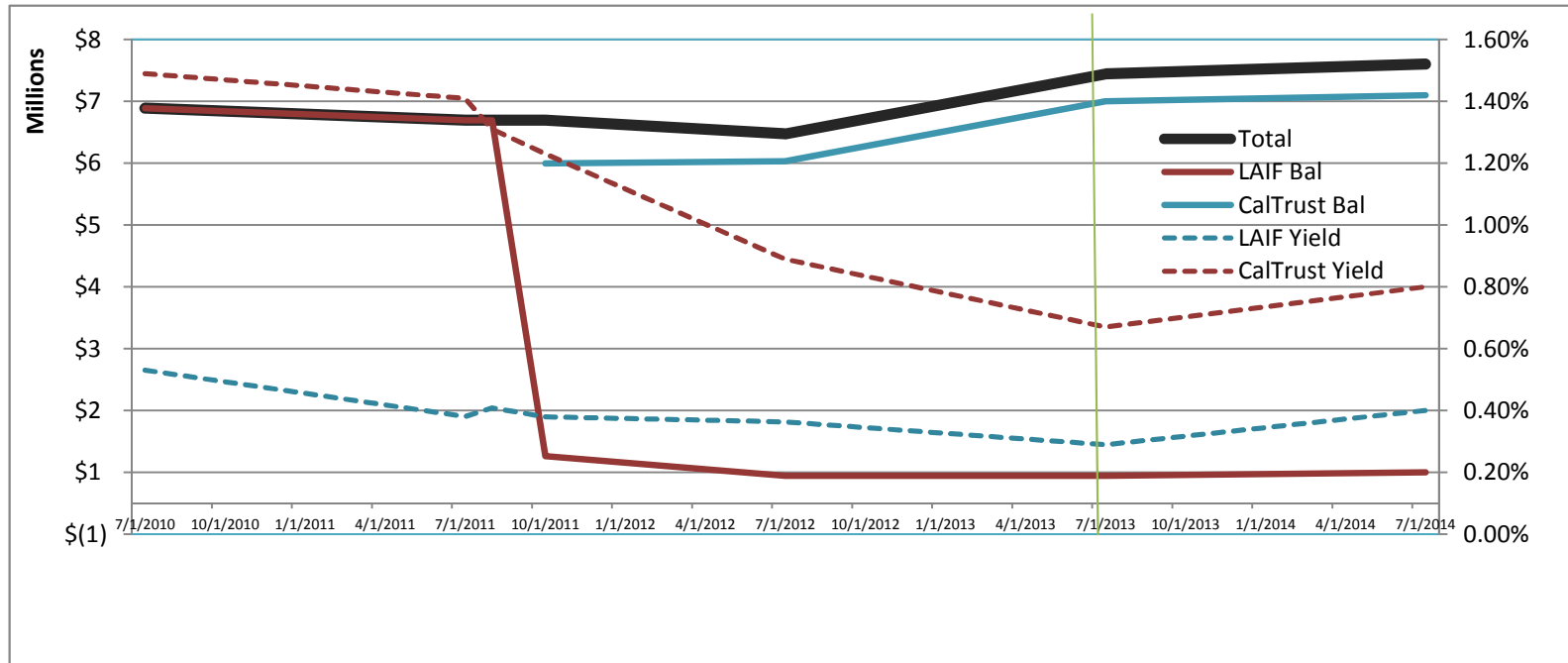
Projected

Forecast

San Bernardino Valley Water Conservation District

District Reserve Investments Balances and Returns

Date	Total	LAIF Bal	LAIF Yield	CalTrust Bal	CalTrust Yield	Estimated Mo. Earnings	Estimated Annual Earnings
7/1/2014	\$ 7,100,000	\$ 500,000	0.40%	\$ 6,600,000	0.80%	\$ 4,566.67	\$ 54,800.00
7/1/2013	\$ 6,944,000	\$ 444,000	0.29%	\$ 6,500,000	0.67%	\$ 3,736.47	\$ 44,837.60
7/1/2012	\$ 5,974,897	\$ 442,569	0.363%	\$ 5,532,328	0.89%	\$ 4,596.16	\$ 50,844.24
10/1/2011	\$ 6,194,467	\$ 764,867	0.380%	\$ 5,494,560	1.23%	\$ 5,874.13	\$ 70,489.58
8/1/2011	\$ 6,194,467	\$ 6,194,467	0.408%		1.31%	\$ 2,106.12	\$ 25,273.43
7/1/2011	\$ 6,194,467	\$ 6,194,467	0.381%		1.41%	\$ 1,966.74	\$ 23,600.92
7/1/2010	\$ 6,389,500	\$ 6,389,500	0.531%		1.49%	\$ 2,827.35	\$ 33,928.25





SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

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Memorandum No. 1168

To: Board of Directors

From: General Manager, Daniel Cozad

Date: April 24, 2013

Subject: Staffing Land Resources Manager

RECOMMENDATION

Staff recommends the Board review the Land Resources Manager position description and consider approval of the position/salary range and authorize Staff to post the position.

BACKGROUND

The District significantly reduced staff and staff costs in 2010 to right size the staffing and constrain expenses to the District's available revenue. The Board in June 2012 approved the initial phases to restart the Wash Plan. This would lead to completion of the Wash Plan within 2 years. This and other efforts in site security and coordination with land resource agencies have significantly increased efforts in the Land Enterprise. The number and frequency of meetings, requests, and projects has significantly increased.

Staff proposed the two major areas of focus; Water Conservation and Land Management in the Strategic Plan approved for circulation in February 2012 and to be finally approved in May. The Land Resources Manager is a critical staffing alignment to fulfill the goals in the Strategic Plan.

Proposed Position

In order to accommodate the Districts increased Wash Plan efforts, easement agreements, construction and Plunge Creek project staff recommend in the Strategic Plan and proposed 2013-2014 budget hiring a Land Resources Manager. The position would focus on the Land Resources Enterprise; assist with the management planning and advocacy of the Wash Plan or permitting in the event the Wash Plan is not approved. The position would allow the District to reduce consultant costs and provide more regular support for the Wash Plan.

BOARD
OF
DIRECTORS

Richard W. Corneille
Clare Henry Day

Bob Glaubig
John Longville

David E. Raley
Melody McDonald
Manuel Aranda, Jr.

GENERAL
MANAGER

Daniel B. Cozad

Currently Randy Scott has reduced time availability and staff needs to identify additional Wash Plan support. This support is critical in obtaining a successful and timely outcome for the Wash Plan. Additionally, the District has been working closely with its mining partners in other permitting efforts that will be ongoing in advance of the Wash Plan approval to allow mining to continue while the Wash Plan is processed. Finally, there is an effort underway that will be briefed more fully in the future to begin a habitat conservation plan for the Santa Ana River which will need support from the District. These efforts will increase the needs for staffing this position and are likely to allow us to provide support and receive value from our partners.

FISCAL IMPACT

Staff has budgeted within the Wash Plan, Land Enterprise and Plunge Creek Project funding for staffing that can be used for the position. Because of the small number of this type of position and the variability of duties no good commercial salary ranges are readily available. In order to determine a salary range staff discussed the needs with local agencies and consultants who hire or perform similar work, such as reserve managers, habitat managers and senior environmental project managers. Based on this feedback staff selected an equivalent salary range M-9 from \$120,527 to \$146,502 and included a salary at the lower range in the budget. Actual salary will be dependent on qualifications, work history and direct experience.

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
LAND RESOURCES MANAGER

DEFINITION

Under general direction of the General Manager, oversee, plan, develop, and manage a variety of complex land and resources issues; coordinate and oversee planning, operations and maintenance of District lands and facilities; and represent the District before local, State, and Federal agencies on land and resources matters.

SUPERVISION EXERCISED

As assigned, exercise direct supervision over administrative and field operations and technical staff.

EXAMPLES OF IMPORTANT AND ESSENTIAL DUTIES

Participate in the development and implementation of Strategic Plan goals, objectives, policies, and priorities for District programs; develop and ensure adherence to project policies, rules, and procedures; interpret and implement policies and goals set by the Board of Directors and General Manager.

Participate in the development, administration, and monitoring of assigned budgets; allocate limited resources in a cost effective way; develop, review, and approve land resources components of the operating budgets.

Coordinate land resources operations with activities of other departments, consultants, contractors, and outside agencies.

Stewardship of natural resources on lands owned or managed by the District. Stewardship activities include habitat and wildlife management, compliance with Habitat Conservation Plan (HCP) requirements providing interpretation and coordination with users and maintenance and long-range planning.

Managing updates to the geographic information system used in land management and providing coordination with District partners in land resources and coordination of land management intern activities.

Provide specialized technical assistance to projects undertaken by the District and its partners on District owned or managed lands.

Monitor all property uses under easement or lease to determine conformity with the conditions of easements held leases or other requirements; maintain documentation of each monitoring activity using GIS maps, photographs, notes and other permanent records.

Manage and coordinate the planning, design, implementation and contract performance of land resources and projects, ensuring compliance with environmental requirements, established standards, specifications, District policies, and cost and schedule limitations.

Evaluate and assist in the selection of consultants to provide professional services on land resources projects; provide administration of all contracts for assigned projects.

Interpret and apply the policies, procedures, laws, codes, and regulations pertaining to assigned programs and functions.

Prepare and review technical reports, memorandums, and environmental documents; respond to correspondence as required.

Make presentations to the Board of Directors, other agencies, and public interest groups; represent the District in meetings with the public, citizen groups, professional associations, private firms, other agencies; make recommendations to staff and the Board of Directors.

Manage, coordinate, and utilize information services and systems to plan, simulate, test and validate management habitat and HCP approaches, projects and strategies to benefit the District and the environment.

Interpret geologic, biological, and socio-economic analyses; interpret data from simulation models, Geographical Information Systems, and relational databases for habitat and land management issues including water operations and changes to surface and groundwater systems; coordinate research work related to reclamation, improvement and restoration of lands and habitat.

Work directly with other agencies to obtain or provide resource planning data; receive current and updated data from a variety of sources; screen, filter, and prepare data to ensure compatibility with District needs and systems.

As assigned, maintain management responsibility for all functional activities associated with the execution of projects with particular emphasis on obtaining maximum job quality, accurate cost control, compliance with schedules, and satisfactory project relationships with partners.

As indicated in the HCP manage invasive plants wash-wide plan for assessment, containment and control of invasive plants.

Ensure that all boundaries of district owned and managed lands are marked and posted, as necessary; and maintain good relations with bordering property users and owners. Coordinate and communicate with state and federal resource Agencies including the US Fish and Wildlife Service and the California Department of Fish and Wildlife. Provide information, updates, advocate and negotiate for the lands and interests of the District.

Develop and evaluate alternative project financing techniques.

Provide for administration of grant programs; research and apply for funding assistance from various sources; negotiate the conditions and terms of funding agreements.

Provide environmental documentation as needed for major projects; manage the work of environmental consultants in their provision of documentation and mitigation monitoring activities to meet the requirements and regulations of State and Federal agencies.

May serve as Acting General Manager in the absence of the General Manager, if designated.

OTHER JOB RELATED DUTIES

Perform related duties and responsibilities as assigned.

JOB RELATED AND ESSENTIAL QUALIFICATIONS

Knowledge of:

Organizational and management practices as applied to the analysis and evaluation of programs, policies, and operations needs.

Advanced principles, practices, methods, and techniques of project administration.

Land management principles and practices including planning, development, design, construction, operation, and maintenance of conservation programs.

Methods of preparing, plans, specifications, cost estimates, reports, and recommendations relating to resources and water conservation work.

Principles and practices of budget preparation and administration.

Principles of supervision, training, and performance evaluation.

Pertinent local, State, and Federal laws, codes, and regulations.

Principles, techniques, and methods of investigation, research, and survey.

Safe driving principles and practices.

Use, design, and application of computers and software including concepts geographical information systems, and databases.

Skill to:

Operate office equipment including computer equipment used in land and water resources management, planning, and engineering.

Operate a motor vehicle safely.

Ability to:

Perform responsible and difficult project and management tasks involving the use of independent judgment and personal initiative.

Recommend and implement goals, objectives, and practices for providing effective and efficient land and water resources management.

Manage, direct, and coordinate the work of personnel.

Select, supervise, train, and evaluate staff.

Prepare and administer budgets.

Analyze problems, identify alternative solutions, project consequences of proposed actions, and implement recommendations in support of goals.

Design, review, and analyze resources management plans.

Handle multiple concurrent projects and manage priorities and tasks.

Plan and organize work to meet schedules and deadlines.

Communicate clearly and concisely, both orally and in writing.

Establish, maintain, and foster positive and harmonious working relationships with those contacted in the course of work.

Gain cooperation through discussion and persuasion.

Successfully market the land and services of the District to obtain additional funding sources.

Experience and Education Guidelines:

Master's or higher degree in biology, economics, business administration, or public administration is desirable. Any combination equivalent to experience and education that

would provide the required knowledge, skills, and abilities would be qualifying. A typical way to obtain the knowledge, skills, and abilities would be:

A Bachelor's degree from an accredited college or university with major course work in civil engineering, environmental engineering with an emphasis on applicable computer systems and applications, or a related field is preferred, and/or ten years of equivalent and qualifying experience.

Seven years of environmental, or related land management and water related planning experience involving land and water resources, including four years at the project or program manager level or equivalent experience preferably involving water and land resources and conservation.

License:

Possession of or ability to obtain an appropriate, valid driver's license and maintain a driving record acceptable to the District's automobile insurance provider. Must be able to drive own vehicle to project sites at various locations within the Santa Ana River watershed.

Special Requirements:

Essential duties require the following physical skills and work environment:

Ability to sit, stand, walk, kneel, crouch, stoop, squat, climb, and lift 25 lbs.; exposure to outdoors, chemicals, mechanical hazards, and electrical hazards; ability to travel to different sites and locations.

Ability to work in a standard office environment with the ability to travel to different sites and locations.

SBVWCD District Salary Range

JOB TITLE	Range	2013-14 Rates		5% Steps Based on Merit Increases Earned			
Non-Exempt INTERN		<i>2 % COLA</i>					
	Range 1	\$ 11,520.00	\$ 12,096.00	\$ 12,700.80	\$ 13,335.84	\$ 14,002.63	Yearly Monthly Bi-Weekly Hourly
	960 HRS/YR	\$ 1,000.00	\$ 1,008.00	\$ 1,058.40	\$ 1,111.32	\$ 1,166.89	
		\$ 461.54	\$ 465.23	\$ 488.49	\$ 512.92	\$ 538.56	
		\$ 12.00	\$ 12.60	\$ 13.23	\$ 13.89	\$ 14.59	
	Range 2	\$ 29,921.18	\$ 31,417.24	\$ 32,988.10	\$ 34,637.51	\$ 36,369.38	
		\$ 2,493.43	\$ 2,618.10	\$ 2,749.01	\$ 2,886.46	\$ 3,030.78	
		\$ 1,150.81	\$ 1,208.36	\$ 1,268.77	\$ 1,332.21	\$ 1,398.82	
		\$ 14.39	\$ 15.10	\$ 15.86	\$ 16.65	\$ 17.49	
FIELD TECH I	Range 3	\$ 31,451.62	\$ 33,024.20	\$ 34,675.41	\$ 36,409.18	\$ 38,229.64	
		\$ 2,620.97	\$ 2,752.02	\$ 2,889.62	\$ 3,034.10	\$ 3,185.80	
		\$ 1,209.68	\$ 1,270.16	\$ 1,333.67	\$ 1,400.35	\$ 1,470.37	
		\$ 15.12	\$ 15.88	\$ 16.67	\$ 17.50	\$ 18.38	
ADMIN ASST I	Range 4	\$ 33,026.42	\$ 34,677.74	\$ 36,411.63	\$ 38,232.21	\$ 40,143.82	
		\$ 2,752.20	\$ 2,889.81	\$ 3,034.30	\$ 3,186.02	\$ 3,345.32	
		\$ 1,270.25	\$ 1,333.76	\$ 1,400.45	\$ 1,470.47	\$ 1,543.99	
		\$ 15.88	\$ 16.67	\$ 17.51	\$ 18.38	\$ 19.30	
<i>Classified Hourly Salaries are determined by Job Descriptions. Upon a Job Performance Evaluation, employee can be increased in salary.</i>	Range 5	\$ 34,734.30	\$ 36,471.01	\$ 38,294.56	\$ 40,209.29	\$ 42,219.76	
		\$ 2,894.52	\$ 3,039.25	\$ 3,191.21	\$ 3,350.77	\$ 3,518.31	
		\$ 1,335.93	\$ 1,402.73	\$ 1,472.87	\$ 1,546.51	\$ 1,623.84	
		\$ 16.70	\$ 17.53	\$ 18.41	\$ 19.33	\$ 20.30	
<i>Salary Surveys are to be conducted and adjustments to salary schedules made when approved by the Board</i>	Range 6	\$ 36,442.18	\$ 38,264.29	\$ 40,177.50	\$ 42,186.38	\$ 44,295.70	
		\$ 3,036.85	\$ 3,188.69	\$ 3,348.13	\$ 3,515.53	\$ 3,691.31	
		\$ 1,401.62	\$ 1,471.70	\$ 1,545.29	\$ 1,622.55	\$ 1,703.68	
		\$ 17.52	\$ 18.40	\$ 19.32	\$ 20.28	\$ 21.30	
<i>COLA adjustments are made when approved by the Board</i>	Range 7	\$ 38,283.14	\$ 40,197.30	\$ 42,207.16	\$ 44,317.52	\$ 46,533.40	
		\$ 3,190.26	\$ 3,349.77	\$ 3,517.26	\$ 3,693.13	\$ 3,877.78	
		\$ 1,472.43	\$ 1,546.05	\$ 1,623.35	\$ 1,704.52	\$ 1,789.75	
		\$ 18.41	\$ 19.33	\$ 20.29	\$ 21.31	\$ 22.37	
	Range 8	\$ 40,235.00	\$ 42,246.75	\$ 44,359.09	\$ 46,577.05	\$ 48,905.90	Yearly Monthly Bi-Weekly
	\$ 3,352.92	\$ 3,520.56	\$ 3,696.59	\$ 3,881.42	\$ 4,075.49		
	\$ 1,547.50	\$ 1,624.88	\$ 1,706.12	\$ 1,791.42	\$ 1,881.00		

SBVWCD District Salary Range

JOB TITLE	Range	2013-14 Rates		5% Steps Based on Merit Increases Earned								
		\$	19.34	\$	20.31	\$		21.33	\$	22.39	\$	23.51
ADMIN ASST II	Range 9	\$	41,743.26	\$	43,830.43	\$	46,021.95	\$	48,323.04	\$	50,739.20	Hourly
		\$	3,478.61	\$	3,652.54	\$	3,835.16	\$	4,026.92	\$	4,228.27	
		\$	1,605.51	\$	1,685.79	\$	1,770.07	\$	1,858.58	\$	1,951.51	
		\$	20.07	\$	21.07	\$	22.13	\$	23.23	\$	24.39	
	Range 10	\$	44,382.71	\$	46,601.85	\$	48,931.94	\$	51,378.54	\$	53,947.47	
		\$	3,698.56	\$	3,883.49	\$	4,077.66	\$	4,281.55	\$	4,495.62	
		\$	1,707.03	\$	1,792.38	\$	1,882.00	\$	1,976.10	\$	2,074.90	
		\$	21.34	\$	22.40	\$	23.52	\$	24.70	\$	25.94	
	Range 11	\$	46,622.92	\$	48,954.07	\$	51,401.77	\$	53,971.86	\$	56,670.45	
		\$	3,885.24	\$	4,079.51	\$	4,283.48	\$	4,497.65	\$	4,722.54	
		\$	1,793.19	\$	1,882.85	\$	1,976.99	\$	2,075.84	\$	2,179.63	
		\$	22.41	\$	23.54	\$	24.71	\$	25.95	\$	27.25	
Administrative Service Specialist I	Range 12	\$	48,996.21	\$	51,446.02	\$	54,018.32	\$	56,719.24	\$	59,555.20	
		\$	4,083.02	\$	4,287.17	\$	4,501.53	\$	4,726.60	\$	4,962.93	
		\$	1,884.47	\$	1,978.69	\$	2,077.63	\$	2,181.51	\$	2,290.58	
		\$	23.56	\$	24.73	\$	25.97	\$	27.27	\$	28.63	
Range 13	\$	51,813.10	\$	54,403.76	\$	57,123.95	\$	59,980.14	\$	62,979.15		
	\$	4,317.76	\$	4,533.65	\$	4,760.33	\$	4,998.35	\$	5,248.26		
	\$	1,992.81	\$	2,092.45	\$	2,197.07	\$	2,306.93	\$	2,422.28		
	\$	24.91	\$	26.16	\$	27.46	\$	28.84	\$	30.28		
FIELD OPERATIONS TECH II FIELD OPERATIONS SPECIALIST	Range 14	\$	54,075.49	\$	56,779.27	\$	59,618.23	\$	62,599.14	\$	65,729.10	
		\$	4,506.29	\$	4,731.61	\$	4,968.19	\$	5,216.60	\$	5,477.42	
		\$	2,079.83	\$	2,183.82	\$	2,293.01	\$	2,407.66	\$	2,528.04	
		\$	26.00	\$	27.30	\$	28.66	\$	30.10	\$	31.60	
Range 15	\$	56,803.66	\$	59,643.85	\$	62,626.04	\$	65,757.34	\$	69,045.21	Yearly Monthly Bi-Weekly Hourly	
	\$	4,733.64	\$	4,970.32	\$	5,218.84	\$	5,479.78	\$	5,753.77		
	\$	2,184.76	\$	2,293.99	\$	2,408.69	\$	2,529.13	\$	2,655.58		
	\$	27.31	\$	28.67	\$	30.11	\$	31.61	\$	33.19		
FIELD OPERATIONS SUPERVISOR	Range 16	\$	59,664.92	\$	62,648.16	\$	65,780.57	\$	69,069.60	\$	72,523.08	

SBVWCD District Salary Range

JOB TITLE	Range	2013-14 Rates		5% Steps Based on Merit Increases Earned		
Administrative Service Specialist II		\$ 4,972.08	\$ 5,220.68	\$ 5,481.71	\$ 5,755.80	\$ 6,043.59
		\$ 2,294.80	\$ 2,409.54	\$ 2,530.02	\$ 2,656.52	\$ 2,789.35
		\$ 28.69	\$ 30.12	\$ 31.63	\$ 33.21	\$ 34.87
Range 17		\$ 62,703.62	\$ 65,838.80	\$ 69,130.74	\$ 72,587.27	\$ 76,216.64
		\$ 5,225.30	\$ 5,486.57	\$ 5,760.89	\$ 6,048.94	\$ 6,351.39
		\$ 2,411.68	\$ 2,532.26	\$ 2,658.87	\$ 2,791.82	\$ 2,931.41
		\$ 30.15	\$ 31.65	\$ 33.24	\$ 34.90	\$ 36.64
Range 18		\$ 65,853.21	\$ 69,145.87	\$ 72,603.17	\$ 76,233.33	\$ 80,044.99
		\$ 5,487.77	\$ 5,762.16	\$ 6,050.26	\$ 6,352.78	\$ 6,670.42
		\$ 2,532.82	\$ 2,659.46	\$ 2,792.43	\$ 2,932.05	\$ 3,078.65
		\$ 31.66	\$ 33.24	\$ 34.91	\$ 36.65	\$ 38.48
Range 19		\$ 71,597.90	\$ 75,177.80	\$ 78,936.69	\$ 82,883.52	\$ 87,027.70
		\$ 5,966.49	\$ 6,264.82	\$ 6,578.06	\$ 6,906.96	\$ 7,252.31
		\$ 2,753.77	\$ 2,891.45	\$ 3,036.03	\$ 3,187.83	\$ 3,347.22
		\$ 34.42	\$ 36.14	\$ 37.95	\$ 39.85	\$ 41.84
Range 20		\$ 70,267.09	\$ 73,780.44	\$ 77,469.46	\$ 81,342.94	\$ 85,410.08
		\$ 5,855.59	\$ 6,148.37	\$ 6,455.79	\$ 6,778.58	\$ 7,117.51
		\$ 2,702.58	\$ 2,837.71	\$ 2,979.59	\$ 3,128.57	\$ 3,285.00
		\$ 33.78	\$ 35.47	\$ 37.24	\$ 39.11	\$ 41.06

Executive Management Exempt	Range M1	\$ 67,938.16	\$ 71,335.07	\$ 74,901.82	\$ 78,646.91	\$ 82,579.26	Yearly Monthly Bi-Weekly Hourly
		\$ 5,661.51	\$ 5,944.59	\$ 6,241.82	\$ 6,553.91	\$ 6,881.60	
		\$ 2,613.01	\$ 2,743.66	\$ 2,880.84	\$ 3,024.88	\$ 3,176.13	
		\$ 32.66	\$ 34.30	\$ 36.01	\$ 37.81	\$ 39.70	
<i>Management Salaries are set within a Salary Range ranging from Low to High</i>	Range M2	\$ 73,039.62	\$ 76,691.60	\$ 80,526.18	\$ 84,552.49	\$ 88,780.11	
		\$ 6,086.63	\$ 6,390.97	\$ 6,710.52	\$ 7,046.04	\$ 7,398.34	
		\$ 2,809.22	\$ 2,949.68	\$ 3,097.16	\$ 3,252.02	\$ 3,414.62	
		\$ 35.12	\$ 36.87	\$ 38.71	\$ 40.65	\$ 42.68	
<i>Employee's in this group</i>							

SBVWCD District Salary Range

JOB TITLE
*are considered exempt and are
not eligible for overtime*

Range	2013-14 Rates		5% Steps Based on Merit Increases Earned		
Range M3	\$ 78,518.15	\$ 82,444.05	\$ 86,566.26	\$ 90,894.57	\$ 95,439.30
	\$ 6,543.18	\$ 6,870.34	\$ 7,213.85	\$ 7,574.55	\$ 7,953.27
	\$ 3,019.93	\$ 3,170.93	\$ 3,329.47	\$ 3,495.94	\$ 3,670.74
	\$ 37.75	\$ 39.64	\$ 41.62	\$ 43.70	\$ 45.88
Range M4	\$ 84,395.92	\$ 88,615.71	\$ 93,046.50	\$ 97,698.82	\$ 102,583.76
	\$ 7,032.99	\$ 7,384.64	\$ 7,753.87	\$ 8,141.57	\$ 8,548.65
	\$ 3,246.00	\$ 3,408.30	\$ 3,578.71	\$ 3,757.65	\$ 3,945.53
	\$ 40.57	\$ 42.60	\$ 44.73	\$ 46.97	\$ 49.32
Range M5	\$ 90,739.47	\$ 95,276.45	\$ 100,040.27	\$ 105,042.28	\$ 110,294.40
	\$ 7,561.62	\$ 7,939.70	\$ 8,336.69	\$ 8,753.52	\$ 9,191.20
	\$ 3,489.98	\$ 3,664.48	\$ 3,847.70	\$ 4,040.09	\$ 4,242.09
	\$ 43.62	\$ 45.81	\$ 48.10	\$ 50.50	\$ 53.03
Range M6	\$ 97,016.49	\$ 101,867.31	\$ 106,960.68	\$ 112,308.71	\$ 117,924.15
	\$ 8,084.71	\$ 8,488.94	\$ 8,913.39	\$ 9,359.06	\$ 9,827.01
	\$ 3,731.40	\$ 3,917.97	\$ 4,113.87	\$ 4,319.57	\$ 4,535.54
	\$ 46.64	\$ 48.97	\$ 51.42	\$ 53.99	\$ 56.69
Range M7	\$ 104,313.80	\$ 109,529.49	\$ 115,005.96	\$ 120,756.26	\$ 126,794.07
	\$ 8,692.82	\$ 9,127.46	\$ 9,583.83	\$ 10,063.02	\$ 10,566.17
	\$ 4,012.07	\$ 4,212.67	\$ 4,423.31	\$ 4,644.47	\$ 4,876.70
	\$ 50.15	\$ 52.66	\$ 55.29	\$ 58.06	\$ 60.96
Range M8	\$ 112,121.25	\$ 117,727.31	\$ 123,613.68	\$ 129,794.36	\$ 136,284.08
	\$ 9,343.44	\$ 9,810.61	\$ 10,301.14	\$ 10,816.20	\$ 11,357.01
	\$ 4,312.36	\$ 4,527.97	\$ 4,754.37	\$ 4,992.09	\$ 5,241.70
	\$ 53.90	\$ 56.60	\$ 59.43	\$ 62.40	\$ 65.52
Range M9	\$ 120,527.57	\$ 126,553.95	\$ 132,881.65	\$ 139,525.73	\$ 146,502.02
	\$ 10,043.96	\$ 10,546.16	\$ 11,073.47	\$ 11,627.14	\$ 12,208.50
	\$ 4,635.68	\$ 4,867.46	\$ 5,110.83	\$ 5,366.37	\$ 5,634.69
	\$ 57.95	\$ 60.84	\$ 63.89	\$ 67.08	\$ 70.43
Range M10	\$ 129,554.94	\$ 136,032.69	\$ 142,834.32	\$ 149,976.04	\$ 157,474.84
	\$ 10,796.25	\$ 11,336.06	\$ 11,902.86	\$ 12,498.00	\$ 13,122.90

Yearly
Monthly
Bi-Weekly
Hourly

LAND RESOURCES MANAGER

SBVWCD District Salary Range

JOB TITLE	Range	2013-14 Rates					5% Steps Based on Merit Increases Earned				
		\$		\$		\$		\$		\$	
		\$ 4,982.88	\$ 5,232.03	\$ 5,493.63	\$ 5,768.31	\$ 6,056.72	\$ 62.29	\$ 65.40	\$ 68.67	\$ 72.10	\$ 75.71
	Range M11	\$ 139,292.08	\$ 146,256.68	\$ 153,569.52	\$ 161,247.99	\$ 169,310.39	\$ 11,607.67	\$ 12,188.06	\$ 12,797.46	\$ 13,437.33	\$ 14,109.20
		\$ 5,357.39	\$ 5,625.26	\$ 5,906.52	\$ 6,201.85	\$ 6,511.94	\$ 66.97	\$ 70.32	\$ 73.83	\$ 77.52	\$ 81.40
	Range M12	\$ 149,738.98	\$ 157,225.93	\$ 165,087.23	\$ 173,341.59	\$ 182,008.67	\$ 12,478.25	\$ 13,102.16	\$ 13,757.27	\$ 14,445.13	\$ 15,167.39
		\$ 5,759.19	\$ 6,047.15	\$ 6,349.51	\$ 6,666.98	\$ 7,000.33	\$ 71.99	\$ 75.59	\$ 79.37	\$ 83.34	\$ 87.50
GENERAL MANAGER*	Range M13	\$ 160,962.20	\$ 169,010.31	\$ 177,460.82	\$ 186,333.87	\$ 195,650.56	\$ 13,413.52	\$ 14,084.19	\$ 14,788.40	\$ 15,527.82	\$ 16,304.21
<i>*GM Salary Set by Contract based on Board Action</i>		\$ 6,190.85	\$ 6,500.40	\$ 6,825.42	\$ 7,166.69	\$ 7,525.02	\$ 77.39	\$ 81.25	\$ 85.32	\$ 89.58	\$ 94.06

Base Salary Ranges approved in Personnel Manual Review July 2011
 Base Salary Rates Include 2% COLA Adjustment for 2013-2014 Fiscal year from 2012-13 rates



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

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Memorandum No. 1169

To: Administrative Committee and Board of Directors

From: General Manager, Daniel Cozad

Date: April 24, 2013

Subject: Reserve Policy Changes for 2013-2014

RECOMMENDATION

The Administrative Committee recommends the Board review and discuss Staff's changes to the District Reserve Policy. Based on comments received, Staff will revise for Board approval with the 2013-2014 Budget.

BACKGROUND

In 2011, the Board approved the Enterprise Description and Reserve Policy to more accurately depict the business and finance units of the District's services. Each enterprise was separated with cost and revenue budgets and had their associated reserve accounts. This fulfilled the Boards goals for transparency in revenue, cost and ease of budgeting and billing. This policy was used to develop the 2011-2012 and 2012-2013 budgets.

DISCUSSION

In preliminary discussion of the budget with the Resources Committee and Administrative Committee there were recommendations for changes to the Reserve Policy. Additionally staff identified some changes that are appropriate and will be needed as the Wash Plan is implemented. Staff reviewed the levels of reserves that are held by various types of districts and agencies and has proposed adjusting some levels. Staff has provided a spreadsheet with status and estimated contributions as well as future projections of the levels of reserves based on these changes. Finally, staff updated the charts that show the operating results and history of reserve balances and future projections for the Boards background. Changes to the policy include:

- Addition of a Groundwater Enhanced Recharge Reserve related to the SBVMWD agreement
- Revision of the Groundwater Enterprise based on existing budgets
- Addition of a Groundwater Assessment Rate Stabilization Reserve, recommended by the Committee
- Addition of a Wash Plan Reserve, if funding provided for multi-year efforts
- Addition of a Habitat Management Reserve/Trust for Mitigation/Management funding in the future

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Daniel B. Cozad

- Revision of the Capital Improvement Reserve to include equipment and levels
- Revision of the levels for the Self Insurance Reserve to better match coverage from JPIA

Based on the feedback from the Board, staff will revise the policy and present it for approval in May with the Budget.

FISCAL IMPACT

The changes to the reserve policy do not have direct fiscal impacts. The development and funding of appropriate reserve levels available cash in the short term and reduce costs in the long term. The clarity and transparency achieved by the system is believed to outweigh the small increase in transactional costs required for the implementation of enterprise and reserve policies.

San Bernardino Valley Water Conservation District Policy

Policy Number 0001

Date: Revised 01/12/2012

Policy Name: District and Enterprise Reserve Policy

History: Adopted 1/2011 revised 1/12/2012 Proposed Revision 4/15/13

Application: All SBVWCD Employees, Board Members, Enterprises, Partners and Financial Advisors

GENERAL POLICY:

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

Additionally the District needs to: 1) 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; 2) allocate and separate fund excesses for similar use, restrict transfer without Board Approval. The policy addresses the following:

Consideration on the establishment and development/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 that the District is able to perform required critical tasks.

SCOPE:

The development of the enterprise model was proposed based on the review of the District's operation and performance in prior fiscal years. Additionally the enterprise model requires a policy and process for transferring reserves. It is critical to identify and build a General Fund operating reserve to provide funding for both District special contingencies and annual budget shortfalls.

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;
- Limits placed on the use of reserves;
- Requirements for reporting trends for reserves
- Limitation of transfers without Board Approval;

SPECIFIC PROVISIONS:

A. 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 GRER fund. Through the Groundwater Charge process, each year Staff shall coordinate with Groundwater Charge payees on the level of this reserve in

San Bernardino Valley Water Conservation District Policy

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 ~~\$130~~200,000, but deferred for fiscal year 2011-12. This level is intended to build over the 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.

B. 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. 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.

C. 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.

D. 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. The purpose of the RPR is to accumulate funding to pay for major maintenance, upgrades, marketing, or emergency repairs.

EB. Land Resources Reserve

The Land Resources 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 capital to be able to fund the management needs and establish security against future unexpected 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 in 2011 this reserve did not have funding contribution due to limited mining activities. Costs to the Land Resources Enterprise will be funded by mining interests and District General Fund Reserve if they cannot be avoided. In future years the level of contribution will be set by the Annual Budget.

FC. Prepaid Royalties Reserve

The District holds a \$5 Million prepaid royalty from Robertsons. This reserve is subject to call provisions in the contract with Robertsons and is invested in 1 year or shorter investments. This Prepaid Royalties Reserve (PRR) is intended to provide the assurance to the District from Robertsons 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.

G. 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.

H. 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.

IE. General Fund Reserves

1. General Fund Reserve

This reserve is to secure funding to the General Fund for District operations in time of temporary deficit and to balance the 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 cost. 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-

2. 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.

3. 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

San Bernardino Valley Water Conservation District Policy

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 at this time.

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.

4. 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 the District and its member agencies. The Self-Insurance Reserve (SIR) 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.

5F. Capital Improvement ~~Plan and Equipment (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 budgets. Costly equipment or vehicles are budgeted and reserves maintained as an alternative to funding depreciation in the budget process. s-CIP Plan. The District ~~does not~~ currently ~~have a CIP~~ only an equipment plan and contributions are determined on a budget basis currently approximately \$30,000 per year~~will be determined when a plan is approved by the Board.~~

CLARIFICATION:

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.

G. 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.



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

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Memorandum No. 1170

To: Board of Directors

From: Daniel Cozad, General Manager

Date: April 24, 2013

Subject: Statement of Investment Policy Revision

RECOMMENDATION

Staff recommends the Board review and approve the updated Statement of Investment Policy which is essentially the same as that approved in 2012.

BACKGROUND

In June 2012, Staff prepared an updated the Statement of Investment Policy to add CalTrust and changed banking institutions. Staff has reviewed the policy as proposed and does not recommend any changes. We recommend the board review the policy and reaffirm the policy updated for date only.

Staff has prepared a report of investment earnings and forecast future earnings in the LAIF and CalTrust investments. These projections are forecasts for budget only and are based on broad market forecasts not upon specific information on the underlying investments held by LAIF and CalTrust.

FISCAL IMPACT

There is no fiscal impact.

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GENERAL
MANAGER

Daniel B. Cozad

**SAN BERNARDINO VALLEY WATER CONSERVATION
DISTRICT
STATEMENT OF INVESTMENT POLICY
2013**

1. PURPOSE

The investment policy of the San Bernardino Valley Water Conservation District provides delegation and guidelines for the investment of the District's surplus cash and reserves that are not required for near term operational needs of the District in accordance with Government Code §53601 or 53635.

2. SCOPE

The investment policy applies to all activities of the District with regard to investing surplus cash or reserves for future use.

3. POLICY

Investments shall comply with the requirements of § 53600-53683 of the Government Code. No investment shall be made unless authorized by Government Code § 16429.1, 53601 or 53635. The District shall utilize conservative investment vehicles consistent with its objectives and investment strategies identified and listed in this document.

4. OBJECTIVES

The primary objectives, in order of priority, of the District's investment activities and criteria for selection of investment shall be as follows:

1.1.SAFETY

The objective refers to potential loss of principal or interest associated with any investment vehicle. The District's investment policy is to protect principal at all times, and to invest only in those investments in which safety of principal is guaranteed by the federal government, or in those investments which demonstrate a past performance history where principal investments have not been lost or diminished.

1.2.LIQUIDITY

The District's investment vehicles shall be balanced between restricted and unrestricted investments, such that the District may convert its investment monies to liquid funds on short notice, in order to respond to demands or opportunities calling for immediate availability of investment or operating capital.

1.3.YIELD

The District's investment portfolio shall be managed to obtain the highest possible market rates of interest while preserving and protecting the investment monies in the overall portfolio.

5. STRATEGIES and AUTHORIZED INVESTMENTS

The District shall pursue an investment strategy where investments are limited to the following strategies:

1. Local Agency Investment Fund (LAIF) under §16429.1
2. CalTrust Investment Trust of California (CalTrust)
3. Investments guaranteed by the Federal Deposit Insurance Corporation (FDIC)
4. Government securities backed by the full faith of the federal government §53601
 - US Treasury bills, notes and bonds, certificates of indebtedness (T-Bills, etc)
 - Government National Mortgage Association (SBA)
 - Farmers Home Administration (FHA)
5. Federal Instrumentalities which do not carry the Federal guarantees but are guaranteed by the US Treasury (fixed interest rate only)
 - Federal National Mortgage Association (FNMA)
 - Federal Home Loan Bank (FHLB)
 - Federal Home Loan Mortgage Corporation (FHLMC)
6. Money Market Mutual Funds who invest in securities and obligations under §53601 and registered with the Securities and Exchange Commission and shall meet one of the following
 - Attained the highest rating or ranking by two or more rating services
 - Retained an investment advisor registered with the SEC with more than five years' experience investing under §53601 and with assets in excess of \$500 million.

In the event investment opportunities arise to divert investment funds into investments other than LAIF or CalTrust, the General Manager will consult with the Board of Directors to secure approval of the investment or investments.

6. INVESTMENT AUTHORITY

In accordance with Government Code §53607 and 53608 the District's General Manager is authorized and delegated by the Board to make investments on behalf of the District. Such investments shall be limited to investments listed in this policy or otherwise authorized by the District's Board of Directors. Any Government Securities dealers utilized by the District will be provided a copy of this policy and will acknowledge receipt and agree to abide by the policy. Officers and employees who are involved in the investment process shall avoid any conflicts of interest with District investments. Investments will not normally have maturities beyond five years.

7. REPORTING REQUIREMENTS

The District's Board of Directors will be provided, on no less than a quarterly basis, a report on the performance of all investments.