



**STAFF REPORT
CHINO BASIN WATER CONSERVATION DISTRICT
BOARD MEETING**

MEETING DATE: June 13, 2022 **AGENDA ITEM:** DI 12

FROM: Elizabeth Skrzat, General Manager

SUBJECT: Fiscal Year 2022-2023 Budget

ATTACHMENT(S): 1) Fiscal Year 2022-2023 Budget
2) Five Year Capital Plan

RECOMMENDATION

Review, discuss, and approve the proposed budget for Fiscal Year 2022-2023.

FISCAL IMPACT

The Proposed Fiscal Year 2022-2023 Operating and Capital Improvement Budget totals \$5,079,500 and is supported by \$4,603,650 in revenues and \$475,850 in use of unassigned reserves for a balanced budget.

BACKGROUND

The Fiscal Year 2022-2023 Proposed Budget is a balanced budget as developed under the context of a Line-Item Budget policy approach, which aligns the budget of the Chino Basin Water Conservation District (District) with the operations and services planned for the fiscal year to projected costs of providing these services to our service area which includes all or portions of Montclair, Chino, Ontario, Upland, Rancho Cucamonga, and Chino Hills.

The Proposed Budget reflects the District's mission to sustain a regional water supply through public stewardship by expanding our local water supply while ensuring our community understands the true value of water and uses it wisely in every home, every business and every neighborhood. The budgeting process was a collaborative process, in which all the managers of each department met with the General Manager and the District's accountant from Eide Bailey to set forth priorities and develop programs for each department.

On May 9, 2022, the Board heard presentations by District staff during the Budget Study Session. Given the recently passed drought restrictions governing outdoor watering, it was suggested that the District consider the purchase of a 1,000 gallon water tank trailer, which would allow staff to

water landscapes surrounding College Heights and Montclair Basins No. 1-3 with recycled water instead of potable water.

Subsequently, the Finance Committee reviewed the proposed budget on May 29, 2022. Following the Board Budget Study Session and Finance Committee meetings, staff received bids for the Montclair No. 2 Spillway Project. The lowest responsive bidder came in above the engineer's estimate. Therefore, staff increased the Montclair No. 2 budget from \$1 million to \$1,176,068, which includes a 10% contingency for construction costs.

ISSUES & ANALYSIS

Fiscal Year 2021-2022 Revenues

District revenues are primarily supported by property taxes which are collected by the County of San Bernardino. FY 2022-2023 is budgeted with a conservative 2% increase to projected FY 2021-2022 results. This 2% increase excludes the Redevelopment Agency (RDA) Pass-Thru assessment which are conservatively budgeted as projected for FY 2022-2023 with no increase at \$1,230,900.

The District is enrolled in the Teeter Program, which enables full collection of property tax revenues allocated to the District each year regardless of delinquency and penalty payments. The county government then collects and keeps the delinquency and penalty payments, but the District is protected against non-payment of property taxes. However, the Teeter Program is not available for RDA Pass-Thru funds.

In keeping with a depressed market and the fact that the District moved the majority of funds from CalTrust into the Local Agency Investment Fund (LAIF), interest income from District investments is projected conservatively for FY 2022-2023.

Fiscal Year 2022-2023 Expenditures

District Wages consider full staffing for the entire fiscal year, including medical benefits and retirement expenses.

Notable revenue sources for FY 2022-2023 include:

1. \$320,850 in grant funding through Metropolitan Water District's Stormwater for Recharge Pilot Program for the Montclair No. 2 Spillway Improvement Project.
2. \$300,000 in grant funding from the American Recovery Program Act (ARPA) through the County of San Bernardino for the Montclair No. 2 Spillway Improvement Project.

Notable expenses for the FY 2022-2023 year include:

1. \$10,000 in Landscape and Irrigation for an outdoor water bottle filling station/water fountain in the Demonstration Garden (line 38: Landscape & Irrigation)
2. \$75,000 in Signage, with \$50,000 for the Waterwise Community Center Street Front Visibility Project - \$9,000 of which would fund the design of a collection of elements to capture the attention and interest of passing motorists and \$41,000 for the implementation of all or of some portion of the design (line 41: Signage).
3. \$40,000 for School Tours, which would assist school districts with rising gas prices (line 53).
4. \$63,300 for Advertising and Strategic Communications for enhanced digital and print advertising of District services and events (line 55: Advertising & Strategic Communications).
5. \$29,000 for continued investments in the District's Inland Valley Garden Planner website (line 56: Web Design/Maintenance).
6. \$1,069,200 in Capital Expenditures for engineering and construction costs associated with the Montclair No. 2 Spillway Improvement Project, (Five Year Capital Plan, line 2). This line item was increased because the low bid for the project came in \$69,200 over the Engineer's Estimate of \$1,000,000 that was originally used to build the budget.
7. \$135,900 in Capital Expenditures for 10% contingency for any issues that may arise related to the Montclair No. 2 Spillway Improvement Project. Contingency is suggested to be increased from the original 5% to 10% by staff due to the Spillway Project and due to the tight timeline right before the start of the rainy season (Five Year Capital Plan, line 8).
8. \$30,000 in Capital Expenditures for the purchase of a watering tank trailer as recommended by the Board during the budget study session (Five Year Capital Plan line 6).
9. \$10,000 in Capital Expenditures for the initial design of a refreshed and focused exhibit space for the Waterwise Community Center Lobby (Five Year Capital Plan line 7).



**Proposed Budget
Fiscal Year 2022/23**

ATTACHMENT 1

	A	B	C
	FY 2021/22 Adopted Budget	FY 2021/22 Projected Ending	FY 2022/23 Proposed Budget
1 Revenue			
2 Property Tax & Assessment Revenue	\$ 2,320,700	\$ 2,628,330	\$ 2,680,800
3 Redevelopment Agency ABx1 26	1,093,100	1,230,860	1,230,900
4 Grant Proceeds (Capital)	-	-	620,850
5 Interest Income	45,800	32,380	35,600
6 Miscellaneous Income	46,000	42,320	35,500
7 Total Revenue	3,505,600	3,933,890	4,603,650
8 Expenditures			
9 Salaries & Benefits			
10 Employee Wages - Salaried	518,400	489,700	581,000
11 Employee Wages - Hourly	641,000	556,130	724,900
12 Employee Wages - Interns	-	-	87,400
13 Health Benefits	271,300	221,060	246,400
14 Payroll Taxes	100,800	93,820	114,300
15 CalPERS Retirement Normal Costs	99,400	86,980	109,700
16 CalPERS Retirement UAL (Minimum Required)	129,813	132,450	141,200
17 Education, Training & Travel	38,700	7,740	41,200
18 Total Salaries & Benefits	1,799,413	1,587,880	2,046,100
19 General & Administrative			
20 Legal	68,275	39,230	70,000
21 Engineering	20,000	140	10,000
22 Audit & Accounting	55,000	66,930	62,200
23 General Consulting	201,173	103,530	124,500
24 Insurance	84,277	82,530	91,500
25 Board of Directors	81,000	62,910	84,900
26 Election Expenses	-	-	30,000
27 Dues & Subscriptions	41,200	41,200	45,200
28 Office Utilities	30,100	29,350	31,500
29 Computer/IT Support	39,400	39,400	35,400
30 Office Equipment & Supplies	41,003	34,930	59,400
31 Telecommunications	16,900	17,900	19,000
32 Maintenance/Janitorial	15,200	9,440	26,400
33 Banking, Payroll & Collection Fees	14,800	16,960	17,900
34 Recruitment	1,500	1,060	3,000
35 Total General & Administrative	709,828	545,510	710,900
36 Facilities & Operations			
37 Basin Percolation Maintenance	97,600	94,540	100,300
38 Landscape & Irrigation	48,900	53,500	73,500
39 Fencing	44,000	44,000	30,000
40 Structural Maintenance	29,100	29,100	43,300
41 Signage	152,500	137,500	75,000
42 Hardscape	6,500	130	18,500
43 Facilities	10,000	790	10,000
44 Equipment & Vehicles	28,900	25,240	28,500
45 Uniforms	8,200	5,020	8,700
46 Weed Abatement & Pest/Critter Control	33,700	21,380	37,200
47 Trash Cleanup & Disposal	11,000	10,550	15,000
48 Utilities, Permits, Fees & Miscellaneous	12,000	12,650	14,000
49 Total Facilities & Operations	482,400	434,400	454,000
50 Public Relations/Education			
51 District Events	41,500	41,500	48,000
52 School Tours	30,000	3,860	40,000
53 Educational Grant	24,552	24,550	8,000
54 Advertising & Strategic Communications	44,000	44,000	63,300
55 Web Design/Maintenance	25,918	30,000	29,000
56 Public Education/Workshops	1,300	1,300	2,300
57 Community Sponsorships	3,000	3,000	3,000
58 Youth Education	670	670	-
59 Youth Program Supplies	3,000	3,000	3,500
60 Informational Materials	21,900	21,900	10,000
61 Supplies/Give Aways	7,500	2,500	7,500
62 Total Public Relations/Education	203,340	176,280	214,600
63 Capital Expenditures and Pension Management			
64 Capital Expenditures Total	362,139	362,140	1,495,100
65 CalPERS UAL Additional Discretionary Payments	88,020	88,020	85,600
66 CalPERS Pension Trust Contributions	79,260	79,260	73,200
67 Capital Expenditures and Pension Management Total	529,419	529,420	1,653,900
68 Total Expenditures	3,724,400	3,273,490	5,079,500
69 Net Revenue / (Expenditures)	(218,800)	660,400	(475,850)
70 Use / (Addition) of Unassigned Reserves	218,800	(660,400)	475,850
71 Net Balance	\$ -	\$ -	\$ -



5-Year Capital Plan Fiscal Year 2022/23

ATTACHMENT 2

	A	B	C	D	E
	FY 2022/23 Proposed Budget	FY 23/24 Projection	FY 24/25 Projection	FY 25/26 Projection	FY 26/27 Projection
1 Capital Expenditures					
2 Montclair Basin No.2 Spillway	\$ 1,069,200	\$ -	\$ -	\$ -	\$ -
3 Montclair Basin No.2 Spillway - Engineering	100,000	-	-	-	-
4 Brooks Basin Fence	-	300,000	300,000	-	-
5 Major Structural Failures	150,000	160,000	170,000	500,000	500,000
6 Watering Tank Trailer	30,000	-	-	-	-
7 WCC Lobby Remodel	10,000	250,000	-	-	-
8 Contingency Funding (10% of Total)	135,900	71,000	47,000	50,000	50,000
9 Capital Expenditures Total	\$ 1,495,100	\$ 781,000	\$ 517,000	\$ 550,000	\$ 550,000
10 Grant Proceeds					
11 MWD Stormwater Pilot Program Grant	(320,850)	-	-	-	-
12 ARPA (SB County)	(300,000)	-	-	-	-
13 Total Grant Proceeds	\$ (620,850)	\$ -	\$ -	\$ -	\$ -
14 Net Capital Expenditures (District-Funded)	\$ 874,250	\$ 781,000	\$ 517,000	\$ 550,000	\$ 550,000