

**RECLAMATION
DISTRICT
NO. 1000**

**FISCAL YEAR
2019/2020
BUDGET**

JUNE 7, 2019



Fiscal Year 2019/2020 Budget

Reclamation District No. 1000 – Budget (FY19/20)

TRUSTEES

JEFF SMITH – BOARD PRESIDENT

TOM BARANDAS – BOARD VICE PRESIDENT

NICK AVDIS – TRUSTEE

CHRIS BURNS – TRUSTEE

DAVID CHRISTOPHEL – TRUSTEE

THOMAS M. GILBERT – TRUSTEE

FREDERICK HARRIS – TRUSTEE

OFFICERS

KEVIN L. KING – GENERAL MANAGER

JOLEEN GUTIERREZ – BOARD SECRETARY/TREASURER

DAY, CARTER, MURPHY, LLP - ATTORNEYS

Table of Contents

Introduction	1
General	1
Mission Statement.....	2
Responsibility Statement	2
Vision Statement	2
Organizational Chart	3
Budget Summary (FY 2019/2020).....	4
Executive Summary.....	4
Revenues	5
Operations & Maintenance Expenditures	7
Personnel Expenditures	9
Operations Expenditures	10
Administration Expenditures	12
Flood Maintenance Assistance Program.....	14
Consulting /Contracts Expenditures	14
Equipment Expenditures.....	15
Capital Expenditures	16

Introduction

General

Reclamation District No. 1000 (RD1000; District) was organized on April 8, 1911, under the California Flood Control Act of 1911. The District's affairs are governed by a seven-member Board of Trustees. At the time of formation, the District embarked on the largest privately funded reclamation project in the United States. What was accomplished by the District in the twentieth century was truly remarkable. Today, the District's perimeter levee system consists of 42.6 miles of project levees encircling the District's 55,000 acres. The District also operates and maintains an interior drainage system consisting of 30 miles of main drainage canals, approximately 150 miles of drainage ditches and eight pumping stations. The drainage system collects agricultural tailwater, stormwater and drainage and delivers them to the pumping plants for disposal in the adjacent rivers and creeks.

RD 1000 perimeter levees are undergoing the largest rehabilitation since their original construction over a hundred years ago. The \$1.7 billion Natomas Levee Improvement Project (NLIP) which began in 2007 and will continue through 2025, will provide the Natomas Basin with two hundred-year flood protection when complete.

As the District moves into its second century, its public safety mission remains its first commitment. The District's sole purpose and function is to monitor, operate, and maintain the levees and flood control infrastructure protecting the more than one hundred thousand people in the Natomas Basin, ensuring that the system is ready for the next one hundred years.

Mission Statement

Reclamation District No. 1000's mission is flood protection for the Natomas Basin providing for the public's health and safety by operating and maintaining the levees, and the District's canals and pump stations in a safe, efficient and responsible manner.

Responsibility Statement

On behalf of and in communication with the residents of the Natomas Basin, the District meets its flood protection Mission by operating and maintaining:

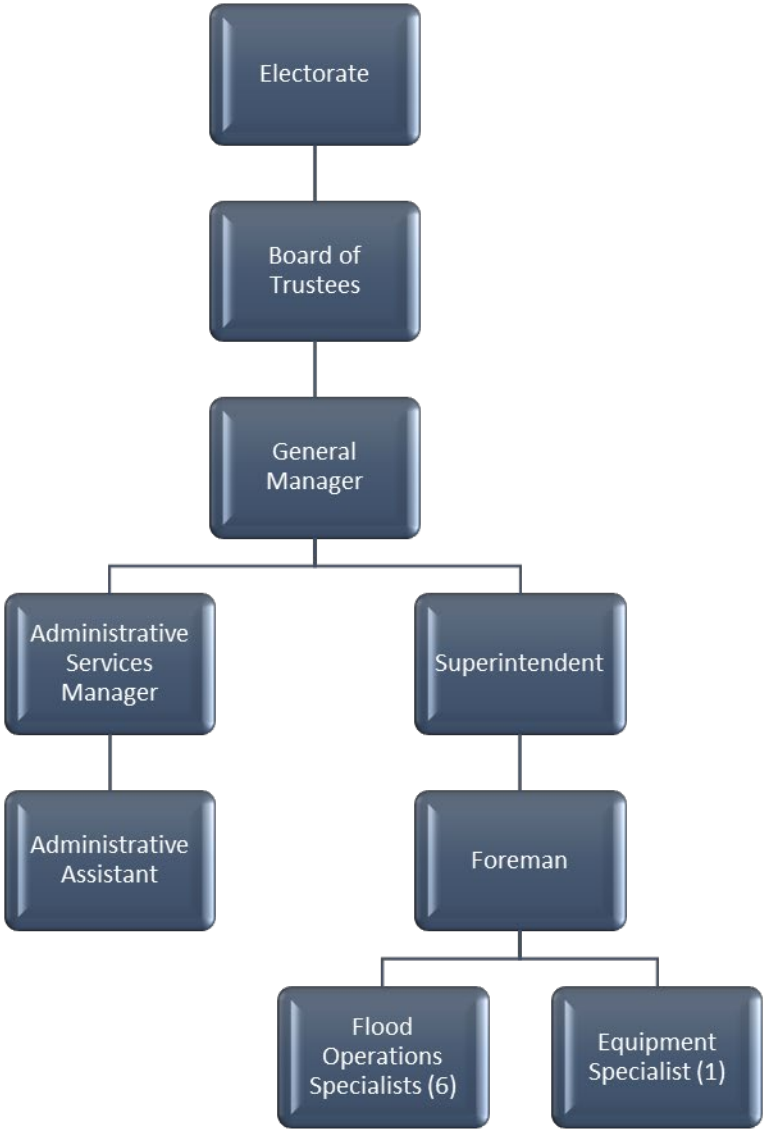
- The perimeter levee system to prevent exterior floodwaters from entering the Natomas Basin.
- The District's interior canal system to collect the stormwater runoff and agricultural drainage from within the Natomas Basin.
- The District's pump stations to safely discharge interior stormwater and agricultural drainage out of the Natomas Basin.

Vision Statement

In meeting its flood protection Mission, the District shall also:

- Carry out its responsibilities in a safe, professional and accountable manner that adheres to the principles of good governance and transparency being sensitive to community interests and the environment.
- Continuously identify and implement operational, maintenance, structural and non-structural improvements that reduce flood risks in the Natomas Basin.
- Cooperate with private entities and public agencies (including the Corps of Engineers and the State Central Valley Flood Protection Board) with whom the District shares responsibilities, common goals, and objectives for flood protection in the Natomas Basin.
- Educate the public about the risks of flooding in the Natomas Basin and the District's efforts to minimize those risks.

RECLAMATION DISTRICT NO. 1000 ORGANIZATIONAL CHART



Budget Summary (FY 2019/2020)

Executive Summary

The Fiscal Year 2019/2020 Budget for Reclamation District No. 1000 was prepared by General Manager, Kevin L. King, and Administrative Services Manager, Joleen Gutierrez. The budget, while unbalanced, in terms of expenditures in excess of projected revenue, was prepared in order to accomplish the goals and objectives of the District. The Fiscal Year 2019/2020 Budget is reflective of the District’s transitional position. The end of the previous budget year (FY18/19) saw the retirement of the District’s General Manager and the subsequent recruitment and hiring of a new General Manager.

The Fiscal Year 2019/2020 Budget is highlighted by expenditures aimed at positioning the District for sustained financial stability, long-term infrastructure reliability and identification of projects/policies required for further evolution of the organization. Specifically, the District intends to analyze current and future operation and maintenance costs through development of a Comprehensive Financial Plan, update the District’s Capital Improvement Plan to identify life cycle replacement schedules for infrastructure and replace said infrastructure prior to failure, and work to establish an administrative overhead rate to ensure the District is recovering indirect costs while performing reimbursable work.

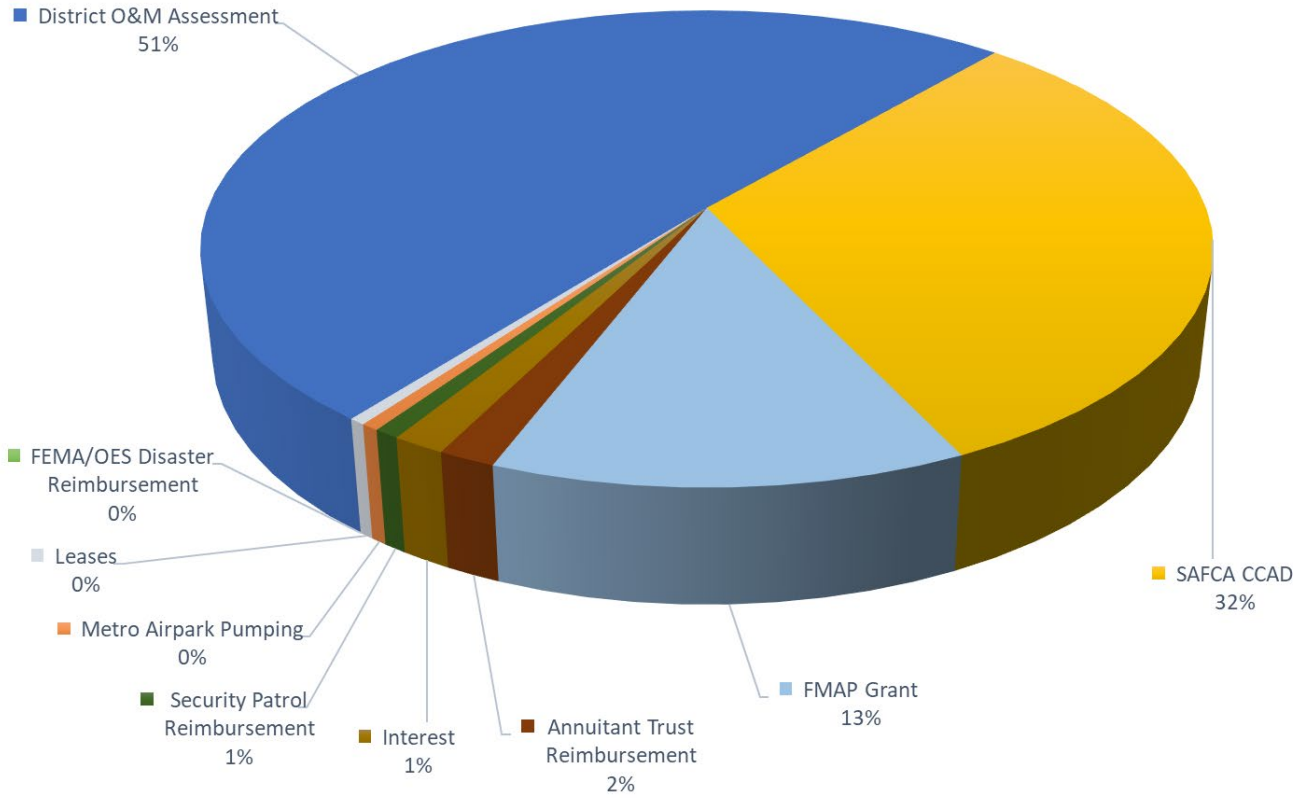
BUDGET SUMMARY FY 2019/2020	Adopted Budget FY 18/19	Estimate YE FY 18/19	Budget FY 19/20	Variance Budget FY 19/20 v. Budget FY 18/19 (over)/under
Total Revenues	3,742,000	4,802,916	4,432,000	(690,000)
Total All Expenditures	4,657,150	3,786,769	4,917,938	235,788
Net Expense to Revenue	(915,150)	1,016,147	(485,938)	(429,212)

Revenues

The District received more than \$1,060,000 in revenues in Fiscal Year 2018/2019 than budgeted. The additional revenue received was from a FEMA reimbursement for expenditures in 2012 to rebuild Pumping Plant No. 2. The one-time money is not anticipated in Fiscal Year 2019/2020. Nevertheless, the District does anticipate revenues to be \$690,000 greater in FY19/20 compared to FY18/19 Budget. The increased revenue is largely attributable to a grant (\$574K) from DWR through the Flood Maintenance Assistance Program (FMAP).

REVENUES	Adopted Budget FY 18/19	Estimate YE FY 18/19	Budget FY 19/20	Variance Budget FY 19/20 v. Budget FY 18/19 (over)/under
Revenues				
District O&M Assessment	2,250,000.00	2,250,000.00	2,250,000.00	-
SAFCA CCAD	1,400,000.00	1,400,000.00	1,400,000.00	-
Interest	50,000.00	97,072.50	65,000.00	(15,000)
Leases	20,000.00	18,628.75	20,000.00	-
Metro Airpark Pumping	22,000.00	17,487.61	22,000.00	-
FMAP Grant	0.00	0.00	574,000.00	(574,000.00)
FEMA/OES Disaster Reimbursement	0.00	905,281.00	0.00	-
Annuitant Trust Reimbursement		68,727.50	70,000.00	(70,000)
Security Patrol Reimbursement		31,000.00	31,000.00	(31,000)
Miscellaneous		14,719.00	0.00	-
Total Revenues	3,742,000	4,802,916	4,432,000	(690,000)

**Projected Revenues
FY 19/20**



Operations & Maintenance Expenditures

The District anticipates approximately \$850K more in Operations and Maintenance expenditures in FY 19/20 compared to the FY 18/19 Budget.

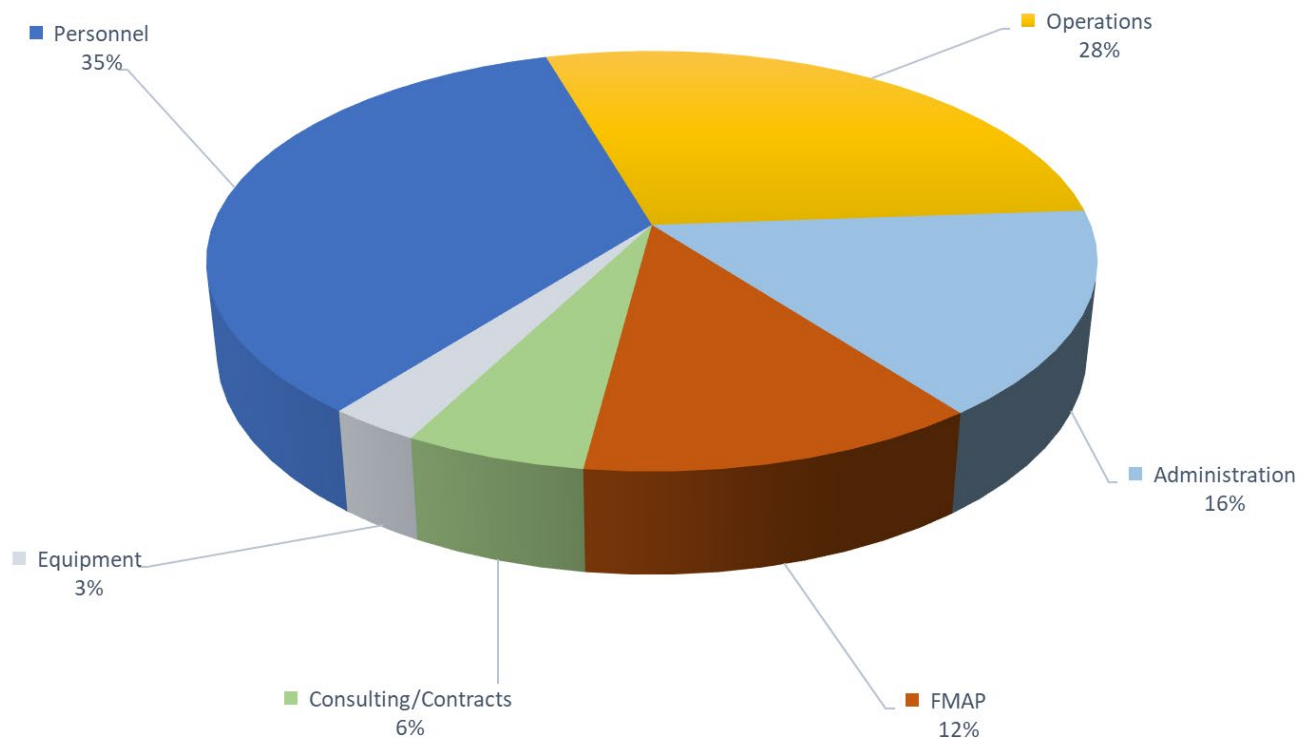
OPERATIONS & MAINTENANCE EXPENDITURES	Adopted Budget FY 18/19	Estimate YE FY 18/19	Budget FY 19/20	Variance Budget FY 19/20 v. Budget FY 18/19 (over)/under
O&M Expenditures				
Personnel	1,520,500	1,408,205	1,611,838	(91,338)
Operations	1,271,000	929,118	1,311,600	(40,600)
Administration	496,850	471,673	728,500	(231,650)
FMAP			574,000	(574,000)
Consulting/Contracts	330,000	214,769	260,000	70,000
Equipment	150,000	146,908	132,000	18,000
Total O&M	3,768,350	3,170,672	4,617,938	(849,588)

Major expenditure variations include:

- Personnel (\$91K):
 - Wages (\$58K) – Includes a 1.5% Cost of Living Adjustment plus Merit Increase (\$30K), and Retired Annuitant (\$28K).
 - Pension (\$13K) – FY 18/19 was understated by \$8K. FY 19/20 is based on CalPERS Annual Evaluation from August 2018, and calculated adjustments based on current personnel. The increase also includes an increase in pension expense (\$5K) for the District moving to a 15-year amortization schedule for the unfunded liability.
- Operations (\$40K)
 - Facility Repairs (\$93K) – includes repairs to Trash Racks, V-Drain Culvert Replacement and Boil Repairs at Plant 2.
 - Field Services (-\$42K) – Field Services were overstated in FY18/19 Budget and will be reduced based on FY 18/19 actuals

- Administration (\$232K):
 - Administrative Consultants (\$78K) – includes Comprehensive Financial Study, Total Compensation Survey, and Administrative Overhead Rate Study.
 - Election (\$55K) – occurs every two (2) years.
 - Insurance (\$40K) – Liability/Auto/Business Insurance was understated in FY 18/19 Budget; FY 19/20 expenditure increase is based on FY18/19 actual expenditures plus 10% inflationary increase.
- Flood Maintenance Assistance Program Grant (\$574K) – offset by revenue.
- Consulting/Contracts (-\$70K) – Reduction in technical consulting contracts.
- Equipment (-\$18K) – Reduction in equipment replacement.

**Projected Operations & Maintenance Expenditures
FY 19/20**



Personnel Expenditures

Personnel Expenditures	Adopted Budget FY 18/19	Estimate YE FY 18/19	Budget FY 19/20	Variance Budget FY 19/20 v. Budget FY 18/19 (over)/under
Personnel/Labor				
Wages	1,000,000.00	905,700.00	1,058,262.00	(58,262.00)
General Manager			190,128.00	
Project Manager/Engineer			28,158.00	
Admin Services Manager			99,502.00	
Superintendent			119,180.00	
Foreman			92,405.00	
Flood Operations Specialist I/II			400,206.00	
Equipment Maintenance Specialist			72,997.00	
Administrative Assistant			55,686.00	
Trustee Compensation	39,000.00	32,906.25	40,000.00	(1,000.00)
Group Health Insurance	130,000.00	95,028.75	97,440.00	32,560.00
Annuitant Health Care		68,727.50	70,000.00	(70,000.00)
Dental/Vision/Life	26,000.00	21,220.00	22,328.00	3,672.00
Workers Compensation Insurance	40,000.00	37,037.50	39,544.00	456.00
OPEB - ARC	28,000.00	0.00	30,000.00	(2,000.00)
Continuing Education	15,000.00	4,838.75	5,000.00	10,000.00
Payroll Taxes	77,500.00	69,596.25	71,000.00	6,500.00
Pension	165,000.00	173,150.00	178,264.00	(13,264.00)
Employer Portion			72,980.00	
Unfunded Liability			105,284.00	
Personnel Subtotal	1,520,500.00	1,408,205.00	1,611,838.00	(91,338.00)

Operations Expenditures

Operations Expenditures	Adopted Budget FY 18/19	Estimate YE FY 18/19	Budget FY 19/20	Variance Budget FY 19/20 v. Budget FY 18/19 (over)/under
Operations				
Consultants - Field Operations	20,000.00	23,301.25	20,000.00	0.00
Equipment Parts/Supplies	60,000.00	33,762.50	60,000.00	0.00
Equipment Rental	10,000.00	125.00	5,000.00	5,000.00
Equipment Repairs/Service	22,000.00	1,248.75	16,000.00	6,000.00
Facility Repairs	273,000.00	68,696.25	366,000.00	(93,000.00)
Gates & Fences			10,000.00	
Canal Erosion Program (RSP)			100,000.00	
Access Road AB Program			50,000.00	
Roof Repair Plant 1A			20,000.00	
Plant 2 - Boil Repairs			80,000.00	
Plant 8 Trash Rack Repairs			30,000.00	
Plant 3 Trash Rack Repairs			30,000.00	
Plant 5 Pump #1 Repair			10,000.00	
V-Drain Repair			36,000.00	
Field Equipment	8,000.00	8,000.00	10,100.00	(2,100.00)
Box Tarp for 10 Wheel Dump Truck 022			2,500.00	
Air Compressor for Service Truck			2,600.00	
Thumb Attachment for Excavator			5,000.00	
Field Services	142,000.00	56,048.75	100,000.00	42,000.00
Veg Management (Grazing, Farm Flying, Aquatic)			20,000.00	
Tree Service			50,000.00	
Pump Plant Meggar Testing			5,000.00	
Sonitrol Security			6,000.00	
Hazardous Waste Recycle			5,000.00	
Tire Recycle			5,000.00	
Backflow			500.00	
Water Service			600.00	
Misc.			7,900.00	
Fuel	65,000.00	43,043.75	55,000.00	10,000.00
Herbicides	115,000.00	99,108.75	105,000.00	10,000.00
Power	500,000.00	559,130.00	500,000.00	0.00
Refuse Collection	25,000.00	10,573.75	25,000.00	0.00
Shop Equipment (Not Vehicles)	9,000.00	3,736.25	3,000.00	6,000.00
Supplies and Materials	22,000.00	19,946.25	22,000.00	0.00
Boot Allowance			3,000.00	
Uniform Service			4,000.00	
Misc.			15,000.00	
Utilities - Field	0.00	0.00	8,000.00	(8,000.00)
Sacramento County			3,500.00	

Operations Expenditures	Adopted Budget FY 18/19	Estimate YE FY 18/19	Budget FY 19/20	Variance Budget FY 19/20 v. Budget FY 18/19 (over)/under
City of Sacramento			3,500.00	
Cell Phone Reimbursement			1,000.00	
Misc./Other - Field	0.00	146.25	500.00	(500.00)
Govt Fees/Permits - Field	0.00	0.00	12,000.00	(12,000.00)
FEMA Permits	0.00	2,250.00	4,000.00	(4,000.00)
Operations Subtotal	1,271,000.00	929,117.50	1,311,600.00	(40,600.00)

Administration Expenditures

Administration Expenditures	Adopted Budget FY 18/19	Estimate YE FY 18/19	Budget FY 19/20	Variance Budget FY 19/20 v. Budget FY 18/19 (over)/under
Administration				
Accounting/Audit	45,000.00	44,467.50	46,050.00	(1,050.00)
Bartel Associates (GASB)			3,000.00	
Audit (Mary Ann Cooper)			15,000.00	
CPA (Rob Merritt)			24,000.00	
TCS Consulting (GASB)			3,000.00	
CalPERS (GASB)			1,050.00	
Administrative Consultants	52,000.00	52,208.75	130,000.00	(78,000.00)
Financial Plan/Study			60,000.00	
Total Compensation Survey			15,000.00	
SCI Consulting (Assessment)			20,000.00	
Overhead Rate Study			25,000.00	
Miscellaneous			10,000.00	
Admin - Misc./Other Expenses	5,000.00	4,758.75	8,250.00	(3,250.00)
Bank Fees			250.00	
Business Expense			8,000.00	
Admin. Services	17,000.00	12,785.00	17,000.00	
Alarm/Security Office (Sonitrol)			4,000.00	
Copy/Print Services			2,000.00	
DOT/Screening			2,500.00	
Postage/Shipping			1,000.00	
Records/Retention Management (ECS)			2,000.00	
Timekeeping (Replicon)			4,000.00	
Miscellaneous (Job Posting/CSDA)			1,500.00	
Computer Costs (Tech/Website/Software)	17,000.00	17,065.00	24,000.00	(7,000.00)
Software (Go Daddy, Misc.)			9,000.00	
Tech Support (Terrapin)			12,000.00	
Website (Streamline)			3,000.00	
Govt Fees/Permits	12,000.00	13,457.50	12,500.00	(500.00)
City of Sacramento (Investment Pool)			6,000.00	
LAIF (Investment Pool)			5,000.00	
Police Alarm			50.00	
Miscellaneous			1,450.00	
Legal	100,000.00	80,656.25	97,000.00	3,000.00
Human Resources/Employment (Boutin Jones)			7,000.00	
General Counsel (Day Carter)			85,000.00	
Other Legal Services			5,000.00	
Liab/Auto/Business Insurance	110,000.00	134,546.25	150,000.00	(40,000.00)
Stratton			150,000.00	
Memberships	30,000.00	31,372.00	40,500.00	(10,500.00)
ACWA			15,000.00	

Administration Expenditures	Adopted Budget FY 18/19	Estimate YE FY 18/19	Budget FY 19/20	Variance Budget FY 19/20 v. Budget FY 18/19 (over)/under
CCVFCA			16,300.00	
Costco			200.00	
CSDA			8,350.00	
Sacramento LAFCO			650.00	
Mitigation Land Expenses	3,000.00	2,592.20	3,000.00	0.00
Yolo County Treasurer			3,000.00	
Office Maintenance & Repair	24,000.00	13,412.50	27,000.00	(3,000.00)
Custodial Service (Neat Freak)			10,000.00	
HVAC (Barnett)			3,000.00	
Landscaping (Carson)			13,000.00	
Pest Control (Greenlight)			1,000.00	
Office Supplies	5,500.00	4,815.00	5,500.00	0.00
Payroll Services	3,000.00	2,147.50	3,500.00	(500.00)
Payroll Services (Wells Fargo)			3,500.00	
Public Relations	40,000.00	22,796.25	45,000.00	(5,000.00)
Direct Outreach (Community Engagement)			18,000.00	
Consulting			25,000.00	
Subscriptions/Publications			2,000.00	
Small Office & Computer Equipment	5,000.00	5,110.00	12,000.00	(7,000.00)
Computer Equipment			2,000.00	
Miscellaneous Equipment			10,000.00	
Utilities (Phone/Water/Sewer/Internet)	22,000.00	22,421.25	23,700.00	(1,700.00)
Telephone (ATT)			3,500.00	
Water (City of Sacramento)			2,800.00	
Internet (Comcast)			2,000.00	
Sewer (County of Sacramento)			2,800.00	
Phone System (Great American Fin Svcs)			5,200.00	
Copier/Printer (Smile Business Systems)			3,000.00	
Cellular Service (Verizon)			4,200.00	
Miscellaneous			200.00	
Election	0.00	0.00	55,000.00	(55,000.00)
Legal			49,400.00	
Publications/Notices			1,500.00	
Facility Rental			1,000.00	
Printing Services			500.00	
Temporary Staff			2,100.00	
Miscellaneous			500.00	
Assessment/Property Taxes (SAFCA - CAD)	6,350.00	7,060.97	8,000.00	(1,650.00)
Conference/Travel/Professional Development			20,500.00	(20,500.00)
Conference (Exec Staff & Trustees)			8,500.00	
Travel (Exec Staff & Trustees)			12,000.00	
Admin Subtotal	496,850.00	471,672.67	728,500.00	(231,650.00)

Flood Maintenance Assistance Program

FMAP Expenditures	Adopted Budget FY 18/19	Estimate YE FY 18/19	Budget FY 19/20	Variance Budget FY 19/20 v. Budget FY 18/19 (over)/under
FMAP Grant				
LOI/SWIF			20,000.00	(20,000.00)
Equipment			305,100.00	(305,100.00)
(2) Pull Tractors JD 5090M Mower			124,000.00	
(1) Tiger Boom Mower, JD 5115M Tractor			181,100.00	
Operations & Maintenance			236,500.00	(236,500.00)
Vegetation Management (Tree Removal - High Priority Areas)			186,500.00	
Encroachment Enforcement (Waterside Encroachments)			50,000.00	
Administrative			12,400.00	(12,400.00)
Administrative (5% of O&M Activities)			12,400.00	
FMAP Subtotal			574,000.00	(574,000.00)

Consulting /Contracts Expenditures

Consulting/ Contracts Expenditures	Adopted Budget FY 18/19	Estimate YE FY 18/19	Budget FY 19/20	Variance Budget FY 19/20 v. Budget FY 18/19 (over)/under
Consulting/Contracts				
Technical Consultants	250,000.00	163,206.25	180,000.00	70,000.00
DPLand (Land, Right of Way and Title Expert)			5,000.00	
Kleinfelder (Geo Tech)			60,000.00	
MBK Engineering (Gen Engineering)			20,000.00	
Mead & Hunt (Gen Engineering)			60,000.00	
Managerial (Yeager, Devereux)			30,000.00	
West Yost (Hydraulic Modeling)			5,000.00	
Security Patrol	80,000.00	51,562.50	65,000.00	15,000.00
Temporary Admin			15,000.00	(15,000.00)
Christo Rey - Work Study Program (2 Students)			15,000.00	
Consulting/Contracts Subtotal	330,000.00	214,768.75	260,000.00	70,000.00

Equipment Expenditures

Equipment Expenditures	Adopted Budget FY 18/19	Estimate YE FY 18/19	Budget FY 19/20	Variance Budget FY 19/20 v. Budget FY 18/19 (over)/under
Equipment				
Equipment	150,000	146,908	132,000.00	18,000.00
(3) 3/4 Ton 4x4 Pickups (Replacement)			132,000.00	
Equipment Subtotal	150,000.00	146,908.06	132,000.00	18,000.00

Capital Expenditures

CAPITAL EXPENDITURES	Adopted Budget FY 18/19	Estimate YE FY 18/19	Budget FY 19/20	Variance Budget FY 19/20 v. Budget FY 18/19 (over)/under
Capital Expenditures				
Capital Facilities	715,000.00	550,000.00	180,000.00	535,000.00
Condition Assessment & Inspection Electrical			50,000.00	
Plant 1B Spare Transformer			100,000.00	
CIP Update			30,000.00	
Capital - Office Upgrades Furniture	15,000.00	25,000.00	30,000.00	(15,000.00)
Board Room & Kitchenette			30,000.00	
Capital - RE Acquisition	120,000.00	6,875.00	50,000.00	70,000.00
Natomas Cross Canal			20,000.00	
NEMDC Parcels			30,000.00	
Capital - Office Facility Repair	30,000.00	23,213.75	30,000.00	0.00
Window Replacement, Paint, AV Equipment			30,000.00	
Document Management	8,800.00	11,008.75	0.00	8,800.00
Capital - District Server	0.00	0.00	10,000.00	(10,000.00)
Total Capital Expenditures	888,800	616,098	300,000	588,800

Projected Capital Expenditures FY 19/20

