



El Dorado County Water Agency
Fiscal Year 2023-24
Recommended Budget

Recommended Budget Review Set for:
May 17, 2023 Board Meeting

Public Hearing and Adoption of Recommended Budget set for:
June 14, 2023 Board Meeting



El Dorado County Water Agency
Recommended Budget Fiscal Year 2023-24

Budget Summary Based on Policy No. B-1003 Expenditure Priority (approved November 12, 2020)

	Proposed Agency Request	Revisions		Budget Board Approved
		Amended ¹	Mid Year	
Estimated Carry-over				
Carry-over from Prior Fiscal Year 2022-23	6,872,429	-	-	6,872,429
Estimated Sources				
Taxes - Property	3,125,269	-	-	3,125,269
Penalty & Costs on Delinquent Taxes	565	-	-	565
Investment Income - Interest	4,522	-	-	4,522
State Homeowner Property Tax Relief	125,000	-	-	125,000
RDA Pass-thru	5,544	-	-	5,544
Other Charges for Services	4,457,036	-	-	4,457,036
Miscellaneous Revenue	150	-	-	150
Subtotal	7,718,085	-	-	7,718,085
Combined Carry-over & Sources Total	14,590,514	-	-	14,590,514
Estimated Expenditures				
Program 1: Water Security				
Legislative Advocacy	-	-	-	-
Professional Services	3,148,291	-	-	3,148,291
Contributions and Grants	-	-	-	-
Subtotal	3,148,291	-	-	3,148,291
Program 2: Governance and Partnership				
Legislative Advocacy	-	-	-	-
Professional Services	55,000	-	-	55,000
Contributions and Grants	340,090	-	-	340,090
Subtotal	395,090	-	-	395,090
Program 3: Communication and Advocacy				
Legislative Advocacy	43,500	-	-	43,500
Professional Services	690,000	-	-	690,000
Contributions and Grants	21,500	-	-	21,500
Subtotal	755,000	-	-	755,000
Program 4: Watershed Management				
Legislative Advocacy	-	-	-	-
Professional Services	1,539,000	-	-	1,539,000
Contributions and Grants	25,000	-	-	25,000
Subtotal	1,564,000	-	-	1,564,000
Program 5: Assistance and Innovation				
Legislative Advocacy	-	-	-	-
Professional Services	737,000	-	-	737,000
Contributions and Grants	6,255,000	-	-	6,255,000
Subtotal	6,992,000	-	-	6,992,000
Administration/Operations				
Salaries & Employee Benefits	1,117,818	-	-	1,117,818
Supplies, Equipment, Leases, etc.	283,314	-	-	283,314
Professional Services	255,000	-	-	255,000
EDC Service Charges	75,000	-	-	75,000
Fixed Assets	5,000	-	-	5,000
To General Cash Flow Reserves	-	-	-	-
To Designated Reserve (Legal)	-	-	-	-
Subtotal	1,736,132	-	-	1,736,132
Expenditure Total	14,590,514	-	-	14,590,514
(over) / under budget	(0)	-	-	(0)
<u>Reserve</u>	General Cash Flow Reserve			1,750,000
	FY 2023-24 Contribution			-
	Total Reserves			1,750,000

Notes:

Recommended Budget May 17, 2023

Public Hearing and Recommended Budget Adoption June 14, 2023

El Dorado County Water Agency
Recommended Budget Fiscal Year 2023-24
Priority 2: Memberships (sub-object 4220)

Association/Group	FY 2021- 22 Actuals	FY 2022- 23 Budget	FY 2023- 24 Hearing	Amended	Mid- Year	FY 2023- 24 Budget
Current Memberships						
American Water Works Assn (AWWA) Information on the management of water supply reliability and drought, watershed, water quality regulations, conservation and energy demand.	294	305	933			933
Local Chambers of Commerce Public outreach and education to community business leaders on projects, programs and important issues of Water Agency and local purveyors.						
Divide Chamber of Commerce	-	155	155			155
EDC Chamber of Commerce	282	320	320			320
El Dorado Hills Chamber of Commerce	308	335	335			335
Lake Tahoe South Shore Chamber of Commerce	260	340	340			340
Sacramento Metro Chamber of Commerce	1,000	1,000	1,000			1,000
Shingle Springs/Cameron Park Chamber of Commerce	148	195	195			195
SAGE of El Dorado County Professional membership	-	200	225			225
Water Education Foundation Pillar Member	1,500	1,500	1,500			1,500
Sacramento River Watershed Program Support the Sacramento River Watershed, including American River		1,500	1,500			1,500
American Society of Civil Engineers (ASCE)	179	380	915			915
American Water Resources Association (AWRA) Multidisciplinary association for information exchange, professional development and education about water resources and related issues.	90	400	537			537
Regional Water Authority Power House Science Membership	-	1,800	1,800			1,800
Subtotal	<u>4,061</u>	<u>8,430</u>	<u>9,755</u>	<u>-</u>	<u>-</u>	<u>9,755</u>
Total Memberships	<u><u>4,061</u></u>	<u><u>8,430</u></u>	<u><u>9,755</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>9,755</u></u>

EI Dorado County Water Agency
Recommended Budget Fiscal Year 2023-24
Priority 2: Memberships - Legislative Advocacy (sub-object 4221)

Association/Group	FY 2021-22 Actuals	FY 2022-23 Budget	FY 2023-24 Hearing	Amended	Mid-Year	FY 2023-24 Budget
Current Memberships						
Association of CA Water Agencies (ACWA)	13,165	14,000	14,000			14,000
Programs						
Central Valley Proj Water Assn	750	1,000	1,000			1,000
Federal Water Project Issues						
California Special Districts Association (CSDA)	1,556	1,500	1,500			1,500
Mountain Counties Water Resources Assn (MCWRA)	10,992	12,000	12,000			12,000
Mountain Counties Water Issues						
Regional Water Authority (RWA)	5,840	6,000	-			-
Northern CA Water Alliances/Interests		5,000	-			-
Water Forum	-	15,000	-			-
Solve the Water Crisis	-	15,000	15,000			15,000
Total Memberships	32,303	69,500	43,500	-	-	43,500

Recommended Budget Fiscal Year 2023-24
Professional Services (sub-object 4300)

Projects	Vendor	Program	FY 2021-22 Actuals	FY 2022-23 Budget	FY 2023-24 Hearing	Amended	Mid-Year	FY 2023-24 Budget
Governance and Partnerships			12,296	25,000	55,000	-	-	55,000
Water Security			630,176	2,924,667	3,148,291	-	-	3,148,291
Watershed Management			148,220	235,000	1,539,000	-	-	1,539,000
Assistance and Innovation			503,927	737,000	737,000	-	-	737,000
Communication and Advocacy			339,422	385,000	690,000	-	-	690,000
ADMINISTRATION/OPERATING COSTS			104,567	262,000	255,000	-	-	255,000
Totals (breakdown by Program are below)			1,738,607	4,568,667	6,424,291	-	-	6,424,291

Notes:

Types of Expenses	Program	FY 2021-22 Actuals	FY 2022-23 Budget	FY 2023-24 Hearing	Amended	Mid-Year	FY 2023-24 Budget
Water Security	1	630,176	2,924,667	3,148,291	-	-	3,148,291
Governance and Partnership	2	12,296	25,000	55,000	-	-	55,000
Communication and Advocacy	3	339,422	385,000	690,000	-	-	690,000
Watershed Management	4	148,220	235,000	1,539,000	-	-	1,539,000
Assistance and Innovation	5	503,927	737,000	737,000	-	-	737,000
Administration/Operations		104,567	262,000	255,000	-	-	255,000
		1,738,607	4,568,667	6,424,291			6,424,291

El Dorado County Water Agency

Recommended Budget Fiscal Year 2023-24

Priority 2: Transportation & Travel (sub-objects 4600,4602,4608,4609,4651,4652,4654,4655,4656)

Description	Days	Nights	Hearing	Amended	Mid-year	Adopted
OVERNIGHT/OUT-OF-STATE TRAVEL ^a						
Association of CA Water Agencies (ACWA)						
ACWA Fall 2023 conference <i>(Southern California)</i>						
General Manager	4	3	3,500			3,500
Water Resources Engineer	4	3	3,500			3,500
Board of Director	4	3	3,500			3,500
Board of Director	4	3	3,500			3,500
ACWA Spring 2024 conference <i>(Northern California)</i>						
General Manager	4	3	3,300			3,300
Water Resources Engineer	4	3	3,300			3,300
Board of Director	4	3	3,300			3,300
Board of Director	4	3	3,300			3,300
ACWA Federal Affairs Conference 2024 <i>(Washington, D.C.)</i>						
General Manager	5	4	5,000			5,000
Water Resources Engineer	5	4	5,000			5,000
Support Staff/Consultant	5	4	5,000			5,000
Board of Director	5	4	5,000			5,000
Board of Director	5	4	5,000			5,000
Federal Affairs Follow-up (as Necessary) <i>(Washington, D.C.)</i>						
General Manager	4	3	4,500			4,500
Board of Director	4	3	4,500			4,500
Board of Director	4	3	4,500			4,500
Regional Chamber Conferences 2024 Cap-to-Cap* <i>(Washington, D.C.)</i>						
General Manager	5	4	6,200			6,200
Water Resources Engineer	5	4	6,200			6,200
Board of Director	5	4	6,200			6,200
Board of Director	5	4	6,200			6,200
American Water Works Association Annual Conference & Exhibition <i>(Anaheim, CA)</i>						
General Manager	4	3	5,000			5,000
Water Resources Engineer	4	3	5,000			5,000
American Water Resources Association Annual Water Resources Conference <i>(Raleigh, NC)</i>						
General Manager	4	3	3,500			3,500
Water Resources Engineer	4	3	3,500			3,500
American Water Resources Association 2024 Spring Conference <i>(Tuscaloosa, AL)</i>						
General Manager	4	3	3,500			3,500
Water Resources Engineer	4	3	3,500			3,500
USBRSponsored by Central Valley Project Water Association 2024 <i>Mid-Pacific Region Water Users Conference (Nevada)</i>						
General Manager	4	3	1,800			1,800
Water Resources Engineer	4	3	1,800			1,800

Priority 2: Transportation & Travel (sub-objects 4600,4602,4608,4609,4651,4652,4654,4655,4656)

Description	Days	Nights	Hearing	Amended	Mid-year	Adopted
CSDA Board Secretary/Clerk Conference (Seaside, CA)						
Board Clerk	4	3	2,500			2,500
2024 CSDA General Manager Leadership Summit (CA)						
General Manager	4	3	3,500			3,500
2023 RCRC Annual Meeting (Monterey, CA)						
General Manager or Water Resources Engineer	4	3	3,500			3,500
Staff Training, Off-site Meetings, and Unidentified Travel			7,500			7,500
Total Budget (breakdown by sub-object below)			<u>135,100</u>			<u>135,100</u>

Travel Budget Summary	FY 2021-22 Actuals	FY 2022-23 Budget	FY 2023-24 Hearing	Amended	Mid-Year	FY 2023-24 Budget
Registration Fees (s/o 4609)	16,857	30,990	36,030			36,030
Transportation & Travel - NO OVERNIGHT (s/o 4600)	^b 166	7,500	7,500			7,500
Hotel Charges Non Employee (Board Member) (s/o 4608)	-	30,990	36,030			36,030
Transportation & Travel - OVERNIGHT(s/o 4651,4652,4654,4655,4656)	5,892	41,320	48,040			48,040
Private Vehicle Mileage (s/o 4602)	-	7,500	7,500			7,500
Total Services	<u>22,915</u>	<u>118,300</u>	<u>135,100</u>	<u>-</u>	<u>-</u>	<u>135,100</u>

Notes:

(a) Overnight, out-of-state travel, or travel expenditures that exceed the limits of the Travel Policies B-1006 and B-1017 will be brought to the Board for approval.

(b) Transportation & Travel (sub-object 4600) includes no overnight charges for meals, lodging, airfare, car rental, taxis, shuttles, and miscellaneous expenses (e.g., parking)

EI Dorado County Water Agency
Recommended Budget Fiscal Year 2023-24
Contribution To Non-County Governmental Associations Worksheet (sub-object 5240)

Description	Program	FY 2021-22 Actuals	FY 2022-23 Budget	FY 2023-24 Hearing	Amended	Mid-Year	FY 2023-24 Budget
Joint Delta Advocacy Program							
Joint Defense Group	3		5,000	5,000			5,000
Regional Programs							
Water Forum - City of Sacramento	2	9,351	25,000	55,000			55,000
Regional Water Authority:							
Annual Associate Member Dues	2		5,840	5,840			5,840
Subscription Program: Strategic Affairs Program	2		8,500	8,500			8,500
Subscription Programs - BiOps	2		35,660	110,750			110,750
Grant Assistance							
South Tahoe P.U.D. GSA MOU	2	131,000	160,000	160,000			160,000
South Tahoe P.U.D. for TKPOA Consolidation	5			160,000			160,000
EID WaterSMART Drought Resiliency Grant	5	-	50,000	-			-
TBD Grant Recipient	5	-	440,000	250,000			250,000
American Rescue Plan Act (ARPA)							
Tahoe City P.U.D.	5	-	-	975,000			975,000
EI Dorado Irrigation District	5	-	-	1,190,000			1,190,000
Grizzly Flats C.S.D.	5	-	-	2,830,000			2,830,000
Georgetown Divide P.U.D.	5	-	-	50,000			50,000
Fairgrounds	5	-		400,000			400,000
Watershed Program							
Program Development with R.C.D.	4		25,000	25,000			25,000
Tour - West Slope Areas	3	-	15,000	15,000			15,000
Ag in the Classroom Sponsorships	3	0	1,500	1,500			1,500
Previous Grant Assistance & Contributions							
Grant Assistance							
South Tahoe P.U.D.	5			-			-
Tahoe City P.U.D.	5			-			-
EI Dorado Irrigation District	5			-			-
Georgetown Divide P.U.D.	5			-			-
Grizzly Flats C.S.D.	5			-			-
WaterSMART American River Basin Water Marketing Strategy	4	-	200,000	-			-
Watershed monitoring and predictive data programs; WaterSMART ARHO WSM	4	-	325,000	-			-
WaterSMART: Upper American River Watershed	4						
CABY JPA	4			-			-
CABY Prop 84 Grant Funding - County of EI Dorado	2			-			-
CABY Prop 84 Grant Funding - SYRCL	2			-			-
Other - El Camino Elementary School (Pilot Project)	3	-		-			-
Hydro Development Cost Shares							
Unidentified Purveyor	1	-	-	-			-
Water Rights Cost Share							
Unidentified Purveyor	1		-	-			-
Totals			140,351	1,296,500	6,241,590	-	6,241,590

El Dorado County Water Agency
 Recommended Budget Fiscal Year 2023-24
 Priority 2: Fixed Assets (sub-objects 6040 & 6042)

	<u>FY 2021-22 Actuals</u>	<u>FY 2022-23 Budget</u>	<u>FY 2023- 24 Hearing</u>	<u>Amended</u>	<u>Mid-Year</u>	<u>FY 2023-24 Budget</u>
Equipment: Items over \$1,500 each (sub-object 6040)						
Office furniture: Replacement due to breakage or to meet ergonomic/safety needs of staff.	-	2,000	2,500			2,500
Subtotal Equipment	<u>-</u>	<u>2,000</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>2,500</u>
Computers: Items over \$1,500 each (sub-object 6042)						
Computer/server hardware: Provide enhancement or replace computer related equipment to maintain Agency's technology.	-	2,500	2,500			2,500
Subtotal Computers	<u>-</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>2,500</u>
Total Fixed Assets	<u>-</u>	<u>4,500</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>

El Dorado County Water Agency
Recommended Budget Fiscal Year 2023-24
Notes Receivable (Long-term debt repayment)

Purchase and Sale Agreement - "Texas Hill" Lands

To acknowledge a long-term notes receivable representing the last payment due from the El Dorado Irrigation District (EID) for the purchase of lands from the Water Agency, which were located within the proposed Texas Hill Reservoir Site. This last payment of \$3,378,360 is due when EID obtains construction financing for and commences construction of the Texas Hill Reservoir. In the event EID or its successors in interest should ever use or sell any of the properties for any purpose inconsistent with the development of a Texas Hill Reservoir, all funds realized thereby by EID or its successors may be disbursed only to fund the development of increased water supplies or increased waste water capacity for the benefit of customers or potential customers to be served by EID or its successors.

El Dorado County Auditor's Office has advised the Water Agency that due to the uncertainty of the debt repayment, with repayment conditional upon certain events occurring and not by a certain date and/or payment plan, the annual audit report will no longer acknowledge this long-term repayment as a notes receivable. This spreadsheet is to provide historical documentation of this outstanding repayment until such time as the debt is repaid. Purchase and Sale Agreement for Texas Hill Properties approved February 6, 1996. First Amendment approved April 23, 1996.

Total Receivable 3,378,360



**EL DORADO COUNTY WATER AGENCY
BOARD OF DIRECTORS'**

Subject:	Policy No. B-1001	Page 1 of 3
Budget Policy	Date Adopted: April 14, 2010	Revised Date: November 12, 2020

1.00 PURPOSE

It is the intent of the Board to operate in a financially responsible manner and to adopt a balanced budget within the Agency's limited revenue resources.

2.00 DEFINITIONS

Expenditure Class: A major category of appropriation sub-objects within the budget. (Examples: "Salaries and Benefits", "Services and Supplies", "Fixed Assets".)

Expenditure Priority: The priority level that an expenditure receives based on the Agency's Expenditure Priority Policy (B-1003).

Operating Expense: Costs associated with the Agency's day-to-day administrative activities, including rent, utilities, office supplies, postage, legal notices, building maintenance, information technology, insurance and printing, unless related to a project.

Revenue Class: A major category of revenue sub-objects within the budget. (Examples: "Taxes", "State Revenue", "Charges for Services".)

Sub-object: A line item description of expenditures or revenues. (Example: "Office Expense" is a sub-object in the expenditure class "Services and Supplies".)

3.00 ANNUAL BUDGET DEVELOPMENT

A budget shall be developed annually for the following fiscal year. Each budget shall include a reserve consistent with the Agency's Reserve Policy (B-1002), as well as budget expenditures in accordance with the expenditure priorities outlined in the Agency's Expenditure Priority Policy (B-1003).

3.01 Proposed Budget

The proposed budget shall be drafted as follows:

- (a) An annual budget shall be prepared by the Business Services Officer based on input from the Board and General Manager;

- (b) The General Manager shall review the annual budget proposal with the Board Finance Committee [if formed]; and
- (c) A noticed public hearing for the proposed annual budget shall be held by the Board at a public Board meeting.

3.02 **Final Budget**

The final annual budget, as amended by the Board at its proposed budget public hearing, will be adopted by resolution with a majority vote at the next public Board meeting.

3.02.1 **Personnel Allocations**

With the final budget, the Board shall adopt the Personnel Allocations by resolution.

3.03 **Budget Adoption Schedule**

The budget adoption schedule may be changed by Board resolution in accordance with State law.

3.04 **Budget Amendments/Transfers**

After Board approval of the final annual budget, any revisions to the budget shall generally require prior approval of the Board. Amendments, which move funds between expenditure and revenue classes, require Board resolutions.

3.04.1 **Board Approval Exceptions**

Board approval is not required in the following situations:

- (a) If after a fiscal year ends, the actual fund balance carry-over varies less than 15% from the projected fund balance due to items encumbered in the previous fiscal year, the General Manager with assistance from the Business Services Officer may adjust the budget.
- (b) There are sufficient funds within an expenditure class to cover an over-expenditure condition of an operating expense sub-object. (Example: The utilities sub-object will be over-budget, but within the Services & Supplies class there are sufficient funds to cover the overage.)
- (c) Emergency situations as defined in the Purchasing Policy (B-1005).
 - i. This does not include any expenses, which explicitly require Board approval as defined in any of the Board policies.

3.04.2 **General Manager and Business Services Officer**

The General Manager and Business Services Officer shall be responsible for maintaining a balanced budget within Section 3.04 guidelines and bringing to the Board's attention any budget revisions that require Board approval.

4.00 BUDGET MANAGEMENT

It is the responsibility of the General Manager to maintain Agency expenditure levels within the budgeted amounts and of the General Manager and Business Services Officer to inform the Board about financial operations of the Agency, so the Board can make informed decisions and fully discharge its legal responsibilities in a fiscally sound manner.

4.01 Reports

The Business Services Officer shall submit the following reports at regularly scheduled Board meetings:

- (a) Monthly budget to actual report, which includes the revenues, expenditures, and net balance for the current fiscal year, and shows a forecast of the remainder of the fiscal year;
- (b) Monthly warrant register, which provides a brief description of all payment requests made to the County's Auditor-Controller.

5.00 EFFECTIVE DATE AND SUPERSESSION

This Policy shall be effective upon its adoption and shall supersede all prior policies, amendments, letters of intent, or positions of Agency on this subject.

5.01 Board Resolutions

Resolution Number

WA-6-2010
WA-17-2017

Date Board Approved

April 14, 2010 #15
November 8, 2017



**EL DORADO COUNTY WATER AGENCY
BOARD OF DIRECTORS**

Subject:	Policy No. B-1002	Page 1 of 3
RESERVE POLICY	Date Adopted: June 2, 2010	Revised Date: n/a

1.00 INTRODUCTION

The Water Agency’s Board (“Board”) may establish any reserves it deems necessary for the Water Agency (“Agency”) to conduct business in a fiscally responsible manner.

2.00 ESTABLISHING A RESERVE

All reserves shall be established by resolution with a majority vote of the Board.

3.00 GENERAL CASH FLOW RESERVE

The Water Agency’s primary source of funding is ad valorem taxes, the majority of which are received around January and late April. Since there are no provisions in the Water Agency Act that allow the Agency to borrow funds or establish a line of credit to cover the Agency’s daily operations and legislative mandated duties prior to the receipt of ad valorem tax revenues, a cash flow reserve, called the General Cash Flow Reserve (“Cash Flow Reserve”), was established by the Board.

3.01 Purpose

The purpose of the Cash Flow Reserve is to establish and maintain a permanent general revolving fund in such amount that is sufficient to assure payment of the running and operating expenses of the Agency on a cash basis. The Cash Flow Reserve may not be used for any other purpose.

3.01.1 Use of the Cash Flow Reserve

The Cash Flow Reserve may only be used to cover budgeted expenditures during the fiscal year.

3.01.2 Board Approval for Use

Any use of the Cash Flow Reserve, other than for budgeted expenses, requires further Board approval.

3.02 **Calculating the Reserve Amount**

The recommended amount required for the Cash Flow Reserve is calculated by Staff based on actual expenditure history, plus adjustments for extraordinary expenditures (e.g., one-time expenditures).

3.02.1 **Frequency of Calculation**

Each fiscal year, during the budget process, the Cash Flow Reserve amount will be reevaluated by Staff to determine if the reserve amount will be adequate to meet the Agency's cash flow needs during the fiscal year operation.

3.03 **Board Review**

Based on this analysis, Staff shall make a recommendation to the Board during the budget adoption process for the Board's review and approval.

3.04 **Setting Aside the Reserve**

The Agency shall set aside a Cash Flow Reserve at the beginning of each fiscal year.

3.04.1 **End of Fiscal Year**

The Cash Flow Reserve shall be fully replenished and restored back to the current designated amount prior to the end of each fiscal year to ensure and preserve the Agency's ability to perform its legal obligations;

3.04 **Reporting**

Staff will report monthly to the Board on the use and balance of the Cash Flow Reserve.

4.00 DESIGNATED RESERVE

If the Board deems it necessary, funds for a specific expenditure or purpose may be set aside in a designated reserve.

4.01 **Purpose**

The purpose of the Designated Reserve is to establish and maintain a reserve for a specific purpose as authorized and defined by the Board.

4.01.1 **Use of the Designated Reserve**

The Designated Reserve may only be used to cover specific expenditures.

4.01.2 **Board Approval for Use**

All expenditures paid from or changes to this Designated Reserve require prior Board approval.

4.02 **Board Review and Setting Reserve Amount**

The Board will review and set the Designated Reserve amount and purpose during the budget adoption process.

4.02.1 **Board Amendments to the Designated Reserve Amount**

The Board may increase or decrease the Designated Reserve amount by Resolution during the fiscal year.

4.03 **Setting Aside the Reserve**

The Agency shall set aside the Designated Reserve at the beginning of each fiscal year.

5.00 EFFECTIVE DATE AND SUPERSESSION

This Policy shall be effective upon its adoption and shall supersede all prior policies, amendments, letters of intent, or positions of Agency on this subject.

5.01 **Board Resolutions**

Resolution Number
WA-13-2010

Date Board Approved
June 2, 2010 #12

B-1003 EXPENDITURE PRIORITY POLICY

1.00 PURPOSE

This Expenditure Priorities Policy (“Policy”) is to establish priorities, principles, and procedures for expenditures on projects and activities by the El Dorado County Water Agency (“Agency”) to carry out its duties under the El Dorado County Water Agency Act (“Act”) (Wat. Code App. Ch. 96).

The investment needs for the El Dorado County for advancing integrated water management for countywide benefits are significant. The Agency’s expenditures in projects and activities should be prioritized to improve countywide conditions in an efficient, effective, and responsible manner. This Policy sets the Agency’s priorities for expenditure

2.00 GENERAL GUIDELINES

Agency’s functions, projects, and activities, and thus the associated expenditures, shall be guided by three foundational documents, which include the Agency’s authorizing Act, the Strategic Plan, and the Water Resources Development and Management Plan (“WRDMP”). Agency expenditures should adhere to the following principles:

- (a) All Agency expenditures shall be consistent with the provisions of the Act. The Act sets forth the Agency’s powers and duties, as well as their limitations, for its organization, operation, and management, and authorizes the Agency to generate revenue and make expenditures independently or in collaboration with other entities for fulfilling its duties.
- (b) The Agency is authorized to receive ad valorem, property taxes, as a revenue source. Section 96-47 of the Act specifically restricts the use ad valorem property tax revenues for “the cost of constructing any works”. “Works” is defined in Section 96-3(e) of the Act as follows:

“‘Work’ or ‘works’ includes dams and dam sites, reservoirs and reservoir sites, and all conduits and other facilities useful in the control, conservation, diversion and transmission of water, power generation and transmission facilities, and all land, property, franchises, easements, rights of way and privileges necessary or useful to operate or maintain any of the foregoing.”
- (c) Section 96-103 of the Act sets forth legislative findings to support the enactment of the Act and the creation of the countywide Agency. It sets forth the unique purposes of the Agency in supporting countywide water conservation, flood control, and development of water resources which had otherwise been unable to economically develop prior to the creation of the countywide special Agency.
- (d) Agency expenditures shall support the identified goals and objectives adopted by the Board approved Agency Strategic Plan, as amended, from time to time. The Agency Strategic Plan is subject to periodic updates to reflect changes in conditions and organization needs to fulfill the Agency’s purposes in the Act.

(e) Agency expenditures shall be consistent with the Water Resources Development and Management Plan Policy (E-1001) for implementing the Agency WRDMP, which is a countywide water plan with an integrated water management approach and defines the Agency’s roles and responsibilities for carrying out strategies and actions consistent with the Act and the Agency Strategic Plan, and in collaboration with other entities, for long-term economic, environmental and social sustainability in El Dorado County. The WRDMP is subject to updates every five years by June 30 in years ending 4 and 9 to address changed conditions, assess progress of implementation, and realign priorities of the Agency’s actions.

3.00 EXPENDITURE PRIORITIES

Agency annual expenditures on projects and activities should be consistent with the Resource Management Strategies and the Agency roles in implementation as identified in the WRDMP.

3.01 PRIORITIES BY RESOURCE MANAGEMENT STRATEGY

Agency expenditures on projects and activities should be consistent with the Resource Management Strategies of the WRDMP and shall consider the priority rankings set forth below, and additional conditions in Section 3.02 of this Policy.

Resource Management Strategies per Water Resources Development and Management Plan	Expenditure Priority			
	1	2	3	4
1. Secure Surface Water Supply Entitlements	X			
2. Develop and Implement Demand Management		X		
3. Implement Sustainable Groundwater Management	X			
4. Increase Water Reuse				X
5. Secure Water Infrastructure	X			
6. Manage Stormwater as a Resource		X		
7. Improve Drought Preparedness and Responses	X			
8. Ensure All Residents Have Water Accessibility and Affordable Water		X		
9. Improve Watershed Management for Water Resource-Related Benefits		X		
10. Prevent Contamination of Surface Water and Groundwater Resources			X	
11. Reduce the Risk of Flooding in Communities			X	

3.02 CONDITIONS

Agency prioritization of expenditures on projects and activities are further subject to the following conditions.

- (a) Agency shall exercise preferences over projects and activities within each Resource Management Strategy with the following characteristics.
 - (i) Addressing countywide issues
 - (ii) Promoting equitable investment and countywide benefits
 - (iii) Acting proactively to adapt to changing climate and the regulatory environment

(iv) Positioning strategically for capturing federal and state assistances when and where available

(b) To better leverage limited funding of the Agency, Agency shall apply a Priority 4 to a project or activity of implementing a Resource Management Strategy, regardless of the priority of the associated Resource Management Strategy in Section 3.01 of this Policy, if the project or activity is part of the existing responsibilities of a single entity that should be supported by an established funding mechanism or revenue source (e.g., a service rate structure). The Agency may consider exceptions if hardship or special circumstances exists.

3.03 AMENDMENTS

Pursuant to Water Resources Development and Management Plan Policy (E-1001), the WRDMP is to be updated every 5 years by June 30 in years ending in 4 and 9 to address changed conditions, assess progress of implementation, and realign priorities of Agency actions. When necessary, the Agency shall update the description of the Resource Management Strategies in Section 3.01 of this Policy to maintain consistency with the latest adopted version of the WRDMP.

4.00 EFFECTIVE DATE AND SUPERSESSION

This Policy shall be effective upon its adoption and shall supersede all prior policies, amendments, letters of intent, or positions of Agency on this subject.

B-1015 GRANTS

1.00 PURPOSE

The El Dorado County Water Agency (“Agency”) may provide grants to incentivize entities within El Dorado County in implementing actions that contribute to Agency purposes, goals, objectives, and policy implementation, and advance integrated water management to realize economic, environmental, and social benefits countywide in an efficient and equitable manner.

This Grants Policy (“Policy”) is to establish the purpose, scope and procedures for a grant program administered by the Agency.

1.01 LIMITATIONS

On a regular basis, Agency may initiate or respond to requests for collaborative project development with other agencies or entities within or outside El Dorado County that are consistent with the Agency powers and authority provided by the El Dorado County Water Agency Act (“Act”). Consistent with Section 96-103 of the Act, the Agency was created to support countywide water conservation, flood control, and development of water resources which are not economically achieved without Agency support. Upon approval by the Board, the Agency shall proceed with these activities consistent with the Agency Water Resources Development and Management Plan (WRDMP), complying with Water Resources Development and Management Plan Policy (Policy E-1001), Budget Policy (B-1001), and Expenditure Priority Policy (B-1003). Agency grants under this Policy are not meant to provide for these collaborative project activities.

2.00 GRANT PROGRAM

Agency shall establish a grant program by adhering to the following conditions.

2.01 AVAILABILITY OF GRANTS

Agency grants are subject to funding availability. The allowance for grants, if approved by the Board, must be included in the annual budget approved by the Board and prepared pursuant to Budget Policy (B-1001) and consistent with the Act, including Section 96-47 of the Act related to ad valorem property tax revenue expenditures.

2.02 SOLICITATION PROCESS

- (a) Agency may issue a solicitation for proposals from interested parties at a frequency that is no more than once per fiscal year with the following necessary information.
 - (i) Description of the grant purpose or focus, eligibility, formats, and cost-share requirements.
 - (ii) Description of the grant process, criteria, and schedule for application, evaluation, and award of the grant.
 - (iii) Other applicable requirements and instructions.
- (b) Agency shall administer a fair and transparent solicitation process.
- (c) The final grant awards require Board approval.

2.03 FOCUS OF GRANTS

Agency awarded grants should be consistent with the implementation of the WRDMP, the Water Resources Development and Management Plan Policy (Policy E-1001), and the Expenditure Priorities Policy (B-1003). Furthermore, Agency grants should be based on the following guidance:

- (a) Agency may vary the focus of grants from year to year, as needed, given that the focus is disclosed in the solicitation and adhered to in the evaluation process.
- (b) Agency may use grants to promote education and innovation that will contribute to the long-term implementation of the Resource Management Strategies but which are not specifically identified in the WRDMP.
- (c) Agency may use grants to support the implementation actions that are of lower priorities set forth in the Expenditure Priorities Policy (B-1003) for incentivizing collaboration within El Dorado County.
- (d) Agency may establish certain preferences in the grant solicitation for potential projects that are consistent with Expenditure Priority 1 as defined in Section 3 of the Expenditure Priority Policy (B-1003).

2.04 ELIGIBILITY

Eligible recipients of Agency grants and the associated Agency grant funding are limited to entities that have specific roles, responsibilities, or interests in advancing the Agency's purposes as authorized by the Act that are one of the following entities:

- (a) County of El Dorado and incorporated cities within El Dorado County
- (b) Local government entities within in El Dorado County working to advance integrated water management, including but not limited to irrigation districts, resource conservation districts and community service districts.
- (c) Local nonprofit organizations whose purpose is to advance integrated water management in El Dorado County and who are: 1) legal nonprofit entities registered and in good standing with the State of California 2)) who have obtained official tax-exempt status, which remains in effect.
- (d) Public water purveyors in El Dorado County

2.05 FORMATS OF GRANTS

Agency may vary the purpose or scope of grants as needed to meet the strategic purposes and the needs of targeted incentivized actions, provided that such purpose or scope is properly disclosed in the solicitation and followed in the evaluation process. Grants must adhere to the following provisions:

- (a) Agency grants can be in the form of financial assistance or technical assistance.
- (b) Agency grants can be used for planning or implementation purposes.
- (c) Agency grants and associated expenditures shall not fund construction of Works consistent with Section 96-47 of the Act.
- (d) Agency grants cannot be used for administrative or operating costs of the recipient entity.

2.06 COST-SHARE REQUIREMENTS

Agency grants shall include a requirement for a minimum level of cost share from the grant recipient provided the cost share requirement is properly disclosed in the solicitation and followed in the evaluation process.

- (a) The minimum level of cost share is 50 percent of the attributable cost for the proposed project or action, except for grants that are targeted for education and innovation purposes or for non-profit organizations.
- (b) Recipient's cost share can be in a form of matching fund and/or in-kind contribution. Agency may specify a limit of allowable in-kind contribution.
- (c) Recipient's matching fund and in-kind contribution cannot be for any recipient's administrative and operating costs.

3.00 AGREEMENT EXECUTION

Agency shall enter into a project-specific grant agreement with each successful grant recipient with necessary terms and conditions, including but not limited to the following requirements for reimbursable costs and procedures.

- (a) All funds shall be made available by Agency to each of the recipients on a reimbursement of actual costs expended basis, as demonstrated by copies of each recipient's paid invoices and, when in-kind contribution credit is sought, copies of each participating person's job description, time spent and confirming payroll reports to be submitted to Agency by March 1 and the following July 15 of each year for projects during the applicable budgeted fiscal year. Agency shall process such reimbursement payment requests in a timely manner, not more than twice a fiscal year; however, this paragraph shall not limit Agency's participation in continuing or multi-year projects.
- (b) All approved funding not disbursed during the applicable fiscal year shall lapse and not be further provided to the recipient and shall become part of Agency's general funds.
- (c) Recipients may request extensions of current approved grants due to certain unforeseeable reasons. Agency will consider such a request on a case-by-case manner.
- (d) Due to the funding partnership between the Agency and recipients in furtherance of the Agency's purposes and responsibilities under the Act, the Agency shall have the ability to request and receive from the recipient and have access to any data, materials, reports, investigations, models, studies, information or related material, that is derived, developed, or identified due to the project or activity that receives funding by an Agency grant..

4.00 EFFECTIVE DATE AND SUPERSESSION

This Policy shall be effective upon its adoption and shall supersede all prior policies, amendments, letters of intent, or positions of Agency on this subject.