



BIGHORN-DESERT VIEW WATER AGENCY

"To provide a high quality supply of water and reliable service to all customers at a fair and reasonable rate."

BOARD OF DIRECTORS' SPECIAL MEETING AGENDA

BOARD MEETING OFFICE
1720 N. CHEROKEE TR.
LANDERS, CALIFORNIA 92285



December 9, 2025
Time – 4:00 P.M.

MEETING ROOM IS OPEN FOR IN-PERSON ATTENDANCE PUBLIC WISHING TO PARTICIPATE REMOTELY

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/81256511958?pwd=QLlcvhHlzipKzYOX0QgW1yRsO6mV3b.1>

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TELECONFERENCE LINE THRU ZOOM

1-669-900-6833

Webinar ID: 812 5651 1958

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CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

APPROVAL OF AGENDA

Discussion and Action Items - The Board of Directors and Staff will discuss the following items and the Board will consider taking action, if so inclined. The Public is invited to comment on any item on the agenda during discussion of that item. When giving your public comment, please have your information prepared. If you wish to be identified for the record, then please state your name. Due to time constraints, each member of the public will be allotted three-minutes to provide their public comment.

1. Closed Session

- a. Public Employee Appointment
[Government Code Section 54957(b)]
Title: General Manager
- b. Public Employee Appointment
[Government Code Section 54957(b)]
Title: District Geologist/Engineer

2. Closed Session Report

3. Authorize New Organizational Chart Creating Three New Job Positions with Associated Job Descriptions for Transitional General Manager Consultant; Reassign Accounting Technician/Customer Service Lead to Administrative & Finance Supervisor; and add District Geologist/Engineer Job Description; and Resolution No. 25R-XX Amending Appendix C – Range and Step Scale Incorporated by Reference to the Employee Handbook

4. Public Workshop No. 5 – 2025 Rate Study (5-year period commencing 2026) Authorizing Filing of Categorical Exemption for a Public Hearing on February 10, 2026 at 6:00 pm during which the Board of Directors Will Consider Preliminary Approval of Water Rates, Fees and Charges; and Authorize preparation and distribution of Notice Setting the date, time and location of the Proposition 218 (Prop. 218) Notice of Public Hearing on the proposed rate and fee structure alternative in accordance with Article XIII C and D of the California Constitution; and Posting of Draft Water Rate Study Report November 2025 in conjunction with Proposition 218 Public Hearing Notice

5. Presentation of the Agency Financial Audit for Fiscal Year 2023-2024 by the Independent Certified Public Accounting Firm of CJ Brown & Company CPAs

6. Consent Items - The following items are expected to be routine and non-controversial and will be acted on by the Board at one time without discussion, unless a member of the Public or member of the Board requests that the item be held for discussion or further action.

- a. Board Meeting Minutes
 - 1. October 14, 2025 Regular Meeting
 - 2. November 4, 2025 Special Meeting
- b. Financial Statements
 - 1. Balance Sheet(s) – September & October 2025
 - 2. Budget Sheet(s) – September & October 2025
- c. Receive and File Disbursements – October & November 2025
- d. Service Order Report – September & October 2025
- e. BDV Production Report – October & November 2025
- f. Goat Mountain Production Report – October & November 2025

- g. Receive and File Committee Meeting Minutes**
 - 1. Planning/Legislative/Engineering/Grants Standing Committee
 - August 19, 2025 Cancelled
 - October 21, 2025 – Cancelled
 - 2. Finance/Public Relations/Education/Personnel Standing Committee
 - September 2, 2025 – Cancelled
 - November 18, 2025 - Cancelled

Recommended Action: Approve as presented.

7. Matters Removed from Consent Items

8. Public Comment Period

Any person may address the Board on any matter within the Agency's jurisdiction on items not appearing on this agenda. When giving your public comment, please have your information prepared. If you wish to be identified for the record, then please state your name. Due to time constraints, each member of the public will be allotted three minutes to provide their public comment. State Law prohibits the Board of Directors from discussing or taking action on items not included on the agenda.

9. Items for Next or Future Agenda

10. Verbal Reports – Including Reports on Courses/Conferences/Meetings.

- a. General Manager Report
- b. Director Reports

11. Adjournment

In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted in the main lobby of the Bighorn-Desert View Water Agency, 622 S. Jemez Trail, Yucca Valley, CA not less than 72 hours if prior to a Regular meeting, date and time above; or in accordance with California Government Code Section 54956 this agenda has been posted not less than 24 hours if prior to a Special meeting, date and time above. As a general rule, agenda reports or other written documentation have been prepared or organized with respect to each item of business listed on the agenda. Copies of these materials and other disclosable public records in connection with an open session agenda item, are also on file with and available for inspection at the Office of the Agency Secretary, 622 S. Jemez Trail, Yucca Valley, California, during regular business hours, 8:00 A.M. to 4:30 P.M., Monday through Friday. If such writings are distributed to members of the Board of Directors on the day of a Board meeting, the writings will be available at the entrance to the Board of Directors meeting room at the Bighorn-Desert View Water Agency.

Internet: Once uploaded, agenda materials can also be viewed at www.bdvwa.org

Public Comments: You may wish to submit your comments in writing to assure that you are able to express yourself adequately. Per Government Code Section 54954.2, any person with a disability who requires a

modification or accommodation, including auxiliary aids or services, in order to participate in the meeting, should contact the Board's Secretary at 760-364-2315 during Agency business hours.

Calendar Reminder - Upcoming Director Meetings

- Mojave Water Agency Board of Directors Meeting – Second and Fourth Thursday every month (regular schedule)
- Morongo Basin Pipeline Commission Meeting – Quarterly – March, June 12, September and December (check MWA website for location)
- ASBCSD Monthly Dinner Meeting – third Monday (regular schedule)
- Landers Homestead Valley Community Association Monthly Meeting – Second Monday at 5pm

**BIGHORN-DESERT VIEW WATER AGENCY
AGENDA ITEM SUBMITTAL**

Meeting Date: December 9, 2025

To: Board of Directors

Budgeted: Operations/Administration/Consulting

Budgeted Amount: Varies by GL

Cost: Transitional General Manager Consultant
Cost Unknown

From: Marina West

General Counsel Approval: Under Review

CEQA Compliance: N/A

Subject: Authorize New Organizational Chart Creating Three New Job Positions with Associated Job Descriptions for Transitional General Manager Consultant; Reassign Accounting Technician/Customer Service Lead to Administrative & Finance Supervisor; and add District Geologist/Engineer Job Description; and Resolution No. 25R-XX Amending the Range and Step Scale Incorporated by Reference to the Employee Handbook

SUMMARY

The Ad Hoc Committee convened to assess “Management Succession Planning and Associated Organizational Structure” has met numerous times to discuss strategy with Agency consultant Ortega Strategies Group and considered and conducted interviews with six candidates. Their status report is attached for Board consideration and discussion leading to the recommended actions herein.

RECOMMENDATION

The Board considers taking the following action(s):

1. Authorizing and Amending Appendix D - Agency Organizational Chart creating Administrative & Finance Supervisor and District Geologist/Engineer incorporated by reference to the Employee Handbook with no net effect on currently authorized staff count of nine (9); and
2. Authorizing a Transitional General Manager Consultant position by Professional Services Agreement to fill the role of “general manager” during a period of transition; and
3. Authorizing and Amending Appendix B Job Descriptions to add Administrative & Finance Supervisor and District Geologist/Engineer which are Incorporated by Reference to the Employee Handbook; and
4. Adopt Resolution No. 25R-XX Authorizing and Amending Appendix C – Range and Step Scale incorporated by reference to the Employee Handbook.

BACKGROUND/ANALYSIS

Ad Hoc Committee report attached on recommendations, which include hiring a “Transitional General Manager Consultant” for approximately six to twelve months on under a Professional Services Contract Agreement. The Ad Hoc Committee recommends the Board approve this approach.

Due to a pending vacancy in the Administration Department, the Ad Hoc Committee is recommending creation of a new position, Administrative & Finance Manager, which does not change the approved head count of nine (9).

Due to the pending termination of General Manager West's existing employment contract and a desire to continue employment in a different capacity, a new job description is proposed which would report directly to the Board as the District Geologist/Engineer. This position was designed to allow Ms. West to act as Agency's representative for completion of capital projects funded by grants. As an employment contract with the Board, this position is intended to be of limited but yet unknown term. The capital improvements are expected to be finalized in early 2027.

The attached Organizational Chart and Resolution No. 25R-XX Range and Step Scale address the recommendations of the Ad Hoc Committee.

Staff recommends the Board discuss and potentially approve the actions recommended herein.

Documents attached:

- Ad Hoc Committee Report
- Scope of Work-Transitional General Manager
- Proposed Organizational Chart
 - New Job Description: Administrative & Finance Supervisor
 - New Contract Job Description: District Geologist/Engineer
- Resolution No. 25R-XX Authorizing Modification to "Range 5" Adding Administration & Finance Supervisor and Amending Appendix C – Range and Step Scale Incorporated by Reference to the Employee Handbook

PRIOR RELEVANT BOARD ACTION(S)

10/14/2025 Motion No. 25-052 Motion to approve formation of Ad Hoc Committee to develop a "Management Succession Plan and Associated Organizational Structure" and appoint Director Aldridge and Director Miller-Boyer to said Ad Hoc Committee.

7/08/2025 Motion No. 25-036 Motion to authorize engagement with Ortega Strategies Group to Assist the Board of Directors with an Operational and Managerial Review and Consolidation Assessment for a fee not to exceed \$30,000 over a twelve-month period.

5/10/2025 No Motion Board of Directors met for a Workshop to discuss "Strategic Planning and Organizational Structure" following resignation of Assistant General Manager.

11/14/2023 Motion No. 23-042 motion to accept final report and dissolve the Ad Hoc Committee Formed to develop a "Management Succession Plan and Associated Organizational Structure".

6/27/2023 Motion No. 23-020 Motion to Authorizing and Amending Appendix D - Agency Organizational Chart adding Assistant General Manager and Water Distribution Supervisor and removing part-time Grant Manager incorporated by reference to the Employee Handbook effectively increasing staff count by one (1) position, Assistant General Manager; and affirming total authorized full-time employee count of nine (9); and

Authorizing and Amending Appendix B Job Descriptions to add Assistant General Manager and Water Distribution Supervisor and to Update Existing Classifications for the Water Distribution Operator

Series and Accounting Technician/Customer Service Representative Series which are incorporated by reference to the Employee Handbook; and

Adopt Resolution No. 23R-11 Authorizing and Amending Appendix C – Range and Step Scale incorporated by reference to the Employee Handbook; and

Authorize adjustment to Fiscal Year 2023/24 Budget Line Item 01-01-560030 of \$140,000 commensurate with the Top of Range for Assistant General Manager position.

1/10/2023 Motion No. 23-004 Motion to form an Ad Hoc Committee to develop a “Management Succession Plan and Associated Organizational Structure” and appointed Director Dicht and Director McKenzie to the Committee.

12/13/2022 No Motion – Information/Discussion Only Board to Discuss Formation of an Ad Hoc Committee to Develop a “Management Succession Plan and Organizational Structure” in Accordance with Resolution No. 20R-08 Policy for Establishing Standing Committees, Other Appointments and Authorizing Creation of Ad Hoc Committees.



Bighorn Desert View Water Agency
Leadership and Organizational Transition Ad Hoc Committee

Report to the Board of Directors – December 9, 2025

Ad Hoc Committee Members: William Aldridge and Rod Miller-Boyer

Staff and Consulting Support: Marina West, General Manager and Ortega Strategies Group

Summary of Activities September – December 2025

1. *Shared Services Agreements.*
Exploration of the Shared Service Agreement with regional water districts was initiated and is ongoing.
2. *Transitional General Manager and Advancement of Internal Staff*
 - A Scope of work was drafted
 - 7 potential consultants were identified.
 - Interview questions for transitional General Manager consultants were drafted. 5 consultants were engaged in screening interviews with the Ad Hoc committee.
 - 3 consultants are recommended for interview with staff and Board Monday and Tuesday, December 15-16
3. *General Manager Recruitment*
 - A position description and job announcement were drafted and selectively circulated.
 - 2 regional candidates were identified. Engagement with candidates has been deferred pending the outcome of transitional solution(s)
 - Interview questions for the internal candidate were drafted, and an interview was scheduled for December 9, 2025.
4. *Administration and Finance*
 - An analysis of administrative and finance tasks essential to the Agency was conducted. Tasks currently addressed by each member of the customer service and accounting team, the accounting consultant, and the General Manager were identified.
 - A new position description that blends current work of Accounting Tech/Customer Service Rep III and finance and administrative tasks currently managed by the General Manager was developed.
 - A salary survey of comparable positions statewide and in the region was conducted.
 - Recruitment is pending Board approval of the position and appointment of a Transitional General Manager.



Scope of Work:
Transitional General Manager Consultant
Bighorn-Desert View Water Agency (BDVWA)

ABOUT BIGHORN-DESERT VIEW WATER AGENCY

The Bighorn-Desert View Water Agency (BDVWA) serves a 59-square-mile area that includes the unincorporated communities of Landers, Flamingo Heights, and Johnson Valley. The Agency provides drinking water to approximately 2,566 active connections, as well as inactive and bulk-hauling customers. Water supplies are produced from groundwater wells within the semi-adjudicated Ames Groundwater Basin, with imported supplies recharged into the local basin. Agency infrastructure includes eight wells, 160 miles of pipeline, five hauling stations, and thirteen storage tanks. The Agency is governed by a locally elected five-member Board of Directors and supported by seven full-time staff.

PURPOSE

BDVWA seeks a qualified consultant to serve as transitional General Manager for a one-year period. The consultant will provide executive leadership, ensure continuity of operations, and focus on coaching the Assistant General Manager to assume the role of General Manager; and developing existing staff to assume greater responsibilities.

SCOPE OF WORK

The Consultant will:

Executive Leadership & Management

- Oversee day-to-day operations of the Agency, ensuring continuity of water service delivery and compliance with regulatory, legal, and governance requirements.
- Support the Board of Directors by providing professional advice, status updates, and guidance on operational and policy matters.
- Serve as the primary liaison with staff, the community, regulatory agencies, and external partners.

Staff Coaching & Development

- Assess current staff capabilities, roles, and responsibilities to identify leadership potential and gaps.
- Provide structured coaching and mentoring to administrative and operational staff to prepare them for expanded roles, including the role of General Manager.
- Develop succession planning strategies and knowledge transfer processes.
- Guide staff in decision-making, project management, and operational oversight.

Strategic & Operational Support

- Assist staff in executing short- and long-term planning, capital improvements, water resources management, and strategic initiatives.

- Support development and oversight of budgets, financial reporting, and fiscal sustainability plans.
- Provide guidance on contracts, vendor management, and intergovernmental agreements.

Community & Board Engagement

- Attend Board meetings, provide regular briefings, and assist in preparing agenda items, resolutions, and reports.
- Represent the Agency in community engagements and regulatory interactions as needed.
- Promote transparency, professionalism, and public confidence in Agency operations.
- Coach staff in community engagement and the conduct of board meetings.

Emergency & Risk Management

- Respond to operational emergencies, provide leadership during critical situations, and support staff in effective resolution.
- Guide staff in implementing risk management practices and safety protocols.

DELIVERABLES

- Monthly status reports to the Board on operations, projects, finances, and staff development progress.
- Coaching and mentoring plans for key staff members, including General Manager.
- Recommendations for succession planning and permanent General Manager transition.
- Support in completing ongoing capital projects, funding applications, and strategic initiatives.

DURATION

- One-year engagement, with the potential for extension based on Agency needs.

QUALIFICATIONS

- Proven experience in water agency operations, public sector management, or similar governmental roles.
- Demonstrated expertise in coaching, leadership development, and team building.
- Strong knowledge of regulatory compliance, financial management, and water resource planning.
- Excellent communication and stakeholder engagement skills.

REPORTING

- Reports directly to the BDVWA Board of Directors.
- Works collaboratively with existing staff to ensure smooth transition and knowledge transfer.

BIGHORN-DESERT VIEW WATER AGENCY



EMPLOYEE HANDBOOK

ADOPTED AUGUST 9, 2022

REVISED MAY 14, 2024

RESOLUTION NO. 24R-07

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APPENDICES A - D

**ALL APPENDICES ARE ADOPTED BY SEPARATE BOARD RESOLUTION OR
MOTION AND INCORPORATED BY REFERENCE ONLY**

APPENDIX A DRUG AND ALCOHOL TESTING PROGRAM

APPENDIX B JOB DESCRIPTIONS/CLASSIFICATIONS

APPENDIX C RANGE AND STEP SCHEDULE

APPENDIX D ORGANIZATIONAL CHART

APPENDIX A

DRUG AND ALCOHOL TESTING PROGRAM

U.S. DEPARTMENT OF TRANSPORTATION PROGRAM FOR
SAFETY-SENSITIVE EMPLOYEES ONLY

APPENDIX B

JOB DESCRIPTIONS/CLASSIFICATIONS

<u>BIGHORN-DESERT VIEW WATER AGENCY</u>	Motion No. XX-XXX
CLASS DESCRIPTION	Salary Range: 5
TITLE: ADMINISTRATIVE & FINANCE SUPERVISOR	Page 1 of 5 Status: Exempt

A. POSITION OVERVIEW

Under the general direction of the Assistant General Manager or General Manager, the Administrative & Finance Supervisor performs advanced, responsible, and highly skilled administrative, accounting, financial, and human resources duties. This is a hands-on role, with the expectation that the incumbent actively performs key functions in collaboration with the Assistant General Manager and General Manager and with support from one administrative/accounting staff member and consultants.

The position provides administrative and governance support to the Board of Directors, ensuring effective operations, legal compliance, and accurate recordkeeping. The Administrative & Finance Supervisor ensures the integrity, accuracy, and efficiency of all agency administrative, financial, and HR functions, including accounting, payroll, purchasing, utility billing, personnel administration, benefits coordination, records management, and customer service oversight.

As a key member of the management team, the position provides coordination, analysis, and reporting to support informed decision-making. The Administrative & Finance Supervisor exercises a high degree of independent judgment, discretion, and initiative while collaborating closely with the Assistant General Manager and General Manager to execute operational and governance responsibilities.

B. GENERAL DUTIES AND RESPONSIBILITIES

The duties listed below are intended only as illustrations of the various types of work that may be performed, and is not exhaustive. The omission of specific duties does not exclude them from those required of the position if the duties are similar, related, or a logical assignment to this class. Management reserves the right to add, modify, change, or rescind the work assignments.

1. Supervision

- Oversees one staff member and an accounting consultant, including task assignment, review of work, and ongoing training and support.
- Works closely with external consultants and service providers in finance, HR, and information systems to ensure smooth operations.

2. Board Secretary

- Provides administrative and governance support to the Board of Directors, ensuring effective operations, legal compliance, and accurate recordkeeping.
- Prepares agendas and public notices, attends board meetings, and records accurate minutes; tracks action items and follows up as needed.

<u>BIGHORN-DESERT VIEW WATER AGENCY</u>	Motion No. XX-XXX
CLASS DESCRIPTION	Salary Range: 5
TITLE: ADMINISTRATIVE & FINANCE SUPERVISOR	Page 2 of 5 Status: Exempt

- Maintains official documents, resolutions, ordinances, contracts, and historical records per retention policies.
- Ensures adherence to open meeting laws (e.g., Brown Act), ethics filings, and agency policies; assists with updates to bylaws and board procedures.
- Serves as a point of contact between the board, staff, and the public; responds to public information requests; manages official correspondence and distributes board materials.
- Supports board member elections, appointments, and administration of oaths of office.

3. Utility Billing & Customer Service Oversight

- Prepares and distributes utility bills, ensuring accuracy and timely collection.
- Monitors customer accounts, payment arrangements, delinquencies, and lien processing.
- Resolves customer inquiries or disputes.
- Performs billing-related activities, including meter reading validation, service request processing, payment plan management, and lien administration.
- Receives and processes payments via multiple channels.
- Maintains cash drawer and accepts payments from customers.
- Interprets Rules and Regulations for Water Service in response to customer inquiries.

4. Financial Management & Accounting

- Oversees day-to-day accounting operations, including accounts payable, accounts receivable, payroll, purchasing, general ledger, and bank reconciliations.
- Prepares monthly and annual financial reports, including revenue and expenditure summaries, balance sheets, and supporting schedules.
- Assists with budget development, forecasting, and monitoring of departmental expenditures and fund balances.
- Manages preparation for the annual audit, ensuring all audit schedules are completed accurately and on time. Serves as the primary point of contact for the auditor.
- Maintains and reconciles fixed asset records, inventory, and job cost accounts.
- Monitors cash flow and makes recommendations regarding fund transfers and investment needs.
- Reviews and approves journal entries and disbursements for accuracy and compliance with agency policy.

5. Administrative & Operational Support

- Develops and maintains administrative procedures to ensure efficient and consistent office operations.
- Oversees purchasing, vendor relations, contract tracking, and insurance certificates.
- Maintains agency records and files in accordance with state records retention laws and Agency policy.

<u>BIGHORN-DESERT VIEW WATER AGENCY</u>	Motion No. XX-XXX
CLASS DESCRIPTION	Salary Range: 5
TITLE: ADMINISTRATIVE & FINANCE SUPERVISOR	Page 3 of 5 Status: Exempt

- Coordinates administrative reporting requirements for state, federal, and regulatory agencies.
- Provides administrative support to General Manager and Assistant General Manager.

6. Payroll & Human Resources Administration

- Administers biweekly payroll, ensuring compliance with all laws, agreements, and reporting requirements, either directly or in coordination with an accounting consultant or third-party vendor.
- Coordinates employee benefits administration, including health, dental, vision, life insurance, third party benefits plans and retirement programs, director or in coordination with a third-party vendor.
- Oversees recruitment and hiring, including job postings, application review, and new employee onboarding.
- Maintains personnel files and ensures compliance with employment laws and confidentiality standards.
- Assists in updating and implementing personnel policies, classification systems, and compensation plans.
- Supports performance management, training coordination, and employee development initiatives.
- Provides guidance on HR procedures and best practices, referring complex issues to the General Manager or legal counsel as needed.

7. Special Projects & Reporting

- Conducts research, analysis, and preparation of financial, administrative, and HR reports for management and the Board.
- Leads special projects to improve efficiency, compliance, and modernization of administrative or financial systems.
- Participates in the development and implementation of financial, administrative, and HR policies and procedures.

8. Clerical & Miscellaneous Duties

- Prepares reports, correspondence, and filings.
- Performs banking, mail errands, and petty cash management.
- Compiles and verifies bank deposits and processes customer refunds or voids.
- Prepares Monthly Disbursements Report and Monthly Financial Statements for Board agenda deadlines.

C. QUALIFICATIONS

<u>BIGHORN-DESERT VIEW WATER AGENCY</u>	Motion No. XX-XXX
CLASS DESCRIPTION	Salary Range: 5
TITLE: ADMINISTRATIVE & FINANCE SUPERVISOR	Page 4 of 5 Status: Exempt

1. Education, Training & Experience:

- High school diploma or equivalent required; Associate's degree or higher in Accounting, Finance, Business Administration, Human Resources, or related field preferred.
- Minimum five (5) years of increasingly responsible accounting, administrative, and/or HR experience, preferably in a public agency or utility environment.

2. Knowledge:

- Experience with governmental accounting, payroll administration, and public-sector HR practices is highly desirable.
- Principles and practices of governmental accounting, budgeting, and auditing.
- Payroll processing, benefits administration, and HR compliance requirements.
- Utility billing systems and customer account management.
- Administrative practices, records management, and public-sector compliance.
- Applicable federal, state, and local laws and regulations governing public finance and employment.
- Modern office software and financial management systems.

3. Skills:

- Perform advanced accounting, payroll, HR, and financial analysis accurately.
- Interpret and apply agency policies, procedures, and regulatory requirements.
- Exercise independent judgment and maintain confidentiality in handling sensitive personnel and financial matters.
- Prepare clear, concise, and accurate reports and correspondence.
- Lead, train, and support administrative and accounting staff.
- Communicate effectively and maintain positive working relationships with staff, management, Board members, and the public.

4. Physical Demands:

- Communicates orally with the Board of Directors, other employees, and the public in face-to-face, one-on-one settings.
- Manages employees and their day-to-day employment needs.
- Travels by automobile on Agency business.
- Uses telephone, radio, office equipment, and audio/video devices.
- Sits for extended time periods with hearing, vision, and mobility within normal ranges.

<u>BIGHORN-DESERT VIEW WATER AGENCY</u>	Motion No. XX-XXX
CLASS DESCRIPTION	Salary Range: 5
TITLE: ADMINISTRATIVE & FINANCE SUPERVISOR	Page 5 of 5 Status: Exempt

- May be required to work weekends and/or evenings, in emergency situations or at special community events. Ability to work extended hours, attend evening meetings, and travel for training or conferences as required.
- Occasionally required to walk or hike in the field or during presentations or tours.
- Drags, lifts, sets up multiple tables and chairs; carries, sets up and runs video/audio equipment; bends, walks, lifts, moves, measures, and crawls under desks or tables. Visits sites and walks/climbs over/around obstacles to for design and measurement of projects.

5. Licenses and Certifications:

- Valid California Class C Driver's License with a clean driving record and automobile insurance.

F. WORK ENVIRONMENT

Agency employees work in both an office and a field environment. The employee is exposed to moderate noise levels and controlled temperature conditions with no direct exposure to hazardous physical substances.

While working in the field, employee may be exposed to loud noise levels, cold and hot temperatures, inclement weather conditions, road hazards, vibration, chemicals, mechanical and/or electrical hazards, hazardous physical substances and fumes, dust, and air contaminants. Employees may interact with upset staff and/or public and private representatives in interpreting and enforcing departmental policies and procedures.

G. REASONABLE ACCOMMODATIONS

In accordance with the Americans with Disabilities Act, the Fair Employment and Housing Act, and Agency policy, absent undue hardship or direct threats to the health and safety of employee(s), the Agency provides employment-related reasonable accommodations to qualified individuals with disabilities, both applicants and employees, to enable them to perform essential job functions.

<p align="center"><u>BIGHORN-DESERT VIEW WATER AGENCY</u></p> <p align="center">CLASS DESCRIPTION</p>	Adopted: Motion No. 25-XXX Salary Range: 7
TITLE: DISTRICT GEOLOGIST/ENGINEER	Page 1 of 4 Status: Exempt

A. POSITION OVERVIEW

Under general direction of the **Board of Directors**, the District Geologist/Engineer routinely performs a variety of duties of various complexities specifically related to execution of Agency grants obtained for capital improvements and other related duties. This position is characterized by the level of skills required to perform the duties of the position, as well as the level of supervisory oversight provided to this position on a routine basis and the independent judgment required.

B. SUPERVISION / SUPERVISORY DUTIES

This position reports directly to the General Manager. This position has no supervisory duties, but may have "lead" and/or training responsibilities.

C. RANGE PLACEMENT / ADVANCEMENT

The title and salary range of the individual in this position is commensurate with the following factors as determined by the Agency: degree of supervision required, abilities, skills, training, education level, qualifications, and experience. Regarding internal promotions, the Agency considers factors, which include without limitation, the individual's overall performance.

D. GENERAL OVERVIEW OF DUTIES

The duties listed below are intended only as illustrations of the various types of work that may be performed, and is not exhaustive. The omission of specific duties does not exclude them from those required of the position if the work duties are similar, related, or a logical assignment to this class.

1. Manage Agency Grants:

- Act as Agency representative for all grant funded projects. Manage execution of grants and provide financial and administrative support for grant funded projects.

2. Grant Accounting Functions:

- Processes related Accounts Payable invoices for payment, assigns general ledger account numbers,
- Files financial data.
- Makes appropriate periodic journal entries at month-end and year-end closings.
- Determines appropriate accounts, reconciles, inputs and posts to general ledger.
- Monitors and makes recommendations for cash flow requirements.
- Performs periodic internal audits of accounting records to assure adequate controls.
- Reconciles Agency bank accounts monthly.
- Prepares special reports for the State of California (Grantees), management staff, and the Board of Directors.
- Assists with cross training of other staff on critical job functions.
- Assists with analysis, preparation, and presentation of the Agency budget and audit.

<u>BIGHORN-DESERT VIEW WATER AGENCY</u> CLASS DESCRIPTION	Revised: Motion No. M25-XXX Salary Range: 7
TITLE: DISTRICT GEOLOGIST/ENGINEER	Page 2 of 4 Status: Exempt

- Maintains Job Cost accounting database and files.
- Assists in the preparation of periodic financial reports and statements and prepares and maintains spreadsheet analyses and reports.
- Gathers, organizes, and prepares a variety of information for the preparation of the Agency's personnel reimbursement reports. Audits time records for accuracy and proper distribution of costs related to grant reimbursable work.
- Uses a computer and appropriate software.

3. Other Duties:

- Other duties as assigned.

4. Safety:

- Follows proper safety practices at all times.
- Attends safety meetings.

E. QUALIFICATIONS

1. Education, Training, & Experience:

- Five years of progressively responsible experience toward and including a senior administrative position, preferably with a special district or local government.
- College or business school degree in geology and/or engineering, and/or other relevant training.

2. Knowledge:

- Principles of project management and public sector contracting practices.
- Firm understanding of general accounting principles including but not limited to budget development, preparation, and expenditure control.
- Asset management and capital improvement planning.
- Exercise of standard and effective office practices.
- Effective written and oral communication methods, including conflict resolution and emergency incident response.
- Accurate business English, spelling, composition, and math.
- Requirements and implementation of public meeting agenda and Brown Act notification and publication requirements.
- Word processing, database, graphics and spreadsheet programs.
- Public sector record keeping, retention and filing procedures and practices.
- Techniques used to research, evaluate, and analyze scientific and statistical data.

3. Skills:

<u>BIGHORN-DESERT VIEW WATER AGENCY</u> CLASS DESCRIPTION	Revised: Motion No. M25-XXX Salary Range: 7
TITLE: DISTRICT GEOLOGIST/ENGINEER	Page 3 of 4 Status: Exempt

- Develop various complex/confidential reports, proposals and/or contracts that require research, information gathering and/or statistical analysis related to grant funded projects.
- Prepare reports on project progress in accordance with grant reporting requirements.
- Approve invoices for payment, monitor budget to actual expenditures, prepare and monitor vendor contracts and bid-related documents related to grant funded projects.
- Prepare Board and Board Committee analytical reports related to grant funded projects.
- Use tact, initiative, prudence, and independent judgment within general policy and procedural guidelines.
- Establish, maintain, and foster positive and effective working relationships with those contacted in the course of work.
- Independently organize work priorities, meet critical deadlines and follow-up on assignments.
- Make recommendations to the General Manager and Board when changes to policies or procedures are needed related to grant funded projects.
- Support the General Manager through the completion of existing grants and their follow-up, reporting and close out.
- Perform other special assignments as determined by the General Manager related to grant funded projects.

<u>BIGHORN-DESERT VIEW WATER AGENCY</u> CLASS DESCRIPTION	Revised: Motion No. M25-XXX Salary Range: 7
TITLE: DISTRICT GEOLOGIST/ENGINEER	Page 4 of 4 Status: Exempt

4. Physical Demands:

- Communicates orally with the Board of Directors, other employees, and the public in face-to-face, one-on-one settings.
- Travels by automobile on Agency business.
- Uses telephone, radio, office equipment, and audio/video devices.
- Sits for extended time periods with hearing, vision, and mobility within normal ranges.
- May be required to work weekends and/or evenings.
- Occasionally required to walk or hike in the field.
- Drags, lifts, sets up multiple tables and chairs; carries, sets up and runs video/audio equipment; bends, walks, lifts, moves, measures, and crawls under desks or tables. Visits sites and walks/climbs over/around obstacles to for design and measurement of projects.

5. Licenses and Certifications:

- Possession of a California Class C driver's license with a clean driving record and automobile insurance.
- Professional Geologist and/or Civil or Professional Engineering certification desirable.

A. WORK ENVIRONMENT

Agency employees work in both an office and a field environment. The employee is exposed to moderate noise levels and controlled temperature conditions with no direct exposure to hazardous physical substances.

While working in the field, employee may be exposed to loud noise levels, cold and hot temperatures, inclement weather conditions, road hazards, vibration, chemicals, mechanical and/or electrical hazards, hazardous physical substances and fumes, dust, and air contaminants. Employees may interact with upset staff and/or public and private representatives in interpreting and enforcing departmental policies and procedures.

B. REASONABLE ACCOMMODATIONS

In accordance with the Americans with Disabilities Act, the Fair Employment and Housing Act, and Agency policy, absent undue hardship or direct threats to the health and safety of employee(s), the Agency provides employment-related reasonable accommodations to qualified individuals with disabilities, both applicants and employees, to enable them to perform essential job functions.

APPENDIX C

RANGE AND STEP SCALE

RESOLUTION NO. 25R-XX

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
BIGHORN-DESERT VIEW WATER AGENCY
AUTHORIZING MODIFICATION TO “RANGE 5”
ADDING ADMINISTRATION AND FINANCE SUPERVISOR
JOB DESCRIPTION AMENDING APPENDIX C – RANGE AND STEP SCALE
INCORPORATED BY REFERENCE TO THE EMPLOYEE HANDBOOK**

WHEREAS, on June 24, 2025 the Board of Directors of the Bighorn-Desert View Water Agency adopted Resolution No. 24R-07 authorizing a modification to the steps in Range 6 Assistant General Manager Amending Appendix C – Range and Step Scale Incorporated by Reference to the Employee Handbook.; and

WHEREAS, on June 24, 2025 the Board of Directors adopted Resolution No. 25R-07 reaffirming the application of a 3.5% Cost-of-Living adjustment for all staff and the general manager with an effective date of July 1, 2025; and

WHEREAS, the Board of Directors has considered the addition of one new job position of *Administrative and Finance Supervisor* in “Range 5” as indicated herein;

NOW THEREFORE BE IT RESOLVED that the Board of Directors does hereby authorize the modification of the Employee Handbook Appendix C – Range and Step Scale to revise the job titles in “Range 5” as indicated herein; and

BE IT FURTHER RESOLVED that the Board of Directors reaffirm there are no further modifications to the Range and Step Scale herein; and

BE IT FURTHER RESOLVED that the updated Employee Handbook Appendix C – Range and Step Scale is hereby incorporated into this Resolution as Attachment A.

BE IT FURTHER RESOLVED that Resolution No. 25R-07 is hereby rescinded and of no further force and effect.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of Bighorn-Desert View Water Agency this 9th day of December 2025.

By _____
JoMarie McKenzie, President of the Board

ATTEST,

By _____
John R. Burkhart, Secretary of the Board

Official Seal

RESOLUTION NO. 25-XX
BDVWA EMPLOYEE RANGE AND STEP SCALE

JOB TITLE	RANGE NO	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	STEP G	STEP H	STEP J	STEP K	STEP L	STEP M	STEP N
Water Distribution Operator I Accounting Tech. I / Customer Service Rep	1													
	Per Hour Rate	26.36	27.02	27.70	28.39	29.10	29.83	30.58	31.34	32.12	32.92	33.74	34.58	35.44
	Monthly	4,569	4,684	4,801	4,921	5,044	5,171	5,301	5,432	5,568	5,706	5,848	5,994	6,143
	Annually	54,829	56,202	57,616	59,051	60,528	62,046	63,606	65,187	66,810	68,474	70,179	71,926	73,715
Water Distribution Operator II Accounting Tech. II / Customer Service Rep	2													
	Per Hour Rate	30.32	31.08	31.86	32.66	33.48	34.32	35.18	36.06	36.96	37.88	38.83	39.80	40.80
	Monthly	5,256	5,387	5,522	5,661	5,803	5,949	6,098	6,250	6,406	6,566	6,731	6,899	7,072
	Annually	63,066	64,646	66,269	67,933	69,638	71,386	73,174	75,005	76,877	78,790	80,766	82,784	84,864
Water Distribution Operator III Accounting Tech. III / Customer Service Rep	3													
	Per Hour Rate	34.86	35.73	36.62	37.54	38.48	39.44	40.43	41.44	42.48	43.54	44.63	45.75	46.89
	Monthly	6,042	6,193	6,348	6,507	6,670	6,836	7,008	7,183	7,363	7,547	7,736	7,930	8,128
	Annually	72,509	74,318	76,170	78,083	80,038	82,035	84,094	86,195	88,358	90,563	92,830	95,160	97,531
Accounting Tech / Customer Service Lead	4													
	Per Hour Rate	40.09	41.09	42.12	43.17	44.25	45.36	46.49	47.65	48.84	50.06	51.31	52.59	53.90
	Monthly	6,949	7,122	7,301	7,483	7,670	7,862	8,058	8,259	8,466	8,677	8,894	9,116	9,343
	Annually	83,387	85,467	87,610	89,794	92,040	94,349	96,699	99,112	101,587	104,125	106,725	109,387	112,112
Water Distribution Supervisor Administration & Finance Supervisor	5													
	Per Hour Rate	46.10	47.25	48.43	49.64	50.88	52.15	53.45	54.79	56.16	57.56	59.00	60.48	61.99
	Monthly	7,991	8,190	8,395	8,604	8,819	9,039	9,265	9,497	9,734	9,977	10,227	10,483	10,745
	Annually	95,888	98,280	100,734	103,251	105,830	108,472	111,176	113,963	116,813	119,725	122,720	125,798	128,939
Assistant General Manager	6													
	Per Hour Rate	53.02	54.35	55.71	57.10	58.53	59.99	61.49	63.03	64.61	66.23	67.89	69.59	71.33
	Monthly	9,190	9,421	9,656	9,897	10,145	10,398	10,658	10,925	11,199	11,480	11,768	12,062	12,364
	Annually	110,282	113,048	115,877	118,768	121,742	124,779	127,899	131,102	134,389	137,758	141,211	144,747	148,366

Range & Step Scale Adopted by Resolution No. 25R-XX XX XX, 2025

General Manager Salary (Amendment No. 4 - Employment Contract thru 11/2025)

Salary Adjustment Eff. July 1, 2025 = 3.5%
via Resolution 25R-07 June 24, 2025

Current Salary = \$230,755.20
w/ 3.5% COLA = \$238,831.63

APPENDIX C

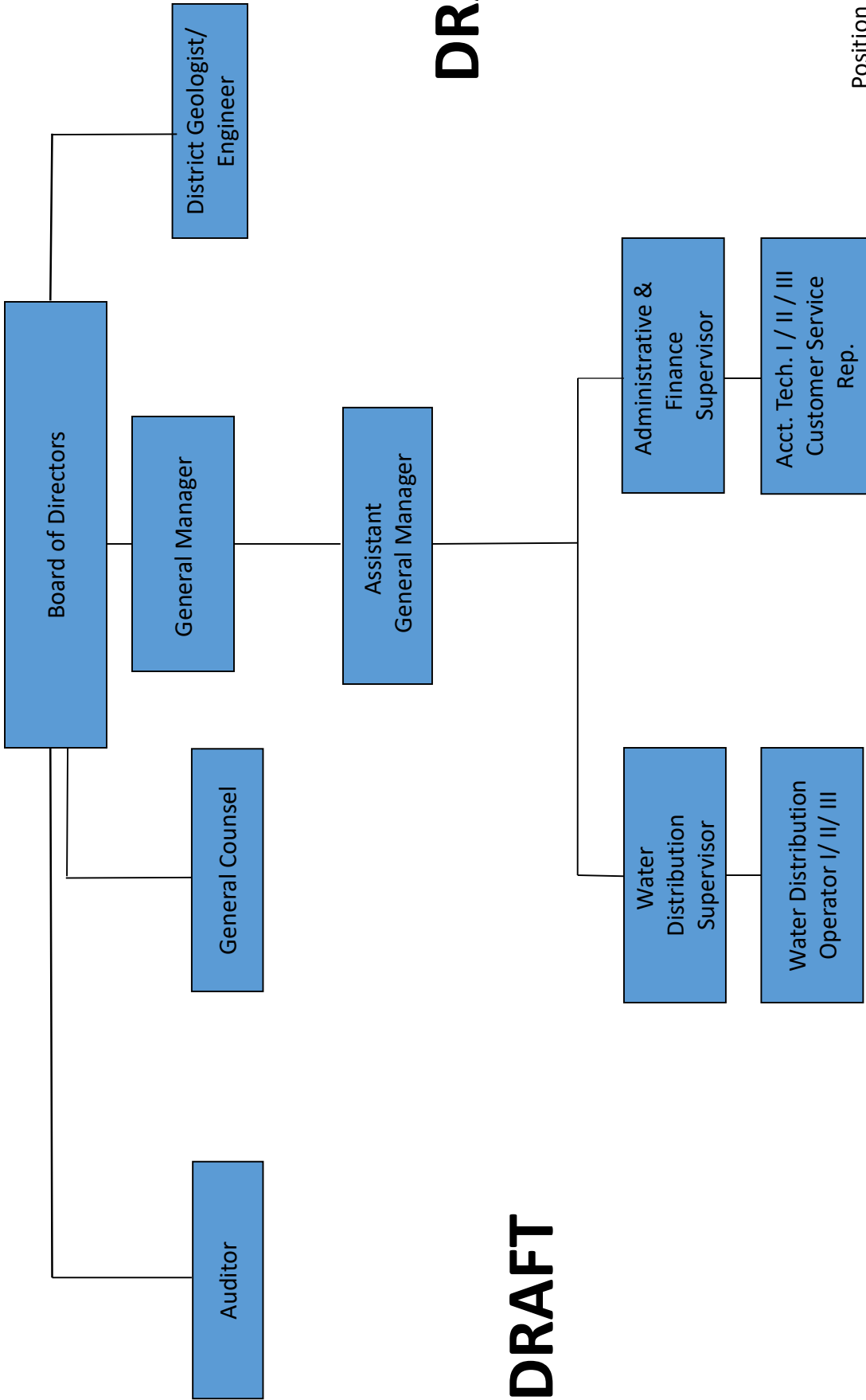
BDVWA Employee Handbook

APPENDIX D

ORGANIZATIONAL CHART

Proposed

Appoint Interim General Manager
Add Administrative & Finance Manager &
Remove on Acct. Tech Lead
Add District Geologist/Engineer under
contract with the Board



DRAFT

DRAFT

Employee Handbook
Appendix D

Authorized Staff Count = 9
Position of General Manager to be filled via a
“Transitional General Manager Consultant” = 1
Asst. General Manager = 1
Administrative & Finance Supervisor = 1
Water Distribution Supervisor = vacant
Water Distribution Operator or Accounting
Tech/Customer Service = 5
District Geologist/Engineer = 1
(MWest reassigned District Geologist/Engineer)

**BIGHORN DESERT VIEW WATER AGENCY
AGENDA ITEM SUBMITTAL**

Meeting Date: December 9, 2025

To: Board of Directors

Budgeted: Yes – 5 Yr. Cycle

Budgeted Amount: TBD

Cost: N/A

From: Marina D. West

General Counsel Approval: Under Review

CEQA Compliance: Yes, Categorical
Exemption Required

Subject: **Authorize Filing of Categorical Exemption for a Public Hearing on February 10, 2026 at 6:00 pm during which the Board of Directors Will Consider Preliminary Approval of Water Rates, Fees and Charges; and**
Authorize preparation and distribution of Notice Setting the date, time and location of the Proposition 218 (Prop. 218) Notice of Public Hearing on the proposed rate and fee structure alternative in accordance with Article XIII C and D of the California Constitution; and
Posting of *DRAFT Final BDVWA Water Rate Study Fiscal Year 2025/26 Report* December 2025 in conjunction with Proposition 218 Public Hearing Notice

SUMMARY

The attached Categorical Exemption and Proposition 218 Public Hearing Notice were prepared following the Board's directive of November 4, 2025 to proceed with a rate scheduling of a public hearing to consider the proposed rates, fees and charges for implementation in accordance with Article XIII C and D of the California Constitution.

Staff recommends that the Board authorize filing of the Categorical Exemption and post the draft Water Rate Study report and the mail the Proposition 218 Public Hearing Notice as prescribed.

RECOMMENDATION

That the Board considers taking the following action(s):

1. Authorize filing of Categorical Exemption for a Public Hearing on February 10, 2025 at 6:00 pm considering adopting rates, fees and charges; and
2. Authorize preparation and distribution of notice setting the date, time and location of the Proposition 218 Notice of Public Hearing on the proposed rate and fee structure alternative in accordance with Article XIII C and D of the California Constitution; and
3. Authorize posting of *DRAFT Final BDVWA Water Rate Study Fiscal Year 2025/26 Report* December 2025 in conjunction with the Proposition 218 Public Hearing Notice.

BACKGROUND/ANALYSIS

On November 4, 2025, the Board of Directors held Public Workshop No. 4 Meeting on the proposed water rates, fees and charges alternatives proposed by NBS Government Finance (NBS). The rate and fee study developed several different rate alternatives for Board and public input. The Board of Directors

unanimously selected the alternative that is designed to collect 60% of revenues from fixed charges and 40% of revenues from consumption charges which will now be fixed (e.g. no “tiers”). Attached is the *DRAFT Final BDVWA Water Rate Study Fiscal Year 2025/26 Report* dated December 2025 which supports the Board’s transparent decision-making process.

Legal counsel has reviewed draft Proposition 218 Public Hearing notice which will be distributed to all property owners, and tenants who are directly liable for water bills through the owner/tenant applications for water service with the Agency, allowing them an opportunity to protest the rate changes proposed. These notices will be prepared and mailed by NBS following Board authorization to proceed on December 9, 2025.

The procedures outlined in Prop. 218 revolve around a “majority protest procedure” whereby the record owner of a parcel or the tenant directly liable for the proposed charges, is entitled to one protest vote. In any event only one protest will be counted per parcel affected.

Following conclusion of the Public Hearing scheduled for February 10, 2026, all protest ballots will be tallied and a count submitted to the Board of Directors. Simply put, should 50% plus 1 protests be received prior to the close of the Public Hearing then the Board will be unable to adopt the proposed changes. Should less than 50% plus 1 protests be received then the Board is authorized to proceed in considering adoption of the proposed charges.

There are also specific instructions for affected property owners to file an Objection. Objections may be submitted pursuant to Government Code section 53759.1, and any person that wishes to challenge the rates in a legal proceeding must file an objection, which complies with the requirements detailed below. While the same person or entity may submit both a protest and an objection, to be valid, protests and objections must be submitted separately, as clearly labeled, distinct documents.

Staff recommends that the Board authorize filing of the Categorical Exemption and receive and file the final Water Rate Study report and the Proposition 218 Public Hearing Notice.

PRIOR RELEVANT BOARD ACTION(S)

11/4/2025 Special Board of Directors Meeting: Public Workshop No. 4 – Rate Study (5-year period commencing 2026).

9/9/2025 Special Board of Directors Meeting: Public Workshop No. 3 – Rate Study (5-year period commencing 2026).

9/4/2025 Special Board of Directors Meeting: Public Workshop No. 2 2025 Rate Study

09/02/2025 Special Finance Committee Meeting: Public Workshop No. 1 2025 Rate Study

1/14/2025 Motion No. 25-004 Authorize Professional Services Agreement with NBS Government Financial Group to conduct a *Water Rate and Capacity Fee Study* for the Agency at a proposed cost not to exceed \$44,880.

4/13/2021 Motion No. 21-022 Motion made to adopt Resolution No. 21R-08 adjusting the basic service charge and water consumption charges for specific customer classes for a 5 year period

1/12/2021 Motion No. 21-006 Motion to select “Alternative D” (60% fixed/40% variable weighting) Plan per the Water Rate Study Draft report prepared by NBS Government Finance and authorize preparation and distribution of Notice Setting the date, time and location of the Proposition 218 (Prop. 218) Notice of Public Hearing on the proposed rate and fee structure alternative in accordance with Article XIII C and D of the California Constitution (Public Workshop No. 4).

**CALIFORNIA ENVIRONMENTAL QUALITY ACT FILING -
NOTICE OF EXEMPTION ON THE ADOPTION OF WATER
RATES, FEES AND CHARGES**

By Marina D. West, PG, General Manager

**DRAFT
PROPOSITION 218 NOTICE OF PUBLIC
HEARING
TO BE DISTRIBUTED
TO ALL PROPERTY OWNERS AND OWNER
AUTHORIZED TENANTS**



NOTICE OF PUBLIC HEARING

PROPOSED INCREASE OF WATER SERVICE RATES

**Tuesday, February 10, 2026, at 6:00 p.m.
1720 North Cherokee Trail, Landers, CA 92285**

The BIGHORN-DESERT VIEW WATER AGENCY, in compliance with Article XIID of the California Constitution and the Proposition 218 Omnibus Implementation Act, is hereby notifying all affected property owners and ratepayers of the following:

- The Bighorn-Desert View Water Agency (the "Agency") is proposing to increase its water service rates. The proposed increases are needed to invest in and maintain modern and reliable water infrastructure and adequately fund the ongoing costs of providing water service to properties within its service area. Revenue from the water service rates pays for the operation and maintenance of, and capital improvements to, the Agency's water system.
- This notice includes the proposed schedule of rates for January 2026 through 2030. If the proposed rates are adopted by the Agency Board of Directors, the proposed rates will become effective for services provided on and after February 11, 2026, and will be adjusted each January 1 thereafter beginning January 1, 2027, through and including, January 1, 2030.

A Public Hearing on the proposed water service rates will be held on Tuesday, February 10, 2026, at 6:00 p.m., to consider the adoption of a 5-year schedule of water rates. The public hearing will be held at the Agency boardroom located at 1720 North Cherokee Trail, Landers, CA 92285. The purpose of the public hearing is to consider all oral testimony and written protests to, and the adoption of, the proposed rates.

AGENCY BACKGROUND

The Bighorn-Desert View Water Agency is a consolidated independent special district, formed in 1990, operating pursuant to the provisions of the Bighorn-Desert View Water Agency Law, California Water Code Appendix, Sections 112-1 et. seq. The Agency is governed by a five-member Board of Directors, elected at-large from within the Agency's service area. The General Manager administers the day-to-day operations of the Agency in accordance with policies and procedures established by the Board of Directors. The Agency provides water service to approximately 2,550 active residential customers and 145 non-residential customers within its fifty-one (51) square-mile service area, located in the eastern desert of San Bernardino County. The Agency encompasses the unincorporated communities in the county known as Flamingo Heights, Landers and Johnson Valley.

REASONS FOR THE RATE ADJUSTMENTS AND INCREASES

The Agency is committed to providing the highest quality water at the lowest possible rates for our customers. To meet this commitment, over the last five years the Agency has worked to manage operations and maintenance costs as well as establish a robust cash reserve for emergency and other necessary contingencies, but there are outside influences from the state legislature regarding issues of access and affordability, tightening water quality standards, environmental compliance and system reporting as well as rapid inflation affecting the actual cost of goods and services. In the same time period, the Agency has experienced a 26% decrease in water consumption primarily due to eradication of illegal cannabis but also voluntary conservation by our customers. Legal challenges to "tiered" consumption rates have forced the Agency to abandon them entirely after just instituting them in response to the illegal cannabis operations in 2021. Lastly, there is little to no new development water meter sales forecast, which means the costs are spread over the same number of customers. To navigate these challenges, the Agency sought an independent review of its long-term financial health and current application of water service rates. In February 2025, the Agency Board of Directors engaged

the professional services of NBS to independently develop a sustainable financial plan incorporating all financial obligations including contribution to reserve funds for at least a 20-year period. NBS utilized the financial model to complete a water rate study and evaluate the infrastructure, programs, operations and maintenance costs of the Agency's water services and the rates necessary to recover the costs of those services for the next five years.

The NBS cost of service and rate study demonstrates what it costs the Agency to provide water service and appropriately allocates the costs of providing water to our customers. The cost of providing water includes not only the water the Agency pumps and purchases, but the infrastructure that treats and delivers the water to ensure that there is safe and reliable water to meet the various demands of our water customers twenty-four hours a day, seven days a week.

Based on NBS's evaluation, it has been determined that rate adjustments and increases are necessary for the Agency's water service charges to enable the Agency to:

- Recover current and long-term projected costs of operating and maintaining the water system.
- Fund capital infrastructure improvements needed to repair and update the Agency's water system.
- Maintain the operational and financial stability of the water system.
- Comply with State mandated drinking and groundwater water regulatory requirements.
- Avoid operational deficits and depletion of reserves.

PROPOSED RATES AND HOW THE RATES ARE CALCULATED

The proposed rates are calculated to recover the cost of providing water services and to proportionately allocate those costs on a per meter basis among the Agency's customers. The proposed water rate structure is applicable to ALL properties for which a meter(s) is installed, whether or not the property has any water usage. It is also applicable to bulk water accounts with a meter (1-inch or 2-inch) or "Cash Account" bulk hauling customers. The proposed water rate structure will be modified to reflect up to three customer classes—Residential, Commercial/Agriculture/ Institutional/Fire/Construction/Other, and Bulk Water. To clarify, "Bulk Water" users with a 2-inch meter will pay both Service Charge and Volumetric charges. The proposed rate structure has three components—a Service Charge, a Volume Charge, and a Fire Service Charge. The proposed rates are described in more detail below.

The proposed Service Charge is a fixed bi-monthly charge calculated to recover a portion of the Agency's fixed costs, such as meter reading, billing and collections, and the cost of operating and maintaining the water system infrastructure. The proposed Service Charges are established based on the size of the meter (in inches) serving a property to recover the incremental costs of facilities to sufficiently deliver water to properties. The Volume Charge is a variable charge imposed per unit of delivered water, with one unit equal to one hundred cubic feet (HCF), or 748 gallons, and is calculated to recover a portion of the Agency's fixed costs and its variable costs of providing water service. The Fire Service Charge is imposed on customers who have separate and distinct connections for fire sprinklers or on-site fire hydrants or other fire suppression devices. The Fire Service Charge recovers the Agency's fixed costs of operating and maintaining infrastructure for private fire service.

Under the proposed rates for the Residential and Commercial/Agriculture/Institutional/Fire/Construction/Other customer classes the Volume Charge will be a uniform rate per HCF of water delivered during a billing period.

The amount of the Service Charge and the Fire Service Charge imposed will differ by water meter size per two-month billing period. The amount of the Volume Charge imposed varies each two-month period, depending on the number of units of water each customer uses. The current rates and the proposed maximum rates and effective dates for the Service Charges, Fire Service Charges, and Volume Charges are set forth in the tables below.

Water Rate Schedule	Current Rates	Proposed				
		1/1/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030
Fixed Meter Charges						
Bi-Monthly Fixed Service Charges:						
3/4 inch	\$72.27	\$77.76	\$81.18	\$84.75	\$88.48	\$92.37
1 inch	\$72.27	\$77.76	\$81.18	\$84.75	\$88.48	\$92.37
1.5 inch	\$130.27	\$143.80	\$150.13	\$156.74	\$163.64	\$170.84
2 inch	\$199.88	\$223.05	\$232.86	\$243.11	\$253.81	\$264.98
3 inch	\$385.51	\$434.38	\$453.49	\$473.44	\$494.27	\$516.02
4 inch	\$594.32	\$672.13	\$701.70	\$732.57	\$764.80	\$798.45
6 inch	\$1,174.38	\$1,332.54	\$1,391.17	\$1,452.38	\$1,516.28	\$1,583.00
Bi-Monthly Fire Service Charges:						
3/4 inch	\$35.81	\$59.40	\$62.01	\$64.74	\$67.59	\$70.56
1 inch	\$35.81	\$59.40	\$62.01	\$64.74	\$67.59	\$70.56
2 inch	\$83.23	\$164.34	\$171.58	\$179.13	\$187.01	\$195.24
3 inch	\$165.12	\$345.61	\$360.82	\$376.70	\$393.27	\$410.57
4 inch	\$315.97	\$679.52	\$709.42	\$740.63	\$773.22	\$807.24
6 inch	\$703.86	\$1,538.15	\$1,605.83	\$1,676.49	\$1,750.26	\$1,827.27
8 inch	\$1,221.05	\$2,682.99	\$2,801.04	\$2,924.29	\$3,052.96	\$3,187.29
Commodity Charges						
Rate per hcf of Water Consumed:						
Residential Customers ¹						
Tier 1 0-25 hcf	\$3.55	\$4.41	\$4.61	\$4.81	\$5.02	\$5.24
Tier 2 26+ hcf	\$5.40	NA	NA	NA	NA	NA
Commercial, Ag, Institutional, Construction, Fire & Other	\$4.18	\$4.41	\$4.61	\$4.81	\$5.02	\$5.24
Bulk Meters ²	\$9.16	\$12.19	\$12.73	\$13.29	\$13.87	\$14.48

1. Current rates are structured based on consumption tiers. Proposed rates are uniform based on total consumption.

2. Bulk Meters, including 1 inch and cash accounts have no fixed meter charge and are charged for usage based on commodity charges per hcf only. 2 inch and larger bulk meters are charged for the fixed meter charge and usage based on the commodity charge.

PROTESTS & OBJECTIONS TO THE PROPOSED MAXIMUM RATES

Protests: Property owners or customers of record subject to the proposed water service rates may file a written protest and/or a written objection to the proposed maximum rates. Protests to the proposed rates may be submitted pursuant to section 6 of Article XIII D of the California Constitution, and if protests are submitted by a majority of parcels receiving water services, then the Board of Directors cannot adopt the proposed rates.

Requirements for a Valid Protest

1. Must be in writing.
2. Must include a statement that it is a protest against the proposed change in water rates.
3. Must provide the name of the record owner or customer of record submitting the protest.
4. Must identify the parcel associated with the person filing the request by assessor's parcel number or service address.
5. Must include the original signature of the record owner or customer of record submitting the protest. As such, electronic protests will not be counted.

Protests will not be counted if any of the required elements of a written protest are omitted. Written protests must be received at the address below by 4:00 p.m. on February 10, if mailed or submitted in person prior to the public hearing. Written protests may also be hand delivered to the Board Secretary at the Board of Directors meeting on February 10, 2026, up until the close of the public input portion of the public hearing on the matter. Prior to the public hearing, hours for in person protest submittal are 8:00 a.m. – 4:30 p.m. Monday through Friday.

ATTN: Board Secretary (Water Service Charge Protest)
Bighorn-Desert View Water Agency
622 S. Jemez Trail
Yucca Valley, CA 92284

If prior to the close of the public input portion of the public hearing, written protests are presented by a

majority of parcels that receive water services, the Board of Directors will not increase the water service rates from their existing level. Only one written protest per parcel will be counted in calculating a majority protest.

Objections: Objections may be submitted pursuant to Government Code section 53759.1, and any person that wishes to challenge the rates in a legal proceeding must file an objection, which complies with the requirements detailed below. While the same person or entity may submit both a protest and an objection, to be valid, protests and objections must be submitted separately, as clearly labeled, distinct documents.

Requirements for a Valid Objection

1. Must include a clear statement that it is an objection to the proposed water service rates.
2. Must be filed separately from protests.
3. Must include the name of the record owner or customer of record and the assessor's parcel number or service address associated with the objector's parcel that is subject to the proposed water service rates.
4. Must include the specific subsections of the California Constitution Article XIII D, section 6(b) or any other applicable law that the objector believes would be violated by the approval and/or imposition of the proposed water service rates.
5. Must include a detailed explanation, with references to the Water Rate Study, legal authority, and any additional data or evidence the objector chooses to present that will enable the Agency to understand the grounds for the objector's claim that the proposed water service rates do not comply with Proposition 218 or any other applicable law.
 - a) An objection may include expert analysis in support of the objection.
 - b) If an objection includes expert analysis, the expert's contact information and statement of their qualifications must be included.
6. Must include the original signature of the objector. As such, electronic objections will not be valid.

To be valid, all written objections must include the information listed above and be received by the Board Secretary by 4:30 p.m. on February 2, 2026, at the address below. Hours for in-person objection submittal are 8:00 a.m. – 4:30 p.m. Monday through Friday.

ATTN: Board Secretary (Water Service Charge Objection)
Bighorn-Desert View Water Agency
622 S. Jemez Trail
Yucca Valley, CA 92284

Failure to timely object in writing bars any right to challenge the proposed water service rates through a legal proceeding and any such action may be limited to issues identified in the challenger's objection.

If any of the requirements for a valid, written objection are not met, then the objection will be deemed invalid and will not be considered by the Agency. Objections must be submitted separately from protests and any written submission labeled as both a protest and an objection shall be deemed invalid.

Prior to the close of the public hearing, the Board of Directors will consider and respond in writing to any timely, valid written objection. The Agency's response will explain the substantive basis for retaining or altering the proposed water service rates in response to the written objection, and, if applicable, the grounds for not making any amendments in response to the objection.

The proposed water service rates are subject to Government Code section 53759. You are hereby notified pursuant to Government Code section 53759 that any judicial action or proceeding to attack, review, set aside, void, validate, or annul the Board of Directors' adoption of the proposed water service rates must be commenced within 120 days of the effective date or the date of the final passage, adoption, or approval of the ordinance or resolution adopting the water service rates, whichever is later.

DRAFT

Final Report

BDVWA Water Rate Study Fiscal Year 2025/26

BIGHORN DESERT VIEW WATER AGENCY

Water Rate Study Fiscal Year 2025/26

DRAFT *Final Report*

December 2025

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1. Introduction

1.1 Purpose

The Bighorn-Desert View Water Agency (Agency) retained NBS to conduct a comprehensive utility rate study for its water enterprise fund. The Agency had several objectives and goals in mind for this study including meeting revenue requirements, reviewing the rising costs of providing services, funding capital improvements and changes in costs, and complying with certain legal requirements (e.g., California Constitution Article XIII D, Section 6, which is commonly referred to as Proposition 218 [Prop 218]). The Agency's broader objectives in this study include ensuring adequate funding for operating and capital costs, maintaining reasonable reserves, ensuring revenue stability in utility rates. The rates resulting from this study were developed in a manner that is consistent with industry standard cost-of-service principles. In addition to documenting the rate study methodology, this report is provided with the intent to assist the Agency in its continuing effort to maintain transparent communications with the residents and community it serves.

In developing new rates for the Agency's enterprise funds, NBS worked cooperatively with Agency staff and the Agency's Board of Directors (Board) in selecting the appropriate rate alternatives that address the Agency's goals and objectives. Based on input provided by Agency staff, NBS proposes the rates summarized in this report. The Board has the final decision regarding the adoption of the proposed rates and whether to proceed with the Prop 218 approval process.

1.2 Overview of the Study

Comprehensive rate studies, such as this one, typically include three components: (1) a financial plan that identifies the net revenue requirements for the utility; (2) a cost -of-service analysis that allocates costs to each customer class, and (3) the rate design, specifically the amount of rate revenue collected from fixed and variable charges. These steps are shown in **Figure 1** and are intended to follow industry standards and reflect the fundamental principles of cost-of-service rate making embodied in the American Water Works Association's (AWWA) *Principles of Water Rates, Fees, and Charges*,¹ also referred to as Manual M1.

Figure 1. Primary Components of a Rate Study



¹ *Principles of Water Rates, Fees, and Charges*, Manual of Water Supply Practices, Manual M1, American Water Works Association (AWWA), 7th Edition, 2017.

Rate studies also address the State Constitution's Prop 218 requirements² that rates not exceed the actual cost of providing the service and that they be proportionate to the cost of providing service for all customers. To conduct the study, the Agency provided NBS with the necessary data, including historical, current, and projected revenues and expenditures, number of customer accounts, and water consumption data along with other operational and capital cost information.

The following sections in this report present an overview of the methodologies, assumptions, and data used along with the financial plans and rates developed. More detailed tables and figures documenting the development of the proposed rates are provided in the Technical Appendices.

FINANCIAL PLAN

Working with Agency staff, NBS developed projections of revenues and expenditures on a cash-basis for the next five (5) years, including the amount of rate revenue needed to maintain reserves at reasonable levels. This is known as the net revenue requirement. The Agency's current rate revenue falls short of the net revenue requirement. As a result, adjustments to the total revenue collected from rates are recommended for the water utility.

COST-OF-SERVICE ANALYSIS

The basic purpose of the cost-of-service analysis (COSA) is to fairly and equitably allocate costs to customer classes. The cost-of-service analysis consists of two major components: (1) the classification of expenses, and (2) the allocation of costs to customer classes. For example, a key task is the "classification" of the water revenue requirements into the following categories:

- Commodity-related, on consumption-based costs
- Capacity-related, or infrastructure-based costs
- Customer-related costs, such as billing, administration, and customer service

RATE DESIGN ANALYSIS

During the rate design phase of the study, NBS and Agency staff worked together to develop rate alternatives that will meet the Agency's objectives. The objectives are typically addressed through both the magnitude of the rate adjustments and the rate structure design. In other words, both the amount of revenue collected and the way in which the revenue is collected from customers are important.

Several criteria are typically considered in setting rates and developing sound rate structures. The fundamentals of this process have been well documented in several rate-setting manuals, such as AWWA's Manual M1. Some of the basic pricing policies, theories, and economic concepts that contribute to a sound rate structure include:

- Rates should be easy to understand from the customer's perspective.
- Rates should be easy to administer from the utility's perspective.
- Rates should be equitable and non-discriminating (i.e., cost-based).

² California Constitution Article XIII D, Section 6, commonly referred to as Proposition 218 [Prop 218].

- Rates should promote the efficient allocation of the resource.
- There should be continuity in the rate making philosophy over time.
- Rates should address other utility policies (e.g., conservation and economic development).
- Rates should provide month-to-month and year-to-year revenue stability.

RATE STRUCTURE TERMINOLOGY

This section covers basic rate design criteria that NBS and Agency staff considered as a part of their review of the rate structure alternatives. One of the most fundamental points in considering rate structures is the relationship between fixed and variable costs. Fixed costs, such as debt service and personnel costs, typically do not vary with the amount of water consumed. In contrast, variable costs, such as the cost of purchased water, chemicals, and electricity, tend to change with the quantity of water sold. Most rate structures contain a fixed, or minimum, charge in combination with a variable or volumetric charge.

Fixed Charges – Fixed charges can be called base charges, minimum monthly charges, customer charges, fixed meter charges, etc. Fixed charges for water utilities typically increase by meter size. For example, a customer with a 2-inch meter has a fixed meter charge that is more than five times greater than the typical residential customer based on the safe operating capacity of the meter.³ Since a large portion of utility costs are typically related to meeting capacity requirements, individual capacity demands are important in establishing equitable rates for customers.

Variable (Consumption-Based) Charges – In contrast to fixed charges, variable costs, such as purchased water, groundwater replenishment costs, and the cost of electricity used in pumping water and chemicals for treatment, tend to change with the quantity of water produced. For a water utility, variable charges are calculated based on a metered consumption per unit price (e.g., per 100 cubic feet, or HCF).

Uniform (Single-Tier) Water Rates – There are significant variations in the basic philosophy of variable charge rate structure alternatives. Under a uniform (single tier) rate structure, the cost per unit does not change with consumption and, therefore, provides a simple and straightforward approach from the customer's perspective and in terms of the Agency's rate administration.

Tiered Water Charges – The 2015 San Juan Capistrano court decision held that water agencies may only charge tiered rates if they can show that the tiered rates are proportionate to the agency's higher costs to serve those customers, meaning that caution must be used to ensure that customers are appropriately allocated costs that meet legal requirements. The 2024 Coziahr and 2025 Patz court decisions reinforce the requirement that tiered rates are proportionate to costs. Given these decisions, tiered rates would only be appropriate if the agency had multiple water sources that had significantly different costs. With this background, the Agency's current tiered rate structure is proposed to be updated to a uniform rate for each customer class.

³ *Principles of Water Rates, Fees, and Charges*, Manual of Water Supply Practices, Manual M1, AWWA, 7th Edition, 2017, pp. 151-152.

KEY FINANCIAL ASSUMPTIONS

The following is a summary of the key financial assumptions used in the analysis. The following capital and operational fund targets reflect input from Agency staff to meet specific utility objectives.

Funding of Capital Projects – The capital improvement costs will be funded with a combination of grant funds, cash in reserves, and anticipated debt financing. The capital projects listed in the financial plan are from the Agency’s capital improvement program. The analysis assumes that capital costs are attributable to existing customers.

Reserve Targets – The Agency maintains reserves for operations, capital, and other specific needs. The details of each utility’s reserve targets are covered in their respective sections of this report.

Inflation and Growth Projections – Assumptions were made in the analysis regarding cost inflation to project future revenues and expenses for the study period. The following inflation factors were used in the analysis:

- Customer growth is estimated at 0.0% per year.
- General cost inflation is set at 2.0% annually.
- Salary cost inflation is set at 2.5% annually.
- Benefit cost inflation is set at 6.0% annually
- Electricity cost inflation is set at 3.7% annually.
- Fuel cost inflation is set at 3.5% annually.

These inflation factors are based on long-term trends; therefore, the Agency should re-examine these factors in another year to assess the impacts on utility costs and whether projected rate increases will be sufficient for the remainder of the rate adoption period.

2. Water Rate Study

2.1 Key Water Rate Study Issues

The Agency's water rate analysis was undertaken with a few specific objectives, including:

- Generate sufficient revenue to meet anticipated operating and maintenance costs.
- Fund necessary capital improvement projects for the next five years.
- Verify the cost-of-service linkage between the current rate structure and the proposed water rates.
- Maintain adequate reserve levels to ensure continuity in operations.
- Comply with the legal requirements of Prop 218 to ensure the cost of providing service is properly allocated amongst user classifications. This was the basis for eliminating tiered water rates.

NBS developed various water rate alternatives as requested by Agency staff over the course of this study. All rate structure alternatives relied on industry standards and cost-of-service principles. The rate design presented, using fixed and volume-based charges, were calculated based on the net revenue requirements, number of customer accounts, water consumption, system peaking factors, and other relevant data provided by the Agency. Since these system characteristics have changed since the 2020/21 rate study, the adjustments to the various fixed and variable charges result in specific adjustments to these rates in the first year. That is, cost of service adjustments result in changes that are not evenly, across-the-board, the same for all customers. However, after these first-year adjustments, years two through five adjustments to rate revenue are uniformly applied to rates for each customer class.

The following are the basic components included in this analysis:

Developing Cost Allocations – The water revenue requirements were “functionalized” into four categories: (1) commodity (or volume-based) costs; (2) fixed capacity costs; (3) customer service costs; and (4) fire protection costs. These functionalized costs were then used to develop unit costs based on various factors, such as water consumption, peaking factors, and number of accounts by meter size.

Determining Revenue Requirements by Customer Class – The total revenue that needs to be collected from each customer class was determined using the functional costs and allocation factors. For example, customer costs are allocated based on the number of meters, while volume-related costs are allocated based on the water consumption of each customer class. Once the costs are allocated and the net revenue requirement for each customer class is determined, collecting the revenue requirements from each customer class is addressed within the rate design.

Evaluating Rate Design (Fixed vs. Variable Charges) – The revenue requirements for each customer class are collected through a combination of fixed monthly service charges and variable rates. Based on direction from Agency staff, the rates proposed in this report will collect 60% of the rate revenue from the fixed charge and 40% from the variable charges.

2.2 Financial Plan

It is important for municipal utilities to not only collect sufficient revenues every year, but to also maintain reasonable reserves to handle emergencies, fund working capital, maintain a good credit rating, and generally follow sound financial management practices. Rate adjustments are governed by the need to meet operating and capital costs as well as maintain reasonable reserve levels. The current state of the Agency's water utility, regarding these objectives, is as follows:

Meeting Net Revenue Requirements: For FY 2025/26 through FY 2029/30, the projected net revenue requirement (that is, total annual expenses plus debt service and rate-funded capital costs, less non-rate revenues) for the water system averages \$1.90 - \$2.26 million annually. If no rate adjustments are implemented, the Agency is projected to run an annual deficit by FY 2027/28.

Maintaining Reserve Funds: Reserve funds provide a basis for a utility to cope with fiscal emergencies, such as revenue shortfalls, asset failure, and natural disasters, among other events. Reserve policies provide guidelines for sound financial management, with an overall long-range perspective to maintain financial solvency and mitigate financial risks associated with revenue instability, volatile capital costs, and unexpected emergencies.

- The Agency's existing reserves are healthy, and the challenge is to meet future revenue requirements and still maintain adequate reserves. NBS together with Agency staff have chosen to set the following reserve targets:
 - **Operating Reserve** equal to 90 days of operating and maintenance expenses, or approximately \$580 million in FY 2025/26. An operating reserve can be used as working capital to manage cash throughout the year. NBS considers a 3-month operating reserve to be a standard reserve fund target.
 - **Emergency Contingencies Reserve Fund** equal to an amount set by the Agency Board, or approximately \$1 million in FY 2025/26. This reserve is intended for unforeseen circumstances such as a water quality issue or natural disaster.
 - **Capital Rehabilitation & Replacement Reserve** equal to 6% of the net assets, or approximately \$1.25 million in FY 2025/26. This reserve is intended to be a cash resource set aside to address long-term capital system replacement and rehabilitation needs. NBS considers a 6% capital reserve target to be at the high end of the typical range, which is 3% to 6% of net assets for many utilities.
 - **Rate Stabilization Fund** equal to 25% of rate revenue, or approximately \$525,000 in FY 2025/26. This reserve can be used in the event of a large decline in revenues or increase in expenses. NBS considers this to be a conservative target, however given the reduction consumption in the last five years, reasonable.

Funding Capital Improvement Projects: The Agency must fund necessary capital improvements to maintain current service levels. Agency staff identified nearly \$14.5 million in expected capital expenditures over the next five years (FY 2025/26 through FY 2029/30), which is an average of \$2.9 million in capital expenditures annually. Available grant funds, use of reserves and anticipated debt enable the funding of these capital projects. Ending reserves are projected to be slightly lower than the minimum targets by the end of FY 2029/30.

Inflation and Growth Projections: Cost inflation and growth assumptions are necessary to project future revenues and expenses for the study period. Customer growth is not expected. This holds the rate revenue factors stationary (i.e. without customer growth or rate increases, the revenue would remain static), while inflation factors, including the Consumer Price Index,⁴ were used in projecting expenses.

Maintaining Adequate Bond Coverage: Although the water utility currently has no outstanding debt, this analysis assumes that the Agency will be securing \$2 million in a new loan to fund capital projects. However, whether new debt will be needed will depend on the actual delivery of capital projects (i.e., the timing and costs).

Figure 2 summarizes the sources and uses of funds, net revenue requirements, and the annual percent adjustments in total rate revenue recommended for the next five years.

Figure 2. Summary of Water Revenue Requirements

Summary of Sources and Uses of Funds and Net Revenue Requirements	Budget	Projected				
	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Sources of Water Funds						
Rate Revenue Under Prevailing Rates	\$ 1,845,700	\$ 2,099,400	\$ 2,099,400	\$ 2,099,400	\$ 2,099,400	\$ 2,099,400
Additional Revenue from Rate Increases ¹	-	-	46,187	93,390	141,631	190,934
Non-Rate Revenues	422,500	457,400	460,400	460,400	460,400	460,400
Interest Earnings	100,000	177,800	94,481	95,986	94,654	93,146
Total Sources of Funds	\$ 2,368,200	\$ 2,734,600	\$ 2,700,468	\$ 2,749,176	\$ 2,796,085	\$ 2,843,880
Uses of Water Funds						
Operating Expenses	\$ 2,501,258	\$ 2,348,600	\$ 2,418,800	\$ 2,491,300	\$ 2,566,600	\$ 2,644,600
Debt Service	-	-	-	167,359	167,359	167,359
Rate-Funded Capital Expenses	-	182,901	206,387	157,124	136,694	-
Total Use of Funds	\$ 2,501,258	\$ 2,531,501	\$ 2,625,187	\$ 2,815,783	\$ 2,870,653	\$ 2,811,959
Surplus (Deficiency) after Rate Increase	\$ (133,058)	\$ 203,099	\$ 75,281	\$ (66,607)	\$ (74,567)	\$ 31,922
Projected Annual Rate Revenue Increase	0.00%	0.00%	4.40%	4.40%	4.40%	4.40%
Cumulative Rate Increases	0.00%	0.00%	4.40%	8.99%	13.79%	18.80%
Surplus (Deficiency) before Rate Increase	\$ (133,058)	\$ 203,099	\$ 29,094	\$ (159,996)	\$ (216,198)	\$ (159,012)
Net Revenue Requirement ²	\$ 1,978,758	\$ 1,896,301	\$ 2,070,306	\$ 2,259,396	\$ 2,315,598	\$ 2,258,412

1. Revenue from rate increases assume an implementation date of March 1, 2026 and each January 1st thereafter.

2. Total Use of Funds less non-rate revenues and interest earnings. This is the annual amount needed from water rates.

Figure 3 summarizes the projected reserve fund balances and reserve targets for the Agency's unrestricted funds. A detailed version of the proposed 5-year financial plan is included in the Technical Appendix. The tables in the appendix include the revenue requirement, reserve funds, revenue sources, capital improvement costs, and the proposed rate adjustments needed to meet the Agency's funding requirements.

⁴ Consumer Price Index for all urban consumers in the Los Angeles/Riverside/Orange County areas. Source: Website: <https://www.bls.gov/cpi/>.

Figure 3. Summary of Primary Water Reserve Funds

Beginning Reserve Fund Balances and Recommended Reserve Targets	Budget	Projected				
	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Operating Reserve Fund (Current Customer Deposits)						
Ending Balance	\$ 616,749	\$ 579,107	\$ 596,416	\$ 494,483	\$ 383,419	\$ 377,635
<i>Recommended Minimum Target</i>	<i>616,749</i>	<i>579,107</i>	<i>596,416</i>	<i>614,293</i>	<i>632,860</i>	<i>652,093</i>
Emergency Contingencies Reserve Fund						
Ending Balance	\$ 1,000,000	\$ 1,033,100	\$ 1,067,296	\$ 1,102,623	\$ 1,139,120	\$ 1,176,825
<i>Recommended Minimum Target</i>	<i>1,000,000</i>	<i>1,033,100</i>	<i>1,067,296</i>	<i>1,102,623</i>	<i>1,139,120</i>	<i>1,176,825</i>
Replacement & Refurbishment Reserve Fund						
Ending Balance	\$ 3,135,795	\$ 2,611,830	\$ 2,635,605	\$ 2,635,605	\$ 2,634,785	\$ 2,312,629
<i>Recommended Minimum Target</i>	<i>733,681</i>	<i>1,253,491</i>	<i>1,495,407</i>	<i>1,542,544</i>	<i>1,583,552</i>	<i>1,602,882</i>
Total Ending Balance	\$ 4,752,543	\$ 4,224,037	\$ 4,299,318	\$ 4,232,711	\$ 4,157,324	\$ 3,867,089
<i>Total Recommended Minimum Target</i>	<i>\$ 2,350,429</i>	<i>\$ 2,865,698</i>	<i>\$ 3,159,119</i>	<i>\$ 3,259,460</i>	<i>\$ 3,355,533</i>	<i>\$ 3,431,800</i>

2.3 Cost-of-Service Analysis

Once the net revenue requirements are determined, the cost-of-service analysis (COSA) proportionately distributes the revenue requirements to each of the customer classes. The COSA consists of two major components: (1) the classification of expenses, and (2) the allocation of costs to each customer class. Costs are classified according to the function they serve. All costs in the Agency's budget are allocated to each component of the rate structure in proportion to the level of service required by customers.

The level of service is allocated based on the demand for water, infrastructure capacity, and customer service. These costs are based on allocation factors, such as water consumption, number of meters, and customer class. Ultimately, a COSA is intended to result in rates that are proportional to the cost of providing service to each customer class.

FUNCTIONALIZATION AND CLASSIFICATION OF COSTS

Most costs are not typically allocated just to fixed or variable categories but rather allocated to multiple functions of water service. The functionalization and classification process provides the basis for allocating costs to various customer classes based on the cost causation (classification) components described below:

- **Commodity-related costs** are costs associated with the change in the volume of water produced and delivered. These commonly include the costs of water quality testing, energy related to pumping for transmission and distribution, and source of supply.
- **Capacity-related costs** are costs associated with sizing facilities to meet the maximum, or peak, demand. This includes both operating costs and capital infrastructure costs incurred to accommodate peak system capacity events.
- **Customer-related costs** are costs associated with having a customer connected to the water system, such as meter reading, postage, billing, and other administrative duties.
- **Fire protection-related costs** are costs associated with providing sufficient capacity in the system for fire meters and other operations and maintenance costs of providing water to properties for private fire service protection.

The Agency's budgeted costs were reviewed and allocated to these cost causation components which are used as the basis for establishing new water rates and translated into fixed and variable charges. Tables in the Technical Appendix show how the Agency's expenses were classified and allocated to these cost

causation components. In the analysis, these cost causation components are also considered to be either fixed or variable.

FIXED AND VARIABLE COSTS

Ideally, utilities should recover all of their fixed costs from fixed charges and all of their variable costs from variable charges. When this is the case, fluctuations in water sales revenues would be directly offset by reductions or increases in variable expenses, which provides greater revenue stability for the utility. However, other factors are often considered when designing water rates, such as community values, water conservation goals, ease of understanding, and ease of administration.⁵

NBS functionalized the Agency's costs into categories that represent fixed and variable costs. This analysis resulted in a cost distribution that is approximately 68% fixed and 32% variable (i.e., volumetric). The Agency staff agrees with NBS that only minor adjustments are needed and result in a preferred rate alternative that is 60% fixed charges and 40% variable charges. This represents a continuation of the current rates which were designed to collect 60% of revenue from fixed charges and 40% from variable charges.

Figure 4 summarizes how costs are allocated to each cost component and used to establish new water rates. **Figure 5** shows the resulting cost allocation to each cost classification component.

Figure 4. Allocation Percentages of Revenue Requirements

Functional Category	COSA Results		Proposed Rates	
	Unadjusted Net Revenue Requirements (2025/26) 68% Fixed / 32% Variable		Adjusted Net Revenue Requirements (2025/26) 60% Fixed / 40% Variable	
Commodity - Related Costs	\$ 665,814	31.7%	\$ 665,814	31.7%
Additional Supply Costs	\$ -	0.0%	\$ -	0.0%
Capacity - Related Costs (vol. share)	\$ -	0.0%	\$ 173,946	8.3%
Total Commodity-Related	\$ 665,814	31.7%	\$ 839,760	40.0%
Capacity - Related Costs	\$ 1,225,871	58.4%	\$ 1,051,924	50.1%
Customer - Related Costs	\$ 189,813	9.0%	\$ 189,813	9.0%
Fire Protection - Related Costs	\$ 17,903	0.9%	\$ 17,903	0.9%
Total Capacity-Related	\$ 1,433,586	68.3%	\$ 1,259,640	60.0%
Total	\$ 2,099,400	100%	\$ 2,099,400	100%

Figure 5. Allocated Net Revenue Requirements

⁵ *Principles of Water Rates, Fees, and Charges*, Manual of Water Supply Practices, Manual M1, AWWA, 7th Edition, 2017, pp. 6 and 96.

Customer Classes	Classification Components						Cost of Service Net Rev. Req'ts	% of COS Net Revenue Req'ts
	Commodity-Related Costs	Additional Supply Costs	Capacity-Related Costs Volumetric Share	Capacity-Related Costs Fixed Share	Customer-Related Costs	Fire Protection-Related Costs		
Residential ²	\$ 619,100	\$ -	\$ 162,263	\$ 981,270	\$ 179,353	\$ -	\$ 1,941,986	92.5%
Agriculture	8,280	-	2,352	14,222	3,720	-	28,575	1.4%
Commercial	30,603	-	7,234	43,747	1,053	-	82,637	3.9%
Fire Meter	166	-	163	987	281	17,903	19,500	0.9%
Total Net Revenue Requirement	\$ 658,149	\$ -	\$ 172,012	\$ 1,040,226	\$ 184,407	\$ 17,903	\$ 2,072,697	98.7%
Total Volumetric Revenue Req't	\$830,161						\$2,072,697	
Total Fixed Charge Revenue Req't	\$1,242,536							
Bulk Water (Collected from Vol. Rates)	7,664	-	1,934	11,698	5,405	-	26,703	1.3%
Total Net Revenue Requirement	\$ 665,814	\$ -	\$ 173,946	\$ 1,051,924	\$ 189,813	\$ 17,903	\$ 2,099,400	100.0%

2.4 Characteristics of Water Customers by Customer Class

Customer classes are typically determined by grouping customers with similar demand characteristics into categories that reflect the cost differentials to serve each type of customer. Customer classes are most often identified as single-family, multi-family, commercial, landscape, etc., and the Agency follows this common methodology. The rates proposed in this report follow a similar structure where the fixed charges within each customer class vary by meter size while all customers are charged a uniform variable rate based on zones.

The amount of consumption, the peaking factors, and the number of meters by size are used to allocate costs to customer classes and determine the appropriate rate structures for each. These components of the COSA are presented in the following figures.

Commodity-related costs are costs associated with the total annual consumption of water by customer class. **Figure 6** below summarizes the most recent consumption data by customer class and represents the expected percent of consumption over the 5-year rate period. As compared to the previous rate study, consumption has decreased. This results in spreading costs over lower water sales so the unit cost increases even without increases expenses and the revenue requirement.

Figure 6. Water Consumption by Customer Class

Customer Class	Annual Volume (hcf) ¹	Percent of Total Volume	Winter	Monthly/ Meter	Summer	Winter	Annual	Summer
Residential ²	176,959	93.0%	3.3	5.4	8.0	6.5	10.8	16.1
Agriculture	2,367	1.2%	4.0	1.1	4.1	7.9	2.1	8.2
Bulk Water	2,191	1.2%	1.4	2.1	3.0	2.9	4.2	6.0
Commercial	8,747	4.6%	19.3	30.4	40.6	38.7	60.7	81.3
Fire Meter	47	0.02%	0.0	0.6	3.1	0.0	1.1	6.3
Total	190,311	100%						

1. Consumption is from Jan-Dec 2024. BDVWA bills customers for fixed charges bi-monthly; volumetric rates are \$/HCF.
Source files: *Combined Billing.xlsx*

2. Includes Ag + Residence class (the average demand of this class is less than Residential and, therefore, is combined with Residential).

Figure 7 shows the peaking factors for each customer class. A “peaking factor” is the relationship between the average use by meter size to its peak use.

Figure 7. Peaking Factors by Customer Class

Customer Class	Average Bi-Monthly Use (hcf)	Peak Bi-Monthly Use (hcf) ¹	Peaking Factor	Max Bi-Month Capacity Factor
Residential ²	29,493	43,759	1.48	93.3%
Agriculture	394	634	1.61	1.4%
Bulk Water	365	522	1.43	1.1%
Commercial	1,458	1,951	1.34	4.2%
Fire Meter	8	44	5.57	0.094%
Total	31,718	46,909		100.0%

1. Based on peak monthly data (peak day data not available).

2. Includes Ag + Residence class.

Both operating costs and capital infrastructure costs incurred to accommodate peak system capacity events are generally allocated to each meter size according to their contribution to peak capacity events. These peaking factors are used to allocate the capacity-related costs to each customer class and are described in more detail later in this study.

Figure 8 shows the number of meters for each customer class. The percentage of total customers by customer class is then used to develop the customer allocation factors to allocate customer costs. Customer costs are those costs associated with having customers connected to the water system and include costs related to meter reading, postage, and billing.

Figure 8. Number of Meters by Customer Class

Customer Class	Number of Meters ¹	Percent of Total
Residential ²	2,555	94.5%
Agriculture	53	2.0%
Bulk Water	77	2.8%
Commercial	15	0.6%
Commercial + Backflow	-	0.0%
Fire Meter	4	0.1%
Institutional - Fire Dept.	-	0.0%
Institutional + Backflow	-	0.0%
Total	2,704	100.0%

1. Distinct accounts from 2024. Source files: Combined Billing.xlsx

2. Includes Ag + Residence class.

2.5 Rate Design Analysis

Evaluating the water rate structure includes reviewing rate-design objectives and policies, including continuity of rate design, revenue stability, equity among customers, and water conservation. NBS discussed different fixed charge versus variable charge ratios in the rate designs with Agency staff and the Board over the course of this study; 60%/40% (preferred), 65%/35%, 55%/45% and 75%/25%. Ultimately,

Agency staff selected the 60%/40% rate alternative, as it is closest to the actual cost of service based on NBS' analysis. Also, because of the difficulty meeting Prop 218 legal requirements of demonstrating the cost basis for tiered rates given the Agency's water supply costs, the preferred rate structure proposes a uniform tier for all customers rather than the existing two-tiers. The following section describes how the proposed water rates were determined.

DEVELOPMENT OF PROPOSED RATES

Fixed Service Charges

The fixed meter charge recognizes that the water utility incurs fixed costs regardless of whether customers use water. Three components comprise the fixed meter charges: (1) the capacity component, (2) the customer component, and (3) the fire protection component. The capacity component recovers costs associated with sizing the water system to ensure there is sufficient capacity in the system to meet peak demand. A user class with higher-peaking ratio is allocated a proportionately higher share of the capacity-related costs compared to customer classes with lower peaking ratios. The customer component includes those costs related to reading and maintaining meters, customer billing and collection, and other customer service-related costs. The fire protection component recovers costs associated with providing sufficient capacity in the system for fire meters and other operations and maintenance costs of providing water to properties for private fire service protection.

Fixed charges also vary based on meter sizes because larger meters have higher capacity requirements and reflect their potential to use more of the system's capacity.⁶ The potential capacity demands (peaking) is proportional to the maximum hydraulic flow through each meter size based on the hydraulic capacity ratios established by AWWA.⁷ The AWWA capacity ratios used for this report are shown in Figure 9.

Figure 9. Hydraulic Capacity Factors

Meter Size	Standard Meters ¹		Fire Service Meters ²	
	Meter Capacity (gpm)	Equivalency to 1 inch	Meter Capacity (gpm)	Equivalency to 1 inch
	<u>Displacement Meters</u>		<u>Displacement Meters</u>	
3/4 inch	30	1.00	30	1.00
1 inch	50	1.00	50	1.00
1.5 inch	100	2.00	100	2.00
2 inch	160	3.20	160	3.20
	<u>Compound Class I Meters</u>		<u>Fire Service Type II</u>	
3 inch	320	6.40	350	7.00
4 inch	500	10.00	700	14.00
6 inch	1,000	20.00	1,600	32.00
8 inch	1,600	32.00	2,800	56.00

1. Meter flow rates are from AWWA M-1 Table B-1.

2. Fire Service meter flow rates are from AWWA M-6 Table 5-3.

⁶ System capacity is the system's ability to supply water to all delivery points at the time when demanded.

⁷ *Principles of Water Rates, Fees and Charges*, Manual of Water Supply Practices, Manual M1, AWWA, 7th Edition, 2017, p. 386. *Water Meters – Selection, Installation, Testing and Maintenance*, Manual M6, AWWA, 5th Edition, 2012, pp. 63-65.

The actual number of meters by size is multiplied by the corresponding capacity ratios to calculate “equivalent” meters. The number of equivalent meters is used as a proxy for the potential demand that each customer can place on the water system. **Figure 10** summarizes the number of meters, the hydraulic capacity factors, and the number of equivalent meters (i.e., the number of meters multiplied by the hydraulic capacity factor) by customer class and meter size.

Figure 10. Equivalent Meters

Number of Meters by Class and Size ¹	3/4 inch	1 inch	1 1/2 inch	2 inch	3 inch	4 inch	6 inch	Total
Residential ²	2,486	69	-	-	-	-	-	2,555
Agriculture	53	-	-	-	-	-	-	53
Commercial	9	5	-	1	-	-	-	15
Total Meters/Accounts	2,548	74	-	1	-	-	-	2,623
<i>Hydraulic Capacity Factor</i> ³	<i>1.00</i>	<i>1.00</i>	<i>2.00</i>	<i>3.20</i>	<i>6.40</i>	<i>10.00</i>	<i>20.00</i>	
Total Equivalent Meters	2,548	74	-	3.20	-	-	-	2,625

1. Meter Count is distinct accounts from Jan-Dec 2024. BHDVWA charges monthly rates, but bills bi-monthly.

Source files: *Combined Billing.xlsx*

2. Includes Ag + Residence class (the average demand of this class is less than Residential and, therefore, is combined with Residential).

3. Source file: *AWWA Manual M1, "Principles of Water Rates, Fees, and Charges"*, Table B-1.

Using the costs allocated to each customer class from Figure 5, **Figure 11** shows the calculation of the fixed monthly service charges for all customer classes based on meter size. As previously mentioned, the customer service charge is calculated by dividing the customer service-related costs by the total number of meters, whereas the fixed capacity charge is calculated by dividing the capacity-related costs by the total number of equivalent meters for each meter size.

Figure 11. Calculation of Fixed Meter Charges

Number of Meters by Class and Size ¹	3/4 inch	1 inch	1 1/2 inch	2 inch	3 inch	4 inch	6 inch	Total
Residential ²	2,486	69	-	-	-	-	-	2,555
Agriculture	53	-	-	-	-	-	-	53
Commercial	9	5	-	1	-	-	-	15
Total Meters/Accounts	2,548	74	-	1	-	-	-	2,623
Hydraulic Capacity Factor ³	1.00	1.00	2.00	3.20	6.40	10.00	20.00	
Total Equivalent Meters	2,548	74	-	3.20	-	-	-	2,625
Bi-Monthly Fixed Service Charges								
Customer Costs (\$/Acct/2 months) ⁴	\$11.72	\$11.72	\$11.72	\$11.72	\$11.72	\$11.72	\$11.72	
Capacity Costs (\$/Acct/2 months) ⁵	\$66.04	\$66.04	\$132.08	\$211.33	\$422.66	\$660.41	\$1,320.82	
Total Bi-Monthly Meter Charge	\$77.76	\$77.76	\$143.80	\$223.05	\$434.38	\$672.13	\$1,332.54	
Annual Fixed Costs Allocated to Bi-Monthly Meter Charges								
Customer Costs	\$ 184,407							
Capacity Costs	1,040,226							
Total Fixed Meter Costs	\$ 1,224,633							
Annual Revenue from Bi-Monthly Meter Charges								
Customer Charges	\$ 179,135	\$ 5,202	\$ -	\$ 70	\$ -	\$ -	\$ -	\$ 184,407
Capacity Charges	1,009,636	29,322	-	1,268	-	-	-	\$ 1,040,226
Total Revenue from Bi-Monthly Meter Charges	\$ 1,188,770	\$ 34,525	\$ -	\$ 1,338	\$ -	\$ -	\$ -	\$ 1,224,633
1. Meter Count is distinct accounts from Jan-Dec 2024. BHDVWA charges monthly rates, but bills bi-monthly. Source files: Combined Billing.xlsx								
2. Includes Ag + Residence class (the average demand of this class is less than Residential and, therefore, is combined with Residential).								
3. Source file: AWWA Manual M1, "Principles of Water Rates, Fees, and Charges", Table B-1.								
4. Customer costs are allocated to each customer by dividing the total customer costs by the total number of customers.								
5. Capacity costs are allocated by meter size and the hydraulic capacity of the meter.								

Variable Rates

Currently, the Agency uses a tiered rate structure for residential customers; however, the proposed rates are based on a uniform, or single tier, variable rate.

Figure 12 shows the calculation of the uniform rate per unit of water for each customer class.

Figure 12. Calculation of Commodity Charges

Customer Classes	Number of Meters ¹	Water Consumption (hcf/yr.) ¹	Commodity Assigned Costs	Capacity Assigned Costs	Additional Supply Costs	Fixed Costs to Recover from Vol. Charges (A)	Target Rev. Req't from Vol. Charges	Uniform Volumetric Rates (\$/hcf)
Residential	2,555	176,959	\$ 619,100	\$ 162,263	\$ -		\$ 781,363	
Non-Residential								
Agriculture	53	2,367	8,280	2,352	-		\$10,632	
Commercial	15	8,747	30,603	7,234	-		\$37,837	
Fire Meter	4	47	166	163	-		\$329	
Total (Excluding Bulk)	2,627	188,120	658,149	172,012	-		\$ 830,161	\$4.41
Bulk Water (Collected from Vol. Rates)	77	2,191	7,664	1,934	-	17,104	26,703	\$12.19
Total	2,704	190,311	\$ 665,814	\$ 173,946	\$ -	\$ 17,104	\$ 856,864	

1. Consumption by customer class for January 2024-December 2024. Source files: Combined Billing.xlsx
2. Additional water supply costs for Residential and Agriculture customers shown in Table 29.

2.6 Proposed Water Rates

The Agency's previous rate study was completed almost five years ago in 2021. Since then, the underlying cost factors (e.g., consumption by class, number of meters, peaking factors) have changed. The cost-of-service analysis by nature "re-balances" how costs are allocated between customer classes and, as a result, there are uneven adjustments in the first year of the 5-year rate adoption period. In contrast, in the subsequent four years of the rate planning period, proposed charges are simply adjusted by the proposed adjustment in total rate revenue needed to meet projected revenue requirements. Because projected

water sales are lower than the water sales that were anticipated in the previous study, variable rates increased as costs are spread over less water sales.

Figure 13 provides a comparison of the current and proposed water rates for FY 2025/26 through 2029/30 for each customer class and meter size. Projected rates for each fiscal year⁸ reflect adjustments based on the cost-of-service analysis, the 60% fixed/40% variable rate design structure, and the recommended percent increases in rate revenue planned for each year. More detailed tables on the development of the proposed water rates are documented in the Technical Appendix.

Figure 13. Current and Proposed Water Rates

Water Rate Schedule	Current Rates	Proposed					
		1/1/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030	
Fixed Meter Charges							
Bi-Monthly Fixed Service Charges:							
3/4 inch	\$72.27	\$77.76	\$81.18	\$84.75	\$88.48	\$92.37	
1 inch	\$72.27	\$77.76	\$81.18	\$84.75	\$88.48	\$92.37	
1.5 inch	\$130.27	\$143.80	\$150.13	\$156.74	\$163.64	\$170.84	
2 inch	\$199.88	\$223.05	\$232.86	\$243.11	\$253.81	\$264.98	
3 inch	\$385.51	\$434.38	\$453.49	\$473.44	\$494.27	\$516.02	
4 inch	\$594.32	\$672.13	\$701.70	\$732.57	\$764.80	\$798.45	
6 inch	\$1,174.38	\$1,332.54	\$1,391.17	\$1,452.38	\$1,516.28	\$1,583.00	
Bi-Monthly Fire Service Charges:							
3/4 inch	\$35.81	\$59.40	\$62.01	\$64.74	\$67.59	\$70.56	
1 inch	\$35.81	\$59.40	\$62.01	\$64.74	\$67.59	\$70.56	
2 inch	\$83.23	\$164.34	\$171.58	\$179.13	\$187.01	\$195.24	
3 inch	\$165.12	\$345.61	\$360.82	\$376.70	\$393.27	\$410.57	
4 inch	\$315.97	\$679.52	\$709.42	\$740.63	\$773.22	\$807.24	
6 inch	\$703.86	\$1,538.15	\$1,605.83	\$1,676.49	\$1,750.26	\$1,827.27	
8 inch	\$1,221.05	\$2,682.99	\$2,801.04	\$2,924.29	\$3,052.96	\$3,187.29	
Commodity Charges							
Rate per hcf of Water Consumed:							
Tiered Rate - Residential Customers ¹							
	Proposed Break						
Tier 1	0-25 hcf	\$3.55	\$4.41	\$4.61	\$4.81	\$5.02	\$5.24
Tier 2	26+ hcf	\$5.40	NA	NA	NA	NA	NA
Commercial, Ag, Institutional, Fire & Other		\$4.18	\$4.41	\$4.61	\$4.81	\$5.02	\$5.24
Bulk Meters		\$9.16	\$12.19	\$12.73	\$13.29	\$13.87	\$14.48

1. Includes Ag + Residence class.

2.7 Comparison of Current and Proposed Water Bills

Figure 14 and **Figure 15** compare a range of monthly water bills under the current and proposed water rates for residential customers. The monthly bills are based on typical meter sizes and highlight the average consumption levels for a residential customer.

⁸ All rate adjustments are scheduled to be effective on January 1, 2026.

Figure 14. Monthly Water Bill Comparison for Residential Customers

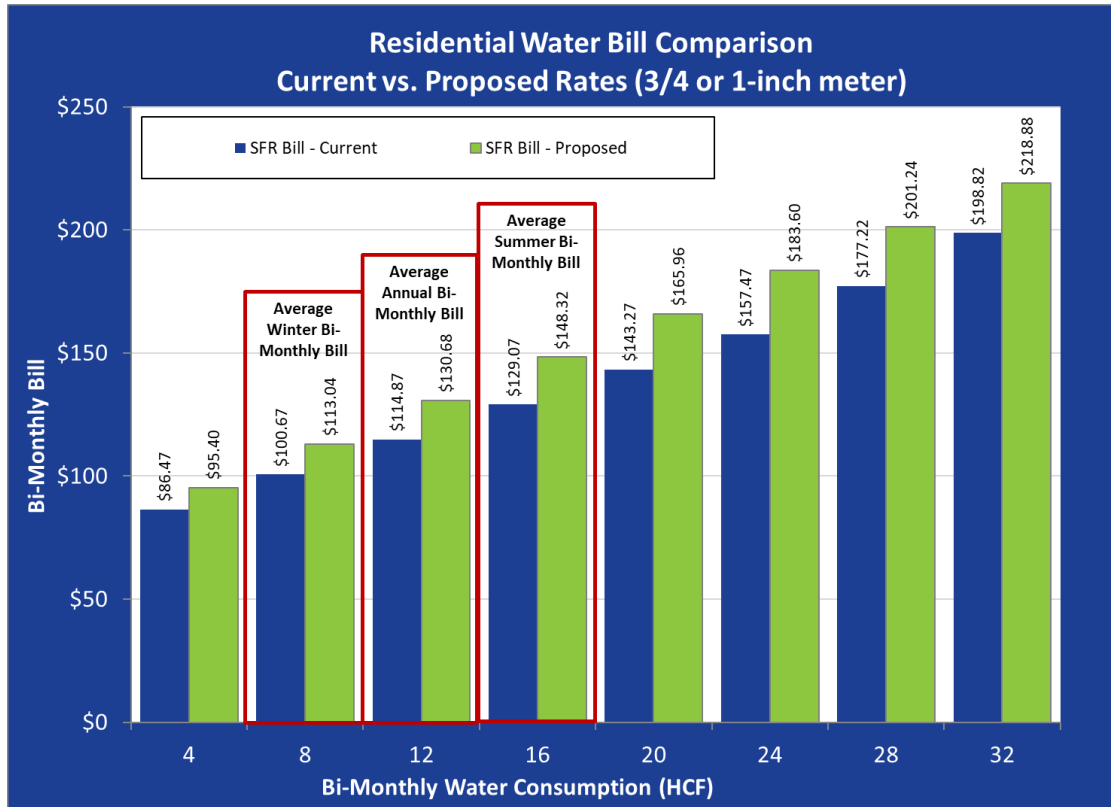
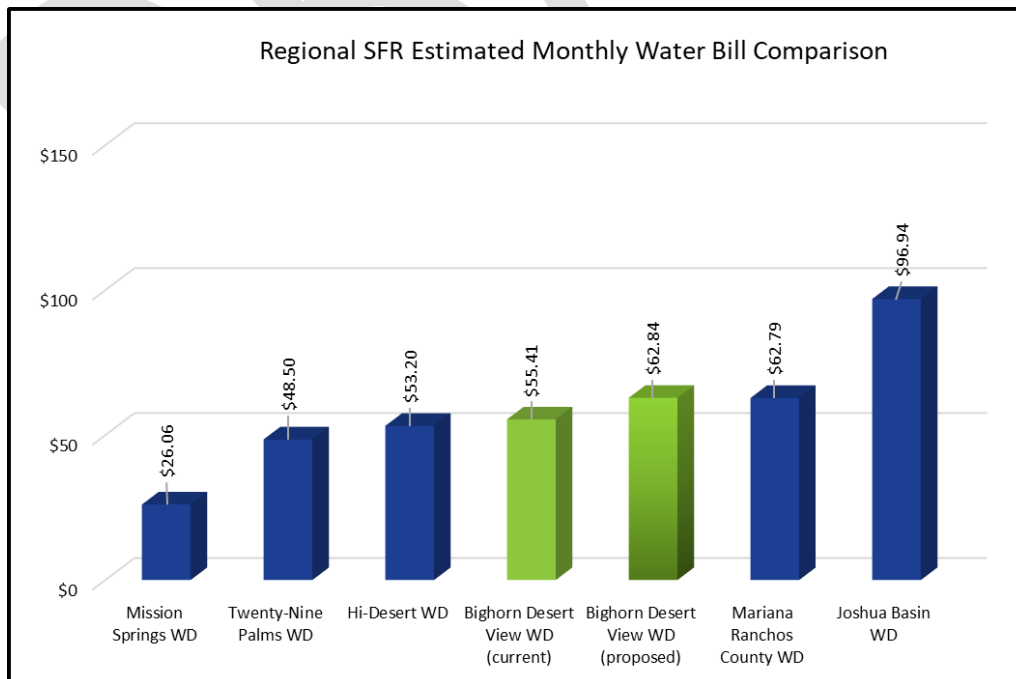


Figure 15 presents a comparison of residential water rates for similar communities.

Figure 15. Residential Bills Comparison for Similar Communities



3. Recommendations and Next Steps

3.1 Consultant Recommendations

NBS recommends the Agency take the following actions:

- **Approve and Accept this Study:** NBS recommends the Board formally approve and adopt this Study and its recommendations and proceed with the next steps outlined below to implement the proposed rates. This will provide documentation of the rate study analyses and the basis for analyzing potential changes to future rates.
- **Implement Recommended Levels of Rate Increases and Proposed Rates:** Based on successfully meeting the Prop 218 procedural requirements, the Agency should proceed with implementing the 5-year schedule of proposed rates and rate increases previously shown in Figure 13. This will help ensure the continued financial health of Agency's utilities.

3.2 Next steps

Annually Review Rates and Revenue – Any time an agency adopts new utility rates or rate structures, those new rates should be closely monitored over the next several years to ensure the revenue generated is sufficient to meet the annual revenue requirements. Changing economic and water consumption patterns underscore the need for this review, as well as potential and unseen changing revenue requirements — particularly those related to environmental regulations that can significantly affect capital improvements and repair and replacement costs.

Note: The attached Technical Appendix provides more detailed information on the analysis of the financial plan, revenue requirements, cost-of-service, and the rate design analyses that have been summarized in this report.

3.3 NBS' Principal Assumptions and Considerations

In preparing this report and the opinions and recommendations included herein, NBS has relied on several principal assumptions and considerations regarding financial matters, conditions, and events that may occur in the future. This information and these assumptions, including the Agency's budgets, capital improvement costs, customer accounts and consumption, and information from Agency staff were provided by sources we believe to be reliable, although NBS has not independently verified this data.

While we believe NBS' use of such information and assumptions is reasonable for the purpose of this report and its recommendations, some assumptions will invariably not materialize as stated herein and may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others.

Technical Appendix

This Appendix contains:

- Appendix A: Water Rate Study Tables and Figures

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Appendix A. Water Rate Study Tables and Figures

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TABLE 1 : FINANCIAL PLAN AND SUMMARY OF REVENUE REQUIREMENTS

RATE REVENUE REQUIREMENTS SUMMARY ¹	Budget		Projected			
	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Sources of Water Funds						
Rate Revenue:						
Water Sales Revenue Under Current Rates	\$ 1,845,700	\$ 2,099,400	\$ 2,099,400	\$ 2,099,400	\$ 2,099,400	\$ 2,099,400
Revenue from Rate Increases ²	-	-	46,187	93,390	141,631	190,934
Subtotal: Rate Revenue After Rate Increases	1,845,700	2,099,400	2,145,587	2,192,790	2,241,031	2,290,334
Non-Rate Revenue:						
Other Operating Revenue	\$ 78,100	\$ 67,700	\$ 70,700	\$ 70,700	\$ 70,700	\$ 70,700
Non-Operating Revenue	344,400	389,700	389,700	389,700	389,700	389,700
Interest Income ³	100,000	177,800	94,481	95,986	94,654	93,146
Subtotal: Non-Rate Revenue	522,500	635,200	554,881	556,386	555,054	553,546
Total Sources of Funds	\$ 2,368,200	\$ 2,734,600	\$ 2,700,468	\$ 2,749,176	\$ 2,796,085	\$ 2,843,880
Uses of Water Funds						
Operating Expenses ⁴						
Operating Administrative Expenses	\$ 1,318,258	\$ 1,161,300	\$ 1,203,300	\$ 1,247,000	\$ 1,292,800	\$ 1,340,600
Non-Operating Administrative Expenses	33,200	33,200	33,900	34,600	35,300	36,000
Operations Expense	1,099,800	1,084,100	1,111,600	1,139,700	1,168,500	1,198,000
Director Expense	50,000	70,000	70,000	70,000	70,000	70,000
Administration Projects	-	-	-	-	-	-
Subtotal: Operating Expenses	\$ 2,501,258	\$ 2,348,600	\$ 2,418,800	\$ 2,491,300	\$ 2,566,600	\$ 2,644,600
Other Expenditures:						
Existing Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Debt Service	-	-	-	167,359	167,359	167,359
Rate-Funded Capital Expenses	-	182,901	206,387	157,124	136,694	-
Subtotal: Other Expenditures	\$ -	\$ 182,901	\$ 206,387	\$ 324,483	\$ 304,053	\$ 167,359
Total Uses of Water Funds	\$ 2,501,258	\$ 2,531,501	\$ 2,625,187	\$ 2,815,783	\$ 2,870,653	\$ 2,811,959
Annual Surplus/(Deficit)	\$ (133,058)	\$ 203,099	\$ 75,281	\$ (66,607)	\$ (74,567)	\$ 31,922
Net Revenue Req't. (Total Uses less Non-Rate Revenue)	\$ 1,978,758	\$ 1,896,301	\$ 2,070,306	\$ 2,259,396	\$ 2,315,598	\$ 2,258,412
Projected Annual Rate Revenue Increase	0.00%	0.00%	4.40%	4.40%	4.40%	4.40%
Cumulative Increase from Annual Revenue Increases	0.00%	0.00%	4.40%	8.99%	13.79%	18.80%
Debt Coverage After Rate Increase	N/A	N/A	N/A	13.10	13.39	13.69

3. Select Financial Plan Scenario Here						
Financial Plan Alternatives	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
1. Alternative 1 - 4% Inflationary Rate Increases	0.00%	4.00%	4.00%	4.00%	4.00%	4.00%
2. Alternative 2 - 5% Inflationary Rate Increases	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%
3. Alternative 3 - Custom Rate Increases	0.00%	0.00%	4.40%	4.40%	4.40%	4.40%
4. Alternative 4 - No Rate Increases	0.00%	4.40%	6.00%	6.00%	6.00%	6.00%

1. Revenue and expenses for FY 2024-25 are from source file: 1-4. GY 2024.25 Budget
2. Rate increases assume an implementation date of March 1, 2026 and then January 1st thereafter.
3. Interest earnings for FY 2024-25 is from Agency budget. For all other years, it is calculated based on agency input.
4. Revenue and expenses for FY 2024-25 are from source file: 1-4. GY 2024.25 Budget

BIGHORN DESERT WATER AGENCY
WATER RATE STUDY
Financial Plan and Reserve Projections
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 2 : RESERVE FUND SUMMARY

SUMMARY OF CASH ACTIVITY UN-RESTRICTED RESERVES	Budget		Projected			
	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Total Beginning Cash ^{1,2,3}	\$ 5,385,601					
Operating Reserve Fund (Current Customer Deposits)						
Beginning Reserve Balance ¹	\$ 5,385,601	\$ 616,749	\$ 579,107	\$ 596,416	\$ 494,483	\$ 383,419
Plus: Net Cash Flow (After Rate Increases)	(133,058)	203,099	75,281	(66,607)	(74,567)	31,922
Plus: Transfer of Debt Reserve Surplus	-	-	-	-	-	-
Less: Transfer Out to Emergency Contingencies Fund	(1,000,000)	(33,100)	(34,196)	(35,327)	(36,497)	(37,705)
Less: Transfer Out to Rate Stabilization	(500,000)	-	-	-	-	-
Less: Transfer Out to Capital Replacement Reserve	(3,135,795)	(207,641)	(23,775)	-	-	-
Ending Operating Reserve Balance	\$ 616,749	\$ 579,107	\$ 596,416	\$ 494,483	\$ 383,419	\$ 377,635
Target Ending Balance (90-days of O&M) ²	\$ 616,749	\$ 579,107	\$ 596,416	\$ 614,293	\$ 632,860	\$ 652,093
Emergency Contingencies Reserve Fund						
Beginning Reserve Balance	\$ -	\$ 1,000,000	\$ 1,033,100	\$ 1,067,296	\$ 1,102,623	\$ 1,139,120
Plus: Transfer of Operating Reserve Surplus	1,000,000	33,100	34,196	35,327	36,497	37,705
Less: Use of Reserves for Capital Projects	-	-	-	-	-	-
Ending Emergency Contingencies Reserve Balance	\$ 1,000,000	\$ 1,033,100	\$ 1,067,296	\$ 1,102,623	\$ 1,139,120	\$ 1,176,825
Target Ending Balance Set by Board (\$200,000 minimum) ³	\$ 1,000,000	\$ 1,033,100	\$ 1,067,296	\$ 1,102,623	\$ 1,139,120	\$ 1,176,825
Capital R & R Reserve Fund						
Beginning Reserve Balance	\$ -	\$ 3,135,795	\$ 2,611,830	\$ 2,635,605	\$ 2,635,605	\$ 2,634,785
Plus: Transfer of Operating Reserve Surplus	3,135,795	207,641	23,775	-	-	-
Less: Use of Reserves for Capital Projects	-	(731,605)	-	-	(820)	(322,156)
Ending Capital Rehab & Replacement Reserve Balance	\$ 3,135,795	\$ 2,611,830	\$ 2,635,605	\$ 2,635,605	\$ 2,634,785	\$ 2,312,629
Target Ending Balance ⁴	\$ 733,681	\$ 1,253,491	\$ 1,495,407	\$ 1,542,544	\$ 1,583,552	\$ 1,602,882
Rate Stabilization Fund						
Beginning Reserve Balance	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Plus: Transfer of Operating Reserve Surplus	500,000	-	-	-	-	-
Less: Transfer Out to Operating Reserve	-	-	-	-	-	-
Ending Rate Stabilization Reserve Balance	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Target Ending Balance ⁵	\$ 461,425	\$ 524,850	\$ 536,397	\$ 548,197	\$ 560,258	\$ 572,583
Ending Balance	\$ 5,252,543	\$ 4,724,037	\$ 4,799,318	\$ 4,732,711	\$ 4,657,324	\$ 4,367,089
Minimum Target/Ending Balance	\$ 2,811,854	\$ 3,390,548	\$ 3,695,516	\$ 3,807,658	\$ 3,915,790	\$ 4,004,383
Ending Surplus/(Deficit) Compared to Reserve Targets	\$ 2,440,689	\$ 1,333,489	\$ 1,103,802	\$ 925,053	\$ 741,534	\$ 362,706
Restricted Reserves:						
Bond Debt Service Reserve Fund						
Beginning Reserve Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plus: Reserve Funding from New Debt Obligations	-	-	-	-	-	-
Less: Transfer of Surplus to Operating Reserve	-	-	-	-	-	-
Ending Debt Reserve Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Target Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connection Fee Reserve						
Beginning Reserve Balance	\$ -	\$ 17,900	\$ 36,158	\$ 54,781	\$ 73,777	\$ 93,152
Plus: Capital Impact Fee Revenue	17,900	17,900	17,900	17,900	17,900	17,900
Plus: Interest Revenue	-	358	723	1,096	1,476	1,863
Less: Use of Reserves for Capital Projects	-	-	-	-	-	-
Ending Connection Fee Fund Balance	\$ 17,900	\$ 36,158	\$ 54,781	\$ 73,777	\$ 93,152	\$ 112,915
Annual Interest Earnings Rate ⁶	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

1. Beginning cash from Audited Financial Statements for 2023/24 source files: 2024 CAFR BDVWA Final.pdf, page 32, Cash and Cash Equivalents.

2. Operating Reserve Target set to 180 days (or 6 months) of O&M expenses. Industry standard is 3 to 6 months.

3. Reserve target set by Agency Board. Source file: 16R-11 Establishing Criteria for Agency Financial Reserves.pdf

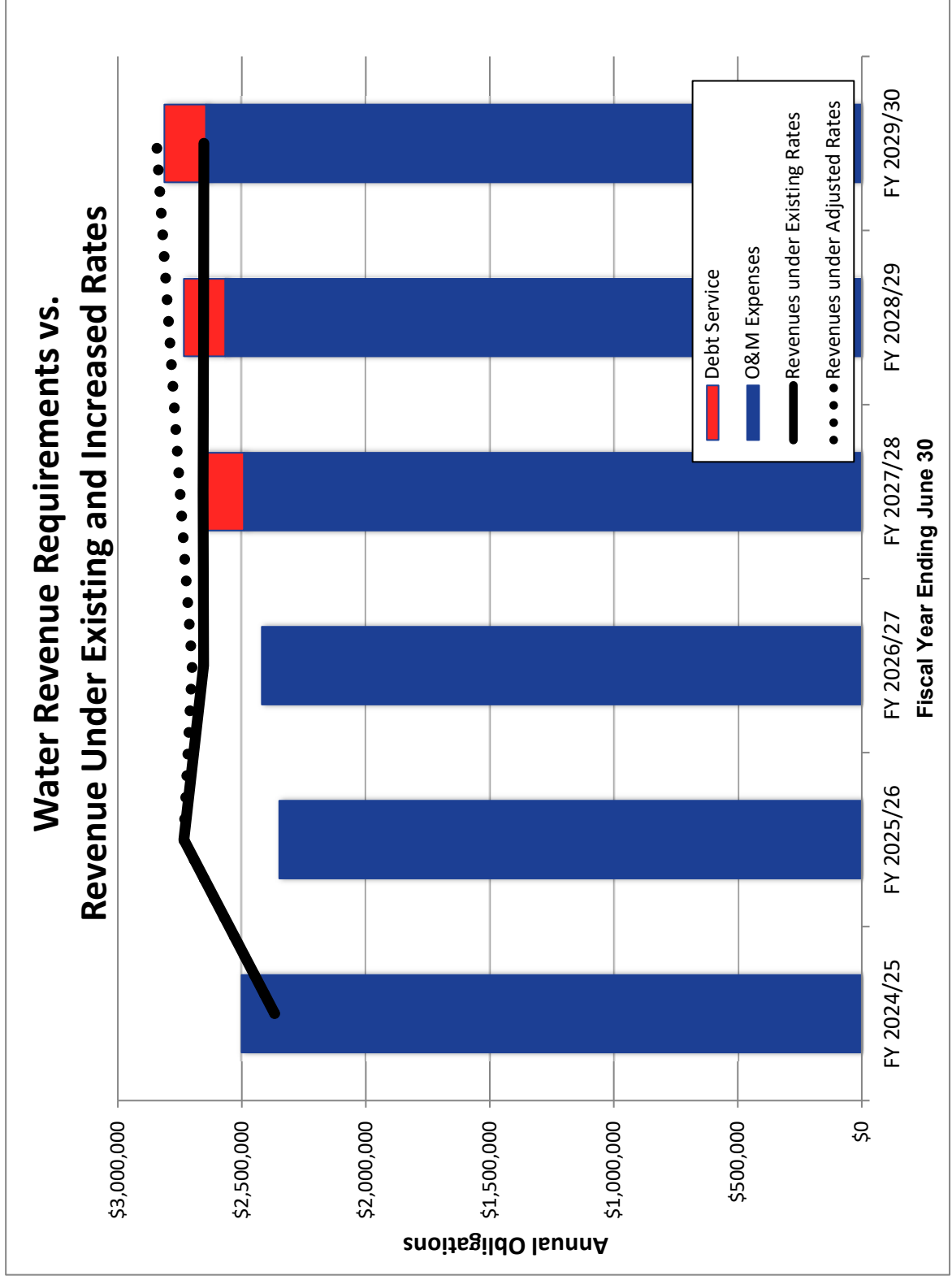
4. Replacement & Refurbishment Reserve target set to 6% of total assets.

5. Rate Stabilization Target is 25% of Rate Revenue

6. Interest earnings for FY 2024/25 are per the City's budget projections. For all future years, interest earnings are calculated here based on district provided rate and projected cash balances

BIGHORN DESERT WATER AGENCY
WATER RATE STUDY
Rate Adjustment Charts and Report Tables
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

CHART 1



BIGHORN DESERT WATER AGENCY
WATER RATE STUDY

Rate Adjustment Charts and Report Tables

Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

CHART 2

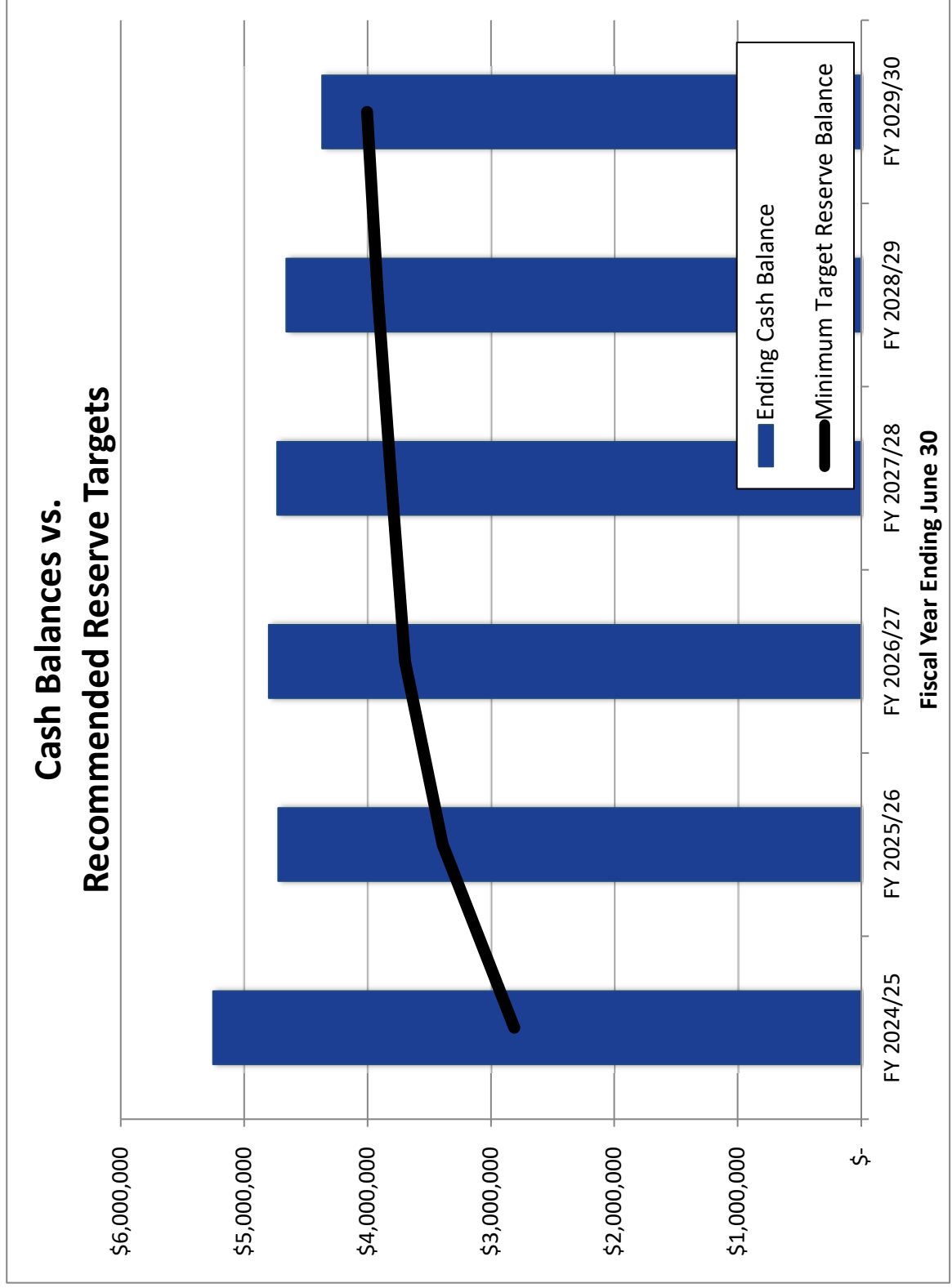


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BIGHORN DESERT WATER AGENCY
WATER RATE STUDY
Operating Revenue and Expenses
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 3 : REVENUE FORECAST ¹

TABLE 3 : REVENUE FORECAST ¹		Budget	5-Year Projected Rate Period				
DESCRIPTION	Inflation Basis	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Operating Revenue							
Metered Water Sales - Tier 1	1	\$ 505,200	\$ 580,500	\$ 580,500	\$ 580,500	\$ 580,500	\$ 580,500
Metered Water Sales - Tier 2	1	224,400	312,100	312,100	312,100	312,100	312,100
Basic Service Charge	1	1,116,100	1,206,800	1,206,800	1,206,800	1,206,800	1,206,800
Other Operating Income	1	77,800	66,900	66,900	66,900	66,900	66,900
Interest Income Unrestricted	See FP	100,000	177,800				
Bad Debt Expense	7	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Bad Debt Expense - Uncollected Liens	7	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Water Sales	1	2,500	3,800	3,800	3,800	3,800	3,800
Subtotal		\$ 2,023,000	\$ 2,344,900	\$ 2,167,100	\$ 2,167,100	\$ 2,167,100	\$ 2,167,100
Non-Operating Revenue							
Stand-By Income W-1	1	\$ 63,900	\$ 63,900	\$ 63,900	\$ 63,900	\$ 63,900	\$ 63,900
General Tax Income (portion of 1%)	1	254,400	299,700	299,700	299,700	299,700	299,700
Other Revenue	1	17,200	21,300	21,300	21,300	21,300	21,300
Pacific Western Earning Credits	1	8,900	4,800	4,800	4,800	4,800	4,800
Subtotal		\$ 344,400	\$ 389,700	\$ 389,700	\$ 389,700	\$ 389,700	\$ 389,700
Non-Operating Revenue - New Connections							
Meter Connect Fees (SL Install Fees)	1	\$ 2,700	2,700	2,700	2,700	2,700	2,700
Basic Facilities Charge (Buy-In)	1	15,200	15,200	15,200	15,200	15,200	15,200
Subtotal		\$ 17,900	\$ 17,900	\$ 17,900	\$ 17,900	\$ 17,900	\$ 17,900
TOTAL: REVENUE		\$ 2,385,300	\$ 2,752,500	\$ 2,574,700	\$ 2,574,700	\$ 2,574,700	\$ 2,574,700

TABLE 4 : REVENUE SUMMARY

TABLE 4 : REVENUE SUMMARY									
		Budget		5-Year Projected Rate Period					
RATE REVENUE:									
Metered Water Sales - Tier 1		\$	505,200	\$	580,500	\$	580,500	\$	580,500
Metered Water Sales - Tier 2			224,400		312,100		312,100		312,100
Basic Service Charge			1,116,100		1,206,800		1,206,800		1,206,800
OTHER REVENUE:									
Other Operating Revenue		\$	78,100	\$	67,700	\$	70,700	\$	70,700
Interest Income			100,000		177,800		-		-
Non-Operating Revenue			344,400		389,700		389,700		389,700
Non-Operating Revenue - New Connections			17,900		17,900		17,900		17,900
TOTAL: REVENUE			\$ 2,386,100		\$ 2,752,500		\$ 2,577,700		\$ 2,577,700
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									\$ 70,700

EXHIBIT 1

BIGHORN DESERT WATER AGENCY
WATER RATE STUDY
Operating Revenue and Expenses
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 5 : OPERATING EXPENSE FORECAST ¹

TABLE 5 : OPERATING EXPENSE FORECAST ¹							
DESCRIPTION	Inflation Basis	Budget	5-Year Projected Rate Period				
		FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Operating Administrative Expenses							
Administrative Compensation	2	\$ 503,200	\$ 342,000	\$ 350,600	\$ 359,400	\$ 368,400	\$ 377,600
Contractual Services - Auditor	2	18,900	18,900	19,400	19,900	20,400	20,900
Contractual Services - Legal	2	35,000	40,000	41,000	42,000	43,100	44,200
Legislative Affairs	4	15,000	15,000	15,300	15,600	15,900	16,200
PERS Contribution	3	149,700	161,700	171,400	181,700	192,600	204,200
Payroll Tax	2	22,700	22,500	23,100	23,700	24,300	24,900
Telephone , Fax, Internet	4	5,700	9,000	9,200	9,400	9,600	9,800
Mailing Expenses	4	1,800	1,900	1,900	1,900	1,900	1,900
Contractual Services - Other	2	121,700	150,000	153,800	157,600	161,500	165,500
Property/Liability Insurance	4	88,458	102,000	104,000	106,100	108,200	110,400
Workers Comp Insurance	4	18,300	18,300	18,700	19,100	19,500	19,900
Dues & Subscriptions & Annual Fees	4	18,500	21,100	21,500	21,900	22,300	22,700
Power/Propane - Office & Yards	6	12,300	11,700	12,100	12,500	13,000	13,500
Office Supplies/Printing	4	8,800	12,200	12,400	12,600	12,900	13,200
Employee Benefits Insurance	3	286,100	229,300	243,100	257,700	273,200	289,600
Employee Education	4	12,100	5,700	5,800	5,900	6,000	6,100
Non-Operating Administrative Expenses							
Office Equipment Expense	4	\$ 14,100	\$ 14,100	\$ 14,400	\$ 14,700	\$ 15,000	\$ 15,300
Customer Relations	4	3,200	3,200	3,300	3,400	3,500	3,600
Other Administrative Expenses	4	14,400	14,400	14,700	15,000	15,300	15,600
Election Costs	4	1,000	1,000	1,000	1,000	1,000	1,000
Misc. Expenses	4	500	500	500	500	500	500
Operations Expense							
Operations Staff Compensation	2	\$ 499,500	\$ 498,800	\$ 511,300	\$ 524,100	\$ 537,200	\$ 550,600
Uniforms	4	10,000	10,000	10,200	10,400	10,600	10,800
Vehicle, Tractor, Equipment Expense	4	35,000	35,000	35,700	36,400	37,100	37,800
Vehicle Expense - Fuel	5	53,800	49,200	50,900	52,700	54,500	56,400
Field Materials and Supplies	4	78,800	78,800	80,400	82,000	83,600	85,300
Water Testing	4	15,000	15,000	15,300	15,600	15,900	16,200
Engineering	4	60,000	100,000	102,000	104,000	106,100	108,200
Water System Repairs	4	80,000	100,000	102,000	104,000	106,100	108,200
Excavation Permit Fees (CoSB)	4	500	500	500	500	500	500
Building Maintenance and Repair	4	15,500	15,500	15,800	16,100	16,400	16,700
Communications Expense	4	8,100	7,900	8,100	8,300	8,500	8,700
Disinfection Expense	4	15,500	13,400	13,700	14,000	14,300	14,600
Power - Wells, Booster Pumps	6	145,600	148,400	153,900	159,600	165,500	171,600
Other Operations Expense	4	12,500	11,600	11,800	12,000	12,200	12,400
Water Purchases	4	70,000	-	-	-	-	-
Sub-Total		\$ 2,451,258	\$ 2,278,600	\$ 2,348,800	\$ 2,421,300	\$ 2,496,600	\$ 2,574,600

EXHIBIT 1

BIGHORN DESERT WATER AGENCY
WATER RATE STUDY
Operating Revenue and Expenses
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 6		Budget	5-Year Projected Rate Period					
DESCRIPTION	Inflation Basis	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	
Director Expense								
Director - McBride	7	\$ 10,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	
Director - Cori-Lorono	7	10,000	14,000	14,000	14,000	14,000	14,000	
Director - J. Burkhart	7	10,000	14,000	14,000	14,000	14,000	14,000	
Director - McKenzie	7	10,000	14,000	14,000	14,000	14,000	14,000	
Director - Coulombe	7	10,000	14,000	14,000	14,000	14,000	14,000	
Sub-Total		\$ 50,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	

TABLE 7		Budget	5-Year Projected Rate Period					
DESCRIPTION	Inflation Basis	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	
Administration Projects	4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	7	-	-	-	-	-	-	
Sub-Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
GRAND TOTAL: WATER OPERATING EXPENSES		\$ 2,501,258	\$ 2,348,600	\$ 2,418,800	\$ 2,491,300	\$ 2,566,600	\$ 2,644,600	

TABLE 8 : FORECASTING ASSUMPTIONS

INFLATION FACTORS ²	Inflation Basis	5-Year Projected Rate Period					
		FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Water Sales	1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Salaries ²	2	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Benefits ³	3	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
General Inflation ⁴	4	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Fuel ⁵	5	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Electricity ⁶	6	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%
No Escalation	7	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

- 1. Revenue and expenses for FY 2024-25 are from source file: 1-4. GY 2024.25 Budget
- 2. Social Security COLA for 2024; Website: <https://www.ssa.gov/OACT/cola/colaseries.html>
- 3. Benefits inflation set to 6% per Agency staff May 2025.
- 4. Five-year average CPI for All Urban Consumers for the Los Angeles/Riverside/Orange County areas, per BLS, Series ID:CUURS49ASA0 .
- 5. Five-year average CPI for Motor Fuel for the Los Angeles/Riverside/Orange County areas, per BLS, Series ID:CUURS49ASETB .
- 6. Five-year average CPI for Electricity for the Los Angeles/Riverside/Orange County areas, per BLS, Series ID:CUURS49ASAOE .

Capital Improvement Plan Expenditures

Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 9 : CAPITAL FUNDING SUMMARY

CAPITAL FUNDING FORECAST		Budget		Projected				
Funding Sources:		FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	
Grants ¹		\$ -	\$ 7,749,000	\$ 3,000,000	\$ -	\$ -	\$ -	
Use of R&R Reserves		-	731,605	-	-	820	322,156	
Use of Connection Fee Reserve		-	-	-	-	-	-	
Use of New Revenue Bond Proceeds		-	-	825,547	628,495	545,958	-	
Rate Revenue		-	182,901	206,387	157,124	136,694	-	
Total Sources of Capital Funds		\$ -	\$ 8,663,506	\$ 4,031,934	\$ 785,619	\$ 683,472	\$ 322,156	
Uses of Capital Funds:								
Total Project Costs		\$ -	\$ 8,663,506	\$ 4,031,934	\$ 785,619	\$ 683,472	\$ 322,156	
Capital Funding Surplus (Deficiency)		\$ -	\$ -	\$ -	\$ 0	\$ -	\$ 0	
Bank Loan		\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -	
New Revenue Bond Proceeds		\$ -	\$ -	-	-	-	-	

1. Grant Funding is per page 6 of the Agency's 2024/25 budget (file: FY2024-25 Budget.pdf). Grant funding for 2025/26 based on Grant project expenses in CIP.

CAPITAL IMPROVEMENT PROGRAM FUNDING OPTIONS

CIP Funding Options	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
1 Full Program	\$ -	\$ 1,219,341	\$ 1,375,912	\$ 1,047,492	\$ 911,296	\$ 429,541
2 80% Program	\$ -	\$ 975,473	\$ 1,100,730	\$ 837,994	\$ 729,037	\$ 343,633
3 75% Program	\$ -	\$ 914,506	\$ 1,031,934	\$ 785,619	\$ 683,472	\$ 322,156
4 60% Program	\$ -	\$ 731,605	\$ 825,547	\$ 628,495	\$ 546,778	\$ 257,725
Funding Option Selected	3					

Capital Improvement Program Funding Choice	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Effective Annual Funding Amount	\$ -	\$ 8,663,506	\$ 4,031,934	\$ 785,619	\$ 683,472	\$ 322,156

EXHIBIT 2

BIGHORN DESERT WATER AGENCY
WATER RATE STUDY
Capital Improvement Plan Expenditures
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CAPITAL IMPROVEMENT PROGRAM

TABLE 10 : CAPITAL IMPROVEMENT PROGRAM COSTS (IN CURRENT-YEAR DOLLARS) ¹

Avg. Life Yrs.	Project Description	2025	2026	2027	2028	2029	2030
Refurbish and Replacement Projects							
15	Admin Building Roof Replacement		\$ 50,000				
15	Meter Replacements		10,000				
8	Rate Study		40,000				
8	Well 8 Rehab				200,000		
8	Well 9 Rehab					200,000	
8	Well 10 Rehab			200,000			
30	Well GMW1 - plan to deepen well thru casing						
30	Well GMW3 Rehab				200,000		
30	Well 13 - Complete new well (then Rehab)		242,000				
30	Complete New Well in B-Zone		150,000	500,000	150,000	500,000	
30	Complete New Well in D-Zone (Deepen Well 6?)						
	Reservoir Rehabilitation						
8	Pump Well 8				100,000		
8	Pump Well 9					100,000	
8	Pump Well 10			100,000			
8	Pump Well GMW1						
8	Pump Well GMW3				100,000		
8	Pump Well 13 (first Pump w/piping & valving)		150,000				
	Zone B Pipeline/D&R1Booster/HDWD#2/LandersCons		6,935,000	3,000,000			
	Operations Well/Pump Emergency Contingency						
60	New Storage Tank R1		300,000	300,000			
20	Utility Billing Software Replacement				200,000		
	Rehabilitate Tank B1/B2		739,000				100,000
20	Replace Generator - 90 KW mobile		65,000				
	Vac/Valve Trailer Replacement						
15	Replace Tractor						
9	Replace Fleet Vehicles (avg life)						200,000
	Operations Capital Projects (Grant Funded)						65,000
	Water Storage Tank Recoating (B1, B2)						
	GMW13 Project						
	Zone B Pipeline/D&R1Booster/HDWD#2/LandersConsolidation						
	Meter Replacement Program						
Total: CIP Program Costs (Current-Year Dollars)		\$ -	\$ 8,681,000	\$ 4,100,000	\$ 950,000	\$ 800,000	\$ 365,000

EXHIBIT 2

BIGHORN DESERT WATER AGENCY
WATER RATE STUDY
Capital Improvement Plan Expenditures
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 11 : CAPITAL IMPROVEMENT PROGRAM COSTS (IN FUTURE-YEAR DOLLARS) ¹

Project Description	2025	2026	2027	2028	2029	2030
Refurbish and Replacement Projects						
15 Admin Building Roof Replacement	-	51,655	-	-	-	-
15 Meter Replacements	-	10,331	-	-	-	-
8 Rate Study	-	41,324	-	-	-	-
8 Well 8 Rehab	-	-	-	220,525	-	-
8 Well 9 Rehab	-	-	-	-	227,824	-
8 Well 10 Rehab	-	-	213,459	-	-	-
30 Well GMW1 - plan to deepen well t	-	-	-	-	-	-
30 Well GMW3 Rehab	-	-	-	220,525	-	-
30 Well 13 - Complete new well (then	-	250,010	-	-	-	-
30 Complete New Well in B-Zone	-	154,965	533,648	-	-	-
30 Complete New Well in D-Zone (Dee	-	-	-	165,393	569,560	-
-- Reservoir Rehabilitation	-	-	-	-	-	-
8 Pump Well 8	-	-	-	110,262	-	-
8 Pump Well 9	-	-	-	-	113,912	-
8 Pump Well 10	-	-	106,730	-	-	-
8 Pump Well GMW1	-	-	-	-	-	-
8 Pump Well GMW3	-	-	-	110,262	-	-
8 Pump Well 13 (first Pump w/piping	-	154,965	-	-	-	-
-- Zone B Pipeline/D&R1Booster/HDW	-	7,164,549	3,201,887	-	-	-
-- Operations Well/Pump Emergency	-	-	-	-	-	-
60 New Storage Tank R1	-	309,930	320,189	-	-	-
20 Utility Billing Software Replacement	-	-	-	220,525	-	-
-- Rehabilitate Tank B1/B2	-	763,461	-	-	-	117,682
20 Replace Generator - 90 KW mobile	-	-	-	-	-	-
-- Vac/Valve Trailer Replacement	-	67,152	-	-	-	235,365
15 Replace Tractor	-	-	-	-	-	76,494
9 Replace Fleet Vehicles (avg life)	-	-	-	-	-	-
tal Projects --	-	-	-	-	-	-
Water Storage Tank Recoating (B1,	-	-	-	-	-	-
GMW Well 13 Project	-	-	-	-	-	-
-- Zone B Pipeline/D&R1Booster/HDW	-	-	-	-	-	-
-- Meter Replacement Program	-	-	-	-	-	-
Total: CIP Program Costs (Future-Year Dollar	\$ -	\$ 8,968,341	\$ 4,375,912	\$ 1,047,492	\$ 911,296	\$ 429,541

TABLE 12 : FORECASTING ASSUMPTIONS

Economic Variables	2025	2026	2027	2028	2029	2030
Annual Construction Cost Inflation, Per	0.00%	3.31%	3.31%	3.31%	3.31%	3.31%
Cumulative Construction Cost Multiplier from 202	1.00	1.03	1.07	1.10	1.14	1.18

1. Estimated capital improvement project costs found in source files: BDVWA CIP Working 2025-2036.xlsx
2. Construction inflation is based on the most current 10 year average of the Engineering News-Record Construction Cost Index.
Source: www.enr.com/economics (June 2015 to June 2025).

BIGHORN DESERT WATER AGENCY
WATER RATE STUDY
Debt Service

EXHIBIT 3

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TABLE 13

AGENCY DEBT OBLIGATIONS									
Annual Repayment Schedules:		FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30		
Water Revenue Bonds ¹									
Principal Payment		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Interest Payment		-	-	-	-	-	-		
Subtotal: Annual Debt Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Coverage Requirement (\$-Amnt above annual payment)		100%	100%	100%	100%	100%	100%		
Reserve Requirement (total fund balance)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
<u>Debt</u>									
Principal Payment ²		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Interest Payment		-	-	-	-	-	-		
Subtotal: Annual Debt Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Coverage Requirement (\$-Amnt above annual payment)		100%	100%	100%	100%	100%	100%		
Reserve Requirement (total fund balance)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		

1. Water revenue bonds due to mature in _____. Source file:

2. _____.

TABLE 14 : EXISTING ANNUAL DEBT OBLIGATIONS TO BE SATISFIED BY WATER RATES

Existing Annual Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Existing Annual Coverage Requirement	100%	100%	100%	100%	100%	100%	100%	100%	100%
Existing Debt Reserve Target	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

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FUTURE DEBT FINANCING ASSUMPTIONS:

Long-Term Debt Terms	Bank Loan	Revenue Bonds
Issuance Cost	2.00%	2.00%
Annual Interest Cost (%)	5.50%	5.50%
Term	20	30
Debt Reserve Funded?	No	Yes
Coverage Requirement (% above annual pmt)	0%	25%

FUTURE DEBT OBLIGATIONS:

Annual Repayment Schedules	2024	2025	2026	2027	2028	2029
<u>Bank Loan Funding</u>						
Principal Payment	\$ -	\$ -	\$ -	\$ 57,359	\$ 60,513	\$ 63,842
Interest Payment	-	-	-	110,000	106,845	103,517
Subtotal: Annual Debt Service	\$ -	\$ -	\$ -	\$ 167,359	\$ 167,359	\$ 167,359
<u>Revenue Bonds</u>						
Principal Payment	\$ -	\$ -	\$ -	-	-	-
Interest Payment	-	-	-	-	-	-
Subtotal: Annual Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total: Future Annual Debt Service	\$ -	\$ -	\$ -	\$ 167,359	\$ 167,359	\$ 167,359
Grand Total: New Annual Coverage Requirement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total: Future Debt Reserve Target	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOTAL DEBT SERVICE:

Annual Obligations	2024	2025	2026	2027	2028	2029
Annual Debt Service	\$ -	\$ -	\$ -	\$ 167,359	\$ 167,359	\$ 167,359
Annual Coverage Requirement	125%	125%	125%	125%	125%	125%
Total Debt Reserve Target	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TABLE 15

Classification of Expenses												
Budget Categories		Total Revenue Requirements FY 2025/26	Commodity (COM)	Additional Supply (ADD SUP)	Capacity (CAP)	Customer (CA)	Fire Protection (FP)	Basis of Classification				
								COM	ADD SUP	CAP	CA	FP
Operating Administrative Expenses												
Administrative Compensation	\$	342,000	\$ 99,180	\$ -	\$ 205,200	\$ 34,200	\$ 3,420	29.0%	0.0%	60.0%	10.0%	1.00%
Contractual Services - Auditor	\$	18,900	\$ 5,481	\$ -	\$ 11,340	\$ 1,890	\$ 189	29.0%	0.0%	60.0%	10.0%	1.00%
Contractual Services - Legal	\$	40,000	\$ 11,600	\$ -	\$ 24,000	\$ 4,000	\$ 400	29.0%	0.0%	60.0%	10.0%	1.00%
Legislative Affairs	\$	15,000	\$ 4,350	\$ -	\$ 9,000	\$ 1,500	\$ 150	29.0%	0.0%	60.0%	10.0%	1.00%
PERS Contribution	\$	161,700	\$ 46,893	\$ -	\$ 97,020	\$ 16,170	\$ 1,617	29.0%	0.0%	60.0%	10.0%	1.00%
Payroll Tax	\$	22,500	\$ 6,525	\$ -	\$ 13,500	\$ 2,250	\$ 225	29.0%	0.0%	60.0%	10.0%	1.00%
Telephone , Fax, Internet	\$	9,000	\$ 2,610	\$ -	\$ 5,400	\$ 900	\$ 90	29.0%	0.0%	60.0%	10.0%	1.00%
Mailing Expenses	\$	1,900	\$ -	\$ -	\$ -	\$ 1,900	\$ -	0.0%	0.0%	0.0%	100.0%	0.0%
Contractual Services - Other	\$	150,000	\$ 43,500	\$ -	\$ 90,000	\$ 15,000	\$ 1,500	29.0%	0.0%	60.0%	10.0%	1.00%
Property/Liability Insurance	\$	102,000	\$ 29,580	\$ -	\$ 61,200	\$ 10,200	\$ 1,020	29.0%	0.0%	60.0%	10.0%	1.00%
Workers Comp Insurance	\$	18,300	\$ 5,307	\$ -	\$ 10,980	\$ 1,830	\$ 183	29.0%	0.0%	60.0%	10.0%	1.00%
Dues & Subscriptions & Annual Fees	\$	21,100	\$ 6,119	\$ -	\$ 12,660	\$ 2,110	\$ 211	29.0%	0.0%	60.0%	10.0%	1.00%
Power/Propane - Office & Yards	\$	11,700	\$ 3,393	\$ -	\$ 7,020	\$ 1,170	\$ 117	29.0%	0.0%	60.0%	10.0%	1.00%
Office Supplies/Printing	\$	12,200	\$ 3,538	\$ -	\$ 7,320	\$ 1,220	\$ 122	29.0%	0.0%	60.0%	10.0%	1.00%
Employee Benefits Insurance	\$	229,300	\$ 66,497	\$ -	\$ 137,580	\$ 22,930	\$ 2,293	29.0%	0.0%	60.0%	10.0%	1.00%
Employee Education	\$	5,700	\$ 1,653	\$ -	\$ 3,420	\$ 570	\$ 57	29.0%	0.0%	60.0%	10.0%	1.00%
Non-Operating Administrative Expenses												
Office Equipment Expense	\$	14,100	\$ 4,089	\$ -	\$ 8,460	\$ 1,410	\$ 141	29.0%	0.0%	60.0%	10.0%	1.00%
Customer Relations	\$	3,200	\$ -	\$ -	\$ -	\$ 3,200	\$ -	0.0%	0.0%	0.0%	100.0%	0.0%
Other Administrative Expenses	\$	14,400	\$ 4,176	\$ -	\$ 8,640	\$ 1,440	\$ 144	29.0%	0.0%	60.0%	10.0%	1.00%
Election Costs	\$	1,000	\$ 290	\$ -	\$ 600	\$ 100	\$ 10	29.0%	0.0%	60.0%	10.0%	1.00%
Misc. Expenses	\$	500	\$ 145	\$ -	\$ 300	\$ 50	\$ 5	29.0%	0.0%	60.0%	10.0%	1.00%
Sub-Total	\$	1,194,500	\$ 344,926	\$ -	\$ 713,640	\$ 124,040	\$ 11,894	28.9%	0.0%	59.7%	10.4%	1.00%

BIGHORN DESERT WATER AGENCY
WATER RATE STUDY

Cost of Service Analysis

Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

Function & Classification

TABLE 16

Classification of Expenses, continued												
Budget Categories	Total Revenue Requirements		Commodity (COM)	Additional Supply (ADD SUP)	Capacity (CAP)	Customer (CA)	Fire Protection (FP)	Basis of Classification				
	FY 2025/26							COM	ADD SUP	CAP	CA	FP
Operations Expense												
Operations Staff Compensation	\$ 498,800	\$ 144,652	\$ -	-	\$ 299,280	\$ 49,880	\$ 4,988	29.0%	0.0%	60.0%	10.0%	1.00%
Uniforms	\$ 10,000	\$ 2,900	\$ -	-	\$ 6,000	\$ 1,000	\$ 100	29.0%	0.0%	60.0%	10.0%	1.00%
Vehicle, Tractor, Equipment Expense	\$ 35,000	\$ 10,150	\$ -	-	\$ 21,000	\$ 3,500	\$ 350	29.0%	0.0%	60.0%	10.0%	1.00%
Vehicle Expense - Fuel	\$ 49,200	\$ 14,268	\$ -	-	\$ 29,520	\$ 4,920	\$ 492	29.0%	0.0%	60.0%	10.0%	1.00%
Field Materials and Supplies	\$ 78,800	\$ 22,852	\$ -	-	\$ 47,280	\$ 7,880	\$ 788	29.0%	0.0%	60.0%	10.0%	1.00%
Water Testing	\$ 15,000	\$ 15,000	\$ -	-	\$ -	\$ -	\$ -	100.0%	0.0%	0.0%	0.0%	0.0%
Engineering	\$ 100,000	\$ 29,000	\$ -	-	\$ 60,000	\$ 10,000	\$ 1,000	29.0%	0.0%	60.0%	10.0%	1.00%
Water System Repairs	\$ 100,000	\$ 29,000	\$ -	-	\$ 60,000	\$ 10,000	\$ 1,000	29.0%	0.0%	60.0%	10.0%	1.00%
Excavation Permit Fees (CoSB)	\$ 500	\$ 145	\$ -	-	\$ 300	\$ 50	\$ 5	29.0%	0.0%	60.0%	10.0%	1.00%
Building Maintenance and Repair	\$ 15,500	\$ 4,495	\$ -	-	\$ 9,300	\$ 1,550	\$ 155	29.0%	0.0%	60.0%	10.0%	1.00%
Communications Expense	\$ 7,900	\$ -	\$ -	-	\$ -	\$ 7,900	\$ -	0.0%	0.0%	0.0%	100.0%	0.0%
Disinfection Expense	\$ 13,400	\$ 13,400	\$ -	-	\$ -	\$ -	\$ -	100.0%	0.0%	0.0%	0.0%	0.0%
Power - Wells, Booster Pumps	\$ 148,400	\$ 148,400	\$ -	-	\$ -	\$ -	\$ -	100.0%	0.0%	0.0%	0.0%	0.0%
Other Operations Expense	\$ 11,600	\$ 3,364	\$ -	-	\$ 6,960	\$ 1,160	\$ 116	29.0%	0.0%	60.0%	10.0%	1.00%
Water Purchases	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	0.0%	100.0%	0.0%	0.0%	0.0%
Director Expense												
Director - McBride	\$ 14,000	\$ 4,060	\$ -	-	\$ 8,400	\$ 1,400	\$ 140	29.0%	0.0%	60.0%	10.0%	1.00%
Director - Cori-Lorono	\$ 14,000	\$ 4,060	\$ -	-	\$ 8,400	\$ 1,400	\$ 140	29.0%	0.0%	60.0%	10.0%	1.00%
Director - J. Burkhardt	\$ 14,000	\$ 4,060	\$ -	-	\$ 8,400	\$ 1,400	\$ 140	29.0%	0.0%	60.0%	10.0%	1.00%
Director - McKenzie	\$ 14,000	\$ 4,060	\$ -	-	\$ 8,400	\$ 1,400	\$ 140	29.0%	0.0%	60.0%	10.0%	1.00%
Director - Coulombe	\$ 14,000	\$ 4,060	\$ -	-	\$ 8,400	\$ 1,400	\$ 140	29.0%	0.0%	60.0%	10.0%	1.00%
Sub-Total	\$ 1,154,100	\$ 457,926	\$ -	-	\$ 581,640	\$ 104,840	\$ 9,694	39.7%	0.0%	50.4%	9.1%	0.8%
Total Operating Expense	\$ 2,348,600	\$ 802,852	\$ -	-	\$ 1,295,280	\$ 228,880	\$ 21,588	34.2%	0.0%	55.2%	9.7%	0.9%

TABLE 17

Classification of Expenses, continued													
Budget Categories	Total Revenue Requirements		Commodity (COM)	Additional Supply (ADD SUP)	Capacity (CAP)	Customer (CA)	Fire Protection (FP)	Basis of Classification					
	FY 2025/26												
Debt Service Payments													
Existing Debt Service	\$	-	\$	-	\$	-	\$	-	0.0%	0.0%	100.0%	0.0%	0.0%
New Debt Service	\$	-	\$	-	\$	-	\$	-	0.0%	0.0%	100.0%	0.0%	0.0%
Total Debt Service Payments	\$	-	\$	-	\$	-	\$	-	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Expenditures													
Rate Funded Capital Expenses	\$	182,901	\$	-	\$	182,901	\$	-	0.0%	0.0%	100.0%	0.0%	0.0%
TOTAL REVENUE REQUIREMENTS	\$	2,531,501	\$	802,852	\$	1,478,181	\$	228,880	\$	21,588	0.0%	58.4%	9.0%
Less: Non-Rate Revenues													
Operating Revenue													
Metered Water Sales - Tier 1													
Metered Water Sales - Tier 2													
Basic Service Charge													
Other Operating Income	\$	(67,700)	\$	(21,471)	\$	(39,531)	\$	(6,121)	\$	(577)			0.9%
Interest Income Unrestricted	\$	(177,800)	\$	(56,388)	\$	(103,820)	\$	(16,075)	\$	(1,516)			0.9%
Non-Operating Revenue													
Stand-By Income W-1	\$	(63,900)	\$	(20,266)	\$	(37,312)	\$	(5,777)	\$	(545)			0.9%
General Tax Income (portion of 1%)	\$	(299,700)	\$	(95,048)	\$	(174,999)	\$	(27,097)	\$	(2,556)			0.9%
Other Revenue	\$	(21,300)	\$	(6,755)	\$	(12,437)	\$	(1,926)	\$	(182)			0.9%
Pacific Western Earning Credits	\$	(4,800)	\$	(1,522)	\$	(2,803)	\$	(434)	\$	(41)			0.9%
Non-Operating Revenue - New Connections													
Meter Connect Fees (SL Install Fees)													
Basic Facilities Charge (Buy-In)													
NET REVENUE REQUIREMENTS	\$	1,896,301	\$	601,402	\$	1,107,278	\$	171,450	\$	16,171			
Allocation of Revenue Requirements		100.0%		31.7%		58.4%		9.0%		0.9%			

TABLE 18

Classification of Expenses, continued								
Adjustments to Classification of Expenses								
Adjustment for Current Rate Level:		Total	COM	ADD SUP	CAP	CA	FP	
FY 2025/26 Target Rate Rev. After Rate Incr	\$	2,099,400	\$ 665,814	\$ -	\$ 1,225,871	\$ 189,813	\$ 17,903	
Projected Rate Revenue at Current Rates								
FY 2025/26 Projected Rate Increase		0.0%	\$ 665,814	\$ -	\$ 1,225,871	\$ 189,813	\$ 17,903	
Adjusted Net Revenue Req'ts	\$	2,099,400	\$ 665,814	\$ -	\$ 1,225,871	\$ 189,813	\$ 17,903	
Percent of Revenue		100.0%	31.7%	0.0%	58.4%	9.0%	0.9%	

BIGHORN DESERT WATER AGENCY
WATER RATE STUDY
Water Cost of Service Analysis

Allocation Factors

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TABLE 19

Development of the COMMODITY Allocation Factor			Average Monthly Statistics			Average Bi-Monthly Statistics		
Customer Class	Annual Volume (hcf) ¹	Percent of Total Volume	Winter	Monthly/Meter	Summer	Winter	Annual	Summer
Residential ²	176,959	93.0%	3.3	5.4	8.0	6.5	10.8	16.1
Agriculture	2,367	1.2%	4.0	1.1	4.1	7.9	2.1	8.2
Bulk Water	2,191	1.2%	1.4	2.1	3.0	2.9	4.2	6.0
Commercial	8,747	4.6%	19.3	30.4	40.6	38.7	60.7	81.3
Commercial + Backflow	-	0.0%						
Fire Meter	47	0.02%	0.0	0.6	3.1	0.0	1.1	6.3
Total	190,311	100%						

1. Consumption is from Jan-Dec 2024. BDVWA bills customers for fixed charges bi-monthly; volumetric rates are \$/HCF.

Source files: *Combined Billing.xlsx*

2. Includes Ag + Residence class (the average demand of this class is less than Residential and, therefore, is combined with Residential).

Commodity Related Costs: *These costs are associated with the total consumption (flow) of water over a specified period of time (e.g. annual).*

BIGHORN DESERT WATER AGENCY
WATER RATE STUDY
Water Cost of Service Analysis

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TABLE 20

Development of the CAPACITY (MAX MONTH) Allocation Factor				
Customer Class	Average Bi-Monthly Use (hcf)	Peak Bi-Monthly Use (hcf) ¹	Peaking Factor	Max Bi-Month Capacity Factor
Residential ²	29,493	43,759	1.48	93.3%
Agriculture	394	634	1.61	1.4%
Bulk Water	365	522	1.43	1.1%
Commercial	1,458	1,951	1.34	4.2%
Fire Meter	8	44	5.57	0.094%
Total	31,718	46,909		100.0%

1. Based on peak monthly data (peak day data not available).
2. Includes Ag + Residence class.

Capacity Related Costs: Costs associated with the maximum demand required at one point in time or the maximum size of facilities required to meet this demand.

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TABLE 21

Development of the CUSTOMER Allocation Factor		
Customer Class	Number of Meters ¹	Percent of Total
Residential ²	2,555	94.5%
Agriculture	53	2.0%
Bulk Water	77	2.8%
Commercial	15	0.6%
Commercial + Backflow	-	0.0%
Fire Meter	4	0.1%
Institutional - Fire Dept.	-	0.0%
Institutional + Backflow	-	0.0%
Total	2,704	100.0%

1. Distinct accounts from 2024. Source files: Combined Billing.xlsx
2. Includes Ag + Residence class.

Customer Related Costs : Costs associated with having a customer on the water system. These costs vary with the addition or deletion of customers on the system. Examples: Meter-reading, Postage and billing.

TABLE 22

Meter Size	Standard Meters ¹		Fire Service Meters ²	
	Meter Capacity (gpm)	Equivalency to 1 inch	Meter Capacity (gpm)	Equivalency to 1 inch
	<u>Displacement Meters</u>		<u>Displacement Meters</u>	
3/4 inch	30	1.00	30	1.00
1 inch	50	1.00	50	1.00
1.5 inch	100	2.00	100	2.00
2 inch	160	3.20	160	3.20
	<u>Compound Class / Meters</u>		<u>Fire Service Type II</u>	
3 inch	320	6.40	350	7.00
4 inch	500	10.00	700	14.00
6 inch	1,000	20.00	1,600	32.00
8 inch	1,600	32.00	2,800	56.00

1. Meter flow rates are from AWWA M-1 Table B-1.
2. Fire Service meter flow rates are from AWWA M-6 Table 5-3.

TABLE 23 : ALLOCATION OF WATER REVENUE REQUIREMENTS

Functional Category	COSA Results		Proposed Rates	
	Unadjusted Net Revenue Requirements (2025/26)		Adjusted Net Revenue Requirements (2025/26)	
	68% Fixed / 32% Variable		60% Fixed / 40% Variable	
Commodity - Related Costs	\$ 665,814	31.7%	\$ 665,814	31.7%
Additional Supply Costs	\$ -	0.0%	\$ -	0.0%
Capacity - Related Costs (vol. share)	\$ -	0.0%	\$ 173,946	8.3%
Total Commodity-Related	\$ 665,814	31.7%	\$ 839,760	40.0%
Capacity - Related Costs	\$ 1,225,871	58.4%	\$ 1,051,924	50.1%
Customer - Related Costs	\$ 189,813	9.0%	\$ 189,813	9.0%
Fire Protection - Related Costs	\$ 17,903	0.9%	\$ 17,903	0.9%
Total Capacity-Related	\$ 1,433,586	68.3%	\$ 1,259,640	60.0%
Total	\$ 2,099,400	100%	\$ 2,099,400	100%

TABLE 24 : ALLOCATION OF ADJUSTED NET REVENUE REQUIREMENTS

Customer Classes		Classification Components					Cost of Service Net Rev. Req'ts	% of COS Net Revenue Req'ts
		Commodity-Related Costs	Additional Supply Costs	Capacity-Related Costs Volumetric Share	Capacity-Related Costs Fixed Share	Customer-Related Costs	Fire Protection-Related Costs	
Residential ²		\$ 619,100	\$ -	\$ 162,263	\$ 981,270	\$ 179,353	\$ -	92.5%
Agriculture		8,280	-	2,352	14,222	3,720	-	1.4%
Commercial		30,603	-	7,234	43,747	1,053	-	3.9%
Fire Meter		166	-	163	987	281	17,903	0.9%
Total Net Revenue Requirement		\$ 658,149	\$ -	\$ 172,012	\$ 1,040,226	\$ 184,407	\$ 17,903	98.7%
Total Volumetric Revenue Req't		\$830,161						
Total Fixed Charge Revenue Req't				\$1,242,536				
Bulk Water (Collected from Vol. Rates)		7,664	-	1,934	11,698	5,405	-	1.3%
Total Net Revenue Requirement		\$ 665,814	\$ -	\$ 173,946	\$ 1,051,924	\$ 189,813	\$ 17,903	100.0%

TABLE 25 : CALCULATION OF BI-MONTHLY FIXED METER SERVICE CHARGES

Number of Meters by Class and Size ¹		3/4 inch	1 inch	1 1/2 inch	2 inch	3 inch	4 inch	6 inch	Total
Residential ²		2,486	69	-	-	-	-	-	2,555
Agriculture		53	-	-	-	-	-	-	53
Commercial		9	5	-	1	-	-	-	15
Total Meters/Accounts		2,548	74	-	1	-	-	-	2,623
Hydraulic Capacity Factor ³		1.00	1.00	2.00	3.20	6.40	10.00	20.00	
Total Equivalent Meters		2,548	74	-	3.20	-	-	-	2,625
Bi-Monthly Fixed Service Charges									
Customer Costs (\$/Acct/2 months) ⁴		\$11.72	\$11.72	\$11.72	\$11.72	\$11.72	\$11.72	\$11.72	
Capacity Costs (\$/Acct/2 months) ⁵		\$66.04	\$66.04	\$132.08	\$211.33	\$422.66	\$660.41	\$1,320.82	
Total Bi-Monthly Meter Charge		\$77.76	\$77.76	\$143.80	\$223.05	\$434.38	\$672.13	\$1,332.54	
Annual Fixed Costs Allocated to Bi-Monthly Meter Charges									
Customer Costs		\$ 184,407							
Capacity Costs		1,040,226							
Total Fixed Meter Costs		\$ 1,224,633							
Annual Revenue from Bi-Monthly Meter Charges									
Customer Charges		\$ 179,135	\$ 5,202	\$ -	\$ 70	\$ -	\$ -	\$ -	\$ 184,407
Capacity Charges		1,009,636	29,322	-	1,268	-	-	-	\$ 1,040,226
Total Revenue from Bi-Monthly Meter Charge:		\$ 1,188,770	\$ 34,525	\$ -	\$ 1,338	\$ -	\$ -	\$ -	\$ 1,224,633

1. Meter Count is distinct accounts from Jan-Dec 2024. BHDVWA charges monthly rates, but bills bi-monthly.
Source files: Combined Billing.xlsx
2. Includes Ag + Residence class (the average demand of this class is less than Residential and, therefore, is combined with Residential).
3. Source file: AWWA Manual M1, "Principles of Water Rates, Fees, and Charges", Table B-1.
4. Customer costs are allocated to each customer by dividing the total customer costs by the total number of customers.
5. Capacity costs are allocated by meter size and the hydraulic capacity of the meter.

TABLE 26 : CALCULATION OF BI-MONTHLY FIXED METER SERVICE CHARGES - Fire Protection

Proposed Rates - Net Revenue Requirements (60% Fixed / 40% Variable)										
Number of Meters by Class and Size ¹	3/4 inch	1 inch	2 inch	3 inch	4 inch	6 inch	8 inch	Total		
Fire Protection - Related Costs	-	2	-	-	-	2	-	4		
Total Meters/Accounts	-	2	-	-	-	2	-	4		
Hydraulic Capacity Factor ²	1.00	1.00	3.20	7.00	14.00	32.00	56.00			
Total Equivalent Meters	-	2	-	-	-	64	-	66		
BI-Monthly Fixed Service Charges										
Customer Costs (\$/Acct/2 months) ³	\$11.70	\$11.70	\$11.70	\$11.70	\$11.70	\$11.70	\$11.70			
Capacity Costs (\$/Acct/2 months) ⁴	\$47.70	\$47.70	\$152.65	\$333.91	\$667.82	\$1,526.45	\$2,671.29			
Total Bi-Monthly Meter Charge	\$59.40	\$59.40	\$164.34	\$345.61	\$679.52	\$1,538.15	\$2,682.99			
Annual Fixed Costs Allocated to Bi-Monthly Meter Charges										
Customer Costs	\$ 281									
Fire Protection Costs	18,890									
Total Fixed Meter Costs	\$ 19,171									
Annual Revenue from Bi-Monthly Meter Charges										
Customer Charges	\$ -	\$ 140	\$ -	\$ -	\$ -	\$ 140	\$ -	\$ 281		
Capacity Charges	-	572	-	-	-	18,317	-	18,890		
Total Revenue from Bi-Monthly Meter Charge:	\$ -	\$ 713	\$ -	\$ -	\$ -	\$ 18,458	\$ -	\$ 19,171		

1. Meter Count is distinct accounts from Jan-Dec 2024. BHDVWA charges monthly rates, but bills bi-monthly.
Source files: Combined Billing.xlsx
2. Source file: AWWA Manual M6, "Water Meters - Selection, Installation, Testing and Maintenance", Table 5-3.
3. Customer costs are allocated to each customer by dividing the total customer costs by the total number of customers.
4. Capacity costs are allocated by meter size and the hydraulic capacity of the meter.

BIGHORN DESERT WATER AGENCY

WATER RATE STUDY

Water Cost of Service Analysis/Rate Design

Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

Proposed Volume Charges

TABLE 27

Proposed Rates - Net Revenue Requirements (60% Fixed / 40% Variable)								
Customer Classes	Number of Meters ¹	Water Consumption (hcf/yr.) ¹	Commodity Assigned Costs	Capacity Assigned Costs	Additional Supply Costs ²	Fixed Costs to Recover from Vol. Charges (A)	Target Rev. Req't from Vol. Charges	Uniform Volumetric Rates (\$/hcf)
Residential	2,555	176,959	\$ 619,100	\$ 162,263	\$ -		\$ 781,363	
Non-Residential								
Agriculture	53	2,367	8,280	2,352	-		\$10,632	
Commercial	15	8,747	30,603	7,234	-		\$37,837	
Fire Meter	4	47	166	163	-		\$329	
Total (Excluding Bulk)	2,627	188,120	658,149	172,012	-		\$ 830,161	\$4.41
Bulk Water (Collected from Vol. Rates)	77	2,191	7,664	1,934	-	17,104	26,703	\$12.19
Total	2,704	190,311	\$ 665,814	\$ 173,946	\$ -	\$ 17,104	\$ 856,864	

1. Consumption by customer class for January 2024-December 2024. Source files: Combined Billing.xlsx

2. Additional water supply costs for Residential and Agriculture customers shown in Table 29.

BIGHORN DESERT WATER AGENCY
WATER RATE STUDY
Water Cost of Service Analysis/Rate Design
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

Current & Proposed Rates

TABLE 28

TABLE 28		Proposed Rates - Net Revenue Requirements (65% Fixed / 35% Variable)						
Water Rate Schedule		Current Rates	Proposed					
			1/1/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030	
Fixed Meter Charges								
Bi-Monthly Fixed Service Charges: 3/4 inch 1 inch 1.5 inch 2 inch 3 inch 4 inch 6 inch		\$72.27	\$77.76	\$81.18	\$84.75	\$88.48	\$92.37	
		\$72.27	\$77.76	\$81.18	\$84.75	\$88.48	\$92.37	
		\$130.27	\$143.80	\$150.13	\$156.74	\$163.64	\$170.84	
		\$199.88	\$223.05	\$232.86	\$243.11	\$253.81	\$264.98	
		\$385.51	\$434.38	\$453.49	\$473.44	\$494.27	\$516.02	
		\$594.32	\$672.13	\$701.70	\$732.57	\$764.80	\$798.45	
		\$1,174.38	\$1,332.54	\$1,391.17	\$1,452.38	\$1,516.28	\$1,583.00	
Bi-Monthly Fire Service Charges: 3/4 inch 1 inch 2 inch 3 inch 4 inch 6 inch 8 inch		\$35.81	\$59.40	\$62.01	\$64.74	\$67.59	\$70.56	
		\$35.81	\$59.40	\$62.01	\$64.74	\$67.59	\$70.56	
		\$83.23	\$164.34	\$171.58	\$179.13	\$187.01	\$195.24	
		\$165.12	\$345.61	\$360.82	\$376.70	\$393.27	\$410.57	
		\$315.97	\$679.52	\$709.42	\$740.63	\$773.22	\$807.24	
		\$703.86	\$1,538.15	\$1,605.83	\$1,676.49	\$1,750.26	\$1,827.27	
		\$1,221.05	\$2,682.99	\$2,801.04	\$2,924.29	\$3,052.96	\$3,187.29	
Commodity Charges								
Rate per hcf of Water Consumed:								
Residential Customers ¹								
	Tier 1	\$3.55	\$4.41	\$4.61	\$4.81	\$5.02	\$5.24	
	Tier 2	\$5.40	NA	NA	NA	NA	NA	
Commercial, Ag, Institutional, Construction, Fire & Other		\$4.18	\$4.41	\$4.61	\$4.81	\$5.02	\$5.24	
Bulk Meters ²		\$9.16	\$12.19	\$12.73	\$13.29	\$13.87	\$14.48	

1. Current rates are structured based on consumption tiers. Proposed rates are uniform based on total consumption.

2. Bulk Meters, including 1 inch and cash accounts have no fixed meter charge and are charged for usage based on commodity charges per hcf only. 2 inch and larger bulk meters are charged for the fixed meter charge and usage based on the commodity charge.

Fiscal Year 2025/26 Financial Audit

**BIGHORN DESERT VIEW WATER AGENCY
AGENDA ITEM SUBMITTAL**

Meeting Date: December 9, 2025

To: Board of Directors

Budgeted: Yes

Budgeted Amount: \$18,800

Cost: \$26,725 (3rd year of 5-year contract)

Funding Source: Budget Line: 560060

From: Marina D. West

General Counsel Approval: N/A

CEQA Compliance: N/A

Subject: Presentation of the Agency Financial Audit for Fiscal Year 2024-2025 by the Independent Certified Public Accounting Firm of CJ Brown & Company CPAs

SUMMARY

Our auditor, Mr. Christopher Brown, CJ Brown & Company CPAs, will present the report on the Audit for the Bighorn-Desert View Water Agency for fiscal year ending June 30, 2025. The Audit Report is attached along with other relevant correspondence.

RECOMMENDATION

That the Board considers taking the following action(s):

1. Board to receive and file the Agency Financial Audit for fiscal year 2024-2025 conducted by CJ Brown & Company CPAs.

BACKGROUND/ANALYSIS

The attached audit report contains all relevant background and analysis.

PRIOR RELEVANT BOARD ACTION(S)

02/14/2023 Motion No. M23-008 Authorize Execution of Contract Extension with C. J. Brown & Company, CPA's (formerly Fedak & Brown, LLP) for Audit Services for the Period End June 30, 2023 thru June 30, 2027 (Moved by Finance FPREP Committee of January 17, 2023).

1/23/2018 Motion No. M18-006 Motion to authorize the General Manager to enter into Professional Services Agreement with Fedak & Brown LLP for Financial Auditing Services for Fiscal Years Ending June 30, 2018 through June 30, 2022 at a first year cost of \$18,350.



Bighorn Desert View Water Agency
Yucca Valley, California

Annual Comprehensive Financial Report

For the Fiscal Years Ended June 30, 2025 and 2024



Photo Credit: M. West

Our Mission Statement

"To provide a high quality supply of water and reliable service to all customers at a reasonable rate"

<u>Name</u>	<u>Title</u>	<u>Elected/ Appointed</u>	<u>Current Term</u>
JoMarie McKenzie	President	Elected	12/22 - 12/26
Megan Close-Dees	Vice President	Elected	12/24 - 12/28
John R. Burkhart	Secretary	Appointed in Lieu of Election	12/22 - 12/26
David Chapman	Director	Appointed in Lieu of Election	12/24 - 12/28
William Aldridge	Director	Appointed in Lieu of Election	12/24 - 12/26

**Bighorn Desert View Water Agency
Marina D. West, PG, General Manager
622 South Jemez Trail
Yucca Valley, California 92284
(760) 364-2315 – www.bdvwa.org**



Annual Comprehensive Financial Report

For the Fiscal Years Ended

June 30, 2025 and 2024

BIGHORN DESERT VIEW WATER AGENCY

622 South Jemez Trail
Yucca Valley, California 92284

Prepared by:

Marina D. West, PG, General Manager/Treasurer

**Bighorn Desert View Water Agency
Annual Comprehensive Financial Report
For the Fiscal Years Ended June 30, 2025 and 2024**

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Introductory Section

Presentation Version
Subject to Board Approval

Presentation Version
Subject to Board Approval



December 9, 2025

To the Honorable Board of Directors and Customers of Bighorn Desert View Water Agency:

Introduction

It is our pleasure to submit Bighorn-Desert View Water Agency's Annual Comprehensive Financial Report ("ACFR" or "Report") for the fiscal years ending June 30, 2025 and 2024. Agency staff has prepared this report following guidelines set forth by the Governmental Accounting Standards Board. The Agency is responsible for the accuracy of the data included within this Report, as well as the completeness and fairness of its presentation and inclusion of all necessary disclosures. This Report is designed to enhance your understanding of the Agency's financial position and activities.

Generally Accepted Accounting Principles (GAAP) requires Agency management to provide a section within this Report that includes a narrative introduction with an overview and analysis referred to as the Management's Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Agency's MD&A can be found immediately following the Independent Auditors' Report.

Agency Structure and Leadership

The Bighorn-Desert View Water Agency is an independent special district, which operates under the authority of Division 12 of the California Water Code. The Agency was formed in 1990 upon approved consolidation of the Bighorn Mountains Water Agency (established in 1969) and the Desert View County Water District (established in 1964) by the San Bernardino County Board of Supervisors and is governed by a five-member Board of Directors elected at-large from within the Agency's service area. The Board of Directors convenes for regularly scheduled meetings on the second Tuesday of each month at 6:00 pm (effective April 2020). These meetings are publicly noticed, and citizens are encouraged to attend. The General Manager administers the day-to-day operations of the Agency in accordance with policies and procedures established by the Board of Directors. By the fiscal year ending June 30, 2025, the Agency had an authorized employee organization of ten (10) regular full-time employees, which includes the general manager. The new position of Assistant General Manager was filled in November 2023 but was vacant as of June 30, 2025. The staff remains organized into two (2) departments: Administration and Operations.

The Agency provides water service to approximately 2,736 connections (2413 active / 323 inactive) within its nearly fifty-two (52) square mile service area located in the eastern desert area of San Bernardino County which encompasses the unincorporated communities of Flamingo Heights, Landers, and Johnson Valley.

As of July 1, 2015, the Agency annexed a neighboring water system, which remains physically isolated from the Bighorn-Desert View water system. Therefore, the Agency operates under two Water Supply Permits issued by the State Water Resources Control Board – Division of Drinking Water.

Agency Services

Residential customers represent nearly 96% of the Agency's customer base with the remainder classified as Commercial/Institutional. Therefore, Residential class consumes a majority of the water produced annually. Additional water is utilized for construction projects, system flushing, fire suppression and/or lost to leaks. The combined water systems utilize a total of eight (8) active groundwater wells with a total system production capacity of 1,834 gallons per minute.

In fiscal year 2024/25, the Agency produced approximately 543.07 acre-feet of groundwater with 129.39 acre-feet of that production serving the ID GM system demand. This is an increase of about 8% or 41.91 acre-feet more than the prior fiscal year. Production is still about 20% less since fiscal year 2020/21. That year the Agency produced an all-time high of 677 acre-feet. The decrease is primarily attributed to the reduced usage from the Agricultural classification which was predominantly illegal cannabis cultivation which has essentially been eradicated by the County of San Bernardino.

In fiscal year 2024/25, the Agency received 30 acre-feet of their State Water Project which completed a request for 200 acre-feet ordered in FY2023/24. There were operational challenges in recharging the full request within the Fiscal Year requested. Agency requests are delivered to the Ames/Reche Recharge Facility by the Mojave Water Agency, a State Water Project Contractor. The Agency now has a total of 890-acre feet in storage with a current value of \$528,860.

Economic Condition and Outlook

According to Sperling's Best Places the cost of living in the Landers is 18.6% higher than the U.S. average, but 20.9% lower than California average (same statistics as 2023/24). All cost-of-living factors are nearly equal to or lower than the U.S. average with utilities being somewhat higher. The unemployment rate is currently approximately 7.8% (averaged for one year), down from 9.6% last year (no updated statistics). Using U.S. Census Block group data, all census blocks within the Agency boundaries are classified as a "severely disadvantaged" with an average household income reported at \$35,732, which is about half of the U.S. average (no new statistics published). The area is classified as rural unincorporated San Bernardino County with a planned residential zoning of 2.5-acre minimum lot size. The area is comprised of predominantly English and Spanish speaking residents.

The Agency serves only a small number of commercial businesses and institutions. The largest employer is the local elementary school. Many local residents will commute to the Twenty-nine Palms Marine Corps Ground Combat Center, Town of Yucca Valley or 60 miles south to Palm Springs, CA area or a similar distance north to the Victorville area for employment.

Major Initiatives

The activities of the Board and staff of the Agency are driven by our mission statement: *"To provide a high-quality supply of water and reliable service to all customers at a fair and reasonable rate"*. In fiscal year 2024/25 the Agency focused on the following major initiatives:

1. Adopt a balanced budget with a projected growth of reserve funds for replacement/refurbishment of infrastructure, emergency contingencies and capital improvement programs specifically highlighted in the 2018 Updated Mojave Water Agency Integrated Regional Water Management Plan (IRWMP). Continue efforts to reduce costs where possible.
2. Continue to engage with local stakeholders to communicate challenges and expectations of the State Legislature in pushing back on unfunded state mandates the Agency disagrees with.

Major Initiatives, continued

1. Remain focused on preventative maintenance of the water distribution system appurtenances including groundwater wells, water storage tanks, pressure reducing stations, fire hydrants, isolation valves, air vacuum valves and emergency power connections. Minimize water lost to leaks. Work with civil engineers to prioritize and implement short-term capital or refurbishment projects.
2. Continue outreach to the community through various forms of communication including newsletters, annual calendar, utility bill and participation in local community events.
3. Continue purchases of State Water Project water for future needs as financial resources allow.
4. Obtain the Certificate of Achievement for Excellence in Financial Reporting for our Comprehensive Financial Report from the Government Finance Officers Association of the United States and Canada.
5. Maintain our 2-year Certificate of Excellence in Agency Transparency from the Special District Leadership Foundation.
6. Maintain our 2-year Special District Leadership Foundation District of Distinction Accreditation.

All programs and operations of the Agency are developed and performed to provide the highest level of service and transparency to its customers.

Accomplishments

To assist the Board of Directors in meeting their mission, staff achieved the following initiatives in fiscal year 2024/25:

1. In June 2025, the Board adopted a balance budget totaling \$2.75M in revenue projections for fiscal year 2024/25. This budget included an adopted rate increase applied to the January 1, 2025, billing (due in February 2025). The fiscal year 2024/25 budget projected revenues exceeding expenses, but these were offset by projected capital expenses and “replacement/refurbishment” needs. Projected grant reimbursements were included in the budget.
2. In June 2023, the Board of Directors adopted a plan for management succession, which includes the increase in authorized full-time staff from nine (9) to (10) with the creation of an Assistant General Manager position with associated job description and salary scale. A Water Distribution Supervisor position with associated job description and salary scale was also approved. Recruitment for an Assistant General Manager was completed and the position filled in November 2024. The position of Water Distribution Supervisor was also filled. The Assistant General Manager quit in May 2025. The Board of Directors along with the General Manager are evaluating options on how to best to reorganize going forward.
3. In February 2021, the Agency was awarded an implementation grant from the Department of Water Resources in the amount of \$500,000 to construct a new production well in the Goat Mountain service area. As of June 30, 2024, the well had been drilled and constructed but the contractor was unable to complete the work. Following a successful settlement arrangement this first construction contract was finalized in March 2025. The Agency put the project out to bid and awarded a new contract to complete the work in June 2025. Project completion is expected in FY2025/26.
4. In October 2022, the Agency was awarded \$675,000 Prop. 1/Round 2 grant funds to construct a second physical intertie with Hi-Desert Water District for emergency supply purposes and exchange of water, if needed. Design of the pipeline and pump station progressed to nearly 70% at the end of 2024/25. Right-of-way and environmental assessments are in progress.

Accomplishments, cont.

5. In April 2023, the Agency was awarded an implementation/construction grant from the State Water Resources Control Board in the amount of \$11,000,000 for various projects identified in a Preliminary Engineering Report (PER) completed the previous year using a planning grant. Design of all components progressed to approximately 70% design. Right-of-way and environmental permitting tasks also progressed in 2024/25.
6. Also in April 2023, the Agency was awarded nearly \$300,000 from the Department of Water Resources (DWR) “drought funding round” to replace 1,075 water meters and associated materials. As of June 30, 2034, the Agency had completed the exchanges and will file a final completion report in early 2025/26.
7. In December 2021, the Agency Board of Directors updated its Financial Reserve Policy setting up the categories and goals related to the cash reserves on-hand. The Agency took advantage of increasing interest rates by investing in interest earning accounts. In FY2024/25, the Agency leveraged its cash in various accounts earning a combined interest just over \$220,000, slightly higher than 2023/24. The Agency currently has zero bond debt outstanding but the Rate Study initiated in 2024/25 does contemplate borrowing funds to complete several new infrastructure projects.
8. As part of a sound revenue collection policy, the Agency continues the practice of collecting delinquent water charges by placing liens on the secured property tax rolls. This has resulted in the eventual collection of a majority of these receivables over time that might otherwise be written off as bad debt. The amount of tax lien sent to the tax roll for 2025 (for those bills excessively delinquent as of February 2025) was approximately \$56,440. This is an increase of approximately \$1,000 primarily based on approved rate increase effective January 2025. In addition to the secured tax roll, unsecured liens are applied to properties from time-to-time to ensure amounts due can be collected upon property sale. The “true bad debt” for fiscal year 2024/25 was \$2,146.
9. In an effort to responsibly manage the Agency’s Unfunded Accrued Liability (UAL) with the California Public Employees Retirement Fund (CalPERS), the Agency opened an IRS 115 “Pension Rate Stabilization Trust” with Public Agency Retirement Services (PARS) in 2020. This was an effort to both diversify our UAL balance by investing outside CalPERS in an effort to attain higher interest earnings on funds to make future payments to CalPERS. In fiscal year 2024/25, no additional contributions were made to the fund due to the erratic cycle of gains and losses ultimately leading to a small loss of principal investment at year end. As of June 30, 2025, the PARS account balance was \$281,160.69. The fiscal year 2024/25 UAL payment was about \$69,500.
10. The Agency strives to maintain rates and charges commensurate with the service provided. Due to increasing costs, Agency adjusted rates for various services not typically part of the routine water charges such as, but not limited to, Basic Facilities Charge (“buy-in”) and meter & service line installation charge.
11. The Agency has sponsored and participated in various outreach events, including Gubler’s Orchid Festival (26th annual event), and Morongo Basin Conservation Association Desert-Wise Landscape Tour and lecture series. The landscape tour was held to a small number of sites and once again, videos were created to highlight landscapes as well (www.mbconservation.org/annual_tours). News and events were noted on the water bill statement as well as through an Agency-wide newsletter. The Agency along with Hi-Desert Water District created and executed the 9th Annual Children’s Water Education Festival at the local middle school, funded by a grant from the Mojave Water Agency.

Accomplishments, cont.

12. Water system preventative maintenance in 2024/25 included collection of over 1,403 distinct water quality samples, collection of groundwater level measurements and water main flushing. During the year, the Agency experienced one mainline leak repair, 37 service line repairs and 67 service line replacements. Mainline and fire hydrant triennial valve exercising program cycle continues with 0 of 1,261 completed (due to resources allocated to meter replacement program). A total of 728 meters were exchanged throughout the Agency as part of the grant funded meter replacement program targeting 1,075 meters. Thirty (30) routine meter exchanges following signs of failure during meter reading and usage evaluations were also completed. There was staff turnover and difficulty in recruiting new operations staff throughout FY2024/25 and the Assistant General Manager also quit.
13. Major repair/refurbishment or capital upgrades to facilities and structures included continued work on an emergency intertie with Hi-Desert Water District at Luna Vista and the construction of a new production well in the Goat Mountain System. At Fiscal Year End, the Luna Vista Intertie was completed but the new production well was still under construction.
14. Agency is active participant and Charter Member of the Community Water Systems Alliance which works to unite local water utilities serving disadvantaged communities around California and give a voice to our elected state legislation. In 2024/25 the CWSA initiatives centered on Chromium-6 compliance and the Western Joshua Tree Conservation Act which has a huge financial impact on the Agency's new and existing infrastructure.
15. The Agency was awarded the Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report for fiscal year 2023/24 from the Government Finance Officers Association of the United States and Canada.
16. Since 2016, the Agency has achieved Certificate of Excellence in District Transparency from the Special Districts Leadership Foundation. This certificate expires in March 2026.
17. Since 2013, the Agency has achieved District of Distinction Accreditation from the Special Districts Leadership Foundation. This certificate expires in March 2026.

Internal Control Structure

Agency management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the Agency are protected from loss, theft or misuse. The internal control structure also ensures that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Agency's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

The Agency Board of Directors annually adopts an operating budget for the new fiscal year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the Agency's enterprise operations. Extensive capital budgets have not always been presented with the budget, therefore projects are brought to the Board individually, as needed, for consideration. The budget and reporting treatment applied to the Agency is consistent with the accrual basis of accounting and the financial statement basis. The goal of the Board is to adopt a budget which projects that revenues will exceed expenses by at least 10% so that sufficient reserves can be raised to fund the long-term capital construction plan as well as replacement and refurbishment of existing infrastructure due to normal wear over time.

Investment Policy

The Board of Directors has adopted an investment policy that conforms to state law, Agency ordinance and resolutions, and prudent money management. The Board of Directors approved the current investment policy on June 27, 2023 (Resolution No. 23R-12). The objective of the Investment Policy is safety, liquidity, and yield. Although the policy covers a wide variety of investment instruments, the Agency's reserve funds are currently invested in the State Treasurer's Local Agency Investment Fund (LAIF) and an institutional checking accounts (Banc of California previously Pacific Western Bank and Five Star Bank), two high yield "savings" accounts (Banc of California previously Pacific Western Bank and Five Star Bank) and a California Liquid Assets Security System (CA CLASS) account.

In response to the Agency's Unfunded Accrued Liability (UAL) the Board approved participation in a Public Agencies Post-Employment Benefits Trust administered by the Public Agency Retirement Services (PARS) in April 2020 (Resolution No. 20R-09). The Board also adopted an investment strategy with a total funding goal of \$700,000 which is equivalent to the current UAL amount calculated by CalPERS. Due to poor investment performance, deposits have not been made to the PARS account. As of June 30, 2025, the balance was \$281,161 which is just above the cash investment of \$250,000.

Water Rates and Agency Revenues

The Agency's current policy direction ensures that all revenues from user charges generated from Agency customers must support all Agency operations including capital project funding. Accordingly, water rates are regularly reviewed. Water rates are user charges imposed on customers for services and are the primary component of the Agency's revenue. Water rates are composed of a commodity (usage) charge and a fixed meter (readiness-to-serve) charge.

In April 2021, the Board of Directors adopted *Resolution No. 21R-08 Adjusting the Basic Service Charge and Water Consumption Charges by Specific Customer Class*. The move to consumption tiers and customer classifications was in response to increased agricultural activity. Also in 2021, the Agency became aware that these "agricultural" land uses were most likely illegal cannabis crops and the County of San Bernardino had begun eradication of these sites. By the end of calendar year 2022, it appeared that the County had eradicated all the suspected sites and the consumption in the agricultural tier has been reduced. The rate structure was approved for 5 years. The rate increases effective January 1, 2025, was the fifth and final increase in the five-year approved rate structure. A new 5-year rate study commenced in 2024/25 with the goal of implementation in early 2026.

Water Conservation Programs

The Agency is a member of the Hi Desert Alliance for Water Awareness and Conservation (HD AWAC). Agency Board and staff participate in and sponsor a number of community events with a conservation component, such as the Desert-Wise Landscaping Home Tours and community lectures/workshops sponsored by the Morongo Basin Conservation Association. The Agency also distributes materials to encourage water conservation. In 2013, a "water-wise" demonstration garden was installed in the community to highlight the types of plants and landscape that can be successfully maintained with little water. In accordance with Governor Jerry Brown's April 1, 2015, Executive Order requiring water suppliers to reduce usage, the Agency adopted Ordinance No. 15O-03 Amending and Restating the Agency's Water Conservation Plan.

Audit and Financial Reporting

State Law and Bond covenants require the Agency to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of C.J. Brown & Company, CPAs, has conducted the audit of the Agency's financial statements. Their unmodified Independent Auditor's Report appears in the Financial Section.

Risk Management

The Agency became a member of the California Association of Mutual Water Companies/Joint Powers Risk and Insurance Management Authority (CalMutuals/JPRIMA) on July 1, 2021. The CalMutuals/JPRIMA was established through CalMutuals advocacy with the California's legislature passing AB 656 in September 2015. As a public agency, CalMutuals/JPRIMA is committed to providing quality insurance products that blend competitive rates with meaningful value-added services and impeccable financial security. The Agency receives both Property & Liability insurance and Workers' Compensation through CalMutuals/JPRIMA. In fiscal year 2024/25, there were no Workers' Compensation or General Liability claims filed. In April 2024, the Agency enrolled in a Cyber Liability and Network Security policy also through CalMutuals/JPRIMA.

Technology Advance in Customer Service (E-government initiatives)

The Agency customers have the option to pay their bills in person at the Agency office, on-line, via Automated Clearinghouse (ACH) through their bank account, or with a major credit card via phone by Agency internet website link. In 2018, the Agency enhanced execution of a process known as "check free". "Check free" applies to customers who go to their bank's website to request a bill be paid. If the bank utilizes "check free", then the payment is sent electronically. If the bank is not utilizing "check free", then the bank issues a paper check through the mail. The benefit of faster payment processing is realized by those customers whose bank participates.

The billing system also allows customers to sign-up for "paperless billing" and to manage their account on-line through a payment portal known as CivicPay.

Customers also have access to Agency agendas and agenda backup materials via email notifications immediately upon publication. The agenda materials as well as other reference material are also available on the Agency website (www.bdvwa.org). The website includes a link to the email addresses of each member of the Board of Directors as well as an email address for general inquiries.

Other References

More information has been provided in both the Management's Discussion and Analysis and the Notes to the Basic Financial Statements, which can be found in the Financial Section of this report.

Awards and Acknowledgements

The Agency is the recipient of the 2015 Association of California Water Agencies "*Clair A. Hill Agency Award for Excellence*".

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bighorn-Desert View Water Agency for its annual comprehensive financial report of the fiscal year ended June 30, 2024. This was the thirteenth year that the Agency has applied for and achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. The Agency believes that the current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and the Agency intends to submit an application to the GFOA to determine our eligibility for certification for fiscal year 2024/25.

Since 2017, the Agency has maintained *Certificate of Excellence in District Transparency* from the Special Districts Risk Management Authority. This 2-year accreditation is expected to be renewed again for the period April 1, 2026 to March 31, 2029.

Awards and Acknowledgements, continued

Also, since 2013, the Agency has maintained the *District of Distinction* Accreditation from the California Special Districts Association (CSDA). This 2-year accreditation is expected to be renewed again for the period April 1, 2026 to March 31, 2029.

On behalf of the Agency, General Manager M. West serves as Treasurer on the Board of Directors of the CalMutuals Joint Powers Risk Management and Insurance Authority (JPRIMA: <https://calmutuals.org/calmutuals-jprima-insurance/>) as well as serving as the Chair of the Policy Committee of the Community Water Systems Alliance (CWSA: <https://communitywatersystems.org/>).

Summary

Preparation of this report was accomplished by the combined efforts of Agency staff. I truly appreciate the dedicated efforts and professionalism that our staff members bring to the Agency. I would also like to thank the members of the Board of Directors for their continued support in the planning and implementation of the Bighorn-Desert View Water Agency's fiscal policies.

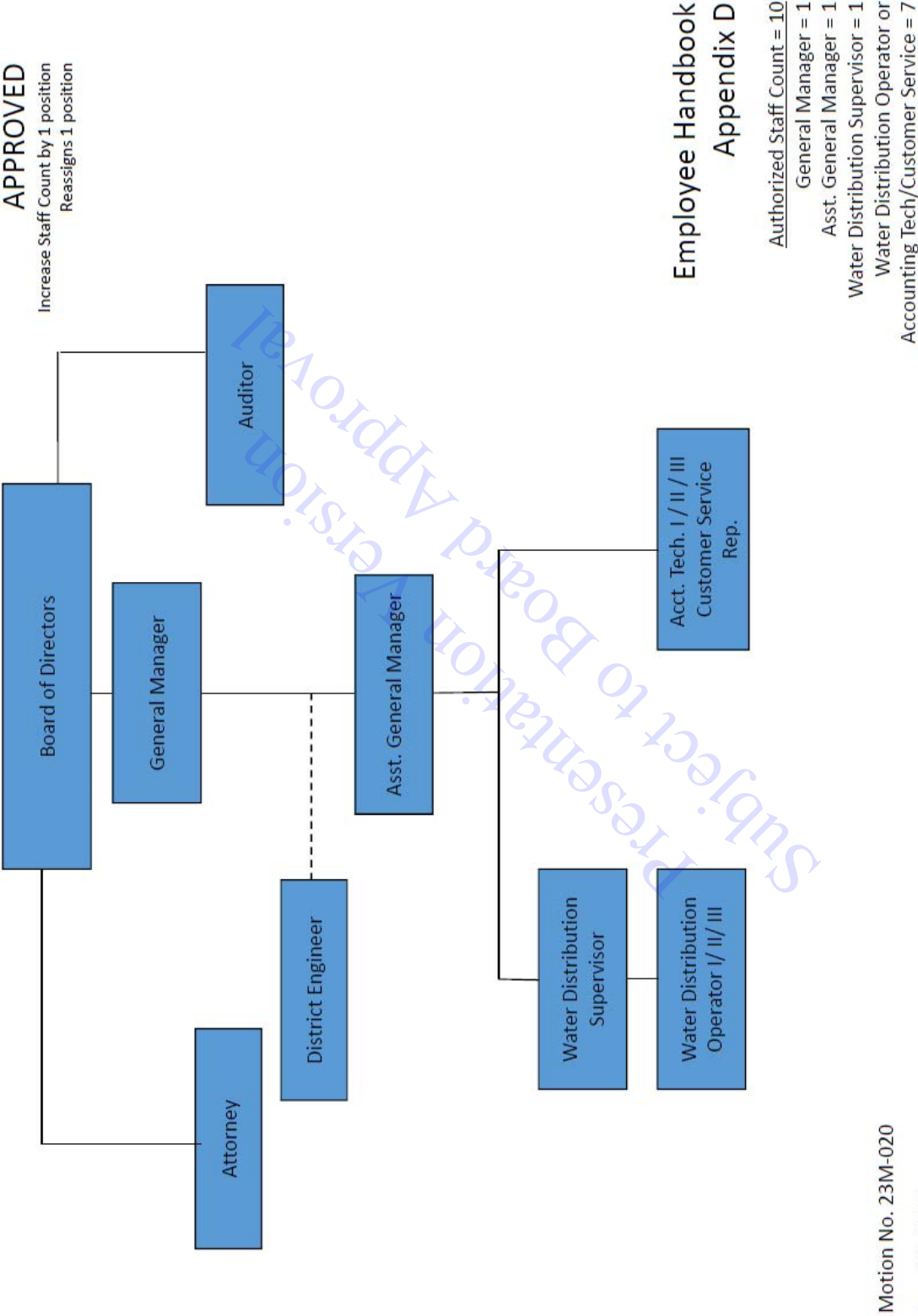
With Great Pleasure,



Marina D. West, PG
General Manager / Treasurer



Rosalind Paulino
Accounting Technician II





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Bighorn-Desert View Water Agency
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrell

Executive Director/CEO

Financial Section

Presentation Version
Subject to Board Approval

Presentation Version
Subject to Board Approval

Independent Auditor's Report

Board of Directors
Bighorn Desert View Water Agency
Yucca Valley, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Bighorn Desert View Water Agency (Agency), which comprises the statements of net position as of June 30, 2025 and 2024, and the related statements of revenues, expenses, and changes in net position for the fiscal years then ended, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bighorn Desert View Water Agency as of June 30, 2025 and 2024, and the changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditor's Report, continued***Auditor's Responsibilities for the Audits of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As part of our audit of the June 30, 2025, financial statements, we audited the adjustments described in Note 13.

As discussed in Note 1.C to the financial statements, on June 30, 2025, the District adopted new accounting guidance *Governmental Accounting Standards Board Statement No. 101*. As a result the Agency has recorded prior period adjustments to restate net position as of July 1, 2022 and July 1, 2023, respectively. Our opinion is not modified with respect to this matter.

Independent Auditor's Report, continued***Other Matters******Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14 through 20 and the required supplementary information on pages 52 and 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The introductory section on pages 1 through 8 and the statistical section on pages 54 through 68 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 9, 2025, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance. This report can be found on pages 69 and 70.

C.J. Brown & Company, CPAs

Cypress, California

December 9, 2025

Page 125 of 247
Bighorn Desert View Water Agency
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2025 and 2024

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Bighorn Desert View Water Agency (Agency) provides an introduction to the financial statements of the Agency for the fiscal years ended June 30, 2025 and 2024. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the accompanying basic financial statements and related notes, which follow this section.

Financial Highlights

- The Agency's net position increased by 7.17% or \$685,153 to \$10,236,559, due to income from ongoing operations of \$213,755 and capital contributions of \$471,398. In 2024, the Agency's net position increased by 6.10% or \$549,223 to \$9,551,406, due to the loss from ongoing operations of \$123,525 and capital contributions of \$672,748.
- The Agency's total revenues increased by 1.11% or \$36,896 to \$3,375,250. In 2024, the Agency's total revenues increased by 37.56% or \$911,589 to \$3,338,354.
- The Agency's operating revenues increased by 11.67% or \$243,428 to \$2,329,625. In 2024, the Agency's operating revenues increased by 2.41% or \$49,031 to \$2,086,197.
- The Agency's non-operating revenues decreased by 0.89% or \$5,182 to \$574,227. In 2024, the Agency's non-operating revenues increased by 78.80% or \$255,358 to \$579,409.
- The Agency's total expenses decreased by 3.55% or \$99,034 to \$2,690,097. In 2024, the Agency's total expenses increased by 13.20% or \$325,201 to \$2,789,131.
- The Agency's operating expenses including depreciation decreased by 3.55% or \$98,959 to \$2,689,962. In 2024, the Agency's operating expenses including depreciation increased by 13.20% or \$325,275 to \$2,788,921.
- The Agency's non-operating expenses decreased by 35.71% or \$75 to \$135. In 2024, the Agency's non-operating expenses decreased by 26.06% or \$74 to \$210.
- The Agency's capital contributions decreased by 29.93% or \$201,350 to \$471,398. In 2024, the Agency's capital contributions increased by 926.34% or \$607,200 to \$672,748.

Using This Financial Report

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows provide information about the activities and performance of the Agency using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of the Agency's investments in resources (assets), deferred outflows of resources, obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the Agency, and assessing the liquidity and financial flexibility of the Agency. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the Agency's operations over the past year and can be used to determine if the Agency has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the Agency's cash receipts and cash payments during the reporting period.

Bighorn Desert View Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2025 and 2024

Financial Highlights

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Financial Analysis of the Agency

One of the most important questions asked about the Agency's finances is, "Is the Agency better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Agency in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the Agency's *net position* and changes in it. One can think of the Agency's net position – the difference between assets plus deferred outflows of resources, less liabilities and deferred inflows of resources – as one way to measure the Agency's financial health, or *financial position*. Over time, *increases* or *decreases* in the Agency's net position is one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning, and new or changed government legislation, such as changes in Federal and State water quality standards.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 26 through 51.

Statements of Net Position

Condensed Statements of Net Position

	2025	As Restated 2024	Change	As Restated 2023	Change
Assets:					
Current assets	\$ 7,129,859	6,638,534	491,325	6,177,151	461,383
Non-current assets	104,328	98,963	5,365	93,484	5,479
Capital assets, net	4,030,102	3,802,866	227,236	3,497,880	304,986
Total assets	11,264,289	10,540,363	723,926	9,768,515	771,848
Deferred outflows of resources	335,061	381,160	(46,099)	352,165	28,995
Liabilities:					
Current liabilities	489,257	512,902	(23,645)	400,251	112,651
Non-current liabilities	820,747	830,531	(9,784)	718,246	112,285
Total liabilities	1,310,004	1,343,433	(33,429)	1,118,497	224,936
Deferred inflows of resources	52,787	26,684	26,103	-	26,684
Net position:					
Net investment in capital assets	4,027,010	3,797,209	229,801	3,489,733	307,476
Restricted – Goat Mountain capital assets	-	175,623	(175,623)	217,300	(41,677)
Restricted – pension benefits	281,161	242,232	38,929	234,450	7,782
Unrestricted	5,928,388	5,336,342	592,046	5,060,700	275,642
Total net position	\$ 10,236,559	9,551,406	685,153	9,002,183	549,223

Bighorn Desert View Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2025 and 2024

Statements of Net Position, continued

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Agency, assets plus deferred outflows of resources of the Agency exceeded liabilities, and deferred inflows of resources by \$10,236,559 and \$9,551,406 as of June 30, 2025 and 2024, respectively.

Compared to the previous year, net position of the Agency increased 7.17% and 6.10% or \$685,153 and \$549,223, respectively. The Agency's total net position is made up of three components: (1) net investment in capital assets, (2) restricted net position – Goat Mountain capital assets, and (3) unrestricted net position.

By far the largest portion of the Agency's net position (39.3% and 39.8% as of June 30, 2025 and 2024, respectively) reflects the Agency's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The Agency uses these capital assets to provide services to customers within the Agency's service area; consequently, these assets are *not* available for future spending.

At the end of fiscal year 2025 and 2024, the Agency showed a positive balance in its unrestricted net position of \$5,928,388 and \$5,336,342, respectively, which may be utilized in future years.

Statements of Revenues, Expenses, and Changes in Net Position

	2025	As Restated 2024	Change	As Restated 2023	Change
Operations:					
Operating revenues	\$ 2,329,625	2,086,197	243,428	2,037,166	49,031
Operating expenses	2,343,144	2,430,735	(87,591)	2,092,357	338,378
Operating loss before depreciation	(13,519)	(344,538)	331,019	(55,191)	(289,347)
Depreciation	(346,818)	(358,186)	11,368	(371,289)	13,103
Operating loss	(360,337)	(702,724)	342,387	(426,480)	(276,244)
Non-operating revenue (expenses):					
Property taxes	320,623	293,832	26,791	242,221	51,611
Interest earnings	245,400	235,587	9,813	55,566	180,021
Interest expense – long-term debt	(135)	(210)	75	(284)	74
Gain on asset disposals	1,094	6,793	(5,699)	4,358	2,435
Other non-operating revenues, net	7,110	43,197	(36,087)	21,906	21,291
Total non-operating revenues, net	574,092	579,199	(5,107)	323,767	255,432
Net income (loss) before capital contributions	213,755	(123,525)	337,280	(102,713)	(20,812)
Capital contributions:					
Meter sales and installations	37,590	27,535	10,055	17,630	9,905
Grant revenue	433,808	645,213	(211,405)	47,918	597,295
Total capital contributions	471,398	672,748	(201,350)	65,548	607,200
Change in net position	685,153	549,223	135,930	(37,165)	586,388
Net position, beginning of period, as restated	9,551,406	9,002,183	549,223	9,039,348	(37,165)
Net position, end of period, as restated	\$ 10,236,559	9,551,406	685,153	9,002,183	549,223

Bighorn Desert View Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2025 and 2024

Statements of Revenues, Expenses, and Changes in Net Position

The statements of revenues, expenses, and changes in net position show how the Agency's net position changed during the fiscal year. During the fiscal year ended June 30, 2025, the Agency's net position increased by 7.17% or \$685,153 to \$10,236,559, due to income from ongoing operations of \$213,755 and capital contributions of \$471,398. During the fiscal year ended June 30, 2024, the Agency's net position increased by 6.10% or \$549,223 to \$9,551,406, due to the loss from ongoing operations of \$123,525 and capital contributions of \$672,748.

Total Revenues

	2025	As Restated 2024	Change	As Restated 2023	Change
Operating revenues:					
Water consumption sales	\$ 471,670	407,653	64,017	399,971	7,682
Basic service charges	1,150,498	1,087,831	62,667	1,048,120	39,711
Other charges	707,457	590,713	116,744	589,075	1,638
Total operating revenues	2,329,625	2,086,197	243,428	2,037,166	49,031
Non-operating revenues:					
Property taxes	320,623	293,832	26,791	242,221	51,611
Interest earnings, net of fair value	245,400	235,587	9,813	55,566	180,021
Gain on asset disposals	1,094	6,793	(5,699)	4,358	2,435
Other non-operating revenues, net	7,110	43,197	(36,087)	21,906	21,291
Total non-operating revenues	574,227	579,409	(5,182)	324,051	255,358
Capital contributions:					
Meter sales and installations	37,590	27,535	10,055	17,630	9,905
Grant revenue	433,808	645,213	(211,405)	47,918	597,295
Total capital contributions	471,398	672,748	(201,350)	65,548	607,200
Total revenues	\$ 3,375,250	3,338,354	36,896	2,426,765	911,589

A closer examination of the sources of changes in net position reveals that:

In fiscal year 2025, the Agency's total revenues increased by 1.11% or \$36,896 to \$3,375,250. Operating revenues increased by 11.67% or \$243,428 to \$2,329,625, primarily due to increases in other charges of \$116,744, water consumption sales of \$64,017, and \$62,667 in basic service charges as compared to the prior year. In fiscal year 2024, the Agency's total revenues the Agency's total revenues increased by 37.56% or \$911,589 to \$3,338,354. Operating revenues increased by 2.41% or \$49,031 to \$2,086,197, primarily due to increases in basic service charges of \$39,711, water consumption sales of \$7,682, and other charges of \$1,638 as compared to the prior year.

In fiscal year 2025, non-operating revenues decreased by 0.89% or \$5,182 to \$574,227, due to decreases in other non-operating revenues of \$36,087 and gain on asset disposals of \$5,699, offset by increases in property taxes of \$26,791 and interest earnings of \$9,813 as compared to the prior year. In fiscal year 2024, non-operating revenues increased by 78.80% or \$255,358 to \$579,409, due to increases in interest earnings of \$180,021, property taxes of \$51,611, other non-operating revenues of \$21,291, and gain on asset disposals of \$2,435 as compared to the prior year.

In fiscal year 2025, the Agency's capital contributions decreased by 29.93% or \$201,350 to \$471,398. Capital contributions were comprised of grant revenues of \$433,808 and meter sales and installations of \$37,590. In fiscal year 2024, the Agency's capital contributions increased by 926.34% or \$607,200 to \$672,748. Capital contributions were comprised of grant revenues of \$645,213 and meter sales and installations of \$27,535.

Bighorn Desert View Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2025 and 2024

Total Expenses

	<u>2025</u>	<u>As Restated 2024</u>	<u>Change</u>	<u>As Restated 2023</u>	<u>Change</u>
Operating expenses including depreciation expense:					
Transmission and distribution	\$ 1,215,855	1,389,339	(173,484)	1,089,616	299,723
General and administrative	1,127,289	1,041,396	85,893	1,002,741	38,655
Depreciation and amortization	<u>346,818</u>	<u>358,186</u>	<u>(11,368)</u>	<u>371,289</u>	<u>(13,103)</u>
Total operating expenses including depreciation and amortization expense	<u>2,689,962</u>	<u>2,788,921</u>	<u>(98,959)</u>	<u>2,463,646</u>	<u>325,275</u>
Non-operating expenses:					
Interest expense – long-term debt	<u>135</u>	<u>210</u>	<u>(75)</u>	<u>284</u>	<u>(74)</u>
Total non-operating expenses	<u>135</u>	<u>210</u>	<u>(75)</u>	<u>284</u>	<u>(74)</u>
Total expenses	<u>\$ 2,690,097</u>	<u>2,789,131</u>	<u>(99,034)</u>	<u>2,463,930</u>	<u>325,201</u>

A closer examination of the sources of changes in net position reveals that:

In fiscal year 2025, the Agency's total expenses decreased by 3.55% or \$99,034 to \$2,690,097. Operating expenses including depreciation expense decreased by 3.55% or \$98,959 to \$2,689,962, due to decreases in transmission and distribution of \$173,484 and depreciation expense of \$11,368, offset by an increase in general and administrative of \$85,893 as compared to the prior year. In fiscal year 2024, the Agency's total expenses increased by 13.20% or \$325,201 to \$2,789,131. Operating expenses including depreciation expense increased by 13.20% or \$325,275 to \$2,788,921, due to increases in transmission and distribution of \$299,723, of which \$54,306 was due to actuarial determined changes in the pension liability, general and administrative of \$38,655, of which \$52,178 was due to actuarial determined changes in the pension liability, offset by a decrease in depreciation of \$13,103 as compared to the prior year.

In fiscal year 2025, the Agency's non-operating expenses decreased by 35.71% or \$75 to \$135 due to a decrease in interest expense related to long term debt. In fiscal year 2024, the Agency's non-operating expenses decreased by 26.06% or \$74 to \$210 due to a decrease in interest expense related to long term debt.

Bighorn Desert View Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2025 and 2024

Capital Asset Administration

Changes in capital assets in 2025 were as follows:

	<u>Balance 2024</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2025</u>
Capital assets:				
Non-depreciable and amortizable assets	\$ 745,521	587,768	(156,540)	1,176,749
Depreciable and amortizable assets	11,985,111	156,540	(90,899)	12,050,752
Accumulated depreciation and amortization	<u>(8,927,766)</u>	<u>(346,818)</u>	<u>77,185</u>	<u>(9,197,399)</u>
Total capital assets	<u>\$ 3,802,866</u>	<u>397,490</u>	<u>(170,254)</u>	<u>4,030,102</u>

Changes in capital assets in 2024 were as follows:

	<u>Balance 2023</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2024</u>
Capital assets:				
Non-depreciable and amortizable assets	\$ 134,459	663,172	(52,110)	745,521
Depreciable and amortizable assets	11,959,092	52,110	(26,091)	11,985,111
Accumulated depreciation and amortization	<u>(8,595,671)</u>	<u>(358,186)</u>	<u>26,091</u>	<u>(8,927,766)</u>
Total capital assets	<u>\$ 3,497,880</u>	<u>357,096</u>	<u>(52,110)</u>	<u>3,802,866</u>

At the end of fiscal year 2025 and 2024, the Agency's investment in capital assets amounted to \$4,030,102 and \$3,802,866, respectively (net of accumulated depreciation). This investment in capital assets includes land, construction-in-process, water system, organization, office building, mobile equipment, office equipment, yards, fuel station, and shop equipment. See note 4 on pages 36 through 38 for further information.

Debt Administration

Changes in long-term debt amounts for 2025 were as follows:

	<u>Balance 2024</u>	<u>Additions</u>	<u>Principal Payments/</u>	<u>Balance 2025</u>
Lease payable:				
Equipment lease payable	\$ 5,657	-	(2,565)	3,092
Total long-term debt	<u>\$ 5,657</u>	<u>-</u>	<u>(2,565)</u>	<u>3,092</u>

Bighorn Desert View Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2025 and 2024

Debt Administration, continued

Changes in long-term debt amounts for 2024 were as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Principal Payments/</u>	<u>Balance 2024</u>
Lease payable:				
Equipment lease payable	\$ 8,147	-	(2,490)	5,657
Total long-term debt	\$ 8,147	-	(2,490)	5,657

See note 7 for further information.

Conditions Affecting Current Financial Position

Management is unaware of any conditions which could have a significant impact on the Agency's current financial position, net position, or operating results in terms of past, present, and future periods.

Requests for Information

This financial report is designed to provide the Agency's present users, including funding sources, customers, stakeholders, and other interested parties with a general overview of the Agency's finances and to demonstrate the Agency's accountability with an overview of the Agency's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Agency's General Manager, Marina West at Bighorn Desert View Water Agency at 622 S. Jemez Trail, Yucca Valley, California 92284 or (760) 364-2315.

Basic Financial Statements

Presentation Version
Subject to Board Approval

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Bighorn Desert View Water Agency
Statements of Net Position
June 30, 2025 and 2024

	<u>2025</u>	<u>As Restated 2024</u>
Current assets:		
Cash and cash equivalents (note 2)	\$ 5,423,467	4,810,945
Cash and cash equivalents – restricted (note 2, 9, 11)	281,161	257,936
Accrued interest receivable	185	182
Accounts receivable – water sales and services	417,865	375,770
Grants receivable	208,612	411,483
Accounts receivable – other	3,116	-
Property taxes receivable	26,103	33,873
Water-in-storage inventory	548,210	528,860
Materials and supplies inventory	99,440	103,210
Prepaid expenses and other deposits	121,700	116,275
Total current assets	<u>7,129,859</u>	<u>6,638,534</u>
Non-current assets:		
Accounts receivable – long-term, net (note 3)	104,328	98,963
Capital assets – not being depreciated (note 4)	1,176,749	745,521
Depreciable capital assets, net (note 4)	2,853,353	3,057,345
Total non-current assets	<u>4,134,430</u>	<u>3,901,829</u>
Total assets	<u>11,264,289</u>	<u>10,540,363</u>
Deferred outflows of resources:		
Deferred pension outflows (note 8)	335,061	381,160
Total deferred outflows of resources	<u>\$ 335,061</u>	<u>381,160</u>

Continued on next page

See accompanying notes to the basic financial statements.

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Bighorn Desert View Water Agency
Statements of Net Position, continued
June 30, 2025 and 2024

	<u>2025</u>	<u>As Restated 2024</u>
Current liabilities:		
Accounts payable	\$ 142,046	159,354
Accrued expenses	57,315	50,029
Unearned revenue	24,441	22,208
Deposits	157,102	151,955
Long-term liabilities – due within one year:		
Compensated absences (note 5)	105,710	100,754
Tax liability – County (note 6)	-	26,037
Lease payable (note 7)	2,643	2,565
Total current liabilities	<u>489,257</u>	<u>512,902</u>
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (note 5)	105,709	100,753
Lease payable (note 7)	449	3,092
Net pension liability (note 8)	714,589	726,686
Total non-current liabilities	<u>820,747</u>	<u>830,531</u>
Total liabilities	<u>1,310,004</u>	<u>1,343,433</u>
Deferred inflows of resources:		
Deferred pension inflows (note 8)	52,787	26,684
Total deferred inflows of resources	<u>52,787</u>	<u>26,684</u>
Net position:		
Net investment in capital assets (note 10)	4,027,010	3,797,209
Restricted – Goat Mountain capital assets (note 11)	-	175,623
Restricted – pension benefits (note 2, 9, 11)	281,161	242,232
Unrestricted (note 12)	5,928,388	5,336,342
Total net position	<u>\$ 10,236,559</u>	<u>9,551,406</u>

See accompanying notes to the basic financial statements.

Bighorn Desert View Water Agency
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>As Restated 2024</u>
Operating revenues:		
Water consumption sales	\$ 471,670	407,653
Basic service charges	1,150,498	1,087,831
Other charges	<u>707,457</u>	<u>590,713</u>
Total operating revenues	<u>2,329,625</u>	<u>2,086,197</u>
Operating expenses:		
Transmission and distribution	1,215,855	1,389,339
General and administrative	<u>1,127,289</u>	<u>1,041,396</u>
Total operating expenses	<u>2,343,144</u>	<u>2,430,735</u>
Operating loss before depreciation and amortization	(13,519)	(344,538)
Depreciation and amortization	<u>(346,818)</u>	<u>(358,186)</u>
Operating loss	<u>(360,337)</u>	<u>(702,724)</u>
Non-operating revenue (expenses):		
Property taxes	320,623	293,832
Interest earnings, net of fair value	245,400	235,587
Interest expense – long-term debt	(135)	(210)
Gain on asset disposal	1,094	6,793
Other non-operating revenues, net	<u>7,110</u>	<u>43,197</u>
Total non-operating revenues, net	<u>574,092</u>	<u>579,199</u>
Net income (loss) before capital contributions	<u>213,755</u>	<u>(123,525)</u>
Capital contributions:		
Meter sales and installations	37,590	27,535
Grant revenue	<u>433,808</u>	<u>645,213</u>
Total capital contributions	<u>471,398</u>	<u>672,748</u>
Change in net position	685,153	549,223
Net position, beginning of period, as restated (note 13)	<u>9,551,406</u>	<u>9,002,183</u>
Net position, end of period, as restated	<u>\$ 10,236,559</u>	<u>9,551,406</u>

See accompanying notes to the basic financial statements.

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Bighorn Desert View Water Agency
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>As Restated 2024</u>
Cash flows from operating activities:		
Cash receipts from customers for water sales and services	\$ 2,293,539	2,050,585
Cash paid to employees for salaries and wages	(1,026,590)	(894,766)
Cash paid to vendors and suppliers for materials and services	(1,074,693)	(1,841,593)
Net cash provided by (used in) operating activities	<u>192,256</u>	<u>(685,774)</u>
Cash flows from non-capital financing activities:		
Proceeds from property taxes	302,356	300,570
Net cash provided by non-capital financing activities	<u>302,356</u>	<u>300,570</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(574,054)	(663,172)
Proceeds from capital contributions and connection fees	674,269	276,450
Principal paid on long-term debt	(2,565)	(2,490)
Interest paid on long-term debt	(135)	(210)
Net cash provided by (used in) capital and related financing activities	<u>97,515</u>	<u>(389,422)</u>
Cash flows from investing activities:		
Proceeds from sales of investments	948,223	1,249,326
Purchases of investments	(1,150,000)	(842,000)
Interest earnings	245,397	245,397
Net cash provided by investing activities	<u>43,620</u>	<u>652,723</u>
Net increase (decrease) in cash and cash equivalents	635,747	(121,903)
Cash and cash equivalents – beginning of year	<u>5,068,881</u>	<u>5,190,784</u>
Cash and cash equivalents – end of year	<u>\$ 5,704,628</u>	<u>5,068,881</u>
Reconciliation of cash and cash equivalents to statement of financial position:		
Cash and cash equivalents	\$ 5,423,467	4,810,945
Cash and cash equivalents – restricted	281,161	257,936
Cash and cash equivalents – end of year	<u>\$ 5,704,628</u>	<u>5,068,881</u>

Continued on next page

See accompanying notes to the basic financial statements.

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Bighorn Desert View Water Agency
Statements of Cash Flows, continued
For the Fiscal Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>As Restated 2024</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:		
Operating income	\$ (360,337)	(702,724)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	346,818	358,186
Other non-operating revenues, net	7,110	43,197
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable – water sales and services, net	(42,095)	(27,014)
Grants receivable	202,871	(396,298)
Accounts receivable – other	(3,116)	1,798
Water-in-storage inventory	(19,350)	(135,450)
Materials and supplies inventory	3,770	(7,293)
Prepaid expenses and other deposits	(5,425)	(24,624)
Accounts receivable – long-term, net	(5,365)	(5,479)
Deferred outflows of resources	46,099	(28,995)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	(17,308)	102,152
Accrued expenses	7,286	6,056
Unearned revenue	2,233	(10,312)
Deposits	5,147	(37,802)
Compensated absences	9,912	43,349
Net pension liability	(12,097)	108,795
Deferred inflows of resources	26,103	26,684
Total adjustments	<u>552,593</u>	<u>16,950</u>
Net cash provided by (used in) operating activities	<u>\$ 192,256</u>	<u>(685,774)</u>

See accompanying notes to the basic financial statements.

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Bighorn Desert View Water Agency
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2025 and 2024

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Bighorn Desert View Water Agency (Agency) was formed in 1990 upon approved consolidation of the Bighorn Mountains Water Agency (established in 1969) and the Desert View Water District (established in 1964) by the San Bernardino County Board of Supervisors. The Agency provides water and water related services to the population within the Agency's boundaries. Accordingly, the Agency is authorized to finance, construct, operate and maintain a water transmission and distribution system to benefit this population. There are 2,552 connections within the Agency's boundaries which encompass approximately fifty-two (52) square miles.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Statements No. 61, *The Financial Reporting Entity*. The Agency is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The Agency is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

B. Basis of Accounting and Measurement Focus

The Agency reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Agency is that the costs of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales), capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and water purchases, result from exchange transactions associated with the principal activity of the Agency. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

C. Financial Reporting

The Agency's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Agency solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the Agency's proprietary fund.

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Bighorn Desert View Water Agency
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2025 and 2024

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

The Agency has adopted the following GASB pronouncements in the current year:

Governmental Accounting Standards Board Statement No. 101

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. See Note 13 for the impact of this note on the financial statements due to implementation in the current fiscal year.

Governmental Accounting Standards Board Statement No. 102

In December 2023, the GASB issued Statement No. 102 – *Certain Risk Disclosures*. The primary objective of this Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(1) Reporting Entity and Summary of Significant Accounting Policies, continued**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued****2. Cash and Cash Equivalents**

Substantially all of the Agency's cash is invested in interest bearing accounts. The Agency considers all highly liquid investments with maturities of three months or less at the time of purchase to be cash equivalents.

3. Investments and Investment Policy

The Agency has adopted an investment policy directing the General Manager to deposit and invest funds in financial institutions in accordance with California Government Code section 53600. The investment policy applies to all financial assets and investment activities of the Agency.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

4. Fair Value Measurements

The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset, as follows:

- *Level 1* – This valuation level is based on quoted prices in active markets for identical assets.
- *Level 2* – This valuation level is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- *Level 3* – This valuation level is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity and other assumptions that are internally generated and cannot be observed in the market.

5. Restricted Assets

Restricted assets are financial resources generated for a specific purpose such as capital projects, debt service, or on behalf of employee benefits (Section 115 Trust). These assets are for the benefit of a specified purpose and, as such, are legally or contractually restricted by an external third-party agreement.

6. Accounts Receivable

The Agency extends credit to customers in the normal course of operations. Management has evaluated the accounts and believes all accounts are collectible at June 30. When management deems customer accounts uncollectible, the Agency uses the direct write off method for the write-off those accounts to bad debt expense.

7. Property Taxes and Assessments

The County of San Bernardino Assessor's Office assesses all real and personal property within the County each year. The County of San Bernardino Tax Collector's Offices bills and collects the Agency's share of property taxes and assessments. The County of San Bernardino Treasurer's Office remits current and delinquent property tax collections to the Agency throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(1) Reporting Entity and Summary of Significant Accounting Policies, continued**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued****7. Property Taxes and Assessments, continued**

Property taxes receivable at year-end are related to property taxes collected by the County of San Bernardino, which have not been credited to the Agency's cash balance as of June 30. The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

8. Lease Receivables / Payables

Lease receivables / payables are measured at the present value of payments expected to be received during the lease term.

9. Water-in-storage Inventory

Water-in-storage inventory consists primarily of water purchased and held in a storage account managed by Mojave Water Agency (MWA), the Agency's State Water Project wholesaler. In 2025 and 2024, the Agency purchased 70 and 30 acre-feet of State Water Project water through the MWA, respectively. At June 30, 2025 and 2024, the Agency has a total of 890 acre feet and 920 acre feet in water-in-storage valued using an average cost of \$645 per acre foot, respectively.

10. Materials and Supplies Inventory

Materials and supplies inventory consists primarily of water meters, pipe and pipefittings for construction and repair to the Agency's water transmission and distribution system. Inventory is valued at cost using the first-in first-out method. Inventory items are charged to expense at the time that individual items are withdrawn from inventory or consumed.

11. Prepaid Expenses

Certain payments to vendors reflects costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

12. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. Agency policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at acquisition value at the date of donation. Capital assets received in service concession arrangements are reported at acquisition value. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

12. Capital Assets, continued

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Water system – 10 to 50 years
- Organization – 50 years
- Office building – 5 to 50 years
- Mobile equipment – 5 to 10 years
- Office equipment – 5 to 10 years
- Yards – 10 to 50 years
- Fuel station – 10 to 50 years
- Shop equipment – 5 to 10 years

Equipment leases are amortized on a straight-line basis over the life of the lease.

13. Deferred Outflows of Resources

The statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of resources applicable to future periods and therefore will *not* be recognized as an outflow of resources (expenditure) until that time.

The Agency has the following pension related items that qualify for reporting in this category:

- Deferred outflow which is equal to the employer contributions made after the measurement date of the net pension liability. This amount will be amortized-in-full against the net pension liability in the next fiscal year.
- Deferred outflow for the net differences between the actual and expected experience which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.
- Deferred outflow for the changes in assumptions which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.
- Deferred outflow for the net difference in projected and actual earnings on investments of the pension plans fiduciary net position. This amount is amortized over a 5 year period.
- Deferred outflow for the net adjustment due to differences in the changes in proportions of the net pension liability which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(1) Reporting Entity and Summary of Significant Accounting Policies, continued**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued****14. Compensated Absences**

The Agency's policy is to permit employees to accumulate vacation and sick leave. No employee is allowed to accrue vacation leave hours in excess of: one hundred sixty (160) hours for years one (1) through four (4); two hundred forty (240) hours for years five (5) through ten (10); three hundred twenty (320) hours for years eleven (11) and greater. Payment of unused vacation shall not reduce the accrual balance to less than fifty percent (50%) of the accrued vacation balance hours. All employees are allowed unlimited sick leave accrual. Employees are entitled to 50% payment for any accrued but unused sick leave in excess of two hundred (200) hours. However, a liability for the estimated value of sick leave that will be taken by employees as time off is included in the liability for compensated absences.

15. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Agency's California Public Employees' Retirement System (CalPERS) plans (Plans) and addition to/deduction from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation Dates: June 30, 2023 and 2022
- Measurement Dates: June 30, 2024 and 2023
- Measurement Periods: July 1, 2023 to June 30, 2024 and July 1, 2022 to June 30, 2023

16. Deferred Inflows of Resources

The statement of net position will sometimes report a separate section for deferred inflows of resources. This financial statement element, *deferred inflows of resources*, represents an acquisition of resources applicable to future periods and therefore, will *not* be recognized as an inflow of resources (revenue) until that time. The Agency has the following pension related items that qualify for reporting in this category:

- Deferred inflow for the net differences in actual and proportionate share of employer contribution and net changes in proportion which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

17. Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net Investment in Capital Assets** – Investment in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances of any debt, or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(1) Reporting Entity and Summary of Significant Accounting Policies, continued**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued****17. Net Position, continued**

- **Restricted** – Restricted consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- **Unrestricted** – Unrestricted consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted component of net position.

18. Water Sales

Water sales are billed on a bi-monthly cyclical basis and recognize the respective revenues when they are earned.

19. Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the Agency by property owners, granting agencies or real estate developers desiring services that require capital expenditures or capacity commitment.

20. Capital Grants

When a grant agreement is approved and eligible expenditures are incurred, the amount is recorded as a capital or operating grant receivable on the statement of net position and as capital grant contribution or operating grant revenue, as appropriate, on the statement of revenues, expenses and changes in net position.

21. Budgetary Policies

The Agency adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

(2) Cash and Cash Equivalents

Cash and cash equivalents as of June 30, are classified in the accompanying financial statements as follows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 5,423,467	4,810,945
Cash and cash equivalents – restricted	<u>281,161</u>	<u>257,936</u>
Total cash and cash equivalents	<u>5,704,628</u>	<u>5,068,881</u>

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(2) Cash and Cash Equivalents, continued

Cash and cash equivalents as of June 30, consist of the following:

	<u>2025</u>	<u>2024</u>
Cash on hand	\$ 1,550	1,550
Deposits with financial institutions	1,315,144	600,082
Deposits in Public Agency Retirement System (PARS)	281,161	257,936
Investments	<u>4,106,773</u>	<u>4,209,313</u>
Total	<u>\$ 5,704,628</u>	<u>5,068,881</u>

As of June 30, the Agency's authorized deposits had the following average maturities:

	<u>2025</u>	<u>2024</u>
Deposits in Local Agency Investment Fund (LAIF)	<u>248 days</u>	<u>217 days</u>

Investments Authorized by the California Government Code and the Agency's Investment Policy

The table below identifies the investment types that are authorized by the Agency in accordance with the California Government Code (or the Agency's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Agency's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment in One Issuer
U.S. Treasury obligations	5 years	None	None
Federal agency and bank obligations	5 years	None	None
Certificates-of-deposit (negotiable or placed)	5 years	30%	None
Commercial paper (prime)	270 days	25%	10%
Money market mutual funds	N/A	20%	None
State and local bonds, notes and warrants	N/A	None	None
California Local Agency Investment Fund (LAIF)	N/A	None	None

Investment in State Investment Pool

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 and is under the management of the Treasurer of the State of California with oversight provided by the Local Agency Investment Advisory Board. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Bank balances are secured by the pledging of a pool of eligible securities to collateralize the Agency's deposits with the bank in accordance with the Code.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(2) Cash and Cash Equivalents, continued

Investment in State Investment Pool, continued

The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Agency's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits.

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Of the bank balances, up to \$250,000 held at each institution were federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Agency's name.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Code and the Agency's investment policy contain legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF and the Pool).

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to change with market interest rates. One of the ways that the Agency manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments, and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide for cash flow requirements and liquidity needed for operations.

At June 30, 2025 and 2024, the Agency's investments held to maturity were categorized as twelve months or less, respectively.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(2) Cash and Cash Equivalents, continued***Credit Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Per the Agency's investment policy, credit risk is mitigated by investing in safe securities and diversifying the investment portfolio so the failure of one issuer would not materially affect the Agency's cash flow. Presented below is the minimum rating required by (where applicable) the California Government Code, the Agency's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Credit ratings as of June 30, 2025, were as follows:

Investment type	June 30, 2025	Minimum Legal Rating	Exempt from Disclosure	Ratings AA+ to AA-
California Cooperative Liquid Assets				
Securities System	\$ 3,305,751	N/A	3,305,751	-
California Local Agency Investment Fund	16,939	N/A	16,939	-
Money market mutual fund	784,083	Aaa	-	784,083
Total	\$ 4,106,773		3,322,690	784,083

Credit ratings as of June 30, 2024, were as follows:

Investment type	June 30, 2024	Minimum Legal Rating	Exempt from Disclosure	Ratings AA+ to AA-
California Cooperative Liquid Assets	\$	N/A		
Securities System	3,152,914		3,152,914	-
California Local Agency Investment Fund	16,106	N/A	16,106	-
Money market mutual fund	1,040,293	Aaa	-	1,040,293
Total	\$ 4,209,313		3,169,020	1,040,293

Concentration of Credit Risk

The Agency's investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than for external investment pools) that represent 5% or more of total Agency's investments at June 30, 2025 and 2024.

Fair Value Measurements

As of June 30, 2025 and 2024, the Agency had no reportable assets which required measurement at fair value on a recurring basis, based on their fair value hierarchy.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(3) Accounts Receivable – Long-term, net

Accounts receivable – long-term, net consists of property tax liens not yet collected by the County less an allowance for uncollectible based on analysis performed by the Agency. The balance at June 30 consists of the following:

	<u>2025</u>	<u>2024</u>
Accounts receivable – long-term, net	\$ 110,828	105,463
Allowance for uncollectible accounts	<u>(6,500)</u>	<u>(6,500)</u>
Accounts receivable – water sales, net	<u>\$ 104,328</u>	<u>98,963</u>

(4) Capital Assets***Construction-In-Process***

The Agency has been involved in various construction projects throughout the year. The projects that comprise the construction-in-process balances at June 30, 2025 and 2024, were as follows:

	<u>2025</u>	<u>2024</u>
GM replacement well	\$ 664,195	624,818
PI/C Projects – Transmission Pipeline	347,005	-
A-Booster	31,445	-
Various small projects under \$25,000	<u>33,110</u>	<u>24,509</u>
Construction-in-process	<u>\$ 1,075,755</u>	<u>649,327</u>

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(4) Capital Assets, continued

Changes in capital assets for 2025 were as follows:

	<u>Balance 2024</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2025</u>
Non-depreciable assets:				
Land	\$ 96,194	4,800	-	100,994
Construction-in-process	649,327	582,968	(156,540)	1,075,755
Total non-depreciable assets	745,521	587,768	(156,540)	1,176,749
Depreciable assets:				
Water System	10,119,467	50,091	-	10,169,558
Organization	336,272	-	-	336,272
Office Building	327,594	-	-	327,594
Mobile Equipment	901,201	106,449	(90,899)	916,751
Office Equipment	182,244	-	-	182,244
Yards	56,330	-	-	56,330
Fuel Station	18,942	-	-	18,942
Shop Equipment	29,961	-	-	29,961
Lease Equipment	13,100	-	-	13,100
Total depreciable assets	11,985,111	156,540	(90,899)	12,050,752
Accumulated depreciation:				
Water System	(7,453,411)	(259,499)	-	(7,712,910)
Organization	(230,050)	(13,448)	-	(243,498)
Office Building	(290,108)	(10,151)	-	(300,259)
Mobile Equipment	(681,479)	(45,998)	77,185	(650,292)
Office Equipment	(169,066)	(13,177)	-	(182,243)
Yards	(50,553)	(248)	-	(50,801)
Fuel Station	(18,278)	(148)	-	(18,426)
Shop Equipment	(27,128)	(1,653)	-	(28,781)
Lease Equipment	(7,693)	(2,496)	-	(10,189)
Total accumulated depreciation	(8,927,766)	(346,818)	77,185	(9,197,399)
Total depreciable assets, net	3,057,345	(190,278)	(13,714)	2,853,353
Total capital assets, net	\$ 3,802,866			4,030,102

Major depreciable capital asset changes during fiscal year 2025 include additions to water system infrastructure and mobile equipment and deletions to mobile equipment.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(4) Capital Assets, continued

Changes in capital assets for 2024 were as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2024</u>
Non-depreciable assets:				
Land	\$ 96,194	-	-	96,194
Construction-in-process	38,265	663,172	(52,110)	649,327
Total non-depreciable assets	134,459	663,172	(52,110)	745,521
Depreciable assets:				
Water System	10,119,467	-	-	10,119,467
Organization	336,272	-	-	336,272
Office Building	327,594	-	-	327,594
Mobile Equipment	875,182	52,110	(26,091)	901,201
Office Equipment	182,244	-	-	182,244
Yards	56,330	-	-	56,330
Fuel Station	18,942	-	-	18,942
Shop Equipment	29,961	-	-	29,961
Lease Equipment	13,100	-	-	13,100
Total depreciable assets	11,959,092	52,110	(26,091)	11,985,111
Accumulated depreciation:				
Water System	(7,189,078)	(264,333)	-	(7,453,411)
Organization	(216,602)	(13,448)	-	(230,050)
Office Building	(279,098)	(11,010)	-	(290,108)
Mobile Equipment	(660,318)	(47,252)	26,091	(681,479)
Office Equipment	(151,497)	(17,569)	-	(169,066)
Yards	(50,304)	(249)	-	(50,553)
Fuel Station	(18,130)	(148)	-	(18,278)
Shop Equipment	(25,446)	(1,682)	-	(27,128)
Lease Equipment	(5,198)	(2,495)	-	(7,693)
Total accumulated depreciation	(8,595,671)	(358,186)	26,091	(8,927,766)
Total depreciable assets, net	3,363,421	(306,076)	-	3,057,345
Total capital assets, net	\$ 3,497,880			3,802,866

Major depreciable capital asset changes during fiscal year 2024 include additions and deletions to mobile equipment.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(5) Compensated Absences

The Agency recognizes liability for compensated absences in accordance with GASB Statement No. 101, "Compensated Absences". Compensated absences include unpaid vacation leave, sick leave and compensating time off which is accrued as earned, which are expected to be settled through paid time off or cash payments upon termination or retirement.

As of June 30, 2025 and 2024, the liability for compensated absences was calculated based on employees' pay rates at the fiscal year-end and historical usage data, considering employment policies. The liability represents amounts that are more likely than not be used or paid out. The total liability for compensated absences amounted to \$211,419 and \$201,507, respectively. The liability is reported on the Statement of Net Position.

The net change in the compensated absences liability for the fiscal year ended June 30, 2025 and 2024 was \$9,912 and \$43,349, respectively, reflecting a net increase due to changes in employee leave balances, pay rates, and usage patterns.

The change to compensated absences balances at June 30, 2025 is as follows:

As Restated 2024	Additions	Reductions	Balance 2025	Due Within One Year	Due in More Than One Year
\$ 201,507	9,912 *	-	211,419	105,710	105,709

The change to compensated absences balances at June 30, 2024 is as follows:

As Restated 2023	Additions	Reductions	As Restated 2024	Due Within One Year	Due in More Than One Year
\$ 158,158	43,349 *	-	201,507	100,754	100,753

*The change in the compensated absence liability is presented as a net change.

(6) Tax Liability – County***Tax Liability – County of San Bernardino***

On August 20, 2018, the Agency received notification from the County of San Bernardino Auditor-Controller/Treasurer/Tax Collector's office, (County) that the County had overpaid \$130,183 in unitary tax allocations to Bighorn-Desert View Water Agency Improvement Agency 1 (Bighorn Mountains). The error was a result of the manner in which the County calculated the distribution of the Unitary Tax Allocation. The error was discovered in an audit of the County by the State Controller's Office which required fiscal year 2005 to be "restated" and which led to a subsequent correction in the fiscal years that followed. While the Agency was "overpaid", other entities were "underpaid". The County of San Bernardino is responsible to reallocate the monies correctly. As a result, during the fiscal year ended June 30, 2018, the Agency adjusted its net position.

The County agreed to provide the Agency a 5-year payment schedule beginning in fiscal year June 30, 2020. The future payments will be accounted for in the tax allocations rather than through direct payment to the County Tax Collector.

As of June 30, 2025, the tax liability was paid-in-full. As of June 30, 2024, the tax liability amounted to \$26,037.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(7) Long-term Debt

Changes in long-term debt for the year ended June 30, 2025 are as follows:

	<u>Balance 2024</u>	<u>Additions</u>	<u>Payments/ Amortization</u>	<u>Balance 2025</u>
Lease payable:				
Equipment lease	\$ 5,657	-	(2,565)	3,092
Total lease payable	5,657	-	(2,565)	3,092
Less: current portion due	(2,565)			(2,643)
Long-term portion due	\$ 3,092			449

Changes in long-term debt for the year ended June 30, 2024 are as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Payments/ Amortization</u>	<u>Balance 2024</u>
Lease payable:				
Equipment lease	\$ 8,147	-	(2,490)	5,657
Total lease payable	8,147	-	(2,490)	5,657
Less: current portion due	(2,490)			(2,565)
Long-term portion due	\$ 5,657			3,092

Equipment Lease Payable

On June 16, 2021, the Agency entered into an agreement with Xerox Financial Services, LLC, (Xerox), to lease copier equipment for use in the Agency's administrative office. Terms of the agreement commenced on June 16, 2021, for a period of 63 months, with rent due monthly at \$225 per month for the entire lease term.

Following the guidelines set forth by *GASB Statement No. 87*, the Agency has recorded a right-to-use asset and a lease payable at present value with an implicit rate of 3.00%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

Annual lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,643	57	2,700
2027	449	2	451
Total	3,092	59	3,151
Less: current	(2,643)		
Long-term	\$ 449		

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(8) Defined Benefit Pension Plan***Plan Description***

All qualified permanent and probationary employees are eligible to participate in the Agency's Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and the Agency's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. The death benefit is the 1957 Survivor Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the Agency's CalPERS 3.0% at 60 Risk Pool Retirement Plan to new employee entrants effective December 31, 2012. All employees hired after January 1, 2013, are eligible for the Agency's CalPERS 2.0% at 62 Retirement Plan under PEPRA. New employees that have previously participated in the Classic Plan are eligible for the Agency's CalPERS 3.0% at 60 Retirement Plan.

The Plans' provision and benefits in effect at June 30, 2025, are summarized as follows:

	Miscellaneous Plan Pool	
	Classic	PEPRA
Hire date	Prior to December 31, 2012	On or after January 1, 2013
Benefit formula	3.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 service years	5 service years
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 60	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	2.0% to 2.5%
Required employer contribution rates	12.004%	7.870%
Required employee contribution rates	13.326%	7.750%

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(8) Defined Benefit Pension Plan, continued***Contributions***

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates, for all public employers, be determined on an annual basis by the actuary and shall be effective on July 1, following notice of the change in rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS.

The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Agency is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

As of the fiscal year ended June 30, the contributions for the Plan were as follows:

	<u>2025</u>	<u>2024</u>
Contributions – employer	\$ 144,706	121,978

Net Pension Liability

As of June 30, the Agency reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	<u>2025</u>	<u>2024</u>
Proportionate share of net pension liability	\$ 714,589	726,686

The Agency's net pension liability for the Plan is measured as the proportionate share of the net pension liability for the miscellaneous risk pool. As of the fiscal years ended June 30, 2025 and 2024, the net pension liability of the Plan is measured as of June 30, 2024 and 2023 (the measurement dates), respectively. The total pension liability for the Plan's miscellaneous risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 and 2022 (the valuation dates), rolled forward to June 30, 2024 and 2023, respectively, using standard update procedures. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The Agency's proportionate share of the net pension liability for the Plan's miscellaneous risk pool as of the fiscal year ended June 30, 2025, was as follows:

	<u>Miscellaneous Plan</u>
Proportion – June 30, 2024	0.00582%
Increase in proportion	0.00007%
Proportion – June 30, 2025	0.00589%

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(8) Defined Benefit Pension Plan, continued***Net Pension Liability, continued***

The Agency's proportionate share of the net pension liability for the Plan's miscellaneous risk pool as of the fiscal year ended June 30, 2024, was as follows:

	Miscellaneous Plan
Proportion – June 30, 2023	0.00535%
Increase in proportion	<u>0.00047%</u>
Proportion – June 30, 2024	<u>0.00582%</u>

Deferred Outflows/Inflows of Resources Related to Pensions

For the fiscal years ended June 30, 2025 and 2024, the Agency recognized pension income and expense of \$204,811 and \$228,462, respectively.

As of June 30, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 144,706	-	121,978	-
Differences between actual and expected experience	59,374	-	31,365	-
Changes in assumptions	18,367	-	43,875	-
Net differences between projected and actual earnings on plan investments	41,139	-	117,661	-
Differences between actual contribution and proportionate share of contribution	-	(52,787)	-	(26,684)
Net adjustment due to differences in proportions of net pension liability	<u>71,475</u>	<u>-</u>	<u>66,281</u>	<u>-</u>
Total	<u>\$ 335,061</u>	<u>(52,787)</u>	<u>381,160</u>	<u>(26,684)</u>

As of June 30, 2025 and 2024, the Agency reported \$144,706 and \$121,978, as deferred outflows of resources related to pension contributions subsequent to the measurement dates June 30, 2024 and 2023, and will be / was recognized as a reduction of the net pension liability for the year ended June 30, 2026 and 2025, respectively.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(8) Defined Benefit Pension Plan, continued

As of June 30, 2025 other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30,	Deferred Net Outflows/(Inflows) of Resources
2026	\$ 56,774
2027	92,724
2028	2,166
2029	(14,096)
2030	-
Remaining	-

Actuarial Assumptions

The total pension liabilities in the June 30, 2023 and 2022, actuarial valuations were determined using the following actuarial assumptions and methods:

Valuation Dates	June 30, 2023 and 2022
Measurement Dates	June 30, 2024 and 2023
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	2024 and 2023 – 6.90%
Inflation	2024 and 2023 – 2.30%
Salary increases	Varies by Entry Age and Service
Investment Rate of Return	6.90 % Net of Pension Plan Investment and Administrative Expenses; includes inflation
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Period upon which actuarial Experience Survey assumptions were based	2024 and 2023 – 2021
Post Retirement Benefit	2024 and 2023 – COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

* The mortality table used above was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 Experience Study report. Further details of the Experience Study can be found on the CalPERS website.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(8) Defined Benefit Pension Plan, continued***Discount Rate***

At the measurement dates, June 30, 2024 and 2023, the discount rate used to measure the total pension liability was 6.90% for the Plan. The discount rate reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. For the Plan, the crossover test was performed for a miscellaneous agent plan and a safety agent plan was selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for PERF C. The crossover test results can be found on CalPERS' website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set to equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

As of June 30, 2025 and 2024, the target allocation and the long-term expected real rate of return by asset class is as follows:

Asset Class	New Strategic Allocation	Real Return Years 1-10*
Global Equity	50.0%	4.80%
Global Fixed Income	28.0%	1.00%
Inflation Sensitive	0.0%	0.77%
Private Equity	8.0%	6.30%
Real Estate	13.0%	3.75%
Liquidity	1.0%	0.00%
Total	100.0%	

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(8) Defined Benefit Pension Plan, continued***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following table presents the Agency's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate.

As of June 30, 2025, the Agency's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, is as follows:

	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
Agency's Net Pension Liability	\$ 1,340,685	714,589	199,217

As of June 30, 2024, the Agency's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, is as follows:

	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
Agency's Net Pension Liability	\$ 1,293,255	726,686	260,351

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See pages 52 and 53 for the Required Supplementary Information.

Payable to the Pension Plan

At June 30, 2025 and 2024, the Agency reported \$0 in payables for the outstanding amount of contribution to the pension plan, respectively.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(9) Section 115 Trust

In fiscal year 2019-20, the Agency's Board approved the creation of a Section 115 Trust Agreement with the Public Agency Retirement Services (PARS), Trustee and Trust Administrator. The Section 115 Trust was established as a means to set aside monies to fund the Agency's pension plan obligation. Contributions to the Section 115 Trust are irrevocable, the assets are dedicated to providing benefits to plan members, and the assets are protected from creditors of the Agency. The purpose of the creation of the Section 115 Trust was to address the Agency's pension obligations by accumulating assets to reduce the net pension liability. However, in accordance with generally accepted accounting principles, the assets in the Section 115 Trust are not considered to have present service capacity as plan assets and are therefore considered restricted assets of the Agency rather than pension plan assets. Accordingly, the Section 115 Trust's assets are recorded as restricted for pension benefits in the Agency's fund net position rather than assets of the pension plan during the measurement date of the net pension liability. The assets held in trust will be considered pension plan assets at the time they are transferred out of the Trust into the pension plan.

During the fiscal year ended June 30, 2025 and 2024, the Agency deposited \$0 into the Trust, respectively. During fiscal year ended June 30, 2025 and 2024, the Trust earned \$24,801 and \$17,141 in interest income and incurred \$1,576 and \$1,437 in bank fees, respectively. The Trust account balance on June 30, 2025 and 2024 amounted to \$281,161 and \$257,936, respectively.

(10) Net Investment in Capital Assets

Calculation of net investment in capital assets was as of June 30 was as follows:

	<u>2025</u>	<u>As Restated 2024</u>
Net investment in capital assets:		
Capital assets – not being depreciated	\$ 1,176,749	745,521
Capital assets, net – not being depreciated or amortized	2,853,353	3,057,345
Lease payable – current portion	(2,643)	(2,565)
Lease payable – non-current portion	(449)	(3,092)
Total net investment in capital assets	<u>\$ 4,027,010</u>	<u>3,797,209</u>

(11) Restricted Net Position

On January 21, 2015, the Local Agency Formation Commission for San Bernardino County adopted Resolution No. 3194 which annexed the Goat Mountain (CSA 70 Zone W-1) water system to the Bighorn-Desert View water system. As part of this annexation, the Agency is required to maintain separate accounts and is therefore classified as restricted.

Calculation of restricted net position as of June 30 was as follows:

	<u>2025</u>	<u>As Restated 2024</u>
Restricted net position:		
Goat Mountain capital assets	\$ -	158,254
Section 115 Trust – Pension benefits	281,161	257,936
Total restricted net position	<u>\$ 281,161</u>	<u>416,190</u>

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(12) Unrestricted Net Position

Unrestricted net position as of June 30, were categorized as follows:

	<u>2025</u>	<u>As Restated 2024</u>
Unrestricted net position:		
Non-spendable net position:		
Water-in-storage inventory	\$ 548,210	528,860
Materials and supplies inventory	99,440	103,210
Prepaid expenses and other deposits	<u>121,700</u>	<u>116,275</u>
Total non-spendable net position	<u>769,350</u>	<u>748,345</u>
Spendable net position are as follows:		
Unrestricted	<u>5,159,038</u>	<u>4,589,662</u>
Total spendable net position	<u>5,159,038</u>	<u>4,589,662</u>
Total unrestricted net position	<u>\$ 5,928,388</u>	<u>5,338,007</u>
Total net position	<u>\$ 10,236,559</u>	<u>9,551,406</u>

(13) Adjustments to Net Position

In fiscal year 2025, the Agency implemented *GASB Statement No. 101 – Compensated Absences* to recognize the provisions of the Statement towards its compensated absences liability. As a result of the implementation, the Agency recognized adjustments to its compensated absence liability and recorded prior period adjustments, decreases to net position, of \$13,778 at June 30, 2023 and \$16,842 at June 30, 2024.

The adjustments to net position are as follows:

Net position at June 30, 2022, as previously stated	\$ 9,039,348
Effect of adjustment to record fiscal year 2023	
adjustment to compensated absences as a result of GASB 101	<u>(13,778)</u>
Change in net position at June 30, 2023, as previously stated	(23,387)
Net position at June 30, 2023, as restated	<u>\$ 9,002,183</u>
Effect of adjustment to reverse fiscal year 2023	
adjustment to compensated absences as a result of GASB 101	13,778
Effect of adjustment to record fiscal year 2024	
adjustment to compensated absences as a result of GASB 101	<u>(16,842)</u>
Total adjustments to net position	<u>(3,064)</u>
Change in net position at June 30, 2024, as previously stated	552,287
Net position at June 30, 2024, as restated	<u>\$ 9,551,406</u>

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(14) Risk Management

The Agency is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency has purchased its insurance coverage through the California Association of Mutual Water Companies (CalMutuals) Joint Powers Risk and Insurance Management Authority (JPRIMA), a public agency risk sharing joint powers authority created to serve the interests of water, sewer, irrigation, and other special service entities. The purpose of the JPRIMA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

At June 30, 2025, the Agency participated in the liability and property programs of the JPRIMA as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of \$1,000,000, combined single limit at \$1,000,000 per occurrence. Deductibles: General Liability Property Damage - \$0, Auto Liability Property Damage - \$0. A \$10 million aggregate limit applies separately to general liability and public officials and employees' errors and omissions.

In addition, the Agency also has the following insurance coverage:

- Employee dishonesty coverage up to \$500,000 per loss includes public employee dishonesty, forgery or alteration and theft (\$250,000), disappearance, and destruction coverages.
- Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis. A dedicated and separate limit of \$9,441,409 per occurrence, subject to a \$25,000 deductible per occurrence unless otherwise listed in declarations.
- Boiler and machinery coverage for the replacement cost up to \$9,441,409 dedicated and separate limit per occurrence, subject to a \$25,000 deductible per occurrence, unless other specific object or peril as listed on the declaration.
- Workers' compensation insurance up to statutory limits and Employer's Liability Coverage up to \$1 million.
- Excess liability insurance up to \$4 million per occurrence and aggregate, which on top of the general and auto liability and public and employees' errors and omissions and employers' liability coverage forms.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years. There were no reductions in insurance coverage in fiscal years 2025, 2024, and 2023. Liabilities are recorded when it is probable that a loss has been incurred, and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2025, 2024, and 2023.

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Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(15) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2025, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 103

In April 2024, the GASB issued Statement No. 103 – *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government's accountability. Also, this Statement: (1) continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI); (2) describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence; (3) requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses; (4) requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements; and (5) requires governments to present budgetary comparison information using a single method of communication—RSI.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 104

In September 2024, the GASB issued Statement No. 104 – *Disclosure of Certain Capital Assets*. The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. Also, this Statement establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement apply to the financial statements of all state and local governments.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

(16) Commitments and Contingencies

Grant Awards

Grant funds received by the Agency are subject to audit by the grantor agencies. Such an audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the Agency believes that such disallowances, if any, would not be significant.

Litigation

In the ordinary course of operations, the Agency is subject to claims and litigation from outside parties. After consultation with legal counsel, the Agency believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

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Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(17) Subsequent Events

Events occurring after June 30, 2025, have been evaluated for possible adjustment to the financial statements or disclosure as of December 9, 2025, which is the date the financial statements were available to be issued.

Presentation Version
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Required Supplementary Information

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Bighorn Desert View Water Agency
Schedule of the Agency's Proportionate Share of the Net Pension Liability
As of June 30, 2025
Last Ten Years

	Measurement Date									
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Agency's Proportion of the Net Pension Liability	0.00589%	0.00582%	0.00535%	0.00174%	0.00646%	0.00683%	0.00667%	0.00664%	0.00656%	0.00656%
Agency's Proportionate Share of the Net Pension Liability	\$ 714,589	\$ 726,686	\$ 617,891	\$ 93,861	\$ 702,188	\$ 699,595	\$ 642,920	\$ 658,030	\$ 567,392	\$ 450,309
Agency's Covered Payroll	\$ 585,808	\$ 558,852	\$ 521,317	\$ 525,005	\$ 454,463	\$ 477,108	\$ 432,502	\$ 473,007	\$ 390,961	\$ 361,687
Agency's proportionate share of the net pension liability as a percentage of its Covered Payroll	121.98%	130.03%	118.53%	17.88%	154.51%	146.63%	148.65%	139.12%	145.13%	124.50%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	82.65%	83.51%	97.09%	97.09%	76.73%	75.10%	76.19%	74.45%	75.10%	78.78%

Notes to schedule:

There were no changes in benefits.

Changes in assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses.

The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%

From fiscal year June 30, 2018 to June 30, 2019:

The inflation rate was reduced from 2.75% to 2.50%

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90%

The inflation rate was reduced from 2.50% to 2.30%

From fiscal year June 30, 2023 to June 30, 2024:

There were no changes in assumptions.

From fiscal year June 30, 2024 to June 30, 2025:

There were no changes in assumptions.

	June 30, 2022	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Entry Age	(1)	Entry Age	(1)	Entry Age	(1)
Fair Value	(2)	Fair Value	(2)	Fair Value	(2)
2.30%	2.30%	2.50%	2.63%	2.75%	
(3)	(3)	(3)	(3)	(3)	(3)
(4)	(4)	(4)	(4)	(4)	(4)
(5)	(5)	(5)	(5)	(5)	(5)

	June 30, 2022	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Entry Age	(1)	Entry Age	(1)	Entry Age	(1)
Fair Value	(2)	Fair Value	(2)	Fair Value	(2)
2.30%	2.30%	2.50%	2.63%	2.75%	
(3)	(3)	(3)	(3)	(3)	(3)
(4)	(4)	(4)	(4)	(4)	(4)
(5)	(5)	(5)	(5)	(5)	(5)

Valuation date

Methods and assumptions used to determine contribution rates:

Methods and assumptions used to determine contribution rates:

Inflation
Salary increases
Investment rate of return
Retirement age
Mortality

(1) Level of percentage payroll, closed.

(2) Depending on age, service, and type of employment.

(3) Net of pension plan investment expense, including inflation.

(4) 50 for all plans with exception of 52 for Miscellaneous 2% @ 62

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

Statistical Information Section

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Bighorn Desert View Water Agency
Statistical Section

This part of the Agency's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Agency's overall financial health.

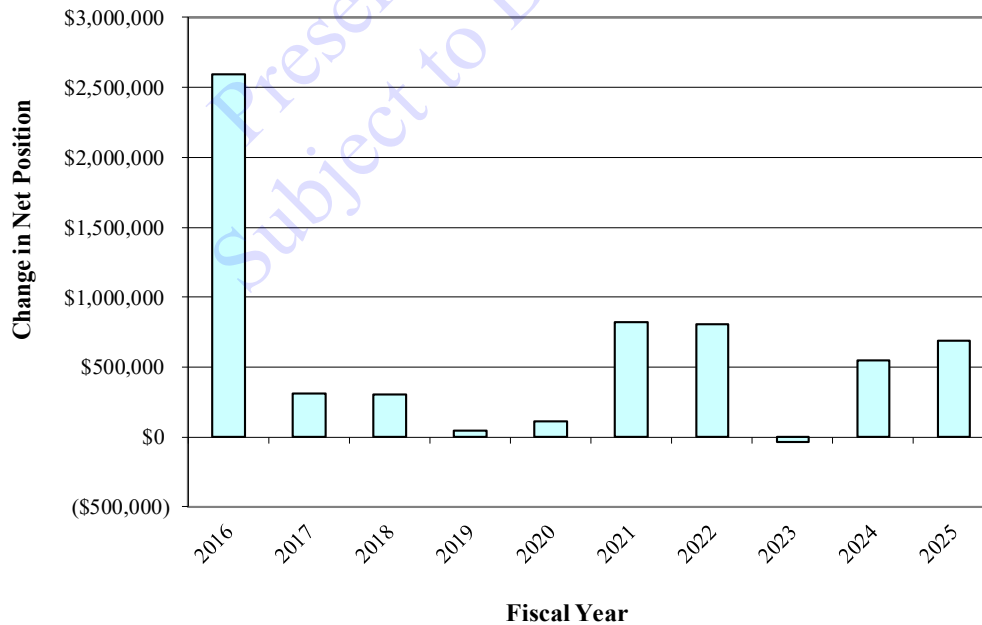
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Financial Trends These schedules contain information to help the reader understand how the Agency's financial performance and well-being have changed over time.	55-58
Revenue Capacity These schedules contain information to help the reader assess the Agency's most significant own-source revenue, water sales.	59-61
Debt Capacity These schedules present information to help the reader assess the affordability of the Agency's current levels of outstanding debt and the Agency's ability to issue additional debt in the future.	62-64
Demographic Information This schedule offers demographic indicators to help the reader understand the environment within which the Agency's financial activities take place.	65-66
Operating Information This schedule contains service and infrastructure data to help the reader understand how the information in the Agency's financial report relates to the service the Agency provides.	67-68

Bighorn Desert View Water Agency
Changes in Net Position by Component
Last Ten Fiscal Years

Schedule 1

	Fiscal Year				
	2016	2017	2018	2019	2020
Changes in net position:					
Operating revenues (see Schedule 2)	\$ 1,530,493	1,614,452	1,730,166	1,781,296	1,983,822
Operating expenses (see Schedule 3)	(1,399,934)	(1,425,697)	(1,549,293)	(1,639,648)	(2,088,334)
Depreciation and amortization	(362,372)	(341,677)	(355,039)	(360,272)	(362,447)
Operating income(loss)	(231,813)	(152,922)	(174,166)	(218,624)	(466,959)
Non-operating revenues(expenses):					
Property taxes	328,939	388,380	364,491	205,697	203,648
Interest earnings, net of fair value	3,892	6,021	15,464	41,126	70,688
Desert View debt surcharge	49,983	50,169	50,134	50,093	50,031
Interest expense – investments, net of fair value	-	-	-	-	-
Interest expense – long-term debt	(28,182)	(21,059)	(14,613)	(7,026)	(1,261)
Gain (loss) on disposal of assets	11,190	-	-	(164,002)	(37,076)
Other non-operating revenues (expense), net	(2,062)	5,086	16,023	10,817	1,216
Total non-operating revenues, net	363,760	428,597	431,499	136,705	287,246
Net income (loss) before capital contributions	131,947	275,675	257,333	(81,919)	(179,713)
Capital contributions	2,458,613	32,967	43,345	125,872	291,943
Changes in net position	\$ 2,590,560	308,642	300,678	43,953	112,230
Net position by component:					
Net investment in capital assets	\$ 4,277,850	4,223,449	4,152,521	4,328,156	4,175,265
Restricted	449,082	418,582	418,582	418,582	344,225
Unrestricted	1,920,124	2,313,667	2,685,273	2,553,591	2,893,069
Total net position	\$ 6,647,056	6,955,698	7,256,376	7,300,329	7,412,559
% increase (decrease)	58.77%	4.64%	4.32%	0.61%	1.54%



Source: Bighorn Desert View Water Agency Accounting Staff

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Bighorn Desert View Water Agency
Changes in Net Position by Component
Last Ten Fiscal Years

Schedule 1

Fiscal Year				
As Restated 2021	2022	As Restated 2023	As Restated 2024	2025
2,432,919	2,240,380	2,037,166	2,086,197	2,329,625
(1,663,182)	(1,371,706)	(2,092,357)	(2,430,735)	(2,343,144)
(431,056)	(397,200)	(371,289)	(358,186)	(346,818)
338,681	471,474	(426,480)	(702,724)	(360,337)
216,462	209,045	242,221	293,832	320,623
20,610	-	-	-	-
66	-	-	-	-
-	(8,304)	55,566	235,587	245,400
(33)	(355)	(284)	(210)	(135)
-	-	4,358	6,793	1,094
16,509	63,354	21,906	43,197	7,110
253,614	263,740	323,767	579,199	574,092
592,295	735,214	(102,713)	(123,525)	213,755
225,287	73,993	65,548	672,748	471,398
817,582	809,207	(37,165)	549,223	685,153
3,995,389	3,724,060	3,489,733	3,797,209	4,027,010
344,225	451,750	451,750	417,855	281,161
3,890,527	4,863,538	5,060,700	5,336,342	5,928,388
8,230,141	9,039,348	9,002,183	9,551,406	10,236,559
11.03%	9.83%	-0.26%	6.13%	7.17%

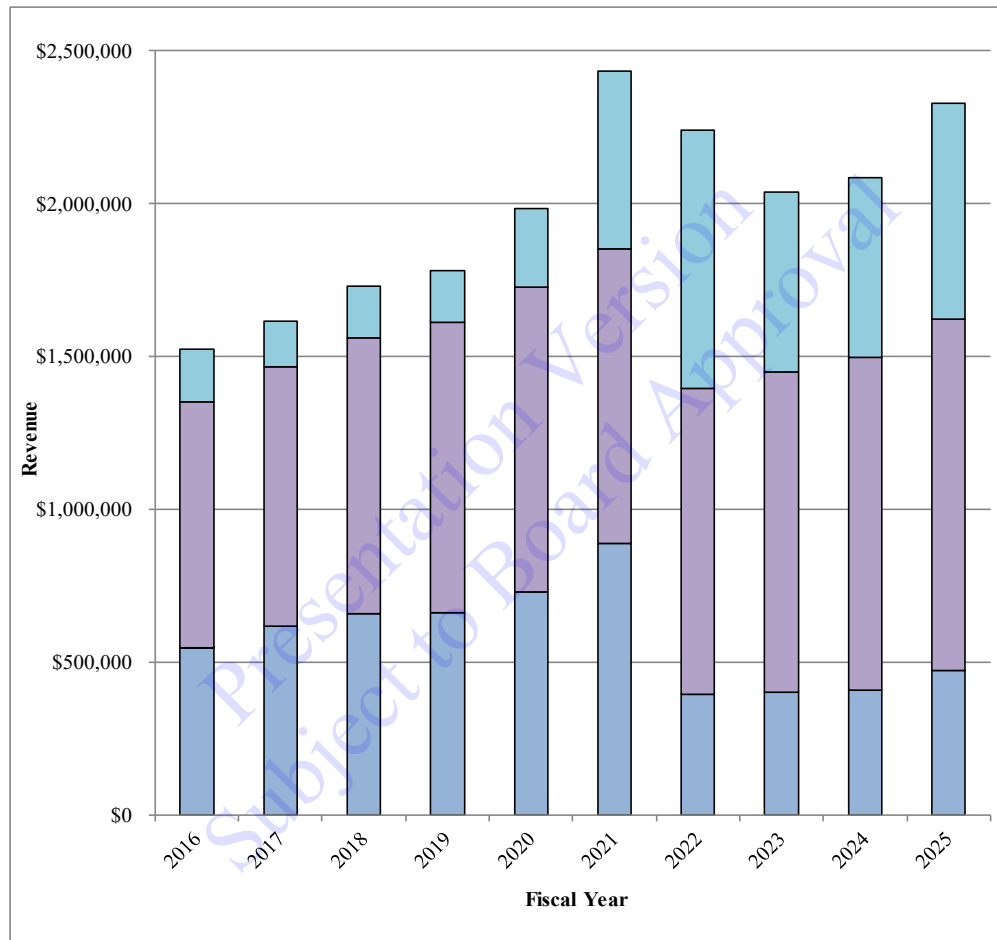


Note: See color key on page 56.

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Bighorn Desert View Water Agency
Operating Revenues by Source
Last Ten Fiscal Years

Schedule 2

Fiscal Year		Water Consumption Sales	Basic Service Charges	Other Charges	Total Operating Revenue
2016	\$	545,931	806,279	170,783	1,522,993
2017		617,342	848,325	148,785	1,614,452
2018		659,453	901,047	169,666	1,730,166
2019		662,875	949,380	169,041	1,781,296
2020		727,853	1,000,103	255,866	1,983,822
2021		887,162	963,838	581,919	2,432,919
2022		392,964	1,001,197	846,219	2,240,380
2023		399,971	1,048,120	589,075	2,037,166
2024		407,653	1,087,831	590,713	2,086,197
2025		471,670	1,150,498	707,457	2,329,625

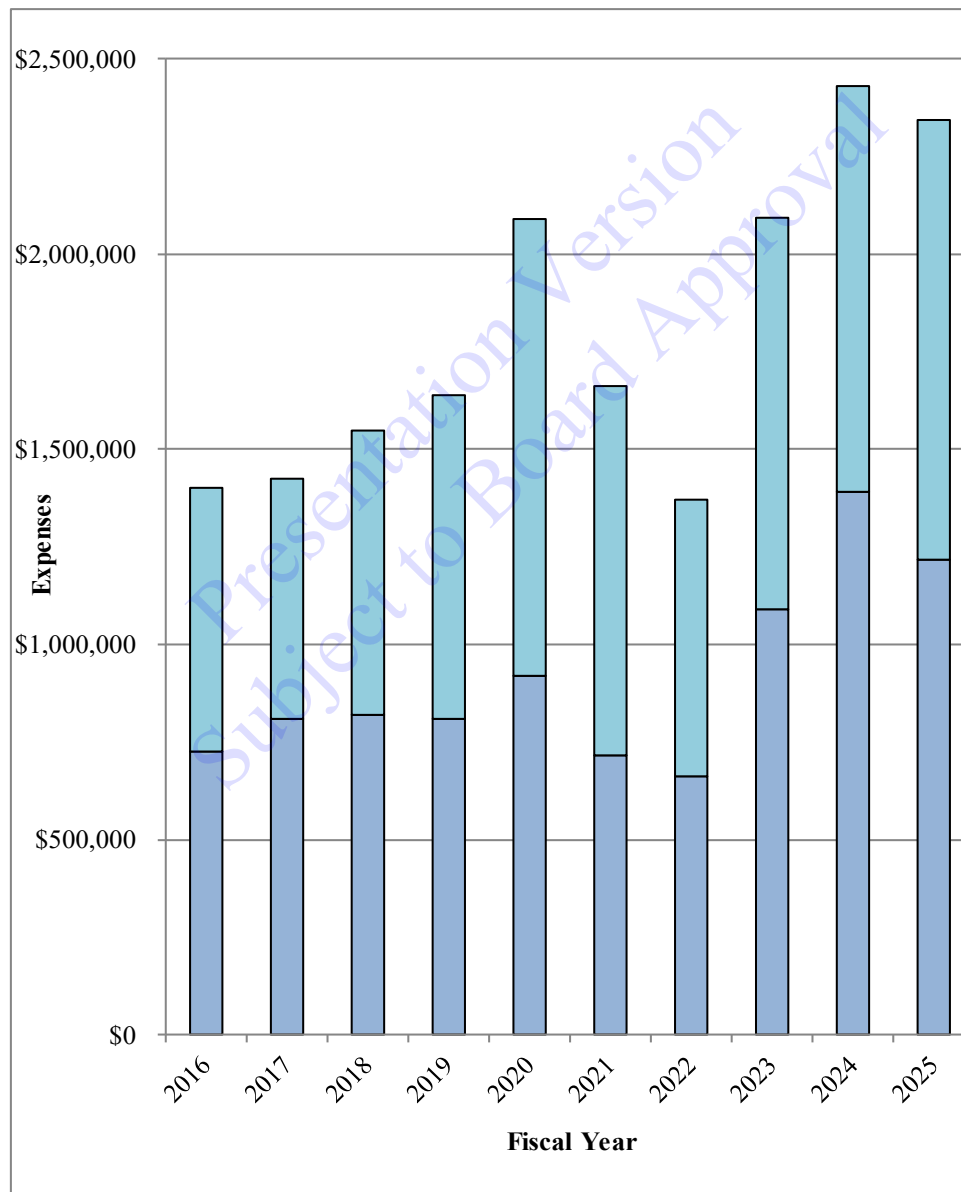


Source: Bighorn Desert View Water Agency Accounting Staff

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Bighorn Desert View Water Agency
Operating Expenses by Activity
Last Ten Fiscal Years

Schedule 3

Fiscal Year		Transmission and Distribution	General and Administrative	Total Operating Expenses
2016	\$	726,110	673,824	1,399,934
2017		810,504	615,193	1,425,697
2018		819,563	729,730	1,549,293
2019		810,871	828,777	1,639,648
2020		921,052	1,167,282	2,088,334
2021		715,886	947,296	1,663,182
2022		663,125	708,581	1,371,706
2023		1,089,616	1,002,741	2,092,357
2024		1,389,339	1,041,396	2,430,735
2025		1,215,855	1,127,289	2,343,144



Source: Bighorn Desert View Water Agency Accounting Staff

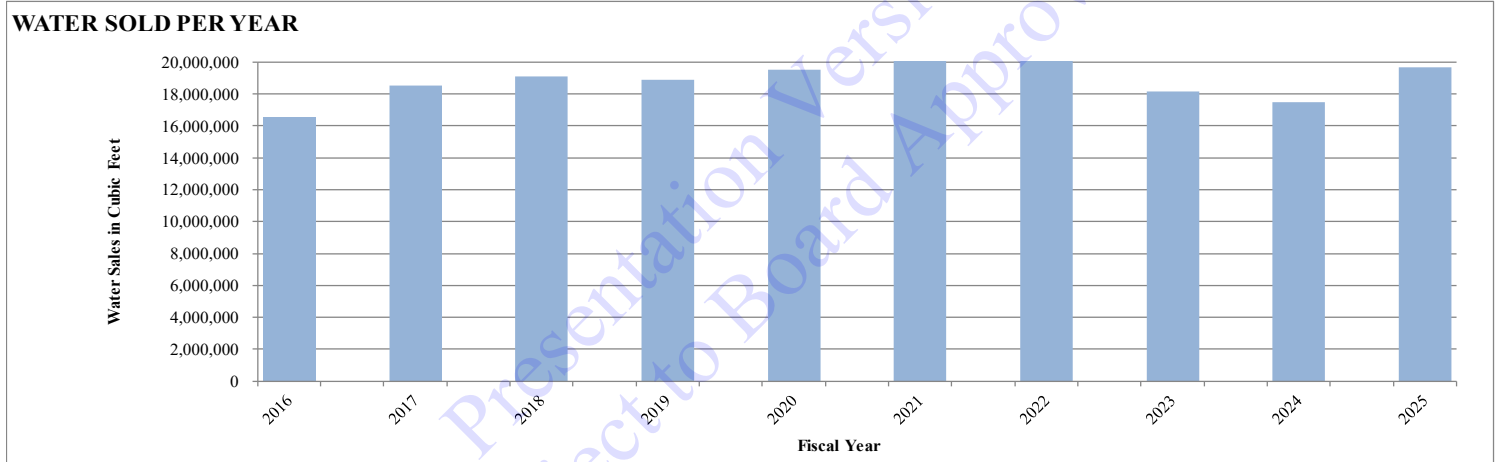
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Bighorn Desert View Water Agency
Water Sold and Produced
Last Ten Fiscal Years

Schedule 4

Water Sold and Produced

READ CYCLE EVEN MONTHS		2016	2017	2018	2019	2020	2021	2022	2023	2024*	2025
Routes 1-6, 15, 16 and bulk accts 30 thru 35 and 40											
Cubic Feet	\$	7,231,125	8,194,345	8,558,114	10,929,073	11,426,664	14,687,873	10,783,397	8,541,603	7,992,352	9,068,880
Acre Feet		166.00	188.10	196.48	250.90	262.32	337.19	247.55	196.09	183.47	208.19
READ CYCLE ODD MONTHS		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Routes 7-14											
Cubic Feet	\$	9,320,813	10,324,766	10,519,454	7,951,582	8,080,386	10,130,967	11,943,213	9,617,062	9,479,429	10,617,592
Acre Feet		214.00	237.00	241.49	182.54	185.50	232.58	274.18	220.78	217.60	243.75
Total Sales in Cubic Feet		<u>16,551,938</u>	<u>18,519,111</u>	<u>19,077,568</u>	<u>18,880,655</u>	<u>19,507,050</u>	<u>24,818,840</u>	<u>22,726,610</u>	<u>18,158,665</u>	<u>17,471,781</u>	<u>19,686,472</u>
Total Sales in Acre Feet		<u>380.00</u>	<u>425.10</u>	<u>437.97</u>	<u>433.44</u>	<u>447.82</u>	<u>569.76</u>	<u>521.73</u>	<u>416.87</u>	<u>401.07</u>	<u>451.94</u>
Total All Production in Acre Feet		<u>452.74</u>	<u>499.67</u>	<u>558.98</u>	<u>549.05</u>	<u>559.93</u>	<u>677.01</u>	<u>601.39</u>	<u>522.01</u>	<u>501.16</u>	<u>543.07</u>

Bulk accounts are for individual's that haul their own water (routes 30-34) and commercial water haulers (route 35 and 36). Commercial billed monthly but totals in even month cycle only.
 Closed accounts are included with billing cycle regardless of route
 Construction water use varies from year to year and is billed very month (route 40) and counted with even month cycle only
 Water sales have increased in FY2015/16 due to annexation of the Improvement District Goat Mountain with 650 accounts.
 Total Production varies from Consumption due to bi-monthly billing cycle and monthly production measurements.
 * Water Produced in 2024 is retated to reflect Fiscal Year production



Source: Bighorn Desert View Water Agency Accounting Staff

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Bighorn Desert View Water Agency
Revenue Rates
Last Ten Fiscal Years

Schedule 5

Revenue Rates

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
BIGHORN MOUNTAINS											
Account Routes 01-06											
Consumption Rate (Tier 1 Res/Ag)	12.5 HCF **	\$ 3.00	3.09	3.18	3.28	3.38	3.38	3.15/3.36	3.28/3.49	3.41/3.63	3.55/3.78
Consumption Rate (Tier 2 Res/Ag)	> 12.5 HCF	-	-	-	-	-	-	4.80/5.01	4.99/5.21	5.19/5.42	5.40/5.64
Basic Service Charge (up to 1-inch)		27.50	28.88	30.32	31.83	33.42	33.42	32.12	33.41	34.75	36.13
DESERT VIEW											
Account Routes 07-11											
Consumption Rate (Tier 1 Res/Ag)	12.5 HCF	\$ 3.00	3.09	3.18	3.28	3.38	3.03	3.15/3.36	3.28/3.49	3.41/3.63	3.55/3.78
Consumption Rate (Tier 2 Res/Ag)	> 12.5 HCF	-	-	-	-	-	-	4.80/5.01	4.99/5.21	5.19/5.42	5.40/5.64
Basic Service Charge (all sizes)		27.50	28.88	30.32	31.83	33.42	30.89	32.12	33.41	34.75	36.13
DV Revenue Bond Charge		4.65	4.65	4.65	4.65	4.65	0.00	0.00	0.00	0.00	0.00
ID GOAT MOUNTAIN*											
Account Routes 12-15											
Consumption Rate (Tier 1 Res/Ag)	12.5 HCF	\$ 3.00	3.09	3.18	3.28	3.38	3.38	3.15/3.36	3.28/3.49	3.41/3.63	3.55/3.78
Consumption Rate (Tier 2 Res/Ag)	> 12.5 HCF	N/A	N/A	N/A	N/A	N/A	N/A	4.80/5.01	4.99/5.21	5.19/5.42	5.40/5.64
Consumption Rate - Tier 3		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic Service Charge 3/4-inch/1-inch		27.50	28.88	30.32	31.83	33.42	33.42	N/A	33.41	34.75	36.13
Commercial, Institutional, Fire & Other											
Consumption Rate (flat only)		N/A	N/A	N/A	N/A	N/A	N/A	3.72	3.87	4.02	4.18
Basic Service Charge (up to 1-inch)		N/A	N/A	N/A	N/A	N/A	33.42	32.12	33.41	34.75	36.14
Basic Service Charge Fire Sprinkler (1-Inch)		16.00	16.00	16.00	16.00	16.00	16.00	31.84	16.56	34.75	17.90
Basic Service Charge Fire Sprinkler (6-inch)		N/A	N/A	N/A	N/A	N/A	N/A	312.86	325.38	564.00	351.93
Account Routes 30-31 (1-inch Metered Water Haulers)											
Consumption Rate (flat only)		\$ 8.50	8.76	9.02	9.29	9.57	9.57	8.14	8.47	8.81	9.16
Basic Service Charge (all sizes)		None	None	None	None	None	None	None	None	None	None
Account Routes 35 and 40 (2-inch Metered Water Haulers and Temporary Construction)											
Consumption Rate (flat only)		\$ 8.50	8.76	9.02	9.29	9.57	7.83	8.14	8.47	8.81	9.16
Basic Service Charge (all sizes)		None	28.88	30.32	31.83	33.42	85.43	88.84	92.40	96.09	99.94

Notes:

"Basic Rate" is monthly fixed basic service charge regardless of water consumption.

"Consumption" is rate imposed per 100 cubic feet metered Agency bills.

Basic Service Charge and Consumption Rate changes are subject to California Constitution limitations (aka: Proposition 218).

* ID Goat Mountain annexed to BDVWA on July 1, 2015 with same rate structure as BDVWA.

Tier structure from 2013-2015 based on prior system conditions (T1 0-14 HCF, T2 14-80 HCF; T3 >80 HCF)

** HCF = 100 cubic feet of water or 1 billing unit.

Construction rates were same as Accounts 30-33 until modified in FY2014/15.

Rate increase effective 06/30/2021 billing on Route 07-11 and 35, 36, and 40. Initiated 07/30/2021 on Routes 01-06 and 30-34

Source: Bighorn Desert View Water Agency Board of Directors approved rate ordinances and resolutions

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Bighorn Desert View Water Agency
Principal Customers
Current Fiscal Year and Nine Years Ago

Schedule 6

<u>Customer</u>	<u>2025</u>			<u>Customer</u>	<u>2016</u>		
	<u>Sales in Cubic Feet</u>	<u>Annual Revenues</u>	<u>Percentage of Total</u>		<u>Sales in Cubic Feet</u>	<u>Annual Revenues</u>	<u>Percentage of Total</u>
COMMERCIAL WATER HAULER A	172,860	\$ 15,518	3.29%	SKANSKA CIVI W (CONST. METER)	155,950	\$ 13,256	2.43%
COMMERCIAL WATER HAULER B	154,140	\$ 13,834	2.93%	ARAKELIAN ENT (LANDFILL)	112,390	\$ 9,553	1.75%
WATER HAULER C (LANDFILL)	143,010	\$ 12,850	2.72%	RESIDENTIAL CUSTOMER A	107,298	\$ 3,219	0.59%
LANDERS ELEMENTARY SCHOOL	108,410	\$ 4,399	0.93%	RESIDENTIAL CUSTOMER B	76,222	\$ 2,287	0.42%
RESIDENTIAL CUSTOMER A	81,684	\$ 4,041	0.86%	RESIDENTIAL CUSTOMER C	72,864	\$ 2,156	0.39%
DOLLAR GENERAL	74,242	\$ 2,994	0.63%	RESIDENTIAL CUSTOMER D	70,590	\$ 2,118	0.39%
RESIDENTIAL CUSTOMER B	72,000	\$ 3,518	0.75%	LANDERS ELEMENTARY SCHOOL	69,370	\$ 2,081	0.38%
RESIDENTIAL CUSTOMER C	68,631	\$ 3,338	0.71%	RESIDENTIAL CUSTOMER E	63,200	\$ 1,896	0.35%
RESIDENTIAL CUSTOMER D	67,652	\$ 3,378	0.72%	RESIDENTIAL CUSTOMER F	60,835	\$ 1,825	0.33%
RESIDENTIAL CUSTOMER E	64,077	\$ 3,059	0.65%	RESIDENTIAL CUSTOMER G	58,265	\$ 1,748	0.32%
Total	<u>1,006,706</u>		<u>14.19%</u>	Total	<u>846,984</u>		<u>7.35%</u>
Water Sold in 2024-25	<u>19,686,472</u>	\$ <u>471,670</u>		Water Sold in 2015-16	<u>13,667,534</u>	\$ <u>545,931</u>	

Notes:

Construction meters are fire hydrants used for construction.

Commercial water haulers deliver to individual residents without service connections.

Commercial water hauler's and Construction water users are charged a higher rate per unit than domestic users (See Table "Water Rates" for trends)

High usage contributed to "water leaks" have been excluded

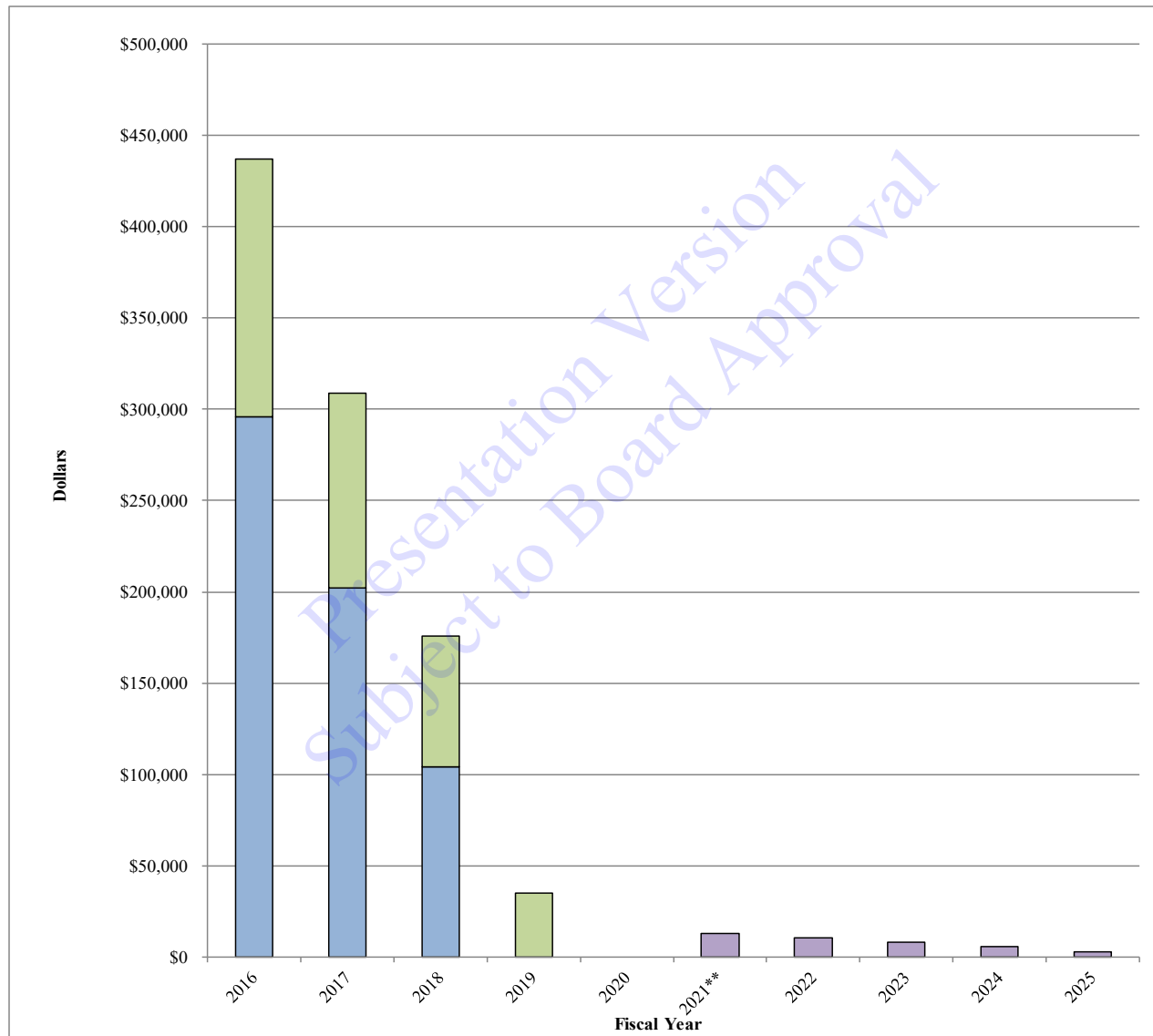
Source: Bighorn Desert View Water Agency Accounting Staff

Presentation Version
Subject to Board Approval

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Bighorn Desert View Water Agency
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Schedule 7

Fiscal Year		BH Bond	DV Bond	Equipment Lease	Total		
					Debt	Per Capita	As a Share of Personal Income
2016	\$	296,000	\$ 140,977	\$ -	436,977	143.00	0.49%
2017		202,000	106,977	-	308,977	101.00	0.51%
2018		104,000	71,977	-	175,977	57.30	0.42%
2019		-	34,977	-	34,977	23.13	0.19%
2020		-	-	-	-	23.13	0.06%
2021**		-	-	12,908	12,908	2.92	0.01%
2022		-	-	10,563	10,563	2.35	0.00%
2023		-	-	8,147	8,147	1.82	0.01%
2024		-	-	5,657	5,657	1.29	0.00%
2025		-	-	2,911	2,911	0.60	0.00%



Sources and Footnotes:

Audited Financial Statements

Per Capita Personal Income obtained from:

http://www.bestplaces.net/economy/zip-code/california/yucca_valley/92284

* 2013-2014 population for 2010-2013 was updated so Debt per Capita changed.

** As restated for GASB Statement No. 87 implementation.

Debt per Capita excludes the population of the Improvement District Goat Mountain since it has no debt.

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Bighorn Desert View Water Agency
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Schedule 8

Fiscal Year		Obligation Bonds		Assessed Value		Debt Per Capita
2016	\$	296,000	\$	296,000	\$	97
2017		202,000		202,000		66
2018		104,000		104,000		34
2019		-		-		-
2020		-		-		-
2021		-		-		-
2022		-		-		-
2023		-		-		-
2024		-		-		-
2025		-		-		-

Sources and Footnotes:

Source: Audited Financial Statements & BDVWA Accounting Staff

* 2013-2014 population for 2010-2013 was updated so Debt per Capita changed.

Debt per Capita excludes the population of the Improvement District Goat Mountain since it has no debt.

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Bighorn Desert View Water Agency
Pledged-Revenue Coverage
Last Ten Fiscal Years

Schedule 9

Fiscal Year	Net Revenues	Operating Expenses ⁽¹⁾	Net Available Revenues	Debt Service				Coverage Ratio
				FMHA Surcharge	Principal	Interest	Total	
2016	1,522,993	(1,399,934)	123,059	49,983	32,000	8,630	90,613	1.23
2017	1,614,452	(1,425,697)	188,755	50,169	34,000	7,250	91,419	1.22
2018	1,730,166	(1,549,293)	180,873	50,134	35,000	5,550	90,684	1.24
2019	1,781,296	(1,639,648)	141,648	46,940	37,000	2,122	86,062	1.20
2020	1,983,822	(2,088,334)	(104,512)	44,000	35,000	1,261	80,261	1.21
2021	2,432,919	(1,663,182)	769,737	-	-	-	-	0.00
2022	2,240,380	(1,371,706)	868,674	-	-	-	-	0.00
2023	2,037,166	(2,092,357)	(55,191)	-	-	-	-	0.00
2024	2,086,197	(2,430,735)	(344,538)	-	-	-	-	0.00
2025	2,329,625	(2,343,144)	(13,519)	-	-	-	-	0.00

Notes:

(1) Operating expenses exclude depreciation expense.

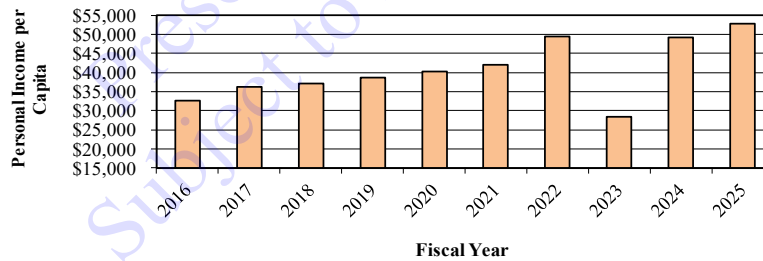
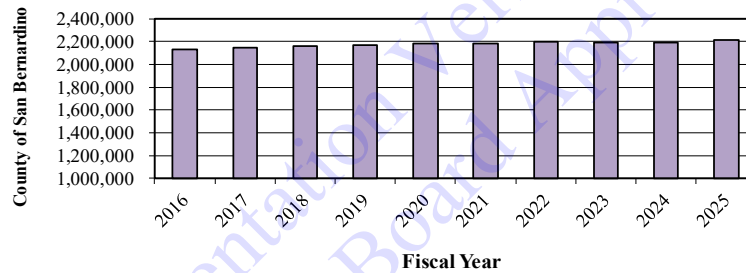
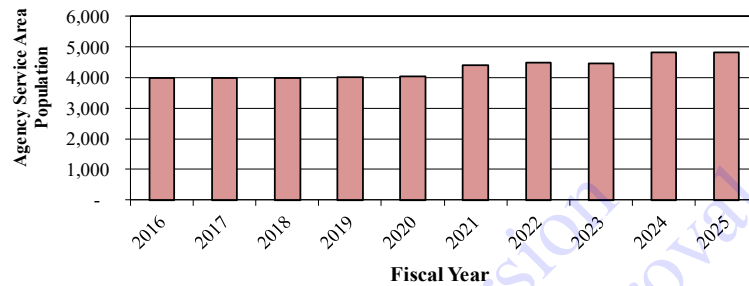
Source: Audited Financial Statements & BDVWA Accounting Staff

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Bighorn Desert View Water Agency
Demographic and Economic Statistics
Last Ten Fiscal Years

Schedule 10

County of San Bernardino ⁽²⁾					
Year	Population ⁽¹⁾	Unemployment Rate	Population	Personal Income (thousands of dollars)	Personal Income per Capita
2016	3,972	5.9%	2,128,133	69,689,971	32,747
2017	3,978	5.4%	2,147,933	77,823,908	36,232
2018	3,990	4.7%	2,157,404	80,020,272	37,091
2019	4,007	4.0%	2,171,603	84,292,942	38,816
2020	4,032	4.0%	2,180,085	92,252,477	40,316
2021	4,416	7.8%	2,181,654	91,723,279	42,043
2022	4,494	5.4%	2,194,710	108,622,782	49,493
2023	4,465	4.3%	2,193,656	62,394,158	28,443
2024	4,813	7.8%	2,193,087	108,053,396	49,270
2025	4,827	6.0%	2,214,281	116,900,000	52,794



Notes:

(1) Population was recalibrated back in 2010 for the FY2013/14 CAFR based on analysis by Stanley Hoffman & Assoc. as part of an economic review for the Agency. In the future, population will be obtained from the Agency Appropriations Limit Worksheet.

(2) Only County data is updated annually. Therefore, the Agency has chose to use its data since the Agency believes that the County data is representative of the conditions and experience of the Agency.

* On July 1, 2015 the Agency annexed a neighboring water agency and population increased accordingly.

Sources:

California Department of Finance and California Labor Market Info

Unemployment obtained from:

https://data.bls.gov/timeseries/LAUMT064014000000003?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true

Population obtained from:

<https://www.census.gov/quickfacts/fact/map/sanbernardinocountycalifornia/INC110216>

Personal income per capita obtained from:

https://www.bestplaces.net/economy/county/california/san_bernardino (ALFRED used in all prior years but no 2023 data posted as of audit date)

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Bighorn Desert View Water Agency
Demographic and Economic Statistics
Last Ten Fiscal Years

Schedule 10

	Current Employment			Historical Employment
	No. of EE's	2025 % of		2015 No. of EE's
Employer	2024-2025	Labor Force	Employer	2014-2015
Post Office	2	0.15%	Post Office	1
Giant Rock Meeting Room	9	0.68%	Giant Rock Meeting Room	N/A
Dollar General	9	0.68%	Dollar General	N/A
Halliday's Liquor	2	0.15%	Halliday's Liquor	0
Mojave Liquor	2	0.15%	Mojave Liquor & Halliday's Liquor	5
Loyal Order/Moose Landers	8	0.60%	Loyal Order/Moose Landers	2
Lander's Brew & Pub (Castle Inn)	N/A		Lander's Brew & Pub (Castle Inn)	1
Diversified Tools	N/A		Diversified Tools	2
Heros Market	5	0.38%	Heros Market	6
Bighorn Desert View Water Agency	8	0.60%	Bighorn Desert View Water Agency	9
La Copine	23	1.73%	La Copine	N/A
Moon Wind Trading	N/A		Moon Wind Trading	N/A
C & J Feed Barn	2	0.15%	C & J Feed Barn	N/A
MUSD (Landers Elementary School)	25	1.88%	MUSD (Landers Elementary School)	25
Total	95	7.14%	Total	\$ 51
2024-25 Total Labor Force for BDV Service Area (zip 92285)		1331		

Notes:

Every known employer in the Bighorn-Desert View service area is included

Total Labor Force was estimated as a percentage of calculated population

Source: Bighorn Desert View Water Agency Accounting Staff

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Bighorn Desert View Water Agency
Full Time Equivalent Agency Employees by Department
Last Ten Fiscal Years

Schedule 11

Full-time Equivalent District Employees by Department

Fiscal Year	Water Operations			Administration			Total
	Water Distribution Operator (Water Quality)	Water Distribution Operator ¹	Field Supervisor ²	Administration ⁴ General Manager	Administration ⁴ Assistant General Manager	Accounting I, II, III Customer Service	
2016	1	4	0	1	0	4	10
2017	1	4	0	1	0	4	10
2018	1	4	0	1	0	3	9
2019	1	4	0	1	0	4	10
2020	1	3	1	1	0	3	9
2021	1	3	1	1	0	3	9
2022	1	3	1	1	0	3	9
2023	1	4	1	1	0	2	9
2024	1	3	1	1	1	2	9
2025	1	3	1	1	0	2	8



Source: Bighorn Desert View Water Agency Accounting Staff

Note:

General Manager and Assistant General Manager are included in Administration
 Board Members, Part-Time and Temporary employee's are not included

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Bighorn Desert View Water Agency
Operating and Capacity Indicators
Last Ten Fiscal Years

Schedule 12

Other Operating and Capacity Indicators - Potable Water System^{1,3}

Fiscal Year	Service Area		Miles of Pipeline	Storage Tanks	Storage Capacity (MG)	Active Pumping Plants	Active Wells ² Domestic	Well Capacity ⁴ (Gallons per Minute)	Service Connections ⁵		
	(Acres)	(annexed property): ³ (Square Miles)							Bighorn Mountains	Desert View	ID Goat Mountain
2016	33,280	52	170	13	3.00	3	9	3,463	1,013	886	651
2017	33,280	52	170	13	3.00	3	9	3,363	1,015	888	652
2018	33,280	52	170	13	3.00	3	8	3,434	1,017	890	654
2019	33,280	52	170	13	3.00	3	8	3,238	1,020	893	657
2020	33,280	52	170	13	3.00	3	8	2,058	1,021	895	667
2021	33,280	52	170	13	3.00	3	8	2,058	1,028	900	704
2022	33,310	52	170	13	3.00	3	8	1,834	1,047	903	716
2023	33,310	52	170	13	3.00	3	8	1,834	1,066	909	723
2024	33,310	52	170	13	3.00	3	8	1,834	1,071	909	727
2025	33,310	52	170	13	3.00	3	8	1,834	1,066	926	744

Notes:

MG - Millions of Gallons

1) - Corrections have been made to prior year statistics.

2) - Well 4 was inactivated in 2011 and Well 2 was inactivated in 2013.

3) - Effective July 1, 2015 ID Goat Mountain was annexed to BDVWA which affects all statistics shown.

4) - 2020 Well Capacity's dropped due to reduction in motor sizes to save on SCE demand charges.Gallons per minute from flowmeter.

5) - Active and inactive accounts as of June 30, 2023.

Source: Bighorn Desert View Water Agency Staff

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Report on Internal Controls and Compliance

Presentation Version
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Presentation Version
Subject to Board Approval

**Independent Auditor's Report on Internal Controls Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Directors
Bighorn Desert View Water Agency
Yucca Valley, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Bighorn Desert View Water Agency (Agency) as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprises the Agency's basic financial statements, and have issued our report thereon dated December 9, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*, continued**

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C.J. Brown & Company, CPAs

Cypress, California

December 9, 2025

Presentation Version
Subject to Board Approval

Bighorn Desert View Water Agency

Management Report

June 30, 2025

Presentation Version

Bighorn Desert View Water Agency

Management Report

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Schedule of Audit Adjusting Entries	6-8

Board of Directors
Bighorn Desert View Water Agency
Yucca Valley, California

Dear Members of the Board:

In planning and performing our audit of the financial statements of the Bighorn Desert View Water Agency (Agency) as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Current Year Comment and Recommendation

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the Agency are properly adjusted before the audit begins. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the Agency's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

Management's Response

We have reviewed and approved all of the audit adjustment and reclassification entries and have entered them into the general ledger of the Agency as of June 30, 2025.

Prior Year Comment and Recommendation

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the Agency are properly adjusted before the audit begins. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the Agency's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

Management's Response

We have reviewed and approved all of the audit adjustment and reclassification entries and have entered them into the general ledger of the Agency as of June 30, 2024.

* * * * *

This communication is intended solely for the information and use of management, the audit committee, the board of directors and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

APPENDIX

Bighorn Desert View Water Agency

Audit/Finance Committee Letter

June 30, 2025

Board of Directors
Bighorn Desert View Water Agency
Yucca Valley, California

We have audited the basic financial statements of the Bighorn Desert View Water Agency (Agency) for the year ended June 30, 2025, and have issued our report thereon dated December 9, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated [Engagement Letter DATE], our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Agency solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated December 9, 2025.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

Required Risk Assessment Procedures per Auditing Standards:

As auditors of the Agency, we are required per AU-C Section 240, “Consideration of Fraud in a Financial Statement Audit”, to “ordinarily” presume and consider the following risks in designing our audit procedures:

- Management override of controls
- Revenue recognition

Qualitative Aspects of the Entity’s Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. As of and for the year ended June 30, 2025, the District implemented the provisions of *GASB Statement No. 101 – Compensated Absences*. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management’s current judgments. The most sensitive accounting estimates affecting the financial statements are as follows:

Management’s estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management’s estimate of capital assets depreciation is based on historical estimates of each capitalized item’s useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Management’s estimate of net pension liability is based on an actuarial valuation conducted by a third-party actuary. We evaluated the basis, and actuarial methods and assumption to calculate the net pension liability for the Agency to determine that it is reasonable in relation to the financial statements taken as a whole.

Qualitative Aspects of the Entity's Significant Accounting Practices, continued

Significant Accounting Estimates, continued

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to:

The disclosure of fair value of cash and investments in Note 2 to the basic financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets, net in Note 4 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the Agency's net pension liability in Note 9 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management:

Identified or Suspected Fraud

We have not identified or have not obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule on pages 6 through 8 discloses all material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Agency's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 9, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Agency, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Agency's auditors.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the Agency's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

We applied certain limited procedures to the management discussion and analysis, schedules of the Agency's proportionate share of net pension liability, and the schedule of pension plan contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Board Members
Bighorn Desert View Water Agency
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Other Information Included in Annual Reports, continued

We were not engaged to report on the introductory and statistical information sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Conclusion

We appreciate the cooperation extended to us by Marina West, General Manager, and the rest of the Agency staff in the performance of our audit testwork. We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the Agency.

This report is intended solely for the information and use of the Board of Directors and management of the Agency and is not intended to be and should not be used by anyone other than the specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

C.J. Brown & Company, CPAs
Cypress, California
December 9, 2025

Presentation Version

Board Members
Bighorn Desert View Water Agency
Page 6

Bighorn Desert View Water Agency
Schedule of Audit Adjusting Journal Entries
June 30, 2025

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
AJE - To accrue check 33189 CA Rural Water Association for June related project expenses located during AP Testing at Search for Unrecorded Liabilities.			
01-00-111700	FA WATER SYSTEM	13,710.00	
01-00-120051	CIP - MISC	13,230.00	
01-00-120051	CIP - MISC	3,920.00	
01-00-120051	CIP - MISC	22,855.00	
01-10-561919	HDWD#2 INTERTIE @ WINTERS	13,710.00	
01-10-562006	PI/C PROJECT- PIPELINES/CONSOL	13,230.00	
01-10-562006	PI/C PROJECT- PIPELINES/CONSOL	22,855.00	
01-10-562006	PI/C PROJECT- PIPELINES/CONSOL	3,920.00	
01-00-225300	ACCRUED EXPENSES		22,855.00
01-00-225300	ACCRUED EXPENSES		13,710.00
01-00-225300	ACCRUED EXPENSES		13,230.00
01-00-225300	ACCRUED EXPENSES		3,920.00
01-10-561919	HDWD#2 INTERTIE @ WINTERS		13,710.00
01-10-562006	PI/C PROJECT- PIPELINES/CONSOL		13,230.00
01-10-562006	PI/C PROJECT- PIPELINES/CONSOL		3,920.00
01-10-562006	PI/C PROJECT- PIPELINES/CONSOL		22,855.00
Total		107,430.00	107,430.00
Adjusting Journal Entries JE # 2			
AJE - To accrue check 33192 Engineering Resources So Cal for June related project expenses located during AP Testing at Search for Unrecorded Liabilities.			
01-00-120051	CIP - MISC	7,110.00	
01-10-562007	Recoating Reservoirs project	7,110.00	
01-00-225300	ACCRUED EXPENSES		7,110.00
01-10-562007	Recoating Reservoirs project		7,110.00
Total		14,220.00	14,220.00
Adjusting Journal Entries JE # 3			
AJE - To accrue check 33194 Monument Row for June related project expenses located during AP Testing at Search for Unrecorded Liabilities.			
01-00-120051	CIP - MISC	13,147.50	
01-10-562006	PI/C PROJECT- PIPELINES/CONSOL	13,147.50	
01-00-225300	ACCRUED EXPENSES		13,147.50
01-10-562006	PI/C PROJECT- PIPELINES/CONSOL		13,147.50
Total		26,295.00	26,295.00
Adjusting Journal Entries JE # 4			
AJE - To accrue check 0 SCE for June related electricity services for Office and Wells located during AP Testing at Search for Unrecorded Liabilities.			
01-01-560200	POWER/PROPANE OFFICES & YARDS	549.87	
01-05-541250	POWER WELLS & PUMPS	9,992.63	
01-00-225300	ACCRUED EXPENSES		549.87
01-00-225300	ACCRUED EXPENSES		9,992.63
Total		10,542.50	10,542.50

Board Members
Bighorn Desert View Water Agency
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Bighorn Desert View Water Agency
Schedule of Audit Adjusting Journal Entries
June 30, 2025

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 5			
GASB 68 Entry #1 - To reclassify 2024 contributions to Net Pension Liability at June 30, 2025.			
01-00-223100	NET PENSION LIABILITY	121,978.00	
01-00-151000	DOR - PENSION CONTRIB-AUDIT		121,978.00
Total		121,978.00	121,978.00
Adjusting Journal Entries JE # 6			
GASB 68 Entry #2 - To reclassify 2025 contributions to Deferred Outflows of Resources at June 30, 2025.			
01-00-151000	DOR - PENSION CONTRIB-AUDIT	144,706.00	
01-01-560085	GASB 68 EXP (INC)		70,906.00
01-05-560085	GASB EXP (INC)		73,800.00
Total		144,706.00	144,706.00
Adjusting Journal Entries JE # 7			
GASB 68 Entry #3 - To record changes in pension liability during FY23/24 at June 30, 2025.			
01-00-153000	DOR - PENSION RELATED-AUDIT	53,137.00	
01-00-153000	DOR - PENSION RELATED-AUDIT	33,753.00	
01-01-560085	GASB 68 EXP (INC)	51,269.00	
01-05-560085	GASB EXP (INC)	53,361.00	
01-00-153000	DOR - PENSION RELATED-AUDIT		722.00
01-00-153000	DOR - PENSION RELATED-AUDIT		53,069.00
01-00-223100	NET PENSION LIABILITY		109,881.00
01-00-225000	DIR - PENSION RELATED		27,848.00
Total		191,520.00	191,520.00
Adjusting Journal Entries JE # 8			
GASB 68 Entry #4 - To record changes in the deferred outflows and deferred inflows (amortization) during FY23/24 at June 30, 2025.			
01-00-225000	DIR - PENSION RELATED	1,745.00	
01-01-560085	GASB 68 EXP (INC)	49,089.00	
01-05-560085	GASB EXP (INC)	51,092.00	
01-00-153000	DOR - PENSION RELATED-AUDIT		24,786.00
01-00-153000	DOR - PENSION RELATED-AUDIT		25,128.00
01-00-153000	DOR - PENSION RELATED-AUDIT		28,559.00
01-00-153000	DOR - PENSION RELATED-AUDIT		23,453.00
Total		101,926.00	101,926.00
Adjusting Journal Entries JE # 9			
GASB 101 PPA Entry #1 - To restate FY 2023 compensated absences adjustment for GASB 101 implementation.			
01-00-310000	FUND BALANCE	7,470.08	
01-00-310000	FUND BALANCE	6,307.94	
01-00-229100	ACCRUED EMP COMP BALANCES		7,470.08
01-00-229100	ACCRUED EMP COMP BALANCES		6,307.94
Total		13,778.02	13,778.02
Adjusting Journal Entries JE # 10			
GASB 101 PPA Entry #2 - To reverse FY 2023 compensated absences adjustment for GASB 101 implementation.			
01-00-229100	ACCRUED EMP COMP BALANCES	7,470.08	
01-00-229100	ACCRUED EMP COMP BALANCES	6,307.94	
01-00-310000	FUND BALANCE		7,470.08
01-00-310000	FUND BALANCE		6,307.94
Total		13,778.02	13,778.02

Board Members
Bighorn Desert View Water Agency
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Bighorn Desert View Water Agency
Schedule of Audit Adjusting Journal Entries
June 30, 2025

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 11			
GASB 101 PPA Entry #3 - To restate FY 2024 compensated absences adjustment for GASB 101 implementation.			
01-00-310000	FUND BALANCE	7,448.95	
01-00-310000	FUND BALANCE	9,392.73	
01-00-229100	ACCRUED EMP COMP BALANCES		7,448.95
01-00-229100	ACCRUED EMP COMP BALANCES		9,392.73
Total		16,841.68	16,841.68
Adjusting Journal Entries JE # 12			
GASB 101 Entry #4 - To reverse FY 2024 compensated absences adjustment for GASB 101 implementation.			
01-00-229100	ACCRUED EMP COMP BALANCES	7,448.95	
01-00-229100	ACCRUED EMP COMP BALANCES	9,392.73	
01-01-560030	ADMINISTRATIVE COMPENSATION		9,392.73
01-05-541020	OPERATIONS COMPENSATION		7,448.95
Total		16,841.68	16,841.68
Total Adjusting Journal Entries		779,856.90	779,856.90
Total All Journal Entries		779,856.90	779,856.90

Legend:

AJE	Audit Adjusting Journal Entry
CPE	Agency Proposed Adjusting Journal Entry
GASB 68 Entry	GASB 68 Pension Adjusting Journal Entry
GASB 101 Entry	GASB 101 Compensated Absences Adjusting Journal Entry



BIGHORN-DESERT VIEW WATER AGENCY

"To provide a high quality supply of water and reliable service to all customers at a fair and reasonable rate."

BOARD OF DIRECTORS' MEETING MINUTES

BOARD MEETING OFFICE
1720 N. CHEROKEE TR.
LANDERS, CALIFORNIA 92285

October 14, 2025
Time – 6:00 P.M.

MEETING ROOM IS OPEN FOR IN-PERSON ATTENDANCE PUBLIC WISHING TO PARTICIPATE REMOTELY

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/88089877416?pwd=y5nGSuFeqf7alTkg3hCETLt8akrxvU.1>

Passcode: 160267

OR

TELECONFERENCE LINE THRU ZOOM

1-669-900-6833

Webinar ID: 880 8987 7416

Passcode: 160267

CALL TO ORDER

President McKenzie called the meeting to order at 6:00 pm.

PLEDGE OF ALLEGIANCE

Led by Director Miller-Boyer

ROLL CALL

Directors present: JoMarie McKenzie
Megan Close-Dees – remote AB2449 recognition
William Aldridge
Rodney Miller-Boyer

Directors Absent: John Burkhart – absent with prior notice

Staff present: Marina West
David Rewal

Public Present: Following Roll Call, 0 member(s) of the public indicated they were participating via teleconference. 1 members of the public were present in the meeting room

APPROVAL OF AGENDA

Director Aldridge made motion to approve the agenda as presented. Director Miller-Boyer seconded. Unanimously approved.

Discussion and Action Items

1. Closed Session

- a. PUBLIC EMPLOYMENT
[Government Code Section 54957(b)]
Title: General Manager
- b. CONFERENCE WITH LABOR NEGOTIATOR
(Government Code Section 54957.6)
Agency Designated Representative: Steven M. Kennedy, General Counsel
Unrepresented Employee: General Manager

Public Comment: None.

The Board adjourned to Closed Session at 6:18 pm.

The Board returned from Closed Session at 6:29 pm.

2. Closed session report

President McKenzie stated there was no reportable action from Closed Session.

3. Discussion and Possible Action Regarding Extension of General Manager's Employment Agreement

GM West gave the staff report as provided in the Agenda Packet.

Public Comment: Ms. Conkle asked a clarifying question.

Motion No. 25-051 Motion to authorize execution of Fifth Amendment to Employment Agreement with General Manager Marina West, PG effective October 14, 2025.

JoMarie McKenzie	Y
Megan Close-Dees	Y
John Burkhart	Absent
William Aldridge	Y
Rodney Miller-Boyer	Y

MSC¹ (Miller-Boyer/Aldridge) unanimously approved.

4. Board to Discuss Formation of an Ad Hoc Committee to Develop a "Management Succession Plan and Associated Organizational Structure"

GM West gave a verbal staff report noting that the formation of this Ad Hoc Committee was previously agreed to by the Board in Closed Session and thus directed it to be formally agendaized in open session. The Ad Hoc Committee would work with the General Manager and Ortega Strategies Group on the framework for "management succession planning and associated organizational structure".

Public Comment: None.

Motion No. 25-052 Motion to approve formation of Ad Hoc Committee to develop a “Management Succession Plan and Associated Organizational Structure” and appoint Director Aldridge and Director Miller-Boyer to said Ad Hoc Committee.

JoMarie McKenzie	Y
Megan Close-Dees	Y
John Burkhart	Absent
William Aldridge	Y
Rodney Miller-Boyer	Y

MSC¹ (Miller-Boyer/Aldridge) unanimously approved.

5. 2025 Review: Code of Conduct for Members of the Agency Board of Directors (Resolution No. 13R-15)

GM West gave the staff report as presented in the Agenda packet stating that “best practice” is to review the policy at least annually.

President McKenzie made some verbal remarks about the Code of Conduct.

Public Comment: None.

No Motion: Annual Board review of Code of Conduct reviewed and acknowledged as requested.

6. Adopt Resolution No. 25R-14 Adopting an Increased Basic Facilities Charge (Water Capital Fee) for Water Meters Size ¾-inch to 10-inch

GM West gave the staff report as presented in the Agenda Packet noting that the “buy-in” charge is being adjusted by the 5-year average Construction Cost Indices of 3.289% and that the rate if adopted would not be effective until December 15, 2025. GM West pointed out that the draft Resolution was posted at least 14-days prior to consideration for adoption.

Directors made various comments about this fee.

Public Comment: None.

Motion No. 25-053 Motion to adopt Resolution No. 25R-14 Adopting an Increased Basic Facilities Charge (Water Capital Fee) for Water Meters Size ¾-inch to 10-inch.

JoMarie McKenzie	Y
Megan Close-Dees	Y
John Burkhart	Absent
William Aldridge	Y
Rodney Miller-Boyer	Y

MSC¹ (Aldridge / Miller-Boyer) unanimously approved.

7. Adopt Resolution No. 25R-15 Setting the Service Line Installation Fee for Water Meter Size Ranges from 3/4-inch to 10-inch

October 14, 2025 Board of Directors’ Meeting Minutes

Approved December 9, 2025

Page 3 of 5

GM West gave the staff report as presented in the Agenda Packet noting that the installation charge is based on an estimate of actual cost and that the fee if adopted would not be effective until December 15, 2025. Mr. Rewal made a comment about keeping up with the rising cost of parts.

Directors made various comments about this fee.

Public Comment: Member of the public asked a clarifying question about the fee.

Motion No. 25-054 Motion to adopt Resolution No. 25R-15 Setting the Service Line Installation Fee for Water Meter Size Ranges from 3/4-inch to 10-inch.

JoMarie McKenzie	Y
Megan Close-Dees	Y
John Burkhart	Absent
William Aldridge	Y
Rodney Miller-Boyer	Y

MSC¹ (Miller-Boyer/Aldridge) unanimously approved.

8. Consent Items

- a. Board Meeting Minutes
 - 1. September 4, 2025 Special Meeting
 - 2. September 9, 2025 Regular Meeting
 - 3. September 13, 2025 Special Workshop Meeting
- b. Financial Statements
 - 1. Balance Sheet(s) – August 2025
 - 2. Budget Sheet(s) – August 2025
- c. Receive and File Disbursements – September 2025
- d. Service Order Report – August 2025
- e. BDV Production Report – September 2025
- f. Goat Mountain Production Report – September 2025
- g. Receive and File Committee Meeting Minutes
 - 1. Planning/Legislative/Engineering/Grants Standing Committee
 - None
 - 2. Finance/Public Relations/Education/Personnel Standing Committee
 - None

Recommended Action: Approve as presented.

Public Comment: None.

Motion No. 25-055 Motion to approve consent calendar items a through g, as presented.

JoMarie McKenzie	Y
Megan Close-Dees	Y
John Burkhart	Absent
William Aldridge	Y
Rodney Miller-Boyer	Y

MSC¹ (Aldridge/Miller-Boyer) unanimously approved.

9. Matters Removed from Consent Items

None.

10. Public Comment Period

None.

11. Items for Next or Future Agenda

GM West noted that the November 11, 2025 meeting will be cancelled due to Veteran's Day holiday with the next regular meeting December 9, 2025. A review of the Reserve Policy was requested.

12. Verbal Reports – Including Reports on Courses/Conferences/Meetings.

- a. General Manager Report – GM West reminded the Board that the deadline for dental “open enrollment” ends on Oct. 31, 2025 and requested the Directors let her know as soon as possible whether they intend to add the coverage.

GM West shared a brief PowerPoint presentation of pictures and videos from the development work on the new production well at Goat Mountain.

- b. Director Reports

Director Miller-Boyer: Reported on the Mojave Water Agency “Mini-Tour” he attended recently. He also reported on the MWA Technical Advisory Committee meeting he also attended. He also completed the Anti-Harassment training he attended.

Director McKenzie: Reported on the ASBCSD monthly dinner meeting she attended in Hesperia. She further reported on the Pelican Club dinner meeting she attended.

13. Adjournment

President McKenzie adjourned the meeting at 7:24 pm.

Approved by:

John R. Burkhart, Secretary of the Board

MSC¹ – Motion made, seconded and carried

Official Seal



BIGHORN-DESERT VIEW WATER AGENCY

"To provide a high quality supply of water and reliable service to all customers at a fair and reasonable rate."

BOARD OF DIRECTORS' SPECIAL MEETING MINUTES

BOARD MEETING OFFICE
1720 N. CHEROKEE TR.
LANDERS, CALIFORNIA 92285



November 4, 2025
Time – 4:00 P.M.

MEETING ROOM IS OPEN FOR IN-PERSON ATTENDANCE PUBLIC WISHING TO PARTICIPATE REMOTELY

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/87377561043?pwd=sEYyUTpzlx7HilxvIX76AhgID6jrCk.1>

Passcode: 229409

OR

TELECONFERENCE LINE THRU ZOOM

1-669-900-6833

Webinar ID: 873 7756 1043

Passcode: 229409

CALL TO ORDER

President McKenzie called the meeting to order at 4:03 pm.

PLEDGE OF ALLEGIANCE

Led by Director Dir. Aldridge.

ROLL CALL

Directors present: JoMarie McKenzie
Megan Close-Dees
William Aldridge
Rodney Miller-Boyer

Directors Absent: John Burkhart – absent w/prior notice

Staff present: Marina West
David Rewal
Tom Holliman, PE, Agency Engineer
Scott Nelson, Starting Line Advisory, Consultant
Adan Ortega & Susan Allen, Ortega Strategies Group

Public Present: Following Roll Call, 0 member(s) of the public indicated they were participating via teleconference. 1 members of the public were present in the meeting room.

APPROVAL OF AGENDA

Director Close-Dees made motion to approve the agenda as presented. Director Aldridge seconded. Approved.

Discussion and Action Items -

1. Public Workshop No. 4 – 2025 Rate Study (5-year period commencing 2026)

GM West introduced the purpose of Public Workshop No. 4. Noting an error in the total number of meters billed was discovered following the September 9, 2025 Public Workshop No. 3 during which the Board concurred on one of the rate schedules proposed and staff was directed to schedule the Public Hearing. The error in meter counts being significant led to additional workshops to discuss and find concurrence on a new rate schedule.

GM West introduced Ms. Mares of NBS Government Finance Group to lead the Board through a series of rate schedules beginning with the original table agreed to on September 9, 2025.

Ms. Mares presented several rate cases to the Board for review and discussion and answered questions of the Board.

Mr. Holliman also noted that it is important to push it up to level off and then gradual increases over time that are manageable to the customer.

Public Comment:

One member of the public stated he thought the increase was reasonable. He also stated that gradual increases are better than a shock to the bill.

Motion No. 25-056 Motion to adopt 60% Basic Service Charge/40% Consumption Rate distribution model for the Prop. 218 Notice to be prepared for the December 2025 meeting.

JoMarie McKenzie	Y
Megan Close-Dees	Y
John Burkhart	Absent
William Aldridge	Y
Rodney Miller-Boyer	Y

MSC¹ (Miller-Boyer/Close-Dees) unanimously approved.

2. Resolution No. 25R-16 Establishing Criteria for Financial Reserves

GM West gave the staff report as presented in the Agenda noting that the only section of the reserve policy being recommended for adjustment is the Operations and Maintenance Reserve account by adjusting the amount down to 90-days from 180-days. GM West introduced accountant Nelson for additional input and clarification.

Mr. Nelson answered various questions of the Board of Directors.

Public Comment: None.

Motion No. 25-057 Motion to adopt Resolution No. 25R-16 Establishing Criteria for Financial Reserves.

JoMarie McKenzie Y
Megan Close-Dees Y
John Burkhart Absent
William Aldridge Y
Rodney Miller-Boyer Y

MSC¹ (Aldridge/Miller-Boyer) unanimously approved.

3. Public Comment Period

None.

4. Items for Next or Future Agenda

None.

5. Verbal Reports – Including Reports on Courses/Conferences/Meetings.

- a. General Manager Report – Reported that the November 18, 2025 Special Meeting will not be held and the next meeting will be December 9, 2025.
- b. Director Reports
Dir. Miller-Boyer – Director Miller-Boyer reported on the defensive driving course he completed on-line.

6. Adjournment

President McKenzie adjourned the meeting at 5:15 pm.

Approved by:

John R. Burkhart, Secretary of the Board

MSC¹ – Motion made, seconded and carried

General Ledger

Balance Sheet

User: mwest
 Printed: 12/02/2025 - 2:12PM
 Fund: All
 Period: September
 Fiscal Year: 2026

Bighorn – Desert View Water Agency

622 S. Jemez Trail (760) 364-2315
 Yucca Valley, CA 92284-1440

Fund ALFRE

Account Type	Amount
01 - General Fund	
Assets	
CASH & CASH EQUIVALENTS	
01-00-131250 - BANC OF CALIFORNIA (PWB)	172,279.35
01-00-131300 - CASH DRAWERS BASE FUND	750.00
01-00-131350 - FIVE STAR BANK	171,742.61
01-00-134000 - PETTY CASH FUND	800.00
Total CASH & CASH EQUIVALENTS:	345,571.96
INVESTMENTS	
01-00-131251 - BANCofCA High Yield Savings	864,942.15
01-00-131255 - FIVE STAR BANK MONEY MARKET	792,548.37
01-00-132000 - PARS IRS 115 TRUST	290,832.63
01-00-133030 - LAIF - CASH ACCOUNT	17,104.39
01-00-133111 - CALIFORNIA CLASS	3,341,885.71
Total INVESTMENTS:	5,307,313.25
ACCOUNTS RECEIVABLE - WATER	
01-00-137100 - A/R WATER	244,213.51
01-00-137130 - A/R WATER UNBILLED FYE	105,471.43
01-00-139544 - 2017-18 LIEN-DQ WATER \$32,464	136.89
01-00-139546 - 2019-20 LIEN-DQ WATER \$35,381	3,121.01
01-00-139547 - 2020-21 LIEN-DQ WATER \$54,761	10,814.79
01-00-139548 - 2021-22 LIEN-DQ WATER \$84,795	23,813.63
01-00-139549 - 2022-23 LIEN-DQ WATER \$46,814	24,505.55
01-00-139550 - 2023-24 LIEN-DQ WATER \$49,919	24,718.07
01-00-139900 - ALLOW. FOR BAD DEBTS-H2O LIENS	(1,500.00)
Total ACCOUNTS RECEIVABLE - WATER:	435,294.88
ACCOUNTS RECEIVABLE - OTHER	
01-00-136000 - A/R OTHER (Non-UB AR)	0.00
01-00-136500 - INTEREST RECEIVABLE	0.00
01-00-137112 - 2017 IDGM STBY A/R (\$10,353)	1,763.54
01-00-137114 - 2019 IDGM STBY A/R (\$10,349)	1,113.35
01-00-137115 - 2020 IDGM STBY A/R (\$8,860)	2,225.95
01-00-137116 - 2021 IDGM STBY A/R (\$8,680)	1,941.45
01-00-137117 - 2022 IDGM STBY A/R (\$9,037)	3,156.90
01-00-137118 - 2023 IDGM STBY A/R (\$8,228)	4,784.25
01-00-137119 - 2024 IDGM STBY A/R (\$8,869)	8,869.15
01-00-138000 - A/R PROPERTY TAXES	0.00
01-00-138030 - ACCRUED RECEIVABLE	0.00
01-00-139000 - A/R CUSTOMER PROJECTS	0.00
01-00-139551 - 2024-25 LIEN-DQ WATER \$56,440	56,440.18
01-00-139608 - DUE FROM DACI-METER REPLACEMEN	89,415.60
01-00-139609 - DUE FROM STRATEGIC PARTNERS	0.00
01-00-139610 - DUE FROM GM WELL (Well 13)	0.00

Fund ALFRE

Account Type

Amount

01-00-139611 - DUE FROM PROP 1/RND 2- HDWD	0.00
01-00-139612 - DUE FROM PI/C PIPE/CONSOLIDATI	142,584.55
01-00-139901 - ALLOWANCE BAD DEBT - STANDBY	(5,000.00)
Total ACCOUNTS RECEIVABLE - OTHER:	307,294.92
INVENTORY	
01-00-143010 - INVENTORY-WATER SYSTEM PARTS	104,895.63
01-00-143011 - INVENTORY- AMES WATER	548,210.00
01-00-143012 - INVENTORY CLEARING	(6,293.08)
Total INVENTORY:	646,812.55
PREPAID EXPENSES	
01-00-144010 - PREPAYMENTS W/C INS	9,916.65
01-00-144020 - PREPAYMENTS PL & PD LIAB INS	51,395.91
01-00-144025 - PREPAID EXPENSES	30,439.58
01-00-144035 - PREPAY CalPERS UAL	52,094.25
Total PREPAID EXPENSES:	143,846.39
FIXED ASSETS	
01-00-111300 - FA ORGANIZATION	336,271.36
01-00-111301 - A/D ORGANIZATION	(243,498.38)
01-00-111350 - FA LAND	107,132.53
01-00-111400 - FA BUILDINGS	327,592.81
01-00-111401 - A/D BUILDINGS	(300,259.47)
01-00-111500 - FA YARDS	56,330.15
01-00-111501 - A/D YARDS	(50,800.90)
01-00-111600 - FA FUEL TANKS	18,942.68
01-00-111601 - A/D FUEL TANK	(18,425.73)
01-00-111700 - FA WATER SYSTEM	10,169,557.71
01-00-111701 - A/D WATER SYSTEM	(7,712,909.75)
01-00-111800 - FA SHOP EQUIPMENT	29,960.60
01-00-111801 - A/D SHOP EQUIPMENT	(28,781.14)
01-00-111810 - FA MOBILE EQUIPMENT	916,751.49
01-00-111811 - A/D MOBILE EQUIPMENT	(650,292.18)
01-00-111900 - FA OFFICE EQUIPMENT	182,242.50
01-00-111901 - A/D OFFICE EQUIPMENT	(182,242.55)
Total FIXED ASSETS:	2,957,571.73
LEASE OF EQUIPMENT (LT)	
01-00-160200 - LEASE OF EQUIPMENT (LT)	13,099.95
01-00-160999 - ACCUM. AMORTIZATION-EQUIPMENT	(10,189.06)
Total LEASE OF EQUIPMENT (LT):	2,910.89
CONSTRUCTION IN PROGRESS	
01-00-120051 - CIP - MISC	1,075,755.42
Total CONSTRUCTION IN PROGRESS:	1,075,755.42
PENSION DEFERRED OUTFLOWS	
01-00-120600 - PENSION DEFERRED OUTFLOWS	0.00
Total PENSION DEFERRED OUTFLOWS:	0.00
NET PENSION LIABILITY-AUDIT	
01-00-223100 - NET PENSION LIABILITY	(714,589.00)
Total NET PENSION LIABILITY-AUDIT:	(714,589.00)
DEFERR INFLOWS OF RESOUR-AUDIT	
01-00-225000 - DIR - PENSION RELATED	(52,787.00)
Total DEFERR INFLOWS OF RESOUR-AUDIT:	(52,787.00)
Total Assets:	10,454,995.99

Liabilities

Fund ALFRE

Account Type	Amount
ACCOUNTS PAYABLE	
01-00-225200 - ACCRUED INTEREST PAYABLE	0.00
01-00-225300 - ACCRUED EXPENSES	142,045.63
01-00-227000 - ACCOUNTS PAYABLE	3,330.13
01-00-227001 - AP PROP 1 ACC.EXP.	0.00
01-00-227011 - RETENTION ABUNDANT WATER WELL	0.00
Total ACCOUNTS PAYABLE:	145,375.76
LEASE LIABILITY-EQUIPMENT (ST)	
01-00-260100 - LEASE LIABILITY-EQUIPMENT (ST)	0.00
Total LEASE LIABILITY-EQUIPMENT (ST):	0.00
LEASE LIABILITY-EQUIPMENT (LT)	
01-00-260200 - LEASE LIABILITY-EQUIPMENT (LT)	3,091.70
Total LEASE LIABILITY-EQUIPMENT (LT):	3,091.70
ACCRUED PAYROLL	
01-00-229000 - ACCRUED PAYROLL LIABILITIES	57,314.52
01-00-229010 - GARNISHMENT WITHHOLDING	0.00
01-00-229100 - ACCRUED EMP COMP BALANCES	211,418.75
Total ACCRUED PAYROLL:	268,733.27
ACCRUED PR LIABILITIES	
01-00-229001 - FEDERAL PR TAX PAYABLE	0.00
01-00-229002 - STATE PR TAX PAYABLE	0.00
01-00-229003 - MEDICAL INSURANCE PAYABLE	3,094.16
01-00-229004 - 3RD PARTY INS PLAN PAYABLE	0.03
01-00-229005 - CALPERS PAYABLE	0.00
01-00-229006 - CALPERS SPEC COMP-UNIFORM ALL	0.00
01-00-229007 - BOARD DIRECT DEPOSIT PR	0.00
Total ACCRUED PR LIABILITIES:	3,094.19
CUSTOMER DEPOSITS	
01-00-226000 - CUSTOMER DEPOSITS	158,301.86
01-00-226005 - UNEARN REV-UB ACCT CREDITS	0.00
01-00-226007 - ANNEX 0631-071-29 (NAPA@ALTA)	0.00
Total CUSTOMER DEPOSITS:	158,301.86
BLUEFIN CC FEES	
01-00-226001 - BLUEFIN/SB CC FEES thru PORTAL	(3,450.54)
Total BLUEFIN CC FEES:	(3,450.54)
LONG TERM DEBT	
01-00-211020 - DA01 CoSB REPAYMENT	0.00
Total LONG TERM DEBT:	0.00
DEFFER OUTFLOWS OF RESOU-AUDIT	
01-00-151000 - DOR - PENSION CONTRIB-AUDIT	(144,706.00)
01-00-153000 - DOR - PENSION RELATED-AUDIT	(190,355.00)
01-00-225001 - DEFERRED INFLOW-ADD'L DEFERRAL	0.00
Total DEFFER OUTFLOWS OF RESOU-AUDIT:	(335,061.00)
PENSION DEFERRED INFLOW-AUDIT	
01-00-223110 - PENSION DEFERRED INFLOWS	0.00
Total PENSION DEFERRED INFLOW-AUDIT:	0.00
Total Liabilities:	240,085.24
Fund Balance	
FUND BALANCE	
01-00-301090 - CONTRIBUTED CAPITAL/HUD	0.00
01-00-301110 - FMHA GRANTS	0.00
01-00-310000 - FUND BALANCE	10,236,558.97

Fund ALFRE

Account Type	Amount
01-00-310005 - IMP DIST GOAT MTN FUND BALANCE	0.00
01-00-310010 - FUND BALANCE FEMA & OES	0.00
01-00-310011 - DA01 OVERPAYMENT by CoSB	0.00
Total FUND BALANCE:	10,236,558.97
Total Fund Balance:	10,236,558.97
Total Liabilities and Fund Balance:	10,476,644.21
Total Retained Earnings:	(21,648.22)
Total Fund Balance and Retained Earnings:	10,214,910.75
Total Liabilities, Fund Balance, and Retained Earnings:	10,454,995.99
Totals for Fund 01 - General Fund:	0.00

General Ledger

Balance Sheet

User: mwest
 Printed: 12/02/2025 - 2:14PM
 Fund: All
 Period: 4
 Fiscal Year: 2026

Bighorn – Desert View Water Agency

622 S. Jemez Trail (760) 364-2315
 Yucca Valley, CA 92284-1440

Fund ALFRE

Account Type	Amount
01 - General Fund	
Assets	
CASH & CASH EQUIVALENTS	
01-00-131250 - BANC OF CALIFORNIA (PWB)	79,152.46
01-00-131300 - CASH DRAWERS BASE FUND	750.00
01-00-131350 - FIVE STAR BANK	156,437.48
01-00-134000 - PETTY CASH FUND	800.00
Total CASH & CASH EQUIVALENTS:	237,139.94
INVESTMENTS	
01-00-131251 - BANCofCA High Yield Savings	817,114.26
01-00-131255 - FIVE STAR BANK MONEY MARKET	795,392.73
01-00-132000 - PARS IRS 115 TRUST	293,284.68
01-00-133030 - LAIF - CASH ACCOUNT	17,291.24
01-00-133111 - CALIFORNIA CLASS	3,353,775.24
Total INVESTMENTS:	5,276,858.15
ACCOUNTS RECEIVABLE - WATER	
01-00-137100 - A/R WATER	260,010.08
01-00-137130 - A/R WATER UNBILLED FYE	105,471.43
01-00-139544 - 2017-18 LIEN-DQ WATER \$32,464	136.89
01-00-139546 - 2019-20 LIEN-DQ WATER \$35,381	3,121.01
01-00-139547 - 2020-21 LIEN-DQ WATER \$54,761	10,814.79
01-00-139548 - 2021-22 LIEN-DQ WATER \$84,795	23,813.63
01-00-139549 - 2022-23 LIEN-DQ WATER \$46,814	24,505.55
01-00-139550 - 2023-24 LIEN-DQ WATER \$49,919	24,718.07
01-00-139900 - ALLOW. FOR BAD DEBTS-H2O LIENS	(1,500.00)
Total ACCOUNTS RECEIVABLE - WATER:	451,091.45
ACCOUNTS RECEIVABLE - OTHER	
01-00-136000 - A/R OTHER (Non-UB AR)	0.00
01-00-136500 - INTEREST RECEIVABLE	0.00
01-00-137112 - 2017 IDGM STBY A/R (\$10,353)	1,763.54
01-00-137114 - 2019 IDGM STBY A/R (\$10,349)	1,113.35
01-00-137115 - 2020 IDGM STBY A/R (\$8,860)	2,225.95
01-00-137116 - 2021 IDGM STBY A/R (\$8,680)	1,941.45
01-00-137117 - 2022 IDGM STBY A/R (\$9,037)	3,156.90
01-00-137118 - 2023 IDGM STBY A/R (\$8,228)	4,784.25
01-00-137119 - 2024 IDGM STBY A/R (\$8,869)	8,869.15
01-00-138000 - A/R PROPERTY TAXES	0.00
01-00-138030 - ACCRUED RECEIVABLE	0.00
01-00-139000 - A/R CUSTOMER PROJECTS	0.00
01-00-139551 - 2024-25 LIEN-DQ WATER \$56,440	56,440.18
01-00-139608 - DUE FROM DACI-METER REPLACEMEN	89,415.60
01-00-139609 - DUE FROM STRATEGIC PARTNERS	0.00
01-00-139610 - DUE FROM GM WELL (Well 13)	0.00

Fund ALFRE

Account Type

Amount

01-00-139611 - DUE FROM PROP 1/RND 2- HDWD	0.00
01-00-139612 - DUE FROM PI/C PIPE/CONSOLIDATI	142,584.55
01-00-139901 - ALLOWANCE BAD DEBT - STANDBY	(5,000.00)
Total ACCOUNTS RECEIVABLE - OTHER:	307,294.92
INVENTORY	
01-00-143010 - INVENTORY-WATER SYSTEM PARTS	105,583.14
01-00-143011 - INVENTORY- AMES WATER	548,210.00
01-00-143012 - INVENTORY CLEARING	(2,848.82)
Total INVENTORY:	650,944.32
PREPAID EXPENSES	
01-00-144010 - PREPAYMENTS W/C INS	8,499.98
01-00-144020 - PREPAYMENTS PL & PD LIAB INS	42,829.94
01-00-144025 - PREPAID EXPENSES	30,439.58
01-00-144035 - PREPAY CalPERS UAL	46,306.00
Total PREPAID EXPENSES:	128,075.50
FIXED ASSETS	
01-00-111300 - FA ORGANIZATION	336,271.36
01-00-111301 - A/D ORGANIZATION	(243,498.38)
01-00-111350 - FA LAND	107,132.53
01-00-111400 - FA BUILDINGS	327,592.81
01-00-111401 - A/D BUILDINGS	(300,259.47)
01-00-111500 - FA YARDS	56,330.15
01-00-111501 - A/D YARDS	(50,800.90)
01-00-111600 - FA FUEL TANKS	18,942.68
01-00-111601 - A/D FUEL TANK	(18,425.73)
01-00-111700 - FA WATER SYSTEM	10,169,557.71
01-00-111701 - A/D WATER SYSTEM	(7,712,909.75)
01-00-111800 - FA SHOP EQUIPMENT	29,960.60
01-00-111801 - A/D SHOP EQUIPMENT	(28,781.14)
01-00-111810 - FA MOBILE EQUIPMENT	916,751.49
01-00-111811 - A/D MOBILE EQUIPMENT	(650,292.18)
01-00-111900 - FA OFFICE EQUIPMENT	182,242.50
01-00-111901 - A/D OFFICE EQUIPMENT	(182,242.55)
Total FIXED ASSETS:	2,957,571.73
LEASE OF EQUIPMENT (LT)	
01-00-160200 - LEASE OF EQUIPMENT (LT)	13,099.95
01-00-160999 - ACCUM. AMORTIZATION-EQUIPMENT	(10,189.06)
Total LEASE OF EQUIPMENT (LT):	2,910.89
CONSTRUCTION IN PROGRESS	
01-00-120051 - CIP - MISC	1,075,755.42
Total CONSTRUCTION IN PROGRESS:	1,075,755.42
PENSION DEFERRED OUTFLOWS	
01-00-120600 - PENSION DEFERRED OUTFLOWS	0.00
Total PENSION DEFERRED OUTFLOWS:	0.00
NET PENSION LIABILITY-AUDIT	
01-00-223100 - NET PENSION LIABILITY	(714,589.00)
Total NET PENSION LIABILITY-AUDIT:	(714,589.00)
DEFERR INFLOWS OF RESOUR-AUDIT	
01-00-225000 - DIR - PENSION RELATED	(52,787.00)
Total DEFERR INFLOWS OF RESOUR-AUDIT:	(52,787.00)
Total Assets:	10,320,266.32

Liabilities

Fund ALFRE

Account Type	Amount
ACCOUNTS PAYABLE	
01-00-225200 - ACCRUED INTEREST PAYABLE	0.00
01-00-225300 - ACCRUED EXPENSES	142,045.63
01-00-227000 - ACCOUNTS PAYABLE	0.00
01-00-227001 - AP PROP 1 ACC.EXP.	0.00
01-00-227011 - RETENTION ABUNDANT WATER WELL	0.00
Total ACCOUNTS PAYABLE:	142,045.63
LEASE LIABILITY-EQUIPMENT (ST)	
01-00-260100 - LEASE LIABILITY-EQUIPMENT (ST)	0.00
Total LEASE LIABILITY-EQUIPMENT (ST):	0.00
LEASE LIABILITY-EQUIPMENT (LT)	
01-00-260200 - LEASE LIABILITY-EQUIPMENT (LT)	3,091.70
Total LEASE LIABILITY-EQUIPMENT (LT):	3,091.70
ACCRUED PAYROLL	
01-00-229000 - ACCRUED PAYROLL LIABILITIES	57,314.52
01-00-229010 - GARNISHMENT WITHHOLDING	0.00
01-00-229100 - ACCRUED EMP COMP BALANCES	211,418.75
Total ACCRUED PAYROLL:	268,733.27
ACCRUED PR LIABILITIES	
01-00-229001 - FEDERAL PR TAX PAYABLE	0.00
01-00-229002 - STATE PR TAX PAYABLE	0.00
01-00-229003 - MEDICAL INSURANCE PAYABLE	3,052.62
01-00-229004 - 3RD PARTY INS PLAN PAYABLE	0.04
01-00-229005 - CALPERS PAYABLE	0.00
01-00-229006 - CALPERS SPEC COMP-UNIFORM ALL	0.00
01-00-229007 - BOARD DIRECT DEPOSIT PR	0.00
Total ACCRUED PR LIABILITIES:	3,052.66
CUSTOMER DEPOSITS	
01-00-226000 - CUSTOMER DEPOSITS	159,501.86
01-00-226005 - UNEARN REV-UB ACCT CREDITS	0.00
01-00-226007 - ANNEX 0631-071-29 (NAPA@ALTA)	0.00
Total CUSTOMER DEPOSITS:	159,501.86
BLUEFIN CC FEES	
01-00-226001 - BLUEFIN/SB CC FEES thru PORTAL	(4,843.00)
Total BLUEFIN CC FEES:	(4,843.00)
LONG TERM DEBT	
01-00-211020 - DA01 CoSB REPAYMENT	0.00
Total LONG TERM DEBT:	0.00
DEFFER OUTFLOWS OF RESOU-AUDIT	
01-00-151000 - DOR - PENSION CONTRIB-AUDIT	(144,706.00)
01-00-153000 - DOR - PENSION RELATED-AUDIT	(190,355.00)
01-00-225001 - DEFERRED INFLOW-ADD'L DEFERRAL	0.00
Total DEFFER OUTFLOWS OF RESOU-AUDIT:	(335,061.00)
PENSION DEFERRED INFLOW-AUDIT	
01-00-223110 - PENSION DEFERRED INFLOWS	0.00
Total PENSION DEFERRED INFLOW-AUDIT:	0.00
Total Liabilities:	236,521.12
Fund Balance	
FUND BALANCE	
01-00-301090 - CONTRIBUTED CAPITAL/HUD	0.00
01-00-301110 - FMHA GRANTS	0.00
01-00-310000 - FUND BALANCE	10,236,558.97

Fund ALFRE

Account Type	Amount
01-00-310005 - IMP DIST GOAT MTN FUND BALANCE	0.00
01-00-310010 - FUND BALANCE FEMA & OES	0.00
01-00-310011 - DA01 OVERPAYMENT by CoSB	0.00
Total FUND BALANCE:	10,236,558.97
Total Fund Balance:	10,236,558.97
Total Liabilities and Fund Balance:	10,473,080.09
Total Retained Earnings:	(152,813.77)
Total Fund Balance and Retained Earnings:	10,083,745.20
Total Liabilities, Fund Balance, and Retained Earnings:	10,320,266.32
Totals for Fund 01 - General Fund:	0.00

General Ledger

Budget Status

User: mwest
Printed: 12/2/2025 - 2:12 PM
Period: September 2026

Bighorn – Desert View Water Agency
622 S. Jemez Trail (760) 364-2315
Yucca Valley, CA 92284-1440

Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
Fund 01	General Fund							
Dept 01-00	No Department							
R05	OPERATING REVENUE							
01-00-410000	SERVICE LINE INSTALLATION F	2,700.00	5,370.00	5,370.00	-2,670.00	0.00	-2,670.00	0.00
01-00-410010	BASIC FACILITIES CHARGE	15,200.00	31,370.00	31,370.00	-16,170.00	0.00	-16,170.00	0.00
01-00-410015	AG CONS TIER 1	5,500.00	721.95	721.95	4,778.05	0.00	4,778.05	86.87
01-00-410016	AG CONS TIER 2	5,400.00	204.56	204.56	5,195.44	0.00	5,195.44	96.21
01-00-410020	BULK CONS TIER 1	71,800.00	24,044.54	24,044.54	47,755.46	0.00	47,755.46	66.51
01-00-410030	COMMERCIAL/INST CONS TIER	17,200.00	3,611.09	3,611.09	13,588.91	0.00	13,588.91	79.01
01-00-411000	INCOME METERED WATER	486,000.00	135,363.15	135,363.15	350,636.85	0.00	350,636.85	75.5
01-00-411001	RES CONS TIER 2	306,700.00	106,626.49	106,626.49	200,073.51	0.00	200,073.51	92.23
01-00-412000	GOAT MTN STANDBY INCOME	63,900.00	0.00	0.00	63,900.00	0.00	63,900.00	100.00
01-00-413000	BASIC SERVICE CHARGE	1,197,500.00	282,205.00	282,205.00	915,295.00	0.00	915,295.00	76.43
01-00-413001	FIRE BSC	9,300.00	2,254.82	2,254.82	7,045.18	0.00	7,045.18	42.55
01-00-414000	INCOME JV BULK WATER SALE	3,800.00	1,004.25	1,004.25	2,795.75	0.00	2,795.75	73.57
01-00-417000	INCOME OTHER (OPERATING)	66,900.00	18,809.20	18,809.20	48,090.80	0.00	48,090.80	78.88
01-00-419000	AMES BASIN WATER TRANSFER	0.00	0.00	0.00	0.00	0.00	0.00	100.00
01-00-492050	PAC WEST BANK EARNINGS CR	4,800.00	0.00	0.00	4,800.00	0.00	4,800.00	100.00
	R05 Sub Totals:	2,256,700.00	611,585.05	611,585.05	1,645,114.95	0.00	1,645,114.95	72.90
R10	NON-OPERATING REVENUE							
01-00-491000	GA02 GEN LEVY IMP DIST A BH	122,400.00	0.00	0.00	122,400.00	0.00	122,400.00	100.00
01-00-491010	DA01 DEBT SRVC IMP1 (BH BON	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-491020	GA01 GENERAL TAX LEVY (BVI	117,100.00	0.00	0.00	117,100.00	0.00	117,100.00	100.00
01-00-491040	GA03 ID GM GEN TAX LEVY	60,200.00	0.00	0.00	60,200.00	0.00	60,200.00	100.00
01-00-492000	INTEREST INCOME	177,800.00	52,373.18	52,373.18	125,426.82	0.00	125,426.82	70.54
01-00-496000	INCOME OTHER (NON OPERATI	21,300.00	5,246.53	5,246.53	16,053.47	0.00	16,053.47	75.37
01-00-499901	GM WELL REV ACCT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-499902	PI/C REV. ACCT.	0.00	142,584.72	142,584.72	-142,584.72	0.00	-142,584.72	0.00
01-00-499992	CAPITAL CONTRIBUTION REVE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-499998	DACI REV ACCT.-METER REPLA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-499999	AWAC REVENUE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	R10 Sub Totals:	498,800.00	200,204.43	200,204.43	298,595.57	0.00	298,595.57	59.86

Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
E25	Revenue Sub Totals:	2,755,500.00	811,789.48	811,789.48	1,943,710.52	0.00	1,943,710.52	70.54
01-00-562000	NON-OPERATING EXPENSE							
01-00-562000	OFFICE EQUIPMENT EXPENSE	14,100.00	13,141.46	13,141.46	958.54	0.00	958.54	6.80
01-00-563000	CUSTOMER RELATIONS	3,200.00	2,040.02	2,040.02	1,159.98	0.00	1,159.98	36.25
01-00-564000	OTHER ADMINISTRATIVE EXPE	14,400.00	3,218.58	3,218.58	11,181.42	0.00	11,181.42	77.65
01-00-571000	DEPRECIATION EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-571100	AMORTIZATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-572100	AMORTIZATION OF LEASES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-572200	INTEREST EXPENSE ON LEASES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-572300	CONTRA EQUIPMENT EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-581000	ELECTION COSTS	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	100.00
01-00-593000	EXPENSE / INCOME MISC	500.00	0.00	0.00	500.00	0.00	500.00	100.00
01-00-593999	PRIOR YEARS EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-594000	GAIN (LOSS) ASSET DISPOSAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-594001	INVESTMENT GAIN/LOSS	0.00	-10,084.59	-10,084.59	10,084.59	0.00	10,084.59	0.00
E25 Sub Totals:		33,200.00	8,315.47	8,315.47	24,884.53	0.00	24,884.53	74.95
Expense Sub Totals:		33,200.00	8,315.47	8,315.47	24,884.53	0.00	24,884.53	74.95
Dept 00 Sub Totals:		-2,722,300.00	-803,474.01	-803,474.01	-1,918,825.99	0.00		
Administration								
E15	ADMINISTRATIVE EXPENSE							
01-01-560030	ADMINISTRATIVE COMPENSAT	521,100.00	96,152.51	96,152.51	424,947.49	0.00	424,947.49	80.85
01-01-560060	CONTRACTUAL SERV-AUDITOR	18,900.00	14,618.00	14,618.00	4,282.00	0.00	4,282.00	22.66
01-01-560070	CONTRACTUAL SERV-LEGAL	40,000.00	9,157.50	9,157.50	30,842.50	0.00	30,842.50	74.71
01-01-560075	LEGISLATIVE AFFAIRS CWSA	15,000.00	3,116.32	3,116.32	11,883.68	0.00	11,883.68	79.22
01-01-560080	CalPERS CONTRIBUTION	161,700.00	40,344.05	40,344.05	121,355.95	0.00	121,355.95	75.05
01-01-560085	GASB 68 EXP (INC)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-01-560090	PAYROLL TAXES	24,000.00	4,795.87	4,795.87	19,204.13	0.00	19,204.13	80.02
01-01-560110	TELEPHONE/FAX/INTERNET/WI	9,000.00	2,051.29	2,051.29	6,948.71	0.00	6,948.71	77.21
01-01-560120	MAILING EXPENSE	1,900.00	421.20	421.20	1,478.80	0.00	1,478.80	77.83
01-01-560140	CONTRACTUAL SERV - OTHER	150,000.00	49,221.29	49,221.29	100,778.71	0.00	100,778.71	67.19
01-01-560160	PROPERTY/LIABILITY EXPENSE	102,000.00	25,697.91	25,697.91	76,302.09	0.00	76,302.09	74.81
01-01-560170	WORKERS COMP EXPENSE	18,300.00	2,862.01	2,862.01	15,437.99	0.00	15,437.99	84.36
01-01-560180	DUES & SUBSCRIPTIONS	21,100.00	6,474.96	6,474.96	14,625.04	0.00	14,625.04	69.31
01-01-560200	POWER/PROPANE OFFICES & Y/	11,700.00	16,473.12	16,473.12	-4,773.12	0.00	-4,773.12	0.00
01-01-560220	BAD DEBT EXPENSE	-1,500.00	2,145.76	2,145.76	-3,645.76	0.00	-3,645.76	0.00
01-01-560221	BAD DEBT-LIENS/UNCOLLECT/	-1,500.00	0.00	0.00	-1,500.00	0.00	-1,500.00	0.00
01-01-560300	OFFICE SUPPLIES/PRINTING	12,200.00	2,477.98	2,477.98	9,722.02	0.00	9,722.02	79.69
01-01-561000	EMPLOYEE BENEFITS INSURAN	229,300.00	49,817.45	49,817.45	179,482.55	0.00	179,482.55	78.27
01-01-561100	EMPLOYEE EDUCATION/TRAIN	5,700.00	451.90	451.90	5,248.10	0.00	5,248.10	92.07
01-01-561500	PAYROLL FRINGE EXP TO PROJ	0.00	-9,858.71	-9,858.71	9,858.71	0.00	9,858.71	0.00

Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
01-01-561501	CAPITALIZED LABOR EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-01-561600	OVERHEAD TO PROJECTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E15 Sub Totals:		1,338,900.00	316,420.41	316,420.41	1,022,479.59	0.00	1,022,479.59	76.37
E25	NON-OPERATING EXPENSE							
01-01-564001	PARS TRUST EXPENSES	0.00	412.65	412.65	-412.65	0.00	-412.65	0.00
E25 Sub Totals:		0.00	412.65	412.65	-412.65	0.00	-412.65	0.00
Expense Sub Totals:		1,338,900.00	316,833.06	316,833.06	1,022,066.94	0.00	1,022,066.94	76.34
Dept 01 Sub Totals:		1,338,900.00	316,833.06	316,833.06	1,022,066.94	0.00		
Dept 01-05	Operations							
E05	OPERATIONS EXPENSE							
01-05-541020	OPERATIONS COMPENSATION	498,800.00	124,526.97	124,526.97	374,273.03	0.00	374,273.03	75.03
01-05-541030	UNIFORMS	10,000.00	2,461.31	2,461.31	7,538.69	0.00	7,538.69	75.39
01-05-541060	VEHICLE/TRACTOR/EQUIP EXP	35,000.00	19,556.70	19,556.70	15,443.30	0.00	15,443.30	44.12
01-05-541070	VEHICLE EXPENSE-FUEL	49,200.00	5,609.71	5,609.71	43,590.29	0.00	43,590.29	88.00
01-05-541090	FIELD MATERIALS & SUPPLIES	78,800.00	12,727.67	12,727.67	66,072.33	0.00	66,072.33	85.00
01-05-541095	SHRINKAGE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-05-541110	WATER TESTING	15,000.00	3,410.00	3,410.00	11,590.00	0.00	11,590.00	77.27
01-05-541120	CONTRACTUAL SRV-ENGINEER	100,000.00	5,320.00	5,320.00	94,680.00	0.00	94,680.00	94.68
01-05-541140	WATER SYSTEM REPAIRS	60,000.00	3,396.97	3,396.97	56,603.03	0.00	56,603.03	94.34
01-05-541141	EXCAVATION COUNTY OF SB	500.00	0.00	0.00	500.00	0.00	500.00	100.00
01-05-541150	BUILDING MAINTENANCE/REP	15,500.00	4,540.88	4,540.88	10,959.12	0.00	10,959.12	70.70
01-05-541190	COMMUNICATIONS EXPENSE	7,900.00	1,994.67	1,994.67	5,905.33	0.00	5,905.33	75.5
01-05-541210	DISINFECTION EXPENSE	13,400.00	5,529.70	5,529.70	7,870.30	0.00	7,870.30	58.73
01-05-541250	POWER WELLS & PUMPS	148,400.00	25,035.19	25,035.19	123,364.81	0.00	123,364.81	83.13
01-05-541300	OTHER OPERATING EXPENSES	11,600.00	2,792.00	2,792.00	8,808.00	0.00	8,808.00	75.93
01-05-541700	EQUIPMENT EXP TO CIP	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-05-541701	CAPITALIZED LABOR EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-05-542000	AMES WATER	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-05-560080	PERS CONTRIBUTION - OPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-05-560085	GASB EXP (INC) - OPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-05-560090	PAYROLL TAXES - OPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-05-560170	WORKERS COMP EXPENSE - OP	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-05-561000	EMPLOYEE BENEFIT INSUR - OI	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-05-561100	EE EDUCATION/TRAINING - OP	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E05 Sub Totals:		1,044,100.00	216,901.77	216,901.77	827,198.23	0.00	827,198.23	79.23
Expense Sub Totals:		1,044,100.00	216,901.77	216,901.77	827,198.23	0.00	827,198.23	79.23
Dept 05 Sub Totals:		1,044,100.00	216,901.77	216,901.77	827,198.23	0.00		

Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
Dept 01-09	Directors							
E15	ADMINISTRATIVE EXPENSE							
01-09-560027	DIRECTOR J. BURKHART	14,000.00	1,248.51	1,248.51	12,751.49	0.00	12,751.49	91.08
01-09-560028	DIRECTOR MCKENZIE	14,000.00	5,212.38	5,212.38	8,787.62	0.00	8,787.62	62.77
01-09-560029	DIRECTOR CLOSE	14,000.00	2,094.03	2,094.03	11,905.97	0.00	11,905.97	85.04
01-09-560032	DIRECTOR ALDRIDGE	14,000.00	2,706.59	2,706.59	11,293.41	0.00	11,293.41	80.67
01-09-560033	DIRECTOR MILLER-BOYER	14,000.00	2,990.38	2,990.38	11,009.62	0.00	11,009.62	78.64
	E15 Sub Totals:	70,000.00	14,251.89	14,251.89	55,748.11	0.00	55,748.11	79.64
	Expense Sub Totals:	70,000.00	14,251.89	14,251.89	55,748.11	0.00	55,748.11	79.64
Dept 01-10	Dept 09 Sub Totals:	70,000.00	14,251.89	14,251.89	55,748.11	0.00		
E15	CIP							
	ADMINISTRATIVE EXPENSE							
01-10-562005	PI/C NON-FIXED ASSET COSTS	0.00	3,304.49	3,304.49	-3,304.49	0.00	-3,304.49	0.00
	E15 Sub Totals:	0.00	3,304.49	3,304.49	-3,304.49	0.00	-3,304.49	0.00
E20	CIP EXPENSE							
01-10-056198	LABOR APPLIED TO CIP PROJEC	0.00	229.64	229.64	-229.64	0.00	-229.64	0.00
01-10-056199	LABOR APPLIED TO WIP PROJEC	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561900	OVERHEAD FOR CIP ONLY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561905	A-BOOSTER STATION CONSTRU	40,000.00	34,248.18	34,248.18	5,751.82	0.00	5,751.82	14.38
01-10-561906	PRV FLOWMETER CONSTRUCT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561918	GMW13 PHASE2 - NON-FIXED A	0.00	1,387.50	1,387.50	-1,387.50	0.00	-1,387.50	0.00
01-10-561919	HDWD#2 INTERTIE @ WINTERS	0.00	13,840.92	13,840.92	-13,840.92	0.00	-13,840.92	0.00
01-10-561934	HDWD #1 INTERTIE @ LUNA VI	0.00	24.03	24.03	-24.03	0.00	-24.03	0.00
01-10-561936	NBS RATE STUDY (non-FA)	40,000.00	27,787.33	27,787.33	12,212.67	0.00	12,212.67	30.53
01-10-561937	GM REPLACEMENT WELL (Well	150,000.00	15,703.19	15,703.19	134,296.81	0.00	134,296.81	89.53
01-10-561938	PARS 115 TRUST ACCT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561939	ANNEX RoBot LAND SEC.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561940	SHOE EQUIP	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561945	ORGANIZATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561950	LAND	0.00	-900.00	-900.00	900.00	0.00	900.00	0.00
01-10-561955	OFFICE BUILDING	50,000.00	50.52	50.52	49,949.48	0.00	49,949.48	99.90
01-10-561960	YARDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561965	FUEL STORAGE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561970	WATER SYSTEM	100,000.00	0.00	0.00	100,000.00	0.00	100,000.00	100.00
01-10-561975	VEHICLES - MOTOR VEHICLES	65,000.00	0.00	0.00	65,000.00	0.00	65,000.00	100.00
01-10-561980	OFFICE EQUIPMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561982	FINANCIAL & BILLING SOFTWA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-562004	METER REPLACEMENT (DWR/E	10,000.00	11,228.00	11,228.00	-1,228.00	0.00	-1,228.00	0.00
01-10-562006	PI/C PROJECT- FIXED ASSET CO	6,935,000.00	157,095.75	157,095.75	6,777,904.25	0.00	6,777,904.25	97.73
01-10-562007	B1/B2 TANK REHAB (PI/C Phase4	739,000.00	10,095.96	10,095.96	728,904.04	0.00	728,904.04	98.63

Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
01-10-562008	R1 TANK REPLACEMENT FA	300,000.00	1,520.00	1,520.00	298,480.00	0.00	298,480.00	99.49
01-10-562009	NEW PROD WELL (WELL No. XX	150,000.00	1,520.00	1,520.00	148,480.00	0.00	148,480.00	98.99
	E20 Sub Totals:	8,579,000.00	273,831.02	273,831.02	8,305,168.98	0.00	8,305,168.98	96.81
	Expense Sub Totals:	8,579,000.00	277,135.51	277,135.51	8,301,864.49	0.00	8,301,864.49	96.77
	Dept 10 Sub Totals:	8,579,000.00	277,135.51	277,135.51	8,301,864.49	0.00		
	Fund Revenue Sub Totals:	2,755,500.00	811,789.48	811,789.48	1,943,710.52	0.00	1,943,710.52	70.54
	Fund Expense Sub Totals:	11,065,200.00	833,437.70	833,437.70	10,231,762.30	0.00	10,231,762.30	92.47
	Fund 01 Sub Totals:	8,309,700.00	21,648.22	21,648.22	8,288,051.78	0.00		
	Revenue Totals:	2,755,500.00	811,789.48	811,789.48	1,943,710.52	0.00	1,943,710.52	70.54
	Expense Totals:	11,065,200.00	833,437.70	833,437.70	10,231,762.30	0.00	10,231,762.30	92.47
	Report Totals:	8,309,700.00	21,648.22	21,648.22	8,288,051.78	0.00		

General Ledger

Budget Status

User: mwest
Printed: 12/2/2025 - 2:14 PM
Period: 1 to 4, 2026

Bighorn – Desert View Water Agency
622 S. Jemez Trail (760) 364-2315
Yucca Valley, CA 92284-1440

Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
Fund 01	General Fund							
Dept 01-00	No Department							
R05	OPERATING REVENUE							
01-00-410000	SERVICE LINE INSTALLATION F	2,700.00	8,055.00	8,055.00	-5,355.00	0.00	-5,355.00	0.00
01-00-410010	BASIC FACILITIES CHARGE	15,200.00	47,055.00	47,055.00	-31,855.00	0.00	-31,855.00	0.00
01-00-410015	AG CONS TIER 1	5,500.00	869.03	869.03	4,630.97	0.00	4,630.97	84.20
01-00-410016	AG CONS TIER 2	5,400.00	204.56	204.56	5,195.44	0.00	5,195.44	96.21
01-00-410020	BULK CONS TIER 1	71,800.00	27,163.52	27,163.52	44,636.48	0.00	44,636.48	62.17
01-00-410030	COMMERCIAL/INST CONS TIER	17,200.00	4,875.51	4,875.51	12,324.49	0.00	12,324.49	71.65
01-00-411000	INCOME METERED WATER	486,000.00	181,452.41	181,452.41	304,547.59	0.00	304,547.59	66.66
01-00-411001	RES CONS TIER 2	306,700.00	134,274.57	134,274.57	172,425.43	0.00	172,425.43	44.22
01-00-412000	GOAT MTN STANDBY INCOME	63,900.00	0.00	0.00	63,900.00	0.00	63,900.00	100.00
01-00-413000	BASIC SERVICE CHARGE	1,197,500.00	384,437.75	384,437.75	813,062.25	0.00	813,062.25	67.90
01-00-413001	FIRE BSC	9,300.00	2,958.68	2,958.68	6,341.32	0.00	6,341.32	68.99
01-00-414000	INCOME JV BULK WATER SALE	3,800.00	1,054.25	1,054.25	2,745.75	0.00	2,745.75	27.16
01-00-417000	INCOME OTHER (OPERATING)	66,900.00	24,958.14	24,958.14	41,941.86	0.00	41,941.86	63.69
01-00-419000	AMES BASIN WATER TRANSFER	0.00	0.00	0.00	0.00	0.00	0.00	100.00
01-00-492050	PAC WEST BANK EARNINGS CR	4,800.00	0.00	0.00	4,800.00	0.00	4,800.00	100.00
R05 Sub Totals:		2,256,700.00	817,358.42	817,358.42	1,439,341.58	0.00	1,439,341.58	63.78
R10	NON-OPERATING REVENUE							
01-00-491000	GA02 GEN LEVY IMP DIST A BH	122,400.00	0.00	0.00	122,400.00	0.00	122,400.00	100.00
01-00-491010	DA01 DEBT SRVC IMP1 (BH BON	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-491020	GA01 GENERAL TAX LEVY (BVI	117,100.00	0.00	0.00	117,100.00	0.00	117,100.00	100.00
01-00-491040	GA03 ID GM GEN TAX LEVY	60,200.00	0.00	0.00	60,200.00	0.00	60,200.00	100.00
01-00-492000	INTEREST INCOME	177,800.00	69,801.38	69,801.38	107,998.62	0.00	107,998.62	60.74
01-00-496000	INCOME OTHER (NON OPERATI	21,300.00	6,071.40	6,071.40	15,228.60	0.00	15,228.60	71.50
01-00-499901	GM WELL REV ACCT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-499902	PI/C REV. ACCT.	0.00	142,584.72	142,584.72	-142,584.72	0.00	-142,584.72	0.00
01-00-499992	CAPITAL CONTRIBUTION REVE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-499998	DACI REV ACCT.-METER REPLA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-499999	AWAC REVENUE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R10 Sub Totals:		498,800.00	218,457.50	218,457.50	280,342.50	0.00	280,342.50	56.20

Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
E25	Revenue Sub Totals:	2,755,500.00	1,035,815.92	1,035,815.92	1,719,684.08	0.00	1,719,684.08	62.41
01-00-562000	NON-OPERATING EXPENSE							
01-00-562000	OFFICE EQUIPMENT EXPENSE	14,100.00	16,676.87	16,676.87	-2,576.87	0.00	-2,576.87	0.00
01-00-563000	CUSTOMER RELATIONS	3,200.00	2,083.35	2,083.35	1,116.65	0.00	1,116.65	34.90
01-00-564000	OTHER ADMINISTRATIVE EXPE	14,400.00	3,622.48	3,622.48	10,777.52	0.00	10,777.52	74.84
01-00-571000	DEPRECIATION EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-571100	AMORTIZATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-572100	AMORTIZATION OF LEASES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-572200	INTEREST EXPENSE ON LEASES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-572300	CONTRA EQUIPMENT EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-581000	ELECTION COSTS	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	100.00
01-00-593000	EXPENSE / INCOME MISC	500.00	485.32	485.32	14.68	0.00	14.68	2.94
01-00-593999	PRIOR YEARS EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-594000	GAIN (LOSS) ASSET DISPOSAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-594001	INVESTMENT GAIN/LOSS	0.00	-12,679.11	-12,679.11	12,679.11	0.00	12,679.11	0.00
E25 Sub Totals:		33,200.00	10,188.91	10,188.91	23,011.09	0.00	23,011.09	69.31
Expense Sub Totals:		33,200.00	10,188.91	10,188.91	23,011.09	0.00	23,011.09	69.31
Dept 00 Sub Totals:		-2,722,300.00	-1,025,627.01	-1,025,627.01	-1,696,672.99	0.00		
Administration								
E15	ADMINISTRATIVE EXPENSE							
01-01-560030	ADMINISTRATIVE COMPENSAT	521,100.00	152,975.16	152,975.16	368,124.84	0.00	368,124.84	70.64
01-01-560060	CONTRACTUAL SERV-AUDITOR	18,900.00	14,897.00	14,897.00	4,003.00	0.00	4,003.00	21.18
01-01-560070	CONTRACTUAL SERV-LEGAL	40,000.00	33,199.50	33,199.50	6,800.50	0.00	6,800.50	17.00
01-01-560075	LEGISLATIVE AFFAIRS CWSA	15,000.00	3,116.32	3,116.32	11,883.68	0.00	11,883.68	79.22
01-01-560080	CalPERS CONTRIBUTION	161,700.00	52,310.48	52,310.48	109,389.52	0.00	109,389.52	67.65
01-01-560085	GASB 68 EXP (INC)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-01-560090	PAYROLL TAXES	24,000.00	6,345.14	6,345.14	17,654.86	0.00	17,654.86	73.56
01-01-560110	TELEPHONE/FAX/INTERNET/WI	9,000.00	2,852.90	2,852.90	6,147.10	0.00	6,147.10	68.30
01-01-560120	MAILING EXPENSE	1,900.00	421.20	421.20	1,478.80	0.00	1,478.80	77.83
01-01-560140	CONTRACTUAL SERV - OTHER	150,000.00	65,601.50	65,601.50	84,398.50	0.00	84,398.50	56.27
01-01-560160	PROPERTY/LIABILITY EXPENSE	102,000.00	34,263.88	34,263.88	67,736.12	0.00	67,736.12	66.41
01-01-560170	WORKERS COMP EXPENSE	18,300.00	4,278.68	4,278.68	14,021.32	0.00	14,021.32	76.62
01-01-560180	DUES & SUBSCRIPTIONS	21,100.00	13,608.96	13,608.96	7,491.04	0.00	7,491.04	35.50
01-01-560200	POWER/PROPANE OFFICES & Y/	11,700.00	27,546.49	27,546.49	-15,846.49	0.00	-15,846.49	0.00
01-01-560220	BAD DEBT EXPENSE	-1,500.00	2,145.76	2,145.76	-3,645.76	0.00	-3,645.76	0.00
01-01-560221	BAD DEBT-LIENS/UNCOLLECT/	-1,500.00	0.00	0.00	-1,500.00	0.00	-1,500.00	0.00
01-01-560300	OFFICE SUPPLIES/PRINTING	12,200.00	3,220.32	3,220.32	8,979.68	0.00	8,979.68	73.60
01-01-561000	EMPLOYEE BENEFITS INSURAN	229,300.00	65,440.85	65,440.85	163,859.15	0.00	163,859.15	71.46
01-01-561100	EMPLOYEE EDUCATION/TRAIN	5,700.00	570.35	570.35	5,129.65	0.00	5,129.65	89.99
01-01-561500	PAYROLL FRINGE EXP TO PROJ	0.00	-9,858.71	-9,858.71	9,858.71	0.00	9,858.71	0.00

Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
01-01-561501	CAPITALIZED LABOR EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-01-561600	OVERHEAD TO PROJECTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E15 Sub Totals:		1,338,900.00	472,935.78	472,935.78	865,964.22	0.00	865,964.22	64.68
E25	NON-OPERATING EXPENSE							
01-01-564001	PARS TRUST EXPENSES	0.00	555.12	555.12	-555.12	0.00	-555.12	0.00
E25 Sub Totals:		0.00	555.12	555.12	-555.12	0.00	-555.12	0.00
Expense Sub Totals:		1,338,900.00	473,490.90	473,490.90	865,409.10	0.00	865,409.10	64.64
Dept 01 Sub Totals:		1,338,900.00	473,490.90	473,490.90	865,409.10	0.00		
Dept 01-05	Operations							
E05	OPERATIONS EXPENSE							
01-05-541020	OPERATIONS COMPENSATION	498,800.00	157,647.71	157,647.71	341,152.29	0.00	341,152.29	68.39
01-05-541030	UNIFORMS	10,000.00	2,994.31	2,994.31	7,005.69	0.00	7,005.69	70.06
01-05-541060	VEHICLE/TRACTOR/EQUIP EXP	35,000.00	19,967.72	19,967.72	15,032.28	0.00	15,032.28	42.95
01-05-541070	VEHICLE EXPENSE-FUEL	49,200.00	14,227.96	14,227.96	34,972.04	0.00	34,972.04	71.28
01-05-541090	FIELD MATERIALS & SUPPLIES	78,800.00	16,177.03	16,177.03	62,622.97	0.00	62,622.97	79.47
01-05-541095	SHRINKAGE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-05-541110	WATER TESTING	15,000.00	3,840.00	3,840.00	11,160.00	0.00	11,160.00	74.40
01-05-541120	CONTRACTUAL SRV-ENGINEER	100,000.00	5,320.00	5,320.00	94,680.00	0.00	94,680.00	94.68
01-05-541140	WATER SYSTEM REPAIRS	60,000.00	10,544.46	10,544.46	49,455.54	0.00	49,455.54	82.43
01-05-541141	EXCAVATION COUNTY OF SB	500.00	0.00	0.00	500.00	0.00	500.00	100.00
01-05-541150	BUILDING MAINTENANCE/REP	15,500.00	5,745.02	5,745.02	9,754.98	0.00	9,754.98	62.94
01-05-541190	COMMUNICATIONS EXPENSE	7,900.00	2,604.75	2,604.75	5,295.25	0.00	5,295.25	67.03
01-05-541210	DISINFECTION EXPENSE	13,400.00	5,902.90	5,902.90	7,497.10	0.00	7,497.10	55.95
01-05-541250	POWER WELLS & PUMPS	148,400.00	25,035.19	25,035.19	123,364.81	0.00	123,364.81	83.13
01-05-541300	OTHER OPERATING EXPENSES	11,600.00	2,792.00	2,792.00	8,808.00	0.00	8,808.00	75.93
01-05-541700	EQUIPMENT EXP TO CIP	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-05-541701	CAPITALIZED LABOR EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-05-542000	AMES WATER	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-05-560080	PERS CONTRIBUTION - OPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-05-560085	GASB EXP (INC) - OPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-05-560090	PAYROLL TAXES - OPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-05-560170	WORKERS COMP EXPENSE - OP	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-05-561000	EMPLOYEE BENEFIT INSUR - OI	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-05-561100	EE EDUCATION/TRAINING - OP	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E05 Sub Totals:		1,044,100.00	272,799.05	272,799.05	771,300.95	0.00	771,300.95	73.87
Expense Sub Totals:		1,044,100.00	272,799.05	272,799.05	771,300.95	0.00	771,300.95	73.87
Dept 05 Sub Totals:		1,044,100.00	272,799.05	272,799.05	771,300.95	0.00		

Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
Dept 01-09	Directors							
E15	ADMINISTRATIVE EXPENSE							
01-09-560027	DIRECTOR J. BURKHART	14,000.00	1,607.67	1,607.67	12,392.33	0.00	12,392.33	88.52
01-09-560028	DIRECTOR MCKENZIE	14,000.00	5,571.54	5,571.54	8,428.46	0.00	8,428.46	60.20
01-09-560029	DIRECTOR CLOSE	14,000.00	2,273.61	2,273.61	11,726.39	0.00	11,726.39	83.76
01-09-560032	DIRECTOR ALDRIDGE	14,000.00	3,065.75	3,065.75	10,934.25	0.00	10,934.25	78.10
01-09-560033	DIRECTOR MILLER-BOYER	14,000.00	3,708.70	3,708.70	10,291.30	0.00	10,291.30	73.51
	E15 Sub Totals:	70,000.00	16,227.27	16,227.27	53,772.73	0.00	53,772.73	76.82
	Expense Sub Totals:	70,000.00	16,227.27	16,227.27	53,772.73	0.00	53,772.73	76.82
Dept 01-10	Dept 09 Sub Totals:	70,000.00	16,227.27	16,227.27	53,772.73	0.00		
E15	CIP							
	ADMINISTRATIVE EXPENSE							
01-10-562005	PI/C NON-FIXED ASSET COSTS	0.00	4,131.00	4,131.00	-4,131.00	0.00	-4,131.00	0.00
	E15 Sub Totals:	0.00	4,131.00	4,131.00	-4,131.00	0.00	-4,131.00	0.00
E20	CIP EXPENSE							
01-10-056198	LABOR APPLIED TO CIP PROJEC	0.00	229.64	229.64	-229.64	0.00	-229.64	0.00
01-10-056199	LABOR APPLIED TO WIP PROJEC	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561900	OVERHEAD FOR CIP ONLY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561905	A-BOOSTER STATION CONSTRU	40,000.00	36,606.22	36,606.22	3,393.78	0.00	3,393.78	8.48
01-10-561906	PRV FLOWMETER CONSTRUCT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561918	GMW13 PHASE2 - NON-FIXED A	0.00	3,562.50	3,562.50	-3,562.50	0.00	-3,562.50	0.00
01-10-561919	HDWD#2 INTERTIE @ WINTERS	0.00	14,070.56	14,070.56	-14,070.56	0.00	-14,070.56	0.00
01-10-561934	HDWD #1 INTERTIE @ LUNA VI	0.00	24.03	24.03	-24.03	0.00	-24.03	0.00
01-10-561936	NBS RATE STUDY (non-FA)	40,000.00	32,942.33	32,942.33	7,057.67	0.00	7,057.67	17.64
01-10-561937	GM REPLACEMENT WELL (Well	150,000.00	101,087.88	101,087.88	48,912.12	0.00	48,912.12	32.61
01-10-561938	PARS 115 TRUST ACCT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561939	ANNEX RoBot LAND SEC.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561940	SHOE EQUIP	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561945	ORGANIZATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561950	LAND	0.00	-900.00	-900.00	900.00	0.00	900.00	0.00
01-10-561955	OFFICE BUILDING	50,000.00	50.52	50.52	49,949.48	0.00	49,949.48	99.90
01-10-561960	YARDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561965	FUEL STORAGE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561970	WATER SYSTEM	100,000.00	0.00	0.00	100,000.00	0.00	100,000.00	100.00
01-10-561975	VEHICLES - MOTOR VEHICLES	65,000.00	0.00	0.00	65,000.00	0.00	65,000.00	100.00
01-10-561980	OFFICE EQUIPMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561982	FINANCIAL & BILLING SOFTWA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-562004	METER REPLACEMENT (DWR/E	10,000.00	11,228.00	11,228.00	-1,228.00	0.00	-1,228.00	0.00
01-10-562006	PI/C PROJECT- FIXED ASSET CO	6,935,000.00	197,854.92	197,854.92	6,737,145.08	0.00	6,737,145.08	97.15
01-10-562007	B1/B2 TANK REHAB (PI/C Phase4	739,000.00	10,095.96	10,095.96	728,904.04	0.00	728,904.04	98.63

Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
01-10-562008	R1 TANK REPLACEMENT FA	300,000.00	1,520.00	1,520.00	298,480.00	0.00	298,480.00	99.49
01-10-562009	NEW PROD WELL (WELL No. XX	150,000.00	3,420.00	3,420.00	146,580.00	0.00	146,580.00	97.72
	E20 Sub Totals:	8,579,000.00	411,792.56	411,792.56	8,167,207.44	0.00	8,167,207.44	95.20
	Expense Sub Totals:	8,579,000.00	415,923.56	415,923.56	8,163,076.44	0.00	8,163,076.44	95.15
	Dept 10 Sub Totals:	8,579,000.00	415,923.56	415,923.56	8,163,076.44	0.00		
	Fund Revenue Sub Totals:	2,755,500.00	1,035,815.92	1,035,815.92	1,719,684.08	0.00	1,719,684.08	62.41
	Fund Expense Sub Totals:	11,065,200.00	1,188,629.69	1,188,629.69	9,876,570.31	0.00	9,876,570.31	89.26
	Fund 01 Sub Totals:	8,309,700.00	152,813.77	152,813.77	8,156,886.23	0.00		
	Revenue Totals:	2,755,500.00	1,035,815.92	1,035,815.92	1,719,684.08	0.00	1,719,684.08	62.41
	Expense Totals:	11,065,200.00	1,188,629.69	1,188,629.69	9,876,570.31	0.00	9,876,570.31	89.26
	Report Totals:	8,309,700.00	152,813.77	152,813.77	8,156,886.23	0.00		

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Ck Date	Ck No	Pavable To	Void	Check Amt
10/1/2025	33241	PAYROLL		6,704.73
10/1/2025	33242	PAYROLL		6,704.73
10/1/2025	33243	PAYROLL		8,929.14
10/9/2025	0	IRS PAYROLL		54.92
10/9/2025	0	IRS PAYROLL		5,128.24
10/9/2025	0	EDD PAYROLL		1,817.08
10/9/2025	0	CALPERS		6,377.19
10/9/2025	33244	PAYROLL		2,308.38
10/9/2025	33245	PAYROLL		2,259.34
10/9/2025	33246	PAYROLL		5,505.06
10/9/2025	33247	PAYROLL		2,171.01
10/9/2025	33248	PAYROLL		2,033.98
10/9/2025	33249	PAYROLL		4,656.48
10/9/2025	33250	PAYROLL		4,267.93
10/15/2025	2185	ACE ALTERNATORS & STARTERS		175.95
10/15/2025	2186	AUTOZONEPARTS		143.75
10/15/2025	2187	BEYOND SOFTWARE SOLUTIONS		4,744.90
10/15/2025	2188	CLINICAL LABORATORY OF SB INC.		430.00
10/15/2025	2189	GRISWOLD INDUSTRIES		5,845.76
10/15/2025	2190	INFOSEND INC.		1,386.21
10/15/2025	2191	OFFICE DEPOT		20.68
10/15/2025	2192	SDRMA		17,767.94
10/15/2025	2193	HOME DEPOT CREDIT SERVICES		797.69
10/15/2025	2194	UNDERGROUND SERVICE ALERT OF SO CAL		36.00
10/15/2025	2195	WIENHOFF & ASSOCIATES INC.		85.00
10/15/2025	2196	FRONTIER CALIFORNIA INC		334.99
10/15/2025	2197	CORE & MAIN LP		2,031.25
10/15/2025	2198	DON BEHRENS WELDING SERVICE		750.00
10/15/2025	2199	SBRK FINANCE HOLDING INC.		708.00
10/15/2025	2200	ADAN ORTEGA ASSOCIATES INC.		10,000.00
10/15/2025	2201	NBS GOVERNMENT FINANCE GROUP		5,155.00
10/15/2025	2202	MM INTERNET INC.		112.80

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Ck Date	Ck No	Pavable To	Void	Check Amt
10/15/2025	2203	MELONIE HELLER		46.90
10/15/2025	2204	BRUNICK, McELHANEY & KENNEDY PROF LAW CORP		6,262.50
10/15/2025	2205	C.J. BROWN & COMPANY CPAs		279.00
10/15/2025	2206	GENESIS CLEANING SERVICE INC.		930.00
10/15/2025	2207	VISUAL EDGE IT INC.		622.99
10/15/2025	2208	US LBM OPERATING CO. 3009 LLC		147.78
10/15/2025	2209	ORANGE COUNTY WINWATER WORKS		4,413.97
10/15/2025	2210	ROSALIND PAULINO		77.00
10/15/2025	2211	LAGERLOF LLP		37.50
10/15/2025	2212	STARTING LINE ADVISORY		2,047.50
10/15/2025	2213	T.R. HOLLIMAN AND ASSOCIATES INC		1,900.00
10/15/2025	2214	TONI MARINO		100.32
10/15/2025	33251	FOMOTOR INC.		520.00
10/15/2025	33252	DENISE M LANDSTEDT		195.00
10/15/2025	33253	LEONARD RICE CONSULTING WATER ENGINEERS LLC		1,057.50
10/15/2025	33254	MONUMENT ROW		4,752.50
10/15/2025	33255	SOUTH WEST PUMP & DRILLING INC.		80,940.00
10/18/2025	0	IRS PAYROLL		247.26
10/18/2025	0	EDD PAYROLL		5.19
10/20/2025	0	IRS PAYROLL		4,864.52
10/20/2025	0	EDD PAYROLL		1,652.56
10/20/2025	0	CALPERS		6,377.19
10/23/2025	33256	PAYROLL		2,733.33
10/23/2025	33257	PAYROLL		2,333.47
10/23/2025	33258	PAYROLL		5,450.06
10/23/2025	33259	PAYROLL		2,829.13
10/23/2025	33260	PAYROLL		2,062.69
10/23/2025	33261	PAYROLL		3,820.67
10/23/2025	33262	PAYROLL		3,021.67
10/28/2025	0	CARDMEMBER SERVICES		1,365.62
10/29/2025	0	AT&T MOBILITY		335.08
10/29/2025	0	BURRTEC WASTE&RECYC		106.75

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Check Date Range: 10/1/2025 thru
10/31/2025

Ck Date	Ck No	Payable To	Void	Check Amt
10/29/2025	0	CINTAS CORPORATION #150		533.00
10/29/2025	0	SOUTHERN CALIFORNIA EDISON COMP		11,073.37
10/29/2025	0	AMERICAN FIDELITY		1,102.11
10/29/2025	0	FLYERS ENERGY LLC		8,618.25
10/29/2025	0	BLUEFIN PAYMENT SYSTEMS		1,477.75
10/29/2025	0	SPRINGBROOK ACH		178.00
10/29/2025	2215	CUSTOMER REFUND		166.27
10/29/2025	2216	CUSTOMER REFUND		109.72
10/29/2025	2217	CUSTOMER REFUND		56.62
10/29/2025	2218	CUSTOMER REFUND		62.97
10/29/2025	2219	CUSTOMER REFUND		27.73
10/29/2025	2220	CUSTOMER REFUND		63.50
10/29/2025	2221	CUSTOMER REFUND		100.00
10/29/2025	2222	CUSTOMER REFUND		245.02
10/29/2025	2223	CUSTOMER REFUND		100.00
10/29/2025	2224	CUSTOMER REFUND		149.54
10/29/2025	33263	CA RURAL WATER ASSN		33,362.50
10/30/2025	2225	CALIFORNIA SPECIAL DISTRICTS ASSN CSDA		7,098.00
10/30/2025	2226	INFOSEND INC.		296.86
10/30/2025	2227	OFFICE DEPOT		98.67
10/30/2025	2228	HD SUPPLY INC.		761.67
10/30/2025	2229	XEROX CORPORATION		244.69
10/30/2025	2230	DEPT. of MOTOR VEHICLES		64.00
10/30/2025	2231	MM INTERNET INC.		112.80
10/30/2025	2232	BRUNICK, McELHANEY & KENNEDY PROF LAW CORP		19,917.00
10/30/2025	2233	US LBM OPERATING CO. 3009 LLC		41.30
10/30/2025	2234	PHETSAVANH SENEBOUTTARATH		485.32
10/31/2025	0	IRS PAYROLL		109.92
10/31/2025	0	EDD PAYROLL		1.61
			Total	337,637.97

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Bighorn Desert View Water Agency
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11/30/2025

Ck Date	Ck No	Pavable To	Void	Check Amt
11/6/2025	0	IRS PAYROLL		4,972.61
11/6/2025	0	EDD PAYROLL		1,724.73
11/6/2025	0	CALPERS		6,535.22
11/6/2025	2235	AUTOZONEPARTS		78.99
11/6/2025	2236	BEYOND SOFTWARE SOLUTIONS		1,130.00
11/6/2025	2237	DESERT FIRE EXTINGUISHER CO INC		794.45
11/6/2025	2238	FRED'S TIRES		600.01
11/6/2025	2239	OFFICE DEPOT		65.50
11/6/2025	2240	SDRMA		17,791.05
11/6/2025	2241	UNDERGROUND SERVICE ALERT OF SO CAL		36.00
11/6/2025	2242	FRONTIER CALIFORNIA INC		686.68
11/6/2025	2243	CORE & MAIN LP		4,672.56
11/6/2025	2244	HASA INC.		1,028.64
11/6/2025	2245	Safetyfile Inc.		15,503.40
11/6/2025	2246	MELONIE HELLER		87.50
11/6/2025	2247	GENESIS CLEANING SERVICE INC.		1,650.00
11/6/2025	2248	ORANGE COUNTY WINWATER WORKS		7,017.94
11/6/2025	2249	NELSON MOBILE SERVICES INCORPORATED		516.00
11/6/2025	33264	PAYROLL		2,308.38
11/6/2025	33265	PAYROLL		2,259.34
11/6/2025	33266	PAYROLL		5,848.56
11/6/2025	33267	PAYROLL		2,211.96
11/6/2025	33268	PAYROLL		2,924.43
11/6/2025	33269	PAYROLL		2,905.90
11/6/2025	33270	PAYROLL		4,104.43
11/12/2025	2250	COUNTY OF SAN BERNARDINO RECORDER - CLERK		110.00
11/12/2025	2251	ANDONIAN ENTERPRISES INC		1,662.81
11/12/2025	2252	INFOSEND INC.		1,161.08
11/12/2025	2253	SBRK FINANCE HOLDING INC.		662.00
11/12/2025	2254	LIEBERT CASSIDY WHITMORE		405.00
11/12/2025	2255	LEONARD RICE CONSULTING WATER ENGINEERS LLC		352.50
11/12/2025	2256	STARTING LINE ADVISORY		2,437.50

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Check Date Range: 11/1/2025 thru
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Ck Date	Ck No	Pavable To	Void	Check Amt
11/20/2025	0	IRS PAYROLL		334.32
11/20/2025	0	EDD PAYROLL		7.53
11/20/2025	0	EDD PAYROLL		1,676.53
11/20/2025	0	CALPERS		6,535.22
11/20/2025	0	IRS PAYROLL		4,962.83
11/20/2025	33271	PAYROLL		2,264.25
11/20/2025	33272	PAYROLL		2,204.34
11/20/2025	33273	PAYROLL		5,793.56
11/20/2025	33274	PAYROLL		2,905.01
11/20/2025	33275	PAYROLL		3,169.05
11/20/2025	33276	PAYROLL		2,832.38
11/20/2025	33277	PAYROLL		3,351.59
11/25/2025	0	AT&T MOBILITY		335.08
11/25/2025	0	BURRTEC WASTE&RECYC		106.75
11/25/2025	0	CINTAS CORPORATION #150		426.40
11/25/2025	0	SOUTHERN CALIFORNIA EDISON COMP		11,826.73
11/25/2025	0	AMERICAN FIDELITY		1,102.11
11/25/2025	0	BLUEFIN PAYMENT SYSTEMS		1,319.99
11/25/2025	0	SPRINGBROOK ACH		149.58
11/25/2025	2276	CA RURAL WATER ASSN		39,523.75
11/26/2025	2257	CUSTOMER REFUND		33.73
11/26/2025	2258	CUSTOMER REFUND		140.46
11/26/2025	2259	CUSTOMER REFUND		204.50
11/26/2025	2260	CUSTOMER REFUND		130.11
11/26/2025	2261	CUSTOMER REFUND		78.77
11/26/2025	2262	CUSTOMER REFUND	VOID	274.41
11/26/2025	2263	CUSTOMER REFUND		1,692.58
11/26/2025	2264	BEYOND SOFTWARE SOLUTIONS		2,654.00
11/26/2025	2265	CLINICAL LABORATORY OF SB INC.		430.00
11/26/2025	2266	HI-DESERT STAR		329.40
11/26/2025	2267	OFFICE DEPOT		270.42
11/26/2025	2268	WIENHOFF & ASSOCIATES INC.		355.00

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Check Date Range: 11/1/2025 thru
11/30/2025

Ck Date	Ck No	Pavable To	Void	Check Amt
11/26/2025	2269	XEROX CORPORATION		244.69
11/26/2025	2270	CORE & MAIN LP		209.63
11/26/2025	2271	NBS GOVERNMENT FINANCE GROUP		2,250.00
11/26/2025	2272	MM INTERNET INC.		112.80
11/26/2025	2273	C.J. BROWN & COMPANY CPAs		1,906.00
11/26/2025	2274	VISUAL EDGE IT INC.		197.76
11/26/2025	2275	ORANGE COUNTY WINWATER WORKS		7,264.33
			Total	203,850.76

SERVICE ORDER REPORT FOR FISCAL YEAR 2024-2025

[illegible]



DATE: 10/31/2025
 TO: Board of Directors
 FROM: Laun Hanson
 RE: Bighorn-Desert View Production OCTOBER 2025

	<u>Cubic Feet</u> <u>Pumped</u>	<u>Total Gallons</u> <u>Pumped</u>	<u>GPM from</u> <u>Hour Meter</u>	<u>GPM</u> <u>Flowmeter</u>	<u>Total</u> <u>Running Time</u>	<u>acre feet</u>
Well 2	Well is "inactive"					
Well 3	209,410	1,566,387	181	166	144.3	4.81
Well 4	Well is "inactive"					
Well 6	82,620	617,998	89	80	115.1	1.90
Well 7	105,180	786,746	112	136	116.9	2.41
Well 8	422,300	3,158,804	368	380	142.9	9.69
Well 9	552,400	4,131,952	429	440	160.6	12.68
Well 10	24,600	184,008	78	92	39.4	0.56
Total	1,396,510	10,445,895			719.2	32.06

Maximum Day Demand

Date 10/6/2025

Total Production (Gallons) 614182.8

A Boosters	83,570	625,104	104	150	99.9
C Boosters	130,100	973,148	173	175	93.9
Total	213,670	1,598,252			



DATE: 12/2/2025
 TO: Board of Directors
 FROM: Laun Hanson
 RE: Bighorn-Desert View Production NOVEMBER 2025

	<u>Cubic Feet</u> <u>Pumped</u>	<u>Total Gallons</u> <u>Pumped</u>	<u>GPM from</u> <u>Hour Meter</u>	<u>GPM</u> <u>Flowmeter</u>	<u>Total</u> <u>Running Time</u>	<u>acre feet</u>
Well 2	Well is "inactive"					
Well 3	163,560	1,223,429	180	166	113.3	3.75
Well 4	Well is "inactive"					
Well 6	81,810	611,939	88	80	115.3	1.88
Well 7	95,780	716,434	113	136	106	2.20
Well 8	329,400	2,463,912	366	380	112.3	7.56
Well 9	441,800	3,304,664	427	440	129	10.14
Well 10	26,500	198,220	80	92	41.3	0.61
Total	1,138,850	8,518,598			617.2	26.14

Maximum Day Demand

Date 11/2/2025

Total Production (Gallons) 660259.6

A Boosters	64,220	480,366	99	150	80.5
C Boosters	119,500	893,860	169	175	88.1
Total	183,720	1,374,226			



DATE: 10/31/2025
 TO: Board of Directors
 FROM: Laun Hanson
 RE: Goat Mountain Production OCTOBER 2025

	<u>Cubic Feet</u> <u>Pumped</u>	<u>Total Gallons</u> <u>Pumped</u>	<u>GPM from</u> <u>Hour Meter</u>	<u>GPM from</u> <u>Flowmeter</u>	<u>Total</u> <u>Running Time</u>	<u>acre feet</u>
Well GMW1	133,060	995,289	186	220	89.1	3.05
Well GMW3	288,800	2,160,224	288	320	125.2	6.63
Total	421,860	3,155,513			214.3	9.68

Maximum Day Demand

Date 10/18/2025

Total Production (Gallons) 201660.8

GM booster	165,500	1,237,940	253	222	81.7
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DATE: 12/2/2025
 TO: Board of Directors
 FROM: Laun Hanson
 RE: Goat Mountain Production NOVEMBER 2025

	<u>Cubic Feet</u> <u>Pumped</u>	<u>Total Gallons</u> <u>Pumped</u>	<u>GPM from</u> <u>Hour Meter</u>	<u>GPM from</u> <u>Flowmeter</u>	<u>Total</u> <u>Running Time</u>	<u>acre feet</u>
Well GMW1	143,630	1,074,352	185	220	97	3.30
Well GMW3	239,700	1,792,956	288	320	103.7	5.50
Total	383,330	2,867,308			200.7	8.80

Maximum Day Demand

Date 11/17/2025

Total Production (Gallons) 170544

GM booster	141,700	1,059,916	245	222	72.2
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