



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 AGENDA

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

February 10, 2026
Time – 6:00 P.M.

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. **Public Hearing: Following Proposition 218 Public Notice of Proposed Rate Increases to Basic Service Charge and Water Consumption Rates by Specific Customer Class for a 5-Year Period (Resolution No. 26R-01)**

Board considers taking the following action(s):

1. Review staff report, and note any letters received; and
2. Receive questions from the Board of Directors; and
3. Open public hearing; and
4. Receive public comments; and
5. Close public hearing; and
6. Board discussion of public comments received; and
7. Board to consider adopting Resolution No. 26R-01 – Adjusting the Basic Service Charge and Water Consumption Charges for Specific Customer Classes for a 5-Year Period; and Receive and File final Water Rate Study Fiscal Year 2025/26.

2. Closed Session

- a) Conference with Labor Negotiators
(Government Code Section 54957.6)

Agency designated representatives: Jim Ciampa and Susan Allen and Adan Ortega

Unrepresented employee: General Manager

3. Closed Session Report

4. 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. January 13, 2025 Regular Meeting
 - 2. January 20, 2026 Special Meeting
 - 3. January 27, 2026 Special Meeting
- b. Financial Statements
 - 1. Balance Sheet(s) – December 2025
 - 2. Budget Sheet(s) – December 2025
 - 3. Quarterly Investment Report – Q4/2025
- c. Receive and File Disbursements – January 2026
- d. Service Order Report – Delayed
- e. BDV Production Report – January 2026
- f. Goat Mountain Production Report – January 2026
- g. Receive and File Committee Meeting Minutes
 - 1. Planning/Legislative/Engineering/Grants Standing Committee
 - Committee Meetings on-hold
 - 2. Finance/Public Relations/Education/Personnel Standing Committee
 - Committee Meetings on-hold

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: February 10, 2026

To: Board of Directors

Budgeted: N/A

Budgeted Amount: Based on Rate Table
Selected and Noticed to All Metered
Customers

Cost: N/A

From: Marina D. West, Chief Engineer

General Counsel Approval: Obtained

CEQA Compliance: Cat. Ex. Filed

Subject: **Public Hearing Following Proposition 218 Public Notice of Proposed Rate Increases to Basic Service Charge and Water Consumption Rates by Specific Customer Class for a 5-Year Period (Resolution No. 26R-01)**

SUMMARY

On December 9, 2025 the Board of Directors authorized the filing of Categorical Exemption for a Public Hearing on February 10, 2026 at 6:00 pm during which the Board of Directors would consider adopting Water Rates, Fees and Charges by Specific Customer Class as justified by the Final Water Rate Study Report February 2026 completed by NBS Government Finance Group. Thereafter the Proposition 218 Public Hearing Notice was distributed in accordance with Article XIII C and D of the California Constitution.

If approved, the Board is authorized to increase rates as outlined in the notice for a 5-year period. However, the actual amount of any subsequent increase will be determined as part of the annual budget adoption process and could be lower than but not greater than that approved by the Board at this hearing. The overall proposed increase amounts to approximately 4.4% per year. However, in year one, the rate is 7.1%. Water consumption tiers, which were imposed for the first time in 2021 due to a response to illegal cannabis, will now be removed. Therefore, due the “reset” of the accounts by customer class, and all the factors that have contributed to the need to increase rates, the average annual bi-monthly water bill increase, which is 12 units, will be \$15.81.

The final-draft Rate Study Report is attached as part of the administrative record on this issue.

RECOMMENDATION

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

1. Board to consider adopting Resolution No. 26R-18 Adjusting the Basic Service Charge and Water Consumption Charges by Specific Customer Class for a 5-Year Period; and
2. Receive and file final Water Rate Study Report Fiscal Year 2025/26 dated February 2026.

BACKGROUND/ANALYSIS

In January 2025, NBS Government Finance Group has been engaged by the Agency to complete the in-depth water rate and associated capacity fee study to guide the Board with long term financial planning and rate setting vision. The Capacity Fee Study was cancelled when it was determined unnecessary and the Agency could continue using the prior CPI adjustment method.

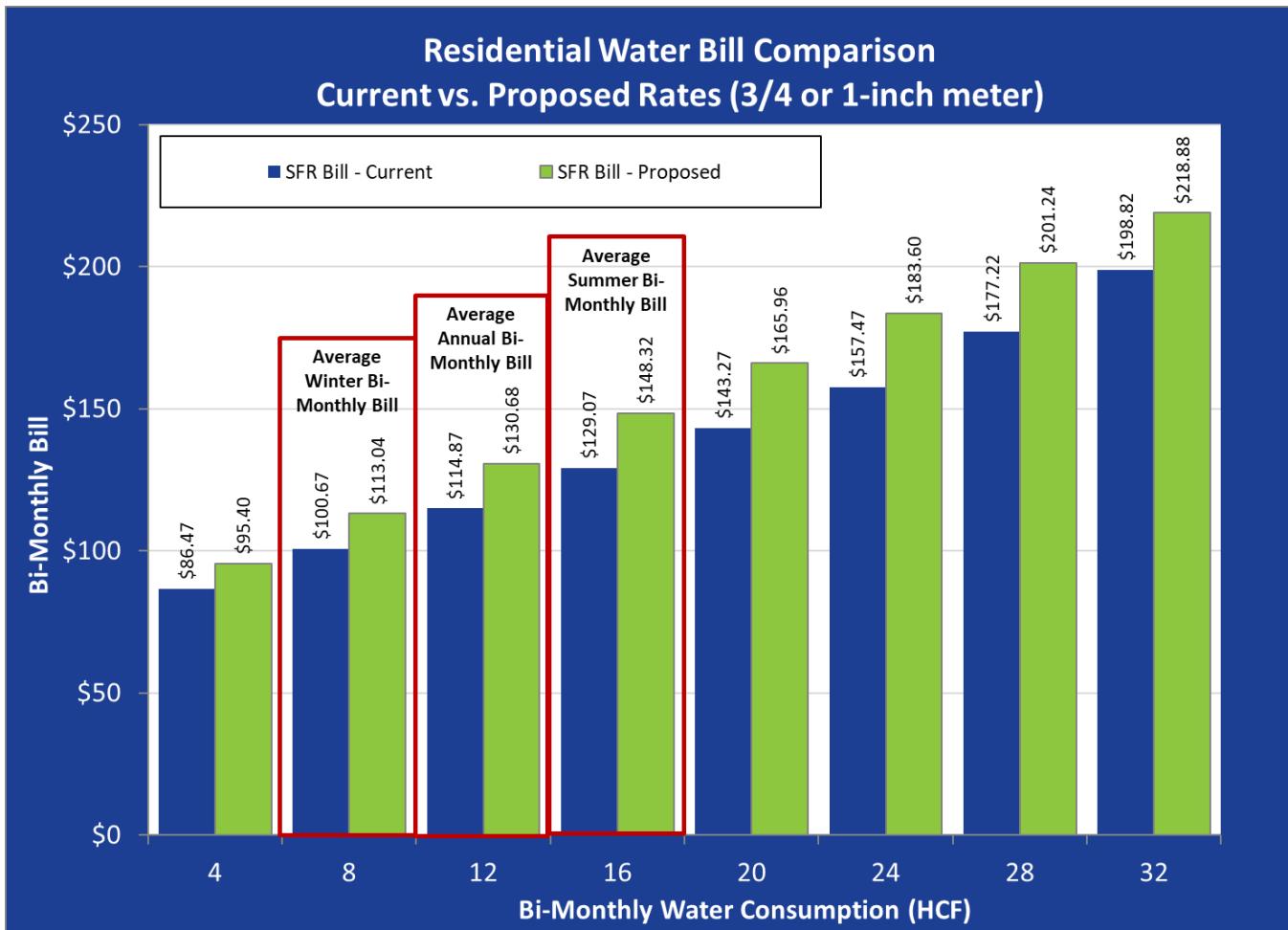
NBS Government Finance Group and the Agency have held five (5) Public Workshops concerning the proposed rates and fees (September 2, September 4, September 9, November 4, and December 9, 2025). The rate and fee study ultimately developed several rate alternatives. Each alternative was reviewed and discussed in detail with the Board and public at the Workshops.

On December 9, 2025, following the five public workshops and considering all director and public input, the Board motioned to 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 Adopting Water Rates, Fees and Charges; and Receive and file final Water Rate Study Report February 2026. The motion further authorized the Proposition 218 Public Hearing Notice to be distributed in accordance with Article XIII C and D of the California Constitution. The full Prop. 218 Notice is attached but the rate increases are summarized below. The overall proposed increase amounts to approximately 4.4% per year. However, in year one, the rate is 7.1%. Water consumption tiers, which were imposed for the first time in 2021 due to a response to illegal cannabis, will now be removed. Therefore, due the “reset” of the accounts by customer class, and all the factors that have contributed to the need to increase rates, the average annual bi-monthly water bill increase, which is 12 units, will be \$15.81.

Water Rate Schedule	Current Rates	Proposed Rates				
		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.



On December 12, 2025 the Agency caused to be mailed 3,389 Proposition 218 Rate Increase Notification letters to all properties owners with service connections, all tenants of properties with service connections, all bulk water hauling customers and fire service customers and every other property owner within the boundaries of the Agency. This notice announced the scheduling of the February 10, 2026 public hearing. This Public Hearing is the final opportunity for the Board to consider public testimony, in addition to all written protests received prior to determining if the proposed rate and fee increases will be adopted.

On December 30, 2025 the Agency the CEQA Categorical Exemption was posted by the County and acknowledged by the State of California Fish and Wildlife. The CEQA Exemption Notice and Certification of posting is attached.

At end of business Thursday, February 5, 2026 the Agency had received 1 letter of protest. This falls short of the “50% + 1” needed to set aside the rate increase thus authorizing the Board to proceed with the public hearing.

The Agency received one (1) objection by the February 2, 2026 deadline for written objections set forth in the Proposition 218 notice. The objection is acknowledged and attached. In response to the issues raised in the objection related to affordability of water rates, the District refers to the Rate Study report which sets forth a detailed accounting of the water utility financial needs. If the Agency adopts the proposed water rates in compliance with the requirements of Government Code section 53759.1, no person may bring a judicial action or proceeding alleging that the water rates do not comply with the

California Constitution or other applicable law, unless that person submitted to the Board Secretary a timely, written objection to the water rates specifying the grounds for alleging noncompliance. The issues raised in any such action or proceeding shall be limited to those raised in such an objection unless a court finds the issue could not have been raised in such an objection by those exercising reasonable diligence.

Prior to the opening of the public hearing, all additional written protests will be sorted and counted. If it appears that a majority written protest has been received for one or more of the proposed rate changes then that particular increase will not be considered at the hearing. However, at this time there are not enough written protests to defeat any of the proposed increases.

In the absence of a majority written protests staff recommends the Board consider all rate and fee adjustments as proposed.

PRIOR RELEVANT BOARD ACTION(S)

12/9/2025 Public Workshop No. 5 – 2025 Rate Study (5-year period commencing 2026) Motion No. 25-058 Motion to 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 Water Rate Study Report December 2025 in conjunction with Proposition 218 Public Hearing Notice.

11/4/2025 Public Workshop No. 4 – 2025 Rate Study (5-year period commencing 2026) 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.

9/9/2025 Public Workshop No. 3 – 2025 Rate Study (5-year period commencing 2026). There was consensus from the Board members present to proceed with Option 2 (65%/35% with “smoothing route” of 0% annual revenue increase projection in year 1 and 4.4% thereafter). The Board of Directors concurred with staff’s recommendation to agendize Public Workshop No. 4 to discuss the proposed rate and fee structure and setting the Public Hearing in accordance with Article XIII C and D of the California Constitution (Public Workshop No. 5) for December 14, 2025.

9/4/2025 Public Workshop No. 2 – 2025 Rate Study (5-year period commencing 2026). Directors discussed various scenarios that could be modeled so they could get a better feel for options. Final recommendation at holding at 65% basic charge and 35% commodity and going 10% each direction (55%/45% and 75%/25%) to understand effect it will have on the bill.

9/02/2025 Special Finance Committee Meeting Public Workshop No. 1 – 2025 Rate Study (5-year period commencing 2026). Committee discussed the draft rate study presented by NBS Government Finance.

1/14/2025 Motion No. 25-003 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.

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, or 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 Coziah 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						
Cumulative Rate Increases	0.00%	0.00%	4.40%	4.40%	4.40%	4.40%
Surplus (Deficiency) before Rate Increase	\$ (133,058)	\$ 203,099	\$ 29,094	\$ (159,996)	\$ (216,198)	\$ (159,012)
Net Revenue Requirement²	\$ 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)		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%

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%
<i>Total Volumetric Revenue Req't</i>	<i>\$830,161</i>						<i>\$2,072,697</i>	
<i>Total Fixed Charge Revenue Req't</i>	<i>\$1,242,536</i>							
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
<i>Displacement Meters</i>		<i>Displacement Meters</i>		
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
<i>Compound Class I Meters</i>		<i>Fire Service Type II</i>		
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 Factor³</i>	<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
<i>Hydraulic Capacity Factor ³</i>	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. BHDVVA charges monthly rates, but bills bi-monthly.
 2. Source files: *Combined Billing.xlsx*
 3. Includes Ag + Residence class (the average demand of this class is less than Residential and, therefore, is combined with Residential).
 4. Source file: *AWWA Manual M1, "Principles of Water Rates, Fees, and Charges"*, Table B-1.
 5. Customer costs are allocated to each customer by dividing the total customer costs by the total number of customers.
 6. 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						
	<u>Proposed Break</u>					
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

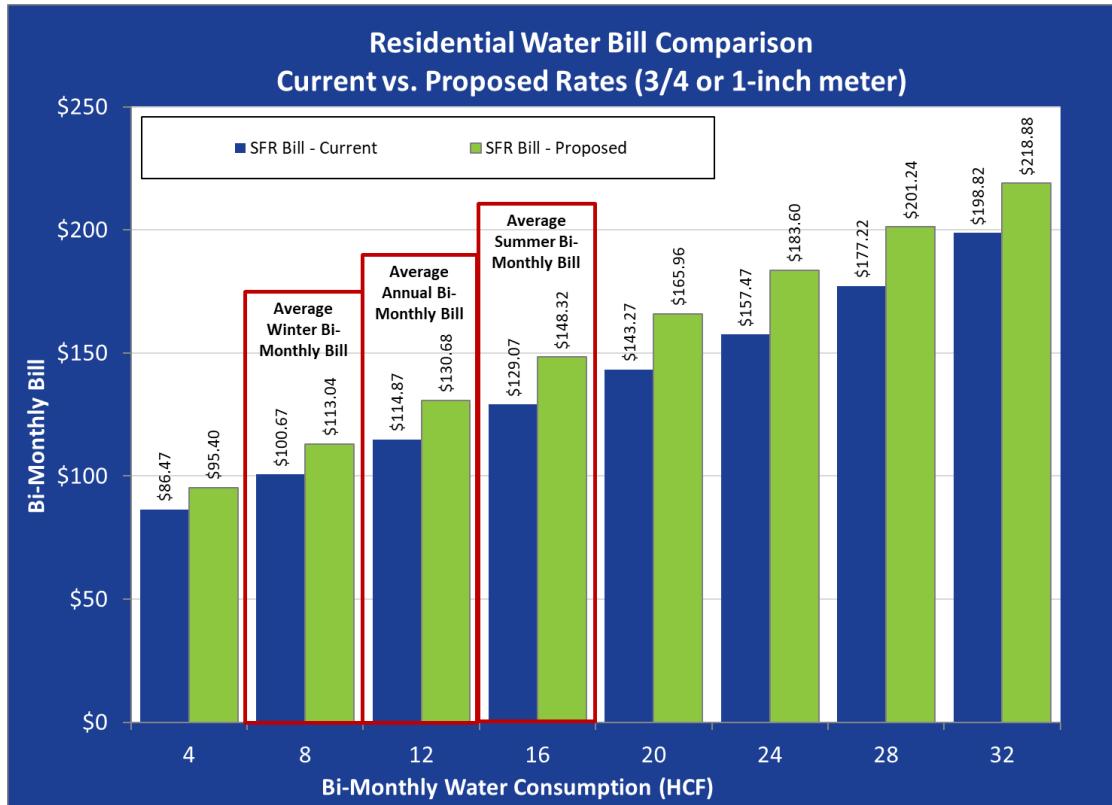
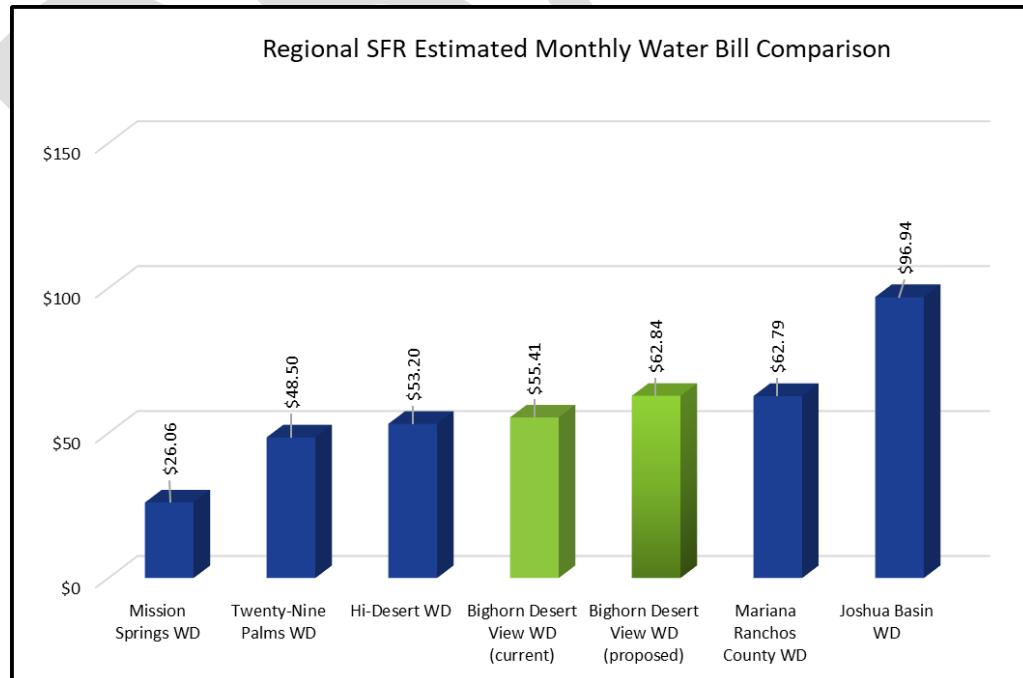


Figure 15 presents a comparison of residential water rates for similar communities.

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	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Sources of Water Funds								
<i>Rate Revenue:</i>								
Water Sales Revenue Under Current Rates	\$ 1,845,700	\$ 2,099,400	\$ 2,099,400	\$ 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	2,241,031	2,290,334	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	\$ 2,241,031	\$ 2,290,334
<i>Non-Rate Revenue:</i>								
Other Operating Revenue	\$ 78,100	\$ 67,700	\$ 70,700	\$ 70,700	\$ 70,700	\$ 70,700	\$ 70,700	\$ 70,700
Non-Operating Revenue	\$ 344,400	\$ 389,700	\$ 389,700	\$ 389,700	\$ 389,700	\$ 389,700	\$ 389,700	\$ 389,700
Interest Income ³	\$ 10,000	\$ 177,800	\$ 94,481	\$ 95,986	\$ 94,654	\$ 93,146	\$ 93,146	\$ 93,146
Subtotal: Non-Rate Revenue	\$ 522,500	\$ 635,200	\$ 554,881	\$ 556,386	\$ 555,054	\$ 553,546	\$ 553,546	\$ 553,546
Total Sources of Funds	\$ 2,368,200	\$ 2,734,600	\$ 2,700,468	\$ 2,749,176	\$ 2,796,085	\$ 2,843,880	\$ 2,843,880	\$ 2,843,880
Uses of Water Funds								
<i>Operating Expenses⁴</i>								
Operating Administrative Expenses	\$ 1,318,258	\$ 1,161,300	\$ 1,203,300	\$ 1,247,000	\$ 1,292,800	\$ 1,340,600	\$ 1,340,600	\$ 1,340,600
Non-Operating Administrative Expenses	\$ 33,200	\$ 33,200	\$ 33,900	\$ 34,600	\$ 35,300	\$ 36,000	\$ 36,000	\$ 36,000
Operations Expense	\$ 1,099,800	\$ 1,084,100	\$ 1,111,600	\$ 1,139,700	\$ 1,168,500	\$ 1,198,000	\$ 1,198,000	\$ 1,198,000
Director Expense	\$ 50,000	\$ 70,000	\$ 70,000	\$ 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	\$ 2,644,600	\$ 2,644,600
<i>Other Expenditures:</i>								
Existing Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate-Funded Capital Expenses	\$ -	\$ 182,901	\$ 206,387	\$ 157,124	\$ 136,694	\$ 167,359	\$ 167,359	\$ 167,359
Subtotal: Other Expenditures	\$ -	\$ 182,901	\$ 206,387	\$ 324,483	\$ 304,053	\$ 304,053	\$ 304,053	\$ 304,053
Total Uses of Water Funds	\$ 2,501,258	\$ 2,531,501	\$ 2,625,187	\$ 2,815,783	\$ 2,870,653	\$ 2,811,959	\$ 2,811,959	\$ 2,811,959
Annual Surplus/(Deficit)	\$ 133,058	\$ 203,099	\$ 75,281	\$ (66,607)	\$ (74,567)	\$ 31,922	\$ 31,922	\$ 31,922
Net Revenue Reqt. (Total Uses less Non-Rate Revenue)	\$ 1,978,758	\$ 1,896,301	\$ 2,070,306	\$ 2,259,396	\$ 2,315,558	\$ 2,258,412	\$ 2,258,412	\$ 2,258,412
Projected Annual Rate Revenue Increase	0.00%	0.00%	4.40%	4.40%	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%	18.80%	18.80%
Debt Coverage After Rate Increase	N/A	N/A	N/A	N/A	13.10	13.39	13.69	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%	4.40%	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. GV 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. GV 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

Financial Plan & Reserve Summary

TABLE 2 : RESERVE FUND SUMMARY

SUMMARY OF CASH ACTIVITY	Budget		Projected		FY 2029/30
	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	
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	\$ 586,416	\$ 494,483
Plus: Net Cash Flow (After Rate Increases)	(133,058)	203,099	75,281	(66,607)	(74,567)
Plus: Transfer of Debt Reserve Surplus	-	(33,100)	(34,196)	-	-
Less: Transfer Out to Emergency Contingencies Fund	(1,000,000)	-	(35,327)	(36,497)	(37,705)
Less: Transfer Out to Rate Stabilization	(500,000)	(207,641)	(23,775)	-	-
Less: Transfer Out to Capital Replacement Reserve	(3,135,795)	\$ 579,107	\$ 596,416	\$ 494,483	\$ 383,419
Ending Operating Reserve Balance	\$ 616,749				\$ 377,635
Target Ending Balance (90-days of O&M) ²	\$ 616,749	\$ 579,107	\$ 596,416	\$ 614,293	\$ 632,860
Emergency Contingencies Reserve Fund					
Beginning Reserve Balance	\$ 1,000,000	\$ 1,000,000	\$ 1,033,100	\$ 1,067,296	\$ 1,102,623
Plus: Transfer of Operating Reserve Surplus	-	33,100	34,196	35,327	36,497
Less: Use of Reserves for Capital Projects	-	-	-	-	-
Ending Emergencies Contingencies Reserve Balance	\$ 1,000,000	\$ 1,033,100	\$ 1,067,296	\$ 1,102,623	\$ 1,139,120
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
Capital R & R Reserve Fund					
Beginning Reserve Balance	\$ 3,135,795	\$ 3,135,795	\$ 2,611,830	\$ 2,635,605	\$ 2,635,605
Plus: Transfer of Operating Reserve Surplus	-	207,641	23,775	-	-
Less: Use of Reserves for Capital Projects	(731,605)	-	-	-	(820)
Ending Capital Rehab & Replacement Reserve Balance	\$ 3,135,795	\$ 2,611,830	\$ 2,635,605	\$ 2,635,605	\$ 2,634,785
Target Ending Balance ⁴	\$ 733,681	\$ 1,253,491	\$ 1,495,407	\$ 1,542,544	\$ 1,583,552
Rate Stabilization Fund					
Beginning Reserve Balance	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Plus: Transfer of Operating Reserve Surplus	-	-	-	-	-
Less: Transfer Out to Operating Reserve	(500,000)	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Target Ending Stabilization Reserve Balance ⁵	\$ 461,425	\$ 524,850	\$ 536,397	\$ 548,197	\$ 560,258
Ending Balance	\$ 5252,543	\$ 4,724,037	\$ 4,799,318	\$ 4,732,711	\$ 4,657,324
Minimum Target Ending Balance	\$ 2,811,854	\$ 3,390,548	\$ 3,695,516	\$ 3,807,658	\$ 3,915,790
Ending Surplus/(Deficit) Compared to Reserve Targets	\$ 2,440,689	\$ 1,333,489	\$ 1,103,802	\$ 925,053	\$ 741,534
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	\$ -				
Connection Fee Reserve					
Beginning Reserve Balance	\$ 17,900	\$ 17,900	\$ 36,158	\$ 54,781	\$ 73,777
Plus: Capital Impact Fee Revenue	-	358	723	1,096	1,476
Less: Use of Reserves for Capital Projects	-	-	-	-	-
Ending Connection Fee Fund Balance	\$ 17,900	\$ 36,158	\$ 54,781	\$ 73,777	\$ 93,152
Annual/Interest Earnings Rate ⁶		2.00%	2.00%	2.00%	2.00%

1. Beginning cash from Audited Financial Statements for 2023/24 source files: 2024 CAFR BDWVA 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: 16-R-11 Establishing Criteria for Agency Financial Reserves.pdf

4. Repayment & Refurbishment Reserve target set to % 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

CHART 1

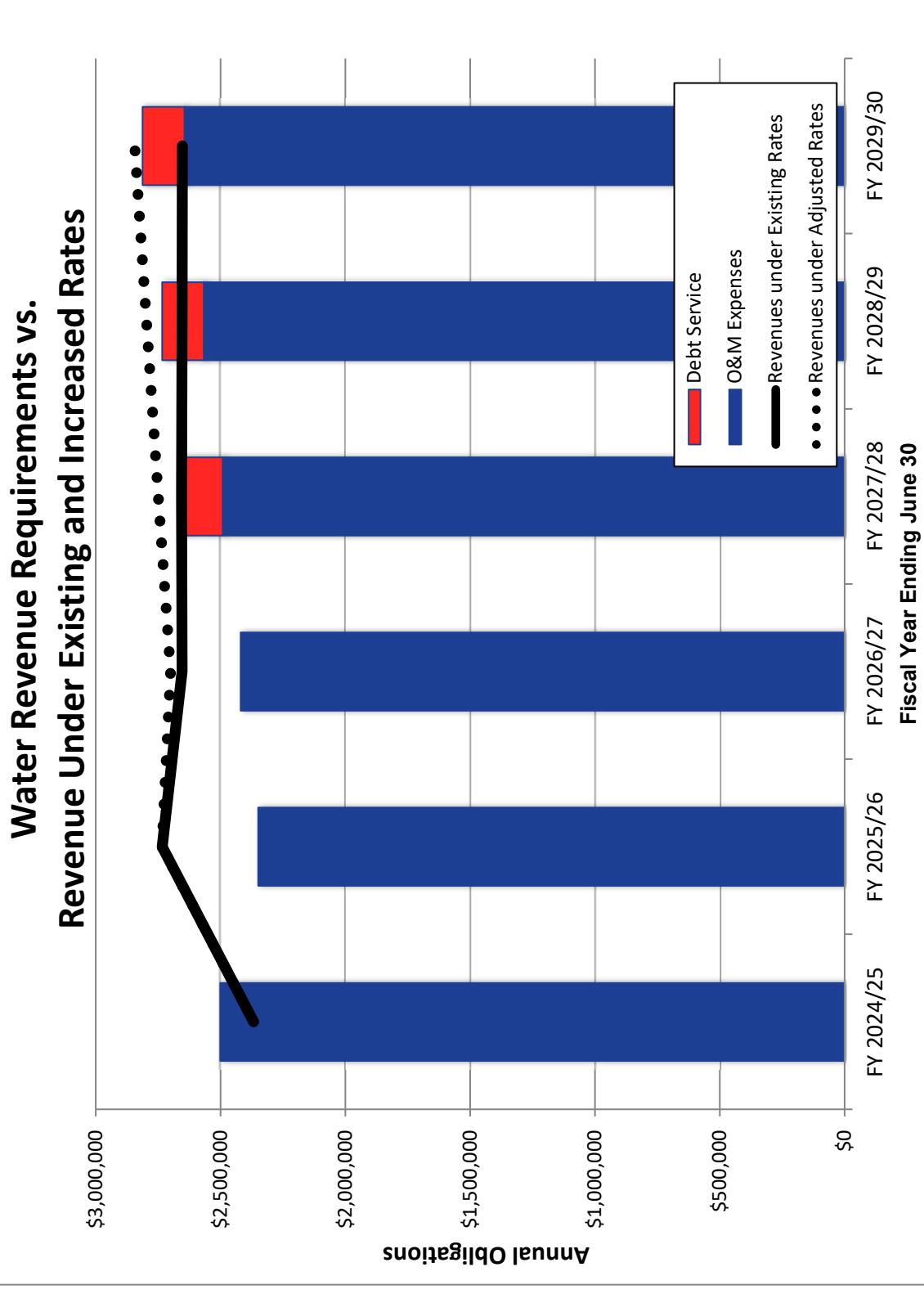


CHART 2

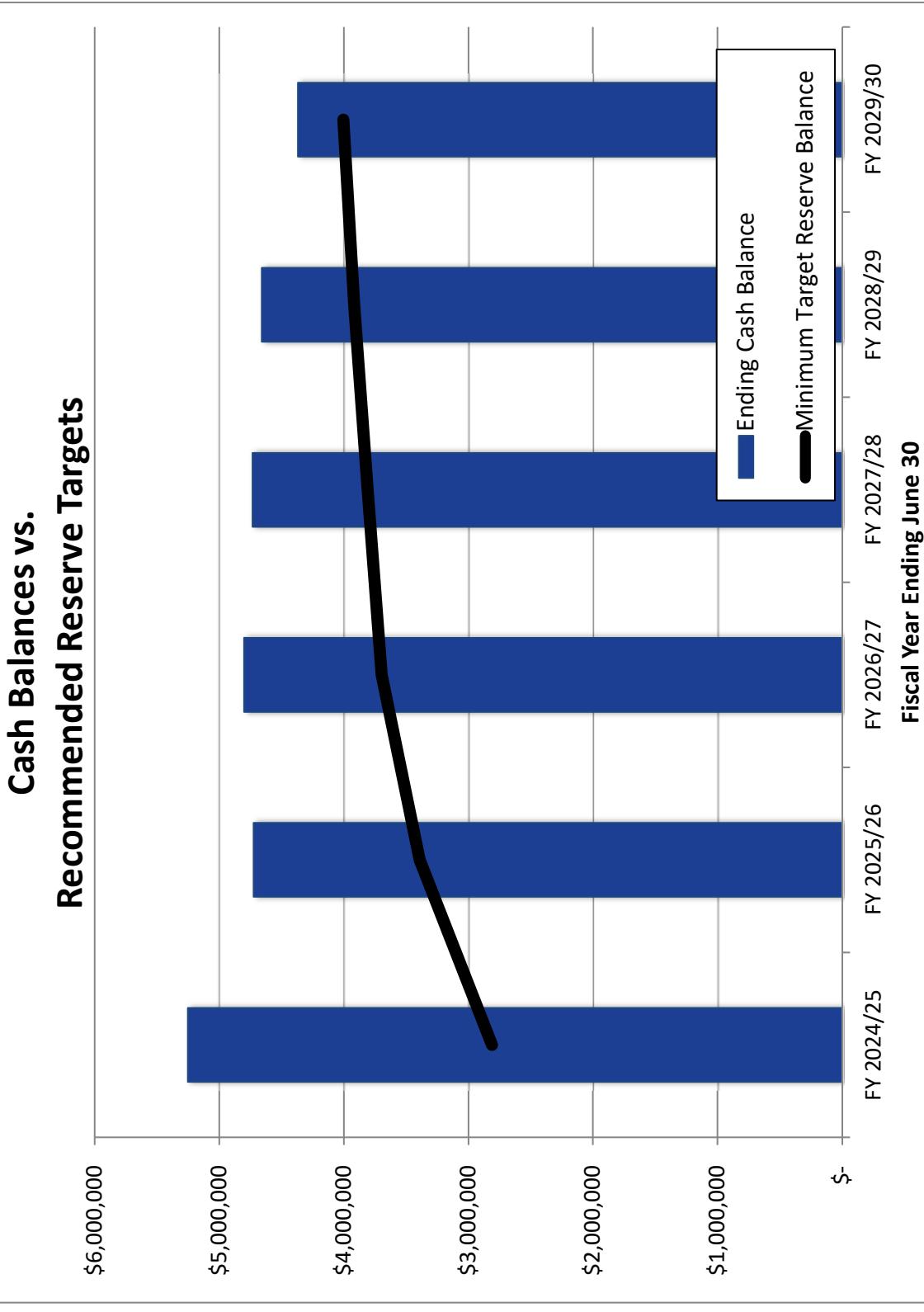


TABLE 3 : REVENUE FORECAST¹

DESCRIPTION	Inflation Basis	Budget 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 (SI 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

RATE REVENUE:	Budget	5-Year Projected Rate Period
Metered Water Sales - Tier 1	\$ 505,200	\$ 580,500
Metered Water Sales - Tier 2	\$ 224,400	\$ 312,100
Basic Service Charge	\$ 1,116,100	\$ 1,206,800
OTHER REVENUE:		
Other Operating Revenue		
Interest Income		
Non-Operating Revenue		
Non-Operating Revenue - New Connections		
TOTAL: REVENUE	\$ 2,386,100	\$ 2,752,500
		\$ 2,577,700
		\$ 2,577,700

TABLE 5 : OPERATING EXPENSE FORECAST¹

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

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

EXHIBIT 1

TABLE 6
Director Expense

DESCRIPTION	Inflation Basis	Budget	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	\$ 14,000
Director - Cori-Lorono	7	\$ 10,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000
Director - J. Burkhardt	7	\$ 10,000	\$ 14,000	\$ 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	\$ 14,000
Director - Coulombe	7	\$ 10,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000
Sub-Total		\$ 50,000	\$ 70,000					

TABLE 7

DESCRIPTION	Inflation Basis	Budget	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Administration Projects								
	4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-Total	7	\$ -	\$ -					
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	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:CUURS49ASA0E.

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	\$ -	\$ -	\$ 825,547	\$ 628,495	\$ 545,958	\$ -	\$ -
Use of New Revenue Bond Proceeds	\$ -	\$ 182,901	\$ 206,387	\$ 157,124	\$ 136,694	\$ -	\$ -
Rate Revenue	\$ -	\$ 8,663,506	\$ 4,031,934	\$ 785,619	\$ 683,472	\$ 322,156	\$ -
Total Sources of Capital Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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

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						
8	Well 9 Rehab						
8	Well 10 Rehab						
30	Well GMW1 - plan to deepen well thru casing						
30	Well GMW3 - Rehab	200,000					
30	Well 13 - Complete new well (then Rehab)						
30	Complete New Well in B-Zone	242,000					
30	Complete New Well in D-Zone (Deepen Well 6?)	150,000					
8	Reservoir Rehabilitation						
8	Pump Well 8	500,000					
8	Pump Well 9						
8	Pump Well 10	150,000					
8	Pump Well GMW1						
8	Pump Well GMW3						
8	Pump Well 13 (first Pump w/piping & valving)	100,000					
8	Zone B Pipeline/D&R1Booster/HDWD#2/LandersCons						
8	Operations Well/Pump Emergency Contingency	150,000					
60	New Storage Tank R1	6,935,000					
20	Utility Billing Software Replacement						
20	Rehabilitate Tank B1/B2	300,000					
20	Replace Generator - 90 KW mobile	739,000					
15	Vac/Valve Trailer Replacement						
15	Replace Tractor	65,000					
9	Replace Fleet Vehicles (avg life)						
Operations Capital Projects (Grant Funded)							
	Water Storage Tank Recooling (B1, B2)						
	GMWell 13 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	

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	-	-	-	165,353	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	-	154,965	-	-	-	-
8 Pump Well 13 (first Pump w/piping	-	7,164,549	3,201,887	-	-	-
Zone B Pipeline/D&R1Booster/HDV	-	-	-	-	-	-
Operations w/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	-	-	-	-
20 Replace Generator - 90 kW mobile	-	-	-	-	117,682	-
-- Vac/Valve Trailer Replacement	-	67,152	-	-	-	-
15 Replace Tractor	-	-	-	-	235,365	-
9 Replace Fleet Vehicles (avg life)	-	-	-	-	76,494	-
total Project: -	-	-	-	-	-	-
-- Water Storage Tank Recoating (B1,	-	-	-	-	-	-
-- GMWell 13 Project	-	-	-	-	-	-
-- Zone B Pipeline/D&R1Booster/HDV	-	-	-	-	-	-
-- 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 2024	1.00	1.03	1.07	1.10	1.14	1.18

1. Estimated capital improvement project costs found in source files: BDWVA CIP Working 2025-2036.xlsx

2. Construction inflator 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).

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TABLE 13

AGENCY DEBT OBLIGATIONS		FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Annual Repayment Schedules¹							
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)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt							
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	\$ 100%	\$ 100%	\$ 100%	\$ 100%	\$ 100%	\$ 100%	\$ 100%
Existing Annual Coverage Requirement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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
Bank Loan Funding	\$ -	\$ -	\$ -	\$ 57,359	\$ 60,513	\$ 63,842
Principal Payment	\$ -	\$ -	\$ -	\$ 110,000	\$ 106,845	\$ 103,517
Interest Payment	\$ -	\$ -	\$ -	\$ 167,359	\$ 167,359	\$ 167,359
Subtotal: Annual Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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		Total Revenue Requirements FY 2025/26	Commodity (COM)	Additional Supply (ADD SUP)	Capacity (CAP)	Customer (CA)	Fire Protection (FP)	Basis of Classification				
Budget Categories								COM	ADD SUP	CAP	CA	FP
Operating Administrative Expenses												
Administrative Compensation	\$ 342,000	\$ 18,900	\$ 99,180	\$ -	\$ 205,200	\$ 34,200	\$ 3,420	29.0%	0.0%	60.0%	10.0%	1.00%
Contractual Services - Auditor	\$ 40,000	\$ 11,600	\$ 5,481	\$ -	\$ 11,340	\$ 1,890	\$ 189	29.0%	0.0%	60.0%	10.0%	1.00%
Contractual Services - Legal	\$ 15,000	\$ 4,350	\$ -	\$ 24,000	\$ 4,000	\$ 400	\$ 400	29.0%	0.0%	60.0%	10.0%	1.00%
Legislative Affairs	\$ 161,700	\$ 46,893	\$ -	\$ 9,000	\$ 1,500	\$ 150	\$ 150	29.0%	0.0%	60.0%	10.0%	1.00%
PERS Contribution	\$ 22,500	\$ 6,525	\$ -	\$ 97,020	\$ 16,170	\$ 1,617	\$ 1,617	29.0%	0.0%	60.0%	10.0%	1.00%
Payroll Tax	\$ 9,000	\$ 2,610	\$ -	\$ 13,500	\$ 2,250	\$ 225	\$ 225	29.0%	0.0%	60.0%	10.0%	1.00%
Telephone , Fax, Internet	\$ 1,900	\$ -	\$ 5,400	\$ 900	\$ 90	\$ 90	\$ 90	29.0%	0.0%	60.0%	10.0%	1.00%
Mailing Expenses	\$ 150,000	\$ 43,500	\$ -	\$ -	\$ 1,900	\$ -	\$ -	0.0%	0.0%	100.0%	0.0%	0.0%
Contractual Services - Other	\$ 102,000	\$ 29,580	\$ -	\$ 90,000	\$ 15,000	\$ 1,500	\$ 1,500	29.0%	0.0%	60.0%	10.0%	1.00%
Property/Liability Insurance	\$ 18,300	\$ 5,307	\$ -	\$ 61,200	\$ 10,200	\$ 1,020	\$ 1,020	29.0%	0.0%	60.0%	10.0%	1.00%
Workers Comp Insurance	\$ 21,100	\$ 6,119	\$ -	\$ 10,980	\$ 1,830	\$ 183	\$ 183	29.0%	0.0%	60.0%	10.0%	1.00%
Dues & Subscriptions & Annual Fees	\$ 11,700	\$ 3,393	\$ -	\$ 12,660	\$ 2,110	\$ 211	\$ 211	29.0%	0.0%	60.0%	10.0%	1.00%
Power/Propane - Office & Yards	\$ 12,200	\$ 3,538	\$ -	\$ 7,020	\$ 1,170	\$ 117	\$ 117	29.0%	0.0%	60.0%	10.0%	1.00%
Office Supplies/Printing	\$ 229,300	\$ 66,497	\$ -	\$ 7,320	\$ 1,220	\$ 122	\$ 122	29.0%	0.0%	60.0%	10.0%	1.00%
Employee Benefits Insurance	\$ 5,700	\$ 1,653	\$ -	\$ 137,580	\$ 22,930	\$ 2,293	\$ 2,293	29.0%	0.0%	60.0%	10.0%	1.00%
Employee Education	\$ 14,100	\$ 4,089	\$ -	\$ 3,420	\$ 570	\$ 57	\$ 57	29.0%	0.0%	60.0%	10.0%	1.00%
Non-Operating Administrative Expenses												
Office Equipment Expense	\$ 3,200	\$ -	\$ -	\$ 8,460	\$ 1,440	\$ 141	\$ 141	29.0%	0.0%	60.0%	10.0%	1.00%
Customer Relations	\$ 14,400	\$ 4,176	\$ -	\$ -	\$ 3,200	\$ -	\$ 0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Other Administrative Expenses	\$ 1,000	\$ 290	\$ -	\$ 8,640	\$ 1,440	\$ 144	\$ 144	29.0%	0.0%	60.0%	10.0%	1.00%
Election Costs	\$ 500	\$ 145	\$ -	\$ 600	\$ 100	\$ 10	\$ 10	29.0%	0.0%	60.0%	10.0%	1.00%
Misc. Expenses	\$ 344,926	\$ 1,194,500	\$ -	\$ 713,640	\$ 124,040	\$ 5	\$ 5	29.0%	0.0%	60.0%	10.0%	1.00%
Sub-Total	\$ 1,194,500	\$ 344,926	\$ -	\$ 713,640	\$ 124,040	\$ 5	\$ 5	28.9%	0.0%	59.7%	10.4%	1.00%

TABLE 16

Classification of Expenses, continued

Budget Categories	Classification of Expenses, continued						Basis of Classification					
	Total Revenue Requirements FY 2025/26	(COM)	Commodity	Additional Supply (ADD SUP)	Capacity (CAP)	Customer	Fire Protection (FP)	COM	ADD SUP	CAP	CA	FP
Operations Expense												
Operations Staff Compensation	\$ 498,800	\$ 144,652	\$ 2,900	\$ 6,000	\$ 299,280	\$ 49,880	\$ 4,988	29.0%	0.0%	60.0%	10.0%	1.00%
Uniforms	\$ 10,000	\$ 35,000	\$ 10,150	\$ 21,000	\$ 3,500	\$ 1,000	\$ 100	29.0%	0.0%	60.0%	10.0%	1.00%
Vehicle, Tractor, Equipment Expense	\$ 35,000	\$ 49,200	\$ 14,268	\$ 29,520	\$ 4,920	\$ 47,280	\$ 492	29.0%	0.0%	60.0%	10.0%	1.00%
Vehicle Expense - Fuel	\$ 49,200	\$ 78,800	\$ 22,852	\$ 7,880	\$ 788	\$ -	\$ -	29.0%	0.0%	60.0%	10.0%	1.00%
Field Materials and Supplies	\$ 78,800	\$ 15,000	\$ 15,000	\$ 60,000	\$ 10,000	\$ 10,000	\$ 1,000	100.0%	0.0%	0.0%	0.0%	0.0%
Water Testing	\$ 15,000	\$ 100,000	\$ 29,000	\$ 60,000	\$ 10,000	\$ 10,000	\$ 1,000	29.0%	0.0%	60.0%	10.0%	1.00%
Engineering	\$ 100,000	\$ 100,000	\$ 29,000	\$ 300	\$ 50	\$ 5	\$ 5	29.0%	0.0%	60.0%	10.0%	1.00%
Water System Repairs	\$ 100,000	\$ 500	\$ 145	\$ 9,300	\$ 1,550	\$ 1,550	\$ 155	29.0%	0.0%	60.0%	10.0%	1.00%
Excavation Permit Fees (CoSB)	\$ 500	\$ 15,500	\$ 4,495	\$ -	\$ 7,900	\$ -	\$ 0	0.0%	0.0%	100.0%	0.0%	0.0%
Building Maintenance and Repair	\$ 15,500	\$ 7,900	\$ 13,400	\$ -	\$ -	\$ -	\$ -	100.0%	0.0%	0.0%	0.0%	0.0%
Communications Expense	\$ 7,900	\$ 13,400	\$ 148,400	\$ -	\$ -	\$ -	\$ -	100.0%	0.0%	0.0%	0.0%	0.0%
Disinfection Expense	\$ 13,400	\$ 148,400	\$ 3,364	\$ 6,960	\$ 1,160	\$ 116	\$ 116	29.0%	0.0%	60.0%	10.0%	1.00%
Power - Wells, Booster Pumps	\$ 148,400	\$ 11,600	\$ -	\$ -	\$ -	\$ -	\$ -	100.0%	0.0%	0.0%	0.0%	0.0%
Other Operations Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	100.0%	0.0%	0.0%	0.0%
Water Purchases	\$ -	\$ 14,000	\$ 4,060	\$ 8,400	\$ 1,400	\$ 1,400	\$ 140	29.0%	0.0%	60.0%	10.0%	1.00%
Director Expense												
Director - McBride	\$ 14,000	\$ 14,000	\$ 4,060	\$ 8,400	\$ 1,400	\$ 1,400	\$ 140	29.0%	0.0%	60.0%	10.0%	1.00%
Director - Corl-Lorono	\$ 14,000	\$ 14,000	\$ 4,060	\$ 8,400	\$ 1,400	\$ 1,400	\$ 140	29.0%	0.0%	60.0%	10.0%	1.00%
Director - J. Burkhardt	\$ 14,000	\$ 14,000	\$ 4,060	\$ 8,400	\$ 1,400	\$ 1,400	\$ 140	29.0%	0.0%	60.0%	10.0%	1.00%
Director - McKenzie	\$ 14,000	\$ 14,000	\$ 4,060	\$ 8,400	\$ 1,400	\$ 1,400	\$ 140	29.0%	0.0%	60.0%	10.0%	1.00%
Director - Coulombe	\$ 14,000	\$ 1,154,100	\$ 457,926	\$ 581,640	\$ 104,840	\$ 9,694	\$ 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		Basis of Classification									
Budget Categories	Total Revenue Requirements FY 2025/26	Commodity (COM)	Additional Supply (ADD SUP)	Capacity (CAP)	Customer (CA)	Fire Protection (FP)	COM	ADD SUP	CAP	CA	FP
Debt Service Payments											
Existing Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	0.0%
New Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	0.0%
Total Debt Service Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	0.0%
Capital Expenditures											
Rate Funded Capital Expenses	\$ 182,901	\$ -	\$ -	\$ 182,901	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	0.0%
TOTAL REVENUE REQUIREMENTS	\$ 2,531,501	\$ 802,852	\$ -	\$ 1,478,181	\$ 228,880	\$ 21,588	\$ 31.7%	\$ 0.0%	58.4%	9.0%	0.9%
Less: Non-Rate Revenues											
Operating Revenue											
Metered Water Sales - Tier 1	\$ (21,471)	\$ -	\$ (39,531)	\$ (6,121)	\$ (577)	\$ 31.7%	\$ 0.0%	\$ 58.4%	\$ 9.0%	\$ 0.0%	\$ 0.9%
Metered Water Sales - Tier 2	\$ (56,388)	\$ -	\$ (103,820)	\$ (16,075)	\$ (1,516)	\$ 31.7%	\$ 0.0%	\$ 58.4%	\$ 9.0%	\$ 0.0%	\$ 0.9%
Basic Service Charge	\$ (67,700)	\$ (177,800)	\$ -	\$ (20,266)	\$ (37,312)	\$ (5,777)	\$ (545)	\$ 31.7%	\$ 0.0%	\$ 58.4%	\$ 9.0%
Other Operating Income	\$ (95,048)	\$ (299,700)	\$ -	\$ (6,755)	\$ (174,999)	\$ (27,097)	\$ (2,556)	\$ 31.7%	\$ 0.0%	\$ 58.4%	\$ 9.0%
Interest Income Unrestricted	\$ (21,300)	\$ (4,800)	\$ -	\$ (1,522)	\$ (12,437)	\$ (1,926)	\$ (182)	\$ 31.7%	\$ 0.0%	\$ 58.4%	\$ 9.0%
Non-Operating Revenue	\$ (63,900)	\$ (299,700)	\$ (4,800)	\$ (1,522)	\$ (28,03)	\$ (434)	\$ (41)	\$ 31.7%	\$ 0.0%	\$ 58.4%	\$ 9.0%
Stand-By Income W-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Tax Income (portion of 1%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pacific Western Earning Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Operating Revenue - New Connections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Meter Connect Fees (\$1. Install Fees)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Basic Facilities Charge (Buy-In)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET REVENUE REQUIREMENTS	\$ 1,896,301	\$ 601,402	\$ -	\$ 1,107,278	\$ 171,450	\$ 16,171	\$ 9.0%	58.4%	9.0%	0.9%	0.9%
Allocation of Revenue Requirements	\$ 100.0%	31.7%	0.0%	31.7%	0.0%	31.7%	0.0%	31.7%	0.0%	31.7%	0.0%

TABLE 18

Classification of Expenses, continued		Basis of Classification					
Adjustments to Classification of Expenses	Total	COM	ADD SUP	CAP	CA	FP	
Adjustment for Current Rate Level:							
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	\$ 2,099,400	\$ 665,814	\$ -	\$ 1,225,871	\$ 189,813	\$ 17,903	
FY 2025/26 Projected Rate Increase	0.0%						
Adjusted Net Revenue Requirements	\$ 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%	

TABLE 19

Customer Class	Development of the COMMODITY Allocation Factor			Average Monthly Statistics			Average Bi-Monthly Statistics		
	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%	0.0	0.6	3.1	0.0	1.1	6.3	
Fire Meter	47	0.02%							
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).

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.

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

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

TABLE 2.1

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
<i>Displacement Meters</i>				
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
<i>Compound Class I Meters</i>				
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)	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%

TABLE 24 : ALLOCATION OF ADJUSTED NET REVENUE REQUIREMENTS

Proposed Rates - Net Revenue Requirements (60% Fixed / 40% Variable)

Customer Classes	Classification Components						Cost of Service Net Rev. Reqs	% of COS Net Revenue Reqs
	Commodity-Related Costs	Additional Supply Costs	Capacity-Related Costs	Capacity-Related Costs	Customer-Related Costs	Fire Protection-Related Costs		
Residential ²	\$ 619,100	\$ -	\$ 162,263	\$ 98,1270	\$ 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 Reqt	\$830,161						\$2,072,697	
Total Fixed Charge Revenue Reqt								
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%

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

Proposed Rates - Net Revenue Requirements (60% Fixed / 40% Variable)

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 Factor³</i>								
Total Equivalent Meters	2,548	74		3.20	6.40	10.00	20.00	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. BHDW/A charges monthly rates, but bills bi-monthly.

Source file: *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 M2, "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 Factor²	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. BHDWVA charges monthly rates, but bills bi-monthly.

Source file: *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.

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	<u>4</u>	<u>47</u>	<u>166</u>	<u>163</u>	<u>-</u>		<u>\$329</u>	
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	-		26,703	\$12.19
Total	2,704	190,311	\$ 665,814	\$ 173,946	\$ -	\$ 17,104	\$ 856,864	

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

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

TABLE 28

Water Rate Schedule	Fixed Meter Charges	Proposed Rates - Net Revenue Requirements (65% Fixed / 35% Variable)					
		Current Rates	Proposed Rates 1/1/2026	Proposed Rates 1/1/2027	Proposed Rates 1/1/2028	Proposed Rates 1/1/2029	Proposed Rates 1/1/2030
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.

RESOLUTION NO. 26R-01
RESOLUTION OF THE BOARD DIRECTORS OF THE
BIGHORN-DESERT VIEW WATER AGENCY
ADJUSTING THE BASIC SERVICE CHARGE AND WATER CONSUMPTION
CHARGES BY SPECIFIC CUSTOMER CLASS

WHEREAS, the Bighorn-Desert View Water Agency (“Agency”) is required by law to fix and establish rates, fees and charges which will enable the Agency to cover its debt service payments, operate and maintain its water system, provide for repairs and depreciation, and a reasonable surplus for improvements; and

WHEREAS, on April 13, 2021 the Board of Directors adopted Resolution No. 21R-09 Adjusting the Basic Service Charge and Water Consumption Charges across the existing customer classes, residential, bulk and fire service for a five-year period (5 years) ending January 1, 2025; and

WHEREAS, on the Board of Directors authorized a Professional Services Agreement with NBS Government Financial Group to conduct a focused rate and fee study for the Agency which included a long-range financial plan, development of monthly service charges and water consumption charges and calculation of a new capacity fee (e.g. Basic Facilities Charge or buy-in charge); and

WHEREAS, on September 2, 2025 the Finance/ Public Relations/ Education/ Personnel Standing Committee held Public Workshop No. 1 where NBS Government Finance Group presented the foundation of the rate and fee study and factors affecting the outcome and solicited public input; and

WHEREAS, factors affecting the Basic Service Charges and Water Consumption Charges include:

- Since the 2021 rate study, Residential and Commercial connections have increased slightly while Agricultural connections have decreased significantly; and
- Water consumption across all customer classes has decreased by 26% with 70% of that reduction attributed to the Agricultural Classification; and
- Recent case law (Patz v San Diego, Coziah v Otay Water District) provide precedent related to tiered rate setting – residential and agricultural tiers have been removed; and
- Current reserve policies; and
- Overall inflation since 2021 Rate Study; and
- Limited growth projected during the next 5-year period.

WHEREAS, on September 4, 2025 the full Board of Directors participated in Public Workshop No. 2 where an initial rate table weighted 65%/35% for base rate versus volume was presented and solicited public input; and

WHEREAS, on September 9, 2025 the full Board of Directors participated in Public Workshop No. 3 where NBS Government Finance Group reviewed the elements four (4) proposed Rate Alternative tables and solicited public input; and

WHEREAS, on November 4, 2025 the Board of Directors participated in Workshop No. 4 where NBS Government Finance Group reviewed the elements of three (3) additional Rate Alternative Tables and solicited public input; and

WHEREAS, on November 4, 2025 the Board of Directors motioned to select a Rate Alternative Table designed to collect 60% of revenues from fixed charges and 40% of revenues from variable consumption charges with a “smoothing route” of 0% annual revenue increase projection in year one (1) and 4.4% thereafter per the Water Rate Study Draft report prepared subsequently by NBS Government Finance Group, and

WHEREAS, on December 9, 2025 after considering all director input and public comments, the Board of Directors adopted Motion No. 25-058 authorizing filing of Categorical Exemption for a Public Hearing on February 10, 2026 at 6:00 pm during which the Board of Directors would consider adopting Water Rates, Fees and Charges (aka the *Rate Alternative Table designed to collect 60% of revenues from fixed charges and 40% of revenues from variable consumption charges with a “smoothing route” of 0% annual revenue increase projection in year one (1) and 4.4% thereafter for year two (2) thorough year five (5)*) and the final Water Rate Study Report dated **February 2026** along with the Proposition 218 Public Hearing Notice to be distributed in accordance with Article XIII C and D of the California Constitution was received and filed; and

WHEREAS, the Board has determined that it is in the best interest of the Agency, its customers and the public generally, for the Agency to continue to fix the Basic Service Charge and Consumption Charges to more adequately cover its fixed costs of operating and maintaining its water system, providing for repairs and depreciation, and providing a reasonable surplus for capital improvements, including matching funds for federal and state grant funding; and

WHEREAS, the revenue raised by the Agency’s rates, fees, and charges will be used to modify or construct additional public facilities to provide adequate water services, and do not exceed the total cost of these facilities; and

WHEREAS, the establishment, modification, structuring, restructuring, and approval of the Agency’s rates, charges, and fees are for the purpose of meeting the Agency’s operating expenses (including employee wages and benefits), purchasing and/or leasing supplies, equipment, and materials, meeting the Agency’s financial reserve needs and requirements, and obtaining funds for capital projects necessary to maintain water service within the boundaries of the Agency, and is therefore exempt from the requirements of the California Environmental Quality Act (“CEQA”) as provided by Public Resources Code Section 21080(b)(8); and

WHEREAS, pursuant to CEQA, the Agency caused a Notice of Exemption on the adoption of water rates, fees, and charges to be posted with the County Clerk of the County of San Bernardino on December 30, 2025; and

WHEREAS, the amount of the rates and charges hereby adopted do not exceed the minimum amount necessary, less other sources of revenue including but not limited to taxes, other exempt charges, grants, and state or federal funds, to cover the actual costs for the corresponding services provided by the Agency, and therefore the charges imposed hereby to satisfy the fee requirements under Government Code Section 54999.7 and do not qualify as a “tax” under Article XIIIIC, Section 1(e), of the California Constitution or Section 50076 of the California Government Code, and the actions taken herein are exempt from the additional notice and public meeting requirements of the Ralph M. Brown Act pursuant to California Government Code Sections 54954.6(a)(1)(A) and (B); and

WHEREAS, the Agency has satisfied all of the substantive and procedural prerequisites of Articles XIIIIC and XIIIID of the California Constitution in establishing the rates and charges set forth herein, including but not limited to, the identification of the parcels upon which the rates and charges will be imposed; the calculation of the rates and charges; the mailing of written notice to the record owners of each parcel upon which the rates and charges will be imposed describing the amount thereof, the basis upon which the rates and charges were calculated, the reason for the rates and charges, and the date, time, and location of the public hearing to be held thereon; and the conducting of a public hearing on the rates and charges not less than 45 days after mailing the notice during which all protests against the fee were considered; and

WHEREAS, prior to February 10, 2026 the Agency distributed the rate increase notice to a total of 3,395 property owners and their tenants with authorized water accounts in accordance with the procedures outlined in CA Proposition 218 at least 45-days prior to the Public Hearing on this matter conducted on February 10, 2026; and

WHEREAS, the Board finds and determines that (i) action set forth below is necessary for the Agency to continue to be able to provide safe and potable water to its residents and customers and (ii) that a majority written protest thereto pursuant to Article XIIIID, Section 6(a)(1), of the California Constitution has not been presented.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Bighorn-Desert View Water Agency does hereby determine that the written protests against the rates and charges set forth herein that were received by the Agency prior to the close of the public hearing hereon represented less than a majority of the parcels subject to the rates and charges set forth below and, thus, the Board further finds that the public interest and necessity requires that on March, 2026 billing date the Basic Service Charge (i.e. Fixed Service Charge) and Consumption Charge (i.e. Commodity Charge) by specific customer class and by the current specific billing cycle (bi-monthly or monthly) and billing route and as otherwise classified and/or defined by current Agency Rules and Regulations for Water Service, shall be

increased by no more than specified in the Rate Alternatives indicated over a 5-year period as follows:

Water Rate Schedule	Current Rates	Proposed Rates					
		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							
Bulk Meters ²		\$4.18	\$4.41	\$4.61	\$4.81	\$5.02	\$5.24
		\$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.

BE IT FURTHER RESOLVED Resolution 21R-08 is hereby rescinded and the **Basic Service Charge** on all Agency meter sizes (3/4-inch, 1-inch, 2-inch, fire service, bulk and all temporary construction) as well as the **Consumption Rates** for all metered usage for meter sizes (3/4-inch, 1-inch, 2-inch, fire service, bulk and all temporary construction) shall remain in effect until further action of the Agency's Board, provided, however, that the Board shall review said Basic Service Charge and Consumption Rates during the budget process each fiscal year and the amount of the Basic Service Charge and Consumption Rates shall be adjusted by no more than the amounts set forth in this Resolution; and

BE IT FURTHER RESOLVED that the General Manager and staff are hereby authorized and directed to take all actions reasonably necessary to carry out the purpose and intent of this Resolution and to implement these rates, fees and charges in accordance with the time period specified herein.

PASSED, APPROVED, AND ADOPTED by the Board of Directors to Bighorn-Desert View Water Agency this 10th day of February, 2026, by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

By _____
Rodney Miller-Boyer, President of the Board

ATTEST,

By _____
Megan Close-Dees, Board Secretary

Official Seal

Proposition 218

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 XIIIID 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.

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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.

TO WATER SERVICE RATES
PROPOSED UPDATE
NOTIFICATION OF
IMPORTANT

LANDERS, CA 92285
1720 NORTH CHEROKEE TRAIL
WATER AGENCY
BIGHORN-DESERT VIEW



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 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 THEY WERE 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 (continues on reverse)

(continued from cover)

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 Rates	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	\$92.37	\$92.37
1 inch	\$72.27	\$77.76	\$81.18	\$84.75	\$88.48	\$163.64	\$170.84	\$264.98
1.5 inch	\$130.27	\$143.80	\$150.13	\$156.74	\$243.11	\$253.81		
2 inch	\$199.88	\$223.05	\$232.86					
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	\$70.56	\$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	\$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.

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.



VeraPax Marketing
PO Box 12068
Scottsdale, AZ 85267
602-995-7841
602-532-7165 Fax
accounting@verapax.com

Quote # 49234

Date: 12/11/25

Customer PO:

Sales Rep: James Gray

Bill To:

Terri Henry
NBS
32605 Temecula Pkwy Ste 100
Temecula, CA 92592

Bighorn Desert View Water Agency

Quantity	Description	Amount
3,389	Bighorn Desert View Water Agency - 8.5 x 14 Newsletter Variable Data Printed 1/1 on 60# 8.5x14 Opaque Text Data process client provided mailing list for optimal postage discount. Fold, tab, sort, tray, deliver to Phoenix BMEU -	\$ 1,247.55
3,389	Postage	\$ 2,129.21
1	Postage - Canadian	\$ 1.70

This quote is valid for 10 days and is based on information provided by the Client.

Promotional Products Terms: 50% deposit is required in advance of VeraPax starting any production and the balance is due on delivery.

Printing and Mailing Terms: Full payment is due in advance of VeraPax providing any product or service including postage.

A credit card processing fee of 3% will be added to any payment made with a credit or debit card.

SUBTOTAL	\$ 3,378.46
TAX	
SHIPPING	\$ 0.00
TOTAL	\$ 3,378.46
DEPOSITS	\$ 0.00
MOUNT DUE	\$ 3,378.46

Client Agrees to Terms and Conditions:

Signature: _____

Title: _____ Date: _____



2025 ENVIRONMENTAL DOCUMENT FILING FEE

CASH RECEIPT

DFW 753.5a (REV. 01/01/25) Previously DFG 753.5a

RECEIPT NUMBER:

36 — 12302025 — 985

STATE CLEARINGHOUSE NUMBER (If applicable)

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY.

LEAD AGENCY Bighorn-Desert View Water Agency	LEAD AGENCY EMAIL	DATE 12302025
COUNTY/STATE AGENCY OF FILING San Bernardino		DOCUMENT NUMBER
PROJECT TITLE		

An Action by the Board of Directors of the Bighorn-Desert View Water Agency adopting water rates, fees and charges

PROJECT APPLICANT NAME Bighorn-Desert View Water Agency	PROJECT APPLICANT EMAIL	PHONE NUMBER (760) 364-2315
PROJECT APPLICANT ADDRESS 622 S. Jemez Trail	CITY Yucca Valley	STATE CA
ZIP CODE 92284		

PROJECT APPLICANT (Check appropriate box)

 Local Public Agency School District Other Special District State Agency Private Entity

CHECK APPLICABLE FEES:

<input type="checkbox"/> Environmental Impact Report (EIR)	\$4,123.50	\$	0.00
<input type="checkbox"/> Mitigated/Negative Declaration (MND)(ND)	\$2,968.75	\$	0.00
<input type="checkbox"/> Certified Regulatory Program (CRP) document - payment due directly to CDFW	\$1,401.75	\$	0.00

 Exempt from fee Notice of Exemption (attach) CDFW No Effect Determination (attach) Fee previously paid (attach previously issued cash receipt copy)

<input type="checkbox"/> Water Right Application or Petition Fee (State Water Resources Control Board only)	\$850.00	\$	0.00
<input checked="" type="checkbox"/> County documentary handling fee	\$	50.00	
<input type="checkbox"/> Other	\$		

PAYMENT METHOD:

 Cash Credit Check Other*#33292*

TOTAL RECEIVED \$ 50.00

SIGNATURE

AGENCY OF FILING PRINTED NAME AND TITLE

Cynthia Merendon, Deputy Clerk

DATE FILED & POSTED
 Posted On: 12-30-2025
 Removed On: 2-4-2026
 Receipt No: 36-12302025-985

CLERK OF THE
 BOARD OF SUPERVISORS

2025 DEC 30 AM 8:11

NOTICE OF EXEMPTION
 SAN BERNARDINO COUNTY, CALIFORNIA
ON THE ADOPTION OF WATER RATES, FEES AND CHARGES

TO: County Clerk
 County of San Bernardino
 385 N. Arrowhead Ave., 2nd Floor
 San Bernardino, California 92415

FROM: Bighorn-Desert View Water Agency
 622 S. Jemez Trail
 Yucca Valley, CA 92284

Office of Planning & Research
 P.O. Box 3044, Room 113
 Sacramento, CA 95812-3044

1. **Project Title:** An action by the Board of Directors of the Bighorn-Desert View Water Agency adopting water rates, fees and charges.
2. **Project Location:** Within the territory and service area of the Bighorn-Desert View Water Agency, which is within the County of San Bernardino.
3. **Description of Nature, Purpose and Beneficiaries of the Project:** The adoption by the Board of Directors of the Bighorn-Desert View Water Agency of water rates, fees and charges is for purposes of providing continued water service to existing and new customers of the Agency. The adoption of such rates, fees and charges does not commit the Agency to any particular project or projects and constitutes fees and charges for existing services from existing facilities.
4. **Name of Lead Agency Approving Project:** Bighorn-Desert View Water Agency.
5. **Reasons Why Project is Exempt:** The adoption of water rates, fees and charges is exempt under Public Resources Code, Section 21080(b)(8) inasmuch as such rates, fees and charges are for the purpose of obtaining funds for the continued maintenance of service and facilities within the Agency's existing service areas. Further, the adoption of such rates, fees and charges are exempt under CEQA Guidelines, Section 15378(b)(4) inasmuch as it is public agency fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. Since the adoption of such rates, fees and charges are exempt, no notice is required, nor is a hearing or opportunity to be heard required, and no findings are required pursuant to CEQA Guidelines, Sections 15061-15062.

No Effect on Fish and Wildlife: The Project has no effect on Fish and Wildlife.

6. **Contact Person:** Marina D. West, PG, General Manager, Bighorn-Desert View Water Agency, 622 S. Jemez Trail, Yucca Valley, CA 92284.

BIGHORN-DESERT VIEW WATER AGENCY

Dated: December 23, 2025

By Marina D. West
 Marina D. West, PG, General Manager

Filing Copy

**Valid Prop. 218 Protest Notices
Received Prior to Agenda Mailing**

RECEIVED
1-16-26 PM

11 January 2026

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

From: Customer Name: Alec Destry

Service address: 1330 Alta Ave
Landers CA 92285

APN: 0630-211-20-0000

BDVWA customer account number: 007515-000

This notice is a PROTEST to the proposed Bighorn-Desert View Water Agency (BDVWA) water service rates and to proposed 2026 through 2030 BDVWA water rate increases.

SIGNED:

Alec Destry

Prop. 218 Objections Received Prior to February 2, 2026 Submission Deadline

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

From: Customer Name: Alec Destry

Service address: 1330 Alta Ave
Landers CA 92285

APN: 0630-211-20-0000

BDVWA customer account number: 007515-000

RECEIVED
1-21-26 PP

This notice is an OBJECTION to the proposed Bighorn-Desert View Water Agency (BDVWA) water service rates and to the proposed 2026 through 2030 BDVWA water rate increases.

The proposed BDVWA water service rates and proposed BDVWA water rate increases are in violation of California Constitution, Article XIII D, Section 6(a)(1), which states: "...the basis upon which the amount of the proposed fee or charge was calculated, the reason for the fee or charge...", the specifics being BDVWA only went through empty motions of claiming to satisfy this California Constitution Section but did not make a genuine effort to satisfy the intent of this California Constitution Section.

California Water Code, Section 106.3 (a) states: "...It is hereby declared to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes..." which means that BDVWA has a fiduciary duty to insure that water rates are affordable to every one of its customers. With the current proposed water rate increases, BDVWA has abandoned its fiduciary duty of insuring water rates are affordable to every one of its customers. The proposed water rate increases of 8.6% for 2026, 4.4% for 2027 through 2030, and likely worse beyond 2030, will outpace the income increases of many BDVWA customers during that time period.

Since January 2025, when BDVWA first stated its intent to do a water rate study, I explicitly and repeatedly communicated to BDVWA to include in that water rate study ways to get relief from the state's unfunded state mandates and the state's other policies that were making water rates unaffordable. BDVWA ignored my concerns and kept communicating to me that I would have to wait until they had completed that water rate study before I could communicate my concerns. All of these communications are in emails that I've sent to and received from BDVWA.

BDVWA then paid almost 45000.00 to have a ridiculous claimed "water rate study" completed that is a total whitewash, that addresses NONE of the concerns that I communicated to BDVWA and that only went through empty motions of claiming to find the most affordable water rates without making any genuine effort to truly find ways to actually make water rates affordable.

BDVWA engaged in this claimed "water rate study" whitewash and is now forcing unaffordable proposed water rate increases even though BDVWA had at least one opportunity to seek relief for its customers from the state's unfunded state mandates and the state's other policies that were making water rates unaffordable, the specific opportunity being getting the assistance of California State Senator Rosilicie Ochoa Bogh in getting relief for low income BDVWA customers by seeking to get the proposed legislation at:

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB1255

...put into effect.

For all of the above reasons, I'm objecting to the proposed BDVWA water service rates and to the proposed 2026 through 2030 BDVWA water rate increases.

SIGNED:

Alec Destry



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

January 13, 2026
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/85019382427?pwd=8NLkUAN6iwdVwtzdxCd24U1eejtOnw.1>

Passcode: 885868

OR

TELECONFERENCE LINE THRU ZOOM

1-669-900-6833

Webinar ID: 850 1938 2427

Passcode: 885868

CALL TO ORDER

President McKenzie called the meeting to order at 6:00 pm.

MOMENT OF SILENCE IN HONOR OF DIRECTOR JOHN R. BURKHART

PLEDGE OF ALLEGIANCE

Led by Director Miller-Boyer.

ROLL CALL

Directors present: JoMarie McKenzie
Megan Close-Dees
William Aldridge
Rodney Miller-Boyer
Vacancy

Staff present: Marina West
David Rewal

Public Present: Following Roll Call, 2 member(s) of the public indicated they were participating via teleconference. 2 member(s) 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. Approved.

Discussion and Action Items

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: Chief Engineer

- c) Conference with Labor Negotiators
(Government Code Section 54957.6)

Agency designated representatives: Steven M. Kennedy and Susan Allen

Unrepresented employee: General Manager

- d) Conference with Labor Negotiators
(Government Code Section 54957.6)

Agency designated representatives: Steven M. Kennedy and Susan Allen

Unrepresented employee: Chief Engineer

Public Comment: None.

The Board adjourned to Closed Session at 6:03 pm.

The Board returned from Closed Session at 10:08 pm.

2. Closed Session Report

General Counsel Kennedy gave the Closed Session report stating that the Board met in Closed Session to discuss a potential Employment Agreement with David Rewal for the General Manager position. The Board during the Closed Session for Public Employee Appointment reviewed the draft Employment Agreement presented by General Counsel and the Board gave General Counsel direction on contract terms. During Labor Negotiations the Board met with GC without Mr. Rewal present discussed comp and benefit terms. Using “shuttle diplomacy” between Mr. Rewal and General Counsel. As a result, compensation for that position was agreed at One-Hundred Seventy Thousand (\$170,000) base salary per year. All other benefits consistent with the benefits that all other employees get with the addition of eighty (80) hours of Administrative leave per year. The position is an exempt position not subject to overtime. That direction and agreement was reached by a 4-0 vote (unanimous) of the Board. General Counsel will finalize the Agreement along those terms and bringing that back to the Board for possible approval at a Special Meeting on January 20, 2026.

General Counsel Kennedy gave the Closed Session report regarding the Sixth (6th) Amendment to Employment Agreement with Marina West for a Chief Engineer position. The Board reviewed the draft sixth Amendment that was presented by General Counsel and that had been negotiated with Ms. West. The Board also met without Ms. West present to discuss compensation and benefits. The Board agreed by a 4-0 vote (unanimous) to approve the Sixth (6th) Amendment as written and to make no other adjustments to compensation or benefits that are provided to Ms. West under current Amendment No. Five (5) to Ms. West's Employment Agreement.

3. Board to Appoint a President

Director Aldridge made a motion to appoint Director Close-Dees as President of the Board. Director Miller-Boyer seconded.

Public Comment: None.

Motion No. 26-001 Motion to appoint Director Close-Dees as President of the Board.

JoMarie McKenzie	Y
Megan Close-Dees	N
William Aldridge	Y
Rodney Miller-Boyer	N

Vacancy

MSC¹ (Close-Dees/Aldridge) Motion Failed.

Director Aldridge made a motion to appoint Director Miller-Boyer as President of the Board. Director Close-Dees seconded.

Motion No. 26-002 Motion to appoint Director Miller-Boyer as President of the Board.

JoMarie McKenzie	Y
Megan Close-Dees	Y
William Aldridge	Y
Rodney Miller-Boyer	Y

Vacancy

MSC¹ (Aldridge/Close-Dees) unanimously approved.

4. Board to Appoint a Vice President

Director Close-Dees made a motion to appoint Director Aldridge as Vice President of the Board. Director Miller-Boyer seconded.

Public Comment: None.

Motion No. 26-003 Motion to appoint Director Aldridge as Vice President of the Board.

JoMarie McKenzie	Y
Megan Close-Dees	Y
William Aldridge	Y
Rodney Miller-Boyer	Y
Vacancy	

MSC¹ (Close-Dees/ Miller-Boyer) unanimously approved.

5. Board to Appoint a Secretary

Director Aldridge made a motion to appoint Director Close-Dees as Secretary of the Board.
Director Miller-Boyer seconded.

Public Comment: None.

Motion No. 26-004 Motion to appoint Director Close-Dees as Secretary of the Board.

JoMarie McKenzie	Y
Megan Close-Dees	Y
William Aldridge	Y
Rodney Miller-Boyer	Y
Vacancy	

MSC¹ (Aldridge/Miller-Boyer) unanimously approved.

6. Standing Committees, Ad Hoc Committees and Authorized Meeting Assignments for Calendar Year 2026.
GM West presented the proposed Committee assignments for 2026.

Public Comment: None.

Director Close-Dees made a motion to approve the recommended Standing Committee and other meeting assignments for calendar year 2026. Director Aldridge seconded.

Motion No. 26-005 Motion to approve the Standing Committees, Ad Hoc Committees and Authorized Meeting Assignments for calendar year 2026 as presented.

JoMarie McKenzie	Y
Megan Close-Dees	Y
William Aldridge	Y
Rodney Miller-Boyer	Y
Vacancy	

MSC¹ (Close-Dees/Aldridge) unanimously approved.

7. Approve Dissolution Agreement to Dissolve the Morongo Basin Pipeline Commission Established in Conjunction with the Now Completed Morongo Basin Pipeline Debt Service and Obligations Associated

January 13, 2026 Board of Directors' Meeting Minutes

Approved February 10, 2026

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with that Agreement have Concluded

Public Comment: None.

Motion No. 26-006 Motion to execute the Dissolution Agreement to Dissolve the Morongo Basin Pipeline Commission.

JoMarie McKenzie	Y
Megan Close-Dees	Y
William Aldridge	Y
Rodney Miller-Boyer	Y

Vacancy

MSC¹ (Close-Dees/Aldridge) unanimously approved.

8. Consent Items

- a.** Board Meeting Minutes
 - 1. December 9, 2025 Regular Meeting
 - 2. December 15, 2025 Special Meeting
 - 3. December 16, 2025 Special Meeting
- b.** Financial Statements
 - 1. Balance Sheet(s) – November 2025
 - 2. Budget Sheet(s) – November 2025
- c.** Receive and File Disbursements – December 2025
- d.** Service Order Report – November 2025
- e.** BDV Production Report – December 2025
- f.** Goat Mountain Production Report – December 2025
- g.** Receive and File Committee Meeting Minutes
 - 1. Planning/Legislative/Engineering/Grants Standing Committee
 - December 16, 2025 Cancelled
 - 2. Finance/Public Relations/Education/Personnel Standing Committee
 - N/A

Recommended Action: Approve as presented.

Public Comment: None.

Motion No. 26-007 Motion to approve consent calendar items a thru g as presented.

JoMarie McKenzie	Y
Megan Close-Dees	Y
William Aldridge	Y
Rodney Miller-Boyer	Y

Vacancy

MSC¹ (Miller-Boyer/Aldridge) unanimously approved.

7. Matters Removed from Consent Items

January 13, 2026 Board of Directors' Meeting Minutes

Approved February 10, 2026

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None.

8. Public Comment Period

None.

9. Items for Next or Future Agenda

None.

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

- a. General Manager Report – None.
- b. Director Reports

Director Aldridge: Reported on the Human Resources Committee meeting held at Hi-Desert Water District wherein they discussed succession planning and employee notifications.

Director McKenzie: Reported on the Landers Homestead Valley Community Association meeting she attended in January 2026.

11. Adjournment

President Miller-Boyer adjourned the meeting at 10:38 pm.

Approved by:

Megan Close-Dees, 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



January 20, 2026
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/84035693052?pwd=jaDR6SgZEOVBG03xaZqIgq5ZVXCZsv.1>

Passcode: 688937

OR

TELECONFERENCE LINE THRU ZOOM

1-669-900-6833

Webinar ID: 840 3569 3052

Passcode: 688937

CALL TO ORDER

President Miller-Boyer called the meeting to order at 6:00 pm.

PLEDGE OF ALLEGIANCE

Led by Director Aldridge.

ROLL CALL

Directors present: Rodney Miller-Boyer
William Aldridge
Megan Close-Dees
JoMarie McKenzie
Vacancy

Staff present: Marina West
David Rewal

Public Present: Following Roll Call, 2 member(s) of the public indicated they were participating via teleconference. 0 member(s) of the public were present in the meeting room

APPROVAL OF AGENDA

GM West requested that Item 3 be pulled from the Agenda and moved to a later date and that Item 5 be moved ahead of Item 3 ahead of the Item 2 Closed Session.

Director Aldridge made a motion to approve the Agenda with the removal of Item 3. Director Close-Dees seconded. 4-0 Approved.

Discussion and Action Items

1. Board of Directors to Complete Selection Process and Appoint a New Board Member to Fill the Current Vacancy

GM West gave the staff report as presented in the Agenda Packet noting that one qualified application was received prior to the Board's application deadline of noon Thursday, January 15, 2026. Mr. Martinez gave a brief introduction of his background and interests for being on the Board. The Board asked questions of Mr. Martinez which were answered.

Public Comment: None.

Director Aldridge made a motion to appoint Mr. Martinez to the Board of Directors of the Bighorn-Desert View Water Agency. Director McKenzie seconded the motion.

Motion No. 25-008 Motion to appoint Mr. Jose Martinez to the Board of Directors of the Bighorn-Desert View Water Agency.

Rodney Miller-Boyer	Y
William Aldridge	Y
Megan Close-Dees	Y
JoMarie McKenzie	Y
Vacancy	

MSC¹ (Aldridge/Mckenzie) approved.

Director Martinez was immediately sworn into office and seated at the Diaz for the remainder of the meeting.

2. SWRCB Grant Agreement No. D2102065 (PI/C): Ratify Issuance of Change Order No. 1 and 2 to J. Colon Coatings, Inc. for Phase 4 B-Tank Rehabilitation

GM West gave the staff report as provided in the Agenda Packet noting that the Board had previously authorized a project contingency budget that exceeds the Change Order amounts and therefore executed the Change Orders to the work could proceed in a timely manner. Staff is requesting the Board now formally acknowledge the two Change Orders.

Director Martinez made a motion to authorize Contract No. PWC25-02 Change Order No.1 for \$706.13 and Change Order No. 2 for 21,096.75 for the State Water Resources Control Board Grant No. D2102065 Phase 4 B-Tank Rehabilitation Project. Director Aldridge seconded the motion.

Public Comment: None.

Motion No. 25-009 Motion to approve Contract No. PWC25-02 Change Order No.1 for \$706.13 and Change Order No. 2 for 21,096.75 for the State Water Resources Control Board Grant No. D2102065 Phase 4 B-Tank Rehabilitation Project.

Rodney Miller-Boyer	Y
William Aldridge	Y
Megan Close-Dees	Y
JoMarie McKenzie	Y
Jose Martinez	Y

MSC¹ (Martinez/Aldridge) approved.

3. Closed Session

- a) Public Employee Appointment
[Government Code Section 54957(b)]
Title: General Manager

Public Comment: None.

Board adjourned to Closed Session at 6:34 pm.

The Board returned from Closed Session at 7:30 pm.

4. Closed Session Report

President Miller-Boyer reported that the Board has decided to withdraw the offer of Employment for General Manager and pursue other options.

5. Consent Items

- a. None

6. Public Comment Period

Mr. Rewal thanked the Agency Board of Directors for the opportunity.

7. Items for Next or Future Agenda

None.

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

- a. General Manager Report-none.
- b. Director Reports-none.

9. Adjournment

President Miller-Boyer adjourned the meeting at 7:32 pm.

Approved by:

Megan Close-Dees, 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



January 27, 2026
Time – 6:00 P.M.

CALL TO ORDER

President Miller-Boyer called the meeting to order at 6:00 pm.

PLEDGE OF ALLEGIANCE

Led by Director Martinez.

ROLL CALL

Directors present: Rodney Miller-Boyer
William Aldridge
Megan Close-Dees
JoMarie McKenzie
Jose Martinez

Staff present: Marina West
David Rewal

Public Present: Following Roll Call, 0 member(s) of the public indicated they were participating via teleconference. 0 member(s) of the public were present in the meeting room

APPROVAL OF AGENDA

GM West noted the Agenda would be approved with item 1 being corrected to read Government Code Section 54957(b). Director Aldridge made motion to approve the agenda as presented. Director Martinez seconded.

Unanimously approved.

Discussion and Action Items

1. Closed Session

- a. Public Employee Performance Evaluation
[Government Code Section 54957(b)]
Title: General Manager

Public Comment: None.

The Board adjourned to Closed Session at 6:02 pm.

The Board returned from Closed Session at 6:26 pm.

2. Closed Session Report

No reportable action taken in closed session.

3. Discussion and Possible Amendment to the Professional Services Agreement with Tom R. Holliman & Associates

GM West gave a brief staff report and asked that the Board consider amendment to the existing Professional Services Agreement with TR Holliman & Associates which would add the additional scope of work that was identified in Closed Session.

GM West answered questions of the Board and the Board discussed amongst themselves their understanding of processes going forward in the transition to securing a new General Manager.

Motion No. 26-010 - Motion to approve Task Order No. 4 to TR Holliman & Associates Professional Services Agreement originally executed March 20, 2025.

Rodney Miller-Boyer	Y
William Aldridge	Y
Megan Close-Dees	Y
JoMarie McKenzie	Y
Jose Martinez	Y

MSC¹ (Close-Dees/Aldridge) approved.

4. Public Comment Period

None.

5. Items for Next or Future Agenda

Director McKenzie asked for the Operations Supervisor to provide a field activities report at future Board meetings. GM West noted that Committee Meetings will be on hold for the time being and she recommends just special Board meetings so that all members can participate. GM West noted that the agenda for the March 10, 2026 meeting will include a "mid-year" budget review and a Fiscal Year 2026/27 Budget Outlook.

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

- a. General Manager Report – Notified Board of the return of the Mojave Water Agency Morongo Basin “Mini-Tour” set for Wednesday, September 16, 2026 beginning in the morning for one-half day. The bus will tour all the local water agencies and BDVWA will have 25% of the seats with legislators and other officials as well. Board members are welcome and Agency constituents will be invited.
- b. Director Reports – None.

7. Adjournment

President Miller-Boyer adjourned the meeting at 6:42 pm.

Approved by:

Megan Close-Dees, Secretary of the Board

MSC¹ – Motion made, seconded and carried

Official Seal

January 27, 2026 Board of Directors' Special Meeting Minutes

Approved February 10, 2026

Page 3 of 3

General Ledger

Balance Sheet

User: mwest
 Printed: 02/04/2026 - 12:25PM
 Fund: All
 Period: December
 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)	190,761.82
01-00-131300 - CASH DRAWERS BASE FUND	750.00
01-00-131350 - FIVE STAR BANK	162,925.52
01-00-134000 - PETTY CASH FUND	800.00
Total CASH & CASH EQUIVALENTS:	355,237.34
INVESTMENTS	
01-00-131251 - BANCofCA High Yield Savings	921,378.40
01-00-131255 - FIVE STAR BANK MONEY MARKET	800,904.30
01-00-132000 - PARS IRS 115 TRUST	294,741.02
01-00-133030 - LAIF - CASH ACCOUNT	17,474.07
01-00-133111 - CALIFORNIA CLASS	3,375,985.97
Total INVESTMENTS:	5,410,483.76
ACCOUNTS RECEIVABLE - WATER	
01-00-137100 - A/R WATER	245,067.13
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	22,821.44
01-00-139550 - 2023-24 LIEN-DQ WATER \$49,919	21,383.11
01-00-139551 - 2024-25 LIEN-DQ WATER \$56,440	47,469.77
01-00-139900 - ALLOW. FOR BAD DEBTS-H2O LIENS	(1,500.00)
Total ACCOUNTS RECEIVABLE - WATER:	478,599.20
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)	1,896.30
01-00-137117 - 2022 IDGM STBY A/R (\$9,037)	2,976.30
01-00-137118 - 2023 IDGM STBY A/R (\$8,228)	4,408.20
01-00-137119 - 2024 IDGM STBY A/R (\$8,869)	6,222.55
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
01-00-139608 - DUE FROM DACI-METER REPLACEMENT	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	197,131.55
01-00-139901 - ALLOWANCE BAD DEBT - STANDBY	(5,000.00)
	<u>Total ACCOUNTS RECEIVABLE - OTHER:</u>
	302,153.34
INVENTORY	
01-00-143010 - INVENTORY-WATER SYSTEM PARTS	105,138.54
01-00-143011 - INVENTORY- AMES WATER	548,210.00
01-00-143012 - INVENTORY CLEARING	0.00
	<u>Total INVENTORY:</u>
	653,348.54
PREPAID EXPENSES	
01-00-144010 - PREPAYMENTS W/C INS	5,666.64
01-00-144020 - PREPAYMENTS PL & PD LIAB INS	25,698.00
01-00-144025 - PREPAID EXPENSES	30,439.58
01-00-144035 - PREPAY CalPERS UAL	34,729.50
	<u>Total PREPAID EXPENSES:</u>
	96,533.72
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)
	<u>Total FIXED ASSETS:</u>
	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)
	<u>Total LEASE OF EQUIPMENT (LT):</u>
	2,910.89
CONSTRUCTION IN PROGRESS	
01-00-120051 - CIP - MISC	1,650,677.85
	<u>Total CONSTRUCTION IN PROGRESS:</u>
	1,650,677.85
PENSION DEFERRED OUTFLOWS	
01-00-120600 - PENSION DEFERRED OUTFLOWS	0.00
	<u>Total PENSION DEFERRED OUTFLOWS:</u>
	0.00
NET PENSION LIABILITY-AUDIT	
01-00-223100 - NET PENSION LIABILITY	(714,589.00)
	<u>Total NET PENSION LIABILITY-AUDIT:</u>
	(714,589.00)
DEFERR INFLOWS OF RESOUR-AUDIT	
01-00-225000 - DIR - PENSION RELATED	(52,787.00)
	<u>Total DEFERR INFLOWS OF RESOUR-AUDIT:</u>
	(52,787.00)
	<u>Total Assets:</u>
	11,140,140.37

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	(75.77)
01-00-229002 - STATE PR TAX PAYABLE	0.00
01-00-229003 - MEDICAL INSURANCE PAYABLE	750.80
01-00-229004 - 3RD PARTY INS PLAN PAYABLE	0.06
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:	675.09
CUSTOMER DEPOSITS	
01-00-226000 - CUSTOMER DEPOSITS	159,901.86
01-00-226005 - UNEARN REV-UB ACCT CREDITS	0.00
01-00-226007 - ANNEX 0631-071-29 (NAPA@ALTA)	0.00
Total CUSTOMER DEPOSITS:	159,901.86
BLUEFIN CC FEES	
01-00-226001 - BLUEFIN/SB CC FEES thru PORTAL	(7,419.63)
Total BLUEFIN CC FEES:	(7,419.63)
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:	231,966.92
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:	10,468,525.89
Total Retained Earnings:	671,614.48
Total Fund Balance and Retained Earnings:	10,908,173.45
Total Liabilities, Fund Balance, and Retained Earnings:	11,140,140.37
Totals for Fund 01 - General Fund:	0.00

General Ledger

Budget Status

User: mwest
 Printed: 2/4/2026 - 12:25 PM
 Period: December, 2026

Account Number	Description	Budget Amount	Period Amount	YTD Amount	Encumbered Amount	YTD Var	Available	% Available
Fund 01	General Fund							
Dept 01-00	No Department							
R05	OPERATING REVENUE							
01-00-410000	SERVICE LINE INSTALLATION F	2,700.00	13,425.00	13,425.00	-10,725.00	0.00	0.00	0.00
01-00-410010	BASIC FACILITIES CHARGE	15,200.00	78,425.00	78,425.00	-63,225.00	0.00	0.00	0.00
01-00-410015	AG CONS TIER 1	5,500.00	1,335.30	1,335.30	4,164.70	0.00	4,164.70	75.72
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	35,739.93	35,739.93	36,060.07	0.00	36,060.07	50.22
01-00-410030	COMMERCIAL/INST CONS TIER	17,200.00	6,809.61	6,809.61	10,390.39	0.00	10,390.39	60.41
01-00-411000	INCOME METERED WATER	486,000.00	246,229.40	246,229.40	239,770.60	0.00	239,770.60	49.34
01-00-411001	RES CONS TIER 2	306,700.00	163,491.80	163,491.80	143,208.20	0.00	143,208.20	46.69
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	576,431.17	576,431.17	621,068.83	0.00	621,068.83	86.86
01-00-413001	FIRE BSC	9,300.00	4,438.02	4,438.02	4,861.98	0.00	4,861.98	92.28
01-00-414000	INCOME IV BULK WATER SALE	3,800.00	1,539.25	1,539.25	2,260.75	0.00	2,260.75	57.49
01-00-417000	INCOME OTHER (OPERATING)	66,900.00	38,268.47	38,268.47	28,631.53	0.00	28,631.53	48.80
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	107.00
	R05 Sub Totals:	2,256,700.00	1,166,337.51	1,166,337.51	1,090,362.49	0.00	1,090,362.49	48.32
R10	NON-OPERATING REVENUE							
01-00-491000	GA02 GEN LEVY IMP DIST A BH	122,400.00	64,920.39	64,920.39	57,479.61	0.00	57,479.61	46.96
01-00-491010	DA01 DEBT SRVC IMP1 (BH BON	0.00	86.22	86.22	-86.22	0.00	-86.22	0.00
01-00-491020	GA01 GENERAL TAX LEVY (BVI	117,100.00	62,566.41	62,566.41	54,533.59	0.00	54,533.59	46.57
01-00-491040	GA03 ID GM GEN TAX LEVY	60,200.00	33,143.97	33,143.97	27,056.03	0.00	27,056.03	44.94
01-00-492000	INTEREST INCOME	177,800.00	102,422.88	102,422.88	75,377.12	0.00	75,377.12	42.39
01-00-496000	INCOME OTHER (NON OPERATI	21,300.00	40,276.62	40,276.62	-18,976.62	0.00	-18,976.62	0.00
01-00-499901	GM WELL REV ACCT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-499902	PLC REV.ACCT.	0.00	339,716.72	339,716.72	-339,716.72	0.00	-339,716.72	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	643,133.21	643,133.21	-144,333.21	0.00	-144,333.21	0.00

Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
E25	Revenue Sub Totals:	2,755,500.00	1,809,470.72	1,809,470.72	946,029.28	0.00	946,029.28	34.33
01-00-562000	NON-OPERATING EXPENSE							
01-00-563000	OFFICE EQUIPMENT EXPENSE	14,100.00	34,725.81	34,725.81	-20,625.81	0.00	-20,625.81	0.00
01-00-564000	CUSTOMER RELATIONS	3,200.00	2,083.35	2,083.35	1,116.65	0.00	1,116.65	34.90
01-00-571000	OTHER ADMINISTRATIVE EXPENSE	14,400.00	4,562.87	4,562.87	9,837.13	0.00	9,837.13	68.31
01-00-571100	DEPRECIATION EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-572100	AMORTIZATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-572200	AMORTIZATION OF LEASES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-572300	INTEREST EXPENSE ON LEASES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-581000	CONTRA EQUIPMENT EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-593000	ELECTION COSTS	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	100.00
01-00-593999	EXPENSE / INCOME MISC	500.00	485.32	485.32	14.68	0.00	14.68	2.94
01-00-594000	PRIOR YEARS EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-00-594001	GAIN (LOSS) ASSET DISPOSAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	INVESTMENT GAIN/LOSS	0.00	-14,422.22	-14,422.22	14,422.22	0.00	14,422.22	0.00
	E25 Sub Totals:	33,200.00	27,435.13	27,435.13	5,764.87	0.00	5,764.87	17.36
	Expense Sub Totals:	33,200.00	27,435.13	27,435.13	5,764.87	0.00	5,764.87	.36
	Dept 00 Sub Totals:	-2,722,300.00	-1,782,055.59	-1,782,035.59	-940,264.41	0.00	0.00	
Dept 01-01	Administration							
E15	ADMINISTRATIVE EXPENSE							
01-01-560030	ADMINISTRATIVE COMPENSATION	521,100.00	205,982.73	205,982.73	315,117.27	0.00	315,117.27	
01-01-560060	CONTRACTUAL SERV-AUDITOR	18,900.00	16,803.00	16,803.00	2,097.90	0.00	2,097.90	
01-01-560070	CONTRACTUAL SERV-LEGAL	40,000.00	36,904.50	36,904.50	3,095.50	0.00	3,095.50	
01-01-560075	LEGISLATIVE AFFAIRS CWSA	15,000.00	3,116.32	3,116.32	11,883.68	0.00	11,883.68	
01-01-560080	Calpers CONTRIBUTION	161,700.00	76,555.92	76,555.92	85,144.08	0.00	85,144.08	
01-01-560085	GASB 68 EXP (INC)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-01-560090	PAYOUT TAXES	24,000.00	8,671.40	8,671.40	15,328.60	0.00	15,328.60	
01-01-560110	TELEPHONE/FAX/INTERNET/WI	9,000.00	4,346.31	4,346.31	4,653.69	0.00	4,653.69	
01-01-560120	MAILING EXPENSE	1,900.00	587.20	587.20	1,312.80	0.00	1,312.80	
01-01-560140	CONTRACTUAL SERV - OTHER	150,000.00	85,893.68	85,893.68	64,106.32	0.00	64,106.32	
01-01-560160	PROPERTY/LIABILITY EXPENSE	102,000.00	51,395.82	51,395.82	50,604.18	0.00	50,604.18	
01-01-560170	WORKERS COMP EXPENSE	18,300.00	7,112.02	7,112.02	11,187.98	0.00	11,187.98	
01-01-560180	DUES & SUBSCRIPTIONS	21,100.00	14,145.96	14,145.96	6,954.04	0.00	6,954.04	
01-01-560200	POWER/PROPANE OFFICES & Y/	11,700.00	5,599.84	5,599.84	6,100.16	0.00	6,100.16	
01-01-560220	BAD DEBT EXPENSE	1,500.00	2,145.76	2,145.76	-645.76	0.00	-645.76	
01-01-560221	BAD DEBT-LIENS/UNCOLLECT/	1,500.00	0.00	0.00	1,500.00	0.00	1,500.00	
01-01-560300	OFFICE SUPPLIES/PRINTING	12,200.00	4,346.24	4,346.24	7,853.76	0.00	7,853.76	
01-01-561000	EMPLOYEE BENEFITS INSURAN	229,300.00	96,733.87	96,733.87	132,566.13	0.00	132,566.13	
01-01-561100	EMPLOYEE EDUCATION/TRAIN	5,700.00	709.40	709.40	4,990.60	0.00	4,990.60	
01-01-561500	PAYOUT FRINGE EXP TO PROJ	0.00	-16,199.13	-16,199.13	16,199.13	0.00	16,199.13	0.00

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01-01-561501	CAPITALIZED LABOR EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00
01-01-01-561600	OVERHEAD TO PROJECTS	0.00	0.00	0.00	0.00	0.00	0.00
E15 Sub Totals:							
NON-OPERATING EXPENSE							
PARS TRUST EXPENSES							
	1,344,900.00	604,850.84	604,850.84	740,049.16		0.00	740,049.16
E25 Sub Totals:							
Expense Sub Totals:							
	0.00	841.89	841.89	-841.89		0.00	-841.89
	0.00	841.89	841.89	-841.89		0.00	-841.89
	1,344,900.00	605,692.73	605,692.73	739,207.27		0.00	739,207.27
Dept 01 Sub Totals:							
Operations							
E05	OPERATIONS EXPENSE						
01-01-05-541020	OPERATIONS COMPENSATION	498,800.00	226,228.77	226,228.77	272,571.23	0.00	272,571.23
01-01-05-541030	UNIFORMS	10,000.00	3,847.11	3,847.11	6,152.89	0.00	6,152.89
01-01-541060	VEHICLE/TRACTOR/EQUIP EXP]	35,000.00	23,336.23	23,336.23	11,663.77	0.00	11,663.77
01-01-541070	VEHICLE EXPENSE-FUEL	49,200.00	14,227.96	14,227.96	34,972.04	0.00	34,972.04
01-01-541090	FIELD MATERIALS & SUPPLIES	78,800.00	22,027.95	22,027.95	56,772.05	0.00	56,772.05
01-01-05-541095	SHRINKAGE	0.00	0.00	0.00	0.00	0.00	0.00
01-01-05-541110	WATER TESTING	15,000.00	5,540.00	5,540.00	9,460.00	0.00	9,460.00
01-01-05-541120	CONTRACTUAL SRV-ENGINEER	100,000.00	5,320.00	5,320.00	94,680.00	0.00	94,680.00
01-01-05-541140	WATER SYSTEM REPAIRS	60,000.00	14,192.83	14,192.83	45,807.17	0.00	45,807.17
01-01-05-541141	EXCAVATION COUNTY OF SB	500.00	0.00	0.00	500.00	0.00	500.00
01-01-05-541150	BUILDING MAINTENANCE/REP,	15,500.00	10,262.97	10,262.97	5,237.03	0.00	5,237.03
01-01-05-541190	COMMUNICATIONS EXPENSE	7,900.00	3,824.91	3,824.91	4,075.09	0.00	4,075.09
01-01-05-541210	DISINFECTION EXPENSE	13,400.00	7,960.18	7,960.18	5,439.82	0.00	5,439.82
01-01-05-541250	POWER WELLS & PUMPS	148,400.00	71,237.10	71,237.10	77,162.90	0.00	77,162.90
01-01-05-541300	OTHER OPERATING EXPENSES	11,600.00	11,313.36	11,313.36	286.64	0.00	286.64
01-01-05-541700	EQUIPMENT EXP TO CIP	0.00	0.00	0.00	0.00	0.00	0.00
01-01-05-541701	CAPITALIZED LABOR EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00
01-01-05-542000	AMES WATER	0.00	0.00	0.00	0.00	0.00	0.00
01-01-05-560080	PERS CONTRIBUTION - OPS	0.00	0.00	0.00	0.00	0.00	0.00
01-01-05-560085	GASB EXP (INC) - OPS	0.00	0.00	0.00	0.00	0.00	0.00
01-01-05-560090	PAYROLL TAXES - OPS	0.00	0.00	0.00	0.00	0.00	0.00
01-01-05-560170	WORKERS COMP EXPENSE - OP	0.00	0.00	0.00	0.00	0.00	0.00
01-01-05-561000	EMPLOYEE BENEFIT INSUR - OI	0.00	0.00	0.00	0.00	0.00	0.00
01-01-05-561100	EE EDUCATION/TRAINING - OPS	0.00	0.00	0.00	0.00	0.00	0.00
E05 Sub Totals:							
	1,044,100.00	419,319.37	419,319.37	624,780.63		0.00	624,780.63
Expense Sub Totals:							
	1,044,100.00	419,319.37	419,319.37	624,780.63		0.00	624,780.63
Dept 05 Sub Totals:							
	1,044,100.00	419,319.37	419,319.37	624,780.63		0.00	624,780.63

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	1,787.25	1,787.25	12,212.75	0.00	12,212.75	87.23
01-09-560028	DIRECTOR MCKENZIE	14,000.00	6,110.28	6,110.28	7,889.72	0.00	7,889.72	56.36
01-09-560029	DIRECTOR CLOSE	14,000.00	2,632.77	2,632.77	11,367.23	0.00	11,367.23	81.19
01-09-560032	DIRECTOR ALDRIDGE	14,000.00	5,400.29	5,400.29	8,599.71	0.00	8,599.71	61.43
01-09-560033	DIRECTOR MILLER-BOYER	14,000.00	5,684.08	5,684.08	8,315.92	0.00	8,315.92	59.40
01-09-560034	DIRECTOR MARTINEZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	E15 Sub Totals:	70,000.00	21,614.67	21,614.67	48,385.33	0.00	48,385.33	69.12
	Expense Sub Totals:	70,000.00	21,614.67	21,614.67	48,385.33	0.00	48,385.33	69.12
	Dept 09 Sub Totals:	70,000.00	21,614.67	21,614.67	48,385.33	0.00	48,385.33	69.12
Dept 01-10	CIP							
E15	ADMINISTRATIVE EXPENSE							
01-10-562005	PI/C NON-FIXED ASSET COSTS	0.00	5,517.32	5,517.32	-5,517.32	0.00	-5,517.32	0.00
	E15 Sub Totals:	0.00	5,517.32	5,517.32	-5,517.32	0.00	-5,517.32	0.00
E20	CIP EXPENSE							
01-10-056198	LABOR APPLIED TO CIP PROJECT	0.00	229.64	229.64	-229.64	0.00	-229.64	0.00
01-10-056199	OVERHEAD FOR CIP ONLY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561900	A-BOOSTER STATION CONSTRU	40,000.00	0.00	0.00	40,000.00	0.00	40,000.00	100.00
01-10-561905	PRV FLOWMETER CONSTRUCT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561906	GMW13 PHASE2 - NON-FIXED A	0.00	3,562.50	3,562.50	-3,562.50	0.00	-3,562.50	0.00
01-10-561918	HDWD#2 INTERTIE @ WINTERS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561919	HDWD #1 INTERTIE @ LUNA VIT	0.00	24.03	24.03	-24.03	0.00	-24.03	0.00
01-10-561934	NBS RATE STUDY (non-FA)	40,000.00	37,242.33	37,242.33	2,757.67	0.00	2,757.67	6.89
01-10-561936	GM REPLACEMENT WELL (Well	150,000.00	0.00	0.00	150,000.00	0.00	150,000.00	100.00
01-10-561937	PARS 115 TRUST ACCT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561938	SHOP EQUIP	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561940	ORGANIZATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-561945	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 SOFTWARE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01-10-562004	METER REPLACEMENT (DWRD	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	0.00	0.00	6,935,000.00	0.00	6,935,000.00	100.00
01-10-562007	BI/B2 TANK REHAB (PI/C Phase4	739,000.00	0.00	0.00	739,000.00	0.00	739,000.00	100.00

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	3,040.00	3,040.00	296,960.00	0.00	296,960.00	98.99
01-10-562009	NEW PROD WELL (WELL No. XX)	150,000.00	3,800.00	3,800.00	146,200.00	0.00	146,200.00	97.47
	E20 Sub Totals:	8,579,000.00	58,277.02	58,277.02	8,520,722.98	0.00	8,520,722.98	99.32
	Expense Sub Totals:	8,579,000.00	63,794.34	63,794.34	8,515,205.66	0.00	8,515,205.66	99.26
	Dept 10 Sub Totals:	8,579,000.00	63,794.34	63,794.34	8,515,205.66	0.00	8,515,205.66	99.26
	Fund Revenue Sub Totals:	2,755,500.00	1,809,470.72	1,809,470.72	946,029.28	0.00	946,029.28	34.33
	Fund Expense Sub Totals:	11,071,200.00	1,137,856.24	1,137,856.24	9,933,343.76	0.00	9,933,343.76	89.72
	Fund 01 Sub Totals:	8,315,700.00	-671,614.48	-671,614.48	8,987,314.48	0.00	8,987,314.48	100.00
	Revenue Totals:	2,755,500.00	1,809,470.72	1,809,470.72	946,029.28	0.00	946,029.28	34.33
	Expense Totals:	11,071,200.00	1,137,856.24	1,137,856.24	9,933,343.76	0.00	9,933,343.76	89.72
	Report Totals:	8,315,700.00	-671,614.48	-671,614.48	8,987,314.48	0.00	8,987,314.48	100.00

BIGHORN-DESERT VIEW WATER AGENCY

To: BOARD OF DIRECTORS
 From: Administration
 January 31, 2026 Calendar Year 2025 - Q4



CASH BALANCE DISTRIBUTION PER ADOPTED FINANCIAL RESERVE POLICY (Resolution No. 21R-25)

LOCAL AGENCY INVESTMENT FUND, PACIFIC WESTERN BANK, FIVE STAR BANK, CALIFORNIA CLASS and PARS 115 INVESTMENT TRUST

GL ACCOUNT NO.

01-00-132000	PARS 115 TRUST	\$ 294,741
01-00-131250	BANC of CALIFORNIA (PACIFIC WESTERN BANK)	\$ 190,762
01-00-131255	FIVE STAR BANK MONEY MARKET	\$ 800,904
01-00-131350	FIVE STAR BANK	\$ 162,926
01-00-131251	PACWEST HIGH YIELD SAVINGS	\$ 921,378
01-00-133030	LAIF CASH ACCOUNT BALANCE	\$ 17,474
01-00-133111	CALIFORNIA CLASS	\$ 3,375,986
	TOTAL CASH	\$ 5,764,171

CASH BALANCE DISTRIBUTION - exact

01-00-226000	CUSTOMER DEPOSITS (actual quarterly balance)	\$ 159,902
2 01-00-229100	ACCRUED EMP COMP BALANCES (est. from FY24/25 Audit)	\$ 211,419
1 Fund Goal	OPERATING RESERVE (est. 90 days from FY2025/26 budget)	\$ 579,477
2 Fund Goal	CAPITAL RESERVE (est. 6% of total assets on 6/30/25)	\$ 793,650
1 Fund Goal	RESERVE FOR GRANT FUNDED CAPITAL PROJECTS (5% of expected)	\$ 387,450
1 Fund Goal	RATE STABILIZATION RESERVE (est. 25% of FY25/26 Op. Revenue)	\$ 546,250
Fund Goal	EMERGENCY CONTINGENCY FUND (target)	\$ 1,000,000
	UNENCUMBERED CASH (All Investments)	\$ 2,086,023
		TOTAL CASH
		\$ 5,764,171

01-00-143011	INVENTORY - VALUE of WATER IN STORAGE at AMES/RECHE	INVENTORY	\$ 548,210
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Date Printed: 2/4/2026

O://OPEN SHARE/BANK and LAIF/LAIF PWB CASH BALANCES

FOOTNOTES

- 1 From FY2025/26 Budget
- 2 From FY2024/25 Audit

Bighorn Desert View Water Agency
Check Register

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Check Date Range: 1/1/2026 thru 1/31/2026

Ck Date	Ck No	Payable To	Void	Check Amt
1/1/2026	0	IRS PAYROLL		219.84
1/1/2026	0	EDD PAYROLL		3.15
1/12/2026	0	IRS PAYROLL		1,087.94
1/12/2026	0	EDD PAYROLL		379.78
1/12/2026	33305	PAYROLL	VOID	2,822.79
1/12/2026	33306	PAYROLL		2,822.79
1/12/2026	33307	PAYROLL		2,909.42
1/13/2026	0	CARDMEMBER SERVICES		4,628.39
1/14/2026	2312	BEYOND SOFTWARE SOLUTIONS		3,494.90
1/14/2026	2313	HI-DESERT STAR		183.25
1/14/2026	2314	INFOSEND INC.		2,045.92
1/14/2026	2315	OFFICE DEPOT		139.31
1/14/2026	2316	SDRMA		20,012.75
1/14/2026	2317	HOME DEPOT CREDIT SERVICES		260.17
1/14/2026	2318	UNDERGROUND SERVICE ALERT OF SO CAL		32.00
1/14/2026	2319	WIENHOFF & ASSOCIATES INC.		15.00
1/14/2026	2320	SBRK FINANCE HOLDING INC.		8,693.00
1/14/2026	2321	ADAN ORTEGA ASSOCIATES INC.		4,311.97
1/14/2026	2322	NBS GOVERNMENT FINANCE GROUP		5,330.96
1/14/2026	2323	BRUNICK McELHANEY & KENNEDY PROF LAW CORP		6,846.50
1/14/2026	2324	VISUAL EDGE IT INC.		374.00
1/14/2026	2325	STARTING LINE ADVISORY		975.00
1/14/2026	33308	J COLON COATINGS, INC		244,956.55
1/14/2026	33309	MONUMENT ROW		3,737.30
1/14/2026	33310	T.R. HOLLIMAN AND ASSOCIATES INC		2,280.00
1/15/2026	0	IRS PAYROLL		4,423.25
1/15/2026	0	EDD PAYROLL		1,478.24
1/15/2026	0	CALPERS		5,839.77
1/15/2026	33318	PAYROLL		583.72
1/15/2026	33319	PAYROLL		2,408.90
1/15/2026	33320	PAYROLL		5,802.58
1/15/2026	33321	PAYROLL		3,144.46

Bighorn Desert View Water Agency
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Check Date Range: 1/1/2026 thru 1/31/2026

Ck Date	Ck No	Payable To	Void	Check Amt
1/15/2026	33322	PAYROLL		2,826.66
1/15/2026	33323	PAYROLL		2,845.17
1/15/2026	33324	PAYROLL		2,982.97
1/16/2026	33325	ENGINEERING RESOURCES OF SOUTHERN CA, INC.		16,770.00
1/16/2026	33326	MARK MACINNIS		4,100.00
1/26/2026	0	IRS PAYROLL		4,941.38
1/26/2026	0	EDD PAYROLL		1,766.04
1/26/2026	0	CALPERS		5,661.97
1/28/2026	0	AT&T MOBILITY		339.94
1/28/2026	0	BURRTEC WASTE&RECYC		106.75
1/28/2026	0	CINTAS CORPORATION #150		857.02
1/28/2026	0	SOUTHERN CALIFORNIA EDISON COMP		11,567.12
1/28/2026	0	AMERICAN FIDELITY		1,051.82
1/28/2026	0	FLYERS ENERGY LLC		4,960.56
1/28/2026	0	BLUEFIN PAYMENT SYSTEMS		1,310.67
1/28/2026	0	SPRINGBROOK ACH		147.32
1/28/2026	2326	CUSTOMER REFUND		85.76
1/28/2026	2327	CUSTOMER REFUND		74.71
1/28/2026	2328	CUSTOMER REFUND		13.25
1/28/2026	2329	CUSTOMER REFUND		34.88
1/28/2026	2330	CUSTOMER REFUND		90.73
1/28/2026	2331	CUSTOMER REFUND		33.86
1/28/2026	2332	CUSTOMER REFUND		28.83
1/28/2026	2333	CUSTOMER REFUND		116.86
1/28/2026	2334	CUSTOMER REFUND		0.54
1/28/2026	2335	CUSTOMER REFUND		131.93
1/28/2026	2336	CLINICAL LABORATORY OF SB INC.		430.00
1/28/2026	2337	INFOSEND INC.		307.98
1/28/2026	2338	OFFICE DEPOT		22.62
1/28/2026	2339	XEROX CORPORATION		244.69
1/28/2026	2340	FRONTIER CALIFORNIA INC		338.11
1/28/2026	2341	WATER SYSTEM ENGINEERING, INC		2,040.00

Bighorn Desert View Water Agency
Check Register

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Check Date Range: 1/1/2026 thru 1/31/2026

Ck Date	Ck No	Payable To	Void	Check Amt
1/28/2026	2342	HASA INC.		2,227.24
1/28/2026	2343	CARL OTTESON'S CERTIFIED BACKFLOW TESTING & REPAIR		45.00
1/28/2026	2344	iFlow Inc		5,650.00
1/29/2026	0	IRS PAYROLL		310.71
1/29/2026	33327	PAYROLL		2,412.09
1/29/2026	33328	PAYROLL		6,041.04
1/29/2026	33329	PAYROLL		2,528.43
1/29/2026	33330	PAYROLL		2,279.50
1/29/2026	33331	PAYROLL		4,054.80
1/29/2026	33332	PAYROLL		4,631.93
			Total	438,654.48



DATE: 2/3/2026
TO: Board of Directors
FROM: Laun Hanson
RE: Bighorn-Desert View Production JANUARY 2026

	Cubic Feet	Total Gallons	GPM from	GPM	Total	
	Pumped	Pumped	Hour Meter	Flowmeter	Running Time	acre feet
Well 2		Well is "inactive"				
Well 3	148,900	1,113,772	179	166	103.8	3.42
Well 4		Well is "inactive"				
Well 6	80,540	602,439	85	80	118.6	1.85
Well 7	104,740	783,455	112	136	116.2	2.40
Well 8	296,300	2,216,324	356	380	103.8	6.80
Well 9	516,700	3,864,916	427	440	150.9	11.86
Well 10	30,020	224,550	73	92	51.5	0.69
Total	1,177,200	8,805,456			644.8	27.02

Maximum Day Demand

Date 1/24/2026

Total Production (Gallons) 470492

A Boosters	65,420	489,342	98	150	82.9
C Boosters	85,100	636,548	163	175	65.0
Total	150,520	1,125,890			



DATE: 2/3/2026
TO: Board of Directors
FROM: Laun Hanson
RE: Goat Mountain Production JANUARY 2026

	Cubic Feet	Total Gallons	GPM from	GPM from	Total	
	Pumped	Pumped	Hour Meter	Flowmeter	Running Time	acre feet
Well GMW1	150,040	1,122,299	186	220	100.6	3.44
Well GMW3	178,800	1,337,424	290	320	76.9	4.10
Total	328,840	2,459,723			177.5	7.55

Maximum Day Demand

Date 1/31/2026

Total Production (Gallons) 158800.4

GM booster	116,600	872,168	246	222	59
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