



**Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2013**

**Bighorn-Desert View Water Agency
A Public Agency
622 S. Jemez Trail
Yucca Valley, California
92284**



Prepared by:

*Marina D. West, PG, General Manager
Gayla Blanton, Accounting Technician II*



Our Mission, Vision and Values

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

To demonstrate accountability by taking economically responsible action today to secure our water supply for tomorrow.

We pledge to use all available resources for maintaining our existing facilities as well as plan, design, finance, and construct our future infrastructure for benefit to our customers in our service area.

Staff and board are committed to a comprehensive evaluation of the most important issues while establishing a record of fairness to all customers”

Bighorn-Desert View Water Agency
Board of Directors as of June 30th, 2013

Member	Office	Term Expires
Michael McBride	President	2015
Judy Corl-Lorono	V. President	2013
David Larson	Secretary	2015
Terry Burkhart	Director	2013
J. Dennis Staley	Director	2013

Bighorn-Desert View Water Agency
Marina D. West, PG, General Manager
622 S. Jemez Trail
Yucca Valley, California 92284
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BIGHORN-DESERT VIEW WATER AGENCY
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2013

(with comparative information for June 30, 2012)

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INTRODUCTORY SECTION

Bighorn-Desert View Water Agency

Board of Directors

Michael McBride, President
Judy Corl-Lorono, Vice President
Terry Burkhart, Director
J. Dennis Staley, Director
J. Larry Coulombe, Director (app. 9/13)



Agency Office
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Yucca Valley, CA 92284-1440

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Marina D West, P.G., General Manager

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A Public Agency

November 15, 2013

Introduction

It is our pleasure to submit the Annual Financial Report for the Bighorn-Desert View Water Agency for the fiscal years ended June 30, 2013 and 2012, following guidelines set forth by the Governmental Accounting Standards Board. The Agency is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. This report is designed in a manner that we believe necessary to enhance your understanding of the Agency's financial position and activities.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of the Management's Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A. The Agency's MD&A can be found immediately after the Independent Auditors' Report.

Agency Structure and Leadership

The Bighorn-Desert View Water Agency enabling Act, the "Bighorn Mountains Water Agency Law", is an Uncodified Act of the California Statutes of 1969, Chapter 1175, and effective August 31, 1969. The Law was amended in 1989 (Statutes of 1989, Chapter 570) through AB 1819 (Woodruff) to facilitate a proposed consolidation of the 1969 Water Agency with the Desert View County Water District, which was completed in 1990 without further amendment to the Water Agency Law. In September 2013, Governor Jerry Brown signed into law SB 246 (Fuller) which is a complete modernization (re-write and re-organization) of the 1990 version of the Law.

The Bighorn-Desert View Water Agency operates 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. In addition to the General Manager, the Agency staff consists of six (6) full-time employees organized in two departments: Administration and Operations.

The Agency's Board of Directors regularly scheduled meetings are on the fourth Tuesday of each month at 6 pm. Meetings are publically noticed and citizens are encouraged to attend.

The Agency provides water service to approximately 1,450 active residential customers, 400 infrequent/inactive customers, and 100 bulk-hauling customers within its forty-four (44) square-mile service area, located in the eastern desert area of San Bernardino County. The Agency encompasses the unincorporated communities in the county known as Flamingo Heights, (western) Landers, and Johnson Valley.

Agency Services

Residential customers represent nearly 100% of the Agency's customer base and therefore consume a majority of the water produced annually. A small quantity of water is lost to system flushing, testing and leaks. The Agency currently has a total of seven (7) active groundwater wells with a total system production capacity of 3,801 gallons per minute. In fiscal year 2012/13, the Agency produced approximately 427 acre-feet of groundwater, an increase of approximately 4% from fiscal year 2011/12. The Agency did not purchase any imported State Project Water from the Mojave Water Agency during this time period.

Economic Condition and Outlook for the Local Economy

According to *Sperling's Best Places* the cost of living in the Landers area is 13.3% lower than the U.S. average. The unemployment rate is currently approximately 12% (down from 14% reported in FY2011/12). Using U.S. Census Block group data, all census blocks within the Agency boundaries are classified as a "disadvantaged". The area is classified as rural unincorporated San Bernardino County with a planned residential zoning of 2.5 acre minimum lot size. The area is comprised of predominantly English and Spanish speaking residents.

Within the Agency are very few commercial businesses. The largest employer is the local elementary school. Many local residents commute to the Twentynine Palms Marine Corps Ground Combat Center, Town of Yucca Valley or 60 miles south to Palm Springs, CA area or a similar distance north to the Victorville area for employment.

The Agency is experiencing fewer foreclosures of private property than in recent years and water sales have marginally increased over the prior year period as evidenced by the 4% increase in water production. However, the number of delinquent properties remains about the same as previous years. Property tax receipts, in hindsight, have been fairly consistent over the period of economic downturn.

Major Initiatives

The activities of the Board and staff of the Agency are driven by our mission statement: "To provide a high quality supply of water and reliable service to all customers at a fair and reasonable rate". At the February 2013 Board Workshop the following goals and objectives were developed for implementation over the next one to two years and beyond.

1. Balanced Budget and growth of reserve funds for replacement/refurbishment of infrastructure, emergency contingencies and capital improvement programs outlined in the 2005 Water Master Plan. Continue efforts to reduce costs where possible. Explore revenue enhancing measures such as standby fees and water transfers.
2. Pursue "modernization" of the Bighorn Law through the State Legislature with assistance from Sen. Jean Fuller (18th Senate District) with the specific goal of repealing the requirement to maintain financial separation of the predecessor entities, Bighorn Mountains Water Agency and Desert View County Water District which would defeat the purpose of their consolidation for efficiency purposes (see note 10 of the audited financial statements).
3. Actively participate in the upcoming Integrated Regional Water Management Plan (IRWMP) process to be undertaken by the Mojave Water Agency. Develop project proposals aimed at infrastructure and other capital improvements envisioned for the Agency during the 20-plus year planning horizon.
4. Focus on preventative maintenance of the water distribution system appurtenances including pressure reducing stations, fire hydrants, isolation valves, air vacuum valves and emergency power connections. Pursue an engineering analysis of options to address elevated uranium in three Agency drinking water wells. Acquire necessary equipment to increase efficiency in preventative maintenance tasks. Work with Agency Engineer to prioritize and implement short-term capital or refurbishment projects.
5. Improve public relations and outreach to community through various forms of communication including newsletters, annual calendar, revised utility bill format, development of desert-wise water conservation garden in a visible area of the community, participate in additional community events (e.g. Homestead Valley Park 3rd of July, Orchid Festival), implement emergency communications protocols, and plan meetings with elected officials at local, regional and state level to increase awareness on issues facing the Agency.

6. Update administrative procedures including review of Board policies and active resolutions of the Board of Directors, update Rules and Regulations for Water Service and revise the Employee Handbook (including employee job descriptions and organizational structure)
7. Completion of the Ames/Reche Spreading Grounds for recharge of imported water from the State Water Project through the Morongo Basin Pipeline in partnership with the Mojave Water Agency, Hi Desert Water District and the County of San Bernardino Special Districts Water Department. File *Amended and Restated Judgment for the Ames Valley Water Basin* on behalf of project participants.
8. Reorganization (acquisition) of the adjoining County Service Area 70/Zone W-1-Landers water system into Bighorn-Desert View Water Agency which would increase the customer base by approximately 650 metered residences (approx.. 1,500 properties) providing more efficient/effective service and local elected representation for customers of the county.
9. Continue to pursue grant opportunities for capital, replacement and refurbishment projects including emergency and disaster preparedness (i.e. 2011 Hazard Mitigation Planning Grant Notice of Interest).
10. Obtain Certificate of Achievement for Excellence in Financial Reporting for our Comprehensive Financial Report for a minimum of five consecutive years from the Government Finance Officers Association of the United States and Canada.
11. Submit application to Special District Leadership Foundation for the District Transparency Certificate in Excellence.

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

Accomplishments

To assist the Board of Directors in meeting their mission, staff achieved the following initiatives in fiscal year 2012/13:

1. Adopted a balance budget on time without reliance on cash reserves and with expectation of increased unrestricted reserves needed to fund planned capital projects. Placed liens on the secured property tax rolls for outstanding debt owed the Agency.
2. Continued progress on multi-year Ames/Reche Groundwater Storage and Recovery Program. In August 2012, received Record of Decision and Finding of No Significant Impact statements from the Bureau of Land Management thus completing the federal National Environmental Policy Act (NEPA) Environmental

Assessment process. Received executed Streambed Alteration Agreement and Incidental Take Permit for desert tortoise from the California Department of Fish and Game. In November 2012, received and executed a 30-year Right-of-Way Grant with the Bureau of Land Management for construction of the project in the Pipes Wash. During April 2013, Bighorn-Desert View and Mojave Water Agency entered into a Memorandum of Understanding for the long-term operation and maintenance of the Ames/Reche Groundwater Storage and Recovery Program. In May 2013, escrow closed on mitigation lands for permanent protection of off-site desert tortoise and desert wash habitat. During the year, the Mojave Water Agency completed engineering design and solicited bids for the construction of the project pipeline. Construction of the pipeline, outlet structure to the Pipes Wash and tie-in to the State Water Project through the Morongo Basin Pipeline began in June 2013.

3. Authored state legislative bill to modernize entire Bighorn-Desert View Water Agency Law rather than just a “spot” bill to repeal Water Code Section requiring separation of predecessor Agency finances. Senate Bill No. 246 was again carried by Senator Fuller (18th District). Completed outreach to various parties interested in SB 246 (i.e. Association of California Water Agencies, California Special Districts Association and Local Agency Formation Commission). Attended Senate Committee hearing in support of the bill. Obtained support from various local water agencies. At end of fiscal year, SB 246 was awaiting review by the Assembly Committee on Local Governance scheduled for August 2013 and the bill remained unopposed.
4. Completed rehabilitation of the interior and exterior of two water storage reservoirs and miscellaneous repairs to other reservoirs at a capital cost of approximately \$355,000. Purchased a trailer mounted hydraulic valve exerciser with associated excavation vacuum and jetting tools at a cost of approximately \$57,000. Completed security upgrades to the administration building including front counter security windows, perimeter fencing, new locks and outdoor lighting.
5. Initiated a study to evaluate the long-term viability of three Agency wells impacted by elevated uranium. Approved a project to develop specifications for the installation of transfer switches on Agency facilities so that operations could continue during power outages utilizing portable power generators.
6. Continued to develop an outreach plan communicating with adjoining water agency customers regarding the benefits of reorganization from a County Service Area 70/Zone W-1 into BDVWA.
7. Increased outreach efforts to BDVWA customer base through direct mailing of newsletters. Agency participated in the Homestead Valley Park 3rd of July event for the first time and continued its participation in the Landers Orchid Festival for the third year in a row.

8. Reviewed, revised and approved several resolutions of the board including Employee Handbook, Illness and Injury Prevention Plan (IIPP), investment policy, declaration of bad debt, mandatory board training and credit card usage policy. Completed process to increase director per diem amount from \$100 to \$105 and extended general manager contract to two years.
9. Continued education for members of the Board and staff. Continuing education to maintain the operations staff state certifications for water distribution and water treatment. At least two members of the Board now qualify for Recognition in Special District Governance from the Special Districts Leadership Academy for their educational endeavors.
10. Preventative maintenance in 2012/13 included completion of testing of Agency fire hydrants to ensure proper operation (two year project), system flushing of dead-ends, testing, repair and recertification of production flow meters, instrumentation upgrades at Well No. 10, booster pump replacements, management of the Agency backflow prevention program, repair of water main and service line leaks.
11. Obtained additional NIMS (National Incident Management System) training and certifications. Continued participation in ERNIE (Emergency Response Network of the Inland Empire) and CalWarn via mutual aid Memorandum of Understanding.
12. Recipient of the calendar year *2011 McMurchie Excellence in Safety Award* in recognition of outstanding leadership for employee loss prevention and safety programs. There were no Worker's Compensation claims filed and no Property Liability claims paid in program year 2012/13.
13. Agency Director Terry Burkhart continued her service to the Special Districts Risk Management Authority (SDRMA) Board of Directors.
14. Awarded Certificate of Achievement for Excellence in Financial Reporting for our Comprehensive Financial Report in fiscal year 2011/12 from the Government Finance Officers Association of the United States and Canada.

Internal Control Structure

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

Budgetary Control

Each year the Agency Board of Directors has adopted an annual operating budget. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the Agency's operations. Capital budgets have not been passed by the Board of Directors due to lack of cash reserves to establish a formal budget for capital improvements however projects have been brought to the Board individually, as needed, for consideration. The budget and reporting treatment applied to the Agency is consistent with the accrual basis of accounting and the financial statement basis.

Investment Policy

The Board of Directors has adopted an investment policy that conforms to state law, Agency ordinance and resolutions, and prudent money management. The objective of the Investment Policy is safety, liquidity and yield. Although the policy covers a wide-variety of investment instruments the Agency's reserve funds are currently invested in the State Treasurer's Local Agency Investment Fund (LAIF) and an institutional checking account (Union Bank of California).

Water Rates and Agency Revenues

Agency's current policy direction ensures that all revenues from user charges generated from Agency customers must support all Agency operations including capital project funding. Accordingly, water rates are regularly reviewed. Water rates are user charges imposed on customers for services and are the primary component of the Agency's revenue. Water rates are composed of a commodity (usage) charge and a fixed meter (readiness-to-serve) charge. There were no rate increases imposed in fiscal year 2012/13.

Water Conservation Programs

Due to the size of the Agency's customer base, compulsory participation in the State's 20X2020 (20% reduction in water consumption by the year 2020) is not required. However, overall the Agency customers have demonstrated a very low per capita consumption rate. Nonetheless, the Agency is an active member of the Morongo Basin Alliance for Water Awareness and Conservation (MB AWAC). Agency Board and staff participate in and sponsor a number of community events with a conservation component, such as the Desert-Wise Landscaping Home Tours and Workshops held throughout the Morongo Basin. The Agency also distributes materials to encourage water conservation. The Agency has not found a need to implement a tiered water rate structure to encourage conservation.

Audit and Financial Reporting

State Law and Bond covenants require the Agency to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of Mayer-Hoffman-McCann P.C., An Independent Accounting Firm has conducted the audit of the Agency's financial statements. Their unqualified Independent Auditor's Report appears in the Financial Section.

Risk Management

The Agency has been a member of the Special District Risk Management Authority (SDRMA) since 1983. The purpose of SDRMA is to arrange and administer programs of insurance for pooling of self-insured losses and to purchase excess insurance coverage.

Technology Advance in Customer Service (E-government initiatives)

The Agency customers have the option to pay their bills in person at the Agency office, on-line through their bank account, with a major credit card over the phone or through the Agency's website. The Agency implemented the Automated Clearing House (ACH) payment method in fiscal year 2012/13.

Customers also have access to agency agenda's and agenda backup materials via email notifications immediately upon publication. The agenda materials as well as other reference material are also available on the Agency website (www.bdvwa.org). The Agency is in the process of updating the website to provide more historical documents and board actions to the public.

Other References

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

Awards and Acknowledgements

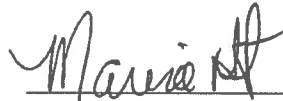
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bighorn-Desert View Water Agency for its comprehensive annual financial report of the fiscal year ended June 30, 2012. This was the second year that the government has applied for and achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized

comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

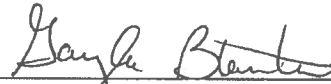
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine our eligibility for certification.

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

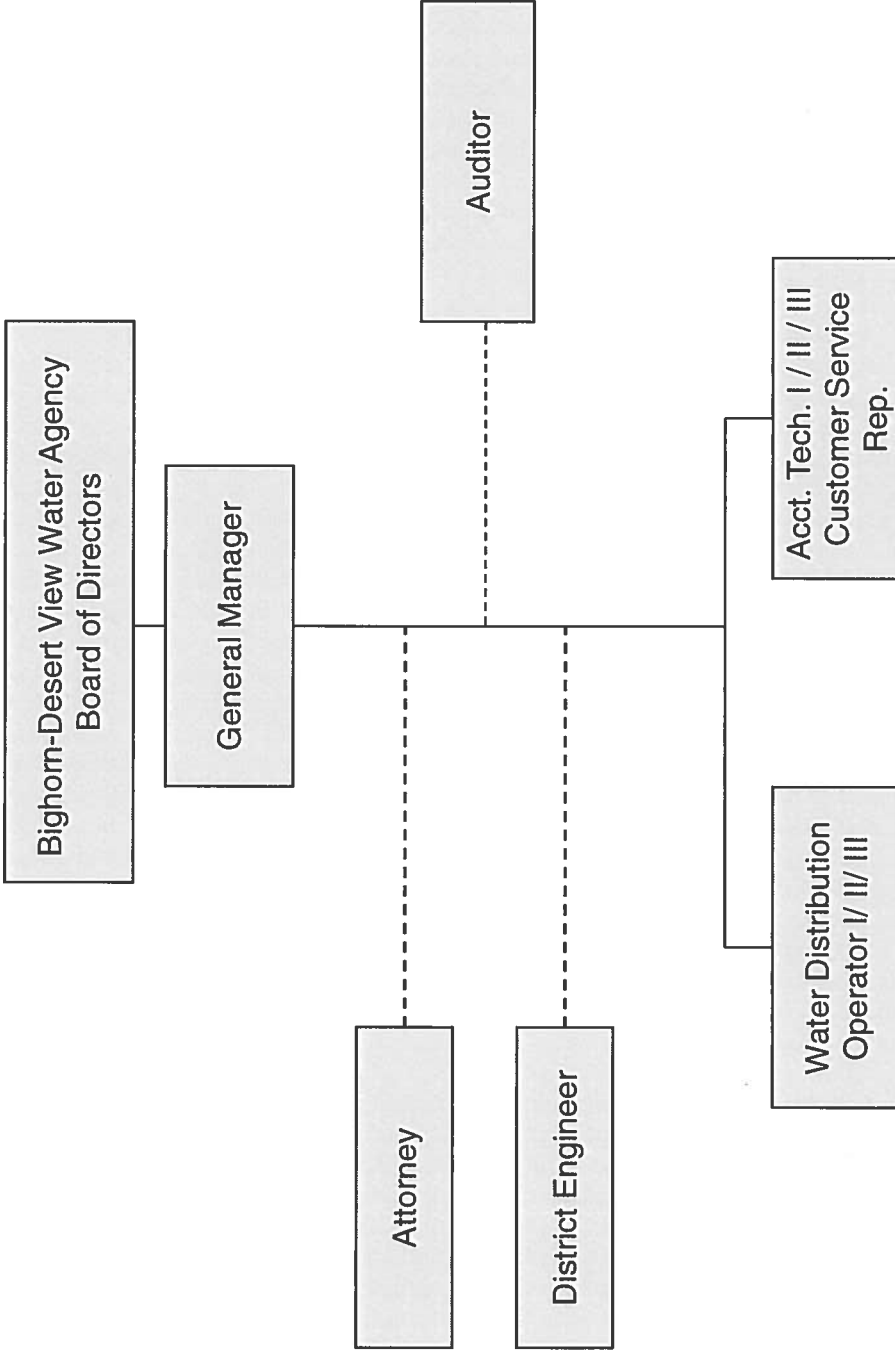
With Great Pleasure,



Marina D. West, PG
General Manager



Gayla Blanton
Accounting Technician II



- Total positions authorized = 3
- Total allowable Level II = 3
- Total allowable Level III = 3

- Total positions authorized = 3
- Total allowable Level II = 3
- Total allowable Level III = 3

Resolution No. 12R-32
 Adopted November 27, 2012



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Bighorn-Desert View Water
Agency, California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

FINANCIAL SECTION



Mayer Hoffman McCann P.C.

An Independent CPA Firm

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Board of Directors

BIGHORN-DESERT VIEW WATER AGENCY

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the Bighorn-Desert View Water Agency (the Agency) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness

BIGHORN-DESERT VIEW WATER AGENCY

Page two

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bighorn-Desert View Water Agency, as of June 30, 2013, and the changes in its financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The financial statements for the year ended June 30, 2013 reflect certain prior period adjustments as described further in note 11 to the financial statements. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited Bighorn-Desert View Water Agency's 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 20, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

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

BIGHORN-DESERT VIEW WATER AGENCY

Page three

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bighorn-Desert View Water Agency's basic financial statements. The *introductory section* and the *statistical section* are presented for purposes of additional analysis and are not a required part of the basic financial statements. The *introductory section* and the *statistical section* have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2013 on our consideration of Bighorn-Desert View Water Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bighorn-Desert View Water Agency's internal control over financial reporting and compliance.

Mayor Hoffman McClain P.C.

Irvine, California
November 15, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial performance of the Bighorn Desert View Water Agency ("Agency") provides an overview of the Agency's financial activities for the fiscal year ended June 30, 2013. Please read it in conjunction with the transmittal letter and financial statements identified in the accompanying table of contents.

INFORMATION REPORTED IN THE ACCOMPANYING FINANCIAL STATEMENTS

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

The financial statements of the Agency report the Agency's net position and changes in them. You can think of the Agency's net position – the difference between assets and liabilities – as one way to measure the Agency's financial health, or *financial position*. Over time, *increases and decreases* in the Agency's net assets are one indicator of whether its *financial health* is improving or deteriorating.

AGENCY FINANCIAL STATEMENTS

A summary of the Agency's *statement of net position* follows:

Table 1
Net Position
(in Actual Dollars)

	<u>2013</u>	<u>2012</u>	<u>Change</u>
Current and Other Assets	\$ 1,517,564	1,464,715	52,849
Capital Assets	<u>3,914,504</u>	<u>4,175,214</u>	<u>(260,861)</u>
Total Assets	5,432,068	5,639,929	(207,861)
Current Liabilities	310,091	236,175	73,916
Non-Current Liabilities	<u>686,927</u>	<u>787,165</u>	<u>(100,238)</u>
Total Liabilities	997,018	1,023,340	(26,322)
Net Investment in capital assets	3,130,527	3,286,244	(155,717)
Restricted for Bighorn	197,943	96,880	101,063
Restricted for Desert View	<u>1,106,580</u>	<u>1,233,465</u>	<u>(126,885)</u>
Total Net Position	<u>\$ 4,435,050</u>	<u>4,616,589</u>	<u>(181,539)</u>

A summary of the Agency's *statement of revenues, expenses, and changes in net position* follows:

	<u>2013</u>	<u>2012</u>	<u>Change</u>
Operating Revenues			
Water Sales	\$ 468,824	466,610	2,214
Other revenues	<u>638,034</u>	<u>635,509</u>	<u>2,525</u>
Total Operating Revenues	1,106,858	1,102,119	4,739
Operating Expenses			
Transmission and Distribution	547,991	466,815	(81,176)
General and Administrative	516,493	507,341	9,152
Depreciation	<u>229,565</u>	<u>248,330</u>	<u>(18,765)</u>
Total Operating Expenses	1,294,049	1,222,486	71,563
Operating Income (Loss)	(187,191)	(120,367)	(66,824)
Non-Operating Revenues (Expenses):			
Interest revenue	3,142	2,326	816
Other revenue	330,614	346,836	(16,222)
Interest expense	(45,024)	(48,643)	3,619
Other expense*	<u>(223)</u>	<u>(5,352)</u>	<u>5,129</u>
Total Non-Operating Revenues (Expenses)	288,509	295,167	(6,658)
Capital Contributions	193,000	128,217	64,783
Change in Net Position	294,318	303,017	(8,699)
Net Position at Beginning of Year*	<u>4,140,732</u>	<u>4,313,572</u>	<u>(172,840)</u>
Net Position at End of Year	<u>\$ 4,435,050</u>	<u>4,616,589</u>	<u>(181,539)</u>

The increase or decrease in net position can provide an indication as to whether the overall financial position of the Agency improved or deteriorated during the year. Net position of the Agency decreased by 4% (\$4.43 million compared to \$4.62) million. The net position of the Agency changed as a result of the revenue and expense fluctuations described below.

The reasons for significant changes in the revenues and expenses of the Agency noted above are as follows:

- Capital Assets have decreased by approximately \$260,000 due write-off of capital assets (prior period adjustment of assets that should have been expensed rather than capitalized as originally stated) and depreciation expense for FY2012/13. See Notes 3 and 11 of the audited financial statements for further clarification.

- Increases in Current Liabilities are primarily attributed to invoices for the reservoir recoating project that were outstanding at year end which was deemed completed before June 30, 2013.
- Non-current liabilities have been decreased by approximately \$100,000 as a result of payments made on the long-term debt service (General Obligation and Water Revenue Bonds) during the fiscal year. See Note 4 of the audited financial statements for further clarification.
- Transmission and Distribution increased by approximately \$80,000 which is primarily attributed to increased spending (over prior period) on water system repairs/improvements/upgrades, vehicle maintenance and operations (fuel), engineering services, hazardous waste and transport fees associated with the disposal of obsolete asbestos-cement pipe (an unplanned, but necessary, expense). Operations compensation increased by approximately 8% attributed to a cost-of-living adjustment to salary and actual overtime.
- General and Administrative costs increased slightly above the prior year, mostly attributed to reorganization of the administration staff (eliminating Executive Administrative position and adding entry level Accounting Technician/Customer Service Position) decreasing the overall payroll budget. However, employee health insurance costs continue to rise annually resulting in the greatest administrative line item increase for the fiscal year.

As described further in Note 10 of the audited financial statements, the Agency enabling Act required the tracking of all operational funds with respect to the geographical areas of the two predecessor districts.

It was not practicable to re-construct with absolute precision the geographical identity of every dollar of operational activity (many expenditures of which were for the joint benefit of both areas) of the Agency that have transpired since the date that the two predecessor water districts were consolidated. Generally accepted accounting principles acknowledge the acceptability of reasonable approximations to measure an accounting result. Accordingly, a distribution of the equity (net position) of the consolidated Agency as of June 30, 2010 into the two geographical areas associated with the Agency's predecessor entities was appropriately based upon an operational analysis of the of the Agency based upon a three year study of operations.

For at least a six year period, the General Manager using her operational knowledge of the Agency allocated each revenue account classification and each expense account classification to the geographical jurisdictions of the two predecessor entities using her best determination of the geographical benefit associated with each revenue classification and expense classification.

Such determinations were made using her informed judgment and operational knowledge. Determinations were made based on the facts and circumstances pertaining to each revenue and expense classification. Where a particular revenue or expense account classification was not associated with a specific geographical area, that classification was assigned in equal proportions to each area.

The Agency sought changes to its enabling Act, through a legislative “spot” bill, which would remove the requirement to comply with Section 31012 of the County Water District Law referring to the separation of funds of each predecessor entity. In its first circulation the “spot” bill was pulled and a bill was reintroduced in the 2012/13 legislative session. During the period between legislative sessions, the Agency sought support for the “spot” bill from various state and local entities. However, San Bernardino Local Agency Formation Commission (LAFCO) encouraged a full re-write or modernization of the enabling Act. Thereafter, the Agency authored SB 246 (Fuller). This bill was introduced through the office of Senator Jean Fuller (18th District) and throughout the legislative session staff and members of the Board testified in Sacramento on behalf of the bill. In September 2013, Governor Jerry Brown signed into law SB 246 (Fuller) which eliminates this requirement and completely modernizes of the Bighorn-Desert View Water Agency enabling Act providing final closure on this outstanding issue.

CAPITAL ASSETS

	<u>2013</u>	<u>2012</u>
Land	\$ 76,611	76,611
Construction in progress	426,911	-
Buildings and equipment	1,264,802	1,255,715
Water system	<u>7,865,319</u>	<u>7,865,319</u>
Total	9,633,643	9,197,645
Less accumulated depreciation	<u>(5,719,139)</u>	<u>(5,498,358)</u>
Capital assets, net book value	<u>\$ 3,914,504</u>	<u>3,699,287</u>

Capital Assets have decreased by approximately \$260,000 due to write-off of capital assets (prior period adjustment of assets that should have been expensed rather than capitalized as originally stated) and depreciation expense for FY2012/13. See Notes 3 and 11 of the audited financial statements for further clarification. As of yearend, the majority of the costs classified as construction in progress were associated with tank rehabilitation projects. For more detailed information on long-term debt activity see Note 3 of the enclosed financial statements.

LONG-TERM DEBT

At the end of the 2012/13 fiscal year, the Agency had bonded debt outstanding of \$783,977 less the portion (\$110,000) due in less than one year. All debt payments were made on time and in full during the year. No new debt was issued during the fiscal year. The Desert View Water Revenue Bond matures in 2020. The Bighorn Mountains General Obligation Bond matures in 2019. For more detailed information on long-term debt activity see Note 4 of the enclosed financial statements.

Contacting the Agency's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the General Manager's Office, at Bighorn Desert View Water Agency, 622 S. Jemez Trail, Yucca Valley, CA 92284.

BIGHORN-DESERT VIEW WATER AGENCY
STATEMENT OF NET POSITION
As of June 30, 2013
(with comparative information for June 30, 2012)

Assets	<u>2013</u>	<u>2012</u>
Current assets:		
Cash and cash equivalents (note 2)	\$ 744,931	882,481
Accounts receivable - water services	209,651	222,842
Due from other governments - Mojave Water	234,255	-
Grants receivable	-	36,166
Property tax receivable	27,925	32,011
Inventory	63,035	62,911
Prepaid expenses	<u>883</u>	<u>6,324</u>
Total current assets	1,280,680	1,242,735
Non-current assets:		
Long term receivables	59,788	44,884
Idle Assets (note 3)	177,096	177,096
Capital assets not being depreciated (note 3)	503,522	805,494
Capital assets being depreciated, net (note 3)	<u>3,410,982</u>	<u>3,369,720</u>
Total non-current assets	4,151,388	4,397,194
Total assets	<u>5,432,068</u>	<u>5,639,929</u>
 Liabilities		
Current liabilities:		
Accounts payable	96,139	27,734
Current portion of bonds payable (note 4)	110,000	105,000
Current portion of compensated absences (note 4)	27,619	29,276
Payroll liabilities	16,359	15,403
Customer deposits - water	54,778	54,141
Interest payable	<u>5,196</u>	<u>4,621</u>
Total current liabilities	310,091	236,175
Non-current liabilities (note 4):		
Bonds payable	673,977	783,977
Compensated absences	<u>12,950</u>	<u>3,188</u>
Total non-current liabilities	686,927	787,165
Total liabilities	<u>997,018</u>	<u>1,023,340</u>
 Net Position		
Net Investment in Capital Assets (note 10)	3,130,527	3,286,244
Restricted for Bighorn (note 10)	197,943	96,880
Restricted for Desert View (note 10)	<u>1,106,580</u>	<u>1,233,465</u>
Total net position	4,435,050	4,616,589
Total liabilities and net position	<u>\$ 5,432,068</u>	<u>5,639,929</u>

See Notes to Financial Statements

BIGHORN-DESERT VIEW WATER AGENCY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2013
(with comparative information for June 30, 2012)

	2013	2012
Operating revenues		
Water sales	\$ 468,824	466,610
Water services	50,544	40,134
Basic surcharge	587,490	595,375
Total operating revenues	1,106,858	1,102,119
Operating expenses		
Transmission and distribution	547,991	466,815
General and administrative	516,493	507,341
Depreciation	229,565	248,330
Total operating expenses	1,294,049	1,222,486
Operating income (loss)	(187,191)	(120,367)
Non-operating revenues (expenses)		
Interest income	3,142	2,326
Tax levy	280,647	295,186
Desert View debt surcharge	49,967	50,006
Gain/loss on disposal of asset	(125)	1,644
Other income/expense	(98)	(5,352)
Interest expense	(45,024)	(48,643)
Total non-operating revenues (expenses)	288,509	295,167
Income before capital contributions	101,318	174,800
Capital contributions	193,000	128,217
Change in net position	294,318	303,017
Net position at beginning of year, as restated (note 11)	4,140,732	4,313,572
Net position at end of year	\$ 4,435,050	4,616,589

See Notes to Financial Statements

BIGHORN-DESERT VIEW WATER AGENCY
STATEMENT OF CASH FLOWS
For the Year ended June 30, 2013
(with comparative information for June 30, 2012)

	2013	2012
Cash flows from operating activities:		
Cash received from customers	\$ 1,198,494	1,048,694
Cash payments to suppliers for goods and services	(553,259)	(467,360)
Cash payments to employees and directors for services	(516,493)	(503,633)
Net cash provided by (used in) operating activities	128,742	77,701
Cash flows from non-capital financing activities:		
Property taxes received	99,207	98,568
Net cash provided by non-capital financing activities	99,207	98,568
Cash flows from capital and related financing activities:		
Property taxes received in support of long-term debt	181,440	196,618
Other revenue received in support of long-term debt	49,967	50,006
Acquisition of capital assets	(444,837)	(150,191)
Principal paid on long-term debt	(105,000)	(102,000)
Interest paid on long-term debt	(45,024)	(49,369)
Other income/expense	(98)	(5,352)
Capital grants and contributions	(5,089)	-
Net cash used in capital and related financing activities	(368,641)	(60,288)
Cash flows from investing activities:		
Interest received	3,142	4,281
Net cash used in investing activities	3,142	4,281
Net increase (decrease) in cash and cash equivalents	(137,550)	120,262
Cash and cash equivalents beginning, July 1	882,481	762,219
Cash and cash equivalents ending, June 30	\$ 744,931	882,481
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (187,191)	(120,367)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	229,565	248,330
(Increase) decrease in accounts receivable	13,191	(23,154)
(Increase) decrease in property tax receivable	4,086	(9,304)
(Increase) decrease in long term receivables	(14,904)	(16,816)
(Increase) decrease in inventories	(124)	(1,811)
(Increase) decrease in prepaid expenses	5,441	(6,324)
(Decrease) increase in accounts payable	68,405	7,590
(Decrease) increase in accrued liabilities	9,636	3,708
(Decrease) increase in customer deposits	637	(4,151)
Total adjustments	315,933	198,068
Net cash provided by (used for) operating activity	\$ 128,742	77,701
Noncash capital, financing, or investing activities		
Contributed capital facilities	\$ -	-

See Notes to Financial Statements

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2013

(1) Summary of significant accounting policies

Reporting entity - Bighorn-Desert View Water Agency (the “Agency”) is a special district that was formed in 1990 when the San Bernardino County Board of Supervisors approved the consolidation of Bighorn Mountains Water Agency (established 1969) and Desert View Water District (established 1964). It is the Agency’s mission to provide water and water related services to the population within the Agency’s boundaries. Accordingly, the Agency is authorized to finance, construct, operate and maintain a water transmission and distribution system to benefit this population. There are 1,923 user connections within the Agency’s boundaries which encompass approximately 44 square miles. The Agency is governed by a five-member Board of Directors, who are elected to staggered 4-year terms.

Basis of accounting - The Agency uses the flow of economic resources measurement focus. This measurement focus emphasizes the determination of net income. The accrual basis of accounting is used by the Agency. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Agency follows all applicable Governmental Accounting Standards Board (GASB) pronouncements, and all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) issued on or before November 30, 1989 unless they conflict with or contradict GASB pronouncements. After November 30, 1989, the Agency applies only GASB pronouncements.

The Agency distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with water sales to customers. Non-operating revenues are those derived from support of long-term debt and the investment of cash reserves.

Use of restricted resources - When resources are combined, the Agency generally uses restricted resources, prior to using unrestricted resources, to pay expenditures meeting the criteria imposed on the use of restricted resources.

Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

(Continued)

(1) Summary of significant accounting policies (Continued)

Inventory - Inventory of materials and supplies, consisting of parts used for utility plant construction are carried at the weighted-average cost.

Utility plant - Capital assets are stated at cost. Depreciation is provided on a straight-line basis over the estimated useful lives which range from five to fifty years. Depreciation expense for the year ended June 30, 2013 was \$229,565. It is the policy of the Agency to capitalize property, plant and equipment with a cost of \$1,000 or more.

Allowance for uncollectible accounts - It is agency policy that for all water accounts delinquent for more than 90 days have a lien placed on their property. The agency believes that collection is certain as customers cannot sell their properties without remittance of their water payments. Therefore the agency does not deem it necessary to record an allowance for uncollectible accounts, although the amount placed on the tax rolls is recorded separately as a long term receivable on the balance sheet. Long Term receivables for the year ended June 30, 2013 were \$59,788.

Debt issuance costs - Debt issuance costs are deferred and amortized over the term of the debt.

Other accounting policies - Customers are billed on a bi-monthly basis and the related revenues are recorded when customers are billed.

Income taxes - The Agency is exempt from Federal and State income taxes, as it is a public government agency.

Cash and cash equivalents - For purposes of the statement of cash flows, the Agency limits the term *cash and cash equivalents* to only currency on hand, demand deposits with banks or other financial institutions, and deposits in other kinds of accounts or cash management pools that have the general characteristics of demand deposit accounts in that the Agency may deposit additional cash at any time and effectively withdraw cash at any time without prior notice or penalty.

Property taxes - Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien date:	March
Levy date:	July 1 to June 30
Due date:	November 1 - first installment March 1 - second installment
Collection date:	December 10 - first installment April 10 - second installment

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

(Continued)

(1) Summary of significant accounting policies (Continued)

General property taxes are assessed and collected by the County of San Bernardino on a rate per \$100 of assessed value, plus other increases approved by the voters. The general property taxes are pooled and are then allocated to the districts based on formulas. Property taxes are recognized as revenue when received and/or become available. Property tax revenues are considered available when they become due or past due and receivable within the current period and those expected to be collected during a 60-day period subsequent to the balance sheet date when significant.

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

Prior year information - Certain data has been presented for the prior year. Such data does not represent a complete presentation in accordance with generally accepted accounting principles, but has been presented for comparative purposes only.

(2) Cash and investments

The Agency maintains a cash and investment pool that is available for all funds. Each fund type balance in the pool is reflected on the combined balance sheet as cash and investments.

Cash deposits - The carrying amounts of the Agency's cash deposits were \$48,052 at June 30, 2013. Bank balances before reconciling items were \$68,815 at that date, the total amount of which was collateralized or insured with securities held by pledging financial institutions in the Agency's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the Agency's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the Agency's name.

The market value of the pledged securities must equal at least 110% of the Agency's deposits. California law also allows financial institutions to secure the Agency's deposits by pledging first trust deed mortgage notes having a value of 150% of the Agency's deposits. The Agency may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC).

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

(Continued)

(2) Cash and investments (Continued)

The Agency follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances; interest income from cash and investments with fiscal agents is credited directly to the related fund.

Investments - Under the provisions of the Agency's investment policy and in accordance with California Government Code, the following investments were authorized:

- Securities issued by the U.S. Treasury
- Securities issued and fully guaranteed as to payment by an agency of the U.S. Government
- Bankers' Acceptances
- Non-negotiable certificates of deposit
- Repurchase Agreements
- California Local Agency Investment Fund (State Pool)
- Corporate medium-term notes
- Mortgage-backed securities
- Diversified Management Companies, as defined by Section 23701m of the Revenue Taxation Code

Summary of cash and investments - The following is a summary of pooled cash and investments at June 30, 2013:

Cash and investments	\$744,931
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At June 30, 2013, cash and investments were composed of the following:

	<u>Credit Quality</u> <u>Ratings</u>	<u>Fair Value</u>
Deposits	Not Rated	\$ 48,052
Local Agency Investment Funds	Not Rated	<u>696,879</u>
		<u>\$744,931</u>

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

(Continued)

(2) Cash and investments, (Continued)

Risk Disclosures

Interest rate risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the Agency's investment policy limits the Agency's investment portfolio to maturities not to exceed five years at time of purchase.

Credit risk - State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the Agency's policy to limit its investments in these investment types to the top rating issued by NRSROs, including raters Standard & Poor's, Fitch Ratings, and Moody's Investors Service.

Summary of Investments to Maturity

The fair value of investments held by maturity at June 30, 2013, is shown below:

Maturity:	
Current to one year	\$696,879
Two to three years	-
Four to five years	<u>-</u>
Total	<u>\$696,879</u>

Investment in State Investment Pool - The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is not rated.

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

(Continued)

(3) Utility plant in service

A summary of changes in utility plant in service for the year ended June 30, 2013:

<u>Assets at Cost</u>	<u>Balance July 1, 2012*</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
Capital assets, not being depreciated:				
Land	\$ 76,611	-	-	76,611
Construction in progress	<u>-</u>	<u>426,911</u>	<u>-</u>	<u>426,911</u>
Total capital assets, not being depreciated	<u>76,611</u>	<u>426,911</u>	<u>-</u>	<u>503,522</u>
Capital assets, being depreciated:				
Fuel station	16,604	2,338	-	18,942
Motor vehicles	450,976	-	-	450,976
Office building	230,552	7,053	-	237,605
Office equipment	127,025	-	(8,784)	118,241
Organization	336,272	-	-	336,272
Shop equipment	41,328	-	-	41,328
Water system	7,865,319	-	-	7,865,319
Yards	<u>52,958</u>	<u>8,480</u>	<u>-</u>	<u>61,438</u>
Total capital assets, being depreciated	<u>9,121,034</u>	<u>17,871</u>	<u>(8,784)</u>	<u>9,130,121</u>
Total assets at cost	<u>9,197,645</u>	<u>444,782</u>	<u>(8,784)</u>	<u>9,633,643</u>
Accumulated depreciation:				
Fuel station	(11,510)	(691)	-	(12,201)
Motor vehicles	(371,161)	(22,427)	-	(393,588)
Office building	(208,878)	(1,985)	-	(210,863)
Office equipment	(125,195)	(839)	8,784	(117,250)
Organization	(69,707)	(13,450)	-	(83,157)
Shop equipment	(38,121)	(1,335)	-	(39,456)
Water system	(4,620,828)	(188,818)	-	(4,809,646)
Yards	<u>(52,958)</u>	<u>(20)</u>	<u>-</u>	<u>(52,978)</u>
Total accumulated depreciation	<u>(5,498,358)</u>	<u>(229,565)</u>	<u>8,784</u>	<u>(5,719,139)</u>
Total capital assets being depreciated, net	<u>3,622,676</u>	<u>(211,694)</u>	<u>-</u>	<u>3,410,982</u>
Capital assets, net book value	<u>\$ 3,699,287</u>	<u>215,217</u>	<u>-</u>	<u>3,914,504</u>

* As restated see footnote 11

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

(Continued)

(3) Utility plant in service, (Continued)

Idle Assets - During fiscal year 2011/2012 the Agency conducted a feasibility study as to the existence of ground water in the Johnson Valley. In doing so, the Agency constructed a well which was to be used to pump water from the Johnson Valley. However, it was determined that at the drilling depth dictated by the feasibility study, the well would not produce water. While the Agency could continue to drill to further depths, in hopes of creating a producing well, this decision has not yet been made by management or the Board of Directors. As such, the value of the Johnson Valley Well, \$177,096, will be held on the balance sheet as an Idle Asset, not to be depreciated, until the Agency decides how to proceed regarding further drilling. Since the well has not experienced a permanent decline in the service utility of the asset, the well is not considered to be impaired based upon the criteria of GASB Statement No. 42.

(4) Long-term debt

Bonds Payable:

	<u>June 30, 2013</u>
Bighorn General obligation bonds:	
Original issue \$1,875,000, 5%, maturing in 2019; secured by tax levy revenues	\$ 551,000
Desert View Water revenue bonds:	
Original issue \$700,000, 5%, maturing in 2020; secured by a pledge of all revenues	<u>232,977</u>
Total bonds payable	783,977
Less portion due within one year	<u>(110,000)</u>
	<u>\$ 673,977</u>

Change in Long Term Liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within 1 Year</u>
Bighorn General Obligation Bonds	\$ 628,000	-	(77,000)	551,000	81,000
Desert View Water Revenue Bonds	260,977	-	(28,000)	232,977	29,000
Compensated Absences	<u>32,464</u>	<u>34,067</u>	<u>(25,962)</u>	<u>40,569</u>	<u>27,619</u>
Total	<u>\$ 921,441</u>	<u>34,067</u>	<u>(130,962)</u>	<u>824,546</u>	<u>137,619</u>

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

(Continued)

(4) Long-term debt, (Continued)

Future long-term debt maturities are as follows:

Year Ending June 30	<u>General Obligation Bonds</u>		<u>Water Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 81,000	27,550	29,000	10,572
2015	85,000	23,500	31,000	9,022
2016	89,000	19,250	32,000	7,422
2017	94,000	14,800	34,000	5,722
2018	98,000	10,100	35,000	3,972
2019	104,000	5,200	37,000	2,122
2020	-	-	<u>34,977</u>	<u>172</u>
Total	<u>\$ 551,000</u>	<u>100,400</u>	<u>232,977</u>	<u>39,004</u>

(5) Joint powers authority

The Agency participates in a joint powers agreement (JPA), the Special District Risk Management Authority (SDRMA), in order to obtain workers compensation and property liability insurance coverage. The relationships between the Agency and the JPA are such that the JPA is not a component unit of the Agency for financial reporting purposes.

The JPA has budgeting and financial reporting requirements independent of member units and its financial statements are not presented in these financial statements; however, transactions between the JPA and the Agency are included in these statements.

Special Districts Risk
Management Authority (SDRMA)

Purpose: To purchase property, workers compensation, and liability insurance for member districts

Participants: Special districts in California

Governing board: Two directors selected by the California Special Districts Association and five elected from membership

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

(Continued)

(6) Morongo Basin pipeline water delivery costs

On March 15, 1991, the Agency entered into an agreement with the Mojave Water Agency (“MWA”) to receive water delivered through MWA’s Morongo Basin pipeline (“the Pipeline”) that serves the area of Improvement District M. Included in the transmission and distribution expenses of the Agency for the year ended June 30, 2013 are \$73,266 of such costs paid to MWA for water delivered through MWA’s Morongo Basin pipeline.

(7) Litigation

The Agency presently has no material action, suit or proceeding that is expected to have a material adverse effect upon the financial condition of the Agency.

(8) Defined benefit pension plan

Plan description - The Agency contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS’ annual financial report may be obtained from their executive office: 400 P Street, Sacramento, CA 95814.

Funding policy - For the year ended June 30, 2013, the Agency was required to contribute an actuarially determined rate of 11.677% (employer’s rate) of covered payroll. The contribution requirements of plan members and the Agency are established and may be amended by PERS.

Annual pension cost - The Agency’s total contributions to CalPERS for the fiscal years ending:

	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u>
CalPERS contributions	\$ 40,788	38,520	27,995

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

(Continued)

(8) Defined benefit pension plan (Continued)

For the year ended June 30, 2013, the Agency's annual pension cost for PERS was equal to the Agency's required and actual contributions (not including the portion paid on behalf of employees). The required contribution was determined as part of the June 30, 2010, actuarial valuation using the entry age normal cost method. The actuarial assumptions included: (a) 7.75% investment rate of return (net of administrative expenses); (b) projected annual salary increases of 3.00% attributable to inflation; and (c) a 0.25% across the board increase and merit increases that vary by length of service. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis.

(9) Debt Covenants

The Agency is presently repaying two bond issues: (1) the 1979 Bighorn Mountains Water Agency General Obligation Bonds; and (2) the 1980 Desert View Water District Revenue Bonds. The Agency has also entered into an agreement with Mojave Water Agency for Construction, Operation and Financing of the Morongo Basin Pipeline Project as detailed in Note 6. Each of these bond issues and the agreement with Mojave Water Agency includes a series of covenants to which the Agency, or its predecessors, has agreed. One of the covenants in each issue is that the Agency will, at a minimum set its rates in a manner to provide sufficient revenue to cover operating costs, pay the principal and interest due on the bond installments, pay the annual payment required by the agreement with Mojave Water Agency, and have a specified coverage. The 1980 Desert View bonds have a coverage requirement that net revenues be 20% over the annual principal and interest payment, while the agreement with Mojave Water Agency requires coverage of 25% over the annual principal and interest payment.

For the year ended June 30, 2013, the aggregate debt service coverage of the Agency was approximately 192%. Future debt service of the Agency through 2020 is \$271,983. The Agency expects debt service coverage to be comparable to that of the current year throughout the period to which the coverage requirement applies.

The Pledge of Revenues and Funds of the 1980 Desert View Water District Revenue Bonds (the "pledge") requires that a Reserve Fund be established to further secure the payment of the principal of and interest on those bonds. Pursuant to the pledge, the balance of this Reserve Fund is to be maintained at the average of all future payments, or \$38,855. At June 30, 2013, the reserve was fully funded and had a balance of \$696,879.

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

(Continued)

(10) Net Position

Prior to fiscal year 2013, the Agency took the position that ad valorem taxes on Bighorn Mountains Water Agency and bond surcharges on the Desert View Water District were restricted solely for the payment of principal and interest associated with the debt of each respective district.

However, legal research conducted in fiscal year 2010, disclosed the following:

Section 9 of the Resolution No. 174 of the Bighorn Mountains Water Agency dated June 21, 1977 states: "The Board of Directors, so far as practicable, shall fix such rate or rates for water in Improvement District No. 1 as will result in revenues which will pay the operating expenses of the improvement district, which provide for the operating expenses of the improvement district, provide for repairs and depreciation of works, provide a reasonable surplus for improvements, extensions, and enlargements, pay the interest on the bonded debt, and provide a sinking or other fund for the payment of the principal of such debt as it may become due.

If the revenues of the improvement district will be inadequate for any cause to pay the expenses set forth above, the Agency must provide for the levy and collection of a tax sufficient to raise the amount of money determined by such Board of Directors to be necessary for the purpose of paying such charges and expenses as set forth above and the principal and the interest on the bonds as the same become due."

Similarly, Section 5.11 of Resolution No. 304 of the Desert View Water District provides that revenues of the Agency will be used to pay "any reasonable and necessary maintenance and operation costs of the Enterprise."

Section 33305(a) of the Desert View Water District-Bighorn Mountains Water Agency Consolidation Law and Section 31012 of the County Water District Law states that "all funds derived from the operation of the former district system shall be separately accounted for and used exclusively for the purposes of maintenance, operation, betterments, and bond debt service of the acquired system."

Legal counsel has concluded that all revenues (not just property tax levies) of each predecessor district are restricted for the expenditures of that district. It was also determined that qualified uses of such restricted revenues include the operating expenses (not just principal and interest payments) associated with that district.

On September 24, 2013 Governor Jerry Brown signed into law SB 246, which reorganizes the consolidation law and eliminates the requirement that to keep separate the two predecessor district's finances.

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

(Continued)

(10) Net Position (Continued)

As of June 30, 2013, the portion of net positions associated with this restriction are as follows:

Bighorn Mountains Water Agency (“Bighorn”):	
Net investment in Capital Assets	\$ 2,169,458
Resources restricted for Bighorn	<u>197,943</u>
Total Bighorn Mountains Water Agency	<u>\$ 2,367,401</u>
Desert View Water District (“Desert View”)	
Net investment in Capital Assets	\$ 961,069
Resources restricted for Desert View	<u>1,106,580</u>
Total Desert View Water District	<u>\$ 2,067,649</u>

(11) Prior Period Adjustment

The accompanying financial statements reflect the effects of a prior period adjustment that was recorded to reclassify certain prior year contributions made by the Agency toward the construction of another agency’s capital assets. These contributions had been reported as a capital asset of the Agency in the prior period financial statements of the Agency. The effects of this adjustment upon net position of the Agency as of the beginning of the fiscal year are as follows:

Net position at beginning of year, as previously reported	\$ 4,616,589
Adjustment to construction in progress	<u>(475,857)</u>
Net position at beginning of year, as restated	<u>\$ 4,140,732</u>

STATISTICAL SECTION

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time:

- Net Position by Component
- Changes in Net Position/Equity

Revenue Capacity

These schedules contain trend information to help the reader assess the government's most significant current local revenue source, the property tax:

- Water Sold
- Rates
- Largest Users

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place:

- Demographic

Debt Capacity Information

These schedules assist users in understanding and assessing a government's debt burden and its ability to issue additional debt:

- Ratio of Outstanding Debt
- Ratio of General Bond Outstanding
- Pledged – Revenue Coverage

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs:

- Employees
- Operating and Capital

**BIGHORN-DESERT VIEW WATER AGENCY
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Invested in capital assets, net of related debt	\$ 2,146,035	2,100,217	2,285,266	2,691,161	2,816,559	2,546,637	3,087,501	3,331,173	3,286,244	3,130,527
Restricted Bighorn/Desert View	383,003	408,227	413,889	-	-	-	766,463	-	-	-
Restricted for Bighorn	-	-	-	-	-	-	-	(182,214)	96,880	197,943
Restricted for Desert View	-	-	-	-	-	-	-	1,164,613	1,233,465	1,106,580
Unrestricted	329,612	501,402	492,707	845,948	453,169	940,679	-	-	-	-
Total net position	\$ 2,858,650	3,009,846	3,191,862	3,537,109	3,269,728	3,487,316	3,853,964	4,313,572	4,616,589	4,435,050
% Increase	0.69%	5.29%	6.05%	10.82%	-7.56%	6.65%	10.51%	11.93%	7.02%	-3.93%

Source: Annual Financial Statements

**BIGHORN-DESERT VIEW WATER AGENCY
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

Fiscal Year	Water Revenues	Operating Expenses	Operating Loss	Total Nonoperating Revenues/Expenses	Grant Income	Change in Net Position
2003/2004	749,537	893,426	(143,889)	163,502	-	19,613
2004/2005	793,862	918,655	(124,793)	275,989	-	151,196
2005/2006	957,729	878,861	78,868	103,148	200,000	182,016
2006/2007	1,028,163	1,078,584	(50,421)	117,286	278,378	345,243
2007/2008	901,719	1,337,090	(435,371)	167,994	11,077	(256,300)
2008/2009	1,066,200	1,107,924	(41,724)	210,507	42,855	211,638
2009/2010	1,144,587	1,172,020	(27,433)	161,738	232,343	366,648
2010/2011	1,102,914	1,196,140	(93,226)	122,229	430,605	459,608
2011/2012	1,102,119	1,222,486	(120,367)	295,167	128,217	303,017
2012/2013	1,106,858	1,294,049	(187,191)	294,318	193,000	300,127

**BIGHORN-DESERT VIEW WATER AGENCY
WATER SOLD
LAST TEN FISCAL YEARS**

Fiscal Year 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013

BIGHORN MOUNTAINS

Residential 1-6 plus bulk accounts 30, 31 & 33											
Cubic Feet	13,706,781	6,151,317	6,342,070	9,182,709	8,018,498	7,410,980	6,714,996	6,542,481	6,307,928	6,313,798	
Acre Feet	314.7	141.2	145.6	210.8	184.1	170.1	154.2	150.2	145	145	

DESERT VIEW

Residential 7-11 plus bulk account 32										
Cubic Feet	8,754,520	8,227,880	7,053,992	9,499,609	8,623,442	8,295,352	8,239,072	7,779,814	7,559,768	7,589,015
Acre Feet	201.0	188.9	161.9	218.1	198.0	190.4	189.1	178.6	173.5	174.2

Total Sales in Cubic Feet	22,461,301	14,379,197	13,396,062	18,682,318	16,641,940	15,706,332	14,954,068	14,322,295	13,867,696	13,902,813
Total Sales in Acre Feet	515.6	330.1	307.5	428.9	382.0	360.6	343.3	328.8	318.4	332.8

Bulk accounts are for individuals that haul their own water and water haulers.
Closed accounts are included with billing cycle regardless of route.

**BIGHORN-DESERT VIEW WATER AGENCY
WATER RATES
LAST TEN FISCAL YEARS**

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
BIGHORN MOUNTAINS										
Accounts 01-06										
Consumption Rate	\$4.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Basic Service Charge	\$17.72	\$20.00	\$20.00	\$20.00	\$20.00	\$27.50	\$27.50	\$27.50	\$27.50	\$27.50
DESERT VIEW										
Accounts 07-11										
Consumption Rate	\$4.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Basic Service Charge	\$17.72	\$20.00	\$20.00	\$20.00	\$20.00	\$27.50	\$27.50	\$27.50	\$27.50	\$27.50
FMHA	\$4.65	\$4.65	\$4.65	\$4.65	\$4.65	\$4.65	\$4.65	\$4.65	\$4.65	\$4.65
Accounts 30-33										
Consumption Rate	\$4.00	\$3.00	\$3.00	\$7.00	\$7.00	\$7.00	\$8.50	\$8.50	\$8.50	\$8.50
Basic Service Charge	\$13.62	\$20.00	\$20.00	None	None	None	None	None	None	None

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

"Usage Rate" is rate imposed per 100 cubic feet metered Agency bills customers bi-monthly.

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

**BIGHORN-DESERT VIEW WATER AGENCY
LARGEST WATER USERS 2012-2013**

		Sales in Cubic Ft	Annual Revenues	Percent of Sales
<hr/>				
	Customer			
1	H202U - Commercial Water Hauler	222,830	\$19,720	4.21%
2	Landers Elementary	167,475	\$14,822	3.16%
3	White Rock Horse Rescue	94,607	\$2,838	0.61%
4	Residential Customer	85,846	\$2,575	0.55%
5	Residential Customer	80,597	\$2,418	0.52%
6	Sully-Miller Contracting	80,280	\$1,699	0.36%
7	Residential Customer	79,590	\$2,388	0.51%
8	JS Water Co-Commerical Water Hauler	78,670	\$6,687	1.43%
9	Residential Customer	78,001	\$2,340	0.50%
10	Residential Customer	68,342	\$2,050	0.44%
	Water Sold in 2012-2013	13,902,813	\$468,824	

Only potable water is distributed by BDVWA
High usage contributed to "water leaks" have been excluded

LARGEST WATER USERS 2003-2004

		Sales in Cubic Ft
<hr/>		
	Customer	
1	L & S Water Delivery (Commercial Water Hauler)	226,560
2	Morongo Unified School	186,942
3	Residential Customer	165,890
4	Residential Customer	86,509
5	Loyal Order/Moose Landers Lodge	82,368
6	Residential Customer	81,473
7	David Salas (non-potable commercial water)	78,330
8	Residential Customer	68,781
9	Residential Customer	68,590
10	Residential Customer	67,740

**BIGHORN-DESERT VIEW WATER AGENCY
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>BH Bond</u>	<u>DV Bond</u>	<u>Total Outstanding Debt</u>	<u>Percent of Personal Income</u>	<u>Debt per Capita</u>
2003/2004	\$1,115,000	\$440,977	\$1,555,977	2.89%	\$628.42
2004/2005	\$1,065,000	\$421,977	\$1,486,977	2.54%	\$586.58
2005/2006	\$1,013,000	\$401,977	\$1,414,977	2.24%	\$548.02
2006/2007	\$958,000	\$380,977	\$1,338,977	1.99%	\$511.26
2007/2008	\$900,000	\$358,977	\$1,258,977	1.87%	\$489.11
2008/2009	\$838,000	\$335,977	\$1,173,977	1.76%	\$455.91
2009/2010	\$772,000	\$311,977	\$1,083,977	1.79%	\$431.52
2010/2011	\$702,000	\$268,447	\$970,447	1.23%	\$382.52
2011/2012	\$628,000	\$260,978	\$888,978	0.94%	\$350.96
2012/2013	\$551,000	\$232,977	\$783,977	0.83%	\$309.51

2010 and 2011 income was estimated by using the Yucca Valley income found in the financial report and taking the same % of increase/decrease.

2012 and 2013 Median household income taken from
http://www.bestplaces.net/economy/zip-code/california/yucca_valley/92284

**BIGHORN-DESERT VIEW WATER AGENCY
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	Obligation Bonds	Assessed Value	Debt per Capita
2003/2004	\$1,115,000	\$1,115,000	\$450.32
2004/2005	\$1,065,000	\$1,065,000	\$420.12
2005/2006	\$1,013,000	\$1,013,000	\$392.33
2006/2007	\$958,000	\$958,000	\$365.79
2007/2008	\$900,000	\$900,000	\$349.65
2008/2009	\$838,000	\$838,000	\$325.44
2009/2010	\$772,000	\$772,000	\$307.32
2010/2011	\$702,000	\$702,000	\$276.70
2011/2012	\$628,000	\$628,000	\$247.93
2012/2013	\$551,000	\$551,000	\$217.53

**BIGHORN-DESERT VIEW WATER AGENCY
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS**

Desert View Water Revenue Bonds

Fiscal Year Ended June 30	FMHA Surcharge	Debt		Coverage
		Principal	Interest	
2003/2004	\$41,738.40	18,000.00	23,150.00	1.01
2004/2005	\$42,631.20	19,000.00	22,250.00	1.03
2005/2006	\$42,964.00	20,000.00	20,586.00	1.06
2006/2007	\$43,665.25	21,000.00	19,899.00	1.07
2007/2008	\$43,639.59	22,000.00	18,181.00	1.09
2008/2009	\$47,743.95	23,000.00	22,436.00	1.05
2009/2010	\$50,344.98	24,000.00	12,311.00	1.39
2010/2011	\$50,206.42	25,000.00	13,534.00	1.30
2011/2012	\$50,006.25	26,000.00	13,442.00	1.27
2012/2013	\$49,966.78	28,000.00	12,323.84	1.24

2004 - 2005 are estimated from number of service connections multiplied by the FHMA surcharge

**BIGHORN-DESERT VIEW WATER AGENCY
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Calendar Year	Population	Personal Income	Unemployment Rate
2004	2,476	\$21,718.48	N/A
2005	2,535	\$23,103.60	5.30%
2006	2,582	\$24,424.62	5%
2007	2,619	\$25,644.70	5.60%
2008	2,574	\$26,177.77	8.20%
2009	2,575	\$25,837.00	13%
2010	2,512	\$24,051.66	13%
2011	2,537	\$31,026.64	14%
2012	2,533	\$37,293.00	12.7%
2013	2,533	\$37,293.00	14.0%

1. Population calculated using number of active service connections on Jan. 1 (prior to FY start July 1) multiplied by 75.8%* multiplied by number of persons per household**. *SB County Community Plan for Homestead Valley, 75.8% of developed properties are occupied full time. **2010 Census population within BDVWA boundaries was 3,041 with 1,415 occupied dwellings. $3041/1415 = 2.13$ persons per household. Agency applied 2.13

2. Personal income is based on an average of 3 blocks from U.S. Census American Community Survey Household Median Income in 2009, then compared to previous data for San Bernardino County. <http://www.bea.gov/regional/downloadzip.cfm>

3. 2012 Unemployment was taken from www.labormarketinfo.edd.ca.gov - Historical Civilian Labor Force

4. 2012 Median household income taken from http://www.bestplaces.net/economy/zip-code/california/yucca_valley/92284

Employer	2010-2011 No. of Employees	2011-2012 No. of Employees	2012-2013 No. of Employees	2013 Percentage of Labor Force
Post Office	1	1	1	0.11%
Western Coffee Pot	4	1	2	0.23%
Mojave Liquor/ Hallidays	2	2	4	0.46%
Loyal Order/Moose Lander	2	2	2	0.23%
Halliday's	1	2	0	0.00%
Castle Inn	3	3	2	0.23%
Diversified Tools	4	4	4	0.46%
Heros	4	6	6	0.69%
Bighorn Desert View Water Agency	8	7	7	0.80%
Landers Elementary School	27	25	20	2.30%

Total Labor Force for BDV Service Area 870

Employment information from 2003-2009 is not available.

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

In 2013 the owner of Mojave Liquor purchased Halliday's.

Changes from 2011-2012:

The owner of Mojave purchased Halliday's

Gubler's Orchid has been removed from the list, Gubler's is not in our service area.

Total Labor Force was estimated by using the Yucca Valley Labor Force found on: www.Labormarketinfo.edd.ca.gov then reduced according to the population.

**BIGHORN-DESERT VIEW WATER AGENCY
DISTRICT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

<u>Water Operations</u>	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Water Quality & Maintenance	1	1	1	1	1	1	1	1	1	1
Water Distribution & Maintenance	2	2	2	2	2	2	2	2	2	2
Field Supervisor*	1	1	1	1	1	1	1	0	0	0
Chief of Operations**	0	0	0	1	1	0	0	0	0	0
<u>Administration</u>										
Administration***	2	2	2	2	2	2	2	2	2	1
Accounting I, II, III/Customer Service	2	2	2	2	2	2	2	2	2	3
Total Positions	8	8	8	9	9	8	8	7	7	7

General Manager is included in Administration
Board Members and Temporary employees are not included.

*6/30/12: Supervisor Field Vacant.

**6/30/08 Chief of Operations position eliminated

***6/30/12: Exec. Sec/Personnel Vacant

***07/01/13: Exec. Sec/Personnel eliminated

**BIGHORN-DESERT VIEW WATER AGENCY
WATER SYSTEM STATISTICS
LAST TEN FISCAL YEARS**

<u>POTABLE WATER SYSTEM</u> ¹	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Miles of pipeline:	120	120	120	120	120	120	120	120	120	120
Number of storage tanks	10	10	10	10	10	10	10	10	10	10
Maximum storage capacity (million ga)	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Number of active pumping plants	2	2	2	2	2	2	2	2	2	2
Number of active wells ² :										
domestic	8	8	8	8	8	8	8	7	7	7
Domestic well production capacity:										
acre feet per calendar year	494	452	474	530	487	469	432	412	412	427
Number of service connections ³ :										
Bighorn Mountains	779	787	804	825	809	1009	1000	1003	1005	1000
Desert View	748	764	780	797	773	912	906	903	901	899
<u>GENERAL INFORMATION</u>										
Service area (annexed property):										
acres	27,323	27,353	27,353	27,353	27,353	27,353	27,353	27,353	27,353	27,353
square miles	43	43	43	43	43	43	43	43	43	43

1. Corrections have been from prior year statistics

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

3. 2003 to 2008 figures include open meters in use only. 2009 the count was changed to include all meters active and inactive.