

RESOLUTION NO.12R-24

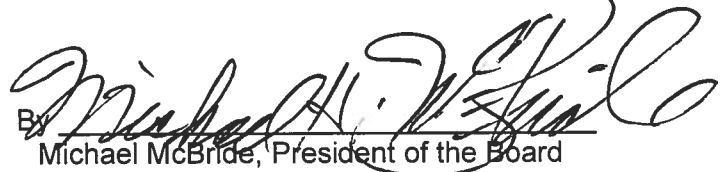
**A RESOLUTION FIXING AND ADOPTING THE AGENCY
BUDGET FOR THE FISCAL YEAR 2012-2013 FOR THE
BIGHORN-DESERT VIEW WATER AGENCY**

WHEREAS, annually the Agency Board of Directors adopts an annual budget prior to the beginning of the Fiscal Year; and

WHEREAS, Agency has evaluated its Appropriations Limit (Gann Limit) on March 22, 2012 and determined that the Appropriations Limit is not expected to be exceeded; and

BE IT RESOLVED, by the Board of Directors of the Bighorn-Desert View Water Agency, County of San Bernardino, California, that the budget for the fiscal year 2012-2013 for the Bighorn-Desert View Water Agency is hereby fixed and adopted as shown on Exhibit "A", attached hereto and by reference made a part thereof.

PASSED, APPROVED AND ADOPTED by the Board of Directors of Bighorn-Desert View Water Agency this 19th day of June, 2012.

By 
Michael McBride, President of the Board

ATTEST:



David Larson, Secretary of the Board

EXHIBIT "A"



2012/2013

OPERATING BUDGET

Resolution No. 12R-24

Adopted June 19, 2012

2012/2013 OPERATING BUDGET
EXHIBIT "A"

<u>SUMMARY</u>		
	2012-2013	
	revenue	expenses
REVENUE - OPERATING	1,037,451	
<i>ADMINISTRATION EXPENSE</i>		606,614
<i>OPERATION EXPENSE</i>		400,678
TOTAL REVENUE (NON-OPERATING)	334,278	
<i>DEBT EXPENSE (BH, DV, & MWA)*</i>		222,850
CAPITAL IMPROVEMENT/ REPLACEMENT/REFURBISHMENT		
<i>FY2011/2012 portion from BFC & Meter Install</i>		5353
<i>Op. and non-Op Revenue Available to allocate</i>		136,233
Verification of Totals	1,371,729	1,371,729
<i>* MWA Debt Participation is funded by Operating Revenues</i>		

2012/2013 BUDGET
EXHIBIT "A"

REVENUE SUMMARY

Description	2012-2013 Amount
OPERATING INCOME	
Metered Water Sales	419,126
Basic Service Charge	578,325
Other Operating Income	37,200
Interest Income Unrestricted	2,800
Grants and Funding Partners	-
* Subtotal	1,037,451
NON-OPERATING INCOME	
BH Debt Income BH FMHA DA01	175,900
DV FMHA Surcharge	48,825
General Tax Income (1%) BH GA02	52,100
General Tax Income (1%) DV GA01	52,100
Subtotal	328,925
NON-OPERATING INCOME - New Services	
Meter Connect Fees (SL Install Fees)	1,255
Basic Facilities Charge (Buy In)	4,098
Subtotal	5,353
Total Revenue	1,371,729

* MWA debt participation (\$73K) will be transferred from Operating Revenue to Non-Operating expense.

2012/2013 BUDGET
EXHIBIT "A"

<u>ADMINISTRATIVE EXPENSE</u>		2012-2013
Account	Description	Amount
56001	Directors Fees	19,000
56002	Director Meeting Expense	18,000
56003	Administrative Compensation	245,494
56005	Administrative Meeting Expenses	1,000
56006	Contractual Services- Auditor	30,000
56007	Contractual Services- Legal	30,000
56008	PERS	41,000
56009	Payroll Tax	12,400
56011	Telephone & Fax	7,500
56012	Mailing Expenses	11,500
56014	Contractual Services- Other	19,100
56016	Property/Liability Insurance	27,000
56017	Workers Comp. Insurance	6,500
56018	Dues & Subscriptions	9,630
56020	Power- Office & Yards	5,600
56022	Bad Debt Expense	2,000
56025	Propane	1,800
56030	Office Supplies	8,500
56100	Employee Benefits Insurance	94,090
56110	Employee Education	3,500
56200	Office Equipment Expense	3,500
56300	Customer Relations	6,000
56400	Other Administrative Expenses	3,500
58100	Elections Costs	-
	Total Administrative Expense	606,614

2012/2013 BUDGET
EXHIBIT "A"

2012-2013

OPERATIONS EXPENSE

Account	Description	Amount
54102	Operations Compensation	151,538
54103	Uniforms	2,150
54105	Auto Controls	2,640
54106	Vehicle/Tractor/Equip Expense	5,000
54107	Vehicle Expense- Fuel	18,000
54109	Field Materials and Supplies	20,000
54111	Water Testing	6,850
54112	Contractual Services- Engineering	65,000
54114	Water System Repairs	25,000
54115	Building Maintenance/Repair	7,500
54117	Ames Basin Monitoring	-
54119	Communications Expense	1,500
54121	Disinfection Expense	4,500
54125	Power- Wells/Booster Pumps	63,000
54130	Other Operations Expense	16,500
55001	Bulk Pumping Plant Expense	6,500
55002	Bulk Operations and Maintenance	5,000
	Total Operations Expense	400,678

2012/2013 BUDGET
EXHIBIT "A"

DEBT EXPENSE

Account	Description	Payment Amount	Paid from Revenue	Paid from LAIF
22300	BH Debt Principal	77,000	77,000	
57000	BH Debt Interest Payment	32,000	32,000	
21101	DV Debt Principal	28,000	28,000	
59100	DV Debt Interest Payment	12,750	12,750	
57350	MWA Pipeline Debt	73,100	73,100	
	Total Debt Expense	222,850	222,850	

*Assumes no debt service payments from LAIF reserves

MWA Pipeline debt is paid from Operating Revenue.

2012/2013 BUDGET - REVENUE ACCOUNTS
EXHIBIT "A"

REVENUE	ACCOUNTS	ADDITIONAL INFORMATION	FY09/10 Actual Revenue	FY10/11 Actual Revenue	FY11/12 Approved Budget	PRELIMINARY FY12/13 Budget
41000	SERVICE LINE INSTALLATION FEE- Revenues to cover the actual cost of customer ordered service line installation.	Estimate 1 service line installations with 3/4-in meter @ \$1255 ea	\$ -	\$ 2,640	\$ 1,255	\$ 1,255
41001	BASIC FACILITIES CHARGE- This fee is charged to brand new service line customers as a "buy-in" to the system already partially funded by previous and current customers.	Estimate 1 service line installations @ \$4098	\$ -	\$ 8,196	\$ 4,098	\$ 4,098
41100	WATER SALES CHARGES- Total revenues from the sales of water to metered customers routes 01 - 11 (Bighorn and Desert View Service Areas)	Bulk water sales revenue moved to line item 41400. Projected metered sales 95% of prior 12 months sales	\$ 456,089	\$ 398,287	\$ 387,066	\$ 372,808
41300	BASIC SERVICE CHARGE- Bi monthly billing to cover fixed O&M costs plus capital projects (non-specified funds)	Estimate based on actual number of meters paying BSC (e.g. less those that continue to go to property lien)	\$ 597,680	\$ 595,583	\$ 594,000	\$ 578,325
41400	INCOME METERED BULK WATER:	Projected bulk sales 95% of prior 12 months sales	\$ 56,937	\$ 56,151	\$ 52,782	\$ 46,318
41600	FMHA SURCHARGE-Revenues generated via the bi-monthly billing of the Desert View customers to fund the debt service for the FMHA Revenue Bond. Issued in 1979 for \$700,000 for the purpose of constructing a water system. Term is 40 years at 5%. Annual Payment is approximately \$40,750. Payments due September (interest approx. \$6,375) and April (interest approx \$6,375 and principal \$28,000). Extra revenue collected is used for replacement & refurbishment and is tagged as available revenue "restricted" for use in DV.	Based on \$9.30 per customer per billing cycle.	\$ 50,345	\$ 50,206	\$ 49,662	\$ 48,825
41700	INCOME OTHER- Delinquent water billing revenues, unlock charges, non sufficient funds check charges, scrap metal sales, customer PIR fee, account setup charges.	Budget based on FY2011/12 monthly average.	\$ 33,881	\$ 42,057	\$ 34,480	\$ 37,200
49100	INCOME GENERAL TAX LEVY Bighorn Imp "A" Area 1% General Levy Share- This revenue is the portion of the County 1% tax which is passed on to special districts for general operating expenses. Coded on the property tax apportionment schedule as GA02.	General tax projection, property valuation expected to increase by 0%	\$ 57,813	\$ 48,426	\$ 52,100	\$ 52,100

2012/2013 BUDGET - REVENUE ACCOUNTS
EXHIBIT "A"

49101	INCOME BOND DEBT BH FMHA- This revenue is generated through the issuance of an annual ad valorem tax and assessed to all properties within the Bighorn (north side of the Agency). Issued in 1979 for \$1,875,000 for the purpose of constructing and maintaining a water system. Term is 40 years, at 5%. Annual payment is approximately \$109,000. Payments are due December (interest approx. \$16,000) and June (interest \$16,000 and principal \$77,000). Extra revenue collected is used for replacement & refurbishment and is tagged as available revenue "restricted" for use in BHIM.	Projection is based on accumulation of an additional \$70,000 for Replacement & Refurbishment of BH water system.	\$ 123,379	\$ 127,981	\$ 175,900
49102	INCOME GENERAL TAX LEVY Bighorn-Desert View WA 1% General Levy Share- This revenue is the portion of the County 1% General tax which is passed on to special districts for general operating expenses. Coded on the property tax apportionment schedule as GA01.	General tax projection, property valuation expected to increase by 0%	\$ 55,919	\$ 47,357	\$ 52,100
49200	INTEREST INCOME- Interest revenue from our Local Agency Investment Fund account.	Interest income Anticipate <1% interest	\$ 3,266	\$ 4,472	\$ 3,600
49999	FED STATE GRANTS and Other Cost Sharing Agreements (e.g. MWA for Ames/Reche)		\$ 232,343	\$ 430,605	\$ 2,800
		TOTAL	\$ 1,435,309	\$ 1,381,356	\$ 1,407,043
					\$ 175,900
					\$ 52,100
					\$ 3,600
					\$ 94,301
					\$ 1,371,729

2012/2013 BUDGET - EXPENSE ACCOUNTS
EXHIBIT "A"

EXPENSE	ACCOUNTS	PROJECTED BUDGET				PRELIMINARY FY2012/2013 Budget	NOTES
		FY2009/10 Actual Expenditures	FY2010/11 Actual expenditures	FY2011/12 Approved Budget	@ 83% YTD Budget Expended		
54102	OPERATIONS COMPENSATION						
		Three field employees with on-call overtime and standby hours				\$ 151,538	3.6% COLA and 1 step increase merit for all eligible employees. Includes standby and OT (\$27,000).
54103	UNIFORMS	\$ 1,939	\$ 2,370	\$ 2,525	61.94%	\$ 2,150	Shoes \$450, Uniform Lease Service \$1700
54105	VERIZON-TELEMETRY	\$ 3,040	\$ 2,520	\$ 2,640	82.00%	\$ 2,640	220 X 12 months-36 month fixed lease
54106	VEHICLE/TRACTOR/EQUIP EXPENSE*	\$ 8,905	\$ 6,444	\$ 9,000	43.35%	\$ 5,000	Adjust closer to actual
54107	VEHICLE EXPENSE- FUEL	\$ 19,561	\$ 17,681	\$ 18,000	82.95%	\$ 18,000	
54109	FIELD MATERIAL & SUPPLIES	\$ 64,233	\$ 15,655	\$ 25,000	53.45%	\$ 20,000	
54111	WATER TESTING	\$ 5,178	\$ 11,064	\$ 5,000	106.19%	\$ 6,850	Budget based on Dept. Public Health required testing which varies annually
54112	ENGINEERING	\$ 1,500	\$ 34,274	\$ 52,000	102.63%	\$ 65,000	Increase budget for Engineering Services
54114	WATER SYSTEM REPAIRS	\$ 4,004	\$ 9,218	\$ 25,000	6.62%	\$ 25,000	Adjust closer to actual
54115	BUILDING REPAIR AND MAINT	\$ 11,830	\$ 8,238	\$ 11,680	91.78%	\$ 7,500	
54117	AMES BASIN MONITORING	\$ 10,875	\$ 5,112	\$ -	0.00%	\$ -	Program costs end with new Judgment
54119	COMMUNICATIONS EXP	\$ 3,110	\$ 1,784	\$ 1,680	88.70%	\$ 1,500	3 field employees. 1 on-call phone
54121	DISINFECTION EXPENSE	\$ 4,523	\$ 3,552	\$ 4,000	63.87%	\$ 4,500	Chlorine, testing eq. and supplies to maintain chlorination system and PPE for handling chlorine.
54125	POWER WELLS & BOOSTER	\$ 57,307	\$ 59,816	\$ 59,570	74.07%	\$ 63,000	7% increase expected
54130	OTHER OPER EXPENSES	\$ 14,309	\$ 19,932	\$ 17,000	103.40%	\$ 16,500	
55001	BULK PUMPING PLANT EXPENSE		\$ 10,487	\$ 8,935	55.91%	\$ 6,500	Decreased sampling requirements in FY2012/13
55002	BULK OPERATIONS AND MAINTENANCE		\$ 1,357	\$ 5,000	5.58%	\$ 5,000	
56001	DIRECTORS FEES	\$ 12,792	\$ 15,000	\$ 20,000	64.00%	\$ 19,000	12 Regular BOD mtgs, Spec mtgs, committee mtgs., other approved meetings and seminars
56002	DIRECTOR MEETING EXPENSE	\$ 5,706	\$ 12,183	\$ 11,000	49.88%	N/A	Moved budgets to individual director accounts for ease of reporting.
56002 01	DIRECTOR 1					\$ 3,600	

2012/2013 BUDGET - EXPENSE ACCOUNTS
EXHIBIT "A"

EXPENSE	ACCOUNTS	PROJECTED BUDGET				PRELIMINARY FY2012/2013 Budget	NOTES
		FY2009/10 Actual Expenditures	FY2010/11 Actual expenditures	FY2011/12 Approved Budget	@ 83% YTD Budget Expended		
56002 02	DIRECTOR 2	Non Per Diem Expenses (Registration fees, travel, meals & hotel accommodations)				\$ 3,600	
56002 03	DIRECTOR 3	Non Per Diem Expenses (Registration fees, travel, meals & hotel accommodations)				\$ 3,600	
56002 04	DIRECTOR 4	Non Per Diem Expenses (Registration fees, travel, meals & hotel accommodations)				\$ 3,600	
56002 05	DIRECTOR 5	Non Per Diem Expenses (Registration fees, travel, meals & hotel accommodations)				\$ 3,600	
56003	ADMINISTRATION COMP	Three full time office staff & General Manager	\$ 216,355	\$ 224,630	\$ 260,000	\$ 245,494	Includes 3.6 % COLA. Includes salary to fill one vacant position
56005	ADMIN MEETING EXPENSE	Miscellaneous meetings with DWR, MWA, etc.	\$ 1,128	\$ 1,514	\$ 1,000	\$ 1,000	
56006	CONTRACTUAL SERVICES- AUDITOR	Auditor	\$ 28,000	\$ 28,700	\$ 29,418	\$ 30,000	New 3-yr engagement letter approved 1/2012
56007	CONTRACTUAL SERV- LEGAL	Legal Fees	\$ 58,406	\$ 71,463	\$ 80,000	\$ 30,000	New Counsel at reduced rate and fewer legal issues anticipated. Ames/Reche Agreement negotiations completed.
56008	PERS	All Full Time Equivalent (FTE) Employees.	\$ 32,677	\$ 29,874	\$ 40,450	\$ 41,000	CalPERS Reports 4 to 5% increase to Employer
56009	PAYROLL TAXES	Unemployment \$3300, Medicare match \$6500, Social Security \$2600	\$ 9,475	\$ 13,076	\$ 9,375	\$ 12,400	
56011	PHONE, FAX LINES, INTERNET	Main office phones \$4200, Internet access \$1140; website maint. \$2000	\$ 5,922	\$ 6,676	\$ 7,420	\$ 7,500	
56012	MAILING EXPENSE	Routine metered postage \$430 per month, Pitney Bowes equip rental \$940 per year, UPS-FedEx \$200, CCR mailing \$1000, Qlity Newsletter postage \$4,000	\$ 7,440	\$ 8,825	\$ 7,550	\$ 11,500	Quarterly Newsletter to all customers
56014	CONTRACTUAL SERV- OTHER	Bank Fees \$2500, DataStream Maintenance Contract \$2580, Extra DataStream Programming Estimate \$4000, Positive Pay and ACH Est. \$700, DataStream Consultant \$6,000, Copier Maintenance Agreement Est. \$2,600	\$ 37,616	\$ 36,823	\$ 38,660	\$ 19,100	Credit card fees transferred to third party. New copier contract estimated herein. Reduced budget for outside assistance with DataStream training.
56016	PROPERTY/LIABILITY EXPENSE	Property and Liability	\$ 31,394	\$ 28,475	\$ 30,000	\$ 27,000	Estimate from prior year expense
56017	WORKERS COMP INS	All Employees	\$ 21,131	\$ 13,023	\$ 14,500	\$ 6,500	Estimate provided by SDRMA
56018	DUES & SUBSCRIPTIONS and ANNUAL FEES	AWWA \$420, ACWA \$4800, DigAlert \$200, Hi Desert Star \$40, ORWA \$600, Weinhoff \$130, CSDA \$2750, Misc \$100, LAFCO budget allocation \$590	\$ 9,286	\$ 9,175	\$ 7,725	\$ 9,630	Corrections or increases in annual dues
56020	POWER OFFICE & YARDS	Based on prior 12 months usage	\$ 4,805	\$ 5,246	\$ 5,200	\$ 5,600	7% increase expected
56022	BAD DEBT EXPENSE	Bad debt (misc. unable to lien)	\$ 9,269	\$ 2,003	\$ 43,000	\$ 2,000	This is the est. debt to be placed on property taxes as a lien for 2011/2012 tax year
56025	PROPANE	Office and Shop	\$ 1,909	\$ 1,741	\$ 1,800	\$ 1,800	Price increases for consumables, moved ink from office equipment,
56030	OFFICE SUPPLIES	Printed items such as water bills, delinquent bills, envelopes, business cards, checks, for toner refills, printer ribbons, inks for printer supplies, consumable office and Boardroom supplies inc. safety and emergency supplies. Copier *per print* costs (\$1000)	\$ 4,877	\$ 5,692	\$ 5,000	\$ 8,500	
56100	EMPLOYEE BENEFITS INS	Health, Dental, Vision, Life	\$ 69,194	\$ 61,624	\$ 70,850	\$ 94,090	9% health insurance increase, 9% dental insurance increase expected in Jan. 2013. (Budgeted full benefits for new hire which results in significant increase - could be less))

2012/2013 BUDGET - EXPENSE ACCOUNTS
EXHIBIT "A"

EXPENSE	ACCOUNTS	PROJECTED BUDGET					PRELIMINARY FY2012/2013 Budget	NOTES
		FY2009/10 Actual Expenditures	FY2010/11 Actual expenditures	FY2011/12 Approved Budget	@ 83% YTD Budget Expended			
56110	EMPLOYEE EDUCATION						3,500	
		Miscellaneous employee education and outside training (inc. safety training)	\$ 4,592	\$ 6,131	\$ 3,300	\$	122.59%	
56200	OFFICE EQUIPMENT EXPENSE						3,500	
		Computer and phone system repairs \$1000, Misc office equipment, furniture & software \$2500	\$ 3,146	\$ 5,694	\$ 4,950	\$	79.31%	moved printer ink to office supplies
56300	CUSTOMER RELATIONS						6,000	
		Misc customer relations expense: Notices (CCR & Newsletter printing, etc), Outreach: Orchid Festival Expenses, ABC's, Conservallon programs.	\$ 2,747	\$ 1,096	\$ 3,000	\$	105.77%	All postage in separate line item (01-56012); Increased newsletter circulation and Sphere of Influence outreach
56400	OTHER ADMIN EXPENSES						3,500	
		County charges for property tax collection, employment advertising including bid recruitment and legal advertising, employee screening, BOD Advertising (legal notices, etc.), GFOA COE application for audit	\$ 2,630	\$ 6,735	\$ 3,000	\$	96.64%	Presumes GFOA Reporting Award application will continue annually for at least 5 years
58100	ELECTION COSTS						-	
		Regular election in FY2011/12	\$ 10,490	\$ -	\$ 12,000	\$	52.67%	No Election in FY2012/13
TOTAL EXPENSES			\$ 997,358	\$ 958,309	\$ 1,101,228	\$	\$	\$ 1,007,293

2012/2013 REVENUE PROJECTED
EXHIBIT "A"

Account	Description	JULY 12	AUG 12	SEP 12	OCT 12	NOV 12	DEC 12	JAN 13	FEB 13	MAR 13	APR 13	MAY 13	JUNE 13	TOTAL
01-41100	METERED WATER SALES Percentage vs previous 12 months BIGHORN 01-06 Consumption previous 12 mo. Metered Water @ 95% of prior 12 mo.	0.95 1,329,825 38,020	0.95 1,184,818 33,767	0.95 1,297,499 36,979	0.95 940,963 26,817	0.95 885,626 25,240	0.95 639,201 18,217	0.95 903,904 25,761	0.95 1,178,770 33,595	0.95 664,363 19,504	0.95 963,814 27,469	0.95 1,178,770 33,595	0.95 963,814 27,469	\$163,795
01-41100	Percentage vs previous 12 months DESERT VIEW 07-11 Consumption previous 12 mo. Metered Water @ 95% of prior 12 mo.	0.95 1,296,304 36,945	0.95 1,771,699 50,493	0.95 1,297,499 36,979	0.95 940,963 26,817	0.95 885,626 25,240	0.95 639,201 18,217	0.95 903,904 25,761	0.95 1,178,770 33,595	0.95 664,363 19,504	0.95 963,814 27,469	0.95 1,178,770 33,595	0.95 963,814 27,469	\$209,013
01-41300	BASIC SERVICE CHARGE no of meters - BIGHORN 01-06 Basic Svs Charge @ \$55/ meter per cycle	875 48,125	875 48,125	875 48,125	875 48,125	875 48,125	875 48,125	875 48,125	875 48,125	875 48,125	875 48,125	875 48,125	875 48,125	\$288,750
01-41300	no of meters - DESERT VIEW 07-11 Basic Svs Charge @ \$55/ meter per cycle	890 48,950	875 48,125	875 48,125	875 48,125	875 48,125	875 48,125	875 48,125	875 48,125	875 48,125	875 48,125	875 48,125	875 48,125	\$289,575
01-41400	BULK WATER percentage of previous 12 months consumption previous 12 mos. Bulk Water @95% of prior 12 mo.	0.95 66,552 5,374	0.95 65,071 5,254	0.95 71,036 5,736	0.95 47,703 3,852	0.95 42,137 3,403	0.95 49,709 4,014	0.95 28,124 2,271	0.95 39,356 3,178	0.95 38,396 3,100	0.95 33,457 2,702	0.95 48,298 3,900	0.95 43,756 3,533	\$46,318
01-41600	DEBT REVENUE # of Desert View Accounts FHMA Desert View Revenue Bond @ 9.30	875 8,138	875 8,138	875 8,138	875 8,138	875 8,138	875 8,138	875 8,138	875 8,138	875 8,138	875 8,138	875 8,138	875 8,138	\$48,825
01-49101	PT Ad Valorem Bighorn ID 1 Debt	-	-	-	-	72,000	36,250	9,200	2,100	20,000	16,350	20,000	-	\$175,900
01-49100	GENERAL PROPERTY TAX REVENUE Bighorn Imp "A" Area 1% Gen Levy Share	-	-	-	-	-	22,000	4,100	500	3,000	6,500	11,500	4,500	\$52,100
01-49102	Bighorn-Desert View WA 1% Gen Levy Share	-	-	-	-	-	22,000	4,100	500	3,000	6,500	11,500	4,500	\$52,100
01-41700	OTHER REVENUE Income Other (Operating)	3100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	\$37,200
01-49200	LAIF Interest Income (Unrestricted-Operating)	700	-	-	-	-	-	700	-	-	700	-	-	\$2,800
01-49600	Income Other (Non Op) DQ Standbys	-	-	-	-	-	-	-	-	-	-	-	-	\$0
01-41000	METER SALES AND INSTALLATION Estimated # SL Installs Service Line Installation Fees	-	-	-	1	-	1,255	-	-	-	-	-	-	\$1,255
01-41001	Basic Facilities Charge (Buy in)	-	-	-	-	-	4,098	-	-	-	-	-	-	\$4,098
	TOTAL REVENUE													\$1,371,729