

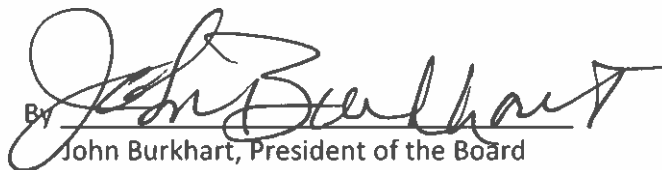
RESOLUTION NO. 22R-06

**A RESOLUTION FIXING AND ADOPTING THE
BUDGET FOR THE FISCAL YEAR 2022-2023 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.

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 2022-23 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 21st day of June 2022.

By 
John Burkhart, President of the Board

ATTEST:


Megan Close-Dees, Secretary of the Board





EXHIBIT "A"

FISCAL YEAR 2022/23 OPERATING BUDGET

BIGHORN-DESERT VIEW WATER AGENCY

Approved June 21, 2022

Resolution No. 22R-06



Bighorn Desert View Water Agency

Proposed Budget Summary

Fiscal Year 2022/23

Schedule A

	A	B	C
	Adopted Budget 2021/22	Projected Year-End 2021/22	Proposed Budget 2022/23
1 Operating Revenues	\$ 1,816,840	\$ 2,332,900	\$ 2,058,700
2 Non-Operating Revenues	289,850	318,800	315,300
3 Total Revenue Available to Fund Operations & Capital	2,106,690	2,651,700	2,374,000
4 Operations	777,447	712,600	975,600
5 Administrative - Operating	907,582	852,950	1,025,000
6 Administrative - Non-Operating	17,250	18,800	21,400
7 Board of Directors	45,000	30,400	47,500
8 Total Expense	1,747,279	1,614,750	2,069,500
9 Net Income/(Loss) Before Capital & Trust Contribution	359,411	1,036,950	304,500
10 Capital Expenses	(722,500)	(84,000)	(816,500)
11 Pension Trust Contributions	(100,000)	(100,000)	(100,000)
12 Sub-Total: Net Debt Proceeds / Capital	(822,500)	(184,000)	(916,500)
13 Increase (Decrease) in Fund Balance	\$ (463,089)	\$ 852,950	\$ (612,000)
14 Projected Cash & Investments Beg. Balance - 7/1/22			\$ 4,363,100
15 Projected Cash & Investments End Balance - 6/30/23			\$ 3,751,100



Bighorn Desert View Water Agency

Proposed Budget Detail

Fiscal Year 2022/23

Schedule B

	A	B	C	D	E
	Adopted Budget 2021/22	Projected Year-End 2021/22	Proposed Budget 2022/23	\$ Difference (C - B)	% Difference (D / B)
1 Operating Revenues					
Residential Consumption Tier 1	\$ 696,782	\$ 566,100	\$ 588,700	\$ 22,600	4%
Agriculture Consumption Tier 1	-	24,500	10,500	(14,000)	-57%
Bulk Consumption Tier 1	-	94,100	97,900	3,800	4%
Commercial Consumption Tier 1	-	8,700	9,000	300	3%
2 Total Metered Water Consumption Tier 1	696,782	693,400	706,100	12,700	2%
Agriculture Consumption Tier 2	104,395	120,100	23,800	(96,300)	-80%
Residential Consumption Tier 2	-	218,100	226,800	8,700	4%
3 Total Metered Water Consumption Tier 2	104,395	338,200	250,600	(87,600)	-26%
4 Basic Service Charge	926,835	982,500	1,021,800	39,300	4%
5 Johnson Valley Bulk Water Sales	4,500	4,500	2,500	(2,000)	-44%
6 Service Line Installation Fees	3,590	41,700	1,500	(40,200)	-96%
7 Basic Facilities Charge	18,738	198,300	14,200	(184,100)	-93%
8 Income Other - Operating	65,000	76,800	65,000	(11,800)	-15%
9 Bad Debt Expense	(1,500)	(2,500)	(1,500)	1,000	-40%
10 Bad Debt - Uncollectable Liens	(1,500)	-	(1,500)	(1,500)	0%
11 Total Operating Revenues	1,816,840	2,332,900	2,058,700	(274,200)	-12%
12 Non-Operating Revenues					
General Tax Levy - Bighorn Imp. Area "A"	70,000	76,800	78,300	1,500	2%
General Tax Levy - Bighorn-Desert View	70,000	76,200	77,700	1,500	2%
General Tax Levy - Improvement District Goat Mtn.	33,000	35,400	36,100	700	2%
Goat Mtn. Standby/Water Availability Charge	55,000	69,300	62,000	(7,300)	-11%
Interest Revenue	20,000	4,700	4,800	100	2%
Pacific Western Earning Credits	13,350	18,000	18,000	-	0%
Other Revenue	28,500	38,400	38,400	-	0%
20 Total Non-Operating Revenues	289,850	318,800	315,300	(3,500)	-1%
21 Total Revenues	2,106,690	2,651,700	2,374,000	(277,700)	-10%
22 Expenses					
23 Operations					
Operations Salaries	295,545	314,300	366,700	52,400	17%
Power - Wells & Booster	90,000	114,200	137,000	22,800	20%
Water Purchases	50,000	66,200	62,300	(3,900)	-6%
Water System Repairs	75,000	19,600	78,800	59,200	302%
Field Material & Supplies	75,000	47,700	78,800	31,100	65%
Engineering	60,000	4,300	60,000	55,700	1295%
Vehicle/Tractor/ Equipment Expense	30,000	36,300	38,100	1,800	5%
Vehicle Expense- Fuel	33,700	51,300	83,000	31,700	62%
Building Repair And Maintenance	15,500	11,600	15,500	3,900	34%
Disinfection Expense	15,000	13,900	14,600	700	5%
Water Testing	10,252	6,600	10,300	3,700	56%
Uniforms	7,950	5,700	8,000	2,300	40%
Communications Expense	7,000	7,100	7,500	400	6%
Excavation Permit Fees (County of SB)	500	-	500	500	0%
Other Operating Expenses	12,000	13,800	14,500	700	5%
39 Total Operations	777,447	712,600	975,600	263,000	37%



Bighorn Desert View Water Agency

Proposed Budget Detail

Fiscal Year 2022/23

Schedule B

	A	B	C	D	E
	Adopted Budget 2021/22	Projected Year-End 2021/22	Proposed Budget 2022/23	\$ Difference (C - B)	% Difference (D / B)
40 General & Administration					
41 Operating Expenses					
42 Administrative Salaries	\$ 170,019	\$ 145,700	\$ 171,500	\$ 25,800	18%
43 General Manager Salary	181,542	181,500	205,000	23,500	13%
44 Employee Benefits Insurance	165,000	133,200	203,400	70,200	53%
45 PERS Contribution	93,024	90,800	99,700	8,900	10%
46 Payroll Taxes	16,732	9,600	18,300	8,700	91%
47 Workers Compensation Insurance	10,500	13,500	15,300	1,800	13%
48 Employee Education	10,000	6,500	10,000	3,500	54%
49 Contractual Services - Auditor	19,860	18,400	18,400	-	0%
50 Contractual Services - Legal	30,000	30,100	40,000	9,900	33%
51 Contractual Services - Other	95,300	117,300	123,200	5,900	5%
52 Property/Liability Insurance	53,455	53,600	63,000	9,400	18%
53 Legislative Affairs - CWSA	10,000	10,000	10,000	-	0%
54 Goat Mtn. Contractual Services - Legal	10,000	-	-	-	0%
55 Dues, Subscriptions & Annual Fees	16,500	16,500	17,300	800	5%
56 Power / Propane - Office & Yards	9,500	11,200	13,400	2,200	20%
57 Office Supplies/ Printing	9,000	7,900	9,000	1,100	14%
58 Phone, Fax Lines, Internet	5,650	5,650	5,900	250	4%
59 Mailing Expense	1,500	1,500	1,600	100	7%
60 Total G&A - Operating Expenses	907,582	852,950	1,025,000	172,050	20%
61 Non-Operating Expenses					
62 Other Administrative Expenses	7,500	7,000	7,500	500	7%
63 Office Equipment Expense	5,000	7,500	7,900	400	5%
64 Customer Relations	4,250	4,300	4,500	200	5%
65 Election Expense	-	-	1,000	1,000	0%
66 Miscellaneous Expense	500	-	500	500	0%
67 Total G&A Non-Operating Expenses	17,250	18,800	21,400	2,600	14%
68 Total General & Administration	924,832	871,750	1,046,400	174,650	20%
69 Board of Directors					
70 Director Fees	45,000	30,400	47,500	17,100	56%
71 Total Board of Directors	45,000	30,400	47,500	17,100	56%
72 Total Expenses	1,747,279	1,614,750	2,069,500	1,101,250	68%
73 Net Income/(Loss) Before Capital & Trust Contribution	359,411	1,036,950	304,500	1,101,250	106%
74 Less: Capital Expenses (Reserve Funded)	(722,500)	(84,000)	(816,500)	(732,500)	
75 Less: Pension Trust Contributions	(100,000)	(100,000)	(100,000)	-	
76 Less: CalPERS Additional Discretionary Payments	-	-	-	-	
77 Net Increase/(Decrease) To Reserves	\$ (463,089)	\$ 852,950	\$ (612,000)	\$ 368,750	



Bighorn Desert View Water Agency

Proposed Budget - Capital Plan

Fiscal Year 2022/23

Schedule C

	A	B	C	D	E = C+D
	Adopted Budget 2021/22	Projected Year-End 2021/22	Carryover Budget 2021/22	Budget Addition / (Deletion)	Proposed Budget 2022/23
1 District Projects					
2 2 Trucks, New Transmission Ford Dump Truck	\$ 85,000	\$ 10,000	75,000	\$ 44,000	\$ 119,000
3 C-Booster Station Upgrades	20,000	20,000	-	-	-
4 Valve Turner Upgrade (Controller and other tools)	7,500	-	7,500	-	7,500
5 Well 4 Rehabilitation	200,000	-	200,000	-	200,000
6 Goat Mountain Replacement Well/ Well Destruction	100,000	-	100,000	(100,000)	600,000
7 Three Exploratory Borings inc. Project Management	300,000	-	300,000	-	300,000
8 Administration Building Roof Replacement	10,000	-	10,000	10,000	20,000
9 Parking Lot	-	-	-	5,000	5,000
10 A-Booster Replacement	-	-	-	65,000	65,000
11 Meter Replacements	-	-	-	-	313,000
12 2nd Intertie with High Desert WD	-	-	-	-	750,000
13 Total District Projects	722,500	30,000	692,500	24,000	2,379,500
14 Grant Funding					
15 Prop 1 Round 1: Goat Mountain Replacement Well	-	-	-	-	(500,000)
16 Drought Grant: Meter Replacements	-	-	-	-	(313,000)
17 Prop 1 Round 2: 2nd Intertie with High Desert WD	-	-	-	-	(750,000)
18 Total Grant Funding	-	-	-	-	(1,563,000)
19 Total Capital Expenses - Funded by Reserves	\$ 722,500	\$ 30,000	\$ 692,500	\$ 24,000	\$ 816,500

SCHEDULE B

FINAL BUDGET DETAIL

**PRESENTED ALONGSIDE
TWO PRIOR YEAR ACTUAL
REVENUE AND EXPENSES
(AUDITED)**



Bighorn Desert View Water Agency

Proposed Budget Detail

Fiscal Year 2022/23

Schedule B

	A	B	C	D	E		
	Actual Results 2019/20	Actual Results 2020/21	Adopted Budget 2021/22	Projected Year-End 2021/22	Proposed Budget 2022/23	\$ Difference (C - B)	% Difference (D / B)
1 Operating Revenues							
Residential Consumption Tier 1	\$ 722,672	\$ 880,240	\$ 696,782	\$ 566,100	\$ 588,700	\$ 22,600	4%
Agriculture Consumption Tier 1	-	4,069	-	24,500	10,500	(14,000)	-57%
Bulk Consumption Tier 1	-	10,626	-	94,100	97,900	3,800	4%
Commercial Consumption Tier 1	-	1,768	-	8,700	9,000	300	3%
2 Total Metered Water Consumption Tier 1	722,672	896,704	696,782	693,400	706,100	12,700	2%
Agriculture Consumption Tier 2	-	23,953	104,395	120,100	23,800	(96,300)	-80%
Residential Consumption Tier 2	-	30,110	-	218,100	226,800	8,700	4%
3 Total Metered Water Consumption Tier 2	-	54,063	104,395	338,200	250,600	(87,600)	-26%
4 Basic Service Charge	1,000,103	963,838	926,835	982,500	1,021,800	39,300	4%
5 Johnson Valley Bulk Water Sales	5,181	6,922	4,500	4,500	2,500	(2,000)	-44%
6 Service Line Installation Fees	35,620	99,455	3,590	41,700	1,500	(40,200)	-96%
7 Basic Facilities Charge	125,060	379,130	18,738	198,300	14,200	(184,100)	-93%
8 Income Other - Operating	55,754	63,802	65,000	76,800	65,000	(11,800)	-15%
9 Bad Debt Expense	(1,889)	(1,216)	(1,500)	(2,500)	(1,500)	1,000	-40%
10 Bad Debt - Uncollectable Liens	(593)	-	(1,500)	-	(1,500)	(1,500)	0%
11 Total Operating Revenues	1,941,909	2,462,698	1,816,840	2,332,900	2,058,700	(274,200)	-12%
12 Non-Operating Revenues							
General Tax Levy - Bighorn Imp. Area "A"	63,166	70,909	70,000	76,800	78,300	1,500	2%
General Tax Levy - Bighorn-Desert View	63,637	71,138	70,000	76,200	77,700	1,500	2%
General Tax Levy - Improvement District Goat Mtn.	28,619	32,641	33,000	35,400	36,100	700	2%
Goat Mtn. Standby/Water Availability Charge	71,637	68,460	55,000	69,300	62,000	(7,300)	-11%
Interest Revenue	70,688	20,610	20,000	4,700	4,800	100	2%
Pacific Western Earning Credits	-	13,817	13,350	18,000	18,000	-	0%
Other Revenue	42,379	-	28,500	38,400	38,400	-	0%
20 Total Non-Operating Revenues	340,126	277,576	289,850	318,800	315,300	(3,500)	-1%
21 Total Revenues	2,282,034	2,740,274	2,106,690	2,651,700	2,374,000	(277,700)	-10%
22 Expenses							
23 Operations							
Operations Salaries	314,002	319,441	295,545	314,300	366,700	52,400	17%
Power - Wells & Booster	84,606	93,944	90,000	114,200	137,000	22,800	20%
Water Purchases	-	-	50,000	66,200	62,300	(3,900)	-6%
Water System Repairs	97,036	72,183	75,000	19,600	78,800	59,200	302%
Field Material & Supplies	55,580	41,264	75,000	47,700	78,800	31,100	65%
Engineering	24,455	2,866	60,000	4,300	60,000	55,700	1295%
Vehicle/Tractor/ Equipment Expense	17,682	24,565	30,000	36,300	38,100	1,800	5%
Vehicle Expense- Fuel	35,305	34,781	33,700	51,300	83,000	31,700	62%
Building Repair And Maintenance	11,401	11,027	15,500	11,600	15,500	3,900	34%
Disinfection Expense	9,543	12,231	15,000	13,900	14,600	700	5%
Water Testing	10,787	21,650	10,252	6,600	10,300	3,700	56%
Uniforms	6,366	6,094	7,950	5,700	8,000	2,300	40%
Communications Expense	6,083	6,925	7,000	7,100	7,500	400	6%
Excavation Permit Fees (County of SB)	201	201	500	-	500	500	0%
Other Operating Expenses	8,554	9,474	12,000	13,800	14,500	700	5%
39 Total Operations	681,599	656,646	777,447	712,600	975,600	263,000	37%
40 General & Administration							
41 Operating Expenses							
Administrative Salaries	\$ 312,661	\$ 315,616	\$ 170,019	\$ 145,700	\$ 171,500	\$ 25,800	18%
General Manager Salary	-	-	181,542	181,500	205,000	23,500	13%
Employee Benefits Insurance	58,590	72,144	165,000	133,200	203,400	70,200	53%
PERS Contribution	95,154	48,094	93,024	90,800	99,700	8,900	10%
Payroll Taxes	8,323	7,950	16,732	9,600	18,300	8,700	91%



Bighorn Desert View Water Agency

Proposed Budget Detail

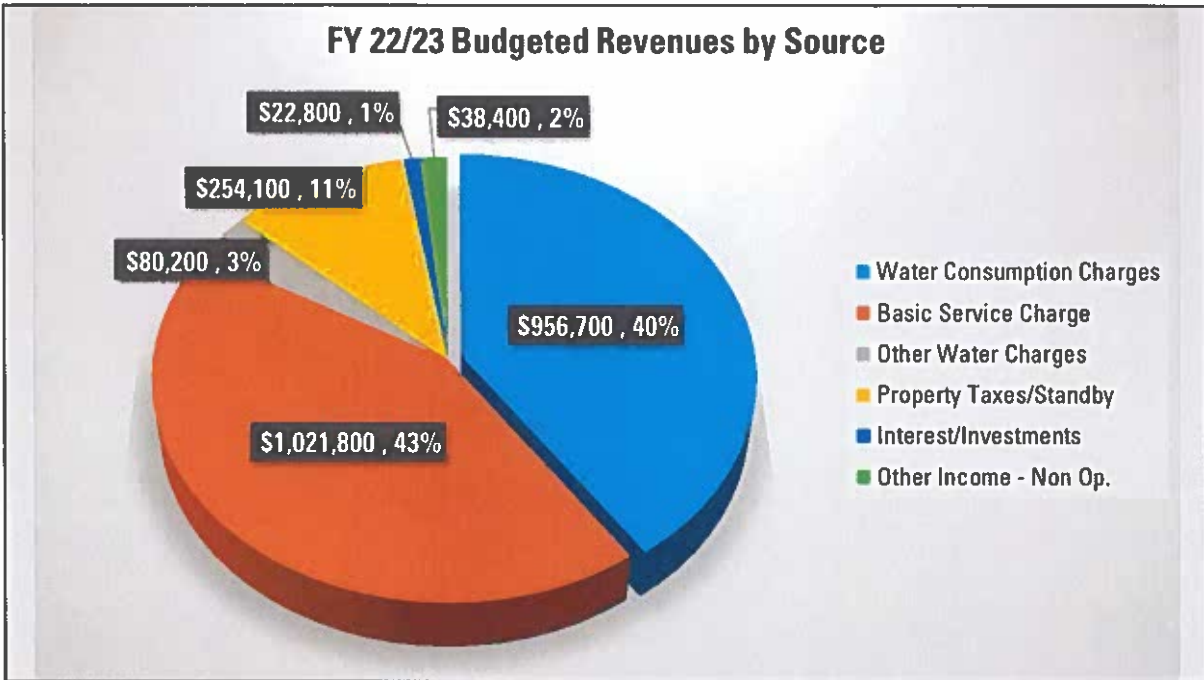
Fiscal Year 2022/23

Schedule B

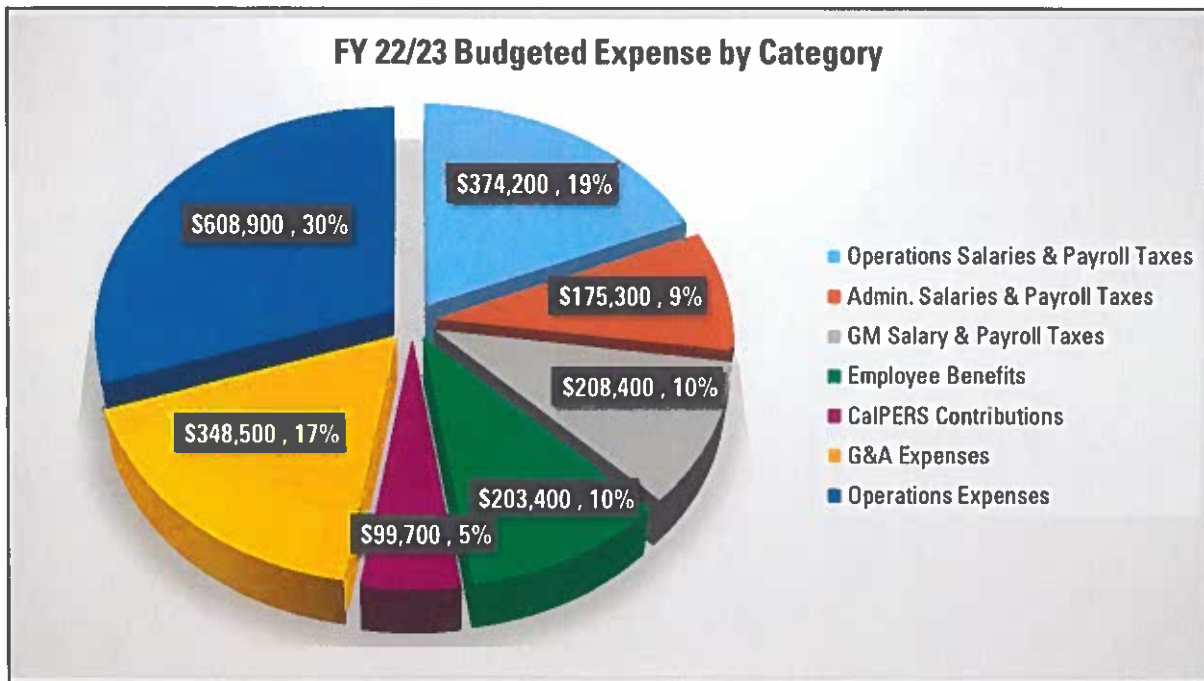
		A	B	C	D	E		
	Actual Results 2019/20	Actual Results 2020/21	Adopted Budget 2021/22	Projected Year-End 2021/22	Proposed Budget 2022/23	\$ Difference (C - B)	% Difference (D / B)	
47	Workers Compensation Insurance	6,422	6,922	10,500	13,500	15,300	1,800	13%
48	Employee Education	18,543	4,334	10,000	6,500	10,000	3,500	54%
49	Contractual Services - Auditor	23,070	17,623	19,860	18,400	18,400	-	0%
50	Contractual Services - Legal	41,856	16,164	30,000	30,100	40,000	9,900	33%
51	Contractual Services - Other	87,815	97,633	95,300	117,300	123,200	5,900	5%
52	Property/Liability Insurance	148,628	63,648	53,455	53,600	63,000	9,400	18%
53	Legislative Affairs - CWSA	1,337	10,141	10,000	10,000	10,000	-	0%
54	Goat Mtn. Contractual Services - Legal	-	-	10,000	-	-	-	0%
55	Dues, Subscriptions & Annual Fees	12,989	13,453	16,500	16,500	17,300	800	5%
56	Power / Propane - Office & Yards	8,039	8,921	9,500	11,200	13,400	2,200	20%
57	Office Supplies/ Printing	10,630	10,303	9,000	7,900	9,000	1,100	14%
58	Phone, Fax Lines, Internet	7,794	7,822	5,650	5,650	5,900	250	4%
59	Mailing Expense	1,477	1,523	1,500	1,500	1,600	100	7%
60	Total G&A - Operating Expenses	843,329	702,291	907,582	852,950	1,025,000	172,050	20%
61	Non-Operating Expenses							
62	Other Administrative Expenses	12,098	15,985	7,500	7,000	7,500	500	7%
63	Office Equipment Expense	13,407	12,439	5,000	7,500	7,900	400	5%
64	Customer Relations	3,951	747	4,250	4,300	4,500	200	5%
65	Election Expense	-	262	-	-	1,000	1,000	0%
66	Miscellaneous Expense	(1,218)	-	500	-	500	500	0%
67	Total G&A Non-Operating Expenses	28,238	29,433	17,250	18,800	21,400	2,600	14%
68	Total General & Administration	871,567	731,725	924,832	871,750	1,046,400	174,650	20%
69	Board of Directors							
70	Director Fees	30,130	21,016	45,000	30,400	47,500	17,100	56%
71	Total Board of Directors	30,130	21,016	45,000	30,400	47,500	17,100	56%
72	Total Expenses	1,583,297	1,409,387	1,747,279	1,614,750	2,069,500	1,101,250	68%
73	Net Income/(Loss) Before Capital & Trust Contribution	698,738	1,330,886	359,411	1,036,950	304,500	1,101,250	106%
74	Less: Capital Expenses (Reserve Funded)			(722,500)	(84,000)	(816,500)	(732,500)	
75	Less: Pension Trust Contributions			(100,000)	(100,000)	(100,000)	-	
76	Less: CalPERS Additional Discretionary Payments			-	-	-	-	
77	Net Increase/(Decrease) To Reserves			\$ (463,089)	\$ 852,950	\$ (612,000)	\$ 368,750	

FINAL BUDGET DETAIL
CHARTS AND GRAPHS

**Bighorn Desert View Water Agency
FY 23 Proposed Budget - Supplemental Charts**

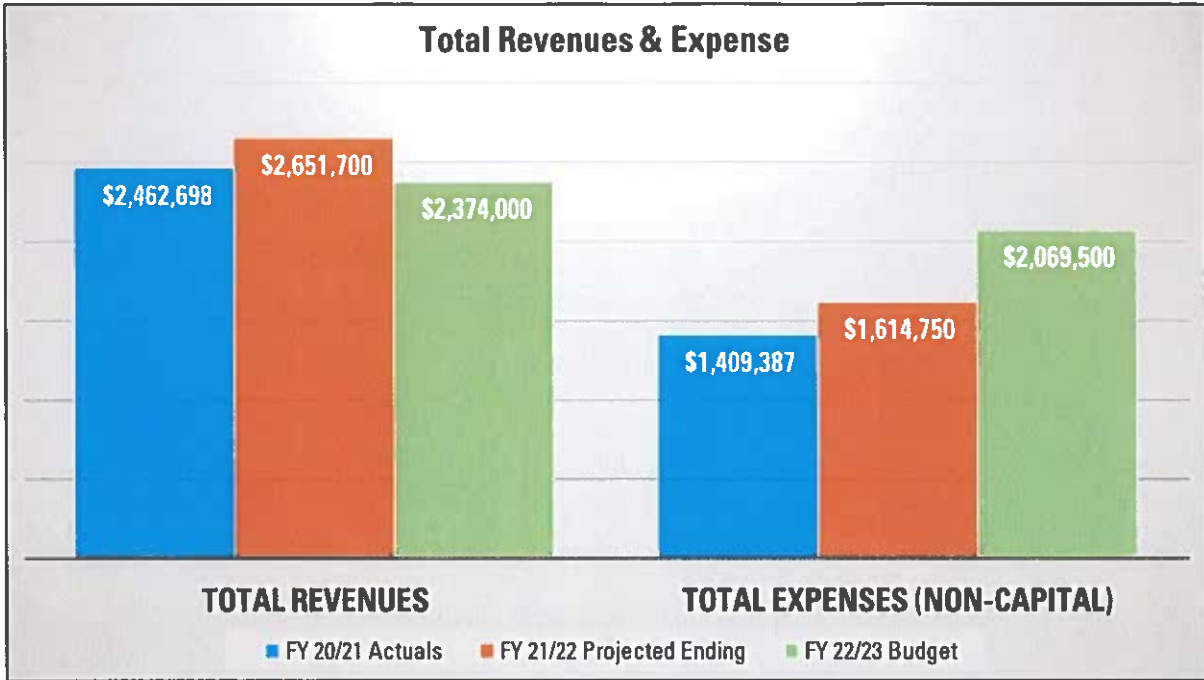


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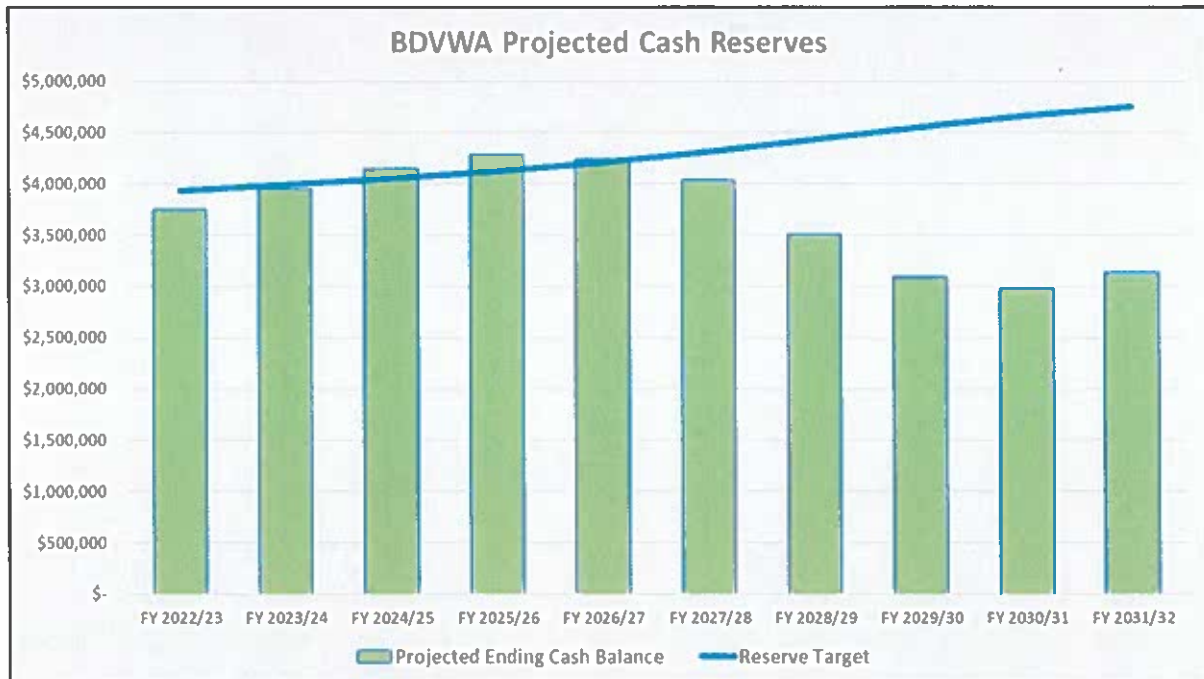


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**Bighorn Desert View Water Agency
FY 23 Proposed Budget - Supplemental Charts**

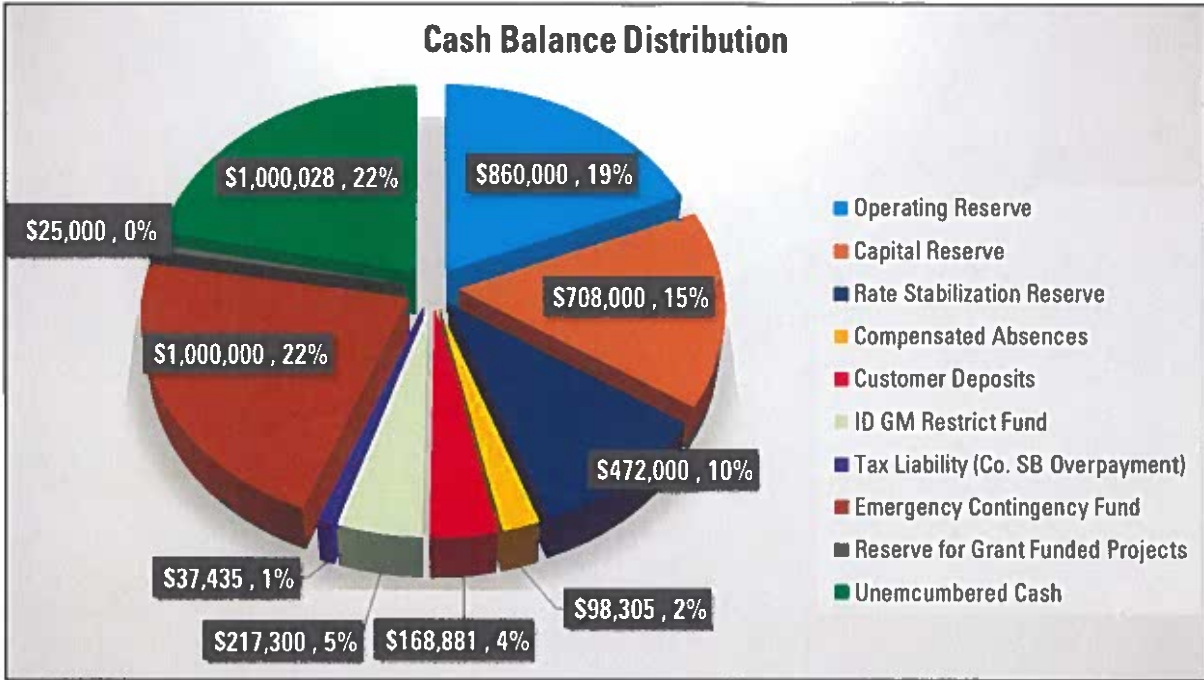


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**Bighorn Desert View Water Agency
FY 23 Proposed Budget - Supplemental Charts**



5

FINAL BUDGET DETAIL

Budget Schedule & Line Item Detailed Narrative

Bighorn-Desert View Water Agency

Budget Schedules & Line Items

FY 22/23 Final Budget

*The District's fiscal year is July 1, 2022 to June 30, 2023

SCHEDULE A: SUMMARY BUDGET

This schedule summarizes operating and non-operating revenues, operations expense, administrative operating and non-operating expenses, board of directors' expenses, capital expenses, and pension trust contributions. Line 9 measures the difference between revenues and expenses, which results in net revenues remaining to fund the Agency's capital expenses and pension trust contributions. The Agency is budgeted to have \$304,500 in net revenues available to fund capital projects and pension trust contributions.

Line 13 shows the final increase or decrease in fund balance planned for the year after all previous items are considered. The amount fluctuates year to year, with some years positive and some negative, primarily as the Agency's capital expense fluctuates. In FY 22/23 the proposed capital projects total \$2,379,500 with a projected grant funding of \$1,563,000. The difference, \$612,000 represents the drawdown from reserves to complete the remainder of the planned capital expenses.

SCHEDULE B: DETAIL BUDGET

This Schedule shows the detail budget for the District. Column (A) is the Adopted Budget for FY 21/22. Column (B) represents projected year-end balances for Fiscal Year 21/22. These amounts are estimates; actual results will vary. Column (C) displays the Final Budget for FY 22/23. Columns (D) and (E) display \$ and % differences from Projected FY 21/22 results to the FY 22/23 Final Budget.

REVENUES

Line 2 Metered Water Consumption Tier 1 – Volumetric water sales in tier 1. Budget for FY 22/23 is based on projected actual results for FY 21/22 and a 4% scheduled rate increase effective January 1st.

Line 3 Metered Water Consumption Tier 2 – Volumetric water sales in tier 1. Budget for FY 22/23 is based on projected actual results for FY 21/22 and a 4% scheduled rate increase effective January 1st. Ag Tier 2 sales are projected based on most recent consumption data.

Line 4 Basic Service Charge – Includes the fixed charges to All Customer Classifications and varies by water meter size. Budget for FY 22/23 is based on projected actual results for FY 21/22 and a 4% scheduled rate increase effective January 1st.

Line 5 JV Bulk Water Cash Sales – Includes bulk water "cash" sales at the Johnson Valley water hauling station. Budget for FY 22/23 is based on projected actual results for FY 21/22.

Line 6 Service Line Installation Fees – This is the fee charged for new meter and service line installations. This account is budgeted conservatively due to the unpredictable nature of these revenues.

Line 7 Basic Facilities Charge – This is the "buy-in" fee charged to new service line connections. This account is budgeted conservatively due to the unpredictable nature of these revenues.

Bighorn-Desert View Water Agency

Budget Schedules & Line Items

FY 22/23 Final Budget

Line 8 Income Other Operating – This includes fees such as Late Penalties, Miscellaneous Fees (NSF, Backflow Reminders, Fire Flow Test, Will Serve Letter, etc.), New Account fees, Disconnection and Reconnection related fees.

Lines 9-10 Bad Debt Expense/Uncollectible Liens – Estimated uncollectible customer account balances and uncollectible liens.

Line 13 General Tax Levy - Bighorn Imp. Area "A" – Property tax revenues, denoted as GA02 on the Tax Apportionment Schedule, related to Bighorn Improvement Area A. This revenue is the portion of the County 1% general property tax, which is passed on to special districts for general operating expenses. Budget for FY 22/23 is based on projected FY 21/22 results.

Line 14 General Tax Levy - Bighorn-Desert View – Property tax revenues, denoted as GA01 on the Tax Apportionment Schedule, related to Bighorn Improvement Area A. This revenue is the portion of the County 1% general property tax, which is passed on to special districts for general operating expenses. Budget for FY 22/23 is based on projected FY 21/22 results.

Line 15 General Tax Levy – Goat Mountain Improvement District – Property tax revenues, denoted as GA03 on the Tax Apportionment Schedule, related to Bighorn Improvement Area A. This revenue, previously apportioned to Co Service Area 70/Zone W-1 (coded as UD82-GA01) is the portion of the County 1% general property tax, which is passed on to special districts for general operating expenses. Budget for FY 22/23 is based on projected FY 21/22 results.

Line 16 Goat Mountain Standby/Water Availability Charge – Per acre charge for water availability assessed through the annual tax bill on all parcels within Improvement District Goat Mountain, which do not have a service connection and water meter. Budget for FY 22/23 is based on projected FY 21/22 results.

Line 17 Interest Revenue – Interest revenue is earned primarily on Agency investments in the State of California's Local Agency Investment Fund (LAIF). Interest revenues are conservatively budgeted with a 2% increase.

Line 18 Pacific Western Earnings Credits – Includes earning credits on the Pacific Western bank accounts. Earnings credits are used to pay qualifying expenses. Therefore, earnings credits "act" like interest.

Line 19 Income Other (Non-Operating) – Includes interest and penalty Tax Apportionments from past due secured property tax liens, prior year Tax Apportionments not applicable to an "active" receivable, .

EXPENSES

Line 23 Operations – Begins the section of Agency operation's expenses.

Line 24 Operations Compensation – Budget for FY 22/23 includes five full-time employees with on-call standby and overtime/standby overtime pay as well. Change from prior fiscal year budget due to actual

Bighorn-Desert View Water Agency

Budget Schedules & Line Items

FY 22/23 Final Budget

hire and resignation dates of employees, vacation payouts at time of accrual caps, accrual payouts at resignation, On-Call overtime (varies), 7.9% Cost-of-Living Adjustment for Fiscal Year 2022/23 which was approved early (April payroll rather than July).

Line 25 Power Wells & Boosters – Includes energy costs on wells and booster stations. Budget for FY 22/23 is based on projected results for FY 21/22 with a 20% inflation increase.

Line 26 Water Purchases – Includes planned water purchase of 100 AF from the for FY 22/23. The water is purchased from the Mojave Water Agency who recharges the water at the Ames/Reche Recharge Facility. Once recharged, the value of the water is maintained as Ames Water Inventory.

Line 27 Water System Repairs – Includes routine repairs/maintenance for wells, pumps, boosters, pressure reducing stations, reservoirs, pipelines, air-vacuum valves, etc. Budget for FY 22/23 is based on FY 21/22 budget.

Line 28 Field Materials & Supplies – Includes all materials and supplies used in the maintenance of the water distribution system, safety/traffic control and small tools. Budget for FY 22/23 is based on FY 21/22 budget.

Line 29 Engineering – Includes costs for as-needed engineering consulting services for construction projects as well as AutoCADD drafting services related to maintenance of the Agency water system map. Budget for FY 22/23 is based on FY 21/22 budget.

Line 30 Vehicle/Tractor/Equipment Expense – Includes expenses for generators and tractors, repairs, hazardous materials disposal, and routine maintenance. Budget for FY 22/23 is based on projected results for FY 21/22 with a 5% inflation increase.

Line 31 Vehicle Expense - Fuel – Includes fuel for truck fleet and associated equipment. Budget for FY 22/23 is based on four-year average fuel usage at current fuel cost with 10% inflation increase. Note, staffing shortages result in less miles driven in current fiscal year but that was offset by rapid rise in monthly fuel prices during FY 21/22.

Line 32 Building Repair and Maintenance – Includes trash and cleaning service, safety supplies, non-routine maintenance. Budget for FY 22/23 is based on FY 21/22 budget.

Line 33 Disinfection Expense – Includes chlorine, disinfection equipment and maintenance and testing supplies. Budget for FY 22/23 is based on projected results for FY 21/22 with a 5% inflation increase.

Line 34 Water Testing – Includes water sampling at wells as required by law. Budget for FY 22/23 is based on actual sampling schedule, which varies year-to-year based on assigned frequencies for water quality monitoring.

Bighorn-Desert View Water Agency

Budget Schedules & Line Items

FY 22/23 Final Budget

Line 35 Uniforms – Includes uniform lease for water operators, safety shoes, winter jackets, and hats. Budget for FY 22/23 is based on FY 21/22 budget.

Line 36 Communications Expense – Includes cell phones for assigned water operations and administrative staff and cost for SCADA internet link and data. Budget for FY 22/23 is based on projected results for FY 21/22 with a 5% inflation increase.

Line 37 Excavation Permit Fees – Includes County fees for excavation in dedicated roads. Budget for FY 22/23 is based on FY 21/22 budget.

Line 38 Other Operating Expenses – Includes various operational permit fees from Mojave Air Quality Management District (MAQMD), State Water Resources Control Board – Division of Drinking Water (SWRCB-DDW), County of San Bernardino Hazardous Materials and others. Budget for FY 22/23 is based on projected results for FY 21/22 with a 5% inflation increase.

Line 40 General & Administrative – Begins the section of Agency Administrative operating and non-operating expenses.

Line 42 Administrative Compensation – Budget for FY 22/23 includes salaries for three full time administrative staff. Change from prior fiscal budget due to vacancies during the fiscal year.

Line 43 GM Compensation – Includes salary for the Agency general manager based on latest contract amendments and Board authorized Cost-of-Living Adjustment.

Line 44 Employee Benefit Insurance – Includes health, dental, vision, and life insurance. Change from prior fiscal year based on actual employee count, benefit type selected and number of dependents per employee. Employee turnover makes this line item difficult to track. Fiscal Year premium increase projected at 10%. Actual increase unknown until after budget adoption in most instances. Budget based on actual needs of each employee assessed at budget time.

Line 45 PERS Contribution – Includes regular retirement expenses to the California Public Employee Retirement System (CalPERS) for Classic, PEPR (Public Employee Pension Reform Act defined pension) members and annual required contributions for the unfunded actuarial liability (UAL).

Line 46 Payroll Taxes – Includes state unemployment costs, employee matching Medicare costs, and Board of Director's matching Social Security and Medicare costs.

Line 47 Worker's Comp Insurance – Includes premiums to CA Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority (CalMutuals-JPRIMA Insurance) for all employees for Worker's Compensation insurance. The Worker's Compensation insurance company is Zenith National Insurance Company.

Bighorn-Desert View Water Agency

Budget Schedules & Line Items

FY 22/23 Final Budget

Line 48 Employee Education – Includes miscellaneous employee training, conferences and college-loan program reimbursements.

Line 49 Contractual Services - Auditor – includes auditor fees, in the 5th year of a 5-year contract with Fedak & Brown.

Line 50 Contractual Services - Legal – Includes legal fees, which are budgeted to increase due to the appointment of new legal counsel for general and personnel services. The respective entities are currently reviewing many Agency policies and making recommendations for changes/updates, etc.

Line 51 Contractual Services - Other – Includes bank fees, annual Springbrook maintenance fees, CPA assistance, Civic Pay services, Interactive Voice Response (IVR) messaging for LockOff processes, outsourced billing, copier maintenance and Information Technology (IT) Consultant work.

Line 52 Property/Liability Insurance – Includes premiums to JPRIMA for property and liability insurance. Budget for FY 22/23 is based on renewals per JPRIMA. JPRIMA premium for Fiscal Year 2022/23 is for a full 12 month term (last fiscal was 11 months). The premium was adjusted for inflation. The policy was amended to include all water storage reservoirs (previously not insured). Property and Equipment Breakdown deductible was increased to \$25,000 from \$5,000 and Wrongful Acts and Employment Practices deductible remains at \$50,000.

Line 53 Legislative Affairs – Community Water Systems Alliance (CWSA) – Includes FY 23 Charter-Level Membership dues for the California Water Systems Alliance.

Line 54 Goat Mtn. Contractual Services Legal – This is an inactive budget line item.

Line 55 Dues, Subscriptions & Annual Fees – Includes various dues/subscriptions such as American Water Works Association (AWWA), Underground Service Alert (Dig Alert) response, CA Rural Water Association (CRWA), Government Finance Officers Association (GFOA), Adobe Acrobat monthly, Wienhoff, Hi-Desert Star, and website hosting.

Line 56 Power / Propane – Office & Yards – Includes costs for propane and electricity at Agency administrative buildings.

Line 57 Office Supplies/Printing – Includes paper, checks, toner refills, office supplies, boardroom supplies, copier costs, business meeting supplies and specialty items and consumables.

Line 58 Phone, Fax Lines & Internet – Includes phone systems, internet, email exchange server and website maintenance (as needed).

Line 59 Mailing Expense – Includes postage and FedEx/UPS and other delivery costs. Budget for FY 22/23 is based on FY 21/22 projected results with a 5% increase.

Bighorn-Desert View Water Agency

Budget Schedules & Line Items

FY 22/23 Final Budget

Line 62 Other Admin Expenses – Includes Notary Fees, filing fees, legal fees, legal notices posted in the newspaper. This expense line item will be partially offset by Revenue Line 19 Other Income (Non-Operating) when a customer ultimately pays the fees directly related to services they receive such as shared cost for execution of the secured liens to the tax collector and release of liens (i.e. document preparation and notary).

Line 63 Office Equipment Expense – Includes office equipment and software. Budget for FY 22/23 is based on FY 21/22 projected results with a 5% increase. No major computer hardware upgrades envisioned during budget planning.

Line 64 Customer Relations – Includes events such as Morongo Basin Conservation District Desert-Wise Landscape tour, Water Education Festival, Free annual Calendar, Boardroom refreshments and other miscellaneous items. Budget for FY 22/23 is based on FY 21/22 projected results with a 5% increase.

Line 65 Election Expenses – Includes election expenses that occur every other year. FY 22/23 is a general election cycle for the Agency. Budget for FY 22/23 is based on historical election costs.

Line 66 Miscellaneous Expenses – General Ledger account used for minor expenses related to reconciliation of the monthly bank statement or “true-up” of minor adjustments to inventory or water receivables (i.e. rounding errors or counterfeit bills discovered by the bank). Also used for voiding stale Utility Billing refund checks or reissuing such checks. Budget for FY 22/23 is based on PY budget.

Lines 69-71 Board of Directors – Includes meeting stipends, training, conferences, and travel. Budget for FY 22/23 is based on FY 21/22 budget with a 5% increase.

Line 73 Net Income/(Loss) Before Capital & Trust Contributions – measures the difference between revenues and expenses, which results in net revenues remaining to fund the Agency’s capital expenses and pension trust contributions.

Line 74 Capital Expenses (Reserve Funded) – Includes use of Agency reserve funds for capital expenses. See Schedule D for more detail.

Line 75 Pension Trust Contributions – Includes planned contributions to the Public Agency Retirement Services (PARS) Pension trust. This is defined as an IRS Section 115 Trust.

Line 76 CalPERS Additional Discretionary Payments – Includes any additional discretionary payments made to CalPERS. No payments are budgeted for FY 22/23 due to market uncertainties at time of budget preparation.

Line 77 Increase/(Decrease) to Reserves - This is the amount that Fund Balance is budgeted to increase or decrease during the fiscal year. Increases and decreases can vary from year to year, mainly due to planned capital spending. The decrease in Fund Balance reflects the Agency’s capital expense share of capital projects, totaling \$612K for FY 22/23.

Bighorn-Desert View Water Agency

Budget Schedules & Line Items

FY 22/23 Final Budget

SCHEDULE B: DETAIL BUDGET - ALTERNATE PRESENTATION

Schedule B is being presented alongside two prior years' actual revenue and expense (audited) for context/comparison.

SCHEDULE C: CAPITAL/REPAIRS & MAINTENANCE

This schedule shows the anticipated capital projects and expenses for the fiscal year, net of any grant proceeds.

Line 14 Grant Funds Awarded – Lines 15, 16 and 17 represent grant awards from various state programs summarized below.

Line 15 – A \$500,000 grant was awarded, through the Proposition 1/Round 1 Application process, to replace a failed well in the Improvement District Goat Mountain system.

Line 16 – A \$313,000 grant was awarded, though the “Emergency Drought Funding Opportunity”, to replace approximately 1,075 water meters and associated parts to increase meter accuracy and improve revenue collections.

Line 17 – The Agency is expecting to be awarded \$750,000 in the Proposition 1/Round 2 Application process for the construction of a second emergency water supply and water exchange intertie with Hi-Desert Water District.

Line 19 Total Capital Expenses Funded by Reserves – This represents the total capital expense to be paid out of Agency reserves, which is shown on Line 74 of Schedule B.

