


RESOLUTION NO. 23R-07

**A RESOLUTION FIXING AND ADOPTING THE
BUDGET FOR THE FISCAL YEAR 2023-2024 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 2023-24 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 2nd day of May 2023.

By 
John R. Burkhart, President of the Board

ATTEST:


Megan Close-Dees, Secretary of the Board



Official Seal



EXHIBIT "A"

**BIGHORN-DESERT VIEW WATER AGENCY
FISCAL YEAR 2023/24 OPERATING BUDGET**

Approved May 2, 2023

Resolution No. 23R-07



Bighorn Desert View Water Agency

Proposed Budget Summary - FINAL

Fiscal Year 2023/24

Schedule A

	A	B	C
	Adopted Budget 2022/23	Projected Year-End 2022/23	Proposed Budget 2023/24
1 Operating Revenues	\$ 2,058,700	\$ 1,957,900	\$ 1,934,000
2 Non-Operating Revenues	315,300	335,500	340,100
3 Total Revenue Available to Fund Operations & Capital	2,374,000	2,293,400	2,274,100
4 Operations	975,600	813,600	1,038,500
5 Administrative - Operating	1,025,000	903,900	1,093,000
6 Administrative - Non-Operating	21,400	21,300	27,800
7 Board of Directors	47,500	33,600	47,500
8 Total Expense	2,069,500	1,772,400	2,206,800
9 Net Income/(Loss) Before Capital & Trust Contribution	304,500	521,000	67,300
10 Capital Expenses	(816,500)	(89,800)	(388,000)
11 Pension Trust Contributions	(100,000)	(100,000)	(100,000)
12 Sub-Total: Net Debt Proceeds / Capital	(916,500)	(189,800)	(488,000)
13 Increase (Decrease) in Fund Balance	\$ (612,000)	\$ 331,200	\$ (420,700)
14 Projected Cash & Investments Beg. Balance - 7/1/23			\$ 5,191,400
15 Projected Cash & Investments End Balance - 6/30/24			\$ 4,770,700



Bighorn Desert View Water Agency

Proposed Budget Summary V. PY Actuals - FINAL

Fiscal Year 2023/24

Schedule A-1

	A	B	C	D
	Actual Results 2020/21	Actual Results 2021/22	Projected Year-End 2022/23	Proposed Budget 2023/24
1 Operating Revenues	\$ 2,462,698	\$ 2,187,408	\$ 1,957,900	\$ 1,934,000
2 Non-Operating Revenues	317,483	308,698	335,500	340,100
3 Total Revenue Available to Fund Operations & Capital	2,780,181	2,496,106	2,293,400	2,274,100
4 Operations	656,646	682,226	813,600	1,038,500
5 Administrative - Operating	702,291	876,250	903,900	1,093,000
6 Administrative - Non-Operating	29,433	15,859	21,300	27,800
7 Board of Directors	21,016	28,092	33,600	47,500
8 Total Expense	1,409,387	1,602,426	1,772,400	2,206,800
9 Net Income/(Loss) Before Capital & Trust Contribution	1,370,793	893,680	521,000	67,300
10 Capital Expenses	(106,284)	(42,581)	(89,800)	(388,000)
11 Pension Trust Contributions	-	-	(100,000)	(100,000)
12 Sub-Total: Net Debt Proceeds / Capital	(106,284)	(42,581)	(189,800)	(488,000)
13 Increase (Decrease) in Fund Balance	\$ 1,264,510	\$ 851,099	\$ 331,200	\$ (420,700)



Bighorn Desert View Water Agency

Proposed Budget Detail - FINAL

Fiscal Year 2023/24

Schedule B

	A	B	C	D	E
	Adopted Budget 2022/23	Projected Year-End 2022/23	Proposed Budget 2023/24	\$ Difference (C - B)	% Difference (D / B)
1 Operating Revenues					
Residential Consumption Tier 1	\$ 588,700	\$ 413,200	\$ 429,700	\$ 16,500	4%
Agriculture Consumption Tier 1	10,500	8,000	8,300	300	4%
Bulk Consumption Tier 1	97,900	73,400	76,300	2,900	4%
Commercial Consumption Tier 1	9,000	12,600	13,100	500	4%
2 Total Metered Water Consumption Tier 1	706,100	507,200	527,400	20,200	4%
Agriculture Consumption Tier 2	23,800	4,800	5,000	200	4%
Residential Consumption Tier 2	226,800	204,000	212,200	8,200	4%
3 Total Metered Water Consumption Tier 2	250,600	208,800	217,200	8,400	4%
4 Basic Service Charge	1,021,800	1,035,600	1,077,000	41,400	4%
5 Johnson Valley Bulk Water Sales	2,500	2,500	2,500	-	0%
6 Service Line Installation Fees	1,500	10,300	2,400	(7,900)	-77%
7 Basic Facilities Charge	14,200	99,100	14,600	(84,500)	-85%
8 Income Other - Operating	65,000	96,700	96,700	-	0%
9 Bad Debt Expense	(1,500)	(2,300)	(2,300)	-	0%
10 Bad Debt - Uncollectable Liens	(1,500)	-	(1,500)	(1,500)	0%
11 Total Operating Revenues	2,058,700	1,957,900	1,934,000	(23,900)	-1%
12 Non-Operating Revenues					
General Tax Levy - Bighorn Imp. Area "A"	78,300	84,600	86,300	1,700	2%
General Tax Levy - Bighorn-Desert View	77,700	84,700	86,400	1,700	2%
General Tax Levy - Improvement District Goat Mtn.	36,100	40,800	41,600	800	2%
Goat Mtn. Standby/Water Availability Charge	62,000	63,900	63,900	-	0%
Interest Revenue	4,800	21,700	22,100	400	2%
Pacific Western Earning Credits	18,000	17,500	17,500	-	0%
Other Revenue	38,400	22,300	22,300	-	0%
20 Total Non-Operating Revenues	315,300	335,500	340,100	4,600	1%
21 Total Revenues	2,374,000	2,293,400	2,274,100	(19,300)	-1%
22 Expenses					
23 Operations					
Operations Salaries	366,700	304,800	412,200	107,400	35%
Power - Wells & Booster	137,000	118,800	124,700	5,900	5%
Water Purchases	62,300	124,600	129,000	4,400	4%
Water System Repairs	78,800	52,700	78,800	26,100	50%
Field Material & Supplies	78,800	60,500	78,800	18,300	30%
Engineering	60,000	10,000	60,000	50,000	500%
Vehicle/Tractor/ Equipment Expense	38,100	27,700	28,800	1,100	4%
Vehicle Expense- Fuel	83,000	49,100	51,600	2,500	5%
Building Repair And Maintenance	15,500	12,200	15,500	3,300	27%
Disinfection Expense	14,600	15,100	15,700	600	4%
Water Testing	10,300	11,600	12,100	500	4%
Uniforms	8,000	4,600	8,000	3,400	74%
Communications Expense	7,500	7,400	7,700	300	4%
Excavation Permit Fees (County of SB)	500	-	500	500	0%
Other Operating Expenses	14,500	14,500	15,100	600	4%
39 Total Operations	975,600	813,600	1,038,500	224,900	28%



Bighorn Desert View Water Agency

Proposed Budget Detail - FINAL

Fiscal Year 2023/24

Schedule B

	A	B	C	D	E
	Adopted Budget 2022/23	Projected Year-End 2022/23	Proposed Budget 2023/24	\$ Difference (C - B)	% Difference (D / B)
40 General & Administration					
41 Operating Expenses					
42 Administrative Salaries	\$ 171,500	\$ 124,600	\$ 193,400	\$ 68,800	55%
43 General Manager Salary	205,000	205,000	223,600	18,600	9%
44 Employee Benefits Insurance	203,400	147,900	195,600	47,700	32%
45 PERS Contribution	99,700	97,400	117,700	20,300	21%
46 Payroll Taxes	18,300	14,300	19,600	5,300	37%
47 Workers Compensation Insurance	15,300	13,400	14,100	700	5%
48 Employee Education	10,000	15,400	16,000	600	4%
49 Contractual Services - Auditor	18,400	18,800	18,800	-	0%
50 Contractual Services - Legal	40,000	38,400	40,000	1,600	4%
51 Contractual Services - Other	123,200	110,200	114,600	4,400	4%
52 Property/Liability/Cyber Insurance	63,000	62,900	77,000	14,100	22%
53 Legislative Affairs - CWSA	10,000	10,000	15,000	5,000	50%
54 Dues, Subscriptions & Annual Fees	17,300	17,300	18,000	700	4%
55 Power / Propane - Office & Yards	13,400	10,100	10,600	500	5%
56 Office Supplies/ Printing	9,000	10,100	10,500	400	4%
57 Phone, Fax Lines, Internet	5,900	6,500	6,800	300	5%
58 Mailing Expense	1,600	1,600	1,700	100	6%
59 Total G&A - Operating Expenses	1,025,000	903,900	1,093,000	189,100	21%
60 Non-Operating Expenses					
61 Other Administrative Expenses	7,500	9,900	14,400	4,500	45%
62 Office Equipment Expense	7,900	7,100	7,400	300	4%
63 Customer Relations	4,500	4,300	4,500	200	5%
64 Election Expense	1,000	-	1,000	1,000	0%
65 Miscellaneous Expense	500	-	500	500	0%
66 Total G&A Non-Operating Expenses	21,400	21,300	27,800	6,500	31%
67 Total General & Administration	1,046,400	925,200	1,120,800	195,600	21%
68 Board of Directors					
69 Director Fees	47,500	33,600	47,500	13,900	41%
70 Total Board of Directors	47,500	33,600	47,500	13,900	41%
71 Total Expenses	2,069,500	1,772,400	2,206,800	1,078,300	61%
72 Net Income/(Loss) Before Capital & Trust Contribution	304,500	521,000	67,300	(453,700)	
73 Less: Capital Expenses (Reserve Funded)	(816,500)	(89,800)	(388,000)	(298,200)	
74 Less: Pension Trust Contributions	(100,000)	(100,000)	(100,000)	-	
75 Less: CalPERS Additional Discretionary Payments	-	-	-	-	
76 Net Increase/(Decrease) To Reserves	\$ (612,000)	\$ 331,200	\$ (420,700)	\$ (751,900)	



Bighorn Desert View Water Agency

Proposed Budget - Capital Plan - FINAL

Fiscal Year 2023/24

Schedule C

	A	B	C	D	E = C+D
	Adopted Budget 2022/23	Projected Year-End 2022/23	Carryover Budget 2022/23	Budget Addition / (Deletion)	Proposed Budget 2023/24
1 District Projects					
2 2 Trucks, New Transmission Ford Dump Truck	\$ 119,000	\$ 119,000	\$ -	\$ -	\$ -
3 Valve Turner Upgrade (Controller and other tools)	7,500	7,500	-	-	-
4 Well 4 Rehabilitation	200,000	-	200,000	-	200,000
5 Goat Mountain Replacement Well/ Well Destruction	600,000	100,000	500,000	-	500,000
6 Three Exploratory Borings inc. Project Management	300,000	1,900	298,100	(298,100)	-
7 Administration Building Roof Replacement	20,000	-	20,000	20,000	40,000
8 Parking Lot	5,000	6,400	-	-	-
9 A-Booster Replacement	65,000	-	65,000	-	65,000
10 Meter Replacements	313,000	4,300	308,700	79,300	388,000
11 2nd Intertie with High Desert WD	750,000	100,000	650,000	-	650,000
12 Truck - 1500 Chevy	-	-	-	53,000	53,000
13 Design 3 Projects - Consolidation/Pumpstation/Blending	-	-	-	250,000	250,000
14 Acquisition of Easements	-	-	-	50,000	50,000
15 Total District Projects	2,379,500	339,100	2,041,800	154,200	2,196,000
16 Grant Funding					
17 Prop 1 Round 1: Goat Mountain Replacement Well	(500,000)	-	(500,000)	-	(500,000)
18 Drought Grant: Meter Replacements	(313,000)	(15,000)	(298,000)	-	(298,000)
19 Grant Funding: A-Booster Replacement	-	-	-	-	(60,000)
20 Grant Funding: Design/Easements	-	-	-	-	(300,000)
21 Prop 1 Round 2: 2nd Intertie with High Desert WD	(750,000)	(100,000)	(650,000)	-	(650,000)
22 Total Grant Funding	(1,563,000)	(115,000)	(1,448,000)	-	(1,808,000)
23 Total Capital Expenses - Funded by Reserves	\$ 816,500	\$ 224,100	\$ 593,800	\$ 154,200	\$ 388,000

Bighorn-Desert View Water Agency

Budget Schedules & Line Items

FY 23/24 Final Budget

*The District's fiscal year is July 1st to June 30th

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 \$67,300 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 23/24 the proposed capital projects total \$2,196,000 with a projected grant funding of \$1,808,000. The difference, \$388,000 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 22/23. Column (B) represents projected year-end balances for Fiscal Year 22/23. These amounts are estimates; actual results will vary. Column (C) displays the Final Budget for FY 23/24. Columns (D) and (E) display \$ (dollars) and % (percentages) differences from Projected FY 22/23 results to the FY 23/24 Final Budget.

REVENUES

Line 2 Metered Water Consumption Tier 1 – Volumetric water sales in tier 1. Budget for FY 23/24 is based on projected actual results for FY 22/23 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 23/24 is based on projected actual results for FY 22/23 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 23/24 is based on projected actual results for FY 22/23 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 23/24 is based on projected actual results for FY 22/23.

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 23/24 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 (WY08-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 23/24 is based on projected actual results for FY 22/23 with a 2% increase.

Line 14 General Tax Levy - Bighorn-Desert View – Property tax revenues, denoted as GA01 (WY08-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 23/24 is based on projected actual results for FY 22/23 with a 2% increase.

Line 15 General Tax Levy – Goat Mountain Improvement District – Property tax revenues, denoted as GA03 (WY08-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 23/24 is based on projected actual results for FY 22/23 with a 2% increase.

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 23/24 is based on projected actual results for FY 22/23.

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 and any "aged" 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 23/24 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 23/24 Final Budget

hire and resignation dates of employees, vacation payouts at time of accrual caps, accrual payouts at resignation, On-Call overtime (varies), and 8.7% (2023 Social Security Index basis) Cost-of-Living Adjustment authorized by the Board of Directors on April 11, 2023.

Line 25 Power Wells & Boosters – Includes energy costs on wells and booster stations. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 5% inflation increase.

Line 26 Water Purchases – Includes planned water purchase of 200 AF for FY 23/24. 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. State Water Project delivery to Ames/Reche by Mojave Water Agency are charged on a per Acre-Foot basis.

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 23/24 is based on projected actual results for FY 22/23.

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 23/24 is based on projected actual results for FY 22/23.

Line 29 Engineering – Includes costs for as-needed engineering consulting services for construction projects as well as AutoCAD drafting services related to maintenance of the Agency water system map. Budget for FY 23/24 is based on FY 22/23 budget.

Line 30 Vehicle/Tractor/Equipment Expense – Includes expenses for generators and tractors, repairs, hazardous materials disposal, and routine maintenance. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 4% inflation increase.

Line 31 Vehicle Expense - Fuel – Includes fuel for truck fleet and associated equipment. If fuel is utilized for a new service line installation then it is recovered in the fee paid by the customer. Budget for FY 23/24 is based on projected actual results for FY 22/23 with 5% increase.

Line 32 Building Repair and Maintenance – Includes trash and cleaning service, safety supplies, non-routine maintenance. Budget for FY 23/24 is the same as prior fiscal year.

Line 33 Disinfection Expense – Includes chlorine, disinfection equipment and maintenance and testing supplies. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 4% 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. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 4% inflation increase.

Bighorn-Desert View Water Agency

Budget Schedules & Line Items

FY 23/24 Final Budget

Line 35 Uniforms – Includes uniform lease for water operators, safety shoes, winter jackets, and hats. Budget for FY 23/24 is the same as prior fiscal year. Change from prior fiscal year budget due to actual hire and resignation dates of Operations Department employees.

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 23/24 is based on projected results for FY 22/23 with a 4% inflation increase.

Line 37 Excavation Permit Fees – Includes County fees for excavation in dedicated roads. If the excavation is related to a new service line installation then it is recovered in the fee paid by the customer. Budget for FY 23/24 is based on projected results for FY 22/23.

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 for the ability to retain generators, fuel storage and waste oil storage prior to its proper disposal. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 4% inflation increase.

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

Line 42 Administrative Compensation – Budget for FY 23/24 includes salaries for the three authorized full-time administrative staff and 8.7% (2023 Social Security Index basis) Cost-of-Living Adjustment authorized by the Board of Directors on April 11, 2023. This position is currently being held vacant as of start of FY 23/24. Change from prior fiscal year budget due to a vacancy of one authorized full-time position.

Line 43 GM Compensation – Includes salary for the Agency general manager based on latest contract amendments and 8.7% (2023 Social Security Index basis) Cost-of-Living Adjustment authorized by the Board of Directors on April 11, 2023.

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). Regular retirement expenses are based on CalPERS Classic rate for FY 23/24 is 11.934% with an Unfunded Accrued Liability

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Budget Schedules & Line Items

FY 23/24 Final Budget

(UAL) payment of \$41,891. CalPERS PEPR rate for FY 23/24 is 7.68% with an Unfunded Accrued Liability (UAL) payment of \$0.00. Employer percentage and UAL requirements are outlined in the CalPERS Actuarial Office Annual Valuation Report as of June 30, 2021. Change from prior fiscal year based on actual employee count and retirement program assigned by CalPERS at budget time.

Line 46 Payroll Taxes – Includes state unemployment costs, employee matching Medicare costs, and Board of Director's matching Social Security and Medicare costs based on actual employee payroll assessed at budget time.

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 and directors for Worker's Compensation insurance. The Worker's Compensation insurance company is Zenith National Insurance Company. Budget for FY 23/24 is based on the renewal quote received which reflects a 5% increase using payroll projection total of \$808,000. The plan renewal process is initiated in January each year.

Line 48 Employee Education – Includes miscellaneous employee training, conferences and college-loan program reimbursements and associated travel, lodging and other reasonable and necessary expenses. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 4% increase.

Line 49 Contractual Services - Auditor – includes auditor fees, in the 1st year of a 5-year contract renewal with C. J. Brown & Company, CPA's (formerly Fedak & Brown, LLP).

Line 50 Contractual Services - Legal – Includes legal fees for both general counsel and special counsel assigned to personnel matters. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 4% increase.

Line 51 Contractual Services - Other – Includes bank fees, annual Springbrook maintenance fees, CPA assistance, Civic Pay services, IVR messaging, outsourced billing, copier maintenance and Information Technology (IT) Consultant work. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 4% increase.

Line 52 Property/Liability/Cyber Security Insurance – Includes premiums to JPRIMA for property and liability insurance. Budget for FY 23/24 is based on renewals per JPRIMA. Property and Equipment Breakdown deductible was increased to \$25,000 from \$5,000 and Wrongful Acts and Employment Practices deductible remains at \$50,000. Cyber Security Insurance is a new product from JPRIMA which helps to manage the risk of losses arising from ransomware, malware and data breaches. The estimated policy premium "place holder" is included in the FY 2023/24 budget but a policy has not yet been secured. The Property and Automobile Liability Budget for FY 23/24 is based on the renewal quote received which reflects a 12% increase.

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Budget Schedules & Line Items

FY 23/24 Final Budget

Line 53 Legislative Affairs - CWSA – Includes FY 23/24 membership dues for the California Water Systems Alliance and a travel budget for advocacy and outreach as necessary in the post-Covid environment.

Line 54 Dues, Subscriptions & Annual Fees – Includes various dues such as AWWA, CSDA, Dig Alert, CRWA, GFOA, Adobe, Wienhoff, Hi-Desert Star, and website hosting. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 4% increase.

Line 55 Power / Propane – Office & Yards – Includes costs for propane and electricity at Agency sites. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 5% increase.

Line 56 Office Supplies/Printing – Includes checks, toner refills, office supplies, boardroom supplies, copier costs, business meeting supplies. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 4% increase.

Line 57 Phone, Fax Lines & Internet – Includes phone systems, internet, email exchange server, and website maintenance. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 5% increase.

Line 58 Mailing Expense – Includes postage and delivery costs. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 6% increase.

Line 61 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). Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 4% increase.

Line 62 Office Equipment Expense – Includes office equipment and software. Budget for FY 23/24 is based on FY 22/23 projected results with a 4% increase.

Line 63 Customer Relations – Includes events such as Morongo Basin Conservation District Desert-Wise Landscape Tour, Water Education Festival, free annual calendar and others. Includes refreshments for Board meetings and other relevant events. Budget for FY 22/23 is based on FY 21/22 projected results with a 5% increase.

Line 64 Election Expenses – Includes election expenses that occur every other year. FY 23/24 is not a general election cycle for the Agency. Budget for FY 23/24 is place holder.

Line 65 Miscellaneous Expenses – Ledger used for minor expenses related to reconciliation of the monthly bank statement or “true-up” of minor adjustments to inventory or water (ie. rounding errors or counterfeit bills discovered by the bank). Also used for voiding stale Utility Billing refund checks or

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Budget Schedules & Line Items

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reissuing such checks. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 0% increase.

Lines 68-70 Board of Directors – Includes meeting stipends, training, conferences, and travel. No change in FY 23/24 due to projected actual results for FY 22/23.

Line 72 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 73 Capital Expenses (Reserve Funded) – Includes use of Agency reserve funds for capital expenses. See Schedule D for more detail.

Line 74 Pension Trust Contributions – Includes planned contributions to the PARS Pension trust. Currently, \$100,000 is budgeted for contribution but the Board of Directors' will analyze this option further prior to submitting the contribution.

Line 75 CalPERS Additional Discretionary Payments – Includes any additional discretionary payments made to CalPERS. No payments are budgeted for FY 23/24.

Line 76 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 increase/decrease in Fund Balance reflects the Agency's capital and pension trust expense share totaling \$488,000 for FY 23/24.

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 16 Grant Funds Awarded – Lines 17 to 21 are proposed projects which are grant funded. The budgets represent the portion of work projected to be completed in the fiscal year and not necessarily the total grant awarded. These grant awards are from various state programs.

Line 22 Total Grant Funding – Grant funding directed towards the Capital project program.

Line 23 Total Capital Expenses Funded by Reserves – This represents the total capital expense to be paid out of Agency reserves, which is shown on Line 73 of Schedule B.