

RESOLUTION NO. 09R-12

A RESOLUTION FIXING AND ADOPTING THE AGENCY  
BUDGET FOR THE FISCAL YEAR 2009-2010 FOR THE  
BIGHORN-DESERT VIEW WATER AGENCY

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 2009-2010 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 25th day of June, 2009.

By Judy Corl-Lorono  
Judy Corl-Lorono, Board President

I, the undersigned, hereby certify that I am the duly-appointed Secretary of the Board of Directors of the Bighorn-Desert View Water Agency, and that at a Special meeting of the Board held on June 25, 2009 the foregoing Resolution No. 09R-12 was adopted by said Board, and that it has not been rescinded or amended since the date of its adoption, and is now in full force and effect.

Joanne L Keiter  
Joanne L Keiter, Board Secretary

**EXHIBIT "A"**



2009/2010

**OPERATING BUDGET**

Adopted by Board on June 25, 2009

2009/2010 OPERATING BUDGET  
EXHIBIT "A"

<b><u>SUMMARY</u></b>		
	revenue	expenses
<b>REVENUE - OPERATING</b>	1,139,934	
<i>ADMINISTRATION EXPENSE</i>		618,350
<i>OPERATION EXPENSE</i>		409,820
<i>CAPITAL LEASE - Equipment</i>		14,087
<b>REVENUE (NON-OPERATING)</b>	191,652	
<i>DEBT EXPENSE (BH, DV, &amp; MWA)*</i>		220,000
<b>CAPITAL IMPROVEMENT/ REPLACEMENT/REFURBISHMENT</b>		
<i>Unrestricted Revenue Available</i>		24,677
<i>Restricted Revenue Available</i>		33,946
<i>Basic Facilities Charge &amp; Meter Installation</i>		10,706
<b>TOTAL</b>	<b>1,331,586</b>	<b>1,331,586</b>
* MWA Debt Participation is funded by Operating Revenues		

# 2009/2010 BUDGET EXHIBIT "A"

## REVENUE SUMMARY

Description	Amount
OPERATING INCOME	
Metered Water Sales	485,459
Basic Service Charge	567,930
General Tax Income (1%) BH GA02	30,918
General Tax Income (1%) DV GA01	32,027
Other Operating Income	21,600
Interest Income Unrestricted	2,000
* Subtotal	1,139,934
NON-OPERATING INCOME	
BH Debt Income BH FMHA DA01	125,900
DV FMHA Surcharge	48,546
Interest Income Bonds	6,000
Other Non Operating Income	500
** Subtotal	180,946
NON-OPERATING INCOME - New Services	
Meter Connect Fees (SL Install Fees)	2,510
Basic Facilities Charge (Buy In)	8,196
Subtotal	10,706
<b>Total Revenue</b>	<b>1,331,586</b>

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

\*\* Following adjustment for MWA debt participation, Non-Op Subtotal will be \$263,196

2009/2010 BUDGET  
EXHIBIT "A"

**ADMINISTRATIVE EXPENSE**

<b>Account</b>	<b>Description</b>	<b>Amount</b>
56001	Directors Fees	10,000
56002	Director Meeting Expense	10,000
56003	Administrative Compensation	217,000
56005	Administrative Meeting Expenses	1,000
56006	Contractual Services- Auditor	28,000
56007	Contractual Services- Legal	80,000
56008	PERS	37,000
56009	Payroll Tax	9,300
56011	Telephone & Fax	6,250
56012	Mailing Expenses	7,900
56014	Contractual Services- Other	30,600
56016	Property/Liability Insurance	32,600
56017	Workers Comp. Insurance	13,000
56018	Dues & Subscriptions	7,050
56020	Power- Office & Yards	5,200
56022	Bad Debt Expense	6,000
56025	Propane	1,000
56030	Office Supplies	3,000
56100	Employee Benefits Insurance	86,000
56110	Employee Education	6,000
56200	Office Equipment Expense	3,450
56300	Customer Relations	1,000
56400	Other Administrative Expenses	2,000
57360	MWA Pipeline OMP&R	-
58100	Elections Costs	15,000
	<b>Total Administrative Expense</b>	<b>618,350</b>

## 2009/2010 BUDGET

## EXHIBIT "A"

**OPERATIONS EXPENSE**

<b>Account</b>	<b>Description</b>	<b>Amount</b>
54102	Operations Compensation	199,000
54103	Uniforms	2,420
54105	Auto Controls	4,500
54106	Vehicle/Tractor/Equip Expense	9,000
54107	Vehicle Expense- Fuel	20,000
54109	Field Materials and Supplies	45,000
54111	Water Testing	9,000
54112	Contractual Services- Engineering	10,000
54114	Water System Repairs	12,000
54115	Building Maintenance/Repair	6,680
54117	Ames Basin Monitoring	9,500
54119	Communications Expense	3,200
54121	Disinfection Expense	4,000
54125	Power- Wells/Booster Pumps	62,000
54130	Other Operations Expense	13,520
	<b>Total Operations Expense</b>	<b>409,820</b>

2009/2010 BUDGET  
EXHIBIT "A"

**DEBT EXPENSE**

<b>Account</b>	<b>Description</b>	<b>Payment Amount</b>	<b>Paid from Revenue</b>	<b>Paid from LAIF</b>
22300	BH Debt Principal	66,000	66,000	-
57000	BH Debt Interest Payment	40,000	40,000	-
21101	DV Debt Principal	24,000	24,000	-
59100	DV Debt Interest Payment	17,000	17,000	-
57350	MWA Pipeline Debt	73,000	73,000	-
	<b>Total Debt Expense</b>	<b>220,000</b>		<b>- *</b>

\*Assumes no debt service payments from LAIF reserves

MWA Pipeline debt is paid from general revenue stream. It is not a part of any dedicated payment like BH or DV.

2009/2010 BUDGET  
EXHIBIT "A"

CAPITAL LEASE

<b>Account</b>	<b>Description</b>	<b>Payment Amount</b>
22400	Capital Lease	14,087
	<b>Total Debt Expense</b>	<b>14,087</b>

2009/2010 BUDGET - REVENUE ACCOUNTS  
EXHIBIT "A"

REVENUE	ACCOUNTS	ADDITIONAL INFORMATION	09/10
41000	SERVICE LINE INSTALLATION FEE- Revenues to cover the actual cost of customer ordered service line installation.	Estimate 2 service line installations with 3/4-in meter @ \$1255 ea	2,510
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 2 service line installations @ \$4098	8,196
41100	WATER SALES CHARGES- Total revenues from the sales of water to metered customers through BH, DV and Bulk.	Based on 95 % of actual consumption from July '08 to May '09 at \$3 per one hundred cubic feet and bulk at \$8.5 per unit	485,459
41300	BASIC SERVICE CHARGE- Bi monthly billing to cover fixed O&M costs plus capital projects (non-specified funds)	Based on \$55 per customer per billing cycle	567,930
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 \$41,000. Payments due September (Interest approx. \$8,500) and April (Interest approx \$8,500 and principal \$24,000). Extra revenue collected is used for replacement & refurbishment and is tagged as available "restricted" revenue.	Based on \$9.30 per customer per billing cycle. Projection is based on accumulation of \$7,550 for Replacement & Refurbishment of DV water system.	48,546
41700	INCOME OTHER- Delinquent water billing revenues, unlock charges, non sufficient funds check charges, clean and show charges, scrap metal sales, customer PIR fee, account setup charges.	Delinquent Charges \$14,000 year, Miscellaneous \$4000 year, UL&NSF \$3600	21,600
49100	INCOME GENERAL TAX ID BH 1%- This revenue is the portion of the County 1% tax which is passed on to special districts for general operating expenses. Monies are first earmarked for Agency-wide MWA Debt Participation. Coded on the property tax apportionment schedule as GA02.	General tax projection, significant property de-valuation expected at around 30%. In addition a Suspension of Prop. 1A is expected to shift approx. 25% to State of California. This will be a loan.	30,918
49101	INCOME BOND DEBT BH FMHA- This revenue is generated through the issuance of an annual advalorem tax and assessed to all properties within the Bighorn (north side of the Agency). In 2008/2009 this amount is assessed at .21 per \$100 of assessed valuation. 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 \$106,000. Payments are due December (Interest approx. \$20,000) and June (Interest \$20,000 and principle \$66,000). Extra revenue collected is used for replacement & refurbishment and is tagged as available "restricted" revenue.	Projection is based on accumulation of an additional \$20,000 for Replacement & Refurbishment of BH water system.	125,900
49102	INCOME GENERAL TAX ID DV 1%- This revenue is the portion of the County 1% General tax which is passed on to special districts for general operating expenses. Monies are first earmarked for Agency-wide MWA Debt Participation. Coded on the property tax apportionment schedule as GA01.	General tax projection, significant property de-valuation expected at around 30%. In addition a Suspension of Prop. 1A is expected to shift approx. 25% to State of California. This will be a loan.	32,027
49200	INTEREST INCOME- Interest revenue from our Local Agency Investment Fund account. Interest posted to this account is earned on the non-specific or non-bond monies.	Interest income Anticipate <3% interest	2,000
49201	INTEREST INCOME BOND FUNDS- Interest revenue from our Local Agency Investment Fund Account. Interest earned on the restricted bond revenues variance is posted to this account.	Interest income on restricted bond funds Anticipate <3% interest	6,000
49600	OTHER NON OPERATING INCOME- Revenues from delinquent property tax payments. Ames testing reimbursement. Misc other non operating revenues	Miscellaneous outstanding standby fee penalties.	500
<b>TOTAL</b>			<b>\$1,331,586</b>

**2009/2010 BUDGET - EXPENSE ACCOUNTS  
EXHIBIT "A"**

EXPENSE	ACCOUNTS	PROJECTED BUDGET	STAFF NOTES
54102	OPERATIONS COMPENSATION*	Four field employees with additional overtime and standby hours	projected 0% COLA and 1 step increase merit for all eligible employees. Includes standby and OT (\$30,000)
54103	UNIFORMS	Shoes \$750, Uniform Lease Service \$1550; jackets \$375	\$ 199,000.00
54105	VERIZON-TELEMETRY	375 X 12 months-36 month fixed lease	\$ 2,420.00
54106	VEHICLE/TRACTOR/EQUIP EXPENSE*	Includes new tires for fleet, routine maintenance, large equipment repairs, vehicle decals	\$ 4,500.00
54107	VEHICLE EXPENSE- FUEL	Projections based on prior 7 month trend.	\$ 9,000.00
54109	FIELD MATERIAL & SUPPLIES*	All materials and supplies used in the maintenance of the water distribution system, safety/traffic control and small tools.	\$ 20,000.00
54111	WATER TESTING	BacT \$3360, Nitrates all wells '09 \$160, General Phy at SS \$2400, GP @ Wells \$160, Pb/Cu testing cycle in 2009/10 \$750, T22 \$2,200	\$ 45,000.00
54112	ENGINEERING-IN HOUSE	Engineering/ Hydrogeologic consultant services	\$ 9,000.00
54114	SYSTEM REPAIRS	Routine repairs/maintenance for wells, pumps, boosters, pressure reducing stations costs, etc.	\$ 10,000.00
54115	BUILDING REPAIR AND MAINT	Trash \$900, Security \$500, Shop Sec. \$480, Fire extinguisher maintenance \$600, Miscellaneous repairs \$2000, cleaning service \$2200.	Conj. Use Review
54117	AMES BASIN MONITORING	Hanson about \$3000 plus misc water testing 6500	\$ 12,000.00
54119	COMMUNICATIONS EXP	AT&T Cell phones	\$ 6,680.00
54121	DISINFECTION EXPENSE	Chlorine \$3500, Misc \$500	\$ 9,500.00
54125	POWER WELLS & BOOSTER	Based on prior 12 months usage	\$ 3,200.00
54130	OTHER OPER EXPENSES	Dump charges \$600, misc petty cash \$500, misc. visa expenses \$500, SWRCB \$920, bee service \$500, DHS - \$4000, LAFCO 2009-2010 Budget Allocation thru. Co of SB Treasurer \$5,500, BLM rent for system \$1000	\$ 4,000.00
56001	DIRECTORS FEES	Regular Meeting \$6000, Misc \$800, Committee Meetings \$1200	\$ 62,000.00
56002	DIRECTOR MEETING EXPENSE	Miscellaneous Director education seminars and associated expenses	Increased 3%
56003	ADMINISTRATION COMP*	Three full time office staff & General Manager	LAFCO budget share outlined in April 16, 2009 LAFCO staff report
56005	ADMIN MEETING EXPENSE	Miscellaneous meetings with DWR, MWA, etc.	\$ 13,520.00
56006	CONTRACTUAL SERVICES- AUDITOR	Auditor	\$ 10,000.00
56007	CONTRACTUAL SERV- LEGAL	Legal Fees	\$ 10,000.00
56008	PERS	All Employees.	\$ 10,000.00
56009	PAYROLL TAXES*	Unemployment \$3500, Medicare match \$5800	\$ 217,000.00
56011	PHONE, FAX LINES, INTERNET	Main office phones \$4500, Internet access \$720; website maint. \$1000	\$ 1,000.00
			\$ 28,000.00
			\$ 80,000.00
			\$ 37,000.00
			\$ 9,300.00
			\$ 6,250.00

**2009/2010 BUDGET - EXPENSE ACCOUNTS  
EXHIBIT "A"**

EXPENSE	ACCOUNTS	PROJECTED BUDGET	STAFF NOTES
56012	MAILING EXPENSE	Routine metered postage \$480 per month (\$5800), equip rental \$930, UPS-FedEx \$400, CCR mailing \$800	\$ 7,900.00
56014	CONTRACTUAL SERV- OTHER	Copier maintenance agreement \$3300, payroll processing \$3000, UBOC \$2400, Credit Card Processing \$4800, Datastream contract \$2,600, Datastream Programming \$1,200; Misc DataStream/Admin temp labor \$12,000, Safety Training Consultant \$2,500	Inc. Cristif Bush continuing w/AP & AR training/oversight and Audit prep assistance
56016	PROPERTY/LIABILITY EXPENSE	Property and Liability	\$ 30,600.00
56017	WORKERS COMP INS	All Employees	\$ 32,600.00
56018	DUES & SUBSCRIPTIONS and ANNUAL FEES	AWWA \$350, ACWA \$3,800, DigAlert \$375, Hi Desert Star \$33, CRWA \$550, Weinhoff \$250, CSDA \$1575, Misc \$100	\$ 13,000.00
56020	POWER OFFICE & YARDS	Based on prior 8 months usage	\$ 7,050.00
56022	BAD DEBT EXPENSE/WATER RELIEF	Bad debt and water bill relief	\$ 5,200.00
56025	PROPANE	Office and Shop	\$ 6,000.00
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 supplies.	\$ 1,000.00
56100	EMPLOYEE BENEFITS INS*	\$7585 x 12 months (8 employees) excludes copays	\$ 3,000.00
56110	EMPLOYEE EDUCATION	Miscellaneous employee education training (\$3,000 for GM)	\$ 86,000.00
56200	OFFICE EQUIPMENT EXPENSE	Computer repairs \$500, Misc office equipment, furniture & software \$2500, Postage ink \$450	\$ 6,000.00
56300	CUSTOMER RELATIONS	Misc customer relations exp \$1000	\$ 3,450.00
56400	OTHER ADMIN EXPENSES	County charges for property tax collection, employment advertising including bid recruitment and legal advertising, employee drug testing	\$ 1,000.00
57360	MWA PIPELINE OMP&R		\$ 2,000.00
58100	ELECTION COSTS	General Election Estimate	\$ - Deleted
<b>TOTAL EXPENSES</b>			\$ 15,000.00 Election November 2009 w/additional candidate
			\$ 1,028,170.00

\* A portion of these expenses are allocated to capitalized projects (main extensions, SL installs).

**2009/2010 REVENUE PROJECTED  
EXHIBIT "A"**

Account	Description	JUL 09	AUG 09	SEP 09	OCT 09	NOV 09	DEC 09	JAN 2010	FEB 2010	MAR 2010	APR 2010	MAY 2010	JUN 2010	TOTAL
01-41100	<b>METERED WATER SALES</b> Percentage vs previous 12 months BIGHORN 01-06 Consumption previous 12 mo. <b>Metered Water @ 95% of prior 12 mo.</b>	0.95 1,480,112 <b>42,183</b>	0.95 1,498,750 <b>42,714</b>	0.95 2,025,885 <b>57,738</b>	0.95 1,480,112 <b>42,183</b>	0.95 1,500,377 <b>42,761</b>	0.95 1,031,612 <b>29,401</b>	0.95 1,224,394 <b>34,895</b>	0.95 1,053,619 <b>30,034</b>	0.95 946,932 <b>26,988</b>	0.95 734,236 <b>20,926</b>	0.95 1,044,169 <b>29,759</b>	0.95 1,096,207 <b>31,299</b>	\$196,557
01-41100	Percentage vs previous 12 months DESERT VIEW 07-11 Consumption previous 12 mo. <b>Metered Water @ 95% of prior 12 mo.</b>	0.95 1,633,788 <b>46,563</b>	0.95 2,025,885 <b>57,738</b>	0.95 2,025,885 <b>57,738</b>	0.95 1,480,112 <b>42,183</b>	0.95 1,500,377 <b>42,761</b>	0.95 1,031,612 <b>29,401</b>	0.95 1,224,394 <b>34,895</b>	0.95 1,053,619 <b>30,034</b>	0.95 946,932 <b>26,988</b>	0.95 734,236 <b>20,926</b>	0.95 1,044,169 <b>29,759</b>	0.95 1,096,207 <b>31,299</b>	\$238,703
01-41300	<b>BASIC SERVICE CHARGE</b> no of meters - BIGHORN 01-06 <b>Basic Svs Charge @ \$55/ meter per cycle</b>	851 <b>46,805</b>	851 <b>46,805</b>	851 <b>46,805</b>	851 <b>46,805</b>	851 <b>46,805</b>	851 <b>46,805</b>	851 <b>46,805</b>	851 <b>46,805</b>	851 <b>46,805</b>	851 <b>46,805</b>	851 <b>46,805</b>	851 <b>46,805</b>	\$280,830
01-41300	no of meters - DESERT VIEW 07-11 <b>Basic Svs Charge @ \$55/ meter per cycle</b>	870 <b>47,850</b>	870 <b>47,850</b>	870 <b>47,850</b>	870 <b>47,850</b>	870 <b>47,850</b>	870 <b>47,850</b>	870 <b>47,850</b>	870 <b>47,850</b>	870 <b>47,850</b>	870 <b>47,850</b>	870 <b>47,850</b>	870 <b>47,850</b>	\$287,100
01-41100	percentage of previous 12 months consumption previous 12 mos. <b>Bulk Water @95% of prior 12 mo.</b>	0.95 61,011 <b>4,927</b>	0.95 71,655 <b>5,786</b>	0.95 62,749 <b>5,067</b>	0.95 56,778 <b>4,585</b>	0.95 49,232 <b>3,975</b>	0.95 47,289 <b>3,819</b>	0.95 33,227 <b>2,683</b>	0.95 37,640 <b>3,039</b>	0.95 36,604 <b>2,956</b>	0.95 42,891 <b>3,463</b>	0.95 51,234 <b>4,137</b>	0.95 71,354 <b>5,762</b>	\$50,199
01-41600	<b>DEBT REVENUE</b> # of Desert View Accounts <b>FHMA Desert View Revenue Bond @ 9.30</b>	870 <b>8,091</b>	870 <b>8,091</b>	870 <b>8,091</b>	870 <b>8,091</b>	870 <b>8,091</b>	870 <b>8,091</b>	870 <b>8,091</b>	870 <b>8,091</b>	870 <b>8,091</b>	870 <b>8,091</b>	870 <b>8,091</b>	870 <b>8,091</b>	\$48,546
01-49101	PT Advalem Bighorn	-	-	-	-	18,000	30,000	6,000	16,000	6,500	18,000	16,400	15,000	\$125,900
01-49201	LAIF Interest Income (Bonds)	1,500	-	-	1,500	-	-	1,500	-	-	1,500	-	-	\$6,000
01-49102	GENERAL PROPERTY TAX REVENUE PT Desert View 1% GA01	-	-	-	-	3,000	7,000	4,100	3,000	927	6,500	6,000	1,500	\$32,027
01-49100	PT Bighorn 1% GA02	-	-	-	-	3,000	9,000	2,000	2,000	918	6,000	6,000	2,000	\$30,918
01-41700	<b>OTHER OPERATION REVENUE</b> Income Other (Operating)	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	\$21,600
01-48200	LAIF Interest Income (Unrestricted)	500	-	-	500	-	-	500	-	-	500	-	-	\$2,000
01-49600	Income Other (Non Op) DQ Standbys	-	-	250	-	250	-	-	-	-	250	-	-	\$500
01-41000	<b>METER SALES AND INSTALLATION</b> Estimated # SL Installs Service Line Installation Fees	-	-	0	-	-	1	-	0	-	0	-	1	\$2,510
01-41001	Basic Facilities Charge (Buy In)	-	-	-	-	-	4,098	-	-	-	-	-	4,098	\$8,196
<b>TOTAL REVENUE</b>														<b>\$1,331,586</b>