

**Resolution No. 14-11**

**Board of Directors of the Hi-Desert Water District,  
San Bernardino County, California  
Approving and Adopting Budget for Fiscal Year 2014-2015**

**Now, Therefore,** the Board of Directors of the Hi-Desert Water District does hereby **Resolve, Determine and Order** as follows:

Section 1. That the budget for the fiscal year commencing July 1, 2014 and ending June 30, 2015 is hereby approved and adopted.

Section 2. That a true and correct copy of said budget is attached hereto and made a part hereof as

Exhibit A      Water Enterprise Budget

Section 3. That the Secretary is hereby authorized and directed to file a certified copy of this resolution with the Office of the Auditor-Controller for the County of San Bernardino, pursuant to Sections 53900 et seq. of the Government Code.

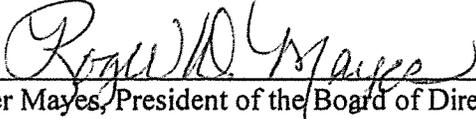
**Adopted this** June 25, 2014, by the following vote:

Ayes: Graham, Hough, Stadum, Mayes

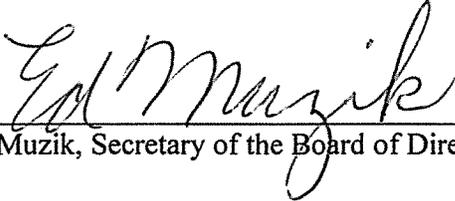
Noes: None

Absent: Munsey

Abstain: None

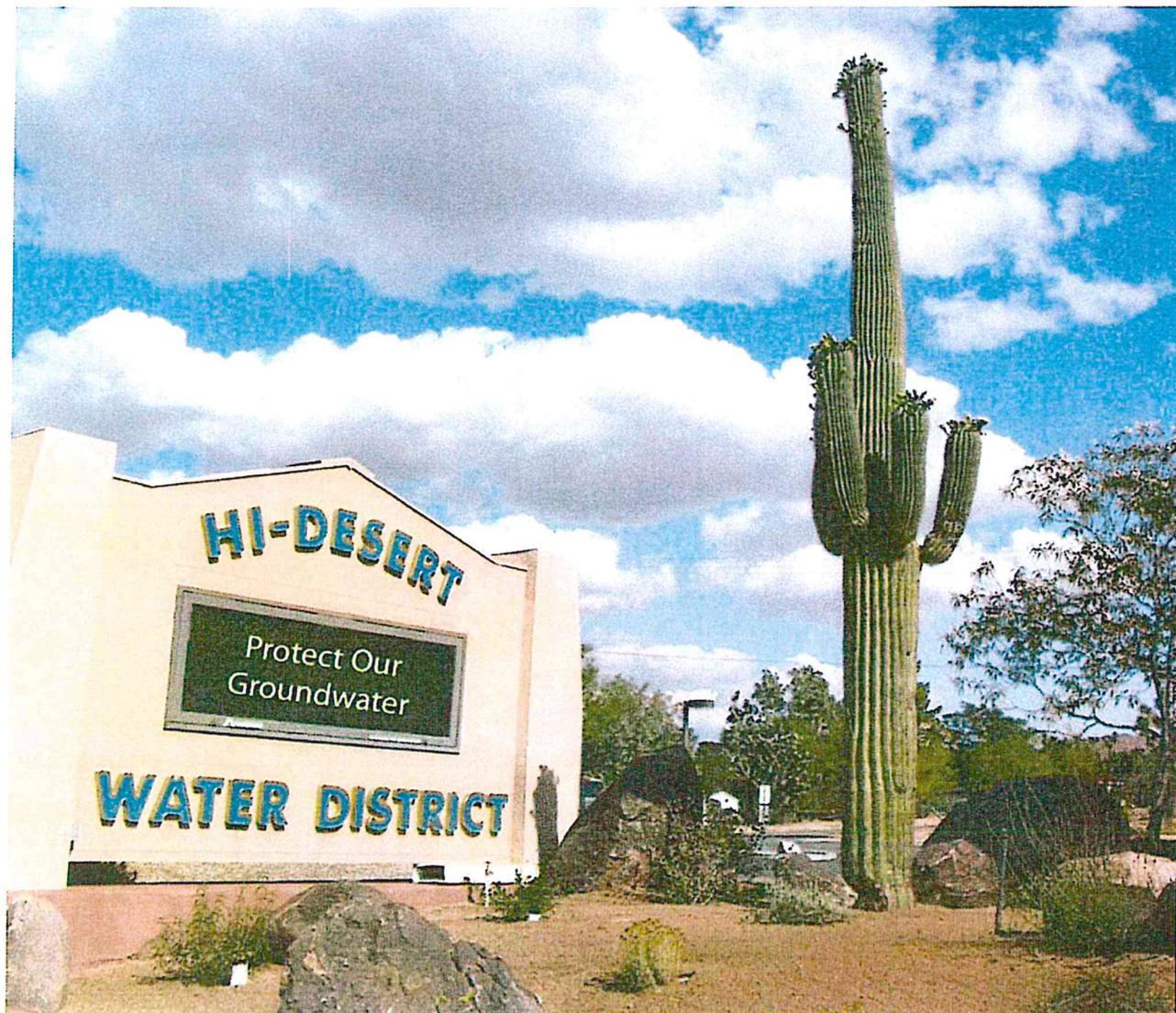
  
\_\_\_\_\_  
Roger Mayes, President of the Board of Directors

ATTEST:

  
\_\_\_\_\_  
Ed Muzik, Secretary of the Board of Directors.

(SEAL)

# HI-DESERT WATER DISTRICT



## FISCAL YEAR 2014-2015 PROPOSED BUDGET

**Hi-Desert Water District**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**FISCAL YEAR 2014-15 PROPOSED BUDGET**

	FY2011-12	FY2012-13	FY2013-14	FY2013-14	FY2014-15
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>BUDGET</u>
<b>Operating Revenues:</b>					
Water Consumption Sales	\$4,908,419	\$5,054,881	\$4,837,921	\$4,755,095	\$4,800,000
Multi-Family	306,677	303,672	307,349	284,983	285,000
Mobile Home	135,607	142,399	141,479	136,679	137,000
Irrigation	296,457	351,433	314,493	435,514	440,000
Connection Fees	1,492,358	1,514,576	1,514,429	1,505,557	1,500,000
Delinquent Fees	174,912	166,747	165,000	171,307	171,000
Returned Checks	3,828	4,225	3,946	5,024	4,500
Disconnect/Reconnect	81,922	70,800	67,000	70,982	67,000
Turn On Fee	60,785	57,761	56,411	48,995	50,000
Standby	186,810	206,950	191,362	207,087	210,000
Meter Sales	112,374	121,540	32,508	197,043	100,000
New Installations	<u>9,222</u>	<u>57,431</u>	<u>32,262</u>	<u>34,520</u>	<u>34,500</u>
Total operating revenues	7,769,371	8,052,414	7,664,160	7,852,786	7,799,000
<b>Operating expenses:</b>					
Source of supply	532,350	1,446,300	1,350,000	454,050	1,350,000
Pumping & water treatment	1,868,937	1,480,225	1,762,067	1,570,857	1,607,863
Transmission & distribution	1,326,290	941,070	918,697	1,059,329	999,770
Customer service	1,160,219	785,758	837,590	833,398	863,173
Administrative	2,269,801	1,835,778	<u>1,922,888</u>	<u>1,817,579</u>	1,998,721
Total operating expenses	<u>7,157,596</u>	<u>6,489,130</u>	<u>6,791,241</u>	<u>5,735,213</u>	<u>6,819,527</u>
Operating income before depreciation & amortization	611,775	1,563,284	872,919	2,117,573	979,473
Depreciation & amortization	<u>(1,393,659)</u>	<u>(1,532,888)</u>	<u>(1,423,674)</u>	<u>(1,395,739)</u>	<u>(1,458,056)</u>
Operating income / (loss)	(781,884)	30,395	(550,755)	721,834	(478,583)
<b>Non-operating revenue / (expense):</b>					
Property taxes and assessments	1,292,625	1,353,963	1,322,420	1,253,897	1,278,975
Interest earnings	14,072	13,020	16,734	11,474	11,900
CRP Charge	893,895	1,013,458	1,014,260	1,008,105	1,010,000
Morongo Basin Pipeline Project Surcharge	517,716	528,887	529,352	526,809	527,000
Lease payment - Morongo Basin	(479,708)	(479,468)	(480,760)	(479,468)	(480,760)
Interest expense	(287,746)	(426,948)	0	(168,292)	(170,000)
Other non-operating revenues, net	<u>105,674</u>	<u>153,834</u>	<u>45,988</u>	<u>30,654</u>	<u>121,000</u>
Total non-operating revenues (expenses), net	2,056,529	2,156,745	2,447,993	2,183,179	2,298,115
<b>Net income / (loss) before capital contributions</b>	<b>\$1,274,645</b>	<b>\$2,187,141</b>	<b>\$1,897,238</b>	<b>\$2,905,012</b>	<b>\$1,819,532</b>
<b>Capital contributions</b>					
Meter sales	112,374	121,540	32,508	197,043	100,000
New installations	<u>9,222</u>	<u>57,431</u>	<u>32,262</u>	<u>34,520</u>	<u>34,500</u>
<b>Total capital contributions</b>	<b><u>\$121,596</u></b>	<b><u>\$178,971</u></b>	<b><u>\$64,770</u></b>	<b><u>\$231,563</u></b>	<b><u>\$134,500</u></b>
<b>Change in net assets</b>	<b>\$1,396,241</b>	<b>\$2,366,112</b>	<b>\$1,962,007</b>	<b>\$3,136,575</b>	<b>\$1,954,032</b>

**Hi-Desert Water District**  
**Revenue Rates<sup>(1)</sup>**  
**Last Ten Fiscal Years**

**Water Consumption per Hundred Cubic Feet (HCF)**

HCF Consumed		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
0-4	S	2.64	2.80	2.80	2.97	2.97	3.18	3.40	3.59	3.59	3.59
5-10		4.11	4.35	4.35	4.61	4.61	4.97	5.30	5.69	5.69	5.69
11-28		5.06	5.25	5.25	5.57	5.57	6.01	6.41	6.89	6.89	6.89
29-40		6.61	6.80	6.80	7.21	7.21	8.04	8.56	9.08	9.08	9.08
41-53		6.61	6.80	6.80	7.21	7.21	8.04	8.56	9.08	9.08	9.08
54-65		7.46	7.60	7.60	8.06	8.06	8.04	8.56	9.08	9.08	9.08
66-78		7.46	7.60	7.60	8.06	8.06	8.04	8.56	9.08	9.08	9.08
79-over		7.46	7.60	7.60	8.06	8.06	8.04	8.56	9.08	9.08	9.08

**Connection Fees per Month**

Meter Size		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5/8" & 3/4"	S	7.00	7.00	7.00	10.00	10.00	10.40	11.10	11.80	11.80	11.80
1"		14.00	14.00	14.00	20.00	20.00	21.10	22.50	23.80	23.80	23.80
1 1/2"		21.00	21.00	21.00	30.00	30.00	38.90	41.50	43.80	43.80	43.80
2"		35.00	35.00	35.00	50.00	50.00	60.20	64.20	67.80	67.80	67.80
3"		77.00	77.00	77.00	110.00	110.00	117.10	124.90	131.90	131.90	131.90
4"		119.00	119.00	119.00	170.00	170.00	118.10	193.10	203.90	203.90	203.90
6"		231.00	231.00	231.00	330.00	330.00	368.80	382.70	404.10	404.10	404.10

**Pipeline Surcharge Fees per Month**

Meter Size		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5/8" & 3/4"	S	6.00	4.50	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
1"		12.00	9.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
1 1/2"		18.00	13.50	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
2"		30.00	22.50	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
3"		66.00	49.50	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00
4"		98.00	98.00	68.00	68.00	68.00	68.00	68.00	68.00	68.00	68.00
6"		198.00	198.00	132.00	132.00	132.00	132.00	132.00	132.00	132.00	132.00

**Recharge Surcharge Fees per Month**

Meter Size		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5/8" & 3/4"	S	2.50	2.50	2.50	2.50	2.50	2.50	5.00	7.50	7.50	7.50
1"		5.00	5.00	5.00	5.00	5.00	5.00	10.00	15.00	15.00	15.00
1 1/2"		7.50	7.50	7.50	7.50	7.50	7.50	15.00	22.50	22.50	22.50
2"		12.50	12.50	12.50	12.50	12.50	12.50	25.00	37.50	37.50	37.50
3"		27.50	27.50	27.50	27.50	27.50	27.50	55.00	82.50	82.50	82.50
4"		42.50	42.50	42.50	42.50	42.50	42.50	85.00	127.50	127.50	127.50
6"		82.50	82.50	82.50	82.50	82.50	82.50	165.00	247.50	247.50	247.50

**Notes:**

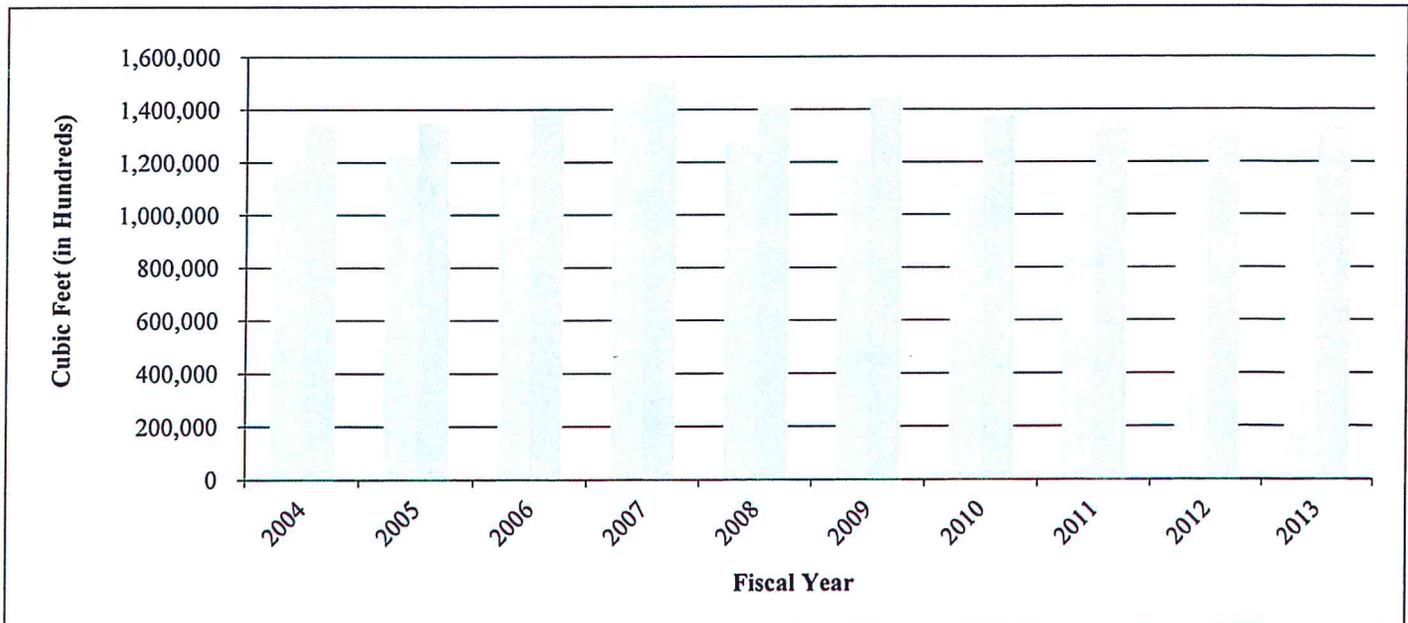
(1) Rates as of June 30, of each fiscal year.

Source: Hi-Desert Water District Board of Directors approved rate ordinances and resolutions

HCF: There are 7.48 gallons in a cubic foot and 748 gallons in one hundred (100) cubic feet (hcf). HCF is used in order to express large volumes of water use.

**Hi-Desert Water District  
Revenue Base  
Last Ten Fiscal Years**

Fiscal Year	Water Sales (HCF)	Water Produced (HCF)
2004	1,235,009	1,358,331
2005	1,234,487	1,357,679
2006	1,258,803	1,386,737
2007	1,442,794	1,511,401
2008	1,283,452	1,421,493
2009	1,215,482	1,449,610
2010	1,131,666	1,383,037
2011	1,076,856	1,359,862
2012	1,070,166	1,308,588
2013	1,095,624	1,339,394



Note: See Schedule 2 "Operating Revenue by Source" for information regarding water revenues.

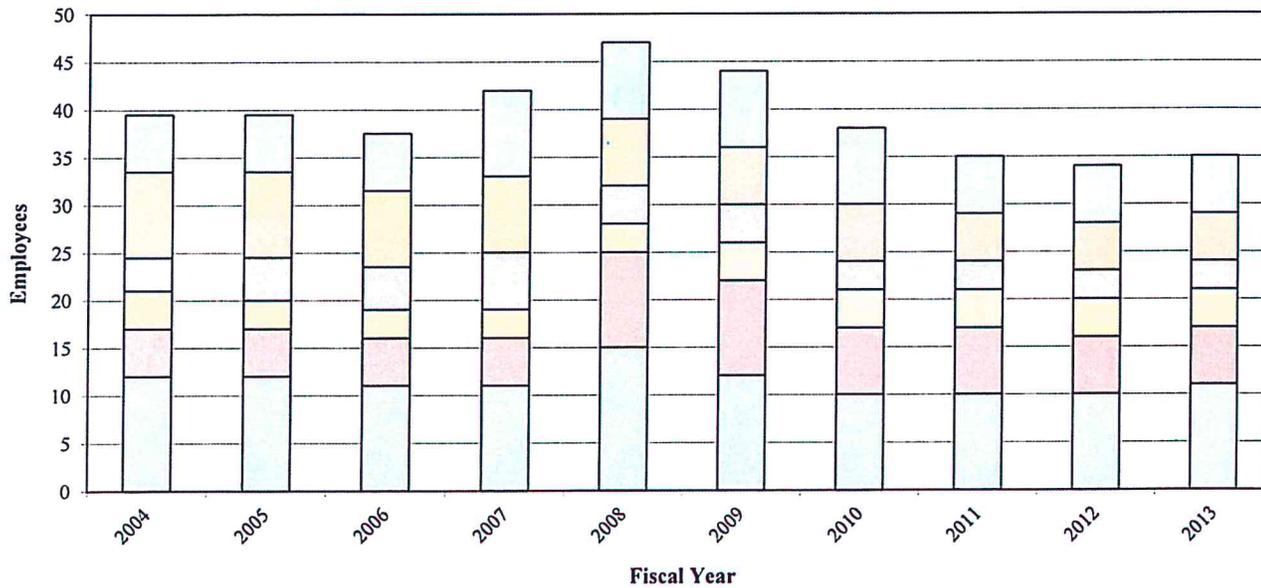
Source: Hi-Desert Water District Accounting Department

HCF: There are 7.48 gallons in a cubic foot and 748 gallons in one hundred (100) cubic feet (hcf). HCF is used in order to express large volumes of water use.

**Hi-Desert Water District  
Operating and Capacity Indicators  
Last Ten Fiscal Years**

**Full-time Equivalent District Employees by Department**

Fiscal Year	Operations	Staff	Accounting and Billing	Customer Service	CRP	Construction & Maintenance	Total
2004	12	5	4	4	9	6	40
2005	12	5	3	5	9	6	40
2006	11	5	3	5	8	6	38
2007	11	5	3	6	8	9	42
2008	15	10	3	4	7	8	47
2009	12	10	4	4	6	8	44
2010	10	7	4	3	6	8	38
2011	10	7	4	3	5	6	35
2012	10	6	4	3	5	6	34
2013	11	6	4	3	5	6	35





## Fiscal Year 2014-15 Proposed Budget Summary

Description	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Budget	FY 13-14 FORECAST	PROPOSED FY 14-15 BUDGET
Fund 01 - General Operating Account					
<b>REVENUES</b>	\$ 10,596,979	\$ 11,139,848	\$ 10,605,740	\$ 10,695,845	\$ 10,770,875
<b>NON OPERATIONAL EXPENSES</b>	2,164,735	2,463,575	1,917,261	2,055,619	2,131,817
<b>OPERATIONAL EXPENSES</b>	7,157,596	6,489,130	6,791,241	5,735,213	6,819,526
<b>NET</b>	<b>\$ 1,274,648</b>	<b>\$ 2,187,142</b>	<b>\$ 1,897,238</b>	<b>\$ 2,905,013</b>	<b>\$ 1,819,532</b>
<b>CAPITAL CONTRIBUTIONS</b>					
Meter sales	112,374	121,540	32,508	197,043	100,000
New Installations	9,222	57,431	32,262	34,520	34,500
<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<b>\$ 121,596</b>	<b>\$ 178,971</b>	<b>\$ 64,770</b>	<b>\$ 231,563</b>	<b>\$ 134,500</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ 1,396,244</b>	<b>\$ 2,366,113</b>	<b>\$ 1,962,008</b>	<b>\$ 3,136,576</b>	<b>\$ 1,954,032</b>
Capital Budget	-	-	(2,471,942)	(2,345,730)	(1,945,288)
<b>NET SURPLUS/(DEFICIT)</b>			<b>\$ (509,934)</b>	<b>\$ 790,846</b>	<b>\$ 8,744</b>

**HI-DESERT WATER DISTRICT  
CAPITAL IMPROVEMENT PROJECTS BY TYPE  
FY 2014-15**

<b>Page</b>	<b>Project Description</b>	<b>FUNDING</b>	<b>AMOUNT</b>
<b>OPERATIONS</b>			
CIP 1	Reservoir Repair and Rehabilitation Contract - 4 years (Year 3)	FY13/14	\$ 360,275
CIP 2	Pneumatic Station 26 Design & Replacement CIP 2 - Generator and Electrical (\$100K)	FY13/14	\$ 214,000
CIP 3	Well 17E Pull and Rehabilitation	FY13/14	\$ 75,000
CIP 4	Well 11W Pull and Rehabilitation CIP 4 - CL2 Generator (\$75K) CIP 4 - Stand-by Booster System and Cla-Val [Intertie] (\$30K)	FY13/14	\$ 195,000
CIP 5	Replacement Pumps (stand-by)	FY13/14	\$ 40,000
CIP 6	3 Replacement Trucks - Field Srvc, Construction & Pump Depts	FY13/14	\$ 79,330
CIP 7	Well 12E Repair	FY13/14	\$ 120,000
CIP 8	Unit 35 Vehicle Replacement - Field Service Dept	FY 14/15	\$ 27,000
CIP 9	Motor Grader	FY 14/15	\$ 271,000
CIP 10	Unit 25 Vehicle Replacement - Production Dept	FY 14/15	\$ 32,768
CIP 11	Dump Truck Replacement	FY 14/15	\$ 98,450
CIP 12	Vacuum Excavator Compressor	FY 14/15	\$ 8,640
CIP 13	Sample Stations (Ten)	FY 14/15	\$ 7,560
CIP 14	Booster Pump Inspection/Repair - IXP Boosters (Three)	FY 14/15	\$ 30,000
CIP 15	CL2 Well 11W - 12' x 12' Fiberglass Building	FY 14/15	\$ 21,600
CIP 16	Chlorine Analyzer	FY 14/15	\$ 11,970
			<b>\$ 1,592,593</b>
<b>CAPITAL REPLACEMENT PROGRAM (CRP)</b>			
CRP 1	CRP - 34,800 Linear Feet	FY 14/15	\$ 1,300,000
			<b>\$ 1,300,000</b>
<b>PUBLIC RELATIONS</b>			
	Education Program - Demo Garden	FY 14/15	\$ 10,000
			<b>\$ 10,000</b>
<b>BUILDING IMPROVEMENTS</b>			
	Lobby Carpet/Flooring	FY 14/15	\$ 8,500
			<b>\$ 8,500</b>
<b>INFORMATION TECHNOLOGY</b>			
	Valve Exercise Integration with iPad GeoViewer (five licenses)	FY 14/15	\$ 17,800
	Server	FY 14/15	\$ 20,000
	Radio Read Meters	FY 14/15	\$ 80,000
			<b>\$ 117,800</b>
<b>TOTAL</b>			<b>\$ 3,028,893</b>
<b>FY2013-14 Carryover TOTAL</b>		<b>Carryover</b>	<b>\$ 1,083,605</b>
<b>FY 2014-15 FUNDED TOTAL</b>		<b>FY 2014-2015</b>	<b>\$ 1,945,288</b>
<b>TOTAL FUNDED</b>			<b>\$ 3,028,893</b>

**HI-DESERT WATER DISTRICT  
CAPITAL IMPROVEMENT PROGRAM FY 2014-2015  
PROJECT DETAIL**

**PROJECT NAME:** TRUCK REPLACEMENT

**PROJECT DESCRIPTION:** Replace truck #35. This truck is a 2007 and has 101,000 miles and is in need of replacement. This truck is used in customer service for meter reading

**COST ESTIMATE:**  
 \$ 27,000.00  
 \$  
 \$

**PROJECT ESTIMATED COST:** \$ 27,000

**FUNDING:**

FISCAL YEAR	AMOUNT	SOURCE	DESCRIPTION / NOTES
FY2014-15	\$ 27,000		
<b>TOTALS</b>	<b>\$ 27,000</b>		



**HI-DESERT WATER DISTRICT  
CAPITAL IMPROVEMENT PROGRAM FY 2014-2015  
PROJECT DETAIL**

**PROJECT NAME:** MOTORGRADER REPLACEMENT

**PROJECT DESCRIPTION:** Replace 1987 Motorgrader; This equipment is in working condition, however must be replaced due to California Air Resource Board requirements. Grant funds are available and will be pursued.

**COST ESTIMATE:** \$ 247,000.00  
**TAX AND FEES** \$ 24,000.00  
 \$ \_\_\_\_\_

**PROJECT ESTIMATED COST:** \$ 271,000

**FUNDING:**

FISCAL YEAR	AMOUNT	SOURCE	DESCRIPTION / NOTES
FY2014-15	\$ 271,000	Grant funding will be applied for.	
<b>TOTALS</b>	<b>\$ 271,000</b>		



**HI-DESERT WATER DISTRICT  
CAPITAL IMPROVEMENT PROGRAM FY 2014-2015  
PROJECT DETAIL**

**PROJECT NAME:** TRUCK REPLACEMENT

**PROJECT DESCRIPTION:** Replace truck # 25 this truck is a 2004 Ford F150 with 92375 miles on it. This vehicle is in need of a transmission. This truck is used in the production department.

**COST ESTIMATE:**

\$ 32,768.00  
\$ tax and license  
\$ \_\_\_\_\_

**PROJECT ESTIMATED COST:**

\$ 35,000

**FUNDING:**

FISCAL YEAR	AMOUNT	SOURCE	DESCRIPTION / NOTES
FY2014-15	\$ 35,000		
<b>TOTALS</b>	<b>\$ 35,000</b>		



**HI-DESERT WATER DISTRICT  
CAPITAL IMPROVEMENT PROGRAM FY 2014-2015  
PROJECT DETAIL**

**PROJECT NAME:** DUMP TRUCK REPLACEMENT

**PROJECT DESCRIPTION:** Replace aging dump truck that is non CARB compliant. This truck is used to tow backhoe and haul dirt to leaks our other construction jobs. We have replaced rear member and transmission. Dependibility has become a issue with this truck.

**COST ESTIMATE:**

\$	89,500.00	unit
\$	8,950.00	tax
<hr/>		
\$	98,450.00	total

**PROJECT ESTIMATED COST:** \$ 100,000

**FUNDING:**

FISCAL YEAR	AMOUNT	SOURCE	DESCRIPTION / NOTES
FY2014-15	\$100,000	Capital	Equipment Replacment
<b>TOTALS</b>	<b>\$ 100,000</b>		



**HI-DESERT WATER DISTRICT  
CAPITAL IMPROVEMENT PROGRAM FY 2014-2015  
PROJECT DETAIL**

**PROJECT NAME:** AIRCOMPRESSOR FOR VACUUM EXCAVATOR

**PROJECT DESCRIPTION:** Add an air compressor to the District's Vermeer Vacuum to increase productivity.

**COST ESTIMATE:**

\$ 8,000.00 equipment

**TAX AND FEES**

\$ 640.00 tax

\$

\$ 8,640.00

**PROJECT ESTIMATED**

**COST:**

\$ 8,640

**FUNDING:**

FISCAL YEAR	AMOUNT	SOURCE	DESCRIPTION / NOTES
FY2014-15	\$ 8,640	Capital	
<b>TOTALS</b>	<b>\$ 8,640</b>		

**HI-DESERT WATER DISTRICT  
CAPITAL IMPROVEMENT PROGRAM FY 2014-2015  
PROJECT DETAIL**

**PROJECT NAME:** SAMPLE STATION REPLACEMENT

**PROJECT DESCRIPTION:** This is part of a 5 year plan to replace all of the District's aging routing sampling stations. 10 are being requested this year.

**COST ESTIMATE:**

\$ 700.00 per unit  
 \$ 7,000.00 = 10 units  
 \$ 560.00 tax  
 \$ 7,560.00

**PROJECT ESTIMATED COST:**

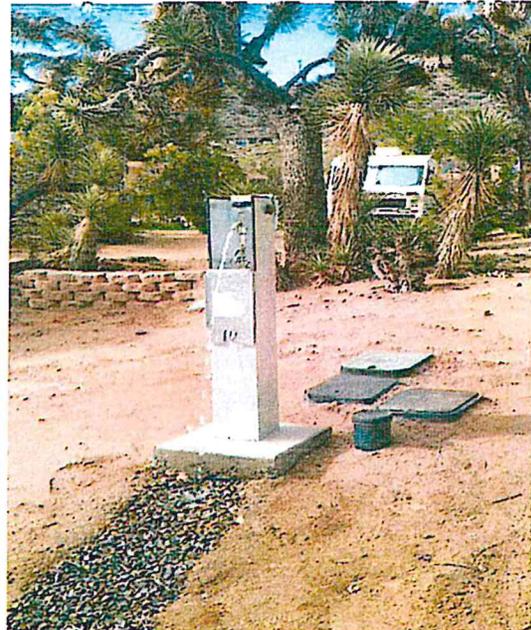
\$ 7,560

**FUNDING:**

FISCAL YEAR	AMOUNT	SOURCE	DESCRIPTION / NOTES
FY2014-15	\$7,560.00	Capital	
<b>TOTALS</b>	<b>\$ 7,560</b>		



**OLD**



**NEW**

**HI-DESERT WATER DISTRICT  
CAPITAL IMPROVEMENT PROGRAM FY 2014-2015  
PROJECT DETAIL**

**PROJECT NAME:** ION-EXCHANGE PLANT DISCHARGE CLEAN-UP

**PROJECT DESCRIPTION:** The IXP discharged its waste and regenerating cycles to a lined pond. This waste needs to be extracted and hauled to a refuse site professionally.

**COST ESTIMATE:**

\$	30,000.00	services and hauling
\$	4,500.00	contingency
\$	34,500.00	

**PROJECT ESTIMATED COST:** \$ **34,500**

**FUNDING:**

FISCAL YEAR	AMOUNT	SOURCE	DESCRIPTION / NOTES
FY2014-15	\$34,500.00		
<b>TOTALS</b>	<b>\$ 34,500</b>		



**HI-DESERT WATER DISTRICT  
CAPITAL IMPROVEMENT PROGRAM FY 2014-2015  
PROJECT DETAIL**

**PROJECT NAME:** FIBERGLASS BUILDING ( WELL 11W)

**PROJECT DESCRIPTION:** Well 11w will be receiving a full rehabilitation and a new CL2 generator as part of the 14-15 budget. This will house the new generator.

**COST ESTIMATE:**

\$	20,000.00	Quoted Cost from Hach
\$	1,600.00	Tax
\$	<hr/>	
\$	21,600.00	

**PROJECT ESTIMATED COST:** \$ 21,600

**FUNDING:**

FISCAL YEAR	AMOUNT	SOURCE	DESCRIPTION / NOTES
FY2014-15	\$21,600.00	Capital	
<b>TOTALS</b>	<b>\$ 21,600</b>		



**HI-DESERT WATER DISTRICT  
CAPITAL IMPROVEMENT PROGRAM FY 2014-2015  
PROJECT DETAIL**

**PROJECT NAME:** CHLORINE ANALYZER

**PROJECT DESCRIPTION:** Replaces one of the District's chlorine analyzers at the Encelia Treatment Plant. The current one is over 10 years old, outdated, and not functioning properly.

**COST ESTIMATE:**

\$	11,083.00	Quoted Cost from Hach
\$	886.64	Tax
\$	<hr/>	
\$	11,969.64	

**PROJECT ESTIMATED COST:** \$ 11,970

**FUNDING:**

FISCAL YEAR	AMOUNT	SOURCE	DESCRIPTION / NOTES
FY2014-15	\$11,969.64	Capital	
<b>TOTALS</b>	<b>\$ 11,970</b>		

**OLD**



**NEW**

