

Resolution No. 11-16

**Board of Directors of the Hi-Desert Water District,
San Bernardino County, California
Approving and Adopting Budget for Fiscal Year 2011-12**

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, 2011 and ending June 30, 2012 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

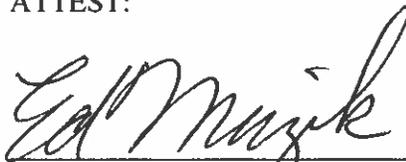
- Exhibit A Water Enterprise Budget
- Exhibit A-1 Water Capital Budget
- Exhibit B Wastewater Enterprise Budget

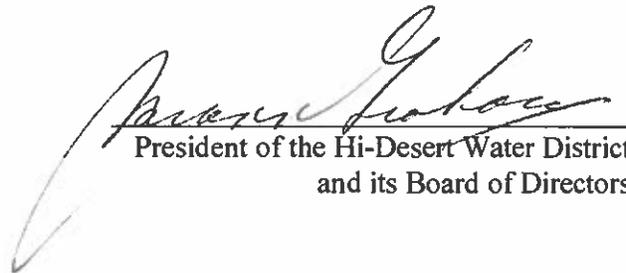
Section 3. That the Secretary is hereby authorized and directed to file a certified copy of this resolution with the Office of the Auditor-Controller for the County of San Bernardino, pursuant to Sections 53900 et seq. of the Government Code.

Adopted this June 27, 2011, by the following vote:

- Ayes: Hough, Munsey, Graham, Stadum
- Noes: None
- Absent: Mayes
- Abstain: None

ATTEST:


Secretary of the Hi-Desert Water District
and its Board of Directors.


President of the Hi-Desert Water District
and its Board of Directors



**Resolution 11-16
Exhibit A**

**Hi- Desert Water District
Statement of Revenues and Expenses
Fiscal Year 2011-12
Budget**

	Budget	Forecast	Budget
	<u>2010-11</u>	<u>2010-11</u>	<u>2011-12</u>
Operating revenues:			
Water consumption sales	5,770,886	5,449,455	\$5,662,770
Connection fees	1,398,244	1,385,269	1,485,197
Readiness to serve fees (standby)	174,192	191,739	182,965
Other revenue	<u>266,791</u>	<u>328,019</u>	<u>295,389</u>
Total operating revenues	7,610,112	7,354,482	7,626,322
Operating expenses:			
Source of supply	1,293,000	2,000,702	815,850
Pumping and water treatment	1,756,477	1,910,487	1,868,932
Transmission and distribution	1,300,361	1,020,933	903,513
Customer service/Billing	789,371	809,681	800,594
General and administrative	2,172,254	1,844,534	2,178,244
(G&A Wage Allocation for Wastewater)	<u>(139,604)</u>	<u>0</u>	<u>(233,376)</u>
Total operating expenses	7,171,859	7,586,337	6,333,758
Operating income before depreciation	438,253	(231,854)	1,292,564
Less depreciation and amortization	<u>(1,373,910)</u>	<u>(1,412,556)</u>	<u>(1,412,556)</u>
Operating income / (loss)	(935,657)	(1,644,410)	(119,992)
Non-operating revenue (expense)			
Property taxes and assessments	1,382,987	1,385,269	1,225,269
Interest income	38,436	24,012	21,265
CRP Surcharge	603,410	584,095	879,120
Morongo Basin Project surcharge (note)	528,488	521,444	519,488
Lease payment – Morongo Basin Project	(479,191)	(480,036)	(480,036)
Interest expense – long-term debt	(323,230)	(319,054)	(304,525)
Other revenue / (expense)	<u>15,471</u>	<u>18,815</u>	<u>22,463</u>
Total non-operating revenues, net	<u>1,766,372</u>	<u>1,734,546</u>	<u>1,883,045</u>
Net income before capital contributions	830,714	90,135	1,763,053
Capital contributions			
Grant Revenue	100,000	152,564	81,000
Meter sales	7,668	19,082	16,254
New installations	<u>11,500</u>	<u>14,233</u>	<u>12,866</u>
Total capital contributions	<u>119,168</u>	<u>185,879</u>	<u>110,120</u>
Change in net assets	949,882	276,014	1,873,173

***Wastewater Expenses excluded

**Resolution 11-16
Exhibit A-1**

**Hi-Desert Water District
Capital Program FY 2011-12**

Description	11/12 Budget	
Operations		
1 Production well - 20W	1,208,964	
2 Reservoir Tank (Zone 3589)	1,000,000	
3 SCADA Master Plan	100,000	
4 Facilities Master Plan	200,000	
5 Education Program - Demo Garden	19,595	
6 Reservoir repair and rehabilitation Contract - 4 years	360,275	
7 Vehicle Replacement 3 vehicles	75,000	
8 Hubbel (Generator plugs) - 50/50 between 2 fiscal years	25,000	
9 Hubbel (Generator plugs) - 50/50 between 2 fiscal years	25,000	
10 Pneumatic Station 26 Rehab	150,000	
11 Equipment Replacement - Dump Truck and Backhoe	250,000	
12 Water Master Plan	250,000	
13 Complete Clayton Valves and parts for the rehab and replacement	15,000	
14 Permanent inter-tie with Big Horn	20,000	
15 Blue Skies Country Club - see Note	275,000	
16 SCADA Upgrade	23,274	
17 Nitrate Removal Rehab	250,000	
18 SCADA Replacement	250,000	
 CRP (Capital Replacement Program)		
19 CRP project FY 2011-12 - 32,000 Installation of feet of water main.	1,206,741	
20 CRP Completion	27,000,000	
 Information Technology		
21 Work Order software - CMM	40,000	
22 Springbrook Upgrade to version 7.0 Web based	17,100	
23 MS SQL Server	15,000	
24 5 PCs	5,000	
25 Smart Meters (Radio read meters)	1,400,000	3,289,254
26 10 GIF Fax server	3,300	
 Total Capital Programs	 34,184,249	
		 30,894,995

Note: From the March 15, 2011 RDA Agenda and Resolution, HDWD is anticipating an involvement from the Town of Yucca Valley for \$500K

**Resolution 11-16
Exhibit B**

**Wastewater Enterprise
Operating Expense Analysis - 2011-12 Budget**

	2011-12 Budget
Funding	
United States Bureau of Reclamation - 25% Match	102,142
EPA - 55% Match	334,500
Prop 84	104,000
RDA Commitment	146,000
	686,642
Total Funding	
Personnel Allocation	
Ed Muzik	35% 109,099
Frank J. Luckino	35% 62,806
Jennifer Cusack	35% 45,094
Martha Osrander	10% 12,088
Tanya Gruwell	5% 4,289
	233,376
Subtotal Allocation District Personnel	
Survey and Mapping	500,000
Owners Rep	25,000
WRF Site Engineering - Hydrology	25,000
Rate Study Update	5,000
	555,000
Subtotal Engineering Expenditures	
	-
Subtotal Construction/Services Exp.	
Administration Expenditures	
Outreach - Contract	25,000
\$5 Coupon outreach	5,000
Polling	20,000
Legal	20,000
Assessment District - Webb	25,000
Financial Consultant (split wit the Town of YV)	25,000
Miscellaneous Planning	35,000
Media	13,000
Printing	14,000
	182,000
Subtotal Administration	
TOTAL EXPENDITURES	970,376
Net income/(Loss)	(283,733)

Note: The RDA has committed \$4.5M towards the development of the Wastewater Project thru resolution