

# DESERT WATER AGENCY

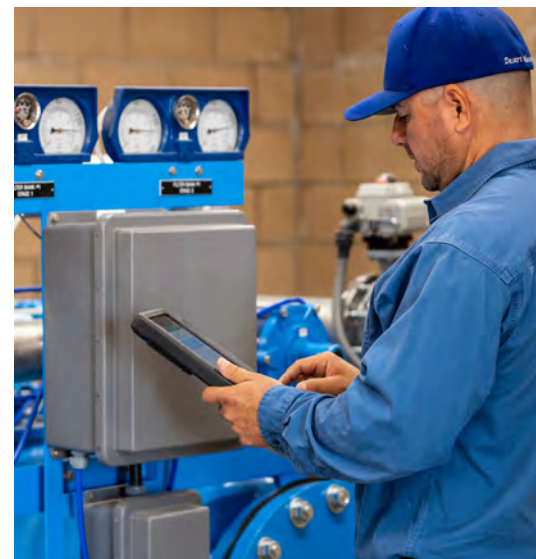


fiscal year **2021-2022**

# BUDGET

OPERATING FUND  
GENERAL FUND  
WASTEWATER FUND

DESERT WATER



DESERT WATER AGENCY  
Fiscal Year 2021 / 2022  
BUDGETS

Operating Fund  
General Fund  
Wastewater Fund

**DESERT WATER AGENCY**  
**OPERATING FUND BUDGET**  
2021 / 2022

**DESERT WATER AGENCY  
OPERATING FUND  
2021-2022 BUDGET WITH PRIOR YEAR COMPARISON  
Augmented 04/2022**

	ACTUAL 2019-2020	ACTUAL TO 3/31/2021	BUDGET 2020-2021	OVER OR UNDER	BUDGET 2021-2022
<b><u>OPERATING REVENUES</u></b>					
Water Sales (Augmented)	\$34,934,691	\$28,126,841	\$36,397,500	(\$8,270,659)	\$37,658,000
Power Sales	\$52,726	\$23,184	\$33,000	(\$9,816)	\$31,900
Reclamation Sales	\$1,523,815	\$857,596	\$1,479,000	(\$621,404)	\$996,000
TOTAL OPER REVENUES	\$36,511,232	\$29,007,622	\$37,909,500	(\$8,901,879)	\$38,685,900
<b><u>WATER SERVICES</u></b>					
Fire Protection (Augmented)	\$371,803	\$288,980	\$376,200	(\$87,220)	\$380,400
Back-up Facility Charge	\$1,186,060	\$1,109,321	\$900,000	\$209,321	\$1,080,000
Service Charges	\$648,081	\$367,712	\$641,700	(\$273,988)	\$475,950
Charge for Inst of Serv & Mtr	\$197,653	\$147,486	\$166,800	(\$19,314)	\$161,000
TOTAL WATER SERVICE	\$2,403,597	\$1,913,500	\$2,084,700	(\$171,200)	\$2,097,350
TOTAL OPER REVENUES	\$38,914,829	\$30,921,121	\$39,994,200	(\$9,073,079)	\$40,783,250
<b><u>OPERATING EXPENSES</u></b>					
<b><u>SOURCE OF SUPPLY</u></b>					
Supervision & Engineering	\$67,885	\$49,582	\$58,800	(\$9,218)	\$76,800
Operating Labor & Expense	\$55,263	\$41,342	\$145,800	(\$104,458)	\$55,980
Misc Source of Supply	\$20,828	\$30,123	\$55,200	(\$25,077)	\$107,000
Maint of Struct & Improv (Augmented)	\$63,403	\$58,727	\$95,700	(\$36,973)	\$331,500
Maint, Rds, Coll, Impo, Res	\$91,300	\$10,637	\$168,000	(\$157,363)	\$72,100
Maintenance of Intakes	\$189,724	\$229,811	\$219,600	\$10,211	\$113,350
Maintenance of Wells	\$7,595	\$8,056	\$10,200	(\$2,144)	\$12,450
Groundwater Replenishment	\$4,660,579	\$4,206,943	\$4,997,850	(\$790,907)	\$5,307,000
TOTAL SOURCE OF SUPPLY	\$5,156,577	\$4,635,221	\$5,751,150	(\$1,115,929)	\$6,076,180
<b><u>PUMPING</u></b>					
Supervision & Engineering	\$113,796	\$83,241	\$110,400	(\$27,159)	\$126,000
Pumping Labor Expense	\$164,171	\$117,725	\$190,000	(\$72,275)	\$191,000
Misc Exp & Care of Grounds	\$120,046	\$103,475	\$124,200	(\$20,725)	\$131,500
Maintenance of Structures	\$87,284	\$63,395	\$65,400	(\$2,005)	\$374,600
Maint of Pumping Equipment	\$178,680	\$166,739	\$325,200	(\$158,461)	\$325,000
Power Purchases	\$2,403,509	\$2,076,628	\$2,650,000	(\$573,372)	\$3,210,000
TOTAL PUMPING	\$3,067,485	\$2,611,203	\$3,465,200	(\$853,997)	\$4,358,100

**DESERT WATER AGENCY  
OPERATING FUND  
2021-2022 BUDGET WITH PRIOR YEAR COMPARISON  
Augmented 04/2022**

	ACTUAL 2019-2020	ACTUAL TO 3/31/2021	BUDGET 2020-2021	OVER OR UNDER	BUDGET 2021-2022
<b><u>REGULATORY WATER TREATMENT</u></b>					
Supervision & Engineering	\$107,922	\$88,553	\$111,600	(\$23,047)	\$126,960
Operating Labor Expense	\$159,450	\$151,526	\$144,000	\$7,526	\$195,625
Water Analysis/Health Dept.	\$117,021	\$90,849	\$192,000	(\$101,151)	\$189,000
Chem & Filtering Material	\$133,923	\$97,841	\$117,600	(\$19,759)	\$140,450
Maint of Structures	\$4,215	\$11,540	\$4,200	\$7,340	\$14,750
Maint of Water Treat Equipment	\$67,612	\$61,440	\$75,000	(\$13,560)	\$95,000
<b>TOTAL WATER TREATMENT</b>	<b>\$590,144</b>	<b>\$501,749</b>	<b>\$644,400</b>	<b>(\$142,651)</b>	<b>\$761,785</b>
<b><u>TRANSMISSION &amp; DISTRIBUTION</u></b>					
Supervision & Engineering	\$501,958	\$374,495	\$532,800	(\$158,305)	\$631,920
Storage Facilities Expense	\$119,552	\$88,484	\$141,000	(\$52,516)	\$149,500
Trans & Distr Lines Expense	\$103,266	\$69,897	\$155,100	(\$85,204)	\$153,000
Meter Expense	\$81,452	\$22,982	\$102,300	(\$79,318)	\$122,400
Customer Install Expense	\$149,295	\$68,861	\$160,800	(\$91,939)	\$146,500
Cross Connect Expense	\$118,629	\$90,914	\$138,300	(\$47,386)	\$140,000
Misc Supply Expense	\$46,227	\$43,570	\$40,200	\$3,370	\$49,000
Maintenance of Struct & Impv	\$404	\$651	\$2,700	(\$2,049)	\$2,500
Maintenance of Reservoirs	\$335,751	\$88,202	\$725,400	(\$637,198)	\$614,000
Maintenance of Mains	\$970,198	\$572,268	\$1,200,000	(\$627,732)	\$1,300,000
Maintenance of Whitewater MWC	\$34,714	\$21,814	\$421,800	(\$399,986)	\$50,150
Maintenance of Fire Services	\$69,497	\$35,973	\$95,400	(\$59,427)	\$110,000
Maintenance of Services	\$245,683	\$175,198	\$250,200	(\$75,002)	\$275,000
Maintenance of Meters	\$70,700	\$57,329	\$102,000	(\$44,671)	\$130,860
Maintenance of Hydrants	\$86,268	\$65,641	\$120,000	(\$54,359)	\$150,000
<b>TOTAL TRANS &amp; DIST</b>	<b>\$2,933,593</b>	<b>\$1,776,278</b>	<b>\$4,188,000</b>	<b>(\$2,411,722)</b>	<b>\$4,024,830</b>
<b><u>CUSTOMER ACCOUNT EXPENSE</u></b>					
Supervision & Engineering	\$163,487	\$125,203	\$156,600	(\$31,397)	\$193,560
Meter Reading Expense	\$115,945	\$98,800	\$132,000	(\$33,200)	\$145,200
Customer Rec & Coll Exp	\$698,349	\$522,384	\$771,000	(\$248,616)	\$775,600
Information Systems Supplies	\$2,402	\$0	\$3,600	(\$3,600)	\$2,500
Uncollectible Accounts	\$24,355	\$38,856	\$74,400	(\$35,544)	\$70,800
<b>TOTAL CUST ACCT EXPENSE</b>	<b>\$1,004,539</b>	<b>\$785,243</b>	<b>\$1,137,600</b>	<b>(\$352,357)</b>	<b>\$1,187,660</b>

**DESERT WATER AGENCY  
OPERATING FUND  
2021-2022 BUDGET WITH PRIOR YEAR COMPARISON  
Augmented 04/2022**

	ACTUAL 2019-2020	ACTUAL TO 3/31/2021	BUDGET 2020-2021	OVER OR UNDER	BUDGET 2021-2022
<b><u>ADMINISTRATIVE &amp; GEN EXPENSE</u></b>					
Administrative & Gen Salaries (Augment)	\$833,000	\$583,292	\$895,200	(\$311,908)	\$1,059,800
Office Supplies & Expense	\$257,124	\$207,681	\$298,320	(\$90,639)	\$297,320
Legal	\$116,681	\$92,130	\$92,400	(\$270)	\$120,000
Engineering	\$351,826	\$81,027	\$135,000	(\$53,973)	\$84,000
Auditing	\$37,765	\$39,293	\$42,000	(\$2,707)	\$42,000
Appraisals & Consultants	\$50,804	\$84,780	\$367,400	(\$282,620)	\$402,000
Insurance & Claims	\$199,624	\$156,265	\$204,000	(\$47,735)	\$218,400
Injuries & Safety (Augmented)	\$389,850	\$361,984	\$511,200	(\$149,216)	\$437,000
Pension (Augmented)	\$2,975,544	\$2,735,187	\$2,952,400	(\$217,213)	\$2,710,800
Health Care Benefits (Augmented)	\$460,571	\$1,417,952	\$1,705,200	(\$287,248)	\$1,859,600
OPEB Benefits	\$0	\$0	\$0	\$0	\$0
Other Employee Benefits (Augmented)	\$885,325	\$394,845	\$530,500	(\$135,655)	\$601,100
Payroll Taxes - FICA (Augmented)	\$533,075	\$416,966	\$585,000	(\$168,034)	\$591,800
Unemployment Insurance	\$2,425	\$13,449	\$3,000	\$10,449	\$18,000
Vacation Pay (Augmented)	\$888,149	\$771,665	\$917,300	(\$145,635)	\$1,027,400
Maintenance - Oper Center	\$242,842	\$215,100	\$270,600	(\$55,500)	\$332,300
Maintenance - Solar Facilities	\$5,005	\$4,641	\$5,100	(\$459)	\$6,500
Information Systems	\$385,809	\$269,097	\$340,200	(\$71,103)	\$507,000
Maint - Office Equip	\$56,579	\$67,988	\$56,700	\$11,288	\$59,900
Maint - Info. Systems Equip	\$199,924	\$142,103	\$157,800	(\$15,697)	\$384,900
Maint - Telemetry Equip	\$29,648	\$20,093	\$30,000	(\$9,907)	\$30,000
Maint - Comm Equip	\$7,551	\$4,289	\$8,100	(\$3,811)	\$9,600
Supervision & Engineering	\$195,612	\$147,679	\$201,600	(\$53,921)	\$237,600
Storeroom Expense	\$79,478	\$59,075	\$80,100	(\$21,025)	\$80,000
Transportation	\$333,202	\$223,138	\$375,000	(\$151,862)	\$1,237,000
Tools & Work Equipment	\$106,615	\$98,520	\$140,400	(\$41,880)	\$145,000
Heavy Equipment Maint	\$2,112	\$4,908	\$20,400	(\$15,492)	\$15,000
Director's Fees	\$40,339	\$25,723	\$46,500	(\$20,777)	\$48,000
Public Information (Augmented)	\$123,977	\$101,035	\$202,800	(\$101,765)	\$185,310
Water Conservation (Augmented)	\$76,806	\$66,389	\$175,200	(\$108,811)	\$348,930
Water Conservation - Turf Buy Back (Au	\$97,119	\$126,456	\$380,400	(\$253,944)	\$403,700
TOTAL ADMIN & GEN EXP	\$9,964,379	\$8,932,753	\$11,729,820	(\$2,797,067)	\$13,499,960
	\$0				
<b><u>REGULATORY EXPENSES</u></b>					
Certificates/Training/School	\$99,647	\$3,312	\$125,400	(\$122,088)	\$130,200
Health Department / Services	\$14,824	\$10,666	\$18,000	(\$7,334)	\$18,000
State - Regulatory	\$141,618	\$141,630	\$168,000	(\$26,370)	\$169,750
Federal - Regulatory	\$4,414	\$2,409	\$25,200	(\$22,791)	\$10,250
Reclamation - Regulatory	\$42,147	\$5,155	\$75,000	(\$69,845)	\$24,750
AQMD Compliance	\$944	\$806	\$1,200	(\$394)	\$1,500
RMP/OSHA/Misc.	\$26,630	\$18,253	\$40,200	(\$21,947)	\$60,000
Legal	\$0	\$50	\$0	\$50	\$0
TOTAL REGULATORY EXPENSES	\$330,224	\$182,281	\$453,000	(\$270,719)	\$414,450

**DESERT WATER AGENCY  
OPERATING FUND  
2021-2022 BUDGET WITH PRIOR YEAR COMPARISON  
Augmented 04/2022**

	ACTUAL 2019-2020	ACTUAL TO 3/31/2021	BUDGET 2020-2021	OVER OR UNDER	BUDGET 2021-2022
<b><u>SNOW CREEK HYDRO EXPENSE</u></b>					
Snow Creek Hydro	\$42,332	\$29,893	\$36,600	(\$6,707)	\$36,600
TOTAL SNOW CREEK HYDRO	\$42,332	\$29,893	\$36,600	(\$6,707)	\$36,600
<b><u>RECLAMATION PLANT EXPENSE</u></b>					
Pumping Expense	\$330,891	\$172,247	\$363,000	(\$190,753)	\$322,950
Treatment Expense	\$513,835	\$273,520	\$572,700	(\$299,180)	\$561,900
Transportation/Distribution	\$68,782	\$35,227	\$1,388,400	(\$1,353,173)	\$1,710,100
Administrative & General	\$159,521	\$111,256	\$189,900	(\$78,644)	\$227,400
TOTAL RECL PLANT EXP	\$1,073,028	\$592,251	\$2,514,000	(\$1,921,749)	\$2,822,350
<b><u>OTHER OPERATING EXPENSE</u></b>					
Depreciation (Inc Recl)	\$6,167,149	\$4,694,651	\$6,222,600	(\$1,527,949)	\$6,556,800
Services Rendered Cust	\$120,778	\$108,452	\$165,000	(\$56,548)	\$160,800
Dir Costs App to W.O.'s	\$844,779	(\$747,244)	\$446,400	(\$1,193,644)	\$730,400
Indir Adm & Gen Exp Cap	(\$1,715,461)	(\$1,374,115)	(\$1,735,200)	\$361,085	(\$1,860,000)
TOTAL OTHER OPER EXP	\$5,417,245	\$2,681,743	\$5,098,800	(\$2,417,057)	\$5,588,000
TOTAL OPERATING EXPENSES	\$29,579,546	\$22,728,616	\$35,018,570	(\$12,289,954)	\$38,769,915
NET INCOME FROM OPER	\$9,335,283	\$8,192,505	\$4,975,630	\$3,216,875	\$2,013,335
<b><u>NON-OPERATING REVENUES</u></b>					
Revenue from Leases	\$138,871	\$128,686	\$171,100	(\$42,414)	\$171,100
Interest	\$532,683	\$168,976	\$180,000	(\$11,024)	\$138,000
Gains/Loss Investments	\$0	\$0	\$0	\$0	\$0
Other Income	\$130,244	(\$8,685)	\$0	(\$8,685)	\$250,000
DWA Front Footage Chgs	\$0	\$0	\$0	\$0	\$0
Gains on Retirements	\$60,279	\$126,099	\$24,800	\$101,299	\$38,600
Discounts	\$336	\$295	\$600	(\$305)	\$500
Revenue - Contributed	\$1,585,673	\$0	\$315,000	(\$315,000)	\$315,000
TOTAL NON-OPER REV	\$2,448,086	\$415,371	\$691,500	(\$276,129)	\$913,200
<b><u>NON OPERATING EXPENSES</u></b>					
OPEB Interest	\$1,137,027	\$0	\$1,110,000	(\$1,110,000)	\$1,047,000
Exp App to Prior Years	(\$292)	\$364	\$0	\$364	\$0
Services to Others	\$0	\$0	\$0	\$0	\$0
Customer Assistance Program	\$20,000	\$0	\$60,000	(\$60,000)	\$60,000
Grant Expenses	\$0	\$27,119	\$0	\$27,119	\$39,000
Losses on Retirements	\$99,777	\$145,570	\$54,000	\$91,570	\$175,000
TOTAL NON-OPER EXP	\$1,256,512	\$173,053	\$1,224,000	(\$1,050,947)	\$1,321,000
TOTAL NET INCOME	\$10,526,856	\$8,434,823	\$4,443,130	\$3,991,693	\$1,605,535

**DESERT WATER AGENCY  
OPERATING FUND  
2021-2022 BUDGET WITH PRIOR YEAR COMPARISON  
Augmented 04/2022**

	ACTUAL 2019-2020	ACTUAL TO 3/31/2021	BUDGET 2020-2021	OVER OR UNDER	BUDGET 2021-2022
<b><u>APPLICATION OF COMMIT FUNDS</u></b>					
Capital Loan to Wastewater Fund	\$0	\$0	\$0	\$0	\$0
Other Post Emp. Benefits (GASB 75)	\$640,867	\$584,518	\$725,000	(\$140,482)	\$725,000
<b>TOTAL COMMIT FUNDS</b>	<b>\$640,867</b>	<b>\$584,518</b>	<b>\$725,000</b>	<b>(\$140,482)</b>	<b>\$725,000</b>
BALANCE REMAINING	\$9,885,989	\$7,850,304	\$3,718,130	\$4,132,174	\$880,535
Add Back Depreciation (Plant/Equip)	\$6,167,149	\$4,694,651	\$6,222,600	(\$1,527,949)	\$6,556,800
Funds Avail For Capital Additions	\$16,053,138	\$12,544,955	\$9,940,730	\$2,604,225	\$7,437,335
Less Capital Additions:					
Routine Improvements	\$3,457,042	\$2,705,505	\$9,519,600	(\$6,814,095)	\$11,307,800
General Plan Improvements	\$0	\$0	\$100,000	(\$100,000)	\$100,000
BALANCE	\$12,596,095	\$9,839,451	\$859,550	\$8,979,901	(\$3,970,465)
TOTAL BUDGET			<b>\$43,303,950</b>		<b>\$52,223,715</b>
	2020-2021	2020-2021	2021-2022	2021-2022	BALANCE
	<u>BEGIN BAL</u>	<u>ADJUSTMENTS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u>
Estimated Reserve Fund Balance 6/30/21					\$36,684,000
Inter-Fund Loan/LC - General Fund					\$0
Reserves:					
Reserve for Operations (Augmented)	\$12,866,000	\$0	\$2,692,800	(\$91,100)	
Reserve for Replacements	\$2,760,000	\$0	\$0	\$0	
Reserve for Disaster Response	\$2,000,000	\$0	\$0	\$0	
Reserve for Land Acquisition	\$675,000	\$0	\$0	\$0	
Reserve for Regulatory Compliance	\$0	\$0	\$0	\$0	
Reserve for Retirement Benefits	\$5,000,000	\$0	\$0	\$0	
Total Reserves - 6/30/22	\$23,301,000	\$0	\$2,692,800	(\$91,100)	(\$25,902,700)
Required for 2020-21 Carryover Capital Items					(\$6,810,325)
2021-2022 Budget Balance					(\$3,970,465)
Unappropriated Fund Balance 6/30/22					\$510

**BUDGET AMOUNT SUMMARY:**

Total Operating Expenses	\$38,769,915
Non-Operating Expenses	\$1,321,000
Application of Committed Funds	\$725,000
Capital Additions	\$11,407,800
<b>TOTAL BUDGET</b>	<b>\$52,223,715</b>

**DESERT WATER AGENCY - OPERATING FUND  
2021-2022 BUDGET  
CAPITAL IMPROVEMENTS**

W.O. No.	DESCRIPTION	ACCOUNT NO.	ESTIMATED COST
<b><u>ROUTINE</u></b>			
<b>PIPELINES</b>			
18-161--16	18/19 Main Replacements - <b>Augment</b>	11171	\$350,000
21-111--08	Pipeline Replacement - Luring Sands Tract, Val Vista Tract, E. Via Altamara, Broadmoor Drive, E. Waverly Drive	11171	\$4,100,000
21-112--20	Vista Chino Pipeline Replacement - Planning	11171	\$25,100
21-399	Contingency - Mains	11171	\$200,000
<b>TOTAL PIPELINES</b>			<b>\$4,675,100</b>
<b>WELLS</b>			
21-114-W-45	Pumping Plant- Well 45 Plant Construction	11151	\$1,600,000
<b>TOTAL WELLS</b>			<b>\$1,600,000</b>
<b>RESERVOIRS</b>			
21-115-R-09	Southridge Reservoir #1 (No. 9) Earthquake Valve	11176	\$32,300
21-116-R-17	Southridge Reservoir #2 (No. 17) Earthquake Valve	11176	\$32,300
21-117-R-20	Chino Reservoir #2 (No. 20) Earthquake Valve	11176	\$32,300
21-118-R-27	Chino Reservoir #3 (No. 27) Earthquake Valve	11176	\$32,300
21-119-R-25	Andreas Hills Reservoir #1 (No. 25) Earthquake Valve	11176	\$32,300
21-120-R-31	Andreas Hills Reservoir #2 (No. 31) Earthquake Valve	11176	\$32,300
<b>TOTAL RESERVOIRS</b>			<b>\$193,800</b>
<b>TRANSPORTATION EQUIPMENT</b>			
21-122-M	2022 Ford F-350 XL Reg. CAB w/ Utility Body (Unit 36)	11183	\$75,000
21-123-M	2022 Ford F-450 XL REG. CAB w/ Dump Body (Unit 49)	11183	\$79,500
21-124-M	2022 Ford F- 450 XL REG. CAB w/ Dump Body (Unit 2)	11183	\$79,500
<b>TOTAL TRANSPORTATION EQUIPMENT</b>			<b>\$234,000</b>

**DESERT WATER AGENCY - OPERATING FUND  
2021-2022 BUDGET  
CAPITAL IMPROVEMENTS**

W.O. No.	DESCRIPTION	ACCOUNT NO.	ESTIMATED COST
<b>METERS</b>			
21-202-E-01	Encoder Receiver Transmitter (ERT) Purchases	11173	\$365,000
21-202-M-01	1" Meter Purchases	11173	\$107,000
21-202-M-02	2" Meter Purchases	11173	\$51,000
21-202-M-03	3" Meter Purchases	11173	\$4,400
21-202-M-06	6" Meter Purchases	11173	\$3,000
21-202-M-15	1 1/2" Meter Purchases	11173	\$72,000
21-202-M-75	3/4" Meter Purchases	11173	\$133,000
<b>TOTAL METERS</b>			<b>\$735,400</b>
<b>SERVICES</b>			
21-100-S-01	1" Service Replacements	11172	\$1,115,000
21-100-S-02	2" Service Replacements	11172	\$476,000
21-201-S-01	1" Invoiced Services	11172	\$55,000
21-201-S-02	2" Invoiced Services	11172	\$45,000
<b>TOTAL SERVICES</b>			<b>\$1,691,000</b>
<b>MISCELLANEOUS</b>			
18-179-M	I-Series Modernization - <b>Augment</b>	11188	\$150,000
20-178-M	Accounting Software / ERP System - <b>Augment</b>	11188	\$1,500,000
21-126-M	Survey Equipment Ground Penetrating Radar (GPR)	11186	\$38,600
21-127-M	N Sunrise Traffic Attenuation	11181	\$14,900
21-128-M	Meter Reading Equipment Replacement	11188	\$72,500
21-129-M	Board Room AV Enhancements	11181	\$59,500
21-130-M	Corporate Firewall Replacement	11188	\$31,000
21-131-M	Snow Creek Firewall Replacement	11188	\$20,000
21-132-M	Server Replacement	11188	\$142,000
21-499	Contingency - Other	VARIOUS	\$150,000
<b>TOTAL MISCELLANEOUS</b>			<b>\$2,178,500</b>
<b>TOTAL ROUTINE</b>			<b>\$11,307,800</b>

**DESERT WATER AGENCY - OPERATING FUND  
2021-2022 BUDGET  
CAPITAL IMPROVEMENTS**

W.O. No.	DESCRIPTION	ACCOUNT NO.	ESTIMATED COST
<b><u>GENERAL PLAN</u></b>			
<b>PIPELINES</b>			
21-699	Main Oversizing	11171	\$100,000
		<b>TOTAL PIPELINES</b>	<b>\$100,000</b>
	<b>TOTAL GENERAL PLAN</b>		<b>\$100,000</b>
	<b>TOTAL CAPITAL IMPROVEMENTS 2021-2022</b>		<b>\$11,407,800</b>

**Reserve Policy Analysis**  
2021 / 2022 Budget

**OPERATING FUND**

In June 2021, the Board of Directors established a policy for Agency Reserves (Resolution No. 1262). Per section 5 of the policy, an annual review of the reserves will be presented during the annual budget presentation. Presented below is the reserve analysis:

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**Reserve for Operations**

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Reserve should be equal to 6-months to 1 year of operations

2021 / 2022	Cost of Operations	\$	38,453,815
	<i>Minimum Reserve Requirement</i>	\$	19,226,908
	<i>Maximum Allowable Reserve Balance</i>	\$	38,453,815
2020 / 2021	Current Reserve Balance	\$	12,866,000
2021 / 2022	Reserve Adjustment *	\$	791,000
<b>2021 / 2022</b>	<b>Reserve Balance</b>	<b>\$</b>	<b>13,657,000</b>
2021 / 2022	Minimum Target Reserve Shortfall	<b>\$</b>	<b>(5,569,908)</b>
2021 / 2022	Maximum Reserve Shortfall	<b>\$</b>	<b>(24,796,815)</b>

\* Proposed \$731,000 addition to the Reserve for Operations in Fiscal Year 2021 / 2022

<b>2021 / 2022</b>	<b>RESERVE FOR OPERATIONS</b>	<b>\$</b>	<b>13,657,000</b>
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**Reserve for Replacements**

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Reserve should be equal to the accumulated depreciation of assets

Accumulated Depreciation at 4/30/21		\$	137,248,787
	<i>Maximum Reserve Balance</i>	\$	137,248,787
2020 / 2021	Current Reserve Balance	\$	2,760,000
2021 / 2022	Reserve Adjustment *	\$	-
<b>2021 / 2022</b>	<b>Reserve Balance</b>	<b>\$</b>	<b>2,760,000</b>
2021 / 2022	Maximum Reserve Shortfall	<b>\$</b>	<b>(134,488,787)</b>

\* There are no excess funds available to add to the Reserve for Replacements in Fiscal Year 2021 / 2022

<b>2021 / 2022</b>	<b>RESERVE FOR REPLACEMENTS</b>	<b>\$</b>	<b>2,760,000</b>
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**Reserve Policy Analysis**  
2021 / 2022 Budget

**OPERATING FUND**

**Reserve for Disaster Response**

Reserve should be equal to approximately 15% of the Agency's General System

System Value at 4/30/21		\$	264,334,478
15% of System Value		\$	39,650,200
<i>Maximum Reserve Balance</i>		\$	39,650,200
2020 / 2021	Current Reserve Balance	\$	2,000,000
2021 / 2022	Reserve Adjustment *	\$	-
<b>2021 / 2022</b>	<b>Reserve Balance</b>	<b>\$</b>	<b>2,000,000</b>
2021 / 2022	Maximum Reserve Shortfall	<b>\$</b>	<b>(37,650,200)</b>

\* There are no excess funds available to add to the Reserve for Disaster Response in Fiscal Year 2021 / 2022

<b>2021 / 2022</b>	<b>RESERVE FOR DISASTER RESPONSE</b>	<b>\$</b>	<b>2,000,000</b>
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**Reserve for Land Acquisitions**

Reserve shall not exceed \$5,000,000

<i>Maximum Reserve Balance</i>		\$	5,000,000
2020 / 2021	Current Reserve Balance	\$	675,000
2021 / 2022	Reserve Adjustment *	\$	-
<b>2021 / 2022</b>	<b>Reserve Balance</b>	<b>\$</b>	<b>675,000</b>
2021 / 2022	Maximum Reserve Shortfall	<b>\$</b>	<b>(4,325,000)</b>

\* There are no excess funds available to add to the Reserve for Land Acquisition in Fiscal Year 2021 / 2022

<b>2021 / 2022</b>	<b>RESERVE FOR LAND ACQUISITIONS</b>	<b>\$</b>	<b>675,000</b>
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**Reserve Policy Analysis**  
2021 / 2022 Budget

**OPERATING FUND**

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**Reserve for Regulatory Compliance**

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Reserve shall not exceed \$10,000,000

<i>Maximum Reserve Balance</i>		\$	10,000,000
2020 / 2021	Current Reserve Balance	\$	-
2021 / 2022	Reserve Adjustment *	\$	-
<b>2021 / 2022</b>	<b>Reserve Balance</b>	<b>\$</b>	<b>-</b>
2021 / 2022	Maximum Reserve Shortfall	<b>\$</b>	<b>(10,000,000)</b>

\* There are no excess funds available to add to the Reserve for Regulatory Compliance in Fiscal Year 2021 / 2022

<b>2021 / 2022</b>	<b>RESERVE FOR REGULATORY COMPLIANCE</b>	<b>\$</b>	<b>-</b>
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**Reserve for Retirement Benefits**

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Reserve should equal two times the actual annual retirement benefit costs from the preceding year but not to exceed four times the cost

	Annual OPEB Costs - Actuarial study (2021)	\$	1,581,838
	Annual CalPERS Normal Contributions	\$	833,484
	<i>Minimum Reserve Requirement</i>	\$	4,830,644
	<i>Maximum Allowable Reserve Balance</i>	\$	9,661,288
2020 / 2021	Current Reserve Balance	\$	5,000,000
2021 / 2022	Reserve Adjustment *	\$	-
<b>2021 / 2022</b>	<b>Reserve Balance</b>	<b>\$</b>	<b>5,000,000</b>
2021 / 2022	Minimum Target Reserve Shortfall	\$	-
2021 / 2022	Maximum Reserve Shortfall	<b>\$</b>	<b>(4,661,288)</b>

\* There are no excess funds available to add to the Reserve for Retirement Benefits in Fiscal Year 2020/2021

<b>2021 / 2022</b>	<b>RESERVE FOR RETIREMENT BENEFITS</b>	<b>\$</b>	<b>5,000,000</b>
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**Reserve Policy Analysis**  
2021 / 2022 Budget

**OPERATING FUND**

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**Reserve Policy Summary**

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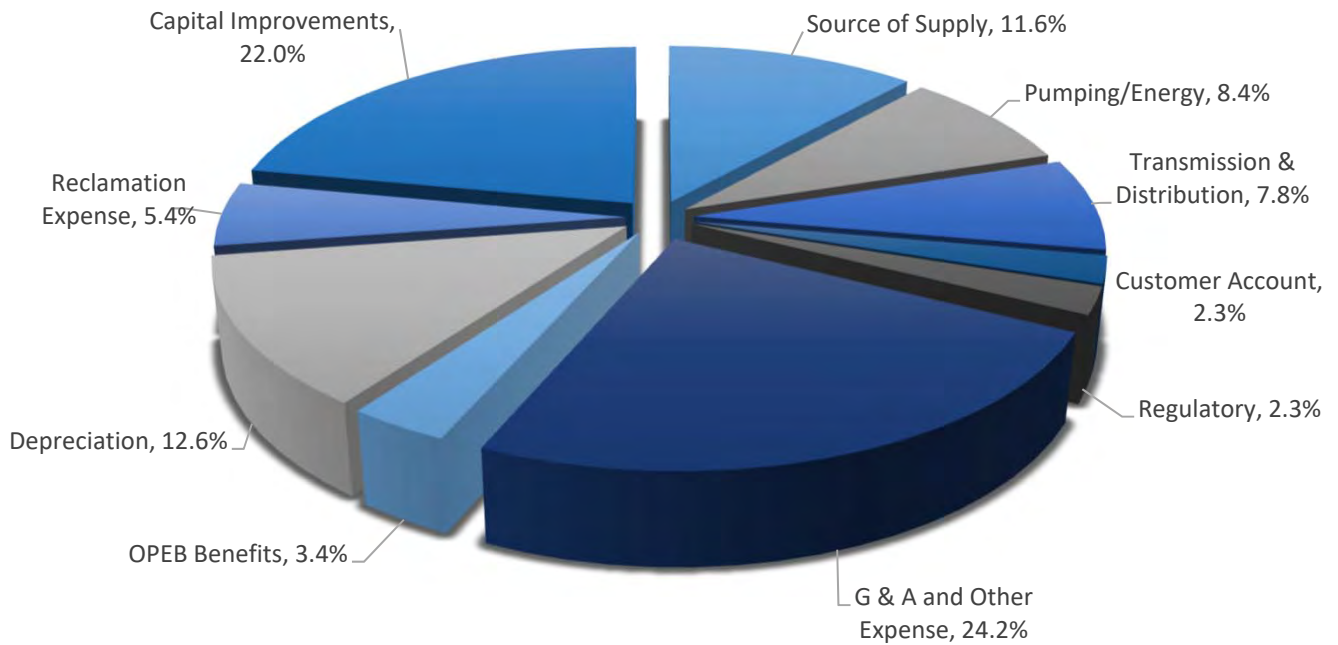
** 2021 / 2022	Minimum Reserve Requirement	\$ 215,956,538 *
** 2021 / 2022	Maximum Reserve Requirement	\$ 240,014,090
<b>2021 / 2022</b>	<b>Projected Total Reserves</b>	<b>\$ 24,092,000</b>
2021 / 2022	Projected Minimum Reserve Shortfall	\$ (192,033,894)
2021 / 2022	Maximum Reserve Shortfall	\$ (215,922,090)

\* Where no minimum reserve balance is established, the maximum reserve balance is used

\*\* Reserve Policy and Reserve Requirements (Resolution No. 1262) Based on established ACWA and AWWA Policy Principles and Guidelines

**DESERT WATER AGENCY  
OPERATING FUND BUDGET  
2021 - 2022 SUMMARY**

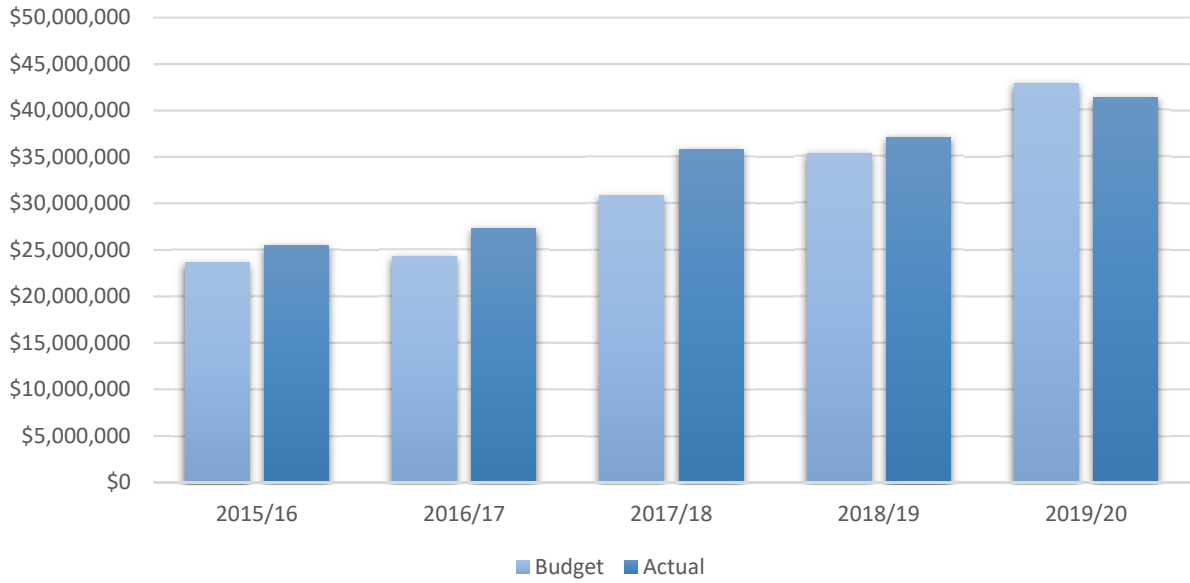
Category	Cost	%
Source of Supply	\$ 6,001,180	11.6%
Pumping/Energy	\$ 4,358,100	8.4%
Transmission & Distribution	\$ 4,024,830	7.8%
Customer Account	\$ 1,187,660	2.3%
Regulatory	\$ 1,176,235	2.3%
G & A and Other Expense	\$ 12,600,660	24.2%
OPEB Benefits	\$ 1,772,000	3.4%
Depreciation	\$ 6,556,800	12.6%
Reclamation Expense	\$ 2,822,350	5.4%
Capital Improvements	<u>\$ 11,407,800</u>	<u>22.0%</u>
<b>TOTAL</b>	<b>\$ 51,907,615</b>	<b>100.0%</b>



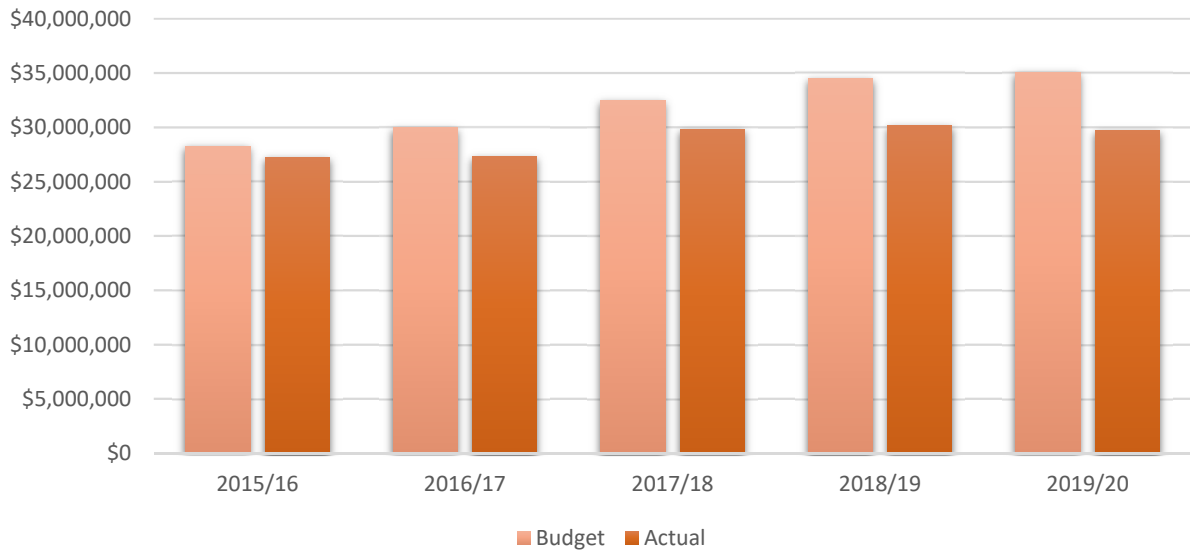
**DESERT WATER AGENCY  
OPERATING FUND BUDGET**

**Historical Analysis  
Budget vs. Actual**

**REVENUES**



**EXPENSES**



**DESERT WATER AGENCY**  
**GENERAL FUND BUDGET**  
2021 / 2022

**DESERT WATER AGENCY  
GENERAL FUND BUDGET  
2021-2022 BUDGET WITH PRIOR YEAR COMPARISON  
Augmented 01/2022**

	ACTUAL 2019-2020	ACTUAL TO 3/31/2021	BUDGET 2020-2021	OVER (UNDER) BUDGET	BUDGET 2021-2022
<b><u>OPERATING REVENUES</u></b>					
Groundwater Replenishment Assessment	\$6,359,292	\$5,609,808	\$6,590,000	(\$980,192)	\$7,609,400
Power Sales - Whitewater Hydro	\$113,234	\$97,603	\$148,800	(\$51,197)	\$5,500
TOTAL OPERATING REVENUES	\$6,472,525	\$5,707,411	\$6,738,800	(\$1,031,389)	\$7,614,900
<b><u>OPERATING EXPENSES</u></b>					
<b><u>SOURCE OF SUPPLY</u></b>					
Watershed Management - West Fork	\$0	\$0	\$0	\$0	\$0
Whitewater Mutual Water Co	\$0	\$0	\$12,000	(\$12,000)	\$12,000
Whitewater Basin Management	\$313,019	\$88,836	\$200,000	(\$111,164)	\$280,000
Mission Creek Basin Management	\$22,703	\$26,862	\$69,000	(\$42,138)	\$188,400
Mission Creek - Garnett Hill Mgmt Plan	\$0	\$0	\$3,000	(\$3,000)	\$20,000
Indio Subbasin Management Plan	\$21,148	\$0	\$33,000	(\$33,000)	\$22,500
San Gorgonio Pass Management Plan	\$0	\$0	\$0	\$0	\$20,000
Groundwater Monitoring Wells	\$0	\$0	\$900	(\$900)	\$900
U.S.G.S. Water Quality Monitoring System	\$13,000	\$9,900	\$13,600	(\$3,700)	\$13,200
U.S.G.S. Stream Gauging Study	\$75,528	\$55,653	\$76,800	(\$21,148)	\$76,800
Monitoring Wells #2 & #6	\$0	\$0	\$6,000	(\$6,000)	\$6,000
Urban Water Management Plan	\$6,735	\$3,145	\$30,000	(\$26,855)	\$0
Salt Nutrient Plan	\$1,449	\$3,673	\$200,000	(\$196,327)	\$220,000
Groundwater Rights DWA/CVWD	\$342,103	\$139,438	\$408,000	(\$268,562)	\$300,000
SGMA	\$30,406	\$188,904	\$609,600	(\$420,696)	\$355,000
USDOJ Federal Rule Litigation	\$118,384	\$189,345	\$120,000	\$69,345	\$210,000
TOTAL SOURCE OF SUPPLY	\$944,475	\$705,754	\$1,781,900	(\$1,076,146)	\$1,724,800
<b><u>STATE WATER PROJECT EXPENSE</u></b>					
Delta O.M.P.& R.	\$2,622,792	\$1,347,175	\$2,695,000	(\$1,347,825)	\$2,802,000
Transportation O.M.P.& R.	\$4,722,207	\$5,191,203	\$5,680,000	(\$488,797)	\$6,757,000
Variable	\$8,508,853	\$852,843	\$5,686,500	(\$4,833,657)	\$6,186,000
Off-Aqueduct Power Facilities	\$82,196	\$129,563	\$210,000	(\$80,437)	\$98,000
East Branch Enlargement	\$503,112	\$350,774	\$488,000	(\$137,226)	\$428,000
Replacement Component	\$0	\$0	\$0	\$0	\$0
Delta Conveyance (formerly CWF)	\$50,000	\$0	\$300,000	(\$300,000)	\$300,000
Water Purchases	\$0	\$26,462	\$2,475,000	(\$2,448,538)	\$2,430,000
Lake Perris Seepage Recovery Project	\$0	\$0	\$0	\$0	\$0
CVWD Reimb (Delta, Var, OAP)	(\$1,095,670)	\$90,187	(\$1,123,800)	\$1,213,987	(\$723,000)
MWD Reimb (Delta, Trans, Var, OAP)	\$0	\$0	\$0	\$0	\$0
TOTAL STATE WTR PROJ. EXPENSE	\$15,393,490	\$7,988,207	\$16,410,700	(\$8,422,493)	\$18,278,000
<b><u>WHITEWATER HYDRO EXPENSE</u></b>					
Supervision & Labor	\$8,036	\$6,844	\$15,000	(\$8,156)	\$15,750
Miscellaneous/SCE	\$5,966	\$5,506	\$12,000	(\$6,494)	\$7,200
Tools & Work Equipment	\$0	\$0	\$2,100	(\$2,100)	\$2,100
Maint Structures & Improvements	\$0	\$0	\$1,200	(\$1,200)	\$1,200
Maint of Equipment	\$6,908	\$2,840	\$60,000	(\$57,160)	\$60,000
Whitewater Hydro Contract Management	\$13,443	\$9,739	\$24,000	(\$14,261)	\$15,000
TOTAL WHITEWTR HYDRO EXPENSE	\$34,352	\$24,930	\$114,300	(\$89,370)	\$101,250
<b><u>CUSTOMER ACCOUNT EXPENSE</u></b>					
Meter Reading Expense	\$0	\$50	\$0	\$50	\$600
Uncollectible Accounts	\$0	\$723	\$0	\$723	\$0
TOTAL WHITEWTR HYDRO EXPENSE	\$0	\$773	\$0	\$773	\$600

**DESERT WATER AGENCY  
GENERAL FUND BUDGET  
2021-2022 BUDGET WITH PRIOR YEAR COMPARISON  
Augmented 01/2022**

	ACTUAL 2019-2020	ACTUAL TO 3/31/2021	BUDGET 2020-2021	OVER (UNDER) BUDGET	BUDGET 2021-2022
<b><u>ADMIN &amp; GENERAL EXPENSE (cont)</u></b>					
Salaries (Augmented)	\$353,821	\$249,356	\$492,814	(\$243,458)	\$451,400
Office Supplies & Expenses	\$6,626	\$7,561	\$14,700	(\$7,139)	\$14,700
Legal	\$414,954	\$401,018	\$504,000	(\$102,982)	\$660,000
State Water - Audit Fees	\$17,631	\$16,881	\$28,000	(\$11,119)	\$28,800
Engineering	\$104,435	\$19,663	\$80,000	(\$60,337)	\$66,000
Appraisals & Consultants	\$192,074	\$158,534	\$160,000	(\$1,466)	\$290,000
Auditing	\$10,606	\$12,642	\$14,000	(\$1,358)	\$16,000
Conferences & Seminars	\$45,713	\$159	\$74,000	(\$73,841)	\$74,000
Membership Dues & Subscriptions	\$97,340	\$65,868	\$99,700	(\$33,832)	\$101,100
Bay-Delta Hearings	\$90,220	\$111,109	\$68,000	\$43,109	\$135,000
SWC-Energy Fund	\$11,771	\$5,839	\$13,000	(\$7,161)	\$13,000
Utilities	\$31,904	\$45,054	\$32,000	\$13,054	\$60,000
Property & Liability Insurance	\$46,386	\$51,031	\$51,000	\$31	\$82,800
Other Employee Benefits (Augmented)	\$445,126	\$414,253	\$472,200	(\$57,947)	\$456,600
Payroll Taxes (Augmented)	\$51,044	\$39,124	\$46,200	(\$7,076)	\$58,200
Uncollectible Accounts	\$0	\$0	\$0	\$0	\$0
LAFCO Expenses	\$13,216	\$13,847	\$15,000	(\$1,153)	\$15,000
Integrated Regional Water Mgmt Plan (IRWMP)	\$33,190	\$128,502	\$35,000	\$93,502	\$38,000
IRWMP Conservation Program	\$1,555	\$889	\$0	\$889	\$0
Operations Center Security	\$3,077	\$0	\$7,500	(\$7,500)	\$7,500
Operations Center Maintenance	\$98,329	\$64,170	\$109,200	(\$45,030)	\$103,200
Directors' Fees	\$73,285	\$25,724	\$46,500	(\$20,776)	\$48,000
Public Information (Augmented)	\$127,545	\$107,285	\$187,800	(\$80,515)	\$175,900
Water Conservation (Augmented)	\$355,945	\$175,576	\$539,575	(\$364,000)	\$727,800
Election Expense	\$504	\$30,000	\$95,000	(\$65,000)	\$0
<b>TOTAL ADMIN &amp; GENERAL EXPENSE</b>	<b>\$2,626,296</b>	<b>\$2,144,086</b>	<b>\$3,185,189</b>	<b>(\$1,041,103)</b>	<b>\$3,623,000</b>
<b><u>OTHER OPERATING EXPENSES</u></b>					
Depreciation	\$805,223	\$828,675	\$6,330,000	(\$5,501,325)	\$1,200,000
Direct/Indirect Costs	(\$49,527)	(\$55,076)	(\$120,000)	\$64,924	(\$107,000)
<b>TOTAL OTHER OPERATING EXPENSES</b>	<b>\$755,696</b>	<b>\$773,599</b>	<b>\$6,210,000</b>	<b>(\$5,436,401)</b>	<b>\$1,093,000</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$19,754,309</b>	<b>\$11,637,349</b>	<b>\$27,702,089</b>	<b>(\$16,064,740)</b>	<b>\$24,820,650</b>
<b>NET OPERATING INCOME (loss)</b>	<b>(\$13,281,784)</b>	<b>(\$5,929,938)</b>	<b>(\$20,963,289)</b>	<b>\$15,033,351</b>	<b>(\$17,205,750)</b>
<b><u>NON-OPERATING REVENUES</u></b>					
Property Taxes	\$31,979,950	\$19,410,582	\$29,690,000	(\$10,279,418)	\$35,416,000
Interest - Invested Reserves	\$2,884,141	\$1,427,592	\$1,443,600	(\$16,008)	\$802,800
Interest - Wastewater Fund	\$0	\$0	\$0	\$0	\$0
Supplemental Imported Water Fees	\$464,984	\$459,230	\$330,000	\$129,230	\$488,600
Gains/Loss Investments	\$1,172,527	\$164,226	\$0	\$164,226	\$582,100
Other	\$49,643	(\$1,425)	\$0	(\$1,425)	\$0
<b>TOTAL NON-OPERATING REVENUES</b>	<b>\$36,551,244</b>	<b>\$21,460,204</b>	<b>\$31,463,600</b>	<b>(\$10,003,396)</b>	<b>\$37,289,500</b>

**DESERT WATER AGENCY  
GENERAL FUND BUDGET  
2021-2022 BUDGET WITH PRIOR YEAR COMPARISON  
Augmented 01/2022**

	ACTUAL 2019-2020	ACTUAL TO 3/31/2021	BUDGET 2020-2021	OVER (UNDER) BUDGET	BUDGET 2021-2022
<b><u>NON-OPERATING EXPENSES</u></b>					
Prior Year - State Water Project	(\$72,628)	\$379,980	\$0	\$379,980	\$0
Prior Year Expenses	(\$18,002)	\$675	\$0	\$675	\$0
Other	\$0	(\$20)	\$0	(\$20)	\$0
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>(\$90,629)</b>	<b>\$380,635</b>	<b>\$0</b>	<b>\$380,635</b>	<b>\$0</b>
<b>TOTAL NET INCOME</b>	<b>\$23,360,089</b>	<b>\$15,149,631</b> <b>\$27,167,615</b>	<b>\$10,500,311</b>	<b>\$4,649,320</b>	<b>\$20,083,750</b>
<b><u>APPLICATION OF COMMIT FUNDS</u></b>					
Bond Service - Principle/Interest	\$1,345,535	\$331,371	\$1,345,300	(\$1,013,929)	\$1,338,950
<b>TOTAL COMMIT FUNDS</b>	<b>\$1,345,535</b>	<b>\$331,371</b>	<b>\$1,345,300</b>	<b>(\$1,013,929)</b>	<b>\$1,338,950</b>
<b>BALANCE REMAINING</b>	<b>\$22,014,554</b>	<b>\$14,818,260</b>	<b>\$9,155,011</b>	<b>\$5,663,249</b>	<b>\$18,744,800</b>
Add Back Depreciation	\$805,223	\$828,675	\$6,330,000	(\$5,501,325)	\$1,200,000
<b>Funds Avail For Capital Additions</b>	<b>\$22,819,776</b>	<b>\$15,646,935</b>	<b>\$15,485,011</b>	<b>\$161,924</b>	<b>\$19,944,800</b>
<b><u>CAPITAL ADDITIONS</u></b>					
Delta	\$1,310,346	\$1,684,248	\$1,498,800	\$185,448	\$1,608,200
Transportation	\$2,565,560	\$2,451,530	\$2,450,000	\$1,530	\$2,419,000
Revenue Bond Surcharge	\$498,601	\$816,408	\$1,095,000	(\$278,592)	\$1,100,000
East Branch Enlargement	\$471,745	\$1,512,470	\$1,617,000	(\$104,530)	\$16,616,000
Tehachapi	\$0	\$76,326	\$76,000	\$326	\$88,000
Delta Conveyance	\$0	\$0	\$19,215,000	(\$19,215,000)	\$0
Lake Perris Seepage Recovery Project	\$0	\$0	\$400,000	(\$400,000)	\$1,458,000
Sites Reservoir Project	\$0	\$0	\$650,000	(\$650,000)	\$975,000
Whitewater Hydro - Battery Replacement	\$0	\$0	\$0	\$0	\$0
Whitewater Hydro - Bypass Pipeline	\$0	\$0	\$0	\$0	\$0
Snow Creek Village - Treatment Facility	\$454,212	\$3,362,245	\$0	\$3,362,245	\$0
Op. Cntr - Wireless Gate Control System	\$0	\$0	\$0	\$0	\$0
Palm Oasis Surface Water Filtration Plant (Design)	\$26,479	\$269,212	\$0	\$269,212	\$15,000,000
Op. Cntr - Board Room Video Wall Matrix	\$0	\$0	\$0	\$0	\$0
Op. Cntr - Security Cameras	\$0	\$0	\$0	\$0	\$0
Op. Cntr - Alarm Upgrades	\$0	\$0	\$0	\$0	\$0
Op. Cntr - Board Room Security Window Film	\$0	\$0	\$0	\$0	\$0
Whitewater Hydro PLC Modernization	\$0	\$36,087	\$0	\$36,087	\$0
Chino West Canyon Treatment Facility	\$0	\$0	\$0	\$0	\$0
Whitewater Area Land Purchase	\$0	\$0	\$179,000	(\$179,000)	\$0
Operations/Engineering Office Remodel	\$0	\$0	\$5,500	(\$5,500)	\$0
Operations Center ADA Guard Railing	\$0	\$0	\$4,748	(\$4,748)	\$0
Mission Creek Recharge Basin Flow Meters	\$0	\$0	\$0	\$0	\$124,000
Board Room AV Enhancements	\$0	\$0	\$0	\$0	\$29,800
Contingency	\$0	\$0	\$150,000	(\$150,000)	\$150,000
<b>TOTAL CAPITAL ADDITIONS</b>	<b>\$5,326,944</b>	<b>\$10,208,527</b>	<b>\$27,341,048</b>	<b>(\$17,132,521)</b>	<b>\$39,568,000</b>
<b>BALANCE</b>	<b>\$17,492,833</b>	<b>\$5,438,408</b>	<b>(\$11,856,037)</b>	<b>\$17,294,445</b>	<b>(\$19,623,200)</b>
<b>TOTAL BUDGET</b>			<b>\$56,388,437</b>		<b>\$65,727,600</b>

**DESERT WATER AGENCY  
GENERAL FUND BUDGET  
2021-2022 BUDGET WITH PRIOR YEAR COMPARISON  
Augmented 01/2022**

	2020-2021 <u>BEGIN BAL</u>	2020-2021 <u>ADJUSTMENTS</u>	2021-2022 <u>ADDITIONS</u>	2021-2022 <u>DELETIONS</u>	<u>BALANCE</u>
Reserve Fund Balance-6/30/21					\$182,217,000
Restricted & Unrestricted Reserves:					
State Water Contract Fund	\$62,779,000		\$13,000,000		
Reserve For SWP Additional Water	\$0		\$10,493,000		
Reserve For Additional Water	\$23,782,000			\$23,782,000	
Reserve for Delta Conveyance	\$19,238,000				
Reserve For Operations (Augmented)	\$10,571,800			\$3,545,450	
Reserve For Replacements	\$8,892,800				
Regulatory Compliance Reserve	\$7,765,000				
Land Acquisition Reserve	\$5,000,000				
Reserve For Additional Non-SWP Water	\$0		\$23,782,000		
Total Reserves - 6/30/22	\$138,028,600	\$0	\$47,275,000	\$27,327,450	(\$157,976,150)
Required for 2020/21 Carryover Items					(\$4,616,786)
2021-2022 Budget Balance					(\$19,623,200)
Unappropriated Fund Balance - 6/30/22					\$864

**BUDGET AMOUNT SUMMARY**

Total Operating Expense	\$24,820,650
Non-Operating Expense	\$0
Application of Committed Funds	\$1,338,950
Capital Additions	\$39,568,000
<b>TOTAL BUDGET</b>	<b>\$65,727,600</b>

**DESERT WATER AGENCY  
GENERAL FUND BUDGET  
2021 - 2022**

**SUMMARY OF ASSESSED VALUATIONS  
AND RESULTING TAX RATES**

Assessed Valuations		
Secured	\$17,425,460,669	
Unsecured	\$621,459,469	
<b>Total Estimated Assessed Valuations*</b>		<b>\$18,046,920,138</b>
Tax Rate	<b>2020-2021</b>	<b>2021-2022</b>
Secured	\$0.10	\$0.10
Unsecured	\$0.10	\$0.10
Estimated Revenue from Property Taxes		
Secured	\$17,425,400	
Unsecured	\$621,400	
SBE Unitary	\$14,553,200	
RPTTF	\$1,302,000	
County 1% General Purpose Allocation	\$1,514,000	
<b>TOTAL ESTIMATED PROPERTY TAXES</b>		<b>\$35,416,000</b>

\* Assessed values reflect a combined 2.50% delinquency and value adjustment factor for secured and unsecured valuations



**DESERT WATER AGENCY - GENERAL FUND  
2021-2022 BUDGET  
CAPITAL IMPROVEMENTS**

W.O. No.	DESCRIPTION	ACCOUNT NO.	ESTIMATED COST
<b><u>ROUTINE</u></b>			
<b>MISCELLANEOUS</b>			
19-153-M	Palm Oasis Surface Water Filtration Plant - <b>Augment</b>	11169	\$15,000,000
21-134-M	Mission Creek Recharge Basin Flow Meters	11173	\$124,000
21-129-M	Board Room AV Enhancements	11185	\$29,800
21-499	Contingency - Other	VARIOUS	\$150,000
<b>TOTAL MISCELLANEOUS</b>			<b>\$15,303,800</b>
<b>TOTAL CAPITAL IMPROVEMENTS 2021-2022</b>			<b>\$15,303,800</b>

**Reserve Policy Analysis**  
2021/2022 Budget

**GENERAL FUND**

In June 2021, the Board of Directors established a policy for Agency Reserves (Resolution No. 1262). Per section 5 of the policy, an annual review of the reserves will be presented during the annual budget presentation. Presented below is the reserve analysis:

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**State Water Contract Fund Reserve**

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Minimum reserve requirement is two and one half times prior year DWR Statement of Charges, not to exceed six times the total of such charges

**2021 DWR Statement of Charges**

Delta Capital	\$ 1,744,245
Delta OMP&R	\$ 2,908,935
Transportation Capital	\$ 2,400,233
Transportation OMP&R	\$ 6,143,301
Variable Entitlement	\$ 6,088,584
Water System Revenue Bond	\$ 1,100,987
Off Aqueduct	\$ 190,951
Conservation Replacement	\$ -
East Branch Enlargement Capital	\$ 1,252,533
East Branch Enlargement OMP&R	\$ 400,600
Tehachapi Second Afterbay	\$ 98,120
<b>Total 2021 Statement of Charges</b>	<b>\$ 22,328,489</b>

<i>Minimum Reserve Requirement</i>	\$ 55,821,223
<i>Maximum Allowable Reserve Balance</i>	\$ 133,970,934

2020 / 2021	Current Reserve Balance	\$ 62,779,000
2021 / 2022	Reserve Adjustment *	\$ 13,000,000
<b>2021 / 2022</b>	<b>Reserve Balance</b>	<b>\$ 75,779,000</b>
2021 / 2022	Minimum Target Reserve Shortfall	\$ -
2021 / 2022	Maximum Reserve Shortfall	\$ (58,191,934)

\* Proposed \$13,000,000 addition to the State Water Contract Fund Reserve in Fiscal Year 2021 / 2022

<b>2021 / 2022</b>	<b>STATE WATER CONTRACT RESERVE</b>	<b>\$ 75,779,000</b>
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**Reserve Policy Analysis**  
2021/2022 Budget

**GENERAL FUND**

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**Reserve for Delta Conveyance Facilities**

---

Minimum reserve requirement is two and one half times annual charges, not to exceed six times the total of such charges

10 Year DWR Cost projection		\$	43,424,000
Average Annual Charge		\$	4,342,400
<i>Minimum Reserve Requirement</i>		\$	10,856,000
<i>Maximum Allowable Reserve Balance</i>		\$	26,054,400
2019 / 2020	Current Reserve Balance	\$	19,238,000
2021 / 2022	Reserve Adjustment *	\$	-
<b>2021 / 2022</b>	<b>Reserve Balance</b>	<b>\$</b>	<b>19,238,000</b>
2021 / 2022	Minimum Target Reserve Shortfall	\$	-
2021 / 2022	Maximum Reserve Shortfall	<b>\$</b>	<b>(6,816,400)</b>

\* There are no excess funds available to add to the Reserve for Delta Conveyance Facilities in Fiscal Year 2021 / 2022

<b>2021 / 2022</b>	<b>RESERVE FOR DELTA CONVEYANCE</b>	<b>\$</b>	<b>19,238,000</b>
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**Reserve Policy Analysis**  
2021/2022 Budget

**GENERAL FUND**

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**Reserve for SWP Additional Water**

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The minimum reserve requirement should be greater than the prior year DWR Invoices, not to exceed five times the total of such charges

**2021 DWR Statement of Charges**

Delta Capital	\$ 1,744,245
Delta OMP&R	\$ 2,908,935
Transportation Capital	\$ 2,400,233
Transportation OMP&R	\$ 6,143,301
Variable Entitlement	\$ 6,088,584
Water System Revenue Bond	\$ 1,100,987
Off Aqueduct	\$ 190,951
Conservation Replacement	\$ -
East Branch Enlargement Capital	\$ 1,252,533
East Branch Enlargement OMP&R	\$ 400,600
Tehachapi Second Afterbay	\$ 98,120
<b>Total 2021 Statement of Charges</b>	<b>\$ 22,328,489</b>

<i>Minimum Reserve Requirement</i>	\$ 22,328,489
<i>Maximum Allowable Reserve Balance</i>	\$ 111,642,445

2019 / 2020	Current Reserve Balance	\$ -
2021 / 2022	Reserve Adjustment *	\$ 10,493,000
<b>2021 / 2022</b>	<b>Reserve Balance</b>	<b>\$ 10,493,000</b>
2021 / 2022	Minimum Target Reserve Shortfall	\$ (11,835,489)
2021 / 2022	Maximum Reserve Shortfall	\$ (101,149,445)

\* Proposed \$10,493,000 addition to the Reserve for Additional Water in Fiscal Year 2021 / 2022

<b>2021 / 2022</b>	<b>RESERVE FOR ADDITIONAL WATER</b>	<b>\$ 10,493,000</b>
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**Reserve Policy Analysis**  
2021/2022 Budget

**GENERAL FUND**

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**Reserve for Additional Water**

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The Reserve for Addition Water has been replaced with the Reserve for Additional Non-SWP Water.  
The Reserve balance has been transferred to the Reserve for Additional Non-SWP Water.

2019 / 2020	Current Reserve Balance	\$	23,782,000
2021 / 2022	Reserve Adjustment *	\$	(23,782,000)
<b>2021 / 2022</b>	<b>Reserve Balance</b>	\$	-
2021 / 2022	Minimum Target Reserve Shortfall	\$	-
2021 / 2022	Maximum Reserve Shortfall	\$	-

\* Proposed \$23,782,000 reduction to the Reserve for Additional Water in Fiscal Year 2021 / 2022

<b>2021 / 2022</b>	<b>RESERVE FOR ADDITIONAL WATER</b>	\$	-
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**Reserve Policy Analysis**  
2021/2022 Budget

**GENERAL FUND**

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**Reserve for Non-SWP Additional Water**

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The minimum reserve requirement should be greater than the prior year DWR Invoices, not to exceed five times the total of such charges

**2021 DWR Statement of Charges**

Delta Capital	\$ 1,744,245
Delta OMP&R	\$ 2,908,935
Transportation Capital	\$ 2,400,233
Transportation OMP&R	\$ 6,143,301
Variable Entitlement	\$ 6,088,584
Water System Revenue Bond	\$ 1,100,987
Off Aqueduct	\$ 190,951
Conservation Replacement	\$ -
East Branch Enlargement Capital	\$ 1,252,533
East Branch Enlargement OMP&R	\$ 400,600
Tehachapi Second Afterbay	\$ 98,120
<b>Total 2021 Statement of Charges</b>	<b>\$ 22,328,489</b>

<i>Minimum Reserve Requirement</i>	\$ 22,328,489
<i>Maximum Allowable Reserve Balance</i>	\$ 111,642,445

2019 / 2020	Current Reserve Balance	\$ -
2021 / 2022	Reserve Adjustment *	\$ 23,782,000
<b>2021 / 2022</b>	<b>Reserve Balance</b>	<b>\$ 23,782,000</b>
2021 / 2022	Minimum Target Reserve Shortfall	\$ -
2021 / 2022	Maximum Reserve Shortfall	<b>\$ (87,860,445)</b>

\* Proposed \$23,782,000 addition to the Reserve for Additional Water in Fiscal Year 2021 / 2022

<b>2021 / 2022</b>	<b>RESERVE FOR ADDITIONAL WATER</b>	<b>\$ 23,782,000</b>
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**Reserve Policy Analysis**  
2021/2022 Budget

**GENERAL FUND**

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**Reserve for Operations**

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Reserve should be equal to 6-months to 1 year of operations

	2021 / 2022 Cost of Operations	\$	24,596,350
Less:	2021 / 2022 State Water Project Expense	\$	(17,345,700)
	Net Cost of Operations	\$	7,250,650
	<i>Minimum Reserve Requirement</i>	\$	3,625,325
	<i>Maximum Allowable Reserve Balance</i>	\$	7,250,650
	2020 / 2021 Current Reserve Balance	\$	10,571,800
	2021 / 2022 Reserve Adjustment *	\$	(3,321,150)
	<b>2021 / 2022 Reserve Balance</b>	<b>\$</b>	<b>7,250,650</b>
	2021 / 2022 Minimum Target Reserve Shortfall	\$	-
	2021 / 2022 Maximum Reserve Shortfall	\$	-

\* Proposed \$3,321,150 decrease to the Reserve for Operations in Fiscal Year 2021 / 2022

	<b>2021 / 2022 RESERVE FOR OPERATIONS</b>	<b>\$</b>	<b>7,250,650</b>
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**Reserve Policy Analysis**  
2021/2022 Budget

**GENERAL FUND**

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**Reserve for Replacements**

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Reserve should be equal to the accumulated depreciation of assets (excluding State Water Project Capital)

6/30/2020 Audited Accumulated Depreciation		\$ 108,608,112
Less: SWP - Transportation		\$ (64,219,642)
SWP - Delta		\$ (14,524,751)
SWP - East Branch Enlargement		\$ (14,801,907)
SWP - Water System Rev Bond		\$ (5,173,402)
SWP - Advance Water Deliveries		\$ (69,273)
SWP - Tehachapi Second Afterbay		\$ (10,467)
<b>Net Accumulated Depreciation</b>		<b>\$ 9,808,669</b>
<i>Maximum Reserve Balance</i>		<i>\$ 9,808,669</i>
2020 / 2021 Current Reserve Balance		\$ 8,892,800
2021 / 2022 Reserve Adjustment *		\$ -
<b>2021 / 2022 Reserve Balance</b>		<b>\$ 8,892,800</b>
2021 / 2022 Maximum Reserve Shortfall		\$ (915,869)

\* There are no excess funds available to add to the Reserve for Replacements in Fiscal Year 2021 / 2022

<b>2021 / 2022 RESERVE FOR REPLACEMENTS</b>		<b>\$ 8,892,800</b>
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**Reserve Policy Analysis**  
2021/2022 Budget

**GENERAL FUND**

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**Reserve for Regulatory Compliance**

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Reserve shall not exceed \$10,000,000

	<i>Maximum Reserve Balance</i>	\$	<i>10,000,000</i>
2019 / 2020	Current Reserve Balance	\$	7,765,000
2021 / 2022	Reserve Adjustment *	\$	-
<b>2021 / 2022</b>	<b>Reserve Balance</b>	<b>\$</b>	<b>7,765,000</b>
2021 / 2022	Maximum Reserve Shortfall	<b>\$</b>	<b>(2,235,000)</b>

\* There are no excess funds available to add to the Reserve for Regulatory Compliance in Fiscal Year 2021 / 2022

	<b>2021 / 2022 RESERVE FOR REGULATORY COMPLIANCE</b>	<b>\$</b>	<b>7,765,000</b>
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**Reserve for Land Acquisitions**

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Reserve shall not exceed \$5,000,000

	<i>Maximum Reserve Balance</i>	\$	<i>5,000,000</i>
2019 / 2020	Current Reserve Balance	\$	5,000,000
2021 / 2022	Reserve Adjustment *	\$	-
<b>2021 / 2022</b>	<b>Reserve Balance</b>	<b>\$</b>	<b>5,000,000</b>
2021 / 2022	Maximum Reserve Shortfall	\$	-

\* No proposed adjustment to the Reserve for Land Acquisition in 2021 / 2022, reserve is at maximum allowable balance.

	<b>2021 / 2022 RESERVE FOR LAND ACQUISITIONS</b>	<b>\$</b>	<b>5,000,000</b>
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**Reserve Policy Analysis**  
2021/2022 Budget

**GENERAL FUND**

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**Reserve Policy Summary**

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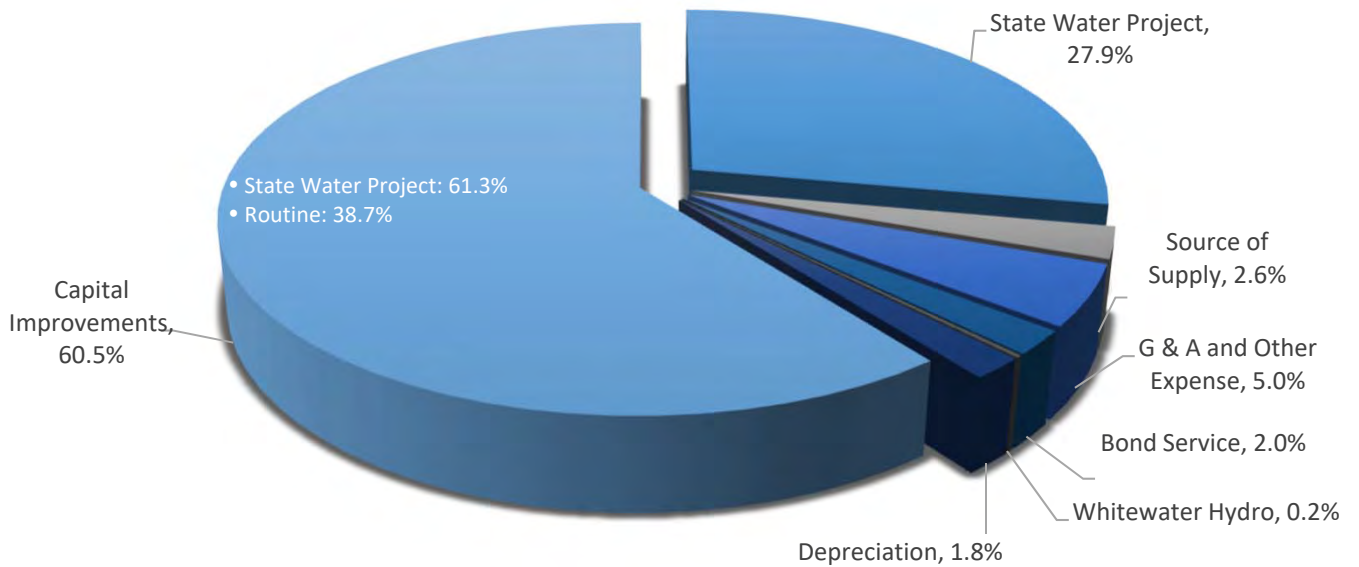
**	2021 / 2022	Minimum Reserve Requirement	\$ 139,768,195 *
**	2021 / 2022	Maximum Reserve Requirement	\$ 415,369,543
	<b>2021 / 2022</b>	<b>Projected Total Reserves</b>	<b>\$ 158,200,450</b>
	2021 / 2022	Projected Minimum Reserve Shortfall	\$ (14,986,358)
	2021 / 2022	Projected Maximum Reserve Shortfall	\$ (257,169,093)

\* Where no minimum reserve balance is established, the maximum reserve balance is used

\*\* Reserve Policy and Reserve Requirements (Resolution No. 1262) Based on established ACWA and AWWA Policy Principles and Guidelines

**DESERT WATER AGENCY  
GENERAL FUND BUDGET  
2021 - 2022 SUMMARY**

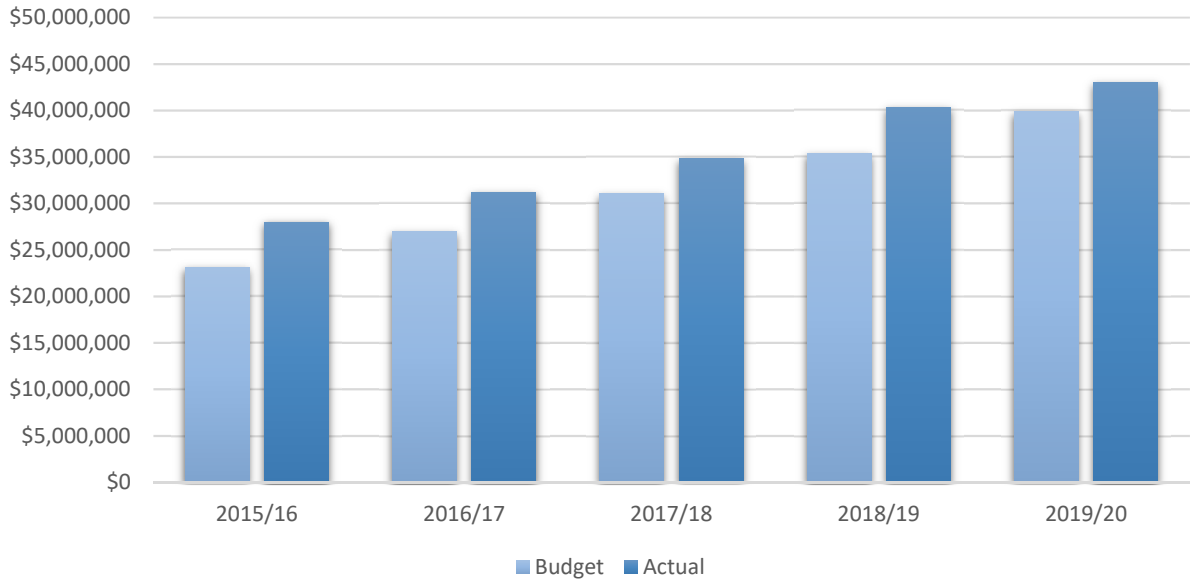
Category	Cost	%
State Water Project	\$ 18,278,000	27.9%
Source of Supply	\$ 1,724,800	2.6%
G & A and Other Expense	\$ 3,292,300	5.0%
Bond Service	\$ 1,338,950	2.0%
Whitewater Hydro	\$ 101,250	0.2%
Depreciation	\$ 1,200,000	1.8%
Capital Improvements	\$ 39,568,000	60.5%
<b>TOTAL</b>	<b>\$ 65,503,300</b>	<b>100.0%</b>



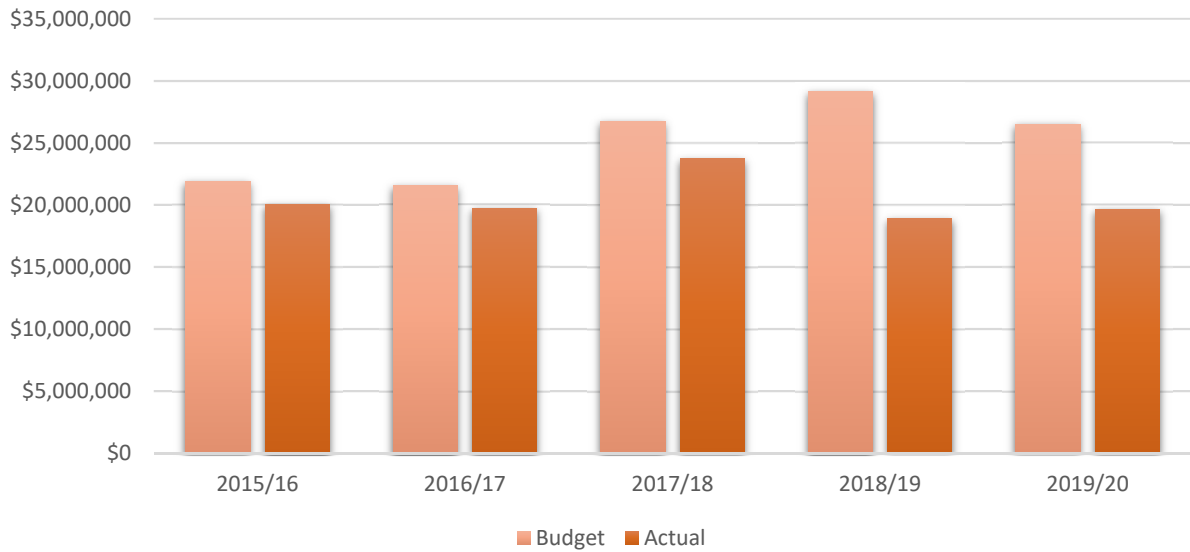
**DESERT WATER AGENCY  
GENERAL FUND BUDGET**

**Historical Analysis  
Budget vs. Actual**

**REVENUES**



**EXPENSES**



**DESERT WATER AGENCY**  
**WASTEWATER FUND BUDGET**  
2021 / 2022

**DESERT WATER AGENCY  
WASTEWATER FUND  
2021-2022 BUDGET WITH PRIOR YEAR COMPARISON  
Augmented 01/2022**

	ACTUAL 2019-2020	ACTUAL TO 3/31/2021	BUDGET 2020-2021	OVER OR UNDER	BUDGET 2021-2022
<b><u>OPERATING REVENUES:</u></b>					
Capacity Charges	\$43,050	\$35,963	\$21,000	\$14,963	\$26,250
Wastewater Service (Augmented)	\$1,133,635	\$769,779	\$1,133,700	(\$363,921)	\$1,119,600
Plan Check Fees/Inspection/Svc	\$4,702	\$3,090	\$2,800	\$290	\$3,500
<b>TOTAL REVENUES</b>	<b>\$1,181,387</b>	<b>\$808,831</b>	<b>\$1,157,500</b>	<b>(\$348,669)</b>	<b>\$1,149,350</b>
<b><u>OPERATING EXPENSES:</u></b>					
C.V.W.D. Wastewater Service	\$728,911	\$496,245	\$733,200	(\$236,955)	\$750,000
City of P.S. - Wastewater Service	\$126,480	\$84,175	\$127,200	(\$43,025)	\$110,100
Office Supplies & Expense	\$400	\$513	\$2,100	(\$1,587)	\$900
Meetings and Seminars	\$0	\$0	\$0	\$0	\$0
Legal	\$589	\$20,537	\$900	\$19,637	\$6,000
Engineering	\$0	\$1,581	\$3,000	(\$1,420)	\$3,000
Auditing	\$2,635	\$2,634	\$2,700	(\$66)	\$3,000
Programming	\$2,839	\$1,530	\$2,100	(\$570)	\$2,400
Utilities	\$7,687	\$6,254	\$7,800	(\$1,546)	\$9,000
Insurance	\$3,729	\$10,281	\$3,900	\$6,381	\$12,000
Communications Equipment	\$0	\$0	\$0	\$0	\$3,250
Maintenance of Pumps	\$641	\$31,471	\$1,200	\$30,271	\$1,625
Maintenance of Laterals	\$1,662	\$1,499	\$3,900	(\$2,401)	\$4,200
Maintenance of Lift Stations	\$46,373	\$63,453	\$38,400	\$25,053	\$89,150
Maintenance of Mains	\$20,728	\$19,098	\$75,000	(\$55,902)	\$90,000
Tools & Work Equipment	\$0	\$0	\$200	(\$200)	\$200
Transportation Expense	\$3,909	\$1,184	\$11,700	(\$10,516)	\$11,700
Regulatory Expense	\$0	\$0	\$100,000	(\$100,000)	\$0
Uncollectible Accounts	\$0	\$0	\$0	\$0	\$0
Depreciation	\$567,123	\$425,328	\$568,000	(\$142,672)	\$640,000
<b>TOTAL OPERATING EXPENSE</b>	<b>\$1,513,706</b>	<b>\$1,165,782</b>	<b>\$1,681,300</b>	<b>(\$515,518)</b>	<b>\$1,736,525</b>
<b>NET INCOME FROM OPER.</b>	<b>(\$332,319)</b>	<b>(\$356,951)</b>	<b>(\$523,800)</b>	<b>\$166,849</b>	<b>(\$587,175)</b>
<b><u>NON-OPERATING REVENUES</u></b>					
Interest Short Term	\$28,909	\$7,570	\$9,000	(\$1,430)	\$6,000
Contributed Revenue - Customer	\$0	\$0	\$0	\$0	\$0
Other Income	\$4,975	\$404	\$0	\$404	\$0
<b>TOTAL NON-OPR. REV.</b>	<b>\$33,884</b>	<b>\$7,974</b>	<b>\$9,000</b>	<b>(\$1,026)</b>	<b>\$6,000</b>

**DESERT WATER AGENCY  
WASTEWATER FUND  
2021-2022 BUDGET WITH PRIOR YEAR COMPARISON  
Augmented 01/2022**

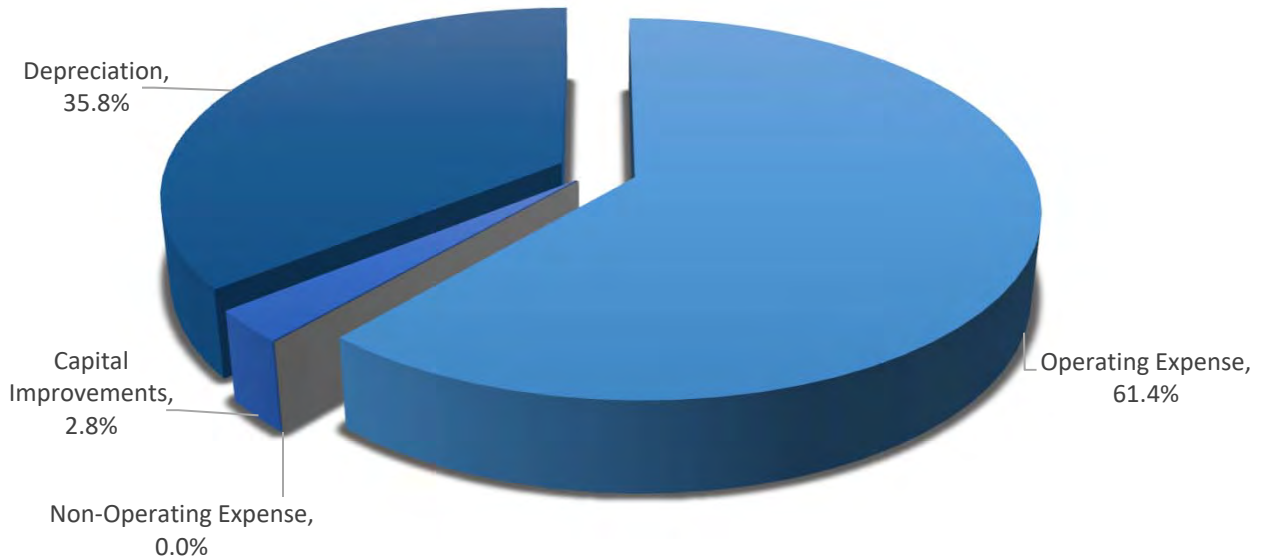
	ACTUAL 2019-2020	ACTUAL TO 3/31/2021	BUDGET 2020-2021	OVER OR UNDER	BUDGET 2021-2022
<b><u>NON-OPERATING EXPENSES</u></b>					
Interest - General Fund Loan	\$0	\$0	\$0	\$0	\$0
Sewer Assessment Fees	\$796	\$799	\$850	(\$51)	\$850
Loss on Retirement	\$0	\$0	\$0	\$0	\$0
Prior Year Expenses	\$0	\$0	\$0	\$0	\$0
TOTAL NON-OPR. EXP.	\$796	\$799	\$850	(\$51)	\$850
TOTAL NET INCOME	(\$299,231)	(\$349,776)	(\$515,650)	\$165,874	(\$582,025)
<b><u>APPLICATION OF COMMIT. FUNDS</u></b>					
Principal - General Fund Loan	\$0	\$0	\$0	\$0	\$0
Principal - Operating Fund Loan	\$0	\$0	\$0	\$0	\$0
TOTAL COMM. FUNDS	\$0	\$0	\$0	\$0	\$0
Balance Remaining	(\$299,231)	(\$349,776)	(\$515,650)	\$165,874	(\$582,025)
Add Back Depreciation Exp.	\$567,123	\$425,328	\$568,000	(\$142,672)	\$640,000
Funds Avail. Capital Add.	\$267,892	\$75,552	\$52,350	\$23,202	\$57,975
<b><u>LESS CAPITAL ADDITIONS:</u></b>					
Lift Station - Generator Enclosure	\$0	\$0	\$0	\$0	\$35,000
Date Palm Lift Station Odor Scrubber	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$0	\$15,000	(\$15,000)	\$15,000
TOTAL CAPITAL ADDITIONS	\$0	\$0	\$15,000	(\$15,000)	\$50,000
<b><u>BALANCE</u></b>	\$267,892	\$75,552	\$37,350	\$38,202	\$7,975
<b><u>TOTAL BUDGET</u></b>			<b>\$1,697,150</b>		<b>\$1,787,375</b>
<b><u>ESTIMATED RESERVE FUND BALANCE:</u></b>					
Estimated Reserve Fund Balance 6/30/21			\$1,830,000		
2021-2022 Budget Balance			\$7,975		
Required for 2020/21 Carryover Items			(\$91,500)		
Estimated Reserve Fund Balance 6/30/22			\$1,746,475		
<b><u>BUDGET AMOUNT SUMMARY:</u></b>					
Total Operating Expenses			\$1,736,525		
Total Non-operating Expenses			\$850		
Application of Committed Funds			\$0		
Capital Additions			\$50,000		
<b>TOTAL BUDGET:</b>			<b>\$1,787,375</b>		

**DESERT WATER AGENCY - WASTEWATER FUND  
2021-2022 BUDGET  
CAPITAL IMPROVEMENTS**

W.O. No.	DESCRIPTION	ACCOUNT NO.	ESTIMATED COST
<b><u>ROUTINE</u></b>			
<b>MISCELLANEOUS</b>			
16-000-M	Cathedral Canyon Lift Station Generator - <b>Augment</b>	10053	\$35,000
21-499	Contingency - Other	VARIOUS	<u>\$15,000</u>
		<b>TOTAL MISCELLANEOUS</b>	<b>\$50,000</b>
<b>TOTAL CAPITAL IMPROVEMENTS 2021-2022</b>			<b>\$50,000</b>

**DESERT WATER AGENCY  
WASTEWATER FUND BUDGET  
2021 - 2022 SUMMARY**

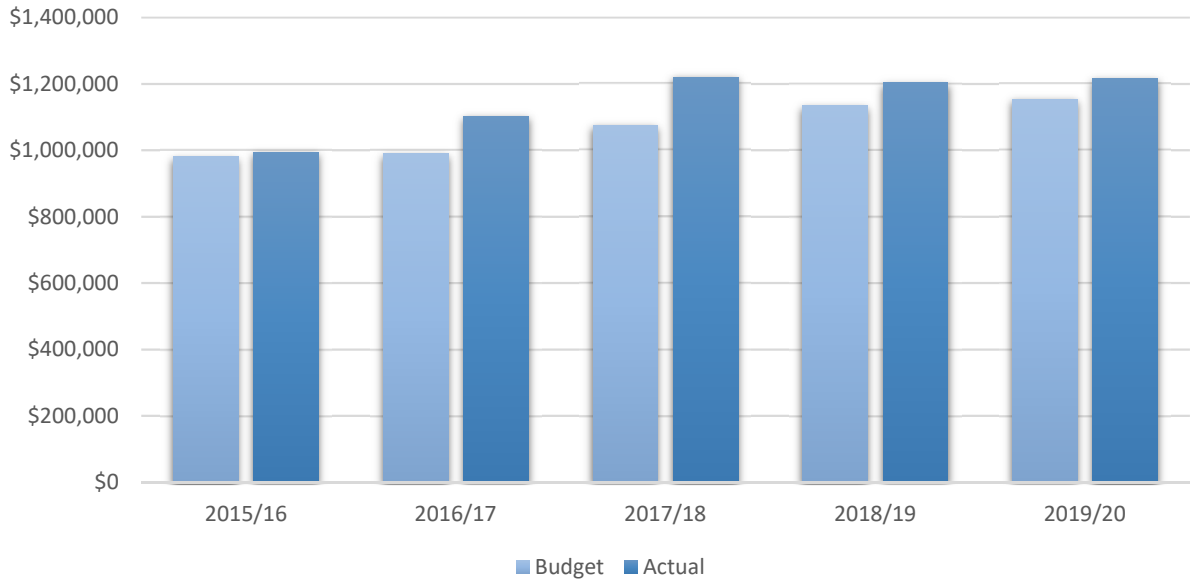
Category	Cost	%
Operating Expense	\$ 1,096,525	61.4%
Non-Operating Expense	\$ 850	0.0%
Capital Improvements	\$ 50,000	2.8%
Depreciation	\$ 640,000	35.8%
<b>TOTAL</b>	<b>\$ 1,787,375</b>	<b>100.0%</b>



**DESERT WATER AGENCY  
WASTEWATER FUND BUDGET**

**Historical Analysis  
Budget vs. Actual**

**REVENUES**



**EXPENSES**

