

DESERT WATER



fiscal year
2022-2023
BUDGET

Augmented March 2023

Operating Fund
General Fund
Wastewater Fund



DESERT WATER AGENCY
Fiscal Year 2022 / 2023
BUDGETS

Operating Fund
General Fund
Wastewater Fund

DESERT WATER AGENCY
2022 / 2023
BUDGET

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DESERT WATER AGENCY
OPERATING FUND BUDGET
2022 / 2023

DESERT WATER AGENCY
OPERATING FUND
2022-2023 BUDGET WITH PRIOR YEAR COMPARISON
Augmented March 2023

	ACTUAL 2020-2021	ACTUAL TO 3/31/2022	BUDGET 2021-2022	OVER OR UNDER	BUDGET 2022-2023
<u>OPERATING REVENUES</u>					
Water Sales	\$37,855,469	\$28,539,123	\$37,658,000	(\$9,118,877)	\$41,614,000
Power Sales	\$23,184	\$63,187	\$31,900	\$31,287	\$111,000
Reclamation Sales	\$1,182,864	\$887,123	\$996,000	(\$108,877)	\$897,000
TOTAL OPER REVENUES	\$39,061,517	\$29,489,434	\$38,685,900	(\$9,196,466)	\$42,622,000
<u>WATER SERVICES</u>					
Fire Protection	\$386,089	\$301,250	\$380,400	(\$79,150)	\$410,900
Back-up Facility Charge	\$1,686,018	\$924,610	\$1,080,000	(\$155,390)	\$1,201,000
Service Charges	\$548,472	\$627,794	\$475,950	\$151,844	\$915,500
Charge for Inst of Serv & Mtr	\$190,618	\$166,283	\$161,000	\$5,283	\$189,700
TOTAL WATER SERVICE	\$2,811,197	\$2,019,938	\$2,097,350	(\$77,412)	\$2,717,100
TOTAL OPER REVENUES	\$41,872,714	\$31,509,372	\$40,783,250	(\$9,273,878)	\$45,339,100
<u>OPERATING EXPENSES</u>					
<u>SOURCE OF SUPPLY</u>					
Supervision & Engineering	\$65,082	\$42,679	\$76,800	(\$34,121)	\$84,000
Operating Labor & Expense	\$53,121	\$37,712	\$55,980	(\$18,268)	\$57,240
Misc Source of Supply	\$35,424	\$12,300	\$107,000	(\$94,700)	\$154,080
Maint of Struct & Improv - Augmented	\$160,838	\$147,486	\$331,500	(\$184,014)	\$352,080
Maint, Rds, Coll, Impo, Res	\$12,343	\$14,478	\$72,100	(\$57,622)	\$324,120
Maintenance of Intakes	\$238,737	\$18,689	\$113,350	(\$94,661)	\$306,360
Maintenance of Wells	\$8,056	\$335	\$12,450	(\$12,115)	\$12,840
Groundwater Replenishment	\$5,765,675	\$4,350,789	\$5,307,000	(\$956,211)	\$5,506,800
TOTAL SOURCE OF SUPPLY	\$6,339,277	\$4,624,468	\$6,076,180	(\$1,451,712)	\$6,797,520
<u>PUMPING</u>					
Supervision & Engineering	\$114,387	\$83,827	\$126,000	(\$42,173)	\$139,200
Pumping Labor Expense	\$164,849	\$127,581	\$191,000	(\$63,419)	\$193,200
Misc Exp & Care of Grounds	\$131,900	\$85,485	\$131,500	(\$46,015)	\$131,760
Maintenance of Structures	\$110,789	\$70,994	\$374,600	(\$303,606)	\$322,800
Maint of Pumping Equipment	\$233,366	\$220,899	\$325,000	(\$104,101)	\$441,840
Power Purchases	\$3,006,554	\$2,474,848	\$3,210,000	(\$735,152)	\$3,531,000
TOTAL PUMPING	\$3,761,844	\$3,063,634	\$4,358,100	(\$1,294,466)	\$4,759,800

**DESERT WATER AGENCY
OPERATING FUND
2022-2023 BUDGET WITH PRIOR YEAR COMPARISON
Augmented March 2023**

	ACTUAL 2020-2021	ACTUAL TO 3/31/2022	BUDGET 2021-2022	OVER OR UNDER	BUDGET 2022-2023
<u>REGULATORY WATER TREATMENT</u>					
Supervision & Engineering	\$127,331	\$107,052	\$126,960	(\$19,908)	\$142,800
Operating Labor Expense	\$212,928	\$175,961	\$195,625	(\$19,664)	\$201,480
Water Analysis/Health Dept.	\$124,164	\$92,828	\$189,000	(\$96,172)	\$138,000
Chem & Filtering Material	\$158,672	\$167,734	\$140,450	\$27,284	\$280,560
Maint of Structures	\$11,697	\$5,751	\$14,750	(\$8,999)	\$14,880
Maint of Water Treat Equipment	\$86,144	\$60,852	\$95,000	(\$34,148)	\$96,000
TOTAL WATER TREATMENT	\$720,936	\$610,178	\$761,785	(\$151,607)	\$873,720
<u>TRANSMISSION & DISTRIBUTION</u>					
Supervision & Engineering	\$538,245	\$412,679	\$631,920	(\$219,241)	\$704,400
Storage Facilities Expense	\$117,740	\$88,165	\$149,500	(\$61,335)	\$144,000
Trans & Distr Lines Expense	\$102,597	\$109,731	\$153,000	(\$43,269)	\$160,200
Meter Expense	\$31,332	\$76,629	\$122,400	(\$45,771)	\$127,560
Customer Install Expense	\$88,929	\$107,398	\$146,500	(\$39,102)	\$150,240
Cross Connect Expense	\$118,986	\$109,180	\$140,000	(\$30,820)	\$193,080
Misc Supply Expense	\$55,633	\$38,337	\$49,000	(\$10,663)	\$53,760
Maintenance of Struct & Impv	\$1,611	\$2,634	\$2,500	\$134	\$4,080
Maintenance of Reservoirs	\$315,744	\$165,427	\$614,000	(\$448,573)	\$107,640
Maintenance of Mains	\$818,152	\$667,587	\$1,300,000	(\$632,413)	\$1,598,040
Maintenance of Whitewater MWC	\$36,636	\$26,663	\$50,150	(\$23,487)	\$322,080
Maintenance of Fire Services	\$47,575	\$35,203	\$110,000	(\$74,797)	\$110,040
Maintenance of Services	\$256,692	\$158,073	\$275,000	(\$116,927)	\$275,040
Maintenance of Meters	\$89,250	\$57,353	\$130,860	(\$73,507)	\$192,000
Maintenance of Hydrants	\$119,058	\$82,240	\$150,000	(\$67,760)	\$175,080
TOTAL TRANS & DIST	\$2,738,182	\$2,137,298	\$4,024,830	(\$1,887,532)	\$4,317,240
<u>CUSTOMER ACCOUNT EXPENSE</u>					
Supervision & Engineering	\$171,854	\$115,811	\$193,560	(\$77,749)	\$213,600
Meter Reading Expense	\$135,576	\$100,782	\$145,200	(\$44,418)	\$153,600
Customer Rec & Coll Exp	\$714,906	\$487,573	\$775,600	(\$288,027)	\$846,720
Information Systems Supplies	\$0	\$0	\$2,500	(\$2,500)	\$3,480
Uncollectible Accounts	\$50,068	(\$8,314)	\$70,800	(\$79,114)	\$55,200
TOTAL CUST ACCT EXPENSE	\$1,072,404	\$695,852	\$1,187,660	(\$491,808)	\$1,272,600

DESERT WATER AGENCY
OPERATING FUND
2022-2023 BUDGET WITH PRIOR YEAR COMPARISON
Augmented March 2023

	ACTUAL 2020-2021	ACTUAL TO 3/31/2022	BUDGET 2021-2022	OVER OR UNDER	BUDGET 2022-2023
<u>ADMINISTRATIVE & GEN EXPENSE</u>					
Administrative & Gen Salaries	\$846,893	\$663,644	\$1,059,800	(\$396,156)	\$1,138,800
Office Supplies & Expense	\$276,073	\$210,761	\$297,320	(\$86,559)	\$346,920
Legal	\$116,514	\$37,417	\$120,000	(\$82,583)	\$109,200
Engineering	\$155,084	\$40,389	\$84,000	(\$43,611)	\$84,000
Auditing	\$39,293	\$34,526	\$42,000	(\$7,474)	\$36,000
Appraisals & Consultants	\$132,795	\$115,795	\$402,000	(\$286,205)	\$258,120
Insurance & Claims	\$182,080	\$173,362	\$218,400	(\$45,038)	\$336,600
Injuries & Safety	\$484,927	\$290,759	\$437,000	(\$146,241)	\$443,400
Pension	\$2,610,442	\$2,497,244	\$2,710,800	(\$213,556)	\$2,939,400
Health Care Benefits	\$1,502,858	\$1,446,909	\$1,859,600	(\$412,691)	\$1,751,400
OPEB Benefits	\$0	\$0	\$0	\$0	\$0
Other Employee Benefits	\$551,451	\$508,125	\$601,100	(\$92,975)	\$637,560
Payroll Taxes - FICA	\$574,079	\$425,787	\$591,800	(\$166,013)	\$628,800
Unemployment Insurance	\$14,848	\$0	\$18,000	(\$18,000)	\$18,000
Vacation Pay	\$980,083	\$788,866	\$1,027,400	(\$238,534)	\$1,107,600
Maintenance - Oper Center	\$284,807	\$214,976	\$332,300	(\$117,325)	\$349,920
Maintenance - Solar Facilities	\$7,105	\$4,346	\$6,500	(\$2,154)	\$6,960
Information Technology	\$410,285	\$1,610,952	\$507,000	\$1,103,952	\$1,138,080
Maint - Office Equip	\$81,320	\$57,929	\$59,900	(\$1,971)	\$85,800
Maint - Info.Systems Equip	\$197,366	\$260,176	\$384,900	(\$124,724)	\$429,000
Maint - Telemetry Equip	\$29,667	\$31,923	\$30,000	\$1,923	\$43,440
Maint - Comm Equip	\$8,963	\$18,053	\$9,600	\$8,453	\$38,040
Supervision & Engineering	\$208,270	\$156,082	\$237,600	(\$81,518)	\$262,800
Storeroom Expense	\$82,316	\$67,791	\$80,000	(\$12,209)	\$100,080
Transportation	\$320,287	\$327,445	\$1,237,000	(\$909,555)	\$769,680
Tools & Work Equipment	\$137,496	\$89,233	\$145,000	(\$55,767)	\$130,080
Heavy Equipment Maint	\$3,272	\$336	\$15,000	(\$14,664)	\$10,080
Director's Fees	\$50,862	\$27,477	\$48,000	(\$20,523)	\$48,000
Public Information	\$130,735	\$145,970	\$185,310	(\$39,340)	\$247,440
Water Conservation	\$72,786	\$95,005	\$348,930	(\$253,925)	\$251,280
Water Cons - Turf Buy Back-Augmentec	\$153,523	\$141,994	\$403,700	(\$261,706)	\$2,359,680
TOTAL ADMIN & GEN EXP	\$10,646,479	\$10,483,272	\$13,499,960	(\$3,016,688)	\$16,106,160
<u>REGULATORY EXPENSES</u>					
Certificates/Training/School	\$75,296	\$74,427	\$130,200	(\$55,773)	\$146,640
Health Department / Services	\$19,491	\$13,170	\$18,000	(\$4,830)	\$19,080
State - Regulatory	\$153,764	\$146,295	\$169,750	(\$23,455)	\$165,120
Federal - Regulatory	\$14,859	\$0	\$10,250	(\$10,250)	\$32,400
Reclamation - Regulatory	\$5,155	\$2,128	\$24,750	(\$22,622)	\$5,040
AQMD Compliance	\$2,152	\$1,873	\$1,500	\$373	\$3,000
RMP/OSHA/Misc.	\$41,504	\$44,307	\$60,000	(\$15,693)	\$55,080
Legal	\$50	\$0	\$0	\$0	\$0
TOTAL REGULATORY EXPENSES	\$312,270	\$282,201	\$414,450	(\$132,249)	\$426,360

DESERT WATER AGENCY
OPERATING FUND
2022-2023 BUDGET WITH PRIOR YEAR COMPARISON
Augmented March 2023

	ACTUAL 2020-2021	ACTUAL TO 3/31/2022	BUDGET 2021-2022	OVER OR UNDER	BUDGET 2022-2023
<u>SNOW CREEK HYDRO EXPENSE</u>					
Snow Creek Hydro	\$33,809	\$40,774	\$36,600	\$4,174	\$60,000
TOTAL SNOW CREEK HYDRO	\$33,809	\$40,774	\$36,600	\$4,174	\$60,000
<u>RECLAMATION PLANT EXPENSE</u>					
Pumping Expense	\$292,905	\$235,355	\$322,950	(\$87,595)	\$337,080
Treatment Expense	\$404,085	\$285,338	\$561,900	(\$276,562)	\$530,040
Transportation/Distribution	\$42,588	\$17,315	\$1,710,100	(\$1,692,785)	\$212,880
Administrative & General	\$146,259	\$96,965	\$227,400	(\$130,435)	\$288,960
TOTAL RECL PLANT EXP	\$885,837	\$634,973	\$2,822,350	(\$2,187,377)	\$1,368,960
<u>OTHER OPERATING EXPENSE</u>					
Depreciation (Inc Recl)	\$6,272,814	\$4,637,558	\$6,556,800	(\$1,919,242)	\$6,646,800
Services Rendered Cust	\$144,268	\$125,825	\$160,800	(\$34,975)	\$170,400
Dir Costs App to W.O.'s	\$530,969	(\$593,497)	\$730,400	(\$1,323,897)	\$568,080
Indir Adm & Gen Exp Cap	(\$1,648,516)	(\$1,612,408)	(\$1,860,000)	\$247,592	(\$2,274,960)
TOTAL OTHER OPER EXP	\$5,299,535	\$2,557,477	\$5,588,000	(\$3,030,523)	\$5,110,320
TOTAL OPERATING EXPENSES	\$31,810,572	\$25,130,127	\$38,769,915	(\$13,639,788)	\$41,092,680
NET INCOME FROM OPER	\$10,062,143	\$6,379,245	\$2,013,335	\$4,365,910	\$4,246,420
<u>NON-OPERATING REVENUES</u>					
Revenue from Leases	\$171,701	\$131,428	\$171,100	(\$39,672)	\$189,300
Interest	\$209,824	\$105,680	\$138,000	(\$32,320)	\$583,200
Gains/Loss Investments	(\$127,589)	\$0	\$0	\$0	\$0
Other Income	\$7,380	\$601,625	\$250,000	\$351,625	\$1,489,000
DWA Front Footage Chgs	\$0	\$81,200	\$0	\$81,200	\$0
Gains on Retirements	\$129,047	\$0	\$38,600	(\$38,600)	\$63,100
Discounts	\$371	\$278	\$500	(\$222)	\$400
Revenue - Contributed	\$723,435	\$15,690	\$315,000	(\$299,310)	\$315,000
TOTAL NON-OPER REV	\$1,114,170	\$935,900	\$913,200	\$22,700	\$2,640,000
<u>NON OPERATING EXPENSES</u>					
OPEB Interest	\$996,782	\$0	\$1,047,000	(\$1,047,000)	\$780,000
Exp App to Prior Years	(\$157,171)	\$960	\$0	\$960	\$0
Services to Others	\$0	\$0	\$0	\$0	\$0
Customer Assistance Program	\$30,000	\$0	\$60,000	(\$60,000)	\$35,520
Grant Expenses	\$27,341	\$162	\$39,000	(\$38,838)	\$20,040
Losses on Retirements	\$149,380	\$0	\$175,000	(\$175,000)	\$108,000
TOTAL NON-OPER EXP	\$1,046,332	\$1,121	\$1,321,000	(\$1,319,879)	\$943,560
TOTAL NET INCOME	\$10,129,981	\$7,314,023	\$1,605,535	\$5,708,488	\$5,942,860

**DESERT WATER AGENCY
OPERATING FUND
2022-2023 BUDGET WITH PRIOR YEAR COMPARISON
Augmented March 2023**

	ACTUAL 2020-2021	ACTUAL TO 3/31/2022	BUDGET 2021-2022	OVER OR UNDER	BUDGET 2022-2023
<u>APPLICATION OF COMMIT FUNDS</u>					
Capital Loan to Wastewater Fund	\$0	\$0	\$0	\$0	\$0
Other Post Emp. Benefits (GASB 75)	\$705,534	\$551,010	\$725,000	(\$173,990)	\$860,000
TOTAL COMMIT FUNDS	\$705,534	\$551,010	\$725,000	(\$173,990)	\$860,000
BALANCE REMAINING	\$9,424,447	\$6,763,013	\$880,535	\$5,882,478	\$5,082,860
Add Back Depreciation (Plant/Equip)	\$6,272,814	\$4,637,558	\$6,556,800	(\$1,919,242)	\$6,646,800
Funds Avail For Capital Additions	\$15,697,261	\$11,400,571	\$7,437,335	\$3,963,236	\$11,729,660
Less Capital Additions:					
Routine Improvements	\$6,653,557	\$3,854,265	\$11,307,800	(\$7,453,535)	\$17,647,100
General Plan Improvements	\$0	\$0	\$100,000	(\$100,000)	\$100,000
BALANCE	\$9,043,704	\$7,546,306	\$859,550	\$6,686,756	(\$6,017,440)
TOTAL BUDGET			\$43,303,950		\$60,643,340
	2021-2022	2021-2022	2022-2023	2022-2023	BALANCE
	<u>BEGIN BAL</u>	<u>ADJUSTMENTS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	
Estimated Reserve Fund Balance 6/30/22					\$48,075,000
Inter-Fund Loan/LC - General Fund					\$0
Reserves:					
Reserve for Operations - Augmented	\$12,866,000	\$2,601,700	\$4,961,000	(\$1,590,000)	
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 - 6/30/23	\$23,301,000	\$2,601,700	\$4,961,000	(\$1,590,000)	(\$29,273,700)
Required for 2021-22 Carryover Capital Items					(\$12,783,266)
2022-2023 Budget Balance					(\$6,017,440)
Unappropriated Fund Balance 6/30/23					\$594

BUDGET AMOUNT SUMMARY:

Total Operating Expenses	\$41,092,680
Non-Operating Expenses	\$943,560
Application of Committed Funds	\$860,000
Capital Additions	\$17,747,100
TOTAL BUDGET	\$60,643,340

**DESERT WATER AGENCY - OPERATING FUND
2022-2023 BUDGET
CAPITAL IMPROVEMENTS**

W.O. No.	DESCRIPTION	ACCOUNT NO.	ESTIMATED COST
<u>ROUTINE</u>			
RECLAMATION			
22-165-M	Chlorine Injector Water Effluent Feed	11130	\$15,000
22-166-M	Backup Sump Pump	11130	\$18,000
TOTAL RECLAMATION			\$33,000
PIPELINES			
20-160--30	Ave Caballeros 30" Pipeline Replacement - Augment	11171	\$1,700,000
21-111--08	2021-2022 Pipeline Replacement - Augment	11171	\$1,615,000
21-112--20	Vista Chino Pipeline Replacement - Augment	11171	\$4,010,000
22-161--24	Snow Creek Pipeline Disconnect	11171	\$41,000
22-162--08	2024 Summer Replacement Pipelines Design	11171	\$26,000
22-163--08	2024 Winter Replacement Pipelines Design	11171	\$26,000
22-164-M	Whitewater Mutual Parshall Flume/Bypass	11171	\$128,000
22-399	Contingency - Mains	11171	\$200,000
TOTAL PIPELINES			\$7,746,000
WELLS			
22-167-D	Palm Oasis Well	11141	\$1,750,000
22-168-W-17	Palm Oasis Connection to Main System	11141	\$201,000
22-169-W-11	Well 11 Piping and Chlorine Building	11141	\$132,000
22-170-W-21	Well 21 Chlorine Injection	11141	\$67,000
22-171-W-29	Well 29 Chlorine Injection	11141	\$67,000
TOTAL WELLS			\$2,217,000
TRANSPORTATION EQUIPMENT			
22-172-M	Liquid Chlorine Transport truck with storage tank	11183	\$150,000
22-173-M	2022 Ford Ranger 4x4 (Replace Unit # 7)	11183	\$43,000
22-174-M	2022 Ford Ranger 4x4 (Replace Unit # 17)	11183	\$43,000
22-175-M	2022 Ford Escape (Replace Unit # 20)	11183	\$34,000
22-176-M	2022 Ford Escape (Replace Unit # 26)	11183	\$34,000
TOTAL TRANSPORTATION EQUIPMENT			\$304,000

**DESERT WATER AGENCY - OPERATING FUND
2022-2023 BUDGET
CAPITAL IMPROVEMENTS**

W.O. No.	DESCRIPTION	ACCOUNT NO.	ESTIMATED COST
METERS			
22-202-E	Encoder Receiver Transmitter (ERT) Purchases	11173	\$695,000
22-202-M-01	1" Meter Purchases	11173	\$115,000
22-202-M-02	2" Meter Purchases	11173	\$54,000
22-202-M-03	3" Meter Purchases	11173	\$6,000
22-202-M-06	6" Meter Purchases	11173	\$4,000
22-202-M-15	1 1/2" Meter Purchases	11173	\$77,000
22-202-M-75	3/4" Meter Purchases	11173	\$140,000
	TOTAL METERS		\$1,091,000
SERVICES			
22-100-S-01	1" Service Replacements	11172	\$1,171,000
22-100-S-02	2" Service Replacements	11172	\$500,000
22-201-S-01	1" Invoiced Services	11172	\$55,000
22-201-S-02	2" Invoiced Services	11172	\$45,000
	TOTAL SERVICES		\$1,771,000
MISCELLANEOUS			
21-132-M	Server Replacement - Augment	11188	\$69,000
20-178-M	DWA2.0 / ERP System - Augment	11188	\$3,000,000
22-177-M	Well 25 Perimeter Fence Enhancements	11181	\$15,000
22-179-M	AMI Fixed Network - Phase I	11184	\$446,000
22-180-M	Doosan P185/HP150WDO-T4F Flex Air Compressor	11185	\$42,000
22-181-M	SCADA Computer System Upgrade	11188	\$30,000
22-182-M	Survey GPS Equipment	11188	\$52,000
22-183-M	Conference Room Virtual Communications System	11188	\$27,500
22-184-M	Main Entrance Monument Renovation	11181	\$23,400
22-185-M	HVAC Air Purification System	11181	\$64,000
22-186-M	Warehouse Shelving	11181	\$27,400
22-187-M	Mezzanine Remodel	11181	\$319,400
22-188-M	Employee Parking Expansion	11181	\$199,400
22-189-M	Snow Creek Cabin Foundation Upgrade	11181	\$20,000
22-499	Contingency - Other	VARIOUS	\$150,000
	TOTAL MISCELLANEOUS		\$4,485,100
	TOTAL ROUTINE		\$17,647,100

**DESERT WATER AGENCY - OPERATING FUND
2022-2023 BUDGET
CAPITAL IMPROVEMENTS**

W.O. No.	DESCRIPTION	ACCOUNT NO.	ESTIMATED COST
<u>GENERAL PLAN</u>			
PIPELINES			
22-699	Main Oversizing	11171	\$100,000
		TOTAL PIPELINES	\$100,000
	TOTAL GENERAL PLAN		\$100,000
	TOTAL CAPITAL IMPROVEMENTS 2022-2023		\$17,747,100

Reserve Policy Analysis
2022 / 2023 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:

Reserve for Operations

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

2022 / 2023	Cost of Operations	\$	39,427,680
	<i>Minimum Reserve Requirement</i>	\$	19,713,840
	<i>Maximum Allowable Reserve Balance</i>	\$	39,427,680
2021 / 2022	Current Reserve Balance	\$	15,467,700
2022 / 2023	Reserve Adjustment *	\$	4,961,000
2022 / 2023	Reserve Balance	\$	20,428,700
2022 / 2023	Minimum Target Reserve Shortfall	\$	-
2022 / 2023	Maximum Reserve Shortfall	\$	(18,998,980)

* Proposed \$5,036,000 addition to the Reserve for Operations in Fiscal Year 2022 / 2023

2022 / 2023	RESERVE FOR OPERATIONS	\$	20,428,700
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Reserve for Replacements

Reserve should be equal to the accumulated depreciation of assets

Accumulated Depreciation at 4/30/21		\$	142,673,920
	<i>Maximum Reserve Balance</i>	\$	142,673,920
2021 / 2022	Current Reserve Balance	\$	2,760,000
2022 / 2023	Reserve Adjustment *	\$	-
2022 / 2023	Reserve Balance	\$	2,760,000
2022 / 2023	Maximum Reserve Shortfall	\$	(139,913,920)

* There are no excess funds available to add to the Reserve for Replacements in Fiscal Year 2022 / 2023

2022 / 2023	RESERVE FOR REPLACEMENTS	\$	2,760,000
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Reserve Policy Analysis
2022 / 2023 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
2021 / 2022	Current Reserve Balance	\$	2,000,000
2022 / 2023	Reserve Adjustment *	\$	-
2022 / 2023	Reserve Balance	\$	2,000,000
2022 / 2023	Maximum Reserve Shortfall	\$	(37,650,200)

* There are no excess funds available to add to the Reserve for Disaster Response in Fiscal Year 2022 / 2023

2022 / 2023	RESERVE FOR DISASTER RESPONSE	\$	2,000,000
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Reserve for Land Acquisitions

Reserve shall not exceed \$5,000,000

<i>Maximum Reserve Balance</i>		\$	5,000,000
2021 / 2022	Current Reserve Balance	\$	675,000
2022 / 2023	Reserve Adjustment *	\$	-
2022 / 2023	Reserve Balance	\$	675,000
2022 / 2023	Maximum Reserve Shortfall	\$	(4,325,000)

* There are no excess funds available to add to the Reserve for Land Acquisition in Fiscal Year 2022 / 2023

2022 / 2023	RESERVE FOR LAND ACQUISITIONS	\$	675,000
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Reserve Policy Analysis
2022 / 2023 Budget

OPERATING FUND

Reserve for Regulatory Compliance

Reserve shall not exceed \$10,000,000

<i>Maximum Reserve Balance</i>		\$	10,000,000
2021 / 2022	Current Reserve Balance	\$	-
2022 / 2023	Reserve Adjustment *	\$	-
2022 / 2023	Reserve Balance	\$	-
2022 / 2023	Maximum Reserve Shortfall	\$	(10,000,000)

* There are no excess funds available to add to the Reserve for Regulatory Compliance in Fiscal Year 2022 / 2023

2022 / 2023	RESERVE FOR REGULATORY COMPLIANCE	\$	-
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Reserve for Retirement Benefits

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 (2022)		\$	1,532,333
Annual CalPERS Normal Contributions		\$	861,664
<i>Minimum Reserve Requirement</i>		\$	4,787,994
<i>Maximum Allowable Reserve Balance</i>		\$	9,575,988
2021 / 2022	Current Reserve Balance	\$	5,000,000
2022 / 2023	Reserve Adjustment *	\$	-
2022 / 2023	Reserve Balance	\$	5,000,000
2022 / 2023	Minimum Target Reserve Shortfall	\$	-
2022 / 2023	Maximum Reserve Shortfall	\$	(4,575,988)

* There are no excess funds available to add to the Reserve for Retirement Benefits in Fiscal Year 2022 / 2023

2022 / 2023	RESERVE FOR RETIREMENT BENEFITS	\$	5,000,000
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Reserve Policy Analysis
2022 / 2023 Budget

OPERATING FUND

Reserve Policy Summary

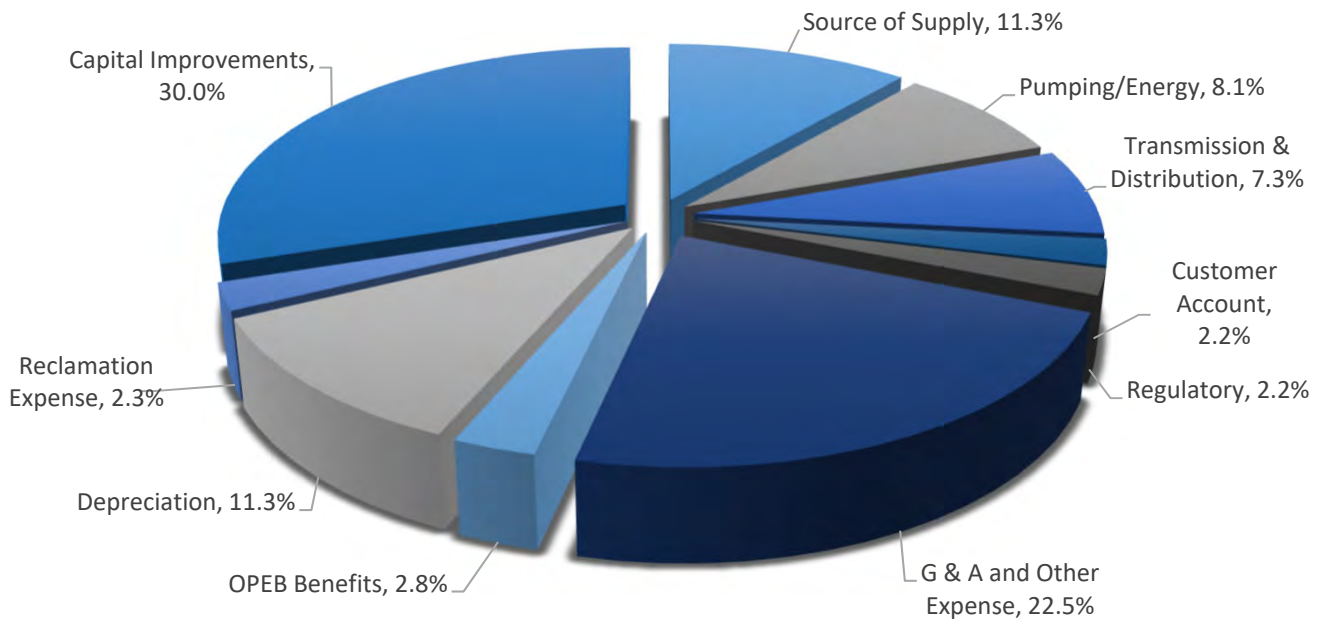
** 2022 / 2023	Minimum Reserve Requirement	\$ 221,825,954 *
** 2022 / 2023	Maximum Reserve Requirement	\$ 246,327,788
2022 / 2023	Projected Total Reserves	\$ 30,863,700
2022 / 2023	Projected Minimum Reserve Shortfall	\$ (191,889,120)
2022 / 2023	Maximum Reserve Shortfall	\$ (215,464,088)

* 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
2022 / 2023 SUMMARY**

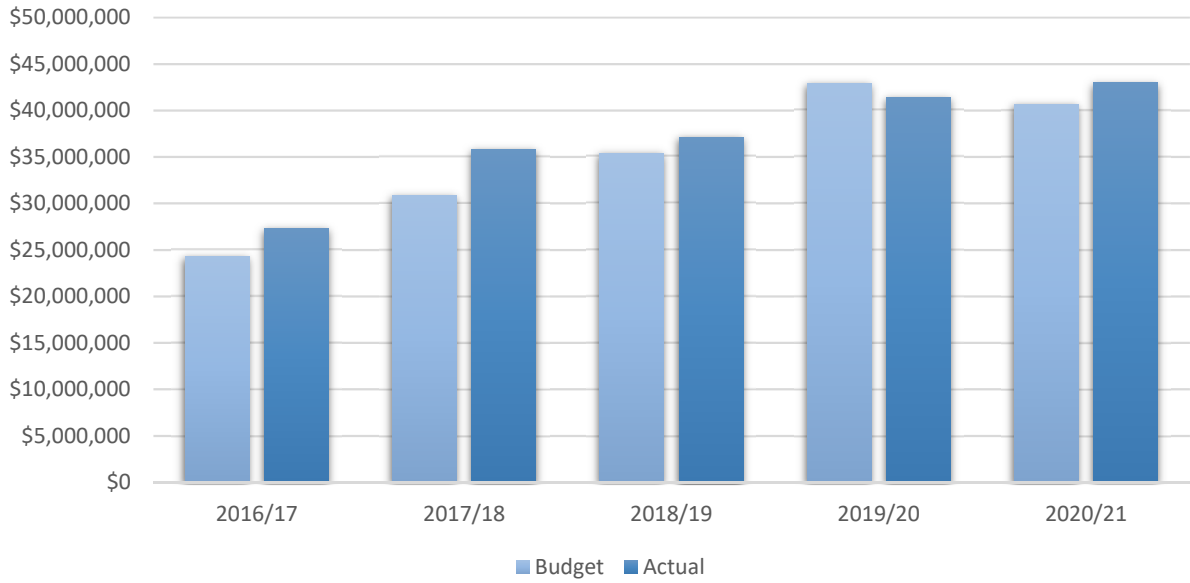
Category	Cost	%
Source of Supply	\$ 6,707,520	11.3%
Pumping/Energy	\$ 4,759,800	8.1%
Transmission & Distribution	\$ 4,317,240	7.3%
Customer Account	\$ 1,272,600	2.2%
Regulatory	\$ 1,300,080	2.2%
G & A and Other Expense	\$ 13,293,240	22.5%
OPEB Benefits	\$ 1,640,000	2.8%
Depreciation	\$ 6,646,800	11.3%
Reclamation Expense	\$ 1,368,960	2.3%
Capital Improvements	<u>\$ 17,747,100</u>	<u>30.0%</u>
TOTAL	\$ 59,053,340	100.0%



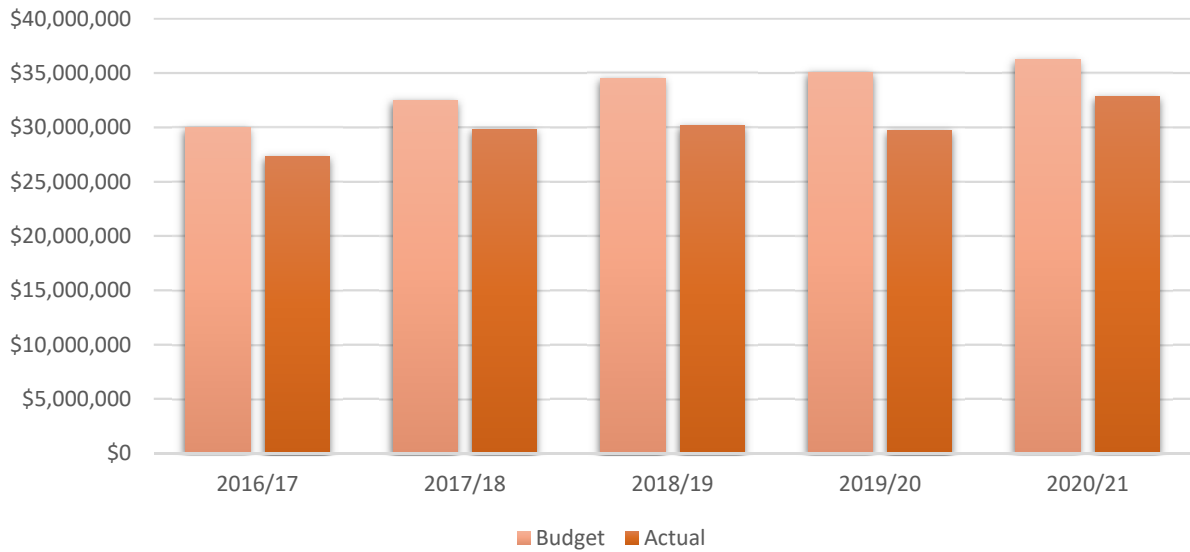
**DESERT WATER AGENCY
OPERATING FUND BUDGET**

**Historical Analysis
Budget vs. Actual**

REVENUES



EXPENSES



DESERT WATER AGENCY
GENERAL FUND BUDGET
2022 / 2023

**DESERT WATER AGENCY
GENERAL FUND BUDGET
2022-2023 BUDGET WITH PRIOR YEAR COMPARISON
Augmented March 2023**

	ACTUAL 2020-2021	ACTUAL TO 3/31/2022	BUDGET 2021-2022	OVER (UNDER) BUDGET	BUDGET 2022-2023
<u>OPERATING REVENUES</u>					
Groundwater Replenishment Assessment	\$7,690,856	\$5,775,913	\$7,609,400	(\$1,833,488)	\$7,781,000
Power Sales - Whitewater Hydro	\$98,123	\$7,884	\$5,500	\$2,384	\$13,500
TOTAL OPERATING REVENUES	\$7,788,979	\$5,783,796	\$7,614,900	(\$1,831,104)	\$7,794,500
<u>OPERATING EXPENSES</u>					
<u>SOURCE OF SUPPLY</u>					
Watershed Management - West Fork	\$0	\$0	\$0	\$0	\$0
Whitewater Mutual Water Co	\$0	\$0	\$12,000	(\$12,000)	\$12,000
Whitewater Basin Management	\$388,384	\$40,880	\$280,000	(\$239,120)	\$250,800
Mission Creek Basin Management	\$41,867	\$121,924	\$188,400	(\$66,476)	\$536,400
Mission Creek - Garnett Hill Mgmt Plan	\$0	\$0	\$20,000	(\$20,000)	\$30,000
Indio Subbasin Management Plan	\$17,291	\$106,777	\$22,500	\$84,277	\$30,000
San Gorgonio Pass Management Plan	\$0	\$0	\$20,000	(\$20,000)	\$22,800
Groundwater Monitoring Wells	\$0	\$0	\$900	(\$900)	\$0
U.S.G.S. Water Quality Monitoring System	\$9,900	\$12,978	\$13,200	(\$222)	\$15,600
U.S.G.S. Stream Gauging Study	\$55,653	\$73,551	\$76,800	(\$3,249)	\$82,800
Monitoring Wells #2 & #6	\$0	\$0	\$6,000	(\$6,000)	\$0
Urban Water Management Plan	\$61,943	\$4,545	\$0	\$4,545	\$0
Salt Nutrient Plan	\$32,519	\$3,152	\$220,000	(\$216,848)	\$126,000
Groundwater Rights DWA/CVWD	\$145,463	\$8,195	\$300,000	(\$291,805)	\$240,000
SGMA	\$203,055	\$85,128	\$355,000	(\$269,872)	\$130,800
USDOJ Federal Rule Litigation	\$219,021	\$110,804	\$210,000	(\$99,196)	\$240,000
TOTAL SOURCE OF SUPPLY	\$1,175,094	\$567,933	\$1,724,800	(\$1,156,867)	\$1,717,200
<u>STATE WATER PROJECT EXPENSE</u>					
Delta O.M.P. & R.	\$1,347,175	\$2,266,053	\$2,802,000	(\$535,947)	\$3,434,000
Transportation O.M.P. & R.	\$7,454,262	\$3,091,033	\$6,757,000	(\$3,665,967)	\$7,032,000
Variable	\$808,743	\$931,908	\$6,186,000	(\$5,254,092)	\$5,956,000
Off-Aqueduct Power Facilities	\$122,801	\$48,580	\$98,000	(\$49,420)	\$181,000
East Branch Enlargement	\$450,924	\$227,979	\$428,000	(\$200,021)	\$487,000
Replacement Component	\$0	\$0	\$0	\$0	\$0
Delta Conveyance (formerly CWF)	\$0	\$0	\$300,000	(\$300,000)	\$0
Water Purchases	\$26,462	\$370,844	\$2,430,000	(\$2,059,156)	\$2,483,000
Lake Perris Seepage Recovery Project	\$0	\$0	\$0	\$0	\$0
CVWD Reimb (Delta, Var, OAP)	\$22,255	\$34,171	(\$723,000)	\$757,171	(\$770,900)
MWD Reimb (Delta, Trans, Var, OAP)	\$0	\$0	\$0	\$0	\$0
TOTAL STATE WTR PROJ. EXPENSE	\$10,232,622	\$6,970,568	\$18,278,000	(\$11,307,432)	\$18,802,100
<u>WHITEWATER HYDRO EXPENSE</u>					
Supervision & Labor	\$6,103	\$11,824	\$15,750	(\$3,926)	\$18,000
Miscellaneous/SCE	\$5,226	\$6,570	\$7,200	(\$630)	\$8,400
Tools & Work Equipment	\$0	\$0	\$2,100	(\$2,100)	\$2,400
Maint Structures & Improvements	\$0	\$0	\$1,200	(\$1,200)	\$1,200
Maint of Equipment	\$5,282	\$5,627	\$60,000	(\$54,373)	\$196,800
Whitewater Hydro Contract Management	\$9,739	\$667	\$15,000	(\$14,333)	\$9,600
TOTAL WHITEWTR HYDRO EXPENSE	\$26,350	\$24,688	\$101,250	(\$76,562)	\$236,400
<u>CUSTOMER ACCOUNT EXPENSE</u>					
Meter Reading Expense	\$260	\$2,685	\$600	\$2,085	\$4,800
Uncollectible Accounts	\$723	\$0	\$0	\$0	\$0
TOTAL WHITEWTR HYDRO EXPENSE	\$983	\$2,685	\$600	\$2,085	\$4,800

**DESERT WATER AGENCY
GENERAL FUND BUDGET
2022-2023 BUDGET WITH PRIOR YEAR COMPARISON
Augmented March 2023**

	ACTUAL 2020-2021	ACTUAL TO 3/31/2022	BUDGET 2021-2022	OVER (UNDER) BUDGET	BUDGET 2022-2023
<u>ADMIN & GENERAL EXPENSE</u>					
Salaries	\$347,655	\$282,344	\$451,400	(\$169,056)	\$612,000
Office Supplies & Expenses	\$8,665	\$4,137	\$14,700	(\$10,563)	\$16,800
Legal	\$710,397	\$252,430	\$660,000	(\$407,570)	\$960,000
State Water - Audit Fees	\$50,354	\$18,439	\$28,800	(\$10,361)	\$33,600
Engineering	\$55,844	\$30,795	\$66,000	(\$35,205)	\$114,000
Appraisals & Consultants	\$191,534	\$95,260	\$290,000	(\$194,740)	\$272,400
Auditing	\$12,642	\$5,895	\$16,000	(\$10,105)	\$6,000
Conferences & Seminars	\$1,144	\$20,698	\$74,000	(\$53,302)	\$66,000
Membership Dues & Subscriptions	\$65,349	\$111,749	\$101,100	\$10,649	\$134,400
Bay-Delta Hearings	\$106,210	\$83,609	\$135,000	(\$51,391)	\$102,000
SWC-Energy Fund	\$940	\$11,498	\$13,000	(\$1,502)	\$13,200
Utilities	\$55,996	\$48,639	\$60,000	(\$11,361)	\$72,000
Property & Liability Insurance	\$67,641	\$55,964	\$82,800	(\$26,836)	\$84,000
Other Employee Benefits	\$467,832	\$396,212	\$456,600	(\$60,388)	\$290,400
Payroll Taxes	\$52,639	\$35,953	\$58,200	(\$22,247)	\$46,800
Uncollectible Accounts	\$0	\$0	\$0	\$0	\$0
LAFCO Expenses	\$13,847	\$14,573	\$15,000	(\$427)	\$16,800
Integrated Regional Water Mgmt Plan (IRWMP)	\$29,261	\$4,558	\$38,000	(\$33,442)	\$40,800
IRWMP Conservation Program	\$1,808	\$2,976	\$0	\$2,976	\$0
Operations Center Security	\$0	\$0	\$7,500	(\$7,500)	\$8,400
Operations Center Maintenance	\$87,744	\$71,750	\$103,200	(\$31,450)	\$110,400
Directors' Fees	\$54,208	\$24,132	\$48,000	(\$23,868)	\$48,000
Public Information	\$115,543	\$65,819	\$175,900	(\$110,081)	\$248,400
Water Conservation - Augmented	\$303,724	\$231,153	\$727,800	(\$496,647)	\$2,607,600
Election Expense	\$52,382	\$0	\$0	\$0	\$140,400
TOTAL ADMIN & GENERAL EXPENSE	\$2,853,358	\$1,868,582	\$3,623,000	(\$1,754,418)	\$6,044,400
<u>OTHER OPERATING EXPENSES</u>					
Depreciation	\$1,118,084	\$0	\$1,200,000	(\$1,200,000)	\$1,110,000
Direct/Indirect Costs	(\$73,175)	(\$13,103)	(\$107,000)	\$93,897	(\$108,000)
TOTAL OTHER OPERATING EXPENSES	\$1,044,910	(\$13,103)	\$1,093,000	(\$1,106,103)	\$1,002,000
TOTAL OPERATING EXPENSES	\$15,333,316	\$9,421,353	\$24,820,650	(\$15,399,297)	\$27,806,900
NET OPERATING INCOME (loss)	(\$7,544,337)	(\$3,637,556)	(\$17,205,750)	\$13,568,194	(\$20,012,400)
<u>NON-OPERATING REVENUES</u>					
Property Taxes	\$35,499,281	\$20,532,606	\$35,416,000	(\$14,883,394)	\$37,264,000
Interest - Invested Reserves	\$1,823,860	\$1,194,476	\$802,800	\$391,676	\$2,136,000
Interest - Wastewater Fund	\$0	\$0	\$0	\$0	\$0
Supplemental Imported Water Fees	\$725,006	\$440,460	\$488,600	(\$48,140)	\$612,500
Gains/Loss Investments	(\$1,757,321)	\$704,138	\$582,100	\$122,038	\$173,200
Other	(\$1,425)	\$24,726	\$0	\$24,726	\$0
TOTAL NON-OPERATING REVENUES	\$36,289,400	\$22,896,407	\$37,289,500	(\$14,393,093)	\$40,185,700

**DESERT WATER AGENCY
GENERAL FUND BUDGET
2022-2023 BUDGET WITH PRIOR YEAR COMPARISON
Augmented March 2023**

	ACTUAL 2020-2021	ACTUAL TO 3/31/2022	BUDGET 2021-2022	OVER (UNDER) BUDGET	BUDGET 2022-2023
<u>NON-OPERATING EXPENSES</u>					
Prior Year - State Water Project	\$348,697	(\$26,141)	\$0	(\$26,141)	\$0
Prior Year Expenses	\$4,013	\$56	\$0	\$56	\$0
Other	(\$20)	\$1,420	\$0	\$1,420	\$0
TOTAL NON-OPERATING EXPENSES	\$352,690	(\$24,665)	\$0	(\$24,665)	\$0
TOTAL NET INCOME	\$28,392,372	\$19,283,516	\$20,083,750	(\$800,235)	\$20,173,300
<u>APPLICATION OF COMMIT FUNDS</u>					
Bond Service - Principle/Interest	\$1,342,750	\$296,975	\$1,338,950	(\$1,041,975)	\$1,344,150
TOTAL COMMIT FUNDS	\$1,342,750	\$296,975	\$1,338,950	(\$1,041,975)	\$1,344,150
BALANCE REMAINING	\$27,049,622	\$18,986,541	\$18,744,800	\$241,740	\$18,829,150
Add Back Depreciation	\$1,118,084	\$0	\$1,200,000	(\$1,200,000)	\$1,110,000
Funds Avail For Capital Additions	\$28,167,706	\$18,986,541	\$19,944,800	(\$958,260)	\$19,939,150
<u>CAPITAL ADDITIONS</u>					
Delta			\$1,608,200		\$2,028,500
Transportation			\$2,419,000		\$2,657,000
Revenue Bond Surcharge			\$1,100,000		\$1,181,000
East Branch Enlargement			\$16,616,000		\$1,565,000
Tehachapi			\$88,000		\$98,000
Delta Conveyance			\$0		\$0
Lake Perris Seepage Recovery Project			\$1,458,000		\$550,000
Sites Reservoir Project			\$975,000		\$910,000
Whitewater Hydro PLC Modernization			\$0		\$0
Chino West Canyon Treatment Facility			\$0		\$0
Whitewater Area Land Purchase			\$0		\$0
Mission Creek Recharge Basin Flow Meters			\$124,000		\$0
Board Room AV Enhancements			\$29,800		\$0
Conference Room Virtual Communications System			\$0		\$27,500
Main Entrance Monument Renovation			\$0		\$11,700
HVAC Air Purification System			\$0		\$32,000
Warehouse Shelving			\$0		\$13,700
Mezzanine Remodel			\$0		\$159,700
Employee Parking Expansion			\$0		\$99,700
Submersible Pump and Hose Drop Pipe			\$0		\$15,000
Contingency			\$150,000		\$150,000
TOTAL CAPITAL ADDITIONS			\$24,568,000		\$9,498,800
BALANCE			(\$4,623,200)		\$10,440,350
TOTAL BUDGET			\$50,727,600		\$38,649,850

**DESERT WATER AGENCY
GENERAL FUND BUDGET
2022-2023 BUDGET WITH PRIOR YEAR COMPARISON
Augmented March 2023**

	2021-2022 <u>BEGIN BAL</u>	2021-2022 <u>ADJUSTMENTS</u>	2022-2023 <u>ADDITIONS</u>	2022-2023 <u>DELETIONS</u>	<u>BALANCE</u>
Reserve Fund Balance-6/30/22					\$199,525,331
Restricted & Unrestricted Reserves:					
State Water Contract Fund	\$62,779,000	\$13,000,000			
Reserve For SWP Additional Water	\$0	\$10,493,000	\$13,150,000		
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)	\$478,450	\$1,500,000	
Reserve For Replacements	\$8,892,800		\$1,454,000		
Regulatory Compliance Reserve	\$7,765,000		\$2,235,000		
Land Acquisition Reserve	\$5,000,000				
Reserve For Additional Non-SWP Water	<u>\$0</u>	<u>\$23,782,000</u>	<u>\$35,304,400</u>		
Total Reserves - 6/30/23	\$138,028,600	\$19,947,550	\$52,621,850	\$1,500,000	(\$209,098,000)
Required for 2021/22 Carryover Items					(\$867,332)
2022-2023 Budget Balance					<u>\$10,440,350</u>
Unappropriated Fund Balance - 6/30/23					\$349

BUDGET AMOUNT SUMMARY

Total Operating Expense	\$27,806,900
Non-Operating Expense	\$0
Application of Committed Funds	\$1,344,150
Capital Additions	<u>\$9,498,800</u>
TOTAL BUDGET	\$38,649,850

**DESERT WATER AGENCY
GENERAL FUND BUDGET
2022 - 2023**

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

Assessed Valuations		
Secured	\$18,589,114,321	
Unsecured	\$797,977,267	
Total Estimated Assessed Valuations*		\$19,387,091,588
Tax Rate	2021-2022	2022-2023
Secured	\$0.10	\$0.10
Unsecured	\$0.10	\$0.10
Estimated Revenue from Property Taxes		
Secured	\$18,589,000	
Unsecured	\$798,000	
SBE Unitary	\$14,823,000	
RPTTF	\$1,460,000	
County 1% General Purpose Allocation	\$1,594,000	
TOTAL ESTIMATED PROPERTY TAXES		\$37,264,000

* Assessed values reflect a combined 2.14% delinquency and value adjustment factor for secured and unsecured valuations

**DESERT WATER AGENCY
GENERAL FUND BUDGET
FISCAL 2022 - 2023**

Estimated State Water Project Payments

2021	CAPITAL							O.M.P. & R.					
	Revenue Bond Surcharge	Delta	Lake Perris Seepage Recovery	Sites Reservoir	Transportation	Tehachapi	East Branch Enlargement	Delta	Transportation	Variable	Aqueduct Power Facilities	East Branch Enlargement	Total
July	\$585,000	\$1,149,000	\$550,000	---	\$1,438,000	---	---	\$270,550	\$497,000	\$488,500	\$12,550	\$42,600	\$5,033,200
August	---	---	---	---	---	---	---	\$270,550	\$497,000	\$488,500	\$12,550	\$42,600	\$1,311,200
September	---	---	---	---	---	\$48,500	\$1,077,000	\$270,550	\$497,000	\$488,500	\$12,550	\$42,600	\$2,436,700
October	---	---	---	---	---	---	---	\$270,550	\$497,000	\$488,500	\$12,550	\$42,600	\$1,311,200
November	---	---	---	---	---	---	---	\$270,550	\$497,000	\$488,500	\$12,550	\$42,600	\$1,311,200
December	---	---	---	---	---	---	---	\$270,550	\$497,000	\$488,500	\$12,550	\$42,600	\$1,311,200
2022													
January	\$596,000	\$1,019,000	---	\$910,000	\$1,219,000	---	---	\$301,800	\$675,000	\$504,150	\$17,600	\$38,550	\$5,281,100
February	---	---	---	---	---	---	---	\$301,800	\$675,000	\$504,150	\$17,600	\$38,550	\$1,537,100
March	---	---	---	---	---	\$49,500	\$488,000	\$301,800	\$675,000	\$504,150	\$17,600	\$38,550	\$2,074,600
April	---	---	---	---	---	---	---	\$301,800	\$675,000	\$504,150	\$17,600	\$38,550	\$1,537,100
May	---	---	---	---	---	---	---	\$301,800	\$675,000	\$504,150	\$17,600	\$38,550	\$1,537,100
June	---	---	---	---	---	---	---	\$301,700	\$675,000	\$504,250	\$17,700	\$38,650	\$1,537,300
	\$1,181,000	\$2,168,000	\$550,000	\$910,000	\$2,657,000	\$98,000	\$1,565,000	\$3,434,000	\$7,032,000	\$5,956,000	\$181,000	\$487,000	\$26,219,000

Based on calendar year costs being shared 26.49% DWA and 73.51% CVWD on Variable, Delta Water and Off Aqueduct Charges:

	<u>2022</u>	<u>Variable</u>	<u>Delta Charge</u>	<u>Off Aqueduct</u>	<u>Total</u>	<u>DWA-26.49%</u>	<u>CVWD-73.51%</u>
DWA	55,750 AF	\$5,861,836	\$5,658,794	\$150,228	\$11,670,858	\$3,091,610	\$8,579,248
CVWD	128,450 AF	\$14,546,816	\$14,042,944	\$170,788	\$28,760,548	\$7,618,669	\$21,141,879
					<u>\$40,431,406</u>	<u>\$10,710,279</u>	<u>\$29,721,127</u>
	<u>2023</u>						
DWA	55,750 AF	\$6,048,846	\$5,658,794	\$210,704	\$11,918,344	\$3,157,169	\$8,761,175
CVWD	128,450 AF	\$15,010,903	\$14,042,944	\$522,886	\$29,576,733	\$7,834,877	\$21,741,856
					<u>\$41,495,077</u>	<u>\$10,992,046</u>	<u>\$30,503,031</u>

STATE WATER PROJECT TABLE A ALLOTMENTS:

DWA - 38,100 A.F. + MWD Transfer 11,900 A.F. = 50,000 A.F.

CVWD - 23,100 A.F. + MWD Transfer 88,100 A.F. + Tulare Transfer 9,000 A.F. = 121,100 A.F.

Beginning January 1, 2010 : Berrenda-Mesa 16,000 A.F. Transfer = DWA 4,000 A.F. / CVWD 12,000 A.F.

Beginning January 1, 2010 : Westlake Farms 7,000 A.F. Transfer = DWA 1,750 A.F. / CVWD 5,250 A.F.

Calendar years 2022 & 2023 = DWA 55,750 A.F. / CVWD 128,450 A.F.

TOTALS	\$81,926,483	\$21,702,325	\$60,224,158
Less Amount Billed Direct to CVWD			(\$58,337,281)
Amount Due To DWA			\$1,886,877
ONE-HALF FOR FISCAL YEAR			\$943,438

**DESERT WATER AGENCY - GENERAL FUND
2022-2023 BUDGET
CAPITAL IMPROVEMENTS**

W.O. No.	DESCRIPTION	ACCOUNT NO.	ESTIMATED COST
<u>ROUTINE</u>			
MISCELLANEOUS			
22-183-M	Conference Room Virtual Communications System	11188	\$27,500
22-184-M	Main Entrance Monument Renovation	11185	\$11,700
22-185-M	HVAC Air Purification System	11185	\$32,000
22-186-M	Warehouse Shelving	11185	\$13,700
22-187-M	Mezzanine Remodel	11185	\$159,700
22-188-M	Employee Parking Expansion	11185	\$99,700
22-190-M	Submersible Pump and Hose Drop Pipe	11163	\$15,000
22-499	Contingency - Other	VARIOUS	\$150,000
TOTAL MISCELLANEOUS			\$509,300
TOTAL CAPITAL IMPROVEMENTS 2022-2023			\$509,300

Reserve Policy Analysis
2022 / 2023 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:

State Water Contract Fund Reserve

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

2022 DWR Statement of Charges		
Delta Capital	\$	2,296,057
Delta OMP&R	\$	3,246,341
Transportation Capital	\$	2,875,593
Transportation OMP&R	\$	5,964,125
Variable Entitlement	\$	6,052,140
Water System Revenue Bond	\$	1,169,893
Off Aqueduct	\$	150,228
Conservation Replacement	\$	-
East Branch Enlargement Capital	\$	1,280,379
East Branch Enlargement OMP&R	\$	511,311
Tehachapi Second Afterbay	\$	96,557
Total 2022 Statement of Charges	\$	23,642,624
<i>Minimum Reserve Requirement</i>	\$	59,106,560
<i>Maximum Allowable Reserve Balance</i>	\$	141,855,744
2021 / 2022 Current Reserve Balance	\$	75,779,000
2022 / 2023 Reserve Adjustment *	\$	-
2022 / 2023 Reserve Balance	\$	75,779,000
2022 / 2023 Minimum Target Reserve Shortfall	\$	-
2022 / 2023 Maximum Reserve Shortfall	\$	(66,076,744)

* There are no excess funds available to add to the State Water Contract Fund Reserve in Fiscal Year 2022 / 2023

2022 / 2023	STATE WATER CONTRACT RESERVE	\$ 75,779,000
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Reserve Policy Analysis
2022 / 2023 Budget

GENERAL FUND

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
2021 / 2022	Current Reserve Balance	\$	19,238,000
2022 / 2023	Reserve Adjustment *	\$	-
2022 / 2023	Reserve Balance	\$	19,238,000
2022 / 2023	Minimum Target Reserve Shortfall	\$	-
2022 / 2023	Maximum Reserve Shortfall	\$	(6,816,400)

* There are no excess funds available to add to the Reserve for Delta Conveyance Facilities in Fiscal Year 2022 / 2023

2022 / 2023	RESERVE FOR DELTA CONVEYANCE	\$	19,238,000
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Reserve Policy Analysis
2022 / 2023 Budget

GENERAL FUND

Reserve for SWP Additional Water

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

2022 DWR Statement of Charges

Delta Capital	\$ 2,296,057
Delta OMP&R	\$ 3,246,341
Transportation Capital	\$ 2,875,593
Transportation OMP&R	\$ 5,964,125
Variable Entitlement	\$ 6,052,140
Water System Revenue Bond	\$ 1,169,893
Off Aqueduct	\$ 150,228
Conservation Replacement	\$ -
East Branch Enlargement Capital	\$ 1,280,379
East Branch Enlargement OMP&R	\$ 511,311
Tehachapi Second Afterbay	\$ 96,557
Total 2022 Statement of Charges	\$ 23,642,624

Minimum Reserve Requirement \$ 23,642,624

Maximum Allowable Reserve Balance \$ 118,213,120

2021 / 2022	Current Reserve Balance	\$ 10,493,000
2022 / 2023	Reserve Adjustment *	\$ 13,150,000
2022 / 2023	Reserve Balance	\$ 23,643,000
2022 / 2023	Minimum Target Reserve Shortfall	\$ -
2022 / 2023	Maximum Reserve Shortfall	\$ (94,570,120)

* Proposed \$13,150,000 addition to the Reserve for Additional Water in Fiscal Year 2022 / 2023

2022 / 2023 RESERVE FOR ADDITIONAL WATER \$ 23,643,000

Reserve Policy Analysis
2022 / 2023 Budget

GENERAL FUND

Reserve for Non-SWP Additional Water

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

2022 DWR Statement of Charges

Delta Capital	\$ 2,296,057
Delta OMP&R	\$ 3,246,341
Transportation Capital	\$ 2,875,593
Transportation OMP&R	\$ 5,964,125
Variable Entitlement	\$ 6,052,140
Water System Revenue Bond	\$ 1,169,893
Off Aqueduct	\$ 150,228
Conservation Replacement	\$ -
East Branch Enlargement Capital	\$ 1,280,379
East Branch Enlargement OMP&R	\$ 511,311
Tehachapi Second Afterbay	\$ 96,557
Total 2022 Statement of Charges	\$ 23,642,624

Minimum Reserve Requirement \$ 23,642,624

Maximum Allowable Reserve Balance \$ 118,213,120

2021 / 2022	Current Reserve Balance	\$ 23,782,000
2022 / 2023	Reserve Adjustment *	\$ 35,304,400
2022 / 2023	Reserve Balance	\$ 59,086,400
2022 / 2023	Minimum Target Reserve Shortfall	\$ -
2022 / 2023	Maximum Reserve Shortfall	\$ (59,126,720)

* Proposed \$35,304,400 addition to the Reserve for Additional Water in Fiscal Year 2022 / 2023

2022 / 2023 RESERVE FOR ADDITIONAL WATER \$ 59,086,400

Reserve Policy Analysis
2022 / 2023 Budget

GENERAL FUND

Reserve for Operations

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

	2022 / 2023 Cost of Operations	\$	26,306,900
Less:	2022 / 2023 State Water Project Expense	\$	(18,802,100)
	Net Cost of Operations	\$	7,504,800
	<i>Minimum Reserve Requirement</i>	\$	3,752,400
	<i>Maximum Allowable Reserve Balance</i>	\$	7,504,800
	2021 / 2022 Current Reserve Balance	\$	7,026,350
	2022 / 2023 Reserve Adjustment *	\$	478,450
	2022 / 2023 Reserve Balance	\$	7,504,800
	2022 / 2023 Minimum Target Reserve Shortfall	\$	-
	2022 / 2023 Maximum Reserve Shortfall	\$	-

* Proposed \$478,450 addition to the Reserve for Operations in Fiscal Year 2022 / 2023

	2022 / 2023 RESERVE FOR OPERATIONS	\$	7,504,800
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Reserve Policy Analysis
2022 / 2023 Budget

GENERAL FUND

Reserve for Replacements

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

6/30/2021 Audited Accumulated Depreciation		\$ 109,765,060
Less: SWP - Transportation		\$ (64,316,978)
SWP - Delta		\$ (14,582,274)
SWP - East Branch Enlargement		\$ (15,136,952)
SWP - Water System Rev Bond		\$ (5,301,292)
SWP - Advance Water Deliveries		\$ (69,273)
SWP - Tehachapi Second Afterbay		\$ (10,707)
Net Accumulated Depreciation		\$ 10,347,583
<i>Maximum Reserve Balance</i>		<i>\$ 10,347,583</i>
2021 / 2022 Current Reserve Balance		\$ 8,892,800
2022 / 2023 Reserve Adjustment *		\$ 1,454,000
2022 / 2023 Reserve Balance		\$ 10,346,800
2022 / 2023 Maximum Reserve Shortfall		\$ (783)

* Proposed \$1,454,000 addition to the Reserve for Replacements in Fiscal Year 2022 / 2023

2022 / 2023 RESERVE FOR REPLACEMENTS		\$ 10,346,800
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Reserve Policy Analysis
2022 / 2023 Budget

GENERAL FUND

Reserve for Regulatory Compliance

Reserve shall not exceed \$10,000,000

	<i>Maximum Reserve Balance</i>	\$ 10,000,000
2021 / 2022	Current Reserve Balance	\$ 7,765,000
2022 / 2023	Reserve Adjustment *	\$ 2,235,000
2022 / 2023	Reserve Balance	\$ 10,000,000
2022 / 2023	Maximum Reserve Shortfall	\$ -

* Proposed \$2,235,000 addition to the Reserve for Regulatory Compliance in Fiscal Year 2022 / 2023

2022 / 2023	RESERVE FOR REGULATORY COMPLIANCE	\$ 10,000,000
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Reserve for Land Acquisitions

Reserve shall not exceed \$5,000,000

	<i>Maximum Reserve Balance</i>	\$ 5,000,000
2021 / 2022	Current Reserve Balance	\$ 5,000,000
2022 / 2023	Reserve Adjustment *	\$ -
2022 / 2023	Reserve Balance	\$ 5,000,000
2022 / 2023	Maximum Reserve Shortfall	\$ -

* No proposed adjustment to the Reserve for Land Acquisition in 2022 / 2023, reserve is at maximum allowable balance.

2022 / 2023	RESERVE FOR LAND ACQUISITIONS	\$ 5,000,000
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Reserve Policy Analysis
2022 / 2023 Budget

GENERAL FUND

Reserve Policy Summary

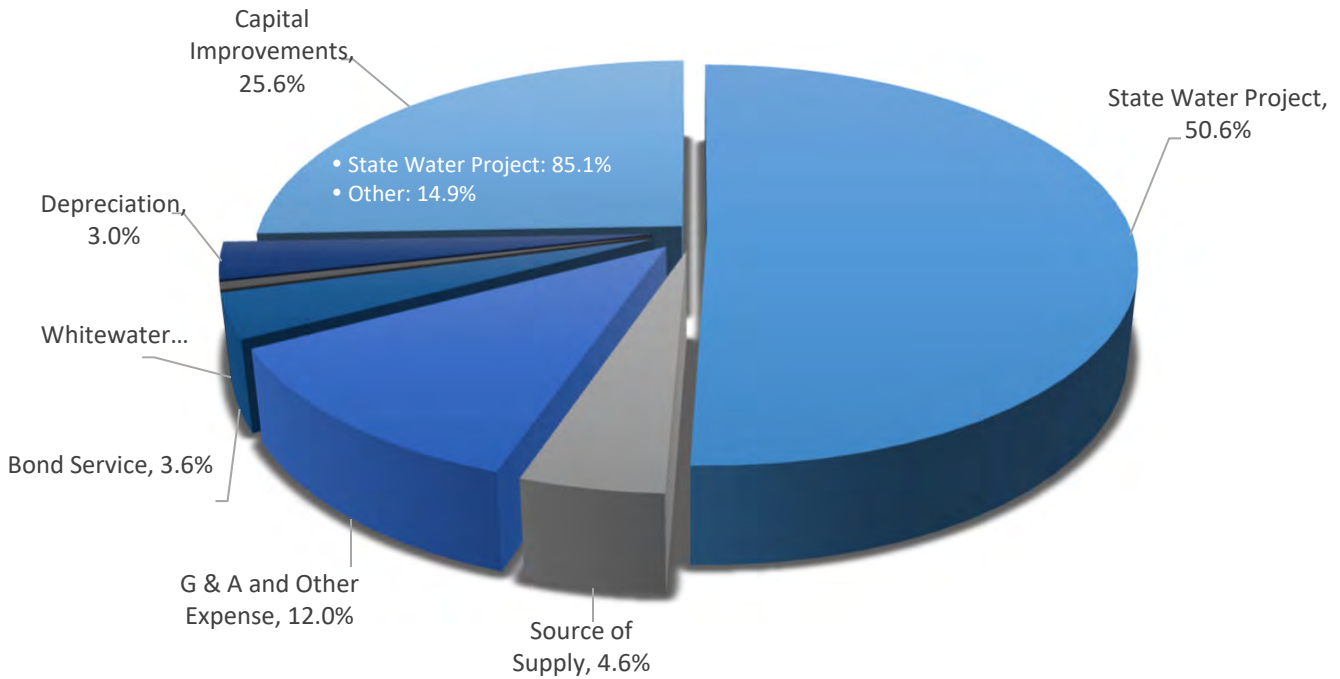
**	2022 / 2023	Minimum Reserve Requirement	\$ 146,347,791 *
**	2022 / 2023	Maximum Reserve Requirement	\$ 437,188,767
	2022 / 2023	Projected Total Reserves	\$ 210,598,000
	2022 / 2023	Projected Minimum Reserve Shortfall	\$ (783)
	2022 / 2023	Projected Maximum Reserve Shortfall	\$ (226,590,767)

* 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

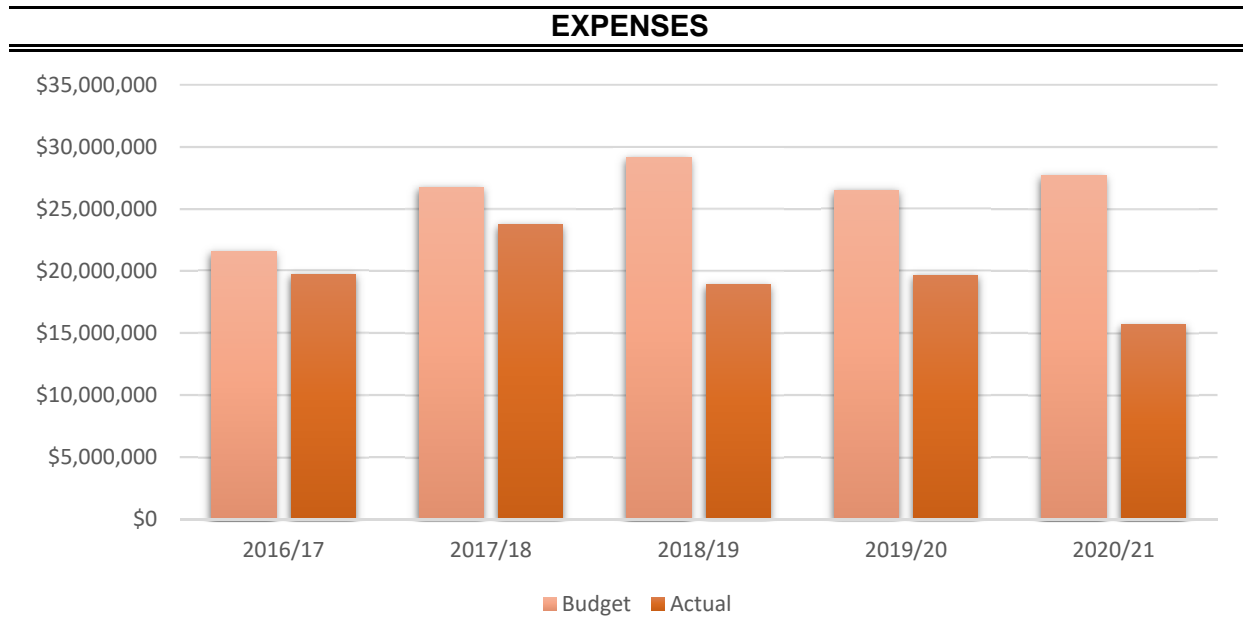
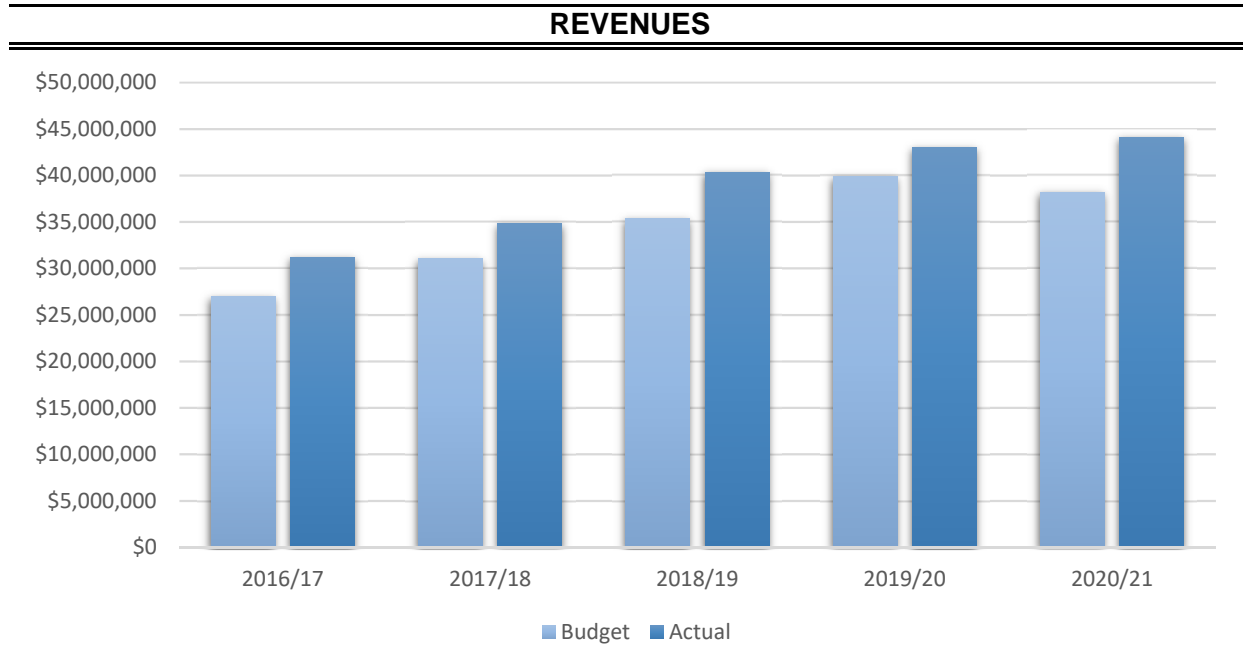
**DESERT WATER AGENCY
GENERAL FUND BUDGET
2022 / 2023 SUMMARY**

Category	Cost	%
State Water Project	\$ 18,802,100	50.6%
Source of Supply	\$ 1,717,200	4.6%
G & A and Other Expense	\$ 4,441,200	12.0%
Bond Service	\$ 1,344,150	3.6%
Whitewater Hydro	\$ 236,400	0.6%
Depreciation	\$ 1,110,000	3.0%
Capital Improvements	\$ 9,498,800	25.6%
TOTAL	\$ 37,149,850	100.0%



**DESERT WATER AGENCY
GENERAL FUND BUDGET**

***Historical Analysis
Budget vs. Actual***



DESERT WATER AGENCY
WASTEWATER FUND BUDGET
2022 / 2023

**DESERT WATER AGENCY
WASTEWATER FUND
2022-2023 BUDGET WITH PRIOR YEAR COMPARISON**

	ACTUAL 2020-2021	ACTUAL TO 3/31/2022	BUDGET 2021-2022	OVER OR UNDER	BUDGET 2022-2023
<u>OPERATING REVENUES:</u>					
Capacity Charges	\$35,963	\$0	\$26,250	(\$26,250)	\$26,400
Wastewater Service	\$1,156,899	\$765,104	\$1,119,600	(\$354,496)	\$1,215,600
Plan Check Fees/Inspection/Svc	\$3,090	\$560	\$3,500	(\$2,940)	\$3,480
TOTAL REVENUES	\$1,195,951	\$765,664	\$1,149,350	(\$383,686)	\$1,245,480
<u>OPERATING EXPENSES:</u>					
C.V.W.D. Wastewater Service	\$745,955	\$499,470	\$750,000	(\$250,530)	\$825,600
City of P.S. - Wastewater Service	\$126,370	\$73,786	\$110,100	(\$36,314)	\$112,800
Office Supplies & Expense	\$647	\$289	\$900	(\$611)	\$1,200
Meetings and Seminars	\$0	\$0	\$0	\$0	\$0
Legal	\$28,429	\$12,804	\$6,000	\$6,804	\$6,000
Engineering	\$1,581	\$1,511	\$3,000	(\$1,490)	\$3,600
Auditing	\$2,634	\$1,684	\$3,000	(\$1,316)	\$2,400
Programming	\$1,530	\$786	\$2,400	(\$1,614)	\$2,400
Utilities	\$6,977	\$7,075	\$9,000	(\$1,925)	\$10,800
Insurance	\$9,852	\$11,874	\$12,000	(\$126)	\$13,200
Communications Equipment	\$0	\$0	\$3,250	(\$3,250)	\$0
Maintenance of Pumps	\$35,758	\$8,994	\$1,625	\$7,369	\$2,400
Maintenance of Laterals	\$1,499	\$1,226	\$4,200	(\$2,974)	\$2,400
Maintenance of Lift Stations	\$79,257	\$50,893	\$89,150	(\$38,257)	\$138,000
Maintenance of Mains	\$21,479	\$23,497	\$90,000	(\$66,503)	\$117,600
Tools & Work Equipment	\$0	\$0	\$200	(\$200)	\$2,400
Transportation Expense	\$4,121	\$2,169	\$11,700	(\$9,531)	\$9,600
Regulatory Expense	\$0	\$0	\$0	\$0	\$0
Uncollectible Accounts	\$0	\$0	\$0	\$0	\$0
Depreciation	\$567,427	\$0	\$640,000	(\$640,000)	\$572,400
TOTAL OPERATING EXPENSE	\$1,633,515	\$696,058	\$1,736,525	(\$1,040,467)	\$1,822,800
NET INCOME FROM OPER.	(\$437,564)	\$69,605	(\$587,175)	\$656,780	(\$577,320)
<u>NON-OPERATING REVENUES</u>					
Interest Short Term	\$9,050	\$2,732	\$6,000	(\$3,268)	\$10,800
Contributed Revenue - Customer	\$140,958	\$0	\$0	\$0	\$0
Other Income	(\$6,834)	(\$138)	\$0	(\$138)	\$0
TOTAL NON-OPR. REV.	\$143,173	\$2,594	\$6,000	(\$3,406)	\$10,800

**DESERT WATER AGENCY
WASTEWATER FUND
2022-2023 BUDGET WITH PRIOR YEAR COMPARISON**

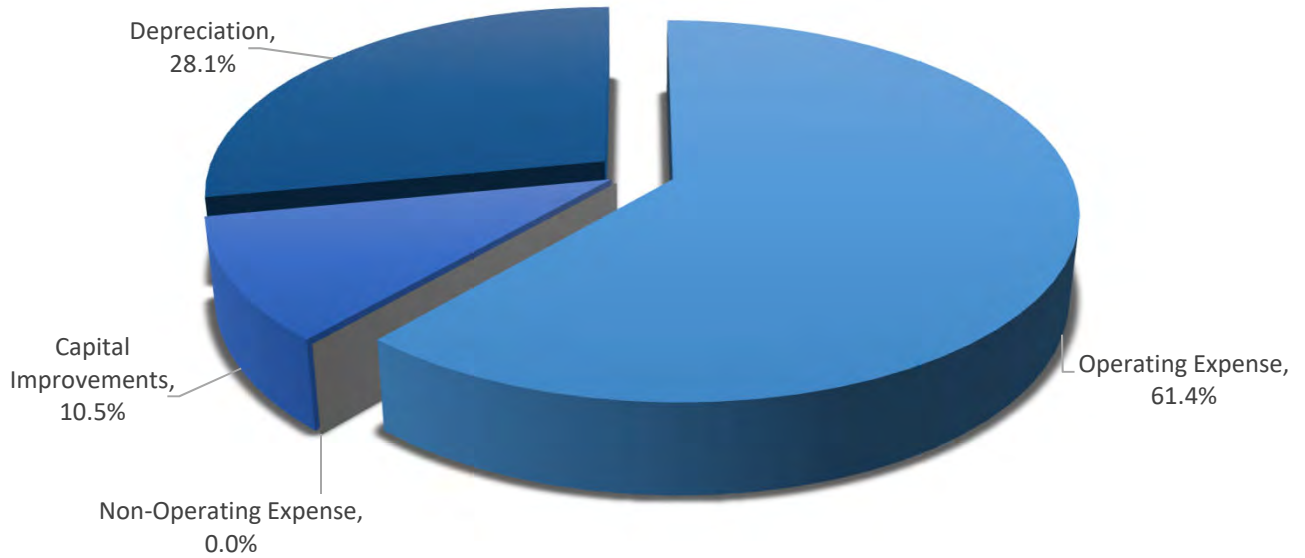
	<u>ACTUAL</u> 2020-2021	<u>ACTUAL TO</u> 3/31/2022	<u>BUDGET</u> 2021-2022	<u>OVER OR</u> <u>UNDER</u>	<u>BUDGET</u> 2022-2023
<u>NON-OPERATING EXPENSES</u>					
Interest - General Fund Loan	\$0	\$0	\$0	\$0	\$0
Sewer Assessment Fees	\$799	\$803	\$850	(\$47)	\$850
Loss on Retirement	\$0	\$0	\$0	\$0	\$0
Prior Year Expenses	(\$922)	\$0	\$0	\$0	\$0
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL NON-OPR. EXP.	(\$124)	\$803	\$850	(\$47)	\$850
TOTAL NET INCOME	(\$294,267)	\$71,397	(\$582,025)	\$653,422	(\$567,370)
<u>APPLICATION OF COMMIT. FUNDS</u>					
Principal - General Fund Loan	\$0	\$0	\$0	\$0	\$0
Principal - Operating Fund Loan	\$0	\$0	\$0	\$0	\$0
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL COMM. FUNDS	\$0	\$0	\$0	\$0	\$0
Balance Remaining	(\$294,267)	\$71,397	(\$582,025)	\$653,422	(\$567,370)
Add Back Depreciation Exp.	\$567,427	\$0	\$640,000	(\$640,000)	\$572,400
Funds Avail. Capital Add.	\$273,160	\$71,397	\$57,975	\$13,422	\$5,030
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>LESS CAPITAL ADDITIONS:</u>			BUDGET		BUDGET
			<u>2021-2022</u>		<u>2022-2023</u>
Lift Station - Generator			\$35,000		\$0
Lift Station - Generator Enclosure			\$0		\$0
Cat. Cyn Force Main Monitoring Manhole			\$0		\$200,000
Contingency			\$15,000		\$15,000
			<hr/>		<hr/>
TOTAL CAPITAL ADDITIONS			\$50,000		\$215,000
<u>BALANCE</u>			\$7,975		(\$209,970)
<u>TOTAL BUDGET</u>			\$1,787,375		\$2,038,650
<u>ESTIMATED RESERVE FUND BALANCE:</u>					
Estimated Reserve Fund Balance 6/30/22			\$1,707,000		
2022-2023 Budget Balance			(\$209,970)		
Required for 2021/22 Carryover Items			(\$149,404)		
Estimated Reserve Fund Balance 6/30/23			<hr/>		
			\$1,347,626		
<u>BUDGET AMOUNT SUMMARY:</u>					
Total Operating Expenses			\$1,822,800		
Total Non-operating Expenses			\$850		
Application of Committed Funds			\$0		
Capital Additions			<hr/>		
TOTAL BUDGET:			\$2,038,650		

**DESERT WATER AGENCY - WASTEWATER FUND
2022-2023 BUDGET
CAPITAL IMPROVEMENTS**

W.O. No.	DESCRIPTION	ACCOUNT NO.	ESTIMATED COST
<u>ROUTINE</u>			
MISCELLANEOUS			
22-000-M	Cathedral Canyon Force Main Monitoring Manhole	10071	\$200,000
22-499	Contingency - Other	VARIOUS	<u>\$15,000</u>
	TOTAL MISCELLANEOUS		\$215,000
TOTAL CAPITAL IMPROVEMENTS 2022-2023			\$215,000

**DESERT WATER AGENCY
WASTEWATER FUND BUDGET
2022 / 2023 SUMMARY**

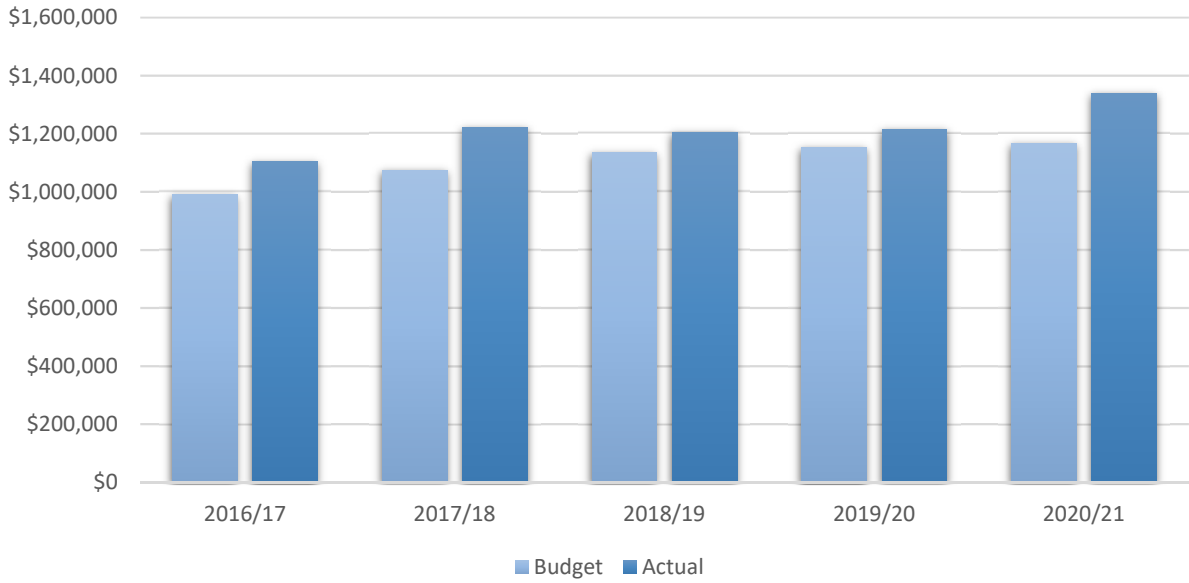
Category	Cost	%
Operating Expense	\$ 1,250,400	61.4%
Non-Operating Expense	\$ 850	0.0%
Capital Improvements	\$ 215,000	10.5%
Depreciation	\$ 572,400	28.1%
TOTAL	\$ 2,038,650	100.0%



**DESERT WATER AGENCY
WASTEWATER FUND BUDGET**

**Historical Analysis
Budget vs. Actual**

REVENUES



EXPENSES

