



**Mojave
Water
Agency**
BUDGET
Fiscal Year
2007-2008

2007-2008 Mojave Water Agency Fiscal Year Budget

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Economic Overview

As noted last year, it had become apparent that double digit increases that Southern California was experiencing had begun to level off, there still has been no indication that it has slowed down in the High Desert. The Spring 2007 Bradco Report reported that the median price of homes has started to decline in 2007 after record increases in 2004 through 2006. As indicated on the table below, the High Desert has declined by 4.4% in 2007, whereas San Bernardino County had declines of 18% in 2006 and 21% in 2007. This trend is also reflected in the number of housing permits issued, and is reflected in commercial/Industrial permit decreases. However, the abundance of land, labor and clean air will again put pressure on the High Desert as it builds its population from 450,000 to one million by 2022 according to SCAG. Additionally, it is expected there will be 1,800 new jobs generated by more than 100 companies coming to the Southern California Logistics Airport. There are also many plans coming to fruition within each of the communities in the High Desert. Adelanto has the Target Center,

Area	2006 to		Median Price			
	2007	2007	2006	2005	2004	2003
Adelanto	-5.6%	289,000	306,000	290,000	198,486	125,211
Apple Valley	-14.9%	297,000	349,000	308,000	238,379	176,915
Hesperia	-2.2%	310,000	317,000	305,000	230,448	175,016
Phelan	2.9%	350,000	340,000	305,000	231,570	173,394
Spring Valley Lake	0.0%	335,000	335,000	330,000	336,205	225,760
Victorville	-6.2%	288,000	307,000	296,000	230,501	150,861
Totals	-4.4%	311,500	325,667	305,667	244,265	171,193
Change		-4.4%	6.5%	25.1%	42.7%	

Hanson Structural Precast Pacific purchased 80 acres to build a \$35million site for 100 employees, the Adelanto Business Park and Northwest Pipe recently expanded its facilities to accommodate an additional 300 employees. Apple Valley has over 2.4million square feet of retail space under construction. Barstow has a \$60million Community Hospital scheduled for 2011, Fort Irwin is expected to complete the 130,000 acre expansion of their military post to process an additional 60,000 soldiers annually, a 900,000sq ft industrial park will open in 2008, and the \$160million Barstow Casinos and Resort is underway. Hesperia is redeveloping 26,000 acres and 15 developers are planning 3.2million sq ft of commercial retail space. Victorville, the planning commission has processed a record number of cases, with well over 1.5million sq ft of commercial space being planned, including a 13 acre business park, a 160,000 sq ft Class A office tower and a large 51 acres plaza at Civic Drive and Roy Rogers.

Underlying Principles

The Strategic Plan contains the Agency’s Vision and Mission Statements, defines our goals as a public agency, and establishes our culture as an organization of individuals. The primary purpose of the Plan is to provide the framework and focus for the Agency that will facilitate the organization fulfilling its legislative mandate. It forms our response to the challenges that we must address in managing this vital resource by providing a venue to develop specific goals and objectives for the organization, including “key elements” or concepts, management plans, and programs that require action by the Agency. The Mojave Water Agency revises the goals and key elements of the Strategic Plan annually based on articulated fiscal and formal Board of Director policies and that is then used to flesh out the budget with consideration of the Financial Plan and the Capital Improvement Program.

In order to better prepare for meeting present and future water demands, Mojave Water Agency adopted its Strategic Plan in 2002. This document outlines specific goals and objectives to enable the Agency to fulfill its mission “to manage the region’s water resources for the common benefit to assure stability in the sustained use by the citizens we serve.” The annual budget is developed based on these stated goals and objectives, which are updated annually.

The Agency’s use of an Application Based Costing (“ABC”) System allocates resources consistent with the goals and objectives in the Strategic Plan. In addition to the Strategic Plan, this fiscal year the Agency has instituted a five-year Capital Improvement Plan (CIP) to plan for future water demands. Rather than just

fund projects year-to-year through the use of a zero based budget funded annually, the Agency has begun projecting funds needed to complete both short-term and long-term projects through the multi-year ABC system that incorporates the CIP.

Major Agency Goals

Linking important objectives with necessary resources requires a process that identifies Goals and Key Elements of those goals at the very beginning of the budget process each year. Setting goals and priorities drive the budget process, shape the reserves, and help define the Capital Improvement Project planning.

For this reason each budget process begins with re-assessing the key elements and confirming that all the projects in progress and planned truly reflect the goals of the Agency and the Board of Directors, which reflect the needs of the Stakeholders and Community, and reflect any fiscal constraints revealed through the budget process.

The administrative budget includes several key projects designed to support the strategic goals of the Agency. An upgrade of our financial software will mitigate gaps in data flow identified in previous financial audits. This upgrade will increase efficiency and reduce the potential for data entry errors.

The administration budget also includes advance-planning activities that will contribute to the Agency's strategic goal in developing the infrastructure to meet future water demands. Now that the Regional Water Management Plan is complete, it has become an integral part of both the 2006 budget and the Capital Improvement Projects.

With the proposed budget, staff is recommending continued support of our strategic partners in pursuit of our goal to engage the community in our mission. The proposed budget includes funds to enable specific activities to be carried out by and in conjunction with our partners, including Victor Valley College, Barstow Community College, Copper Mountain College, the Mojave Desert Resource Conservation District, and the Lewis Center for Educational Research.

Another major element of the administrative budget is the increasing commitment to the goals of securing additional water supplied through greater water conservation. Staff is recommending that our primary commitments to this goal be through our investment in the Alliance for Water Awareness and Conservation. This newly formed group of interested community partners has shown a significant initial commitment toward helping MWA achieve its goals in a collaborative format. The focus of this group for the next year will be to create the awareness in our local community that water conservation is an essential element in the overall water management portfolio that is necessary to provide a sustainable water supply for decades to come. MWA's commitment to this group is essential for it to achieve our common goals.

Preparation

The Chief Financial Officer consolidates the budgets from each department and is responsible to combine the projects and programs and then submit it through the General Manager to the Board of Directors for approval. Once all the projects required to reach the goals have been established and are created or re-evaluated, the projects are then financed and classified by determining whether the budget impact is a capital or a period cost. [See Capital Details (Projects)]

The projects, expenses and strategies are now projected for a two-year period to add continuity, even though only the first year will be adopted by the Board. The following year gives a perspective, sort of a look around the corner. Once the operating expenses are determined for each department, the "period cost projects" are added to the overhead with a reference back to the project so the non-recurring nature of the period cost will be self-evident.

Costs are summarized into six (6) categories: Revenues & Expenses for Operations, Capital and Debt Service. (1) Capital Expenses are capital projects & departmental capital expenditures (assets). (2)

Capital Revenues are made up of tax proceeds, reserve funds, and grants. (3) Operational Expenses are made up of salaries, benefits, water costs, and overhead expenses. Salaries and an appropriate overhead are transferred to capital projects from operational expense based on the labor distribution budgeted. The “labor transferred out” and the “burden transferred out” can be found in the departmental detail at the very bottom of the page. The amount of overhead applied to each labor dollar is based on an analysis of the overhead expenses and the direct labor. (See the “Overhead Calculation Formula on page 17.) (4) Operational Revenues are made up of primarily taxes with more and more each year being contributed from water sales. Currently taxes represent 59% of the operational income and water sales represents 33%. The rest is made up of interest income and DWR credits. (5) Debt Service Expenses are made up of the capital charges billed by DWR for the East Branch Enlargement Facilities, Water System Revenue Bonds, and the Delta Water and Transportation Capital Charges. (6) Debt Service Revenues are made up of taxes collected that are obligated to pay off debt. ID “M” is a refunding issued in 1996 for the capital cost to build the Morongo Basin Pipeline and all taxes collected must be used to pay off that bond debt. This has been now refunded again in 2006 (a forward refunding started in November, 2005) and was closed on June 7, 2006. However, the taxes collected for MWA 1 and MWA 2 are collected to pay off the capital debt billed to us by the Department of Water Resources (DWR) for the Capital cost of the State Water Project. Any tax collected each year in excess of that required to pay that year’s capital charges, can be used to purchase water for the underground storage. A more detailed breakdown of these taxes are covered under Tax Revenues in the “Revenues” section.

Review & Control

Once the budget is approved, all financial statements are issued with the budget as a measure of performance, efficiency, and planning. All spending limits are still in place and must get proper approval even if part of an approved budget. The approval levels in effect this year are unchanged:

Position	<=\$1,000	<=\$2,000	<=\$5,000	<=\$25,000	>\$25,000
Board of Directors	Yes	Yes	Yes	Yes	Yes
General Manager	Yes	Yes	Yes	Yes	No
Assistant General Manager	Yes	Yes	Yes	No	No
Chief Financial Officer	Yes	Yes	Yes	No	No
Operations Manager	Yes	Yes	No	No	No
Executive Assistant	Yes	Yes	No	No	No
Exempt	Yes	No	No	No	No

Any deviation over the budget within a department can be made up by using budget excesses in other categories at the discretion of the Chief Financial Officer or the General Manager. In other words if account 6051 exceeds budget, then budget excess from account 6055 can be used to fill the shortage. The Capital budget is controlled in the same way except that projects in excess of \$25,000 cannot be exceeded without Board approval. Monies cannot be transferred between departmental expenses or capital costs because of the source of funds (taxes, reserves, etc). The departments are: (1) Administration, (2) Operations, (3) Water Resources and (4) Watermaster. If a department exceeds their total expense or capital budget, the department’s budget must be revised by staff for the remainder of the year and then approved by the Board of Directors.

Budget Change Summary

In order to carry out the goals and objectives this year, the Staff as directed by the Board has contracted out all projects that do not require a continuing support of resources which is mirrored in the project costs. However, after analyzing the need for new revenues, recharge basins, information flows, partnerships, the new focus on long-term supplies, the Claim Program, Inventory Usage and database storage to respond to the increased pressure to deliver projected demands and to implement projects as quickly as possible.

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This new environment may require a change in the basic structure of the Agency and that change is reflected in the budget.

Some of the changes required are to be able to capture the immediate opportunities for wet year water as well as unused allocations. This requires the Agency to structure the appropriate staffing to rapidly execute multiple projects with variable schedules. This will require staff to transform Engineering from front line workers to project managers, more reliance on consultants and to optimize staff for variable workloads, inter-departmental support (proximity support), and enterprise project management.

Tools must be developed to aid in decision making like the "Water Storage Inventory Program" being completed that will monitor water deliveries, storage balances, water purchases and claim holdings. This will also include predictive groundwater modeling and State-of-the-Basin reporting.

It is paramount the Agency position itself to capture opportunities to increase long-term supplies (Strategic Plan Goals I&II). This will require the Agency to have Financing in place for purchase of additional entitlement, unused allocations, transfers and all other "Post 2020 Plan" recommendations.

Budget Analysis

2007 COMBINED BUDGET

2007 COMBINED BUDGET					
Fund Description	Operations	Capital	Total Budget	Debt Service	Total
REVENUES			Revenues		Revenues
100 General Fund					
Grants		4,725,000	4,725,000		4,725,000
Taxes	9,267,918		9,267,918		9,267,918
Water Sales	5,165,500		5,165,500		5,165,500
Investment & Others	852,000		852,000		852,000
600 State Water Contract	6,516,550		6,516,550	6,437,862	12,954,412
849 Improvement District "M"				3,433,232	3,433,232
900 Watermaster	591,072		591,072		591,072
949 Berrenda Mesa Reserve Contribution	4,429,183		4,429,183	1,924,106	6,353,289
Total Revenues	26,822,223	4,725,000	31,547,223	11,795,200	43,342,423
EXPENSES					
100 General Fund	16,077,861	11,088,068	27,165,929		27,165,929
Inventory Purchases	1,951,378		1,951,378		1,951,378
600 State Water Contract				5,630,613	5,630,613
849 Improvement District "M"				3,213,500	3,213,500
860 Reach 1 - Oversize				350,985	350,985
870 Mojave River Pipeline Project				350,300	350,300
880 Hi-Desert Extension				105,964	105,964
900 Watermaster	478,538		478,538		478,538
949 Berrenda Mesa				1,924,106	1,924,106
Total Expenses	18,507,776	11,088,068	29,595,845	11,575,468	41,171,313
Revenues less Expenses	8,314,447	(6,363,068)	1,951,378	219,732	2,171,111
Reserved for Debt Service				(219,732)	(219,732)
Net Revenues	8,314,447	(6,363,068)	1,951,378	(0)	1,951,378

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2008 COMBINED BUDGET

2008 COMBINED BUDGET					
Fund Description	Operations	Capital	Total Budget	Debt Service	Total
REVENUES			Revenues		Revenues
100 General Fund					
Grants		4,395,000	4,395,000		4,395,000
Taxes	10,231,436		10,231,436		10,231,436
Water Sales	8,480,280		8,480,280		8,480,280
Investment & Others	1,479,000		1,479,000		1,479,000
600 State Water Contract	10,524,497		10,524,497	6,881,589	17,406,086
849 Improvement District "M"				3,606,234	3,606,234
900 Watermaster	646,916		646,916		646,916
949 Berrenda Mesa Reserve Contribution	5,243,123		5,243,123	1,923,056	7,166,179
Total Revenues	36,605,252	4,395,000	41,000,252	12,410,879	53,411,130
EXPENSES			77%	23%	100%
100 General Fund	18,837,664	16,247,407	35,085,071		35,085,071
Inventory Purchases				6,074,224	6,074,224
600 State Water Contract				3,213,500	3,213,500
849 Improvement District "M"				351,025	351,025
860 Reach 1 - Oversize				350,365	350,365
870 Mojave River Pipeline Project				105,975	105,975
880 Hi-Desert Extension					
900 Watermaster	515,394		515,394		515,394
949 Berrenda Mesa				1,923,056	1,923,056
Total Expenses	19,353,058	16,247,407	35,600,465	12,018,145	47,618,610
Revenues less Expenses	17,252,194	(11,852,407)	5,399,787	392,734	5,792,521
Reserved for Debt Service				(392,734)	(392,734)
Net Revenues	17,252,194	(11,852,407)	5,399,787	(0)	5,399,787

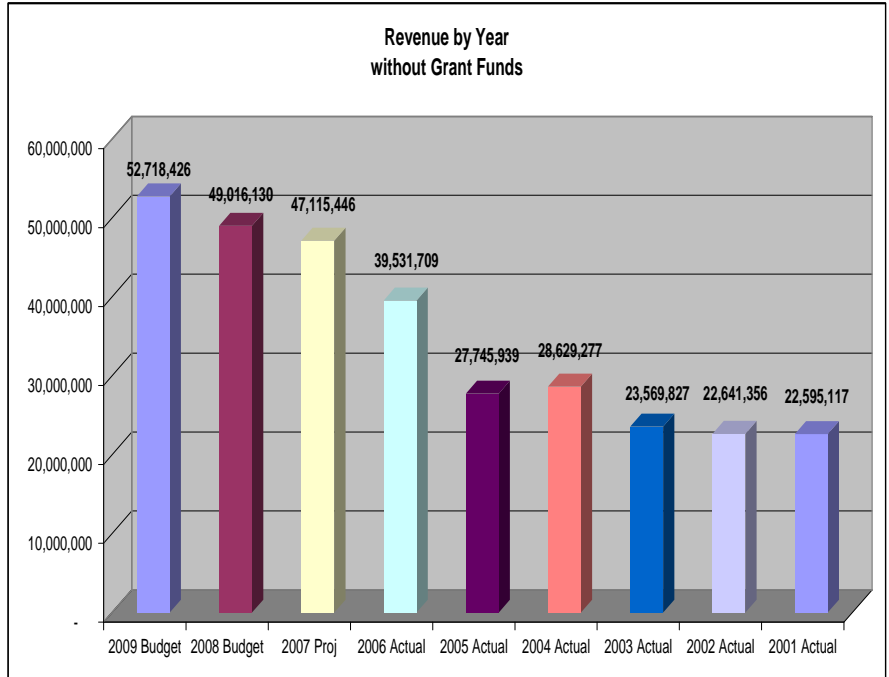
2009 COMBINED BUDGET

2009 COMBINED BUDGET					
Fund Description	Operations	Capital	Total Budget	Debt Service	Total
REVENUES			Revenues		Revenues
100 General Fund					
Grants		10,500,000	10,500,000		10,500,000
Taxes	11,419,455		11,419,455		11,419,455
Water Sales	8,918,780		8,918,780		8,918,780
Investment & Others	374,000		374,000		374,000
600 State Water Contract	12,535,107		12,535,107	6,959,710	19,494,817
849 Improvement District "M"				3,829,869	3,829,869
900 Watermaster	655,386		655,386		655,386
949 Berrenda Mesa Reserve Contribution	6,097,376	5,020,114	6,097,376	1,928,744	8,026,120
Total Revenues	40,000,104	15,520,114	55,520,218	12,718,322	68,238,540
EXPENSES			44%	36%	
100 General Fund	28,256,379	26,722,675	54,979,054		54,979,054
Inventory Purchases				6,152,345	6,152,345
600 State Water Contract				3,211,125	3,211,125
849 Improvement District "M"				351,025	351,025
860 Reach 1 - Oversize				350,365	350,365
870 Mojave River Pipeline Project				105,975	105,975
880 Hi-Desert Extension					
900 Watermaster	541,164		541,164		541,164
949 Berrenda Mesa				1,928,744	1,928,744
Total Expenses	28,797,543	26,722,675	55,520,218	12,099,578	67,619,796
Revenues less Expenses	11,202,561	(11,202,561)	0	618,744	618,744
Reserved for Debt Service				(618,744)	(618,744)
Net Revenues	11,202,561	(11,202,561)	0	(0)	0

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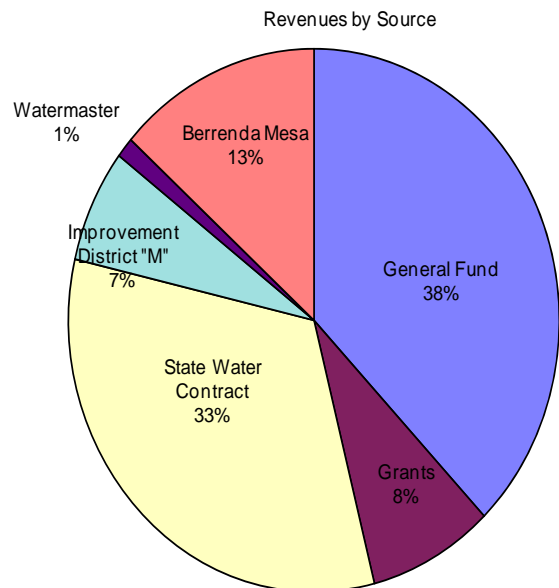
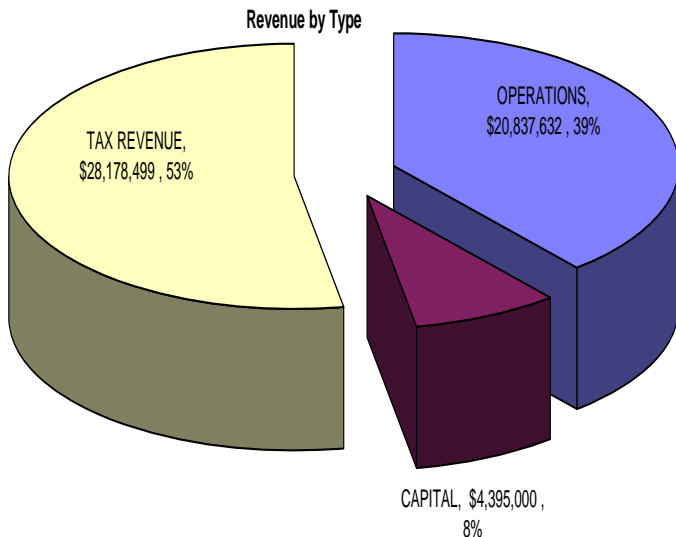
Revenues

There are some significant events in the budget this year. The State is no longer taking our General Revenue taxes and we are expecting a \$1,500,000 increase in replacement sales. The revenues graph (without grant funds), projects a 4.03% increase for 2008 and a 7.55% increase for 2009. This is caused by a substantial increase in tax revenues as well as large increases in replacement water sales in both years. The increase in replacement sales is due to the lack of available base annual production for sale in the coming years. This is an estimate in that there are many small amounts available and the exact amount is difficult to determine.



The table below clearly shows the two largest categories of increase are the General Fund and the State Water Contract.

COMBINED REVENUE SUMMARY by FUND 2008 BUDGET					
FUND	DESCRIPTION	OPERATIONS	CAPITAL	TAX REVENUE	TOTALS
100	General Fund	9,959,280		10,231,436	20,190,716
	Grants		4,395,000		4,395,000
600	State Water Contract			17,406,086	17,406,086
849	Improvement District "M"			3,606,234	3,606,234
900	Watermaster	646,916			646,916
949	Berrenda Mesa Reserve Contribution			7,166,179	7,166,179
	TOTALS	\$ 10,606,196	\$ 4,395,000	\$ 38,409,935	\$ 53,411,130



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The details of the **General Fund** below clearly show that Water Sales and Property Taxes depict the largest increases as indicated on the graph below the table.

ACCOUNT NUMBER	DESCRIPTION	Budget 2009	Budget 2008	Budget 2007	ACTUAL 2006
4000 100	Grant Revenue	10,500,000	4,395,000	4,725,000	4,273,112
4020 100	Water Sales	8,918,780	8,480,280	5,165,500	6,033,033
4030 100	Minimum OMP&R (ID M)	-	178,000	170,000	148,804
4040 100	Capital Replacement Costs (ID M)	-	277,000	277,000	276,356
4100 100	Property Taxes	11,419,455	10,231,436	9,015,797	8,110,696
4190 100	Rental Income	14,000	14,000	14,000	14,004
4191 100	Interest Income	350,000	1,000,000	380,000	660,590
4195 100	Miscellaneous Income	-	-	1,000	1,553,400
4196 100	Turnback Pool				0
4199 100	Reimbursed Expenses	10,000	10,000	10,000	11,026
	Total Revenues	31,212,235	24,585,716	19,758,297	21,081,022

Water sales

There is an increase in fiscal 2008 caused by the sale of replacement water as depicted in the table below. A large increase to 22,000 AF of replacement water is expected in 2008. The graph and table below shows how the total water sales were impacted.

Water Sales	2009 Budget			2008 Budget			2007 Actual		
	Acre Ft	\$/AF	Extended	Acre Ft	\$/AF	Extended	Acre Ft	\$/AF	Actual
High Desert (Reach 5 Morongo PL)	4,100	280	1,148,000	4,100	295	1,209,500	4,837	291	1,407,567
Power Plant (Reach 1A Mojave PL)	5,820	250	1,455,000	5,820	250	1,455,000	4,000	250	1,000,025
Rock Springs Outlet (Replacement)	24,000	250	6,000,000	22,000	250	5,500,000	16,198	246	3,984,708
AVEK	1,385	228	315,780	1,385	228	315,780	944	228	215,232
Total Water Sales	35,305	253	8,918,780	33,305	255	8,480,280	25,979	254	6,607,532

Tax Revenues

The Agency has authorization in its Act for Ad Valorem Tax Assessments to repay the costs of the contract with the State of California, Department of Water Resources and the Agency’s administrative costs. In addition, the Act provides for the establishment of Zones of Benefit and Improvement Districts within the Agency.

The Agency has established three ad valorem assessments:

- (1) **MWA #1** – It is based on land only and is limited to a maximum rate of \$0.1125 per \$100 assessed value. It is dedicated to the repayment of the Capital cost of the State Water Project and any variable costs required delivering the State water.

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(2) **MWA #2** – It is based on land and improvements and is the rate of \$0.055 per \$100 assessed value. It is used to pay for the State water contract costs that are not covered by the MWA#1 assessment. It is also used to pay for the Agency’s administrative costs and the Berrenda Mesa Project costs as follow:

- a. General Fund (Admin. Costs): 45.4% (\$0.025 per \$100 assessed value)
 - b. State water contract costs: 18.2% (\$0.010 per \$100 assessed value)
 - c. Berrenda Mesa Project (949): 36.4% (\$0.020 per \$100 assessed value)
- 100% (\$0.055 per \$100 assessed value)

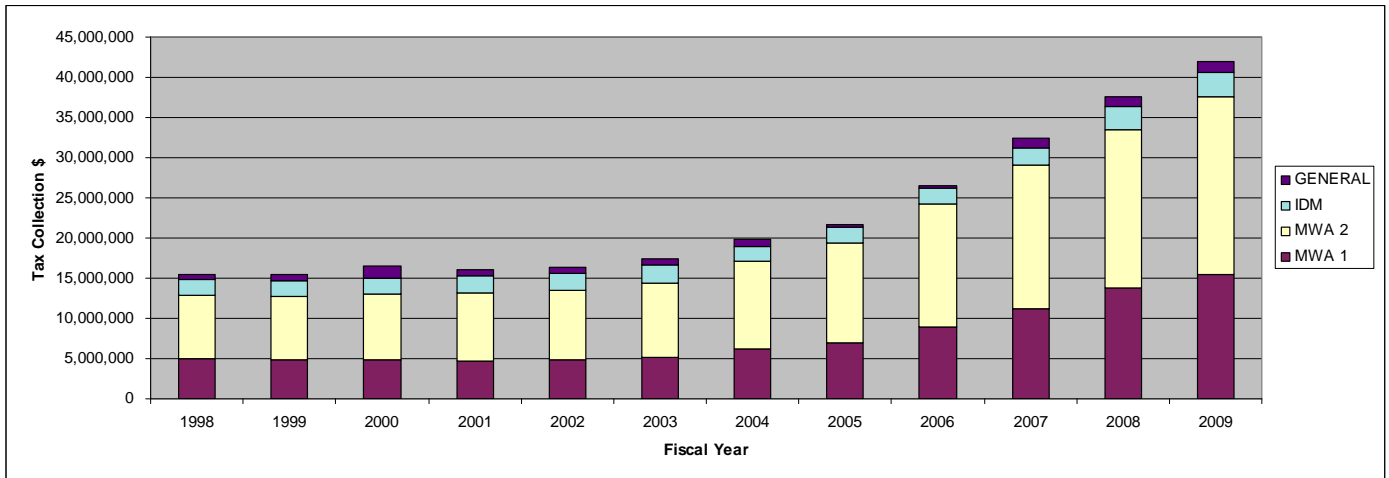
(3) **Improvement District “M”** – It is based on the land and improvements and is the rate of \$0.0850 for both secured and unsecured per \$100 of assessed valuation.

General Property Taxes are assessed and collected by the County of San Bernardino at a rate per \$100 of assessed value, plus other increases approved by the voters.

Tax Revenues by Year

TAXES	2009 Budget	2008 Budget	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
MWA 1	15,481,756	13,822,997	12,308,914	8,864,497	6,999,931	6,225,853	5,122,521	4,782,160	4,751,113	4,884,533	4,803,252	4,927,304
MWA 2	22,071,831	19,706,992	19,080,078	15,304,749	12,421,890	10,970,311	9,210,502	8,717,698	8,432,400	8,133,719	7,932,467	7,934,146
ID M	3,027,087	2,802,859	2,337,991	2,051,012	1,977,275	1,759,975	2,299,866	2,128,004	2,129,476	2,053,687	1,989,707	1,973,579
GENERAL	1,400,813	1,286,578	1,236,067	325,514	201,078	857,576	828,167	761,890	718,524	1,419,710	727,860	694,952
Total All Taxes	41,981,488	37,619,426	34,963,050	26,545,773	21,600,174	19,813,716	17,461,056	16,389,752	16,031,513	16,491,648	15,453,287	15,529,982
% Increase	12%	8%	32%	23%	9%	13%	7%	2%	-3%	7%	0%	-1%

The tax revenues for 2008 increased by 10% and the table above shows how the increase has affected our tax revenues since 1998 and how the increases have been increasing since 2003.



The graph depicts the increases we have received since 2003 and as you can see the increases are becoming more prominent each year. It has been determined that the increases we see in the taxes each year represent economic events of 18 to 24 months prior. It would seem fair to assume that since the growth has continued up to and through 2007, we can expect at least two more years of growth, which is how the projections to 2008 and 2009 were determined.

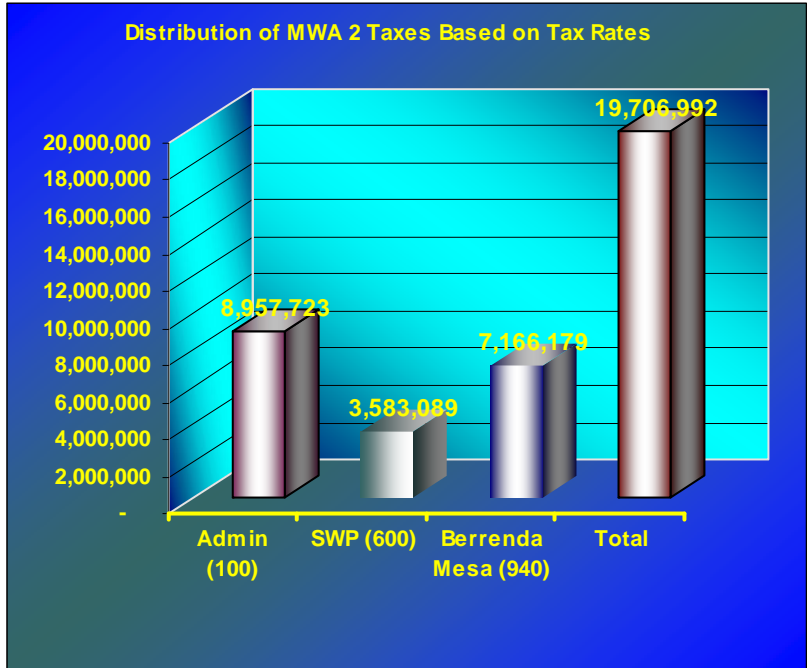
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Based on the building permits, cost per square foot, and population increases in 2006 and 2007, the projection for 2008 and 2009 were extracted using the base assessed values of the same years.

MWA 1 & 2

As you can see in the table above, MWA 1 and MWA 2 are expected to generate \$33 million dollars this year.

Below is how the taxes are distributed for use. As is evidenced below, only \$10,231,436 of the \$38,422,800 can be used for capital projects, administration or any debt other than the General Revenue Bonds already issued. The remainder can only be used to buy water and to pay for the various fixed State Water Project costs as billed by DWR annually.



Tax Revenues by Department

SUMMARY Fiscal 2008	GENERAL 100	SWP 600	IDM 849	Brnda Mesa 949	WM Liens 900	TOTAL
MWA 1 TAXES		13,822,997				13,822,997
MWA 2 TAXES	8,957,723	3,583,089		7,166,179		19,706,992
ID M TAXES			2,802,859			2,802,859
GENERAL TAXES	1,273,713				12,866	1,286,578
25% IDM BILLING			803,375			803,375
TOTAL INCOME:	10,231,436	17,406,086	3,606,234	7,166,179	12,866	38,422,800

Expenses

Expense Summary

Fund Description	Operations	Capital	Total Budget	Debt Service	Total
100 General Fund	18,837,664	16,247,407	35,085,071		35,085,071
Inventory Purchases					
600 State Water Contract				6,074,224	6,074,224
849 Improvement District "M"				3,213,500	3,213,500
860 Reach 1 - Oversize				351,025	351,025
870 Mojave River Pipeline Project				350,365	350,365
880 Hi-Desert Extension				105,975	105,975
900 Watermaster	515,394		515,394		515,394
949 Berrenda Mesa				1,923,056	1,923,056
Total Expenses	19,353,058	16,247,407	35,600,465	12,018,145	47,618,610
Revenues less Expenses	17,252,194	(11,852,407)	5,399,787	392,734	5,792,521
Reserved for Debt Service				(392,734)	(392,734)
Net Revenues	17,252,194	(11,852,407)	5,399,787	(0)	5,399,787

Expense Detail Summary

Acct	DESCRIPTION	100-AD	100-OM	100-WR	2009 MWA	2008 MWA	2007 MWA	2006 MWA
6010	Salaries	1,168,790	638,680	677,208	2,608,912	2,484,678	2,115,066	2,116,534
6012	Overtime		16,113		16,919	16,113	-	51,945
6015	Director Fees	158,381			166,300	158,381	150,840	143,657
	TOTAL SALARIES	1,327,171	654,793	677,208	2,792,131	2,659,172	2,265,905	2,312,136
6020	Fringe Benefits	752,811	356,036	431,585	1,617,453	1,540,431	1,316,338	1,355,437
	TOTAL SALARIES & BENEFITS	2,079,982	1,010,829	1,108,793	4,409,584	4,199,604	3,582,244	3,667,573
	Labor Transfers out	17,484	277,530	214,325	534,806	509,339	675,904	669,881
	NET SALARIES & BENEFITS	2,062,498	733,299	894,467	3,874,777	3,690,264	2,906,340	2,997,692
5211	DWR-Variable Trans (175.00/af)		5,828,375		6,884,475	5,828,375	3,198,718	2,113,230
5212	DWR-Off Aqueduct (51.00/af)		1,700,000		4,534,924	1,700,000	876,125	4,036,194
5213	Purchase Price Variance							202,284
5214	DWR Natural Gas Hedging Program						500,000	
5215	DWR Minimum OMP&R Component		4,275,000		4,488,750	4,275,000	5,500,000	1,851,714
5216	DWR East Branch Enlargement		130,000		136,500	130,000	260,000	
5219	SWC Member Allocation	90,000			94,500	90,000	70,000	90,000
	Total Water Purchase Costs	90,000	11,933,375		16,139,149	12,023,375	10,404,843	8,293,422

There are three primary expense categories in our overhead expenses; Labor, DWR costs, and departmental expenses. Benefits cost 57.9% of the total labor. Both labor and benefits have increased 17% from last year.

Overhead Calculation Summary

This overhead allocation table is the formula used to determine the overhead allocation factor that is used for the budget year. This allocates overhead costs to capital based on the amount of in-house labor required to complete a project. This is a key component in accurately spreading the cost of department labor and overhead to both capital projects and other departments requiring support. This year again shows an over-all rate of 465% which is a substantial increase over last year's rate of 254%. This is caused by the use of more outside contracting with inside support.

Description	Admin	O & M	W.R.	Total
Salaries - Direct Labor	300,034	494,289	557,550	1,351,873
Direct Costs - Material	2,903,800	8,706,900	3,835,000	15,445,700
Direct Costs - WATER		11,933,375		11,933,375
Interest Exp	70,000			70,000
Total Direct Cost	3,273,834	21,134,564	4,392,550	28,800,948

Total Operation & Capital Cost	35,085,071
Less Direct Cost	(28,800,948)
Overhead Costs	6,284,123
Labor Burden Rate	465%

2007-2008 Mojave Water Agency Fiscal Year Budget

MWA Expense Summary

MWA EXPENSE SUMMARY SHEET								
Acct	DESCRIPTION	100-AD	100-OM	100-WR	2009 MWA	2008 MWA	2007 MWA	2006 MWA
6010	Salaries	1,168,790	638,680	677,208	2,608,912	2,484,678	2,115,066	2,116,534
6012	Overtime		16,113		16,919	16,113	-	51,945
6015	Director Fees	158,381			166,300	158,381	150,840	143,657
	TOTAL SALARIES	1,327,171	654,793	677,208	2,792,131	2,659,172	2,265,905	2,312,136
6020	Fringe Benefits	752,811	356,036	431,585	1,617,453	1,540,431	1,316,338	1,355,437
	TOTAL SALARIES & BENEFITS	2,079,982	1,010,829	1,108,793	4,409,584	4,199,604	3,582,244	3,667,573
	Labor Transfers out	17,484	277,530	214,325	534,806	509,339	675,904	669,881
	NET SALARIES & BENEFITS	2,062,498	733,299	894,467	3,874,777	3,690,264	2,906,340	2,997,692
5211	DWR-Variable Trans (175.00/af)		5,828,375		6,884,475	5,828,375	3,198,718	2,113,230
5212	DWR-Off Aqueduct (51.00/af)		1,700,000		4,534,924	1,700,000	876,125	4,036,194
5213	Purchase Price Variance							202,284
5214	DWR Natural Gas Hedging Program						500,000	
5215	DWR Minimum OMP&R Component		4,275,000		4,488,750	4,275,000	5,500,000	1,851,714
5216	DWR East Branch Enlargement		130,000		136,500	130,000	260,000	
5219	SWC Member Allocation	90,000			94,500	90,000	70,000	90,000
	Total Water Purchase Costs	90,000	11,933,375		16,139,149	12,023,375	10,404,843	8,293,422
5935	Directors Preapproved Travel	30,000			31,500	30,000	30,000	30,000
5936	Director Conferences	14,000			14,700	14,000	21,000	21,000
5940	Directors Expenses	8,750			9,188	8,750	17,500	17,500
6046	Equipment Lease/Rent	109,123	32,000		148,179	141,123	89,123	66,782
6047	Safety Supplies	6,000	14,000	3,500	24,675	23,500	12,000	10,500
6048	Recruiting	9,000		10,000	19,450	19,000	11,500	11,000
6049	Temporary Services	9,850	41,600	20,000	74,023	71,450	14,850	45,000
6050	Building Maintenance	45,000			47,250	45,000	44,850	40,000
6055	Utilities	44,000	300,000		361,200	344,000	254,000	188,640
6058	Photo Exp	200	1,000		1,260	1,200	200	200
6059	Postage/Mailing	6,000	200	1,000	7,560	7,200	8,000	7,200
6060	Office Supplies	35,000	1,000		37,800	36,000	36,000	35,000
6061	Small Tools	200	24,500	5,000	30,935	29,700	14,200	14,200
6062	Books & Subscriptions	6,350	2,500	52,500	64,418	61,350	61,350	71,500
6065	Telephone	118,000	25,000		150,150	143,000	148,000	112,000
6070	Printing	2,000	1,000	3,500	6,825	6,500	8,500	6,500
6075	Computer & Equipment Maintenance	196,800	200,000	25,000	442,890	421,800	468,000	238,000
6078	Data Collection			805,000	845,250	805,000	600,000	220,000
6080	Insurance	117,714	82,605		210,335	200,319	200,519	197,554
6085	Dues, Fees & Memberships	35,000	4,500	2,500	43,975	42,000	41,100	41,100
6090	Auto Expenses	3,000	45,000	15,000	65,400	63,000	55,000	50,000
6094	Travel, Meals & Lodging (Staff)	20,000	3,500	4,000	28,875	27,500	26,000	26,000
6100	Education & Training	30,000	14,000	20,000	66,200	64,000	39,000	79,000
6103	Consulting	180,000		60,000	249,000	240,000	310,000	230,000
6120	Legal Services	250,000			262,500	250,000	125,000	75,000
6121	Professional Services - Advocate	114,000			119,700	114,000	114,000	114,000
6125	Accounting & Auditing	75,000			78,750	75,000	75,000	60,000
6133	Water Quality			35,000	40,000	35,000	10,000	5,000
6135	Engineering			50,000	52,500	50,000	180,000	200,000
6140	USGS			255,000	267,750	255,000	175,000	225,000
6155	Aerial Photos			130,000	130,000	130,000	20,000	61,150
6161	Public Information and Outreach	470,300			493,815	470,300	201,500	407,500
6165	Water Conservation	645,000			677,250	645,000	517,000	500,000
6205	Election Expense	50,000			52,500	50,000	50,000	
6210	County Tax Collection Fee	60,000			63,000	60,000	40,000	40,000
6211	County Property Tax Admin Fee							
6212	County Administrative Fee (MTA)	353,000			370,650	353,000	102,000	102,000
6225	IDM: 4% OMP&R Csts.Support		14,000		14,700	14,000	14,000	14,000
6231	Contingency	60,000			63,000	60,000	60,000	150,000
6235	Other Expenses	15,000			15,750	15,000	15,000	15,000
6310	Interest Expense	70,000			73,500	70,000	15,000	15,000
	Total Before Transfers	3,188,287	806,405	1,497,000	5,756,402	5,491,692	4,224,192	3,792,326
	Burden Transfers In							
	Burden Transfers Out	81,299	1,290,087	996,282	2,486,051	(2,367,667)	(1,457,514)	(1,906,863)
	Total Operating Expense	5,259,486	12,182,992	1,395,186	28,256,379	18,837,664	16,077,861	13,176,577
	TOTAL CAPITAL COSTS	1,782,282	10,274,518	4,190,607	29,349,027	16,247,407	11,038,068	12,777,426
	Grants and Loan Revenue	250,000	3,750,000	395,000	26,000,000	4,395,000	4,725,000	6,087,500
	NET CAPITAL COSTS	1,532,282	6,524,518	3,795,607	3,349,027	11,852,407	6,313,068	6,689,926

2007-2008 Mojave Water Agency Fiscal Year Budget

Administration Department Expense Summary

Administration Department		2009	2008	2007	2007	Feb 2007	2006	2005	2004
		Budget	Budget	Budget	Projectd	Actual	Actual	Actual	Actual
SALARIES & BENEFITS		105%							
6010	Salaries	1,227,230	1,168,790	933,019	989,718	659,812	905,866	905,866	813,169
6012	Overtime				4,197	2,798	4,638	4,638	681
5900	Director Fees	166,300	158,381	143,657	110,565	73,710	105,819	105,819	99,981
	Total Salaries	1,393,529	1,327,171	1,076,676	1,104,480	736,320	1,016,323	1,016,323	913,831
6020	Benefits	790,451	752,811	653,473	558,472	372,315	479,295	474,208	411,363
	Total Salaries and Benefits	2,183,981	2,079,982	1,730,149	1,662,952	1,108,635	1,495,618	1,490,531	1,325,194
	Labor Transfer Out	18,358	17,484	44,617	8,850	5,900	56,492	56,492	74,578
	Net Salaries and Benefits	2,165,623	2,062,498	1,685,533	1,654,102	1,102,735	1,439,126	1,434,039	1,250,616
5219	SWC Member Allocation	94,500	90,000	90,000	36,407	24,271	87,341	87,341	99,913
	State Water Purchase Costs	94,500	90,000	90,000	36,407	24,271	87,341	87,341	99,913
5935	Directors Legislative Travel	31,500	30,000	30,000	1,805	1,203			
5936	Director Conferences	14,700	14,000	21,000	9,909	6,606			6,705
5940	Directors Expenses	9,188	8,750	17,500	5,493	3,662			4,829
6046	Equipment Lease/Rent	114,579	109,123	61,782	61,980	41,320	63,287	65,867	38,810
6047	Safety Supplies	6,300	6,000	2,000	5,603	4,669	16,013	16,013	1,509
6048	Recruiting	9,450	9,000	4,000	8,801	7,334			200
6049	Temporary Services	10,343	9,850	15,000					36,380
6050	Building Maintenance	47,250	45,000	40,000	37,674	25,116	56,624	41,894	40,870
6055	Utilities	46,200	44,000	40,000	52,605	35,070	51,455	43,884	41,361
6058	Photo Exp	210	200	200			88	88	139
6059	Postage/Mailing	6,300	6,000	6,000	5,864	3,909	7,408	6,761	5,128
6060	Office Supplies	36,750	35,000	35,000	29,705	19,803	38,237	47,475	36,297
6061	Small Tools	210	200	200	21	14	14	220	82
6062	Books & Subscriptions	6,668	6,350	6,000	6,729	4,486	4,593	6,036	12,276
6065	Telephone	123,900	118,000	82,000	105,891	70,594	113,126	88,584	86,448
6070	Printing	2,100	2,000	2,000	1,139	759	1,029	3,437	2,104
6075	Computer & Equipment Maintenance	206,640	196,800	57,000	59,709	39,806	63,630	28,102	18,219
6078	Data Collection								
6080	Insurance	123,600	117,714	159,554	112,451	18,080	129,396	158,398	229,949
6085	Dues, Fees & Memberships	36,750	35,000	35,000	16,509	11,006	35,248	27,166	28,684
6090	Auto Expenses	3,150	3,000	3,000	3,300	2,200	2,111	6,362	2,434
6094	Travel, Meals & Lodging (Staff)	21,000	20,000	20,000	18,250	12,167	17,552	16,310	27,657
6100	Education & Training	31,500	30,000	55,000	11,860	7,907	15,453	10,119	27,869
6103	Consulting	189,000	180,000	150,000	128,614	85,743	103,819	166,596	123,735
6120	Legal Services	262,500	250,000	75,000	237,082	158,055	176,313	117,504	135,734
6121	Professional Services - Advocate	119,700	114,000	114,000	108,894	72,596	107,186	114,266	104,831
6125	Accounting & Auditing	78,750	75,000	60,000	25,875	17,250	31,342	36,390	64,417
6155	Aerial Photos				18,029	10,517			
6161	Public Information and Outreach	493,815	470,300	407,500	141,513	94,342	154,293	49,713	50,669
6165	Water Conservation	677,250	645,000	500,000	147,439	98,293	21,751	84,016	27,497
6205	Election Expense	52,500	50,000				9,962		54,389
6210	County Tax Collection Fee	63,000	60,000	40,000	44,859	29,906	48,673	39,547	35,238
6211	County Property Tax Admin Fee								
6212	County Administrative Fee (MTA)	370,650	353,000	102,000			206,625	99,575	41,872
6225	IDM: 4% OMP&R Csts.Support								
6231	Contingency	63,000	60,000	60,000				7,723	
6235	Other Expenses	15,750	15,000	15,000	13,731	9,154	27,594	12,614	16,311
6310	Interest Expense	73,500	70,000	15,000	62,780	41,853	225,808	10,725	19,302
	Total Non-Labor Expense	3,347,701	3,188,287	2,230,736	1,484,113	933,420	1,728,629	1,305,383	1,321,945
	Total Departmental Expense	5,607,824	5,340,785	4,006,269	3,174,622	2,060,425	3,255,096	2,826,763	2,672,474
6401	Less Labor Burden Out	85,364	81,299	72,791	90,646	55,767	116,704	116,704	133,942
	Total NET Departmental Expense	5,522,461	5,259,486	3,933,478	3,083,976	2,004,658	3,138,392	2,710,059	2,538,532

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Operation & Maintenance (O&M) Department Expense Summary

O&M Department	2009 Budget	2008 Budget	2007 Budget	2007 Projectd	2006 Actual	2005 Actual	2004 Actual
SALARIES & BENEFITS	5%						
6010 Salaries	670,614	638,680	614,849	702,488	729,120	648,350	620,855
6012 Overtime	16,919	16,113		25,529	69,344	13,445	12,697
6015 Director Fees							
TOTAL SALARIES	687,533	654,793	614,849	728,017	798,464	661,795	633,552
6020 Benefits	373,838	356,036	327,410	379,576	385,832	330,672	305,167
TOTAL SALARIES & BENEFITS	1,061,371	1,010,829	942,259	1,107,593	1,184,296	992,467	938,719
Labor Transfers Out	291,407	277,530	356,083	242,667	354,419	345,159	348,608
NET SALARIES & BENEFITS	769,964	733,299	586,176	864,926	829,877	647,308	590,111
5211 DWR-Variable Trans (175.00/af)	6,884,475	5,828,375	3,198,718	1,817,620	4,444,781	2,067,481	1,540,399
5213 DWR-Off Aqueduct (51.00/af)	4,534,924	1,700,000	876,125				(334,334)
5213 Purchase Price Variance				(1,857,708)	(2,521,343)	(8,398)	
5214 DWR Natural Gas Hedging Program			109,732	109,732	277,785		
5215 DWR Minimum OMP&R Component	4,488,750	4,275,000	4,393,255	4,290,415	4,120,296	3,877,945	4,066,835
5216 DWR East Branch Enlargement	136,500	130,000	139,467	139,466	2,213	147,625	123,300
5219 SWC Member Allocation							
State Water Purchase Costs	16,044,649	11,933,375	8,717,297	4,499,525	6,323,732	6,084,653	5,396,200
6046 Equipment Lease/Rent	33,600	32,000	25,000	256	16,741	1,176	1,409
6047 Safety Supplies	14,700	14,000	5,000	2,931	1,909	587	1,145
6048 Recruiting				220	1,844		
6049 Temporary Services	43,680	41,600				11,618	5,030
6050 Building Maintenance							
6055 Utilities	315,000	300,000	210,000	179,963	144,993	121,640	133,375
6058 Photo Exp	1,050	1,000					
6059 Postage/Mailing	210	200	1,000	221	557	324	132
6060 Office Supplies	1,050	1,000	1,000				
6061 Small Tools	25,725	24,500	6,000	14,309	12,403	11,526	9,658
6062 Books & Subscriptions	2,625	2,500	2,500	1,163	2,933	3,054	1,692
6065 Telephone	26,250	25,000	30,000	18,693	21,392	20,870	24,052
6070 Printing	1,050	1,000	3,000	1,034	178	761	157
6075 Equipment Maintenance	210,000	200,000	455,000	51,302	79,430	161,603	20,323
6078 Data Collection			80,000				
6080 Insurance	86,735	82,605	38,000	85,423	69,436	43,573	42,548
6085 Dues, Fees & Memberships	4,725	4,500	4,500	1,061	1,943	3,677	1,527
6090 Auto Expenses	47,250	45,000	40,000	58,645	56,262	44,145	43,573
6094 Travel Expense	3,675	3,500	2,000	1,098	3,372	2,284	369
6100 Education & Training	14,700	14,000	14,000	1,568	2,233	9,165	6,239
6161 Public Relations				1,450	335		
6220 IDM: 4% Debt Service Support				32,508	32,135	15,436	92,684
6225 IDM: 4% OMP&R Csts.Support	14,700	14,000	14,000	17,368	17,008	17,008	17,616
6231 Contingency							
6235 Other Expenses (Trustee Expenses)				19	38		
6310 Interest Expense							
Total Non-Labor Expense	846,725	806,405	931,000	469,232	465,142	468,447	401,529
Total Departmental Expense	17,952,745	13,473,079	10,234,473	5,833,683	7,618,751	7,200,408	6,387,840
Less Labor Burden Out	1,354,592	1,290,087	687,239	573,497	573,140	618,318	609,960
Total NET Departmental Expense	16,598,153	12,182,992	9,547,234	5,260,186	7,045,611	6,582,090	5,777,880

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Water Resources Department Expense Summary

Water Resources Department	2009 Budget	2008 Budget	2007 Projectd	2006 Actual	2005 Actual	2004 Actual
SALARIES & BENEFITS	105%	165.65%				
6010 Salaries	711,069	677,208	408,828	481,730	443,366	331,304
6012 Overtime	-	-	4,927	17,098	10,189	2,980
TOTAL SALARIES	711,069	677,208	413,755	498,828	453,555	334,284
6020 Benefits	453,164	431,585	273,006	308,270	283,926	206,500
TOTAL SALARIES & BENEFITS	1,164,232	1,108,793	686,761	807,098	737,481	540,784
6001 Labor Transfers out	225,042	214,325	170,798	180,007	181,108	126,438
NET SALARIES & BENEFITS	939,191	894,467	515,963	627,091	556,373	414,346
6046 Equipment Lease/Rent	-	-	-	-	-	12,068
6047 Safety Supplies	3,675	3,500	1,959	3,861	3,445	3,418
6048 Recruiting	10,000	10,000	17,130	20,496	4,164	88
6049 Temporary Services	20,000	20,000	7,459	79,100	2,772	30,447
6050 Building Maintenance	-	-	-	-	3,657	-
6059 Postage/Mailing	1,050	1,000	964	622	838	496
6060 Office Supplies	-	-	-	-	-	(14)
6061 Small Tools	5,000	5,000	2,493	8,038	8,404	6,033
6062 Books & Subscriptions	55,125	52,500	40,997	54,328	2,473	4,367
6065 Telephone	-	-	-	-	-	(73)
6070 Printing	3,675	3,500	108	384	1,766	2,149
6075 Equipment Maintenance-Comp Hardware	26,250	25,000	26,169	12,928	19,522	3,932
6078 Data Collection	845,250	805,000	234,820	181,117	190,307	-
6085 Dues, Fees & Memberships	2,500	2,500	1,365	565	2,417	1,142
6090 Auto Expenses	15,000	15,000	11,125	21,144	14,680	11,865
6094 Travel, Meals & Lodging (Staff)	4,200	4,000	747	1,760	6,991	823
6100 Education & Training	20,000	20,000	21,567	25,604	6,743	8,698
6103 Consulting	60,000	60,000	77,275	135,914	42,268	6,250
6120 Legal Services	-	-	-	-	-	-
6132 Environmental	-	-	-	-	-	-
6133 Water Quality	40,000	35,000	2,097	22,714	3,146	1,687
6135 Engineering	52,500	50,000	-	6,008	112,472	169,080
6140 USGS	267,750	255,000	253,249	213,604	158,560	201,452
6155 Arial Photos	130,000	130,000	10,517	9,748	8,997	8,997
6161 Public Relations	-	-	-	29	-	-
6235 Other Expenses (Trustee Expenses)	-	-	-	68	87	-
Total Non-Labor Expenses	1,561,975	1,497,000	710,041	798,031	593,709	472,905
Total Departmental Expense	2,501,166	2,391,467	1,226,004	1,425,122	1,150,082	887,251
Less Labor Burden Out	1,046,096	996,282	276,204	152,742	204,204	99,711
Total NET Departmental Expense	1,455,070	1,395,186	949,800	1,272,380	945,878	787,540

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Watermaster Department Expense Summary

Watermaster Department	2009 Budget	2008 Budget	2007 Budget	2007 Projected	2006 Actual	2005 Actual	2004 Actual
6000 900 Fringe Benefits	149,706	142,577	114,606	92,637	108,598	100,027	79,691
6010 900 Salaries	241,813	230,298	195,728	160,208	183,333	181,756	175,835
6012 900 Overtime	2,030	1,934	2,000	823	1,986	1,309	1,302
Labor Transfers Out				(2,132)	(6,479)		(1,378)
Labor Transfers In							
Sub-Total Salaries & Benefits	393,550	374,809	312,334	251,536	287,438	283,092	255,450
6045 900 Office Rent							
6046 900 Equipment Lease/Rent							
6047 900 Safety Supplies	263	250	250		278	197	278
6048 900 Recruiting	-			7,256		4,267	
6049 900 Temporary Services				1,764	10,668	2,643	
6050 900 Building Maintenance							
6055 900 Utilities							
6059 900 Postage/Mailing	21,000	20,000	30,000	12,672	12,912	16,933	4,602
6060 900 Office Supplies							
6061 900 Small Tools	525	500	500				295
6062 900 Books & Subscriptions	1,575	1,500	1,500	248	1,294	1,265	42
6065 900 Telephone							14
6070 900 Printing	5,250	5,000	5,000	2,441	4,112	4,260	4,358
6075 900 Equipment Maintenance					3,257	1,438	39
6090 900 Auto Expenses				(140)	1,408	1,409	1,664
6094 900 Travel Expenses	2,100	2,000	2,000	205	3,857	694	186
6100 900 Education & Training	5,250	5,000	5,000	3,106	1,883	3,284	386
6120 900 Legal Services	21,000	20,000	20,000	11,628	5,990	15,431	30,942
6125 900 Audit/Accounting	7,875	7,500	7,500		4,000		4,765
6135 900 Engineering	154,350	147,000	147,000	127,081	117,300	189,299	189,133
6155 900 Aerial Photos	12,600	12,000	12,000	10,517	9,748	8,997	8,997
6210 900 County Tax Collection Fee							
6234 900 Bad Debt Expense						(53)	693,364
6235 900 Other Expenses				161	(139,456)	736,000	29
6251 900 WM Depreciation				4,116	4,059		
Departmental Expenses	231,788	220,750	230,750	181,055	41,310	986,064	939,094
6401 Material Transfers Out	(163,763)	(155,965)	(140,346)	(131,170)	(132,237)	(122,244)	(125,651)
6402 Material Transfers In	74,340	70,800	70,800	15,531	21,862	48,251	38,278
Total after Transfers	142,364	135,585	161,204	65,416	(69,065)	912,071	851,721
Total Departmental Costs	535,914	510,394	473,538	316,952	218,373	1,195,164	1,107,171

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Projects by Department

Administrative Department Projects

C = Capital Projects

P = Period Cost Projects

Job	Description	Material	Labor	Burden	Total Job Cost	Grants & Loans	Net Cost	2009 Budget	2009 Grants
	C Departmental Capital Costs	283,500			283,500		283,500	297,675	
239	C Web Site Upgrade	35,000	1,030	4,792	40,822		40,822		
321	C New Building Headquarters	1,000,000	10,463	48,652	1,059,115		1,059,115	1,500,000	
374	C Long Term Data Storage (iSCSI)	150,000	1,860	8,647	160,506		160,506	35,000	
375	C Backup Power Generator	150,000	1,474	6,852	158,326		158,326	0	
377	C I.T. Infrastructure	65,000	2,657	12,356	80,013		80,013	300,000	
	Total Capital Projects	1,683,500	17,484	81,299	1,782,282	0	1,782,282	2,132,675	0
201	P VVCC Strategic Partnership	72,800	3,311	15,397	91,508		91,508	30,000	
208	P MWA Budget		19,202	89,290	108,493		108,493		
209	P Agency Newsletter	5,000	4,503	20,938	30,441		30,441	5,000	
210	P Board Meetings		40,330	187,536	227,866		227,866		
211	P Human Resources		46,537	216,397	262,934		262,934		
212	P Computer Support		37,528	174,507	212,035		212,035	100,000	
226	P Public Information Support	75,000	76,284	354,720	506,004		506,004	75,000	
233	P Lewis Ctr Strategic Ptrnshp	30,000	0	0	30,000		30,000	30,000	
234	P Education Mini-Grants	5,000	0	0	5,000		5,000		
235	P MEEC	2,500	0	0	2,500		2,500		
243	P Facility Tours	5,000	2,413	11,222	18,635		18,635	5,000	
268	P Barstow CC Partnership	60,000	0	0	60,000		60,000	30,000	
288	P SWP Special Projects	25,000	9,812	45,627	80,439		80,439	0	
290	P MDRCD Partnership	30,000	0	0	30,000		30,000	30,000	
291	P Copper Mt.Strategic Ptrnshp	20,000	0	0	20,000		20,000	20,000	
302	P Work Flow Process Implementation	30,000	0	0	30,000		30,000	30,000	
304	P Community Sponsorships	20,000	0	0	20,000		20,000	20,000	
305	P AWAC	50,000	32,926	153,105	236,031		236,031	75,000	
306	P Water Inventory Use Case		545	2,534	3,079		3,079	10,000	
311	P Ecological Exploration		0	0	0		0	25,000	
320	P Conservation Incentives	500,000	3,435	15,972	519,407	250,000	269,407	100,000	
344	P Demonstration Garden	5,000	1,107	5,147	11,254		11,254		
376	P GIS Land Imagery Acquisition	175,000	1,818	8,453	185,271		185,271	125,000	
380	P Copier Solution	45,000	2,799	13,015	60,813		60,813		
381	P County Conferences	15,000	0	0	15,000		15,000	15,000	
383	P Joshua Basin Conservation Project	50,000	0	0	50,000		50,000		
	Total Period Cost	1,220,300	282,551	1,313,860	2,816,711	250,000	2,566,711	725,000	0
	Total Projects	2,903,800	300,034	1,395,159	4,598,993	250,000	4,348,993	2,857,675	0

Operations & Maintenance (O&M) Department Projects

C = Capital Projects
P = Period Cost Projects

Job	Description	Material	Labor	Burden	Total Job Cost	Grants & Loans	Net Cost	2009 Projects	2009 Grants
C	Departmental Capital Costs	201,900			201,900		201,900		
318 C	Antelope Wash Recharge Ponds							500,000	
358 C	SCADA Upgrades	55,000			55,000				
359 C	Regional Recharge & Recovery R3	5,500,000	181,625	844,274	6,525,899	2,750,000	3,775,899	16,000,000	8,000,000
370 C	Oro Grande North Recharge	2,000,000	77,743	361,385	2,439,128	1,000,000	1,439,128	3,000,000	1,500,000
373 C	Traveling Moss Screen	500,000	4,218	19,608	523,827		523,827		
382 C	Lenwood River Outlet	300,000	11,758	54,659	366,417		366,417		
384 C	Helendale Bluffs Site Access Improvements	150,000	2,186	10,161	162,347		162,347		
Total Capital Projects		8,706,900	277,530	1,290,087	10,274,518	3,750,000	6,469,518	19,500,000	9,500,000
347 P	Prop 50 Grant Processing		22,043	102,465	124,507		124,507		
840 P	Morongo Basin Pipeline		100,512	467,227	567,739		567,739		
87A P	Mojave River Pipeline-Expense		94,203	437,900	532,103		532,103		
Total Period Cost			216,758	1,007,592	1,224,350		1,224,350		
Total Projects		8,706,900	494,289	2,297,679	11,498,868	3,750,000	7,693,868	19,500,000	9,500,000

Water Resources Department Projects

C = Capital Projects
P = Period Cost Projects

Job Type	Description	Material	Labor	Burden	Total Job Cost	Grants & Loans	Net Cost 2008	2009 Projects	2009 Grants
C	Departmental Capital Costs	115,000			115,000		115,000		
246 C	State of the Basin Report	50,000	6,998	32,532	89,530		89,530	15,000	
285 C	Tamarisk Removal	500,000	27,697	128,749	656,447	250,000	406,447	300,000	
296 C	Ames/Means-Bighorn-DV Recharge		4,362	20,277	24,639		24,639	250,000	
297 C	Alto Subarea-Basin Concept Modeling	50,000	11,037	51,304	112,341		112,341	25,000	
298 C	Oeste Subarea-Basin Concept Modeling	50,000	15,431	71,729	137,160		137,160		
317 C	FEMA Monitoring Well Repair, TZ well - Ne	200,000	26,493	123,149	349,642	145,000	204,642	500,000	
325 C	So.Apple Vly Recharge Basin		11,392	52,957	64,349		64,349	50,000	
330 C	Joshua Basin Recharge Project	200,000	34,569	160,694	395,264		395,264	2,000,000	1,000,000
332 C	Minimal User Program	500,000	33,657	156,451	690,107		690,107	100,000	
342 C	Easements (Well sites & river levees)	1,040,000	23,033	107,067	1,170,100		1,170,100	1,000,000	
356 C	Newberry Springs Monitoring Wells		811	3,768	4,579		4,579	250,000	
366 C	Future Water Supply Program	200,000	4,849	22,541	227,390		227,390	150,000	
378 C	Additional Modeling	75,000	6,998	32,532	114,530		114,530	50,000	
379 C	Centro/Baja Basin Concept Model		6,998	32,532	39,530		39,530	400,000	
Total Capital Project Costs		2,980,000	214,325	996,282	4,190,607	395,000	3,795,607	5,090,000	1,000,000
214 P	WR Library	50,000	22,813	106,046	178,859		178,859	50,000	
230 P	USGS Cooperative	255,000	11,037	51,304	317,341		255,000	225,000	
251 P	Bore Log GIS Intergration	25,000	12,941	60,156	98,097		25,000	25,000	
253 P	Key Well Program	100,000	30,176	140,269	270,445		270,445	100,000	
295 P	GIS/Roll out of Enterprise	50,000	84,056	390,732	524,789		524,789	50,000	
310 P	Data Collections: WR	300,000	167,348	777,908	1,245,255		1,245,255	220,000	
331 P	Meter Program	25,000	811	3,768	29,579		29,579	25,000	
336 P	Special Projects and Environmental	50,000	14,044	65,283	129,327		129,327	50,000	
Total Period Project Costs		855,000	343,225	1,595,466	2,793,691		2,658,253	745,000	
Total Water Resources Projects		3,835,000	557,550	2,591,748	6,984,298	395,000	6,453,860	5,835,000	1,000,000

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stakeholders in a timelier manner. Arsenic study would consist of a three-year cooperative program proposal from USGS to study elevated arsenic concentration sources and potential remediation for portions of the Alto Sub Area in excess of recently promulgated federal standards. The study may also provide information regarding cost-effective ways that the contaminant source can be managed to acceptable levels of impact. The MWA will support this program to the extent possible through existing cooperative programs with the USGS. Also included is the re-evaluation of subsurface flows between sub areas. The MWA will utilize recently generated information and recommend any adjustments that might be necessary to Watermaster and the Court. The data will also be used to devise methods to monitor future changes in subsurface flows between sub areas. Through a cooperative agreement with the USGS, MWA receives services that include well monitoring, water quality sampling and various other support functions over the course of the year. In most cases, the work is done through a cost sharing arrangement.

233 Lewis Center Strategic Partnership: Goal 4C \$30,000

The Lewis Center for Educational Research in Apple Valley continues to develop a number of curriculums pertinent to natural resource management. Their programs and facility emphasize the application of technology for this purpose. Their facility is located adjacent to the upper Mojave River Narrows, which provides access to a reach of the River with extensive riparian habitat and perennial stream flows. Staff at the Center has expressed interest in developing scientifically valid monitoring programs and data analyses to quantify the impacts human activity may be having on the River system. Agency staff has provided the Center with suggestions for programs that would enhance understanding of the local natural resources. The MWA also facilitates introduction of Center staff to individuals and organizations that may help them with their programs. The Agency maintains an exhibit at the Lewis Center that reflects changes that have occurred to vegetation along the River as water supplies have been developed and used for increased human activity. This partnership is expected to continue to further public understanding of the issues pertinent to water resources management through presentation of data developed by the students at the facility. The agency may develop an exhibit at the Lewis Center that emphasizes the importance of our local water resources need to properly manage them. This partnership is expected to continue to further public understanding of the issues pertinent to the river system.

234 Education Mini Grants: Goal 4B \$5,000

These are several educational opportunities pertinent to water resources management issues that could be developed at local schools and colleges provided a minimal amount of initial funding is made available. The Agency will consider selectively funding some of these programs to the extent that they support our mission and goals.

235 Mojave Environmental Ed. Coalition: Goal 4C \$2,500

The Mojave Environmental Education Coalition (MEEC) has recently formed to provide a forum for disseminating information about the environment of the Mojave Desert to the public. The Agency will contribute information and resources to the MEEC to the extent that appropriate information can be developed and disseminated to the public in support of the Agency mission.

239 Web/FTP Services Update & Maint.: Goal 1C \$35,000

Modify the existing Agency web site with dynamic management tools and architecture. These updates will allow more timely & efficient management of the web site components and portals.

243 Facility Tours: Goal 4A \$5,000

Tours are provided to the public and stakeholder community to reinforce understanding of the Agency and its function. Tours are conducted at local Agency facilities, such as pipeline, recharge sites and climate stations, and at State Water Project facilities such as Silverwood Lake and the Edmonston Pumping Plant. These tours provide the participants with a sense of the scope of the programs that involve MWA, and provide understanding of the Agency and the affects of the State Water Project.

246 State of the Basin Report-WR: Goal 5B \$50,000

Annual report produced by the MWA that documents weather, permit, surface water, water quality, water delivery data collected by the Agency. This publication is sold and given away. The Agency publishes an Annual Engineer's Report on Water Supply that summarizes water supply and demand information for the preceding Water Year. The report tabulates surface water inflow and outflow, groundwater production and use, imported water deliveries, changes to groundwater in storage, climate data, building activity and population changes and summarizes Agency facilities and programs. The Report provides the Agency Board of Directors, our stakeholders

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and the public with a summary of the state of the groundwater basins and Agency water resources management programs. Updates would be provided on a quarterly basis

251 Bore Log GIS Integration: Goal 5A \$25,000

Scan all driller's logs and associated well information that the Agency currently maintains in paper form into an electronic format and subsequently integrated into the Agency GIS database. Scan all well logs and put into database. Interpret all construction and geology details. The majority of labor will be covered by intern and students with minimal to moderate supervision regarding the scanning portion of the project. Litho logic interpretation will take more time and should spill over to the following year. Incorporation of all available well information from bore logs and canvass sheets into the MWA GIS database for data archival and resource management decision making. This effort is considered a key element in other projects such as the Minimal User Program and the Key Well Program.

253 Key Well Program: Goal 5A \$100,000

Establish a key well program which ties all existing monitoring points into one program, identifies areas of poor coverage, QAQC existing data; assimilate new wells and data sources. The agency databases contain a vast amount of water level and water quality data from a number of sources, but it is primarily derived from Agency-monitored wells. The Agency will develop a key well program that consists of a collection of key wells that accurately represent the existing and historical condition of the groundwater basin the Agency manages. Hydrographs will be developed and updated on a regular basis and made available to the Agency Board of Directors and to the public. The Agency will also continue to compile groundwater information and data for as wide a geographic area as possible to increase its value to a number of agencies and the public. Expanded data collection will also facilitate communication and data exchange between the Agency and the other entities. Expansion of the system and development of data exchange protocol will be needed if the data is to be more accessible to stakeholders. Continuation of efforts to develop a comprehensive well monitoring and sampling program which accurately reflects the regional water quantity and quality of specific groundwater basins. This work includes the accumulation and evaluation of new and existing wells. Work associated with the program includes water quality analysis, geophysics, down-hole camera surveys, accurate survey locations, well protection and etc. The Key Well Program will be used on an ongoing basis and will be the fundamental method to measure water quantity and quality for groundwater to measure water quantity and quality for groundwater.

268 Barstow CC Partnership: Goal 4C \$60,000

Barstow College will continue to broaden its demonstration garden to include addition of a shade structure, concrete pathway and additional desert-adaptive plants and irrigation systems. Along the perimeter of the college interactive learning stations, signage and educational displays will be added. In order to involve more of the student population, the College will increase its curriculum by adding a practical science class that includes a component on water conservation, and explore through a needs assessment whether to add a Xeriscape Certificate Program. Barstow College continues to collaborate with MWA's' other Strategic Partners, and once again as a result of the collaboration, the Master Gardener Class will be offered.

285 Tamarisk Removal: Goal 6 Grant Funded \$500,000

Removal of invasive plant species from the Mojave river riparian area

288 SWP Special Projects: Goal 2 \$25,000

Consulting services potentially needed to address policy and legal issues associated with the State Water Contract.

290 MDRCD Partnership: Goal 4 \$30,000

MOU entered into on 9/11/03 with MWA and Mojave Desert Resource Conservation District (MDRCD). The purpose of this MOU is to heighten the public's awareness of ways to conserve water and convert high water use landscaping to low-maintenance trees and shrubs. Other projects or activities to be pursued and not specified in this MOU will be implemented on an "as funded-as approved" basis by each agency's Board of Directors. MWA has agreed to provide, but not be limited to the following services: financial assistance for implementation and completion of the project; technical assistance toward development of the projects; coordinate assistance by other Strategic Partnerships with whom MWA has arrangements and who have expertise to assist. Unless specifically itemized as an expense to be paid with funds appropriated by MWA for the strategic partnership with MDRCD, each party shall bear respective expenses incurred in implementation of this MOU.

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- 291 Copper Mountain Strategic Partnership: Goal 4** **\$20,000**
Copper Mountain College (CMC) experienced several challenges during last fiscal year which prevented achievement of the agreed upon goals. However, both CMC and Mojave Water Agency are firmly committed to follow through on completion of the demonstration garden at the College's new Desert Studies Center. In addition, the College will explore development of curriculum that will provide educational opportunities in the area of natural plant vegetation and conservation programs.
- 295A GIS/Roll-out of enterprise: Goal 1** **\$50,000**
Expenses associated with reconfiguring the GIS database and implementing the necessary hardware and software to allow MWA personnel access to the Agency GIS database. The enterprise system will allow MWA personnel to input, retrieve and analyze data from the GIS database using simple, yet very sophisticated desktop tools.
- 296 Ames/Means – Recharge: Goal 2** **\$0**
An investigation of the Ames/Means groundwater basin to test the suitability of a potential artificial recharge location. Work will consist of a review of existing data, basin conceptual model development, geophysical testing, well installation and water usage projections. This work will continue beyond the 2006-07 fiscal year and is partially grant funded through the DWR and will be administered as a collaborative project with the Bighorn Desert View Water Agency.
- 297 Alto Sub-area-Basin Concept Modeling: Goal 5** **\$50,000**
Initiate a technical study in the Alto sub-basin to summarize and analyze voluminous amounts of data associated with the subject basin. This effort will be very similar to the recently completed Transition Zone reports. Work will consist of collection, evaluation and analysis of all available data for the Alto Sub-basin. Analysis will consist of the identification of production aquifers, review of water budgets, regional water quality, groundwater characteristics over time, water production trends, evaluation of base flow, etc. Work associated with the project will result in a comprehensive evaluation of the basin using all available data, the foundation of a key well program for the Alto sub-basin, explanation of the hydraulic and chemical characteristics for the Alto groundwater basin, and a trend analysis of water production characteristics and associated water market study.
- 298 Oeste Subarea-Basin Concept Modeling: Goal 5** **\$50,000**
Complete a technical study in the Oeste sub-basin to summarize and analyze voluminous amounts of data associated with the subject basin. Work will consist of collection, evaluation and analysis of all available data for the Oeste Sub-basin. Analysis will consist of the identification of production aquifers, review of water budgets, regional water quality, groundwater characteristics over time, water production trends, evaluation of base flow, etc. Work associated with the project will result in a comprehensive evaluation of the basin using all available data, the foundation of a key well program for the Oeste sub-basin, explanation of the hydraulic and chemical characteristics for the Oeste groundwater basin, and a trend analysis of water production characteristics and associated water market study.
- 302 Work Flow Process Implementation: Goal 1C** **\$30,000**
Introduce Digital Signatures/Document Process Management. Incorporate several of the recommendations found in the ITSP Update for the removal of identified bottlenecks within the Agency's document management process. This includes "Work Flow Process Implementation & Training", "Software for Task Management & Tracking", and "Hardware for Secure, Electronic Signatures". These elements will increase response times, minimize repetitive tasks and maximize staff time with respect to document development and collaboration.
- 304 Community Sponsorship: Goal 4C** **\$20,000**
Mojave Water Agency is frequently solicited for funds to support various community events and the Agency sees sponsoring community events as a way to achieve our goals.
- 305 AWAC: Goal 4C** **\$50,000**
The Agency recognizes that it will require a portfolio of actions to relieve the region's overdraft situation. Prominent among the actions is a greater emphasis on water conservation. MWA was instrumental in creating the Alliance for Water Awareness and Conservation (AWAC), a 27-member coalition that is providing information about the need to conserve, and how to do it.

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- 310 Data Collection:** **Goal 5B** **\$300,000**
Costs associated with water quality sampling, groundwater monitoring, weather station data, and etcetera. Funds will also be for monitoring stations maintenance, special data collection projects, and small-directed studies where specific data are needed.
- 317 TZ well – New & Replace:** **Goal 2B** **Grant Funded** **\$200,000**
Of the 19 wells along the Mojave River in the joint funding agreement with USGS that were damaged during the winter storms between 12/27/04 and 1/11/05. An application for disaster assistance was approved 3/18/2005 of installation of approximately 4 - 10 monitoring wells along key areas of the Transition Zone. These wells will be used to monitor water levels in the Transition Zone pursuant to Judgment requirements. The wells will be located in areas of known data gaps based on recommendations from the recent Transition Zone report. Replacement wells will consist of river wells destroyed during the January 2005 storms.
- 318 The Antelope Wash Recharge Ponds:** **Goal 2B** **\$0**
Project is a medium Priority in the IRWMP. The work includes design of a turnout on the Reach 1A of the Morongo Basin Pipeline, construction of a Flow Control facility, and land purchase for the ponds. This project may expand to more ponds depending on the funds available through the Proposition 50 State grant MWA is seeking this year and will not start until 2009.
- 320 Conservation Incentives:** **Goal 6B** **Grant Funded** **\$500,000**
A relatively broad category of incentives used at the retail market to promote conservation. This could be Cash for Grass incentive of approximately 25 cents per square foot to install desert adaptive landscapes instead of grass in new housing developments. It would also include incentives to developers to use low water use landscaping in their developments. Any and all programs that promote the use of low water use or no water use landscaping.
- 321 New Building Headquarters:** **Goal 1C** **\$1,000,000**
The final design and engineering required to complete the investigation into consolidating the administration of the Agency into one location. This will include additional square footage added on to the current building that may include a second floor.
- 325 So. AV Recharge Basin:** **Goal 2B** **\$0**
Preliminary investigation to define areas geologically suitable for recharge in the Southern Apple Valley area. The goal of the study will be to define a specific area for further investigation / assessment with the ultimate goal to purchase a suitable recharge area before land prices and development make it prohibitive or impossible.
- 330 Joshua Basin Recharge Project:** **Goal 2B** **\$200,000**
Study to identify the feasibility of recharging the Joshua Basin. Work may include engineering analysis of existing and needed infrastructure, definition of areas geologically suitable for recharge and limited geotechnical testing.
- 331 Meter Installation Program:** **Goal 5A** **\$25,000**
Provide funding to parties to the Judgment and Minimal Producers who volunteer to install flow meters on their wells. In general the program will reimburse participating parties for the cost of the flow meter, installation and labor up to \$2,500 per well. Participating parties will be required to maintain records and report measured water production to the Watermaster or Mojave Water Agency on an annual or quarterly basis. This project will result in increased accuracy of reported water production by parties to the Judgment and a basis for evaluation of Minimal Producer water usage within the Mojave Water Agency's boundaries. In addition this project will comply with the Agency's agreement with Southern California Edison Company (SCE) to explore alternative means of verifying water production within the Mojave Basin Area, therefore reducing the need for electrical usage data supplied by SCE to the Watermaster.
- 332 Minimal User Program:** **Goal 5B** **\$500,000**
The Board has requested that staff reevaluate and expand upon the assessment and tracking of minimal producers (private well owners who produce less than 10 acre-feet per year) to determine their impact on the Mojave River Basin. The Minimal Producer Program will be a labor intensive project which will be ongoing. An additional technical staff member will be needed to execute work associated with the Minimal Producer Program. Work will consist of

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location of all minimal producers, estimates of individual water use, tracking of new minimal producers as related to Ordinance 11, and evaluation of Minimal Pool assumptions contained in the Mojave River Basin Adjudication. Ongoing tracking and assessment/re-assessment of minimal producer water usage and potential implementation of Ordinance 11 will mandate additional personnel dedicated to the Minimal Producer Program. In addition to the Minimal Producer Program, technical staff can also assist on well drilling activities and key well program development, both of which are increasingly labor intensive programs.

336 Special Projects and Environmental: Goal 5 \$50,000

Provides funding for consultant support for miscellaneous water supply project, specialized geohydrologic studies or CEQA analysis needed to support projects.

342 Easements for wells: Goal 2B \$1,040,000

Over the years MWA has maintained a series of monitoring wells within our agency. Some of these wells will become vital to the key well program MWA is developing. In order to preserve our Agency's access Right of Way to these and other monitoring wells MWA will begin acquiring permanent easements so that we can maintain our monitoring program in the future. In most cases the easements will be acquired from private parties.

344 Demonstration Garden: Goal 6A \$5,000

In continuation of the MWA desert demonstration garden, MWA in conjunction with local entities will add and improve the present demonstration garden located in the front of MWA's office in Apple Valley. New varieties plants will be added to the garden this year. Sunshades will be building for the existing bench seating.

347 Proposition 50 Grant Funding: Goal 1C \$0

This project collects all the costs incurred by the Agency to apply for and report on all necessary activities to secure as much of the \$25,000,000 Proposition 50 funds as possible.

356 Newberry Springs Monitoring Wells: Goal 1C \$0

Monitoring wells to be installed to monitor the effects of recharge via the Mojave River Pipeline and to support the Key Well Program for the Baja Subarea.

358 Mojave River Pipeline SCADA: Goal 1C \$55,000

Installation of the PLC equipment and purchase and installation of the communication equipment for the Mojave River Pipeline facilities. There are various elements of the SCADA system for the MRPL that will be linked together to provide improved operational control for the facilities. Continuing from last year's work, upgrading equipment and operational programs will continue on both the Morongo Basin Pipeline and Mojave River Pipeline. As technology develops and operational variables change, the need to upgrade the SCADA will be an ongoing process.

359 Regional Recharge and Recovery: Goal 2B Grant Funded \$5,500,000

In early 2007 MWA was awarded \$ 25 million in funding from Proposition 50, IRWMP Implementation grant program. In June 2007, MWA selected RBF, Inc., engineering consultant, to begin project design work. During this year the project should be well into design, permitting and land acquisition. The start of construction is scheduled for June 2009. The project includes a well field in the Upper Mojave Basin along the river located between Rock Spring Road and Bear Valley Road, an east-west pipeline of approximately 9 miles, several pump stations and tanks, and several turnouts. This project is a regional project and will benefit the areas of greater Victor Valley.

366 Future Water Supply Prog.-Nexus Study: Goal 2B \$200,000

This job will investigate the ability of the Agency to impose a Development Impact Fee (DIF) on developers as a condition of project approval. This fee is needed to fund the cost of constructing and maintaining new and existing capital facilities to serve new development needs.

370 Oro Grande North Recharge: Goal 2B Grant Funded \$2,000,000

In early 2007 MWA was awarded \$25 million in funding from Proposition 50, IRWMP Implementation grant program. In June 2006, VVWD began design with their consultant Carolo Engineers. During this year the project should be well into design, permitting and land acquisition. The start of construction is scheduled for the latter part of 2008. The project includes using the existing 395 aqueduct turnout for the siphon facility, over 3 miles of pipeline, and a recharge site located in the Oro Grande Wash near Victorville. The initial project plans include groundwater recharge of 8,000 acre feet a year.

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- 373 Traveling Moss Screen:** **Goal 6** **\$500,000**
 This project will include work at the Antelope Siphon Traveling Moss Screen Structure located at the California Aqueduct on the Morongo Basin Pipeline Project. This project will provide for one additional mechanical traveling screen assemble in the existing moss screen structure. This added assembly will ensure that water can continue to be delivered if one of the assemblies is shut down. The facility was originally designed to have two mechanical assemblies.
- 374 Long Term Data Storage(iSCSI):** **Goal 1** **\$150,000**
 As part of the Agency's overall Disaster Recovery Plan, deploy a network storage strategy that allows for timely & complete storage of all Agency data while allowing for redundant & Parallel backups of critical Agency data (both on & off site).
- 375 Backup Power Generator:** **Goal 1** **\$150,000**
 As part of the Agency's overall Disaster Recovery Strategy, acquire the means to provide sustainable, reliable electric power for critical systems. These systems include internal network devices, servers, computers, printers & other electronic tools that can sustain permanent damage due to frequent brown & black outs during periods of high electric demand which dramatically reduce the ability of the utility company to guarantee sustainable, reliable power.
- 376 GIS Land Imagery Acquisition:** **Goal 5** **\$175,000**
 In order to facilitate the Basin Area Watermaster's requirement for infra-red imagery on an annual basis, as well as meet the growing demands placed on the Water Resources group. The costs for this imagery can also be shared by stakeholders throughout the basin who also require it to meet their own basic business needs.
- 377 IT Infrastructure:** **Goal 1** **\$65,000**
 Necessary hardware & software upgrades to the Cisco network infrastructure. These updates will replace Microsoft based Call Managers & Unity Voice. Messaging Servers with Cisco appliance based hardware & software.
- 378 Additional Modeling:** **Goal 5** **\$75,000**
 To be used test specific modeling scenarios in the Upper Mojave River and Oeste Basins. This tool may be used to answer, in a timely manner, unanticipated specific technical questions for groundwater basins.
- 379 Centro / Baja Basin Concept Model:** **Goal 5** **\$0**
 Provides funding for staff and consultant support to collect existing geologic information and well bore logs and develop new data to create a conceptual model of the geohydrology of the Centro and Baja Subareas and to improve the well monitoring network.
- 380 Copier Solution:** **Goal 1** **\$45,000**
 Replace the existing Canon contract hardware (now fully funded) with new leased equipment. This equipment may be replaced until the relocation.
- 381 County Conference:** **Goal 4** **\$15,000**
 MWA is co-sponsor of the San Bernardino County's first Water Conference that brings together water professionals and policy makers to address what we are doing and need to plan for our increasing water demands.
- 382 Lenwood River Outlet:** **Goal 2** **\$300,000**
 The existing Mojave River Pipeline has enough pressure upstream from the Lenwood Recharge Basin to allow for a new outlet to be built. This outlet will be built upstream from the Lenwood Recharge Basin and will allow the release of water directly into the Mojave River flood plain.
 Presently, the Lenwood Recharge Ponds only allow for off channel recharge of imported water. The ponds also require maintenance following recharging. The objective of the project would include modifications to the current recharge pond configuration to allow on channel recharge. This may include additional pipe, earthwork and control systems that would tie-in to existing facilities at the Lenwood Recharge site. Having the ability to deliver imported water directly to the existing river channel would increase the amount of water rechargeable at the Lenwood site. In addition to the increase in capacity the requirement for maintenance of the recharge area in the river channel would not be required.

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383 Joshua Basin Conservation Project: Goal 6 \$50,000

Conservation project will be funded partially by grant funds. Joshua Basin District Recharge & Pipeline would create a mechanism for the Joshua Basin Water District (JBWD) to make use of SWP water via the Morongo Basin Pipeline. The JBWD is a part of Improvement District M and therefore is paying a share of the debt associated with the construction of the Morongo Pipeline facilities. The project would provide needed recharge into the Copper Mountain Valley Sub basin.

384 Helendale Bluffs Site Access Imprvmnt: Goal 2B \$150,000

Helendale Bluffs site access improvements: this work to include surveying, environmental review, right-of-way / easement research and possible easement cost, public bidding for construction of a catch basin on the existing facility property and outfall line with headwall located outside the existing fenced facility.

840 Morongo Basin Pipeline Maintenance: Goal 2A \$0

This project collects the cost to repair and maintain the Morongo Basin Pipeline. The cost of this work is paid for by the participants that built the pipeline.

87A Mojave River Pipeline-Expense: Goal 2A \$0

This project collects expenses for the ongoing operations and maintenance on Mojave River Pipeline.

Agency Strategic Plan Goals:

- Goal 1: Develop sound fiscal and organizational policies that allow the Agency to be effective, innovative and responsive.
- Goal 2: Manage SWP entitlement to meet future demands while maintaining independence during periods of water shortages.
- Goal 3: Coordinate efforts to maintain adequate water quality so that groundwater is safe for drinking and other beneficial uses.
- Goal 4: Develop public awareness so that individuals and stakeholder organizations support our efforts and understand their role in contributing to the Agency's mission.
- Goal 5: Advance understanding of basin hydrogeology to support efficient management of water resources.
- Goal 6: Promote efficient use of the region's water resources through regional conservation programs.

Debt Service

Debt Service Summary

Debt Service Fund	Matures	6/30/2007		Debt Service	Net Change	06/30/08 Balance
		Balance	Revenue			
849 Improvement District M	09/01/22	2,575,108	3,292,556	3,213,500	79,056	2,654,164
860 DWR Loan Contract Number E74005	04/01/14	359,812	358,293	351,025	7,268	367,080
870 DWR Loan Contract Number E72008	10/01/18	353,875	357,513	350,365	7,148	361,023
880 DWR Loan Contract Number E74007	10/01/14	108,810	108,173	105,975	2,198	111,008
949 Certificate of Participation	09/01/22	75	1,923,060	1,923,056	3	78
Reserve Balance Total		3,397,680	6,039,595	5,943,921	95,674	3,493,354

The schedule above summarizes the payments for Fiscal Year 2007-08 and the resulting reserve balance. The table lays out the debt service details for each outstanding loan. You will see the loan amount debt service period, remaining debt, amount of payments, and assessed values where appropriate.



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ID M 849 Debt Service Summary

Purpose / History: In June 1990, a portion of the Agency voted in favor of forming Improvement District "M" and to incur bonded indebtedness in the principal amount of \$66,500,000. The proceeds of the bonds were used to finance costs of designing, planning, and constructing the Morongo Basin Pipeline Project to bring water from the California Aqueduct in Hesperia to Yucca Valley. The Agency issued on 05/29/91 \$12,000,000 and on 11/19/92 \$40,735,000 aggregated principal general obligation bonds and on 04/25/96 \$51,780,000 aggregated principal general obligation bonds to refund the 1991 and 1992 Series bonds. On 06/07/2006 \$34,825,000 General Obligation Bond (GOB) series was issued to refinance the 1996 series.

Original Principal Amount: \$34,825,000

Principal Outstanding Balance as of:

06/30/2006	\$34,825,000
06/30/2007	\$34,825,000
06/30/2008	\$33,315,000

Interest Rate: 3.75% - 5.8%

Maturity Date: 09/01/2022

Funding Sources: ID M Property Tax in the amount of 75% of debt service bonds.

Annual billing to following Project Participants of 25% of debt service bonds:

Hi-Desert Water District	59%
Joshua Basin Water District	27%
Bighorn-Desert View Water Agency	9%
San Bernardino County No. 70	1%
Mojave Water Agency	4%

Payment Amount:	<u>2008 Budget</u>	<u>2007 Actual</u>	<u>2006 Actual</u>
Principal Amount	\$1,510,000	0	0
Interest Amount	\$1,703,500	\$1,276,917	0
	-----	-----	-----
Total	\$3,213,500	\$1,276,917	0

Note: The tax rate was reduced from \$0.15 cents per \$100 of assessed value to .10 cents in 2005 and again in 2006 to .09 cents and to .085 cents in 2007. November of 2005, the Agency did a forward refunding of this issue and it was sold on June 7, 2006. This refinancing has reduced the debt service payments by approximately \$600,000 per year by reducing the interest rate being paid on the debt and by reducing the total debt by defeasing the bonds with the excess debt service funds.

Reserve Balance:	Reserve Balance Est 6/30/2007	\$2,575,108
	Principal	1,510,000
	Interest Due	\$ 1,703,500
	Total Debt Service	\$3,213,500
	<u>Amount Collected</u>	
	Tax Receipts (75%) [@ .085cents]	\$ 2,410,125
	Participants (25%)	803,375
		3,213,500
	Interest Income	79,056
	Increase/(decrease) in Reserve Bal.	79,056
	Reserve Balance 6/30/2008	\$ 2,654,164

DWR Loan 860 Debt Service Summary

Purpose / History: Loan from California Department of Water Resources (#E74005) to finance Rock Springs Groundwater Recharge construction.

Original Principal Amount: \$5,250,000

Principal Outstanding Balance as of:

06/30/2006	\$2,480,137.25
06/30/2007	\$2,201,448.98
06/30/2008	\$1,914,464.52

Interest Rate: 3.00%

Maturity Date: 03/31/2014

Funding Sources: 18.2% of MWA 2 Property Tax Revenue

Payment Amount:

	<u>2008 Budget</u>	<u>2007 Actual</u>	<u>2006 Actual</u>
Principal Amount	\$286,984.46	\$278,688.27	\$270,407.46
Interest Amount	\$ 64,040.48	\$ 72,336.67	\$ 80,510.54
	-----	-----	-----
Total	\$351,024.94	\$351,024.94	\$350,918.00

Note: Citizens Business Bank is the designated fiscal agent between MWA and DWR, which contains a reserve requirement of two semi-annual payments.

Reserve Balance:

Reserve Balance 6/30/2007	\$ 359,812
Principal	\$ 286,984
Interest Due	\$ 64,040
Total Debt Service	\$ 351,025
Payment	\$(351,025)
Interest Income	\$ 7,268
Reserve Balance 6/30/2008	\$ 367,080

DWR Loan 870 Debt Service Summary

Purpose / History: Loan from California Department of Water Resources (#E72008) to finance Mojave River Pipeline Groundwater Recharge construction.

Original Principal Amount: \$5,250,000

Principal Outstanding Balance as of:

06/30/2006	\$3,673,711.92
06/30/2007	\$3,424,485.10
06/30/2008	\$3,168,421.14

Interest Rate: 2.80%

Maturity Date: 09/30/2018

Funding Sources: 18.2% of MWA 2 Property Tax Revenue

Payment Amount:

	<u>2008 Budget</u>	<u>2007 Actual</u>	<u>2006 Actual</u>
Principal Amount	\$256,063.96	\$249,226.82	\$242,328.83
Interest Amount	\$ 94,301.00	\$101,138.14	\$107,971.29
	-----	-----	-----
Total	\$350,364.96	\$350,364.96	\$350,300.12

Note: Citizens Business Bank is the designated fiscal agent between MWA and DWR, which contains a reserve requirement of two semi-annual payments.

Reserve Balance:

Reserve Balance 6/30/2007	\$ 353,875
Principal	\$ 256,064
Interest Due	\$ 94,301
Total Debt Service	\$ 350,365
Payment	\$(350,365)
Interest Income	\$ 7,148
Reserve Balance 6/30/2008	\$ 361,023

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DWR Loan 880 Debt Service Summary

Purpose / History: Loan from California Department of Water Resources (#E74007) to finance Yucca Valley Groundwater Recharge construction.

Original Principal Amount: \$1,585,000

Principal Outstanding Balance as of:

06/30/2006	\$830,442.68
06/30/2007	\$748,786.41
06/30/2008	\$664,646.69

Interest Rate: 3.00%

Maturity Date: 09/30/2014

Funding Sources: 18.2% of MWA 2 Property Tax Revenue

Payment Amount:

	<u>2008 Budget</u>	<u>2007 Actual</u>	<u>2006 Actual</u>
Principal Amount	\$ 85,357.31	\$ 82,892.92	\$ 80,431.34
Interest Amount	\$ 20,617.49	\$ 23,081.88	\$ 25,513.14
	-----	-----	-----
Total	\$105,974.80	\$105,974.80	\$105,944.48

Note: Citizens Business Bank is the designated fiscal agent between MWA and DWR, which contains a reserve requirement of two semi-annual payments.

Reserve Balance:

Reserve Balance 6/30/2007	\$ 108,810
Principal \$ 85,357	
Interest Due \$ 20,617	
Total Debt Service	\$ 105,975
Payment	\$ (105,975)
Interest Income	\$ 2,198
Reserve Balance 6/30/2008	\$ 111,008

Certificate of Participation 949 Debt Service Summary

Purpose / History: On May 1, 1997, the Agency and Mojave Water Agency Public Facilities Corporation(the “Corporation”) entered into an installment purchase agreement. The agreement provided for the Corporation to purchase 25,000 acre-feet of Berrenda Mesa Water District’s current entitlement to the delivery of firm water from the State Water Project, including Berrenda Mesa’s rights to delivery capacity in state water project facilities with the California Aqueduct. The Corporation sold to the Agency the entitlement and capacity under an installment purchase agreement. The original Bonds were issued for \$26,545,000 on May 14, 1997. This increased the Agency’s capacity to 75,800 acre-feet from 50,800 acre-feet. This issue was refunded as of November 1, 2004 at \$24,125,000, the aggregated principal amount of the 2004 Refunding Certificates of Participation.

Original Principal Amount: \$24,125,000

Principal Outstanding Balance as of:

06/30/2006	\$23,360,000
06/30/2007	\$22,340,000
06/30/2008	\$21,290,000

Interest Rate: 2.50% - 5.00%

Maturity Date: 09/01/2022

Funding Sources: 36.4% of MWA 2 Property Tax Revenue

Payment Amount:	<u>2008 Budget</u>	<u>2007 Actual</u>	<u>2006 Actual</u>
Principal Amount	\$1,050,000.00	\$1,020,000.00	\$ 765,000.00
Interest Amount	\$ 873,056.26	\$ 904,106.26	\$ 930,881.26
	-----	-----	-----
Total	\$1,923,056.26	\$1,924,106.26	\$1,695,881.26

Reserve Balance:

Reserve Balance 6/30/2007		\$	75
Principal	\$ 1,050,000		
Interest Due	\$ 873,056		
Total Debt Service		\$	1,923,056
Amount Collected			
Tax Receipts	\$ 7,166,179		
To General for Operation	\$ (5,243,123)		
		\$	1,923,056
Interest Income		\$	3
Increase/(decrease) in Reserve Balance		\$	3

Reserve Balance 6/30/2008		\$	78

Please note the amount of tax collected for COP (949) will be \$7,166,179 to pay a debt service payment of \$1,923,056, leaving \$5,243,123 to contribute to the DWR capacity based charges in the MWA General Fund.