

Bighorn-Desert View Water Agency

Board of Directors

Michael McBride, President
Judy Corl-Lorono, Vice President
David Larson, Secretary
Terry Burkhardt, Director
J. Dennis Staley, Director



Agency Office

622 S. Jemez Trail
Yucca Valley, CA 92284-1440

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Marina D West, PG, General Manager

A Public Agency

www.bdvwa.org

BOARD OF DIRECTORS' REGULAR MEETING AGENDA

BOARD MEETING OFFICE
1720 N. Cherokee Trail, Landers, CA 92285
Tuesday, November 27, 2012 - 6:00 p.m.

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **APPROVAL OF AGENDA**

DISCUSSION AND ACTION ITEMS - The Board of Directors and Staff will discuss the following items, and the Board will consider taking action, if so inclined.

The Public is invited to comment on any item on the agenda during discussion of that item.

When giving your public comment, please have your information prepared, if you wish to be identified for the record then please state your name. Due to time constraints, each member of the public will be allotted three-minutes to provide their public comment.

5. **PRESENTATION OF THE AGENCY FINANCIAL AUDIT FOR FISCAL YEAR 2011-2012**

Board considers taking the following action(s):

1. Board to receive and file the Agency Financial Audit for fiscal year 2011-2012 conducted by Mayer Hoffman McCann P.C.

6. **REQUEST FOR WATER SERVICE TO PARCEL NO. 635-101-02**

Board considers taking the following action(s):

1. Approve or deny applicant's request for variance to extend a service line greater than 700 feet (est. 1,000 feet) from Ming Road to parcel No. 635-101-02 which lies outside the boundaries of Improvement District 1.

7. AMENDING THE EMPLOYEE HANDBOOK

Board considers taking the following action(s):

1. Adopt Resolution No. 12R-XX amending the Employee Handbook for purposes of establishing the policy/procedure for cost-of-living increases, modification of holiday provisions, and modifying/correcting/adding job descriptions and establishing and organizational structure.

8. AMES/RECHE GROUNDWATER STORAGE AND RECOVERY PROGRAM – RECEIVE AND FILE EXECUTED FEDERAL, STATE AND LOCAL PERMITS FOR THE PROJECT.

Board considers taking the following action(s):

1. Board to receive and file various permits and notices obtained for the Ames/Reche Groundwater Storage and Recovery Program identified as:
 - a. Letter of “Non-jurisdictional” Authority; County of San Bernardino, Department of Public Works, July 2010.
 - b. Approved Jurisdictional Determination regarding presence/absence of geographic jurisdiction (pertains to Section 404 Streambed Alteration); U.S. Army Corps of Engineers, June 10, 2011.
 - c. Streambed Alteration Agreement (Section 1600); California Department of Fish and Game, August 2, 2011.
 - d. National Environmental Policy Act (NEPA) – Decision Record; U.S. Department of the Interior, Bureau of Land Management, August 2012.
 - e. National Environmental Policy Act (NEPA) – Finding of No Significant Impact (FONSI); U.S. Department of the Interior, Bureau of Land Management, August 2012.

9. PROPOSAL TO MODERNIZE BIGHORN-DESERT VIEW WATER AGENCY LAW (CALIFORNIA WATER CODE APPENDIX 112 AND RELATED WATER CODES)

Board considers taking the following action(s):

1. Direct staff to continue processing request through the State Legislature to pursue a revision to Bighorn-Desert View Water Agency Law (California Water Code Appendix 112 & Related Water Codes) retroactively repealing, in part, Section 33305; and
2. Authorize staff to proceed with modifications/updates to “modernize” the Bighorn-Desert View Water Agency Law (California Water Code Appendix 112 and Related Water Codes) as requested by San Bernardino Local Area Formation Commission Executive Officer.

10. DISBURSEMENTS OCTOBER 2012

Recommended Action:

Ratify Check Register (payment of bills) for October 2012.

11. CONSENT ITEMS - The following items are expected to be routine and non-controversial and will be acted on by the Board at one time without discussion, unless a member of the Public or member of the Board requests that an item be held for discussion or further action.

- a. Financial Statements October 2012
 1. Balance Sheet
 2. Statement of Revenue and Expense
 3. General Account (Union Bank)
 4. Disbursements
 5. Local Agency Investment Fund Balance Timeline

- b. Consumption & Billing Comparison Report, October 2012
- c. Service Order Report, October 2012
- d. Production Report, October 2012
- e. Special Board Meeting Minutes, October 16, 2012

Recommended Action:

Approve as presented (Items a - e):

12. MATTERS REMOVED FROM CONSENT ITEMS

13. PUBLIC COMMENT PERIOD

Any person may address the Board on any matter within the Agency's jurisdiction on items not appearing on this agenda.

When giving your public comment, please have your information prepared, if you wish to be identified for the record then please state your name. Due to time constraints, each member of the public will be allotted three-minutes to provide their public comment. State Law prohibits the Board of Directors from discussing or taking action on items not included on the agenda.

14. VERBAL REPORTS - Including Reports on Courses/Conferences/Meetings.

- a. GENERAL MANAGER'S REPORT
- b. DIRECTORS' REPORT
- c. PRESIDENT'S REPORT

15. FUTURE AGENDA ITEMS

16. ADJOURNMENT

In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted in the main lobby of the Bighorn-Desert View Water Agency, 622 S. Jemez Trail, Yucca Valley, CA not less than 72 hours if prior to a Regular meeting, date and time above; or in accordance with California Government Code Section 54956 this agenda has been posted not less than 24 hours if prior to a Special meeting, date and time above.

As a general rule, agenda reports or other written documentation has been prepared or organized with respect to each item of business listed on the agenda.

Copies of these materials and other discloseable public records in connection with an open session agenda item, are also on file with and available for inspection at the Office of the Agency Secretary, 622 S. Jemez Trail, Yucca Valley, California, during regular business hours, 8:00 A.M. to 4:30 P.M., Monday through Friday. If such writings are distributed to members of the Board of Directors on the day of a Board meeting, the writings will be available at the entrance to the Board of Directors meeting room at the Bighorn-Desert View Water Agency.

Internet: Once uploaded, agenda materials can also be viewed at www.bdvwa.org.

Public Comments: You may wish to submit your comments in writing to assure that you are able to express yourself adequately.

Per Government Code Section 54954.2, any person with a disability who requires a modification or accommodation, including auxiliary aids or services, in order to participate in the meeting, should contact the Board's Secretary at 760-364-2315 during Agency business hours.

**BIGHORN DESERT VIEW WATER AGENCY
AGENDA ITEM SUBMITTAL**

Meeting Date: November 27, 2012

To: Board of Directors

Budgeted: Yes

Budgeted Amount: \$29,918

Cost: \$29,918

Funding Source: Budget Line: 56006

From: Marina D. West

General Counsel Approval: N/A

CEQA Compliance: N/A

Subject: Presentation of the Agency Financial Audit for Fiscal Year 2011-2012 by the Independent CPA Firm of Mayer Hoffman McCann P.C.

SUMMARY

Mr. Ken Al-Imam of Mayer Hoffman McCann P.C. will present the Report on the Audit for the Bighorn-Desert View Water Agency for fiscal year ending June 30, 2012. The Audit Report is attached.

RECOMMENDATION

That the Board considers taking the following action(s):

Board to receive and file the Agency Financial Audit for fiscal year 2011-2012 conducted by Mayer Hoffman McCann P.C.

BACKGROUND/ANALYSIS

No further analysis provided.

PRIOR RELEVANT BOARD ACTION(S)

1/24/2012 Motion No. 12-011 Authorize staff to execute the January 2, 2012 Engagement Letter with Mayer Hoffman McCann P.C. outlining the nature, terms and objectives of an engagement to audit the financial statements for the years ended June 30, 2012, 2013 and 2014 at an annual cost of \$29,918; and appoint Mayer Hoffman McCann P.C. as the Agency's Auditor.

11/30/2011 Motion No. 11-061 receive and file the Agency Financial Audit for fiscal year 2010-2011.

2/22/2011 Motion No. 11-008 to retain CPA firm Mayer Hoffman McCann, P.C. as auditor for a third term

2/8/2011 - Motion No. 11-001 receive and file the Agency Financial Audit for fiscal year 2009-2010

9/29/2009 Accept the Report on the Audit for the Bighorn Desert View Water Agency for fiscal year ending June 30, 2009 by Mayer Hoffman McCann PC

4/28/09 Direct staff to enter into engagement with Mayer Hoffman McCann P.C. for Fiscal Year 2008/2009 Audit at a cost not to exceed \$28,000 in year one with the intent to continue the contract for a three year period with an option to engage for an additional two years.



Mayer Hoffman McCann P.C.

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Board of Directors
Bighorn-Desert View Water Agency

Summary of Audit Results

We have audited the financial statements of the Bighorn-Desert View Water Agency (Agency) for the year ended June 30, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards

Our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the Agency's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit.

Audit Focus and Scope of the Audit

The purpose of an audit performed in accordance with auditing standards is to evaluate the risk that the financial statements contain significant error or misstatement. Risks of significant error or misstatement addressed by the audit process include the following:

- Risk of material misstatement associated with cash receipts and cash disbursements
- Risk of material misstatement associated with significant assets and liabilities
- Risk of improper revenue recognition
- Risk of improper classification or accrual of expenditures
- Risk of error associated with identifying capital asset additions and deletions

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in note one to the financial statements.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Examples of estimates inherently involved in the accounting process are:

- Judgments concerning which capital projects represent ordinary maintenance activities necessary to keep an asset operational for its originally intended useful life versus significant improvement, replacement, and life extending projects that should be capitalized as additions to capital assets.
- Management's estimate of unbilled accounts receivable which is based on prior year actual amounts. We evaluated the key factors and assumptions used to develop this estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Significant Difficulties Encountered in Performing the Audit

We encountered no difficulties in performing the audit.

Audit Adjustments

Professional standards require us to accumulate all known and likely adjustments identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Adjustments reflected in the accompanying financial statements included adjustments for metered water revenue, compensated absences, interest payable, cash, depreciation expense, fixed assets, and accounts receivable. The financial statements do not reflect adjustments determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole, including an immaterial adjustment to beginning net assets.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have obtained certain representations from management that are included in a management representation letter November 20, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of Board of Directors and management of Bighorn Desert-View Water Agency and is not intended to be and should not be used by anyone other than these specified parties.

MAYER HOFFMAN McCANN P.C.

Mayer Hoffman McCann P.C.

Irvine, California
November 20, 2012



Mayer Hoffman McCann P.C.

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Board of Directors
BIGHORN-DESERT VIEW WATER AGENCY
Yucca Valley, California

**REPORT ON COMPLIANCE AND OTHER MATTERS AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

We have audited the financial statements of Bighorn-Desert View Water Agency (the “Agency”) as of and for the year ended June 30, 2012, and have issued our report thereon dated November 20, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

Management of the Agency is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Agency’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency’s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable

possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. A significant deficiency is defined to be a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. All of the following matters conform to this definition:

2012-01 Communication of Audit Adjustments

Auditing standards require that we communicate to you any adjustments that were made as a part of the audit process. The areas of adjustment noted in our audit were not unusual for similarly sized water agencies. However, it is considered best practice for agencies to establish procedures to identify and post all needed year-end adjustments prior to the commencement of the audit. Accordingly, we offer the following for consideration by the Agency:

1. We adjusted beginning equity to reverse the posting of entries that had been made to equity during the year. We recommend that during year end closing procedures, the Agency perform a reconciliation of beginning equity to the prior year's audited financial statements to ensure they are in agreement and that no entries had been made to equity during the year.
2. We established on the Agency's books a liability for compensated absences. We recommend that during year end closing procedures, the Agency reconcile its liability for compensated absences to the Agency's leave records.
3. We made certain adjustments to the Agency's bank reconciliation and cash balances for outstanding checks and deposits in transit. Accounting standards require that checks that are not physically released from the control of the Agency until July should be recognized as reductions to cash in July, rather than in June.
4. We made certain adjustments to the amounts recorded for depreciation expense to agree the amounts in the general ledger to the amounts in the Agency's depreciation records. We recommend that as a part of the year end closing procedures, the Agency perform a reconciliation of the trial balance to the depreciation subsidiary ledger.

Management's Comments Regarding Corrective Actions Planned

Management understands the importance of timely communication of year-end adjustments and has taken measures to improve internal processes to comply with the best practices.

Board of Directors
BIGHORN-DESERT VIEW WATER AGENCY
Page 3

The organization's written response to the matters communicated herein have not been subjected to the audit procedures applied in the audit of the financial statements

This report is intended solely for the information and use of the Board of Directors, management of the Agency, federal awarding agencies, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mayor Hoffman McLean P.C.

Irvine, California
November 20, 2012



Mayer Hoffman McCann P.C.

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Board of Directors
Bighorn-Desert View Water Agency

INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES APPLIED TO APPROPRIATIONS LIMIT WORKSHEETS

We have applied the procedures enumerated below to the appropriations limit worksheets prepared by the Bighorn-Desert View Water Agency, California for the year ended June 30, 2012. These procedures, which were agreed to by the Bighorn-Desert View Water Agency, California and the League of California Cities (as presented in the League publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines*) were performed solely to assist the Bighorn-Desert View Water Agency, California in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The Agency is responsible for the calculation of the Appropriations Limit.

This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the *American Institute of Certified Public Accountants*. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We obtained the worksheets referred to above and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the Board of Directors. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote.

Results: No exceptions were noted as a result of our procedures.

2. We recalculated the mathematical computations reflected in the Agency worksheets.

Results: No exceptions were noted as a result of our procedures.

3. We compared the current year information used to determine the current year limit and found that it agreed to worksheets prepared by the Agency and to information provided by the State Department of Finance (as adjusted to reflect the service area of the Agency).

Results: No exceptions were noted as a result of our procedures.

4. We compared the amount of the prior year appropriations limit presented in the worksheets to the amount adopted by the Board of Directors for the prior year.

Results: No exceptions were noted as a result of our procedures.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the worksheets referred to above. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by the League publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines*.

This report is intended solely for the use of the Bighorn-Desert View Water Agency, California and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Mayor Hoffman Melan R. L.

Irvine, California
November 20, 2012

Bighorn-Desert View Water Agency
Yucca Valley, California



A Public Agency

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012

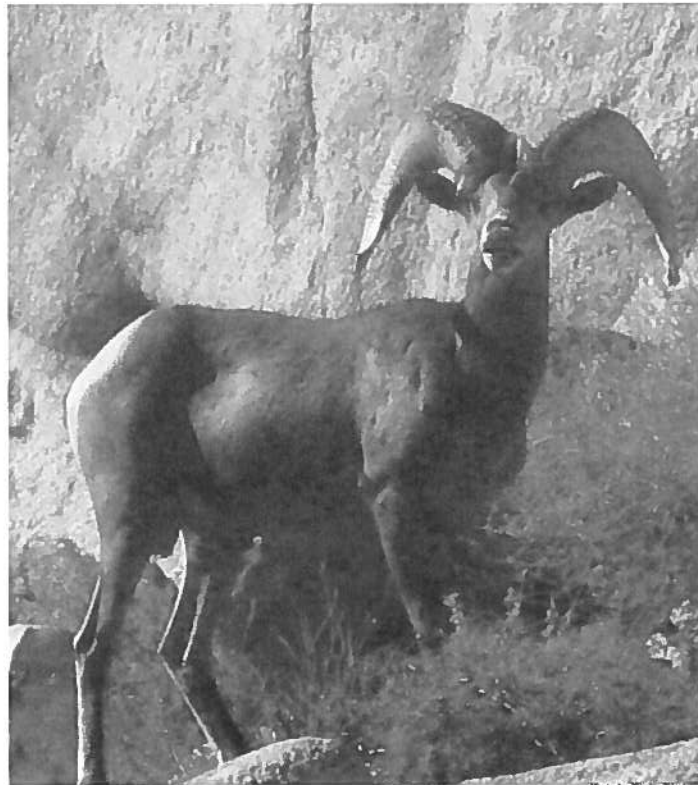


Photo by Kijiko Weid

Our Mission, Vision and Values

“To provide a high quality supply of water and reliable service to all customers at a fair and reasonable rate.

To demonstrate accountability by taking economically responsible action today to secure our water supply for tomorrow.

We pledge to use all available resources for maintaining our existing facilities as well as plan, design, finance, and construct our future infrastructure for benefit to our customers in our service area.

Staff and board are committed to a comprehensive evaluation of the most important issues while establishing a record of fairness to all customers.”

Bighorn-Desert View Water Agency Board of Directors as of June 30th, 2012

<u>Member</u>	<u>Office</u>	<u>Term Expires</u>
Michael McBride	President	2015
Judy Corl-Lorono	V. President	2013
David Larson	Secretary	2015
Terry Burkhart	Director	2013
J. Dennis Staley	Director	2013

Bighorn-Desert View Water Agency
Marina D. West, PG, General Manager
622 S. Jemez Trail
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Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2012

Bighorn-Desert View Water Agency

A Public Agency

622 S. Jemez Trail

Yucca Valley, California

92284

Prepared by:

Marina D. West, PG, General Manager
Gayla Blanton, Accounting Technician II

BIGHORN-DESERT VIEW WATER AGENCY
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2012

(with comparative information for June 30, 2011)

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INTRODUCTORY SECTION

Bighorn-Desert View Water Agency

Board of Directors

Michael McBride, President
Judy Corl-Lorono, Vice President
David Larson, Secretary
Terry Burkhart, Director
J. Dennis Staley, Director



Agency Office

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A Public Agency

Introduction

It is our pleasure to submit the Annual Financial Report for the Bighorn-Desert View Water Agency for the fiscal years ended June 30, 2012 and 2011, following guidelines set forth by the Governmental Accounting Standards Board. The Agency is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. This report is designed in a manner that we believe necessary to enhance your understanding of the Agency's financial position and activities.

This report is organized into four sections: (1) Introductory; (2) Financial; (3) Supplemental Information; and (4) Statistical. The Introductory section offers general information about the Agency's organization and current Agency activities and reports on a summary of significant financial results. The Financial section includes the Independent Auditors' Report, Management's Discussion and Analysis of the Agency's basic financial statements and the Agency's audited basic financial statements with accompanying notes. The Supplemental Information section includes schedules for purposes of additional analysis. The Statistical section presents un-audited ten-year historical financial, demographic and statistical information pertinent to the Agency's operations.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of the Management's Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A. The Agency's MD&A can be found immediately after the Independent Auditors' Report.

Measurable improvements in the local economy are not anticipated in the next fiscal year.

Major Initiatives

The activities of the Board and staff of the Agency are driven by our mission statement: "To provide a high quality supply of water and reliable service to all customers at a fair and reasonable rate". From the February 2012 Board Workshop the following goals and objectives were agreed upon.

1. Balanced Budget and growth of reserve funds for replacement/refurbishment of infrastructure, emergency contingencies and capital improvement programs outlined in the 2005 Water Master Plan. Continue efforts to reduce costs where possible.
2. Completion of remaining Work Plan Tasks authorized under a \$575,000 Environmental Protection Agency State and Tribal Assistance Grant (EPA STAG) granted to the Agency in 2005.
 - a. Ames/Reche Spreading Grounds and Recovery Program and Management Agreement.
 - b. Ames/Reche Groundwater Management Plan in support of the Ames/Reche Groundwater Basin Management Agreement aimed at amending the Ames Valley Water Basin Agreement (Stipulated Judgment).
 - c. Johnson Valley Hydrogeologic Investigation.
3. Construction of the Ames/Reche Spreading Grounds for recharge of imported water from the State Water Project through the Morongo Basin Pipeline in partnership with the Mojave Water Agency, Hi Desert Water District and the County of San Bernardino Special Districts Water Department.
4. Completion of the Local Area Formation Commission Municipal Sphere Review/Sphere of Influence process for the Agency.
5. Reorganization (acquisition) of the adjoining County Service Area 70/Zone W-1-Landers water system into Bighorn-Desert View Water Agency which would increase the customer base by approximately 650 metered residences providing more efficient/effective service and local elected representation.
6. Solicit proposals, conduct interviews and appoint new General Counsel following untimely death of former General Counsel.
7. Promote continued education for Board and staff.

8. Increase communication with constituents through increased newsletter distribution and attendance at community events.
9. Focus on preventative maintenance of the water distribution system including fire hydrants, reservoir recoating, emergency power connections and engineering analysis of options to address elevated uranium in three Agency drinking water wells.
10. Emergency and disaster preparedness.
11. Obtain Certificate of Achievement for Excellence in Financial Reporting for our Comprehensive Financial Report in fiscal year 2010/11 from the Government Finance Officers Association of the United States and Canada.

All programs and operations of the Agency are developed and performed to provide the highest level of services to its customers.

Accomplishments

To assist the Board of Directors in meeting their mission, staff achieved the following initiatives in fiscal year 2011/12:

1. Adopted a balance budget on time and without relying on cash reserves. Switched credit card service providers so that "swipe fees" would be passed directly onto customers using this payment method which resulted in a direct savings of approximately \$12,000 annually. Updated Agency Rules and Regulations for Water Service. Updated the Agency Records Retention Policy and approved a policy establishing the criteria for use of Agency financial reserves. Placed liens on the secured property tax rolls for outstanding debt owed the Agency.
2. Completed all tasks associated with the EPA STAG grant and closed the grant prior to its expiration. Achievements include completion of a Groundwater Management Plan for the Pipes and Reche Groundwater Subbasins. Execution of the related Ames/Reche Groundwater Basin Management Agreement and Monitoring Program Plan. Continued progress on federal National Environmental Policy Act (NEPA) Environmental Assessment and associated US Fish and Wildlife Biological Opinion. Preparation and submittal of an application for a California Department of Fish and Game Section 2081 Incidental Take Permit. Also completed in fiscal year 2011/12 was the acquisition of real property to complete the Johnson Valley Hydrologic Investigation test well.
3. The Local Agency Formation Commission (LAFCO) Municipal Service Review/Sphere of Influence Review was completed by LAFCO Resolution No. 3155 on April 18, 2012. The Resolution authorized a reduction in the size of the Agency's Sphere of Influence by approximately 11,882 acres (public lands) and expanded the Agency's Sphere of Influence by 8,150 acres over the adjoining County Service Area 70/Zone W-1-Landers. The expanded sphere provides the

impetus for pursuing reorganization of the Agency and expansion of service territory.

4. Developed outreach plan to begin communications with adjoining water agency customers regarding the benefits of reorganization from a County Service Area into BDVWA.
5. Increased outreach efforts to BDVWA customer base through direct mailing of newsletters and continued participation in community events.
6. Appointed Joseph Aklufi from the law offices of Aklufi and Wysocki as Agency General Counsel.
7. Continued education for members of the Board and staff. Agency General Manager obtained Master of Public Administration degree from California State University San Bernardino. Continuing education to maintain the Operations Staff state certifications for water distribution and water treatment.
8. Preventative maintenance in 2011/12 included upgrades to several pressure reducing stations, testing of approximately one-half of the Agency's fire hydrants to ensure proper operation, replacement of three chlorinators, system flushing of dead-ends, management of the Agency backflow prevention program, repair of water main and service line leaks and purchase of one new field vehicle.
9. Maintained NIMS (National Incident Management System) certifications. Continued participation in ERNIE (Emergency Response Network of the Inland Empire) and CalWarn via mutual aid Memorandum of Understanding.
10. Recipient of the calendar year *2011 McMurchie Excellence in Safety Award* in recognition of outstanding leadership for employee loss prevention and safety programs. No Worker's Compensation or Property Liability claims filed in calendar year 2011.
11. Agency Director Terry Burkhart was elected to the Special Districts Risk Management Authority (SDRMA) Board of Directors for a three (3) year term.
12. Awarded Certificate of Achievement for Excellence in Financial Reporting for our Comprehensive Financial Report in fiscal year 2010/11 from the Government Finance Officers Association of the United States and Canada.

Internal Control Structure

Agency management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the Agency are protected from loss, theft or misuse. The internal control structure also ensures adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Agency's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of

reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

Each year the Agency Board of Directors has adopted an annual operating budget. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the Agency's operations. Capital budgets have not been passed by the Board of Directors due to lack of cash reserves to establish a budget for capital improvements however projects have been brought to the Board for individual consideration. The budget and reporting treatment applied to the Agency is consistent with the accrual basis of accounting and the financial statement basis.

Investment Policy

The Board of Directors has adopted an investment policy that conforms to state law, Agency ordinance and resolutions, and prudent money management. The objective of the Investment Policy is safety, liquidity and yield. Although the policy covers a wide-variety of investment instruments the Agency's reserve funds are currently invested in the State Treasurer's Local Agency Investment Fund and institutional checking accounts only.

Water Rates and Agency Revenues

Agency's current policy direction ensures that all revenues from user charges generated from Agency customers must support all Agency operations including capital project funding. Accordingly, water rates are regularly reviewed. Water rates are user charges imposed on customers for services and are the primary component of the Agency's revenue. Water rates are composed of a commodity (usage) charge and a fixed meter (readiness-to-serve) charge. There were no rate increases imposed in fiscal year 2011/12.

Water Conservation Programs

Due to the size of the Agency's customer base, compulsory participation in the State's 20X2020 (20% reduction in water consumption by the year 2020) is not required. However, overall the Agency customers have demonstrated a very low per capita consumption rate. Nonetheless, the Agency is an active member of the Morongo Basin Alliance for Water Awareness and Conservation (MB AWAC). Agency Board and staff participate in and sponsor a number of community events with a conservation component, such as the Desert-Wise Landscaping Home Tours and Workshops held throughout the Morongo Basin. The Agency also distributes materials to encourage water conservation. The Agency has not found a need to implement a tiered water rate structure to encourage conservation.

Audit and Financial Reporting

State Law and Bond covenants require the Agency to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of Mayer-Hoffman-McCann P.C., An Independent Accounting Firm has conducted the audit of the Agency's financial statements. Their unqualified Independent Auditor's Report appears in the Financial Section.

Risk Management

The Agency has been a member of the Special District Risk Management Authority (SDRMA) since 1983. The purpose of SDRMA is to arrange and administer programs of insurance for pooling of self-insured losses and to purchase excess insurance coverage.

Technology Advance in Customer Service (E-government initiatives)

The Agency customers have the option to pay their bills in person at the Agency office, on-line through their bank account, with a major credit card over the phone or on the Agency's website. The Agency is evaluating the Automated Clearing House (ACH) payment method at this time.

Customers also have access to agency agenda's and agenda backup materials via email notifications immediately upon publication. The agenda materials as well as other reference material are also available on the Agency website.

Other References

More information in the Management's Discussion and Analysis and the Notes to the Basic Financial Statements can be found in the Financial Section of this report.

Awards and Acknowledgements

The Agency received the *McMurchie Excellence in Safety Award* for calendar year 2011 in recognition of outstanding leadership for employee loss prevention and safety programs.


The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bighorn-Desert View Water Agency for its comprehensive annual financial report of the fiscal year ended June 30, 2011. This was the first year that the government has applied for and achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of

Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this report was accomplished by the combined efforts of Agency staff. We appreciate the dedicated efforts and professionalism that our staff members bring to the Agency. We would also like to thank the members of the Board of Directors for their continued support in the planning and implementation of the Bighorn-Desert View Water Agency's fiscal policies.

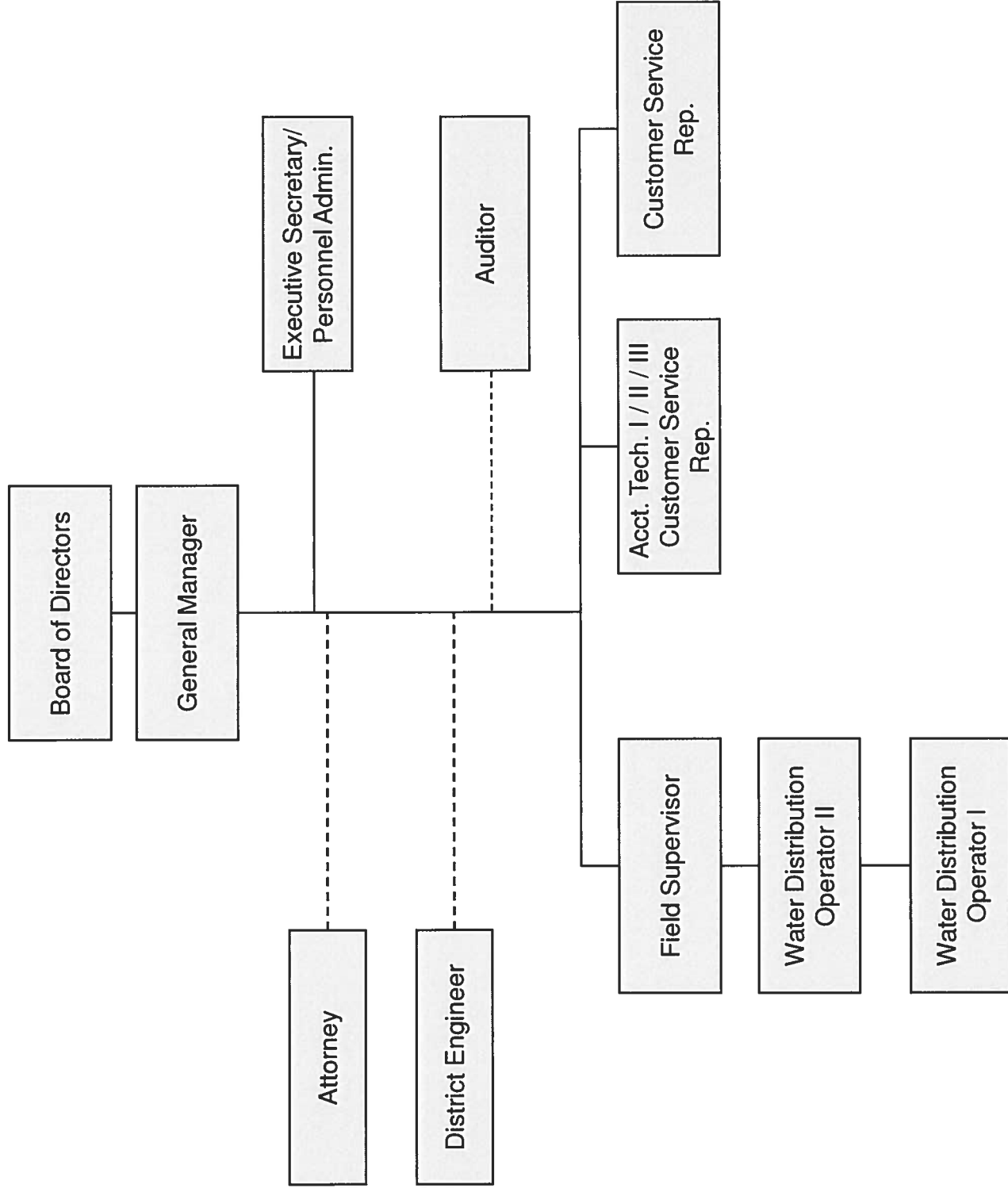
With Great Pleasure,



Marina D. West, PG
General Manager



Gayla Blanton
Accounting Technician II



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Bighorn-Desert View Water
Agency, California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davidson

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION



Mayer Hoffman McCann P.C.

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Board of Directors

BIGHORN-DESERT VIEW WATER AGENCY

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying balance sheet of Bighorn-Desert View Water Agency (the "Agency") as of June 30, 2012, and the related statements of revenues, expenses, and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial comparative information has been derived from the financial statements of the Agency for the year ended June 30, 2011, and in our report dated November 30, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Agency at June 30, 2012, and the respective changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* referenced in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise Bighorn-Desert View Water Agency's basic financial statements. The introductory section and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 20, 2012 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Mayer Hoffman Melano P.C.

Irvine, California
November 20, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial performance of the Bighorn Desert View Water Agency ("Agency") provides an overview of the Agency's financial activities for the fiscal year ended June 30, 2012. Please read it in conjunction with the transmittal letter and financial statements identified in the accompanying table of contents.

INFORMATION REPORTED IN THE ACCOMPANYING FINANCIAL STATEMENTS

One of the most important questions asked about the Agency's finances is, "Is the Agency better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information about the Agency in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The financial statements of the Agency report the Agency's net assets and changes in them. You can think of the Agency's net assets – the difference between assets and liabilities – as one way to measure the Agency's financial health, or *financial position*. Over time, *increases and decreases* in the Agency's net assets are one indicator of whether its *financial health* is improving or deteriorating.

AGENCY FINANCIAL STATEMENTS

A summary of the Agency's *statement of net assets* follows:

	Table 1 Net Assets (in Millions)		
	<u>2012</u>	<u>2011</u>	<u>Change</u>
Current and Other Assets	\$ 1.2	1.1	0.16
Non-current Assets	<u>4.4</u>	<u>4.3</u>	0.05
Total Assets	<u>5.6</u>	<u>5.4</u>	0.21
Current Liabilities	0.2	0.2	0.01
Non-Current Liabilities	<u>0.8</u>	<u>0.9</u>	(0.10)
Total Liabilities	<u>1.0</u>	<u>1.1</u>	(0.10)
Invested in capital asset, net of related debt	3.3	3.3	(0.04)
*Restricted for Bighorn	0.1	(0.2)	0.28
*Restricted for Desert View	1.2	1.2	0.07
Total Net Assets	<u>\$ 4.6</u>	<u>4.3</u>	0.30

* Restated to conform to current year presentation.

A summary of the Agency's *statement of revenues, expenses, and changes in net assets* follows:

Table 2 Changes in Net Assets (in Millions)			
	<u>2012</u>	<u>2011</u>	<u>Change</u>
Operating Revenues			
Water Sales	\$.5	.5	0.01
Other revenues	<u>0.6</u>	<u>0.6</u>	(0.01)
Total Operating Revenues	1.1	1.1	(0.001)
Operating Expenses			
Transmission and Distribution	0.4	0.4	0.04
General and Administrative	0.5	0.6	(0.09)
Depreciation	<u>0.2</u>	<u>0.2</u>	0.01
Total Operating Expenses	<u>1.1</u>	<u>1.2</u>	(0.05)
Operating Income (Loss)	<u>(0.05)</u>	<u>(0.09)</u>	0.05
Non-Operating Revenues (Expenses):			
Interest revenue	0.002	0.004	(0.002)
Other revenue*	0.35	0.28	0.07
Interest expense	(0.05)	(0.05)	0.003
Other expense	<u>(0.08)</u>	<u>(0.11)</u>	(0.01)
Total Non-Operating Revenues (Expenses)	<u>0.22</u>	<u>0.12</u>	0.10
Capital Grants*	0.13	0.43	(0.3)
Change in Net Assets	<u>0.30</u>	<u>0.46</u>	(0.12)
Net Assets Beginning, July 1	<u>4.31</u>	<u>3.85</u>	0.46
Net Assets Ending, June 30	<u>\$ 4.62</u>	<u>4.31</u>	0.30

* Restated to conform to current year presentation.

The increase or decrease in net assets can provide an indication as to whether the overall financial position of the Agency improved or deteriorated during the year. Net assets of the Agency increased by 7% (\$4.62 million compared to \$4.31) million. The net assets (financial position) of the Agency changed as a result of the revenue and expense fluctuations described below.

The reasons for significant changes in the revenues and expenses of the Agency noted above are as follows:

- Administrative expenses were down in FY2011/12 due to a vacancy in one senior level position from March through July 2012. In addition, some expenses were lower than anticipated for the year such as director fees, propane, power and expenses associated with payroll (payroll tax, PERS, benefits, etc.).
- Total Net Assets of the Agency increased approximately \$300,000 which is primarily attributed to revenues exceeding expenses. While the Agency, overall received less revenue from grants, the Agency did receive approximately \$95,000 of revenue as grant income from the Environmental Protection Agency State and Tribal Assistance Grant (EPA STAG). This reimbursement was primarily for expenditures made on the Johnson Valley Hydrologic Investigation. An additional \$35,000 was received from the Mojave Water Agency and expended on the Ames/Reche Spreading Grounds Project.
- Total cash and cash equivalents increased by approximately \$120,000. These funds add to the unrestricted cash available for replacement and refurbishment, new capital improvements and emergency reserve funds maintained in the Local Agency Investment Fund (LAIF).
- Long term receivables (\$44,884) reflect the total amount of outstanding charges on water accounts which have been placed as secured liens on the property tax rolls for future collection.
- The term “idle asset” was assigned to the Johnson Valley Test Well (\$177,096) as this project represented a water supply and recharge investigation or “feasibility study”. Following its completion, the test well was not actually put into service and thus will remain an “idle asset” until further action is taken by the Board of Directors.
- During Fiscal Year 2011/12 capital asset activity included both additions and deletions. Additions include placing the Ames/Reche Groundwater Storage and Recovery Program monitoring wells (\$331,448) into the capitalized fixed asset category and the purchase of a new field vehicle (\$25,023). Deletions include disposal of one field vehicle, a pressure washer and an obsolete copier. See Note 3 of the enclosed financial statements for more detailed information on capital asset activity.
- Other Non-Operating Revenues increased approximately \$70,000 in Fiscal Year 2011/12 attributed to the Board of Directors authority to adjust the Bighorn Mountains Improvement District 1 Ad Valorem Tax Assessment to ensure sufficient revenues are

collected to operate and maintain the ID 1 distribution system constructed in the early 1980's.

- Capital grant funds decreased in fiscal year 2011/12 from prior year (\$430,608 received) to \$128,217 as funds appropriated from an Environmental Protection Agency State and Tribal Assistance Grant (EPA STAG) were exhausted on both the Ames/Reche Groundwater Storage and Recovery Program and the Johnson Valley Hydrologic Investigation.
- As described further in note ten (10), the bond resolutions of the Agency and those of its predecessor districts contain provisions that require the tracking of certain operational funds with respect to the geographical areas of the two predecessor districts.

It was not practicable to re-construct with absolute precision the geographical identity of every dollar of operational activity (many expenditures of which were for the joint benefit of both areas) of the Agency that have transpired since the date that the two predecessor water districts were consolidated. Generally accepted accounting principles acknowledge the acceptability of reasonable approximations to measure an accounting result. Accordingly, a distribution of the equity (net assets) of the consolidated Agency as of June 30, 2010 into the two geographical areas associated with the Agency's predecessor entities was appropriately based upon an operational analysis of the of the Agency based upon a five year study of operations.

For at least a five year period, the General Manager using her operational knowledge of the Agency, allocated each revenue account classification and each expense account classification to the geographical jurisdictions of the two predecessor entities using her best determination of the geographical benefit associated with each revenue classification and expense classification.

Such determinations were made using her informed judgment and operational knowledge. Determinations were made based on the facts and circumstances pertaining to each revenue and expense classification. Where a particular revenue or expense account classification was not associated with a specific geographical area, that classification was assigned in equal proportions to each area.

The Agency is seeking relief from this requirement through an amendment to its enabling Act by seeking a "spot bill" in the State Legislature. The Agency is hopeful this will be completed in FY2012/13.

LONG-TERM DEBT

At the end of the 2011/12 fiscal year, the Agency had bonded debt outstanding of \$888,977 less the portion (\$105,000) due in less than one year. All debt payments were made on time and in full during the year. No new debt was issued during the fiscal year. The Desert View Water Revenue Bond matures in 2019 as does the Bighorn Mountains General Obligation Bond. For more detailed information on long-term debt activity see note 4 of the enclosed financial statements.

Contacting the Agency's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the General Manager's Office, at Bighorn Desert View Water Agency, 622 S. Jemez Trail, Yucca Valley, CA 92284.

BIGHORN-DESERT VIEW WATER AGENCY

BALANCE SHEET

As of June 30, 2012

(with comparative information for June 30, 2011)

	2012	2011
A S S E T S		
Current assets:		
Cash and cash equivalents (note 2)	\$ 882,481	762,219
Accounts receivable - water services	163,789	164,140
Accounts receivable - customer projects	-	2,790
Accounts receivable-unbilled	59,053	40,251
Grants receivable	36,166	28,673
Property tax receivable	32,011	22,707
Interest receivable	-	1,955
Inventory	62,911	61,100
Prepaid expenses	6,324	-
TOTAL CURRENT ASSETS	1,242,735	1,083,835
Non-current assets:		
Long term receivables	44,884	28,068
Idle Assets (note 3)	177,096	-
Capital assets not being depreciated (note 3)	552,468	805,494
Capital assets being depreciated, net (note 3)	3,622,746	3,515,094
TOTAL NON-CURRENT ASSETS	4,397,194	4,348,656
TOTAL ASSETS	\$ 5,639,929	5,432,491

(Continued)

BIGHORN-DESERT VIEW WATER AGENCY**BALANCE SHEET**

As of June 30, 2012

(continued)

(with comparative information for June 30, 2011)

LIABILITIES

	<u>2012</u>	<u>2011</u>
Current liabilities:		
Accounts payable	\$ 27,734	20,144
Current portion of bonds payable (note 4)	105,000	100,000
Current portion of compensated absences (note 4)	29,276	25,229
Payroll liabilities	15,403	18,930
Customer deposits - Water	54,141	50,904
Customer deposits - Projects	-	7,388
Interest payable	<u>4,621</u>	<u>5,347</u>
 TOTAL CURRENT LIABILITIES	 <u>236,175</u>	 <u>227,942</u>
 Non-current liabilities (note 4):		
Bonds payable	783,977	890,977
Compensated absences	<u>3,188</u>	<u>-</u>
 TOTAL NON-CURRENT LIABILITIES	 <u>787,165</u>	 <u>890,977</u>
 TOTAL LIABILITIES	 <u>1,023,340</u>	 <u>1,118,919</u>
 NET ASSETS		
Invested in capital assets, net of related debt (note 10)	3,286,244	3,331,173
Restricted for Bighorn (note 10)	96,880	(182,214)
Restricted for Desert View (note 10)	<u>1,233,465</u>	<u>1,164,613</u>
 TOTAL NET ASSETS	 <u>4,616,589</u>	 <u>4,313,572</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 5,639,929</u>	 <u>5,432,491</u>

See Notes to Financial Statements

BIGHORN-DESERT VIEW WATER AGENCY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Year Ended June 30, 2012

(with comparative information for June 30, 2011)

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES		
Water sales	\$ 466,610	457,078
Water services	40,134	50,253
Basic surcharge	<u>595,375</u>	<u>595,583</u>
 TOTAL OPERATING REVENUES	 1,102,119	 1,102,914
 OPERATING EXPENSES		
Transmission and distribution	393,634	351,065
General and administrative	507,341	605,733
Depreciation	<u>248,330</u>	<u>239,342</u>
 TOTAL OPERATING EXPENSES	 <u>1,149,305</u>	 <u>1,196,140</u>
 OPERATING INCOME (LOSS)	 (47,186)	 (93,226)
 NON-OPERATING REVENUES (EXPENSES)		
Interest income	2,326	4,472
Tax levy	295,186	223,764
Desert View debt surcharge	50,006	50,206
Gain/loss on disposal of asset	1,644	(38,832)
Other income/expense	(5,352)	9,036
Interest expense	(48,643)	(51,309)
Contribution to Mojave Water Agency pipeline (note 6)	(73,181)	(73,097)
Amortization of debt issuance costs	<u>-</u>	<u>(2,011)</u>
 TOTAL NON-OPERATING REVENUES (EXPENSES)	 221,986	 122,229
 INCOME BEFORE CAPITAL CONTRIBUTIONS	 174,800	 29,003
 CAPITAL GRANTS	 <u>128,217</u>	 <u>430,605</u>
 CHANGE IN NET ASSETS	 303,017	 459,608
 NET ASSETS BEGINNING, JULY 1	 <u>4,313,572</u>	 <u>3,853,964</u>
 NET ASSETS ENDING, JUNE 30	 <u>\$ 4,616,589</u>	 <u>4,313,572</u>

See Notes to Financial Statements

BIGHORN-DESERT VIEW WATER AGENCY**STATEMENT OF CASH FLOWS**

For the Year ended June 30, 2012

(with comparative information for June 30, 2011)

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 1,048,694	1,059,597
Cash payments to suppliers for goods and services	(394,179)	(343,707)
Cash payments to employees and directors for services	(503,633)	(597,097)
Other miscellaneous revenues	<u>(5,352)</u>	<u>9,036</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>145,530</u>	<u>127,829</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Property taxes received	<u>98,568</u>	<u>95,783</u>
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>98,568</u>	<u>95,783</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Property taxes received in support of long-term debt	196,618	127,981
Other revenue received in support of long-term debt	50,006	50,206
Acquisition of capital assets	(278,408)	(425,284)
Principal paid on long-term debt	(102,000)	(95,000)
Interest paid on long-term debt	(49,369)	(54,199)
Principal paid on capital leases	-	(2,346)
Mojave Water Agency pipeline support paid	(73,181)	(73,097)
Grant revenue received	<u>128,217</u>	<u>302,396</u>
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(128,117)</u>	<u>(169,343)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	<u>4,281</u>	<u>3,549</u>
NET INCREASE (DECREASE) IN CASH	120,262	57,818
CASH AND CASH EQUIVALENTS BEGINNING, JULY 1	<u>762,219</u>	<u>704,401</u>
CASH AND CASH EQUIVALENTS ENDING, JUNE 30	<u>\$ 882,481</u>	<u>762,219</u>

(Continued)

BIGHORN-DESERT VIEW WATER AGENCY**STATEMENTS OF CASH FLOWS**

(continued)

For the Years ended June 30, 2012

(with comparative information for June 30, 2011)

	<u>2012</u>	<u>2011</u>
Reconciliation of cash and cash equivalents to the statement of net assets:		
Cash and investments	<u>\$ 882,481</u>	<u>762,219</u>
	<u>\$ 882,481</u>	<u>762,219</u>
Reconciliation of operating income (loss) to cash used in operating activities:		
Operating income (loss)	(47,186)	(93,226)
Depreciation	248,330	239,342
Other Income/Expense	(5,352)	9,036
Changes in assets liabilities:		
Accounts receivable and other receivables	(49,274)	(35,875)
Inventory	(1,811)	14,400
Prepaid expenses	(6,324)	6,804
Accounts payable and other liabilities	11,298	(5,210)
Customer deposits	<u>(4,151)</u>	<u>(7,442)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 145,530</u>	<u>127,829</u>
Noncash capital, financing, or investing activities		
Capital contributions	<u>\$ 128,217</u>	<u>430,605</u>

See Notes to Financial Statements

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2012

(1) **Summary of significant accounting policies**

Reporting entity - Bighorn-Desert View Water Agency (the "Agency") is a special district that was formed in 1990 when the San Bernardino County Board of Supervisors approved the consolidation of Bighorn Mountains Water Agency (established 1969) and Desert View Water District (established 1964). It is the Agency's mission to provide water and water related services to the population within the Agency's boundaries. Accordingly, the Agency is authorized to finance, construct, operate and maintain a water transmission and distribution system to benefit this population. There are 1,923 user connections within the Agency's boundaries which encompass approximately 44 square miles. The Agency is governed by a five-member Board of Directors, who are elected to staggered 4-year terms.

Basis of accounting – The Agency uses the flow of economic resources measurement focus. This measurement focus emphasizes the determination of net income. The accrual basis of accounting is used by the Agency. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Agency follows all applicable Governmental Accounting Standards Board (GASB) pronouncements, and all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) issued on or before November 30, 1989 unless they conflict with or contradict GASB pronouncements. After November 30, 1989, the Agency applies only GASB pronouncements.

The Agency distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with water sales to customers. Non-operating revenues are those derived from support of long-term debt and the investment of cash reserves.

Use of restricted resources – When resources are combined, the Agency generally uses restricted resources, prior to using unrestricted resources, to pay expenditures meeting the criteria imposed on the use of restricted resources.

Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2012

(1) **Summary of significant accounting policies (Continued)**

Inventory - Inventory of materials and supplies, consisting of parts used for utility plant construction are carried at the weighted-average cost.

Utility plant - Capital assets are stated at cost. Depreciation is provided on a straight-line basis over the estimated useful lives which range from five to fifty years. Depreciation expense for the year ended June 30, 2012 was \$248,330. It is the policy of the Agency to capitalize property, plant and equipment with a cost of \$1,000 or more.

Allowance for uncollectible accounts – It is agency policy that for all water accounts delinquent for more than 90 days have a lien placed on their property. The agency believes that collection is certain as customers cannot sell their properties without remittance of their water payments. Therefore the agency does not deem it necessary to record an allowance for uncollectible accounts, although the amount placed on the tax rolls is recorded separately as a long term receivable on the balance sheet. Long Term receivables for the year ended June 30, 2012 was \$44,884.

Debt issuance costs - Debt issuance costs are deferred and amortized over the term of the debt.

Other accounting policies - Customers are billed on a bi-monthly basis and the related revenues are recorded when customers are billed.

Income taxes - The Agency is exempt from Federal and State income taxes, as it is a public government agency.

Cash and cash equivalents – For purposes of the statement of cash flows, the Agency limits the term *cash and cash equivalents* to only currency on hand, demand deposits with banks or other financial institutions, and deposits in other kinds of accounts or cash management pools that have the general characteristics of demand deposit accounts in that the Agency may deposit additional cash at any time and effectively withdraw cash at any time without prior notice or penalty.

Property taxes - Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien date:	March
Levy date:	July1 to June 30
Due date:	November 1 - first installment March 1 - second installment
Collection date:	December 10 - first installment April 10 - second installment

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2012

(1) **Summary of significant accounting policies (Continued)**

General property taxes are assessed and collected by the County of San Bernardino on a rate per \$100 of assessed value, plus other increases approved by the voters. The general property taxes are pooled and are then allocated to the districts based on formulas. Property taxes are recognized as revenue when received and/or become available. Property tax revenues are considered available when they become due or past due and receivable within the current period and those expected to be collected during a 60-day period subsequent to the balance sheet date when significant.

Grants - When a grant agreement is approved and eligible expenditures are incurred, the amount is recorded as a federal capital or operating grant receivable on the statement of net assets and as capital grant contribution or operating grant revenue, as appropriate, on the statement of revenues, expenses and changes in net assets.

Prior year information – Certain data has been presented for the prior year. Such data does not represent a complete presentation in accordance with generally accepted accounting principles, but has been presented for comparative purposes only.

(2) **Cash and investments**

The Agency maintains a cash and investment pool that is available for all funds. Each fund type balance in the pool is reflected on the combined balance sheet as cash and investments.

Cash deposits - The carrying amounts of the Agency's cash deposits were \$6,997 at June 30, 2012. Bank balances before reconciling items were \$19,746 at that date, the total amount of which was collateralized or insured with securities held by pledging financial institutions in the Agency's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the Agency's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the Agency's name.

The market value of the pledged securities must equal at least 110% of the Agency's deposits. California law also allows financial institutions to secure the Agency's deposits by pledging first trust deed mortgage notes having a value of 150% of the Agency's deposits. The Agency may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC).

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2012

(2) Cash and investments

The Agency follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances; interest income from cash and investments with fiscal agents is credited directly to the related fund.

Investments - Under the provisions of the Agency's investment policy and in accordance with California Government Code, the following investments were authorized:

- Securities issued by the U.S. Treasury
- Securities issued and fully guaranteed as to payment by an agency of the U.S. Government
- Bankers' Acceptances
- Non-negotiable certificates of deposit
- Repurchase Agreements
- California Local Agency Investment Fund (State Pool)
- Corporate medium-term notes
- Mortgage-backed securities
- Diversified Management Companies, as defined by Section 23701m of the Revenue Taxation Code

Summary of cash and investments - The following is a summary of pooled cash and investments at June 30, 2012:

Cash and investments	\$882,481
----------------------	-----------

At June 30, 2011, cash and investments were composed of the following:

	Credit Quality Ratings	Fair Value
Deposits	Not Rated	\$ 6,997
Local Agency Investment Funds	Not Rated	<u>875,484</u>
		<u>\$882,481</u>

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2012

(2) **Cash and investments, (Continued)**

Risk Disclosures

Interest rate risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the Agency's investment policy limits the Agency's investment portfolio to maturities not to exceed five years at time of purchase.

Credit risk - State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the Agency's policy to limit its investments in these investment types to the top rating issued by NRSROs, including raters Standard & Poor's, Fitch Ratings, and Moody's Investors Service.

Summary of Investments to Maturity

The fair value of investments held by maturity at June 30, 2012 is shown below:

Maturity:	
Current to one year	\$875,484
Two to three years	-
Four to five years	<u>-</u>
Total	<u><u>\$875,484</u></u>

Investment in State Investment Pool – the Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is not rated.

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2012

(3) Utility plant in service

A summary of changes in utility plant in service for the year ended June 30, 2012:

<u>Assets at Cost</u>	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
Capital assets, not being depreciated:				
Land	\$ 64,103	12,508	-	76,611
Construction in Progress	<u>741,391</u>	<u>291,840</u>	<u>(557,374)</u>	<u>475,857</u>
Total capital assets, not being depreciated	<u>805,494</u>	<u>304,348</u>	<u>(557,374)</u>	<u>552,468</u>
Capital assets, being depreciated:				
Fuel station	16,604	-	-	16,604
Motor vehicles	444,499	25,142	(18,546)	451,095
Office building	230,552	-	-	230,552
Office equipment	129,713	-	(2,688)	127,025
Organization	336,271	-	-	336,271
Shop equipment	43,075	-	(1,748)	41,327
Water system	7,533,873	331,448	-	7,865,321
Yards	<u>52,958</u>	<u>-</u>	<u>-</u>	<u>52,958</u>
Total capital assets, being depreciated	<u>8,787,545</u>	<u>356,590</u>	<u>(22,982)</u>	<u>9,121,153</u>
Total assets at cost	<u>9,593,039</u>	<u>660,938</u>	<u>(580,356)</u>	<u>9,673,621</u>
Accumulated depreciation				
Fuel station	(10,846)	(664)	-	(11,510)
Motor vehicles	(355,052)	(34,213)	18,104	(371,161)
Office building	(205,440)	(3,438)	-	(208,878)
Office equipment	(126,299)	(1,584)	2,688	(125,195)
Organization	(56,256)	(13,451)	-	(69,707)
Shop equipment	(37,986)	(1,717)	1,582	(38,121)
Water system	(4,427,614)	(193,263)	-	(4,620,877)
Yards	<u>(52,958)</u>	<u>-</u>	<u>-</u>	<u>(52,958)</u>
Total accumulated depreciation	<u>(5,272,451)</u>	<u>(248,330)</u>	<u>22,374</u>	<u>(5,498,407)</u>
Total capital assets being depreciated, net	<u>3,515,094</u>	<u>108,260</u>	<u>(608)</u>	<u>3,622,746</u>
Capital assets, net book value	<u>\$ 4,320,588</u>	<u>412,608</u>	<u>(557,982)</u>	<u>4,175,214</u>

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2012

(3) Utility plant in service, (Continued)

Idle Assets - During fiscal year 2011/2012 the Agency conducted a feasibility study as to the existence of ground water in the Johnson Valley. In doing so, the Agency constructed a well which was to be used to pump water from the Johnson Valley. However, it was determined that at the feasibility study dictated drilling depth, the well would not produce water. While the Agency could continue to drill to further depths, in hopes of creating a producing well, this decision has not been made by management or the Board of Directors. As such, the value of the Johnson Valley Well, \$177,096, will be held on the balance sheet as an Idle Asset, not to be depreciated, until the Agency decides how to proceed regarding further drilling.

(4) Long-term debt

Bonds Payable:

June 30, 2012

Bighorn General obligation bonds:

Original issue \$1,875,000, 5%, maturing in 2019;
secured by tax levy revenues

\$ 628,000

Desert View Water revenue bonds:

Original issue \$700,000, 5%, maturing in 2019;
secured by a pledge of all revenues

260,977

Total bonds payable

888,977

Less portion due within one year

(105,000)

\$ 783,977

Change in Long Term Liabilities:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within 1 Year
Bighorn General Obligation Bonds	\$ 702,000	-	(74,000)	628,000	74,000
Desert View Water Revenue Bonds	286,977	-	(26,000)	260,977	26,000
Improvement District 71-2 Bonds	2,000	-	(2,000)	-	-
Compensated Absences	<u>25,229</u>	<u>36,511</u>	<u>(29,276)</u>	<u>32,464</u>	<u>29,276</u>
Total	<u>\$ 1,016,206</u>	<u>36,511</u>	<u>(131,276)</u>	<u>921,441</u>	<u>137,464</u>

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2012

(4) **Long-term debt, (Continued)**

Future long-term debt maturities are as follows:

Year Ending June 30	<u>General Obligation Bonds</u>		<u>Water Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 77,000	31,400	28,000	12,022
2014	81,000	27,550	29,000	10,572
2015	85,000	23,500	31,000	9,022
2016	89,000	19,250	32,000	7,422
2017	94,000	14,800	34,000	5,722
2018	98,000	10,100	35,000	3,972
2019	104,000	5,200	37,000	2,122
2020	-	-	34,977	172
Total	<u>\$ 628,000</u>	<u>131,800</u>	<u>260,977</u>	<u>51,029</u>

(5) **Joint powers authority**

The Agency participates in a joint powers agreement (JPA), the Special District Risk Management Authority (SDRMA), in order to obtain workers compensation and property liability insurance coverage. The relationships between the Agency and the JPA are such that the JPA is not a component unit of the Agency for financial reporting purposes.

The JPA has budgeting and financial reporting requirements independent of member units and its financial statements are not presented in these financial statements; however, transactions between the JPA and the Agency are included in these statements.

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2012

(5) **Joint powers authority, (Continued)**

Special Districts Risk
Management Authority (SDRMA)

Purpose	To purchase property, workers compensation, and liability insurance for member districts
Participants	Special districts in California
Governing board	Two directors selected by the California Special Districts Association and five elected from membership

(6) **Commitments**

On March 15, 1991, the Agency entered into an agreement with the Mojave Water Agency to become a participant in the Morongo Basin Pipeline project. Under the agreement, the Agency was obligated to pay its project allotment percentage of the estimated fixed project cost commencing July 1, 1991. The payment made to Mojave Water Agency for the current year was \$73,181. The payments commencing June, 1996, and thereafter will be determined by Mojave Water Agency based upon various factors.

(7) **Litigation**

The Agency presently has no material action, suit or preceding that is expected to have a material adverse effect upon the financial condition of the Agency.

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2012

(8) **Defined benefit pension plan**

Plan description - The Agency contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, CA 95814.

Funding policy - For the year ended June 30, 2012, the Agency was required to contribute an actuarially determined rate of 11.677% (employer's rate) of covered payroll. The contribution requirements of plan members and the Agency are established and may be amended by PERS.

Annual pension cost - The Agency's total contributions to CalPERS for the fiscal years ending:

	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>June 30, 2010</u>
CalPERS contributions	\$ 38,520	27,995	32,677

For the year ended June 30, 2012, the Agency's annual pension cost for PERS was equal to the Agency's required and actual contributions (not including the portion paid on behalf of employees). The required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age normal cost method. The actuarial assumptions included: (a) 7.75% investment rate of return (net of administrative expenses); (b) projected annual salary increases of 3.00% attributable to inflation; and (c) a 0.25% across the board increase and merit increases that vary by length of service. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis.

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2012

(9) Debt Covenants

The Agency is presently repaying two bond issues: (1) the 1979 Bighorn Mountains Water Agency General Obligation Bonds; and (2) the 1980 Desert View Water District Revenue Bonds. The Agency has also entered into an agreement with Mojave Water Agency for Construction, Operation and Financing of the Morongo Basin Pipeline Project as detailed in Note 6. Each of these bond issues and the agreement with Mojave Water Agency includes a series of covenants to which the Agency, or its predecessors, has agreed. One of the covenants in each issue is that the Agency will, at a minimum set its rates in a manner to provide sufficient revenue to cover operating costs, pay the principal and interest due on the bond installments, pay the annual payment required by the agreement with Mojave Water Agency, and have a specified coverage. The 1980 Desert View bonds have a coverage requirement that net revenues be 20% over the annual principal and interest payment, while the agreement with Mojave Water Agency requires coverage of 25% over the annual principal and interest payment.

For the year ended June 30, 2012, the aggregate debt service coverage of the Agency was approximately 438%. Future debt service of the Agency through 2020 is \$888,977. The Agency expects debt service coverage to be comparable to that of the current year throughout the period to which the coverage requirement applies.

The Pledge of Revenues and Funds of the 1980 Desert View Water District Revenue Bonds (the "pledge") requires that a Reserve Fund be established to further secure the payment of the principal of and interest on those bonds. Pursuant to the pledge, the balance of this Reserve Fund is to be maintained at the average of all future payments, or \$39,001. At June 30, 2012 the reserve was fully funded and had a balance of \$873,934.

(10) Net Assets

Prior to fiscal year 2012, the Agency took the position that ad valorem taxes on Bighorn Mountains Water Agency and bond surcharges on the Desert View Water District were restricted solely for the payment of principal and interest associated with the debt of each respective district.

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2012

(10) Net Assets (Continued)

However, legal research conducted in fiscal year 2010, disclosed the following:

Section 9 of the Resolution No. 174 of the Bighorn Mountains Water Agency dated June 21, 1977 states: "The Board of Directors, so far as practicable, shall fix such rate or rates for water in Improvement District No. 1 as will result in revenues which will pay the operating expenses of the improvement district, which provide for the operating expenses of the improvement district, provide for repairs and depreciation of works, provide a reasonable surplus for improvements, extensions, and enlargements, pay the interest on the bonded debt, and provide a sinking or other fund for the payment of the principal of such debt as it may become due.

If the revenues of the improvement district will be inadequate for any cause to pay the expenses set forth above, the Agency must provide for the levy and collection of a tax sufficient to raise the amount of money determined by such Board of Directors to be necessary for the purpose of paying such charges and expenses as set forth above and the principal and the interest on the bonds as the same become due."

Similarly, Section 5.11 of Resolution No. 304 of the Desert View Water District provides that revenues of the Agency will be used to pay "any reasonable and necessary maintenance and operation costs of the Enterprise."

Section 33305(a) of the Desert View Water District-Bighorn Mountains Water Agency Consolidation Law and Section 31012 of the County Water District Law states that "all funds derived from the operation of the former district system shall be separately accounted for and used exclusively for the purposes of maintenance, operation, betterments, and bond debt service of the acquired system."

Legal counsel has concluded that all revenues (not just property tax levies) of each predecessor district are restricted for the expenditures of that district. It was also determined that qualified uses of such restricted revenues include the operating expenses (not just principal and interest payments) associated with that district.

BIGHORN-DESERT VIEW WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2012

(10) Net Assets (Continued)

As of June 30, 2012, the portion of net assets associated with this restriction are as follows:

Bighorn Mountains Water Agency ("Bighorn"):	
Invested in capital assets, net of related debt	\$ 2,264,839
Resources restricted for Bighorn	<u>96,880</u>
Total Bighorn Mountains Water Agency	\$ 2,361,719
 Desert View Water District ("Desert View")	
Invested in capital assets, net of related debt	\$ 1,021,405
Resources restricted for Desert View	<u>1,233,465</u>
Total Desert View Water District	\$ 2,254,870

STATISTICAL SECTION

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time:

- Net Assets by Component
- Changes in Net Assets/Equity

Revenue Capacity

These schedules contain trend information to help the reader assess the government's most significant current local revenue source, the property tax:

- Water Sold
- Rates
- Largest Users

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place:

- Demographic

Debt Capacity Information

These schedules assist users in understanding and assessing a government's debt burden and its ability to issue additional debt:

- Ratio of Outstanding Debt
- Ratio of General Bond Outstanding
- Pledged – Revenue Coverage

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs:

- Employees
- Operating and Capital

**NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Invested in capital assets, net of related debt	\$ 2,233,537	2,146,035	2,100,217	2,285,266	2,691,161	2,816,559	2,546,637	3,087,501	3,331,173	3,286,244
Restricted for Bighorn/Desert View	380,978	383,003	408,227	413,889	-	-	-	766,463	-	-
Restricted for Bighorn	-	-	-	-	-	-	-	-	(182,214)	96,880
Restricted for Desert View	-	-	-	-	-	-	-	-	1,164,613	1,233,465
Unrestricted	224,522	329,612	501,402	492,707	845,948	453,169	940,679	-	-	-
Total net assets	\$ 2,839,037	2,858,650	3,009,846	3,191,862	3,537,109	3,269,728	3,487,316	3,853,964	4,313,572	4,616,589
% Increase	-3.37%	0.69%	5.29%	6.05%	10.82%	-7.56%	6.65%	10.51%	11.93%	7.02%

Source: Annual Financial Statements

**CHANGES IN NETS ASSETS
LAST TEN FISCAL YEARS**

Fiscal Year	Water Operating		Operating		Total		Grant Income	Change in Net Assets
	Revenues	Expenses	Loss	Nonoperating Revenues/Expenses				
2003	\$ 624,840	\$ 857,361	\$ (232,521)	\$ 133,429	\$ -	\$ (99,092)		
2004	\$ 749,537	\$ 893,426	\$ (143,889)	\$ 163,502	\$ -	\$ 19,613		
2005	\$ 793,862	\$ 918,655	\$ (124,793)	\$ 275,989	\$ -	\$ 151,196		
2006	\$ 957,729	\$ 878,861	\$ 78,868	\$ 103,148	\$ 200,000	\$ 182,016		
2007	\$ 1,028,163	\$ 1,078,584	\$ (50,421)	\$ 117,286	\$ 278,378	\$ 345,243		
2008	\$ 901,719	\$ 1,337,090	\$ (435,371)	\$ 167,994	\$ 11,077	\$ (256,300)		
2009	\$ 1,066,200	\$ 1,107,924	\$ (41,724)	\$ 210,507	\$ 42,855	\$ 211,638		
2010	\$ 1,144,587	\$ 1,172,020	\$ (27,433)	\$ 161,738	\$ 232,343	\$ 366,648		
2011	\$ 1,102,914	\$ 1,196,140	\$ (93,226)	\$ 122,229	\$ 430,605	\$ 459,608		
2012	\$ 1,102,119	\$ 1,149,305	\$ (47,186)	\$ 221,986	\$ 128,217	\$ 303,017		

BIGHORN DESERTVIEW WATER AGENCY

Water Sold

Last Ten Fiscal Years

Fiscal Year	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
BIGHORN MOUNTAINS										
Residential 1-6 plus										
bulk accounts 30, 31 & 33										
Cubic Feet	8,635,437	13,706,781	6,151,317	6,342,070	9,182,709	8,018,498	7,410,380	6,714,996	6,542,481	6,307,928
Acre Feet	198	315	141	146	211	184	170	154	150	145
DESERT VIEW										
Residential 7-11 plus										
bulk account 32										
Cubic Feet	8,650,599	8,754,520	8,227,880	7,053,992	9,499,609	8,623,442	8,295,352	8,239,072	7,779,814	7,559,768
Acre Feet	199	201	189	162	218	198	190	189	179	174
Total Sales in Cubic Feet	\$ 17,286,036	22,461,301	14,379,197	13,396,062	18,682,318	16,641,940	15,706,332	14,954,068	14,322,295	13,867,696
Total Sales in Acre Feet	397	516	330	308	429	382	361	343	329	318

Bulk accounts are for individuals that haul their own water and water haulers.
Closed accounts are included with billing cycle regardless of route.

**WATER RATES
LAST TEN FISCAL YEARS**

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
BIGHORN MOUNTAINS										
Accounts 01-06										
Consumption Rate	\$ 4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Basic Service Charge	\$ 17.92	17.72	20.00	20.00	20.00	20.00	27.50	27.50	27.50	27.50
DESERT VIEW										
Accounts 07-11										
Consumption Rate	\$ 4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Basic Service Charge	\$ 17.72	17.72	20.00	20.00	20.00	20.00	27.50	27.50	27.50	27.50
FMHA	\$ 4.37	4.65	4.65	4.65	4.65	4.65	4.65	4.65	4.65	4.65
Accounts 30-33										
Consumption Rate	\$ 4.00	4.00	3.00	3.00	7.00	7.00	7.00	8.50	8.50	8.50
Basic Service Charge	\$ 13.62	13.62	20.00	20.00	None	None	None	None	None	None

"Basic Rate" is montly fixed basic service charge regardless of water consumption.

"Usage Rate" is rate imposed per 100 cubic feet metered Agency bills customers bi-monthly.

Basic Service Charge and Consumption Rate changes are subject to California Constitution limitations (aka: Proposition 218) Change from 2011 report: FMHA previous report showed a 2 month total, it has been reduce to the monthly amount.

**LARGEST WATER CUSTOMER
AS OF JUNE 30, 2011**

	Customer Name	Sales in Cubic Feet	Annual Revenues	Percent of District Sales
1	Commercial Water Hauler*	168,940	\$ 14,360	3.20%
2	Landers Elementary School	123,195	3,696	0.82%
3	Residential Customer	85,530	2,566	0.57%
4	Commercial Water Hauler*	72,110	6,129	1.36%
5	Residential Customer	64,154	1,925	0.43%
6	White Rock Horse Rescue	60,937	1,828	0.41%
7	Residential Customer	58,476	1,754	0.39%
8	Hero Market	58,461	1,754	0.39%
9	Residential Customer	53,738	1,612	0.36%
10	Residential Customer	50,763	1,523	0.34%
		<u>796,304</u>	<u>\$ 37,147</u>	<u>8.27%</u>

Total Water Sales for the District

13,867,696

\$ 449,141

Only potable water is sold.

Customers with leaks causing large water usage are not been included.

* Commercial Water Haulers are charged the bulk rate.

Bulk Water Rates: \$8.50 per ccf w/\$0 Basic Service Charge

Domestic Water Rates: \$3.00 per ccf w/\$27.50 monthly Basic Service Charge

**Ratio of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	BH Bond	DV Bond	Totals	Percent of Personal Income	Debt per Capita
2003	\$ 1,163,000	\$ 458,977	\$ 1,621,977	3.26%	\$ 659
2004	\$ 1,115,000	\$ 440,977	\$ 1,555,977	2.89%	\$ 628
2005	\$ 1,065,000	\$ 421,977	\$ 1,486,977	2.54%	\$ 587
2006	\$ 1,013,000	\$ 401,977	\$ 1,414,977	2.24%	\$ 548
2007	\$ 958,000	\$ 380,977	\$ 1,338,977	1.99%	\$ 511
2008	\$ 900,000	\$ 358,977	\$ 1,258,977	1.87%	\$ 489
2009	\$ 838,000	\$ 335,977	\$ 1,173,977	1.76%	\$ 456
2010	\$ 772,000	\$ 311,977	\$ 1,083,977	1.79%	\$ 432
2011	\$ 702,000	\$ 268,447	\$ 970,447	1.23%	\$ 383
2012	\$ 628,000	\$ 260,978	\$ 888,978	0.94%	\$ 351

2010 and 2011 income was estimated by using the Yucca Valley income found in the financial report and taking the same % of inc/dec.

Changed per GFOA comments from 2011 report

2012 Median household income taken from
http://www.bestplaces.net/economy/zip-code/california/yucca_valley/92284

**Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year	Obligation Bonds	Assessed Value	Debt per Capita
2003	\$ 1,163,000	\$ 1,163,000	\$ 472
2004	1,115,000	1,115,000	450
2005	1,065,000	1,065,000	420
2006	1,013,000	1,013,000	392
2007	958,000	958,000	366
2008	900,000	900,000	350
2009	838,000	838,000	325
2010	772,000	772,000	307
2011	702,000	702,000	277
2012	628,000	628,000	246

BIGHORN DESERT VIEW WATER AGENCY
Pledged-Revenue Coverage
Last Ten Fiscal Years

Desert View Water Revenue Bonds

Fiscal Year Ended June 30	FMHA Surcharge	Debt		Coverage
		Principal	Interest	
2003	\$ 42,408	\$ 17,000	\$ 24,000	103%
2004	41,738	18,000	23,150	101%
2005	42,631	19,000	22,250	103%
2006	42,964	20,000	20,586	106%
2007	43,665	21,000	19,899	107%
2008	43,640	22,000	18,181	109%
2009	47,744	23,000	22,436	105%
2010	50,345	24,000	12,311	139%
2011	50,206	25,000	13,534	130%
2012	50,006	26,000	13,442	127%

2003 - 2005 are estimated from service connections multiplied by the FHMA surcharge

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Calendar Year	Population	Personal Income	Unemployment Rate
2003	2,463	\$ 20,198	N/A
2004	2,476	21,718	N/A
2005	2,535	23,104	5.30%
2006	2,582	24,425	5.00%
2007	2,619	25,645	5.60%
2008	2,574	26,178	8.20%
2009	2,575	25,837	13.00%
2010	2,512	24,052	13.00%
2011	2,537	31,027	14.00%
2012	2,533	37,293	12.70%

1. Population calculated using number of active service connections on Jan. 1 (prior to FY start July 1) multiplied by 75.8%* multiplied by number of persons per household**

*SB County Community Plan for Homestead Valley, 75.8% of developed properties are occupied full time

**2010 Census population within BDVWA boundaries was 3,041 with 1,415 occupied dwellings.

3041/1415 = 2.13 persons per household. Agency applied 2.13

2. Personal income is based on an average of 3 blocks from U.S. Census American Community Survey Household Median Income in 2009, then compared to previous data for San Bernardino County.
<http://www.bea.gov/regional/downloadzip.cfm>

3. 2012 Unemployment was taken from www.labormarketinfo.edd.ca.gov - Historical Civilian Labor Force

4. 2012 Median household income taken from
http://www.bestplaces.net/economy/zip-code/california/yucca_valley/92284

Employer	2012 No. of Employees	2012 Percentage of Total Labor Force
Post Office	1	0.11%
Western Coffee Pot	1	0.11%
Mojave Liquor	2	0.23%
Loyal Order/Moose Lander	2	0.23%
Halliday's	2	0.23%
Castle Inn	3	0.34%
Diversified Tools	4	0.46%
Heros	6	0.69%
Gubler's Orchid	6	0.69%
Bighorn Desert View Water Agency	7	0.80%
Landers Elementary School	25	2.87%
Total Labor Force	870	

Every employer in the Bighorn area is included.

Employment information from 9 years pryor is not available.

Total Labor Force was estimated by using the Yucca Valley Labor Force found on www.Labormarketinfo.edd.ca.gov and reducing according to the population.

**District Employees by Function
Last 10 Years**

Water Operations	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Water Quality & Maintenance	1	1	1	1	1	1	1	1	1	1
Water Distribution & Maintenance	2	2	2	2	2	2	2	2	2	2
Field Supervisor*	1	1	1	1	1	1	1	1	0	0
Chief of Operations**	0	0	0	0	1	1	0	0	0	0
Administration										
Administration***	2	2	2	2	2	2	2	2	2	2
Accounting I, II, III/Customer Service	2	2	2	2	2	2	2	2	2	2
Total Positions	8	8	8	8	9	9	8	8	7	7

General Manager is included
Board Members and Temporary employees are not included.

*6/30/12: Supervisor Field Vacant.

**6/30/08 Chief of Operations position eliminated

***6/30/12: Exec. Sec/Personnel Vacant

**OPERATING AND CAPITAL INDICATORS
LAST TEN YEARS**

<u>POTABLE WATER SYSTEM</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Miles of pipeline:	120	120	120	120	120	120	120	120	120	120
Number of storage tanks	9	9	9	9	9	9	9	9	9	9
Maximum storage capacity (million gallons)	2,302,000	2,302,000	2,302,000	2,302,000	2,302,000	2,302,000	2,302,000	2,302,000	2,302,000	2,302,000
Number of active pumping plants	2	2	2	2	2	2	2	2	2	2
Number of active wells: domestic	7	7	7	7	7	7	7	7	7	7
Domestic well production capacity: Calendar year acre feet per year	504	494	452	474	530	487	469	432	412	412
Number of service connections: ¹ Bighorn Mountains ² Desert View	775 760	779 748	787 764	804 780	825 797	809 773	1009 912	1000 906	1003 903	1005 901
<u>GENERAL INFORMATION</u> Service area (annexed property): ³ acres square miles	27,323 43	27,323 43	27,353 43	27,353 43	27,353 43	27,353 43	27,353 43	27,353 43	27,353 43	27,353 43

1. 2003 to 2008 figures include open meters in use only. 2009 the count was changed to include all meters active and inactive.
2. Connection totals from 2007-2011 were corrected.
3. New note: Agency underwent Municipal Sphere Review in FY2011/12 which provided more accurate acreage calculation

**BIGHORN DESERT VIEW WATER AGENCY
AGENDA ITEM SUBMITTAL**

Meeting Date: November 27, 2012

To: Board of Directors

Budgeted: n/a

Budgeted Amount: n/a

Funding Source: n/a

From: Marina D. West

General Counsel Approval:

CEQA Compliance: n/a

Subject: Request for Water Service to Parcel No. 635-101-02

SUMMARY

An inquiry has been made regarding water service availability to Parcel No. 635-101-02 (see attachment). This parcel is located north of existing mainline at Ming and Acoma outside the existing Bighorn Mountains Improvement District "1". The property is more than 700 feet from this existing mainline and therefore a variance is required allowing an additional 300 feet of service line to reach the property boundary. The Rules and Regulations for Water Service allow for variance requests. The practice of the Board of Directors is to consider variances on a case by case basis.

This parcel is located outside the boundaries of Improvement District 1 and therefore was not included in that benefit area at the time the water system was constructed. Parcels outside the Improvement District were and are intended to be developed as mainline extensions to the original water system. This is best and typically accomplished through mainline extensions rather than allowing development via variances to this policy allowing long service lines (i.e. "spider lines").

RECOMMENDATION

That the Board considers taking the following action(s):

1. Approve or deny applicant's request for variance to extend a service line greater than 700 feet (est. 1,000 feet) from Ming Road to parcel No. 635-101-02 which lies outside the boundaries of Improvement District 1.

BACKGROUND/ANALYSIS

An inquiry has been made regarding water service availability to Parcel No. 635-101-02. Agency Rules and Regulations for Water Service Article 4.7 stipulate that "meter service facility installations shall not be allowed if the applicant's property boundary is more than 700 feet away from an Agency water main unless a variance is granted by Article 1.5. Traditionally the Board has considered variances on a case by case basis.

This property is located within the boundaries of the predecessor entity "Bighorn Mountains Water Agency" yet it is outside of the boundaries of Improvement District 1 (ID 1). For the

last 32 years, all properties within ID 1 have contributed to the debt service and maintenance of the existing water system through an Ad Valorem tax assessment. The ID 1 water system was designed to allow all properties within the ID 1 boundaries to have water availability but in order to make the system affordable mainlines were limited and extended service laterals were allowed (taxed parcels exist within 700 feet of the mainline). This appears to be the reasoning for allowing service lines up to 700 feet per Article 4.7; to reach across the long side of one adjacent parcel with a front footage of 660 feet.

There exists broad policy question regarding the availability of water to properties which were excluded from the ID when it was formed. Likewise, any policy allowing the access to water through the use of long service lines (i.e. spider lines) defeats the concept of logical expansion of the water system outward from its core. For these reasons, staff is recommending against the variance and instead requiring a mainline extension of approximately 1,330 feet.

The Chief Engineer has advised that long service lines (i.e. spider lines) should be avoided for several reasons. First, it allows development without adequate fire protection. Next, long service lines are not mapped, tend to cross adjacent private properties, and therefore are vulnerable to being hit by others when excavating, possibly resulting in contested water bills. Lastly, allowing such variances will establish a precedence which is contrary to established policies intended to promote logical system expansion.

Therefore, in the case of parcel No. 635-101-02 staff recommends the property owner be denied a variance and directed to the process for extending the mainline approximately 1,330 feet to cross the front footage of the applicant's property line in conformance with Article 5.14.

In the meantime, staff is evaluating the accounts at the Kickapoo Bulk Station in an attempt to provide a means for the property owner to haul his own water to the existing cabin on this property.

PRIOR RELEVANT BOARD ACTION(S)

3/23/2010 Board of Directors denied variance request for water service to parcel No.635-101-02 and requested review of issues related to water service outside Improvement District No. 1 boundaries by District Engineer.

Richard Storti
6584 E. Via Estrada
Anaheim, CA 92807

October 13, 2012

Bighorn-Desert View Water Agency
Attn.: Ms. Marina D. West, P.G., General Manager
622 S. Jemez Trail
Yucca Valley, CA 92284-1440

RE: Request for variance – 4172 Hughes Rd, Landers CA 92285 (aka APN 0635-101-02)

Dear Ms. West and Board Members,

I am the owner of 4172 Hughes Rd., Landers CA 92285 (aka APN 0635-101-02). My property is located approximately 990 feet from the water main. I have requested to purchase a water meter from Bighorn and my request was denied on the grounds that my property is located further than 700 feet from the water main. I am writing to respectfully request a variance from the requirement that a property must be 700 feet from a water main to install a water meter.

As a note, a similar variance was granted to my neighbor who is located the same distance from the main. Her property is APN 0635-101-24

My intent is to purchase a water meter and have a line connected to my house. As some background, over the last few years water haulers of potable water are becoming fewer and fewer. At this point, I am only aware of one hauler and his fee is \$100 per delivery. Over the last month, the one hauler was unavailable for a period of time as his truck was broken down. As my property is only a short distance beyond the threshold and a similar variance was granted to my neighbor, I believe granting a variance is fair.

I will be happy to meet with the Board or Marina if there are any questions or to discuss further. You are also welcome to call me at 949-689-2415.

I look forward to your favorable response.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'Richard Storti', written in a cursive style.

Richard Storti

**BIGHORN DESERT VIEW WATER AGENCY
AGENDA ITEM SUBMITTAL**

Meeting Date: November 27, 2012

To: Board of Directors

Budgeted: N/A

Funding Source: N/A

Cost: N/A

From: Marina West

General Counsel Approval: Obtained

CEQA Compliance: N/A

Subject: Amending the Employee Handbook for Purposes of Establishing the Policy/Procedure for Cost of Living Increases and Modification of Holiday Provisions Both Previously Approved by the Board of Directors AND Modifying/Correcting/Adding Job Descriptions and Establishing an Organizational Structure

SUMMARY

The Board of Directors acted previously to establish a written procedure for evaluation and implementation of Cost-of-Living Increases and to substitute the current paid holiday, Columbus Day, for Christmas Eve Day. These actions need to be incorporated into the Employee Handbook.

Prior to amending the Employee Handbook, staff recommends the Board update job descriptions for both field and office staff positions and re-evaluate the organizational structure of the Agency. Staff, working with input from the Personnel Committee (FPREP Standing Committee) and from October 16th Board of Directors meeting, developed the job descriptions, range and step scale and organizational structure outlined in the attached Resolution.

To date, all employees have been included in the process of developing the job descriptions and changes to the range and step scale as well as the organizational structure proposed herein. Where appropriate employee comments and concerns have been addressed and incorporated into the attached documents.

Input from the October 16, 2012 Board meeting has been incorporated into the Resolution under consideration.

RECOMMENDATION

That the Board considers taking the following action(s):

1. Adopt Resolution No. 12R-XX amending the Employee Handbook for purposes of establishing the policy/procedure for cost-of-living increases, modification of holiday provisions, and modifying/correcting/adding job descriptions and establishing an organizational structure.

BACKGROUND/ANALYSIS

The parameters for determining employee cost-of-living adjustments and modifications to the established Agency holidays have been incorporated into the attached draft Employee Handbook but there will be no further discussion herein unless a member of the Board seeks further clarification.

The draft Employee Handbook update includes a new job description for field personnel (Water Distribution Operator series) and an updated job description for office personnel (Accounting Technician/Customer Service Representative series). These descriptions have been reviewed by legal counsel for compliance with applicable labor laws.

In addition to reviewing job descriptions, the Board should establish a new organizational structure, due to the changes proposed in the staff hierarchy (position deletions/additions) and to coincide with the new/revised job descriptions. Furthermore, the Board concurred with the number of employees that can be assigned to each position type in the proposed job series (Level I, II or III) as shown in Appendix C. The Board also concurred with modifying the range and step scale to increase the number of "steps" from seven (7) to twelve (12) as indicated in Appendix B. Lastly, the Board concurred with the total staff headcount for the organization is seven, which includes the position of general manager, thus requiring that increases in headcount or changes in organizational structure be reviewed and approved by the Board of Directors.

PRIOR RELEVANT BOARD ACTION(S)

10/16/2012 Board discussed and direction to staff regarding proposed Employee Handbook changes, organizational restructuring, position assignments and revised/new job descriptions.
4/3/12 Motion 12-028 Authorize inclusion of a Cost-of-Living Adjustment of 3.6% based on the Social Security Administration Cost-of-Living Adjustment publication for all employees in the fiscal year 2012/13 budget; direct staff to revise Employee Handbook to define the methodology for determining the Cost-of-Living to be the Social Security Administration Cost-of-Living Adjustment publication in the future; direct staff to revise the Employee Handbook to define the implementation period for any future cost-of-living adjustments to be the first payroll following July 1; bring the revised Employee Handbook Resolution to the Board for formal adoption at a regularly scheduled Board of Directors meeting.

5/22/12 Motion 12-045 item h) Substituting Columbus Day for Christmas Eve Day as one of the Agency paid holidays.

RESOLUTION NO. 12R-XX

RESOLUTION OF THE BOARD OF DIRECTORS OF BIGHORN-DESERT VIEW WATER AGENCY AMENDING THE EMPLOYEE HANDBOOK FOR PURPOSES OF ESTABLISHING THE POLICY/PROCEDURE FOR COST OF LIVING INCREASES, MODIFICATION OF HOLIDAY PROVISIONS, AND MODIFYING/CORRECTING/ADDING JOB DESCRIPTIONS AND ESTABLISHING AN ORGANIZATIONAL STRUCTURE

WHEREAS, by Resolution No. 11R-03, the Board of Directors of the Bighorn-Desert View Water Agency ("Agency") adopted an updated and corrected Employee Handbook ("Employee Handbook") to govern and control the rules for employment of its employees and to specify the rules and procedures for the conduct of personnel/human resources matter pertaining to the Agency's staff; and

WHEREAS, the Employee Handbook previously adopted by Resolution 11R-03 is in need of amending to:

1. Cost of Living Adjustments: Define methodology for calculating the cost of living adjustment to be based on the Social Security Administration COLA publication and to define the date of adjustment implementation previously approved via Motion No. 12-028 and update Appendix B – Range and Step Scale to reflect the approved COLA.
2. Holidays: Remove Columbus Day and add Christmas Eve Day previously approved via Motion No. 12-045.
3. Job Descriptions:
 - a. Update/Modify the existing job description for the Accounting Technician I II II/ Customer Service Representative position (approved with Resolution No. 11R-03) to include the duties and responsibilities relevant to accounts receivable and administrative assistance.
 - b. Update/Modify the existing job descriptions for the "Maintenance Worker" classification; rename the classification to "Water Distribution Operator I/ II/ III; and .
4. Modify/Correct Organization Chart:
 - a. Delete the position of Executive Secretary/Personnel Administration; and
 - b. Delete the position of Field Supervisor
5. Employee Headcount and Position Assignments:
 - a. Establish the Agency's total number of full-time equivalent Accounting Technician/Customer Service Representative I/II/III positions at three (3). Establish total allowable Accounting Technician/Customer Representative Level III assignments at three (3).

- b. Establish the Agency's total number of full-time equivalent Water Distribution Operator I/II/III positions at three (3). Establish total allowable Water Distribution Operator Level III assignments at three (3).

WHEREAS, an amended Employee Handbook has been prepared and reviewed by the Board of Directors of the Agency.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Agency as follows:

1. That the appropriate sections regarding cost of living adjustments and holiday provisions be updated/corrected and hereby incorporated into the Employee Handbook by the Board of Directors of the Agency; and
2. That the updated Accounting Technician I II II/ Customer Service job description is hereby incorporated into the Employee Handbook by the Board of Directors of the Agency; and
3. That the updated Water Distribution Operator I/ II/ III job description is hereby incorporated into the Employee Handbook by the Board of Directors of the Agency; and
4. That the Agency reorganize its operational structure by eliminating the position of Executive Secretary/Personnel Administration and the position of Field Supervisor from the Employee Handbook by the Board of Directors of the Agency; and
5. That the Agency hereby establishes a defined organizational structure into the Employee Handbook as follows:
 - a. Establish the Agency's total number of full-time equivalent Accounting Technician/Customer Service Representative I/II/III positions at three (3).
 - i. Establish total allowable Accounting Technician/Customer Representative Level III assignments at three (3).
 - b. Establish the Agency's total number of full-time equivalent Water Distribution Operator I/II/III positions at three (3).
 - i. Establish total allowable Water Distribution Operator Level III assignments at three (3).
6. That the amended Employee Handbook shall apply to all Agency employees; and
7. That the amended Employee Handbook shall become effective immediately upon adoption of the Resolution; and
8. That Resolution No. 11R-03 is hereby rescinded and of no further force and effect; and
9. That the President and Secretary of the Board of Directors, the General Manager, and the Agency staff are hereby authorized and directed to take such further steps as are reasonable necessary and appropriate to implement this Resolution.

PASSED, APPROVED AND ADOPTED by the Board of Directors to Bighorn-Desert View Water Agency this 27th day of November, 2012.

BY

Michael McBride, Board President

ATTEST:

By _____
David Larson, Board Secretary

BIGHORN-DESERT VIEW WATER AGENCY



EMPLOYEE HANDBOOK

ADOPTED XX, 2012
RESOLUTION NO. 12R-XX

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BIGHORN-DESERT VIEW WATER AGENCY EMPLOYEE HANDBOOK

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ARTICLE 1.0 GENERAL STATEMENTS

1.1 SHORT TITLE

This Resolution shall be known as “The Bighorn-Desert View Water Agency Employee Handbook”.

1.2 WORDS AND PHRASES

For the purpose of this Resolution, all words used herein in the present tense shall include the future; all words used in the plural shall include the singular; all words used in the singular shall include the plural; and all words used in the masculine gender shall include the feminine.

1.3 SEPARABILITY

If any section, article, clause, or phrase of this Resolution is for any reason held to be invalid, such a decision shall not affect the validity of the remaining portions of this Resolution.

1.4 EFFECTIVE DATE

This Resolution shall become effective upon the date of its adoption and supersede all other Resolutions or Policies or Ordinances in conflict there within.

1.5 SUBSEQUENT REVISIONS

That the Board of Directors of the Agency may, by Resolution duly passed upon the affirmative vote of the majority of the members of the Board of Directors, modify and amend the Employee Handbook at any time and from time to time.

ARTICLE 2.0 INTRODUCTORY POLICIES

2.1 INTRODUCTORY STATEMENT

This Employee Handbook sets forth the terms and conditions of the “at will” employment of all full and part-time employees. Individual written employment contracts may supersede some of the provisions of this handbook. This handbook is designed to familiarize every employee with the Agency’s major policies. Supervisors or managers can answer any questions employee’s may have.

2.2 INTEGRATION CLAUSE AND THE RIGHT TO REVISE

The Agency reserves the right to revise, modify, delete or add to any and all policies, procedures, work rules or benefits stated in this handbook or in any other document. All amendments become effective immediately upon their adoption by the Agency Board of Directors. Any written changes to this handbook will be distributed to all employees so that employees will be aware of the new policies or procedures. No oral statements or representations can in any way change or alter the provisions of this handbook. This handbook contains the terms and conditions of the employee’s “at will” employment. Nothing in this employee handbook, or any other personnel document, including benefit plan descriptions, creates or is intended to create a promise or representation of continued employment for any employee.

2.3 EQUAL EMPLOYMENT OPPORTUNITY

This Agency is an equal opportunity employer and makes employment decisions on the basis of merit. The Agency desires to have the best available persons in every job. Agency policy prohibits unlawful discrimination based on race, color, creed, sex, religion, marital status, age, national origin or ancestry, physical or mental disability, medical condition, sexual orientation, gender identity or any other consideration made unlawful by federal, state or local laws. All such discrimination is unlawful. The Agency is committed to complying with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in the operations of the Agency and prohibits unlawful discrimination by any employee of the Agency, including supervisors and co-workers.

If an employee believes they have been subjected to any form of unlawful discrimination, a written complaint should be submitted to the supervisor or the individual with day-to-day personnel responsibilities. The employee’s complaint should be specific and should include the names of the individuals involved and the names of any witnesses. The Agency will immediately undertake an effective, thorough and objective investigation and attempt to resolve the situation.

If the Agency determines that unlawful discrimination has occurred, effective remedial action will be taken commensurate with the severity of the offense. Appropriate action will also be taken to deter any future discrimination, whatever action is taken will be

made known to the employee and the Agency will take appropriate action to remedy any loss to the employee as a result of the discrimination. The Agency will not retaliate against any employee for filing a complaint and will not knowingly permit retaliation by management employees or co-workers.

2.4 UNLAWFUL HARASSMENT

1. Policy Statement. The Agency strictly prohibits unlawful harassment. This includes harassment on the basis of sex, sexual orientation, race, color, ancestry, religious creed, disability, medical condition, age (over 40), marital status, gender identity or any other protected class under applicable law.
2. Application.
 - A. This policy applies to all phases of the employment relationship, including recruitment, testing, hiring, upgrading, promotion/demotion, transfer, layoff, termination, rates of pay, benefits, and selection for training.
 - B. This policy applies to all officers and employees of the Agency, including, but not limited to, full- and part-time employees, per diem employees, temporary employees, and persons working under contract for the Agency.
3. Harassment Defined.
 - A. Harassment may consist of offensive verbal, physical, or visual conduct when such conduct is based on or related to an individual's sex and/or membership in one of the above-described protected classifications, and:
 - (1) Submission to the offensive conduct is an explicit or implicit term or condition of employment;
 - (2) Submission to or rejection of the offensive conduct forms the basis for an employment decision affecting the employee; or
 - (3) The offensive conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creates an intimidating, hostile, or offensive working environment.
 - B. Examples of what may constitute prohibited harassment include, but are not limited to, the following:
 - (1) Kidding or joking about sex or membership in one of the protected classifications;
 - (2) Hugs, pats, and similar physical contact;

- (3) Assault, impeding or blocking movement, or any physical interference with normal work or movement;
- (4) Cartoons, posters, e-mails and other materials referring to sex or membership in one of the protected classifications;
- (5) Threats intended to induce sexual favors;
- (6) Continued suggestions or invitations to social events outside the workplace after being told such suggestions are unwelcome;
- (7) Degrading words or offensive terms of a sexual nature or based on the individual's membership in one of the protected classifications;
- (8) Prolonged staring or leering at a person;
- (9) Similar conduct directed at an individual on the basis of race, color, ancestry, religious creed, disability, medical condition, age (over 40), marital status, sexual orientation, gender identity or any other protected classification under applicable law.

4. Procedure.

A. Internal Reporting Procedure

- (1) Any employee who believes that they have been the victim of sexual or other prohibited harassment by coworkers, supervisors, clients or customers, visitors, vendors, or others should immediately notify their supervisor or, in the alternative, the General Manager, depending on which individual the employee feels most comfortable in contacting.
- (2) Additionally, supervisors who observe or otherwise become aware of harassment that violates this policy have a duty to take steps to investigate and remedy such harassment and prevent its recurrence.

B. External Reporting Procedure

- (1) Any employee who believes that they have been the victim of sexual or other prohibited harassment by coworkers, supervisors, clients or customers, visitors, vendors, or others may file a complaint with the California Department of Fair Employment & Housing or the Fair Employment & Housing Commission ("DFEH"). The phone number for DFEH is located in the phone book under government agencies.

5. Investigation.

- A. Upon the filing of a complaint with the Agency, the complainant will be provided with a copy of this policy. The General Manager is the person designated by the Agency to investigate complaints of harassment. The General Manager may, however, delegate the investigation at their discretion. In the event the harassment complaint is against the General Manager, an investigator shall be appointed by the Board of Directors and the Board will assume the role of the General Manager throughout the process.
- B. Charges filed with the DFEH are investigated by the DFEH.

6. Internal Documentation Procedure.

- A. When an allegation of harassment is made by an employee, the person to whom the complaint is made shall immediately prepare a report of the complaint according to the preceding section and submit it to the General Manager.
- B. The investigator shall make and keep a written record of the investigation, including notes of verbal responses made to the investigator by the person complaining of harassment, witnesses interviewed during the investigation, the person against whom the complaint of harassment was made, and any other person contacted by the investigator in connection with the investigation. The investigator's notes shall be made at the time the verbal interview is in progress. Any other documentary evidence shall be retained as part of the record of the investigation. Upon completion of the investigation, the results shall be given to the complainant, the alleged harasser, and the General Manager.
- C. Based on the report and any other relevant information, the General Manager shall, within a reasonable period of time, determine whether the conduct of the person against whom a complaint has been made constitutes harassment. In making that determination, the General Manager shall look at the record as a whole and at the totality of circumstances, including the nature of the conduct in question; the context in which the conduct, if any, occurred; and the conduct of the person complaining of harassment. The determination of whether harassment occurred will be made on a case-by-case basis by the General Manager.

7. Confidentiality. All records and information relating to the investigation of any alleged harassment and resulting disciplinary action shall be confidential, except to the extent disclosure is required by law, as part of the investigatory or disciplinary process, or as otherwise reasonably necessary.

8. Remedies.

A. Disciplinary Action.

- (1) If the General Manager determines that the complaint of harassment is founded, the General Manager shall take immediate and appropriate disciplinary action consistent with the requirements of law and any personnel rules or regulations pertaining to employee discipline. Other steps may be taken to the extent reasonably necessary to prevent recurrence of the harassment and to remedy the complainant's loss, if any.
- (2) Disciplinary action shall be consistent with the nature and severity of the offense, the rank of the harasser, and any other factors relating to the fair and efficient administration of the Agency's operations.

B. In the event a complaint is filed with the DFEH, and the DFEH finds that the complaint has merit, the DFEH will attempt to negotiate a settlement between the parties. If not settled, DFEH may issue a determination on the merits of the case.

- (1) Where a case is not settled and the DFEH finds a violation to exist, it can prosecute the charging party's case before the Fair Employment & Housing Commission ("FEHC"). Legal remedies available through DFEH and FEHC for a successful claim by an applicant, employee, or former employee include possible reinstatement to a former job; award of a job applied for; back pay; front pay; attorneys' fees; and under appropriate circumstances, actual damages and/or administrative fines.
- (2) In the alternative, DFEH may grant the employee permission to withdraw the case and pursue a private lawsuit seeking similar remedies.

9. Retaliation. Retaliation against anyone for opposing conduct prohibited by this policy or for filing a complaint with or otherwise participating in an investigation, proceeding or hearing conducted by the Agency, DFEH, or FEHC is strictly prohibited by the Agency and state regulations. It may subject the offending person to, among other things, disciplinary action, up to and including, termination of employment.

10. Employee Obligation.

- A. Employees are not only encouraged to report instances of harassment; they are obligated to report instances of harassment.

- B. Employees are obligated to cooperate in every investigation of harassment, including, but not necessarily limited to:
 - (1) Coming forward with evidence, both favorable and unfavorable to a person accused of harassment; and
 - (2) Fully and truthfully making a written report or verbally answering questions when required to do so during the course of an Agency investigation of alleged harassment.
- C. Knowingly, falsely accusing someone of harassment or otherwise knowingly giving false or misleading information in an investigation of harassment shall be grounds for disciplinary action, up to and including, termination of employment.

ARTICLE 3.0 EMPLOYMENT POLICIES AND PRACTICES

3.1 AT-WILL EMPLOYMENT

Bighorn-Desert View Water Agency personnel are employed on an at-will basis (only employees hired prior to December 20, 2005 are not "at will"). Employment at-will may be terminated with or without cause and with or without notice at any time by the employee or the Agency. Nothing in this handbook shall limit the right to terminate at-will employment, with or without cause, or prior notice. No individual Board member, manager, supervisor, or employee of the Agency has any authority to enter into an agreement for employment for any specified period of time or to make an agreement for employment on other than at-will terms. Only the General Manager of the Bighorn-Desert View Water Agency has the authority to make any such agreement, which is binding only if it is in writing and approved by the Board of Directors.

3.2 NEW HIRES

After an offer of employment has been made and prior to the commencement of employment duties, each applicant for any position with the Agency must be examined by a medical doctor, designated by the Agency, to determine the applicant's ability to perform the physical activity requirements of the job. Additionally the Agency will require applicants to pass a drug screening test at the time of the physical examination if they will be assigned to a "safety-sensitive" position (as defined by the Agency Drug and Alcohol Testing Program).

Upon successful completion of the required physical examination the supervisor of each newly hired employee will administer an orientation process. The orientation process is designed to familiarize each newly hired employee with the Agency's practices, policies, and benefit plans. It includes their initial safety training, initial job training, the completion of required forms and documents, and any other job related information. A checklist of the topics covered in the orientation process must be completed by the newly hired employee, signed by the employee and their supervisor, and will be maintained as part of the employee's personnel records.

The first ninety (90) days of continuous employment at the Agency is considered a training period. During the training period training employees do not accrue and are not eligible for benefits described in this handbook, unless required by law. During this time employees will learn their job responsibilities and get acquainted with fellow employees and surroundings. Also, during this time, supervisors will closely monitor job performance. Upon completion of the training period, the General Manager will review the employee's overall performance. Completion of the training period does not entitle an employee to remain employed by the Agency for any defined period of time as employment is "at will". Both employee and the Agency are free, at any time, to end the employment relationship. After completion of the training period, eligible employees will receive the benefits described in this handbook.

3.3 REGULAR EMPLOYEES

Employees who have completed their training period shall be known as "regular" employees. Such employees may be either full-time or part-time. The distinction between full-time and part-time depends upon the number of hours that an employee works.

3.4 FULL-TIME EMPLOYEES

Regular full-time employees are those normally scheduled to work 40 hours per week. Following the completion of the training period, regular full-time employees are eligible for the employee benefits described in this handbook.

3.5 PART-TIME EMPLOYEES

Regular part-time such employees may be assigned a work schedule in advance or may work on an as-needed basis. Regular part-time employees are eligible for employee benefits only as expressly provided for in this handbook.

3.6 TEMPORARY EMPLOYEES

Temporary employees are those employed for short-term assignments. Temporary employees are not eligible for employee benefits except where mandated by applicable law. The physical examination for temporary employees may be waived by the General Manager.

3.7 JOB DUTIES

During the training period, a co-worker and/or supervisor will be assigned to explain the job responsibilities and the performance standards expected of the newly hired. (See Appendix A- Job Classification Schedule). Be aware that, within the parameters of the job class, the job responsibilities may change at any time during employment. From time to time, employees may be asked to work on special projects or to assist with other work necessary or important to the operation of the Agency. The employee's cooperation and assistance in performing such additional work is expected. The Agency reserves the right, at any time, with or without notice, to alter or change job responsibilities, reassign or transfer job positions, or assign additional job responsibilities.

3.8 WORK SCHEDULES

The Agency's office is normally open for business between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday. The General Manager will assign the employee's work schedule. All employees are expected to be ready to work at the start of their scheduled shifts. If for some reason an employee is unable to be at work when their shift begins, they are required to notify their supervisor at least one half hour before their

scheduled reporting time, failure to do so may result in disciplinary action by the Agency. Exchanging work schedules with other employees is discouraged. However, if it is necessary to exchange schedules, notify the supervisor, who may or may not authorize such an exchange.

3.9 MEAL AND REST PERIODS

Employees are provided with a meal period, to be taken approximately in the middle of the workday. Employees are allowed ten minute rest periods for every four hours of work or major portion thereof. Supervisors will schedule your meal and rest periods.

3.10 PERSONNEL RECORDS

Employees have a right to inspect their personnel file, as provided by law, in the presence of an Agency representative at a mutually convenient time. Employees may add their version of any disputed item to the file. The Agency will restrict disclosure of personnel files to authorized individuals within the Agency (i.e., employee, employee supervisor, or General Manager). Any request for information from personnel files must be directed to the General Manager. Only the General Manager or their designee is authorized to release information about current or former employees. Disclosure of personnel information to outside sources will be restricted to cooperation with authorized law enforcement or local, state or federal agencies conducting official investigations.

3.11 EMPLOYEE REFERENCES

All requests for references must be directed to the General Manager or their designee. No other manager, supervisor or employee is authorized to release references for current or former employees. The Agency's policy as to references for employees who have left the Agency is to disclose only the dates of employment and the title of the last position held. If an employee authorizes disclosure in writing, the Agency will also provide a prospective employer with the information on the amount of salary or wage last earned.

3.12 PERFORMANCE EVALUATIONS

Employees will receive periodic performance reviews. The review will be conducted by the supervisor who will discuss it with the employee. The first performance evaluation will be after completion of the training period. After that review, performance evaluations will be conducted annually, on or about the anniversary date of employment with the Agency. The frequency of performance evaluations may vary depending upon length of service, job position, past performance, changes in job duties or recurring performance problems. Performance evaluations may review factors such as the quality and quantity of the work performed, knowledge of the job, initiative, work attitude and attitude toward others. The performance evaluation should help every employee become aware of their progress, areas for improvement and objectives or goals for future work performance.

After the review, employees will be required to sign the evaluation report simply to acknowledge that it has been presented, reviewed and discussed with them by their supervisor and that they are aware of its contents. Positive performance evaluations do not guarantee increases in salary. Salary increases are solely within the discretion of the Agency, and depend upon many factors in addition to performance. Promotions are solely within the discretion of the Agency.

3.13 GRIEVANCE PROCEDURE

The purpose of the grievance procedure is to provide a means by which employee grievances may be considered, discussed and resolved at the closest possible level to the point of origin. A grievance is any dispute concerning the interpretation or application of the rules or regulations governing personnel practices or working conditions, or of the practical consequences of a decision on wages, hours, and other terms and conditions of employment. Grievances shall be waived for all purposes if not presented to the supervisor within ten working days from the date the aggrieved employee knew, or by reasonable diligence could have known, of the occurrence of the act or omission on which the grievance is based. Grievances shall be presented in accordance with the procedures set forth below. The time period for review of the grievance may be extended at any level of the procedure by mutual written consent of both parties.

INFORMAL PROCEDURE: An employee with a grievance shall first discuss it with their immediate supervisor without delay. If the problem is not answered to their satisfaction, they shall have the right to discuss it with the supervisor's immediate superior. Every effort shall be made to resolve the problem in this manner.

FORMAL PROCEDURE: If informal efforts have not been successful in resolving an employee's problem, they may avail themselves of this formal procedure by submitting their appeal in writing within five working days of the final answer given in the informal procedure. The written appeal shall include a detailed nature of the grievance and their expectations for resolution. The procedure is as follows:

- **FIRST LEVEL OF APPEAL:** The written appeal shall be submitted to the employee's immediate supervisor who shall hold a meeting within five working days and shall render a decision and comments in writing within five working days of the meeting.
- **GENERAL MANAGER REVIEW:** If the employee does not agree with the decision, or if no answer has been received within six working days, the employee may forward the original appeal in writing to the General Manager. Failure of the employee to take further action within ten working days after receipt of the first level decision, or within a total of ten working days if no decision is rendered, will bar further consideration. The General Manager shall discuss the grievance with the employee and with other appropriate persons, if any. The General Manager shall render a decision regarding the original appeal and comments in writing and return them to the employee within ten working days after receiving the written

appeal. The only appeals that can go beyond the General Manager level are appeals from actions where "punitive discipline" was imposed. "Punitive discipline" is defined as termination, suspension without pay of three (3) days or more or demotion. (For employees hired prior to December 20, 2005, "major disciplinary actions," including "punitive discipline," shall be administered as set forth in Section 3.17 and the grievance procedure shall not apply to such actions.) Performance appraisals shall not be appealed beyond the General Manager level.

- **BOARD REVIEW:** If the employee does not agree with the decision made at the General Manager level where punitive discipline was imposed the employee may within five working days, present their appeal in writing to the General Manager requesting a hearing before the Board. All evidence and supporting documents must be submitted with the appeal letter. At the employee's request, this hearing may be in either open or closed session. The decision of the Board of Directors shall be final and binding on all parties.

The grievance is considered resolved at any step in the procedure when the employee is satisfied that the problem has been resolved.

Throughout the duration of the grievance process the employee shall remain in their current classification at their current rate of compensation whether placed on leave status or not. The grievance procedure is the right of every regular employee and no punitive action of any kind shall be assessed against any regular employee for legally and professionally utilizing the grievance process.

3.14 EMPLOYMENT OF RELATIVES

The Agency will not hire relatives where actual or potential problems may arise regarding supervision, security, safety or morale, or where potential conflicts of interest exist. "Relatives" are defined to include spouses, registered domestic partners, children, siblings, parents, in-laws and step-relatives. If two employees marry, become registered domestic partners, or become related, causing actual or potential problems such as those described above, only one of the employees will be retained with the Agency unless reasonable accommodations can be made to eliminate the actual or potential problems. The employees will have 30 days to decide which relative will stay with the Agency. If this decision is not made in the time allowed, the General Manager of the Agency will make the decision, taking the employment history and job performance of both employees into account.

3.15 CONFLICTS OF INTEREST

Situations of actual or potential conflict of interest are to be avoided by all employees. Personal or romantic involvement with a competitor, supplier or subordinate employee of the Agency, which impairs an employee's ability to exercise good judgment on behalf of the Agency, creates an actual or potential conflict of interest. Supervisor-subordinate

romantic or personal relationships also can lead to supervisory problems, possible claims of sexual harassment and morale problems.

An employee involved in any of the types of relationships or situations described in this policy should immediately and fully disclose the relevant circumstances to their immediate supervisor, or any other appropriate supervisor, for a determination as to whether a potential or actual conflict exists. If an actual or potential conflict is determined, the Agency may take whatever corrective action appears appropriate according to the circumstances. Failure to disclose facts shall constitute grounds for disciplinary action.

3.16 REDUCTIONS IN FORCE

Under some circumstances, the Agency may need to restructure or reduce its work force. If it becomes necessary to restructure Agency operations or reduce the number of employees, the Agency will attempt to provide reasonable advance notice, if possible, so as to minimize the impact on those affected. If possible, employees subject to layoff will be informed of the nature of the layoff and the foreseeable duration of the layoff, whether short-term or indefinite.

The Agency will abide by any and all labor laws relative to reductions in force. In determining which employees will be subject to layoff, the Agency will take into account, among other things, operation requirements, the skill, productivity, ability and past performance of those involved and also, where feasible, the employee's length of service.

3.17 TERMINATION AND PROGRESSIVE DISCIPLINE

Violation of Agency policies and/or rules may result in disciplinary action. The Agency may follow a system of progressive discipline which may, but need not, include verbal warnings, written warnings, suspension, and/or termination. All disciplinary action taken shall be recorded in the employee's personnel file.

For employees hired prior to December 20, 2005, the following disciplinary process will apply to "major disciplinary actions" (defined as terminations, demotions or suspensions without pay:

1. Prior to imposing a major disciplinary action, the employee shall be provided with a notice of proposed disciplinary action which shall include the documents upon which the disciplinary action is based. The notice shall indicate that the employee shall have up to seven (7) calendar days to schedule a "Skelly" hearing with the General Manager. Following the Skelly hearing, or seven (7) days if the employee does not choose to schedule one, the General Manager shall issue the employee a notice of disciplinary action. If the disciplinary action is a termination, demotion or suspension without pay for five (5) days or more, the employee shall have seven (7) calendar days to file an appeal. The appeal shall be in writing and delivered to the General Manager.

Following receipt of the appeal, a hearing shall be scheduled before the Board of Directors, or its designee(s). Failure to file a request for appeal within the time specified shall be deemed a waiver of all appeal rights. Appeal hearings need not be conducted in strict conformity with the Rules of Evidence as applied in a court of law, but all parties shall observe the substance of the Rules of Evidence, to the end that the matter may be fully heard and determined upon evidentiary matter which reasonable people rely on in the conduct of serious business affairs. Following the hearing, the Board or its designee(s) shall issue a written decision upholding, reducing or rejecting the discipline imposed. (If the Board delegates the hearing to a designee(s), the decision shall be advisory only.) The decision of the Board will be final and binding on all parties. The hearing shall be held in Closed Session unless the employee requests otherwise.

2. In cases of suspensions without pay of four (4) days or less, the employee shall be entitled to notice of the suspension and a Skelly hearing with the General Manager either prior to, during or within seven (7) days following the suspension without pay. The decision of the General Manager following the Skelly hearing shall be final and binding and the employee shall have no further appeal rights.

3.18 VOLUNTARY TERMINATION

Any employee may voluntarily terminate their employment with the Agency at their convenience. All Agency owned property (vehicles, keys, uniforms, identification badges, credit cards, etc.) must be returned immediately upon termination of employment. A Property Return Agreement must be completed and signed by each new employee during the orientation process as Agency equipment is issued.

ARTICLE 4.0 SALARY AND WAGE ADJUSTMENTS

4.1 SALARY RANGE AND STEP SCHEDULE

The Board shall adopt a Salary Range and Step Schedule for all positions which shall be identified in Appendix "B" attached.

4.2 SALARY ADJUSTMENTS

All merit salary adjustments shall be made by the General Manager with the aid of the employee's performance review on or about the employee's annual anniversary date. Merit salary adjustments are granted only after a satisfactory period of service, and are not to be considered an automatic annual salary increase.

The Range and Step Salary Schedule, attached as Appendix B, is adopted by the Board of Directors setting forth the salary alignment for regular hourly employees. Each range in the Range and Step Salary Schedule shall have a corresponding job classification description which is attached as Appendix A - Job Classification Schedule.

4.3 OTHER SALARY ADJUSTMENTS

The Board, at its discretion, may grant a percentage cost of living adjustment to the Range and Step Appendix B each year to be effective on or about July 1. The Social Security Cost-of-Living Index Publication and the overall financial condition of the Agency shall be considered when determining any adjustment.

4.4 OVERTIME

As necessary, employees may be required to work overtime. For purposes of determining which hours constitute forty (40) hours in a workweek for overtime eligibility, only actual hours worked, the three (3) hour facility inspection pay, paid holidays, pre-approved vacation and reasonable sick leave will be counted. The Agency will attempt to distribute overtime evenly and accommodate individual schedules. All overtime work must be previously authorized by a supervisor. The Agency provides compensation for all overtime hours worked by hourly employees in accordance with state and federal law as follows:

- a. All hours worked in excess of 40 hours in one workweek will be treated as overtime. A workday begins at midnight and ends 24 hours later. A workweek begins each Friday at midnight.
- b. Compensation for hours in excess of 40 for the workweek shall be paid at a rate of 1½ times the employee's regular rate of pay.

4.5 OPERATIONS STANDBY

THREE HOUR FACILITY INSPECTION: The employee on-call shall perform the normal three hour facility inspections on Saturday, Sunday, and all Agency authorized Holidays as required. The "three hour facility inspection" is defined as the daily duties in which the Agency facilities are inspected and production data recorded. Three hours are allotted to perform these duties, and employees will be paid a minimum of three (3) hours.

ON CALL TIME: Answer information only calls, carry the pager for the entire shift, and be available for any emergency call-out that may arise during the hours of their on-call shift.

CALL OUT TIME: Call-out time refers to the time an employee is called out after regular working hours when that employee has on-call duty. Call-out time does not include the time required to make the three hour facility inspection each day, information only calls or carrying the pager for the entire shift. Call-out time shall be compensated at one and one half (1½) times that employee's regular hourly rate for actual time worked with a minimum of one hour compensation.

Employees on stand-by duty on Monday, Tuesday, Wednesday, Thursday or Friday will be paid one (1) hour of their base pay rate for each day of service. Employees on stand-by duty on Saturday, or Sunday, or Agency authorized Holidays will be paid three (3) hours of their base pay rate.

4.6 COMPENSATORY TIME

An employee may elect compensatory time in lieu of overtime. Those employees eligible for compensatory time may accrue such time to a maximum of forty (40) hours. Compensatory time shall be calculated at one and one-half (1½) times the number of hours worked over forty (40) hours in a workweek. Compensatory time must be reported on the employee's time card and submitted to the payroll department. (Compensatory time must be elected by the employee prior to performing the work.) Compensatory time used shall also be reported on the employee's time card and submitted to the payroll department. Unused compensatory time shall be paid at termination.

4.7 PAYMENT OF WAGES

All employees of the Agency are paid every other Thursday for work performed during the previous two-week pay period. If a regular payday falls on a holiday, every effort will be made to pay the employees on the preceding workday. Paychecks are normally available by 4:00 p.m. at the Jemez office. If there is an error on a payroll check, it should be reported immediately to the supervisor and it will be corrected within four working days. All payroll deductions shall be in accordance with applicable laws.

4.8 ADVANCES

The Agency does not permit advances against unearned wages or against unaccrued vacation.

4.9 SPECIAL ASSIGNMENT COMPENSATION

Special Assignment Compensation is a concept which allows for increases in pay beyond that which is normally allowed when duties performed support such additional pay for special periods of time. The General Manager may grant the Special Assignment Compensation for duties assigned an employee at a rate of compensation at the bottom of range for the new position or five percent (5%) of the employee's pay in their regular position, whichever is greater, of the employee's based pay rate when duties assigned are above and beyond the normal classification of an employee and under other circumstances as determined by the General Manager.

ARTICLE 5.0 STANDARDS OF CONDUCT

5.1 PROHIBITED CONDUCT

The following conduct is prohibited and will not be tolerated by the Agency. This list of prohibited conduct is illustrative only; other types of conduct injurious to security, personal safety, employee welfare and the Agency's operations also may be prohibited.

- a. Failure to uphold the Constitution and laws of the United States and the State of California.
- b. Failure to perform employment duties in accordance with all applicable governing authorities and regulations of the Agency including but not limited to the provisions of this handbook.
- c. Falsification of employment records, employment information or other Agency records.
- d. Theft, deliberate or careless damage of Agency property or the property of any employee or customer.
- e. Removing or borrowing Agency property without prior authorization.
- f. Unauthorized use of Agency equipment, time, materials, or facilities.
- g. Provoking a fight or fighting during working hours or on Agency property.
- h. Participating in horseplay or practical jokes on Agency time or on Agency premises.
- i. Using abusive language at any time on Agency premises or in the performance of employment duties.
- j. Engaging in criminal conduct whether or not related to job performance.
- k. Creating or participating in a disruption of any kind which could result in the impedance of the normal work day routine during working hours on Agency property.
- l. Insubordination, including but not limited to failure or refusal to obey the orders or instructions of a supervisor or member of management, or the use of abusive or threatening language toward a supervisor or member of management.
- m. Failure to be punctual in reporting for work and efficient with the use of their time while on duty. All employees are encouraged to live close to the area and employees having on-call responsibilities are required to live within a thirty (30) minute drive of the Agency office.
- n. Failure to notify a supervisor when unable to report to work.
- o. Unreported absences.
- p. Failure to obtain permission to leave work for any reason during normal working hours.
- q. Failure to provide a physician's certificate when requested or required to do so.
- r. Sleeping or malingering on the job.
- s. Making or accepting personal telephone calls during working hours, except in cases of emergency.
- t. Working overtime without authorization, or refusing to work assigned overtime.
- u. Violation of any safety, health, security or Agency policies, rules or procedures.
- v. Committing a fraudulent act or a breach of trust under any circumstances.

- w. Unlawful harassment or discrimination.
- x. Discourteous treatment of others.
- y. Violation of Agency rules or policies.

5.2 DRUG AND ALCOHOL ABUSE/DRUG TESTING PROGRAM

The Agency is concerned about the use of alcohol, illegal drugs or controlled substances as it affects the workplace. Use of these substances whether on or off the job can adversely affect an employee's work performance, efficiency, safety and health and therefore seriously impair the employee's value to the Agency. In addition, the use or possession of these substances on the job constitutes a potential danger to the welfare and safety of other employees and exposes the Agency to the risks of property loss or damage, or injury to other persons. Furthermore, the use of prescription drugs and/or over-the-counter drugs also may affect an employee's job performance and seriously impair the employee's value to the Agency.

The following rules and standards of conduct apply to all employees either on Agency property or during the work day (including meals and rest periods). The following are strictly prohibited by the Agency:

- a. Possession or use of alcohol, or being under the influence of alcohol while on the job.
- b. Driving an Agency vehicle while under the influence of alcohol.
- c. Distribution, sale or purchase of an illegal or controlled substance while on the job.
- d. Possession or use of an illegal, or controlled substance or being under the influence of an illegal or controlled substance while on the job.

Violation of the above rules and standards of conduct will not be tolerated. The Agency also may bring the matter to the attention of appropriate law enforcement authorities. Except as prohibited by law, an employee's conviction on a charge of illegal sale or possession of any controlled substance while off Agency property will not be tolerated because such conduct, even though off duty, reflects adversely on the Agency. In addition, the Agency must keep people who sell or possess controlled substances off the Agency's premises in order to keep the controlled substances themselves off the premises.

Any employee who is using prescription or over-the-counter drugs that may impair the employee's ability to safely perform the job, or affect the safety or well-being of others, must notify a supervisor of such use immediately before starting or resuming work. (This does not require disclosure of the reason for taking the drug.) The employee may be required to provide a physician's statement confirming their fitness for duty.

The Agency is required to implement a drug testing program for all of its employees whose job classification requires them to have a commercial driver's license (Class A license) and perform safety-sensitive functions regulated by Title 49 of the Code of

Federal Regulations. The Agency's Drug and Alcohol Testing Policy is for those safety-sensitive positions.

5.3 OFF-DUTY CONDUCT

While the Agency does not seek to interfere with the off-duty and personal conduct of its employees, certain types of off-duty conduct may interfere with the Agency's legitimate business interests. For this reason, employees should be aware of the following policies: Employees are expected to conduct their personal affairs in a manner that does not adversely affect the Agency's or their own integrity, reputation or credibility. Illegal off-duty conduct on the part of an employee that adversely affects the Agency's legitimate business interests or the employee's ability to perform his or her job will not be tolerated.

While employed by the Agency, employees are expected to devote their energies to their jobs with the Agency. For this reason, second jobs are discouraged. The following types of outside employment are strictly prohibited:

- a. Employment that conflicts with an employee's work schedule, duties and responsibilities;
- b. Employment that creates a conflict of interest or is incompatible with the employee's employment with the employer;
- c. Employment that impairs or has a detrimental effect on the employee's work performance with the Agency;
- d. Employment that requires the employee to conduct work or related activities on the employer's property during the employer's working hours or using the employer's facilities and/or equipment;
- e. Employment that directly or indirectly competes with the business or the interests of the employer.

5.4 PUNCTUALITY AND ATTENDANCE

Employees of the Agency are expected to be punctual and regular in attendance. Any tardiness or absence causes problems for fellow employees and supervisors since while absent, the individuals workload must be performed by others.

Employees are expected to report to work as scheduled, on time and prepared to start work. Employees also are expected to remain at work for their entire work schedule, except for meal periods or when required to leave on authorized Agency business. Late arrival, early departure or other absences from scheduled hours are disruptive and must be avoided.

If unable to report for work on any particular day, the employee must call your supervisor at least one half hour before the time they are scheduled to begin working for that day. In all cases of absence or tardiness, employees must provide their supervisor with an honest reason or explanation. Employees also must inform their supervisor of the expected duration of any absence. Unless there are extenuating circumstances,

employees must call in on each day they are scheduled to work that they will be absent or tardy.

Excessive absenteeism or tardiness (whether excused or not) will not be tolerated.

If the employee fails to report for work without notification to their supervisor and the absence continues for a period of three consecutive days, the Agency will consider that the employee has abandoned their employment and have voluntarily terminated.

5.5 PERSONAL STANDARDS

Employees are expected to wear clothing appropriate for the nature of our business and the type of work performed. Clothing should be neat, clean and tasteful. Avoid clothing that can create a safety hazard. Department managers may issue more specific guidelines. Violation of the Agency's dress code policy could result in disciplinary action up to and including termination.

Field employees shall be issued uniforms which they are required to wear daily. It is the responsibility of the employee to launder their own uniforms.

Field employees are required to wear approved steel toe safety shoes at all times and will be reimbursed up to \$150 for one pair each year by the Agency. It is the responsibility of the employee to purchase properly fitting foot wear prior to reimbursement.

Employees and visitors are required to wear safety equipment when visiting or working in an area designated as a "hard hat area".

Field employees, when leaving the Agency's employment, shall return all uniforms to the Agency.

5.6 CUSTOMER RELATIONS

The Agency is a service oriented business and all employees must remember that the customer is the first priority. Customers are to be treated courteously and given proper attention at all times. Never regard a customer's question or concerns as an interruption or an annoyance. All customer inquiries must be addressed promptly and professionally. Never place a telephone caller on hold for an extended period. Direct incoming calls to the appropriate person and make sure the call is received. Employees are expected to be polite, courteous, prompt and attentive to every customer. When a situation arises where the employee does not feel comfortable or capable of handling the problem, the supervisor or General Manager should be called immediately.

5.7 CONFIDENTIALITY

Each employee is responsible for safeguarding confidential information obtained in connection with his or her employment. In the course of your work, you may have access to confidential information regarding the Agency, its suppliers, its customers or perhaps even fellow employees. Employees shall not reveal or divulge any such confidential information. This obligation to maintain the confidentiality of information shall continue even after employment with the Agency ends. Access to confidential information should be on a "need-to-know" basis and must be authorized by your supervisor. Any breach of this policy will not be tolerated and legal action may be taken by the Agency.

5.8 BUSINESS CONDUCT AND ETHICS

No employee may accept a gift or gratuity from any customer, vendor, supplier or other person doing business with the Agency that may give the appearance of influence regarding their business decision, transaction or service. Employees should discuss expenses paid by such persons for business meals or trips with the General Manager in advance.

5.9 FRAUD IN THE WORKPLACE

PURPOSE AND SCOPE

To establish policy and procedures for clarifying acts that are considered to be fraudulent, describing the steps to be taken when fraud or other related dishonest activities are suspected, and providing procedures to follow in accounting for missing funds, restitution and recoveries.

I. GENERAL

- A. The Bighorn-Desert View Water Agency ("Agency") is committed to protecting its assets against the risk of loss or misuse. Accordingly it is the policy of the Bighorn-Desert View Water Agency to identify and promptly investigate any possibility of fraudulent or related dishonest activities against the Agency and, when appropriate, to pursue legal remedies available under the law.

B. DEFINITIONS

- 1. Fraud - Fraud and other similar irregularities include, but are not limited to:
 - a. Claim for reimbursement of expenses that are not job-related or authorized by the current Agency policy.
 - b. Forgery or unauthorized alteration of documents (checks, promissory notes, time sheets, independent contractor agreements, purchase orders, budgets, etc.).

- c. Misappropriation of Agency assets (funds, securities, supplies; furniture, equipment, etc.).
 - d. Improprieties in the handling or reporting of money transactions.
 - e. Authorizing or receiving payment for goods not received or services not performed.
 - f. Computer-related activity involving unauthorized alteration, destruction, forgery, or manipulation of data or misappropriation of Agency-owned software.
 - g. Misrepresentation of information on documents.
 - h. Any apparent violation of Federal, State, or Local laws related to dishonest activities or fraud.
 - i. Any violation of the Fair Political Practices Act, regulation of the Fair Political Practices Commission, or the Bighorn-Desert View Water Agency Conflict of Interest Code.
2. Employee - In this context, employee refers to any individual or group of individuals who receive compensation, either full- or part-time, from the Bighorn-Desert View Water Agency. The term also includes any volunteer who provides services to the Agency through an arrangement with the Agency.
3. Management - In this context, management refers to any administrator, manager, director, supervisor, or other individual who manages or supervises funds or other resources, including human resources.
4. Personnel Department - In this context, Personnel Department refers to any person or persons assigned by the General Manager to investigate any fraud or similar activity.
5. External Auditor - In this context, External Auditor refers to independent audit professionals who perform annual audits of the Agency's financial statements.
- C. It is the Agency's intent to fully investigate any suspected acts of fraud, misappropriation, or other similar irregularity. An objective and impartial investigation will be conducted regardless of the position, title, and length of service or relationship with the Agency of any party who might be or become involved in or becomes the subject of such investigation.
- D. Each department of the Agency is responsible for instituting and maintaining a system of internal control to provide reasonable assurance for the prevention and detection of fraud, misappropriations, and other irregularities. Management should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indications of such conduct.

- E. The Personnel Department, in conjunction with the Agency Attorney, has the primary responsibility for the investigation of all activity as defined in this policy.
- F. Throughout the investigation, the Personnel Department will inform the General Manager of pertinent investigative findings.
- G. Employees will be granted whistle-blower protection when acting in accordance with this policy. When informed of a suspected impropriety, neither the Agency nor any person acting on behalf of the Agency shall:
 - 1. Dismiss or threaten to dismiss the employee,
 - 2. Discipline, suspend, or threaten to discipline or suspend the employee,
 - 3. Impose any penalty upon the employee, or
 - 4. Intimidate or coerce the employee.Violations of the whistle-blower protection will result in discipline up to and including dismissal.
- H. Upon conclusion of the investigation, the results will be reported to the General Manager.
- I. The General Manager, following review of investigation results, will take appropriate action regarding employee misconduct. Disciplinary action can include termination, and referral of the case to the District Attorney's Office for possible prosecution.
- J. The Agency will pursue every reasonable effort, including court ordered restitution, to obtain recovery of Agency losses from the offender, or other appropriate sources.

II. PROCEDURES

A. Board of Directors Responsibilities

- 1. If a member of the Board of Directors has reason to suspect that a fraud has occurred, he or she shall immediately contact the General Manager (or contact the Agency Attorney if the General Manager is involved).
- 2. The Board member shall not attempt to investigate the suspected fraud or discuss the matter with anyone other than the General Manager or Agency Attorney.
- 3. The alleged fraud or audit investigation shall not be discussed with the media by any person other than through the General Manager in consultation with the Agency Attorney and the Personnel Department.

B. Management Responsibilities

- 1. Management is responsible for being alert to, and reporting fraudulent or related dishonest activities in their areas of responsibility.

2. Each manager should be familiar with the types of improprieties that might occur in his or her area and be alert for any indication that improper activity, misappropriation, or dishonest activity is or was in existence in his or her area.
3. When an improper activity is detected or suspected, management should determine whether an error or mistake has occurred or if there may be dishonest or fraudulent activity.
4. If management determines a suspected activity may involve fraud or related dishonest activity, they should contact the General Manager immediate supervisor (or contact the Agency Attorney if the General Manager is involved).
5. Department Directors should inform the General Manager (or contact the Agency Attorney or Personnel Director if the General Manager is involved).
6. Management should not attempt to conduct individual investigations, interviews, or interrogations. However, management is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent reoccurrence of improper actions.
7. Management should support the Agency's responsibilities and cooperate fully with the Personnel Department, other involved departments, and law enforcement agencies in the detection, reporting, and investigation of criminal acts, including the prosecution of offenders.
8. Management must give full and unrestricted access to all necessary records and personnel. All Agency furniture and contents, including desks and computers, are open to inspection at any time. There is no assumption of privacy.
9. In dealing with suspected dishonest or fraudulent activities, great care must be taken. Therefore, management should avoid the following:
 - a. Incorrect accusations.
 - b. Alerting suspected individuals that an investigation is underway.
 - c. Treating employees unfairly.
 - d. Making statements that could lead to claims of false accusations or other offenses.
10. In handling dishonest or fraudulent activities, management has the responsibility to:
 - a. Make no contact (unless requested) with the suspected individual to determine facts or demand restitution. Under no circumstances should there be any reference to "what you did", "the crime", "the fraud", "the misappropriation", etc.
 - b. Avoid discussing the case, facts, suspicions, or allegations with anyone outside the Agency, unless specifically directed to do so by the Agency Attorney.
 - c. Avoid discussing the case with anyone inside the Agency other than employees who have a need to know such as the General Manager, Personnel Department, or Agency Attorney or law enforcement personnel.

- d. Direct all inquiries from the suspected individual, or his or her representative, to the General Manager or Agency Attorney. All inquiries by an attorney of the suspected individual should be directed to the Agency Attorney. All inquiries from the media should be directed to the General Manager.
- e. Take appropriate corrective and disciplinary action, up to and including dismissal, after consulting with the Personnel Director, in conformance with the Agency's Personnel Policies and Procedures.

C. Employee Responsibilities

1. A suspected fraudulent incident or practice observed by, or made known to, an employee must be reported to the employee's supervisor for reporting to the General Manager.
2. When the employee believes the supervisor may be involved in the inappropriate activity, the employee shall make the report directly to the General Manager (or contact the Agency Attorney if the next higher level of management and/or the General Manager is involved).
3. The reporting employees shall refrain from further investigation of the incident, confrontation with the alleged violator, or further discussion of the incident with anyone, unless requested by the General Manager, Personnel Department, Agency Attorney or law enforcement personnel.

D. Personnel Department Responsibilities

1. Upon assignment by the General Manager, the Personnel Department or General Manager's designee will promptly investigate the fraud.
2. In all circumstances where there appears to be reasonable grounds for suspecting that a fraud has taken place, the Personnel Department, in consultation with the Agency Attorney, will contact the County of San Bernardino Sheriff Department.
3. The Personnel Department shall be available and receptive to receiving relevant, confidential information to the extent allowed by law.
4. If evidence is uncovered showing possible dishonest or fraudulent activities, the General Manager or Personnel Department will proceed as follows:
 - a. Discuss the findings with the appropriate management/supervisor and the Department Director.
 - b. Advise management, if the case involves staff members, to meet with the General Manager (or his/her designated representative) to determine if disciplinary actions should be taken. Any disciplinary action taken will be in accordance with the Agency Personnel Rules.
 - c. Report to the External Auditor such activities in order to assess the effect of the illegal activity on the Agency's financial statements.
 - d. Coordinate with the Agency's Risk Management insurer regarding notification to insurers and filing of insurance claims.

- e. Take immediate action, in consultation with the Agency Attorney, to prevent the theft, alteration, or destruction of evidentiary records. Such action shall include, but is not limited to:
 - 1) Removing the records and placing them in a secure location, or limiting access to the location where the records currently exist.
 - 2) Preventing the individual suspected of committing the fraud from having access to the records.
- 5. In consultation with the Agency Attorney and the County of San Bernardino Sheriff Department, the Personnel Department may disclose particulars of the investigation with potential witnesses if such disclosure would further the investigation.
- 6. If the Personnel Department is contacted by the media regarding an alleged fraud or audit investigation, the Personnel Department will consult with the General Manager and the Agency Attorney, as appropriate, before responding to a media request for information or interview.
- 7. At the conclusion of the investigation, the Personnel Department will document the results in a confidential memorandum report to the General Manager and the Agency Attorney. If the report concludes that the allegations are founded, the report will be forwarded to the County of San Bernardino Sheriff Department.
- 8. Unless exceptional circumstances exist, a person under investigation for fraud is to be given notice in writing of essential particulars of the allegations following the conclusion of the audit. Where notice is given, the person against whom allegations are being made may submit a written explanation to the Personnel Department no later than seven calendar days after notice is received.
- 9. The Personnel Department will be required to make recommendations to the appropriate department for assistance in the prevention of future similar occurrences.
- 10. Upon completion of the investigation, including all legal and personnel actions, all records, documents, and other evidentiary material, obtained from the department under investigation will be returned by the Personnel Department to that department.

III. EXCEPTIONS

There will be no exceptions to this policy unless provided and approved in writing by the General Manager and the Agency Attorney.

ARTICLE 6.0 OPERATIONAL CONSIDERATIONS

6.1 EMPLOYER PROPERTY

Lockers, desks, vehicles and tools are Agency property and must be maintained according to Agency rules and regulations. The Agency reserves the right to search all Agency property. They must be kept clean and are to be used only for work-related purposes. Prior authorization must be obtained before any Agency property may be removed from the premises.

6.2 USE OF ELECTRONIC MEDIA

The Agency uses various forms of electronic communication including, but not limited to computers, e-mail, telephones, Internet, cell phones, & PDAs. All electronic communications, including all software, databases, hardware, and digital files, remain the sole property of BDVWA and are to be used only for Agency business and not for any personal use. Employees therefore have no expectation of privacy in their personal use of Agency computers and other electronic communications equipment.

Electronic communication and media may not be used in any manner that would be discriminatory, harassing, or obscene, or for any other purpose that is illegal, against Agency policy, or not in the best interest of the Agency.

Employees who misuse electronic communications and engage in defamation, copyright or trademark infringement, misappropriation of trade secrets, discrimination, harassment, or related actions will be subject to discipline and/or immediate termination.

Employees may not install personal software on Agency computer systems.

All electronic information created by any employee using any means of electronic communication is the property of the Agency and remains the property of the Agency. Personal passwords may be used for purposes of security, but the use of a personal password does not affect the Agency's ownership of the electronic information.

The Agency will override all personal passwords if necessary for any reason.

The Agency reserves the right to access, audit and review electronic files, messages, mail, and other digital archives, and to monitor the use of electronic communications as necessary to ensure that no misuse or violation of Agency policy or any law occurs.

Employees are not permitted to access the electronic communications of other employees or third parties unless directed to do so by Agency management.

No employee may install or use anonymous e-mail transmission programs or encryption of e-mail communications, except as specifically authorized by the General Manager.

Employees who use devices on which information may be received and/or stored, including but not limited to cell phones, cordless phones, portable computers, fax machines, and voice mail communications are required to use these methods in strict compliance with the trade secrets and confidential communication policy established by

the Agency. These communications tools should not be used for communicating confidential or sensitive information or any trade secrets.

Access to the Internet, websites, and other types of Agency-paid computer access are to be used for Agency-related business only. Any information about the Agency, its products or services, or other types of information that will appear in the electronic media about the Agency must be approved by the General Manager before the information is placed on an electronic information resource that is accessible to others.

Questions about access to electronic communications or issues relating to security should be addressed to your immediate supervisor.

6.3 OFF-DUTY USE OF FACILITIES

Employees are prohibited from making use of Agency facilities while not on duty. Employees are expressly prohibited from using Agency facilities, Agency property or Agency equipment for personal use.

6.4 HEALTH AND SAFETY

Every employee is responsible for the safety of him or herself as well as others in the workplace. To achieve our goal of maintaining a safe workplace, everyone must be safety conscious at all times. In compliance with California law, and to promote the concept of a safe workplace, the Agency maintains an Injury and Illness Prevention Program. The Injury and Illness Prevention Program is available for review by employees and/or employee representatives in the General Manager's office.

In compliance with Proposition 65, the Agency will inform employees of any known exposure to any hazardous material.

6.5 HOUSEKEEPING

All employees are expected to keep their work areas and vehicles clean and organized. Common areas such as lunch rooms, locker rooms and rest-rooms should be kept clean by those using them.

6.6 SOLICITATION AND DISTRIBUTION OF LITERATURE

In order to ensure efficient operation of the Agency's business and to prevent annoyance to employees, it is necessary to control solicitations and distribution of literature on Agency property. All employees are expected to follow the following rules regarding solicitation or distribution of literature. Any employee who is in doubt concerning the application of these rules should consult with his or her supervisor immediately.

- No employee shall solicit or promote support for any cause or organization during his or her working time or during the working time of the employee or employees at whom such activity is directed.

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- No employee shall distribute or circulate any written or printed material in work areas at any time, or during his or her working time or during the working time of the employee or employees at whom such activity is directed.
- Under no circumstances will non-employees be permitted to solicit or to distribute written material for any purpose on Agency property.

ARTICLE 7.0 EMPLOYEE BENEFITS

7.1 HOLIDAYS

The Agency observes the following paid holidays for regular full-time employees:

- January 1 (New Years Day)
- Third Monday in January (Martin Luther King Day)
- Third Monday in February (Presidents Day)
- Last Monday in May (Memorial Day)
- July 4 (Independence Day)
- First Monday in September (Labor Day)
- November 11 (Veterans Day)
- Thanksgiving Day
- The Day Following Thanksgiving Day
- December 24 (Christmas Eve Day)
- December 25 (Christmas Day)

When a holiday falls on a Saturday, the previous Friday will be observed. When a Holiday falls on a Sunday, the following Monday will be observed.

Eligibility for holiday pay begins after completion of the training period, unless otherwise approved by the General Manager.

7.2 VACATIONS

It is the intent of the Agency that paid vacation leave be provided to the Agency's employees to facilitate time for rest and relaxation. Therefore, it is in the best interest of the Agency and the employee for them to use their vacation leave and not be paid for it in lieu of time off.

Regular full-time employees accrue paid vacation time in accordance with the following schedule:

LENGTH OF SERVICE FROM BENEFIT DATE	ANNUAL VACATION ALLOWANCE	ACCRUAL RATE PER STRAIGHT TIME HOUR	MAXIMUM ALLOWED UNUSED BALANCE
Date of hire through 4 th year:	80 hours per year	.0385	160 hours
5 th year (1461 st day) through 10 th year (3285 th day):	120 hours per year	.0575	240 hours
11 th year (3286 th day) and thereafter:	160 hours per year	.0770	320 hours

Vacation Definition: Vacation is a leave of absence with pay for the recreation and well-being of the employee. If an employee has exhausted sick leave, vacation leave may be

used for sick leave purposes upon special request of the employee and with the written approval of the General Manager.

As set forth above, vacation shall be available for use on the first day following the pay period in which it is earned, provided an employee has completed ninety (90) days of continuous service.

Temporary and part-time employees do not accrue paid vacation time.

Vacation periods should be taken annually with the approval of the General Manager at such time as will not impair the work schedule or efficiency of the Agency but with consideration given to the well-being of the employee. No employee shall lose earned vacation leave time because of work urgency. If an employee has reached the maximum allowed unused balance and is unable to take vacation leave the employee shall be compensated for up to fifty percent (50%) of the accrued vacation balance with the remaining amount remaining available for use. Otherwise, employees are not allowed to "cash out" vacation.

Vacations shall be scheduled to provide adequate coverage of job responsibilities and staffing requirements. The General Manager will make final determinations and all vacation leave must be approved two (2) weeks in advance. The General Manager may, at their discretion, grant vacation leave in the event of an unforeseen emergency without applying the two (2) week advance notice requirement.

Employees on unpaid leave do not accrue vacation time. If a holiday occurs during an employee's vacation period, they will be granted one additional day of vacation, to be taken at a time approved in advance by their supervisor.

An employee whose employment terminates will be paid for accrued unused vacation days.

7.3 INSURANCE BENEFITS

MEDICAL INSURANCE: The Agency provides a comprehensive medical, vision, dental, and life insurance plan for full and eligible part time employees. Medical insurance for employee dependents is provided on a cost sharing basis. An employee becomes eligible within one (1) month following the successful completion of their training period and at that time the employee and their dependents may begin to take advantage of the insurance benefits. In the event of an increase in medical insurance premium rates, all employees may be required to contribute to the cost of increased premiums to retain coverage.

DISABILITY INSURANCE: Each employee contributes to the state of California to provide disability insurance pursuant to the California Unemployment Insurance Code. Contributions are made through a payroll deduction. Disability insurance is payable when the employee cannot work because of illness or injury not caused by employment.

Specific rules and regulations governing disability are available from the Employment Development Department.

UNEMPLOYMENT COMPENSATION: The Agency contributes each year to the California Unemployment Insurance Fund on behalf of its employees.

WORKERS COMPENSATION: At no cost to the employee, the employee is protected by the Agency's workers' compensation insurance policy while employed by the Agency. The policy covers the employees in case of occupational injury or illness.

RETIREMENT PLAN: The Agency contracts with the California Public Employees Retirement System to provide a plan for eligible employees in order to assist in planning for their retirement. For information regarding eligibility, contributions, benefits and tax status, contact the General Manager. All eligible participants will receive a summary plan description.

7.4 SICK LEAVE

It is the intention of the Agency that sick leave be provided to each regular employee for use in the event of illness. Sick leave shall accrue for all eligible employees at the rate of eight (8) hours per month of service. Accrued sick leave shall be awarded at the end of each accrual period. An employee using sick leave shall, on a daily basis, notify their supervisor that they will be absent from work due to illness at least one half hour before they are scheduled to report for work.

There is no limit on the amount of sick leave that may be accrued. Upon retirement or termination, an employee shall be entitled to payment for any accrued but unused sick leave in excess of 200 hours based on each two (2) hours of accrued sick leave being converted to one (1) hour of vacation leave or upon retirement unused accrued sick leave may be applied to the employee's retirement service credit with the Public Employees Retirement System.

Any employee who has used all their accrued sick leave and is still unable to return to work due to illness must make arrangements with the General Manager for additional time off. All employees shall provide written verification from a physician of sickness or injury if sick leave continues for more than three (3) consecutive days.

The use of sick leave applies to, but may not be limited to the following:

- a. Any bona fide illness or injury.
- b. Quarantine due to exposure to a contagious disease.
- c. Any required treatment or examination for medical, dental or ocular purposes.
- d. Sickness or injury in the immediate family which includes your child, parent, spouse, registered domestic partner or registered domestic partner's child

Sick leave is a benefit provided by the Agency, not a right earned by the employee. Abuse of this benefit will not be tolerated. Excessive abuse of the sick leave benefit could result in disciplinary action up to and including termination.

7.5 LEAVES OF ABSENCE

The Board shall have the authority to grant leaves to the General Manager. The General Manager shall have the authority to grant leaves to all other Agency employees in accordance with the provisions under which eligible leaves may be granted. All leaves shall be requested on a form provided by the Agency prior to the start of the requested leave. Failure to return promptly from authorized leave without prior authorization from the General Manager may result in disciplinary action up to and including termination.

A leave of absence, not to exceed thirty (30) consecutive days, may be requested in writing by any regular Agency employee. The General Manager may grant the leave provided that the leave is in the best interest of the Agency and the employee. The leave shall be without pay and no benefits shall accrue or be paid during the term of the leave. However, the employee may self-pay the premiums under the provisions of "COBRA." Supervisors can provide employees additional information on this subject.

A leave of absence requested for a period longer than thirty (30) consecutive days shall be reviewed by the Agency personnel committee and may or may not be granted by the Board of Directors.

7.6 MEDICAL LEAVES

A medical leave of absence may be granted for non-work related temporary medical disabilities (other than pregnancy, childbirth, and related medical conditions) for up to four months with a doctor's written certificate of disability. Requests for leave should be made in writing as far in advance as possible. If an employee is granted a medical leave the Agency will pay wages from the employees accrued sick leave account for the period of time equivalent to the accumulated sick pay earned. Employees also may use any paid vacation time previously accrued. If an employee is a disabled individual pursuant to the Fair Employment and Housing Act and the Agency does not grant the leave of absence, an interactive process meeting will be scheduled.

A medical leave begins on the first day the employees doctor certifies that they are unable to work and ends when the employees doctor certifies that they are able to return to work or after a total of four months of leave, whichever occurs first. The supervisor will supply the appropriate form for the employees doctor to complete, showing the date the employee was disabled and the estimated date when the employee will be able to return to work. An employee returning from a medical disability leave must present a doctor's certificate showing fitness to return to work based on the essential physical functions of the assigned position.

If returning from a non-work-related medical leave the employee will be offered the same position held at the time of leaving, if available. If this position is not available due to an

“undue hardship,” a comparable position will be offered. If neither the same nor a comparable position is available, the employees return to work will depend on job openings existing at the time of your scheduled return. There are no guarantees of reinstatement and the employees return will depend on their qualifications for existing openings.

California workers' compensation laws govern work-related illnesses and injuries. The Agency will fully comply with these laws.

7.7 PREGNANCY-RELATED DISABILITY LEAVE

Pregnancy, childbirth or related medical conditions will be treated like any other disability, and an employee on leave will be eligible for temporary disability benefits in the same amount and degree as any employee on leave.

All female employees should advise their supervisor of their intent to take pregnancy disability leave as soon as possible. The individual should make an appointment with the General Manager to discuss the following conditions:

- a. Employees who need to take pregnancy disability must inform the Agency when a leave is expected to begin and how long it will likely last. If the need for a leave or transfer is foreseeable, employees should provide notification at least 30 days before the pregnancy disability leave or transfer is to begin. Employees should consult with the General Manager regarding the scheduling of any planned medical treatment or supervision in order to minimize disruption to the operations of the Agency. Any such scheduling is subject to the approval of the employee's health care provider.
- b. If 30 days advance notice is not possible, notice must be given as soon as practical.
- c. If requested by the employee and recommended by the employee's physician, the employee's work assignment may be changed as required to protect the health and safety of the employee and their child.
- d. Requests for transfers of job duties will be reasonably accommodated only if the job and security rights of others are not breached.
- e. Temporary transfers due to health considerations will be granted where possible. However, the employee will receive the pay that accompanies the job, as is the case with any other temporary transfer due to temporary health reasons.
- f. Pregnancy leave will usually begin when ordered by the employee's physician. Employees must provide the Agency with a certification from a health care provider. The certification indicating disability should contain:
 - The date on which the employee became disabled due to pregnancy;
 - The probably duration of the period or periods of disability; and
 - A statement that, due to the disability, the employee is unable to perform one or more of the essential functions of her position without undue risk to herself, the successful completion of her pregnancy, or to other persons.
- g. Leave returns will be allowed only when the employee's physician sends a release indicating fitness to return to work based on the essential physical functions of the assigned position.
- h. An employee will be allowed to utilize accrued vacation and/or sick leave during a pregnancy disability leave.

Duration of the leave will be determined by the advice of employee's physician, but employees disabled by pregnancy may take up to four months. The four months of leave includes any period of time for actual disability caused by the employee's

pregnancy, childbirth or related medical condition. This includes leave for severe morning sickness and for prenatal care. Leave does not need to be taken in one continuous period of time and may be taken intermittently, as needed.

An employee returning from a pregnancy disability leave will be offered the same position held at the time of leaving, unless the job no longer exists, or the job has been filled in order to avoid undermining the Agency's ability to operate safely and efficiently, or they are not capable of performing the job responsibilities. If their former position is not available, a substantially similar position will be offered unless there is no substantially similar position available, or filling the available position with said employee would substantially undermine the Agency's ability to operate safely and efficiently, or said employee is not capable of performing the job responsibilities.

If on pregnancy disability leave and not eligible for continued paid coverage after 12 work weeks, the employee may continue their group health insurance coverage through the Agency in conjunction with "COBRA" guidelines by making monthly payments to the Agency for the amount of the relevant premium.

7.8 BEREAVEMENT LEAVE

In the event of a death of an employee's immediate family, the employee may apply for and receive up to a maximum of five (5) days of bereavement leave per incident with pay. The immediate family is defined as a current spouse, registered domestic partner, child, parent, legal guardian, brother, sister, grandparent, grandchild, or mother-in-law, father-in-law, sister-in-law, brother-in-law, son-in-law, or daughter-in-law.

7.9 MILITARY LEAVE

Military leave will be granted in accordance with applicable law.

7.10 JURY DUTY LEAVE

Any employee who is required to serve on jury duty, and has completed their training period, will receive full pay while serving up to ten (10) days of jury duty per calendar year. A leave of absence without pay will be granted if jury duty exceeds the ten (10) day limit. The employee should notify the supervisor of the need for time off for jury duty as soon as a notice or summons from the court is received. The employee may be requested to provide written verification from the court clerk of having served. If work time remains after any day of jury duty the employee will be expected to return to work. Any mileage allowance paid by the court for jury services is to be retained by the employee.

7.11 TIME OFF FOR VOTING

In the event that an employee does not have sufficient time outside of working hours to vote in a statewide election, the employee may take off enough working time to enable him or her to vote. Such time off shall be taken at the beginning or the end of the regular

working shift, whichever allows for more free time, and the time taken off shall be combined with the voting time available outside of working hours. Under these circumstances an employee will be allowed a maximum of two hours on the Election Day without loss of pay. Where possible, the employee shall give his or her supervisor at least two working days' notice that time off to vote is needed.

7.12 SCHOOL CONFERENCES INVOLVING SUSPENSION

If it becomes necessary for an employee who is the parent or guardian of a child to attend the child's school to discuss possible suspension, the employee should alert his or her supervisor as soon as possible so that alternative arrangements may be made. No discriminatory action will be taken against the employee for taking time off for this purpose.

7.13 EXTERNAL EMPLOYEE EDUCATION

It may be necessary for employees to attend training programs, seminars, conferences, lectures, meetings or other outside activities for the benefit of the Agency or the individual employees. Attendance at such activities may be required by the Agency or requested by individual employees. However, attendance will not be considered an officially authorized activity, subject to the following policies on reimbursement and compensation, unless prior written approval has been issued by the General Manager. To obtain approval, employees wishing to attend an activity must submit a written request detailing all relevant information, including date, hours, location, cost, expenses, and nature, purpose and justification for attendance.

Where attendance is required or authorized by the Agency, customary and reasonable expenses will be reimbursed upon submission of proper receipts. Reimbursement for required or authorized educational classes will be awarded after successful completion of the educational class and the receipt of a passing grade (C or better). Customary and reasonable expenses generally may include registration fees, materials, meals, transportation and parking. Reimbursement policies regarding these expenses should be discussed with the General Manager in advance.

Employees will also be reimbursed following successful completion of examinations for certificates that are required by their job descriptions. Similarly, renewals for required certificates will be reimbursed by the Agency.

Employee attendance at authorized outside activities, during normal working hours, will be considered hours worked for hourly employees and will be compensated in accordance with normal payroll practices.

This policy does not apply to an employee's voluntary attendance, outside of normal working hours, at formal or informal educational sessions, even if such sessions may generally lead to improved job performance. While the Agency generally encourages all employees to improve their job skills and promotional qualifications, such activities will

not be subject to this policy regarding reimbursement or compensation unless prior written approval is obtained as discussed above.

7.14 RECREATIONAL ACTIVITIES AND PROGRAMS

The Agency or its insurer will not be liable for the payment of workers' compensation benefits for any injury that arises out of an employee's voluntary participation in any off-duty recreational, social, or athletic activity that is not part of the employee's work-related duties.

7.15 WORKERS' COMPENSATION

The Agency, in accordance with state law, provides insurance coverage for employees in case of work-related injury. The workers' compensation benefits provided to injured employees may include:

- a. medical care,
- b. cash benefits, tax free, to replace lost wages,
- c. vocational rehabilitation to help qualified injured employees return to suitable employment.

To ensure that the employee receives any/all workers' compensation benefits to which they may be entitled, the employee will need to:

- a. Immediately report any work-related injury to the supervisor.
- b. Seek medical treatment and follow-up care if required.
- c. Complete a written Employee's Claim Form (DWC Form 1) and return it to the General Manager.
- d. Employees must provide the Agency with a certification from their health care provider regarding the need for workers' compensation disability leave and the employee's ability to return to work from the leave based on the essential physical function of the assigned position.

The Agency provides for medical treatment for work-related injuries through an Agency designated medical provider.

Employees who are injured in a work-related incident will be referred to the Agency's designated medical treatment provider, unless prior to a work-related injury, the Agency has received from the employee a written notice that the employee wishes to be treated by his/her own physician. Employees who do not designate their own physician will be treated by the Agency's designated medical treatment provider for work-related injuries, for at least 30 days, if required. Employees may seek treatment from their own physician after 30 days, should they so desire.

Upon submission of a medical certification that the employee is able to return to work, they will be offered the same position held at the time of leaving, unless the job has been filled in order to avoid undermining the Agency's ability to operate safely and efficiently,

or the employee is not capable of performing the job responsibilities upon return. If the employee's former position is not available, a substantially similar position will be offered unless there is no substantially similar position available, or filling the available position would substantially undermine the Agency's ability to operate safely and efficiently, or the employee is not capable of performing the job responsibilities.

The law requires that this Agency notify the workers' compensation insurance company of any concerns of false or fraudulent claims. Any person who makes or causes to be made any knowingly false or fraudulent material statement or material misrepresentation for the purpose of obtaining or denying workers' compensation benefits or payments is guilty of a felony. A violation of this law is punishable by imprisonment for one to five years, or by a fine not exceeding \$50,000 or double the value of the fraud, whichever is greater, or both. Additional civil penalties may be in order.

APPENDIX A	JOB CLASSIFICATIONS
APPENDIX B	RANGE AND STEP SCHEDULE
APPENDIX C	ORGANIZATIONAL CHART

APPENDIX A

BIGHORN-DESERT VIEW WATER AGENCY

CLASS DESCRIPTION

Revised: 2012

Salary Range: 02 Acct Tech I
03 Acct Tech II
04 Acct Tech III

**TITLES: ACCOUNTING TECHNICIAN I/CUSTOMER SERVICE REPRESENTATIVE
ACCOUNTING TECHNICIAN II/CUSTOMER SERVICE REPRESENTATIVE
ACCOUNTING TECHNICIAN III/CUSTOMER SERVICE REPRESENTATIVE**

Page 1 of 6
Status: Non-Exempt

Summary

Supervision of the Accounting Technician/Customer Service Representative (AT/SCR) varies from close to limited with increasing job complexity (AT/CSR Range I to III). Routinely performs a variety of moderately complex and occasionally highly complex accounting duties related to Accounts Payable, Accounts Receivable, Personnel, General Office Administration and Public Relations. Performs Customer Service duties on a daily basis. Performs confidential customer service, administrative and clerical functions.

Position Title

Title and salary range of the individual is commensurate with the following factors: skills and abilities as well as education, training and experience level. Regarding internal promotions the overall performance of the individual; demonstrated independent judgment and degree of supervision required will also be considered.

Distinguishing Characteristics

This position is characterized by the level of skills required to perform the principal duties of the position, as well as the level of supervisory oversight provided to this position on a routine basis and the independent judgment required. Position reports directly to the General Manager, and has no supervisor duties but may have "lead" and/or training responsibilities.

Examples of Duties

The duties listed below are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to this class.

Accounts Receivable:

- Prepares meter reading "books" for collection of meter readings. Prepares and distributes customer bills for water services, in a timely manner, based on meter usage data and application of approved rate structure.
- Ages accounts, applies delinquent charges, manages delinquent account notifications, and annually conducts processes and procedures for placing liens on property tax rolls for delinquent accounts.
- Maintains accurate customer accounts by posting records that reflect refunds, deposits, voids, customer inquiries and other account activity.
- Coordinates with others to balance monthly accounts receivable records to General Ledger.
- Makes appropriate account adjustments, maintains accounts receivable records/journals and audits the meter reading Exceptions Report and Billing Register journals. Maintains documents.
- Investigates and resolves (or makes recommendations) regarding variances from Rules and Regulations. Issues Service Orders for field investigation and resolution. Closes Service Orders, tracks responses and maintains records; coordinates related office/field correspondence, providing prompt follow-up contact with customers orally or in writing.

BIGHORN-DESERT VIEW WATER AGENCY

CLASS DESCRIPTION

Revised: 2012

Salary Range: 02 Acct Tech I
03 Acct Tech II
04 Acct Tech III

**TITLES: ACCOUNTING TECHNICIAN I/CUSTOMER SERVICE REPRESENTATIVE
ACCOUNTING TECHNICIAN II/CUSTOMER SERVICE REPRESENTATIVE
ACCOUNTING TECHNICIAN III/CUSTOMER SERVICE REPRESENTATIVE**

Page 2 of 6
Status: Non-Exempt

Accounts Payable:

- Maintains Accounts Payable database and files.
- Gathers, assembles, tabulates, checks, verifies, prepares and inputs all paperwork required to process accounts payable for payment (i.e. review for correctness) against estimates and contracts. Prepares checks, obtains signatures and distributes payments to vendors and others.
- Processes documents involved in financial transactions and financial recordkeeping.
- Provides reconciliation and review of A/P Journals and related General Ledger accounts.
- Prepares and distributes Form 1099 annually.

Accounting:

- Performs accounting tasks (low to moderately complex depending on position title assigned) including regular analysis and reconciliation of revenue, expenditure and balance sheet accounts. Works with other accounting staff to balance accounts receivable database records and journals to General Ledger.
- Ensures timely and accurate posting to the General Ledger and researches information for adjustments to General Ledger. Makes appropriate periodic journal entries at month-end and year-end closings.
- Reconciles Agency bank accounts monthly.
- Prepares monthly and year-end financial statements including balance sheet, income statement, and supporting ledgers and journals in an accurate and timely manner. Prepares and maintains spreadsheet analyses and reports.
- Monitors and makes recommendations for cash flow requirements.
- Performs periodic internal audits of accounting records to assure adequate controls.
- Prepares special reports for the State of California, management staff and the Board of Directors.
- Performs special analytical studies as directed by the General Manager.
- Provides assistance with annual audit, interfacing with outside auditors and preparing audit schedules as required. Prepares the annual audit binder including reconciliation of all accounts. Assists with analysis, preparation and presentation of the Agency budget and audit.
- Maintains Job Cost accounting database and files.
- Maintains inventory database and files. Assists field representative to reconcile periodic inventory count. Prepares and inputs all paperwork required to add inventory purchased and remove inventory used.
- Maintains fixed asset database and files. Sets up, calculates and monitors annual fixed asset depreciation; adjusts for new or retired assets as appropriate.
- Maintains and processes Petty Cash disbursements and replenishments.

Purchasing:

- Monitors and maintains adequate inventory of general office and field supplies. Includes specialty items or services.
- Obtains quotes and requisitions supplies and services as needed. Makes recommendations on new products and services related to Agency operations.

BIGHORN-DESERT VIEW WATER AGENCY

CLASS DESCRIPTION

Revised: 2012

Salary Range: 02 Acct Tech I
03 Acct Tech II
04 Acct Tech III

**TITLES: ACCOUNTING TECHNICIAN I/CUSTOMER SERVICE REPRESENTATIVE
ACCOUNTING TECHNICIAN II/CUSTOMER SERVICE REPRESENTATIVE
ACCOUNTING TECHNICIAN III/CUSTOMER SERVICE REPRESENTATIVE**

Page 3 of 6
Status: Non-Exempt

Payroll:

- Gathers, organizes, and prepares a variety of information for the preparation of the Agency's payroll. Prepares and processes payroll for agency employees.
- Audits time records for accuracy and proper distribution of costs.
- Prepares and posts payroll distribution to general ledger. Provides reconciliation and review of journal and related general ledger accounts. Post time-off accruals to the general ledger.
- Audits and reviews payroll data concerning benefits (ie. co-pays, vacation, sick leave balances). Researches and corrects payroll discrepancies. Answers a variety of questions concerning leave balances, payroll discrepancies, and net payments for Agency staff.
- Prepares and distributes payments to insurance agencies, CalPers, EDD, garnishments and others receiving monies from payroll withholdings.
- Prepares and distributes Form W-2 annually.

Customer Service:

- Performs cashier duties: handles cash, accepts and inputs payments. Maintains assigned cash drawer in an accurate and accountable manner. Compiles and verifies accuracy of bank deposits.
- Deals with customers and others in a courteous and professional manner using phone, e-mail, fixed frequency radio and face-to-face interactions with walk-in public.
- Communicates account status and Agency Rules & Regulations to customers.

Office Administration:

- Administrative support to General Manager and Board of Directors as needed. Read and analyze incoming documents and determine their significance and Plan their distribution/execution. Prepares Public Information Request responses in compliance with the Public Records Act.
- Prepares meetings notices and agendas in compliance with the Brown Act. Assembles staff information for agenda. Attends night meetings; takes and prepares minutes of meetings. Acts a primary point-of-contact for those attending meetings.
- Composes resolutions, ordinances and other agency documents. Maintains/updates Minute, Resolution and Ordinance library, Motion Order Index and other related Board records including Form 700, Conflict of Interest Code and other filings. Prepares typed correspondence, enters data and maintains files as directed.
- Assists with administration of employee benefits programs.
- Researches, prepares reports, and makes presentations and recommendations on special projects as assigned. Compiles and distributes Agency newsletters, and outreach materials to the public. Arranges and attends off-site public relations functions (including after hours functions).

Other Duties:

- Understands and abides by Agency Rules and Regulations for Water Service.
- Other duties as assigned including outside/field activities (customer water surveys, meter "bench" testing, turn on/off's, off-site Public Relations functions, etc.).
- General office maintenance and cleaning as needed.
- Coordinating travel arrangements for Board of Directors and staff.
- Banking, mail and other miscellaneous errands.

BIGHORN-DESERT VIEW WATER AGENCY

CLASS DESCRIPTION

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**TITLES: ACCOUNTING TECHNICIAN I/CUSTOMER SERVICE REPRESENTATIVE
ACCOUNTING TECHNICIAN II/CUSTOMER SERVICE REPRESENTATIVE
ACCOUNTING TECHNICIAN III/CUSTOMER SERVICE REPRESENTATIVE**

Page 4 of 6
Status: Non-Exempt

Lead Responsibilities:

- Answers technical accounting and customer service questions of staff.
- Directs other staff in proper procedures for accounting.
- Assists in cross training of other staff on critical job functions.
- Uses independent judgment to solve problems and efficiently lead the work of other finance staff.
- May organize and coordinate daily accounting functions and assignments of others.

Safety:

- Coordinates safety training classes; maintains safety training schedules and files.
- Assists with administration of OSHA requirements.
- Follows proper safety practices at all times. Promotes compliance with Agency's Injury and Illness Prevention Program.
- Attends safety meetings.

Job Requirements

Education, Training & Experience:

- Any combination of experience, education and/or training that would provide the required knowledge and abilities is qualifying.
- A typical way to obtain the knowledge and abilities to advance from Level I would be:
 - Level I:
 - Graduation from high school or equivalent.
 - Up to three (3) years accounting or business administration experience.
 - Level II:
 - Accounting emphasis: Three (3) to five (5) years accounting experience. Experience in governmental accounting highly desirable. Administrative emphasis: Three (3) to five (5) years government administrative experience with increasing responsibility in clerical systems and office procedures.
 - College level course work (ie. accounting, business, public administration and/or communications).
 - Level III
 - Accounting emphasis: Minimum 5 years of government accounting experience including familiarity in computerized accounting systems, accounts payable, payroll, and general ledger. Administrative emphasis: Minimum 5 years of government administration experience including thorough knowledge of pertinent federal, state and local codes and regulations as it pertains to the procedures, responsibilities and operations of the Board of Directors. Advanced knowledge of clerical systems and office procedures.
 - AA Degree in Accounting or Bachelor's degree in accounting, business, public administration or communications is highly desirable.

BIGHORN-DESERT VIEW WATER AGENCY

CLASS DESCRIPTION

Revised: 2012

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03 Acct Tech II
04 Acct Tech III

**TITLES: ACCOUNTING TECHNICIAN I/CUSTOMER SERVICE REPRESENTATIVE
ACCOUNTING TECHNICIAN II/CUSTOMER SERVICE REPRESENTATIVE
ACCOUNTING TECHNICIAN III/CUSTOMER SERVICE REPRESENTATIVE**

Page 5 of 6
Status: Non-Exempt

Skills and Abilities:

- Ability to establish and maintain cooperative and respectful working relationships with those contacted in the course of work, and to interact with the public and Board of Directors in a prompt, courteous, patient, polite, productive, and efficient manner.
- Ability to work independently, efficiently and productively when completing work tasks.
- Prioritization, organization, and coordination skills. Use independent judgment and exercise initiative in daily work activities.
- Ability to interpret and apply Agency rules, policies, and procedures governing the accounting process.
- Ability to responsibly and accurately perform semi-skilled to skilled bookkeeping functions and the most skilled financial record keeping functions using independent judgment.
- Responsible for safeguarding confidential information (customer, personnel, administrative records) obtained in connection with his or her employment.
- Knowledge of principles and practices of accounts payable, accounts receivable, payroll, and general ledger.
- Proficient, effective and accurate at using word processing, presentation and spreadsheet software; using 10-key adding machines by touch; and familiar with governmental accounting software which includes accounts payable, payroll and accounting systems.
- Ability to understand and carry out verbal instructions.
- Knowledge of laws, ordinances, statutes, regulations of the management of a water agency; controlling the preparation of and maintenance of accounting records including issuance of payroll.
- Work with vendors to resolve payment issues.
- Knowledge of general and subsidiary ledger functions and requirements.
- Ability to read and understand water agency terminology.
- Ability to read and understand accounting terminology.
- Ability to make mathematical calculations with speed and accuracy.
- Ability to maintain accurate records.
- Ability to recommend improvements in Accounting Technician job-related policies and procedures.
- Know safety standards and requirements.

BIGHORN-DESERT VIEW WATER AGENCY

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ACCOUNTING TECHNICIAN III/CUSTOMER SERVICE REPRESENTATIVE**

Page 6 of 6
Status: Non-Exempt

Physical:

- Subject to reasonable accommodation in accordance with the requirements of applicable law.
- Possess the ability to lift and/or carry objects (no greater than 20 lbs) on an infrequent basis.
- Ability to bend, twist, turn, push, pull, stoop, kneel, crouch and reach routinely, as well as perform repetitive motion tasks.
- Sits for extended time periods and uses office equipment such as computer keyboards and terminals, telephones, 10-Key adding machine, copiers and fax machines on a regular basis.
- Communicates orally in face-to-face, one-to-one and group settings or utilizing cellular telephones and fixed frequency radios to communicate.
- Requires normal range hearing and vision with or without correction.
- Travels by automobile in conducting Agency Business.

Other:

- Maintain valid California Class C Driver's License.
- Proof of a good driving record free from multiple or serious traffic violations or accidents for a period of at least two years.
- Position subject to extended work hours, evening meetings, and periodic travel.
- Notary Public Commission beneficial.

BIGHORN-DESERT VIEW WATER AGENCY

CLASS DESCRIPTION

Revised: 2012

Salary Range: 02 WDO I
03 WDO II
04 WDO III

**TITLES: WATER DISTRIBUTION OPERATOR I
WATER DISTRIBUTION OPERATOR II
WATER DISTRIBUTION OPERATOR III**

Page 1 of 5
Status: Non-Exempt

Summary

Under general direction of the General Manager, the Water Distribution Operator (WDO Level I to III) routinely performs a variety of semi-skilled and routine assignments related to installation, maintenance and repair of the Agency's water distribution system as well as install, repair, overhaul, operate and monitor water pumps, controls, recording devices, valves, chlorinators and related parts of the water production system. Performs meter reading, meter maintenance and repair, customer service, facilities and grounds maintenance and other duties as assigned.

Position Title

Title and salary range of the individual is commensurate with the following factors: skills and abilities as well as education, training and experience level. Regarding internal promotions the overall performance of the individual; demonstrated independent judgment and degree of supervision required will also be considered.

Distinguishing Characteristics

This position is characterized by the level of skills required to perform the principal duties of the position, as well as the level of supervisory oversight provided to this position on a routine basis and the independent judgment required. Position reports directly to the General Manager, and has no supervisor duties but may have "lead" and/or training responsibilities.

Examples of Duties

The duties listed below are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to this class.

Water Distribution System:

- Repairs, installs and maintains distribution and transmission pipe networks including but not limited to: water mains, service connections, fire hydrants, air/vacuum valves and meters on a scheduled or emergency basis.
- Operates, repairs and maintains manual and automated valves such as gate, globe, ball, check, and butterfly type valves.
- Digs, backfills and compacts trenches by operating tractors, trucks, rollers, jackhammers, backhoes, compressors, and loaders. Repairs damaged roads.
- Assists in the disinfection and flushing of water mains and related appurtenances.
- Performs welding, carpentry, pipefitting and cement work, using power and hand tools.
- Locates and marks or relays information concerning location of District's facilities for Underground Service Alert (USA) activities.

BIGHORN-DESERT VIEW WATER AGENCY

CLASS DESCRIPTION

Revised: 2012

Salary Range: 02 WDO I
03 WDO II
04 WDO III

**TITLES: WATER DISTRIBUTION OPERATOR I
WATER DISTRIBUTION OPERATOR II
WATER DISTRIBUTION OPERATOR III**

Page 2 of 5
Status: Non-Exempt

- Responsible for proper on-site procedure and set-up of traffic control functions.
- Maintains and repairs vehicles as well as all field equipment or makes recommendations and facilitates such repairs.
- Assists in information gathering pertaining to fire flows, will serve letters, facility upgrades and project plans and specifications.
- Ensures proper parts and material are obtained for assigned tasks.

Water Production System:

- Performs a variety of skilled and/or semi-skilled monitoring, maintenance, installation, testing and repair on water pumps, control systems, recording devices, motors, valves and chlorinators of the water production system on a scheduled or emergency basis.
- Maintains and ensures the adequate supply of water in reservoirs and the Agency water system. Manages energy usage and responsible for compliance with "Time-of-Use" schedules.
- Collects water samples for lab analysis in compliance with state and federal rules, regulations and standards; completes and submits documentation pertaining to water quality regulatory requirements; assesses system water quality and makes appropriate adjustments, including the use of chemicals, to assure public safety. Calculates dosages.
- Operates, maintains and monitors water production equipment such as boosters, wells, reservoirs, and pressure reducing/sustaining stations. Operates equipment necessary for maintaining water production facilities including pumps and emergency generators.
- Adjusts and changes pump and motor lubrication such as, but not limited to, pump packing, motor oil, well shaft oil, and greased bearings and joints.
- Performs water table depth measurements and records findings.
- Works on energized 480 V three phase related equipment.
- Inspects for cross connection and backflow requirements. Administers backflow program.
- Compiles memoranda, data reports, written correspondence, develops written procedures related to departmental needs and requirements. Interprets maps and provides direction to complex problems with multiple variables.
- Operates and maintains telemetry control systems and their associated components.

Inventory:

- Monitors and maintains adequate inventory of water system parts and supplies. Includes specialty parts and supplies not included in formal inventory counts.
- Obtains quotes and requisitions inventory as needed. Makes recommendations on new products and services related to operation and maintenance of water system.
- Assists accounting staff to reconcile periodic inventory count. Prepares and submits all paperwork required to add inventory purchased and remove inventory used.

BIGHORN-DESERT VIEW WATER AGENCY

CLASS DESCRIPTION

Revised: 2012

Salary Range: 02 WDO I
03 WDO II
04 WDO III

**TITLES: WATER DISTRIBUTION OPERATOR I
WATER DISTRIBUTION OPERATOR II
WATER DISTRIBUTION OPERATOR III**

Page 3 of 5
Status: Non-Exempt

Field Services Duties:

- Reads and records residential and commercial meter readings manually or using an electronic recording device.
- Provides customer service; handles, prioritizes and completes Service Orders and interacts with customers regarding water quality, billing, and field service duties, including but not limited to, turn-on/lock-offs, leak repair, pressure checks, taste and odor complaints and meter repair/replacement. Communicates politely with customers.

Other Duties:

- Coordinates work of outside contractors as related to departmental needs and requirements.
- Understands and abides by Agency Rules and Regulations for Water Service.
- Acquires and records data by hand or through the operation of various data collection devices and programs such as meter reading equipment; supervisory control and data acquisition (SCADA) systems; online analyzers; Geographical Information System (GIS); and District atlas maps.
- Performs general housekeeping in shop and yard; facility maintenance and grounds keeping.
- Completes necessary forms and reports and computer data entry. Communicates using written and computerized methods such as email, word processing, spreadsheet or other customized software programs.
- Maintains necessary supplies, tools and equipment in Agency vehicle. Maintains District records.
- Attends meetings and off-site training as required.
- Recommends improvements in job-related policies and procedures.
- Completes regularly on-call duty. Responds to after-hours emergencies.

Lead Responsibilities (WDO II or WDO III):

- Answers technical questions from staff.
- Assists with cross training of other staff on critical job functions.
- Uses independent judgment to solve problems and efficiently lead the work of other field staff.
- May organize and coordinate daily functions and assignments of others.

Safety:

- Proper knowledge of safety practices and safety gear. Follows proper safety practices at all times. Promotes compliance with Agency's Injury and Illness Prevention Program.
- Attends safety meetings.

BIGHORN-DESERT VIEW WATER AGENCY

CLASS DESCRIPTION

Revised: 2012

Salary Range: 02 WDO I
03 WDO II
04 WDO III

**TITLES: WATER DISTRIBUTION OPERATOR I
WATER DISTRIBUTION OPERATOR II
WATER DISTRIBUTION OPERATOR III**

Page 4 of 5
Status: Non-Exempt

Education, Training & Experience: The position of Water Distribution Operator I/ II/ III requires the following knowledge:

- Graduation from high school or equivalent. Advanced course work in water distribution or water treatment science highly desirable.
- Laws, rules, regulations and principles of work safety. Proper work safety standards.
- Proper procedure in the utilization of Underground Service Alert.
- Safe application and handling of chemicals and other hazardous materials.
- Basic (WDO I) to expert (WDO III) knowledge in the operation and maintenance of a water distribution system and water production operations which includes SCADA and RTU programming and troubleshooting.
 - Basic (WDO I) to expert (WDO III) knowledge of state and federal water regulations.
 - Basic (WDO I) to expert (WDO III) knowledge of distribution system parts and materials.
 - Basic (WDO I) to expert (WDO III) knowledge of valve operation, maintenance and repair.
 - Basic (WDO I) to expert (WDO III) knowledge in the operation and transport of heavy equipment.
 - Basic (WDO I) to expert (WDO III) knowledge of operator math and concepts.
- Customer service techniques.
- Satisfactory knowledge in the use and application of common and specialized computer software.

Qualification Requirements: To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skills and/or abilities required. In accordance with the Americans with Disabilities Act, reasonable accommodations may be made to enable individuals with disabilities to perform essential job functions.

Skills and Abilities:

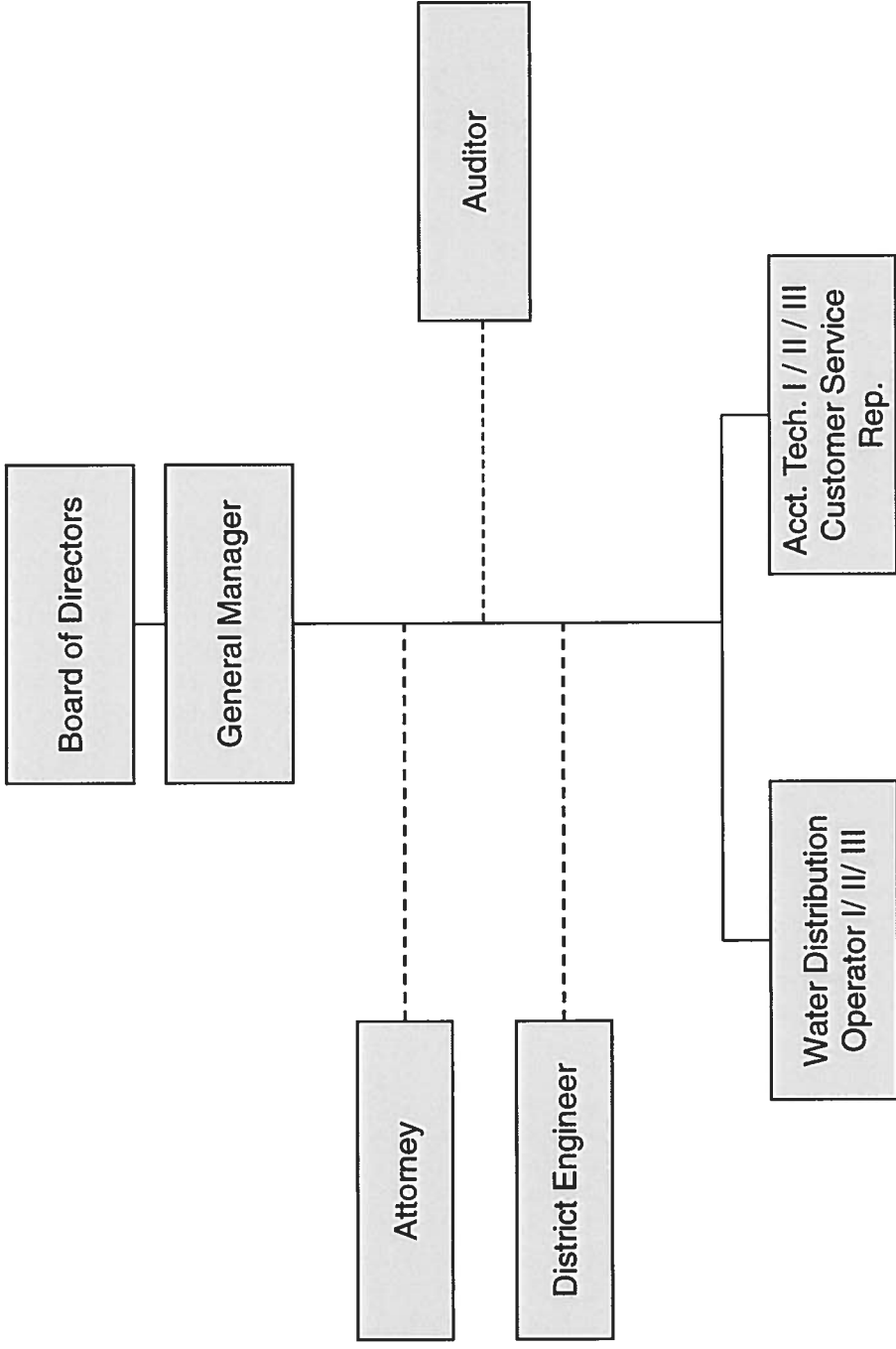
- Ability to establish and maintain cooperative and respectful working relationships with those contacted in the course of work, and to interact with the public and Board of Directors in a prompt, courteous, patient, polite, productive, and efficient manner.
- Ability to work independently, efficiently and productively when completing work tasks.
- Prioritization, organization, and coordination skills. Use independent judgment and exercise initiative in daily work activities.
- Understand and carry out oral and written instructions.
- Safe operation and use of all power tools, hand tools, heavy equipment and motor vehicles.
- Read and interpret plans and drawings. Solve shop and field arithmetic.
- Troubleshoot and repair pump and electrical problems satisfactorily.
- Use computer systems and software packages related to the needs of the Agency.
- Basic (WDO I) to expert (WDO III) knowledge of water distribution system best practices.

2012/2013
BDVWA EMPLOYEE RANGE AND STEP SCALE
(Nov. 2012 - Proposed)

RANGE NO	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	STEP G	STEP H	STEP J	STEP K	STEP L	STEP M	STEP N
1													
Per Hour Rate	12,099	12,402	12,712	13,030	13,356	13,689	14,032	14,382	14,742	15,111	15,488	15,876	16,272
Monthly	2,097,237	2,149,668	2,203,410	2,258,495	2,314,957	2,372,831	2,432,152	2,492,956	2,555,280	2,619,162	2,684,641	2,751,757	2,820,551
Annually	25,166.84	25,796.01	26,440.91	27,101.94	27,779.49	28,473.97	29,185.82	29,915.47	30,663.36	31,429.94	32,215.69	33,021.08	33,846.61
2													
Per Hour Rate	12,851	13,172	13,501	13,839	14,185	14,539	14,903	15,275	15,657	16,049	16,450	16,861	17,283
Monthly	2,227,428	2,283,113	2,340,191	2,398,696	2,458,663	2,520,130	2,583,133	2,647,711	2,713,904	2,781,752	2,851,296	2,922,578	2,995,643
Annually	26,729,132	27,397,360	28,082,294	28,784,351	29,503,960	30,241,559	30,997,598	31,772,538	32,566,861	33,381,023	34,215,548	35,070,937	35,947,710
3													
Per Hour Rate	15,902	16,299	16,707	17,124	17,552	17,991	18,441	18,902	19,375	19,859	20,355	20,864	21,386
Monthly	2,756,271	2,825,178	2,895,807	2,968,203	3,042,408	3,118,468	3,196,429	3,276,340	3,358,249	3,442,205	3,528,260	3,616,467	3,706,878
Annually	33,075,253	33,902,134	34,749,698	35,618,430	36,508,891	37,421,613	38,357,153	39,316,082	40,298,984	41,306,459	42,339,120	43,397,598	44,482,538
4													
Per Hour Rate	20,875	21,397	21,932	22,481	23,043	23,619	24,209	24,814	25,435	26,071	26,722	27,390	28,075
Monthly	3,618,403	3,708,863	3,801,584	3,896,624	3,994,040	4,093,890	4,196,238	4,301,144	4,408,672	4,518,889	4,631,861	4,747,858	4,866,349
Annually	43,420,832	44,506,353	45,619,012	46,759,487	47,928,474	49,126,686	50,354,853	51,613,724	52,904,068	54,226,669	55,582,336	56,971,894	58,396,192
5													
Per Hour Rate	22,364	22,923	23,496	24,084	24,686	25,303	25,936	26,584	27,249	27,930	28,628	29,344	30,077
Monthly	3,876,450	3,973,361	4,072,695	4,174,512	4,278,875	4,385,847	4,495,493	4,607,880	4,723,077	4,841,154	4,962,183	5,086,238	5,213,394
Annually	46,517,395	47,680,329	48,872,338	50,094,146	51,346,500	52,630,162	53,945,916	55,294,564	56,676,928	58,093,852	59,546,198	61,034,853	62,560,724

APPENDIX B

Resolution No. 12R-XX
Adopted XX



- Total positions authorized = 3
- Total allowable Level II = 3
 - Total allowable Level III = 3
- Total positions authorized = 3
- Total allowable Level II = 3
 - Total allowable Level III = 3

**BIGHORN DESERT VIEW WATER AGENCY
AGENDA ITEM SUBMITTAL**

Meeting Date: November 27, 2012

To: Board of Directors

Budgeted: Yes

Budgeted Amount: \$29,918

Cost: \$29,918

Funding Source: Budget Line: 56006

From: Marina D. West

General Counsel Approval: N/A

CEQA Compliance: N/A

Subject: Ames/Reche Groundwater Storage and Recovery Program - Receive and File Executed Federal, State and Local Permits Required for the Project

SUMMARY

During the development of the Ames/Reche Groundwater Storage and Recovery Program, a number of permits and processes have been executed. Where required, Board approval for individual permits and processes has been obtained (e.g. Management Agreement, California Environmental Quality Act Mitigated Negative Declaration, Bureau of Land Management Right-of-Way Grant, etc.) but others have been executed without formal Board consideration.

Staff is asking that the Board receive and file the attached documents as part of the administrative record for the Ames/Reche Groundwater Storage and Recovery Program.

RECOMMENDATION

That the Board considers taking the following action(s):

1. Board to receive and file various permits and notices obtained for the Ames/Reche Groundwater Storage and Recovery Program identified as:
 - a. Letter of "Non-jurisdictional" Authority; County of San Bernardino, Department of Public Works, July 2010.
 - b. Approved Jurisdictional Determination regarding presence/absence of geographic jurisdiction (pertains to Section 404 Streambed Alteration); U.S. Army Corps of Engineers, June 10, 2011.
 - c. Streambed Alteration Agreement (Section 1600); California Department of Fish and Game, August 2, 2011.
 - d. National Environmental Policy Act (NEPA) – Decision Record; U.S. Department of the Interior, Bureau of Land Management, August 2012.
 - e. National Environmental Policy Act (NEPA) - Finding of No Significant Impact (FONSI); U.S. Department of the Interior, Bureau of Land Management, August 2012.

BACKGROUND/ANALYSIS

During the development of the Ames/Reche Groundwater Storage and Recovery Program, a number of permits and processes have been executed. Where required, Board approval for individual permits and processes has been obtained (e.g. Management Agreement, California Environmental Quality Act Mitigated Negative Declaration, Bureau of Land Management Right-of-Way Grant, etc.) but others have been executed without formal Board consideration.

Staff is requesting the Board receive and file various permits and notices obtained for the Ames/Reche Groundwater Storage and Recovery Program. The documents are summarized below:

1. Letter of "Non-jurisdictional" Authority; County of San Bernardino, Department of Public Works, July 2010.
 - a. This letter confirms that the County of San Bernardino does not have facilities or right-of-way easements within the proposed project area that would require permits from the County.
2. Approved Jurisdictional Determination regarding presence/absence of geographic jurisdiction (pertains to Section 404 Streambed Alteration); U.S. Army Corps of Engineers, June 10, 2011.
 - a. This letter confirms that the Pipes Wash is a non-jurisdictional water of the United States and therefore a federal Streambed Alteration Permit is not required for the project.
3. Streambed Alteration Agreement (Section 1600); California Department of Fish and Game, August 2, 2011.
 - a. Pipe's Wash is within the jurisdiction of the California Department of Fish and Game which required that a Streambed Alteration Agreement be executed and that the project be constructed in accordance with the provisions of the Agreement. Staff has obtained the necessary permit allowing the project to be constructed within the Pipes Wash.
4. National Environmental Policy Act (NEPA) – Decision Record; U.S. Department of the Interior, Bureau of Land Management, August 2012.
 - a. Finalizes the federal National Environmental Policy Act (NEPA) review of the Environmental Assessment (EA) prepared for the project.
5. National Environmental Policy Act (NEPA) - Finding of No Significant Impact (FONSI); U.S. Department of the Interior, Bureau of Land Management, August 2012.
 - a. Finalizes the federal National Environmental Policy Act (NEPA) process by exempting the project from further environmental review.

PRIOR RELEVANT BOARD ACTION(S)

10/16/2012 Motion No. 12-073 Resolution No. 12R-30 – Adopting the Water Infrastructure Restoration Program: Ames/Reche Groundwater Storage and Recovery Program; and Pipeline Installation/Replacement Project Mitigated Negative Declaration – Addendum Ames/Reche Groundwater Storage and Recovery Program (Addendum No. 2).

10/16/2012 Motion No. 12-072 Authorize General Manager to execute Right-of-Way Grant/Temporary Use Permit, Serial Number CACA-50962 for construction, operation and maintenance of the Ames/Reche Groundwater Recharge Facilities; and Authorize payment of rents for a period of up to 30 years at a cost not to exceed \$20,000, upon receipt of revised document reflecting reduced project dimensions.

9/13/2012 Motion No. 12-070 Authorize General Manager to enter into Agreement between Bighorn-Desert View Water Agency and the Desert Tortoise Preserve Committee, Inc. for the purchase of and permanent preservation of 6.13 acres of mitigation lands for the Ames/Reche Project for a total of \$30,650.00; and Provide for an estimated \$3,000 for review of title and other documents related to the transfer of compensated lands to the California Department of Fish and Game.

1/10/2012 Motion No. 12-004 Approve the Ames/Reche Groundwater Storage and Recovery Program and Management Agreement.

11-30-2011 Motion No. 11-066 Adopting the Water Infrastructure Restoration Program: Ames/Reche Groundwater Storage and Recovery Program; and Pipeline Installation/Replacement Project Mitigated Negative Declaration - Addendum 1 Ames/Reche Groundwater Storage and Recovery Program.

6/30/2012 Motion No. 10-045, Resolution No. 10R-04 A Mitigated Negative Declaration for the Water Infrastructure Restoration Program Ames/Reche Groundwater Storage and Recovery Program and Pipeline Installation/Replacement Program

6/15/2010 Public Hearing: Notice of Intent to Adopt a Mitigated Negative Declaration (MND) pertaining to the Water Infrastructure Restoration Program: Ames/Reche Groundwater Storage and Recovery Program; and Pipeline Installation/Replacement Project.

DEPARTMENT OF PUBLIC WORKS

FLOOD CONTROL • SOLID WASTE MGMT • SURVEYOR • TRANSPORTATION



COUNTY OF SAN BERNARDINO

825 East Third Street • San Bernardino, CA 92415-0835 • (909) 387-8104
Fax (909) 387-8130

GRANVILLE M. "BOW" BOWMAN, P.E., P.L.S.
Director of Public Works

July 27, 2010

Addressee: Bighorn Desert View Water Agency
622 S. Jemez Trail
Yucca Valley, CA 92284
Attention: Marina D. West, PG
General Manager

File: 6-000/2.04

Activity: Proposed construction of an infiltration basin to percolate water into the Reche Groundwater Basin
Facility: None
Location: East of State Highway 247 and south of Reche Road
City/Community: Unincorporated area of San Bernardino County

The District is in receipt of your letter dated July 14, 2010, advising the District of the Water Agency's proposed construction of an infiltration basin at the above noted location within an unincorporated area of San Bernardino County.

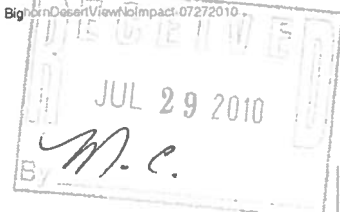
Please be advised the District has no facilities or right-of-way in this area that could be impacted by your proposed construction of an infiltration basin. Therefore, a permit from the District will not be required, and the District has no further comments to offer regarding this matter.

If you have any questions regarding the above, please contact the undersigned at (909) 387-7995.

Sincerely,

GRANT C. MANN, P.E.
Permit Engineer
San Bernardino County
Department of Public Works

GCM:MM:jh
cc: Kevin Blakeslee



GREGORY C. DEVEREAUX
County Administrative Officer

BRAD MITZELFELT
PAUL BIANE
JOSIE GONZALES

Board of Supervisors

First District
Second District

NEIL DERRY
GARY C. CIVITTI
Fourth District

Third District
Fourth District



DEPARTMENT OF THE ARMY
LOS ANGELES DISTRICT, CORPS OF ENGINEERS
P.O. BOX 532711
LOS ANGELES, CALIFORNIA 90053-2325

RECEIVED

JUN 21 2011

KENNEDY / JENKS CONSULTANTS
IRVINE, CA

June 10, 2011

REPLY TO
ATTENTION OF

Regulatory Division

Marina West, Bighorn-Desert View Water Agency
c/o Bill Oullette, Kennedy/Jenks Consultants
2355 Main St, Suite 140
Irvine, California 92614-4290

SUBJECT: Approved Jurisdictional Determination regarding presence/absence of geographic jurisdiction

Dear Ms. West :

Reference is made to your request (File No. SPL-2010-00824-MAS) dated July 14, 2010, for an approved Department of the Army jurisdictional determination (JD) for the Pipes Wash Infiltration Basin project site (34.2387°N, -116.41766°W) located near the Town of Landers, San Bernardino County, California (as shown on attached maps).

As you may know, the Corps' evaluation process for determining whether or not a Department of the Army permit is needed involves two tests. If both tests are met, then a permit is required. The first test determines whether or not the proposed project is located in a water of the United States (i.e., it is within the Corps' geographic jurisdiction). The second test determines whether or not the proposed project is a regulated activity under Section 10 of the River and Harbor Act or Section 404 of the Clean Water Act. As part of the evaluation process, pertaining to the first test only, we have made the jurisdictional determination below.

Based on available information, we have determined there are no waters of the United States on the project site, in the locations depicted on the enclosed drawing. The basis for our determination can be found in the enclosed JD form(s).

The aquatic resource identified as Pipes Wash on the above drawing is an intrastate isolated water with no apparent interstate or foreign commerce connection. As such, this water is not currently regulated by the Corps of Engineers. This disclaimer of jurisdiction is only for Section 404 of the Clean Water Act. Other Federal, State, and local laws may apply to your activities. In particular, you may need authorization from the California State Water Resources Control Board and/or the U.S. Fish and Wildlife Service.

This letter contains an approved jurisdictional determination for the Pipes Wash Infiltration Basin project site. If you object to this decision, you may request an administrative appeal under Corps regulations at 33 CFR Part 331. Enclosed you will find a Notification of Appeal Process (NAP) fact sheet (Appendix A) and Request for Appeal (RFA) form. If you

request to appeal this decision you must submit a completed RFA form to the Corps South Pacific Division Office at the following address:

Administrative Appeal Review Officer,
U.S. Army Corps of Engineers
South Pacific Division, CESPDPDS-O, 2042B
1455 Market Street, San Francisco, California 94103-1399

In order for an RFA to be accepted by the Corps, the Corps must determine that it is complete, that it meets the criteria for appeal under 33 C.F.R. Part 331.5, and that it has been received by the Division Office within 60 days of the date on the NAP. Should you decide to submit an RFA form, it must be received at the above address by **September 10, 2011**. It is not necessary to submit an RFA form to the Division office if you do not object to the decision in this letter.

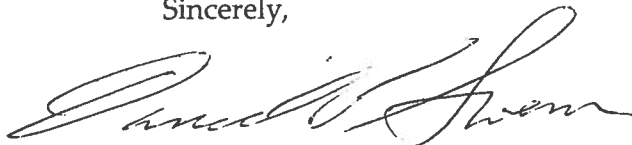
This verification is valid for five years from the date of this letter, unless new information warrants revision of the determination before the expiration date. If you wish to submit new information regarding the approved jurisdictional determination for this site, please submit this information to Melanie Stalder at the letterhead address by **September 10, 2011**. The Corps will consider any new information so submitted and respond within 60 days by either revising the prior determination, if appropriate, or reissuing the prior determination. A revised or reissued jurisdictional determination can be appealed as described above.

This determination has been conducted to identify the extent of the Corps' Clean Water Act jurisdiction on the particular project site identified in your request. This determination may not be valid for the wetland conservation provisions of the Food Security Act of 1985. If you or your tenant are USDA program participants, or anticipate participation in USDA programs, you should request a certified wetland determination from the local office of the Natural Resources Conservation Service, prior to starting work.

If you have any questions, please contact Melanie Stalder at 213.452.3294 or via e-mail at Melanie.A.Stalder@usace.army.mil.

Please be advised that you can now comment on your experience with Regulatory Division by accessing the Corps web-based customer survey form at:
<http://per2.nwp.usace.army.mil/survey.html>.

Sincerely,

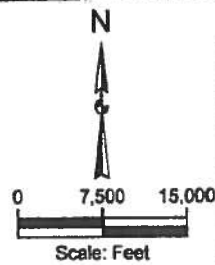
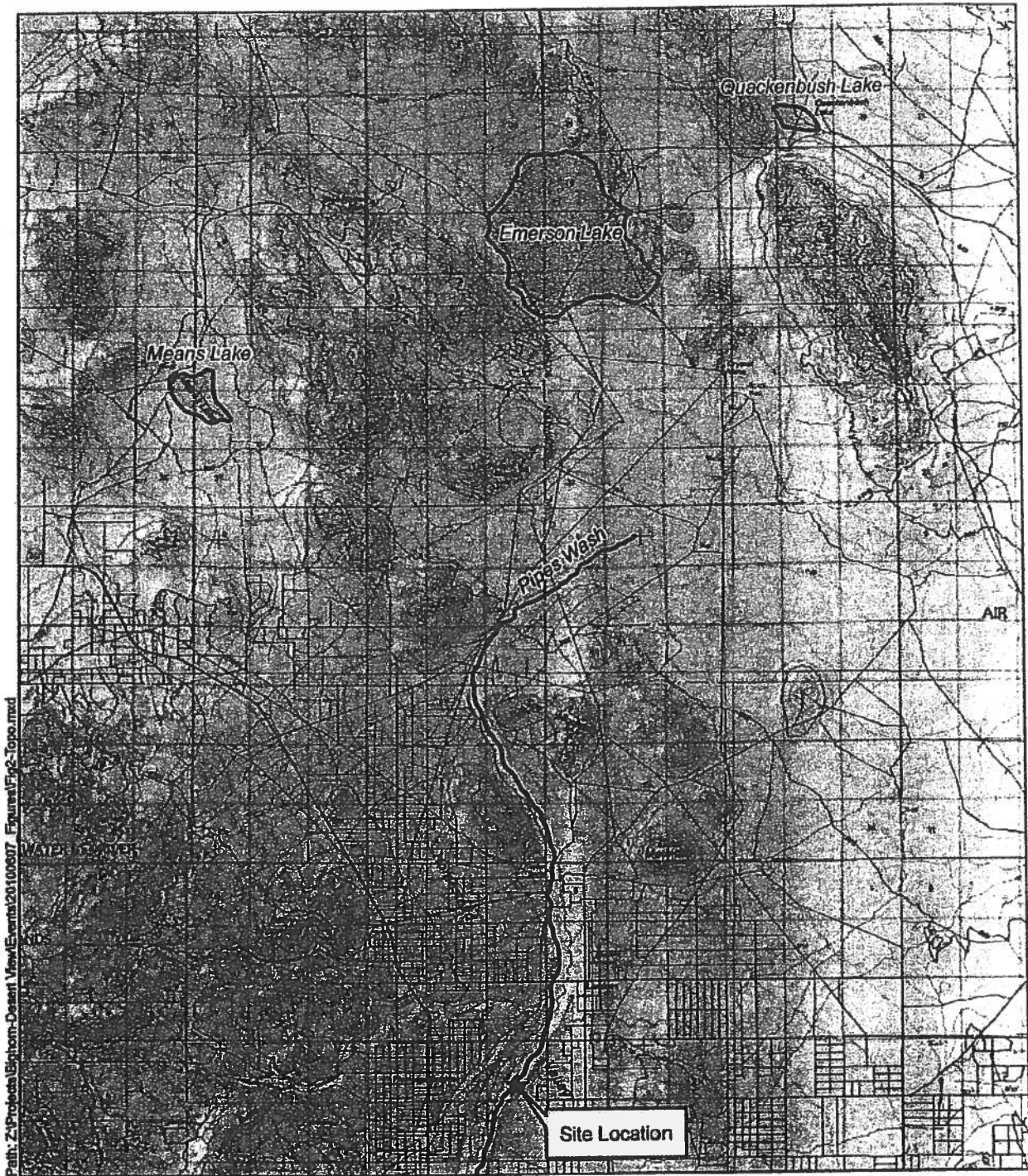


For Aaron O. Allen
Chief
North Coast Branch
Regulatory Division

Enclosures



Figure 1

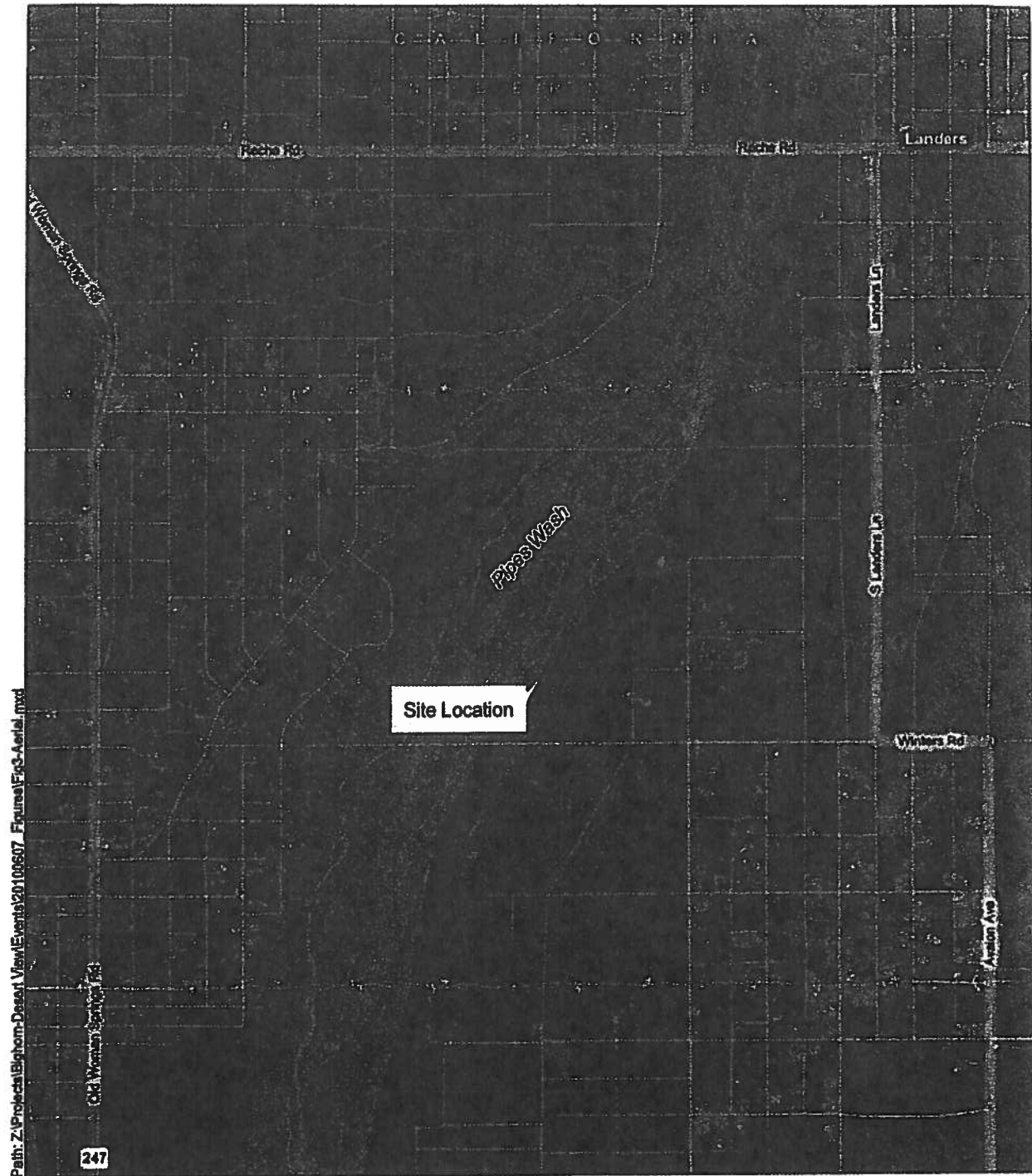


Kennedy/Jenks Consultants
 Bighorn-Desert View Water Agency
 San Bernardino County, California

Pipes Wash

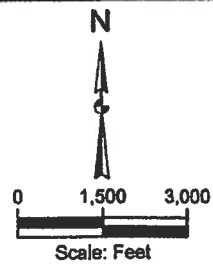
K/J 0989068*00
 June 2010

Figure 2



Path: Z:\Projects\Bighorn-Desert View\Events\20100607_Frased\Frased.mxd

Image Source: (c)2008 Microsoft Corporation



Kennedy/Jenks Consultants
 Bighorn-Desert View Water Agency
 San Bernardino County, California

Pipes Wash

K/J 0989068*00
 June 2010

Figure 3

NOTIFICATION OF ADMINISTRATIVE APPEAL OPTIONS AND PROCESS AND REQUEST FOR APPEAL

Applicant: Bighorn-Desert View Water Agency, Marina West

File Number: SPL-2010-00824-MAS

Date: 09/10/2011

Attached is:

See Section below

	INITIAL PROFFERED PERMIT (Standard Permit or Letter of permission)	A
	PROFFERED PERMIT (Standard Permit or Letter of permission)	B
	PERMIT DENIAL	C
X	APPROVED JURISDICTIONAL DETERMINATION	D
	PRELIMINARY JURISDICTIONAL DETERMINATION	E

SECTION I: The following identifies your rights and options regarding an administrative appeal of the above decision. Additional information may be found at <http://usace.army.mil/inet/functions/cw/cecwo/reg> or Corps regulations at 33 CFR Part 331.

A: INITIAL PROFFERED PERMIT: You may accept or object to the permit.

- **ACCEPT:** If you received a Standard Permit, you may sign the permit document and return it to the district engineer for final authorization. If you received a Letter of Permission (LOP), you may accept the LOP and your work is authorized. Your signature on the Standard Permit or acceptance of the LOP means that you accept the permit in its entirety, and waive all rights to appeal the permit, including its terms and conditions, and approved jurisdictional determinations associated with the permit.
- **OBJECT:** If you object to the permit (Standard or LOP) because of certain terms and conditions therein, you may request that the permit be modified accordingly. You must complete Section II of this form and return the form to the district engineer. Your objections must be received by the district engineer within 60 days of the date of this notice, or you will forfeit your right to appeal the permit in the future. Upon receipt of your letter, the district engineer will evaluate your objections and may: (a) modify the permit to address all of your concerns, (b) modify the permit to address some of your objections, or (c) not modify the permit having determined that the permit should be issued as previously written. After evaluating your objections, the district engineer will send you a proffered permit for your reconsideration, as indicated in Section B below.

B: PROFFERED PERMIT: You may accept or appeal the permit.

- **ACCEPT:** If you received a Standard Permit, you may sign the permit document and return it to the district engineer for final authorization. If you received a Letter of Permission (LOP), you may accept the LOP and your work is authorized. Your signature on the Standard Permit or acceptance of the LOP means that you accept the permit in its entirety, and waive all rights to appeal the permit, including its terms and conditions, and approved jurisdictional determinations associated with the permit.
- **APPEAL:** If you choose to decline the proffered permit (Standard or LOP) because of certain terms and conditions therein, you may appeal the declined permit under the Corps of Engineers Administrative Appeal Process by completing Section II of this form and sending the form to the division engineer. This form must be received by the division engineer within 60 days of the date of this notice.

C: PERMIT DENIAL: You may appeal the denial of a permit under the Corps of Engineers Administrative Appeal Process by completing Section II of this form and sending the form to the division engineer. This form must be received by the division engineer within 60 days of the date of this notice.

D: APPROVED JURISDICTIONAL DETERMINATION: You may accept or appeal the approved JD or provide new information.

- **ACCEPT:** You do not need to notify the Corps to accept an approved JD. Failure to notify the Corps within 60 days of the date of this notice, means that you accept the approved JD in its entirety, and waive all rights to appeal the approved JD.
- **APPEAL:** If you disagree with the approved JD, you may appeal the approved JD under the Corps of Engineers Administrative Appeal Process by completing Section II of this form and sending the form to the division engineer. This form must be received by the division engineer within 60 days of the date of this notice.

E: PRELIMINARY JURISDICTIONAL DETERMINATION: You do not need to respond to the Corps regarding the preliminary JD. The Preliminary JD is not appealable. If you wish, you may request an approved JD (which may be appealed), by contacting the Corps district for further instruction. Also you may provide new information for further consideration by the Corps to reevaluate the JD.

SECTION II. REQUEST FOR APPEAL OR OBJECTIONS TO AN INITIAL PROFFERED PERMIT

REASONS FOR APPEAL OR OBJECTIONS: (Describe your reasons for appealing the decision or your objections to an initial proffered permit in clear concise statements. You may attach additional information to this form to clarify where your reasons or objections are addressed in the administrative record.)

ADDITIONAL INFORMATION: The appeal is limited to a review of the administrative record, the Corps memorandum for the record of the appeal conference or meeting, and any supplemental information that the review officer has determined is needed to clarify the administrative record. Neither the appellant nor the Corps may add new information or analyses to the record. However, you may provide additional information to clarify the location of information that is already in the administrative record.

POINT OF CONTACT FOR QUESTIONS OR INFORMATION:

If you have questions regarding this decision and/or the appeal process you may contact:

DISTRICT ENGINEER
Los Angeles District, Corps of Engineers
ATTN: Chief, Regulatory Division
P.O. Box 532711
Los Angeles, CA 90053-2325
Tel. (213) 452-3425

If you only have questions regarding the appeal process you may also contact:

DIVISION ENGINEER
South Pacific Division, Corps of Engineers
Attn: Tom Cavanaugh
Administrative Appeal Review Officer
South Pacific Division, CESPD-PDS-O, 2052B
1455 Market Street, San Francisco, California 94103-1399
Phone: (415) 503-6574 Fax: (415) 503-6646
Email: thomas.j.cavanaugh@usace.army.mil

RIGHT OF ENTRY: Your signature below grants the right of entry to Corps of Engineers personnel, and any government consultants, to conduct investigations of the project site during the course of the appeal process. You will be provided a 15 day notice of any site investigation, and will have the opportunity to participate in all site investigations.

Signature of appellant or agent.

Date:

Telephone number:

**APPROVED JURISDICTIONAL DETERMINATION FORM
U.S. Army Corps of Engineers**

JD Status: DRAFT

SECTION I: BACKGROUND INFORMATION

A. REPORT COMPLETION DATE FOR APPROVED JURISDICTIONAL DETERMINATION (JD): 28-Oct-2010

B. DISTRICT OFFICE, FILE NAME, AND NUMBER: Los Angeles District, SPL-2010-00824-JD1

C. PROJECT LOCATION AND BACKGROUND INFORMATION:

State : CA - California
County/parish/borough: San Bernardino
City: Landers
Lat: 34.23847
Long: -116.41766
Universal Transverse Mercator Folder UTM List
UTM list determined by folder location

- NAD83 / UTM zone 11N

Waters UTM List
UTM list determined by waters location

- NAD83 / UTM zone 11N

Name of nearest waterbody: Emerson Dry Lake
Name of nearest Traditional Navigable Water (TNW): none
Name of watershed or Hydrologic Unit Code (HUC): 18100100

- ☒ Check if map/diagram of review area and/or potential jurisdictional areas is/are available upon request.
☐ Check if other sites (e.g., offsite mitigation sites, disposal sites, etc.) are associated with the action and are recorded on a different JD form.

D. REVIEW PERFORMED FOR SITE EVALUATION:

- ☒ Office Determination Date: 28-Oct-2010
☐ Field Determination Date(s): ☐

SECTION II: SUMMARY OF FINDINGS

A. RHA SECTION 10 DETERMINATION OF JURISDICTION

There "navigable waters of the U.S." within Rivers and Harbors Act (RHA) jurisdiction (as defined by 33 CFR part 329) in the review area.

- ☐ Waters subject to the ebb and flow of the tide.
☐ Waters are presently used, or have been used in the past, or may be susceptible for use to transport interstate or foreign commerce.

Explain:

B. CWA SECTION 404 DETERMINATION OF JURISDICTION.

There "waters of the U.S." within Clean Water Act (CWA) jurisdiction (as defined by 33 CFR part 328) in the review area.

ORM Printer Friendly JD Form

Project waters are river miles from RPW.

Project Waters are aerial (straight) miles from
TNW.

Project waters are aerial(straight) miles from RPW.

☐ Project waters cross or serve as state boundaries.

Explain:

Identify flow route to TNW:⁵

Tributary Stream Order, if known:

Not Applicable.

(b) General Tributary Characteristics:

Tributary is:

Not Applicable.

Tributary properties with respect to top of bank (estimate):

Not Applicable.

Primary tributary substrate composition:

Not Applicable.

Tributary (conditions, stability, presence, geometry, gradient):

Not Applicable.

(c) Flow:

Not Applicable.

Surface Flow is:

Not Applicable.

Subsurface Flow:

Not Applicable.

Tributary has:

Not Applicable.

If factors other than the OHWM were used to determine lateral extent of CWA jurisdiction:

High Tide Line indicated by:

Not Applicable.

Mean High Water Mark indicated by:

Not Applicable.

(iii) Chemical Characteristics:

Characterize tributary (e.g., water color is clear, discolored, oily film; water quality; general watershed characteristics, etc.).

Not Applicable.

(iv) Biological Characteristics. Channel supports:

Not Applicable.

1. TNWs and Adjacent Wetlands:
Not Applicable.

2. RPWs that flow directly or indirectly into TNWs:
Not Applicable.

Provide estimates for jurisdictional waters in the review area:
Not Applicable.

3. Non-RPWs that flow directly or indirectly into TNWs:⁸
Not Applicable.

Provide estimates for jurisdictional waters in the review area:
Not Applicable.

4. Wetlands directly abutting an RPW that flow directly or indirectly into TNWs.
Not Applicable.

Provide acreage estimates for jurisdictional wetlands in the review area:
Not Applicable.

5. Wetlands adjacent to but not directly abutting an RPW that flow directly or indirectly into TNWs:
Not Applicable.

Provide acreage estimates for jurisdictional wetlands in the review area:
Not Applicable.

6. Wetlands adjacent to non-RPWs that flow directly or indirectly into TNWs:
Not Applicable.

Provide estimates for jurisdictional wetlands in the review area:
Not Applicable.

7. Impoundments of jurisdictional waters:⁹
Not Applicable.

E. ISOLATED [INTERSTATE OR INTRA-STATE] WATERS INCLUDING ISOLATED WETLANDS, THE USE, DEGRADATION OR DESTRUCTION OF WHICH COULD AFFECT INTERSTATE COMMERCE, INCLUDING ANY SUCH WATERS:¹⁰

Waters Name	Interstate/Foreign Travelers	Fish/Shellfish Commerce	Industrial Commerce	Interstate Isolated	Explain	Other Factors	Explain
Pipes Wash	-	-	-	-	-	-	-

Identify water body and summarize rationale supporting determination:

Water Name	Adjacent To TNW Rationale	TNW Rationale
Pipes Wash	-	-

Provide estimates for jurisdictional waters in the review area:

Water Name	Type	Size (Linear) (m)	Size (Area) (m²)
Pipes Wash	Isolated (interstate or intrastate) waters, including isolated wetlands	6.605016	-
Total:		6.605016	0

Part 328.3 (a) (3)). Pipes Creek Wash does not meet the criteria for a jurisdictional water for the U.S. as discussed above. For these reasons, Pipes Creek Wash is non-jurisdictional under SWANCC.

- 1-Boxes checked below shall be supported by completing the appropriate sections in Section III below.
- 2-For purposes of this form, an RPW is defined as a tributary that is not a TNW and that typically flows year-round or has continuous flow at least "seasonally" (e.g., typically 3 months).
- 3-Supporting documentation is presented in Section III.F.
- 4-Note that the Instructional Guidebook contains additional information regarding swales, ditches, washes, and erosional features generally and in the arid West.
- 5-Flow route can be described by identifying, e.g., tributary a, which flows through the review area, to flow into tributary b, which then flows into TNW.
- 6-A natural or man-made discontinuity in the OHWM does not necessarily sever jurisdiction (e.g., where the stream temporarily flows underground, or where the OHWM has been removed by development or agricultural practices). Where there is a break in the OHWM that is unrelated to the waterbody's flow regime (e.g., flow over a rock outcrop or through a culvert), the agencies will look for indicators of flow above and below the break.
- 7-Ibid.
- 8-See Footnote #3.
- 9-To complete the analysis refer to the key in Section III.D.6 of the Instructional Guidebook.
- 10-Prior to asserting or declining CWA jurisdiction based solely on this category, Corps Districts will elevate the action to Corps and EPA HQ for review consistent with the process described in the Corps/EPA Memorandum Regarding CWA Act Jurisdiction Following Rapanos.

CALIFORNIA DEPARTMENT OF FISH AND GAME
INLAND DESERT REGION
407 W. LINE STREET
BISHOP, CA 93514



STREAMBED ALTERATION AGREEMENT
NOTIFICATION No. 1600-2010-0103-R6
Pipes Wash

BIGHORN DESERT VIEW WATER AGENCY
AMES/RECHE GROUNDWATER STORAGE

This Streambed Alteration Agreement (Agreement) is entered into between the California Department of Fish and Game (DFG) and the Bighorn Desert View Water Agency (Permittee); as represented by Ms. Marina D. West.

RECITALS

WHEREAS, pursuant to Fish and Game Code (FGC) section 1602, Permittee notified DFG on December 15, 2010 that Permittee intends to complete the project described herein.

WHEREAS, pursuant to FGC section 1603, DFG has determined that the project could substantially adversely affect existing fish or wildlife resources and has included measures in the Agreement necessary to protect those resources.

WHEREAS, Permittee has reviewed the Agreement and accepts its terms and conditions, including the measures to protect fish and wildlife resources.

NOW THEREFORE, Permittee agrees to complete the project in accordance with the Agreement.

PROJECT LOCATION

The project is located in Pipes Wash northwest of the intersection of Winters Road and Warren Vista Avenue, unincorporated community of Flamingo Heights, in the County of San Bernardino, State of California; Latitude 116 24 57.93 W, Longitude 34 14 21.55 N.

PROJECT DESCRIPTION

The Bighorn Desert View Water Agency proposes to construct approximately 15 acres of spreading grounds within Pipes Wash for storage and recovery of imported State Water Project water. Construction activities will include: minor grading and vegetation removal for creation of small earthen berms to minimize surface runoff (and evaporation) and maximize infiltration through the floor of the spreading grounds to the underlying groundwater table; construction of a small concrete outlet and diffusion structure from the SWP feed pipeline into the spreading grounds (structure will be approximately 8.5 feet long by 5 feet wide, by 2 feet tall); and construction of two or three monitoring wells northeast of spreading grounds.

PROJECT IMPACTS

Existing fish or wildlife resources the project could substantially adversely affect include: desert tortoise, burrowing owl, side-blotched lizard and catchall.

The adverse effects the project could have on the fish or wildlife resources identified above include: temporary loss of 13 acres and the permanent loss of 2 acres of ephemeral desert wash.

MEASURES TO PROTECT FISH AND WILDLIFE RESOURCES

1. Administrative Measures

Permittee shall meet each administrative requirement described below.

- 1.1 Documentation at Project Site. Permittee shall make the Agreement, any extensions and amendments to the Agreement, and all related notification materials and California Environmental Quality Act (CEQA) documents, readily available at the project site at all times and shall be presented to DFG personnel, or personnel from another state, federal, or local agency upon request.
- 1.2 Providing Agreement to Persons at Project Site. Permittee shall provide copies of the Agreement and any extensions and amendments to the Agreement to all persons who will be working on the project at the project site on behalf of Permittee, including but not limited to contractors, subcontractors, inspectors, and monitors.
- 1.3 Notification of Conflicting Provisions. Permittee shall notify DFG if Permittee determines or learns that a provision in the Agreement might conflict with a provision imposed on the project by another local, state, or federal agency. In that event, DFG shall contact Permittee to resolve any conflict.
- 1.4 Project Site Entry. Permittee agrees that DFG personnel may enter the project site at any time to verify compliance with the Agreement.

2. Avoidance and Minimization Measures

To avoid or minimize adverse impacts to fish and wildlife resources identified above, Permittee shall implement each measure listed below.

- 2.1 The Applicant shall not remove vegetation from the project site from March 15 to September 15 to avoid impacts to nesting birds. If the Applicant intends to commence project construction during the period commencing March 15 through September 15, the Applicant shall have a qualified biologist survey all potential nesting vegetation within the project site for nesting birds, prior to project activities (including construction and/or site preparation). Surveys shall be conducted for at the appropriate time of day during the breeding season, and surveys shall end no more than three days prior to clearing. The Department shall be notified in writing prior to the start of the surveys. Documentation of surveys and findings shall be submitted to the Department within ten (10) days of the last survey. If no nesting birds were observed project activities may begin. If threatened or endangered species are observed in the area, no work shall occur during the breeding season (March 15 through September 15) to avoid direct or indirect (noise) take of listed species.
- 2.2 Sections 3503, 3503.5, and 3513 of the California Fish and Game Code prohibit take of all birds and their active nests, including raptors and other migratory nongame birds (As listed under the Migratory Bird Treaty Act).
- 2.3 If desert tortoise is found within the proposed work area the Department shall be notified. No tortoises shall be handled without obtaining a 2081 permit from the Department.
- 2.4 Any disturbed areas and recharge area shall be surveyed annually to ensure there is no increase in exotic plant species in the area.
- 2.5 If any mesquite, cat claw, desert willow or smoke trees are impacted by the project they shall be replaced at a 3:1 ratio within the wash area. If any of these trees are removed, the Department shall be notified of the number and size of each tree, prior to grading.
- 2.6 A qualified biologist shall be on-site to monitor all activities that result in the clearing or grading of sensitive habitat as well as grading, excavation, and/or other ground-disturbing activities in jurisdictional areas. The Applicant shall flag the limits of grading and the jurisdictional areas, perform necessary surveys, and take photographs during the construction process, as required by this permit. The monitor is required to halt construction activities if threatened or endangered species are identified and notify the appropriate agencies immediately.

- 2.7 The Applicant shall not allow water containing mud, silt or other pollutants from grading, aggregate washing, or other activities to enter a lake or flowing stream or be placed in locations that may be subjected to high storm flows.
- 2.8 The Applicant shall comply with all litter and pollution laws. All contractors, subcontractors and employees shall also obey these laws and it shall be the responsibility of the Applicant to ensure compliance.
- 2.9 Spoil sites shall not be located within a stream/lake or locations that may be subjected to high storm flows, where spoil shall be washed back into a stream, or where it will impact streambed habitat, aquatic or riparian vegetation.
- 2.10 Raw cement/concrete or washings thereof, asphalt, paint or other coating material, oil or other petroleum products, or any other substances which could be hazardous to fish and wildlife resources, resulting from project related activities shall be prevented from contaminating the soil and/or entering the waters of the state. These materials, placed within or where they may enter a stream/lake, by Applicant or any party working under contract, or with the permission of the Applicant shall be removed immediately.
- 2.11 No broken concrete, debris, soil, silt, sand, bark, slash, sawdust, rubbish, cement or concrete or washings thereof, oil or petroleum products or other organic or earthen material from any construction, or associated activity of whatever nature shall be allowed to enter into or placed where it may be washed by rainfall or runoff into, waters of the State. When operations are completed, any excess materials or debris shall be removed from the work area. No rubbish shall be deposited within 150 feet of the high water mark of any stream or lake.
- 2.12 No equipment maintenance shall be done within or near any stream channel where petroleum products or other pollutants from the equipment may enter these areas under any flow.

3. Compensatory Measures

To compensate for adverse impacts to fish and wildlife resources identified above that cannot be avoided or minimized, Permittee shall implement each measure listed below.

- 3.1 Impacts to wash habitat will be mitigated for at a 2:1 ratio for areas permanently impacted. Mitigation can be completed by removal of salt cedar within the wash or acquisition of 4 acres of wash habitat.

4. Reporting Measures

Permittee shall meet each reporting requirement described below.

- 4.1 The Applicant shall notify the Department, in writing, at least five (5) days prior to initiation of project activities in jurisdictional areas and at least five (5) days prior to completion of project activities in jurisdictional areas. Notification shall be sent to the Department at 4665 Lampson Avenue, Suite J, Los Alamitos, CA 90720, Attn: Lake and Streambed Alteration Team. Please reference **SAA # 1600-2010-0103-R6**.

CONTACT INFORMATION

Any communication that Permittee or DFG submits to the other shall be in writing and any communication or documentation shall be delivered to the address below by U.S. mail, fax, or email, or to such other address as Permittee or DFG specifies by written notice to the other.

To Permittee:

Ms. Marina D. West
Bighorn Desert View Water Agency
622 S. Jemez ~~Train~~ Trail
Yucca Valley, CA 92284
(760) 364-~~3442~~ 3215
bdvwa2@mindspring.com

To DFG:

Department of Fish and Game
Inland Deserts Region
12550 Jacaranda Ave
Victorville, CA 92395
Attn: Lake and Streambed Alteration Program – Rebecca Jones
Notification #1600-2010-0103-R6
(661) 285-5867
rjones@dfg.ca.gov

LIABILITY

Permittee shall be solely liable for any violations of the Agreement, whether committed by Permittee or any person acting on behalf of Permittee, including its officers, employees, representatives, agents or contractors and subcontractors, to complete the project or any activity related to it that the Agreement authorizes.

This Agreement does not constitute DFG's endorsement of, or require Permittee to proceed with the project. The decision to proceed with the project is Permittee's alone.

SUSPENSION AND REVOCATION

DFG may suspend or revoke in its entirety the Agreement if it determines that Permittee or any person acting on behalf of Permittee, including its officers, employees, representatives, agents, or contractors and subcontractors, is not in compliance with the Agreement.

Before DFG suspends or revokes the Agreement, it shall provide Permittee written notice by certified or registered mail that it intends to suspend or revoke. The notice shall state the reason(s) for the proposed suspension or revocation, provide Permittee an opportunity to correct any deficiency before DFG suspends or revokes the Agreement, and include instructions to Permittee, if necessary, including but not limited to a directive to immediately cease the specific activity or activities that caused DFG to issue the notice.

ENFORCEMENT

Nothing in the Agreement precludes DFG from pursuing an enforcement action against Permittee instead of, or in addition to, suspending or revoking the Agreement.

Nothing in the Agreement limits or otherwise affects DFG's enforcement authority or that of its enforcement personnel.

OTHER LEGAL OBLIGATIONS

This Agreement does not relieve Permittee or any person acting on behalf of Permittee, including its officers, employees, representatives, agents, or contractors and subcontractors, from obtaining any other permits or authorizations that might be required under other federal, state, or local laws or regulations before beginning the project or an activity related to it.

This Agreement does not relieve Permittee or any person acting on behalf of Permittee, including its officers, employees, representatives, agents, or contractors and

subcontractors, from complying with other applicable statutes in the FGC including, but not limited to, FGC sections 2050 et seq. (threatened and endangered species), 3503 (bird nests and eggs), 3503.5 (birds of prey), 5650 (water pollution), 5652 (refuse disposal into water), 5901 (fish passage), 5937 (sufficient water for fish), and 5948 (obstruction of stream).

Nothing in the Agreement authorizes Permittee or any person acting on behalf of Permittee, including its officers, employees, representatives, agents, or contractors and subcontractors, to trespass.

AMENDMENT

DFG may amend the Agreement at any time during its term if DFG determines the amendment is necessary to protect an existing fish or wildlife resource.

Permittee may amend the Agreement at any time during its term, provided the amendment is mutually agreed to in writing by DFG and Permittee. To request an amendment, Permittee shall submit to DFG a completed DFG "Request to Amend Lake or Streambed Alteration" form and include with the completed form payment of the corresponding amendment fee identified in DFG's current fee schedule (see Cal. Code Regs., tit. 14, § 699.5).

TRANSFER AND ASSIGNMENT

This Agreement may not be transferred or assigned to another entity, and any purported transfer or assignment of the Agreement to another entity shall not be valid or effective, unless the transfer or assignment is requested by Permittee in writing, as specified below, and thereafter DFG approves the transfer or assignment in writing.

The transfer or assignment of the Agreement to another entity shall constitute a minor amendment, and therefore to request a transfer or assignment, Permittee shall submit to DFG a completed DFG "Request to Amend Lake or Streambed Alteration" form and include with the completed form payment of the minor amendment fee identified in DFG's current fee schedule (see Cal. Code Regs., tit. 14, § 699.5).

EXTENSIONS

In accordance with FGC section 1605(b), Permittee may request one extension of the Agreement, provided the request is made prior to the expiration of the Agreement's term. To request an extension, Permittee shall submit to DFG a completed DFG "Request to Extend Lake or Streambed Alteration" form and include with the completed form payment of the extension fee identified in DFG's current fee schedule (see Cal. Code Regs., tit. 14, § 699.5). DFG shall process the extension request in accordance with FGC 1605(b) through (e).

If Permittee fails to submit a request to extend the Agreement prior to its expiration, Permittee must submit a new notification and notification fee before beginning or continuing the project the Agreement covers (Fish & G. Code, § 1605, subd. (f)). .

EFFECTIVE DATE

The Agreement becomes effective on the date of DFG's signature, which shall be: 1) after Permittee's signature; 2) after DFG complies with all applicable requirements under the California Environmental Quality Act (CEQA); and 3) after payment of the applicable FGC section 711.4 filing fee listed at

http://www.dfg.ca.gov/habcon/ceqa/ceqa_changes.html.

TERM

This Agreement shall expire on March 3, 2016, unless it is terminated or extended before then. All provisions in the Agreement shall remain in force throughout its term. Permittee shall remain responsible for implementing any provisions specified herein to protect fish and wildlife resources after the Agreement expires or is terminated, as FGC section 1605(a)(2) requires.

AUTHORITY

If the person signing the Agreement (signatory) is doing so as a representative of Permittee, the signatory hereby acknowledges that he or she is doing so on Permittee's behalf and represents and warrants that he or she has the authority to legally bind Permittee to the provisions herein.

AUTHORIZATION

This Agreement authorizes only the project described herein. If Permittee begins or completes a project different from the project the Agreement authorizes, Permittee may be subject to civil or criminal prosecution for failing to notify DFG in accordance with FGC section 1602.

CONCURRENCE

The undersigned accepts and agrees to comply with all provisions contained herein.

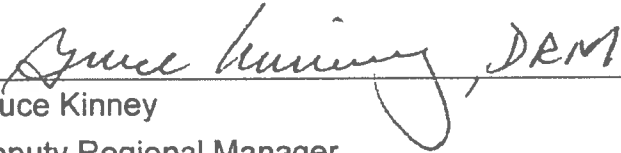
FOR BIGHORN DESERT VIEW WATER AGENCY



Marina D. West
General Manager

July 21, 2011
Date

FOR DEPARTMENT OF FISH AND GAME



Bruce Kinney
Deputy Regional Manager

08/02/11
Date

Prepared by: Rebecca Jones
Environmental Scientist



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Barstow Field Office
2601 Barstow Road
Barstow, CA 92311
www.blm.gov/ca/barstow

Bighorn Desert View Water Agency Recharge Project (CA-680-2010-31) Finding of No Significant Impact August 2012

It is my determination that a decision to approve this project would not result in significant impacts to the quality of the human environment. Anticipated direct, indirect, and cumulative impacts are within the range of impacts addressed by the California Desert Conservation Area Plan and no non-mitigable impacts were identified. Thus, the project does not constitute a major federal action having a significant effect on the human environment; therefore, an environmental impact statement (EIS) is not necessary and will not be prepared. This conclusion is based on my consideration of CEQ's criteria for significance (40 CFR § 1508.27), regarding the context and intensity of the impacts described in the EA (DOI-BLM-CA-680-2010-0031-EA) and based on my review of the project and its impacts.

Context: The project is a site-specific action directly involving 15 acres of BLM administered public land that does not in and of itself have international, national, regional, or state-wide importance. The Bighorn-Desert View Water Agency (BDVWA) has applied for a right-of-way under the Federal Land Policy and Management Act (FLPMA) across public lands administered by the Bureau of Land Management's (BLM) Barstow Field Office in Pipes Canyon near Landers, California in San Bernardino County. The right-of-way would be used to recharge the groundwater reservoir. The entire project area is located within Pipes Wash and covering approximately 6 acres, the spreading grounds will be designed to take advantage of the natural topography. Minimal earthwork will be required to contain water flow. There will be no excavation to construct a "basin." Berms approximately twelve feet wide (four feet from base-to-base with four feet of disturbance on either side. Their height will vary from 24 to 36 inches and will be constructed to contain an average depth of one foot of water. The berm area is expected to occupy approximately 1 acre of the 6-acre site. The 5 acres enclosed by the berms will be the discharge containment area or "wet area." Existing large native plants, such as Joshua Trees, will not be removed. Although the site will not be bladed, construction vehicles will traverse the site as a result some plants may be crushed in the process.

The area is within critical habitat for the federally listed desert tortoise. The species are covered under special management actions on public lands, as approved in the West Mojave Plan (2006). Burrowing Owls and LeConte's thrasher have been observed in the area. In addition, the project area, as with much of San Bernardino County, is within an air basin in federal and State non-attainment for very small particulate matter and ozone, both of which may be impacted by the construction of the pipeline, and the 6-acre spreading grounds.

The discussion of significance criteria that follows applies to the intended action and is within the context of local importance, due to the relatively limited scope of effects. DOI-BLM- CA-680-2010-0031-EA details the effects of the project and is incorporated by reference into this FONSI. None of the effects identified including direct, indirect and cumulative effects, are considered significant based on the lack of conflict with existing uses, relatively low special-status species densities, minimal impacts to special-status species and their habitat or to current air quality, when considered along with the mitigation of identified impacts as set forth in the attached EA and BO, and included as stipulations

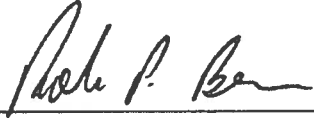
to this decision. The EA has also determined that the proposed action conforms with other aspects of the California Desert Conservation Area Plan, as amended.

Intensity: The following discussion is organized around the Ten Significance Criteria described in 40 CFR 1508.27 and incorporated into BLM's NEPA Handbook (H-1790-1, 2007), and supplemental Instruction Memoranda, Acts, regulations and Executive Orders. The following have been considered in evaluating intensity for this proposal:

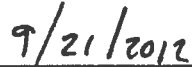
1. **Impacts may be both beneficial and adverse.** The proposed action would recharge the existing groundwater system by allowing water to percolate to the ground water sub basin and ensuring a long-term reliable water supply for BDVWA service area. The proposed action would adversely impact resources as described in the EA. Potential impacts include vegetation removal, soil disturbance, temporary noise and dust due to the construction of the pipeline and spreading ground. Mitigating measures to reduce adverse impacts to desert tortoises and air quality were identified in the EA, and are incorporated in the decision. Mitigation measures include surveys to be conducted by a qualified biologist within 48 hours prior of discharge to inspect and monitor for tortoises and tortoise burrows and if necessary to move the desert tortoises. In addition, surveys will be conducted prior to all construction on the pipeline. During construction of the pipeline and spreading ground soils will be waters at least three times daily during dry weather. Based on the EA analysis, adopted design measures, and additional mitigation measures that are identified in the biological analysis and associated federal Biological Opinion and state-issued ITP, none of the environmental effects discussed in detail in the EA and associated appendices are considered significant.
2. **The degree to which the selected alternative will affect public health or safety.** No aspects of the project have been identified as having the potential to significantly and adversely impact public health or safety. As stated above, design and maintenance measures for the pipeline and spreading ground construction have been incorporated to mitigate potential impacts.
3. **Unique characteristics of the geographic area such as proximity to historic or cultural resources, park lands, prime farm lands, wetlands, wilderness, wild and scenic rivers, or ecologically critical areas.** The only aspect of the project that has been identified as having unique characteristics is its location within critical habitat for the desert tortoise. The critical habitat areas designated for the desert tortoise are large in extent including literally millions of acres. Habitat characteristics within the area of potential effect have been assessed through survey and a Biological Opinion has determined that the proposed action is not likely to adversely modify the critical habitat of the desert tortoise because the amount of critical habitat that would be lost comprises a small portion of the total amount of critical habitat identified for this species, and the limited habitat loss is more than compensated for, through adopted mitigation measures. This minor loss would not compromise the overall conservation function and value of critical habitat for the desert tortoise.
4. **The degree to which the effects on the quality of the human environment are likely to be highly controversial.** No anticipated effects have been identified that are scientifically controversial. As a factor for determining within the meaning of 40 C.F.R. § 1508.27(b)(4) whether or not to prepare a detailed environmental impact statement, "controversy" is not equated with "the existence of opposition to a use." *Northwest Environmental Defense Center v. Bonneville Power Administration*, 117 F.3d 1520, 1536 (9th Cir. 1997). "The term 'highly controversial' refers to instances in which 'a substantial dispute exists as to the size, nature, or effect of the major federal action rather than the mere existence of opposition to a use.'" *Hells Canyon Preservation Council v. Jacoby*, 9 F.Supp.2d 1216, 1242 (D. Or. 1998).

5. **The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks.** The project is not unique or unusual; it is the improvement and upgrade of an existing road across federal lands to private property. The environmental effects to the human environment are fully disclosed and analyzed in the EA. There are no predicted effects on the human environment that are considered to be highly uncertain or that involve unique or unknown risks.
6. **The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration.** The proposed action does not set a precedent for any future actions that may have significant effects, nor does it represent a decision in principle about a future consideration.
7. **Whether the action is related to other actions with individually insignificant but cumulatively significant impacts – which include connected actions regardless of land ownership.** The proposed action is not connected to any other federal actions. No significant direct, indirect, or cumulative impacts have been identified.
8. **The degree to which the action may adversely affect districts, sites, highways, structures, or other objects listed in or eligible for listing in the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural, or historical resources.** Protocol archaeological surveys have been conducted and a cultural report prepared and accepted by the BLM for this project. The project will not adversely affect districts, sites, highways, structures, or other objects listed in or eligible for listing in the National Register of Historic Places, nor will it cause loss or destruction of significant scientific, cultural, or historical resources.
9. **The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species Act of 1973, or the degree to which the action may adversely affect: 1) a proposed to be listed endangered or threatened species or its habitat, or 2) a species on BLM's sensitive species list.** This action may affect, but would not adversely affect habitat for listed, proposed, or BLM-sensitive species, based on the EA analysis as well as relevant consultations with wildlife agencies, as documented, analyzed and conditioned in the federal BO issued by the USFWS and State ITP issued by the California Department of Fish and Game. Special-status species, such as the desert tortoise, is covered under special management actions on public lands, as approved in the West Mojave Plan (2006) to prevent or reduce direct, indirect and cumulative impacts. In addition, additional measures have been identified on a project-specific basis to further reduce impacts or likelihood of take. These are incorporated as stipulations to the decision. With these measures, the proposed action is determined as not likely to adversely modify the habitat or adversely affect either of these species, because of the small amount of habitat affected, compensatory mitigation requirements, and the many measures, including project design, taken to reduce or eliminate take of the species.
10. **Whether the action threatens a violation of a federal, state, local, or tribal law, regulation or policy imposed for the protection of the environment, where non-federal requirements are consistent with federal requirements.** The project does not violate any known federal, state, local or tribal law or requirement imposed for the protection of the environment. The EA and supporting project record contain discussions pertaining to Endangered Species Act, National Historic Preservation Act, Clean Water Act, and Executive Order 12898 (Environmental Justice), and Clean Air Act. With the exception of the Endangered Species

Act, the EA concluded that there would be no significant or substantial effect associated with these regulations. With respect to the Endangered Species Act, the proposed action has been developed in coordination with wildlife agencies, including appropriate consultations and the BO and ITP have been issued which address all identified impacts. In addition, the project is consistent with applicable land management plans, policies, and programs.



Robert P. Berger
Field Manager



Date



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Barstow Field Office
2601 Barstow Road
Barstow, CA 92311
www.blm.gov/ca/barstow



Bighorn Desert View Water Agency Recharge Project (CA-680-2010-31) (EA) Decision Record August 2012

1.0 Introduction and Background

The Bureau of Land Management (BLM) has conducted an environmental assessment (EA) for a proposed action to grant a right-of-way to allow for the recharge of the groundwater reservoir. Water from a pipeline will be discharge into a wash to percolate into the groundwater reservoir. A copy of this EA and associated supporting documentation is attached. Based on information in the EA and recommendations from BLM specialists, the following constitutes my decision.

2.0 Decision

It is my decision to authorize a FLPMA right-of-way to Bighorn Desert View Water Agency to allow the recharge of the groundwater reservoir via percolation of water discharged into a wash. This decision is contingent on Bighorn Desert View Water Agency's applicable environmental commitments as outlined in the Stipulation.

2.1 Authority: FLPMA

2.2 Terms, Compliance and Monitoring:

Potential resource conflicts were resolved through environmental commitments as described in the EA and BO.

2.3 Alternatives Considered

A no action alternative was analyzed in the EA. The proposed action would allow the applicant, Bighorn Desert View Water Agency to discharge water from a pipeline into a wash to allow for the water to percolate to the groundwater reservoir. The project would include a pipeline along Winter Road and earthen berms within the wash. The project is located in Pipes Canyon in the Yucca Valley area.

2.4 Alternatives Considered but not Selected

A 58-acre area generally located a quarter-mile north of Winters Road and on-half mile west of Warren Vista Avenue was survey. This area was abandoned when the survey found 4 active tortoise burrows onsite.

2.2 Decision and Rationale

Based on information in the EA, the project record, and consultation with my staff, I have decided to implement the project as described in the EA. The project will improve the water storage and aid in the continuation to supply the water needs to the residents served by the Bighorn Desert View Water Agency.

3.0 Consultation and Coordination

Conditions to be imposed on the approved action include mitigation measures identified in the EA, including:

1. USFWS terms and conditions identified in the Biological Opinion (BO) issued by the USFWS.

All conditions and mitigation measures are attached as stipulations to this decision.

5.0 Plan Consistency

Based on review of the attached Environmental Assessment (CA-680-2010-31) (EA) and my Finding of No Significant Impact (FONSI) described herein, it is my decision to approve the right-of-way to allow the recharging of the water reservoir.

This action is provided for by the Federal Lands Policy and Management Act, which provides for access across public lands to private property, consistent with other relevant laws, policies and plans.

The California Desert Conservation Area (CDCA) Plan, 1980, as amended, including by the West Mojave Bioregional Plan (West Mojave Plan, 2006), is the overriding Bureau of Land Management (BLM) land use plan for the affected area. The CDCA Plan has identified public lands in this area as Multiple-Use Class U, Unclassified Use. Class U lands are scattered and isolated parcels of public land in the CDCA which have not been placed within multiple-use classes are unclassified land. These parcels will be managed on a case-by-case basis, as explained in the Land Tenure Adjustment Element.


The area around this right-of-way has also been identified as critical habitat for the federally-threatened desert tortoise by U.S. Fish and Wildlife Service (USFWS), and public lands have been identified as a Desert Wildlife Management Area (DWMA) by the West Mojave Plan for the conservation of the desert tortoise. The area is known to be inhabited by desert tortoise, and habitat is suitable for both species, however the roadway itself has long been in use. Several conditions have been imposed to assure that these sensitive resources are not diminished during upgrade and future use of this route to access the Hawes Composting Facility.

The proposed action, as conditioned herein, conforms to all requirements in these plans.

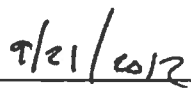
6.0 Administrative Remedies

Administrative remedies may be available to those who believe they will be adversely affected by this decision. Appeals may be made to the Office of Hearings and Appeals, Office of the Secretary, U.S. Department of Interior, Board of Land Appeals (Board) in strict compliance with the regulations in 43 CFR Part 4. Notices of appeal must be filed in this office within 30 days after publication of this decision. If a notice of appeal does not include a statement of reasons, such statement must be filed with this office and the Board within 30 days after the notice of appeal is filed. The notice of appeal and any statement of reasons, written arguments, or briefs must also be served upon the Regional Solicitor, Pacific Southwest Region, U.S. Department of Interior, 2800 Cottage Way, E-1712, Sacramento, CA 95825.

The effective date of this decision (and the date initiating the appeal period) will be the date this notice of decision is posted on BLM's (Barstow Field Office) internet website.



Robert P. Berger
Field Manager



Date

**United States Department of the Interior
BUREAU OF LAND MANAGEMENT**

**Barstow Field Office
2601 Barstow Road
Barstow, CA 92311**

**In Reply Refer To:
DOI-BLM-CA-680-2010-31**

Memorandum

To: Robert Berger, Acting Field Manager
From: Jim Shearer Archaeologist

Subject: Bighorn Mountain Water Agency

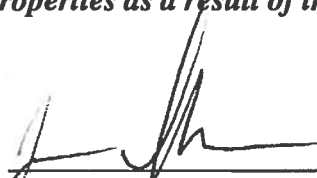
Project: Bighorn Desert View Water Agency proposes to use water obtained from the Morongo Basin Pipeline to recharge the groundwater located in Pipes Canyon. A pipeline along Winters Road will transfer water, approximate maximum of 1,500 acre feet, from the Morongo Basin Pipeline to the outlet structure in the wash. In addition to the pipeline three monitor wells are proposed.

Legal description of proposed disturbance area, See attached map.

A Class III survey has been conducted and it has been determined that there would be no effect to historic properties.


Pursuant to the State Protocol Agreement Between The California State Director of The Bureau Of Land Management And The California State Historic Preservation Officer (2007) (hereinafter referred to as the Protocol) , and consistent with 36 CFR Part 800, the Bureau of Land Management has reviewed this undertaking and has determined that there will be no effect to historic properties as a result of this action.

Recommended by:


Jim Shearer: Archaeologist.

Date: September 10, 2012

Approved by:


Robert Berger: Acting Field Manager.

Date: 9/11/2012

**BIGHORN DESERT VIEW WATER AGENCY
AGENDA ITEM SUBMITTAL**

Meeting Date: November 27, 2012

To: Board of Directors

Budgeted: No

Budgeted Amount: \$0

Cost: Unknown

Funding Source: Budget Line: 56007

From: Marina D. West

General Counsel Approval: Yes

CEQA Compliance: Unknown

Subject: Proposal to Modernize Bighorn-Desert View Water Agency Law (California Water Code Appendix 112 and Related Water Codes)

SUMMARY

The Agency has not strictly complied with Section 33305 of the Bighorn-Desert View Water Agency Law (California Water Code Appendix 112 and Related Water Codes) which states that funds of the predecessor entities were to be “separately accounted for”. In January 2012, following a thorough review of the issue, the Board directed staff to seek assistance from the State Legislature to modify the existing Bighorn-Desert View Water Agency Law (Law) limiting the financial separation to that of debt obligations of the predecessors only.

A member of the Legislature agreed to carry a “spot bill” which would adequately resolve the issue. However, timing became an issue and the bill was pulled in mid-2012.

In preparation for the upcoming legislative session, staff was encouraged to obtain support for the “spot bill” from three specific entities: Local Agency Formation Commission (CA LAFCO and SB LAFCO), Association of California Water Agency’s (ACWA) and California Special District’s Association (CSDA).

President McBride and General Manager West met with the Executive Officer of SB LAFCO in early November 2012. While the idea of repealing Section 33305 is an acceptable solution to the issue of required financial separation, LAFCO is encouraging, and would therefore support, a more comprehensive modernization to the Law.

Staff believes that taking the time to modernize the Law could affect the progress of the “spot bill” but that LAFCO’s recommendations should not be ignored. Modernization will require a thorough review of the Law and proposed changes, opportunity for public input as well as review and concurrence from SB LAFCO prior to approaching the Legislature for further amendment. Therefore, staff is recommending that the Agency proceed with execution of the “spot bill” and then proceed to update the Law. This will allow adequate time for further Board discussion and appropriate public disclosure of changes beyond repeal of Section 33305.

RECOMMENDATION

That the Board considers taking the following action(s):

1. Direct staff to continue processing request through the State Legislature to pursue a revision to the Bighorn-Desert View Water Agency Law (California Water Code Appendix 112 & Related Water Codes) retroactively repealing, in part, Section 33305; and
2. Authorize staff to proceed with modifications/updates to “modernize” the Bighorn-Desert View Water Agency Law (California Water Code Appendix 112 and Related Water Codes) as requested by San Bernardino Local Area Formation Commission Executive Officer.

BACKGROUND/ANALYSIS

The Agency has not strictly complied with Section 33305 of the Bighorn-Desert View Water Agency Law (California Water Code Appendix 112 and Related Water Codes) which states that funds of the predecessor entities were to be “separately accounted for”. In January 2012, following a thorough review of the issue, the Board directed staff to seek assistance from the State Legislature to modify the existing Bighorn-Desert View Water Agency Law (Law) limiting the financial separation to that of debt obligations of the predecessors only.

A member of the Legislature agreed to carry a “spot bill” which would adequately resolve the issue. However, timing became an issue and the bill was pulled in mid-2012.

In preparation for the upcoming legislative session, staff was encouraged to obtain support for the “spot bill” from three specific entities: Local Agency Formation Commission (CA LAFCO and SB LAFCO), Association of California Water Agency’s (ACWA) and California Special District’s Association (CSDA).

A position of “support” has been received in writing from ACWA regarding retroactive repeal of Section 33305 from the Law (attached). CSDA and SB LAFCO have verbalized “support” but nothing has been formalized in writing.

President McBride and General Manager West met with the Executive Officer of SB LAFCO in early November 2012 to discuss LAFCO’s support for the proposed “spot bill”. At the meeting, the Executive Officer suggested a more comprehensive update or “modernization” of the Law be pursued. Staff is seeking Board direction on whether or not to pursue “modernization” of the Law (copy attached for reference).

The “spot bill” resolves the situation whereby the Agency is directed to maintain separate financial accounting of the funds of the predecessor entities, excepting debt obligations. Until the Law is modified by the passing of the “spot bill” the Agency remains non-compliant with that provision. While there are some inconsistencies and confusing text in the Law staff does not believe the Agency is out of compliance with any other provision of the Law. Therefore, modernizing the text of the Law does not, in and of itself, cause the organization to operate more effectively or efficiently but it would make clear that the Bighorn Mountains Water Agency and Desert View County Water District have in-fact consolidated and operate as one entity under the Law.

Staff believes that taking the time to modernize the Law could affect the progress of the “spot bill” but that LAFCO’s recommendations should not be ignored. Modernization will require a thorough review of the Law and proposed changes, opportunity for public input as well as review and concurrence from SB LAFCO prior to approaching the Legislature for further amendment. Therefore, staff is recommending that the Agency proceed with execution of the “spot bill” and then proceed to update the Law. This will allow adequate time for further Board discussion and appropriate public disclosure of changes beyond modifications to Section 33305.

PRIOR RELEVANT BOARD ACTION(S)

1/24/2012 Motion 12-013 Authorize staff to solicit assistance from the State Legislature to pursue a revision to the Bighorn-Desert View Water Agency Law (California Water Code Appendix 112 & Related Water Codes) retroactively repealing Section 33305.

**ACWA State Legislative Committee
2013 Annual Planning Meeting
October 26, 2012**

**Proposal number: #4
Submitted by: Bighorn-Desert View Water Agency
Analyzed by: Wendy Ridderbusch / Rick Morin**

I. BACKGROUND

The Bighorn-Desert View Water Agency was formed in 1990 by consolidating the Desert View County Water District and the Bighorn Mountains Water Agency. Assembly Bill 1819 (Woodruff) authorized the Local Agency Formation Commission (LAFCO) to facilitate the consolidation. ACWA supported AB 1819. In authorizing the consolidation, the bill contained a number of provisions, one of which enacted Water Code section 33305. Section 33305 provides:

Section 31012 applies to a county water district consolidated with the Bighorn Mountains Water Agency.

Section 31012 was enacted by Senate Bill 2219 (Song) in 1974. SB 2219 was sponsored by the California Special Districts Association (CSDA) and supported by ACWA. In its letter to Governor Reagan expressing support of SB 2219, ACWA stated:

This bill gives assurance to county water districts that subsequent acquisition of such districts by another public agency will not have the effect of allowing such public agency to boost water rates with the idea that the water customers will assist in financing the acquiring public agency's general fund. This measure specifies the ways in which such funds can be spent and we think is a desirable improvement in the law.

The Agency is concerned that Section 31012 could be interpreted as requiring it to maintain and operate two separate water systems. The Agency states that it has rigorously maintained a separate accounting of pre-consolidation debt and associated revenue, but that it has not operated as two separate and independent enterprise districts. The Agency only became aware of its noncompliance after a recent audit.

In its analysis of AB 1819 in 1989, the Senate Agriculture and Water Resources Committee referenced the inclusion of Section 33305:

County Water District Law contains a section [referring to Section 31012] dealing with acquisition of a district water system by another public agency other than by vote. AB 1819 maintains the applicability of that section of law as it relates to the consolidated district.

(A thorough search of legislative records at the California State Archives could turn up no other reference for the need or intent behind the inclusion of Section 33305 in AB 1819.)

Thus, a plain reading of AB 1819 requires that the Bighorn-Desert View Water Agency comply with Water Code section 31012. Section 31012 reads as follows:

If... substantially all of a district water system is acquired by another public agency... the following provisions shall apply:

- (a) All funds derived from the operation of the former district shall be separately accounted for and used exclusively for the purposes of maintenance, operation, betterments, and bond service of the acquired system.
- (b) No funds derived from the former district's system shall be used for any other such purpose until all debt of that former system has been paid in full or until a majority vote of the electorate of the area served by that former system has authorized such other expenditures.

In early 2012, the Agency approached their State Senator Jean Fuller (R – Bakersfield) to repeal Section 33305. Senator Fuller agreed to provide assistance and introduced a spot bill, SB 1519. However, the bill was never amended to become a substantive measure and it did not advance. The Senator's office ultimately felt that the proposal needed additional vetting before the bill was ready to be moved.

The Agency intends to move forward with another legislative proposal in 2013 that would repeal Section 33305 and they are asking for ACWA's support. The Agency also indicated that it will be seeking support from CSDA.

II. DISCUSSION

The requirement that the Bighorn-Desert View Water Agency comply with Section 33305 seems to have been lost to time, having only been recently noticed through an audit. The Agency believes that Section 33305's presence in statute creates legal uncertainty for its operations – uncertainty that it prefers to address via legislation. The Agency states that retroactive compliance with the law is nearly impossible, and that future compliance would be so costly as to effectively negate the operational efficiencies that resulted from the original consolidation of the two entities. Moreover, the Agency points to the fact that it has operated successfully for over 20 years despite its noncompliance. The Agency also states that its combined base of ratepayers have not been harmed over the years, and that there are potential costs associated with strict compliance that would have to be passed on to ratepayers.

The Agency further claims that compliance with Section 31012 is not needed. This contention is supported by an investigation into the original intent behind the law. Governor Reagan's staff noted that the law was needed to disincentive certain proposals by public agencies that were attempting to acquire county water districts. According to the analysis, such acquisitions at the time were initiated out of a desire to improve the acquiring agency's financial position, among other things. Thus, it appears that the intent behind the bill was to prevent the acquiring agency from "raiding" the coffers of a county water

district. The statute accomplishes this goal by requiring that funds be segregated as described above. The Bighorn Agency will argue that such protections are not needed because: 1) the two entities merged through a mutually-agreed upon consolidation, not an acquisition; 2) the consolidation of the two entities was not done to “raid” the funds of either agency; and 3) the combined agency has been run effectively for over 20 years without prejudice to its combined base of ratepayers. In short, it does not appear that Section 31012 was designed with this type of consolidation in mind.

Importantly, the proposal does not eliminate Section 31012 from the Water Code, and thus the proposal would not affect future acquisitions of county water districts. Instead, it would only remove the requirement in Section 33305 that the Bighorn-Desert View Water Agency comply with Section 31012. Absent a compelling rationale for imposing the requirements of Section 31012 on the Agency 20 years after its consolidation, sound public policy dictates that the Agency should not be burdened with the potential costs of compliance with Section 31012.

Because the Agency has demonstrated that compliance with this particular law is not appropriate, ACWA should support the Agency’s proposal to repeal Water Code section 33305.

III. RECOMMENDATION

Support

BIGHORN-DESERT VIEW WATER AGENCY LAW



CALIFORNIA WATER CODE APPENDIX 112 & RELATED WATER CODES

WATER CODE APPENDIX

CHAPTER 112. BIGHORN MOUNTAINS WATER AGENCY LAW

Current through end of 1997-98 Reg. Sess. and 1st Ex. Sess.

HISTORICAL NOTES

GENERAL NOTES

1995 Main Volume

< An act creating the Bighorn Mountains Water Agency, and prescribing its boundaries, organization, operation, management, financing and other powers and duties, and declaring the urgency thereof, to take effect immediately. (Stats.1969, c. 1175, p. 2273, eff. Aug. 31, 1969.) >

REFERENCES

CROSS REFERENCES

Acquisition of district water system by another public agency other than by vote, application to county water district consolidated with Bighorn Mountains Water Agency, see Water Code §§ 31012, 33305.

Claims and actions against public entities and employees,

Generally, see Government Code § 810 et seq.

Special provisions relating to actions against local public entities, see Government Code § 960 et seq.

Conflicts of interest, generally, see Government Code § 87100 et seq.

Contracts for improvement or work, powers and bid procedures, see Public Contract Code § 21590 et seq.

Desert View Water District-Bighorn Mountains Water Agency Consolidation,

Generally, see Water Code § 33300 et seq.

Actions or proceedings pending by or against Bighorn Mountains Water Agency, disposition and substitution of consolidated successor district as a party, see Water Code § 33306.

Board of directors, see Water Code § 33302.

Meeting, see Water Code § 33303.

Operation under Bighorn Mountains Water Agency Law, see Water Code § 33304.

WATER CODE APPENDIX

CHAPTER 112. BIGHORN MOUNTAINS WATER AGENCY LAW

Current through end of 1997-98 Reg. Sess. and 1st Ex. Sess.

§ 112-1. Short title

Section 1. This act is designated, and may be cited and referred to as, the "Bighorn Mountains Water Agency Law."

If the Desert View Water District and the Bighorn Mountains Water Agency consolidate, this act shall thereafter be designated, and may be cited and referred to, by the full name of the consolidated successor district, followed by the word "Law."

CROSS REFERENCES

Desert View Water District-Bighorn Mountains Water Agency Consolidation Law, see Water Code § 33300 et seq.

§ 112-2. Creation; management; general powers; boundaries

Sec. 2. The Bighorn Mountains Water Agency is hereby created, organized and incorporated and shall be managed as herein expressly provided and may exercise the powers herein expressly granted or necessarily implied, and may include contiguous or noncontiguous parcels of both unincorporated and incorporated territory, other than territory included in any public district having identity of purpose or substantial identity of purpose, without the prior consent of such public district, evidenced by a resolution duly adopted by the governing board thereof, and shall include all territory lying within the following described boundaries:

All that real property situate in the County of San Bernardino, State of California, more particularly described as follows:

(a) Township 3 North, Range 4 East, San Bernardino Base and Meridian:

Section 7
Section 8
Section 11
South 1/2 Section 2
Southwest 1/4 Section 12
Section 13, excluding the North 1/2 of the Northeast 1/4
Section 14
Section 15
Section 16
Section 17
East 1/2 Section 18
Northeast 1/4, Northeast 1/4, Section 20
North 1/2 Section 21
North 1/2 Section 22

(b) Township 3 North, Range 5, East, San Bernardino Base and Meridian:

South 1/2, South 1/2, Southwest 1/4, Section 4
Section 8

Northwest 1/4 and South 1/2, Section 9

Southwest 1/4 Section 10

Section 13

South 1/2 Section 14

Northwest 1/4 and South 1/2, Section 15

Section 16

Section 17

Section 18

Section 21

Section 22

Section 23

Northwest 1/4, Northwest 1/4, Section 24

West 1/2 Section 26

Section 27

Southeast 1/4 Section 33

Section 34

Northwest 1/4 and South 1/2, Section 35

(c) Township 2 North, Range 5 East, San Bernardino Base and Meridian:

Section 2

Section 10

Section 11

Section 12

(d) Township 2 North, Range 6 East, San Bernardino Base and Meridian:

Section 3

Section 4

Section 5

Section 6

Section 7

Section 8

Section 9

Section 10

Section 14

Section 16

Section 18

West 1/2, Section 19

Section 22

Section 30

North 1/2, Northwest 1/4, Section 31

§ 112-3. Reference to Bighorn Mountains Water Agency to mean Desert View Water District-Bighorn Mountains Water Agency

Sec. 3. If the Desert View Water District and the Bighorn Mountains Water Agency consolidate, the board of directors of both entities may accept, as a San Bernardino County Local Agency Formation Commission condition of that consolidation, the selection of a different name for the agency. Thereafter, all statutory references to "Bighorn Mountains Water Agency" shall, from the effective date of the consolidation, be deemed to refer to the name of the consolidated successor district.

REFERENCES CROSS REFERENCES

Conflicts of interest, generally, see Government Code § 87100 et seq.

Desert View Water District-Bighorn Mountains Water Agency Consolidation Law, see Water Code § 33300 et seq.

Jan. 1, 1990

§ 112-5. Board of directors; membership

Sec. 5. The Board of Directors of the Bighorn Mountains Water Agency organized under this act shall consist of five members. The Board of Supervisors of San Bernardino County shall appoint the first board of directors, each of whom shall be a resident of the agency, and shall hold office until his successor is elected. All successors of the first board shall be elected or chosen at the time and in the manner provided in the Uniform District Election Law.

If the Desert View Water District and the Bighorn Mountains Water Agency consolidate, the board of directors of the consolidated successor district shall consist of five members, in accordance with Section 33302 of the Water Code. In that event, the San Bernardino County Local Agency Formation Commission may, pursuant to Section 56844 of the Government Code, change or terminate existing elective terms of the directors of both the Desert View Water District and the Bighorn Mountains Water Agency in a manner approved by actions of the board of each of those entities in their respective applications for formation of a consolidated successor district.

REFERENCES CROSS REFERENCES

Conflicts of interest, generally, see Government Code § 87100 et seq.

Desert View Water District-Bighorn Mountains Water Agency Consolidation,

Generally, see Water Code § 33300 et seq.

Board of directors, see Water Code § 33302.

Meeting, see Water Code § 33303.

Uniform district election law, see Elections Code § 10500 et seq.

§ 112-7. Qualification of electors

Sec. 7. No person shall vote at any Bighorn Mountains Water Agency election held under the provisions of this act who is not a voter within the meaning of the Elections Code. For the purpose of registering voters who shall be entitled to vote at Bighorn Mountains Water Agency elections, the county clerk or registrar of voters is authorized, in any county in which there is the Bighorn Mountains Water Agency to indicate upon the affidavit of registration whether the voter is a voter of the Bighorn Mountains Water Agency.

In case the boundary line of the Bighorn Mountains Water Agency crosses the boundary line of a county election precinct only those voters within such Bighorn Mountains Water Agency and within such

precinct who are registered as being voters within the Bighorn Mountains Water Agency shall be permitted to vote, and for that purpose the county clerk or registrar of voters is hereby empowered to provide two sets of ballots within such precincts, one containing the names of candidates for office in said Bighorn Mountains Water Agency, and the other not containing such names, and it shall be the duty of the election officers in such precincts to furnish only those persons registered as voters within such Bighorn Mountains Water Agency with the ballots upon which are printed the names of the candidates for office in the Bighorn Mountains Water Agency.

**REFERENCES
CROSS REFERENCES**

Ballots, generally, see Elections Code § 13000 et seq.
Voters, qualifications, see Elections Code § 2000 et seq.

§ 112-8. Elections; law governing

Sec. 8. The provisions of the Elections Code so far as they may be applicable shall govern all general Bighorn Mountains Water Agency elections and all special Bighorn Mountains Water Agency elections, except as in this act or otherwise provided.

§ 112-9. Call and canvass of elections

Sec. 9. The Board of Directors of Bighorn Mountains Water Agency shall call and canvass all elections involving matters of initiative, recall and referendum and shall call all other elections which it is authorized to canvass.

**REFERENCES
CROSS REFERENCES**

Canvass of elections, see Elections Code § 15000 et seq.
Local, special, vacancy and consolidated elections, see Elections Code § 10000 et seq.

§ 112-10. Recall of incumbents

Sec. 10. Every incumbent of an elective office, whether elected by popular vote for a full term, or chosen by the board of directors to fill a vacancy, is subject to recall by the voters of the Bighorn Mountains Water Agency organized under the provisions of this act in accordance with the recall provisions of the Elections Code of the state with reference to cities.

**REFERENCES
CROSS REFERENCES**

Recall elections, generally, see Elections Code § 11000 et seq.

§ 112-11. Board of directors as governing body; meetings; quorum; president

Sec. 11. The board of directors shall be the governing body of the Bighorn Mountains Water Agency. It shall hold its first meeting as soon as possible after the appointment and certification of the first board of directors; it shall choose one of its members president, and shall thereupon provide for the time and place of holding its meetings and the manner in which its special meetings may be called. All legislative sessions of the board of directors whether regular or special shall be open to the public. A majority of the board of directors shall constitute a quorum for the transaction of business. At its first meeting in the month of January of each even-numbered year, the board of directors shall choose one of its members president.

REFERENCES CROSS REFERENCES

Desert View Water District-Bighorn Mountains Water Agency Consolidation, board of directors and meetings, see Water Code §§ 33302, 33303.

§ 112-12. Proceedings of board; compensation of directors; vacancies

Sec. 12. The board of directors shall act only by ordinance, resolution, or motion. On all ordinances, the roll shall be called and the ayes and noes recorded in the journal of the proceedings of the board of directors. Resolutions and orders may be adopted by voice vote, but, on demand of any member, the roll shall be called. No ordinance, motion, or resolution shall be passed or become effective without the affirmative vote of a majority of the members of the board: The enacting clause of all ordinances passed by the board shall be: "Be it ordained by the Board of Directors of the Bighorn Mountains Water Agency as follows:"

Each of the members of the board of directors shall receive for each attendance at the meetings of the board compensation in an amount not to exceed the then current maximum amount which may be received by directors of a county water district organized under Division 12 (commencing with Section 30000) of the Water Code for attendance at meetings of the board of directors. No directors, however, shall receive pay for more than three meetings in any calendar month. A director shall be compensated for a meeting of the board if, at the time of the holding of the meeting, the director is on other business of the district, at the request of the board. Any vacancy in the board of directors shall be filled by a majority of the remaining directors, the person so chosen shall be a resident of, and otherwise qualified to be a director of, the agency and shall hold office for the remainder of the unexpired term.

REFERENCES CROSS REFERENCES

Conflicts of interest, generally, see Government Code § 87100 et seq.
Desert View Water District-Bighorn Mountains Water Agency Consolidation, board of directors and meetings, see Water Code §§ 33302, 33303.

§ 112-13. Validity of proceedings

Sec. 13. No informality in any proceeding not substantially affecting adversely the legal rights of any citizen, shall be held to invalidate the legal existence of said Bighorn Mountains Water Agency and all proceedings in respect thereto shall be held to be valid and in every respect legal and incontestable.

§ 112-14. Officers; duties; assistants and employees

Sec. 14. The board of directors shall at its first meeting, or as soon thereafter as practicable, appoint by a majority vote a vice president, secretary, treasurer, attorney, chief engineer, general manager and auditor, define their duties and fix their compensation, and each shall serve at the pleasure of the board, and may employ such additional assistants and employees as they may deem necessary to efficiently maintain and operate said agency. Said board may consolidate the office of secretary and treasurer, and the offices of chief engineer and general manager.

REFERENCES CROSS REFERENCES

Conflicts of interest, generally, see Government Code § 87100 et seq.

Desert View Water District-Bighorn Mountains Water Agency Consolidation, board of directors and meetings, see Water Code §§ 33302, 33303.

§ 112-15. Powers of agency

Sec. 15. The Bighorn Mountains Water Agency, which is incorporated as provided in this act, has all of the following powers:

1. To have perpetual succession.
2. To sue and be sued, except as otherwise provided in this act or by law, in all actions and proceedings in all courts and tribunals of competent jurisdiction.
3. To take by grant, purchase, gift, devise, or lease, hold, use, enjoy, and to lease or dispose of real and personal property of every kind, within or without the Bighorn Mountains Water Agency.
4. To acquire, or contract to acquire, waterworks or a waterworks system, waters, water rights, lands, rights and privileges, and construct, maintain, and operate conduits, pipelines, reservoirs, works, machinery, and other property useful or necessary to store, convey, supply, or otherwise make use of water for a waterworks plant or system for the benefit of the agency, and to complete, extend, add to, repair, or otherwise improve any waterworks or waterworks system acquired by it as authorized.
5. To construct, maintain, improve, and operate public recreational facilities appurtenant to any water reservoir operated or contracted to be operated by the Bighorn Mountains Water Agency, and to provide, by ordinance, regulations binding upon all persons to govern the use of those facilities, including regulations imposing reasonable charges for the use thereof. Violation of any such regulation is a misdemeanor.
6. To lease of and from any person, firm, or public or private corporation, or public agency, with the privilege of purchasing or otherwise, all or any part of water storage, transportation, or distribution facilities, existing waterworks or a waterworks system, and to carry on and conduct waterworks or a waterworks system; also to sell water under the control of the agency to cities, and to other public corporations and public agencies within the agency, and to the inhabitants of those cities and of other territory within the agency, and to persons, corporations, and other private agencies within the agency for use within the agency without any preference; and it may, whenever the board finds that there is a surplus of water above that which may be required by consumers within the agency, sell or otherwise dispose of surplus water to any persons, firms, public or private corporations or public agencies, or other consumers.

7. The agency may supply and deliver water to property not subject to agency taxes at special rates, terms, and conditions as determined by the board for that service.
8. To exercise the right of eminent domain to take any property necessary to supply the agency, or any portion thereof, with water. In lieu of compensation and damages for the taking or damaging of any public utility facility which is required to be replaced by the public utility to provide service to the public equivalent to that provided by the facility taken or damaged, the agency shall pay to the public utility owning the facility its actual cost incurred to replace in kind the facility so taken or damaged, less property deductions for depreciation, together with its actual cost incurred to rearrange or rehabilitate the facilities of the public utility not taken or damaged, but required to be rearranged or rehabilitated by reason of the taking or damaging.
9. To issue bonds, borrow money, and incur indebtedness as authorized by law or in this act; also to refund (by the issuance of the same obligations following the same procedure) or retire any indebtedness or lien that may exist against the agency or property thereof; also to issue warrants to pay the formation expenses of the agency, which warrants may bear interest at a rate not exceeding 6 percent per annum from the date of issue until funds are available to pay the warrants, and which formation expenses may include fees of attorneys and others employed to conduct the formation proceedings.
10. To issue negotiable promissory notes bearing interest at a rate not exceeding 7 percent per annum; provided, however, that the notes shall be general obligations of the agency payable from revenues and taxes in the same manner as bonds of the agency; and provided further that the maturity shall not be later than five years from the date thereof and that the total aggregate amount of the notes outstanding at any one time may be at least equal to seventy-five thousand dollars (\$75,000) in the Bighorn Mountains Water Agency, but shall not otherwise exceed the lesser of either one million five hundred thousand dollars (\$1,500,000) or 3 percent of the assessed valuation of the taxable property in the Bighorn Mountains Water Agency or, if the assessed valuation is not obtainable, 3 percent of the county auditor's estimate of the assessed valuation of the taxable property in the agency evidenced by his or her certificate. Promissory notes issued pursuant to Section 51 may be disregarded in computing the aggregate amount of notes that may be issued pursuant to this subdivision.
11. To cause taxes to be levied, in the manner provided, for the purpose of paying any obligation of the agency, including its formation expenses and any warrants issued therefor.
12. To restrict the use of agency water during any emergency caused by drought, or other threatened or existing water shortage, and to prohibit the wastage of agency water or the use of agency water during those periods, for any purpose other than household uses or such other restricted uses as may be determined to be necessary by the agency; to prohibit the use of water during those periods for specific uses which the agency may, from time to time, find to be nonessential.
13. To prescribe and define, by ordinance, the restrictions, prohibitions, and exclusions referred to in subdivision 13 of this section. Every ordinance relating to the matters referred to in this subdivision shall be in full force and effect immediately upon adoption, but shall be published pursuant to Section 6061 of the Government Code in full in a newspaper of general circulation, printed, published, and circulated in the agency within 10 days after adoption or, if there be no such newspaper, shall be posted within that time in three public places within the agency.
14. To make contracts, employ labor, and do all acts necessary for the full exercise of the above powers.
15. To provide, by ordinance of its board of directors, for the pensioning of officers or employees and the creation of a special fund for the purpose of paying the pensions, and the accumulation of

contributions to the fund from the revenues of the agency, the wages of officers or employees, voluntary contributions, gifts, donations, or any source of revenue not inconsistent with the general powers of the board, and to contract with any insurance corporation or any other insurance carrier for the maintenance of a service covering the pension of the officers or employees, and to provide in the ordinance for the terms and conditions under which pensions shall be awarded, and for the time and extent of service of officers or employees before pensions shall be available to them.

16. To acquire, control, distribute, store, spread, sink, treat, purify, reclaim, recapture, and salvage any water, including sewage and storm waters, for the beneficial use and protection of the agency or its inhabitants or the owners of right to water therein.
17. Subject to the limitations in subdivision 9 of this section, to join with one or more public agencies, private corporations, or other persons for the purpose of carrying out any of the powers of the agency and, for that purpose, to contract with the other public agencies, private corporations, or persons for the purpose of financing acquisitions, constructions, and operations. The contracts may provide for contributions to be made by each party thereto and for the division and apportionment of the expenses of the acquisitions and operations, and the division and apportionment of the benefits, the services and products therefrom, and may provide for any agency to effect the acquisitions and to carry on the operations, and shall provide in the powers and methods of procedure for the agency the method by which the agency may contract. The contracts with other public agencies, private corporations, or persons may contain such other and further covenants and agreements as may be necessary or convenient to accomplish the purposes thereof. The term "public agency," as used in this subdivision, means and includes the United States of America or any department or agency thereof, the State of California or any department or agency thereof, a county, city, public corporation, or other public district of this state. The term "private corporation," as used in this subdivision, means and includes any private corporation organized under the laws of the United States of America or of this or any other state thereof. Contracts include those made with the United States, under the Federal Reclamation Act of June 17, 1902, [FN1] and all acts amendatory thereof or supplementary thereto or any other act of Congress previously or hereafter enacted permitting cooperation. Any contract with the United States of America or any department or agency thereof, or with any private corporation organized under the laws of the United States of America, by which the agency, or an improvement district thereof, incurs an indebtedness or liability exceeding in any year the income and revenue for that year shall not be executed without the assent of two-thirds of the qualified electors of the agency, or the improvement district thereof, voting at a special election to be held for that purpose, the election to be called and held, so far as practicable, in the same manner as bond elections for the agency. The exact form of the contract need not be available at the time of the special election, but the (a) purpose of the contract, (b) maximum amount of indebtedness created thereby, (c) maximum term of repayment, and (d) maximum interest rate on the indebtedness shall be known and included in the proposition or measure submitted to the qualified electors of the agency, or the improvement district thereof, at the special election.
18. To commence, maintain, intervene in, defend and compromise, in the name of the agency, or as a class representative of the inhabitants, property owners, taxpayers, or water producers or water users within the agency, or otherwise, and to assume the costs and expenses of any and all actions and proceedings, now or hereafter begun, involving or affecting the ownership or use of water or water rights, used or useful for any purpose, of the agency, or a common benefit to the lands within the agency or its inhabitants.
19. To commence, maintain, intervene in, defend and compromise, in the name of the agency, or as a class representative of the inhabitants, property owners, taxpayers, water producers or water users within the agency or otherwise, and to assume the costs and expenses of any and all actions or proceedings, now or hereafter begun, to prevent, control, or abate the pollution of water

used or useful for any purpose of the agency, or a common benefit to lands within the agency, or to the inhabitants of the agency, or any watershed or basin overlain, in whole or in part, by the agency or which contributes to the water supply of the agency.

20. Distribute water to persons in exchange for ceasing or reducing groundwater extractions and to fix the terms and conditions of any contract under which producers may agree voluntarily to use replenishment water from a nontributary source in lieu of groundwater, and to that end the agency may become a party to such a contract and pay from the agency funds that portion of the cost of the replenishment waters that will encourage the purchase and use of replenishment water in lieu of pumping so long as the persons or property within the agency are directly or indirectly benefited by the resulting replenishment.
21. To issue revenue bonds for any purpose for which general obligation bonds may be issued, and for any purpose for which revenue bonds could be issued under the Revenue Bond Law of 1941 [FN2] or any other law which by its terms is applicable to this agency.
22. To use the Improvement Act of 1911 (Division 7 (commencing with Section 5000) of the Streets and Highways Code) for the construction of any facilities authorized to be constructed under this act. The powers and duties conferred by the Improvement Act of 1911 on the various boards, officers, and agents of cities shall be exercised by the respective boards, officers, and agents of the Bighorn Mountains Water Agency. In the application of the Improvement Act of 1911 to proceedings instituted by the Bighorn Mountains Water Agency, the terms used in the Improvement Act of 1911 have the following meanings:
 - (a) "City council" and "council" mean the Board of Directors of the Bighorn Mountains Water Agency.
 - (b) "Municipality" and "city" mean the Bighorn Mountains Water Agency.
 - (c) "Clerk" and "city clerk" mean the secretary.
 - (d) "Superintendent of streets," "street superintendent," and "city engineer" mean the chief engineer of the agency.
 - (e) "Tax collector" means the county tax collector.
 - (f) "Treasurer" and "city treasurer" mean the treasurer of the Bighorn Mountains Water Agency.
 - (g) "Mayor" means the president of the board of directors of the Bighorn Mountains Water Agency.
 - (h) "Right-of-way" means any parcel of land in, on, under, or through which a right-of-way or easement has been granted to the agency for the purpose of constructing and maintaining any works or improvements of the Bighorn Mountains Water Agency.

Any certificates or documents required to be filed or recorded in the office of the superintendent of streets or street superintendent shall be filed and recorded in the office of the secretary of the Bighorn Mountains Water Agency.

23. To use the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code) for the construction of any facilities authorized to be constructed under this act. The powers and duties conferred by the Improvement Bond Act of 1915 on the various boards, officers, and agents of cities or counties shall be exercised by the respective boards, officers, and agents of the Bighorn Mountains Water Agency. In the application of the Improvement Bond Act of 1915 to proceedings instituted by the agency, the terms used in the

Improvement Bond Act of 1915 have the following meanings:

- (a) "City" means the Bighorn Mountains Water Agency.
- (b) "Clerk" means the secretary of the Bighorn Mountains Water Agency.
- (c) "Legislative body" means the Board of Directors of the Bighorn Mountains Water Agency.
- (d) "Mayor" means the president of the board of directors of the agency.
- (e) "Right-of-way" means any parcel of land in, on, under, or through which a right-of-way or easement has been granted to the agency for the purpose of constructing and maintaining any works or improvements of the agency.
- (f) "Street superintendent," "superintendent of streets," and "engineer" mean, respectively, the officers or entities designated, from time to time, by the board of directors to perform the duties imposed on the street superintendent, superintendent of streets, and the engineer.
- (g) "Tax collector" and "auditor" mean the county tax collector and county auditor, unless otherwise designated by the board of directors.
- (h) "Treasurer" means the treasurer of the Bighorn Mountains Water Agency, or the county treasurer if so designated by the board of directors.

Any certificates or documents to be filed or recorded in the office of the superintendent of streets or street superintendent shall be filed and recorded in the office of the secretary of the agency.

24. To prescribe, by ordinance, a system of water system connection charges and, if deemed appropriate by the board of directors, a refunding mechanism through water rates or pursuant to contract.

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(Stats.1969, c. 1175, p. 2276, § 15, eff. Aug. 31, 1969. Amended by Stats.1975, c. 586, p. 1249, § 2; Stats.1985, c. 950, § 1.)

[FN1] 43 U.S.C.A. § 371 et seq.

[FN2] Gov.C. § 54300.

HISTORICAL NOTES
LAW REVISION COMMISSION COMMENT
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1975 Amendment

The deleted portions of subdivision 9 of Section 15 [Water C.App. § 112-15] are superseded by the Eminent Domain Law. See Code Civ.Proc. §§ 1230.020 (uniform procedure), 1240.610 et seq. (more necessary public use). Former subdivision 16 was unnecessary. See Code Civ.Proc. § 1250.210 and Comment thereto. [12 Cal.L.Rev.Comm. Reports 1101 (1974)]

HISTORICAL AND STATUTORY NOTES
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Operative effect of 1975 amendment, see Historical and Statutory Notes under Water Code Appendix § 98-61.

REFERENCES

CROSS REFERENCES

Claims and actions against public entities and employees,

Generally, see Government Code § 810 et seq.

Special provisions relating to actions against local public entities, see Government Code § 960 et seq.

Contracts for improvement or work, powers and bid procedures, see Public Contract Code § 21590 et seq.

Eminent domain law, generally, see Const. Art. 1, § 19; Code of Civil Procedure § 1230.010 et seq.

Newspaper of general circulation, defined, see Government Code § 6000.

LIBRARY REFERENCES

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Recommendations relating to condemnation law and procedure in special districts. 12 Cal.L.Rev.Comm. Reports 1101 (1974).

§ 112-15.1. Hydroelectric energy; development

Sec. 15.1. The agency shall have the power to construct, operate and maintain works to develop hydroelectric energy, for use by the agency in the operation of its works or as a means of assisting in financing the construction, operation and maintenance of its projects for the control, conservation, diversion and transmission of water and to enter into contracts for the sale of such energy for a term not to exceed 50 years. Such energy may be marketed only at wholesale to any public agency or private entity, or both, or the federal or state government.

§ 112-15.2. Falling water for electric energy; use

Sec. 15.2. In connection with the construction and operation of the works of the agency, the agency shall have the power to contract for the sale of the right to use falling water for electric energy purposes with any public agency or private entity engaged in the retail distribution of electric energy, for a term not to exceed 50 years.

§ 112-15.3. Exercise of powers of county water districts organized and governed by County Water District Law

Sec. 15.3. In addition to the powers granted in Section 15, the agency may exercise all powers previously or hereafter granted to or possessed by county water districts organized and governed under the County Water District Law (Division 12 (commencing with Section 30000) of the Water Code) to finance the acquisition of waterworks or waterworks systems, waters, water rights, lands, rights or privileges, and may exercise all those powers to fund construction, maintenance, or operation of new waterworks systems constructed after January 1, 1986.

The board of directors may, with respect to any improvement, assessment, special tax, or taxation district or area originally formed or existing under the County Water District Law, continue to exercise all of the powers held by a board organized under that law to fund, set, levy, or collect moneys, taxes, fees, or assessments reasonably required to be raised and collected from the improvement, assessment, special tax, or taxation district or area.

§ 112-16. Exercise and delegation of administrative, executive and ministerial powers

Sec. 16. All powers, privileges and duties vested in or imposed upon the Bighorn Mountains Water Agency incorporated hereunder shall be exercised and performed by and through the board of directors; provided, however, that the exercise of any and all executive, administrative and ministerial powers may be by said board of directors delegated and redelegated to any of the officers created hereby and by the board of directors acting hereunder.

The board of directors shall have the power:

(1) To fix the time and place or places at which its regular meetings shall be held, and shall provide for the calling and holding of special meetings.

(2) To fix the location of the principal place of business of the agency and the location of all offices and departments maintained hereunder.

(3) To prescribe by ordinance a system of business administration and to create any and all necessary offices and to establish and reestablish the powers and duties and compensation of all officers and employees and to require and fix the amount of all official bonds necessary for the protection of the funds and property of the agency.

(4) To prescribe by ordinance a system of civil service.

(5) To delegate and redelegate by ordinance to officers of the agency power to employ clerical, legal, and engineering assistants and labor, and under such conditions and restrictions as shall be fixed by the directors, power to bind the agency by contract.

(6) To prescribe a method of auditing and allowing or rejecting claims and demands.

(7) To fix the rates at which water should be sold, and to establish different rates for different classes or conditions of service; provided, that rates shall be uniform for like classes or conditions of service throughout the agency, but any special water rate fixed in accordance with terms and conditions of annexation, shall be deemed to be a rate for a different class or condition of service.

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(Stats.1969, c. 1175, p. 2282, § 16, eff. Aug. 31, 1969. Amended by Stats.1982, c. 1035, p. 3773, § 3; Stats.1984, c. 1128, § 176.)

<General Materials (GM) - References, Annotations, or Tables>

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For subject matter formerly contained in this section relating to contracts, see, now, Pub.Con.C. § 21591.

REFERENCES
CROSS REFERENCES

Conflicts of interest, generally, see Government Code § 87100 et seq.
Desert View Water District-Bighorn Mountains Water Agency Consolidation, board of directors and meetings, see Water Code §§ 33302, 33303.

§ 112-17. Emergency or shortage of water; finding; reception in evidence

Sec. 17. A finding by the board of directors upon the existence, threat, or duration of an emergency or shortage of water or upon the matter of necessity or any other matter or condition referred to in subdivisions 13 or 14 of Section 15 of this act, shall be made by resolution or ordinance, and shall be prima facie evidence of the fact or matter so found, and such fact or matter shall be presumed to continue unchanged unless and until a contrary finding shall have been made by the board by resolution or ordinance. Such finding shall be received in evidence in any civil or criminal proceeding in which it may be offered, and shall be proof and evidence of the fact or matter found until rebutted or overcome by other sufficient evidence received in such proceeding. Copy of any resolution or ordinance setting forth such finding shall, when certified by the secretary of the agency, be evidence that the finding was made by the agency as shown by the resolution or ordinance and certification.

§ 112-18. Violations; penalties

Sec. 18. From and after the publication or posting of any ordinance as provided in subdivision 14 of Section 15 of this act, it is hereby declared to be and it shall be a misdemeanor for any person, firm or corporation to use or apply water received from the agency contrary to or in violation of such restriction or prohibition, until such ordinance shall have been repealed or such emergency or threatened emergency shall have ceased, and upon conviction thereof such person, firm or corporation shall be punished by being imprisoned in the county jail for not more than 30 days or by fine of not more than three hundred dollars (\$300), or by both such fine and imprisonment.

§ 112-19.5. Action to determine validity of contract

Sec. 19.5. An action to determine the validity of any contract authorized by paragraph 19 of Section 15 may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

§ 112-20. Repealed by Stats.1970, c. 447, p. 896, § 21

<General Materials (GM) - References, Annotations, or Tables>

HISTORICAL NOTES

HISTORICAL AND STATUTORY NOTES

The repealed section, enacted by Stats.1969, c. 1175, p. 2584, § 20, related to conflict of interest.

§ 112-21. Officers and employees; duties; bonds; designation of depositories

Sec. 21. The president, vice president and secretary in addition to the respective duties imposed on them by law shall perform such duties as may be imposed on them by the board of directors. The treasurer, or such other person or persons as may be authorized by the board of directors, shall draw checks or warrants to pay demands when such demands shall have been audited and approved in the manner prescribed by the board of directors.

If the president is absent or unable to act, the vice president shall exercise the powers of the president granted by this act.

The general manager shall have full charge and control of the maintenance, operation and construction of the waterworks or waterworks system of the agency with full power and authority to employ and discharge all employees and assistants at pleasure, prescribe their duties, fix their compensation, subject to the approval of the board of directors.

The general manager shall perform such duties as may be imposed on him by the board of directors. The general manager shall report to the board of directors in accordance with such rules and regulations as they may direct.

The chief engineer shall be the engineering adviser of the agency and shall perform such other duties as may be prescribed by the board of directors.

The attorney shall be the legal adviser of the agency and shall perform such other duties as may be prescribed by the board of directors.

The board of directors shall designate a depository or depositories to have the custody of the funds of the agency, all of which depositories shall give security sufficient to secure the agency against possible loss, and who shall pay the warrants drawn by the treasurer for demands against the agency under such rules as the directors may prescribe.

The general manager, secretary and treasurer, and all other employees or assistants of said agency who may be required so to do by the board of directors, shall give such bonds to the agency conditioned for the faithful performance of their duties as the board of directors from time to time may provide. The premiums on such bonds shall be paid by the agency.

REFERENCES CROSS REFERENCES

Conflicts of interest, generally, see Government Code § 87100 et seq.

Desert View Water District-Bighorn Mountains Water Agency Consolidation Law, see Water Code § 33300 et seq.

§ 112-22. Construction of works along and across streets, watercourses, etc.; right of way over public lands

Sec. 22. The board of directors shall have power to construct works along and across any stream of water, watercourse, street, avenue, highway, canal, ditch or flume, or across any railway which the route of said works may intersect or cross; provided, such works are constructed in such manner as to afford security for life and property, and said board of directors shall restore the crossings and intersections to their former state as near as may be, or in a manner not to have impaired unnecessarily their usefulness. Every company whose right-of-way shall be intersected or crossed by said works shall unite with said board of directors in forming said intersections and crossings and grant the rights therefor. The right-of-way is hereby given, dedicated and set apart to locate, construct and maintain such works along and across any street or public highway and over and through any of the lands which are now or may be the property of this state, and to have the same rights and privileges appertaining thereto as have been or may be granted to cities within the state. Any use, under this section, of a public highway now or hereafter constituted a state highway shall be subject to the provisions of Chapter 3 of Division 1 of the Streets and Highways Code.

REFERENCES CROSS REFERENCES

Contracts for improvements or works, powers and bid procedures, see Public Contract Code § 21590 et seq.

§ 112-23. Claims against agency

Sec. 23. All claims for money or damages against this agency are governed by Part 3 (commencing with Section 900) and Part 4 (commencing with Section 940) of Division 3.6 of Title 1 of the Government Code, except as provided therein, or by other statutes or regulations expressly applicable thereto.

REFERENCES CROSS REFERENCES

Claims and actions against public entities and employees,

Generally, see Government Code § 810 et seq.

Special provisions relating to actions against local public entities, see Government Code § 960 et seq.

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Proposed legislation relating to statute of limitations in actions against public entities and public employees. 9 Cal.L.Rev.Comm. Reports 175; Report of the Assembly Committee on Judiciary relating to A.B. Nos. 123, 126, 171 [c. 45, 104, 89, 1970 Reg.Sess.], A.J., 2-18-70.

§ 112-25. Rates

Sec. 25. The board of directors, so far as practicable, shall fix such rate or rates for water in the agency and in each improvement district therein as will result in revenues which will pay the operating expenses of the agency, and the improvement district, provide for repairs and depreciation of works, provide a reasonable surplus for improvements, extensions, and enlargements, pay the interest on any bonded debt, and provide a sinking or other fund for the payment of the principal of such debt as it may become due. Said rates for water in each improvement district may vary from the rates of the agency and from other improvement districts therein.

§ 112-26. Taxation; inadequate revenues

Sec. 26. If the revenues of the agency, or any improvement district therein, will be inadequate for any cause to pay the operating expenses of the agency, provide for repairs and depreciation of works owned or operated by it, and to meet all obligations of the agency, including principal of or interest on any bonded debt of the agency, or any improvement district thereof, as it becomes due, then the board of directors of this agency must provide for the levy and collection of a tax sufficient to raise the amount of money determined by such board of directors to be necessary for the purpose of paying such charges and expenses, as well as providing the funds required under Section 25 of this act.

§ 112-27. Tax rates; lien of tax

Sec. 27. The board of directors shall determine the amounts necessary to be raised by taxation during the fiscal year and shall fix the rate or rates of tax to be levied which will raise the amounts of money required by the agency, and within a reasonable time previous to the time when the board of supervisors is required by law to fix its tax rate, the board of directors shall certify to the board of supervisors the rate or rates so fixed and shall furnish to the board of supervisors a statement in writing containing the following: (a) an estimate of the minimum amount of money required to be raised by taxation during the fiscal year for the payment of the principal of and interest on any bonded debt of the agency or of an improvement district thereof as will become due before the proceeds of a tax levied at the next general tax levy will be available; (b) an estimate of the minimum amount of money required to be raised by taxation during the fiscal year for all other purposes of the agency. The board of directors shall direct that at the time and in the manner required by law for the levying of taxes for county purposes, such board of supervisors shall levy, in addition to such other tax as may be levied by such board of supervisors, at the rate or rates so fixed and determined by the board of directors, a tax upon the property within the agency, or improvement district thereof benefited by the bonded debt, as the case may be, and it is made the duty of the officer or body having authority to levy taxes within each county to levy the tax so required. Taxes for the payment of the interest on or principal of any bonded debts shall be levied on the property within the agency, or improvement district thereof, benefited by the bonded debt, as determined by the board of directors in the resolution declaring the necessity to incur the debt. Taxes for other purposes of the agency shall be levied on all property in the district or portion thereof subject to the particular tax. And it shall be the duty of all county officers charged with the duty of collecting taxes to collect such tax in time, form, and manner as county taxes are collected, and when collected to pay the same to the agency. Taxes for the payment of a bonded debt and the interest thereon shall be a lien on all the property benefited thereby as stated in the resolution of the board of directors declaring the necessity to incur the debt. All taxes for other purposes of the agency shall be a lien on all the property in the agency subject to the respective tax. Agency taxes, whether for payment of a bonded indebtedness and the interest thereon or for other purposes, shall be of the same force and effect as other liens for taxes, and their collection may be enforced by the same means as provided for the enforcement of liens for state and county taxes.

§ 112-28. Indebtedness; election; actions to contest validity of bonds

Sec. 28. Whenever the board of directors deem it necessary for the agency to incur a bonded indebtedness for the acquisition, construction, completion, or repair of any or all improvements, works or property mentioned in this act, the board shall, by resolution, so declare and call an election to be held in said agency for the purpose of submitting to the qualified voters thereof the proposition of incurring indebtedness by the issuance of bonds of said agency. Said resolution shall state: (a) the purpose for which the proposed debt is to be incurred, which may include expenses of all proceedings for the authorization, issuance and sale of the bonds; (b) the amount of debt to be incurred; (c) the maximum term the bonds proposed to be issued shall run before maturity, which shall not exceed 40 years; (d) the maximum rate of interest to be paid, which shall not exceed 7 percent per annum, payable semiannually, except that interest for the first year may be payable at the end of said year; (e) the measure to be submitted to the voter; (f) the date upon which an election shall be held for the purpose of authorizing said bonded indebtedness to be incurred; and (g) the designation of precincts, the location of polling places, and the names of the officers selected to conduct the election, who shall consist of one judge, one inspector and two clerks in each precinct. The board of directors shall provide for holding such special election on the day so fixed and in accordance with the provisions of the Elections Code so far as the same shall be applicable, except as herein otherwise provided. Notice of the holding of such election shall be given by publishing pursuant to Section 6066 of the Government Code the resolution calling the election, the last publication to be made not less than two weeks prior to the date of the proposed election, in at least one newspaper published in such agency, if there is a newspaper published in the agency, then such resolution shall be posted in three public places in such agency not less than two weeks prior to the date of the proposed election. No other notice of such election need be given. The returns of such election shall be made, the votes canvassed by said board of directors within seven days following said election, and the results thereof ascertained and declared in accordance with the provisions of the Elections Code, so far as they may be applicable, except as in this act otherwise provided. The secretary of the board of directors, as soon as the result is declared, shall enter in the records of such board a statement of such results. No irregularities or informalities in conducting such election shall invalidate the same, if the election shall have otherwise been fairly conducted.

Any action or proceeding, wherein the validity of any such bonds or of the proceedings in relation thereto is contested, questioned or denied, shall be commenced within three months from the date of such election; otherwise, said bonds and all proceedings in relation thereto shall be held to be valid and in every respect legal and incontestable.

REFERENCES CROSS REFERENCES

Bond issues submitted to voters, generally, see Elections Code § 9400 et seq.
Canvass of election, generally, see Elections Code § 15000 et seq.
Election records, retention and preservation, see Elections Code § 17000 et seq.
Special elections, generally, see Elections Code § 10000 et seq.

§ 112-29. Acquisition, construction or repair of improvements; bonded indebtedness; hearing and election; irregularities

Sec. 29. Whenever the board of directors deems it necessary to incur a bonded indebtedness for the acquisition, construction, completion, or repair of any or all improvements, works or property mentioned in this act and to provide for such bonded indebtedness to be payable from taxes levied upon less than all of the agency, the board shall, by resolution, so declare and state: (a) the purpose for which the proposed debt is to be incurred; (b) the amount of debt to be incurred, which may include expenses of all proceedings for the authorization, issuance and the sale of the bonds; (c) that the board intends to form an improvement district of a portion of the agency which in the opinion of the board will be benefited, the exterior boundaries of which portion are set forth on a map on file with the secretary of the agency, which map shall govern for all details as to the extent of the proposed improvement district, and to call an election in such proposed improvement district on a date to be fixed, for the purpose of submitting to the qualified voters thereof the proposition of incurring indebtedness by the issuance of bonds of the agency for said improvement district; (d) that taxes for the payment of said bonds and the interest thereon shall be levied exclusively upon the taxable property in the improvement district; (e) that a general description of the proposed improvement, together with a map showing the exterior boundaries of said proposed improvement district with relation to the territory immediately contiguous thereto and to the proposed improvement is on file with the secretary of the agency and is available for inspection by any person or persons interested; (f) the time and place for a hearing by the board on the questions of the formation of said proposed improvement district, the extent thereof, the proposed improvement and the amount of debt to be incurred; and (g) that at the time and place specified in the resolution any person interested, including all persons owning property in the agency or in the proposed improvement district, will be heard. Notice of said hearing shall be given by publishing a copy of the resolution pursuant to Section 6066 of the Government Code prior to the time fixed for the hearing in a newspaper printed and published in the agency, if there is a newspaper printed and published in such agency. Such notice shall also be given by posting a copy of said resolution in six public places within the proposed improvement district at least two weeks before the time fixed for said hearing.

At the time and place so fixed, or at any time and place to which the hearing is adjourned, the board shall proceed with the hearing. At the hearing any person interested, including any person owning property within the agency or within any proposed improvement district, may appear and present any matters material to the questions set forth in the resolution declaring the necessity for incurring the bonded indebtedness. The board shall have the power to change the purpose for which the proposed debt is to be incurred, or the amount of bonded debt to be incurred, or the boundaries of said proposed improvement district, or one or all of said matters; provided, however, that said board shall not change such boundaries so as to include any territory which will not, in its judgment, be benefited by said improvement.

The purpose, amount of bonded debt or boundaries shall not be changed by said board except after notices of its intention to do so, given by publication pursuant to Section 6061 of the Government Code in a newspaper printed and published in said Bighorn Mountains Water Agency, if there is a newspaper printed and published in such agency, and by posting in six public places within said proposed improvement district. Said notice shall state the changed purpose and debt proposed and that the exterior boundaries as proposed to be changed are set forth on a map on file with the secretary of the agency, which map shall govern for all details as to the extent of the proposed improvement district, and specify the time and place for hearing on such change, which time shall be at least 10 days after publication or posting of said notice. At the time and place so fixed, or at any time and place to which the hearing is adjourned, the board shall proceed with the hearing. At the hearing any person interested, including any person owning property within the agency or the proposed improvement district, may appear and present any matters material to the changes stated in the notice. At the conclusion of the hearing the board shall by resolution determine whether it is deemed necessary to incur the bonded indebtedness, and, if so, the resolution shall also state the purpose for which said proposed debt is to be incurred, the amount of the

proposed debt, that the exterior boundaries of the portion of the agency which will be benefited are set forth on a map on file with the secretary of the agency which map shall govern for all details as to the extent of the improvement district, and that said portion of the agency set forth on said map shall thereupon constitute and be known as "Improvement District No. ... of Bighorn Mountains Water Agency," and the determinations made in said resolution shall be final and conclusive. After the formation of such improvement district within the Bighorn Mountains Water Agency pursuant to this section, all proceedings for the purpose of a bond election shall be limited, and shall apply only to the improvement district, and taxes for the payment of said bonds and the interest thereon shall be levied exclusively upon the taxable property in the improvement district.

After the board has made its determination of the matters required to be determined by said last mentioned resolution, and if the board deems it necessary to incur the bonded indebtedness, the board shall by a further resolution call a special election in said improvement district for the purpose of submitting to the qualified voters thereof the proposition of incurring indebtedness by the issuance of bonds of the agency for said improvement district. Said resolution shall state: (a) that the board deems it necessary to incur the bonded indebtedness; (b) the purpose for which the bonded indebtedness will be incurred; (c) the amount of debt to be incurred; (d) the improvement district to be benefited by said indebtedness, as set forth in the resolution making determinations, and that a map showing the exterior boundaries of said improvement district is on file with the secretary of the agency, which map shall govern for all details as to the extent of the improvement district; (e) that taxes for the payment of such bonds and the interest thereon shall be levied exclusively upon the taxable property in said improvement district; (f) the maximum term the bonds proposed to be issued shall run before maturity, which shall not exceed 40 years; (g) the maximum rate of interest to be paid, which shall not exceed 7 percent per annum, payable semiannually, except that interest for the first year may be payable at the end of the said year; (h) the measure to be submitted to the voters; (i) the date upon which an election shall be held for the purpose of authorizing said bonded indebtedness to be incurred; and (j) the designation of precincts, the location of polling places, and the names of the officers selected to conduct the election, who shall consist of one judge, one inspector and two clerks in each precinct.

The board of directors shall provide for holding such special election on the day so fixed and in accordance with the provisions of the Elections Code so far as the same shall be applicable, except as herein otherwise provided. Notice of the holding of such election shall be given by publishing pursuant to Section 6066 of the Government Code the resolution calling the election prior to the date of the proposed election in at least one newspaper printed and published in the agency, if there is a newspaper printed and published in such agency. Such resolution shall also be posted in three public places in such improvement district not less than two weeks prior to the date of the proposed election. No other notice of such election need be given.

The returns of such election shall be made, the votes canvassed by said board of directors within seven days following said election, and the results thereof ascertained and declared in accordance with the provisions of the Elections Code so far as they may be applicable, except as in this act otherwise provided. The secretary of the board of directors, as soon as the result is declared, shall enter in the records of such board a statement of such results. No irregularities or informalities in conducting such election shall invalidate the same, if the election shall have otherwise been fairly conducted.

Any action or proceeding, wherein the validity of the formation of the improvement district or of any such bonds or of the proceedings in relation thereto is contested, questioned or denied, shall be commenced within three months from the date of such election; otherwise, said bonds and all proceedings in relation thereto, including the formation of the improvement district, shall be held to be valid and in every respect legal and incontestable.

Bond issues submitted to the voters, generally, see Elections Code § 9400 et seq.
Canvass of election, generally, see Elections Code § 15000 et seq.
Election records, retention and preservation, see Elections Code § 17000 et seq.
Special elections, generally, see Elections Code § 10000 et seq.

§ 112-30. Annexation; procedure; action to contest validity

Sec. 30. Any portion of the Bighorn Mountains Water Agency whether contiguous or not to an improvement district thereof may be annexed to said improvement district in the following manner. A petition, which may consist of any number of separate instruments, shall be filed with the secretary of the agency, signed by holders of title to sixty percent (60%) or more of the land in the portion proposed to be annexed, which land as so represented in said petition shall have an assessed valuation of not less than fifty percent (50%) of the land so proposed to be annexed. The petition shall contain the following: (a) a description of the area proposed to be annexed, which may be made by reference to a map on file with the secretary of the agency, which map shall govern for all details as to the extent of the area proposed to be annexed, or in any other definite manner; (b) the terms and conditions upon which said proposed area may be annexed as theretofore determined by resolution adopted by the board of directors of the agency; and (c) a prayer that the board of directors declare such area to be annexed to the improvement district. Said petition shall be accompanied by a certified check payable to the order of the agency in sufficient sum to reimburse said agency for expenses of processing and publishing the petition and preparing and making the filings required by law.

Within 10 days of the date of the filing of such petition the secretary of the agency shall examine the same and ascertain whether or not such petition is signed by the required number of property owners; and, if requested by the secretary of the agency, the board of directors shall authorize him to employ persons especially for that purpose, in addition to the persons regularly employed in his office, and shall provide for their compensation. When the secretary of the agency has completed his examination of the petition, he shall attach to the same his certificate, properly dated, showing the result of such examination; and if from such examination he shall find that said petition is signed by the requisite number of property owners, or is not so signed, he shall certify that the same is sufficient, or insufficient, as the case may be.

If by the certificate of the secretary of the agency the petition is found to be insufficient, said petition may be amended by filing a supplemental petition or petitions within 10 days of the date of such certificate. The secretary of the agency shall within 10 days after the filing of such supplemental petition or petitions, make like examination of the same and certify to the result of such examination as hereinbefore provided.

If by the certificate of the secretary such petition or petition as amended, is shown to be sufficient the secretary shall cause notice of hearing on the petition to be published and posted without delay.

The text of said petition shall be published pursuant to Section 6066 of the Government Code prior to the time at which the same is to be presented to the board of directors of the agency in at least one newspaper printed and published in the Bighorn Mountains Water Agency, if there is a newspaper printed and published in such agency; together with a notice stating the time and place of the meeting at which the same will be presented. When contained upon one or more instruments one copy only of such petition need be published. No more than five of the names attached to said petition need appear in said publication of said petition and notice, but the number of signers shall be stated. Said notice and petition shall also be posted in three public places in the improvement district and three public places in the area proposed to be annexed, at least two weeks prior to the hearing.

The board of directors of the agency shall proceed to hear the petition at the time and place fixed therefor and any person residing within the agency or improvement district or owning taxable property in

said agency or improvement district shall be entitled to appear and be heard at such hearing. Such hearing may be continued from time to time by the board of directors of the agency. At the conclusion of the hearing, and if the board of directors finds and determines from the evidence presented at said hearing that the area proposed to be annexed to an improvement district will be benefited thereby, and that the improvement district to which said area proposed to be annexed will also be benefited thereby and will not be injured thereby, then and in such case the board of directors of the agency may, by resolution, approve such annexation, describing the territory so annexed, which may be by reference to a map on file with the secretary of the agency shall govern for all details as to the extent of the annexed area, or in any other definite manner, and the terms and conditions of annexation as theretofore determined by resolution of the board of directors.

From and after the date of the adoption of such resolution the area named therein shall be deemed added to and shall form a part of said improvement district and the taxable property therein shall be subject to taxation thereafter for the purposes of said improvement district, including the payment of the principal of and interest on bonds and other obligations of such improvement district at the time authorized and outstanding at the time of said annexation as if said annexed property had always been a part of said improvement district, and the board of directors of the Bighorn Mountains Water Agency shall be empowered to do all things necessary to enforce and make effective the terms and conditions of annexation fixed as hereinabove authorized.

Any action or proceeding wherein the validity of any such annexation is contested, questioned or denied must be commenced within three months after the date of issuance by the Secretary of State of his certificate; otherwise said annexation shall be held to be valid and in every respect legal and incontestable.

§ 112-31. Favorable vote to incur indebtedness; issuance of bonds; series; maturity; form; sale proceeds

Sec. 31. If from such returns it appears that more than two-thirds of the votes cast in such election held pursuant to the provisions of Section 28 or of Section 29 of this act, were in favor of and assented to the incurring of such indebtedness, then the board of directors may, by resolution, at such time or times as it deems proper, issue bonds of the agency for the whole or any part of the amount of the indebtedness so authorized, and may from time to time provide for the issuance of such amounts as the necessity thereof may appear, until the full amount of such bonds authorized shall have been issued. Said full amount of bonds may be divided into two or more series and different dates fixed for each of the series. The maximum term which the bonds of any series shall run before maturity shall not exceed 40 years from the date of each series respectively.

The board of directors shall, by resolution, prescribe the form of the bonds and the form of the coupons attached thereto and fix the time when the whole or any part of the principal shall become due and payable. The payment of the first installment of principal may be deferred for a period of not more than five years from the date of the bonds or the date of the bonds of each series respectively. The bonds shall bear interest at a rate or rates not to exceed 7 percent per annum, payable semiannually, except that interest for the first year may be payable at the end of said year. The board of directors may also provide for call and redemption of bonds prior to maturity at such times and prices and upon such other terms as it may specify. A bond shall not be subject to call or redemption prior to maturity unless it contains a recital to that effect or unless a statement to that effect is printed thereon.

The denomination of the bonds shall be stated in the resolution providing for their issuance, but shall not be less than one hundred dollars (\$100). The principal and interest shall be payable in lawful money of the United States at the office of the treasurer of the district or such other place or places as may be designated, or at either place or places at the option of the holder of the bond.

The bonds shall be dated, numbered consecutively, and be signed by the president and treasurer of the agency, countersigned by the secretary of the agency, and the official seal of the agency attached. The interest coupons of such bonds shall be signed by the treasurer of said agency. All such signatures and countersignatures may be printed, lithographed, or mechanically reproduced, except that one of said signatures or countersignatures to said bonds shall be manually affixed.

If the bond election proceedings have been limited to and have applied only to an improvement district within said agency, said bonds are bonds of the agency and shall be issued in the name of the agency and shall be designated "Bonds of the Bighorn Mountains Water Agency for Improvement District No. ____" and each bond and all interest coupons thereof shall state that taxes levied for the payment thereof shall be levied exclusively upon the taxable property in said improvement district.

Before selling the bonds, or any part thereof, the board of directors shall give notice inviting sealed bids in such manner as it may prescribe. If satisfactory bids are received, the bonds offered for sale shall be awarded to the highest responsible bidder. If no bids are received, or if said board determines that the bids received are not satisfactory as to price or responsibility of the bidders, it may reject all bids received, if any, and either readvertise or sell the bonds at private sale.

The proceeds arising from the sale of bonds shall be paid into the treasury of the agency and placed to the credit of a special improvement fund and expended only for the purpose for which the indebtedness was created; provided, however, that when said purpose has been accomplished any moneys remaining in said special improvement fund may be transferred to the fund to be used for the payment of principal of and interest on the bonds. Said remaining moneys remaining from the sale of bonds of the agency may also be used for some other agency purpose. Such moneys remaining from the sale of bonds of the agency for an improvement district therein may also be used for any purpose which will benefit the property in the improvement district. Said moneys may not be used for said other agency purpose or improvement district purpose until two-thirds of the qualified voters of said agency or improvement district have consented thereto at a special election called in said agency or improvement district by the board of directors. Notice of said election shall be given in the manner provided for bond elections in said agency or improvement district, as the case may be, and in other respects the election shall be conducted as are other agency elections.

REFERENCES CROSS REFERENCES

Canvass of election results, see Elections Code § 15000 et seq.
Special elections, generally, see Elections Code § 10000 et seq.

§ 112-32. Exemption of bonds from taxation

Sec. 32. Any bonds issued by the Bighorn Mountains Water Agency are hereby given the same force, value and use as bonds issued by any city and shall be exempt from all taxation within the State of California.

§ 112-33. Formation of improvement districts; procedure; special election; action to contest validity

Sec. 33. Whenever the board of directors deems it necessary to form an improvement district of a portion of the agency for a purpose other than the incurring of bonded indebtedness under Section 29 of this act it shall by resolution so declare and state: (a) the purpose for which the proposed improvement district is to be formed, (b) the estimated expense of carrying out said purpose, (c) that the board intends to form an improvement district of a portion of the agency which in the opinion of the board will be benefited, the exterior boundaries of which portion are set forth on a map on file with the secretary of the agency, which map shall govern for all details as to the extent of the proposed improvement district, (d) that taxes for carrying out said purpose shall be levied exclusively upon the taxable property in said proposed improvement district, (e) that a map showing the exterior boundaries of said proposed improvement district, with relation to the territory immediately contiguous thereto, is on file with the secretary of the agency and is available for inspection by any person or persons interested, (f) the time and place for a hearing by the board on the questions of the formation of said proposed improvement district, the extent thereof, the purpose for which it is to be formed, and the estimated expense of carrying out said purpose and (g) that at said time and place any person interested, including all persons owning property in the agency or in the proposed improvement district will be heard. Notice of said hearing shall be given by publishing a copy of the resolution pursuant to Section 6066 of the Government Code prior to the time fixed for the hearing in a newspaper circulated in the Bighorn Mountains Water Agency, if there is a newspaper circulated therein. Said notice shall also be given by posting a copy of said resolution in three public places within the proposed improvement district for at least two weeks before the time fixed for said hearing.

At the time and place so fixed, or at any time or place to which the hearing is adjourned, the board shall proceed with the hearing at which hearing any person interested, including all persons owning property in the agency, or in the proposed improvement district, may appear and present any matters material to the questions set forth in the resolution. At the conclusion of the hearing the board shall by resolution determine whether it is necessary to form said improvement district, and, if so, the resolution shall also state the purpose for which the proposed improvement district is to be formed, estimated expense of carrying out said purpose, that the exterior boundaries of the portion of the agency which will be benefited are set forth on a map on file with the secretary of the agency, which map shall govern for all details as to the extent of the improvement district, and that said portion of the agency set forth on said map, shall thereupon constitute and be known as "Improvement District (A, B, C, or other letter designation) of the Bighorn Mountains Water Agency," and the determinations made in said resolution shall be final and conclusive. After the formation of such improvement district within the Bighorn Mountains Water Agency pursuant to this section all taxes levied for the carrying out of said purpose shall be levied exclusively upon the taxable property in the improvement district.

A copy of the resolution forming the improvement district shall be published pursuant to Section 6066 of the Government Code in a newspaper printed and published in the agency, if there is a newspaper printed and published in the agency, and a copy of said resolution shall also be posted in three public places within the proposed improvement district for at least two weeks. Said resolution shall not be effective until the 31st day after completion of said publication and/or posting. If before said effective date a petition signed by not less than 10 percent of the voters of the improvement district requesting that an election be held on the formation thereof is presented to the board of directors, said board shall call a special election in the improvement district for the purpose of submitting the question of the formation of the improvement district to the voters of said improvement district.

The board of directors shall provide for holding such special election on the day so fixed and in accordance with the provisions of the Elections Code so far as the same shall be applicable, except as herein otherwise provided. Notice of the holding of such election shall be given by publishing the resolution calling the election pursuant to Section 6066 of the Government Code prior to the date of the proposed

election, in at least one newspaper printed and published in the Bighorn Mountains Water Agency, if there is a newspaper printed and published in such agency. Such resolution shall also be posted in three public places in such improvement district not less than two weeks prior to the date of the proposed election. No other notice of such election need be given.

The returns of such election shall be made, the votes canvassed by said board of directors within seven days following said election, and the results thereof ascertained and declared in accordance with the provisions of the Elections Code so far as they may be applicable, except as in this act otherwise provided. The secretary of the board of directors, as soon as the result is declared, shall enter in the records of such board a statement of such results. No irregularities or informalities in conducting such election shall invalidate the same, if the elections shall have otherwise been fairly conducted.

If from such returns it appears that a majority of the votes cast at such election were in favor of the formation of such improvement district, the formation of such improvement district shall be complete.

Any action or proceeding wherein the validity of the formation of the improvement district or of any of the proceedings in relation thereto is contested, questioned or denied, shall be commenced within three months from the effective date of the resolution forming such district, or if an election is held, within three months from the date of such election, otherwise the formation of the improvement district and all proceedings in relation thereto, shall be held to be valid and in every respect legal and incontestable.

REFERENCES CROSS REFERENCES

Canvass of election results, see Elections Code § 15000 et seq.

Special elections, generally, see Elections Code § 10000 et seq.

§ 112-34. Advancement of general funds; repayment; interest rate

Sec. 34. The board of directors may advance general funds of the agency to accomplish the purposes of an improvement district formed in accordance with Sections 29 or 33 and, if the improvement district is formed under Section 29, may repay the agency from the proceeds of the sale of bonds authorized for such purpose, or if the improvement district is formed under Section 33 may, in the formation of such improvement district, provide that the agency shall be repaid with interest at not to exceed 7 percent from the special taxes levied exclusively upon the taxable property in said improvement district.

§ 112-35. Interest on bonds

Sec. 35. Interest on any bonds issued by the agency coming due before the proceeds of a tax levied at the next general tax levy after the sale of said bonds are available, and interest on any bonds issued by the agency coming due before the expiration of one year following completion of the acquisition and construction of the works and improvements for which the bonds were issued may be paid from the proceeds of the sale of such bonds.

§ 112-36. Land which may be included in agency

Sec. 36. Land not a part of the agency whether or not contiguous to it or to other portions added to the agency, and consisting of any portion of the county wherein the agency was formed or of any municipality therein, or of land in any county contiguous to the county wherein the agency was formed or of any municipality therein, may be included within the agency.

§ 112-40. Ordinances; methods of passing

Sec. 40. Ordinances may be passed by the voters of the Bighorn Mountains Water Agency organized under the provisions of this act in accordance with the methods provided by the Elections Code for direct legislation in cities.

§ 112-41. Veto by voters; proceedings

Sec. 41. Ordinances may be disapproved and thereby vetoed by the voters of this agency by proceeding in accordance with the methods provided by the Elections Code for protesting against legislation in cities.

§ 112-42. Disincorporation

Sec. 42. It is the intention that the Bighorn Mountains Water Agency shall not be disincorporated until all bonded indebtedness shall have been fully paid.

§ 112-45. Construction; definitions

Sec. 45. Nothing in this act shall be so construed as repealing or in anywise modifying the provisions of any other act relating to water or the supply of water to, or the acquisition thereof, by cities within this state. The term "city," as used in this act, shall mean and include any city or incorporated town, whether organized or functioning under a freeholders' charter or under the provisions of general laws. The word "agency" shall apply, unless otherwise expressed or used, to the Bighorn Mountains Water Agency formed under the provisions of this act, and the word "board" and the words "board of directors" shall apply to the board of directors of such agency. The term "indebtedness" shall mean all indebtedness other than bonded indebtedness unless the latter is expressly used. The meaning of the term "voter," as used in this act, shall be ascertained by reference to Section 21 of the Elections Code.

REFERENCES CROSS REFERENCES

Voter, defined, see Elections Code § 359.

§ 112-46. Nomination of candidates; registrar of voters to act as county clerk

Sec. 46. If there shall be a registrar of voters, other than the county clerk, in the principal county in which the Bighorn Mountains Water Agency is hereby incorporated, or incorporated, under the provisions of this act, is situated, the duties required by this act to be performed by the county clerk respecting the nomination of candidates for offices of such water agency and the holding of elections in such agency, shall be performed by such registrar of voters.

§ 112-48. Partial invalidity

Sec. 48. If any section, subsection, sentence, clause or phrase of this act or the application thereof to any person or circumstance is for any reason held invalid the validity of the remainder of the act or the application of such provision to other persons or circumstances shall not be affected thereby. The Legislature hereby declares that it would have passed this act and each section, subsection, sentence, clause and phrase thereof irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof to any person or circumstances be held invalid.

§ 112-49. Public corporation or agency; annexation; identity

Sec. 49. The inclusion in, or annexation or addition to this agency, of the corporate area of any public corporation or public agency shall not destroy the identity or legal existence or impair the powers of any such public corporation or public agency, notwithstanding the identity of purpose, or substantial identity of purpose of this agency. No public corporation or public agency having identity of purpose or substantial identity of purpose shall be formed partly or entirely within this agency, whether by incorporation or annexation, without the consent of the board of directors of this agency.

§ 112-50. Water standby or availability charge; ordinance; notice

Sec. 50. The agency, by ordinance, may fix, on or before the first day of July in any calendar year, a water standby or availability charge within the agency or in any improvement district thereof to which water is made available by the agency through underground or by surface facilities, whether the water is actually used or not. The standby charge shall not exceed ten dollars (\$10) per acre per year for each acre of land within the agency or any improvement district thereof or ten dollars (\$10) per year for any parcel of less than one acre. The ordinance fixing a standby charge shall be adopted by the board only after adoption of a resolution setting forth the particular schedule or schedules of charges proposed to be established by ordinance and after two weeks' notice and a public hearing. Notice to all landowners whose property may be made subject to a water standby or availability charge shall be by publication pursuant to Section 6061 of the Government Code and by first-class mail addressed to each person or entity to whom land is assessed, as shown on the last equalized roll of the county, at the address shown on the assessment roll. The ordinance fixing a standby charge may establish schedules varying the charges according to land uses, water uses, and degree of water availability. On or before the third Monday in August, the board shall furnish in writing to the board of supervisors and the county auditor of each affected county a description of each parcel of land within the agency upon which a charge is to be levied and collected for the current fiscal year, together with the amount of standby charge fixed by the district on each parcel of land. The board shall direct that, at the time and in the manner required by law for the levying of taxes for county purposes, the board of supervisors shall levy, in addition to any other tax it levies, a standby charge in the amounts for the respective parcels fixed by the board. All county officers charged with the duty of collecting taxes shall collect agency standby charges with the regular tax payments to the county. The charges shall be collected in the same form and manner as county taxes are collected and shall be paid to the agency. Charges fixed by the agency shall be a lien on all the property benefited thereby. Liens for the charges shall be of the same force and effect as other liens for taxes, and their collection may be enforced by the same means as provided for the enforcement of liens for state and county taxes.

Notwithstanding any other provision, the water standby or availability charge for Improvement District "B" of the agency and the charge for any improvement district of the agency formed after January 1, 1986, shall not exceed thirty dollars (\$30) per year for each acre of land within the improvement district, or thirty dollars (\$30) per year for any parcel of less than one acre within the improvement district.

§ 112-51. Negotiable promissory notes

Sec. 51. The agency may issue negotiable promissory notes pursuant to this section, bearing interest at a rate not to exceed the rate specified in Article 7 (commencing with Section 53530) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, for the purpose of acquiring funds to finance the construction or acquisition of administrative offices, construction headquarters, commercial offices, or facilities for similar agency purposes and for the acquisition of land for agency purposes. The maturity of such promissory notes shall not be later than 10 years from the date thereof. The total aggregate amount of such notes outstanding at any one time may be at least equal to one hundred thousand dollars (\$100,000), but shall not exceed the lesser of either five hundred thousand dollars (\$500,000) or 1 percent of the assessed valuation of the taxable property in the agency or, if the assessed valuation is not obtainable, 1 percent of the county auditor's estimate of the assessed valuation of the taxable property in the agency evidenced by his certificate. Promissory notes issued pursuant to subdivision 11 of Section 15 may be disregarded in computing the aggregate amount of notes that may be issued pursuant to this section.

§ 112-52. Acquisition, construction, completion, or repair of improvements or works; bonded indebtedness

Sec. 52. Whenever the board deems it necessary to incur a bonded indebtedness for the acquisition, construction, completion, or repair of any or all improvements, works, or property mentioned in this law and to provide for such bonded indebtedness to be payable from taxes levied upon an uninhabited portion of the agency, the board shall, by resolution, declare its intention to form an uninhabited improvement district in such portion of the agency and to incur such indebtedness.

For the purposes of this law the portion of the agency formed into an uninhabited improvement district shall be deemed uninhabited if less than 12 voters reside therein at the time of the formation thereof.

The resolution of intention shall state that the board intends to form an improvement district of an uninhabited portion of the agency which in the opinion of the board will be benefited, and to incur indebtedness by the issuance of bonds of the agency for such uninhabited improvement district.

The resolution of intention shall also state:

- (a) The purpose for which the proposed debt is to be incurred.
- (b) The amount of debt to be incurred, which may include expenses of all proceedings for the authorization, issuance, and sale of the bonds.
- (c) That taxes for the payment of the bonds and the interest thereon will be levied exclusively upon the taxable property in the uninhabited improvement district.

The resolution of intention shall also state that a general description of the proposed improvement, together with a map showing the exterior boundaries of the proposed uninhabited improvement district with relation to the territory immediately contiguous thereto and to the proposed improvement is on file with the secretary and is available for inspection by any person or persons interested. This map shall govern for all details as to the extent of the proposed uninhabited improvement district.

The resolution of intention shall also state:

(a) The time and place for a hearing by the board on the questions of the formation and extent of the proposed uninhabited improvement district, the proposed improvement, and the amount of debt to be incurred.

(b) That at the time and place specified in the resolution any person interested will be heard, and that any owner of property within the proposed uninhabited improvement district may file with the secretary at any time prior to the time set for the hearing thereon written protest to the formation of the proposed uninhabited improvement district.

Notice of the hearing shall be given by publishing a copy of the resolution pursuant to Section 6066 of the Government Code prior to the time fixed for the hearing in a newspaper circulated in the agency, if there is a newspaper circulated in the agency. Such notice shall also be given by posting a copy of the resolution of intention in three public places within the proposed uninhabited improvement district for at least two weeks before the time fixed for the hearing.

A copy of the resolution of intention shall also be mailed, postage prepaid, to each person to whom land in the proposed uninhabited improvement district is assessed as shown on the last equalized county assessment roll, at his address as shown upon the roll, and to any person, whether owner in fee or having a lien upon, or legal or equitable interest in, any land within the proposed uninhabited improvement district, whose name and address and a designation of the land in which he is interested is on file with the secretary.

At the time and place fixed in the resolution of intention, or at any time or place to which the hearing is adjourned, the board shall proceed with the hearing. At the hearing any person interested may appear and present any matters material to the questions set forth in the resolution. Also at the hearing the board shall hear and pass upon all written protests filed by the owners of property within the proposed uninhabited improvement district.

If written protests are filed by the owners of one-half of the value of the property within the proposed uninhabited improvement district, as shown by the last equalized assessment roll of the county, further proceedings shall not be taken. If such protests are not made the board shall by resolution determine whether it is necessary to incur the bonded indebtedness and if so, the resolution shall also state:

(a) The purpose for which the proposed debt is to be incurred.

(b) The amount of the proposed debt.

(c) That the exterior boundaries of the portion of the agency which will be benefited are set forth on a map on file with the secretary, which map shall govern for all details as to the extent of the uninhabited improvement district.

(d) That such portion of the agency set forth on the map shall thereupon constitute and be known as "Improvement District No. of Bighorn Mountains Water Agency".

The determinations made in the resolution of formation shall be final and conclusive.

After the formation of the uninhabited improvement district pursuant to this law the board may, by resolution, at such time or times as it deems proper, issue bonds of the agency, pursuant to Section 31 of this law, for the whole or any part of the amount of the indebtedness authorized by the resolution of formation. All taxes levied for the payment of the bonds and the interest thereon shall be levied exclusively upon the taxable property in the uninhabited improvement district.

Any action or proceeding in which the validity of the formation of an uninhabited improvement district or of any of the proceedings in relation thereto is contested, questioned, or denied shall be commenced within three months from the date of the resolution forming such district; otherwise the formation of the uninhabited improvement district and all proceedings in relation thereto shall be held to be valid and in every respect legal and incontestable.

The board may advance general funds of the agency to accomplish the purposes of an improvement district formed pursuant to this law.

The board may repay the agency for any advance of funds from the proceeds of the sale of bonds authorized for the purposes of the improvement district.

§ 112-53. Annexation of territory

Sec. 53. The board, by resolution, may initiate proceedings for the annexation of territory within the agency whether contiguous or not to an improvement district to such improvement district.

The resolution proposing annexation shall:

(a) Declare that proceedings have been initiated by the board pursuant to this law.

(b) State the reason for proposing the annexation.

(c) Set forth a description of the area proposed to be annexed, which may be made by reference to a map on file with the secretary of the agency which map shall govern for all details as to the extent of the area proposed to be annexed.

(d) State the terms and conditions of the annexation.

(e) State that the holders of title to any of the land sought to be annexed may file written protests with the secretary to the annexation or the annexation upon such terms and conditions.

(f) Fix the time and place of a meeting at which the board will receive written protests theretofore filed with the secretary, receive additional written protests, and hear from any and all persons interested in the annexation.

The text of the resolution proposing annexation shall be published, pursuant to Section 6066 of the Government Code, prior to the time of hearing in at least one newspaper printed and published in the agency, if there is a newspaper published and printed in the agency.

A copy of the resolution proposing annexation shall also be posted in three public places within the improvement district and three public places in the area proposed to be annexed at least two weeks prior to the hearing.

The board shall proceed with the hearing at the time and place fixed therefor and may continue the hearing, if need be, from time to time. All interested persons will be heard at the hearing.

If written protests are filed by the holders of title of one-half of the value of the territory proposed to be annexed as shown by the last equalized assessment roll of each county in which the territory is situated, further proceedings shall not be taken, and the board shall refuse the annexation by a resolution so stating.

If written protest is not made by the owners of one-half of the value of the territory proposed to be

annexed, and if, at the conclusion of the hearing, the board finds and determines for the evidence presented at the hearing that the area proposed to be annexed to an improvement district will be benefited thereby, and that the improvement district to which the area proposed to be annexed will also be benefited thereby and will not be injured thereby, the board may, by resolution, approve such annexation.

The resolution shall describe the territory annexed, which may be by reference to a map on file with the secretary, which map shall govern for all details as to the extent of the annexed area. The resolution shall also state the terms and conditions of annexation as theretofore determined by resolution of the board.

If the board finds and determines that either the area proposed to be annexed to the improvement district will not be benefited thereby or that the improvement district to which the area is proposed to be annexed will not be benefited thereby and will be injured thereby, the board shall by resolution disapprove such annexation.

From and after the date of the adoption of the resolution approving the annexation, the area described therein is added to and forms a part of the improvement district.

The taxable property in the annexed area shall be subject to taxation after the annexation thereof for the purposes of the improvement district, including the payment of the principal of and interest on bonds and other obligations of the improvement district authorized and outstanding at the time of the annexation as if the annexed property had always been a part of the improvement district.

The board may do all things necessary to enforce and make effective the terms and conditions of annexation fixed by it.

Any action or proceeding in which the validity of an annexation to an improvement district pursuant to this section is contested, questioned, or denied shall be commenced within three months after the date of the resolution of the board approving the annexation of the territory to an improvement district; otherwise, the annexation shall be held valid and in every respect legal and incontestable.

§ 112-53.1. Annexation without notice and hearing in certain cases

Sec. 53.1. Notwithstanding the provisions of Section 53, if the petition for annexation of land to an improvement district formed under Section 33 is signed by all of the holders of title of land in the portion proposed to be annexed, the board may proceed and act thereon without notice and hearing, but shall otherwise comply with the applicable provisions of this law.

§ 112-53.2. Proceedings to exclude territory

Sec. 53.2. Proceedings to exclude territory from an improvement district, formed pursuant to Section 33, may be initiated by the board upon its own motion, or shall be initiated by the board upon receipt of a petition for exclusion signed by not less than 10 percent of the voters of the area proposed to be excluded, which states reasons such exclusion will be beneficial to the agency or the improvement district or the territory to be excluded.

Upon adoption of said motion to initiate exclusion proceedings or upon receipt of said petition for exclusion, the board shall adopt a resolution of intention to exclude which shall state:

(a) The method by which said exclusion proceedings were initiated; by motion of the board or by petition of voters.

(b) That taxes for carrying out the purpose of the improvement district will not be levied upon taxable property in the excluded territory following such exclusion in the event such territory is excluded.

(c) That following such exclusion, the taxable property in the territory remaining in said improvement district shall continue to be levied upon and taxed to provide funds for the purposes of said improvement district.

The resolution of intention to exclude shall also state that a map showing the exterior boundaries of the proposed territory to be excluded, with relation to the territory remaining in said improvement district, is on file with the secretary and is available for inspection by any person or persons interested.

This map shall govern for all details as to the extent of the proposed exclusion.

The resolution of intention shall also state:

(a) The time and place for a hearing by the board on the questions of the proposed exclusion and the effect of such exclusion upon the agency, the improvement district and the territory to be excluded.

(b) That at such time and place any person interested, including all persons owning property in the agency or in the improvement district, will be heard.

Notice of the hearing shall be given by publishing a copy of the resolution of intention to exclude, pursuant to Section 6066 of the Government Code, prior to the time fixed for the hearing in a newspaper circulated in the agency, if there is a newspaper printed and published in the agency. Such notice shall also be given by posting a copy of the resolution of intention to exclude in three public places within the affected improvement district for at least two weeks before the time fixed for the hearing.

At the time and place so fixed in the resolution of intention to exclude, or at any time or place to which the hearing is adjourned, the board shall proceed with the hearing. At the hearing any person interested, including any person owning property in the agency, or in the improvement district may appear and present any matters material to the questions set forth in the resolution of intention to exclude.

At the conclusion of the hearing, the board shall by resolution determine whether it is necessary or desirable to exclude said territory. If so, the resolution shall also state:

(a) The reasons why such exclusion is necessary or desirable.

(b) That the exterior boundaries of the improvement district following such exclusion are set forth on a map on file with the secretary, which map shall govern all details as to the extent of said, then existing, improvement district.

The determinations made in the resolution of exclusion shall be final and conclusive.

After the exclusion of territory from the improvement district pursuant to this section, all taxes levied for the carrying out of said improvement district's purpose shall be levied exclusively upon the taxable property in the improvement district as then constituted.

A copy of the resolution of exclusion shall be published pursuant to Section 6066 of the Government Code in a newspaper printed and published in the agency, if there is a newspaper printed and published in the agency. A copy of the resolution shall also be posted in three public places within the improvement district for at least two weeks.

The resolution of exclusion shall not be effective until the 31st day after completion of the publication and posting.

Any action or proceeding in which the validity of the exclusion of territory from the improvement district or of any of the proceedings in relation thereto is contested, questioned, or denied shall be

commenced within three months from the effective date of the resolution of exclusion; otherwise, the exclusion and all proceedings in relation thereto shall be held to be valid and in every respect legal and incontestable.

§ 112-54. Dissolution of improvement district

Sec. 54. Notwithstanding any other provision herein, whenever the board deems it necessary for any improvement district formed pursuant to this act to be dissolved, it shall by resolution declare its intention to dissolve the improvement district.

As used in this act, "improvement district" includes an uninhabited improvement district formed pursuant to Section 52.

The resolution of intention shall state:

- (a) The reason why the improvement district should be dissolved.
- (b) If the improvement district was formed pursuant to Section 29 or Section 52 of this act, that no bonds have been issued for the improvement district or are outstanding.
- (c) If the improvement district was formed pursuant to Section 33 of this act, that no indebtedness or liability was incurred for the improvement district or is outstanding.
- (d) That a map showing the exterior boundaries of the improvement district, with relation to the territory immediately contiguous thereto, is on file with the secretary and is available for inspection by any person or persons interested.
- (e) The time and place for a hearing by the board on the question of the dissolution of the improvement district.
- (f) That at such time and place any person interested, including all persons owning property in the agency or in the improvement district will be heard.

Notice of the hearing shall be given by publishing a copy of the resolution, pursuant to Section 6066 of the Government Code, prior to the time fixed for the hearing in a newspaper circulated in the agency, if there is a newspaper circulated in the agency. Such notice shall also be given by posting a copy of the resolution in three public places within the improvement district for at least two weeks before the time fixed for the hearing.

At the time and place fixed in the resolution of intention, or at any time or place to which the hearing is adjourned, the board shall proceed with the hearing. At the hearing any person interested, including all persons owning property in the agency, or in the improvement district, may appear and present any matters material to the proposed dissolution.

At the conclusion of the hearing the board shall by ordinance determine whether it is necessary to dissolve the improvement district. If so, the ordinance shall state that the exterior boundaries of the improvement district are set forth on a map on file with the secretary and shall declare the improvement district dissolved. The determinations made in the ordinance shall be final and conclusive.

When the ordinance declaring an improvement district dissolved becomes effective, the dissolution of such improvement district is complete.

The taxable property within the boundaries of the dissolved improvement district shall continue to be taxed for any indebtedness of the agency contracted for such dissolved improvement district until the

indebtedness has been satisfied, to the same extent that such property would be taxable for such purpose if the dissolution had not occurred.

Any action or proceeding in which the validity of the dissolution of an improvement district, or of any of the proceedings in relation thereto, is contested, questioned, or denied shall be commenced within three months from the effective date of the ordinance dissolving the improvement district; otherwise, the dissolution of the improvement district and, all proceedings in relation thereto, shall be held to be valid and in every respect legal and incontestable.

After a bond election has been held in an improvement district formed pursuant to Section 29 of this law and less than two-thirds of the votes cast in such election were in favor of the measure the board may within one year of the date of such election call and hold another election as provided in Sections 28 and 29 of this law for the purpose of resubmitting said measure to the electors of said improvement district. If said measure is not so resubmitted said improvement district, on the anniversary date of the election, is dissolved without further action by the board. If said measure is resubmitted and fails to receive more than two-thirds of the votes cast in such election in favor of said measure said improvement district is dissolved following the canvass of the election returns.

**WATER CODE
DIVISION 12. COUNTY WATER DISTRICTS
PART 5. POWERS AND PURPOSES
CHAPTER 1. POWERS AND PURPOSES GENERALLY
ARTICLE 1. POWERS GENERALLY**

Current through end of 1997-98 Reg. Sess. and 1st Ex. Sess.

§ 31012. Acquisition of district water system by another public agency other than by vote

If, on or after the effective date of this section, substantially all of a district water system is acquired by another public agency by any method other than a vote of the electorate of that district so authorizing, the following provisions shall apply:

(a) All funds derived from the operation of the former district system shall be separately accounted for and used exclusively for the purposes of maintenance, operation, betterments, and bond debt service of the acquired system.

(b) No funds derived from the former district system shall be used for any other such purpose until all debt of that former system has been paid in full or until a majority vote of the electorate of the area served by that former system has authorized such other expenditures.

CREDIT(S)

1984 Main Volume

(Added by Stats.1974, c. 791, p. 1722, § 1, eff. Sept. 18, 1974.)

<General Materials (GM) - References, Annotations, or Tables>

REFERENCES

CROSS REFERENCES

Application of this section to county water district consolidated with Bighorn Mountains Water Agency, see Water Code § 33305.

**WATER CODE
DIVISION 12. COUNTY WATER DISTRICTS
PART 9.2. DESERT VIEW WATER DISTRICT-BIGHORN MOUNTAINS WATER AGENCY
CONSOLIDATION**

Current through end of 1997-98 Reg. Sess. and 1st Ex. Sess.

§ 33300. Short title

This part shall be known and may be cited as the Desert View Water District-Bighorn Mountains Water Agency Consolidation Law.

**WATER CODE
DIVISION 12. COUNTY WATER DISTRICTS
PART 9.2. DESERT VIEW WATER DISTRICT-BIGHORN MOUNTAINS WATER AGENCY
CONSOLIDATION**

Current through end of 1997-98 Reg. Sess. and 1st Ex. Sess.

§ 33301. Consolidation defined

As used in this part, "consolidation," as defined in Section 56030 of the Government Code, includes, for the purposes only of effecting a consolidation between the Desert View Water District and the Bighorn Mountains Water Agency, the uniting or joining of those two public entities, even though they have not been formed pursuant to the same principal act.

**WATER CODE
DIVISION 12. COUNTY WATER DISTRICTS
PART 9.2. DESERT VIEW WATER DISTRICT-BIGHORN MOUNTAINS WATER AGENCY
CONSOLIDATION**

Current through end of 1997-98 Reg. Sess. and 1st Ex. Sess.

§ 33302. Board of directors; members; election

The board of directors of a consolidated successor district shall consist of five members. The members of the board of directors of the consolidated successor district shall be elected at large unless, as a condition of consolidation, it is determined by the San Bernardino County Local Agency Formation Commission and by action of both the boards of the Desert View Water District and the Bighorn Mountains Water Agency that the board of the consolidated successor district shall be elected entirely by divisions or by some determined and agreed upon combination of divisional and at-large elections.

**WATER CODE
DIVISION 12. COUNTY WATER DISTRICTS
PART 9.2. DESERT VIEW WATER DISTRICT-BIGHORN MOUNTAINS WATER AGENCY
CONSOLIDATION**

Current through end of 1997-98 Reg. Sess. and 1st Ex. Sess.

§ 33303. Meetings

For a period of not less than 10 years after January 1, 1990, unless approved by an unanimous vote of the directors of the successor district, all meetings of the board of directors of the successor district shall be held in offices or places within the boundaries of the Desert View Water District in even-numbered months and in offices or places within the boundaries of the Bighorn Mountain Water Agency in odd-numbered months, as those boundaries exist on the effective date of the consolidation.

**WATER CODE
DIVISION 12. COUNTY WATER DISTRICTS
PART 9.2. DESERT VIEW WATER DISTRICT-BIGHORN MOUNTAINS WATER AGENCY
CONSOLIDATION**

Current through end of 1997-98 Reg. Sess. and 1st Ex. Sess.

§ 33304. Operation under Bighorn Mountains Water Agency Law

Subject to San Bernardino County Local Agency Formation Commission terms and conditions to a consolidation of the Desert View Water District and the Bighorn Mountains Water Agency, the board of directors of a consolidated successor district shall operate under and pursuant to the Bighorn Mountains Water Agency Law (Chapter 1175 of the Statutes of 1969).

**WATER CODE
DIVISION 12. COUNTY WATER DISTRICTS
PART 9.2. DESERT VIEW WATER DISTRICT-BIGHORN MOUNTAINS WATER AGENCY
CONSOLIDATION**

Current through end of 1997-98 Reg. Sess. and 1st Ex. Sess.

§ 33305. Application of § 31012

Section 31012 applies to a county water district consolidated with the Bighorn Mountains Water Agency.

WATER CODE
DIVISION 12. COUNTY WATER DISTRICTS
PART 9.2. DESERT VIEW WATER DISTRICT-BIGHORN MOUNTAINS WATER AGENCY
CONSOLIDATION

Current through end of 1997-98 Reg. Sess. and 1st Ex. Sess.

§ 33306. Disposition of actions or proceedings pending Desert View water district or Bighorn Mountains water agency

Any and all actions or proceedings pending by or against either the Desert View Water District or the Bighorn Mountains Water Agency may be prosecuted to final judgment for or against those entities, or the consolidated successor district may be substituted as a party. After the effective date of the consolidation, no action or proceeding shall be brought for or against the Desert View Water District or the Bighorn Mountains Water Agency, but shall instead be prosecuted by or against the consolidated successor district.

BIGHORN-DESERT VIEW WTR AGENCY
CHECK REGISTER
OCTOBER 31, 2012

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
12554	10/05/12	AKLUFU AND WYSOCKI LEGAL SEPT 2012	495.00
12555	10/05/12	AT&T MOBILITY COMMUNICATIONS EXP	102.84
12556	10/05/12	BURRTEC WASTE & RECYLING SVCS TRASH FEE OCT 2012	79.92
12557	10/05/12	CLINICAL LABORATORY OF URANIUM, IRON, GROSS ALPHA PLATE CT, BACT TEST, GEN PHYS HALO, THM	483.00
12558	10/05/12	DEPT OF PUBLIC HEALTH WATER SYSTEM FEE 070111-063012	6,744.69
12559	10/05/12	INLAND WATER WORKS INVENTORY & FIELD SUPPLIES INVENTORY FIELD MATERIALS	396.26
12560	10/05/12	KRIEGER & STEWART, INC DISTRICT ENGINEER CONSULTING B3/B4 Reservoirs JUNE 2012 - AUG 2012	7,171.90
12561	10/05/12	MICHAEL MCBRIDE 2012 CSDA CONF EXPENSES	88.00
12562	10/05/12	OASIS OFFICE SUPPLY SHIPPING CHG FOR 2 METERS SUPPLIES	21.65
12563	10/05/12	UNDERGROUND SERVICE ALERT DIG ALERTS, 59 TICKETS	88.50
12564	10/05/12	VALLEY INDEPENDENT PRINTING BADGES-LSHELTON & GBLANTON	37.71
12565	10/05/12	VERIZON CALIFORNIA AUTO CONTROLS & PHONES	598.80
12566	10/05/12	XEROX CORPORATION LEASE PAYMENT 09/13-10/12 3 OF 60	215.39
12578	10/17/12	ACWA/JPIA ACWA/JPIA HEALTH BENEFITS 11/01/12-12/01/12	706.80
12579	10/17/12	AVALON URGENT CARE INC. DMV PHYSICAL CLASS A LICENSE RENEWAL - D REWAL	75.00
12580	10/17/12	CLINICAL LABORATORY OF PLATE CT, BACT TEST, GEN PHYS	123.00
12581	10/17/12	DESERT FIRE FIRE EXTINGUISHER MAINT	540.57
12582	10/17/12	DISCOUNT TIRE CENTERS 2012 DODGE 6959 TIRE REPAIR	204.05
12583	10/17/12	GOODSPEED DISTRIBUTING INC UNLEADED FUEL GREASE, OIL & DRUMS	2,202.48
12584	10/17/12	HUNTER CONSULTING, INC (HCI) ASBESTOS PIPE DISPOSAL	17,273.26

BIGHORN-DESERT VIEW WTR AGENCY
CHECK REGISTER
OCTOBER 31, 2012

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
12585	10/17/12	INLAND WATER WORKS INVENTORY FIELD MATERIAL	158.60
12586	10/17/12	McCALL'S METERS, INC METER FLOW TEST - CUSTOMER	80.81
12587	10/17/12	PITNEY BOWES PURCHASE POWER MAILNG EXP, ORCHID FEST MAILNG	1,000.00
12588	10/17/12	PAY-ONLINE---PROTECTION ONE OFFICE 4TH QTR 2012 SHOP 09/26/12-10/25/12 SHOP 10/26/12-11/25/12	230.90
12589	10/17/12	SDRMA SDRMA MED BENEFITS NOV 2012 ORCHID FESTIVAL INS, ADD DODGE REMOVE FORD F-150 3930	1,680.66
12590	10/17/12	USDA RURAL DEVELOPMENT BH BOND INTEREST PAYMENT	15,699.99
12591	10/17/12	VALLEY INDEPENDENT PRINTING BUSINESS CARDS-GBLANTON, LSHELTON, MCOBIN	185.87
12609	10/31/12	FIRST CHOICE REALTY BALANCE RFND ACCT# 0301903	97.25
12610	10/31/12	GEORGE C TR PRICE BALANCE RFND ACCT# 1004474	21.85
12611	10/31/12	HARRY JOHNSON BALANCE RFND ACCT# 0306108	77.47
12612	10/31/12	INC SELECT REALTY SERVICES BALANCE RFND ACCT# 0109195	90.13
12613	10/31/12	INLAND WATER WORKS INVENTORY INVENTORY FIELD MATERIALS SAMPLING STATION #1 - <i>New location</i>	1,907.45
12614	10/31/12	JOSE ALVARO RAUL SILVA BALANCE RFND ACCT# 0900487	22.39
12615	10/31/12	MAID TO ORDER SVC JEMEZ & MTG ROOM 10/13/12 SVC JEMEZ 10/27/12	221.00
12616	10/31/12	MOJAVEWIFI.COM LLC INTERNET NOV 2012	95.00
12617	10/31/12	OFFICE DEPOT OFFICE SUPPLIES OFFICE SUPPLIES OFFICE SUPPLIES	363.55
12618	10/31/12	PITNEY BOWES GLOBAL FINANCIAL QRTLY LEASE 08/10/12-11/10/12	174.59
12619	10/31/12	RICHARDS, WATSON & GERSHON LEGAL FEES SEPT 2012 RICHARDS, WATSON & GERSHON	65.00
12620	10/31/12	RUBY LOWREY BALANCE RFND ACCT# 1001483	54.76
12621	10/31/12	SOUTHERN CALIFORNIA EDISON POWER EXP SEPT 2012	5,192.32
12622	10/31/12	VERIZON CALIFORNIA	

BIGHORN-DESERT VIEW WTR AGENCY
CHECK REGISTER
OCTOBER 31, 2012

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		AUTO CONTROLS & PHONES	606.93
12623	10/31/12	WHITE NELSON DIEHL EVANS LLP	
		2012 GOV TAX SEMINAR, GBLANTON	275.00
12624	10/31/12	XEROX CORPORATION	
		LEASE PAYMENT 10/13-11/12	
		4 OF 60	215.39
12625	10/31/12	CLINICAL LABORATORY OF	
		PLATE CT, BACT TEST	
		BACT TEST	113.00
12626	10/31/12	COUNTY OF SAN BERNADINO	
		DUMP FEES	63.21
12627	10/31/12	ELLESS ELECTRIC	
		REPLACE PHOTOCELLS BH OFFICE	160.00
		TOTAL	66,501.94

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11/15/12

[Signature]

GENERAL FUND

ASSETS

CASH & CASH EQUIVALENTS

01 13120	CASH UNION BANK OF CA	51,435.46
01 13130	CASH CASH DRAWERS BASE FUND	750.00
01 13400	CASH PETTY CASH FUND	800.00

TOTAL CASH & CASH EQUIVALENTS		52,985.46

INVESTMENTS

01 13303	LAIF UNENCUMBERED CASH FUND	636,629.97
01 13306	LAIF-BASIC FACILITIES CHGS	27,196.00
01 13307	LAIF-CUSTOMER DEPOSITS	50,000.00
01 13309	LAIF EMERGENCY CONTINGENCIES	50,000.00
01 13310	LAIF REPLACE & REFURBISH FUND	50,000.00
01 13311	LAIF ENCUMBERED FOR PROJECTS	85,900.00

TOTAL INVESTMENTS		899,725.97

ACCOUNTS RECEIVABLE, WATER

01 13710	A/R WATER	147,459.91
01 13950	2009-2010 LIEN RECEIVABLE	23,798.91
01 13951	2010-2011 LIEN RECEIVABLE	20,316.97
01 13952	2011-2012 LIEN RECEIVABLE	36,120.31

TOTAL ACCTS RECEIVABLE, WATER		227,696.10

ACCOUNTS RECEIVABLE, OTHER

01 13902	LANDSTROM UPGRADE 629-051-56	(312.05)

TOTAL ACCTS RECEIVABLE, OTHER		(312.05)

INVENTORIES

01 14301	INVENTORY-WATER SYSTEM PARTS	62,006.29

TOTAL INVENTORY		62,006.29

PREPAID EXPENSES

01 14401	PREPAYMENTS WORKERS COMP INSUR	1,064.00
01 14402	PREPAYMENTS PL & PD LIAB INS	18,562.83

TOTAL PREPAID EXPENSES		19,626.83

FIXED ASSETS

01 11130	FA ORGANIZATION	336,271.36
01 11130 01	ACCUMLATED DEP ORGANIZATION (91,136.97)
01 11135	FA LAND	12,507.94
01 11140	FA LAND & BUILDINGS	294,654.63
01 11150	FA YARDS	52,957.71
01 11160	FA FUELS TANKS	16,604.30
01 11170	FA WATER SYSTEM	7,865,319.10
01 11180	FA SHOP EQUIPMENT	41,327.36

GENERAL FUND

01 11181	FA MOBILE EQUIPMENT	450,975.49
01 11190	FA OFFICE EQUIPMENT	118,404.74
01 11400	ACCUMULATED DEPRECIATION	(5,473,043.88)
01 14501	JV WELL	177,095.85

TOTAL FIXED ASSETS	3,801,937.63
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WORK IN PROGRESS (FOR OTHERS)

TOTAL WORK IN PROGRESS (OTHERS)	0.00
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WORK IN PROGRESS (AGENCY)

01 12005	WIP EPA GRANT	515,454.19
01 12044	PRV 13 REFURBISH	955.33
01 12047	C-BOOSTER STATION PUMP REPLACE	1,130.87
01 12048	FRONT ENCLOSURE	2,719.86

TOTAL WORK IN PROGRESS (AGENCY)	520,260.25
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DEBT ISSUANCE COST

TOTAL DEBT ISSUANCE COST	0.00
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TOTAL ASSETS	5,583,926.48
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LIABILITIES

ACCOUNTS PAYABLE

TOTAL ACCOUNTS PAYABLE	0.00
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ACCRUED PAYROLL

01 22910	ACCRUED EMPLOYEE COMP BALANCES	32,464.00
TOTAL ACCRUED PAYROLL	32,464.00	

CUSTOMER DEPOSITS

01 22540	UNCLAIMED FUNDS	144.35
01 22550	CUSTOMER DEPOSITS PENDING	900.00
01 22600	CUSTOMER DEPOSITS	55,841.39

TOTAL CUSTOMER DEPOSITS	56,885.74
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WORK IN PROGRESS DEPOSIT

TOTAL WORK IN PROGRESS DEPOSIT	0.00
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LIAB PYBL FRM RESTRICTD ASSETS

TOTAL LIAB PYBL FRM REST ASSET	0.00
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GENERAL FUND

LONG TERM DEBT

01 21101	REVENUE BONDS PAYABLE - DV	260,977.05
01 22300	REVENUE BONDS PAYABLE - BH	628,000.00

TOTAL LONG TERM DEBT		888,977.05
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TOTAL LIABILITIES	978,326.79
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EQUITY

01 30109	CONTRIBUTED CAPITAL/HUD	291,035.88
01 30111	FMHA GRANTS	758,297.76
01 31000	FUND BALANCE	3,080,243.52
01 31001	FUND BALANCE FEMA & OES	427,895.00
01 31111	CURR YEAR NET REVENUE/EXPENSE	48,127.53

TOTAL EQUITY	4,605,599.69
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TOTAL LIABILITIES & EQUITY	5,583,926.48
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STATEMENT OF REVENUE AND EXPENSE
PERIOD ENDING 10/31/12

GENERAL FUND

		BUDGET	REV OR EXP THIS MONTH	REV OR EXP YEAR TO DATE	AVAILABLE	YTD % OF BUDGET
		-----	-----	-----	-----	-----
REVENUE						

OPERATING REVENUE						
01 41000	SERVICE LINE INSTALLATION FEES	1,255.00	0.00	1,320.00	-65.00	105.18%
01 41001	BASIC FACILITIES CHARGE	4,098.00	0.00	4,098.00	0.00	100.00%
01 41100	INCOME METERED WATER	372,808.00	45,088.00	174,290.10	198,517.90	46.75%
01 41300	BASIC SERVICE CHARGE	578,325.00	49,265.35	198,444.65	379,880.35	34.31%
01 41400	INCOME METERED BULK WATER	46,318.00	3,227.05	18,866.87	27,451.13	40.73%
01 41700	INCOME OTHER (OPERATING)	37,200.00	476.50	12,080.75	25,119.25	32.48%
01 41700 01	ORCHID FESTIVAL	0.00	120.00	120.00	0.00	0.00%
		-----	-----	-----	-----	-----
	TOTAL OPERATING REVENUE	1,040,004.00	98,176.90	409,220.37	630,783.63	39.35%
NON-OPERATING REVENUE						
01 49100	GA02 GEN LEVY IMP DIST A BH	52,100.00	0.00	1.08	52,098.92	0.00%
01 49101	DA01 DEBT SRVC IMP 1 (BH BOND)	175,900.00	0.00	10.39	175,889.61	0.01%
01 49102	GA01 GENERAL TAX LEVY (BDV)	52,100.00	0.00	1.16	52,098.84	0.00%
01 49103	INCOME REVENUE BONDS DV FMHA	48,825.00	8,320.95	16,657.28	32,167.72	34.12%
01 49200	INTEREST INCOME	2,800.00	0.00	792.35	2,007.65	28.30%
		-----	-----	-----	-----	-----
	TOTAL NON-OPERATING REVENUE	331,725.00	8,320.95	17,462.26	314,262.74	5.26%
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	TOTAL REVENUE	1,371,729.00	106,497.85	426,682.63	945,046.37	31.11%
EXPENSE						

OPERATIONS EXPENSE						
01 54102	OPERATIONS COMPENSATION	151,538.00	13,013.35	51,755.79	99,782.21	34.15%
01 54103	UNIFORMS	2,150.00	0.00	380.53	1,769.47	17.70%
01 54105	AUTO CONTROLS	2,640.00	424.56	857.62	1,782.38	32.49%
01 54106	VEHICLE/TRACTOR/EQUIP EXPENSE	5,000.00	204.05	2,475.99	2,524.01	49.52%
01 54107	VEHICLE EXPENSE - FUEL	18,000.00	2,071.37	8,657.49	9,342.51	48.10%
01 54109	FIELD MATERIALS & SUPPLIES	20,000.00	2,476.73	9,156.83	10,843.17	45.78%
01 54111	WATER TESTING	6,850.00	520.00	1,760.98	5,089.02	25.71%
01 54112	CONTRACTUAL SERV- ENGINEERING	65,000.00	7,171.90	8,121.90	56,878.10	12.50%
01 54114	WATER SYSTEM REPAIRS	25,000.00	933.12	933.12	24,066.88	3.73%
01 54115	BUILDING MAINTENANCE/REPAIR	7,500.00	1,232.39	4,122.19	3,377.81	54.96%
01 54119	COMMUNICATIONS EXPENSE	1,500.00	102.84	750.25	749.75	50.02%
01 54121	DISINFECTION EXPENSE	4,500.00	0.00	1,015.38	3,484.62	22.56%
01 54125	POWER WELLS & PUMPS	63,000.00	4,233.71	13,617.88	49,382.12	21.62%
01 54130	OTHER OPERATIONS EXPENSES	16,500.00	24,081.16	24,681.16	-8,181.16	149.58%
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	TOTAL OPERATIONS EXPENSE	389,178.00	56,465.18	128,287.11	260,890.89	32.96%
BULK SYSTEM EXPENSE						
01 55001	PUMPING PLANT EXPENSE	6,500.00	610.73	1,575.45	4,924.55	24.24%

STATEMENT OF REVENUE AND EXPENSE
PERIOD ENDING 10/31/12

GENERAL FUND

	BUDGET	REV OR EXP THIS MONTH	REV OR EXP YEAR TO DATE	AVAILABLE	YTD % OF BUDGET
	-----	-----	-----	-----	-----
01 55002 BULK OPERATIONS & MAINTENANCE	5,000.00	0.00	0.00	5,000.00	0.00%
TOTAL BULK SYSTEM EXPENSE	11,500.00	610.73	1,575.45	9,924.55	13.70%
ADMINISTRATIVE EXPENSE					
01 56001 DIRECTOR FEES	16,000.00	1,000.00	3,600.00	12,400.00	22.50%
01 56002 DIRECTOR MEETING EXPENSES	0.00	0.00	-33.56	0.00	0.00%
01 56002 01 DIRECTOR MCBRIDE	4,200.00	638.00	638.00	3,562.00	15.19%
01 56002 02 DIRECTOR CORL-LORONO	4,200.00	0.00	91.59	4,108.41	2.18%
01 56002 03 DIRECTOR LARSON	4,200.00	0.00	0.00	4,200.00	0.00%
01 56002 04 DIRECTOR BURKHART	4,200.00	0.00	85.00	4,115.00	2.02%
01 56002 05 DIRECTOR STALEY	4,200.00	0.00	91.59	4,108.41	2.18%
01 56003 ADMINISTRATIVE COMPENSATION	245,494.00	17,544.74	67,170.90	178,323.10	27.36%
01 56005 ADMINISTRATIVE MEETING EXPENSE	1,000.00	0.00	85.00	915.00	8.50%
01 56006 CONTRACTUAL SERV-AUDITOR	30,000.00	0.00	12,836.00	17,164.00	42.79%
01 56007 CONTRACTUAL SERV-LEGAL	30,000.00	495.00	2,722.50	27,277.50	9.08%
01 56008 PERS CONTRIBUTION	41,000.00	3,103.98	13,429.34	27,570.66	32.75%
01 56009 PAYROLL TAXES	12,400.00	965.57	2,659.22	9,740.78	21.45%
01 56011 TELEPHONE/FAX/INTERNET/WEB	7,500.00	863.03	2,061.12	5,438.88	27.48%
01 56012 MAILING EXPENSES	11,500.00	274.59	1,949.18	9,550.82	16.95%
01 56014 CONTRACTUAL SERV-OTHER	19,100.00	644.70	3,244.17	15,855.83	16.99%
01 56016 PROPERTY/LIABILITY EXPENSE	27,000.00	2,370.35	9,251.33	17,748.67	34.26%
01 56017 WORKERS COMP INSURANCE	6,500.00	532.00	2,473.75	4,026.25	38.06%
01 56018 DUES & SUBSCRIPTIONS	9,630.00	88.50	776.52	8,853.48	8.06%
01 56020 POWER OFFICES & YARDS	5,600.00	560.02	1,919.74	3,680.26	34.28%
01 56022 BAD DEBT EXPENSE	2,000.00	0.00	419.47	1,580.53	20.97%
01 56025 PROPANE	1,800.00	0.00	0.00	1,800.00	0.00%
01 56030 OFFICE SUPPLIES	4,500.00	373.41	806.21	3,693.79	17.92%
01 56030 01 PAPER & INK	4,000.00	0.00	368.60	3,631.40	9.22%
01 56100 EMPLOYEE BENEFITS INSURANCE	94,090.00	1,311.25	26,578.68	67,511.32	28.25%
01 56101 FLEXIBLE SPENDING ACCOUNT	0.00	22.43	-44.89	0.00	0.00%
01 56103 PLAN PARTICIPATION FEE	0.00	1.56	-3.23	0.00	0.00%
01 56104 SUPPLEMENTAL LIFE	0.00	7.99	-15.92	0.00	0.00%
01 56105 DISABILITY INS	0.00	11.28	-22.52	0.00	0.00%
01 56110 EMPLOYEE EDUCATION	3,500.00	275.00	654.00	2,846.00	18.69%
TOTAL ADMINISTRATIVE EXPENSE	593,614.00	31,083.40	153,791.79	439,822.21	25.91%
TOTAL OPERATING EXPENSE	994,292.00	88,159.31	283,654.35	710,637.65	28.53%
NON-OPERATING EXPENSE					
01 56200 OFFICE EQUIPMENT EXPENSE	3,500.00	0.00	856.90	2,643.10	24.48%
01 56300 CUSTOMER RELATIONS	6,000.00	912.88	1,051.46	4,948.54	17.52%
01 56400 OTHER ADMINISTRATIVE EXPENSES	3,500.00	298.58	869.84	2,630.16	24.85%
01 57000 INTEREST EXPENSE - BH BONDS	0.00	15,699.99	13,082.99	0.00	0.00%
01 57100 DEPRECIATION EXPENSE	0.00	17,519.94	74,394.14	0.00	0.00%
01 59100 INTEREST EXPENSE - DV BONDS	0.00	0.00	4,520.42	0.00	0.00%
01 59400 GAIN (LOSS) ASSET DISPOSAL	0.00	-2,125.00	125.00	0.00	0.00%

STATEMENT OF REVENUE AND EXPENSE
PERIOD ENDING 10/31/12

	GENERAL FUND			
	BUDGET	REV OR EXP THIS MONTH	REV OR EXP YEAR TO DATE	YTD % OF BUDGET
TOTAL NON-OPERATING EXPENSE	13,000.00	32,306.39	94,900.75	-81,900.75 730.01%
TOTAL EXPENSE	1,007,292.00	120,465.70	378,555.10	628,736.90 37.58%
NET REV/EXP GENERAL FUND	364,437.00	-13,967.85	48,127.53	316,309.47 13.21%

Prepared By 983
Date 11/15/12
Reviewed By [Signature]

**SOURCES & USES OF FUNDS STATEMENT
GENERAL ACCOUNT (UNION BANK)**

Oct-12

SOURCES OF FUNDS:

SERVICE LINE INSTALLATION FEES	
BASIC FACILITIES CHARGE	
A/R - WATER	93,982.70
MISCELLANEOUS REVENUE	1029.84
1% GENERAL TAX	
BIGHORN AD VALOREM TAX	
CUSTOMER DEPOSITS	1,900.00
AMES REIMBURSEMENT (MWA)	
ADMIN COMP	1,694.00
 TOTAL	 <u><u>98,606.54</u></u>

USE OF FUNDS:

A/R WATER & OTHER	444.66
CAPITAL PURCHASES (EPA GRANT)	65.00
FRONT ENCLOSURE	
INVENTORY PURCHASES	1,300.33
PREPAIDS	290.19
INTEREST EXP - BOND	15,699.99
PAYMENTS FOR SALARIES & WAGES	34,697.90
OPERATIONS EXPENSES	41,957.59
ADMINISTRATIVE EXPENSE	6,744.18
EFT ADMINISTRATIVE EXPENSE	1,579.84
TRANSFER FROM LAIF	
 TOTAL	 <u><u>102,779.68</u></u>

Prepared By GB
Date 11/15/12
Reviewed By mt

**UNION BANK OF CALIFORNIA
DISBURSEMENTS OCT 2012**

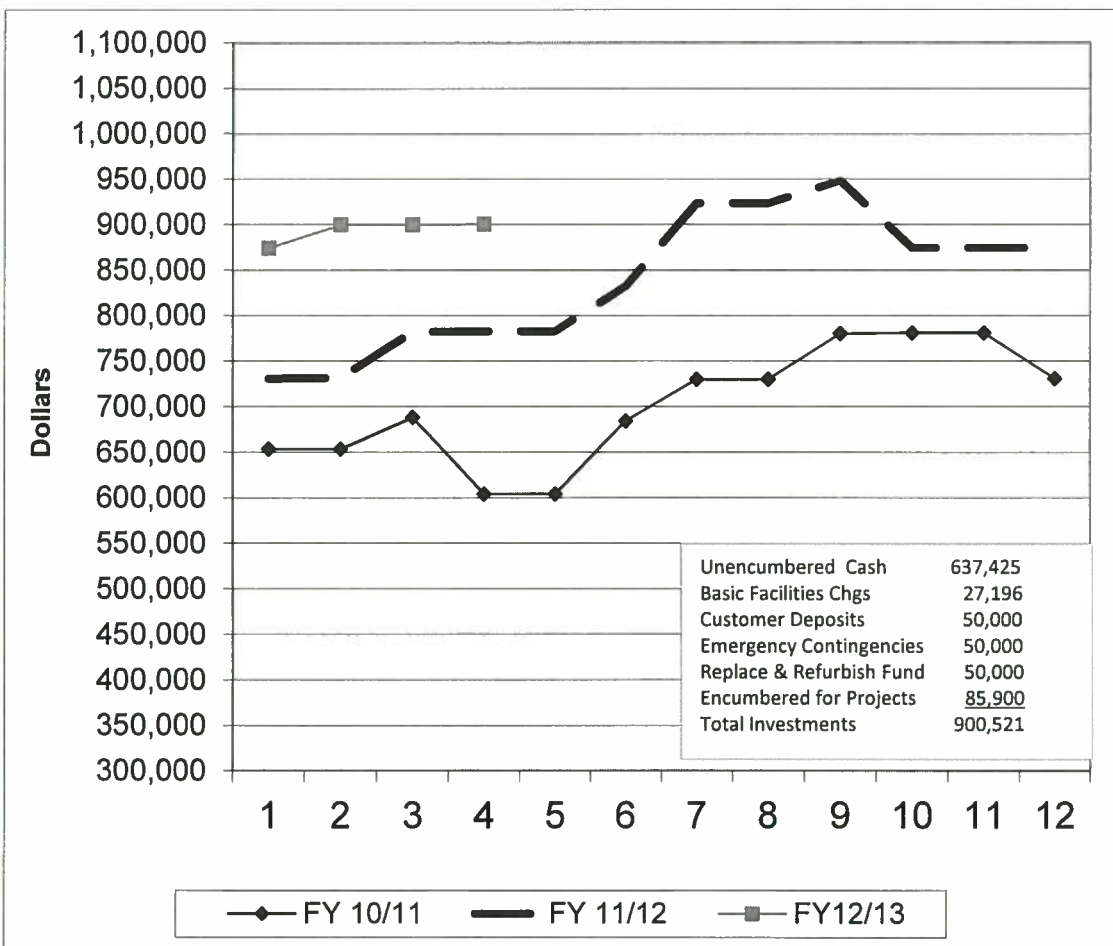
Datastream Check Register	<u>66,501.94</u>	<u>66,501.94</u>
EFT for Vendor Services		
Bank Fees	213.92	
First National Bank of Omaha	803.46	
Cintas (Sept paid in Nov)	-	
American Fidelity	562.46	
Total EFT for Vendor Services		<u>1,579.84</u>
Wages for Paydate 10/11/12		
State & Fed Taxes plus PERS Paid	5,924.54	
Payroll checks 12567-12573 & 12576-12577	11,071.31	
Director Per Diem ck 12574-12575	<u>188.70</u>	
		<u>17,184.55</u>
Wages for Paydate 10/25/12		
State & Fed Taxes plus PERS Paid	5,929.55	
Payroll checks 12592-12598 & 12604-12605	10,829.00	
Director Per Diem 12599-12603	<u>754.80</u>	
		<u>17,513.35</u>
Transfers to LAIF	<u> </u>	<u>-</u>
Total Disbursements		<u><u>102,779.68</u></u>

Prepared By g3
Date 11/15/12
Reviewed By mk

Local Agency Investment Fund Balance Timeline

Balance as of

	FY 10/11	FY 11/12	FY 12/13
July	653,168	730,685	873,934
August	653,168	731,593	899,726
September	688,168	781,593	899,726
October	604,025	782,302	900,521
November	604,025	782,302	
December	684,025	832,302	
January	729,762	923,069	
February	729,762	923,069	
March	779,762	948,069	
April	780,685	873,934	
May	780,685	873,934	
June	730,685	873,934	



DATE: November 1, 2012
TO: Marina West
FROM: Michelle Corbin
RE: Consumption & Billing Comparison October 2012

Consumption

Residential- North- Bighorn		
	Meters	Usage (c.f.)
Book 1	148	0
Book 2	181	0
Book 3	162	140
Book 4	151	0
Book 5	128	0
Book 6	137	0
Total	907	140

Bulk -Kickapoo, Well 4, Cherokee		
	Meters	Usage (c.f.)
Book 30	41	14,283
Book 31	6	5,637
Book 32	4	7,490
Total	51	27,410

Bulk - Well 10		
	Meters	Usage (c.f.)
Book 33	51	14,974
Total	51	14,974

Residential- South- Desert View		
	Meters	Usage (c.f.)
Book 7	164	213,766
Book 8	176	321,204
Book 9	188	355,133
Book 10	177	272,928
Book 11	191	269,784
Total	896	1,432,815

Construction Meters		
	Meters	Usage (c.f.)
Book 40	1	50,180
Total	1	50,180

Billed Consumption	1,525,519
Non Billed Usage	145,968
Total Consumption	1,671,487

Active Residential Meters	1,803
Active Bulk Meters	98
Total Active Meters	1,901

Billing Comparison

Statistics

	This Year OCTOBER 2012	Last Year OCTOBER 2011	Difference OCTOBER (Less)
Total Customer Accounts	995	1,007	(12)
Usage in Cubic Feet	1,525,519	1,354,649	170,870
Percentage Increase/(Decrease)			13%

Revenues

Water Revenues	48,849.50	43,063.83	5,785.67
Basic Service Charge	49,265.35	49,115.93	149.42
Miscellaneous	430.00	405.55	24.45
Delinquent Charges	1,446.43	1,592.34	(145.91)
Total Operating Revenues	99,991.28	94,177.65	5,813.63

Debt Service Revenues (pass through)

FMHA **	8,320.95	8,292.17	28.78
Total Debt Service Revenues	8,320.95	8,292.17	28.78

Additional Information Regarding Pass Through Revenues

** FMHA annual debt service of \$41,150 divided over 6 months equals \$6,858

Total Charges (Proof)	108,312.23	102,469.82	5842.41
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Date: 11/1/12
 To: Marina West
 From: Lily Shelton
 Subject: Service Order Report For October 2012

	J	A	S	O	N	D	J	F	M	A	M	J	YTD
After Hours Call	5	4	9	2									
Maint. Bulk Station (New	0	0	0	2									
Close Account	12	24	29	14									
Customer Service	4	7	5	9									
Customer Leak	0	0	1										
Destroy Service Line	1	0	0										
Exchange Meter	0	3	4	12									
Fire Flow Test	0	0	0										
Flush Deadend/Blowoffs	0	0	2										
Hangtag (not 48 hour)	3	16	6	8									
Install New Service	0	1	0										
Leak Response	6	9	5	2									
Lock-Off Service	12	11	31	15									
Repair Mainline	1	0	1										
Miscellaneous	19	12	21	14									
Office Repairs	3	1	0										
Open New Service	12	24	29	14									
Pressure Complaint	0	0	1										
Pull Meter	0	0	0										
Read Meter	0	2	3	8									
Repair Service Line	14	9	11	9									
Replace Service Line	0	0	1	1									
Reread Meter	22	19	12	8									
Safety Meeting (New Ca	1	1	0	4									
Tamper	1	1	0	1									
Taste/Odor Complaint				2									
Unlock Service	11	17	14	14									
Valve Maintenance	1	0		1									
Verify Meter Locked	4	2	10	2									
Well Repairs	0	3	0	1									
Water Issues **	0	0	0										
Hydrant Maint.	27	30	0	33									
Water Test		0	4										
TOTAL	159	196	199	176									730

Fire Hydrant Maintenance and Overhaul activities began in November 2010

** Includes Water Quality (taste, odor, color) as well as high or low pressure concerns.



DATE: 11/1/2012
TO: Board of Directors
FROM: Kit Boyd
RE: OCTOBER

	<u>Cubic Feet</u> <u>Pumped</u>	<u>Total Gallons</u> <u>Pumped</u>	<u>Average</u> <u>GPM</u>	<u>Total</u> <u>Running Time</u>	<u>acre feet</u>
Well 2	690	5,161	#DIV/0!	0	0.02
Well 3	270,240	2,021,395	381	88.4	6.20
Well 4	0	0	#DIV/0!	0	0.00
Well 6	243,720	1,823,026	433	70.1	5.60
Well 7	316,970	2,370,936	362	109.1	7.28
Well 8	241,900	1,809,412	922	32.7	5.55
Well 9	496,700	3,715,316	669	92.6	11.40
Well 10	13,430	100,456	49	34.3	0.31
Total	1,583,650	11,845,702			36.36

Well 2 Bac T sample only, all water discharged to waste after passing through flow meter.

Well 4 is in "inactive" status with the Department of Public Health

A Boosters	77,530	579,924	101	95.7
C Boosters	373,900	2,796,772	303	180.8
Total	451,430	3,376,696		

Bighorn-Desert View Water Agency

Board of Directors

Michael McBride, President
Judy Corl-Lorono, Vice President
David Larson, Secretary
Terry Burkhart, Director
J. Dennis Staley, Director

Marina D West, PG, General Manager



A Public Agency

Agency Office

622 S. Jemez Trail
Yucca Valley, CA 92284-1440

760/364-2315 Phone
760/364-3412 Fax

www.bdvwa.org

BOARD OF DIRECTORS' SPECIAL MEETING MINUTES

BOARD MEETING OFFICE
1720 N. Cherokee Trail, Landers, CA 92285
Tuesday, October 16, 2012 - 6:00 p.m.

CALL TO ORDER

Meeting convened by Board President Michael McBride at 6:00 p.m.

PLEDGE OF ALLEGIANCE

Led by Mike Lipitz.

ROLL CALL

Directors Present:

David Larson
Judy Corl-Lorono
Michael McBride
Terry Burkhart
J. Dennis Staley

Staff Present:

Marina West
Michelle Corbin

APPROVAL OF AGENDA

Motion to approve the agenda.

MSC¹ (Corl-Lorono/Burkhart) unanimously approved.

REQUEST FOR BILLING ADJUSTMENT "LEAK RELIEF" FROM OWNERS LOCATED AT APN 629-281-42

General Manager West gave a brief staff report.

Mr. and Mrs. Latham addressed the BOD to explain the reasons why they are requesting "Leak Relief".

MOTION NO. 12-071

(After brief Board discussion), Director Larson made a motion to reduce the bill \$200.00 and give the customer payment plan arrangements, interest free for 6 months. Vice President Corl-Lorono seconded the motion.

MSC¹ (Larson/Corl-Lorono) unanimously approved.

SDRMA NO PAID WORKERS' COMPENSATION CLAIMS AND NO PAID PROPERTY/LIABILITY CLAIMS IN 2011-12

President McBride reviewed correspondence from Special Districts Risk Management Authority (SDRMA) acknowledging the efforts of the Agency in No Paid Workers' Compensation and No Paid Property/Liability Claims for 2011-2012. President McBride stated he is proud of the Agency Staff.

No public comment.

No Motion- Information Only

AMES/RECHE GROUNDWATER STORAGE AND RECOVERY PROGRAM – RIGHT OF WAY GRANT CACA-50962, OFFERED BY BUREAU OF LAND MANAGEMENT FOR THE CONSTRUCTION, OPERATION AND MAINTENANCE OF FACILITIES ON FEDERAL LAND

General Manager West gave the staff report. Upon receiving the right-of-way grant she noticed there were some errors. The only significant change reduces the permitted area granted from 17.3 to approximately 7 acres. This change will reduce the cost of the 30 year rent of the Right-of-Way Grant from \$50,104.62 to \$19,994.28. Mojave Water Agency will reimburse the agency for costs incurred to execute the 30 year lease.

Vice President Corl-Lorono questioned the monitoring fees.

President McBride questioned the monitoring program. He wanted to know how often, what test are done, and who do we report to?

GM West responded that the monitoring program was approved by all the entities involved and is very similar to the existing program in place for the Ames Agreement and will be executed by Mojave Water Agency.

No Public Comment

MOTION NO. 12-072

(After brief Board discussion), Director Burkhart made a motion that upon receipt of revised document reflecting reduced project dimensions, authorize General Manager to execute Right-of-Way Grant/Temporary Use Permit, Serial Number CACA-50962 for construction, operation and maintenance of the Ames/Reche Groundwater Recharge Facilities; and Authorize payment of rents for a period of up to 30 years at a cost not to exceed \$20,000. Vice President Corl-Lorono seconded the motion.

MSC¹ (Burkhart/Corl-Lorono) motion carried.

AMENDING THE EMPLOYEE HANDBOOK – DISCUSSION ITEM ONLY

General Manager West gave a brief presentation beginning with a history of the organizational structure since 2008. GM West proposes eliminating the position of Board Secretary/Personnel Administrator and replace with Account Technician/Customer Service Representative I/II/III.

On the water distribution side, West is suggesting that the Agency eliminate the supervisor position and replace all field job descriptions with the proposed Water Distribution Operator I/II/III. The amended handbook also recommends that the range and step scale be modified with each step being reduced from 5% to 2.5%, and steps increased per range from 7 to 11.

After a brief Board discussion the Board concurred with the proposed modifications. The Resolution for adoption will be brought back for formal action by the Board.

No public comment.

No Motion – Discussion Item Only

Adjourned for a Break at 7:05 p.m. - Reconvened from Break at 7:17 p.m.

RESOLUTION 12R-30 – ADOPTING THE WATER INFRASTRUCTURE RESTORATION PROGRAM ADDENDUM NO. 2 IN COMPLIANCE WITH CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

General Manager West gave the staff report.

MOTION NO. 12-073

(After brief Board discussion), Vice President Corl-Lorono made a motion to adopt Resolution No. 12R-30 – Adopting the Water Infrastructure Restoration Program: Ames/Reche Groundwater Storage and Recovery Program; and Pipeline Installation/Replacement Project Mitigated Negative Declaration – Addendum Ames/ Reche Groundwater Storage and Recovery Program (Addendum No. 2). Director Burkhart seconded the motion.

Roll Call Vote:

Ayes:	McBride, Corl-Lorono, Larson, Burkhart, Staley
Nays:	None
Abstain:	None
Absent:	None

MSC¹ (Corl-Lorono/Burkhart) motion carried.

DISBURSEMENTS AUGUST AND SEPTEMBER 2012

No Public Comment.

MOTION NO. 12-074

Vice President Corl-Lorono made a motion to approve the Disbursements (Check Register - Payment of Bills) for August and September 2012. Director Burkhart seconded the motion.

MSC¹ (Corl-Lorono/Burkhart) unanimously approved.

CONSENT ITEMS

- a. Financial Statements August and September 2012
 1. Balance Sheet
 2. Statement of Revenue and Expense
 3. General Account (Union Bank)
 4. Disbursements
 5. Local Agency Investment Fund Balance Timeline
- b. Consumption & Billing Comparison Report, August and September 2012
- c. Service Order Report, August and September 2012
- d. Production Report, August and September 2012
- e. Regular Board Meeting Minutes, August 28, 2012
- f. Special Board Meeting Minutes, September 13, 2012
- g. Consider Authorizing Attendance to the 2012 ACWA Fall Conference and Exhibition December 4-7, 2012 at an estimated cost of \$2304.00 per Director (includes December 3 travel day).
- h. Consider Authorizing Attendance to ACWA Regions 9 and 10 Joint Program, "The Future of California Water: What's in Store and How to Prepare" October 19, 2012 in Riverside, California at an estimated cost of \$150 per Director.
- i. Approve Final Invoice for Disposal of Asbestos Cement Pipe in the Amount of \$17,273.26 (Increase of \$4,238.26).

- j. Consider Resolution No. 12R-31 Establishing an Agency Injury and Illness Prevention Program (IIPP) recommended by FPREP
- k. Motion to Cancel December 25, 2012 Regular Board of Director Meeting.

No Public comment.

MOTION NO. 12-075

Director Staley made a motion to approve consent items a – k with the exception of items g and j. The motion was seconded by Director Larson.

MSC¹ (Staley/Larson) unanimously approved.

MATTERS REMOVED FROM CONSENT ITEMS

Item g. Consider Authorizing Attendance to the 2012 ACWA Fall Conference and Exhibition, December 4 -7, 2012 at an estimated cost of \$2304.00 per Director (includes December 3 travel day).

No Public Comment

MOTION NO. 12-076

(After brief Board discussion), Director Burkhart made a motion to approve consent items g Authorizing Attendance to the 2012 ACWA Fall Conference and Exhibition December 4-7, 2012. The motion was seconded by Director Larson.

MSC¹ (Burkhart/Larson) unanimously approved.

Item j. Consider Resolution No. 12R-31 Establishing an Agency Injury and Illness Prevention Program (IIPP) recommended by FPREP Committee.

No Public Comment

MOTION NO. 12-077

(After brief Board discussion), Director Staley made a motion to Consider Resolution No. 12R-31 establishing an Agency Injury and Illness Prevention Program (IIPP) with specific format changes making the document less personalized. The motion was seconded by Director Burkhart.

MSC¹ (Staley/Burkhart) unanimously approved.

PUBLIC COMMENT PERIOD

No public comment.

VERBAL REPORTS

General Manager West reported that the third quarter sampling of Well 2 and 3 for gross alpha and uranium continues to demonstrate compliance. Also Well 10 sampling for elevated Iron demonstrates compliance and notifications are not required.

Director Staley reported that he had recently attended the Orchid Festival and suggested that in the future the Agency have a water conservation display. He also reported on the Mojave Water Agency Technical Advisory Committee Meeting and the Homestead Valley Community Council Meeting.

Vice President Cori-Lorono reported on the Orchid Festival and the Mojave Water Agency Pipeline Commission Meeting.

Director Burkhart reported on the Morongo Basin Conservation Association Desert Wise Lecture Series.

FUTURE AGENDA ITEMS

Approved XX-XX-2012

No future agenda items.

ADJOURNMENT - President McBride adjourned the meeting at 8:05 p.m.

Approved by:

David Larson, Secretary of the Board

MSC¹ – Motion made, seconded, and carried.

Pending Board Approval