

Bighorn-Desert View Water Agency



Board of Directors

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

Marina D West, PG, General Manager

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A Public Agency

www.bdvwa.org

BOARD OF DIRECTORS' SPECIAL MEETING MINUTES

BOARD MEETING OFFICE
1720 N. Cherokee Trail, Landers, CA 92285
Tuesday, November 19, 2013 – 6:00 p.m.

CALL TO ORDER

Meeting convened by Board President Michael McBride at 6:00 p.m.

PLEDGE OF ALLEGIANCE

Led by Ms. Adams

ROLL CALL

Directors Present: Michael McBride
 Judy Corl-Lorono
 Terry Burkhart
 J. Dennis Staley
 J. Larry Coulombe

Staff Present: Marina West
 Michelle Corbin

Vice President Corl-Lorono made a motion to approve the Agenda with moving item 10 into the number 6 spot. Director Burkhart seconded the motion.

APPROVAL OF AGENDA

Motion to approve the agenda.

MSC¹ (Corl-Lorono/Burkhart) unanimously approved.

PRESENTATION OF THE AGENCY FINANCIAL AUDIT FOR FISCAL YEAR 2012-2013

Ken Al-Iman of Mayer Hoffman McCann P.C. presented his report of the financial audit for fiscal year 2012-2013. Mr. Al-Iman explained he will only be giving his opinion on the Basic Financial Statements of the Annual Financial Report. At year end the Basic Financial Statements showed 744K in cash and investments and Agency revenues exceeded Agency expenses by 294K. Mr. Al-Iman commented that both of these items were indicators of financial strength.

The operating revenues remained unchanged from the prior fiscal year. The Agency held its expenses in line with budget levels from the prior year.

The audit is focused on amounts reflected in the financial statements and the accounting records that support these amounts. Audit tests prescribed by the auditing standards were performed. These tests are designed to identify significant misstatements in agency accounting records. Mr. Al-Iman stated he had no difficulties in performing the audit and there were no disagreements with management with respects to financial reporting matters. Therefore the audit is "unqualified".

Public comments:

Anonymous asked about the difference between two of the awards the Agency has received.

Anonymous commended General Manager West and the staff on how she has turned this district around.

MOTION NO. 13-078

(After brief Board discussion), Director Burkhart made a motion to receive and file the Agency Financial Audit for fiscal year 2012-2013 conducted by Mayer Hoffman McCann P.C.. Vice President Corl-Lorono seconded the motion.

MSC¹ (Burkhart/Corl-Lorono) unanimously approved.

CSA 70/W-1 REORGANIZATION UPDATE

General Manager West gave the staff report. West reminded the Board this item has been a long standing goal identified in the 2012 and 2013 board strategic planning workshops. Due to a recent rate increase imposed on the ratepayers of CSA 70-Zone W-1 (Goat Mountain/Landers), the popularity of a possible merge into Bighorn-Desert View Water Agency (BDVWA) has increased. Several CSA 70-Zone W-1 (Goat Mountain/Landers) customers have approached staff with a request to approach the BDVWA Board of Directors with their concerns.

Vice President Corl-Lorono addressed the audience and welcomed their comments.

Resident of Landers and customer of CSA 70-Zone W-1 (Goat Mountain/Landers), Mike Lipsitz spoke. Mr. Lipsitz stated he and others had recently accumulated 170 signatures against the CSA 70-Zone W-1 (Goat Mountain/Landers) rate increase. This did not meet the minimum number for a successful protest and the rate increase ultimately passed. More recently he and other residents have collected 60-65 signed (informal) petitions in favor of consolidation of CSA 70-Zone W-1 (Goat Mountain/Landers) into the Bighorn-Desert View Water Agency.

Points of concern Mr. Lipsitz shared with the Board included the need for their community to have a water provider that understands the demographics of its customers. He explained how his neighbors sincerely struggle to survive and how the overall cost of water can have a negative impact on their quality of life (referring to the recent increase of their rates). BDVWA has shown that it can turn around a struggling water agency and he sees no reason why he and his neighbors, customers of CSA 70-Zone W-1 (Goat Mountain/Landers), should not benefit from the same management BDVWA demonstrates.

Mr. Lipsitz had recently spoken with an entity that had undergone reorganization to separate from County Special Districts. What surprised this entity the most was "how much more efficiently they were able to run the operation compared to the County Special Districts".

John Reese a customer of CSA 70-Zone W-1 (Goat Mountain/Landers) stated his water bill went up 100% since the rate increase earlier that year. He also requested clarification on how the merger would affect his property tax bill. In speaking with fellow area residences, he feels there is misinformation on the topic of property tax fees for the various portions of Landers.

GM West explained the differences between the various tax assessments and their uniqueness to each region of Landers. West also reminded the audience that decisions regarding CSA 70-Zone W-1 (Goat Mountain/Landers) would include community input.

Anonymous, who identified herself as a customer of CSA 70-Zone W-1 (Goat Mountain/Landers) stated the distance between her residence in Landers and the CSA 70-Zone W-1 (Goat Mountain/Landers) business office in Victorville attributes to the hardship of paying her bill on time.

Anonymous questioned the transparency of CSA 70-Zone W-1 (Goat Mountain/Landers). He described his frustration while attempting to get answers regarding both the CSA 70-Zone W-1 (Goat Mountain/Landers) budget and their rate increase justifications.

Ken Ballou, a twelve-year resident of Landers expressed his concern with the CSA 70-Zone W-1 (Goat Mountain/Landers) rate increase. Mr. Ballou stated he feels completely helpless and would appreciate a merger with Bighorn-Desert View Water Agency.

Vice President Corl-Lorono, a member of the W-1 Reorganization Ad Hoc Committee stated she and Director Staley will continue to work towards accumulating information on this possible merger. She also thanked the speakers for their participation.

Director Staley, also a member of the W-1 Reorganization Ad Hoc Committee expressed his appreciation for those who attended this meeting.

MOTION NO. 13-079

(After brief Board discussion), Vice President Corl-Lorono made a motion directing staff to investigate and accumulate information to bring back to the board regarding a possible merger with CSA 70-Zone W-1 (Goat Mountain/Landers). The motion was seconded by Director Burkhart.

MSC¹ (Corl-Lorono/Burkhart) unanimously approved.

Adjourned for a Break at 7:00 p.m. - Reconvened from Break at 7:17 p.m.

AWARD PROFESSIONAL SERVICES CONTRACT TO POWERSTUDIES.COM TO COMPLETE ARC FLASH STUDIES AT ALL AGENCY FACILITIES AT A COST NOT-TO-EXCEED \$15,100

General Manager West gave the staff report. The Arc Flash Study was part of last fiscal year's project list. Our engineering firm, Krieger & Stewart, does not have staff qualified to complete such a study and in lieu wrote the plans and specifications to solicit bids from engineering firms who were qualified. Powerstudies.com submitted the most responsive and lowest bid of the two proposals received and Krieger & Stewart has recommended award to Powerstudies.com.

GM West explained that six additional "duty letters" are required from Southern California Edison because equipment and thus arc flash potential is unique for each individual site. She is requesting the Board approve the contract to Powerstudies.com and authorize her to obtain the six additional "duty letters" from Southern California Edison.

Public comment:

Anonymous asked about the Arc Flash Study.

MOTION NO. 13-080

(After brief Board discussion), Vice President Corl-Lorono made a motion to authorize General Manager to execute Professional Services Contract with PowerStudies.com to perform an Arc Flash Hazard Study in accordance with the Request for Proposals dated 9/27/2013 in the amount not to exceed \$15,100; and authorize General Manager to obtain six (6) circuit duty

letters from Southern California Edison at a cost of \$2,400 to complete the Arc Flash Study project. Director Coulombe seconded the motion.

MSC¹ (Corl-Lorono/Coulombe) motion carried.

AUTHORIZE CHANGE ORDER NO. 1 (WORK ORDER 6B) TO WORK ORDER 6A: MANUAL TRANSFER SWITCH PROJECT AT A COST NOT-TO-EXCEED \$6,800 FOR BOTH ENGINEERING AND CONSTRUCTION MANAGEMENT SERVICES

General Manager West gave the staff report. The Agency Engineer was tasked with preparing plans and specifications for the installation of manual transfer switches at a number of sites so the agency would have operational flexibility in an emergency. At this time only one facility within the pressurized area of BDVWA can be operated with using a portable generator. During previous field work the engineers determined there would be additional costs. The engineers provided an explanation of changes that essentially focus on the plug-type (Cam-loc) that would have to be specified for operational flexibility.

No public comment.

MOTION NO. 13-081

(After brief Board discussion), Director Burkhart made a motion to authorize General Manager to execute Change Order No. 1 at Work Order No. 6A (WO6B) issued to Krieger and Stewart, Inc. for preparation of contract documents for equipping selected pumping plants/facilities with manual transfer switches necessary to utilize a portable generator at a total cost of \$5,100 (Phase I – Engineering) and \$13,000 (Phase II – Construction Management). Vice President Corl-Lorono seconded the motion.

MSC¹ (Burkhart/Corl-Lorono) unanimously approved.

RESOLUTION NO. 13R-15 A CODE OF CONDUCT FOR MEMBERS OF THE AGENCY BOARD OF DIRECTORS

General Manager West reported the board no longer acts by policy. The Code of Conduct was originally passed as a policy and staff is in the process of changing all polices to actions by resolution. Most of the language of the Code of Conduct is identical to the previous document. Some of the wording of this document has been updated to reflect the language found the new Senate Bill 246.

No public comment.

MOTION NO. 13-082

(After brief Board discussion), After Board discussion, Director Staley made a motion to adopt Resolution No. 13R-15 A Code of Conduct for the Members of the Agency Board of Directors. The motion was seconded by Director Coulombe.

MSC¹ (Staley/Coulombe) unanimously approved.

RESOLUTION NO. 13R-16 ESTABLISHING A POLICY FOR REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES FOR BOARD MEMBERS

General Manager West reported the Policy for Reimbursement of Actual and Necessary Expenses for Board Members should be in the form of a resolution. West noted changes to the Directors' Compensation List.

No public comment.

MOTION NO. 13-083

(After brief Board discussion), Director Staley made a motion to adopt Resolution No. 13R-16 Establishing a Policy for Reimbursement of Actual and Necessary Expenses for Board Members. Director Coulombe seconded the motion.

MSC¹ (Staley/Coulombe) unanimously approved.

DISBURSEMENTS SEPTEMBER 2013

MOTION NO. 13-084

Director Burkhart made a motion to approve the Disbursements (Check Register - Payment of Bills) for September 2013. Vice President Corl-Lorono seconded the motion.

MSC¹ (Burkhart/Corl-Lorono) unanimously approved.

CONSENT ITEMS

- a. Financial Statements September 2013
 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, September and October 2013
- c. Service Order Report, September and October 2013
- d. Production Report, September and October 2013
- e. Regular Board Meeting Minutes, September 24, 2013
- f. Adopt Resolution 13R-17, A Resolution of the Board of Directors of BDVWA Establishing Its Banking Policy with Union Bank.
- g. Resolution No. 13R-18, A Resolution of the Board of Directors of the BDVWA Authorizing Investment of Monies into the Local Agency Investment Fund.
- h. Adopt Resolution 13R-19, A Policy of the Board of Directors of BDVWA Outlining the Procedure for Accessing Public Documents.

No Public comment.

MOTION NO. 14-085

Vice President Corl-Lorono made a motion to approve consent items a - h. The motion was seconded by Director Burkhart.

MSC¹ (Corl-Lorono/Burkhart) unanimously approved.

PUBLIC COMMENT PERIOD

Ms. Adams thanked the Agency for their thoughts and cards she received while she was recuperating from her injuries.

Anonymous stated he is going to continue to gather petitions in favor of the merger.

Anonymous asked if the public will be welcome at the January Board of Director meeting.

VERBAL REPORTS

General Manager West reported the Landers Association is hosting a cleanup day for the residents of Landers free of charge. Residents are welcome to bring used tires, electronics and other large household items.

Director Burkhart reported on the Alliance for Water Awareness and Conservation (AWAC) meeting she had recently attended.

Vice President Corl-Lorono reported on meetings she had recently attended as a W-1 Reorganization Ad Hoc Committee member.

Director Staley reported that he had attended a meeting hosted by Mojave Water Agency for newly elected board members. Director Staley also reported on the Homestead Valley Community Council meeting where they discussed solar projects.

President McBride thanked the W-1 Reorganization Ad Hoc Committee members for their recent meeting attendance.

FUTURE AGENDA ITEMS

CSA 70 W-1

ADJOURNMENT - President McBride adjourned the meeting at 8:14 p.m.

Approved by:


Terry Burkhart, Secretary of the Board

MSC¹ – Motion made, seconded, and carried.