

Bighorn-Desert View Water Agency

Board of Directors

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



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Marina D West, P.G., General Manager

A Public Agency

www.bdvwa.org

FINANCE/PUBLIC RELATIONS/EDUCATION AND PERSONNEL STANDING COMMITTEE SPECIAL MEETING AGENDA

Agency Office
622 S. Jemez Trail, Yucca Valley CA 92284
Wednesday, July 16, 2014 - 8:00 a.m.
(Please Note Special Time & Place)

COMMITTEE MEMBERS: Michael McBride & J. Larry Coulombe

The BDVWA Finance/Public Relations/Education & Personnel Committee meeting will be conducted in strict compliance with the Brown Act. Members of the Board not assigned to this Committee who attend may do so only as observers and may not participate in the meeting.

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

DISCUSSION AND ACTION ITEMS - The Committee and Staff will discuss the following items and provide direction to staff, 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. **Long Term Capital Improvement Plan**
6. **Financial Utility Billing Software Upgrade**
7. **Update on the Integrated Regional Water Management Plan**

8. Update on the Dissolution of CSA 70/W-1 and Annexation to BDVWA

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

- a. Special FPREP Committee Meeting Report, March 19, 2014

10. PUBLIC COMMENT PERIOD

Any person may address the Committee 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 Committee from discussing or taking action on items not included on the agenda.

11. VERBAL REPORTS

- a. COMMITTEE MEMBERS' COMMENTS/REPORT
- b. GENERAL MANAGER'S REPORT

12. ITEMS FOR NEXT AGENDA

13. 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 STANDING COMMITTEE
FINANCE/PUBLIC RELATIONS/EDUCATION/PERSONNEL
AGENDA ITEM SUBMITTAL**

Meeting Date: July 16, 2014

To: Financial/PR/Education/Personnel Comm. **Budgeted:** Proposed Expenses
Board of Directors

From: Marina D. West

General Counsel Approval: N/A
CEQA Compliance: N/A

Subject: Long-Term Capital and Equipment Replacement Plan

SUMMARY

The attached list summarizes various capital programs/projects and equipment replacement that is envisioned for the future. The purpose in creating the list is to provide the Committee with a roadmap of activities that are or will be necessary overtime. Financial resources to accomplish these goals will come from rates and fees as well as grants and possibly loans.

This is a working document and does not provide a complete picture of timeline and costs but it does serve as a point of beginning for the annual budget process and long-term financial planning for capital replacement and refurbishment of equipment and facilities.

RECOMMENDATION

Information and discussion only

BACKGROUND/ANALYSIS

No further discussion provided.

PRIOR RELEVANT BOARD ACTION(S)

None

Fiscal Year 14/15 Proposed Projects

BIGHORN-DESERT VIEW WATER AGENCY
CAPITAL AND OTHER IMPROVEMENT PROJECTS BY TYPE

Project GL	Project Description	Funding	Amount	Grant Funding
OPERATIONS				
TBD	Replace 2010 Ford Ranger (High mileage, high maintenance pending) w/Dodge Ram 1500 4X4 or equal - MSRP plus equipment	FY14/15	\$28,750	
TBD	F250 Vehicle Upgrades to accommodate valve and other routine maintenance	FY14/15	\$5,000	
ADMINISTRATION				
56191	LAFCO 3181 - Annexation of CSA 70/W-1 (Goat Mountain Landers) MISC	FY14/15	\$1,500	
56191 01	Stanley R. Hoffman & Associates (LAFCO Application and Coordination)	FY14/15	\$2,000	
56191 02	Mapping CSA W1 Annex	Completed	\$0	
56191 03	Audit Services CSA W-1 Annex	Carryover	\$5,000	
56191 04	LAFCO Cost CSA W1 Annex	Carryover	\$9,850	
56192	Hazard Mitigation Plan (CalOES Grant)		\$22,470	\$25,000
56193	Ames Reche Final	Carryover	\$5,000	\$5,000
TBD	Replace outdated main server - Admin building FY14/15 (3rd /final phase of office computer hardware/software/copier upgrades)	FY14/15	\$4,500	
TBD	Upgrade financial and billing software (DataStream Software obsolete) - proposal under review	FY14/15	\$41,400	
	First full year (\$2,165/mo.)	FY14/15	\$25,984	
TOTAL EXPENSE			\$151,454	\$30,000
TOTAL EXPENSE (NET)			\$121,454	\$30,000

Capital Improvement Plan Goals

Project Name	Description	Status	Cost Est.	Notes (funding source, etc.)
Annexation of W-1 to BDVWA	Agency Board approved proposal to annex CSA 70/W-1 which, if successful, would increase the agency customer base by approx. 30% with 650 customer meters. Application is currently being processed by LAFCO. This project is identified in the IRWMP.	on-going	\$60,000	
Upgrade to Springbrook Software	Agency currently utilizes a financial, billing and payroll software that is quickly becoming obsolete. In addition, our computer server for the DataStream software is also aged. DataStream has partnered with Springbrook Software, an existing software package, rather than converting their software and entering the competitive market on their own.	FY14/15	\$110,000	
Hazard Mitigation Plan	Agency has received a grant from the California Office of Emergency Services to prepare a Hazard Mitigation Plan. The Plan will identify hazards and projects to minimize or eliminate the hazards. With this completed plan the Agency can seek outside funding for project implementation.	on-going	\$33,000	Cal OES grant of \$25,000 secured
Implement SCADA (Control System) for Operations	Agency has rudimentary automatic controls for its pumps and boosters however there is no way to monitor the system automatically, no data collection and storage and no alarms to operators. In addition, automation can be added that would enhance security at Agency facilities such as hatch alarms on the reservoirs. Lastly, the existing controls at various sites are old and parts are becoming obsolete. Staff is evaluating options for an automated control system in order to develop a recommendation to the Board. This project is identified in the IRWMP.		\$50,000	Evaluating Options for development of recommendation
Emergency Preparedness - Transfer Switches Building Maintenance	Agency has completed the design and contract specifications for manual transfer switches at a number of Agency facilities so that they can be operated with alternative, generator, power. Staff is currently seeking grant money for the construction of the project. This project is identified in the IRWMP.		\$150,000	Seeking Grant Money
Refurbish Administration Parking Lot	Paint exterior of three buildings. Parking lot at Administration Building needs refurbishment to maintain integrity.		\$50,000	Plan would be to complete over several fiscal years.
B Tank Drainage Control	Modifications to drainage pattern from B tanks to direct overflow water away from roadway. Operations staff currently has minimal climate controlled office space and would benefit from upgrades to the shop to accommodate additional computer workstations.			
Operations Staff Office Space	Agency experiences approximately 20% "unaccounted for" water which means more water is pumped than can be accounted for in consumption and operations. The Agency was encouraged to apply for a grant to conduct broadscale leak detection in order to assess if there is a problem with undetected leaks in the system. This would be useful to assist in developing a proactive approach to water loss management. This project is identified in the IRWMP.		\$80,000	Grant Application Submitted

"A" Booster Station Sanitary Upgrade	State Department of Public Health has recommended that the "A" booster pump station be reconfigured so that the booster pumps are not located below ground. They recommend that this change be implemented for sanitary purposes and it is suggested that the next time the station has to be refurbished that it be relocated. Staff concurs. This project is identified in the IRWMP.	\$25,000	Pumps are fairly new, upgrade needed in future
Well 4 Sanitary Upgrades, refurbishment	Agency completed an engineering evaluation of Well Nos. 2, 3, and 4 which are located in an area of elevated Uranium. IN addition, these well sites have other needed upgrades. However, the Agency does not need the total production capacity from all three wells. In order to reduce operating costs, staff would like to upgrade one well site and then inactivate the other wells to long term monitoring status. The engineers evaluation recommends that future efforts be directed at Well 4. Note: Uranium is currently below the Maximum Contaminate Level (MCL) and monitoring frequency has been reduced. This project is identified in the IRWMP.	FY15/16 \$250,000	
Engineered flood control at select mainline crossings	This is a project identified in the 2014 MWA Integrated Regional Water Management Plan (IRWMP).		Seeking funding opportunities
Well Rehabilitation (as needed)	As needed every 10-15 years. This project is identified in the IRWMP.		
Pump and Motor Replacement/Refurbishment (as needed)	As needed every 10-15 years. This project is identified in the IRWMP.		
Implement Renewable Energy Solutions (Solar) and/or Energy Demand Reduction	In an effort to reduce energy consumption the Agency is interested in developing solar power and reducing energy demand at all facilities to the extent possible. This project is identified in the IRWMP.		Ad Hoc Committee created to evaluate
Reservoir Refurbishment (as needed)	The Agency recoated two reservoirs in FY2012. The remaining reservoirs are in acceptable condition but refurbishment may be required in the future.		
Water Infrastructure Restoration Program (Master Plan)	This project underwent CEQA review in 2010 as it pertained to the Water Master Plan. The project is based on growth in the Agency. Currently growth is negligent so this project has been identified in the IRWMP.		
Johnson Valley Pressurized Water System	At the present time there is insufficient support to provide a pressurized water system so this project has been identified in the IRWMP.	\$40,000,000	Improvement District must be formed first
Uranium Treatment (if applicable)	Dept. of Public Health recommends that the Agency be prepared to treat for Uranium should levels exceed the MCL.		
Vehicle Replacement (as needed)	Replace field vehicles as needed.		
Backhoe Replacement	Replace heavy equipment as needed.		

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FINANCE/PUBLIC RELATIONS/EDUCATION AND PERSONNEL COMMITTEE SPECIAL MEETING REPORT

BOARD MEETING OFFICE
1720 N. Cherokee Trail, Landers, CA 92285
Wednesday, March 19 2014 - 9:00 a.m.

COMMITTEE MEMBERS: Michael McBride & J. Larry Coulombe

CALL TO ORDER

Director McBride called the meeting to order at 9:00 a.m.

PLEDGE OF ALLEGIANCE

Led by Judy Corl-Lorono

ROLL CALL

Directors: Michael McBride
J. Larry Coulombe

Staff: Marina West
Michelle Corbin

APPROVAL OF THE AGENDA

Director McBride and Director Coulombe approved the agenda as presented.

FY 2013/2014 BUDGET REVIEW – Review Status of fiscal year 2013/2014 Budget Revenue and Expenses through January 31, 2014.

General Manager West gave a brief power point presentation highlighting portions of the FY 2013/14 Agency budget through February 2014. Revenue from the basic service fees and water charges are on track for this fiscal year at about 58%. The non-operating portions of revenue such as the property tax levy and the Bighorn and Desert View bond debts are also on track.

On the expense side, the Agency is slightly above budget on operations and compensation due to overtime call-outs. Fuel costs are slightly higher than anticipated and maintenance costs to the fleet vehicles are also slightly over budget. Over-all, most line items are falling into place and West will have the FY 2014/15 draft budget available at the May 2014 FPREP Committee meeting for review.

Public comment:

Anonymous asked if the information presented today is available for the public.

West responded the monthly financial reports are located within the Board Agenda Packets. West also went over the Public Information Request process the public may use to obtain information.

REVIEW BOND DEBT SERVICE SCHEDULES FOR BIGHORN MOUNTAINS AND DESERT VIEW: Consider early debt retirement or refinance options

General Manager West reviewed the option of refinancing the Bighorn Mountains Debt with the Agency auditor. She reported the remaining principle payments add up to \$551,000 at 5% interest with a total of \$100,000 in interest. It's possible to get a three percent (3%) loan, however, the Agency cannot extend past the term of the original debt without going to the voters for a two-thirds approval. Therefore, the Agency can only refinance for the remaining seven (7) years. At three percent (3%) the Agency would save \$40,000 off of the \$100,000 in interest. After speaking with both the Agency auditor and the Mojave Water Agency, West has determined the cost of refinancing the bond would exceed the savings.

With regards to paying off the loan, West stated the \$326,000 available in unrestricted cash is earmarked for projects on the Agency priority list. Refund of Agency paid expenses from the Mojave Water Agency for the Ames/Reche project will not provide the Agency with the \$551,000 buffer needed to pay off this debt.

Most importantly, a portion of "operations and maintenance funding" comes through this debt instrument, therefore a loss in this revenue would have to be made up through rates and charges paid by the customers. West also noted an early pay off of this debt is not in line with the Agency's long term strategy.

Public comment:

Mr. Goslaw stated he is still concerned about the debt and admitted that he does not know the figures as well as the Agency does, but he would like to look into it further. He requested the committee take the option to pay it off to the full Board of Directors.

Chairperson McBride commented the people voted several years ago to accept forty (40) years of indebtedness and that at the time five percent (5%) interest was good.

The Committee considered the matter closed and did not recommend taking to the full Board.

**CONSIDER APPLICATION FOR GENERAL SERVICES ADMINISTRATION (GSA)
STATE AND FEDERAL SURPLUS PROPERTY PROGRAM**

General Manager West gave the staff report.

No public comment.

The Committee directed staff to bring the application to the full Board.

UPDATE ON STATUS OF CSA 70/W-1 REORGANIZATION

General Manager West reported the Agency has received resolutions from the Municipal Advisory Council and the Landers Association in support of the annexation. These resolutions will be included with the application to the Local Agency Formation Commission (LAFCO).

The draft application documents will be before the Bighorn-Desert View Water Agency Board at its next meeting. West also reported on the "island areas" which are to be treated as individuals at \$5,000 per piece. West intends to ask the Local Agency Formation Commission to combine these parcels with the larger land area, reducing the aforementioned cost.

No public comment.

**UPDATE ON MOJAVE WATER AGENCY INTEGRATED REGIONAL WATER
MANAGEMENT PLAN (IRWMP) – Review status of IRWMP and opportunities for
grant funding.**

General Manager West reported the Mojave Water Agency IRWMP has consolidated all small systems into one integrated program. The Bighorn-Desert View Water Agency is one of the small systems. Projects proposed by BDVWA include infrastructure emergency preparedness, solar projects, sanitary upgrades, leak detection and well rehabilitation.

Mojave Water Agency is working with the California Rural Water Association to help small systems prepare for mandatory operations and maintenance requirements of the State Department of Public Health.

No public comment.

CONSENT ITEMS

- a. Special FPREP Meeting Report, July 10, 2014

Public comment: No public comment.

Director McBride and Director Coulombe approved the report.

PUBLIC COMMENT PERIOD

No public comment.

VERBAL REPORTS

COMMITTEE MEMBERS' COMMENTS/REPORTS

No report.

GENERAL MANAGER'S REPORT

No report.

ITEMS FOR NEXT AGENDA

No items suggested.

ADJOURNMENT - Director McBride adjourned the meeting at 10:37 a.m.

Pending Committee Approval