

Bighorn-Desert View Water Agency



Board of Directors

J. Larry Coulombe, President
Michael McBride, Vice President
Judy Corl-Lorono, Secretary
J. Dennis Staley, Director
Terry Burkhardt, 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 Regular Meeting Agenda

Wednesday, September 21, 2016 - 9:00 a.m.

Board Meeting Office
1720 N. Cherokee Trail, Landers, CA 92285

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. Review Recommended Fees and Charges for Miscellaneous Services

6. Review Purchasing Policy

7. **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, May 18, 2016

8. 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.

9. Verbal Reports

- a. Committee Member Comments/Reports
- b. General Manager Report

10. 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.bdwa.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.

AGENDA ITEM # 5

**BIGHORN DESERT VIEW WATER AGENCY
FINANCE/PUBLIC RELATIONS/EDUCATION/PERSONNEL COMMITTEE
AGENDA ITEM SUBMITTAL**

Meeting Date: September 21, 2016

To: Board of Directors

Budgeted: N/A

Budgeted Amount: N/A

Cost: N/A

Funding Source: N/A

From: Marina D. West
Michelle Corbin

General Counsel Approval: Under Review

CEQA Compliance: N/A

Subject: Review Recommended Fees and Charges for Miscellaneous Services

SUMMARY

The Board has adopted various fees and charges for service that are regulated under the Mitigated Fee Act and not Proposition 218. These fees and charges should be reviewed from time to time to ensure that they are fair and reasonable.

Staff will review the existing or proposed fee categories with the Committee prior to making a recommendation to the full Board.

RECOMMENDATION

Committee to provide input to staff regarding proposed and existing fees and charges for services provided.

BACKGROUND/ANALYSIS

Staff will review with the committee the existing fees and the following proposed fees:

- Variance Processing Fee: Fee covers staff time to analyze requests for variance from Rules and Regulations and develop staff recommendation to the Board of Directors.
- Backflow Test Reminder Letter Fee: Sent to customers who fail to perform annual device testing and Agency is forced to send letters reminding customer of their obligation to annually test backflow devices.
- Demand letters, Mechanics Liens and Release of Mechanics Liens: Currently the Agency has no mechanism in place to cover pass through costs such as notary fees or County of San Bernardino processing fees to add or remove Mechanics Liens from the parcel.

PRIOR RELEVANT BOARD ACTION(S)

5/27/2014 Resolution No. 14R-07 Establishing Basic Facility Charge and Meter Installation Charge.

5/27/2014 Resolution No. 14R-08 Establishing certain fees and charges (lock off, after hours and construction meters).

12/2/2008 Resolution R8-15 Establishing certain fees and charges (fire flow, will serve letter and new account setup).

8/26/2003 Resolution No R03-12 Establishing return check and turn-on fees

AGENDA ITEM # 6

PUBLIC CONTRACT CODE

SECTION 21590-21591

21590. The provisions of this article shall apply to contracts by the Bighorn Mountains Water Agency, as provided for in Chapter 1175 of the Statutes of 1969.

21591. (a) Any improvement or unit of work, when the cost, according to the estimate of the engineer, will exceed twenty-five thousand dollars (\$25,000), shall be done by contract and shall be let to the lowest responsible bidder or bidders as provided in this article. The board shall first determine whether the contract shall be let as a single unit or divided into severable parts. The board shall advertise for bids by three insertions in a daily newspaper of general circulation or by two insertions in a weekly newspaper of general circulation printed and published in the agency, if there is a newspaper printed and published in the agency, inviting sealed proposals for the construction or performance of the improvement or work. The call for bids shall state whether the work shall be performed in one unit or divided into parts. The work may be let under a single contract or several contracts, as stated in the call. The board shall require the successful bidders to file with the board good and sufficient bonds to be approved by the board conditioned upon the faithful performance of the contract and upon the payment of their claims for labor and material. The bonds shall comply with Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code. The board may reject any and all bids and readvertise, or by a two-thirds vote may elect to undertake work by force account.

(b) If no proposals are received, or the estimated cost of the work does not exceed twenty-five thousand dollars (\$25,000), or the work consists of channel protection, maintenance work, or emergency work, the board may have the work done by force account without advertising for bids. In case of an emergency, if notice for bids to let contracts will not be given, the board shall comply with Chapter 2.5 (commencing with Section 22050).

(c) The agency may purchase in the open market without advertising for bids, materials and supplies for use in any work, either under contract or by force account; provided, however, that materials and supplies for use in any new construction work or improvement, except work referred to in subdivision (b), may not be purchased if the cost exceeds twenty-five thousand dollars (\$25,000), without advertising for bids and awarding the contract to the lowest responsible bidder.



BIGHORN-DESERT VIEW

WATER AGENCY

PURCHASING MANUAL

Revised
March 23, 2004

SECTION I - PURCHASING

A. APPROVAL REQUIREMENTS

The approval requirement for purchases is based on the total amount of the purchase as follows:

Dollar Amount	Supervisor	General Manager	Board
\$100 or less	X		
\$101 - \$1,500	X	X	
Above \$1,500	X	X	X

Transactions can not be split to get under the approval requirements.

The Agency shall not, enter into any direct business transaction of any kind with any member of the Board or an employee of the Agency or any company in which any member of the Board or an employee of the Agency has any financial interest.

B. PURCHASE ORDERS

The purchase order is the form used by the Agency to set the legal and contractual terms involved in purchases. The purchase order will also serve the additional purpose of a material requisition form. The purchase order binds the Agency and the vendor to fulfill the specified obligation.

The Agency will issue all purchase orders on the basis of competitive prices obtained by formal bid or informal quotations per the following guidelines:

1. \$100 - \$1,000 - Verbal quotes are appropriate but must be documented.
2. \$1,000 - \$25,000 - At least two written vendor quotations must be obtained and maintained in a permanent file. When written quotations cannot be obtained, documentation will be prepared describing who, what, where, when, and why a written quotation could not be obtained.

3. Above \$25,000 - Except in emergency situations outlined in section D and professional service contracts, purchases exceeding \$25,000 require advertised formal bids with awards made by the Board of Directors. Maximum competition must be sought by sealed bid. The bid will be publicly advertised and opened at the time and place designated.

Purchases obligated or agreements entered into by any Agency employee without the appropriate and proper approvals will not be honored for payment by the Agency.

The following is the procedure to be used when initiating a purchase order:

1. The requester submits a purchase order form filled out in triplicate. To be included on the form are the following items-
 - a) Description - Purchase orders submitted must have complete descriptions, sizes, colors, stock numbers, brand names, model numbers, quantity, etc.
 - b) Pricing Information - Price information must include all applicable costs including, handling, tax, delivery fees, deposits, etc.
 - c) Account Numbers - The appropriate account number, job number, or work order number for each item will be indicated on the requisition.
 - d) Requested by- The person requesting spending authorization shall sign the purchase order.
2. The purchase requisition is reviewed by the Supervisor for its appropriate need and to determine if the required information has been provided. The Supervisor may return the purchase requisition to the requester if sufficient information has not been provided. The purchase order is then signed by the supervisor.
3. The purchase order is then assigned a purchase order number and signed by Finance after verifying the account number(s) and the availability of funds in the account number(s). The purchase order is returned to the Supervisor and when all appropriate signatures and approvals are obtained the purchase may be made.
4. The three part purchase order is distributed as follows-

- a) Vendor (white) copy is faxed to the vendor
- b) Finance (yellow) copy is retained by Finance for internal records.
- c) Receiving (pink) copy is returned to the Requestor and used to verify receipt of purchases.

5. All invoices, packing slips and attending paperwork will be immediately forwarded to Finance once received. All packing lists shall be "checked" for all items received, signed and dated by the party receiving the merchandise.

6. All purchase requisitions requiring Board approval must be submitted no later than seven days prior to the next Board meeting to allow time for review, appropriate signatures, and Board packet preparation.

C. EMERGENCY PURCHASES

Emergency purchases are the exception to the above procedures and are those purchases requiring immediate action as the result of unforeseen circumstances. Such purchases should be held to an absolute minimum. An emergency is defined as a situation which results from the occurrence of an event that if not immediately attended to could lead to impairment of the health, safety, or public welfare of the community. A common type of emergency is the failure of equipment which could lead to a public health hazard. Emergency purchases over \$1,500 must be ratified by the Board of Directors at the next regular Board meeting.

Appropriate paperwork, documentation, and approvals must be processed on emergency purchases within three working days after the purchase.

D. SOLE SOURCE PURCHASES

Sole source purchases are seldom justified and are discouraged. A sole source purchase must be documented as to why only one supplier is acceptable. This documentation, normally furnished by the requesting department, will be verified by the Supervisor who is responsible for the requesting department and approved by the General Manager prior to the purchase. It is important to verify that the reason for a sole source purchase is based on facts and not personal preference.

E. PETTY CASH PURCHASES

The basic premise for petty cash purchases is that it is less expensive to pay for small, non-repetitive purchases with cash than with a check. The maximum

individual petty cash expenditure allowed is \$20.00. Any request/purchase over \$20.00 must be approved by the General Manager or must be accompanied by appropriate purchase order authorization. Transactions cannot be split to utilize petty cash rather than the standard purchasing procedure.

F. CAPITAL OUTLAY PURCHASES

Approved capital outlay purchases are contained in the final approved budget. All requests to realign capital expenditures due to a change in priorities, emergencies, or unforeseen expenditures will be submitted in written form to the General Manager for approval. Capital outlay requests requiring a change to the budget will be submitted by the General Manager to the Board of Directors for approval.

G. PURCHASE ORDER CHANGES (Change Orders)

Change orders are issued to correct, change, or supplement a purchase order and are only issued by the General Manager. To process a change order, the original requester will submit a corrected purchase order to their Supervisor referencing the purchase order that is being changed and the nature of the change. Change orders resulting in additional expenditures are subject to the appropriate approval level identified in section A.

H. PURCHASE ORDER/INVOICE DISCREPANCIES

Any discrepancy between the original purchase order and the vendor invoice will be investigated by the Supervisor and the following will apply:

1. Discrepancies of less than \$25.00, the Supervisor's approval to pay will be sufficient for payment processing.
2. Discrepancies of more than \$25.00, the Supervisor will recommend to the General Manager the action to be taken considering the approval levels identified in section A.

I. NO SUBSTITUTE ITEMS

No substitute means there is only one acceptable product to perform the function required by the requesting department. No substitute items tend to reduce competition and increase cost and should be requested sparingly. Justification for a no substitute item will be prepared by the requesting department and attached to the purchase requisition. Vendors will not be listed as "No Substitute".

J. BLANKET PURCHASE ORDERS

Blanket purchase orders may be used when the Agency purchases repetitive specified services or items, or families of items from the same vendor over an extended period of time, or on a monthly basis, or when multiple shipments are required. Blanket purchase orders are used to obtain more favorable pricing through volume commitments.

A blanket purchase order is prepared using the formal purchase order process and shall include the following:

1. Period to be covered.
2. Cancellation clause.
3. Items and/or family of items covered.
4. Maximum purchase authorization.
5. Terms and billing arrangements.
6. A list of personnel authorized to purchase.

Authorized personnel who purchase items on a blanket purchase order will obtain a receipt and forward it to their department Supervisor for signature. The department supervisor shall forward the signed receipt to Finance. Any changes required on a blanket purchase order will require a new purchase order being prepared listing the requested changes and approval by the General Manager. Upon expiration of any blanket purchase order, the General Manager may reissue the blanket purchase order, after requesting re-verification of the items to be purchased and the personnel authorized to make purchases.

K. CENTRALIZED PURCHASING EXCEPTION

All purchases of materials, goods and services by the Agency are valid only if procured with an authorized purchase order according to policies and procedures contained herein. Purchase orders will not be required for the following:

1. Travel reimbursements.
2. Prepaid travel expenses, registration, hotels, air fare, seminars and meetings, etc.
3. Temporary labor services.

4. Utilities.

5. Contracts or letter agreements approved by the General Manager or Board of Directors.

6. Meal reimbursements.

7. Professional service contracts.

8. Petty cash purchases under \$20.

All exceptions are subject to the General Manager's approval.

AGENDA ITEM # 7

Bighorn-Desert View Water Agency

Board of Directors

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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, May 18 2016 – 4:30 p.m.

Committee Members: Michael McBride & Larry Coulombe

Call to Order

Director McBride called the meeting to order at 4:30 a.m.

Pledge of Allegiance

Led by Director Staley

Roll Call

Directors: Director McBride
Director Staley (Director Coulombe absent with prior notice.)

Staff: Marina West

Approval of the Agenda

Director McBride and Director Staley approved the agenda as presented.

Review Draft Budget for Fiscal Year 2016/2017

General Manager West gave the staff report beginning with possible rate increases via the Proposition 218 process. West discussed the various outstanding bond debts that will soon retire which may also include an early payoff of the Mojave Water Agency Bond Debt.

West discussed with the Committee a possible projected budget expense increase of 3.5% per year beginning with the fiscal year 2017/2018. West also mentioned the cost

of employee medical expenses that are continuing to rise each year and that the medical insurance rates have not stabilized.

West discussed the standby charges for the Goat Mountain Territory as well as the challenges to enact standby fees for Bighorn and Desert View.

The Committee discussed the percentage increases of the basic service charge and water rates for the rate increase.

Water sales are above budget this year due to construction meters. West said she is uncomfortable including possible construction water sales as part of the future budget income.

Field staff is reducing cost with their service line replacement program and is looking to increase water sales with a meter exchange program.

West also discussed short term water sales to Hi Desert Water District and how a rate increase would benefit the Agency. The Committee considered the various rate increase structures and requested the item be brought to the full Board of Directors.

No public comment.

The Committee directed staff to bring the budget to the next Board of Directors Meeting for possible adoption.

Consent Items

- a. Regular FPREP Meeting Report, January 20, 2016

Public comment:

Director McBride and Director Staley approved the report.

Public Comment Period

No public comment.

Verbal Reports

Committee Member Comments/Reports

No reports.

GENERAL MANAGER'S REPORT

No report.

Adjournment - Director McBride adjourned the meeting at 6:12 p.m.