



# **BIGHORN-DESERT VIEW WATER AGENCY**

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

## **Finance/Public Relations/Education and Personnel Standing Committee Special Meeting Minutes Committee Members: President McBride & Director Coulombe**

**BOARD MEETING OFFICE  
1720 N. CHEROKEE TR.  
LANDERS, CALIFORNIA 92285**

**November 20, 2019  
Time – 8:30 A.M.**

### **Call to Order**

President McBride called the meeting to order at 8:33 A.M.

### **Pledge of Allegiance**

Led by John Burkhart

### **Roll Call**

Directors:                   Michael McBride  
                                      Larry Coulombe

Staff:                         Marina West  
                                      Seth Kish

### **Approval of the Agenda**

*President McBride and Director Coulombe approved the agenda as presented. Passenger*

### **Review of Existing Agency Fees and Proposed Fees for Future Adoption**

General Manager West gave her report to the Committee. The Agency will be making changes to the Rules and Regulations and also the fee structure as the Agency prepares for the requirements of SB998 (Dodd, 2018) Discontinuation of Residential Water Systems: Urban and Community Systems. Some of the proposed changes the Agency will make are: Lock off notification via phone, which would have a proposed fee of \$0.00. This phone notification system provides 10,000 calls at a cost of \$0.45 each per batch with two year rollover. Lock-off notifications that need to be hand-delivered to the residence would have a proposed fee of \$35.00. Actual lock-off would be fee of \$35.00. The Agency's current unlock fee is \$40.00, this fee would be lowered to \$35.00. After hours unlocks would increase from \$50.00 to \$100.00 due to SB998 mentioning that if a payment is made after hours, the customer is entitled to an unlock after hours. The reason this fee would increase to \$100.00 to cover actual costs. Finally, a payment plan set-up fee is needed at a proposed cost of \$10.00. Some of the other proposed changes to Agency Fees would be: Deposit on 1-in bulk, deposit on construction meters, non-negotiable bank returns (NSF), account set-up fee and delinquent fees that would be applied to accounts on the 20<sup>th</sup> day of the month. Other administrative proposed fee changes would include: Backflow test reminder letters increasing from \$10.00 to \$35.00 and finally the termination of water service fee which would increase from \$300.00 to \$660.00.

President McBride mentioned that he was comfortable with bringing these new fees to the next Board meeting to be reviewed by the Board for approval.

An anonymous member of the public was questioning how the public would be informed of these new fee changes. GM West responded that the Agency would release a newsletter to inform customers of the coming changes as well as sending the change notice through a mail-out included in the customer bills.

**Review of Proposed Rules and Regulations for Water Service Including Language Compliant with SB 998 Dodd. Discontinuation of Residential Water Service: Urban and Community Water Systems**

General Manager West gave her report to the Committee. The Agency Rules and Regulations need to be brought back to the Board in order to update and clarify regulations for water service as well as language that is compliant with SB998. GM West reviewed the proposed changes. The Agency would also need to translate the newly added Article 13 Discontinuation in five (5) different languages which include Spanish, Korean, Chinese, Vietnamese and Tagalog. The cost of translating the newly added Article 13 to these five (5) different languages could cost the Agency approximately \$7500.00. GM West reviewed the Policy SB998 compliance which includes discontinuation of water, alternative payment arrangements, appeals, and restoration of service. GM West mentioned that the Agency cannot disconnect a customer if they meet three (3) specific conditions. 1.) Health conditions, if the customer or tenant submits proof that discontinuation of water service would be life threatening or pose a serious threat to the health and safety of said customer. 2.) Financial inability, if the customer demonstrates he/she is financially unable to pay for water service. 3.) Willingness to enter into an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payments. GM West continued, if a customer does not meet those three (3) conditions and are stating they are "low income", the law states that the Agency must provide the policy but still has full authority to decline any request for payment arrangements. The Agency will make a decision based on a number of different factors such as looking into the customer's account history, if the customer has a leak the Agency could help by setting up a payment plan and if the customer is having a little trouble with paying the Agency could decide to give a short term payment plan. Customers are also provided an additional chance to appeal the bill just before lock-off. GM West also went over the new payment system the Agency has established in order to comply with SB998.

**Adjourned to break at 9:46 AM – Reconvened from break at 9:55 AM**

**CalPERS Unfunded Liability - Funding Options**

General Manager West gave her report to the Committee. At the September 18, 2019 FPREP Committee meeting staff discussed the Agency's unfunded liability (UAL) in the CalPERS retirement system with an unfunded liability balance of \$721,272.00. The Committee requested further information on how the Agency could address the liability. GM West explained that the Agency can take a few different approaches to managing the unfunded liability. These approaches would be: Continue to pay UAL annually in lump sum which saves the Agency 7% in interest if paid monthly, pay off the "side fund" of approximately \$54,000.00 which would have an interest savings of approximately \$15,000.00, pay off any of the line item "bases". The next option would be considered a "fresh start" option which would reduce the terms of payments to ten (10) or fifteen (15) years. The last option would be a "115 Trust" which would allow cash set aside for VAL to be invested outside CalPERS and allowing increased flexibility in investment types which could earn higher interest than currently paid by the Local Agency Investment Fund (LAIF). The Committee agreed to take this matter back to the next FPREP meeting on January 15, 2019. GM West also reported on a CalPERS seminar from 8:00 AM-12:00 PM on December 12, 2019 at Cucamonga Valley Water. GM West extended an invite to the Committee and anyone else on the Board that would like to come.

**Discuss Possible Implementation of Water Consumption Usage Tiers**

General Manager West gave her report to the Committee. GM West was asked to look into possible implementation of water consumption tiers. The reason for the tier systems is the uneven usage of water between customers. GM West went over the different rates that other water Agencies have to give an example of what our Agency could expect and she also went over different customer usage in the area so the Committee could see the difference between higher usage and lower usage.

**Review of Existing and Proposed Organizational Chart for Future Adoption**

General Manger West gave her report to the Committee. The last time the Agency looked at the Organizational Chart to authorize a change was in 2017 which was to add a grant writer which has since been eliminated. The Agency is currently operating under a structure that works and GM West brought this proposed Organizational Chart to the Committee to get feedback and answer any questions the Committee might have.

**Consent Items**

- a. FPREP Committee Special Meeting Minutes, September 18, 2019

No Public Comments

*President McBride and Director Coulombe approved the minutes as presented.*

**Public Comment Period**

No public comment

**Verbal Reports**

No Verbal Reports

**Adjournment** – President McBride adjourned the meeting at 10:55 A.M.

Approved by:

*Michael McBride, Committee Chair*



Official Seal