



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 Special Committee Meeting Minutes

Committee Members: Director McBride & Director McKenzie

**BOARD MEETING OFFICE
1720 N. CHEROKEE TR.
LANDERS, CALIFORNIA 92284**

**November 19, 2020
Time – 4:00 P.M.**

**PUBLIC AND BOARD WISHING TO PARTICIPATE REMOTELY
TELECONFERENCE LINE THRU ZOOM 669-900-6833
OR**

Join Zoom Meeting

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/84724316176?pwd=aHpOcGdXZ3hDNkVURFRkdWsxZzQyZz09>

Passcode: 686316

Or Dial:

1-669-900-6833

Webinar ID: 847 2431 6176

Passcode: 686316

Please note that all requirements of the Brown Act requiring the physical presence of the board or staff have been waived per Executive Order N-29-20

CALL TO ORDER

Director McBride called the meeting to order at 4:00 pm.

PLEDGE OF ALLEGIANCE

Led by John Burkhart

ROLL CALL

Directors Present: Chairman McBride
Director McKenzie

Staff Present: Marina West
Cindy Byerrum, CPA – Consultant to the Agency – via teleconference
Jordan Taylor, Consultant, NBS Government Finance
Kim Boehler, Director NBS Government Finance – via teleconference

Public Present: 0 member(s) of the public indicated they were participating via teleconference.
1 members of the public were present in the meeting room.

APPROVAL OF AGENDA

Chairman McBride and Director McKenzie approved the Agenda as presented.

Discussion and Action Items

1. Public Workshop – Water Capacity Fee (Connection Fee) Study

GM West introduced Jordan Taylor and Kim Boehler of NBS Government Finance to give the presentation on Capacity Fee. Jordan went through a PowerPoint presentation providing background on development of a capacity fee. She noted that the Agency staff and consultants felt the “buy-in” method as opposed to the two other methods that can also derive a capacity fee. These models for capacity fee development are AWWA standards.

The model shows a justified cost of \$14,154 for a 1-inch meter. This is the maximum amount that the Board could charge. They could go lower and raise up over a series of years but it was explained that technically this number should be increased every year by the Consumer Price Index at a minimum to keep up with inflation.

Staff and consultants answered questions from the Committee and ultimately were directed to bring the matter before the full Board for consideration and possible adoption in accordance with the provisions of the Mitigation Fee Act.

2. Public Workshop No. 3 - Review Proposed Options for Variable and Fixed Charge Increases Planned for the Prop. 218 Process in Preparation for Fiscal Year 2021/2022 Rate Increase

Jordan Taylor, Consultant, NBS Government Finance gave the presentation on fixed and variable charges including Alternative D requested by the Committee at the October meeting.

The presentation reviewed how the financial plan is created based on Operations and Maintenance, Debt, Capital Improvement Plan and Financial Reserves. The financial modeling shows that current revenues do not cover operations and maintenance after fiscal year 2021/22 with all factors input to the model. Ms. Taylor walked the Board thru the steps in developing the financial model.

Ms. Taylor reviewed the formulas used for reserve fund targets appropriate for an Agency this size.

Questions from the Committee were received and answered.

Next Ms. Taylor reviewed the basis for calculating the four fixed and variable rate alternatives and the new customer classes NBS has developed: Residential, Commercial/Institutional, Agriculture and Bulk. Each alternative is designed to collect the same amount of revenue just through a different rate design for a net 4% increase in rates and fees. Ms. Taylor reminded the Directors that the tiers were justified based on the Ames/Reche Judgement pumping cap

of 908 Acre-Ft per year allocated equally to all current parcels served. The result was that 25 billing units per bi-monthly billing cycle should be the top of Tier 1. Ms. Jordan again reviewed all four the rate and fee alternatives they developed which are part of the staff report as well.

There was a discussion about the impact of certain customer classes dropping usage to zero. NBS said the loss in revenue is between 5% and 6% if all agricultural customers vacated their properties. It was also clarified that Alternative D is closest the current model utilized. NBS noted that the rate increases under this model are based on implementation ideally during the month of January.

Adjournment to break at 5:51pm – Back in Session 6:15pm

3. Review Resolution No. 20R-15 and Consider Investment of Funds in Money Market for Additional Investment Returns

GM West gave the staff report asking the Committee's opinion on investing some money in a Business High Yield Money Market. No objections from the Committee were received. GM West stated that she will further explore this option for investing Agency funds.

4. 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 the item be held for discussion or further action.

a. FPREP Special Committee Meeting Minutes October 22, 2020

Recommended Action:

Approve as presented (Items a):

No Public Comment.

Committee members approved the minutes as presented.

5. Public Comment Period

No Public Comment.

6. Verbal Reports - Including Reports on Courses/Conferences/Meetings.

1. Committee Members' Comments/Reports – none.

2. General Manager's Report – none.

7. **Adjournment** – Director McBride adjourned the meeting at 6:28 pm.

Approved by:


Michael McBride, Committee Chair

Official Seal

