



BIGHORN-DESERT VIEW WATER AGENCY

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

SPECIAL

Finance/Public Relations/Education and Personnel

Standing Committee Meeting Agenda

Committee Members: Director McKenzie & Director Dicht

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

**TUESDAY April 18, 2023
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/86894033204?pwd=YVp3QnNIT21aUFG3UVNtQVN0dIRCZz09>

Passcode: 806241

Or

Dial: 1-669-900-6833

Webinar ID: 868 9403 3204

Passcode: 806241

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

APPROVAL OF AGENDA

Discussion and Action Items - The Committee Directors and Staff will discuss the following items, and the Committee will consider taking action, 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.

- 1. Presentation by Mr. Scott A. Wallace, EVP, Treasurer, Pacific Western Bank's
Collateralizing of Accounts of the Bighorn-Desert View Water Agency**

2. Review Proposal Received from CalMutuals JPRIMA for Cybersecurity Insurance

3. Public Workshop No. 3: Final Draft Budget for Fiscal Year 2023/2024

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 Committee Meeting Minutes **March 21, 2023**
- b. PARS Investment Statement **February 2023**
- c. Grants Status Report **April 13, 2023**

Recommended Action:

Approve as presented (Items a-b):

5. Public Comment Period

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

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

- 1. Committee Members' Comments/Reports
- 2. General Manager's Report

7. 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 have been prepared or organized with respect to each item of business listed on the agenda.

Copies of these materials and other disclosable 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.

Item # 1

Presentation by Mr. Scott A. Wallace, EVP, Treasurer, Pacific Western Bank's
Collateralizing of Accounts of the Bighorn-Desert View Water Agency



PACIFIC WESTERN BANK
LOCAL AGENCY SECURITY PROGRAM
WEEKLY CALL REPORT CERTIFICATION
WEEKLY AS OF DATE: March 31, 2023

	Pool # 1 110%
	<hr/>
Total Deposits & Accrued Interest	\$ 403,750,466.60
CDARS Program Deposits from Other Institutions	65,551,682.59
Total Deposits & Accrued Interest	<hr/> 469,302,149.19
Less Waivers	23,720,880.78
Less Interest	18,179.41
Less Uncollected Funds	1,452.45
Less CDARS Program Deposits from Other Institutions	65,551,682.59
Total Secured Deposit	<hr/> <hr/> \$ 380,009,953.96
Minimum Collateral Required	\$ 418,010,949.36
Market Value of Pledged Securities	\$509,984,336.68
Excess/(Deficiency) in Pledged Collateral	\$ 91,973,387.32

As of:

As of:

Item # 2

Review Proposal Received from CalMutuals JPRIMA for Cybersecurity Insurance



CalMutuals
JPRIMA

CYBERSECURITY INSURANCE

Water entities can now obtain best-in-class cyber liability and network security insurance protection at affordable and stable rates through CalMutuals JPRIMA.

CalMutuals JPRIMA's experienced San Diego-based claims team of privacy attorneys, data forensics experts and crisis managers stands ready to help before, during and after a covered event.

Lloyd's of London is our major carrier partner and one of the world's largest insurance writers of cyber liability and network protection and will support CalMutuals JPRIMA in offering policy options with and without Ransomware coverage.

Access to our insurance program will require verification of a managed service provider (MSP), or validated internal processes, that provides critical and time-sensitive patching with follow-up patch verification. CalMutuals JPRIMA recommends enrollment with our partner, NetSecure™, the cyber security division of Alvaka Networks, a prominent California based MSP. Having members computers up-to-date will vastly improve security and substantially reduce breaches caused by software vulnerability.

Why You Need It

Given the pervasiveness of computer hacking into businesses and government agencies, more and more organizations are purchasing cyber insurance to manage the risk of losses arising from ransomware, malware, and data breaches. Cybercrime is a lucrative criminal enterprise with no signs of stopping and some estimate the annual global costs of cyber-attacks may double that of natural disasters. As cyber-attacks on water systems have public health consequences, regulators are pondering IT security standards on water purveyors and others to protect drinking water safety. Purchasing CalMutuals JPRIMA cybersecurity insurance today helps manage that risk while adding valuable tools to help protect your system.



What You Get

Coverages and enhancements include:

- Data Liability & Network Security
- Business Interruption & Extra Expense
- Regulatory Fines & Assessments
- Credit Monitoring & Notification
- Data Restoration & Forensics
- Public Relations & Crisis Management
- Media Liability
- Funds Transfer Fraud
- Third-Party Funds Theft
- Duty to Defend
- Legal Representation
- Moonlighting Activities of State-Based Actors
- Inclusion of Employee-Owned Devices
- Voluntary Notification

Requirements for Ransomware Protection

Applicants With Revenue Under \$1m

- Patchworx enrollment (or its equivalent)
- Firewall
- Antivirus software
- Back-up critical data (every 30 days)
- Air gap (meaning between your IT & OT systems)
- Portable device encryption (noncompliant exclusion)
- PCI compliant
- Strong passwords (quarterly changes)

Applicants With Revenue Between \$1m And \$5m

- Same requirements for applicants with revenue under \$1 million
- Two Factor Authentication (2FA) for all remote access, including employee-owned machines
- No unsupported operating systems or applications without manufacturer support unless isolated from the insured's network and not Internet-facing

Applicants With Revenue Greater Than \$5m

- Same requirements for applicants w/ revenue between \$1-5 million
- Personally Identifiable Information (PII) encrypted at rest (multiple records of one person = one record)
- Remote Desktop Protocol (RDP) or other remote access software disabled unless required
- Back-up critical data off-site every seven days (back-up data not to be accessible from the network)
- Back up data within a separate domain requiring different login credentials to the corporate IT network

Policy limits will apply separately per member, will be \$1 million and include an optional funds transfer fraud sublimit. The minimum deductible will be \$5,000. Higher limits and deductibles are available.

JPRIMA Insurance Administrator and Lloyd's Coverholder:
Allied Public Risk, LLC California d/b/a: Allied Community Insurance Services, LLC

California License #: 0L01269

National Producer #: 17536322

Attn: Paul Fuller, CPCU

pfuller@alliedpublicrisk.com

Telephone: (415) 205 - 8648

1370 North Brea Blvd., Suite 235 • Fullerton, CA 92835

calmutualsjprima.org



LLOYD'S



**CYBER LIABILITY & NETWORK SECURITY PROPOSAL**

SPECIALIZED PRODUCT FOR WATER-RELATED ENTITIES: APRIL 1ST MASTER POLICY ANNIVERSARY DATE
(PRICING WILL BE PRO-RATED OR EXTENDED TO COINCIDE WITH THE POLICY PERIOD NOTED BELOW)

Applicant:

Policy Period: to April 1, 2024 (12:01am PST)

Annual Revenue:

Reinsurer: Certain Underwriters at Lloyd's of London
A.M. Best Rating: AXV (Excellent)
NONADMITTED PROPOSAL

Form: Claims Made
Defenses Costs Inside the Limit
Duty to Defend

Limits: \$1,000,000 (per cyber event)
\$1,000,000 (policy aggregate)

Special Sublimit: \$50,000 Funds Transfer Fraud
\$50,000 Third-Party Funds Theft

Waiting Period: Waiting Period is 24 Hours and means the number of hours stated in Item 6 of the Declarations Page which must elapse following a Business Interruption Event before a Business Interruption Loss is agreed to have occurred. The Waiting Period will apply to each and every Business Interruption Event. For the avoidance of doubt, once the Waiting Period is satisfied the monetary Retention will apply to Business Interruption Loss(es).

Retention: \$ per incident

Retroactive Date: For those applicants without current cyber coverage, you will receive an automatic 12-month retroactive date.

Coverages:

- Data Liability & Network Security
- Cyber Extortion
- Ransomware & Malware
- Business Interruption & Extra Expense
- Regulatory Fines & Assessments
- Credit Monitoring & Notification
- Data Restoration & Forensics
- Public Relations & Crisis Management
- Media Liability
- Funds Transfer Fraud
- Third-Party Funds Theft
- Legal Representation

Enhancements:

- Moonlighting Activities of State Based Actors
- Inclusion of Employee-Owned Devices
(in accordance with policy's terms and conditions)
- Voluntary Notification

Conditions & Exclusions: As per Policy Wording (refer to attached specimen policy)

Key Exclusions:

- Violation of sanctions (3.7)
- Unencrypted Company-Owned Mobile Devices without password and biometric protection (3.12)

Premium:

\$	Annualized Premium
\$	Surplus Lines Taxes & Stamping Fee (3.18%)
\$	Fully Earned Surplus Lines Filing Fee
\$	JPRIMA Administrative Fee
\$	Total Cost Due*

*Annualized cost, which will be pro-rated to 1/1/2024. 100% minimum earned premium.

Requirements:

- Heightened Patching (we recommend Alvaka Networks)
<https://www.alvaka.net/patchworx/>
- Satisfactory Completion of Application
- Agreement to Minimum Security Standards (see below)

Applicants w/ Revenue under \$1 Million

See proposal form for further details but in summary:

- Patchworx Enrollment (or reliable patching)
- Firewall
- Antivirus Software
- Back up Critical Data (every 30 days)
- Air Gap (IT & OT)
- Portable Device Encryption (noncompliant exclusion)
- PCI Compliant
- Strong Passwords (quarterly changes)

Applicants w/ Revenue between \$1 - 5 Million

See proposal form for further details but in summary:

- Same requirements for applicants w/ revenue under \$1 Million
- Two Factor Authentication (2FA) for all remote access, including employee-owned machines
- No unsupported operating systems or applications without manufacturer support unless isolated from the Insured's network and not internet facing

Applicants w/ Revenue greater than \$5 Million

See proposal form for further details but in summary:

- Same requirements for applicants w/ revenue between \$1 - 5 Million
- Personally Identifiable Information (PII) encrypted at rest
(multiple records of one person = one record)
- Remote Desktop Protocol (RDP) or other remote access software disabled unless required
- Back up off-site every 7 days of critical data
(Such back up not to be accessible from the network)
- Back up data within a separate domain requiring different log in credentials to the corporate IT network

ALLIED PUBLIC RISK, LLC
CA DBA: ALLIED COMMUNITY INSURANCE SERVICES, LLC
CA LICENSE NO. 0L01269
NATIONAL PRODUCER No. 17536322
INSURANCE PRODUCT SUMMARY

This insurance is underwritten by Talbot Underwriting Ltd and has been arranged and has been administered by Allied Public Risk, LLC ("APR"). APR is authorized and regulated by the California Department of Insurance with California License No. 0L01269 and National Producer No. 17536322. Registered address: 5675 Ruffin Road, Suite 150, San Diego, California 92123.

This document provides a summary of the cover, exclusions, and restrictions. The full terms and conditions of this insurance can be found in the policy document, which is available on request from your broker. Complete pre-contractual information on the product (terms and conditions of this insurance) is provided in other documents.

What is this type of insurance?

This policy will protect your business from cyber-attack and any liabilities that arise due to a breach of privacy legislation, including but not limited to the data protection in laws in California. You have direct access to a 24/7/365 helpline in the event of an incident.



What is insured?

Following a Cyber Event (defined as unauthorised access, an operator error, a denial-of-service attack, or the introduction of any malware, including ransomware) into or against your network or any cloud provider with whom you have a written contract:

- ✓ Re-instatement of your data,
- ✓ Loss of your gross profit caused by the Cyber Event,
- ✓ A specialist IT forensic company to investigate the cause and scope of the Cyber Event.

Following your loss of third-party data or a breach of any privacy legislation worldwide (a Data Liability Event):

- ✓ Defence Costs, we will appoint a specialist law firm to defend you,
- ✓ A specialist IT forensic company to investigate what data has been compromised,
- ✓ Costs to notify data subjects if this is required by legislation or considered necessary to protect your reputation,
- ✓ A Public Relations Company to protect and mitigate any damage to your reputation.

In addition, where this data relates to credit or debit card information:

- ✓ Credit monitoring costs for affected individuals,
- ✓ Any fines and penalties that you are required to pay by the Payment Card Industry as well as Assessment Costs that includes fraudulent transactions for which you are liable. Your legal liability for the transmission of a virus to a third party, or your unknowingly taking part in a denial-of-service attack.
- ✓ Your legal liability for accidentally infringing any copyright or trademark, or any defamation, provided always that this liability is incurred in undertaking your usual business practices.
- ✓ A sub limit of USD 50,000 is automatically included for:
 - Theft or unauthorized transfer of your funds by electronic means
 - Phishing or social engineering resulting in transfer of your funds to an unintended party.
- ✓ A sub limit of USD 50,000 is automatically included for Third party funds held in your account being transferred to an unintended party.



What is not insured?

- ✗ Any bodily injury or physical damage other than bricking / computer hardware replacement costs. Note that data is not considered to be physical property.
- ✗ Any claims or losses about which you were aware but did not tell us before incepting the policy.
- ✗ Any losses attributable to or based upon any intentional, criminal, or fraudulent acts committed or condoned by any Principal, Partner or Director of your business.
- ✗ Any gross profit loss where the interruption to your network is less than the Waiting Period shown in the schedule.
- ✗ Any losses caused by loss of portable media that are not encrypted, password and biometric protected.
- ✗ Any losses caused by the failure of electricity or telecommunications.
- ✗ Any statutory fines unless these are considered to be insurable at law. Note this does not apply to Payment Card Industry fines.
- ✗ Any losses caused by bankruptcy, insolvency or liquidation of you or any service provider.
- ✗ Any losses caused by a breach of any anti-Spam legislation anywhere in the world.
- ✗ Any funds or monies that are transferred to a third party above USD 50,000, which belong to you.
- ✗ Any funds or monies that are transferred to a third party above USD 50,000, which belong to a third party.

A complete list of the insurance conditions and exclusions is mentioned in the insurance policy



Are there any restrictions on cover?

- ! You are responsible for the excess amount as shown on your policy documents.
- ! Endorsements may apply to your policy. These will be shown in your policy documents.

All restrictions on insurance cover are listed in the insurance contract and in insurance conditions.



Where am I covered?

- ✓ Your policy will respond to losses anywhere in the world and will also defend you (if necessary) anywhere that an action is taken against you, including the United States and its dependent territories.
-



What are my obligations?

Obligations of the Policyholder and the Insured party:

- At the beginning of the period of insurance or when making changes to your policy, you must give complete and accurate answers to any questions you are asked relating to the insurance.
 - You must tell **APR** as soon as practicable if you become aware of any inaccuracies or changes in the information you have provided to us, whether happening before or during the period of insurance.
 - In the event of a suspected loss or claim you must contact the helpline number given in your policy.
 - You must not admit any liability or enter into any settlements without our prior written consent.
 - You must co-operate with us, and any incident response specialist / counsel that we may appoint.
-



When and how do I pay?

- Your broker will advise you of the full details of when and the options by which you can pay.
 - Your broker will advise of the means of payment of premiums and the durations of payments.
-



When does the cover start and end?

- Your period of insurance is given in the policy document and is usually (but not always) of 12 months duration.
-



How do I cancel the contract?

You can cancel this insurance at the end of the insurance period. In some cases, you can also cancel the insurance before the end of the insurance period. This applies if the insurer has materially breached its obligations, if you no longer have an insurance need or if the insurer changes the insurance terms. Contact **APR** if you want to cancel your insurance. You can contact **APR** on +1-855-492-1409, via <https://www.alliedpublicrisk.com/about-us/>, email pfuller@alliedpublicrisk.com or through your intermediary.

Item # 3

Public Workshop No. 3: Final Draft Budget for Fiscal Year 2023/2024



EXHIBIT "A"

**BIGHORN-DESERT VIEW WATER AGENCY
FISCAL YEAR 2023/24 OPERATING BUDGET**

Approved XX XX, 2023

Resolution No. 23R-XX

FINAL DRAFT BUDGET FY 2023/24

RESOLUTION NO. 23R-XX

**A RESOLUTION FIXING AND ADOPTING THE
BUDGET FOR THE FISCAL YEAR 2023-2024 FOR THE
BIGHORN-DESERT VIEW WATER AGENCY**

WHEREAS, annually the Agency Board of Directors adopts an annual budget prior to the beginning of the Fiscal Year.

BE IT RESOLVED, by the Board of Directors of the Bighorn-Desert View Water Agency, County of San Bernardino, California, that the budget for the Fiscal Year 2023-24 for the Bighorn-Desert View Water Agency is hereby fixed and adopted as shown on Exhibit "A", attached hereto and by reference made a part thereof.

PASSED, APPROVED AND ADOPTED by the Board of Directors of Bighorn-Desert View Water Agency this XXth day of XX 2023.

By _____
John Burkhart, President of the Board

ATTEST:

Megan Close-Dees, Secretary of the Board

Official Seal



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Bighorn Desert View Water Agency

Proposed Budget Summary - FINAL

Fiscal Year 2023/24

Schedule A

	A	B	C
	Adopted Budget 2022/23	Projected Year-End 2022/23	Proposed Budget 2023/24
1 Operating Revenues	\$ 2,058,700	\$ 1,957,900	\$ 1,934,000
2 Non-Operating Revenues	315,300	335,500	340,100
3 Total Revenue Available to Fund Operations & Capital	2,374,000	2,293,400	2,274,100
4 Operations	975,600	813,600	1,038,500
5 Administrative - Operating	1,025,000	903,900	1,093,000
6 Administrative - Non-Operating	21,400	21,300	27,800
7 Board of Directors	47,500	33,600	47,500
8 Total Expense	2,069,500	1,772,400	2,206,800
9 Net Income/(Loss) Before Capital & Trust Contribution	304,500	521,000	67,300
10 Capital Expenses	(816,500)	(89,800)	(388,000)
11 Pension Trust Contributions	(100,000)	(100,000)	(100,000)
12 Sub-Total: Net Debt Proceeds / Capital	(916,500)	(189,800)	(488,000)
13 Increase (Decrease) in Fund Balance	\$ (612,000)	\$ 331,200	\$ (420,700)
14 Projected Cash & Investments Beg. Balance - 7/1/23			\$ 5,191,400
15 Projected Cash & Investments End Balance - 6/30/24			\$ 4,770,700



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Bighorn Desert View Water Agency

Proposed Budget Summary V. PY Actuals - FINAL

Fiscal Year 2023/24

Schedule A-1

	A	B	C	D
	Actual Results 2020/21	Actual Results 2021/22	Projected Year-End 2022/23	Proposed Budget 2023/24
1 Operating Revenues	\$ 2,462,698	\$ 2,187,408	\$ 1,957,900	\$ 1,934,000
2 Non-Operating Revenues	317,483	308,698	335,500	340,100
3 Total Revenue Available to Fund Operations & Capital	2,780,181	2,496,106	2,293,400	2,274,100
4 Operations	656,646	682,226	813,600	1,038,500
5 Administrative - Operating	702,291	876,250	903,900	1,093,000
6 Administrative - Non-Operating	29,433	15,859	21,300	27,800
7 Board of Directors	21,016	28,092	33,600	47,500
8 Total Expense	1,409,387	1,602,426	1,772,400	2,206,800
9 Net Income/(Loss) Before Capital & Trust Contribution	1,370,793	893,680	521,000	67,300
10 Capital Expenses	(106,284)	(42,581)	(89,800)	(388,000)
11 Pension Trust Contributions	-	-	(100,000)	(100,000)
12 Sub-Total: Net Debt Proceeds / Capital	(106,284)	(42,581)	(189,800)	(488,000)
13 Increase (Decrease) in Fund Balance	\$ 1,264,510	\$ 851,099	\$ 331,200	\$ (420,700)



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Bighorn Desert View Water Agency
Proposed Budget Detail - FINAL
Fiscal Year 2023/24

Schedule B

	A	B	C	D	E
	Adopted Budget 2022/23	Projected Year-End 2022/23	Proposed Budget 2023/24	\$ Difference (C - B)	% Difference (D / B)
1 Operating Revenues					
Residential Consumption Tier 1	\$ 588,700	\$ 413,200	\$ 429,700	\$ 16,500	4%
Agriculture Consumption Tier 1	10,500	8,000	8,300	300	4%
Bulk Consumption Tier 1	97,900	73,400	76,300	2,900	4%
Commercial Consumption Tier 1	9,000	12,600	13,100	500	4%
2 Total Metered Water Consumption Tier 1	706,100	507,200	527,400	20,200	4%
Agriculture Consumption Tier 2	23,800	4,800	5,000	200	4%
Residential Consumption Tier 2	226,800	204,000	212,200	8,200	4%
3 Total Metered Water Consumption Tier 2	250,600	208,800	217,200	8,400	4%
4 Basic Service Charge	1,021,800	1,035,600	1,077,000	41,400	4%
5 Johnson Valley Bulk Water Sales	2,500	2,500	2,500	-	0%
6 Service Line Installation Fees	1,500	10,300	2,400	(7,900)	-77%
7 Basic Facilities Charge	14,200	99,100	14,600	(84,500)	-85%
8 Income Other - Operating	65,000	96,700	96,700	-	0%
9 Bad Debt Expense	(1,500)	(2,300)	(2,300)	-	0%
10 Bad Debt - Uncollectable Liens	(1,500)	-	(1,500)	(1,500)	0%
11 Total Operating Revenues	2,058,700	1,957,900	1,934,000	(23,900)	-1%
12 Non-Operating Revenues					
13 General Tax Levy - Bighorn Imp. Area "A"	78,300	84,600	86,300	1,700	2%
14 General Tax Levy - Bighorn-Desert View	77,700	84,700	86,400	1,700	2%
15 General Tax Levy - Improvement District Goat Mtn.	36,100	40,800	41,600	800	2%
16 Goat Mtn. Standby/Water Availability Charge	62,000	63,900	63,900	-	0%
17 Interest Revenue	4,800	21,700	22,100	400	2%
18 Pacific Western Earning Credits	18,000	17,500	17,500	-	0%
19 Other Revenue	38,400	22,300	22,300	-	0%
20 Total Non-Operating Revenues	315,300	335,500	340,100	4,600	1%
21 Total Revenues	2,374,000	2,293,400	2,274,100	(19,300)	-1%
22 Expenses					
23 Operations					
24 Operations Salaries	366,700	304,800	412,200	107,400	35%
25 Power - Wells & Booster	137,000	118,800	124,700	5,900	5%
26 Water Purchases	62,300	124,600	129,000	4,400	4%
27 Water System Repairs	78,800	52,700	78,800	26,100	50%
28 Field Material & Supplies	78,800	60,500	78,800	18,300	30%
29 Engineering	60,000	10,000	60,000	50,000	500%
30 Vehicle/Tractor/ Equipment Expense	38,100	27,700	28,800	1,100	4%
31 Vehicle Expense- Fuel	83,000	49,100	51,600	2,500	5%
32 Building Repair And Maintenance	15,500	12,200	15,500	3,300	27%
33 Disinfection Expense	14,600	15,100	15,700	600	4%
34 Water Testing	10,300	11,600	12,100	500	4%
35 Uniforms	8,000	4,600	8,000	3,400	74%
36 Communications Expense	7,500	7,400	7,700	300	4%
37 Excavation Permit Fees (County of SB)	500	-	500	500	0%
38 Other Operating Expenses	14,500	14,500	15,100	600	4%
39 Total Operations	975,600	813,600	1,038,500	224,900	28%



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Bighorn Desert View Water Agency
Proposed Budget Detail - FINAL
Fiscal Year 2023/24

Schedule B

	A	B	C	D	E
	Adopted Budget 2022/23	Projected Year-End 2022/23	Proposed Budget 2023/24	\$ Difference (C - B)	% Difference (D / B)
40 General & Administration					
41 Operating Expenses					
42 Administrative Salaries	\$ 171,500	\$ 124,600	\$ 193,400	\$ 68,800	55%
43 General Manager Salary	205,000	205,000	223,600	18,600	9%
44 Employee Benefits Insurance	203,400	147,900	195,600	47,700	32%
45 PERS Contribution	99,700	97,400	117,700	20,300	21%
46 Payroll Taxes	18,300	14,300	19,600	5,300	37%
47 Workers Compensation Insurance	15,300	13,400	14,100	700	5%
48 Employee Education	10,000	15,400	16,000	600	4%
49 Contractual Services - Auditor	18,400	18,800	18,800	-	0%
50 Contractual Services - Legal	40,000	38,400	40,000	1,600	4%
51 Contractual Services - Other	123,200	110,200	114,600	4,400	4%
52 Property/Liability/Cyber Insurance	63,000	62,900	77,000	14,100	22%
53 Legislative Affairs - CWSA	10,000	10,000	15,000	5,000	50%
54 Dues, Subscriptions & Annual Fees	17,300	17,300	18,000	700	4%
55 Power / Propane - Office & Yards	13,400	10,100	10,600	500	5%
56 Office Supplies/ Printing	9,000	10,100	10,500	400	4%
57 Phone, Fax Lines, Internet	5,900	6,500	6,800	300	5%
58 Mailing Expense	1,600	1,600	1,700	100	6%
59 Total G&A - Operating Expenses	1,025,000	903,900	1,093,000	189,100	21%
60 Non-Operating Expenses					
61 Other Administrative Expenses	7,500	9,900	14,400	4,500	45%
62 Office Equipment Expense	7,900	7,100	7,400	300	4%
63 Customer Relations	4,500	4,300	4,500	200	5%
64 Election Expense	1,000	-	1,000	1,000	0%
65 Miscellaneous Expense	500	-	500	500	0%
66 Total G&A Non-Operating Expenses	21,400	21,300	27,800	6,500	31%
67 Total General & Administration	1,046,400	925,200	1,120,800	195,600	21%
68 Board of Directors					
69 Director Fees	47,500	33,600	47,500	13,900	41%
70 Total Board of Directors	47,500	33,600	47,500	13,900	41%
71 Total Expenses	2,069,500	1,772,400	2,206,800	1,078,300	61%
72 Net Income/(Loss) Before Capital & Trust Contribution	304,500	521,000	67,300	(453,700)	
73 Less: Capital Expenses (Reserve Funded)	(816,500)	(89,800)	(388,000)	(298,200)	
74 Less: Pension Trust Contributions	(100,000)	(100,000)	(100,000)	-	
75 Less: CalPERS Additional Discretionary Payments	-	-	-	-	
76 Net Increase/(Decrease) To Reserves	\$ (612,000)	\$ 331,200	\$ (420,700)	\$ (751,900)	



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Bighorn Desert View Water Agency
Proposed Budget - Capital Plan - FINAL
Fiscal Year 2023/24

Schedule C

	A	B	C	D	E = C+D
	Adopted Budget 2022/23	Projected Year-End 2022/23	Carryover Budget 2022/23	Budget Addition / (Deletion)	Proposed Budget 2023/24
1 District Projects					
2 2 Trucks, New Transmission Ford Dump Truck	\$ 119,000	\$ 119,000	\$ -	\$ -	\$ -
3 Valve Turner Upgrade (Controller and other tools)	7,500	7,500	-	-	-
4 Well 4 Rehabilitation	200,000	-	200,000	-	200,000
5 Goat Mountain Replacement Well/ Well Destruction	600,000	100,000	500,000	-	500,000
6 Three Exploratory Borings inc. Project Management	300,000	1,900	298,100	(298,100)	-
7 Administration Building Roof Replacement	20,000	-	20,000	20,000	40,000
8 Parking Lot	5,000	6,400	-	-	-
9 A-Booster Replacement	65,000	-	65,000	-	65,000
10 Meter Replacements	313,000	4,300	308,700	79,300	388,000
11 2nd Intertie with High Desert WD	750,000	100,000	650,000	-	650,000
12 Truck - 1500 Chevy	-	-	-	53,000	53,000
13 Design 3 Projects - Consolidation/Pumpstation/Blending	-	-	-	250,000	250,000
14 Acquisition of Easements	-	-	-	50,000	50,000
15 Total District Projects	2,379,500	339,100	2,041,800	154,200	2,196,000
16 Grant Funding					
17 Prop 1 Round 1: Goat Mountain Replacement Well	(500,000)	-	(500,000)	-	(500,000)
18 Drought Grant: Meter Replacements	(313,000)	(15,000)	(298,000)	-	(298,000)
19 Grant Funding: A-Booster Replacement	-	-	-	-	(60,000)
20 Grant Funding: Design/Easements	-	-	-	-	(300,000)
21 Prop 1 Round 2: 2nd Intertie with High Desert WD	(750,000)	(100,000)	(650,000)	-	(650,000)
22 Total Grant Funding	(1,563,000)	(115,000)	(1,448,000)	-	(1,808,000)
23 Total Capital Expenses - Funded by Reserves	\$ 816,500	\$ 224,100	\$ 593,800	\$ 154,200	\$ 388,000

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Bighorn-Desert View Water Agency
Budget Schedules & Line Items
FY 23/24 Final Draft Budget

*The District's fiscal year is July 1st to June 30th

SCHEDULE A: SUMMARY BUDGET

This schedule summarizes operating and non-operating revenues, operations expense, administrative operating and non-operating expenses, board of directors' expenses, capital expenses, and pension trust contributions. Line 9 measures the difference between revenues and expenses, which results in net revenues remaining to fund the Agency's capital expenses and pension trust contributions. The Agency is budgeted to have \$67,300 in net revenues available to fund capital projects and pension trust contributions.

Line 13 shows the final increase or decrease in fund balance planned for the year after all previous items are considered. The amount fluctuates year to year, with some years positive and some negative, primarily as the Agency's capital expense fluctuates. In FY 23/24 the proposed capital projects total \$2,196,000 with a projected grant funding of \$1,808,000. The difference, \$388,000 represents the drawdown from reserves to complete the remainder of the planned capital expenses.

SCHEDULE B: DETAIL BUDGET

This Schedule shows the detail budget for the District. Column (A) is the Adopted Budget for FY 22/23. Column (B) represents projected year-end balances for Fiscal Year 22/23. These amounts are estimates; actual results will vary. Column (C) displays the **Final Draft** Budget for FY 23/24. Columns (D) and (E) display \$ (dollars) and % (percentages) differences from Projected FY 22/23 results to the FY 23/24 Final Budget.

REVENUES

Line 2 Metered Water Consumption Tier 1 – Volumetric water sales in tier 1. Budget for FY 23/24 is based on projected actual results for FY 22/23 and a 4% scheduled rate increase effective January 1st.

Line 3 Metered Water Consumption Tier 2 – Volumetric water sales in tier 1. Budget for FY 23/24 is based on projected actual results for FY 22/23 and a 4% scheduled rate increase effective January 1st. Ag Tier 2 sales are projected based on most recent consumption data.

Line 4 Basic Service Charge – Includes the fixed charges to All Customer Classifications and varies by water meter size. Budget for FY 23/24 is based on projected actual results for FY 22/23 and a 4% scheduled rate increase effective January 1st.

Line 5 JV Bulk Water Cash Sales – Includes bulk water "cash" sales at the Johnson Valley water hauling station. Budget for FY 23/24 is based on projected actual results for FY 22/23.

Line 6 Service Line Installation Fees – This is the fee charged for new meter and service line installations. This account is budgeted conservatively due to the unpredictable nature of these revenues.

Line 7 Basic Facilities Charge – This is the "buy-in" fee charged to new service line connections. This account is budgeted conservatively due to the unpredictable nature of these revenues.

Bighorn-Desert View Water Agency

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Line 8 Income Other Operating – This includes fees such as Late Penalties, Miscellaneous Fees (NSF, Backflow Reminders, Fire Flow Test, Will Serve Letter, etc.), New Account fees, Disconnection and Reconnection related fees.

Lines 9-10 Bad Debt Expense/Uncollectible Liens – Estimated uncollectible customer account balances and uncollectible liens.

Line 13 General Tax Levy - Bighorn Imp. Area "A" – Property tax revenues, denoted as GA02 (WY08-GA02) on the Tax Apportionment Schedule, related to Bighorn Improvement Area A. This revenue is the portion of the County 1% general property tax, which is passed on to special districts for general operating expenses. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 2% increase.

Line 14 General Tax Levy - Bighorn-Desert View – Property tax revenues, denoted as GA01 (WY08-GA01) on the Tax Apportionment Schedule, related to Bighorn Improvement Area A. This revenue is the portion of the County 1% general property tax, which is passed on to special districts for general operating expenses. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 2% increase.

Line 15 General Tax Levy – Goat Mountain Improvement District – Property tax revenues, denoted as GA03 (WY08-GA03) on the Tax Apportionment Schedule, related to Bighorn Improvement Area A. This revenue, previously apportioned to Co Service Area 70/Zone W-1 (coded as UD82-GA01) is the portion of the County 1% general property tax, which is passed on to special districts for general operating expenses. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 2% increase.

Line 16 Goat Mountain Standby/Water Availability Charge – Per acre charge for water availability assessed through the annual tax bill on all parcels within Improvement District Goat Mountain, which do not have a service connection and water meter. Budget for FY 23/24 is based on projected actual results for FY 22/23.

Line 17 Interest Revenue – Interest revenue is earned primarily on Agency investments in the State of California's Local Agency Investment Fund (LAIF). Interest revenues are conservatively budgeted with a 2% increase.

Line 18 Pacific Western Earnings Credits – Includes earning credits on the Pacific Western bank accounts. Earnings credits are used to pay qualifying expenses. Therefore, earnings credits "act" like interest.

Line 19 Income Other (Non-Operating) – Includes interest and penalty Tax Apportionments from past due secured property tax liens and any "aged" prior year Tax Apportionments not applicable to an "active" receivable.

EXPENSES

Line 23 Operations – Begins the section of Agency operation's expenses.

Line 24 Operations Compensation – Budget for FY 23/24 includes five full-time employees with on-call standby and overtime/standby overtime pay as well. Change from prior fiscal year budget due to actual

Bighorn-Desert View Water Agency

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hire and resignation dates of employees, vacation payouts at time of accrual caps, accrual payouts at resignation, On-Call overtime (varies), and 8.7% (2023 Social Security Index basis) Cost-of-Living Adjustment authorized by the Board of Directors on April 11, 2023.

Line 25 Power Wells & Boosters – Includes energy costs on wells and booster stations. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 5% inflation increase.

Line 26 Water Purchases – Includes planned water purchase of 200 AF for FY 23/24. The water is purchased from the Mojave Water Agency who recharges the water at the Ames/Reche Recharge Facility. Once recharged, the value of the water is maintained as Ames Water Inventory. State Water Project delivery to Ames/Reche by Mojave Water Agency are charged on a per Acre-Foot basis.

Line 27 Water System Repairs – Includes routine repairs/maintenance for wells, pumps, boosters, pressure reducing stations, reservoirs, pipelines, air-vacuum valves, etc. Budget for FY 23/24 is based on projected actual results for FY 22/23.

Line 28 Field Materials & Supplies – Includes all materials and supplies used in the maintenance of the water distribution system, safety/traffic control and small tools. Budget for FY 23/24 is based on projected actual results for FY 22/23.

Line 29 Engineering – Includes costs for as-needed engineering consulting services for construction projects as well as AutoCAD drafting services related to maintenance of the Agency water system map. Budget for FY 23/24 is based on FY 22/23 budget.

Line 30 Vehicle/Tractor/Equipment Expense – Includes expenses for generators and tractors, repairs, hazardous materials disposal, and routine maintenance. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 4% inflation increase.

Line 31 Vehicle Expense - Fuel – Includes fuel for truck fleet and associated equipment. If fuel is utilized for a new service line installation then it is recovered in the fee paid by the customer. Budget for FY 23/24 is based on projected actual results for FY 22/23 with 5% increase.

Line 32 Building Repair and Maintenance – Includes trash and cleaning service, safety supplies, non-routine maintenance. Budget for FY 23/24 is the same as prior fiscal year.

Line 33 Disinfection Expense – Includes chlorine, disinfection equipment and maintenance and testing supplies. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 4% inflation increase.

Line 34 Water Testing – Includes water sampling at wells as required by law. Budget for FY 22/23 is based on actual sampling schedule, which varies year-to-year based on assigned frequencies for water quality monitoring. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 4% inflation increase.

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Line 35 Uniforms – Includes uniform lease for water operators, safety shoes, winter jackets, and hats. Budget for FY 23/24 is the same as prior fiscal year. Change from prior fiscal year budget due to actual hire and resignation dates of Operations Department employees.

Line 36 Communications Expense – Includes cell phones for assigned water operations and administrative staff and cost for SCADA internet link and data. Budget for FY 23/24 is based on projected results for FY 22/23 with a 4% inflation increase.

Line 37 Excavation Permit Fees – Includes County fees for excavation in dedicated roads. If the excavation is related to a new service line installation then it is recovered in the fee paid by the customer. Budget for FY 23/24 is based on projected results for FY 22/23.

Line 38 Other Operating Expenses – Includes various operational permit fees from Mojave Air Quality Management District (MAQMD), State Water Resources Control Board – Division of Drinking Water (SWRCB-DDW), County of San Bernardino Hazardous Materials and others for the ability to retain generators, fuel storage and waste oil storage prior to its proper disposal. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 4% inflation increase.

Line 40 General & Administrative – Begins the section of Agency Administrative operating and non-operating expenses.

Line 42 Administrative Compensation – Budget for FY 23/24 includes salaries for the three authorized full-time administrative staff and 8.7% (2023 Social Security Index basis) Cost-of-Living Adjustment authorized by the Board of Directors on April 11, 2023. This position is currently being held vacant as of start of FY 23/24. Change from prior fiscal year budget due to a vacancy of one authorized full-time position.

Line 43 GM Compensation – Includes salary for the Agency general manager based on latest contract amendments and 8.7% (2023 Social Security Index basis) Cost-of-Living Adjustment authorized by the Board of Directors on April 11, 2023.

Line 44 Employee Benefit Insurance – Includes health, dental, vision, and life insurance. Change from prior fiscal year based on actual employee count, benefit type selected and number of dependents per employee. Employee turnover makes this line item difficult to track. Fiscal Year premium increase projected at 10%. Actual increase unknown until after budget adoption in most instances. Budget based on actual needs of each employee assessed at budget time.

Line 45 PERS Contribution – Includes regular retirement expenses to the California Public Employee Retirement System (CalPERS) for Classic, PEPR (Public Employee Pension Reform Act defined pension) members and annual required contributions for the unfunded actuarial liability (UAL). Regular retirement expenses are based on CalPERS Classic rate for FY 23/24 is 11.934% with an Unfunded Accrued Liability

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(UAL) payment of \$41,891. CalPERS PEPPRA rate for FY 23/24 is 7.68% with an Unfunded Accrued Liability (UAL) payment of \$0.00. Employer percentage and UAL requirements are outlined in the CalPERS Actuarial Office Annual Valuation Report as of June 30, 2021. Change from prior fiscal year based on actual employee count and retirement program assigned by CalPERS at budget time.

Line 46 Payroll Taxes – Includes state unemployment costs, employee matching Medicare costs, and Board of Director's matching Social Security and Medicare costs based on actual employee payroll assessed at budget time.

Line 47 Worker's Comp Insurance – Includes premiums to CA Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority (CalMutuals-JPRIMA Insurance) for all employees and directors for Worker's Compensation insurance. The Worker's Compensation insurance company is Zenith National Insurance Company. Budget for FY 23/24 is based on the renewal quote received which reflects a 5% increase using payroll projection total of \$808,000. The plan renewal process is initiated in January each year.

Line 48 Employee Education – Includes miscellaneous employee training, conferences and college-loan program reimbursements and associated travel, lodging and other reasonable and necessary expenses. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 4% increase.

Line 49 Contractual Services - Auditor – includes auditor fees, in the 1st year of a 5-year contract renewal with C. J. Brown & Company, CPA's (formerly Fedak & Brown, LLP).

Line 50 Contractual Services - Legal – Includes legal fees for both general counsel and special counsel assigned to personnel matters. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 4% increase.

Line 51 Contractual Services - Other – Includes bank fees, annual Springbrook maintenance fees, CPA assistance, Civic Pay services, IVR messaging, outsourced billing, copier maintenance and Information Technology (IT) Consultant work. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 4% increase.

Line 52 Property/Liability/Cyber Security Insurance – Includes premiums to JPRIMA for property and liability insurance. Budget for FY 23/24 is based on renewals per JPRIMA. Property and Equipment Breakdown deductible was increased to \$25,000 from \$5,000 and Wrongful Acts and Employment Practices deductible remains at \$50,000. Cyber Security Insurance is a new product from JPRIMA which helps to manage the risk of losses arising from ransomware, malware and data breaches. The estimated policy premium "place holder" is included in the FY 2023/24 budget but a policy has not yet been secured. The Property and Automobile Liability Budget for FY 23/24 is based on the renewal quote received which reflects a 12% increase.

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Line 53 Legislative Affairs - CWSA – Includes FY 23/24 membership dues for the California Water Systems Alliance and a travel budget for advocacy and outreach as necessary in the post-Covid environment.

Line 54 Dues, Subscriptions & Annual Fees – Includes various dues such as AWWA, CSDA, Dig Alert, CRWA, GFOA, Adobe, Wienhoff, Hi-Desert Star, and website hosting. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 4% increase.

Line 55 Power / Propane – Office & Yards – Includes costs for propane and electricity at Agency sites. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 5% increase.

Line 56 Office Supplies/Printing – Includes checks, toner refills, office supplies, boardroom supplies, copier costs, business meeting supplies. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 4% increase.

Line 57 Phone, Fax Lines & Internet – Includes phone systems, internet, email exchange server, and website maintenance. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 5% increase.

Line 58 Mailing Expense – Includes postage and delivery costs. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 6% increase.

Line 61 Other Admin Expenses – Includes Notary Fees, filing fees, legal fees, legal notices posted in the newspaper. This expense line item will be partially offset by Revenue Line 19 Other Income (Non-Operating) when a customer ultimately pays the fees directly related to services they receive such as shared cost for execution of the secured liens to the tax collector and release of liens (i.e. document preparation and notary). Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 4% increase.

Line 62 Office Equipment Expense – Includes office equipment and software. Budget for FY 23/24 is based on FY 22/23 projected results with a 4% increase.

Line 63 Customer Relations – Includes events such as Morongo Basin Conservation District Desert-Wise Landscape Tour, Water Education Festival, free annual calendar and others. Includes refreshments for Board meetings and other relevant events. Budget for FY 22/23 is based on FY 21/22 projected results with a 5% increase.

Line 64 Election Expenses – Includes election expenses that occur every other year. FY 23/24 is not a general election cycle for the Agency. Budget for FY 23/24 is place holder.

Line 65 Miscellaneous Expenses – Ledger used for minor expenses related to reconciliation of the monthly bank statement or “true-up” of minor adjustments to inventory or water (ie. rounding errors or counterfeit bills discovered by the bank). Also used for voiding stale Utility Billing refund checks or

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reissuing such checks. Budget for FY 23/24 is based on projected actual results for FY 22/23 with a 0% increase.

Lines 68-70 Board of Directors – Includes meeting stipends, training, conferences, and travel. No change in FY 23/24 due to projected actual results for FY 22/23.

Line 72 Net Income/(Loss) Before Capital & Trust Contributions – measures the difference between revenues and expenses, which results in net revenues remaining to fund the Agency's capital expenses and pension trust contributions.

Line 73 Capital Expenses (Reserve Funded) – Includes use of Agency reserve funds for capital expenses. See Schedule D for more detail.

Line 74 Pension Trust Contributions – Includes planned contributions to the PARS Pension trust. Currently, \$100,000 is budgeted for contribution but the Board of Directors' will analyze this option further prior to submitting the contribution.

Line 75 CalPERS Additional Discretionary Payments – Includes any additional discretionary payments made to CalPERS. No payments are budgeted for FY 23/24.

Line 76 Increase/ (Decrease) to Reserves - This is the amount that Fund Balance is budgeted to increase or decrease during the fiscal year. Increases and decreases can vary from year to year, mainly due to planned capital spending. The increase/decrease in Fund Balance reflects the Agency's capital and pension trust expense share totaling \$488,000 for FY 23/24.

SCHEDULE B: DETAIL BUDGET – ALTERNATE PRESENTATION

Schedule B is being presented alongside two prior years' actual revenue and expense (audited) for context/comparison.

SCHEDULE C: CAPITAL/REPAIRS & MAINTENANCE

This schedule shows the anticipated capital projects and expenses for the fiscal year, net of any grant proceeds.

Line 16 Grant Funds Awarded – Lines 17 to 21 are proposed projects which are grant funded. The budgets represent the portion of work projected to be completed in the fiscal year and not necessarily the total grant awarded. These grant awards are from various state programs.

Line 22 Total Grant Funding – Grant funding directed towards the Capital project program.

Line 23 Total Capital Expenses Funded by Reserves – This represents the total capital expense to be paid out of Agency reserves, which is shown on Line 73 of Schedule B.



BIGHORN-DESERT VIEW WATER AGENCY

Our Mission - "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 Meeting Minutes

Committee Members: Director McKenzie & Director Dicht

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

**TUESDAY March 21, 2023
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/82327644567?pwd=T0xRd2dPckJzd1NYSU80R09YNE5yUT09>

Passcode: 303015

Or

Dial: 1-669-900-6833

Webinar ID: 823 2764 4567

Passcode: 303015

CALL TO ORDER

Chair McKenzie called the meeting to order at 4:03 pm.

PLEDGE OF ALLEGIANCE

Led by Chair McKenzie.

ROLL CALL

Directors Present: Chair McKenzie
Director Dicht

Staff Present: Marina West

Public Present: 0 member(s) of the public indicated they were participating via teleconference.
0 members of the Board was present in the meeting room as an observer.

APPROVAL OF AGENDA

Director McKenzie moved to approve the Agenda as presented. Seconded by Director Dicht.

Discussion and Action Items

1. Public Workshop No. 1: Draft Budget for Fiscal Year 2023/2024

GM West introduced this item as the “first blush” at a budget for Fiscal Year 2023/24 and that staff is seeking input from the Committee for inclusion in the 2nd Draft Budget. She gave a PowerPoint presentation summarizing the main components of revenue, expenses and capital project line items.

Following the presentation referred back to the following line items in the draft budget:

She noted that some items will be adjusted based on better estimates of year-end expenses (eg. Line 53). Consumption revenue is another area requiring a bit more scrutiny. All indications are that property tax rates will increase by the full 2% allowed.

Staff salaries include the 8.7% Cost-of-Living Adjustment reviewed by the Committee in January 2023. Staffing levels have changed in recent weeks so those costs will be reevaluated.

Property Liability insurance industry and the impacts California wildfires and floods have and will cause. The JPRIMA continues to be a strong product with new members joining regularly.

She further introduced the concept of “cyber security” insurance noting that the federal government appears to lean towards requiring entities to be adequately prepared for such events. The insurance is approximately \$4,000 per year for a \$1M policy with \$5,000 deductible. An additional fee for IT Security services has been estimated at \$3,000 but has not been confirmed.

Prior to finalizing the operations expense budget, staff will review electricity, maintenance and fuel costs will require further scrutiny.

Comments from Committee: Committee members asked for the formal cybersecurity quote and policy details at the next meeting. Chairwoman McKenzie asked for clarification on the capital budget. Director Dicht brought up the issue of Cost-of-Living Adjustment (COLA) for staff. Chairwoman McKenzie believes other agencies are lower in the past than BDVWA. She mentioned the price increases seen by the community for power, water, etc. Committee asked about schedule for final budget approval. GM West noted several aspects that play into salary like benchmarks, Employee Handbook, salary at other agencies, etc.

Director Dicht requests special meeting in April to discuss the salary budget and COLA. Committee members will provide input to the analysis of various options for COLA.

2. Review Report on the Status of Agency Grants Awarded

GM West stated she has made additional changes to the Grant Report since the last Finance Committee meeting in January. She stated that she introduced the report to the Planning Committee (PLEGs). The plan is to provide this report in each Committee's Consent Calendar. She is seeking additional feedback on the layout and information provided noting that the "11 x 17" version is not friendly to the agenda packet publication. She suggested perhaps the "larger" format could be posted on the website with a link in the packet.

Director Dicht and Chairwoman McKenzie provided some input to staff on the table. Director Dicht favored the condensed version and suggested some consolidation of language. Director McKenzie suggested an emphasis on "amount spent to date" rather than "% complete". In terms of narrative the Committee members preferred a look back as well as forward on the progress narrative.

3. Consent Items –

- a. FPREP Committee Meeting Minutes January 17, 2023
- b. PARS Investment Statement December 2022 and January 2023

Recommended Action:

Approve as presented (Items a-b):

Committee approved the Consent Items a-b.

4. Public Comment Period

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

- 1. Committee Members' Comments/Reports – None.
- 2. General Manager's Report – GM West asked the Committee to choose a date for the next Personnel Succession Planning Ad Hoc Committee offering April 4 or April 5 at 4 pm. Committee selected the Wednesday, April 5 at 4 pm.

GM West also informed the Committee that she is working on a path forward presentation on long-term financial planning as a direct result of the recent banking issues and existing investment instruments.

GM West stated that with respect to Public Relations we have two events coming up. First, April 23, 2023 the Morongo Basin Conservation Association Desert-Wise Living Series Landscape Tour would like to feature the Landers Post Office. I would like volunteers for the booth and booth planning. The Water Education Festival will be held

at La Contenta Middle School on Wednesday, May 31, 2023. For those interested in assisting, a planning meeting needs to be held asap.

6. Adjournment

Chair McKenzie adjourned the meeting at 5:32 pm.

Approved by:

JoMarie McKenzie, Committee Chair

Official Seal

TRUSTED SOLUTIONS. LASTING RESULTS.

Monthly Account Report for the Period
02/01/2023 to 02/28/2023

Marina West

BIGHORN-DESERT WATER
Bighorn-Desert View Water Agency PARS PAPEBT**Plan Summary**

Beginning Plan Value as of 02/01/2023	\$240,659.69
Change in Plan Value	\$(5,901.68)
Ending Plan Value as of 02/28/2023	\$234,758.01

Activity Summary by Source

Source	Balance on 02/01/2023	Contributions	Earnings	Expenses	Distributions	Transfers	Balance on 02/28/2023
PENSION	\$240,659.69	\$0.00	\$(5,787.45)	\$(114.23)	\$0.00	\$0.00	\$234,758.01
Totals	\$240,659.69	\$0.00	\$(5,787.45)	\$(114.23)	\$0.00	\$0.00	\$234,758.01

Transactions for the Period

Source	Date	Description	Amount
PENSION	02/27/2023	INTER-ACCOUNT TRANSFER IN	\$50.14
PENSION	02/27/2023	INTER-ACCOUNT TRANSFER OUT	\$(50.14)
PENSION	02/27/2023	TRUST ADMINISTRATOR FEES	\$(50.14)
PENSION	02/28/2023	ACCOUNT GAINS/(LOSSES)	\$(5,787.45)
PENSION	02/28/2023	ASSET MGMT FEES	\$(64.09)

Investment Selection

Source	Selected Investment
PENSION	HighMark Index PLUS Moderately Conservative

Investment Objective

Selected Investment	Description
HighMark Index PLUS Moderately Conservative	The dual goals of the Moderately Conservative Strategy are current income and moderate capital appreciation. The major portion of the assets is committed to income-producing securities. Market fluctuations should be expected.

Investment Performance

Source	1-Month	3-Month	1-Year	Annualized Return			Inception Date
				3-Years	5-Years	10-Years	
PENSION	-2.40%	-0.29%	-7.39%	-	-	-	06/16/2020

TRUSTED SOLUTIONS. LASTING RESULTS.

Monthly Account Report for the Period
02/01/2023 to 02/28/2023

Marina West

BIGHORN-DESERT WATER
Bighorn-Desert View Water Agency PARS PAPEBT

Information as provided by US Bank, Trustee for PARS. Investments are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal. Past performance does not guarantee future results. Account balances are inclusive of Trust Administration, Trustee and Investment Management fees if applicable. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Annualized Return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return. Information is deemed reliable but may be subject to change. The plan's Rate of Return may differ from the rate of return in the above linked document. Reasons for the difference may include the timing of transactions into and out of the plan, the duration of time the plan's funds reside in the sweep account and differences in the methodology used to calculate performance.

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STATUS OF AGENCY GRANTS							
4/13/2023							
Funds Authorization	Grantor - Funding source or program // Expiration	Expiration	Agreement No./ Project No./Date Awarded/Amount	Funding Purpose	Status	Next Steps	Reimbursement/ Completion Status
Proposition 1 Water Bond 2014	SWRCB-Prop. 1 Planning (thru MWA SWS Program/IRWMP)/ COMPLETED	COMPLETE	No. D17-02022/ 361009-002P// 9/7/2017/ \$500,000	and Preliminary Design, CEQA, cost estimates for infrastructure needs of the Agency including physical consolidation of BDV and Goat Mtn. and Uranium Treatment thru	Submitted final invoice No. 20 for reimbursement to "close out the grant"..	Receive final reimbursement.	\$499,593// 100%
2016 Proposition 1 Integrated Regional Water Management Plan Disadvantaged Community Involvement Grant CA Water Code Sec. 79740 et. seq.	DWR DACI - Uranium Treatment Alternatives (thru MWA SWS Program/IRWMP)// COMPETED	COMPLETE	No. 4600012245// 1/23/2019// \$50,000	Uranium Treatment Alternatives project was an investigation of the uranium concentrations throughout the water column in Agency wells 3 and 4.	The study concluded that Uranium levels at the bottom of the deepest, youngest groundwater production well remain elevated at 19 pCi /L (20 pCi/L being the current MCL).	COMPLETE	\$50,000// 100%
Department of Water Resources Prop. 1 Round 1 IRWM Implementation Grant (Prop. 1 2014)	GM Replacement Well (thru MWA SWS Program/IRWMP)	6/30/2023	No. 4600013807// 2/8/2021// \$500,000	Replaced GM Well No. 2 which "failed" in 2018. Well inspection revealed casing was compromised and too shallow to repair.	BOD awarded contract to Abundant Water Wells 2/2023. Notice of Award to Contractor. Requested additional funding from DWR due to cost escalation: Denied.	Awaiting submittals from contractor prior to signing contract and issuing Notice to Proceed. Staff is evaluating other grant opportunities which could fund the remaining costs.	\$18,825// 15%
2016 Proposition 1 Integrated Regional Water Management Plan Disadvantaged Community Involvement Grant CA Water Code Sec. 79740 et. seq.	DWR DACI - Drought Round (thru MWA SWS Program/IRWMP) - "Water Meter Replacement Program - Drought Grant" & MOU IRWM Colorado River Basin Funding Area	5/31/2023	No. 4600012245//4/12/2022 but notified 10/5/2022// \$298,036	Replace old meters and provide customer ball valve/check valve (30%) to encourage conservation resulting water and power savings.	Verbal approval from Grantor to proceed with direct procurement of materials and to use "in-house" staff resources (reimbursed). CEQA has been filed.	Complete CEQA process in April. Complete Project Monitoring Plan as well as procurement documents. Solicit quotes, purchase materials and begin project.	\$4,317// 10%
Department of Water Resources Prop. 1 Round 2 IRWM Implementation Grant (Prop. 1 2014)	MWA Round 2 IRWMP Implementaion Grants	7/1/2026	No. 4600014979// 04/11/2023// \$675,000	System Interconnection at Winters and Rainbow Road – Zone B Pumping Station with Hi-Desert Water District	Agreement executed.	Determine best approach to constructing project.	\$0// 0%
SWRCB, Sec. 79724 Water Code & SWRCB Resolution No. 2022-0041. SB 129 ref. Budget Act 2021, Provision 1	SWRCB Prop. 1	3/31/2026	Agreement No. D2102065/ Proj. No. 3610009-002C Potable Water System Improvements Consolidation of Water Systems// XX// \$11M	The Engineering Report supported a construction application for a majority of the projects identified therein. Primarily the physical intertie of the BDV and GM water systems (9,00 ft and the pipeline to bring fresh water from the east side of Pipe's Wash to the west side to blend with high uranium. Other refurbishment projects: A-Booster pump station and B-tank rehabilitation.	BOD approved Agreement's execution 2/2023. Legal Opinion Letter submitted 04/12/2023. .	Awaiting final executed grant. Solicit proposals for acquisition of easements. Prepare Proposals to complete design elements.	\$0// 0%