



# 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 Minutes  
Committee Members: Director McKenzie & Director Dicht**

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

**WEDNESDAY May 17, 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/88143547224?pwd=Z1hdUZrTDNFSGk4dHF6UG8rRFJmQT09>

Passcode: 769094

Or

Dial: 1-669-900-6833

Webinar ID: 868 9403 3204

Passcode: 769094

### CALL TO ORDER

Chair McKenzie called the meeting to order at 4:00 pm.

### PLEDGE OF ALLEGIANCE

Led by Chair McKenzie.

### ROLL CALL

Directors Present: Chair McKenzie  
Director Dicht

Staff Present: Marina West

Consultant(s): Ms. Cindy Byerrum, CPA – Eide Bailly LLP

Public Present: 0 member(s) of the public indicated they were participating via teleconference. 0 members of the public were present in the meeting room. 2 member(s) of the Board was present in the meeting room as an observer only.

## **APPROVAL OF AGENDA**

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

### **Discussion and Action Items –**

#### **1. Review Agency Cash Accounts and Discuss Investment Strategies**

GM West introduced this subject by showing a PowerPoint with the current distribution of cash/investment accounts. Talked briefly about the withdrawing of money from Pacific Western Bank into Local Area Investment Fund (LAIF) and opened a new account with Five Star Bank. She then turned the meeting over to Ms. Byerrum to provide the report.

Ms. Byerrum, CPA, Eide Bailly, addressed the Committee on the nature of our “investment policy” which is based on safety, liquidity and yield (“SLY”). She summarized that the Agency has come a long way with its cash balance. She talked of Five Star Bank; background of bank and account types. Some of the benefits of Five Star Bank is the Money Market account that compliments the checking account. The banks, money market and Certificates of Deposits are the safest investment types.

She compared the collateralization of Five Star Bank (FSB) versus Pacific Western Bank. FSB has a “letter of credit” whereas investments in PWB would have to be sold at a loss if liquidated early.

Regarding Local Area Investment Fund (LAIF) she noted that their rate of return is less than California Cooperative Liquid Assets Securities System (CLASS) due to the manner in which LAIF invests. CLASS is capable of higher returns on a faster timeline because they engage in more short-term investments.

Regarding the PARS Trust, she reminded the Committee that our account was opened to hedge against California Public Employment Retirement System (CalPERS) and pension trusts were doing well until more recently. She recommends that the Agency not deposit any additional funds there until things stabilize in the market.

Ms. Byerrum noted that the Agency is taking the correct action to shield cash from risk and to seek returns where possible.

Chair McKenzie asked if BDVWA would close the Pacific Western Bank. GM West stated that she is not recommending closing the Pacific Western Bank account at this time.

Director Dicht inquired about the fees that PWB charges. GM West gave examples of bank fees.

Director McKenzie asked about liquidity from the LAIF account. Ms. Byerrum stated that it is possible to retrieve funds the same day.

Director Dicht inquired about tax liability on interest earnings. GM West stated that we don't pay income tax, only sales tax. He further inquired about management fees at LAIF, CLASS, PARS, Money Market, etc. Ms. Byerrum responded as to her experience those type of fees are in the background and not always clear so one has to evaluate their returns (in hindsight). She did note PARS has a graduated fees schedule that one can compare to a pension trust like CalPERS. She also noted the returns for CalPERS were 22% in 2021 but -7.5% in 2022.

Director Dicht inquired about current Certificate of Deposit (CD) interest rates and then returns at CLASS. Staff provided some context of CD rates from the PacWest Bank website. In terms of CLASS, Dir. Dicht noted that they state no principle has been lost. Ms. Byerrum talked about the LAIF Fair Market Value calculation made during the annual audit noting an account could be valued below actual if investment pool is "below market". For CLASS, it is probably the same, with a fair market value adjustment. This means, CLASS is "so short" in their investments you probably cannot lose money, but there is a point where if all accounts were cashed out, the Agency could lose principle.

GM West asked if the State of California ever looked to the LAIF balances of Special Districts to assist the state budget process. Ms. Byerrum reminded the Committee when the State of California did take the property taxes of Special Districts some years ago.

Staff concluded that a banking policy will be developed with an eye on good return and lowest possible cost.

Public Comment: None.

## **2. Adopt Resolution No. 22R-XX Establishing the Agency's Investment Policy**

GM West gave the staff report as provided in the Agenda packet noting this to be an annual action and that there were no significant changes to the policy following review by General Counsel Kennedy and the resolution is ready to move to the full Board of Directors for consideration and adoption.

Director Dicht and Chair McKenzie asked questions about the policy. GM West and Ms. Byerrum answered as appropriate. Additional conversation regarding "surplus" cash and cash reserve management.

Public Comment: None.

## **3. Review Resolutions Recommending Changes to Certain User Fees and Charges for Specific Individualized Services**

GM West gave the staff report as outlined in the Agenda packet and a summary presentation. Essentially, Agency costs have gone up and so these “user” fees should be updated to reflect actual cost of service. She clarified that these are fees for specific miscellaneous services provided upon request or as dictated by policy which are not of general benefit to the customer base.

Director McKenzie asked about the After-hours callouts and how the customer is informed. Director Dicht agreed the customer does need to be informed of potential fees being charged for service.

GM West agreed that a “during hour’s calls” fee will be calculated and the all the resolutions would be reposted in preparation for the Board of Directors consideration.

Public Comment: None.

#### **4. Status of Delinquent Accounts and Property Tax Lien Process for Tax Year 2023**

GM West reviewed the status of delinquent accounts and the schedule for the application of special assessments to the County of San Bernardino property tax rolls.

GM West reported a total of 106 accounts with an outstanding balance of at least \$300 as of February 28<sup>th</sup>. She explained that bills are not late until 120-days past due and past due is now 80-days. She stated the current total past due of \$93,715 but it is a net of approximately \$64,000 because this number includes deposits owed by old agricultural accounts which have been locked-off. She intends to remove these deposits before moving forward. She noted the trend is for agricultural class properties to convert to residential status by having the site inspected and backflow device removed.

She then gave a breakdown of account types noting that five (5) accounts are active with a high balance because they have not hit a lock-off cycle yet. There are also 75 residential and 26 agricultural classes which are locked and “inactive”. She indicated the balance is much lower than last cycle since we were unable to lock-off unpaid accounts due to state restrictions stemming from Covid. GM West closed her presentation with a schedule of activities prior to the formal public hearing currently scheduled for July 11, 2023.

Public Comment: None.

#### **5. Recommendation for Water Distribution Supervisor: New Job Title and Position Description**

GM West gave the staff report as provided in the Agenda packet. She has scheduled the update to the Organizational Chart and employee count for the full Board of Directors on June 13<sup>th</sup> and desires to add this position and description at that time. This position does not increase staffing levels as it is a job description and job title assignment to the existing “lead”

employee. That is a position that was flagged for update/modernization in the 2021 Benchmark Salary Survey.

The main distinction between this job description and employee responsibilities is the direct supervision, including training, performance evaluations and discipline, performed by Mr. Rewal which are well beyond those duties contemplated in a “lead worker” position.

Since the recommended “lead” position for the Administrative department has evolved into an Assistant General Manager position, the current progression steps of Level I to III in the Accounting Technician/Customer Service Representative job title would remain unchanged. However, it should be noted that a Range 4 – Accounting Technician/Customer Service Representative Job Description (Job Classification) does not exist at this time.

GM West further stated that this would have no impact on the Fiscal Year 2023/24 Operating Budget as the employee is already within this pay range.

Chair McKenzie asked about “exempt” vs. “non-exempt” status of employee. GM West explained that the Supervisor position would be non-exempt because he will still be responsible for on-call duties. The Asst. GM will be exempt. She also asked about Acct. Tech. “lead” position shown on the range and step scale. GM West said that the new AGM position would be primarily focused on administration of Agency activities so they would be closely supervising the accounting and customer service responses. There was no further discussion about the “lead” categories.

Director Dicht inquired about oversight of this position and GM West confirmed that the position would report to GM and/or AGM. He further inquired if Mr. Rewal held the licenses required for the position. GM West affirmed he has achieved all the requirements for licenses and experience.

Public Comment: None.

## 6. Consent Item(s) –

### a. PARS Investment Statement **March 2023**

Recommended Action:  
Approve as presented (Items a):

***Committee approved the Consent Item(s) a.***

## 7. Public Comment Period

None.

**8. Verbal Reports - Including Reports on Courses/Conferences/Meetings.**

1. Committee Members' Comments/Reports – None.
2. General Manager's Report – None.

**9. Adjournment**

Chair McKenzie adjourned the meeting at 5:44 pm.

Approved by:

  
JoMarie McKenzie, Committee Chair



Official Seal