

RESOLUTION No. 23R-06

**BIGHORN-DESERT VIEW WATER AGENCY
RESOLUTION OF THE BOARD OF DIRECTORS OF BIGHORN-DESERT VIEW WATER AGENCY
ADOPTING A BOARD OF DIRECTORS HANDBOOK FOR PURPOSES OF PROVIDING A
COMPREHENSIVE DESKTOP REFERENCE FOR BOARD MEMBERS**

WHEREAS, a comprehensive handbook provides the Board a current, updated set of guidelines relevant to the operation of the Board of Directors and the Agency; and

WHEREAS, a common set of policies maintain cohesive communication amongst the Board of Directors; and

WHEREAS, the handbook being adopted encompasses the guidelines and definitions subject to this resolution with a referenced appendix; and

WHEREAS, the appendix to the Handbook is not part of this resolution but incorporated by reference and therefore each item is subject to change on its own merit; and

WHEREAS, from time to time the Board should review the handbook and discuss its purpose and review any recommended changes or updates.

WHEREAS, this resolution rescinds and repeals Resolution 17R-09.


NOW, THEREFORE, THE BOARD OF DIRECTORS HEREBY RESOLVES:

1. The Board of Directors Handbook dated March 22, 2023, is hereby adopted as the Board of Directors' Handbook; and
2. The Board of Directors' Handbook shall apply to all Agency Directors; and
3. The Board of Directors' Handbook shall become effective immediately upon adoption of this resolution; and
4. The Board of Directors of the Agency may, by resolution duly passed upon the affirmative vote of the majority of the members of the Board of Directors, modify and amend the Board of Directors' Handbook at any time and from time to time; and
5. The President and Secretary of the Board of Directors, the General Manager, and the Agency staff are hereby authorized and directed to take such further steps as are reasonably necessary and appropriate to implement this Resolution.

PASSED, APPROVED AND ADOPTED by the Board of Directors of Bighorn-Desert View Water Agency this 22th day of April, 2023.

By 
John R. Burkhart, President

ATTEST:


Megan Close-Dees, Secretary



Official Seal

Bighorn-Desert View Water Agency Board of Directors' Handbook



The policy of Bighorn-Desert View Water Agency, is to maintain the highest ethical standards for its Board members. Agency transparency is key in maintaining public trust.

The objectives of this handbook are to provide guidance in operating procedures, ethics, duties and responsibilities of the Board of Directors in support of these standards.



Adopted
March 22, 2023
Resolution
23R-06

Statements of Mission, Vision, Values & Integrity

Mission Statement

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

Our Vision

To demonstrate accountability by taking economically responsible action today to secure our water supply for tomorrow.

Our Values

We pledge to use all available resources for maintaining our existing facilities as well as plan, design, finance and construct our future infrastructure for benefit to our customers in our service area.

Our Integrity

Staff and Board are committed to a comprehensive evaluation of the most important issues while establishing a record of fairness to all customers and consideration for protecting our desert environment.



Table of Contents

STATEMENTS OF MISSION, VISION, VALUES & INTEGRITY	2
AGENCY BACKGROUND	5
ORGANIZATIONAL CHART	6
DEPARTMENT OVERVIEW / FUNCTION	7
AGENCY MAP	8
MAJOR MILESTONES & ACCOMPLISHMENTS	9
MAJOR FACILITIES	10
	11

“WHEN THE
WELL IS DRY WE
KNOW THE
VALUE OF
WATER”
BENJAMIN
FRANKLIN

BOARD OF DIRECTORS ROLE & RESPONSIBILITIES	12
ORIENTATION / AUTHORITY OF THE BOARD	13
COMPENSATION AND EXPENSE REIMBURSEMENT	14

RESPONSIBILITIES	16
CONTINUING EDUCATION	17

POWERS AND DUTIES	19
ATTENDANCE & VACANCIES	20
BOARD OF DIRECTORS	21
OFFICERS	22

ELECTIONS, CONDUCT & ETHICS	25
ELECTIONS INFORMATION	
CONFLICT OF INTEREST	26
FAIR & EQUAL TREATMENT & INCOMPATIBLE EMPLOYMENT	27
FAIR POLITICAL PRACTICE COMMISSION & FILINGS	28

USE OF AGENCY PROPERTY & RESOURCES & CONFIDENTIALITY	30
CONFLICT OF INTEREST	31
SOLICITING POLITICAL CONTRIBUTIONS & INCOMPATIBLE OFFICES	32
WHISTLE BLOWER PROTECTION & DIRECTORS' LEGAL LIABILITIES	33
VIOLATION OF ETHICS POLICY	35

INTERACTION WITH STAFF	36
DIVISION OF RESPONSIBILITIES	37

OPEN MEETINGS & THE RALPH M. BROWN ACT	39
GENERAL	40
DEFINITION OF MEETINGS	41
CURRENT STANDING COMMITTEES	43

TERMINOLOGY	44
APPENDIX (RESOLUTIONS & POLICIES) & EXHIBITS	49
INFORMATIONAL WEBSITE LINKS	51

Agency Background



The Bighorn-Desert View Water Agency is located in the southwest desert within San Bernardino County and encompasses 54-square miles serving the High Desert communities of Flamingo Heights, Johnson Valley and Landers.

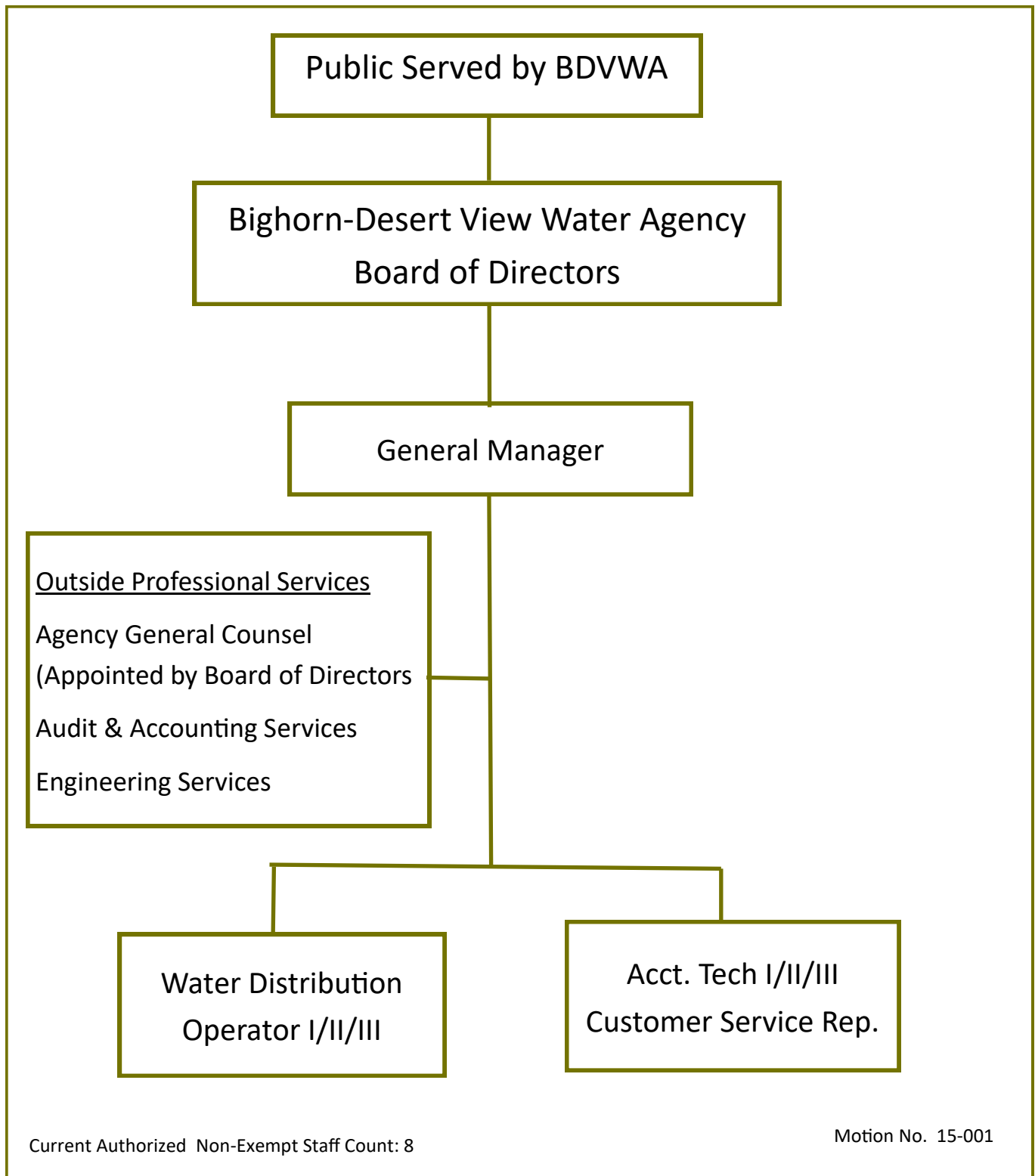
As of January 1, 2023 there are approximately 2,265 active residential, agricultural and commercial metered service accounts. The Agency also serves about 80 metered “bulk hauling” accounts thru five drop stations.

The Agency operates 8 deep wells pumping to 13 above-ground reservoirs, maintains 456 fire hydrants and 160 miles of water mainlines.

The Agency has access to the State Water Project from the Mojave Water Agency via the Morongo Basin Pipeline (MBP). Water obtained through the MBP is recharged at the Ames/Reche Groundwater Recharge site operated and maintained by the Mojave Water Agency.

Board of Directors Policy Handbook

Organizational Chart



Board of Directors Policy Handbook

Department Overview/Function

Administration handles the Agency's finances, billing, customer service, record keeping and retains all Board actions. Participates in special projects and Capital Improvements.

Operations and Maintenance department handles day-to-day routine plus emergency operations and maintenance of the water systems. Participates in special projects and Capital Improvements.

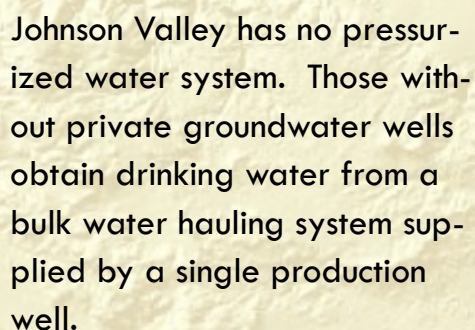
General Manager is responsible for improving efficiency while managing the Agency's overall operations. They oversee several elements in the organization, including hiring staff and developing and managing the operating budget as well as implementing policies and programs approved by the Board of Directors.

Agency General Counsel (Attorney) is appointed to act as legal counsel on behalf of the Board of Directors and to represent the Agency in certain legal matters and to provide legal advice to agency staff.

Engineers are typically contracted to prepare specifications, technical design drawings or engineered recommendations for the construction or refurbishment of Agency facilities and/or changes in operations and maintenance of facilities.

Auditor is an independent accounting professional who plans and performs the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement whether caused by error or fraud.

Agency Map



The Bighorn Mountains and Desert View service areas have a pressurized water supply system (ie. “piped water”).

The Improvement District Goat Mountain pressurized water system was annexed from the County of San Bernardino Special Districts - Water in 2015.

Board of Directors Policy Handbook

Major Milestones

1990 - Consolidation of Bighorn Mountains Water Agency and Desert View County Water District.

1991 - Ames Valley Groundwater Basin Monitoring Program and stipulated judgment naming Hi-Desert Water District

2013 - SB 246 Modernization of Bighorn-Desert View Water Agency Law.

2014 - Stipulated and amended and restated judgment for the Ames/Reche Groundwater Storage and Recovery Program enjoining Hi-Desert Water District, County of San Bernardino Special Districts Water Zones W-1 (Landers) and W-4 (Pioneertown).

2015 - Completion of the Dissolution of County San Bernardino Special Districts Zone W-1 and Annexation into Bighorn-Desert View Water Agency. Creates an area defined as the Improvement District Goat Mountain (ID GM).

2015 Clair A. Hill Award of Water Agency Excellence by the California Association of Water Agencies for the Ames/Reche Groundwater Storage and Recovery Program.

2017 Awarded \$500,000 grant for completion of Preliminary Engineering Report for future system improvements.

2021 Awarded \$500,000 grant to construct a new production well in the ID Goat Mountain System.

2022 Awarded \$300,000 grant to replace oldest water meters throughout the Bighorn-Desert View water system.

2023 Awarded \$11,000,000 grant to construct water system improvements for treating Uranium concentrations via blending and the physical consolidation of the ID GM water system with Bighorn-Desert View water system.

Board of Directors Policy Handbook

Accomplishments

Notable accomplishments include, but are not limited to the following:

- Adopted balance budgets which consistently project excess revenue generation to fund non-routine capital improvements and major refurbishment of infrastructure.
- Beginning in 2011, Agency has been Awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for its Annual Comprehensive Financial Report. See Exhibit A.
- Completed motions and filings for the Amended and Restated Judgement for the Ames Valley Water Basin with the Riverside County Court on behalf of project participants on September 17, 2014. In summary the judgement caps annual production and provides a facility of recharge of the State Water Project through the Morongo Basin Pipeline. The judgement also allows inter-agency water transfers.
- Completed and adopted a Hazard Mitigation Plan that which qualifies the Agency for grants to complete projects which results in a reduction of hazard vulnerability.
- Preventative maintenance of water distribution system appurtenances including wells, well pumps, water tanks, pressure reducing stations, fire hydrants, isolation valves, air vacuum valves and emergency power connections. Also includes maintenance of the vehicle fleet and heavy equipment.
- Continued outreach to the community through various forms of communications including newsletters, annual calendar, utility bill and participation in local community events.
- Awarded the 2-year Certificate of Excellence in District Transparency from the Special District Risk Management Authority (SDRMA). See Exhibit B.
- Awarded the Special District Leadership Foundation “District of Distinction Award”. See Exhibit C.

Board of Directors Policy Handbook

Major Facilities - January 2023

Bighorn-Desert View Water System (System No. 36-10-009) - System consists of five (5) wells with a combined groundwater pumping capacity of approximately 1,200 gallons per minute (gpm). Nine (9) storage reservoirs totaling approximately 2.4 million gallons. There are two (2) booster stations and fourteen (14) pressure reducing stations distributing water throughout the service area.

Well 10 Bulk Hauling Station which includes one (1) production well with a capacity of 90 gpm, 10,000 gallon storage reservoir and booster station. This facility is not a distribution system but a stand-alone hauling station which is part of the Bighorn-Desert View Water System.

Improvement District Goat Mountain Water System (System No. 36-10-060) - System consists of two (2) wells with a combined groundwater pumping capacity of 540 gpm. There are three (3) storage reservoirs totaling approximately 630,000 gallons. There is one (1) booster station and five (5) pressure reducing stations distributing water throughout the service area.

Water Supply

The Agency produces all water supplies from groundwater pumping. In September 2014, the Agency entered into a Stipulation and Amended and Restated Judgment for the management of the Ames/Reche Groundwater Basin. The Judgment provided for Annual Baseline Amount of groundwater production. As a result, the Agency was granted a baseline production of 908 Acre-ft per year (641 AF to Bighorn-Desert View and 267 AF to Improvement District Goat Mountain). The Ames/Reche Recharge and Recovery Project (ie. recharge facility) was completed as part of this legal framework.

Ames/Reche Recharge and Recovery Project— A constructed recharge basin for percolation of State Water Project deliveries from the Mojave Water Agency. The Bighorn-Desert View Water Agency purchases approximately 100 af/year from Mojave Water Agency. This percolated water is held on a storage account for future use.

Additional information regarding groundwater production, customer consumption trends and water quality is provided in Exhibit D and E herein.

Board of Directors Role & Responsibilities



Board members are obligated to uphold the Constitution of the United States and the Constitution of the State of California, and to comply with the applicable laws regulating their conduct including conflict of interest, financial disclosure and open government meeting laws.

Rules and responsibilities begin once the elected officials are sworn into office. Brown Act obligations begin once elected officials are elected even before their term of office commences.

Board of Directors Policy Handbook

Orientation

New Board members are welcome to tour the Agency facilities with the General Manager. New Board members should also feel free to contact the General Manager regarding any questions or concerns they may have.

Authority of the Board

The Board of Directors shall act only at regular, regularly adjourned, special meetings or emergency meetings as provided by “The Brown Act”.

Individual Directors shall have no power to act for Bighorn-Desert View Water Agency, or the Board, or to direct the staff, as only the General Manager has the power to direct staff.

The Board sets the policy for the Agency. The General Manager also has the power to set the agenda for the Board based on the workload.

The General Manager serves at the pleasure of the Board and shall:

- Have full charge and control of the maintenance, operation and construction of the waterworks of the Agency.
- Have full power and authority to employ and discharge any employee or assistant, and to direct staff.
- Prescribe the duties of employees and assistants.
- Fix and alter the compensation of employees and assistants subject to approval by the Board of Directors.
- Perform other duties imposed by the Board of Directors.
- Report to the Board of Directors in accordance with Rules and Regulations adopted by the Board.

The Board will provide policy direction to the General Manager on matters within the authority of the Board by a majority vote of the Board members present during duly-convened Board meetings. Members of the Board will deal with matters within the authority of the General Manager through the General Manager and not through other staff. Members of the Board will refrain from making requests directly to Agency staff (rather than to the General Manager) to undertake analyses, perform other work assignments or change the priority of work assignments. Members of the Board may request non-confidential, factual information regarding Agency operations from the General Manager.

Board of Directors Policy Handbook

Compensation & Expense Reimbursement

The reimbursement of Directors shall be made in accordance with the following provisions:

Directors shall be reimbursed by Bighorn-Desert View Water Agency for reasonable expenses, including travel, lodging and meals incurred when attending trips of official business of the Agency when so authorized by the Board. Directors shall submit to the Agency's accounting department on said form their expense reports no later than thirty days prior to the next regular Board meeting of the following month. All receipts documenting each expense will accompany the expense reports.

The amount of mileage reimbursement will be consistent with Board Policy. All Board members should keep travel, meals and lodging costs within reasonable constraints, keeping in mind that these expenses require use of public monies. Emphasis should be placed on keeping costs to acceptable practices.

Directors and/or consultants who bring personal guests to dinners, etc. are responsible to make payments for those guests in advance of the event.

In connection with all issues arising out of compensation and expenses, it is appropriate that elected Directors pose this series of questions:

- Does the law allow me to use public resources in this manner?
- How does this particular expenditure benefit the public's interest as opposed to my own personal interest?
- How would I feel if a particular expenditure were reported in the local newspaper?
- How would my next-door neighbor feel about my spending his or her rate payer money this way?

Reference Appendix I: Policy for Reimbursement of Actual and Necessary Expenses for Board Members

Page Left Intentionally Blank

Responsibilities



The primary responsibilities of the Board of Directors include:

- **Defining Agency Goals and Objectives**
- **Establish Agency Policies**
- **Act as Custodian of Agency Property & Resources**
- **Communicate with the General Public**
- **Employ the General Manager, who shall implement the Goals, Plans & Policies Established by the Board of Directors.**
- **Appointment of the Agency Legal Counsel, Auditor, & Engineer.**

Policies that supplement obligations of the Agency as set forth in the Bighorn Act (Appendix A) are established by ordinances, resolutions or motions passed by the Board of Directors.

Board of Directors Policy Handbook

Continuing Education

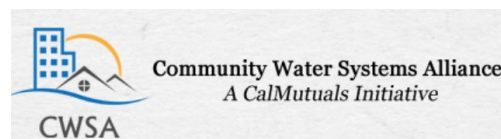
Continuing education for the Board of Directors is anticipated and encouraged so that all Board members are up-to-date on the many changes and challenges that consistently occur within the water industry.

Conventions and seminars which offer educational opportunity are held throughout the year, including those scheduled through the California Special Districts Association. Designated Agency staff can assist with making arrangements for registration, air travel and lodging, etc.

Details regarding reimbursable expenses are addressed in the most recent Board of Directors Policy for Reimbursement of Actual and Necessary Expenses (Appendix I).

Reasonable expenses incurred in association with attendance at seminars, retreats and conferences will be reimbursed upon completion of the expense reimbursement form which is available through the Agency's accounting department.

Examples of California and National Organizations include:



Directors are encouraged to notify the GM of events they wish to attend as soon as possible so that Board approval, if required, can be agendized and registration/reservations can be made in a timely manner to obtain the lowest cost possible.

Board of Directors Policy Handbook

Continuing Education

Compulsory Safety and Ethics Courses:

- Ethics (Bi-Annually or as otherwise required by law). An online training resource can be found at: <https://www.fppc.ca.gov/learn/public-officials-and-employees-rules-/ethics-training.html>
- Anti-Harassment (Scheduled Bi-Annually through an Agency on-line training portal)
- Defensive Driving (Bi-Annually through an Agency on-line training portal)
- Code of Conduct (Annually reviewed at an open, agendaized meeting of the Board) Reference Appendix C - Resolution Declaring the Code of Conduct for Members of the Agency Board of Directors.

Powers And Duties



The Bighorn-Desert View Water Agency is a public entity organized and operating pursuant to California Water Code Appendix Section 112-1 et seq.

As such the Agency is guided by Act 90 Bighorn-Desert View Water Agency Law (1969 cg 1175), recently amended via Senate Bill 246 (Fuller) effective January 1, 2013.

This Act provides for the organization and government of the Bighorn-Desert View Water Agency, prescribing its organization, management and other powers and duties.

The full text of the Act is provided herein as Appendix A.

Board of Directors Policy Handbook

Attendance and Vacancies

Board members are expected to carry out their responsibilities to the best of their abilities. In order to accomplish this goal, members should be present for scheduled meetings or events whenever possible. The failure of a Director to attend three (3) consecutive regular monthly meetings of the Board (provided such meetings shall occur in a period of not less than three (3) successive months), except when prevented by sickness or physical disability, or except when absent from the State with prior consent of the Board, as provided by Government Code, Section 1770, shall cause such director's remaining term in office to be considered vacant. Also, a Director may resign from the Board.

Government Code Section 1780 gives the Board 60-Days to fill the Board vacancy. In order to accomplish this in an orderly and consistent manner, when a vacancy of an elected Director occurs, the Bighorn-Desert View Water Agency Board of Directors, after discussion and consideration, shall, when deemed appropriate, do the following:

- Direct staff to call for an election; or
- Determine to fill the vacancy by appointment; or
- Do nothing, thereby leaving the decision to San Bernardino County Board of Supervisors, either to appoint or to order the Agency to call an election, within ninety (90) days of the notice of resignation or determination of vacancy.

Board of Directors Policy Handbook

Board of Directors

The Board of Directors shall have and exercise all powers and responsibilities of the Bighorn-Desert View Water Agency as directed by State law. The Board shall have the following powers and duties:

- To establish and enforce all policies, rules and regulations necessary for the administration, governance, protection and maintenance of the Bighorn-Desert View Water Agency facilities.
- To appoint a General Manager who will be responsible for the management of all operations and affairs of the Agency. To define the qualifications, powers, and duties of such appointee, and evaluate performance.
- In compliance with all applicable provisions of the California Constitution and state law, shall fix such rate or rates for water in the Agency and in each improvement district therein as will result in revenues which will pay the operating expenses of the Agency and any improvement district(s). Revenues will also provide for repairs and depreciation of works, provide a reasonable surplus for replacements, improvements, extensions and enlargements, pay the interest on any debt and provide a sinking or other fund for the payment of the principle of such debt when it becomes due. *See also Section 22 of the BDVWA Act for Bonded Indebtedness (Appendix A).*
- By a majority vote of the Board of Directors, the Board shall appoint an attorney, chief engineer, general manager and auditor, as well as define their duties, and fix their compensation.
- A member of the Board shall not serve as the appointed attorney, chief engineer, general manager, or auditor.
- The Board of Directors shall act only by ordinance, resolution, or minute order. No ordinance, resolution, or minute order shall be passed or become effective without the affirmative vote of a majority of the Board.

Note: The Bighorn-Desert Water Agency Act lists additional “Powers and Duties” of the Directors (See Appendix A).

Board of Directors Policy Handbook

Officers

The officers of the Board of Directors, as dictated by the Bighorn-Desert View Act, shall consist of a President, Vice President and Secretary.

President

In January of even years, the Board of Directors shall elect one of the Directors to act as Board President. If at any time the Board President shall be unable to serve in that capacity, the Vice President shall act in his or her place. If the Vice President shall also be unable to act, the Board may appoint another member of the Board to do so, and such person shall be vested temporarily with all the authority and responsibility of the office of Board President.

The Board President, or member of the Board acting as such as above noted, shall:

- Preside over all meetings of the Board.
- Appoint members to serve on all Standing and Ad Hoc Committees of the Board.
- Sign as Board President on the Agency's behalf all instruments in which he/she has been specifically authorized to sign.
- Have general responsibility for making sure a General Manager or equal is in place during the President's term of office subject to the advise and control of the full Board.

Vice President

The Vice President shall, in the event of death, absence, or other disability of the Board President, fulfill the duties of the President, and exercise all the powers and perform all of the duties herein given to the Board President.

Secretary

The Secretary shall, in the event of death, absence or other disability of the Board President and Vice President, fulfill (pending a vote) the duties of the President, and exercise all the powers and perform all of the duties herein given to the President. The Secretary certifies meeting minutes on behalf of the Board of Directors.

Page Left Intentionally Blank

Page Left Intentionally Blank

Elections, Conduct & Ethics



Number of Board Members and Qualifications

As prescribed by the Bighorn-Desert View Water Agency Act (Appendix A), the Board of Directors shall consist of five (5) members. Each Director must be a registered voter therein.

Elections and Term of Office

A Director shall be elected for a term of four years, or until his or her successor is qualified and elected (or appointed). The election of a Director shall be consolidated with the county-wide election and shall be held in each even-numbered year.

Information is also available through the
San Bernardino County Elections Office at
777 E. Rialto Avenue
San Bernardino, California, 92415
Phone number 909-387-8300
Email communications@sbcountyelections.com

Board of Directors Policy Handbook

Conflict of Interest

A Board member will not have a financial interest in a contract with the Agency, or be a purchaser at a sale by the Agency unless the Board member's participation was authorized under Government Code Sections 1091 or 1091.5, or other provisions of law. A Board member will not participate in the discussion, deliberation or vote on a matter before the Board of Directors, or in any way attempt to use their official position to influence a decision of the Board, if the Board member has a prohibited interest with respect to the matter as defined in the Political Reform Act, Government Code Sections 81000 and following relating to conflicts of interest. Generally, a Director has a financial interest in a matter if it is reasonably foreseeable that the Board decision would have a material financial effect (as defined by Fair Political Practices Commission (FPPC) regulations) that is distinguishable from the effect on the public, for instance:

- Business entity in which the Director has a direct or indirect investment in the amount specified in FPPC regulations.
- Real property in which the Director has a direct or indirect investment interest, with a worth in the amount specified in FPPC regulations.
- A source of income of the Director in the amount specified in FPPC regulations within 12 months before the Board decision.
- A source of gifts to the Director in an amount specified in FPPC regulations within 12 months before the Board decision.
- A business entity in which the Director holds a position as a director, trustee, officer, partner, manager or employee.

An "indirect interest" means any investment or interest owned by the spouse or dependent child of the Director, by an agent on behalf of the Director or by a business entity or trust in which the Director or the Director's spouse, dependent child or agent owns directly, indirectly or beneficially a 10 percent interest or greater. An elected official will not accept honoraria or gifts that exceed the limitations specified in the Fair Political Practices Act or FPPC regulations. Board members will report all gifts, campaign contributions, income and financial information as required by the Fair Political Practices Act and FPPC regulations.

Board of Directors Policy Handbook

Fair and Equal Treatment/ Personnel Policies Relating to the Board of Directors

Board members, in the performance of their official duties and responsibilities, will not discriminate against or harass any person on the basis of race, religion, color, creed, age, marital status, national origin, ancestry, gender, sexual orientation, medical condition or disability. A Board member will not grant any special consideration, treatment or advantage to any person or group beyond that which is available to every other person or group. Board members will be required to complete training as outline in Appendix D - **Resolution Establishing Mandatory Training for Board Members.**

Incompatible Employment

Pursuant to the provision of Government Code, Section 53227, an employee of Big-horn-Desert View Water Agency may not be sworn into office as an elected or appointed member of the Agency's Board of Directors unless he/she resigns as an employee. If the employee does not resign, the employment shall automatically terminate upon his/her being sworn into office.

Board of Directors Policy Handbook

Fair Political Practice Commission Mandated Filings

What is the Fair Political Practices Commission?

The Fair Political Practices Commission is a five-member independent, non-partisan commission that has primary responsibility for the impartial and effective administration of the Political Reform Act. The Act regulates campaign financing, conflicts of interest, lobbying and governmental ethics.

Reference: FPPC website at www.fpc.ca.gov/ for additional information.

It is important to note that the Agency must permit any member of the public to inspect and/or be provided a copy of any Fair Political Practices Commission (FPPC) form filed by any Board member or staff member upon completion of an Agency Public Information Request Form.

Agency Maintained Filings

Form 700 (Statement of Economic Interest)

Form 700 is a public document that must be filed with the Agency staff each year by April 1st. The Form 700 provides a mechanism for the Board member to mandatorily report investments, business positions in business entities, real property and income from sources that are located or doing business within the Agency's jurisdiction for the prior calendar year. Gifts of any type, regardless of source, are reportable regardless of jurisdiction. Specifics as to the types of expenses that must be disclosed on each statement are included with each Form 700. Form 700 "packets" are provided to each Board member by Agency staff as soon as the most updated version is available from the FPPC, which is generally by no later than the end of January. Form 700 and all statements are also available by accessing the Fair Political Practices Commission (FPPC) website at www.fppc.ca.gov.

Form 806

The Form 806 is a public document outlining Public Official Appointments. This form is completed annually by the Agency staff and following any reorganization of the Board of Directors that might occur during the calendar year.

Fair Political Practice Commission Mandated Filings for Candidate Consideration

The following list of financial disclosure forms may be required for candidates running for office. Please refer to the Candidate Guidelines provided by the Registrar of Voters prior to each election cycle. Please refer to the instructions for filing, which is included with the form for requirements and filing locations.

Form 410 (Statement of Organization) - Candidates that plan to spend or receive campaign contributions of \$2,000 or more must file this form.

Form 460 (Recipient Committee Campaign Statement) - Candidates who file a Form 410 are required to file Form 460.

Form 470 (Officeholder and Candidate Campaign Statement-Short Form) - Candidates that do not plan to spend or receive campaign contributions of \$2,000 or more must file this form.

Form 470 (Supplement) - If a candidate subsequently spends or receives campaign contributions of \$2,000 or more, after filing an initial Form 470, a Supplement Form 470 must be filed. This form must be filed within 48-hours of reaching the \$2,000 limit. The form must be provided to the Secretary of State, the local filing officer and each candidate seeking the same office. Contact the filing officer for candidate addresses if needed.

Form 496 (24-hour/10-day Independent Expenditure Report) - Filed by committees that make independent expenditures whose combined total is \$1,000 or more to support or oppose a single candidate for elective office. File the Form 496 within 24-hours of making the expenditure during the 90-days immediately preceding the election.

Form 497 (24-hour/10-day Contribution Report) - This form is filed by state and local committees making or receiving contribution(s) whose combined total is \$1,000 or more in the 90-days before an election.

Form 501 (Candidate Intention Statement) - Candidates must file this form prior to accepting any campaign contributions or making any campaign expenditures.

Please see the FPPC website at www.fpc.ca.gov/ for additional information.

Board of Directors Policy Handbook

Use of Agency Property/Resources & Confidentiality Information

Except as specifically authorized, a Board member will not use or permit the use of Agency-owned vehicles, equipment, telephones, materials or property for personal benefit, use or profit. A Board member will not ask or require an Agency employee to perform services for the personal benefit, use or profit of a Board member or employee.

Use of Confidential Information

A Director is not authorized, without approval of the Board of Directors, to disclose information that qualifies as confidential information under applicable provisions of law to a person not authorized to receive it, that (1) has been received for, or during, a closed session meeting of the Board, (2) is protected from disclosure under the attorney/client or other evidentiary privilege, or (3) is not required to be disclosed under the California Public Records Act.

This section does not prohibit any of the following:

- Making a confidential inquiry or complaint to the Agency General Counsel, or to a District Attorney or Grand Jury concerning a perceived violation of law, including disclosing facts to Agency General Counsel or to a district attorney or grand jury that are necessary to establish the alleged illegality of an action taken by the Agency, an elected official or employee.
- Expressing an opinion concerning the propriety or legality of actions taken by the Agency in closed session, including disclosure of the nature and extent of the alleged illegal action.

Prior to disclosing confidential information pursuant to either items above, however, a Board member will first bring the matter to the attention of either the President of the Board or the full Board, to provide the Board an opportunity to cure an alleged violation.

A Director who willfully and knowingly discloses for financial gain confidential information received by him/her in the course of his/her official duties may be guilty of a misdemeanor under Government Code Section 1098.

Board of Directors Policy Handbook

Conflict of Interest

If a member of the Board believes that he/she may be disqualified from participation in the discussion, deliberations or vote on a particular matter due to a conflict of interest, the following procedure will be followed:

- If the Director becomes aware of the potential conflict of interest before the Board meeting at which the matter will be discussed or acted on, the Director will notify the Agency's General Manager and the Agency's Legal Counsel of the potential conflict of interest so that a determination can be made whether it is a disqualifying conflict of interest.
- If it is not possible for the Director to discuss the potential conflict with the General Manager and the Agency's legal counsel before the meeting, or if the Director does not become aware of the potential conflict until during the meeting, the Director will immediately disclose the potential conflict during the Board meeting so that there can be a determination as to whether it is a disqualifying conflict of interest.
- Upon a determination that there is a disqualifying conflict of interest, the Director (1) will not participate in the discussion, deliberation or vote on the matter for which a conflict of interest exists, which will be so noted in the Board minutes, and (2) leave the room until after the discussion, vote and any other disposition of the matter is concluded.

A Board member will not recommend the employment of a relative by the Agency. A Board member will not recommend the employment of a relative to any person known by the Board member to be bidding for or negotiating a contract with the Agency.

A Board member who knowingly asks for, accepts or agrees to receive any gift, reward or promise thereof for doing an official act, except as may be authorized by law, may be guilty of a misdemeanor under Penal Code Section 70.

Board of Directors Policy Handbook

Soliciting Political Contributions

Board members are prohibited from soliciting political funds or contributions at Agency facilities or from Agency employees. A Board member will not accept, solicit or direct a political contribution from (a) Agency employees, officers, consultants or contractors, or (b) vendors or consultants who have a material financial interest in a contract or other matter while that contract or other matter is pending before the Agency. A Director will not use the Agency's seal, trademark, stationery or other indicia of the Agency's identity or facsimile thereof, in any solicitation for political contributions contrary to State or Federal law.

Incompatible Offices

California Government Code Section 1099 states the following:

(a) A public officer, including, but not limited to, an appointed or elected member of a governmental board, commission, committee, or other body, shall not simultaneously hold two public offices that are incompatible. Offices are incompatible when any of the following circumstances are present, unless simultaneous holding of the particular offices is compelled or expressly authorized by law:

(1) Either of the offices may audit, overrule, remove members of, dismiss employees of, or exercise supervisory powers over the other office or body.

(2) Based on the powers and jurisdiction of the offices, there is a possibility of a significant clash of duties or loyalties between the offices.

(3) Public policy considerations make it improper for one person to hold both offices.

(b) When two public offices are incompatible, a public officer shall be deemed to have forfeited the first office upon acceding to the second. This provision is enforceable pursuant to Section 803 of the Code of Civil Procedure.

(c) This section does not apply to a position of employment, including a civil service position.

(d) This section shall not apply to a governmental body that has only advisory powers.

Board of Directors Policy Handbook

Incompatible Offices, cont.

(e) For purposes of paragraph (1) of subdivision (a), a member of a multimember body holds an office that may audit, overrule, remove members of, dismiss employees of, or exercise supervisory powers over another office when the body has any of these powers over the other office or over a multimember body that includes that other office.

(f) This section codifies the common law rule prohibiting an individual from holding incompatible public offices.

Whistle Blower Protection & Directors' Legal Liabilities

The General Manager has primary responsibility for:

- Ensuring compliance with the Agency's Personnel Policies and Procedures, and ensuring that Agency employees do not engage in improper activities.
- Investigating allegations of improper activities.
- Taking appropriate corrective and disciplinary actions.

The Board has a duty to ensure that the General Manager is operating the Agency according to law and the policies approved by the Board. Board members are encouraged to fulfill their obligation to the public and the agency by disclosing to the General Manager, to the extent not expressly prohibited by law improper activities within their knowledge. Board members will not interfere with the General Manager's responsibilities in identifying, investigating and correcting improper activity, unless the Board determines that the General Manager is not properly carrying out these responsibilities.

Board of Directors Policy Handbook

Whistle Blower Protection & Directors' Legal Liabilities, cont.

A Board member will not directly or indirectly use or attempt to use the authority or influence of his or her position for the purpose of intimidating, threatening, coercing, commanding or influencing any other person for the purpose of preventing such person from acting in good faith to report or otherwise bring to the attention of the General Manager or the Board any information that demonstrates a perceived illegal activity or which could pose risk to the Agency. As to Agency employees, the matter is to first be brought to the attention of the employee's supervisor or to the General Manager. Should the matter not be resolved after following this chain of command, the employee may then address the matter with the Board President.

Examples or reportable actions:

- A work-related violation by a Board member or Agency employee of any law or regulation.
- Gross waste of Agency funds.
- Gross abuse of authority.
- A specified and substantial danger to public health or safety due to an act or omission of an Agency official or employee.
- Use of an Agency office or position or of Agency resources for personal gain.
- A conflict of interest of an Agency Board member or Agency employee.

A Board member will not use or threaten to use any official authority or influence to effect any action as a reprisal against an Agency Board member or Agency employee who reports or otherwise brings to the attention of the General Manager any information regarding the subjects described in this section.

Directors' Legal Liabilities

A Director may be personally criminally and civilly liable for any violation of the Conflict of Interest laws, the Fair Political Practices Act and Regulations, failure to timely and completely file all required FPPC Forms, interfering with the employee management responsibilities of the General Manager or for violating the Brown Act.

Violation of Ethics Policy

A perceived violation of the Ethics Policy by a Board member should be referred to the President of the Board or the full Board of Directors for investigation and consideration of any appropriate action warranted. A violation of this policy may be addressed by the use of such remedies as are available by law to the Agency, including but not limited to:

- Adoption of a resolution expressing disapproval of the conduct of the Board member who has violated this policy;
- Injunctive relief;
- Censure;
- Discipline;
- Referral of the violation to the District Attorney and/or the Grand Jury.

Interaction With Staff



The Board of Directors will deal with the administrative services of the Agency through the General Manager. The General Manager is the Board's link to operational achievement and conduct. All authority and accountability of staff is considered the responsibility of the General Manager.

Board of Directors Policy Handbook

Division of Responsibilities

The Board of Directors is responsible for setting Agency policy since each individual Director is accountable to the public as an elected official. The Board appoints the General Manager and defines the duties of his position. The Board is not to instruct management on the implementation of Agency policies.

The Board of Directors is responsible for:

- Establishing policies and program through the open meeting process. Approving budgets and special expenditures (i.e. public works contracts).
- Appointing a General Manager, who will be responsible for the management of all operations and affairs of the Agency.
- Delegating certain powers to the General Manager in the operation of Agency affairs.

The General Manager is responsible for:

- Recommending policies to the Board of Directors.
- Recommending programs to the Board of Directors for implementation of Agency policies.
- Carrying out policies and projects approved by the Board of Directors.
- Responding to the Board of Directors on the status of projects.
- Helping to orientate new Board members to Agency departments and facilities.

Additionally, Directors are to refrain from having open discussions regarding the Agency's operations or topics of a potentially sensitive nature with any staff member other than the General Manager. Doing so could undermine management, jeopardize the organization's credibility or even put the Agency at-risk legally.

Page Left Intentionally Blank

Open Meetings & The Ralph M. Brown Act



Meetings of the Agency Board of Directors are held according to Resolutions fixing the time and place of regular meetings and establishing Standing Committees and Ad Hoc Committees.

The execution of meetings shall be in accordance with The Ralph M. Brown Act (Government Code 54950). This Act is essentially known as the “Open and Public Meeting” Act. The Act was established to ensure that all meetings of legislative bodies are open so that the public has an opportunity to participate in the decision-making process.

“The Brown Act”

means

**Transparency in Decision Making
Encourage Open Public Participation**

Board of Directors Policy Handbook

General

All meetings of the Board, whether regular, special or adjourned, shall be open to the public, except for closed sessions authorized by law. Members of the public may address the Board on matters of interest to the public if such matters are within the subject matter jurisdiction of the Board, and provided further that no action shall be taken by the Board on any item arising out of such speeches unless the matter already appears on the agenda for that meeting. The Board may adopt reasonable regulations which limit the total amount of time allotted for each speaker and in total.

Agenda Preparation Procedures

Agenda preparation is in accordance with a resolution establishing a meeting and agenda preparation policy (See Appendix H). Agendas for all meetings of the Board of Directors and Standing Committees shall be posted in accordance with the Brown Act. Additionally, the entire agenda packet for these meetings will be available for public review at the Bighorn-Desert View Water Agency, 622 S. Jemez Trail, Yucca Valley, California. The packet is also available on the agency web site at www.bdvwa.org.

Quorum

A majority of the Board of Directors shall constitute a quorum for transaction of business.

Voting/Actions

Directors shall have one (1) vote each at any meeting of the Board of Directors on any item. There shall be no voting by proxy. The Board of Directors shall act only by ordinance, resolution or minute order. Actions are recorded in the meeting minutes in accordance with the resolution on format for recordation of minutes (See Appendix L).

Minutes

The appointed agency staff shall cause to be kept at the principal office of the agency a complete record of minutes for all meetings of the Board of Directors and all committees of the Board. Minutes shall identify the meeting date, time and place, whether regular, special, etc. and a brief detail of the actions taking place at the meeting.

Board of Directors Policy Handbook

Definition of Meetings

Regular Meeting: Regular meetings of the Board of Directors shall be in accordance with the adopted Board Policy. The Board may, from time to time, change the day of the month and/or the time of such regular meetings as dictated by holiday schedules or changing circumstances and in accordance with Section 54954 of the California Government Code. Agendas shall be posted as required by law. The agenda for a regular meeting or standing committee must be posted at least 72-hours prior to the date and time the meeting commences.

Adjourned Meeting: A regular or special meeting can be adjourned and re-adjourned to a time and place specified in the Order of Adjournment. If no time is stated, the meeting is continued to the hour for regular meetings. Less than a quorum may so adjourn a meeting, and if no member of the legislative body is present, the clerk or secretary may adjourn the meeting. A copy of the order of adjournment must be posted within 24-hours after the adjournment at or near the door of the place where the meeting was held. If a meeting is adjourned for less than five calendar days, no new agenda need be posted as long as a new item of business is not introduced.

Special Meeting: A special meeting of the Board of Directors may be called by the Board President, General Manager or at the written request of three Directors. Notice of such special meeting shall be delivered personally, by email or fax, or by mail to each member of the Board, and said notice shall be received at least 24-hours before the meeting. Public notice shall be given as required by law, except for emergency meetings held in compliance with California Government Code Section 54956.5. This notice shall state the time and place of the special meeting and the business for which the special meeting has been called, and no business other than that stated in the notice shall be transacted at such special meeting.

Emergency Meeting: A public agency can hold an emergency meeting when prompt action is needed due to the actual or threatened disruption of public facilities. An emergency situation exists if the legislative body determines a work stoppage, crippling disaster, or other activity that would severely impair public health, safety or both. Emergency meetings do not need to adhere to the 24-hour notice or posting requirement for special meetings.

Board of Directors Policy Handbook

Definitions of Meetings, cont.

Closed Session Meetings: Part or all of a regular or special meeting may be closed to the public under specified conditions as noted below. However, notice and posting of the meeting is still required even if no action is contemplated.

Following are the topics that may be discussed in closed session. Additional details may be found by referring to the Brown Act (Government Code 54950):

- Personnel
- Pending litigation
- Existing litigation
- Threatened or anticipated litigation against the local agency
- Potential litigation initiated by the local agency
- Real estate negotiations
- Labor negotiations

Ad Hoc Committees: An Ad Hoc Committee is made up solely of members of the Board of Directors, constitutes less than a quorum of the legislative body, and is not considered a legislative body subject to the Brown Act. An Ad Hoc Committee is established to deal with a single and specific subject on a short-term basis, and once the issue for which the Committee was established has been resolved, the Committee will cease to exist. All Ad Hoc Committees serve only in an advisory capacity and are legally constrained from adopting policy or making decisions on behalf of the Board of Directors.

The Board President shall, with Board consensus, appoint such an Ad Hoc Committees as may be deemed necessary by the General Manager, Board President or the Board of Directors. The duties of the Ad Hoc Committees shall be outlined at the time of appointment, and the Ad Hoc Committee shall be considered dissolved when its final report has been made.

Standing Committee Meeting: A standing committee of the governing body is one that has a continuing subject matter and/or that has a schedule fixed by formal action of the governing body. All standing committees serve only in an advisory capacity to the Board of Directors and are legally constrained from adopting policy or making decisions on behalf of the Board of Directors. Standing committees are comprised of two members of the Board, appointed annually by the Board President with Board consensus. Two Standing Committees currently in place at the agency (See Appendix G).

Board of Directors Policy Handbook

Current Standing Committees

Financial/Personnel/Public Relations/Education Committee (FPREP): This Committee addresses financial management of the agency. This includes the preparation of an annual budget, periodic reviews of agency revenues, agency investments, expenditures and audit. The personnel portion of the Committee concerns itself with the functions, activities, compensation and welfare of agency staff and works directly with the General Manager on personnel related matters. The Committee also assures information relative to the affairs of the agency is accurately and appropriately communicated to the public.

Planning/Legislative/Engineering/Grant/Security Committee (PLEGS): This Committee addresses planning and engineering and shall be concerned with, but not limited to, the study and development of agency operational goals, including planning/engineering reviews and proposals for capital improvement projects as well as the development and periodic review of the Agency's general plan, master plan, safety/security plans and status of grant funded projects.

The legislative portion of the Committee shall be concerned with matters related to, or involving other governmental and/or regulatory agencies which may have an affect on the agency. It shall monitor and review legislation or potential legislation which may also affect the Agency including grants and security.

The Committees referenced above will remain in existence until discharged by majority vote of the Board of Directors. Committee members shall serve a term of one-year, or until such time as successors are appointed. Directors appointed to one of these Committees are required to attend the regularly scheduled meetings. In the event a Committee member is absent from a meeting the alternate member appointed by the Board President shall participate in the meeting.

TERMINOLOGY



A listing of common terminology including acronyms used in the drinking water industry.

Board of Directors Policy Handbook

Terminology

The following are industry-related terms which may be useful in dealing with day-to-day matters involving the Agency:

Accounts Payable (AP): Money Owed by a company to its creditors.

Accounts Receivable (AR): The proceeds or payment which the company will receive from its customers who have received its goods and services.

Accrual Accounting: Recognizes revenues in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Acre-foot (AF): The volume of water necessary to cover one-acre to a depth of one-foot. An acre-foot is equal to 43,560 cubic feet or 325,851 gallons.

Adjudication: A judicial process to determine the extent and priority of the rights of all persons to use water in a defined water system.

Agenda: Formal document disclosing all matters to be discussed or considered by the Board at a scheduled meeting. In accordance with “The Brown Act” regular and standing committee agendas must be posted at least 72-hours prior to the beginning of a meeting.

Agenda Item Staff Report: This relates to a report prepared by Agency staff for meeting agenda packets that provide details regarding an agenda item, including staff’s recommendation, background information and fiscal impact.

Aquifer: An underground geological formation or structure that stores and/or transmits water.

Balance Sheet: A statement of the assets, liabilities, and capital of a business or other organization at a particular point in time, detailing the balance of income and expenditure over the preceding period.

Budget: An estimate of income and expenditure for a set period of time.

Consumer Confidence Report (CCR): An annual report that provides customers with important information about quality of their drinking water.

Board of Directors Policy Handbook

Terminology

California Environmental Quality Act (CEQA): Requires public agencies to “look before they leap” and consider the environmental consequences of their discretionary actions. CEQA is intended to inform government decision-makers and the public about potential environmental effects of proposed activities and to mitigate to the extent possible any identified environmental damage.

Conjunctive Use: The planned use of both groundwater and surface water in an overall management system to optimize total water resources.

Consumptive Use: A use that makes water unavailable for other uses, usually by permanently removing it from local surface or groundwater storage as the result of evaporation and/or transpiration.

Cubic Foot (cf or ft³): The volume of a cube with sides of one-foot in length. Its volume is 7.48 gallons.

Evaporation: The process of liquid water becoming water vapor including vaporization from water surfaces and land surfaces but not from leaf surfaces.

Export: The conveyance of water outside the service territory of the Agency.

Fair Political Practices Commission (FPPC): The Fair Political Practices Commission is a five-member independent, non-partisan commission that has primary responsibility for the impartial and effective administration of the Political Reform Act. The Act regulates campaign financing, conflicts of interest, lobbying and governmental ethics.

Fiscal Year: Agency operating period of July 1 to June 30.

Gallons: A unit of liquid capacity equal to 0.134 cubic feet.

Groundwater: The supply of fresh water found beneath the Earth’s surface, usually in aquifers, which supplies wells and/or springs.

Groundwater basin: A groundwater reservoir defined by the overlying land surface and the underlying aquifers that contain water.

Board of Directors Policy Handbook

Terminology, cont.

Groundwater table: The upper surface of the depth to groundwater.

Imported Water: The importation of water from outside the area for use within an entities service territory (eg. State Water Project deliveries).

Infiltration: Flow of water through the ground surface into the subsurface.

Monitoring well: A non-pumping well used for drawing water quality samples or measuring water levels.

Motion: A formal motion for action made by a Board member at any Board meeting. A motion initiates action on a subject on the agenda. Another member of the Board must offer a second to that motion for action to continue. Actions taken by motion are considered minute actions unless the motion is made to approve an ordinance or resolution.

National Environmental Policy Act (NEPA): Requires federal agencies to assess the environmental effects of their proposed actions prior to making decisions. Agencies evaluate the environmental and related social and economic effects of their proposed actions.

Ordinance: A formal rule or law made by action of the Board of Directors.

Percolation: The downward movement of water through the soil to the ground water table (see infiltration).

Permeability: The ability of a material to transmit water through its pores when subjected to pressure.

Potable Water (Drinking Water): Water of a quality suitable for drinking.

Board of Directors Policy Handbook

Terminology, cont.

Resolution: A formal action by a Board member for adoption of a policy or other action not intended to be a rule or law.

Riparian: Of, or pertaining to, rivers and their banks.

Safe Yield: The amount of water that can be pumped from the aquifer without over drafting (over-using or exhausting) the aquifer.

Stream Flow: The discharge that occurs in a natural channel.

Subsidence: Downward movement of the land surface associated with groundwater pumping, especially where such pumping exceeds safe yield and the water table has dropped.

Subsurface Water: All water below the land surface including groundwater.

Transpiration: Water used by plants.

Water Demand: The amount of water used over a period of time.

Water Quality: The physical, chemical, biological and radiological characteristics of water and how they relate to a particular beneficial use (i.e. drinking water).

Water Transfer: A legal change in a water right, temporary or permanent, reflecting some combination of a change of ownership, point of diversion and place of use.

Watershed: That surface area that contributes to the drainage or catchment area above a specific point on a stream, river or land surface.

APPENDIX (Resolutions & Policies) & EXHIBITS



A list of Appendices and Exhibits referenced throughout this Handbook as well as informational website links.

Board of Directors Policy Handbook

APPENDIX

Appendix A Agency Enabling Act - Bighorn-Desert View Water Agency is a public entity organized and operating pursuant to California Water Code Appendix Section 112-1 et seq.

Appendix B Resolution Declaring Intention of the Agency to Comply with all Provisions of the Ralph M. Brown Act

Appendix C Resolution Declaring the Code of Conduct for Members of the Agency Board of Directors

Appendix D Resolution Establishing Mandatory Training for Board Members

Appendix E Resolution Amending the Agency's Conflict of Interest

Appendix F Resolution Fixing a Time and Place for Regular Board Meetings and Designating the Official Mailing Address for BDVWA

Appendix G Resolution Establishing Standing Committees and Authorizing the Creation of Ad Hoc Committees

Appendix H Resolution Establishing an Agency Meeting and Agenda Preparation Policy

Appendix I Resolution Establishing a Policy for Reimbursement of Actual and Necessary Expenses for Board Members

Appendix J Ordinance Providing for Compensation of the Board of Directors and Establishing Procedures Related Thereto

Appendix K Resolution Authorizing Agency Director Credit Cards and Setting Guidelines for the Use of the Same

Appendix L Resolution Establishing the Format for Recordation of Minutes at Meetings of the Agency

Board of Directors Policy Handbook

EXHIBITS

Exhibit A Annual Comprehensive Financial Report

Exhibit B District Transparency Certificate of Excellence

Exhibit C District of Distinction Accreditation

Exhibit D Agency “Operating Information” (from latest audited financial statements) - Schedule of service and infrastructure data.

Exhibit E Consumer Confidence Report (most recent) - Also known as drinking water quality reports provide important information about the quality of the drinking water.

INFORMATIONAL WEBSITE LINKS

Agency Library of Technical Reports - <https://bdvwa.org/document-library/technical-report/>

Agency Library of Historical Information - <https://bdvwa.org/document-library/local-history/>

Alliance for Water Awareness and Conservation—site includes Landscaping Resources - <https://www.mojavewater.org/conservation/>

Association of California Water Agencies - <https://www.acwa.com/>

CA Special Districts Association - <https://csda.net/home>

CA Rural Water Association - <https://csda.net/home>

Community Water Systems Alliance (CWSA) - <https://communitywatersystems.org/>

Page Left Intentionally Blank

APPENDIX A to L

ACT 90

Bighorn-Desert View Water Agency Law



[Added Stats 1969 ch 1175, effective August 31, 1969. Amended Stats 1970 ch 104 operative January 1, 1971; Stats 1970 ch 447; Stats 1975 ch 586, operative July 1, 1976; Stats 1982 ch 1035; Stats 1983 ch 564; Stats 1984 ch 696, 1128; Stats 1985 ch 950; Stats 1989 ch 570.]

AN ACT to provide for the organization and government of the Bighorn-Desert View Water Agency, prescribing its organization, management, and other powers and duties.

Section

- | | |
|--|--|
| 1. Citation of act | 22. Improvement districts for purpose of incurring bonded indebtedness; Formation |
| 2. Creation of agency; Description of territory | 23. Annexation of territory to an improvement district |
| 3. Board of Directors | 24. Bonds; Issuance, form, sale, etc. |
| 4. Elections; Who are qualified voters | 25. Force, value, and use; Exemption from taxation |
| 5. Applicability of Elections Code | 26. Improvement districts for purposes other than incurring bonded indebtedness; Formation etc. |
| 6. Authorization to recall elective officers | 27. Advancement of general funds to improvement districts; Provisions for repayment |
| 7. Board of directors; Meetings; Quorum; President | 28. Payment of interest on bonds |
| 8. Compensation | 29. Prohibition against dissolution before full payment of bonded indebtedness |
| 9. Vacancies on the board | 30. Uninhabited improvement districts for purpose of incurring bonded indebtedness; Formation, etc. |
| 10. Appointment of officers and employees | 31. Annexation of territory to improvement districts; Proceedings |
| 11. Duties of the general manager | 32. Same; When notice and hearing not required |
| 12. Action by ordinance, resolution, or minute order | 33. Exclusion of territory from improvement district formed for purpose other than incurring of bonded indebtedness; Proceedings |
| 13. Authorization for voters to pass ordinances | 34. Dissolution of improvement districts |
| 13. Authorization for voters to veto ordinances | 35. Severability of provisions |
| 15. Powers of agency | |
| 16. Provisions governing claims for money or damages | |
| 17. Fixing of water rates | |
| 18. Fixing of water standby or availability charge | |
| 19. Power to levy and collect taxes | |
| 20. Levy, etc., of taxes | |
| 21. Bond elections; Proceedings | |

§1. Citation of act

This act is designated, and may be cited and referred to as, the “Bighorn-Desert View Water Agency Law.”

§2. Creation of agency; Description of territory

The Bighorn-Desert View Water Agency is hereby created, organized and incorporated and shall be managed as herein expressly provided and may exercise the powers herein expressly granted or necessarily implied, and may include contiguous or noncontiguous parcels of both unincorporated and incorporated territory, and shall include all territory lying within the following described boundaries:

All that real property situate in the County of San Bernardino, State of California, more particularly described as follows:

(a) Township 3 North, Range 4 East, San Bernardino Base and Meridian:

Section 7

Section 8

Section 11

South 1/2 Section 2

Southwest 1/4 Section 12

Section 13, excluding the North 1/2 of the Northeast 1/4
Section 14
Section 15
Section 16
Section 17
East 1/2 Section 18
Northeast 1/4, Northeast 1/4, Section 20
North 1/2 Section 21
North 1/2 Section 22

(b) Township 3 North, Range 5 East, San Bernardino Base and Meridian:

South 1/2 South 1/2, Southwest 1/4, Section 4
Section 8
Section 9, excluding the Northeast 1/4
Southwest 1/4 Section 10
Section 13
South 1/2 Section 14
Section 15, excluding the Northeast 1/4
Section 16
Section 17
Section 18
Section 21
Section 22
Section 23
Section 24
West 1/2 Section 26
Section 27
Southeast 1/4 Section 33
Section 34
Section 35, excluding the Northeast 1/4
West 1/2, Northwest 1/2, Southwest 1/4, Section 36
Northeast 1/4, Northwest 1/4, Southwest 1/4, Section 36

(c) Township 2 North, Range 5 East, San Bernardino Base and Meridian:

Section 2
Section 3
Section 10
Section 11
Section 12
Section 13
Section 14
Section 15
Section 22
Section 23
Section 26
Section 27
Section 34

(d) Township 2 North, Range 6 East, San Bernardino Base and Meridian:

Section 5

Section 6

Section 7, except certain parcels (served by BDVWA, but within W-1 Service Area) described as:

630-032-04 W 1/2 SW 1/4 SW 1/4 SE 1/4 SEC 7 TP 2N R 6E 5 AC
630-032-05 E 1/2 SW 1/4 SW 1/4 SE 1/4 SEC 7 TP 2N R 6E EX RDS
630-032-09 W 1/2 NE 1/4 NW 1/4 SE 1/4 SEC 7 TP 2N R 6E EX RD
630-032-10 W 1/2 SE 1/4 NW 1/4 SE 1/4 SEC 7 TP 2N R 6E EX RD
630-032-11 W 1/2 NE 1/4 SW 1/4 SE 1/4 SEC 7 TP 2N R 6E EX RD
630-032-15 E 1/2 SE 1/4 NW 1/4 SE 1/4 SEC 7 TP 2N R 6E 5 AC
630-032-49 W 1/2 SE 1/4 SW 1/4 SE 1/4 SEC 7 TP 2N R 6E EX W 110 FT N 100 FT S 422 FT
THEREOF AND EX RDS
630-041-26 W 1/2 SE 1/4 NW 1/4 NE 1/4 SEC 7 TP 2N R 6E EX RD MNL RTS AS
RESERVED BY USA 5 AC
630-041-30 E 1/2 SE 1/4 SW 1/4 NE 1/4 SEC 7 TP 2N R 6E 5 AC
630-041-39 W 1/2 SE 1/4 NE 1/4 NE 1/4 SEC 7 TP 2N R 6E 5 AC
630-041-42 N 280 FT W 1/4 SE 1/4 SW 1/4 NE 1/4 SEC 7 TP 2N R 6E EX RD
630-041-54 N 130 FT S 380 FT W 1/4 SE 1/4 SW 1/4 NE 1/4 SEC 7 TP 2N R 6E 5 EX RD
630-041-55 S 250 FT W 1/4 SE 1/4 SW 1/4 NE 1/4 SEC 7 TP 2N R 6E 5 EX RD
630-041-56 N 1/2 E 1/2 SE 1/4 NW 1/4 NE 1/4 SEC 7 TP 2N R 6E EX RD
630-041-57 S 1/2 E 1/2 SE 1/4 NW 1/4 NE 1/4 SEC 7 TP 2N R 6E

Section 18, except certain parcels (served by BDVWD, but within W-1 Service Area) described as:

630-021-18 E 1/2 SW 1/4 NW 1/4 NE 1/4 SEC 18 TP 2N R 6E EX RD
630-021-67 N 1/2 E 1/2 NW 1/4 NW 1/4 NE 1/4 SEC 18 TP 2N R 6E EX S 130 FT W 100 FT
E 230 FT THEREOF AND EX MNL RTS AS RESERVED BY USA EX RDS

West 1/2, Section 19

§3. Board of Directors

The Board of Directors of the Bighorn-Desert View Water Agency organized under this Act shall consist of five members, each of whom shall be a resident of the agency, and shall hold office until his/her successor is elected. All successors of the first board shall be elected or chosen at the time and in the manner provided in the Uniform District Election Law.

§4. Elections; Who are qualified voters

No person shall vote at any Bighorn-Desert View Water Agency election who is not a voter within the meaning of the Elections Code.

In case the boundary line of the Bighorn-Desert View Water Agency crosses the boundary line of a county election precinct only those voters within such Bighorn-Desert View Water Agency and within such precinct who are registered as being voters within the Bighorn-Desert View Water Agency shall be permitted to vote, and for that purpose the county clerk or registrar of voters is hereby empowered to provide two sets of ballots within such precincts, one containing the names of candidates for office in said Bighorn-Desert View Water Agency, and the other not containing such names, and it shall be the duty of the election officers in such precincts to furnish only those persons registered as voters within such Bighorn-Desert View Water Agency with the ballots upon which are printed the names of the candidates for office in the Bighorn-Desert View Water Agency.

§5. Applicability of Elections Code

The provisions of the Elections Code so far as they may be applicable shall govern all general and special Bighorn-Desert View Water Agency elections except as or otherwise provided in this Act.

§6. Authorization to recall elective officers

Every incumbent of an elective office, whether elected by popular vote for a full term, or chosen by the board of directors to fill a vacancy, is subject to recall by the voters of the Agency in accordance with the recall provisions of the Elections Code of the state with reference to cities.

§7. Board of directors; Meetings; Quorum; President

The board of directors shall be the governing body of the Bighorn-Desert View Water Agency. The board shall, by resolution, provide for the date, time and place of holding its meetings. All meetings of the board of directors, whether regular or special, shall be open to the public. A majority of the board of directors shall constitute a quorum for the transaction of business. At its first meeting in the month of January of each even-numbered year, the board of directors shall choose from among its members a president, vice president and secretary.

§8. Compensation

Each of the members of the board of directors shall receive for each attendance at the meetings of the board compensation in an amount not to exceed the maximum amount authorized by Section 20200 et seq. of the Water Code.

§9. Vacancies on the board

Any vacancy in the board of directors shall be filled pursuant to the provisions of Government Code Sections 1770-1780.

§10. Appointment of other officers and employees

The board of directors shall appoint, by a majority vote of the board, an attorney, chief engineer, general manager and auditor, define their duties and fix their compensation, and each shall serve at the pleasure of the board. Members of the board of directors shall not serve as attorney, engineer, auditor or general manager.

§11. Duties of the general manager

The general manager shall:

- (a) Have full charge and control of the maintenance, operation and construction of the waterworks of the Agency;
- (b) Have full power and authority to employ and discharge all employees and assistants at pleasure;
- (c) Prescribe the duties of employees and assistants;
- (d) Fix and alter the compensation of employees and assistants subject to approval by the board;
- (e) Perform other duties imposed by the board; and
- (f) Report to the board in accordance with the rules and regulations as it adopts.

§12. Action by ordinance, resolution, or minute order

The board of directors shall act only by ordinance, resolution, or minute order. No ordinance, resolution or minute order shall be passed or become effective without the affirmative vote of a majority of the members of the board. The enacting clause of all ordinances passed by the board shall be: "Be it ordained by the Board of Directors of the Bighorn-Desert View Water Agency as follows:" Except as otherwise provided by law, ordinances shall be adopted by the following procedure:

(a) Within 21 days after its passage the general manager shall cause each ordinance to be published at least once in a newspaper of general circulation published and circulated within the Agency's boundaries and shall cause it to be posted in at least three public places. An ordinance shall not be published in a newspaper if the charge exceeds the customary rate charged by the newspaper for publication of private legal notices, but summaries thereof shall be published as provided below; or

(b) The general manager may cause a summary of the proposed ordinance or proposed amendment to be published at least once in a newspaper of general circulation, and a copy of the full text of the proposed ordinance or proposed amendment shall be posted in the office of the Agency at least 5 days prior to the board meeting at which the proposed ordinance or amendment is to be adopted. Within 21 days after adoption of the ordinance or amendment, the general manager shall cause a summary of the ordinance or amendment to be published at least once in a newspaper of general circulation and posted in at least 3 public places; or

(c) If the general manager determines that it is not feasible to prepare a fair and adequate summary of the proposed adopted ordinance or amendment, a display advertisement of at least 1/6th of a page in a newspaper of general circulation shall be published and a copy of the full text of the proposed ordinance or amendment shall be posted in the office of the Agency at least 5 days prior to the board meeting at which the proposed ordinance or amendment is to be adopted. Within 15 days after adoption, a display advertisement of a similar size shall be published and the full text posted in at least 3 public places.

§13. Authorization for voters to pass ordinances

Ordinances may be passed by the voters of the Agency organized under the provisions of this act in accordance with the methods provided by the Elections Code for direct legislation in cities.

§14. Authorization for voters to veto ordinances

Ordinances may be disapproved and thereby vetoed by the voters of the Agency by proceeding in accordance with the methods provided by the Elections Code for protesting against legislation in cities.

§15. Powers of agency

The Bighorn-Desert View Water Agency, which may exercise the powers expressly granted and those necessarily implied, has all of the following powers:

1. To have perpetual succession.
2. To sue and be sued in all actions and proceedings in all courts and tribunals of competent jurisdiction.
3. To adopt a seal and alter it at pleasure.
4. To take by grant, purchase, gift, devise, condemnation, or lease, hold, use, enjoy, and to lease, with or without the privilege of purchase, sell or dispose of real and personal property of every kind, within or without the Bighorn-Desert View Water Agency.
5. To acquire, or contract to acquire, waterworks or a waterworks system, waters, water rights, lands, rights and privileges, and construct, maintain, and operate water wells, conduits, pipelines, reservoirs, works, machinery, and other property useful or necessary to produce, store, convey, supply, or otherwise make use of water for a waterworks plant or system for the benefit of the Agency, and to complete, extend, enlarge, add to, repair, or otherwise improve any waterworks or waterworks system acquired by it.
6. To construct, maintain, improve, and operate public recreational facilities appurtenant to any waterworks and to provide regulations binding upon all persons to govern the use of those facilities, including regulations imposing reasonable charges for the use thereof. Violation of any such regulation is an infraction.
7. To sell water to other public agencies within the Agency, and to the inhabitants of such public agencies for use within the Agency, and it may, whenever the board finds that there is a surplus of water above that which may be required by consumers within the Agency, sell or otherwise dispose of surplus water to any persons, firms, public or private corporations or public agencies, or other consumers.
8. To supply and deliver water to property not subject to Agency taxes at special rates, terms, and conditions as determined by the board.
9. To restrict the use of Agency water during any emergency caused by drought, or other threatened or existing water shortage, and to prohibit the wastage of Agency water or the use of agency water during those periods, in accordance with the provisions of Water Code Section 350 et seq. or its successor statute.
10. To make contracts, employ labor, and do all acts necessary for the full exercise of the above powers.
11. To provide for the pensioning of officers or employees and the creation of a special fund for the purpose of paying the pensions, and the accumulation of contributions to the fund from the revenues of the Agency, the wages of officers or employees, voluntary contributions, gifts, donations, or any source of revenue not inconsistent with the general powers of the board, and to contract with any insurance corporation or any other insurance carrier for the maintenance of a service covering the pension of the officers or employees, and to provide for the terms and conditions under which pensions shall be awarded, and for the time and extent of service of officers or employees before pensions shall be available to them.
12. To acquire, control, distribute, store, spread, sink, treat, purify, reclaim, capture and recapture, and salvage any water, including sewage and storm waters, for the beneficial use and protection of the Agency or its inhabitants or the owners of right to water therein.
13. To contract with the federal government or the State of California or any department or agency thereof, a county or other public agencies, private corporations, or other persons for the purpose of carrying out any of the powers of the Agency and, for that purpose, to contract with the other public agencies, private corporations, or persons for the purpose of financing acquisitions, construction, and operations. Such contracts may contain such other and further covenants and agreements as may be necessary or convenient to accomplish the purposes thereof.
14. To commence, maintain, intervene in, defend and compromise, in the name of the Agency, or as a class representative of the inhabitants, property owners, taxpayers, or water producers or water users within the Agency, or otherwise, and to assume the costs and expenses of any and all actions and proceedings, now or hereafter begun, involving

or affecting the ownership or use of water or water rights, used or useful for any purpose, of the Agency, or a common benefit to the lands within the Agency or its inhabitants.

15. To commence, maintain, intervene in, defend and compromise, in the name of the Agency, or as a class representative of the inhabitants, property owners, taxpayers, water producers or water users within the Agency, and to assume the cost and expense of any and all actions or proceedings, to prevent, control, or abate the pollution of water used or useful for any purpose of the Agency, or to protect or provide a common benefit to lands within the Agency or to the inhabitants of the Agency, or to protect or control any watershed or basin overlain, in whole or in part, by the Agency or which contributes or may contribute to the water supply of the Agency.

16. To borrow money, incur indebtedness, and issue bonds or other evidences of indebtedness at the rate permitted by Government Code Section 53530, et seq. or its successor statute, and to refund or retire any indebtedness or lien against the Agency or its property.

17. To issue negotiable promissory notes which shall be general obligations of the Agency payable from revenues and taxes in the same manner as bonds of the Agency, at the rate permitted by Government Code Section 53530, et seq. or its successor statute.

18. To cause taxes to be levied, in the manner provided by the California Constitution and state law, for the purpose of paying any obligation of the Agency.

19. To issue improvement bonds in accordance with, and pursuant to, the Improvement Act of 1911 (Division 7 [commencing with Section 5000] of the Streets and Highways Code), the Improvement Bond Act of 1915 (Division 10 [commencing with Section 8500] of the Streets and Highways Code), the Municipal Improvement Act of 1913 (Division 12 [commencing with Section 1000] of the Streets and Highways Code), the Refunding Assessment Bond Act of 1935 (Chapter 732 of the Statutes of 1935) and the Revenue Bond Law of 1941 (Chapter 6 [commencing with Section 54300] of Part 1 of Division 2 of Title 5 of the Government Code).

20. To prescribe, revise and collect water system connection and capacity charges.

21. To record a certificate in the office of the county recorder of any county, specifying the amount of unpaid charges for water or other services, plus interest and penalties. From the time of recordation of the certificate, the amount required to be paid, together with interest and penalty, constitutes a lien upon all real property in the county owned by the person or afterwards, and before the lien expires, acquired by him. The lien shall have the force, priority and effect of a judgment lien and shall continue for 10 years from the date of the filing of the certificate unless sooner released or otherwise discharged. The lien may, within 10 years from the filing of the certificate, or within 10 years from the date of the last extension of the lien in the manner herein provided, be extended by filing for record a new certificate in the office of the county recorder of any county and from the time of such filing the lien shall be extended to the real property in such county for 10 years unless sooner released or otherwise discharged.

22. To construct, operate and maintain works to develop hydroelectric energy, for use by the Agency in the operation of its works or as a means of assisting in financing the construction, operation and maintenance of its projects for the control, conservation, diversion and transmission of water, and to enter into contracts for the sale of such energy.

23. To contract for the sale of the right to use falling water for electric energy purposes with any public agency or private entity engaged in the retail distribution of electric energy.

24. To prosecute an action to determine the validity of any bonds, warrants, promissory notes, contracts or other evidences of indebtedness, including those of the kind authorized by paragraphs 16, 17 and 19 above, brought pursuant to Code of Civil Procedure Section 860 et seq.

25. In addition to the powers granted in this Section 15, the Agency may exercise all powers previously or hereafter granted to or possessed by county water districts organized and governed under the County Water District Law (Division 12 (commencing with Section 30000) of the Water Code) to finance the acquisition of, and to acquire, waterworks and waterworks systems, waters, water rights, lands, rights or privileges, and may exercise all those powers to fund construction, maintenance, or operation of waterworks and waterworks systems.

§16. Provisions governing claims for money or damages

All claims for money or damages against this Agency are governed by Part 3 (commencing with Section 900) and Part 4 (commencing with Section 940) of Division 3.6 of Title 1 of the Government Code, except as provided therein, or by other statutes or regulations applicable thereto.

§17. Fixing of water rates

The board of directors, so far as practicable, shall fix such rate or rates for water in the Agency and in each improvement district therein as will result in revenues which will pay the operating expenses of the Agency, and the

improvement district, provide for repairs and depreciation of works, provide a reasonable surplus for replacements, improvements, extensions, and enlargements, pay the interest on any debt, and provide a sinking or other fund for the payment of the principal of such debt as it may become due. Said rates for water in each improvement district may vary from the rates of the Agency and from other improvement districts therein.

§18. Fixing of water standby or availability charge

The board of directors, by ordinance or resolution, may fix and impose, on or before the first day of July in any calendar year, a water standby or availability charge on lands within the Agency, or in any improvement district thereof to which water is made available by the Agency through underground or by surface facilities, whether the water is actually used or not. The standby charge shall not exceed ten dollars (\$10) per acre per year for each acre of land within the Agency or any improvement district thereof or ten dollars (\$10) per year for any parcel of less than one acre. Alternatively, the board may fix a water standby charge in accordance with the provisions of the Uniform Standby Charge Procedures Act, Government Code Section 54984 et seq., or its successor statute. The standby charge shall be adopted by the board only after compliance with the applicable provisions of the California Constitution and state law. The board of directors may establish schedules varying the charges according to land uses, water uses, and degree of water availability. The board of directors shall certify to the county board of supervisors the charge or charges so fixed in accordance with such applicable procedures as are specified by the county. The charges shall be collected in the same form and manner as county taxes are collected and shall be paid to the Agency. Charges fixed by the Agency shall be a lien on all the property benefited thereby. Liens for the charges shall be of the same force and effect as other liens for taxes, and their collection may be enforced by the same means as provided for the enforcement of liens for state and county taxes.

§19. Power to levy and collect taxes

If the revenues of the Agency, or any improvement district therein, will be inadequate for any cause to pay the operating expenses of the Agency, provide for repairs and depreciation of works owned or operated by it, and to meet all obligations of the Agency, including payment of principal or interest on any debt of the Agency or any improvement district thereof, as it becomes due, then the board of directors of the Agency shall provide, in accordance with the provisions of the California Constitution and state law, for the levy and collection of a tax sufficient to raise the amount of money determined by the board of directors to be necessary for the purpose of paying such expenses, in addition to the funds required under Section 17 of this Act.

§20. Levy, etc., of taxes

The board of directors shall determine the amounts necessary to be raised by taxation during the fiscal year and shall fix the rate or rates of tax to be levied which will raise the amounts of money required by the Agency, in accordance with the provisions of the California Constitution and state law. Within a reasonable time before the board of supervisors is required by law to fix its tax rate, the board of directors shall certify to the board of supervisors the rate or rates so fixed and shall furnish to the board of supervisors a statement in writing containing the following: (a) an estimate of the minimum amount of money required to be raised by taxation during the fiscal year for the payment of the principal of and interest on any debt of the Agency or of an improvement district thereof, as will become due before the proceeds of a tax levied at the next general tax levy will be available; (b) an estimate of the minimum amount of money required to be raised by taxation during the fiscal year for all other purposes of the Agency. The board of directors shall direct that at the time and in the manner required by law for the levying of taxes for county purposes, such board of supervisors shall levy, in addition to such other tax as may be levied by such board of supervisors, at the rate or rates so fixed and determined by the board of directors, a tax upon the property within the Agency, or improvement district thereof benefited by the debt, as the case may be, and it is made the duty of the officer or body having authority to levy taxes within each county to levy the tax so required. Taxes for the payment of the interest on or principal of any debt shall be levied on the property within the Agency, or improvement district thereof, benefited by the debt, as determined by the board of directors in the resolution declaring the necessity to incur the debt. Taxes for other purposes of the Agency shall be levied on all property in the Agency or improvement district or portion thereof subject to the particular tax. And it shall be the duty of all county officers charged with the duty of collecting taxes to collect such tax in the time, form, and manner as county taxes are collected, and when collected to pay the same to the Agency. Taxes for the payment of a debt and the interest thereon shall be a lien on all the property benefited thereby as stated in the resolution of the board of directors declaring the necessity to incur the debt. All taxes for other purposes of the Agency shall be a lien on all the property in the Agency subject to the respective tax. Agency taxes, whether for payment of indebtedness and the interest thereon or for other

purposes, shall be of the same force and effect as other liens for taxes, and their collection may be enforced by the same means as provided for the enforcement of liens for state and county taxes.

§21. Bond elections; Proceedings

Whenever the board of directors deems it necessary for the Agency to incur a bonded indebtedness for the acquisition, construction, completion, replacement or repair of any or all improvements, works or property mentioned in this act, the board shall, by resolution, so declare and call an election to be held in the Agency for the purpose of submitting to the qualified voters thereof the proposition of incurring indebtedness by the issuance of bonds of the Agency. The resolution shall state: (a) the purpose for which the proposed debt is to be incurred, which may include expenses of all proceedings for the authorization, issuance and sale of the bonds; (b) the amount of debt to be incurred; (c) the maximum term the bonds proposed to be issued shall run before maturity, which shall not exceed 40 years; (d) the maximum rate of interest to be paid, which shall not exceed the rate permitted by Government Code Section 53530 et seq., or its successor statute, which may be payable semiannually, except that interest for the first year may be payable at the end of said year, and/or payable on a fixed or variable basis, on such dates as specified in the resolution; (e) the measure to be submitted to the voters; and (f) the date upon which an election shall be held for the purpose of authorizing said bonded indebtedness to be incurred. The board of directors shall provide for holding such special election on the day so fixed and in accordance with the provisions of the Elections Code so far as the same shall be applicable. Notice of the holding of such election shall be given by publishing pursuant to Section 6066 of the Government Code the resolution calling the election, the last publication to be made not less than two weeks prior to the date of the proposed election, in at least one newspaper published in the Agency, if there is a newspaper published in the Agency, and the resolution shall be posted in three public places in such Agency not less than two weeks prior to the date of the proposed election. No other notice of such election need be given. The returns of such election shall be made, the votes canvassed by, and the results thereof ascertained and declared in accordance with the provisions of the Elections Code, so far as they may be applicable, except as in this Act otherwise provided. The secretary of the board of directors, as soon as the result is declared, shall enter in the records of such board a statement of such results. No irregularities or informalities in conducting such election shall invalidate the same, if the election shall have otherwise been fairly conducted.

Any action or proceeding, wherein the validity of any such bonds or of the proceedings in relation thereto is contested, questioned or denied, shall be commenced within 30 days from the date of such election; otherwise, said bonds and all proceedings in relation thereto shall be held to be valid and in every respect legal and incontestable.

§22. Improvement districts for purpose of incurring bonded indebtedness; Formation

Whenever the board of directors deems it necessary to incur a bonded indebtedness for the acquisition, construction, completion, replacement or repair of any or all improvements, works or property mentioned in this Act and to provide for such bonded indebtedness to be payable from taxes levied upon less than all of the Agency, the board shall, by resolution, so declare and state: (a) the purpose for which the proposed debt is to be incurred; (b) the amount of debt to be incurred, which may include expenses of all proceedings for the authorization, issuance and the sale of the bonds; (c) that the board intends to form an improvement district of a portion of the Agency which in the opinion of the board will be benefited, the exterior boundaries of which portion are set forth on a map on file with the secretary of the agency, which map shall govern for all details as to the extent of the proposed improvement district, and to call an election in such proposed improvement district on a date to be fixed, for the purpose of submitting to the qualified voters thereof the proposition of incurring indebtedness by the issuance of bonds of the Agency for said improvement district; (d) that taxes for the payment of said bonds and the interest thereon shall be levied exclusively upon the taxable property in the improvement district; (e) that a general description of the proposed improvements, together with a map showing the exterior boundaries of said proposed improvement district with relation to the territory immediately contiguous thereto and to the proposed improvements is on file with the secretary of the Agency and is available for inspection by any person or persons interested; (f) the time and place for a hearing by the board on the question of the formation of said proposed improvement district, the extent thereof, the proposed improvements and the amount of debt to be incurred; and (g) that at the time and place specified in the resolution any person interested, including all persons owning property in the Agency or in the proposed improvement district, will be heard. Notice of said hearing shall be given by publishing a copy of the resolution pursuant to Section 6066 of the Government Code prior to the time fixed for the hearing in a newspaper printed and published in the Agency, if there is a newspaper printed and published in such Agency. Such notice shall also be given by posting a copy of said resolution in three public places within the proposed improvement district at least two weeks before the time fixed for said hearing.

At the time and place so fixed, or at any time and place to which the hearing is adjourned, the board shall proceed with the hearing. At the hearing any person interested, including any person owning property within the Agency or within any proposed improvement district, may appear and present any matters material to the questions set forth in the resolution declaring the necessity for incurring the bonded indebtedness. The board shall have the power to change the purpose for which the proposed debt is to be incurred, or the amount of bonded debt to be incurred, or the boundaries of said proposed improvement district, or one or all of said matters; provided, however, that said board shall not change such boundaries so as to include any territory which will not, in its judgment, be benefited by said improvement.

The purpose, amount of bonded debt or boundaries shall not be changed by said board except after notices of its intention to do so, given by publication pursuant to Section 6061 of the Government Code in a newspaper printed and published in said Bighorn-Desert View Water Agency, if there is a newspaper printed and published in the Agency, and by posting in three public places within said proposed improvement district. Said notice shall state the changed purpose and debt proposed and that the exterior boundaries as proposed to be changed are set forth on a map on file with the secretary of the Agency, which map shall govern for all details as to the extent of the proposed improvement district, and specify the time and place for hearing on such change, which time shall be at least 10 days after publication or posting of said notice. At the time and place so fixed, or at any time and place to which the hearing is adjourned, the board shall proceed with the hearing. At the hearing any person interested, including any person owning property within the agency or the proposed improvement district, may appear and present any matters material to the changes stated in the notice. At the conclusion of the hearing the board shall by resolution determine whether it is deemed necessary to incur the bonded indebtedness, and, if so, the resolution shall also state the purpose for which said proposed debt is to be incurred, the amount of the proposed debt, that the exterior boundaries of the portion of the Agency which will be benefited are set forth on a map on file with the secretary of the Agency which map shall govern for all details as to the extent of the improvement district, and that said portion of the Agency set forth on said map shall thereupon constitute and be known as "Improvement District No. ___ of Bighorn-Desert View Water Agency," and the determinations made in said resolution shall be final and conclusive. After the formation of such improvement district within the Bighorn-Desert View Water Agency pursuant to this section, all proceedings for the purpose of a bond election shall be limited, and shall apply only to the improvement district, and taxes for the payment of said bonds and the interest thereon shall be levied exclusively upon the taxable property in the improvement district.

After the board has made its determination of the matters required to be determined by said last mentioned resolution, and if the board deems it necessary to incur the bonded indebtedness, the board shall by a further resolution call a special election in said improvement district for the purpose of submitting to the qualified voters thereof the proposition of incurring indebtedness by the issuance of bonds of the Agency for said improvement district. Said resolution shall state: (a) that the board deems it necessary to incur the bonded indebtedness; (b) the purpose for which the bonded indebtedness will be incurred; (c) the amount of debt to be incurred; (d) the improvement district to be benefited by said indebtedness, as set forth in the resolution making determinations, and that a map showing the exterior boundaries of said improvement district is on file with the secretary of the Agency, which map shall govern for all details as to the extent of the improvement district; (e) that taxes for the payment of such bonds and the interest thereon shall be levied exclusively upon the taxable property in said improvement district; (f) the maximum term the bonds proposed to be issued shall run before maturity, which shall not exceed 40 years; (g) the maximum rate of interest to be paid, which shall not exceed the rate permitted by Government Code Section 53530 *et seq.* or its successor statute, payable semiannually, except that interest for the first year may be payable at the end of the said year, and/or payable on a fixed or variable basis, on such dates as specified in the resolution; (h) the measure to be submitted to the voters; and (i) the date upon which an election shall be held for the purpose of authorizing said bonded indebtedness to be incurred.

The board of directors shall provide for holding such special election on the day so fixed and in accordance with the provisions of the Elections Code so far as the same shall be applicable, except as herein otherwise provided. Notice of the holding of such election shall be given by publishing pursuant to Section 6066 of the Government Code the resolution calling the election prior to the date of the proposed election in at least one newspaper printed and published in the Agency, if there is a newspaper printed and published in such Agency. Such resolution shall also be posted in three public places in such improvement district not less than two weeks prior to the date of the proposed election. No other notice of such election need be given.

The returns of such election shall be made, the votes canvassed, and the results thereof ascertained and declared in accordance with the provisions of the Elections Code so far as they may be applicable. The secretary of the board of directors, as soon as the result is declared, shall enter in the records of such board a statement of such results. No irregularities or informalities in conducting such election shall invalidate the same, if the election shall have otherwise been fairly conducted.

Any action or proceeding, wherein the validity of the formation of the improvement district or of any such bonds or of the proceedings in relation thereto is contested, questioned or denied, shall be commenced within 30 days from the date of such election; otherwise, said bonds and all proceedings in relation thereto, including the formation of the improvement district, shall be held to be valid and in every respect legal and incontestable.

§23. Annexation of territory to an improvement district

Any portion of the Bighorn-Desert View Water Agency, whether contiguous or not to an improvement district thereof, may be annexed to said improvement district in the following manner. A petition, which may consist of any number of separate instruments, shall be filed with the secretary of the Agency, signed by holders of title to sixty percent (60%) or more of the land in the portion proposed to be annexed, which land as so represented in said petition shall have an assessed valuation of not less than fifty percent (50%) of the land so proposed to be annexed. The petition shall contain the following: (a) a description of the area proposed to be annexed, which may be made by reference to a map on file with the secretary of the Agency, which map shall govern for all details as to the extent of the area proposed to be annexed, or in any other definite manner; (b) the terms and conditions upon which said proposed area may be annexed as theretofore determined by resolution adopted by the board of directors of the Agency; and (c) a request that the board of directors declare such area to be annexed to the improvement district. Said petition shall be accompanied by a certified check payable to the order of the Agency in sufficient sum to reimburse said Agency for expenses of processing and publishing the petition and preparing and making the filings required by law.

Within 10 days of the date of the filing of such petition the secretary of the Agency shall examine the same and ascertain whether or not such petition is signed by the required number of property owners; and, if requested by the secretary of the Agency, the board of directors shall authorize the general manager to employ persons especially for that purpose, in addition to the persons regularly employed in his office, and shall provide for their compensation. When the secretary of the Agency has completed his examination of the petition, he shall attach to the same his certificate, properly dated, showing the result of such examination; and if from such examination he shall find that said petition is signed by the requisite number of property owners, or is not so signed, he shall certify that the same is sufficient, or insufficient, as the case may be.

If by the certificate of the secretary of the Agency the petition is found to be insufficient, said petition may be amended by filing a supplemental petition or petitions within 10 days of the date of such certificate. The secretary of the agency shall within 10 days after the filing of such supplemental petition or petitions, make like examination of the same and certify to the result of such examination as hereinbefore provided.

If by the certificate of the secretary such petition or petition as amended, is shown to be sufficient the secretary shall cause notice of hearing on the petition to be published and posted.

The text of said petition shall be published pursuant to Section 6066 of the Government Code prior to the time at which the same is to be presented to the board of directors of the Agency in at least one newspaper printed and published in the Bighorn-Desert View Water Agency, if there is a newspaper printed and published in such Agency; together with a notice stating the time and place of the meeting at which the same will be presented. When contained upon one or more instruments one copy only of such petition need be published. No more than five of the names attached to said petition need appear in said publication of said petition and notice, but the number of signers shall be stated. Said notice and petition shall also be posted in three public places in the improvement district and three public places in the area proposed to be annexed, at least two weeks prior to the hearing.

The board of directors of the Agency shall proceed to hear the petition at the time and place fixed therefor and any person residing within the Agency or improvement district or owning taxable property in said agency or improvement district shall be entitled to appear and be heard at such hearing. Such hearing may be continued from time to time by the board of directors of the Agency. At the conclusion of the hearing, and if the board of directors finds and determines from the evidence presented at said hearing that the area proposed to be annexed to an improvement district will be benefited thereby, and that the improvement district to which said area proposed to be annexed will also be benefited thereby and will not be injured thereby, then and in such case the board of directors of the Agency may, by resolution, approve such annexation, describing the territory so annexed, which may be by reference to a map on file with the secretary of the Agency shall govern for all details as to the extent of the annexed area, or in any other definite manner, and the terms and conditions of annexation as theretofore determined by resolution of the board of directors.

From and after the date of the adoption of such resolution the area named therein shall be deemed added to and shall form a part of said improvement district and the taxable property therein shall be subject to taxation thereafter for the purposes of said improvement district, including the payment of the principal of and interest on bonds and other obligations of such improvement district at the time authorized and outstanding at the time of said annexation as if said

annexed property had always been a part of said improvement district, and the board of directors of the Bighorn-Desert View Water Agency shall be empowered to do all things necessary to enforce and make effective the terms and conditions of annexation fixed as hereinabove authorized.

Any action or proceeding wherein the validity of any such annexation is contested, questioned or denied must be commenced within 30 days after the date of adoption of the resolution approving the annexation; otherwise said annexation shall be held to be valid and in every respect legal and incontestable.

§24. Bonds; Issuance, form, sale, etc.

If from such returns it appears that more than two-thirds of the votes cast in such election held pursuant to the provisions of Section 19 or of Section 20 of this Act, were in favor of and assented to the incurring of such indebtedness, then the board of directors may, by resolution, at such time or times as it deems proper, issue bonds of the Agency for the whole or any part of the amount of the indebtedness so authorized, and may from time to time provide for the issuance of such amounts as the necessity thereof may appear, until the full amount of such bonds authorized shall have been issued. Said full amount of bonds may be divided into two or more series and different dates fixed for each of the series. The maximum term which the bonds of any series shall run before maturity shall not exceed 40 years from the date of each series respectively.

The board of directors shall, by resolution, prescribe the form of the bonds and fix the time when the whole or any part of the principal shall become due and payable. The payment of the first installment of principal may be deferred for a period of not more than five years from the date of the bonds or the date of the bonds of each series respectively. The bonds shall bear interest at a rate or rates not to exceed the rate permitted by Government Code Section 53530 or its successor statute, payable on a fixed or variable basis, and payable on such dates as specified in the resolution. The board of directors may also provide for call and redemption of bonds prior to maturity at such times and prices and upon such other terms as it may specify. A bond shall not be subject to call or redemption prior to maturity unless it contains a recital to that effect or unless a statement to that effect is printed thereon.

The denomination of the bonds shall be stated in the resolution providing for their issuance, but shall not be less than one hundred dollars (\$100). The principal and interest shall be payable in lawful money of the United States at the office of the treasurer of the district or such other place or places as may be designated, or at either place or places at the option of the holder of the bond.

The bonds shall be dated, numbered consecutively, and be signed by the president and treasurer of the agency, countersigned by the secretary of the agency, and the official seal of the agency attached. All such signatures and countersignatures may be printed, lithographed, or mechanically reproduced, except that one of said signatures or countersignatures to said bonds shall be manually affixed.

If the bond election proceedings have been limited to and have applied only to an improvement district within said Agency, said bonds are bonds of the Agency and shall be issued in the name of the Agency and shall be designated "Bonds of the Bighorn Mountains Water Agency for Improvement District No. ___" and each bond shall state that taxes levied for the payment thereof shall be levied exclusively upon the taxable property in said improvement district.

Before selling the bonds, or any part thereof, the board of directors shall give notice inviting sealed bids in such manner as it may prescribe. If satisfactory bids are received, the bonds offered for sale shall be awarded to the highest responsible bidder. If no bids are received, or if said board determines that the bids received are not satisfactory as to price or responsibility of the bidders, it may reject all bids received, if any, and either readvertise or negotiate the sale of the bonds. The board may determine by a two-thirds vote of the total vote of the board that the interest of the district and the public interest or necessity require that the bonds may be sold at private sale upon such terms and conditions as the board may deem necessary, convenient, or desirable. In addition to interest paid on a bond or evidence of indebtedness of the district, the board, in its discretion, may sell the bonds or evidence of indebtedness at less than its par or face value, but not to exceed 6% of the par or face value thereof.

The proceeds arising from the sale of bonds shall be paid into the treasury of the Agency and placed to the credit of a special improvement fund and expended only for the purpose for which the indebtedness was created; provided, however, that when said purpose has been accomplished any moneys remaining in said special improvement fund may be transferred to the fund to be used for the payment of principal of and interest on the bonds. Said remaining moneys remaining from the sale of bonds of the Agency may also be used for some other Agency purpose. Such moneys remaining from the sale of bonds of the Agency for an improvement district therein may also be used for any purpose which will benefit the property in the improvement district.

The bonds of the district shall be legal investment for all trust funds and for the funds of all insurance companies, banks, both commercial and savings, and trust companies, for State school funds; and whenever any money or funds may

by law now or hereafter enacted be invested in bonds of cities, cities and counties, counties, school districts and municipalities in the State of California, such money or funds may be invested in bonds of the district, issued in accordance with the provisions of this Act; and whenever bonds of cities, cities and counties, counties, school districts or municipalities, may by law now or hereafter enacted be used as security for the performance of any act, the bonds of the district may be so used.

§25. Force, value, and use; Exemption from taxation

Any bonds issued by the Bighorn-Desert View Water Agency are hereby given the same force, value and use as bonds issued by any city and shall be exempt from all taxation within the State of California.

§26. Improvement districts for purposes other than incurring bonded indebtedness; Formation etc.

Whenever the board of directors deems it necessary to form an improvement district of a portion of the Agency for a purpose other than the incurring of bonded indebtedness under Section 20 of this Act it shall by resolution so declare and state: (a) the purpose for which the proposed improvement district is to be formed, (b) the estimated expense of carrying out said purpose, (c) that the board intends to form an improvement district of a portion of the Agency which in the opinion of the board will be benefited, the exterior boundaries of which portion are set forth on a map on file with the secretary of the Agency, which map shall govern for all details as to the extent of the proposed improvement district, (d) that taxes for carrying out said purpose shall be levied exclusively upon the taxable property in said proposed improvement district, (e) that a map showing the exterior boundaries of said proposed improvement district, with relation to the territory immediately contiguous thereto, is on file with the secretary of the Agency and is available for inspection by any person or persons interested, (f) the time and place for a hearing by the board on the questions of the formation of said proposed improvement district, the extent thereof, the purpose for which it is to be formed, and the estimated expense of carrying out said purpose and (g) that at said time and place any person interested, including all persons owning property in the Agency or in the proposed improvement district will be heard. Notice of said hearing shall be given by publishing a copy of the resolution pursuant to Section 6066 of the Government Code prior to the time fixed for the hearing in a newspaper circulated in the Bighorn-Desert View Water Agency, if there is a newspaper circulated therein. Said notice shall also be given by posting a copy of said resolution in three public places within the proposed improvement district for at least two weeks before the time fixed for said hearing.

At the time and place so fixed, or at any time or place to which the hearing is adjourned, the board shall proceed with the hearing at which hearing any person interested, including all persons owning property in the Agency, or in the proposed improvement district, may appear and present any matters material to the questions set forth in the resolution. At the conclusion of the hearing the board shall by resolution determine whether it is necessary to form said improvement district, and, if so, the resolution shall also state the purpose for which the proposed improvement district is to be formed, the estimated expense of carrying out said purpose, that the exterior boundaries of the portion of the agency which will be benefited are set forth on a map on file with the secretary of the Agency, which map shall govern for all details as to the extent of the improvement district, and that said portion of the Agency set forth on said map shall thereupon constitute and be known as "Improvement District (A, B, C, or other letter designation) of the Bighorn-Desert View Water Agency," and the determinations made in said resolution shall be final and conclusive. After the formation of such improvement district within the Bighorn-Desert View Water Agency pursuant to this section all taxes levied for the carrying out of said purpose shall be levied exclusively upon the taxable property in the improvement district.

A copy of the resolution forming the improvement district shall be published pursuant to Section 6066 of the Government Code in a newspaper printed and published in the Agency, if there is a newspaper printed and published in the Agency, and a copy of said resolution shall also be posted in three public places within the proposed improvement district for at least two weeks. Said resolution shall not be effective until the 31st day after completion of said publication and/or posting. If before said effective date a petition signed by not less than 10 percent of the voters of the improvement district requesting that an election be held on the formation thereof is presented to the board of directors, said board shall call a special election in the improvement district for the purpose of submitting the question of the formation of the improvement district to the voters of said improvement district.

The board of directors shall provide for holding such special election on the day so fixed and in accordance with the provisions of the Elections Code so far as the same shall be applicable, except as herein otherwise provided. Notice of the holding of such election shall be given by publishing the resolution calling the election pursuant to Section 6066 of the Government Code prior to the date of the proposed election, in at least one newspaper printed and published in the Bighorn-Desert View Water Agency, if there is a newspaper printed and published in such Agency. Such resolution shall

also be posted in three public places in such improvement district not less than two weeks prior to the date of the proposed election. No other notice of such election need be given.

The returns of such election shall be made, the votes canvassed and the results thereof ascertained and declared in accordance with the provisions of the Elections Code so far as they may be applicable, except as in this Act otherwise provided. The secretary of the board of directors, as soon as the result is declared, shall enter in the records of such board a statement of such results. No irregularities or informalities in conducting such election shall invalidate the same, if the elections shall have otherwise been fairly conducted.

If from such returns it appears that a majority of the votes cast at such election were in favor of the formation of such improvement district, the formation of such improvement district shall be complete.

Any action or proceeding wherein the validity of the formation of the improvement district or of any of the proceedings in relation thereto is contested, questioned or denied, shall be commenced within 30 days from the effective date of the resolution forming such district, or if an election is held, within 30 days from the date of such election, otherwise the formation of the improvement district and all proceedings in relation thereto, shall be held to be valid and in every respect legal and incontestable.

§27. Advancement of general funds to improvement districts; Provisions for repayment

The board of directors may advance general funds of the Agency to accomplish the purposes of an improvement district and the district may repay the Agency from the proceeds of the sale of bonds authorized for such purpose, or from the special taxes levied exclusively upon the taxable property in said improvement district, at the rate of interest authorized by Government Code Section 53530 et seq. or its successor statute.

§28. Payment of interest on bonds

Interest on any bonds issued by the Agency coming due before the proceeds of a tax levied at the next general tax levy after the sale of said bonds are available, and interest on any bonds issued by the Agency coming due before the expiration of one year following completion of the acquisition and construction of the works and improvements for which the bonds were issued may be paid from the proceeds of the sale of such bonds.

§29. Prohibition against dissolution before full payment of bonded indebtedness

The Bighorn-Desert View Water Agency shall not be dissolved until all indebtedness shall have been fully paid.

§30. Uninhabited improvement districts for purpose of incurring bonded indebtedness; Formation, etc.

Whenever the board deems it necessary to incur a bonded indebtedness for the acquisition, construction, completion, replacement or repair of any or all improvements, works, or property mentioned in this law and to provide for such bonded indebtedness to be payable from taxes levied upon an uninhabited portion of the Agency, the board shall, by resolution, declare its intention to form an uninhabited improvement district in such portion of the Agency and to incur such indebtedness.

For the purposes of this law the portion of the agency formed into an uninhabited improvement district shall be deemed uninhabited if less than 12 voters reside therein at the time of the formation thereof.

The resolution of intention shall state that the board intends to form an improvement district of an uninhabited portion of the Agency which in the opinion of the board will be benefited, and to incur indebtedness by the issuance of bonds of the Agency for such uninhabited improvement district.

The resolution of intention shall also state:

(a) The purpose for which the proposed debt is to be incurred.

(b) The amount of debt to be incurred, which may include expenses of all proceedings for the authorization, issuance, and sale of the bonds.

(c) That taxes for the payment of the bonds and the interest thereon will be levied exclusively upon the taxable property in the uninhabited improvement district.

The resolution of intention shall also state that a general description of the proposed improvement, together with a map showing the exterior boundaries of the proposed uninhabited improvement district with relation to the territory immediately contiguous thereto and to the proposed improvement is on file with the secretary and is available for inspection by any person or persons interested. This map shall govern for all details as to the extent of the proposed uninhabited improvement district.

The resolution of intention shall also state:

(a) The time and place for a hearing by the board of directors on the questions of the formation and extent of the proposed uninhabited improvement district, the proposed improvement, and the amount of debt to be incurred.

(b) That at the time and place specified in the resolution any person interested will be heard, and that any owner of property within the proposed uninhabited improvement district may file with the secretary at any time prior to the time set for the hearing thereon written protest to the formation of the proposed uninhabited improvement district.

Notice of the hearing shall be given by publishing a copy of the resolution pursuant to Section 6066 of the Government Code prior to the time fixed for the hearing in a newspaper circulated in the agency, if there is a newspaper circulated in the Agency. Such notice shall also be given by posting a copy of the resolution of intention in three public places within the proposed uninhabited improvement district for at least two weeks before the time fixed for the hearing.

A copy of the resolution of intention shall also be mailed, postage prepaid, to each person to whom land in the proposed uninhabited improvement district is assessed as shown on the last equalized county assessment roll, at his address as shown upon the roll, and to any person, whether owner in fee or having a lien upon, or legal or equitable interest in, any land within the proposed uninhabited improvement district, whose name and address and a designation of the land in which he is interested is on file with the secretary.

At the time and place fixed in the resolution of intention, or at any time or place to which the hearing is adjourned, the board shall proceed with the hearing. At the hearing any person interested may appear and present any matters material to the questions set forth in the resolution. Also at the hearing the board shall hear and pass upon all written protests filed by the owners of property within the proposed uninhabited improvement district.

If written protests are filed by the owners of one-half of the value of the property within the proposed uninhabited improvement district, as shown by the last equalized assessment roll of the county, further proceedings shall not be taken. If such protests are not made the board shall by resolution determine whether it is necessary to incur the bonded indebtedness and if so, the resolution shall also state:

(a) The purpose for which the proposed debt is to be incurred.

(b) The amount of the proposed debt.

(c) That the exterior boundaries of the portion of the Agency which will be benefited are set forth on a map on file with the secretary, which map shall govern for all details as to the extent of the uninhabited improvement district.

(d) That such portion of the agency set forth on the map shall thereupon constitute and be known as "Improvement District No. ___ of the Bighorn-Desert View Water Agency".

The determinations made in the resolution of formation shall be final and conclusive.

After the formation of the uninhabited improvement district pursuant to this law the board may, by resolution, at such time or times as it deems proper, issue bonds of the Agency, for the whole or any part of the amount of the indebtedness authorized by the resolution of formation. All taxes levied for the payment of the bonds and the interest thereon shall be levied exclusively upon the taxable property in the uninhabited improvement district.

Any action or proceeding in which the validity of the formation of an uninhabited improvement district or of any of the proceedings in relation thereto is contested, questioned, or denied shall be commenced within 30 days from the date of the resolution forming such district; otherwise the formation of the uninhabited improvement district and all proceedings in relation thereto shall be held to be valid and in every respect legal and incontestable.

The board may advance general funds of the Agency to accomplish the purposes of an improvement district formed hereunder.

The board may repay the Agency for any advance of funds from the proceeds of the sale of bonds authorized for the purposes of the improvement district.

§31. Annexation of territory to improvement districts; Proceedings

The board, by resolution, may initiate proceedings for the annexation of territory within the Agency, whether contiguous or not to an improvement district, to such improvement district.

The resolution proposing annexation shall:

(a) Declare that proceedings have been initiated by the board pursuant to this law.

(b) State the reason for proposing the annexation.

(c) Set forth a description of the area proposed to be annexed, which may be made by reference to a map on file with the secretary of the Agency which map shall govern for all details as to the extent of the area proposed to be annexed.

(d) State the terms and conditions of the annexation.

(e) State that the holders of title to any of the land sought to be annexed may file written protests with the secretary to the annexation or the annexation upon such terms and conditions.

(f) Fix the time and place of a meeting at which the board will receive written protests theretofore filed with the secretary, receive additional written protests, and hear from any and all persons interested in the annexation.

The text of the resolution proposing annexation shall be published, pursuant to Section 6066 of the Government Code, prior to the time of hearing in at least one newspaper printed and published in the Agency, if there is a newspaper published and printed in the Agency.

A copy of the resolution proposing annexation shall also be posted in three public places within the improvement district and three public places in the area proposed to be annexed at least two weeks prior to the hearing.

The board shall proceed with the hearing at the time and place fixed therefor and may continue the hearing, if need be, from time to time. All interested persons will be heard at the hearing.

If written protests are filed by the holders of title of one-half of the value of the territory proposed to be annexed as shown by the last equalized assessment roll of each county in which the territory is situated, further proceedings shall not be taken, and the board shall refuse the annexation by a resolution so stating. If written protest is not made by the owners of one-half of the value of the territory proposed to be annexed, and if, at the conclusion of the hearing, the board finds and determines from the evidence presented at the hearing that the area proposed to be annexed to an improvement district will be benefited thereby, and that the improvement district to which the area proposed to be annexed will also be benefited thereby and will not be injured thereby, the board may, by resolution, approve such annexation.

The resolution shall describe the territory annexed, which may be by reference to a map on file with the secretary, which map shall govern for all details as to the extent of the annexed area. The resolution shall also state the terms and conditions of annexation as theretofore determined by resolution of the board.

If the board finds and determines that either the area proposed to be annexed to the improvement district will not be benefited thereby or that the improvement district to which the area is proposed to be annexed will not be benefited thereby and will be injured thereby, the board shall by resolution disapprove such annexation.

From and after the date of the adoption of the resolution approving the annexation, the area described therein is added to and forms a part of the improvement district.

The taxable property in the annexed area shall be subject to taxation after the annexation thereof for the purposes of the improvement district, including the payment of the principal of and interest on bonds and other obligations of the improvement district authorized and outstanding at the time of the annexation as if the annexed property had always been a part of the improvement district.

The board may do all things necessary to enforce and make effective the terms and conditions of annexation fixed by it.

Any action or proceeding in which the validity of an annexation to an improvement district pursuant to this section is contested, questioned, or denied shall be commenced within 30 days after the date of the resolution of the board approving the annexation of the territory to an improvement district; otherwise, the annexation shall be held valid and in every respect legal and incontestable.

§32. Same; When notice and hearing not required

Notwithstanding the provisions of Section 31, if the petition for annexation of land to an improvement district formed under Section 26 is signed by all of the holders of title of land in the portion proposed to be annexed, the board may proceed and act thereon without notice and hearing, but shall otherwise comply with the applicable provisions of this law.

§33. Exclusion of territory from improvement district formed for purpose other than incurring of bonded indebtedness; Proceedings

Proceedings to exclude territory from an improvement district, formed pursuant to Section 26, may be initiated by the board upon its own motion, or shall be initiated by the board upon receipt of a petition for exclusion signed by not less than 10 percent of the voters of the area proposed to be excluded, which states reasons such exclusion will be beneficial to the Agency or the improvement district or the territory to be excluded.

Upon adoption of said motion to initiate exclusion proceedings or upon receipt of said petition for exclusion, the board shall adopt a resolution of intention to exclude which shall state:

(a) The method by which said exclusion proceedings were initiated; by motion of the board or by petition of voters.

(b) That taxes for carrying out the purpose of the improvement district will not be levied upon taxable property in the excluded territory following such exclusion in the event such territory is excluded.

(c) That following such exclusion, the taxable property in the territory remaining in said improvement district shall continue to be levied upon and taxed to provide funds for the purposes of said improvement district.

The resolution of intention to exclude shall also state that a map showing the exterior boundaries of the proposed territory to be excluded, with relation to the territory remaining in said improvement district, is on file with the secretary and is available for inspection by any person or persons interested.

This map shall govern for all details as to the extent of the proposed exclusion. The resolution of intention shall also state:

(a) The time and place for a hearing by the board on the questions of the proposed exclusion and the effect of such exclusion upon the Agency, the improvement district and the territory to be excluded.

(b) That at such time and place any person interested, including all persons owning property in the Agency or in the improvement district, will be heard.

Notice of the hearing shall be given by publishing a copy of the resolution of intention to exclude, pursuant to Section 6066 of the Government Code, prior to the time fixed for the hearing in a newspaper circulated in the Agency, if there is a newspaper printed and published in the Agency. Such notice shall also be given by posting a copy of the resolution of intention to exclude in three public places within the affected improvement district for at least two weeks before the time fixed for the hearing.

At the time and place so fixed in the resolution of intention to exclude, or any time or place to which the hearing is adjourned, the board shall proceed with the hearing. At the hearing any person interested, including any person owning property in the Agency, or in the improvement district may appear and present any matters material to the, questions set forth in the resolution of intention to exclude.

At the conclusion of the hearing, the board shall by resolution determine whether it is necessary or desirable to exclude said territory. If so, the resolution shall also state:

(a) The reasons why such exclusion is necessary or desirable.

(b) That the exterior boundaries of the improvement district following such exclusion are set forth on a map on file with the secretary, which map shall govern all details as to the extent of said, then existing, improvement district.

The determinations, made in the resolution of exclusion shall be final and conclusive.

After the exclusion of territory from the improvement district pursuant to this section, all taxes levied for the carrying out of said improvement district's purpose shall be levied exclusively upon the taxable property in the improvement district as then constituted.

A copy of the resolution of exclusion shall be published pursuant to Section 6066 of the Government Code in a newspaper printed and published in the agency, if there is a newspaper printed and published in the Agency. A copy of the resolution shall also be posted in three public places within the improvement district for at least two weeks.

The resolution of exclusion shall not be effective until the 31st day after completion of the publication and posting.

Any action or proceeding in which the validity of the exclusion of territory from the improvement district or of any of the proceedings in relation thereto is contested, questioned, or denied shall be commenced within 30 days from the effective date of the resolution of exclusion; otherwise the exclusion and all proceedings in relation thereto shall be held to be valid and in every respect legal and incontestable.

§34. Dissolution of improvement districts

Notwithstanding any other provision herein, whenever the board deems it necessary for any improvement district formed pursuant to this act to be dissolved, it shall by resolution declare its intention to dissolve the improvement district.

As used in this act, "improvement district" includes an uninhabited improvement district formed pursuant to Section 30.

The resolution of intention shall state:

(a) The reason why the improvement district should be dissolved.

(b) That no bonds, indebtedness or liability have been issued or incurred for the improvement district or are outstanding.

(c) That a map showing the exterior boundaries of the improvement district, with relation to the territory immediately contiguous thereto, is on file with the secretary and is available for inspection by any person or persons interested.

(d) The time and place for a hearing by the board on the question of the dissolution of the improvement district.

(e) That at such time and place any person interested, including all persons owning property in the Agency or in the improvement district will be heard.

Notice of the hearing shall be given by publishing a copy of the resolution, pursuant to Section 6066 of the Government Code, prior to the time fixed for the hearing in a newspaper circulated in the Agency, if there is a newspaper circulated in the Agency. Such notice shall also be given by posting a copy of the resolution in three public places within the improvement district for at least two weeks before the time fixed for the hearing.

At the time and place fixed in the resolution of intention, or at any time or place to which the hearing is adjourned, the board shall proceed with the hearing. At the hearing any person interested, including all persons owning property in the Agency, or in the improvement district, may appear and present any matters material to the proposed dissolution.

At the conclusion of the hearing, the board shall by resolution determine whether it is necessary to dissolve the improvement district. If so, the resolution shall state that the exterior boundaries of the improvement district are set forth on a map on file with the secretary and shall declare the improvement district dissolved. The determinations made in the resolution shall be final and conclusive.

When the resolution declaring an improvement district dissolved becomes effective, the dissolution of such improvement district is complete.

The taxable property within the boundaries of the dissolved improvement district shall continue to be taxed for any indebtedness of the Agency contracted for such dissolved improvement district until the indebtedness has been satisfied, to the same extent that such property would be taxable for such purpose if the dissolution had not occurred.

Any action or proceeding in which the validity of the dissolution of an improvement district, or of any of the proceedings in relation thereto, is contested, questioned, or denied shall be commenced within 30 days from the effective date of the resolution dissolving the improvement district; otherwise, the dissolution of the improvement district and, all proceedings in relation thereto, shall be held to be valid and in every respect legal and incontestable.

After a bond election has been held in an improvement district and less than two-thirds of the votes cast in such election were in favor of the measure the board may, within one year of the date of such election, call and hold another election for the purpose of resubmitting said measure to the electors of said improvement district. If said measure is not so resubmitted said improvement district, on the anniversary date of the election, is dissolved without further action by the board. If said measure is resubmitted and fails to receive more than two-thirds of the votes cast in such election in favor of said measure said improvement district is dissolved following the canvass of the election returns.

§35. Severability of provisions

If any section, subsection, sentence, clause or phrase of this Act or the application thereof to any person or circumstance is for any reason held invalid the validity of the remainder of the Act or the application of such provision to other persons or circumstances shall not be affected thereby. The Legislature hereby declares that it would have passed this Act and each section, subsection, sentence, clause and phrase thereof irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof to any person or circumstance be held invalid.

RESOLUTION NO. 90R-09
BIGHORN-DESERT VIEW WATER AGENCY

A RESOLUTION DECLARING THE INTENTION OF THE AGENCY
TO CONTINUE TO COMPLY WITH ALL OF THE PROVISIONS OF THE RALPH M.
BROWN ACT, ALSO KNOWN AS THE OPEN MEETINGS LAW

WHEREAS, pursuant to the California State Government Code, Sections 54950-54962, public agencies, including Bighorn-Desert View Water Agency, are required to provide sufficient public notice of meetings and conduct Board Meetings openly and with opportunity for public comment; and


WHEREAS, this statute includes provision for the reimbursement to agencies for State mandated costs; and

WHEREAS, in adopting the State Budget for fiscal 1990-1991, the State Legislature recently determined that public agencies no longer be required to comply with certain actions for which the State would be required to reimburse them, those certain actions including the requirement to post an agenda seventy-two (72) hours in advance of meetings, among other requirements; and

WHEREAS, the Board of Directors of the Bighorn-Desert View Water Agency is of the opinion that the suspension of these certain requirements for the conducting of open meetings by public agencies during fiscal 1990-1991 is contrary to the public welfare.

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the Bighorn-Desert View Water Agency, County of San Bernardino, California, that it will be the policy of this Agency to follow the moral intent of the Ralph M. Brown Act, including the timely posting of meeting notices and the providing of ample opportunity for the public to directly address this Board.

I, the undersigned, hereby certify: That I am the duly appointed and acting Secretary of Bighorn-Desert View Water Agency, and that at a regular meeting of the Board of Directors of said Agency held on August 14, 1990, the foregoing Resolution No. 90R-09 was duly and regularly adopted by said Board, and that said Resolution has not been rescinded or amended since the date of its adoption, and that it is now in full force and effect.


GERALDINE CONNOR, BOARD SECRETARY
BIGHORN-DESERT VIEW WATER AGENCY


ELMO F. PACE, PRESIDENT OF THE BOARD
BIGHORN-DESERT VIEW WATER AGENCY

RESOLUTION NO.13R-15**A CODE OF CONDUCT FOR THE
MEMBERS OF THE AGENCY BOARD OF DIRECTORS**

WHEREAS, The members of the Board of Directors of the Bighorn-Desert View Water Agency are committed to providing excellence in legislative leadership that results in the provision of the highest quality of service to its constituents. In order to assist in the governance of the behavior between and among members of the Board, Staff and Public the following rules shall be observed. This policy becomes effective immediately upon adoption.

WHEREAS, this Resolution rescinds Policy No. 10P-03 Code of Ethics in its entirety.

NOW THEREFORE, the Code of Conduct for the Bighorn-Desert View Water Agency Board of Directors is as follows:

1. The Board of Directors shall be the governing body of the Bighorn-Desert View Water Agency. A majority of the Board of Directors shall constitute a quorum for the transaction of business. The primary responsibility of the Board of Directors is the formulation and evaluation of policy. The Board of Directors shall adopt an annual budget and shall set an annual appropriations limit. The needs of the Agency's constituents should be the priority of the Board of Directors.
2. The General Manager shall have full charge and control of the maintenance, operation and construction of the waterworks of the Agency. The General Manager shall also have full power and authority to employ and discharge all employees and assistants at pleasure; prescribe the duties of employees and assistants; fix and alter compensation of employees and assistants subject to the approval by the board; perform other duties imposed by the Board of Directors. The General Manager shall report to the Board of Directors in accordance with rules and regulations adopted by the Board of Directors.
3. Except as specifically authorized, a Board member will not use or permit the use of Agency owned vehicles, equipment, telephones, materials or property for personal convenience or profit. A Board member will not ask or require an Agency employee to perform services for the personal convenience or profit of a Board member or employee. Each Board member must protect and properly use any Agency asset within his or her control, including information recorded on paper or in electronic form. Board members will safeguard Agency property, equipment, moneys and assets against unauthorized use or removal, as well as from loss due to criminal act or breach of trust. Board members are responsible for maintaining written records, including expense accounts, in sufficient detail to reflect accurately and completely all transactions and expenditures made on the

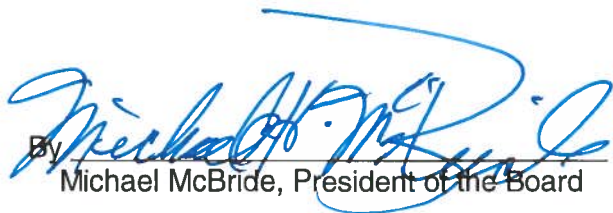
Agency's behalf, in accordance with the Agency policy(s) for reimbursement of actual and necessary expenses of Board members.

4. Directors shall defer to the chairperson for conduct of meetings of the Board, but shall be free to question and discuss items on the agenda. All comments should be brief and confined to the matter being discussed by the Board.
5. Directors should thoroughly prepare themselves to discuss agenda items at meetings of the Board of Directors. Responsiveness, attentive listening, and communication are encouraged.
6. Directors shall abstain from participating in consideration on any item involving a personal or financial conflict of interest per applicable regulations. Unless such a conflict of interest exists, however, Directors should not abstain from the Board's decision-making process.
7. The dignity, style, values, and opinions of each Director should be respected. Directors should at all times conduct themselves with courtesy to each other, to staff, and to members of the public.
8. Directors should commit themselves to focusing on issues and not personalities. The presentation of the opinions of others should be encouraged. Cliques and voting blocs based on personalities rather than issues should be avoided.
9. Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and opinions, but without being disagreeable. Once the Board of Directors takes action, Directors should commit to supporting said action and not to create barriers to the implementation of said action.
10. In seeking clarification on informational items, Directors may directly approach the General Manager to obtain information needed to supplement, upgrade, or enhance their knowledge to improve legislative decision-making.
11. In handling complaints from Agency customers, residents or property owners, such complaints should be referred directly to the General Manager.
12. In handling items related to water problems (leaks, etc.), concerns for safety or hazards should be reported to the General Manager or to the Agency office.
13. In seeking clarification for policy-related concerns, especially those involving personnel, legal action or financial matters, said concerns should be referred directly to the General Manager.
14. When responding to constituent requests and concerns, Directors should be courteous, responding to individuals in a positive manner and routing their

questions through the appropriate channels and to the responsible management personnel.

15. Directors should develop a working relationship with the General Manager wherein current issues, concerns, and Agency projects can be discussed comfortably and openly.
16. Directors do not represent any fractional segment of the community, but are, rather, a part of the body, which represents and acts for the community as a whole.
17. Directors should function as a part of the whole. Issues should be brought to the attention of the Board as a whole, rather than to individual members selectively.
18. Directors are responsible for monitoring the Agency's progress in attaining its goals and objectives, while pursuing its mission.
19. The Board of Directors is the unit of authority within the Agency. Apart from their normal function as a part of this unity, Directors have no individual authority. As individuals, Directors may not commit the Agency to any policy, act or, expenditure.

PASSED, APPROVED AND ADOPTED by the Board of Directors of Bighorn-Desert View Water Agency this 19th day of November 2013.


By Michael McBride, President of the Board

ATTEST:


Terry Burkhart, Secretary

RESOLUTION NO. 21R-24**A RESOLUTION OF THE BIGHORN-DESERT VIEW WATER AGENCY ESTABLISHING
A POLICY FOR MANDATORY TRAINING FOR BOARD MEMBERS**

WHEREAS, the Bighorn-Desert View Water Agency ("Agency") Board of Directors acknowledges Ethics Training, in compliance with AB1234, to be mandatory; and

WHEREAS, the Agency Board of Directors acknowledges Sexual Harassment and Prevention of Abusive Conduct Training, in compliance with AB 1825 and AB 2053, to be mandatory, and

WHEREAS, from time to time the Board of Directors may impose certain training courses so as to conform to a "best practice" in order to minimize Agency exposure to liability; and

WHEREAS, the Board of Directors desires to adopt a policy outlining training for which Board participation is mandatory, whether or not it is imposed by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Bighorn-Desert View Water Agency as follows:

A. Ethics Training (AB 1234)

1. Requirement

- a) Service on or After 2007 - Each local agency official who commences service with the Agency on or after January 1, 2007, must receive training in ethics laws no later than one year from the first day of service with the Agency. Thereafter, each local agency official must receive such training at least one every two years.

2. Application

- a) Local Agency Official as used in Section A.1 of this Resolution, the term "local agency official" means the following:
 - (i) All Directors; and
 - (ii) All executive staff of the Agency.
- b) Ethics Laws as used in Section A.1 of this Resolution, the phrase "ethics laws" includes, but is not limited to, the following:
 - (i) Laws relating to personal financial gain by public servants, including, but not limited to, laws prohibiting bribery and conflict of interest laws;

- (ii) Laws relating to claiming prerequisites of office, including, but not limited to, gift and travel restrictions, prohibitions against the use of public resources for personal or purposes, prohibitions against gifts of public funds, mass mailing restrictions, and prohibitions against acceptance of free or discounted transportation by transportation companies;
- (iii) Government transparency laws, including but not limited to, financial interest disclosure requirements and open government laws; and
- (iv) Laws relating to fair processes, including, but not limited to, common law bias prohibitions, due process requirements, incompatible offices, competitive bidding requirements for public contracts, and disqualification for participating in decisions affecting family members.

3. Agency Responsibilities

- a) Records - The Agency shall maintain records indicating the dates that local agency officials satisfied the requirements of Section A of this Resolution and the entity that provided the training. The Agency shall maintain these records for at least five years after local agency officials receive the training. These records are public records subject to disclosure under the California Public Records Act.
- b) Notice - The Agency is required to provide information on training available to meet the requirements of Section A of this Resolution to its local agency officials at least once every two years.

B. Sexual Harassment Training (AB1825) and Prevention of Abusive Conduct (AB 2053)

1. Requirement

- a) That all members of the Board of Directors, through this Resolution, hereby requires all Directors to complete sexual harassment training as prescribed by AB 1825 including prevention of abusive conduct as prescribed by AB 2053.
- b) Training is to be completed every two (2) years.

2. Agency Responsibilities

- a) Records - The Agency shall maintain records indicating the dates that local agency officials satisfied the requirements of Section B of this Resolution and the entity that provided the training. The Agency shall maintain these records for at least five years after local agency officials receive the

training. These records are public records subject to disclosure under the California Public Records Act.

- b) Notice - The Agency is required to provide information on training available to meet the requirements of Section B of this Resolution to its local agency officials at least once every two years.

C. Review of Resolution on Annual Basis

Each year the Board may review this Resolution to determine its effectiveness and the necessity for its continued operation. The Agency's General Manager shall report to the Board on the operation of this Resolution, and make any recommendations deemed appropriate concerning this Resolution. Nothing herein shall preclude the Board from taking action on the Resolution at times other than upon conclusion of the annual review.

D. Severability

If any provision of this Resolution or the application thereof to any person or circumstances, is held invalid, such invalidity shall not affect other provisions or applications of this Resolution, which can be given effect without the invalid provision, or application, and to this end, the provisions of this Resolution are declared to be severable.

E. Effective Date

This Resolution shall become effective immediately upon adoption.

F. Rescission

Resolution No. 12R-28 is hereby rescinded in its entirety.

PASSED, APPROVED AND ADOPTED by the Board of Directors of Bighorn-Desert View Water Agency this 14th day of September 2021.

By John R. Burkhardt
John R. Burkhardt, President of the Board

ATTEST:

Megan Close-Dees
Megan Close-Dees, Secretary of the Board



Official Seal

RESOLUTION NO. 22R-05**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE BIGHORN-DESERT VIEW WATER AGENCY
ADOPTING A CONFLICT OF INTEREST CODE
(2022 BIENNIAL REVIEW-AMENDED)**

WHEREAS, the Bighorn-Desert View Water Agency ("the Agency") is a public entity organized and operating pursuant to California Water Code Appendix Section 112-1 et seq., and a local government agency subject to the requirements of the Political Reform Act of 1974 ("the Act"), California Government Code Section 81000 et seq.;

WHEREAS, Section 87300 of the Act requires all local government agencies to adopt and promulgate conflict of interest codes pursuant to the provisions of the Act;

WHEREAS, the Fair Political Practices Commission ("the FPPC") has adopted a regulation, 2 Cal. Code of Regs. Section 18730, which contains the terms of a standard conflict of interest code which can be incorporated by reference, and which may be amended by the FPPC after public notice and hearings to conform to amendments in the Act; and

WHEREAS, the Agency desires to comply with its statutory requirements under the Act and to provide a method to ensure that its Conflict of Interest Code is current and consistent with the prevailing provisions of the Act and the regulations of the FPPC.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Bighorn-Desert View Water Agency as follows:

Section 1.

The terms of 2 Cal. Code of Regulations Section 18730, and any amendments to it duly adopted by the FPPC, are hereby incorporated herein by this reference and, along with the attached Appendix in which members and employees are designated and disclosure categories are set forth, shall constitute the Agency's Conflict of Interest Code. In the event of any inconsistency between the attached Appendix and the prevailing provisions of the Act and/or the applicable regulations of the FPPC, the Act and the FPPC regulations shall control.

Section 2.

Designated officials shall file statements of economic interest with the Agency which will then be made available to the public for inspection and reproduction. Upon receipt of the

statements from the Agency's Board of Directors and General Manager, the Secretary of the Agency shall make and retain a copy and forward the original of said statements to the County Clerk of the County of San Bernardino. Statements for all other designated employees will be retained by the Agency's Secretary.

Section 3.

This Resolution supersedes Resolution No. 20R-20 adopted by the Agency's Board of Directors on August 25, 2020, and shall take effect immediately upon its adoption.

PASSED, APPROVED, AND ADOPTED by the Board of Directors to Bighorn-Desert View Water Agency this 10th day of May 2022.

AYES: BURKHART, McKENZIE, CLOSE-DEES, DIGHT, CHAPMAN

NOES:

ABSTAIN:

ABSENT:

BY:


John Burkhart, Board President

ATTEST:


Megan Close-Dees, Board Secretary



Official Seal

APPENDIX

CONFLICT OF INTEREST AND DISCLOSURE CODE

SECTION 100. Adoption of Code.

The Bighorn-Desert View Water Agency ("the Agency") in the County of San Bernardino hereby adopts this Conflict of Interest and Disclosure Code ("Code"). The provisions of this Code are additional to the requirements of the Political Reform Act of 1974, California Government Code Section 81000 et seq. ("the Act"), the regulations of the Fair Political Practices Commission adopted in connection therewith, 2 California Code of Regulations Section 18109 et seq. ("the Regulations"), and other laws pertaining to conflicts of interest. Except as otherwise indicated, the definitions of the Act, the Regulations, and any amendments thereto, are incorporated herein and this Code shall be interpreted in a manner consistent therewith.

SECTION 200. Designated Positions.

The positions listed on Exhibit "B" are designated positions. Persons holding those positions are deemed to participate in the making of decisions which may foreseeably have a material effect on a financial interest.

SECTION 300. Economic Disclosure Statements.

Designated positions are assigned to one or more of the disclosure categories set forth on Exhibit "A." Each person holding a designated position shall file a statement disclosing his/her interest in investments, business positions, real property, and income, designated as reportable under the category to which his/her position is assigned on Exhibit "B."

SECTION 400. Place and Time of Filing.

- A. Persons holding designated positions which are added to the Code shall file an initial statement within 30 days after the effective date of the Code.
- B. Persons appointed, promoted, or transferred to designated positions shall file an assuming office statement with the Agency within 30 days after assuming the position.
- C. Annual statements shall be filed with the Agency by April 1st by all persons holding designated positions. Such statements shall cover the period of the preceding calendar year or from the date of the last statement filed.
- D. Leaving office statements shall be filed with the Agency within 30 days of leaving a designated position. Such statements shall cover the period from the closing date of the last statement filed to the date of leaving the position.
- E. An individual who resigns a designated position within 12 months following initial appointment

or within 30 days of the date of a notice mailed by the filing officer of the individual's filing obligation, whichever is earlier, is not deemed to assume or leave office, provided that during the period between appointment and resignation, the individual does not make, participate in making, or use the position to influence any decision of the Agency, or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position. Within 30 days of the date of a notice mailed by the filing officer, the individual shall do both of the following:

- (1) File a written resignation with the appointing power.
- (2) File a written statement with the filing officer signed under the penalty of perjury stating that the individual, during the period between appointment and resignation, did not make, participate in the making or use the position to influence any decision of the Agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

SECTION 500. Contents of Economic Disclosure Statements.

Statements shall be made on forms supplied by the Agency, and shall contain the following information.

A. When an investment, or an interest in real property, is required to be reported, the statement shall contain:

- (1) A statement of the nature of the investment or interest;
- (2) The name of the business entity in which each investment is held, and a general description of the business activity in which the business is engaged;
- (3) The address or other precise location and the use of the real property;
- (4) A statement whether the fair market value of the investment or interest in real property equals or exceeds two thousand dollars (\$2,000) but does not exceed ten thousand dollars (\$10,000), whether it exceeds ten thousand dollars (\$10,000) but does not exceed one hundred thousand dollars (\$100,000), whether it exceeds one hundred thousand dollars (\$100,000) but does not exceed one million dollars (\$1,000,000) or whether it exceeds one million dollars (\$1,000,000); and
- (5) If any otherwise reportable investment or interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the date of acquisition or disposal shall be reported.

B. When income is required to be reported, the statement shall contain:

- (1) The name and address of each source of income aggregating five hundred dollars (\$500) or more in value, or fifty dollars (\$50) or more in value if the income was a gift, and a general description of the business activity, if any of each source;

- (2) A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was at least five hundred dollars (\$500) but did not exceed one thousand dollars (\$1,000), whether it was in excess of one thousand dollars (\$1,000) but not greater than ten thousand dollars (\$10,000), whether it was greater than ten thousand dollars (\$10,000) but not greater than one hundred thousand dollars (\$100,000), or whether it was greater than one hundred thousand dollars (\$100,000);
 - (3) A description of the consideration, if any, for which the income was received;
 - (4) In the case of a gift, the amount or value and the date on which the gift was received and the name, address, and business activity, if any, of the intermediary or agent and the actual donor;
 - (5) In case of a loan, the annual interest rate and security, if any, given for the loan; and
 - (6) The first report filed by a person holding a designated position shall disclose any reportable investments, interests in real property, business positions, and income received during the previous 12 months.
- C. When the filer's pro rata share of income to a business entity or trust, including income to a sole proprietorship, is required to be reported, the statement shall contain:
- (1) The name, address, and a general description of the business activity of the business entity; and
 - (2) The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such persons was equal to or greater than ten thousand dollars (\$10,000) during a calendar year.
- D. When business positions are required to be reported, the statement shall contain:
- (1) The name, address, and a general description of the business entity;
 - (2) The filer's job title or position; and
 - (3) A statement whether the position was held throughout the entire reporting period and the dates the position was commenced or terminated, if not held during the entire reporting period.

SECTION 600. Disqualification.

Persons holding designated positions shall disqualify themselves from making or participating in the making or in any way attempting to use their official position to influence a governmental decision when it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on:

- A. The financial status of the person holding a designated position or that of his or her spouse or dependent children;
- B. Any business entity located in, doing business in, owning real property in, or planning to do business in the jurisdiction of the person holding a designated position, in which said person, or his or her spouse or dependent child, has a reportable investment of \$2,000 or more;
- C. Any real property located in the jurisdiction of the person holding a designated position and said person, or his or her spouse or dependent child, has a reportable interest of \$2,000 or more in that real estate;
- D. Any person, business entity, or nonprofit entity located in, doing business in, owning real property in, or planning to do business in, the jurisdiction of the person holding a designated position, from which said person or his or her spouse has received reportable income, other than loans by a commercial lending institution in the regular course of business, aggregating five hundred dollars (\$500) or more in value within twelve months prior to the time the decision is made;
- E. Any person, business entity, or nonprofit entity from which the person holding a designated position has received a reportable gift aggregating five hundred twenty dollars (\$520) or more in value within twelve months prior to the time the decision is made; and
- F. Any business entity, other than a nonprofit organization, in which the person holding a designated position is a director, officer, partner, trustee, employee, or holds any position of management.

SECTION 700. Adoption by Incorporation.

Adoption by incorporation by reference of the terms of this Code along with the designation of employees and the formulation of disclosure categories in the Exhibits referred to above constitute the adoption and promulgation of a Conflict of Interest and Disclosure Code.

CONFLICT OF INTEREST AND DISCLOSURE CODE

Exhibit "A"

CATEGORY 1

Persons in this category shall disclose all interest in real property within the jurisdiction. Real property shall be deemed to be within the jurisdiction if the property or any part of it is located within or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the Agency.

CATEGORY 2

Persons in this category shall disclose all investments and business positions.

The Act defines investment as follows:

"Investment" means any financial interest in or security issued by a business entity, including but not limited to common stock, preferred stock, rights, warrants, options, debt instruments, and any partnership or other ownership interest owned directly, indirectly, or beneficially by the public official, or other filer, or his or her immediate family, if the business entity or any parent, subsidiary, or otherwise related business entity has an interest in real property in the jurisdiction, or does business or plans to do business in the jurisdiction, or has done business within the jurisdiction at any time during the two years prior to the time any statement or other action is required under this title. No asset shall be deemed an investment unless its fair market value equals or exceeds two thousand dollars (\$2,000). The term "investment" does not include a time or demand deposit in a financial institution, shares in a credit union, any insurance policy, interest in a diversified mutual fund registered with the Securities and Exchange Commission under the Investment Company Act of 1940 or in a common trust fund created pursuant to Section 1564 of the Financial Code, interest in a government defined-benefit pension plan, or any bond or other debt instrument issued by any government or government agency. Investments of an individual include a pro rata share of investments of any business entity, mutual fund, or trust in which the individual or immediate family owns, directly, indirectly, or beneficially, a 10-percent interest or greater.

According to the Act, a business position is a position of director, officer, partner, trustee, employee, or any position of management in any organization or enterprise operated for profit, including but not limited to a proprietorship, partnership, firm, business trust, joint venture, syndicate, corporation or association.

CATEGORY 3

Persons in this category shall disclose all income as defined in Government Code Section 82030.

CATEGORY 4

Persons in this category shall disclose all business positions, investments in, or income (including gifts and loans) received from business entities that manufacture, provide or sell service and/or supplies of a type utilized by the Agency and associated with the job assignment of designated positions assigned to this disclosure category.

CATEGORY 5

Consultants who are not employed as full-time staff members of the Agency shall nonetheless be included as a designated employee and subject to the disclosure requirements herein. However, those consultants whose positions are marked with an asterisk (*) in Exhibit "B" of this Code, or any other consultants which may be hired, may not be required to fully comply with the disclosure requirements herein where the range of duties which they are hired to perform is limited in scope. Such determination shall be made in writing by the General Manager of the Agency and shall include a description of the consultant's duties and, based upon that description, a statement of the extent of the consultant's disclosure requirements, if any. This determination is a public record and shall be retained for public inspection in the same manner and location as this Code.

CONFLICT OF INTEREST AND DISCLOSURE CODE

Exhibit "B"

DESIGNATED POSITIONS

DISCLOSURE CATEGORIES

Director	1-3
General Manager	1-3
<i>Other Positions (as they may be created/approved)</i>	4
Consultants	5

RESOLUTION NO. 20R-12**RESOLUTION OF THE BOARD OF DIRECTORS OF THE BIGHORN-DESERT VIEW
WATER AGENCY FIXING THE TIME AND PLACE FOR REGULAR BOARD
MEETINGS AND DESIGNATING THE OFFICIAL MAILING ADDRESS FOR THE
BIGHORN-DESERT VIEW WATER AGENCY**

WHEREAS, by Ordinance No. 04O-02, the Board of Directors of the Bighorn-Desert View Water Agency ("Agency") adopted a regular monthly meeting schedule to conduct the business of the Agency; and

WHEREAS, the regularly scheduled meetings of the Board of Directors had been scheduled by Ordinance to occur on the fourth Tuesday of each month at the hour of 6:00 p.m.; and

WHEREAS, the Agency has identified a need to change the date of the regularly scheduled meetings of the Board of Directors; and

WHEREAS, the Agency accepts no mail service at 1720 N. Cherokee Trail, Landers, CA which was previously designated as a "secondary location" for receiving and/or posting legal notices; and

WHEREAS, the Agency's enabling statute Act 90 Bighorn-Desert View Water Agency Section 7 states that the "board, by resolution, provide for the date, time and place of holding its meetings"; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Bighorn-Desert View Water Agency as follows:

1. That the Regular Meeting of the Bighorn-Desert View Water Agency shall hereafter be held on the second (2nd) Tuesday of each month at the hour of 6:00 p.m.
2. That the Regular Meetings of the Bighorn-Desert View Water Agency shall hereafter be held at the Bighorn Office located at 1720 North Cherokee Trail, Landers, CA, 92285.
3. That Regular, Adjourned and Special Meetings may be fixed from time to time and by legal public notice, to other locations within and without the agency, at times as determined by the Board of Directors.
4. That all meetings shall be called and conducted pursuant to the provisions of the Ralph M. Brown, Act, as amended from time to time.
5. That the official mailing address of the Agency, for the purposes of administrative functions, shall hereafter be 622 South Jemez Trail, Yucca Valley, California, 92284.

6. That the official mailing address of the Agency for purposes of customer relations and billing processes, shall hereafter be 622 South Jemez Trail, Yucca Valley, California, 92284.
7. That the principal place of business for the Agency for legal notice shall be fixed as 622 South Jemez Trail, Yucca Valley, California, 92284.
8. That this Resolution shall become effective immediately upon adoption; and
9. That Ordinance No. 04O-02 is hereby rescinded and of no further force and effect; and
10. That this resolution may be amended or modified at any time, from time to time, by resolution, by a majority vote of the Board of Directors.

PASSED, APPROVED AND ADOPTED by the Board of Directors to Bighorn-Desert View Water Agency this 28th day of April 2020.

BY:


Judy Corl-Lorono, Board President

ATTEST:

By 
J. Larry Coulombe, Board Secretary



Official Seal

RESOLUTION NO. 23R-02

**POLICY STATEMENT OF THE BOARD OF DIRECTORS OF THE
BIGHORN-DESERT VIEW WATER AGENCY
ESTABLISHING STANDING COMMITTEES, OTHER APPOINTMENTS AND AUTHORIZED
ASSIGNMENTS AND AUTHORIZING THE CREATION OF AD HOC COMMITTEES**

WHEREAS, the Board of Directors of the Bighorn-Desert View Water Agency desires to ensure efficient administration of the Bighorn-Desert View Water Agency ("Agency") by the establishment of standing committees of the Board of Directors ("Board"). Authorizing appointments to the Morongo Basin Pipeline Commission and the Mojave Water Agency Technical Advisory Committee and the authorization for the creation of ad hoc committees of the Board.

WHEREAS, from time to time the Board of Directors' identifies certain regular community meetings or association meetings which justify attendance by one or more members of the Board of Directors and thus become an "Authorized Meeting" as defined in the *Policy for Reimbursement of Actual and Necessary Expenses*"; and

WHEREAS, standing committees allow for the productive use of Directors' individual expertise on matters and to work with staff in developing better background information for the full Board's consideration; and

WHEREAS, Agency standing committees shall be subject to meeting requirements specified under the Ralph M. Brown Act, California Government code sections 54950 through 54963.

WHEREAS, this Resolution rescinds and repeals Resolution No. 20R-08.

NOW, THEREFORE, THE BOARD OF DIRECTORS HEREBY RESOLVES:

The Board President shall, with board consensus, appoint and publicly announce the members of the standing committees, other Appointments and other assignments at one of the regularly scheduled meetings of the Board during the annual Board reorganization proceedings and at other meetings of the Board as circumstances may require.

Each standing committee shall have a maximum of two (2) members and one (1) alternate. Each standing committee may hold a regularly scheduled meeting six (6) times per year. Special meetings may be called as deemed necessary by either the General Manager or the Committee Chairperson.

All standing committee meetings of the Bighorn-Desert View Water Agency shall hereafter be held at the Bighorn Office located at 1720 N. Cherokee Tr., Landers, CA 92285. All standing committee meetings, adjourned standing committee meetings and special standing committee meetings may be fixed from time to time and by legal public notice at times as determined by the standing committee or Board of Directors.

The Board's standing committees shall be assigned to review Agency functions, activities, and/or operations pertaining to their designated concerns as specified. Any recommendations resulting from said review shall be submitted to the Board via a written or oral report or meeting minutes.

The following shall be the Board's Standing Committees, duties and meeting schedule

Planning & Engineering/Legislative/Grant Committee - Meetings of the Bighorn-Desert View Water Agency Planning & Engineering/Legislative/Grant Committee (PLEGs) shall hereafter be held on the 3rd Tuesday of every other month beginning 09:30 a.m. This Committee meets on the even months: February, April, June, August, October, and December.

Planning & Engineering - shall be concerned with, but not limited to, the study and development of Agency operational goals, including planning /engineering reviews and proposals for capital improvement projects as well as the development and periodic review of the Agency's general plan, master plan, safety/security plans (i.e. Homeland Security, Vulnerability Assessment and facilities general security), etc.

Legislative - shall be concerned with matters related to, or involving other governmental and/or regulatory agencies which may have an effect on the Agency. It shall monitor and review legislation or potential legislation which may affect the Agency. The committee shall also annually review existing ordinances, resolutions and/or Agency policies, except those pertaining specifically to personnel matters.

Grant - shall be concerned with matters related to, or involving other governmental and/or regulatory agencies which may have an effect on the Agency's grants or grant policies. It shall monitor and review grant legislation or potential grant legislation which may affect the Agency and monitor and review progress of grant funded projects. This committee shall work directly with the General Manager and Grant Consultant(s) in an effort to obtain/secure grants.

Finance/Personnel/Public Relations & Education Committee - Meetings of the Bighorn-Desert View Water Agency Finance/Personnel/Public Relations & Education Committee (FPREP) shall hereafter be held on the 3rd Tuesday of every other month, beginning at 4:00 p.m. This Committee meets on the odd months: January, March, May, July, September, and November.

Finance - shall be concerned about, but not limited to the financial management of the Agency, including the preparation of an annual budget, periodic reviews of Agency revenues, Agency investments, expenditures, and audit.

Personnel - shall be concerned with the functions, activities, compensation, and welfare of agency staff. This committee shall work directly with the General Manager on personnel related matters.

Public Relations & Education - shall be concerned with assuring that information relative to the affairs of the Agency is accurately and appropriately communicated to the public. This committee shall work with staff on the Agency newsletter and website; developing and communicating water education programs for the public; the development of community, customer, and employee relations programs to enhance Agency/Customer relationships and understanding.

The following are meetings scheduled by and under the administrative control of the Mojave Water Agency. The Agency shall appoint a maximum of one (1) member and one (1) alternate

Morongo Basin Pipeline Commission – The Mojave Water Agency Morongo Basin Pipeline Commission is comprised of five officials, one from each of the member entities of the Improvement District M, including Mojave Water Agency, County of San Bernardino Service Area 70, Bighorn-Desert View Water Agency, Hi-Desert Water District and Joshua Basin Water District. The Commission addresses issues of interest to the residents in the Morongo Basin and pertinent to the Morongo Basin Pipeline project. The Commission generally meets quarterly. The meeting location varies each quarter with each member agency hosting meetings on a rotating schedule.

Mojave Water Agency Technical Advisory Committee – An independent, voluntary group of water purveyors, pumpers and other interested parties located within Mojave Water Agency (MWA) boundaries. The Technical Advisory Committee (TAC) meets in a public forum to discuss common concerns and acts to assist the MWA in pursuit of its legal objectives. The Committee generally meets the 1st Thursday of even months at 10:00 am at the MWA headquarters in Apple Valley.

The following are miscellaneous meetings authorized by the Board of Directors’

Ad Hoc Committee Appointments - The Board President shall, with board consensus, appoint such ad hoc committees as may be deemed necessary by the President or the Board of Directors. The duties of the ad hoc committees shall be outlined at the time of appointment, and the committee shall be considered dissolved when its final report has been made.

Other “Authorized Meeting” Assignments – The following meetings and events are scheduled by and under the administrative control of other entities. These meetings are “Authorized Meetings” for all directors to attend.

- Association of San Bernardino Special Districts (ASBCSD)
- Homestead Valley Community Council (HVCC)
- Landers Community Association

PASSED, APPROVED AND ADOPTED by the Board of Directors of Bighorn-Desert View Water Agency this 10th day of January 2023.

By 
John Burkhardt, President of the Board

ATTEST,


Megan Close-Dees, Board Secretary



Official Seal

RESOLUTION 17R-11
BIGHORN-DESERT VIEW WATER AGENCY
ESTABLISHING AN AGENCY MEETING
AGENDA PREPARATION POLICY

WHEREAS, The Board of Directors of the Bighorn-Desert View Water Agency hereby sets the following policy which will establish the process by which the agendas for Agency meetings will be generated.

WHEREAS, the Agency Regular and Special Meeting Agenda Preparation Policy of the Bighorn-Desert View Water Agency is as follows:

1. The General Manager, in cooperation with the Board President, shall prepare an agenda for each regular and special meeting of the Board of Directors.
2. In regards to the regularly scheduled monthly meeting, the following process and timeline for agenda preparation shall be followed:
 - Directors may request and seek majority consensus for appropriate items to be placed on the agenda at the regular Board meeting.
 - Tuesday prior to the meeting – Director's deadline for adding appropriate items to the agenda will be the end of business Tuesday. The Board President shall make any final determinations as to what constitutes an appropriate item to be agendized for the Board meeting.
 - Wednesday prior to the meeting – Before days end, staff shall have the first draft of the agenda available for review, if requested.
 - 12:00 Noon Thursday prior to the meeting – Directors' revisions should be delivered to the General Manager.
3. Upon completion of the Board Agenda with the backup material packet on the Friday prior to the meeting- A field representative shall hand deliver agenda binders to Directors and post agendas.
4. The official posting location for the purposes of meeting the requirements of the Ralph M. Brown Act will be the Agency Office at 622 S. Jemez Trail and website: www.bdvwa.org.

As a courtesy the agenda shall also be posted at the following locations-

- 1720 North Cherokee Trail- Agency Board Room
- Johnson Valley Well 10
- Landers Community Association- Belfield Hall
- Landers Post Office Bus Stop
- C and J Feed Store Community Bulletin Board

In addition, the agenda will be emailed to the "Agenda Notification List" maintained by the agency staff. This list includes the following:

- Z107.7 Radio Station
- Hi-Desert Star Newspaper

WHEREAS, pursuant to the Brown Act Section 54957.5(a) once the agenda and related materials have been prepared office staff shall make available upon request, and without delay, the agenda and related materials for public viewing during regular business hours. However, this shall not include any writing exempt from public disclosure under Section 6253.5, 6254.7, or 6254.22.

WHEREAS, complete agendas with backup material packets will be made available, and without delay, for public viewing during regular business hours at the agency business office.

WHEREAS, complete agendas without the backup material packet shall be made available at the agency administrative office and shall be provided upon request at no charge to the requester.

WHEREAS, any member of the public can purchase a complete agenda packet, with backup material at the then current per page copy charge outlined in the Agency's Rates, Fees and Charges for public information requests pursuant to the California Public Records Act. Hard copies of presentations made or materials distributed at Agency meetings will thereafter be subject to the California Public Records Act.

WHEREAS, the Agency Standing Committee Meeting Agenda Preparation Policy of the Bighorn-Desert View Water Agency is as follows:

1. The General Manager, in cooperation with the Standing Committee Chair, shall prepare an agenda for each Standing Committee meeting.
2. Any Director may contact the Committee Chair to place any appropriate item on the Committee meeting agenda no later than Tuesday prior to the agenda mail out day which is scheduled for the Friday before the scheduled time and date of the meeting. The Chair shall make any final determinations as to what constitutes an appropriate item to be agendized for the Standing Committee meeting.


WHEREAS, the Agency Workshop Board Meeting Agenda Preparation Policy of the Bighorn-Desert View Water Agency is as follows:

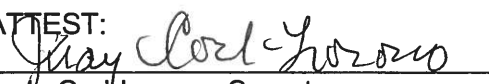
- Board workshops shall be scheduled and the agenda set by the Board of Directors at the regular or special meeting of the Board or by the Board President.

NOW, THEREFORE, THE BOARD OF DIRECTORS HEREBY RESOLVES:

- 1) Resolution 17R-11 establishes the policy for preparation of the agenda for meetings of the Board of Directors or Standing Committees thereof; and
- 2) Resolution No. 14R-06 is hereby rescinded in its entirety.

PASSED, APPROVED AND ADOPTED by the Board of Directors of Bighorn-Desert View Water Agency this 25nd day of April 2017.

By 
Michael McBride, President (Pro tem)

ATTEST:

Judy Cori-Lorono, Secretary

Resolution No. 17R-11

RESOLUTION NO. 18R-02**A RESOLUTION OF THE BIGHORN-DESERT VIEW WATER
AGENCY ESTABLISHING A POLICY FOR REIMBURSEMENT OF
ACTUAL AND NECESSARY EXPENSES FOR BOARD MEMBERS**

WHEREAS, pursuant to Government Code section 53232.1, the Bighorn-Desert View Water Agency ("Agency") may pay compensation to each member ("Director") of the Board of Directors of the Agency ("Board") for attendance at certain occurrences only if the Board has adopted, in a public meeting, a written policy specifying the types of occasions that constitute the performance of official duties for which a Director may receive payment; and

WHEREAS, pursuant to Government Code section 53232, if the Agency is to reimburse Directors for actual and necessary expenses incurred in the performance of official duties, then the Board must adopt a written policy, in a public meeting, specifying the types of occurrences that qualify a Director to receive reimbursement of expenses relating to travel, meals, lodging, and other actual and necessary expenses; and

WHEREAS, the Agency adopts this Policy For Reimbursement of Actual and Necessary Expenses For Board Members to allow the Agency to pay Directors for attendance at those occasions that constitute the performance of official duties and for reimbursement of their actual and necessary expenses incurred in the performance of official duties; and

WHEREAS, the intent of the Policy is to provide guidance to Directors on the use and expenditure of Agency resources, as well as the standards against which those expenditures will be measured;

NOW, Therefore, Be It Resolved By the Board Of Directors of the Bighorn-Desert View Water Agency as follows:

A. Findings

This Policy provides guidance to elected and appointed officials on the use and expenditure of Agency resources, as well as the standards against which those expenditures will be measured. In addition, this Policy satisfies the requirements of Government Code sections 53232.1 and 53232.2 and supplements the definition of actual and necessary expenses for purposes of state laws relating to permissible uses of public resources.

Except as specifically authorized, a Board member will not use or permit the use of Agency owned vehicles, equipment, telephones, materials or property for personal convenience or profit. A Board member will not ask or require an Agency employee to perform services for the personal convenience or profit of a Board member or employee. Each Board member must protect and properly use any Agency asset within his or her control, including information recorded on paper or in electronic form. Board members will safeguard Agency property, equipment, moneys and assets against unauthorized use or removal, as well as from loss due to criminal act or breach of trust. Board members are responsible for maintaining written records, including expense accounts, in sufficient detail to reflect accurately and completely all transactions and expenditures made on the Agency's behalf, in accordance with this policy for reimbursement of expenses of Board members.

B. Director Compensation

1. Amount of Per Diem Compensation

Directors shall receive a daily meeting stipend in the amount set by the current Ordinance in force for each day of service rendered as a Director. Such compensation is in addition to any reimbursement for meals, lodging, travel and other actual and necessary expenses consistent with this Policy.

2. "Day of Service" and "Authorized Meeting" Defined

For purposes of determining eligibility for compensation of Directors, the term "day of service" is defined as attendance by a Director, in person, at an Authorized Meeting with one or more other persons for the performance of official duties on behalf of the Agency.

All meetings which fall under Directors' Compensation List are to be recognized as an "Authorized Meeting". The Directors' Compensation List is a separate and distinct resolution from this policy reviewed and updated from time-to-time by the Board of Directors.

3. Daily Limits

If a Director attends or participates in multiple meetings in a single day, the Director shall be eligible for compensation for only one meeting on that day.

4. Aggregate Limits

The number of days for which a Director receives a daily meeting stipend will not exceed the aggregate limits established by state law and set by the current Ordinance in force.

5. Travel Days

Whenever practical and in keeping with established Board policy stating that whenever a particular educational opportunity exists via Webinars or other online course formats, these be considered first as the preferred method of education for Directors.

Per diem compensation shall include travel days to and from authorized meetings as appropriate. Unless specifically approved by the Board in advance, Directors shall not count travel to meeting within 125 miles of the Agency's office as a reimbursable per diem travel day.

C. Authorized and Unauthorized Expenses

Agency funds, equipment, supplies (including letterhead), titles, and staff time must only be used for authorized Agency business.

The Agency Resolution outlining the approved Directors' Compensation List is separate from this policy. Expenses incurred in connection with the Directors' Compensation List generally constitute authorized expenses, as long as the other requirements of the policy are met. If a meeting, event, or seminar/conference is not specifically defined in the Directors' Compensation List then the request for attendance and reimbursement must be presented to the full Board of Directors for approval. Directors are encouraged to obtain approval well in advance of the event to secure the most cost effective accommodations. A Director who chooses to attend a meeting, event, or seminar/conference without prior approval can request retroactive approval and reimbursement. If retroactive approval is denied then all costs shall become the sole responsibility of the individual.

Examples of personal expenses that the Agency will not reimburse include, but are not limited to:

1. The personal portion of any trip;
2. Political or charitable contributions or events;
3. Family expenses, including partner's expenses when accompanying an official on Agency-related business. Family

expenses also include expenses of children and pet-related expenses;

4. Entertainment expenses, including theater, movies, sporting events, or other cultural events;
5. Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline; and
6. Personal losses incurred while on Agency business.

*Any questions regarding the propriety of a particular type of expense should be resolved by the approving authority at the Agency **before** the expense is incurred.*

D. Payment of Expenses

To conserve Agency resources and keep expenses within community standards for public officials, expenditures incurred in the performance of official duties should adhere to the following guidelines. In the event that expenses are incurred which exceed these guidelines, the cost borne or reimbursed by the Agency will be limited to the costs that fall within the guidelines.

1. Transportation

- a) A request for reimbursement for mileage incurred by a Director is payable by the Agency only if the Director or the Director's driver of the vehicle in which the Director is transported, and for which reimbursement is sought, holds a valid California driver's license during that period in which the claim for reimbursement arises. The Director or the Director's driver must satisfy the Agency's automobile liability insurance requirements by completing a California Department of Motor Vehicle form authorizing release of driver information. The form may be obtained through the General Manager.
- b) The Agency reimbursement rate for mileage by use of a Director's own vehicle shall be calculated on the total miles driven for Agency purposes at the rate specified by the Internal Revenue Service in Publication 463 or any successor publication in effect at the time of vehicle usage. Mileage will be calculated using a standard trip program on the Internet and shall be verified by the Agency staff.

- c) Travel to meetings, conferences or seminars outside Agency boundaries where air travel is available may be reimbursable through a mileage rate, should the Director choose to drive the Director's own vehicle; however, the total reimbursable amount for mileage may not exceed the cost of round trip coach airfare.
- d) The Agency reimbursement rate for vehicle parking by a Director shall be the actual amount incurred including gratuity.

2. Lodging

Directors must use government and group rates offered by a provider of lodging services when available. If the lodging is in connection with an accepted conference or organized educational activity, lodging costs must not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the Directors at the time of booking. If a government or group rate is not available, the Agency reimbursement rate for Director lodging shall be the actual amount incurred, not to exceed the rate for comparable lodging.

3. Meals & Incidental Expenses

The Agency reimbursement rate for Director meals and incidentals shall be the actual amount incurred, including gratuities, excluding alcoholic beverages, up to the standard allowance established for the destination location per Internal Revenue Service Publication 463 (Ref. GSA.gov/Perdiem).

4. Other

Agency reimbursement of all other actual and necessary expenses incurred by a Director shall be computed using the applicable Internal Revenue Service rates for reimbursement as established in IRS Publication 463, or any successor publication. All expenses that do not fall within this reimbursement Policy or the Internal Revenue Service reimbursable rates, as provided above, shall be approved by the Board in a public meeting before the expense is incurred.

E. Budget Limits

Designated funds established through the annual budget process will be available to pay reimbursement of expenses for attendance by Directors at conferences, seminars and workshops as well as Per Diem compensation for days of service as defined herein. These funds are segregated in general ledger accounts for each individual director. If insufficient monies exist in the account to pay for those expenses or if request for payment by the Board of Directors is denied, the Director would then be required to pay for those expenses out of his or her own personal funds.

F. Expense Forms/Timesheets

The Agency shall provide expense report forms and timesheets to be filed by the Directors for reimbursement for actual and necessary expenses and per diem incurred on behalf of the Agency in the performance of official duties. The expense reports shall document that expenses meet this Policy for expenditure of public resources. Directors shall submit to the Agency's Accounting Department on said form their expense reports which shall be accompanied by receipts documenting each expense. If the reimbursement requests listed by the Director on said form satisfy the provisions of the Directors' Compensation List then the Agency's General Manager is hereby authorized to approve the reimbursement requests. The Board reserves the right to approve reimbursement of eligible expenses above the budget limit on a case-by-case basis prior to or after the expense being incurred. Directors are paid per diem on the regular bi-weekly payroll cycle.

G. Audits of Expense Reports

All expenses are subject to verification that they comply with this Policy.

H. Reports to Board of Directors

Directors, if required by the Resolution outlining the Directors' Compensation List, shall provide brief oral reports on meetings attended at the expense of the Agency during the next agendaized meeting of Board. Directors are encouraged to submit written reports to assist with the oral presentation.

I. Compliance with Other Laws

Agency directors, official and employees, as applicable, should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All agency expenditures are public records subject to disclosure under the Public Records Act and other laws.

J. Violation of This Policy

Use of public resources or falsifying expense reports in violation of this Policy may result in any of all of the following: 1) Loss of reimbursement privileges, 2) a demand for restitution to the Agency, 3) the Agency's reporting the expenses as income to the elected official to state and federal tax authorities, 4) civil penalties of up to \$1000 per day and three times the value of the resources used, and 5) prosecution for misuse of public resources.

K. Review of Resolution on Annual Basis

Each year the Board may review this Resolution to determine its effectiveness and the necessity for its continued operation. The Agency's General Manager shall report to the Board on the operation of this Resolution, and make any recommendations deemed appropriate concerning this Resolution. Nothing herein shall preclude the Board from taking action on the Resolution at times other than upon conclusion of the annual review.

L. Severability

If any provision of this Resolution or the application thereof to any person or circumstances, is held invalid, such invalidity shall not affect other provisions or applications of this Resolution, which can be given effect without the invalid provision, or application, and to this end, the provisions of this Resolution are declared to be severable.

M. Effective Date

This Resolution shall become effective immediately upon adoption.

N. Rescission

Resolution No. 13R-16 is hereby rescinded in its entirety.

PASSED, APPROVED AND ADOPTED by the Board of Directors of Bighorn-Desert View Water Agency this 27th day of March 2018, by the following roll call vote:

AYES: McBride, Cori-Lorono, Burkhart, Staley, Coulombe

NOES: None

ABSTENTION: None

ABSENT: None

By 
Mike McBride, Board President

Attest:


Terry Burkhart, Board Secretary



ORDINANCE NO. 21O-01
AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE
BIGHORN-DESERT VIEW WATER AGENCY
PROVIDING FOR COMPENSATION OF THE BOARD OF DIRECTORS AND ESTABLISHING
PROCEDURES RELATED THERETO

WHEREAS, the Bighorn-Desert View Water Agency is a public agency of the State of California organized and existing pursuant to the Bighorn-Desert View Water Agency Law at Deering's Water Code – Uncodified Acts, Act 90; and

WHEREAS, the per diem compensation for the Members of the Board of Directors was established by Ordinance No. 200-02 to be One Hundred and Forty-Seven Dollars and Seventy Cents (147.74); and

WHEREAS, Water Code, Section 20202 authorizes an increase in the per diem compensation of members of the Agency's Directors not to exceed five percent (5%) per calendar year and the Board of Directors desires to increase the per diem compensation by five percent (5%) to One Hundred and Fifty-Five Dollars and Thirteen Cents (\$155.13) for the Fiscal Year 2021/22.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Bighorn-Desert View Water Agency, as follows:

Section 1. The amount of compensation to be received by a Director for each day's attendance at a meeting of the Board and for each day's service rendered at the request of the Board shall be One Hundred and Fifty-Five Dollars and Thirteen Cents (\$155.13). The only meetings, service and events for which said compensation shall be paid shall be those provided for in the *Resolution Adopting the Directors' Compensation List*.

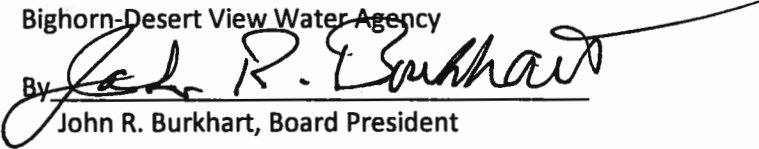
Section 2. No Director shall receive the compensation set forth in Section 1 of this Ordinance for more than 10 days in any calendar month.

Section 3. Pursuant to Section 20204 of the Water Code, this Ordinance shall become effective sixty (60) days from the date of its adoption. This Ordinance hereby supersedes previous Ordinance No. 200-02.

Adopted this 9th day of March 2021.

Bighorn-Desert View Water Agency

By


 John R. Burkhart, Board President

CERTIFICATION

I hereby certify that this Ordinance was duly adopted by the Board of Directors at its regularly-scheduled meeting on March 9, 2021 by the following ROLL CALL vote:

AYES: Burkhart, McBride, Close-Dees, Dicht

NOES: McKenzie

ABSTENTION: None

ABSENT: None



Attest:

By


 JoMarie McKenzie, Board Secretary

Official Seal

RESOLUTION NO. 17R-08

**A STATEMENT OF THE BOARD OF DIRECTORS OF THE
BIGHORN-DESERT VIEW WATER AGENCY
AUTHORIZING AGENCY CREDIT CARDS FOR DIRECTORS AND
SETTING GUIDELINES FOR THE USE OF THE SAME**

WHEREAS, in the course of attendance to conferences or other authorized events there are times when the use of a business credit card would be advantageous for the efficiencies provided and cost savings available by using such; and

WHEREAS, the Bighorn-Desert View Water Agency desires to authorize credit cards through the Agency's banking institution in the name of individual directors for charging of expenses and establishing identity in conjunction with conferences and other authorized travel; and

WHEREAS, Resolution No. 15R-02 authorized each Director to obtain a credit card through the Agency's then current banking institution, Union Bank of California (First Bank Card) with a credit limit of \$2,500 for each credit card; and

WHEREAS, the current banking institution is Pacific Western Bank and existing credit cards were obtained through Union Bank of California (First Bank Card); and

WHEREAS, members of the Board of Directors are limited to credit card purchases for travel or travel related expenses while in the performance of agency duties or in attendance at agency related training or seminars; and

WHEREAS, Director travel expenses shall be handled in accordance with the Policy for Reimbursement of Actual and Necessary Expenses for Board Members; and

WHEREAS, notwithstanding the foregoing, members of the Board of Directors shall be required to comply with all applicable, laws, rules and regulations regarding expenditures and reimbursements including, but not limited to, laws regarding conflicts of interest and ethical requirements; and

WHEREAS, no personal expenses are to be charged to the credit card at any time or for any reason whatsoever; and

WHEREAS, the General Manager will house said credit cards and distribute to Directors prior to attendance at agency related training or seminars.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Agency do hereby authorize the following:

1. That each Director be assigned and utilize a credit card through the Agency's current banking institution, Pacific Western Bank; and
2. That the credit limit shall be \$2500 for each credit card; and

3. That the credit cards shall only be used as a method of payment for purchases which have been approved in compliance with the existing Policy for Reimbursement of Actual and Necessary Expenses for Board Members.

PASSED, APPROVED, AND ADOPTED by the Board of Directors to Bighorn-Desert View Water Agency this 28th day of February 2017.

By J. Larry Coulombe
J. Larry Coulombe, Board President

Attest:

Judy Corl-Lorono
Judy Corl-Lorono, Board Secretary



RESOLUTION NO. 15R-22

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
BIGHORN-DESERT VIEW WATER AGENCY
ESTABLISHING THE FORMAT FOR THE RECORDATION OF MINUTES AT
MEETINGS OF THE AGENCY**

WHEREAS, the Board of Directors of the Bighorn-Desert View Water Agency, acting as the legislative body of a local agency, is required to notice and conduct public meetings openly and with sufficient opportunity for public comment, pursuant to California Government Code, Sections 54950 through 54962; and

WHEREAS, in order to ensure that the public record sufficiently reflects the events, actions and discussion of these meetings, the Board Secretary of the Agency records minutes. While public comment is encouraged, the minutes are not intended to be a verbatim transcript. Rather, minutes should provide an adequate and accurate record of the actions of the Board and satisfy the Agency's obligation to meet the public's right to know; and

WHEREAS, the Board of Directors of the Agency now seeks to establish a policy whereby only "action minutes" from the Agency meetings will be recorded. The purpose of this policy is to streamline current record keeping practices and conserve both Agency and rate payers' right to know.

NOW, THEREFORE, THE BOARD OF DIRECTORS HEREBY RESOLVES:

1. The minutes of Agency meetings shall identify each agenda item, summarize any Board discussion, briefly summarize public comment related to the agenda item and state the action taken by the Board; and
2. The Board Secretary need not include in the minutes the detailed public comments on agenda or non-agenda items.
3. That Policy No. 06P-03 is hereby rescinded in its entirety and of no further force and effect.

PASSED, APPROVED, AND ADOPTED by the Board of Directors to Bighorn-Desert View Water Agency this 27th day of October 2015.

By Judy Corl-Lorono
Judy Corl-Lorono, President of the Board

ATTEST:

Terry Burkhardt
Terry Burkhardt, Secretary of the Board

Exhibits A to E

Exhibit A



Bighorn Desert View Water Agency
Yucca Valley, California

Annual Comprehensive Financial Report
For the Fiscal Years Ended June 30, 2022 and 2021



Our Mission Statement

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

Bighorn Desert View Water Agency

Board of Directors as of June 30, 2022

Name	Title	Elected/ Appointed	Current Term
John R. Burkhart	President	Elected	12/18 - 12/22
JoMarie McKenzie	Vice President	Elected	12/18 - 12/22
Megan Close-Dees	Secretary	Elected	12/20 - 12/24
Craig Dicht	Director	Appointed	02/21 - 12/22
David Chapman	Director	Appointed	07/21 - 12/22

**Bighorn Desert View Water Agency
Marina D. West, PG, General Manager
622 South Jemez Trail
Yucca Valley, California 92284
(760) 364-2315 – www.bdvwa.org**



Annual Comprehensive Financial Report

For the Fiscal Years Ended

June 30, 2022 and 2021

BIGHORN DESERT VIEW WATER AGENCY

622 South Jemez Trail
Yucca Valley, California 92284

Prepared by:

Marina D. West, PG, General Manager/Treasurer
Rosa Carrick, Accounting Technician III

**Bighorn Desert View Water Agency
Annual Comprehensive Financial Report
For the Fiscal Years Ended June 30, 2022 and 2021**

Table of Contents

	<u>Page No.</u>
Table of Contents	i
Introductory Section	
Letter of Transmittal	1-7
Organizational Chart	8
GFOA Certificate of Achievement for Excellence in Financial Reporting	9
Financial Section	
Independent Auditor's Report	10-12
Management's Discussion and Analysis	13-19
Basic Financial Statements:	
Statements of Net Position	20-21
Statements of Revenues, Expenses, and Changes in Net Position	22
Statements of Cash Flows	23-24
Notes to the Basic Financial Statements	25-52
Required Supplementary Information:	
Schedule of Agency's Proportionate Share of the Net Pension Liability	53
Schedule of Pension Plan Contributions	54
Statistical Information Section	
Statistical Section – Table of Contents	55
Changes in Net Position by Component – Last Ten Fiscal Years	56-57
Operating Revenues by Source – Last Ten Fiscal Years	58
Operating Expenses by Activity – Last Ten Fiscal Years	59
Water Sold and Produced – Last Ten Fiscal Years	60
Revenue Rates – Last Ten Fiscal Years	61
Principal Customers – Current Fiscal Year and Nine Years Ago	62
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	63
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	64
Pledged-Revenue Coverage – Last Ten Fiscal Years	65
Demographic and Economic Statistics – Last Ten Fiscal Years	66-67
Full Time Equivalent Agency Employees by Department – Last Ten Fiscal Years	68
Operating and Capacity Indicators – Last Ten Fiscal Years	69
Report on Internal Controls and Compliance	
Independent Auditor's Report on Internal Control over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	70-71

Introductory Section



December 13, 2022

Board of Directors
Bighorn Desert View Water Agency

Introduction

It is our pleasure to submit Bighorn-Desert View Water Agency's Annual Financial Report (the "Report") for the fiscal years ending June 30, 2022 and 2021. Agency staff has prepared this report following guidelines set forth by the Governmental Accounting Standards Board. The Agency is responsible for the accuracy of the data included within this Report, as well as the completeness and fairness of its presentation and inclusion of all necessary disclosures. This Report is designed to enhance your understanding of the Agency's financial position and activities.

Generally Accepted Accounting Principles (GAAP) requires Agency management to provide a section within this Report that includes a narrative introduction with an overview and analysis referred to as the Management's Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Agency's MD&A can be found immediately following the Independent Auditors' Report.

Agency Structure and Leadership

The Bighorn-Desert View Water Agency is an independent special district, which operates under the authority of Division 12 of the California Water Code. The Agency was formed in 1990 upon approved consolidation of the Bighorn Mountains Water Agency (established in 1969) and the Desert View County Water District (established in 1964) by the San Bernardino County Board of Supervisors and is governed by a five-member Board of Directors elected at-large from within the Agency's service area. The Board of Directors convenes for regularly scheduled meetings on the second Tuesday of each month at 6:00 pm (effective April 2020). These meetings are publicly noticed and citizens are encouraged to attend. The General Manager administers the day-to-day operations of the Agency in accordance with policies and procedures established by the Board of Directors. By the fiscal year ending June 30, 2022, the Agency employed nine (9) regular full-time employees which includes the general manager. The staff is organized into two (2) departments: Administration and Operations.

The Agency provides water service to approximately 2,701 connections (2352 active / 349 inactive) within its fifty-two (52) square mile service area located in the eastern desert area of San Bernardino County which encompasses the unincorporated communities of Flamingo Heights, Landers and Johnson Valley.

As of July 1, 2015, the Agency annexed a neighboring water system, which remains physically isolated from the Bighorn-Desert View water system. Therefore, the Agency operates under two Water Supply Permits issued by the State Water Resources Control Board – Division of Drinking Water.

Agency Services

Residential customers represent nearly 95% of the Agency's customer base with the remainder classified as either Agricultural or Commercial. Therefore, Residential class consumes a majority of the water produced annually. Additional water is utilized for construction projects, system flushing, fire suppression and/or lost to leaks. The combined water systems utilize a total of eight (8) active groundwater wells with a total system production capacity of 1,834 gallons per minute.

In fiscal year 2021/22, the Agency produced approximately 601 acre-feet of groundwater with 155 acre-feet of that production serving the ID GM system demand. This is a decrease of 11% or 71 acre-feet less than the prior fiscal year. The decrease is primarily attributed to the reduced usage from the Agricultural classification.

In January 2022, the Agency completed the purchase of 100 acre-feet of State Water Project water through the Mojave Water Agency, the Agency's State Water Project wholesaler. The Agency now has a total of 620 acre feet in storage with a current value of \$356,030.

Economic Condition and Outlook

According to Sperling's Best Places the cost of living in the Landers area remains 2.7% lower than the U.S. average. This is primarily attributed to increasing housing costs which rose from an index of 49 to 82.6 (no price difference provided as of publication). However, Agency experience is that the housing prices have at least doubled from last year's average of \$241,000. Agency suspects the datasets are behind due to COVID. Utility prices are reported higher than California average but grocery and health and transportation costs are lower. However, all other cost of living factors are nearly equal to or lower than the U.S. average with utilities being somewhat higher. The unemployment rate is currently approximately 5.4% (averaged for one year) down from 7.8% last year. Using U.S. Census Block group data, all census blocks within the Agency boundaries are classified as a "severely disadvantaged" with an average household income reported at \$29,362 which is less than half of the U.S. average. The area is classified as rural unincorporated San Bernardino County with a planned residential zoning of 2.5-acre minimum lot size. The area is comprised of predominantly English and Spanish speaking residents.

The Agency serves only a small number of commercial businesses and institutions. The largest employer is the local elementary school. Many local residents will commute to the Twenty-nine Palms Marine Corps Ground Combat Center, Town of Yucca Valley or 60 miles south to Palm Springs, CA area or a similar distance north to the Victorville area for employment.

Major Initiatives

The activities of the Board and staff of the Agency are driven by our mission statement: *"To provide a high quality supply of water and reliable service to all customers at a fair and reasonable rate"*. In fiscal year 2021/22 the Agency focused on the following major initiatives:

1. Adopt a balanced budget with a projected growth of reserve funds for replacement/refurbishment of infrastructure, emergency contingencies and capital improvement programs specifically highlighted in the 2014 Mojave Water Agency Integrated Regional Water Management Plan (IRWMP). Continue efforts to reduce costs where possible.
2. Remain focused on preventative maintenance of the water distribution system appurtenances including groundwater wells, water storage tanks, pressure reducing stations, fire hydrants, isolation valves, air vacuum valves and emergency power connections. Minimize water lost to leaks. Work with civil engineers to prioritize and implement short-term capital or refurbishment projects.
3. Continue outreach to the community through various forms of communication including newsletters, annual calendar, utility bill and participation in local community events.
4. Continue purchases of State Water Project water for long-term storage.

Major Initiatives, continued

5. Continue to pursue grant opportunities for capital, replacement and refurbishment via the Mojave Water Agency Integrated Regional Water Management Plan (IRWMP) and their Small Water Systems Assistance Program.
6. Obtain the Certificate of Achievement for Excellence in Financial Reporting for our Comprehensive Financial Report from the Government Finance Officers Association of the United States and Canada.
7. Maintain our 2-year Certificate of Excellence in District Transparency from the Special District Leadership Foundation.
8. Maintain our 2-year Special District Leadership Foundation District of Distinction Accreditation.

All programs and operations of the Agency are developed and performed to provide the highest level of service and transparency to its customers.

Accomplishments

To assist the Board of Directors in meeting their mission, staff achieved the following initiatives in fiscal year 2021/22:

1. In April 2021, the Board adopted a balance budget totaling \$2.11M in revenue projections for fiscal year 2021/22. This budget included an adopted rate increase applied to the June 30, 2021 billing (due in July 2021). The fiscal year 2021/22 budget projected revenues exceeding expenses by 16.9% which is consistent with the Board's goal of building a "replacement/refurbishment" fund at a pace of at least 10% revenues exceeding expenses per year.
2. In December 2021, the Agency Board of Directors updated its Financial Reserve Policy.
3. As part of a sound revenue collection policy, the Agency continues the practice of collecting delinquent water charges by placing liens on the secured property tax rolls. This has resulted in eventual collection of a majority of these receivables over time that might otherwise be written off as bad debt. The amount of tax lien sent to the tax roll for 2022 was approximately \$84,795. This is an increase of \$30,034 from the prior year and is likely due to the moratorium on water shutoffs for non-payment during COVID-19 and many unpaid "agricultural" class accounts. This "agricultural classification" debt is directly associated with the eradication of illegal cannabis grow sites throughout the Agency. Once they were eradicated many of the final bills were not paid. In addition to the secured tax roll, unsecured liens are applied to properties from time-to-time to ensure amounts due can be collected upon property sale. The "true bad debt" for fiscal year 2021/22 including some carryover from fiscal year 2020/21 was \$4,860 with 47% of the true bad debt attributed to two accounts with insufficient account deposit on file to cover the final bill.
4. The Agency currently has zero bond debt outstanding.
5. In an effort to responsibly manage the Agency's Unfunded Accrued Liability (UAL) with the California Public Employees Retirement Fund (CalPERS), the Agency opened an IRS 115 "Pension Rate Stabilization Trust" with Public Agency Retirement Services (PARS) in an effort to attain higher interest earnings on funds to make future payments to CalPERS. A contribution of \$100,000 was made into the PARS account in October 2021 and as of June 30, 2022 the PARS account balance was \$252,552. The fiscal year 2021/22 UAL payment was \$39,488.

Accomplishments, continued

6. The Agency has sponsored and participated in various outreach events, including Gubler's Orchid Festival and Morongo Basin Conservation Association Desert-Wise Landscape Tour and lecture series. The landscape tour was held to a small number of sites and once again, videos were created to highlight landscapes as well (https://www.mbconservation.org/dwl_tour_2022). News and events were noted on the water bill statement as well as through an Agency-wide newsletter. The Agency along with Hi-Desert Water District created and executed the 7th Annual Children's Water Education Festival at the local middle school, funded by a grant from the Mojave Water Agency. Unfortunately, for the second year in a row, several events were cancelled due to COVID-19.
7. Water system preventative maintenance in 2021/22 included collection of nearly 1,500 distinct water quality samples, collection of quarterly groundwater level measurements and water main flushing. During the year the Agency experienced one mainline leak repair, 86 service line repairs and 50 service line replacements. Mainline and fire hydrant triennial valve exercising program cycle continues with 194 of 1,261 completed. A total of 89 meters were exchanged throughout the Agency.
8. Major repair/refurbishment or capital upgrades to facilities and structures included the installation of 34 new services lines and meters down 33 from the prior fiscal year. Two PRV's were rehabilitated. Bighorn Well Goat Mtn. No. 1 and Well #3 pump and motor failed and were replaced. Upgrades to C-Booster station were completed.
9. The Agency completed two individual parcel annexations initiated by the landowners in order to obtain water service. The applications were submitted to and eventually certified through the Local Area Formation Commission process. This added a total of 30 acres to the Agency service territory.
10. On October 2, 2017, the Agency executed an agreement with the State Water Resources Control Board for a Prop. 1 "Water Bond 2014" Planning Grant in the amount of \$500,000. In late fiscal year 2021/2, the Agency completed a comprehensive engineering plan titled *Potable Water System Improvements and Consolidation of Water Systems* and completed a Mitigated Negative Declaration to comply with the CA Environmental Quality Act (CEQA) with these planning funds. The Agency completed a construction grant application to the State Water Resources Control Board for \$11M in funding based on that engineering plan.

In February 2021, Agency secured \$500,000 in funding from Prop. 1/Round 1 for replacement of one production well and destruction of a failed production well. Throughout fiscal year 2021/22 Agency worked with the design engineer to prepare contract specifications for the new well.

In March 2022, Agency was invited to apply for \$760,000 Prop. 1/Round 2 grant funds to construct a second physical intertie with Hi-Desert Water District for emergency supply purposes and exchange of water if needed. At the close of the fiscal year, the grant application was nearing completion.

Accomplishments, continued

1. The Agency was awarded the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Financial Report for fiscal year 2020/21 from the Government Finance Officers Association of the United States and Canada.
2. In December 2020, the Agency received the 5th renewal of the Certificate of Excellence in District Transparency from the Special Districts Leadership Foundation. This 2-year accreditation is expected to be renewed again for the period January 2023 to December 2024.
3. In December 2020, the Agency received the 2st renewal of the District of Distinction Accreditation from the Special Districts Leadership Foundation. This 2-year accreditation is expected to be renewed again for the period January 2023 to December 2024.

Internal Control Structure

Agency management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the Agency are protected from loss, theft or misuse. The internal control structure also ensures that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Agency's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

The Agency Board of Directors annually adopts an operating budget for the new fiscal year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the Agency's enterprise operations. Extensive capital budgets have not always been presented with the budget, therefore projects are brought to the Board individually, as needed, for consideration. The budget and reporting treatment applied to the Agency is consistent with the accrual basis of accounting and the financial statement basis. The goal of the Board is to adopt a budget which projects that revenues will exceed expenses by at least 10% so that sufficient reserves can be raised to fund the long term capital construction plan as well as replacement and refurbishment of existing infrastructure due to normal wear over time.

Investment Policy

The Board of Directors has adopted an investment policy that conforms to state law, Agency ordinance and resolutions, and prudent money management. The objective of the Investment Policy is safety, liquidity and yield. Although the policy covers a wide variety of investment instruments, the Agency's reserve funds are currently invested in the State Treasurer's Local Agency Investment Fund (LAIF) and an institutional checking account (Pacific Western Bank). The Board of Directors approved the current investment policy on June 21, 2022 (Resolution No. 22R-08).

In response to the Agency's Unfunded Accrued Liability (UAL) the Board approved participation in a Public Agencies Post-Employment Benefits Trust administered by the Public Agency Retirement Services (PARS) in April 2020 (Resolution No. 20R-09). The Board also adopted an investment strategy with a total funding goal of \$700,000 which is equivalent to the current UAL amount calculated by CalPERS. As of June 30, 2023 the balance was \$234,450.

Water Rates and Agency Revenues

Agency's current policy direction ensures that all revenues from user charges generated from Agency customers must support all Agency operations including capital project funding. Accordingly, water rates are regularly reviewed. Water rates are user charges imposed on customers for services and are the primary component of the Agency's revenue. Water rates are composed of a commodity (usage) charge and a fixed meter (readiness-to-serve) charge.

Water Rates and Agency Revenues, continued

In April 2021, the Board of Directors adopted *Resolution No. 21R-08 Adjusting the Basic Service Charge and Water Consumption Charges by Specific Customer Class*. The move to consumption tiers and customer classifications was in response to increased agricultural activity. Also in 2021, the Agency became aware that these “agricultural” land uses were most likely illegal Cannabis crops and the County of San Bernardino had begun eradication of these sites. By the end of fiscal year 2022, it appeared that the County had eradicated all of the suspected sites and the consumption in the agricultural tier has been reduced. The rate structure was approved for 5-years. The rate increase effective January 1, 2022 was the second increase in the five year approved rate structure.

Water Conservation Programs

The Agency is an active member of the Hi Desert Alliance for Water Awareness and Conservation (HD AWAC). Agency Board and staff participate in and sponsor a number of community events with a conservation component, such as the Desert-Wise Landscaping Home Tours and Workshops sponsored by the Morongo Basin Conservation Association held throughout the year. The Agency also distributes materials to encourage water conservation. In 2013, a “water-wise” demonstration garden was installed in the community to highlight the types of plants and landscape that can be successfully maintained with little water. In accordance with Governor Jerry Brown’s April 1, 2015 Executive Order requiring water suppliers to reduce usage, the Agency adopted Ordinance No. 15O-03 Amending and Restating the Agency’s Water Conservation Plan.

Audit and Financial Reporting

State Law and Bond covenants require the Agency to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of Fedak & Brown LLP has conducted the audit of the Agency’s financial statements. Their unmodified Independent Auditor’s Report appears in the Financial Section.

Risk Management

The Agency became a member of the California Association of Mutual Water Companies/Joint Powers Risk and Insurance Management Authority (CalMutuals/JPRIMA) on July 1, 2021. The CalMutuals/JPRIMA was established through CalMutuals advocacy with the California’s legislature passing AB 656 in September 2015. As a public agency, CalMutuals/JPRIMA is committed to providing quality insurance products that blend competitive rates with meaningful value-added services and impeccable financial security. The Agency receives both Property & Liability insurance and Workers’ Compensation through CalMutuals/JPRIMA. In fiscal year 2021/22, there were no Workers Compensation or General Liability claims filed.

Technology Advance in Customer Service (E-government initiatives)

The Agency customers have the option to pay their bills in person at the Agency office, on-line, or via Automated Clearinghouse (ACH) through their bank account, with a major credit card via phone, Agency website link or internet. In 2018, the Agency enhanced execution of a process known as “check free”. “Check free” applies to customers who go to their bank’s website to request a bill be paid. If the bank utilizes “check free”, then the payment is sent electronically. If the bank is not utilizing “check free”, then the bank issues a paper check through the mail. The benefit of faster payment processing is realized by those customers whose bank participates.

The billing system also allows customers to sign-up for “paperless billing” and to manage their account on-line through a payment portal known as CivicPay.

The Agency customers have the option to pay their bills in person at the Agency office, on-line, or via Automated Clearinghouse (ACH) through their bank account, with a major credit card via phone, Agency website link or internet.

Technology Advance in Customer Service (E-government initiatives)

Customers also have access to agency agenda's and agenda backup materials via email notifications immediately upon publication. The agenda materials as well as other reference material are also available on the Agency website (www.bdvwa.org). The website includes a link to email addresses of each member of the Board of Directors as well as an email address for general inquiries.

Other References

More information has been provided in both the Management's Discussion and Analysis and the Notes to the Basic Financial Statements which can be found in the Financial Section of this report.

Awards and Acknowledgements

The Agency is the recipient of the 2015 Association of California Water Agencies "*Clair A. Hill Agency Award for Excellence*".

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bighorn-Desert View Water Agency for its comprehensive annual financial report of the fiscal year ended June 30, 2021. This was the tenth year that the Agency has applied for and achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. The Agency believes that the current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and the Agency intends to submit an application to the GFOA to determine our eligibility for certification for fiscal year 2021/22.

In 2017 the Agency was awarded the 2-year *Certificate of Excellence in District Transparency* and the District of Distinction Accreditation from the Special Districts Risk Management Authority.

Following a more comprehensive application process, the Agency was awarded the *District of Distinction* Accreditation from the California Special Districts Association (CSDA) in early 2017.

The renewal date for the *District of Distinction* and the *Certificate of Excellence in District Transparency* has been set for December 31, 2022, in an effort to streamline the renewal process. The Agency expects to be re-accredited for these two awards.

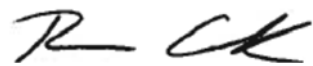
Awards and Acknowledgements, continued

Preparation of this report was accomplished by the combined efforts of Agency staff. I truly appreciate the dedicated efforts and professionalism that our staff members bring to the Agency. I would also like to thank the members of the Board of Directors for their continued support in the planning and implementation of the Bighorn-Desert View Water Agency's fiscal policies.

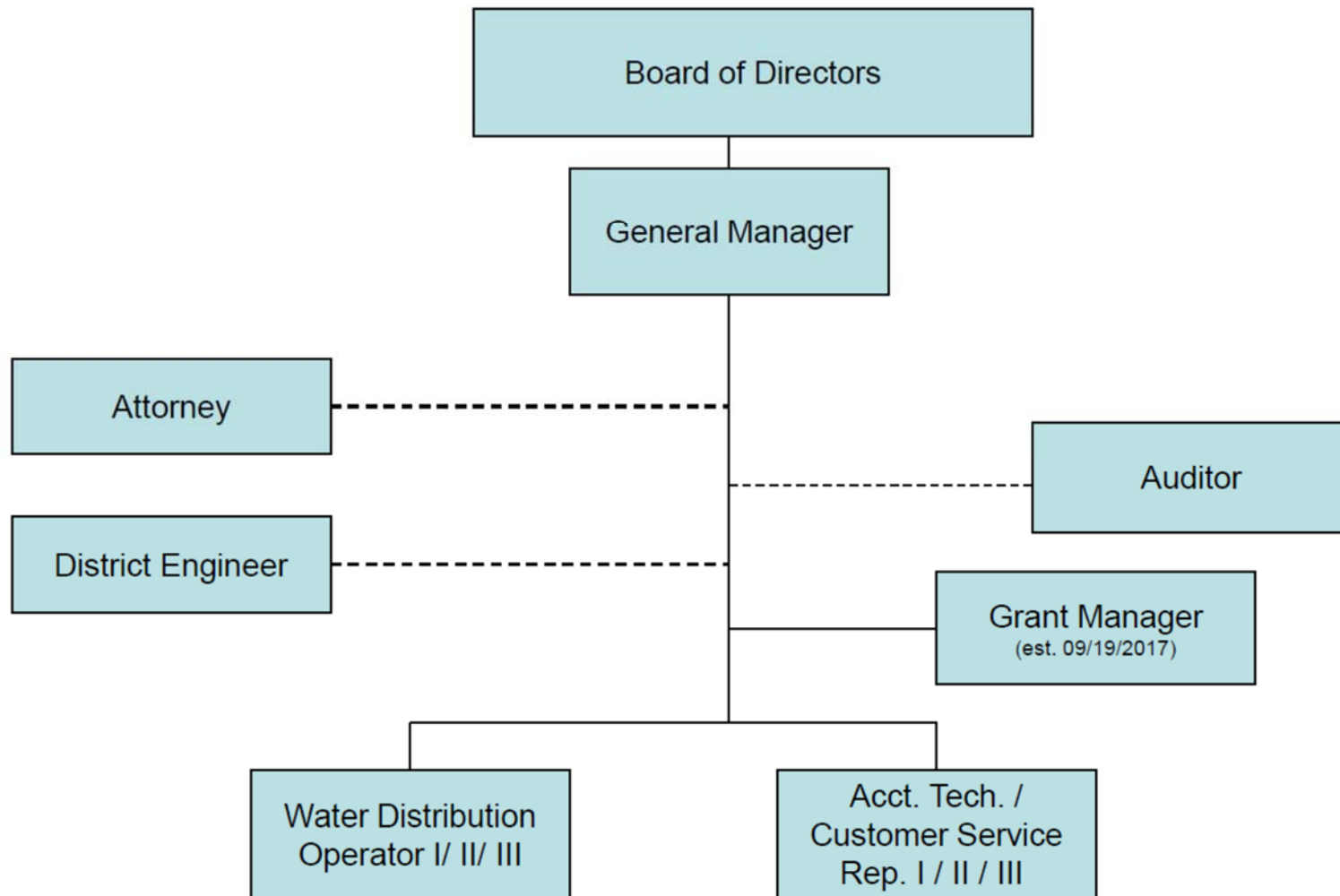
With Great Pleasure,



Marina D. West, PG
General Manager / Treasurer



Rosa Carrick
Accounting Technician III



Total positions authorized = 5

- Total allowable Level II = 5
- Total allowable Level III = 5

Total positions authorized = 3

- Total allowable Level II = 3
- Total allowable Level III = 3



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Bighorn-Desert View Water Agency
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

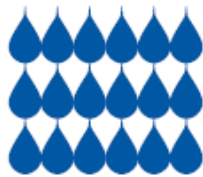
June 30, 2021

Christopher P. Morill

Executive Director/CEO



Financial Section



Christopher J. Brown, CPA, CGMA
Jonathan Abadesco, CPA
Andy Beck, CPA

Fedak & Brown LLP

Certified Public Accountants

Cypress Office:
10805 Holder Street
Suite 150
Cypress, California 90630
(657) 214-2307
FAX (714) 527-9154

Riverside Office:
1945 Chicago Avenue, Suite C-1
Riverside, California 92507
(951) 783-9149

Independent Auditor's Report

Board of Directors
Bighorn Desert View Water Agency
Yucca Valley, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Bighorn Desert View Water Agency (Agency), which comprises the statements of net position as of June 30, 2022 and 2021, and the related statements of revenues, expenses, and changes in net position for the fiscal years then ended, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bighorn Desert View Water Agency as of June 30, 2022 and 2021, and the changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Emphasis of Matter

As discussed in Note 1.C to the financial statements, in June 30, 2022, the Agency adopted new accounting guidance *Governmental Accounting Standards Board Statement No. 87*.

As part of our audit of the June 30, 2022, financial statements, we audited the adjustments described in Note 13 to the financial statements. Adjustments were recognized for the Agency's lessee agreement. As a result of the implementation for the Agency's lessee agreement, the Agency recorded a right to use asset included as part of capital assets, a lease payable, reclassified a portion of its equipment lease expense to interest expense, and has recorded prior period adjustments to restate net position as of July 1, 2021. Please see Note 8 for further information. Our opinion is not modified with respect to this matter.

Independent Auditor's Report, continued

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 19 and the required supplementary information on pages 53 and 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The introductory section on pages 1 through 7 and the statistical section on pages 55 through 69 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 13, 2022, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance. This report can be found on pages 70 and 71.

Fedak & Brown LLP

Fedak & Brown LLP

Cypress, California

December 13, 2022

Bighorn Desert View Water Agency
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2022 and 2021

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Bighorn Desert View Water Agency (Agency) provides an introduction to the financial statements of the Agency for the fiscal years ended June 30, 2022 and 2021. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the accompanying basic financial statements and related notes, which follow this section.

Financial Highlights

- The Agency's net position increased by 9.83% or \$809,207 to \$9,039,348, due to net income from ongoing operations of \$735,214 and capital contributions of \$73,993. In 2021, the Agency's net position increased by 11.03% or \$817,582 to \$8,230,141. In 2022, net position was adjusted as a result of *GASB Statement No. 87* implementation. Please see note 14 for further information.
- The Agency's total revenues decreased by 11.16% or \$325,081 to \$2,586,772. In 2021, the Agency's total revenues increased by 11.94% or \$310,505 to \$2,911,853.
- The Agency's operating revenues decreased by 7.91% or \$192,539 to \$2,240,380. In 2021, the Agency's operating revenues increased by 22.64% or \$449,097 to \$2,432,919.
- The Agency's non-operating revenues increased by 7.39% or \$18,752 to \$272,399. In 2021, the Agency's non-operating revenues decreased by 22.09% or \$71,936 to \$253,647.
- The Agency's total expenses decreased by 15.12% or \$316,706 to \$1,777,565. In 2021, the Agency's total expenses decreased by 15.86% or \$394,847 to \$2,094,271.
- The Agency's operating expenses including depreciation decreased by 15.53% or \$325,332 to \$1,768,906. Depreciation and amortization expense decreased by \$33,856 primarily due to maturation of existing assets. In 2021, the Agency's operating expenses including depreciation decreased by 14.55% or \$356,543 to \$2,094,238. Depreciation and amortization expense increased by \$68,609 primarily due to assets added in prior year.
- The Agency's non-operating expenses increased by \$8,626 to \$8,659 primarily due to investment expense, net of year-end fair value adjustment. In 2021, the Agency's non-operating expenses decreased by 99.91% or \$38,304 to \$33, due primarily to a decrease in loss on asset disposals of \$37,076 as compared to prior year.
- The Agency's capital contributions decreased by 67.16% or \$151,294 to \$73,993. In 2021, the Agency's capital contributions decreased by 22.83% or \$66,656 to \$225,287.

Using This Financial Report

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position and Statement of Cash Flows provide information about the activities and performance of the Agency using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of the Agency's investments in resources (assets), deferred outflows of resources, obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the Agency and assessing the liquidity and financial flexibility of the Agency. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the Agency's operations over the past year and can be used to determine if the Agency has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the Agency's cash receipts and cash payments during the reporting period.

Bighorn Desert View Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Financial Highlights

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Financial Analysis of the Agency

One of the most important questions asked about the Agency's finances is, "Is the Agency better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Agency in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the Agency's *net position* and changes in it. One can think of the Agency's net position – the difference between assets plus deferred outflows of resources, less liabilities and deferred inflows of resources – as one way to measure the Agency's financial health, or *financial position*. Over time, *increases* or *decreases* in the Agency's net position is one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning, and new or changed government legislation, such as changes in Federal and State water quality standards.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 25 through 52.

Statements of Net Position

Condensed Statements of Net Position

	2022	As Restated 2021	Change	2020	Change
Assets:					
Current assets	\$ 5,813,065	5,059,516	753,549	4,158,526	900,990
Non-current assets	55,631	56,528	(897)	80,905	(24,377)
Capital assets, net	3,734,623	3,995,389	(260,766)	4,175,265	(179,876)
Total assets	9,603,319	9,111,433	491,886	8,414,696	696,737
Deferred outflows of resources	253,871	388,783	(134,912)	222,490	166,293
Liabilities:					
Current liabilities	415,889	353,705	62,184	288,351	65,354
Non-current liabilities	193,893	895,912	(702,019)	908,070	(12,158)
Total liabilities	609,782	1,249,617	(639,835)	1,196,421	53,196
Deferred inflows of resources	208,060	20,458	187,602	28,206	(7,748)
Net position:					
Net investment in capital assets	3,724,060	3,982,481	(258,421)	4,175,265	(192,784)
Restricted – Goat Mountain capital assets	217,300	293,946	(76,646)	293,946	-
Restricted – pension benefits	234,450	50,279	184,171	50,279	-
Unrestricted	4,863,538	3,903,435	960,103	2,893,069	1,010,366
Total net position	\$ 9,039,348	8,230,141	809,207	7,412,559	817,582

Statements of Net Position, continued

Bighorn Desert View Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Agency, assets plus deferred outflows of resources of the Agency exceeded liabilities, and deferred inflows of resources by \$9,039,348 and \$8,230,141 as of June 30, 2022 and 2021, respectively.

Compared to prior year, net position of the Agency increased 9.83% and 11.03% or \$809,207 and \$817,582, respectively. The Agency's total net position is made-up of three components: (1) net investment in capital assets, (2) restricted net position – Goat Mountain capital assets, and (3) unrestricted net position.

By far the largest portion of the Agency's net position (41.2% and 48.4% as of June 30, 2022 and 2021, respectively) reflects the Agency's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The Agency uses these capital assets to provide services to customers within the Agency's service area; consequently, these assets are *not* available for future spending.

At the end of fiscal year 2022 and 2021, the Agency showed a positive balance in its unrestricted net position of \$4,863,538 and \$3,903,435, respectively, which may be utilized in future years.

Statements of Revenues, Expenses, and Changes in Net Position

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>2022</u>	<u>As Restated 2021</u>	<u>Change</u>	<u>2020</u>	<u>Change</u>
Operations:					
Operating revenues	\$ 2,240,380	2,432,919	(192,539)	1,983,822	449,097
Operating expenses	<u>1,371,706</u>	<u>1,663,182</u>	<u>(291,476)</u>	<u>2,088,334</u>	<u>(425,152)</u>
Operating income (loss) before depreciation	<u>868,674</u>	<u>769,737</u>	<u>98,937</u>	<u>(104,512)</u>	<u>874,249</u>
Depreciation	<u>(397,200)</u>	<u>(431,056)</u>	<u>33,856</u>	<u>(362,447)</u>	<u>(68,609)</u>
Operating income (loss)	<u>471,474</u>	<u>338,681</u>	<u>132,793</u>	<u>(466,959)</u>	<u>805,640</u>
Non-operating revenue (expenses):					
Property taxes	209,045	216,462	(7,417)	203,648	12,814
Interest earnings	(8,304)	20,610	(28,914)	70,688	(50,078)
Desert View debt surcharge	-	66	(66)	50,031	(49,965)
Interest expense – long-term debt	(355)	(33)	(322)	(1,261)	1,228
Loss on asset disposals	-	-	-	(37,076)	37,076
Other non-operating revenues, net	<u>63,354</u>	<u>16,509</u>	<u>46,845</u>	<u>1,216</u>	<u>15,293</u>
Total non-operating revenues, net	<u>263,740</u>	<u>253,614</u>	<u>10,126</u>	<u>287,246</u>	<u>(33,632)</u>
Net income (loss) before capital contributions	<u>735,214</u>	<u>592,295</u>	<u>142,919</u>	<u>(179,713)</u>	<u>772,008</u>
Capital contributions:					
Meter sales and installations	44,675	99,455	(54,780)	35,620	63,835
Grant revenue	<u>29,318</u>	<u>125,832</u>	<u>(96,514)</u>	<u>256,323</u>	<u>(130,491)</u>
Total capital contributions	<u>73,993</u>	<u>225,287</u>	<u>(151,294)</u>	<u>291,943</u>	<u>(66,656)</u>
Change in net position	<u>809,207</u>	<u>817,582</u>	<u>(8,375)</u>	<u>112,230</u>	<u>705,352</u>
Net position, beginning of period	<u>8,230,141</u>	<u>7,412,559</u>	<u>817,582</u>	<u>7,300,329</u>	<u>112,230</u>
Net position, end of period	<u>\$ 9,039,348</u>	<u>8,230,141</u>	<u>809,207</u>	<u>7,412,559</u>	<u>817,582</u>

Bighorn Desert View Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Statements of Revenues, Expenses, and Changes in Net Position

The statements of revenues, expenses, and changes in net position show how the Agency's net position changed during the fiscal year. During the fiscal year ended June 30, 2022, the Agency's net position increased by 9.83% or \$809,207 to \$9,039,348, due to net income from ongoing operations of \$735,214 and capital contributions of \$73,993 as compared to the prior year. During the fiscal year ended June 30, 2021, the Agency's net position increased 11.03% or \$817,582 to \$8,230,141 due to net income from ongoing operations of \$592,295 and capital contributions of \$225,287 as compared to the prior year.

Total Revenues

	<u>2022</u>	<u>As Restated 2021</u>	<u>Change</u>	<u>2020</u>	<u>Change</u>
Operating revenues:					
Water consumption sales	\$ 392,964	887,162	(494,198)	727,853	159,309
Basic service charges	1,001,197	963,838	37,359	1,000,103	(36,265)
Other charges	846,219	581,919	264,300	255,866	326,053
Total operating revenues	<u>2,240,380</u>	<u>2,432,919</u>	<u>(192,539)</u>	<u>1,983,822</u>	<u>449,097</u>
Non-operating revenues:					
Property taxes	209,045	216,462	(7,417)	203,648	12,814
Interest earnings, net of fair value	-	20,610	(20,610)	70,688	(50,078)
Desert View debt surcharge	-	66	(66)	50,031	(49,965)
Other non-operating revenues, net	63,354	16,509	46,845	1,216	15,293
Total non-operating revenues	<u>272,399</u>	<u>253,647</u>	<u>18,752</u>	<u>325,583</u>	<u>(71,936)</u>
Capital contributions:					
Meter sales and installations	44,675	99,455	(54,780)	35,620	63,835
Grant revenue	29,318	125,832	(96,514)	256,323	(130,491)
Total capital contributions	<u>73,993</u>	<u>225,287</u>	<u>(151,294)</u>	<u>291,943</u>	<u>(66,656)</u>
Total revenues	<u>\$ 2,586,772</u>	<u>2,911,853</u>	<u>(325,081)</u>	<u>2,601,348</u>	<u>310,505</u>

A closer examination of the sources of changes in net position reveals that:

In fiscal year 2022, the Agency's total revenues decreased by 11.16% or \$325,081 to \$2,586,772. Operating revenues decreased by 7.91% or \$192,539 to \$2,240,380, primarily due to a decrease in water sales of \$494,198, offset by increases in other charges of \$264,300 and basic service charges of \$37,359 as compared to the prior year. In fiscal year 2021, the Agency's total revenues increased by 11.94% or \$310,505 to \$2,911,853. Operating revenues increased by 22.64% or \$449,097 to \$2,432,919, primarily due to increases in other charges of \$326,053, water sales of \$159,309, which were offset by a decrease in basic service charges of \$36,265 as compared to the prior year.

In fiscal year 2022, non-operating revenues increased by 7.39% or \$18,752 to \$272,399, primarily due to increases in other non-operating revenues of \$46,845, offset by decreases in interest earnings of \$20,610 and property taxes of \$7,417 as compared to the prior year. In fiscal year 2021, non-operating revenues decreased by 22.09% or \$71,936 to \$253,647, due to decreases in interest earnings of \$50,078 and Desert View debt surcharge of \$49,965, which were offset by increases in other non-operating revenues of \$15,293 and property taxes of \$12,814 as compared to the prior year.

In fiscal year 2022, the Agency's capital contributions decreased by 67.16% or \$151,294 to \$73,993. Capital contributions were comprised of grant revenues of \$29,318 and meter sales and installations of \$44,675. In fiscal year 2021, the Agency's capital contributions decreased by 22.83% or \$66,656 to \$225,287. Capital contributions were comprised of grant revenues of \$125,832 and meter sales and installations of \$99,455.

Bighorn Desert View Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Total Expenses

	<u>2022</u>	<u>As Restated 2021</u>	<u>Change</u>	<u>2020</u>	<u>Change</u>
Operating expenses including depreciation expense:					
Transmission and distribution	\$ 663,125	715,886	(52,761)	921,052	(205,166)
General and administrative	708,581	947,296	(238,715)	1,167,282	(219,986)
Depreciation and amortization	<u>397,200</u>	<u>431,056</u>	<u>(33,856)</u>	<u>362,447</u>	<u>68,609</u>
Total operating expenses including depreciation and amortization expense	<u>1,768,906</u>	<u>2,094,238</u>	<u>(325,332)</u>	<u>2,450,781</u>	<u>(356,543)</u>
Non-operating expenses:					
Interest expense – long-term debt	355	33	322	1,261	(1,228)
Investment expense, net of fair value	8,304	-	8,304	-	-
Loss on asset disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,076</u>	<u>(37,076)</u>
Total non-operating expenses	<u>8,659</u>	<u>33</u>	<u>8,626</u>	<u>38,337</u>	<u>(38,304)</u>
Total expenses	<u>\$ 1,777,565</u>	<u>2,094,271</u>	<u>(316,706)</u>	<u>2,489,118</u>	<u>(394,847)</u>

A closer examination of the sources of changes in net position reveals that:

In fiscal year 2022, the Agency's total expenses decreased by 15.12% or \$316,706 to \$1,777,565. Operating expenses including depreciation expense decreased 15.53% or \$325,332 to \$1,768,906, due to decreases in general and administrative of \$238,715, transmission and distribution of \$52,761, and depreciation of \$33,856 as compared to the prior year. In fiscal year 2021, the Agency's total expenses decreased 15.86% or \$394,847 to \$2,094,271. Operating expenses including depreciation expense decreased 14.55% or \$356,543 to \$2,094,238, due to decreases in general and administrative of \$219,986 and transmission and distribution of \$205,166, which were offset by an increase in depreciation of \$68,609 as compared to the prior year.

In fiscal year 2022, the Agency's non-operating expenses increased by \$8,626 to \$8,659 primarily due to investment expense net of fair value adjustment at year-end. In fiscal year 2021, the Agency's non-operating expenses decreased by 99.91% or \$38,304 to \$33, due to loss on disposal of capital assets of \$38,304 reported in the prior year.

Capital Asset Administration

Changes in capital assets in 2022 were as follows:

	<u>As Restated Balance 2021</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2022</u>
Capital assets:				
Non-depreciable and amortizable assets	\$ 132,955	136,434	(144,789)	124,600
Depreciable and amortizable assets	11,718,163	144,789	-	11,862,952
Accumulated depreciation and amortization	<u>(7,855,729)</u>	<u>(397,200)</u>	<u>-</u>	<u>(8,252,929)</u>
Total capital assets	<u>\$ 3,995,389</u>	<u>(115,977)</u>	<u>(144,789)</u>	<u>3,734,623</u>

Bighorn Desert View Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Capital Asset Administration, continued

Changes in capital assets in 2021 were as follows:

	<u>As Restated Balance 2020</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>As Restated Balance 2021</u>
Capital assets:				
Non-depreciable and amortizable assets	\$ 113,633	240,122	(220,800)	132,955
Depreciable and amortizable assets	11,486,305	231,858	-	11,718,163
Accumulated depreciation and amortization	<u>(7,424,673)</u>	<u>(431,056)</u>	<u>-</u>	<u>(7,855,729)</u>
Total capital assets	<u>\$ 4,175,265</u>	<u>40,924</u>	<u>(220,800)</u>	<u>3,995,389</u>

At the end of fiscal year 2022 and 2021, the Agency's investment in capital assets amounted to \$3,734,623 and \$3,995,389, respectively (net of accumulated depreciation). This investment in capital assets includes land, construction-in-process, water system, organization, office building, mobile equipment, office equipment, yards, fuel station, and shop equipment. See note 4 for further information.

Debt Administration

Changes in long-term debt amounts for 2022 were as follows:

	<u>As Restated Balance 2021</u>	<u>Additions</u>	<u>Principal Payments/</u>	<u>Balance 2022</u>
Lease payable:				
Equipment lease payable	\$ 12,908	-	(2,345)	10,563
Total long-term debt	<u>\$ 12,908</u>	<u>-</u>	<u>(2,345)</u>	<u>10,563</u>

Changes in long-term debt amounts for 2021 were as follows:

	<u>Balance 2020</u>	<u>Additions</u>	<u>Principal Payments/</u>	<u>As Restated Balance 2021</u>
Lease payable:				
Equipment lease payable	\$ -	13,100	(192)	12,908
Total long-term debt	<u>\$ -</u>	<u>13,100</u>	<u>(192)</u>	<u>12,908</u>

See note 8 for further information.

Conditions Affecting Current Financial Position

Management is unaware of any conditions, which could have a significant impact on the Agency's current financial position, net position, or operating results in terms of past, present and future periods.

Bighorn Desert View Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Requests for Information

This financial report is designed to provide the Agency's present users, including funding sources, customers, stakeholders, and other interested parties with a general overview of the Agency's finances and to demonstrate the Agency's accountability with an overview of the Agency's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Agency's General Manager, Marina West at Bighorn Desert View Water Agency at 622 S. Jemez Trail, Yucca Valley, California 92284 or (760) 364-2315.

Basic Financial Statements

Bighorn Desert View Water Agency
Statements of Net Position
June 30, 2022 and 2021

	<u>2022</u>	<u>As Restated 2021</u>
Current assets:		
Cash and cash equivalents (note 2)	\$ 4,581,692	4,024,741
Cash and cash equivalents – restricted (note 2, 12)	234,450	163,506
Accrued interest receivable	1,007	438
Accounts receivable – water sales and services	431,996	412,944
Grants receivable	5,131	8,499
Property taxes receivable	26,555	59,902
Water-in-storage inventory	356,030	289,830
Materials and supplies inventory	88,394	77,384
Prepaid expenses and other deposits	87,810	22,272
Total current assets	<u>5,813,065</u>	<u>5,059,516</u>
Non-current assets:		
Accounts receivable – long-term, net (note 3)	55,631	56,528
Capital assets – not being depreciated (note 4)	124,600	132,955
Depreciable capital assets, net (note 4)	3,610,023	3,862,434
Total non-current assets	<u>3,790,254</u>	<u>4,051,917</u>
Total assets	<u>9,603,319</u>	<u>9,111,433</u>
Deferred outflows of resources:		
Deferred pension outflows (note 10)	253,871	388,783
Total deferred outflows of resources	\$ <u>253,871</u>	<u>388,783</u>

Continued on next page

See accompanying notes to the basic financial statements

Bighorn Desert View Water Agency
Statements of Net Position, continued
June 30, 2022 and 2021

	<u>2022</u>	<u>As Restated 2021</u>
Current liabilities:		
Accounts payable	\$ 66,839	51,728
Accrued expenses	33,160	27,606
Unearned revenue	30,568	20,797
Deposits	222,375	195,701
Long-term liabilities – due within one year:		
Compensated absences (note 5)	34,494	29,492
Tax liability – County (note 6)	26,037	26,036
Lease payable (note 8)	2,416	2,345
Total current liabilities	<u>415,889</u>	<u>353,705</u>
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (note 5)	80,487	68,813
Tax liability – County (note 6)	11,398	51,534
IDM pipeline liability (note 7)	-	62,814
Lease payable (note 8)	8,147	10,563
Net pension liability (note 10)	93,861	702,188
Total non-current liabilities	<u>193,893</u>	<u>895,912</u>
Total liabilities	<u>609,782</u>	<u>1,249,617</u>
Deferred inflows of resources:		
Deferred pension inflows (note 10)	208,060	20,458
Total deferred inflows of resources	<u>208,060</u>	<u>20,458</u>
Net position:		
Net investment in capital assets (note 11)	3,724,060	3,982,481
Restricted – Goat Mountain capital assets (note 12)	217,300	293,946
Restricted – pension benefits (note 2, 10, 12)	234,450	50,279
Unrestricted (note 13)	4,863,538	3,903,435
Total net position	<u>\$ 9,039,348</u>	<u>8,230,141</u>

See accompanying notes to the basic financial statements

Bighorn Desert View Water Agency
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>As Restated 2021</u>
Operating revenues:		
Water consumption sales	\$ 392,964	887,162
Basic service charges	1,001,197	963,838
Other charges	846,219	581,919
Total operating revenues	<u>2,240,380</u>	<u>2,432,919</u>
Operating expenses:		
Transmission and distribution	663,125	715,886
General and administrative	708,581	947,296
Total operating expenses	<u>1,371,706</u>	<u>1,663,182</u>
Operating income before depreciation and amortization	868,674	769,737
Depreciation and amortization	<u>(397,200)</u>	<u>(431,056)</u>
Operating income	<u>471,474</u>	<u>338,681</u>
Non-operating revenue (expenses):		
Property taxes	209,045	216,462
Interest earnings (expense), net of fair value	(8,304)	20,610
Desert View debt surcharge	-	66
Interest expense – long-term debt	(355)	(33)
Other non-operating revenues, net	63,354	16,509
Total non-operating revenues, net	<u>263,740</u>	<u>253,614</u>
Net income before capital contributions	<u>735,214</u>	<u>592,295</u>
Capital contributions:		
Meter sales and installations	44,675	99,455
Grant revenue	29,318	125,832
Total capital contributions	<u>73,993</u>	<u>225,287</u>
Change in net position	809,207	817,582
Net position, beginning of period (note 14)	<u>8,230,141</u>	<u>7,412,559</u>
Net position, end of period (note 14)	<u>\$ 9,039,348</u>	<u>8,230,141</u>

See accompanying notes to the basic financial statements

Bighorn Desert View Water Agency
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>As Restated 2021</u>
Cash flows from operating activities:		
Cash receipts from customers for water sales and services	\$ 2,322,024	2,501,353
Cash paid to employees for salaries and wages	(655,452)	(533,007)
Cash paid to vendors and suppliers for materials and services	(1,166,920)	(1,288,657)
Net cash provided by operating activities	<u>499,652</u>	<u>679,689</u>
Cash flows from non-capital financing activities:		
Proceeds from property taxes	202,257	173,360
Net cash provided by non-capital financing activities	<u>202,257</u>	<u>173,360</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(136,434)	(254,556)
Proceeds from capital contributions and connection fees	177,249	299,072
Property taxes received in support of long-term debt	-	66
Principal paid on long-term debt	(33,342)	-
Interest paid on long-term debt	(355)	(33)
Net cash provided by capital and related financing activities	<u>7,118</u>	<u>44,549</u>
Cash flows from investing activities:		
Investment contributions to Section 115 Trust	(100,000)	(100,000)
Interest earnings	18,868	28,689
Net cash used in by investing activities	<u>(81,132)</u>	<u>(71,311)</u>
Net increase in cash and cash equivalents	627,895	826,287
Cash and cash equivalents – beginning of year	<u>4,188,247</u>	<u>3,361,960</u>
Cash and cash equivalents – end of year	<u>\$ 4,816,142</u>	<u>4,188,247</u>
Reconciliation of cash and cash equivalents to statement of financial position:		
Cash and cash equivalents	\$ 4,581,692	4,024,741
Cash and cash equivalents – restricted	234,450	163,506
Cash and cash equivalents – end of year	<u>\$ 4,816,142</u>	<u>4,188,247</u>

Continued on next page

See accompanying notes to the basic financial statements

Bighorn Desert View Water Agency
Statements of Cash Flows, continued
For the Fiscal Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>As Restated 2021</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 471,474	338,681
Adjustments to reconcile operating income to net cash used in operating activities:		
Depreciation and amortization	397,200	431,056
Other non-operating revenues, net	63,354	16,509
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable – water sales and services, net	(19,052)	(59,876)
Grants receivable	3,368	73,785
Water-in-storage inventory	(66,200)	(45,150)
Materials and supplies inventory	(11,010)	(5,499)
Prepaid expenses and other deposits	(65,538)	(306)
Accounts receivable – long-term, net	897	24,377
Deferred outflows of resources	134,912	(166,293)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	15,111	(19,563)
Accrued expenses	5,554	7,548
Unearned revenue	9,771	5,215
Deposits	26,674	82,434
Compensated absences	16,676	1,926
IDM pipeline liability	(62,814)	-
Net pension liability	(608,327)	2,593
Deferred inflows of resources	187,602	(7,748)
Total adjustments	<u>28,178</u>	<u>341,008</u>
Net cash provided by operating activities	<u>\$ 499,652</u>	<u>679,689</u>

See accompanying notes to the basic financial statements

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Bighorn Desert View Water Agency (Agency) was formed in 1990 upon approved consolidation of the Bighorn Mountains Water Agency (established in 1969) and the Desert View Water District (established in 1964) by the San Bernardino County Board of Supervisors. The Agency provides water and water related services to the population within the Agency's boundaries. Accordingly, the Agency is authorized to finance, construct, operate and maintain a water transmission and distribution system to benefit this population. There are 2,552 connections within the Agency's boundaries which encompass approximately fifty-two (52) square miles.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Statements No. 61, *The Financial Reporting Entity*. The Agency is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The Agency is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

B. Basis of Accounting and Measurement Focus

The Agency reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Agency is that the costs of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales), capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and water purchases, result from exchange transactions associated with the principal activity of the Agency. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

C. Financial Reporting

The Agency's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Agency solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the Agency's proprietary fund.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

The Agency has adopted the following GASB pronouncements in the current year:

Governmental Accounting Standards Board Statement No. 87

In June 2017, the GASB issued Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by 18 months. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 89

In June 2018, the GASB issued Statement No. 89 – *Accounting for Interest Cost incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

Governmental Accounting Standards Board Statement No. 98

In October 2021, the GASB issued Statement No. 98 – *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of Annual Comprehensive Financial Report and its acronym in generally accepted accounting principles for state and local governments.

This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for Annual Comprehensive Financial Report sounds like a profoundly objectionable racial slur. This Statement’s introduction of the new term is founded on a commitment to promoting inclusiveness.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

Substantially all of the Agency’s cash is invested in interest bearing accounts. The Agency considers all highly liquid investments with maturities of three months or less at the time of purchase to be cash equivalents.

3. Investments and Investment Policy

The Agency has adopted an investment policy directing the General Manager to deposit and invest funds in financial institutions in accordance with California Government Code section 53600. The investment policy applies to all financial assets and investment activities of the Agency.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

4. Fair Value Measurements

The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset, as follows:

- *Level 1* – This valuation level is based on quoted prices in active markets for identical assets.
- *Level 2* – This valuation level is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- *Level 3* – This valuation level is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity and other assumptions that are internally generated and cannot be observed in the market.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

5. Restricted Assets

Restricted assets are financial resources generated for a specific purpose such as capital projects, debt service, or on behalf of employee benefits (Section 115 Trust). These assets are for the benefit of a specified purpose and, as such, are legally or contractually restricted by an external third-party agreement.

6. Accounts Receivable

The Agency extends credit to customers in the normal course of operations. Management has evaluated the accounts and believes all accounts are collectible at June 30. When management deems customer accounts uncollectible, the Agency uses the direct write off method for the write-off those accounts to bad debt expense.

7. Property Taxes and Assessments

The County of San Bernardino Assessor's Office assesses all real and personal property within the County each year. The County of San Bernardino Tax Collector's Offices bills and collects the Agency's share of property taxes and assessments. The County of San Bernardino Treasurer's Office remits current and delinquent property tax collections to the Agency throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

Property taxes receivable at year-end are related to property taxes collected by the County of San Bernardino, which have not been credited to the Agency's cash balance as of June 30. The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

8. Lease Receivable / Payable

Leases receivable / payable are measured at the present value of payments expected to be received during the lease term.

9. Water-in-storage Inventory

Water-in-storage inventory consists primarily of water purchased and held in storage with Mojave Water Agency (MWA), the Agency's State Water Project wholesaler. In 2022 and 2021, the Agency purchased 70 acre-feet of State Water Project water through the MWA, respectively. At June 30, 2022 and 2021, the Agency has a total of 620 acre feet and 520 acre feet in water-in-storage valued using an average cost of \$662 and \$645 per acre foot, respectively.

10. Materials and Supplies Inventory

Materials and supplies inventory consists primarily of water meters, pipe and pipefittings for construction and repair to the Agency's water transmission and distribution system. Inventory is valued at cost using the first-in first-out method. Inventory items are charged to expense at the time that individual items are withdrawn from inventory or consumed.

11. Prepaid Expenses

Certain payments to vendors reflects costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

12. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. Agency policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at acquisition value at the date of donation. Capital assets received in service concession arrangements are reported at acquisition value. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Water system – 10 to 50 years
- Organization – 50 years
- Office building – 5 to 50 years
- Mobile equipment – 5 to 10 years
- Office equipment – 5 to 10 years
- Yards – 10 to 50 years
- Fuel station – 10 to 50 years
- Shop equipment – 5 to 10 years

Equipment leases are amortized on a straight-line basis over the life of the lease.

13. Deferred Outflows of Resources

The statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of resources applicable to future periods and therefore will *not* be recognized as an outflow of resources (expenditure) until that time. The Agency has the following pension related items that qualify for reporting in this category:

- Deferred outflow which is equal to the employer contributions made after the measurement date of the net pension liability. This amount will be amortized-in-full against the net pension liability in the next fiscal year.
- Deferred outflow for the net differences between the actual and expected experience which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.
- Deferred outflow for the net adjustment due to differences in the changes in proportions of the net pension liability which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

14. Compensated Absences

The Agency's policy is to permit employees to accumulate vacation and sick leave. No employee is allowed to accrue vacation leave hours in excess of: one hundred sixty (160) hours for years one (1) through four (4); two hundred forty (240) hours for years five (5) through ten (10); three hundred twenty (320) hours for years eleven (11) and greater. Payment of unused vacation shall not reduce the accrual balance to less than fifty percent (50%) of the accrued vacation balance hours. All employees are allowed unlimited sick leave accrual. Employees are entitled to 50% payment for any accrued but unused sick leave in excess of two hundred (200) hours.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

15. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Agency's California Public Employees' Retirement System (CalPERS) plans (Plans) and addition to/deduction from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation Dates: June 30, 2020 and 2019
- Measurement Dates: June 30, 2021 and 2020
- Measurement Periods: July 1, 2020 to June 30, 2021 and July 1, 2019 to June 30, 2020

16. Deferred Inflows of Resources

The statement of net position will sometimes report a separate section for deferred inflows of resources. This financial statement element, *deferred inflows of resources*, represents an acquisition of resources applicable to future periods and therefore, will *not* be recognized as an inflow of resources (revenue) until that time. The Agency has the following pension related item that qualifies for reporting in this category:

- Deferred inflow for the net difference in projected and actual earnings on investments of the pension plans fiduciary net position. This amount is amortized over a 5 year period.
- Deferred inflow for the net differences in actual and proportionate share of employer contribution and net changes in proportion which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

17. Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net Investment in Capital Assets** – Investment in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances of any debt, or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** – Restricted consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- **Unrestricted** – Unrestricted consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted component of net position.

18. Water Sales

Water sales are billed on a bi-monthly cyclical basis and recognize the respective revenues when they are earned.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

19. Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the Agency by property owners, granting agencies or real estate developers desiring services that require capital expenditures or capacity commitment.

20. Capital Grants

When a grant agreement is approved and eligible expenditures are incurred, the amount is recorded as a capital or operating grant receivable on the statement of net position and as capital grant contribution or operating grant revenue, as appropriate, on the statement of revenues, expenses and changes in net position.

21. Budgetary Policies

The Agency adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

22. Reclassification

The Agency has reclassified certain prior year information to conform to current year presentations.

(2) Cash and Cash Equivalents

Cash and cash equivalents as of June 30, are classified in the accompanying financial statements as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 4,581,692	4,024,741
Cash and cash equivalents – restricted	<u>234,450</u>	<u>163,506</u>
Total cash and cash equivalents	<u>4,816,142</u>	<u>4,188,247</u>

Cash and cash equivalents as of June 30, consist of the following:

	<u>2022</u>	<u>2021</u>
Cash on hand	\$ 1,550	1,550
Deposits with financial institutions	4,049,463	3,487,043
Deposits in Local Agency Investment Fund (LAIF)	530,679	536,148
Deposits in Public Agency Retirement System (PARS)	<u>234,450</u>	<u>163,506</u>
Total	<u>\$ 4,816,142</u>	<u>4,188,247</u>

As of June 30, the Agency's authorized deposits had the following average maturities:

	<u>2022</u>	<u>2021</u>
Deposits in Local Agency Investment Fund (LAIF)	311 days	291 days

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(2) Cash and Cash Equivalents, continued

Investments Authorized by the California Government Code and the Agency's Investment Policy

The table below identifies the investment types that are authorized by the Agency in accordance with the California Government Code (or the Agency's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Agency's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment in One Issuer
U.S. Treasury obligations	5 years	None	None
Federal agency and bank obligations	5 years	None	None
Certificates-of-deposit (negotiable or placed)	5 years	30%	None
Commercial paper (prime)	270 days	25%	10%
Money market mutual funds	N/A	20%	None
State and local bonds, notes and warrants	N/A	None	None
California Local Agency Investment Fund (LAIF)	N/A	None	None

Investment in State Investment Pool

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 and is under the management of the Treasurer of the State of California with oversight provided by the Local Agency Investment Advisory Board. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Bank balances are secured by the pledging of a pool of eligible securities to collateralize the Agency's deposits with the bank in accordance with the Code.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Agency's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits.

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Of the bank balances, up to \$250,000 held at each institution were federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Agency's name.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(2) Cash and Cash Equivalents, continued

Custodial Credit Risk, continued

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Code and the Agency's investment policy contain legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF and the Pool).

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to change with market interest rates. One of the ways that the Agency manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments, and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide for cash flow requirements and liquidity needed for operations.

At June 30, 2022 and 2021, the Agency's investments held to maturity were categorized as twelve months or less, respectively.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Agency's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Concentration of Credit Risk

The Agency's investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than for external investment pools) that represent 5% or more of total Agency's investments at June 30, 2022 and 2021.

Fair Value Measurements

At June 30, 2022 and 2021, the Agency did not hold any investments which require measurement at fair value on a recurring and non-recurring basis.

(3) Accounts Receivable – Long-term, net

Accounts receivable – long-term, net consists of property tax liens not yet collected by the County less an allowance for uncollectible based on analysis performed by the Agency. The balance at June 30 consists of the following:

	<u>2022</u>	<u>2021</u>
Accounts receivable – long-term, net	\$ 62,131	63,028
Allowance for uncollectible accounts	<u>(6,500)</u>	<u>(6,500)</u>
Accounts receivable – water sales, net	\$ <u>55,631</u>	<u>56,528</u>

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(4) Capital Assets

Construction-In-Process

The Agency has been involved in various construction projects throughout the year. The projects that comprise the construction-in-process balances at June 30, 2022 and 2021, were as follows:

	<u>2022</u>	<u>2021</u>
C-Booster	\$ -	26,961
Various small projects under \$25,000	34,595	15,989
Construction-in-process	<u>\$ 34,595</u>	<u>42,950</u>

Changes in capital assets for 2022 were as follows:

	<u>As Restated Balance 2021</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2022</u>
Non-depreciable assets:				
Land	\$ 90,005	-	-	90,005
Construction-in-process	42,950	136,434	(144,789)	34,595
Total non-depreciable assets	<u>132,955</u>	<u>136,434</u>	<u>(144,789)</u>	<u>124,600</u>
Depreciable assets:				
Water System	9,985,378	134,089	-	10,119,467
Organization	336,272	-	-	336,272
Office Building	327,594	-	-	327,594
Mobile Equipment	768,342	10,700	-	779,042
Office Equipment	182,244	-	-	182,244
Yards	56,330	-	-	56,330
Fuel Station	18,942	-	-	18,942
Shop Equipment	29,961	-	-	29,961
Leased Equipment	13,100	-	-	13,100
Total depreciable assets	<u>11,718,163</u>	<u>144,789</u>	<u>-</u>	<u>11,862,952</u>
Accumulated depreciation:				
Water System	(6,627,311)	(282,529)	-	(6,909,840)
Organization	(189,706)	(13,448)	-	(203,154)
Office Building	(256,944)	(11,063)	-	(268,007)
Mobile Equipment	(575,555)	(67,981)	-	(643,536)
Office Equipment	(116,359)	(17,569)	-	(133,928)
Yards	(49,808)	(248)	-	(50,056)
Fuel Station	(17,835)	(148)	-	(17,983)
Shop Equipment	(22,003)	(1,719)	-	(23,722)
Leased Equipment	(208)	(2,495)	-	(2,703)
Total accumulated depreciation	<u>(7,855,729)</u>	<u>(397,200)</u>	<u>-</u>	<u>(8,252,929)</u>
Total depreciable assets, net	<u>3,862,434</u>	<u>(252,411)</u>	<u>-</u>	<u>3,610,023</u>
Total capital assets, net	<u>\$ 3,995,389</u>			<u>3,734,623</u>

Major depreciable capital asset additions during fiscal year 2022 include additions to the water system.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(4) Capital Assets, continued

Changes in capital assets for 2021 were as follows:

	<u>Balance 2020</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>As Restated Balance 2021</u>
Non-depreciable assets:				
Land	\$ 90,005	-	-	90,005
Construction-in-process	23,628	240,122	(220,800)	42,950
Total non-depreciable assets	113,633	240,122	(220,800)	132,955
Depreciable assets:				
Water System	9,766,620	218,758	-	9,985,378
Organization	336,272	-	-	336,272
Office Building	327,594	-	-	327,594
Mobile Equipment	768,342	-	-	768,342
Office Equipment	182,244	-	-	182,244
Yards	56,330	-	-	56,330
Fuel Station	18,942	-	-	18,942
Shop Equipment	29,961	-	-	29,961
Leased Equipment	-	13,100	-	13,100
Total depreciable assets	11,486,305	231,858	-	11,718,163
Accumulated depreciation:				
Water System	(6,322,972)	(304,339)	-	(6,627,311)
Organization	(175,102)	(14,604)	-	(189,706)
Office Building	(244,876)	(12,068)	-	(256,944)
Mobile Equipment	(497,122)	(78,433)	-	(575,555)
Office Equipment	(97,278)	(19,081)	-	(116,359)
Yards	(49,539)	(269)	-	(49,808)
Fuel Station	(17,674)	(161)	-	(17,835)
Shop Equipment	(20,110)	(1,893)	-	(22,003)
Leased Equipment	-	(208)	-	(208)
Total accumulated depreciation	(7,424,673)	(431,056)	-	(7,855,729)
Total depreciable assets, net	4,061,632	(199,198)	-	3,862,434
Total capital assets, net	\$ 4,175,265			3,995,389

Major depreciable capital asset additions during fiscal year 2021 include additions to the water system and mobile equipment.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(5) Compensated Absences

Compensated absences comprise unpaid paid time off that accrues when benefits are fully vested and are determined annually. Compensated absences turn-over each year, therefore, the compensated absence balance of the Agency is recorded as a liability on the Statement of Net Position.

The changes to compensated absences balances at June 30, 2022 were as follows:

<u>Balance</u> <u>2021</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance</u> <u>2022</u>	<u>Due Within</u> <u>One Year</u>	<u>Due in More</u> <u>Than One Year</u>
\$ 98,305	72,293	(55,617)	114,981	34,494	80,487

The changes to compensated absences balances at June 30, 2021 were as follows:

<u>Balance</u> <u>2020</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance</u> <u>2021</u>	<u>Due Within</u> <u>One Year</u>	<u>Due in More</u> <u>Than One Year</u>
\$ 96,379	89,488	(87,562)	98,305	29,492	68,813

(6) Tax Liability – County

Tax Liability – County of San Bernardino

On August 20, 2018, the Agency received notification from the County of San Bernardino Auditor-Controller/Treasurer/Tax Collector's office, (County) that the County had overpaid \$130,183 in unitary tax allocations to Bighorn-Desert View Water Agency Improvement Agency 1 (Bighorn Mountains). The error was a result of the manner in which the County calculated the distribution of the Unitary Tax Allocation. The error was discovered in an audit of the County by the State Controller's Office which required fiscal year 2005 to be "restated" and which led to a subsequent correction in the fiscal years that followed. While the Agency was "overpaid", other entities were "underpaid". The County of San Bernardino is responsible to reallocate the monies correctly. As a result, during the fiscal year ended June 30, 2018, the Agency adjusted its net position.

The County agreed to provide the Agency a 5-year payment schedule beginning in fiscal year June 30, 2020. The future payments will be accounted for in the tax allocations rather than through direct payment to the County Tax Collector.

Annual payments are as follows:

<u>Fiscal Year</u>	<u>Liability</u>
2023	\$ 26,037
2024	11,398
Total	37,435
Less current	(26,037)
Total non-current	\$ 11,398

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(7) Morongo Basin – IDM Pipeline Liability

During fiscal year 2020, the Agency was notified by the Mojave Water Agency (MWA) that it maintained sufficient debt service reserves and further tax apportionments would be terminated. MWA projected the final debt service payment for each IDM pipeline participant based on the percentage share of the pipeline that would be required in May 2022. Of the total final projected payment of \$628,136, the Agency's share is calculated at 10% or \$62,814. During 2022 the Agency was notified by MWA that its last remaining liability was \$34,162, which was paid in May 2022. The remaining balance of \$34,162 was written off accordingly by the Agency.

(8) Long-term Debt

Changes in long-term debt for the year ended June 30, 2022 are as follows:

	As Restated Balance 2021	Additions	Payments/ Amortization	Balance 2022
Lease payable:				
Equipment lease	\$ 12,908	-	(2,345)	10,563
Total leases payable	12,908	-	(2,345)	10,563
Less: current portion due	(2,345)			(2,416)
Long-term portion due	\$ 10,563			8,147

Changes in long-term debt for the year ended June 30, 2021 are as follows:

	As Restated Balance 2020	Additions	Payments/ Amortization	As Restated Balance 2021
Lease payable:				
Equipment lease	\$ -	13,100	(192)	12,908
Total leases payable	-	13,100	(192)	12,908
Less: current portion due	-			(2,345)
Long-term portion due	\$ -			10,563

Equipment Lease Payable

On June 16, 2021, the Agency entered into an agreement with Xerox Financial Services, LLC, (Xerox), to lease copier equipment for use in the District's administrative office. Terms of the agreement commenced on June 16, 2021, for a period of 63 months, with rent due monthly at \$225 per month for the entire lease term.

Following the guidelines set forth by *GASB Statement No. 87*, the Agency has recorded a right-to-use asset and a lease payable at present value with an implicit rate of 3.00%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(8) Long-term Debt, continued

Equipment Lease Payable, continued

Annual lease payments are as follows:

<u>Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$	2,416	284	2,700
2024		2,490	210	2,700
2025		2,565	135	2,700
2026		2,643	57	2,700
2027		448	2	450
Total		10,562	688	11,250
Less: current		(2,416)		
Long-term	\$	8,146		

(9) Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Agency's Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and the Agency's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. The death benefit is the 1957 Survivor Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the Agency's CalPERS 3.0% at 60 Risk Pool Retirement Plan to new employee entrants effective December 31, 2012. All employees hired after January 1, 2013, are eligible for the Agency's CalPERS 2.0% at 62 Retirement Plan under PEPRA. New employees that have previously participated in the Classic Plan are eligible for the Agency's CalPERS 3.0% at 60 Retirement Plan.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(9) Defined Benefit Pension Plan, continued

Benefits provided, continued

The Plans' provision and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous Plan Pool	
	Classic	PEPRA
	Prior to December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	3.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 service years	5 service years
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 60	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	2.0% to 2.5%
Required employer contribution rates	15.25%	7.59%
Required employee contribution rates	7.80%	6.75%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates, for all public employers, be determined on an annual basis by the actuary and shall be effective on July 1, following notice of the change in rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS.

The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Agency is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

As of the fiscal year ended June 30, the contributions for the Plan were as follows:

	2022	2021
Contributions – employer	\$ <u>90,376</u>	<u>310,344</u>

Net Pension Liability

As of June 30, the Agency reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	2022	2021
Proportionate share of net pension liability	\$ <u>93,861</u>	<u>702,188</u>

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(9) Defined Benefit Pension Plan, continued

Net Pension Liability, continued

The Agency's net pension liability for the Plan is measured as the proportionate share of the net pension liability for the miscellaneous risk pool. As of the fiscal years ended June 30, 2022 and 2021, the net pension liability of the Plan is measured as of June 30, 2021 and 2020 (the measurement dates), respectively. The total pension liability for the Plan's miscellaneous risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 and 2019 (the valuation dates), rolled forward to June 30, 2021 and 2020, respectively, using standard update procedures. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The Agency's proportionate share of the net pension liability for the Plan's miscellaneous risk pool as of the fiscal year ended June 30, 2022, was as follows:

	<u>Miscellaneous Plan</u>
Proportion – June 30, 2021	0.00645%
Increase in proportion	<u>-0.00472%</u>
Proportion – June 30, 2022	<u>0.00173%</u>

The Agency's proportionate share of the net pension liability for the Plan's miscellaneous risk pool as of the fiscal year ended June 30, 2021, was as follows:

	<u>Miscellaneous Plan</u>
Proportion – June 30, 2020	0.00683%
Increase in proportion	<u>-0.00038%</u>
Proportion – June 30, 2021	<u>0.00645%</u>

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(9) Defined Benefit Pension Plan, continued

Deferred Outflows/Inflows of Resources Related to Pensions

For the fiscal years ended June 30, 2022 and 2021, the Agency recognized pension income and expense of \$195,437 and \$138,896, respectively.

As of June 30, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 90,376	-	310,344	-
Differences between actual and expected experience	10,525	-	36,186	-
Changes in assumptions	-	-	-	(5,008)
Net differences between projected and actual earnings on plan investments	-	(81,933)	20,860	-
Differences between actual contribution and proportionate share of contribution	152,970	-	21,393	-
Net adjustment due to differences in proportions of net pension liability	-	(126,127)	-	(15,450)
Total	\$ 253,871	(208,060)	388,783	(20,458)

As of June 30, 2022 and 2021, the Agency reported \$90,376 and \$310,344, as deferred outflows of resources related to pension contributions subsequent to the measurement dates June 30, 2021 and 2020, and will be recognized as a reduction of the net pension liability for the year ended June 30, 2023 and 2022, respectively.

As of June 30, 2022 other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30,	Deferred Net Outflows/(Inflows) of Resources
2023	\$ 640
2024	(4,994)
2025	(12,712)
2026	(27,499)
2027	-
Remaining	-

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(9) Defined Benefit Pension Plan, continued

Actuarial Assumptions

The total pension liabilities in the June 30, 2020 and 2019, actuarial valuations were determined using the following actuarial assumptions and methods:

Valuation Dates	June 30, 2020 and 2019
Measurement Dates	June 30, 2021 and 2020
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2021 and 2020 – 2.50%
Salary increases	Varies by Entry Age and Service
Investment Rate of Return	7.50 % Net of Pension Plan Investment and Administrative Expenses; includes inflation
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds Contract
Period upon which actuarial Experience Survey assumptions were based	2021 and 2020 – 1997-2015
Post Retirement Benefit	2021 and 2020 – COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

* The mortality table used above was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 Experience Study report. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

At the measurement dates, June 30, 2021 and 2020, the discount rate used to measure the total pension liability was 7.15% for the Plan. The discount rate reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. For the Plan, the crossover test was performed for a miscellaneous agent plan and a safety agent plan was selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for PERF C. The crossover test results can be found on CalPERS' website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(9) Defined Benefit Pension Plan, continued

Discount Rate, continued

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set to equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

As of June 30, 2022 and 2021, the target allocation and the long-term expected real rate of return by asset class is as follows:

Asset Class	New Strategic Allocation	Real Return Years 1-10*
Global Equity	50.0%	4.80%
Global Fixed Income	28.0%	1.00%
Inflation Sensitive	0.0%	0.77%
Private Equity	8.0%	6.30%
Real Estate	13.0%	3.75%
Liquidity	1.0%	0.00%
Total	100.0%	

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the Agency's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate.

As of June 30, 2022, the Agency's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, is as follows:

	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
Agency's Net Pension Liability	\$ 520,092	93,861	(258,500)

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(9) Defined Benefit Pension Plan, continued

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount

As of June 30, 2021, the Agency's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, is as follows:

	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
Agency's Net Pension Liability	\$ 1,103,785	702,188	370,361

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See pages 53 and 54 for the Required Supplementary Information.

Payable to the Pension Plan

At June 30, 2022 and 2021, the Agency reported \$0 in payables for the outstanding amount of contribution to the pension plan, respectively.

(10) Section 115 Trust

In fiscal year 2019-20, the Agency's Board approved the creation of a Section 115 Trust Agreement with the Public Agency Retirement Services (PARS), Trustee and Trust Administrator. The Section 115 Trust was established as a means to set aside monies to fund the Agency's pension plan obligation. Contributions to the Section 115 Trust are irrevocable, the assets are dedicated to providing benefits to plan members, and the assets are protected from creditors of the Agency. The purpose of the creation of the Section 115 Trust was to address the Agency's pension obligations by accumulating assets to reduce the net pension liability. However, in accordance with generally accepted accounting principles, the assets in the Section 115 Trust are not considered to have present service capacity as plan assets and are therefore considered restricted assets of the Agency rather than pension plan assets. Accordingly, the Section 115 Trust's assets are recorded as restricted for pension benefits in the Agency's fund net position rather than assets of the pension plan during the measurement date of the net pension liability. The assets held in trust will be considered pension plan assets at the time they are transferred out of the Trust into the pension plan.

During the fiscal year ended June 30, 2022 and 2021, the Agency deposited \$100,000 into the Trust, respectively. During fiscal year ended June 30, 2022 and 2021, the Trust earned \$27,741 and \$13,955 in interest income and incurred \$1,316 and \$728 in bank fees, respectively. The Trust account balance on June 30, 2022 and 2021 amounted to \$234,450 and \$163,506, respectively.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(11) Net Investment in Capital Assets

Calculation of net investment in capital assets was as of June 30 was as follows:

	<u>2022</u>	<u>As Restated 2021</u>
Net investment in capital assets:		
Capital assets – not being depreciated	\$ 124,600	132,955
Capital assets, net – not being depreciated or amortized	3,610,023	3,862,434
Lease payable – current portion	(2,416)	(2,345)
Lease payable – non-current portion	<u>(8,147)</u>	<u>(10,563)</u>
Total net investment in capital assets	<u>\$ 3,724,060</u>	<u>3,982,481</u>

(12) Restricted Net Position

On January 21, 2015, the Local Agency Formation Commission for San Bernardino County adopted Resolution No. 3194 which annexed the Goat Mountain (CSA 70 Zone W-1) water system to the Bighorn-Desert View water system. As part of this annexation, the Agency is required to maintain separate accounts and is therefore classified as restricted.

Calculation of restricted net position as of June 30 was as follows:

	<u>2022</u>	<u>As Restated 2021</u>
Restricted net position:		
Goat Mountain capital assets	\$ 217,300	217,300
Section 115 Trust – Pension benefits	<u>234,450</u>	<u>163,506</u>
Total restricted net position	<u>\$ 451,750</u>	<u>380,806</u>

(13) Unrestricted Net Position

Unrestricted net position as of June 30, were categorized as follows:

	<u>2022</u>	<u>As Restated 2021</u>
Unrestricted net position:		
Non-spendable net position:		
Water-in-storage inventory	\$ 356,030	289,830
Materials and supplies inventory	88,394	77,384
Prepaid expenses and other deposits	<u>88,810</u>	<u>22,272</u>
Total non-spendable net position	<u>338,531</u>	<u>389,486</u>
Spendable net position are as follows:		
Unrestricted	<u>4,525,007</u>	<u>3,477,368</u>
Total spendable net position	<u>4,525,007</u>	<u>3,477,368</u>
Total unrestricted net position	<u>\$ 4,863,538</u>	<u>3,866,854</u>
Total net position	<u>\$ 9,039,348</u>	<u>8,230,141</u>

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(14) Adjustments to Net Position

In fiscal year 2022, the Agency implemented GASB Statement No. 87 to recognize its lessee arrangement. The Agency did not have any lessor arrangements which required restatement. As a result of the implementation, the Agency recognized the lease asset, lease payable, amortization, interest expense, and recorded a prior period adjustment, a decrease to net position, of \$16 at June 30, 2021.

The adjustment to net position is as follows:

Net position at June 30, 2020	\$ 7,412,559
Effect of adjustment for 2021 to remove previously recorded rental expense – equipment lease as a result of GASB 87	225
Effect of adjustment for 2021 to record interest expense – equipment lease as a result of GASB 87	(33)
Effect of adjustment for 2021 to record amortization expense – equipment lease as a result of GASB 87	(208)
Total adjustments to net position	(16)
Change in net position at June 30, 2021, as previously stated	817,598
Net position at June 30, 2021, as restated	<u>\$ 8,230,141</u>

(15) Morongo Basin Pipeline Water Delivery Costs

The Agency is a project participant in the Mojave Water Agency's Improvement Agency M State Water Project (Morongo Basin Project). The Mojave Water Agency was authorized to issue \$66,500,000 of general obligation bonds to build a pipeline connection from the State Water Project's California Aqueduct in Hesperia to the Morongo Basin. The project was completed in June 1996, and to date \$51,780,000 in bonded debt has been issued to cover the costs of the construction.

The Agency and the other project participants have agreed to pay their proportional portion of the construction, operation and financing costs of the entire project. The Agency's proportional share of the project is 10%.

The agreement is being treated as a 25-year operating lease since title to the pipeline connection assets will not be transferred to the Agency. As part of the agreement, the Agency is required to pay its portion of the lease (debt service on the project) annually. For fiscal year ended June 30, 2022 and 2021, the lease payment was \$0, respectively. During the fiscal year 2020, the Mojave Water Agency refinanced the general obligation bonds associated with the Morongo Basin Project. Due to refinance terms the Mojave Water Agency projects that the Agency will pay one final payment of \$62,814 in fiscal year 2022. During 2022 the Agency was notified by MWA that its last remaining liability was \$28,652, which was paid in May 2022. As a result, the Agency wrote off the remaining balance of \$34,162.

(16) Risk Management

The Agency is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency has purchased its insurance coverage through CalMutuals Joint Powers Insurance Authority (JPRIMA), a public agency risk sharing joint powers authority created to serve the interests of water, sewer, irrigation, and other special service entities. The purpose of the JPRIMA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(16) Risk Management, continued

At June 30, 2022, the Agency participated in the liability and property programs of the JPRIMA as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of \$1,000,000, combined single limit at \$1,000,000 per occurrence. Deductibles: General Liability Property Damage - \$0, Auto Liability Property Damage - \$0. A \$10 million aggregate limit applies separately to general liability and public officials and employees' errors and omissions.

In addition, the Agency also has the following insurance coverage:

- Employee dishonesty coverage up to \$500,000 per loss includes public employee dishonesty, forgery or alteration and theft, disappearance, and destruction coverages.
- Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis. A dedicated and separate limit of \$6,822,479 per occurrence, subject to a \$25,000 deductible per occurrence unless otherwise listed in declarations.
- Boiler and machinery coverage for the replacement cost up to \$6,822,479 dedicated and separate limit per occurrence, subject to a \$25,000 deductible per occurrence, unless other specific object or peril as listed on the declaration.
- Workers' compensation insurance up to statutory limits and Employer's Liability Coverage up to \$1 million.
- Excess liability insurance up to \$4 million per occurrence and aggregate, which on top of the general and auto liability and public and employees' errors and omissions and employers' liability coverage forms.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years. There were no reductions in insurance coverage in fiscal years 2022, 2021, and 2020. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2022, 2021, and 2020.

(17) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2022, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 91

In May 2019, the GASB issued Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(17) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 91, continued

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 92

In January 2020, the GASB issued Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement were as follows: (1) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance; (2) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020; (3) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020; and (4) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged and is permitted by topic.

Governmental Accounting Standards Board Statement No. 93

In March 2020, the GASB issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7) Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(17) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 93, continued

The requirements of this Statement were effective as follows: (1) The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021; and (2) All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective dates have been postponed by one year. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 94

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 96

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(17) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 97

In June 2020, the GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 41 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

Governmental Accounting Standards Board Statement No. 99

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(17) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 99, continued

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 100

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 101

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Bighorn Desert View Water Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(17) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 101, continued

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

(18) Commitments and Contingencies

Grant Awards

Grant funds received by the Agency are subject to audit by the grantor agencies. Such an audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the Agency believes that such disallowances, if any, would not be significant.

Litigation

In the ordinary course of operations, the Agency is subject to claims and litigation from outside parties. After consultation with legal counsel, the Agency believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

(19) Subsequent Events

Events occurring after June 30, 2022, have been evaluated for possible adjustment to the financial statements or disclosure as of December 12, 2022, which is the date the financial statements were available to be issued.

Required Supplementary Information

Bighorn Desert View Water Agency
Schedule of the Agency's Proportionate Share of the Net Pension Liability
As of June 30, 2022
Last Ten Years*

	Measurement Date							
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Agency's Proportion of the Net Pension Liability	0.00173%	0.00645%	0.00683%	0.00667%	0.00664%	0.00656%	0.00656%	0.00657%
Agency's Proportionate Share of the Net Pension Liability	\$ 93,861	702,188	699,595	642,920	658,030	567,392	450,309	408,884
Agency's Covered Payroll	\$ 521,317	525,005	454,463	477,108	432,502	473,007	390,961	361,687
Agency's proportionate share of the net pension liability as a as a Percentage of its Covered Payroll	18.00%	133.75%	153.94%	134.75%	152.14%	119.95%	115.18%	113.05%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	97.09%	76.73%	75.10%	76.19%	74.45%	75.10%	78.78%	79.59%

Notes to schedule:

There were no changes in benefits.

Changes in assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses.

The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%

From fiscal year June 30, 2018 to June 30, 2019:

The inflation rate was reduced from 2.75% to 2.50%

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

* The Agency has presented information for those years for which information is available until a full 10-year trend is compiled.

Bighorn Desert View Water Agency
Schedule of Pension Plan Contributions
As of June 30, 2022
Last Ten Years*

Description	Fiscal Years							
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contribution	\$ 69,753	63,587	65,745	58,546	56,033	52,497	44,964	53,164
Contributions in Relation to the Actuarially Determined Contribution	(69,753)	(63,587)	(65,745)	(58,546)	(56,033)	(52,497)	(44,964)	(53,164)
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-
Covered Payroll	\$ 558,852	521,317	525,005	454,463	477,108	432,502	473,007	390,961
Contribution's as a percentage of Covered Payroll	13.38%	12.11%	14.47%	12.27%	12.96%	11.10%	11.50%	#REF!

Notes to schedule:

Valuation date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
----------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	15 year Smoothed Market Method
Inflation	2.50%	2.63%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.00% (3)	7.25% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)

(1) Level of percentage payroll, closed.

(2) Depending on age, service, and type of employment.

(3) Net of pension plan investment expense, including inflation.

(4) 50 for all plans with exception of 52 for Miscellaneous 2% @ 62

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

* The Agency has presented information for those years for which information is available until a full 10-year trend is compiled.

Statistical Information Section

Bighorn Desert View Water Agency Statistical Section

This part of the Agency's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Agency's overall financial health.

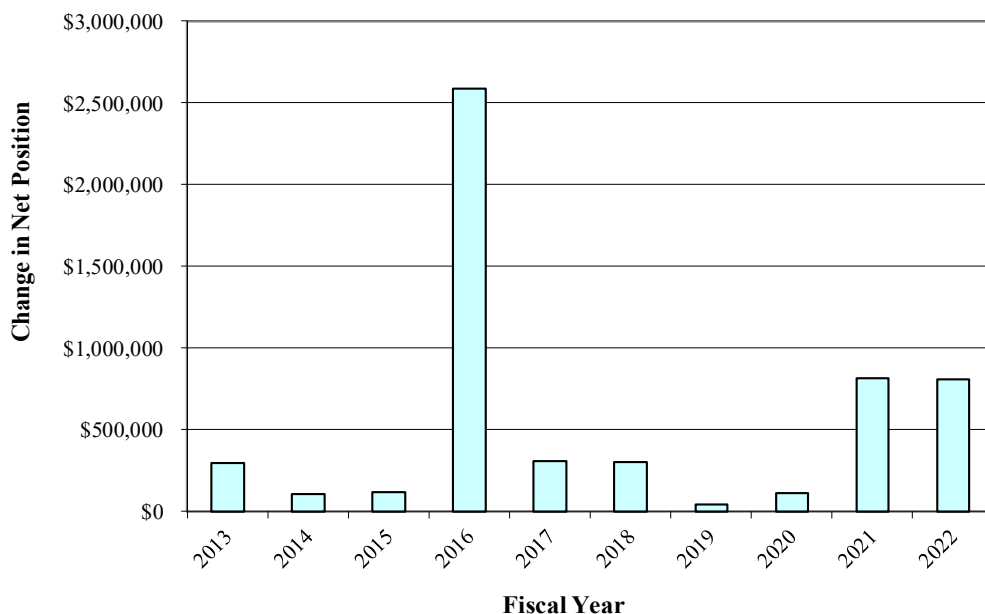
Table of Contents

	<u>Page No.</u>
Financial Trends	56-59
These schedules contain information to help the reader understand how the Agency's financial performance and well-being have changed over time.	
Revenue Capacity	60-62
These schedules contain information to help the reader assess the Agency's most significant own-source revenue, water sales.	
Debt Capacity	63-65
These schedules present information to help the reader assess the affordability of the Agency's current levels of outstanding debt and the Agency's ability to issue additional debt in the future.	
Demographic Information	66-67
This schedule offers demographic indicators to help the reader understand the environment within which the Agency's financial activities take place.	
Operating Information	68-69
This schedule contains service and infrastructure data to help the reader understand how the information in the Agency's financial report relates to the service the Agency provides.	

Bighorn Desert View Water Agency
Changes in Net Position by Component
Last Ten Fiscal Years

Schedule 1

	Fiscal Year				
	2013	2014	2015	2016	2017
Changes in net position:					
Operating revenues (see Schedule 2)	\$ 1,106,858	1,089,864	1,097,073	1,530,493	1,614,452
Operating expenses (see Schedule 3)	(1,064,484)	(1,152,879)	(1,065,975)	(1,399,934)	(1,425,697)
Depreciation and amortization	(229,565)	(233,053)	(245,697)	(362,372)	(341,677)
Operating income(loss)	(187,191)	(296,068)	(214,599)	(231,813)	(152,922)
Non-operating revenues(expenses):					
Property taxes	280,647	281,726	292,261	328,939	388,380
Interest earnings, net of fair value	3,142	1,828	2,390	3,892	6,021
Desert View debt surcharge	49,967	49,843	49,949	49,983	50,169
Interest expense – investments, net of fair value	-	-	-	-	-
Interest expense – long-term debt	(45,024)	(38,486)	(32,637)	(28,182)	(21,059)
Gain (loss) on disposal of assets	(125)	-	-	11,190	-
Other non-operating revenues (expense), net	(98)	2,665	580	(2,062)	5,086
Total non-operating revenues, net	288,509	297,576	312,543	363,760	428,597
Net income (loss) before capital contributions	101,318	1,508	97,944	131,947	275,675
Capital contributions	193,000	102,377	23,271	2,458,613	32,967
Changes in net position	\$ 294,318	103,885	121,215	2,590,560	308,642
Net position by component:					
Net investment in capital assets	\$ 3,130,527	3,003,491	3,220,454	4,277,850	4,223,449
Restricted	1,304,523	-	-	449,082	418,582
Unrestricted	-	1,535,444	966,225	1,920,124	2,313,667
Total net position	\$ 4,435,050	4,538,935	4,186,679	6,647,056	6,955,698
% increase	-3.93%	2.34%	-7.76%	58.77%	4.64%

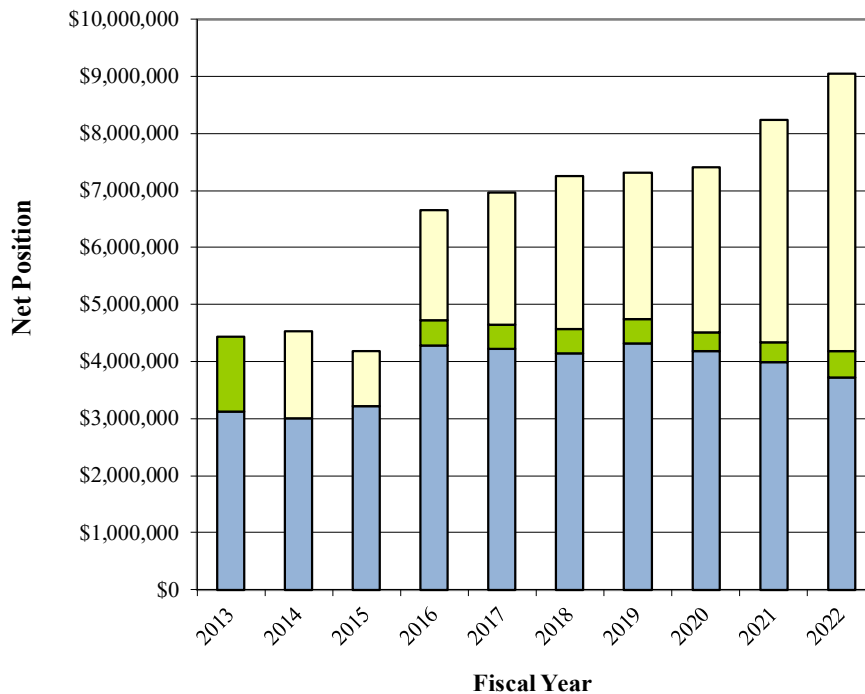


Source: Bighorn Desert View Water Agency Accounting Staff

**Bighorn Desert View Water Agency
Changes in Net Position by Component
Last Ten Fiscal Years**

Schedule 1

Fiscal Year				
2018	2019	2020	As Restated 2021	2022
1,730,166	1,781,296	1,983,822	2,432,919	2,240,380
(1,549,293)	(1,639,648)	(2,088,334)	(1,663,182)	(1,371,706)
<u>(355,039)</u>	<u>(360,272)</u>	<u>(362,447)</u>	<u>(431,056)</u>	<u>(397,200)</u>
<u>(174,166)</u>	<u>(218,624)</u>	<u>(466,959)</u>	<u>338,681</u>	<u>471,474</u>
364,491	205,697	203,648	216,462	209,045
15,464	41,126	70,688	20,610	-
50,134	50,093	50,031	66	-
-	-	-	-	(8,304)
(14,613)	(7,026)	(1,261)	(33)	(355)
-	(164,002)	(37,076)	-	-
<u>16,023</u>	<u>10,817</u>	<u>1,216</u>	<u>16,509</u>	<u>63,354</u>
<u>431,499</u>	<u>136,705</u>	<u>287,246</u>	<u>253,614</u>	<u>263,740</u>
257,333	(81,919)	(179,713)	592,295	735,214
<u>43,345</u>	<u>125,872</u>	<u>291,943</u>	<u>225,287</u>	<u>73,993</u>
<u>300,678</u>	<u>43,953</u>	<u>112,230</u>	<u>817,582</u>	<u>809,207</u>
4,152,521	4,328,156	4,175,265	3,995,389	3,724,060
418,582	418,582	344,225	344,225	451,750
<u>2,685,273</u>	<u>2,553,591</u>	<u>2,893,069</u>	<u>3,890,527</u>	<u>4,863,538</u>
<u>7,256,376</u>	<u>7,300,329</u>	<u>7,412,559</u>	<u>8,230,141</u>	<u>9,039,348</u>
4.32%	0.61%	1.54%	11.03%	9.83%

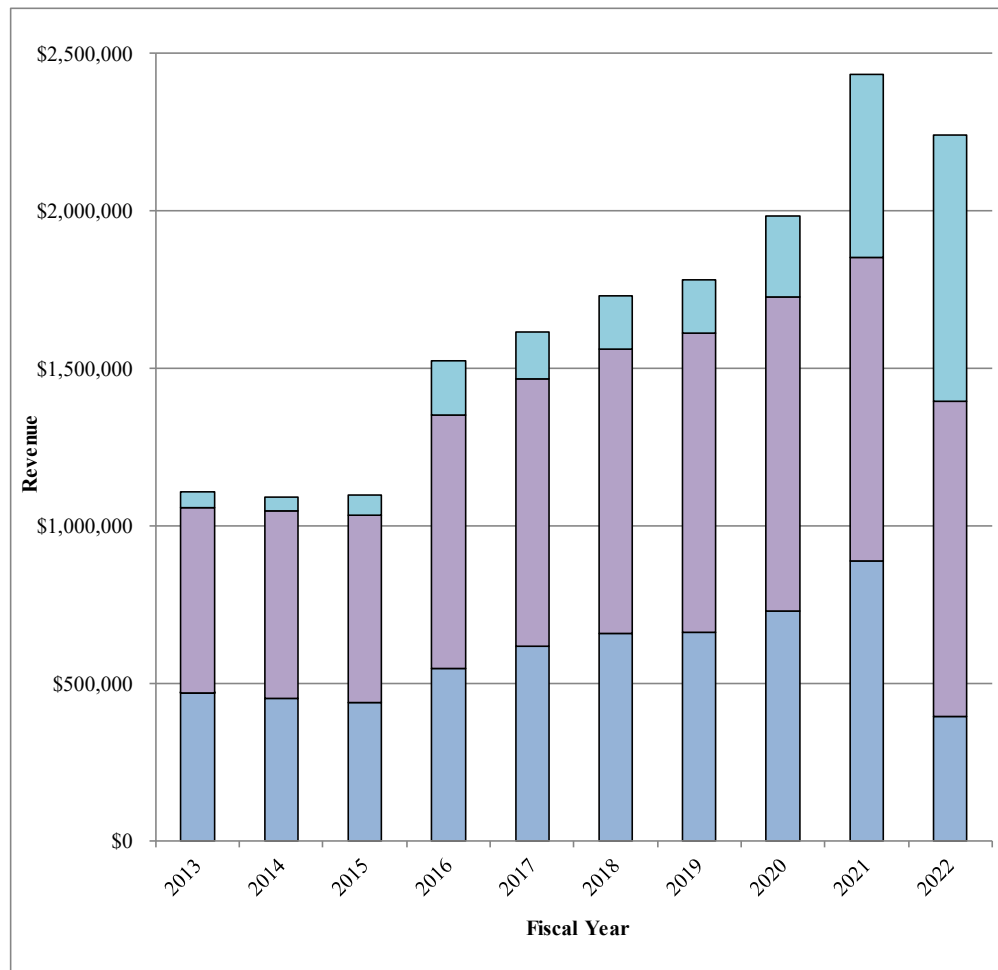


Note: See color key on page 56.

**Bighorn Desert View Water Agency
Operating Revenues by Source
Last Ten Fiscal Years**

Schedule 2

Fiscal Year		Water Consumption Sales	Basic Service Charges	Other Charges	Total Operating Revenue
2013	\$	468,824	587,490	50,544	1,106,858
2014		453,100	594,885	41,879	1,089,864
2015		438,409	594,571	64,093	1,097,073
2016		545,931	806,279	170,783	1,522,993
2017		617,342	848,325	148,785	1,614,452
2018		659,453	901,047	169,666	1,730,166
2019		662,875	949,380	169,041	1,781,296
2020		727,853	1,000,103	255,866	1,983,822
2021		887,162	963,838	581,919	2,432,919
2022		392,964	1,001,197	846,219	2,240,380

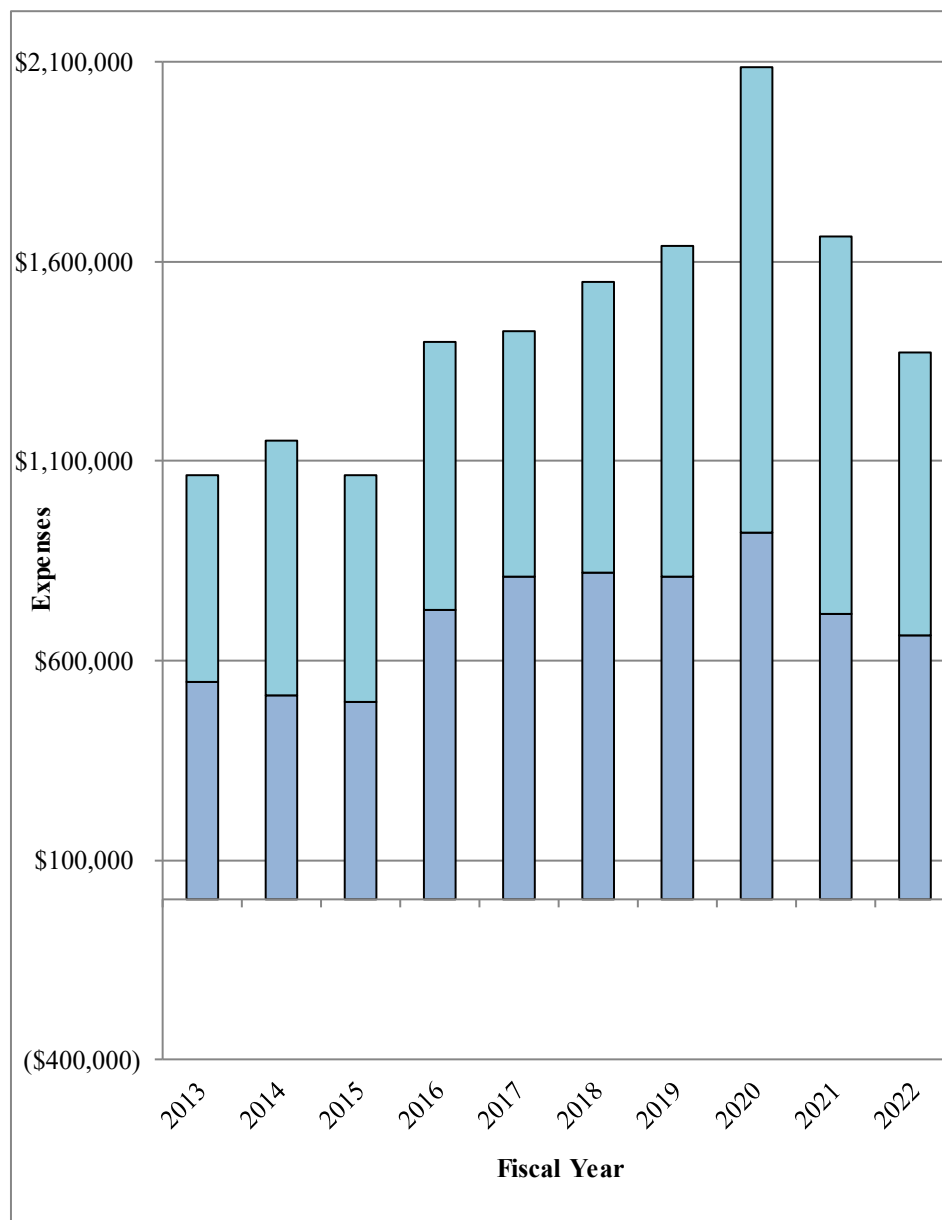


Source: Bighorn Desert View Water Agency Accounting Staff

**Bighorn Desert View Water Agency
Operating Expenses by Activity
Last Ten Fiscal Years**

Schedule 3

Fiscal Year		Transmission and Distribution	General and Administrative	Total Operating Expenses
2013	\$	547,991	516,493	1,064,484
2014		512,501	640,378	1,152,879
2015		496,019	569,956	1,065,975
2016		726,110	673,824	1,399,934
2017		810,504	615,193	1,425,697
2018		819,563	729,730	1,549,293
2019		810,871	828,777	1,639,648
2020		921,052	1,167,282	2,088,334
2021		715,886	947,296	1,663,182
2022		663,125	708,581	1,371,706



Source: Bighorn Desert View Water Agency Accounting Staff

Bighorn Desert View Water Agency Water Sold and Produced Last Ten Fiscal Years

Schedule 4

Water Sold and Produced

READ CYCLE EVEN MONTHS	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Routes 1-6, 15, 16 and bulk accts 30 thru 36 and 40										
Cubic Feet	\$ 6,313,798	6,452,122	6,384,904	7,231,125	8,194,345	8,558,114	10,929,073	11,426,664	14,687,873	10,783,397
Acre Feet	144.90	148.10	146.60	166.00	188.10	196.48	250.90	262.32	337.19	247.55
READ CYCLE ODD MONTHS	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Routes 7-14										
Cubic Feet	\$ 7,589,015	7,348,915	7,282,630	9,320,813	10,324,766	10,519,454	7,951,582	8,080,386	10,130,967	11,943,213
Acre Feet	174.20	168.70	167.20	214.00	237.00	241.49	182.54	185.50	232.58	274.18
Total Sales in Cubic Feet	<u>13,902,813</u>	<u>13,801,037</u>	<u>13,667,534</u>	<u>16,551,938</u>	<u>18,519,111</u>	<u>19,077,568</u>	<u>18,880,655</u>	<u>19,507,050</u>	<u>24,818,840</u>	<u>22,726,610</u>
Total Sales in Acre Feet	<u>319.10</u>	<u>316.80</u>	<u>313.80</u>	<u>380.00</u>	<u>425.10</u>	<u>437.97</u>	<u>433.44</u>	<u>447.82</u>	<u>569.76</u>	<u>521.73</u>
Total All Production in Acre Feet	<u>426.78</u>	<u>393.30</u>	<u>355.82</u>	<u>452.74</u>	<u>499.67</u>	<u>558.98</u>	<u>549.05</u>	<u>559.93</u>	<u>677.01</u>	<u>601.39</u>

Bulk accounts are for individual's that haul their own water (routes 30-34) and commercial water haulers (route 35 and 36). Commercial billed monthly but totals in even month cycle only.

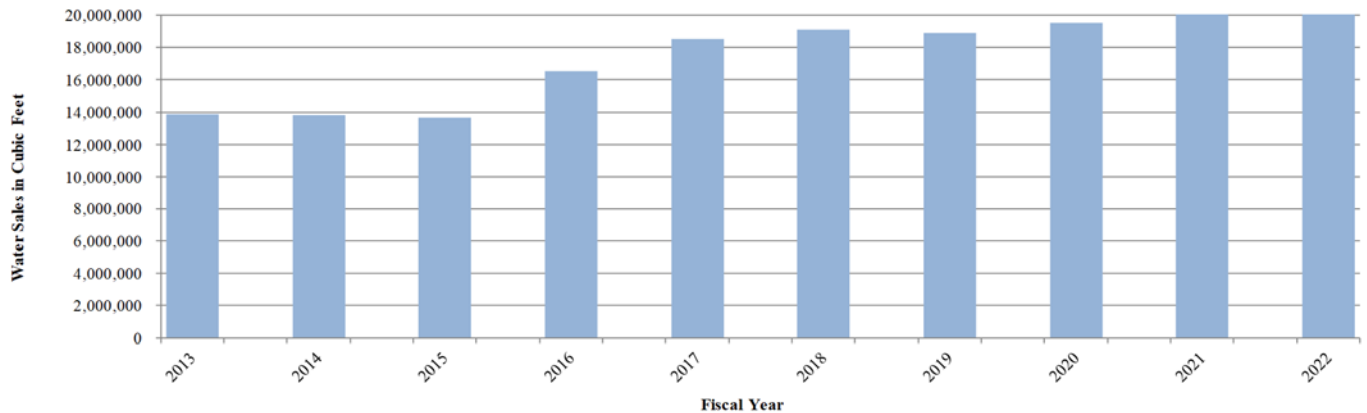
Closed accounts are included with billing cycle regardless of route

Construction water use varies from year to year and is billed very month (route 40) and counted with even month cycle only

Water sales have increased in FY2015/16 due to annexation of the Improvement District Goat Mountain with 650 accounts.

Total Production varies from Consumption due to bi-monthly billing cycle and monthly production measurements.

WATER SOLD PER YEAR



Source: Bighorn Desert View Water Agency Accounting Staff

Bighorn Desert View Water Agency

Revenue Rates

Last Ten Fiscal Years

Schedule 5

Revenue Rates												
BIGHORN MOUNTAINS												
Account Routes 01-06			2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ⁽¹⁾
Consumption Rate (Tier 1 Res/Ag)	12.5 HCF **	\$	3.00	3.00	3.00	3.00	3.09	3.18	3.28	3.38	3.38	3.15/3.36
Consumption Rate (Tier 2 Res/Ag)	> 12.5 HCF		-	-	-	-	-	-	-	-	-	4.80/5.01
Basic Service Charge (up to 1-inch)			27.50	27.50	27.50	27.50	28.88	30.32	31.83	33.42	33.42	32.12
DESERT VIEW												
Account Routes 07-11			2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Consumption Rate (Tier 1 Res/Ag)	12.5 HCF	\$	3.00	3.00	3.00	3.00	3.09	3.18	3.28	3.38	3.03	3.15/3.36
Consumption Rate (Tier 2 Res/Ag)	> 12.5 HCF		-	-	-	-	-	-	-	-	-	4.80/5.01
Basic Service Charge (all sizes)			27.50	27.50	27.50	27.50	28.88	30.32	31.83	33.42	30.89	32.12
DV Revenue Bond Charge			4.65	4.65	4.65	4.65	4.65	4.65	4.65	4.65	0.00	0.00
ID GOAT MOUNTAIN*												
Account Routes 12-16			2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Consumption Rate (Tier 1 Res/Ag)	12.5 HCF	\$	3.98	4.77	4.77	3.00	3.09	3.18	3.28	3.38	3.38	3.15/3.36
Consumption Rate (Tier 2 Res/Ag)	> 12.5 HCF		4.44	5.49	5.49	N/A	N/A	N/A	N/A	N/A	N/A	4.80/5.01
Consumption Rate - Tier 3			5.71	6.31	6.31	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic Service Charge 3/4-inch/1-inch			24.59/35.66	29.36/48.93	29.36/48.93	27.50	28.88	30.32	31.83	33.42	33.42	N/A
Commercial, Institutional, Fire & Other		\$	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Consumption Rate (flat only)			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3.72
Basic Service Charge (up to 1-inch)			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	33.42	32.12
Basic Service Charge Fire Sprinkler (1-Inch)			16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	31.84
Basic Service Charge Fire Sprinkler (6-inch)			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	312.86
Account Routes 30-31 (1-inch Metered Water Haulers)												
Consumption Rate (flat only)		\$	8.50	8.50	8.50	8.50	8.76	9.02	9.29	9.57	9.57	8.14
Basic Service Charge (all sizes)			None	None	None	None	None	None	None	None	None	None
Account Routes 35, 36, and 40 (2-inch Metered Water Haulers and Temporary Construction)												
Consumption Rate (flat only)		\$	3.00	3.00	8.50	8.50	8.76	9.02	9.29	9.57	7.83	8.14
Basic Service Charge (all sizes)			None	None	None	None	28.88	30.32	31.83	33.42	85.43	88.84

Notes:

"Basic Rate" is monthly fixed basic service charge regardless of water consumption.

"Consumption" is rate imposed per 100 cubic feet metered Agency bills.

Basic Service Charge and Consumption Rate changes are subject to California Constitution limitations (aka: Proposition 218).

* ID Goat Mountain annexed to BDVWA on July 1, 2015 with same rate structure as BDVWA.

Tier structure from 2013-2015 based on prior system conditions (T1 0-14 HCF, T2 14-80 HCF; T3 >80 HCF)

** HCF = 100 cubic feet of water or 1 billing unit.

Construction rates were same as Accounts 30-33 until modified in FY2014/15.

⁽¹⁾ Rate increase effective 01/01/2022 billing on Route 07-11 and 35, 36, and 40.

Source: Bighorn Desert View Water Agency Board of Directors approved rate ordinances and resolutions

**Bighorn Desert View Water Agency
Principal Customers
Current Fiscal Year and Nine Years Ago**

Schedule 6

<u>Customer</u>	<u>2022</u>		
	<u>Sales in Cubic Feet</u>	<u>Annual Revenues</u>	<u>Percentage of Total</u>
COMMERCIAL WATER HAULER A	201,000	\$ 15,990	0.88%
COMMERCIAL WATER HAULER B	193,960	15,469	0.85%
COMMERCIAL WATER HAULER C	134,260	10,716	0.59%
RESIDENTIAL CUSTOMER AG A	124,150	5,776	0.55%
MUSD LANDERS ELEM SCHOOL	113,160	4,109	0.50%
RESIDENTIAL CUSTOMER AG B	110,614	5,217	0.49%
RESIDENTIAL CUSTOMER R A	102,148	4,545	0.45%
RESIDENTIAL CUSTOMER R B	99,398	4,415	0.44%
RESIDENTIAL CUSTOMER AG C	97,402	7,631	0.43%
RESIDENTIAL CUSTOMER AG D	<u>94,189</u>	4,413	0.41%
Total	<u>1,270,281</u>		5.59%
Water Sold in 2021-22	<u>22,726,610</u>	<u>\$ 392,964</u>	

<u>Customer</u>	<u>2013</u>		
	<u>Sales in Cubic Feet</u>	<u>Annual Revenues</u>	<u>Percentage of Total</u>
COMMERCIAL WATER HAULER A	222,830	\$ 19,720	1.60%
MUSD LANDERS ELEM SCHOOL	167,475	14,822	1.20%
WHITE ROCK HORSE RESCUE	94,607	2,838	0.68%
RESIDENTIAL CUSTOMER A	85,846	2,575	0.62%
RESIDENTIAL CUSTOMER B	80,597	2,418	0.58%
SULLY-MILLER CONTRACTING	80,280	1,699	0.58%
RESIDENTIAL CUSTOMER C	79,590	2,388	0.57%
COMMERCIAL WATER HAULER B	78,670	6,687	0.57%
RESIDENTIAL CUSTOMER D	78,001	2,340	0.56%
RESIDENTIAL CUSTOMER E	<u>68,342</u>	2,050	0.49%
Total	<u>1,036,238</u>		7.45%
Water Sold in 2012-13	<u>13,902,813</u>	<u>\$ 468,824</u>	

Notes:

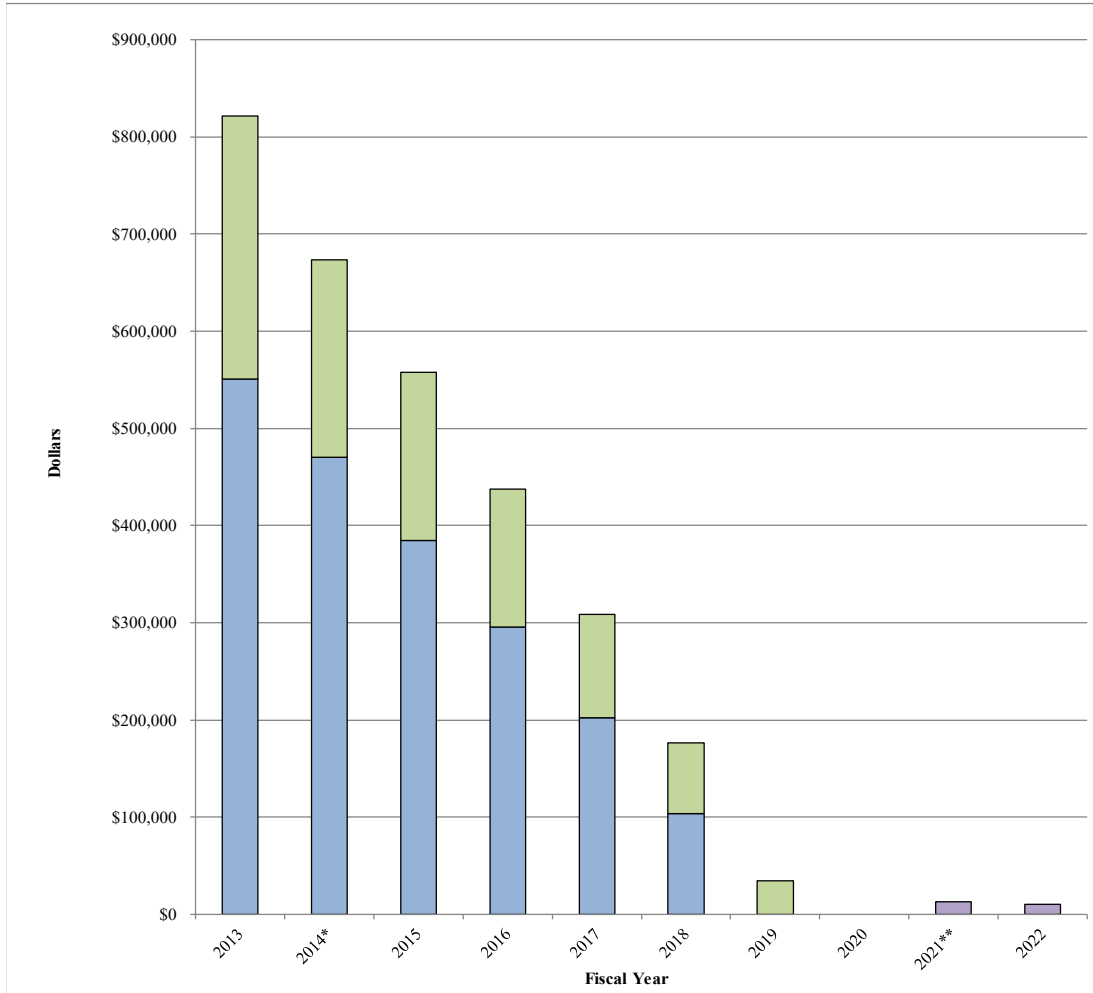
Commercial water haulers deliver to individual residents without service connections.
Commercial water hauler's and Construction water users are charged a higher rate per unit than domestic users (See Table "Water Rates" for trends) because they are not charged a monthly fee.
High usage contributed to "water leaks" have been excluded
MUSD Landers Elementary School dropped due to increased agricultural activity and COVID-19

Source: Bighorn Desert View Water Agency Accounting Staff

**Bighorn Desert View Water Agency
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years**

Schedule 7

Fiscal Year	BH Bond	DV Bond	Equipment Lease	Total		
				Debt	Per Capita	As a Share of Personal Income
2013	\$ 551,000	\$ 269,977	\$ -	820,977	269.00	1.40%
2014*	470,000	203,594	-	673,594	221.00	0.87%
2015	385,000	172,977	-	557,977	183.00	0.59%
2016	296,000	140,977	-	436,977	143.00	0.49%
2017	202,000	106,977	-	308,977	101.00	0.51%
2018	104,000	71,977	-	175,977	57.30	0.42%
2019	-	34,977	-	34,977	23.13	0.19%
2020	-	-	-	-	23.13	0.06%
2021**	-	-	12,908	12,908	2.92	0.01%
2022	-	-	10,563	10,563	2.35	0.00%



Sources and Footnotes:

Audited Financial Statements

Per Capita Personal Income obtained from:

http://www.bestplaces.net/economy/zip-code/california/yucca_valley/92284

* 2013-2014 population for 2010-2013 was updated so Debt per Capita changed.

** As restated for GASB Statement No. 87 implementation.

Debt per Capita excludes the population of the Improvement District Goat Mountain since it has no debt.

**Bighorn Desert View Water Agency
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Schedule 8

Fiscal Year		Obligation Bonds		Assessed Value		Debt Per Capita
2013	\$	551,000	\$	551,000	\$	181
2014*		470,000		470,000		154
2015		385,000		385,000		126
2016		296,000		296,000		97
2017		202,000		202,000		66
2018		104,000		104,000		34
2019		-		-		-
2020		-		-		-
2021		-		-		-
2022		-		-		-

Sources and Footnotes:

Source: Audited Financial Statements & BDVWA Accounting Staff

* 2013-2014 population for 2010-2013 was updated so Debt per Capita changed.

Debt per Capita excludes the population of the Improvement District Goat Mountain since it has no debt.

**Bighorn Desert View Water Agency
Pledged-Revenue Coverage
Last Ten Fiscal Years**

Schedule 9

Fiscal Year	Net Revenues	Operating Expenses ⁽¹⁾	Net Available Revenues	Debt Service				Coverage Ratio
				FMHA Surcharge	Principal	Interest	Total	
2013	1,106,858	(1,064,484)	42,374	49,967	28,000	12,324	90,291	1.24
2014	1,089,864	(1,152,879)	(63,015)	49,843	29,000	11,274	90,117	1.24
2015	1,097,073	(1,065,975)	31,098	49,949	31,000	9,491	90,440	1.23
2016	1,522,993	(1,399,934)	123,059	49,983	32,000	8,630	90,613	1.23
2017	1,614,452	(1,425,697)	188,755	50,169	34,000	7,250	91,419	1.22
2018	1,730,166	(1,549,293)	180,873	50,134	35,000	5,550	90,684	1.24
2019	1,781,296	(1,639,648)	141,648	46,940	37,000	2,122	86,062	1.20
2020	1,983,822	(2,088,334)	(104,512)	44,000	35,000	1,261	80,261	1.21
2021	2,432,919	(1,663,182)	769,737	-	-	-	-	0.00
2022	2,240,380	(1,371,706)	868,674	-	-	-	-	0.00

Notes:

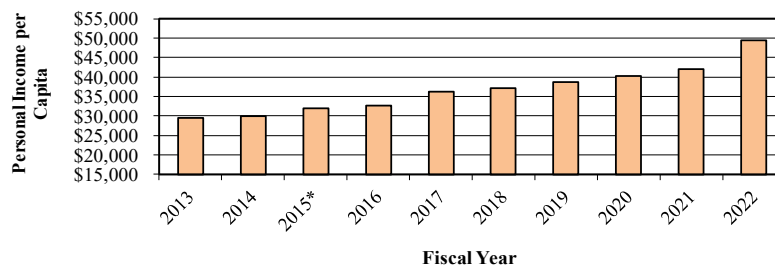
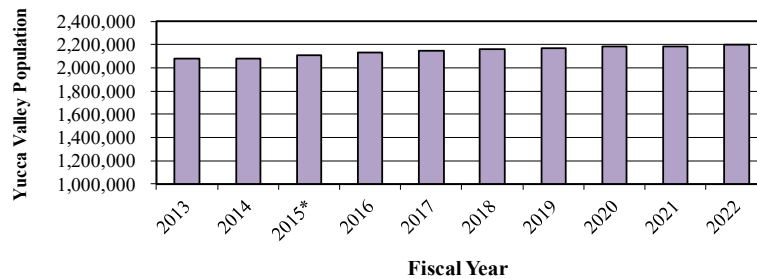
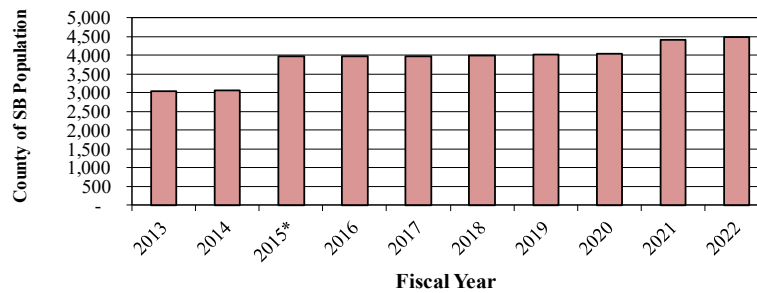
(1) Operating expenses exclude depreciation expense.

Source: Audited Financial Statements & BDVWA Accounting Staff

Bighorn Desert View Water Agency Demographic and Economic Statistics Last Ten Fiscal Years

Schedule 10

County of San Bernardino ⁽²⁾					
Year	Population ⁽¹⁾	Unemployment Rate	Population	Personal Income (thousands of dollars)	Personal Income per Capita
2013	3,053	12.0%	2,081,313	61,677,629	29,634
2014	3,055	10.3%	2,076,274	62,259,000	29,990
2015*	3,968	6.5%	2,104,291	67,488,821	32,072
2016	3,972	5.9%	2,128,133	69,689,971	32,747
2017	3,978	5.4%	2,147,933	77,823,908	36,232
2018	3,990	4.7%	2,157,404	80,020,272	37,091
2019	4,007	4.0%	2,171,603	84,292,942	38,816
2020	4,032	4.0%	2,180,085	92,252,477	40,316
2021	4,416	7.8%	2,181,654	91,723,279	42,043
2022	4,494	5.4%	2,194,710	108,622,782	49,493



Notes:

(1) Population was recalibrated back in 2010 for the FY2013/14 CAFR based on analysis by Stanley Hoffman & Assoc. as part of an economic review for the Agency. In the future, population will be obtained from the Agency Appropriations Limit Worksheet.

(2) Only County data is updated annually. Therefore, the District has chose to use its data since the District believes that the County data is representative of the conditions and experience of the District.

* On July 1, 2015 the Agency annexed a neighboring water agency and population increased accordingly.

Sources:

California Department of Finance and California Labor Market Info
Unemployment obtained from:

https://data.bls.gov/timeseries/LAUMT064014000000003?amp%253bdata_tool=XGtable&output_view=data&inc
Population obtained from:

<https://www.census.gov/quickfacts/fact/map/sanbernardinocountycalifornia/INC110216>

**Bighorn Desert View Water Agency
Demographic and Economic Statistics
Last Ten Fiscal Years**

Schedule 10

Current Employment			Historical Employment	
Employer	2022		Employer	No. of EE's 2012-2013
	No. of EE's 2021- 2022	% of Labor Force		
Post Office	1	1.11%	Post Office	1
Giant Rock Meeting Room	8	8.89%	Giant Rock Meeting Room	N/A
Western Coffee Pot Café'	N/A	N/A	Western Coffee Pot Café'	2
Dollar General	10	11.11%	Dollar General	N/A
Halliday's Liquor	2	2.22%	Halliday's Liquor	N/A
Mojave Liquor	4	4.44%	Mojave Liquor	4
Loyal Order/Moose Landers	2	2.22%	Loyal Order/Moose Landers	2
Lander's Brew & Pub (Castle Inn)	N/A	N/A	Lander's Brew & Pub (Castle Inn)	N/A
Diversified Tools	N/A	N/A	Diversified Tools	4
Heros Market	10	11.11%	Heros Market	6
Bighorn Desert View Water Agency	8	8.89%	Bighorn Desert View Water Agency	7
La Copine	14	15.56%	La Copine	N/A
Lefevre's Towing	4	4.44%	Lefevre's Towing	N/A
Moon Wind Trading	4	4.44%	Moon Wind Trading	N/A
C & J Feed Barn	2	2.22%	C & J Feed Barn	N/A
MUSD)Landers Elementary School)	21	23.33%	MUSD)Landers Elementary School)	20
Total	90	4.35%	Total	\$ 46
2021-22 Total Labor Force for BDV Service Area		2067		

Notes:

Every known employer in the Bighorn-Desert View service area is included

Total Labor Force was estimated as a percentage of calculated population

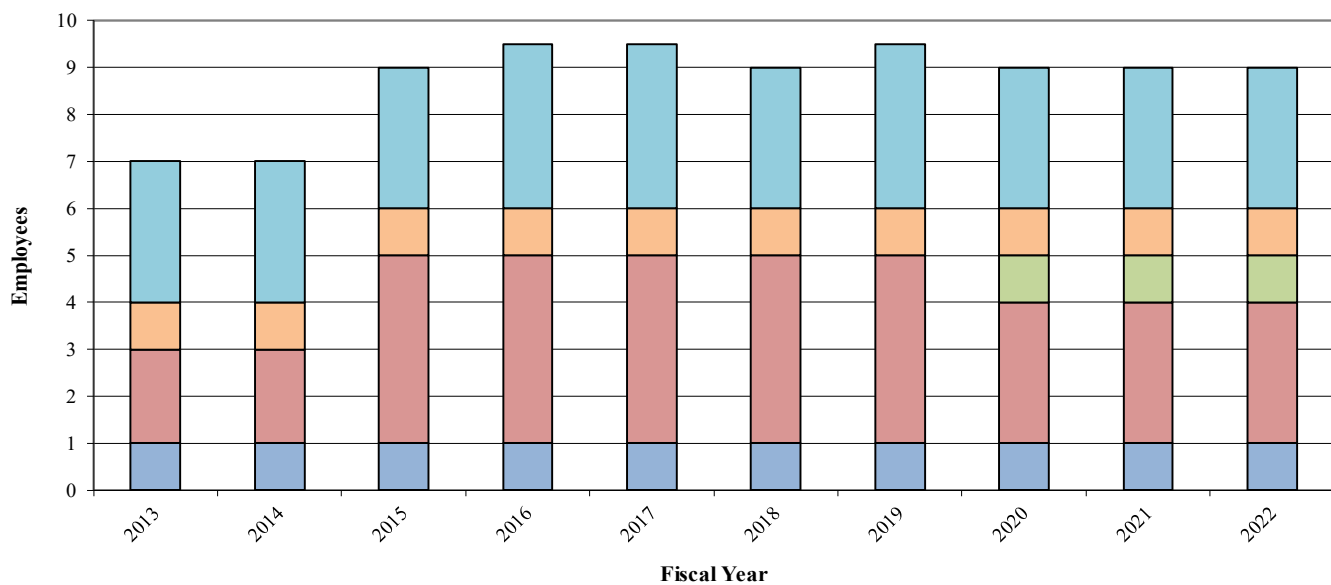
Source: Bighorn Desert View Water Agency Accounting Staff

Bighorn Desert View Water Agency
Full Time Equivalent Agency Employees by Department
Last Ten Fiscal Years

Schedule 11

Full-time Equivalent District Employees by Department

Fiscal Year	Water Operations				Administration		Total
	Water Distribution Operator (Water Quality)	Water Distribution Operator ¹	Field Supervisor ²	Chief of Operations ³	Administration ⁴ General Manager	Accounting I, II, III Customer Service	
2013	1	2	0	0	1	3	7
2014	1	2	0	0	1	3	7
2015	1	4	0	0	1	3	9
2016	1	4	0	0	1	4	10
2017	1	4	0	0	1	4	10
2018	1	4	0	0	1	3	9
2019	1	4	0	0	1	4	10
2020	1	3	1	0	1	3	9
2021	1	3	1	0	1	3	9
2022	1	3	1	0	1	3	9



Source: Bighorn Desert View Water Agency Accounting Staff

Note:

General Manager is included in Administration

Board Members, Part-Time and Temporary employee's are not included

1) - WDO III, and WDO I

2) - 6/30/12: Field Supervisor position eliminated

3) - 6/30/08: Chief of Operations position eliminated

4) - 7/01/13: Exec. Secretary/Personnel positions eliminated

Bighorn Desert View Water Agency Operating and Capacity Indicators Last Ten Fiscal Years

Schedule 12

Other Operating and Capacity Indicators - Potable Water System^{1,3}

Fiscal Year	Service Area		Miles of Pipeline	Storage Tanks	Storage Capacity (MG)	Active Pumping Plants	Active Wells ² Domestic	Well Capacity ⁴ (Gallons per Minute)	Service Connections ⁵		
	(annexed property): ³								Bighorn Mountains	Desert View	ID Goat Mountain
	(Acres)	(Square Miles)									
2013	27,353	43	120	10	2.40	2	7	2,623	1,007	888	N/A
2014	27,353	43	120	10	2.40	2	6	2,816	1,009	886	N/A
2015	27,353	43	120	10	2.40	2	6	2,789	1,010	886	N/A
2016	33,280	52	170	13	3.00	3	9	3,463	1,013	886	651
2017	33,280	52	170	13	3.00	3	9	3,363	1,015	888	652
2018	33,280	52	170	13	3.00	3	8	3,434	1,017	890	654
2019	33,280	52	170	13	3.00	3	8	3,238	1,020	893	657
2020	33,280	52	170	13	3.00	3	8	2,058	1,021	895	667
2021	33,280	52	170	13	3.00	3	8	2,058	1,028	900	704
2022	33,310	52	170	13	3.00	3	8	1,834	1,047	903	716

Notes:

MG - Millions of Gallons

1) - Corrections have been made to prior year statistics.

2) - Well 4 was inactivated in 2011 and Well 2 was inactivated in 2013.

3) - Effective July 1, 2015 ID Goat Mountain was annexed to BDVWA which affects all statistics shown.

4) - 2020 Well Capacity's dropped due to reduction in motor sizes to save on SCE demand charges.

5) - Active and inactive accounts as of June 30, 2022. 2021 meter counts restated to June 30, 2021. Gallons per minute from flowmeter.

Source: Bighorn Desert View Water Agency Staff



Report on Internal Controls and Compliance



Christopher J. Brown, CPA, CGMA
Jonathan Abadesco, CPA
Andy Beck, CPA

Fedak & Brown LLP

Certified Public Accountants

Cypress Office:
10805 Holder Street
Suite 150
Cypress, California 90630
(657) 214-2307
FAX (714) 527-9154

Riverside Office:
1945 Chicago Avenue, Suite C-1
Riverside, California 92507
(951) 783-9149

Independent Auditor's Report on Internal Controls Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Bighorn Desert View Water Agency
Yucca Valley, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Bighorn Desert View Water Agency (Agency) as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprises the Agency's basic financial statements, and have issued our report thereon dated December 13, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*, continued**

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fedak & Brown LLP

Fedak & Brown LLP
Cypress, California
December 13, 2022



Exhibit B

January 30, 2023

Bighorn-Desert View Water Agency
622 South Jemez Trail
Yucca Valley, CA 92284-1440

RE: District Transparency Certificate of Excellence Approval

Congratulations! Bighorn-Desert View Agency District has successfully completed the District Transparency Certificate of Excellence program through the Special District Leadership Foundation (SDLF).

On behalf of the SDLF Board of Directors, I would like to congratulate your district on achieving this important certificate. By completing the District Transparency Certificate of Excellence Program, Bighorn-Desert View Water Agency has proven its dedication to being fully transparent as well as open and accessible to the public and other stakeholders.

Congratulations and thank you for your dedication to excellence in local government.

Most sincerely,

Sandy Raffelson
SDLF Board President



February 2, 2023

Bighorn-Desert View Water Agency
622 South Jemez
Yucca Valley, CA 92284

RE: District of Distinction

Congratulations! Bighorn-Desert View Water Agency District has successfully completed the District of Distinction accreditation through the Special District Leadership Foundation (SDLF).

On behalf of the SDLF Board of Directors, I would like to congratulate your district on achieving this important accreditation. By completing this program, Bighorn-Desert View Water Agency has proven its dedication to being fully transparent as well as open and accessible to the public and other stakeholders.

Congratulations and thank you for your dedication to excellence in local government.

Most sincerely,

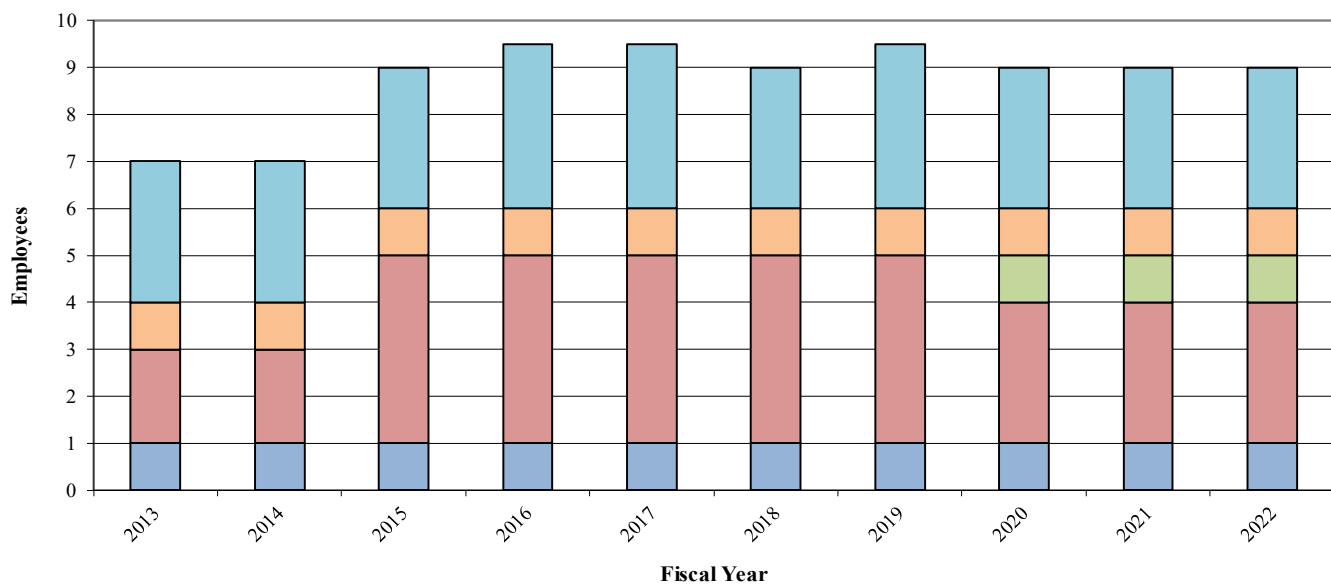
Sandy Seifert Raffelson
SDLF Board President

Bighorn Desert View Water Agency Full Time Equivalent Agency Employees by Department Last Ten Fiscal Years

Schedule 11

Full-time Equivalent District Employees by Department

Fiscal Year	Water Operations				Administration		Total
	Water Distribution Operator (Water Quality)	Water Distribution Operator ¹	Field Supervisor ²	Chief of Operations ³	Administration ⁴ General Manager	Accounting I, II, III Customer Service	
2013	1	2	0	0	1	3	7
2014	1	2	0	0	1	3	7
2015	1	4	0	0	1	3	9
2016	1	4	0	0	1	4	10
2017	1	4	0	0	1	4	10
2018	1	4	0	0	1	3	9
2019	1	4	0	0	1	4	10
2020	1	3	1	0	1	3	9
2021	1	3	1	0	1	3	9
2022	1	3	1	0	1	3	9



Source: Bighorn Desert View Water Agency Accounting Staff

Note:

General Manager is included in Administration

Board Members, Part-Time and Temporary employee's are not included

1) - WDO III, and WDO I

2) - 6/30/12: Field Supervisor position eliminated

3) - 6/30/08: Chief of Operations position eliminated

4) - 7/01/13: Exec. Secretary/Personnel positions eliminated

Exhibit D

Bighorn Desert View Water Agency Operating and Capacity Indicators Last Ten Fiscal Years

Schedule 12

Other Operating and Capacity Indicators - Potable Water System^{1,3}

Other Operating and Capacity Indicators - Potable Water System											
Service Area			Service Connections ⁵								
Fiscal Year	(annexed property): ³		Miles of Pipeline	Storage Tanks	Storage Capacity (MG)	Active Pumping Plants	Active Wells ² Domestic	Well Capacity ⁴ (Gallons per Minute)	Bighorn Mountains	Desert View	ID Goat Mountain
	(Acres)	(Square Miles)									
2013	27,353	43	120	10	2.40	2	7	2,623	1,007	888	N/A
2014	27,353	43	120	10	2.40	2	6	2,816	1,009	886	N/A
2015	27,353	43	120	10	2.40	2	6	2,789	1,010	886	N/A
2016	33,280	52	170	13	3.00	3	9	3,463	1,013	886	651
2017	33,280	52	170	13	3.00	3	9	3,363	1,015	888	652
2018	33,280	52	170	13	3.00	3	8	3,434	1,017	890	654
2019	33,280	52	170	13	3.00	3	8	3,238	1,020	893	657
2020	33,280	52	170	13	3.00	3	8	2,058	1,021	895	667
2021	33,280	52	170	13	3.00	3	8	2,058	1,028	900	704
2022	33,310	52	170	13	3.00	3	8	1,834	1,047	903	716

Notes:

MG - Millions of Gallons

1) - Corrections have been made to prior year statistics.

2) - Well 4 was inactivated in 2011 and Well 2 was inactivated in 2013.

3) - Effective July 1, 2015 ID Goat Mountain was annexed to BDVWA which affects all statistics shown.

4) - 2020 Well Capacity's dropped due to reduction in motor sizes to save on SCE demand charges.

5) - Active and inactive accounts as of June 30, 2022. 2021 meter counts restated to June 30, 2021. Gallons per minute from flowmeter.

Source: Bighorn Desert View Water Agency Staff

Exhibit E

**Providing a High Quality Supply of Water and
Reliable Service to All Customers at a Fair and
Reasonable Rate**



2021 ANNUAL DRINKING WATER QUALITY REPORT

Published June 30, 2022

About This Report

Bighorn-Desert View Water Agency (BDVWA) is pleased to present you with the Annual Consumer Confidence Report for the Year Ending 2021. Also considered the Drinking Water Quality Report, you will be happy to learn that your water met all US Environmental Protection Agency and California Division of Drinking Water (DDW) Health Standards in 2021.

This report may seem complicated. Please call us at our office should you have any specific questions.

No habla inglis? Este informe contiene informacion muy importante sobre su agua potable. Traduscalo o hable can alguien que lo entienda bien. Llame 760-364-2315.

How to Contact Us

General and Billing Information..... 760-364-2315
 Agency Email.....info@bdvwa.org
 Agency Website.....<http://www.bdvwa.org>

Information Websites

CA Division of Drinking Water..... waterboards.ca.gov
 U.S. EPA water.epa.gov/drink/index.cfm
 Mojave Water Agency..... mojavewater.org

Alliance for Water Awareness and Conservation

A collaborative group of over twenty agencies committed to achieving water conservation goals

..... mojavewater.org/conservation/awac

TABLE OF CONTENTS

About This Report	2
Our Water Supply	3
Diversifying Our Water Supply	4
Water Quality Analysis Results	5
Important Health Information	6
How to Read the Tables	7
Which Water System is Yours?	8
 CCR Report Tables	
Flamingo Heights & West Landers	9
Goat Mountain ("East" Landers)	12
Johnson Valley	15
 Protect Your Groundwater	18
Source Water Assessment	19
Community Participation	19
Office Location	19
2021 Board of Directors	19



Our Water Supply

WHAT IS IN MY WATER?

The sources of all drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, groundwater aquifers, springs and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and in some cases, radioactive material. Native water can also pick-up substances resulting from the presence of animals and human activity. Your water source is groundwater aquifers.

Contaminants that may be present in source water include:

- *Microbial contaminants, such as viruses and bacteria that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.*
- *Inorganic contaminants, such as salts and metals, that can be naturally-occurring or result from urban and rural storm water runoff, industrial or domestic wastewater (septic) discharges, oil and gas production, mining, or farming.*
- *Organic chemical contaminants, including synthetic and volatile organic chemicals that are by-products of industrial processes and petroleum production. Contaminants can also come from gas stations, urban and rural storm water runoff. In our service territory septic systems pose the most vulnerability to organic chemical contaminants from all the mentioned sources (prescriptions, paints/stains, etc.).*
- *Radioactive contaminants that can be naturally occurring or the result of oil and gas production and mining activities.*
- *Pesticides and herbicides that may come from a variety of sources such as agriculture, urban storm water runoff and residential uses (septic).*

In order to ensure that tap water is safe to drink, U.S. Environmental Protection Agency (USEPA) and the California Department of Public Health prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. Department regulations also establish limits for contaminants in bottled water that must provide the same protection for public health.



DIVERSIFYING OUR WATER SUPPLY

Water supply diversification is a mechanism used in water management to avoid the unnecessary depletion of natural resources in order to maintain balance of all resources. In the case of your water agency, diversification allows us to utilize a water source from outside the service area to supplement native groundwater supplies. This is done through a process known as groundwater recharge. The agency



Photo courtesy of Marina West

Natural Recharge Local Mountain Snowpack & Rain

purchases water that falls as rain in the mountains of Northern California, transported through a system of canals, pipelines and pump stations (The California State Water Project) to the Mojave Water Agency.



Artificial Recharge at the Ames/Reche Groundwater Storage & Recovery Facility

It is then transported to Landers via the Morongo Basin Pipeline where it is released into an artificial recharge pond. The water percolates and is safely stored underground to be retrieved from the Agency's "water bank" when needed. To date the Agency has recharged a total of 620 Acre-Feet with a current value of \$410,000.

Last year the Agency pumped 663 Acre-Ft of water. One acre-foot is 325,829 gallons. With 2,351 "active" service connections that equates to 0.28 Acre-Ft. each when equally distributed.

Water Quality Analysis Results

The Bighorn-Desert View Water Agency encompasses 59-square miles and operates three distinct water systems: Bighorn-Desert View (BDV); Improvement District Goat Mountain (ID GM) and



Johnson Valley Bulk Hauling Station (Well 10). There are five wells serving BDV, two wells serving ID GM and one well in Johnson Valley. The wells pump from the Ames-Means Valley and the Johnson Valley Groundwater Basins. The tables on the following pages show a summary of the actual test results of your drinking water from each different water system and compares them with constituent level limits and

goals set by the U.S. EPA to ensure your tap water is safe. Nearly 1,500 individual water quality tests were completed in 2021. Some of the constituents in this report reflect those which have exceeded the Detection Level for Reporting Purposes but have not exceeded the Maximum Contaminant Level. Others such as Sodium and Hardness are listed for information only. Lastly, the State allows us to monitor for some contaminants less than once per year because the concentrations of these contaminants do not change frequently. Some of our data, though representative, are more than one year old as indicated by the “sample year”.



**1,495 individual
water quality tests
were completed
in 2021**



Important Health Information

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants and native trace elements. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the U.S. Environmental Protection Agency's (USEPA) Safe Drinking Water Hotline at 1-800-426-4791. Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders and some elderly and infants can be particularly at-risk from infections. These people should seek advice about drinking water from their health care providers. USEPA/ Centers for Disease Control (CDC) guidelines on the appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline (1-800-426-4791).

Health Effects

Arsenic - While your drinking water meets the federal and state standard for arsenic (10 parts per billion), it does contain low levels of arsenic. The arsenic standard balances the current understanding of arsenic's possible health effects against the costs of removing arsenic from drinking water. The U.S. Environmental Protection Agency continues to research the health effects of low levels of arsenic, which is a mineral known to cause cancer in humans at high concentrations and is linked to other health effects such as skin damage and circulatory problems.

Fluoride - Some people who drink water containing fluoride in excess of the federal Maximum Contaminant Level (MCL) of 4 mg/L over many years may get bone disease, including pain and tenderness of the bones. Children who drink water containing fluoride in excess of the state MCL of 2 mg/L, may get mottled teeth.

Gross Alpha & Uranium - Certain minerals are radioactive and may emit a form of radiation known as alpha radiation. Some people who drink water containing alpha emitters in excess of the MCL over many years may have an increased risk of getting cancer. Some people who drink water containing uranium in excess of the MCL over many years may have kidney problems or an increased risk of getting cancer.

Hexavalent Chromium - Some people who drink water containing hexavalent chromium in excess of the MCL over many years may have an increased risk of getting cancer.

Nickel - Some people who drink water containing nickel in excess of the MCL over many years may experience liver and heart effects.

Nitrate - Infants below the age of six months who drink water containing nitrate in excess of the MCL may quickly become seriously ill and, if untreated, may die because high nitrate levels can interfere with the capacity of the infant's blood to carry oxygen. Symptoms include shortness of breath and blueness of the skin. High nitrate levels may also affect the oxygen-carrying ability of the blood in pregnant women.

Unregulated Contaminant Monitoring - Helps the USEPA and the California Department of Public Health to determine where certain contaminants occur and whether the contaminants require regulation.

How to Read the Tables

The tables on the following pages list parameters which California Department of Drinking Water (DDW) requires the Agency to monitor, which may be associated with primary (health), secondary (aesthetic), or no established standards. The tables summarize monitoring from January 2021 - December 2021, and may include earlier monitoring data. The tables list all parameters that were detected at or above DDW's Detection Limit for Purposes of Reporting (DLR) from 1,495 analysis from water well and distribution system sampling points.

Abbreviations

- **AL** - Regulatory Action Level.
- **BDVWA** - Bighorn-Desert View Water Agency.
- **DDW** - State Water Resources Control Board Division of Drinking Water Programs.
- **DLR** - Detection limit for reporting.
- **DPH** - Department of Public Health.
- **CL2** - Free Chlorine Residual.
- **MCL** - Maximum Contaminant Level.
- **MCLG** - Maximum Contaminant Level Goal.
- **MRDL** - Maximum Residual Disinfectant Level.
- **ND** - Not Detectable at Testing Limit.
- **N/A** - Not Applicable.
- **NTU** - Nephelometric Turbidity Unit.
- **OU** - Odor Unit.
- **pCi/L** - Pico Curies Per Liter (a measure of radiation).
- **PDWS** - Primary Drinking Water Standard.
- **PHG** - Public Health Goals.
- **ppb** - Parts Per Billion or Micrograms Per Liter (ug/L) - [1ppb=0.001 ppm].
- **ppm** - Parts Per Million or Milligrams Per Liter (mg/L) - [1ppm=1,000 ppb]. Or one drop in an Olympic sized swimming pool.
- **SDWS** - Secondary Drinking Water Standards.
- **TTHM** - Total Trihalomethanes.

Definition of Terms

Maximum Contaminant Level (MCL) - The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the Public Health Goals (or MCLGs) as is economically and technologically feasible. The U.S. Environmental Protection Agency sets secondary MCLGs.

Secondary Drinking Water Standards (SDWS) - MCLs for contaminants that affect taste, odor, or appearance of the drinking water. Contaminants with SDWSs do not affect the health at the MCL levels.

Public Health Goals (PHG) - The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.

Maximum Contaminant Level Goal (MCLG) - The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U.S. Environmental Protection Agency.

Primary Drinking Water Standard (PDWS) - MCLs and MRDLs for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements.

Regulatory Action Level (AL) - The concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow.

Maximum Residual Disinfectant Level (MRDL) - The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

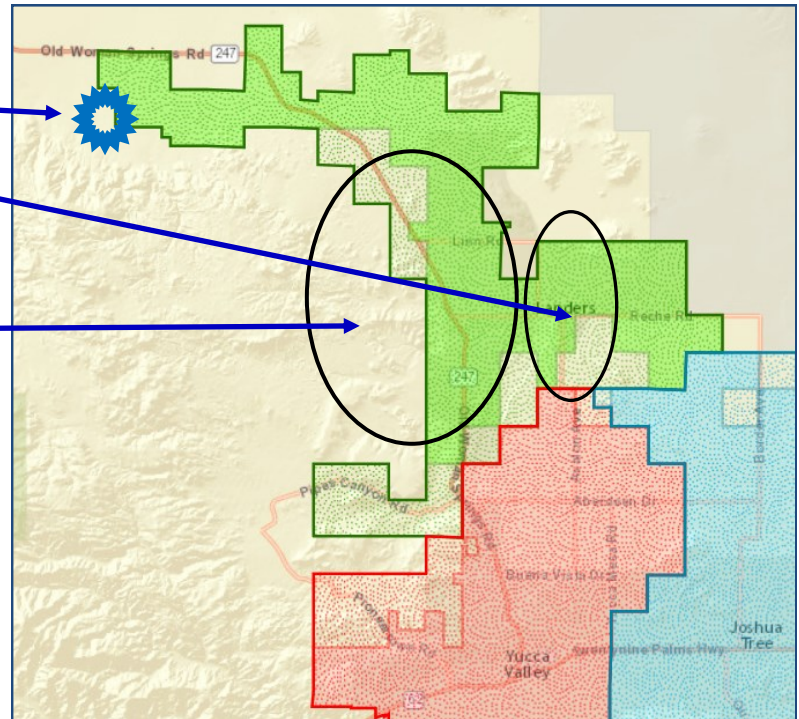
Maximum Residual Disinfectant Level Goal (MRDLG) - The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.



Three Distinct Water Systems

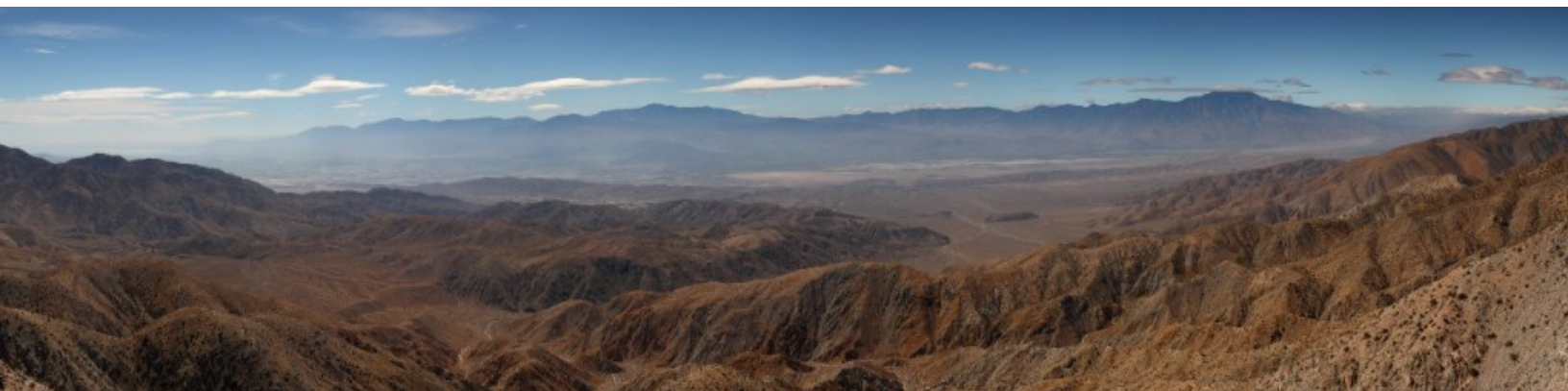
Which one is yours?

1. Johnson Valley (pages 15-17), a bulk water hauling system summarizes the test results from Well 10. Located at Airport Rd/Quailbush Road.
2. The Improvement District Goat Mountain (pages 12-14) summarizes test results from Wells GMW1 and GMW3.
3. The Bighorn-Desert View (pages 9-11) summarizes test results from Wells 3, 6, 7, 8 and 9.

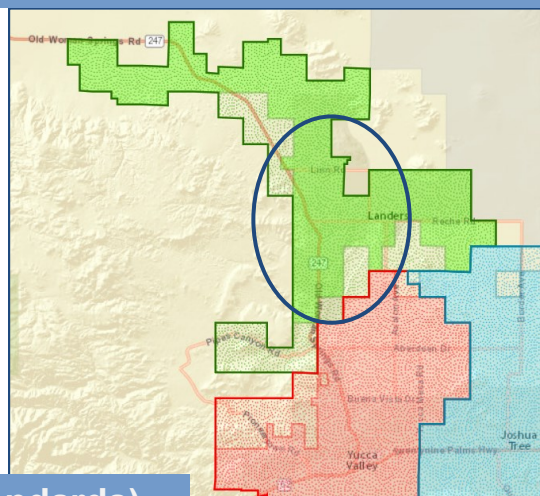


From January 1, 2021 to December 31, 2021 the Bighorn-Desert View Water Agency conducted 1,495 individual water quality tests from samples taken at various locations throughout your water system in accordance with state and federal laws. The following tables list only those contaminants that have been detected for the constituent as well as those required to be reported annually. The sample year indicates the latest year that one or more parameters were last tested. All sources are tested at least every 9 years, but not necessarily the same year. It is important to note that the presence of these constituents, as detected in water, does not necessarily indicate that the water poses a health risk. [BDVWA had no violations of a maximum contaminant level or secondary water quality standards in 2021.](#)

BDVWA had no violations of a maximum contaminant level or secondary water quality standards in 2021.



Bighorn-Desert View Water Agency Service Area (Flamingo Heights and West Landers)



Primary Standards (Mandatory Health Related Standards)

Chemical or Constituent	Units	Sample Year	Average Level Detected	Range of Detections	MCL	PHG (MCLG)	Typical Source of Contaminant
Arsenic	ppb	2021	3.9	ND - 5.3	10	0.004	Erosion of natural deposits; runoff from orchards; glass and electronics production wastes.
Fluoride	ppm	2021	0.88	0.57 - 1.2	2.0	1.0	Erosion of natural deposits; water additive that promotes strong teeth; discharge from fertilizer and aluminum factories.
Gross Alpha (Net)	pCi/L	2021	5.94 (0)	ND - 11	15	(0.0)	Erosion of natural deposits. (Gross Alpha minus Uranium equals Gross Alpha "Net")
Nitrate as N (NO ₃ -N)	ppm	2021	1.8	1.3 - 2.2	10	10	Runoff and leaching from fertilizer use; leaching from septic tanks and sewage; erosion of natural deposits.
Uranium	pCi/L	2021	7.95	1.9 - 13	20	0.43	Erosion of natural deposits.
Nickel	ppb	2021	24	ND - 24	100	12	Erosion of natural deposits; discharge from metal factories.

Coliform Bacteria — Nine samples collected monthly

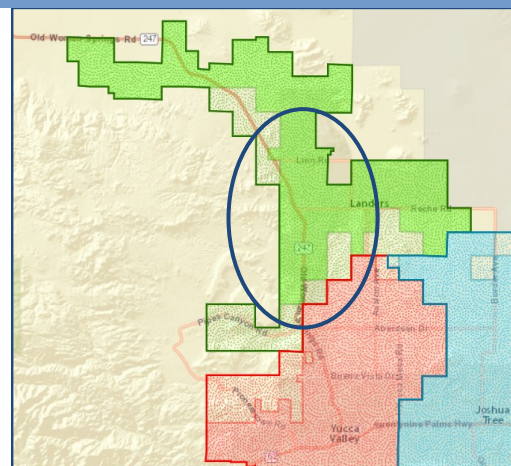
Microbiological Contaminants	Sample Year	Highest No. of Detections	No. of Months in Violation	MCL	PHG (MCLG)	Typical Source of Bacteria
Total Coliform Bacteria/State Total Coliform Rule	2021	0	0	More than 1 sample in a month with a detection.	(0)	Naturally present in the environment.

Summary of Lead Testing at Schools within the Agency

Lead	Units	Sample Year	# of Schools in service area	# of Schools requesting testing	# of Samples	AVG.	Range	Violation
Lead	ppb	2017	1	1	5	ND	ND	No

Typical source of lead contamination in drinking water are internal corrosion of household water plumbing systems; discharges from industrial manufacturers; erosion of natural deposits.

Bighorn-Desert View Water Agency Service Area (Flamingo Heights and West Landers—Continued)



Primary Standards (Mandatory Health Related Standards)

Lead & Copper Study	Units	Sample Year	No. of Samples Collected	90th Percentile Level Detected	No. of Sites Exceeding AL	AL	PHG (MCLG)	Typical Source of Contaminant
Lead	ppb	2019	22	ND	0	15	0.2	Internal corrosion of household water plumbing systems; discharges from industrial manufacturers; erosion of natural deposits.
Copper	ppm	2019	22	0.100	0	1.3	0.3	Internal corrosion of household plumbing systems; erosion of natural deposits; leaching from wood preservatives.

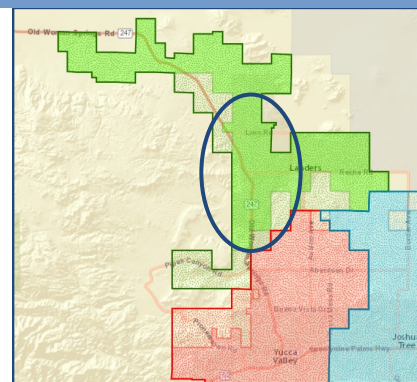
If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. Bighorn-Desert View Water Agency is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at <http://www.epa.gov/lead> *** The next round of voluntary residential testing for Lead and Copper will take place between the months of June – September 2019. If you would like to be a participant in this free voluntary program please contact our office to determine if your residential plumbing materials make you vulnerable to lead and copper contamination.

Detected Disinfection By-Products, Disinfectant Residual & Disinfection By-Product Precursors

	Units	Sample Year	BDVWA Average Level Detected	BDVWA Range of Detections	MCL [MDRL]	PHG [MRDLG]	Typical Source of Contaminant
Free Chlorine Residual (as CL ₂)	ppm	2021	0.79	0.46 - 1.21	[4]	[4]	Drinking water disinfectant added for treatment.
Total Trihalomethanes (TTHM)	ppb	2021	7.5	-	80	n/a	By-product of drinking water chlorination.
Total Haloacetic Acid (HAA5)	ppb	2021	1.7	-	60	n/a	By-product of drinking water disinfection.

All drinking water must be disinfected to ensure that any potentially dangerous microbes are neutralized. In order to prevent growth of these microbes as drinking water travels from our reservoirs through the distribution system to your home or business, a disinfectant residual must be maintained. We perform frequent and comprehensive monitoring to ensure that disinfectant levels remain in the proper range throughout our distribution system.

Bighorn-Desert View Water Agency Service Area (Flamingo Heights and West Landers -Continued)



Detected Regulated CCR Parameters with Secondary MCLs

Chemical or Constituent	Units	Sample Year	Average Level Detected	Range of Detections	MCL	PHG (MCLG)	Typical Source of
Chloride	ppm	2021	20	17 - 23	500	n/a	Runoff/leaching from natural deposits; seawater influence.
Odor (Total Odor)	OU	2021	1	1	3	n/a	Naturally-occurring organic materials.
Sulfate	ppm	2021	41.5	33 - 50	500	n/a	Runoff/leaching from natural deposits; industrial wastes.
Total Dissolved Solids	ppm	2021	277	250 - 310	1000	n/a	Runoff/leaching from natural deposits.
Turbidity	NTU	2021	ND	ND	5.0	n/a	Soil runoff.

Detected Unregulated Parameters Requiring Monitoring

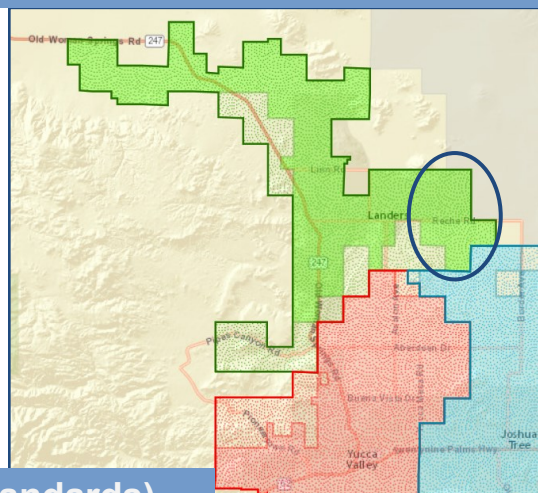
Chemical or Constituent	Units	Sample Year	Average Level Detected	Range of Detections	Notification Level	Health Effects Language
Boron	ppb	2021	135	130 - 140	1000	The babies of some pregnant woman who drink water containing boron in excess of the notification level may have an increased risk of developmental effects, based on studies in laboratory animals.
Vanadium	ppb	2021	13	4.5 - 18	50	The babies of some pregnant woman who drink water containing vanadium in excess of the notification level may have an increased risk of developmental effects, based on studies in laboratory animals.
Hexavalent Chromium (*)	ppb	2021	3.3	3.2 - 3.4	N/A	Erosion of natural deposits; discharge from electroplating factories, leather tanneries, wood preservation, chemical synthesis, refractory production and textile manufacturing facilities.

* There is currently no MCL for hexavalent chromium. The previous MCL of 0.010 mg/L (10 ppb) was withdrawn on September 1, 2018. However, any hexavalent chromium results above the detection limit of 1 ppb should be reported.

Other Parameters That May Be Of Interest

Chemical or Constituent	Units	Sample Year	Average Level Detected	Range of Detections	MCL	PHG (MCLG)	Typical Source of Contaminant
Sodium	ppm	2021	51	49 - 53	n/a	n/a	Salt present in the water and is generally naturally occurring.
Hardness	ppm	2021	125	120 - 130	n/a	n/a	Sum of polyvalent cations present in the water, generally magnesium and calcium and are usually naturally occurring.

Bighorn-Desert View Water Agency — Improvement District Goat Mountain



Primary Standards (Mandatory Health Related Standards)

Chemical or Constituent	Units	Sample Year	Average Level Detected	Range of Detections	MCL	PHG (MCLG)	Typical Source of Contaminant
Arsenic	ppb	2021	4.5	-	10	0.004	Erosion of natural deposits; runoff from orchards; glass and electronics production wastes.
Fluoride	ppm	2021	0.40	-	2.0	1.0	Erosion of natural deposits; water additive that promotes strong teeth; discharge from fertilizer and aluminum factories.
Gross Alpha (Net)	pCi/L	2021	ND (0)	-	15	(0.0)	Erosion of natural deposits. (Gross Alpha minus Uranium equals Gross Alpha "Net")
Nitrate as N (NO ₃ -N)	ppm	2021	1.35	1.3 - 1.4	10	10	Runoff and leaching from fertilizer use; leaching from septic tanks and sewage; erosion of natural deposits.
Uranium	pCi/L	2021	2.65	1.8 - 3.5	20	0.43	Erosion of natural deposits.
Nickel	ppb	2021	13	-	100	12	Erosion of natural deposits; discharge from metal factories.

Coliform Bacteria — Three samples collected monthly

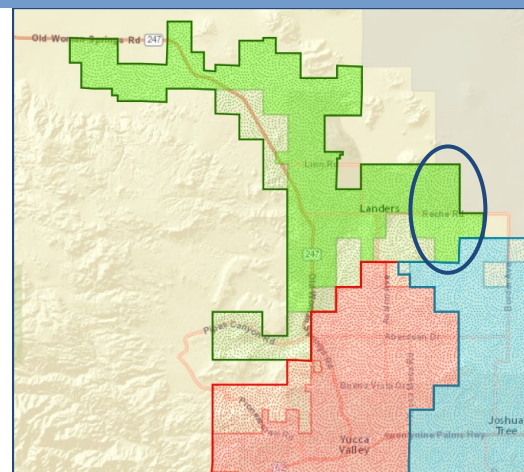
Microbiological Contaminants	Sample Year	Highest No. of Detections	No. of Months in Violation	MCL	PHG (MCLG)	Typical Source of Bacteria
Total Coliform Bacteria/State Total Coliform Rule	2021	0	0	More than 1 sample in a month with a detection.	(0)	Naturally present in the environment.

Summary of Lead Testing at Schools within the Agency

	Units	Sample Year	# of Schools in service area	# of Schools requesting testing	# of Samples	AVG.	Range	Violation
Lead	ppb	2017	0	0	2017	N/A	N/A	No

Typical source of lead contamination in drinking water are internal corrosion of household water plumbing systems; discharges from industrial manufacturers; erosion of natural deposits.

Bighorn-Desert View Water Agency — Improvement Dis- trict Goat Mountain (Continued)



Detected Regulated CCR Parameters with Secondary MCLs

Chemical or Constituent	Units	Sample Year	Average Level Detected	Range of Detections	MCL	PHG (MCLG)	Typical Source of
Chloride	ppm	2021	15.5	15 - 16	500	N/A	Runoff/leaching from natural deposits; seawater influence.
Odor (Total Odor)	OU	2021	1	1	3	N/A	Naturally-occurring organic materials.
Sulfate	ppm	2021	26.5	26 - 27	500	N/A	Runoff/leaching from natural deposits; industrial wastes.
Total Dissolved Solids	ppm	2021	217.5	200 - 230	1000	N/A	Runoff/leaching from natural deposits.
Turbidity	NTU	2021	0.105	ND - 0.11	5.0	N/A	Soil runoff.

Detected Unregulated Parameters Requiring Monitoring

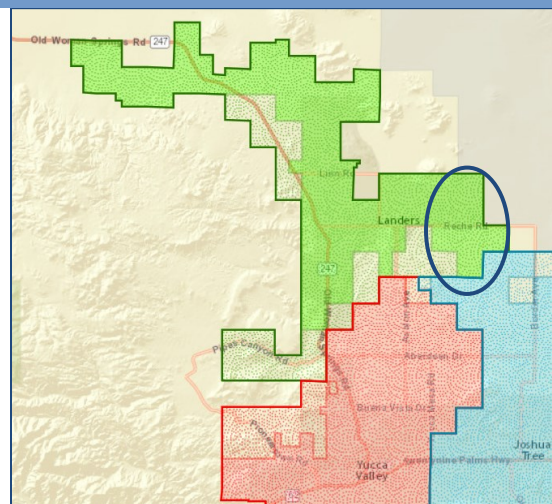
Chemical or Constituent	Units	Sample Year	Level Detected	Range of Detections	Notification Level	Health Effects Language
Vanadium	ppb	2021	8.4	-	50	The babies of some pregnant woman who drink water containing vanadium in excess of the notification level may have an increased risk of developmental effects, based on studies in laboratory animals.
Hexavalent Chromium	ppb	2021	3.6	-	N/A	Erosion of natural deposits; discharge from electroplating factories, leather tanneries, wood preservation, chemical synthesis, refractory production and textile manufacturing facilities.

* There is currently no MCL for hexavalent chromium. The previous MCL of 0.010 mg/L (10 ppb) was withdrawn on September 1, 2018. However, any hexavalent chromium results above the detection limit of 1 ppb should be reported.

Other Parameters That May Be Of Interest

Chemical or Constituent	Units	Sample Year	Average Level Detected	Range of Detections	MCL	PHG (MCLG)	Typical Source of Contaminant
Sodium	ppm	2021	46	45 - 47	n/a	n/a	Salt present in the water and is generally naturally occurring.
Hardness	ppm	2021	104	88 - 120	n/a	n/a	Sum of polyvalent cations present in the water, generally magnesium and calcium and are usually naturally occurring.

Bighorn-Desert View Water Agency — Improvement District Goat Mountain (Continued)



Primary Standards (Mandatory Health Related Standards)

Lead & Copper Study	Units	Sample Year	No. of Samples Collected	90th Percentile Level Detected	No. of Sites Exceeding AL	AL	PHG (MCLG)	Typical Source of Contaminant
Lead	ppb	2019	19	ND	0	15	0.2	Internal corrosion of household water plumbing systems; discharges from industrial manufacturers; erosion of natural deposits.
Copper	ppm	2019	19	0.095	0	1.3	0.3	Internal corrosion of household plumbing systems; erosion of natural deposits; leaching from wood preservatives.

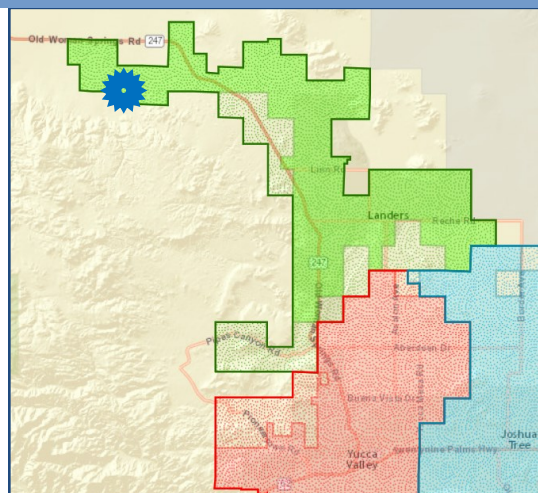
If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. Bighorn-Desert View Water Agency is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at <http://www.epa.gov/lead> ** The next round of voluntary residential testing for Lead and Copper will take place between the months of June – September 2019. If you would like to be a participant in this free voluntary program please contact our office to determine if your residential plumbing materials make you vulnerable to lead and copper contamination

Detected Disinfection By-Products, Disinfectant Residual & Disinfection By-Product Precursors

	Units	Sample Year	Average Level Detected	Range of Detections	MCL [MDRL]	PHG (MRDLG)	Typical Source of Contaminant
Free Chlorine Residual (as CL ₂)	ppm	2021	0.74	0.56 - 0.97	[4]	[4]	Drinking water disinfectant added for treatment.
Total Trihalomethanes (TTHM)	ppb	2021	4.25	ND - 8.5	80	n/a	By-product of drinking water chlorination.
Total Haloacetic Acid (HAA5)	ppb	2021	ND	-	60	n/a	By-product of drinking water disinfection.

All drinking water must be disinfected to ensure that any potentially dangerous microbes are neutralized. In order to prevent growth of these microbes as drinking water travels from our reservoirs through the distribution system to your home or business, a disinfectant residual must be maintained. We perform frequent and comprehensive monitoring to ensure that disinfectant levels remain in the proper range throughout our distribution system.

Bighorn-Desert View Water Agency Johnson Valley Well No. 10 Hauling Station



Primary Standards (Mandatory Health Related Standards)

Chemical or Constituent	Units	Sample Year	Average Level Detected	Range of Detections	MCL	PHG (MCLG)	Typical Source of Contaminant
Arsenic	ppb	2020	2.6	-	10	0.004	Erosion of natural deposits; runoff from orchards; glass and electronics production wastes.
Fluoride	ppm	2020	0.74	0.73 - 0.75	2.0	1.0	Erosion of natural deposits; water additive that promotes strong teeth; discharge from fertilizer and aluminum factories.
Gross Alpha (Net)	pCi/L	2016	13 (8.5)	-	15	(0.0)	Erosion of natural deposits. (Gross Alpha minus Uranium equals Gross Alpha "Net")
Nitrate as N (NO ₃ -N)	ppm	2021	1.6	-	10	10	Runoff and leaching from fertilizer use; leaching from septic tanks and sewage; erosion of natural deposits.
Uranium	pCi/L	2016	4.5	-	20	0.43	Erosion of natural deposits.

Coliform Bacteria — One sample collected each month

Microbiological Contaminants	Sample Year	Highest No. of Detections	No. of Months in Violation	MCL	PHG (MCLG)	Typical Source of Bacteria
Total Coliform Bacteria/State Total Coliform Rule	2021	0	0	More than 1 sample in a month with a detection.	(0)	Naturally present in the environment.

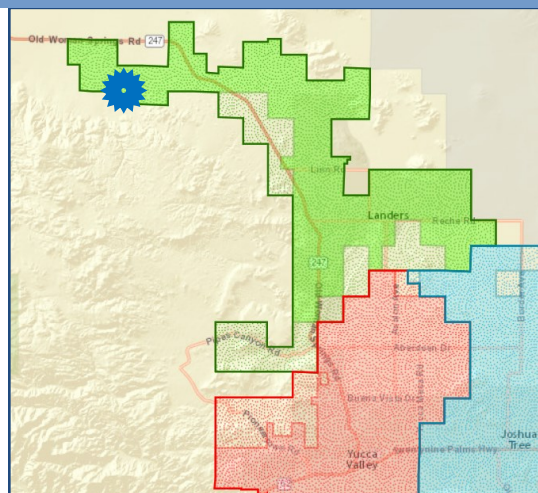
Summary of Lead Testing at Schools within the Agency

	Units	Sample Year	# of Schools in service area	# of Schools requesting testing	# of Samples	AVG.	Range	Violation
Lead	ppb	2017	0	0	2017	N/A	N/A	NO

Typical source of lead contamination in drinking water are internal corrosion of household water plumbing systems; discharge from industrial manufacturers; erosion of natural deposits.

Bighorn-Desert View Water Agency Johnson Valley

Well No. 10 Hauling Station (Continued)



Detected Disinfection By-Products, Disinfectant Residual & Disinfection By-Product Precursors

	Units	Sample Year	BDVWA Average Results	BDVWA Range of Results	MCL (MDRL)	PHG (MRDLG)	Typical Source of Contaminant
Free Chlorine Residual (as CL ₂)	ppm	2021	0.7	0.50 - 0.98	[4]	[4]	Drinking water disinfectant added for treatment.
Total Trihalomethanes (TTHM)	ppb	2021	1.0	-	80	n/a	By-product of drinking water chlorination.
Total Haloacetic Acid (HAA5)	ppb	2021	ND	-	60	n/a	By-product of drinking water disinfection.

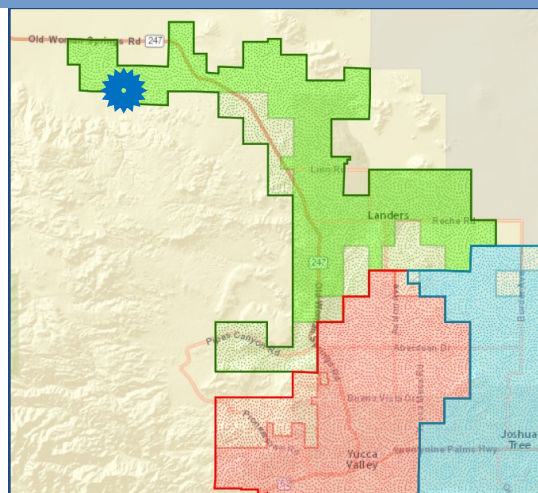
All drinking water must be disinfected to ensure that any potentially dangerous microbes are neutralized. In order to prevent growth of these microbes as drinking water travels from our reservoirs through the distribution system to your home or business, a disinfectant residual must be maintained. We perform frequent and comprehensive monitoring to ensure that disinfectant levels remain in the proper range throughout our distribution system.

Detected Regulated CCR Parameters with Secondary MCLs

Chemical or Constituent	Units	Sample Year	Level Detected	Range of Detection	MCL	PHG (MCLG)	Typical Source of
Chloride	ppm	2020	41	40 - 42	500	n/a	Runoff/leaching from natural deposits; seawater influence.
Odor (Total Odor)	OU	2020	1	1	3	n/a	Naturally-occurring organic materials.
Sulfate	ppm	2020	98.5	97 - 100	500	n/a	Runoff/leaching from natural deposits; industrial wastes.
Total Dissolved Solids	ppm	2020	350	340 - 360	1000	n/a	Runoff/leaching from natural deposits.
Turbidity	NTU	2020	ND	ND	5.0	n/a	Soil runoff.
Zinc	ppm	2020	0.03	ND - 0.06	300	n/a	Leaching from natural deposits; industrial wastes.

Bighorn-Desert View Water Agency Johnson Valley

Well No. 10 Hauling Station (Continued)



Detected Unregulated Parameters Requiring Monitoring

Chemical or Constituent	Units	Sample Year	Level Detected	Range of Detections	Notification Level	Health Effects Language
Boron	ppb	2020	205	200 - 210	1000	The babies of some pregnant woman who drink water containing boron in excess of the notification level may have an increased risk of developmental effects, based on studies in laboratory animals.
Vanadium	ppb	2020	19	-	50	The babies of some pregnant woman who drink water containing vanadium in excess of the notification level may have an increased risk of developmental effects, based on studies in laboratory animals.
Hexavalent Chromium	ppb	2020	5.1	-	N/A	Some people who drink water containing 1,2,3-Trichloropropane in excess of the MCL over many years may have an increased risk of getting cancer.

Other Parameters That May Be Of Interest

Chemical or Constituent	Units	Sample Year	Average Level Detected	Range of Detections	MCL	PHG (MCLG)	Typical Source of Contaminant
Sodium	ppm	2020	97.5	97 - 98	N/A	N/A	Salt present in the water and is generally naturally occurring.
Hardness	ppm	2020	66.5	66 - 67	N/A	N/A	Sum of polyvalent cations present in the water, generally magnesium and calcium and are usually naturally occurring.



Protect Your Groundwater!

Keep pollutants out of the Aquifer! Storm water often contains pollutants including chemicals, trash, and automobile fluids. To do your part in keeping our groundwater clean and safe, consider the following.....

- Your car can be a source of pollutants. Check your vehicle regularly for fluid leaks. Use a funnel to prevent spills. Use drip pans and drop cloths when making repairs and changing your oil.
- Dispose of construction waste and trash from around your yard. Yard waste has the potential to carry hazardous landscaping chemicals like pesticides.
- Items such as pharmaceuticals, solvents and drain cleaners can cause groundwater contamination and should never be flushed down the toilet or poured down the sink.
- Compost food scraps along with manure from horses, chickens and/or goats. Composting reduces the need for chemical fertilizers and helps plants absorb nutrients already in the soil and provides some extra nutrients too.

IF YOU'RE PLANNING TO DEVELOP A NEW OUTDOOR LAND- SCAPE OR JUST REPLACING A FEW THIRSTY PLANTS

Check out the extensive plant database:

[https://www.mojavewater.org/conservation/landscaping-resources/
plant-database/](https://www.mojavewater.org/conservation/landscaping-resources/plant-database/)



Source Water Assessment

A drinking water source assessment was completed for all wells in the Bighorn-Desert View Water Agency water system in December 2002. The report indicates that Wells 3, 6, 7, 8, 9, and 10 are considered susceptible to septic leachate and erosion of natural deposits. A drinking water source assessment was completed for all wells in the Improvement District Goat Mountain water system in July 2012, prior to annexation to BDVWA effective July 1, 2015. The report indicates that wells GMW1 and GMW3 are considered susceptible to septic leachate, above ground storage tanks and wells. You may request a summary of the assessment be sent to you by contacting a Sanitary Engineer at the State Water Resources Control Board (Division of Drinking Water) at 909-383-4328. If you have questions about this report or want to learn more about the Agency, you may contact the Agency's General Manager, Marina D. West, PG at 760-364-2315. To learn more information about contaminants and potential health effects, call the USEPA's Safe Drinking Water Hotline at 1-800-426-4791 or visit their website at <http://www.epa.gov/ow/>.

Community Participation

Our Regular Board of Directors Meetings are held on the second (2nd) Tuesday of each month at 6 PM at 1720 North Cherokee Trail, Landers, CA 92252. Committees and Special Meetings occur throughout the year. The public is welcome and encouraged to attend. To confirm meeting dates, times, locations and agendas please **visit our website at www.bdvwa.org or www.bdvwa.org/board-and-governance/agendas-and-packets/** or contact our Customer Service Staff at 760-364-2315 or via email at info@bdvwa.org.

Office Location

Bighorn-Desert View Water Agency is located at 622 S. Jemez Trail, Yucca Valley, CA. Our office is currently closed to the public pending further notice. The phone number is 760-364-2315 for general inquiries and after-hours emergencies. When calling after hours you will be prompted to press an extension for "emergencies" and asked to leave a voice mail. If necessary, the on-call staff will return your call in a timely manner.

2021 Board of Directors



John Burkhart
President



JoMarie McKenzie
Vice President



Megan Close-Dees
Secretary



Craig Dicht
Director



David Chapman
Director



LAST PAGE OF FULL BOD HANDBOOK Rev. 2023