



BIGHORN-DESERT VIEW WATER AGENCY

BOARD OF DIRECTORS' SPECIAL MEETING AGENDA

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

**June 25, 2009
THURSDAY
6:00 P.M.**

- **CALL TO ORDER**
- **PLEDGE OF ALLEGIANCE**
- **ROLL CALL**
- **APPROVAL OF THE AGENDA**

Public Participation-Public is invited to comment on any item on the agenda during discussion of that item. You may wish to submit your comments in writing to assure that you are able to express yourself adequately. When giving your public comment, please first state your name and have your information prepared. Due to time constraints, a three-minute time limit may be imposed. Per Government Code Section 54954.2, any person with a disability who requires a modification or accommodation, including auxiliary aids or services, in order to participate in the meeting, should contact the Board Secretary at 760-364-2315 during Agency business hours.

- 1. PUBLIC PARTICIPATION-** Any person may address the Board on any matter within the District's jurisdiction on items not appearing on this agenda.
- 2. DISCUSSION AND ACTION ITEMS -** The Board of Directors and Staff will discuss the following items, and the Board will consider taking action, if so inclined.
 - a. RESOLUTION NO. 09R-XX - A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BIGHORN-DESERT VIEW WATER AGENCY FIXING AND ADOPTING THE AGENCY BUDGET FOR THE FISCAL YEAR 2009-2010 -** Board to approve and adopt the FY2009/2010 budget.
 - b. RESOLUTION NO. 09R-XX - A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BIGHORN-DESERT VIEW WATER AGENCY PROVIDING FOR THE LEVY AND COLLECTION OF TAXES WITHIN IMPROVEMENT DISTRICT NO. 1 FOR FISCAL YEAR 2009/2010 -** Board to fix and adopt the total amount to be levied against all taxable property within the Improvement District No. 1 of the Bighorn-Desert View Water Agency, for fiscal year 2009/2010, at \$125,900 (estimated at \$.383 per \$100.00 of assessed valuation determined from a 30% decrease in property values within the Improvement District, actual assessment to be calculated by Auditor/Controller - Recorder County Clerk).

3. DISBURSEMENTS MAY 2009

4. **CONSENT ITEMS** - The following items are expected to be routine and non-controversial and will be acted on by the Board at one time without discussion, unless a member of the Public or member of the Board requests that an item be held for discussion or further action.
 - a. Financial Statements May 2009
 - b. Minutes of the April 28, 2009 Regular Meeting
 - c. Minutes of the May 13, 2009 FPREP Committee Meeting
 - d. Consumption & Billing Comparison Report May 2009
 - e. Production Report May 2009
 - f. Service Order Report May 2009
5. **MATTERS REMOVED FROM CONSENT ITEMS -**
6. **DIRECTORS' REPORTS/COMMENTS**
7. **GENERAL MANAGER'S REPORT (ORAL)**
8. **COMMUNICATION AND PUBLIC INFORMATION ITEMS -**
9. **ITEMS FOR NEXT AGENDA**
10. **ADJOURNMENT**

Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Bighorn-Desert View Water Agency office at 622 S. Jemez Tr., Yucca Valley, CA during normal business hours.

**BIGHORN DESERT VIEW WATER AGENCY
AGENDA ITEM SUBMITTAL**

Meeting Date: June 25, 2009

To: Board of Directors

From: Marina D. West, PG

General Counsel Approval: N/A
CEQA Compliance: N/A

Subject: Adoption of the Operating Budget for Fiscal Year 2009-2010

SUMMARY

The Operating Budget for Fiscal Year 2009-2010 was presented to the Finance/Public Relations/Personnel Standing Committee on May 13th. After incorporation of comments by the Committee the draft budget was presented to the full Board on May 26th. Attached is the final budget which includes Board comments, decisions and concurrence with staff projected estimates for property tax revenues. Staff is presenting the Operating Budget for approval by the Board prior to the beginning of FY 2009/10.

RECOMMENDATION

That the Board takes the following action:

1. Adopt Resolution 09R-XX fixing and adopting the Agency Operating Budget for the Fiscal Year 2009-2010 for the Bighorn-Desert View Water Agency.

BACKGROUND/ANALYSIS

The Board of Directors as well as the Finance Committee of the Board (FPREP) have reviewed the draft budget. The comments received have been incorporated into the final document and the layout of the budget summary should more clearly reflect surplus revenue sources and therefore restrictions for use of surplus revenues.

The significant issues that will affect revenue in the FY2009/2010 Operating Budget are as follows:

Increases:

- Increase in Basic Monthly Service Charge
- Billing of Inactive status meters
- Replacement of customer water meters

Decreases:

- Property devaluations reducing general property tax revenue
 - Budget assumes a property tax devaluation of 30%.
- Potential suspension of Prop. 1A (2004) reducing or eliminating general property tax revenue
 - Budget assumes a 25% property tax loan to the State of California should Prop. 1A (2004) be suspended.

Staff is presenting a balanced draft FY2009/2010 Operating Budget for Board approval. Surplus revenue projections are very small because of the property devaluations and the potential for a property tax shift to aide the State of California in resolving its budget deficit. However, this position is still optimistic and demonstrates that the Board's decisions have worked to balance the budget and begin to accumulate unrestricted and restricted cash for much needed system infrastructure improvements in the future.

The projections for revenue surplus in the FY2009/2010 budget are as follows:

CAPITAL IMPROVEMENT/ REPLACEMENT/REFURBISHMENT	
Unrestricted Revenue Available	\$24,677
Restricted Revenue Available	\$32,546
Basic Facilities Charge & Meter Installation	\$10,706

"Unrestricted Revenue Available" results from revenue projections exceeding projected expenses. "Restricted Revenue Available" results from collection of Bighorn Improvement District No. 1 property tax levy and the Desert View Debt surcharge collected on the water bill. These revenues are accounted for separately and can be utilized for infrastructure repair and refurbishment within the respective debt service areas. "Basic Facilities Charge & Meter Installation" revenue will only be realized when new service connections are sold, a portion of these proceeds is the direct cost of meter service installation while the remainder is the Basic Facilities Charge ("buy-in") which is restricted for new Capital Improvement Projects.

At this time staff is recommending the FY2009/2010 Operating Budget be adopted as drafted. Should the State of California shift more or less than 25% of the general property tax revenue then staff will return to the Board with updated revenue projections.

This budget does not reflect capital, replacement or refurbishment project needs which will be brought to the Finance/Public Relations/Education/Personnel Standing Committee for discussion in July 2009.

PRIOR RELEVANT BOARD ACTION(S)

5/26/09 Board of Directors meeting: Fiscal Year 2009/2010 Budget Review and projections of revenues and expenses.

5/13/09 Finance/Public Relations/Personnel Standing Committee: Status Report on Fiscal Year 2009/2010 Budget.

EXHIBIT "A"



DRAFT

2009/2010

OPERATING BUDGET

DATE

Adopted by Board on XXX

2009/2010 OPERATING BUDGET EXHIBIT "A"

<u>SUMMARY</u>		
	revenue	expenses
REVENUE - OPERATING	1,139,934	
<i>ADMINISTRATION EXPENSE</i>		618,350
<i>OPERATION EXPENSE</i>		409,820
<i>CAPITAL LEASE - Equipment</i>		14,087
REVENUE (NON-OPERATING)	190,252	
<i>DEBT EXPENSE (BH, DV, & MWA)*</i>		220,000
CAPITAL IMPROVEMENT/ REPLACEMENT/REFURBISHMENT		
<i>Unrestricted Revenue Available</i>		24,677
<i>Restricted Revenue Available</i>		32,546
<i>Basic Facilities Charge & Meter Installation</i>		10,706
TOTAL	1,330,186	1,330,186
* MWA Debt Participation is funded by Operating Revenues		

2009/2010 BUDGET EXHIBIT "A"

REVENUE SUMMARY

Description	Amount
OPERATING INCOME	
Metered Water Sales	485,459
Basic Service Charge	567,930
General Tax Income (1%) BH GA02	30,918
General Tax Income (1%) DV GA01	32,027
Other Operating Income	21,600
Interest Income Unrestricted	2,000
* Subtotal	1,139,934
NON-OPERATING INCOME	
BH Debt Income BH FMHA DA01	124,500
DV FMHA Surcharge	48,546
Interest Income Bonds	6,000
Other Non Operating Income	500
** Subtotal	179,546
NON-OPERATING INCOME - New Services	
Meter Connect Fees (SL Install Fees)	2,510
Basic Facilities Charge (Buy In)	8,196
Subtotal	10,706
Total Revenue	1,330,186

* MWA debt participation (\$73K) will be transferred from Operating Revenue to Non-Operating expense.

** Following adjustment for MWA debt participation, Non-Op Subtotal will be \$263,196

2009/2010 BUDGET EXHIBIT "A"

ADMINISTRATIVE EXPENSE

Account	Description	Amount
56001	Directors Fees	10,000
56002	Director Meeting Expense	10,000
56003	Administrative Compensation	217,000
56005	Administrative Meeting Expenses	1,000
56006	Contractual Services- Auditor	28,000
56007	Contractual Services- Legal	80,000
56008	PERS	37,000
56009	Payroll Tax	9,300
56011	Telephone & Fax	6,250
56012	Mailing Expenses	7,900
56014	Contractual Services- Other	30,600
56016	Property/Liability Insurance	32,600
56017	Workers Comp. Insurance	13,000
56018	Dues & Subscriptions	7,050
56020	Power- Office & Yards	5,200
56022	Bad Debt Expense	6,000
56025	Propane	1,000
56030	Office Supplies	3,000
56100	Employee Benefits Insurance	86,000
56110	Employee Education	6,000
56200	Office Equipment Expense	3,450
56300	Customer Relations	1,000
56400	Other Administrative Expenses	2,000
57360	MWA Pipeline OMP&R	-
58100	Elections Costs	15,000
	Total Administrative Expense	618,350

2009/2010 BUDGET EXHIBIT "A"

OPERATIONS EXPENSE

Account	Description	Amount
54102	Operations Compensation	199,000
54103	Uniforms	2,420
54105	Auto Controls	4,500
54106	Vehicle/Tractor/Equip Expense	9,000
54107	Vehicle Expense- Fuel	20,000
54109	Field Materials and Supplies	45,000
54111	Water Testing	9,000
54112	Contractual Services- Engineering	10,000
54114	Water System Repairs	12,000
54115	Building Maintenance/Repair	6,680
54117	Ames Basin Monitoring	9,500
54119	Communications Expense	3,200
54121	Disinfection Expense	4,000
54125	Power- Wells/Booster Pumps	62,000
54130	Other Operations Expense	13,520
	Total Operations Expense	409,820

2009/2010 BUDGET EXHIBIT "A"

DEBT EXPENSE

Account	Description	Payment Amount	Paid from Revenue	Paid from LAIF
22300	BH Debt Principle	66,000	66,000	-
57000	BH Debt Interest Payment	40,000	40,000	-
21101	DV Debt Principle	24,000	24,000	-
59100	DV Debt Interest Payment	17,000	17,000	-
57350	MWA Pipeline Debt	73,000	73,000	-
	Total Debt Expense	220,000		- *

*Assumes no debt service payments from LAIF reserves

MWA Pipeline debt is paid from general revenue stream. It is not a part of any dedicated payment

2009/2010 BUDGET EXHIBIT "A"

CAPITAL LEASE

Account	Description	Payment
		Amount
22400	Capital Lease	14,087
	Total Debt Expense	14,087

2009/2010 BUDGET - REVENUE ACCOUNTS EXHIBIT "A"

REVENUE	ACCOUNTS	ADDITIONAL INFORMATION	09/10
41000	SERVICE LINE INSTALLATION FEE- Revenues to cover the actual cost of customer ordered service line installation.	Estimate 2 service line installations with 3/4-in meter @ \$1255 ea	2,510
41001	BASIC FACILITIES CHARGE- This fee is charged to brand new service line customers as a buy in to the system already partially funded by previous and current customers.	Estimate 2 service line installations @ \$4098	8,196
41100	WATER SALES CHARGES- Total revenues from the sales of water to metered customers through BH, DV and Bulk.	Based on 95 % of actual consumption from July '08 to May '09 at \$3 per one hundred cubic feet and bulk at \$8.5 per unit	485,459
41300	BASIC SERVICE CHARGE- Bi monthly billing to cover fixed O&M costs plus capital projects (non-specified funds)	Based on \$55 per customer per billing cycle	567,930
41600	FMHA SURCHARGE-Revenues generated via the bi-monthly billing of the Desert View customers to fund the debt service for the FMHA Revenue Bond. Issued in 1979 for \$700,000 for the purpose of constructing a water system. Term is 40 years at 5%. Annual Payment is approximately \$41,000. Payments due September (Interest approx. \$8,500) and April (Interest approx \$8,500 and principle \$24,000). Extra revenue collected is used for replacement & refurbishment and is tagged as available "restricted" revenue.	Based on \$9.30 per customer per billing cycle. Projection is based on accumulation of \$7,250 for Replacement & Refurbishment of DV water system.	48,546
41700	INCOME OTHER- Delinquent water billing revenues, unlock charges, non sufficient funds check charges, clean and show charges, scrap metal sales, customer PIR fee, account setup charges.	Delinquent Charges \$14,000 year, Miscellaneous \$4000 year, UL&NSF \$3600	21,600
49100	INCOME GENERAL TAX ID BH 1%- This revenue is the portion of the County 1% tax which is passed on to special districts for general operating expenses. Monies are first earmarked for Agency-wide MWA Debt Participation. Coded on the property tax apportionment schedule as GA02.	General tax projection, significant property de-valuation expected at around 30%. In addition a Suspension of Prop. 1A is expected to shift approx. 25% to State of California. This will be a loan.	30,918
49101	INCOME BOND DEBT BH FMHA- This revenue is generated through the issuance of an annual advalorem tax and assessed to all properties within the Bighorn (north side of the Agency). In 2008/2009 this amount is assessed at .21 per \$100 of assessed valuation. Issued in 1979 for \$1,875,000 for the purpose of constructing and maintaining a water system. Term is 40 years, at 5%. Annual payment is approximately \$106,000. Payments are due December (Interest approx. \$20,000) and June (Interest \$20,000 and principle \$66,000). Extra revenue collected is used for replacement & refurbishment and is tagged as available "restricted" revenue.	Projection is based on accumulation of an additional \$20,000 for Replacement & Refurbishment of BH water system.	124,500
49102	INCOME GENERAL TAX ID DV 1%- This revenue is the portion of the County 1% General tax which is passed on to special districts for general operating expenses. Monies are first earmarked for Agency-wide MWA Debt Participation. Coded on the property tax apportionment schedule as GA01.	General tax projection, significant property de-valuation expected at around 30%. In addition a Suspension of Prop. 1A is expected to shift approx. 25% to State of California. This will be a loan.	32,027
49200	INTEREST INCOME- Interest revenue from our Local Agency Investment Fund account. Interest posted to this account is earned on the non-specific or non-bond monies.	Interest income Anticipate <3% interest	2,000
49201	INTEREST INCOME BOND FUNDS- Interest revenue from our Local Agency Investment Fund Account. Interest earned on the restricted bond revenues variance is posted to this account.	Interest income on restricted bond funds Anticipate <3% interest	6,000
49600	OTHER NON OPERATING INCOME- Revenues from delinquent property tax payments. Ames testing reimbursement. Misc other non operating revenues	Miscellaneous outstanding standby fee penalties.	500
TOTAL			\$1,330,186

2009/2010 BUDGET - EXPENSE ACCOUNTS
EXHIBIT "A"

EXPENSE	ACCOUNTS	PROJECTED BUDGET	STAFF NOTES
54102	OPERATIONS COMPENSATION*	Four field employees with additional overtime and standby hours	projected 0% COLA and 1 step increase merit for all eligible employees. Includes standby and OT (\$30,000)
54103	UNIFORMS	Shoes \$750, Uniform Lease Service \$1550; jackets \$375	\$ 199,000.00
54105	VERIZON-TELEMETRY	375 X 12 months-36 month fixed lease	\$ 2,420.00
54106	VEHICLE/TRACTOR/ EQUIP EXPENSE*	Includes new tires for fleet, routine maintenance, large equipment repairs, vehicle decals	\$ 4,500.00
54107	VEHICLE EXPENSE- FUEL	Projections based on prior 7 month trend.	\$ 9,000.00
54109	FIELD MATERIAL & SUPPLIES*	All materials and supplies used in the maintenance of the water distribution system, safety/traffic control and small tools.	\$ 20,000.00
54111	WATER TESTING	BacT \$3360, Nitrates all wells '09 \$160, General Phy at SS \$2400, GP @ Wells \$160, Pb/Cu testing cycle in 2009/10 \$750, T22 \$2,200	\$ 45,000.00
54112	ENGINEERING-IN HOUSE	Engineering/ Hydrogeologic consultant services	\$ 9,000.00
54114	SYSTEM REPAIRS	Routine repairs/maintenance for wells, pumps, boosters, pressure reducing stations costs, etc.	\$ 10,000.00
54115	BUILDING REPAIR AND MAINT	Trash \$900, Security \$500, Shop Sec. \$480, Fire extinguisher maintenance \$600, Miscellaneous repairs \$2000, cleaning service \$2200.	\$ 12,000.00
54117	AMES BASIN MONITORING	Hanson about \$3000 plus misc water testing 6500	\$ 6,680.00
54119	COMMUNICATIONS EXP	AT&T Cell phones	\$ 9,500.00
54121	DISINFECTION EXPENSE	Chlorine \$3500, Misc \$500	\$ 3,200.00
54125	POWER WELLS & BOOSTER	Based on prior 12 months usage	\$ 4,000.00
54130	OTHER OPER EXPENSES	Dump charges \$600, misc petty cash \$500, misc. visa expenses \$500, SWRCB \$920, bee service \$500, DHS - \$4000, LAFCO 2009-2010 Budget Allocation thru. Co of SB Treasurer \$5,500, BLM rent for system \$1000	\$ 62,000.00
56001	DIRECTORS FEES	Regular Meeting \$6000, Misc \$800, Committee Meetings \$1200	\$ 13,520.00
56002	DIRECTOR MEETING EXPENSE	Miscellaneous Director education seminars and associated expenses	\$ 10,000.00
56003	ADMINISTRATION COMP*	Three full time office staff & General Manager	\$ 10,000.00
56005	ADMIN MEETING EXPENSE	Miscellaneous meetings with DWR, MWA, etc.	\$ 217,000.00
56006	CONTRACTUAL SERVICES- AUDITOR	Auditor	\$ 1,000.00
56007	CONTRACTUAL SERV- LEGAL	Legal Fees	\$ 28,000.00
56008	PERS	All Employees.	\$ 80,000.00
56009	PAYROLL TAXES*	Unemployment \$3500, Medicare match \$5800	\$ 37,000.00
56011	PHONE, FAX LINES, INTERNET	Main office phones \$4500, Internet access \$720; website maint. \$1000	\$ 9,300.00
			\$ 6,250.00

2009/2010 BUDGET - EXPENSE ACCOUNTS
EXHIBIT "A"

EXPENSE	ACCOUNTS	PROJECTED BUDGET	STAFF NOTES
56012	MAILING EXPENSE	Routine metered postage \$480 per month (\$5800), equip rental \$930, UPS-FedEx \$400, CCR mailing \$800	\$ 7,900.00
56014	CONTRACTUAL SERV- OTHER	Copier maintenance agreement \$3300, payroll processing \$3000, UBOC \$2400, Credit Card Processing \$4800, Datastream contract \$2,600, Datastream Programming \$1,200; Misc DataStream/Admin temp labor \$12,000, Safety Training Consultant \$2,500	Inc. Cristi Bush continuing w/AP & AR training/oversight and Audit prep assistance
56016	PROPERTY/LIABILITY EXPENSE	Property and Liability	\$ 30,600.00
56017	WORKERS COMP INS	All Employees	\$ 32,600.00
56018	DUES & SUBSCRIPTIONS and ANNUAL FEES	AWWA \$350, ACWA \$3,800, DigAlert \$375, Hi Desert Star \$33, CRWA \$550, Weinhoff \$250, CSDA \$1575, Misc \$100	\$ 13,000.00
56020	POWER OFFICE & YARDS	Based on prior 8 months usage	\$ 7,050.00
56022	BAD DEBT EXPENSE/WATER RELIEF	Bad debt and water bill relief	\$ 5,200.00
56025	PROPANE	Office and Shop	\$ 6,000.00
56030	OFFICE SUPPLIES	Printed items such as water bills, delinquent bills, envelopes, business cards, checks, for toner refills, printer ribbons, inks for printer supplies, consumable office supplies.	\$ 1,000.00
56100	EMPLOYEE BENEFITS INS*	\$7585 x 12 months (8 employees) excludes copays	\$ 3,000.00
56110	EMPLOYEE EDUCATION	Miscellaneous employee education training (\$3,000 for GM)	\$ 86,000.00
56200	OFFICE EQUIPMENT EXPENSE	Computer repairs \$500, Misc office equipment, furniture & software \$2500, Postage ink \$450	\$ 6,000.00
56300	CUSTOMER RELATIONS	Misc customer relations exp \$1000	\$ 3,450.00
56400	OTHER ADMIN EXPENSES	County charges for property tax collection, employment advertising including bid recruitment and legal advertising, employee drug testing	\$ 1,000.00
57360	MWA PIPELINE OMP&R		\$ 2,000.00
58100	ELECTION COSTS	General Election Estimate	\$ - Deleted
TOTAL EXPENSES			\$ 15,000.00 Election November 2009 w/additional candidate
			\$ 1,028,170.00

* A portion of these expenses are allocated to capitalized projects (main extensions, SL installs).

2009/2010 REVENUE PROJECTED EXHIBIT "A"

Account	Description	JUL 09	AUG 09	SEP 09	OCT 09	NOV 09	DEC 09	JAN 2010	FEB 2010	MAR 2010	APR 2010	MAY 2010	JUN 2010	TOTAL
METERED WATER SALES														
	Percentage vs previous 12 months BIGHORN 01-06		0.95		0.95		0.95		0.95		0.95		0.95	
	Consumption previous 12 mo.		1,498,750		1,480,112		1,031,612		1,053,819		734,236		1,098,207	
01-41100	Metered Water @ 95% of prior 12 mo.		42,714		42,183		29,401		30,034		20,926		31,299	\$196,557
	Percentage vs previous 12 months DESERT VIEW 07-11	0.95		0.95		0.95		0.95		0.95		0.95		
	Consumption previous 12 mo.	1,633,788		2,025,885		1,500,377		1,224,394		946,932		1,044,169		
01-41100	Metered Water @ 95% of prior 12 mo.	46,563		57,738		42,761		34,895		26,988		29,759		\$238,703
BASIC SERVICE CHARGE														
	no of meters - BIGHORN 01-06		851		851		851		851		851		851	
01-41300	Basic Svs Charge @ \$55/ meter per cycle		46,805		46,805		46,805		46,805		46,805		46,805	\$280,830
	no of meters - DESERT VIEW 07-11	870		870		870		870		870		870		
01-41300	Basic Svs Charge @ \$55/ meter per cycle	47,850		47,850		47,850		47,850		47,850		47,850		\$287,100
	percentage of previous 12 months	0.95		0.95		0.95		0.95		0.95		0.95		
	consumption previous 12 mos.	61,011		62,749		49,232		33,227		36,604		51,234		
01-41100	Bulk Water @95% of prior 12 mo.	4,927		5,067		3,975		2,683		3,039		4,137		\$50,199
DEBT REVENUE														
	# of Desert View Accounts	870		870		870		870		870		870		
01-41600	FHMA Desert View Revenue Bond @ 9.30	8,091		8,091		8,091		8,091		8,091		8,091		\$48,546
	PT Advalorem Bighorn		-	-		18,000		6,000		6,500		15,000		\$124,500
01-49101	LAIF Interest Income (Bonds)							1,500						\$6,000
GENERAL PROPERTY TAX REVENUE														
	PT Desert View 1% GA01		-	-		3,000		4,100		3,000		6,000		\$32,027
01-49100	PT Bighorn 1% GA02		-	-		3,000		2,000		2,000		6,000		\$30,918
OTHER OPERATION REVENUE														
	Income Other (Operating)	1,800		1,800		1,800		1,800		1,800		1,800		\$21,600
01-49200	LAIF Interest Income (Unrestricted)	500		-		-		500		-		-		\$2,000
01-49600	Income Other (Non Op) DO Standbys					250						250		\$500
METER SALES AND INSTALLATION														
	Estimated # SL Installs		0			1		-		0		-	1	
01-41000	Service Line Installation Fees		-	-		-		-		-		-	1,255	\$2,510
	Basic Facilities Charge (Buy In)		-	-		-		-		-		-	4,098	\$8,196
TOTAL REVENUE														\$1,330,186

**BIGHORN DESERT VIEW WATER AGENCY
AGENDA ITEM SUBMITTAL**

Meeting Date: June 25, 2009

To: Board of Directors

Budgeted: Yes

Budgeted Amount: \$125,900

Funding Source: Revenue – Ad Valorem

From: Marina D. West

General Counsel Approval: Obtained

CEQA Compliance: n/a

Subject: Setting the Ad Valorem Tax Amount for Fiscal Year 2009/2010 for the Property Tax Apportionment of the Bighorn Debt Service Area Improvement Zone 1 at \$125,900 thus Rescinding Resolution No. 09R-09

SUMMARY

Each fiscal year the Agency must notify the County of San Bernardino Auditor/Controller of the Bighorn Mountains Improvement District 1 (BH ID 1) special assessment to the tax rolls. This assessment is necessary to generate the revenue for the annual bond payment and a repair/refurbishment fund to maintain the BH ID 1 water system which was constructed with a fixed interest rate, forty-year bond, purchased by the United States of America acting through the Farmers Home Administration (FHA). This year the impact to the individual property tax assessment will increase, while the overall property tax bills will decrease, due to expected devaluation of all properties in the BH ID 1. Staff discussed these dynamics with the Finance/Public Relations/Education/Personnel (FPREP) Standing Committee on May 13, 2009 and with the full Board on May 26, 2009. Committee and Board were united in a recommendation to collect a total of \$125,900 and to assume 15% property devaluation when establishing the estimated impact to individual properties. This total assessment generates approximately \$20,000 for the BH ID 1 Replacement and Refurbishment fund in addition to the necessary debt principal and interest. On May 26, the property tax impact was estimated at \$0.31 per \$100 of assessed value.

More recently staff was informed by the County of San Bernardino that the property values across the Bighorn Desert View Water Agency will decrease by 25% to 30% which will increase the individual property tax impact but not the total amount to be collected. Therefore, staff is bringing this item back to the Board for further discussion and reaffirmation of the Resolution passed on May 26, 2009. In addition, further information regarding lawfulness of utilizing the tax to fund the repair and refurbishment of the BH ID 1 was presented to the Board at a Special Meeting held June 23, 2009. Therefore, should the Board reaffirm the total amount of the assessment to be \$125,900 it is establishing a policy to use the Board's taxing authority for funding replacement and refurbishment projects within BH ID 1.

The Agency must submit a preliminary Notification of Special Assessments by June 30, 2009, with submission due by August 10th.

RECOMMENDATION

That the Board take the following action:

1. Adopt Resolution 09R-XX providing for the levy and collection of the taxes within the Bighorn Mountains Improvement District No. 1 for Fiscal Year 2009/2010 to provide for at total collection of \$125,900 thus rescinding Resolution 09R-09.

BACKGROUND/ANALYSIS

On August 9, 1977 the voters of the Bighorn Mountains Water Agency, a predecessor-in-interest to the Agency, approved a bond proposition to "*issue general obligation bonds for BH ID 1 in the amount of \$2,500,000 for the purpose of acquisition, construction, completion or repair of a waterworks system . . . for the benefit of Improvement District No. 1*" (Resolution No. 121 adopted June 21, 1977).

The tax rate statement that accompanied the proposition discussed the impact of the bond proposition on property tax rates, and estimated that property tax rates would be about \$4.70 per \$100 of assessed valuation in the first fiscal year after the bond sale and \$0.76 per \$100 of assessed value by the 20th year after the bond sale (Exhibit A to Resolution No. 127 adopted June 28, 1977).

Thereafter, on May 21, 1979, the Board of Directors of Bighorn Mountains Water Agency (BMWA) adopted Resolution No. 174, proposing to issue and sell \$1,875,000 of BMWA bonds for the purposes set forth in the BMWA Bond Proposition, in order to incur the BH ID 1 Debt.

Under Section 9 of Resolution No. 174, the Agency Board is charged with setting water rates within BH ID 1 at a level sufficient to collect enough revenue which will pay the operating expenses of the improvement district, provide for repairs and depreciation of works, provide a reasonable surplus for improvements extensions, and enlargement, pay the interest on the bonded debt and provide a sinking fund for the payment of the principal of such debt as it may become due.

Annual principal and interest payments are approximately \$106,000. Payments will be made in FY2009/2010 according to the following schedule: December (interest only approx. \$23,950) and June (interest approx. \$23,950 and principal approx. \$58,000). Any additional funds collected, estimated at \$20,000, will be used for needed infrastructure improvements within BH ID 1. The bond payments will conclude in 2019.

Regarding FY2009/2010 Operating Budget, with concurrence from the PLEGS Standing Committee on May 13 and full Board on May 26, staff recommends that funds beyond just principal and interest be collected from all BH ID 1 properties to assist in repair/refurbishment of BH ID 1 infrastructure. Infrastructure maintenance is a top priority for the Board and staff has prepared the calculation with the intent to collect approximately \$20,000 for this purpose. In May, property devaluation had been projected somewhere between 6% and 15% but more recent inquiries to the Assessors office, actively reassessing properties, have revealed a projected devaluation for the BDVWA service area between 20%

and 30% which means the impact per \$100 of assessed value will go up to collect the same amount of revenue. There is no record of previous Board's setting a Policy to collect monies for maintaining the BH ID 1 infrastructure but it is not prohibited. Past practice could be justified in the early years of the debt since the water system was new and did not require the major repairs that are needed as the system ages beyond 30-years. Major infrastructure such as wells, pumps, reservoir coatings and pressure reducing stations require repair and refurbishment on a reoccurring basis. Due to recent inquiries from the public on this matter, General Counsel addressed the Board in detail regarding the lawfulness of setting a Policy to collect monies through the Ad Valorem tax at the June 23, 2009 Special Board meeting. Ultimately, it is the Board's decision on whether to exercise such powers.

The calculation is based on a Tax Roll Value as provided by the Auditor/Controller-Recorder's office. However, this data is approximately 18 months old and with the more recent downturn in the economy properties in San Bernardino County are being reassessed. In May, property devaluation had been projected somewhere between 6% and 15% but more recent inquiries to the Assessors office have revealed a projected devaluation for the BDVWA service area between 20% and 30%.

In finalizing actions to set the tax levy each year, the Agency can direct the Assessor by either setting the actual rate per \$100 of assessed value or the total dollar amount to be generated through the assessment. Staff recommends that the Assessor be directed as to the total amount to be collected on the assessment thus minimizing the effects of under- or over- taxing the properties.

However, for informational purposes staff has projected, in the table below, the impact to property taxes based on different property devaluations across the BH ID 1 to generate a total revenue of \$125,900. The Total Property Valuation (Tax Role Value) as of September 15, 2008 provided by the County of San Bernardino is \$47,227,955.

Property Tax Impact Summary			
Percent Devaluation	Approx. Advalorem (per \$100 assessed value)	Total Amount per \$50,000 of property value	Estimated Total Annual Increase from FY2008/09
0%	\$0.268	\$134	\$29
6%	\$0.284	\$142	\$37
15%	\$0.314	\$157	\$52
25%	\$0.356	\$178	\$73
30%	\$0.383	\$192	\$87

PRIOR RELEVANT BOARD ACTION(S)

6/23/09 Special Board of Directors Meeting: Receive report from General Counsel Logan reviewing voter approved bond language, bond debt obligations and other alternative means of generating necessary revenues.

5/26/09 BOD R09-09: Resolution 09R-09 providing for the levy and collection of the taxes within the Improvement District No. 1 for Fiscal Year 2009/2010 at 0.31 per \$100 assessed valuation.

5/13/09 Finance/Public Relations/Personnel Standing Committee: Provide staff with Committee recommendation for calculating the 2009/10 special assessment to the tax roles to generate revenue which is to be brought to the full board in May for adoption by Resolution.

5/27/08 BOD 08R-05 Resolution Providing for the Levy and Collection of Taxes with Improvement District No. 1 for Fiscal Year 2008/2009.

5/21/1979 BOD Resolution No. 174: Resolution of the Board of Directors of Bighorn Mountains Water Agency providing for the issuance and sale of bonds of said Agency for Improvement District No. 1 thereof in the amount of \$1,875,000 for the acquisition and construction of certain Agency improvements.

6/28/1977 BOD Resolution No. 127: Resolution of the Board of Directors of the Bighorn Mountains Water Agency, Approving the Tax Statement to be mailed to voters within Improvement District No. 1 of the Agency.

6/21/1977 BOD Resolution No. 121: Resolution of the Board of Directors of Bighorn Mountains Water Agency, Ordering, Calling, Providing for, and Giving Notice of a Special Election to be held in Improvement District No. 1 of said Agency on August 9, 1977, for the purpose of submitting to the qualified voters of said Improvement District a Proposition of incurring bonded indebtedness and issuing bonds of said Agency for said Improvement District.

RESOLUTION NO. 09R-XX

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE BIGHORN-DESERT VIEW WATER AGENCY
PROVIDING FOR THE LEVY AND COLLECTION OF
TAXES WITHIN IMPROVEMENT DISTRICT NO. 1
FOR FISCAL YEAR 2009/2010

WHEREAS, the Bighorn-Desert View Water Agency's ("Agency") law is set forth in the Water Code Appendix, Chapter 112 of the Statutes of the State of California; and

WHEREAS, the voters of Improvement District No. 1 of the Bighorn Mountains Water Agency did, on August 9, 1979, authorize said Agency to incur indebtedness by issuing general obligation bonds in the amount of \$2,500,000.00 for the purpose of the acquisition, construction, completion or repair of a water works system within said Improvement District No. 1; and

WHEREAS, the Agency has issued to date, general obligation bonds in the amount of \$1,875,000.00 for the express purpose of the acquisition, construction, completion or repair of a water works system within said Improvement District No. 1; and

WHEREAS, the Agency is empowered, pursuant to the Water Code Appendix Chapter 112, Sections 112-26 and 112-27, and Resolution No. 174 of the Bighorn Mountains Water Agency, adopted on May 21, 1979, to determine the amount necessary to be collected by taxation to pay for the operating expenses of the Agency, provide for repairs and depreciation of works owned or operated by the Agency, and to meet all obligations of the Agency, including principal of or interest on any bonded debt of the Agency as it becomes due;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Bighorn-Desert View Water Agency finds that the revenues of the Agency will be inadequate 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;

BE IT FURTHER RESOLVED, that the Board of Directors of the Bighorn-Desert View Water Agency hereby provides for the levy and collection of a tax against all taxable property within the Improvement District No. 1 of the Bighorn-Desert View Water Agency, for fiscal year 2009/2010, sufficient to raise \$125,900 in order that the Agency clearly have sufficient funds to pay the operating expenses of the improvement district, provide for repairs and depreciation of works, provide a reasonable surplus for improvements, extensions, and enlargements, pay the interest on the bonded debt and provide a sinking or other

fund for the payment of the principal of such debt as it may become due on said general obligation bonds; and

BE IT FURTHER RESOLVED that the Board of Directors of the Bighorn-Desert View Water Agency does hereby request that at the time and in the manner prescribe by law for the Board of Supervisors of San Bernardino County to levy taxes for County purposes, the Board of Supervisors of said County in addition to all other taxes levied, levy a tax upon all taxable property within Improvement District No. 1 of the Bighorn-Desert View Water Agency at the rate necessary to raise the amount of money hereby fixed and determined by this Resolution; and

BE IT FURTHER RESOLVED THAT THE Board of Directors of the Bighorn-Desert View Water Agency does hereby direct the Secretary to the Board to deliver a true and correct copy of this Resolution No. 09R-XX to the San Bernardino County Board of Supervisors, County Auditor/Controller, County Tax Assessor, and County Collector.

Judy Corl-Lorono, Board President

I, the undersigned Secretary to the Board of the Bighorn-Desert View Water Agency, do certify that the foregoing is a full, true and correct copy of Resolution No. 09R-XX as adopted by said Board at a Regular Meeting held on June 25, 2009 and has not been rescinded or amended since that date, and that it is now in full force and effect.

Joanne L Keiter, Board Secretary

BIGHORN-DESERT VIEW WTR AGENCY
CHECK REGISTER
MAY 31, 2009

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
9269	05/08/09	GOODSPEED DISTRIBUTING INC UNLEADED FUEL	1,452.63
9270	05/08/09	STEPHANIE BARGHOLZ BALANCE RFND ACCT# 0906155	45.74
9271	05/08/09	AT&T MOBILITY COMMUNICATIONS EXPENSE	254.20
9272	05/08/09	BARR LUMBER CO INC SUPPLIES	52.57
9273	05/08/09	TERRY BURKHART REG MEETING 42809	100.00
9274	05/08/09	BURRTEC WASTE & RECYLING SVCS TRASH FEES, MAY	72.71
9275	05/08/09	CALIFORNIA PUBLIC EMPLOYEE'S PERS CONTRIBUTION PPE 42409	2,893.84
9276	05/08/09	CLINICAL LABORATORY OF BAC-T, PLATE COUNT BAC-T, PLATE COUNT	46.00
9277	05/08/09	JUDY CORL-LORONO REG MEETING 42809	100.00
9278	05/08/09	HI-DESERT STAR CLASSIFIED EMPLOYMENT AD	170.74
9279	05/08/09	INLAND WATER WORKS BLOW OFF REPAIR, PINE RD	60.91
9280	05/08/09	DUANE LISIEWSKI REG MEETING 42809	100.00
9281	05/08/09	MICHAEL MCBRIDE REG MEETING 42809	100.00
9282	05/08/09	PROTECTION ONE SHOP SEC SVC 52609-62509	39.69
9283	05/08/09	SB CO WORKFORCE DEVELOPMENT JOB FAIR	25.00
9284	05/08/09	WARREN NORMAN STRODEL REG MEETING 42809	100.00
9285	05/08/09	UNDERGROUND SERVICE ALERT DIG ALERTS, 13 TICKETS	19.50
9286	05/08/09	VERIZON CALIFORNIA OFFICE PHONES & AUTO CONTROLS 3/21/09-4/17/09	617.30
9287	05/08/09	U.S. DEPT OF THE INTERIOR/BLM BIGHORN SYS R/W RENEWAL	1,040.00
9288	05/15/09	ACWA-HBA SERVICES CORP. ACWA/HEALTH BENEFITS, JUNE	4,447.86
9289	05/15/09	BARR LUMBER CO INC SUPPLIES	12.40
9290	05/15/09	BUCKNAM & ASSOCIATES, INC. GRANT CONSULTING FEES	915.00
9291	05/15/09	CRISTI BUSH PROCEDURE A/R DATABASE	680.00
9292	05/15/09	CINTAS CORPORATION #150 UNIFORM SVC, APRIL	135.50

BIGHORN-DESERT VIEW WTR AGENCY
CHECK REGISTER
MAY 31, 2009

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
9293	05/15/09	CLINICAL LABORATORY OF	
		BAC-T, PLATE COUNT, GEN PHY	103.00
9294	05/15/09	CNH CAPITAL AMERICA LLC	
		NEW HOLLAND BACKHOE LEASE PYMT	1,173.89
9295	05/15/09	FERRELLGAS	
		PROPANE SHOP & OFFICE	332.67
9296	05/15/09	INLAND WATER WORKS	
		INVENTORY	
		INVENTORY	559.14
9297	05/15/09	PERFORMANCE METERS, INC	
		137 METERS, 1" PERF METERS	16,388.64
9298	05/15/09	PITNEY BOWES PURCHASE POWER	
		POSTAGE FOR METER	500.00
9299	05/15/09	SMITH TRAGER LLP	
		LEGAL FEES, TRAGER/FEB	12,378.75
9300	05/19/09	MOJAVE WATER AGENCY	
		MWA PIPELINE DEBT SERVICE	73,198.00
9301	05/19/09	USDA RURAL DEVELOPMENT	
		BH BOND PAYMENT	84,499.99
9302	05/22/09	ANDERTON MICHAEL	
		BALANCE RFND ACCT# 0904592	18.12
9303	05/22/09	DANIEL PIERSON	
		BALANCE RFND ACCT# 0205001	40.07
9304	05/22/09	MARK ANTHONY ANGLETON	
		BALANCE RFND ACCT# 0611507	8.97
9305	05/22/09	SAMUEL JOSEPH CRUM	
		BALANCE RFND ACCT# 3011022	311.42
9306	05/22/09	SHIRLEY BROWN	
		BALANCE RFND ACCT# 3341961	100.00
9307	05/22/09	WAYNE RUTHERFORD	
		BALANCE RFND ACCT# 0301102	67.71
9308	05/22/09	CALIFORNIA PUBLIC EMPLOYEE'S	
		PERS CONTRIBUTION PPE 50809	2,952.68
9309	05/22/09	CLINICAL LABORATORY OF	
		BAC-T, PLATE COUNT	112.00
9310	05/22/09	E & J LOCKSMITH	
		6 KEYS	
		REPAIR/UPGRADE DOOR LOCKS,	
		JEMEZ TRAIL OFFICE	314.78
9311	05/22/09	FIRST BANKCARD	
		CSDA EXP BURKHART/C-LORONO,	
		COMPUTER PERIFERAL, MWA LUNCH	
		MEETINGS	
		RIVERSIDE CO WATER SYMP(2),	
		SOFTWARE	1,376.99
9312	05/22/09	THE HOME DEPOT #6971	
		MISC ITEMS	96.15
9313	05/22/09	INLAND WATER WORKS	
		METER EXCHANGE PROGRAM	
		INVENTORY	420.86
9314	05/22/09	QUILL	
		3 TONERS, BINDERS	346.22
9315	05/22/09	SMITH TRAGER LLP	
		LEGAL FEES, GRESHAM/APR	2,499.20

BIGHORN-DESERT VIEW WTR AGENCY
CHECK REGISTER
MAY 31, 2009

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
9316	05/22/09	STATE WATER RES CONTROL BOARD	
		SWRCB RECORDATION FEES	920.00
9317	05/22/09	UNDERGROUND SERVICE ALERT	
		DIG ALERTS, 23 TICKETS	34.50
9318	05/22/09	USA BLUEBOOK	
		SUPPLIES	232.97
9319	05/29/09	BARR LUMBER CO INC	
		SUPPLIES	24.61
9320	05/29/09	TERRY BURKHART	
		REG MEETING 52609	100.00
9321	05/29/09	CRISTI BUSH	
		AR/AP CONSULTING SVC	768.12
9322	05/29/09	CLINICAL LABORATORY OF	
		BAC-T, PLATE COUNT	86.00
9323	05/29/09	JUDY CORL-LORONO	
		STANDING MEETING 51309	
		REG MEETING 52609	150.00
9324	05/29/09	DATASTREAM BUSINESS SOLUTIONS	
		HP7000 PROG, MAR	570.00
9325	05/29/09	GENEIE'S CLEANING SERVICE	
		CLEANING SVC, MAY	170.00
9326	05/29/09	INLAND WATER WORKS	
		METER REPLACEMENT PROGRAM	1,022.25
9327	05/29/09	KILLER BEE PEST CONTROL	
		BEE REMOVAL, 2 LOCATIONS	180.00
9328	05/29/09	DUANE LISIEWSKI	
		REG MEETING 52609	100.00
9329	05/29/09	MICHAEL MCBRIDE	
		STANDING CMTE 51309	
		REG MEETING 52609	150.00
9330	05/29/09	SOUTHERN CALIFORNIA EDISON	
		POWER EXPENSE, APR	5,581.96
9331	05/29/09	WARREN NORMAN STRODEL	
		REG MEETING 52609	100.00
9332	05/29/09	VERIZON CALIFORNIA	
		AUTO CONTRAOLS 5/13-6/13	44.14
9333	05/29/09	VERIZON CALIFORNIA	
		AUTO CONTROLS 5/13-6/13	44.14
9334	05/29/09	PETTY CASH	
		MISC PETTY CASH	306.89
TOTAL			221,866.42

Prepared By

Date

Reviewed By

GENERAL FUND

ASSETS

CASH & CASH EQUIVALENTS

01 13120	CASH UNION BANK OF CA	56,705.22
01 13130	CASH CASH DRAWERS BASE FUND	750.00
01 13400	CASH PETTY CASH FUND	800.00

TOTAL CASH & CASH EQUIVALENTS		58,255.22

INVESTMENTS

01 13303	CASH LAIF-UNRESTRICTED	360,901.25

TOTAL INVESTMENTS		360,901.25

ACCOUNTS RECEIVABLE, WATER

01 13710	A/R WATER	132,009.77

TOTAL ACCTS RECEIVABLE, WATER		132,009.77

ACCOUNTS RECEIVABLE, OTHER

01 13600	A/R INTEREST EARNINGS	4,072.42
01 13800	A/R PROPERTY TAXES	(39,984.46)

TOTAL ACCTS RECEIVABLE, OTHER		(35,912.04)

INVENTORIES

01 14301	INVENTORY-WATER SYSTEM PARTS	63,023.25
01 14302	INVENTORY-DIESEL FUEL	1,154.87
01 14303	INVENTORY-UNLEADED FUEL	1,033.78

TOTAL INVENTORY		65,211.90

PREPAID EXPENSES

01 14401	PREPAYMENTS WORKERS COMP INSUR	1,137.94
01 14402	PREPAYMENTS PL & PD LIAB INS	3,446.39
01 14403	POSTAGE	6,787.58

TOTAL PREPAID EXPENSES		11,371.91

FIXED ASSETS

01 11130	FA ORGANIZATION	336,271.36
01 11140	FA LAND & BUILDINGS	298,457.41
01 11150	FA YARDS	57,934.48
01 11160	FA FUELS TANKS	16,604.30
01 11170	FA WATER SYSTEM	7,329,612.89
01 11180	FA SHOP EQUIPMENT	99,211.92
01 11181	FA MOBILE EQUIPMENT	424,831.47
01 11190	FA OFFICE EQUIPMENT	139,079.33
01 11400	ACCUMULATED DEPRECIATION	(4,952,830.30)

TOTAL FIXED ASSETS		3,749,172.86

GENERAL FUND

WORK IN PROGRESS (FOR OTHERS)

01 12004	WIP BLUCKER ANNEXATION	111.52
01 12006	WIP FLAMINGO HTS ASSN, SEC35	14,597.53
01 12021	WIP NEMER METER UPGRADE	188.79
01 12024	WIP RIGGS ID MODELLING	3,300.00
01 12026	WIP BLOW OFF REPAIR, PINE RD	584.19

TOTAL WORK IN PROGRESS (OTHERS)		18,782.03

WORK IN PROGRESS (AGENCY)

01 12005	WIP GRANTS CEQA/NEPA	68,659.04
01 12008	WIP GROUNDWATER MGMT PLANNING	112.50
01 12014	WIP PRV 7 INTERTIE	796.55
01 12016	WIP WELL 10 REHAB	81,607.34
01 12017	WIP METER REPLACEMENT PROGRAM	189,166.67
01 12020	WIP FUEL SPILL CLAIM	46,483.47
01 12022	WIP WELL 7	1,199.42
01 12025	WIP WELL 6-SHUT OFF VALVE REPL	572.01

TOTAL WORK IN PROGRESS (AGENCY)		388,597.00

DEBT ISSUANCE COST

01 15400	BOND ISSUE COSTS	4,022.49

TOTAL DEBT ISSUANCE COST		4,022.49

TOTAL ASSETS 4,752,412.39
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LIABILITIES

ACCOUNTS PAYABLE

01 22400	CAPITAL LEASE	17,607.70
01 22520	ACCRUED INTEREST PAYABLE	3,750.00
01 22700	ACCOUNTS PAYABLE	7,938.24

TOTAL ACCOUNTS PAYABLE		29,295.94

ACCRUED PAYROLL

TOTAL ACCRUED PAYROLL 0.00

CUSTOMER DEPOSITS

01 22550	CUSTOMER DEPOSITS PENDING	850.00
01 22600	CUSTOMER DEPOSITS	51,324.00

TOTAL CUSTOMER DEPOSITS		52,174.00

WORK IN PROGRESS DEPOSIT

01 23004	WIP-DEP-BLUCKER ANNEXATION	7,500.00
01 23006	WIP DEP-FLAMINGO HTS ASSN S35	7,500.00
01 23020	WIP-DEP-FUEL SPILL CLAIM	43,556.25

GENERAL FUND

01 23024	WIP DEP-RIGGS ID MODELLING	3,645.00
01 23027	WIP-DEP-NATZEL METER UPGRADE	250.00

TOTAL WORK IN PROGRESS DEPOSIT		62,451.25

LIAB PYBL FRM RESTRICTD ASSETS

01 22950	ACCRUED INT PAYABLE DV ID BNDS	4,487.21
01 22951	ACCRUED BONDS PAYABLE DV ID	2,000.00

TOTAL LIAB PYBL FRM REST ASSET		6,487.21

LONG TERM DEBT

01 21101	REVENUE BONDS PAYABLE - DV	335,977.05
01 22300	REVENUE BONDS PAYABLE - BH	838,000.00

TOTAL LONG TERM DEBT		1,173,977.05

TOTAL LIABILITIES 1,324,385.45

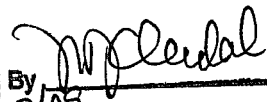

EQUITY

01 30109	CONTRIBUTED CAPITAL/HUD	291,035.88
01 30111	FMHA GRANTS	758,297.76
01 31000	FUND BALANCE	1,785,703.09
01 31001	FUND BALANCE FEMA & OES	427,895.00
01 31111	CURR YEAR NET REVENUE/EXPENSE	165,095.21

TOTAL EQUITY 3,428,026.94

TOTAL LIABILITIES & EQUITY 4,752,412.39

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Prepared By 
Date 6/12/09
Reviewed By 

PERIOD ENDING 05/31/09

GENERAL FUND

		BUDGET	REV OR EXP THIS MONTH	REV OR EXP YEAR TO DATE	AVAILABLE	YTD % OF BUDGET
		-----	-----	-----	-----	-----
REVENUE						

OPERATING REVENUE						
01 41000	SERVICE LINE INSTALLATION FEES	4,500.00	0.00	4,920.00	-420.00	109.33%
01 41001	BASIC FACILITIES CHARGE	9,500.00	0.00	9,500.00	0.00	100.00%
01 41100	INCOME METERED WATER	459,500.00	38,702.01	435,344.39	24,155.61	94.74%
01 41200	INCOME AVAILABILITY/STANDBY	0.00	0.00	0.00	0.00	0.00%
01 41300	BASIC SERVICE CHARGE	508,530.00	49,890.68	442,416.56	66,113.44	87.00%
01 41500	INCOME CONNECT/FACILITY CHARGE	0.00	0.00	0.00	0.00	0.00%
01 41600	INCOME REVENUE BONDS DV FMHA	43,189.00	-90.67	39,307.07	3,881.93	91.01%
01 41700	INCOME OTHER (OPERATING)	21,600.00	2,559.12	23,140.39	-1,540.39	107.13%
01 41800	WATER SYSTEM IMPROVEMENT JOBS	0.00	0.00	0.00	0.00	0.00%
01 41900	INTERBASIN WATER TRANSFER	0.00	0.00	0.00	0.00	0.00%
		-----	-----	-----	-----	-----
	TOTAL OPERATING REVENUE	1,046,819.00	91,061.14	954,628.41	92,190.59	91.19%
NON-OPERATING REVENUE						
01 49100	INCOME GEN TAX ID A 1% BH GA02	49,565.00	2,237.65	42,571.51	6,993.49	85.89%
01 49101	INCOME BOND DEBT BH FMHA DA01	106,315.00	6,064.02	76,622.47	29,692.53	72.07%
01 49102	INCOME GENERAL TAX 1% DV GA01	48,847.00	2,259.41	42,674.32	6,172.68	87.36%
01 49200	INTEREST INCOME	18,500.00	0.00	11,609.28	6,890.72	62.75%
01 49201	INTEREST INCOME BOND FUNDS	0.00	0.00	0.00	0.00	0.00%
01 49400	MWA PIPELINE SURCHARGE	0.00	0.00	0.00	0.00	0.00%
01 49401	MWA PIPELINE OMP&R	0.00	0.00	0.00	0.00	0.00%
01 49500	ID B DEBT SERVICE	0.00	0.00	0.00	0.00	0.00%
01 49600	INCOME OTHER (NON OPERATING)	1,000.00	0.00	233.10	766.90	23.31%
01 49601	INCOME-CONT CAPTL WIP(NONOPER)	0.00	0.00	335.32	0.00	0.00%
01 49999	FEDERAL/STATE GRANTS FEMA/OES	0.00	0.00	41,018.93	0.00	0.00%
		-----	-----	-----	-----	-----
	TOTAL NON-OPERATING REVENUE	224,227.00	10,561.08	215,064.93	9,162.07	95.91%
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	TOTAL REVENUE	1,271,046.00	101,622.22	1,169,693.34	101,352.66	92.03%

EXPENSE

OPERATING EXPENSE

01 54102	OPERATIONS COMPENSATION	185,853.00	14,862.03	169,612.08	16,240.92	91.26%
01 54103	UNIFORMS	2,675.00	168.03	1,386.40	1,288.60	51.83%
01 54105	AUTO CONTROLS	4,500.00	353.12	3,679.37	820.63	81.76%
01 54106	VEHICLE/TRACTOR/EQUIP EXPENSE	9,000.00	0.00	7,000.87	1,999.13	77.79%
01 54107	VEHICLE EXPENSE - FUEL	27,000.00	1,009.30	19,620.19	7,379.81	72.67%
01 54109	FIELD MATERIALS & SUPPLIES	45,000.00	817.92	19,838.50	25,161.50	44.09%
01 54111	WATER TESTING	10,000.00	347.00	6,330.00	3,670.00	63.30%
01 54112	CONTRACTUAL SERV- ENGINEERING	5,000.00	0.00	0.00	5,000.00	0.00%
01 54114	WATER SYSTEM REPAIRS	12,000.00	0.00	3,396.86	8,603.14	28.31%
01 54115	BUILDING MAINTENANCE/REPAIR	4,750.00	660.80	6,185.82	-1,435.82	130.23%

STATEMENT OF REVENUE AND EXPENSE
PERIOD ENDING 05/31/09


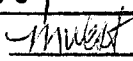
GENERAL FUND

		BUDGET	REV OR EXP THIS MONTH	REV OR EXP YEAR TO DATE	AVAILABLE	YTD % OF BUDGET
		-----	-----	-----	-----	-----
01 54117	AMES BASIN MONITORING	3,000.00	0.00	0.00	3,000.00	0.00%
01 54119	COMMUNICATIONS EXPENSE	3,200.00	254.20	2,405.75	794.25	75.18%
01 54121	DISINFECTION EXPENSE	6,500.00	22.50	3,554.88	2,945.12	54.69%
01 54125	POWER WELLS & PUMPS	60,000.00	5,125.06	47,875.06	12,124.94	79.79%
01 54130	OTHER OPERATIONS EXPENSES	12,500.00	2,140.00	14,069.74	-1,569.74	112.56%
01 54150	PAYROLL LABOR TO PROJECTS	0.00	-5,036.61	-18,796.27	0.00	0.00%
01 54160	VEH & EQUIP EXPENSE TO PROJECT	0.00	-3,145.13	-11,888.74	0.00	0.00%
01 54170	INVENTORY EXP TO WIP PROJECTS	0.00	-32,990.74	-91,358.03	0.00	0.00%
01 56001	DIRECTOR FEES	10,000.00	1,100.00	8,350.00	1,650.00	83.50%
01 56002	DIRECTOR MEETING EXPENSES	10,000.00	1,038.40	3,733.99	6,266.01	37.34%
01 56003	ADMINISTRATIVE COMPENSATION	212,550.00	13,503.10	164,868.01	47,681.99	77.57%
01 56005	ADMINISTRATIVE MEETING EXPENSE	1,000.00	18.60	805.55	194.45	80.56%
01 56006	CONTRACTUAL SERV-AUDITOR	9,500.00	0.00	9,345.00	155.00	98.37%
01 56007	CONTRACTUAL SERV-LEGAL	70,000.00	14,877.95	52,397.65	17,602.35	74.85%
01 56008	PERS CONTRIBUTION	33,600.00	1,257.15	26,856.74	6,743.26	79.93%
01 56009	PAYROLL TAXES	8,800.00	575.52	9,402.43	-602.43	106.85%
01 56011	TELEPHONE/FAX/INTERNET/WEB	6,250.00	412.45	5,602.61	647.39	89.64%
01 56012	MAILING EXPENSES	7,500.00	409.96	6,559.75	940.25	87.46%
01 56014	CONTRACTUAL SERV-OTHER	25,100.00	3,250.11	60,318.59	-35,218.59	240.31%
01 56016	PROPERTY/LIABILITY EXPENSE	38,000.00	2,946.38	32,410.18	5,589.82	85.29%
01 56017	WORKERS COMP INSURANCE	12,500.00	1,138.00	20,323.36	-7,823.36	162.59%
01 56018	DUES & SUBSCRIPTIONS	6,500.00	54.00	6,775.50	-275.50	104.24%
01 56020	POWER OFFICES & YARDS	7,000.00	456.90	4,558.97	2,441.03	65.13%
01 56022	BAD DEBT EXPENSE	6,000.00	0.00	-6.50	6,006.50	-.11%
01 56025	PROPANE	1,750.00	332.67	1,132.56	617.44	64.72%
01 56026	ASSESSMENT EXPENSE	0.00	0.00	0.00	0.00	0.00%
01 56030	OFFICE SUPPLIES	7,500.00	346.22	2,618.01	4,881.99	34.91%
01 56100	EMPLOYEE BENEFITS INSURANCE	63,358.00	4,097.94	63,245.21	112.79	99.82%
01 56110	EMPLOYEE EDUCATION	6,000.00	0.00	4,007.00	1,993.00	66.78%
01 56120	GROUNDWATER MGMT PLANNING EXP	0.00	0.00	19,018.04	0.00	0.00%
01 56121	NEMER METER UPGRADE EXP	0.00	0.00	335.32	0.00	0.00%
01 56122	RIGGS ID MODELLING EXP	0.00	0.00	0.00	0.00	0.00%
01 56150	PAYROLL FRINGE EXP TO PROJECTS	0.00	-1,813.18	-6,766.66	0.00	0.00%
01 56160	OVERHEAD TO PROJECTS	0.00	-5,158.28	-15,658.35	0.00	0.00%
		-----	-----	-----	-----	-----
	TOTAL OPERATING EXPENSE	933,886.00	23,431.37	663,145.44	270,740.56	71.01%
NON-OPERATING EXPENSE						
01 56200	OFFICE EQUIPMENT EXPENSE	6,000.00	278.32	2,339.10	3,660.90	38.99%
01 56300	CUSTOMER RELATIONS	1,000.00	84.52	711.68	288.32	71.17%
01 56400	OTHER ADMINISTRATIVE EXPENSES	4,000.00	310.13	2,096.27	1,903.73	52.41%
01 57000	INTEREST EXPENSE - BH BONDS	0.00	22,499.99	44,999.98	0.00	0.00%
01 57100	DEPRECIATION EXPENSE	0.00	18,140.80	200,158.82	0.00	0.00%
01 57110	AMORTIZATION	0.00	0.00	0.00	0.00	0.00%
01 57350	MWA PIPELINE DEBT	0.00	73,198.00	73,198.00	0.00	0.00%
01 57360	MWA PIPELINE FIXED OMP & R	0.00	0.00	0.00	0.00	0.00%
01 58100	ELECTION COSTS	0.00	0.00	0.00	0.00	0.00%
01 58200	EMPLOYEE SOC SEC REFUND	0.00	0.00	0.00	0.00	0.00%
01 59100	INTEREST EXPENSE - DV BONDS	0.00	0.00	17,948.84	0.00	0.00%

STATEMENT OF REVENUE AND EXPENSE
PERIOD ENDING 05/31/09



GENERAL FUND

	BUDGET	REV OR EXP THIS MONTH	REV OR EXP YEAR TO DATE	AVAILABLE	YTD % OF BUDGET
01 59400 GAIN (LOSS) ASSET DISPOSAL	0.00	0.00	0.00	0.00	0.00%
TOTAL NON-OPERATING EXPENSE	11,000.00	114,511.76	341,452.69	-330,452.69	3104.12%
TOTAL EXPENSE	944,886.00	137,943.13	1,004,598.13	-59,712.13	106.32%
NET REV/EXP GENERAL FUND	326,160.00	-36,320.91	165,095.21	161,064.79	50.62%
	=====	=====	=====	=====	=====

Prepared By 
Date 6/12/09
Reviewed By 

**UNION BANK OF CALIFORNIA
DISBURSEMENTS MAY 2009**

Datastream Check Register	<u>221,866.42</u>	<u>221,866.42</u>
EFT for Vendor Services		
Payroll Processing Fee	260.22	
Bank Fees	176.71	
Credit Card Fees	582.06	
Internet Access Fee	<u>59.99</u>	
Total EFT for Vendor Services		<u>1,078.98</u>
Wages for Paydate 05/08/09		
Wages EFT	4,054.91	
Employee Tax Withholdings	1,478.23	
Employer Tax Expenses	278.76	
Wages check #1932-1939	<u>6,061.26</u>	
		<u>11,873.16</u>
Wages for Paydate 05/22/09		
Wages EFT	4,146.70	
Employee Tax Withholdings	1,516.01	
Employer Tax Expenses	296.76	
Wages check #1940-1946	<u>6,156.73</u>	
		<u>12,116.20</u>
Transfers to LAIF	<u>-</u>	<u>-</u>
Total Disbursements		<u><u>246,934.76</u></u>

Prepared By 
Date 6/12/09
Reviewed By 

GENERAL ACCOUNT (UNION BANK)

May-09

SOURCES OF FUNDS:

SERVICE LINE INSTALLATION FEES	0.00
BASIC FACILITIES CHARGE	0.00
A/R - WATER	89,025.06
MISCELLANEOUS REVENUE	567.73
1% GENERAL TAX	4,497.06
BIGHORN ADVALOREM TAX	6,064.02
WITHDRAW FROM LAIF	158000.00
CUSTOMER DEPOSITS	<u>1,100.00</u>
 TOTAL	 <u><u>259,253.87</u></u>

USE OF FUNDS:

DEBT SERVICE	157,697.99
CAPITAL PURCHASES	18,187.90
CAPITAL LEASE	1,173.89
INVENTORY PURCHASES	2,406.53
PREPAYMENTS - INSURANCE & POSTAGE	500.00
PAYMENTS FOR SALARIES & WAGES	23,989.36
ADMINISTRATIVE EXPENSE	32,882.30
OPERATIONS EXPENSES	9,504.76
TRANSFERS TO INCREASE LAIF	0.00
MISCELLANEOUS & CUSTOMER REFUNDS	<u>592.03</u>
 TOTAL	 <u><u>246,934.76</u></u>

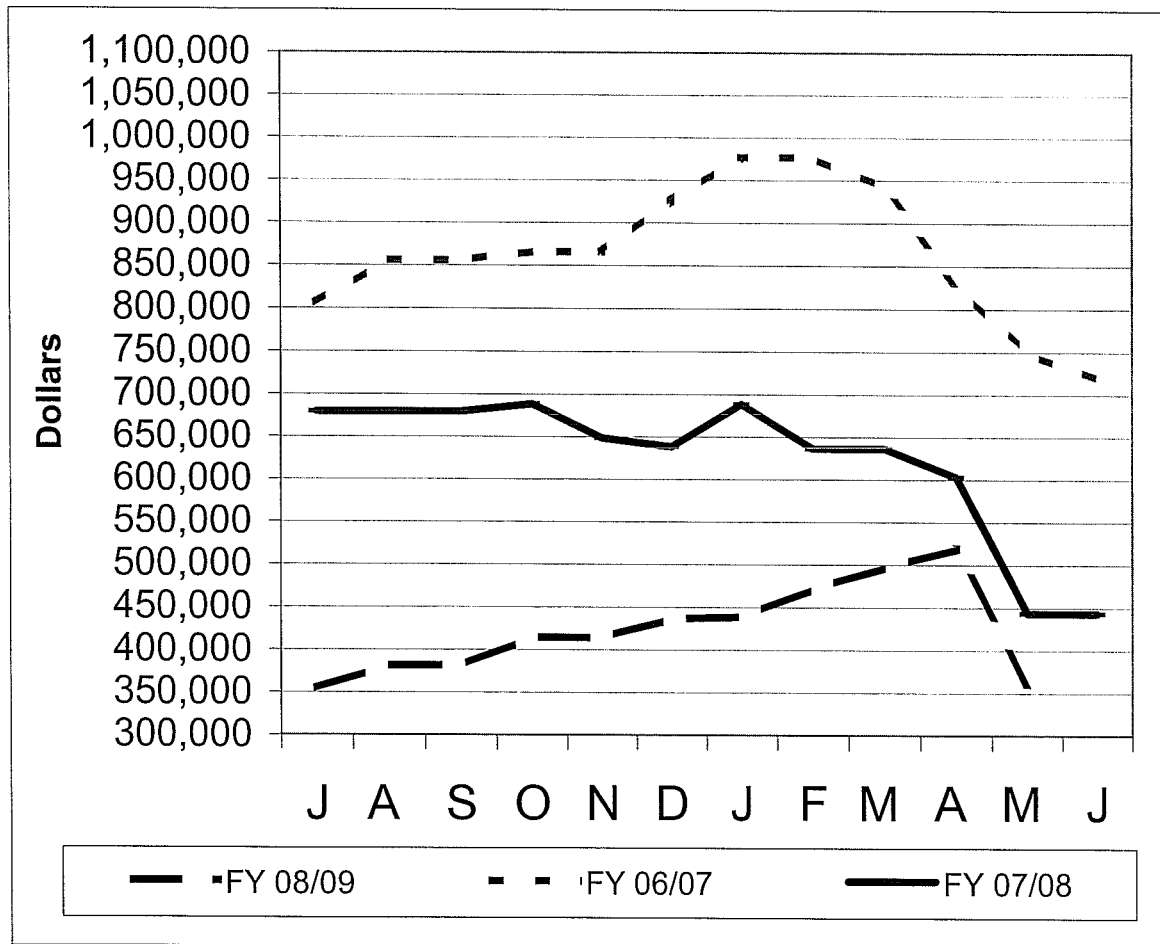
Prepared By 

Date 6/12/09

Reviewed By 

Local Agency Investment Fund Balance Timeline
Balance as of May 31, 2009

	FY 06/07	FY 07/08	FY 08/09
July	805,315	679,189	354,364
August	855,315	679,189	381,364
September	855,315	679,189	381,364
October	865,621	688,186	414,076
November	865,621	648,186	414,076
December	925,621	638,186	436,076
January	976,800	688,186	438,737
February	976,800	636,402	471,737
March	941,800	636,402	496,737
April	829,004	603,292	518,901
May	749,004	443,292	360,901
June	719,004	443,292	



Prepared By *[Signature]*
 Date 6/12/09
 Reviewed By *[Signature]*



BIGHORN-DESERT VIEW WATER AGENCY

BOARD OF DIRECTORS' REGULAR MEETING MINUTES

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

April 28, 2009
TUESDAY
6:00 P.M.

- **CALL TO ORDER**

Meeting convened by Board President Corl-Lorono at 6:00 P.M.

- **PLEDGE OF ALLEGIANCE**

Led by Randy West

- **ROLL CALL**

Directors Present: Judy Corl-Lorono, President
Michael McBride, Vice President
Terry Burkhardt, Director
Duane Lisiewski, Director
Warren Strodel, Director

Staff Present: Marina West, General Manager
Michelle Corbin, "Interim" Board Secretary

Public Present Approximately 10 People

- **APPROVAL OF THE AGENDA**

Director Burkhardt made a motion to approve agenda w/removal of item 6c and 6d, as requested by Director Lisiewski, seconded by Director Strodel, 5 ayes, motion carried

1. **PUBLIC PARTICIPATION-** Any person may address the Board on any matter within the District's jurisdiction on items not appearing on this agenda.
Director Corl-Lorono delivered her statement of Board Room procedure. Following the presentation made by the Agency's risk manager and general counsel at the special meeting held on March 18, I have decided that we will proceed in the following way:
 1. We will not take questions from the public during staff presentations. Public comment will occur after staff presentations are complete.
 2. We will no longer allow the public to raise additional questions once public comment is closed. That is the time for deliberation by the Board.
 3. Each member of the public will be allowed one comment per item on the agenda, lasting no more than three minutes.
 4. All Directors and employees of the Agency will be referred to by their title or their last name. "She/her/him or he" is not acceptable.
 5. No one may use obscenities during public comment. Anyone using an obscenity will be told to sit down immediately. Repeated used of obscenities during a meeting may lead to the person being requested to leave the meeting.

6. No one may make threats. Anyone making a threat of any kind will be told to leave the meeting immediately. If the Board perceives that the threat is serious, the Board may refer the threat to the police department for further action.
7. Members of the public will conduct themselves with decorum at all times. Cell phones should be off or set to vibrate only. All conversations should take place outside of the meeting room. Whispering, snickering, and other rude conduct will lead the individual being asked to leave the meeting.
8. Directors will discuss the matter pending on the agenda only. Director comments and questions should be made with the intent of moving the matter being considered toward resolution. Directors are expected to treat each other and staff with respect.

Director Lisiewski requested a copy of her letter she was reading from. Director Corl-Lorono stated that this was her opening statement. Lisiewski said that her statement should be in the packet and that she has made it part of the packet. He accused her of "ruling on things". Corl-Lorono said that this was advice from the attorney. Director McBride commented that Corl-Lorono was simply stating that we should be kind to one another. Corl-Lorono stated that she would provide all Directors with a copy of her statement.

Martha Oswalt read her public comment which consisted of a story about "Green Eggs and Ham". She compared the story to her dentist, Dr. Green who had recently passed away.

2. DISCUSSION AND ACTION ITEMS- The following items will be discussed by the Board of Directors and Staff, and the Board will consider taking action, if so inclined.

- a. **RESOLUTION 09R-XX RESOLUTION OF THE BOARD OF DIRECTORS OF BIGHORN DESERT VIEW WATER AGENCY APPOINTING A BOARD SECRETARY** – Board to consider appointing Michelle Corbin as "interim" Board Secretary of the Agency.

Director McBride made a motion to approve the resolution, seconded by Director Burkhart, 5 ayes, motion carried.

- b. **MAYER HOFFMAN MCCANN P.C. AUDIT CONTRACT** – Board to review and authorize staff to enter into Agreement between Bighorn-Desert View Water Agency and Mayer Hoffman McCann P.C. for audit services for a three year period beginning with Fiscal Year end June 30, 2009 at a cost of \$28,000 in year one.

For presentation and questions, Ken Al-Imam, with Mayer Hoffman McCann P.C. attended via phone. He presented his vision on how Bighorn-Desert View Water Agency would benefit by using their services. Director Lisiewski asked General Manager, West if she had informed the current auditor that we were canceling their services? Ms. West stated that she had not as the board needed to be involved first. Lisiewski responded by stating that he was under the impression the agency was currently under a three year contract w/ Messner & Hadley, LLP. He stated a motion was passed by the board January 23, 2007 with 5 ayes. The motion had something to do with a three year contract. Mr. Al-Imam responded that with audit companies, the client almost always carries the option to quit the service each year. Ms. West confirmed there were no documents stipulating to such.

McBride asked Mr. Al-Imam to reiterate what the "supportive style of service" includes. Mr. Al-Imam responded that the agency would have unlimited telephone support w/ no extra costs, training for the staff, procedure monitoring and feedback. Director McBride stated that he had checked with the Big Bear Water Agency and found that they have an 8 or 9 year relationship with this audit company and that

they were very pleased with the services. He also said that he felt this company would compliment our agency where we had weaknesses.

Director McBride stated that Mayer Hoffman McCann is exactly what we need.

A lengthy discussion continued between Mr. Al-Imam and the board. Questions such as the cost of the audit (28k per year) and what the agency would receive for this price were discussed.

The conference call with Mr. Al-Imam ended. The board continued to speak amongst themselves about the benefits of this decision. Mojave Water Agency had already done extensive research in hiring Mayer Hoffman McCann PC to execute their upcoming audit. It was through a competitive bid under strict RFP guidelines with qualified review and recommendation that MWA chose Mayer Hoffman McCann to begin audit services this year.

MSC Burkhart/McBride 5 ayes, motion carried.

- c. **REGIONAL LEGISLATIVE ALLIANCE PRESENTATION BY MIKE STEVENS OF MOJAVE WATER AGENCY** – Board to receive presentation and consider joining Regional Legislative Alliance. – Cancelled, to later meeting date.
- d. **SPECIAL DISTRICTS SELECTION COMMITTEE ELECTION FOR LOCAL AGENCY FORMATION COMMISISON (LAFCO) ALTERNATE SPECIAL DISTRICTS MEMBER** – Board to review nominees and consider casting a ballot for the LAFCO Alternate Special Districts Member seat.

Mr. Bob Smith gave a presentation. He is one of the people running for the LAFCO Alternate Special Districts Member seat. After a brief Q and A session between Mr. Smith and the board it was decided that the board would endorse him.

Director McBride made the motion to vote for Mr. Bob Smith. Director Burkhart seconded the motion. A roll all vote was called.

Director Strodel Yes

Director Burkhart Yes

Director Corl-Lorono Yes

Director Lisiewski Yes

Director McBride Yes

Motion carried.

Recess: 6:59 P.M. to 7:10 P.M.

- e. **FY2009/2010 BUDGET REVIEW** – Board to receive presentation regarding FY2009/2010 revenue and expense projections. Information and discussion only.

Ms. West began by stating that if it had not been made clear in the past, it should be noted once again that she had inherited many of the financial issues we are dealing with today. She said she is working hard on the balance sheets and is continuing to work towards “cleaning things up”. What was done in the past cannot be untied quickly. She asked if perhaps the existing spread sheets could be improved for public understanding.

She stated that she exposed the deficit issue immediately after it was discovered.

Ms. West then went on to state how the agency has now worked through two cycles of billing for both the Bighorn and Desert View inactive meters. We now have 95 customers paying on the Desert View side and 129 customers paying on the Bighorn side. These accounts were allowed to go into a closed inactive state sometime in the past. Ms. West estimates that overall income may bring approx. \$60k of additional revenue this year.

Ms. West also stated that with regards to the Meter Replacement Program, the Desert View side was now complete. She expects the Bighorn side to be completed by August. The results of this program will not be entirely seen until the next fiscal year.

On the expense side of things, West stated that there is no justification for an employee cost of living increase. She did bring up the cost of an auditor, upcoming election costs, and legal fees. She stated that she expected legal fees to increase due to the Pioneertown/ Ames Agreement issues.

The board asked if the federal government would mandate equipment replacement. They also asked if the meter replacement program was showing an increase in water usage. Ms. West responded by stating that we are receiving phone calls from customers who are experiencing higher water bills and the only explanation is that the meter is now properly reading their usage.

Director Lisiewski asked about the increased attorney budget from \$70k. Ms. West cautioned the Board of Directors that the agency may have to go to court with regards to the Ames Agreement and the Pioneertown water issue for review. Lisiewski asked about the conjunctive use project. West responded that she was speaking about the Ames Recharge Project. Lisiewski responded by saying "no". McBride asked what he meant by "no", and with concurrence with Director McBride both agreed that the Pioneertown project looked like a water grab.

Director Lisiewski brought up his concerns about Well No. 4 that has been down for some time. The last general manager budgeted the repair and said it would be fixed. Ms. West stated that a reservoir refurbishing company is scheduled to speak on May 13, 2009.

- f. AUTHORIZE ATTENDANCE AT SPECIAL DISTRICTS LEADERSHIP ACADEMY TRAINING** – Board to consider authorizing Director attendance to Special Districts Leadership Academy Module 3: Board's Role in Finance and Fiscal Accountability, May 29th in Sacramento, CA at a cost of approximately \$1,200 per director.

Director McBride opened up comment by stating no, he did not think it was a good idea. He wondered if we could wait until this seminar comes down to Palm Springs and he can't see sending someone up north for one day. Director Burkhart stated that this seminar would not happen anytime soon and that with the budget coming up she feels she would benefit from what will be covered.

Director L agreed with McBride. With the election coming up why spend this kind of money. He stated that four members of the Board will have to be reelected. He agreed that education was fine but this is not a class we have to go to. He feels it is frugal to be spending this money. Director Corl-Lorono responded that she did not agree with Lisiewski, that this money has been budgeted. McBride asked how many Directors wanted to go. Corl-Lorono stated that she and Director Burkhart were up for Module 3. West stated that this was a cost estimate and that we can't shop prices until it is approved. This is the not to exceed value.

Public Comment:

Gary Lindt spoke that he feels we should get out of the red first.

Martha Oswalt stated that she is 99% sure “you two” won’t get reelected. Ms. Kay suggested that our Directors buy a video on the subject, stay home and watch it together.

MSC Burkhardt/McBride

Roll Call Vote:

Director Stodel	Yes
Director Burkhardt	Yes
Director Corl-Lorono	Yes
Director Lisiewski	No
Director McBride	No

- g. AUTHORIZE ATTENDANCE AT THE RIVERSIDE COUNTY WATER SYMPOSIUM**
– Board to consider authorizing Director attendance to the Riverside County Water Symposium on May 28th in Palm Springs, CA at a cost of \$235 per director.

GM West began by stating that she feels Director Strodel would benefit from this Symposium. She said that she selected this with him in mind. McBride suggested that we take the money out of his budget to cover Director Strodel if needed. West stated that was not necessary.

MSC Burkhardt/McBride 4/1 Director Lisiewski voting no.

3. CLOSED SESSION – 8:06 PM to 10:00 PM

PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Government Code section 54957(b)(1)) Title: General Manager

4. CLOSED SESSION REPORT

Director Corl-Lorono stated that General Manager, Marina West had met or exceeded workshop goals. She also stated that “we were never kept this informed” before. Director Burkhardt made a motion to increase Ms. West’s salary by 4% MSC Burkhardt/Strodel

Roll Call Vote

Director Strodel	Yes
Director Burkhardt	Yes
Director Corl-Lorono	Yes
Director Lisiewski	No
Director McBride	Yes

General Manager, Marina West declined the raise.

5. DISBURSEMENTS MARCH 2009

Director Lisiewski asked why check #1691 was written out for Don Bartz. Ms. West explained how Don returned an old uncashed paycheck so it was voided. Upon reviewing his claim, it was discovered that his vacation accrued check was paid through accounts payable and never taxed for the Federal or State. The agency deducted what was needed to pay the taxes and Mr. Bartz was given the difference in check #1691.

Director Lisiewski also asked about checks that were related to the fuel spill. Ms. West went over the deposit reimbursement under the WIP account and stated SDRMA paid BDVWA for the claim. BDVWA was responsible for paying all vendors.
MSC Burkhart/McBride 5 Ayes

6. CONSENT ITEMS-The following items are expected to be routine and non-controversial and will be acted on by the Board at one time without discussion, unless a member of the Public or member of the Board requests that an item be held for discussion or further action.

- a. Minutes of the February 24, 2009 Regular Meeting
- b. Minutes of the February 28, 2009 Workshop
- c. ~~Minutes of the March 18, 2009 Special Meeting—To be distributed at the meeting~~
- d. ~~Minutes of the March 24, 2009 Regular Meeting—To be distributed at the meeting~~
- e. Financial Statements March 2009
- f. Consumption & Billing Comparison Report March 2009
- g. Production Report March 2009
- h. Service Order Report March 2009
- i. Policy Statement No. 09P-02 A Statement Establishing An Agency Meeting Agenda Preparation Policy – Approve renumbering of Policy to correct typos on Policy No. 09P-01, thereby rescinding all previous Policy Nos. related to Statement(s) Establishing An Agency Meeting Agenda Preparation Policy.

MSC Burkhart/Strodel to approve consent calendar with the removal of 6c, 6d and 6e.
5 ayes, motion carried.

7. MATTERS REMOVED FROM CONSENT ITEMS-

Director Lisiewski asked about the balance sheet on page two, work in progress, item 01-12011. West stated that this was approved by the Board in approx late 2007 and the board had stipulated that it not exceed \$89k. The job has not been closed and has accrued the balance of that job at \$102,588.17. This is part of fixing the balance sheets. She went on to say that of that amount of money the full amount has not been spent this fiscal year, it has been carried over from prior fiscal years. This is what throws off the balance sheets.

MSC Burkhart/Corl-Lorono 5 ayes

- 8. CONSENT ITEMS RECOMMENDED FOR APPROVAL AT THE FINANCE/PUBLIC RELATIONS & EDUCATION/PERSONNEL COMMITTEE MEETING-** No April 2009 meeting held.
- 9. CONSENT ITEMS RECOMMENDED FOR APPROVAL AT THE PLANNING & ENGINEERING/LEGISLATIVE/GRANT/SECURITY COMMITTEE MEETING-** No April 2009 meeting held.

10. PROJECT STATUS REPORT

Ms. West stated that there was 152 meter installed in April, 2009.

11. DIRECTORS' REPORTS/COMMENTS

Director Burkhart mentioned her trip to the Mojave Water Agency. She listened that day to State and Federal lobbyist.

Director Lisiewski brought out a letter dated December 3, 2008. He said it was from the District Attorney Office. He said he would provide the board and the agency with a copy.

Director Lisiewski also asked why the local newspaper was not publishing our meetings. He also asked if we were advertising in the newspaper for the board secretary position. Ms. West stated that we have had some response. Director McBride stated that she should look into Cal Jobs.

12. GENERAL MANAGER'S REPORT (ORAL)

Ms. West requested that the agency become a member of the Morongo Basin Open Space Group. It is a group ran by the Sonoran Institute, Joshua Tree National Park and attended by other entities that attend are cities like Yucca Valley and 29 palms. All these people come together to discuss goals and objectives for preserving wildlife corridors.

13. COMMUNICATION AND INFORMATION ITEMS

Director McBride requested that Ms. West contact the DA office and find out why we did not receive the same letter Director Lisiewski has.

14. ITEMS FOR NEXT AGENDA

Directors requested the minutes dismissed this meeting and the new employee handbook changes.

15. ADJOURNMENT

Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Bighorn-Desert View Water Agency office at 622 S. Jemez Tr., Yucca Valley, CA during normal business hours.



BIGHORN-DESERT VIEW WATER AGENCY

FINANCE/PUBLIC RELATIONS & EDUCATION/ PERSONNEL COMMITTEE MEETING WITH BOARD OF DIRECTORS* MINUTES

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

**May 13, 2009
WEDNESDAY
4:00 P.M.**

*The BDVWA Finance/Public Relations & Education/Personnel Committee meeting is noticed as a joint meeting with the Board of Directors for the purpose of strict compliance with the Brown Act. Members of the Board who are not assigned to the Finance/Public Relations & Education/Personnel Committee will participate as observers at the meeting.

- **CALL TO ORDER**

Meeting convened by Vice President McBride at 4:00 p.m.

- **PLEDGE OF ALLEGIANCE**

Led by Mr. Burkhart

- **ROLL CALL**

Directors Present: Judy Corl-Lorono, President

Mike McBride, Vice President

Staff Present: Marina West, General Manager

Michelle Corbin, "Interim" Board Secretary

- **APPROVAL OF THE AGENDA**

Director Corl-Lorono and McBride accepted the agenda.

1. **PUBLIC PARTICIPATION-** Any person may address the Committee on any matter within the District's jurisdiction on items not appearing on this agenda.

Terry Burkhart stated that she is here today as a private citizen.

2. **EMPLOYEE HANDBOOK UPDATE-** Committee to review proposed changes to the Employee Handbook with Agency attorney and staff.

For presentation and questions, labor and employment attorney, Brad Neufeld attended via phone. Mr. Neufeld recommended that we have our own harassment policy which will resolve any issues internally. Changes were also made to the "At Will Employment". He described the "Skelly Procedure" and how it differed from "At Will Employment". He stated that employees hired after December 20, 2005 are to be considered an "At Will" employee. McBride stated that he did not like our having two types of employees, those that fall under the "Skelly Procedure" and "At Will Employment". McBride is looking for absolute fairness.

Mr. Neufeld went over the drug testing procedures. He stated that employees in "safety sensitive" positions will be the only pre-employment candidates tested.

3. RESERVOIR MAINTENANCE CONTRACT OVERVIEW- Committee to receive reservoir inspection report and service contract options available from Utility Services Co.

John Hake of Utility Services gave a presentation. His company offers steel water storage tanks maintenance programs. He began with an introduction of his company, Utility Services Company founded in 1963. They have grown to offer 6,000 maintenance programs with over 130 crews. They are the largest purchaser of water tank coatings in the United States. Their company serves on multiple committees of the American Water Works Association.

There programs are focused on achieving compliance conditions. Compliance meaning, the DWWA D-100, D-102 and D-652. He also mentioned the 3442 House of Representative Resolution which covers risk assessment and bioterrorism.

He stated that our tanks were inspected by his company in 2003 and again a few months ago. In 2003 our agency thought that we could maintain our own tanks ourselves, by agency employees, but he said that we only made the problem worse than if nothing had been done at all. Photograph show that the coatings on these tanks have failed. One example is B-1 (which is the same case with many of our four tanks). He discussed various safely and seismic issues with the tanks.

Recess: 5:25 P.M. to 5:45 P.M,

General Manager began by stating the first thing we need to do is to look at the preliminary draft budget at the May 26 meeting. We may then want to talk about our priorities for refurbishment projects like tank maintenance. The presentation concluded.

4. FISCAL YEAR 2009/2010 BUDGET OVERVIEW – Committee to receive and discuss status report on FY2009/2010 budget.

General Manager, West gave a presentation of the 2009/2010 projected draft budget. In brief she went over the increases in administration expenses.

Regarding the 1% revenue we received from property taxes. Property values are going down. After consulting a number of different agencies and the County Assessor, GM West decided on a 15% calculation in reduction.

- 5. LEVY AND COLLECTION OF TAXES WITHIN IMPROVEMENT DISTRICT NO 1 FOR FISCAL YEAR 2008/2009-** Committee to review and discuss background for the levy and collection of the taxes within the Improvement District No. 1 for Fiscal Year 2009/2010 and make a recommendation to the full Board as to the appropriate assessed valuation.

The Bighorn-Desert View Water Agency has three bonds that we pay on. The first one is the Mojave Water Agency. It is our portion of the pipeline debt in relation to our capacity. All the landowners in improvement district are taxed to fund 70% of the debt. The other 30 % is paid by the participants whom we are one. Our share is about 9% or \$72K. We collect this in the basic service charge.

Desert View is not a property related debt. It's a debt shared by only those that have meters. Inactive meters should have never been able to get out of this debt.

The Desert View (Correction: Bighorn Mountains) debt is structured that each year we set a rate per \$100 assessed value that reflects not only the collection of principle and interest payment but also funds to run the enterprise. She stated that she would talk more about this in the upcoming next meeting.

The agency has not practiced proper fiscal responsibility by implementing policy that includes acquiring monies to go beyond just the principle and interest. in acquiring monies to go beyond just the P and I. GM West stated the actual devaluation of property is unknown and conservatively estimates it between 6% - 15%. This needs to be set before the end of June. Director Cori-Lorono stated that if we set policy allowing collection of extra funds, it's costing us as tax payer's pennies now so that it won't cost us big bucks in the future. She said she would go with the 31 cents. She went on to say that next year we can always lower it again. Director McBride agreed.

6. STANDING COMMITTEE PROJECT LIST

Director Cori-Lorono stated that we will look at the budget next meeting. GM West stated that we would probably have the budget passed by the next committee meeting in July. The water loss billing relief should probably be looked at next time they meet.

7. DIRECTORS' COMMENTS/REPORTS

No Comments

8. ITEMS FOR NEXT AGENDA

9. ADJOURNMENT 7:17 p.m.

Materials related to an item on this Agenda submitted to the Committee Members after distribution of the agenda packet are available for public inspection in the Bighorn-Desert View Water Agency office at 622 S. Jemez Tr., Yucca Valley, CA during normal business hours.

DATE: JUNE 2009
TO: MARINA WEST
FROM: MICHELLE CORBIN
RE: Consumption & Billing Comparison MAY 2009

Consumption

Residential- North- Bighorn

	Meters	Usage (c.f.)
Book 1	150	181,690
Book 2	183	219,713
Book 3	162	231,605
Book 4	154	171,398
Book 5	130	146,588
Book 6	135	147,202
Total	914	1,098,196

Residential- South- Desert View

	Meters	Usage (c.f.)
Book 7	169	0
Book 8	179	0
Book 9	189	11
Book 10	180	0
Book 11	194	0
Total	911	11

Bulk -Kickapoo, Well 4, Cherokee

	Meters	Usage (c.f.)
Book 30	41	20,986
Book 31	5	83
Book 32	5	23,140
Total	51	44,209

Construction Meters

	Meters	Usage (c.f.)
Book 40	0	0
Total	0	0

Billed Consumption	1,169,561
Non Billed Usage	4,727
Total Consumption	1,174,288

Bulk - Well 10

	Meters	Usage (c.f.)
Book 33	48	27,145
Total	48	27,145

Active Residential Meters	1,825
Active Bulk Meters	99
Total Active Meters	1,924

Billing Comparison

	This Year MAY 2009	Last Year MAY 2008	Difference More (Less)
Statistics			
Total Customer Accounts	1013	814	199
Usage in Cubic Feet	1,169,561	1,452,392	(282,831)
Percentage Increase/(Decrease)			-19%

Revenues

Water Revenues	38,940.78	43,668.91	(4,728.13)
Basic Service Charge	50,424.90	29,909.34	20,515.56
Miscellaneous	361.10	256.93	104.17
Delinquent Charges	1,587.83	1,044.72	543.11
Total Operating Revenues	91,314.61	74,879.90	16,434.71

Debt Service Revenues (pass through)

FMHA **	-	-	-
Total Debt Service Revenues	-	-	-

Additional Information Regarding Pass Through Revenues

** FMHA annual debt service of \$41,150 divided over 6 months equals \$6,858

Total Charges (Proof)	91,314.61	74,879.90	
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DATE: 6/1/2009
TO: Board of Directors
FROM: Kit Boyd
RE: May Production

	<u>Cubic Feet</u> <u>Pumped</u>	<u>Total Gallons</u> <u>Pumped</u>	<u>Average</u> <u>GPM</u>	<u>Total</u> <u>Running Time</u>	<u>acre feet</u>
Well 2	235,870	1,764,308	366	80.4	5.41
Well 3	125,940	942,031	381	41.2	2.89
Well 4	0	0	#DIV/0!	0	0.00
Well 6	648,510	4,850,855	462	174.9	14.89
Well 7	76,300	570,724	412	23.1	1.75
Well 8	480,600	3,594,888	1,060	56.5	11.03
Well 9	282,800	2,115,344	683	51.6	6.49
Well 10	34,010	254,395	90	47.2	0.78
Total	1,884,030	14,092,544			43.25

Wells 4 did not run this month

A Boosters	101,460	758,921	140	90.1
C Boosters	205,600	1,537,888	291	88.1
Total	307,060	2,296,809		



DATE: MAY 2009

TO: Joanne Keiter

FROM: Michelle Corbin

SUBJECT: Service Order Report July 2008 through June 2009

	J	A	S	O	N	D	J	F	M	A	M	J	YTD
Mainline Leaks:	1	1	1	1	0	0	0	1	0	0	0		
Service Line Repairs:	2	0	3	1	2	4	5	1	5	2	0		
Service Line Replacements:	10	7	9	2	2	5	0	1	3	2	2		
Service Line Installations:	0	0	1	2	1	0	0	0	0	0	0		
Meter Changeouts*	60	5	51	48	43	19	23	53	153	76	126		
Water Quality Complaints:**	2	3	2	2	0	1	1	0	0	0	2		
48 Hour Tags for NSF Checks:	2	0	4	2	1	2	0	1	2	2	1		
Lock Offs for Non-Payment:	4	9	5	9	10	6	9	11	8	5	12		
Unlocks After Payment Made:	3	6	0	7	4	2	4	1	5	1	4		
All Other Miscellaneous:	106	111	94	63	73	108	136	164	125	118	107		
Total	190	142	170	137	136	147	174	233	301	206	254		

*Meter replacement program started 6/18/08 with Route 09. Other meter exchanges included in misc.

** High or low pressure complaints fall within this category.