



# BIGHORN-DESERT VIEW WATER AGENCY

## BOARD OF DIRECTORS' SPECIAL MEETING AGENDA

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

September 16, 2009  
Wednesday  
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. CLOSED SESSION

- CONFERENCE WITH LEGAL COUNSEL — ANTICIPATED LITIGATION  
Significant exposure to litigation pursuant to subdivision (b) of  
Section 54956.9 (1 potential case)

### 3. CLOSED SESSION REPORT

4. **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. **ADOPTION OF PROPOSED CHANGES TO AGENCY CHARGE FOR TEMPORARY CONSTRUCTION WATER METERS TO \$8.50/UNIT**
- b. **REVIEW OF BAD DEBT WRITE-OFFS, TOTALING \$17,831.49 DURING FY2005 TO CURRENT AND COMMITTEE RECOMMENDATION TO ADOPT POLICY 09P-XX FOR THE APPROVAL OF THE EXPENSE OF BAD DEBT**

**c. DISCUSSION AND INFORMATION REGARDING PARTICIPATION IN THE PROP 1A SECURITIZATION PROGRAM.**

**5. CONSENT CALENDAR** - 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. Consider Committee recommendation to transfer payroll from outside vendor to "in-house" processing by Agency Staff
- b. Consider Committee recommendation to shift Agency Office 2009 Veteran's Day Holiday closure from Wednesday, November 11th to Friday, November 13th.
- c. Frequently Asked Questions about LAIF (Local Agency Investment Fund)  
\*Note page 37 for "deposit / withdrawal minimum/maximum amounts"
- d. Board acceptance of "signed" Memorandum of Understand (MOU) with Mojave Water Agency
- e. Minutes of the June 23, 2009 Special Board Meeting

**6. MATTERS REMOVED FROM CONSENT CALENDAR**

**7. DIRECTORS' REPORTS/COMMENTS**

- a. FPREP Committee Report and Minutes from the July 7, 2009 Meeting

**8. GENERAL MANAGER'S REPORT (ORAL)**

**9. COMMUNICATION AND PUBLIC INFORMATION ITEMS**

- a. Public Comment Letter received from Grant Inglett

**10. ITEMS FOR NEXT AGENDA**

**11. ADJOURNMENT**

**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.**

**BIGHORN DESERT VIEW WATER AGENCY STANDING COMMITTEE  
FINANCE/PUBLIC RELATIONS/EDUCATION/PERSONNEL  
AGENDA ITEM SUBMITTAL**

**Meeting Date:** September 16, 2009

**To:** Board of Directors

**Budgeted:** N/A

**Budgeted Amount:** N/A

**Cost:** N/A

**Funding Source:** N/A

**From:** Marina D. West

**General Counsel Approval:** Obtained

**CEQA Compliance:** N/A

**Subject:** Proposed Changes to Agency Charge for Temporary Construction Water Meters

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**SUMMARY**

The Board recently expressed an interest in revisiting the charge for Temporary Construction Water Meter usage. Temporary Construction Water is not the same as Bulk Water. Temporary Construction Water is obtained through the use of a fire hydrant not a dedicated meter as with the Bulk Hauling Stations. These uses are limited to a three month period per the Agency Rules and Regulations for Water Service. Currently the charge for Temporary Construction Water is equivalent to 1.5X the regular metered rate for water service, \$41.50 per month Basic Service Charge and \$4.50 per unit. The Board felt the rate should be consistent with the Bulk Hauling rate of \$8.50 per unit and \$0 Basic Service Charge.

If approved, the change would become effective with the October billing cycle.

**RECOMMENDATION**

Agendize for the September 16, 2009 Board Meeting:

1. Adopt Resolution 09R-XX adjusting the rate for temporary construction water to \$8.50 per unit (100 cf) with a basic monthly service charge of \$0 and a customer deposit of \$350.

**BACKGROUND/ANALYSIS**

The Board recently expressed an interest in revisiting the charge for Temporary Construction Water. Temporary Construction Water is not the same as Bulk Water. Temporary Construction Water is obtained through the use of a fire hydrant not a dedicated meter as with the Bulk Hauling Stations. These uses are limited to a three month period per the Agency Rules and Regulations for Water Service. Currently the charge for Temporary Construction Water is equivalent to 1.5X the regular metered rate for water service, \$41.50 per month Basic Service Charge and \$4.50 per unit. The Board felt the rate should be consistent with the Bulk Hauling rate of \$8.50 per unit and \$0 Basic Service Charge.

If this fee is adopted by the full Board, applicable sections of the Rules and Regulations will also require revisions because of any changes in the fees and charges. All relevant revisions will be prepared and presented prior to the consideration by the full Board.

Although these charges and fees do not fall under the notification requirements of Prop. 218 they are required to comply with Government Code Section 66013. This Code section states that a fee or charge must not exceed the estimated reasonable cost, labor and materials, to provide the unique service. An analysis of the Bulk Water rate was provided to Board which provides the basis for the revised charge for Temporary Construction Water. Per the Code Section, the basis for these charges must be made available to the public at least 10 days in advance of the Board's decision to increase the charges. The public was verbally informed at the August 25, 2009 Board of Director's meeting of the 10 day notice. The basis for this charge is available for inspection at the Agency's main office.

Compliance with the Mitigation Fee Act Procedure described in Government Code 66016 is also required. Pursuant to this section, the "Agency must hold at least one noticed open, public meeting as part of a regularly scheduled meeting, at which oral and written presentations can be made on the fee or charge prior to the levy of the new fee or charge."

Following review and acceptance by the Committee, staff will agendize the increase in the Temporary Construction Water Charge for the September 16<sup>th</sup> Board meeting for further consideration and possible adoption. The publication of the Board intent was made at the January 27<sup>th</sup> Board meeting thereby complying with the minimum 14 day public notification period.

**PRIOR RELEVANT BOARD ACTION(S)**

2/24/09 09R-05 Resolution setting fee for service for all Bulk Station Accounts (Billing routes 30-33) at \$8.50 per unit.

10/28/2009 08R-09 Resolution establishing certain fees and charges; Construction Meter Water charge.

9/10/08 FPREP Standing Committee: Proposed Changes to Miscellaneous Charges and Fees; Construction Meter Water charge.

08/6/08 FPREP Standing Committee: Review miscellaneous Agency Charges and Fees; Construction Meter Water charge.

**BIGHORN DESERT VIEW WATER AGENCY STANDING COMMITTEE  
FINANCE/PUBLIC RELATIONS/EDUCATION/PERSONNEL  
AGENDA ITEM SUBMITTAL**

**Meeting Date:** September 16, 2009

**To:** Board of Directors

**Budgeted:** yes

**Budgeted Amount:** \$6,000/yr

**Cost:** \$17,831.49

**Funding Source:** (line item 56022)

**From:** Marina D. West

**General Counsel Approval:** N/A

**CEQA Compliance:** N/A

**Subject:** Review of Bad Debt Write-offs from FY2005 to present in the amount \$17,831.49 and Policy 09P-XX for the Approval of the Expense of Bad Debt

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**SUMMARY**

Staff has determined that the issue of bad debt write-offs has not been completely addressed in the past several years resulting in an accumulation of bad debt, needing Board approval, in the amount of \$17,831.49. However, the amount that has not yet been "written-off" is much less, \$7,884.04. All debts, over \$25, have been submitted to collections. In addition, staff recommends an update to the 2004 Policy for the Approval of the Expense of Bad Debt reflecting recent changes to the Agency Rules and Regulations for Water Service regarding owner/tenant arrangements for water service.

**RECOMMENDATION**

Agendize for the September 16, 2009 Board Meeting:

1. Approval of Bad Debt expenses write-off in the amount of \$17,831.49 for the period FY05/06 to present;
2. Adopt Policy No. 09P-XX - A Policy Statement of the Bighorn Desert View Water Agency establishing a procedure for the approval of the expense of bad debt.

**BACKGROUND/ANALYSIS**

During the FY2008/09 audit it was determined that water accounts exist that have not been properly closed because of an outstanding balance. The issues fit into one of three categories.

First, 27 accounts were found to be closed with a past due balance. These accounts were greater than one year old. All these accounts had a balance less than \$25. The existing procedure states that accounts under \$25 should be written off to bad debt. The Agency does not send these accounts to a collections agency.

Second, there are a number of accounts that were sent to collections since 2005 and they have been "written-off" to bad debt. These have not been presented to the Board for

approval, as noted in the Table below. The collections agency has not been successful in obtaining payment on these debts.

Third, there are a number of accounts that were sent to collections since 2005 and they have not been "written-off" to bad debt. These have not been presented to the Board for approval. The collections agency has not been successful in obtaining payment on these debts.

The following table summarizes up-to-date bad debt totals in which category:

Fiscal Year	Actual Bad Debt Sent to Collections Previously "written-off" Not Board Approved	Actual Bad Debt Sent to Collections Not "written-off" to date Not Board Approved
FY2005/06	n/a	\$1,032.46
FY2006/07	\$4,755.69	\$2,138.70
FY2007/08	\$2,459.11	\$4,640.63
FY2008/09	\$6.50	\$1,323.31
FY2009/10	\$1,475.09	TBD in May 2010
<b>Total Amount for Board Approval</b>		<b>\$17,831.49</b>

To clear this matter up going forward, the Board needs to approve the expense of \$17,831.49 to Bad Debt (Operations Budget Acct. No 01-56022) and "write-off" the account balances.

Furthermore, since the Agency adopted Ordinance 08O-01 Rules and Regulations for Water Service in 2008, owners are now responsible for delinquent tenant water bills. Therefore, any bad debt can be collected through a property tax lien rather than through the collections agency. Staff is proposing a new policy to reflect this procedural change.

#### **PRIOR RELEVANT BOARD ACTION(S)**

**11/25/08 Adopt Ordinance 08O-01** Agency Rules and Regulations for Water Service  
**3/28/06 Motion** to approve bad debt expense in the amount of \$8,817.49.

## POLICY STATEMENT NO. 09P-XX

### A POLICY STATEMENT OF THE BOARD OF DIRECTORS OF THE BIGHORN- DESERT VIEW WATER AGENCY ESTABLISHING A POLICY FOR THE APPROVAL OF THE EXPENSE OF BAD DEBT

The Board of Directors of the Bighorn-Desert View Water Agency desires to implement a policy for the processing of uncollectible customer debt.

**Whereas**, on an annual basis the Agency incurs approximately .5% of its total Accounts Receivables in bad debt.

**Whereas**, in accordance with Generally Accepted Accounting Practices it is necessary to expense annually a percentage of accounts receivables to bad debt.

**Therefore**, the Board of Directors of the Bighorn-Desert View Water Agency hereby establishes the following steps necessary prior to the annual consideration of bad debt expense authorization-

1. Per Article 11.2 of the Agency Rules and Regulations for Water Service, the owner of each separate premises is ultimately responsible for the payment of all applicable water service charges.
2. Thirty (30) days following the billing delinquent date, the Owner shall be notified in writing that the account is past due and that the Owner must assume responsibility for the outstanding balance.
3. At least once per year, all accounts greater than sixty (60) days delinquent will be forwarded to County of San Bernardino for collections through a property tax lien.
4. Delinquent account records shall be retained indefinitely for future collection efforts. In accordance with Agency Rules and Regulations payment in full shall be required by the delinquent account holder prior to establishing a new account with the Agency.
5. In May of each year, all closed delinquent accounts more than one year old shall be submitted to the Board of Directors for approval of the bad debt expense.

Policy Statement No. 09P-XX was adopted at a special Board meeting held on September 16, 2009 and hereby rescinds Policy 04P-01.

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Joanne L Keiter, Board Secretary

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

**Meeting Date:** September 16, 2009

**To:** Board of Directors

**Budgeted:** n/a

**Budgeted Amount:** n/a

**Funding Source:** n/a

**From:** Marina D. West

**General Counsel Approval:** TBD

**CEQA Compliance:** n/a

**Subject: Participation in the Prop. 1A Securitization Program**

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**SUMMARY**

Staff recently discovered that the Agency may be able to avoid the shifting of property tax revenue under Prop. 1A though participation in the "California Communities Prop. 1A Securitization Program". Under this program, California Communities will essentially issue a bond to cover the losses of all participants. Participants would receive funds from the bond sale, equivalent to the amount being "borrowed" by the state, from California Communities. The state would pay back the loan to California Communities not the Agency. There is no cost to the Agency to participate in the program.

The amount of money anticipated to be shifted under Prop. 1A is approximately \$7,500. If the Agency does not participate in the CA Communities Securitization Program then the Agency will be loaning the money directly to the state and would be paid back by 2013 with interest that has not been disclosed yet.

Participation in the Securitization Program is voluntary and would require Board approval. All requirements must be met by the November 6, 2009.

Staff is seeking direction from the Board, by motion and vote, as to whether or not the Agency should pursue this program.

**RECOMMENDATION**

That the Board take the following action:

1. Provide direction to staff regarding pursuit of Prop. 1A Securitization Program

**BACKGROUND/ANALYSIS**

No further information provided.

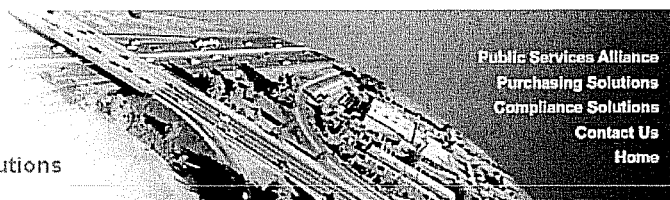
**PRIOR RELEVANT BOARD ACTION(S)**

none





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Pension Obligation

Statewide Community  
Infrastructure Program  
(SCIP)

Total Road Improvement  
Programs (TRIP)

TRANS

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## Proposition 1A Securitization Program

### Overview

#### California Communities Announces Proposition 1A Securitization Program For Cities, Counties, and Special Districts

On July 28, 2009, Governor Arnold Schwarzenegger signed the 2009-2010 California State Budget (the "Budget"), pursuant to which cities, counties, and special districts ("local governments") will be required to lend property tax revenues to the State, with the promise of repayment in three years.

As part of the Budget package, local governments have the opportunity to receive the monies being borrowed by the State upfront through a securitization financing offered by California Communities, a joint powers authority sponsored by the League of California Cities and California State Association of Counties. California Communities will issue bonds securitizing the future payments by the State and remit the proceeds of the bonds to the local governments who opt to participate in the securitization. The State will then repay the bondholders, to pay off the outstanding bonds including interest costs.

Structuring, timing, and application details of the program are currently being determined, and will be updated at this website as they become available. In the meantime, California Communities requests that local agencies wishing to learn more about participation in the program complete the brief contact information survey below.

Local governments that have further questions at this time may send an e-mail to [Prop1A@cacommunities.org](mailto:Prop1A@cacommunities.org) or call (800) 635-3993, extension 260.

Please read the FAQs for additional information.

#### Upcoming Proposition 1A Securitization Webinars:

Introduction to the financing team, overview of the financing and next steps.

- Thursday, September 10, 2009 10:00 AM - 12:00 PM PDT, [Download the Presentation](#)
- Friday, September 11, 2009 10:00 AM - 12:00 PM PDT, [Register Now!](#)

Registration is required. There is no cost to register and participate in a Proposition 1A informational Webinar. Once you have registered you will receive an email confirmation with login instructions for the Webinar.

#### Sample Documents:

- Download the Sample Purchase and Sale Agreement
- Download the Sample Sale Resolution

#### On-line Request for More Information

For more information on this program, please complete the [Request for Information Form](#).

Printer-friendly version



**BIGHORN DESERT VIEW WATER AGENCY STANDING COMMITTEE  
FINANCE/PUBLIC RELATIONS/EDUCATION/PERSONNEL  
AGENDA ITEM SUBMITTAL**

**Meeting Date:** September 16, 2009

**To:** Board of Directors

**Budgeted:** yes

**Budgeted Amount:** \$30,600

**Cost:** \$1,520

**Funding Source:** (line 56014)

**From:** Marina D. West

**General Counsel Approval:** N/A

**CEQA Compliance:** N/A

**Subject:** Proposal to Transfer Payroll In-house

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**SUMMARY**

Staff believes that there will be a cost savings to the Agency if payroll activities are conducted "in-house" rather than through the outside services of Paychex.

**RECOMMENDATION**

Information and discussion only.

**BACKGROUND/ANALYSIS**

Staff has become increasingly frustrated with the payroll services provided by Paychex. A review of the payroll process reveals that "in-house" staff provides all the necessary detail to process payroll through Paychex and therefore the service provided is merely a transfer of data provided by the Agency to Paychex software. The only tasks we do not complete in preparing and processing the payroll is printing the checks and paying taxes. In addition, Paychex routinely makes mistakes in the transfer of the data resulting in errors on the employee paycheck.

The Agency executed payroll "in-house" sometime in the past before migrating to Paychex. Therefore, the existing accounting system already contains the "payroll module" software although it will need to be updated at a cost estimate of \$1,520. The update includes meeting requirements for state, federal and PERS as well as software enhancements for expanded data retention, reporting and interfacing to General Ledger.

Staff believes that there will be a cost savings if payroll activities are completed "in-house". The current budget for outsourced payroll services is \$3,000+/- . In summary, there will be a budget reduction of all outsourcing costs beginning in year two following the migration.

If the Committee approves the concept, staff will conduct further analysis to determine the steps necessary to make the change, including the necessity for any Board action.

**PRIOR RELEVANT BOARD ACTION(S)**

None

**BIGHORN DESERT VIEW WATER AGENCY STANDING COMMITTEE  
FINANCE/PUBLIC RELATIONS/EDUCATION/PERSONNEL  
AGENDA ITEM SUBMITTAL**

**Meeting Date:** September 16, 2009

**To:** Board of Directors

**Budgeted:** N/A

**Budgeted Amount:** N/A

**Cost:** N/A

**Funding Source:** N/A

**From:** Marina D. West

**General Counsel Approval:** N/A

**CEQA Compliance:** N/A

**Subject:** Veteran's Day Holiday: Proposal to Shift Office Closure from Wednesday, November 11<sup>th</sup> to Friday, November 13<sup>th</sup>, 2009

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**SUMMARY**

Staff has requested the Board consider closing the office on Friday, November 13<sup>th</sup> in lieu of Wednesday, November 11<sup>th</sup> the actual Agency Holiday. Committee has accepted this proposal and recommends that it be brought to the full Board on September 16<sup>th</sup> for consideration, if necessary.

**RECOMMENDATION**

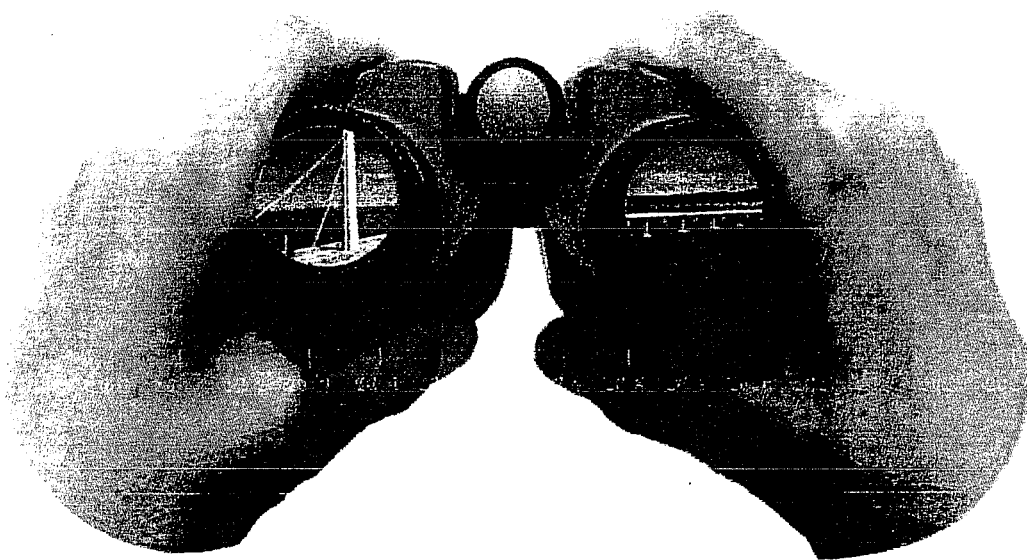
Information and discussion only.

**BACKGROUND/ANALYSIS**

No further analysis provided

**PRIOR RELEVANT BOARD ACTION(S)**

None



# Looking Beyond the Horizon

INVESTMENT PLANNING FOR THE 21ST CENTURY



Bill Lockyer  
California State Treasurer

# Frequently Asked Questions about LAIF

QUESTION		YES	NO	EXPLANATION
<b>I. SECURITIES</b>				
1. Does the pool provide a written statement of investment policy and objectives?		YES		
2. Does the statement contain:				
a. a description of eligible investment instruments?		YES		
b. the credit standards of investments?		YES		
c. the allowable maturity range of investments?		YES		
d. the maximum allowable dollar weighted average portfolio maturity?		YES		
e. the limits of portfolio concentration permitted for each type of security?		YES		
f. the policy on reverse repos?		YES		
3. Are changes in the policies communicated to the pool participants?		YES		
4. Is the fund rated?			NO	
<b>II. INTEREST</b>				
Interest Calculations				
1. Does the pool disclose the following about yield calculations:				
a. Which methodology is used to calculate interest? (simple maturity, yield to maturity, etc.)				On dollars per day.
b. What is the frequency of interest payments?				Quarterly.
c. How is interest paid? (credited to principal at the end of the month, each quarter, mailed?)				Credited to principal at end of quarter.
d. How are gains/losses reported? (factored monthly or only when realized?)				When realized.

# Frequently Asked Questions about LAIF

QUESTION		YES	NO	EXPLANATION
<b>Reporting</b>				
1. Is the yield reported to participants of the pool monthly? (If not, how often?)		YES		
2. Are expenses of the pool deducted before quoting the yield?			NO	Expenses of the pool are deducted quarterly prior to interest allocation.
3. Is the yield generally in line with the market yields for securities in which you usually invest?		YES		
<b>III. SECURITY</b>				
1. Does the pool disclose safekeeping practices? (If yes, what are they?)		YES		Statute requires all instruments of title of all investments of the fund to remain in the Treasurer's vault or be held in safekeeping under control of the Treasurer in any federal reserve bank, or any branch thereof, or the Federal Home Loan Bank of San Francisco, with any trust company, or the trust department of any state or national bank.
2. Is the pool subject to audit by an independent auditor?		YES		
3. Is the copy of the audit available to participants?		YES		
4. Who makes the portfolio decisions?				State Treasurer, Investment Division staff.
5. How does the manager monitor the credit risk of the securities in the pool?				Written Statement of Policies, Goals, Objectives, annual independent market valuation.

# Frequently Asked Questions about LAIF

QUESTION		YES	NO	EXPLANATION
6.	Is the pool monitored by someone on the board or a separate, neutral party external to the investment function to ensure compliance with written policies.	YES		Pooled Money Investment Board, Local Investment Advisory Board, Auditor General.
7.	Does the pool have specific policies with regard to repurchase agreements?			
a.	What are those policies?	YES		Government Code 16430/16480, Portfolio Management Goals, Objectives & Policies.
8.	Does the pool report the portfolio's market value?	YES		Monthly. (Reporting purposes only, values are not adjusted for unrealized gains or losses.)
9.	Does the pool disclose the following about portfolio valuations:			
a.	The frequency with which the portfolio securities are valued?	YES		Quarterly.
b.	The method used to value the portfolio (cost, current value, or some other method)?			Amortized cost, current value.
IV. STATEMENTS				
1.	Are statements for each account available online?	YES		Go to <a href="http://www.treasurer.ca.gov/pmia-laif">www.treasurer.ca.gov/pmia-laif</a>
a.	Do statements show balances and transactions?	YES		
2.	Does the pool distribute detailed reports of its holdings? (regularly or on request only?)	YES		On a regular monthly basis.
V. FEES				
1.	Is there a written schedule of administrative costs?	YES		
a.	What are the fees?			Statute 16429.1 requires administrative costs not to exceed 1/2 of 1% of earnings quarterly. However, the fees are directly correlated to the costs of operation only.

# Frequently Asked Questions about LAIF

QUESTION		YES	NO	EXPLANATION
b. How often are they assessed?				Quarterly.
c. How are they paid?				Prior to interest allocation.
d. Are there additional fees for wiring funds?			NO	
2. Are expenses deducted before quoting the yield?			NO	
VI. OPERATIONS				
1. Does the pool limit eligible participants?			NO	
a. What entities are permitted to invest in the pool?				Local governmental units, non-profit corporation whose membership is confined to public agencies or public officials, qualified quasi-governmental agencies.
2. Does the pool allow multiple accounts and subaccounts?			NO	
3. Is there a minimum or maximum account size?		YES		**\$40 million maximum \$5 thousand minimum
4. Does the pool limit the number of transactions each month?		YES		**15 transactions per regular account.
a. What is the number of transactions permitted each month?		YES		
5. Is there a limit on transaction amounts for withdrawals and deposits?		YES		
a. What is the minimum and maximum withdrawal amount permitted?				**\$40 million maximum \$ 5 thousand minimum.
b. What is the minimum and maximum deposit amount permitted?				**\$40 million maximum \$ 5 thousand minimum.



# Frequently Asked Questions about LAIF

QUESTION	YES	NO	EXPLANATION
6. Does the pool require one or more days notice for deposits and/or withdrawals?		NO	However, we ask that withdrawals of \$10 million or more give 24 hour notice.
7. Is there a cutoff time for deposits and withdrawals?	YES		Call by 10:00 a.m. for same day credit.
8. Are the funds 100% withdrawable at any time?	YES		
9. Are there procedures for making deposits and withdrawals?	YES		
a. What paperwork is required, if any?			Once resolution is authorized by governing body, and banking information has been filed, authorized caller needs PIN # and sending bank name for deposits plus receiving bank name and account # to be credited for withdrawals.
b. What are the wiring procedures?			Authorized caller needs PIN #, receiving bank name and account # to be credited for interbranch transfers or fed wires.
10. Can an account remain open with a zero balance?	YES		
11. Are confirmations sent following transactions?			Included as part of monthly statement.
** BOND PROCEEDS ARE ONE-TIME DEPOSIT, HAVE NO MAXIMUM DEPOSIT AMOUNT, AND ARE MAINTAINED ON THIRTY DAY INCREMENTS.			

## **MEMORANDUM OF UNDERSTANDING**

THIS AGREEMENT is made and entered into this 10th day of September, 2009, by and between the MOJAVE WATER AGENCY, a public agency (hereinafter "MWA"), and the BIGHORN-DESERT VIEW WATER AGENCY, a public agency (hereinafter "BDVWA") regarding Project Management of Phases I and II of the Ames-Means Recharge Project.

### **RECITALS**

A. MWA is a special district duly organized and operating pursuant to the Mojave Water Agency Law, California Water Code Appendix Chapter 97.

B. BDVWA is a special district duly organized and operating pursuant to the Bighorn-Desert View Water Agency, California Water Code Appendix Chapter 112.

C. MWA has the responsibility to ensure a stable, reliable source of water within its service area.

D. MWA has an interest in developing recharge basins to store water during wet years for later use during dry years or when the Delta is under stress and water is not available to meet annual demands. BDVWA shares in this interest.

E. The Ames/Means recharge area was identified as a priority project in the MWA Integrated Regional Water Management Plan 2005.

F. Completion of the Project will result in construction of an artificial recharge facility for conjunctive use and water banking.

G. BDVWA has obtained an EPA grant from the federal government to provide funding for certain portions of the Project (hereinafter "the Grant").

H. The purpose of this Agreement is to clarify BDVWA's role as Project Manager for the Phase I and Phase II of the Project, as identified in Exhibit A attached hereto, and to memorialize the relationship between MWA and BDVWA in relation to the funding requirements from MWA, and the billing for and receipt of, Grant funds.

### **COVENANTS**

NOW THEREFORE, in consideration of the preceding Recitals and the mutual Covenants contained herein, the parties hereto agree as follows:

Section 1. PROJECT MANAGEMENT. The Parties agree the Bighorn Desert View Water Agency ("BDVWA") shall be the responsible and sole entity to negotiate, manage and be financially responsible for securing the contractors and consultants for that portion of the Ames-Means Recharge Project defined in Exhibit A hereto.

Mojave Water Agency ("MWA") will help fund the Project and advance payment of a share of these estimated costs in its sole discretion based on amounts and invoices submitted by MWA staff and approved by the Board of Directors, currently estimated to be \$279,495 as shown on Exhibit A. The timing of such payments shall be in the sole discretion of the Board of Directors and copies of all invoices shall be forwarded to MWA. BDVWA will reimburse MWA for any funds not expended for Phase I and II of the Project as determined jointly by MWA and BDVWA.

Any future funding requirements for the construction of any pipeline or improvement shall be subject to a new Memorandum of Understanding to be executed by the Parties. BDVWA shall be the recipient of the grant and at all times shall be responsible for its administration and compliance with its terms and conditions.

Section 2. INDEMNIFICATION. Excepting the sole or active negligence or willful misconduct of MWA, BDVWA agrees to indemnify MWA and the MWA agrees to indemnify the BDVWA, its officers, directors, agents, and employees against, and hold them free of and harmless from, all claims, demands, damages, losses, costs, fees, expenses, and liabilities of any kind arising out of, in connection with, incident to, or resulting from, either in whole or in part, and whether directly or indirectly, the management and/or implementation of the Project, and/or any and all acts or omissions on the part of BDVWA and MWA and/or its agents, employees, or representatives, and/or any and all acts or omissions on the part of all contractors, subcontractors, and consultants that are retained, in connection with the Project and/or the performance of this Agreement, and defend each other's officers, directors, agents, and employees from any suits or actions at law or in

equity for damages, and pay all court costs and counsel fees in connection therewith.

Section 3. TERMINATION. This Agreement shall be effective and binding immediately upon its execution by all parties hereto, and shall remain in full force and effect at all times thereafter unless otherwise mutually terminated by MWA and BDVWA.

Section 4. NOTICES. Any notice, tender, or delivery to be given hereunder by either party to the other shall be effected by personal delivery in writing or by registered or certified mail, postage prepaid, return receipt requested, and shall be deemed communicated as of mailing or in the case of personal delivery, as of actual receipt. Mailed notices shall be addressed as set forth below, but each party may change its address by written notice in accordance with this section.

If to MWA: Mojave Water Agency  
22450 Headquarters Drive  
Apple Valley, CA 92307  
Attn: General Manager

If to BDVWA: Bighorn-Desert View Water Agency  
622 Jemez Trail  
Yucca Valley, CA 92284  
Attn: General Manager

Section 5. DISPUTES. Any dispute or controversy arising out of, under, or in connection with, or in relation to this Agreement, and any amendments thereto, or the breach thereof, shall be submitted to non-binding arbitration in accordance with the California Arbitration Act, Sections 1280 through 1294.2 of the Code of Civil Procedure. The cost of such arbitration shall be paid by the parties equally.

Section 6. ATTORNEYS FEES. If a dispute arises which cannot be resolved by arbitration, regarding the breach or enforcement of the provisions of this Agreement, the prevailing party therein shall be entitled to recover all attorneys fees or other costs actually incurred in connection with reaching a resolution of the dispute whether or not an action, claim, or lawsuit is filed. In any action brought, the entitlement to recover attorneys' fees and costs will be considered an element of costs and not of damages.

Section 7. INTEGRATION AND AMENDMENT. This Agreement constitutes the entire understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements, whether oral or written, between the parties in connection therewith. No variation, modification, change, or amendment of this Agreement shall be binding upon any party hereto unless such variation, modification, change, or amendment is in writing and duly authorized and executed by said party. This Agreement shall not be amended or modified by oral agreements or understandings among the parties hereto or by any acts or conduct of said parties.

Section 8. WAIVER. No waiver of any breach or default by any party hereto shall constitute a waiver of any other breach or default, nor shall any such waiver constitute a continuing waiver. Failure of any Party to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof or as a waiver of said party's right to enforce subsequent violations of the same or any other terms or conditions herein. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

Section 9. INUREMENT. This Agreement shall be binding upon and inure to the benefit of any successors and assigns of the parties hereto. Nothing in this Agreement shall be construed to give any person, other than the parties hereto, any legal or equitable right, remedy, or claim under or in respect of this Agreement or any of its provisions. This Agreement is intended to be and is for the sole and exclusive benefit of the parties hereto.

Section 10. CAPTIONS. The captions of sections and subsections of this Agreement are for reference only and are not to be construed in any way as a part of this Agreement.

Section 11. ASSIGNMENT. This Agreement may not be assigned without the written consent of all parties hereto.

Section 12. INTERPRETATION AND ENFORCEMENT. The parties hereto have been represented by counsel in the preparation and negotiation of this Agreement. Accordingly, this Agreement shall be construed according to its fair language and as if all parties hereto jointly prepared this Agreement such that any uncertainty or ambiguity contained herein shall not be resolved against the drafting party. If any provision or provisions of this Agreement are for any reason adjudged to be unenforceable or invalid, it is the specific intent of the parties hereto that the remainder of this Agreement remains in full force and effect. This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with, the laws of the State of California, without regard to its conflict of law provisions.

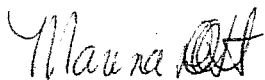
Section 13. COUNTERPARTS. This Agreement may be executed in multiple counterparts and the signed counterparts shall constitute a single instrument. The signatories to this Agreement attest, warrant, and represent that they are duly authorized to execute this Agreement and bind their respective party to the terms contained herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers as of the date first above written.

**MOJAVE WATER AGENCY**

By: \_\_\_\_\_  
Kirby Brill, General Manager

**BIGHORN-DESERT VIEW WATER  
AGENCY**

By: \_\_\_\_\_  
Marina West, General Manager



BIGHORN-DESERT VIEW WATER AGENCY  
**BOARD OF DIRECTORS'  
SPECIAL MEETING MINUTES**

**BOARD MEETING OFFICE**  
**1720 N. CHEROKEE TRAIL**  
**LANDERS, CA 92285**

**JUNE 23, 2009**  
**TUESDAY**  
**3:00 PM**

- **CALL TO ORDER**

Meeting convened by Board President Corl-Lorono at 3:11 P.M.

- **PLEDGE OF ALLEGIANCE**

Led by Director Burkhart

- **ROLL CALL**

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

Staff Present: Marina West, General Manager  
Joanne Keiter, Board Secretary

Public Present: Approximately 13 members

- **APPROVAL OF AGENDA - MSC Burkhart/Strodel - 5 ayes**

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

- Linda Dossey - Questioned advalorem tax and commented that it had been "voted out".
  - *GM West responded - that there has always been an advalorem tax. Annually, the Board votes to set the rate. That item is being discussed on tonight's agenda... not the "standby assessment" that Mrs. Dossey was describing. Furthermore, "tonight's item under consideration was simply a review by our General Counsel of the voter-approved bond language. Tonight, no vote was being held; that would take place at the Special Board meeting on Thursday night".*
- Paul Dossey - Also wanted to comment on the advalorem issue.
  - *Director Corl-Lorono - Described the purpose of the Public Participation (section of the meeting) was to address items **not** on tonight's agenda.*

- *A discussion continued (with comments made by Director Lisiewski and others) to clarify what could be discussed during "public comment" and what should be held until the agenda item was under consideration by the Board when it could then be opened for public comment by the Board President.*
- *Paul Dossey - Mentioned on a "piece of paper" that showed a "surplus of money" and he questioned where the money was.*
- *Director Corl-Lorono - Commented, "since she had no copy of this piece of paper, she couldn't respond, but offered to review it, if Mr. Dossey would bring this information to her on behalf of the Board after the meeting".*
- *Gerry Kay - Suggested GM West should consider layoffs and reducing staff salaries, including her \$100,000.00 salary, before asking the ratepayers, already on fixed incomes, to pay more for water.*

*Director Corl-Lorono asked for additional comments and hearing NONE, thanked everyone and closed the section.*

## **2. DISCUSSION AND ACTION ITEMS -**

### **a. RESOLUTION 09R-10 - A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BIGHORN-DESERT VIEW WATER AGENCY APPROVING THE APPOINTMENT OF BOARD SECRETARY**

***Director McBride motioned to approve appointment of Joanne L Keiter as Board Secretary, effective June 23, 2009; seconded by Director Strodel.***

*Board Discussion of Item 2a: Director McBride - "this is the person recommended by our Agency's General Manager; I'm not going to tell Ms. West who she should work with. Then added he felt she (referencing Mrs. Keiter) would be a fine secretary."*

*Director Lisiewski - Questioned the appropriateness of appointing a new Board Secretary to perform duties (described as Executive Secretary/Personnel Administration Class Description in the updated version of the Agency Employee Handbook, adopted by Resolution 09R-08), which weren't in effect yet. He believed that since the Resolution hadn't been numbered or signed yet, the original Ordinance (which pertained to this Classification) was still in power and therefore, the Resolution (Handbook and Salary Ranges) was not.*

*Additional comments were made by Directors McBride and Burkhart regarding the need for a Board Secretary. General Counsel Logan agreed, but added, "he was not telling the Board what to do". General Manager West proposed delaying any Board action or simply modifying the pending motion before the Board.*

*Director Lisiewski said, "He wanted to have the motion changed to indicate separate obligations. He wanted this appointment to be for Board Secretary only, excluding all references to Executive Secretary/Personnel Administration".*



*Then, Director Corl-Lorono asked Director Lisiewski to restate the motion, proposing this modified action, as Director Lisiewski would like it to be recorded. Director Lisiewski then amended the motion, still pending before the Board, excluding any reference to the phrase "Executive Secretary/Personnel Administration".*

***Motion to approve appointment of Joanne L Keiter as Board Secretary only, effective June 23, 2009, excluding all references to the classification of Executive Secretary/Personnel Administration. Director Strodel again seconded.***

*The Board discussion continued with Director Burkhart and Corl-Lorono mentioning that the job classification of Executive Secretary/Personnel Administration was not even part of the Resolution under consideration by the Board. Director Lisiewski countered, "that since it was shown on the Agenda Item Submittal (coversheet to the Resolution), it was open for discussion". He did state that he had no qualms against Ms. Keiter being Board Secretary; he just wanted it clarified and to be a separate action".*

*Next Director Corl-Lorono asked if there was any more Board comment or discussion before the vote.*

*Director Corl-Lorono accepted a comment made from Jim Hanley in the audience: "Did Ms. Keiter have a previous relationship with General Manager West?"*

*Director Corl-Lorono thanked him and asked for any more comments and hearing none, she called for the Board vote.*

***Board approved - 5 ayes, motion carried***

**b. REVIEW OF VOTER-APPROVED BOND LANGUAGE, BOND DEBT OBLIGATIONS, AND OTHER ALTERNATIVE MEANS OF GENERATING NECESSARY REVENUES**

**NO BOARD ACTION TAKEN – DISCUSSION AND INFORMATION ONLY**

GM Marina West gave a brief overview and introduction of the Agency's General Counsel, Francis Logan, before his PowerPoint presentation began. She mentioned that he would be focusing on the two different types of "voter-approved" debt that the Agency had and the differences on how that revenue was raised. The existing ad valorem tax was assessed to all of the Bighorn property owners; while from the Desert View properties, the Agency collected a surcharge (applicable to those that had a metered connection or water service). Additionally, Counsel Logan will talk about the Mojave Pipeline Debt Participation, differences between the obligations, terms, and definitions.

General Counsel Logan introduced his PowerPoint presentation by commenting, "That this was going to be a very technical discussion".

At the request of the Board and the General Manager, he was asked to assist with analyzing the Agency obligations, especially addressing the Board's concern on how to raise the revenue necessary to pay the total obligations, and to explain, in some detail, the policy choices that the Board must make. He asked the Board to consider the level of service that they want to provide for today and tomorrow.

#### Highlights of the Power Point Presentation:

- State Water Code Chapter 112, Section 25...(the basis for Board Resolution 174) cites  
"...The Board of Directors, so far as practicable, shall fix such rate or rates for water in Improvement District No. 1 as will result in revenues 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 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. If the revenues of the improvement district will be inadequate for any cause to pay the expenses set forth above, the Agency must provide for the levy and collection of a tax sufficient to raise the amount of money determined by such Board of Directors to be necessary for the purpose of paying such charges and expenses as set forth above and the principal and the interest on the bonds as the same become due."

Legislature prefers to raise revenue from rates, but not limited to that, can also raise revenue from ad valorem taxes.

- State Water Code Chapter 112, Section 26...(the basis for Board Resolution 304) gives the Agency the power or authority to provide for the levy of collection of taxes to raise the amount of money necessary to pay for repairs and maintenance, as well as all of the obligations of the Agency.

Legislature doesn't want the Board to run the Agency into the ground, so the Board must levy property taxes to raise the required revenue. Counsel Logan told the Board that they could decide to collect more than principal and interest. They have the legal "voter-approved" power.

- Historically, these propositions started back in the 1970's – predating Proposition 13, so they are exempt from the 1% cap. Voters allowed the District (then Bighorn Mountains) to collect principal and interest plus money to repair the waterworks.
- In 9 years, the bond will be paid in full; then the Board will lose the power to levy the special ad valorem tax. The Board must make a policy decision to rebuild the reserve while they can.
- The Board can tell the County Assessor the amount of revenue needed and they will determine the rate to levy on all the properties.
- Desert View revenue has similarities but is structured differently. The voters allowed the Agency to borrow money (\$700,000.00) and gave them powers/authority to levy charges in order to maintain the system (build, maintain and operate) plus create a "water surplus fund".

- Bighorn ID1 collects revenue as a property tax, while Desert View collects revenue from fixed surcharge charges, not just ordinary rates and charges. Currently, the Board policy has not collected sufficient revenue to create this "water surplus fund". The Board needs to keep in mind, that when these bonds go away, the Agency will revert to raising revenue again from normal rates and charges only. The Board has the power to create new or increased surcharges, they're responsibility is to determine the appropriate level of reserves needed and to insure that the money is spent on repairs.
- Counsel does not advise depending solely on water consumption revenue to pay for ordinary operating costs of the Agency since either drought or conservation can decrease amounts collected.
- The Mojave Pipeline Debt Participation – Agency is "contracted" with Mojave Water Agency to pay a share (9% participation), which is paid with general revenues.

*Board Comments:*

- *Director Lisiewski – Believes Agency can only increase tax rates if there is not sufficient revenue to cover principal and interest payments.*
- *Counsel Logan – Resolution No. 174 states that the Board is not obliged to get all of the revenue from rates and fees; the Board can make a policy to use all the money for principal and interest or principal and interest, and improvements, repairs or refurbishment.*
- *Director Burkhardt – Asked if there are any advantages of surcharges over taxes.*
- *Counsel Logan – The 1977 Board accepted a policy to tax landowners vs. surcharge ratepayers believing this to be a fair allocation. He believes that the Board intended to move the cost of repairs over time from the landowners to the ratepayers.*
- *Director Lisiewski – Commented that the Agency should not spend the revenues across the districts. He stressed that the budget should reflect clearly that the expenses are to be used within that district only.*
- *Counsel Logan – It's key that the Agency demonstrates compliance with the bond language and that extra revenue be absorbed by the allocated costs in the specific Improvement District.*
- *General Manager West – Agency has always collected money through an accounting system. The structure is there, but possibly not clearly explained to the Board in the past. Predicting the rate for the advalorem tax will be determined on Thursday's Special Board meeting when addressing the 2009-2010 Budget.*
- *Director Burkhardt – Asked about Well 10 revenues.*
- *General Manager West – Bulk hauling is its own enterprise; the rate was set for consumption only.*
- *Director Lisiewski – Asked for a clarification about the term "levy".*
- *Counsel Logan – Explained that the tax is "levied" on the property by the County when directed by the Board. For example, if we ask for \$125, 900.00, the Assessors Office will determine the rate and levy that assessment on the landowners' property tax bill.*
- *Director Lisiewski - Concluded, "We give the total amount needed and the County does the division, right? I got it "*

*In summary, GM West stated that the Board had a policy decision to make. Over the past 10 years of audits that she's reviewed, there was never a profit reported, excepting 1 year. The Agency doesn't have a reasonable surplus and the \$20,000.00 that she's mentioned is not even 10%. The Board can choose to collect an additional \$20,000.00 within ID1 or decide not to do so, leaving the topic of increased rates and fees to be addressed at a later time. She mentioned that there's still a possibility that the State will take our reserves under the Proposition 1A language and that the Agency doesn't have that kind of money to survive. She suggests that the Board think ahead to 2010 - 2011 when adopting a policy.*

Director Corl-Lorono called for a break in the meeting @ 4:29 PM and reconvened @ 4:47 PM.

**c. RESOLUTION NO. 09R-11 - A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BIGHORN-DESERT VIEW WATER AGENCY INDICATING THAT THE SUSPENSION OF PROP.1A AND SUBSEQUENT SEIZURE OF GENERAL PROPERTY TAX REVENUES WILL CAUSE A SEVERE FINANCIAL HARDSHIP TO THE AGENCY**

***Director Burkhardt motioned to adopt a resolution that identifies the severe fiscal hardship that will exist should additional local property tax revenues be seized and supplementary unfunded mandates be adopted by the State of California; motion seconded by Director Strodel.***

*Board discussion of Item 2c: Director Lisiewski questioned receiving lower revenues due to property devaluation.*

*General Manager West said that in May, the County predicted 15% reduction. Since then, the County Assessors have stated that BHDV Service area ID1 may be 25% to 30%. Regarding the Proposition 1A shift, 25% is the basis for this year's budget (HDWD budgeted 30%).*

*GM West conversations with the Assessor she learned that the Board doesn't have to set the rate, just determine the total amount needed and they'll set the rate for us. Director Lisiewski said losing the 1% is still on the table (Prop 1A) so he considers this budget still iffy.*

*GM West responded that because Special Districts can raise rates on their own it appears that the State could take all of our property tax revenue. The budget was based on conservative estimates since a formula and real information has yet to be provided.*

*Director McBride questioned how this action differed from the letters (that had already been sent to Assemblyman Paul Cook and others). General Manager West said that the letters that Director McBride was referring to were written and signed by her ; this would be a more formal notice from the Board adopting a Resolution would give a clearer indication of the Board's support. She further stated that this Resolution would then be sent to all those same addressees.*

Director Corl-Lorono asked if there were any comments or questions from the Board before the vote; hearing none, she called for the vote.

***Board approved - 5 ayes, motion carried***

**d. AUTHORIZE FIRE PROTECTION FOR THE THIRD OF JULY (INDEPENDENCE DAY COMMUNITY CELEBRATION) AT HOMESTEAD VALLEY PARK**

***Motion made by Director Strodel to provide water for pre-event fire protection measures for the Third of July Community Celebration to be held at Homestead Valley Park, Landers; seconded by Director Burkhart.***

*Board Discussion of Item 2d: Director McBride believed that we are part of the community and this was being a "good citizen".*

*Director Lisiewski commented that the park had it's own well.*

*GM West responded, "They probably don't have the flow from their well to provide adequate dust control and fire protection adding, we just furnish the water to the Fire Department and Fire Protection is free". Since this could be considered a use of public funds, she suggested that the Board vote on this motion.*

*Director Corl-Lorono asked if there were any comments or questions from the Board before the vote; hearing none, she called for the vote.*

***Board approved - 5 ayes, motion carried***

**e. AUTHORIZE ATTENDANCE AT THE SPECIAL DISTRICTS LEADERSHIP ACADEMY TRAINING, "DEVELOPING AND UPDATING ESSENTIAL DISTRICT POLICIES"**

***Motion made by Director McBride authorizing any Director (who chooses to go) funds equal to a maximum of \$325.00 (plus mileage) per director to attend the Special Districts Leadership Academy Training course, "Developing And Updating Essential District Policies"; seconded by Director Burkhart.***

*Board Discussion of Item 2e: Director McBride commented that even though 4 of the Directors are up for election, he believes training is something that people should attend.*

*GM West explained that the seminar costs are just estimates, ballpark assumptions so that the Board can approve a maximum expense. This would allow the staff to discuss and negotiate better travel rates and possibly lower our costs (recently, we were able to save almost ½, by booking early). The additional expenses quoted include per diem, but the Directors can always turn it down.*

*Director Corl-Lorono told of a quote that heard recently and thought most appropriate, "Training is a moral and professional obligation" and we'd all like to be professional. Regarding our stipend, which we receive usually once a month, sometimes twice a month, but there are many hours invested.*

*Director Lisiewski doesn't think we should be spending money now on seminars considering the upcoming election and the current economic situation. He thinks this expense should wait until after the election and the new Directors are voted in by the public.*

*Director McBride concluded by saying, "He thinks we would be foolish to pass this up, especially since the course is local.*

Director Corl-Lorono asked if there were any more comments or questions from the Board. She accepted a comment from the public before the vote.

James Hanley asked about the courses offered.  
*Director McBride read the description from the syllabus.*

Director Corl-Lorono thanked Mr. Hanley asked if there were any more comments and hearing none, she called for the Board vote.

***Board approved - 4 ayes; 1 no - Director Lisiewski - opposed, motion carried***

**3. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION**

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 (1 potential case)

Director Corl-Lorono called for a recess @ 5:50 PM and reconvened @ 6:17 PM

**4. CLOSED SESSION REPORT**

Director Corl-Lorono announced that the Board had authorized the General Manager to settle the claim.

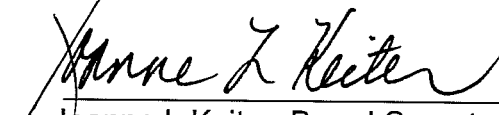
**5. COMMUNICATION AND PUBLIC INFORMATION ITEMS**

Director Corl-Lorono announced that the County of San Bernardino Registrar of Voters was hosting Candidate Seminars on July 24, 2009, beginning @ 1:30 PM. Anyone interested in the upcoming election was invited to attend at the Apple Valley Council Chambers.

**6. MEETING ADJOURNED -**

Director Corl-Lorono adjourned the meeting @ 6:28 PM.

Respectfully Submitted by:



Joanne L Keiter, Board Secretary



BIGHORN-DESERT VIEW WATER AGENCY  
A PUBLIC AGENCY

**FINANCE/PUBLIC RELATIONS/EDUCATION &  
PERSONNEL COMMITTEE  
SPECIAL MEETING MINUTES**

**BOARD MEETING OFFICE  
1720 N. CHEROKEE TR.  
LANDERS, CA 92285**

**JULY 7, 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 this Committee may participate as observers at the meeting.

- **CALL TO ORDER**

Meeting convened by Director McBride at approximately 4:04 p.m.

- **PLEDGE OF ALLEGIANCE**

Led by Mr. Melbourne Bailey

- **ROLL CALL**

Directors Present: Mike McBride, Chairperson

Judy Corl-Lorono, Member

Staff Present: Marina West, General Manager

Joanne Keiter, Board Secretary

Public Present: Approximately 11 members

**1. PUBLIC PARTICIPATION:**

- Director Burkhardt commented that her attendance was as a "private citizen".
- Paul Dossey believed that since the public is limited to three (3) minutes, the Board should also have the same time limit.

**2. DETAILED DISCUSSION OF AGENCY DEBT OBLIGATIONS, ACTUAL REVENUE AND EXPENSES:**

*No Committee Action Taken; Information and Discussion Only - Led by GM Marina West  
Presentation Highlights:*

- 3 year review conducted; GM listened to archived audio recordings
- Discovered previous Board "not completely informed" on LAIF funds
  - Confusion between terms "restricted" vs. "unrestricted" funds
  - Actual LAIF balances less than reported to Board
  - Funds were used "legally" to maintain infrastructure, i.e. meter replacement
  - Both Legal Counsel and Auditor believe current numbers are accurate

- Previous Board estimated the annually "rate" but not a "levy" amount
  - Facts show that more revenue collected than necessary over many years
  - Agency now moving forward, learning from the past experience
  - Board adopted 2009 Resolution to collect a specific "budgeted" dollar amount
  - County Tax Assessor will assess properties, collect and remit to BDVWA
  - Budget "surplus" intended for "qualified" BH and DV expenses
    - GM will provide capital improvement project list to Board for approval

*Following Presentation - Item Open for Discussion*

- *Director McBride:*
  - *Credited a member of the public for questioning the use of "restricted" funds which opened this investigation and dialogue*
  - *Noted that last year the Agency collected more funds than prior years*
  - *Agreed reports need more detail; should be specific, yet simplified & easy to explain*
  - *Commented that the current Board acts with transparency and welcomes public input*
- *Public Comment:*
  - *James Hanley - Questioned the "firing" of the past auditors*
  - *Paul Dossey - Believes that Agency funds were spent "illegally"*
  - *Mel Bailey - Circulating a petition opposed to any tax increases;*
  - *Larry Coulombe - Commented that the public has exhausted this subject; time to move on*
- *Responses Noted:*
  - *GM West:*
    - *Previous auditors weren't fired, just not rehired*
    - *Customary to contract new team every 3 - 5 years for fresh viewpoint*
    - *Focused on quality (advice/direction), shopped for more than cost alone*
    - *New auditors fees more than before, but less than ½ of others interviewed via SOQs*
    - *'77 public voted for advalorem tax assessment on ID1 properties; not a Prop 218 issue*
    - *Counsel Logan believes his interpretation to be correct, but open to new information*

### **3. PUBLIC RELATIONS AND COMMUNITY OUTREACH PLANNING:**

*No Committee Action Taken; Information and Discussion Only - Led by GM Marina West*

*Topics Discussed:*

- Create a "web-based" newsletter
- Conduct Quarterly Meetings/Open Forum/Q&A with General Manager
- Emergency Response Team (ERT) Program
  - Distinguish between "Disaster vs. Emergency" situations
  - Coordinate with existing Associations - three (3) within Agency boundaries
  - Potential liabilities issues; concern of "public funds" being used
- Publicize Director's "personal" water usage - Excellent PR tool
- Community Relations
  - Install bulletin board for public viewing of Agency Postings
  - Better cooperation with business owners allowing local postings
  - Consider Public Outreach Efforts
    - Schedule Future Blood Drive
    - Develop "press kit" that promotes water conservation
    - Partner with other agencies for upcoming media campaigns



- Visit elementary school, associations, etc.
- Cultivate "Xeroscape" site using AWAC guidelines and volunteer participation

#### **4. RESULTS OF DIRECTORS' 2009 SEMINAR COURSE LIST SURVEY:**

*Information and Discussion Only*

*Comments Noted:*

- *Director McBride:*
  - *Supports education; questioned timing so close to the November elections*
- *Director Corl-Lorono:*
  - *Stated that Directors tried to register for courses that were held locally, but often had no choice about when those were available*

#### **5. STANDING COMMITTEE PROJECT LIST:**

- Director McBride inquired about the on-going meter exchange/replacement project; GM West responded that progress was being made now that the inventory was "on-hand".

#### **6. DIRECTORS' COMMENTS / REPORTS:**

- None to report

#### **7. GENERAL MANAGER'S COMMENTS / REPORTS:**

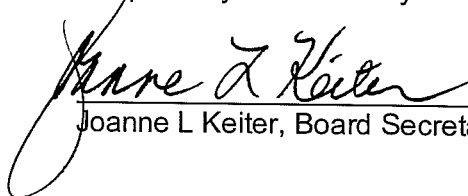
- None to report

#### **8. ITEMS FOR NEXT AGENDA:**

- Suggestions for Next Regular Board of Directors Agenda (scheduled 7/28/09) -
  - Directors personal water usage (2 Customers; 3 Well Owners);
  - Board Approval of Directors Requested CSDA Course List

**9. ADJOURNMENT:** Director McBride adjourned the meeting @ 6:25 PM.

Respectfully Submitted by:

  
 Joanne L Keiter, Board Secretary

**From:** grant inglett [mailto:grantyoga@hotmail.com]  
**Sent:** Thursday, August 27, 2009 3:36 PM  
**To:** bdvwa@mindspring.com  
**Subject:** Public Comment

Please forward this to the General Manager of Big Horn Water Agency:

Please read this at your next meeting as a Public Comment to Agency Policy.

I have learned that in order to build on my 5 acres in Landers, CA that the law indicates the need for in-house fire sprinklers to be installed. They cost around \$8,000 for a 1,000 sq ft house. A water meter costs \$5,000 to install. So, the cost to build a modest house on a modest piece of property sparsely covered with a handful of Joshua Trees, Creosote Bushes and Cholla Cactus begins with a cost of \$13,000 before any plans are drawn up or permits filed, or any building materials are purchased. This is of course, in addition to the cost of the land itself.

This unusual added expense to a building budget is enough to restrict or prohibit citizens from ever building on their land at all. Natural economic growth is prevented by such an unusual regulation. Hence, revenues for Big Horn Water District are affected by fewer and fewer new homes being built with fewer and fewer new water meters issued. Please investigate the number of new water meters issued this year compared to last year or the year prior to the unusual regulation.

Common sense indicates that these desert parcels offer little flammable biomass. Building fire proof houses using stucco exterior finishes and mosaic tile roofing material makes fires much less likely to spread from the exterior. Please reflect on the fire sprinkler regulation and how it stagnates healthy economic growth of the Big Horn Water Agency and all other infrastructure businesses and on down the line to small businesses in the Landers area.

I submit it is in all of our best interests to petition San Bernardino County to set aside these regulations in remote desert locations such as Landers, CA to promote intelligent growth through exempting Landers, CA from requiring fire sprinklers in new homes.

The politics of a few will have to yield to common sense for the many at some point in the history of the world shall it continue in a healthy and balanced path for the future.

Best to all,

Grant Inglett