



BIGHORN-DESERT VIEW WATER AGENCY

BOARD OF DIRECTORS' REGULAR MEETING AGENDA

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

MARCH 24, 2009
TUESDAY
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. In giving your public comment please 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, please contact the Board Secretary during Agency business hours by calling 760-364-2315.

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 following items will be discussed by the Board of Directors and Staff, and the Board will consider taking action, if so inclined.

a) **JUNE 30, 2008 AUDIT PRESENTATION BY MESSNER & HADLEY, LLP**- Presentation of the Report on Audit for the Bighorn-Desert View Water Agency for fiscal year ending June 30, 2008
Requested by: Staff

b) **ENDORSEMENT OF ART BISHOP, MOJAVE WATER AGENCY (MWA) BOARD MEMBER, TO FILL VACANCY ON THE ACWA REGION 9 BOARD OF DIRECTORS**- Board to discuss and consider authorizing staff to submit a letter of support to Director Bishop.
Requested by: Staff

c) **AVAILABILITY OF BIGHORN OFFICE BUILDING FOR USE BY ALAN RASMUSSEN, FIELD REPRESENTATIVE TO SUPERVISOR, THIRD DISTRICT NEIL DERRY**- Board to discuss and consider offering the Bighorn-Desert View meeting office for use by Mr. Rasmussen.
Requested by: Staff

d) POLICY STATEMENT NO. 09P-01- A STATEMENT OF THE BOARD OF DIRECTORS OF THE BIGHORN-DESERT VIEW WATER AGENCY ESTABLISHING AN AGENCY MEETING AGENDA PREPARATION POLICY- Board to consider approval of Policy No. 09P-01, thereby rescinding Policy No. 08P-02.

Requested by: Staff

e) ENGAGEMENT OF GRESHAM SAVAGE NOLAN & TILDEN , APC TO REPRESENT BIGHORN-DESERT VIEW WATER AGENCY IN CONNECTION WITH LABOR AND EMPLOYMENT MATTERS-Board to discuss and consider authorizing Agency General Counsel, SmithTrager,LLC to execute the engagement letter with Gresham Savage Nolan & Tilden, APC for Attorney services related to labor and employment matters on the Agency's behalf.

Requested by: Staff

f) CUSTOMER REQUEST FOR RELIEF OF BILLING FOR PARCEL 629-405-01
Continued

Requested by: Staff

g) DISBURSEMENTS FEBRUARY 2009

Requested by: Staff

3. **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 January 27, 2009 Regular Meeting

b) Consumption & Billing Comparison Report February 2009

c) Financial Statements February 2009

d) Production Report February 2009

e) Service Order Report February 2009

4. **MATTERS REMOVED FROM CONSENT ITEMS-**

5. **CONSENT ITEMS RECOMMENDED FOR APPROVAL AT THE FINANCE/PUBLIC RELATIONS & EDUCATION/PERSONNEL COMMITTEE MEETING-** No March 2009 meeting held.

6. **CONSENT ITEMS RECOMMENDED FOR APPROVAL AT THE PLANNING & ENGINEERING/LEGISLATIVE/GRANT/SECURITY COMMITTEE MEETING-** No March 2009 meeting held.

7. **DIRECTORS' REPORTS/COMMENTS**

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

9. **COMMUNICATION AND INFORMATION ITEMS**

10. ITEMS FOR NEXT AGENDA

11. 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: March 24, 2009

To: Board of Directors

Budgeted: Yes

Budgeted Amount: \$9,500

Cost: \$9,345

Funding Source: Budget Line: 56006

From: Marina D. West

General Counsel Approval: N/A

Staff Contact:

CEQA Compliance: N/A

Subject: June 30, 2008 Audit Presentation by Messner & Hadley, LLP

SUMMARY

Mr. Paul Messner of Messner and Hadley, LLP will present the Report on the Audit for the Bighorn Desert View Water Agency for fiscal year ending June 30, 2008. The Audit Report is attached.

RECOMMENDATION

Information and Discussion Only

BACKGROUND/ANALYSIS

Mr. Paul Messner of Messner and Hadley, LLP will present the Report on the Audit for the Bighorn Desert View Water Agency for fiscal year ending June 30, 2008. The Audit Report is attached.

PRIOR RELEVANT BOARD ACTION(S)

9/30/08 Board authorized staff to sign agreement with Messner & Hadley, LLC for FY 2007/08 audit services.

Bighorn-Desert View Water Agency

Report on Audit

June 30, 2008 and 2007

Bighorn-Desert View Water Agency
(A Special District)

June 30, 2008 and 2007

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INDEPENDENT AUDITORS' REPORT

December 19, 2008

The Board of Directors
Bighorn-Desert View Water Agency

We have audited the accompanying balance sheets of Bighorn-Desert View Water Agency (the "Agency") as of and for the years ended June 30, 2008 and 2007, and the related statements of revenues, expenses, and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we express no opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency at June 30, 2008 and 2007, and the changes in net assets and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report on page 31, dated December 19, 2008, on our consideration of the Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Board of Directors
Bighorn-Desert View Water Agency

The Management's Discussion and Analysis on pages 3 through 9 are not a required part of the basic financial statements, but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits for the years ended June 30, 2007 and 2008 were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedules listed in the accompanying table of contents for the years ended June 30, 2007 and 2008 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole for the years ended June 30, 2007 and 2008.

Messner & Hadley, LLP.

Messner & Hadley, LLP
Certified Public Accountants



MANAGEMENT'S DISCUSSION AND ANALYSIS

THE AGENCY

The Bighorn-Desert View Water Agency (the "Agency") was formed in 1990 as the result of a merger between the Bighorn Mountains Water Agency (established 1969) and the Desert View Water Agency (established 1964). It is a state chartered public agency formed to provide a safe and reliable water distribution system to its constituents. The Agency encompasses approximately 44 square miles of desert area and services the communities of Flamingo Heights, Landers, and Johnson Valley. The Agency has approximately 1,584 metered, active services and operates eight deep wells, ten above ground reservoirs and maintains about 600 fire hydrants and 109 miles of water main pipelines. The Agency is governed by a five-member Board of Directors. The Directors serve at large and are elected by registered voters living within the Agency's boundaries.

THE BASIC FINANCIAL STATEMENTS

This annual report consists of the management's discussion and analysis (this section) and the basic financial statements. The basic financial statements are presented in the format prescribed by the Governmental Accounting Standards Board for proprietary type funds. As a proprietary fund, the Agency uses the full accrual basis of accounting. Proprietary fund statements offer short-term and long-term financial information about the activities that operate like a business.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The notes are located immediately after the basic financial statements.

The basic financial statements are made up of the statement of net assets, statement of revenues, expenses and changes in net assets, and the statement of cash flows. Each statement is described in detail below.

The statement of net assets presents information on the Agency's assets and liabilities. Assets reflect what we own and liabilities reflect what we owe. The difference between assets and liabilities is reported as net assets. The change in net assets is one way to measure the Agency's financial health. Increases and decreases are indicators of whether its financial health is improving or deteriorating, respectively.

The statement of revenues, expenses and changes in net assets describes the results of the Agency's financial activities during the years reported. It shows the change in net assets by comparing operating and non-operating revenues with operating and non-operating expenses. Operating revenues and expenses relate to the principal business activities of the Agency, which is to provide water for its customers. All other revenues and expenses, including surcharges for debt repayment, are classified as non-operating.

Bighorn-Desert View Water Agency

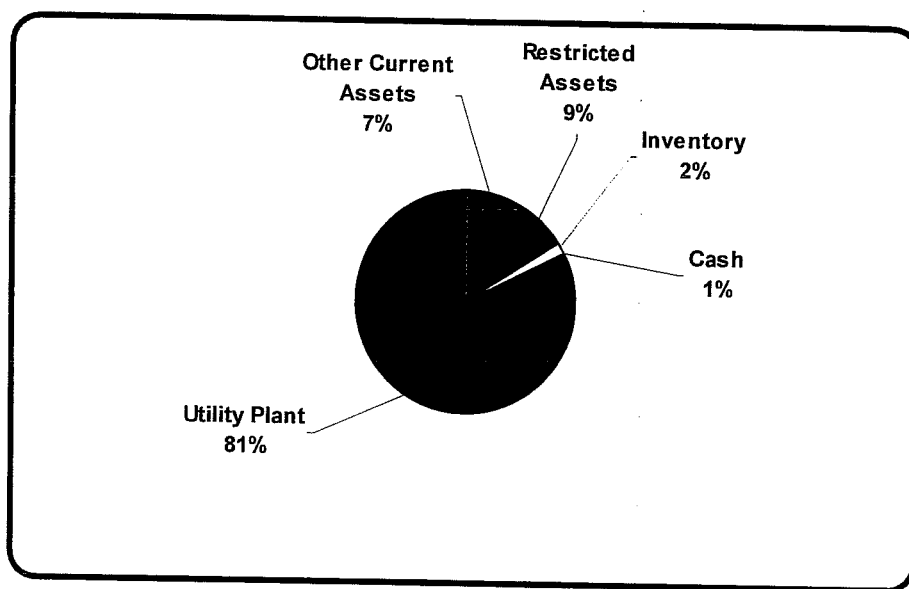
Management's Discussion and Analysis
June 30, 2008 and 2007

THE BASIC FINANCIAL STATEMENTS, Continued

The statement of cash flows describes to the financial statement users how the Agency managed its cash during the year. It tells the user from what sources the Agency received cash and for what purposes cash was used. The statement converts operating income (or loss) from the statement of revenues, expenses and changes in net assets into actual cash provided by and used in operations. Additionally, the statement of cash flows details how the Agency obtains and spends cash for investing and financing activities.

SUMMARY FINANCIAL INFORMATION AND ANALYSIS

ASSETS



As stated above, assets are, in their simplest form, what is owned by an entity. The Agency's assets are comprised of current assets, restricted assets and non-current assets.

Assets are classified as current if they are cash, are expected to be converted to cash or are expected to be consumed in operations within one year. Current assets consist of cash, accounts receivable, property taxes receivable, interest receivable, inventory, prepaid expenses and construction in progress. At June 30, 2008, the Agency had \$421,984 in current assets as compared to \$610,577 at June 30, 2007.

The total decrease in current assets of \$188,593 consists primarily of a decrease in unrestricted cash of \$264,083, and an increase in construction in progress of \$119,618. Construction in progress is made up of the development of a future water master plan and an annexation.

Assets are reported as restricted when restrictions, imposed by creditors (such as through debt covenants) or by law, change the nature or normal understanding of the availability of the assets. Restricted assets for the Agency are cash collections in excess of amounts currently due for the repayment of bond principal, and cash collected for customer deposits and basic facilities fees. Restricted assets of the Agency at June 30, 2008 and 2007 were \$433,099 and \$434,918.

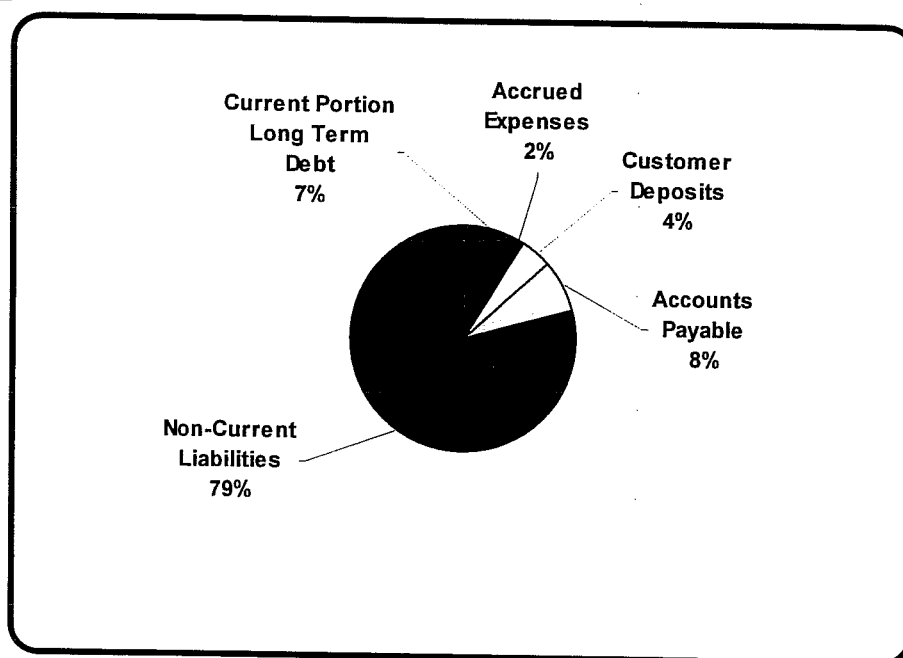
Bighorn-Desert View Water Agency

Management's Discussion and Analysis
June 30, 2008 and 2007

ASSETS, Continued

Non-current assets are the least liquid of assets. Assets that are not expected to be consumed or liquidated within one year are classified as non-current. Non-current assets for the Agency are deferred charges related to the issuance of long-term debt and utility plant (e.g., wells, tanks, pipeline, etc.). The Agency's non-current assets at June 30, 2008 were \$3,917,765 versus \$3,994,802 at June 30, 2007. Fixed asset purchases of \$265,243, along with depreciation and amortization of \$219,804, account for the majority of the change in non-current assets.

LIABILITIES



As stated above, liabilities are basically what is owed by an entity to its vendors, suppliers, employees and creditors. The Agency's liabilities are reported as current, payable from restricted assets, and non-current.

Current liabilities are amounts owed which are expected to be paid or otherwise settled within one year. The Agency's current liabilities consist of accounts payable, current portions of long-term debt (i.e., due within one year) and accrued expenses. Current liabilities of the Agency were \$248,000 at June 30, 2008 and \$151,380 at June 30, 2007.

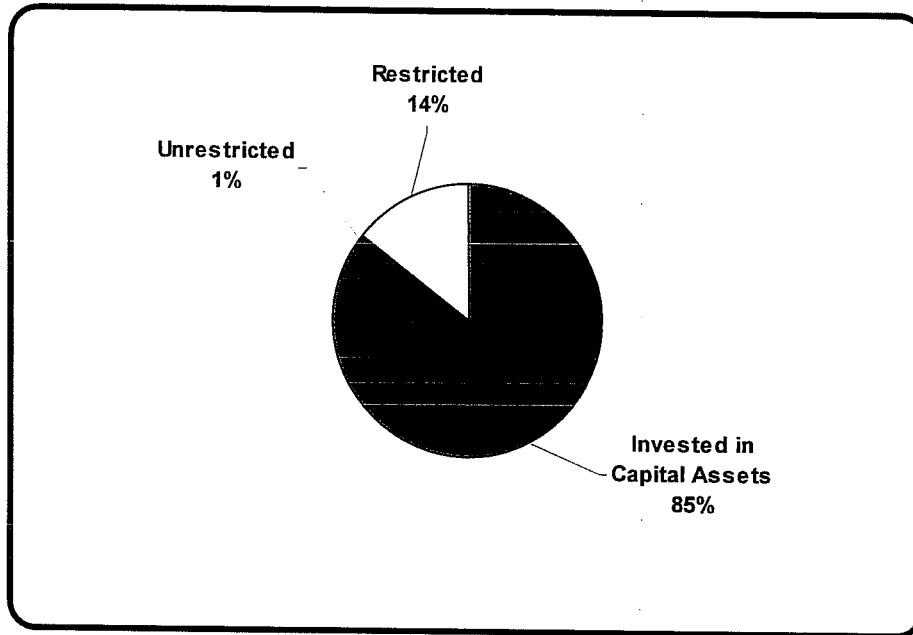
Liabilities payable from restricted assets represent obligations that will be repaid from assets classified as restricted. Liabilities payable from restricted assets for the Agency are security deposits received from customers. The balances of liabilities payable from restricted assets at June 30, 2008 and 2007 were \$62,710 and \$60,311, respectively.

Liabilities that are not due within one year are classified as non-current. The Agency's non-current liabilities are the principal portion of its outstanding bonds and capital leases. Non-current liabilities at June 30, 2008 were \$1,192,410 compared to \$1,291,497 at June 30, 2007. The decrease is due to principal payments made during the year.

Bighorn-Desert View Water Agency

Management's Discussion and Analysis
June 30, 2008 and 2007

NET ASSETS



The Agency is required to present its net assets in three categories: invested in capital assets, restricted and unrestricted.

Invested in capital assets is the component of net assets that consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributable to the acquisition of those assets.

The amounts reported as invested in capital assets for the Agency at June 30, 2008 include: utility plant, at cost, of \$8,666,417; less accumulated depreciation of \$4,752,674; plus construction in progress of \$156,293; less all debt related to the acquisition of utility plant of \$1,260,977 for a total of \$2,809,059. At June 30, 2007 the total of invested in capital assets was \$2,691,161. The increase is mainly due to fixed asset purchases.

Net assets are reported as restricted when constraints placed on net assets are either externally imposed by creditors (i.e., debt covenants) or imposed by law. Restricted net assets for the Agency at June 30, 2008 include: property tax collected and interest earned on property tax collected of \$461,626 for repayment of the General Obligation Bonds, and surcharges collected in excess of debt payments of \$18,238 for repayment of the Desert View Bonds for a total of \$479,864. The Agency's restricted net assets at June 30, 2007 were \$442,820.

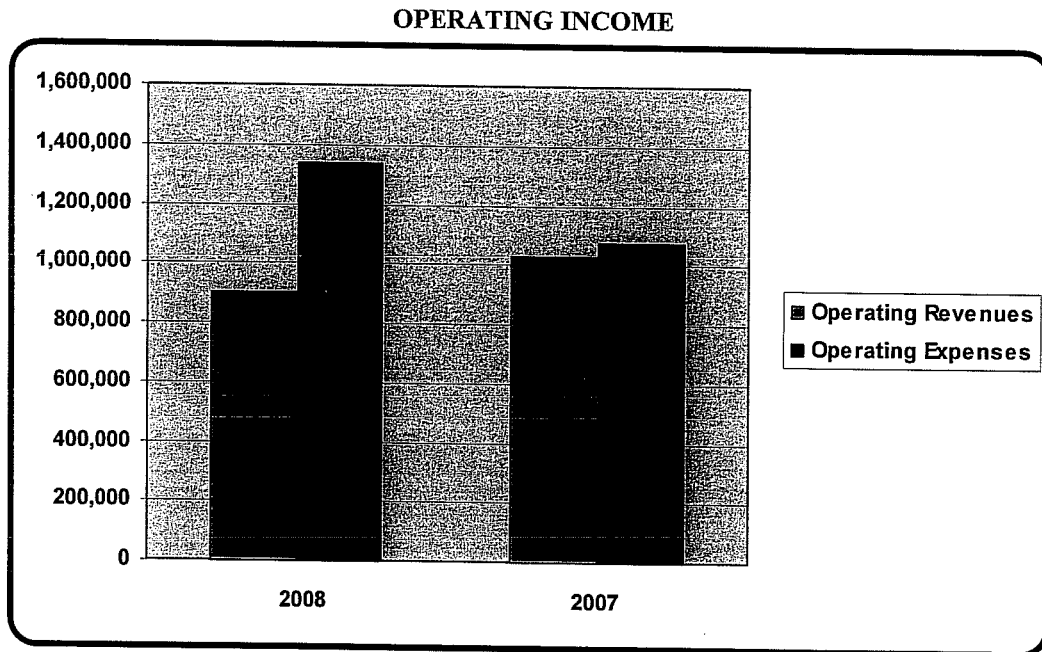
Unrestricted net assets consist of net assets that do not meet the definition of "restricted" or "invested in capital assets". The Agency's unrestricted net assets at June 30, 2008 are (\$58,360) and \$403,128 at June 30, 2007.

	2008	2007
Total assets	\$ 4,772,848	\$ 5,040,297
Total liabilities	<u>1,503,120</u>	<u>1,503,188</u>
Total net assets	<u>\$ 3,269,728</u>	<u>\$ 3,537,109</u>

Bighorn-Desert View Water Agency

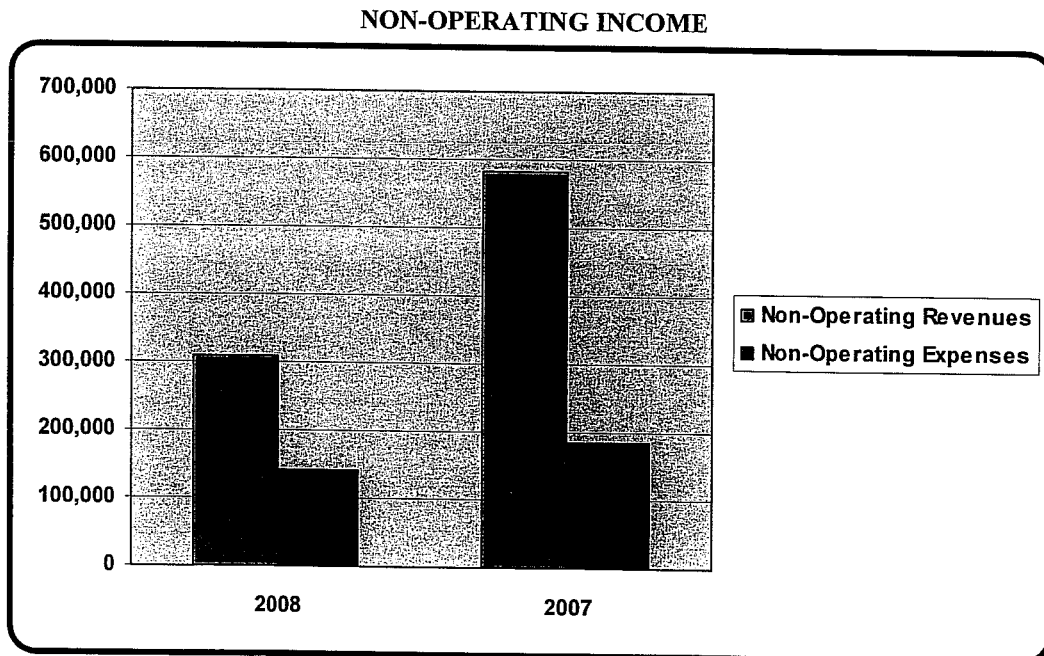
Management's Discussion and Analysis
June 30, 2008 and 2007

OPERATING REVENUES AND EXPENSES



The Agency's operating revenues decreased to \$901,719 from \$1,028,163, primarily due to lower water sales and services. Operating expenses increased \$258,506 from 2007.

NON-OPERATING REVENUES AND EXPENSES



Non-operating revenues for the year ended June 30, 2008 decreased \$273,280 over 2007. The majority of the decrease was due to less grant monies being received during the fiscal year.

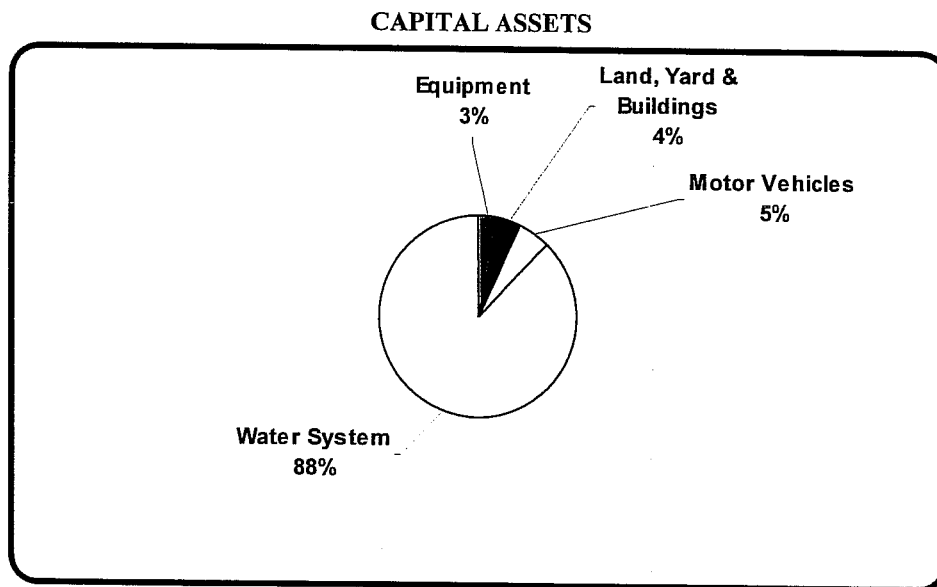
Bighorn-Desert View Water Agency

Management's Discussion and Analysis
June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Operating revenues	\$ 901,719	\$ 1,028,163
Operating expenses before depreciation	<u>1,117,286</u>	<u>878,993</u>
Operating income before depreciation	(215,567)	149,170
Depreciation	<u>219,804</u>	<u>199,587</u>
Operating income (loss)	(435,371)	(50,421)
Non-operating income	<u>167,994</u>	<u>395,664</u>
Change in net assets	(267,377)	345,243
Net assets, beginning	<u>3,537,105</u>	<u>3,191,862</u>
Net assets, ending	<u>\$ 3,269,728</u>	<u>\$ 3,537,105</u>

CAPITAL ASSETS

The Agency's capital assets consist of its water distribution system and the ancillary equipment and fixtures needed to support and maintain that system. The following graph shows the composition of the Agency's total capital assets at June 30, 2008.



Capital expenditures during fiscal year 2007-2008 were \$272,743. \$152,618 was spent on water system improvements; \$507 on shop equipment; and \$119,618 on construction in progress.

Bighorn-Desert View Water Agency

Management's Discussion and Analysis
June 30, 2008 and 2007

LONG-TERM DEBT

The Agency has two outstanding bond issues: the Water Revenue Bonds of 1980 and a General Obligation Bond issued in June, 1979. The Water Revenue Bonds of 1980 were issued to finance \$700,000 of a \$1,500,000 project to construct additions to and improve the water supply and distribution system of the then Desert View Water District. The General Obligation Bonds were issued to help finance \$1,875,000 of a project to construct the water supply and distribution system for the Bighorn Mountains Water Agency's Improvement District 1.

No new debt was incurred by the Agency in 2007-2008. Principal payments of \$58,000 and interest payments of \$50,650 on the General Obligation Bonds were made as scheduled, as well as \$22,000 principal payments and \$19,049 interest payments on the Water Revenue Bonds. The outstanding principal on the General Obligation Bonds and Water Revenue Bonds, at June 30, 2008 is \$900,000 and \$358,977, respectively.

ECONOMIC OUTLOOK

Cash Flow

The District's previous growth trend has slowed significantly over the last year, following another smaller slowdown the prior year. This follows three years of moderate growth. Previously, there was nearly a decade of virtually no growth resulting from the 1992 Landers earthquake. Management expects the growth to slow even further in response to the decline in the national and state economies. Operating revenues decreased from 2007, while operating expenses increased. These conditions contributed to the decrease in cash of \$265,902 in 2008. In 2007, the District also experienced a decrease in cash of \$99,251. This trend must be reversed in 2009 if the District is to remain financially viable in the long-term.

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages. If you have questions about this report or need additional financial information, contact the District at 622 S. Jemez Trail, Yucca Valley, California 92284 or call (760) 364-2315.

Bighorn-Desert View Water Agency
(A Special District)

Balance Sheets
June 30, 2008 and 2007

	2008	2007
ASSETS		
Current assets:		
Cash and investments	\$ 25,067	\$ 289,150
Accounts receivable-water services	105,786	126,606
Accounts receivable-availability	-	237
Property tax receivable	39,984	21,619
Interest receivable	4,072	10,185
Inventory	71,711	113,534
Prepaid expenses	11,571	5,071
Construction in progress	163,793	44,175
Total current assets	<u>421,984</u>	<u>610,577</u>
Restricted assets		
Cash	433,099	434,918
Non-current assets:		
Debt issuance costs, net	4,022	6,837
Utility plant, net	<u>3,913,743</u>	<u>3,987,965</u>
Total non-current assets	<u>3,917,765</u>	<u>3,994,802</u>
TOTAL ASSETS	<u><u>\$ 4,772,848</u></u>	<u><u>\$ 5,040,297</u></u>

Bighorn-Desert View Water Agency
(A Special District)

Balance Sheets
June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 114,444	\$ 25,154
Current portion of long-term debt	85,000	80,000
Current portion of capital lease	14,087	14,087
Payroll liabilities	11,315	8,582
Interest payable	8,237	9,576
Compensated absences	14,917	13,981
Total current liabilities	<u>248,000</u>	<u>151,380</u>
Liabilities payable from restricted assets		
Customer deposits	62,710	60,311
Non-current liabilities		
Bonds payable	1,175,977	1,260,977
Capital lease payable	16,433	30,520
Total non-current liabilities	<u>1,192,410</u>	<u>1,291,497</u>
Total liabilities	1,503,120	1,503,188
NET ASSETS		
Invested in capital assets, net of related debt	2,816,559	2,691,161
Restricted for debt service	479,864	442,820
Unrestricted	<u>(26,695)</u>	<u>403,128</u>
Total net assets	<u>3,269,728</u>	<u>3,537,109</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 4,772,848</u></u>	<u><u>\$ 5,040,297</u></u>

Bighorn-Desert View Water Agency
(A Special District)

Statements of Revenues, Expenses and Changes in Net Assets
For the Years Ended June 30, 2008 and 2007

	2008	2007
OPERATING REVENUES		
Water sales	\$ 497,295	\$ 565,170
Water services	29,598	84,826
Basic surcharge	374,826	378,167
Total operating revenues	901,719	1,028,163
OPERATING EXPENSES		
Transmission and distribution	452,725	312,948
General and administrative	664,561	566,049
Total expenses	1,117,286	878,997
Depreciation	219,804	199,587
Total operating expenses	1,337,090	1,078,584
OPERATING LOSS	(435,371)	(50,421)
NON-OPERATING REVENUES		
Interest income	28,175	43,874
Tax levy	231,254	205,830
Desert View debt surcharge	43,640	43,665
Mojave Water Agency pipeline surcharge	-	-
Grant income	11,077	278,378
Gain/loss on disposal of asset	(7,541)	(5,034)
Other income	1,143	14,315
Total non-operating revenues	307,748	581,028
NON-OPERATING EXPENSES		
Interest expense	65,610	70,332
Mojave Water Agency pipeline debt	71,330	112,218
Amortization of debt issuance costs	2,814	2,814
Total non-operating expenses	139,754	185,364
NON-OPERATING INCOME	167,994	395,664
CHANGE IN NET ASSETS	(267,377)	345,243
Net Assets		
Beginning, July 1	3,537,105	3,191,862
Ending, June 30	\$ 3,269,728	\$ 3,537,105

Bighorn-Desert View Water Agency
(A Special District)

Statements of Cash Flows
For the Years Ended June 30, 2008 and 2007

	2008	2007
Cash flows from operating activities		
Cash received from customers	\$ 905,122	\$ 1,007,004
Cash payments to suppliers for goods and services	(479,832)	(518,136)
Cash payments to employees and directors for services	(537,337)	(360,190)
Other miscellaneous revenues	-	8,545
	<u> </u>	<u> </u>
Net cash provided by (used in) operating activities	(112,047)	137,223
Cash flows from non-capital financing activities		
Property taxes received	108,998	88,604
	<u> </u>	<u> </u>
Net cash provided by non-capital financing activities	108,998	88,604
Cash flows from capital and related financing activities		
Property taxes received in support of long-term debt	122,256	110,844
Other revenue received in support of long-term debt	43,640	43,665
Acquisition of capital assets	(272,743)	(529,485)
Proceeds on disposition of capital assets	-	736
Principal paid on long-term debt	(80,000)	(76,000)
Interest paid on long-term debt	(66,949)	(70,282)
Principal paid on capital leases	(14,087)	(14,087)
Mojave Water Agency pipeline support paid	(35,665)	(112,218)
Other income	1,443	-
Grants revenue received	11,077	278,378
	<u> </u>	<u> </u>
Net cash used in capital and related financing activities	(291,028)	(368,449)
Cash flows from investing activities		
Interest received	28,175	43,371
	<u> </u>	<u> </u>
NET DECREASE IN CASH	(265,902)	(99,251)
Cash		
Beginning, July 1	724,068	823,319
	<u> </u>	<u> </u>
Ending, June 30	<u>\$ 458,166</u>	<u>\$ 724,068</u>

Bighorn-Desert View Water Agency

(A Special District)

Statements of Cash Flows, Continued
For the Years Ended June 30, 2008 and 2007

	2008	2007
Reconciliation of cash and cash equivalents to the statements of net assets		
Cash, restricted for debt service	\$ 433,099	\$ 434,918
Cash, unrestricted	25,067	289,150
	<u>\$ 458,166</u>	<u>\$ 724,068</u>
 Reconciliation of operating income (loss) to cash used in operating activities		
Operating income (loss)	\$ (435,371)	\$ (50,417)
Adjustments		
Depreciation	219,804	199,587
Other miscellaneous revenues	-	8,545
 Changes in assets liabilities		
Accounts receivable and other receivables	8,804	(26,905)
Inventory	41,823	2,861
Prepaid expenses	(6,500)	1,793
Accounts payable and other liabilities	57,294	(3,988)
Customer deposits	2,099	5,747
 NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (112,047)</u>	<u>\$ 137,223</u>

Bighorn-Desert View Water Agency

(A Special District)

Notes to Financial Statements

June 30, 2008 and 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Bighorn-Desert View Water Agency (the “Agency”) is a special district that was formed in 1990 when the San Bernardino County Board of Supervisors approved the consolidation of Bighorn Mountains Water Agency (established 1969) and Desert View Water District (established 1964). It is the Agency’s mission to provide water and water related services to the population within the Agency’s boundaries. Accordingly, the Agency is authorized to finance, construct, operate and maintain a water transmission and distribution system to benefit this population. Its boundaries encompass approximately 44 square miles. The Agency is governed by a five-member Board of Directors, who are elected to staggered 4-year terms.

Fund Accounting

The accounts of the Agency are organized on the basis of fund accounting. Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The Agency’s funds are accounted for as an enterprise fund type of the proprietary fund group.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Agency distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with water sales to customers. Non-operating revenues are those derived from support of long-term debt and the investment of cash reserves.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund is accounted for on a flow of economic resources measurement focus. This measurement focus emphasizes the determination of net income. The accrual basis of accounting is used for the enterprise fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Agency follows all applicable Governmental Accounting Standards Board (GASB) pronouncements, and all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) issued on or before November 30, 1989 unless they conflict with or contradict GASB pronouncements. After November 30, 1989, the Agency applies only GASB pronouncements.

Bighorn-Desert View Water Agency
(A Special District)

Notes to Financial Statements, Continued
June 30, 2008 and 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Accounting, Continued

The Agency's basic financial statements are presented in conformance with the provisions of GASB No. 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*". Statement No. 34 established revised financial reporting for state and local governmental entities throughout the United States for the purpose of enhancing the understandability and usefulness of financial reports. GASB No. 34 and its related GASB pronouncements provide for a revised view of financial information and restructure the format of financial information provided prior to its adoption. A statement of net assets replaces the balance sheet and reports assets, liabilities, and the difference between them as net assets, not equity. A statement of revenues, expenses and changes in net assets replaces both the income statement and the statement of changes in retained earnings and contributed capital. GASB No. 34 also requires that the statement of cash flows be prepared using the direct method. The following are the classifications of net assets:

Invested in Capital Assets, Net of Related Debt

This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

Restricted

This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets

This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

Use of Restricted Resources

The Agency uses restricted resources, prior to using unrestricted resources, to pay expenditures meeting the criteria imposed on the use of restricted resources by a third party.

Use of Estimates

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

Bighorn-Desert View Water Agency
(A Special District)

Notes to Financial Statements, Continued
June 30, 2008 and 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Inventory

Inventory of materials and supplies, consisting of parts used for utility plant construction are carried at the weighted-average cost.

Utility Plant

Capital assets are stated at cost. Depreciation is provided on a straight-line basis over the estimated useful lives which range from five to fifty years. Depreciation expense for the years ended June 30, 2008 and 2007 was \$219,804 and \$199,587, respectively. It is the policy of the Agency to capitalize property, plant and equipment with a cost of \$1,000 or more.

Allowance for Uncollectible Accounts

Water accounts receivable have not been reduced by an allowance for estimated un-collectibles as it is expected that essentially all such receivables will be collected.

Debt Issuance Costs

Debt issuance costs are deferred and amortized over the term of the debt.

Other Accounting Policies

Customers are billed on a bi-monthly basis and the related revenues are recorded when customers are billed.

Income Taxes

The Agency is exempt from Federal and State income taxes, as it is a public government agency.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Agency considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents, including restricted assets.

Property Taxes

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien date:	March
Levy date:	July 1 to June 30
Due date:	November 1 – first installment March 1 – second installment
Collection date:	December 10 – first installment April 10 – second installment

Bighorn-Desert View Water Agency
(A Special District)

Notes to Financial Statements, Continued
June 30, 2008 and 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Property Taxes, Continued

General property taxes are assessed and collected by the County of San Bernardino on a rate per \$100 of assessed value, plus other increases approved by the voters. The general property taxes are pooled and are then allocated to the districts based on formulas. These general property taxes are not restricted for a specific use. In addition, the Agency has established an ad valorem tax, which is restricted for debt service.

Property taxes are recognized as revenue when received and/or become available. Property tax revenues are considered available when they become due or past due and receivable within the current period and those expected to be collected during a 60-day period subsequent to the balance sheet date when significant.

Grants

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

NOTE 2 – CASH AND INVESTMENTS

The Agency maintains a cash and investment pool that is available for all funds. Each fund type balance in the pool is reflected on the combined balance sheet as cash and investments. The Agency apportions interest earnings to all funds based on their monthly cash balances.

Cash Deposits

The carrying amounts of the Agency's cash deposits were \$458,166 at June 30, 2008. Bank balances before reconciling items were \$467,813 at that date, the total amount of which was collateralized or insured with securities held by pledging financial institutions in the Agency's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the Agency's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the Agency's name.

The market value of the pledged securities must equal at least 110% of the Agency's deposits. California law also allows financial institutions to secure the Agency's deposits by pledging first trust deed mortgage notes having a value of 150% of the Agency's deposits. The Agency may waive collateral requirements for cash deposits, which are fully insured up to \$100,000 by the Federal Deposit Insurance Corporation (FDIC).

Bighorn-Desert View Water Agency
(A Special District)

Notes to Financial Statements, Continued
June 30, 2008 and 2007

NOTE 2 – CASH AND INVESTMENTS, Continued

Cash Deposits, Continued

The Agency follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

Investments

Under the provisions of the Agency's investment policy and in accordance with California Government Code, the following investments were authorized:

- Securities issued by the U.S. Treasury
- Securities issued and fully guaranteed as to payment by an agency of the U.S. Government
- Banker's Acceptances
- Non-negotiable certificates of deposit
- Repurchase Agreements
- California Local Agency Investment Fund (State Pool)
- Corporate medium-term notes
- Mortgage-backed securities
- Diversified Management Companies, as defined by Section 23701m of the Revenue Taxation Code

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at fair value using the aggregate method in all funds, resulting in the following investment income in all funds at June 30, 2008:

Interest income	\$ <u>28,175</u>
-----------------	------------------

The Agency's portfolio value fluctuates in an inverse relationship to any change in interest rates. Accordingly, if interest rates have risen, the portfolio value will have declined. If interest rates have fallen, the portfolio value will have risen.

In accordance with GASB Statement No. 31, the portfolio for year-end reporting purposes is treated as if it were all sold. Therefore, fund balance must reflect the portfolio's change in value. These portfolio value changes are unrealized unless sold. The Agency's policy is to buy and hold investments until their maturity dates.

Bighorn-Desert View Water Agency
(A Special District)

Notes to Financial Statements, Continued
June 30, 2008 and 2007

NOTE 2 – CASH AND INVESTMENTS, Continued

Summary of Cash and Investments

The following is a summary of pooled cash and investments at June 30, 2008:

Business-type activities:	
Cash and investments	\$ 25,067
Restricted cash and investments	<u>433,099</u>
	<u><u>\$ 458,166</u></u>

At June 30, 2008, the Agency had the following deposits:

	<u>Credit Quality Ratings</u>	<u>Fair Value</u>
Deposits	Not Rated	\$ 14,874
Local Agency Investment Funds	Not Rated	<u>443,292</u>
		<u><u>\$ 458,166</u></u>

Risk Disclosures

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the Agency's investment policy limits the Agency's investment portfolio to maturities not to exceed five years at time of purchase.

Credit Risk – State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the Agency's policy to limit its investments in these investment types to the top rating issued by NRSROs, including raters Standard & Poor's, Fitch Ratings, and Moody's Investors Service.

Summary of Investments to Maturity

The fair value of investments held by maturity at June 30, 2008 is shown below:

Maturity:	
Current to one year	\$ 458,166
Two to three years	-
Four to five years	<u>-</u>
Total	<u><u>\$ 458,166</u></u>

Bighorn-Desert View Water Agency
(A Special District)

Notes to Financial Statements, Continued
June 30, 2008 and 2007

NOTE 3 – RESTRICTED ASSETS AND LIABILITIES

Certain assets of the Agency are restricted in use by ordinance or debt covenants and, accordingly, are shown as restricted assets on the accompanying statements of net assets. Property taxes and surcharges collected in excess of principal and interest payments made on outstanding long-term debt are restricted for future debt service payments. Customer deposits are restricted for refunding to customers. The basic facilities fee is restricted for future capital improvements.

NOTE 4 – UTILITY PLANT IN SERVICE

A summary of changes in utility plant in service for the year ended June 30, 2008:

<u>Assets at Cost</u>	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2008</u>
Capital assets, not being depreciated:				
Land	\$ 64,103	\$ -	\$ -	\$ 64,103
Capital assets, being depreciated:				
Fuel station	16,604	-	-	16,604
Motor vehicles	424,832	-	-	424,832
Office building	234,354	-	-	234,354
Office equipment	139,079	-	-	139,079
Organization	336,271	-	-	336,271
Shop equipment	98,706	507	-	99,213
Water system	7,150,628	152,618	9,220	7,294,026
Yards	57,935	-	-	57,935
Total capital assets, being depreciated	8,458,409	153,125	9,220	8,602,314
Total assets at cost	8,522,512	153,125	9,220	8,666,417
Accumulated depreciation				
Fuel station	8,192	664	-	8,856
Motor vehicles	250,160	33,015	-	283,175
Office building	180,578	7,849	-	188,427
Office equipment	115,435	7,340	-	122,775
Organization	2,450	13,451	-	15,901
Shop equipment	84,947	2,387	-	87,334
Water system	3,835,677	154,416	1,676	3,988,417
Yards	57,108	681	-	57,789
Total accumulated depreciation	4,534,547	219,803	1,676	4,752,674
Capital Assets, net book value	\$ 3,987,965			\$ 3,913,743

Bighorn-Desert View Water Agency
(A Special District)

Notes to Financial Statements, Continued
June 30, 2008 and 2007

NOTE 4 – UTILITY PLANT IN SERVICE, Continued

A summary of changes in utility plant in service for the year ended June 30, 2007:

<u>Assets at Cost</u>	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
Capital assets, not being depreciated:				
Land	\$ 64,103	\$ -	\$ -	\$ 64,103
Capital assets, being depreciated:				
Fuel station	16,604	-	-	16,604
Motor vehicles	389,665	56,167	21,000	424,832
Office building	234,354	-	-	234,354
Office equipment	121,767	17,312	-	139,079
Organization	-	336,271	-	336,271
Shop equipment	91,755	6,951	-	98,706
Water system	7,016,220	134,408	-	7,150,628
Yards	57,935	-	-	57,935
Total capital assets, being depreciated	7,928,300	551,109	21,000	8,458,409
Total assets at cost	7,992,403	551,109	21,000	8,522,512
Accumulated depreciation				
Fuel station	7,527	665		8,192
Motor vehicles	240,480	30,680	21,000	250,160
Office building	172,728	7,850	-	180,578
Office equipment	107,874	7,561	-	115,435
Organization	-	2,450	-	2,450
Shop equipment	82,758	2,189	-	84,947
Water system	3,688,265	147,412	-	3,835,677
Yards	56,328	780	-	57,108
Total accumulated depreciation	4,355,960	199,587	21,000	4,534,547
Capital Assets, net book value	<u>\$ 3,636,443</u>			<u>\$ 3,987,965</u>

Bighorn-Desert View Water Agency
(A Special District)

Notes to Financial Statements, Continued
June 30, 2008 and 2007

NOTE 5 – LONG-TERM DEBT

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
General obligation bonds: original issue \$1,875,000, 5%, maturing in 2019; secured by tax levy revenues	\$ 900,000	\$ 958,000
Water revenue bonds: original issue \$700,000; 5%, maturing in 2019; secured by a pledge of all revenues	358,977	380,977
Improvement District 71-2 Bond: original issue \$275,000; 7%; matured July 2, 1988	<u>2,000</u>	<u>2,000</u>
Total long-term debt	1,260,977	1,340,977
Less: portion due within one year	<u>(85,000)</u>	<u>(80,000)</u>
	<u><u>\$ 1,175,977</u></u>	<u><u>\$ 1,260,977</u></u>

Future long-term debt maturities are as follows:

<u>Year</u>	
2008-2009	\$ 85,000
2009-2010	90,000
2010-2011	95,000
2011-2012	100,000
2012-2013	105,000
Thereafter	<u>785,977</u>
	<u><u>\$ 1,260,977</u></u>

NOTE 6 – CAPITAL LEASE

The Agency leases equipment under a capital lease agreement expiring in 2011. As of June 30, 2008, future minimum lease payments are as follows:

<u>June 30,</u>	
2009	\$ 14,087
2010	14,087
2011	<u>2,346</u>
	<u><u>\$ 30,520</u></u>

The leased asset is carried at a cost of \$77,433 less accumulated depreciation of \$32,264.

Bighorn-Desert View Water Agency
(A Special District)

Notes to Financial Statements, Continued
June 30, 2008 and 2007

NOTE 7 – JOINT VENTURES

The Agency participates in two joint ventures under joint powers agreements (JPAs): the Special District Risk Management Authority (SDRMA) and the Special Districts Workers' Compensation Authority (SDWCA). The relationships between the Agency and the JPAs are such that the JPAs are not component units of the Agency for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the Agency are included in these statements. Effective July 1, 2003, SDRMA signed an agreement with SDWCA to provide the administrative services for the SDWCA program. Per that agreement, both Organizations approved merging the workers compensation program into SDRMA.

	<u>Special Districts Risk Management Authority (SDRMA)</u>	<u>Special Districts Workers' Compensation Authority (SDWCA)</u>
Purpose	To purchase property and liability insurance for member districts	Provide a program of self-insurance for workers' compensation
Participants	Special Districts in California	Special Districts in California
Governing board	Two directors selected by the California Special Districts Association and five elected from membership	Certain members from the Special Districts

Condensed audited financial information for SDRMA (Special Districts Risk Management Authority) is presented below. Years ended June 30, 2007 and 2006 are the most recent years available.

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Total assets	\$ 60,103,067	\$ 52,454,396
Total liabilities	<u>(42,623,168)</u>	<u>(33,850,371)</u>
Total fund equity	<u>\$ 17,479,899</u>	<u>\$ 18,604,025</u>
 Total revenues	 \$ 28,957,986	 \$ 24,464,075
Total expenses	<u>(28,192,556)</u>	<u>(23,321,200)</u>
Net income	<u>\$ 765,430</u>	<u>\$ 1,142,875</u>

The Agency's share of year-end assets, liabilities or fund equity has not been calculated.

Bighorn-Desert View Water Agency
(A Special District)

Notes to Financial Statements, Continued
June 30, 2008 and 2007

NOTE 8 – COMMITMENTS

On March 15, 1991, the Agency entered into an agreement with the Mojave Water Agency to become a participant in the Morongo Basin Pipeline project. Under the agreement, the Agency was obligated to pay its project allotment percentage of the estimated fixed project cost commencing July 1, 1991. The payment made to Mojave Water Agency for the current year was \$71,330. The payments commencing June, 1996, and thereafter will be determined by Mojave Water Agency based upon various factors.

NOTE 9 – LITIGATION

The Agency presently has no action, suit or proceeding that is expected to have a material adverse effect upon the financial condition of the Agency.

NOTE 10 – DEFINED BENEFIT PENSION PLAN

Plan Description

The Agency contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, CA 95814.

Funding Policy

For the year ended June 30, 2008, participants were required to contribute 7% of their annual covered salary. The Agency was required to contribute an actuarially determined rate of 6.621% of covered payroll. The contribution requirements of plan members and the Agency are established and may be amended by PERS.

Annual Pension Cost

The District's total contributions to CalPERS for the fiscal years ending:

	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>
CalPERS contributions	\$ 36,095	\$ 25,231	\$ 14,135

For the year ended June 30, 2008, the Agency's annual pension cost for PERS was equal to the Agency's required and actual contributions (not including the portion paid on behalf of employees). The required contribution was determined as part of the June 30, 2007 actuarial valuation using the entry age normal cost method. The actuarial assumptions included: (a) 7.75% investment rate of return (net of administrative expenses); (b) projected annual salary increases of 3.25% attributable to inflation; and (c) a 0.25% across the board increase and merit increases that vary by length of service. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis.

Bighorn-Desert View Water Agency
(A Special District)

Notes to Financial Statements, Continued
June 30, 2008 and 2007

NOTE 11 – CONTINGENCIES

The Agency is presently repaying two bond issues: (1) the 1979 Bighorn Mountains Water Agency General Obligation Bonds; and (2) the 1980 Desert View County Water District Revenue Bonds. The Agency has also entered into an agreement with Mojave Water Agency for Construction, Operation and Financing of the Morongo Basin Pipeline Project as detailed in Note 7. Each of these bond issues and the agreement with Mojave Water Agency includes a series of covenants to which the Agency, or its predecessors, has agreed. One of the covenants in each issue is that the Agency will, at a minimum, set its rates in a manner to provide sufficient revenue to cover operating costs, pay the principal and interest due on the bond installments, pay the annual payment required by the agreement with Mojave Water Agency, and have a specified overage. The 1980 Desert View bonds have a coverage requirement of 20% over the annual principal and interest payment, while the agreement with Mojave Water Agency requires additional coverage of 25% over the annual principal and interest payment.

Presently, the Agency has sufficient reserves to meet the revenue requirements of all the bond issues, as the language in each of the bond documents is sufficiently broad to allow for existing reserves to be included as “revenues” for purposes of the coverage covenants.

The Pledge of Revenues and Funds of the 1980 Desert View County Water District Revenue Bonds (the “pledge”) requires that a Reserve Fund shall be established to further secure the payment of the principal of and interest on those bonds. Pursuant to the pledge, the balance of this Reserve Fund is to be maintained at approximately \$41,000. The covenant further requires that monies withdrawn from the Reserve Fund shall be restored by monthly transfers. As of June 30, 2008, the Agency has sufficient reserves to meet this requirement.

SUPPLEMENTAL SCHEDULES

Bighorn-Desert View Water Agency

(A Special District)

History and Organization

June 30, 2008

On June 4, 1990, the San Bernardino County Board of Supervisors approved the Consolidation of Desert View Water District and Bighorn Mountains Water Agency. The effective date of this action was July 1, 1990. The consolidation was jointly initiated and approved by the respective jurisdictions. The new entity became known as the Bighorn-Desert View Water Agency.

Bighorn Mountains Water Agency was organized under provisions of the Agency Law of 1969. The purpose of the Agency was to finance, construct, operate and maintain a water system to serve properties within the unincorporated town of Landers and portions of the surrounding unincorporated area, which covered approximately 23,500 acres in San Bernardino County.

Desert View Water District was organized by a vote of electors of the District in an election held on January 14, 1964. The Board of Supervisors of the County of San Bernardino, California approved the formation of Desert View Water District effective January 20, 1964. The purpose of the District was to finance, construct, operate and maintain a water system to serve properties within the surrounding unincorporated area, which covered approximately 5,368 acres in San Bernardino County.

The administrative office, customer service office, maintenance and repair shop, and storage of material and supplies inventory is located on Agency owned land located at 622 South Jemez Trail, Yucca Valley, California 92284. There is an additional location at 1720 N. Cherokee Trail, Landers, California 92285 where board meetings are held and miscellaneous material and supplies inventory is stored.

The Agency is governed by a Board of Directors consisting of five members, who are elected to staggered four-year terms. From among its members, the Board appoints a President, one Vice-President, and such other positions as it deems necessary. Agency operations are supervised by an appointed General Manager. Assessor-collector functions are performed for the Agency by San Bernardino County.

BOARD OF DIRECTORS:

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Phillip Johnson	President	2011
Judy Corl-Lorono	Vice-President	2009
Terry Burkhart	Director	2009
Duane Lisiewski	Director	2009
Michael McBride	Director	2011

ADMINISTRATION:

Marina West, General Manager

Bighorn-Desert View Water Agency

(A Special District)

Property Taxes

June 30, 2008

The Agency has authorization in its Act for Ad Valorem tax assessments to repay the costs of debt service.

Ad Valorem Tax Assessments

The Agency has established one ad valorem tax assessment, Debt Service Improvement District 1. The 2005-2006 tax rate per \$100 of assessed valuations for the assessment is \$0.20.

Assessed Valuations

The net assessed valuations of property within the Agency's taxing area for 2008 as reported by the San Bernardino County Auditor-Controller are:

	<u>Total Assessed Valuation</u>
General tax levy	
Secured property	\$ 138,017,947
Unsecured property	\$ 531,191
 Debt service improvement	
Secured property	\$ 43,327,983
Unsecured property	\$ 93,325

Bighorn-Desert View Water Agency
(A Special District)

Insurance Coverage
June 30, 2008

Agency insurance coverage as of June 30, 2008 is as follows:

	<u>Limits per Occurrence</u>
Comprehensive general liability – bodily injury	\$ 2,500,000
Property loss - \$2,000 deductible	Replacement Cost
Automobile liability	\$ 2,500,000
Public officials and employees liability – errors and omissions	\$ 2,500,000

Bighorn-Desert View Water Agency
(A Special District)

Schedule of Operating Expenses
For the Years Ended June 30, 2008 and 2007

	2008	2007
Transmission and distribution		
Salaries and wages	\$ 227,420	\$ 161,468
Ames Basin monitoring	2,974	1,213
Automatic controls	4,102	4,280
Communications	3,338	2,469
Contractual services-engineering	1,373	-
Disinfection expense	6,636	3,270
Electricity: wells and pumps	58,312	59,217
Miscellaneous operating expenses	2,908	6,146
Repairs and maintenance-operations	12,641	17,814
Supplies	92,497	33,114
Uniforms	3,943	1,045
Vehicle expense	23,917	14,670
Water testing	12,664	8,242
Total transmission and distribution	452,725	312,948
General and administrative		
Salaries-office	188,206	168,244
Directors' fees	12,950	7,600
Employee benefits	63,350	61,312
Payroll taxes	9,316	8,515
PERS contribution	36,095	25,231
	309,917	270,902
Auditing and accounting	9,346	8,900
Bad debt	2,459	4,756
Contractual services	74,456	30,512
Customer relations	606	665
Dues and subscriptions	15,527	10,850
Election costs	32,539	(255)
Employee education	3,941	2,208
Insurance	63,694	54,457
Legal fees	96,884	145,406
Miscellaneous administrative expenses	20,911	5,330
Office supplies and expenses	13,424	9,393
Postage	6,420	9,614
Telephone	5,560	4,984
Utilities-office	8,877	8323
Total general and administrative	664,561	566,045
Total expenses	1,117,286	878,993
Depreciation	219,804	199,587
TOTAL OPERATING EXPENSES	\$ 1,337,090	\$ 1,078,580

OTHER INDEPENDENT AUDITORS' REPORT

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

The Board of Directors
Bighorn-Desert View Water Agency

We have audited the financial statements of Bighorn-Desert View Water Agency (the "Agency") as of and for the years ended June 30, 2008 and 2007, and have issued our report thereon dated December 19, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting or its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors and management of the Agency, and is not intended to be and should not be used by anyone other than these specified parties.

Messner & Hadley, LLP.

Messner & Hadley, LLP
Certified Public Accountants

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

Meeting Date: March 24, 2009

To: Board of Directors

Budgeted: Yes

Budgeted Amount: \$9,500

Cost: \$9,345

Funding Source: Budget Line: 56006

From: Marina D. West

General Counsel Approval: N/A

Staff Contact:

CEQA Compliance: N/A

Subject: June 30, 2008 Audit Presentation by Messner & Hadley, LLP

SUMMARY

Mr. Paul Messner of Messner and Hadley, LLP will present the Report on the Audit for the Bighorn Desert View Water Agency for fiscal year ending June 30, 2008. The Audit Report is attached.

RECOMMENDATION

Information and Discussion Only

BACKGROUND/ANALYSIS

Mr. Paul Messner of Messner and Hadley, LLP will present the Report on the Audit for the Bighorn Desert View Water Agency for fiscal year ending June 30, 2008. The Audit Report is attached.

PRIOR RELEVANT BOARD ACTION(S)

9/30/08 Board authorized staff to sign agreement with Messner & Hadley, LLC for FY 2007/08 audit services.

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

Meeting Date: March 24, 2009

To: Board of Directors

Budgeted: n/a

From: Marina D. West

General Counsel Approval: N/A

Subject: Endorsement of Art Bishop, Mojave Water Agency (MWA) Board Member, to Fill the Unexpired Term of the Association of California Water Agencies (ACWA) Region 9 Board of Directors

SUMMARY

ACWA has issued a call for nominations to fill a vacancy on the Region 9 Board of Directors to complete the 2008-2009 term. Director Bishop has expressed his interest in the position and the MWA Board endorsed him for the position on March 12, 2009. Director Bishop is seeking additional support for his nomination from Bighorn Desert View Water Agency. BDVWA would benefit from a representative that would focus on interests and concerns of the high desert region. Staff recommends the Board support Director Bishop in his interest to be appointed to the ACWA Region 9 Board of Directors.

RECOMMENDATION

That the Board take the following action:

1. Consider supporting Director Bishop's application to serve on the ACWA Region 9 Board of Directors and authorize staff to submit a letter of support to Director Bishop.

BACKGROUND/ANALYSIS

ACWA has issued a call for nominations to fill a vacancy on the Region 9 Board of Directors to compete the 2008-2009 term. Director Bishop has expressed interest in the position and the MWA Board endorsed him for the position on March 12, 2009.

ACWA Region 9 covers San Bernardino, Riverside, and Imperial Counties. The current seven-member Region 9 Board does not have representation from a high desert water agency. Director Bishop hopes to become the representative to assure that high desert interests and concerns are addressed.

The current seven-member Region 9 Board has the following responsibilities:

1. To provide a structure where agencies can come together and discuss/solve issues of mutual concern and interest; and provide input to the ACWA full Board.
2. To provide grassroots support for state and federal legislative matters and ACWA policy committees.
3. To provide a forum to educate local members on ACWA issues and priorities.
4. To assist with membership recruitment.
5. To take positions recommending specific to the ACWA Board on local, regional state and federal issues.
6. To support program planning and activities for the region.

7. To participate and encourage involvement in ACWA's Outreach program.

MWA has submitted their recently approved Resolution in support of the nomination and a letter from Director Bishop requesting BDVWA's support. Also attached is the draft letter of support from the Agency.

Staff recommends the Board support Director Bishop's application to serve on the ACWA Region 9 Board of Directors and authorize staff to submit a letter of support to Director Bishop.

PRIOR RELEVANT BOARD ACTION(S)

none

RESOLUTION NO. 881-09

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MOJAVE WATER AGENCY
PLACING IN NOMINATION ART BISHOP
AS A MEMBER OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES
REGION 9**

WHEREAS, the Board of Directors (Board) of the Mojave Water Agency (Agency) does encourage and support the participation of its members in the affairs of the Association of California Water Agencies (ACWA).

WHEREAS, Director Art Bishop has indicated a desire to serve as a Board Member of ACWA Region 9.

NOW, THEREFORE, BE IT RESOLVED:

That the Board of Directors of the Mojave Water Agency does place its full and unreserved support in the nomination of Director Art Bishop for the position of Board Member of ACWA Region 9; and

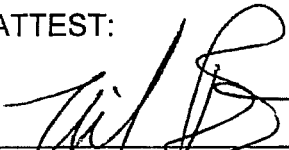
Does hereby determine that the expenses attendant with the service of Director Art Bishop in ACWA Region 9 shall be borne by the Agency.

ADOPTED and approved this 12th day of March, 2009.



Director Art Bishop, Secretary
Mojave Water Agency

ATTEST:



Michael Page, President

I, Michael Page, President to the Board of Directors of the Mojave Water Agency, hereby certify that the foregoing Resolution was introduced at a regular meeting of the Board of Directors of said District, held on the 12th day of March, 2009, and was adopted at that meeting by the following role call vote:

AYES: 6

NOES: 0

ABSENT: 1

ATTEST:

A handwritten signature in cursive script, appearing to read "Michelle R. Doyle", is written over a horizontal line.

Michelle R. Doyle
Secretary to the Board of Directors of the
Mojave Water Agency



22450 Headquarters Drive • Post Office Box 1089 • Apple Valley, CA 92307-0019
Phone (760) 240-9201 • Fax (760) 240-2642 • www.mojavewater.org

March 13, 2009

Marina West, General Manager
Bighorn-Desert View Water Agency
622 South Jemez Trail
Yucca Valley, CA 92284-1440

Dear Ms. West:

My name is Art Bishop and I am applying to fill a vacancy on ACWA's Region 9 Board of Directors. At this time I am seeking your support for my request to fill the Board Representative position.

Region 9 includes Imperial, Riverside and San Bernardino counties. The current seven-member board does not have representation from a water agency in the High Desert. The current Region 9 board members are: Chair Steve Robbins of the Coachella Valley WD; Vice Chair W.B. (Ben) Wicke of the Elsinore Valley MWD; Manuel (Manny) Aranda, Jr. of the San Bernardino Valley WCD; Joseph J. Kuebler of the Eastern MWD; John V. Rossi of the Western MWD; and Kathy Tiegs of Cucamonga Valley WD. My intent and desire to become a member of the Region 9 Board is in no small part due to a sincere effort to represent and ensure that High Desert interests and concerns are addressed.

I have served on the Mojave Water Agency (MWA) Board of Directors since my appointment in October 2004, and election in 2008. One of the key committees on which I serve, and Chair, is the Agency's Legal, Legislative and Public Information Committee.

I have a keen interest in legislation and am a strong proponent of legislative advocacy. Under my committee's leadership, MWA is on the threshold of launching a Regional Legislative Alliance for water agencies in our 4,900 square mile service area. Spring 2009 will find me attending my 10th ACWA conference since joining MWA. I believe my knowledge and awareness of critical issues facing the water community make me a worthy and valuable candidate for representative on the Region 9 Board.

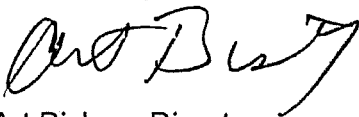
There are ten regional Boards of Directors in our State. The responsibilities of the regional boards are:

- To provide a forum where agencies can come together and to discuss and/or solve issues of mutual concern and interest; and, based on that interaction, provide representative input to the ACWA Board.
- To provide local outreach organizations the grassroots support necessary to advance ACWA's legislative and regulatory priorities. These priorities are determined by ACWA policy through the Board, State Legislative, Federal Affairs, or other policy committees.
- To provide a forum to educate region members on ACWA's priorities and issues of local and statewide concern.
- To assist with association membership recruitment at the regional level.
- To support program planning and activities for the region.
- To actively participate and encourage region involvement in ACWA's Outreach Program.

My colleagues on the MWA board have given me their unqualified and unanimous support (see enclosed Resolution No. 881-09). Should I be selected to serve out the remaining term on the Region 9 Board, I am committed to diligently and vigorously fulfill my duties. If your organization is willing to encourage my nomination, I would appreciate a letter on your agency's letterhead, addressed to me, stating your support. Your letter would then be added to my application package. For your convenience, a sample letter has been enclosed.

The current Region 9 Board members will make a selection from the prospective candidates after the application period closes on March 31, 2009. I thank you in advance for your support, and if you would like to discuss this matter with me further, please contact me at (760) 247-7618 or by email at abishop@applevalleyfd.com

Respectfully,



Art Bishop, Director
Mojave Water Agency

Enclosed - Sample Letter of Recommendation
Resolution No. 881-09



BIGHORN-DESERT VIEW WATER AGENCY

622 S. JEMEZ TRAIL, YUCCA VALLEY, CA 92284 (760) 364-2315 FAX (760) 364-3412

March 25, 2009

Director Art Bishop
Mojave Water Agency
22450 Headquarters Drive
Apple Valley, CA 92307

RE: Application for ACWA Region 9 Board Vacancy

On behalf of the Board of Directors of the Bighorn Desert View Water Agency, I submit this letter of support and endorsement for your application to serve the unexpired term for the vacant seat on the Region 9 Board of Directors.

Art, you have demonstrated many times over during your many years of service that you are loyal, committed and energetic. These are exactly the kind of qualities we need in our representatives on the Region 9 Board. The High Desert Region – described as one of the 24 water agencies included in Region 9's "Arid area" – is absent representation, and we wholeheartedly support your candidacy.

With your selection, we will see first-hand the admirable qualities you have and how they will enhance and serve not only Region 9, but ACWA as a whole.

Respectfully,

Judy Corl-Lorono
Board President

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

Meeting Date: March 24, 2009

To: Board of Directors

Budgeted: N/A

From: Marina D. West

General Counsel Approval: Not obtained
CEQA Compliance: N/A

Subject: Availability of Bighorn Office Building for use by Alan Rasmussen, Field Representative to Supervisor, Third District Neil Derry at No Charge

SUMMARY

Mr. Alan Rasmussen, Field Representative to Supervisor, Third District Neil Derry has expressed his intent to be available at a location that is more proximate to citizens in the Landers/Johnson Valley/Flamingo Heights area than his Yucca Valley office location. Staff advised Mr. Rasmussen that the Bighorn Office Building might be well suited for this purpose. Mr. Rasmussen has visited the facility and is interested in using the Bighorn Office Building on Cherokee Trail for his business one to several times per month.

RECOMMENDATION

That the Board take the following action:

1. Consider offering the Bighorn office building for use by Alan Rasmussen, Field Representative to Supervisor, Third District Neil Derry at no charge and authorize staff to make necessary schedule and access arrangements with Mr. Rasmussen.

BACKGROUND/ANALYSIS

Mr. Alan Rasmussen, Field Representative to Supervisor, Third District Neil Derry has expressed his intent to be available at a location that is more proximate to citizens in the Landers/Johnson Valley/Flamingo Heights area than his Yucca Valley office location.

Staff advised Mr. Rasmussen that the Bighorn Office Building might be well suited for this purpose since the building is used infrequently during business hours and it can accommodate groups or individuals. Mr. Rasmussen has visited the facility and is interested in using the Bighorn Office Building on Cherokee Trail for his business one to several times per month.

Staff recommends that the Board authorize Mr. Rasmussen, Field Representative to Supervisor, Third District Neil Derry to use the Bighorn office building with appropriate coordination and communication of event scheduling. The use of the Bighorn office facility by Third District Supervisor's Field Representative would be at no charge.

PRIOR RELEVANT BOARD ACTION(S)

none

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

Meeting Date: March 24, 2009

To: Board of Directors

Budgeted: N/A

From: Marina D. West

General Counsel Approval: N/A

CEQA Compliance: N/A

Subject: Policy Statement No. 09P-01 A Statement Establishing an Agency Meeting Agenda Preparation Policy

SUMMARY

The Finance/Public Relations/Education/Personnel Standing Committee reviewed Agenda Preparation Policy 08P-02 on January 7, 2009. Staff has prepared the attached policy for the Board to review and discuss.

RECOMMENDATION

That the Board take the following action:

1. Adopt Policy No. 09P-01 A Statement Establishing an Agency Meeting Agenda Preparation Policy

BACKGROUND/ANALYSIS

The Finance/Public Relations/Education/Personnel Standing Committee reviewed Agenda Preparation Policy 08P-02 on January 7, 2009. Staff has prepared the attached policy for the Board to review and discuss.

In addition to changes agreed upon in Committee staff is also recommending clarification of the Agenda distribution policy as summarized below:

- There is one "official" agenda posting location for the purposes of fulfilling the requirements of the Ralph M. Brown Act which is the Agency's business office.
- The Agenda will be posted at various locations throughout the Agency.
- The Agenda will be mailed to the Agenda Notification List that includes the newspaper and radio station.
- Copies of Agenda will be available free of charge at the Agency business office.
- A copy of the full Agenda with backup materials packet will be available for viewing by the public during regular business hours.
- The full Agenda with backup materials packet will be uploaded to the Agency website.
- Copies of the full Agenda with backup materials packet will be available for purchase during regular business hours pursuant to the California Public Records Act. To date the Agency does not charge for the full packet however, over the past year the Agenda backup materials packet has grown and generally includes from 50 to 250 pages of information. The Agency has previously estimated that up to 15 full packets would be requested by the public. Notwithstanding staff time, the recoverable copy cost is ranging from \$75 to \$375 for just the monthly Board meeting. Therefore, staff

is recommending that distribution of these materials should follow the provisions of the California Public Records Act so the Agency can recoup the minimal reproduction costs.

- Hard copies of presentations or other materials distributed at the Board or Committee meetings will also be made available pursuant to the California Public Records Act for public information requests.

Staff recommends the Board adopt Policy No. 09P-01 A Statement Establishing an Agency Meeting Agenda Preparation Policy.

PRIOR RELEVANT BOARD ACTION(S)

1/7/2009 FPREP Committee discussion regarding modification to the Agenda Preparation Policy

4/22/2008 Board adopted Policy No. 08P-02 A Statement Establishing an Agency Meeting Agenda Preparation Policy.

POLICY STATEMENT NO. 09P-01
BIGHORN-DESERT VIEW WATER AGENCY

A STATEMENT ESTABLISHING AN AGENCY MEETING AGENDA
PREPARATION POLICY

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

1. The General Manager, in cooperation with the Board President, shall prepare an agenda for each regular and special meeting of the Board of Directors.
2. In regards to the regularly scheduled meeting held currently on the fourth Tuesday of each calendar month the following process and timeline for agenda preparation shall be followed-

Directors may request and seek majority consensus for appropriate items to be placed on the Agenda at the regular Board meeting.

Tuesday prior to the meeting – Director deadline for adding appropriate items to the Agenda will be the end of business Tuesday. The Board President shall make any final determinations as to what constitutes an appropriate item to be agendized for the Board meeting.

Wednesday prior to the meeting – Before days end, Staff shall email the first draft of the agenda to the Directors who have email and a copy will be made available to the remaining Directors who will be notified via phone.

12:00 Noon Thursday prior to the meeting – Directors' revisions should be delivered to the General Manager.

Upon completion of the Board Agenda with the backup material packet on the Friday prior to the meeting- A field representative shall hand deliver Agenda Binders to Directors and post agendas. So as to not create the appearance of preferential treatment agendas shall not be delivered to any other parties other than Agency Directors.

The Official Posting Location for the purposes of meeting the requirements of the Ralph M. Brown Act will be the Agency Office at 622 S. Jemez Trail.

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

- Johnson Valley Improvement Association
- 1720 North Cherokee Trail- Agency Meeting Hall
- Hero Market
- Western Coffee Pot Café
- Landers Homeowners Association- Bellfield Hall
- Mojave Market
- Halliday's Market

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

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

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

Complete agendas without the backup material packet shall be prepared and without delay made available at the Agency administrative office and shall be provided upon request at no charge to the requester.

Complete Agendas with backup material packets will be made available, and without delay, for public viewing during regular business hours at the Agency Business Office. Complete Agendas with backup material packets will be uploaded to the Agency website as soon as technologically possible.

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

3. The General Manager, in cooperation with the Standing Committee Chair, shall prepare an agenda for each Standing Committee meeting.
4. Any Director may contact the Committee Chair to place any appropriate item on the Committee meeting agenda no later than Tuesday prior to the agenda mail out day which is scheduled for the Friday before the scheduled time and date of the meeting.
5. Board Workshops shall be scheduled and the agenda set by the Board of Directors at the regular or special meeting of the Board or by the Board President.
6. During the Consent Calendar portion of the Board meeting, any member of the Board may specifically request any agenda item be removed from the Consent Calendar and placed under Deferred Items for consideration and Board action.
7. Under Deferred Items on the agenda, any item removed from the Consent Calendar shall be considered separately for Board action. At that time, the Board may, by a majority vote, amend, refer, retain, or remove each deferred item on the agenda.

Policy Statement 09P-01 was adopted by the Board of Directors at a Regular meeting held on March 24, 2009 and hereby rescinds Policy 08P-02.

Board Secretary, Kim Heller

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

Meeting Date: March 24, 2009

To: Board of Directors

Budgeted: Yes

Budgeted Amount: \$70,000

Cost: unknown: services provided as needed

Funding Source: Budget Line: 56007

From: Marina D. West

General Counsel Approval: Obtained

CEQA Compliance: N/A

Subject: Engagement of Gresham Savage Nolan & Tilden, APC to Represent Bighorn Desert View Water Agency in Connection with Labor and Employment Matters

SUMMARY

The Agency's General Counsel, SmithTrager, LLC, has advised the agency on matters in connection with labor and employment. Counsel has done so utilizing the services of Mr. Bradley E. Neufeld formerly of Best, Best and Krieger, LLP. However, Mr. Neufeld is now employed by Gresham Savage Nolan & Tilden, APC. Mr. Neufeld has provided an engagement letter for the Board's consideration in retaining Mr. Neufeld for labor and employment attorney services.

RECOMMENDATION

That the Board take the following action:

1. Authorize Agency General Counsel, SmithTrager, LLC to execute the engagement letter with Gresham Savage Nolan & Tilden, APC for attorney services related to labor and employment matters on the Agency's behalf.

BACKGROUND/ANALYSIS

The Agency's General Counsel, SmithTrager, LLC, has advised the agency on matters in connection with labor and employment. Counsel has done so utilizing the services of Mr. Bradley E. Neufeld formerly of Best, Best and Krieger, LLP. However, Mr. Neufeld is now employed by Gresham Savage Nolan & Tilden, APC. Mr. Neufeld has provided an engagement letter for the Board's consideration in retaining Mr. Neufeld for labor and employment attorney services.

The attached engagement letter outlines the hourly rates for attorney services as well as administrative charges which are usual and customary. Staff cannot accurately estimate the volume of labor and employment services necessary to conduct Agency business but realizes the importance of retaining the appropriate counsel to provide these services as necessary. Staff and Agency General Counsel have been very pleased with the level of service provided

by Mr. Neufeld and recommend that the Board retain his services through an engagement with Gresham Savage Nolan & Tilden, APC.

PRIOR RELEVANT BOARD ACTION(S)

10/23/2007 Motion to ratify agreement with Best, Best, & Kreiger as Special Counsel for personnel issues and authorize Board President to sign a letter to attorney Neufeld waiving Agency's attorney-client privilege with Lagerlof, Senecal, Bradley, Gosney & Kruse, LLP.

9/11/2007 Motion to appoint Law Offices of Susan Trager as Agency Legal Counsel.

GRESHAM SAVAGE NOLAN & TILDEN

A PROFESSIONAL CORPORATION
LAWYERS • FOUNDED 1910

FOR THE FIRM:
Bradley E. Neufeld
e-mail: Bradley.Neufeld@greshamsavage.com

3750 UNIVERSITY AVENUE, SUITE 250
RIVERSIDE, CALIFORNIA 92501-3335
(951) 684-2171 • FACSIMILE (951) 684-2150
www.greshamsavage.com

March 2, 2009

Susan M. Trager
Bighorn Desert View Water Agency
c/o Law Offices of Susan M. Trager
19712 MacArthur Blvd., Suite 120
Irvine, CA 92612

Re: Engagement of Gresham Savage Nolan & Tilden, APC

Dear Susan:

The purpose of this letter is to confirm our engagement by Bighorn Desert View Water Agency (collectively, the "Agency") to represent it in connection with labor and employment matters (the "Matter"). We appreciate your confidence and thank you for selecting us as counsel.

1. Scope of Representation. Except as we may agree otherwise in writing, we will be representing only the Agency and will not be representing any parent, subsidiary or other affiliated entity nor any shareholder, partner, member, director, officer, employee, agent or insurer of the Agency. Our initial scope will be to provide representation and defense in the Matter, inclusive and up to the conclusion of any trial. Except as we may otherwise agree, the terms of this letter apply to other engagements for the Agency that we may undertake.

2. Attorneys, Fees and Charges Involved in Provision of Legal Services.

I will be the shareholder primarily responsible for the oversight of this Matter. Other attorneys in our firm may work on your Matter when and if needed and, when employed, those attorneys will work directly under my supervision. My present billing rate is at \$440 per hour. Other attorneys may also perform work when we deem it to be in your best interests, or for reasons of speed, economy or assistance where the workload demands assistance. The rates to be charged by any other attorney working on this Matter presently vary between \$215 to \$285 per hour for Junior Associates; \$285 to \$350 per hour for Senior Associates/Counsel; \$365 to \$375 per hour for Of Counsel; \$350 to \$475 per hour for Shareholders; all depending on the experience, expertise, and specialization of the attorney involved. All attorneys will be billed with a 20% discount off their standard rates. Paralegal time is charged at rates between \$145 and \$210 an hour.

The above rates are subject to change periodically, depending on the market. You will be provided advance notice of any rate change. Depending upon the precise nature of the services requested, the actual charge for services will be the hourly rate of the attorney or attorneys involved

March 2, 2009

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multiplied by the number of hours utilized (calculated in 1/10th hour increments), with exception to telephone calls, which are charged at a minimum of 3/10th of an hour due to the administrative tasks associated with all telephone calls.

In addition to fees, our statements include our actual costs (except as set forth in Attachment A) for fees of governmental agencies and distributions and/or charges for third parties, the current schedule for which is set forth on Attachment A and which also is adjusted from time to time (collectively "Charges"). Our standard practice is to have certain charges for outside retained services invoiced to you directly. This letter constitutes Agency's agreement to pay all such invoices prior to delinquency and to hold us harmless from your failure to do so. Of course, to the extent such third party charges are paid directly by us they will be included in our statements.

Statements are submitted monthly and are due and payable no later than ten (10) days from presentation. You agree to notify us promptly in writing if you dispute any entry for legal services or charges on any statement. In the absence of any written objection thereto within thirty (30) days of your receipt of an invoice, you will be deemed to have accepted and acknowledged the invoice as correct through the period covered by the invoice. Please understand that it is our policy to stop work on all matters we are handling for a client if an amount invoiced to such client is sixty (60) days or more past due. Also, interest is charged at 10% per annum from date of statement for amounts outstanding more than sixty (60) days.

Unless we otherwise expressly agree in writing, any estimates we may provide from time to time and any deposits, retainers, or advances against costs we may require are not a limitation on our fees and other charges. In addition, if as a result of our engagement we are required to produce documents or appear as witnesses in connection with any governmental or regulatory examination, audit, investigation or other proceeding or any litigation, arbitration, mediation or dispute involving the Agency or related persons, the Agency is responsible for costs and expenses reasonably incurred by us (including professional and staff time at then scheduled hourly rates and reasonable attorneys' fees and costs incurred by us). This provision shall survive any termination of our representation of the Agency.

In the event that any of the services we perform involve a transaction, all statements which have not been paid pursuant to the above with respect to that transaction are due at the transaction closing.

3. No Conflicts. We maintain a conflict of interest index which lists all our clients and matters in which they were represented by us. Representation of any party with an interest that may be adverse to an indexed client will not be accepted by us without an examination to determine if a professional conflict of interest would be created. We have indexed the Agency under Bighorn Desert View Water Agency and also listed the following parties: Susan M. Trager and Marina West, and have determined that no actual or potential conflict of interest exists based on this listing. Please review this listing to determine whether this entry is adequate.

March 2, 2009

Page 3

Unless we hear from you to the contrary, we will assume that the above listing is accurate and complete.

5. Potential Conflicts with Other Clients. We have many attorneys and multiple offices. We may currently or in the future represent one or more other clients (including current, former, and future clients) in matters involving the Agency. We undertake this engagement on the condition that we may represent another client in a matter in which we do not represent the Agency, even if the interests of the other client are adverse to the Agency (including appearance on behalf of another client adverse to the Agency in litigation or arbitration) and can also, if necessary, examine or cross-examine Agency personnel on behalf of that other client in such proceedings or in other proceedings to which the Agency is not a party *provided* the other matter is not substantially related to our representation of the Agency and in the course of representing the Agency we have not obtained confidential information of the Agency material to representation of the other client. By consenting to this arrangement, the Agency is waiving our obligation of loyalty to it so long as we maintain confidentiality and adhere to the foregoing limitations. We seek this consent to allow our Firm to meet the needs of existing and future clients, to remain available to those other clients and to render legal services with vigor and competence. Also, if any attorney does not continue an engagement or must withdraw therefrom, the client may incur delay, prejudice or additional cost such as acquainting new counsel with the Matter.

6. Termination of Representation. You have the right to terminate our representation of you at any time. Subject to our ethical obligation to give you reasonable notice to arrange for alternate representation, we may terminate our representation of you at any time. Unless we agree to render other legal services to the Agency, our representation will terminate upon completion of the Matter.

7. Our Document Retention. It is our policy and practice to destroy our files five (5) years after the file is first closed unless the client requests a shorter or longer retention period in writing. Files are generally closed at the conclusion of a lawsuit or completion of a transaction.

8. Arbitration. Any dispute between us concerning our fees or charges shall, if you so elect, be submitted to arbitration under rules of the California State Bar, and shall be binding if (i) each of us so agrees after any such dispute arises, or (ii) such arbitration becomes binding under such rules. Any dispute between us concerning our fees or charges not so submitted to binding arbitration under the rules of the California State Bar, or that remains unresolved after non-binding arbitration under such rules, and any other dispute between or among you and us or any of our attorneys and agents, including but not limited to claims of malpractice, errors or omissions, or any other claim of any kind regardless of the facts or the legal theories, shall be finally settled by mandatory binding arbitration in Riverside County, California, conducted in accordance with California Code of Civil Procedures §§ 1282 et seq., including, but not limited to, section 1283.05, with each party to bear its own costs and attorneys' fees and disbursements. Such arbitration shall be conducted before a single arbitrator, except in matters involving a dispute greater than five hundred thousand dollars, which shall be conducted before a three

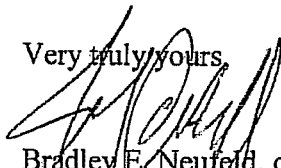
March 2, 2009
Page 4

arbitrator panel with each side selecting one arbitrator and the two arbitrators selected by the parties choosing the third arbitrator. Judgment on a binding arbitration award may be entered in any court of competent jurisdiction. *We mutually acknowledge that, by this agreement to arbitrate, each of us irrevocably waives our right to court or jury trial. You have the right to consult separate legal counsel at any time as to any matter, including whether to enter into this engagement letter and consent to the foregoing agreement to arbitrate.*

If the foregoing is an acceptable basis for our engagement as counsel, I would appreciate it if you would sign the enclosed copy of this letter and return it to us in the envelope provided. If you have any questions or concerns, please feel free to call.

Once again, thank you for selecting us to represent the Agency. We look forward to a mutually valued relationship.

Very truly yours,



Bradley E. Neufeld, of
GRESHAM SAVAGE
NOLAN & TILDEN,
A Professional Corporation

The undersigned has read and understood this engagement letter and agrees that it correctly sets forth the terms upon which Gresham Savage Nolan & Tilden, APC has been engaged by the undersigned in connection with the representation described herein and has waived any conflict of interest on the part of this Firm arising out of the representation described above.

BIGHORN DESERT VIEW
WATER AGENCY

By: _____

Susan M. Trager

cc: Marina West, General Manager

ATTACHMENT A
ADMINISTRATIVE CHARGE TABLE

(As of July 1, 2008)

For your information, the following is a current list of the various costs that are charged to clients.

<u>Category</u>	<u>Charge</u>
Delivery (DHL, Federal Express, Airborne, messenger etc.)	Invoiced cost; not reduced by any volume discounts.
Document imaging (Scanning, OCR, Coding)	Invoiced cost.
Duplicating	\$0.25 per page; color copies \$0.75. (Copying costs are not charged for ordinary day-to-day copying, such as copying for various correspondences, but would be charged in the event that voluminous documents are required as part of our representation.)
Lexis/ Westlaw Legal research	Vendors Rates.
Postage	Actual cost of mailings over \$5.00 per day.
Travel	Actual Cost.

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

Meeting Date: February 24, 2009

To: Board of Directors

Budgeted: Yes

Budgeted Amount:

Cost: To be determined

Funding Source: 01-56022

From: Marina D. West

General Counsel Approval: N/A

CEQA Compliance: N/A

Subject: Request for Billing Relief for Parcel 629-405-01

SUMMARY

The Planning/Legislative/Engineering/Grant/Security Standing Committee met on January 15, 2009 (reconvening on January 20th) to discuss the request for billing relief for Parcel 629-405-01. After lengthy discussion customer was asked to provide further documentation on what he thought was the cause of high read so that the full Board, at the February meeting, could determine if implementation of the standard billing relief was warranted.

RECOMMENDATION

That the Board take the following action:

1. Provide direction to staff on the application of Section 3.6 Billing Adjustments-Other than Meter Error of the Agency's Rules and Regulations for Water Service in effect at the time the request was brought before the Board for consideration.

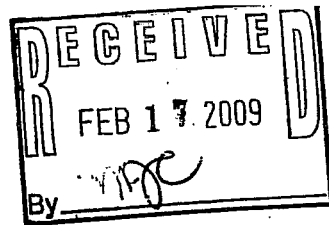
BACKGROUND/ANALYSIS

A letter (attached) was received by the Agency on February 18th as requested by the Committee. The historical background of correspondence between Agency and customer is also attached.

PRIOR RELEVANT BOARD ACTION(S)

1/15/2009 (1/20/09 Continuance) Customer Request for Relief of Billing for Parcel 629-405-01: PLEGS Committee recommended the customer provide further documentation on cause of high read and matter be brought back to full Board in February for consideration of billing relief.

10/28/2008 Customer Request for Relief of Billing for Parcel 629-405-01: Board deferred matter to PLEGS Committee for further review and subsequent recommendation to full Board



TO: DESERT BIGHORN WATER AGENCY

BOARD OF DIRECTORS

CC: MARINA WEST

FROM: WILLIAM BENCTSON

ACCT #: 03-0040-1

RE: REQUEST FOR RELIEF

The history of this ongoing dispute is well documented. I have been charged over \$3,500 based upon the numbers appearing on the face of a meter REGISTER, that according to Ms. West was damaged, inoperable, and could NOT be tested. Based upon photographs taken of the damaged register Ms. West came to the conclusion that the meter was tampered with using a screw driver or other sharp instrument. Upon inspection of the photographs, I tend to agree. However, I do not have the forensic expertise that Ms. West apparently has, so I couldn't say for sure what happened without having an opportunity to inspect the meter myself.

OVER ->

2

In one of my letters to Ms. West I asked if the meter register would be available if I should want to test it independently, but I got no response to my inquiry. Until, months later, I was informed that the meter body (without the damaged register) was removed and tested, and, since it performed within acceptable parameters, I was charged about \$95.00 for a service that I did not request. To her credit, Ms. West did admit that the charge was a "mistake," but to my knowledge my account has not been credited. I also continue to rack up delinquency charges for the unpaid amount in dispute even though I have continued to pay my current charges as we agreed upon some time ago.

According to Ms. West the results of the test conducted on the meter body is conclusive evidence that the charges were correct and that they were not the result of a meter related issue.

③

This conclusion is based upon flawed logic and an incomplete analysis of the facts before us.

First of all, the accuracy of the meter body is not at issue. The fact that tests proved that it was functioning properly is, therefore, irrelevant.

What is at issue is whether the number on the face of the dial of the meter register accurately represents my water consumption at the time the dial was smashed.

According to the photographs, taken sometime after the meter was removed, the dial appears to have stopped on 164008½, which would (if accurate) mean that I consumed nearly 1 MILLION GALLONS since the previous [↑] ended.

billing cycle

Since no one was living at the premises during the time that \$3,500 was allegedly pumped onto my property, Mrs. West insists that there must have been a leak. This assertion was bolstered by the fact that construction debris was seen in front of my house, which according to her, "clearly showed that a leak occurred." She later retracted that statement when it was shown that the debris had been there since Nov. and was part of an ongoing remodel project.

Nevertheless, the Agency continued to insist that I must have had a leak and refused to even consider the possibility that I had not, in some way, received the water that I was being billed for.

However, common sense says that a million gallons cannot leak out without leaving some tell-tale signs. That enough water to fill my 2 were parcel

(5)

over a foot deep!

Even a relatively small leak will result in increased vegetation or an overflowed septic tank or soggy patches or something. But such was not the case on my property.

My parents, Dr. and Mrs. Green (who watered my plants while I was away) stated that they saw no leaks. My next door neighbor, in a sworn affidavit stated that he checked my property on a daily basis (inside and out) ~~and~~ that he saw no leaks. A licensed plumber was hired to inspect the property and found no significant leaks. And, since the meter was replaced, my bill for usage has been about \$50.00, which suggests that there are no leaks. ^{but} further

* i.e., that I did
not use $2\frac{1}{2}$ acre feet of water

(6)

At the last Board meeting I attempted to state my position*, but it was clear that I was not being heard. It has been concluded that I used a million Gallons of water, and no matter how great the evidence is to the contrary it seems that budgetary concerns dictate that I must pay, regardless of whether or not I received the ~~for~~ product I'm paying for.

I was told at the last meeting that my only option was to request partial relief for non-meter related charges. This relief can be no greater than 30% of the amount in controversy. The General Manager stressed to the Board in attendance that the entire budget for such relief is only \$3000. Furthermore, in order to be eligible for this relief I must describe how the loss occurred, what I did to fix it, and how I will ~~pre~~ prevent such a loss in the future.

It is my position that when the meter register was damaged, the numbers on the dial spun independent of the meter body, and stopped at a number which indicated that my usage was for greater than what was actually pumped. The result of even a one integer change could be quite dramatic. If, as Mr. West hypothesized, the meter was tampered with intentionally using a screwdriver, it is quite possible that the purpose was to ~~cause~~ cause trouble for, or exact revenge on, the property owner. (i.e. ME) If this was the case the blade of the screwdriver may have been used to slide underneath the white metal ring (see photos) and manually spin one or more of the ~~numbers~~ numbers. I have consulted with an expert who says that this is quite possible.

While I believe that this is clearly "meter related," and that I should be granted total relief, I do not want to disqualify myself

(8)

that the Board may seem fit
to grant me.

Since I know that I did
not have a leak, and that
I did not use a million gallons
myself, the only explanation is
that the water was stolen somehow
while I was gone, even though I
have industrial barb-wire fencing
around my entire parcel, I have
never received relief in the 13+
years I have been a customer.

Due to the extremely high charges,
this would certainly be an extreme
situation. Since the charges are far
and above anything that I have received
so far, this is an isolated occurrence.
I no longer work out of town,
so being home more often should
keep renegade water thieves at
bay. I purchased really scary "NO TRESPASSING"
signs to prevent this type of thing from
happening should I have to leave town
in the future. ~~Directly~~ ~~to the~~ ~~point~~

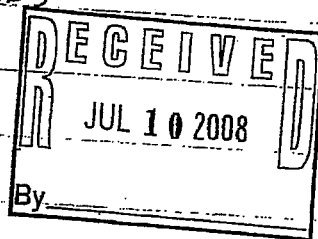
In conclusion, I ask the board to please consider all of the relevant facts before making a final decision. If it is possible to move the numbers on the face of the meter register by tampering with it, or any way other than by water flooding the meter body then I should be granted complete relief. In the alternative, if the board determines that the number on the face of the broken dial could not have ~~been~~ turned artificially I want to be given whatever relief the board deems appropriate.

Sincerely
Wilbur Ray Jr.

FROM: WILLIAM BENGTSON

TO: DESERT BIOMASS BOARD OF DIRECTORS

RE: ACCOUNT # 03-0040-1



To Whom it may concern:

I believe that the amount shown in my recent bill (enclosed) is in error. I am requesting that the amount due be adjusted to reflect a more realistic amount (e.g. an average of my usage during this period in previous years). I am also requesting that my water service be restored in the interim.

Please direct all future correspondence and billing to

William Bengtson
c/o Sharon Green

58559 JOHNS DRIVE
YUCCA VALLEY, CA
92284

Sincerely,
William Bengtson

In chronological order, the following notes were drafted from account comments for APN 629-405-01

May 22, 2008 - During read meter #1123741 shows very high usage. Meter also discovered damaged and inoperable.

May 23, 2008 - Damaged meter replaced, new meter spinning, agency shut off customer valve. Several voicemails left for customer.

May 28, 2008 - Reread shows water moving through meter – field tech measured usage. (see July 8 comment).

June 2, 2008 - Message left on customer voicemail regarding payment options.

June 26, 2008 - Customer called with questions about his options. Customer told he appeared to have a leak and should perhaps contact a plumber. It was also suggested that he write a relief letter.

July 7, 2008 - Message from Mr. Green requesting that agency not lock off the water.

July 8, 2008 – No pymt made, customer locked off. Mr. Green (stepfather) called and said Mr. Bengtson would be unavailable for 3 months and no one was living at the home. He also said he goes there once a week to water and because the meter is still spinning, he turns the valve on only when he is watering the plants.

July 10, 2008 - Agency received letter from customer to the BOD requesting relief on bill. Letter also requests a change of mailing address.

July 11, 2008 - Mr. Green requested water be turned back on in his name. Mr. Green told that he would be contacted by the agency after reviewing the rules and regulations.

July 14, 2008 - Mr. and Mrs. Green paid \$540 towards payment agreement. They stated they would have the customer sign it when they saw him.

July 18, 2008 – Green's told they will receive either a written decision from the general manager or it will be on the agenda at the next BOD meeting.

July 31, 2008 - Letter mailed to customer denying his request for billing relief.

August 6, 2008 - Called made to Mr. Green regarding the unsigned payment agreement.

August 13, 2008 - A letter received from the customer requesting a copy of agency "Rules and Regulations".

August 22, 2008 - Agency adjusted delinquent charge on bill.

August 25, 2008 - Agency sent customer a letter in response to customers requests and comments stated in letters dated August 5, 2008 and August 13, 2008.

September 10, 2008 - Customer request placement on agenda for October meeting.

September 18, 2008 - Meter test completed on damaged meter #1123741. Meter did test within parameters established by AWWA. Agency Cost is \$68.98. Copy of meter test certificate and letter sent to customer.

September 29, 2008 - \$95.90 added to customer bill to replace damaged meter.

September 30, 2008 – Customer asked if he could address the BOD tonight, but was reminded he had earlier stated he would be unable to make it (See Sept. 10 comment).

He once again questioned how the meter could register if the register was broken.

Agency informed him that 1100 units had past through the meter between the March read and when we found the register broken (May read). Agency responded that the billing relief program requires that a problem be documented and resolved and that in this case, he continues to insist that the meter is faulty even though it is shown to be accurate.

October 3, 2008 - Customer refuses to pay for broken meter.

October 20, 2008 - Voicemail left for customer regarding missed pymt on payment plan.
October 23, 2008 - Voicemail left on phone number on file (310 #), advising customer he was in breach of payment plan.
October 27, 2008 - Customer called and requested that agency not lock off until after the board meeting tomorrow.
October 28, 2008 – Board deferred request to Planning/Engineering Committee for in-depth review. Past due amount on hold pending findings of committee.



BIGHORN-DESERT VIEW WATER AGENCY

622 S. JEMEZ TRAIL, YUCCA VALLEY, CA 92284 (760) 364-2315 FAX (760) 364-3412

July 31, 2008

COPY

Mr. William Bengtson
- c/o Sharon Green -
58559 Joshua Drive
Yucca Valley, CA 92284

RE: Acct: 03-0040-1 Request for Water Bill Adjustment dated July 10, 2008

Dear Mr. Bengtson,

Bighorn Desert View Water Agency has received your request for billing adjustment due to "error". I have reviewed your account history, written reports from the Distribution Operator, and the Agency Rules and Regulations pertaining to billing adjustments and although the usage "greatly exceed the usual or expected occurrence" I am denying the request for billing relief based on the following:

- The request does not provide details as to what occurred at the property and how the problem was resolved as required by the Agency Rules and Regulations.
- The account record shows high water usage in the past that you attribute to a faulty meter. The meter was replaced with a newly certified meter however the original service meter was subsequently tested and found to be within the accuracy standards established by the American Water Works Association.
- On May 23, 2008, a Water Distribution Operator dispatched to the location for a routine service call found water flowing through the meter. In addition, the meter register was damaged and inoperable. The usage since the March meter read exceeded 1,100 billing units. The customer valve was shut off and a call was placed to the home answering machine.
- At your request on May 28, 2008, a Distribution Operator returned to the site to re-read the meter. Upon arrival, the customer valve was found to be in the "on" position and water was moving through the meter at a rate of approximately 270 gallons per day (665 billing units per month). In addition, floor matting, carpet and linoleum were piled up outside the dwelling. IN our view this clearly represents a leak has occurred at the property and the meter register was operational until it was damaged.

The Agency will honor the payment arrangements that have been set-up on the account.

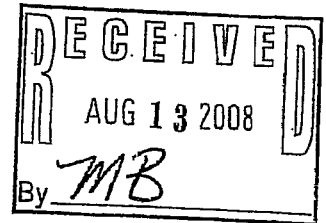
Sincerely,

Marina D. West
Marina D. West, PG
General Manager

*This was calculated
incorrectly. Actual
measurement 10.8 units
Per month.*

August 5, 2008

To: Marina D. West
Desert Big Horn Water Agency
622 S Jemez Trail
Yucca Valley, Ca. 92284



From: William Bengtson acct: 03-0040-1
C/O Sharon Green
59559 Joshua Drive
Yucca Valley, Ca. 92284

Re: Letter dated 7/31/2008

Dear Ms. West,

This letter will serve as a rebuttal to your denial of my claim that my water bill was in error.

- Can you please send me a copy of the "agency rules and regulations" that you referred to, so that I can provide the necessary details that you require.
- I have had high water usage in the past that I did attribute to a faulty meter. At the time, I was told that I probably had a leak somewhere on the property. I hired an independent plumber and did not find a leak. A water survey was then conducted by one of your representatives who concluded that the meter was probably faulty and a new meter was installed. The following billing cycle my water bill went down dramatically and has remained at reasonable levels until recently. At that time I requested an adjustment which was unfairly denied for reasons that I stated in previous correspondence.
- You stated that on May 23, 2008 a water distribution operator found water running through the meter but that the meter was "damaged and inoperable". You further stated that the water usage since 3/08 exceeded 1,100 billing units. How can it be determined how much water was used in a damaged and inoperable meter? Is that meter still available for independent testing?
- Finally, your assumption that the carpet and other debris piled up outside the dwelling "clearly represents an internal leak is completely erroneous. This debris has been outside the home since December of

2007, as I am currently in the process of a complete re-model. This can be confirmed by numerous witnesses.

In conclusion, I have simply never had a leak either internally or externally, of a proportion that would justify a bill in the proportion I was billed for (\$3600). This is a ridiculous persecution of me and my repeated attempts to have "your" problem corrected.

A total relief of debt at this point is expected.

I should not be responsible for relieving the debt incurred by previous and current Water Board indiscretions.

William Bengtson
William Bengtson



COPY

BIGHORN-DESERT VIEW WATER AGENCY

622 S. JEMEZ TRAIL, YUCCA VALLEY, CA 92284 (760) 364-2315 FAX (760) 364-3412

August 25, 2008

Mr. William Bengtson
c/o Sharon Green
58559 Joshua Drive
Yucca Valley, CA 92284

RE: Acct: 03-0040-1 Response to Agency Letter Dated July 31, 2008

Dear Mr. Bengtson,

Bighorn Desert View Water Agency has received your letter dated August 5, 2008 (received by the Agency on August 13, 2008) which you indicate is a rebuttal to our letter of July 31, 2008 denying your request for a billing adjustment.

The following summarizes our response to requests and comments provided in your letter:

- Per your request, the Agency Rules and Regulations regarding Billing Adjustments processes are attached.
- We acknowledge the record shows that, in the past, you have attempted to receive billing relief due to a faulty meter. At the time, those allegations were never substantiated. The Agency has all correspondence on file from this past series of events and would like to point out that the facts on file are not consistent with statements made in your August 5, 2008 letter. In any event they are irrelevant to the circumstances of the current request for billing relief and are not discussed any further in this response.
- Regarding your third bullet statement, you indicate that our letter of July 31st indicates the "meter was 'damaged and inoperable'". This quote is incorrect, our letter of July 31st states that the "meter register was damaged and inoperable". When the meter register was found damaged the meter reading on the dial was, and still is, stuck at 164,008 cubic feet. At that time, water was flowing through the meter but the meter register was inoperable. During the March meter reading cycle, the meter registered 52,789 cubic feet. The difference between the March and May meter readings is 1,112 billing units, the charge is \$3/unit.
- You mention in your final statement that there has "simply never been a leak either internally or externally, of a proportion that would justify a bill in the proportion I was billed for (\$3,600)". Statistics show that a 1/4-inch hole in a pipe, at 60 psi, can leak approximately 450 units per month. Therefore, it is very probable that a leak, from even a small break, if left unattended for a period of time will result in the meter registering a high number of billing units.

- You have inquired if the meter is available for independent testing. Since the meter register is damaged it is impossible to test the accuracy of this meter body/register combination. To test this meter, the register must first be replaced. This cost has been estimated at \$65 plus shipping. However, if it is determined that the internal meter components are also damaged then it cannot be properly tested. It has been confirmed that this damaged meter was originally installed new on October 19, 2005 and met all accuracy standards at that time.
- Whenever an excessive amount of water is used at a property, we need a logical explanation. Our assumption that carpet and debris piled up outside the dwelling clearly represented an internal leak is a logical explanation but you claim this statement to be untrue. Please accept our apology for making this false statement of explanation.

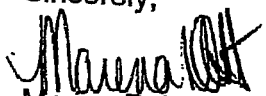
At this time and partly based on new information you have provided, the Agency is denying your request for billing relief on the basis of the following:

1. This meter is not faulty as you claim. The meter was replaced in October 2005 at which time it was documented to be within the appropriate accuracy standards. This is a positive displacement meter; rotation of the measuring chamber is required for any amount of water to be registered. By design, water meters wear out over time and begin to under-register. They never "speed up" or "over register".
2. The Rules and Regulations state that you must provide details of what occurred to cause the meter register to indicate excessive usage through the meter. To date, you refuse to admit that there was a leak at the property. You continue to claim that this is the Agency's problem.
3. Meter tampering has occurred resulting in additional consumption revenue losses to the Agency which cannot reasonably be predicted. The Agency would be justified to charge you a tampering fee of \$250 as well as the costs associated with replacement of the damaged meter.

The Agency is not opposed to replacing the damaged register so that this meter can be tested and the results properly documented. I will make the necessary arrangements and inform you of the results when I receive them.

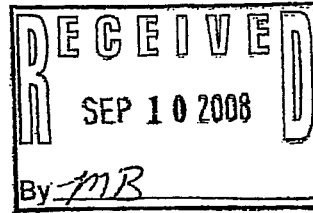
The Agency will continue to honor the payment arrangements that have been set-up on the account.

Sincerely,


Marina D. West, PG
General Manager

9/7/2008

To: Marina D. West
Desert Bighorn Water Agency
622 S. Jimenez Trail
Yucca Valley, Ca. 92284



No Attachments received

From: William Bengtson
C/O Sharon Green
58559 Joshua Drive
Yucca Valley, Ca. 92284

Re: 03-0040-1
Letter Dated August 25, 2008

Dear Ms. West,

From 1/08-5/08 I was employed by Rapid Care Medical Clinic in Las Vegas, Nevada. During that time I resided in the city of Las Vegas, and came back to my home in Landers only occasionally to check on the progress of an ongoing remodel of the residence, which is still under way. During my absence my neighbor, Alex Pena, oversaw the remodel project, fed my cat, and looked after my property on a daily basis. According to Mr. Pena, as well as those who were working on the house, there was no evidence of a water leak, either inside or outside the premises during that period (please see attached statements). In addition, I can provide you with affidavits from both a plumber and a contractor, each of whom have inspected the property inside and outside and have found no leaks.

I will be unable to attend your next water board meeting, but would like to be placed on the agenda for your October meeting in order to discuss this matter further.

Sincerely,


William Bengtson.

629-405-01

August 29, 2008

To Whom It May Concern:

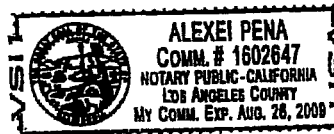
My name is Alex Pena. I ~~was~~ William Bengtson's next door neighbor. From January, 2008 until June, 2008 I took care of Mr. Bengtson's residence while he was working out of the area, and checked the property every day. During that period I never saw any evidence of a water leak either inside or outside of the premises.

Should you have any questions, or require further verification, please feel free to contact me at (562) 805-4993.

Sincerely,



Alex Pena





629-405-01

BIGHORN-DESERT VIEW WATER AGENCY
622 S. JEMEZ TRAIL, YUCCA VALLEY, CA 92284 (760) 364-2315 FAX (760) 364-3412

Wednesday, September 17, 2008

Account 03-0040-1/ APN 629-405-01

Mr. William Bengtson

58559 Joshua Drive

Yucca Valley, CA 92284-4705

RE: Certified Flow Test Results for Customer Water Service Meter

Dear Customer,

At your request, Bighorn-Desert View Water Agency has pulled your water meter for certified flow testing. Testing is conducted by Performance Meter, Inc. located in Beaumont California, an independent testing company. A new meter was installed when your meter was pulled for testing.

The test results are attached and summarized below:

- ☐ Water service meter tested within flow parameters set by the American Water Works Association and the no billing adjustment is due.
- ☒ Water service meter tested outside flow parameters set by the American Water Works Association and a new meter has been installed in its place.
- ☒ Meter registered below testing parameters resulting in lower than actual usage.
- ☐ Meter has registered above testing parameters resulting in higher than actual usage.

If you have any questions, please don't hesitate to contact the Agency at (760) 364-2315.

Sincerely,

Michelle Bowling
Customer Service Representative

Attachments: Meter Test Results

Performance[®] Meter Inc.

Performance Meter, Inc
PO Box 427
Beaumont, CA 92223-0427
Corporate 800-872-2723
Phone 951-922-2485
Fax 951-922-2395

State of California
Department of Weights & Measures
Registration # 2921

Certified Test

Customer:	BIG HORN-DESERT VIEW WAT.	Manufacturer:	PMI
Address:	622 S. JEMEZ TRAIL	Model #:	PME07CF
City:	YUCCA VALLEY	Serial #:	1123741
State:	CA	Size #:	1" CF

High Flow:	50	GPM	97.5	%	Tested By:	Larry Stiff
Med. Flow:	3	GPM	100.5	%	Tester #:	02045
Low Flow:	3/4	GPM	91	%		

Comments:

Signature:



Date: 09/12/09

www.performancemeter.com

sales@performancemeter.com

TEST REQUIREMENTS FOR NEW, REBUILT, AND REPAIRED COLD-WATER METERS

Maximum Rate (All Meters)				Intermediate Rate (All Meters)				Minimum Rate (New and Rebuilt)				Minimum (Repaired)
Size in.	Flow Rate gpm	Test Quantity gal ft	Accuracy Limits percent	Flow Rate gpm	Test Quantity gal ft	Accuracy Limits percent	Flow Rate gpm	Test Quantity gal ft	Accuracy Limits percent	Accuracy Limits percent (min)		
5/8	15	100 10	98.5-101.5	High Pressure Meters (AWWA C700)								
5/8 X 3/4	15	100 10	98.5-101.5	2	10 1	98.5-101.5	1/4	10 1	95-101	90		
3/4	25	100 10	98.5-101.5	3	10 1	98.5-101.5	1/4	10 1	96-101	90		
1	40	100 10	98.5-101.5	4	10 1	98.5-101.5	1/2	10 1	96-101	90		
1 1/2	60	100 10	98.5-101.5	8	100 10	98.5-101.5	3/4	10 1	96-101	90		
2	100	100 10	98.5-101.5	15	100 10	98.5-101.5	1 1/2	100 10	95-101	90		
							2	100 10	95-101	90		
Multi-Jet Meters (AWWA C700)												
5/8	15	100 10	98.5-101.5	1	10 1	98.5-101.5						
5/8 X 3/4	15	100 10	98.5-101.5	1	10 1	98.5-101.5	1/4	10 1	97-103	90		
3/4	25	100 10	98.5-101.5	2	10 1	98.5-101.5	1/4	10 1	97-103	90		
1	35	100 10	98.5-101.5	3	10 1	98.5-101.5	1/2	10 1	97-103	90		
1 1/2	70	100 10	98.5-101.5	5	100 10	98.5-101.5	3/4	10 1	97-103	90		
2	100	100 10	98.5-101.5	8	100 10	98.5-101.5	1 1/2	100 10	97-103	90		
							2	100 10	97-103	90		
Class I Turbine Meters (AWWA C701)												
1 1/2	80	200 20	98-102									
2	120	300 30	98-102				12	100 10	98-102			
3	250	500 50	98-102				18	100 10	98-102			
4	400	1000 100	98-102				24	100 10	98-102			
6	1000	2000 200	98-102				40	100 10	98-102			
8	1500	3000 300	98-102				80	1000 100	98-102			
10	2200	5000 500	98-102				140	1000 100	98-102			
12	3300	7000 700	98-102				225	1000 100	98-102			
							400	1000 100	98-102			
Class II Turbine Meters (AWWA C701)												
2	120	300 30	98.5-101.5									
3	275	600 60	98.5-101.5				4	100 10	98.5-101.5			
4	500	1000 100	98.5-101.5				8	100 10	98.5-101.5			
5	1100	2500 250	98.5-101.5				15	100 10	98.5-101.5			
6	1800	4000 400	98.5-101.5				30	1000 100	98.5-101.5			
8	3000	6000 600	98.5-101.5				50	1000 100	98.5-101.5			
12	4000	8000 800	98.5-101.5				75	1000 100	98.5-101.5			
							120	1000 100	98.5-101.5			



Performance Meter, Inc
PO Box 427
Beaumont, CA 92223-0427
Corporate 800-872-2723
Phone 951-922-2485
Fax 951-922-2395

Attention: To Whom It May Concern

The register on the meter with serial number 1123741 was broken. We loaned you a register for the purpose of testing your meter. There was a \$10.00 charge for this loan.

Sincerely,

Gayle Simms

A handwritten signature in cursive script, appearing to read "G Simms", written in black ink.

Rcvd. w/invoice # 65036-IN
9/18/2008

BIGHORN-DESERT VIEW WTR AGENCY
CHECK REGISTER
FEBRUARY 28, 2009

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
9054	02/05/09	MICHELLE BOWLING	
9063	02/05/09	CONTRACTUAL SVC 13009 AMERICAN WATER WORKS ASSN.	960.00
9064	02/05/09	ANNUAL DUES 50109-43010 BARR LUMBER CO INC	354.00
9065	02/05/09	SYSTEM MAINTENANCE WELLS, MAINTENANCE CLA-VAL REPAIRS CRISTI BUSH	125.21
9066	02/05/09	CONSULTING SVC 1/28-1/29/09 AR/ACCTNG CNH CAPITAL AMERICA LLC	1,582.93
9067	02/05/09	NEW HOLLAND BACKHOE LEASE PYMT DATASTREAM BUSINESS SOLUTIONS	1,173.89
9068	02/05/09	HP9000 PROG, DEC FERRELLGAS	760.00
9069	02/05/09	PROPANE SHOP & OFFICE KIM HELLER	338.70
9070	02/05/09	MILEAGE REIM 1/22 & 1/27 INLAND WATER WORKS	27.27
9071	02/05/09	WELL 7 REPAIR LAFCO	140.08
9072	02/05/09	MUNICIPAL SVC REVIEW DEPOSIT LAW OFFICES OF SUSAN M. TRAGER	500.00
9073	02/05/09	LEGAL FEES, TRAGER/SEP PROTECTION ONE	9,595.00
9074	02/05/09	SHOP SEC SVC 22609-32509 RICHARD ROHR	39.61
9075	02/05/09	MANUAL RFND ACCT#3341090 STEVE'S OFFICE SUPPLY	2.86
9076	02/05/09	BINDER UNDERGROUND SERVICE ALERT	16.38
9077	02/05/09	DIG ALERTS, 20 TICKETS VALLEY INDEPENDENT PRINTING	30.00
9078	02/05/09	BUSINESS CARDS, DIR STRODEL NAME BADGES, WEST, HELLER, STRODEL VERIZON CALIFORNIA	105.10
9079	02/13/09	OFFICE PHONES & AUTO CONTROLS 12/22/08-1/21/09 AT&T MOBILITY	655.59
9080	02/13/09	COMMUNICATIONS EXP 12/25-1/24 AVALON URGENT CARE INC.	215.25
9081	02/13/09	DMV, CLASS A LIC CRISTI BUSH	65.00
9082	02/13/09	CONSULTING SVC 12/09-12/22 BILLING/ACCTNG CONSULTING SVC 12709 CONSULTING SVC 2/03-2/04 BILLING/ACCTNG CALIFORNIA PUBLIC EMPLOYEE'S	2,659.27

BIGHORN-DESERT VIEW WTR AGENCY
CHECK REGISTER
FEBRUARY 28, 2009

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
9083	02/13/09	PERS CONTRIBUTION PPE 13009 CINTAS CORPORATION #150 UNIFORM SVC 12809	2,947.70
9084	02/13/09	UNIFORM SVC 20409 CLINICAL LABORATORY OF BAC-T, PLATE COUNT BAC-T, GEN PHY --	54.20
9085	02/13/09	JUDY CORL-LORONO TAC MEETING 20409	126.00
9086	02/13/09	H2O2U	100.00
9087	02/13/09	WATER DELIVERY TO ACCT 33 INLAND WATER WORKS WELL 9 METER EXCHANGE WELL 9 WELL 7 WELL 10, JV PUMP PARTS	55.00
9088	02/13/09	PITNEY BOWES GLOBAL FINANCIAL QUARTLY LEASE 21009-51009	2,333.45
9089	02/13/09	* VOID *	232.74
9090	02/13/09	U.S. POSTAL SERVICE RENEWAL FEES, BULK	
9091	02/13/09	USA BLUEBOOK	180.00
9092	02/19/09	CHLORINATOR MAINTENANCE ACWA-HBA SERVICES CORP. (ASC) ACWA/HEALTH BENEFITS, MAR	292.45
9093	02/19/09	BAKERSFIELD WELL & PUMP CO PRESSURE SWITCH-WELL CONTROLS, WELL 9 REHAB WELL 9 NEW AUTO CONTROLS PANEL WELL 9 ELEC. CONTROLS TROUBLESHOOTING & REPAIRS WELL 10 BOOSTER PUMPS	5,463.36
9094	02/19/09	MICHELLE BOWLING	4,806.49
9095	02/19/09	CONTRACTUAL SVC 21309 CINTAS CORPORATION #150 UNIFORM SVC 21109	894.00
9096	02/19/09	FIRST BANKCARD	27.10
9097	02/19/09	MISC ITEMS H2O2U	692.53
9098	02/19/09	WATER DELIVERY TO ACCT 33 THE HOME DEPOT #6971 MISC ITEMS	55.00
9099	02/19/09	INLAND WATER WORKS INVENTORY & SUPPLIES JV PUMP PARTS	362.17
9100	02/19/09	PERFORMANCE METERS, INC 3/4" PERF METERS, 100 METERS	74.35
9101	02/27/09	CARMEN WILLIAMS	4,697.90
9102	02/27/09	BALANCE RFND ACCT# 0113001 DAN GRISA BALANCE RFND ACCT# 0102802	20.55
			28.47

BIGHORN-DESERT VIEW WTR AGENCY
CHECK REGISTER
FEBRUARY 28, 2009

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
9103	02/27/09	JAMES F MOORE	
		BALANCE RFND ACCT# 1108293	46.42
9104	02/27/09	JOSE MEZA	
		BALANCE RFND ACCT# 1102942	55.92
9105	02/27/09	MICHAEL DEGELDER	
		BALANCE RFND ACCT# 0609121	91.75
9106	02/27/09	MICHELLE O'MALLEY	
		BALANCE RFND ACCT# 1103076	59.47
9107	02/27/09	SANTIAGO AVILA	
		BALANCE RFND ACCT# 0616808	8.76
9108	02/27/09	THOMAS E VINCENT	
		BALANCE RFND ACCT# 0404406	86.25
9109	02/27/09	US CITIES REAL ESTATE	
		BALANCE RFND ACCT# 0906153	69.99
9110	02/27/09	BARR LUMBER CO INC	
		BATTERY	
		SUPPLIES	
		FIELD MATERIALS & SUPPLIES	
		SUPPLIES	
		SUPPLIES	
		WELL 10	131.06
9111	02/27/09	TERRY BURKHART	
		STANDING CMTE 21909	
		REG MEETING 22409	150.00
9112	02/27/09	CALIFORNIA PUBLIC EMPLOYEE'S	
		PERS CONTRIBUTION PPE 21309	
		EMP RETIREMENT	2,947.70
9113	02/27/09	CANDIDA NEAL	
		ENVIRONMENTAL STUDIES, JAN	1,860.00
9114	02/27/09	CLINICAL LABORATORY OF	
		BAC-T, PLATE COUNT	
		BAC-T, GEN PHY	146.00
9115	02/27/09	JUDY CORL-LORONO	
		REG MEETING 22409	100.00
9116	02/27/09	COUNTY OF SAN BERNADINO	
		DUMP FEES	38.05
9117	02/27/09	CYBERSPIKE	
		WEBSITE MAINT RE-CONF & UPDATE	275.00
9118	02/27/09	GENEIE'S CLEANING SERVICE	
		CLEANING SVC, FEB	170.00
9119	02/27/09	INLAND WATER WORKS	
		METER EXCHANGE PROGRAM	
		WELL 7 REPAIRS	139.26
9120	02/27/09	LAW OFFICES OF SUSAN M. TRAGER	
		LEGAL FEES, TRAGER/OCT	2,870.00
9121	02/27/09	DUANE LISIEWSKI	
		REG MEETING 22409	100.00
9122	02/27/09	MICHAEL MCBRIDE	
		REG MEETING 22409	100.00
9123	02/27/09	OFFICE DEPOT	
		WHITE ERASE BOARD	
		WHT ERASE BOARD CREDIT	
		MISC OFFICE SUPPLIES	389.88

BIGHORN-DESERT VIEW WTR AGENCY
CHECK REGISTER
FEBRUARY 28, 2009

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
9124	02/27/09	REWAL, DAVID DMV DL RENEWAL CLASS "A"	
9125	02/27/09	WORKBOOTS, EMP BENEFITS SOUTHERN CALIFORNIA EDISON	192.52
9126	02/27/09	POWER EXPENSE, JAN WARREN NORMAN STRODEL	4,444.68
		STANDING CMTE 21909	
9127	02/27/09	REG MEETING 22409 VAGABOND WELDING SUPPLY	150.00
		WELDING SUPPLIES	
9128	02/27/09	VERIZON CALIFORNIA	28.12
		AUTO CONTROLS 2/13-3/13/09	44.14
		TOTAL	57,484.57

Prepared By [Signature]
Date 3/12/09
Reviewed By [Signature]



BIGHORN-DESERT VIEW WATER AGENCY

BOARD OF DIRECTORS' REGULAR MEETING MINUTES

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

JANUARY 27, 2009
TUESDAY
6:00 P.M.

- **CALL TO ORDER-** 6:00 P.M.
- **PLEDGE OF ALLEGIANCE-** Led by Director Strodel
- **ROLL CALL-** Directors Present: Director Corl-Lorono, Director McBride, Director Burkhardt
Director Strodel, Director Lisiewski
Staff Present: Marina West, Kim Heller
Guests Present: Approximately 15
- **APPROVAL OF THE AGENDA-** MS Strodel/McBride-to approve agenda as presented-
Failed.
M Lisiewski-to approve agenda with removal of item 6h-
Failed.
MSC Burkhardt/McBride 4/1 to approve Agenda as
presented, with Director Lisiewski voting no.

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. In giving your public comment please 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, please contact the Board Secretary during Agency business hours by calling 760-364-2315.

1. **PUBLIC PARTICIPATION-** Any person may address the Board on any matter within the District's jurisdiction on items not appearing on this agenda- **Jim Langer commented on the Johnson Valley, Well 10 rates and the water quality of Rock Corral.**
Paul Dossey commented on being billed by the Agency as being a connected customer although he owned his well and did not take water from the Agency.
Martha Oswalt commented on the Brown Act, the Agency's budget deficit, and the spending of Agency time and money.
Ray Gilham commented on a bill sent to him by the Agency in error and on the Agency employee's work schedule.
Gerry Kay commented on the legalities of charging connected customers who were not using water.
2. **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- **MSC**

Burkhart / Strodel 5/0 to approve Consent items with item 2c removed to item 5, as requested by Director Lisiewski.

- a) Minutes of the November 25, 2008 Regular Meeting
- b) Consumption & Billing Comparison Report November 2008 and December 2008
- c) Financial Statements November 2008 and December 2008
- d) Production Report November 2008 and December 2008
- e) Service Order Report November 2008 and December 2008
- f) Resolution 09R-01- Local Agency Investment Fund (LAIF) Signature Authority- Establishing Signature Authorities For Bighorn-Desert View Water Agency (LAIF) Account.
- g) Resolution 09R-02- Union Bank Of California Signature Authority- Establishing Signature Authorities For Bighorn-Desert View Water Agency Union Bank Checking Account.

3. CONSENT ITEMS RECOMMENDED FOR APPROVAL AT THE FINANCE/PUBLIC RELATIONS & EDUCATION/PERSONNEL COMMITTEE MEETING OF JANUARY 7, 2009- MSC McBride/Strodel 5/0 to approve items 3a and 3b.

- a) Minutes of the August 6, 2008 FPREP Committee Meeting
- b) Minutes of the September 10, 2008 FPREP Committee Meeting

4. CONSENT ITEMS RECOMMENDED FOR APPROVAL AT THE PLANNING & ENGINEERING/LEGISLATIVE/GRANT/SECURITY COMMITTEE MEETING OF JANUARY 15, 2009- MSC Burkhart/McBride 5/0 to approve item 4a.

- a) Minutes of the August 21, 2008 PLEGS Committee Meeting

5. MATTERS REMOVED FROM CONSENT ITEMS- Item 2c- MSC McBride/Lisiewski 5/0 to approve item 2c with stipulation that staff bring Local Agency Investment Fund (LAIF) update to the February Regular Board Meeting, following comments by Director Lisiewski on LAIF account.

6. 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) **DISBURSEMENTS NOVEMBER 2008 AND DECEMBER 2008-** MSC McBride/Burkhart 5/0 to approve item 6a with clarification for check 8872 to be presented at February Regular Board Meeting as requested by Director Lisiewski, following discussion by the board and staff on various checks paid.

Recess: 7:07 P.M. - 7:19 P.M.

b) ELECTION OF OFFICERS- Board to elect President and Vice President- **MSC Burkhart/McBride 4/1 for Director Corl-Lorono as Board President. Roll call vote requested by Ms. West:**

Director McBride- Aye

Director Lisiewski- No

Director Corl-Lorono- Aye

Director Strodel- Aye

Director Burkhart- Aye

MSC Burkhart/Strodel 5/0 for Director McBride as Board Vice President. Roll call vote requested by Ms. West:

Director McBride- Aye

Director Lisiewski- Aye

Director Corl-Lorono- Aye

Director Strodel- Aye

Director Burkhart- Aye

c) CREATION OF COMMITTEES AND ASSIGNMENTS- Creation of committees, appointment of members and establishment of assignments, if so desired, as follows- **Directors' Burkhart and Strodel appointed to the Planning & Engineering/Legislative/Grant/Security (PLEGS) Committee.**

Directors' McBride and Corl-Lorono appointed to the Finance/Public Relations & Education/Personnel (FPREP) Committee.

Director Burkhart appointed Representative and Director Corl-Lorono as alternate to the Morongo Basin Pipeline Commission/Mojave Water Agency Technical Advisory Committee (TAC).

d) RESOLUTION 09R-XX- A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BIGHORN-DESERT VIEW WATER AGENCY APPROVING THE "STRAWMAN" GUIDANCE DOCUMENT FOR DEVELOPMENT OF A GROUNDWATER MANAGEMENT PLAN AND CONSTRUCTION OF AN ARTIFICIAL RECHARGE PROJECT IN THE RECHE GROUNDWATER SUBBASIN OF THE AMES VALLEY GROUNDWATER BASIN- Board to discuss and consider adoption of Resolution 09R-XX- **MSC Burkhart/McBride 4/1 to adopt Resolution 09R-03, with Director Lisiewski voting no, following a summary of Resolution by Ms. West itemizing the benefits of the Strawman Guidance Document. Ms. West provided the history and the previous actions of the Board and other water entities since 2004 regarding this item. The overall consensus of the Board, following discussion, was approval of the Strawman Guidance Document. Director Lisiewski expressed concern of the existing Ames Agreement being negatively affected and insisted that the Ames Agreement should not be changed. Ms West and several board members expressed the opinion of benefits of the Strawman Guidance Document to the Agency surpassing and enhancing the current Ames Agreement. Roll call vote requested by Director Lisiewski:**

Director McBride- Aye

Director Lisiewski- No

Director Corl-Lorono- Aye

Director Strodel- Aye

Director Burkhart- Aye

Recess: 7:54 P.M. – 7:59 P.M.

e) PROPOSALS FOR THE REPAIR OF THE JOHNSON VALLEY WELL NO. 10 BULK HAULING STATION- Board to discuss and consider authorizing staff to execute Purchase Order with Bakersfield Well & Pump Co to repair/replace booster pumps at Well No. 10 and execute Purchase Order with Barnett Construction to build a pump enclosure at Well No. 10- **MSC Burkhardt/McBride 5/0 to execute purchase order with Bakersfield Well & Pump at a cost of approximately \$3000.00 and to execute Purchase Order with Barnett Construction at a cost of approximately \$2900.00, following discussion and recommendation by Ms. West.**

f) BULK HAULING RATE STRUCTURE REVIEW - Board to review, discuss and provide input to staff on how to proceed with bulk hauling usage and consumption charges for Agency's bulk hauling customers- **Ms. West reported this item had been discussed extensively by the PLEGS Committee in January. In an effort to equalize the rates of all bulk hauling stations Ms. West presented various methodologies and gave a history of how Johnson Valley Well 10 came to be on a different rate structure.** Ms. West stressed no matter which of the three rate structure options the board eventually approved, all rates and fees need to be continuously reviewed with emphasis on building reserve funds, paying off debt and creating annual Capital Improvement Project Fund. Ms. West also stressed the Agency needed to address the exportation of water out of the Agency's boundaries. Following much discussion by the board, public, and staff on fairness of rates, Ms. West reminded the board that all Agency customers had recently undergone a rate increase and although the Agency is aware there are households that are not connected to the pressurized system and require hauled water, the connected Agency customers should not be made to pay more to subsidize bulk customers. Ms. West presented the idea of increasing bulk hauling rates in increments of two increases in six months. Following discussion, the Board directed staff prepare a Resolution for rate adjustment 'option 1' (\$8.50 per unit with no Basic Service Charge) for all bulk hauling stations to be agendized for the February Regular Board Meeting. The staff report for this item verified this public meeting constitutes the appropriate notification of intent per Govt. Code Sec. 66016.

Recess: 8:53 P.M. – 9:03 P.M.

g) PROPOSED 29 PALMS TRAINING CENTER/AIRSPACE ACQUISITION PROJECT- Board to discuss relevant comments to be submitted to MCAGCC as part of the Environmental Review Process- **Ms. West expressed what she thought the Agency should be focused on in regards to the MCAGCC expansion as presented in the staff report. Board directed staff to proceed with letter to MCAGCC expressing the Agency's concerns, including Director Lisiewski's concern of the Physical effect bombing would have on the aquifer, and requesting answers to questions relating to other impacts the acquisition would have on the Agency.**

h) RESOLUTION 09R-XX- A RESOLUTION OF THE DIRECTORS OF THE BIGHORN-DESERT VIEW WATER AGENCY SETTING A SERVICE TERMINATION FEE FOR CUSTOMERS WHO VOLUNTARILY TERMINATE EXISTING WATER SERVICE- Board to receive update on status of inactive meters and discuss and consider adoption of Resolution 09R-XX- **MSC McBride/Burkhart 4/1, with Director Lisiewski voting no, to adopt Resolution 09R-04 setting a Service Termination Fee at \$300.00 for customers who voluntarily terminate existing water service following discussion by board and staff**

and a summary of the staff report by Ms. West on the history of board directives to bring rates, fees, charges, and all other potential revenue opportunities in line with costs to operate the Agency. Ms. West provided background of the approximate four-hundred 'vacant' accounts and the steps that had been taken by staff leading up to the change in Ordinance with regard to customers desiring to terminate existing service or paying the Basic Monthly Service Fee. Ms. West also reviewed the steps that were required by customers wishing to terminate existing service. Ms. West pointed out that because the Agency bills bi-monthly, only half of the 'vacant' accounts had been billed to date and of those approximate two hundred accounts, only thirty letters had been received, to date, either disputing or questioning charge. Roll call vote requested by Director Lisiewski:

Director McBride – Aye

Director Lisiewski – No

Director Corl-Lorono – Aye

Director Strodel – Aye

Director Burkhart – Aye

i) BOARD OF DIRECTORS WORKSHOP MEETING SCHEDULE- Board to discuss and consider setting meeting date/time for Workshop- **Following discussion by board and staff, Board of Directors Workshop scheduled for Saturday, February 28, 2009 at 9:30 A.M.**

7. **DIRECTORS' REPORTS/COMMENTS-** Director Burkhart made an apology to Jim Hanley for a mathematical error she had made on calculations of water usage of Ms. West and Mr. Phil Johnson. Director Burkhart also extended her thanks to Ms. West for the long hours and hard work she has put in.
Director Strodel- No reports/comments.
Director Lisiewski- No reports/comments.
Director McBride joined Director Burkhart in commending Ms. West. Director McBride also addressed the public regarding the Agency's effort in making all rates, fees, and charges equitable and fair to all customers.
Director Corl-Lorono also extended thanks to Ms. West.
8. **GENERAL MANAGER'S REPORT (ORAL)-** Ms. West reported on the time sensitive material the Agency had received from the Local Agency Formation Committee (LAFCO), a ballot to fill a Regular vacancy on the LAFCO Board. The ballot was reviewed too late to be put on this Agenda. Ms. West verified the item had been added to this Agenda as an 'emergency item' and had been pulled prior to the start of this meeting. Ms. West asked the board if they wanted to call a special meeting in order to cast a vote to fill the LAFCO vacancy. The board consensus was not to hold a special and therefore not participate in the vote.
Ms. West also advised the board she had been reminded by the Agency's insurance carrier, Special Districts Risk Management Authority (SDRMA) that the Agency receives an incentive on insurance for Director training. Thursday and Friday, March 5 there is training "How to be an Effective Board Member" being held in Riverside. Ms. West advised the board that this item would be agendaized for the February Regular meeting for those interested.
9. **PROJECT STATUS REPORT-** Director Lisiewski inquired on line item "Projects Not Yet Begun" asking why Well # 4 still not up. Ms. West responded that repairs for Well # 4 had not been budgeted in this fiscal year. Director Lisiewski also wanted to know if Well # 9 had

problems. Ms. West responded Well #9 was experiencing electrical problems and the Agency was waiting for a part that had been ordered.

10. COMMUNICATION AND INFORMATION ITEMS

- 11. ITEMS FOR NEXT AGENDA-** Expenditures to LAIF Report 09/2008 to present
Back-up for check #8872
Resolution For All Bulk Hauling Stations Rate Structure
Authorization for attendance to CSDA's "How to be an
Effective Board Member"

12. ADJOURNMENT- 10:34 P.M.

Respectfully submitted,
Kim Heller, Board Secretary

DATE: MARCH 2009
TO: MARINA WEST
FROM: MICHELLE BOWLING
RE: Consumption & Billing Comparison FEBRUARY 2009

Consumption

Residential- North- Bighorn

	Meters	Usage (c.f.)
Book 1	151	63
Book 2	191	286,833
Book 3	167	2
Book 4	161	2
Book 5	132	0
Book 6	137	0
Total	939	286,900

Residential- South- Desert View

	Meters	Usage (c.f.)
Book 7	168	134,540
Book 8	174	185,747
Book 9	187	207,563
Book 10	181	207,084
Book 11	194	210,498
Total	904	945,432

Bulk -Kickapoo, Well 4, Cherokee

	Meters	Usage (c.f.)
Book 30	39	21,909
Book 31	5	235
Book 32	5	8,600
Total	49	30,744

Construction Meters

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

Bulk - Well 10

	Meters	Usage (c.f.)
Book 33	49	5,860
Total	49	5,860

Billed Consumption	982,101
Non Billed Usage	2,246
Total Consumption	984,347

Active Residential Meters	1,843
Active Bulk Meters	98
Total Active Meters	1,941

Billing Comparison

	This Year JAN 2009	Last Year JAN 2008	Difference More (Less)
Statistics			
Total Customer Accounts	1035	869	166
Usage in Cubic Feet	982,101	1,014,569	(32,468)
Percentage Increase/(Decrease)			-3%

Revenues

Water Revenues	29,850.96	31,578.62	(1,727.66)
Basic Service Charge	51,216.05	31,930.01	19,286.04
Miscellaneous	768.50	725.00	43.50
Delinquent Charges	1,795.40	825.08	970.32
Total Operating Revenues	83,630.91	65,058.71	18,572.20

Debt Service Revenues (pass through)

FMHA **	8,384.66	7,181.96	1,202.70
Total Debt Service Revenues	8,384.66	7,181.96	1,202.70

Additional Information Regarding Pass Through Revenues

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

Total Charges (Proof)	92,015.57	72,240.67	
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GENERAL FUND

ASSETS

CASH & CASH EQUIVALENTS

01 13120	CASH UNION BANK OF CA	35,742.73
01 13130	CASH CASH DRAWERS BASE FUND	750.00
01 13400	CASH PETTY CASH FUND	800.00

TOTAL CASH & CASH EQUIVALENTS		37,292.73

INVESTMENTS

01 13303	CASH LAIF-UNRESTRICTED	471,737.18

TOTAL INVESTMENTS		471,737.18

ACCOUNTS RECEIVABLE, WATER

01 13710	A/R WATER	124,815.43

TOTAL ACCTS RECEIVABLE, WATER		124,815.43

ACCOUNTS RECEIVABLE, OTHER

01 13712	A/R AVAILABILITY-STANDEY IDB	237.22
01 13800	A/R PROPERTY TAXES	(39,984.46)
01 13801	A/R MISCELLANEOUS	2,301.92

TOTAL ACCTS RECEIVABLE, OTHER		(37,445.32)

INVENTORIES

01 14301	INVENTORY-WATER SYSTEM PARTS	110,434.95
01 14302	INVENTORY-DIESEL FUEL	1,305.88
01 14303	INVENTORY-UNLEADED FUEL	1,602.25

TOTAL INVENTORY		113,343.08

PREPAID EXPENSES

01 14401	PREPAYMENTS WORKERS COMP INSUR	1,125.28
01 14402	PREPAYMENTS PL & PD LIAB INS	12,285.53
01 14403	POSTAGE	6,996.67

TOTAL PREPAID EXPENSES		20,407.48

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	7,223,519.41
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	(4,898,403.69)

GENERAL FUND

TOTAL FIXED ASSETS		3,697,505.99
WORK IN PROGRESS (FOR OTHERS)		
01 12004	WIP BLUCKER ANNEXATION	111.52
01 12006	WIP FLAMINGO HTS ASSN, SEC35	14,597.53

TOTAL WORK IN PROGRESS (OTHERS)		14,709.05
WORK IN PROGRESS (AGENCY)		
01 12005	WIP GRANTS CEQA/NEPA	67,969.04
01 12011	WIP WELL 9 REHAB (NTE\$89K)	102,558.17
01 12014	WIP PRV 7 INTERTIE	796.55
01 12016	WIP WELL 10 REHAB	79,730.21
01 12017	WIP METER REPLACEMENT PROGRAM	89,417.67
01 12020	WIP FUEL SPILL CLAIM	4,055.20
01 12022	WIP WELL 7	660.67

TOTAL WORK IN PROGRESS (AGENCY)		345,187.51
DEBT ISSUANCE COST		
01 15400	BOND ISSUE COSTS	6,836.49

TOTAL DEBT ISSUANCE COST		6,836.49
TOTAL ASSETS		4,794,389.62
=====		
LIABILITIES		

ACCOUNTS PAYABLE		
01 22400	CAPITAL LEASE	21,129.37
01 22700	ACCOUNTS PAYABLE	7,438.24

TOTAL ACCOUNTS PAYABLE		28,567.61
ACCRUED PAYROLL		

TOTAL ACCRUED PAYROLL		0.00
CUSTOMER DEPOSITS		
01 22550	CUSTOMER DEPOSITS PENDING	1,680.00
01 22600	CUSTOMER DEPOSITS	50,014.00

TOTAL CUSTOMER DEPOSITS		51,694.00
WORK IN PROGRESS DEPOSIT		
01 23006	WIP DEP-FLAMINGO HTS ASSN S35	7,500.00

TOTAL WORK IN PROGRESS DEPOSIT		7,500.00

GENERAL FUND

LIAB PYBL FRM RESTRICTD ASSETS

01 22950	ACCRUED INT PAYABLE DV ID BNDS	280.00
01 22951	ACCRUED BONDS PAYABLE DV ID	2,000.00

TOTAL LIAB PYBL FRM REST ASSET		2,280.00

LONG TERM DEBT

01 21101	REVENUE BONDS PAYABLE - DV	358,977.05
01 22300	REVENUE BONDS PAYABLE - BH	900,000.00

TOTAL LONG TERM DEBT		1,258,977.05

TOTAL LIABILITIES	1,349,018.66
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EQUITY

01 30109	CONTRIBUTED CAPITAL/HUD	321,142.96
01 30111	FMHA GRANTS	824,236.81
01 31000	FUND BALANCE	1,766,600.27
01 31001	FUND BALANCE FEMA & OES	445,243.98
01 31111	CURR YEAR NET REVENUE/EXPENSE	88,146.94
TOTAL EQUITY		3,445,370.96
TOTAL LIABILITIES & EQUITY		4,794,389.62
		=====

Prepared By

Date

Reviewed By

PERIOD ENDING 02/28/09

GENERAL FUND

	BUDGET	REV OR EXP THIS MONTH	REV OR EXP YEAR TO DATE	AVAILABLE	YTD % OF BUDGET
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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	61,534.47	337,737.50	121,762.50	73.50%
01 41300 BASIC SERVICE CHARGE	508,530.00	101,111.55	294,305.74	214,224.26	57.87%
01 41600 INCOME REVENUE BONDS DV FMHA	43,189.00	8,313.99	30,979.12	12,209.88	71.73%
01 41700 INCOME OTHER (OPERATING)	21,600.00	4,966.89	15,251.87	6,348.13	70.61%
	-----	-----	-----	-----	-----
TOTAL OPERATING REVENUE	1,046,819.00	175,926.90	692,694.23	354,124.77	66.17%
NON-OPERATING REVENUE					
01 49100 INCOME GEN TAX ID A 1% BH GA02	49,565.00	434.27	19,608.99	29,956.01	39.56%
01 49101 INCOME BOND DEBT BH FMHA DA01	106,315.00	1,529.06	28,746.85	77,568.15	27.04%
01 49102 INCOME GENERAL TAX 1% DV GA01	48,847.00	435.77	20,301.39	28,545.61	41.56%
01 49200 INTEREST INCOME	18,500.00	0.00	9,445.21	9,054.79	51.06%
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	2,399.10	119,689.79	104,537.21	53.38%
	-----	-----	-----	-----	-----
TOTAL REVENUE	1,271,046.00	178,326.00	812,384.02	458,661.98	63.91%
EXPENSE					

OPERATING EXPENSE					
01 54102 OPERATIONS COMPENSATION	185,853.00	14,429.70	126,197.35	59,655.65	67.90%
01 54103 UNIFORMS	2,675.00	209.82	1,055.77	1,619.23	39.47%
01 54105 AUTO CONTROLS	4,500.00	308.98	2,470.01	2,029.99	54.89%
01 54106 VEHICLE/TRACTOR/EQUIP EXPENSE	9,000.00	44.03	3,927.18	5,072.82	43.64%
01 54107 VEHICLE EXPENSE - FUEL	27,000.00	677.63	15,037.05	11,962.95	55.69%
01 54109 FIELD MATERIALS & SUPPLIES	45,000.00	1,558.05	17,229.49	27,770.51	38.29%
01 54111 WATER TESTING	10,000.00	272.00	5,047.00	4,953.00	50.47%
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	369.18	3,396.86	8,603.14	28.31%
01 54115 BUILDING MAINTENANCE/REPAIR	4,750.00	209.61	3,418.08	1,331.92	71.96%
01 54117 AMES BASIN MONITORING	3,000.00	0.00	0.00	3,000.00	0.00%
01 54119 COMMUNICATIONS EXPENSE	3,200.00	215.25	1,581.83	1,618.17	49.43%
01 54121 DISINFECTION EXPENSE	6,500.00	0.00	2,891.48	3,608.52	44.48%
01 54125 POWER WELLS & PUMPS	60,000.00	4,103.27	34,278.16	25,721.84	57.13%
01 54130 OTHER OPERATIONS EXPENSES	12,500.00	648.05	11,784.21	715.79	94.27%
01 54150 PAYROLL LABOR TO PROJECTS	0.00	-8,240.40	-11,150.29	0.00	0.00%
01 54160 VEH & EQUIP EXPENSE TO PROJECT	0.00	-5,023.49	-6,901.37	0.00	0.00%
01 54170 INVENTORY EXP TO WIP PROJECTS	0.00	-38,740.91	-40,890.58	0.00	0.00%

GENERAL FUND

		BUDGET	REV OR EXP THIS MONTH	REV OR EXP YEAR TO DATE	AVAILABLE	YTD % OF BUDGET
		-----	-----	-----	-----	-----
01 56001	DIRECTOR FEES	10,000.00	700.00	5,500.00	4,500.00	55.00%
01 56002	DIRECTOR MEETING EXPENSES	10,000.00	0.00	2,649.68	7,350.32	26.50%
01 56003	ADMINISTRATIVE COMPENSATION	212,550.00	14,106.16	123,425.19	89,124.81	58.07%
01 56005	ADMINISTRATIVE MEETING EXPENSE	1,000.00	16.80	689.25	310.75	68.93%
01 56006	CONTRACTUAL SERV-AUDITOR	9,500.00	0.00	4,717.50	4,782.50	49.66%
01 56007	CONTRACTUAL SERV-LEGAL	70,000.00	12,465.00	47,784.75	22,215.25	68.26%
01 56008	PERS CONTRIBUTION	33,600.00	2,410.66	19,621.86	13,978.14	58.40%
01 56009	PAYROLL TAXES	8,800.00	1,008.15	7,936.47	863.53	90.19%
01 56011	TELEPHONE/FAX/INTERNET/WEB	6,250.00	665.75	4,179.53	2,070.47	66.87%
01 56012	MAILING EXPENSES	7,500.00	872.27	5,073.71	2,426.29	67.65%
01 56014	CONTRACTUAL SERV-OTHER	25,100.00	7,879.92	40,575.53	-15,475.53	161.66%
01 56016	PROPERTY/LIABILITY EXPENSE	38,000.00	2,946.38	23,571.04	14,428.96	62.03%
01 56017	WORKERS COMP INSURANCE	12,500.00	1,125.34	16,922.02	-4,422.02	135.38%
01 56018	DUES & SUBSCRIPTIONS	6,500.00	384.00	6,198.50	301.50	95.36%
01 56020	POWER OFFICES & YARDS	7,000.00	341.41	3,365.13	3,634.87	48.07%
01 56022	BAD DEBT EXPENSE	6,000.00	0.00	-6.50	6,006.50	-.11%
01 56025	PROPANE	1,750.00	338.70	338.70	1,411.30	19.35%
01 56030	OFFICE SUPPLIES	7,500.00	406.26	1,948.95	5,551.05	25.99%
01 56100	EMPLOYEE BENEFITS INSURANCE	63,358.00	5,113.44	48,917.59	14,440.41	77.21%
01 56110	EMPLOYEE EDUCATION	6,000.00	64.00	3,221.00	2,779.00	53.68%
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 56150	PAYROLL FRINGE EXP TO PROJECTS	0.00	-2,966.54	-4,014.11	0.00	0.00%
01 56160	OVERHEAD TO PROJECTS	0.00	-6,596.57	-7,755.94	0.00	0.00%
		-----	-----	-----	-----	-----
	TOTAL OPERATING EXPENSE	933,886.00	12,321.90	543,585.44	390,300.56	58.21%
NON-OPERATING EXPENSE						
01 56200	OFFICE EQUIPMENT EXPENSE	6,000.00	0.00	1,738.12	4,261.88	28.97%
01 56300	CUSTOMER RELATIONS	1,000.00	0.00	458.67	541.33	45.87%
01 56400	OTHER ADMINISTRATIVE EXPENSES	4,000.00	202.97	1,248.23	2,751.77	31.21%
01 57000	INTEREST EXPENSE - BH BONDS	0.00	0.00	22,499.99	0.00	0.00%
01 57100	DEPRECIATION EXPENSE	0.00	18,179.07	145,732.21	0.00	0.00%
01 59100	INTEREST EXPENSE - DV BONDS	0.00	0.00	8,974.42	0.00	0.00%
		-----	-----	-----	-----	-----
	TOTAL NON-OPERATING EXPENSE	11,000.00	18,382.04	180,651.64	-169,651.64	1642.29%
		-----	-----	-----	-----	-----
	TOTAL EXPENSE	944,886.00	30,703.94	724,237.08	220,648.92	76.65%
		-----	-----	-----	-----	-----
	NET REV/EXP GENERAL FUND	326,160.00	147,622.06	88,146.94	238,013.06	27.03%
		=====	=====	=====	=====	=====

Prepared By M. Cleland
Date 3/12/09
Reviewed By M. W. Smith

GENERAL ACCOUNT (UNION BANK)



Feb-09

SOURCES OF FUNDS:

SERVICE LINE INSTALLATION FEES	0.00	
BASIC FACILITIES CHARGE	0.00	
A/R - WATER	77,249.05	
MISCELLANEOUS REVENUE	455.31	
1% GENERAL TAX	870.04	
BIGHORN ADVALOREM TAX	1,529.06	
RIGGS ID MODELLING	3,645.00	
CUSTOMER DEPOSITS	<u>1,030.00</u>	
 TOTAL		<u><u>84,778.46</u></u>

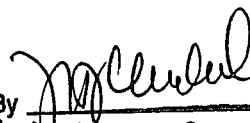
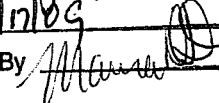
USE OF FUNDS:

DEBT SERVICE	0.00	
CAPITAL PURCHASES	13,972.89	
CAPITAL LEASE	1,173.89	
INVENTORY PURCHASES	12.93	
PREPAYMENTS - INSURANCE & POSTAGE	0.00	
PAYMENTS FOR SALARIES & WAGES	25,697.35	
ADMINISTRATIVE EXPENSE	35,242.71	
OPERATIONS EXPENSES	7,647.43	
TRANSFERS TO INCREASE LAIF	33,000.00	
MISCELLANEOUS & CUSTOMER REFUNDS	<u>470.44</u>	
 TOTAL		<u><u>117,217.64</u></u>

Prepared By 
Date 3/17/09
Reviewed By 

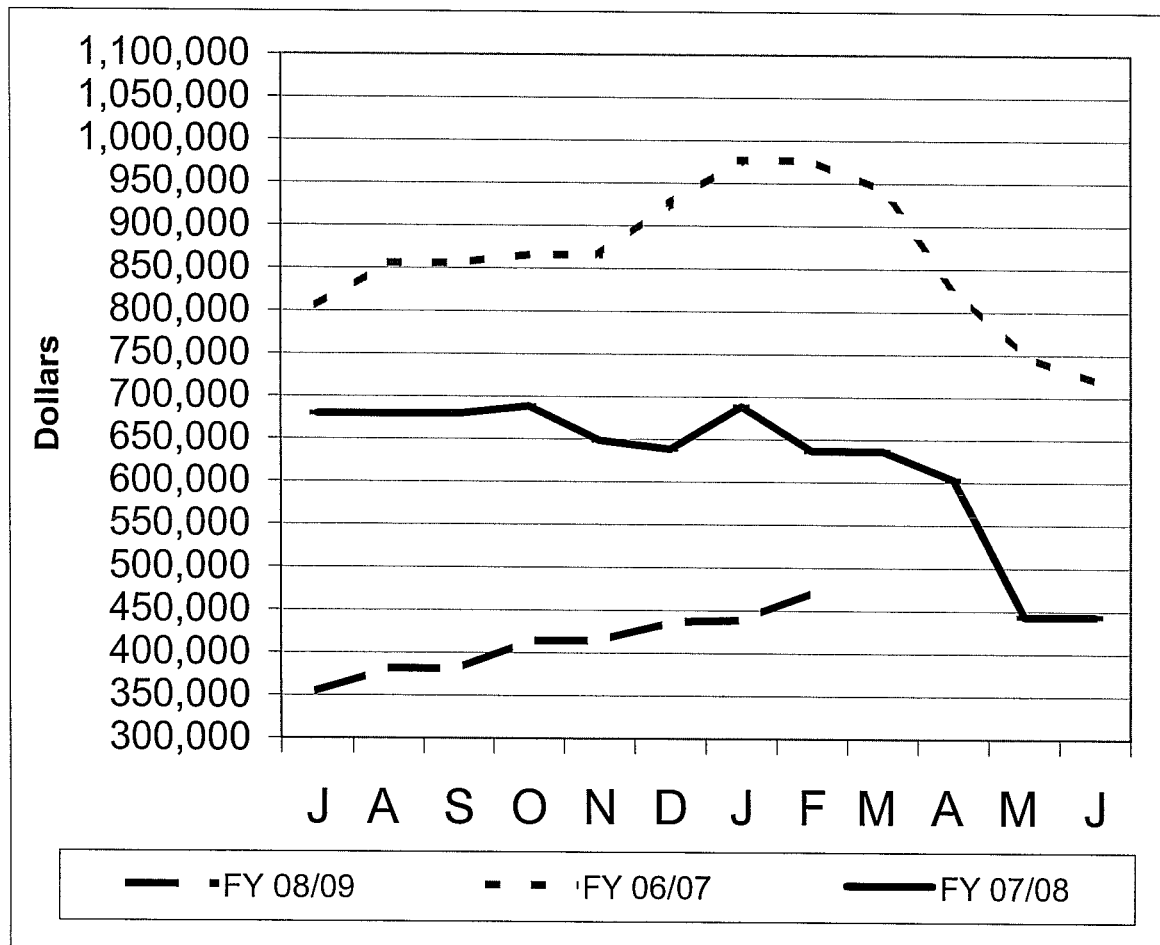
UNION BANK OF CALIFORNIA
DISBURSEMENTS FEBRUARY 2009

Datastream Check Register	<u>57,484.57</u>	<u>57,484.57</u>	
EFT for Vendor Services			
Payroll Processing Fee	522.59		
Bank Fees	147.94		
Credit Card Fees	365.19		
Internet Access Fee	-		
Total EFT for Vendor Services	<u> </u>	<u>1,035.72</u>	
Wages for Paydate 02/13/09			
Wages EFT	5,327.05		
Employee Tax Withholdings	1,741.53		
Employer Tax Expenses	586.06		
Wages check #1888-1894	<u>4,972.73</u>		
		<u>12,627.37</u>	
Wages for Paydate 02/27/09			
Wages EFT	5,789.15		
Employee Tax Withholdings	1,827.03		
Employer Tax Expenses	422.09		
Wages check #1895-1901	<u>5,031.71</u>		
		<u>13,069.98</u>	
Transfers to LAIF	<u>33,000.00</u>	<u>33,000.00</u>	
Total Disbursements			<u><u>117,217.64</u></u>

Prepared By 
Date 3/17/09
Reviewed By 

Local Agency Investment Fund Balance Timeline
Balance as of February 28, 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	
April	829,004	603,292	
May	749,004	443,292	
June	719,004	443,292	





DATE: 2/2/2009
 TO: Board of Directors
 FROM: Kit Boyd
 RE: FEBRUARY Production

	Cubic Feet Pumped	Total Gallons Pumped	Average GPM	Total Running Time	acre feet
Well 2	96,280	720,174	372	32.3	2.21
Well 3	152,310	1,139,279	388	49	3.50
Well 4	0	0	#DIV/0!	0	0.00
Well 6	507,120	3,793,258	460	137.4	11.64
Well 7	55,570	415,664	410	16.9	1.28
Well 8	211,800	1,584,264	1,087	24.3	4.86
Well 9	228,900	1,712,172	728	39.2	5.25
Well 10	9,620	71,958	88	13.7	0.22
Total	1,261,600	9,436,768			28.96

Wells 4 did not run this month

A Boosters	44,450	332,486	141	39.3
C Boosters	104,600	782,408	294	44.3
Total	149,050	1,114,894		



DATE: FEBRUARY 2009
 TO: Kim Heller
 FROM: Michelle Bowling
 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					
Service Line Repairs:	2	0	3	1	2	4	5	1					
Service Line Replacements:	10	7	9	2	2	5	0	1					
Service Line Installations:	0	0	1	2	1	0	0	0					
Meter Changeouts*	60	5	51	48	43	19	23	53					
Water Quality Complaints:**	2	3	2	2	0	1	1	0					
48 Hour Tags for NSF Checks:	2	0	4	2	1	2	0	1					
Lock Offs for Non-Payment:	4	9	5	9	10	6	9	11					
Unlocks After Payment Made:	3	6	0	7	4	2	4	1					
All Other Miscellaneous:	106	111	94	63	73	108	136	164					
Total	190	142	170	137	136	147	174	233					

*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.