



BIGHORN-DESERT VIEW WATER AGENCY  
A PUBLIC AGENCY

**PLANNING/LEGISLATIVE/ENGINEERING  
GRANT & SECURITY COMMITTEE MEETING  
WITH BOARD OF DIRECTORS\*  
AGENDA**

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

**JUNE 18, 2009  
THURSDAY  
8:45 A.M.**

\*The BDVWA Planning / Legislative / Engineering / Grant & Security Committee meeting is announced as a joint meeting with the Board of Directors for the purpose of strict compliance with the Brown Act. Members of the Board not assigned to this Committee who attend will participate only as observers at the meeting.

- **CALL TO ORDER**
- **PLEDGE OF ALLEGIANCE**
- **ROLL CALL**

**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. **CONFERENCE CALL WITH MOJAVE WATER AGENCY'S LEGAL/LEGISLATIVE AND PUBLIC INFORMATION COMMITTEE** - Committee to participate via teleconference for an update on State Advocate and Issues at the State Level and update on Federal Advocate and Issues at the Federal Level.
2. **PUBLIC PARTICIPATION** - Any person may address the Committee on any matter within the District's jurisdiction on items not appearing on this agenda.
3. **REVIEW OF VOTER-APPROVED BOND LANGUAGE, BOND DEBT OBLIGATIONS AND OTHER ALTERNATIVE MEANS OF GENERATING NECESSARY REVENUES** - General Counsel Francis Logan will address the committee on the background, interpretation and obligation of the Agency to collect monies necessary to repay debt, fund

operations and maintenance, as well as depreciation for the separate enterprises known as Bighorn Service Area (account routes 01-06) and the Desert View Service Area (account routes 07-11), and the Bulk Water Supply System (account routes 30-33) and the Agency-wide Morongo Basin Pipeline Debt Participation.

- 5. STANDING COMMITTEE PROJECT LIST**
- 6. DIRECTORS' COMMENTS/REPORTS**
- 7. GENERAL MANAGER'S REPORT**
- 8. ITEMS FOR NEXT AGENDA**
- 9. ADJOURNMENT**

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

**LEGAL/LEGISLATIVE AND  
PUBLIC INFORMATION  
COMMITTEE MEETING**

**AGENDA**

**Mojave Water Agency  
Board Room  
22450 Headquarters Drive  
Apple Valley, CA 92307**

**June 18, 2009  
9:00 a.m.**

**NO ACTION WILL BE TAKEN – STUDY SESSION ONLY**

1. Approval of Agenda
2. Adopt Actions from the Legal/Legislative and Public Information Committee Meeting of May 26, 2009
3. Update on State Advocate and Issues at the State Level (teleconference)
4. Update on Federal Advocate and Issues at the Federal Level (teleconference)
5. Discuss Extending Agreement with Innovative Federal Strategies, LLC Allowing a Contract Extension
6. Update on Status of Grants (oral report)
7. Discussion of Changing the Meeting Date for August 20, 2009 (oral report)
8. Public Information Update (oral report)
9. General Manager's Report (oral report)
10. Public Participation
11. Comments/Discussion Items for Next or Future Agendas
12. Adjournment

*Pursuant to Government Code Section 54954.2(a), any request for a disability-related modification or accommodation, including auxiliary aids or services, that is sought in order to participate in the above-agendized public meeting, should be directed to the Agency's General Manager's office at (760) 946-7008 at least 24 hours prior to said meeting.*

**BIGHORN-DESERT VIEW WATER AGENCY STANDING COMMITTEE  
PLANNING/ENGINEERING/LEGISLATIVE/GRANT & SECURITY  
AGENDA ITEM SUBMITTAL**

**Meeting Date:** June 18, 2009

**To:** Planning/Engineering/Legislative/Grant & Security  
Standing Comm. of Board of Directors

**Budgeted:** N/A  
**Budgeted Amount:** N/A  
**Cost:** N/A  
**Funding Source:** N/A

**From:** Marina D. West

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

**Subject:** Review of Voter Approved Bond Language, Bond Debt Obligations and Other Alternative Means of Generating Necessary Revenues

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## **SUMMARY**

General Counsel Francis Logan will address the committee on the background, interpretation and obligation of the Agency to collect monies to repay debt, fund maintenance, operations and depreciation of the separate enterprises known as Bighorn Service Area (account routes 01-06), Desert View Service Area (account routes 07-11), Bulk Water Supply System (account routes 30-33) and the Agency-wide Morongo Basin Pipeline Debt Participation.

## **RECOMMENDATION**

Information and discussion only.

## **BACKGROUND/ANALYSIS**

For the purposes of understanding how Agency operating revenues relate to Agency expenses, it is necessary to view the Agency as four separate business enterprises: Bighorn Service Area, Desert View Service Area, Bulk Water Supply System and Agency-wide Morongo Basin Pipeline Debt Participation. These distinctions are important because two of the business enterprises, Bighorn and Desert View, have separate long-term debt obligations. Each of these is summarized below and will be reviewed in detail by General Counsel Logan for the Committee.

### Agency-Wide Morongo Basin Pipeline Debt Service:

The Agency participates in the repayment of debt issued by the Mojave Water Agency (MWA) for the purpose of constructing the Morongo Basin Pipeline. Currently MWA is responsible for paying about 70% of the debt while the project participants pay the remainder. The Agency is responsible for a 9% participation interest as part of the 30% interest paid by project participants. In fiscal year 2008/09, that share was approximately \$71,000. There is no special assessment or surcharge in place to pay this debt and since this is considered an

"Agency-wide" benefit, the revenue that is "earmarked" for this purpose is the 1% general tax levy received through the County of San Bernardino Tax Collector.

Bulk Water Supply System (account routes 30-33):

There are approximately 100 bulk meters assigned at four bulk water supply stations (Johnson Valley, Kickapoo, Cherokee, and Well #4). Several bulk customers are commercial water haulers with a customer base of unknown size. Revenue collected from the Bulk Water Supply Accounts is through measurement of water consumption only. There is no Basic Service Charge or surcharges in the bulk rate structure. The revenue collected is utilized to fund the proportionate share of Agency operations, maintenance and depreciation. Any surplus would be utilized for capital improvements, replacement or refurbishment to the Bulk Water Supply System.

Bighorn Service Area (account routes 01-06):

The Bighorn Service Area is a portion of the predecessor entity known as the Bighorn Mountains Water Agency (BMWA). Within the boundaries of the BMWA, an Improvement District, ID 1, was formed for the purpose of incurring general obligation bond debt. The instruments creating the ID 1 Debt commit the Agency to raising revenue not only to cover principal and interest of the ID 1 Debt but also the amount of money determined by the Board of Directors of the Agency necessary for the purpose of covering operating expenses, repairs, depreciation, extensions and improvements to the water system funded by the ID 1 Debt.

Approximately 870 metered connections are active in the Bighorn Service Area (excludes bulk accounts). Revenue for this enterprise is derived from several sources: Basic Service Charge, Ad Valorem Property Tax, and the water consumption charge.

The Finance Committee reviewed the formula for the Ad Valorem Property Tax assessment at the May meeting, the full Board set the Ad Valorem Property Tax assessment at the May meeting but this issue is being brought to the PLEGS Committee for a discussion of the legislative framework that makes it possible for the Board to utilize this assessment to not only collect principal and interest for the bond debt but also to derive revenues for the sole purpose of maintaining the Bighorn Service Area water supply system comprised of wells, boosters, pressure reducing stations, reservoirs, pipeline, fire hydrants, meters and other appurtenances. Staff recommends that the Ad Valorem Property Tax assessment be brought to the full Board again on June 23, 2009 for a final discussion and analysis including up-to-date information regarding property tax devaluation.

Desert View Service Area:

The Desert View County Water District (DVCWD) is another predecessor-in-interest to the Bighorn Desert View Water Agency. The entire DVCWD Service Area incurred a revenue bond debt for the "acquisition, construction, improving and financing of additions, replacement and extension to an enterprise consisting of the existing District water supply and distribution system...". The DVCWD Debt (DV Debt) is not a lien against land. The instruments creating the DV Debt commit the Agency to maintaining a series of funds to operate the water system built by the DV Debt as a separate and distinct entity. The DVCWD

Bond Proposition specifically stated that the DV Debt was being incurred for "improving and financing of additions, replacements, and extensions".

Approximately 850 metered connections are active in the Desert View Service Area (excludes bulk accounts). Revenue for this enterprise is derived from several sources: Basic Service Charge, DV Debt Surcharge, and water consumption charge.

The Desert View Debt Surcharge has not previously been discussed by the Board. This issue is being brought to the PLEGS Committee for a discussion of the legislative framework that makes it possible for the Board to utilize the surcharge to not only collect principal and interest for the bond debt but also to derive revenues for the sole purpose of maintaining the Desert View Service Area water supply system comprised of wells, boosters, pressure reducing stations, reservoirs, pipeline, fire hydrants, meters and other appurtenances. Staff is not currently recommending any change to the DV Debt Surcharge.

**PRIOR RELEVANT BOARD ACTION(S)**

none

**PLANNING/ENGINEERING/LEGISLATIVE/GRANT/SECURITY  
STANDING COMMITTEE PROJECT LIST**

<b>PROJECTS UNDERWAY</b>		<b>STATUS</b>		<b>COMMENTS</b>	
EPA Grant		Ongoing		Committee should receive routine updates, budget reviews, project directives, etc	
**CEQA/NEPA Document				Project Description is completed. Biological survey completed. Project on-hold for match funding.	
Legislative Alliance		Ongoing		Continue participation in conference call with MWA lobbyists. Board to consider transmitting comments to ACWA or legislators regarding pending bills, etc. Letter of support sent to MWA following presentation of RLA benefits to the Agency.	
Standardized Emergency Management System (SEMS)		Ongoing		Committee to consider integrating SEMS into our Emergency Response Plan. In-house training on "Introduction to ICS/SEMS/NIMS" completed 12/12/2008. Consultant is reviewing existing Emergency Action Plan for conformance to ICS/SEMS/NIMS protocol. Mutual aid agreements need to be finalized.	
Standardized Emergency Management System/National Incident Management System (SEMS/NIMS)		Ongoing		Board approved NIMS Resolution.	
Bulk Hauling Rates and Fees		Ongoing		Board to consider new bulk hauling rate at the February 24, 2009 meeting. Thereafter Committee will continue to review bulk hauling and out of Agency rates and fees.	
<b>PROJECTS COMPLETED</b>					
Marine Corps. Ground Combat Center Proposed Base Expansion		Completed		Letter outlining concerns relating to the proposed Twentynine Palms Base Expansion was submitted on time.	
Integrated Regional Wastewater Management Plan		Completed		Resolution has been forwarded to HDWD	
Ames Valley Groundwater Management Plan "Strawman" Proposal/Conceptual Guidance Document		Completed		Board approved the Conceptual Document. General Manager directed to pursue financial partnerships.	
Request for Billing Relief APN: 629-405-01		Completed		Board approved partial relief of billing and payment arrangements	

for June 18, 2009 Committee Meeting