



BEAR VALLEY COMMUNITY SERVICES DISTRICT

28999 South Lower Valley Road • Tehachapi, CA 93561-7460
PHONE 661-821-4428 • FAX 661-821-0180

SPECIAL BOARD MEETING AGENDA

DATE OF MEETING: July 29, 2021
PLACE OPEN & CLOSED SESSION MEETING: 28999 South Lower Valley Road
TIME OF CLOSED SESSION MEETING: 5:00 pm
TIME OF OPEN SESSION MEETING: 6:00 pm

In accordance with California Department of Public Health (CDPH) and California Occupational Safety & Health Standards Board (Cal/OSHA) requirements:

FACE COVERINGS ARE REQUIRED FOR ALL NON-VACCINATED ATTENDEES

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1. **Call to Order**
 2. **Attendance**
 3. **Closed Session**
 - A. Conference with Legal Counsel – Anticipated Litigation
Potential Exposure to Litigation under Government Code section 54956.9(d)(2):
one (1) potential matter
 4. **Convene Regular Meeting**
 5. **Summary of Actions Taken During Closed Session**
 6. **Pledge of Allegiance**
 7. **Approval of Agenda**
 8. **Public Comments on Non-Agenda Items**

Members of the public may address the Board on matters not listed on this Agenda. The Board cannot take action on any item that is not on the Agenda. The Board or staff may briefly respond to statements made or questions posed, or may ask questions for clarification. These items may also be referred to staff or scheduled on a future Agenda. There will be a separate opportunity for public comment for each item on the Agenda.
 9. **Public Hearing Items:**
 - A. Public Hearing on New Rates for Solid Waste Service and Final Tabulation of Protest Submissions (Mr. Malinen and Mr. Davis)
 - B. ADOPT Resolution 21/22-03 Setting Charges for Solid Waste Rates for Residential and Commercial Customers (Mr. Malinen and Mr. Davis)
 10. **Action Items:**
 - A. FY 2021/22 Tax Roll Items: (Mr. Jones)

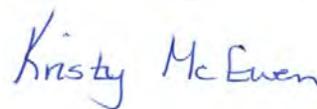
- i. ADOPT Resolution 21/22-04 Setting the Special Tax for Gate Operations for FY 2021/22 at \$75 per Parcel
 - ii. ADOPT Resolution 21/22-05 Setting the Special Tax for Police Protection Services for FY 2021/22 at \$80 per Parcel
 - iii. ADOPT Resolution 21/22-06 Setting the Road Assessment for FY 2021/22 at \$340 per Parcel
 - iv. ADOPT Resolution 21/22-07 Setting the Tax Rate for Improvement District #2 Bonds for FY 2021/22 at 0.00150888% per \$1,000 Assessed Value of Property
 - v. ADOPT Resolution 21/22-08 Setting Water Standby Charges for FY 2021/22 at \$40.28
 - vi. ADOPT Resolution 21/22-09 Setting the Sewer Standby Charges for FY 2021/22 at \$59.96
- B. APPROVE Letter of Engagement for Independent External Audit Services for Fiscal Year 2020/21 and Future Years with Fedak & Brown LLP (Mr. Jones)
- C. APPROVE Purchase of Public Works Work/Plow Trucks (Mr. Malinen)
- D. APPROVE Purchase of Public Works Skip Loader (Mr. Malinen)
- E. AUTHORIZE the General Manager to Execute a Contract with Pacific Irrigation, Inc. in the amount of \$41,779.45 for Rehabilitation of Lake Well #10 (Mr. Malinen)
- F. APPROVE Board Member Training through California Special Districts Association (CSDA) or Special District Leadership Academy (SDLA) (Mr. Malinen)

11. Adjournment

INFORMATION REGARDING AGENDA ITEMS: Copies of the staff reports and other disclosable public records related to each open session item of business referred to on the agenda are on file in the office of the District Secretary and are available for public information during regular business hours. Any person who has a question concerning any of the agenda items may call the District Secretary at 661.821.4428.

ADA Compliance Statement: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the District Secretary to the Board of Directors, Kristy McEwen, at 661.821.4428. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

Signed, July 26, 2021



Kristy McEwen, Secretary of the Board

STAFF REPORT

AGENDA ITEMS #9A&B

Public Hearing and Resolution Adopting New Solid Waste Rates

MEETING DATE: July 29, 2021

PREPARED BY: William J. Malinen, General Manager
Donald M. Davis, General Counsel



AGENDA TITLE: A. Public Hearing on New Rates for Solid Waste Disposal Service and Final Tabulation of Protest Submissions

B. ADOPT Resolution 21/22-03 Setting New Charges for Solid Waste Rates for Residential Users

RECOMMENDATION

The Board: (1) HOLD a Public Hearing on the proposed new Solid Waste Rates, and (2) if there is no majority protest, APPROVE the Resolution establishing new Solid Waste Rates for service beginning in August 2021 and thereafter with annual adjustments on February 1 of each year through 2024.

BACKGROUND

At the Board Meetings of May and June 2021, the Board reviewed the draft Solid Waste Rate Study (“Rate Study”) prepared by District staff. The Rate Study involved a comprehensive review of fiscal years 2015-2020 of actual operating expenses and revenues for the Transfer Station, estimated cash balances at the end of Fiscal Year 2020/21, and detailed budget projections for the next five fiscal years (2022-2026). The District has not adjusted its Solid Waste rates since 2007. During this period, however, operating costs have significantly increased, including new permit requirements. The Rate Study recommends adjustments to the Solid Waste rates in order to (1) fund the ongoing operations and maintenance of the District’s Transfer Station, (2) provide adequate reserves for unforeseen extraordinary maintenance and repairs, and (3) provide for routine capital expenditures.

Recognizing the significance of the proposed adjustments to the solid waste rates (“Solid Waste Rates”) and potential impact on District residents, the Board directed staff to begin public outreach efforts in advance of formally initiating the required Public Hearing process to consider the proposed Solid Waste Rate increases. To that end, District staff posted the Rate Study on the District website (www.bvcsd.com) and solicited comments. In addition, public informational meetings were held on May 27, May 28, and June 1 during which time a PowerPoint presentation was made and an opportunity provided for questions and comments. The informational meeting was recorded and is available, along with the PowerPoint presentation, on the District website.

Following this extensive public outreach effort, the Board, at its meeting on June 10, 2021, adopted a resolution setting a Public Hearing on the proposed Solid Waste Rates, including a form of Notice to be sent to all record owners of the developed residential properties that generate solid waste and for which the Transfer Station is available for use, at least 45 days before the Public Hearing. The Public Hearing Notice was sent to the owners of 2789 properties in June 2021 at least 45 days prior to the Public Hearing.

STAFF REPORT

AGENDA ITEMS #9A&B

Public Hearing and Resolution Adopting New Solid Waste Rates

In addition to the multiple presentations provided on the findings of the Rate Study, staff also included a 2021 Solid Waste Rate Questions and Answers document with the Notice of Proposed Solid Waste Rate Increases, and sent a supplemental Q&A document by mail to address certain frequently repeated questions and statements. Those documents are attached to this Report.

DISCUSSION

Prior to taking any final action on the proposed Solid Waste Rates, the Board must first conduct the Public Hearing. Following the presentation of this agenda report and any questions from the Board or public, the Board President should open the public hearing and allow opportunity for any comments on the proposed Solid Waste Rates. Property owners who wish to submit a protest must keep in mind that oral comments do not constitute a valid protest under the Protest Hearing Procedures adopted by the Board, as only a valid written protest that meets the requirements of the Protest Hearing Procedures will be counted as a protest by the applicable parcel.

After all members of the public wishing to speak have had an opportunity, the Board President should advise the public that this is the last opportunity for a property owner to submit a written protest, and then close the Public Hearing.

The District Secretary, who has been tabulating ballots as they have been received, will, if necessary, make a final tabulation of the ballots received during the Public Hearing. As there are 2789 parcels subject to the proposed Solid Waste Rates, there will need to be at least 1396 valid protests received in order for a majority protest to exist. If it is readily apparent that an insufficient number of protests have been received, the District Secretary can so indicate at the close of the Public Hearing, and the Board may proceed to adopt the Resolution establishing the new Solid Waste Rates.

If, on the other hand, there is a majority protest, then the Board may not act on the proposed Resolution.

RECOMMENDED MOTION/ACTION

1. HOLD a Public Hearing on the proposed new Solid Waste Rates, and
2. If there is no majority protest, APPROVE Resolution 21/22-03 establishing new rates for Solid Waste service beginning in August 2021, and with future new rates effective on February 1 of each year through 2024 as provided in the Resolution.

Attachments:

2021 Solid Waste Rate Questions and Answers
Resolution Establishing New Solid Waste Rates



BEAR VALLEY COMMUNITY SERVICES DISTRICT

28999 South Lower Valley Road • Tehachapi, CA 93561-9637
PHONE 661-821-4428 • FAX 661-821-0180

June 11, 2021

Re: Notice of Proposed Solid Waste Rate Increases 2021 - 2025

Dear Property Owner and/or Customer:

The purpose of this Notice is to (i) inform you that the Bear Valley Community Services District (“District”) proposes to adjust its solid waste rates (“Solid Waste Rates”) during this calendar year beginning on August 1, 2021, and thereafter on February 1 in years 2022 and 2023; (ii) explain the reasons for the adjustments and the basis of the adjustments; (iii) provide information on the amount of proposed Solid Waste Rate adjustments; and (iv) describe how to file a protest if you desire to formally oppose the proposed rate adjustments.

NOTICE OF PUBLIC HEARING

The Board of Directors of the District will conduct a Public Hearing on July 29, 2021, at 6:00 p.m., in the Board Room of the District’s Offices at 28999 South Lower Valley Road, Tehachapi, CA 93561, or as soon thereafter as the matter may be heard, to consider adjusting the current rates for its solid waste services over a five-year period.

REASONS AND BASIS FOR PROPOSED RATE ADJUSTMENTS

The District operates a solid waste transfer station (“Solid Waste Facility”) consisting of a 155 foot by 57-foot sloped concrete pit that accommodates four (4) 50 cubic yard collection bins with a two-lane drive-through configuration for household waste collection. The site also provides facilities for green waste and horse manure adjacent to the household area. These areas allow residents to deposit the waste onto an impervious surface to prevent runoff from seeping into the water table. District staff then loads the green waste and manure into 40 and 50-yard bins. A third party hauls the waste material to the Kern County Solid Waste Landfill in Tehachapi.

The District last increased its Solid Waste Rates in 2007. Since then, the number of bins of solid waste hauled annually has increased as the community demographics have transitioned to more primary residents, and the disposal costs for each bin of waste have also increased. In addition, permitting requirements for the facility along with additional usage of the Solid Waste Facility have resulted in the need for additional personnel and the costs of such personnel have also increased.

The District’s Board of Directors directed the General Manager to prepare a Solid Waste Rate study (“Solid Waste Rate Study”) to review the District’s existing Solid Waste Rate structure and to make recommendations as to a revised rate structure over the next five years. The General Manager has submitted a Solid Waste Rate Study which recommends a revised Solid Waste Rate schedule for calendar years 2021 through 2025. The Solid Waste Rate Study found that if the existing Solid Waste rates are not increased, the District’s Solid Waste Operating Fund will deplete its cash reserves in Fiscal Year 2021/22. In other words, the current rate is insufficient to support existing operations.

District staff has designed a five-year schedule of rates to recover a five-year forecast of operations, maintenance and routine capital expenditures for solid waste service. In developing the five-year schedule and proposed rates, the District is complying with the California Constitution by establishing rates that recover only the actual costs associated with the level, quality, and quantity of services delivered to individual users of the Solid Waste Facility.

The Solid Waste Rate Study is available for review at the District’s office and on its website: www.bvcsd.com.

PROPOSED SOLID WASTE RATES

The proposed Solid Waste Rates are designed to meet the following revenue requirements: (1) adequately fund ongoing operations; (2) provide reserves for operating and maintenance expenses; and (3) provide funding for routine capital improvements. The necessary rate adjustments are proposed to be implemented through increases spread over three years.

Here are the proposed Solid Waste Rate adjustments, which, if approved, will be imposed starting on August 1, 2021, and then on February 1 in years 2022 and 2023 in the amounts stated, unless revised by the District:

Year	Unit Charge
Current	\$16.81
August 2021	\$26.00
February 2022	\$29.00
February 2023	\$31.00
February 2024	\$31.00
February 2025	\$31.00

PUBLIC HEARING AND PROTESTS

Any property owner of record currently served by or who has immediate access to the District's Solid Waste Facility (or any tenant directly responsible for the payment of solid waste service rates and charges with the written, notarized consent of the record property owner) may submit a written protest to the proposed Solid Waste Rate adjustments; provided, however, only one protest will be counted per identified parcel. A written protest must: (1) state that the identified property owner or tenant is in opposition to the proposed Solid Waste Rate adjustments; (2) provide the location of the identified parcel (by tract & lot and street address); and (3) include the name and signature of the property owner or tenant submitting the protest.

Written protests may be submitted by mail or in person to the Secretary of the Board at 28999 South Lower Valley Road, Tehachapi, California 93561, or at the Public Hearing on July 29, 2021, at 6:00 p.m., provided they are received prior to the close of the Public Hearing, which will occur when public testimony is concluded. Any protest submitted by e-mail or other electronic means will not be accepted. Please provide the following identification on the front of the envelope for any protest, whether mailed or submitted in person to the Secretary of the Board at the District's Office: Attn: Public Hearing on Proposed Solid Waste Rate Adjustments.

The Board of Directors will hear and consider all written and oral protests to the proposed Solid Waste Rate adjustments at the Public Hearing. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. Upon the close of the Public Hearing, the Board of Directors will consider adoption of a resolution authorizing the Solid Waste Rate adjustments described in this Notice. If written protests are filed by a majority of property owners/tenants, the proposed Solid Waste Rate adjustments will not be imposed. If written protests against the proposed Solid Waste Rate adjustments are not presented by a majority of property owners/tenants, the District will be authorized to impose the Solid Waste Rate adjustments as described in this Notice.

For further details regarding the basis and reasons for the proposed Solid Waste Rate adjustments or for any questions you may have regarding the proposed Solid Waste Rates to be imposed on your parcel, please review the District's website at www.bvcsd.com or contact Hamed Jones, Administrative Services Director, at 661-821-4428 or hjones@bvcsd.org.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the Public Hearing, please contact the District Secretary to the Board of Directors, Kristy McEwen, at 661-821-4428. Notification 48 hours prior to the Public Hearing will enable the District to make reasonable accommodations to ensure accessibility to this meeting.

FORM OF WRITTEN PROTEST

The following is provided as an example of proper written protest to the proposed Solid Waste Rate adjustments. While this form is one that the District recognizes as proper, the District will accept other forms of written protest so long as they otherwise satisfy the elements set forth in this Notice.

[] Please check box verifying that you have read the attached Notice.

PROTEST

I _____, protest the Bear Valley Community Services District's proposed
(print property owner's or tenant's name)

Solid Waste Rate adjustments as set forth in the Notice of Public Hearing dated June 11, 2021.

Tract & Lot Number: _____

Street Address: _____

(signature)

PLEASE NOTE: If you wish this protest to be considered, it must be received by the District before close of the Public Hearing to be held at 6:00 p.m. on July 29, 2021, at the District's Office, 28999 S. Lower Valley Road, Tehachapi, California 93561.

Solid Waste Questions

Q. What is the Solid Waste service?

A. Services include trash, recycling, green waste, and manure disposal.

Q. Why is this service important?

A. Collection and removal of solid waste help keep the community clean, prevent illegal dumping, reduce wildfire fuels, and prevent the spread of disease and environmental contamination caused by improper disposal of garbage and manure.

Rate Questions

Q. What is a rate study, and why was it done?

A. The rate study is a comprehensive analysis of the District's solid waste rates that addresses several factors, including operational costs, reserve fund balance, and routine capital repair and replacement. The rates for solid waste services have not been adjusted since 2007. The costs of providing those services has risen and the current rate structure was not designed to cover routine repair and replacement costs for facilities and machinery used on the site.

Q. How was the study conducted, and who was involved?

A. District staff conducted the study as instructed by the Board of Directors. The rates are based upon the number of existing accounts plus a conservative estimate of 5 new homes per year divided by estimated expenses for the next five years, including proposed capital and reserve fund requirements.

Q. Are inflation and growth projections accounted for in the study?

A. Yes. A conservative growth rate of 5 new homes per year was forecasted, and a regional Consumer Price Index (CPI) was used to anticipate inflation over the next five years.

Q. What are the benefits of conducting such a study?

A. The study provides an objective analysis of the solid waste rates, allowing the District to ensure that the enterprise remains self-sufficient. It also documents the rate model and ensures that the District's utility rates are

32 appropriately aligned with the substantive and procedural requirements
 33 of California’s Proposition 218.

34 **Q. What were the results of the rate study?**

35 A. Due to inadequate funding of operations, reserves, and routine capital
 36 needs, the study found that a rate increase is necessary for the
 37 enterprise fund to remain solvent.

38 **Q. When was the last rate increase?**

39 A. The District last increased rates 14 years ago. Those rates did not provide
 40 for repair or replacement of facilities or equipment.

41 **Q. How and when will the recommended rate changes be implemented?**

42 A. If approved, the following table explains how the rate will be adjusted:

<i>Year</i>	Unit Charge
<i>Current</i>	\$16.81
<i>August 2021</i>	\$26.00
<i>February 2022</i>	\$29.00
<i>February 2023</i>	\$31.00
<i>February 2024</i>	\$31.00
<i>February 2025</i>	\$31.00

43

44 **Q. Have we received bids from other waste hauling services?**

45 A. When Benz Sanitation was assumed by Waste Management, they took
 46 over all existing Benz contracts. The District had an existing contract
 47 with Benz through 2025. The District re-negotiated that contract to
 48 receive a lower per-bin rate and, in the process, extended the contract
 49 through 2029.

50 **Q. How can I learn more about the rate study and recommendations?**

51 A. The rate study is available on our website in the Documents Library
 52 (www.bvcsd.com/documents) under “Studies”. The Board of Directors
 53 discussed the study at their May 13th and June 10th meetings. The study
 54 was reviewed and recommended by both the Infrastructure and
 55 Finance Committees, and District staff held three public meetings to
 56 help residents understand the study and process. Videos of the Board
 57 and Public Outreach meetings may be viewed at
 58 <https://bvcsd.info/videos>.

59 **Q. How much do other communities charge for solid waste removal?**

Agency	Service	Monthly Rate	Hours of Operation	Notes
Bear Valley Springs	Transfer Station	\$16.81	T,W,F,SA,SU 8am - 8pm	Unlimited disposal
City of Tehachapi	Curbside	\$20.71	Trash once a week/Recycle once biweekly	1 Trash Can 1 Recycle Can
City of San Dimas	Curbside	\$22.51	Trash and green waste once a week, recycle biweekly	1 Trash Can 1 Recycle Can 1 Green Waste Can
City of Placentia	Curbside	\$24.78	Trash and green waste once a week, recycle biweekly	1 Trash Can 1 Recycle Can 1 Green Waste Can
City of Bakersfield	Curbside	\$25.49	Trash once a week/Recycle once biweekly	1 Trash Can 1 Recycle Can
City of Ontario	Curbside	\$29.00	Trash and green waste once a week, recycle biweekly	1 Trash Can 1 Recycle Can 1 Green Waste Can
City of Victorville	Curbside	\$29.80	Trash and green waste once a week, recycle biweekly	1 Trash Can 1 Recycle Can 1 Green Waste Can
New Bear Valley Springs Rate	Transfer Station	\$31.00	T,W,F,SA,SU 8am - 8pm	Unlimited disposal
City of Davis	Curbside	\$52.05	Weekly pickup	1 Trash Can Additional \$6.70 per month for organic can
City of Foster	Curbside	\$75.23	Weekly pickup	1 Trash Can
City of Los Angeles	Curbside	\$109.58	Weekly pickup	1 Trash Can 1 Recycle Can
Keene	Transfer Station	Paid through Taxes	T 8am-12pm F,SA 8am-4pm	County Fees for Commercial/Residents pay special assessment on County Tax Bill
Stallion Springs	Transfer Station	Paid through Taxes unless you want a 2nd tag	M, W, F 8am-10am	No Commercial 2 tags per property

60 **Q. Where will the revenue from these rates go?**

61 Aging Infrastructure: The repair and maintenance of capital
62 infrastructure, or all the facilities and equipment necessary to the
63 operation of the utility.

64 The 2007 rate increase did not include funding for routine capital repair,
65 replacement, or improvements that could increase the cost-efficiency of
66 the operation. The block wall is crumbling, the facility must be paved to
67 control mud and dust, and the decades-old heavy machinery used to
68 load and compact bins requires frequent maintenance or does not meet
69 air pollution standards and must be retired by 2024. Some
70 improvements can be made to make the operation more cost-effective
71 and environmentally responsible.

72 Reserve Fund: The Solid Waste Fund has a reserve level intended to
73 work as an emergency savings account. The purpose of this reserve is to
74 have money available for unplanned and unforeseen expenses. The
75 District's Solid Waste Operating Fund Balance Policy calls for a reserve
76 equal to 20% of annual operating costs. Over the past several years, the
77 utility has been drawing on this reserve to cover capital repairs and
78 operational costs because the revenue from rates was inadequate. The
79 new rate will generate enough revenue to rebuild the reserve fund.

80 Operating Costs: The solid waste rates should adequately fund the daily
81 operating costs in addition to funding capital repairs and building the
82 reserve fund. These operating costs include proper staffing. Before 2020,
83 the solid waste facility was not adequately staffed and was not operating
84 in compliance with our permit requirements. The solid waste facility is
85 now properly staffed with two Maintenance Workers on site. The Public
86 Works Director, General Services Supervisor, and Administrative Services
87 Director positions had been vacant for many years, resulting in artificially
88 low overhead costs that rose significantly when those positions were
89 filled.

90

91 **Q. Are the solid waste revenues used solely for the solid waste utility?**

92 Yes, monies collected through these rates are restricted and can only be
93 used to fund the costs of providing solid waste services.

94 **Q. Are vacant lots charged for solid waste?**

95 A. District Code states “All users of improved parcels shall pay a monthly
96 charge for solid waste disposal at the district's solid waste transfer
97 station.” As unimproved parcels, vacant lots are not subject to this fee
98 since they do not generate household waste.

99 **Q. What is being done to prevent significant increases from happening**
100 **again?**

101 (1) Revenue and expenses will be reviewed annually to confirm the
102 Rate Study’s projections and adjust the budget as appropriate. If
103 needed, we will conduct a solid waste rate study update in fiscal
104 years 2025/26.

105 (2) Long-term planning is underway to schedule significant
106 infrastructure improvements and spread capital costs over many
107 years to avoid substantial rate increases in any one year in the
108 future. The current Rate Study includes only a 5-year Capital
109 Improvement Plan, which is the limit under Prop. 218. The District
110 is developing a 20-year Capital Improvement Plan to better
111 identify future needs and funding.

112 (3) The rate includes the funding needed to rebuild reserves so that
113 we will be prepared for unanticipated expenses.

114

115 Proposition 218 Questions

116 **Q. What is Proposition 218?**

117 Proposition 218, also called the Right to Vote on Taxes Act, was approved
 118 by California voters during the 1996 statewide general election. California
 119 Constitution Article 13D includes numerous procedural and substantive
 120 requirements for property-related charges, such as utility rates imposed
 121 by local governments.

122 **Q. Who receives the Public Hearing notice?**

123 A. The Public Hearing notice is mailed to all owners of improved properties
 124 on record within Bear Valley Springs. Notices are mailed to the owners at
 125 the address of record, provided by the Kern County Assessor's Office.

126 **Q. How do I vote YES?**

127 If you approve of the solid waste rate increase, you don't need to do
 128 anything. The Proposition 218 process counts written "protests" rather
 129 than affirmative votes.

130 **Q. How do I protest the increase?**

131 Property owners who oppose the rate adjustment need to fill out and
 132 return the included form to the Bear Valley Community Services District
 133 office before the close of the Public Hearing scheduled for 6 pm on July
 134 29th, 2021, at the District's office. The BVCS District office is located at 28999 S.
 135 Lower Valley Road.

136 **Q. I submitted a protest but have changed my mind. What do I do?**

137 Go to the District office at 28999 S. Lower Valley Road to make a
 138 correction.

139 **Q. How many protests must the District receive for a successful protest?**

140 50% + 1 of the 2,789 accounts: a total of 1,396 protests

141 **Q. If the proposition fails, will the community fund it through the general
142 fund?**

143 No. The General Fund does not have the means to cover the yearly
 144 operational deficit and be available for other community needs. If the
 145 rate increase fails, it will be necessary to significantly reduce operations
 146 to function within current revenues.

Property owners served by the Bear Valley Community Services District may have seen comments from a concerned resident raising several questions. In our continuing effort to keep residents informed, we have prepared answers.

Q. Why did the transfer station reconfiguration happen?

As early as June 2001 we were cited by the Kern County Environmental Health Services Department for violations of our transfer station permit that recommended assigning staff to monitor the site and prevent unpermitted materials.

Again, in June 2007, they reported concerns regarding adequate supervision and the number of personnel at our transfer station. They stated that the lack of monitoring personnel was the root reason that we were violating the State Minimum Standards. The report noted suggestions for better site control including manning the site, setting hours of operation, and controlling access with locked gates.

In June of 2017, the CSD received a Notice of Violation stating that our transfer station had repeatedly exceeded our permitted tonnage. The local enforcement agency (LEA) threatened \$10,000 per day civil penalties for each violation, \$5,000 per day administrative penalties for failing to achieve compliance and demanded corrective action. The ultimate penalty for failure to comply would be the loss of our permit, requiring us to close the transfer station entirely.

The Notice of Violation was justified. During the fourth quarter of 2015, we had 73 operating days with 55 of those days exceeding the permitted tonnage. In 2016 we had 292 operating days, with 273 days in violation of the tonnage limitations. During the first and second quarters of 2017, we were in violation of the tonnage level for every one of the 106 operating days.

In addition to the county violations, we received letters of rejection for unacceptable waste from Kern County Public works. We were not fined at that time but were informed that we would be billed \$75/hr. for their staff to sort and segregate the hazardous waste found in our bins.

We had a fundamental problem with residents and contractors disposing of prohibited waste while the site was unattended. We had no choice but to limit access and hours so that we were able to monitor activity while the site was open.

As of 2017 we had been on notice for 10 years. When the District applied for the 2017 permit, the application included the following as part of the submitted facility plan:

“Following issuance of this permit, the District will have its consultant begin the design efforts for reconfiguration of the facility to comply with all minimum standard requirements. As part of the proposed reconfiguration, it is anticipated the household waste and mixed recycling areas will be gated and fenced with hours of operation to be determined. The facility will also likely be closed Tuesdays and Thursdays.”

“Future reconfiguration and enhanced improvements will enable a partnership between Kern County Public Works Department and Bear Valley CSD that will incorporate load-checking to facilitate source separation.”

These actions were taken to comply with the corrective actions that had been identified over the past decade. Actual construction on the site began in 2019. In its current configuration, we have gained control. Although there have been some incidences of illegal dumping outside the gate during closed hours and some unacceptable materials have been found in the bins, we are operating within our permit and continuing to improve our control of the site.

Cameras are now functioning and positioned appropriately to gather the evidence needed to prosecute violations, and staff are available to monitor and redirect unacceptable materials. The reconfiguration has also secured space to allow us to expand our services, and in the future, we hope to collect electronic waste and “white goods” (appliances).

Q. Why weren't the old cameras sufficient to control the site and fine violators?

A. The original cameras had not worked since about 2012, and the hardware itself dated back to the early 2000s. Even when it did work, the video quality was not sufficient to identify drivers and license plate numbers.

Q. Have administrative citations been issued based on camera evidence?

A. Not yet. It took some time to get enough cameras installed in the right locations to collect evidence that the Chief of Police felt would be sufficient to prove a case in court. The cameras have been fully functioning for roughly 2 months now.

Q. When fines are collected, where will the money go?

A. The fines will be returned to the funds that incurred costs associated with prosecuting the violation. Multiple departments are involved in issuing and enforcing administrative citations even if they do not progress to an administrative hearing or civil court.

Q. Why did we have to hire new staff, and how many people work at the transfer station?

A. Kern County Environmental Health Services Department identified on site monitoring as an important part of resolving the uncontrolled disposal of prohibited materials (including hazardous waste). With only 3 staff in General Services, we would not be able to provide the necessary monitoring.

There are 2½ FTE (full time equivalent) staff for the transfer station, with a person on site during open hours. Personnel dedicated to the transfer station monitor the site and assist residents while also performing the usual duties including operating heavy machinery to load and compact the bins.

Q. How frequently are the overhead allocation methods revisited?

A. Allocation methods are revisited each year during the annual budget process.

Q. Why aren't vacant lots charged for solid waste disposal since they are charged standby charges for water meters?

A. Vacant lots do not generate household waste, the District does not incur solid waste costs for those lots, and there is no evidence that such lots generate any significant amounts of green waste disposal. Because of the extremely limited use of this service, the District has not imposed any solid waste user fee on vacant lots. The water standby charge covers the water service line between the water main and their meter that must be maintained by CSD staff.

Q. Has the District explored other recycling companies, such as Fields which handles recycling for Stallion Springs?

A. Our staff have been, and continue to be, in contact with FIELD recycling as well as Waste Management to explore recycling enhancements. FIELD is not currently capable of handling the quantity of recycling that we produce. We are always open to exploring cost-saving and service-enhancing options.

Q. Will SB-1383 affect our transfer station?

A. Staff are aware of SB-1383 and have been working with Kern County to obtain an exemption from the organic diversion requirements.

Q. Is it true that the CSD can haul our treated wood to the Bena Landfill?

A. Treated wood is considered hazardous waste. The transfer station is not permitted to accept hazardous waste of any kind, including treated wood. Unfortunately, residents and contractors have disposed of their treated wood at our transfer station. This then becomes a District liability. We are not currently able to dispose of treated wood. Several Kern County landfills, including Bena and Tehachapi, do accept treated wood from self-hauling residents.

Q. If wood chipping saves money, why did we not continue to hire someone to chip green waste in 2020?

A. When we chip green waste, we can compact more into one bin, which saves hauling costs. However, the cost of the rental equipment eats up the savings. This is why the District declined to chip green waste last year and is instead exploring the potential savings offered by purchasing a small, used chipper as outlined in the rate study.

Q. What would the rates look like without the proposed capital improvements?

A. Without the money to replace equipment and perform repairs and upgrades, the final rate would come to \$29 per month instead of \$31 per month. The additional \$2 per month ensures that we have the ability to properly maintain and operate the facility.

Q. Can we reduce the 20% reserve fund requirement?

A. The 20% reserve fund is intended to act as a safety net in the case of an unexpected event/expense. This amount was approved by the Board in 2005, when it was reduced to 20% from 25%. The reserve fund policy is reviewed each year during the annual budget process.

Q. How will a cover over the manure pile help reduce costs?

A. There is a 50% savings in hauling costs when the manure is dry. A roof over the manure would help keep it dry.

Q. What kind of solid waste experience do the people who conducted the rate study have?

A. As a City Manager for over 35 years, General Manager Bill Malinen has overseen city solid waste collection franchises, city operated commercial and residential refuse collection, and a city owned and operated landfill. He has overseen and/or prepared numerous enterprise fund rate studies.

RESOLUTION NO. 2021/22-03

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAR VALLEY
COMMUNITY SERVICES DISTRICT ESTABLISHING NEW RATES FOR SOLID WASTE
DISPOSAL SERVICE BEGINNING IN AUGUST 2021
THROUGH CALENDAR YEAR 2025**

The Board of Directors of the Bear Valley Community Services District resolves as follows:

Section 1. Findings. The Board of Directors finds as follows:

A. Article XIID of the California Constitution and the Proposition 218 Omnibus Implementation Act (Government Code section 53750 and following) (collectively, "**Proposition 218**"), set forth certain procedures that the District must follow with respect to adopting increases in "property related fees and charges" such as Solid Waste service rates and charges.

B. The District has prepared a solid waste rate study ("**Solid Waste Rate Study**") dated May, 2021, to review the District's existing solid waste rate structure and to make recommendations as to a revised rate structure that would provide revenues sufficient to: (1) fund the ongoing operations and maintenance of the District's solid waste transfer station ("**Transfer Station**"), (2) provide adequate reserves for unforeseen extraordinary maintenance and repairs, and (3) provide for capital expenditures.

C. The Solid Waste Rate Study recommends a revised Solid Waste rate schedule for years 2021 through 2025.

D. The Board has determined that the solid waste rates ("**Solid Waste Rates**") proposed for the District's solid waste operating fund ("**Solid Waste Operating Fund**"), as set forth in the Solid Waste Rate Study are necessary in order to, among other things, maintain and operate the District's Transfer Station, provide reserves for unforeseen extraordinary maintenance and repairs, and provide for capital expenditures.

E. Pursuant to Resolution No. 20/21-24 adopted on June 10, 2021, the Board set a public hearing ("**Public Hearing**") on July 29, 2021 to consider the proposed Solid Waste Rates, notice of which was mailed to all record owners of affected property at least 45 days prior to Public Hearing. The notice described (a) the amount of the fee or charge to be imposed upon each affected parcel, (b) the basis upon which the amount of the proposed fee or charge was calculated, (c) the reason for the fee or charge, and (d) the date, time, and location of the Public Hearing on the proposed fee or charge.

F. The Board held the duly noticed Public Hearing on July 29, 2021. All interested persons were afforded the opportunity to be heard, and the Board considered all written protests against the proposed Solid Waste Rates received by the close of the Public Hearing.

G. Written protests against the proposed Solid Waste Rates were not presented by a majority of the affected parcels.

H. The procedures followed and the proposed Solid Waste Rates are in compliance with Proposition 218 based on the following: (i) the proposed Solid Waste Rates are not imposed as a condition of approval of a development project; (ii) the Solid Waste Rates are established upon a rational basis between the fees charged each customer and the service and facilities provided to each residential property owner or tenant, as applicable; (iii) the revenues derived from the proposed Solid Waste Rates do not exceed the estimated reasonable cost to provide the property-related services; (iv) the revenues

derived from the proposed Solid Waste Rates will not be used for any other purpose than that for which the Solid Waste Rates are imposed; (v) the proposed Solid Waste Rates do not exceed the proportional cost of the service attributable to each parcel; (vi) the proposed Solid Waste Rates are imposed on services which are immediately available to each parcel; (vii) the proposed Solid Waste Rates are not levied for general governmental services; and (viii) the proposed Solid Waste Rates are not discriminatory or excessive, are sufficient under the California Government Code, comply with the provisions or covenants of any outstanding debt of the District payable from the revenues of the Solid Waste Operating Fund, comply with the provisions of Proposition 218, and are in compliance with all other applicable laws.

Section 2. Environmental Review. The Board of Directors exercises its independent judgment and finds that the adoption of this Resolution is not a “project” within the meaning of Section 15378 of the State CEQA (California Environmental Quality Act) Guidelines because it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect change in the environment. This Resolution is also exempt from CEQA under the exemptions contained in CEQA Guidelines section 15273(a) because it constitutes the establishment of fees or charges for the purpose of obtaining funds to meet the financial and service obligations of the Transfer Station for ongoing operation and maintenance, debt service, and capital improvements within existing service areas, and CEQA Guidelines section 15061(b)(3) because it can be seen with certainty to have no possibility of a significant effect on the environment.

Section 3. Approval of Solid Waste Rate Study. The Board of Directors accepts and approves the Solid Waste Rate Study setting forth the basis for the Solid Waste Rates.

Section 4. Approval of Solid Waste Rates. The Board approves the Solid Waste Rates set forth in Exhibit A of this Resolution. The Solid Waste Rates for 2021 will be effective as of August 1, 2021. The Solid Waste Rates set forth for calendar years 2022, 2023, 2024, and 2025 will be effective as of February 1 of each such year, unless the Board determines otherwise by separate resolution.

Section 5. Repeal of Existing Solid Waste Rates. The Solid Waste Rates established under this Resolution supersede all Solid Waste Rates covering the same services adopted under Resolution 07-1277 or any prior resolution and such Solid Waste Rates are hereby repealed.

Section 6. Effective Date. This Resolution will take effect upon adoption.

ADOPTED on July 29, 2021 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

BY: _____
Gregory Hahn, Board President

ATTEST: _____
Kristy McEwen, Board Secretary

EXHIBIT A

NEW SOLID WASTE RATES (2021-2025)

Year	Unit Charge
August 2021	\$26.00
February 2022	\$29.00
February 2023	\$31.00
February 2024	\$31.00
February 2025	\$31.00

STAFF REPORT

AGENDA ITEM #10A
FY 2021/22 Tax Roll Items



MEETING DATE: July 29, 2021

PREPARED BY: Hamed Jones
Administrative Services Director / Treasurer

AGENDA TITLE: FY 2021/22 Tax Roll Items

RECOMMENDATION

The Board of Directors ADOPT Resolutions 21/22-04 through 21/22-09 setting special taxes, assessments, and standby charges for FY 2021/22.

RESULT OF RECOMMENDED MOTION

The special taxes, assessments, and standby charges will be placed on the Kern County Property Tax Roll for collection.

BACKGROUND

- i. **Special Tax for Gate Operations:** This Resolution establishes a special tax for gate operations not to exceed \$75 per parcel, approved by voters in 2006. The District now has the public's authority to levy the tax; however, the Board must determine and set the amount of the tax in each fiscal year.
- ii. **Special Tax for Police Protection Services:** This Resolution establishes a special tax for police and dispatch personnel costs not to exceed \$80 per parcel per year, approved by voters in 1997. The District now has the public's authority to levy the tax; however, the Board must determine and set the amount of the tax in each fiscal year.
- iii. **Road Assessment:** This Resolution establishes a Zone of Benefit for the maintenance and improvement of District roads. Each parcel of land located within the zone of benefit shall pay an assessment of \$340.00 per parcel within the zone for road maintenance and improvement. The assessment amount has remained unchanged since 1996.
- iv. **Improvement District #2 (Water) Bonds:** This Resolution establishes the total tax revenue required to pay the bonded indebtedness for water system upgrades and improvements approved by the voters of the District at an election held for that purpose on October 5, 1971. The bond tax is based on the actual assessed valuation of properties within the District. The tax rate is calculated at 0.00150888% per Assessed Value of Property for FY 2021/22. The calculation is attached as Exhibit A to Resolution 21/22-06.
- v. **Water Standby Charges:** This Resolution sets a standby charge of \$40.28 on unimproved parcels not currently receiving water service for FY 2021/22.
- vi. **Sewer Standby Charges:** This Resolution sets a standby charge of \$59.96 on unimproved parcels not currently receiving, but in the service area for, sewer service for FY 2021/22.

STAFF REPORT

AGENDA ITEM #10A
FY 2021/22 Tax Roll Items

ANALYSIS

The Board of Directors is required to annually renew the above special taxes, assessments, and standby charges.

FISCAL IMPACT

The above special taxes, assessments, and standby charges, along with property tax, constitute the bulk of the District's revenue and are necessary for the continued provision of the associated services.

RECOMMENDED MOTIONS

- i. "I move the Board of Directors ADOPT Resolution 21/22-04 Setting the Special Tax for Gate Operations for FY 2021/22 at \$75 per Parcel."
- ii. "I move the Board of Directors ADOPT Resolution 21/22-05 Setting the Special Tax for Police Protection Services for FY 2021/22 at \$80 per Parcel."
- iii. "I move the Board of Directors ADOPT Resolution 21/22-06 Setting the Road Assessment for FY 2021/22 at \$340 per Parcel."
- iv. "I move the Board of Directors ADOPT Resolution 21/22-07 Setting the Tax Rate for Improvement District #2 Bonds for FY 2021/22 at 0.00150888% per \$1,000 Assessed Value of Property."
- v. "I move the Board of Directors ADOPT Resolution 21/22-08 Setting Water Standby Charges for FY 2021/22 at \$40.28."
- vi. "I move the Board of Directors ADOPT Resolution 21/22-09 Setting the Sewer Standby Charges for FY 2021/22 at \$59.96."

Attachments:

Draft Resolutions 21/22-04 through 21/22-09

RESOLUTION 21/22-04

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAR VALLEY COMMUNITY SERVICES DISTRICT SETTING A SPECIAL TAX FOR GATE OPERATIONS FOR FISCAL YEAR 2021/22

The Board of Directors of the Bear Valley Community Services District resolves as follows:

Section 1. Findings. The Board finds as follows:

- A. The Bear Valley Community Services District is authorized to limit access to and the use of District roads to landowners and residents of the District under Government Code section 61105(f).
- B. Chapter 1 of Title 4 of the District Code sets forth regulations limiting access to and the use of District roads as adopted by ordinance of the Board of Directors.
- C. The District operates a manned gate and an automated gate in order to implement its authorized powers under Government Code section 61105(f) and Chapter 1 of Title 4 of the District Code.
- D. The Board of Directors submitted for voter approval pursuant to Proposition 218 and Government Code sections 61121 and 50075 and following a ballot measure to authorize a special tax in the maximum amount not to exceed \$75 per parcel for gate operations.
- E. On June 6, 2006, an election was conducted approving the special tax, with 1,261 voting in favor, and 546 voting against the special tax for gate operations.

Section 2. Levy of Special Tax for Gate Operations. The Board of Directors hereby authorizes the levy of a special tax of seventy-five dollars (\$75.00) upon each parcel of land within the District identified by assessor's parcel number in Exhibit A, which list is on file in the District's office, and to use the funds collected as a result of such levy for the following purposes: to pay the costs to operate the gate twenty-four hours per day seven days per week.

Section 3. Collection on Tax Rolls. The special tax will be collected in the same manner and at the same time as general taxes levied and collected by the County of Kern.

Section 4. Effective Date. This Resolution is effective for the District's fiscal year beginning July 1, 2021.

Section 5. Transmittal to County. The District Secretary is directed to transmit certified copies of this Resolution to the Clerk of the Board of Supervisors of Kern County and to the County Auditor-Controller-County Clerk.

PASSED, APPROVED AND ADOPTED on July 29, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Gregory Hahn, President
Bear Valley Community Services District

ATTEST:

I hereby certify that the above Resolution No. 21/22-04 was duly introduced, read, and adopted by the District at a regularly noticed meeting held on July 29, 2021.

Kristy McEwen,
Secretary of the Board of Directors

RESOLUTION 21/22-05

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE BEAR VALLEY COMMUNITY SERVICES DISTRICT
AUTHORIZING THE LEVY OF
A SPECIAL TAX FOR POLICE PROTECTION SERVICES
FOR FISCAL YEAR 2021/22**

The Board of Directors of the Bear Valley Community Services District resolves as follows:

Section 1. Findings. The Board finds as follows:

- A. The Bear Valley Community Services District is authorized to and has assumed responsibility for the provision of police protection and law enforcement services to the residents of the District through the establishment of a police department in accordance with the Community Services District Law (commencing with Government Code section 61000, and in particular, Section 61100(i)).
- B. On May 6, 1997, in accordance with applicable law, a special election was conducted approving a special tax in the maximum amount not to exceed \$80 per parcel for police protection services.

Section 2. Levy of Special Tax for Police Protection Services. The Board of Directors hereby authorizes the levy of a special tax of eighty dollars (\$80.00) per parcel for police protection services for Fiscal Year 2021/22 to be imposed on the parcels within the District identified by assessor's parcel number in Exhibit A, which list is on file in the District's office, and to use the funds collected as a result of such levy for the following purposes: to pay the salaries and benefits for police and dispatch personnel.

Section 3. Collection on Tax Rolls. The special tax will be collected in the same manner and at the same time as general taxes levied and collected by the County of Kern.

Section 4. Effective Date. This Resolution is effective for the District's fiscal year beginning July 1, 2021.

Section 5. Transmittal to County. The District Secretary is directed to transmit certified copies of this Resolution to the Clerk of the Board of Supervisors of Kern County and to the County Auditor-Controller-County Clerk.

PASSED, APPROVED AND ADOPTED on July 29, 2021 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Gregory Hahn, President
Bear Valley Community Services District

ATTEST:

I hereby certify that the above Resolution No. 21/22-05 was duly introduced, read, and adopted by the District at a regularly noticed meeting held on July 29, 2021.

Kristy McEwen,
Secretary to the Board of Directors

RESOLUTION 21/22-06

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAR VALLEY COMMUNITY SERVICES DISTRICT FIXING AN ASSESSMENT FOR ROAD MAINTENANCE WITHIN AN ESTABLISHED ZONE OF BENEFIT FOR FISCAL YEAR 2021/22

The Board of Directors of the Bear Valley Community Services District resolves as follows:

Section 1. Findings. The Board finds as follows:

- A. The Bear Valley Community Services District is authorized by the Community Services District Law (commencing at Government Code section 61000, and in particular Section 61100) to construct, improve, and maintain streets, roads, and rights-of-way.
- B. Government Code sections 61140 and 61144, respectively, authorize the establishment of a zone of benefit for certain services and the fixing and levying of an assessment to support such services within the boundaries of the zone.
- C. The District has established such a zone in order to levy an assessment within such zone for the purposes of road maintenance and improvements.
- D. The proposed assessment fully complies with Article XIII D of the California Constitution (Proposition 218), which allows assessments to finance the maintenance and improvement of roads to continue without undergoing a new assessment procedure and approval process until the amount of the assessment is increased.
- E. The proposed assessment of three hundred and forty dollars (\$340.00) per parcel/per year does not exceed the maximum assessment that was previously established, and as such does not constitute an increase in the assessment under Government Code section 53750 (which is part of the Proposition 218 Omnibus Implementation Act).
- F. The proposed assessment does not exceed the estimated reasonable cost of providing the road maintenance services and improvements for which the assessment is imposed.

Section 2. Levy of Road Maintenance Assessment. The Board hereby levies an assessment for Fiscal Year 2021/22 to be imposed on the parcels within the zone of benefit identified in Exhibit A, which list is on file in the District office, for the purposes of road maintenance and improvements.

Section 3. Collection of Assessment. The road maintenance assessment imposed by this Resolution will be collected on the tax roll at the same time and in the same manner as the collection of general taxes levied and collected by the County of Kern.

Section 4. Effective Date. This Resolution is effective for the District's fiscal year beginning July 1, 2021.

Section 5. Transmittal to County. The District Secretary is directed to transmit certified copies of this Resolution to the Clerk of the Board of Supervisors of Kern County and to the County Auditor-Controller-County Clerk

PASSED, APPROVED AND ADOPTED on July 29, 2021 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Gregory Hahn, President
Bear Valley Community Services District

ATTEST:

I hereby certify that the above Resolution No. 21/22-06 was duly introduced, read, and adopted by the District at a regularly noticed meeting held on July 29, 2021.

Kristy McEwen,
Secretary of the Board of Directors

RESOLUTION 21/22-07

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE BEAR VALLEY COMMUNITY SERVICES DISTRICT
DETERMINING THE MINIMUM AMOUNTS OF MONEY
REQUIRED TO BE RAISED BY TAXES BY THE DISTRICT
FOR PAYMENTS WITH RESPECT TO INTEREST AND REDEMPTION CHARGES
ON BONDED INDEBTEDNESS
APPROVED BY THE VOTERS OF IMPROVEMENT DISTRICT NO. 2
FOR THE FISCAL YEAR 2021/22
AND FIXING THE RATE OF TAXATION TO BE LEVIED**

The Board of Directors of the Bear Valley Community Services District resolves as follows:

Section 1. Findings. The Board finds as follows:

- A. This Resolution establishes the total tax revenue required to pay principal and interest on Improvement District No. 2 Bonds, Taxable 2016 General Obligation Refunding Bonds (“Bonded Indebtedness”), and the tax rate to be levied on all taxable property within Improvement District No. 2.
- B. The Bonded Indebtedness was approved by the voters of the District at an election held for that purpose on October 5, 1971.
- C. The Bonded Indebtedness is a general obligation of the District and taxes necessary for the payment of any principal and interest thereon are a lien on all property within the boundaries of Improvement District No. 2, which benefit from the acquisition or improvement of real property within Improvement District No. 2.
- D. The obligations under the Bonded Indebtedness are exempt from Subdivision (a) of Section 1 of Article XIII A (Jarvis-Gann Initiative) of the California Constitution by reason of the provisions of Subdivision (b) of Section 1.
- E. The ad valorem property taxes with respect to the Bonded Indebtedness apply to all taxable property within the District.
- F. The District’s Fiscal Year is the period of July 1 to June 30.

Section 2. Establishment of FY 2021/22 Improvement District No. 2 Bond Tax.

- A. The minimum amount of money required to be raised by ad valorem taxes on all taxable property within the District during Fiscal Year 2021/22 to meet interest and redemption charges on the District's Bonded Indebtedness is set forth in the attached Exhibit A.
- B. The District elects to set its own tax rate pursuant to Government Code section 61121.
- C. As provided by law, the County of Kern will collect one-quarter of one percent (1/4%) of the total revenues collected by ad valorem tax for the District by the County Tax Collector

in payment for collection services. The District hereby takes into account the one-quarter of one percent of the amount collected by the County on behalf of the District in fixing its tax rate.

- D. The Board of Directors hereby fixes and levies 0.00150888% percent of taxable value of all taxable property in the District as the rate of ad valorem tax required to be levied on such properties to provide funds for payment of interest and redemption charges on the Bonded Indebtedness, which is designated as the "BVCSD Improvement District No. 2 Bond Tax."
- E. The Board finds that the tax rate levied above is not subject to the limitations contained in Subdivision (a) of Section 1 of Article XIII A of the California Constitution and is exempt from any tax limitations under Subdivision (b) of Section 1 of Article XIII A, and is otherwise within the taxing authority of this District under all applicable provisions of the Constitution and laws of this State.
- F. The Board further finds and determines that the foregoing tax rate levied complies with all applicable property tax rate limitations provided in any applicable law.

Section 2. Kern County Levy of BVCSD Improvement District No. 2 Bond Tax.

- A. Under the applicable provisions of the Community Services District Law (commencing at Government Code Section 61000), the Board of Supervisors of Kern County in the time and manner required by law for the levying of taxes for county purposes, must levy in addition to all other taxes levied by it, a tax rate on all taxable property in Improvement District No. 2 in accordance with Section 1(D) above.
- B. The District Secretary is directed to transmit certified copies of this Resolution to the Clerk of the Board of Supervisors of Kern County and to the County Auditor-Controller-County Clerk.

PASSED, APPROVED AND ADOPTED on July 29, 2021 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Gregory Hahn, President
Bear Valley Community Services District

ATTEST:
I hereby certify that the above Resolution No. 21/22-07 was duly introduced, read, and adopted by the District at a regularly noticed meeting held on July 29, 2021.

Kristy McEwen,
Secretary of the Board of Directors

RESOLUTION 21/22-08

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAR VALLEY COMMUNITY SERVICES DISTRICT ADOPTING A WATER STANDBY CHARGE FOR FISCAL YEAR 2021/22

The Board of Directors of the Bear Valley Community Services District resolves as follows:

Section 1. Findings. The Board finds as follows:

- A. This resolution establishes a water standby charge on unimproved parcels not currently receiving water service for the District's fiscal year beginning July 1, 2021.
- B. The Bear Valley Community Services District provides water service within the boundaries of the District and is authorized by the Community Services District Law (commencing at Government Code section 61000) to collect charges, including standby or availability charges, to cover the costs of providing such services including the cost of any bonded indebtedness or other debt incurred to construct, maintain or operate the facilities necessary to provide such services.
- C. Under Government Code section 61124, the District may elect to fix, levy and collect an authorized standby charge for water service under the procedures specified in the Uniform Standby Charge Procedures Act (commencing at Government Code section 54984).
- D. The proposed water standby charge fully complies with Article XIII D of the California Constitution (Proposition 218), which defines standby charges as assessments and which further allows assessments to finance the maintenance of sewer systems to continue without undergoing a new assessment procedure and approval process until the amount of the charge is increased.
- E. The proposed water standby charge of forty dollars and twenty-eight cents (\$40.28) per year does not exceed the maximum charge that was previously established, and as such does not constitute an increase in the standby charge under Government Code section 53750 (which is part of the Proposition 218 Omnibus Implementation Act).
- F. The proposed water standby charge does not exceed the estimated reasonable cost of providing the service for which the charge is imposed.

Section 2. Adoption of Water Standby Charge. The Board hereby adopts a water standby charge of forty dollars and twenty-eight cents (\$40.28) for Fiscal Year 2021/22, which charge is to be imposed on the parcels identified by Assessor's parcel number in Exhibit A, which list is on file in the District office.

Section 3. Collection of Standby Charge. The water standby charge adopted by this Resolution will be collected on the tax roll at the same time and in the same manner as the collection of general taxes levied and collected by the County of Kern.

Section 4. Effective Date. This Resolution is effective for the District's fiscal year beginning July 1, 2021.

Section 5. Transmittal to County. The District Secretary is directed to transmit certified copies of this Resolution to the Clerk of the Board of Supervisors of Kern County and to the County Auditor-Controller-County Clerk.

PASSED, APPROVED AND ADOPTED on July 9, 2020 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Gregory Hahn, President
Bear Valley Community Services District

ATTEST:

I hereby certify that the above Resolution No. 21/22-08 was duly introduced, read, and adopted by the District at a regularly noticed meeting held on July 29, 2021.

Kristy McEwen,
Secretary of the Board of Directors

RESOLUTION 21/22-09

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAR VALLEY COMMUNITY SERVICES DISTRICT SETTING A SEWER STANDBY CHARGE FOR FISCAL YEAR 2021/22

The Board of Directors of the Bear Valley Community Services District resolves as follows:

Section 1. Findings. The Board finds as follows:

- A. This resolution sets the amount of the sewer standby charge on unimproved parcels that have sewer service available but are not currently connected to the District's sewer system for the District's fiscal year beginning July 1, 2021.
- B. The Bear Valley Community Services District provides sewer service within the boundaries of the District and is authorized by the Community Services District Law (commencing at Government Code section 61000) to collect charges, including standby or availability charges, to cover the costs of providing such service including the cost of any bonded indebtedness or other debt incurred to construct, maintain or operate the facilities necessary to provide such service.
- C. Under Government Code section 61124, the District may elect to fix, levy and collect an authorized standby charge for sewer service under the procedures specified in the Uniform Standby Charge Procedures Act (commencing at Government Code section 54984).
- D. The proposed sewer standby charge fully complies with Article XIII D of the California Constitution (Proposition 218), which defines standby charges as assessments and which further allows assessments to finance the maintenance of sewer systems to continue without undergoing a new assessment procedure and approval process until the amount of the charge is increased.
- E. The proposed sewer standby charge of fifty-nine dollars and ninety-six cents (\$59.96) per year does not exceed the maximum charge that was previously established, and as such does not constitute an increase in the standby charge under Government Code section 53750 (which is part of the Proposition 218 Omnibus Implementation Act).
- F. The proposed sewer standby charge does not exceed the estimated reasonable cost of providing the service for which the charge is imposed.

Section 2. Adoption of Sewer Standby Charge. The Board hereby adopts a sewer standby charge of fifty-nine dollars and ninety-six cents (\$59.96) for Fiscal Year 2021/22, which charge is to be imposed on the parcels identified by Assessor's parcel number in Exhibit A, which list is on file in the District office.

Section 3. Collection of Standby Charge. The sewer standby charge adopted by this Resolution will be collected on the tax roll at the same time and in the same manner as the collection of general taxes levied and collected by the County of Kern.

Section 4. Effective Date. This Resolution is effective for the District's fiscal year beginning July 1, 2021.

Section 5. Transmittal to County. The District Secretary is directed to transmit certified copies of this Resolution to the Clerk of the Board of Supervisors of Kern County and to the County Auditor-Controller-County Clerk.

PASSED, APPROVED AND ADOPTED on July 29, 2021 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Gregory Hahn, President
Bear Valley Community Services District

ATTEST:

I hereby certify that the above Resolution No. 21/22-09 was duly introduced, read, and adopted by the District at a regularly noticed meeting held on July 29, 2021.

Kristy McEwen,
Secretary of the Board of Directors

STAFF REPORT

AGENDA ITEM #10B
Auditor Letter of Engagement



MEETING DATE: July 29, 2021

PREPARED BY: Hamed Jones
Administrative Services Director / Treasurer

AGENDA TITLE: APPROVE Letter of Engagement for Independent External Audit Services for Fiscal Years 2020/21, 2021/22, and 2022/23 with an option for up to an additional two subsequent fiscal years with Fedak & Brown LLP

RECOMMENDATION

The Board of Directors APPROVE a Letter of Engagement for Independent External Audit Services for Fiscal Years 2020/21, 2021/22, and 2022/23 with an option for up to an additional two subsequent fiscal years with Fedak & Brown LLP.

RESULT OF RECOMMENDED MOTION

The agreement with Fedak & Brown LLP, Certified Public Accountants, to perform auditing services for the year ended June 30, 2021, and any other fiscal years determined by the Board, will be executed.

BACKGROUND

California Government Code Section 61118 stipulates audit requirements and procedures to be followed by Community Services Districts:

61118. (a) The board of directors shall provide for regular audits of the district's accounts and records pursuant to Section 26909.

(b) The board of directors shall provide for the annual financial reports to the Controller pursuant to Article 9 (commencing with Section 53890) of Chapter 4 of Part 1 of Division 2 of Title 5.

26909. (a) (2) Where an audit of a special district's accounts and records is made by a certified public accountant or public accountant, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards, and a report thereof shall be filed with the Controller and with the county auditor of the county in which the special district is located. The report shall be filed within 12 months of the end of the fiscal year or years under examination.

The District's five year engagement with Fedak & Brown LLP for the audits of Fiscal Years 2015/16 through 2019/20 expired with last year's audit. In an effort to seek qualified proposals for a new auditing engagement, staff posted a Request for Proposals (RFP) for External Independent Auditing Services to the California Special Districts Association (CSDA) RFP Clearinghouse on June 24, 2021. The RFP requested proposals from qualified firms of certified public accountants to audit the District's financial statements for the fiscal years ending June 30, 2021, 2022, and 2023, with the option for up to an additional two subsequent fiscal years.

ANALYSIS

Proposals from five auditing firms were received by the proposal deadline of July 21, 2021. Proposals were evaluated based on the auditor's ability to perform a quality audit. The selection

STAFF REPORT

AGENDA ITEM #10B *Auditor Letter of Engagement*

process involved a review of the proposals for compliance with the requirements of the RFP and an evaluation of the experience of assigned personnel with similar engagements, qualifications of the firm, cost of the proposal, and approach to the engagement.

As a result of the proposal evaluations, staff is recommending the engagement be awarded to Fedak & Brown LLP to perform auditing services for the District for Fiscal Years 2020/21, 2021/22, and 2022/23 with the option for Fiscal Years 2023/24 and 2024/25.

Letters of Engagement for audits are typically approved by the Board of Directors and not staff, as the audit reviews the work of staff. Therefore, President Hahn shall execute the Letter of Engagement upon approval by the Board.

FISCAL IMPACT

The Cost Proposal includes a fee for service not to exceed \$20,950, with reimbursable expenses not to exceed \$2,000 and preparation of the State Controller's Report for \$500, each year for the audits of FY 2020/21, 2021/22, 2022/23, and optional years of FY 2023/24 and FY 2024/25. The costs remain the same for all five fiscal years.

The total of \$23,450 for each fiscal year is a savings of \$3,000 annually as compared to the prior engagement and is within the District's approved FY 2021/22 budget of \$27,200.

RECOMMENDED MOTION

"I move the Board of Directors APPROVE a Letter of Engagement for Independent External Audit Services for Fiscal Years 2020/21, 2021/22, and 2022/23 with an option for up to an additional two subsequent fiscal years with Fedak & Brown LLP."

Attachments:
Audit & Cost Proposal

**Proposal For
Independent Auditor Services
For The**



Bear Valley Community Services District



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Charles Z. Fedak, CPA, MBA
Christopher J. Brown, CPA, CGMA
Andy Beck, CPA

Fedak & Brown LLP

Certified Public Accountants

Cypress Office:
6081 Orange Avenue
Cypress, California 90630
(657) 214-2307
FAX (714) 527-9154

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

July 19, 2021

Mr. Hamed Jones, Administrative Services Director
Bear Valley Community Services District
28999 S. Lower Valley Road
Tehachapi, CA 93561

Re: Cost Proposal for Continued Independent Auditor Services

Dear Mr. Jones:

We appreciate the opportunity to submit our proposal to provide annual audit services for the Bear Valley Community Services District (District) for the fiscal years ending June 30, 2021 through 2023, and optional years 2024 and 2025. In response to your inquiry of Fedak & Brown LLP (Firm), we have prepared a proposal that reflects our understanding of the District's audit service requirements and that demonstrates our capability and commitment to serve. Our goal is to build a strong a partnership with the District and demonstrate the highest levels of client service.

We understand that you expect a timely audit service conducted in a professional manner in accordance with audit service standards specific to governmental entities such as yours. We are committed to meet all the requirements you have indicated, and we will issue the reports and meet the timing requirements you have requested. We believe we are uniquely qualified to provide the quality and scope of service that the District desires.

Focused on the Special District Industry

Our client service team members are specialists in the governmental special district sector. This means they each focus a substantial portion of their time serving special district governmental clients. We know and understand your organization and the climate within which you work.

Our Firm audits over 55 governmental special districts in the State of California; as a result, this enables our Firm to continuously be immersed in the governmental, financial, and operational issues related to special districts.

Organized to Serve

Our service approach ensures that the District will receive the highest quality, personalized service when and where you need it. By tailoring our approach, we guarantee that the District will receive timely and attentive service that forms the hallmark of our approach to serving clients. **Our governmental audit and consulting practice accounts for a substantial portion of our Firm's annual services.** Therefore, we have made a substantial commitment and investment to serve our governmental clients.

Mr. Hamed Jones, Administrative Services Director
Bear Valley Community Services District
July 19, 2021
Page 2

Organized to Serve, continued

While our governmental experience is substantial, it is not the only factor that sets us apart from other firms; moreover, it is the commitment to utilize our resources and experience for the benefit of our clients.

Our approach to the engagement will be to establish a delivery system for providing a truly exceptional level of service. Each element of that system including staffing, audit approach, communication, and coordination will be examined and refined to fit the needs of the District. The hardest to quantify may be the relationship aspect of working with one professional service firm versus another. Because of the service delivery approach and our history of working with many special district governmental units, we are confident that our Firm knows how to address the unique needs of the District.

Our staff members assigned to the District are experienced governmental professionals that have managed numerous audits and attest engagements. We have assisted in the initial preparation and successful submission of many client's Comprehensive Annual Financial Reports for the GFOA Award Program. Each of our staff has extensive experience that allows for a new outlook with innovative suggestions to improve quality and efficiency. We believe that our references will show that we are the best selection for the District. The choice of an audit firm should be based upon several factors including, but not limited to, staff retention, training programs, proactively addressing governmental industry changes, and adherence to a strict quality control program.

We are confident that we will provide the District with consistent staffing over the contract period as the continuity of staff is as important to us as it is to the District. We will be committed to the District and believe that our audit engagement team is the best selection for the District.

Our proposal represents our irrevocable offer for a period of 180 days from the date of this letter to provide audit services to the District for the fiscal years ending June 30, 2021 through 2023, and optional years 2024 and 2025. You may contact Andy Beck or Christopher Brown if you have any questions or need additional information. Andy Beck will be your primary contact during the proposal evaluation period. He may be reached at (657) 214-2307, or by e-mail at andy@fedakbrownllp.com.

We look forward to hearing from you soon.

Cordially,



**FEDAK & BROWN LLP
CERTIFIED PUBLIC ACCOUNTANTS**

Audit Engagements

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to audits contained in the Government Auditing Standards issued by the Comptroller General of the United States. The audit engagements will be comprised of the elements enumerated in the District's Request for Proposal including:

- 1. Audit of the Basic Financial Statements of the District and Preparation of the District's Annual Financial Report;**
- 2. Validate internal controls over financial reporting in accordance within professional and statutory provisions;**
- 3. Preparation of Management Reports for the District;**
- 4. Preparation and Submission of the District's Annual Financial Transactions Report;**
- 5. Attendance at Meetings and Presentation to the Board of Directors;**
- 6. Provide guidance and technical assistance to the District in implementing Governmental Accounting Standards issued, including Annual Accounting Update Session (as required).**
- 7. Other requirements as noted in the District's Request for Proposal.**

Previous Audits Engagements

The Government Auditing Standards establishes that auditors should evaluate whether the audited entity has taken appropriate corrective action to address findings and recommendations from previous engagements that could have a material effect on the subject matter, or an assertion about the subject matter of the examination engagement.

Reporting Deficiencies in Internal Control, Fraud, Noncompliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements, and Abuse

The Government Auditing Standards establishes that during the performance of Generally Accepted Governmental Auditing Standards (GAGAS) examination engagements, auditors should report, based upon the work performed, (1) significant deficiencies and material weaknesses in internal control; (2) instances of fraud and noncompliance with provisions of laws or regulations that have a material effect on the subject matter or an assertion about the subject matter and any other instances that warrant attention of those charge with governance; (3) noncompliance with provisions of contracts or grant agreements that has a material effect on the subject matter or an assertion about the subject matter of the examination engagement; and (4) abuse that has a material effect on the subject matter of the examination engagement.

Also, Government Auditing Standards requires an additional reporting standard that auditors must follow. It requires the auditor to communicate his/her responsibility in a financial statement audit, including responsibilities for testing and reporting on internal controls and compliance with laws and regulations.

Commitment to the Highest Professional Standards

Our Firm is committed to the highest professional standards and our client service teams are fully versed in current professional guidance. Our Firm's extensive experience translates into a service approach that includes providing clients the educational tools to properly implement new accounting pronouncements. We encourage our clients to reach out with questions they may have. ***Our client service teams were integral to the implementation of Governmental Accounting Standards Board (GASB) No. 75 and 68 for our clients throughout the State of California and are prepared to provide assistance as the implementation date for GASB No. 87 approaches.*** Our client service approach includes review and assistance with current and pending GASB pronouncements.

Firm Qualifications and Experience

Identification of Proposer and Geographic Location to the District

Fedak & Brown LLP, is a full-service firm licensed to practice in the State of California providing accounting, audit, and consulting services for governmental and commercial enterprises, as well as extensive tax planning for domestic and international entities throughout the State of California. Our Governmental Services personnel are currently comprised of ten trained professionals with extensive experience in governmental accounting, auditing, and consulting services with offices in Cypress, and Riverside, California with expansion to a Sacramento location coming soon.

Your main contact will be Mr. Andy Beck. Our contact information can be located on our letterhead. All of the work for the District will be staffed directly out of our Cypress and Riverside offices and will not be subcontracted to any other firm.

Our Firm is fully automated in-house and utilizes current technology and software on all audit engagements. We utilize CCH ProSystems *fx* Engagement ® Audit Software.

Professional Education

It is a requirement of the State Board of Accountancy for all public accounting firms who are involved in governmental auditing to allocate a specific portion of continuing education in governmental accounting and auditing every two years. Fedak & Brown LLP has met this requirement for all staff involved with governmental accounting and auditing. Our Firm's strict adherence to these continuing professional education standards ensures the highest quality of staff assigned to the District's audit over the term of our agreement. Our Firm also requires that all personnel at all organizational levels adhere to the independence rules, regulations, interpretations, and rulings of the AICPA, California State Society of CPAs, State Board of Accountancy, State Statute, and, in some cases, the Securities and Exchange Commission and other regulatory agencies. Fedak & Brown LLP has never been the object of any disciplinary action in its entire existence.

Experience and Technical Competence

We have prepared a listing of some of our governmental audit clients on the previous page. We believe this listing exemplifies that we have significant experience in conducting high-quality audits of local governments and enterprise special districts. Our governmental audit team has significant experience in auditing special district governmental agencies and our team members may have conducted some of these audits over the past year (see next page).

Firm Qualifications and Experience, continued

The following is a listing of some of our Governmental Special District Clients that our Audit Teams have served by County!

Kern County

*Bear Valley Community Services District
Indian Wells Valley Water District
Stallion Springs Community Services District*

Los Angeles County

*Castaic Lake Water Agency
Santa Clarita Valley Water Agency
Crescenta Valley Water District
Gateway Water Management Authority
Greater Los Angeles County Vector Control District
Long Beach Airport
Long Beach Water Department
Palmdale Water District
Palos Verdes Library District
San Gabriel Valley Municipal Water District
Sanitation Districts of LA County
Southern California Library Cooperative
Valley County Water District
Water Replenishment District*

Orange County

*Buena Park Library District
Capistrano Bay Community Services District
East Orange County Water District
El Toro Water District
Irvine Ranch Water District
Mesa Consolidated Water District
Nature Reserve of Orange County
Rossmoor/Los Alamitos Area Sewer District
Santiago County Water District
Southern California Coastal Water Resource Authority
Yorba Linda Water District*

Riverside County

*Beaumont-Cherry Valley Water District
Cabazon Water District
Coachella Valley Mosquito and Vector Control
Desert Recreation District
Edgemont Community Services District
Idyllwild Fire Protection District
Lake Hemet Municipal Water District
Northwest Mosquito and Vector Control
Santa Ana Watershed Project Authority
Temecula Public Cemetery District
Western Municipal Water District*

Santa Barbara County

*Goleta Water District
Montecito Water District
Santa Maria Public Airport Authority
SantaYnez Community Services District
Summerland Sanitary District*

San Bernardino County

*Baldy Mesa Water District
Big Bear City Community Services District
Big River Community Services District
Chino Basin Water Conservation District
Chino Basin Watermaster
Helendale Community Services District
Hi-Desert Water District
Inland Empire Utilities Agency
Joshua Basin Water District
Mojave Water Agency
Monte Vista Water District
Phelan Pinon Hills Community Services District
San Bernardino Valley Water Conservation District
Victor Valley Wastewater Reclamation Authority
Water Facilities Authority - JPA
West Valley Mosquito and Vector Control District
West Valley Water District*

San Diego County

*Leucadia Wastewater District
Public Agency Self-Insurance System
Rincon Del Diablo Water District
Vallecitos Water District*

Ventura County

*Gold Coast Transit
Oxnard Harbor District
Pleasant Valley Recreation and Park District
Saticoy Sanitary District
Triunfo Sanitation District
Ventura County Resource Conservation District
Ventura Regional Sanitation District*

Northern California/Bay Area

*Aromas Water District
Avila Beach Community Services District
Butte County Mosquito and Vector Control District
Central Water District
Coastside County Water District
North Marin Water District
McKinleyville Community Services District
Oakdale Irrigation District
Pajaro Valley Water Management Agency
Purissima Hills Water District
San Lorenzo Valley Water District
Scotts Valley Water District
Solano Irrigation District
Soquel Creek Water District
Tri-Dam Project
Tri-Dam Authority
Trout Gulch Mutual Water Co.
Westborough Water District*

Firm Qualifications and Experience, continued

Quality Control

The Board of Directors of the District can measure the quality of the opinions expressed by Fedak & Brown LLP by evaluating the level of professional standards maintained by our Firm as discussed in this proposal. The Board of Directors can also measure the performance and quality control of our Firm by evaluating our participation in the profession's peer review process as well as evaluating our Firm's professional standards and quality of work ethic in discussions with our Firm's current client base in the special district industry.

Fedak & Brown LLP is pleased to announce the successful completion of our most recent independent quality review of our accounting and auditing practice, which included a review of specific governmental audit engagements. Our Firm's governmental audit engagements were reviewed as they related to governmental agencies and other special districts in the field of governmental auditing. After a thorough study of our procedures and work practices, the reviewers concluded that our Firm complies with the stringent quality control standards established by the American Institute of Certified Public Accountants (AICPA). Our Firm has received an unmodified opinion in every independent quality review that it has participated in since its inception of the program by the profession.

A team of independent CPAs, who were appointed by the California Society of Certified Public Accountants, conducted the review. Using guidelines established by the AICPA, the reviewers determined that our Firm has an effective quality control system and that our accounting and auditing work conforms to professional standards. Our Firm has not had any clients who have been the subject of any desk reviews. ***Our Firm has never been the subject of any disciplinary action by any State or Federal Agency in its entire existence.***

Our continued participation in required periodic quality reviews, our voluntary membership in the AICPA and California Society of CPAs, as well as our continuing professional education supports our commitment to quality and our high standards for client service.

Fedak & Brown LLP is an equal opportunity employer and certifies that our Firm is in compliance with the Civil Rights Act of 1964, the State Fair Employment Practice Act, and all other applicable federal and state laws and regulations relating to equal opportunity employment, including Executive Order No. 11246 of September 24, 1965. Our Firm is committed to affirmative action in hiring practices.

Firm Qualifications and Experience, continued

Marcia J. Hein, CPA

5922 Bromborough Drive
Windsor, CO 80550

Phone: (970) 775-7332 e-mail: marcia@mjh-cpa.com

Report on the Firm's System of Quality Control

April 29, 2019

To the Partners
Fedak & Brown, LLP
and the Peer Review Committee of the California Society of CPAs

I have reviewed the system of quality control for the accounting and auditing practice of Fedak & Brown, LLP (the firm) in effect for the year ended September 30, 2018. My peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, in any.

Peer Reviewer's Responsibility

My responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on my review.

Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

As a part of my peer review, I considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of my procedures.

Opinion

In my opinion, the system of quality control for the accounting and auditing practice of Fedak & Brown, LLP in effect for the year ended September 30, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Fedak & Brown, LLP has received a peer review rating of *pass*.

Marcia J. Hein, CPA

Marcia J. Hein, CPA

Partner, Supervisory, Staff Qualifications and Experience

Summary Qualification of Key Personnel

Our Firm's philosophy is to take a team approach with our clients in conducting our audit engagements. A properly developed, mutually agreeable timeline results in the most efficient engagement. We want you to not only think of us as your auditor, but as a resource to be used whenever the need occurs. Also, it is our Firm's philosophy to have our partners, audit managers and audit supervisors involved in the day-to-day audit details of our clients.

You will have an Engagement Partner as well as a Technical Review Partner, a governmental audit Supervisor assigned to the District's audit; in addition, one or more staff accountants (governmental auditing staff only) will be assigned to the audit. All team members work in the field while the audit fieldwork is in process. Each team member has the following responsibilities:

The engagement partner is responsible for all services provided to the District. The engagement partner's responsibilities consist of the overall planning, supervision and review of the audit test work, and preparation of the audit report.

The governmental audit manager is responsible for coordinating the audit test work, which includes the on-site supervision of staff, and preparation of the audit report.

Once audit test work is completed, the governmental audit manager will work with the supervisor to complete the reports for the District for all recipients. The manager will be your contact throughout the engagement year.

The governmental audit staff accountant will be in the field conducting the audit test work. The staff accountant is responsible for testing internal controls and substantive testing procedures and will interact with your staff at your staff's convenience.

Prior to discussions with your staff, the staff accountant will make sure that all facts have been evaluated to minimize utilizing your staff's time for audit assistance purposes.

Knowledge and Understanding of Local Environment

The engagement team members strive to be experts within the governmental sphere. We keep ourselves apprised of current issues affecting the District's operating environment.

Partner Participation

The partner in charge of the audit will be available to attend meetings of the District's Administrative/Finance Committee and the Boards of Directors to discuss and report on the audit process and the deliverables associated with the audit. We will provide the District with accounting advice regarding subjects that could affect the report, particularly those that will directly impact its recipients.

Partner, Supervisory, Staff Qualifications and Experience, continued

**CHARLES Z. FEDAK, CPA, MBA
TECHNICAL REVIEW PARTNER**

Education:	Bachelor of Science – Business Administration: Accountancy – California State University, Long Beach 1973 Master of Business Administration – California State University, Long Beach 1984
License:	Certified Public Accountant - 1983
Continuing Education	Total hours were 136 hours in last two years of which 32 were in governmental accounting and auditing subjects. Mr. Fedak has the Governmental Auditing Standards requirement for governmental CPE.
Memberships	California Society of Certified Public Accountants American Institute of Certified Public Accountants National Association of Corporate Directors
Experience	<p>Charles Z. Fedak is a CPA in the State of California and has been in public accounting for forty-two plus years, having worked seven years at the national firm level before starting his own practice in January of 1981. Mr. Fedak holds a Bachelors of Science Degree in Accounting and a Masters in Business Administration from California State University, Long Beach. He has extensive experience in the audits of governmental entities including cities, towns, and special districts, while working at the national firm level as well as in our own Firm.</p> <p>Mr. Fedak’s public accounting experience includes tenure with Big Four CPA Firms, Ernst & Young (“EY”) and KPMG. He is also involved in auditing of governmental and non-profit entities as well as medium to large manufacturing, construction and service oriented corporations. He has thorough knowledge of Generally Accepted Accounting Principles, Governmental Accounting, and Auditing Standards as well as the Single Audit Act. His work experience also includes tax planning and preparation at the corporate, individual, estate and trust levels.</p> <p>Member of Board of Directors – Molina Healthcare, Inc. (MOH) New York Stock Exchange 2002 – 2019</p> <ul style="list-style-type: none">➤ Chairman, Compensation Committee – MOH; 2002 – 2006➤ Chairman, Audit Committee – MOH; 2004 – 2019 <p>Mr. Fedak has also participated in various tours and educational trips sponsored by the Metropolitan Water District, including the southern section of the Colorado River and the northern portion of the California Delta as they both relate to the State Water Project.</p>

Partner, Supervisory, Staff Qualifications and Experience, continued

ANDY BECK, CPA ENGAGEMENT MANAGER/PARTNER

Education:	Bachelor of Arts in Economics – University of California, Irvine 2001
License:	Certified Public Accountant – 2008
Continuing Education	Total hours were 90 hours in last two years of which 24 were in governmental accounting and auditing subjects. Mr. Beck has the Governmental Auditing Standards requirement for governmental CPE.
Memberships	California Society of Certified Public Accountants American Institute of Certified Public Accountants
Experience	<p>Over fifteen years of experience in public accounting and auditing governmental entities, not-for-profit organizations, and employee benefit plans. Mr. Beck is involved in 20%-30% of the Special District clients served by our Firm.</p> <p>Andy Beck is a CPA in the State of California and has been in public accounting for approximately 15 years. Mr. Beck holds a Bachelors of Science Degree in Economics from the University of California Irvine. He has extensive experience in the audits of governmental entities.</p> <p>He has been involved on the following governmental special districts engagements:</p> <ul style="list-style-type: none">➤ McKinleyville Community Services District➤ Phelan Pinon Hills Community Services District➤ Pajaro Valley Water Management Agency➤ Victor Valley Wastewater Reclamation Authority➤ Hi-Desert Water District (Water & Wastewater)➤ Avila Beach Community Services District➤ Solano Irrigation District➤ Oakdale Irrigation District➤ Aromas Water District➤ Central Water District➤ San Lorenzo Valley Water District➤ Santa Maria Public Airport District➤ Butte County Mosquito and Vector Control District➤ Antelope Valley Air Quality Management District➤ Mojave Desert Air Quality Management District

Partner, Supervisory, Staff Qualifications and Experience, continued

JEFF PALMER AUDIT SUPERVISOR

Education:	Bachelor of Science – Business Administration: Accountancy & Finance – California State University, Long Beach 2005
License:	In Process
Continuing Education	Total hours were 80 hours in last three years of which 32 were in governmental accounting and auditing subjects. Mr. Palmer meets the Governmental Auditing Standards requirement for governmental CPE.
Memberships	California Society of Certified Public Accountants
Experience	<p>Over fourteen years of experience in public accounting and auditing of governmental, private, and non-profit entities. Relevant governmental experience includes cities, special districts, airports, transportation agencies, and public financing authorities. He has extensive experience in conducting financial audits under GAO Yellow Book standards and compliance single audits in accordance with OMB 2 CFR part 200, subpart F. He has assisted clients in implementation and publishing their Comprehensive Annual Financial Reports in compliance with GFOA requirements.</p> <p>Mr. Palmer has provided significant audit, accounting, and consulting services to various governmental entities. In these accounting and auditing engagements, he has been involved in the strategic planning processes, design and implementation of policies and procedures, performance management budgeting and planning processes, financial reviews, and cash management practices. In these consulting engagements, he has provided services including franchise tax compliance reviews, excise tax compliance and reporting reviews, and enterprise utility tax-exempt purchasing reviews.</p> <p>He has been involved on the following governmental special districts engagements:</p> <ul style="list-style-type: none">➤ Walnut Valley Water District➤ La Puente Valley County Water District➤ Monte Vista Water District➤ Crescenta Valley Water District➤ Orange County Water District➤ Indian Wells Valley Water District➤ North Marin Water District➤ Westborough Water District➤ Coastside County Water District➤ Mojave Water Agency➤ Bighorn Desert View Water Agency➤ Santa Maria Public Airport District➤ Phelan Pinon Hills Community Services District➤ Helendale Community Services District➤ Bear Valley Community Services District

References

References

Presented below are three client references of officials of California Special Districts and/or agencies who currently conduct enterprise type activities. Please do not hesitate to contact these references regarding our Firm and the high level of service we provide. We will be happy to provide additional references for your review.

1. Ms. Cammie Morin, Finance Manager Solano Irrigation District 810 Vaca Valley Parkway, Suite 201 Vacaville, CA 95688	Irrigation District Annual Audit – Financial Statement 707.448.6847
2. Ms. Sharon Cisneros, CFO Oakdale Irrigation District 1205 East F Street Oakdale, CA 95361	Irrigation District Annual Audit – Financial Statements 209.840.5501
3. Ms. Lori Lowrance, Administrative Services Manager Phelan Pinon Hills Community Services District 4176 Warbler Road Phelan, CA 92371	Community Services District Annual Audit – CAFR 909.595.1268

Firm Provided Affirmations

- A. Fedak & Brown LLP affirms that the Firm and all key professional staff are properly registered and licensed or supervised by certified public accountants in good standing duly authorized to practice in the State of California.
- B. Fedak & Brown LLP affirms that the Firm is independent of the District, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial and compliance audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States.
- C. Fedak & Brown LLP affirms that the Firm currently maintains errors and omissions insurance coverage in the aggregate amount of one million dollars and general liability coverage of two million dollars. The Firm will provide the required insurance coverage and Accord insurance form to the District upon acceptance of the audit engagement.
- D. Fedak & Brown LLP affirms that it has the necessary experience to conduct high-quality audits of local government and enterprise special districts and agencies in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial and compliance audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States and the Single Audit Act. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
- E. Fedak & Brown LLP affirms that it will meet your timing requirements to begin and complete the audit of the District.
- F. Fedak & Brown LLP affirms that it will staff the audit of the District with experienced personnel and not use this audit as training grounds for new staff and that no person designated as “key” to the project shall be removed or replaced without the prior written consent of the District.
- G. Fedak & Brown LLP affirms that it has never been the subject of any lawsuits, claims of fraud, malpractice and/or disciplinary action by any State or Federal District in relation to the Firm’s governmental practice in its entire existence.
- H. Fedak & Brown LLP affirms that it has not been censured or disciplined from the State Board of Accountancy.
- I. Fedak & Brown LLP affirms that it will allow the District or their designee access to pertinent District audit work papers, financial reports, and management letters.
- J. Fedak & Brown LLP affirms that it has never filed bankruptcy, there is no pending litigation against the Firm, there are no planned office closings, there are no impending mergers, and there are no potential labor disputes that may impede us the ability to complete the audit for the District.

Signature of Authorized Official: 

Name: Andy Beck, CPA

Title: Partner

Firm: Fedak & Brown LLP

Date: July 19, 2021

Our Specific Approach to your Audit

Specific Audit Approach

Our Firm's audit approach is tailored to each client in the following manner:

- We understand the significant work requirements of our clients. We work with our clients' schedules when scheduling segments of the audit or requesting documentation in order to minimize disruption during the audit process.
- We strive to utilize support already prepared by our clients in order to avoid duplication or unnecessary requests for audit supporting schedules.
- We have implemented a paperless audit process that utilizes CCH ProSystems fx Engagement ® and Practitioners Publishing Company software packages. These platforms provide for greater efficiency within the audit process. In addition, we fully embrace the utilization of data extraction capabilities within a client's reporting system to further increase efficiency and reduce demands on client staff time.
- Our staff is trained and familiar with government accounting and audit concepts, so you will see the difference in working with our professional staff.
- We audit various large and small governmental organizations, allowing us to consult with our clients on implementing various best-practices in their organizations.
- We believe that regular communication is the most important part of the audit process; as a result, we ask that if you ever have any questions about any financial, accounting, or audit issues, please contact us anytime throughout the year.

Interim Audit Planning and Testwork

Planning is necessary to ensure a quality audit, efficient use of professional staff and timely delivery of reports. Adequate planning of the audit is essential to minimize disruption of the ongoing daily operations of the District and their recipients. We have developed a comprehensive, efficient planning process. We will begin the planning of the audit upon notification of award of the contract.

Tasks to be accomplished during the planning phase include:

- Conducting an Audit Entrance Conference with the District's Board of Directors and management to discuss the scope and timing of the audit test work, the availability of the District's accounting staff, prior audit problems encountered, the extent of interim audit test work to be performed, the establishment of a liaison for the audit, and the arrangements for workspace and other needs to conduct the audit test work.
- Reviewing the Board minutes, agreements/contracts, and applicable strategy for the audit period.
- Interviewing finance staff regarding internal controls.
- Discussing the status of prior year's audit findings, if any.
- Review of the District's internal control structure and communication of recommendations to the District's management team concerning District policies and procedures.
- Tests of controls of audit areas to determine the effectiveness of the District's internal control structure. (Minimum of 25 selections per area – revenue, expenses, payroll, bank reconciliations)
- Evaluation of any unusual items noted from our analytical procedures.
- Reviewing of important contracts, debt issues, leases and joint power agreements.

Our Specific Approach to your Audit, continued

Interim Audit Planning and Testwork, continued

- Providing the District with suggestions regarding the closing of the District's books after year end. Our assistance and communication in the closing of the District's books is expected to minimize the number of audit adjustments required after the close of District's books.

After we obtain an understanding of the District's internal controls, evaluate their design and implementation and perform our interim test work we will determine the nature, scope, and timing for our final audit test work.

Final Audit Test Work

After the final closing of the District's books and preparation of final trial balances and audit supporting schedule by District personnel, we will commence performing our *final audit testwork*.

Our final examination will include analysis of critical audit areas which we deem necessary, including:

- Analysis of cash and investment balances to online bank and brokerage websites.
- Analysis of bank reconciliations.
- Analysis of accounts receivable, delinquent balances and relative ratios.
- Analysis of unbilled receivables.
- Analysis of allocations of interest income.
- Analysis and testing of capital assets: construction-in-progress, significant additions/disposals, and related depreciation.
- Analysis of deferred outflows of resources balances and related amortization.
- Analysis of accounts payable.
- Performance of a search for unrecorded liabilities.
- Analysis and testing of valuation of the liabilities for compensated absences.
- Analysis of long term debt balances.
- Analysis of the annual roll-forward of net pension liability balances.
- Analysis of net other post-employment benefit liability (as required)
- Analysis of unearned revenue.
- Analysis of deferred inflows of resources balances and related amortization.
- Analysis of the proper establishment of reserves and designations.
- Analysis of significant grant agreements, awards and contracts.
- Analysis of significant events after year end (through the completion of our audit).
- Analysis of attorney letters for significant legal matters affecting the District's financial position.

The abovementioned analysis and inquiries are only a sample of the tests performed during the examination and is not meant to be all inclusive.

Audit Completion

At the completion of the audit each year, we will meet with the District's management team to review our audit findings. We will communicate all deficiencies in controls which may assist the District in strengthening the internal control structure. Comments and recommendations relating to the accounting system will also be discussed. Finally, we will discuss all findings noted during the engagement. After discussion, the final report will be submitted to the District.

Our Specific Approach to your Audit, continued

Identification and Communication of Internal Control Matters

The objective of our audit is to form an opinion on the District. Our objective is not to identify deficiencies in internal controls; however, when control deficiencies are identified in the course of our audit and if they constitute significant deficiencies or material weaknesses, we will communicate in writing those deficiencies to those charged with governance and the District's management.

Audit Documentation

We will document matters pertaining to our audit planning and audit test work. The audit documentation will clearly demonstrate procedures performed, evidence obtained, and conclusions reached.

Communication with Management and the Board of Directors

In addition to our written reports, we believe an oral presentation to the District's management, Administrative/Finance Committee, and the Board of Directors, to be a minimum service provided by our Firm and would be pleased to schedule a mutually convenient time for such a presentation at the conclusion of the engagement or any time during the progression of the audit.

Other Assistance

Providing management assistance requires more than having talented people on staff; it requires a pro-active approach. First, we assign experienced senior level professionals to our engagements. Our client base of governmental entities and commercial companies demands broad business and industry experience, as well as technical expertise. Those talented professionals have to be exposed to clients and develop an in-depth understanding of particular situations.

Second, we actively look for opportunities to provide assistance. We try to initiate rather than respond. For instance, if we believe a situation is developing, we will approach the client, offer to investigate and provide recommendations. If a formal project to address the problem is required, we will define the approach, execute the assignment and follow through with implementation assistance.

Our Specific Approach to your Audit, continued

Timing of Our Procedures

We understand that the District is looking for value in the professional relationship they have with their auditors. Value comes from the knowledge, experience, and dedication that our Firm employs. We stress employs because all of the knowledge and expertise shown on paper will reap no benefit to you unless it is applied. This application equates to time well spent. We have developed an audit plan that we feel will accomplish the objectives of the District and will meet your special needs.

In order to accomplish our audit objectives and meet your deadlines for delivery, the sequence and timing of our procedures are critical. Per the District’s schedule requirements, interim fieldwork will begin in April - May of each year (the District’s preference of dates). Final fieldwork will begin in August - September of each year (the District’s preference of dates).

Delivery of the draft financial statements and Management Report no later than April.

In the table that follows, we provide a summary of our planned activities and their timing based on our understanding of District requirements:

Timing	Activity
Between March and May April - May (TBD) June – July (TBD)	Provide Preliminary Audit Plan and initial transition. Interim Fieldwork - Conduct audit entrance conference. Perform preliminary procedures including: initial control assessments, minute and contract/major agreement review, major transaction review, conduct EDP review, final controls assessment, determination of specific audit procedures. Communication with District’s management about interim fieldwork status and any potential findings or issues. Provide finance department with audit plan and listing of audit schedules required, conduct progress conference with key Finance Personnel.
August - September (TBD)	Commence audit fieldwork. Conduct audit exit conference, including discussion of draft AJE’s and Management Letter comments (if any).
By Mid-October <u>or as needed by the District.</u>	Provide draft of the Financial Statements and Management Report.
As prescribed by law.	Prepare and submit the Annual State Controller’s Report.
At the District’s Preference (TBD)	Present the Financials and audit results to the Board.

TBD – To Be Determined. Based on Client requirements

Proposed Hours and Segmentation of the Audit

See our Cost Proposal for further information of the segmentation of the proposed audit process by hours and staffing.

**Cost Proposal
Independent Auditor Services
For The**



Bear Valley Community Services District





Charles Z. Fedak, CPA, MBA
Christopher J. Brown, CPA, CGMA
Andy Beck, CPA

Fedak & Brown LLP

Certified Public Accountants

Cypress Office:
6081 Orange Avenue
Cypress, California 90630
(657) 214-2307
FAX (714) 527-9154

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

July 19, 2021

Mr. Hamed Jones, Administrative Services Director
Bear Valley Community Services District
28999 S. Lower Valley Road
Tehachapi, CA 93561

Re: Cost Proposal for Continued Independent Auditor Services

Dear Mr. Jones:

Based on our understanding of the Bear Valley Community Services District's (District) requirements, our all-inclusive fee for audit services, and preparation of the District's Financial Transactions Report for the fiscal year ending June 30, 2021 is **\$23,450**. This fee is based on our understanding of the District's audit requirements.

Assuming there is no substantial change in the District's activities and operations, our fee for audit services for the fiscal years ending June 30, 2022 and 2023, and optional years 2024 and 2025 would be **\$23,450** each year, respectively.

Our estimate for out-of-pocket expenses is a separate estimate and may not be utilized in total to the amount estimated. Again, these fees are based on the estimated costs to complete the audit. The components of this audit service fee proposal and out-of-pocket costs for the fiscal years ending June 30, 2021 through 2023, and optional fiscal years 2024 and 2025, are itemized in the attached Exhibits.

Our not-to-exceed fee proposal is contingent upon our understanding of your requirements and the assistance we require as noted in our original audit technical proposal.

Additional services not included in this proposal will be based on our discounted billing rates based on the level of experience required. We would execute a separate contract for these services, if they are requested by the District.

I am authorized to make representations for Fedak and Brown LLP and am duly authorized to sign a contract with the District.

Andy Beck, CPA

July 19, 2021

Date

Exhibit I – Proposed Hours and Our Fees

Proposed Hours and Our Fees

We anticipate that, for the fiscal years ending June 30, 2021 through 2023, and optional fiscal years 2024 and 2025, the audit of the District will approximate 200 audit hours.

<u>Audit Steps</u>	<u>Partners</u>	<u>Manager/ Supervisors</u>	<u>Staff</u>	<u>Total</u>
Planning	2	5	5	12
Control Testwork	10	15	35	60
Substantive Testwork	10	25	45	80
Reporting	8	25	15	48
Total Hours	<u>30</u>	<u>70</u>	<u>100</u>	<u>200</u>

As shown above, we expect approximately 50% of engagement hours to come from the Partners and Managers and Supervisors assigned to the engagement.

Working on the premise that we will be provided with a year-end trial balance, along with an audit package of reconciled balances and supporting schedules of all balance sheet accounts, we expect to perform the audit of the District at fees as stated in the attached Schedule of Professional Fees on Page 3 for the fiscal years ending June 30, 2021 through 2023, and optional fiscal years 2024 and 2025.

Our fees are based on the product of the time spent on the engagement and the billing rates of the individuals assigned, plus out-of-pocket costs (such as, report reproductions, typing, postage, travel, copies, telephone, etc.). We will obtain the assistance of the District's personnel to the extent possible and otherwise endeavor to keep these charges to a minimum. We will submit progress billings monthly to your office as our work progresses, which will be due and payable thirty days from the date of the invoice.

Based upon the present size and scope of the activities of the District, we expect to perform the services enumerated above at our standard hourly rates. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to the audits. We have provided a breakdown of our current hourly rates, which would apply to this engagement on the attached Schedule of Professional Fees on Pages 4 and 5 of this cost proposal.

In accordance with your request for proposal and the Office of Management and Budget Circular A-128, and state requirements, we will maintain our work papers for at least seven years and make them available to the District, state agencies, the General Accounting Office, and other parties upon the direction of the District.

We want the Board to understand that we will provide any assistance and answer any questions that the District's staff or members of the Board may have when they arise for the entire duration of our contract and find it important to stay abreast of the District's activities and accounting issues during the entire engagement.

We would like to thank you and the Board for the opportunity to submit a proposal for the auditing services of the District. Because of our experience in special districts and our interest in the District, we will provide you with assistance in your operations as well as meet the audit needs of the organization. We will also continually make recommendations on these and other matters that come to our attention. We are proud of the professional services we provide and encourage you to make inquiries to any of our clients about their satisfaction with our services and the quality of our staff.

Exhibit II – Schedule of Professional Fees

	District Total Audit Service Fees*	Not-to-Exceed Estimate of Out-of-Pocket Costs **	Total	Optional Item Preparation of State Controller's Report	Total With Optional Item
Fiscal Year 2021	\$ 20,950	2,000	22,950	500	23,450
Fiscal Year 2022	20,950	2,000	22,950	500	23,450
Fiscal Year 2023	20,950	2,000	22,950	500	23,450
Total Three Year Contract	\$ <u>62,850</u>	<u>6,000</u>	<u>68,850</u>	<u>1,500</u>	<u>70,350</u>
Optional – Fiscal Year 2024	\$ <u>20,950</u>	<u>2,000</u>	<u>22,950</u>	<u>500</u>	<u>23,450</u>
Optional – Fiscal Year 2025	\$ <u>20,950</u>	<u>2,000</u>	<u>22,950</u>	<u>500</u>	<u>23,450</u>

* Professional Audit Service Fees - Labor Only

** Estimate of Out-of Pocket Costs consist of Travel, Mileage, and Printing Costs.

Please note that any additional services requested by the District during the audit period shall be negotiated at the stated hourly rates per year as noted in the following schedules per year.

See Our Personnel Hourly Rates and Hours Estimated per Engagement on the following page.

Exhibit III – Schedule of Fees By Hours

FISCAL YEAR 2021			
Breakdown of Fees by Hours			
Fiscal Year 2021 Audit of:	Hours	Hourly Rates	Total
District's Basic Financial Statements			
Partner – Engagement	25	\$ 140	\$ 3,500
Partner – Technical	5	140	700
Manager/Supervisor	70	125	8,750
Staff	100	80	8,000
Total Financial Statement Audit for 2021	<u>200</u>		\$ <u>20,950</u>
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			<u>2,000</u>
Total Maximum for 2021			\$ <u>22,950</u>
Optional Items Asked to be Priced by the District	Hours	Rates	Total
Preparation of the District's Annual State Controller's Report	<u>5</u>	100	<u>\$ 500</u>
Total Maximum with Optional Item for 2021			\$ <u>23,450</u>

FISCAL YEAR 2022			
Breakdown of Fees by Hours			
Fiscal Year 2022 Audit of:	Hours	Hourly Rates	Total
District's Basic Financial Statements			
Partner – Engagement	25	\$ 140	\$ 3,500
Partner – Technical	5	140	700
Manager/Supervisor	70	125	8,750
Staff	100	80	8,000
Total Financial Statement Audit for 2022	<u>200</u>		\$ <u>20,950</u>
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			<u>2,000</u>
Total Maximum for 2022			\$ <u>22,950</u>
Optional Items Asked to be Priced by the District	Hours	Rates	Total
Preparation of the District's Annual State Controller's Report	<u>5</u>	100	<u>\$ 500</u>
Total Maximum with Optional Item for 2022			\$ <u>23,450</u>

FISCAL YEAR 2023			
Breakdown of Fees by Hours			
Fiscal Year 2023 Audit of:	Hours	Hourly Rates	Total
District's Basic Financial Statements			
Partner – Engagement	25	\$ 140	\$ 3,500
Partner – Technical	5	140	700
Manager/Supervisor	70	125	8,750
Staff	100	80	8,000
Total Financial Statement Audit for 2023	<u>200</u>		\$ <u>20,950</u>
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			<u>2,000</u>
Total Maximum for 2023			\$ <u>22,950</u>
Optional Items Asked to be Priced by the District	Hours	Rates	Total
Preparation of the District's Annual State Controller's Report	<u>5</u>	100	<u>\$ 500</u>
Total Maximum with Optional Item for 2023			\$ <u>23,450</u>

Exhibit III – Schedule of Fees By Hours

OPTIONAL – FISCAL YEAR 2024

Breakdown of Fees by Hours

	Hours		Hourly Rates		Total
Fiscal Year 2024 Audit of:					
District's Basic Financial Statements					
Partner – Engagement	25	\$	140	\$	3,500
Partner – Technical	5		140		700
Manager/Supervisor	70		125		8,750
Staff	100		80		8,000
Total Financial Statement Audit for 2024	200			\$	20,950
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)					2,000
Total Maximum for 2024				\$	22,950
Optional Items Asked to be Priced by the District					
	Hours		Rates		Total
Preparation of the District's Annual State Controller's Report	5		100	\$	500
Total Maximum with Optional Item for 2024				\$	23,450

OPTIONAL – FISCAL YEAR 2025

Breakdown of Fees by Hours

	Hours		Hourly Rates		Total
Fiscal Year 2025 Audit of:					
District's Basic Financial Statements					
Partner – Engagement	25	\$	140	\$	3,500
Partner – Technical	5		140		700
Manager/Supervisor	70		125		8,750
Staff	100		80		8,000
Total Financial Statement Audit for 2025	200			\$	20,950
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)					2,000
Total Maximum for 2025				\$	22,950
Optional Items Asked to be Priced by the District					
	Hours		Rates		Total
Preparation of the District's Annual State Controller's Report	5		100	\$	500
Total Maximum with Optional Item for 2025				\$	23,450

STAFF REPORT

AGENDA ITEM #10C
Work/Plow Trucks



MEETING DATE: July 29, 2021

PREPARED BY: Dawn Smith
Public Works Administrative Specialist

AGENDA TITLE: APPROVE Purchase of Public Works Work/Plow Trucks

RECOMMENDATION

The Board of Directors authorize the General Manager to amend the Roads Fund FY 21/22 snow plow capital outlay budget line item to \$300,000 and proceed with the purchase of 3 work trucks by obtaining financing through CSDA with a loan of \$300,000 and an estimated 2.60% interest rate over 7 years with an annual estimated debt service payment of \$47,429.

BACKGROUND

The Roads Division fleet consists of 5 work trucks used for roadway maintenance, drainage and culvert maintenance, and snow plowing in the winter.

At the July 8, 2021 Board meeting, a new “Vehicle and Equipment Replacement Policy” was adopted. Based on the scoring criteria in the policy, any vehicle with 33 points or more should receive immediate attention for replacement.

Three of the five trucks are over 10 years old and are starting to require extensive maintenance.

- #52-01; 2008 Ford F-350; 51,222 miles; over \$19,000 in maintenance and repair cost
 - Replacement Score: 35
- #52-22; 2007 Ford F-350; 52,728 miles; over \$20,500 in maintenance and repair costs
 - Replacement Score: 35
- #52-26 2010 Ford F-350; 43,577 miles; over \$20,800 in maintenance and repair costs
 - Replacement Score: 32

Because the District typically surpluses vehicles and equipment in the spring, these trucks will remain in the yard as backup vehicles until that time.

ANALYSIS

After thorough analysis of maintenance records on the 3 work trucks, it is not fiscally responsible of the district to keep them in full time operation for the road’s division. The General Services Division and the Roads Division utilized the Sourcewell Program to obtain best pricing for the district to purchase replacement work trucks.

FISCAL IMPACT

The FY 21/22 budget for the Roads Fund allocates \$270,000 for snow plows in its capital outlay budget, but will need to be amended to \$300,000 to cover associated taxes and fees. The capital expenditure will be offset by \$300,000 in loan proceeds. The future annual estimated impact to the Roads Fund will be an annual debt service payment of \$47,429 over the course of seven years beginning in FY 22/23.

STAFF REPORT

AGENDA ITEM #10C
Work/Plow Trucks

RECOMMENDED MOTION

“I move the Board of Directors AUTHORIZE the General Manager to amend the Roads Fund FY 21/22 Snow Plow Capital Outlay budget line item to \$300,000 and proceed with the purchase of (3) work trucks with financing through CSDA with a loan of \$300,000 and an estimated 2.60% interest rate over 7 years with an estimated annual debt service payment of \$47,429.”

Attachments: Work Truck Loan Amortization Schedule



CSDA Finance Corporation



1112 I Street, Suite 200
Sacramento, CA 95814
t: 916.442.7887 f: 916.442.7889
www.csdafinance.net

PREPARED BY CSDA FINANCE CORPORATION

DATE: July 16, 2021

PROPOSED INSTALLMENT PURCHASE FOR: Bear Valley Community Services District

RE: Snow Plows

NOTE: TERMS ARE BASED UPON LEASE BEING BANK QUALIFIED

Purchase Option amount is exclusive of the rental payment due on same date.

Interest rate quote is valid for an acceptance within 30 days and lease funding within 60 days.

Payments: Annually in arrears	Financing Amount \$300,000	Interest Rate 2.60%	Term 7 Years
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PMT #	Due Date	Installment Payment	To Principal	To Interest	Prepayment Option
1		\$47,428.63	\$39,628.63	7,800.00	
2		47,428.63	40,658.97	6,769.66	
3		47,428.63	41,716.11	5,712.52	
4		47,428.63	42,800.73	4,627.90	136,547.52
5		47,428.63	43,913.55	3,515.08	92,194.83
6		47,428.63	45,055.30	2,373.33	46,688.98
7		47,428.63	46,226.71	1,201.92	0.00

TOTALS:	<u>\$332,000.41</u>	<u>\$300,000.00</u>	<u>\$32,000.41</u>
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Approved and agreed to: Bear Valley Community Services District

By: _____

Date: _____

Title: _____

STAFF REPORT

AGENDA ITEM #10D
Purchase Skip Loader



MEETING DATE: July 29, 2021
PREPARED BY: Dawn Smith
Public Works Administrative Specialist
AGENDA TITLE: APPROVE Purchase of Public Works Skip Loader

RECOMMENDATION

The Board of Directors approve the purchase of one John Deere, Skip Loader, Model 210L for the total price of \$55,223.74 and authorize the General Manager to sign any necessary documents to complete the transaction

BACKGROUND

Currently all departments utilize one loader, which was purchased for the Solid Waste Division in 2006. The District would like to purchase a skip loader to be used by Roads, General Services, and Water Divisions for system maintenance and repairs. This additional skip loader will be extremely beneficial for Roads and Water to maintain easement roads and other projects in the valley.

ANALYSIS

Ahern Rentals has provided a price of \$55,223.74 for the purchase of a slightly used 2016 model, which decreases the longevity of the equipment by only a year or two versus purchasing a brand new model for approximately \$108,000.00

FISCAL IMPACT

Fiscal Year 2020/2021 Budget has \$60,000.00 for the purchase of a skip loader.

REQUESTED MOTION

“I move the Board of Directors APPROVE the purchase of one John Deere, Skip Loader, Model 210L for the total price of \$55,223.74 and authorize the General Manager to sign any necessary documents to complete the transaction.”



Date: 7/12/21

Time: 8:23

Ahern Rentals

To: AP CUSTOMER CONTACT

Company: BEAR VALLEY COMMUNITY SVCS DIS

Message: _____

From: CAROLE MOYEDA

Location: AHERN BAKERSFIELD

Phone: 661-833-2000

Fax #: 661-833-2006

GENERAL TERMS AND CONDITIONS OF SALE

1. Definitions. (a) "Contract" means the Equipment Sale Invoice ("Order"), and these Terms and Conditions; (b) "ARI" means Ahern Rentals, Inc., a Nevada corporation; (c) "Goods" means the Goods purchased by Purchaser as described in the Order; (d) "Order" means the order for the purchase of Goods placed by Purchaser; (e) "Purchaser" means the person, firm or company placing the Order; (f) "Purchase Price" means the total price for the purchase of the Goods as specified in the Order; and (g) "Terms and Conditions" means the General Terms and Conditions of Sale binding on the parties, and are set forth in the following numbered paragraphs.

2. Acceptance. ARI's acceptance of the Order is expressly made conditional on Purchaser's acceptance of the Terms and Conditions, which are in lieu of any additional or different terms contained in Purchaser's Order or other document or communication pertaining to Purchaser's order of the Goods. Purchaser's assent to the Terms and Conditions herein shall be conclusively presumed from Purchaser's acceptance of all or any part of the Goods, or from payment by Purchaser for all or any part of the Goods, whichever occurs first. None of these Terms and Conditions may be added to, modified, superseded, or otherwise altered, nor shall any other terms or conditions proposed by Purchaser, which are different from or in addition to the Terms and Conditions, shall bind ARI, and shall be of no effect, unless expressly agreed to a signed writing by ARI. Failure of ARI to object to any other terms or conditions which may be contained in any document or form of Purchaser shall not be construed as a waiver of these Terms and Conditions, nor as an acceptance of any such terms and conditions.

3. Purchase Price/Payment. Purchaser shall be responsible for the Purchase Price along with freight, insurance, impounds, tariffs, duties, and sales, use, excise, or any other taxes or assessments levied by an federal, state, municipal, or other governmental authority. Purchaser shall pay ARI the Purchase Price, in United States currency, in accordance with the terms described in the Order. Unless otherwise agreed to by ARI, full payment of the Purchase Price, along with any applicable taxes, impounds, tariffs, or duties, shall be paid to ARI, by wire transfer or in immediately available funds, within ten (10) calendar days following the date of the Order.

4. Inspection/Acceptance of Goods. Purchaser shall have the responsibility for inspecting the Goods for apparent loss or damage immediately upon arrival at the delivery point. Purchaser shall be deemed to have accepted the Goods if, within three (3) business days following delivery of the Goods, Purchaser fails to notify ARI, in writing, of any non-conformity with the specifications of the Order.

5. Delivery of Goods.

5.1 Shipment Terms. Except as otherwise provided in the Order, shipments of Goods shall be at Purchaser's expense and F.O.B. ARI's manufacturing or warehouse facilities. Title and risk of loss or damage shall pass from ARI to Purchaser upon ARI's delivery of Goods to the carrier specified by ARI. ARI shall not be responsible for any expense related to the loading of Goods onto carrier's conveyance or delay of shipment thereafter.

5.2 Portion of Goods Available. If only a portion of Goods is available for shipment, ARI shall notify Purchaser and ship the available Goods, unless otherwise agreed to by the Parties. Notwithstanding anything to the contrary herein, ARI's shipment of the available Goods shall not constitute a breach, default, or otherwise entitle Purchaser to claim any remedy against ARI, provided that ARI delivers the remainder of the Goods to Purchaser within a reasonable time thereafter.

5.3 Cost and Expenses. ARI shall not be responsible for any cost or expense associated with shipment of Goods, which shall include but is not limited to: transportation charges, freight, duties, taxes, or any other charge associated with early shipment or the return of over shipments by Purchaser.

6. Warranty. FOR NEW GOODS, ARI'S SOLE RESPONSIBILITY WITH RESPECT TO NEW GOODS SHALL BE TO PASS THROUGH TO CUSTOMER THE WARRANTY GRANTED BY THE ORIGINAL MANUFACTURER OF SUCH GOODS. THE FOREGOING CONSTITUTE CUSTOMER'S SOLE AND EXCLUSIVE WARRANTY AS TO NEW GOODS AND IS IN LIEU OF ANY OTHER WARRANTY. ARI MAKES NO OTHER EXPRESS OR IMPLIED WARRANTIES AS TO THE GOODS, AND HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED BY OPERATION OF LAW, COURSE OF DEALING, USAGE OR TRADE OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. FOR USED GOODS, ARI WARRANTS THAT ANY USED GOODS WILL FUNCTION IN ACCORDANCE WITH THE APPLICABLE MANUFACTURER'S SPECIFICATIONS FOR THE 30-DAY PERIOD IMMEDIATELY FOLLOWING DELIVERY. THE FOREGOING CONSTITUTE CUSTOMER'S SOLE AND EXCLUSIVE WARRANTY AS TO USED GOODS AND IS IN LIEU OF ANY OTHER WARRANTY. ARI MAKES NO OTHER EXPRESS OR IMPLIED WARRANTIES AS TO THE USED GOODS, AND HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED BY OPERATION OF LAW, COURSE OF DEALING, USAGE OF TRADE OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

7. Compliance with Laws. Each party shall, at all times, comply with all laws, rules and regulations applicable to their obligations under this Order. Each party shall furnish any information required to enable the other to comply, or otherwise confirm compliance, with such laws, rules and regulations, or with the provisions of this Order.

8. Default. If Purchaser fails to perform or breaches any non-monetary performance obligation, ARI may terminate, in part or whole, any part of this Order, unless Purchaser resolves the breach within five (5) calendar days after receipt of

ARI's notification of Purchaser's breach. In the event Purchaser fails to pay any amount as and when stated herein, the balance of the Purchase Price shall immediately become due and owing and shall accrue interest thereon and the rate of eighteen percent (18%) per annum. In the event that ARI terminates this Order in whole or in part as provided herein, Purchaser shall reimburse ARI upon demand for all actual damages suffered as result of such breach, including, but not limited to, attorney's fees and costs. The rights and remedies granted to ARI pursuant to this Order are in addition to, and shall not limit or affect, any other rights or remedies available at law or in equity.

9. Assignment. Purchaser may not assign this Order without the express written consent of ARI, provided, however, that ARI may assign this Order to its successors, as well as any entity or corporation now or hereafter owned or affiliated with ARI.

10. Indemnity. To the maximum extent allowed by law, Purchaser shall defend, hold harmless, and indemnify ARI, its officer, directors, employees and agents, affiliates and subsidiaries, against all sums, costs, liabilities, losses, obligations, suits, actions, damages, penalties, fines, interest and other expenses (including investigation expenses and attorneys' fees) that ARI may incur or be obligated to pay as a result of (i) Purchaser's acts or omissions, use, ownership, maintenance, transfer, transportation or disposal of the Goods, or anyone for whom Purchaser is responsible; (ii) if manufactured to Purchaser's specifications, any infringement or alleged infringement of the industrial and intellectual property rights of others arising from Purchaser's plans, specifications (including Purchaser's trademarks and brand names) or production of the Goods ordered by Purchaser; or (iii) Purchaser's violation or alleged violation of any federal, state, county or local laws or regulation, including without limitation, the laws and regulations governing product safety and labor practices.

11. Governing Law. This Contract shall be construed and enforced in accordance with the laws of Nevada, excluding its conflicts of laws provisions. The parties agree that any action related to this Contract or subject matter thereof shall be brought and maintained only in the State and/or Federal Courts located in Clark County, Nevada. The parties consent to the jurisdiction and venue of such courts and waive any right to object to such jurisdiction and venue.

12. Insurance. Purchaser shall maintain, at its expense, a comprehensive general liability insurance policy covering claims of bodily injury, including dealing with property damage that may arise out of use of the Goods or acts or omission of Purchaser under this Order. Such policy or policies shall provide a coverage minimum of \$2,000,000 USD per occurrence. Upon written request by ARI, Purchaser shall promptly supply ARI with certificates of insurance of such policies naming ARI as an additional insured.

13. Intellectual Property. The ARI name and logo, and all related product and service names, design marks and slogans are the trademarks of ARI. All intellectual property rights are expressly reserved herein, and Purchaser shall not in any manner whatsoever infringe on any copyright, trademark, service mark, trade secrets, logo, patent, or other intellectual property rights of ARI without the prior written consent of ARI.

14. Limitations of Liability. THE REMEDIES OF PURCHASER SET FORTH HEREIN ARE EXCLUSIVE, AND THE TOTAL LIABILITY OF ARI WITH RESPECT TO THIS CONTRACT OR THE GOODS FURNISHED HEREUNDER, WHETHER BASED ON CONTRACT, WARRANTY, NEGLIGENCE, INDEMNITY, STRICT LIABILITY OR OTHERWISE, SHALL NOT EXCEED THE PURCHASE PRICE OF THE GOODS UPON WHICH SUCH LIABILITY IS BASED. ARI SHALL IN NO EVENT BE LIABLE TO PURCHASER, ANY SUCCESSORS IN INTEREST OR ANY BENEFICIARY OR ASSIGNEE OF THIS CONTRACT FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL OR PUNITIVE DAMAGES ARISING OUT OF THIS CONTRACT OR ANY BREACH THEREOF, OR ANY DEFECT IN, OR FAILURE OF, OR MALFUNCTION OF THE GOODS HEREUNDER, WHETHER BASED UPON LOSS OF USE, LOST PROFITS OR REVENUE, INTEREST, LOST GOODWILL, WORK STOPPAGE, IMPAIRMENT OF OTHER GOODS, LOSS BY REASON OF SHUTDOWN OR NON-OPERATION, INCREASED EXPENSES OF OPERATION, COST OF PURCHASE OF REPLACEMENT POWER OR CLAIMS OF PURCHASER OR CUSTOMERS OF PURCHASER FOR SERVICE INTERRUPTION, WHETHER OR NOT SUCH LOSS OR DAMAGE IS BASED ON CONTRACT, WARRANTY, NEGLIGENCE, INDEMNITY, STRICT LIABILITY OR OTHERWISE.

15. Miscellaneous. Any waiver, or purported or implied waiver, by ARI of the Contract shall not be deemed to be a waiver unless it is in a writing signed by an authorized officer of ARI. Any such waiver shall not prejudice the rights of ARI in respect of any breach of Purchaser which is not specifically set forth in such waiver. The invalidity, illegality or unenforceability of any provision of the Contract shall not affect the validity, legality, or enforceability of any other provision of the Contract, which shall remain in full force and effect. If applicable, the Terms and Conditions of this Contract are incorporated by reference into Purchaser's Credit Application, and are made a part of the Credit Application as if fully set forth therein, irrespective of whether Purchaser executes this Contract. The Contract contains the entire understanding between ARI and Purchaser and supersedes all prior understandings and agreements in respect of the subject matter stated herein. The Contract may not be modified or amended unless agreed to in a writing signed by the parties. ARI shall not liable for any failure or delay on its part in performing its obligations under the Contract if such failure or delay is due to "Force Majeure" conditions in whole or in part, including, but not limited to, strikes, governmental restrictions and controls, wars, riots, fire, floods, earthquakes, and other acts of God. The Contract shall not create and is not intended to create any relationship between the parties other than supplier and purchaser. Any notice required or permitted to be given hereunder shall be in writing and delivered to the addresses set forth in the Order. This Contract is hereby incorporated into Purchaser's Credit Application by reference, as if fully set forth herein, irrespective of whether Purchaser executes Contract.

STAFF REPORT

AGENDA ITEM #10E
Well #10 Rehabilitation



MEETING DATE: July 17, 2021

PREPARED BY: Will Parks, Water Supervisor

AGENDA TITLE: AUTHORIZE the General Manager to Execute a Contract with Pacific Irrigation, Inc. in the amount of \$41,779.45 for Rehabilitation of Lake Well #10

RECOMMENDATION

The Board of Directors to authorize the General Manager to execute a contract with Pacific Irrigation, Inc. in the amount of \$41,779.45, to pull and rehabilitate Lake Well 10 using the Recreation and Parks fund.

BACKGROUND

Well #10 was drilled in 1997 with an expected flow rate of 100 gallons per minute (gpm). By year 2000 the well was only pumping about 50 gallons per minute and has continued with that average since, with spikes up to 100 gpm after wetter winters. Staff has solicited quotes for the rehabilitation of the well, including removing all equipment, videoing the casing for assessment, rehabbing the well, flow testing water production, and installing all new equipment, and recommends the lowest responsible bidder, Pacific Irrigation, Inc.

ANALYSIS

Pacific Irrigation, Inc. has provided a quote for the rehabilitation of lake well #10 at a price of \$41,779.45.

FISCAL IMPACT

All costs will be covered through the Recreation and Parks fund through the BVSA, pursuant to the Lease Amendment #7, that provides for up to \$75,000 per year for well rehabilitation.

RECOMMENDED MOTION

“I move the Board of Directors AUTHORIZE the General Manager to Execute a Contract with Pacific Irrigation, Inc. in the amount of \$41,779.45 for Rehabilitation of Lake Well #10.”

Attachment: Pacific Irrigation quote

STAFF REPORT

AGENDA ITEM #10F
Board Member Training



MEETING DATE: July 29, 2021

PREPARED BY: Kristy McEwen
Secretary of the Board of Directors

AGENDA TITLE: APPROVE Board Member Training through California Special Districts Association (CSDA) or Special District Leadership Academy (SDLA)

RECOMMENDATION

The Board of Directors consider Board Member Training through California Special Districts Association (CSDA) or Special District Leadership Academy (SDLA) and approve necessary expenditures as needed to obtain the District of Distinction Accreditation.

BACKGROUND

The Special District Leadership Foundation (SDLF) is an independent, non-profit organization formed to promote and recognize good governance and best practices among California's special districts through certification, accreditation and other recognition programs.

SDLF is sponsored by California Special Districts Association (CSDA) and Special District Risk Management Authority (SDRMA). Bear Valley Community Services District is a member of both of these organizations.

On September 12, 2019 the Board of Directors approved a recommendation from the Administration Committee to approve and support staff efforts to obtain the following Special District Leadership Foundation accreditations: Special District Administrator Certification; District of Distinction Accreditation and District Transparency Certificate of Excellence

ANALYSIS

Since this approval, District staff has been working toward achieving these goals. On May 1, 2020 the District was awarded the District Transparency Certificate of Excellence, on June 27, 2021, General Manager Bill Malinen earned the Special District Administrator Certification, and we are well on our way to achieving the District of Distinction Accreditation.

However, obtaining this final accreditation to fulfill the direction given by the Board, requires all five Board members to complete at least 6 hours of basic governance training. This training can be obtained in one of three different ways:

- Attend a special session of the 2021 CSDA Annual Conference (8/30 – 9/1)
- Attend the 2021 Special District Leadership Academy (SDLA) (9/26 – 9/29)
- Attend the SDLA Virtual Academy (TBA, 2022)

Upon Board approval, Directors should contact the Secretary of the Board for registration.

FISCAL IMPACT

Costs are dependent on type of training selected. The Adopted Budget for FY 2021/22 has allocated \$5,000 for Board training and an additional \$4,000 for CSDA conference attendance.

STAFF REPORT

AGENDA ITEM #10F
Board Member Training

In addition, achieving the District of Distinction Accreditation will make us eligible for Credit Incentive Points offered by SDRMA toward our annual Worker's Compensation and Liability coverage, which will reduce District insurance costs by \$4,300 per year.

RECOMMENDED MOTION

"I move that the Board of Directors APPROVE Board Member Training – Basic Governance Training through the California Special Districts Association or Special District Leadership Academy as needed to obtain the District of Distinction Accreditation."

Attachments:

CSDA/SDLF/SDLA Printouts

SDRMA Credit Incentive Program

SDLF District of Distinction Application

Board of Directors Travel & Training Reimbursement Policy

**ATTENDEE
BROCHURE**

**LEARN & NETWORK WITH
DISTRICT PEERS**

IN ONE PLACE!



**YOU ARE A...
SPECIAL DISTRICT
HERO**



**2021 CSDA ANNUAL CONFERENCE
& EXHIBITOR SHOWCASE
AUGUST 30-SEPTEMBER 2 MONTEREY, CA**



ATTENDEE BROCHURE

SPECIAL DISTRICT POWERS **ACTIVATE**

In 2020 and 2021, special district staff and elected officials were called on to be the HEROES of their communities by providing essential services to Californians through difficult times.

Come together with other special district heroes for a three day, must-attend education and networking event. Develop new partnerships. Participate in inspiring and motivating keynote sessions. Walk away with strategies, new connections, and innovative ideas to help you and your district in good times and challenging times.

TWO DYNAMIC KEYNOTES



Kevin Brown

Jason Hewlett



**THE CSDA ANNUAL
CONFERENCE & EXHIBITOR
SHOWCASE IS THE ONE
CONFERENCE SPECIAL
DISTRICT LEADERS CAN'T
AFFORD TO MISS!**



Breakout Session Information

Choose from over 35 breakout sessions for your needs and the needs of your district. Topics include: pensions, ethics, harassment prevention, prevailing wage, Brown Act, community outreach and engagement, governance, legislative and legal updates and much, much more!

Check the conference website for full breakout session details.



CSDA will follow all state and local COVID-19 guidelines at the 2021 Annual Conference and Exhibitor Showcase. These may include masking and social distancing at the following locations:

- Monterey Conference Center
- Monterey Marriott
- The Portola Hotel & Spa



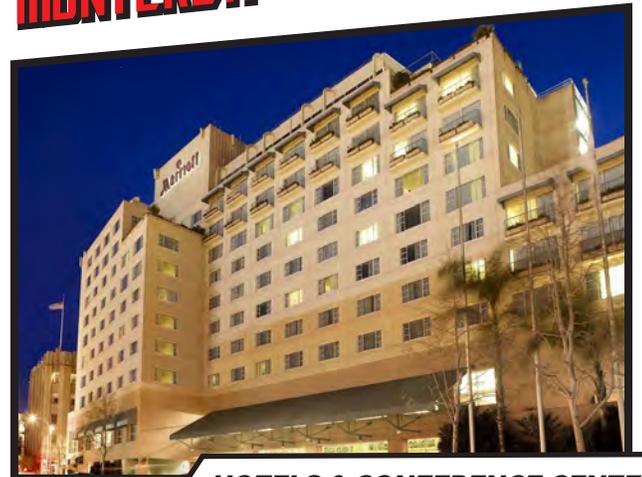
Room reservations for the CSDA Annual Conference and Exhibitor Showcase begin at \$214 plus tax and are based on availability. In order to book a hotel room, you must first register for the conference to obtain a CSDA room reservation link.

35

breakout sessions



THIS YEAR'S CONFERENCE WILL BE HELD IN AMAZING MONTEREY!



HOTELS & CONFERENCE CENTER



Monterey Marriott
350 Calle Principal
Monterey, CA 93940

Portola Hotel & Spa
2 Portola Plaza
Monterey, CA 93940

Conference Center
1 Portola Plaza
Monterey, CA 93940

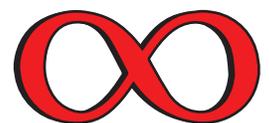


Credit Incentive Points

Special District Risk Management Authority (SDRMA) is committed to establishing a strategic partnership with our members to provide maximum protection, help control losses, and positively impact the overall cost of property/liability and workers' compensation coverage through the Credit Incentive Program. Credit incentive points (CIPs) can be earned based on an agency's attendance at the CSDA Annual Conference & Exhibitor Showcase, reducing SDRMA members' annual contribution amounts.

07

pre-conference events



amount of fun



Kevin Brown

OPENING KEYNOTE

Tuesday, August 31

“The Hero Effect – Being your best when it matters the most!”

In a fresh and entertaining style, Kevin shares ideas, strategies and principles that will inspire and equip participants to show up every day and make a positive difference. At the heart of Kevin’s message is a simple, yet powerful philosophy for life that drives every thought, every action and ultimately every result we achieve both personally and professionally. Your team will be motivated to reach beyond what is required and do something remarkable!

This program is designed to help participants:

- Achieve greater results by eliminating “ordinary” thinking and mastering the habit of excellence.
- Own the moments that matter (and they all matter) by taking responsibility for their attitude, their actions and their results.
- Create meaningful relationships and deliver an extraordinary experience for every “customer” at work and at home.



Jason Hewlett

SDRMA SPONSORED KEYNOTE

Wednesday, September 1

“The Promise – Becoming Legendary Leaders.”

With humor, heart, and absolute clarity, Jason hilariously brings legends of stage, music, and comedy to life to help leaders discover their very own signature moves and redefine their promise and commitment to their teams and organizations.

In 2021 our world is different, but foundational values remain the same: To deliver on our promises, to be accountable to expectations and exceed them, and to always give 100% in every interaction. In Jason’s entertaining and educational presentation, utilizing the legends of stage for establishing what a promise looks like from a performance level, participants will be enlightened, energized, and entertained in a keynote unlike any other. Music, comedy, stories, and powerful insights will leave attendees talking about the promise in their own lives, business, and how everyone can up their game in 2021.

YOU ARE A...
SPECIAL DISTRICT
HERO



PRE-CONFERENCE PROGRAM EVENTS TO HELP YOU POWER UP!



PRE-CONFERENCE PROGRAM EVENTS

MONDAY, AUGUST 30, 2021

9:00 a.m. – 3:30 p.m.

[Pre-Conference Workshops]

Special District Leadership Academy Module 1: Governance Foundations* -

As the core curriculum of CSDA's Special District Leadership Academy, this workshop serves as the "foundation" for the series on effective governance of special districts. It is specifically designed for special district board members and meets the requirement for six hours of governance training for Special District Leadership Foundation programs.

So, You Want to Be a General Manager? *

This is a practical career development workshop for senior executives and emerging leaders in special districts. This action-oriented workshop includes group and panel discussions on the journey, roles, and skill sets of a general manager; identifying general manager opportunities; developing positive relations with the board, staff, and peer agency executives; and leadership best practices.

10:00 a.m.

SDLF Scramble for Scholarships Golf Tournament*

Pacific Grove Golf Links

12:30 – 3:30 p.m.

[Pre-Conference Workshop]

The Board and General Manager Working Together to Optimize the District – a 5-Step Program for Assuring Optimal Performance*

Optimizing district performance is always a goal. The five systematic steps that will be presented in detail are:

- a frank assessment of district position, status and outlook
- a realistic look at communications between the board and general manager
- an honest appraisal of the third rails of your organizational model
- policies that support best practices
- clearly setting the organizational vector

The instructor will use in-class exercises and assessment tools for each step for assessment purposes. Come prepared to have open dialogue about how to get and keep your district performing at the highest levels.

1:30 – 3:30 p.m.

Certified Special District Manager (CSDM) Exam, Special District Leadership Foundation (Optional)

3:45 – 5:15 p.m.

Chapter Roundtable Discussion (Optional, no fee,
must be attending annual conference)

*Separate registration and payment required. Space is limited and on a first-come, first-served basis.



5:15 - 7:30 P.M. [MONDAY]

CONFERENCE OFFICIALLY

BEGINS



President's
Reception with
the Exhibitors

ALL REGISTERED ATTENDEES WELCOME

NEW CONFERENCE CENTER



GENERAL CONFERENCE SCHEDULE - CHECK CSDA.NET FOR DETAILED SCHEDULE

MONDAY, AUGUST 30, 2021

9:00 a.m. - 3:30 p.m.

Pre-Conference Workshop: **SDLA Module 1: Governance Foundations***

Pre-Conference Workshop: **So, You Want to Be a General Manager?***

10:00 a.m.

SDLF Scramble for Scholarships Golf Tournament*

12:30 - 3:30 p.m.

Pre-Conference Workshop: **The Board and GM Working Together to Optimize the District***

1:30 - 3:30 p.m.

Certified Special District Manager (CSDM) Exam, Special District Leadership Foundation*

3:45 - 5:15 p.m.

Chapter Roundtable Discussion

5:15 - 7:30 p.m.

**Conference Begins!
President's Reception with the Exhibitors**

TUESDAY, AUGUST 31, 2021

7:30 - 8:30 a.m.

Continental Breakfast with the Exhibitors

8:45 - 10:45 a.m.

Opening General Session: Kevin Brown

11:00 a.m. - 12:00 p.m.

Breakout Sessions

12:15 - 1:30 p.m.

Lunch with the Exhibitors

1:45 - 3:00 p.m.

Breakout Sessions

TUESDAY CONT...

3:45 - 4:45 p.m.

Breakout Sessions

5:00 - 6:30 p.m.

Mix & Mingle in the Exhibit Hall

WEDNESDAY, SEPTEMBER 1, 2021

8:00 - 10:30 a.m.

SDRMA Full Plated Breakfast and Keynote Speaker: Jason Hewlett

10:45 a.m. - 12:00 p.m.

Breakout Sessions

12:15 - 1:45 p.m.

Legislative Update Luncheon

2:00 - 3:15 p.m.

Breakout Sessions

3:30 - 5:00 p.m.

Breakout Sessions

6:00 - 9:00 p.m.

SDLF Taste of the City

THURSDAY, SEPTEMBER 2, 2021

8:00 - 10:00 a.m.

CSDA Closing Breakfast

* = optional, advanced registration, additional fee



2021 CSDA ANNUAL CONFERENCE ATTENDEE REGISTRATION FORM

one form per attendee, please print

**PLEASE PRINT & INCLUDE
FORM WITH PAYMENT.**

Three Ways to Register:

1. REGISTER ONLINE by visiting the CSDA Annual Conference website at conference.csdanet.net.
2. REGISTER BY FAX your registration form to 916-520-2465.
All faxed forms must include payment.
3. REGISTER BY MAIL to CSDA, 1112 I Street, Suite 200, Sacramento, CA 95814.
Check made payable to: California Special Districts Association.

Not sure if you are a member?

Not sure if you are a member? Contact the CSDA office at 877-924-2732 to find out if your agency or company is already a member. To learn more about the benefits of membership, contact Member Services Director Cassandra Strawn at cassandras@csda.net or call toll-free 877-924-2732.

Full conference registration fee includes:

- » President's Reception with the Exhibitors Monday
- » Keynote Sessions
- » Continental Breakfast with the Exhibitors on Tuesday morning
- » Lunch with the Exhibitors on Tuesday
- » Mix and Mingle in the Exhibit Hall on Tuesday
- » SDRMA Full Plated Breakfast on Wednesday
- » Legislative Update Luncheon on Wednesday
- » All Breakout Sessions on Tuesday and Wednesday
- » Taste of the City Reception on Wednesday
- » Closing Breakfast on Thursday

Full conference GUEST registration includes all meal functions.

Name:		Title:		
District:				
Address:				
City:		State:	Zip:	
Phone:		Fax:		
Email:		Website:		
Member status: <input type="checkbox"/> Member <input type="checkbox"/> Non-member				
Special Needs (include dietary):				
Emergency Contact:				
Would you prefer to opt out of exhibitor or sponsor emails? <input type="checkbox"/> Yes <input type="checkbox"/> No				
CONFERENCE REGISTRATION FEES		EARLY BIRD (ON/BEFORE JULY 30, 2021)	REGULAR (AFTER JULY 30, 2021)	SUBTOTAL
<input type="checkbox"/> CSDA Member - Full Conference		\$625.00	\$675.00	
<input type="checkbox"/> Non-member - Full Conference		\$940.00	\$1015.00	
<input type="checkbox"/> Guest of a Member - Full Conference (Cannot be from a district/co.) <input type="checkbox"/> Vegetarian		\$300.00	\$325.00	
<input type="checkbox"/> Guest of a Non-member - Full Conference (Cannot be from a district/co.) <input type="checkbox"/> Vegetarian		\$450.00	\$485.00	
<input type="checkbox"/> CSDA Member - One-day registration <input type="checkbox"/> Tues. <input type="checkbox"/> Wed. <input type="checkbox"/> Thurs.		\$350.00 each day	\$375.00 each day	
<input type="checkbox"/> Non-member - One-day registration <input type="checkbox"/> Tues. <input type="checkbox"/> Wed. <input type="checkbox"/> Thurs.		\$510.00 each day	\$565.00 each day	
SEPARATE REGISTRATION FEES		CSDA MEMBER	NON-MEMBER	SUBTOTAL
<input type="checkbox"/> Pre-Conference Workshop: SDLA Module 1: Governance Foundations - Aug. 30		\$225.00	\$340.00	
<input type="checkbox"/> Pre-Conference Workshop: So You Want to be a General Manager? - Aug. 30		\$100.00	\$100.00	
<input type="checkbox"/> Pre-Conference Workshop: The Board and GM Working Together... - Aug. 30		\$150.00	\$225.00	
<input type="checkbox"/> SDLF Scramble for Scholarships Golf Tournament - Aug. 30		\$105.00 (includes lunch)		
<input type="checkbox"/> Taste of the City Reception (Guests only) - Aug. 30		\$ 65.00 CSDA Member Guest	\$ 98.00 Non-member Guest	
TOTAL				
Payment type: <input type="checkbox"/> Check <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> AMEX <input type="checkbox"/> Discover				
Account name:		Account Number:		
Expiration date:		Authorized Signature:		

Cancellations/Substitution Policy: Cancellations must be in writing and received by CSDA no later than Friday, August 13, 2021. All cancellations received by this date will be refunded less a \$75 processing fee. There will be no refunds for cancellations made after August 13, 2021. Substitutions are acceptable and must be done in writing no later than August 20, 2021 at 5:00 p.m. Please submit any cancellation notice or substitution request to meganh@csda.net or fax to 916-520-2465.

Consent to Use Photographic Images: Registration and attendance at, or participation in, CSDA meeting and other activities constitutes an agreement by the registrant to CSDA's use and distribution (both now and in the future) of the registrant or attendee's image or voice in photographs, videotapes, electronic reproductions, and audiotapes of such events and activities.

Anti-Discrimination and Harassment Policy: CSDA is dedicated to a harassment-free event experience for everyone. Our Anti-Discrimination and Harassment Policy can be found under "CSDA Transparency" at www.csdanet.net/about-csda/who-we-are.



California Special Districts Association
1112 I Street, Suite 200
Sacramento, CA 95814

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ATTENDEE BROCHURE



*GOING TO CONFERENCE
IS ALWAYS AN EXCELLENT
OPPORTUNITY TO NETWORK,
MEET NEW PEOPLE, AND LEARN
MORE ABOUT SO MANY TOPICS.
I NEVER COME WITHOUT
LEARNING SOMETHING NEW
TO BENEFIT MY BOARD OR MY
COMMUNITY.*

- CRYSTAL SMITH, DIRECTOR
EDGEMONT COMMUNITY SERVICES DISTRICT

**2021 CSDA ANNUAL CONFERENCE
& EXHIBITOR SHOWCASE**

AUGUST 30-SEPTEMBER 2 MONTEREY, CA



ACHIEVING DISTRICT GOALS... TOGETHER.

Two Options – Attend the Conference or sign up for virtual modules

CONFERENCE: September 26 – 29, 2021 – South Lake Tahoe - First Time and Returning Attendee Tracks!



CSDA's 2021
**Special District
Leadership Academy** Conference

A Comprehensive Governance Leadership Conference for Elected and Appointed Directors/Trustees





BOARD & STAFF LEARN TO WORK AS A TEAM.

Participate in the **Special District Leadership Academy Conference** and complete all four modules of the Academy in two and a half days.

This conference content is based on groundbreaking, curriculum-based continuing education in CSDA's Special District Leadership Academy (SDLA), recognizing the necessity for the board and general manager to work closely toward a common goal. SDLA provides the knowledge base to perform essential governance responsibilities and is designed for both new and experienced special district board members.

Local boards are the mechanism by which local control remains local. Special districts, and by extension special district boards, are the voices of the community.

The truth is that every elected or appointed public official needs to be guided by knowledge of governance; governance is what boards do. It's what they bring to the table.

Two options for your convenience. **Conference or virtual!**


Early bird discount!



SDLA Conference is presented by CSDA and co-sponsored by SDRMA.

 Printed on recycled paper.



first timer

FIRST-TIME ATTENDEE

Attend for the first-time and complete all four modules of the Special District Leadership Academy:

- Governance Foundations
- Setting Direction / Community Leadership
- Board's Role in Human Resources
- Board's Role in Finance and Fiscal Accountability

return for more

RETURNING ATTENDEE

Already completed the Academy? Take a deep dive into common opportunities and challenges facing special districts. Returning attendee sessions include:

- They're Goin' Rogue: How to Deal With Disruptive Board Members
- What Your General Manager Wishes You Knew
- Communicating Successfully Across Communication Styles
- 2020 Legal and Legislative Update
- Special District Stories and Lessons Learned from the Trenches
- And more!



September 26–29, 2021
Lake Tahoe Resort Hotel
4130 Lake Tahoe Blvd.
South Lake Tahoe, CA 96150



EARLY BIRD DISCOUNT
The early bird discount requires registration on or before Friday, August 27, 2021.

HOTEL ROOM RESERVATIONS

Room reservations are available at the Lake Tahoe Resort Hotel at the rate of \$139 (king standard) or \$159 (two queen) plus tax by calling 530-544-5400 and asking for the CSDA rate or online at www.tahoeresorthotel.com, group code (under more options): CSDA. The room reservation cut-off is September 3, 2021; however, space is limited and may sell out before this date.

Cancellations must be in writing and received by CSDA no later than September 10, 2021 at 5:00 p.m.

All cancellations received by this date will be refunded less a \$75 cancellation fee. There will be no refunds for cancellations made after September 10, 2021.

Substitutions are acceptable and must be done in writing no later than September 17, 2021 at 5:00 p.m. Please submit any cancellation notice or substitution requests to meganh@csda.net or fax to 916-520-2465.



SDRMA Credit Incentive Points

Special District Risk Management Authority (SDRMA) is committed to establishing a strategic partnership with our members to provide maximum protection, help control losses, and positively impact the overall cost of property/liability and workers' compensation coverage through the Credit Incentive Program. Credit incentive points can be earned based on an agency's attendance at the Special District Leadership Academy Conference. Incentive points reduce SDRMA members' annual contribution amount.

Attend the Academy...Virtually!

Another great option for board members!

The cost to attend each module is:

- \$175 CSDA Member
- \$260 Non-member

Register for all four modules to complete the Special District Leadership Academy!

Module 1 - Governance Foundations

March 24 and 25, 2021 [1:00 – 4:00 p.m. each day]

Module 2 - Fulfilling Your Districts' Mission

April 12 and 13, 2021 [9:00 a.m. – 12:00 p.m. each day]

Module 3 - Board's Role in Finance and Fiscal Accountability

May 12 and 13, 2021 [9:00 a.m. – 12:00 p.m. each day]

Module 4 - Board's Role in Human Resources

May 26 and 27, 2021 [9:00 a.m. – 12:00 p.m. each day]





GOVERNANCE IS TAKING THE WISHES, NEEDS, AND DESIRES OF THE COMMUNITY AND TRANSFORMING THEM INTO POLICIES THAT GOVERN THE DISTRICT.

WORKING AS A TEAM: THE ROLES OF THE BOARD AND STAFF IN YOUR DISTRICT.

ATTRIBUTES AND CHARACTERISTICS OF HIGHLY EFFECTIVE BOARDS.

HOW CULTURE, NORMS, VALUES, AND OPERATING STYLES INFLUENCE THE DISTRICT.

SPECIFIC JOBS THAT THE BOARD MUST PERFORM.

HOW INDIVIDUAL VALUES, SKILLS, AND KNOWLEDGE HELP TO SHAPE HOW EFFECTIVE BOARDS OPERATE.

THE IMPORTANCE OF MOVING FROM "I" TO "WE" AS THE GOVERNANCE TEAM.

THE BOARD'S ROLE IN SETTING DIRECTION FOR THE DISTRICT.

THE BOARD'S ROLE IN FINANCE AND FISCAL ACCOUNTABILITY.

AND MUCH MORE!



FIRST-TIME ATTENDEE - SCHEDULE OF EVENTS



Sunday

5:30 – 7:00 p.m.

REGISTRATION AND NETWORKING RECEPTION

Take a moment to network with your peers from throughout the state at this informal networking reception. Reception includes light appetizers.

Monday

8:30 a.m. – 12:30 p.m. - *(Break from 10:00 - 10:30 a.m.)*

BUILDING A FOUNDATION FOR GOOD GOVERNANCE

David Aranda, CSDM

** This session covers Module 1 of the Special District Leadership Academy: Governance Foundations.*

In this informational session, the instructor will lay the groundwork for good governance in your district. Attendees will discover:

- Why good governance is so important to the overall well-being of the district
- The traits of effective board members
- What good governance means and how to effectively put it into practice
- How to move your board from "I" to "we," including how to become an effective team, establish team standards, and essential conditions for team building



“The training offered new insight and confirmed learned practices. The (bonus) byproduct of this training were the dedicated people I met, who, just like me, were there to learn more about becoming a better, more productive, effective member of their special district.”

– Nancy Mora, Board Member, Groveland Community Services District

MONDAY CONTINUED

12:30 – 1:30 p.m.

LUNCH PROVIDED (All Attendees)

1:45 – 4:30 p.m. - (Break from 3:00 - 3:30 p.m.)

FULFILLING YOUR DISTRICT'S MISSION: CHARTING THE COURSE

Brent Ives, BHI Management Consulting

**This session covers Module 2 of the Special District Leadership Academy: Setting Direction/Community Leadership.*

This session will highlight the importance of setting the direction for your district. Learn the critical components of direction setting for your district along with how to avoid planning pitfalls. Attendees will walk through the steps of establishing and fulfilling your district's mission, vision, values, strategic goals, and how to communicate those objectives to your constituents.

5:30 – 7:00 p.m.

SIP AND SAVOR EVENING RECEPTION



Sponsored by the Special District Risk Management Authority (SDRMA)
Join us for a lively evening of networking and refreshments.

Tuesday

8:30 a.m. – 12:00 p.m. - (Break from 10:00 - 10:30 a.m.)

DEFINING BOARD/STAFF ROLES AND RELATIONSHIPS

Liebert Cassidy Whitmore

**This session covers Module 4 of the Special District Leadership Academy: Board's Role in Human Resources.*

This conference session will teach participants how to determine the human resource (HR) health of their district and what areas to focus on as a board and individual governing official including:

- Identifying the board's role in human resources
- Recognizing HR red flags and positive indicators
- Developing and maintaining essential HR policies
- Covering confidentiality and legal liabilities
- Evaluating the general manager

12:00 – 1:00 p.m.

LUNCH PROVIDED (All Attendees)

TUESDAY CONTINUED

1:15 – 4:00 p.m. - (Break from 2:45 - 3:00 p.m.)

GET THE WORD OUT! BEST PRACTICES FOR COMMUNICATION AND OUTREACH

Martin Rauch, Rauch Communication Consultants, Inc.

**This session covers Module 2 of the Special District Leadership Academy: Setting Direction/Community Leadership.*

This session looks at common communication breakdowns and potential areas for improvement in public agency communications. It will discuss proper and effective communication methods to be aware of as a governing official including:

- Identifying audiences
- Responding to public input
- Media relations
- Legislative outreach and advocacy

OPEN EVENING

Wednesday

8:30 a.m. – 12:00 p.m. - (Break from 10:00 - 10:15 a.m.)

SHOW ME THE MONEY! WHAT DO BOARD MEMBERS NEED TO KNOW ABOUT DISTRICT FINANCES?

David Becker, CPA, James Marta & Company LLP
Certified Public Accountants

**This session covers Module 3 of the Special District Leadership Academy: Board's Role in Finance and Fiscal Accountability.*

This session will provide a review and insight of important financial concepts, reports, and policies specific to public agencies including special districts. Attendees will learn:

- How to ask the right questions
- How to link the finance process to the district mission and goals
- Budget process, budget assessment, and communicating budget information to the public
- How to develop and analyze capital improvement plans and reserve guidelines

12:00 p.m.

GRADUATION CERTIFICATE DISTRIBUTION

First-time attendees must attend all sessions in order to receive their certificate at the conclusion of the conference.



Check out these great new sessions for returning attendees!

RETURNING ATTENDEE - SCHEDULE OF EVENTS



Sunday

5:30 – 7:00 p.m.

REGISTRATION AND NETWORKING RECEPTION

Take a moment to network with your peers from throughout the state at this informal networking reception. Reception includes light appetizers.

Monday

8:30 – 10:00 a.m.

THEY'RE GOIN' ROGUE: HOW TO DEAL WITH DISRUPTIVE BOARD MEMBERS

Sean D. De Burgh, Cole Huber, LLP

Occasionally districts will encounter the rogue board member who disrupts meetings with inappropriate or irrelevant comments, micromanages staff, or disregards long-standing legal principles applicable to special districts. This session will address what can be done to rein in such behavior in a lawful way that assures minimal disruption to the district and effective board governance.

10:00 – 10:30 a.m.

BREAK (All Attendees)

10:30 a.m. – 12:30 p.m.

IS THERE A "RIGHT" AMOUNT OF PUBLIC ENGAGEMENT?

Davenport Institute, Pepperdine School of Public Policy

Sometimes districts can end up in a bit of a Goldilocks situation when it comes to engaging the public. Too little engagement leaves residents confused or suspicious. Too much engagement leads to burnout and frustration when it becomes one more demand

on busy schedules. This workshop draws on peer learning as well as the Davenport Institute's experience working with all shapes and sizes of local agencies (from big cities to tiny districts). Together, participants will develop a framework to help guide internal discussions about whether a particular issue requires reaching beyond the board meeting.

12:30 – 1:30 p.m.

LUNCH PROVIDED (All Attendees)

1:45 – 3:00 p.m.

OUTSIDE OVERSIGHT: THE POWERS AND FUNCTIONS OF CIVIL GRAND JURIES AND LAFcos

Gary B. Bell, Colantuono Highsmith & Whatley, PC

Every county has a civil grand jury and a local agency formation commission (LAFCo). Both of these agencies issue reports and analyses of special district operations that shape public perception and sometimes lead to a change of organization. Taught by an attorney with extensive experience with LAFcos and civil grand jury proceedings, this session will provide participants with an understanding of the powers and functions of civil grand juries and LAFcos — including their limitations — to prepare special district leaders to effectively interact with these agencies including what must be done, what may be done, and how to do it.

3:00 – 3:30 p.m.

BREAK (All Attendees)

3:30 – 4:30 p.m.

WHAT YOUR GM WISHES YOU KNEW

Panel Discussion with experienced General Managers

Communication is critical between a special district board and general manager. Join us for a lively panel discussion with experienced special district general managers to hear about best practices in their districts and ways you can better support your district general manager in their role and vice versa — so that you can both better fulfill the districts mission.

5:30 – 7:00 p.m.

SIP AND SAVOR EVENING RECEPTION



Sponsored by the Special District Risk Management Authority (SDRMA)
Join us for an entertaining evening of networking and refreshments.



“Once again the SDLA Conference was great...very well organized, informative and educational. This was my second conference, and I look forward to more in the future.”

– Diana Towne, Board Member, Rincon del Diablo Municipal Water District

● Tuesday

8:30 – 10:00 a.m.

COMMUNICATING SUCCESSFULLY ACROSS COMMUNICATION STYLES

CPS HR Consulting

Teams benefit from understanding, welcoming, and learning to work with a diversity of communication styles. First, we must each seek to understand and analyze our own communication style to best craft our communication with others. Secondly, to improve collaboration and build ideas and knowledge with others, we must also respect and gain insight into the communication styles of our colleagues and peers. This presentation will help you learn to recognize the various communication styles, leverage your own communication strengths, adjust your communication style when needed, and better understand team members with different communication styles from your own.

10:00 – 10:30 a.m.

BREAK (All Attendees)

10:30 a.m. – 12:00 p.m.

2021 LEGAL AND LEGISLATIVE UPDATE

Nicholaus Norvell, Best Best & Krieger, LLP

An update on new laws affecting special districts this year and what’s currently brewing in the California Legislature.

12:00 – 1:00 p.m.

LUNCH PROVIDED (All Attendees)

1:15 – 2:45 p.m.

BOARD MEMBER DO’S AND DON’TS: COMPENSATION AND CONFLICTS OF INTEREST

Meyers Nave

The California Government Code, through principle or special acts, generally provides special districts with the authority to compensate board members. Conflicts-of-interest laws were created with the principle that personal or private financial considerations of government officials should not in any way affect the decision-making process. This session addresses the numerous complex and continually evolving California laws board members and special district executives (general managers, chief executive officers, executive directors) must adhere to, along with guidance to help foresee potential conflicts of interest that could arise in the day-

to-day activities. Understand and learn the limits on board member compensation, health care, expense reimbursements, and other potential perks that special district leadership may be offered, including limits and when gifts and meals must be reported to the California Fair Political Practices Commission.

2:45 – 3:00 p.m.

BREAK (All Attendees)

3:00 – 4:00 p.m.

FRAUD DETECTION & PREVENTION FOR SPECIAL DISTRICTS

David Becker, CPA, James Marta & Company LLP, Certified Public Accountants

Financial fraud is a reality for many special districts and districts need to develop not only good internal control procedures, but also a culture that says “NO” to fraud and irregularities. This session covers how to assess risk in your organization and develop policies and procedures that will mitigate risk and help prevent fraud. We will also provide resources to help you start exploring your organization through this lens and assessing risk.

4:00 p.m.

CONFERENCE ENDS FOR RETURNING ATTENDEES

Whether you’re new to the board or someone who has served for many years, this conference provides essential tools and information to effectively govern your district!



BOARD MEMBERS AND TRUSTEES

SHOW YOUR COMMITMENT AND DEDICATION TO SERVING YOUR COMMUNITY.

SDLF



**SPECIAL DISTRICT
LEADERSHIP FOUNDATION**

The Certificate in Special District Governance was designed to acknowledge special district Board Members and Trustees who have taken extra steps to become better educated in core areas of governance.

Complete the Special District Leadership Academy + 10 additional professional development hours and receive this recognition.



DISTRICT OF DISTINCTION ACCREDITATION

TAKE YOUR DISTRICT TO THE NEXT LEVEL USING BEST PRACTICES.



The **District of Distinction Accreditation** highlights the prudent practices utilized to effectively administer and govern a special district.

In a time when proper fiscal management and responsibility in public agencies is paramount, it has become increasingly important to demonstration districts' sound fiscal management, transparency, and governance policies/practices in place today.



2021 Registration Form

Special District Leadership Academy Conference

(Use one form per registrant)

Three Ways to Register

- **Register online** by visiting the SDLA Conference website at sdla.csda.net.
- **Fax number:** 916-520-2465. All faxed registration forms must include credit card payment.
- **Mail:** CSDA, 1112 I Street, Suite 200, Sacramento, CA 95814. Please include registration form and payment. Checks should be made payable to: California Special Districts Association.

Not sure if you are a member?

Contact the CSDA office at 877-924-2732 to find out if your agency or company is already a member. To learn more about the many benefits of CSDA membership, contact Member Services Director Cassandra Strawn at cassandras@csda.net or call toll-free at the number listed above.



Name/Title:			
<input type="checkbox"/> First-time Attendee <input type="checkbox"/> Returning Attendee			
District:			
Address:			
City:	State:	Zip:	
Phone:	Fax:		
<input type="checkbox"/> Member <input type="checkbox"/> Non-member	Email:		
Emergency Contact - Name & Phone:			
OPTION 1: SDLA CONFERENCE - SEPTEMBER 26-29, 2021 - SOUTH LAKE TAHOE			
<input type="checkbox"/> Special District Leadership Academy	EARLY BIRD: AUG 27	<input type="checkbox"/> \$600 - CSDA Member <input type="checkbox"/> \$900 - Non-member	<input type="checkbox"/> \$650 - CSDA Member <input type="checkbox"/> \$975 - Non-member
SEND MORE - SAVE MORE! -- SPECIAL DISCOUNTED PRICING!			
ADDITIONAL ATTENDEE FROM THE SAME DISTRICT BEFORE EARLY BIRD DISCOUNT <input type="checkbox"/> \$400 - CSDA Member <input type="checkbox"/> \$600 - Non-member		ADDITIONAL ATTENDEE FROM THE SAME DISTRICT AFTER EARLY BIRD DISCOUNT <input type="checkbox"/> \$450 - CSDA Member <input type="checkbox"/> \$675 - Non-member	
VIRTUAL OPTION: SDLA MODULES 1-4			
Module 1: Governance Foundations	<input type="checkbox"/> \$175 - CSDA Member <input type="checkbox"/> \$260 - Non-member	Mar 24 and 25, 2021	
Module 2 - Fulfilling Your Districts' Mission	<input type="checkbox"/> \$175 - CSDA Member <input type="checkbox"/> \$260 - Non-member	Apr 12 and 13, 2021	
Module 3 - Board's Role in Finance and Fiscal Accountability	<input type="checkbox"/> \$175 - CSDA Member <input type="checkbox"/> \$260 - Non-member	May 12 and 13, 2021	
Module 4 - Board's Role in Human Resources	<input type="checkbox"/> \$175 - CSDA Member <input type="checkbox"/> \$260 - Non-member	May 26 and 27, 2021	
Payment			
<input type="checkbox"/> Check <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> Discover <input type="checkbox"/> American Express			
Acct. Name:		Acct. Number:	
Expiration Date:		Authorized Signature:	
Special needs			
<input type="checkbox"/> Vegetarian <input type="checkbox"/> Other:			

Consent to Use Photographic Images: Registration and attendance at, or participation in, CSDA meeting and other activities constitutes an agreement by the registrant to CSDA's use and distribution (both now and in the future) of the registrant or attendee's image or voice in photographs, videotapes, electronic reproductions, and audiotapes of such events and activities.

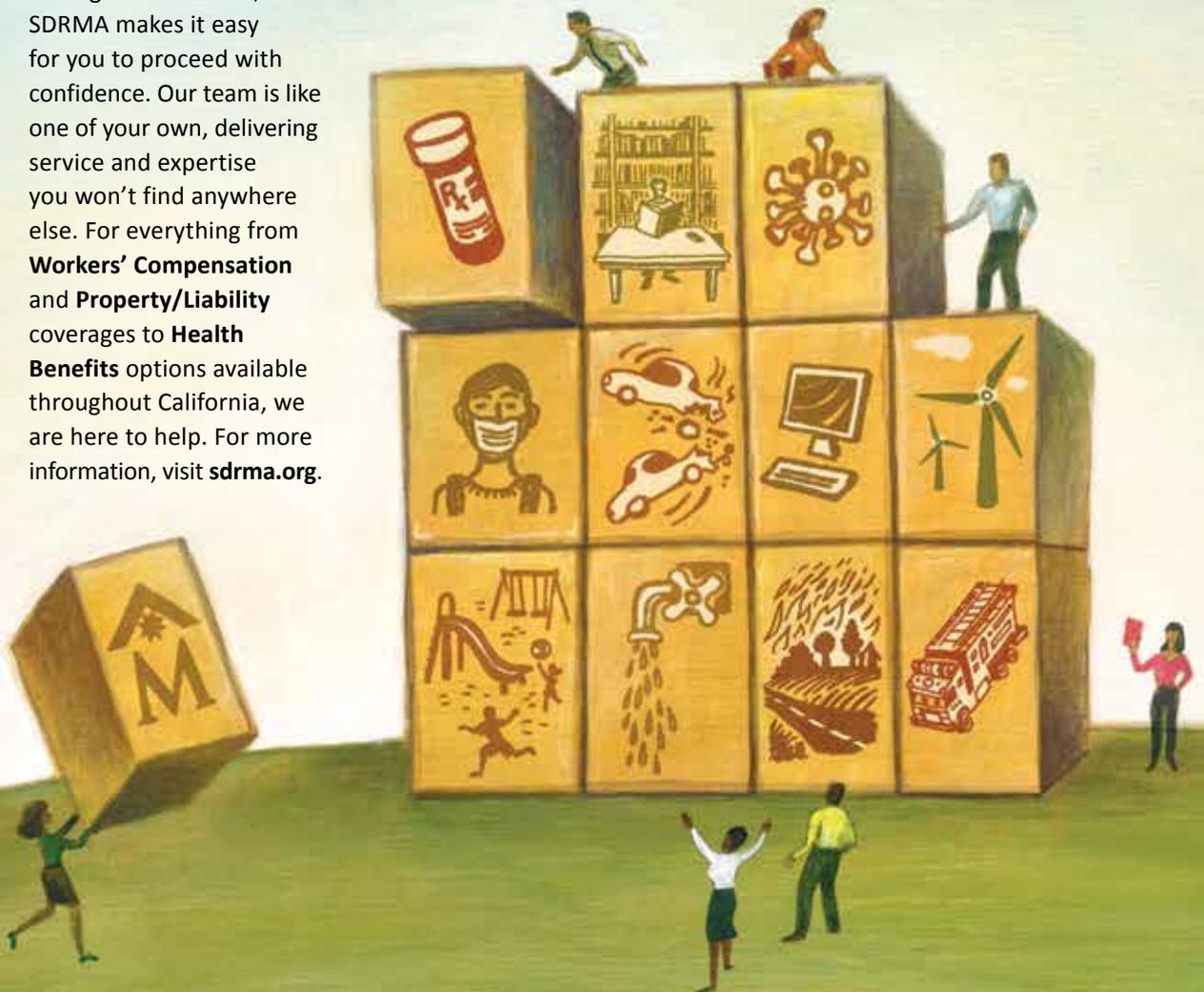
Anti-Discrimination and Harassment Policy: CSDA is dedicated to a harassment-free event experience for everyone. Our Anti-Discrimination and Harassment Policy can be found under "CSDA Transparency" at www.csda.net/about-csda/who-we-are.



SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

Risk Management Built to Last

As a trusted risk management advisor, SDRMA makes it easy for you to proceed with confidence. Our team is like one of your own, delivering service and expertise you won't find anywhere else. For everything from **Workers' Compensation** and **Property/Liability** coverages to **Health Benefits** options available throughout California, we are here to help. For more information, visit sdrma.org.





California Special Districts Association
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Sacramento, CA 95814

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discount!**

**Two options
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convenience.
Conference
or virtual!**



**Track for
returning
attendees.**

SDLA

CSDA's 2021
Special District
Leadership Academy

*A Comprehensive Governance Conference
for Elected and Appointed Directors/Trustees.*



*“Another enjoyable
CSDA experience.”*

– P. Dorey, Director, Vista Irrigation District

Property/Liability Credit Incentive Program



Bear Valley Community Services District

CIP Points Earned as of: 7/27/2021

The Credit Incentive Program (CIP) is designed to encourage our Members to take a proactive approach for loss prevention administration, training and safety/risk management. In an effort to assist our Members in achieving the lowest contributions possible, we performed a review of the documents submitted to date for the CIP program year 2021-22. **The CIP points earned will be applied toward the invoice for the 2022-23 program year. However, the actual dollar credit shown as 'Earned CIP Credits' on the invoice may differ from this report due to the actual General and Auto Liability amounts on the invoice.** The following earned credits have been documented:

CIP Criteria Description*	CIPs Earned	CIP \$ Earned	Unearned CIPs	Unearned CIP \$
SDRMA Safety Specialist Certificate	0	\$0	2	\$1,505
Staff Attendance at SDRMA Workshop	0	\$0	2	\$1,505
Additional Staff Attendance at SDRMA Workshop	0	\$0	1	\$752
Management Staff Attendance at CSDA Legal Seminar	0	\$0	1	\$752
Additional Management Staff Attendance at CSDA Legal Seminar	0	\$0	1	\$752
Vector Solutions Online Training Program	0	\$0	3	\$2,257
Staff Participation in Defensive Driver Training	0	\$0	2	\$1,505
Utilization of Bank Positive Pay Reporting	0	\$0	2	\$1,505
LOSS PREVENTION TRACK TOTALS - 8 POINTS MAXIMUM	0	\$0	8	\$6,018
Management Staff with CSDM accreditation by SDLF	0	\$0	2	\$1,505
Management Staff Attendance at CSDA Sponsored Training	0	\$0	1	\$752
Additional Management Staff Attendance at CSDA Sponsored Training	0	\$0	1	\$752
ADMINISTRATION TRACK TOTALS - 2 POINTS MAXIMUM	0	\$0	2	\$1,505
SDLF District of Distinction designation	0	\$0	2	\$1,505
Single Board Member Attendance at CSDA Training	0	\$0	1	\$752
Additional Board Member Attendance at CSDA Training	0	\$0	1	\$752
GOVERNANCE TRACK TOTALS - 2 POINTS MAXIMUM	0	\$0	2	\$1,505
No Claims during the year	0	\$0	1	\$752
No Claims for prior 3 years	0	\$0	2	\$1,505
CLAIMS TRACK TOTALS - 3 POINTS MAXIMUM	0	\$0	3	\$2,257
COMBINED TRACK TOTALS - 15 POINTS MAXIMUM	0	\$0	15	\$11,284
5 YEAR NO CLAIMS BONUS	0	\$0	3	\$2,257
TOTAL CREDIT INCENTIVE POINTS	0	\$0	18	\$13,541

*For detailed information, please see the Property/Liability CIP criteria for the applicable Program Year. For questions, please contact us at memberplus@sdrma.org or 800.537.7790.

Workers' Compensation Credit Incentive Program



Bear Valley Community Services District

CIP Points Earned as of: 7/27/2021

The Credit Incentive Program (CIP) is designed to encourage our Members to take a proactive approach for loss prevention administration, training and safety/risk management. In an effort to assist our Members in achieving the lowest contributions possible, we performed a review of the documents submitted to date for the CIP program year 2021-22. **The following earned credits have been documented and will be applied toward the annual renewal invoice for the 2022-23 program year:**

CIP Criteria Description*	CIPs Earned	CIP \$ Earned	Unearned CIPs	Unearned CIP \$
SDRMA Safety Specialist Certificate	0	\$0	2	\$2,791
Staff Attendance at SDRMA Workshop	0	\$0	2	\$2,791
Additional Staff Attendance at SDRMA Workshop	0	\$0	1	\$1,396
Management Staff Attendance at CSDA Legal Seminar	0	\$0	1	\$1,396
Additional Management Staff Attendance at CSDA Legal Seminar	0	\$0	1	\$1,396
Vector Solutions Online Training Program	0	\$0	3	\$4,187
Utilization of Company Nurse	0	\$0	2	\$2,791
LOSS PREVENTION TRACK TOTALS - 8 POINTS MAXIMUM	0	\$0	8	\$11,165
Management Staff with CSDM accreditation by SDLF	0	\$0	2	\$2,791
Management Staff Attendance at CSDA Sponsored Training	0	\$0	1	\$1,396
Additional Management Staff Attendance at CSDA Sponsored Training	0	\$0	1	\$1,396
ADMINISTRATION TRACK TOTALS - 2 POINTS MAXIMUM	0	\$0	2	\$2,791
SDLF District of Distinction designation	0	\$0	2	\$2,791
Single Board Member Attendance at CSDA Training	0	\$0	1	\$1,396
Additional Board Member Attendance at CSDA Training	0	\$0	1	\$1,396
GOVERNANCE TRACK TOTALS - 2 POINTS MAXIMUM	0	\$0	2	\$2,791
No Claims during the year	0	\$0	1	\$1,396
No Claims for prior 3 years	0	\$0	2	\$2,791
CLAIMS TRACK TOTALS - 3 POINTS MAXIMUM	0	\$0	3	\$4,187
COMBINED TRACK TOTALS - 15 POINTS MAXIMUM	0	\$0	15	\$20,934
5 YEAR NO CLAIMS BONUS	0	\$0	3	\$4,187
TOTAL CREDIT INCENTIVE POINTS	0	\$0	18	\$25,121

*For detailed information, please see the Workers' Compensation CIP criteria for the applicable Program Year. For questions, please contact us at memberplus@sdrma.org or 800.537.7790.



SHOWCASE YOUR COMMITMENT TO EXCELLENCE

District of Distinction Application

The District of Distinction is an accreditation program that enables districts to demonstrate to their communities, the media and legislators their commitment to operate in a sound, responsible manner. Districts apply for designation as a District of Distinction by submitting financial audits, policies and procedures and proof of training received by directors and executive staff.

Requirements:

FINANCIAL AUDITS

Districts must demonstrate they undergo regular financial audits, have no major deficiencies and apply any recommendations to future years.

What to submit:

- Copies of the three most recent district audits, including financial statements (3 letters) SAS 114 - *The Auditor's Communication with Those Charged with Governance*, SAS 115 - *The Auditor's Communications on Internal Control Related Matters*, and management letter. Each audit, including findings and recommendations, will be reviewed by a member of the Certification & Audit Review Advisory Committee. Committee members are volunteers from the special district community, including district controllers, directors of finance and CSDM certified general managers.

POLICIES AND PROCEDURES

Districts must demonstrate that their operations conform to all statutes and regulations under state law as reflected in a policies and procedures manual. Policies and procedures should focus on governance, ethics, board conduct, district finances, reserves, reimbursement/compensation, etc.

What to submit:

- Copy of your district's current approved policies and procedures manual.
- Copy of your district's Board minute action adopting and/or having reviewed the policies and procedures manual within the past year.

TRAINING

What to submit:

Documentation showing class attendance, such as certificate of completion for each board member, general manager and other executive staff members (as identified by the board) in the following areas:

- Governance Training:** Six hours of basic governance training. (New board members and executive staff must complete within the past 5 years) *Governance Foundations*, offered by CSDA's Special District Leadership Academy, satisfies this requirement. Other courses may qualify as well, however will need to be submitted for review by SDLF. Also, *Board Member Best Practices* (3 hours) plus 2 approved webinars will satisfy that requirement. Approved webinars are: *Board Member and District Liability Issues*, *Must Have Communication Protocols for Board & Staff*, and *Who Does What? Best Practices in Board Staff Relations*.
*Districts with boards larger than 7 need at least a majority of total board members completing this training requirement.
- Ethics Training:** Documentation verifying completion of AB 1234 ethics compliance training within the last two years.
- Harassment Prevention Training:** Documentation verifying completion of AB 1825 harassment prevention training within the last two years.

OTHER

Districts must also include the following items with the accreditation/re-accreditation application:

What to submit:

- Board of Directors roster
- List of executive staff, including titles
- Completed application for accreditation/re-accreditation
- Accreditation/re-accreditation application fee
- Completed SDLF District Transparency Certificate of Excellence

Who should apply to be a District of Distinction?

Any California special district that wants to demonstrate publicly the effectiveness of its operations. Applying for this designation shows that your district understands and respects the responsibilities inherent to providing essential public services in a fiscally responsible manner.

What does a district receive for completing the program?

Districts of Distinction earn the right to use the program’s seal on district materials and a plaque honoring their accomplishment. SDLF will also send a letter to a local publication and notify legislators on a district’s behalf.

How does a district apply?

Districts interested in earning the Districts of Distinction designation must complete the application and submit it along with the required documentation. Applications must also be accompanied by an application fee.

If my district is a member of the Special District Risk Management Authority (SDRMA), will getting a District of Distinction accreditation save me money on my premiums?

Yes. SDRMA offers Credit Incentive Points (CIPs) if your district earns the District of Distinction accreditation which can provide significant premium discounts. For more information, contact SDRMA at 800.537.7790 or visit www.sdrma.org.

RE-ACCREDITATION

How long is the designation valid?

The Districts of Distinction designation is valid for three years and a district may be re-accredited by submitting the application and all current required documents for review along with the re-accreditation fee.

Fees

The fees are on a sliding scale, based on a district’s budget:

INITIAL ACCREDITATION & RE-ACCREDITATION

Annual operating budget	Fee
\$0-299,999	\$125
\$300,000-749,999	\$150
\$750,000-999,999	\$175
\$1,000,000--2,999,999	\$200
\$3,000,000 or more	\$250

Submit this application along with all required documentation and payment to:

Special District Leadership Foundation
 1112 I Street, Suite 200
 Sacramento, CA 95814
 Phone: 916-231-2909 • Fax: 916-442-7889 • sdlf.org

Electronic filing is preferable.

info@sdlf.org

District:		
Mailing Address:		
City:	State:	Zip:
Contact Name:	Title:	
Phone:	Fax:	
Email:	Website:	
Assembly Member(s)*:		
Senator*:		
Local Newspaper(s):		
I certify that the information submitted is accurate and complete to the best of my knowledge.		Signature:

SILVER, GOLD OR PLATINUM RECOGNITION

Board Members who have received Certificate in Special District Governance: (attach additional pages if necessary)

	Date:
	Date:
	Date:

General Manager:

Has completed Recognition in Special District Governance Has completed Recognition in Special District Administrator

PAYMENT

Total: \$	<input type="checkbox"/> Check <input type="checkbox"/> Visa <input type="checkbox"/> Mastercard <input type="checkbox"/> Discover <input type="checkbox"/> American Express
Acct. Name:	Acct. Number:
Expiration Date:	Authorized Signature:



BEAR VALLEY COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS TRAINING AND TRAVEL REIMBURSEMENT POLICY

A. Purpose.

It is the policy of the District to encourage Board development and excellence of performance by reimbursing actual expenses incurred for tuition, travel, lodging and meals as a result of training, educational courses, participation with professional organizations, and attendance at local, state and national conferences, as well as meetings of local, state and federal agencies or legislative bodies on matters of interest to the District. In support of these goals, the District has adopted this policy.

B. Training Programs Eligible for Attendance and Expense Reimbursement.

1. Members of the Board of Directors may and are encouraged to attend educational conferences, seminars, trainings, tours and other similar professional meetings and programs (collectively, "Training Programs") when the purpose of any such Training Program is to improve a Director's skill and information levels which in turn will help improve their understanding and oversight of District operations.
2. There is no limit as to the number of Directors attending a particular Training Program when it is apparent that attendance is beneficial to the District, as long as a majority of the members of the Board do not discuss among themselves, other than as part of the scheduled Training Program, business of a specified nature that is within the subject matter jurisdiction of the District.
3. Attendance by Directors at a Training Program must be approved by the Board of Directors prior to the District incurring any reimbursable costs.
4. Upon returning from a Training Program where expenses are reimbursed by the District, Directors will either prepare a written or verbal report for presentation at the next regular meeting of the Board. The report should detail what was learned at the Training Program that will be of benefit to the District. Materials from the Training Program may be delivered to the District office to be included in the District library for the future use of other Directors and staff.
5. Expenses to the District for Directors' Training Programs should be kept to a minimum by utilizing recommendations for transportation and housing accommodations such as Directors traveling together whenever feasible and economically beneficial, and requesting reservations sufficiently in advance to secure discounted rates.

6. A Director may not be reimbursed for expenses incurred at any Training Program if such event occurs after the District has announced that Director's pending resignation, or if such event occurs after an election in which it has been determined that the Director will not retain his or her seat on the Board.

C. Other Activities Eligible for Expense Reimbursement.

Director expenses incurred in connection with the following types of activities are also eligible for reimbursement:

1. Attendance and participation at meetings of any body or organization to which the Director has been appointed or at which the Director serves as a designated representative of the District.
2. Attendance and participation at meeting of any local, state or federal agency or legislative body as a representative of the District
3. Attending public events as an official representative of the District.

D. Travel Expenses.

1. Lodging: Directors are expected to select reasonably priced lodging accommodations and are encouraged to utilize hotel(s) recommended by the event sponsor in order to obtain discounted rates. All claims for lodging reimbursement must be supported by original receipts that show:
 - The name of the hotel
 - The number of occupants
 - The goods or services for which each individual charge is made (room rental, food, tax, etc.)

Lodging expenses may be directly billed to the District, paid directly by the District or reimbursed to the Director according to the specific needs and capabilities of the providers.

2. Meals: Meals will be reimbursed according to the current rates established by the U.S. General Services Administration for applicable locations in California or outside the state.
 - Itemized receipts must be submitted and only actual expenses will be reimbursed.
 - The District will not reimburse for the purchase of alcohol.
 - Tips are included in the cost of each meal.
3. Mileage: The District will reimburse Directors for business use of personal vehicles at the then current IRS standard mileage rate.
4. Airfare/Car Rental: Airfare and car rental costs that are equal or less than those available through the California Department of General Services Statewide Travel Program are presumed to be the most economical and reasonable for purposes of reimbursement under this policy.

5. Taxis/Shuttles: Taxis or shuttles fares may be reimbursed, including a 15 percent gratuity per fare, when the cost of such fares is equal or less than the cost of car rentals, gasoline and parking combined, or when such transportation is necessary for time-efficiency.

E. Expenses Not Eligible for Reimbursement

1. The personal portion of any trip;
2. Political or charitable contributions or events;
3. Family expenses, including spouse or partner's expenses when accompanying official on agency-related business, as well as children- or pet-related expenses;
4. Entertainment expenses, including theater, movies (either in-room or at the theater), sporting events (including gym, massage and/or golf related expenses), or other cultural events;
5. Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline; and
6. Personal losses incurred while on District business.

Any questions regarding the propriety of a particular type of expense should be resolved by the Board of Directors before the expense is incurred.

F. Reporting

1. General Reimbursable Expenses. Requests for reimbursement must be made using the District's Expense Reimbursement Request Form with receipts attached for all expenses claimed within 30 days of the date expenses were incurred. All reimbursement requests will be reviewed and approved by the Administrative Services Director based on the above criteria. The non-approval of a Director's expense by the Administrative Services Director/General Manager is subject to override by a majority vote of the Board of Directors at a regular Board meeting.
2. Reports to Board. At the next regular District Board meeting, each Director must briefly report on outside agency meetings attended at District expense other than the District that are subject to the Brown Act. If multiple Members attended such a meeting, a joint report may be made.
3. Expense Reports As Public Records. All expense reports of Directors and District reimbursement expenditures are public records subject to disclosure under the Public Records Act and other applicable laws. The District will retain such records in accordance with the District's applicable records retention policies.