



Cabazon Water District  
14618 Broadway Street • P.O. Box 297  
Cabazon, California 92230

## FINANCE & AUDIT COMMITTEE MEETING

### AGENDA

#### Meeting Location:

Cabazon Water District Office  
14618 Broadway Street  
Cabazon, California 92230

#### Meeting Date:

Tuesday, August 15, 2017 – 5:00 PM

CALL TO ORDER,  
PLEDGE OF ALLEGIANCE,  
ROLL CALL  
FINANCE & AUDIT COMMITTEE

1. Discussion: Finance & Audit Committee Report
  - Balance Sheet
  - Profit and Loss Budget Comparison
2. Finance & Audit Committee District Payables Review and Approval/Signing

### PUBLIC COMMENT

Any person may address the Board of Directors at this time on any matter within the subject matter jurisdiction of the Cabazon Water District; however, any matter that requires action will be referred to staff for investigation and reported at a subsequent Board of Directors meeting. The Board of Directors is prohibited by law from discussing or taking immediate action on items during this public comment period. To comment on specific agenda items, please advise the Board secretary prior to the meeting. **Each public comment will be limited to three (3) minutes. Individuals may not give their time away to another spokesperson. After two (2) minutes, the speaker will be notified that he/she has one (1) minute remaining. AB 1234 ORAL REPORTS (Gov. Code Sec. 53232.3(d))**

### ADJOURNMENT

#### ADA Compliance Issues

In compliance with the Americans with Disabilities Act & Government Code Section 54954.2, if special assistance is needed to participate in a Board meeting, please contact the Clerk of the Board at (951) 849-4442. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting.



**Cabazon Water District**  
14618 Broadway Street • P.O. Box 297  
Cabazon, California 92230

**REGULAR BOARD MEETING**

**AGENDA**

**Meeting Location:**  
Cabazon Water District Office  
14618 Broadway Street  
Cabazon, California 92230

**Meeting Date:**  
August 15, 2017 – 6:00 PM

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**REMEMBRANCE OF OUR SERVICE MEN AND WOMEN**

**ROLL CALL**

**CONSENT CALENDAR**

All matters in this category are considered to be consistent with the Board/District goals, District Policies and Regulations adopted and/or approved by the Board of Directors, and will be enacted in one motion. There will be no separate discussion of these items. If discussion is required, items may be removed from the consent calendar and will be considered separately.

1. **Approval of:**
  - a. Finance and Audit Committee Meeting Minutes and warrants approved by the committee of July 18, 2017
  - b. Regular Board Meeting Minutes and warrants of July 18, 2017
  - c. Special Board Meeting Minutes and warrants of August 9, 2017
2. **Warrants – None**
3. **Awards of Contracts – None**

**UPDATES**

1. Update:                   **San Gorgonio Pass Regional Water Alliance Update  
(by Director Israel)**
  
2. Update:                   **Manager's Operations Report  
(by General Manager Louie)**

**PUBLIC COMMENTS**

Any person may address the Board of Directors at this time on any matter within the subject matter jurisdiction of the Cabazon Water District that is listed on the agenda under Closed Session; however, any matter that requires action will be referred to staff for investigation and reported at a subsequent Board of Directors meeting. The Board of Directors is prohibited by law from discussing or taking immediate action on items during this public comment period. To comment on specific agenda items, please advise the Board secretary prior to the meeting. Each public comment will be limited to three (3) minutes. Individuals may not give their time away to another spokesperson. After two (2) minutes, the speaker will be notified that he/she has one (1) minute remaining. AB 1234 ORAL REPORTS (Gov. Code Sec. 53232.3(d))

**CLOSED SESSION**

- (1) CONFERENCE WITH LEGAL COUNSEL – General Manager's Annual Performance Review

**OPEN SESSION**

Report to the public of action taken by the Board, if any.

**OLD BUSINESS**

1. Discussion:               **Sustainable Ground Water Update  
(by General Manager Louie & Steve Anderson)**

**NEW BUSINESS**

1. Discussion/Action:       **Customer Complaint: collectively filed by Teresa Bui, Ernie Saldana,  
Robert Stephenson, and Virginia Stephenson**
  
2. Discussion/Action:       **Approval of Resolution 03-2017: District Debt Management Policy**

**PUBLIC COMMENTS**

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**GENERAL MANAGER/BOARD COMMENTS**

1. Future Agenda Items

The Board Chair or the majority of the Board may direct staff to investigate and report back to an individual(s) and the Board on matters suggested or direct the General Manager/Board Secretary to place the matter on a future Board meeting.

- Suggested agenda items from the Public.
- Suggested agenda items from Management.
- Suggested agenda items from Board Members.

2. Management Comments

Staff members may speak on items of information not requiring comment or discussion to the Board and public. Topics which may be included on a future meeting agenda may be presented but cannot be discussed. (3 minutes)

3. Board Member Comments

Board members may speak on items of information not requiring comment or discussion to the Board and public. (3 minutes)

**MISCELLANEOUS**

1. Future Board Items/Next Board Meeting Date(s)

- a. Finance & Audit Workshop – Tuesday – September 19, 2017, 5:00 pm
- b. Regular Board Meeting – Tuesday – September 19, 2017, 6:00 pm
- c. Personnel Committee – None
- d. San Gorgonio Pass Regional Water Alliance – Alliance Meeting - Wednesday – August 30, 2017 - 5:00 PM to 7:00 PM

**ADJOURNMENT**

*ADA Compliance Issues*

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**FINANCE & AUDIT COMMITTEE MEETING**

**MINUTES**

**Meeting Location:**  
Cabazon Water District Office  
14618 Broadway Street  
Cabazon, California 92230

**Meeting Date:**  
Tuesday, July 18, 2017 – 5:00 PM

**CALL TO ORDER,**  
**PLEDGE OF ALLEGIANCE,**  
**ROLL CALL @ 17:05 hr.**

Director Bui - Present  
Director Israel - Present

Calvin Louie (General Manager) - Present  
Elizabeth Lemus, Board Secretary - Present  
Cindy Byerrum, Financial Consultant - Absent

**\*Note: This meeting was recorded by the District -**

**FINANCE & AUDIT COMMITTEE**

1. Discussion: Finance & Audit Committee Report
  - Balance Sheet
  - Profit and Loss Budget Comparison
2. Finance & Audit Committee District Payables Review and Approval/Signing

**Main Reports:**

- Balance Sheet – depicts what the District owns and what the District owes.
- Profit & Loss – shows monthly revenue and expenses.

- Profit & Loss Budget Performance – shows how the District is performing against the budget, and the condition of the District fiscal year to date.

Balance Sheet:

- The District's combined cash and LAIF balance is about \$580,000. The District's total liabilities are approximately \$1.27 million.

Profit and Loss:

- Line 11 Basic Facilities Fee: The District received fees for the new service on Aloma Drive (\$8K) as well as two new services on Riza (\$9K per service).
- Line 54 Chlorinators: YTD is over budget due to repairs on Chlorinator parts.
- Line 79 Temporary Labor: YTD is over budget due to unexpected fees related to the rate study.

As of June 30<sup>th</sup> the fiscal year to date net loss is 90K, which is only 20% of the loss that is budgeted.

PUBLIC COMMENT

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ADJOURNMENT

Motion to adjourn at 17:10 hr. made by Director Israel and 2<sup>nd</sup> by Director Bui.

Meeting adjourned at 17:10 hr. on July 18, 2017

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Robert Lynk, Board Chair  
Board of Directors  
Cabazon Water District

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Elizabeth Lemus, Secretary  
Board of Directors  
Cabazon Water District

ADA Compliance Issues

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**Cabazon Water District**  
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**REGULAR BOARD MEETING  
MINUTES**

**Meeting Location:**  
Cabazon Water District Office  
14618 Broadway Street  
Cabazon, California 92230

**Meeting Date:**  
July 18, 2017 – 6:00 PM

**CALL TO ORDER**  
**PLEDGE OF ALLEGIANCE**  
**REMEMBRANCE OF OUR SERVICE MEN AND WOMEN**  
**ROLL CALL @ 18:20 hr.**

Director Teresa Bui - Present  
Director Maxine Israel - Present  
Director Sarah Wargo - Present  
Director Alan Davis - Present  
Director Robert Lynk - Present

Calvin Louie, General Manager - Present  
Elizabeth Lemus, Board Secretary - Present  
Cindy Byerrum, Financial Consultant - Present  
Steve Anderson, Best Best & Krieger Law Firm - Present  
Joseph Ortiz, Best Best & Krieger Law Firm - Present

**Note: This meeting was recorded by the District -**

**CONSENT CALENDAR**

All matters in this category are considered to be consistent with the Board/District goals, District Policies and Regulations adopted and/or approved by the Board of Directors, and will be enacted in one motion. There will be no separate discussion of these items. If discussion is required, items may be removed from the consent calendar and will be considered separately.

1. Approval of:

- a. Finance and Audit Committee Meeting Minutes and warrants approved by the committee of June 20, 2017
- b. Regular Board Meeting Minutes and warrants of June 20, 2017

**Motion to approve consent calendar item(s) (a.) Finance and Audit Committee Meeting Minutes and warrants approved by the committee of June 20, 2017 and (b.) Regular Board Meeting Minutes and warrants of June 20, 2017 made by Director Israel and 2<sup>nd</sup> by Director Davis.**

Director Bui - Aye  
Director Israel - Aye  
Director Wargo - Aye  
Director Davis - Aye  
Director Lynk - Aye

2. Warrants – None
3. Awards of Contracts – None

#### UPDATES

1. Update: San Gorgonio Pass Regional Water Alliance Update  
(by Director Israel)
2. Update: Manager's Operations Report  
(by General Manager Louie)

**\*NOTE:** Because the District's accountant, Cindy Byerrum, had a later obligation to attend to, the Board decided to discuss Old Business Discussion/Action Item 2: Approval of contract to review District Capacity and Misc. Fees, so that Cindy could leave afterwards. After this item was discussed, the Board proceeded to discuss New Business Discussion/Action Item 2: Selection of a date and time to hold a Special Board Meeting in order to review/approve Resolution 02-2017: Fixing water standby assessments for Fiscal Year 2017-2018. Afterwards, the Board moved to a five-minute break at 19:17 hr., which would be followed by Closed Session. There was no public present in the audience.

#### PUBLIC COMMENTS

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Entered into Closed Session at 19:30 hr.

#### CLOSED SESSION

- (1) CONFERENCE WITH LEGAL COUNSEL – General Manager's Annual Performance Review



- (2) CONFERENCE WITH LEGAL COUNSEL – Potential Litigation vs. Cabazon Water District and General Manager

OPEN SESSION @ 21:36 hr.

Report to the public of action taken by the Board, if any.

Nothing to report, and no actions were taken.

OLD BUSINESS

1. Discussion: Sustainable Ground Water Update  
(by General Manager Louie & Steve Anderson)
2. Discussion/Action: Approval of contract to review District Capacity and Miscellaneous Fees.

Motion to table this item for further discussion during the August Special Meeting made by Director Lynk.

\*NOTE: No second motion or roll call vote was made, but no objections to this were voiced by Board or Public. The Board also requested that a completed NBS Capacity Fee Study from another water district be presented to the Board during the Special Meeting, so that they could better understand what the completed result would be.

NEW BUSINESS

1. Discussion/Action: Consider Approval of Request from Dollar General to abandon water line easement and authorize General Manager Louie to negotiate terms

Motion to approve request from the developer (Dollar General) to abandon water line easement in exchange with conditions associated with potholing, timing, and construction made by Director Davis and 2<sup>nd</sup> by Director Wargo\*

Director Bui - Aye  
Director Israel - Aye  
Director Wargo - Aye  
Director Davis - Aye  
Director Lynk - Aye

\*Note: The Board expressed their desire that the easement would only be abandoned with the conditions mentioned above; the Board did not want to abandon the easement and then see the construction plans fall through. If a Dollar General was built, the Board did not express any qualms about abandoning the easement.

2. Discussion/Action: Selection of a date and time to hold a Special Board Meeting in order to review/approve RESOLUTION 02-2017: Fixing water standby assessments for Fiscal Year 2017-2018.

Motion to hold a Special Board Meeting on Wednesday, August 9<sup>th</sup> at 16:00 hr. to review/approve Resolution 02-2017: Fixing water standby assessments for Fiscal Year 2017-2018, made by Director Lynk.

**\*NOTE: No second was made, nor was a roll call vote taken, but the Board was in unanimous agreement regarding the date and time. It was also expressed that they would like to further discuss the NBS Capacity Fee and Misc. Fee Study during this same meeting.**

### PUBLIC COMMENTS

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### GENERAL MANAGER/BOARD COMMENTS

#### 1. Future Agenda Items

The Board Chair or the majority of the Board may direct staff to investigate and report back to an individual(s) and the Board on matters suggested or direct the General Manager/Board Secretary to place the matter on a future Board meeting.

- Suggested agenda items from the Public.
  - Suggested agenda items from Management.
  - Suggested agenda items from Board Members.
- a. Director Israel and Director Lynk: MAC meeting representative update regarding Cabazon improvements, to be discussed during the September Regular Board Meeting.
  - b. Director Wargo and Director Davis: to include Director Bui, Ernie Saldana, and Robert and Virginia Stephenson's complaint letters on the September Regular Board Meeting agenda.

#### 2. Management Comments

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#### 3. Board Member Comments

Board members may speak on items of information not requiring comment or discussion to the Board and public. (3 minutes)

### MISCELLANEOUS

#### 1. Future Board Items/Next Board Meeting Date(s)

- a. Special Board Meeting – Wednesday, August 9, 2017, 4:00 pm
- b. Finance & Audit Workshop – Tuesday – August 15, 2017, 5:00 pm
- c. Regular Board Meeting – Tuesday – August 15, 2017, 6:00 pm

- d. Personnel Committee – None
- e. San Geronio Pass Regional Water Alliance – Alliance Meeting - Wednesday – July 26, 2017 - 5:00 PM to 7:00 PM

**ADJOURNMENT**

Motion to adjourn at 21:51 hr. made by Director Lynk and 2<sup>nd</sup> by Director Israel.

\*Note: No roll call vote was made, but no objections were voiced by either the Board or public.

Meeting adjourned at 21:51 hr. on Tuesday, July 18, 2017

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Robert Lynk, Board Chair  
Board of Directors  
Cabazon Water District

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Elizabeth Lemus, Secretary  
Board of Directors  
Cabazon Water District

ADA Compliance Issues

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**Cabazon Water District**  
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Cabazon, California 92230

**SPECIAL BOARD MEETING  
MINUTES**

**Meeting Location:**  
Cabazon Water District Office  
14618 Broadway Street  
Cabazon, California 92230

**Meeting Date:**  
August 9, 2017 – 4:00 PM

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**REMEMBRANCE OF OUR SERVICE MEN AND WOMEN**

**ROLL CALL**

Director Teresa Bui - Present  
Director Maxine Israel - Present  
Director Sarah Wargo - Present  
Director Alan Davis - Present  
Director Robert Lynk - Present

Calvin Louie, General Manager - Present  
Elizabeth Lemus, Board Secretary - Present  
Cindy Byerrum, Financial Consultant - Present  
Steve Anderson, Best Best & Krieger Law Firm - Absent  
Joseph Ortiz, Best Best & Krieger Law Firm – Absent

Note: This meeting was recorded by the District -

**CONSENT CALENDAR**

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separate discussion of these items. If discussion is required, items may be removed from the consent calendar and will be considered separately.

1. Approval of - None
2. Warrants – None
3. Awards of Contracts – None

**UPDATES**

**OLD BUSINESS**

1. Discussion/Action: **RESOLUTION 02 – 2017: FIXING WATER STANDBY ASSESSMENTS FOR FISCAL YEAR 2017-2018**

It was explained that these fees have not increased for many years and that this was not an increase, but an affirmation (if approved) to continue these assessments through the Fiscal 2017-2018 year. These assessments are to help maintain the water infrastructure throughout Cabazon, and are similar to other annual property assessments such as for the school districts, local library, etc.

Motion to approve RESOLUTION 02 – 2017: FIXING WATER STANDBY ASSESSMENTS FOR FISCAL YEAR 2017-2018 made by Director Israel and 2<sup>nd</sup> by Director Davis.

Director Bui - Aye  
Director Israel - Aye  
Director Wargo - Aye  
Director Davis - Aye  
Director Lynk - Aye

2. Discussion/Action: **Approval of NBS contract to review District Capacity and Miscellaneous Fees.**

The Board decided that they wanted to vote on the Capacity Fee study and the Miscellaneous Fee study separately. The following was put forward for vote:

Motion to approve NBS to review and perform a study the District's Capacity Fees made by Director Wargo and 2<sup>nd</sup> by Director Bui.

Director Bui - Aye  
Director Israel - Aye  
Director Wargo - Aye  
Director Davis - Aye  
Director Lynk - Aye

Motion to approve NBS to review and perform a study the District's Miscellaneous Fees made by Director Israel and 2<sup>nd</sup> by Director Lynk.

Director Bui - Nay  
Director Israel - Aye  
Director Wargo - Nay

Director Davis - Nay  
Director Lynk – Aye

Motion failed due to a lack of a majority support.

**NEW BUSINESS**

None

**PUBLIC COMMENTS**

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**GENERAL MANAGER/BOARD COMMENTS**

**1. Future Agenda Items**

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- Suggested agenda items from the Public.
- Suggested agenda items from Management.
- Suggested agenda items from Board Members.

**2. Management Comments**

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**3. Board Member Comments**

Board members may speak on items of information not requiring comment or discussion to the Board and public. (3 minutes)

**MISCELLANEOUS**

**1. Future Board Items/Next Board Meeting Date(s)**

- a. Finance & Audit Workshop – Tuesday – August 15, 2017, 5:00 pm
- b. Regular Board Meeting – Tuesday – August 15, 2017, 6:00 pm
- c. Personnel Committee – None

- d. San Gorgonio Pass Regional Water Alliance – Alliance Meeting - Wednesday – August 30, 2017 -  
5:00 PM to 7:00 PM

**ADJOURNMENT**

Motion to adjourn at 16:31 hr. made by Director Lynk and 2<sup>nd</sup> by Director Wargo.

Director Bui - Aye  
Director Israel - Aye  
Director Wargo - Aye  
Director Davis - Aye  
Director Lynk - Aye

Meeting adjourned at 16:31 hr. on Wednesday, August 9, 2017

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Robert Lynk, Board Chair  
Board of Directors  
Cabazon Water District

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Elizabeth Lemus, Secretary  
Board of Directors  
Cabazon Water District

ADA Compliance Issues

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**Cabazon Water District**

**Profit & Loss**

*July 2017*

	Jul-17	YTD	Budget	YTD 8.33%
1 <b>Operating Income</b>				
2     Base Rate - Water Bills	56,380	56,380	801,200	7%
3     Commodity Sales	37,259	37,259	252,600	15%
4     DHPO Contract	18,042	18,042	193,800	9%
5     Fire Sales - Water Bills	196	196	2,200	9%
6     Fire Flow Income	150	150	150	100%
7     Meter Install and Removal	-	-	80	0%
8     Penalty Fees - Water Bills	2,969	2,969	34,600	9%
9     Lien Reinstatement Fees	-	-	1,000	0%
10    New Account Fees - Water Bills	150	150	1,500	10%
11    Incident Fee - Water Bills	-	-	140	0%
12    Returned Check Fees	30	30	500	6%
13    Basic Facilities Fee	8,020	8,020	33,200	24%
14    Stand By Fees - Tax Revenue	2,251	2,251	113,600	2%
15 <b>Total Operating Income:</b>	<b>125,448</b>	<b>125,448</b>	<b>1,434,570</b>	<b>9%</b>
16 <b>Non-Operating Income</b>				
17     Property Taxes	373	373	60,900	1%
18     Cell Tower Lease Income	2,006	2,006	23,100	9%
19     Misc. Non-Operating Income	718	718	-	0%
20     Interest Income	1,199	1,199	7,400	16%
21 <b>Total Non-Operating Income</b>	<b>3,923</b>	<b>3,923</b>	<b>30,500</b>	<b>13%</b>
22 <b>Total Income</b>	<b>129,744</b>	<b>129,744</b>	<b>1,525,970</b>	<b>9%</b>
23 <b>Expense</b>				
24 <b>Payroll</b>				
26       Directors Fees	900	900	20,000	5%
25 <b>Management &amp; Cust. Service:</b>				
27          Customer Accounts	3,767	3,767	43,800	9%
28          Business Admin Manager	4,154	4,154	54,200	8%
29          Office Assistant	657	657	8,100	8%
30          General Manager	6,342	6,342	84,900	7%
31 <b>Total Mgmt. &amp; Cust. Service:</b>	<b>14,920</b>	<b>14,920</b>	<b>191,000</b>	<b>8%</b>
32       Field Workers	6,993	6,993	85,000	8%
33 <b>Total Payroll</b>	<b>21,913</b>	<b>21,913</b>	<b>276,000</b>	<b>8%</b>
34 <b>Employee Benefits Expense</b>				
35       Workers Comp.	867	867	14,100	6%
35       Employee Health Care	6,977	6,977	62,300	11%
36       Pension	4,357	4,357	54,200	8%
37 <b>Total Employee Benefits Expense</b>	<b>12,201</b>	<b>12,201</b>	<b>130,600</b>	<b>9%</b>
38     Payroll Taxes	2,478	2,478	27,200	9%
39 <b>Total Payroll - All Expenses:</b>	<b>37,492</b>	<b>37,492</b>	<b>453,800</b>	<b>8%</b>



**Cabazon Water District**

**Profit & Loss**

*July 2017*

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	Jul-17	YTD	Budget	YTD 8.33%
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40	<b>Operational Expenses</b>			
41	<b>Facilities, Wells, T&amp;D</b>			
42	Lab Fees	1,865	1,865	8,000 23%
43	Site Landscaping & Maint	45	45	700 6%
44	Meters	-	-	5,000 0%
45	Generator Service Contractor	-	-	2,400 0%
46	Utilities - Wells	11,202	11,202	117,900 10%
47	SCADA	27	27	4,900 1%
48	Line R&M Contractor	-	-	12,500 0%
49	Line R&M Materials	311	311	60,000 1%
50	Well Maintenance	1,093	1,093	36,000 3%
51	Security	1,742	1,742	24,410 7%
52	Engineering Services	-	-	80,900 0%
53	Chlorinators	15	15	4,180 0%
54	Facilities, Wells, T&D - Other	-	-	10,000 0%
55	<b>Total Facilities, Wells, T&amp;D</b>	<b>16,300</b>	<b>16,300</b>	<b>366,890 4%</b>
56	<b>Utilities - Office</b>			
57	Electricity	2,106	2,106	15,100 14%
58	Gas	27	27	710 4%
59	Telephone	747	747	10,500 7%
60	Trash Pickup & Office Cleaning	358	358	4,400 8%
61	<b>Total Utilities - Office</b>	<b>3,238</b>	<b>3,238</b>	<b>30,710 11%</b>
62	<b>Office Expenses</b>			
63	Water Billing System	-	-	2,500 0%
64	Supplies & Equipment	136	136	9,700 1%
65	Copier and Supplies	237	237	8,100 3%
66	Dues & Subscriptions	-	-	1,700 0%
67	Postage	571	571	12,900 4%
68	Printing & Publications	240	240	6,100 4%
69	Leases & Rents	-	-	300 0%
70	Computer Services	2,657	2,657	36,800 7%
71	Office Radio	-	-	500 0%
72	Office Storage	500	500	6,100 8%
73	Air Conditioning Servicing	379	379	4,500 8%
74	Fire Alarm System Servicing	144	144	600 24%
75	Office Expenses - Other	-	-	1,300 0%
76	<b>Total Office Expenses</b>	<b>4,864</b>	<b>4,864</b>	<b>91,100 5%</b>
77	<b>Support Services</b>			
78	Temporary Labor	-	-	10,000 0%
79	Financial Audit	-	-	22,100 0%
80	Accounting	934	934	30,000 3%

**Cabazon Water District**

**Profit & Loss**

*July 2017*

		Jul-17	YTD	Budget	YTD 8.33%
81	Legal Services	8,143	8,143	115,100	7%
82	Bank Service Charges	41	41	1,500	3%
83	Payroll Service	293	293	5,100	6%
84	General Liability Insurance	943	943	21,900	4%
85	<b>Total Support Services</b>	<b>10,354</b>	<b>10,354</b>	<b>205,700</b>	<b>5%</b>
86	Training/Travel	700	700	7,000	10%
87	Other Fees/SWRCB	440	440	19,600	2%
88	<b>Service Tools &amp; Equipment</b>				
89	Shop Supplies and Small Tools	117	117	6,100	2%
90	Vehicle Fuel	1,075	1,075	12,200	9%
91	Employee Uniforms	-	-	1,500	0%
92	Safety	-	-	500	0%
93	Tractor Expenses	-	-	5,500	0%
94	Equipment Rental	-	-	1,000	0%
95	Service Trucks - R&M	796	796	14,400	6%
96	Water Ops Phone & Internet	85	85	3,600	2%
97	Communications	-	-	3,300	0%
98	<b>Total Service Tools &amp; Equipment</b>	<b>2,073</b>	<b>2,073</b>	<b>48,100</b>	<b>4%</b>
99	<b>Non-Operating Expenses</b>				
100	Grant & Loan Processing Fee	-	-	1,600	0%
101	DWR Interest on Loans	-	-	11,236	0%
102	DHPO Interest Expense	-	-	10,802	0%
103	Bad Debt Expense	-	-	1,200	0%
104	Miscellaneous	99	99	5,000	2%
105	Website Support	110	110	1,300	8%
106	DHPO Capacity Fees	1,750	1,750	-	0%
107	<b>Total Non-Operating Expenses</b>	<b>1,959</b>	<b>1,959</b>	<b>31,138</b>	<b>6%</b>
108	Depreciation Expense	22,192	22,192	266,300	8%
109	<b>Total Expense</b>	<b>99,612</b>	<b>99,612</b>	<b>1,520,338</b>	<b>7%</b>
110	<b>Net Income</b>	<b>30,132</b>	<b>30,132</b>	<b>5,632</b>	<b>535%</b>

**Cabazon Water District**

**Balance Sheet**

*June 30, 2017*

		<u>Jul 31, 17</u>
1	<b>ASSETS</b>	
2	<b>Current Assets</b>	
3	<b>Checking/Savings</b>	
4	11020 · General Bank Account-Chase	217,852
5	11030 · Payroll Bank Account-Chase	26,290
6	11040 · Trust Account- Chase - Cus Dep	17,588
7	11050 · Local Petty Cash	100
8	<b>Total Checking/Savings</b>	<u>261,830</u>
9	12000 · Accounts Receivable	206,786
10	13010 · LAIF	353,875
11	13020 · Bank of NY Trustee Accounts	62,960
12	13040 · Prepaid Expenses	10,557
13	13060 · Inventory Total	87,079
14	<b>Total Other Current Assets</b>	<u>721,258</u>
15	<b>Total Current Assets</b>	<u>1,000,929</u>
16	<b>Fixed Assets</b>	
17	14200 · Construction in Process	
18	14204 · CIP Cabazon Outlets Expansion	9,692
19	14209 · CIP Super Map	9,455
20	14210 · CIP 50100 Main St. Property	69,918
21	<b>Total 14200 · Construction in Process</b>	<u>89,066</u>
22	14310 · Tools and Equipment	118,016
23	14320 · Source of Supply	
24	14321 · Source of Supply- DHPO Intercon	709,905
25	14320 · Source of Supply - Other	800,818
23	14320 · Source of Supply	<u>1,510,723</u>
24	14330 · Transmission & Distribution	7,853,270
25	14340 · Buildings & Structures	12,281
26	14350 · Water Treatment	8,800
27	14360 · Office Furniture and Equipment	63,188
28	14370 · Intangible Plant	11,032
29	14380 · Vehicles	106,309
30	14400 · Land	409,331
31	14500 · Accumulated Depreciation	(4,797,796)
32	<b>Total Fixed Assets</b>	<u>5,384,219</u>
33	<b>TOTAL ASSETS</b>	<u><u>6,385,148</u></u>
34	<b>LIABILITIES &amp; EQUITY</b>	
35	<b>Liabilities</b>	
36	<b>Current Liabilities</b>	
37	Accounts Payable	20,016
38	<b>Other Current Liabilities</b>	
39	21250 · Developer Deposits	
40	21251 · Dollar General	21,994
41	<b>Total 21250 · Developer Deposits</b>	<u>21,994</u>
42	21300 · Customer Deposits	
43	21330 · Customer Deposits - Co 1	2,450
44	21340 · Customer Deposits - Co 2	4,384
45	<b>Total 21300 · Customer Deposits</b>	<u>6,834</u>
46	21420 · Accrued Vacation Pay	18,345
47	21440 · DWR-HS Payable - Current	36,184

# Cabazon Water District

## Balance Sheet

June 30, 2017

		<u>Jul 31, 17</u>
48	21450 · Current Portion Zion's Bank Ln	75,062
49	21460 · Accrued Payroll	4,827
50	21470 · Accrued Payroll Taxes	359
51	21480 · Accrued Interest	3,527
52	24000 · Payroll Liabilities	80
53	Total Other Current Liabilities	<u>167,212</u>
54	Total Current Liabilities	187,227
55	Long Term Liabilities	
56	22000 · DWR-H Loan Payable (Payoff '26)	318,898
57	22100 · Zion's Bank Long Term (2023)	454,027
58	22200 · RCEDA Loan Payable	300,000
59	Total Long Term Liabilities	<u>1,072,926</u>
60	Total Liabilities	1,260,153
61	Equity	
62	31010 · Net Investment in Capital Asset	4,091,921
63	31020 · Restricted for Debt Service	233,447
64	31030 · Unrestricted Net Assets	
65	31041 · Reserved for Almond Vault Refur	50,000
66	31030 · Unrestricted Net Assets - Other	921,430
67	Total 31030 · Unrestricted Net Assets	<u>971,430</u>
68	32000 · Retained Earnings	(74,464)
69	32001 · Prior Period Adjustment	(127,546)
70	Net Income	30,206
71	Total Equity	<u>5,124,995</u>
72	TOTAL LIABILITIES & EQUITY	<u><u>6,385,148</u></u>

STATEMENT OF FACTS FROM CALVIN LOUIE  
GENERAL MANAGER OF THE CABAZON WATER DISTRICT

June 20, 2017

- Robert Stephenson*  
I Robert Stephenson: Father of (Teresa Bui )  
I Virginia Stephenson : Mother of (Teresa Bui)

Would like to know why we are being accused of personally following the Cabazon Water District General Manager (Calvin Louie.) and Loitering at the Cabazon Water District and His personal residence. I would like this investigated.

We have suffered emotional distress and physical ailments due to this matter. We are seeking damages due to these matters.

*Robert Stephenson* 6/20/2017  
Robert Stephenson

Virginia Stephenson  
*Virginia Stephenson* 6/20/2017

STATEMENT OF FACTS BY CALVIN LOUIE

June 20, 2017

I Ernie Saldana would like to know why I am being accused of personally following the Cabazon Water Districts General Manager Calvin Louie.

I Ernie Saldana would like to know to know why the Cabazon Water Districts General Manager Calvin Louie slandered my name calling my marriage a common law marriage.

I Ernie Saldana would like to know why I am being accused of loitering at his place of employment and his personal residence.

I Ernie Saldana would like to know why I am being accused of staking him out.

I Ernie Saldana would like to have proof provided that I was loitering at Andy Brittain's home.

I Ernie Saldana would like to be provided with documentation that I was not in Law Enforcement. It was described as a fantasy of mine.

I would like these accusations investigated. I have suffered emotional distress and physical ailments due to these matters.

I am seeking damages.



----- Ernie Saldana June 20, 2017

STATEMENT OF FACTS BY CALVIN LOUIE

GENERAL MANAGER OF THE CABAZON WATER DISTRICT

June 20, 2017

I TERESA BUI WOULD LIKE TO KNOW WHY I AM BEING ACCUSED OF HAVING PERSONALLY FOLLOWED THE CABAZON WATER DISTRICTS GENERAL MANAGER (CALVIN LOUIE.)

I TERESA BUI WOULD LIKE TO KNOW WHY THE GENERAL MANAGER OF THE CABAZON WATER DISTRICT CALVIN LOUIE IS SLANDERING MY NAME BY CALLING MY MARRIAGE A COMMON LAW MARRIAGE..PLEASE PROVIDE ME WITH PROOF OF THIS.

I TERESA BUI WOULD LIKE TO KNOW WHY I AM BEING ACCUSED OF LOITERING AT CALVIN LOUIE PLACE OF EMPLOYMENT AND HIS RESIDENCE. PLEASE PROVIDE ME PROOF OF THIS.

I TERESA BUI WOULD LIKE TO KNOW WHY I AM BEING ACCUSED OF STAKING HIM (CALVIN LOUIE) OUT.PLEASE PROVIDE PROOF OF THIS.

I TERESA BUI WOULD LIKE TO BE PROVIDED WITH PROOF THAT I WAS LOITERING AT ANDY BRITIAN'S HOME.

I TERESA BUI WOULD LIKE A COPY OF THE LONG LIST OF INCIDENTS INVOLVING ME MY HUSBAND AND FAMILY. THREATENING AND HARRASSING AND ANNOYING OTHERS.

I WOULD LIKE THIS INVESTIGATED. I HAVE SUFFERED EMOTIONAL AND PHYSICAL AILMENTS DUE TO THIS MATTER. I AM SEEKING DAMAGES.

TERESA BUI June 20, 2017

November 28, 2016

Statement from Calvin Louie

**RE: Bui, Teresa Denise – age 45**

**Possible Violation of Stalking (Penal Code §646.9)**

**Summary**

My name is Calvin Louie, I have been a resident here in the town of Cabazon since 2002 through 2016. I am a former peace officer for the County of Los Angeles and as a second career, I have been the General Manager of the Cabazon Water District (the District) since 2004 to present. This is my thirteenth year.

Beginning July 2013, and after the water board election on November 26, 2013, Teresa Denise Bui (Bui) was elected onto the District's Water Board as a Director! She has been personally involved in having me followed by others, her family, and Ernie Mike Saldana (Saldana), who claims he is Bui's common law husband. The State of California does not recognize common law marriages.

Saldana and Bui's biological son from another Father, Lanh Bui are currently in custody and charged for Attempted Murder with Malice (violation of Penal Code 664/187 - File Number B163170014). They are both being held at the Larry D. Smith Correctional Facility, Banning, California.

The victim of the above listed crimes, Irma Jorquera was not only a former candidate for the Cabazon Water District Board of Directors, but Jorquera and a female friend (Melissa Lopez) was arrested by the Banning Police Department for trespassing, resisting, and delaying the duties of a peace officer at my deceased Mother's resident in the City of Banning during the month of June 2013. They were both convicted by a jury trial.

Jorquera and Lopez were friends of Bui and Saldana. Jorquera and Lopez allegedly took advantage of my 89 year old Mother, and I was in the process of having them legally removed when my Mother passed away.

Bui, her family, and Saldana have loitered at my place of employment at the District's administration facility, located at 14618 Broadway Street, Cabazon, CA 92230 and my personal residence at Irene Street, Cabazon, CA 92230 on numerous occasions, until I recently relocated.



There is a public park across from my home, and that is where Bui and Saldana stalks me, my home, and takes photographs using the loophole, they are in a public park and investigating alleged corruptions within the community's water district.

When Bui and Saldana discovered I had moved and confronted me, I verbally advised them I have rented my house out, and if either one of them, or collectively, or sends any others to harass, annoy, terrorizes, or torments my renters, they will be prosecuted to the fullest extent of the law.

Bui and Saldana was one major contributing factor I decided to move out of town. They are the only factor I am keeping my new residential address confidential. It is because of them I retained my post office box here in Cabazon that I now have to pay annual fee, since I am no longer a Cabazon resident, is because of Bui and Saldana.

On one occasion, this last summer 2015, I received a call from Mariner, reporting Bui and Saldana were parked in front of the District's administration facility public parking lot. Mariner alleged they were taking photos of her husband, James Mariner, her two daughters, and my daughter. All three (3) females were minors, age 12 to 14. Bui and Saldana were sitting in a compact four door vehicle. Bui and Saldana generally drives one of the two (2) gray or white full-size pick-up trucks.

I greeted Bui and Saldana, and I asked if there was anything I could do for them? They immediately justified their actions by claiming the District's administration facility was located in the town's Civic Center and Public Park, and they were not in violation of the law, as this is a public place.

Bui have been involved in taking photos of me, my property, and have followed me around town. Bui has claimed her, and her supporter's intent were investigating alleged corruption of the water district and me. At one public water board meeting, Bui, sitting up at the dais as a Director, along with Saldana, displayed photos of my residence with Mariner's boat parked in the front. Bui and Saldana claimed this to be a Brown Act violation for the General Manager and then, water board member, Mariner.

Bui and Saldana has requested under the California Public Records Act my employment contract and have been given a copy of the opinion from the Fair Political Practice Commission stating that there were no Brown Act violations when the General Manager (Louie) has made these arrangements years prior to Mariner taking her Director seat on the District's Water Board.

As a former member of the of the Riverside Sheriff's Department Volunteer and Reserve Forces, Mounted Unit, Cabazon Station of nine years, I inquired about my unique situation. I was advised that as an appointed public official, stalking law is a delicate issue. Stalking, loitering in front of one's private residents, or any willful actions that would cause distress, annoyance, or

invasive to a common person would constitute a violation, but would be more difficult to file for a victim that is a celebrity, elected, or an appointed public official.

Bui and Saldana are knowledgeable of the law just enough to be dangerous. These willful behavioral patterns are threatening, annoying, and causes a reasonable person emotional distress, whether or not, they are a celebrity, elected, or an appointed public official.

At the last water board meeting on November 15, 2016, I overheard Bui stating to two community members her husband (Saldana) and two (2) cousins are former law enforcement. They just laughed at the charges pending against her husband (Saldana). She also said her husband (Saldana) had called her to instruct her not to bail him out, as he was receiving free air condition and food.

Saldana in the past, in the presence of Bui, has informed me he was a retired Deputy from Los Angeles County, and Sheriff Lee Baca was his fellow recruit in the Sheriff's Academy. I asked him what class he was in. Saldana said he couldn't recall because of the length of time, but he thought it was Class 290. I graduated from the Los Angeles County Sheriff's Academy Class 248 on January 13, 1989. I doubt Saldana and Sheriff Baca graduated after me. Saldana is 48 year old and I am 57. Bui shook her head agreeing with Saldana's false claims.

Bui and Saldana just don't target individuals that disagree with them. Attached is a written statement from a Cabazon resident, Andy Brittain, dated March 2, 2015 (see attachment). Brittain confronted Bui and Saldana, threatened to call the police if they fail to leave his private property, and later filed a former complaint with the District when he learned Bui was a water board member. Bui and Saldana were loitering on or about Brittain's home armed with a video camera.

The above listed incidents are just a few of a long list of incidents involving Bui, Saldana, their family of juveniles, adult children, and friends. Many residents have reported their incidents with Bui and Saldana to me and my staff. When asked to file a formal written report they would refuse due to the fear of retaliation from Bui and Saldana.

### Conclusion and Opinion

Based on Saldana and Lanh Bui pending criminal charges, Saldana's fantasy of having been a Deputy, Bui agreeing with him, her association with both Saldana and Lanh Bui, coupled with her past and willful on-going involvement of threatening, harassing, and annoying others, this pattern of conduct causes me to formulate the opinion that she is a potential danger to society, the community, and in this case, Kerri Mariner.

Signed: \_\_\_\_\_



Calvin Louie

attachment

**RESOLUTION NO. 03-2017**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
CABAZON WATER DISTRICT ADOPTING A DEBT  
MANAGEMENT POLICY**

**WHEREAS**, Cabazon Water District (the "District") maintains prudent financial practices to assure the ongoing financial health of the District; and

**WHEREAS**, the Board of Directors has determined that it would be proper in the management of its financial affairs to establish policies of the District with respect to debt management; and

**WHEREAS**, the Board of Directors has caused to be prepared such a policy with the assistance of staff which is attached hereto as Exhibit A.

**NOW, THEREFORE**, the Board of Directors hereby adopts the Debt Management Policy, a copy of which is on file at the offices of the District and is available for inspection by the public.

**ADOPTED** at the regular meeting of the Board of Directors of Cabazon Water District held this 15th day of August, 2017.

ADOPTED this 15th day of August, 2017.

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Robert Lynk  
Chair of the Board of Directors  
Cabazon Water District

ATTEST:

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Elizabeth Lemus  
Secretary, Board of Directors  
Cabazon Water District

# CABAZON WATER DISTRICT DEBT MANAGEMENT POLICY

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## **Section 1. Purpose of the Policy**

This policy sets forth comprehensive guidelines for the financing of capital expenditures. It is the objective of this policy that – 1) the District obtain financing when necessary, 2) the process for identifying the timing and amount of debt or other financing be as efficient as possible, 3) the most favorable interest rate and issuance costs be obtained, and 4) when appropriate, future financial flexibility be maintained.

## **Section 2. Policy**

The issuance of long-term debt is a valuable funding resource for the District. Used appropriately and prudently, long-term debt can minimize the District's water system charges and rates over time.

To minimize dependency on debt financing for capital projects, annual renewal and replacement capital projects will be adequately funded from rates. Funding levels for capital investments will be sufficient to meet capital improvement projections needed as outlined in the current Asset Management Plans and/or Water System Master Plan. Long-term debt will be considered only for large capital improvement projects or greater than normal capital plans. The District will maintain water rates to at least meet, and potentially exceed, the minimum and target Debt Service Coverage (DSC) requirements as imposed by bond covenants. The District will not issue long-term debt to support operating costs.

- A. Use of Long-Term Debt as a Funding Mechanism – Use of long-term debt will be minimized and, unless otherwise directed by the District Board of Directors, will be utilized only for projects described in the District's approved capital improvement program. The District may consider the use of long-term debt financing when it appears that a capital project, or other expenditures as deemed appropriate by the Board, is of such a magnitude that it will negatively impact the District's rates in the short-term. The benefit of long-term debt financing is that it will spread the costs of the capital asset over a longer period of time and will, therefore, approximate the useful life of the asset, and over time, charge those customers that benefit from that asset more equitably.
- B. Types of Long-Term Debt – The District may utilize any type of debt available to it; provided, that, the District will strive to utilize the type of debt that has the lowest costs, while not imposing any burdensome covenants or reporting requirements.
- C. Legal Covenants – The District will manage its finances to meet all bond covenants associated with the long-term debt. Bond covenants are legal obligations of the District.
- D. Debt Service Coverage Covenants – Long-term debt issuances typically contain legal covenants regarding DSC. A DSC ratio is an important financial measure of the District's ability to repay the outstanding debt obligation, and is reviewed for

adequacy by banks and rating agencies. Generically, the DSC ratio is the District's net operating income divided by the total annual debt service payment. For financial planning purposes, the targeted annual DSC ratio will be greater than or equal to 1.85 on all outstanding debt that carries such a covenant.

- E. Reporting Standards – The District will fully adhere to all applicable Government Accounting Standards Board (GASB) requirements and recognized best practices for the accounting treatment and disclosure of debt obligation transactions in its audited financial statements and other relevant publications.
- F. Revenue-Bonded Debt Capacity – The issuances of debt are supported by the revenues of the District. The ability of the District to fund and support revenue bonded debt will financially establish a debt level and capacity for revenue-bonded debt.

### **Section 3. Conditions for Debt Issuance**

When debt issuance is determined necessary, the District will assess the market conditions and timing for debt issuance to include issuing debt – 1) in times of favorable market conditions, 2) when Bond ratings would qualify District issuances to be investment grade, and 3) when revenues are sufficient to adequately cover expected debt service and issuance costs.

Bond credit enhancements will be considered when necessary for market acceptance and when costs are favorable to the District.

### **Section 4. Conditions for Debt Refinancing**

Debt refinancing (refunding) is an important debt management tool for the District. There are three key concepts that must be taken into consideration when evaluating a debt for refunding:

1. Financial and Policy Objectives
2. Financial Savings/Results of Financing
3. Bond Structure and Escrow Efficiency

Financial and Policy Objectives – The District may undertake a refinancing for a number of financial and/or policy objectives, including to achieve debt service savings, eliminate restrictive debt/legal covenants, restructure the stream of debt service payments, or to achieve other policy objectives. Although in most circumstances the District may undertake a refunding to obtain economic savings, it may refund an issue to restructure its debt portfolio in order to obtain budgetary/cash flow relief or to address exposure to other costs/liabilities and to extend the maturity.

Financial Savings/Results of Financing - The financial framework regarding the evaluation of refunding opportunities is to be developed and evaluated by the District Treasurer, typically to include the efforts of outside financial advisors. It is important to note that federal tax law typically permits an issuer to conduct one advance refunding over the life of a bond issue. As such, the District must take greater care (i.e., require a higher savings threshold) when evaluating an advance refunding opportunity. In certain circumstances, lower savings thresholds may be justified. For example, when an advance refunding is being conducted primarily for policy reasons (other than

economic savings), interest rates are at historically low levels or the time remaining to maturity is limited, and as such, future opportunities to achieve greater savings are not likely to occur.

**Bond Structure and Escrow Efficiency** – The District’s debt management practices should anticipate the potential for future refundings. When debt is issued, careful attention should be paid to the bond structure to address features that may affect flexibility in the future. To that end, upon debt issuance the District shall consider: optional redemption provisions, bond coupon characteristics giving up call rights for certain maturities in exchange for a lower interest rate on the bonds, call provisions that permit the redemption of bonds in any order of maturity or on any date, call provisions that permit the issuer to call bonds at the earliest date without incurring a significant interest-rate penalty, and coupons on callable bonds priced as close to par as possible at the time of original issue.

**Escrow Efficiency** - The lower the cost of the escrow the more efficient the escrow. Also, in order to be efficient, escrow securities need to mature or pay interest when debt service payments of the refunded escrow are due.

**Current vs. Advance Refunding** - There are two types of refundings for tax-exempt debt financing, as defined by Federal Tax laws; a current refunding in which a refunding takes place (i.e., refunding bonds are sold) within 90 days of the optional call date, and an advance refunding in which refunding bonds are sold more than 90 days prior to the first call date. Federal tax law typically permits an issuer to conduct one advance refunding over the life of a bond issue.

**Section 5. Interest Rate Swaps**

No interest rate swaps shall be permitted.

**Section 6. Debt Management**

The District’s General Manager will oversee the bond issuance process with assistance from the Business Admin Manager and any financial advisors deemed necessary. The General Manager will insure debt proceeds are expended for allowable purposes only. The District’s Contract CPA will review all debt proceeds expenditures and another form of internal control. The District’s General Manager will ensure compliance with continuing disclosure and other post issuance requirements. The District’s CPA will review all disclosures for compliance as well.

**Section 7. Authority**

The General Manager is responsible for adherence to this policy and regular reporting of the District’s financial status. Board oversight will be accomplished through regular reporting of financial status and review of this Policy.

**Section 8. Policy Review**

This Policy will be reviewed at least biennially.