

December 5, 2012

Marina D. West, PG General Manager Bighorn-Desert View Water Agency 6222 S. Jemez Trail Yucca Valley, CA 92284

Re: Repeal of Section 33305 of Bighorn-Desert View Water Agency Law - Support in Concept

Dear Ms. West:

The California Special Districts Association (CSDA), representing over 1,000 special districts and affiliate organizations throughout the state, supports in concept the repeal of Section 33305 from the Bighorn-Desert View Water Agency (Bighorn) Law.

As you know, Bighorn was established by AB 1819 (Woodruff), a consolidation between the Desert View County Water District and the Bighorn Mountains Water Agency in 1990. Water Code (WC) Section 33305 requires Bighorn to adhere to WC Section 31012, which states, if substantially all of a county water agency is acquired by another public agency, that "all funds derived from the operation of the former district shall be separately accounted for and used exclusively for purposes of maintenance, operation, betterments, and bond debt service of the acquired system."

Although Bighorn maintains separate accounting of pre-consolidation debt and associated revenue, it has not operated as two separate independent enterprise districts since its consolidation, creating legal uncertainty under WC Section 33305.

Retroactive compliance with WC Section 33305 would be more costly than the operational efficiencies gained from the 1990 consolidation and would only be detrimental to its ratepayers. This proposal would not affect WC Section 31012 and would not impact other public agencies.

For these reasons, CSDA supports Bighorn's proposal in concept. Please feel free to contact me if you have any questions.

Sincerely.

Kyle Packham

Advocacy & Public Affairs Director

cc: Wendy Ridderbusch, Director of State Relations, Association of California Water Agencies