

**JOSHUA BASIN WATER DISTRICT**  
Minutes of the  
**FINANCE COMMITTEE MEETING**  
Wednesday, August 10, 2022  
61750 Chollita Road, Joshua Tree, CA 92252

**CALL TO ORDER/PLEDGE OF ALLEGIANCE** –President Floen called the meeting to order at 9:00 a.m.

**DETERMINATION OF A QUORUM** – President Floen and Director Delph

**STAFF PRESENT** –Sarah Johnson, General Manager, Anne Roman, Director of Finance, and Autumn Rich, Accounting Supervisor, Jeremiah Nazario, Distribution Supervisor, and Steve Corbin, Production Supervisor

**GUESTS** - 1

**APPROVAL OF AGENDA** – Minor change to the agenda; should state “Draft Minutes July 13, 2022” instead of “Draft Minutes June 8, 2022”. MSC<sup>1</sup> (Delph/Floen) motion carried to approve the July 13, 2022, Finance Committee Agenda.

**PUBLIC COMMENT** – None

**ITEMS FOR APPROVAL** – Draft Minutes July 13, 2022

MSC<sup>1</sup> (Delph/Floen) motion carried to approve the Draft Minutes of July 13, 2022.

**JUNE 2022 CHECK REGISTER** – Director Anne Roman – The committee reviewed the June 2022 check register and a brief Q&A followed. MSC<sup>1</sup> (Delph/Floen) motion carried to refer the June 2022 check register to the Board of Directors for approval.

**APPROPRIATION LIMIT FOR FISCAL YEAR 2022/23** – Director Anne Roman reported on the 22/23 calculation below:

- The cost of living (based on per capita personal income) increased from 5.73% to 7.55%.
- The population for unincorporated portions of San Bernardino County, which applies to JBWD, decreased from -0.20% to -0.46%.

The calculation using these two figure results is an increase of 7.055% or \$143,180

- The District anticipates approximately \$650,419 in general tax revenues (the “free” portion of the 1% property tax) plus up to \$30,000 in interest revenue, which is also subject to the Limit. All other revenues, such as user fees (because they do not exceed the cost of service) are not subject to the Limit. The total of these subject revenues, \$680,419, is significantly below the 22/23 appropriation limit of \$2,172,660.

MSC<sup>1</sup> (Delph/Floen) motion carried to refer the Appropriation Limit for Fiscal Year 2022/23 to the Board of Directors for approval.

**21/22 BAD DEBT WRITE-OFF** of \$3,358.87 – Director Anne Roman gave the staff report and reported that this year’s bad debt situation is an anomaly, making our normal analysis and comparison with prior years unhelpful. Still, here are a few statistics for consideration:

- The number of accounts to be written off this year is 24 compared to 154 last year.
- The amounts range from \$7.16 to \$533.42, averaging \$146.
- There are 4 accounts on the list that have prior bad debt.
- 7 (or 30%) of the 24 accounts are locked basic fee accounts (inactive water service). That is a lower percentage than usual, likely because debt from unlocked accounts (active water service) fell under the shutoff moratorium, eliminating the main disincentive for non-payment.

MSC<sup>1</sup> (Delph/Floen) motion carried to refer the 21/22 Bad Debt Write-Off of \$3,358.87 to the Board of Directors for approval.

COPPER MOUNTAIN MESA (CMM) ASSESSMENT DISTRICT STATUS UPDATE – Director Anne Roman informed the Committee that of the \$4,551,389 original balance, the bond debt had an outstanding balance of \$2,622,000 as of 6/30/2021. The 40-year Bonds are scheduled to be paid off in 2036. In July 2022, the District began working with NBS, our CMM Assessment District Administrator, to prepare for a bond call in September 2022, to be funded by an excess balance in the LAIF Redemption account. Through this process, the District will prepay the debt principal while maintaining the existing repayment schedule for future payments. This will not only save the assessment district participants interest of up to \$128,000 over the repayment term but also offer increased opportunity for future bond calls, thus compounding the effect.

MSC<sup>1</sup> (Delph/Floen) motion carried to refer the Copper Mountain Mesa (CMM) Assessment District bonds to the Board of Directors to receive for information only.

STAFF REPORTS – None

NEXT MEETING – September 14, 2022

ADJOURNMENT - MSC<sup>1</sup> (Delph/Floen) motion carried to adjourn the Finance Committee meeting at 10:08 a.m.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Anne Roman". The signature is written in a cursive style and is positioned above a horizontal line.

Anne Roman, Director of Finance