

JOSHUA BASIN WATER DISTRICT
Minutes of the
SPECIAL JOINT MEETING OF THE BOARD OF DIRECTORS
AND CITIZENS ADVISORY COMMITTEE

September 18, 2013

1. CALL TO ORDER: 4:00 PM

2. PLEDGE OF ALLEGIANCE

3. DETERMINATION OF QUORUM
BOARD OF DIRECTORS:

Victoria Fuller	Present
Bob Johnson	Present
Mickey Luckman	Present
Mike Reynolds	Absent
Gary Wilson	Absent

CAC MEMBERS:	Douglas Buckley	Present (4:15 pm)	Karen Morton	Present
	Amy Fauls	Present (4:30 pm)	Karyn Sernka	Present
	Frederick Klintworth	Present	Jay St. Gaudens	Present
	Shari Long	Present	Karen Tracy	Present
	Penny Mason	Absent	Steven Whitman	Absent

STAFF PRESENT: Susan Greer, Acting General Manager
Marie Salsberry, HR Manager/Administrative Specialist

CONSULTANTS PRESENT: Alex Handlers, Bartle Wells Associates
Mike Metts, District Engineer

GUESTS 2

4. APPROVAL OF AGENDA

MSC Fuller/Johnson 3/0 (2 absent) to approve the agenda for the September 18, 2013 Special Joint Meeting of the Board of Directors and Citizens Advisory Committee.

MSC St. Gaudens/Tracy 6/0 (4 absent) to approve the agenda for the September 18, 2013 Special Joint Meeting of the Board of Directors and Citizens Advisory Committee.

5. PUBLIC COMMENT

None.

6. RATE STUDY DISCUSSION

Alex Handlers of Bartle Wells Associates was in attendance and presented information on key issues and preliminary findings related to the District's water rate study. He reviewed rate adjustments of the past several years noting water rates have increased by an average of 1.07% per year since 1996, much less than the 4- to -5% per year inflationary increase that is generally attributed to water agencies.

Mr. Handlers reviewed the rate adjustments that resulted from the prior 2007 rate study; the District had adopted a plan of four years of 6% rate increases but spread those rate increases over five years from 2007 to 2011 and implemented no rate increases for 2012 or 2013. JBWD's water rates were found to be in the

lower-middle range compared to rates of neighboring agencies.

He reported on challenges that the District will face, including providing a long-term water supply and purchase of imported water for recharge, infrastructure repair and replacement, inflation, and possible decline in water sales as a result of conservation and rate increase response.

The Board and Citizens Advisory Committee discussed options for establishing a rate structure that would meet the District's future needs, protect low water users from large increases and give incentive for conservation for higher water users. The possibility of borrowing funds was also discussed.

The group was in favor of further discussion of the following:

- Approximate 6% yearly increase rather than the Bartle Wells' preliminary projection of 8.5% per year
- Changing the rate structure (basic fee vs. consumption) to reduce fixed meter charge revenue recovery from current level of 53% to 40% over time
- Adjusting rate tiers from current consumption levels of 0-5 units, 5-20 units, 20-40 units and 40 + units to 0-5 units, 5-10 units, 10-20 units, and 20+ units since both mean and average consumption amounts are 10 units or less per month
- Rate structure that protects low income users from drastic increases
- Institute basic fee for pulled meters, possibly phasing in over time.

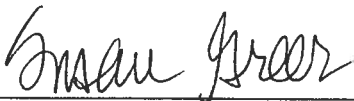
It was also requested that Mr. Handlers return with projections based on adjusting for the rate of inflation only.

7. CONFIRM DATE FOR NEXT SPECIAL JOINT MEETING OF THE BOARD OF DIRECTORS AND CITIZENS ADVISORY IS OCTOBER 2, 2013

8. ADJOURNMENT 6:17 PM

MSC Fuller/Johnson 3/0 (2 Absent) and MSC Tracy/St. Gaudens 8/0 (2 Absent) to adjourn the September 18, 2013 Special Joint Meeting of the Board of Directors and Citizens Advisory Committee.

Respectfully submitted:



Susan Greer, Acting General Manager

The next regular meeting of the Board of Directors is scheduled for October 2, 2013 at 7:00 pm.