



JOSHUA BASIN WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, JUNE 5, 2019, AT 6:30 PM
61750 CHOLLITA ROAD, JOSHUA TREE, CA 92252

AGENDA

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **DETERMINATION OF A QUORUM**
4. **APPROVAL OF AGENDA**
5. **PUBLIC COMMENT**
 Members of the public may address the Board at this time with regard to matters within the Board’s jurisdiction that are not listed on the agenda. State law prohibits the Board of Directors from discussing or taking action on items not included on the agenda. Members of the public will have the opportunity for public comment on any item listed on the agenda when it is addressed on the agenda. Please limit comments to three (3) minutes or less.
6. **CONSENT CALENDAR –**
 - Draft Minutes April 17, 2019
 - Draft Minutes May 1, 2019
 - Special Meeting “Closed Session” Draft Minutes – May 15, 2019
 - Draft Minutes May 15, 2019
7. **PRESENTATION BY MOJAVE WATER AGENCY – GENERAL MANAGER TOM MCARTHY-** Receive for information only.
8. **BUDGET APPROVAL –** Recommend that the Board of Directors receive report and approve 2019/2020 budget.
9. **ADOPT RESOLUTION NO. 19-997 AND RESOLUTION NO. 19-998 OF INTENTION TO DISSOLVE IMPROVEMENT DISTRICT #1 AND IMPROVEMENT DISTRICT #2- AGM Greer -**Recommend that the Board of Directors approve Resolution No. 19-997 and Resolution No. 19-998.
10. **CONSIDER REPLACEMENT OF BALL AND CHECK VALVES AS WATER METERS ARE REPLACED AT A COST OF \$500,250 OVER FIVE YEARS – AGM Greer –**Recommend that the Board of Directors authorize replacement of ball and check valves as water meters are replaced over the next five (5) years.
11. **DISTRICT GENERAL COUNSEL REPORT –** Mr. Gil Granito
12. **GENERAL MANAGER REPORT –** Curt Sauer

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13. **DIRECTOR COMMENTS & REPORTS ON MEETINGS ATTENDED**

- Public Outreach Consultant – Kathleen Radnich

14. **FUTURE DIRECTOR MEETINGS AND TRAINING OPPORTUNITIES**

- Technical Advisory Committee (TAC) – June 6, 2019 – Director Luckman
- Finance Committee – June 12, 2019 – President Johnson & Vice President Unger
- Water Resources and Operations Committee – June 12, 2019– Director Hund & Director Reynolds
- Mojave Water Agency Board of Directors – June 13, 2019 – Director Reynolds
- Association of San Bernardino County Special Districts (ASBCSD) Dinner at Percy Bakker Community Center, Hesperia, CA – June 17, 2019 -Vex Robotics Demonstration – Director Reynolds.

15. **CLOSED SESSION-** At this time, the Board will go into Closed Session pursuant to Government Code Section 54957 (b) (1) to discuss and consider the appointment/employment of an Acting/Interim General Manager effective following Mr. Sauer’s scheduled retirement and to consult with the Board’s designated representatives (Ad Hoc Negotiating Committee members, President Johnson & Director Reynolds) pursuant to Government Code Section 54957.6, the potential compensation for said position. Action on this matter will be considered in Open Session at the June 19, 2019 Regular Meeting of the Board of Directors.

RETURN TO OPEN SESSION -

16. **ADJOURNMENT**

INFORMATION

The public is invited to comment on any item on the Agenda during discussion of that item.

Any person with a disability who requires accommodation in order to participate in this meeting should telephone Joshua Basin Water District at (760) 974-0072, at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the District’s office located at 61750 Chollita Road, Joshua Tree, California 92252 during normal business hours.

JOSHUA BASIN WATER DISTRICT
REGULAR MEETING MINUTES
WEDNESDAY, APRIL 17, 2019

CALL TO ORDER/PLEDGE OF ALLEGIANCE – President Johnson called the meeting to order at 6:30 p.m.

DETERMINATION OF A QUORUM – President Johnson, Vice President Unger, Director Hund, Director Luckman, and Director Reynolds.

STAFF PRESENT -Curt Sauer, GM, Mark Ban, AGM-Operations, Susan Greer, AGM-Fin, and Beverly Waszak, Executive Assistant

CONSULTANTS PRESENT - Kathleen Radnich, Public Outreach

APPROVAL OF AGENDA – President Johnson moved to table Item #7 Public Hearing No. 5 to May 1, 2019, and to table Item #8 and Item #9 back to the Finance Committee for further review. Vice President Unger moved Item # 12, Appointment of Tom Floen to the CAC to Item #7.

MSC¹ (Reynolds/Unger) motion carried by the following vote:

Ayes: Hund, Johnson, Luckman, Reynolds, and Unger
Noes: None
Absent: None
Abstain: None

PUBLIC COMMENT – None

CONSENT CALENDAR – The draft minutes of the regular Board meeting March 20, 2019, February 2019 Check Register and the 2nd Quarter Ending 12/31/2018. Both the February check register and the 2nd quarter ending 12/31/2018 were reviewed by the Finance Committee on April 10, 2019.

Director Reynolds made a motion to approve the consent calendar. Vice President Unger seconded.

MSC¹ (Reynolds/Unger) motion carried by the following vote:

Ayes: Hund, Johnson, Luckman, Reynolds, and Unger
Noes: None
Absent: None
Abstain: None

APPOINTMENT OF THOMAS FLOEN TO THE CITIZENS ADVISORY COMMITTEE – Vice President Unger read the criteria in order to be appointed to the Citizens Advisory Committee (CAC), She continued to read Mr. Floen’s bio followed by each of the Board members praised Mr. Floen for continuing to be a part of the JBWD.

Director Hund made a motion to confirm Mr. Thomas Floen to the Citizens Advisory Committee (CAC). Vice President Unger seconded.

MSC¹ (Hund/Unger) motion carried by the following vote:

Ayes: Hund, Johnson, Luckman, Reynolds, and Unger
Noes: None
Absent: None
Abstain: None

WELL 14 – AGM Ban gave an update on Well 14, the 4-LOG treatment, and what it will cost and the costs to maintain the 4-LOG treatment. A brief Q&A period followed with the Board.

PUBLIC COMMENT –

Al Marquez, Sunfair, commented that it has cost over one million dollars to rehabilitate Well 14 when it should have only cost \$270,000.00. Mr. Marquez then quoted the misinformation from the news media.

Tom Floen, Joshua Tree stated that Well 14 is the largest producing well in the entire region. Well 14 had not been cleaned in 32 years so it's very hard to know in advance of what you might find when you finally reach 400-500 feet below the surface. Full speed ahead let's get it up and running.

PUBLIC COMMENT CLOSED –

Director Luckman made a motion to direct the General Manager to move forward with constructing the necessary infrastructure and implementation of 4-LOG treatment at Well 14, at a cost not to exceed \$205,000.00 to include recommended facility improvements totaling \$237,000.00 for a total of \$442,000.00. Vice President Unger seconded.

MSC¹ (Luckman/Unger) motion carried by the following vote:

Ayes: Hund, Johnson, Luckman, Reynolds, and Unger

Noes: None

Absent: None

Abstain: None

PVC PIPE, PARTS, AND MATERIAL PURCHASES – SADDLEBACK WATER-MAIN

REPLACEMENT PROJECT – After a brief report by AGM Ban, followed by a short Q&A with the Board, AGM Ban stated that this was a budgeted item. President Johnson concurred that he did see it as a budgeted item in at the Finance Committee. He also commented that he would like to see a little more lead time since this is the second or third one we have had to rush through because of vendors.

Director Reynolds asked President Johnson if this was a budgeted item and this is why he would like to see the Committee meeting minutes in the Board packet.

PUBLIC COMMENT –

Al Marquez, Sunfair agreed with Director Reynolds stating we should have audio at least in the Committee meetings.

Tom Floen, Joshua Tree North, informed the Board that he has been going to the meetings for a very long time. The Committee meetings are a discussion, with the public and the Committee members going through each item. Mr. Floen feels it is working just fine the way it is.

Gayle Austin, Joshua Tree stated that it is not the JBWD's responsibility to ensure that every single person is informed of every little thing that the JBWD does. It is each person's responsibility to ensure they have the information and have received the information. Committee packets and Board packets are on the website (which is not mandatory), and they are also emailed, so there is no reason for a person not to be informed.

PUBLIC COMMENT CLOSED –

Director Reynolds made a motion to purchase the Polyvinyl Chloride (PVC) pipe, parts, and materials for the District's upcoming Saddleback Water Main Replacement Project based upon the General Manager's lowest responsive, and responsible bid.

MSC¹ (Reynolds/Unger) motion carried by the following vote:

Ayes: Hund, Johnson, Luckman, Reynolds, and Unger

Noes: None

Absent: None

Abstain: None

DISTRICT GENERAL COUNSEL REPORT – Mr. Gil Granito informed the Board he had no report. Mr. Granito apologized to the Board for stepping out of the boardroom to take a conference call with Ms. Jennifer Farrell, Rutan & Tucker, LLP.

GENERAL MANAGER REPORT – GM Sauer gave an update on current water conservation with 25.54% water savings for March 2019 and 21.47 cumulative water savings from June 2018 to March 2019. He will be off for a few days to get married.

AGM Ban informed the Board that JBWD started recharging on April 6, 2019, and the updated total is 63-acre-feet and he hopes to wrap it up in early August.

DIRECTOR COMMENTS & REPORTS ON MEETINGS ATTENDED-

Kathleen Radnich, Public Outreach Consultant, reported on the United Way Low Income Assistance Program, Summerizing classes and Wild Crafting by the Joshua Tree National Park.

Director Luckman reported on the Mojave Water Agency Board of Directors meeting she attended on April 11, 2019.

Director Reynolds reported on the Association of San Bernardino Special Districts Dinner he attended on April 15, 2019.

President Johnson read off the Director's upcoming meetings and opportunities.

Director Reynolds would like to add Committee Meeting Minutes to the next Agenda.

ADJOURNMENT – President Johnson adjourned the meeting at 7:44 p.m.

Respectfully Submitted:

Curt Sauer, General Manager and Board Secretary

JOSHUA BASIN WATER DISTRICT
REGULAR MEETING MINUTES
WEDNESDAY, MAY 1, 2019

CALL TO ORDER/PLEDGE OF ALLEGIANCE – President Johnson called the meeting to order at 6:30 p.m.

DETERMINATION OF A QUORUM – President Johnson, Vice President Unger, Director Hund, Director Luckman, and Director Reynolds.

STAFF PRESENT -Curt Sauer, GM, Mark Ban, AGM-Operations, Sarah Johnson, HR Manager, and Beverly Waszak, Executive Assistant

CONSULTANTS PRESENT - Kathleen Radnich, Public Outreach, Jennifer Farrell, Rutan & Tucker, LLP., and Mr. Gil Granito, Redwine and Sherrill, District Counsel.

APPROVAL OF AGENDA – Director Luckman motioned to approve the Agenda. Vice President Unger seconded.

MSC¹ (Luckman/Unger) motion carried by the following vote:

Ayes: Hund, Johnson, Luckman, Reynolds, and Unger
Noes: None
Absent: None
Abstain: None

PUBLIC COMMENT – None

CONSENT CALENDAR – Regular Board Meeting Minutes, April 3, 2019 and adjourned regular Board meeting April 10, 2019.

MSC¹ (Luckman/Unger) motion carried by the following vote:

Ayes: Hund, Johnson, Luckman, Reynolds, and Unger
Noes: None
Absent: None
Abstain: None

SECOND READING AND ADOPTION OF ORDINANCE NO. 19-10, ESTABLISHING DISTRICT BASED ELECTIONS – Ms. Jennifer Farrell, Rutan & Tucker, LLP stated that all parties have a preference of Map #103 and tonight is the second reading and adoption of Ordinance No. 19-10. If adopted, Map #103 would be implemented. If you vote in favor of Map #103 and Ordinance No. 19-10, staff and I will be working with the Registrar of Voters to implement the map. A brief Q&A followed with the Board.

GM Sauer informed the Board of Directors that Ordinance No. 19-10 would go into effect in November 2020.

PUBLIC COMMENT –

Al Marquez, Sunfair Community spoke in reference to boundaries of Map #103. Even though the Board has decided on District #103, has anyone spoke to LAFCO or the Association San Bernardino County Special Districts, SB Planning Commission to see if they could re-district Joshua Basin Water District.

GM Sauer explained that District 1 is not the Sunfair Community District it incorporates Copper Mountain Mesa, Sunfair Community, and are East of Coyote Lake.

Ms. Jennifer Farrell, Rutan & Tucker, LLP replied that she did not go to LAFCO as LAFCO is for creating new agencies or splitting up old agencies; we are just creating voting Districts. This is still Joshua Basin Water District, it's just a different way of voting for the Board. Yes we did have to skew the boarders a little

bit to get the population correct in each District.

Tom Floen, Joshua Tree North stated that 3 years ago Kathleen McDonald, LAFCO was mostly concerned with the overall boundaries and the Districts with the most influence, which are two areas.

PUBLIC COMMENT CLOSED –

Vice President Unger made a motion to adopt Ordinance No. 19-10 establishing and implementing District based elections. Director Luckman seconded.

MSC¹ (Unger/Luckman) motion carried by the following vote:

Ayes: Hund, Johnson, Luckman, Reynolds, and Unger

Noes: None

Absent: None

Abstain: None

CONTRACTING WITH TERRA VERDE ENERGY TO CONDUCT THE NEXT PHASE OF SOLAR FEASIBILITY STUDY – GM Sauer gave the staff report and analysis of the next phase of the Solar Feasibility Study. A brief Q&A period followed with the Board.

PUBLIC COMMENT –

Gayle Austin, Joshua Tree stated that we should take advantage of the sun and even if we broke even it would be good for the ecology system. It's important to find out if it is feasible, and what is the best way and then go forward from here.

Al Marquez, Sunfair Community agrees that the Feasibility Study should go forward, he asked if it is a rooftop solar, solar field or a solar farm. Mr. Marquez asked the Board if they had followed the recent updated code from San Bernardino County restricting solar fields.

Director Hund replied that the Consultant will be making recommendations, but primarily ground mounted and the District would need 7 to 10 acres to generate enough electricity for the District. Vice President Unger responded that in the Utilities field, the County Supervisors can issue a waiver. This was followed by GM Sauer informing the Board that the restrictions are based on 10-50 acres and we are looking at 3-7 acres.

Director Hund made a motion to direct the General Manager to retain Terra Verde to conduct a feasibility study in order to prepare a RFP (Request for Proposal) to install a solar project to offset electrical pumping costs at a cost not to exceed \$37,000.00. Vice President Unger seconded.

MSC¹ (Hund/Unger) motion carried by the following vote:

Ayes: Hund, Johnson, Luckman, Reynolds, and Unger

Noes: None

Absent: None

Abstain: None

GEOVIEWER-CMMS MODULE CREATION WITH TYLER INTEGRATION- AGM Ban stated that during the 2018/2019 budget, the Board of Directors approved a contract with Nobel Systems, which included providing a mobile global information system (GIS) platform. The next step is to construct a CMMS system that will be used in conjunction with Tyler, Incode (District Billing Software). A Q&A followed with the Board.

Director Reynolds made a motion to approve Nobel Systems moving forward with the creation of a Computerized Maintenance Management System (CMMS) to include integration with Tyler, Incode (District Billing System), in an amount not to exceed \$15,000 for set up fees. Director Luckman seconded.

MSC¹ (Reynolds/Luckman) motion carried by the following vote:

Ayes: Hund, Johnson, Luckman, Reynolds, and Unger

Noes: None

Absent: None

Abstain: None

COMMITTEE MEETING MINUTES – GM Sauer stated that at the April 17, 2019 Board of Directors meeting, Director Reynolds requested an agenda item to discuss the minutes of the Committee meetings. Committee minutes are created for each Committee meeting; to include the Finance, Water Resources & Operations, Legislative and Public Information, and the Citizens Advisory Committee. Minutes are approved at each of the above mention meetings. The minutes are then posted along with the Agenda's and Agenda Packets on the JBWD Website. This was followed by a discussion with the Board of Directors.

EA Beverly Waszak – Explained to Director Reynolds that the staff reports he was seeing in his Board packet, is what each of the Committee's had discussed and then referred to the Board of Directors for approval.

This was a discussion and no action was taken.

DISTRICT GENERAL COUNSEL REPORT – Mr. Gil Granito had no report but commented that he is receiving inquiries from Political Activists asking what are the terms of your District Officers? This signals to me that there are Political Activists there that can compile a survey and targeting Special Districts on getting State Legislative to limit the terms of elected officials.

GENERAL MANAGER REPORT – GM Sauer reported to the Board of Directors on the following: Emergency Preparedness, Hazard Mitigation, and the Dollar General Project. GM Sauer then went on to recognize JBWD staff – Steve Corbin, Anne Roman, Field, Finance, and Customer Service staff.

DIRECTOR COMMENTS & REPORTS ON MEETINGS ATTENDED –

Kathleen Radnich, Public Information Outreach, informed the Board of Summarizing Class on April 30, 2019, Wild Crafting Course, Farmers Market May theme, MAC meeting, and Water Education Day Festival, May 16, 2019.

Director Reynolds commented on the Mojave Water Agency meeting he attended on April 25, 2019.

FUTURE DIRECTOR MEETINGS AND TRAINING OPPORTUNITIES –

President Johnson read off the changes in the upcoming and canceled meetings due to the ACWA Conference in Monterey.

ADJOURNMENT – At 8:02 p.m., Vice President Unger made a motion to adjourn. Director Luckman seconded.

MSC¹ (Unger/Luckman) motion carried

Respectfully,

Curt Sauer, General Manager and Board Secretary

JOSHUA BASIN WATER DISTRICT
SPECIAL MEETING MINUTES
WEDNESDAY, MAY 15, 2019

CALL TO ORDER/PLEDGE OF ALLEGIANCE – President Johnson called the meeting to order at 5:00 p.m.

DETERMINATION OF A QUORUM – President Johnson, Vice President Unger, Director Hund, Director Luckman, and Director Reynolds.

APPROVAL OF AGENDA –

MSC' (Reynolds/Luckman) motion carried by the following vote:

Ayes: Hund, Johnson, Luckman, Reynolds, and Unger
Noes: None
Absent: None
Abstain: None

PUBLIC COMMENT – None

CLOSED SESSION – At approximately 5:00 p.m. the Board went into Closed Session pursuant to Government Code Section 54957 (b) (1) to discuss and consider the appointment/employment of an Acting General Manager effective following Mr. Sauer's scheduled retirement.

RETURN TO OPEN SESSION- Mr. Granito reported that the Board returned to open session at approximately 5:58 p.m., as provided in Item 6 of tonight's Agenda. The Closed Session consisted of three Phases. In Phase 1 Mr. Sauer was invited to participate and Mr. Ban did not. In Phase 2 Mr. Ban was invited to participate and Mr. Sauer did not. In Phase 3, the Board deliberated without the participation of both Mr. Sauer and Mr. Ban. No reportable action was taken.

ADJOURNMENT – The Board adjourned the Special Meeting at 6:00 p.m.

Respectfully Submitted,

Curt Sauer, General Manager and Board Secretary

JOSHUA BASIN WATER DISTRICT
REGULAR MEETING MINUTES
WEDNESDAY, MAY 15, 2019

CALL TO ORDER/PLEDGE OF ALLEGIANCE – President Johnson called the meeting to order at 6:30 p.m.

DETERMINATION OF A QUORUM – President Johnson, Vice President Unger, Director Hund, Director Luckman, and Director Reynolds.

STAFF PRESENT -Curt Sauer, GM, Mark Ban, AGM-Operations, Susan Greer, AGM-Finance, Anne Roman, Accountant, and Beverly Waszak, Executive Assistant

CONSULTANTS PRESENT - Kathleen Radnich, Public Outreach and Mr. Gil Granito, Redwine and Sherrill, District Counsel.

APPROVAL OF AGENDA – President Johnson moved the Citizens Advisory Report by Karen Tracy, Chairperson to report after Public Comment.

MSC' (Luckman/Hund) motion carried by the following vote:

Ayes: Hund, Johnson, Luckman, Reynolds, and Unger
Noes: None
Absent: None
Abstain: None

PUBLIC COMMENT –

Al Marquez, Sunfair Community had an issue with the new fees in reference to receiving a copy of a DVD of the Board meetings, they have always been free in the past and now they are \$5.00.

CONSENT CALENDAR – Regular Board Meeting Minutes April 17, 2019 and March 2019 Check Register.

Director Reynolds inquired why there were no minutes for the previous meeting (May 1, 2019). Beverly Waszak, Executive Assistant responded that with all of the Public Hearings there has been a backlog but all minutes will be caught up by the June 5, 2019 Board meeting.

Director Reynolds made a motion to approve the Consent Calendar. Director Luckman seconded.

MSC' (Reynolds/Luckman) motion carried by the following vote:

Ayes: Hund, Johnson, Luckman, Reynolds, and Unger
Noes: None
Absent: None
Abstain: None

Karen Tracy, Citizens Advisory Committee Chairperson reported on the last CAC meeting on May 14, 2019, they discussed the Ordinance for redistricting, Terra Verde Energy for the Solar Feasibility Study, Well 14 update, and CIRP updates.

PROJECTED COSTS OF SUCCESSION MANAGEMENT FOR ADMINISTRATIVE STAFF - GM Sauer briefed the Board on the projected costs, which President Johnson had requested at the April 10, 2019 Finance Committee meeting. GM Sauer guided the Board through the next six (6) steps and closed with the summarizing that during the 19 month transition period the District will see a decrease in costs of approximately \$68,000. Salary costs for these positions during the year of 2021 will be approximately \$89,000 less than today's costs. This is a total reduction over 31 months of approximately \$157,000.

BOARD COMMENTS –

Director Hund appreciated all the hard work the staff put into this document.

Director Luckman also thanked the staff for laying it out in a way that makes it easy to understand.

DIRECTOR OF ADMINISTRATION JOB DESCRIPTION – GM Sauer reminded the Board of Directors of the approved Organizational Assessment Plan that was conducted to create a succession plan for the District's many upcoming retirements. Phase I has concluded and is working as intended.

Phase II is in progress and includes the reclassification of the Human Resources Manager/Contract Administrator to become the Director of Administration. GM Sauer recommended that the Board approve the Director of Administration job description with a salary Range 53, \$107,730 to \$141,351.

This was followed by a Q&A period with the Board of Directors.

PUBLIC COMMENTS –

Al Marquez, Sun Fair Community agreed with President Johnson and stated that in the last ten (10) years we have more chiefs than indians. We have so many people that are exempt than we have non-exempt.

Gayle Austin, Joshua Tree stated that when someone mentions a six (6) figure salary it seems to be a trigger. Because we are a disadvantaged community doesn't mean that staff should be paid less, as if they took a position in an advantage community, they still have the same skill sets. The staff lives and works in our community, which contributes to the economy.

BOARD COMMENTS –

Director Hund commented that regardless of your income level you deserve to have safe reliable drinking water. The way we are going to keep having it, is to have top notch professional staff.

Director Luckman agreed with Gayle Austin and Director Hund commenting that we have a very experienced person who does a very responsible job and we need to pay them in accordance with their talent.

President Johnson reminded everyone that 50% of our community is \$40,000 or less in annual income and we are a disadvantage community. The issue is not the salary it's the timing. After following the Organizational timeline we are talking 6 month increments, with 18 months before the CFO leaves, GM Sauer will leave in 4 or 5 weeks, which leaves us with a short window.

President Johnson moved to approve the job description as it is written but with a temporary time frame to coincide with new the new Acting General Manager's opportunity to evaluate whether he wants to move forward in this direction or not.

General Manager Sauer responded that through the transition period, the number of exempt employees remain the same. He explained his reasoning for hiring for the Director of Administration now rather than later.

This was followed by a brief discussion with President Johnson and GM Sauer.

Director Reynolds seconded President Johnson's amendment to the motion

Director Hund suggested that it would be a good idea to have the current HR Manager step into this role while AGM Greer is still on board so that she may mentor the HR Manager in this time of transition.

This was followed by another discussion between GM Sauer and the Board of Directors.

PUBLIC COMMENT –

Al Marquez, Sun Fair Community made a point of order to inform the Board of Directors that there is a motion on the floor and a second, it has been discussed there should be no more discussion and requested that the Board act on the motion.

Mr. Gil Granito, Legal Counsel, responded that the General Manager has made it abundantly clear that once you approve the job description it gives him entitlement to move on the job.

President Johnson then asked the Board to vote on his motion to approve the job description but with a brief waiting period for the Interim General Manager to make a determination to decide when to hire for the position.

MS' (Johnson/Reynolds) motion defeated by the following vote:

Ayes: Johnson, and Reynolds
Noes: Hund, Luckman, and Unger
Absent: None
Abstain: None

Director Hund motioned to approve the Director of Administration job description with the salary established at Range 53, \$107,730 to \$141,351.

MSC' (Hund/Luckman) motion carried by the following vote:

Ayes: Hund, Luckman, and Unger
Noes: Johnson, and Reynolds
Absent: None
Abstain: None

DRAFT BUDGET 2019/2020 - President Johnson stated that there was a two hour meeting at the Finance Committee on the 2019/2020 Draft Budget and thanked Accountant Anne Roman and AGM Susan Greer for doing a great job on the Budget. President Johnson explained that the Draft Budget is very detailed and is available on the website for public viewing. The Final Budget will be voted on at the next Board meeting on June 5, 2019. The Board received the information and no further action was taken.

DISTRICT GENERAL COUNSEL REPORT - Mr. Granito reported that the Senate Budget Committee #3, this morning rejected the Governor's proposal for a statewide tax on water and instead recommended the adoption of a continuous appropriation from the General Fund. Mr. Granito indicated that this was a major setback for water tax proponents. The matter now moves to the Assembly Budget Committee #3.

GENERAL MANAGER REPORT –

AGM Ban updated the Board on a specific leak on Sunburst and Dennis.

GM Sauer reported that he and other area General Managers heard from the California Water System Alliance Group about the Governor's Proposal on the statewide tax on water being rejected. GM Sauer also asked for a date from the Board to hold a Strategic Plan "Workshop". He also asked for a "Closed Session" for Union Negotiations soon. EA Waszak will send out a few dates for the Board members to agree on.

DIRECTOR COMMENTS & REPORTS ON MEETINGS ATTENDED -

Kathleen Radnich reported on the following:

- MAC meeting and Jim Sowers' presentation
- The top pics on the flyers from the Elementary school
- Session 3 of 4 on Wild Crafting this Friday (seed harvesting)
- May 16, 2019 Ms. Radnich is teach 400 Eighth Graders on water conservation
- This month is Tortoise month at the Farmers Market

Director Hund, Director Unger, and Director Reynolds reported on the ASBCSD dinner they attended on May 13, 2019.

Vice President Unger reported on the Finance Committee on May 15, 2019, and thanked AGM Susan Greer and Accountant Anne Roman for taking the time to walk the Finance Committee through the 2019/2020 Draft Budget.

Director Hund reported on the Water Resources and Operations Committee he and Director Reynolds attended on May 15, 2019.

President Johnson initiated an AD HOC Committee, consisting of himself and Director Reynolds for the recruitment and transition of the General Manager.

Director Hund commented on the Elementary school and their projects.

Director Luckman reported on the ACWA Conference.

Director Reynolds also commented on the ACWA Conference.

ADJOURNMENT – At 8:04 p.m. Director Unger moved for adjournment. Director Luckman seconded. MSC' (Unger/Luckman) motion carried

Respectfully Submitted,

Curt Sauer, General Manager and Board Secretary

JOSHUA BASIN WATER DISTRICT
MEETING AGENDA REPORT

Meeting of the Board of Directors

June 5, 2019

Report to: President and Board Members

Prepared by: Susan Greer

TOPIC: 19/20 BUDGET APPROVAL

RECOMMENDATION: Receive report and approve 19/20 Budget.

ANALYSIS:

The proposed 19/20 budget is attached, in the Presentation Budget format. We are continuously reviewing and updating, so there are some minor changes to a few figures, but the *bottom line* is the same. Staff discussed the budget in detail with the Finance and Water Operations Committees on May 15. The first draft budget was included with the May 15 Board of Directors meeting agenda, but detailed discussion was tabled.

The proposed budget includes funding for the various ongoing programs of work as well as for the new CIRP pipeline replacement work. Sources of funding come from the CIRP loan, typical water revenues and taxes, as well as reserves. Recall that the Rate Study included a planned spend-down of reserves by nearly \$1.8M over five years, through fiscal year 21/22. Staff has carefully analyzed cash flows, projecting through 26/27 by using reasonable assumptions about future costs and capital work for the CIRP crew. Note that within this timeframe, several factors are in play that free up cash over time. First, the meter replacement is occurring over a five-year period, and the final budget is about 20% or \$500,000 less than projected and funded via the Rate Study. Once that project is complete, the current funding of \$500,000 per year can be redirected to other capital or operating expense. Secondly, the final Morongo Basin Pipeline debt payment occurs in fiscal year 20/21, and once paid off, will free up another \$220,000 per year for capital or operating expense.

In the short-term, over the next two years through fiscal 20/21, **while total projected unrestricted reserves are still approximately \$5.5M at the end of each fiscal year** that is less than predicted in the Rate Study; \$791,000 less in 19/20 and \$54,000 less in 20/21. Once we hit fiscal year 21/22 and some of the aforementioned money is freed up, reserve balances start climbing again significantly each year, **exceeding the Rate Study projected balances** by as little as \$318,000 and as much as \$2.8M per year. Note that projecting cash flows far into the future is full of assumptions, such as presumed ongoing rate increases, and reality can differ substantially from projections in the end. Recall that we were conducting the Organizational Assessment (OA) while the Rate Study was taking place and the Rate Study specifically did not take into account any costs associated with implementation of the OA, such as new hires. For example, while the CIRP crew is funded via the \$3M loan for the first few pipeline replacement projects, the District will eventually have to fund all new positions from water rates.

Note that the year-end projections for the **current 18/19 Operating Budget** indicate that *expenses will exceed revenues* by approximately \$380,000. This is a reflection of the “doubling up” of recharge in the current year due to the upcoming MWA maintenance on the recharge pipeline. While we originally budgeted \$418,000 for recharge in the current year, the Board approved a second round of recharge in 18/19 resulting in a total projected cost of \$906,000; an increase of \$488,000. While we have increased the current year budget to fund the additional recharge, the proposed 19/20 budget reflects the savings from no recharge next year. Remember that taking the recharge water now, before the July 1 rate increase, will also save the District \$17,000.

In addition, Staff has carefully considered the Rate Study projections for revenues and expenses, so we’re ensuring that the rates already put in place will provide adequate funding for the budget now and in the near future. Based on the projected plan of operating and capital work, water rate revenues, grant funds, taxes and use of reserves in the proposed budget, **the District’s 19/20 combined Operating and Capital budgets are projected to have total net revenue of \$564,804, meaning that revenues exceed expenses by more than one-half million dollars.** This is as it should be since there is no planned recharge water purchase in fiscal year 19/20, and that expense will return to the budget in 20/21.

Appreciation for a job well done goes to Anne Roman for her work on the proposed budgets. It takes a sharp mind, significant amount of coordination, and attention to detail to manage all of the moving parts of a combined operating and capital budget that exceeds \$8M, and Anne is to be recognized and commended for her outstanding work in doing so.

FISCAL IMPACT:

Operating Revenues	\$7,216,295
Operating Expenses	-\$6,745,491
Capital Revenues, grants, reserves	\$1,477,756
Capital Costs	-\$1,383,756
NET REVENUE (Revenue exceeds Expense)	\$564,804

Approved _____

2019 –2020 BUDGET

Joshua Basin Water District

Fiscal year ending June 30, 2020





**PROPOSED OPERATING BUDGET
FISCAL YEAR 2019 - 2010**

2018-2019 MID-TERM BUDGET	2019-2020 PROPOSED BUDGET
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REVENUES

OPERATING REVENUES

01-40-41010-FI	METERED WATER SALES	2,219,000	2,475,000
01-40-41012-FI	ALLOW FOR CAAP/BILLING ADJ	(5,000)	-
01-40-41015-FI	BASIC FEES	1,903,000	2,192,000
01-40-41016-FI	BASIC FEES - LOCKED/PULLED	298,000	336,000
01-40-41030-FI	PRIVATE FIRE PROTECTION SERV.	22,000	22,000
01-40-41040-FI	SPECIAL SERVICES REVENUE	141,000	121,000
01-40-41045-FI	HDMC WWTP OPERATIONS REIMB REVENUE	132,500	130,000
01-40-41046-FI	HDMC WWTP OVERHEAD/FEES REIMB REVENUE	29,813	29,250
01-40-42100-FI	STANDBY REVENUE-CURRENT	1,139,000	1,078,000
01-40-43000-FI	PROPERTY TAX REVENUE - G.D.	437,000	446,000
01-40-43020-FI	ASSESSMENT REVENUE - CMM	256,240	242,045
01-40-47000-FI	MISCELLANEOUS REVENUE	20,000	20,000
01-40-47002-FI	INTEREST REVENUE - G.D.	99,000	125,000
TOTAL OPERATING REVENUE		6,691,553	7,216,295



**PROPOSED OPERATING BUDGET
FISCAL YEAR 2019 - 2010**

2018-2019 MID-TERM BUDGET	2019-2020 PROPOSED BUDGET
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EXPENSES

PRODUCTION

01-01-5-01-01118-FI	PRODUCTION SALARY (incl STBY,CLBK)	391,069	417,150
01-01-5-01-02205-RL	WATER TREATMENT EXPENSE	5,000	6,000
01-01-5-01-02210-RL	SMALL TOOLS - PRODUCTION	7,000	7,500
01-01-5-01-03102-GM	WATER RECHARGE PURCHASE	906,000	-
01-01-5-01-03105-GM	WATER SUPPLY MONITORING	40,000	40,000
01-01-5-01-03108-RL	RECHARGE MAINT/REPAIR	3,000	3,000
01-01-5-01-03111-D/P	EQUIPMENT RENTAL	5,000	3,500
01-01-5-01-03115-RL	PUMPING PLANT REPAIR & MAINT.	35,000	35,000
01-01-5-01-03120-RL	TANK & RESERVOIR MAINTENANCE	58,000	65,000
01-01-5-01-03207-RL	GENERATOR (LARGE) REPAIR & MAINTENANCE	16,000	28,000
01-01-5-01-04004-RL	LABORATORY SERVICES	13,000	20,000
01-01-5-01-06105-RL	POWER FOR PUMPING (ELECTRIC)	350,000	350,000
01-01-5-01-06501-RL	TELEMETRY / SCADA EXPENSE	2,500	5,000
01-01-5-01-06590-RL	PRODUCTION - OTHER	1,500	-
01-01-5-01-07002-AGM	RIGHT OF WAY	16,204	16,533
01-01-5-01-98001-FI	EE BENEFITS ALLOCATED	211,824	281,325
01-01-5-01-98002-FI	FIELD EXPENSES ALLOCATED	74,491	67,173
	TOTAL PRODUCTION	2,135,588	1,345,181

DISTRIBUTION

01-02-5-02-01130-FI	DISTRIBUTION SALARY (incl STBY,CLBK)	485,427	426,104
01-02-5-02-02211-JC	SMALL TOOLS - DISTRIBUTION	18,000	15,000
01-02-5-02-02920-FI	INVENTORY-OVER & SHORT	6,800	7,135
01-02-5-02-03106-JC	MAINLINE AND LEAK REPAIR	80,000	80,000
01-02-5-02-03206-JC	TRACTOR REPAIR / MAINT.	2,000	8,000
01-02-5-02-04005-JC	UTILITY LOCATING (DIG ALERT)	15,000	15,000
01-02-5-02-98001-FI	EE BENEFITS ALLOCATED	308,300	287,427
01-02-5-02-98002-FI	FIELD EXPENSES ALLOCATED	108,353	98,437
	TOTAL DISTRIBUTION	1,023,880	937,102

CUSTOMER SERVICE

01-03-5-03-01107-FI	FIELD SALARY - CUSTOMER SERVICE	84,329	46,236
01-03-5-03-01114-FI	OFFICE SALARY - CUSTOMER SERV.	131,927	141,777
01-03-5-03-03107-GM	METER SERVICE REPAIR (INTERNAL)	383,315	407,685
01-03-5-03-05201-GM	METER READING EQUIPMENT & EXPENSE	-	5,000
01-03-5-03-07004-GM	LOW INCOME ASSSITANCE (LIA)	6,650	6,650
01-03-5-03-07010-AGM	BAD DEBT	25,000	35,000
01-03-5-03-07015-GM	CUSTOMER SERVICE - OTHER	46,800	46,000
01-03-5-03-98001-FI	EE BENEFITS ALLOCATED	133,636	126,777
01-03-5-03-98002-FI	FIELD EXPENSES ALLOCATED	16,224	18,079
01-03-5-03-98003-FI	OFFICE EXPENSE ALLOCATED	47,598	46,770
	TOTAL CUSTOMER SERVICE	875,479	879,974



**PROPOSED OPERATING BUDGET
FISCAL YEAR 2019 - 2010**

2018-2019 MID-TERM BUDGET	2019-2020 PROPOSED BUDGET
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ADMINISTRATION

01-04-5-04-01108-FI	ADMINISTRATION SALARY	360,556	392,544
01-04-5-04-01115-FI	SAFETY SALARY	8,640	7,025
01-04-5-04-01121-FI	DIRECTORS SALARY	32,642	32,642
01-04-5-04-01210-EXA	DIRECTORS / C.A.C. EDUCATION	16,000	16,000
01-04-5-04-04007-GM	LEGISLATIVE ADVOCACY	7,000	7,000
01-04-5-04-07008-EXA	BUSINESS EXPENSE	13,000	10,000
01-04-5-04-07014-GM	PUBLIC INFORMATION	74,805	76,000
01-04-5-04-07016-EXA	MEMBERSHIP, DUES & SUBSCRIPT	37,792	33,573
01-04-5-04-07020-GM	WATER CONSERVATION EXPENSE	16,000	15,000
01-04-5-04-07025-GM	LEGAL SERVICES - NON-PERSONNEL	85,000	65,000
01-04-5-04-07218-GM	SAFETY EXPENSE (EQUIP & SUPPLIES)	20,000	10,000
01-04-5-04-07219-GM	EMERGENCY PREPAREDNESS	14,000	20,000
01-04-5-04-07401-AGM	PROPERTY INSURANCE & RISK MGMT	72,800	88,000
01-04-5-04-98001-FI	EE BENEFITS ALLOCATED	238,317	269,370
01-04-5-04-98003-FI	OFFICE EXPENSE ALLOCATED	129,953	131,694
TOTAL ADMINISTRATION		1,126,505	1,173,848

DEVELOPMENT & ENGINEERING

01-05-5-05-01109-FI	DEVELOPMENT SALARY	95,973	69,403
01-05-5-05-02305-ENG	MAPS/DRAFTING SUPPLIES	3,130	4,500
01-05-5-05-04008-GM	ENGINEERING CONTRACT SERVICES	24,750	25,000
01-05-5-05-04013-ENG	DEVELOPMENT - OTHER	2,870	13,750
01-05-5-05-98001-FI	EE BENEFITS ALLOCATED	70,335	46,825
01-05-5-05-98003-FI	OFFICE EXPENSE ALLOCATED	38,220	22,880
TOTAL DEVELOPMENT & ENGINEERING		235,278	182,358

FINANCE

01-06-5-06-01101-FI	FINANCE SALARY	241,818	263,826
01-06-5-06-04009-AGM	ACCOUNTING/AUDIT SERVICES	24,975	24,825
01-06-5-06-07001-AGM	FINANCE - OTHER	21,600	26,857
01-06-5-06-98001-FI	EE BENEFITS ALLOCATED	181,815	177,836
01-06-5-06-98003-FI	OFFICE EXPENSE ALLOCATED	99,092	86,944
TOTAL FINANCE		569,300	580,288



**PROPOSED OPERATING BUDGET
FISCAL YEAR 2019 - 2010**

2018-2019 MID-TERM BUDGET	2019-2020 PROPOSED BUDGET
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HUMAN RESOURCES

01-07-5-07-01102-FI	PERSONNEL SALARY	39,466	82,816
01-07-5-07-01105-HR	AWARDS SALARY/LEAVE	2,500	2,500
01-07-5-07-01215-HR	EMPLOYEE TRAINING	22,500	30,000
01-07-5-07-01217-HR	EMPLOYEE EDUCATION	12,000	6,000
01-07-5-07-01905-HR	EMPLOYMENT RECRUITING EXPENSE	6,000	6,000
01-07-5-07-01910-HR	LABOR LEGAL FEES	30,000	70,000
01-07-5-07-01915-HR	PERSONNEL - OTHER	14,720	20,000
01-07-5-07-01920-HR	AWARDS GIFTS	-	2,500
01-07-5-07-98001-FI	EE BENEFITS ALLOCATED	28,017	55,792
01-07-5-07-98003-FI	OFFICE EXPENSE ALLOCATED	15,355	27,298
TOTAL HUMAN RESOURCES		170,558	302,906

BONDS, LOANS & STANDBY

01-09-5-09-08115-FI	CMM PRINCIPLE	111,000	116,000
01-09-5-09-08120-FI	MORONGO BASIN PIPELINE	219,881	220,033
01-09-5-09-08125-FIO	CHROM 6 LOAN PRINCIPLE	18,800	18,800
01-09-5-09-08130-FI	(CIRP) MUNICIPAL FINANCE LOAN PRINCIPLE	-	152,006
01-09-5-09-08215-FI	INTEREST EXPENSE - CMM	133,153	126,045
01-09-5-09-08220-FI	INTEREST EXPENSE-MUNICIPAL FINANCE LOAN (CIRP)	-	115,885
01-09-5-09-08320-FI	GENERAL TAX COLLECTION CHARGE	910	1,200
01-09-5-09-08325-FI	ADMINISTRATION - CMM	10,000	11,500
01-09-5-09-08330-AGM	STANDBY ADMINISTRATION	45,000	20,250
TOTAL BONDS, LOANS & STANDBY		538,744	781,719

CAPITAL IMPROVEMENT REPLACEMENT PROGRAM (CIRP)

01-12-5-12-02213-DWR	CIRP SALARY (incl STBY,CLBK)	-	284,167
01-12-5-12-02213-DWR	SMALL TOOLS - CIRP	30,000	-
01-12-5-12-98001-FI	EE BENEFITS ALLOCATED	-	-
01-12-5-12-98002-FI	FIELD EXPENSES ALLOCATED	-	66,024
01-12-5-12-98777-DWR	WIP SALARY & BENE CLEARING	-	(267,931)
TOTAL CAPITAL IMPROVEMENT REPLACEMENT PROGRAM (CIRP)		30,000	82,260

HDMC TREATMENT (offset by revenue)

01-20-5-20-03101-DWR	HDMC: OTHER	40,000	40,000
01-20-5-20-04100-DWR	HDMC: CONTRACTED OPERATION EXP	85,000	80,000
01-20-5-20-06100-DWR	HDMC: PUMPING POWER	7,500	10,000
TOTAL HDMC TREATMENT PLANT		132,500	130,000



**PROPOSED OPERATING BUDGET
FISCAL YEAR 2019 - 2010**

2018-2019 MID-TERM BUDGET	2019-2020 PROPOSED BUDGET
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BENEFITS ALLOCATED TO DEPTS.

01-51-5-51-01211-FI	COMPENSATED LEAVE	250,681	329,307
01-51-5-51-01216-FI	CAFETERIA PLAN EXPENSE	562,650	610,200
01-51-5-51-01220-FI	GROUP INSURANCE EXPENSE	15,609	10,085
01-51-5-51-01225-FI	WORKERS COMPENSATION INSURANCE	58,759	46,504
01-51-5-51-01230-FI	RETIREMENT: PERS Classic 2%@55	208,173	201,648
01-51-5-51-01231-FI	RETIREMENT: PERS Tier 2 2%@62	23,376	25,101
01-51-5-51-01232-FI	RETIREMENT: PERS - TEMP	5,645	2,718
01-51-5-51-01233-FI	RETIREMENT - 457 CONTRIBUTION	10,000	20,300
01-51-5-51-01305-FI	PAYROLL TAXES	174,298	160,248
01-51-5-51-98000 -FI	ALLOCATED EXPENSES - BENEFITS	(1,172,242)	(1,245,352)
01-51-5-51-98050-FI	WIP CLEARING (BENE IN WIP)	(136,949)	(160,759)
TOTAL BENEFITS ALLOCATED TO DEPTS		-	-

FIELD ALLOCATED TO DEPTS.

01-52-5-52-01240-D/P	UNIFORMS (FIELD)	13,600	13,600
01-52-5-52-02206-D/P	SHOP EXPENSE - COMBINED	20,568	15,000
01-52-5-52-02209-EXA	SHOP OFFICE SUPPLIES	-	12,000
01-52-5-52-02212-D/P	SMALL TOOLS - COMBINED & REPAIR	3,500	5,150
01-52-5-52-03205-D/P	TOOL / EQUIP REPAIR	1,650	-
01-52-5-52-03905-D/P	BUILDING REPAIR/MAINT-SHOP/SITE	10,000	38,000
01-52-5-52-04015-EXA	OPS: SOFTWARE,SUPPORT & COMP. EQUIP	42,000	80,020
01-52-5-52-05005-D/P	FUEL-VEHICLES	25,000	52,000
01-52-5-52-05010-D/P	AUTO EXPENSE - FIELD	20,000	15,000
01-52-5-52-05015-FI	EQUIPMENT CLEARING (FUEL)	-	(31,058)
01-52-5-52-06305-EXA	COMMUNICATIONS-MOBILE	24,000	25,000
01-52-5-52-07009-D/P	REGULATORY-PERMITS, FEES, CERTS	38,750	25,000
01-52-5-52-98000-FI	ALLOCATED EXPENSES - FIELD	(199,068)	(249,712)
TOTAL FIELD ALLOCATED TO DEPTS		-	-

OFFICE ALLOCATED TO DEPTS.

01-53-5-53-01405-HR	TEMPORARY LABOR FEES	42,510	25,000
01-53-5-53-02105-EXA	OFFICE SUPPLIES	35,233	20,000
01-53-5-53-02107-EXA	OFFICE EQUIP & MAINT.	23,605	14,011
01-53-5-53-02110-EXA	POSTAGE	35,152	41,152
01-53-5-53-03906-EXA	BUILDING REPAIR/MAINT - OFFICE	20,000	24,159
01-53-5-53-04015-EXA	ADMIN: COMPUTER SOFTWARE & SUPPORT	100,190	117,320
01-53-5-53-05010-AGM	AUTO EXPENSE - OFFICE	5,943	5,943
01-53-5-53-06205-EXA	TELEPHONE AND UTILITIES	67,585	68,000
01-53-5-53-98000-FI	ALLOCATED EXPENSES - OFFICE	(330,218)	(315,585)
TOTAL OFFICE ALLOCATED TO DEPTS		-	-



**PROPOSED OPERATING BUDGET
FISCAL YEAR 2019 - 2010**

		2018-2019 MID-TERM BUDGET	2019-2020 PROPOSED BUDGET
RESERVE & OTHER FUNDING - OPERATIONS			
01-42-5-99-00010-FI	%BUILDING RES (OP Funded)	30,000	30,000
01-42-5-99-00100-AGM	%EQUIP&TECH RES (OP Funded)	170,000	170,000
01-42-5-99-00110-FI	=EQUIP&TECH RES (OP Used)	(15,988)	(34,000)
01-42-5-99-00150-FI	%METER REPL RES (OP Funded)	250,000	500,000
01-42-5-99-00152-FI	=METER REPL RES (OP Used)	(250,000)	(366,145)
01-42-5-99-00250-FI	%STUDIES/REPORTS RES (OP Funded)	50,000	50,000
01-42-5-99-00252-FIC	=STUDIES/REPORTS RES (OP Used)	-	-
TOTAL RESERVE & OTHER FUNDING-OPERATIONS		234,012	349,855
TOTAL EXPENSES		7,071,842	6,745,491
NET REVENUES / (DEFICIT)		(380,290)	470,804

SUMMARY

REVENUES

TOTAL OPERATING EXPENSES 6,691,553 7,216,295

EXPENSES

	TOTAL PRODUCTION	2,135,588	1,345,181
	TOTAL DISTRIBUTION	1,023,880	937,102
	TOTAL CUSTOMER SERVICE	875,479	879,974
	TOTAL ADMINISTRATION	1,126,505	1,173,848
	TOTAL DEVELOPMENT & ENGINEERING	235,278	182,358
	TOTAL FINANCE	569,300	580,288
	TOTAL HUMAN RESOURCES	170,558	302,906
	TOTAL BONDS, LOANS, & STANDBY	538,744	781,719
	TOTAL CAPITAL IMPROVEMENT REPLACEMENT PROGRAM (CIRP)	30,000	82,260
	TOTAL HDMC TREATMENT	132,500	130,000
	TOTAL RESERVE & OTHER FUNDING - OPERATION	234,012	349,855
	TOTAL EXPENSES	7,071,842	6,745,491
	NET REVENUES / (DEFICIT)	(380,290)	470,804



PROPOSED CAPITAL BUDGET
FISCAL YEAR 2019 - 2010

2019-2020 PROPOSED BUDGET
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REVENUES

CAPITAL REVENUES

01-41-46410-FI	CIRP LOAN	645,140
		TOTAL CAPITAL REVENUE 645,140

CHROMIUM REVENUES

01-4C-46401-FI	CHROM 6 LOAN PROCEEDS	94,000
		TOTAL CHROMIUM REVENUES 94,000

RESERVE & OTHER FUNDING - CAPITAL

01-45-5-99-00012-FIC	=BUILDING RES (CAP Used)	25,000
01-45-5-99-00112-FIC	=EQUIP&TECH RES (CAP Used)	202,307
01-45-5-99-00251-FIC	=STUDIES/REPORTS RES (CAP Used)	37,500
01-45-5-99-00305-FIC	=CIP RES (CAP Used)	473,808
		TOTAL RESERVE & OTHER FUNDING-CAPITAL 738,615
		TOTAL CAPITAL REVENUES 1,477,756

EXPENSES

CAPITAL - ADMINISTRATION

01-74-7-70-19218-EXA	CP#19218: ALARM UPGRADES @ OFFICE	7,171
01-74-7-70-74013-AGM	CP#A16003: CODIFICATION OF RECORDS	50,000
01-74-7-70-74020-AGM	CP #____: COST ALLOCATION AUDIT	11,000
01-74-7-70-74022-HR	~CP #A18009: C.S. COUNTER ERGONOMIC REDESIGN	25,000
01-7-70-74000-EXA	CP#Z62: OFFICE CARPET/REPAINT/DOOR VARNISH	15,500
		TOTAL CAPITAL - ADMINISTRATION 108,671

CAPITAL - OPERATIONS

01-70-7-70-19204-DWR	CP# A19204: GEOVIEWER WORK ORDER API	15,000
01-70-7-70-19205-JC	CP#A19205: HAPCO VALVE TURNING MACHINE UPGRADE	7,117
01-70-7-70-19206-JC	CP#A19206: 2018 McLAUGHLIN VX50-800 VACUUM EXC.	82,662
01-70-7-70-19208-RL	CP#A19028: SCADA IMPR - PH 3	44,645
01-70-7-70-19209-RL	CP#A14002: WELL 14 - 4 LOG TREATMENT	205,000
01-70-7-70-19214-RL	CP#A19214: DODGE SERVICE BED (REPL V#27)	75,000
01-70-7-70-19215-GM	CP#A19215: SOLAR FEASIBILITY STUDY	32,000
01-70-7-70-19219-EXA	CP#19219: ALARM UPGRADES @ SHOP	6,020
01-70-7-70-71023-RL	CP#A18014: MOTOR CONTROL CTRL (MCC) @ WELL 14	75,000
01-70-7-70-74033-GM	CP#A19002: UPDATE WASTEWATER TREATMENT STRATEGY	22,000
01-70-7-70-75003-ENG	CP#A14020: TECHNOLOGY MASTER PLAN	50,000
01-70-7-70-75010-DWR	CP#____: STANDARDS & SPECIFICATIONS	15,500
		TOTAL CAPITAL - OPERATIONS 629,944



PROPOSED CAPITAL BUDGET
FISCAL YEAR 2019 - 2010

2019-2020 PROPOSED BUDGET
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CAPITAL IMPROVEMENT PLAN (CIP)

01-80-7-70-72014-JC	CP#A18016: SADDLEBACK-23,370LF MAIN REPL (Install)	539,280
01-80-7-70-72015-JC	CP #A18017: TILFORD WATERMAIN REPL (Design)	105,860
TOTAL CAPITAL IMPROVEMENT (CIP)		645,140
TOTAL EXPENSES		1,383,756
NET REVENUES / (DEFICIT)		94,000

SUMMARY

REVENUES

TOTAL CAPITAL REVENUES	645,140
TOTAL CHROMIUM REVENUES	94,000
TOTAL RESERVE & OTHER FUNDING - CAPITAL	738,615
TOTAL CAPITAL REVENUES	1,477,756

EXPENSES

TOTAL CAPITAL - ADMINISTRATION	108,671
TOTAL CAPITAL - OPERATIONS	629,944
TOTAL CAPITAL IMPROVEMENT (CIP)	645,140
TOTAL EXPENSES	1,383,756
NET REVENUES / (DEFICIT)	94,000

JOSHUA BASIN WATER DISTRICT



SALARY & BENEFITS BUDGET COMPARISON at Top Step

2018 - 2019 PAYROLL BUDGET					
# Operations	# Administration	# Board	Description	Salaries	Benefits
0.5			PRODUCTION (3.5 positions)		
1.0			AGM - Ops / prev. DWRO		
2.0			Water Production Supervisor		
			Water Production Operator II		
0.5			DISTRIBUTION (5.5 positions)		
1.0			AGM - Ops / prev. DWRO		
2.0			Water Distribution Supervisor		
2.0			Construction & Maintenance II		
			Construction & Maintenance I		
	2.0		CUSTOMER SERVICE (4 positions)		
2.0			Lead Customer Service Representative / Customer Service Representative		
			Field Service Technician		
0.5	0.5		ENGINEERING (2 Positions)		
1.0			Development Coordinator / prev. GIS Coordinator		
			Regulatory Compliance Admin. Analyst / prev. Sen Admin. Assistant		
0.5	0.5		ADMINISTRATION (3.5 Positions)		
0.5			General Manager		
0.5			AGM - Controller		
1.0			Executive Assistant		
0.5			Safety Coordinator (part-time)		
	0.5		Human Resources Manager/Contract Administrator		
	0.5		FINANCE (4 Positions)		
			AGM / Controller		
	1.0		Accountant		
	1.0		Accounting Technician		
	1.0		Accounts Receivable Technician		
	0.5		Office Assistant (part-time)		
	0.5		PERSONNEL (0.5 Positions)		
			Human Resources Manager/Contract Administrator		
	1.0		DIRECTORS (5 Positions)		
	1.0		Director		
	1.0		Director		
	1.0		Director		
	1.0		Director		
	1.0		Director		
13.5	9.5	5.0	TOTAL (28)	\$ 2,010,455	\$ 844,475
					Adjusted
COMBINED PERCENTAGE OF REVENUE					43%

PROPOSED NEW POSITIONS IN SUPPORT OF CAPITAL IMPROVEMENT / ORG. ASSESS. / METER REPL.					
1.0			ORGANIZATIONAL ASSESSMENT (SUPPLEMENTAL)	3/4 Year Funding	
			Operations Technician		
0.5	0.5		Purchasing & Contracts Administrator	\$104,138	\$55,084
1.0			CAPITAL IMPROVEMENT CREW POSITIONS (CAPITAL)	3/4 Year Funding	
1.0			CIRP - Lead Equipment Operator		
1.0			CIRP - Pipelayer II		
1.0			CIRP - Pipelayer I		
1.0			CIRP - Laborer		
1.0			CIRP - Laborer		
20.0	10.0	5.0	TOTAL (35)	\$247,470	\$147,599
					Adjusted
COMBINED PERCENTAGE OF REVENUE					51%

JOSHUA BASIN WATER DISTRICT



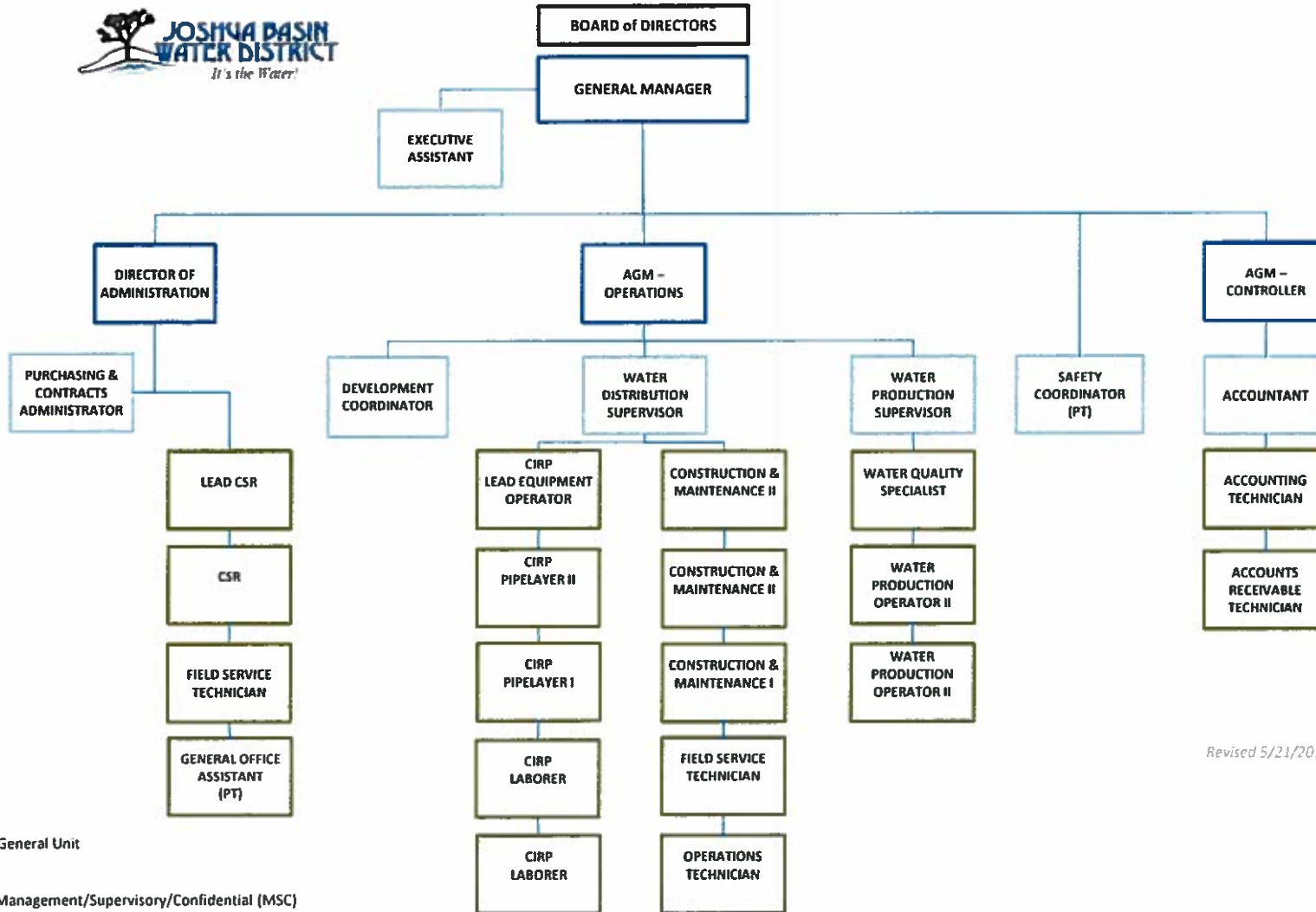
SALARY & BENEFITS BUDGET COMPARISON at Top Step (Continued)

2019 - 2020 PAYROLL BUDGET						
# Operations	# Administration	# Board	Description	Salaries	Benefits	
			PRODUCTION (4.5 positions)			
0.5			AGM-Operations			
1.0			Water Production Supervisor			
2.0			Water Production Operator II			
1.0			Water Quality Specialist			
			DISTRIBUTION (4.5 positions)			
0.5			AGM-Operations			
1.0			Water Distribution Supervisor			
2.0			Construction & Maintenance II			
1.0			Construction & Maintenance I			
			CUSTOMER SERVICE (4 positions)			
	2.0		Lead Customer Service Representative / Customer Service Representative			
2.0			Field Service Technician			
			ENGINEERING (1 Positions)			
0.5	0.5		Development Coordinator			
			ADMINISTRATION (3.5 Positions)			
0.5	0.5		General Manager			
	0.5		AGM - Controller			
	1.0		Executive Assistant			
0.5			Safety Coordinator (part-time)			
	0.5		Director of Administration			
			FINANCE (4 Positions)			
	0.5		AGM / Controller			
	1.0		Accountant			
	1.0		Accounting Technician			
	1.0		Accounts Receivable Technician			
	0.5		Office Assistant (part-time)			
			PERSONNEL (0.5 Positions)			
	0.5		Director of Administration			
			DIRECTORS (5 Positions)			
	1.0		Director			
	1.0		Director			
	1.0		Director			
	1.0		Director			
	1.0		Director			
12.5	9.5	5.0	TOTAL (27)	\$ 2,091,201	\$ 856,092	

COMBINED PERCENTAGE OF REVENUE 41%

POSITIONS IN SUPPORT OF CAPITAL IMPROVEMENT / ORG. ASSESS. / METER REPL.						
			ORGANIZATIONAL ASSESSMENT (SUPPLEMENTAL)			
1.0			Operations Technician			Full year funding
0.5	0.5		Purchasing & Contracts Administrator	\$133,866	\$72,236	
			CAPITAL IMPROVEMENT CREW POSITIONS (CAPITAL)			Full year funding
1.0			CIRP - Lead Equipment Operator			
1.0			CIRP - Pipelayer II			
1.0			CIRP - Pipelayer I			
1.0			CIRP - Laborer			
1.0			CIRP - Laborer			
				\$267,931	\$178,835	
19.0	10.0	5.0	TOTAL (34)	\$2,492,998	\$1,109,840	

COMBINED PERCENTAGE OF REVENUE 50%



Legend:



General Unit



Management/Supervisory/Confidential (MSC)

Revised 5/21/2019

JOSHUA BASIN WATER DISTRICT
MEETING AGENDA REPORT

Meeting of the Board of Directors

June 5, 2019

Report to: President and Board of Directors

Prepared by: Susan Greer 

TOPIC:

ADOPT RESOLUTIONS OF INTENTION TO DISSOLVE IMPROVEMENT DISTRICT #1 AND IMPROVEMENT DISTRICT #2

RECOMMENDATION:

APPROVE RESOLUTIONS #19-997 AND #19-998

ANALYSIS:

We learned recently that Improvement Districts Number 1 and Number 2 (ID#1 and ID#2, respectively) were never properly dissolved and there is some housekeeping work needed in order to do so. The purpose of forming the improvement districts was to issue debt to build water system infrastructure, and the ID's should have been dissolved after the debt was paid off. The process of dissolving the ID's requires a public hearing, the same as was required to initially form the improvement districts.

ID#1 was formed in 1966 and 30-year bonds totaling \$1,060,000 were issued to construct the ID#1 water system project in south Joshua Tree, near the National Park entrance. **Bonds were paid off in 1996.** We stopped collecting for debt service decades ago and the improvement district needs to be dissolved.

ID#2 was formed in 1974 and 40-year bonds totaling \$2,000,000 were issued. The bonds were used primarily to construct the water facilities that connected the seven private water companies that formed the original water district. Those facilities were constructed decades ago and the **bonds were paid off early in 2012**, saving the ratepayers over \$19,000. The improvement district is no longer needed and needs to be dissolved.

In order to dissolve the ID's, two separate resolutions will have to be adopted for *each* improvement district. First, the Resolutions of Intention being proposed for adoption at this meeting will set the date for the required public hearings. After adoption, the Resolutions of Intention have to be published in the newspaper, providing legal notice of the public hearing dates. Due to the newspaper publication schedule and the posting requirements, we cannot hold the public hearing until at least July 3 if the Resolutions of Intention are adopted at the June 5 Board Meeting. We will plug in the proposed date of the public hearing into the Resolutions once the date is established at the meeting. Second, another set of resolutions, formally dissolving each of the improvement districts, needs to be adopted at the

public hearing.

Apologies for the poor quality of the legal descriptions attached as Exhibit A to the resolutions. We were advised by legal counsel to cut and paste the legal descriptions from the original resolutions from decades ago and not retype the detailed descriptions in order to ensure that they are *exactly as written* in the original resolutions.

FISCAL IMPACT:

N/A, dissolution of the improvement districts is a housekeeping issue, they no longer serve a purpose.

RESOLUTION NO. 19-997

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE JOSHUA BASIN WATER DISTRICT
DECLARING INTENTION TO DISSOLVE
IMPROVEMENT DISTRICT NO. 1

WHEREAS, the Board of Directors of the Joshua Basin Water District (Board) adopted a resolution on March 9, 1966 to create Improvement District No. 1 to issue bonded debt in the sum of \$1,060,000 to acquire and construct works and facilities to provide, convey, supply, store, or otherwise make use of water within a portion of the Joshua Basin Water District;

WHEREAS, the Board determines that all indebtedness of Improvement District No. 1 has been paid;

WHEREAS, the Board determines that Improvement District No. 1 is no longer necessary for District purposes;

WHEREAS, the Board has no intention to affect existing rates and charges, including standby charges, for the water services of the District or other District revenues;

WHEREAS, the Board intends to consider the potential dissolution of Improvement District No. 1;

WHEREAS, a map and description of Improvement District No. 1 are attached hereto as Exhibit A;

WHEREAS, the Board intends to set a public hearing on the proposed dissolution of Improvement District No. 1 at the District Board Room 61750 Chollita Road, Joshua Tree, CA 92252 on the (date to be determined), at the hour of 6:30 p.m., at which time any interested persons, including any persons owning lands in the District or in Improvement District No. 1, may appear and be heard on the proposed dissolution;

NOW THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of Joshua Basin Water District the time and place for a hearing by the Board of Directors on whether or not to order Improvement District No. 1 dissolved shall be held at the District Board Room 61750 Chollita Road, Joshua Tree, CA 92252 on the (date to be determined), at the hour of 6:30 p.m.

BE IT FURTHER RESOLVED,

1. At the time and place of the hearing, any interested persons, including any persons owning lands in the District or in Improvement District No. 1 may appear and be heard on the proposed dissolution.

2. The Secretary of the District is directed to give Notice of the Hearing pursuant to sections 23904 and 24101 of the Water Code of the State of California.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED, SIGNED, and APPROVED this 5th day of June 2019, by Board of Directors of the Joshua Basin Water District by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Robert Johnson
President of the Board of Directors of
Joshua Basin Water District

Date

Curt Sauer
Secretary of the Board of Directors
Joshua Basin Water District

Date

EXHIBIT A
IMPROVEMENT DISTRICT NO. 1

Legal description of Improvement District No. 1 is on pages four through six (4-6):

That property situated in the County of San Bernardino, State of California, described as follows:

Beginning at the northeast corner of Township 1 South, Range 6 East, San Bernardino Meridian, said corner also being the northeast corner of Section 1, said Township and Range;

Thence southerly along the east line of said Township to the northwest corner of Section 7, Township 1 South, Range 7 East, San Bernardino Meridian;

Thence easterly along the north lines of Section 7 and Section 8, said last mentioned Township and Range, to the northwest corner of the northeast quarter of the northeast quarter of said Section 8;

Thence southerly along the west line of said northeast quarter of the northeast quarter to the southwest corner thereof;

Thence easterly along the south line of said northeast quarter of the northeast quarter to the southeast corner thereof;

Thence southerly along the east lines of Section 8 and Section 17, Township 1 South, Range 7 East, San Bernardino Meridian, to the southeast corner of said Section 17;

Thence westerly along the south line of said Section 17 to the southeast corner of Section 18, Township 1 South, Range 7 East, San Bernardino Meridian;

Thence northerly along the east line of said Section 18 to the southeast corner of the north three-quarters of the north half thereof;

Thence westerly along the south line of said north three-quarters to the southwest corner thereof, said corner being on the east line of Township 1 South, Range 6 East, San Bernardino Meridian;

Thence southerly along said east line to the southeast corner of Section 13, Township 1 South, Range 6 East, San Bernardino Meridian;

Thence westerly along the south line of the east half of the southeast quarter of said Section 13 to the southwest corner thereof;

Thence northerly along the west line of said east half of the southeast quarter to the southeast corner of the north quarter of the northwest quarter of the southeast quarter of said Section 13;

Thence westerly along the south line of said north quarter of the northwest quarter of the southeast quarter to the southwest corner thereof;

Thence continuing westerly along the south line of the north quarter of the northeast quarter of the southwest quarter of said Section 13 to the southwest corner thereof;

Thence northerly along the west line of said north quarter of the northeast quarter of the southwest quarter to the northwest corner thereof;

Thence continuing northerly along the west line of the east half of the northwest quarter to the southeast corner of the north half of the northwest quarter of the northwest quarter of said Section 13;

Thence westerly along the south line of said north half of the northwest quarter of the northwest quarter to the west line of said Section 13;

Thence northerly along the west lines of Sections 13, 12, and 1, Township 1 South, Range 6 East, San

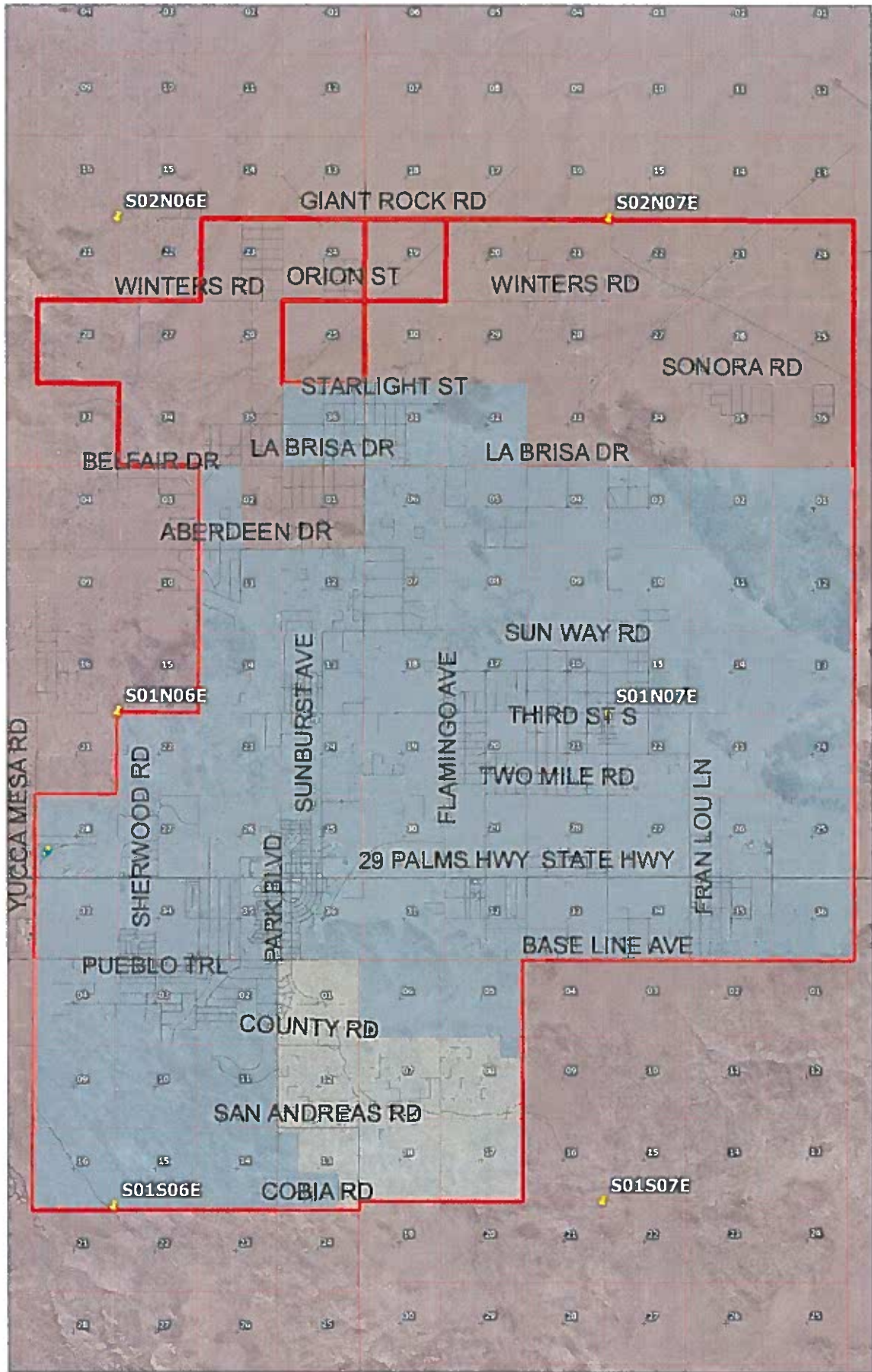
San Bernardino Meridian, to the northwest corner
of said Section 1;

Thence easterly along the north line of said
Section 1 to the northeast corner thereof, said
corner being the point of beginning.

EXHIBIT A
IMPROVEMENT DISTRICT NO. 1

Map of Improvement District No. 1 is on the following page.

JBWD'S IMPROVEMENT DISTRICT NO. 1 & 2



Legend

Streets

ID#1

ID#2

Boundary



RESOLUTION NO. 19-998

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE JOSHUA BASIN WATER DISTRICT
DECLARING INTENTION TO DISSOLVE
IMPROVEMENT DISTRICT NO. 2

WHEREAS, the Board of Directors of the Joshua Basin Water District adopted a resolution on April 6, 1974 to create Improvement District No. 2 to issue bonded debt in the sum of \$2,000,000 to acquire, repair and construct a water utility plant to serve a portion of the District;

WHEREAS, the Board determines that all indebtedness of Improvement District No. 2 has been paid;

WHEREAS, the Board determines that Improvement District No. 2 is no longer necessary for District purposes;

WHEREAS, the Board has no intention to affect existing rates and charges, including standby charges, for the water services of the District or other District revenues;

WHEREAS, the Board intends to consider the potential dissolution of Improvement District No. 2;

WHEREAS, a map and description of Improvement District No. 2 are attached hereto as Exhibit A;

WHEREAS, the Board intends to set a public hearing on the proposed dissolution of Improvement District No. 2 at the District Board Room 61750 Chollita Road, Joshua Tree, CA 92252 on the (date to be determined), at the hour of 6:30 p.m., at which time any interested persons, including any persons owning lands in the District or in Improvement District No. 2, may appear and be heard on the proposed dissolution;

NOW THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of Joshua Basin Water District the time and place for a hearing by the Board of Directors on whether or not to order Improvement District No. 2 dissolved shall be held at the District Board Room 61750 Chollita Road, Joshua Tree, CA 92252 on the (date to be determined), at the hour of 6:30 p.m.

BE IT FURTHER RESOLVED,

1. At the time and place of the hearing, any interested persons, including any persons owning lands in the District or in Improvement District No. 2 may appear and be heard on the proposed dissolution.

2. The Secretary of the District is directed to give Notice of the Hearing pursuant to sections 23904 and 24101 of the Water Code of the State of California.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED, SIGNED, and APPROVED this 5th day of June, 2019, by Board of Directors of the Joshua Basin Water District by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Robert Johnson
President of the Board of Directors of
Joshua Basin Water District

Date

Curt Sauer
Secretary of the Board of Directors
Joshua Basin Water District

Date

EXHIBIT A
IMPROVEMENT DISTRICT NO. 2

Legal description of Improvement District No. 2 is below and on pages four to six (4-6):

BOUNDARY DESCRIPTION - IMPROVEMENT DISTRICT NO. 2

JOSHUA BASIN COUNTY WATER DISTRICT

Section 36, Township 2 North, Range 6 East; the east 1/2 of Section 2 and Sections 11, 12, 13, 14, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, and 36 of Township 1 North, Range 6 East; Sections 2, 3, 4, 9, 10, 11, 14, 15, 16, and the south 3/4 of the west 1/2 of the northwest 1/4, and the west 1/2 of the southwest 1/4, the south 7/8 of the east 1/2 of the southwest 1/4, and the south 7/8 of the west 1/2 of the southeast 1/4 of Section 13, Township 1 South, Range 6 East; Sections 31 and 32 of Township 2 North, Range 7 East; all of Township 1 North, Range 7 East; and Sections 5, 6, and the northeast 1/4 of the northeast 1/4 of Section 8, Township 1 South, Range 7 East; all referenced to the San Bernardino Meridian, and being more particularly described as follows:

Beginning at the northeast corner of Township 1 North, Range 7 East, San Bernardino Meridian, said corner also being the northeast corner of Section 1, said Township and Range;

Thence southerly along the east line of said Township to the southeast corner thereof, said corner also being the southeast corner of Section 36, said Township and Range;

Thence easterly along the south line of said last mentioned Township to the southwest corner of Section 33 thereof;

Thence continuing along the south line of said last mentioned Township to the northeast corner of Section 5, Township 1 South, Range 7 East, San Bernardino Meridian;

Thence southerly along the east line of Sections 5 and 8, said last mentioned Township and Range to the southeast corner of the northeast quarter of the northeast quarter of said Section 8;

Thence easterly along the south line of said north quarter of the northeast quarter of the southwest quarter and along the south line of the north quarter of the northwest quarter of the southeast quarter of said Section 13 to the southeast corner thereof;

Thence southerly along the east line of the west half of the southeast quarter of said Section 13 to the southeast corner thereof;

Thence westerly along the south line of said Section 13 and along the south line of Sections 14, 15, and 16, Township 1 South, Range 6 East, San Bernardino Meridian, to the southwest corner of said Section 16;

Thence northerly along the west line of said Section 16, and along the west line of Sections 9 and 4, said last mentioned Township and Range, to the northwest corner of said Section 4, said corner being on the Township line between Township 1 South and Township 1 North, Range 6 East, San Bernardino Meridian;

Thence along said last mentioned Township line to the southwest corner of Section 33, Township 1 North, Range 6 East, San Bernardino Meridian;

Thence northerly along the west line of said Section 33 and along the west line of Section 28, said last mentioned Township and Range, to the northwest corner of said Section 28;

Thence easterly along the north line of said Section 28 to the northeast corner thereof;

Thence northerly along the west line of Section 22, said last mentioned Township and Range, to the northwest corner thereof;

Thence easterly along the north line of said Section 22 to the northeast corner thereof;

Thence westerly along the south line of said northeast quarter of the northeast quarter of Section 8 to the southwest corner thereof;

Thence northerly along the west line of said northeast quarter of the northeast quarter of Section 8 to the northwest corner thereof;

Thence westerly along the north line of said Section 8 and along the north line of Section 7 of said last mentioned Township and Range to the northwest corner of said Section 7, said corner being on the Range Line between Range 6 East and Range 7 East;

Thence northerly along said last mentioned Range Line to the northeast corner of Section 1, Township 1 South, Range 6 East, San Bernardino Meridian;

Thence westerly along the north line of said Section 1 to the northwest corner thereof;

Thence southerly along the west line of said Section 1 and Sections 12 and 13, said last mentioned Township and Range, to the southwest corner of the north half of the northwest quarter of the northwest quarter of said Section 13;

Thence easterly along the south line of said north half of the northwest quarter of the northwest quarter to the southeast corner thereof;

Thence southerly along the east line of the west half of the northwest quarter of said Section 13 to the southeast corner thereof;

Thence continuing southerly along the west line of the north quarter of the northeast quarter of the southwest quarter of said Section 13 to the southwest corner thereof;

Thence along said Range Line to the northwest corner of Section 31,
Township 2 North, Range 7 East, San Bernardino Meridian;

Thence easterly along the north lines of said Section 31 and Section 32,
said last mentioned Township and Range, to the northeast corner of said
Section 32;

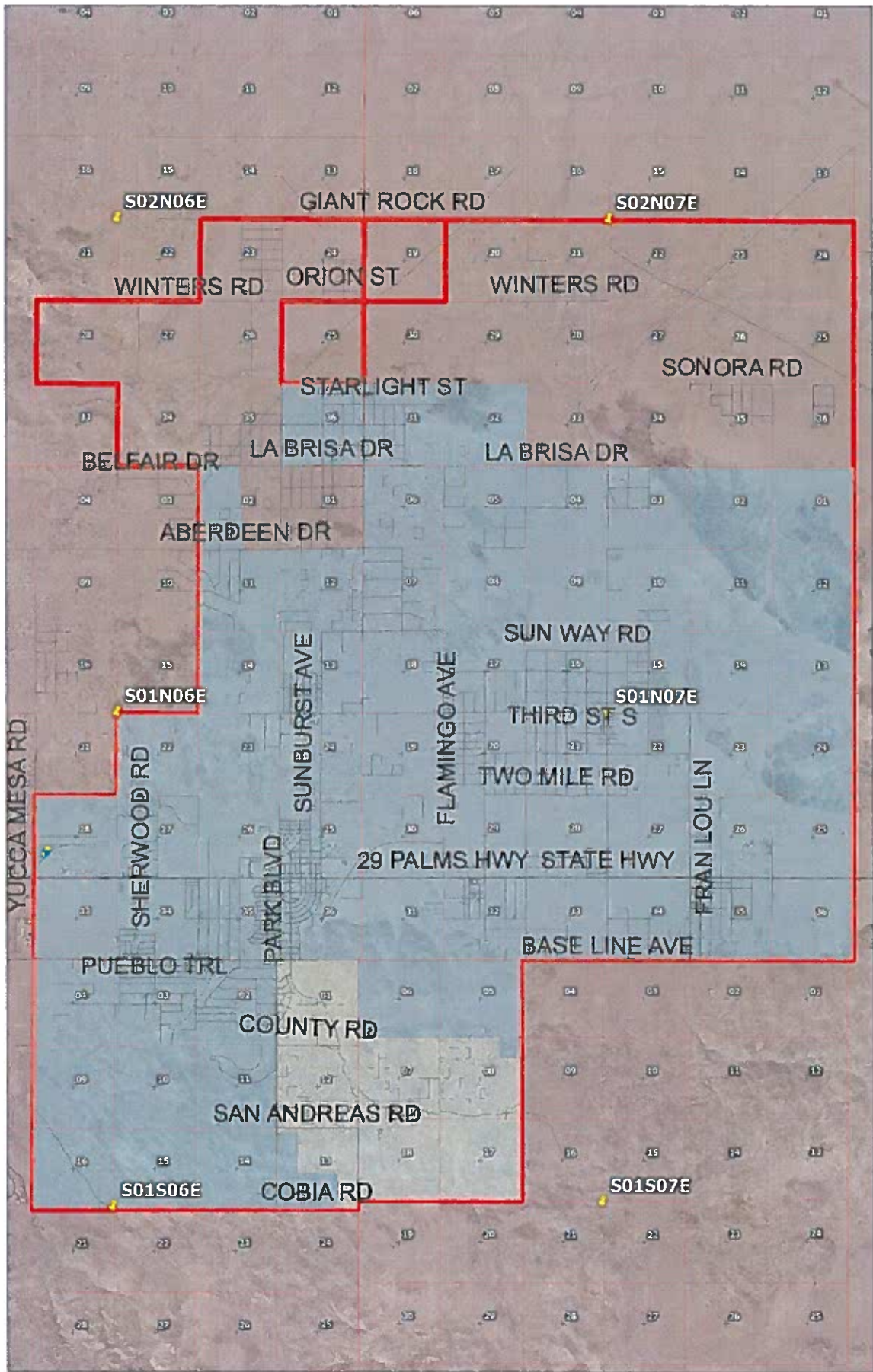
Thence southerly along the east line of said Section 32 to the south-
east corner thereof;

Thence easterly along the north line of Township 1 North, Range 7 East,
to the northeast corner thereof, said corner being the point of beginning.

EXHIBIT A
IMPROVEMENT DISTRICT NO. 2

Map of Improvement District No. 2 is on the following page.

JBWD'S IMPROVEMENT DISTRICT NO. 1 & 2



Legend

Streets

ID#1

ID#2


Boundary

JOSHUA BASIN WATER DISTRICT
MEETING AGENDA REPORT

Meeting of the Board of Directors

June 5, 2019

Report to: President and Board Members

Prepared by: Susan Greer 

TOPIC: CONSIDER REPLACEMENT OF BALL AND CHECK VALVES AS WATER METERS ARE REPLACED AT A COST OF \$500,250 OVER FIVE YEARS

RECOMMENDATION:

Authorize replacement of ball and check valves as water meters are replaced over next five years.

ANALYSIS:

At the time the District replaced meters last in 2000, we created a universal service connection including ball and check valves located on the customer side of the meter. This improves customer service by allowing us to communicate clearly what a customer will see when they open their meter box as we know each one looks the same. The universal service connection also improves field response for the same reason, we know what to expect when we get to the meter.

The ball valve provides a way for customers to turn off and lock their side of the meter, without damaging or trying to operate the District's facilities. The check valve provides low-level backflow protection so that water delivered through the meters cannot seep back into the water system.

Both of these valves wear out over time. The ball valve will get stuck and hard to operate. When this occurs, customers will be unable to shut off leaks downstream of the meter and could potentially break the ball valve which would result in an emergency shut-off if the break causes the PVC or another meter component to snap. Field staff would be required to respond at this time to shut the customer's water off at the District's side of the meter. The check valve swings back and forth within a brass valve body using components that also get stuck over time. This allows water that passes through the meter to go back into the water system allowing the potential for contaminants and pollutants to enter the distribution system.

It is most practical and cost-effective to replace the valves as we replace the meters over the next five years. Money exists for this work in the budget established for the meter replacement project which is funded via the rate study. Costs for the ball and check valves are estimated at \$500,250 for 4,500 meter replacements over five years. Costs for both valves as of today are about \$97 per meter; we have projected the increased costs over the next four years.

On March 6, the Board approved the meter replacement project at a cost of \$1,343,719 plus 10% contingency, for total funding of \$1,478,091. The rate study includes funding of \$500,000 over five years, or \$2,500,000. If we also take the prudent approach and replace the ball and check valves now, the project cost will be \$1,978,341, which is still more than \$521,000 less than the budget and rate study funding for the project. Monies remaining in the meter replacement fund after the project is completed could be transferred into the CIP Reserve to allow for more capital replacement work like mainline replacement.

This item was presented to both the Finance and the Water Resources and Operations Committees on May 15th and both Committees recommend for approval.

FISCAL IMPACT:

\$500,250 over five years; within established project budget