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 An Equal Opportunity Provider

**JOSHUA BASIN WATER DISTRICT
 REGULAR MEETING OF THE BOARD OF DIRECTORS
 WEDNESDAY SEPTEMBER 4, 2013 7:00 PM
 61750 CHOLLITA ROAD, JOSHUA TREE, CALIFORNIA 92252
 AGENDA**

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. DETERMINATION OF QUORUM
4. APPROVAL OF AGENDA
5. PUBLIC COMMENT: At this time, any member of the public may address the Board on matters within the Board’s jurisdiction that are not listed on the agenda. Please use the podium microphone. The Board may not discuss at length or take action on items not on the agenda.

During either "Public Comment" Item, please use the podium microphone. State your name and have your information prepared and be ready to provide your comments to the Board. The District is interested and appreciates your comments. A 3-minute time limit may be imposed. Thank you.

6. CONSENT CALENDAR: Items on the Consent Calendar are considered routine in nature and will be adopted in total by one action of the Board of Directors unless any Board Member or any individual or organization interested in one or more consent calendar items wishes to be heard.
 - A. Approve Draft Minutes of the August 21, 2013 Regular Board of Directors Meeting

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7. REVIEW STRATEGIC PLAN SUMMARY
 Recommend that the Board review for information only.

Pg. 5

8. CREDIT CARD PROCESSING BY THIRD PARTY
 Recommend that the Board authorize Staff to develop contract with Paymentus for credit card acceptance at an annual savings of \$15,726.

Pg. 6-7

9. KAYE KEENE METER VARIANCE REQUEST
 Recommend that the Board deny request for variance due to insufficient pressure.

Pg. 8-10

10. MODIFICATION TO AGREEMENT BETWEEN JOSHUA BASIN WATER DISTRICT AND HI-DESERT MEDICAL CENTER TO ALLOW HI-DESERT MEDICAL CENTER TO RETAIN OWNERSHIP OF THEIR ON-SITE TREATMENT PLANT
 Recommend that the Board take the following actions:

Pg. 11-12

1. Authorize the General Manager to work with Counsel to modify the JBWD-HDMC

- agreement to allow HDMC to retain ownership of the treatment plant,
2. Authorize collection of a deposit from HDMC to cover costs associated with the agreement modifications.

11. COMMITTEE REPORTS:

AD HOC:

- A. GENERAL MANAGER SEARCH: Director Reynolds and President Luckman
- B. ADMINISTRATION CODE UPDATE PROJECT: Vice President Fuller and President Luckman
- C. HOSPITAL WASTEWATER PROJECT: President Luckman and Vice President Fuller
- D. MOJAVE WATER AGENCY INTEGRATED REGIONAL WATER MANAGEMENT PLAN COMMITTEE: President Luckman and Vice President Fuller
- E. RULES AND REGULATIONS COMMITTEE: Vice President Fuller and Director Reynolds
- F. TANK RESTORATION PROJECT: Director Wilson and Director Johnson

STANDING:

- A. PUBLIC INFORMATION COMMITTEE: President Luckman and Vice President Fuller: Kathleen Radnich, Public Outreach Consultant to report.
- B. FINANCE: Vice President Fuller and Director Johnson

12. PUBLIC COMMENT

At this time, any member of the public may address the Board on matters within the Board's jurisdiction that are not listed on the agenda. Please use the podium microphone. The Board may not discuss at length or take action on items not on the agenda.

13. GENERAL MANAGER REPORT

14. DIRECTORS COMMENTS/REPORTS

15. DISTRICT GENERAL COUNSEL REPORT

16. FUTURE AGENDA ITEMS
Closed Session - Security

17. 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) 366-8438, 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.

This meeting is scheduled to be broadcast on Time Warner Cable Channel 10 on September 11 at 7:00 pm and September 18 at 7:00 pm. DVD recordings of Joshua Basin Water District Board meetings are available at the District office and at the Joshua Tree Library

JOSHUA BASIN WATER DISTRICT
Minutes of the
REGULAR MEETING OF THE BOARD OF DIRECTORS
August 21, 2013

1. CALL TO ORDER: 7:00 PM

2. PLEDGE OF ALLEGIANCE

3. DETERMINATION OF QUORUM:

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

STAFF PRESENT:

Susan Greer, Acting General Manager
Marie Salsberry, HR Manager/Administrative Specialist
Keith Faul, GIS Coordinator

CONSULTANTS PRESENT:

Gil Granito, District Counsel
Kathleen Radnich, Public Outreach Consultant

GUESTS 6

4. APPROVAL OF AGENDA

MSC Reynolds/Fuller 5/0 to approve the agenda for the August 21st, 2013 Regular Meeting of the Board of Directors.

5. PUBLIC COMMENT

None.

6. CONSENT CALENDAR

MSC Fuller/Reynolds 5/0 to approve the Draft Minutes of the August 7, 2013 Regular Meeting of the Board of Directors; to Adopt Resolution #13-910 Establishing the Appropriation Limit for Fiscal Year 2013/2014 and to adopt Resolution 13-912 Authorizing Signers with U.S. Bank.

7. REQUEST FOR PROPOSALS (RFP) FOR EXECUTIVE RECRUITMENT SERVICES

Acting General Manager Susan Greer reported that the Ad Hoc General Manager Search committee directed staff to prepare the RFP for services of an executive recruitment firm to assist the Board with selection of a general manager. She explained the scope of services described in the RFP.

Director Johnson asked whether the firm would prioritize the candidates; AGM Greer answered that would depend on the Board's instructions.

MSC Reynolds/Johnson 4/1 to approve and authorize distribution of RFP.

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Aye
Wilson	No

8. CONSIDER VOTING FOR THE ASSOCIATION OF CALIFORNIA WATER AGENCIES REGION 9 BOARD OF DIRECTORS RECOMMENDED SLATE OF CANDIDATES, INCLUDING JIM VENTURA, MOJAVE WATER AGENCY BOARD MEMBER

AGM Greer reported noting that Jim Ventura, former Joshua Basin Water District Director and current Mojave Water Agency Director, is included on the recommended slate of candidates. Director Wilson commented he is against Jim Ventura. Director Johnson asked if Mr. Ventura might occasionally come to JBWD to brief the Board; AGM Greer stated that Mr. Ventura would be very likely to and has done so in the past. Vice President Fuller noted that Jim Ventura lives in our area and has always been very supportive of Joshua Tree. Director Reynolds commented that he knows Mr. Ventura personally and professionally and can't think of a better person for the job. President Luckman agreed.

MSC Reynolds/Fuller 4/1 to authorize submission of ballot to vote for the recommended slate of candidates including Jim Ventura for the seven-member ACWA Region 9 Board of Directors.

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Aye
Wilson	No

9. PRESENTATION ON CREDIT CARD ACCEPTANCE AND FEES

AGM Greer gave a presentation on the cost of credit card acceptance at the District. Director Johnson asked what other agencies in the area are doing. AGM Greer stated BDVWA uses a third-party provider; HDWD accepts credit cards in the office but uses third-party services for website and phone credit card payments. Director Reynolds noted that AGM Greer had stated that the District is a "Level 1" provider, and asked what determines that particular status.

10. MEMORANDUM OF UNDERSTANDING WITH THE JOSHUA BASIN CHAPTER OF AFSCME LOCAL 1902

AGM Greer presented the staff report. Director Wilson asked several questions related to the tentative agreement that was reached prior to development of the memorandum of understanding. He stated he believes it was illegally done; he will not vote for it.

Director Reynolds commented this has been a long process and we need to move forward.

President Luckman stated the Board had several closed session negotiating meetings and although she has some concerns she feels the Board should accept the agreement.

MSC Fuller/Reynolds 4/1 to adopt Resolution #13-911 Approving Memorandum of Understanding with the Joshua Basin chapter of AFSCME Local 1902.

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Aye
Wilson	No

11. APPOINTMENT TO CITIZENS ADVISORY COMMITTEE

The applicant, Karen Morton was present. The Board welcomed her.

MSC Fuller/Reynolds 5/0 to appoint Karen Morton to the Joshua Basin Water District Citizens Advisory Committee.

12. CONSIDER INSTALLATION OF FENCE AT DISTRICT OFFICE

AGM Greer reported that the installation of a fence behind the office building would deter motorcyclists who have been crossing the property from the north and traveling at high speeds through the parking area. Director Reynolds stated he was in favor of the partial fence but would like to have the Citizens Advisory Committee discuss the subject of a complete fence since the item is not budgeted. Vice President Fuller and Director Johnson agreed. Director Wilson suggested installation of a fence beginning at the existing fence behind the north side of the building and ending at the building which would be a shorter distance than that recommended.

Doug Buckley of Joshua Tree suggested using boulders as a barrier to the off-road traffic.

MSC Fuller/Reynolds 5/0 to authorize installation of fence up to a cost of \$1,650 and to consider the shorter alternative.

13. BAD DEBT WRITE-OFF FOR FISCAL YEAR 12/13

AGM Greer reported on the bad debt for the fiscal year just ended, noting that bad debt has increased 17% from the prior year and that 80% of all bad debt is from tenants. Bad debt is a little over one half of one percent of operating revenue. After brief discussion the Board took the following action:

MSC Reynolds/Fuller 5/0 to approve \$24,387.52 bad debt write-off.

President Luckman appointed Director Johnson to replace Vice President Fuller on the Tank Restoration Committee and the Engineering Committee. She appointed a Standing Finance Committee of Vice President Fuller and Director Johnson.

14. COMMITTEE REPORTS

- A. PUBLIC INFORMATION COMMITTEE: President Luckman and Vice President Fuller: Public Outreach Consultant Kathleen Radnich reported she attended a public information consortium meeting where she learned that numerous entities have reported that they will run out of water by 2035; results of a survey will be presented at the San Bernardino County Water Conference later this week. The District's Public Information Committee is now meeting regularly on the third Wednesday of each month. The Committee is considering developing a speakers bureau, and using twitter for emergency messaging. A ribbon cutting for Joshua Basin Treatment Plant #1 is set for October second at two pm. United States Geological Survey will give a presentation in October about Morongo Basin aquifers.
- B. HOSPITAL WASTEWATER PROJECT: President Luckman and Vice President Fuller: No report.
- C. TANK RESTORATION PROJECT: Director Wilson and Vice President Fuller: No report.
- D. RULES AND REGULATIONS COMMITTEE: Vice President Fuller and Director Reynolds: No report
- E. ADMINISTRATION CODE UPDATE PROJECT: Vice President Fuller and President Luckman: No report
- F. AD HOC GENERAL MANAGER SEARCH: President Luckman and Director Reynolds: President Luckman reported that about 60 applications have been received to date.
- G. MOJAVE WATER AGENCY INTEGRATED REGIONAL WATER MANAGEMENT PLAN COMMITTEE: President Luckman and Vice President Fuller: President Luckman reported that the TAC met yesterday she and Susan attended; over 100 projects had been submitted. They are looking for ways that agencies can work together for regional projects.

15. PUBLIC COMMENT

Richard Fountain of Joshua Tree commented that fill dirt at the C-2 site was hauled from the office, and not from the recharge site.

16. GENERAL MANAGER REPORT

AGM Greer responded to Director Wilson's comment at a prior meeting regarding a fire hydrant on a mainline that may have been abandoned. She reported her attendance at the Mojave Water Agency Technical Advisory (TAC) Committee meeting where the TAC voted to accept the Afton, Twentynine Palms, and Crestwood/Arrowhead areas, and will accept the Wrightwood area if they can get a commitment of costs. Nearly 50 agencies have submitted projects for Integrated Regional Water Management Plan project list. AGM Greer met with representatives from Mojave Water Agency, Hi-Desert Water District and the Department of Water Resources regarding the grant funding. The Joshua Basin Treatment Plant #1 at Hi-Desert Medical Center will begin working next Tuesday. Redesign of the recharge pond project is underway. Director Wilson asked the status of some private wells. AGM Greer reported the meters have been ordered. Richard Fountain of Joshua Tree asked about the solar project. AGM Greer stated that one of the project's permits has expired. Doug Buckley of Joshua Tree asked if there is a meter for water being pulled off Sunfair; AGM Greer responded there are two.

17. DIRECTORS COMMENTS/REPORTS

Director Reynolds welcomed Karen Morton to the Citizens Advisory Committee and to Joshua Tree. He stated he will attend the San Bernardino County water conference this Friday.

Vice President Fuller welcomed Karen Morton, and commented regarding the memorandum of understanding, that our employees are our greatest asset and we want to make sure we are treating them fairly. On September 7th a meeting will be held with representatives from the California Energy Commission present to hear concerns and comments from the community regarding renewable energy projects.

Director Johnson welcomed Karen to the CAC.

Director Wilson commented that he will file a complaint with the grand jury to look into the subject of the memorandum of understanding.

18. DISTRICT GENERAL COUNSEL REPORT

District Counsel Gil Granito commented that the AGM and he had consulted regarding procedural requirements related to prop 218 in light of the District's rate study. The law is evolving; judges are focusing on whether rate structures comply with the "cost of service proportionality".

19. FUTURE AGENDA ITEMS

None.

20. ADJOURNMENT 8:37 PM

MSC Reynolds/Fuller 5/0 to adjourn the August 21st, 2013 Regular Meeting of the Board of Directors.

Respectfully submitted:

Susan Greer, Acting General Manager

The next regular meeting of the Board of Directors is scheduled for September 4, 2013 at 7:00 pm.

JOSHUA BASIN WATER DISTRICT
MEETING AGENDA REPORT

Meeting of the Board of Directors

September 4, 2013

Report to: President and Members of the Board

Prepared by: Susan Greer 

TOPIC:
UPDATE STRATEGIC PLAN SUMMARY

RECOMMENDATION:
Information only.

ANALYSIS:
An update to the Strategic Plan Summary, giving the Board the status of our work on your priorities, will be provided at the meeting.

STRATEGIC PLAN ITEM:
N/A

FISCAL IMPACT:
None

JOSHUA BASIN WATER DISTRICT
MEETING AGENDA REPORT

Meeting of the Board of Directors

September 4, 2013

Report to: President and Members of the Board

Prepared by: Susan Greer 

TOPIC:
CREDIT CARD PROCESSING BY THIRD PARTY

RECOMMENDATION:

Authorize Staff to develop contract with Paymentus for credit card acceptance at an annual savings of \$15,726

ANALYSIS:

At the last meeting, you received a presentation on the costs related to credit card acceptance. As a review, the District's cost for credit cards is \$2.48 per transaction while cash and check costs are only 66¢ per transaction. We are collecting 28% of our revenues by credit card and 72% of our payments by check and cash. While we receive only 28% of our payments by credit card, we are incurring 65% of our costs for those same payments.

Recall that about 17% of the total transaction cost for credit card acceptance is due to Payment Card Industry (PCI) compliance. Those costs don't even include such issues as additional security cameras to monitor security of rate payer data and the computer servers, nor locking cabinets to secure data; all required for PCI compliance. Getting the District out of direct credit card acceptance and storing of credit card data will virtually eliminate PCI compliance.

Credit card acceptance is convenient and used by a little more than one-fourth of rate payers. The District could route all rate payers to a third party and legally make them pay a convenience fee because acceptance of credit cards is a convenience for our rate payers and not integral to our business. We are proposing a solution that reduces current costs but does not require rate payers to pay an additional fee to use credit cards.

Paymentus offers a solution that would involve rate payers going directly to a third party to make credit card payments, either online, with a smart phone app or by telephone. Rate payers who come into the office to pay with credit card would be asked to call a special 800 phone number available only for JBWD rate payers use and make their payment directly to the third party. Rate payers who call into the office would similarly be directed to the 800 phone number or the website for payment. Our website link will automatically redirect rate payers to the new service. The District would no longer be involved in the transaction whatsoever.

Several local agencies including Hi-Desert Water District and Mission Springs Water District are already using the Paymentus system. We are still working to get feedback from them.

There are several features offered by Paymentus that would improve the service beyond the current. Payments would be reflected immediately for the Customer Service Representatives instead of once daily after the deposit update as in the current situation. Smart phone options, integration with our phone system to direct callers to make their phone payments, a 24 hour a day live operator to assist with questions, free email payment confirmation for rate payers, English and Spanish options and acceptance of all payment methods, including the much-requested e-check are all additional features that add value.

There are three different options for payment of fees associated with the Paymentus solution. One is the convenience fee, which they call the 'user-pay' model, where the rate payer assumes the costs. The second option, called the 'biller-absorbed model' is for the District to cover the costs. A third option is a 'hybrid model', which is a shared cost option. The convenience fee model would cost the rate payers \$2.95 per transaction. If the District covers the cost, our fee is \$1.25 per transaction, with no direct cost to the rate payer. The hybrid model also costs \$2.95 per transaction and it could be split in any way that we wanted; with the rate payer and the District sharing the cost.

If we utilized the biller-absorbed model, with the District paying \$1.25 per transaction, this change would save the District \$15,726 per year at the current transaction levels. That is a 50% savings. If we utilized the user-pay model, the District would incur no cost, save \$32,000 per year, a 100% savings. As an example, the hybrid model could have the District paying \$1.00 per transaction and the rate payers picking up the balance, \$1.95 per transaction. I don't believe any cost being directly passed along to the rate payers would be well-received, but many agencies are implementing such fees, including local agencies such as Bighorn and Hi-Desert. Staff is proposing the biller-absorbed model, with the District paying \$1.25 per transaction, a 50% savings over the current fee structure.

We have not been able to find any other similar option that is compatible with our financial software. We need a solution that integrates with our software without the need to manually enter transactions.

Staff is requesting authority to move forward to develop the contract with Paymentus including evaluation of any additional details and features as requested by the Board or which Staff feels would benefit the rate payers or District. We will then bring a final contract back to the Board for approval.

STRATEGIC PLAN ITEM:

3.4.1 Identify Cost Savings. Although this strategic plan item refers directly to cost savings related to the operation and management of capital facilities, it is relevant.

FISCAL IMPACT:

Savings of \$15,726 per year

JOSHUA BASIN WATER DISTRICT
MEETING AGENDA REPORT

Meeting of the Board of Directors

September 4, 2013

Report to: President and Members of the Board

Prepared by: Susan Greer



TOPIC:
KAYE KEENE METER VARIANCE REQUEST

RECOMMENDATION:
Deny request for variance due to insufficient pressure

ANALYSIS:
Ms. Keene has been attempting to get a remote meter installed for her property at the corner of La Brisa and Outpost. The Rules and Regulations provide two different instances where remote meters may be installed, as indicated below:

ARTICLE 2.4.1 REMOTE METERS

- (a) Parcels that meet EITHER of the following two requirements are eligible to receive water service through a remote meter, defined as a meter that is not installed on the subject parcel easement as represented on Standard Drawing P-18.
- i. The mainline extension that would be required to serve the parcel would advance the mainline toward a zone boundary where there is no expected future benefit to the District or other property owners.
 - ii. The mainline extension that would be required to serve the parcel would advance the mainline toward a property that the District Engineer determines is “un-buildable”.

Payment of all required fees, including Standard Front Footage Fee and Meter Installation Fee, must be made prior to water service being initiated.

REMOTE METERS FOR STRUCTURES BUILT PRIOR TO 2000

- (b) Parcels that do not meet either of the above requirements but meet ALL of the following requirements would also be eligible to install a remote meter. The intent of this section of the policy is to grandfather parcels that have structures that were constructed prior to the year 2000 that have been occupied continuously since January 1, 2000. It is the intent of the provision that any new development would need to meet the above criteria (Section a) to qualify for a remote meter.
- i. The parcel is already developed with a residential or business structure, occupied by the owner. The policy is not intended to apply to rental properties.
 - ii. The parcels have been occupied previous to and continuously from January 1, 2000 to

- present by current owner (proof of occupancy such as Home Owners Exemption or other proof may be necessary).
- iii. The parcel currently pays an annual standby fee. Any delinquent standby fees must be paid before a remote meter will be authorized.
 - iv. A remote meter service line would be no longer than 1,400 feet. The remote meter service line is the pipeline that connects the meter to the structure, which pipeline is installed and owned by the parcel owner.
 - v. The parcel owner agrees to pay in full the Standard Front Footage Fee for mainline.

Ms. Keene has asked for a remote meter in accordance with section b, the portion of the policy that applies to structures built prior to 2000.

Although she does not meet the qualifications as she did not purchase the property until October 2001 and the requirement is January 1, 2000, we considered a variance for her and explored several different options over many months for Ms. Keene. One is a long mainline extension, from the mainline at Gold Finch and Juniper to her property, over 2600 feet. That estimated cost is in excess of \$160,000 and not feasible for her. A second option was to extend the same mainline 917 feet, to get her within 1400 feet of the parcel as required by the remote meter policy, and then allow her to install a remote meter. That estimated cost is also not feasible for her. The last option is consideration of a remote meter from a pipeline 775 feet to the south of her, in a different pressure zone than where her property is located. Ms. Keene's parcel is in the E2 pressure zone and this third option evaluated a mainline extension from the D2-1 pressure zone. Pressure zones are based on elevation and integral to the system operation which is based on gravity feed of water from reservoirs. While that option is significantly less expensive for Ms. Keene since it would involve no mainline installation, it is not an option that will work, unfortunately.

Our engineer Mike Metts performed the attached analysis which indicates that we could not provide sufficient pressure to Ms. Keene's home from the closer mainline in the D1-2 pressure zone. Bottom line is that insufficient pressure is available to meet minimum supply standards under normal operating conditions or under fire flow conditions. This analysis takes into account the elevation differences, as well as estimates the water losses associated with the water service itself. The property would essentially receive no water unless the water tank is completely full. Since the tanks are operated at minimum levels during the fall, winter and spring months to assure that water turnover rates are maintained, the property would receive no water approximately nine months out of the year, and receive no water during the remaining three months when the tank level falls below about 80% full (which should happen a minimum of once per day). Service of the property from the D1-2 pressure zone is not feasible. Metts notes that the pressures available at the proposed connection point are also insufficient to provide proper operation of an individual booster pump for the proposed connection. Extending the mainline in the D1-2 pressure zone from the corner of Conejo and La Brisa provides a similar unacceptable pressure.

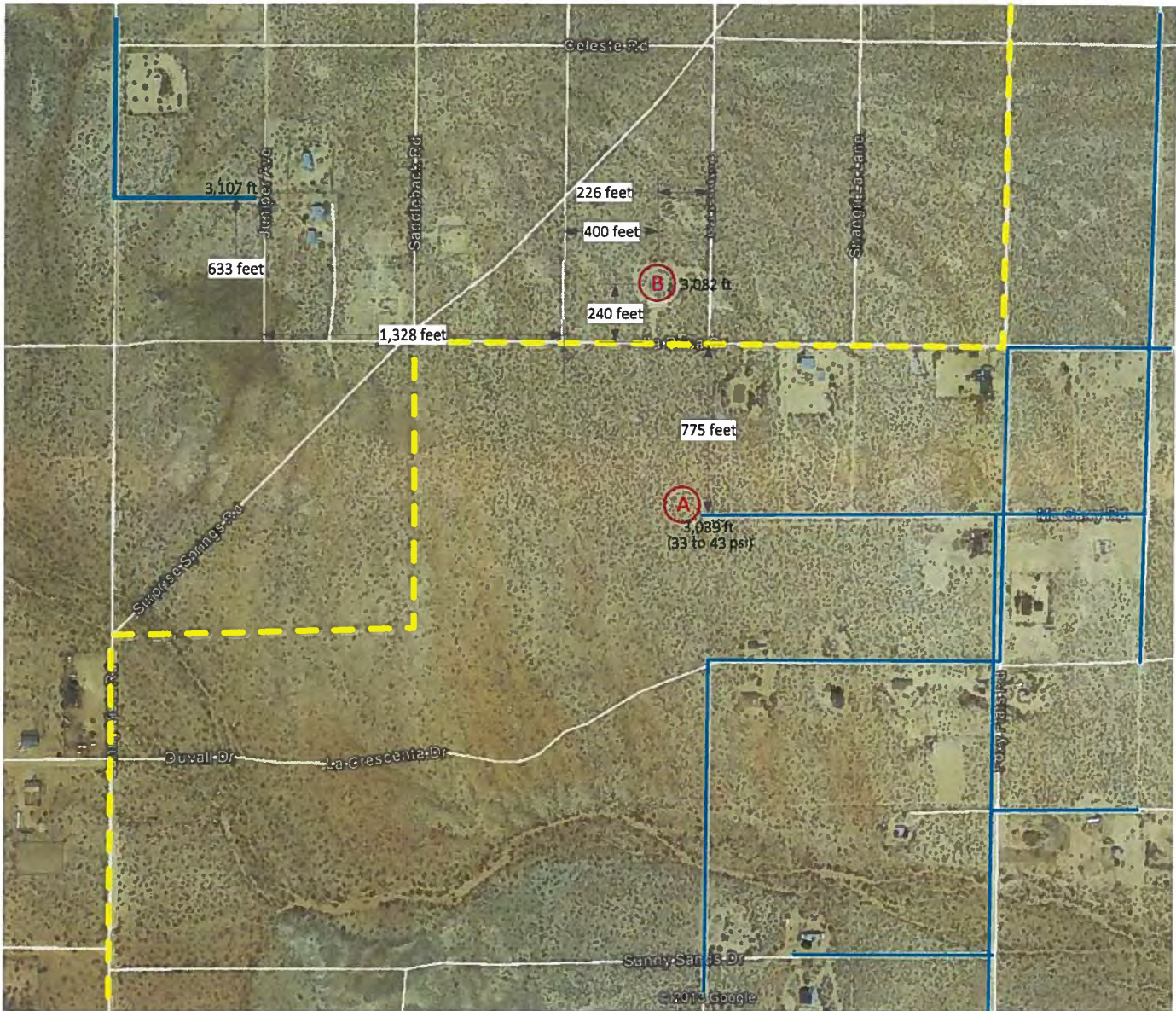
We have explored several options for providing water service for Ms. Keene. All options are either not financially feasible for her or do not provide sufficient pressure. We know of no other options to offer her at this time and the matter needs to be closed.

STRATEGIC PLAN ITEM:

N/A

FISCAL IMPACT:

None



Service from Zone D1-2 (under normal operating conditions)

Pressure Zone HGL = 3,140 feet (max) & 3,116 feet (min)
 Elevation @ Point A = 3,039 feet (Max Pressure = 43.7 psi & Min Pressure = 33.3 psi)
 Distance to Keene Home = 775' + 240' + 225' = 1,240 feet
 Losses anticipated through water meter = 2.5 psi
 Losses anticipated through backflow preventer = 8.5 psi
 Losses anticipated through 1-inch lateral = (2.5' per 100') * 1,240' = 31' = 13.5 psi
 Elevation @ Point B (Keene Home) = 3,082 feet (Max Pressure = 25.1 psi & Min Pressure = 14.7 psi) – excluding losses
 Max Pressure @ Keene Home = 25.1 psi – 2.5 psi – 8.5 psi – 13.5 psi = **0.6 psi**
 Min Pressure @ Keene Home = 14.7 psi – 2.5 psi – 8.5 psi – 13.5 psi = **-9.8 psi**

Service from Zone D1-2 (under fire flow conditions)

Pressure Zone HGL = 3,140 feet (max) & 3,116 feet (min)
 Elevation @ Point A = 3,039 feet (Pressure = 20.0 psi = min allowable pressure)
 Distance to Keene Home = 775' + 240' + 225' = 1,240 feet
 Losses anticipated through water meter = 2.5 psi
 Losses anticipated through backflow preventer = 8.5 psi
 Losses anticipated through 1-inch lateral = (2.5' per 100') * 1,240' = 31' = 13.5 psi
 Pressure @ Point B (Keene Home) = 20.0 psi – 2.5 psi – 8.5 psi – 13.5 psi = **-4.5 psi**

CONCLUSION: Keene home is not capable of being served from the D1-2 pressure zone. Insufficient pressure is available within the pressure zone to meet minimum water supply standards under normal operating conditions or under fire flow conditions. Furthermore, insufficient pressure is available to meet the Net Positive Suction Head (NPSH) requirements of a potential booster pump station if located at the terminus of McGarry Road (the proposed location of the water meter connection).

JOSHUA BASIN WATER DISTRICT
MEETING AGENDA REPORT

Meeting of the Board of Directors

September 4, 2013

Report to: President and Members of the Board

Prepared by: Susan Greer 

TOPIC:

MODIFICATION TO AGREEMENT BETWEEN JOSHUA BASIN WATER DISTRICT AND HI-DESERT MEDICAL CENTER TO ALLOW HI-DESERT MEDICAL CENTER TO RETAIN OWNERSHIP OF THEIR ON-SITE TREATMENT PLANT

RECOMMENDATION:

Recommend that the Board take the following actions:

1. Authorize the General Manager to work with Counsel to modify the JBWD-HDMC agreement to allow HDMC to retain ownership of the treatment plant,
2. Authorize collection of a deposit from HDMC to cover costs associated with the agreement modifications.

ANALYSIS:

The District executed an agreement with Hi-Desert Medical Center (HDMC) in July 2012 whereby we would construct and operate a wastewater treatment plant primarily for their benefit, at their expense.

The District was approached last week by representatives of HDMC requesting that we modify the agreement to allow HDMC to retain ownership of the plant. Originally, it was HDMC that proposed the idea of the District owning and operating the plant. They now indicate that there is some concern by their auditors about transferring the property from one public agency to another. They still want the District to operate the plant going forward, however.

I haven't spent a lot of time on the issue yet; however, briefly explored the idea with our counsel, engineer and auditor. It appears to be a situation where it will work either way for the District. It creates no issues if HDMC, instead of the District, owns the plant and our auditor reports that it will be simpler for us in some ways. Our engineer says that there are no concerns from the Regional Water Quality Control Board who issues the permit to operate the plant, but they will need to see the new agreement. Counsel reports that the agreement could be modified to provide for HDMC to own the plant.

The existing agreement provides instances whereby HDMC could elect to take over ownership and operation of the plant anyway, such as if they dispute proposed rates and charges, so they could theoretically force the issue.

Staff is seeking the Board's authorization to move forward, working with Counsel and the Hospital

Wastewater Project ad hoc committee, to modify the agreement as requested by HDMC. Since the District, in good faith, paid to develop the original agreement and it is HDMC's decision to modify the agreement, I recommend that HDMC pay to modify the agreement. I recommend that the District obtain a deposit from HDMC for estimated costs associated with the agreement modification. Gil will have an estimate of the amount at the meeting.

STRATEGIC PLAN ITEM:

N/A

FISCAL IMPACT:

Estimated costs will be provided at the meeting, but Staff recommends that HDMC pay all costs associated with revision of the agreement.