



**REGULAR MEETING OF THE BOARD OF DIRECTORS  
WEDNESDAY, AUGUST 5, 2020, AT 6:30 P.M.  
61750 CHOLLITA ROAD, JOSHUA TREE, CA 92252**

Please note that all requirements of the Brown Act, requiring the physical presence of the Board, staff, or public, have been waived per Executive Order N-29-20.

This meeting will be streamed at <https://us02web.zoom.us/j/84138042849> Meeting ID: 841 3804 2849 or you may join by phone at 1-253-215-8782, Meeting ID: 841 3804 2849

Members of the public, who wish to comment on any item on the agenda, may submit comments by emailing them to Beverly Waszak at [bwaszak@jbwd.com](mailto:bwaszak@jbwd.com) two hours prior to the start of the meeting so the comments may be distributed to the Board of Directors. Written comments shall follow the three-minute prescribed time limit when read during the meeting and will become part of the Board meeting minutes.

**AGENDA**

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **DETERMINATION OF A QUORUM**
4. **APPROVAL OF AGENDA**
5. **PUBLIC COMMENT-**

This is the time set aside for public comment on any District-related matter not appearing on the agenda. Government Code prohibits the Board from taking action on these items, but they may be referred to for future consideration. Please state your name and limit your comments to 3 minutes.

6. **CONSENT CALENDAR –**

Matters on the Consent Calendar are considered routine in nature and will be enacted in a single motion without discussion. Any Board member or member of the public may request that an item be removed from the Consent Calendar and acted on separately.

- Draft Minutes – July 15, 2020

7. **ACCEPT AND FILE PARCEL AUDIT REPORT–** AGM Greer – Recommend that the Board of Directors accept and file the Parcel Audit Report.

8. **CONSIDER REFUNDS OF STANDBY FEES –** AGM Greer – Recommend that the Board of Directors authorize refunds of standby fees as listed on staff report.

9. **GENERAL MANAGER REPORT –** GM Ban

Pages 3-4

Pages 5-23

Pages 24-25

10. **DIRECTOR REPORTS ON MEETINGS ATTENDED, COMMENTS AND FUTURE AGENDA ITEMS –**

- Kathleen Radnich – Public Information Consultant
- Mojave Water Agency Board of Directors – July 23, 2020 – Director Reynolds

11. **FUTURE DIRECTOR MEETINGS & TRAINING OPPORTUNITIES –**

- Mojave Water Agency Technical Advisory Committee – August 6, 2020, at 10:00 a.m. – Vice President Unger
- Citizens Advisory Council – August 11, 2020, at 6:00 p.m. – President Karen Tracy
- Finance Committee – August 12, 2020, at 9:00 a.m. – President Johnson and Vice President Unger
- Water Resources & Operations Committee – August 12, 2020, at 10:30 a.m. – Director Hund and Director Reynolds
- Mojave Water Agency Board of Directors – August 13, 2020, at 9:30 a.m. – Director Floen
- JBWD Board of Directors – August 19, 2020, at 6:30 p.m.
- Mojave Water Agency Board of Directors – August 27, 2020, at 9:30 a.m. – President Johnson

12. **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.

JOSHUA BASIN WATER DISTRICT  
SPECIAL BOARD OF DIRECTORS MEETING MINUTES  
WEDNESDAY, JULY 15, 2020

CALL TO ORDER/PLEDGE OF ALLEGIANCE – President Johnson called the meeting to order at 5:30 p.m. via teleconference.

DETERMINATION OF A QUORUM – President Johnson, Vice President Unger, Director Floen, Director Hund, and Director Reynolds arrived at 6:11 p.m.

STAFF PRESENT –Mark Ban, GM, Susan Greer, AGM, Sarah Johnson, Director of Administration, Anne Roman, Accountant, and Beverly Waszak, Executive Assistant are in attendance via teleconference.

CONSULTANTS PRESENT –Kathleen Radnich, Public Outreach Consultant, Jeff Hoskinson, Legal Counsel, and Michael Colantuono, Legal Counsel (Closed Session) are in attendance via teleconference.

APPROVAL OF AGENDA –.MSC' (Unger/Floen) 4/0/0 motion carried to approve the Agenda.

Ayes: Floen, Hund, Johnson, and Unger

Noes: None

Absent: Reynolds

Abstain: None

PUBLIC COMMENT – None

CONSENT CALENDAR –

MSC' (Unger/Johnson) 4/0/0 motion carried to approve the Consent Calendar

Ayes: Floen, Hund, Johnson, and Unger

Noes: None

Absent: Reynolds

Abstain: None

3<sup>rd</sup> QUARTER ENDING 3/31/20 FINANCIAL REPORT – AGM Greer gave the staff report and a brief Q&A followed with the Board of Directors.

MSC' (Floen/Johnson) 5/0/0 motion carried to approve the Salary Schedule for 2020.

Ayes: Floen, Hund, Johnson, and Unger

Noes: None

Absent: Absent

Abstain: None

GENERAL MANAGER REPORT – GM Ban met with staff to roll-out the Pandemic & COVID-19 specific policies and gave an update on the COVID-19 cases in San Bernardino County. Based on the SBC Health Officers Order, released on July 13, 2020, the District's lobby will remain closed. GM Ban updated the Board on the Customer Service Remodel.

PUBLIC COMMENT – Jane Jarlsberg, Joshua Tree commented that she was glad about the Employee Appreciation Day and wished she knew them better. She asked GM Ban if the customer that she spoke to him about ever contacted him. GM Ban responded that he had not heard from her.

**DIRECTOR REPORTS ON MEETINGS ATTENDED, COMMENTS AND FUTURE AGENDA ITEMS –**

GM Ban reported for Kathleen Radnich, who had an excused absence, and informed the Board that the Tier Drop Newsletter would go digital this month. He continued with an update on the Swamp/Evaporative Cooler Study and that there would be a Virtual Leak Detection Class on July 30, 2020 from 10 a.m. to 11 a.m., pre-registration is required on July 28, 2020 with a 30-student limit.

Vice President Unger reported on the Mojave Water Agency Board of Directors meeting she attended on June 25, 2020.

Director Hund commented that he appreciates the continuing efforts of staff during the COVID-19 pandemic.

Director Floen commented on the Salary Schedule and how it related to the retention of good people.

**FUTURE DIRECTOR MEETINGS & TRAINING OPPORTUNITIES –** President Johnson read off the list of meetings.

**CLOSED SESSION–** President Johnson moved to adjourn to Closed Session at 7:37

**RETURN TO OPEN SESSION –** The Board of Directors returned to open session at approximately 7:48 p.m. with no reportable action. Director Hund recused himself from the Closed Session.

**ADJOURNMENT –** President Johnson adjourned the Board of Directors meeting at 7:48 p.m.

DRAFT

**JOSHUA BASIN WATER DISTRICT  
MEETING AGENDA ITEM STAFF REPORT**

**Regular Meeting of the Board of Directors**

**DATE: August 5, 2020**

**REPORT TO:** Board of Directors  
**PREPARED BY:** Susan Greer  
**TOPIC:** **ACCEPT AND FILE PARCEL AUDIT REPORT**  
**RECOMMENDATION:** Accept and file

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**ANALYSIS:** The District contracted for a parcel audit more than a year ago and the results of that project are attached in a report. I learned about parcel audits many years ago at my CSMFO association conference, recognized the value and wanted to have one done, was a bit turned off by the prohibitive cost, but more recently pushed to get it done before my retirement. The purpose of the parcel audit is to ensure that the District is charging standbys in accordance with our own policies, which were established decades ago, in 1997. With over 12,500 individual parcels in the District and multiple standby billing components for each one — including acreage, District Zone, and County Land Use Zone — it was a significant effort, and required assistance from a consultant with robust software.

As an example of the challenge, one of the billing components, the District Zone, is based on proximity to existing mainlines and pressure zones. In 1997 when the initial zone determinations were made, GIS technology did not exist, and the work was done with the only available tools: ruler and pencil. Technology changes since that time now allow for significantly improved accuracy, GIS versus the pencil-and-ruler approach.

The parcel audit project involved the consultant NBS reviewing the original standby formation documents, boundary maps, GIS layers and secured property tax roll data and then creating an entirely new billing database from the ground up. That new database was then compared to the most recent District billing database to identify discrepancies.

At the summary level, the parcel audit results indicate the following:

- Parcels that should have been subject to standby charges, but were not charged

- Acreage variances
- District Zone variances
- Parcels with misapplied rates
- Changes to County land use zones
- Additional revenue of \$40,453.91 per year resulting from the parcel audit

13 parcels were identified that were within the District's boundaries, subject to the standbys, but were not charged. Most of these were exempt from standbys at some time in the past and we were not notified when the ownership changed.

1,819 parcels had small changes to acreage. The County provides acreage to three decimal points and our software allowed for only two decimals; the consultant's software also allows for three decimal points.

Another 18 parcels had larger changes to acreage.

48 parcels were changed to District Zone 1, meaning they have a water meter. We missed some meter installs over the years that should have changed the District Zone.

1,067 parcels had other changes to District Zones. This is the source of most of the found revenue. We did the best we could measuring with tools available at the time in 1997, but modernization of technology now allows for improved accuracy.

30 parcels had rate table application errors.

27 parcels were changed because the County changed their land use zoning designations.

The net of all these changes is an increase of \$40,453.91 in annual standby revenues. While some property owners will see increases to their standby charges, the District is not increasing rates or changing methodology in any way. We are properly applying the rates and methodology that have been in place since 1997. Because the standby billing is dynamic, based on multiple billing components, no two years have ever produced the same total revenue because of changes to parcels. This additional revenue amount is based on a point in time, and will change over time, increasing or decreasing, as factors such as meter or mainline installations occur, parcels are split or legally combined, or County land use zoning changes.

Last year the Board also approved a contract with NBS for ongoing annual administration of the standby billing. Since that annual process will now involve much of the same process as was required for the parcel audit, including re-creation of the database each year, we should avoid many of the issues identified above and ought not to need another parcel audit; issues should be discovered and corrected each year as they occur.

This project has ensured that we are billing our standbys in accordance with our own policies, established in 1997.

**STRATEGIC PLAN ITEM:** N/A

**FISCAL IMPACT:** One-time cost of \$45,000 for the parcel audit, already paid. Annual increase to standby revenue of over \$40,000. Good return on our investment.



**Joshua Basin Water District**  
**Water Availability Standby Charge**  
**Findings and Recommendations Report**

**June 2020**

**Main Office**  
32605 Temecula Parkway, Suite 100  
Temecula, CA 92592  
Toll free: 800.676.7516 Fax: 951.296.1998

**Regional Office**  
870 Market Street, Suite 1223  
San Francisco, CA 94102  
Toll free: 800.434.8349 Fax: 415.391.8439



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# **1. EXECUTIVE SUMMARY**

The Joshua Basin Water District (the “District”) engaged NBS to conduct a review of the District’s Water Availability Standby Charge (the “Standby Charge”). This report provides details of our findings and recommendations regarding the Standby Charge, as well as a plan of action to address identified areas of need. Please note, the provided study is for consideration of the District and its areas of administrative responsibility and does not focus on the roles of any other public agency.

In our review of the District’s calculation of the Standby Charge, NBS reviewed formation documents, prior Standby Charge calculations, prior and current San Bernardino County Land Use Services Zoning (“County Zoning”) maps, San Bernardino County Secured Roll Data, District Pressure Zone maps, the California Constitution, state statutes, and recent judicial rulings. Additionally, NBS discussed the District’s internal processes and procedures with staff and the District’s legal counsel. Following the review described above, NBS identified areas that require attention. The findings and recommendations fall within two general categories: 1) Boundary and Levy Audit Findings, and 2) Rate Table and County Land Use Services Zoning Designations. Within each category are sub-items that NBS recommends to be addressed to ensure administrative compliance with current law and to ensure the Standby Charge is in alignment with best industry practices.

Within the two general categories of findings and recommendations, the audit process revealed discrepancies in the following areas:

- Parcels not levied inside the District Boundary
- Acreage Values
- District Zone Designations
- Rate Table Minimums
- County Zone Designations
- Calculation Methods

The areas of concern noted above should be reviewed and, anomalies must be documented to ensure the Standby Charge has a strong foundation that is compliant with the current legal landscape in California. The recommendations outlined in this report will require the District to commit resources to review the findings and provide details that can be documented for future reference. A majority of the recommendations outlined in this report should be completed within the first year. However, the timeline to implement the recommendations outlined in this report will be dependent upon the District’s current resources.

## **2. INTRODUCTION**

The Joshua Basin Water District is a public agency formed in 1963. The District is located in the southern portion of San Bernardino County, approximately seven miles east of Yucca Valley and 14 miles west of Twentynine Palms. The District encompasses an area of roughly 96 square miles and serves the unincorporated area of Joshua Tree.<sup>1</sup>

The District provides water availability to individuals through wells, pipeline facilities, and water storage facilities. In addition, the District is part of the Mojave Water Agency, which constructed and maintains the Morongo Basin Pipeline. The District, as part of the Mojave Water Agency, is responsible for a portion of the fees associated with the pipeline construction and maintenance costs. The revenue generated from the Standby Charge is used to pay debt service payments for the Morongo Basin Pipeline, capital costs, and operation and maintenance costs of the District's water facilities benefiting the properties from which the availability Standby Charge is collected.

### **2.1. Historical Background**

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Local governments throughout the State of California that provide water services within its jurisdiction may fix a water standby charge, on land within the jurisdiction of the local agency to which water services are made available for any purpose by the agency, whether the water services are used or not.

With the passage of Proposition 13 in 1978, the *People's Initiative to Limit Property Taxation*, the proposition successfully added a constitutional amendment to the California State Constitution. In summary, Proposition 13 limited the ability of government agencies to levy ad valorem taxes on real property to one percent of the property's value. Additionally, it capped annual property tax increases at two percent<sup>2</sup>.

Since 1978, California voters approved three initiatives that further limit the methods by which local governments may raise local revenues. Proposition 218 is the only one of these initiatives that will be discussed for this report. In 1996, the California voters approved Proposition 218, the *Right to Vote on Taxes Act*. Proposition 218 amended the California Constitution by adding Article XIII C and Article XIII D, which affect the ability of local government to levy and collect existing and future taxes, assessments, and property-related fees and charges. Proposition 218 was intended to bolster Proposition 13's limitations on ad valorem property taxes and special taxes by placing new restrictions on the imposition of taxes, assessments, fees, and charges. Since its adoption in 1996, Proposition 218 has been, and is likely to continue to be the subject of ongoing litigation, judicial interpretation, constitutional amendment, and statutory clarification<sup>3</sup>.

The District's Standby Charge has been in effect at the current rate since 1996, prior to the enactment of Proposition 218, and is entitled to an exemption from the procedural requirements of Proposition 218 unless and until it is increased. (California Constitution Article XIII D, §5.) Legislation interpreting Proposition 218 clarifies that, because JBWD standbys predated Proposition 218, the procedure is also exempt from the requirement that government-owned parcels be assessed. (Government Code §53753.5.) Unless and until the Standby Charge is increased, it may be re-authorized from year-to-year pursuant to the Uniform Standby Charge Procedures Act (Government Code §54984 et seq.), exempt from the Proposition 218 procedures and without requiring an assessment of the U.S. Bureau of Land Management or other exempt properties<sup>4</sup>.

### **3. DESCRIPTION OF THE WATER AVAILABILITY STANDBY CHARGE**

The District established the Standby Charge pursuant to Section 54984.2 Uniform Standby Charge Procedures Act on July 17, 1996, with the passage of Resolution No. 96-564. The purpose of the formation was to provide funding for District costs associated with providing water availability to the parcels within the District.

#### **3.1. Property Subject to the Standby Charge**

All property within the District is subject to the Standby Charge except publicly owned parcels.

#### **3.2. Standby Charge Calculation Method**

All non-exempt parcels within the District boundaries are levied on an annual basis for the Standby Charge. The Standby Charge is calculated using three factors, District Zone Classification, parcel size, and County Zoning.

There are four District Zone Classifications:

- Zone 1: Any size parcel that is served by one or more meters.
- Zone 2: Any size parcel within 0.5 miles of a water main and is in the same pressure zone as the main.
- Zone 3: Any size parcel within 1.0 miles of a water main and within the same pressure zone of the main.
- Zone 4: All remaining parcels.

The District Zone Classification, and County Zone designation are used to locate the appropriate rate on the table shown in Section 7.1. The rate is applied to the parcel acreage to calculate the annual Standby Charge.

#### **3.3. Purpose of Review**

In recent years, the District was made aware of changes to the previously determined County Zoning designations. Because of these changes, some parcels have now been designated into County Zones that did not exist at the formation of the Standby Charge. The District's purpose of this review was to ensure the District manages the Standby Charge in a compliant, efficient, and fiscally sound manner. In early 2019, the District contracted with NBS to review the Standby Charge, including changes to the County Zones and make recommendations for the implementation of those changes. To meet the District's objectives, this report focuses on the Boundary/Levy Audits, and Rate Table and County Zone Designations.

## **4. PROJECT APPROACH AND METHODOLOGY**

NBS followed several key data collection and analytical processes in the development of this report. Once all available Standby Charge information was obtained, various cross-checks were applied to create variance reports, as shown in this report.

### **4.1. Data Collection**

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NBS began the data collection process by requesting copies and reviewing all of the Standby Charge documents including:

- Review of formation documents and annual Engineer's reports.
- Review and comparison of previous years Standby Charge calculation and data files.
- Collection and review of various GIS layers from the District, including water main location, pressure zone details, and District boundary lines.
- Collection and review of various GIS layers from San Bernardino County, including County Zoning information and County Tax Rate Area information.
- Review of San Bernardino County Secured Roll Data.

The goal in requesting such voluminous amounts of information was to confirm the Standby Charge is accurately and legally calculated.

### **4.2. Methodology**

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NBS approached the Standby Charge audit as if a new assessment district was being created. Using boundary maps, various GIS layers, secured roll data and formation documents, NBS created an entirely new database. This new database was then compared to the most recently updated District database to identify inconsistencies between the sets of data. During the process, some items were identified that needed to be updated from their original form provided at the formation of the District. Understanding the implications of Proposition 218, NBS took special caution when updating new or changed classifications to ensure there were no increases to previously approved rates.

## **5. BOUNDARY AND LEVY AUDIT FINDINGS AND RECOMMENDATIONS**

The District engaged NBS to perform an audit of existing parcel data and historical levy amounts for its Standby Charge of nearly 13,000 parcels. Through the review of the Standby Charge documents compiled to date, NBS performed a boundary and levy audit. Below is a summary of the findings associated with both the boundary and levy audit.

### **5.1. Boundary Audit**

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A boundary audit compares the original boundaries identified at formation as being subject to the Standby Charge and the parcels currently levied and monitored in the District's dataset. The purpose of performing a boundary audit is to ensure that all subject parcels within the boundaries are being levied and tracked annually and to ensure that the parcels outside of the boundaries are not being levied.

During the boundary audit, 13 parcels were identified as being subject to the Standby Charge, but not currently levied, resulting in an increase to the levy of \$578.16. In addition, the boundary audit revealed that there were no parcels being levied outside the District boundaries in Fiscal Year 2018/19.

NBS will work with District staff to document anomalies or take corrective actions for the parcels summarized above and will implement changes beginning in Fiscal Year 2019/20.

### **5.2. Levy Audit**

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A levy audit is similar to a boundary audit, but the levy audit looks at each parcel to ensure the parcel characteristics and variables needed to calculate the Standby Charge are both accurate and available. An audit of this magnitude reviews the accuracy of both the applied and allowable rate and confirms that all parcels within the boundaries subject to the Standby Charge are not only being levied but also levied correctly.

When performing the levy audit, NBS encountered various discrepancies, including variances in acreage, District Zoning classification, and the application of the Rate Table and associated Standby Charge calculation. A discussion of each of the referenced items follows.

#### **Acreage**

The Standby Charge's calculation utilizes multiple variables and property characteristics, one being the area of the parcel (the "Acreage"). Acreage provided by the District and used for prior year calculations has been truncated at two decimal places. NBS recommends using three decimal places when available. The County secured roll provides acreage information with three decimals for all parcels in the District. There are 1,819 parcels with minimal adjustments to acreage that increased the total levy amount by \$436.14, 18 parcels had a more substantial levy variances solely based on acreage resulting in a decrease in the levy amount of \$227.26.

#### **District Zoning Classification**

NBS reviewed District GIS files to determine the location of meters, water mains, and pressure zones and used this information to establish District Zones for each parcel as established in the formation report.

District staff provided information for 48 parcels to be reclassified into Zone 1, parcels with water meters, which resulted in a decrease in the total levy amount of \$2,658.71. In addition to the Zone 1 reclassifications, there were 1,067 additional District Zone discrepancies resulting in an increase to the total levy of \$43,481.11. Almost half of these parcels are designated by the District as Zone 4 (All Remaining Parcels), while the GIS research shows these parcels as being classified to Zone 2 or Zone 3.

NBS worked closely with the District's Development Coordinator to determine the most accurate measuring method available for the correct classification of these zones. NBS found that a large portion of these changes are a result of updated measurement tools provided by new technology not available in 1996 when parcels were initially measured. NBS will work with the District on an annual basis to review zone classifications using the most up to date methods available.

**Application of Rate Table**

There were 30 parcels identified as having a possible misapplication of the methodology provided in the rate table resulting in a decrease in the total levy of \$1,021.80. These parcels should be reviewed to determine how these errors occurred.

**5.3. Summary of Findings**

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As a result of the boundary and levy audit, NBS identified the following:

- Parcels that were subject to the Standby Charge, but not levied.
- Parcels that have incorrect District Zones assigned.
- Parcels with a misapplied rate.

The reconciliation of these findings resulted in NBS identifying an additional \$40,587.64 in annual revenue. Based on the documentation received to date and the findings of the boundary and levy audit, NBS recommends the following:

- Levy each parcel subject to the Standby Charge within the District's boundaries.
- Annually review each property within the District subject to the Standby Charge for changes in parcel size, District Zoning, and County Service Zoning Changes.
- Recalculate the Standby Charge annually for each subject parcel pursuant to the formation documents.

NBS, as the District's new administrator, will assist the District in implementing the recommendations resulting from the boundary and levy audit. The following table is a summary of all findings including the small change described in Section 6.

<b>Audit Classification</b>	<b>Number of Parcels</b>	<b>Total Revenue</b>
Boundary	13	\$578.16
Acreage – small change	1,819	436.14
Acreage – large change	18	(227.26)
District Zoning - Zone 1	48	(2,658.71)
District Zoning - Others	1,067	43,481.11
Application	30	(1,021.80)
<b>District Total</b>	<b>2,995</b>	<b>\$40,587.64</b>
County Zoning	27	(133.73)
<b>District and County Total</b>	<b>3,022</b>	<b>\$40,453.91</b>

## **6. RATE TABLE AND COUNTY ZONING UPDATE**

The rate table created when the Standby Charge was established provided accommodations for all changes in parcel size and District Zoning classifications. However, changes in County Land Use Services Zoning Districts ("County Zones") were not anticipated. The District was unaware of any changes until recently. NBS worked with San Bernardino County to review all changes to County Zones and created a new Rate Table that has been reviewed and approved by the District's legal counsel. Details of this process are provided below.

### ***6.1. Rate Table Structure***

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The original rate table created when the District was established listed minimum amounts for each of the four District Zones. Sometime around 1996/97, a new table was created that introduced a minimum amount for all parcels under 1.25 acres. The new table creates rates that are slightly lower than the originally approved rates. The District will continue to use the rate structure with the 1.25-acre minimum from this point forward.

### ***6.2. Updated Rate Table Parameters***

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Some of the County Zones originally included on the rate table for the Standby Charge are no longer active; in addition, the County has added new Zones to parcels within the Standby Charge boundaries. NBS worked with the District's legal counsel to create an updated table that includes all current County Zones. This table can be found in Section 7.1 of this report. The updated table will be used to re-classify parcels that have a change in use resulting in a new County Zone classification. All parcels that have not changed use since November of 1996 will continue to be charged the amount that was assigned on the Standby Charge rate table in November 1996.

### ***6.3. County Land Use Zoning District Update Procedure***

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To memorialize the County Land Use Zoning District Update Procedure and to assist District staff with making changes in the future, NBS created a procedure document that can be found in Section 7.2 of this report.

### ***6.4. County Services Zoning Changes***

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NBS worked directly with the County and utilized GIS data to review and update all new County Zones. There are 8,016 non-exempt parcels with updated County Zone designations. The updated table created by NBS and reviewed by District legal counsel provides direction and rates for all newly created County Zones. Applying the rates created in the updated table allowed for all parcels to be updated without a change in the previously approved rate. There were 27 parcels that changed County Zones based on a new use of the parcels, which resulted in a total decrease to the levy of \$133.73.



## **7. APPENDICES**

The following pages provide each appendix item previously referenced within this report.

## ***7.1. Updated Rate Table***

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The following page contains the updated rate table reviewed and approved by the District's legal counsel.

**EXHIBIT A  
JOSHUA BASIN WATER DISTRICT  
WATER AVAILABILITY (STANDBY) CHARGES**

**SCHEDULE A  
MINIMUM PER PARCEL UP TO 1.25 ACRES**

NEW COUNTY ZONES	District Zone 1	District Zone 2	District Zone 3	District Zone 4
20MRM40M*	\$30.00	\$50.00		
3MRM*	\$40.00	\$80.00		
4MRM*	\$40.00	\$80.00	\$50.00	
RM	\$30.00	\$50.00	\$50.00	
RS	\$40.00	\$80.00	\$50.00	
RS1	\$40.00	\$80.00	\$50.00	
RS8M*	\$30.00	\$50.00		
RS10M	\$30.00	\$50.00		
RS14M, RS18M*	\$30.00	\$50.00		
RS20M	\$30.00	\$50.00		
RL, RL2.5*	\$30.00	\$50.00	\$40.00	\$40.00
RL5	\$30.00	\$50.00	\$40.00	\$40.00
RL10	\$30.00	\$50.00	\$40.00	\$40.00
RL20	\$30.00	\$50.00	\$40.00	\$40.00
RC, RC40*, OS, FW	\$40.00	\$80.00	\$40.00	\$40.00
CG-SCp, CD, CN, IC, IN	\$40.00	\$80.00	\$50.00	

\* Cannot be assigned to parcels created after 2018

**SCHEDULE B  
COST PER ACRE FOR PARCELS OVER 1.25 ACRES**

District Zone 1	District Zone 2	District Zone 3	District Zone 4	ACREAGE
\$20.00	\$30.00			0+ Acres
\$20.00	\$30.00			0-40 Acres
	\$25.00			41+ Acres
\$20.00	\$35.00	\$25.00		0-40 Acres
	\$25.00	\$15.00		41+ Acres
\$20.00	\$30.00	\$25.00		0-40 Acres
	\$25.00	\$15.00		41+ Acres
\$20.00	\$30.00	\$20.00		0-40 Acres
	\$25.00			41+ Acres
\$20.00	\$30.00	\$20.00		0-40 Acres
	\$25.00			41+ Acres
\$20.00	\$30.00			0+ Acres
\$20.00	\$35.00			0-40 Acres
\$15.00	\$25.00			41-80 Acres
\$10.00	\$15.00			81-160 Acres
	\$10.00			161-320 Acres
	\$1.00			321+ Acres
\$20.00	\$30.00			0-40 Acres
\$15.00	\$25.00			41-80 Acres
\$10.00	\$15.00			81-160 Acres
	\$10.00			161-320 Acres
	\$1.00			321+ Acres
\$20.00	\$30.00			0+ Acres
\$20.00	\$30.00	\$20.00	\$15.00	0-40 Acres
\$15.00	\$25.00	\$15.00	\$12.00	41-80 Acres
\$10.00	\$15.00	\$10.00	\$10.00	81-160 Acres
\$5.00	\$8.00	\$5.00	\$4.00	161-320 Acres
\$1.00	\$1.00	\$1.00	\$1.00	321+ Acres
\$20.00	\$30.00	\$20.00	\$15.00	0-40 Acres
\$12.00	\$25.00	\$15.00	\$12.00	41-80 Acres
\$8.00	\$10.00	\$8.00	\$8.00	81-160 Acres
\$4.00	\$5.00	\$4.00	\$3.00	161-320 Acres
\$1.00	\$1.00	\$1.00	\$1.00	321+ Acres
\$20.00	\$30.00	\$20.00	\$15.00	0-40 Acres
\$15.00				41+ Acres
\$20.00	\$30.00	\$20.00	\$15.00	0+ Acres
\$15.00	\$25.00	\$15.00	\$15.00	0-40 Acres
	\$12.00	\$10.00	\$8.00	41-80 Acres
	\$5.00	\$4.00	\$3.00	81-160 Acres
	\$1.00	\$1.00	\$1.00	161-320 Acres
\$25.00	\$35.00	\$25.00		0-40 Acres
	\$25.00			41+ Acres

**JOSHUA BASIN WATER DISTRICT  
Water Availability (Standby) Zoning Descriptions**

**DISTRICT ZONE DESCRIPTIONS**

- ZONE 1** Any size parcel served by one or more meters  
**ZONE 2** Any size parcel within 1/2 mile of a water mainline and in the same pressure zone as the mainline  
**ZONE 3** Any size parcel within one mile of a water mainline and within the same pressure zone of the mainline  
**ZONE 4** All other parcels

**COUNTY ZONE DESCRIPTIONS**

- RM** Residential, multi-family  
**3MRM** Residential, multi-family, 3,000 sq. ft. per unit, 14.5 units per acre  
**4MRM** Residential, multi-family, 4,000 sq. ft. per unit, 10.8 units per acre  
**20MRM40M** Residential, multi-family, 20,000 sq. ft. per unit, 2.18 units per acre  
  
**RS** Residential, single family  
**RS1** Residential, single family, 1 acre min.  
**RS8M** Residential, single family, 8,000 sq. ft. min.  
**RS10M** Residential, single family, 10,000 sq. ft. min.  
**RS14M, RS18M** Residential, single family, 14,000 sq. ft. min.  
**RS20M** Residential, single family, 20,000 sq. ft. min.  
  
**RL** Rural Living  
**RL2.5** Rural Living, one residence per 2.5 acres  
**RL5** Rural Living, one residence per 5 acres  
**RL10** Rural Living, one residence per 10 acres  
**RL20** Rural Living, one residence per 20 acres  
  
**RC, RC40, OS, FW** Resource Conservation, Open Space, Floodway  
  
**CG-SCp, CS** Commercial Properties, Sign Control  
**CD, CN** Commercial Properties, Neighborhood Commercial  
**IC, IN** Industrial and Institutional Properties

## **7.2. County Land Use Zoning District Update Procedure**

The following pages contain the County Land Use Zoning District Update Procedure as approved by the District's legal counsel.

**Joshua Basin Water District  
Water Availability Assessment (Standby Charge)  
County Land Use Zoning District Update Procedure**

The Joshua Basin Water District, Water Availability Assessment (Standby Charge) relies on three factors to determine the annual amount due per parcel. The factors include the parcel size, District zoning<sup>(a)</sup>, and County Land Use Zoning District. The rate table created when the Standby Charge was established provided accommodations for all changes in parcel size and District zoning, however, not for changes in County Land Use Zoning Districts, as changes by the County were not anticipated. Notwithstanding, the County has made changes to its Land Use Zoning Districts since the establishment of the Standby Charge. This document provides a framework of the activities necessary to determine the classification of parcels into newly created County Land Use Zoning Districts.

The approval of the Standby Charge pre-dates the passage of Proposition 218. As stated in the annual Engineer's Report, "The water availability charge has been in effect at the current rate since 1996, prior to the enactment of Proposition 218 and is entitled to an exemption from the procedural requirements of Proposition 218 unless and until it is increased." Therefore, to not be considered an increase all newly designated zone classifications caused by changes to County Land Use Zoning Districts must result in rates that are equal to or less than the amount assigned to the most similar Original County Land Use Zoning Districts<sup>(b)</sup>.

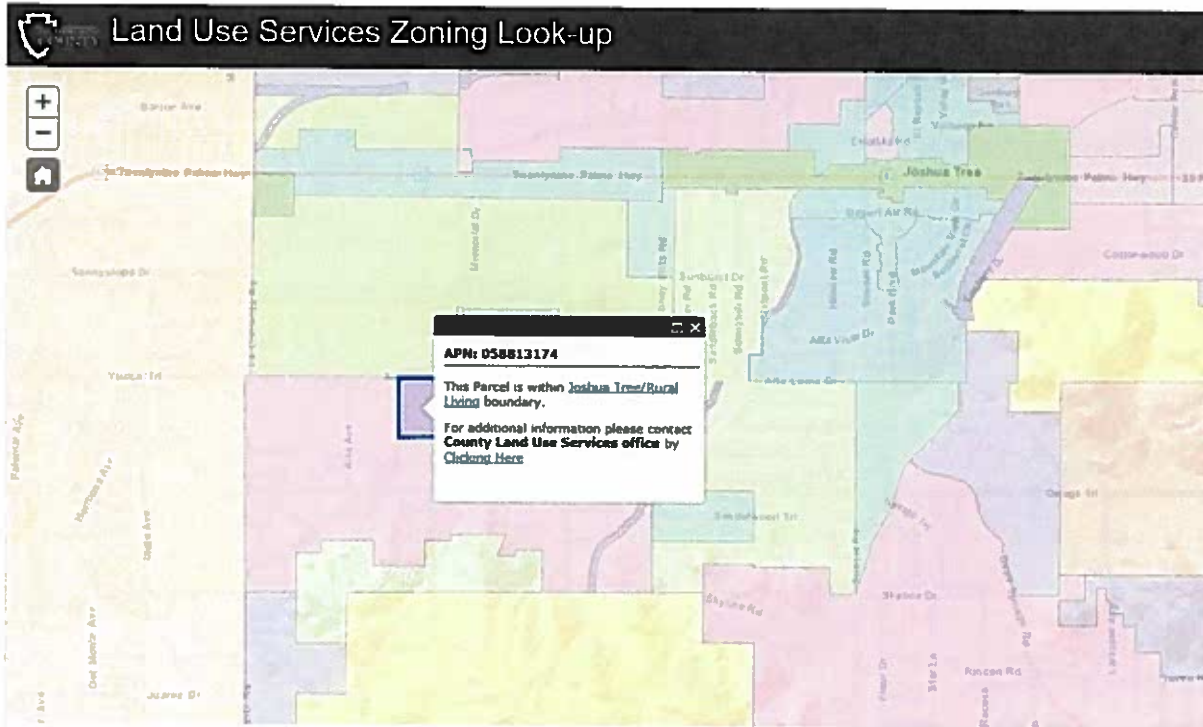
On an annual basis, the County Land Use Zoning District Update Procedures to be undertaken by the District or its agents includes:

1. Obtain a current listing of active County Land Use Zoning Districts.
2. Determine which County Land Use Zoning Districts are not shown on the most recently updated Standby Rate Table to determine the "New County Land Use Zoning Districts."
3. Review the Original County Land Use Zoning Districts descriptions to determine the most similar Original County Land Use Zoning District.
4. Assign the rate from the most similar Original County Land Use Zoning District to the New County Land Use Zoning Districts. If there are, more than one Original County Land Use Zoning District that closely fit the description of the New County Land Use Zoning District assign the lowest rates associated to those Original County Land Use Zoning Districts.
5. Update Exhibit A, Schedule A and B to reflect the New County Land Use Zoning Districts and rates.

Documentation on this annual process along with all assumptions and determinations will be included in the annual Engineer's Report that is approved by the Board of Directors. The District may experience a loss in revenue due to unforeseen County land use zone changes, but in no event can the rates for the new classifications exceed the previously approved rates without a Proposition 218 balloting procedure.

<sup>(a)</sup> District Zones are determined based on parcel proximity to existing District pipelines.

<sup>(b)</sup> Original County Land Use Zoning Districts were included on the rate table when the Standby Charge was established.



Sample of a New County Land Use Zoning District, Rural Living (RL) classification.

RL10	RL10	\$30.00	\$50.00	\$40.00	\$40.00	\$20.00	\$30.00	\$20.00	\$15.00	0-40 Acres
						\$15.00				41+ Acres
RL5	RL5	\$30.00	\$50.00	\$40.00	\$40.00	\$20.00	\$30.00	\$20.00	\$15.00	0-40 Acres
						\$12.00	\$25.00	\$15.00	\$12.00	41-80 Acres
						\$8.00	\$10.00	\$8.00	\$8.00	81-160 Acres
						\$4.00	\$5.00	\$4.00	\$3.00	161-320 Acres
						\$1.00	\$1.00	\$1.00	\$1.00	321+ Acres
<del>RL5</del>	RL	\$30.00	\$50.00	\$40.00	\$40.00	\$20.00	\$30.00	\$20.00	\$15.00	0-40 Acres
						\$15.00	\$25.00	\$15.00	\$12.00	41-80 Acres
						\$10.00	\$15.00	\$10.00	\$10.00	81-160 Acres
						\$5.00	\$8.00	\$5.00	\$4.00	161-320 Acres
						\$1.00	\$1.00	\$1.00	\$1.00	321+ Acres
COMMERCIAL / INDUSTRIAL	COMMERCIAL / INDUSTRIAL	\$40.00	\$60.00	\$50.00		\$25.00	\$35.00	\$25.00		0-40 Acres
							\$25.00			41+ Acres
	RS	\$40.00	\$60.00	\$50.00		\$20.00	\$30.00	\$20.00		0-40 Acres
							\$25.00			41+ Acres
RS1	RS1	\$40.00	\$60.00	\$50.00		\$20.00	\$30.00	\$20.00		0-40 Acres
							\$25.00			41+ Acres

## **8. REFERENCES**

- <sup>1</sup> Joshua Basin Water District: Organizational Charge  
Available at <file:///Q:/JBWD/DCG%20Consulting/Standby%20Audit/2018OrgChargeReport.pdf>
- <sup>2</sup> Constitution of the State of California 1879 Article XIII A. Tax Limitation  
Available at [http://www.leginfo.ca.gov/const/article\\_13A](http://www.leginfo.ca.gov/const/article_13A)
- <sup>3</sup> Proposition 218 Guide for Special Districts.  
Available at <http://www.csga.net/wp-content/uploads/2013/04/2013-CSDA-Prop-218-WEB.pdf>
- <sup>4</sup> Joshua Basin Water District: Engineer's Report for Joshua Basin Water District 2018-19 Fiscal Year Water Availability Charge.

**JOSHUA BASIN WATER DISTRICT  
MEETING AGENDA ITEM STAFF REPORT**

**Regular Meeting of the Board of Directors**

**DATE: August 5, 2020**

**REPORT TO:** Board of Directors  
**PREPARED BY:** Susan Greer  
**TOPIC:** **CONSIDER REFUNDS OF STANDBY FEES**  
**RECOMMENDATION:** Authorize refunds of standby fees as follows:  
    (1) Refund three (3) years of applicable standby fees totaling approximately \$14,682.51 per year utilizing a claim submittal process  
    (2) Pay interest on the refunds at the same rate received by the District on our investments  
    (3) Authorize the GM to enter into a contract with consultant to process standby refunds

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**ANALYSIS:** As reported with the last agenda item, the District contracted the completion of a parcel audit more than a year ago with the purpose of ensuring that standby fees are being charged in accordance with our policies established in 1997. Technology changes since that time now allow for a streamlined and more accurate determination of the multiple standby billing criteria applicable for each of the nearly 13,000 parcels in the District.

Using the latest technology such as GIS, the District and its consultant, NBS, were able to reach a level of accuracy in determining standby fees not originally available. 231 parcels received new District Zoning designations that will produce a refund in order to remain consistent with our policy. The new "District Zones" were applied as a result of new GIS measurements that are far more accurate than the scaled measurements that were originally applied before this technology was available. Refunds for these parcels total \$14,682.51 per year over (3) years at an average of \$63.56.

Counsel and Staff recommend that we utilize a claims process for issuing refunds, as is common for refund procedures of this type. The District will send postcards to those property owners who are eligible for refunds after which, they will be required to complete a claim form. Information about refunds and the process will also be available on our website. This ensures that the refund is paid to the right person and only once.

Lastly, Staff recommends that we utilize our standby and parcel audit consultant, NBS, to handle administration of the



refunds for the District for a fee of \$18,000. This will require that the District only get involved to issue the refund checks, sparing limited staff resources to address other pressing projects for the District.

The recently-adopted budget includes all of the funding needed for the refunds and the consultant work.

**STRATEGIC PLAN ITEM:** N/A

**FISCAL IMPACT:** Approximately \$65,000 cost. \$45,000 standby refunds, \$1,500 interest, and \$18,000 consultant cost.