

JOSHUA BASIN WATER DISTRICT

Minutes of March 21, 2018

REGULAR MEETING OF THE BOARD OF DIRECTORS

1. CALL TO ORDER: 6:30 p.m.
2. PLEDGE OF ALLEGIANCE
3. DETERMINATION OF QUORUM:

Mickey Luckman	Present
Bob Johnson	Present
Geary Hund	Present
Rebecca Unger	Present
Tom Floen	Present

STAFF PRESENT: Curt Sauer, General Manager
Mark Ban, Assistant General Manager of Operations
Keith Faul, GIS Coordinator
Anne Roman, Accountant
Beverly Waszak, Executive Assistant

CONSULTANTS PRESENT: Kathleen Radnich, Public Outreach

GUESTS 4

APPROVAL OF AGENDA –

MSC/Johnson/Floen 5/0/0 to approve the Agenda of March 21, 2018, regular meeting of the Board of Directors.

Floen	Aye
Hund	Aye
Luckman	Aye
Johnson	Aye
Unger	Aye

PUBLIC COMMENT –

Eugene Buchanan, Phasesafe Energy Solutions, Palm Springs spoke to the Board about a possible solar solution for JBWD wells. He also asked the Board for placement as a future Agenda item to present to the Board.

CONSENT CALENDAR –

- A. Approve the draft minutes of March 7, 2018
- B. Approve February 2018 Check Register (reviewed by the Finance Committee on March 14, 2018, and referred to the Board for approval).

MSC/Johnson/Hund 5/0/0 to approve the Consent Calendar.

Floen	Aye
Hund	Aye
Luckman	Aye
Johnson	Aye
Unger	Aye

RENEWAL OF AUDIT CONTRACT FOR THE NEXT 5 YEARS – Recommend that the Board approve the renewal with Fedak & Brown (reviewed by the Finance Committee on March 14, 2018, and referred to the Board for approval).

GM Sauer stated that the current contract for audit services expired after the last audit, completed in December. That contract technically was with Charles Z. Fedak & Company, issued in 2012, for audits from fiscal years 11/12 through 17/18. A new audit engagement letter with Fedak & Brown was written each year to supplement the contract. Charles Z. Fedak & Company was reformed as Fedak & Brown, LLP, and one of the new partners, Chris Brown has served as our Lead Audit Partner for the past three years.

While there is a law that requires mandatory auditor rotation for local government audits, that does not mean that we have to change audit firms. The law requires that after six consecutive years of acting as the lead audit partner, a new lead audit partner be assigned. After Chris Brown has acted as lead audit partner for six years, a new lead audit partner in the firm would take over the audit responsibility. A short Q&A period followed with the Board members.

MSC/Hund/Johnson 5/0/0 to approve the renewal of the Audit Contract for the next five years.

Floen	Aye
Hund	Aye
Luckman	Aye
Johnson	Aye
Unger	Aye

DISCUSSION ON IMPLEMENTATION OF THE CAPITAL IMPROVEMENT PLAN – Recommend that the Board receive for information only and direct the General Manager to bring an action plan to the Board for approval.

GM Sauer stated that during the last four (4) years the Board has been supportive of the employees and making sure that we continue to do the work that we need to be doing. The Board supported and implemented the Employee Compensation Study, employees are compensated at the 50th percentile with comparable agencies, they are highly motivated, and appreciative of the work that you did. In 2016, the Board approved the Capital Improvement Plan, which laid out the overall strategy with replacing and taking care of our Capital Assets. We are in the process of an Organizational Assessment, which will be shared, with the Board on April 25th. We have recently completed the Rate Study, which resulted in the current rate structure and allows us to move forward in several different areas, Capital Improvement Plan, general operational activities in the field, and meters.

Mark Ban, AGM of Operations presented the Capital Improvement Plan (CIP) presentation to the Board and a Q&A period followed with the Board.

PUBLIC COMMENT

Eugene Buchanan, Phasesafe Energy Solutions, Palm Springs commented that he had previous water district experience in Apple Valley, CA, which he built an infrastructure team to tackle the stuff inside. Since he had left there 7-8 years ago, it is still a shining example in the area now of what to have done, and they are still financially stable because of that.

Jim Corbin, Distribution Supervisor (JBWD) stated that he was excited because for 12 years he has been talking about this stuff. It's time, and you made the hard decision to increase the rates. Everyone here is appreciative, and we look forward to a lot more work.

Gayle Austin, Joshua Tree asked if there was contract work to be done for other water districts once this District has the new equipment.

Mark Ban, AGM of Operation replied that because of meters and water main to replace, we would be busy for the next 30 to 40 years.

MSC/Unger/Hund 5/0/0 to direct the General Manager to bring an action plan to the Board that would include a workshop at some point.

Floen	Aye
Hund	Aye
Luckman	Aye
Johnson	Aye
Unger	Aye

DISTRICT GENERAL COUNSEL REPORT – None

GENERAL MANAGER REPORT – GM Sauer updated the Board on the following:

- Conservation for February
- Expected update on CEC Solar Grant next week.
- Budget 18/19 to 19/20
- Meter Replacement – Initial numbers indicate that drive-by meter reading – AMR would be about \$1.2M using the latest vendor Zenner/Itron. Remote read meters. AMI would be about \$1.4M. However, the annual costs for AMI are \$68,000, bringing total costs over 25 years to \$3M.
- Well 14
- Low-Income Assistance

GM Sauer ended his report by showing photos of the Hydro Pneumatic Booster site, which was recently updated.

DIRECTOR REPORTS ON MEETINGS ATTENDED, COMMENTS AND FUTURE AGENDA ITEMS

Vice President Johnson reported on the Finance Committee and encouraged ratepayers to come to the riveting meetings. He also thanked Mark Ban, AGM of Operations for his presentation. He thanked the first responders, the staff, and the armed forces for their service.

President Luckman attended the MWA Board meeting and commented on the Water Resources & Operations Committee that directly follows the Finance Committee meeting and encouraged ratepayers to attend the meetings. She also stated that the LaBounty Safety Awards are coming up at ACWA and asked the staff to enter a submission.

Kathleen Radnich – Public Outreach Consultant attended the Public Relations Coalition where a consensus was shared that mass communications were proving problematic for all government agencies, due to diverse media sources that the public now has access to. Aside from the standard numerous TV news stations, multi-lingual radio stations, and print media outlets, individuals may now only use Facebook, Twitter, websites, and a host of other sites to get their news." She invited everyone to attend Water Education Day that will be coming up on March 25, 2018, from 1-4 p.m. at the District.

Director Unger thanked the staff for working so hard for the District and is looking forward to Water Education Day.

Director Hund said that when they were considering the rate increase, the Board recognized the need for upgrading the system. He still has angst because we live in a disadvantaged community near the poverty level. However, he felt it was necessary. He thanked GM Sauer and the CAC for helping the District move forward in creating a program to assist the disadvantaged.

Director Floen commented on the Solar project, that the electric bill for the District for just the month of February was \$30K. He also mentioned that Steve Corbin developed an award-winning tool that cleans the water from the reservoirs. Director Floen continued to say that he has gone out to leaks and videotaped them to see first-hand what the crew does and finds their work to be outstanding.

FUTURE DIRECTOR MEETINGS AND TRAINING OPPORTUNITIES

President Luckman commented that the Mojave Water Agency Technical Advisory Committee (TAC) will meet on April 5, 2018, and they will be going on a tour of the Victor Valley Waste Water Authority. Anyone that would like to attend should contact President Luckman directly.

- Mojave Water Agency Board of Directors – March 22, 2018 – Director Floen will attend in place of Director Hund.
- Legislative & Public Information Committee – April 4, 2018, at 9:30 a.m. – President Luckman and Director Unger
- Mojave Water Agency Technical Advisory Committee (TAC) – April 5, 2018, at 10:00 a.m. - President Luckman – There will be a tour of the Victor Valley Waste Water Authority. Anyone that would like to attend should contact President Luckman directly.

ADJOURNMENT –

MSC/Unger/Johnson 5/0/0 to adjourn the Regular Meeting of the Board of Directors of March 21, 2018, at 7:26 p.m.

Floen	Aye
Hund	Aye
Luckman	Aye
Johnson	Aye
Unger	Aye

Respectfully submitted:


Curt Sauer, GM and Board Secretary