



AGENDA

CITIZENS ADVISORY COUNCIL MEETING TUESDAY, NOVEMBER 8, 2022, AT 5:00 PM 61750 CHOLLITA ROAD, JOSHUA TREE, CA 92252

ON MARCH 4, 2020, CALIFORNIA GOVERNOR GAVIN NEWSOM DECLARED A STATE OF EMERGENCY IN CALIFORNIA AS A RESULT OF THE COVID-19 PANDEMIC, AN EMERGENCY THAT REMAINS IN EFFECT AND FROM WHICH OUTBREAKS AND EXPOSURE CONTINUES TO PRESENT AN IMMINENT THREAT FOR SOME ATTENDEES.
ACCORDINGLY, THE PUBLIC MAY ATTEND THIS MEETING IN-PERSON, TELEPHONE, OR BY VIDEO CONFERENCE.

To join by Zoom please click the below link:

<https://us02web.zoom.us/j/85609790259?pwd=YTFXZFdFdFkMUc5MjE1THRjZE9xdz09>

You may also join by phone at 1-253-215-8782, Meeting ID: 856 0979 0259 Passcode: 964057

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, whether appearing on the agenda or not. At the discretion of the Board President, however, comments on a particular Agendized item may be deferred until that item is heard. Please state your name and limit your comments to 3 minutes.
6. **RE-APPROVE MINUTES OF THE JULY 12, 2022 MEETING –**
7. **2022 RATE STUDY –** Director Anne Roman and Mr. Alex Handlers, Bartle Wells - Recommendation: Discuss, ask questions, and provide input.
8. **ADJOURNMENT –**

Pages 2-3

Pages 4-22

INFORMATION

The public is invited to comment on any item on the agenda during discussion of that item. Members of the public wishing to attend the meeting that require other reasonable modifications or accommodation to facilitate such attendance should contact Beverly Krushat at 760-974-0072 or bkrushat@jbwd.com as soon as feasible before the meeting to make such request.

Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Joshua Basin Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board are available online at jbwd.com for public inspection, or in the District's office, 61750 Chollita Road, Joshua Tree, CA 92252 ("District Office"). If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available at the reception desk of the District Office and on-line at jbwd.com during business hours at the same time as they are distributed to the Board members. Disability-related accommodations: The Joshua Basin Water District Board of Directors meeting room is wheelchair accessible. If you require any special disability-related accommodations (e.g., access to an amplified sound system, etc.) please contact Ms. Krushat at the District Office at (760) 974-0072 during business hours at least seventy-two (72) hours prior to the scheduled meeting. This agenda can be obtained in alternative format upon written request to Ms. Krushat in the District Office, at least seventy-two (72) hours prior to the scheduled meeting.

JOSHUA BASIN WATER DISTRICT
Minutes of the
CITIZENS ADVISORY COUNCIL MEETING
Tuesday, July 12, 2022

CALL TO ORDER – Chairperson D. Carrillo called the meeting to order at 6:03 p.m.

PLEDGE OF ALLEGIANCE

DETERMINATION OF A QUORUM – GM Johnson confirmed quorum.

IN ATTENDANCE – Chairperson D. Carrillo, Hannah Campbell, Karen Tracy; VIA ZOOM: Kathy Carrillo, Glen Harris, Shari Long, Karen Morton

STAFF PRESENT – Sarah Johnson, General Manager

CONSULTANTS PRESENT – Kathleen Radnich, Public Information Consultant

PUBLIC COMMENT – None

APPROVAL OF PRIOR MEETING MINUTES -- MSC¹ (Tracy/Harris 2/0) approved the Draft Minutes of March. 8, 2022.

STRATEGIC COMMUNICATIONS PLAN – Chairperson Carrillo asked the CAC if anybody had any comments or changes to the Plan before it moves on. Tracy inquired as to where the Plan goes from here, and Consultant Radnich explained that it next moves on to the District’s staff management who will look it over, determine the funds that would probably need to be allocated, if the Plan fits the District’s Mission, is palatable, and at what speed. Staff will come back with a recommendation after all the department heads look at it for feasibility and how to implement what portions of it going forward. After staff is comfortable with the Plan, it will move on to the Board. Tracy also brought up the wording in Objective No. 1 on page 19. After discussion, the CAC agreed “customer/stakeholder” should be removed and “service” should be “services.” Chairperson Radnich and GM Johnson further explained that once the Plan moves on to the staff, GM Johnson will present it at a meeting of Managers and Supervisors for discussion and digestion, then to an Operations meeting, and then to an all-staff meeting. It will progress as to its priority level, and each department will have the opportunity to address and edit items. Harris asked for clarification regarding No. 8 “Community Outreach” on page 23, and what things are currently being done and which are a wish list. Consultant Radnich explained past and current outreaches, circumstantial changes and elaborated on the difference between community groups and the local Municipal Advisory Council (MAC). Harris added that he would like the District to speak at a MAC meeting, and that MAC is accepting applications for potential new members, and he can provide that information to anybody interested.

Chairperson Carrillo motioned to move the Plan on to the District staff with the changes mentioned.
MSC¹ (Tracy/Campbell 2/0)

ROUNDTABLE COMMENTS – Tracy shared that she wished she could have been at the morning’s Well 14 ribbon cutting ceremony. Tracy and Harris both requested photos from the ceremony. Chairperson Carrillo shared how great the ceremony went and how impressive and unique Well 14 is. Further discussion followed emphasizing how important Well 14 is, it’s groundbreaking technology, and

the great accomplishment it has been despite all the obstacles along the way. Lastly, Harris thanked GM Johnson and Jeremiah for a wonderful meeting a few weeks prior at the retreat center where they represented the District with great integrity and transparency.

NEXT MEETING DATE – September 13, 2022, at 6:00 p.m.

ADJOURNMENT – Chairperson D. Carrillo adjourned the meeting at 6:38 p.m.

Respectfully Submitted,

Sarah Johnson, General Manager & Board Secretary

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

Citizens Advisory Council Meeting

DATE: November 8, 2022

REPORT TO: Council Members
PREPARED BY: Anne Roman, Director of Finance
TOPIC: **RATE STUDY WORKSHOP**
RECOMMENDATION: Discuss, ask questions, and provide input.

ANALYSIS: We haven't previously discussed some other important assumptions being used in the Rate Study scenarios. All scenarios presented fund the following reserves for the five years of the Rate Study, **in addition to** the CIRP/Capital project funding shown in the scenarios. Early in 2023, Staff will bring forth a comprehensive review of the Reserve Policy to include clarifying language for managing reserve fund activity but, for now, please consider these assumptions:

- Equipment & Technology Replacement - increased from \$170k per year to \$375k; calculated based on depreciation of vehicles/equipment, reflecting new CIRP equipment.
- Reports & Studies – increased from \$50k per year to \$200k (slightly lower than projected average cost of \$225k)
- Meter Replacement Program – reduced from \$500k per year to \$185k based on current account balance and slowed progress due to inventory acquisition issues.
- Building Replacement Fund – eliminate prior \$30k annual funding since no new building is planned at this time.

In response to comments heard at recent Rate Study meetings, Staff proposes that the Board consider increasing the \$2 million Emergency Capital Replacement fund to \$2.5 million by reducing annual capital funding by \$100k over the next 5 years. This option, if favored, can be adopted through the future Reserve Policy review.

Today, we present several updated Rate Study scenarios and Cash Flow projections that address large capital initiatives like pipeline replacement and unfunded mandates like Chromium 6 treatment:

- Scenario A - The Best Management Practice
- Scenario B – Reduced Rate increases with \$1.65 million reserves drawdown.
- Scenario C - Reduced Rate, increases limited to 9% per year, reduced CIRP/Capital funding, and \$1.26 reserve drawdown.
- *All of the above include a Fixed rate increase of only 5% with the remaining increase on variable rate tiers. This helps balance increasing rates for low consumers.*
- Scenario D – Dedicated/Restricted Capital Charge

In addition, we ask for continued contemplation on the idea of a separate capital component (details in Scenario D). Placing the capital charge on the tax rolls transfers the capital cost directly to the parcel owner, who receives the greatest benefit of the infrastructure. The advantage of doing so could help keep water rates more affordable for tenants in a community with a median income of just over \$42k and a 23.6% poverty rate (per the 2020 Census). The addition of such a capital component could offset the need for an adjustment to existing rates, partially or completely.

As before, we request your input and hope that a recommendation can be brought forward from the 11/08/22 Citizens' Advisory Council (C.A.C) meeting to the 11/09/22 C.A.C./Finance Committee/Special Board meeting.

STRATEGIC PLAN ITEM: 2.8 Continue to monitor and update rates and fees to ensure financial viability.

FISCAL IMPACT: N/A



Water Rate Study

EXCERPTS

Working Draft Tables

11/01/22



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

Table 1
 Joshua Basin Water District
 Summary of Financial & Rate Scenarios

2018 RATE STUDY PROJECTIONS							
Reduced Rate Scenario, Years 6 - 10 from Prior Study							
	Current	22/23	23/24	24/25	25/26	26/27	TOTAL
		Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	
Projected Rate Increases		16%	14%	12%	6%	6%	66%

SCENARIO A							
Best Management Practice with Reduced Expenses							
	Current	22/23	23/24	24/25	25/26	26/27	TOTAL
		Mar-1	Jan-1	Jan-1	Jan-1	Jan-1	
Projected Rate Increases		16%	14%	12%	10%	8%	76%
Capital Improvement Funding		1,785,000	2,500,000	2,588,000	2,679,000	2,773,000	12,325,000
Change in Fund Reserves		212,000	(107,000)	382,000	(464,000)	(143,000)	(120,000)
Est. Typical Monthly Bill (6 hcf)*	80.05	90.89	102.79	115.69	127.74	138.53	

* Actual impacts may vary based on final water rate structure, meter size, and water use.

SCENARIO B							
Reduced Rate Increases with Add'l Drawdown of Fund Reserves							
	Current	22/23	23/24	24/25	25/26	26/27	TOTAL
		Mar-1	Jan-1	Jan-1	Jan-1	Jan-1	
Projected Rate Increases		14%	12%	10%	8%	8%	64%
Capital Improvement Funding		1,785,000	2,500,000	2,588,000	2,679,000	2,773,000	12,325,000
Change in Fund Reserves		167,000	(274,000)	86,000	(912,000)	(720,000)	(1,653,000)
Est. Typical Monthly Bill (6 hcf)*	80.05	89.33	99.31	109.87	119.22	129.29	

* Actual impacts may vary based on final water rate structure, meter size, and water use.

SCENARIO C							
Limit Overall Rate Increases to 9% Per Year & Reduce CIP							
	Current	22/23	23/24	24/25	25/26	26/27	TOTAL
		Mar-1	Jan-1	Jan-1	Jan-1	Jan-1	
Projected Rate Increases		9%	9%	9%	9%	9%	54%
Capital Improvement Funding		1,785,000	2,000,000	2,000,000	2,000,000	2,000,000	9,785,000
Change in Fund Reserves		51,000	(141,000)	154,000	(814,000)	(508,000)	(1,258,000)
Est. Typical Monthly Bill (6 hcf)*	80.05	85.49	92.47	101.47	111.18	121.73	

* Actual impacts may vary based on final water rate structure, meter size, and water use.

SCENARIO D							
Dedicated/Restricted Capital Charge (On Bill or Tax Roll)							
	Current	23/24	24/25	25/26	26/27	27/28	TOTAL
		Jul-1	Jul-1	Jul-1	Jul-1	Jul-1	
Projected Rate Increases		0%	0%	0%	5%	5%	10%
Capital Charge Funding		1,000,000	2,000,000	3,000,000	3,500,000	3,800,000	71%
Capital Improvement Funding		2,500,000	2,588,000	2,679,000	2,773,000	2,870,000	
Est. Typical Monthly Bill (6 hcf)*	80.05	80.05	80.05	80.05	80.05	84.05	
Est. Monthly Capital Charge		14.00	28.00	42.00	49.00	53.00	
Total Monthly Charges	80.05	94.05	108.05	122.05	129.05	137.05	

Notes

Example phase-in of a dedicated Capital Improvement Charge shown
 Capital Improvement Charge would also help fund debt service and CIRP staffing costs
 Can be collected via the County property tax rolls instead of on monthly bills

Table 2

Joshua Basin Water District
Summary of Rate Scenarios

OVERALL RATE INCREASES						
Billing impacts may vary based on meter size and water use depending on rate structure						
	22/23	23/24	24/25	25/26	26/27	TOTAL
2018 Rate Study Projections	16%	14%	12%	6%	6%	66%
A) Best Management Practice	16%	14%	12%	10%	8%	76%
B) Reduced Rates w/ Addl Drawdown	14%	12%	10%	8%	8%	64%
C) 9% Rate Increases w/ Reduced CIP	9%	9%	9%	9%	9%	54%
D) Dedicated Capital Charge (Bills or Tax Rolls)		tbd	tbd	tbd	tbd	tbd

MONTHLY BILL FOR A TYPICAL HOME WITH 6 HCF OF WATER USE						
Billing impacts may vary based on meter size and water use depending on rate structure						
	Current	22/23	23/24	24/25	25/26	26/27
A) Best Management Practice	80.05	90.89	102.79	115.69	127.74	138.53
B) Reduced Rates w/ Addl Drawdown	80.05	89.33	99.31	109.87	119.22	129.29
C) 9% Rate Increases w/ Reduced CIP	80.05	85.49	92.47	101.47	111.18	121.73
D) Dedicated Capital Charge (Bills or Tax Rolls)		tbd	tbd	tbd	tbd	tbd

ALL-IN COST FOR A TYPICAL HOME (CENTS PER GALLON W/ FIXED & USAGE CHARGES)						
Billing impacts may vary based on meter size and water use depending on rate structure						
	Current	22/23	23/24	24/25	25/26	26/27
A) Best Management Practice	1.5	1.7	2.0	2.2	2.4	2.6
B) Reduced Rates w/ Addl Drawdown	1.5	1.7	1.9	2.1	2.3	2.5
C) 9% Rate Increases w/ Reduced CIP	1.5	1.6	1.8	1.9	2.1	2.3
D) Dedicated Capital Charge (Bills or Tax Rolls)		tbd	tbd	tbd	tbd	tbd

Projected Monthly Charges for a Typical Home with 6 hcf of Monthly Water Use

SCENARIO	EFFECTIVE	BASIC FEE	USAGE CHARGES	TOTAL
Current Rates	1/1/22	\$41.35	\$38.70	\$80.05
A	1/1/27 (Year 5)	52.77	85.76	138.53
B	1/1/27 (Year 5)	52.77	76.52	129.29
C	1/1/27 (Year 5)	52.77	68.96	121.73

Scenario A

Best Management Practice with Cost Reductions

Phase in Rate Increases to Support Balanced Budget in 5 Years

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Table A1 JBWD Cash Flow Projections A - Best Mgmt Practice with Reduced Expenses					Years 1 - 5	
	1	2	3	4	5	
	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	
1	Effective Date of Rate Adjustment	Mar-1	Jan-1	Jan-1	Jan-1	
2	Overall Rate Increase Target	16%	14%	12%	10%	8%
3	Fixed Rate Increase %	5%	5%	5%	5%	5%
4	Usage Rate Increase %	23.2%	19.0%	15.4%	12.2%	9.3%
5	Growth: New 1" Meters or Equivalents	50	25	25	25	25
6	Growth %	1.0%	0.5%	0.5%	0.5%	0.5%
7	Wtr Demand Elasticity (Response to Rate Incr)	(0.10)	(0.10)	(0.10)	(0.10)	(0.10)
8	Change in Water Use After Rate Increase	-2.3%	-1.9%	-1.5%	-1.2%	-0.9%
9	Water Purchases from MWA (AF)	916	1,000	1,000	1,000	1,000
10	MWA Rate per AF	\$623	\$645	\$664	\$684	\$705
11	Interest Earnings Rate	1.0%	1.5%	1.5%	1.5%	1.5%
12	Annual Cost Escalator		6.0%	4.0%	4.0%	4.0%
13	Beginning Fund Reserves	\$12,846,000	\$13,058,000	\$12,951,000	\$13,333,000	\$12,869,000
14	REVENUES			Compounded 5-Year Rate Increase >>		76%
15	Basic Monthly Fees	2,560,000	2,731,000	2,882,000	3,041,000	3,209,000
16	Water Usage Charges	4,202,000	4,986,000	5,675,000	6,325,000	6,907,000
17	Basic Monthly Fees: Locked Meters	370,000	389,000	408,000	428,000	449,000
18	Standby Revenue	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
20	Property Taxes	672,000	685,000	699,000	713,000	727,000
21	Private Fire Svc & Special Services	200,000	204,000	208,000	212,000	216,000
22	Water Capacity & Meter Install Fees	486,000	250,000	258,000	258,000	258,000
23	Interest Earnings & Gain Loss/Chg Mkt Value	128,000	196,000	194,000	200,000	193,000
24	HDMC WWTP Reimbursements	281,000	298,000	310,000	322,000	336,000
25	Other Revenues	25,000	25,000	25,000	25,000	25,000
26	Total Revenues	10,124,000	10,964,000	11,859,000	12,724,000	13,520,000
27	SRF Grant for Chromium 6 Project		10,000,000	>>>>		
28	SRF Loan for Chromium 6 Project		8,000,000	>>>>		
30	EXPENSES					
31	Operating & Maintenance					
32	Production	1,360,000	1,442,000	1,500,000	1,560,000	1,622,000
33	Recharge Water Purchases from MWA	571,000	645,000	664,000	684,000	705,000
34	Distribution	1,212,000	1,285,000	1,336,000	1,389,000	1,445,000
35	Customer Service	778,000	825,000	858,000	892,000	928,000
36	Administration	1,255,000	1,330,000	1,383,000	1,438,000	1,496,000
37	Finance	931,000	987,000	1,026,000	1,067,000	1,110,000
38	Human Resources	267,000	283,000	294,000	306,000	318,000
39	HDMC WWTP Operations (reimbursable)	230,000	244,000	254,000	264,000	275,000
40	Standby Admin/Developmt & Engineering	87,000	92,000	96,000	100,000	104,000
41	Add'l Staffing Needs (deferred & reduced)	44,000	47,000	49,000	190,000	198,000
42	CIRP Program (Operating Portion)	442,000	469,000	488,000	508,000	528,000
43	Capitalized Overhead Adjustment	(100,000)	(106,000)	(110,000)	(114,000)	(119,000)
44	Chrome 6 Operations (estimated)	0	0	0	750,000	780,000
46	Subtotal	7,077,000	7,543,000	7,838,000	9,034,000	9,390,000
47	Debt Service					
48	2018 Installment Sale Agmt (CIRP)	268,000	268,000	268,000	268,000	268,000
49	Chrome 6 SRF Loan (\$8M, 2.75%, 30-Yr)	-	-	-	400,000	400,000
50	Subtotal	268,000	268,000	268,000	668,000	668,000
51	Capital/Non-Operating					
52	Capital Improvement Program (CIP)	1,785,000	2,500,000	2,588,000	2,679,000	2,773,000
53	Equipment/Technology	300,000	375,000	390,000	406,000	422,000
54	Studies/Reports	300,000	200,000	208,000	216,000	225,000
55	Chromium 6 Project (grant & loan funded)	0	18,000,000	>>>>	0	0
56	Meter Replacement Program	182,000	185,000	185,000	185,000	185,000
57	Admin Building & Financing (deleted)	0	0	0	0	0
58	Morongo Basin Pipeline Debt Reimbs	0	0	0	0	0
59	Subtotal	2,567,000	21,260,000	3,371,000	3,486,000	3,605,000
60	Total Expenses	9,912,000	29,071,000	11,477,000	13,188,000	13,663,000
61	Revenues Less Expenses	212,000	(107,000)	382,000	(464,000)	(143,000)
62	Ending Fund Reserves	13,058,000	12,951,000	13,333,000	12,869,000	12,726,000
63	Min Fund Rsrsv Target (50% O&M + \$2M)	5,538,500	5,771,500	5,919,000	6,517,000	6,695,000
64	Debt Service Coverage	11.37	12.76	15.00	5.52	6.18
65	Cumulative Change in Fund Reserves	212,000	105,000	487,000	23,000	(120,000)

Table A2
 Joshua Basin Water District
 Projected Water Rates

Scenario A
 Best Management Practice with Cost Reductions
 Limit Fixed Rate Increases to 5% per Year

Projected Water Rates A						
	Current Water Rates	Projected Rates Effective				
		Mar-1 2023	Jan-1 2024	Jan-1 2025	Jan-1 2026	Jan-1 2027
Overall Rate Increases		16%	14%	12%	10%	8%
Fixed Rate Increases		5%	5%	5%	5%	5%
BASIC MONTHLY FEE						
<i>Fixed monthly charge based on meter size</i>						
<u>Meter Size</u>						
3/4 & 1 inch	\$41.35	\$43.42	\$45.59	\$47.87	\$50.26	\$52.77
1-1/2 inches	137.83	144.72	151.96	159.56	167.54	175.92
2 inches	220.53	231.56	243.14	255.30	268.07	281.47
3 inches	413.50	434.18	455.89	478.68	502.61	527.74
Usage Rate Increases		23.2%	19.0%	15.4%	12.2%	9.3%
MONTHLY WATER FLOW CHARGES						
<i>Billed based on metered water use, as measured in units of one hundred cubic feet (\$/hcf)</i>						
For 3/4" and 1" Meters						
Tier 1 0 - 5 units	\$6.20	\$7.62	\$9.20	\$10.97	\$12.58	\$13.96
Tier 2 5.01 - 10 units	7.70	9.37	11.20	12.97	14.58	15.96
Tier 3 10.01 - 20 units	9.20	11.12	13.20	14.97	16.58	17.96
Tier 4 20.01 + units	10.70	12.87	15.20	16.97	18.58	19.96
For 1-1/2", 2" and 3" Meters						
Unit rate for all water use	\$7.70	\$9.49	\$11.29	\$13.03	\$14.61	\$15.96
<i>Note: 1 unit = one hundred cubic feet, or approximately 748 gallons.</i>						
PRIVATE FIRE PROTECTION CHARGES						
<i>Fixed monthly charge based on size of service connection</i>						
<u>Service Size</u>						
2 inches	\$22.05	\$23.16	\$24.31	\$25.53	\$26.81	\$28.15
3 inches	41.34	43.42	45.59	47.87	50.26	52.77
4 inches	68.91	72.38	75.97	79.78	83.78	87.97
6 inches	137.81	144.75	151.94	159.56	167.56	175.94
8 inches	220.50	231.60	243.10	255.30	268.10	281.50

Scenario B

Reduced Rate Increases with Partial Drawdown of Fund Reserves

Maintains Same Funding Levels Over Next 5 Years as Scenario A
But Requires More Rate Increases After 5 Years

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Table B1 JBWD Cash Flow Projections B - Reduced Rate Increases w/ Add'l Reserve Draw					Years 1 - 5
	1	2	3	4	5
	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
1	Effective Date of Rate Adjustment	Mar-1	Jan-1	Jan-1	Jan-1
2	Overall Rate Increase Target	14%	12%	10%	8%
3	Fixed Rate Increase %	5%	5%	5%	5%
4	Usage Rate Increase %	19.9%	16.0%	12.6%	9.4%
5	Growth: New 1" Meters or Equivalents	50	25	25	25
6	Growth %	1.0%	0.5%	0.5%	0.5%
7	Wtr Demand Elasticity (Response to Rate Incr)	(0.10)	(0.10)	(0.10)	(0.10)
8	Change in Water Use After Rate Increase	-2.0%	-1.6%	-1.3%	-0.9%
9	Water Purchases from MWA (AF)	916	1,000	1,000	1,000
10	MWA Rate per AF	\$623	\$645	\$664	\$684
11	Interest Earnings Rate	1.0%	1.5%	1.5%	1.5%
12	Annual Cost Escalator		6.0%	4.0%	4.0%
13	Beginning Fund Reserves	\$12,846,000	\$13,013,000	\$12,739,000	\$12,825,000
14	REVENUES			Compounded 5-Year Rate Increase >>>>	64%
15	Basic Monthly Fees	2,560,000	2,731,000	2,882,000	3,041,000
16	Water Usage Charges	4,157,000	4,820,000	5,382,000	5,885,000
17	Basic Monthly Fees: Locked Meters	370,000	389,000	408,000	428,000
18	Standby Revenue	1,200,000	1,200,000	1,200,000	1,200,000
20	Property Taxes	672,000	685,000	699,000	713,000
21	Private Fire Svc & Special Services	200,000	204,000	208,000	212,000
22	Water Capacity & Meter Install Fees	486,000	250,000	258,000	258,000
23	Interest Earnings & Gain Loss/Chg Mkt Value	128,000	195,000	191,000	192,000
24	HDMC WWTP Reimbursements	281,000	298,000	310,000	322,000
25	Other Revenues	25,000	25,000	25,000	25,000
26	Total Revenues	10,079,000	10,797,000	11,563,000	12,276,000
27	SRF Grant for Chromium 6 Project		10,000,000 >>>>		
28	SRF Loan for Chromium 6 Project		8,000,000 >>>>		
30	EXPENSES				
31	Operating & Maintenance				
32	Production	1,360,000	1,442,000	1,500,000	1,560,000
33	Recharge Water Purchases from MWA	571,000	645,000	664,000	684,000
34	Distribution	1,212,000	1,285,000	1,336,000	1,389,000
35	Customer Service	778,000	825,000	858,000	892,000
36	Administration	1,255,000	1,330,000	1,383,000	1,438,000
37	Finance	931,000	987,000	1,026,000	1,067,000
38	Human Resources	267,000	283,000	294,000	306,000
39	HDMC WWTP Operations (reimbursable)	230,000	244,000	254,000	264,000
40	Standby Admin/Dvlmnt & Engin/Other	87,000	92,000	96,000	100,000
41	Add'l Staffing Needs (deferred & reduced)	44,000	47,000	49,000	190,000
42	CIRP Program (Operating Portion)	442,000	469,000	488,000	508,000
43	Capitalized Overhead Adjustment	(100,000)	(106,000)	(110,000)	(114,000)
44	Chrome 6 Operations (estimated)	0	0	0	780,000
46	Subtotal	7,077,000	7,543,000	7,838,000	9,034,000
47	Debt Service				
48	2018 Installment Sale Agmt (CIRP)	268,000	268,000	268,000	268,000
49	Chrome 6 SRF Loan (\$8M, 2.75%, 30-Yr)	-	-	-	400,000
50	Subtotal	268,000	268,000	268,000	668,000
51	Capital/Non-Operating				
52	Capital Improvement Program (CIP)	1,785,000	2,500,000	2,588,000	2,679,000
53	Equipment/Technology	300,000	375,000	390,000	406,000
54	Studies/Reports	300,000	200,000	208,000	216,000
55	Chromium 6 Project (grant & loan funded)	0	18,000,000 >>>>		0
56	Meter Replacement Program	182,000	185,000	185,000	185,000
57	Admin Building & Financing (deleted)	0	0	0	0
58	Morongo Basin Pipeline Debt Reimbs	0	0	0	0
59	Subtotal	2,567,000	21,260,000	3,371,000	3,486,000
60	Total Expenses	9,912,000	29,071,000	11,477,000	13,188,000
61	Revenues Less Expenses	167,000	(274,000)	86,000	(912,000)
62	Ending Fund Reserves	13,013,000	12,739,000	12,825,000	11,913,000
63	Min Fund Rsrv Target (50% O&M + \$2M)	5,538,500	5,771,500	5,919,000	6,517,000
64	Debt Service Coverage	11.20	12.14	13.90	4.85
65	Cumulative Change in Fund Reserves	167,000	(107,000)	(21,000)	(933,000)

Table B2
 Joshua Basin Water District
 Projected Water Rates

Scenario B
 Reduced Rate Increases with Add'l Reserve Drawdown
 Limit Fixed Rate Increases to 5% per Year

Projected Water Rates B						
	Current Water Rates	Projected Rates Effective				
		Mar-1 2023	Jan-1 2024	Jan-1 2025	Jan-1 2026	Jan-1 2027
Overall Rate Increases		14%	12%	10%	8%	8%
Fixed Rate Increases		5%	5%	5%	5%	5%
BASIC MONTHLY FEE						
<i>Fixed monthly charge based on meter size</i>						
<u>Meter Size</u>						
3/4 & 1 inch	\$41.35	\$43.42	\$45.59	\$47.87	\$50.26	\$52.77
1-1/2 inches	137.83	144.72	151.96	159.56	167.54	175.92
2 inches	220.53	231.56	243.14	255.30	268.07	281.47
3 inches	413.50	434.18	455.89	478.68	502.61	527.74
Usage Rate Increases		19.9%	16.0%	12.6%	9.4%	9.4%
MONTHLY WATER FLOW CHARGES						
<i>Billed based on metered water use, as measured in units of one hundred cubic feet (\$/hcf)</i>						
For 3/4" and 1" Meters						
Tier 1 0 - 5 units	\$6.20	\$7.36	\$8.62	\$10.00	\$11.16	\$12.42
Tier 2 5.01 - 10 units	7.70	9.11	10.62	12.00	13.16	14.42
Tier 3 10.01 - 20 units	9.20	10.86	12.62	14.00	15.16	16.42
Tier 4 20.01 + units	10.70	12.61	14.62	16.00	17.16	18.42
For 1-1/2", 2" and 3" Meters						
Unit rate for all water use	\$7.70	\$9.23	\$10.71	\$12.06	\$13.19	\$14.42
<i>Note: 1 unit = one hundred cubic feet, or approximately 748 gallons.</i>						
PRIVATE FIRE PROTECTION CHARGES						
<i>Fixed monthly charge based on size of service connection</i>						
<u>Service Size</u>						
2 inches	\$22.05	\$23.16	\$24.31	\$25.53	\$26.81	\$28.15
3 inches	41.34	43.42	45.59	47.87	50.26	52.77
4 inches	68.91	72.38	75.97	79.78	83.78	87.97
6 inches	137.81	144.75	151.94	159.56	167.56	175.94
8 inches	220.50	231.60	243.10	255.30	268.10	281.50

Scenario C

Limit Overall Rate Increases to 9% Per Year & Reduce CIP

Assumes Continued 9% Rate Increases After 5 Years
To Eventually Support Full Capital Funding

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Table C1 JBWD Cash Flow Projections C - Limit Overall Rate Increases to 9%					Years 1 - 5
	1	2	3	4	5
	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
1	Effective Date of Rate Adjustment	Mar-1	Jan-1	Jan-1	Jan-1
2	Overall Rate Increase Target	9%	9%	9%	9%
3	Fixed Rate Increase %	5%	5%	5%	5%
4	Usage Rate Increase %	11.6%	11.5%	11.3%	11.2%
5	Growth: New 1" Meters or Equivalents	50	25	25	25
6	Growth %	1.0%	0.5%	0.5%	0.5%
7	Wtr Demand Elasticity (Response to Rate Incr)	(0.10)	(0.10)	(0.10)	(0.10)
8	Change in Water Use After Rate Increase	-1.2%	-1.1%	-1.1%	-1.1%
9	Water Purchases from MWA (AF)	916	1,000	1,000	1,000
10	MWA Rate per AF	\$623	\$645	\$664	\$684
11	Interest Earnings Rate	1.0%	1.5%	1.5%	1.5%
12	Annual Cost Escalator		6.0%	4.0%	4.0%
13	Beginning Fund Reserves	\$12,846,000	\$12,897,000	\$12,756,000	\$12,910,000
14	REVENUES			Compounded 5-Year Rate Increase >>>>	54%
15	Basic Monthly Fees	2,560,000	2,731,000	2,882,000	3,041,000
16	Water Usage Charges	4,041,000	4,455,000	4,862,000	5,302,000
17	Basic Monthly Fees: Locked Meters	370,000	389,000	408,000	428,000
18	Standby Revenue	1,200,000	1,200,000	1,200,000	1,200,000
20	Property Taxes	672,000	685,000	699,000	713,000
21	Private Fire Svc & Special Services	200,000	204,000	208,000	212,000
22	Water Capacity & Meter Install Fees	486,000	250,000	258,000	258,000
23	Interest Earnings & Gain Loss/Chg Mkt Value	128,000	193,000	191,000	194,000
24	HDMC WWTP Reimbursements	281,000	298,000	310,000	322,000
25	Other Revenues	25,000	25,000	25,000	25,000
26	Total Revenues	9,963,000	10,430,000	11,043,000	11,695,000
27	SRF Grant for Chromium 6 Project		10,000,000 >>>>		
28	SRF Loan for Chromium 6 Project		8,000,000 >>>>		
30	EXPENSES				
31	Operating & Maintenance				
32	Production	1,360,000	1,442,000	1,500,000	1,560,000
33	Recharge Water Purchases from MWA	571,000	645,000	664,000	684,000
34	Distribution	1,212,000	1,285,000	1,336,000	1,389,000
35	Customer Service	778,000	825,000	858,000	892,000
36	Administration	1,255,000	1,330,000	1,383,000	1,438,000
37	Finance	931,000	987,000	1,026,000	1,067,000
38	Human Resources	267,000	283,000	294,000	306,000
39	HDMC WWTP Operations (reimbursable)	230,000	244,000	254,000	264,000
40	Standby Admin/Dvlmnt & Engin/Other	87,000	92,000	96,000	100,000
41	Add'l Staffing Needs (deferred & reduced)	44,000	47,000	49,000	190,000
42	CIRP Program (Operating Portion)	442,000	469,000	488,000	508,000
43	Capitalized Overhead Adjustment	(100,000)	(106,000)	(110,000)	(114,000)
44	Chrome 6 Operations (estimated)	0	0	0	780,000
46	Subtotal	7,077,000	7,543,000	7,838,000	9,034,000
47	Debt Service				
48	2018 Installment Sale Agmt (CIRP)	268,000	268,000	268,000	268,000
49	Chrome 6 SRF Loan (\$8M, 2.75%, 30-Yr)	-	-	-	400,000
50	Subtotal	268,000	268,000	268,000	668,000
51	Capital/Non-Operating				
52	Capital Improvement Program (CIP)	1,785,000	2,000,000	2,000,000	2,000,000
53	Equipment/Technology	300,000	375,000	390,000	406,000
54	Studies/Reports	300,000	200,000	208,000	216,000
55	Chromium 6 Project (grant & loan funded)	0	18,000,000 >>>>	0	0
56	Meter Replacement Program	182,000	185,000	185,000	185,000
57	Admin Building & Financing (deleted)	0	0	0	0
58	Morongo Basin Pipeline Debt Reimbs	0	0	0	0
59	Subtotal	2,567,000	20,760,000	2,783,000	2,807,000
60	Total Expenses	9,912,000	28,571,000	10,889,000	12,509,000
61	Revenues Less Expenses	51,000	(141,000)	154,000	(814,000)
62	Ending Fund Reserves	12,897,000	12,756,000	12,910,000	12,096,000
63	Min Fund Rsrv Target (50% O&M + \$2M)	5,538,500	5,771,500	5,919,000	6,517,000
64	Debt Service Coverage	10.77	10.77	11.96	3.98
65	Cumulative Change in Fund Reserves	51,000	(90,000)	64,000	(750,000)

Table C2
 Joshua Basin Water District
 Projected Water Rates

Scenario C
 Limit Overall Rate Increases to 9%
 Limit Fixed Rate Increases to 5% per Year

Projected Water Rates C						
	Current Water Rates	Projected Rates Effective				
		Mar-1 2023	Jan-1 2024	Jan-1 2025	Jan-1 2026	Jan-1 2027
Overall Rate Increases		9%	9%	9%	9%	9%
Fixed Rate Increases		5%	5%	5%	5%	5%
BASIC MONTHLY FEE						
<i>Fixed monthly charge based on meter size</i>						
<u>Meter Size</u>						
3/4 & 1 inch	\$41.35	\$43.42	\$45.59	\$47.87	\$50.26	\$52.77
1-1/2 inches	137.83	144.72	151.96	159.56	167.54	175.92
2 inches	220.53	231.56	243.14	255.30	268.07	281.47
3 inches	413.50	434.18	455.89	478.68	502.61	527.74
Usage Rate Increases		11.6%	11.5%	11.3%	11.2%	11.1%
MONTHLY WATER FLOW CHARGES						
<i>Billed based on metered water use, as measured in units of one hundred cubic feet (\$/hcf)</i>						
For 3/4" and 1" Meters						
Tier 1 0 - 5 units	\$6.20	\$6.72	\$7.48	\$8.60	\$9.82	\$11.16
Tier 2 5.01 - 10 units	7.70	8.47	9.48	10.60	11.82	13.16
Tier 3 10.01 - 20 units	9.20	10.22	11.48	12.60	13.82	15.16
Tier 4 20.01 + units	10.70	11.97	13.48	14.60	15.82	17.16
For 1-1/2", 2" and 3" Meters						
Unit rate for all water use	\$7.70	\$8.59	\$9.57	\$10.66	\$11.85	\$13.16
<i>Note: 1 unit = one hundred cubic feet, or approximately 748 gallons.</i>						
PRIVATE FIRE PROTECTION CHARGES						
<i>Fixed monthly charge based on size of service connection</i>						
<u>Service Size</u>						
2 inches	\$22.05	\$23.16	\$24.31	\$25.53	\$26.81	\$28.15
3 inches	41.34	43.42	45.59	47.87	50.26	52.77
4 inches	68.91	72.38	75.97	79.78	83.78	87.97
6 inches	137.81	144.75	151.94	159.56	167.56	175.94
8 inches	220.50	231.60	243.10	255.30	268.10	281.50

Scenario D

Example of a Dedicated/Restricted Capital Improvement Charge

Assumes Phase-In to \$3,500,000 Revenue Recovery Per Year

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Table D1 JBWD Cash Flow Projections D - Example of Dedicated Capital Improvement C					Years 1 - 5	
	1	2	3	4	5	
	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	
1	Effective Date of Rate Adjustment	Mar-1	Jan-1	Jan-1	Jan-1	
2	Overall Rate Increase Target	0%	0%	0%	5%	
3	Fixed Rate Increase %	0%	0%	0%	5%	
4	Usage Rate Increase %	0.0%	0.0%	0.0%	5.0%	
5	Growth: New 1" Meters or Equivalents	50	25	25	25	
6	Growth %	1.0%	0.5%	0.5%	0.5%	
7	Wtr Demand Elasticity (Response to Rate Incr)	(0.10)	(0.10)	(0.10)	(0.10)	
8	Change in Water Use After Rate Increase	0.0%	0.0%	0.0%	-0.5%	
9	Water Purchases from MWA (AF)	916	1,000	1,000	1,000	
10	MWA Rate per AF	\$623	\$645	\$664	\$684	
11	Interest Earnings Rate	1.0%	1.5%	1.5%	1.5%	
12	Annual Cost Escalator		6.0%	4.0%	4.0%	
13	Beginning Fund Reserves	\$12,846,000	\$12,649,000	\$12,195,000	\$11,628,000	\$11,104,000
14	REVENUES					
15	Basic Monthly Fees	2,496,000	2,538,000	2,550,000	2,563,000	2,640,000
16	Water Usage Charges	3,875,000	3,875,000	3,875,000	3,875,000	3,947,000
17	Basic Monthly Fees: Locked Meters	352,000	352,000	352,000	352,000	370,000
18	Standby Revenue	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
19	Dedicated Capital Improvement Charges	0	1,000,000	2,000,000	3,000,000	3,500,000
20	Property Taxes	672,000	685,000	699,000	713,000	727,000
21	Private Fire Svc & Special Services	200,000	204,000	208,000	212,000	216,000
22	Water Capacity & Meter Install Fees	486,000	250,000	258,000	258,000	258,000
23	Interest Earnings & Gain Loss/Chg Mkt Value	128,000	190,000	183,000	174,000	167,000
24	HDMC WWTP Reimbursements	281,000	298,000	310,000	322,000	336,000
25	Other Revenues	25,000	25,000	25,000	25,000	25,000
26	Total Revenues	9,715,000	10,617,000	11,660,000	12,694,000	13,386,000
27	SRF Grant for Chromium 6 Project		10,000,000 >>>>			
28	SRF Loan for Chromium 6 Project		8,000,000 >>>>			
30	EXPENSES					
31	Operating & Maintenance					
32	Production	1,360,000	1,442,000	1,500,000	1,560,000	1,622,000
33	Recharge Water Purchases from MWA	571,000	645,000	664,000	684,000	705,000
34	Distribution	1,212,000	1,285,000	1,336,000	1,389,000	1,445,000
35	Customer Service	778,000	825,000	858,000	892,000	928,000
36	Administration	1,255,000	1,330,000	1,383,000	1,438,000	1,496,000
37	Finance	931,000	987,000	1,026,000	1,067,000	1,110,000
38	Human Resources	267,000	283,000	294,000	306,000	318,000
39	HDMC WWTP Operations (reimbursable)	230,000	244,000	254,000	264,000	275,000
40	Standby Admin/Developmt & Engineering	87,000	92,000	96,000	100,000	104,000
41	Add'l Staffing Needs (deferred & reduced)	44,000	47,000	49,000	190,000	198,000
42	CIRP Program (Operating Portion)	442,000	469,000	488,000	508,000	528,000
43	Capitalized Overhead Adjustment	(100,000)	(106,000)	(110,000)	(114,000)	(119,000)
44	Chrome 6 Operations (estimated)	0	0	750,000	780,000	811,000
46	Subtotal	7,077,000	7,543,000	8,588,000	9,064,000	9,421,000
47	Debt Service					
48	2018 Installment Sale Agmt (CIRP)	268,000	268,000	268,000	268,000	268,000
49	Chrome 6 SRF Loan (\$8M, 2.75%, 30-Yr)	-	-	-	400,000	400,000
50	Subtotal	268,000	268,000	268,000	668,000	668,000
51	Capital/Non-Operating					
52	Capital Improvement Program (CIP)	1,785,000	2,500,000	2,588,000	2,679,000	2,773,000
53	Equipment/Technology	300,000	375,000	390,000	406,000	422,000
54	Studies/Reports	300,000	200,000	208,000	216,000	225,000
55	Chromium 6 Project (grant & loan funded)	0	18,000,000 >>>>		0	0
56	Meter Replacement Program	182,000	185,000	185,000	185,000	185,000
57	Admin Building & Financing (deleted)	0	0	0	0	0
58	Morongo Basin Pipeline Debt Reimbs	0	0	0	0	0
59	Subtotal	2,567,000	21,260,000	3,371,000	3,486,000	3,605,000
60	Total Expenses	9,912,000	29,071,000	12,227,000	13,218,000	13,694,000
61	Revenues Less Expenses	(197,000)	(454,000)	(567,000)	(524,000)	(308,000)
62	Ending Fund Reserves	12,649,000	12,195,000	11,628,000	11,104,000	10,796,000
63	Min Fund Rsvr Target (50% O&M + \$2M)	5,538,500	5,771,500	6,294,000	6,532,000	6,710,500
64	Debt Service Coverage	9.84	11.47	11.46	5.43	5.94
65	Cumulative Change in Fund Reserves	(197,000)	(651,000)	(1,218,000)	(1,742,000)	(2,050,000)

Table D4
 Joshua Basin Water District
 Water System Infrastructure Charges

Draft Example
 Capital Charge per Meter Size

	Current Number of Accounts*	% of Total Accts	Meter Capacity Ratio	Projected Charges with 5-Year Phase-in				
				July 1 2023	July 1 2024	July 1 2025	July 1 2026	July 1 2027
Funding Target				\$1,000,000	\$2,000,000	\$3,000,000	\$3,500,000	\$3,800,000
Water System Capital Improvement Charges								
<u>Annual Charge</u>								
3/4" & 1"	5,591	99.0%	1.00	\$169	\$337	\$504	\$585	\$633
1-1/2"	30	0.5%	3.33	565	1,125	1,680	1,952	2,110
2"	21	0.4%	5.33	903	1,799	2,688	3,123	3,376
3"	5	0.1%	10.00	1,694	3,374	5,039	5,855	6,330
Total	5,647	100.0%						
<u>Monthly Equivalent</u>								
3/4" & 1"				\$14	\$28	\$42	\$49	\$53
1-1/2"				47	94	140	163	176
2"				75	150	224	260	281
3"				141	281	420	488	528

* Includes 4,889 Active Water Service Accounts and 758 Water Service Accounts with Locked Meters

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**HISTORICAL
RATE INFORMATION**

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Table 2
 Joshua Basin Water District
 Historical Water Rates

Historical Water Rates														
	Jan-1 2007	Jan-1 2008	Jan-1 2009	Jan-1 2010	Jan-1 2011	Mar-1 2014	Jan-1 2015	Jan-1 2016	Jan-1 2017	Mar-1 2018	Jan-1 2019	Jan-1 2020	Jan-1 2021	Jan-1 2022
Overall Rate Increases	6%	6%	3%	6%	3%	7%	7%	7%	7%	18%	16%	14%	12%	10%
BASIC MONTHLY FEE														
<i>Fixed monthly charge based on meter size</i>														
<u>Meter Size</u>														
3/4 & 1 inch	\$20.00	\$21.20	\$21.84	\$23.15	\$23.82	\$24.31	\$24.80	\$25.29	\$25.78	\$26.96	\$30.70	\$34.43	\$38.03	\$41.35
1 inch	\$33.30	\$35.30	\$36.36	\$38.55	\$39.70	-	-	-	-	-	-	-	-	-
1-1/2 inches	66.60	70.70	72.83	77.20	79.40	81.03	82.67	84.30	85.93	89.87	102.33	114.77	126.77	137.83
2 inches	106.60	113.10	116.50	123.49	127.00	129.65	132.27	134.88	137.49	143.79	163.73	183.63	202.83	220.53
3 inches	213.40	212.00	218.40	231.51	238.20	243.09	248.01	252.90	257.79	269.60	307.00	344.30	380.30	413.50
MONTHLY WATER FLOW CHARGES														
<i>Billed based on metered water use, as measured in units of one hundred cubic feet (\$/hcf)</i>														
For 3/4" and 1" Meters														
Tier 1 0 - 5 units	\$1.80	\$1.91	\$1.97	\$2.09	\$2.14	\$2.30	\$2.50	\$2.75	\$3.00	\$3.70	\$4.40	\$5.05	\$5.70	\$6.20
Tier 2 5.01 - 10 units	2.00	2.12	2.19	2.33	2.39	2.60	2.90	3.20	3.50	4.40	5.30	6.15	7.00	7.70
Tier 3 10.01 - 20 units	2.10	2.25	2.32	2.46	2.57	2.90	3.30	3.65	4.00	5.10	6.20	7.25	8.30	9.20
Tier 4 20.01 + units	2.15	2.35	2.42	2.57	2.75	3.20	3.70	4.10	4.50	5.80	7.10	8.35	9.60	10.70
For 1-1/2", 2" and 3" Meters														
Unit rate for all water use	\$2.00	\$2.12	\$2.19	\$2.33	\$2.39	\$2.71	\$3.07	\$3.43	\$3.79	\$4.60	\$5.40	\$6.20	\$7.00	\$7.70
<i>Note: 1 unit = one hundred cubic feet, or approximately 748 gallons.</i>														
PRIVATE FIRE PROTECTION CHARGES														
<i>Fixed monthly charge based on size of service connection</i>														
<u>Service Size</u>														
2 inches	\$10.60	\$11.24	\$11.58	\$12.28	\$12.62	\$13.50	\$11.58	\$12.28	\$12.62	\$14.38	\$16.37	\$18.36	\$20.28	\$22.05
3 inches	21.20	22.47	23.15	24.54	25.25	27.02	23.15	24.54	25.25	26.96	30.69	34.43	38.03	41.34
4 inches	42.40	44.94	46.29	49.07	50.50	54.04	46.29	49.07	50.50	44.94	51.16	57.38	63.38	68.91
6 inches	63.60	67.42	69.45	73.62	75.76	81.06	69.45	73.62	75.76	89.88	102.31	114.75	126.75	137.81
8 inches	95.40	101.12	104.60	110.41	113.62	121.57	104.60	110.41	113.62	143.80	163.70	183.60	202.80	220.50