



**JOSHUA BASIN WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, MARCH 21, 2018, at 6:30 PM
61750 CHOLLITA ROAD, JOSHUA TREE, CA 92252**

AGENDA

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **DETERMINATION OF A QUORUM**
4. **APPROVAL OF AGENDA**
5. **PUBLIC COMMENT**
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 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.
 - 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).
7. **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).
8. **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. Materials being prepared as of posting.
9. **DISTRICT GENERAL COUNSEL REPORT** –
10. **GENERAL MANAGER REPORT** –

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Pages 8-16

Pages 17-25

11. **DIRECTOR REPORTS ON MEETINGS ATTENDED, COMMENTS AND FUTURE AGENDA ITEMS –**
 - Mojave Water Agency Board of Directors – March 8, 2018 – President Luckman
 - Public Outreach Consultant – Kathleen Radnich

12. **FUTURE DIRECTOR MEETINGS AND TRAINING OPPORTUNITIES**
 - Mojave Water Agency Board of Directors – March 22, 2018 – 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

13. **ADJOURNMENT**

INFORMATION

The public is invited to comment on any item on the agenda during a discussion of that item. Any person with a disability who requires accommodation to participate in this meeting should telephone Joshua Basin Water District at (760) 366-8438, at least 48 hours prior to the meeting to request 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

Minutes of March 7, 2018

REGULAR MEETING OF THE BOARD OF DIRECTORS

1. CALL TO ORDER: 6:30 p.m.
2. PLEDGE OF ALLEGIANCE Lead
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
Susan Greer, Assistant General Manager
Keith Faul, GIS Coordinator
Randy Mayes, Regulatory Compliance Administrative Analyst (RCAA)
Beverly Waszak, Executive Assistant

CONSULTANTS PRESENT: Gil Granito, Redwine & Sherrill
Kathleen Radnich, Public Outreach

GUESTS 6

APPROVAL OF AGENDA –

MSC/Johnson/Floen 5/0/0 to approve the Agenda of March 7, 2018, regular meeting of the Board of Directors.

Floen	Aye
Hund	Aye
Luckman	Aye
Johnson	Aye
Unger	Aye

PUBLIC COMMENT –

John Stang, Joshua Tree, passed on to the Board, his daughter's suggestion to help the lower income would be to raise the rates for the people that use the VRBO's since they don't care about our water.

CONSENT CALENDAR –

- A. Approve the draft minutes of February 21, 2018
- B. Approve job description for AGM of Operations (approved conceptually by the Board on January 17, 2018).

MSC/Johnson/Floen 5/0/0 to approve the consent calendar with the following change to the Public Comment section of the February 21, 2018, Public Hearing minutes: Al Marquez, Sunfair Community, stated that the minutes should be changed to "Al Marquez questioned why we needed a rate increase because in 2012 stand-by-revenue was \$1,165,000." Mr. Marquez was not against a rate increase, however, he was stating that the rate increase that he was in favor of was in the single digit like 8 or 9 percent, not a

double-digit increase. Mr. Marquez noted that when there is a comment in favor of the Board the minutes go into great detail and when they are not in favor there is not very much detail.

Floen	Aye
Hund	Aye
Luckman	Aye
Johnson	Aye
Unger	Aye

CHROMIUM VI REMEDIATION PROJECT: CHROMIUM III REOXIDATION STUDY –

On May 31, 2017, the Superior Court of Sacramento County overruled the Maximum Contaminant Level (“MCL”) established in July 2014 for Chromium VI. The Division of Drinking Water (“DDW”) is actively working toward establishing a new Chromium VI MCL. The total Chromium MCL remains in effect at 50 parts per billion (“ppb”). On October 18, 2017, the DDW determined that the Joshua Basin Water District (“District”) no longer needed to comply with a Chromium VI Compliance Plan.

The District owns and operates five (5) wells that produce potable water that exceeds the previously established 10 ppb. As a result, the District voluntarily reached out to the DDW with a request to perform a Reduced Coagulation Non-Filtration stannous chloride bench-scale pilot study. Since previous District studies have demonstrated that Stannous Chloride is effective in converting Chromium VI to Chromium III, research remains as to whether Chromium III will reoxidize when applied to the potable water system. To date, the District has received approximately \$250,000 in reimbursable grant funds for evaluating Chromium VI planning via the Drinking Water State Revolving Fund Proposition 1 funding pool (“DWSRF”). The Division of Financial Assistance (“DOFA”) administers this funding pool.

On February 21, 2018, the District discussed with the DDW and DOFA the Chromium III Reoxidation study. This bench-scale pilot study would provide clarity on the parameters for which the Chromium (III) residual would reoxidize in the presence of chlorine. This bench-scale pilot study involves creating conditions representing expected stannous chloride doses, sodium hypochlorite doses, residence times, and temperatures in the District’s potable water system. Samples would react under these laboratory conditions for up to forty (40) days, and subsequent analysis would occur.

The DDW expressed support for the District’s Stannous Chloride bench-scale study. Considering the DDW’s support and the DWSRF funding program constraints (i.e., public health risk requisite), the DOFA would permit the funding of this bench-scale study based on the condition that the District would utilize the interest-free loan portion of the DWSRF agreement.

A short discussion with the Board followed.

PUBLIC COMMENT –

Al Marquez, Sunfair Community said that his understanding is that the Federal mandate, right now, is 100 mg per billion or whatever it is and the State was at 15 mg and now the State wants to do 10 mg per billion is that correct.

Randy Mayes, RCAA, replied no the Federal is at 100 parts per billion, and the State was at 100 parts per billion, which is for total chromium and has been in effect for two decades now. The State, at the same time, established 50 parts per billion. However, they have been looking at chromium 6, which is a composite, and there is chromium 3, which together, make up total chromium. Now the State of California is looking specifically at chromium 6 and creating an independent mcl for that.

Al Marquez, Sunfair Community asked if it was independent of what the Federal numbers are.

Randy Mayes, RCAA responded that Federal does not have a standard for Chromium 6.

PUBLIC COMMENT CLOSED-

MSC/Johnson/Hund 5/0/0 to approve the General Manager to move forward with the zero percent loan and pay it back over five (5) years.

Floen	Aye
Hund	Aye
Luckman	Aye
Johnson	Aye
Unger	Aye

DISTRICT GENERAL COUNSEL REPORT – Mr. Granito reported that upon inquiry, he had been advised that release of the long-awaited report by the State Water Resources Control Board on the subject of Low Income Rate Assistance (AB 401) was still pending and that a release date had not been scheduled.

GENERAL MANAGER REPORT –

CEC Solar Grant – On February 7th, I advised the Board that the CEC scope of work had been completed. Today Mark, Keith, Randy Little with the consultant and initial scoping of facilities was completed. We need to provide some additional information on well and booster pumps/mapping of the district. Expect to hear back from a consultant in 2 to three weeks with initial cost-benefit analysis.

Also on February 1st, Susan, Geary, and I traveled to Eastern Municipal WD to view their facility(ies) and gather information on how they are proceeding with additional solar projects.

Oh, and they have six full-time Human Resource Officer employees for their 600 employees. A far cry from companies that allegedly have 3000 employees and one HR person.

Ordering Vehicles – On February 8th, the Board approved the purchase of two vehicles. They have been received and are in service.

Meter Replacement – We have a meeting on Thursday with a representative from Inland Water Works to review projected costs of AMI. We have asked for AMR costs as well, and that is being calculated, not received yet. Initial costs are potentially in the vicinity of \$1.4 million, but that does not include the cost of Water Smart software to make the AMI data available to customers, nor installation costs.

GIS support - Ray Kolisz will be attending the meter meeting as well. After that, Ray and I will be discussing assisting 29 Palms with GIS. Of course, you have heard recently that 29 Palms does not have a GIS position and therefore neither should JBWD. It turns out, the GIS data being collected at 29 Palms is being sent to a consultant for processing, and they are charging a rate far higher than what we may be able to provide.

Inquiries into Staffing Certifications - at the last Board meeting Mark Ban's certifications were questioned, and since then a public records request for Randy Mayes' certifications was requested.

While the people making the inquiries have not chosen to discuss their concerns with the GM, I assume they are somehow assuming we are running the District in an unprofessional manner. Let me review how the District has maintained compliance with State System Operator requirements.

In 2008, when Marina left, Jim Corbin and Randy Little (D3's) have been the System Operators. When Seth arrived, he became the System Operator. When he left, while Randy was the interim DWRO, Jim and Randy Little again stepped up as System Operators, and continue to do so at present.

We also have Bill Kline who has a D3 and Kelly Stewart with a D4 certification.

Randy Mayes currently has his D2, and we have put him in an individual development program to attain the hours needed for his D3. He has already passed the D3 test.

Mark Ban had a D4 certification up until about eight months ago. Because his focus for the past three years has been on running the sewer project for Hi-Desert, and because the training that he did attend was not

documented, his certification expired. He is scheduled to take his D2 on March 17th and his D3 certification in September. He will have his D3 in October.

I informed the Division of Drinking Water (DDW) two weeks ago that Mark Ban had chosen to join our team here at JBWD. Their lead sanitary engineer, Sean McCarthy, was extremely pleased to learn that Mark had joined the District. Because of his 15 years of Chief Operator experience, Mark has a very strong working relationship with DDW, as well as Jose Angel of the Colorado Regional Water Quality Control Board.

BETA Map- Development/Water Lines -

I mentioned last year that Keith had developed a beta map that allows interested parties, primarily real estate agents/brokers, to look at parcels themselves and determine if a water line is proximal to the parcel.

Number of uses: Potentially a corresponding decrease in the number of calls Keith has to take responding to these inquiries. Also, the number of hits has significantly gone up.

You Tube – Due to the cable company no longer providing this service to the public, the District enlisted a videographer to tape the Board meetings and then upload them to You Tube. The number of views has increased as well.

DIRECTOR REPORTS ON MEETINGS ATTENDED, COMMENTS AND FUTURE AGENDA ITEMS-

Kathleen Radnich, Public Outreach informed the Board that we had completed two (2) District water tours for the season. Joshua Tree Chamber of Commerce were all on the second tour and were amazed at how complicated it was to get water. Everyone was driven out to Well 14, and Randy Little, Production Supervisor and Phil, Lynch Construction were happy to describe what it took to rehab a well. Ms. Radnich thanked the staff for all of their hard work and what a great job they did. We are also back at the Farmer's Market every Saturday. The Hazardous Waste station is now open on the 3rd Saturday of the month.

Vice President Johnson again invited everyone to the riveting Finance Committee meeting on March 14, 2018, beginning at 9:00 a.m.

Director Hund commented on the Eastern Municipal Water District tour that he took along with GM Sauer and AGM Greer. The Eastern Municipal Water District is a very sophisticated and successful water district. They currently generate over 5 megawatts of electricity with solar and are looking to add 14 more. They have a full-time Energy Program Coordinator who is a great person and resource, and who enthusiastically said that he would help JBWD going forward.

Director Floen commented that the Hazardous Waste collection site has been so busy that they have begun to document and take pictures because they are looking to expand their operation. He also said that they have started handing out the book "Death of a Water District" on loan to individuals at the Farmer's Market.

President Luckman attended the Mojave Water Agency Board meeting and they commented that when they were doing the Recharge Project they had a 25" pipe break. She also attended the Pipeline Commission meeting, and they voted to meet every two months. The bond will be paid off in 2022, and the monies will be done collecting in 2021. Jim Ventura was adamant about how important it is that the participants stay in communication. Lucerne wants to take part in the water and they can because MWA has a certain percentage of the water. However, President Luckman would like to negotiate some of this because the Pipeline was paid for by the Morongo Basin. At the next meeting, we will be touring the Victor Valley Waste Water facility so if anyone is interested in attending; please let President Luckman know.

ADJOURNMENT –

MSC/Unger/Johnson 5/0/0 to adjourn the Regular Meeting of the Board of Directors of March 7, 2018, at 7:38 p.m.

Floen	Aye
Hund	Aye
Luckman	Aye
Johnson	Aye
Unger	Aye

Respectfully submitted:

Curt Sauer, GM and Board Secretary

DRAFT



Joshua Basin Water District

*Check Report JBWD

By Check Number

Date Range: 02/01/2018 - 02/28/2018

Vendor Number	Vendor DBA Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Bank Code: AP-AP Cash						
000504	ACTION PUMPING, INC.	02/07/2018	Regular	0.00	1,075.00	59729
<u>15440</u>	Invoice	02/07/2018	HDMC WW: PUMPING	0.00	1,075.00	
013349	ANDREA CARTER & ASSOCIATES	02/07/2018	Regular	0.00	600.00	59730
<u>6192</u>	Invoice	02/07/2018	PUBLIC RELATIONS SERVICES - NOV 17	0.00	300.00	
<u>6212</u>	Invoice	02/07/2018	PUBLIC RELATIONS SERVICES - DEC 17 & J	0.00	300.00	
000675	AQUA-METRIC SALES COMPANY	02/07/2018	Regular	0.00	786.52	59731
<u>0068335-IN</u>	Invoice	02/07/2018	METER REPAIR SUPPLIES	0.00	786.52	
001015	BAVCO	02/07/2018	Regular	0.00	102.40	59732
<u>839446</u>	Invoice	02/07/2018	CALIBRATION CHECK TEST KIT	0.00	102.40	
004110	BURRTEC WASTE & RECYCLING SVCS	02/07/2018	Regular	0.00	418.29	59733
<u>BW0218</u>	Invoice	02/07/2018	RECYCLING - FEB 18	0.00	60.41	
<u>BW0218B</u>	Invoice	02/07/2018	TRASH REMOVAL - FEB 18	0.00	270.90	
<u>BW0218C</u>	Invoice	02/07/2018	TRASH REMOVAL - FEB 18	0.00	86.98	
001555	CENTRATTEL	02/07/2018	Regular	0.00	272.32	59734
<u>180203192101</u>	Invoice	02/07/2018	DISPATCH SERVICES - JAN 18	0.00	272.32	
000237	COLONIAL LIFE & ACCIDENT INSURANCE CO, IN	02/07/2018	Regular	0.00	2,276.20	59735
<u>3990561-010516</u>	Invoice	02/07/2018	EE LIFE INSURANCE - JAN 18	0.00	2,276.20	
013223	LAW OFFICE OF DAVID L. WYSOCKI	02/07/2018	Regular	0.00	306.25	59736
<u>DW013118</u>	Invoice	02/07/2018	LEGAL SERVICES - JAN 18	0.00	306.25	
002205	DESERT FIRE EXT. CO. INC	02/07/2018	Regular	0.00	433.03	59737
<u>249500</u>	Invoice	02/07/2018	FIRE EXTINGUISHER SERVICE - OFFICE	0.00	169.42	
<u>250632</u>	Invoice	02/07/2018	FIRE EXTINGUISHER SERVICE - FIELD	0.00	263.61	
003596	DEXYP	02/07/2018	Regular	0.00	1.43	59738
<u>720087690</u>	Credit Memo	02/07/2018	CREDIT: MORONGO BASIN ADVERTISING	0.00	-23.57	
<u>DM011918</u>	Invoice	02/07/2018	MORONGO BASIN ADVERT - JAN 18	0.00	25.00	
002565	DUDEK AND ASSOCIATES, INC	02/07/2018	Regular	0.00	21,221.25	59739
<u>20177704</u>	Invoice	02/07/2018	ENG SERV: MULTIPLE PROJECTS	0.00	21,221.25	
000228	FATTY'S FENCE	02/07/2018	Regular	0.00	4,900.00	59740
<u>FF013118</u>	Invoice	02/07/2018	RECHARGE FENCE REPAIRS	0.00	650.00	
<u>FF013118A</u>	Invoice	02/07/2018	A-1 RESERVOIR FENCE REPAIR	0.00	4,250.00	
VEN01466	FEDAK & BROWN LLP	02/07/2018	Regular	0.00	675.00	59741
<u>FB013118</u>	Invoice	02/07/2018	FINANCIAL AUDIT 16/17	0.00	675.00	
013222	FRONTIER CALIFORNIA INC.	02/07/2018	Regular	0.00	179.49	59742
<u>FC0218</u>	Invoice	02/07/2018	HDMC WWTP - TELEPHONE	0.00	179.49	
000058	GARDA CL WEST, INC.	02/07/2018	Regular	0.00	606.41	59743
<u>10370789</u>	Invoice	02/07/2018	COURIER FEES - FEB 18	0.00	606.41	
003950	GRANITE CONSTRUCTION CO	02/07/2018	Regular	0.00	2,720.66	59744
<u>1333482</u>	Invoice	02/07/2018	M/L REPAIR: 3/8" COLD MIX	0.00	2,720.66	
006200	MCALLISTERS JANITORIAL SERV.	02/07/2018	Regular	0.00	580.00	59745
<u>6233B</u>	Invoice	02/07/2018	JANITORIAL SERVICES - JAN 18	0.00	580.00	
004720	INLAND WATER WORKS	02/07/2018	Regular	0.00	6,021.51	59746

Vendor Number	Vendor DBA Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
<u>S1007561.002</u>	Invoice	02/07/2018	INVENTORY	0.00	1,458.94	
<u>S1007561.003</u>	Invoice	02/07/2018	METER REPAIR SUPPLIES	0.00	1,077.50	
<u>S1007561.004</u>	Invoice	02/07/2018	INVENTORY	0.00	517.20	
<u>S1007694.001</u>	Invoice	02/07/2018	MAINLINE & LEAK REPAIR SUPPLIES	0.00	544.57	
<u>S1007756.001</u>	Invoice	02/07/2018	PUMPING PLANT SUPPLIES	0.00	1,656.12	
<u>S1008060.001</u>	Invoice	02/07/2018	MAINLINE/LEAK REPAIR SUPPLIES & SMA	0.00	724.08	
<u>S1008122.001</u>	Invoice	02/07/2018	MAINLINE & LEAK REPAIR SUPPLIES	0.00	43.10	
009054	KATHLEEN J. RADNICH	02/07/2018	Regular	0.00	682.33	59747
<u>180204-1</u>	Invoice	02/07/2018	PUBLIC RELATIONS SERVICES	0.00	682.33	
000134	KENNEDY/JENKS CONSULTANTS, INC.	02/07/2018	Regular	0.00	450.00	59748
<u>118355</u>	Invoice	02/07/2018	CONSULTING: MULTIPLE PROJECTS	0.00	450.00	
005640	KILLER BEE PEST CONTROL	02/07/2018	Regular	0.00	70.00	59749
<u>4472</u>	Invoice	02/07/2018	BEE REMOVAL	0.00	70.00	
006507	McMASTER-CARR SUPPLY COMPANY	02/07/2018	Regular	0.00	51.25	59750
<u>54442375</u>	Invoice	02/07/2018	METER REPAIR SUPPLIES	0.00	51.25	
013344	AQUATIC INSPECTIONS	02/07/2018	Regular	0.00	7,750.00	59751
<u>1872</u>	Invoice	02/07/2018	TANK MAINTENANCE & REPAIRS: E-1, J-1	0.00	7,750.00	
003930	NBS	02/07/2018	Regular	0.00	816.66	59752
<u>121700295</u>	Invoice	02/07/2018	CMM DELIQUENT LETTERS	0.00	816.66	
000070	ONLINE INFORMATION SERVICES, INC.	02/07/2018	Regular	0.00	244.60	59753
<u>838401</u>	Invoice	02/07/2018	ID VERIF. SERV. THRU 01/31/18	0.00	244.60	
008405	PRECISION ASSEMBLY	02/07/2018	Regular	0.00	1,411.34	59754
<u>17917</u>	Invoice	02/07/2018	JAN WATER BILL PRINT/MAIL	0.00	1,411.34	
008415	PRUDENTIAL OVERALL SUPPLY	02/07/2018	Regular	0.00	229.71	59755
<u>22550366</u>	Invoice	02/07/2018	SHOP EXPENSE	0.00	41.83	
<u>22550369</u>	Invoice	02/07/2018	SHOP EXPENSE	0.00	95.85	
<u>22557558</u>	Invoice	02/07/2018	SHOP EXPENSE	0.00	41.83	
<u>22557560</u>	Invoice	02/07/2018	SHOP EXPENSE	0.00	50.20	
013361	QUINN COMPANY	02/07/2018	Regular	0.00	4,230.49	59756
<u>WQG00001425</u>	Invoice	02/07/2018	GENERATOR #2: COOLING SYSTEM SERVI	0.00	2,168.64	
<u>WQG00001426</u>	Invoice	02/07/2018	GENERATOR #1: COOLING SYSTEM SERVI	0.00	1,758.50	
<u>WQG00001427</u>	Invoice	02/07/2018	GENERATOR #7: COOLING SYSTEM SERVI	0.00	303.35	
VEN01293	SARGENT COMMUNICATIONS	02/07/2018	Regular	0.00	95.00	59757
<u>1828</u>	Invoice	02/07/2018	OFFICE PHONE CONSULTING	0.00	95.00	
013360	REDWINE AND SHERRILL, LLP	02/07/2018	Regular	0.00	3,076.50	59758
<u>1076</u>	Invoice	02/07/2018	LEGAL SERVICES - JAN 18	0.00	3,076.50	
013218	OFFICETEAM	02/07/2018	Regular	0.00	3,655.68	59759
<u>50050439</u>	Invoice	02/07/2018	TEMPORARY LABOR	0.00	788.48	
<u>50099441</u>	Invoice	02/07/2018	TEMPORARY LABOR	0.00	1,433.60	
<u>50147181</u>	Invoice	02/07/2018	TEMPORARY LABOR	0.00	1,433.60	
008414	PROVIDEO	02/07/2018	Regular	0.00	150.00	59760
<u>1159</u>	Invoice	02/07/2018	VIDEO TAPING & YOU TUBE BD MEETING	0.00	150.00	
001932	SAN BERNARDINO COUNTY OFFICE OF THE ASS	02/07/2018	Regular	0.00	4.00	59761
<u>108009</u>	Invoice	02/07/2018	MAP REVISIONS - JAN 18	0.00	4.00	
VEN01020	SOUTHWEST NETWORKS, INC.	02/07/2018	Regular	0.00	166.25	59762
<u>18-1080</u>	Invoice	02/07/2018	SUPPLEMENTAL IT SERVICES - OFF CONTR	0.00	166.25	
013367	SPACESAVER INTERMOUNTAIN LLC	02/07/2018	Regular	0.00	7,587.53	59763
<u>66051</u>	Invoice	02/07/2018	NEW PARCEL FILING SYSTEM	0.00	7,587.53	

*Check Report JBWD

Date Range: 02/01/2018 - 02/28/2018

Vendor Number	Vendor DBA Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
011101	VAGABOND WELDING SUPPLY	02/07/2018	Regular	0.00	64.41	59764
<u>104019</u>	Invoice	02/07/2018	SHOP EXPENSE	0.00	70.42	
<u>VW013118</u>	Credit Memo	02/07/2018	CREDIT: SHOP EXPENSE	0.00	-6.01	
013788	STURDIVAN EMERGENCY MANAGEMENT CONS	02/07/2018	Regular	0.00	2,500.00	59765
<u>1011</u>	Invoice	02/07/2018	LOCAL HAZARD MITIGATION PLAN CONS	0.00	2,500.00	
013196	TELEPACIFIC COMMUNICATIONS	02/07/2018	Regular	0.00	737.38	59766
<u>99643570-0</u>	Invoice	02/07/2018	TELEPHONE (OFFICE) - FEB 18	0.00	737.38	
010850	UNDERGROUND SERVICE ALERT	02/07/2018	Regular	0.00	76.00	59767
<u>120180342</u>	Invoice	02/07/2018	TICKET DELIVERY SERVICE - JAN 18	0.00	76.00	
000247	UNITED STATES PLASTIC CORP	02/07/2018	Regular	0.00	583.39	59768
<u>5336962</u>	Invoice	02/07/2018	PUMPING PLANT SUPPLIES	0.00	583.39	
010990	UTILIQUEST L.L.C.	02/07/2018	Regular	0.00	667.40	59769
<u>257817-Q</u>	Invoice	02/07/2018	CONTRACT LOCATING EXPENSE	0.00	439.52	
<u>258065-Q</u>	Invoice	02/07/2018	CONTRACT LOCATING EXPENSE	0.00	125.44	
<u>258309-Q</u>	Invoice	02/07/2018	CONTRACT LOCATING EXPENSE	0.00	69.00	
<u>258581-Q</u>	Invoice	02/07/2018	CONTRACT LOCATING EXPENSE	0.00	33.44	
000233	NAPA AUTO PARTS	02/07/2018	Regular	0.00	962.66	59770
<u>227946</u>	Invoice	02/07/2018	TRACTOR MAINTENANCE/VEHICLE MAINT	0.00	117.30	
<u>228401</u>	Invoice	02/07/2018	TRACTOR MAINT/VEHICLE MAINT: V24/S	0.00	576.30	
<u>228830</u>	Invoice	02/07/2018	VEHICLE MAINTENANCE: V25, V28, V32 &	0.00	198.48	
<u>228832</u>	Invoice	02/07/2018	TRACTOR MAINTENANCE: JD 710G & JD 4	0.00	70.58	
001630	AT&T MOBILITY	02/14/2018	Regular	0.00	1,342.71	59779
<u>829480028X0205</u>	Invoice	02/14/2018	COMMUNICATIONS - JAN 18	0.00	1,342.71	
000504	ACTION PUMPING, INC.	02/21/2018	Regular	0.00	1,290.00	59791
<u>15761</u>	Invoice	02/21/2018	HDMC WW: PUMPING	0.00	1,290.00	
000501	ACWA/JPIA	02/21/2018	Regular	0.00	17,675.71	59792
<u>0534626</u>	Invoice	02/21/2018	EE HEALTH BENEFIT & EAP MAR 18	0.00	17,675.71	
013346	ANDY'S LANDSCAPE & TREE SERVICE INC.	02/21/2018	Regular	0.00	650.00	59793
<u>2310L</u>	Invoice	02/21/2018	DEMO GARDEN/BUILD MAINT THRU 2/15	0.00	650.00	
001850	CLINICAL LAB OF S.B. INC	02/21/2018	Regular	0.00	1,508.00	59794
<u>960983</u>	Invoice	02/21/2018	HDMC WWTP SAMPLING- JAN 18	0.00	1,508.00	
013790	COLANTUONO, HIGHSMITH & WHATLEY, PC	02/21/2018	Regular	0.00	2,765.00	59795
<u>34715</u>	Invoice	02/21/2018	LEGAL SERVICES - JAN 18	0.00	2,765.00	
002565	DUDEK AND ASSOCIATES, INC	02/21/2018	Regular	0.00	48,669.07	59796
<u>20178427</u>	Invoice	02/21/2018	ENG SERV: MULTIPLE PROJECTS	0.00	26,356.57	
<u>20180310</u>	Invoice	02/21/2018	ENG SERV: MULTIPLE PROJECTS	0.00	22,312.50	
003025	FEDEX	02/21/2018	Regular	0.00	51.75	59797
<u>6-083-66948</u>	Invoice	02/21/2018	SHIPPING	0.00	51.75	
000058	GARDA CL WEST, INC.	02/21/2018	Regular	0.00	12.79	59798
<u>70070412</u>	Invoice	02/21/2018	EVENXCHANGE FEES - JAN 18	0.00	12.79	
004152	HI-DESERT STAR	02/21/2018	Regular	0.00	106.00	59799
<u>HDS020418</u>	Invoice	02/21/2018	SUBSCRIPTION THRU 2/3/21	0.00	106.00	
004700	I-10 TOYOTA	02/21/2018	Regular	0.00	69,302.08	59800
<u>TOYTAC18</u>	Invoice	02/21/2018	2018 TOYOTA TACOMA 4X4 V36	0.00	30,561.70	
<u>TOYTUN18</u>	Invoice	02/21/2018	2018 TOYOTA TUNDRA 4X4 V35	0.00	38,740.38	
004720	INLAND WATER WORKS	02/21/2018	Regular	0.00	2,590.31	59801
<u>S1007561.005</u>	Invoice	02/21/2018	INVENTORY	0.00	491.34	

* Check Report JBWD

Date Range: 02/01/2018 - 02/28/21

Vendor Number	Vendor DBA Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
<u>S1008348.001</u>	Invoice	02/21/2018	INVENTORY/MAINLINE & LEAK REPAIR SU	0.00	2,098.97	
013197	INTER VALLEY POOL SUPPLY, INC.	02/21/2018	Regular	0.00	469.35	59802
<u>104774</u>	Invoice	02/21/2018	WATER TREATMENT EXPENSE	0.00	469.35	
009054	KATHLEEN J. RADNICH	02/21/2018	Regular	0.00	1,608.60	59803
<u>180211-1</u>	Invoice	02/21/2018	PUBLIC RELATIONS SERVICES	0.00	861.00	
<u>180218-1</u>	Invoice	02/21/2018	PUBLIC RELATIONS SERVICES	0.00	747.60	
000134	KENNEDY/JENKS CONSULTANTS, INC.	02/21/2018	Regular	0.00	731.25	59804
<u>119053</u>	Invoice	02/21/2018	CONSULTING: MULTIPLE PROJECTS	0.00	731.25	
006029	LIEBERT CASSIDY WHITMORE	02/21/2018	Regular	0.00	441.50	59805
<u>1452503</u>	Invoice	02/21/2018	LEGAL SERVICES - DEC 17	0.00	441.50	
000205	LORI G. HERBEL	02/21/2018	Regular	0.00	160.00	59806
<u>LH011518</u>	Invoice	02/21/2018	PUBLIC INFO/FARMER'S MARKET	0.00	160.00	
000236	PAYPRO ADMINISTRATORS	02/21/2018	Regular	0.00	50.00	59807
<u>62042</u>	Invoice	02/21/2018	FSA ADMIN FEES - JAN 18	0.00	50.00	
000374	PEGGY EGNEW	02/21/2018	Regular	0.00	96.65	59808
<u>PE021418</u>	Invoice	02/21/2018	REIMB: POSTAGE	0.00	96.65	
008150	PETTY CASH, JBWD	02/21/2018	Regular	0.00	287.59	59809
<u>PC022118</u>	Invoice	02/21/2018	PETTY CASH REIMBURSEMENT	0.00	287.59	
008415	PRUDENTIAL OVERALL SUPPLY	02/21/2018	Regular	0.00	92.03	59810
<u>22564751</u>	Invoice	02/21/2018	SHOP EXPENSE	0.00	41.83	
<u>22564752</u>	Invoice	02/21/2018	SHOP EXPENSE	0.00	50.20	
013218	OFFICETEAM	02/21/2018	Regular	0.00	1,236.48	59811
<u>50245381</u>	Invoice	02/21/2018	TEMPORARY LABOR	0.00	1,236.48	
001932	SAN BERNARDINO COUNTY OFFICE OF THE ASS	02/21/2018	Regular	0.00	2.00	59812
<u>108034</u>	Invoice	02/21/2018	MAP REVISIONS - FEB 18	0.00	2.00	
009898	SOCALGAS	02/21/2018	Regular	0.00	359.20	59813
<u>GAS0218</u>	Invoice	02/21/2018	HEAT FOR SHOP - THRU 2/14/18	0.00	359.20	
009880	SOUTHERN CALIFORNIA EDISON CO	02/21/2018	Regular	0.00	2,393.17	59814
<u>SCE0218</u>	Invoice	02/21/2018	POWER TO BLDGS & GEN - FEB 18	0.00	2,393.17	
VEN01020	SOUTHWEST NETWORKS, INC.	02/21/2018	Regular	0.00	1,109.63	59815
<u>18-1555</u>	Invoice	02/21/2018	OFFICE SUPPLIES: SERVER UPS	0.00	1,109.63	
009920	STANDARD INSURANCE CO	02/21/2018	Regular	0.00	905.89	59816
<u>ST0218</u>	Invoice	02/21/2018	EE LIFE INSURANCE - FEB 18	0.00	905.89	
013366	THE SOCO GROUP, INC.	02/21/2018	Regular	0.00	1,989.54	59817
<u>0492068-IN</u>	Invoice	02/21/2018	FUEL FOR VEHICLES	0.00	1,989.54	
000510	TIME WARNER CABLE	02/21/2018	Regular	0.00	343.61	59818
<u>0008970021318</u>	Invoice	02/21/2018	CABLE & INTERNET - FEB 18	0.00	343.61	
000247	UNITED STATES PLASTIC CORP	02/21/2018	Regular	0.00	1,446.15	59819
<u>5336965</u>	Invoice	02/21/2018	PUMPING PLANT SUPPLIES	0.00	1,446.15	
010990	UTILQUEST L.L.C.	02/21/2018	Regular	0.00	114.84	59820
<u>259120-Q</u>	Invoice	02/21/2018	CONTRACT LOCATING EXPENSE	0.00	114.84	
000327	WATER QUALITY SPECIALISTS	02/21/2018	Regular	0.00	3,310.00	59821
<u>5311</u>	Invoice	02/21/2018	HDMC WWTP: OPERATION & MAINT - JA	0.00	3,310.00	
011615	WESTERN EXTERMINATOR CO.	02/21/2018	Regular	0.00	1,539.65	59822
<u>WE OFFICE 2018</u>	Invoice	02/21/2018	EXTERMINATOR - JAN - DEC 18	0.00	473.10	
<u>WE SHOP 2018</u>	Invoice	02/21/2018	EXTERMINATOR - JAN - DEC 18	0.00	1,034.55	

*Check Report JBWD

Date Range: 02/01/2018 - 02/28/2018

Vendor Number	Vendor DBA Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
<u>WE013118</u>	Invoice	02/21/2018	PEST CONTROL SERVICES - SHOP	0.00	32.00	
013787	WESTIN TECHNOLOGY SOLUTIONS, LLC	02/21/2018	Regular	0.00	10,044.54	59823
<u>10098</u>	Invoice	02/21/2018	ORGANIZATIONAL ASSESSMENT	0.00	10,044.54	
000575	AFSCME LOCAL 1902	02/28/2018	Regular	0.00	605.42	59830
<u>AFSCME0218</u>	Invoice	02/28/2018	EE UNION DUES - FEB 18	0.00	605.42	
013366	THE SOCO GROUP, INC.	02/28/2018	Regular	0.00	3,181.44	59831
<u>0497949-IN</u>	Invoice	02/28/2018	FUEL FOR VEHICLES	0.00	728.14	
<u>0497950-IN</u>	Invoice	02/28/2018	FUEL FOR VEHICLES	0.00	2,453.30	
013364	THOMAS SCOTT CARPENTER	02/28/2018	Regular	0.00	152.60	59832
<u>TC022618</u>	Invoice	02/28/2018	REIMB MILES: EE TRAINING	0.00	152.60	
013359	XEROX FINANCIAL SERVICES	02/28/2018	Regular	0.00	395.66	59833
<u>1058952</u>	Invoice	02/28/2018	OFFICE EXPENSE 2/7/18 - 3/6/18	0.00	395.66	
001517	CalPERS	02/07/2018	Manual	0.00	10,085.38	900892
<u>PPE 2-02-18</u>	Invoice	02/07/2018	PAY PERIOD ENDING 2/02/18	0.00	10,085.38	
009898	SOCALGAS	02/07/2018	Manual	0.00	590.92	900893
<u>GAS0118</u>	Invoice	02/07/2018	HEAT FOR SHOP - THRU 1/16/18	0.00	590.92	
000236	PAYPRO ADMINISTRATORS	02/08/2018	Manual	0.00	449.97	900894
<u>PPE 2-2-18</u>	Invoice	02/08/2018	EE FSA DEDUCTIONS 2-9-18	0.00	449.97	
009878	SOUTHERN CALIFORNIA EDISON	02/08/2018	Manual	0.00	26,741.69	900895
<u>SCE0118</u>	Invoice	02/08/2018	POWER FOR PUMPING - JAN 18	0.00	26,741.69	
001005	BANK OF AMERICA	02/08/2018	Manual	0.00	1,694.66	900896
<u>BA0218</u>	Invoice	02/08/2018	OFFICE SUPPLIES/BUSINESS EXPENSE	0.00	1,694.66	
001008	BUSINESS CARD	02/08/2018	Manual	0.00	1,323.64	900897
<u>BA0218</u>	Invoice	02/08/2018	SMALL TOOLS - PRODUCTION	0.00	1,323.64	
001004	BUSINESS CARD	02/08/2018	Manual	0.00	1,248.35	900898
<u>BA0218</u>	Invoice	02/08/2018	TELEPHONE (OFFICE)/SAFETY/MEMBERS	0.00	1,248.35	
000248	PAYCHEX	02/09/2018	Manual	0.00	325.10	900899
<u>313812</u>	Invoice	02/09/2018	PAYROLL PROCESSING FEE	0.00	325.10	
000248	PAYCHEX	02/16/2018	Manual	0.00	99.00	900900
<u>17673620</u>	Invoice	02/16/2018	TIME & LABOR ONLINE USAGE FEE	0.00	99.00	
VEN01533	PAYMENTUS GROUP INC.	02/20/2018	Manual	0.00	2,083.45	900901
<u>US18010195</u>	Invoice	02/20/2018	CREDIT CARD PROCESSING FEE - JAN 18	0.00	2,083.45	
004195	HOME DEPOT CREDIT SERVICES	02/22/2018	Manual	0.00	1,078.01	900902
<u>HDD0218</u>	Invoice	02/22/2018	BUILDING MAINT/SMALL TOOLS/SHOP EX	0.00	1,078.01	
000236	PAYPRO ADMINISTRATORS	02/23/2018	Manual	0.00	449.97	900903
<u>PPE 2-16-18</u>	Invoice	02/23/2018	EE FSA DEDUCTIONS 2-23-18	0.00	449.97	
001517	CalPERS	02/23/2018	Manual	0.00	10,279.80	900904
<u>PPE 2-16-18</u>	Invoice	02/23/2018	PAY PERIOD ENDING 2/16/18	0.00	10,279.80	
000248	PAYCHEX	02/23/2018	Manual	0.00	340.30	900905
<u>314396</u>	Invoice	02/23/2018	PAYROLL PROCESSING FEE	0.00	340.30	
000025	ICMA RC	02/28/2018	Manual	0.00	3,816.92	900906

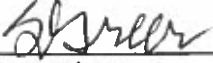
Vendor Number	Vendor DBA Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
900906	Invoice	02/28/2018	457 REMITTANCE - FEB 18	0.00	3,816.92	

Bank Code AP Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	114	80	0.00	258,468.55
Manual Checks	15	15	0.00	60,607.16
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	129	95	0.00	319,075.71

CONTROLLER/ASSISTANT GM

I HAVE REVIEWED AND APPROVE THE ITEMS CONTAINED HEREWITH FOR PAYMENT.



SUSAN GREER, CONTROLLER/AGM

**JOSHUA BASIN WATER DISTRICT
UTILITY REFUND REGISTER**

<u>Account Number</u>	<u>Name</u>	<u>Date</u>	<u>Type</u>	<u>Amount</u>	<u>Reference</u>
03-00285-012	BYNION, JAMES	2/7/2018	Refund	55.96	Check #: 59771
07-00025-019	EMERY, NICOLE M	2/7/2018	Refund	36.44	Check #: 59772
09-00102-013	COTE, PETER JR	2/7/2018	Refund	27.11	Check #: 59773
13-00371-007	MEYERS, CHRISTOPHER	2/7/2018	Refund	31.26	Check #: 59774
50-00038-024	JACKSON, ROBERT G	2/7/2018	Refund	57.38	Check #: 59775
53-00042-017	ALI, MIKAIL A	2/7/2018	Refund	56.72	Check #: 59776
63-00112-012	PRIDEMORE, NICOLE M	2/7/2018	Refund	99.11	Check #: 59777
63-00162-010	THOMAS, CHALAYE S	2/7/2018	Refund	36.46	Check #: 59778
03-00248-014	DESERT REALTY GROUP	2/21/2018	Refund	60.41	Check #: 59780
07-00013-023	ROGERS, ANDREW R	2/21/2018	Refund	114.97	Check #: 59781
12-00243-009	LONGSHORE, BRENDA	2/21/2018	Refund	96.46	Check #: 59782
12-00314-003	ANTHONY, LINDA	2/21/2018	Refund	0.89	Check #: 59783
13-00258-020	ERNST, JAMES W	2/21/2018	Refund	39.57	Check #: 59784
52-00058-009	SMITH, EDWIN T	2/21/2018	Refund	79.52	Check #: 59785
52-00161-002	BECKWITH, & BEATRICE FAMILY	2/21/2018	Refund	1.72	Check #: 59786
53-00130-006	YUKATA ENTERPRISES INC	2/21/2018	Refund	43.45	Check #: 59787
57-00174-009	INVESTMENTS, ULTRA	2/21/2018	Refund	62.07	Check #: 59788
63-00083-005	WUEST, DEBRA M	2/21/2018	Refund	172.05	Check #: 59789
65-00102-001	CLONEY, MARY	2/21/2018	Refund	62.22	Check #: 59790
05-00049-013	GARCIA, ETHAN R	2/28/2018	Refund	42.20	Check #: 59824
11-00056-006	GREENE, PAUL E	2/28/2018	Refund	36.42	Check #: 59825
12-00372-007	SIMCOCK, ROBERT	2/28/2018	Refund	32.09	Check #: 59826
14-00188-009	SIGNATURE CAPITAL PROPERTIES LLC	2/28/2018	Refund	56.73	Check #: 59827
62-00045-011	GARDINER, THOMAS J	2/28/2018	Refund	66.56	Check #: 59828
53-00018-010	BRINDES, ROBERT J	2/28/2018	Refund	104.70	Check #: 59829
				<u>1,472.47</u>	

JOSHUA BASIN WATER DISTRICT

FEBRUARY 2018

DIRECTOR PAY

PAY PERIODS: 1/20/2018 - 2/16/2018


Director	Date	Type	Amount	Notes
THOMAS FLOEN	02/07/2018	Director Pay	173.63	JBWD BOARD MEETING
THOMAS FLOEN	02/08/2018	Director Pay	173.63	SPECIAL JBWD BOARD MEETING
			<u>347.26</u>	
GEARY HUND	02/07/2018	Director Pay	173.63	JBWD BOARD MEETING
GEARY HUND	02/08/2018	Director Pay	173.63	SPECIAL JBWD BOARD MEETING
			<u>347.26</u>	
ROBERT JOHNSON	02/08/2018	Director Pay	173.63	SPECIAL JBWD BOARD MEETING
ROBERT JOHNSON	02/07/2018	Director Pay	173.63	JBWD BOARD MEETING
			<u>347.26</u>	
MICKEY C LUCKMAN	02/08/2018	Director Pay	173.63	SPECIAL JBWD BOARD MEETING
MICKEY C LUCKMAN	02/07/2018	Director Pay	173.63	SPECIAL JBWD BOARD MEETING
			<u>347.26</u>	
REBECCA UNGER	02/04/2018	Mileage/Vehicle Expense	31.61	MILES TO: CSDA LEADERSHIP ACADEMY
REBECCA UNGER	02/05/2018	Director Pay	173.63	CSDA LEADERSHIP ACADEMY
REBECCA UNGER	02/06/2018	Director Pay	173.63	CSDA LEADERSHIP ACADEMY
REBECCA UNGER	02/07/2018	Director Pay	173.63	CSDA LEADERSHIP ACADEMY & JBWD BOARD MEETING
REBECCA UNGER	02/07/2018	Mileage/Vehicle Expense	31.61	MILES FROM: CSDA LEADERSHIP ACADEMY
REBECCA UNGER	02/08/2018	Director Pay	173.63	SPECIAL JBWD BOARD MEETING
			<u>726.13</u>	
TOTAL			<u><u>2,115.17</u></u>	

JOSHUA BASIN WATER DISTRICT
MEETING AGENDA REPORT

Meeting of the Board of Directors

March 21, 2018

Report to: President and Board of Directors

Prepared by: Susan Greer 

TOPIC:
RENEWAL OF AUDIT CONTRACT FOR NEXT 5 YEARS

RECOMMENDATION:
Approve contract with Fedak & Brown

ANALYSIS:
The current contract for audit services expired after the last audit, completed in December. That contract was technically with Charles Z. Fedak & Company, issued in 2012, for audits from fiscal years 11/12 through 17/18. 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. A new audit engagement letter with Fedak & Brown was written each year to supplement the contract.

While there is a law that requires mandatory auditor rotation for local government audits, that doesn't mean that we have to change audit firms. The law requires that after five consecutive years of acting as the lead audit partner, a new lead audit partner gets assigned. After Chris Brown has acted as lead audit partner for five years, a new lead audit partner in the firm would take over the audit responsibility. The Finance Committee requested Gil's comment on this law and Gil concurs with this understanding. See text of the law below:

Government Code 12410.6.

(a) An audit for any local agency, including those submitted to the Controller pursuant to subdivision (a) of Section 12410.5, shall be made by a certified public accountant or public accountant, licensed by, and in good standing with, the California Board of Accountancy.

(b) Commencing with the 2013-14 fiscal year, a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local agency for six consecutive fiscal years. For purposes of calculating the six consecutive fiscal years, the local agency shall not take into account any time that a public accounting firm was employed by that local agency prior to the 2013-14 fiscal year. The Controller may waive this requirement if he or she finds that another eligible public accounting firm is not available to perform the audit.

We didn't anticipate going out for proposals for new auditors this year, in fact, didn't even realize that the contract had expired. We will pay closer attention going forward, as well as ask the auditor to keep us apprised of the contract expiration in the future. Unbelievably, the audit cycle will start again in March, it's almost continuous now, and going through the Request For Proposal process to find a new auditor would take several months and put us behind schedule for this important work. Also important, there is a learning curve on the part of the auditors, as they get up to speed on the District, as well as for staff in learning what each auditor wants; the audit therefore takes more time and effort in the first few years.

Audit Costs 11/12 – 21/22				
11/12	19,600		17/18	22,375
12/13	20,040		18/19	22,815
13/14	20,480		19/20	23,300
14/15	20,920		20/21	23,765
15/16	21,360		21/22	24,225
Subtotal	102,400		Subtotal	116,480
16/17	21,800			
Total	124,200		Total	116,480

The costs reflect approximately 2.2% increase per year, going forward.

Staff has no reason to request a change in Auditors, this firm is as difficult as any, but the Auditor works for the Board, so this is their decision. Note that this item was discussed with the Finance Committee at their meeting on 3/14/18, and they have accepted and referred to the Board for approval.

FISCAL IMPACT:

Increase of approximately 2.2% per year to accounting services expense. Rate study has projected 4% increase to costs each year, so this is within that projection.

Cost Proposal for Financial Auditing Services



Joshua Basin Water District

Prepared by:

Fedak & Brown LLP

Certified Public Accountants

Riverside, California & Cypress, California

(951) 977-9888 (657) 214-2307



Contact Person:

Christopher J. Brown, CPA, CGMA, Partner

chris@fedakbrownllp.com



Charles Z. Fedak, CPA, MBA
Christopher J. Brown, CPA, CGMA
Jonathan P. Abadesco, CPA
Andy Beck, CPA

Fedak & Brown LLP
Certified Public Accountants

Cypress Office:
6081 Orange Avenue
Cypress, California 90630
(657) 214-2307
FAX (714) 527-9154

Riverside Office:
4204 Riverwalk Pkwy, Ste. 390
Riverside, California 92505
(951) 977-9888

February 9, 2018

Ms. Susan Greer, Assistant General Manager/Controller
Joshua Basin Water District
61750 Chollita Road
Joshua Tree, California 92252

Re: Request for Audit Services Proposal

Dear Ms. Greer:

Based on our understanding of the Joshua Basin Water District (District) requirements, our fee for audit services at our discounted rates for the fiscal year ending June 30, 2018 will be **\$21,100**. This fee is based on our understanding of the District's audit requirements.

Assuming there is no substantial change in the District's activities and operations, our fee for audit services for the fiscal years ending June 30, 2019 through 2022 will be **\$21,505**, **\$21,950**, **\$22,380** and **\$22,800**, respectively.

Our estimate for out-of-pocket expenses is a separate estimate and may not be utilized in total to the amount estimated. Again, these fees are based on the estimated costs to complete the audit. The components of this audit services fee proposal and out-of-pocket costs for the fiscal year ending June 30, 2018 through 2022 are itemized in the attached Exhibits.

Our not-to-exceed fee proposal is contingent upon our understanding of your requirements and the assistance we require as noted in our original audit technical proposal.

Additional services not included in this proposal will be based on our discounted billing rates based on the level of experience required. We would execute a separate contract for these services, if they are requested by the District.

I am authorized to make representations for Fedak & Brown LLP and am duly authorized to sign a contract with the District.

Christopher J. Brown, CPA CGMA

February 9, 2018

Date

Exhibit I – Proposed Hours and Our Fees

Proposed Hours and Our Fees

We anticipate that, for the fiscal year ending June 30, 2018 through 2022, the audit of the District will require approximately 170 audit hours. These hours, by major area, are summarized as follows:

Audit Steps	Partner	Manager	Supervisor	Staff	Total
Planning	4	4	4	4	16
Controls Testwork	8	8	16	24	56
Substantive Testwork	8	8	20	28	64
Reporting	10	15	5	4	34
	<u>30</u>	<u>35</u>	<u>45</u>	<u>60</u>	<u>170</u>

As shown above, we expect approximately 38% of engagement hours to come from the Partners and Managers assigned to the engagements.

Working on the premise that we will be provided with all the documents listed per our audit requirements (will be provided prior to commencement of fieldwork), we expect to perform the audit of the District at fees as stated in the attached Schedule of Professional Fees on Page 3 for the fiscal year ending June 30, 2018 through 2022, respectively.

Our fees are based on the product of the time spent on the engagement and the billing rates of the individuals assigned, plus out-of-pocket costs (such as report reproductions, typing, postage, travel, copies, telephone, etc.). We will obtain the assistance of District's personnel to the extent possible and otherwise endeavor to keep these charges to a minimum. We will submit progress billings monthly to your office as our work progresses, which will be due and payable thirty days from the date of the invoice.

Based upon the present size and scope of the activities of the District, we expect to perform the services enumerated above at our standard hourly rates. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to the audit.

In accordance with your request for proposal and the Office of Management and Budget Circular A-128, we will maintain our work papers for a minimum of seven years and make them available to the District, state agencies, the General Accounting Office, and other parties upon the direction of the District. We have provided a breakdown of our current hourly rates, which would apply to this engagement on the attached Schedule of Professional Fees by Hours on Pages 4 through 6 of this cost proposal.

We want the Board to understand that we will provide any assistance and answer any questions that the District's staff or members of the Boards may have when they arise for the entire duration of our contract. We find it important to stay abreast of the District's activities and issues during the entire engagement.

We would like to thank you and the Board for the opportunity to submit a proposal for the auditing services of the District. Because of our experience in special districts and agencies, we will provide you with accounting updates (GASB) to assist in your operations as well as meet the audit needs of the organization. We will also continually make recommendations on these and other matters that come to our attention. We are proud of the professional services we provide and encourage you to make inquiries to any of our clients about their satisfaction with our services and the quality of our staff.

Exhibit II – Schedule of Professional Fees

Joshua Basin Water District

Engagement Fees By Fiscal Year	Audit Service Fees*	Not-to-Exceed Estimate of Out of Pocket Costs**	Total Audit Fee	Single Audit (as needed)	State Controller's Report	Total Engagement
Fiscal Year 2018	\$ 21,100	675	21,775	4,800	600	27,175
Fiscal Year 2019	21,505	700	22,205	4,880	610	27,695
Fiscal Year 2020	21,950	725	22,675	5,000	625	28,300
Fiscal Year 2021	22,380	750	23,130	5,080	635	28,845
Fiscal Year 2022	22,800	775	23,575	5,200	650	29,425
Total Five Year Contract Price	\$ 109,735	3,625	113,360	24,960	3,120	141,440

* Professional audit services fees – labor only.

** Estimate of out-of-pocket costs consist of: travel, mileage, postage and printing costs. Out-of-pocket costs may not be fully utilized.

Exhibit III – Schedule of Professional Fees by Hours

Joshua Basin Water District Fiscal Year 2018			
Breakdown of Fees by Hours			
Fiscal Year 2018 Audit of:	<u>Hours</u>	<u>Hourly Rates</u>	<u>Total</u>
District's Annual Financial Report			
Partner - Engagement & Technical	30	\$ 160	\$ 4,800
Manager	35	140	4,900
Supervisor	45	120	5,400
Staff	60	100	6,000
Total Financial Statement Audit for 2018	<u>170</u>		<u>21,100</u>
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			<u>675</u>
Total Maximum for 2018			<u>21,775</u>
Additional Items Asked to be Priced by the District			
Single Audit of Federal Awards - As Needed	40	120	4,800
Preparation of the District's Annual State Controller's Report	5	120	600
Total Maximum with Additional Items for 2018	<u>215</u>		<u>\$ 27,175</u>

Joshua Basin Water District Fiscal Year 2019			
Breakdown of Fees by Hours			
Fiscal Year 2019 Audit of:	<u>Hours</u>	<u>Hourly Rates</u>	<u>Total</u>
District's Annual Financial Report			
Partner - Engagement & Technical	30	\$ 163	\$ 4,890
Manager	35	143	5,005
Supervisor	45	122	5,490
Staff	60	102	6,120
Total Financial Statement Audit for 2019	<u>170</u>		<u>21,505</u>
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			<u>700</u>
Total Maximum for 2019			<u>22,205</u>
Additional Items Asked to be Priced by the District			
Single Audit of Federal Awards - As Needed	40	122	4,880
Preparation of the District's Annual State Controller's Report	5	122	610
Total Maximum with Additional Items for 2019	<u>215</u>		<u>\$ 27,695</u>

Exhibit III – Schedule of Professional Fees by Hours

Joshua Basin Water District Fiscal Year 2020

Breakdown of Fees by Hours

	Hours	Hourly Rates	Total
Fiscal Year 2020 Audit of:			
District's Annual Financial Report			
Partner - Engagement & Technical	30	\$ 165	\$ 4,950
Manager	35	145	5,075
Supervisor	45	125	5,625
Staff	60	105	6,300
Total Financial Statement Audit for 2020	170		21,950
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			725
Total Maximum for 2020			22,675
Additional Items Asked to be Priced by the District			
Single Audit of Federal Awards - As Needed	40	125	5,000
Preparation of the Agency's Annual State Controller's Report	5	125	625
Total Maximum with Additional Items for 2020	215		\$ 28,300

Joshua Basin Water District Fiscal Year 2021

Breakdown of Fees by Hours

	Hours	Hourly Rates	Total
Fiscal Year 2021 Audit of:			
District's Annual Financial Report			
Partner - Engagement & Technical	30	\$ 168	\$ 5,040
Manager	35	147	5,145
Supervisor	45	127	5,715
Staff	60	108	6,480
Total Financial Statement Audit for 2021	170		22,380
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			750
Total Maximum for 2021			23,130
Additional Items Asked to be Priced by the District			
Single Audit of Federal Awards - As Needed	40	127	5,080
Preparation of the District's Annual State Controller's Report	5	127	635
Total Maximum with Additional Items for 2021	215		\$ 28,845

Exhibit III – Schedule of Professional Fees by Hours

Joshua Basin Water District Fiscal Year 2022

Breakdown of Fees by Hours

	<u>Hours</u>	<u>Hourly Rates</u>	<u>Total</u>
Fiscal Year 2022 Audit of:			
District's Annual Financial Report			
Partner - Engagement & Technical	30	\$ 170	\$ 5,100
Manager	35	150	5,250
Supervisor	45	130	5,850
Staff	<u>60</u>	110	<u>6,600</u>
Total Financial Statement Audit for 2022	<u>170</u>		<u>22,800</u>
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			<u>775</u>
Total Maximum for 2022			<u>23,575</u>
Additional Items Asked to be Priced by the District			
Single Audit of Federal Awards - As Needed	40	130	5,200
Preparation of the District's Annual State Controller's Report	<u>5</u>	130	<u>650</u>
Total Maximum with Additional Items for 2022	<u>215</u>		\$ <u>29,425</u>