



JOSHUA BASIN WATER DISTRICT
REGULAR MEETING OF THE CITIZENS ADVISORY COMMITTEE
TUESDAY, NOVEMBER 13, 2018, AT 6:00 PM
61750 CHOLLITA ROAD, JOSHUA TREE, CA 92252

AGENDA

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. DETERMINATION OF QUORUM
4. APPROVAL OF AGENDA
5. PUBLIC COMMENTS
This public comment portion of this agenda provides an opportunity for the public to address the Committee on items not listed on the agenda that *are of interest to the public at large* and are within the subject matter jurisdiction of this Committee. The Committee is prohibited by law from taking action on matters discussed that are not on the agenda, and no adverse conclusions should be drawn if the Committee does not respond to public comments at this time.
6. CONSENT CALENDAR
 - Approve draft minutes of the Regular CAC meeting of September 11, 2018
7. RESULTS OF STRATEGIC PLANNING WORKSHOPS HELD ON OCTOBER 16TH & 17TH, 2018– Review and comment on the report containing the results from the first Strategic Planning Workshop.
8. INCREASE THE GUARANTEE DEPOSIT FOR THE WATER ACCOUNTS AND ESTABLISH AUTOMATIC INCREASES TO THE GUARANTEE DEPOSIT BASED ON WATER RATES– Receive for information only (Board of Directors approved on November 7, 2018).
9. POTENTIAL DEVELOPMENT PROPOSALS ABOUT WHICH THE DISTRICT HAS BEEN CONTACTED – Receive for information only (PowerPoint presentation).
10. GENERAL MANAGER REPORT –
11. CONFIRM DATE FOR NEXT CITIZENS ADVISORY COMMITTEE MEETING
 - January 8, 2018, at 6:00 p.m.
12. ADJOURNMENT

Pages 2-3

Pages 4-9

Pages 10-19

INFORMATION: State your name and have your information prepared and be ready to provide your comments to the Committee. The District is interested and appreciates your comments. A 3-minute time limit will be imposed. Thank you.

Any person with a disability who requires accommodation in order to participate in this meeting should telephone Joshua Basin Water District at (760) 366-8438, at least 48 hours prior to the meeting to make a request for a disability-related accommodation.

CAC Meeting Notes: September 11, 2018

1. **Called to Order** at 6:01 PM
2. **Pledge**
3. **Quorum:** There was a quorum (in attendance): Sherry Long (Chaired), Jeff Dongvillo, Karyn Sernka Karen Morton, Tom Kayne, Gail Austin. ABSENT: Karen Tracy (excused)
4. **Approval of Agenda:** 1st- Jeff Dongvillo / 2nd Karyn Sernka / 6-0
5. **Public Comments:** Public in attendance: Al Marquez, Steven Whitman
 - 1) Al Marquez shared information he received at the MAC meeting regarding the Fire Agency's push to consolidate our area into a tax District, costing each resident \$157.26/ year, with a 3% increase annually. He was also upset for CAC member, Gail Austin, showing public support for Tom Floen and Rebecca Unger at the MAC meeting.
 - 2) Steve Whitman shared how he was part of the earlier CAC committee and how they all worked hard for the betterment of the community. He was hoping the current CAC would continue the same, as many new members were present compared to the former group.
6. **Consent Calendar:** Draft minutes of the Regular CAC meeting of July 10th were approved: 1st-Tom Kayne / 2nd-Sherry Long / 5-0
7. **Customer Account Assistance Program/ CAAP (Information Only)**
 - 1) GM Sauer reviewed, at length, the Staff Report document (prepared by Susan Greer, Sept.12, 2018: Recommended Policy Change.) He noted that 60% of leaks were from 2nd homes or vacation rentals.
 - 2) Sernka asked for clarification on how and when customers are notified of leaks, noting that monthly "reads" were not timely enough. She suggested it would help to offer interest-free debt payment plans (we already do.)
 - 3) Morton asked about software for use with Smart Phones. Sauer explained that real-time notifications would be costly, (over \$600,000/20 years) involving all new software capabilities, which the District cannot afford.
 - 4) Kayne asked if we track the number of reported leaks needing CAAP: were they primary or vacation rentals? GM Sauer noted that it is shifting to 60% commercial.
 - 5) Austin stated she would rather eliminate the entire program and simply create a pay-back system over two years.
 - 6) GM Sauer stated that Staff feels some policy needs to be in place.
 - 7) Sernka wants a program with consistency.
 - 8) Austin suggested a straight-forward compensation fee.
 - 9) The CAC consensus: Go with the proposal. 1st-Jeff Dongvillo / 2nd-Karyn Sernka / 4-1 (Gail Austin: Nay)
8. **Discussion on Strategic Planning Process—Received for Information Only**
 - 1) The Strategic Planning Consultant interview the CAC members as a group (Sherry Long, Jeff Dongvillo, Karen Tracy, Karen Morton) and Kathleen Radnich, PIO.
 - 2) Tomorrow a summary will go out to all involved. A CAC representative from the attending group will be selected to continue in the next two workshops, covering Mission, Vision, and Goals.
 - 3) One workshop will be held in October, and the second one in November.
 - 4) The Strategic Planning Consultant also interview groups of Staff and Board Members.
9. **General Manager Report**
 - 1) The District has received a \$3 Million loan and we have ordered \$1.7 Million in equipment to start the CIP.

- 2) The shop is being remodeled (to accommodate growth). It is being done “in-house.”
- 3) Sarah Johnson (HR) is working on the job descriptions for the five CIP hires, which will then be sent to the Union for concurrence before hiring.
- 4) The Saddleback project is the first project for pipe replacement. It will cost \$1.2 Million (which does not include the equipment costs.) 24,000 linear feet will be replaced.
- 5) Well 14 has passed two days of testing—so far it is clear. It must go for seven days of testing to pass. The water being lost from this well does not count as water “sales.”
- 6) Current water conservation figures came in at 19.95%—which is less than what we pumped back in 2013.
- 7) United Way Low Income Assistance Program: #16 customers have been helped so far. A monthly report is expected.
- 8) Radnich reported on:
 - (1) Upcoming District Tours: Sept. 13th & Sept. 24th
 - (2) Landscape Workshop: Sept. 18 (District Office)
 - (3) Candidates Forum: Oct. 16th, 6PM-7:30 PM at the JT Community Center
 - (4) Great Shake Out: Oct. 13th, 9AM-3PM Tractor Supply parking lot
 - (5) The Water Wise and Ready Radio Show airing on Kix Hot Country, 5x/day seven days a week. The program covers “Water for Emergencies.”

10. **Confirm Date for Next Citizens Advisory Committee Meeting:** November 13, 2018, at 6 PM

11. **ADJOURNMENT:** 7:22 PM 1st-Karyn Sernka / 2nd-Karen Morton

JOSHUA BASIN WATER DISTRICT
MEETING AGENDA REPORT

Meeting of the Citizens Advisory Committee

November 13, 2018

Report to: CAC

Prepared by: Curt Sauer

TOPIC: Results of Strategic Planning Workshops held on October 16-17, 2018

RECOMMENDATION:

Review and comment on the report containing the results from the first strategic planning workshop.

ANALYSIS:

The Strategic Planning Committee met for the first of two strategic planning sessions on October 16-17, 2018. During this session, the committee developed provisional: Vision, Mission, Tagline, and Goals for the District.

The Committee requests that the District Board provide its input on these four items before the Committee continues its work November 14-15, 2018 recognizing that the Committee may recommend further changes to these items as it continues its work.

The attached report contains the details of the work completed during the session.

FISCAL IMPACT: None



To: Joshua Basin Water District Strategic Planning Committee
From: Mary Orton, Principal
Date: October 22, 2018
Re: Summary of strategic planning workshop held October 16-17, 2018

The Joshua Basin Water District (District or JBWD) Strategic Planning Committee held the first of two strategic planning sessions on October 16-17, 2018. The Strategic Planning Committee (Committee) consists of staff members and a contractor, a Board member, and a Citizens Advisory Committee (CAC) member. The staff members and contractor on the Committee are (in alphabetical order) Mark Ban, Scott Carpenter, Jim Corbin, Peggy Egnew, Gail Emery, Susan Greer, Sarah Johnson, Bill Kline, Randy Little, Randy Mayes, Kathleen Radnich, Anne Roman, Curt Sauer, and Beverly Waszak. The Board member is Tom Floen and the CAC member is Gayle Austin. All members attended all or most of both days of the October strategic planning workshop except Randy Mayes, who was on vacation both days.

Following is a brief description of the results of the workshop. The main product is a draft vision, mission, tagline, and goals. We anticipate that the District Board will provide its input on these four items before the Committee continues its work in November.

The Committee will build on this foundation November 14-15 with another two-day workshop at which they will draft objectives and tasks.

DEFINITION OF CONSENSUS

This definition was agreed to by consensus of the full group.

Our definition of consensus is that everyone has been thoroughly heard, and I can accept and support the proposal.

KEEP IN MIND

After reviewing the District strengths, weaknesses, opportunities, and threats that had been identified earlier, the group brainstormed what they wanted to keep in mind as they proceeded through the strategic planning process.

- Budget and fiscal prudence
- Personnel and their support
- Extreme weather patterns
- Task assignment and succession planning
- Make sure new staff know what they need to know
- Changing demographics in the community

ELEMENTS OF AN INSPIRING FUTURE

These elements were agreed to by consensus of the full group. It is not intended that they will be used in their present form; they are to be used to develop the vision, mission, tagline, goals, and objectives. The numbers in parentheses are the original numbers of the items before they were edited and some were deleted.

1. Updated technology: software talks to other software, reliable, adequate training, well-planned, field and office, customer interface. (1)
2. We are proactive, not reactive: looking forward, not backward; planning; SOPs; maintenance; caught up on backlogs. (3)
3. Adequate staff. (4)
4. Good communication: internal and external, other agencies, political/lobbying, public outreach, with the Board. (5)
5. High standard of work ethic from all staff and Board. (6)
6. Better facilities: shop, office, and boardroom. (8)
7. Excellent and efficient customer service. (9)
8. Staff is happy to work at JBWD and they are cooperative with and supportive of each other. (10)
9. Board and staff operate cohesively and effectively. (11)
10. Outstanding support from water customers. (12)
11. District is carbon neutral. (19)
12. Board and community support a highest standard for the District. (22)
13. Employees feel their voices count. (23)
14. Staff has a strong sense of accomplishment and wants to accomplish more. (24)
15. Outstanding relationships with external partners and other agencies: county, LAFCO, CHP, Fire Department, MWA, Drinking Water, etc. (26)
16. In compliance with (meet or exceed) all state regulations. (27)
17. Collective buying power through consolidated effort. (28)
18. Standard operating procedures are in place. (29)
19. Operating new wells and a treatment plant. (30)
20. Board, staff, and Citizens Advisory Council are good at dispelling misinformation and communicating about the District. ("Good" means they are accurate and well-organized.) (31)
21. Assistance to lower income customers to help pay their water bill. (33)
22. Stronger (adjudicated) water rights for the District. (36)
23. Stable and promising financial position. (38)
24. Private wells are monitored and possibly restricted. (39)
25. Employees are empowered and effective project managers: projects are assigned project managers who are trained and effective. (40)
26. Annual recharge exceeds water pumped. (42)
27. Standard operating procedure for emergencies with tabletop practice. (44)
28. Strong employee safety program is in place. (45)
29. JBWD is the employer of choice. (46)
30. Great drinking water supply: safe, tasty, and plentiful. (48)
31. We strive to set the highest standard in all areas. (49)
32. Better understanding of what we do and do not do (e.g., roads) on the part of the public. (50)
33. Opportunities for growth and movement for employees within the District. (51)
34. We operate transparently. (52)
35. Staff and Board show respect towards each other. (53)
36. All infrastructure is maintained or replaced as needed. (54)

37. The District is prepared for natural disaster events. (55)

DRAFT VISION, MISSION, TAGLINE, AND GOALS

These were provisionally agreed to by consensus of the full group. The group reserved the option to revise them as they complete the strategic plan.

Draft Vision

To achieve excellence in all our endeavors.

Draft Mission

To provide, protect, and maintain Joshua Tree's water: our vital community resource.

Draft Tagline

Proudly providing water from an ancient source...well into the future.

Draft Goals

The numbers following the draft goal refer to the elements of inspiring future (above—the current numbers, not the original numbers) that might be covered by this goal. The numbers were not discussed by the full group and could change.

1. Improve the operational efficiency and reliability of the District's water resources and infrastructure.
(1, 2, 6, 9, 11, 19, 22, 26, 27, 30, 36, 37)
2. Ensure the District meets regulatory requirements for water, wastewater, financial, and administrative functions.
(1, 16, 22, 23, 24, 31)
3. Value employees by providing a safe and respectful work environment with opportunity for growth and collaboration.
(3, 8, 9, 13, 14, 25, 28, 29, 33, 35)
4. Optimize administrative, financial, and technology management.
(1, 4, 5, 9, 17, 18, 23, 27, 31, 34)
5. Educate and engage with our customers, community, and partners.
(2, 7, 10, 15, 21, 32, 34)

ELEMENTS OF A VALUES STATEMENT

The group members agreed that they wanted to include a values statement in the Strategic Plan. They asked Bill and Gail to draft such a statement for review, and brainstormed what should be included.

Values elements to consider when writing a values statement:

- Valuing employees
- Being the employer of choice
- Thrift / financial responsibility
- Transparency
- Proactivity

- Accountability
- Excellent customer service

Plus Bill's text:

"We are stewards of the community's water resource, their dollars, and most of all, their trust. We are obligated to responsibly oversee this critical asset to the best of our abilities, to facilitate the long-term requirements of the people, who employ and depend on us."

(There was also another sentence that was later made into the mission.)

Plus #31 (originally #49) from the elements of an inspiring future, which was later made into the vision:

- We strive to set the highest standard in all areas.

NEXT STEPS

1. Bill and Gail will draft a values statement by October 23. They give it to Sarah who will send it to the Committee, asking for feedback by October 29.
2. The Committee will send Bill and Gail their feedback on the values statement by October 29.
3. Bill and Gail will finalize the values statement by November 1, and give it to Sarah for sending to the Board and the Committee.
4. Mary will write up the workshop results and send to the Committee by October 23, asking for feedback (anything missing, any corrections). This report will include:
 - a. Agreed-upon definition of consensus.
 - b. Elements of an inspiring future.
 - c. Draft vision, mission, tagline, and goals with a note that they were all provisionally approved by consensus. Goals will include the elements that the goal is intended to address.
 - d. Values elements that Gail and Bill will use to draft a values statement.
 - e. The "Keep in Mind" list.
 - f. The evaluation of the workshop.
5. The Committee will send Mary feedback on the report by October 29.
6. Mary will finalize the report and send it back to the Committee by November 1.
7. Curt and Sarah will put the final draft values, vision, mission, tagline, and goals in the packet for the November 7 Board meeting by November 2.
8. Beverly will send to the Committee the feedback from the Board on the final draft values, vision, mission, tagline, and goals.

WORKSHOP EVALUATION

Mary Orton invited everyone to provide one piece of feedback about what they liked about the meeting, indicated below with a plus symbol (+), and one piece of feedback about what they would like to change for the next meeting, indicated with a delta symbol (Δ). The results of this exercise are below. Each check mark (✓) indicates that someone endorsed a previously mentioned item.

+	Δ
+ Everyone was involved. Mary made sure everyone participated.	Δ More time for "inspiring future" interviews.
+ Everyone's ideas were heard and considered.	Δ I prefer large group work, not small group work.
+ The engagement Mary solicited: appropriate and good.	Δ It was hard to understand the differences between vision and mission
+ Good participation, good instruction.	

+	Δ
+ The sharing of information and ideas.	and what supports what. What is the why, how to achieve?
+ Listening to other staff's perceptions.	Δ Hand out examples of vision, mission, and goals from other organizations (don't just have them on flipchart paper at the front of the room).
+ Collaboration, how we arrived at the goals.	Δ Provide definitions of vision, mission, and goals in advance.
+ Sense of community.	Δ It is hard to read everything on the wall.
+ Setting the "Guidelines for Productive Group Interaction" in the beginning.	Δ Paper on the wall is chaotic.
+ We received the "Guidelines for Productive Group Interaction" in print so we can use it elsewhere.	Δ Yesterday could have been expedited by having everyone write a vision and mission.
+ All the different pieces and how it all came together.	Δ I was frustrated with the pace of the first day: vision and mission, coming back to them and redoing them.
+ Mary doesn't just read to us: she let us read things, kept us engaged and on topic.	Δ Speed up the first day.
+ The whole workshop.	Δ Announce in advance when there will be breaks. ✓
+ Excellent class! Great job.	
+ How Mary sustained her energy.	
+ Pipe cleaners to play with.	
+ We were off campus, away from the office and the shop.	
+ Food was excellent.	

JOSHUA BASIN WATER DISTRICT
MEETING AGENDA REPORT

Meeting of the Citizens Advisory Committee

November 13, 2018

Report to: CAC

Prepared by: Susan Greer

TOPIC: INCREASE THE GUARANTEE DEPOSIT FOR WATER ACCOUNTS AND ESTABLISH AUTOMATIC FUTURE INCREASES TO THE GUARANTEE DEPOSIT BASED ON WATER RATES

RECOMMENDATION: Receive for information only.

ANALYSIS:

The Guarantee Deposit is used to secure water accounts and insure that the District is paid when accounts are closed. The current \$100 deposit has been unchanged since May 1997, more than 21 years, although water rates have increased significantly in the same timeframe. The Guarantee Deposit is the District's first line of defense when it comes to bad debt, which is again increasing, so ensuring that the deposit keeps pace with water rates is important.

It takes two months before an account may be disconnected for non-payment, and including the closing bill, the balance due will include three months of unpaid water bills if that customer never comes back to pay and restore service. Based on the average nine units of consumption identified in the recent rate study, three months of unpaid water bills is equal to approximately \$225 based on rates that take effect 1/1/19.

Our current Regulations already spell out a double deposit requirement for customers that have been disconnected for non-payment. Current Regulations also require a deposit two and one-half times the standard deposit when customers damage or unlock meters without authority. A review indicates that a deposit of 1.5 times the standard amount for disconnected accounts and a double deposit for damage or unauthorized unlock will cover most costs. There will always be some charges that no reasonable amount of deposit will cover, and since it has been so long since the deposit has increased, staff believes the larger increases for disconnection and damage would be a hardship for some customers and need to be ratcheted up more slowly.

Until 1/1/20, the deposit required after termination of water service for non-payment would be \$340 (\$225 standard deposit times 1.5). For a customer with a \$100 or \$200 deposit on hand already, Staff recommends that they have to pay the full guarantee deposit amount due before service is restored. That would require payment of the difference between the new amount of \$340 and either \$100 or \$200 that they already have on deposit with the District. Staff recommends that for a customer who doesn't have any deposit on hand already, that we require the minimum standard deposit of \$225 to reconnect and then allow a contract for the balance, to be collected over no more than two more months.

Since it has been so long since the deposit was increased, I am proposing that we take a new approach and tie the Guarantee Deposit to the water rates. If approved, as water rates increase, the Rules and Regulations would provide staff authority to make automatic increases to the Guarantee Deposit, based on the average consumption identified in the rate study. That way, the Guarantee Deposit is automatically keeping pace with the rates and increases are more incremental.

In addition to the changes related to the amount of the Guarantee Deposit, I have made a change to use “termination of water service” terminology to mirror the language in the legal code. I am also limiting the amount of information included within Article 13. I am in the process of rewriting Article 13, and I want it to focus primarily on the *amounts* of the rates and fees, and not including so much explanatory information, which belongs in the other articles of the Rules and Regulations.

Note that the recently-adopted SB 998, which establishes new requirements for termination of water service, will further amend the Guarantee Deposit and other policies. Those new requirements are effective 1/1/20, and we will have to again amend the Rules and Regulations in order to enact those requirements.

Counsel Gil Granito has reviewed the Resolution.

FISCAL IMPACT:

A \$225 deposit would have avoided at least \$5,600 in bad debt write off last year, 21% of the total. The potential savings is greater as rates increase.

RESOLUTION 18-993

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE JOSHUA BASIN WATER DISTRICT
AMENDING ARTICLES 1.11; 1.12; 1.13; 1.24; 13.3 OF THE DISTRICT'S
RULES & REGULATIONS**

WHEREAS, the Joshua Basin Water District (“JBWD”) desires to amend its Rules & Regulations relating to Guarantee Deposits, which deposits are used to secure water accounts by ensuring payment of charges; and

WHEREAS, by law it takes approximately two months until water service can be disconnected for non-payment, and after adding the final bill that is due if the customer never reconnects, it constitutes approximately three months of water service that a customer owes and must be covered by the Guarantee Deposit if the customer never pays; and

WHEREAS, the JBWD desires to amend in their entirety Articles 1.11, 1.12 and 13.3 of the Rules & Regulations, so that the amounts of the Guarantee Deposits are tied to the water rate structure, increasing as the water rates increase, and covering three month’s water use based on the average consumption from the most recent rate study.

NOW, THEREFORE, BE IT RESOLVED, that Articles 1.11; 1.12; 13.3 are amended in their entirety as follows:

Article 1.11 Guarantee and Other Water Account Deposits

Before water delivery is started for any new or existing Active Account, the Applicant shall secure the account by depositing with the JBWD the amount specified in Article 13.3.

- a. Guarantee Deposit: When the Applicant has established a satisfactory payment record for twenty-four consecutive months, the JBWD will refund the guarantee deposit by crediting the customer’s account. If service is discontinued before that time, the deposit will be deducted from the closing bill, and a check for the balance or a water bill will be mailed to the customer at his last known address.

A satisfactory payment record is achieved if the Applicant meets the following criteria within the twenty-four month period:

- No more than two late payments,
- No cut-offs for non-payment, and
- No returned checks.

The JBWD may require a Guarantee Deposit on an unsecured account if one of the aforementioned items occurs during the duration of the water service.

- b. Termination of Water Service Deposit. Following termination of water service for non-payment, the customer may be subject to a deposit equal to one and one-half (1.5) times the Guarantee Deposit amount. Refund of Termination of Water Service Deposit is the same as a refund of the Guarantee Deposit.

If a customer whose water service has been terminated for non-payment has zero deposit on-hand at the time of service termination, they must pay at least the Guarantee Deposit amount before service can be restored, and the remaining additional deposit due may be established as a contract, payable by the customer over a timeframe not-to-exceed two months. Failure to pay the contract as required will once again subject the customer account to termination.

- c. Damage/Lock Deposit. If a locked meter is unlocked or the meter is damaged, the customer may be subject to a deposit equal to two times the standard deposit. Refund of Damage/Lock Deposit is the same as a refund of Guarantee Deposit.

Water service will not be installed, connected, or turned on for any Applicant or customer until all delinquent charges for service or other charges on any or all accounts have been paid in full.

Deposits will not automatically be refunded for customers whose account status changes (Active, Transitional, Inactive). Customers whose account status changes will have to meet the satisfactory payment requirements as indicated in this Article before Deposit is refunded or applied to account.

Each time that water rates are changed in accordance with Board action, the Guarantee Deposit will also be re-calculated and changed, based on the average residential water consumption from the most recent water rate study (currently, the 2018 Water Rate Study, and nine [9] units average consumption per month,) multiplied times three (3) months.

Article 1.12 Guarantee Deposit Credit Check Process

Applicants who provide a social security number will have their credit checked. The results of this soft credit check will provide either a green, yellow, or red “score,” and the deposit required is based upon the score.

Green =	good credit, no deposit required
Yellow =	average credit, deposit required
Red =	poor credit, deposit required
No score =	no credit, deposit required

No Social Security Number = no score, deposit required

Applicants that don't provide a social security number will be required to pay the Guarantee Deposit.

Applicants with minimal credit history may result in "no score," and those Applicants will be required to pay the Guarantee Deposit.

Existing JBWD customers transferring service from one address to another who meet the satisfactory payment requirements of Article 1.11 will not be required to provide a new Guarantee Deposit to start service at the new address.

The JBWD uses a third party contractor for this credit check/deposit decision service and is not responsible for inaccuracies in the Applicant credit report. Applicants must address concerns to the credit reporting bureaus or JBWD's contractor, currently Online Utility Exchange. The JBWD or JBWD's Contractor will provide an Adverse Decision Letter to the Applicant whenever a yellow or red score is received during the application process. The letter provides contact information to assist the Applicant in correcting credit reporting inaccuracies.

Article 1.13 Inactive/Locked Meters

No meter, which is locked by the JBWD, shall be altered or unlocked except by an authorized employee or agent of the JBWD. All customer categories will be responsible for payment of the fixed Basic Monthly Fee, but are not eligible to receive water delivery through the meters until the customer has made application to the JBWD, has identity verified, been provided the 90-day requirement to obtain the County-assigned service address, provided a County permit if applicable, and met the Guarantee Deposit requirements and paid any outstanding charges.

If locking devices are broken or removed from any customer, the first time it occurs, the meter will be relocked and a Broken Locking Device Fee charged to the owner or account holder. The second time the locking device is broken, another Broken Locking Device Fee will be charged and the meter will be removed, and the owner or account holder will be required to pay to reinstall the meter in accordance with the fee schedule in Article 13. In addition, the owner will be charged for any damage to the meter. If a locking device has been unlocked or removed by other than a JBWD representative, and the Customer Service Facility is damaged, and consumption cannot be determined, the water bill will be adjusted per Article 1.22. Customer will be required to pay a double deposit to secure the account. Payment of additional deposit and all other applicable fees will be required before service is unlocked.

Article 1.24 Termination of Water Service for Non-Payment

Water meters will be turned off for non-payment of water or other JBWD charges after written notification, on or after the 35th day after the original billing date of the billing for service.

Customer service terminated for non-payment of bills and charges will not be turned on again until all bills and charges, both past due and current, including deposit equal to one and one-half (1.5) times the Guarantee Deposit have been paid. Actual termination of water service will not be performed on any Saturday, Sunday, legal holiday or at any time during which the JBWD business office is not open to the public.

JBWD may require a copy of a rental agreement to restore service after being turned off for non-payment.

Single-unit residential or commercial turn off for non-payment requires at least 48-hour notice prior to termination of service. JBWD is required to make a reasonable, good faith effort to contact an adult residing at the premises of the customer by phone or in person before service is terminated.

Multi-Unit Residential termination of water service for non-payment requires individual notification to all of the actual users of the water service fifteen (15) days before the proposed termination of service. The notice will inform the actual users that they have the right to become customers of JBWD without being required to pay the amount due on the delinquent account, provided that:

- A. Each actual user meets the requirements of JBWD's Rules and Regulations governing water service; and
- B. Each actual user agrees to the terms and conditions applicable to obtaining water from JBWD.

If a customer has requested and been granted a payment arrangement or contract amortization agreement to extend their payment over a period not to exceed 12 months, and then fails to comply with the agreement, JBWD will commence termination of service by giving 48-hour written prior notice. After failure to comply with the payment arrangement or contract, the payment arrangement or contract will be terminated and the remaining balance is immediately due or account will be subject to cut-off within 48 hours.

Article 13.3 Guarantee Deposit

Applicants who provide a social security number will have their credit checked. The results of this soft credit check will provide either a green, yellow, or red "score," and the deposit amount is based upon the score.

Green =	good credit, no deposit required
Yellow =	average credit, deposit required
Red =	poor credit, deposit required
No score =	no credit, deposit required

<u>Effective Date</u>	<u>Guarantee Deposit</u>
Adoption	\$225
1/1/20	\$255
1/1/21	\$285
1/1/22	\$310

This resolution shall take effect immediately upon its adoption.

The foregoing resolution was adopted at a regular meeting of the Board of Directors of the Joshua Basin Water District held on the 7th day of November, 2018 by the following vote:

Mickey Luckman:

Bob Johnson:

Tom Floen :

Geary Hund:

Rebecca Unger:

JOSHUA BASIN WATER DISTRICT

By: _____
Mickey Luckman, President

Attest: _____
Curt Sauer, Secretary, Board of Directors

EXISTING RULES AND REGULATIONS LANGUAGE

ARTICLE 1.11 Guarantee and Other Water Account Deposits

Before water delivery is started for any new or existing Active Account, the Applicant shall secure the account by depositing with the JBWD the amount specified in Article 13.

a. **Guarantee Deposit:** When the Applicant has established a satisfactory payment record for twenty-four consecutive months, the JBWD will refund the guarantee deposit by crediting the customer's account. If service is discontinued before that time, the deposit will be deducted from the closing bill, and a check for the balance or a water bill will be mailed to the customer at his last known address. A satisfactory payment record is achieved if the Applicant meets the following criteria within the twenty-four month period

- no more than two late payments,
- no cut-offs for non-payment and
- no returned checks

The JBWD may require a guarantee deposit on an unsecured account if one of the aforementioned items occurs during the duration of the water service.

b. **Cut off Deposit.** Following cut off for non-payment, the customer may be subject to a deposit equal to two times the standard guarantee deposit. Refund of cut off deposit is the same as a refund of guarantee deposit.

c. **Damage/Lock Deposit.** If a locked meter is unlocked or the meter is damaged, the customer may be subject to a deposit equal to two and a half times the standard deposit. Refund of damage/lock deposit is the same as a refund of guarantee deposit.

Water service will not be installed, connected, or turned on for any Applicant or customer until all delinquent charges for service or other charges on any or all accounts have been paid in full. Guarantee Deposits will not automatically be refunded for customers whose account status changes (Active, Transitional, and Inactive). Customers whose account status changes will have to meet the requirements as indicated above before Guarantee Deposit is refunded or applied to account.

ARTICLE 1.12 Guarantee Deposit Credit Check Process

Applicants who provide a social security number will have their credit checked. The results of the credit check will provide either a green, yellow or a red 'score'. Deposit description, based upon the score received, is indicated below. The amounts of the various deposits are included in Article 13.

- Green = good credit, no deposit required
- Yellow = moderate credit,
- Red = poor credit,
- No Score = maximum deposit required

Applicants that do not provide a social security number will be required to pay the maximum deposit that will be held for 24 months of satisfactory payment history.

Existing JBWD customers transferring service from one address to another who meet the satisfactory payment requirements of Article 1.11 will not be required to provide a new guarantee deposit to start service at the new address.

The JBWD uses a third party for this deposit decision service and is not responsible for inaccuracies in the applicant credit report. Applicants must address concerns to the credit reporting bureaus or JBWD's contractor, Online Utility Exchange. The JBWD will provide an Adverse Decision Letter to the Applicant whenever a yellow or red score is received. The letter provides contact information to assist the Applicant in correcting credit-reporting inaccuracies.

ARTICLE 1.13 Inactive/Locked Meters

No meter, which is locked by the JBWD, shall be altered or unlocked except by an authorized employee or agent of the JBWD. All customer categories will be responsible for payment of the fixed Basic Monthly Fee, but are not eligible to receive water delivery through the meters until the customer has made application to the JBWD, has identity verified, been provided the 90-day requirement to obtain the County-assigned service address, provided a County permit if applicable, and met the Guarantee Deposit requirements and paid any outstanding charges.

If locking devices are broken or removed from any customer, the first time it occurs, the meter will be relocked and a Broken Locking Device Fee charged to the owner or account holder. The second time the locking device is broken, another Broken Locking Device Fee will be charged and the meter will be removed, and the owner or account holder will be required to pay to reinstall the meter in accordance with the fee schedule in Article 13. In addition, the owner will be charged for any damage to the meter. If a locking device has been unlocked or removed by other than a JBWD representative, the Customer Service Facility is damaged, and consumption cannot be determined, the water bill will be adjusted per Article 1.22. Guarantee Deposit on account will be increased to two and a half times the maximum deposit amount. Payment of additional deposit and all other applicable fees will be required before service is unlocked.

ARTICLE 1.24 Turn Off Meter for Non-Payment

Water meters will be turned off for non-payment of water or other JBWD charges after written notification, on or after the 35th day after the original date of the billing for service. Customer service turned off for non-payment of bills or charges will not be turned on again until all bills and charges, both past due and current, including double the guarantee deposit have been paid. Actual termination of water service will not be performed on any Saturday, Sunday, legal holiday or at any time during which the JBWD business office is not open to the public.

JBWD may require a copy of a rental agreement to restore service after being turned off for non-payment.

Single-unit residential or commercial turn off for non-payment requires at least a 48-hour notice prior to termination of service. JBWD is required to make a reasonable, good faith effort to contact an adult residing at the premises of the customer by phone or in person before service is terminated.

Multi-Unit Residential turn off for non-payment requires individual notification of all of the actual users of the water service 15 days before the proposed termination of service. The notice will inform the actual users that they have the right to become the customers of JBWD without being required to pay the amount due on the delinquent account, provided that:

- a. Each actual user meets the requirements of JBWD's Rules and Regulations governing water service; and
- b. Each actual user agrees to the terms and conditions applicable to obtaining water from JBWD.

If a customer has requested and been granted a payment arrangement or contract amortization agreement to extend their payment over a period not to exceed 12 months, and then fails to comply with the agreement, JBWD will commence termination of service by giving 48 hour prior written notice. After failure to comply with the payment arrangement or contract, the agreement will be terminated and the remaining balance is immediately due or account will be subject to cut-off within 48 hours.

ARTICLE 13.3 Guarantee Deposit

Applicants who provide a social security number will have their credit checked. The results of the credit check will provide either a green, yellow, or red 'score'. Deposit amounts, based upon the score are indicated below.

Green = good credit, no deposit required

Yellow = moderate credit, \$100 deposit required, 24 months satisfactory payment history

Red = poor credit, \$100 deposit required, 24 months satisfactory payment history

No Score = \$100 deposit required, 24 months satisfactory payment history

Applicants that do not provide a social security number will be required to pay a \$100 deposit that will be held for 24 months of satisfactory payment history.

Existing JBWD customers transferring service from one address to another who meet the satisfactory payment requirements of Article 1.2 will not be required to provide a new guarantee deposit to start service at the new address.

The District uses a third party for this deposit decision service and is not responsible for inaccuracies in the Applicant credit report. Applicants must address concerns to the credit reporting bureaus or the District's contractor, Online Utility Exchange. The District will provide an Adverse Decision Letter to the Applicant whenever a yellow or red score is received. The letter provides contact information to assist the Applicant in correcting credit-reporting inaccuracies.