

JOSHUA BASIN WATER DISTRICT  
MINUTES OF THE  
FINANCE COMMITTEE MEETING  
Wednesday, October 11, 2023  
61750 Chollita Road, Joshua Tree, CA 92252

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE – President Floen called the meeting to order at 9:00 a.m.
2. ROLL CALL – President Floen and Director Fick

STAFF PRESENT – Anne Roman, Director of Finance, Autumn Rich, Accounting Supervisor, Jeremiah Nazario, Interim Director of Operations, David Shook, Director of Administration, Sarah Johnson, General Manager, Lisa Thompson, Executive Assistant.

CONSULTANTS – None

GUESTS – None

3. PUBLIC COMMENT – None

4. CONSENT CALENDAR

A. DRAFT FINANCE COMMITTEE MEETING MINUTES 09.13.23

1<sup>st</sup> - Fick

2<sup>nd</sup> - Floen

Motion carried to approve consent calendar 09.13.23 minutes.

5. DISCUSSION ITEMS -

President Floen moved agenda item 6C - CMM Assessment District Annual Report to the first discussion item.

A. AUGUST 2023 CHECK REGISTER

1<sup>st</sup> - Fick

2<sup>nd</sup> - Floen

Motion carried to refer to the Board.

B. CMM ASSESSMENT DISTRICT ANNUAL REPORT

Director of Finance, Anne Roman, gave her presentation on the Copper Mountain Mesa Assessment District Annual Report to the committee. Roman discussed in detail the purpose of the CMMA including 1996 Limited Obligation Improvement Bond, status, collections, delinquencies, annual reports, continuing disclosure annual report, and bond call. Roman mentioned that there are comments about the delinquency rate being high in the assessment district. Roman explained that the interest rate starts out high in the first few years. After five years, the County begins a tax sale process, and the delinquency rates quickly fall. Roman noted that an analysis showed that there was an 86% decrease of the delinquency rate over the last 10 years after the County tax sale process. Roman mentioned that the last time we did a CMM Bond Call was about 10 years ago, and expect to do a future bond call within the next 10 years. Roman mentioned that the district worked with NBS to administer any administrative costs with the assessments. NBS issues the annual CMMAD report, Continuing Disclosure report, and initiated the bond call. Roman noted that there is the full version of the CMM reports on our website.

1<sup>st</sup> - Fick

2<sup>nd</sup> – Floen

Motion carried to refer to the Board.

C. CAPACITY FEE REPORT FOR FISCAL YEAR ENDING 06/30/2023

Director of Finance, Anne Roman gave her staff report and presentation on the Capacity Fee Report for Fiscal Year Ending 06/30/2023 to the committee. Roman explained that the capacity fee is a one-time development charge for connection to the water system when a customer purchases a new meter or meter upgrade. The capacity charge is used to fund capital improvements within the district's infrastructure. Roman explained in detail the water capacity fund balance increase from new meter sales and upgrades and interest earned for fiscal year 2022 to 2023. The unrestricted water capacity charges of \$395,166 were used to reimburse 38% of the district's Tilford Phase I project. Roman explained that there was a fund balance increase with the wastewater capacity fund with new meter sales and upgrades for fiscal year 2022-2023. Roman mentioned that Hi Desert Medical Center has a wastewater treatment plant, and they pay a note and interest to the district. Roman provided charts containing the annual reports of historical meter sales and capacity collections.

1<sup>st</sup> - Fick

2<sup>nd</sup> - Floen

Motion carried to refer to the Board.

6. STAFF REPORTS –

Director of Finance, Anne Roman reported the following:

- A payroll audit was conducted by CPA Cindy Byerrum with Eide Bailly. Roman mentioned that the district had never undergone a dedicated payroll audit, and recent payroll audit was voluntary. Roman pointed out that there are numerous pay and deductions codes in payroll which are very complex. Byerrum complimented Finance for the minimal number of findings and that everything was clean and easy to follow. It was recommended during the payroll audit to add the vehicle taxation, and small check box on W2 for payroll was missed which was a result of transferring from one payroll company to another but has been corrected. The district is in the process of switching back to Paychex from Paylocity. Roman was glad to report that the payroll audit went very well and provided the district with some assurance.
- In July 2022, the district put in a request to purchase a Pettibone with Apex. The vendor requested a copy of a check for shipping purposes, then electronically altered and cashed the check. Finance discovered the fraudulent activity and reported it to the bank. Luckily, the fraudulent check was caught on time and US Bank returned the funds. The district learned from the incident and implemented Payee Positive with US Bank, in which the name on the check is always verified before the check is cashed. Additional vendor validation processes were also implemented.

General Manager, Sarah Johnson reported the following:

- It was discussed at the Finance Committee to extend the time of the meeting to two hours. Extending the Finance Committee will allow more time to go over discussion items, without feeling rushed. The start time for the WRO Committee will be at 11:00am instead of 10:30am.

7. DIRECTOR COMMENTS – Director Fick said that it's been very educational being on the Finance Committee. President Floen will bring some of the information about the CMM Assessment to the next CMM meeting.

8. ADJOURNMENT – President Floen adjourned the meeting at 10:39 a.m.

1<sup>st</sup> - Fick

2<sup>nd</sup> - Floen

NEXT MEETING – November 8, 2023, at 9:00 am.

Respectfully Submitted,

A handwritten signature in black ink, appearing to be 'S. Johnson', written in a cursive style.

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Sarah Johnson, General Manager





# 1. Draft Finance Committee Minutes 10.11.23

Final Audit Report

2023-11-17

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## "1. Draft Finance Committee Minutes 10.11.23" History

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