



JOSHUA BASIN WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, FEBRUARY 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 February 7, 2018
 - B. Approve the Draft Minutes of February 8, 2018
 - C. Approve January 2018 Check Register (approved by Finance Committee on February 14, 2018).
7. **PUBLIC HEARING TO CONSIDER INCREASES TO WATER RATES AND CHARGES:** Recommend the Board take the following actions:
 1. Accept and file Water Rate Study report
 2. Hold public hearing to consider rate increase
 3. Approve Resolution 19-982 implementing rate increase

The public hearing should be conducted as follows:

 - A. HEARING OPENED BY PRESIDING OFFICER
 - B. STAFF AND CONSULTANT PRESENTATIONS
 - C. QUESTIONS OF STAFF BY BOARD
 - D. PUBLIC TESTIMONY OPENED BY PRESIDING OFFICER
 - E. PUBLIC TESTIMONY HEARING CLOSED
 - F. QUESTIONS BY BOARD
 - G. DISCUSSION BY BOARD
 - H. ACTION BY BOARD
8. **DISTRICT GENERAL COUNSEL REPORT –**
9. **GENERAL MANAGER REPORT –**

Pages 3-6
Pages 7-8
Pages 9-17

Pages 18-77

Pages 78-80

10. **DIRECTOR REPORTS ON MEETINGS ATTENDED, COMMENTS AND FUTURE AGENDA ITEMS –**
 - Finance Committee – Vice President Johnson and Director Floen
 - Public Outreach Consultant – Kathleen Radnich
11. **FUTURE DIRECTOR MEETINGS AND TRAINING OPPORTUNITIES**
 - Mojave Water Agency Board of Directors Meeting – February 22, 2018, at 9:30 a.m. –Vice President Johnson
 - Finance Committee – March 14, 2018, at 9:00 a.m. – Vice President Johnson and Director Floen
 - Water Resources & Operations – March 14, 2018, at 10:30 a.m.- President Luckman and Director Hund
 - Mojave Water Agency Technical Advisory Committee (TAC) – April 5, 2018, at 10:00 a.m. - President Luckman
12. **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 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 in order to make a request for 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 February 7, 2018
REGULAR MEETING OF THE BOARD OF DIRECTORS

1. CALL TO ORDER: 6:30 PM
2. PLEDGE OF ALLEGIANCE
3. DETERMINATION OF QUORUM: Mickey Luckman Present
Bob Johnson Present
Geary Hund Present
Rebecca Unger Present
Tom Floen Present

STAFF PRESENT: Curt Sauer, General Manager
Susan Greer, Assistant General Manager
Keith Faul, GIS Coordinator
Beverly Waszak, Executive Assistant

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

GUESTS 9

Tom McCarthy, General Manager of the Mojave Water Agency, introduced himself and went on to talk about the joint Water Agreement between JBWD and MWA. He also thanked this region and the Board for making the MWA Board meetings to voice your opinions.

GM Sauer echoed what a joy it is to work with the staff at MWA and with GM McCarthy. President Luckman affirmed that GM McCarthy is a perfect fit to fill Kirby Brill's shoes.

4. APPROVAL OF AGENDA –

MSC/Johnson/Hund 5/0/0 to approve the Agenda of the Regular Meeting of the Board of Directors of February 7, 2018.

Floen	Aye
Hund	Aye
Luckman	Aye
Johnson	Aye
Unger	Aye

5. PUBLIC COMMENT

Ed Vallerand, Joshua Tree stated that he had heard multiple times about the leak at the Farmers Market but hasn't seen anything concrete about it. Mr. Vallerand asked the Board to have JBWD operations add a report that shows the number of leaks, which would substantiate a panic mode. He also gave a Public Information Request form to GM Sauer for a copy of the latest data that was used for the budget process about meter replacement.

Al Marquez, Joshua Tree concurred with Mr. Vallerand and moved on to inform the Board of Mr. Gary Lee Wilson's passing. Mr. Wilson was a JBWD employee and a Board member. Mr. Marquez proceeded to read part of Mr. Wilson's obituary to the Board.

PUBLIC COMMENT CLOSED

6. CONSENT CALENDAR –

MSC Johnson/Floen 5/0/0 to approve the Draft Minutes of 01/17/2018 with the following corrections:
1) Within Mr. Granito's General Counsel report; add the word "right" before the word "pursuant" within the sentence "Generally speaking, that right pursuant to Prop. 218, is provided to those who are impacted by the proposed increases such as parcel owners and customers.
2) Within Mr. Marquez's public comment statement item #10 remove the words "what he thought was."

MSC/Johnson/Floen 5/0/0 to approve the minutes of January 17, 2018, with the above corrections.

Floen	Aye
Hund	Aye
Luckman	Aye
Johnson	Aye
Unger	Aye

7. MR. ADAN ORTEGA, ORTEGA STRATEGIES GROUP, TO PRESENT UPDATES ON CURRENT LEGISLATIVE CONSIDERATIONS THAT MAY AFFECT JOSHUA BASIN WATER DISTRICT, TO INCLUDE BILLS AB 401 AND AB623 –

GM Sauer introduced Mr. Adan Ortega of Ortega Strategies and Mr. Ray Kolisz, General Manager of Twentynine Palms Water District; both have just returned from Sacramento, CA.

GM Kolisz gave a little background on himself, stating that he has been in the water industry for 30 years with 27 years with Special Districts including JBWD. In late 2016 Twentynine Palms Water District started their own Legislative Committee to be more active and have a voice in Sacramento. Twentynine Palms Water District began working with Mr. Adan Ortega of Ortega Strategies, who has been guiding us with legislative and procedures in Sacramento. Mr. Kolisz then introduced his two Board members who accompanied him to Sacramento, Vice President Carol Giannini, and Director Bob Coghill, Jr.

Mr. Adan Ortega, Ortega Solutions, gave an overview of how the Court invalidated the chrome 6 standard and convinced the Attorney General not to appeal the ruling. The Board had also approved a standard for 123TCP, which many supported because of the statute of limitations to file claims against the responsible party to recover the cost of treatment. However, a Board member explicitly asked staff what they did differently in the adoption of the TCP standard compared to what they did with Chrome 6. The staff answered with "nothing." We supported the standard but requested that the Board adopt a compliance period so that people could recover the money that was spent on installing the treatment systems. The Board said "no" if they adopt a compliance period this would mean that disadvantaged communities would get their clean water last. Even without a compliance period, you still can't afford it, and it doesn't solve anything. It doesn't seem like a viable argument, but the argument prevails because of who is advocating for these issues in Sacramento right now.

The overarching theme in Sacramento is there are measures to accrue powers in the State Water Resources Control Board (SWRCB) to determine statewide standards that are more expanded than what you would expect. The SWRCB has the power to set a maximum contaminate level, but extra steps are being taken or that are not being done (allowance of compliance period) to comply with standards.

Mr. Ortega introduced Denise Peralta Gailey, who was a former Legislative Aide and has her master's in Public Administration. Ms. Peralta Gailey proceeded to update the Board on AB 1323, AB 1668, and SB 606 all three Bills are vehicles for the implementation of Governor Brown's Executive Order B-37-16, which focuses on conservation, eliminating water waste, strengthening local drought resilience, and improving AG efficiency and planning. She continued informing the Board on ACA 21 (Infrastructure Funding), SB 998 (Water Shutoffs) urban, and community water systems. A copy of Ms. Peralta Gailey's Memorandum will be attached to the minutes at the District office.

Director Unger responded that she just returned from Leadership Academy of Special Districts and they are very concerned with this and are in Sacramento. When the draught Regulations were enacted, and water districts had sent in their monthly pumping report, it was a no-cost way for Sacramento to see where the water is. The fact that they can consolidate water districts and have the authority to do it is very alarming.

8. **SCADA CONTRACT** – Recommend that the Board authorize the General Manager to enter into a contract with Forshock at a cost not to exceed \$86,000.

GM Sauer stated that he and staff have gone through the existing Capital Improvement Budget (CIP) and there is sufficient money available in the approved CIP budget. There is money in the approved CIP budget that will not be expended because we are not doing certain projects this year.

Randy Mayes, IDWRO gave a presentation on how the SCADA system works and a brief Q&A period with the Board followed.

MSC/Johnson/Floen 5/0/0 to approve the GM to enter into a contract with Forshock not to exceed \$86,000.

Floen	Aye
Hund	Aye
Luckman	Aye
Johnson	Aye
Unger	Aye

9. **DISTRICT GENERAL COUNSEL REPORT** –Mr. Granito indicated that he had no report but did indicate that recently introduced SB 998 which addresses the subject of “shutoffs” as reported tonight by the staff of Ortega Strategies Group, will no doubt, meet with concerns associated with the costs of implementing the proposed changes. Mr. Granito also commented briefly on the value of local community input and engagement early in the regulatory process on matters of importance to local communities.
10. **GENERAL MANAGER REPORT** – GM Sauer reported that at the last Board meeting it was suggested that USGS documents indicate that the Joshua Tree aquifer increased by some 50-60 feet in the 1990's. This chart illustrates the actual aquifer levels as recorded by the District. In consultation with USGS, I have confirmed that they have no data indicating the aquifer increased by 60 or more feet in any period. Indeed, if it had the aquifer would be higher than it was in the 1960's. On an average extraction rate of 1400 AF per year, natural recharge would have had to supply over 84,000 AF to raise the aquifer 50 feet. If average rainfall for the last 40 years is approximately 5 to 6 inches, and average natural recharge is estimated by USGS to be 175 AF, we would have to receive over 2,000 inches of rain to recharge the aquifer enough to raise it 50 feet.

GM Sauer continued to update the Board on the following:

- Chrome 6
- Well 14
- CEC Solar Grant
- Ordering Vehicles
- Capital Budget Adjustments

JBWD also received a complimentary call from a satisfied customer because of the helpfulness and patience Peggy gave her over the phone. A complete copy of GM Sauer's report is attached to the minutes at the District.

11. DIRECTOR REPORTS ON MEETINGS ATTENDED, COMMENTS AND FUTURE AGENDA ITEMS:

- Karen Tracy, Chairperson, CAC gave a brief overview of the topics that were discussed at the CAC meeting January 9, 2018. Topics included Reserve Fund, Fee Portion of Rate/Fee Study, and talking points of the Rate Study.
- Director Floen commented that MWA approved the Water Storage Agreement and discussed the MWA connection pipe.
- President Luckman attended the MWA Technical Advisory Committee meeting and that at the next meeting in two months there will be a field trip to the Victor Valley Wastewater Reclamation Authority.
- Kathleen Radnich, Public Outreach Consulted attended the High Desert Water District Summit along with Sarah Johnson, JBWD HR Manager, Randy Mayes, Interim Director Water Resources, and Operations. She also confirmed the District tours for February 22, 2018, and February 27, 2018, at the District Office. March 25, 2018, is Water Education Day also at the District office

Director Unger commented on the Special Districts Leadership Academy she attended for three days and mentioned how vital the Newsletter is to receive in each ratepayer bill.

Vice President Johnson invited everyone to the monthly Finance Committee. He also thanked Gary Wilson for his service, who had recently passed away.

Director Hund spoke on the Solar Feasibility Grant.

Director Floen commented on the upcoming Finance Committee meeting on February 14, 2018; he also mentioned Gary Wilson's funeral.

President Luckman commented on the Water Resources and Operations Committee that will immediately follow the Finance Committee on February 14, 2018.

12. FUTURE DIRECTOR MEETINGS AND TRAINING OPPORTUNITIES – President Luckman read the list of upcoming meetings.

13. ADJOURNMENT- President Luckman adjourned the meeting in honor of Gary Wilson, who had been a previous Board Member.

MSC/Unger/Johnson 5/0/0 to adjourn the Regular Meeting of the Board of Directors of January 17, 2018, at 8:10 p.m.

Floen	Aye
Hund	Aye
Luckman	Aye
Johnson	Aye
Unger	Aye

Respectfully submitted:

Curt Sauer, GM and Board Secretary

JOSHUA BASIN WATER DISTRICT
Minutes of February 8, 2018
SPECIAL MEETING OF THE BOARD OF DIRECTORS

1. CALL TO ORDER: 11:00 a.m.

2. PLEDGE OF ALLEGIANCE

3. DETERMINATION OF QUORUM: Mickey Luckman Present
Bob Johnson Present
Geary Hund Present
Rebecca Unger Present
Tom Floen Present

STAFF PRESENT: Curt Sauer, General Manager
Susan Greer, Assistant General Manager
Beverly Waszak, Executive Assistant

LEGAL COUNSEL PRESENT Gil Granito, Redwine & Sherrill
Neal Meyers, Fozi & Dwork

GUESTS 0

4. APPROVAL OF AGENDA –

MSC/Johnson/Floen 5/0/0 to approve the Agenda of the Special Meeting of the Board of Directors of February 8, 2018.

Floen Aye
Hund Aye
Luckman Aye
Johnson Aye
Unger Aye

5. PUBLIC COMMENT - None

6. ACQUIRE TWO REPLACEMENT VEHICLES AT A COST OF \$69,302- Recommend that the Board authorize the General Manager to acquire the two vehicles. Trucks 24 and 25 were identified as the highest priority. Quotes were solicited from three (3) dealerships identifying our specific requirements. Of the three (3) dealerships contacted, only I-10 Toyota submitted a complete and timely quote. Purchase one Toyota Tacoma at \$30,561.70 and one (1) Toyota Tundra for \$38,740.38 for a total of \$69,302.08. Both vehicles have been budgeted for \$76,850.00, which is a savings of \$7,547.00.

MSC/Johnson/Hund 5/0/0 authorizing the GM to purchase the two vehicles.

Floen Aye
Hund Aye
Luckman Aye
Johnson Aye
Unger Aye

7. **CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL-POTENTIAL LITIGATION**
Gilbert Granito, District General Counsel, read into record that at approximately 11:08 a.m., the Board went into Closed Session pursuant to paragraphs 2 of subdivision (d) of Government Code Section 54956.9 to consult with legal counsel and the District General Manager on a matter of potential litigation.

The Closed Session ended at approximately 12:16 p.m. and the Board returned to Open Session. No reportable action was taken.

8. **ADJOURNMENT-**

MSC/Unger/Luckman 5/0/0 to adjourn the Special Meeting of the Board of Directors of February 8, 2018, at 12:16 p.m.

Floen	Aye
Hund	Aye
Luckman	Aye
Johnson	Aye
Unger	Aye

Respectfully submitted:

Curt Sauer, General Manager

*Check Report JBWD

By Check Number

Date Range: 01/01/2018 - 01/31/2018



Joshua Basin Water District

Vendor Number Payable #	Vendor DBA Name Payable Type	Payment Date Payable Date	Payment Type Payable Description	Discount Amount Discount Amount	Payment Amount Payable Amount	Number
Bank Code: AP-AP Cash						
013227	LAYNE CHRISTENSEN COMPANY	01/29/2018	Regular	0.00	-91,283.53	59524
000575	AFSCME LOCAL 1902	01/03/2018	Regular	0.00	586.06	59593
<u>AFSCME1217</u>	Invoice	01/03/2018	EE UNION DUES - DEC 17	0.00	586.06	
013346	ANDY'S LANDSCAPE & TREE SERVICE INC.	01/03/2018	Regular	0.00	650.00	59594
<u>2270L</u>	Invoice	01/03/2018	DEMO GARDEN/BUILD MAINT THRU 12/1	0.00	650.00	
001012	BARTLE WELLS ASSOCIATES	01/03/2018	Regular	0.00	23,769.30	59595
<u>1001C</u>	Invoice	01/03/2018	RATE & FEE STUDY - 16/17	0.00	23,769.30	
000241	BRIAN'S LOCK SHOP	01/03/2018	Regular	0.00	865.00	59596
<u>8664</u>	Invoice	01/03/2018	OFFICE FRONT DOOR REPAIRS	0.00	865.00	
004110	BURRTEC WASTE & RECYCLING SVCS	01/03/2018	Regular	0.00	418.29	59597
<u>0118C</u>	Invoice	01/03/2018	TRASH REMOVAL - JAN 18	0.00	86.98	
<u>BW0118</u>	Invoice	01/03/2018	RECYCLING - JAN 18	0.00	60.41	
<u>BW0118B</u>	Invoice	01/03/2018	TRASH REMOVAL - JAN 18	0.00	270.90	
000237	COLONIAL LIFE & ACCIDENT INSURANCE CO, IN	01/03/2018	Regular	0.00	2,276.20	59598
<u>3990561-120521</u>	Invoice	01/03/2018	EE LIFE INSURANCE - DEC 17	0.00	2,276.20	
000330	CURT SAUER	01/03/2018	Regular	0.00	623.81	59599
<u>CSQ10218</u>	Invoice	01/03/2018	REIMB: JUL - DEC 17 MONTHLY MILEAGE	0.00	623.81	
VEN01466	FEDAK & BROWN LLP	01/03/2018	Regular	0.00	725.00	59600
<u>FR122317</u>	Invoice	01/03/2018	FINANCIAL AUDIT 16/17	0.00	725.00	
003025	FEDEX	01/03/2018	Regular	0.00	115.77	59601
<u>6-034-84760</u>	Invoice	01/03/2018	SHIPPING	0.00	115.77	
013222	FRONTIER CALIFORNIA INC.	01/03/2018	Regular	0.00	179.32	59602
<u>ECQ118</u>	Invoice	01/03/2018	HDMC WWTP - TELEPHONE	0.00	179.32	
000058	GARDA CL WEST, INC.	01/03/2018	Regular	0.00	606.41	59603
<u>10363128</u>	Invoice	01/03/2018	COURIER FEES - JAN 18	0.00	606.41	
013351	HELENITA C. YOUNGLOVE	01/03/2018	Regular	0.00	75.00	59604
<u>165</u>	Invoice	01/03/2018	NOTARY SERVICES	0.00	75.00	
004152	HI-DESERT STAR	01/03/2018	Regular	0.00	600.00	59605
<u>27241</u>	Invoice	01/03/2018	EE RECRUITING	0.00	600.00	
000012	JEREMIAH NAZARIO	01/03/2018	Regular	0.00	200.00	59606
<u>JN122817</u>	Invoice	01/03/2018	REIMB: SAFETY BOOTS	0.00	200.00	
009054	KATHLEEN J. RADNICH	01/03/2018	Regular	0.00	1,348.20	59607
<u>171210-1A</u>	Invoice	01/03/2018	PUBLIC RELATIONS SERVICES	0.00	361.20	
<u>171226-1</u>	Invoice	01/03/2018	PUBLIC RELATIONS SERVICES	0.00	550.20	
<u>171231-1</u>	Invoice	01/03/2018	PUBLIC RELATIONS SERVICES	0.00	436.80	
006029	LIEBERT CASSIDY WHITMORE	01/03/2018	Regular	0.00	6,388.50	59608
<u>1450561</u>	Invoice	01/03/2018	LEGAL SERVICES - NOV 17	0.00	524.00	
<u>1450562</u>	Invoice	01/03/2018	LEGAL SERVICES - EE MATTERS	0.00	5,864.50	
006790	MOBILE MINI, LLC - CA	01/03/2018	Regular	0.00	244.00	59609
<u>9003441097</u>	Invoice	01/03/2018	RELOCATE RECORD STORAGE UNIT	0.00	244.00	
006800	MOJAVE WATER AGENCY	01/03/2018	Regular	0.00	58.18	59610

*Check Report JBWD

Date Range: 01/01/2018 - 01/31/2018

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>INV02364</u>	Invoice	01/03/2018	NATIVE PLANT BROCHURES	0.00	58.18	
003930	NBS	01/03/2018	Regular	0.00	2,079.05	59611
<u>101700311</u>	Invoice	01/03/2018	CMM ADMIN FEES - 1ST QTR 18	0.00	2,079.05	
000070	ONLINE INFORMATION SERVICES, INC.	01/03/2018	Regular	0.00	247.65	59612
<u>832375</u>	Invoice	01/03/2018	ID VERIF. SERV. THRU 12/31/17	0.00	247.65	
000236	PAYPRO ADMINISTRATORS	01/03/2018	Regular	0.00	50.00	59613
<u>61170</u>	Invoice	01/03/2018	FSA ADMIN FEES - NOV 17	0.00	50.00	
008200	PITNEY BOWES INC.	01/03/2018	Regular	0.00	320.21	59614
<u>3101872245</u>	Invoice	01/03/2018	LEASING CHARGES - 4TH QTR 17	0.00	320.21	
008415	PRUDENTIAL OVERALL SUPPLY	01/03/2018	Regular	0.00	92.03	59615
<u>22536020</u>	Invoice	01/03/2018	SHOP EXPENSE	0.00	41.83	
<u>22536021</u>	Invoice	01/03/2018	SHOP EXPENSE	0.00	50.20	
006150	RANDY MAYES	01/03/2018	Regular	0.00	1,493.18	59616
<u>RM121817</u>	Invoice	01/03/2018	EDUCATION REIMBURSEMENT	0.00	1,493.18	
013218	OFFICETEAM	01/03/2018	Regular	0.00	1,419.60	59617
<u>49921982</u>	Invoice	01/03/2018	TEMPORARY LABOR	0.00	1,419.60	
000091	SAN BERNARDINO COUNTY RECORDER	01/03/2018	Regular	0.00	21.00	59618
<u>58121417</u>	Invoice	01/03/2018	RELEASE OF A LIEN	0.00	21.00	
010690	TYLER TECHNOLOGIES	01/03/2018	Regular	0.00	985.64	59619
<u>025-209473</u>	Invoice	01/03/2018	ANNUAL MAINT; OUTPUT DIRECTOR MAI	0.00	985.64	
000023	ULTIMATE MOTORS, INC.	01/03/2018	Regular	0.00	143.95	59620
<u>27120</u>	Invoice	01/03/2018	VEHICLE MAINT: V34	0.00	53.95	
<u>27155</u>	Invoice	01/03/2018	VEHICLE MAINT: V34	0.00	45.00	
<u>27221</u>	Invoice	01/03/2018	VEHICLE MAINT: V31	0.00	45.00	
010850	UNDERGROUND SERVICE ALERT	01/03/2018	Regular	0.00	336.70	59621
<u>1220170337</u>	Invoice	01/03/2018	TICKET DELIVERY SERVICE - DEC 17	0.00	336.70	
010990	UTILIQUEST L.L.C.	01/03/2018	Regular	0.00	2,004.80	59622
<u>256725-Q</u>	Invoice	01/03/2018	CONTRACT LOCATING EXPENSE	0.00	872.88	
<u>256971-Q</u>	Invoice	01/03/2018	CONTRACT LOCATING EXPENSE	0.00	1,131.92	
000327	WATER QUALITY SPECIALISTS	01/03/2018	Regular	0.00	3,310.00	59623
<u>5271</u>	Invoice	01/03/2018	HDMC WWTP: OPERATION & MAINT - DE	0.00	3,310.00	
VEN01257	YUCCA VALLEY CHRYSLER CENTER INC.	01/03/2018	Regular	0.00	135.00	59624
<u>7173</u>	Invoice	01/03/2018	VEHICLE MAINT: V34	0.00	135.00	
001555	CENTRATEL	01/09/2018	Regular	0.00	251.26	59637
<u>180103192101</u>	Invoice	01/09/2018	DISPATCH SERVICES - DEC 17	0.00	251.26	
001850	CLINICAL LAB OF S.B. INC	01/09/2018	Regular	0.00	932.00	59638
<u>959881</u>	Invoice	01/09/2018	HDMC WWTP SAMPLING- NOV 17	0.00	932.00	
001953	COUNTY OF SAN BERNARDINO DEPT OF PUBLIC	01/09/2018	Regular	0.00	4,725.00	59639
<u>CSBDP120717</u>	Invoice	01/09/2018	EXCAVATION PERMIT - VARIOUS LOCATIO	0.00	4,725.00	
006200	MCALLISTERS JANITORIAL SERV.	01/09/2018	Regular	0.00	580.00	59640
<u>62288</u>	Invoice	01/09/2018	JANITORIAL SERVICES - DEC 17	0.00	580.00	
013197	INTER VALLEY POOL SUPPLY, INC.	01/09/2018	Regular	0.00	409.75	59641
<u>102681</u>	Invoice	01/09/2018	WATER TREATMENT EXPENSE	0.00	409.75	
009054	KATHLEEN J. RADNICH	01/09/2018	Regular	0.00	829.22	59642
<u>180107-1</u>	Invoice	01/09/2018	PUBLIC RELATIONS SERVICES	0.00	829.22	
000134	KENNEDY/JENKS CONSULTANTS, INC.	01/09/2018	Regular	0.00	176.06	59643

*Check Report JBWD

Date Range: 01/01/2018 - 01/31/2018

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>117438</u>	Invoice	01/09/2018	CONSULTING: MULTIPLE PROJECTS	0.00	176.06	
013226	KENNY WARE	01/09/2018	01/09/2018 Regular	0.00	200.00	59644
<u>KW010818</u>	Invoice	01/09/2018	REIMB: SAFETY BOOTS	0.00	200.00	
000325	MAIL STREAM CORPORATION	01/09/2018	01/09/2018 Regular	0.00	5,374.19	59645
<u>522271</u>	Invoice	01/09/2018	PROP 218 MAILINGS	0.00	5,374.19	
008300	POSTMASTER	01/09/2018	01/09/2018 Regular	0.00	4,000.00	59646
<u>SD010418</u>	Invoice	01/09/2018	POSTAGE FOR WATER BILLING	0.00	4,000.00	
008405	PRECISION ASSEMBLY	01/09/2018	01/09/2018 Regular	0.00	2,769.30	59647
<u>17846</u>	Invoice	01/09/2018	NOV WATER BILL PRINT/MAIL	0.00	1,386.27	
<u>17894</u>	Invoice	01/09/2018	DEC WATER BILL PRINT/MAIL	0.00	1,383.03	
013350	PROFORMA SOCIAL	01/09/2018	01/09/2018 Regular	0.00	430.96	59648
<u>0H49007291</u>	Invoice	01/09/2018	WINDOW ENVELOPES	0.00	430.96	
VEN01020	SOUTHWEST NETWORKS, INC.	01/09/2018	01/09/2018 Regular	0.00	10,245.00	59649
<u>17-120015C</u>	Invoice	01/09/2018	IT SERVICES - 1/18 - 3/18	0.00	10,245.00	
013196	TELEPACIFIC COMMUNICATIONS	01/09/2018	01/09/2018 Regular	0.00	737.13	59650
<u>98571049-0</u>	Invoice	01/09/2018	TELEPHONE (OFFICE) - JAN 18	0.00	737.13	
000327	WATER QUALITY SPECIALISTS	01/09/2018	01/09/2018 Regular	0.00	14,188.60	59651
<u>5256</u>	Invoice	01/09/2018	HDMC WWTP: TWO ANOXIC MIXERS	0.00	14,188.60	
005672	WILLIAM H. KLINE	01/09/2018	01/09/2018 Regular	0.00	33.81	59652
<u>WK122617</u>	Invoice	01/09/2018	REIMB: MILEAGE & SHIPPING	0.00	33.81	
013354	J'S LINERS & ACCESSORIES	01/11/2018	01/11/2018 Regular	0.00	507.00	59657
<u>706035</u>	Invoice	01/11/2018	VEHICLE MAINTENANCE: V29	0.00	507.00	
000501	ACWA/JPIA	01/17/2018	01/17/2018 Regular	0.00	17,675.71	59658
<u>0528648</u>	Invoice	01/17/2018	EE HEALTH BENEFIT & EAP FEB 18	0.00	17,675.71	
000095	AIR RESOURCES BOARD (ARB / PERP)	01/17/2018	01/17/2018 Regular	0.00	1,140.00	59659
<u>P-41024-0318</u>	Invoice	01/17/2018	PERP RENEWAL FOR 2 ENGINES	0.00	1,140.00	
000502	ASSOCIATION OF CALIFORNIA	01/17/2018	01/17/2018 Regular	0.00	14,030.00	59660
<u>AG18</u>	Invoice	01/17/2018	AGENCY DUES 2018	0.00	14,030.00	
001630	AT&T MOBILITY	01/17/2018	01/17/2018 Regular	0.00	2,922.06	59661
<u>829480028X0105</u>	Invoice	01/19/2018	COMMUNICATIONS - DEC 17 & OFFICE SU	0.00	2,922.06	
001519	CALIFORNIA RURAL WATER ASSOC	01/17/2018	01/17/2018 Regular	0.00	1,240.00	59662
<u>CRWA010218</u>	Invoice	01/17/2018	MEMBERSHIP DUES 01/18 - 01/19	0.00	1,240.00	
001850	CLINICAL LAB OF S.B. INC	01/17/2018	01/17/2018 Regular	0.00	2,773.00	59663
<u>959880</u>	Invoice	01/17/2018	SAMPLING - NOV 17	0.00	1,051.00	
<u>960412</u>	Invoice	01/17/2018	HDMC WWTP SAMPLING- DEC 17	0.00	932.00	
<u>960413</u>	Invoice	01/17/2018	SAMPLING - DEC 17	0.00	790.00	
013365	IMAGE SOURCE	01/17/2018	01/17/2018 Regular	0.00	460.72	59664
<u>AR701788</u>	Invoice	01/17/2018	OFFICE EXPENSE 12/5/17 - 1/4/18	0.00	460.72	
013223	LAW OFFICE OF DAVID L. WYSOCKI	01/17/2018	01/17/2018 Regular	0.00	393.75	59665
<u>DW123117</u>	Invoice	01/17/2018	LEGAL SERVICES - DEC 17	0.00	393.75	
000058	GARDA CL WEST, INC.	01/17/2018	01/17/2018 Regular	0.00	25.70	59666
<u>70069057</u>	Invoice	01/17/2018	EVENXCHANGE FEES - DEC 17	0.00	25.70	
004720	INLAND WATER WORKS	01/17/2018	01/17/2018 Regular	0.00	7,193.61	59667
<u>S1006707.001</u>	Invoice	01/17/2018	PUMPING PLANT SUPPLIES	0.00	3,545.13	
<u>S1007561.001</u>	Invoice	01/17/2018	INVENTORY, MAINLINE & METER REPAIR	0.00	3,648.48	
013197	INTER VALLEY POOL SUPPLY, INC.	01/17/2018	01/17/2018 Regular	0.00	447.00	59668

*Check Report JBWD

Date Range: 01/01/2018 - 01/31/2018

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>103801</u>	Invoice	01/17/2018	WATER TREATMENT EXPENSE	0.00	447.00	
009054	KATHLEEN J. RADNICH	01/17/2018	Regular	0.00	781.20	59669
<u>180114-1</u>	Invoice	01/17/2018	PUBLIC RELATIONS SERVICES	0.00	781.20	
006504	MC CALL'S METERS SALES & SERVICE	01/17/2018	Regular	0.00	214.60	59670
<u>29917</u>	Invoice	01/17/2018	PUMPING PLANT SUPPLIES	0.00	214.60	
006507	McMASTER-CARR SUPPLY COMPANY	01/17/2018	Regular	0.00	3,164.47	59671
<u>52766412</u>	Invoice	01/17/2018	SMALL TOOLS/PUMPING PLANT SUPPLIES	0.00	1,320.07	
<u>53761366</u>	Invoice	01/17/2018	SHOP EXPENSE/SMALL TOOLS - PRODUCT	0.00	1,844.40	
000236	PAYPRO ADMINISTRATORS	01/17/2018	Regular	0.00	50.00	59672
<u>61764</u>	Invoice	01/17/2018	FSA ADMIN FEES - DEC 17	0.00	50.00	
008202	PITNEY BOWES INC.	01/17/2018	Regular	0.00	133.34	59673
<u>1004730892</u>	Credit Memo	01/17/2018	OFFICE SUPPLIES	0.00	-62.64	
<u>1006243438</u>	Invoice	01/17/2018	OFFICE SUPPLIES	0.00	195.98	
008415	PRUDENTIAL OVERALL SUPPLY	01/17/2018	Regular	0.00	92.03	59674
<u>22542967</u>	Invoice	01/17/2018	SHOP EXPENSE	0.00	41.83	
<u>22542969</u>	Invoice	01/17/2018	SHOP EXPENSE	0.00	50.20	
013360	REDWINE AND SHERRILL, LLP	01/17/2018	Regular	0.00	4,158.00	59675
<u>1067</u>	Invoice	01/17/2018	LEGAL SERVICES - DEC 17	0.00	4,158.00	
013218	OFFICETEAM	01/17/2018	Regular	0.00	2,413.33	59676
<u>50004848</u>	Invoice	01/17/2018	TEMPORARY LABOR	0.00	1,366.37	
<u>50005152</u>	Invoice	01/17/2018	TEMPORARY LABOR	0.00	1,046.96	
008414	PROVIDEO	01/17/2018	Regular	0.00	300.00	59677
<u>1147</u>	Invoice	01/17/2018	VIDEO TAPING & YOU TUBE BD MEETING	0.00	300.00	
009659	SENSUS METERING SYSTEMS	01/17/2018	Regular	0.00	1,715.95	59678
<u>2A18000209</u>	Invoice	01/17/2018	ANN'L SUPPORT THRU 3/29/19	0.00	1,715.95	
009920	STANDARD INSURANCE CO	01/17/2018	Regular	0.00	905.89	59679
<u>ST0118</u>	Invoice	01/17/2018	EE LIFE INSURANCE - JAN 18	0.00	905.89	
001898	STEPHEN CORBIN	01/17/2018	Regular	0.00	42.39	59680
<u>SC011618</u>	Invoice	01/17/2018	REIMB: SHIPPING; PUMPING PLANT SUPP	0.00	42.39	
011101	VAGABOND WELDING SUPPLY	01/17/2018	Regular	0.00	337.13	59681
<u>103621</u>	Invoice	01/17/2018	SMALL TOOLS - PRODUCTION	0.00	337.13	
000063	ACS DIGITAL MEDIA	01/17/2018	Regular	0.00	180.00	59682
<u>2569</u>	Invoice	01/17/2018	ANNUAL WEBSITE HOSTING	0.00	180.00	
013366	THE SOCO GROUP, INC.	01/17/2018	Regular	0.00	2,647.25	59683
<u>0481249-IN</u>	Invoice	01/17/2018	FUEL FOR VEHICLES	0.00	613.89	
<u>0481250-IN</u>	Invoice	01/17/2018	FUEL FOR VEHICLES	0.00	2,033.36	
010690	TYLER TECHNOLOGIES	01/17/2018	Regular	0.00	128.70	59684
<u>025-211343</u>	Invoice	01/17/2018	CALL NOTIFICATION FEES: OCT-DEC	0.00	128.70	
010990	UTILIQUEST L.L.C.	01/17/2018	Regular	0.00	71.12	59685
<u>257241-Q</u>	Invoice	01/17/2018	CONTRACT LOCATING EXPENSE	0.00	37.68	
<u>257555-Q</u>	Invoice	01/17/2018	CONTRACT LOCATING EXPENSE	0.00	33.44	
000327	WATER QUALITY SPECIALISTS	01/17/2018	Regular	0.00	1,488.61	59686
<u>5292</u>	Invoice	01/17/2018	HDMC WWTP: UPS INSTALLATION	0.00	1,488.61	
011615	WESTERN EXTERMINATOR CO.	01/17/2018	Regular	0.00	32.00	59687
<u>WE123117</u>	Invoice	01/17/2018	PEST CONTROL SERVICES - SHOP	0.00	32.00	
013787	WESTIN TECHNOLOGY SOLUTIONS, LLC	01/17/2018	Regular	0.00	5,855.41	59688

*Check Report JBWD

Date Range: 01/01/2018 - 01/31/2018

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>10075</u>	Invoice	01/17/2018	ORGANIZATIONAL ASSESSMENT	0.00	5,855.41	
013359	XEROX FINANCIAL SERVICES	01/17/2018	Regular	0.00	395.66	59689
<u>1033860</u>	Invoice	01/17/2018	OFFICE EXPENSE 1/7/18 - 2/6/18	0.00	395.66	
000233	NAPA AUTO PARTS	01/17/2018	Regular	0.00	87.31	59690
<u>225213</u>	Invoice	01/17/2018	SMALL TOOLS - DISTRIBUTION	0.00	31.53	
<u>225304</u>	Invoice	01/17/2018	SMALL TOOLS - DISTRIBUTION	0.00	19.58	
<u>225828</u>	Invoice	01/17/2018	TOOL/ EQUIPMENT REPAIR SUPPLIES	0.00	36.20	
VEN01257	YUCCA VALLEY CHRYSLER CENTER INC.	01/17/2018	Regular	0.00	350.97	59691
<u>7553</u>	Invoice	01/17/2018	VEHICLE REPAIR: V31	0.00	350.97	
013227	LAYNE CHRISTENSEN COMPANY	01/29/2018	Regular	0.00	91,283.53	59698
<u>92083311</u>	Invoice	12/05/2017	WELL 14 REHAB	0.00	91,283.53	
000501	ACWA/JPIA	01/31/2018	Regular	0.00	9,159.32	59699
<u>JPIA123117</u>	Invoice	01/31/2018	WORKERS COMP OCT - DEC 17	0.00	9,159.32	
000575	AFSCME LOCAL 1902	01/31/2018	Regular	0.00	597.91	59700
<u>AFSCME0118</u>	Invoice	01/31/2018	EE UNION DUES - JAN 18	0.00	597.91	
013346	ANDY'S LANDSCAPE & TREE SERVICE INC.	01/31/2018	Regular	0.00	650.00	59701
<u>23001</u>	Invoice	01/31/2018	DEMO GARDEN/BUILD MAINT THRU 1/15	0.00	650.00	
003025	FEDEX	01/31/2018	Regular	0.00	135.88	59702
<u>6-054-77398</u>	Invoice	01/31/2018	SHIPPING	0.00	66.09	
<u>6-069-53668</u>	Invoice	01/31/2018	SHIPPING	0.00	69.79	
013351	HELENITA C. YOUNGLOVE	01/31/2018	Regular	0.00	90.00	59703
<u>170</u>	Invoice	01/31/2018	NOTARY SERVICES	0.00	90.00	
005150	JOSHUA TREE CHAMBER	01/31/2018	Regular	0.00	200.00	59704
<u>931-383</u>	Invoice	01/31/2018	ADVERTISING: JT DOWNTOWN MAP	0.00	200.00	
013789	KAREN TRACEY	01/31/2018	Regular	0.00	72.36	59705
<u>KTO12518</u>	Invoice	01/31/2018	REIMB: MILES: MWA MEETING	0.00	72.36	
009054	KATHLEEN J. RADNICH	01/31/2018	Regular	0.00	1,818.60	59706
<u>180121-1</u>	Invoice	01/31/2018	PUBLIC RELATIONS SERVICES	0.00	970.20	
<u>180128-1</u>	Invoice	01/31/2018	PUBLIC RELATIONS SERVICES	0.00	848.40	
009952	KELLY STEWART	01/31/2018	Regular	0.00	949.64	59707
<u>KSO12518</u>	Invoice	01/31/2018	REIMB: CROSS-CONNECTION TRAINING E	0.00	949.64	
000091	SAN BERNARDINO COUNTY RECORDER	01/31/2018	Regular	0.00	74.00	59708
<u>SB011818</u>	Invoice	01/31/2018	RELEASE OF A LIEN	0.00	74.00	
013228	SARAH J. JOHNSON	01/31/2018	Regular	0.00	127.42	59709
<u>SJ120417</u>	Invoice	01/31/2018	REIMB: MILES: ACWA CONFERENCE & OF	0.00	127.42	
009980	SWRCB FEES	01/31/2018	Regular	0.00	155.00	59710
<u>SWRCB-013118</u>	Invoice	01/31/2018	D-4 RENEWAL	0.00	155.00	
000510	TIME WARNER CABLE	01/02/2018	Manual	0.00	343.61	900873
<u>0008970121317</u>	Invoice	01/02/2018	CABLE & INTERNET - DEC 17	0.00	343.61	
009878	SOUTHERN CALIFORNIA EDISON	01/03/2018	Manual	0.00	26,092.49	900874
<u>SCE1217</u>	Invoice	01/03/2018	POWER FOR PUMPING - DEC 17	0.00	26,092.49	
009898	SOCALGAS	01/10/2018	Manual	0.00	311.89	900875
<u>GAS1217</u>	Invoice	01/10/2018	HEAT FOR SHOP - THRU 12/14/17	0.00	311.89	
000236	PAYPRO ADMINISTRATORS	01/12/2018	Manual	0.00	449.97	900876
<u>PPE 1-5-18</u>	Invoice	01/12/2018	EE FSA DEDUCTIONS 1-12-18	0.00	449.97	
000248	PAYCHEX	01/12/2018	Manual	0.00	657.85	900877

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Date Range: 01/01/2018 - 01/31/2018

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>312727</u>	Invoice	01/12/2018	PAYROLL & W2 PROCESSING FEES	0.00	657.85	
000248	PAYCHEX	01/12/2018	Manual	0.00	99.00	900878
<u>17521888</u>	Invoice	01/12/2018	TIME & LABOR ONLINE USAGE FEE	0.00	99.00	
001517	CalPERS	01/16/2018	Manual	0.00	9,950.23	900879
<u>PPF 1-5-18</u>	Invoice	01/16/2018	PAY PERIOD ENDING 1/05/18	0.00	9,950.23	
VEN01533	PAYMENTUS GROUP INC.	01/17/2018	Manual	0.00	2,233.65	900880
<u>US17120189</u>	Invoice	01/17/2018	CREDIT CARD PROCESSING FEE - DEC 17	0.00	2,233.65	
001005	BANK OF AMERICA	01/19/2018	Manual	0.00	3,971.00	900881
<u>BA0118</u>	Invoice	01/19/2018	DIRECTOR & CAC TRAINING/OFFICE SUPP	0.00	3,971.00	
001004	BUSINESS CARD	01/19/2018	Manual	0.00	1,154.36	900882
<u>BA0118</u>	Invoice	01/19/2018	TELEPHONE (OFFICE)/PUBLIC INFO SUPPL	0.00	1,154.36	
001008	BUSINESS CARD	01/19/2018	Manual	0.00	3,640.89	900883
<u>BA0118</u>	Invoice	01/19/2018	PUMPING PLANT SUPPLIES/SMALL TOOLS	0.00	3,640.89	
004195	HOME DEPOT CREDIT SERVICES	01/25/2018	Manual	0.00	431.07	900884
<u>HD0118</u>	Invoice	01/25/2018	SHOP EXPENSE/SMALL TOOL-DIST/BUILD	0.00	431.07	
000236	PAYPRO ADMINISTRATORS	01/26/2018	Manual	0.00	449.97	900885
<u>PPF 1-19-18</u>	Invoice	01/26/2018	EE FSA DEDUCTIONS 1-26-18	0.00	449.97	
000248	PAYCHEX	01/26/2018	Manual	0.00	343.80	900886
<u>313364</u>	Invoice	01/26/2018	PAYROLL PROCESSING FEE	0.00	343.80	
001517	CalPERS	01/29/2018	Manual	0.00	10,205.92	900887
<u>PPF 1-19-18</u>	Invoice	01/29/2018	PAY PERIOD ENDING 1/19/18	0.00	10,205.92	
000510	TIME WARNER CABLE	01/31/2018	Manual	0.00	343.61	900888
<u>0008970011318</u>	Invoice	01/31/2018	CABLE & INTERNET - JAN 18	0.00	343.61	
VEN01075	CALIFORNIA STATE BOARD OF EQUALIZATION	01/31/2018	Manual	0.00	1,794.00	900889
<u>BOE013118</u>	Invoice	01/31/2018	SALES TAX REMITTANCE - CALENDAR YEA	0.00	1,794.00	
009880	SOUTHERN CALIFORNIA EDISON CO	01/31/2018	Manual	0.00	2,305.61	900890
<u>SCE0118</u>	Invoice	01/31/2018	POWER TO BLDGS & GEN - JAN 18	0.00	2,305.61	
000025	ICMA RC	01/31/2018	Manual	0.00	3,809.94	900891
<u>900891</u>	Invoice	01/31/2018	457 REMITTANCE - JAN 18	0.00	3,809.94	

Bank Code AP Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	119	96	0.00	277,917.70
Manual Checks	19	19	0.00	68,588.86
Voided Checks	0	1	0.00	-91,283.53
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	138	116	0.00	255,223.03

CONTROLLER/ASSISTANT GM

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

Susan Greer

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>
10-00380-016	COLDWELL BANKER/ROADRUNNER	1/4/2018	Refund	62.96	Check #: 59625
12-00070-003	TUMS, LLC	1/4/2018	Refund	28.67	Check #: 59626
59-00208-009	CARDENAS, ANTHONY J	1/4/2018	Refund	6.77	Check #: 59627
62-00160-014	PINAR, TIMOTHY R	1/4/2018	Refund	88.36	Check #: 59628
62-00241-007	WILLIAMS ENTERPRISES INC	1/4/2018	Refund	95.01	Check #: 59629
63-00045-004	PALMER, GARY & DENISE	1/4/2018	Refund	147.61	Check #: 59630
07-00078-013	BARTON, JOHN P	1/4/2018	Refund	40.78	Check #: 59631
07-00115-005	AVALOS, PAUL H	1/4/2018	Refund	24.63	Check #: 59632
55-00134-013	BULLARD, KELLY	1/4/2018	Refund	0.63	Check #: 59633
56-00166-015	BUSBY, LAURA E	1/4/2018	Refund	7.64	Check #: 59634
62-00207-008	EGSTAD, NATALIE	1/4/2018	Refund	76.21	Check #: 59635
65-00328-002	HELPING HANDS FINANCIAL INC	1/4/2018	Refund	30.00	Check #: 59636
09-00034-009	PDQ INVESTMENTS	1/9/2018	Refund	43.78	Check #: 59653
62-00029-001	ROOT, CHRISTOPHER	1/9/2018	Refund	25.78	Check #: 59654
62-00054-019	EVANS, MICHAEL Z	1/9/2018	Refund	7.48	Check #: 59655
65-00403-003	ARTEAGA, JOSE M	1/9/2018	Refund	86.49	Check #: 59656
03-00151-004	SIMPKINSON, HENRY A	1/17/2018	Reverse Refund Check Adjustment	(79.38)	VOID REFUND CHECK #58865
04-00092-009	JOHNSON, MARK R	1/17/2018	Refund	11.11	Check #: 59692
05-00022-008	PDQ INVESTMENTS	1/17/2018	Refund	40.96	Check #: 59693
08-00038-021	COOPER, ADRIENNE M	1/17/2018	Refund	8.28	Check #: 59694
10-00060-001	BANTA, RICHARD H	1/17/2018	Refund	121.73	Check #: 59695
58-00239-007	MITCHELL, JACKIE F	1/17/2018	Refund	19.90	Check #: 59696
03-00151-004	SIMPKINSON, HENRY A	1/17/2018	Refund	79.38	Check #: 59697
10-00380-016	COLDWELL BANKER/ROADRUNNER	1/31/2018	Refund	11.59	Check #: 59711
11-00140-003	LOWE, KAREN P	1/31/2018	Refund	25.78	Check #: 59712
14-00041-015	HARRIS, SARAH R	1/31/2018	Refund	2.82	Check #: 59713
51-00102-005	ANDERSEN, DEBORAH	1/31/2018	Refund	70.28	Check #: 59714
53-00028-002	MINAKAWA, GERARD	1/31/2018	Refund	42.55	Check #: 59715
59-00208-009	CARDENAS, ANTHONY J	1/31/2018	Refund	6.77	Check #: 59716
65-00091-000	NANCE, JOHN	1/31/2018	Refund	55.58	Check #: 59717
03-00228-006	JEAN, ARLENE	1/31/2018	Refund	16.14	Check #: 59718
04-00076-004	ABEL, MERL R	1/31/2018	Refund	44.30	Check #: 59719
04-00165-012	HOGUE, RAYANA M	1/31/2018	Refund	46.09	Check #: 59720
05-00070-009	FIELD, ARABELLA D	1/31/2018	Refund	198.99	Check #: 59721
09-00089-011	MCNAMEE, JOSEPH A	1/31/2018	Refund	110.13	Check #: 59722
53-00098-006	COOGEN, JAIMIE O	1/31/2018	Refund	49.39	Check #: 59723
57-00026-005	ADAMS, SUSAN A	1/31/2018	Refund	49.09	Check #: 59724
58-00104-003	ASSOCIATION, FEDERAL NATIONAL MORTGAGE	1/31/2018	Refund	30.77	Check #: 59725
59-00232-006	11/1/95, JOECKLE FAMILY TRUST	1/31/2018	Refund	7.74	Check #: 59726
62-00241-008	WILLIAMS ENTERPRISES INC	1/31/2018	Refund	92.52	Check #: 59727
65-00238-000	HUNT, DENNIS W	1/31/2018	Refund	1.72	Check #: 59728
				<u>1,837.03</u>	

JOSHUA BASIN WATER DISTRICT**JANUARY 2018****DIRECTOR PAY****PAY PERIODS: 12/23/2017 - 1/19/2018**

Director	Date	Type	Amount	Notes
THOMAS FLOEN	01/17/2018	Director Pay	173.63	JBWD BOARD MEETING
			<u>173.63</u>	
GEARY HUND	01/10/2018	Director Pay	173.63	WATER RESOURCES & OPS COMMITTEE MEETING
GEARY HUND	01/17/2018	Director Pay	173.63	JBWD BOARD MEETING
			<u>347.26</u>	
ROBERT JOHNSON	01/06/2018	Director Pay	173.63	11/27/17 ACWA FALL CONFERENCE
ROBERT JOHNSON	01/06/2018	Director Pay	173.63	11/28/17 ACWA FALL CONFERENCE
ROBERT JOHNSON	01/06/2018	Director Pay	173.63	11/29/17 ACWA FALL CONFERENCE
ROBERT JOHNSON	01/08/2018	Director Pay	173.63	11/30/17 ACWA FALL CONFERENCE
ROBERT JOHNSON	01/06/2018	Director Pay	173.63	12/01/17 ACWA FALL CONFERENCE
ROBERT JOHNSON	01/06/2018	Mileage/Vehicle Expense	62.60	11/27/17 MILES: ACWA FALL CONFERENCE
ROBERT JOHNSON	01/06/2018	Mileage/Vehicle Expense	62.60	12/01/17 MILES: ACWA FALL CONFERENCE
ROBERT JOHNSON	01/17/2018	Director Pay	173.63	JBWD BOARD MEETING
			<u>1,166.98</u>	
MICKEY C LUCKMAN	01/03/2018	UNPAID DIRECTOR	0.00	LEGISLATIVE & PUBLIC INFO COMMITTEE MEETING
MICKEY C LUCKMAN	01/10/2018	Director Pay	173.63	FINANCE COMMITTEE MEETING
MICKEY C LUCKMAN	01/17/2018	Director Pay	173.63	JBWD BOARD MEETING
			<u>347.26</u>	
REBECCA UNGER	01/03/2018	Director Pay	173.63	LEGISLATIVE & PUBLIC INFO COMMITTEE MEETING
REBECCA UNGER	01/17/2018	Director Pay	173.63	JBWD BOARD MEETING
			<u>347.26</u>	
TOTAL			<u><u>2,382.39</u></u>	

JOSHUA BASIN WATER DISTRICT
MEETING AGENDA REPORT

Meeting of the Board of Directors

Report to: Board of Directors

Prepared by: Susan Greer



TOPIC:

PUBLIC HEARING TO CONSIDER INCREASES TO WATER RATES AND CHARGES

RECOMMENDATION:

Recommend the Board take the following action:

1. Accept and file Water Rate Study report
2. Hold public hearing to consider rate increase
3. Approve Resolution 18-982 implementing rate increases

ANALYSIS:

In an attempt to be transparent, the District has been discussing water rate increases for about 1.5 years, and the Board approved the \$42,200 cost to conduct the rate study in December 2016.

Our rate study consultant has presented information to the Board and the Citizens Advisory Committee (CAC) at ten different public meetings on seven different dates, starting last September, over five months ago. Several different iterations of the proposed rates were presented for consideration at those meetings, as we worked through the many questions and issues and the proposals were refined based on Board, CAC, and community input.

The objectives of the rate study were to develop water rates that:

- Recover the costs of providing water service, including operating, capital and water supply funding needs;
- Are fair and equitable to all customers;
- Are easy to understand and implement;
- Provide conservation incentive and help minimize the impact of rate increases on customers with low water use;
- Reflect the cost of providing service and comply with the substantive requirements of the California Constitution; and
- Support JBWD's long-term operational and financial stability.

Based upon more than a year of discussion and ten different public meetings on the subject, water rates for the next five years have been proposed, which were recommended by the CAC. The proposed rates provide an emphasis on repair and replacement of aging facilities, funding imported water purchases to support sustainability of the long-term water supply and keeping up with inflation. The proposed rates, along with rate study assumptions and findings, are all detailed in the Water Rate Study Report, attached, which needs to be accepted and filed by the Board. District counsel Gil Granito has already reviewed the Report.

The public hearing should be conducted as follows:

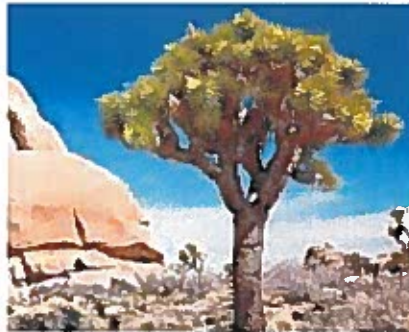
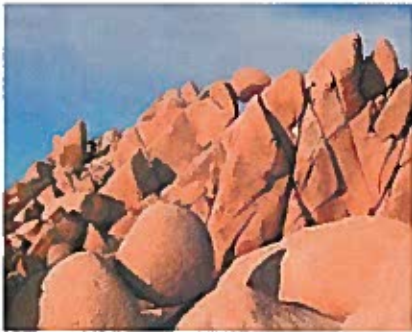
- Public hearing opened by the presiding officer
- Receive Staff and Consultant presentations
- Questions of Staff or Consultant from Board of Directors
- Public testimony portion of the hearing opened by the presiding officer
- Public testimony received
- Public testimony hearing closed by presiding officer
- Questions of Staff or Consultant by Board of Directors
- Discussion by Board of Directors
- Action by Board of Directors

The mailed notices informing of the proposed rates and providing instructions and opportunity for protest were sent to all customers as well as property owners, if different than account holders; over 7,200 notices mailed for our 5,478 accounts. The protest process, per the California Constitution, allows one protest per parcel, either the account-holder or property owner, not both. Only those parcels with water meters are eligible to protest. Pursuant to the California Constitution that regulates the protest process, if there is a majority protest to the rate increase, rates may not be increased. Protests will be counted at the meeting.

Our rate study consultant, Alex Handlers, will also be at the meeting to provide a presentation.

FISCAL IMPACT:

Proposed rates will increase current annual water revenues, based on the 17/18 Revised Operating Budget, from \$3,715,774 to \$4,560,000 next year, while at the same time drawing down reserves by over \$550,000 for funding of capital projects. Additional increases to revenues and spend-down of reserves will occur over the remaining three years, through fiscal year 2021/2022.



Water Rate Study

Final Draft

January 31, 2018



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

1889 Alcatraz Avenue
Berkeley, CA 94703
Tel: 510 653 3399
www.bartlewells.com

January 31, 2018

Joshua Basin Water District
P.O. Box 675 / 61750 Chollita Road
Joshua Tree, CA 92252

Bartle Wells Associates is pleased to submit the attached *Water Rate Study*. The study develops water rates for the next five years based on a cost-of-service approach. The proposed rates were developed with substantial input from JBWD and the District's Citizens Advisory Committee, and are designed to a) fund JBWD's costs of providing service over the next 5 years, b) fairly apportion costs to JBWD customers, c) and gradually increase conservation incentive while partially reducing the rate impacts on low water users.

As noted in the report, JBWD is facing a number of financial challenges in upcoming years. The proposed rate adjustments are needed to ensure adequate funding for ongoing operations, provide increased levels of funding for replacement of aging facilities, and enable JBWD to increase water purchases from the Mojave Water Agency to help replenish the groundwater basin and support a long-term sustainable water supply.

The proposed rates are gradually phased in over five years to help meet JBWD's financial needs while minimizing the annual impact on ratepayers. While the proposed rate increases do not address all of the District's future financial needs, they will enable JBWD to take substantial steps toward addressing its long-term financial challenges.

I enjoyed working with JBWD on this assignment and appreciate the ongoing input and assistance received from JBWD staff, Board Members, and the Citizens Advisory Committee. Please contact me anytime if you have questions about this report or other issues related to rates and finances.

BARTLE WELLS ASSOCIATES

Alex Handlers, CIPMA
Principal/Vice-President

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1 BACKGROUND & OBJECTIVES

1.1 Background

Joshua Basin Water District (JBWD or District) provides water service to more than 5,400 homes, businesses, and properties within a 96-square-mile service area in the community of Joshua Tree, California. The District is located about 125 miles east of Los Angeles in San Bernardino County. JBWD was formed in 1963 and is governed by a five-member Board of Directors elected from the community.

JBWD is financially self-supporting and relies primarily on revenues from water service charges to fund the costs of operating and maintaining the water system. JBWD's water rates are currently in the lower-middle range compared to other regional agencies. However, the District is currently facing a number of substantial financial challenges that will require significant rate increases in upcoming years.

JBWD owns and operates roughly 310 miles of water system pipelines, 5 wells, 17 water storage tanks, 11 booster stations and a groundwater recharge facility. Roughly 175 miles of JBWD's water pipelines were installed 40 to 70 years ago and are approaching the end of their useful lives. Other facilities including booster pumps, wells and water tanks are aging and will need to be refurbished in upcoming years. An engineering analysis of the water system developed by Dudek, the District's consulting engineers, identifies the need for approximately \$2.5 million of capital improvement funding each year for the next 30 years to gradually replace aging infrastructure, address current deficiencies, and improve system reliability.

JBWD relies on groundwater for 100% of the community's water supply. Local water demand exceeds the level of natural recharge. This has resulted in a gradual decrease in groundwater levels. JBWD recently began purchasing imported water from the Mojave Water Agency to help recharge the groundwater basin and reduce further groundwater depletion. While the District is not in any imminent danger of over-depleting its groundwater resources, additional funding for imported water purchases will be needed in upcoming years to support the sustainability of the District's long-term water supply.

The District also faces potential need to fund treatment facilities for Chromium 6, a naturally occurring chemical in the District's groundwater that is a suspected carcinogen. Concentration levels in the District's groundwater are substantially below existing state and federal standards. However, the State is in the process of establishing new, substantially more-stringent regulatory standards that would require the District to install and operate new treatment facilities to ensure compliance.

1.2 Rate Study Objectives

In 2017, JBWD retained Bartle Wells Associates (BWA) to help the District evaluate financial scenarios and develop a long-term financial plan and water rate study. BWA developed the District's prior rate study in 2013. Key goals and objectives of this rate study include developing water rates that:

- Recover the costs of providing water service, including operating, capital, and water supply funding needs;
- Are fair and equitable to all customers;
- Are easy to understand and implement;
- Provide conservation incentive and help minimize the impact of rate increases on customers with low water use;
- Reflect the cost of providing service and comply with the substantive requirements of the California Constitution, Article 13D, Section 6 (established by Proposition 218) and the general mandate of Article 10, Section 2;
- Support JBWD's long-term operational and financial stability.

Final recommendations were developed with substantial input from the District and the District's *Citizens Advisory Committee (CAC)*, a group of community members that has been advising the Board of Directors and providing community input on a wide range of policy issues since 2005.

This report summarizes findings and recommendations and develops water rate projections for the next five years. The proposed water rates include both a) overall rate increases needed to fund JBWD's costs of providing service as well as b) modifications to the rate structure designed to gradually increase conservation incentive and equitably apportion costs to all customers.

1.3 Rate Study Process

The rates recommendations presented in this report were developed via a process that incorporated substantial input via a series of public meetings held with the District's Citizen's Advisory Committee and Board of Directors. Public meetings held during development of the proposed rates include:

- Sep-12 Water rate study introduction at a Board Meeting; received initial input on study objectives, key issues, and challenges.
- Oct-18 Presented preliminary findings and received input for development of draft financial and rate projections at CAC and Board Meetings.
- Nov-1 Presented draft financial scenarios, preliminary rate projections and bill impacts, and received input at CAC and Board Meetings.
- Nov-14 & 15 Reviewed revised financial scenarios and rate projections, discussed conceptual rate structure alternatives, and received input at CAC and Board Meetings.
- Dec-6 Presented honed financial and rate scenarios, received CAC approval for proposed rates, and received additional input at CAC and Board Meetings.
- Dec-20 Presented final recommendations and received Board approval for mailing a Proposition 218 Notice and holding a Public Hearing to consider approval of proposed rates.

In early January 2018, the District mailed the required Proposition 218 Notices informing customers of a Public Hearing on the proposed rates. The Public Hearing is scheduled for February 21, 2018. At the Public Hearing, the District's Board of Directors will consider adoption of the proposed rates. If the proposed rates are adopted, the initial rate increase would become effective on March 1, 2018 with future year increases becoming effective on January 1 of subsequent years.

2 WATER RATES & FINANCES

2.1 Current Water Rates

The following table shows JBWD's current water rates, which have been effective since January 2017. These rates were adopted in January 2014 as part of multi-year rate increase that gradually raised rates by 7% per year. The rates are based on a prior Water Rate Study completed in 2013.

Current Water rates			
BASIC MONTHLY FEE (FIXED CHARGE)			
<u>Meter Size</u>	<u>Capacity (gpm)</u>	<u>Monthly Rate</u>	<u>Per Day</u>
3/4" & 1"	30	\$25.78	\$0.85
1-1/2"	100	85.93	2.83
2"	160	137.49	4.52
3"	300	257.79	8.48
MONTHLY WATER USAGE CHARGES (PER HCF)			
For 3/4" & 1" Meters			
<u>Consumption</u>		<u>Rate per hcf</u>	<u>Per 100 gallons</u>
0 - 5 units		\$3.00	\$0.40
5.01 - 10 units		3.50	0.47
10.01 - 20 units		4.00	0.53
20.01 + units		4.50	0.60
For 1-1/2", 2" and 3" Meters		<u>Rate per hcf</u>	
Unit rate per all water use		\$3.79	0.51

1 unit = 1 hcf = one hundred cubic feet = 748 gallons

JBWD's water service charges include two components:

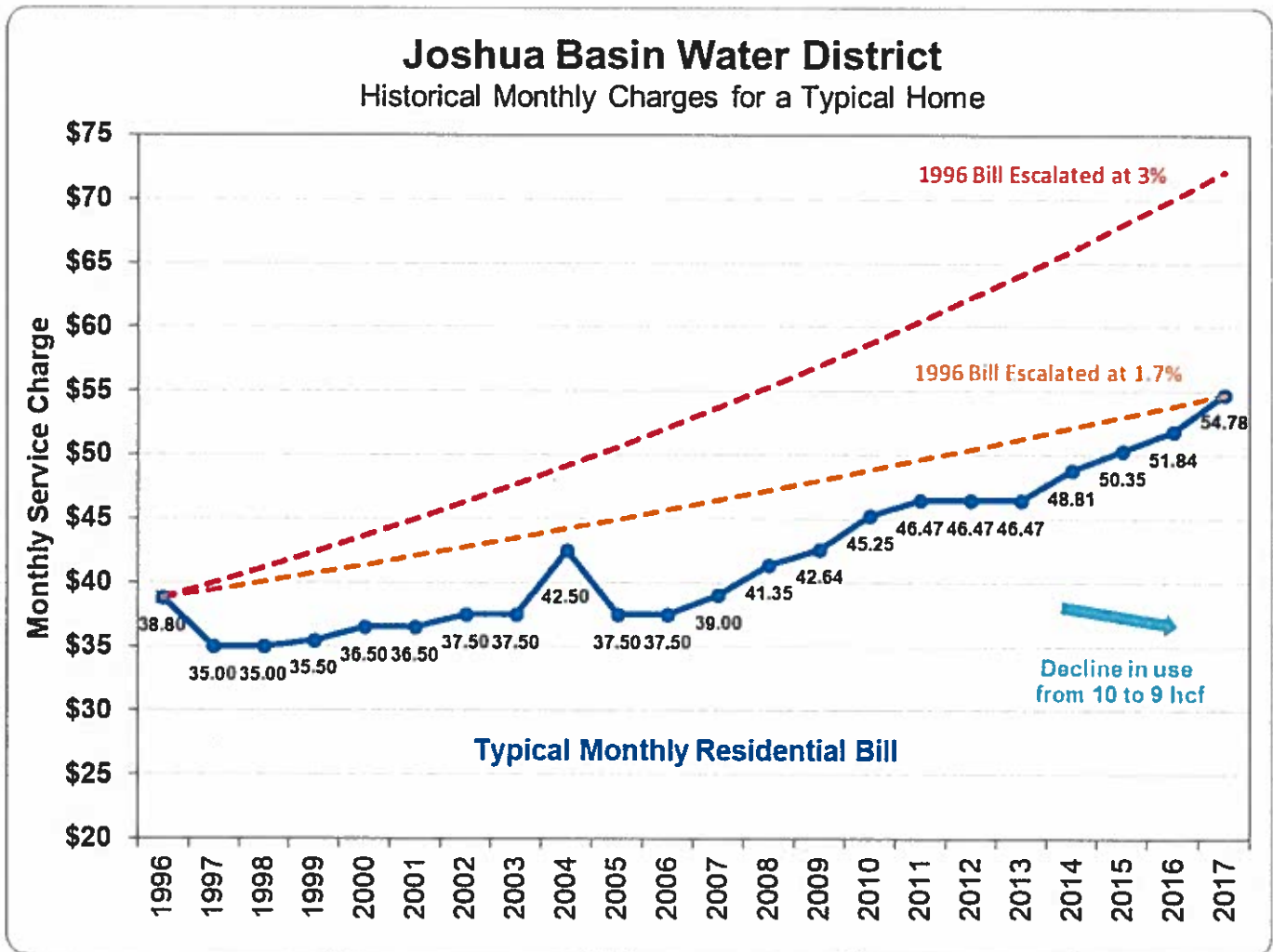
- A fixed **Basic Monthly Fee** based on meter size purchased. This charge is levied independent of water use and recovers a portion of the District's fixed costs for providing service. JBWD incurs a substantial amount of costs ensuring that water is available at all times to meet customer needs on demand. The Basic Monthly Fee varies by meter size and capacity, with larger meters paying higher charges based on the increased capacity and latent demand placed on the water system associated with each meter size. The Basic Monthly Fee was designed to recover 40% of water rate revenues. However, due to a decrease in the volume of water sales in recent years, revenues from these fixed charges currently recover approximately 46% of total water rate revenues.
- **Volumetric Monthly Water Flow Charges** billed based on metered water use. This charge is levied on actual water use and recovers variable costs of providing water service as well as portion of

fixed costs allocated to volumetric cost recovery. Water Flow Charges for customers with 3/4-inch and 1-inch meters are billed according to a 4-tiered inclining rate structure with water purchased first in Tier 1 and then subsequently in higher tiers as water use increases. Accounts with larger meters pay a uniform rate for each unit of metered water use. These volumetric charges currently recover approximately 54% of total water rate revenues.

The District's Water Flow Charges are billed in units of 100 cubic feet (hcf), which equates to approximately 748 gallons. Hence the District's current usage-based rates of \$3.00 to \$4.50 per hcf equates to \$0.40 to \$0.60 per 100 gallons, with the average rate of water around \$0.50 per 100 gallons, or about a half-cent per gallon.

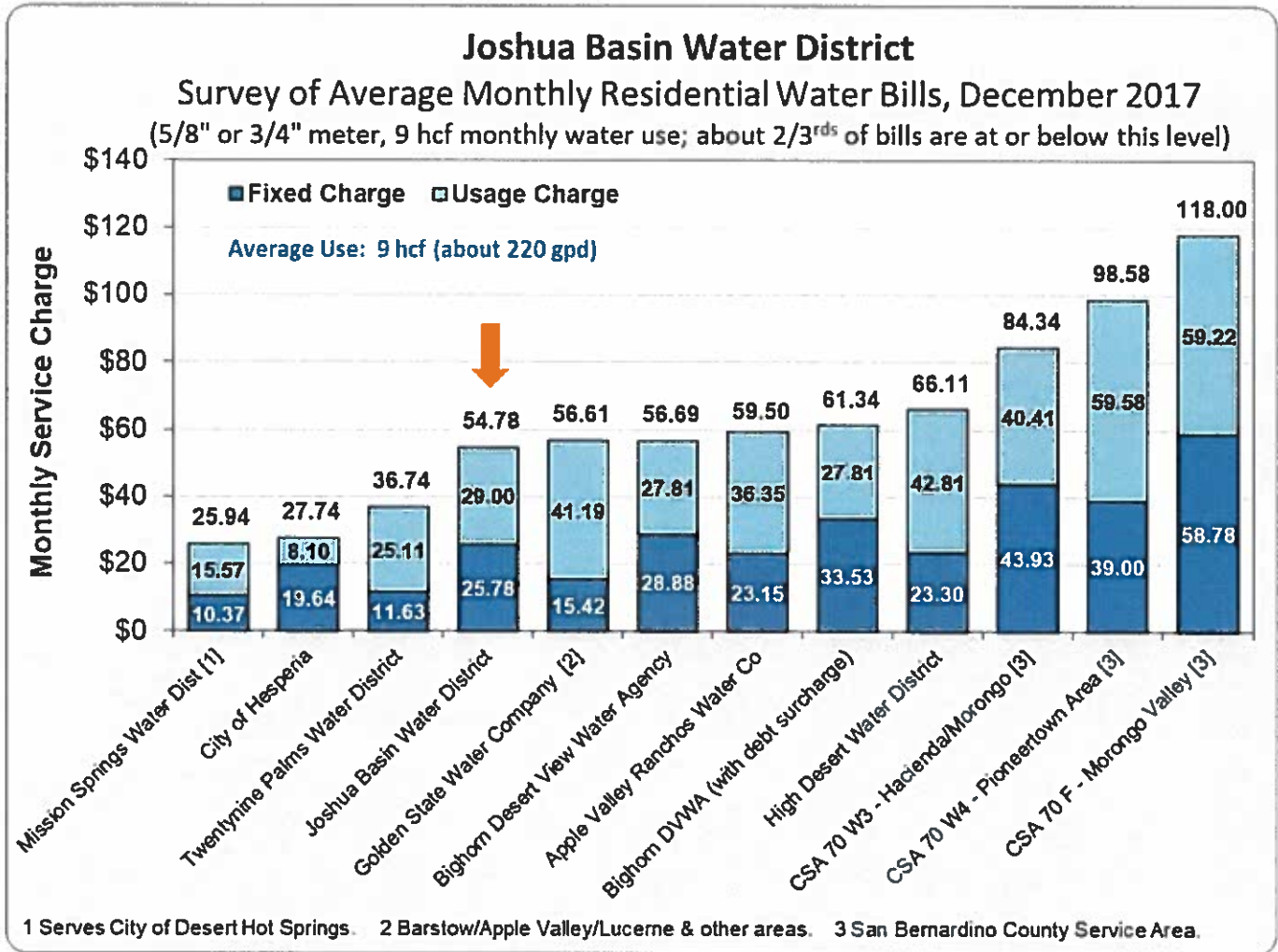
2.2 Historical Water Bills

The chart below shows historical monthly bills for a customer with *average* monthly water use of 10 hundred cubic feet (hcf) through 2014, declining to 9 hcf (or about 220 gallons per day) in subsequent years. *Roughly two-thirds of residential bills are at or below this level.* After a decade of minimal to no net rate increases from 1996-2006, the District began implementing small gradual rate increases most years to help restore financial stability and meet basic annual funding needs. Since 1996, the bill for a home with average use has risen by an average of 1.7% per year, below the rate of inflation.



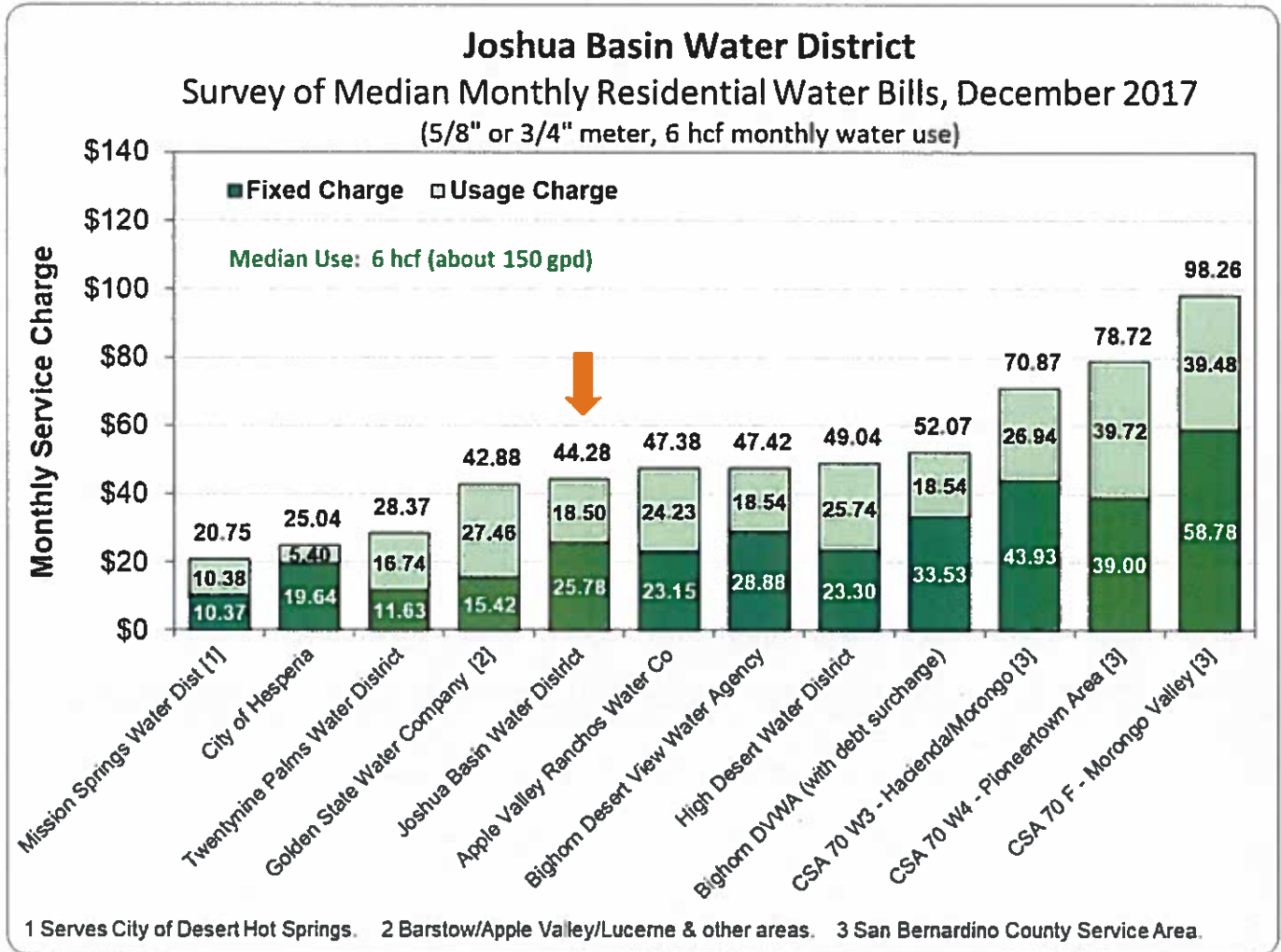
2.3 Water Rate Survey

The following chart shows a survey of monthly regional water bills for a home with average monthly water use of 9 hcf. JBWD's rates are currently in the lower-middle range compared to other local and regional agencies.



JBWD's monthly bill for a single family home with *average* monthly use of 9 hcf is currently \$54.78. This equates to an all-in cost of about \$0.81 per each 100 gallons of water use, or 8/10^{ths} of a penny per gallon. The bill for a single family home with *median* monthly use of 6 hcf is currently \$44.28. Half of all single family bills are at or below this level.

The chart below shows a survey of monthly regional water bills for a customer with *median* monthly use of 6 hcf. The median bill represents the midpoint at which approximately half of the District's residential bills are above or below.



2.4 Financial Overview

JBWD is a financially self-supporting agency that relies primarily on monthly water service charges to fund the costs of operating and maintaining the water system. Future rates need to be set at levels adequate to fund JBWD's costs of providing service, which generally include costs for a) administration, operations and maintenance, b) water supply, c) capital improvements and associated debt service requirements, d) infrastructure repairs and replacements, and e) costs for maintaining an adequate level of fund reserves to provide financial cushion for revenue shortfalls, unanticipated expenditures, and emergencies.

Water rate revenues currently account for a little more than 60% of JBWD's total annual revenues, with the remaining revenues coming from a combination of standby charges, property taxes, private fire service and other miscellaneous charges, interest earnings, and capacity fees from new connections. Hence the District's current and proposed water rates do not recover the full costs of service as rates are supplemented by other revenue sources.

JBWD has accrued a healthy level of fund reserves in recent years in anticipation of funding various capital improvements, and anticipates drawing down a portion of these fund reserves in upcoming years as projects are completed, while still maintaining a prudent minimum level of reserves.

2.5 Financial Challenges / Key Drivers of Rate Increases

JBWD is facing a number of financial challenges in upcoming years, primarily related to its aging infrastructure and water supply. Rate increases are needed to address these long-term financial challenges and help support safe, reliable, and sustainable water service. Key drivers of future rate increases are summarized as follows.

2.5.1 Repair and Replace Aging Facilities and Undersized Water Pipelines

JBWD owns and operates over 310 miles of pipelines, 5 wells, 17 water storage tanks, 11 pump stations, and a groundwater recharge facility. Roughly 175 miles of JBWD's water pipelines were installed 40 to 70 years ago and are approaching the end of their useful lives. Many old pipelines are inadequately sized and no longer meet fire flow requirements. Other aging facilities – including old pump stations, wells and water tanks – will need to be rebuilt or refurbished in upcoming years.

An engineering analysis of the water system developed by Dudek, JBWD's consulting engineers, identifies the need for \$2.5 million per year of funding over the next 30 years to gradually replace aging infrastructure, address existing deficiencies, and improve reliability. While the proposed rates will not provide full funding for this level of funding needs, the rates will enable the District to generate an ongoing funding stream for higher-priority projects to address current deficiencies, replace old infrastructure, and improve reliability.

2.5.2 Fund Imported Water Purchases to Reduce Further Groundwater Depletion

JBWD relies on groundwater for 100% of the community's water supply. Local water demand exceeds the level of natural recharge. This has resulted in a gradual decrease in groundwater levels. JBWD recently began purchasing imported water from the Mojave Water Agency to help recharge the groundwater basin and reduce further groundwater depletion. While the District is not in any imminent danger of over-depleting its groundwater resources, additional funding for imported water purchases will be needed in upcoming years to support the sustainability of the District's long-term water supply.

2.5.3 Support Balanced Budgets & Keep Up with Cost Inflation:

Rate increases are needed to support balanced budgets and help keep revenues in line with future cost inflation. The District faces ongoing operating cost inflation due to annual increases in a range of expenses including staffing, utilities, insurance, supplies, etc.

Rate increases are also needed to ensure an adequate funding stream for a) a five-year, \$2.5 million meter replacement program to replace old water meters that are now reaching the end of their useful lives, and b) other ongoing non-operating expenses the District incurs each year for equipment, technology, vehicles, building improvements, and various studies and reports.

2.5.4 Chromium 6 Water Treatment:

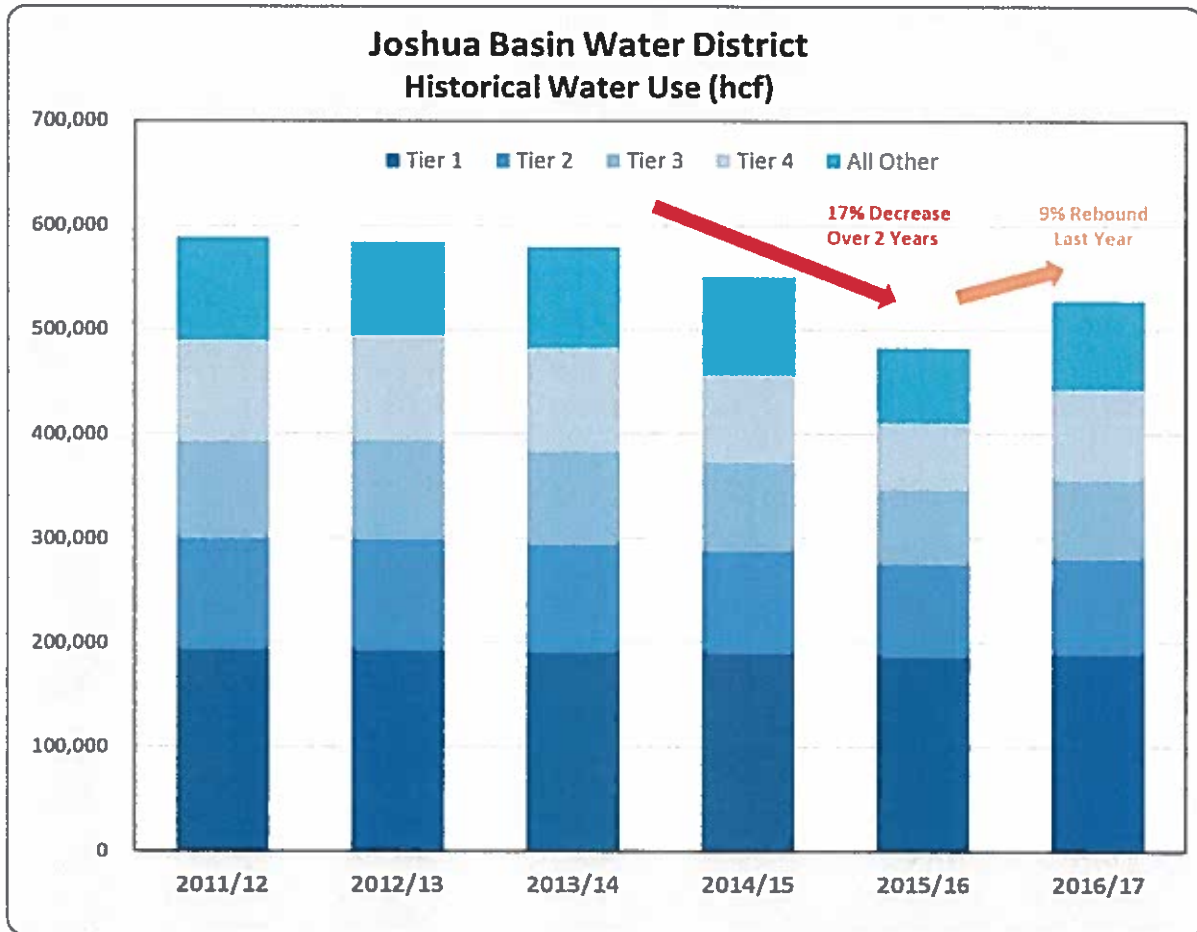
The District also faces potential need to fund new treatment facilities for Chromium 6, a naturally occurring chemical in the District's groundwater. Concentration levels in the District's groundwater are substantially below current state and federal standards. However, the State is in the process of establishing new, substantially more-stringent regulatory standards that would require the District to build and operate new Chromium 6 treatment facilities.

The District's preliminary cost estimates (in current dollars) for the project include roughly \$2 million for planning and design, and \$14 million for construction. To help fund these costs, JBWD has been pursuing a combination of grants and low-interest-rate loans from the California Safe Drinking Water State Revolving Fund (SRF) Financing Program. In addition, JBWD currently estimates annual operating and maintenance expenses for Chromium 6 treatment at approximately \$630,000 per year (in current dollars).

JBWD currently anticipates it will need to achieve compliance with new Chromium 6 regulations starting around January 2023, in about 6 years. As such, the 5-year rate projections developed in this report do not account for new debt service and operating expenses for Chromium 6 treatment. However, these costs could significantly impact District finances and rates in subsequent years.

2.6 Water Sales & Impacts on Revenues

From approximately 2013 to 2016, JBWD experienced a decline in water sales as customers conserved water in response to California’s multi-year drought. The decline in water use negatively impacted the District water sales revenues. Customers who conserved were able to offset the impacts of recent year rate increases via reduced water purchases. The District’s water sales partially rebounded in the prior fiscal year 2016/17 but remains below the recent historical norms before the drought.



3 LEGAL REQUIREMENTS & RATE METHODOLOGY

3.1 Constitutional Rate Requirements

The California Constitution includes two key articles that directly govern or impact JBWD's water rates: Article 10 and Article 13D. The water rates developed in this study were designed to comply with both of these constitutional mandates as well as various provisions of the California Water Code and Government Code that support and add further guidance for implementing these constitutional requirements. In accordance with the constitutional provisions, the proposed rates are designed to a) recover the District's cost of providing service, b) recover revenues in proportion to the cost for serving each customer, and c) promote conservation and discourage waste.

3.1.1 Article 10, Section 2

Article 10, Section 2 of the California Constitution was established by voter-approval in 1976 and requires public agencies to maximize the beneficial use of water, prevent waste, and encourage conservation. Section 2 states that:

It is hereby declared that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare.

3.1.2 Article 13D, Section 6

Proposition 218 was adopted by California voters in 1996 and added Articles 13C and 13D to the California Constitution. Article 13D, Section 6 governs property-related charges, which the California Supreme Court subsequently ruled includes ongoing utility service charges such as water, sewer, and garbage rates. Article 13D, Section 6 establishes a) procedural requirements for imposing or increasing property-related charges, and b) substantive requirements for those charges. Article 13D also requires voter approval for new or increased property-related charges but exempts from this voting requirement rates for water, sewer, and garbage service.

The substantive requirements of Article 13D, Section 6 require JBWD's water rates to meet the following conditions:

- 1) Revenues derived from the fee or charge shall not exceed the funds required to provide the property related service.

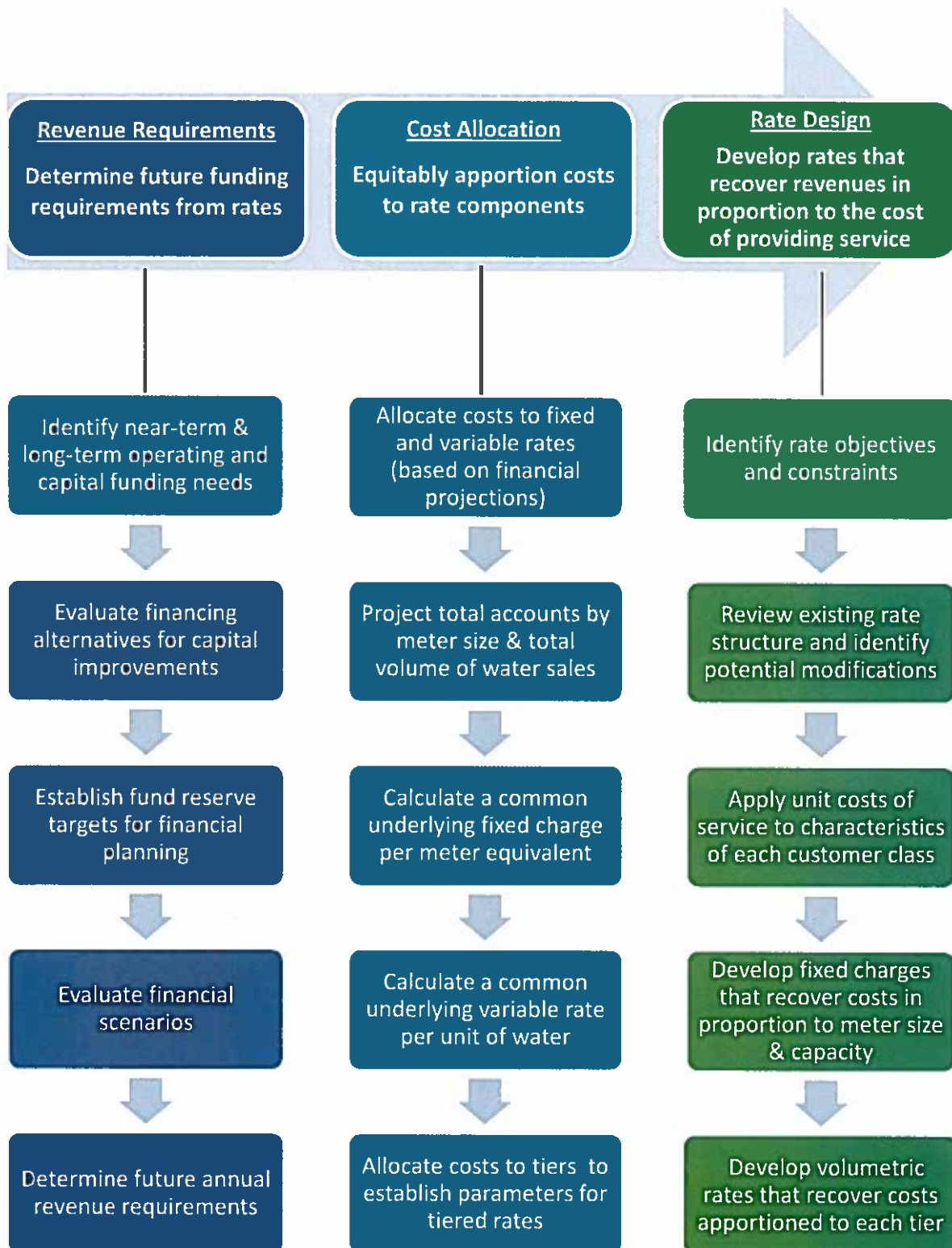
- 2) Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.
- 3) The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.
- 4) No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question.
- 5) No fee or charge may be imposed for general governmental services, such as police or fire services, where the service is available to the public at large in substantially the same manner as it is to property owners.

A number of court decisions have added some legal clarification regarding these substantive rate requirements. The water rates derived in this report are based on a cost-of-service methodology that is designed to fairly apportion costs to all customers and comply with all legal requirements.

3.2 Rate-Setting Methodology

The rates developed in this report use a straightforward methodology to establish an equitable system of fixed and variable service charges designed to recover costs of providing service and fairly apportion costs to each rate component and customer. The general methodology used in this study is summarized on the diagram on the following page.

Cost of Service Rate-Setting Methodology



4 FINANCIAL PROJECTIONS

4.1 Financial Projections Overview

Bartle Wells Associates developed long-term cash flow projections to determine annual revenue requirements and evaluate water rate increases. During the rate study process, BWA worked with the District to develop and hone a number of financial scenarios. Key scenarios evaluated include:

- **Best Management Scenario** designed to fully fund JBWD's financial needs going forward;
- **Reduced Rate Scenario (Phased Approach)** that phases in rate increases over 5 years to support increased funding for JBWD's higher-priority funding needs, but not full funding of all long-term financial needs;
- **Reduced Rate Scenario (Phased Approach) with Debt Service** that includes the same 5-year phased rate increases as without debt, but includes some hypothetical debt financing to fund more capital improvements in the near-term at the in ongoing annual debt service that reduces funds available for capital improvements over the longer-term.

The *Reduced Rate Scenario (Phased Approach)* is recommended for implementation and was supported by the Citizen's Advisory Committee and approved for inclusion in the Proposition 218 Notice by the Board of Directors. While the proposed rate increases do not address all of the District's future financial needs, they will enable the District to take substantial steps toward addressing its long-term financial challenges and put the District on a much stronger financial footing.

The 5-year rate scenarios do not fully account for the financial impacts of a few issues that should be factored into future financial and rate updates, including:

- **Chromium 6 Treatment** – Since the State has deferred adoption of new regulatory standards for Chromium 6, JBWD anticipates it will need to achieve compliance with new regulations starting in about 6 years. While some of the planning and construction costs for this project are projected to be incurred within the next 5 years, the 5-year rate projections developed in this report do not account for new debt service and operating expenses for Chromium 6 treatment. However, these costs could significantly impact District finances and rates in subsequent years.
- **Organizational Assessment** – JBWD has contracted with an independent consulting firm to conduct an organizational assessment to determine the adequacy of existing staffing levels and help ensure the District continues to provide service in a cost-effective manner. The financial projections do not account for potential cost increases or reductions due to this assessment.

- 2019 Union Negotiations – These negotiations could result in changes in future staffing and/or benefit expenses that are different than included in the financial projections.

The District can re-evaluate its financial and rate projections in future years and can adjust course as needed. The financial projections indicate that under all scenarios, the District will likely need to adopt additional rate increases after 5 years. Lower rate increases in near term result in the need for higher rate increases in future years, and vice versa.

4.2 Key Assumptions

The financial projections incorporate the latest information available as well as a number of reasonable and slightly conservative assumptions. Key assumptions are listed below:

- Projections are based on the 2017/18 Budget.
- Operating cost inflation is projected at 4% per year.
- Growth is projected at 10 new single family homes or equivalents per year over next 5 years.
- Water sales are projected to decline by 2% for each 10% of rate increases (-0.2 elasticity), with higher percentage decreases in water use in higher rate tiers, which pay higher rates.
- Recharge water purchases from MWA phase in to a target of purchasing 1,000 acre-feet within 5 years.
- The District’s Meter Replacement Program includes \$500,000 of annual expenditures for the next 5 years to replace old meters.
- Capital improvement funding increases to \$1 million per year for each of the next 5 years. After 5 years, the amount available for capital improvements increases to \$1.5 million when the Meter Replacement Program is complete.
- Annual Project Funding is projected at \$250,000 per year for other ongoing non-operating expenses including equipment, technology, vehicles, building improvements, and miscellaneous studies and reports.
- Chromium 6 treatment program costs (impact rates after 5 years):
 - Planning and design: Some initial costs have already been funded; projections include an additional approximately \$1.7 million in 2020/21 which will be funded by an SRF Planning Loan and ultimately rolled into a future SRF construction loan.
 - Facility construction & equipment: Construction costs are currently estimated at \$14 million. JBWD assumes construction costs would be funded by SRF via a \$10 million grant (principal forgiveness) and a \$4 million 30-year SRF loan.
 - Annual Chromium 6 operating expenses: Operating costs are currently estimated at \$632,000 per year in current dollars, or about \$800,000 per year when the facility is projected to come online in approximately 6 years.

4.3 Fund Reserves & Reserve Target

The financial projections assume a partial drawdown of fund reserves while rates are phasing in. The District has accrued some additional fund reserves in recent years that are intended to be used to help fund capital improvements in upcoming years. The projections assume fund reserves are drawn down by a total of roughly \$2.5 million over the next 5 years. At the same time, the projections indicate the District will maintain a prudent minimal level of fund reserves in future years.

For financial planning purposes, the financial projections assume a Minimum Fund Reserve Target equal to 50% of annual operating and maintenance expenses plus \$1 million for emergency capital reserves. Maintaining a prudent minimal level of fund reserves is an important component of financial management. Fund reserves provides a financial cushion for dealing with unanticipated expenses, revenue shortfalls, and non-catastrophic emergency capital repairs. The fund reserve targets will escalate over time as JBWD's expenses gradually increase in future years. In future years, it is acceptable if reserves temporarily fall below the minimum target, provided action is taken to achieve the target over the longer run.

4.4 Financial Projections

The table on the following pages shows 10-year financial projections under the Reduced Rate Scenario (Phased Approach). A summary of the financial projections is shown below. Projections under the alternative scenarios are included in the appendix.

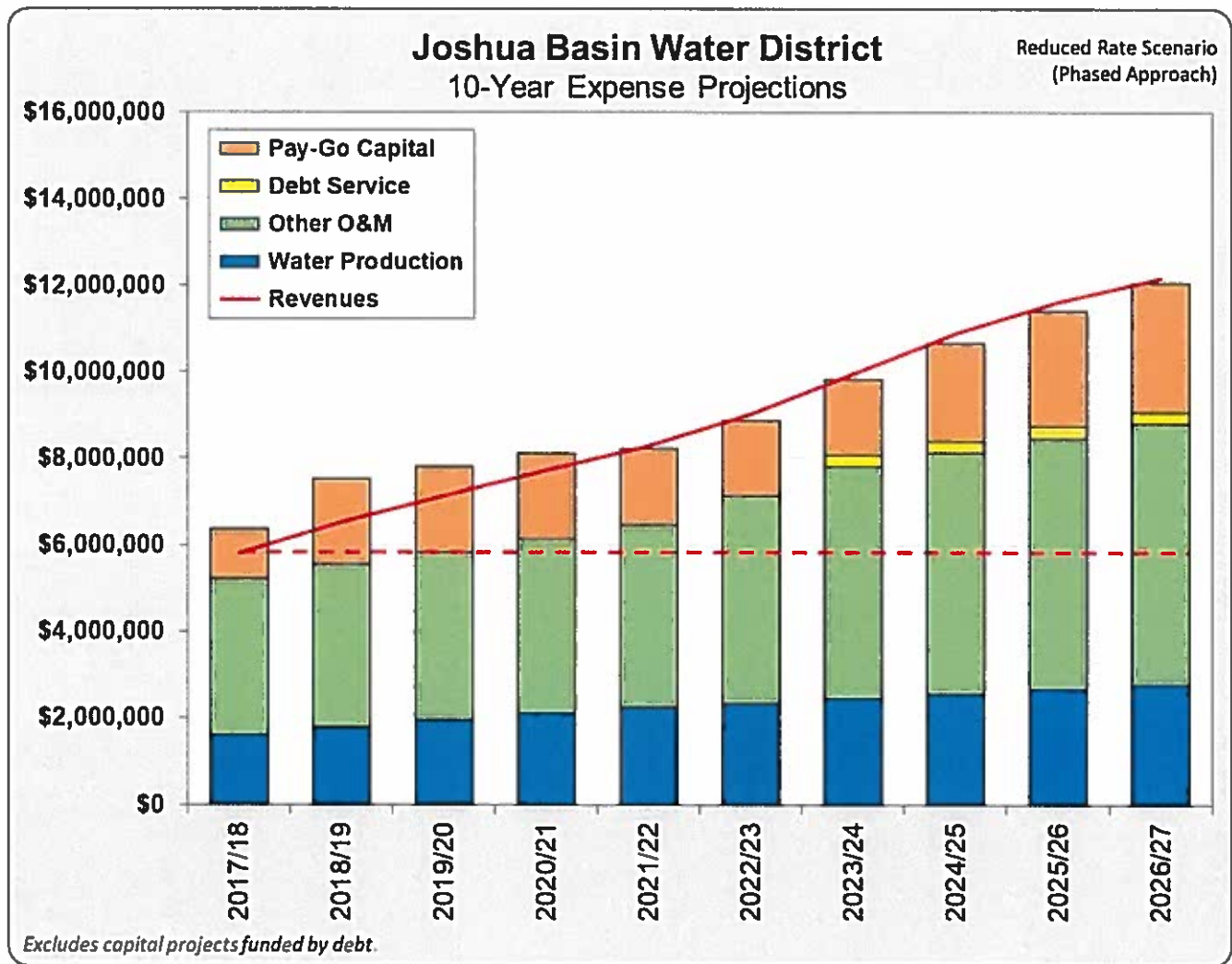
**Reduced Rate Scenario (Phased Approach) with No Debt
Summary of Cash Flow Projections (\$ millions)**

Fiscal Year	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27
	Proposed 5-Year Rate Increases					Preliminary Estimates for Future Evaluation				
Overall Rate Increases	18%	16%	14%	12%	10%	16%	14%	12%	6%	6%
Beginning Fund Reserves	\$7.2	\$6.6	\$5.6	\$4.9	\$4.5	\$4.6	\$4.7	\$4.9	\$5.1	\$5.3
REVENUES										
Water Rate Revenues	3.8	4.4	5.0	5.6	6.1	6.8	7.8	8.7	9.4	9.9
Standby Revs/Prop Taxes	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Other Revenues	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6
Subtotal	5.8	6.5	7.1	7.7	8.3	9.0	10.0	10.9	11.6	12.2
Chrome 6 Grants/Loans	0.1	-	-	1.7	10.0	4.0	-	-	-	-
Total	5.9	6.5	7.1	9.4	18.3	13.0	10.0	10.9	11.6	12.2
EXPENSES										
Operating Expenses	5.2	5.5	5.8	6.1	6.5	7.1	7.8	8.1	8.5	8.8
Chrome 6 Debt Service	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3	0.3	0.3
Total Capital Expenses	1.3	2.0	2.0	3.7	11.8	5.8	1.8	2.3	2.7	3.0
Total	6.5	7.5	7.8	9.8	18.2	12.9	9.8	10.7	11.4	12.1
Revenues Less Expenses	(0.6)	(1.0)	(0.7)	(0.4)	0.1	0.1	0.1	0.2	0.2	0.1
Ending Fund Reserves	6.6	5.6	4.9	4.5	4.6	4.7	4.9	5.1	5.3	5.5
Min Fund Reserve Target	3.6	3.8	3.9	4.1	4.2	4.6	4.9	5.1	5.2	5.4

Cash Flow Projections		Reduced Rate Scenario (Phased Approach)				Years 0 - 5
	1	2	3	4	5	
	Projected 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	
Effective Date of Rate Adjustment	Mar-1	Jan-1	Jan-1	Jan-1	Jan-1	
Rate Revenue Adjustment %	18%	16%	14%	12%	10%	
Growth: New EDUs	10	10	10	10	10	
Growth in Billable EDUs %	0.2%	0.2%	0.2%	0.2%	0.2%	
Wtr Demand Elasticity (Response to Rate Ir	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	
Change in Water Use After Rate Increase	-3.6%	-3.2%	-2.8%	-2.4%	-2.0%	
Water Purchases from MWA (AF)	500	700	800	900	1,000	
MWA Rate per AF	\$569	\$597	\$627	\$658	\$691	
Interest Earnings Rate	1.0%	1.5%	2.0%	2.0%	2.0%	
Annual Cost Escalator		4.0%	4.0%	4.0%	4.0%	
Beginning Fund Reserves	\$7,151,000	\$6,592,000	\$5,594,000	\$4,923,000	\$4,532,000	
REVENUES						
Basic Monthly Fees	1,606,000	1,903,000	2,192,000	2,480,000	2,757,000	
Water Usage Charges	1,913,000	2,219,000	2,475,000	2,725,000	2,960,000	
Locked Meter Charges	274,000	298,000	336,000	374,000	410,000	
Standby Revenue	1,140,000	1,139,000	1,138,000	1,137,000	1,136,000	
Property Taxes	428,000	437,000	446,000	455,000	464,000	
Private Fire Svc & Special Services	137,000	140,000	143,000	146,000	149,000	
Water Capacity & Meter Install Fees	53,000	53,000	54,000	55,000	56,000	
Interest Earnings	50,000	99,000	112,000	98,000	91,000	
HDMC WWTP Reimbs (+22%)	200,000	207,000	216,000	224,000	233,000	
Other Revenues	12,000	20,000	20,000	20,000	20,000	
Total Revenues	5,813,000	6,515,000	7,132,000	7,714,000	8,276,000	
SRF Grant Funding	100,000			200,000	10,000,000	
SRF Planning & Construction Loan				1,510,000		
EXPENSES						
Operating & Maintenance						
Production	1,324,000	1,377,000	1,432,000	1,489,000	1,549,000	
Recharge Water Purchases from MWA	287,000	418,000	502,000	592,000	691,000	
Distribution	1,000,000	1,040,000	1,082,000	1,125,000	1,170,000	
Customer Service	489,000	509,000	529,000	550,000	572,000	
Administration	1,048,000	1,090,000	1,134,000	1,179,000	1,226,000	
Engineering	237,000	246,000	256,000	266,000	277,000	
Finance	533,000	554,000	576,000	599,000	623,000	
Personnel & Legal	134,000	139,000	145,000	151,000	157,000	
HDMC WWTP Operations (reimbursable)	163,000	170,000	177,000	184,000	191,000	
Chrome 6 Operations	0	0	0	0	0	
Subtotal	5,215,000	5,543,000	5,833,000	6,135,000	6,456,000	
Debt Service						
Debt Service for Capital Improvements	-	-	-	-	-	
Chrome 6 SRF Loan Repayment	-	-	-	-	-	
Subtotal	0	0	0	0	0	
Capital/Non-Operating						
Capital Improvements	700,000	1,000,000	1,000,000	1,000,000	1,000,000	
Meter Replacement Program	0	500,000	500,000	500,000	500,000	
Annual Project Funding	237,000	250,000	250,000	250,000	250,000	
Chromium 6 Project (grant & loan funded)	100,000	0	0	1,710,000	10,000,000	
Morongo Basin Pipeline Debt Reimbs	220,000	220,000	220,000	220,000	0	
Subtotal	1,257,000	1,970,000	1,970,000	3,680,000	11,750,000	
Total Expenses	6,472,000	7,513,000	7,803,000	9,815,000	18,206,000	
Revenues Less Expenses	(559,000)	(998,000)	(671,000)	(391,000)	70,000	
Ending Fund Reserves	6,592,000	5,594,000	4,923,000	4,532,000	4,602,000	
Min Fund Rsrv Target (50% O&M + S1M)	3,607,500	3,771,500	3,916,500	4,067,500	4,228,000	
Debt Service Coverage	-	-	-	-	-	
Pay-go funding generated for CIP/Other	378,000	752,000	1,079,000	1,359,000	1,820,000	

Cash Flow Projections		Reduced Rate Scenario (Phased Approach)				Year 6 - 10
	6	7	8	9	10	
	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	Esc Factor
Effective Date of Rate Adjustment	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	
Rate Revenue Adjustment %	16%	14%	12%	6%	6%	
Growth: New EDUs	10	10	10	10	10	
Growth in Billable EDUs %	0.2%	0.2%	0.2%	0.2%	0.2%	
Wtr Demand Elasticity (Response to Rate Ir	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	
Change in Annual Water Consumption	-3.2%	-2.8%	-2.4%	-1.2%	-1.2%	
Water Purchases from MWA (AF)	1,000	1,000	1,000	1,000	1,000	
MWA Rate per AF	\$726	\$762	\$800	\$840	\$882	5.0%
Interest Earnings Rate	2.0%	2.0%	2.0%	2.0%	2.0%	
Annual Cost Escalator	4.0%	4.0%	4.0%	4.0%	4.0%	
Beginning Fund Reserves	\$4,602,000	\$4,744,000	\$4,871,000	\$5,102,000	\$5,330,000	
REVENUES						
Basic Monthly Fees	3,126,000	3,600,000	4,074,000	4,443,000	4,719,000	
Water Usage Charges	3,253,000	3,630,000	3,996,000	4,282,000	4,484,000	
Locked Meter Charges	463,000	533,000	601,000	655,000	694,000	
Standby Revenue	1,135,000	1,134,000	1,133,000	1,132,000	1,131,000	
Property Taxes	473,000	482,000	492,000	502,000	512,000	2.0%
Private Fire Svc & Special Services	152,000	155,000	158,000	161,000	164,000	2.0%
Water Capacity & Meter Install Fees	57,000	57,000	58,000	59,000	60,000	
Interest Earnings	92,000	95,000	97,000	102,000	107,000	
HDMC WWTP Reimbs (+22%)	243,000	253,000	262,000	273,000	284,000	
Other Revenues	20,000	20,000	20,000	20,000	20,000	
Total Revenues	9,014,000	9,959,000	10,891,000	11,629,000	12,175,000	
SRF Grant Funding						
SRF Planning & Construction Loan	4,000,000					
EXPENSES						
Operating & Maintenance						
Production	1,611,000	1,675,000	1,742,000	1,812,000	1,884,000	
Recharge Water Purchases from MWA	726,000	762,000	800,000	840,000	882,000	
Distribution	1,217,000	1,266,000	1,317,000	1,370,000	1,425,000	
Customer Service	595,000	619,000	644,000	670,000	697,000	
Administration	1,275,000	1,326,000	1,379,000	1,434,000	1,491,000	
Engineering	288,000	300,000	312,000	324,000	337,000	
Finance	648,000	674,000	701,000	729,000	758,000	
Personnel & Legal	163,000	170,000	177,000	184,000	191,000	
HDMC WWTP Operations (reimbursable)	199,000	207,000	215,000	224,000	233,000	
Chrome 6 Operations	400,000	800,000	832,000	865,000	900,000	
Subtotal	7,122,000	7,799,000	8,119,000	8,452,000	8,798,000	
Debt Service						
Debt Service for Capital Improvements	-	-	-	-	-	
Chrome 6 SRF Loan Repayment	-	275,000	275,000	275,000	275,000	
Subtotal	0	275,000	275,000	275,000	275,000	
Capital/Non-Operating						
Capital Improvements (Pipes/Wells/Boosters)	1,000,000	1,500,000	2,000,000	2,400,000	2,700,000	
Meter Replacement Program	500,000	0	0	0	0	
Annual Project Funding	250,000	258,000	266,000	274,000	282,000	3.0%
Chromium 6 Project (grant & loan funded)	4,000,000	0	0	0	0	
Morongo Basin Pipeline Debt Reimbs	0	0	0	0	0	
Subtotal	5,750,000	1,758,000	2,266,000	2,674,000	2,982,000	
Total Expenses	12,872,000	9,832,000	10,660,000	11,401,000	12,055,000	
Revenues Less Expenses	142,000	127,000	231,000	228,000	120,000	
Ending Fund Reserves	4,744,000	4,871,000	5,102,000	5,330,000	5,450,000	
Min Fund Rsrv Target (50% O&M + \$1M)	4,561,000	4,899,500	5,059,500	5,226,000	5,399,000	
Debt Service Coverage	-	7.85	10.08	11.55	12.28	
Pay-go funding generated for CIP/Other	1,892,000	1,885,000	2,497,000	2,902,000	3,102,000	

The following chart shows a 10-year breakdown of projected expenses and future revenues with the proposed rate increases. The red dashed line shows total estimated 2017/18 revenues. Current year revenues are substantially below the cost of providing service, particularly in future years. The proposed rate increases are needed to make up the funding shortfall and help ensure that future revenues are in line with future costs of providing service.



4.5 Proposed Rate Increases

The following table shows a summary of overall proposed rate increases under the Reduced Rate Scenario (Phased Approach). The proposed rate increases are phased in over 5 years in order to keep revenues in line with funding needs and help minimize the annual impact on ratepayers. Actual billing impacts will vary depending on each customer’s meter size and water consumption, as the proposed rates also include some modifications to the District’s rate structure. While rate increases in early years are higher in percentage terms compared to the rate increases in later years, due to compounding, the actual dollar impacts on customer bills are more constant from year to year.

Proposed Water Rates Increases					
	Mar-1 2018	Jan-1 2019	Jan-1 2020	Jan-1 2021	Jan-1 2022
Overall Rate Adjustment	18%	16%	14%	12%	10%

In future years, JBWD can re-evaluate its finances and revenue requirements and adjust rates as needed based on updated financial projections. However, as previously noted, while the proposed rate increases do not address all of the District’s future financial needs, they will enable the District to take substantial steps toward addressing its long-term financial challenges and put the District on a much stronger financial footing.

JBWD always has the flexibility to implement rates that are lower than those adopted pursuant to the Proposition 218 process. However, future rates cannot exceed the adopted rate increases without going through the Proposition 218 process for any additional future increase. Hence rates adopted pursuant to Proposition 218 are essentially maximum allowable rates.

4.6 Comparison of Financial Scenarios

For informational purposes, the tables on the following page show a summary comparison of the financial scenarios developed as part of this study. The full financial projections for each scenario are included in the appendix.

Scenario 1: Best Management Practice, Deferred Cr-6					
	2017/18	2018/19	2019/20	2020/21	2021/22
Key Assumptions					
Capital Improvement Projects	\$700,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
Meter Replacement Program	\$0	\$500,000	\$500,000	\$500,000	\$500,000
Annual Project Funding	\$237,000	\$250,000	\$250,000	\$250,000	\$250,000
Recharge Water Purchases	\$287,000	\$597,000	\$627,000	\$658,000	\$691,000
Recharge (Acre-Feet)	500	1,000	1,000	1,000	1,000
Rate Increases					
Effective Date of Rate Increase	Mar-1, 2018	Jan-1, 2019	Jan-1, 2020	Jan-1, 2021	Jan-1, 2022
Rate Revenue Increase %	40%	30%	20%	10%	5%
Bill Impacts					
Low Use (3 hcf)	\$34.78	\$44.69	\$57.39	\$68.38	\$74.97
Median Use (6 hcf)	44.28	59.19	76.91	92.37	101.70
Typical Residential Bill (9 hcf)	54.78	75.69	99.11	119.64	132.09
Higher Use (20 hcf)	98.28	146.19	194.01	236.23	276.05

Scenario 2: Reduced Rate Scenario (Phased Approach)					
	2017/18	2018/19	2019/20	2020/21	2021/22
Key Assumptions					
Capital Improvement Projects	\$700,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Meter Replacement Program	\$0	\$500,000	\$500,000	\$500,000	\$500,000
Annual Project Funding	\$237,000	\$250,000	\$250,000	\$250,000	\$250,000
Recharge Water Purchases	\$287,000	\$418,000	\$502,000	\$592,000	\$691,000
Recharge (Acre-Feet)	500	700	800	900	1,000
Rate Increases					
Effective Date of Rate Increase	Mar-1, 2018	Jan-1, 2019	Jan-1, 2020	Jan-1, 2021	Jan-1, 2022
Rate Revenue Increase %	18%	16%	14%	12%	10%
Bill Impacts					
Low Use (3 hcf)	\$34.78	\$38.06	\$43.90	\$49.58	\$55.13
Median Use (6 hcf)	44.28	49.86	58.00	65.83	73.53
Typical Residential Bill (9 hcf)	54.78	63.06	73.90	84.28	94.53
Higher Use (20 hcf)	98.28	118.46	141.20	162.93	184.53

Scenario 3: Reduced Rate Scenario with \$5 Million Debt					
	2017/18	2018/19	2019/20	2020/21	2021/22
Key Assumptions					
Capital Improvement Projects (Pay-Go)	\$700,000	-	\$0	\$1,000,000	\$1,000,000
Capital Projects (Debt Financed)	-	\$5,000,000	-	-	-
Meter Replacement Program	\$0	\$500,000	\$500,000	\$500,000	\$500,000
Annual Project Funding	\$237,000	\$250,000	\$250,000	\$250,000	\$250,000
Recharge Water Purchases	\$287,000	\$418,000	\$502,000	\$592,000	\$691,000
Recharge (Acre-Feet)	500	700	800	900	1,000
New Debt Service	\$0	\$325,000	\$325,000	\$325,000	\$325,000
Rate Increases					
Effective Date of Rate Increase	Mar-1, 2018	Jan-1, 2019	Jan-1, 2020	Jan-1, 2021	Jan-1, 2022
Rate Revenue Increase %	18%	16%	14%	12%	10%
Bill Impacts					
Low Use (3 hcf)	\$34.78	\$38.06	\$43.90	\$49.58	\$55.13
Median Use (6 hcf)	44.28	49.86	58.00	65.83	73.53
Typical Residential Bill (9 hcf)	54.78	63.06	73.90	84.28	94.53
Higher Use (20 hcf)	98.28	118.46	141.20	162.93	184.53

5 RATE DERIVATION

5.1 Rate Structure Modifications

The District's current rate structure was developed during the prior rate study in 2013 and reflects input from the District's Citizen's Advisory Committee and Board of Directors. Based on evaluation of rate structure alternatives and additional input received during the rate study process, the proposed rates developed in this report incorporate some relatively minor modifications to JBWD's water rate structure. These modifications are designed to a) provide a reasonable and appropriate balance of fixed vs. usage-based revenue recovery, b) gradually increase conservation incentive while helping to minimize the financial impact on customers with low to moderate water use, c) fairly apportion costs of service to all JBWD customers in accordance with the substantive requirements of Article 13D, Section 6 of the California Constitution, and d) reflect the policy preferences of the District and the *Citizens Advisory Committee*. Rate structure modifications are summarized as follows.

5.1.1 Fixed Meter Charge Modifications

Reduce Fixed Rate Revenue Recovery from 46% to 40% of Total Rate Revenues

The District's fixed meter charges were designed to recover 40% of total rate revenues. However, due to a decrease in water sales which resulted in lower-than-expected volumetric water rate revenues, the fixed charges currently generate an estimated 46% of rate revenues. Under the proposed rates, the percentage of rate revenues recovered from JBWD's fixed Basic Monthly Fees is targeted at 40% of total rate revenues.

5.1.2 Variable Water Rate Structure Modifications

The proposed rates incorporate two modifications to JBWD's variable Water Flow Charges. These modifications will result in a gradual increase in conservation incentive and help lessen the impact of the proposed rate increases on customers with low to moderate water use. The proposed modifications include:

Increase Variable Rate Revenue Recovery from 54% to 60% of Total Rate Revenues

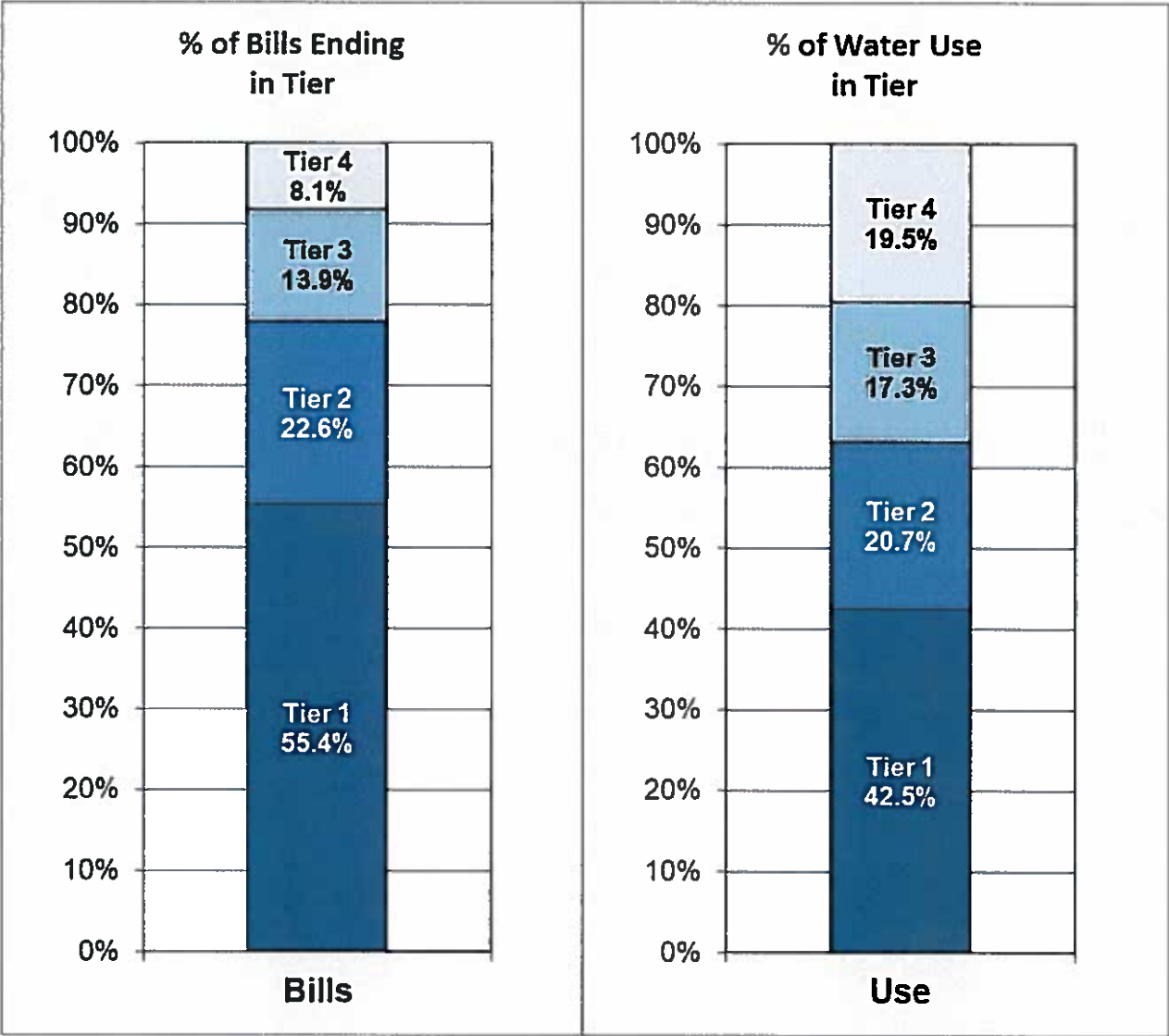
Under the proposed rates, JBWD's usage-based Water Flow Charges are targeted to recover 60% of total rate revenues. These charges currently recover an estimated 54% of rate revenues.

Gradually Increase the Steepness of Tiered Rates

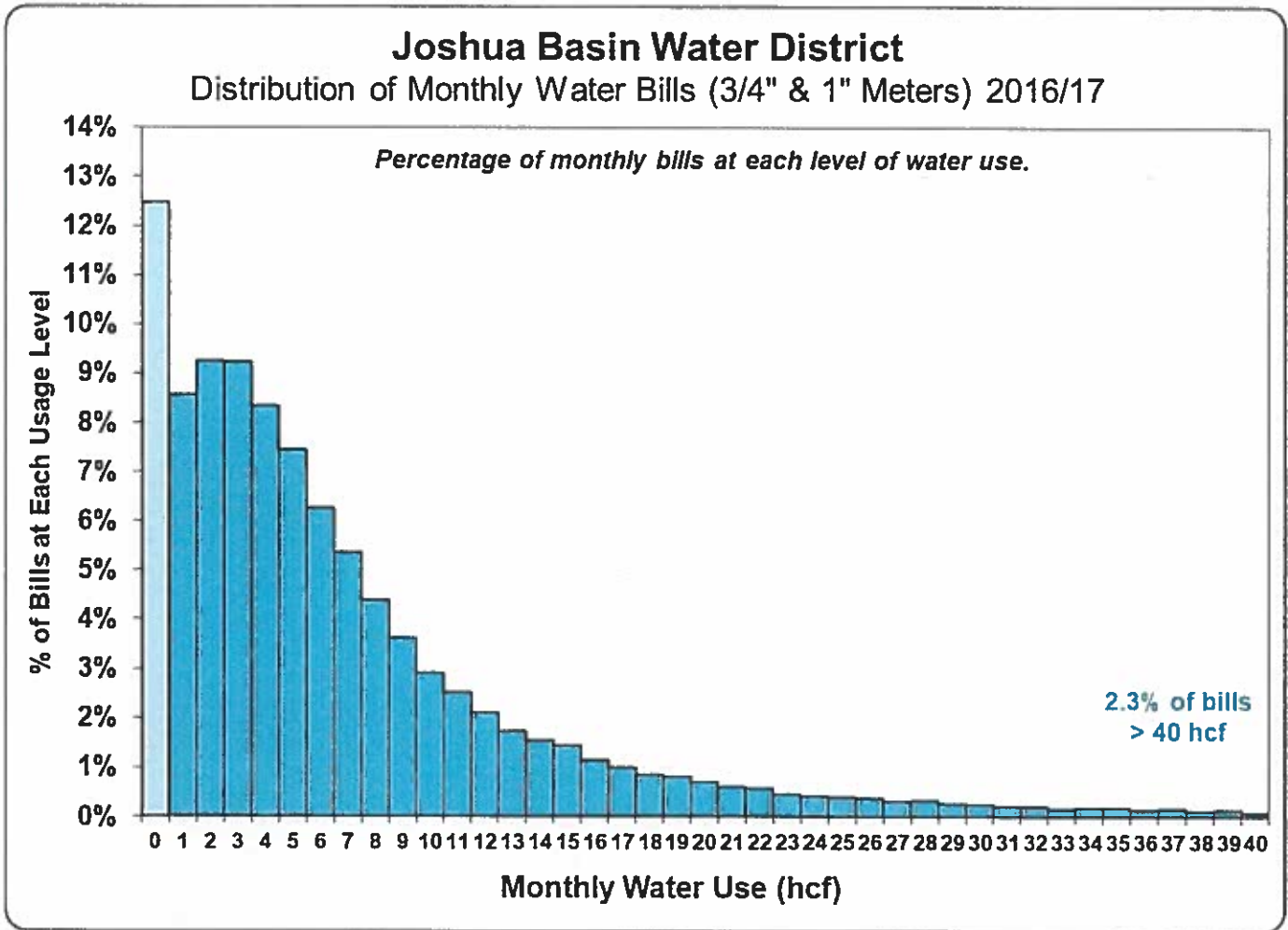
The District's Water Flow Charges for accounts with 3/4-inch and 1-inch meters (mostly residential customers) are billed according a 4-tiered inclining rate structure with water first purchased in Tier 1 and subsequently in higher tiers as water use increases. Hence, even higher-use customers purchase a substantial amount of water in the lower tiers as their use increases. Under the proposed rates, the

rate differential between each tier gradually increases over 5 years. This increase in tier steepness will result in lower rate impacts to low and moderate use customers, and higher impacts to customers with high to very-high water use. At the same time, these high-use customers benefit from paying the same fixed monthly charges as lower-use customers, even though they put more demand on the water system.

The following charts shows a breakdown of the percentage of predominantly residential water bills (for 3/4-inch and 1-inch meters) ending in each tier and the percentage of water use billed in each tier. The proposed rates include no changes to the tier breakpoints.



The following chart shows a breakdown of monthly water bills at each level of water use for accounts with 3/4-inch and 1-inch meters that pay tiered water rates.



5.2 Fixed & Variable Cost Recovery

Rates developed in this report are based on a reasonable allocation of costs to fixed and variable rate recovery as shown on the following table. Costs are allocated based on projected expenses in 2021/22, the final year of the proposed rates. Revenues derived from sources other than water rates are applied toward reducing cost recovery from fixed rates. Based on these cost allocations, water rates are designed to recover 40% of rate revenues from JBWD's fixed Basic Monthly Fees and 60% of rate revenues from volumetric Water Flow Charges.

Fixed vs. Variable Rate Recovery					
	Year 5 2021/22	Cost Recovery %		Cost Recovery \$	
		Fixed	Variable	Fixed	Variable
EXPENSES					
Operating & Maintenance					
Production	1,549,000	0%	100%	0	1,549,000
Recharge Water Purchases from MWA	691,000	0%	100%	0	691,000
Distribution	1,170,000	0%	100%	0	1,170,000
Customer Service (10% for Conservation Prog)	572,000	90%	10%	514,800	57,200
Administration	1,226,000	100%	0%	1,226,000	0
Engineering	277,000	100%	0%	277,000	0
Finance	623,000	100%	0%	623,000	0
Personnel & Legal	157,000	100%	0%	157,000	0
HDMC WWTP Operations (reimburseable)	191,000	100%	0%	191,000	0
Subtotal	6,456,000	46%	54%	2,988,800	3,467,200
Non-Operating/Discretionary					
Capital Improvements	1,000,000	50%	50%	500,000	500,000
Meter Replacement Program	500,000	100%	0%	500,000	0
Annual Project Funding	250,000	100%	0%	250,000	0
Subtotal	1,750,000	71%	29%	1,250,000	500,000
Total Expenses	8,206,000	52%	48%	4,238,800	3,967,200
NET FUNDING REQUIRED FROM WATER RATES					
Total Expenses	8,206,000	52%	48%	4,238,800	3,967,200
Less Funding Sources Other Than Rates	(2,559,000)	80%	20%	(2,047,200)	(511,800)
Net Funding Requirement from Water Rates	5,647,000	39%	61%	2,191,600	3,455,400
Rounded Target		40%	60%		

Excludes capital improvement projects funded by grants and debt, but includes associated debt service.

Depending on perspective, many costs can reasonably be allocated to either fixed rate revenue recovery, to usage-based rate recovery, or to some combination of the two. Many of the District's costs are fixed costs that do not vary with changes in water consumption, such as salaries, benefits, and costs for building and maintaining infrastructure. However, even though these are fixed expenses, revenue recovery for these costs can equitably be funded from variable, usage-based rates. For example, the fixed costs related to water production can reasonably be recovered from usage-based charges as these costs are incurred to provide water supply to meet customer demand, hence it is reasonable to recover these costs based on water use.

While there is no single correct approach to revenue recovery, BWA believes that costs should be allocated within a reasonable range that reflects both a) underlying cost causation, to the extent such causation can reasonably be determined or estimated, and b) policy preferences in cases where a range of reasonable approaches can be justified. As shown on the table:

- Costs related to water production, groundwater recharge, and distribution are allocated for cost recovery from volumetric, usage-based rates. Under this approach, the costs related to water supply and distribution are recovered based on each customer's metered water consumption.
- Costs for administration and other support functions such as finance, engineering, legal, and to a large degree customer service, are allocated for cost recovery from fixed Basic Service Fees.
- Capital improvement expenses are allocated for 50% cost recovery from fixed charges (which are based on the capacity needs for serving each meter size) and 50% cost recovery from volumetric, usage-based rates. This reflects a balance in revenue recovery recognizing that a) infrastructure is needed to meet the demands of each meter size regardless of actual use, and also b) customers who use more water place a higher demand on the system. Hence a portion of costs is recovered from both fixed meter charges, and volumetric water quantity charges.
- Costs for the District's meter replacement program and other annual project funding needs (for vehicles, equipment, building improvements, studies, etc.) are allocated for cost recovery from fixed service charges.
- Revenues received from sources other than rates (property taxes, standby charges, interest earnings, etc.) are used to offset the revenue requirement from rates. 80% of these revenues are applied to offset the revenue requirements from fixed charges, and 20% of these revenues are applied to offset the revenue requirements from usage-based quantity charges.

5.3 Fixed Rate Derivation

The proposed fixed meter charges are designed to recover costs from each meter in proportion to meter capacity and the associated demand placed on the water system by each meter size. The table below derives fixed meter charges for the next 5 years. Revenue requirements from fixed charges are calculated by multiplying a) the annualized revenue requirements from each rate increase by b) 40%, the percentage of costs allocated for fixed rate revenue recovery. This fixed rate funding target is then divided by the total number of projected meter equivalents the District will serve each year in order to determine a fixed charge per meter equivalent. A meter equivalent represents the capacity of a base 3/4-inch or 1-inch meter. Fixed rates for larger meters are then calculated based on the capacity of each meter size in relation to that of the base meter size.

Fixed Rate Calculation						
	Mar-1 2018	Jan-1 2019	Jan-1 2020	Jan-1 2021	Jan-1 2022	
Water Rate Revenue Recovery						
Annualized Revenues w/ Increase	\$3,861,000	\$4,405,000	\$4,951,000	\$5,480,000	\$5,971,000	
Fixed Rate Recovery						
Cost Recovery Allocation %	40%	40%	40%	40%	40%	
Cost Recovery Allocation \$	\$1,544,400	\$1,762,000	\$1,980,400	\$2,192,000	\$2,388,400	
Meter Equivalents						
Existing Meter Equivalents	4,764	4,774	4,784	4,794	4,804	
Projected Growth	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	
Total	4,774	4,784	4,794	4,804	4,814	
Rate per Meter Equivalent						
Annual	\$323.53	\$368.34	\$413.13	\$456.32	\$496.18	
Monthly	26.96	30.70	34.43	38.03	41.35	
Projected Fixed Monthly Meter Charges						
<u>Meter Size</u>	<u>Capacity (gpm)</u>					
3/4" & 1"	30	\$26.96	\$30.70	\$34.43	\$38.03	\$41.35
1-1/2"	100	89.87	102.33	114.77	126.77	137.83
2"	160	143.79	163.73	183.63	202.83	220.53
3"	300	269.60	307.00	344.30	380.30	413.50

5.4 Projected Water Use

The following table shows a 5-year projection of water use by rate class. Projected water use is based on actual use from the prior fiscal year 2016/17 adjusted to account for a) growth in demand from new development, b) overall elasticity of water purchases in response to rate increases, with each 10% of volumetric rate increases projected to result in a corresponding 2% reduction in water sales, and c) higher levels of water reduction in the higher rate tiers, and less reduction in lower rate tiers.

If a customer cuts back water use by 10%, from 20 hcf to 18 hcf, they have reduced their Tier 3 consumption by 2 hcf, but are still using the full amount of water in the first two tiers. Hence, agencies experiencing a decline in water use typically face only minimal reductions in the lowest rate tiers coupled with more substantial reductions in higher tiers. This also makes sense as customers with high water use typically can cut back water use much easier than customers with minimal use. Based on the projections, total water consumption is projected to decrease by a little more than 13% over the next 5 years.

Projected Water Use						
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Projected Water Use						
Change in Use After Rate Increase		-3.6%	-3.2%	-2.8%	-2.4%	-2.0%
Billed Use by Tier for 3/4" & 1" Meters (hcf)						
<i>Includes more reduction in higher tiers, less reduction in lower tiers.</i>						
Tier 1	188,189	186,800	185,600	184,600	183,700	183,000
Tier 2	91,526	86,600	82,400	78,900	76,100	73,800
Tier 3	76,742	71,800	67,700	64,300	61,500	59,300
Tier 4	86,482	79,600	74,000	69,400	65,700	62,800
Subtotal	442,939	424,800	409,700	397,200	387,000	378,900
All Other Use (hcf)	85,275	83,700	82,400	81,200	80,200	79,400
Total (hcf)	528,214	508,500	492,100	478,400	467,200	458,300
Total (acre-feet)	1,213	1,167	1,130	1,098	1,073	1,052
Annual Change		-3.7%	-3.2%	-2.8%	-2.3%	-1.9%
Cumulative Change		-3.7%	-6.8%	-9.4%	-11.6%	-13.2%

5.5 Variable Water Flow Rate Derivation

The District's variable water flow charges are designed to recover 60% of total rate revenues. For purposes of deriving water flow charges for each of the District's water rate tiers, costs allocated for recovery from variable rates are further broken down and allocated to Base vs. Extra Capacity expenses.

- Base costs are generally defined as expenses associated with providing system capacity and water service under average daily demand or normal use conditions. These costs benefit all water use on a pro-rata basis. For example, the costs of water production are recovered based on each customer's proportionate share of total water consumption. Hence, Base Costs are recovered equally from each unit of water sold.
- Extra Capacity costs are generally defined as expenses related to providing system capacity and water service to meet peak demands in excess of average use. Some water system facilities must be oversized to meet peak-day and peak-hour demands, not just average day demands. For example, a smaller water booster pump station may be adequate to pump water under average-use conditions, but may be inadequate to meet water demands during periods of peak use. Additionally, there are some costs that should be recovered more from higher levels of use, such as costs related to the District's conservation program and costs for importing water to replenish the groundwater basin to reduce overdraft. Higher levels of use are driving the need to incur these costs, hence these costs should be recovered from rates charged to higher tiers and not recovered from low levels of water use.

The table on the following page allocates costs slated for variable rate recovery to Base and Extra Capacity. Most costs are assigned as Base costs. Costs allocated to Extra Capacity include:

- Recharge water purchase expenses are recovered first from the highest levels of water use, and then from lower levels of use until the total volume of imported water supply is accounted for. Moderate to higher levels of use pay for recharge water on a unit per unit basis, since this use is driving the need to import water for groundwater replenishment.
- 10% of customer service expenses are assigned for variable rate recovery. These costs are related to the District's conservation program which is included in the customer service budget. A higher share of these costs are recovered from higher levels of water use in recognition that program costs are incurred largely due to the need to reduce water consumption of customers with higher levels of water use.
- Of the 50% of capital improvement costs allocated for variable rate recovery, 20% of these costs are allocated to Extra Capacity, resulting in 10% of total capital improvement costs

allocated to Extra Capacity. 10% is a conservative estimate of the share of water system costs associated with meeting peak demands in excess of average use.

- In total, a little over 10% of projected annual expenses are allocated to Extra Capacity.

Variable Rate Base vs. Extra Capacity Cost Allocation						
	Projected 2021/22	Fixed Rate Recovery	Quantity Charge % of Total	Cost Recovery Var % Alloc		Extra-Capacity % of Total
					\$	
REVENUE REQUIREMENT FROM WATER CONSUMPTION CHARGES						
Production	1,549,000	0%	100%		1,549,000	
<i>Base</i>				100%	1,549,000	
<i>Extra Capacity</i>				0%	0	0.0%
Recharge Water Purchases from MWA	691,000	0%	100%		691,000	
<i>Base</i>				0%	0	
<i>Extra Capacity</i>				100%	691,000	100.0%
Distribution	1,170,000	0%	100%		1,170,000	
<i>Base</i>				100%	1,170,000	
<i>Extra Capacity</i>				0%	0	0.0%
Customer Service	572,000	90%	10%		57,200	
<i>Base</i>				0%	0	
<i>Extra Capacity</i>				100%	57,200	10.0%
Engineering	277,000	100%	0%		0	
<i>Base</i>				100%	0	
<i>Extra Capacity</i>				0%	0	0.0%
Admin/Finance/Pers & Legal/Other	2,197,000	100%	0%		0	
<i>Base</i>				100%	0	
<i>Extra Capacity</i>				0%	0	0.0%
Capital Improvements	1,000,000	50%	50%		500,000	
<i>Base</i>				80%	400,000	
<i>Extra Capacity</i>				20%	100,000	10.0%
Meter Repls/Annual Project Funding	750,000	100%	0%		0	
<i>Base</i>				100%	0	
<i>Extra Capacity</i>				0%	0	0.0%
Total Expenses	8,206,000	52%	48%		3,967,200	
<i>Base</i>				78.6%	3,119,000	
<i>Extra Capacity</i>				21.4%	848,200	10.3%
NET REVENUE RECOVERY FROM WATER CONSUMPTION CHARGES						
Base Costs (Recovered Proportionately from All Water Use)					3,119,000	
Extra Capacity (Allocated for Recovery Based on Extra Capacity Demands)					848,200	
Less Application of Discretionary Revenues					<u>(511,800)</u>	
Total					3,455,400	

The following table derives water usage rates for each tier based on a) the costs allocated to each tier, divided by b) projected water use in each tier.

- Base costs are allocated on a pro-rata basis to all water use; each unit of water pays the same. For example, 39.9% of Base Costs are allocated to Tier 1 rates since Tier 1 water use accounts for 39.9% of total water use.
- Extra Capacity costs are allocated for recovery more from higher levels of use and less from lower levels of use, resulting in higher rates for higher rate tiers. For example, as shown on the table, 90% of water use in the highest Tier 4 is assigned for Extra Capacity cost recovery, while only 20% of water use in Tier 1 is assigned for Extra Capacity cost recovery.

Variable Rate Calculation						
		3/4" and 1" Meters				
		Tier 1	Tier 2	Tier 3	Tier 4	
		0 - 5	5.01 - 10	10.01 - 20	20.01+	Subtotal
Water Use (hcf)		183,000	73,800	59,300	62,800	378,900
A) Base Cost Allocation						
% of Total Use		39.9%	16.1%	12.9%	13.7%	82.7%
B) Extra Capacity Cost Allocation						
% of Water in Class/Tier for Peak Cost Recovery		20.0%	40.0%	60.0%	90.0%	41.8%
Volume of Water for Peak Cost Recovery		36,600	29,520	35,580	56,520	158,220
% of Total Water for Peak Cost Recovery		21.3%	17.2%	20.7%	32.9%	92.0%
VARIABLE RATE COST RECOVERY						
Base Expenses	\$3,119,000	A Base 1,245,422	502,252	403,571	427,391	
Extra Capacity Expenses	848,200	B Extra 180,514	145,595	175,484	278,761	
Less Application of Base Non-Rate Revenue	(291,800)	A Base (116,516)	(46,989)	(37,756)	(39,985)	
Less Application of Discretionary Revenues	<u>(220,000)</u>	<u>(185,000)</u>	<u>(35,000)</u>	<u>0</u>	<u>0</u>	
Total	3,455,400	1,124,420	565,859	541,298	666,167	
Water Use (hcf)		183,000	73,800	59,300	62,800	
Quantity Charge Components						
Base Expenses		\$6.81	\$6.81	\$6.81	\$6.81	
Extra Capacity Expenses		0.99	1.97	2.96	4.44	
Offset for Revenue Offset		(0.64)	(0.64)	(0.64)	(0.64)	
Offset for Application of Discretionary Revenues		<u>(1.01)</u>	<u>(0.47)</u>	<u>0.00</u>	<u>0.00</u>	
Total Charge per hcf		6.14	7.67	9.13	10.61	
Rounded		6.20	7.70	9.20	10.70	

The net costs allocated to each rate tier include a) Base expenses allocated on a pro-rata basis to all units of water use, b) Extra Capacity expenses allocated more to higher tiers and less to lower tiers, offset by c) application of some non-rate revenues to all water use on a pro-rata basis, and d) application of a portion of discretionary revenues (e.g. property tax revenues) to partially offset revenue requirements from the lowest tier water use. These offsets help reduce the level of cost recovery from all tiers to levels below the full cost of service, and further help reduce the rates for the lowest levels of usage.

The District’s 4-tiered rate structure applies to all customers with 3/4-inch and 1-inch meters, who include mostly residential customers along with some smaller commercial accounts. All of these customers benefit from the lower rates in the lower tiers. Low water users may only purchase water in the first tier or two, while high water users would get the benefit of buying water in the lowest tiers first with only subsequent use purchased in higher tiers.

Customers with meters larger than 1-inch pay a uniform rate for all water use that is set at the weighted average rate for the District’s tiered rates to ensure equity between customer classes. These larger customers are not a homogenous group and can include anything from an office or apartment building to a hospital or school. As such, it is challenging and problematic to establish tiers that can reasonably apply to such a wide range of customer types and usage levels. Hence, most water agencies in California charge a uniform rate to larger commercial and institutional customers.

5.6 Private Fire Protection Charges

JBWD provides private fire service connections to 18 customers. While the District’s entire water system is sized to provide fire protection, these customers receive additional benefit for having direct fire service connections. Unlike regular ongoing water service, private fire service is essentially a stand-by service that is rarely used. In line with industry standards, Private Fire Protection Charges are recommended at 10% of the standard Basic Monthly Fee (for regular water service) proportionally applied to the capacity of each service size.

Current & Proposed Private Fire Protection Charges								
Basic Monthly Fee	30 gpm		\$25.78	\$26.96	\$30.70	\$34.43	\$38.03	\$41.35
10% Allocation	per gpm		2.58	2.70	3.07	3.44	3.80	4.14
Private Fire Protection Charges								
Svc Size	Accounts	Capacity	Monthly Rate					
2"	1	160 gpm	\$12.62	\$14.38	\$16.37	\$18.36	\$20.28	\$22.05
3"	0	300 gpm	25.25	26.96	30.69	34.43	38.03	41.34
4"	6	500 gpm	50.50	44.94	51.16	57.38	63.38	68.91
6"	4	1,000 gpm	75.76	89.88	102.31	114.75	126.75	137.81
8"	7	1,600 gpm	113.62	143.80	163.70	183.60	202.80	220.50

6 PROPOSED RATES & IMPACTS

6.1 Proposed Water Rates

The following table shows a 5-year schedule of proposed water rates incorporating a) the proposed overall level of rate increases needed to fund JBWD's projected costs of providing service, and b) the proposed rate structure adjustments supported by the cost allocations. Rate increases are gradually phased in over the next 5 years.

Current & Proposed Water Rates									
Effective			Current Rates	Mar-1 2018	Jan-1 2019	Jan-1 2020	Jan-1 2021	Jan-1 2022	Jan-1 2022
BASIC MONTHLY FEE									
<u>Meter Size</u>	<u>Accounts</u>	<u>Capacity</u>	<u>Monthly Rate</u>						
3/4" & 1"	4,503	30 gpm	\$25.78	\$26.96	\$30.70	\$34.43	\$38.03	\$41.35	
1-1/2"	28	100 gpm	85.93	89.87	102.33	114.77	126.77	137.83	
2"	18	160 gpm	137.49	143.79	163.73	183.63	202.83	220.53	
3"	7	300 gpm	257.79	269.60	307.00	344.30	380.30	413.50	
MONTHLY WATER FLOW CHARGES									
For 3/4" and 1" Meters			Rate Per Unit (\$/hcf)						
Tier 1	0 - 5 units		\$3.00	\$3.70	\$4.40	\$5.05	\$5.70	\$6.20	
Tier 2	5.01 - 10 units		3.50	4.40	5.30	6.15	7.00	7.70	
Tier 3	10.01 - 20 units		4.00	5.10	6.20	7.25	8.30	9.20	
Tier 4	20.01 + units		4.50	5.80	7.10	8.35	9.60	10.70	
<i>1 unit = one hundred cubic feet = 748 gallons</i>									
For 1-1/2", 2" and 3" Meters			Rate Per Unit (\$/hcf)						
Unit rate for all water use			\$3.79	\$4.60	\$5.40	\$6.20	\$7.00	\$7.70	
<i>1 unit = one hundred cubic feet = 748 gallons</i>									
PRIVATE FIRE PROTECTION CHARGES									
<u>Svc Size</u>	<u>Accounts</u>	<u>Capacity</u>	<u>Monthly Rate</u>						
2"	1	160 gpm	\$12.62	\$14.38	\$16.37	\$18.36	\$20.28	\$22.05	
3"	0	300 gpm	25.25	26.96	30.69	34.43	38.03	41.34	
4"	6	500 gpm	50.50	44.94	51.16	57.38	63.38	68.91	
6"	4	1,000 gpm	75.76	89.88	102.31	114.75	126.75	137.81	
8"	7	1,600 gpm	113.62	143.80	163.70	183.60	202.80	220.50	

6.2 Water Rate Impacts

The following table shows the impacts of the proposed water rates on a customer with a 3/4-inch or 1-inch meter at a range of levels of water use. With the proposed rate increases, the monthly bill for a customer with median use of 6 hcf would gradually increase from the current level of \$44.28 to \$80.05 over the next 5 years resulting in a 5-year increase of \$35.77 per month. This equates to an average annual compounded increase of 12.6%. Approximately half of the District's bills are currently at or below this level of use. These are substantial increases, but are needed to restore financial stability and provide funding for high-priority capital improvements and water supply for groundwater replenishment.

The billing impacts shown on the table do not account for any potential reduction in future water use due to additional conservation. Customers can help mitigate the impact of the proposed rate increases by reducing water use. Note that water consumption, particularly for single family customers, typically varies from month to month due to seasonal variations in weather and/or other factors. Hence customers could face a range of impacts throughout the year depending on their level of water use in each billing period.

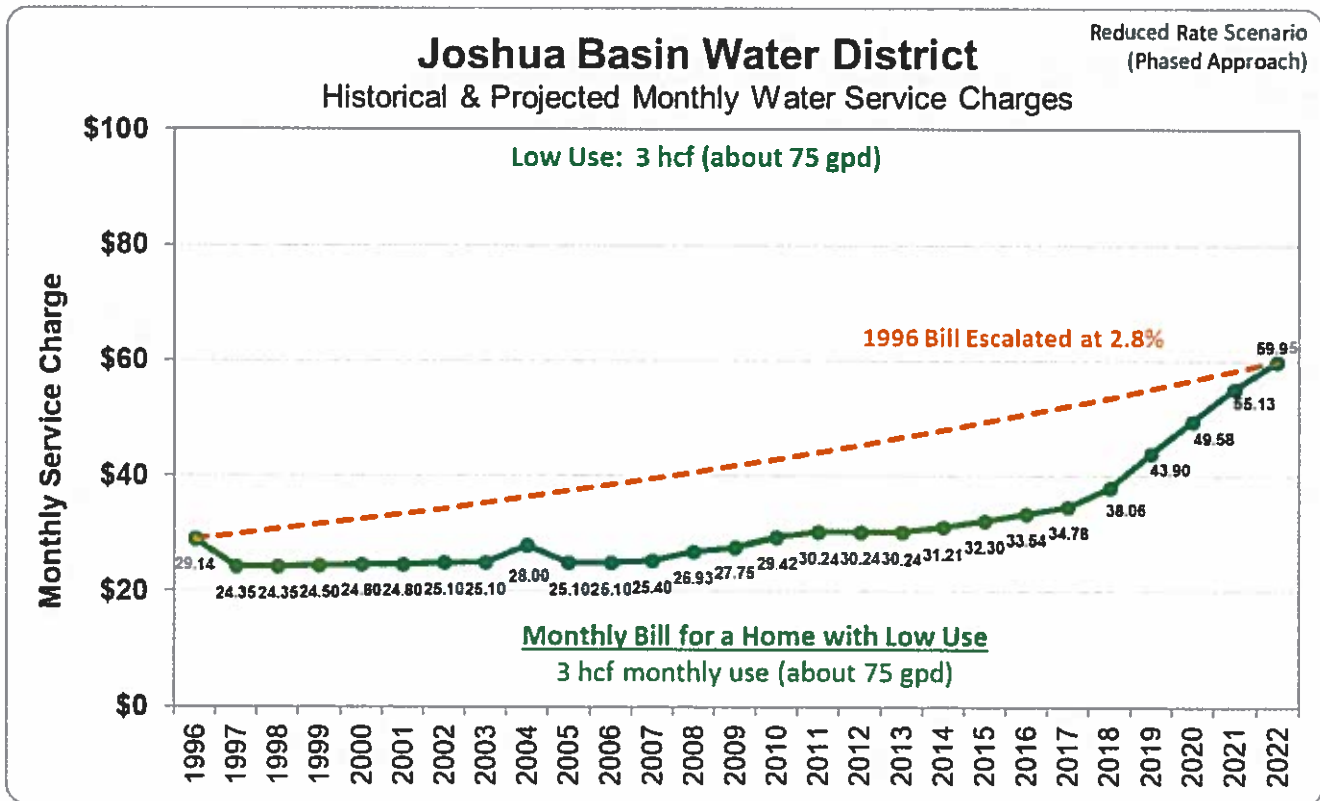
Projected Rate Impacts										
Level of Use	Monthly Use	% of Bills at or Below	Current	Projected Monthly Water Bills					5-Year Impact	Avg Yearly Impact
				2018	2019	2020	2021	2022		
LOW	3 hcf	30%	\$34.78	\$38.06	\$43.90	\$49.58	\$55.13	\$59.95	25.17	5.03
			Increase \$	3.28	5.84	5.68	5.55	4.82		
			Increase %	9.4%	15.3%	12.9%	11.2%	8.7%		
MEDIAN	6 hcf	55%	\$44.28	\$49.86	\$58.00	\$65.83	\$73.53	\$80.05	35.77	7.15
			Increase \$	5.58	8.14	7.83	7.70	6.52		
			Increase %	12.6%	16.3%	13.5%	11.7%	8.9%		
AVERAGE	9 hcf	73%	\$54.78	\$63.06	\$73.90	\$84.28	\$94.53	\$103.15	48.37	9.67
			Increase \$	8.28	10.84	10.38	10.25	8.62		
			Increase %	15.1%	17.2%	14.0%	12.2%	9.1%		
MOD-HIGH	20 hcf	90%	\$98.28	\$118.46	\$141.20	\$162.93	\$184.53	\$202.85	104.57	20.91
			Increase \$	20.18	22.74	21.73	21.60	18.32		
			Increase %	20.5%	19.2%	15.4%	13.3%	9.9%		
HIGH	30 hcf	95%	\$188.28	\$234.46	\$283.20	\$329.93	\$376.53	\$416.85	228.57	45.71
			Increase \$	46.18	48.74	46.73	46.60	40.32		
			Increase %	24.5%	20.8%	16.5%	14.1%	10.7%		

Note: Impacts shown above assume no reduction in future water use due to conservation.

The following charts show historical and projected monthly charges for a customer with a 3/4-inch or 1-inch meter with Low Use, Median Use, and Average Use, to put the proposed rates in context of a longer-term history. With the proposed rate increases, the long-term average annual rate increase since 1996 equates to 2.8% for a Low Use customer, 3.3% for a Median Use customer, and 3.8% for an Average Use customer. These long-term increases are nominal increases that do not account for inflation.

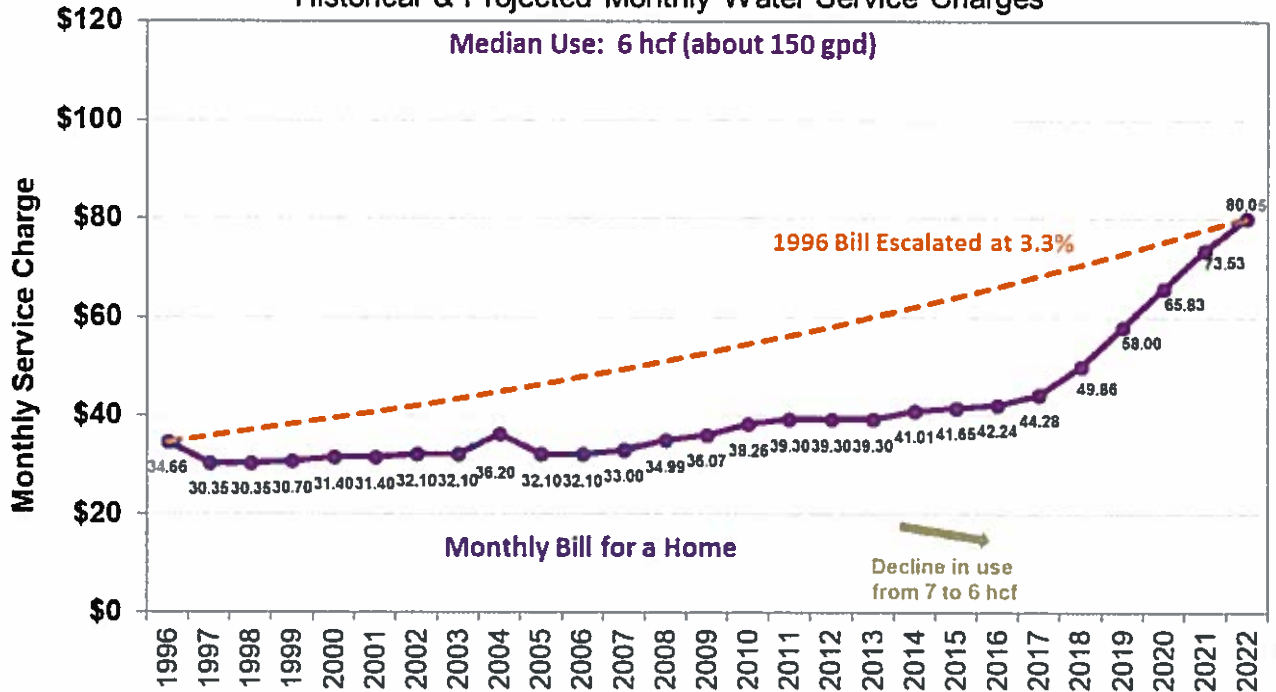
From 1996 to 2017, inflation as measured by the Consumer Price Index (CPI-U) increased by approximately 60% equating to an average annual compounded rate of 2.15%. Discounting for inflation, the long-term average annual rate increase since 1996 equates to about 0.7% for a Low Use customer, 1.1% for a Median Use customer, and 1.6% for an Average Use customer in inflation-adjusted terms.

While the proposed rates will result in substantial increases from current levels, over the longer-term they bill bring rates up to where they would have been had the District raised rates each year by a little more than inflation. The District has had a long-standing commitment to keeping rates as low as possible. While this has benefitted ratepayers via lower bills for many years, it is also resulting in the need for larger rate increases in upcoming years to restore financial stability and address long-term financial challenges.



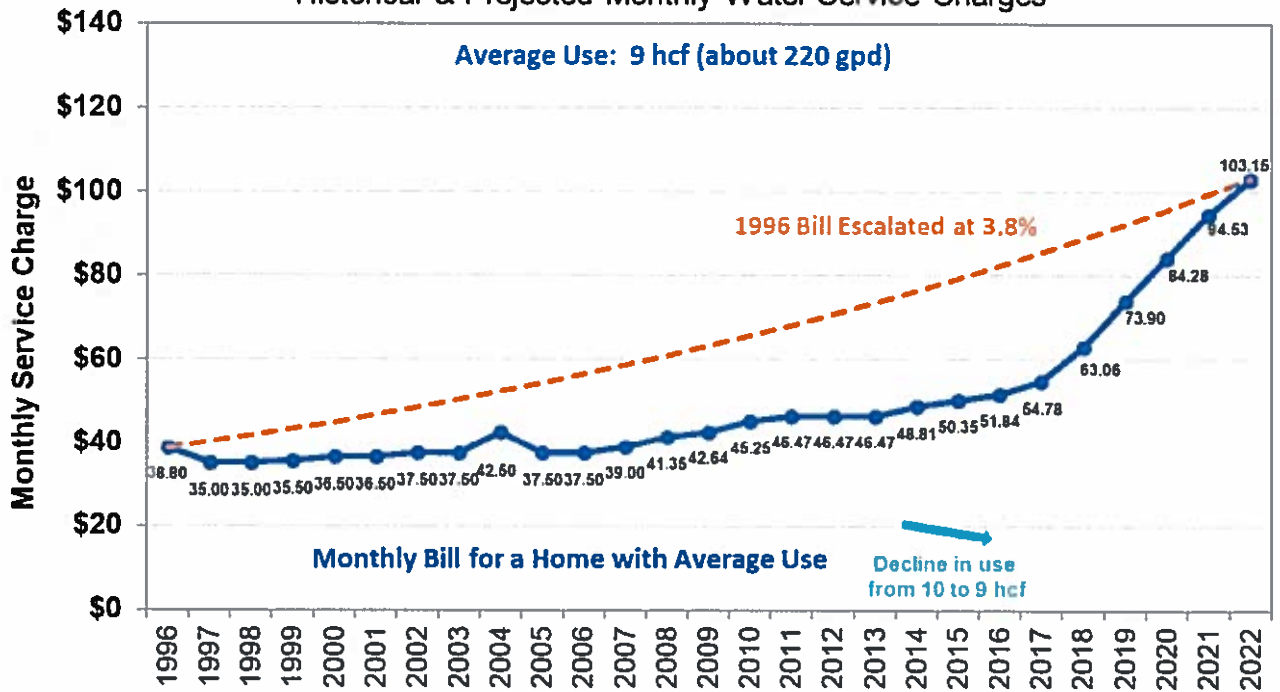
Joshua Basin Water District Historical & Projected Monthly Water Service Charges

Reduced Rate Scenario
(Phased Approach)



Joshua Basin Water District Historical & Projected Monthly Water Service Charges

Reduced Rate Scenario
(Phased Approach)



APPENDIX

Financial & Rate Scenarios

Summary of Financial Scenarios

	First 5 Years					Future Projections (to be re-evaluated in future years)				
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Scenario 1: Best Management Practice, Deferred Cr-6										
Key Assumptions										
Capital Improvement Projects	\$700,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,600,000	\$2,700,000	\$2,800,000	\$2,900,000
Meter Replacement Program	\$0	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$0	\$0	\$0	\$0
Annual Project Funding	\$237,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$258,000	\$266,000	\$274,000	\$282,000
Recharge Water Purchases	\$287,000	\$597,000	\$627,000	\$658,000	\$691,000	\$726,000	\$762,000	\$800,000	\$840,000	\$882,000
Recharge (Acre-Feet)	500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Chrome 6 Operating Costs	\$0	\$0	\$0	\$0	\$0	\$500,000	\$800,000	\$832,000	\$865,000	\$900,000
Chrome 6 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$275,000	\$275,000	\$275,000	\$275,000
Rate Increases & Bill Impacts										
Effective Date of Rate Increase	Mar-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1
Rate Revenue Increase %	40%	30%	20%	10%	5%	8%	8%	4%	4%	4%
Cumulative Increase %		82%	118%	140%	152%	172%	194%	206%	218%	231%
Scenario 2: Reduced Rate Scenario (Phased Approach), Deferred Cr-6										
Key Assumptions										
Capital Improvement Projects	\$700,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,500,000	\$2,000,000	\$2,400,000	\$2,700,000
Meter Replacement Program	\$0	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$0	\$0	\$0	\$0
Annual Project Funding	\$237,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$258,000	\$266,000	\$274,000	\$282,000
Recharge Water Purchases	\$287,000	\$418,000	\$502,000	\$592,000	\$691,000	\$726,000	\$762,000	\$800,000	\$840,000	\$882,000
Recharge (Acre-Feet)	500	700	800	900	1,000	1,000	1,000	1,000	1,000	1,000
Chrome 6 Operating Costs	\$0	\$0	\$0	\$0	\$0	\$400,000	\$800,000	\$832,000	\$865,000	\$900,000
Chrome 6 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$275,000	\$275,000	\$275,000	\$275,000
Rate Increases & Bill Impacts										
Effective Date of Rate Increase	Mar-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1
Rate Revenue Increase %	18%	16%	14%	12%	10%	16%	14%	12%	6%	6%
Cumulative Increase %		37%	56%	75%	92%	123%	154%	185%	202%	220%
Scenario 3: Reduced Rate Scenario (Phased Approach) with \$5.0 Million Debt for High-Priority Capital Improvements										
Key Assumptions										
Capital Improvement Projects	\$700,000	\$5,000,000	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,200,000	\$1,700,000	\$2,200,000	\$2,500,000
Meter Replacement Program	\$0	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$0	\$0	\$0	\$0
Annual Project Funding	\$237,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$258,000	\$266,000	\$274,000	\$282,000
Recharge Water Purchases	\$287,000	\$418,000	\$502,000	\$592,000	\$691,000	\$726,000	\$762,000	\$800,000	\$840,000	\$882,000
Recharge (Acre-Feet)	500	700	800	900	1,000	1,000	1,000	1,000	1,000	1,000
Chrome 6 Operating Costs	\$0	\$0	\$0	\$0	\$0	\$500,000	\$800,000	\$832,000	\$865,000	\$900,000
Chrome 6 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$275,000	\$275,000	\$275,000	\$275,000
New Debt Service	\$0	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000
Rate Increases & Bill Impacts										
Effective Date of Rate Increase	Mar-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1
Rate Revenue Increase %	18%	16%	14%	12%	10%	16%	14%	12%	6%	6%
Cumulative Increase %		37%	56%	75%	92%	123%	154%	185%	202%	220%

Joshua Basin Water District
Financial & Rate Projections

Scenario 1
Best Management Practice

With Deferred Chrome 6 Treatment
No Debt
40% Fixed Rate Revenue Recovery
Steeper Water Rate Tiers

Table 1A		Best Management Practice				Years 1 - 5
		1	2	3	4	5
		Projected 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22
1	Effective Date of Rate Adjustment	Mar-1	Jan-1	Jan-1	Jan-1	Jan-1
2	Rate Revenue Adjustment %	40%	30%	20%	10%	5%
4	Growth: New EDUs	10	10	10	10	10
5	Growth in Billable EDUs %	0.2%	0.2%	0.2%	0.2%	0.2%
6	Wtr Demand Elasticity (Response to Rate Incr)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
7	Change in Water Use After Rate Increase	-8.0%	-6.0%	-4.0%	-2.0%	-1.0%
8	Water Purchases from MWA (AF)	500	1,000	1,000	1,000	1,000
9	MWA Rate per AF	\$569	\$597	\$627	\$658	\$691
10	Interest Earnings Rate	1.0%	1.5%	2.0%	2.0%	2.0%
11	Annual Cost Escalator		4.0%	4.0%	4.0%	4.0%
12	Beginning Fund Reserves	\$7,151,000	\$6,910,000	\$5,203,000	\$4,440,000	\$4,299,000
13	REVENUES					
14	Basic Monthly Fees	1,770,000	2,404,000	2,996,000	3,439,000	3,700,000
15	Water Usage Charges	2,038,000	2,618,000	3,108,000	3,469,000	3,677,000
16	Locked Meter Charges	303,000	363,000	440,000	496,000	528,000
17	Standby Revenue	1,140,000	1,139,000	1,138,000	1,137,000	1,136,000
18	Property Taxes	428,000	437,000	446,000	455,000	464,000
19	Private Fire Svc & Special Services	137,000	140,000	143,000	146,000	149,000
20	Water Capacity & Meter Install Fees	53,000	53,000	54,000	55,000	56,000
21	Interest Earnings	50,000	104,000	104,000	89,000	86,000
22	HDMC WWTP Reimbs (+22%)	200,000	207,000	216,000	224,000	233,000
23	Other Revenues	12,000	20,000	20,000	20,000	20,000
24	Total Revenues	6,131,000	7,485,000	8,665,000	9,530,000	10,049,000
25	SRF Grants	100,000			200,000	10,000,000
26	SRF Planning & Construction Loan				1,510,000	
28	EXPENSES					
29	Operating & Maintenance					
30	Production	1,324,000	1,377,000	1,432,000	1,489,000	1,549,000
31	Recharge Water Purchases from MWA	287,000	597,000	627,000	658,000	691,000
32	Distribution	1,000,000	1,040,000	1,082,000	1,125,000	1,170,000
33	Customer Service	489,000	509,000	529,000	550,000	572,000
34	Administration	1,048,000	1,090,000	1,134,000	1,179,000	1,226,000
35	Engineering	237,000	246,000	256,000	266,000	277,000
36	Finance	533,000	554,000	576,000	599,000	623,000
37	Personnel & Legal	134,000	139,000	145,000	151,000	157,000
38	HDMC WWTP Operations (reimbursable)	163,000	170,000	177,000	184,000	191,000
39	Chrome 6 Operations	0	0	0	0	0
40	Subtotal	5,215,000	5,722,000	5,958,000	6,201,000	6,456,000
41	Debt Service					
43	Future Chrome 6 SRF Loan Repayment	-	-	-	-	-
44	Subtotal	0	0	0	0	0
45	Capital/Non-Operating					
46	Capital Improvements	700,000	2,500,000	2,500,000	2,500,000	2,500,000
47	Meter Replacement Program	0	500,000	500,000	500,000	500,000
48	Annual Project Funding	237,000	250,000	250,000	250,000	250,000
49	Chromium 6 Project (grant & loan funded)	100,000	0	0	1,710,000	10,000,000
50	Morongo Basin Pipeline Debt Reimbs	220,000	220,000	220,000	220,000	0
51	Subtotal	1,257,000	3,470,000	3,470,000	5,180,000	13,250,000
52	Total Expenses	6,472,000	9,192,000	9,428,000	11,381,000	19,706,000
53	Revenues Less Expenses	(241,000)	(1,707,000)	(763,000)	(141,000)	343,000
54	Ending Fund Reserves	6,910,000	5,203,000	4,440,000	4,299,000	4,642,000
55	Min Fund Rsrv Target (50% O&M + \$1M)	3,607,500	3,861,000	3,979,000	4,100,500	4,228,000
56	Debt Service Coverage	-	-	-	-	-
57	Annual pay-go funding generated for CIP	696,000	1,543,000	2,487,000	3,109,000	3,593,000

Table 1A		Best Management Practice				Year 6 - 10
	6	7	8	9	10	
	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	Esc Factor
1	Effective Date of Rate Adjustment	Jan-1	Jan-1	Jan-1	Jan-1	
2	Rate Revenue Adjustment %	8%	8%	4%	4%	
4	Growth: New EDUs	10	10	10	10	
5	Growth in Billable EDUs %	0.2%	0.2%	0.2%	0.2%	
6	Wtr Demand Elasticity (Response to Rate Incr)	(0.2)	(0.2)	(0.2)	(0.2)	
7	Change in Annual Water Consumption	-1.6%	-1.6%	-0.8%	-0.8%	
8	Water Purchases from MWA (AF)	1,000	1,000	1,000	1,000	
9	MWA Rate per AF	\$726	\$762	\$800	\$840	5.0%
10	Interest Earnings Rate	2.0%	2.0%	2.0%	2.0%	
11	Annual Cost Escalator	4.0%	4.0%	4.0%	4.0%	
12	Beginning Fund Reserves	\$4,642,000	\$4,716,000	\$4,964,000	\$5,307,000	\$5,594,000
13	REVENUES					
14	Basic Monthly Fees	3,950,000	4,275,000	4,537,000	4,728,000	4,927,000
15	Water Usage Charges	3,861,000	4,103,000	4,301,000	4,438,000	4,578,000
16	Locked Meter Charges	562,000	607,000	643,000	669,000	696,000
17	Standby Revenue	1,135,000	1,134,000	1,133,000	1,132,000	1,131,000
18	Property Taxes	473,000	482,000	492,000	502,000	512,000
19	Private Fire Svc & Special Services	152,000	155,000	158,000	161,000	164,000
20	Water Capacity & Meter Install Fees	57,000	57,000	58,000	59,000	60,000
21	Interest Earnings	93,000	94,000	99,000	106,000	112,000
22	HDMC WWTP Reimbs (+22%)	243,000	253,000	262,000	273,000	284,000
23	Other Revenues	20,000	20,000	20,000	20,000	20,000
24	Total Revenues	10,546,000	11,180,000	11,703,000	12,088,000	12,484,000
25	SRF Grants					
26	SRF Planning & Construction Loan	4,000,000				
28	EXPENSES					
29	Operating & Maintenance					
30	Production	1,611,000	1,675,000	1,742,000	1,812,000	1,884,000
31	Recharge Water Purchases from MWA	726,000	762,000	800,000	840,000	882,000
32	Distribution	1,217,000	1,266,000	1,317,000	1,370,000	1,425,000
33	Customer Service	595,000	619,000	644,000	670,000	697,000
34	Administration	1,275,000	1,326,000	1,379,000	1,434,000	1,491,000
35	Engineering	288,000	300,000	312,000	324,000	337,000
36	Finance	648,000	674,000	701,000	729,000	758,000
37	Personnel & Legal	163,000	170,000	177,000	184,000	191,000
38	HDMC WWTP Operations (reimbursable)	199,000	207,000	215,000	224,000	233,000
39	Chrome 6 Operations	500,000	800,000	832,000	865,000	900,000
40	Subtotal	7,222,000	7,799,000	8,119,000	8,452,000	8,798,000
41	Debt Service					
43	Future Chrome 6 SRF Loan Repayment	-	275,000	275,000	275,000	275,000
44	Subtotal	0	275,000	275,000	275,000	275,000
45	Capital/Non-Operating					
46	Capital Improvements (Pipes/Wells/Boosters)	2,500,000	2,600,000	2,700,000	2,800,000	2,900,000
47	Meter Replacement Program	500,000	0	0	0	0
48	Annual Project Funding	250,000	258,000	266,000	274,000	282,000
49	Chromium 6 Project (grant & loan funded)	4,000,000	0	0	0	0
50	Morongo Basin Pipeline Debt Reimbs	0	0	0	0	0
51	Subtotal	7,250,000	2,858,000	2,966,000	3,074,000	3,182,000
52	Total Expenses	14,472,000	10,932,000	11,360,000	11,801,000	12,255,000
53	Revenues Less Expenses	74,000	248,000	343,000	287,000	229,000
54	Ending Fund Reserves	4,716,000	4,964,000	5,307,000	5,594,000	5,823,000
55	Min Fund Rsrv Target (50% O&M+Debt + \$1M)	4,611,000	5,037,000	5,197,000	5,363,500	5,536,500
56	Debt Service Coverage	-	12.29	13.03	13.22	13.40
57	Annual pay-go funding generated for CIP	3,324,000	3,106,000	3,309,000	3,361,000	3,411,000

Table 1B
 Joshua Basin Water District
 Projected Water Rates

Scenario 1
 Best Management Practice, No Debt
 40% Fixed Rate Recovery with Steeper Tiers

Current & Proposed Water Rates									
Effective			Current Rates	Mar-1 2018	Jan-1 2019	Jan-1 2020	Jan-1 2021	Jan-1 2022	
BASIC MONTHLY FEE									
<u>Meter Size</u>	<u>Accounts</u>	<u>Capacity</u>	<u>Monthly Rate</u>						
3/4" & 1"	4,503	30 gpm	\$25.78	\$31.19	\$39.21	\$46.03	\$50.07	\$52.25	
1-1/2"	28	100 gpm	85.93	103.97	130.70	153.43	166.90	174.17	
2"	18	160 gpm	137.49	166.35	209.12	245.49	267.04	278.67	
3"	7	300 gpm	257.79	311.90	392.10	460.30	500.70	522.50	
MONTHLY WATER FLOW CHARGES									
For 3/4" and 1" Meters			Rate Per Unit (\$/hcf)						
Tier 1	0 - 5 units		\$3.00	\$4.50	\$6.06	\$7.45	\$8.30	\$8.76	
Tier 2	5.01 - 10 units		3.50	5.50	7.40	9.09	10.13	10.70	
Tier 3	10.01 - 20 units		4.00	6.50	8.75	10.75	11.98	12.65	
Tier 4	20.01 + units		4.50	7.50	10.10	12.41	13.82	14.59	
<i>1 unit = one hundred cubic feet = 748 gallons</i>									
For 1-1/2", 2" and 3" Meters			Rate Per Unit (\$/hcf)						
Unit rate for all water use			\$3.79	\$5.50	\$7.15	\$8.58	\$9.44	\$9.91	
<i>1 unit = one hundred cubic feet = 748 gallons</i>									
PRIVATE FIRE PROTECTION CHARGES									
<u>Svc Size</u>	<u>Accounts</u>	<u>Capacity</u>	<u>Monthly Rate</u>						
2"	1	160 gpm	\$12.62	\$16.64	\$20.91	\$24.55	\$26.70	\$27.87	
3"	0	300 gpm	25.25	31.20	39.21	46.03	50.06	52.26	
4"	6	500 gpm	50.50	52.00	65.34	76.72	83.44	87.09	
6"	4	1,000 gpm	75.76	104.00	130.69	153.44	166.88	174.19	
8"	7	1,600 gpm	113.62	166.40	209.10	245.50	267.00	278.70	

Table 1C Scenario 1
 Joshua Basin Water District Best Management Practice, No Debt
 Bill Impacts (3/4" & 1" Meter) 40% Fixed Rate Recovery with Steeper Tiers

Level of Use	Monthly Use	% of Bills at or Below	Current	Projected Monthly Water Bills					5-Year Avg Annual Impact	
				2018	2019	2020	2021	2022	Impact	Impact
LOW	3 hcf	30%	\$34.78 Increase \$ Increase %	\$44.69 9.91 28.5%	\$57.39 12.70 28.4%	\$68.38 10.99 19.1%	\$74.97 6.59 9.6%	\$78.53 3.56 4.7%	43.75 125.8%	8.75 17.7%
MEDIAN	6 hcf	55%	\$44.28 Increase \$ Increase %	\$59.19 14.91 33.7%	\$76.91 17.72 29.9%	\$92.37 15.46 20.1%	\$101.70 9.33 10.1%	\$106.75 5.05 5.0%	62.47 141.1%	12.49 19.2%
AVERAGE	9 hcf	73%	\$54.78 Increase \$ Increase %	\$75.69 20.91 38.2%	\$99.11 23.42 30.9%	\$119.64 20.53 20.7%	\$132.09 12.45 10.4%	\$138.85 6.76 5.1%	84.07 153.5%	16.81 20.4%
MOD-HIGH	20 hcf	90%	\$98.28 Increase \$ Increase %	\$146.19 47.91 48.7%	\$194.01 47.82 32.7%	\$236.23 42.22 21.8%	\$262.02 25.79 10.9%	\$276.05 14.03 5.4%	177.77 180.9%	35.55 22.9%
HIGH	30 hcf	95%	\$188.28 Increase \$ Increase %	\$296.19 107.91 57.3%	\$396.01 99.82 33.7%	\$484.43 88.42 22.3%	\$538.42 53.99 11.1%	\$567.85 29.43 5.5%	379.57 201.6%	75.91 24.7%

Joshua Basin Water District

Financial & Rate Projections

Scenario 2

Reduced Rate Scenario (Phased Approach)

With Deferred Chrome 6 Treatment

No Debt

40% Fixed Rate Revenue Recovery

Steeper Water Rate Tiers

Table 2A		Reduced Rate Scenario (Phased Approach)					Years 1 - 5
		1	2	3	4	5	
		Projected 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	
1	Effective Date of Rate Adjustment	Mar-1	Jan-1	Jan-1	Jan-1	Jan-1	
2	Rate Revenue Adjustment %	18%	16%	14%	12%	10%	
4	Growth: New EDUs	10	10	10	10	10	
5	Growth in Billable EDUs %	0.2%	0.2%	0.2%	0.2%	0.2%	
6	Wtr Demand Elasticity (Response to Rate Incr)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	
7	Change in Water Use After Rate Increase	-3.6%	-3.2%	-2.8%	-2.4%	-2.0%	
8	Water Purchases from MWA (AF)	500	700	800	900	1,000	
9	MWA Rate per AF	\$569	\$597	\$627	\$658	\$691	
10	Interest Earnings Rate	1.0%	1.5%	2.0%	2.0%	2.0%	
11	Annual Cost Escalator		4.0%	4.0%	4.0%	4.0%	
12	Beginning Fund Reserves	\$7,151,000	\$6,592,000	\$5,594,000	\$4,923,000	\$4,532,000	
13	REVENUES						
14	Basic Monthly Fees	1,606,000	1,903,000	2,192,000	2,480,000	2,757,000	
15	Water Usage Charges	1,913,000	2,219,000	2,475,000	2,725,000	2,960,000	
16	Locked Meter Charges	274,000	298,000	336,000	374,000	410,000	
17	Standby Revenue	1,140,000	1,139,000	1,138,000	1,137,000	1,136,000	
18	Property Taxes	428,000	437,000	446,000	455,000	464,000	
19	Private Fire Svc & Special Services	137,000	140,000	143,000	146,000	149,000	
20	Water Capacity & Meter Install Fees	53,000	53,000	54,000	55,000	56,000	
21	Interest Earnings	50,000	99,000	112,000	98,000	91,000	
22	HDMC WWTP Reimbs (+22%)	200,000	207,000	216,000	224,000	233,000	
23	Other Revenues	12,000	20,000	20,000	20,000	20,000	
24	Total Revenues	5,813,000	6,515,000	7,132,000	7,714,000	8,276,000	
25	SRF Grant Funding	100,000			200,000	10,000,000	
26	SRF Planning & Construction Loan				1,510,000		
28	EXPENSES						
29	Operating & Maintenance						
30	Production	1,324,000	1,377,000	1,432,000	1,489,000	1,549,000	
31	Recharge Water Purchases from MWA	287,000	418,000	502,000	592,000	691,000	
32	Distribution	1,000,000	1,040,000	1,082,000	1,125,000	1,170,000	
33	Customer Service	489,000	509,000	529,000	550,000	572,000	
34	Administration	1,048,000	1,090,000	1,134,000	1,179,000	1,226,000	
35	Engineering	237,000	246,000	256,000	266,000	277,000	
36	Finance	533,000	554,000	576,000	599,000	623,000	
37	Personnel & Legal	134,000	139,000	145,000	151,000	157,000	
38	HDMC WWTP Operations (reimbursable)	163,000	170,000	177,000	184,000	191,000	
39	Chrome 6 Operations	0	0	0	0	0	
40	Subtotal	5,215,000	5,543,000	5,833,000	6,135,000	6,456,000	
41	Debt Service						
42	Debt Service for Capital Improvements	-	-	-	-	-	
43	Chrome 6 SRF Loan Repayment	-	-	-	-	-	
44	Subtotal	0	0	0	0	0	
45	Capital/Non-Operating						
46	Capital Improvements	700,000	1,000,000	1,000,000	1,000,000	1,000,000	
47	Meter Replacement Program	0	500,000	500,000	500,000	500,000	
48	Annual Project Funding	237,000	250,000	250,000	250,000	250,000	
49	Chromium 6 Project (grant & loan funded)	100,000	0	0	1,710,000	10,000,000	
50	Morongo Basin Pipeline Debt Reimbs	220,000	220,000	220,000	220,000	0	
51	Subtotal	1,257,000	1,970,000	1,970,000	3,680,000	11,750,000	
52	Total Expenses	6,472,000	7,513,000	7,803,000	9,815,000	18,206,000	
53	Revenues Less Expenses	(559,000)	(998,000)	(671,000)	(391,000)	70,000	
54	Ending Fund Reserves	6,592,000	5,594,000	4,923,000	4,532,000	4,602,000	
55	Min Fund Rsrv Target (50% O&M + \$1M)	3,607,500	3,771,500	3,916,500	4,067,500	4,228,000	
56	Debt Service Coverage	-	-	-	-	-	
57	Pay-go funding generated for CIP/Other	378,000	752,000	1,079,000	1,359,000	1,820,000	

Table 2A		Reduced Rate Scenario (Phased Approach)					Year 6 - 10
		6	7	8	9	10	
		Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	Esc Factor
1	Effective Date of Rate Adjustment	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	
2	Rate Revenue Adjustment %	16%	14%	12%	6%	6%	
4	Growth: New EDUs	10	10	10	10	10	
5	Growth in Billable EDUs %	0.2%	0.2%	0.2%	0.2%	0.2%	
6	Wtr Demand Elasticity (Response to Rate Incr)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	
7	Change in Annual Water Consumption	-3.2%	-2.8%	-2.4%	-1.2%	-1.2%	
8	Water Purchases from MWA (AF)	1,000	1,000	1,000	1,000	1,000	
9	MWA Rate per AF	\$726	\$762	\$800	\$840	\$882	5.0%
10	Interest Earnings Rate	2.0%	2.0%	2.0%	2.0%	2.0%	
11	Annual Cost Escalator	4.0%	4.0%	4.0%	4.0%	4.0%	
12	Beginning Fund Reserves	\$4,602,000	\$4,744,000	\$4,871,000	\$5,102,000	\$5,330,000	
13	REVENUES						
14	Basic Monthly Fees	3,126,000	3,600,000	4,074,000	4,443,000	4,719,000	
15	Water Usage Charges	3,253,000	3,630,000	3,996,000	4,282,000	4,484,000	
16	Locked Meter Charges	463,000	533,000	601,000	655,000	694,000	
17	Standby Revenue	1,135,000	1,134,000	1,133,000	1,132,000	1,131,000	
18	Property Taxes	473,000	482,000	492,000	502,000	512,000	2.0%
19	Private Fire Svc & Special Services	152,000	155,000	158,000	161,000	164,000	2.0%
20	Water Capacity & Meter Install Fees	57,000	57,000	58,000	59,000	60,000	
21	Interest Earnings	92,000	95,000	97,000	102,000	107,000	
22	HDMC WWTP Reimbs (+22%)	243,000	253,000	262,000	273,000	284,000	
23	Other Revenues	20,000	20,000	20,000	20,000	20,000	
24	Total Revenues	9,014,000	9,959,000	10,891,000	11,629,000	12,175,000	
25	SRF Grant Funding						
26	SRF Planning & Construction Loan	4,000,000					
28	EXPENSES						
29	Operating & Maintenance						
30	Production	1,611,000	1,675,000	1,742,000	1,812,000	1,884,000	
31	Recharge Water Purchases from MWA	726,000	762,000	800,000	840,000	882,000	
32	Distribution	1,217,000	1,266,000	1,317,000	1,370,000	1,425,000	
33	Customer Service	595,000	619,000	644,000	670,000	697,000	
34	Administration	1,275,000	1,326,000	1,379,000	1,434,000	1,491,000	
35	Engineering	288,000	300,000	312,000	324,000	337,000	
36	Finance	648,000	674,000	701,000	729,000	758,000	
37	Personnel & Legal	163,000	170,000	177,000	184,000	191,000	
38	HDMC WWTP Operations (reimbursable)	199,000	207,000	215,000	224,000	233,000	
39	Chrome 6 Operations	400,000	800,000	832,000	865,000	900,000	
40	Subtotal	7,122,000	7,799,000	8,119,000	8,452,000	8,798,000	
41	Debt Service						
42	Debt Service for Capital Improvements	-	-	-	-	-	
43	Chrome 6 SRF Loan Repayment	-	275,000	275,000	275,000	275,000	
44	Subtotal	0	275,000	275,000	275,000	275,000	
45	Capital/Non-Operating						
46	Capital Improvements (Pipes/Wells/Boosters)	1,000,000	1,500,000	2,000,000	2,400,000	2,700,000	
47	Meter Replacement Program	500,000	0	0	0	0	
48	Annual Project Funding	250,000	258,000	266,000	274,000	282,000	3.0%
49	Chromium 6 Project (grant & loan funded)	4,000,000	0	0	0	0	
50	Morongo Basin Pipeline Debt Reimbs	0	0	0	0	0	
51	Subtotal	5,750,000	1,758,000	2,266,000	2,674,000	2,982,000	
52	Total Expenses	12,872,000	9,832,000	10,660,000	11,401,000	12,055,000	
53	Revenues Less Expenses	142,000	127,000	231,000	228,000	120,000	
54	Ending Fund Reserves	4,744,000	4,871,000	5,102,000	5,330,000	5,450,000	
55	Min Fund Rsrv Target (50% O&M + \$1M)	4,561,000	4,899,500	5,059,500	5,226,000	5,399,000	
56	Debt Service Coverage	-	7.85	10.08	11.55	12.28	
57	Pay-go funding generated for CIP/Other	1,892,000	1,885,000	2,497,000	2,902,000	3,102,000	

Table 2B
 Joshua Basin Water District
 Projected Water Rates

Scenario 2
 Reduced Rate Scenario (Phased Approach), No Debt
 40% Fixed Rate Recovery with Steeper Tiers

Current & Proposed Water Rates								
Effective	Current Rates	Mar-1 2018	Jan-1 2019	Jan-1 2020	Jan-1 2021	Jan-1 2022		
BASIC MONTHLY FEE								
<u>Meter Size</u>	<u>Accounts</u>	<u>Capacity</u>	<u>Monthly Rate</u>					
3/4" & 1"	4,503	30 gpm	\$25.78	\$26.96	\$30.70	\$34.43	\$38.03	\$41.35
1-1/2"	28	100 gpm	85.93	89.87	102.33	114.77	126.77	137.83
2"	18	160 gpm	137.49	143.79	163.73	183.63	202.83	220.53
3"	7	300 gpm	257.79	269.60	307.00	344.30	380.30	413.50
MONTHLY WATER FLOW CHARGES								
For 3/4" and 1" Meters			<u>Rate Per Unit (\$/hcf)</u>					
Tier 1	0 - 5 units		\$3.00	\$3.70	\$4.40	\$5.05	\$5.70	\$6.20
Tier 2	5.01 - 10 units		3.50	4.40	5.30	6.15	7.00	7.70
Tier 3	10.01 - 20 units		4.00	5.10	6.20	7.25	8.30	9.20
Tier 4	20.01 + units		4.50	5.80	7.10	8.35	9.60	10.70
<i>1 unit = one hundred cubic feet = 748 gallons</i>								
For 1-1/2", 2" and 3" Meters			<u>Rate Per Unit (\$/hcf)</u>					
Unit rate for all water use			\$3.79	\$4.60	\$5.40	\$6.20	\$7.00	\$7.70
<i>1 unit = one hundred cubic feet = 748 gallons</i>								
PRIVATE FIRE PROTECTION CHARGES								
<u>Svc Size</u>	<u>Accounts</u>	<u>Capacity</u>	<u>Monthly Rate</u>					
2"	1	160 gpm	\$12.62	\$14.38	\$16.37	\$18.36	\$20.28	\$22.05
3"	0	300 gpm	25.25	26.96	30.69	34.43	38.03	41.34
4"	6	500 gpm	50.50	44.94	51.16	57.38	63.38	68.91
6"	4	1,000 gpm	75.76	89.88	102.31	114.75	126.75	137.81
8"	7	1,600 gpm	113.62	143.80	163.70	183.60	202.80	220.50

Scenario 2
 Phased Approach, No Debt
 40% Fixed Rate Recovery with Steeper Tiers

Table 2C
 Joshua Basin Water District
 Bill Impacts (3/4" & 1" Meter)

Level of Use	Monthly Use	% of Bills at or Below	Current	Projected Monthly Water Bills					5-Year Avg Yearly		
				2018	2019	2020	2021	2022	Impact	Impact	
LOW	3 hcf	30%	\$34.78	\$43.90	\$49.58	\$55.13	\$59.95				
			Increase \$ Increase %	5.84 15.3%	5.68 12.9%	5.55 11.2%	4.82 8.7%	25.17 72.4%	5.03 11.5%		
MEDIAN	6 hcf	55%	\$44.28	\$58.00	\$65.83	\$73.53	\$80.05				
			Increase \$ Increase %	8.14 16.3%	7.83 13.5%	7.70 11.7%	6.52 8.9%	35.77 80.8%	7.15 12.6%		
AVERAGE	9 hcf	73%	\$54.78	\$73.90	\$84.28	\$94.53	\$103.15				
			Increase \$ Increase %	10.84 17.2%	10.38 14.0%	10.25 12.2%	8.62 9.1%	48.37 88.3%	9.67 13.5%		
MOD-HIGH	20 hcf	90%	\$98.28	\$141.20	\$162.93	\$184.53	\$202.85				
			Increase \$ Increase %	22.74 19.2%	21.73 15.4%	21.60 13.3%	18.32 9.9%	104.57 106.4%	20.91 15.6%		
HIGH	30 hcf	95%	\$188.28	\$283.20	\$329.93	\$376.53	\$416.85				
			Increase \$ Increase %	48.74 20.8%	46.73 16.5%	46.60 14.1%	40.32 10.7%	228.57 121.4%	45.71 17.2%		

Note: Impacts shown above assume no reduction in future water use due to conservation.

Joshua Basin Water District

Financial & Rate Projections

Scenario 3

Reduced Rate Scenario (Phased Approach) with Debt

\$5.0 Million Debt for Capital Improvements

With Deferred Chrome 6 Treatment

40% Fixed Rate Revenue Recovery

Steeper Water Rate Tiers

Note: Scenario 3 has the same 5-year rates & impacts as Scenario 2

Table 3A		Reduced Rate Scenario (Phased) with Debt				Years 1 - 5
		1	2	3	4	5
		Projected 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22
1	Effective Date of Rate Adjustment	Mar-1	Jan-1	Jan-1	Jan-1	Jan-1
2	Rate Revenue Adjustment %	18%	16%	14%	12%	10%
4	Growth: New EDUs	10	10	10	10	10
5	Growth in Billable EDUs %	0.2%	0.2%	0.2%	0.2%	0.2%
6	Wtr Demand Elasticity (Response to Rate Incr)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
7	Change in Water Use After Rate Increase	-3.6%	-3.2%	-2.8%	-2.4%	-2.0%
8	Water Purchases from MWA (AF)	500	700	800	900	1,000
9	MWA Rate per AF	\$569	\$597	\$627	\$658	\$691
10	Interest Earnings Rate	1.0%	1.5%	2.0%	2.0%	2.0%
11	Annual Cost Escalator	4.0%	4.0%	4.0%	4.0%	4.0%
12	Beginning Fund Reserves	\$7,151,000	\$6,592,000	\$6,269,000	\$6,286,000	\$5,598,000
13	REVENUES					
14	Basic Monthly Fees	1,606,000	1,903,000	2,192,000	2,480,000	2,757,000
15	Water Usage Charges	1,913,000	2,219,000	2,475,000	2,725,000	2,960,000
16	Locked Meter Charges	274,000	298,000	336,000	374,000	410,000
17	Standby Revenue	1,140,000	1,139,000	1,138,000	1,137,000	1,136,000
18	Property Taxes	428,000	437,000	446,000	455,000	464,000
19	Private Fire Svc & Special Services	137,000	140,000	143,000	146,000	149,000
20	Water Capacity & Meter Install Fees	53,000	53,000	54,000	55,000	56,000
21	Interest Earnings	50,000	99,000	125,000	126,000	112,000
22	HDMC WWTP Reimbs (+22%)	200,000	207,000	216,000	224,000	233,000
23	Other Revenues	12,000	20,000	20,000	20,000	20,000
24	Total Revenues	<u>5,813,000</u>	<u>6,515,000</u>	<u>7,145,000</u>	<u>7,742,000</u>	<u>8,297,000</u>
25	SRF Grants	100,000			200,000	10,000,000
26	SRF Loans				1,510,000	
27	Debt Proceeds		5,000,000			
28	EXPENSES					
29	Operating & Maintenance					
30	Production	1,324,000	1,377,000	1,432,000	1,489,000	1,549,000
31	Recharge Water Purchases from MWA	287,000	418,000	502,000	592,000	691,000
32	Distribution	1,000,000	1,040,000	1,082,000	1,125,000	1,170,000
33	Customer Service	489,000	509,000	529,000	550,000	572,000
34	Administration	1,048,000	1,090,000	1,134,000	1,179,000	1,226,000
35	Engineering	237,000	246,000	256,000	266,000	277,000
36	Finance	533,000	554,000	576,000	599,000	623,000
37	Personnel & Legal	134,000	139,000	145,000	151,000	157,000
38	HDMC WWTP Operations (reimbursable)	163,000	170,000	177,000	184,000	191,000
39	Chrome 6 Operations	0	0	0	0	0
40	Subtotal	<u>5,215,000</u>	<u>5,543,000</u>	<u>5,833,000</u>	<u>6,135,000</u>	<u>6,456,000</u>
41	Debt Service					
42	Projected Debt Service	-	325,000	325,000	325,000	325,000
43	Chrome 6 SRF Loan Repayment	-	-	-	-	-
44	Subtotal	<u>0</u>	<u>325,000</u>	<u>325,000</u>	<u>325,000</u>	<u>325,000</u>
45	Capital/Non-Operating					
46	Capital Improvements	700,000	5,000,000	0	1,000,000	1,000,000
47	Meter Replacement Program	0	500,000	500,000	500,000	500,000
48	Annual Project Funding	237,000	250,000	250,000	250,000	250,000
49	Chromium 6 Project (grant & loan funded)	100,000	0	0	1,710,000	10,000,000
50	Morongo Basin Pipeline Debt Reimbs	220,000	220,000	220,000	220,000	0
51	Subtotal	<u>1,257,000</u>	<u>5,970,000</u>	<u>970,000</u>	<u>3,680,000</u>	<u>11,750,000</u>
52	Total Expenses	<u>6,472,000</u>	<u>11,838,000</u>	<u>7,128,000</u>	<u>10,140,000</u>	<u>18,531,000</u>
53	Revenues Less Expenses	(559,000)	(323,000)	17,000	(688,000)	(234,000)
54	Ending Fund Reserves	6,592,000	6,269,000	6,286,000	5,598,000	5,364,000
55	Min Fund Rsrv Target (50% O&M + \$1M)	3,608,000	3,772,000	3,917,000	4,068,000	4,228,000
56	Debt Service Coverage	-	2.99	4.04	4.94	5.66
57	Pay-go funding generated for CIP/Other	378,000	427,000	767,000	1,062,000	1,516,000

Table 3A		Reduced Rate Scenario (Phased) with Debt					Year 6 - 10
		6	7	8	9	10	
		Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	Esc Factor
1	Effective Date of Rate Adjustment	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	
2	Rate Revenue Adjustment %	16%	14%	12%	6%	6%	
4	Growth: New EDUs	10	10	10	10	10	
5	Growth in Billable EDUs %	0.2%	0.2%	0.2%	0.2%	0.2%	
6	Wtr Demand Elasticity (Response to Rate Incr)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	
7	Change in Annual Water Consumption	-3.2%	-2.8%	-2.4%	-1.2%	-1.2%	
8	Water Purchases from MWA (AF)	1,000	1,000	1,000	1,000	1,000	
9	MWA Rate per AF	\$726	\$762	\$800	\$840	\$882	5.0%
10	Interest Earnings Rate	2.0%	2.0%	2.0%	2.0%	2.0%	
11	Annual Cost Escalator	4.0%	4.0%	4.0%	4.0%	4.0%	
12	Beginning Fund Reserves	\$5,364,000	\$5,096,000	\$5,205,000	\$5,418,000	\$5,527,000	
13	REVENUES						
14	Basic Monthly Fees	3,126,000	3,600,000	4,074,000	4,443,000	4,719,000	
15	Water Usage Charges	3,253,000	3,630,000	3,996,000	4,282,000	4,484,000	
16	Locked Meter Charges	463,000	533,000	601,000	655,000	694,000	
17	Standby Revenue	1,135,000	1,134,000	1,133,000	1,132,000	1,131,000	
18	Property Taxes	473,000	482,000	492,000	502,000	512,000	2.0%
19	Private Fire Svc & Special Services	152,000	155,000	158,000	161,000	164,000	2.0%
20	Water Capacity & Meter Install Fees	57,000	57,000	58,000	59,000	60,000	
21	Interest Earnings	107,000	102,000	104,000	108,000	111,000	
22	HDMC WWTP Reimbs (+22%)	243,000	253,000	262,000	273,000	284,000	
23	Other Revenues	20,000	20,000	20,000	20,000	20,000	
24	Total Revenues	9,029,000	9,966,000	10,898,000	11,635,000	12,179,000	
25	Grants						
26	SRF Planning & Construction Loan	4,000,000					
27	Debt Proceeds						
28	EXPENSES						
29	Operating & Maintenance						
30	Production	1,611,000	1,675,000	1,742,000	1,812,000	1,884,000	
31	Recharge Water Purchases from MWA	726,000	762,000	800,000	840,000	882,000	
32	Distribution	1,217,000	1,266,000	1,317,000	1,370,000	1,425,000	
33	Customer Service	595,000	619,000	644,000	670,000	697,000	
34	Administration	1,275,000	1,326,000	1,379,000	1,434,000	1,491,000	
35	Engineering	288,000	300,000	312,000	324,000	337,000	
36	Finance	648,000	674,000	701,000	729,000	758,000	
37	Personnel & Legal	163,000	170,000	177,000	184,000	191,000	
38	HDMC WWTP Operations (reimbursable)	199,000	207,000	215,000	224,000	233,000	
39	Chrome 6 Operations	500,000	800,000	832,000	865,000	900,000	
40	Subtotal	7,222,000	7,799,000	8,119,000	8,452,000	8,798,000	
41	Debt Service						
42	Projected Debt Service	325,000	325,000	325,000	325,000	325,000	
43	Chrome 6 SRF Loan Repayment	-	275,000	275,000	275,000	275,000	
44	Subtotal	325,000	600,000	600,000	600,000	600,000	
45	Capital/Non-Operating						
46	Capital Improvements (Pipes/Wells/Boosters)	1,000,000	1,200,000	1,700,000	2,200,000	2,500,000	
47	Meter Replacement Program	500,000	0	0	0	0	
48	Annual Project Funding	250,000	258,000	266,000	274,000	282,000	3.0%
49	Chromium 6 Project (grant & loan funded)	4,000,000	0	0	0	0	
50	Morongo Basin Pipeline Debt Reimbs	0	0	0	0	0	
51	Subtotal	5,750,000	1,458,000	1,966,000	2,474,000	2,782,000	
52	Total Expenses	13,297,000	9,857,000	10,685,000	11,526,000	12,180,000	
53	Revenues Less Expenses	(268,000)	109,000	213,000	109,000	(1,000)	
54	Ending Fund Reserves	5,096,000	5,205,000	5,418,000	5,527,000	5,526,000	
55	Min Fund Rsrv Target (50% O&M + \$1M)	4,611,000	4,900,000	5,060,000	5,226,000	5,399,000	
56	Debt Service Coverage	5.56	3.61	4.63	5.31	5.64	
57	Pay-go funding generated for CIP/Other	1,482,000	1,567,000	2,179,000	2,583,000	2,781,000	

Table 3B
 Joshua Basin Water District
 Projected Water Rates

Scenario 3
 \$5.0M Debt for Capital Improvements
 40% Fixed Rate Recovery with Steeper Tiers

Current & Proposed Water Rates								
Effective			Current Rates	Mar-1 2018	Jan-1 2019	Jan-1 2020	Jan-1 2021	Jan-1 2022
OVERALL RATE ADJUSTMENT				18%	16%	14%	12%	10%
BASIC MONTHLY FEE								
<u>Meter Size</u>	<u>Accounts</u>	<u>Capacity</u>	<u>Monthly Rate</u>					
3/4" & 1"	4,503	30 gpm	\$25.78	\$26.96	\$30.70	\$34.43	\$38.03	\$41.35
1-1/2"	28	100 gpm	85.93	89.87	102.33	114.77	126.77	137.83
2"	18	160 gpm	137.49	143.79	163.73	183.63	202.83	220.53
3"	7	300 gpm	257.79	269.60	307.00	344.30	380.30	413.50
MONTHLY WATER FLOW CHARGES								
For 3/4" and 1" Meters			<u>Rate Per Unit (\$/hcf)</u>					
Tier 1	0 - 5 units		\$3.00	\$3.70	\$4.40	\$5.05	\$5.70	\$6.20
Tier 2	5.01 - 10 units		3.50	4.40	5.30	6.15	7.00	7.70
Tier 3	10.01 - 20 units		4.00	5.10	6.20	7.25	8.30	9.20
Tier 4	20.01 + units		4.50	5.80	7.10	8.35	9.60	10.70
<i>1 unit = one hundred cubic feet = 748 gallons</i>								
For 1-1/2", 2" and 3" Meters			<u>Rate Per Unit (\$/hcf)</u>					
Unit rate for all water use			\$3.79	\$4.60	\$5.40	\$6.20	\$7.00	\$7.70
<i>1 unit = one hundred cubic feet = 748 gallons</i>								
PRIVATE FIRE PROTECTION CHARGES								
<u>Svc Size</u>	<u>Accounts</u>	<u>Capacity</u>	<u>Monthly Rate</u>					
2"	1	160 gpm	\$12.62	\$14.38	\$16.37	\$18.36	\$20.28	\$22.05
3"	0	300 gpm	25.25	26.96	30.69	34.43	38.03	41.34
4"	6	500 gpm	50.50	44.94	51.16	57.38	63.38	68.91
6"	4	1,000 gpm	75.76	89.88	102.31	114.75	126.75	137.81
8"	7	1,600 gpm	113.62	143.80	163.70	183.60	202.80	220.50

Scenario 3
 Joshua Basin Water District
 \$5.0M Debt for Capital Improvements
 40% Fixed Rate Recovery with Steeper Tiers
 Table 3C
 Bill Impacts (3/4" & 1" Meter)

Level of Use	Monthly Use	% of Bills at or Below	Current	Projected Monthly Water Bills					5-Year Avg Annual		
				2018	2019	2020	2021	2022	Impact	Impact	
LOW	3 hcf	30%	\$34.78	\$43.90	\$49.58	\$55.13	\$59.95	25.17	72.4%	5.03	11.5%
			Increase \$ Increase %	5.84 15.3%	5.68 12.9%	5.55 11.2%	4.82 8.7%				
MEDIAN	6 hcf	55%	\$44.28	\$58.00	\$65.83	\$73.53	\$80.05	35.77	80.8%	7.15	12.6%
			Increase \$ Increase %	8.14 16.3%	7.83 13.5%	7.70 11.7%	6.52 8.9%				
AVERAGE	9 hcf	73%	\$54.78	\$73.90	\$84.28	\$94.53	\$103.15	48.37	88.3%	9.67	13.5%
			Increase \$ Increase %	10.84 17.2%	10.38 14.0%	10.25 12.2%	8.62 9.1%				
MOD-HIGH	20 hcf	90%	\$98.28	\$141.20	\$162.93	\$184.53	\$202.85	104.57	106.4%	20.91	15.6%
			Increase \$ Increase %	22.74 19.2%	21.73 15.4%	21.60 13.3%	18.32 9.9%				
HIGH	30 hcf	95%	\$188.28	\$283.20	\$329.93	\$376.53	\$416.85	228.57	121.4%	45.71	17.2%
			Increase \$ Increase %	48.74 20.8%	46.73 16.5%	46.60 14.1%	40.32 10.7%				

RESOLUTION NO. 18-982

RESOLUTION OF THE BOARD OF DIRECTORS OF THE JOSHUA BASIN WATER DISTRICT APPROVING AN AMENDMENT TO THE DISTRICT'S RULES AND REGULATIONS WHICH AMENDMENT 1) PROVIDES FOR INCREASES TO THE DISTRICT'S WATER RATES AND CHARGES, AND 2) MAKES FINDINGS AND DETERMINATIONS THAT THE ACTION TAKEN IN THIS RESOLUTION IS EXEMPT FROM THE REQUIREMENTS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) (PUBLIC HEARING – FEBRUARY 21, 2018)

WHEREAS, the Board of Directors of the Joshua Basin Water District has today held a public hearing pursuant to the procedural requirements of Proposition 218; and

WHEREAS, the purpose of today's hearing is to determine whether there is sufficient written protest so as to preclude the adoption of the proposed rate increases; and

WHEREAS, during today's public hearing, public comments were received, and written protests were tabulated; and

WHEREAS, the Board of Directors has today carefully reviewed and considered the proposed rate increases and has carefully considered all public comment and written protests submitted:

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. **RESOLVED**, that there were not sufficient written protests so as to preclude the adoption of the proposed increases to water rates and charges as set forth and reflected in Articles 13.5, 13.6 and 13.10 of the Joshua Basin Water District's amended Rules and Regulations, which are attached hereto marked Exhibit "A" and made a part of this Resolution; and

2. **RESOLVED**, that Articles 13.5, 13.6, and 13.10 of the Joshua Basin Water District's Rules and Regulations as set forth in Exhibit "A" to this Resolution and made a part of this Resolution are hereby adopted effective March 1, 2018.

3. **RESOLVED FURTHER**, that the action taken herein is exempt from the requirements of the California Environmental Quality Act (CEQA). Reference: Section 21080 of the Public Resources Code and Section 3.10 of the District's Local Guidelines for Implementation of CEQA.

ADOPTED, SIGNED, AND APPROVED THIS 21st day of February 2018.

Mickey Luckman, President
Joshua Basin Water District

Curt Sauer, General Manager/Secretary
Joshua Basin Water District

EXHIBIT A

Article 13.5 Basic Fee

The basic monthly fee for availability of water service, which includes no water used, is as follows:

Meter Size	Capacity (gpm)	MONTHLY FEE BASED ON METER SIZE EFFECTIVE DATE				
		3/1/2018	1/1/2019	1/1/2020	1/1/2021	1/1/2022
3/4 and 1"	30 & 50	\$ 26.96	\$ 30.70	\$ 34.43	\$ 38.03	\$ 41.35
1 - 1 1/2"	100	\$ 89.87	\$ 102.33	\$ 114.77	\$ 126.77	\$ 137.83
2"	160	\$ 143.79	\$ 163.73	\$ 183.63	\$ 202.83	\$ 220.53
3"	300	\$ 269.60	\$ 307.00	\$ 344.30	\$ 380.30	\$ 413.50

Article 13.6 Monthly Water Flow Charges

Water passing through the meter shall be sold at the following cumulative rates, per unit (one hundred cubic feet, 748 gallons):

For 3/4" and 1" Meters Consumption		RATE PER UNIT (\$ PER HUNDRED CUBIC FEET EFFECTIVE DATE				
		3/1/2018	1/1/2019	1/1/2020	1/1/2021	1/1/2022
Tier 1	0-5 Units	\$ 3.70	\$ 4.40	\$ 5.05	\$ 5.70	\$ 6.20
Tier 2	5.01-10 Units	\$ 4.40	\$ 5.30	\$ 6.15	\$ 7.00	\$ 7.70
Tier 3	10.01-20 Units	\$ 5.10	\$ 6.20	\$ 7.25	\$ 8.30	\$ 9.20
Tier 4	20.01 + Units	\$ 5.80	\$ 7.10	\$ 8.35	\$ 9.60	\$ 10.70
For 1 1/2", 2" & 3" Meters	Unit rate for all water use	\$ 4.60	\$ 5.40	\$ 6.20	\$ 7.00	\$ 7.70

Article 13.10 Cost and Charges for Private Fire Protection

Installation cost will be the actual cost plus fifteen percent (15%) to cover administrative and overhead cost.

Monthly Service Charge:

Device Size	MONTHLY CHARGE BASED ON DEVICE SIZE EFFECTIVE DATE				
	3/1/2018	1/1/2019	1/1/2020	1/1/2021	1/1/2022
2"	\$ 14.38	\$ 16.37	\$ 18.36	\$ 20.28	\$ 22.05
3"	\$ 26.96	\$ 30.69	\$ 34.43	\$ 38.03	\$ 41.34
4"	\$ 44.94	\$ 51.16	\$ 57.38	\$ 63.38	\$ 68.91
6"	\$ 89.88	\$ 102.31	\$ 114.75	\$ 126.75	\$ 137.81
8"	\$ 143.80	\$ 163.70	\$ 183.60	\$ 202.80	\$ 220.50