



AGENDA

SPECIAL MEETING OF THE BOARD OF DIRECTORS WEDNESDAY, DECEMBER 14, 2022, AT 9:00 AM

ON MARCH 4, 2020, CALIFORNIA GOVERNOR GAVIN NEWSOM DECLARED A STATE OF EMERGENCY IN CALIFORNIA AS A RESULT OF THE COVID-19 PANDEMIC, AN EMERGENCY THAT REMAINS IN EFFECT AND FROM WHICH OUTBREAKS AND EXPOSURE CONTINUES TO PRESENT AN IMMINENT THREAT FOR SOME ATTENDEES. **THIS MEETING MAY BE ATTENDED IN PERSON AT THE DISTRICT OFFICE BOARDROOM AT 61750 CHOLLITA RD., JOSHUA TREE, CA 92284, BY PHONE AT 1-669-900-6833, OR BY VIDEO CONFERENCE.**

To Join Zoom Meeting:

<https://us02web.zoom.us/j/83823644577?pwd=WUxydStqZlhLS1hZYlhDbjNOeXh0dz09>

Meeting ID: 838 2364 4577

Passcode: 708603

OUR MISSION, VISION, AND VALUES

Mission Statement

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

Vision Statement

To achieve excellence in all District endeavors.

Values

The community of Joshua Tree has entrusted the Board of Directors and employees of Joshua Basin Water District with its most valuable natural resource, its groundwater. As stewards of the community water supply, we oversee this critical natural resource to ensure current and future water reliability. Dedicated to this purpose, we embrace these important values:

- **Integrity** – To consistently earn our customers' trust by prioritizing the needs of the community...doing the right thing for the right reason.
- **Transparency** – To openly and honestly share information about our operations with the public.
- **Respect** – To treat the residents of Joshua Tree, and all those contacted in the course of business, with high esteem and regard.
- **Fiscal Responsibility** – To manage all resources as if they were our own, whether revenues, assets, or water supply, in a conscientious and appropriate manner.
- **Accountability** – To take responsibility for our decisions and actions in managing this essential resource.

1. CALL TO ORDER / PLEDGE OF ALLEGIANCE

2. DETERMINATION OF A QUORUM

3. APPROVAL OF AGENDA

4. PUBLIC COMMENT

This is the time set aside for public comment on any item appearing on the agenda. At the discretion of the Board President, however, comments on a particular Agenized item may be deferred until that item is heard. Please state your name and limit your comments to 3 minutes.

5. **UNITED WAY “H2O” LOW-INCOME PROGRAM**

PRESENTED BY: Anne Roman, Director of Finance

RECOMMENDATION: Consider adopting an increase from \$50 to \$100 annual credit per participant.

6. **PROP 218 NOTICE AUTHORIZATION & ADOPT RESOLUTION 22-1050**

PRESENTED BY: Anne Roman, Director of Finance

RECOMMENDATION:

- 1) Select final rate scenario;
- 2) Provide authorization for Prop 218 Notices; and
- 3) Adopt Resolution 22-1050 – Approving guidelines for the submission and tabulation of protests in connection with rate hearings.

7. **FUTURE DIRECTOR MEETINGS**

	DATE/TIME	ATTENDEE(S)
MWA - Technical Advisory Committee	Dec 15, 2022 10:00 am	Doolittle
JBWD - Board of Directors Meeting	Dec 21, 2022 5:30 pm	All
JBWD - Board of Directors Meeting	Jan 4, 2022 5:30 pm	CANCELLED
JBWD - Citizens Advisory Council (CAC) Meeting	Jan 10, 2022 5:00 pm	CAC & Public
<i>CAC WORKSHOP AT SPECIAL LOCATION: 6171 Sunburst St, Joshua Tree, CA 92252</i>		
JBWD - Finance Committee	Jan 11, 2022 9:00 am	Floen, Delph
JBWD - Water Resources Committee	Jan 11, 2022 10:30 am	Doolittle, Jarlsberg
JBWD - Board of Directors Meeting	Jan 18, 2022 5:30 pm	All

8. **ADJOURNMENT**

INFORMATION

The public is invited to comment on any item on the agenda during the discussion of that item.

Availability of agenda materials: Materials related to any item on this Agenda submitted to the District Board of Directors of Committee Members after distribution of the agenda packet are available for public inspection at the District’s office, 61750 Chollita Road, Joshua Tree, CA 92252, during normal business hours. All documents supporting this agenda are available on the District website www.jbwd.com, subject to the staff’s availability to post the documents before the meeting.

Reasonable Accommodation: Any person with a disability, who requires accommodation to view the agenda or to participate in the public comment portion of the Board meeting, should direct such requests to Sarah Johnson, Secretary of the Board of Directors, at 760-366-8438. Please allow three business days for your request to be processed. Requests must be received at least seventy-two (72) hours before the scheduled meeting.

Disruptive Conduct: If any meeting of the District is willfully disrupted by a person or by a group of persons so as to render the orderly conduct of the meeting impossible, a meeting may be recessed or the person or persons willfully disrupting the meeting may be ordered to leave the meeting. Disruptive conduct includes addressing the Board or Committee without first being recognized, not addressing the subject before the Board or Committee, repetitively addressing the same subject, failing to relinquish the podium when requested to do so, or otherwise preventing the Board or Committee from conducting its meeting in an orderly manner. Your cooperation is appreciated.



Board of Directors Staff Report

MEETING DATE: 12/14/22
PRESENTED BY: Anne Roman, Director of Finance
TOPIC: **UNITED WAY “H2O” LOW INCOME PROGRAM**
RECOMMENDATION: Consider adopting an increase from \$50 to \$100 annual credit per participant.

ANALYSIS:

Since 2018, the District has contributed to a low-income customer assistance program called “H2O - Help2Others,” which is administered by the United Way of the Desert. The program currently offers a \$50 annual water bill credit to eligible applicants. In the four years since the program began, the District has budgeted for a total of \$26,600, needing to fund only \$13,300. As of 11/14/22, an unused balance of about \$4,500 remains, meaning we have expended only \$8,800 over four years.

This program is funded solely with non-water rate revenues, such as our share of Property taxes received from the County. Additionally, the District shall receive public benefits from this program by way of the reduction of bad debt, which is a burden to all ratepayers and has the potential to impact the District’s credit rating.

Participation in the program, despite various outreach, has remained relatively low. This fact, combined with anticipated water rate increases, leads us to propose an increase in the per participant credit amount. With a current average bill of \$80.05 (based on 6 units of usage), a \$100 credit would be more in line with the anticipated 5-year escalation of an average bill and may make the application effort more worthwhile for customers.

To date, the program has served about 150 customers, averaging approximately 37 per year. Without changing the current annual funding of \$6,650* committed to this program, an annual \$100 per participant credit would benefit 60 customers per year.

Staff recommends that the Board consider increasing the annual credit per eligible participant from \$50 to \$100, without any change in the overall budget. Such an increase would become effective upon amendment of the Memorandum of Understanding between JBWD and the United Way of the Desert, as executed by the District’s General Manager.

*\$6,650 less \$650 United Way administrative fee.

STRATEGIC PLAN ITEM: N/A

FISCAL IMPACT: None anticipated. The current budget is maintained.



Board of Directors Staff Report

MEETING DATE: 12/14/22
PRESENTED BY: Anne Roman, Director of Finance
TOPIC: **PROP 218 NOTICE AUTHORIZATION & ADOPT RESOLUTION 22-1050**
RECOMMENDATION: 1) Select final rate scenario;
2) Provide authorization for Prop 218 Notices; and
3) Adopt Resolution 22-1050 – Approving guidelines for the submission and tabulation of protests in connection with rate hearings.

ANALYSIS:

Based on prior Board input, we bring forth the rates from Scenario A Best Management Practice. The Board of Directors should make the final rate scenario selection and direct staff to begin the required Proposition 218 notification process. The attached draft notice includes Scenario A rates, but Scenario C, which some stakeholders preferred and would still also provide significant funding to support the District's needs, is still an option the Board can consider.

The rates included in the final mailed Prop 218 notice will set a maximum for potential increases. The Board may still choose to adopt lower rates at the February Public hearing (barring a successful protest vote) or implement lower annual increases than approved.

The attached packet and draft Prop 218 notice also includes the proposed Water Shortage Contingency rates. These rates, which correlate to the stages of the Water Shortage Contingency Plan, could be enacted if State-mandated conservation measures cause severe negative impacts on the District's revenues.

Although we don't know the exact final mailing quantities yet, our initial quote indicates that the total cost of printing and mailing approximately 7,700 notices (owners plus unique customers) via Mailstream will be within the existing \$15,000 budget. To keep costs down, staff is handling the data preparation in-house, saving the district \$7500 in additional costs (as quoted by NBS).

On a related side note, a Water Capacity fee study is running concurrently with the Rate Study, and information should be presented to the Board by March 2023. The Water Capacity fee study will help ensure that development continues to pay its own way and should assure the public that the water rates do not reflect any subsidization for growth or development.

- 1) Finalize rate scenario selection.
- 2) Review the attached draft of the Proposition 218 notice and authorize staff to move forward with the Proposition 218 notice mailing process.
- 3) Adopt the attached resolution, Resolution 22-1050, which approves guidelines for the submission and tabulation of protests for the public hearing to be held on February 15, 2023, or any similar proceeding thereafter.

PLEASE NOTE: Today's decision is not an action to approve rate increases but only sets forth the maximum rates that can be considered on February 15, 2023.

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

FISCAL IMPACT: None anticipated.



Notice of Public Hearing on Proposed Water Rate Increases

Dear Parcel Owner or Customer,

Date of Notice: [Redacted]

The Joshua Basin Water District (JBWD) is proposing to phase in a series of water rate increases over the next five years. The rate increases are needed to provide adequate funding for rehabilitation and replacement of aging water system infrastructure, help fund the construction and operation of new Chromium 6 water treatment facilities to meet new state regulatory requirements, and keep up with cost inflation.

The rates shown in this notice are proposed **maximum** rates. The District anticipates reevaluating rates in future years and only increasing rates as needed. The proposed rates were developed by an independent rate consultant and incorporate input from JBWD staff and the District’s *Citizens Advisory Council*, a group of local community members that provide input to the Board of Directors. To date, six public meetings have been held to develop and deliberate the proposed rates. The proposed rate increases are phased in gradually over the next five years to minimize the annual impact on customers.

Public Hearing on Proposed Water Rate Increases

JBWD will hold a public hearing on the proposed rate increases as follows:

- Date:** February 15, 2023
- Time:** 5:30 PM
- Place:** Joshua Basin Water District - Board Room
61750 Chollita Road, Joshua Tree, CA 92252
- Via Zoom:** <https://us02web.zoom.us/j/81397040646>
Meeting ID: 813 9704 0646 Passcode: 005295

Please check our website at www.jbwd.com for any changes the meeting or Zoom link. If JBWD determines to hold the Public Hearing solely via the internet or teleconferencing due to a state of emergency or public health concern pursuant to California Government Code 54953 or other applicable law, information will be posted on our website www.jbwd.com as soon as possible and included in the meeting agenda.

Community Workshop

Members of the public are also invited to attend a Community Workshop to learn more about the District and the proposed rate increases, ask questions, and provide input.

- Date:** January 10, 2023
- Time:** 5:00 PM
- Place:** Joshua Tree Community Center
6171 Sunburst Ave, Joshua Tree, CA 92252

Please check our website at www.jbwd.com in case there are any changes to the proposed meeting time or location.

We understand that rate increases place additional burden on our customers, particularly those on fixed or limited incomes, and plan to re-evaluate our finances and rates each year and only implement rate increases as needed to ensure rates continue to recover the costs of providing service without unnecessary increases. *Please see Page 4 of this notice for information about our low income discount program and other community resources.* As a public utility, JBWD does not profit from charges for water service. Pursuant to California law, 100% of water rate revenues are used to fund water system expenses.

Why Are Rate Increases Needed?

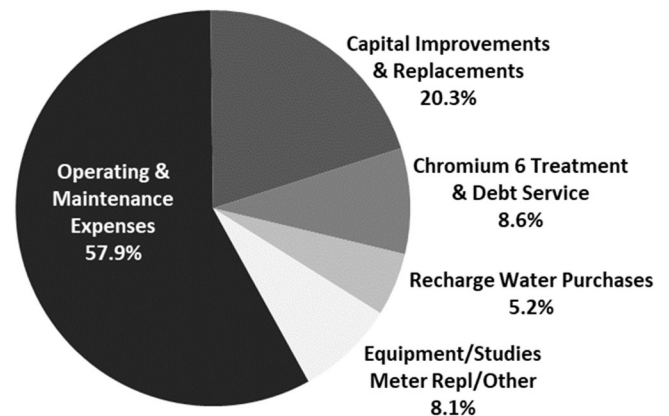
JBWD is a financially self-supporting government agency that relies primarily on revenues from water rates to fund the costs of operating and maintaining our local water system. Rate increases are needed to support safe, reliable, and sustainable water service. Some key factors driving the need for rate increases include:

- **Rehabilitation and Replacement of Aging Water System Infrastructure.** JBWD owns and operates over 310 miles of pipelines, 5 wells, 17 water storage tanks, 11 pump stations, and a groundwater recharge facility. Roughly 164 miles of JBWD’s water pipelines were installed 40 to 75 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 identifies the need for \$2.5 million of annual funding each year over the next roughly 30 years to gradually replace aging infrastructure. The District’s prior rate increases enabled the District to establish an in-house Capital Improvement Replacement Program (CIRP) and hire local staff to address funding needs on a more cost-effective basis. However, additional funding is needed to keep the District from falling behind its replacement schedule, which would result in further inflationary costs.
- **New California Chromium 6 Regulations.** JBWD’s groundwater contains trace amounts of naturally occurring Chromium 6. While the levels of Chromium 6 are well below current federal and statewide standards, California’s State Water Resources Control Board is in process of establishing new more-stringent regulations that will require JBWD to fund the construction and operation of new Chromium 6 treatment facilities. JBWD is evaluating new treatment technologies and pursuing grants and low-interest-rate loans to help fund these new facilities.
- **Keep Up with Cost Inflation.** JBWD is also facing inflationary cost increases that will require ongoing rate adjustments to keep revenues in line with the costs of providing service.
- JBWD is a small agency, with approximately 5,600 service connections to share the cost of fixed operational expenses. This results in a cost-share per connection that is greater than larger neighboring agencies.

What Do Your Rates Pay For?

The chart on the right shows a breakdown of projected expenses for the fiscal year starting July 1, 2026, the last year of the proposed 5-year rate adjustments. The breakdown reflects JBWD’s anticipated funding needs for annual operating and maintenance expenses, capital improvement and replacement projects, projected debt service and operating expenses for anticipated new Chromium 6 treatment facilities, annual funding for imported water purchases used to help prevent overdraft of the District’s groundwater basin, and other expenses for equipment, studies, meter replacements and other miscellaneous costs.

Breakdown of Projected Expenses



What is the District Doing to Keep Costs Down?

JBWD has implemented a number of measures over the years to help keep costs down, including efforts to minimize staffing and insurance costs and has discontinued planning for a larger administrative building. In recent years, JBWD established an in-house program and construction crew to more cost-effectively replace aging pipelines and infrastructure. Additionally, JBWD was successful in obtaining over \$7 million of grant funding for the water recharge facilities that have enabled JBWD to start importing water to help reduce overdraft of the local groundwater basin. JBWD will continue to evaluate additional cost-cutting measures and is seeking funding from grants and low-interest-rate loans to help fund planned new Chromium 6 water treatment facilities.

Proposed Maximum Water Rates

JBWD is proposing to phase in a series of water rate increases over the next five years as shown on the table below. The District anticipates reevaluating rates in future years and only implementing increases as needed. Water rates include two components as described below.

- **Basic Monthly Fee:** This is a fixed monthly charge based on the size of the water meter purchased by each customer and is billed independent of water consumption.
- **Monthly Water Flow Charges:** These charges are billed based on metered water use. Charges for customers with ¾-inch and 1-inch meters are billed according to a four-tiered 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. Monthly Water Flow Charges are billed in units of one hundred cubic feet, equal to approximately 748 gallons. Hence the proposed Tier 1 rate of \$7.80 per hundred cubic feet effective March 1, 2023, equates to charge of approximately \$1.04 per hundred gallons or slightly over 1 cent per gallon.

A limited number of customers also pay Private Fire Protection Charges, which are fixed monthly charges levied on approximately 25 accounts that have separate fire service connections.

Proposed Maximum Water Rates						
	Current Water Rates	Proposed Maximum Rates Effective On or After				
		Mar-1 2023	Jan-1 2024	Jan-1 2025	Jan-1 2026	Jan-1 2027
BASIC MONTHLY FEE						
<i>Fixed monthly charge based on meter size</i>						
<u>Meter Size</u>						
3/4 & 1 inch	\$41.35	\$43.40	\$45.55	\$47.80	\$50.20	\$52.70
1-1/2 inches	137.83	144.67	151.83	159.33	167.33	175.67
2 inches	220.53	231.47	242.93	254.93	267.73	281.07
3 inches	413.50	434.00	455.50	478.00	502.00	527.00
MONTHLY WATER FLOW CHARGES						
<i>Billed based on metered water use as measured in units of one hundred cubic feet (\$/hcf)</i>						
For 3/4" and 1" Meters						
Tier 1 0 - 5 units	\$6.20	\$7.80	\$9.50	\$11.00	\$12.30	\$13.50
Tier 2 5.01 - 10 units	7.70	9.50	11.30	12.90	14.25	15.50
Tier 3 10.01 - 20 units	9.20	11.20	13.10	14.80	16.20	17.50
Tier 4 20.01 + units	10.70	12.90	14.90	16.70	18.15	19.50
For 1-1/2", 2" and 3" Meters						
Unit rate for all water use	\$7.70	\$9.50	\$11.30	\$12.90	\$14.25	\$15.50
<i>Note: 1 unit = one hundred cubic feet (hcf), or approximately 748 gallons.</i>						
PRIVATE FIRE PROTECTION CHARGES						
<i>Fixed monthly charge based on size of service connection</i>						
<u>Service Size</u>						
2 inches	\$22.05	\$23.15	\$24.29	\$25.49	\$26.77	\$28.11
3 inches	41.34	43.40	45.55	47.80	50.20	52.70
4 inches	68.91	72.34	75.91	79.66	83.66	87.84
6 inches	137.81	144.69	151.81	159.31	167.31	175.69
8 inches	220.50	231.50	242.90	254.90	267.70	281.10

Proposed Maximum Water Shortage Contingency Rate Surcharges

JBWD is also proposing to authorize a series of Water Shortage Contingency Rate Surcharges that could be implemented to support financial stability and help ensure adequate funding for water utility operations during periods of water shortages, mandatory cutbacks, or reduced water sales. As proposed, these rates would be temporary surcharges billed based on metered water use that would be levied in addition to JBWD’s regular water rates. The proposed surcharges correspond with the Water Shortage Contingency Stages identified in JBWD’s 2020 Water Shortage Contingency Plan. Each stage may be triggered by a declaration from federal or state authorities or JBWD’s Board of Directors. No surcharges are proposed for Stage 1 water shortages. Proposed water shortage contingency surcharges are listed in the table below and represent the maximum surcharges that JBWD would be authorized to levy.

Proposed Maximum Water Shortage Contingency Rate Surcharges					
Water Shortage Contingency Stage	Stage 2 Moderate Shortage	Stage 3 Severe Shortage	Stage 4 Critical Shortage	Stage 5 Emergency Shortage	Stage 6 Catastrophic Failure
Water Shortage or Mandated Reduction	11% - 20%	21% - 30%	31% - 40%	41% - 50%	> 50%
Maximum Rate Surcharge (\$/hcf)					
<u>Effective On or After</u>					
Mar-1, 2023	\$1.32	\$2.62	\$4.33	\$6.65	\$8.26
Jan-1, 2024	1.67	3.29	5.42	8.31	10.30
Jan-1, 2025	1.99	3.90	6.39	9.80	12.11
Jan-1, 2026	2.26	4.41	7.22	11.06	13.66
Jan-1, 2027	2.51	4.89	7.99	12.23	15.09

Note: 1 unit = one hundred cubic feet (hcf), or approximately 748 gallons.

Written Protest Procedures

Parcel owners (property owners) and customers of record affected by the proposed increases may submit written protests against the proposed water rates. Pursuant to California law, protests must be submitted in writing and must: a) identify the affected property or properties, such as by Assessor’s Parcel Number or service address; b) identify the name of the property owner or customer, and c) include the original signature of the parcel owner (property owner) or customer of record. The proposed rates cannot be adopted if written protests are received from a majority of affected parcels with one protest counted per parcel. Written protests should be mailed to: Joshua Basin Water District, P.O. Box 675, Joshua Tree, CA 92252 or can be hand-delivered to JBWD at 61750 Chollita Road, Joshua Tree, California 92252. All protests must be submitted prior to the close of the Public Hearing.

Low Income Discount Program and Customer Assistance Resources

JBWD has partnered with United Way of the Desert to manage a customer assistance program to help eligible customers who are having trouble paying their water bill. Under the Help2Others Assistance Program, eligible residential customers can receive an annual \$ credit on their water bill upon annual approval. More information about the program and other community resources is available on our website or by contacting United Way of the Desert as follows:

- Visit JBWD’s website at: www.jbwd.com/assistance
- Contact United Way of the Desert: (760) 323-2731 ext. 100



Additional Information

Pursuant to California Government Code 53759, there is a 120 day statute of limitations for challenging any new, increased, or extended fees. This statute of limitations applies to the water rates and water shortage contingency surcharges proposed in this notice and future changes to JBWD’s water rates and charges.

JBWD is committed to operating as cost-effectively as possible while providing safe and reliable service. For questions or more information about JBWD or the proposed rates, please contact us at (760) 366-8438 or email us at customerservice@jbwd.com.

RESOLUTION NO. 22-1050

RESOLUTION OF THE BOARD OF DIRECTORS OF THE JOSHUA BASIN WATER DISTRICT APPROVING GUIDELINES FOR THE SUBMISSION AND TABULATION OF PROTESTS IN CONNECTION WITH RATE HEARINGS CONDUCTED PURSUANT TO ARTICLE XIID, SECTION 6 OF THE CALIFORNIA CONSTITUTION

BE IT RESOLVED, by the Board of Directors of the Joshua Basin Water District ("District") as follows:

WHEREAS, Article XIID, Section 6 of the California Constitution requires the Board of Directors to consider written protests to certain proposed increases to utility charges; and

WHEREAS, this constitutional provision does not offer specific guidance as to who may submit protests, how written protests are to be submitted, or how the District is to tabulate protests.

WHEREAS, upon adoption of this resolution, any and all resolutions, or rules or regulations of this District in conflict with it, shall be repealed and shall have no further force or effect. This resolution supersedes all prior resolutions of the District to the extent that such resolutions established guidelines for the submission and tabulation of protests in connection with rate hearings conducted by the District pursuant to Article XIID, Section 6 of the California Constitution.

IT IS, THEREFORE, RESOLVED by the Board of Directors of the Joshua Basin Water District ("District") that when notice of a public hearing with respect to the adoption or increase of Water charges has been given by the District pursuant to Article XIID, Section 6(a) of the California Constitution, the following shall apply:

SECTION 1: Definitions.

Unless the context plainly indicates another meaning was intended, the following definitions shall apply in construction of these guidelines.

- A. "Parcel" means a County Assessor's parcel the owner or occupant of which is subject to the proposed charge that is the subject of the hearing.
- B. "Record customer" and "customer of record" mean the person or persons whose name or names appear on the District records as the person who has contracted for, or is obligated to pay for, utility services to a particular utility account.
- C. "Record owner" or "parcel owner" means the person or persons whose name or names appear on the County Assessor's latest equalized assessment roll as the owner of a parcel.
- D. A "fee protest proceeding" is not an election, but the District will maintain the confidentiality of protests as provided below and will maintain the security and integrity of protests at all times.

SECTION 2: Notice Delivery.

Notice of proposed rates and public hearing shall be as follows:

- A. The District shall give notice of proposed charges via U.S. mail to all record owners and customers of record served by the District.
- B. The District will post the notice of proposed charges and public hearing at its official posting sites.

SECTION 3: Protest Submittal.

- A. Any record owner or customer of record who is subject to the proposed utility charge that is the subject of the hearing may submit a written protest to the District, by:
 - (i) Delivery to the District 's Office at 61750 Chollita Road, Joshua Tree, CA 92252 during published business hours
 - (ii) Mail to District at PO Box 675, Joshua Tree, CA 92252, or
 - (iii) Personally submitting the written protest at the public hearing.
- B. Protests must be physically received by the end of the public hearing, including those mailed to the District. No postmarks will be accepted; therefore, any protest not physically received by the close of the hearing, whether or not mailed prior to the hearing, shall not be counted.
- C. Because an original signature is required, emailed, faxed and photocopied protests shall not be counted.
- D. Although oral comments at the public hearing will not qualify as a formal protest, unless accompanied by a written protest, the Board of Directors welcomes input from the community during the public hearing on the proposed charges.

SECTION 4: Protest Requirements.

- A. A written protest must include:
 - (i) A statement that it is a protest against the proposed charge that is the subject of the hearing.
 - (ii) Name of the record owner or customer of record who is submitting the protest;
 - (iii) Identification of assessor's parcel number, street address, or utility account number of the parcel with respect to which the protest is made;
 - (iv) Original signature and legibly printed name of the record owner or customer of record who is submitting the protest.

- B. Protests shall not be counted if any of the required elements (i thru iv) outlined in the preceding subsection "A." are omitted.

SECTION 5: Protest Withdrawal.

Any person who submits a protest may withdraw it by submitting to the District a written and signed request that the protest be withdrawn. The withdrawal of a protest shall contain sufficient information to identify the affected parcel and the name of the record owner or customer of record who submitted both the protest and the request that it be withdrawn.

SECTION 6: Multiple Record Owners or Customers of Record.

- A. Each record owner or customer of record of a parcel served by the District may submit a protest. This includes instances where:
- (i) A parcel is owned by more than one record owner or more than one name appears on the District's records as the customer of record for a parcel, or
 - (ii) A customer of record is not the record owner, or
 - (iii) A parcel includes more than one record customer, or
 - (iv) Multiple parcels are served via a single utility account, as master-metered multiple family residential units.
- B. Only one protest will be counted per parcel as provided by Government Code Section 53755(b).

SECTION 7: Transparency, Confidentiality, and Disclosure.

- A. To ensure transparency and accountability in the fee protest tabulation while protecting the privacy rights of record owners and customers of record, protests will be maintained in confidence until tabulation begins following the public hearing.
- C. Once a protest is opened during the tabulation, it becomes a disclosable public record, as required by state law and will be maintained in District files for two years.

SECTION 8: District .

The District shall not accept as valid any protest if it determines that any of the following is true:

- A. The protest does not state its opposition to the proposed charges.
- B. The protest does not name the record owner or record customer of the parcel identified in the protest as of the date of the public hearing.

- C. The protest does not identify a parcel served by the District that is subject to the proposed charge.
- D. The protest does not bear an original signature of the named record owner of, or record customer with respect to, the parcel identified on the protest. Whether a signature is valid shall be entrusted to the reasonable judgment of the District, who may consult signatures on file with the County Elections Official.
- E. The protest was altered in a way that raises a fair question as to whether the protest actually expresses the intent of a record owner or a customer of record to protest the charges.
- F. The protest was not received by the District before the close of the public hearing on the proposed charges.
- G. A request to withdraw the protest was received prior to the close of the public hearing on the proposed charges.

SECTION 9: District's Decisions Final.

The District's decision that a protest is not valid shall constitute a final action of the District and shall not be subject to any internal appeal.

SECTION 10: Majority Protest.

- A. A majority protest exists if written protests are timely submitted and not withdrawn by the record owners of, or customers of record with respect to, a majority (50% plus one) of the parcels subject to the proposed charge.
- B. While the District may inform the public of the number of parcels served by the District when a notice of proposed rates is mailed, the number of parcels with active customer accounts served by the District on the date of the hearing shall control in determining whether a majority protest exists.

SECTION 11: Tabulation of Protests.

At the conclusion of the public hearing, the District shall tabulate all protests received, including those received during the public hearing, and shall report the result to the Board of Directors. If the number of protests received is insufficient to constitute a majority protest, the District may determine the absence of a majority protest without validating the protests received, but may instead deem them all valid without further examination.

Further, if the number of protests received is obviously substantially fewer than the number required to constitute a majority protest, the District may determine the

absence of a majority protest without opening the envelopes in which protests are returned.

SECTION 12: Report of Tabulation.

If at the conclusion of the public hearing, the District determines that it will require additional time to tabulate the protests, the General Manager, or the General Manager's designee, shall so advise the Board of Directors, which may adjourn the meeting and/or continue the consideration of any considered rates following the close of the public hearing so as to allow the tabulation to be completed on another day or days. If so, the Board of Directors shall declare the time and place of tabulation, which shall be conducted in a place where interested members of the public may observe the tabulation, and the Board of Directors shall declare the time at which the matter shall be resumed to receive and act on the tabulation report of the District.

SECTION 13: This resolution will become effective immediately upon adoption.

ADOPTED by the Board of Directors of the Joshua Basin Water District ("District"), County of San Bernardino, State of California at a special meeting on the 14th day of **December** 2022, by the following vote:

AYES: —

NOES: —

ABSENT: —

ABSTAIN: —

WITNESS my hand and Seal of said District this 15th day of December 2022.

By: _____
Thomas Floen, President, Board of Directors

ATTEST: _____
Sarah Johnson, General Manager & Board Secretary



Water Rate Study

Revised Tables

12/06/22



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

Joshua Basin Water District Water Rate Study Draft Schedule

JULY							AUGUST							SEPTEMBER							OCTOBER							
S	M	T	W	R	F	S	S	M	T	W	R	F	S	S	M	T	W	R	F	S	S	M	T	W	R	F	S	
					1	2	31	1	2	3	4	5	6						1	2	3	2	3	4	5	6	7	8
3	4	5	6	7	8	9	7	8	9	10	11	12	13	4	5	6	7	8	9	10	9	10	11	12	13	14	15	
10	11	12	13	14	15	16	14	15	16	17	18	19	20	11	12	13	14	15	16	17	16	17	18	19	20	21	22	
17	18	19	20	21	22	23	21	22	23	24	25	26	27	18	19	20	21	22	23	24	23	24	25	26	27	28	29	
24	25	26	27	28	29	30	28	29	30	31	25	26	27	28	29	30	1	30	31									

NOVEMBER							DECEMBER							JANUARY							FEBRUARY								
S	M	T	W	R	F	S	S	M	T	W	R	F	S	S	M	T	W	R	F	S	S	M	T	W	R	F	S		
		1	2	3	4	5						1	2	3	1	2	3	4	5	6	7					1	2	3	4
6	7	8	9	10	11	12	4	5	6	7	8	9	10	8	9	10	11	12	13	14	5	6	7	8	9	10	11		
13	14	15	16	17	18	19	11	12	13	14	15	16	17	15	16	17	18	19	20	21	12	13	14	15	16	17	18		
20	21	22	23	24	25	26	18	19	20	21	22	23	24	22	23	24	25	26	27	28	19	20	21	22	23	24	25		
27	28	29	30	25	26	27	28	29	30	31	29	30	31	26	27	28													

- AUG-31 Board Meeting - Introduce rate study & preliminary findings, receive initial input
- SEP-13 CAC Meeting - Discuss preliminary findings & alternatives, receive input
- OCT-12 Special Board Meeting with CAC - Discuss alternatives, receive input
- NOV-8 CAC Meeting - Continuing honing recommendations
- NOV-9 Special Board Meeting with CAC - Continuing honing recommendations (agendaize as special meeting)
- DEC-14 tbd Special Board Meeting - Review recommendations, seek direction to proceed w/ Prop 218 process
- DEC-23 Mail Prop 218 Notices (must be mailed by Dec-31, at least 45 days prior to Public Hearing)
- JAN-10 Community Workshop at the Joshua Tree Community Center
- FEB-15 Board Meeting - Public Hearing & consider adoption of proposed rates
- MAR-1 New rates become effective (with future year rate increases effective Jan-1)
- JUL-1 New rates become effective (if billing via County property tax rolls)

Water Rates & Usage

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Table 1
 Joshua Basin Water District
 Current Water Rates

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	\$41.35	\$1.36
1-1/2"	100	137.83	4.53
2"	160	220.53	7.25
3"	300	413.50	13.59
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		\$6.20	\$0.83
5.01 - 10 units		7.70	1.03
10.01 - 20 units		9.20	1.23
20.01 + units		10.70	1.43
For 1-1/2", 2" and 3" Meters			
		<u>Rate per hcf</u>	
Unit rate per all water use		\$7.70	1.03

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

Table 2
 Joshua Basin Water District
 Historical Water Rates

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

Scenario A

Best Management Practice with Cost Reductions

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Table A1 JBWD Cash Flow Projections A - Best Mgmt Practice with Reduced Expenses					Years 1 - 5	
	1	2	3	4	5	
	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	
1	Effective Date of Rate Adjustment	Mar-1	Jan-1	Jan-1	Jan-1	
2	Overall Rate Increase Target	16%	14%	12%	10%	8%
3	Fixed Rate Increase %	5%	5%	5%	5%	5%
4	Usage Rate Increase %	23.2%	19.0%	15.4%	12.2%	9.3%
5	Growth: New 1" Meters or Equivalents	50	25	25	25	25
6	Growth %	1.0%	0.5%	0.5%	0.5%	0.5%
7	Wtr Demand Elasticity (Response to Rate Incr)	(0.10)	(0.10)	(0.10)	(0.10)	(0.10)
8	Change in Water Use After Rate Increase	-2.3%	-1.9%	-1.5%	-1.2%	-0.9%
9	Water Purchases from MWA (AF)	916	1,000	1,000	1,000	1,000
10	MWA Rate per AF	\$623	\$645	\$664	\$684	\$705
11	Interest Earnings Rate	1.0%	1.5%	1.5%	1.5%	1.5%
12	Annual Cost Escalator		6.0%	4.0%	4.0%	4.0%
13	Beginning Fund Reserves	\$12,846,000	\$13,068,000	\$12,971,000	\$13,365,000	\$12,913,000
14	REVENUES			Compounded 5-Year Rate Increase >>		76%
15	Basic Monthly Fees	2,560,000	2,731,000	2,882,000	3,041,000	3,209,000
16	Water Usage Charges	4,202,000	4,986,000	5,675,000	6,325,000	6,907,000
17	Basic Monthly Fees: Locked Meters	380,000	399,000	419,000	440,000	462,000
18	Standby Revenue	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
20	Property Taxes	672,000	685,000	699,000	713,000	727,000
21	Private Fire Svc & Special Services	200,000	204,000	208,000	212,000	216,000
22	Water Capacity & Meter Install Fees	486,000	250,000	258,000	258,000	258,000
23	Interest Earnings & Gain Loss/Chg Mkt Value	128,000	196,000	195,000	200,000	194,000
24	HDMC WWTP Reimbursements	281,000	298,000	310,000	322,000	336,000
25	Other Revenues	25,000	25,000	25,000	25,000	25,000
26	Total Revenues	10,134,000	10,974,000	11,871,000	12,736,000	13,534,000
27	SRF Grant for Chromium 6 Project		10,000,000	>>>>		
28	SRF Loan for Chromium 6 Project		8,000,000	>>>>		
30	EXPENSES					
31	Operating & Maintenance					
32	Production	1,360,000	1,442,000	1,500,000	1,560,000	1,622,000
33	Recharge Water Purchases from MWA	571,000	645,000	664,000	684,000	705,000
34	Distribution	1,212,000	1,285,000	1,336,000	1,389,000	1,445,000
35	Customer Service	778,000	825,000	858,000	892,000	928,000
36	Administration	1,255,000	1,330,000	1,383,000	1,438,000	1,496,000
37	Finance	931,000	987,000	1,026,000	1,067,000	1,110,000
38	Human Resources	267,000	283,000	294,000	306,000	318,000
39	HDMC WWTP Operations (reimbursable)	230,000	244,000	254,000	264,000	275,000
40	Standby Admin/Developmt & Engineering	87,000	92,000	96,000	100,000	104,000
41	Add'l Staffing Needs (deferred & reduced)	44,000	47,000	49,000	190,000	198,000
42	CIRP Program (Operating Portion)	442,000	469,000	488,000	508,000	528,000
43	Capitalized Overhead Adjustment	(100,000)	(106,000)	(110,000)	(114,000)	(119,000)
44	Chrome 6 Operations (estimated)	0	0	0	750,000	780,000
46	Subtotal	7,077,000	7,543,000	7,838,000	9,034,000	9,390,000
47	Debt Service					
48	2018 Installment Sale Agmt (CIRP)	268,000	268,000	268,000	268,000	268,000
49	Chrome 6 SRF Loan (\$8M, 2.75%, 30-Yr)	-	-	-	400,000	400,000
50	Subtotal	268,000	268,000	268,000	668,000	668,000
51	Capital/Non-Operating					
52	Capital Improvement Program (CIP)	1,785,000	2,500,000	2,588,000	2,679,000	2,773,000
53	Equipment/Technology	300,000	375,000	390,000	406,000	422,000
54	Studies/Reports	300,000	200,000	208,000	216,000	225,000
55	Chromium 6 Project (grant & loan funded)	0	18,000,000	>>>>	0	0
56	Meter Replacement Program	182,000	185,000	185,000	185,000	185,000
57	Admin Building & Financing (deleted)	0	0	0	0	0
58	Morongo Basin Pipeline Debt Reimbs	0	0	0	0	0
59	Subtotal	2,567,000	21,260,000	3,371,000	3,486,000	3,605,000
60	Total Expenses	9,912,000	29,071,000	11,477,000	13,188,000	13,663,000
61	Revenues Less Expenses	222,000	(97,000)	394,000	(452,000)	(129,000)
62	Ending Fund Reserves	13,068,000	12,971,000	13,365,000	12,913,000	12,784,000
63	Min Fund Rsrsv Target (50% O&M + \$2M)	5,538,500	5,771,500	5,919,000	6,517,000	6,695,000
64	Debt Service Coverage	11.41	12.80	15.05	5.54	6.20
65	Cumulative Change in Fund Reserves	222,000	125,000	519,000	67,000	(62,000)

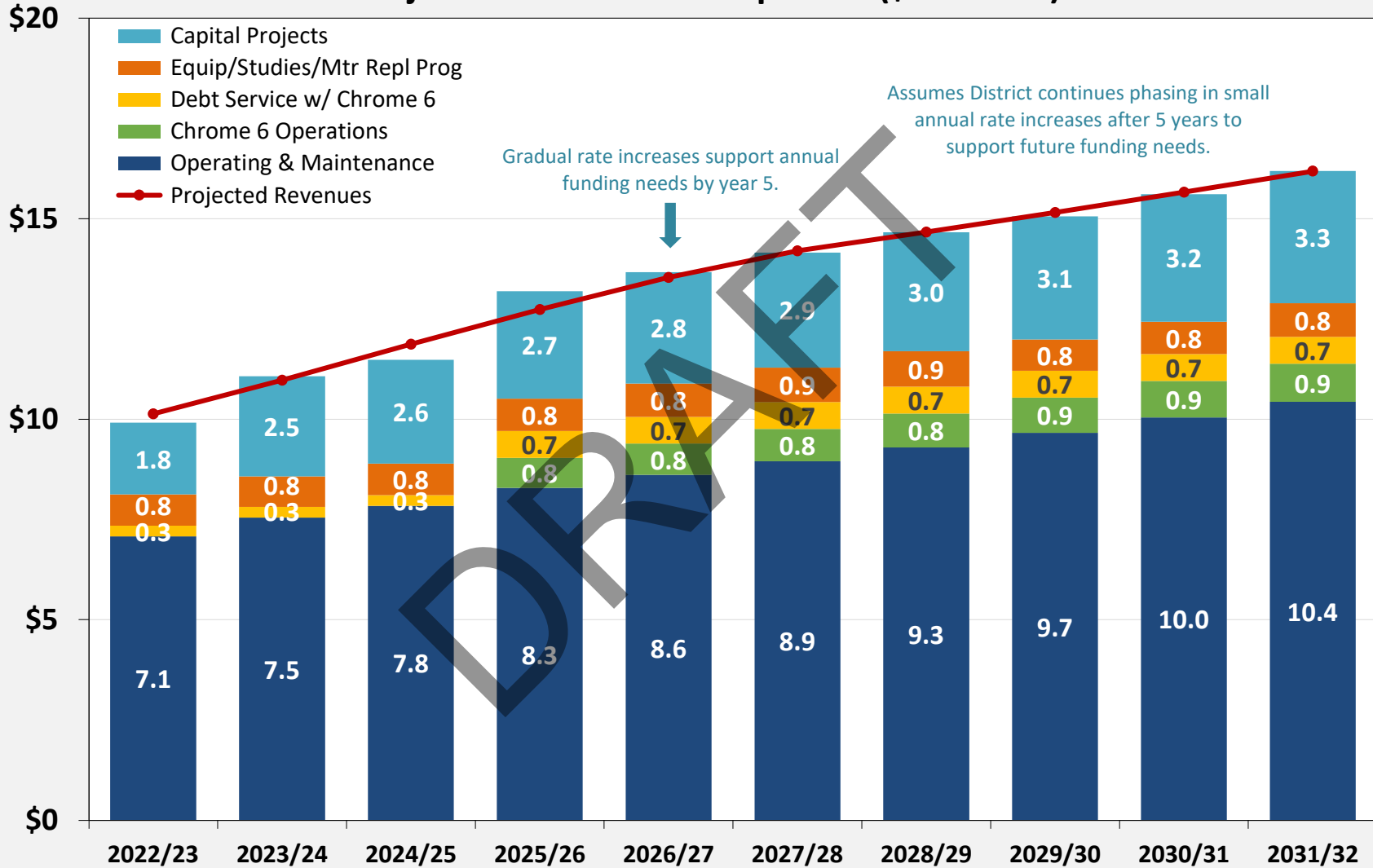
Table A1 JBWD Cash Flow Projections A - Best Mgmt Practice with Reduced Expenses **Year 6 - 10**

	6	7	8	9	10	Esc
	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31	Projected 2030/31	Factor
1 Effective Date of Rate Adjustment	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	
2 Overall Rate Increase Target	4%	4%	4%	4%	4%	
3 Fixed Rate Increase %	5%	4%	4%	4%	4%	
4 Usage Rate Increase %	3.6%	4.0%	4.0%	4.0%	4.0%	
5 Growth: New 1" Meters or Equivalents	25	25	25	25	25	
6 Growth %	0.5%	0.5%	0.5%	0.5%	0.5%	
7 Wtr Demand Elasticity (Response to Rate Incr)	(0.10)	(0.10)	(0.10)	(0.10)	(0.10)	
8 Change in Water Use After Rate Increase	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	
9 Water Purchases from MWA (AF)	1,000	1,000	1,000	1,000	1,000	
10 MWA Rate per AF	\$726	\$748	\$770	\$793	\$817	3.0%
11 Interest Earnings Rate	1.5%	1.5%	1.5%	1.5%	1.5%	
12 Annual Cost Escalator	4.0%	4.0%	4.0%	4.0%	4.0%	
13 Beginning Fund Reserves	\$12,784,000	\$12,830,000	\$12,835,000	\$12,931,000	\$12,981,000	
14 REVENUES						
15 Basic Monthly Fees	3,386,000	3,555,000	3,715,000	3,883,000	4,058,000	
16 Water Usage Charges	7,343,000	7,590,000	7,862,000	8,144,000	8,436,000	
17 Basic Monthly Fees: Locked Meters	485,000	504,000	524,000	545,000	567,000	
18 Standby Revenue	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	
20 Property Taxes	742,000	757,000	772,000	787,000	803,000	2.0%
21 Private Fire Svc & Special Services	220,000	224,000	228,000	233,000	238,000	2.0%
22 Water Capacity & Meter Install Fees	258,000	258,000	258,000	258,000	258,000	
23 Interest Earnings & Gain Loss/Chg Mkt Value	192,000	192,000	193,000	194,000	195,000	
24 HDMC WWTP Reimbursements	349,000	362,000	377,000	392,000	407,000	
25 Other Revenues	25,000	25,000	25,000	25,000	25,000	
26 Total Revenues	14,200,000	14,667,000	15,154,000	15,661,000	16,187,000	
27 SRF Grant for Chromium 6 Project						
28 SRF Loan for Chromium 6 Project						
30 EXPENSES						
31 Operating & Maintenance						
32 Production	1,687,000	1,754,000	1,824,000	1,897,000	1,973,000	
33 Recharge Water Purchases from MWA	726,000	748,000	770,000	793,000	817,000	
34 Distribution	1,503,000	1,563,000	1,626,000	1,691,000	1,759,000	
35 Customer Service	965,000	1,004,000	1,044,000	1,086,000	1,129,000	
36 Administration	1,556,000	1,618,000	1,683,000	1,750,000	1,820,000	
37 Finance	1,154,000	1,200,000	1,248,000	1,298,000	1,350,000	
38 Human Resources	331,000	344,000	358,000	372,000	387,000	
39 HDMC WWTP Operations (reimbursable)	286,000	297,000	309,000	321,000	334,000	
40 Standby Admin/Developmt & Engineering	108,000	112,000	116,000	121,000	126,000	
41 Add'l Staffing Needs (deferred & reduced)	206,000	214,000	223,000	232,000	241,000	
42 CIRP Program (Operating Portion)	549,000	571,000	594,000	618,000	643,000	
43 Capitalized Overhead Adjustment	(124,000)	(129,000)	(134,000)	(139,000)	(145,000)	
44 Chrome 6 Operations (estimated)	811,000	843,000	877,000	912,000	948,000	
46 Subtotal	9,758,000	10,139,000	10,538,000	10,952,000	11,382,000	
47 Debt Service						
48 2018 Installment Sale Agmt (CIRP)	268,000	268,000	268,000	268,000	268,000	
49 Chrome 6 SRF Loan (\$8M, 2.75%, 30-Yr)	400,000	400,000	400,000	400,000	400,000	
50 Subtotal	668,000	668,000	668,000	668,000	668,000	
51 Capital/Non-Operating						
52 Capital Improvement Program (CIP)	2,870,000	2,970,000	3,074,000	3,182,000	3,293,000	
53 Equipment/Technology	439,000	457,000	475,000	494,000	514,000	
54 Studies/Reports	234,000	243,000	253,000	263,000	274,000	
55 Chromium 6 Project (grant & loan funded)	0	0	0	0	0	
56 Meter Replacement Program	185,000	185,000	50,000	52,000	54,000	
57 Admin Building & Financing (deleted)	0	0	0	0	0	
58 Morongo Basin Pipeline Debt Reimbs	0	0	0	0	0	
59 Subtotal	3,728,000	3,855,000	3,852,000	3,991,000	4,135,000	
60 Total Expenses	14,154,000	14,662,000	15,058,000	15,611,000	16,185,000	
61 Revenues Less Expenses	46,000	5,000	96,000	50,000	2,000	
62 Ending Fund Reserves	12,830,000	12,835,000	12,931,000	12,981,000	12,983,000	
63 Min Fund Rsrsv Target (50% O&M + \$2M)	6,879,000	7,069,500	7,269,000	7,476,000	7,691,000	
64 Debt Service Coverage	6.65	6.78	6.91	7.05	7.19	
65 Cumulative Fund Reserve Drawdown	(16,000)	(11,000)	85,000	135,000	137,000	

Joshua Basin Water District

Scenario A

Projected Revenues & Expenses (\$ Millions)



* Assumes \$18 million Chromium 6 Project funded by a \$10 million grant and \$8 million SRF Loan.

Table A8
 Joshua Basin Water District
 Projected Water Rates

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

Projected Water Rates A							
	Current Water Rates	Projected Rates Effective					
		Mar-1 2023	Jan-1 2024	Jan-1 2025	Jan-1 2026	Jan-1 2027	
BASIC MONTHLY FEE							
<i>Fixed monthly charge based on meter size</i>							
<u>Meter Size</u>							
3/4 & 1 inch	\$41.35	\$43.40	\$45.55	\$47.80	\$50.20	\$52.70	
1-1/2 inches	137.83	144.67	151.83	159.33	167.33	175.67	
2 inches	220.53	231.47	242.93	254.93	267.73	281.07	
3 inches	413.50	434.00	455.50	478.00	502.00	527.00	
MONTHLY WATER FLOW CHARGES							
<i>Billed based on metered water use, as measured in units of one hundred cubic feet (\$/hcf)</i>							
For 3/4" and 1" Meters							
Tier 1	0 - 5 units	\$6.20	\$7.80	\$9.50	\$11.00	\$12.30	\$13.50
Tier 2	5.01 - 10 units	7.70	9.50	11.30	12.90	14.25	15.50
Tier 3	10.01 - 20 units	9.20	11.20	13.10	14.80	16.20	17.50
Tier 4	20.01 + units	10.70	12.90	14.90	16.70	18.15	19.50
For 1-1/2", 2" and 3" Meters							
Unit rate for all water use		\$7.70	\$9.50	\$11.30	\$12.90	\$14.25	\$15.50
<i>Note: 1 unit = one hundred cubic feet, or approximately 748 gallons.</i>							
PRIVATE FIRE PROTECTION CHARGES							
<i>Fixed monthly charge based on size of service connection</i>							
<u>Service Size</u>							
2 inches	\$22.05	\$23.15	\$24.29	\$25.49	\$26.77	\$28.11	
3 inches	41.34	43.40	45.55	47.80	50.20	52.70	
4 inches	68.91	72.34	75.91	79.66	83.66	87.84	
6 inches	137.81	144.69	151.81	159.31	167.31	175.69	
8 inches	220.50	231.50	242.90	254.90	267.70	281.10	

Water Shortage Contingency Rates

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Water Shortage Contingency Rate Surcharges

Scenario A

Proposed Maximum Water Shortage Contingency Rate Surcharges					
Water Shortage Contingency Stage	Stage 2 Moderate Shortage	Stage 3 Severe Shortage	Stage 4 Critical Shortage	Stage 5 Emergency Shortage	Stage 6 Catastrophic Failure
Water Shortage or Mandated Reduction	11% - 20%	21% - 30%	31% - 40%	41% - 50%	> 50%
Maximum Rate Surcharge (\$/hcf)					
<u>Effective On or After</u>					
Mar-1, 2023	\$1.32	\$2.62	\$4.33	\$6.65	\$8.26
Jan-1, 2024	1.67	3.29	5.42	8.31	10.30
Jan-1, 2025	1.99	3.90	6.39	9.80	12.11
Jan-1, 2026	2.26	4.41	7.22	11.06	13.66
Jan-1, 2027	2.51	4.89	7.99	12.23	15.09

Note: 1 unit = one hundred cubic feet (hcf), or approximately 748 gallons.

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Scenario C

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

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

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Table C1 JBWD Cash Flow Projections C - Limit Overall Rate Increases to 9%					Years 1 - 5	
	1	2	3	4	5	
	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	
1	Effective Date of Rate Adjustment	Mar-1	Jan-1	Jan-1	Jan-1	
2	Overall Rate Increase Target	9%	9%	9%	9%	
3	Fixed Rate Increase %	5%	5%	5%	5%	
4	Usage Rate Increase %	11.6%	11.5%	11.3%	11.2%	
5	Growth: New 1" Meters or Equivalents	50	25	25	25	
6	Growth %	1.0%	0.5%	0.5%	0.5%	
7	Wtr Demand Elasticity (Response to Rate Incr)	(0.10)	(0.10)	(0.10)	(0.10)	
8	Change in Water Use After Rate Increase	-1.2%	-1.1%	-1.1%	-1.1%	
9	Water Purchases from MWA (AF)	916	1,000	1,000	1,000	
10	MWA Rate per AF	\$623	\$645	\$664	\$684	
11	Interest Earnings Rate	1.0%	1.5%	1.5%	1.5%	
12	Annual Cost Escalator		6.0%	4.0%	4.0%	
13	Beginning Fund Reserves	\$12,846,000	\$12,907,000	\$12,777,000	\$12,943,000	\$12,141,000
14	REVENUES			Compounded 5-Year Rate Increase >>		54%
15	Basic Monthly Fees	2,560,000	2,731,000	2,882,000	3,041,000	3,209,000
16	Water Usage Charges	4,041,000	4,455,000	4,862,000	5,302,000	5,781,000
17	Basic Monthly Fees: Locked Meters	380,000	399,000	419,000	440,000	462,000
18	Standby Revenue	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
20	Property Taxes	672,000	685,000	699,000	713,000	727,000
21	Private Fire Svc & Special Services	200,000	204,000	208,000	212,000	216,000
22	Water Capacity & Meter Install Fees	486,000	250,000	258,000	258,000	258,000
23	Interest Earnings & Gain Loss/Chg Mkt Value	128,000	194,000	192,000	194,000	182,000
24	HDMC WWTP Reimbursements	281,000	298,000	310,000	322,000	336,000
25	Other Revenues	25,000	25,000	25,000	25,000	25,000
26	Total Revenues	9,973,000	10,441,000	11,055,000	11,707,000	12,396,000
27	SRF Grant for Chromium 6 Project		10,000,000 >>>>			
28	SRF Loan for Chromium 6 Project		8,000,000 >>>>			
30	EXPENSES					
31	Operating & Maintenance					
32	Production	1,360,000	1,442,000	1,500,000	1,560,000	1,622,000
33	Recharge Water Purchases from MWA	571,000	645,000	664,000	684,000	705,000
34	Distribution	1,212,000	1,285,000	1,336,000	1,389,000	1,445,000
35	Customer Service	778,000	825,000	858,000	892,000	928,000
36	Administration	1,255,000	1,330,000	1,383,000	1,438,000	1,496,000
37	Finance	931,000	987,000	1,026,000	1,067,000	1,110,000
38	Human Resources	267,000	283,000	294,000	306,000	318,000
39	HDMC WWTP Operations (reimbursable)	230,000	244,000	254,000	264,000	275,000
40	Standby Admin/Developmt & Engineering	87,000	92,000	96,000	100,000	104,000
41	Add'l Staffing Needs (deferred & reduced)	44,000	47,000	49,000	190,000	198,000
42	CIRP Program (Operating Portion)	442,000	469,000	488,000	508,000	528,000
43	Capitalized Overhead Adjustment	(100,000)	(106,000)	(110,000)	(114,000)	(119,000)
44	Chrome 6 Operations (estimated)	0	0	0	750,000	780,000
46	Subtotal	7,077,000	7,543,000	7,838,000	9,034,000	9,390,000
47	Debt Service					
48	2018 Installment Sale Agmt (CIRP)	268,000	268,000	268,000	268,000	268,000
49	Chrome 6 SRF Loan (\$8M, 2.75%, 30-Yr)	-	-	-	400,000	400,000
50	Subtotal	268,000	268,000	268,000	668,000	668,000
51	Capital/Non-Operating					
52	Capital Improvement Program (CIP)	1,785,000	2,000,000	2,000,000	2,000,000	2,000,000
53	Equipment/Technology	300,000	375,000	390,000	406,000	422,000
54	Studies/Reports	300,000	200,000	208,000	216,000	225,000
55	Chromium 6 Project (grant & loan funded)	0	18,000,000 >>>>		0	0
56	Meter Replacement Program	182,000	185,000	185,000	185,000	185,000
57	Admin Building & Financing (deleted)	0	0	0	0	0
58	Morongo Basin Pipeline Debt Reimbs	0	0	0	0	0
59	Subtotal	2,567,000	20,760,000	2,783,000	2,807,000	2,832,000
60	Total Expenses	9,912,000	28,571,000	10,889,000	12,509,000	12,890,000
61	Revenues Less Expenses	61,000	(130,000)	166,000	(802,000)	(494,000)
62	Ending Fund Reserves	12,907,000	12,777,000	12,943,000	12,141,000	11,647,000
63	Min Fund Rsrsv Target (50% O&M + \$2M)	5,538,500	5,771,500	5,919,000	6,517,000	6,695,000
64	Debt Service Coverage	10.81	10.81	12.00	4.00	4.50
65	Cumulative Change in Fund Reserves	61,000	(69,000)	97,000	(705,000)	(1,199,000)

Table C1 JBWD Cash Flow Projections C - Limit Overall Rate Increases to 9%

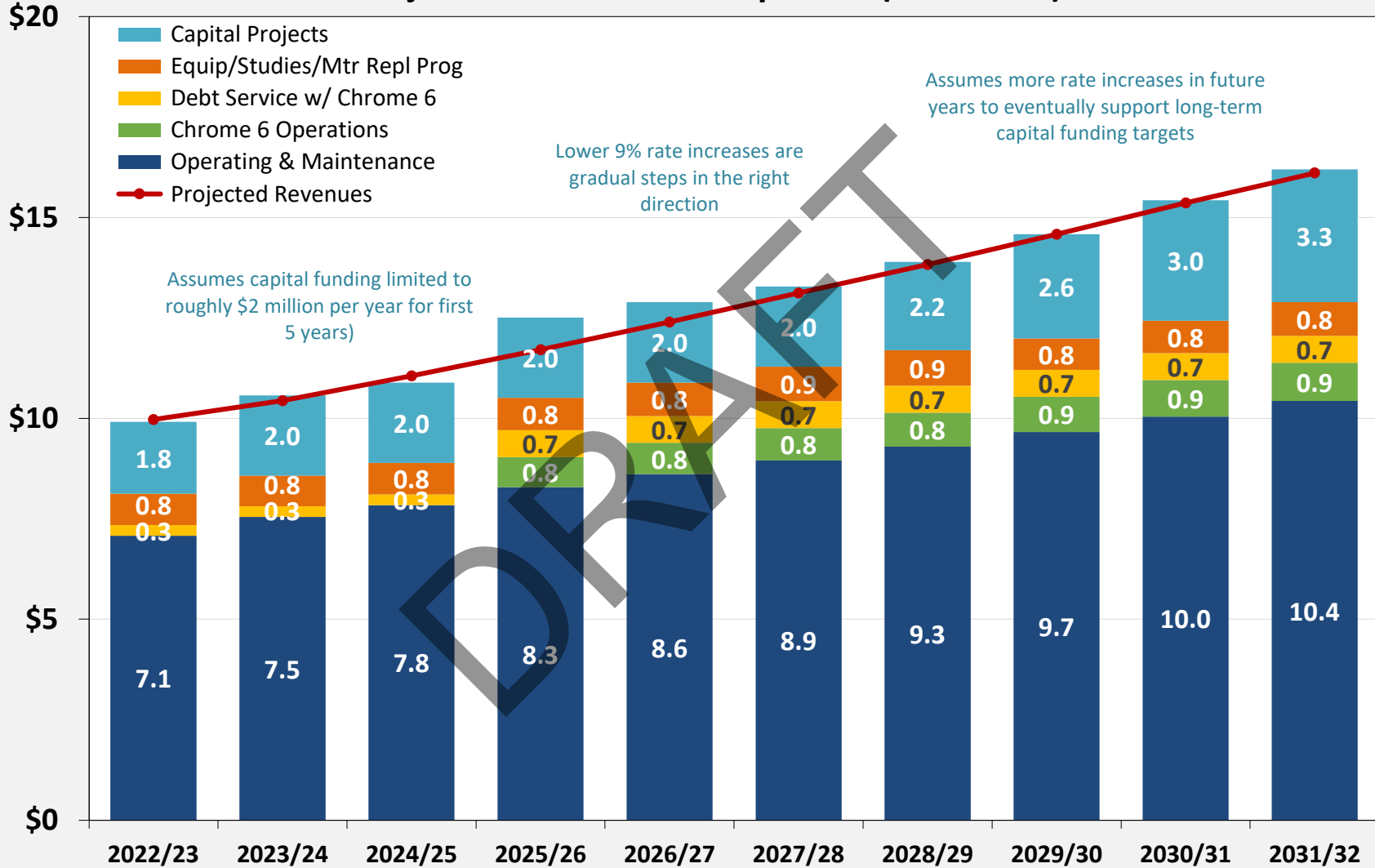
Year 6 - 10

	6	7	8	9	10	Esc
	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31	Projected 2030/31	Factor
1 Effective Date of Rate Adjustment	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	
2 Overall Rate Increase Target	8%	8%	8%	7%	6%	
3 Fixed Rate Increase %	5%	4%	4%	4%	4%	
4 Usage Rate Increase %	9.5%	9.9%	9.8%	8.3%	6.8%	
5 Growth: New 1" Meters or Equivalents	25	25	25	25	25	
6 Growth %	0.5%	0.5%	0.5%	0.5%	0.5%	
7 Wtr Demand Elasticity (Response to Rate Incr)	(0.10)	(0.10)	(0.10)	(0.10)	(0.10)	
8 Change in Water Use After Rate Increase	-0.9%	-1.0%	-1.0%	-0.8%	-0.7%	
9 Water Purchases from MWA (AF)	1,000	1,000	1,000	1,000	1,000	
10 MWA Rate per AF	\$726	\$748	\$770	\$793	\$817	3.0%
11 Interest Earnings Rate	1.5%	1.5%	1.5%	1.5%	1.5%	
12 Annual Cost Escalator	4.0%	4.0%	4.0%	4.0%	4.0%	
13 Beginning Fund Reserves	\$11,647,000	\$11,482,000	\$11,416,000	\$11,414,000	\$11,349,000	
14 REVENUES						
15 Basic Monthly Fees	3,386,000	3,555,000	3,715,000	3,883,000	4,058,000	
16 Water Usage Charges	6,279,000	6,769,000	7,312,000	7,870,000	8,383,000	
17 Basic Monthly Fees: Locked Meters	485,000	504,000	524,000	545,000	567,000	
18 Standby Revenue	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	
20 Property Taxes	742,000	757,000	772,000	787,000	803,000	2.0%
21 Private Fire Svc & Special Services	220,000	224,000	228,000	233,000	238,000	2.0%
22 Water Capacity & Meter Install Fees	258,000	258,000	258,000	258,000	258,000	
23 Interest Earnings & Gain Loss/Chg Mkt Value	175,000	172,000	171,000	171,000	170,000	
24 HDMC WWTP Reimbursements	349,000	362,000	377,000	392,000	407,000	
25 Other Revenues	25,000	25,000	25,000	25,000	25,000	
26 Total Revenues	13,119,000	13,826,000	14,582,000	15,364,000	16,109,000	
27 SRF Grant for Chromium 6 Project						
28 SRF Loan for Chromium 6 Project						
30 EXPENSES						
31 Operating & Maintenance						
32 Production	1,687,000	1,754,000	1,824,000	1,897,000	1,973,000	
33 Recharge Water Purchases from MWA	726,000	748,000	770,000	793,000	817,000	
34 Distribution	1,503,000	1,563,000	1,626,000	1,691,000	1,759,000	
35 Customer Service	965,000	1,004,000	1,044,000	1,086,000	1,129,000	
36 Administration	1,556,000	1,618,000	1,683,000	1,750,000	1,820,000	
37 Finance	1,154,000	1,200,000	1,248,000	1,298,000	1,350,000	
38 Human Resources	331,000	344,000	358,000	372,000	387,000	
39 HDMC WWTP Operations (reimbursable)	286,000	297,000	309,000	321,000	334,000	
40 Standby Admin/Developmt & Engineering	108,000	112,000	116,000	121,000	126,000	
41 Add'l Staffing Needs (deferred & reduced)	206,000	214,000	223,000	232,000	241,000	
42 CIRP Program (Operating Portion)	549,000	571,000	594,000	618,000	643,000	
43 Capitalized Overhead Adjustment	(124,000)	(129,000)	(134,000)	(139,000)	(145,000)	
44 Chrome 6 Operations (estimated)	811,000	843,000	877,000	912,000	948,000	
46 Subtotal	9,758,000	10,139,000	10,538,000	10,952,000	11,382,000	
47 Debt Service						
48 2018 Installment Sale Agmt (CIRP)	268,000	268,000	268,000	268,000	268,000	
49 Chrome 6 SRF Loan (\$8M, 2.75%, 30-Yr)	400,000	400,000	400,000	400,000	400,000	
50 Subtotal	668,000	668,000	668,000	668,000	668,000	
51 Capital/Non-Operating						
52 Capital Improvement Program (CIP)	2,000,000	2,200,000	2,600,000	3,000,000	3,300,000	
53 Equipment/Technology	439,000	457,000	475,000	494,000	514,000	
54 Studies/Reports	234,000	243,000	253,000	263,000	274,000	
55 Chromium 6 Project (grant & loan funded)	0	0	0	0	0	
56 Meter Replacement Program	185,000	185,000	50,000	52,000	54,000	
57 Admin Building & Financing (deleted)	0	0	0	0	0	
58 Morongo Basin Pipeline Debt Reimbs	0	0	0	0	0	
59 Subtotal	2,858,000	3,085,000	3,378,000	3,809,000	4,142,000	
60 Total Expenses	13,284,000	13,892,000	14,584,000	15,429,000	16,192,000	
61 Revenues Less Expenses	(165,000)	(66,000)	(2,000)	(65,000)	(83,000)	
62 Ending Fund Reserves	11,482,000	11,416,000	11,414,000	11,349,000	11,266,000	
63 Min Fund Rsrv Target (50% O&M + \$2M)	6,879,000	7,069,500	7,269,000	7,476,000	7,691,000	
64 Debt Service Coverage	5.03	5.52	6.05	6.60	7.08	
65 Cumulative Fund Reserve Drawdown	(1,364,000)	(1,430,000)	(1,432,000)	(1,497,000)	(1,580,000)	

Joshua Basin Water District

Scenario C

Projected Revenues & Expenses (\$ Millions)



* Assumes \$18 million Chromium 6 Project funded by a \$10 million grant and \$8 million SRF Loan.

Table C8
 Joshua Basin Water District
 Projected Water Rates

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

Projected Water Rates C						
	Current Water Rates	Projected Rates Effective				
		Mar-1 2023	Jan-1 2024	Jan-1 2025	Jan-1 2026	Jan-1 2027
BASIC MONTHLY FEE						
<i>Fixed monthly charge based on meter size</i>						
<u>Meter Size</u>						
3/4 & 1 inch	\$41.35	\$43.40	\$45.55	\$47.80	\$50.20	\$52.70
1-1/2 inches	137.83	144.67	151.83	159.33	167.33	175.67
2 inches	220.53	231.47	242.93	254.93	267.73	281.07
3 inches	413.50	434.00	455.50	478.00	502.00	527.00
Usage Rate Increases		11.6%	11.5%	11.3%	11.2%	11.1%
MONTHLY WATER FLOW CHARGES						
<i>Billed based on metered water use, as measured in units of one hundred cubic feet (\$/hcf)</i>						
For 3/4" and 1" Meters						
Tier 1 0 - 5 units	\$6.20	\$7.10	\$8.05	\$9.10	\$10.15	\$11.08
Tier 2 5.01 - 10 units	7.70	8.64	9.62	10.70	11.78	12.74
Tier 3 10.01 - 20 units	9.20	10.18	11.19	12.30	13.41	14.40
Tier 4 20.01 + units	10.70	11.72	12.76	13.90	15.04	16.06
For 1-1/2", 2" and 3" Meters						
Unit rate for all water use	\$7.70	\$8.64	\$9.62	\$10.70	\$11.78	\$12.74
<i>Note: 1 unit = one hundred cubic feet, or approximately 748 gallons.</i>						
PRIVATE FIRE PROTECTION CHARGES						
<i>Fixed monthly charge based on size of service connection</i>						
<u>Service Size</u>						
2 inches	\$22.05	\$23.15	\$24.29	\$25.49	\$26.77	\$28.11
3 inches	41.34	43.40	45.55	47.80	50.20	52.70
4 inches	68.91	72.34	75.91	79.66	83.66	87.84
6 inches	137.81	144.69	151.81	159.31	167.31	175.69
8 inches	220.50	231.50	242.90	254.90	267.70	281.10

Water Shortage Contingency Rates

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Water Shortage Contingency Rate Surcharges

Scenario C

Proposed Maximum Water Shortage Contingency Rate Surcharges					
Water Shortage Contingency Stage	Stage 2 Moderate Shortage	Stage 3 Severe Shortage	Stage 4 Critical Shortage	Stage 5 Emergency Shortage	Stage 6 Catastrophic Failure
Water Shortage or Mandated Reduction	11% - 20%	21% - 30%	31% - 40%	41% - 50%	> 50%
Maximum Rate Surcharge (\$/hcf)					
<u>Effective On or After</u>					
Mar-1, 2023	\$1.16	\$2.33	\$3.86	\$5.95	\$7.40
Jan-1, 2024	1.63	3.21	5.28	8.10	10.04
Jan-1, 2025	2.13	4.16	6.81	10.43	12.88
Jan-1, 2026	1.77	3.48	5.71	8.76	10.84
Jan-1, 2027	1.95	3.82	6.28	9.62	11.89

Note: 1 unit = one hundred cubic feet (hcf), or approximately 748 gallons.

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