



AGENDA

FINANCE COMMITTEE MEETING

WEDNESDAY, AUGUST 14, 2024 AT 9:00 AM

MEETINGS ARE HELD IN PERSON AT 61750 CHOLLITA RD., JOSHUA TREE, CA 92252

REMOTE ACCESS IS AVAILABLE FOR THE CONVENIENCE OF THE PUBLIC

CLICK TO JOIN VIRTUALLY: [ZOOM LINK](#)

CALL TO JOIN BY PHONE: (669) 444-9171

MEETING ID: 852 5630 9368

PASSCODE: 61750

1. **CALL TO ORDER / PLEDGE OF ALLEGIANCE**

2. **ROLL CALL**

3. **PUBLIC COMMENT**

This is the time set aside for public comment on any item not appearing on the agenda. At the discretion of the Board President, however, comments on a particular Agenda item may be deferred until that item is heard. Please state your name and limit your comments to 3 minutes.

4. **CONSENT CALENDAR**

Consent calendar items are expected to be routine and non-controversial, to be acted upon at one time without discussion. If a committee member would like an item to be handled separately, it will be removed from the Consent Agenda for separate action.

A. DRAFT FINANCE COMMITTEE MEETING MINUTES 07.10.24

5. **DISCUSSION ITEMS**

A. CHECK REGISTER – JUNE 2024

B. 23/24 BAD DEBT WRITE-OFF OF \$104,144.18

C. USE OF COLLECTION AGENCY TO ENHANCE DEBT COLLECTION

D. COST ALLOCATION PLAN

6. **STAFF REPORTS**

7. **DIRECTOR COMMENTS**

8. **ADJOURNMENT**

JOSHUA BASIN WATER DISTRICT
MINUTES OF THE
FINANCE COMMITTEE MEETING
Wednesday, July 10, 2024
61750 Chollita Road, Joshua Tree, CA 92252

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

STAFF PRESENT – Director of Finance, Anne Roman, Accounting Supervisor, Autumn Rich, Director of Administration, David Shook, General Manager, Sarah Johnson, Executive Assistant, Lisa Thompson, CIRP Supervisor, Brandon Warner

CONSULTANTS – None

GUESTS – None

3. PUBLIC COMMENT – None

4. CONSENT CALENDAR

- A. DRAFT FINANCE COMMITTEE MEETING MINUTES 06.12.24

- 1st - Doolittle

- 2nd - Floen

- Motion carried to approve consent calendar 06.12.24 minutes.

5. DISCUSSION ITEMS -

- A. MAY 2024 - CHECK REGISTER

- 1st - Doolittle

- 2nd - Floen

- Motion carried to refer to the Board.

- B. APPROPRIATION LIMIT FOR FISCAL YEAR 2024/25

- Director of Finance, Anne Roman presented the Appropriation Limit for the fiscal year 2024/25. Roman explained the calculation factors in detail and explained that the Appropriation Limit is reviewed annually during the audit. Additionally, Roman pointed out that the resolution establishing the Appropriation Limit will be corrected by changing President Floen's first name from Tom to Thomas before it goes to the board next week.

- 1st - Doolittle

- 2nd - Floen

- Motion carried to refer to the Board.

- C. TILFORD PHASE 2 CIRP PROJECT WATER CAPACITY CHARGES TRANSFER

- Director of Finance, Anne Roman presented the Tilford Phase 2 CIRP Project Water Capacity Charges Transfer. Roman explained that the capacity charges help fund water system expansions due to new water connections. The recently completed Tilford 2 project is now eligible for reimbursement from the LAIF Water Capacity Reserve fund, allowing the District to recover costs initially covered by other funding sources. Following the transfer, the LAIF water capacity reserve fund will maintain a sufficient balance for future growth-related projects, ensuring ongoing financial readiness as new capacity charges are collected with each new connection to the water system. Roman also noted that there will be a correction to the budget amount on the job cost reconciliation before it is presented to the board next week.

1st - Doolittle

2nd - Floen

Motion carried to refer to the Board.

6. STAFF REPORTS

General Manager, Sarah Johnson reported the following:

- The field inventory audit at the end of June went well.
- The regularly scheduled CAC meeting was held last night. It was mentioned that a Special CAC meeting for strategic planning will be held on Monday, August 5, 2024, in lieu of the September CAC meeting.
- At next week's board meeting, there will be an agenda item for the discussion of the Strategic Planning Kickoff.
- Johnson mentioned that Executive Assistant, Lisa Thompson reached out to the directors to coordinate the Strategic Planning interviews.
- Johnson attended the June CSDA General Manager conference in Anaheim and learned about AI.

Director of Finance, Anne Roman reported the following:

- The Finance department is in preparation for year-end reconciliation and field audit in September.

7. DIRECTOR COMMENTS -

Vice President Doolittle reported the following:

- Doolittle mentioned that she was pleased with the Financial report, as always.

President Floen reported the following:

- Floen attended the Landers Homestead Association meeting a couple of days ago, where there was a discussion about grant processes. During the meeting, Floen mentioned that he spoke with someone regarding the slow grant process and was wondering about how inflation would affect the value of money obtained through a grant.

8. ADJOURNMENT – President Floen adjourned the meeting at 9:42 a.m.

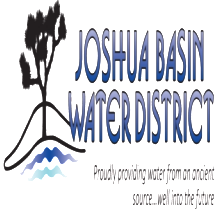
1st - Doolittle

2nd - Floen

NEXT MEETING – August 14, 2024, at 9:00 am.

Respectfully Submitted,

Sarah Johnson, General Manager



Joshua Basin Water District

Check Report

By Vendor DBA Name

Date Range: 06/01/2024 - 06/30/2024

Vendor Number	Vendor DBA Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
Bank Code: AP-AP Cash						
000501	ACWA JPIA	06/05/2024	Regular	0.00	40,414.67	66382
0702966	Invoice	06/05/2024	EE HEALTH BENEFIT & EAP - 07/2024	0.00	40,414.67	
014066	ALYSON CORPORATION	06/19/2024	Regular	0.00	14,800.00	66431
2024-042-001	Invoice	06/19/2024	BELMONT DESIGN/SURVEY	0.00	14,800.00	
013998	AMAZON CAPITAL SERVICES INC	06/19/2024	Regular	0.00	1,945.55	66432
1JJ7-3MRQ-9VWK	Invoice	06/19/2024	ANN'L PRIME MEMEBERSHIP/SUPPLIES/OFFICE EQUIP	0.00	1,035.84	
1TMP-N7QQ-6RKP	Invoice	06/19/2024	VHCLE MAINT:V50/BUILD MAINT/OFFICE SUPPLIES	0.00	909.71	
000675	AQUA METRIC SALES COMPANY	06/19/2024	Regular	0.00	3,818.07	66451
INV0102240	Invoice	06/19/2024	METER REPAIR SUPPLIES	0.00	3,818.07	
013019	ARBORIST SERVICES	06/05/2024	Regular	0.00	2,375.00	66396
9177	Invoice	06/05/2024	DEMO GARDEN/BUILD MAINT 04/16/24 - 05/15/24	0.00	950.00	
9178	Invoice	06/05/2024	DEMO GARDEN/BUILD MAINT 05/16/24 - 06/15/24	0.00	950.00	
9179	Invoice	06/05/2024	DEMO GARDEN/BUILD MAINT 06/16/24 - 06/30/24	0.00	475.00	
014104	ARDURRA GROUP INC	06/05/2024	Regular	0.00	8,497.50	66383
17527	Invoice	06/05/2024	ENGINEERING SVS: E2-1 TANK 4/1/24 - 4/30/24	0.00	8,497.50	
013863	ATKINSON ANDELSON LOYA RUUD AND ROMO	06/19/2024	Regular	0.00	2,122.26	66433
716189	Invoice	06/19/2024	LABOR LEGAL SERVICES - 05/2024	0.00	464.10	
716190	Invoice	06/19/2024	LEGAL SERVICES - 05/2024	0.00	1,658.16	
001630	ATT MOBILITY	06/19/2024	Manual	0.00	2,446.96	902504
829480028X060...	Invoice	06/19/2024	COMMUNICATIONS - 05/2024	0.00	2,446.96	
000214	BABCOCK LABORATORIES INC	06/05/2024	Regular	0.00	2,154.62	66384
CE40893-2287	Invoice	06/05/2024	SAMPLING	0.00	114.60	
CE41022-2287	Invoice	06/05/2024	SAMPLING	0.00	255.05	
CE41620-2287	Invoice	06/05/2024	HDMC WWTP - SAMPLING	0.00	268.77	
CE41720-2287	Invoice	06/05/2024	HDMC WWTP - SAMPLING	0.00	686.20	
CE41722-2287	Invoice	06/05/2024	HDMC WWTP - SAMPLING	0.00	432.26	
CE41895-2287	Invoice	06/05/2024	SAMPLING	0.00	114.60	
CF40051-2287	Invoice	06/05/2024	SAMPLING	0.00	283.14	
000214	BABCOCK LABORATORIES INC	06/19/2024	Regular	0.00	1,707.85	66434
CF40217-2287	Invoice	06/19/2024	SAMPLING	0.00	133.70	
CF40260-2287	Invoice	06/19/2024	SAMPLING	0.00	364.62	
CF40279-2287	Invoice	06/19/2024	SAMPLING	0.00	47.90	
CF40302-2287	Invoice	06/19/2024	HDMC WWTP - SAMPLING	0.00	386.44	
CF40604-2287	Invoice	06/19/2024	SAMPLING	0.00	114.60	
CF40726-2287	Invoice	06/19/2024	SAMPLING	0.00	19.10	
CF40732-2287	Invoice	06/19/2024	HDMC WWTP - SAMPLING	0.00	386.44	
CF40740-2287	Invoice	06/19/2024	SAMPLING	0.00	255.05	
VEN01022	BARRETT ENGINEERED PUMPS	06/27/2024	Regular	0.00	-350.19	66202
004110	BURRTEC WASTE AND RECYCLING SVCS	06/05/2024	Manual	0.00	653.25	902493
BW053124	Invoice	06/05/2024	TRASH REMOVAL (SHOP) - 05/2024	0.00	473.34	
BW0624	Invoice	06/05/2024	TRASH & RECYCLING (OFFICE) - 06/2024	0.00	179.91	
000229	C AND S ELECTRIC	06/05/2024	Regular	0.00	7,500.00	66388
3884	Invoice	06/05/2024	PUMPING PLANT MAINTENANCE	0.00	7,500.00	

Check Report

Date Range: 06/01/2024 - 06/30/2024

Vendor Number Payable #	Vendor DBA Name Payable Type	Post Date	Payment Date Payable Description	Payment Type	Discount Amount Discount Amount	Payment Amount Payable Amount	Number
001517 PPE 5-31-24	CalPERS Invoice	06/12/2024	06/12/2024 PAY PERIOD ENDING 5/31/24	Manual	0.00 0.00	16,455.77 16,455.77	902502
001517 PPE 6-14-24	CalPERS Invoice	06/21/2024	06/21/2024 PAY PERIOD ENDING 6/14/24	Manual	0.00 0.00	16,630.95 16,630.95	902508
001555 240602252101	CENTRA TEL LLC Invoice	06/05/2024	06/05/2024 DISPATCH SERVICES - 05/2024	Regular	0.00 0.00	742.40 742.40	66385
000510 116905701060124	CHARTER COMMUNICATIONS Invoice	06/19/2024	06/19/2024 INTERNET SERVICES - 06/2024	Regular	0.00 0.00	550.00 550.00	66435
000237 39905610505829	COLONIAL LIFE AND ACCIDENT INSURANCE CO Invoice	06/05/2024	06/05/2024 EE LIFE INSURANCE - 05/2024	Manual	0.00 0.00	766.30 766.30	902495
000112 24050005	COPPER MOUNTAIN BROADCASTING CO Invoice	06/19/2024	06/19/2024 MWA GRANT: WATER CONSERVATION ADS	Regular	0.00 0.00	480.00 480.00	66436
013373 U849348-1 U866421 U882592 U893345 U911137 U923279 U923648 U953288	CORE AND MAIN LP Credit Memo Invoice Invoice Invoice Invoice Invoice Invoice Invoice	06/05/2024 06/05/2024 06/05/2024 06/05/2024 06/05/2024 06/05/2024 06/05/2024 06/05/2024 06/05/2024	06/05/2024 CREDIT: SALES TAX ON INVENTORY INVENTORY & MAINLINE/LEAK REPAIR SUPPLIES INVENTORY MAINLINE/LEAK REPAIR SUPPLIES INVENTORY INVENTORY & MAINLINE/LEAK REPAIR SUPPLIES INVENTORY INVENTORY	Regular	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00	28,064.38 -33.48 2,739.66 555.47 80.82 14,996.22 6,607.02 1,234.39 1,884.28	66386
013373 U866447	CORE AND MAIN LP Invoice	06/19/2024	06/19/2024 MAINLINE/LEAK REPAIR SUPPLIES	Regular	0.00 0.00	1,914.29 1,914.29	66437
014108 DF061824	DAVID FICK Invoice	06/19/2024	06/19/2024 MILEAGE REIMBURSEMENT	Regular	0.00 0.00	121.27 121.27	66438
014064 INV00297740	DIGIUM CLOUD SERVICE Invoice	06/19/2024	06/19/2024 OFFICE TELEPHONE - 06/2024	Regular	0.00 0.00	755.35 755.35	66449
002565 202403804	DUDEK Invoice	06/05/2024	06/05/2024 ENG SERV: HDMC WWTP 03/30/24 - 04/26/24	Regular	0.00 0.00	1,240.00 1,240.00	66387
002565 202404389	DUDEK Invoice	06/19/2024	06/19/2024 ENG SERV: HDMC WWTP 04/27/24 - 05/24/24	Regular	0.00 0.00	1,240.00 1,240.00	66439
013991 EI01703519	EIDE BAILLY LLP Invoice	06/19/2024	06/19/2024 ACCOUNTING/AUDIT SERVICES - 04/2024	Regular	0.00 0.00	681.00 681.00	66440
014071 0855869	FERGUSON US HOLDINGS INC Invoice	06/19/2024	06/19/2024 MAINLINE/LEAK REPAIR SUPPLIES	Regular	0.00 0.00	758.00 758.00	66441
000156 2400068 2400069	FORSHOCK Invoice Invoice	06/05/2024 06/05/2024	06/05/2024 MONTHLY SCADA MONITORING - 06/2024 MONTHLY SCADA MONITORING - 06/2024	Regular	0.00 0.00 0.00	243.00 38.00 205.00	66397
013222 FC0624	FRONTIER COMMUNICATIONS INC Invoice	06/05/2024	06/05/2024 HDMC WWTP - TELEPHONE - 06/2024	Regular	0.00 0.00	226.77 226.77	66389
000058 10781724	GARDA CL WEST INC Invoice	06/05/2024	06/05/2024 COURIER FEES - 06/2024	Regular	0.00 0.00	565.50 565.50	66390
013802 965037	HASA INC Invoice	06/19/2024	06/19/2024 WATER TREATMENT EXPENSE	Regular	0.00 0.00	877.36 877.36	66443
014050 HDS052324	HI DESERT STAR / THE DESERT TRAIL Invoice	06/05/2024	06/05/2024 SUBSCRIPTION RENEWAL: 6/10/24 - 6/9/27	Regular	0.00 0.00	125.00 125.00	66391
014050	HI DESERT STAR / THE DESERT TRAIL	06/19/2024	06/19/2024	Regular	0.00	260.00	66442

Check Report

Date Range: 06/01/2024 - 06/30/2024

Vendor Number	Vendor DBA Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
56660	Invoice	06/19/2024	MWA GRANT: WATER CONSERVATION ADS	0.00	260.00	
004195	HOME DEPOT CREDIT SERVICES	06/19/2024	Manual	0.00	1,539.15	902506
HD0524	Invoice	06/19/2024	BUILD MAINT/TANK MAINT/TOOL REPAIR/SHOP EXP	0.00	1,539.15	
013797	INFOSEND INC	06/05/2024	Regular	0.00	3,540.43	66392
263398	Invoice	06/05/2024	PRINT & MAIL WATER BILL - 05/2024	0.00	3,540.43	
013989	IRIDIUM SOLUTIONS	06/05/2024	Regular	0.00	5,500.00	66402
1045	Invoice	06/05/2024	CONSULTING SERVICES - 05/2024	0.00	5,500.00	
013369	ISHRED INCORPORATED	06/05/2024	Regular	0.00	70.00	66393
5872	Invoice	06/05/2024	ARCHIVE RECORD SHREDDING - 05/2024	0.00	70.00	
014113	JULIA GARDNER FORESTER	06/05/2024	Regular	0.00	17.77	66394
JGF052024	Invoice	06/05/2024	METER UPGRADE RECONCILIATION REFUND	0.00	17.77	
009054	KATHLEEN J RADNICH	06/05/2024	Regular	0.00	4,733.75	66395
24-0531-1	Invoice	06/05/2024	PUBLIC RELATIONS SERVICES - 05/2024	0.00	4,733.75	
006947	KCDZ FM	06/19/2024	Regular	0.00	335.00	66445
318-00023-0008	Invoice	06/19/2024	MWA GRANT: WATER CONSERVATION ADS	0.00	335.00	
014042	MISSION SQUARE RETIREMENT	06/07/2024	Manual	0.00	4,792.00	902501
MSR060724	Invoice	06/07/2024	EE & ER 457 REMITTANCE - 06/07/24	0.00	4,792.00	
014042	MISSION SQUARE RETIREMENT	06/21/2024	Manual	0.00	4,742.00	902509
MSR062124	Invoice	06/21/2024	EE & ER 457 REMITTANCE - 06/21/24	0.00	4,742.00	
013990	MOMS DESERT VALLEY CLEANING	06/19/2024	Regular	0.00	1,500.00	66444
202406	Invoice	06/19/2024	JANITORIAL SERVICES - 06/2024	0.00	1,500.00	
000233	NAPA AUTO PARTS	06/05/2024	Regular	0.00	714.12	66414
472145	Invoice	06/05/2024	GENERATOR MAINT: GR4	0.00	335.86	
472826	Invoice	06/05/2024	VEHICLE MAINTENANCE: V42	0.00	41.28	
473200	Invoice	06/05/2024	SHOP EXPENSE/VACUUM MAINTENANCE: E82	0.00	31.05	
473837	Invoice	06/05/2024	TRACTOR MAINTENANCE: E41	0.00	303.43	
473948	Invoice	06/05/2024	TRACTOR MAINTENANCE: E41	0.00	2.50	
000233	NAPA AUTO PARTS	06/19/2024	Regular	0.00	516.15	66454
473754	Invoice	06/19/2024	VACUUM MAINTENANCE: E82	0.00	116.83	
474169	Invoice	06/19/2024	TRACTOR MAINT: E41	0.00	40.77	
474691	Invoice	06/19/2024	GENERATOR MAINT: GR2	0.00	358.55	
003930	NBS	06/05/2024	Regular	0.00	617.12	66398
202405-2112	Invoice	06/05/2024	CMM DELINQUENT LETTERS	0.00	617.12	
013352	NIELSEN FIRE AND ICE HEATING AND AIR	06/05/2024	Regular	0.00	4,650.00	66401
I-13985-1	Invoice	06/05/2024	NEW A/C UNIT FOR LOBBY	0.00	4,650.00	
000070	ONLINE INFORMATION SERVICES INC	06/05/2024	Regular	0.00	269.20	66399
1261472	Invoice	06/05/2024	ID VERIF. SERV. - 05/2024	0.00	269.20	
008200	PITNEY BOWES INC	06/19/2024	Manual	0.00	246.33	902503
3106696197	Invoice	06/19/2024	LEASING CHARGES 4/30/24 - 7/29/24	0.00	246.33	
008202	PITNEY BOWES INC	06/19/2024	Manual	0.00	98.36	902507
1025549758	Invoice	06/19/2024	OFFICE SUPPLIES	0.00	98.36	
008415	PRUDENTIAL OVERALL SUPPLY	06/05/2024	Regular	0.00	477.48	66400
23649538	Invoice	06/05/2024	SHOP EXPENSE	0.00	144.78	
23649541	Invoice	06/05/2024	SHOP EXPENSE	0.00	93.96	
23655472	Invoice	06/05/2024	SHOP EXPENSE	0.00	144.78	
23655474	Invoice	06/05/2024	SHOP EXPENSE	0.00	93.96	
008415	PRUDENTIAL OVERALL SUPPLY	06/19/2024	Regular	0.00	238.74	66446

Check Report

Date Range: 06/01/2024 - 06/30/2024

Vendor Number	Vendor DBA Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
23661474	Invoice	06/19/2024	SHOP EXPENSE	0.00	144.78	
23661477	Invoice	06/19/2024	SHOP EXPENSE	0.00	93.96	
000091	SAN BERNARDINO COUNTY RECORDER	06/19/2024	Regular	0.00	80.00	66448
SB061224	Invoice	06/19/2024	RELEASE OF LIENS	0.00	80.00	
013831	SATMODO LLC	06/05/2024	Regular	0.00	164.26	66404
247959	Invoice	06/05/2024	EMERGENCY SATELLITE PHONES - 06/2024	0.00	164.26	
013820	SC FUELS	06/19/2024	Regular	0.00	1,222.45	66450
2661402-IN	Invoice	06/19/2024	FUEL FOR VEHICLES	0.00	1,222.45	
013820	SC FUELS	06/05/2024	Manual	0.00	4,352.75	902496
2647706-IN	Invoice	06/05/2024	FUEL FOR VEHICLES	0.00	4,352.75	
009880	SOUTHERN CALIFORNIA EDISON CO	06/05/2024	Manual	0.00	1,883.11	902498
SCE0524	Invoice	06/05/2024	POWER TO BLDGS & GEN - 05/2024	0.00	1,883.11	
009878	SOUTHERN CALIFORNIA EDISON	06/05/2024	Manual	0.00	43,401.41	902499
SCE0524	Invoice	06/05/2024	POWER FOR PUMPING - 5/2024	0.00	43,401.41	
VEN01020	SOUTHWEST NETWORKS INC	06/05/2024	Regular	0.00	52.50	66405
24-5082	Invoice	06/05/2024	SUPPLEMENTAL IT (AMC) - 05/2024	0.00	52.50	
014103	STACY DOOLITTLE	06/05/2024	Regular	0.00	234.41	66406
SD51624	Invoice	06/05/2024	REIMB: MEALS, PARKING & TRANSPORTATION	0.00	234.41	
009920	STANDARD INSURANCE CO	06/05/2024	Regular	0.00	3,635.10	66407
ST0524	Invoice	06/05/2024	EE LIFE INSURANCE - 05/2024	0.00	1,817.55	
ST0624	Invoice	06/05/2024	EE LIFE INSURANCE - 06/2024	0.00	1,817.55	
014114	TOMAS SHORT	06/05/2024	Regular	0.00	127.14	66409
TS052024	Invoice	06/05/2024	REIMB: MILEAGE & TRANSPORTATION	0.00	127.14	
010850	UNDERGROUND SERVICE ALERT	06/05/2024	Regular	0.00	106.25	66410
520240349	Invoice	06/05/2024	TICKET DELIVERY SERVICE - 05/2024	0.00	106.25	
CC-DAN	US BANK CORPORATE	06/05/2024	Manual	0.00	4,259.98	902500
US0524	Invoice	06/05/2024	EE TRAINING/SAFETY SUP/SHOP BLDG MAINT/SM TOOL	0.00	4,259.98	
CC-DAVID	US BANK CORPORATE	06/05/2024	Manual	0.00	1,739.81	902494
US0524	Invoice	06/05/2024	REPLCMNT GARDEN SIGNS/SOFTWARE/BUILD MAINT	0.00	1,739.81	
CC-SARAH	US BANK CORPORATE	06/05/2024	Manual	0.00	4,537.10	902497
US0524	Invoice	06/05/2024	EE TRAINING/DIRECTOR TRAINING/MEMBERSHIPS	0.00	4,537.10	
011101	VAGABOND WELDING SUPPLY	06/05/2024	Regular	0.00	87.27	66408
119932	Invoice	06/05/2024	BUILDING MAINTENANCE - SHOP	0.00	87.27	
014056	VISUAL EDGE IT INC	06/05/2024	Regular	0.00	332.61	66411
24AR1800637	Invoice	06/05/2024	OFFICE EXPENSE 4/30/24 - 5/29/24	0.00	332.61	
000327	WATER QUALITY SPECIALISTS	06/05/2024	Regular	0.00	4,012.00	66412
9625	Invoice	06/05/2024	HDMC WWTP: OPERATION & MAINT - 05/2024	0.00	4,012.00	
000327	WATER QUALITY SPECIALISTS	06/19/2024	Regular	0.00	4,012.00	66452
9647	Invoice	06/19/2024	HDMC WWTP: OPERATION & MAINT - 06/2024	0.00	4,012.00	
013809	WEST COAST CIVIL INC	06/05/2024	Regular	0.00	10,165.00	66413
2404-410	Invoice	06/05/2024	ENG: E2-1 RESERVOIR UPGRADE	0.00	5,105.00	
2404-411	Invoice	06/05/2024	ENG: TILFORD PH2 DESIGN/SURVEY	0.00	5,060.00	
013809	WEST COAST CIVIL INC	06/19/2024	Regular	0.00	3,140.00	66453
2405-408	Invoice	06/19/2024	ENG: BELMONT DESIGN/SURVEY THUR 05/31/24	0.00	1,160.00	
2405-409	Invoice	06/19/2024	ENG: E2-1 RESERVOIR UPGRADE THRU 05/31/24	0.00	1,980.00	

Check Report

Date Range: 06/01/2024 - 06/30/2024

Vendor Number	Vendor DBA Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
011615 60583210	WESTERN EXTERMINATOR Invoice	06/05/2024	06/05/2024 Regular PEST CONTROL SERVICES - SHOP	0.00	70.50	66403
011615 61691988	WESTERN EXTERMINATOR Invoice	06/19/2024	06/19/2024 Regular PEST CONTROL SERVICES - SHOP	0.00	70.50	66447
013359 5850547	XEROX FINANCIAL SERVICES LLC Invoice	06/19/2024	06/19/2024 Manual OFFICE EXPENSE 5/30/24 - 6/29/24	0.00	397.60	902505

Bank Code AP Summary

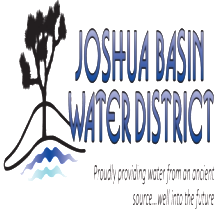
Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	95	57	0.00	174,871.59
Manual Checks	18	17	0.00	108,942.83
Voided Checks	0	1	0.00	-350.19
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	113	75	0.00	283,464.23

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	95	57	0.00	174,871.59
Manual Checks	18	17	0.00	108,942.83
Voided Checks	0	1	0.00	-350.19
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	113	75	0.00	283,464.23

Fund Summary

Fund	Name	Period	Amount
01	GENERAL FUND	6/2024	283,464.23
			283,464.23



Joshua Basin Water District

Check Report

By Vendor DBA Name

Date Range: 06/01/2024 - 06/30/2024

Vendor Number	Vendor DBA Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
Bank Code: PR-Payroll Account						
000248	PAYCHEX	06/07/2024	06/07/2024 Manual PAYROLL PROCESSING FEE - 06/07/24	0.00	558.09	950108
2024060401	Invoice	06/07/2024		0.00	558.09	
000248	PAYCHEX	06/11/2024	06/11/2024 Manual MEDICAL FSA USE	0.00	4.69	950109
343159882	Invoice	06/11/2024		0.00	4.69	
000248	PAYCHEX	06/12/2024	06/12/2024 Manual MEDICAL FSA USE	0.00	60.00	950110
1358179857	Invoice	06/12/2024		0.00	60.00	
000248	PAYCHEX	06/14/2024	06/14/2024 Manual FSA PROCESSING FEE – 6/2024	0.00	75.00	950111
29071466	Invoice	06/14/2024		0.00	75.00	
000248	PAYCHEX	06/21/2024	06/21/2024 Manual PAYROLL PROCESSING FEE - 06/21/24	0.00	588.11	950112
2024061801	Invoice	06/21/2024		0.00	588.11	
000248	PAYCHEX	06/24/2024	06/24/2024 Manual MEDICAL FSA USE	0.00	19.38	950113
347229583	Invoice	06/24/2024		0.00	9.38	
347352675	Invoice	06/24/2024	MEDICAL FSA USE	0.00	10.00	
000248	PAYCHEX	06/25/2024	06/25/2024 Manual MEDICAL FSA USE	0.00	55.00	950114
1361464097	Invoice	06/25/2024		0.00	55.00	
000248	PAYCHEX	06/27/2024	06/27/2024 Manual MEDICAL FSA USE	0.00	50.00	950115
1362312222	Invoice	06/27/2024		0.00	50.00	
000248	PAYCHEX	06/28/2024	06/28/2024 Manual MEDICAL FSA USE	0.00	3.82	950116
1362840615	Invoice	06/28/2024		0.00	3.82	

Bank Code PR Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	0	0	0.00	0.00
Manual Checks	10	9	0.00	1,414.09
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	10	9	0.00	1,414.09

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	0	0	0.00	0.00
Manual Checks	10	9	0.00	1,414.09
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	10	9	0.00	1,414.09

Fund Summary

Fund	Name	Period	Amount
01	GENERAL FUND	6/2024	1,414.09
			1,414.09

**JOSHUA BASIN WATER DISTRICT
UTILITY REFUND REGISTER**

<u>Account Number</u>	<u>Name</u>	<u>Date</u>	<u>Type</u>	<u>Amount</u>	
09-00002-016	SMITH, STEPHANIE A	6/5/2024	Refund	160.94	Check #: 66380
55-00134-016	STEINER, JILLIAN	6/5/2024	Refund	6.60	Check #: 66381
01-00095-003	ESPINOSA, DANIEL	6/19/2024	Refund	122.00	Check #: 66415
05-00083-009	LLC, JOSHUA TREE DESERT PROJECT	6/19/2024	Refund	156.23	Check #: 66416
07-00135-015	STERN, STAV H	6/19/2024	Refund	233.93	Check #: 66417
08-00109-013	AGANYAN, HAKOP	6/19/2024	Refund	1.50	Check #: 66418
09-00039-002	NGO, JACKIE	6/19/2024	Refund	108.59	Check #: 66419
12-00168-001	TAYLOR, WILLIAM	6/19/2024	Refund	155.17	Check #: 66420
12-00262-006	BURGETT, JOSHUA	6/19/2024	Refund	198.87	Check #: 66421
50-00002-016	NGUYEN, ANN M	6/19/2024	Refund	147.57	Check #: 66422
50-00029-006	DIXON FAMILY TRUST 4/23/14	6/19/2024	Refund	151.83	Check #: 66423
51-00087-015	HELM, WILLIAM A	6/19/2024	Refund	77.55	Check #: 66424
53-00033-002	KOPROWSKI, KENNETH E	6/19/2024	Refund	136.82	Check #: 66425
56-00054-007	BRIZUELA, ROSA E	6/19/2024	Refund	0.01	Check #: 66426
57-00249-002	MORGENSHTEIN, HEN	6/19/2024	Refund	20.57	Check #: 66427
62-00038-002	PETRE, DONNA	6/19/2024	Refund	99.59	Check #: 66428
65-00286-004	LEE, MARGARET E	6/19/2024	Refund	91.10	Check #: 66429
65-01041-005	MITCHELL, RYAN	6/19/2024	Refund	107.10	Check #: 66430
				<u><u>1,975.97</u></u>	

<u>Employee Number</u>	<u>Employee Name</u>	<u>Date</u>	<u>Type</u>	<u>Units</u>	<u>Additions</u>	<u>Deductions</u>
513	Doolittle, Stacy	06/05/2024	JBWD BOARD MEETING - PAID 100/504//10050	1.0000	\$173.63	
		06/12/2024	WATER RESOURCES & OPS COMMITTEE - PAID 100/504//10050	1.0000	\$173.63	
		06/14/2024	OTHER MEETING - PAID Note: Ad Hoc Committee - GM Performance Review 100/504//10050	1.0000	\$173.63	
Totals:					\$520.89	\$0.00
Employee Total:					\$520.89	

<u>Employee Number</u>	<u>Employee Name</u>	<u>Date</u>	<u>Type</u>	<u>Units</u>	<u>Additions</u>	<u>Deductions</u>
516	Fick, David	06/05/2024	JBWD BOARD MEETING - PAID 100/504//10050	1.0000	\$173.63	
		06/06/2024	OTHER MEETING - PAID Note: MWA TAC Meeting 100/504//10050	1.0000	\$173.63	
Totals:					\$347.26	\$0.00
Employee Total:					\$347.26	

<u>Employee Number</u>	<u>Employee Name</u>	<u>Date</u>	<u>Type</u>	<u>Units</u>	<u>Additions</u>	<u>Deductions</u>
511	Floen, Thomas	05/23/2024	MWA MEETING - PAID 100/504//10050	1.0000	\$173.63	
		06/05/2024	JBWD BOARD MEETING - PAID 100/504//10050	1.0000	\$173.63	
		06/12/2024	FINANCE COMMITTEE MEETING - PAID 100/504//10050	1.0000	\$173.63	
		06/12/2024	OTHER MEETING - PAID Note: Morongo Basin Pipeline Commission Meeting - Third meeting on June 12th, no stipend. 100/504//10050	0.0000		
		06/12/2024	OTHER MEETING - PAID Note: Manager Meetups Meeting - second meeting on June 12th, no stipend 100/504//10050	0.0000		
		06/14/2024	OTHER MEETING - PAID Note: GM Performance Review - Ad Hoc Committee 100/504//10050	1.0000	\$173.63	
				Totals:	\$694.52	\$0.00
				Employee Total:	\$694.52	

<u>Employee Number</u>	<u>Employee Name</u>	<u>Date</u>	<u>Type</u>	<u>Units</u>	<u>Additions</u>	<u>Deductions</u>
512	Jarlsberg, Jane	05/20/2024	TRAINING - PAID Note: CSDA LEGISLATIVE DAYS - SACRAMENTO 100/504//10050	1.0000	\$173.63	
		05/21/2024	TRAINING - PAID Note: CSDA LEGISLATIVE DAYS - SACRAMENTO 100/504//10050	1.0000	\$173.63	
		05/22/2024	TRAINING - PAID Note: CSDA LEGISLATIVE DAYS - SACRAMENTO 100/504//10050	1.0000	\$173.63	
		06/05/2024	JBWD BOARD MEETING - PAID 100/504//10050	1.0000	\$173.63	
		06/12/2024	FINANCE COMMITTEE MEETING - PAID 100/504//10050	1.0000	\$173.63	
		06/12/2024	OTHER MEETING - PAID Note: Manager Meetups Meeting - Third meeting, no stipend 100/504//10050	0.0000		
		06/12/2024	WATER RESOURCES & OPS COMMITTEE - PAID Note: Second meeting on June 12th, no stipend 100/504//10050	0.0000		
Totals:					\$868.15	\$0.00
Employee Total:					\$868.15	

<u>Employee Number</u>	<u>Employee Name</u>	<u>Date</u>	<u>Type</u>	<u>Units</u>	<u>Additions</u>	<u>Deductions</u>
515	Short, Tyler	06/05/2024	JBWD BOARD MEETING - PAID 100/504//10050	1.0000	\$173.63	
Totals:					\$173.63	\$0.00
Employee Total:					\$173.63	

Pay Adjustment Summary

<u>Type</u>	<u>Units</u>	<u>Additions</u>	<u>Deductions</u>
JBWD BOARD MEETING - PAID	5.0000	\$868.15	
WATER RESOURCES & OPS COMMITTEE - PAID	1.0000	\$173.63	
OTHER MEETING - PAID	3.0000	\$520.89	
MWA MEETING - PAID	1.0000	\$173.63	
FINANCE COMMITTEE MEETING - PAID	2.0000	\$347.26	
TRAINING - PAID	3.0000	\$520.89	

Grand Totals:	\$2,604.45	\$0.00
Grand Total:	\$2,604.45	



AGENDA ITEM NO:	5B
MEETING DATE:	08.14.24

Staff Report

PRESENTED BY:	David Shook, Director of Administration
TOPIC:	23/24 BAD DEBT WRITE-OFF OF \$104,144.18
RECOMMENDATION:	Refer to Board

SUMMARY: The 23/24 proposed bad debt write-off of \$104,144.18 amounts to approximately 92% of the adjusted \$112,948 budget and 1.55% of what remains unpaid and/or not liened from the 22/23 water revenues totaling \$6,718,468.

The 23/24 bad debt budget was increased in anticipation of bad debt due to the lack of shutoffs for non-payment, which is the primary method of enforcing payment. In comparison with this year, the 22/23 bad debt, which benefited from the State Arrearages Payment Program, was \$34,791.59 versus a more average bad debt figure of around \$23,000.

BACKGROUND: The 2022/2023 fiscal year that we will compare with the current year’s bad includes debt from the COVID period and the state’s 21-month pause on shutoffs, as well as credits from the California State Water Arrearages Payment Program. The state’s moratorium on shutoffs ended on December 31, 2021, but our District did not start shutoffs again until October 2022 due to staffing issues. The 2023/2024 bad debt is reflective of at least half a year of full non-cutoffs or partial cut-offs. We initially attempted to reach out to those with the highest and oldest debts when resuming cut-offs.

ANALYSIS: The annual write-off of the bad debt is required for the audit. Bad debt is an expense to the District (an expense that is borne by all ratepayers). The **23/24** bad debt (July 1, 2022 – June 30, 2023) is comprised of water charges still unpaid or not liened, remaining from the **22/23** fiscal year.

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Here are few statistics:

- The number of accounts to be written off this year is 193, versus 156 in 22/23.
- The 23/24 unpaid balances range from \$0.01 to \$8,124.08, averaging \$539.61. In 22/23, the average unpaid balance was \$223.02. This increase reflects the extended period of non-shutoff.
- There are three accounts on the list that have prior bad debt, down from four in 22/23. This is most likely due to the 2021 revisions to the Rules & Regulations fortifying collection policies and implementing the Owner Tenant Request for Water Service. This program is fully phased in.
- 92 (or 47.6%) of the 193 bad debt accounts are locked basic fee accounts (inactive water service). Since its inception in 2016, the locked basic fee group has remained the largest portion of bad debt due to the passive nature of these accounts (more information to follow).
- Owners account for 17.6%
- Previous owners account for 40.4%
- Tenants account for 42%
- 114 accounts, or 59%, never paid a water bill for 24 months.
- From these 193 accounts, 1,757 penalties were applied, averaging 9.1 penalties per account.
- Comparison with prior year bad debt write-offs as follows:

▼ 2023/24	\$104,114	2020/21	\$19,978
2022/23	\$34,792	2019/20	\$20,585
2021/22	\$3,359*	2018/19	\$22,940

**California Arrearage Credits paid down bad debt.*

The guarantee deposit is the District’s first defense against bad debt and automatically increases each January as water rates increase. The applicant for each new *unlocked basic fee* (active water service) account must undergo a credit check or pay an automatic deposit. The resulting credit “score” determines the deposit collected, with red and yellow requiring a deposit and green requiring no deposit. While the current deposit stands at \$343, many accounts on this bad debt list had old deposits as low as \$100 or \$200.

Here are the 23/24 credit statistics:

Credit Status	# Accts (% of Total)	Balance (% of Total)
Locked basic fee (no active water)	92 (47.9%)	\$26,667.18 (26%)
Red (active water)	44 (22.7%)	\$56,144.21 (54%)
Yellow (active water)	20 (10.3%)	\$13,430.22 (12%)
Green (active water)	37 (19.1%)	\$7,902.57 (8%)
TOTAL	193 (100%)	\$104,114.18 (100%)

Additional analysis indicates that the larger the deposit, the less frequent bad debt occurs and with a lower balance. This affirms that the automatic annual deposit escalation is working to help cover most debt upon account closing. Such policies do make a difference in the bad debt results.

Locked basic fee (inactive water service) accounts make up the largest portion of bad debt accounts. These accounts don't require a credit check or deposit and offer limited options for encouraging payment, except for liens, which can take years to be effective.

Lien statistics related to 23/24 fiscal year debt:

- Total of 30 liens collected in the amount of \$26,724.24.
- The district has liened 15 new accounts, totaling \$13,720.38. Total liens receivable as of 6/30/24 was \$128,621.
- The district has completed Intents to File liens on 2 more accounts for \$3,403.33.

Late in fiscal year 22/23, responsibility for the Collections program was transferred from the Finance Department to the Customer Service Department under the Director of Administration. The collections process is a complex one, but Staff's diligent efforts have a positive impact on this program!

Staff recommends that the Board of Directors approve the Bad debt write-off of \$104,114.18. Thank you!

STRATEGIC PLAN: Financial 2.1, Conduct an annual audit.

FISCAL IMPACT: Write off \$104,114.18 bad debt expense for 23/24 fiscal year, 92% of the adjusted \$112,948 budget.



AGENDA ITEM NO:	5C
MEETING DATE:	08.14.24

Staff Report

PRESENTED BY:	Anne Roman, Director of Finance and David Shook, Director of Administration
TOPIC:	USE OF COLLECTION AGENCY TO ENHANCE DEBT COLLECTION
RECOMMENDATION:	Refer to Board

SUMMARY: Fiscal Year 23/24 Bad Debt is significantly higher than usual. Staff wishes to add the use of a Collection Agency to existing collection methods.

BACKGROUND: For decades, the District has managed debt collections internally, which involves significant effort and has its limitations. Currently, the District employs several strategies to handle outstanding debt, including water service cutoffs for non-payment, owner/tenant agreements for service, collecting eligible unpaid debt when establishing new accounts for returning customers, and filing liens with the County. Introducing a Collection Agency option to our available resources would bolster the District's efforts to mitigate the bad debt that ultimately affects all ratepayers.

While the District, as a County Water District, is not required to go through a competitive bidding process, the Board-approved Bidding Procedures may require it. However, that policy/procedure also needs updating (for inflated dollar values, if nothing else) and doesn't clearly articulate how a proposal on such a project should be treated. The Board has the discretion to bypass the Bidding Procedure or may direct Staff to go through an RFP process.

ANALYSIS: Typical annual bad debt levels have averaged around \$23,000 over the past six years. However, for the 2023/2024 fiscal year, bad debt is significantly higher due to deferred cutoffs and other factors after COVID. This situation presents a good opportunity to begin collaborating with a Collection agency to supplement our already robust collection methods.

After researching agency options, which were limited, we have identified Penn Credit as a viable option. Penn Credit operates on a contingency/commission basis, taking 35% of collections, which would allow the District to potentially recover up to 65% of collected debt. Additionally, Penn Credit begins each process with a "pre-collection," a type of soft-collections process upon first contact, not immediately reporting the collection to credit bureaus. The Agency Rep notes that "[t]hrough skip tracing, we are able to find the most up-to-date address and phone number for the consumer. **Many times, we find that when consumers move or change phone numbers, they may be unaware of the payment they owe, and the first time they are made aware is through our communication with them.**" They also provide customer-friendly features, such as bilingual agents, translation services, convenient over-the-phone payment options, internet, SMS and email options, and payment plans.

The District would continue to use the current collection methods, including liens, which are a critical component of the collections process. However, liens are only paid when the property is transferred, which could take decades. Utilizing a Collection agency offers the possibility of earlier debt recovery, albeit at a reduced amount. Yet, more importantly, with a Collections option, the District would have additional recourse for accounts that cannot be liened due to ownership restrictions.

Since the District's Rules & Regulations already state that the District "retains the right to use....all other means of collecting unpaid accounts that are now in effect or that may in the future be established." (Article 1.29), no changes to Board-approved Policy are required at this time. The attached sample agreement still requires legal review, but Staff recommends that the Board of Directors authorize the General Manager to finalize and enter into a satisfactory agreement with Penn Credit to begin utilizing their collection services to enhance existing collection methods

STRATEGIC PLAN: 2.12 Maintain and Enhance Finance Department Protocols to the Collections report.

FISCAL IMPACT: Possible reduction of uncollectible 23/24 and future bad debt at a cost of 35% of any collected debt.

COLLECTION SERVICES CONTRACT

This **CONTRACT** is being entered into as of _____, 2024 between **Penn Credit Corporation**, (hereinafter referred to as **PCC**), and **Joshua Basin Water District** (hereinafter referred to as **CLIENT**).

PCC and **CLIENT** therefore agree that the following shall constitute the service conditions between **PCC** and **CLIENT** applicable to this engagement:

- 1. Relationship of Parties:** It is clearly understood that each party to this Contract will act in its individual capacity and not as an employee, partner, joint venture, or associate of the other party.
- 2. Agent Relations:** The **CLIENT** agrees to employ **PCC** to investigate, communicate, and to take any and all reasonable and legal collection steps. All collection steps taken by **PCC** in the settlement and collection of assigned accounts will be in accordance with federal, state and local consumer protection laws, including the terms of the Fair Debt Collection Practices Act, where applicable.
- 3. Right of Endorsement:** The **CLIENT** grants and conveys to **PCC** the right of endorsement in clearing drafts, checks and notes for collection applicable to this Contract.
- 4. Releases and Return of Accounts:** **PCC** agrees to release and return specified accounts assigned and in process of collection within thirty (30) days of the receipt of a written request from the **CLIENT** or by any other date specified herein. Those accounts on which payment has been made within ninety (90) days prior to the written notice or is anticipated to have additional payments within one hundred eighty (180) days will remain with **PCC** for collection. All accounts returned will be listed in alphabetical order along with the current balance of each account.
- 5. Payment to Client (Member Payments):** The **CLIENT** agrees to promptly report all payments, bankruptcy notices, and any and all communications from the debtor and/or third party corresponding to all accounts placed.
- 6. Accountings:** **PCC** agrees to report and pay to the **CLIENT**, net proceeds of all collections after the commission fee has been subtracted on a monthly basis; and the **CLIENT** will remit to **PCC** any proceeds due based on its collection efforts within thirty (30) days of billing. The **CLIENT** will be charged full commissions on any payments received by either **PCC** or **CLIENT** on/after the date accounts are placed with **PCC**. Said payment and reports will be submitted by **PCC** to **CLIENT** no later than the 20th day following the end of the calendar month.
- 7. Confidential Information:** Both Parties ("**Discloser**") will be supplying to the other (the "**Recipient**"), directly and/or indirectly, confidential information as relates to the method of its operations, which is proprietary to and solely owned by the respective party. Both parties agree during the term of the Contract and thereafter for the indefinite future, that the Recipient will not, without the express written consent of discloser, utilize or disclose any such information to any third party, except as necessary to fulfill the terms of this Contract.

As the service provider, **PCC** understands and acknowledges its responsibility for the security of cardholder data that it receives and processes during the performance of this contract; all applicable PCI-DSS requirements will be maintained by **PCC**.

8. **FTC Red Flag Rules:** PCC shall maintain an Identity Theft Prevention Program in accordance with 16 C.F.R. Part 681 FTC Red Flag Rules throughout the life of the contract.
9. **Indemnification.**
- A. **CLIENT** shall defend, hold harmless and indemnify **PCC**, its shareholders, officers and employees against any and all liabilities, claims, damages, costs, judgments and expenses, including attorney fees, sought or asserted against **PCC**, its shareholders, officers and employees of **PCC** arising out of the collection activities of **PCC** if such liabilities, claims, damages, costs, judgments or expenses are based or alleged to be based, in whole or in part, upon any of the following:
- i. Any negligent actions by **CLIENT**, its officers, employees or contractors, including any other collection agency; or
 - ii. Inaccuracy in any Account Information supplied by **CLIENT** to **PCC**, or failure by **CLIENT** to supply Account Information to **PCC**, including the failure to provide updated Account Information as it becomes available.
- B. **PCC** shall defend, hold harmless and indemnify **CLIENT**, its affiliates, shareholders, officers and employees against any and all liabilities, claims, damages, costs, judgments and expenses, including attorney fees, sought or asserted against **CLIENT**, its affiliates, shareholders, officers and employees of **CLIENT** arising out of the collection activities of **PCC** if such liabilities, claims, damages, costs, judgments or expenses are based or alleged to be based, in whole or in part, upon any of the following:
- i. Any negligent actions by **PCC**, its officers, employees or contractors; or
 - ii. Failure by **PCC** to relay Account Information supplied by **CLIENT** to **PCC** to a Credit Bureau.
- C. The obligations of **CLIENT** and **PCC** under this Section 9 shall be continuing obligations of **CLIENT** and **PCC**, as the case may be, and shall specifically survive the termination of this Contract or any other Contract between **CLIENT** and **PCC**.
10. **Term of Contract:** This Contract is continuing and will remain in effect until terminated by either party. Under such circumstances, the terminating party shall provide the other party sixty (60) days written notice, unless the parties shall mutually agree to terminate the Contract, at which time the Contract may be terminated immediately. **PCC** will be entitled to compensation on collections which occur for up to sixty (60) days after the termination date.
11. **Contingency Commission Fee:** The contingency commission fee for this Contract shall be **Thirty-Five Percent (35%)** for Primary Placements. Primary Placements is defined as follows: Accounts that are placed and have never been with another collection agency prior.
12. **Effect of Partial Invalidity:** The invalidity of any part of this Contract will not and shall not be deemed to affect the validity of any other part. In the event that any provision of this is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect as if they had been executed by both parties subsequent to the expungement of the invalid provision.
13. **Waiver:** Waiver by **CLIENT** of any breach of any covenant or duty of **PCC** under this Contract is not a waiver of a breach of any other covenant or duty of **PCC**, or of any subsequent breach of the same covenant or duty. Any waiver by **CLIENT** must be in writing to constitute a waiver.

14. Jurisdiction: This Contract shall be governed by the laws of the State of Pennsylvania, and the sole and exclusive venue for any disputes arising out of this Contract shall be any state court located within Dauphin County, Pennsylvania, or federal court located within the same venue.

15. Miscellaneous:

- a. This Contract and each and every one of the terms and provisions thereof shall be for the benefit of and be binding upon the parties hereto and each of them and their respective heirs, executors, administrators, grantees, successors and assigns.
- b. This Contract contains the entire understanding between the parties hereto and supersedes any and all prior contracts, undertakings and arrangements between the parties relating to the subject matter hereof. All amendments, changes, modifications or alterations of the terms and conditions hereof shall be in writing and signed by all parties hereto.
- c. The captions of the Contract are used for convenience of reference only and shall have no significance in construing the text of the Contract.

16. Notices: All notices provided for in this Contract shall be made in writing and shall be transmitted to the proper Authorized Representative and address shown below, unless advance written notice is provided to the other party notifying them that either the name of their designated Authorized Representative and/or his/her address has been changed. Proper notice shall be deemed given when it is either:

- a. Hand delivered to the Authorized Representative to whom the notice is addressed, and a signed receipt is given, or
- b. Mailed by United States Post Office Registered Mail, Return Receipt Requested, with postage prepaid to the Authorized Representative at the address shown below:

PCC:

Thomas Foley, Jr., CEO
Penn Credit Corporation
2800 Commerce Drive
Harrisburg, PA 17110

Client:

Sarah Johnson
Joshua Basin Water District
61750 Chollita Rd
Joshua Tree, CA 92252

17. Mutual Agreement: In witness whereof, the respective parties hereto and their Authorized Representatives have mutually agreed to the provisions of this Contract as indicated below:

For: Penn Credit Corporation

Authorized Representative, Title: Thomas Foley, Jr., CEO

Signature **Date**

For: Joshua Basin Water District

Authorized Representative, Title: Sarah Johnson, General Manager

Signature **Date**



AGENDA ITEM NO:	5D
MEETING DATE:	08.14.24

Staff Report

PRESENTED BY:	Anne Roman, Director of Finance
TOPIC:	COST ALLOCATION PLAN
RECOMMENDATION:	Refer to Board

SUMMARY: The District’s existing overhead rates are decades old and require an update.

BACKGROUND: A Cost Allocation Plan sets forth overhead rates, which are indirect costs derived from departments or programs that are not directly associated with a specific activity but instead are costs associated with more general operations, such as indirect salaries, utilities, other facility costs, etc. The District uses these rates to allocate a portion of general and administrative costs incurred by the District to capital projects and customer-initiated projects. Such overhead rates are also crucial to cost recovery for grant reimbursements. To my knowledge, the District has never completed a formal Cost Allocation Plan and is well overdue for an update to overhead rates as the current rates have been in place for over 15 years.

While the District, as a County Water District, is not required to go through a competitive bidding process, the Board-approved Bidding Procedures may require it. However, that policy/procedure also needs updating (for inflated dollar values, if nothing else) and doesn’t clearly articulate how a proposal on such a project should be treated. The Board has the discretion to bypass the Bidding Procedure or may direct Staff to go through an RFP process.

ANALYSIS: NBS, the District’s Copper Mountain Mesa (CMM) and Standby Billing Administrator, has submitted a proposal for these services. The Proposed Cost Allocation Plan complies with the requirements and guidelines of Title 2, Code of Federal Regulations, Part 200, Cost Principles for State, Local, and Indian Tribal Governments (formerly known as OMB A-87), which is important for grant purposes. The project would be comprised of four main activities, including 1) Commencement and Data Collection), 2) Organizational Review and Allocation Factors, 3) Draft of Outcomes, and 4) Final Report. Interestingly, the assigned Project Manager would be Director Nicole Kissam, who is local to Joshua Tree.

This proposal comes in with a not-to-exceed cost of \$14,930. The 24/25 JBWD budget is \$16,500 including a \$1,500 contingency. The process would take approximately two to three months and involve primarily Finance staff but potentially also a few other Management staff and the General Manager.

Staff recommends that the Board of Directors authorize the General Manager to enter into an agreement with NBS for Cost Allocation Plan services, as attached.

STRATEGIC PLAN: 2.8 Continue to Monitor and Update Rates and Fees to Ensure Financial Viability

FISCAL IMPACT: \$14,930 of \$16,500 budget.



32605 Temecula Parkway, Suite 100
Temecula, CA 92592
Toll free: 800.676.7516

www.nbsgov.com

July 3, 2024

Anne Roman
Director of Finance
Joshua Basin Water District
61750 Chollita Road
Joshua Tree, CA 92252

RE: Cost Allocation Plan Services

Dear Ms. Roman,

The enclosed provides a proposal for development of a Cost Allocation Plan and/or Overhead Rates for the District. Based on our previous conversations, we understand the District currently uses a set of overhead rates to recover administrative costs from capital improvement projects, as well as for projects customers pay for such as meter installation or any instance where the District would need to charge a fee directly for services provided. Additionally, the District is interested in utilizing rates to recover services from State and Federal funding opportunities (grants).

We at NBS collectively offer decades of experience in this area, and we look forward to your review of this proposal for services. From here, should the District wish to proceed, we could finalize a contract in the District's preferred format and initiate the project.

We look forward to leveraging our experience toward this project and helping the District move forward. Please contact me at 800.676.7516 or via email at nkissam@nbsgov.com if you have any questions or concerns.

Sincerely,

A handwritten signature in blue ink that reads "Nicole Kissam".

Nicole Kissam
Director

SCOPE OF WORK

NBS will complete a Cost Allocation Plan and/or overhead rate calculation for the District.

A Cost Allocation Plan is an analysis which distributes the general governmental and support service costs of the District to the direct services and activities provided to the public. Common uses for the result of a cost allocation plan include:

- Application in the cost basis for fees and charges.
- Recovery to the General Fund for support provided to other funds.
- Rates applicable to cost accounting, such as charging labor time to capital projects, fees, etc.
- Mark-ups on costs directly passed-through to users.
- Recovery of costs from external funds such as grants or agreements with other agencies.

The Cost Allocation Plan complies with the requirements and guidelines of Title 2, Code of Federal Regulations, Part 200, Cost Principles for State, Local, and Indian Tribal Governments (formerly known as OMB A-87).

The following are key tasks required for completion of the project:

TASK 1: COMMENCEMENT AND DATA COLLECTION

Issue a consolidated data request to District staff centering on adopted budgets, recent financial performance (revenues and expenditures), current labor cost detail and classifications, organizational structures, existing relevant policies, and other items of a more global nature.

Conduct an initial meeting with staff members who will manage the progress, completion, and implementation of the Study's findings. Include a discussion of expectations and an overview of the Study's process.

TASK 2: ORGANIZATIONAL REVIEW AND ALLOCATION FACTORS

Identify an initial list of indirect cost centers and recipients, which typically include, but is not limited to District administrative costs such as finance, human resources, legal, information technology, and facility and fleet maintenance. In one series of discussions, we will explore the services and functions of each indirect cost center to determine the appropriate structure of analysis that achieves the District's objectives for the project. Then, we will work with District staff to determine the recommended cost allocation detail and corresponding bases for apportioning costs District-wide. With District staff buy-in and cooperation, embark on data collection to develop sets of information to be used as factors for cost allocation.

TASK 3: DRAFT OF OUTCOMES

Develop an overhead cost allocation model in the Microsoft Excel spreadsheet environment. Reflect the District's organizational and financial structure and target a user-friendly, sustainable configuration. Compile associated costs and make any necessary adjustments to costs to ensure capture only of relevant support services costs. Input cost and allocation factor data into the overhead cost allocation model, and complete the functionality of the plan. Generate annual allocated costs by budget unit and fund. Draft

overhead rates based on initial outcomes. Meet with District staff to review interim analysis/progress. Collect input from the District and complete a round of revisions to the draft plan results.

TASK 4: FINAL REPORT

Prepare a draft report documenting the project’s findings. The report includes an Executive Summary, illustration of analytical methods, presentation of findings, narrative descriptions complying with the standards of Title 2 CFR, and a technical appendix showing the analysis and any relevant data sources. Participate in the presentation of the draft plan to the District’s Management group, collect input, and make one round of revisions to the draft report. Provide the District with the final report for the project.

PROPOSED PROFESSIONAL STAFF

The following provides an overview of NBS professional staff that would be assigned to this project, as well as their roles and responsibilities. Full-length resumes for the key project team staff as well as client references from similar projects are available upon request.

NICOLE KISSAM, PROJECT MANAGER

Role and Responsibilities: Nicole Kissam will manage the ongoing administration of the project, serving as the primary point of contact for District’s staff and directing the work efforts of our project team. She will be fully conversant in all findings and available for public events as needed. She will work closely with the District’s designated project manager to monitor the schedule and delivery of work products to the District’s satisfaction. While designing and directing analytical efforts, she will also provide senior-level technical analysis.

Work Experience: Nicole Kissam is Director of NBS’ Financial Consulting Group. She has an extensive background in public sector consulting, city government, corporate management, marketing and public relations. Nicole has been a financial and management consultant to local government for 20 years, specializing in cost recovery policy, strategy, and analysis. Her subject matter expertise includes cost allocation plans, user and regulatory fee analysis, impact fee analysis, financial plans, business process improvement, and operational best management practices for California agencies. Nicole holds a Bachelor of Science in Business Administration from California Polytechnic State University in San Luis Obispo. She has completed similar projects as requested by the District for many agencies across California.

LAUREN GUIDO, SENIOR CONSULTANT

Project Role: Under the direction of the project manager, Lauren Guido will lead efforts with individual departments and areas of study. She will complete key aspects of the project’s Task Plan, including but not limited to staff interviews, model design and development, data collection and analysis, timeline management, draft reviews, and documentation efforts.

Work Experience: Lauren Guido is a Senior Consultant with NBS. She brings five years of cost allocation plan and fee study analysis experience and more than a decade of accounting and financial management experience in the public and private sectors to our project team. She has extensive applied skills in analytical software, databases, and spreadsheets and a special talent for graphical display of complex

information in presentations to elected and community stakeholders. Lauren has a Bachelor of Fine Arts and Multimedia from Woodbury University.

NICOLE HUERTA, SENIOR CONSULTANT

Role and Responsibilities: Under the direction of the project manager, Nicole Huerta will support projects as needed with the completion of key aspects of the project’s Task Plan, including but not limited to organizational interviews, model development, data collection, timeline management, draft reviews, and documentation efforts.

Work Experience: An NBS Senior Consultant, Nicole Huerta offers more than a decade of research and analysis experience for public and private industry, including participation in cost allocation plan, indirect cost rate proposals, cost reimbursements from federally funded grant programs, and user and regulatory fee studies. Nicole has an extensive background in public finance and governmental accounting practices and policies as well as experience working with analytical software, databases, and spreadsheets. She has a Bachelor of Arts degree in Business Administration from California State University, Fullerton.

EVAN HOENIG, SENIOR PROJECT ANALYST

Role and Responsibilities: Under direction of the project manager, Evan Hoenig will perform large-scale data analysis and validation as needed on this project. He will support facilitating data collection and reminders to staff to keep efforts moving along the agreed upon timeline for the completion of each task.

Work Experience: Evan Hoenig is a Senior Project Analyst with NBS. He brings more than a decade of compliance management experience to our project team, as well as public budget development and administration, research, project management and financial analysis experience. He has extensive skills in analytical software, databases, and spreadsheets. Evan has a Bachelor of Science in Business Administration/ Management from California State University, San Marcos.

KAITLAN VANBREEMEN, PROJECT ANALYST

Role and Responsibilities: Under the direction of the project manager, Kaitlan vanBreemen will support projects as needed with data collection, processing, and modeling of information in Excel and Word applications.

Work Experience: Kaitlan vanBreemen has an extensive background in Federal and State audit completion for various client projects, as well as in building government relations in the regulatory compliance arena. She earned her Bachelor of Arts in Communications/Advertising from California State University Fullerton.

DEBI APPLGATE, PROJECT ANALYST

Role and Responsibilities: Under the direction of the project manager, Debi Applegate will support projects as needed with data collection, processing, and modeling of information in Excel and Word applications.

Work Experience: Debi Applegate is a Project Analyst bringing more than two decades of experience to the NBS team. Her extensive background as an analyst includes planning, forecasting, and reporting for an array of client projects. She also has a sizable background in training which provides an ability to break down and communicate complex topics into understandable concepts. Debi has a Bachelor of Science

degree in Ecology and Systematic Biology with a minor in Statistics from California Polytechnic State University, San Luis Obispo.

PROJECT TIMELINE

A project of this nature typically requires approximately two to three months to complete. If awarded the project, NBS will develop a project timeline for the District’s review and mutual acceptance as part of Task 1.

PROFESSIONAL FEES

Our professional fees reflect the effort we believe is necessary to complete the scope of services described. We express this honestly and transparently through our price proposal. The following table shows our estimated budget required by task with a total **not to exceed budget** for the project of \$14,930. Also shown are our hourly rates for each professional included on our team:

PROJECT COST DETAIL JOSHUA BASIN WATER DISTRICT	Consultant Labor (Hours)			Grand Totals	
	Project Manager	Senior Consultant	Project Analyst	Consultant Labor (Hours)	Consultant Costs (\$)
<i>Hourly Rate</i>	\$210	\$160	\$130		
Cost Allocation Plan					
1 - Commencement and Data Collection	2.0	1.0	1.0	4.0	710
2 - Organizational Review and Allocation Factors	6.0	10.0	12.0	28.0	4,420
3 - Draft of Outcomes	4.0	20.0	20.0	44.0	6,640
4 - Final Report	4.0	8.0	8.0	20.0	3,160
TOTAL NOT TO EXCEED PROJECT COST	16.0	39.0	41.0	96.0	\$ 14,930

INVOICING

We invoice on a monthly basis, following recorded consultant time on the project, paralleling our completion of the work. At no time will we invoice for charges in excess of the fee to which the District and NBS mutually agree. Should the District specifically request additional services beyond those described in this document, we will discuss those requests and associated costs at that later time and only invoice for additional fees upon separate written authorization from the District.

ADDITIONAL SERVICES – HOURLY RATES

The following table shows our current hourly rates. Optional services authorized by the District but not included in the scope of services will be billed at this rate or the then applicable hourly rate. This may include attendance at additional meetings, etc.

Title	Hourly Rate
Director	\$210
Senior Consultant	\$160
Project Analyst	\$130