



PO Box 675 • 61750 Chollita Road • Joshua Tree CA 92252
Phone (760) 366-8438 • Fax (760) 366-9528 • www.jbwd.com
An Equal Opportunity Provider

JOSHUA BASIN WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY APRIL 17, 2013 7:00 PM
61750 CHOLLITA ROAD, JOSHUA TREE CALIFORNIA 92252

AGENDA

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. DETERMINATION OF QUORUM
4. APPROVAL OF AGENDA
5. PUBLIC COMMENT: At this time, any member of the public may address the Board on matters within the Board's jurisdiction that are not listed on the agenda. Please use the podium microphone. The Board may not discuss at length or take action on items not on the agenda.
During either "Public Comment" Item, please use the podium microphone. State your name and have your information prepared and be ready to provide your comments to the Board. The District is interested and appreciates your comments. A 3-minute time limit may be imposed. Thank you.
6. CONSENT CALENDAR: Items on the Consent Calendar are considered routine in nature and will be adopted in total by one action of the Board of Directors unless any Board Member or any individual or organization interested in one or more consent calendar items wishes to be heard.
 - A. Check Audit Report for March 2013
 - B. Approve Draft Minutes of the April 3, 2013 Special Meeting of the Board of Directors
 - C. Approve Draft Minutes of the April 3, 2013 Regular Meeting of the Board of Directors
 - D. Approve Resolution No. 13-905 Adopting a Labor Compliance Program as Required to Comply with Proposition 84 Grant Requirements
7. BOARD OF DIRECTORS TO AUTHORIZE RATE STUDY AT A COST OF \$25,000, PLUS JBWD 10% CONTINGENCY OF \$2,500, PLUS DIRECT EXPENSES ESTIMATED AT \$1,800 FOR A TOTAL OF \$29,300.
Recommend that the Board authorize Bartle Wells Associates to conduct a rate study at a cost of \$29,300 including 10% contingency plus estimated expenses.
8. 2013 STRATEGIC PLAN
Recommend that the Board approve the attached Strategic Plan provided by Pat Caldwell, facilitator, with any changes and authorize the additional payment of \$301.00 for the Plan.

9. PRESENTATION ON PUBLIC EMPLOYEE PENSION REFORM ACT – Steve Berliner, Partner, Liebert Cassidy Whitmore, District Labor Relations Legal Counsel”
10. COMMITTEE REPORTS:
 - A. PUBLIC INFORMATION COMMITTEE: President Luckman and Director Fuller: Kathleen Radnich, Public Outreach Consultant to report.
 - B. RECHARGE BASIN AND PIPELINE PROJECT: Vice President Coate and Director Fuller
 - C. HOSPITAL WASTEWATER PROJECT: President Luckman and Vice President Coate
 - D. TANK RESTORATION PROJECT: Director Wilson and Vice President Coate
 - E. RULES AND REGULATIONS UPDATE PROJECT: Director Fuller and Vice President Coate
 - F. ADMINISTRATIVE CODE UPDATE PROJECT: Director Fuller and President Luckman
11. PUBLIC COMMENT
At this time, any member of the public may address the Board on matters within the Board’s jurisdiction that are not listed on the agenda. Please use the podium microphone. The Board may not discuss at length or take action on items not on the agenda.
12. GENERAL MANAGER REPORT
13. DIRECTORS COMMENTS/REPORTS
14. DISTRICT GENERAL COUNSEL REPORT
15. FUTURE AGENDA ITEMS
16. CLOSED SESSION
Conference with labor negotiator regarding General Unit; pursuant with Government Code 54957.6.
District Negotiator: Joe Guzzetta
17. CLOSED SESSION
At this time, the Board will go into closed session to conduct the annual performance evaluation of the District's General Manager pursuant to Government Code Section 54957(b) [Public Employee Performance Evaluation].
18. ADJOURNMENT

INFORMATION

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

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

Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the District’s office located at 61750 Chollita Road, Joshua Tree, California 92252 during normal business hours.

This meeting is scheduled to be broadcast on Time Warner Cable Channel 10 on April 24 at 7:00 pm and May 1 at 7:00 pm. DVD recordings of Joshua Basin Water District Board meetings are available at the District office and at the Joshua Tree Library.

CHECK NO	CHECK DATE	STATUS	VENDOR INFO			CHECK AMOUNT
052902	3/07/2013	R	1	CUSTOMER REFUNDS (MISC.)		
				I-000201302272021	MEZA, CARLOS :US REFUND	88.88

						88.88
052903	3/07/2013	R	1	CUSTOMER REFUNDS (MISC.)		
				I-000201302272022	ORTIZ, ROBERT :US REFUND	152.60

						152.60
052904	3/07/2013	R	1	CUSTOMER REFUNDS (MISC.)		
				I-000201302272023	WEDGEWOOD COMMUNITY :US REFUND	23.82

						23.82
052905	3/07/2013	R	1	CUSTOMER REFUNDS (MISC.)		
				I-000201302272024	GILLMORE, KEITH :US REFUND	50.36

						50.36
052906	3/07/2013	R	1	CUSTOMER REFUNDS (MISC.)		
				I-000201302272025	THACHER REALTY :US REFUND	33.64

						33.64
052907	3/07/2013	R	000501	ACWA/JPIA		
				I-JPIA022813	PROPERTY INSURANCE 4/13-4/14	21,304.00

						21,304.00
052908	3/07/2013	R	001002	BUSINESS CARD		
				I-BA0313	BUSINESS EXPENSE/OFFICE SUPPLY	232.92

						232.92
052909	3/07/2013	R	001004	BUSINESS CARD		
				I-BA0313	EDU/SUBSC/OFFC SUPPLY/SHOP EXP	3,841.41

						3,841.41
052910	3/07/2013	R	001297	BIGHORN-DESERT VIEW		
				I-22513	WATER BUFFALO TANKER RENTAL	16.00

						16.00
052911	3/07/2013	R	004110	BURRTEC WASTE & RECYCLING SVCS		
				I-BW0313	RECYCLING - MAR 13	57.48
				I-BW0313B	TRASH REMOVAL - MAR 13	255.48
				I-BW0313C	TRASH REMOVAL - MAR 13	81.99

						394.95

CHECK NO	CHECK DATE	STATUS	VENDOR INFO		CHECK AMOUNT
052912	3/07/2013	R	001555	CENTRATEL I-130303192101	DISPATCH SERVICES - FEB 13 290.07 ----- 290.07
052913	3/07/2013	VOID	000260	CHAMBER OF COMMERCE I-COC031413	LUNCHEON 75.00 ----- 75.00
052914	3/07/2013	R	001850	CLINICAL LAB OF S.B. INC I-926450	SAMPLING - JAN 13 601.00 ----- 601.00
052915	3/07/2013	R	002565	DUDEK AND ASSOCIATES, INC	
			I-20123069	ENG SERV: MULTIPLE PROJECTS	35,187.99
			I-20124731	ENG SERV: MULTIPLE PROJECTS	28,116.49
			I-20124774	CONST MGMT: HDMC WASTE WATER	8,210.32
			I-20130288	WATER SMART GRANT SERVICES	1,831.05
			I-20130328	ENG SERV: MULTIPLE PROJECTS	10,971.00
			I-20130329	CONST MGMT: HDMC WASTE WATER	14,998.45
			I-20130330	CONST MGMT: RECHARGE	3,911.58
					----- 103,226.88
052916	3/07/2013	VOID		C-CHECK	VOID CHECK 0.00 ----- 0.00
052917	3/07/2013	VOID		C-CHECK	VOID CHECK 0.00 ----- 0.00
052918	3/07/2013	VOID		C-CHECK	VOID CHECK 0.00 ----- 0.00
052919	3/07/2013	R	002822	EMPLOYMENT DEVELOPMENT I-L1323833216	UNEMPLOYMENT INSURANCE 5,400.00 ----- 5,400.00
052920	3/07/2013	R	000156	MICHAEL JEAN KLUTTS	
			I-20130204-385	PUMPING PLANT MAINTENANCE	320.76
			I-20130214-391	PUMPING PLANT: SCADA	47.50
					----- 368.26

CHECK NO	CHECK DATE	STATUS	VENDOR INFO		CHECK AMOUNT	
052921	3/07/2013	R	000058	GARDA CL WEST, INC. I-160-216613	COURIER FEES - MAR 13 479.37 ----- 479.37	
052922	3/07/2013	R	004720	INLAND WATER WORKS I-249971	MAINLINE LEAK REPAIR/INVENTORY 1,506.87 ----- 1,506.87	
052923	3/07/2013	R	005621	KENNY STRICKLAND, INC I-2090881	FUEL FOR VEHICLES 1,684.98 I-2090918	FUEL FOR VEHICLES 3,043.79 ----- 4,728.77
052924	3/07/2013	R	000254	LEIGHTON CONSULTING, INC. I-10911	RECHRG PIPE: GEOTECHNICAL TEST 4,468.20 ----- 4,468.20	
052925	3/07/2013	R	006200	HELEN A. MCALLISTER I-5759B	JANITORIAL SERVICES - FEB 13 580.00 ----- 580.00	
052926	3/07/2013	R	006507	McMASTER-CARR SUPPLY COMPANY I-46827496	PUMPING PLANT & METER REPAIR 671.58 ----- 671.58	
052927	3/07/2013	R	006790	MOBILE MINI, LLC - CA I-217004561	23' RECORD STORAGE RENTAL 227.18 ----- 227.18	
052928	3/07/2013	R	000070	ONLINE INFORMATION SERVICES, INC. I-480680	ID VERIF. SERV. THRU 02/28/13 240.60 ----- 240.60	
052929	3/07/2013	R	008405	PRECISION ASSEMBLY I-15382	FEB WATER BILLING & PUBL INFO 1,825.12 ----- 1,825.12	
052930	3/07/2013	R	008403	PRECISION GARAGE DOORS & I-24412	BAY DOOR & GATE MAINTENANCE 210.00 ----- 210.00	

CHECK NO	CHECK DATE	STATUS	VENDOR INFO		CHECK AMOUNT
052931	3/07/2013	R	008416	JOHN TERFEHR	
			I-023031	SECURITY SYSTEM CHECK	103.00

					103.00
052932	3/07/2013	R	009065	RDO EQUIPMENT COMPANY	
			I-W11782	JD 710G REPAIRS	974.60
			I-W11783	JD 410 REPAIRS	1,174.62

					2,149.22
052933	3/07/2013	R	009072	LAW OFFICES REDWINE AND SHERRILL	
			I-RS0213	LEGAL SERVICES - FEB 13	8,152.50

					8,152.50
052934	3/07/2013	R	000257	RITE TRACK EQUIPMENT SERVICES, INC.	
			I-67318	INVENTORY	1,577.01

					1,577.01
052935	3/07/2013	R	009878	SOUTHERN CALIFORNIA EDISON	
			I-SCE0213	POWER FOR PUMPING - FEB 13	20,447.74

					20,447.74
052936	3/07/2013	R	009920	STANDARD INSURANCE CO	
			I-ST0313	EE LIFE INSURANCE - MAR 13	718.32

					718.32
052937	3/07/2013	R	010850	UNDERGROUND SERVICE ALERT	
			I-220130331	TICKET DELIVERY SERVICE - FEB	40.50

					40.50
052938	3/07/2013	R	010990	UTILIQUEST L.L.C.	
			I-192653-Q	CONTRACT LOCATING EXPENSE	192.17

					192.17
052939	3/07/2013	R	011101	VAGABOND WELDING SUPPLY	
			I-87923	RECHARGE SIGN	66.42

					66.42
052940	3/07/2013	R	011114	VAN DYKE CORP	
			I-17609	HDMC WASTEWATER CONSTRUCTION	183,124.85

					183,124.85

CHECK NO	CHECK DATE	STATUS		VENDOR INFO	CHECK AMOUNT
052941	3/14/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201303142028 CHESSER, BRAD K :US REFUND	61.02 ----- 61.02
052942	3/14/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201303142029 AIM RENTAL PROPRTIE:US REFUND	85.71 ----- 85.71
052943	3/14/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201303142030 STALWART CORPORATION:US REFUND	53.31 ----- 53.31
052944	3/14/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201303142031 SANCHEZ, MEGAN N :US REFUND	4.43 ----- 4.43
052945	3/14/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201303142032 VAN AMMERS, ANDREA :US REFUND	38.74 ----- 38.74
052946	3/14/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201303142033 RAMIREZ, SIDRA S :US REFUND	51.17 ----- 51.17
052947	3/14/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201303142034 WILLOW TREE FAMILY I:US REFUND	71.42 ----- 71.42
052948	3/14/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201303142035 FIRST CHOICE REALTY :US REFUND	45.46 ----- 45.46
052949	3/14/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201303142036 WADE, STACEY :US REFUND	3.88 ----- 3.88
052950	3/14/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201303142037 GRANT, BRIAN T :US REFUND	71.90 ----- 71.90

CHECK NO	CHECK DATE	STATUS	VENDOR INFO		CHECK AMOUNT
152951	3/14/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201303142038 CAMPBELL, KYLE R :US REFUND	24.10 ----- 24.10
152952	3/14/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201303142039 D. WEBB INC :US REFUND	176.56 ----- 176.56
152953	3/14/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201303142040 MCAFEE, MITCH S :US REFUND	147.00 ----- 147.00
152954	3/14/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201303142041 COCHRAN COMMUNICATIO:US REFUND	250.00 ----- 250.00
152955	3/18/2013	R	001630	AT&T MOBILITY I-829480028X03052013 COMMUNICATIONS - FEB 13	971.00 ----- 971.00
152956	3/18/2013	R	000260	CHAMBER OF COMMERCE I-COC031813 SUPERVISOR RAMOS LUNCHEON	45.00 ----- 45.00
152957	3/18/2013	R	003025	FEDEX I-2-200-52065 SHIPPING	32.62 ----- 32.62
152958	3/18/2013	R	000236	PAYPRO ADMINISTRATORS I-PP031513 EE FSA DEDUCTIONS 3-15-13	774.17 ----- 774.17
152959	3/21/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201303192042 CLARK, STEPHANIE D :US REFUND	64.27 ----- 64.27
152960	3/21/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201303192043 UNDERWOOD, NORMA J :US REFUND	11.05 ----- 11.05

CHECK NO	CHECK DATE	STATUS	VENDOR INFO		CHECK AMOUNT
052961	3/21/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201303192044 SAUCEDO, ANTONIO B :US REFUND	171.11 ----- 171.11
052962	3/21/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201303192045 GROSSMAN, GENA :US REFUND	38.24 ----- 38.24
052963	3/21/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201303192046 FIRST CHOICE REALTY :US REFUND	64.27 ----- 64.27
052964	3/25/2013	R	000263	W.G. HALL LLC I-594260 TEMPORARY LABOR	2,586.29 ----- 2,586.29
052965	3/25/2013	R	000501	ACWA/JPIA I-ACWA0213 EE HEALTH BENEFIT & EAP FEB 13	7,216.82 ----- 7,216.82
052966	3/25/2013	R	000501	ACWA/JPIA I-ACWA0313 EE HEALTH BENEFIT & EAP MAR 13	7,838.95 ----- 7,838.95
052967	3/25/2013	R	000501	ACWA/JPIA I-ACWA0413 EE HEALTH BENEFIT & EAP APR 13	7,838.95 ----- 7,838.95
052968	3/25/2013	R	000575	AFSCME LOCAL 1902 I-AFSCME0313 EE UNION DUES - MAR 13	429.00 ----- 429.00
052969	3/25/2013	R	000950	ASSOCIATION OF THE S.B. CO. SPEC. DISTRICTS I-ASBCSD2013 2013 MEMBERSHIP	50.00 ----- 50.00
052970	3/25/2013	R	001461	DEBORAH BOLLINGER I-541 WATER CONSERVATION - FEB 13	3,081.25 ----- 3,081.25

CHECK NO	CHECK DATE	STATUS	VENDOR INFO		CHECK AMOUNT
052971	3/25/2013	R	000261	BONTERRA CONSULTING	
			I-20074	RECHARGE PIPE CONSULT SERVICES	2,843.79

					2,843.79
052972	3/25/2013	R	000229	C & S ELECTRIC	
			I-1230	REPLACE WAREHOUSE LIGHTING	3,793.00
			I-1233	WELL 10 BYPASS EMRG GENERATOR	2,302.00

					6,095.00
052973	3/25/2013	R	001528	CARPI & CLAY, INC	
			I-CC0213	LOBBYIST - FEB 13	1,750.00

					1,750.00
052974	3/25/2013	R	001932	COUNTY OF SAN BERNARDINO	
			I-105415	JAN & FEB 13 MAP REVISIONS	18.00

					18.00
052975	3/25/2013	R	000228	FATTY'S FENCE	
			I-FF031813	REPLACE DAMAGED FENCE @ C-2-B	275.00
			I-FF031813A	TEMP FENCE @ G1 FLOW METER	300.00

					575.00
052976	3/25/2013	R	000156	MICHAEL JEAN KLUTTS	
			I-20130226-395	COMPUTER GALLERY CORRECTIONS	180.00

					180.00
052977	3/25/2013	R	004201	SCOTT HUDSON	
			I-SH030713	REIMB: MILES: FEBRUARY 2013	220.35

					220.35
052978	3/25/2013	R	004720	INLAND WATER WORKS	
			I-250172	MAINLINE LEAK REPAIR	218.16
			I-250173	PUMPING PLANT SUPPLIES	1,928.40

					2,146.56
052979	3/25/2013	R	000262	INTERNATIONAL PUBLIC MANAGEMENT ASSOCIATION F	
			I-24189112	MEMBERSHIP DUES 2013	50.00

					50.00
052980	3/25/2013	R	005080	J & J BROTHERS CONST CO., INC.	
			I-16644	RECHARGE PIPELINE	341,301.19

					341,301.19

CHECK NO	CHECK DATE	STATUS	VENDOR INFO		CHECK AMOUNT
052981	3/25/2013	R	000252	DEBORAH S. MALLANTS	
			I-201075	TEMPORARY LABOR	2,304.66

					2,304.66
052982	3/25/2013	R	000233	YUCCA VALLEY AUTO PARTS, INC.	
			C-021159	RETURN VACUUM TRAILER LIGHTING	280.78CR
			I-019921	VEHICLE REPAIR	11.33
			I-020531	VACUUM TRAILER LIGHTING	303.78
			I-020934	TRACTOR FILTERS & VACUUM LIGHT	730.84
			I-021560	GR3 GENERATOR REPAIR	68.35
			I-021639	GR4 GENERATOR REPAIR	68.35

					901.87
052983	3/25/2013	VOID			
			C-CHECK	VOID CHECK	0.00

					0.00
052984	3/25/2013	R	008416	JOHN TERFEHR	
			I-023122	SECURITY SYSTEM CHECK	65.00

					65.00
052985	3/25/2013	R	008414	ROBERT L. STEPHENSON	
			I-1280A	VIDEO TAPING BD MEETINGS - FEB	200.00

					200.00
052986	3/25/2013	R	008415	PRUDENTIAL OVERALL SPLY.	
			I-20657776	SHOP EXPENSE	99.71

					99.71
052987	3/25/2013	R	009054	KATHLEEN J. RADNICH	
			I-30313-9	PUBLIC RELATIONS SERVICES	648.00
			I-31013-10	PUBLIC RELATIONS SERVICES	586.80
			I-31013-10A	REIMB: PUBLIC RELATIONS SUPPLY	10.45
			I-31713-11	PUBLIC RELATIONS SERVICES	680.40
			I-31713-11A	REIMB: PUBLIC RELATIONS SUPPLY	48.54

					1,974.19
052988	3/25/2013	R	009615	MARIE SALSBERY	
			I-MS031213	REIMB: STRATEGIC PLANNING FOOD	161.67

					161.67
052989	3/25/2013	R	009880	SOUTHERN CALIFORNIA EDISON CO	

CHECK NO	CHECK DATE	STATUS	VENDOR INFO		CHECK AMOUNT
			I-SCE0313	POWER TO BUILDINGS - MAR 13	2,303.08

					2,303.08
052990	3/25/2013	R	000510	TIME WARNER CABLE	
			I-TW0313	CABLE & INTERNET - FEB 13	396.93

					396.93
052991	3/25/2013	R	901353	MICHAEL W. BRANNING	
			I-UGC030313	DEMO GRDN/ BUILD MAINT- JAN 13	395.00
			I-UGC030313A	DEMO GRDN/ BUILD MAINT- FEB 13	395.00

					790.00
052992	3/25/2013	R	000247	UNITED STATES PLASTIC CORP	
			I-3677343	PUMPING PLANT SUPPLIES	107.49

					107.49
052993	3/25/2013	R	010990	UTILIQUEST L.L.C.	
			I-192919-Q	CONTRACT LOCATING EXPENSE	542.68

					542.68
052994	3/25/2013	R	011114	VAN DYKE CORP	
			I-17623	HDMC WASTEWATER CONSTRUCTION	98,952.00

					98,952.00
052995	3/25/2013	R	003595	VERIZON CALIFORNIA	
			I-V0313	TELEPHONE (SHOP) - MAR 13	348.92

					348.92
052996	3/25/2013	R	003600	VERIZON CALIFORNIA	
			I-V0313	TELEPHONE (OFFICE) - FEB 13	896.04

					896.04
052997	3/29/2013	R	1	CUSTOMER REFUNDS (MISC.)	
			I-000201303272047	SAFEGUARD PROPERTIES:US REFUND	21.73

					21.73
052998	3/29/2013	R	1	CUSTOMER REFUNDS (MISC.)	
			I-000201303272048	NORMAN, ASHLEY R :US REFUND	45.62

					45.62

CHECK NO	CHECK DATE	STATUS	VENDOR INFO			CHECK AMOUNT
052999	3/29/2013	R	1	CUSTOMER REFUNDS (MISC.)		
				I-000201303272049	STUART, BRETT A :US REFUND	157.61

						157.61
053000	3/29/2013	R	1	CUSTOMER REFUNDS (MISC.)		
				I-000201303272050	NELSEN, PAUL E :US REFUND	43.22

						43.22
053001	3/29/2013	R	1	CUSTOMER REFUNDS (MISC.)		
				I-000201303272051	WICKLER, DIANA L :US REFUND	24.69

						24.69
053002	3/29/2013	R	1	CUSTOMER REFUNDS (MISC.)		
				I-000201303272052	BAUM, BRENNAN D :US REFUND	156.57

						156.57
053003	3/29/2013	R	1	CUSTOMER REFUNDS (MISC.)		
				I-000201303272053	BENJAMIN, TIMOTHY :US REFUND	52.05

						52.05
053004	3/29/2013	R	1	CUSTOMER REFUNDS (MISC.)		
				I-000201303272054	RDC JERSON LLC :US REFUND	52.05

						52.05
053005	3/29/2013	R	1	CUSTOMER REFUNDS (MISC.)		
				I-000201303272055	GORMAN, MONICA A :US REFUND	33.02

						33.02
053006	3/29/2013	R	1	CUSTOMER REFUNDS (MISC.)		
				I-000201303272056	GILL, JAMES A :US REFUND	35.26

						35.26
053007	3/28/2013	R	001297	BIGHORN-DESERT VIEW		
				I-BH0213	WATER BUFFALO TANKER RENTAL	100.00
				I-BH0313	WATER BUFFALO TANKER RENTAL	100.00

						200.00
053008	3/28/2013	R	001850	CLINICAL LAB OF S.B. INC		
				I-927010	SAMPLING - FEB 13	700.00

						700.00

CHECK NO	CHECK DATE	STATUS	VENDOR INFO		CHECK AMOUNT
053009	3/28/2013	R	000237	COLONIAL LIFE & ACCIDENT INSURANCE CO, INC.	
			I-3990561-0305754	EE LIFE INSURANCE- MAR 13	669.62

					669.62
053010	3/28/2013	R	001865	COMPUTER GALLERY	
			I-307244	INSTALL CITRIX	125.00
			I-307251	METER READING LAPTOP	971.36

					1,096.36
053011	3/28/2013	R	002201	DEPARTMENT OF JUSTICE	
			I-960654	EE RECRUITING EXPENSE	79.00

					79.00
053012	3/28/2013	R	002565	DUDEK AND ASSOCIATES, INC	
			I-20130612	CONST MGMT: HDMC WASTE WATER	17,740.54
			I-20130657	WATER SMART GRANT SERVICES	175.00

					17,915.54
053013	3/28/2013	R	002820	EMPLOYEE RELATIONS, INC.	
			I-62862	EE RECRUITING EXPENSE	180.55

					180.55
053014	3/28/2013	R	002853	ENVIRONMENTAL SCIENCE ASSOC.	
			I-101724	RECHARGE PIPELINE SERVICES	920.00
			I-101747	RFP PREP- RECHARGE	1,792.50
			I-101748	RECHARGE: PRE CONST TESTING	175.00

					2,887.50
053015	3/28/2013	R	000265	FLOLOC PRODUCTS INTERNATIONAL	
			I-1692	B-1: EARTHQUAKE SHUT OFF VALVE	28,413.00
			I-1693	C2B:EARTHQUAKE SHUT OFF VALVE	24,808.00
			I-1694	C-1: EARTHQUAKE SHUT OFF VALVE	42,348.00

					95,569.00
053016	3/28/2013	R	000205	LORI HERBEL	
			I-LH032713	PUBLIC INFO/FARMER'S MARKET	100.00

					100.00
053017	3/28/2013	R	000266	JENSEN PRECAST	
			I-SC177674	ELEVATN CNTRL VALVE VAULT@ C2B	51,755.41

					51,755.41

CHECK NO	CHECK DATE	STATUS	VENDOR INFO		CHECK AMOUNT
053018	3/28/2013	R	006507	McMASTER-CARR SUPPLY COMPANY	
			I-47574243	SAFETY & PUMPING PLANT SUPPLYS	536.74

					536.74
053019	3/28/2013	R	008102	OFFICEMAX CONTRACT INC.	
			I-923769	OFFICE SUPPLIES/SHOP EXPENSE	897.74

					897.74
053020	3/28/2013	R	003596	SUPERMEDIA LLC	
			I-SM0313	MORONGO BASIN ADVERT - MAR 13	22.50

					22.50
053021	3/28/2013	R	010690	TYLER TECHNOLOGIES	
			I-025-63837	CUSTOM PROGRAMMING- RATE TIER	750.00

					750.00
053022	3/28/2013	R	000264	WIA ENTERPRISES INC.	
			I-28	CRANE REPAIR	609.19

					609.19
*900334	3/01/2013	D	009500	USDA RURAL DEVELOPMENT	
			I-USDA 03/13 LN #02	CMM INT. - LOAN #02	77,814.85

					77,814.85
*900336	3/01/2013	D	000248	PAYCHEX	
			I-188919	PAYROLL PROCESSING FEE	276.67

					276.67
900337	3/14/2013	D	001517	CalPERS	
			I-PPE 3-8-13	PAY PERIOD ENDING 3/8/13	9,182.21

					9,182.21
900338	3/15/2013	D	000248	PAYCHEX	
			I-189983	PAYROLL PROCESSING FEE	274.42

					274.42
900339	3/15/2013	D	000248	PAYCHEX	
			I-10000838	TIME & LABOR ONLINE USAGE FEE	60.00

					60.00

JOSHUA BASIN WATER DISTRICT

MARCH 2013

DIRECTOR PAY

PAY PERIODS: 2/09/2013 - 3/22/2013

Director	Date	Type	Amount	Notes
PAUL F COATE	02/20/2013	Director Pay	173.63	JBWD BOARD MEETING
PAUL F COATE	02/25/2013	Director Pay	173.63	WASHINGTON D.C. TRIP
PAUL F COATE	02/26/2013	Director Pay	173.63	WASHINGTON D.C. TRIP
PAUL F COATE	02/27/2013	Director Pay	173.63	WASHINGTON D.C. TRIP
PAUL F COATE	02/28/2013	Director Pay	173.63	WASHINGTON D.C. TRIP
PAUL F COATE	02/25/2013	Mileage/Vehicle Expense	12.00	REIMB: PARKING FEE
PAUL F COATE	02/26/2013	Mileage/Vehicle Expense	12.00	REIMB: PARKING FEE
PAUL F COATE	02/27/2013	Mileage/Vehicle Expense	12.00	REIMB: PARKING FEE
PAUL F COATE	02/28/2013	Mileage/Vehicle Expense	12.00	REIMB: PARKING FEE
PAUL F COATE	02/25/2013	Mileage/Vehicle Expense	23.73	REIMB: MILES TO AIRPORT
PAUL F COATE	02/28/2013	Mileage/Vehicle Expense	23.73	REIMB: MILES TO AIRPORT
PAUL F COATE	03/11/2013	Director Pay	173.63	JBWD SPECIAL BD MEETING
PAUL F COATE	03/13/2013	Director Pay	173.63	MORONGO PIPELINE COMMISSION
PAUL F COATE	03/20/2013	Director Pay	173.63	JBWD BOARD MEETING
			<u>1,484.50</u>	
VICTORIA J FULLER	02/20/2013	Director Pay	173.63	JBWD BOARD MEETING
VICTORIA J FULLER	03/06/2013	Director Pay	173.63	JBWD BOARD MEETING
VICTORIA J FULLER	02/28/2013	Mileage/Vehicle Expense	73.45	MILES: MWA MEETING
VICTORIA J FULLER	02/28/2013	UNPAID DIRECTOR	0.00	MWA MEETING
VICTORIA J FULLER	03/20/2013	Director Pay	173.63	JBWD BOARD MEETING
VICTORIA J FULLER	03/11/2013	Director Pay	173.63	JBWD SPECIAL BD MEETING
			<u>767.97</u>	
MICKEY C LUCKMAN	02/20/2013	Director Pay	173.63	JBWD BOARD MEETING
MICKEY C LUCKMAN	03/06/2013	Director Pay	173.63	JBWD BOARD MEETING
MICKEY C LUCKMAN	02/23/2013	Mileage/Vehicle Expense	73.45	2/7/13 MILES: MWA MEETING
MICKEY C LUCKMAN	02/23/2013	Mileage/Vehicle Expense	73.45	2/14/13 MILES: MWA MEETING

MICKEY C LUCKMAN	02/23/2013	UNPAID DIRECTOR	0.00	02/07/13 MWA TAC MEETING
MICKEY C LUCKMAN	02/23/2013	UNPAID DIRECTOR	0.00	02/14/13 MWA MEETING
MICKEY C LUCKMAN	02/23/2013	UNPAID DIRECTOR	0.00	01/08/13 AGENDA COMMITTEE MEETING
MICKEY C LUCKMAN	02/23/2013	UNPAID DIRECTOR	0.00	01/23/13 PIC MEETING
MICKEY C LUCKMAN	02/23/2013	UNPAID DIRECTOR	0.00	01/29/13 AGENDA COMMITTEE MEETING
MICKEY C LUCKMAN	02/23/2013	UNPAID DIRECTOR	0.00	02/07/13 TAC MEETING
MICKEY C LUCKMAN	02/23/2013	UNPAID DIRECTOR	0.00	02/12/13 AGENDA COMMITTEE MEETING
MICKEY C LUCKMAN	02/23/2013	UNPAID DIRECTOR	0.00	02/14/13 PIC MEETING
MICKEY C LUCKMAN	02/23/2013	UNPAID DIRECTOR	0.00	02/21/13 OPEN SPACE GROUP
MICKEY C LUCKMAN	02/23/2013	UNPAID DIRECTOR	0.00	12/10/12 ETHICS TRAINING
MICKEY C LUCKMAN	02/23/2013	UNPAID DIRECTOR	0.00	12/12/12 TAC/MB PIPELINE COMMISSION
MICKEY C LUCKMAN	02/23/2013	UNPAID DIRECTOR	0.00	12/13/12 MWA BOARD MEETING
MICKEY C LUCKMAN	02/23/2013	UNPAID DIRECTOR	0.00	12/14/12 PAC MEETING
MICKEY C LUCKMAN	02/23/2013	UNPAID DIRECTOR	0.00	12/17/12 MEETING WITH JTNP
MICKEY C LUCKMAN	02/23/2013	UNPAID DIRECTOR	0.00	12/20/12 JBWD CHRISTMAS PARTY
MICKEY C LUCKMAN	03/20/2013	Director Pay	173.63	JBWD BOARD MEETING
MICKEY C LUCKMAN	03/11/2013	Director Pay	173.63	JBWD SPECIAL BD MEETING
			<u>841.42</u>	
MICHAEL P REYNOLDS	02/20/2013	Director Pay	173.63	JBWD BOARD MEETING
MICHAEL P REYNOLDS	03/06/2013	Director Pay	173.63	JBWD BOARD MEETING
MICHAEL P REYNOLDS	03/09/2013	Director Pay	173.63	3/8/13 STRATEGIC PLAN INTERVIEW
MICHAEL P REYNOLDS	03/11/2013	Director Pay	173.63	JBWD SPECIAL BD MEETING
MICHAEL P REYNOLDS	03/11/2013	Meals/Lodging	20.55	REIMB: MEAL: SPECIAL BD MTG
MICHAEL P REYNOLDS	03/14/2013	Director Pay	173.63	MWA MEETING
MICHAEL P REYNOLDS	03/14/2013	Mileage/Vehicle Expense	77.97	REIMB: MILES: MWA MEETING
MICHAEL P REYNOLDS	03/14/2013	Meals/Lodging	33.19	REIMB: MEALS: MWA MEETING
MICHAEL P REYNOLDS	03/18/2013	Director Pay	173.63	SPECIAL DISTRICTS MEETING
MICHAEL P REYNOLDS	03/18/2013	Mileage/Vehicle Expense	104.87	REIMB: MILES: SPECIAL DISTRICTS MTG
MICHAEL P REYNOLDS	03/20/2013	Director Pay	173.63	JBWD BOARD MEETING
			<u>1,451.99</u>	
GARY L WILSON	02/20/2013	Director Pay	173.63	JBWD BOARD MEETING
GARY L WILSON	03/06/2013	Director Pay	173.63	JBWD BOARD MEETING
GARY L WILSON	03/20/2013	Director Pay	173.63	JBWD BOARD MEETING
			<u>520.89</u>	

TOTAL 5,066.77

JOSHUA BASIN WATER DISTRICT
Minutes of the
SPECIAL MEETING OF THE BOARD OF DIRECTORS
April 3, 2013

1. CALL TO ORDER: 4:32 PM

2. PLEDGE OF ALLEGIANCE

3. DETERMINATION OF QUORUM:

Frank Coate	Present
Victoria Fuller	Absent
Mickey Luckman	Present
Mike Reynolds	Present
Gary Wilson	Present

STAFF PRESENT: Joe Guzzetta, General Manager
Marie Salsberry, HR Manager/Administrative Specialist

CONSULTANTS PRESENT: Gil Granito, District Counsel
Mike Metts, District Engineer; Dudek

GUESTS 0

4. APPROVAL OF AGENDA

MSC Reynolds/Coate 4/0 (1 Absent) to approve the agenda for the April 3rd, 2013 Special Meeting of the Board of Directors.

5. CLOSED SESSION

The Board went to closed session at approximately 4:42 pm to conduct the annual performance evaluation of the District's General Manager as reflected in Item #5 of this meeting's agenda. Only the Board and District General Counsel were present during the closed session. Closed session ended at 6:10 pm and the meeting resumed in open session at that time. It was noted that Director Wilson left the closed session at approximately 4:55 pm. District Counsel Granito stated that no reportable action was taken during the closed session and it is contemplated that the Board will resume discussion on this item in closed session on April 17th.

6. ADJOURNMENT 6:12 PM

The special meeting was adjourned to the April 3rd, 2013 Regular Meeting of the Board of Directors, to begin at 7:00 pm.

Respectfully submitted:

Joe Guzzetta, General Manager

The next Regular meeting of the Board of Directors is scheduled for April 3, 2013 at 7:00 pm.

JOSHUA BASIN WATER DISTRICT
Minutes of the
REGULAR MEETING OF THE BOARD OF DIRECTORS
April 3, 2013

1. CALL TO ORDER: 7:00 PM

2. PLEDGE OF ALLEGIANCE

3. DETERMINATION OF QUORUM:

Frank Coate	Present
Victoria Fuller	Absent
Mickey Luckman	Present
Mike Reynolds	Present
Gary Wilson	Present

STAFF PRESENT:

Joe Guzzetta, General Manager
Susan Greer, Assistant General Manager/Controller
Marie Salsberry, HR Manager/Administrative Specialist
Keith Faul, GIS Coordinator

CONSULTANTS PRESENT:

Gil Granito, District Counsel
Mike Metts, District Engineer
Kathleen Radnich, Public Outreach Consultant

GUESTS 11

4. APPROVAL OF AGENDA

MSC Reynolds/Coate 4/0 (1 Absent) to approve the agenda for the April 3rd, 2013 Regular Meeting of the Board of Directors.

5. PUBLIC COMMENT

None.

6. CONSENT CALENDAR

General Manager Joe Guzzetta requested that Item 6A be removed from the Consent Calendar, for a presentation and discussion.

MSC Reynolds/Coate 4/0 (1 Absent) to approve the minutes of the March 11, 2013 Special Meeting of the Board of Director; to approve the minutes of the March 20, 2013 Special Meeting of the Board of Directors; to approve the minutes of the March 20, 2013 Regular Meeting of the Board of Directors and to hold Item #6A, Financial Report for February, for discussion.

6A FINANCIAL REPORT FOR FEBRUARY 2013

Assistant General Manager/Controller Susan Greer gave a presentation on the monthly financial report, explaining the District's revenues and expenditures to date for the current fiscal year.

MSC Coate/Reynolds 4/1 (1 Absent) to accept and file the financial report for February 2013.

7. HDMC WASTEWATER TREATMENT – PRESENTATION AND UPDATE BY MIKE METTS

Mike Metts, District Engineer, presented information and photos showing the progress of the package wastewater treatment plant currently under construction at Hi-Desert Medical Center. He noted that the project is on schedule and on budget.

8. AWARD OF BID FOR ARCHITECTURAL SERVICES FOR OFFICE SPACE NEEDS

GM Guzzetta reported on the proposal to evaluate the near-future space needs of the District, to include consideration for an emergency operations center and a conceptual plan. Board discussion ensued. Director Wilson commented in favor of replacing pipe rather than this expenditure. Director Luckman stated the office has no space for storage. Vice President Coate suggested that the project be re-advertised for bids. Director Reynolds suggested having local contractors bid on the project. No action was taken.

9. 2013 STRATEGIC PLAN

GM Guzzetta reported. After brief discussion the Board took the following action:
MSC Luckman/Coate 4/0 (1 Absent) to table this item until the next Board meeting.

10. COMMITTEE REPORTS

- A. PUBLIC INFORMATION COMMITTEE: President Luckman and Director Fuller: Kathleen Radnich, Public Outreach Consultant reported that April is earthquake preparedness month; April 12 is the next Public Information Committee meeting; April 16 and 17 the District will present the Water-Wise education program for local fifth graders. April 20 the District will participate at Earth Day at Yucca Valley. April 27th is HDMC's Health Fair where District representatives will provide a visual display related to the new wastewater treatment plant. Outreach was done with local business owners regarding construction of the recharge pipeline project along the highway.
- B. RECHARGE BASIN AND PIPELINE PROJECT: Vice President Coate and Director Fuller: No report.
- C. HOSPITAL WASTEWATER PROJECT: President Luckman and Vice President Coate: No report.
- D. TANK RESTORATION PROJECT: Director Wilson and Vice President Coate: No report.
- E. RULES AND REGULATIONS UPDATE PROJECT: Director Fuller and Vice President Coate: No report.
- F. ADMINISTRATION CODE UPDATE PROJECT: Director Fuller and President Luckman: No report.

11. PUBLIC COMMENT

Fred Klintworth of Joshua Tree asked if the District has a pipe replacement program and what is needed in order to begin the program.

12. GENERAL MANAGER REPORT

GM Guzzetta stated funding is needed for the pipeline replacement program to be implemented. A rate and fee study is underway which will analyze how to fund pipeline replacement; "pay-as-you-go" or borrowing. The District has identified about 70,000' of pipe that is has been prioritized for replacement. The CalTrans permit has been issued for the recharge pipeline project; potholing will occur soon followed by trenching and installing pipeline along the highway. The county will pave some roads in the Friendly Hills area and the District will adjust valves as needed along those roadways. Addressing the Board's strategic plan, GM Guzzetta met with the new general manager of Twentynine Palms Water District, and Construction & Maintenance Supervisor Jim Corbin met with his counterpart at Hi-Desert Water District.

13. DIRECTORS COMMENTS/REPORTS

Director Reynolds commented that he would like for the District to focus on pipeline replacement now rather than on pipeline repair later. Director Wilson agreed that the District needs to replace pipe; he recalled that the Board approved pipeline replacement some time ago and engineering for that was completed. He stated he alone has put in over a hundred miles of pipeline. Vice President Coate stated that the District needs to replace pipeline and noted that reservoir recoating projects are currently scheduled. Vice President Coate reported attending the Mojave Water Agency Board meeting where financial consultants gave a great presentation. President Luckman asked whether paving corrections had been completed; GM Guzzetta replied that more paving work will be done. President Luckman reported she will attend the Mojave Water Agency Technical Advisory Committee meeting tomorrow.

14. DISTRICT GENERAL COUNSEL REPORT

District Counsel Gil Granito reported on Assembly Bill 416 that would provide financial assistance to local agencies to implement systems that would decrease greenhouse gas emissions, Assembly Bill 792 regarding the Brown Act online posting requirement and exemption if software or hardware breaks down, Assembly Bill 194 that imposes possible criminal sanctions if a board chairman should curb criticism of an agency's policies and operations, and Senate Bill 184 that would give special districts the same statutory authority as cities and counties now have to request the State Controller to withhold state payments such income tax return refunds to collect debt owed to special districts.

15. FUTURE AGENDA ITEMS

Director Reynolds requested that the Board agendaize consideration of having District staff install the Bridges' pipeline and having the Bridges reimburse the District for the cost.

16. ADJOURNMENT 8:26 PM

MSC Coate/Reynolds 4/0 (1 Absent) to adjourn the April 3rd, 2013 Regular Meeting of the Board of Directors.

Respectfully submitted:

Joe Guzzetta, General Manager

The next regular meeting of the Board of Directors is scheduled for April 20, 2013 at 7:00 pm.

JOSHUA BASIN WATER DISTRICT
AGENDA REPORT

Meeting of the Board of Directors

April 17, 2013

Report to: President and Members of the Board
From: Susan Greer, Assistant General Manager/Controller



TOPIC:

Approve Resolution No. 13-905 Adopting a Labor Compliance Program as Required to Comply with Prop 84 Grant Requirements

RECOMMENDATION:

Approve Resolution No. 13-905

ANALYSIS:

The District has been awarded two Prop 84 grants from the State of California. Prop 84 grants require full labor compliance and we have already contracted with a third party for this work.

Full labor compliance relates to the enforcement of prevailing wage requirements on public works construction projects. This compliance involves:

- Informing contractors about their obligations
- Monitoring compliance by obtaining and reviewing certified prevailing wage reports
- Investigating complaints
- Taking appropriate enforcement action when violations are found.

Performing the labor compliance requires a Department of Industrial Relations (DIR) approved Labor Compliance Program. The attached Program is based on a model submitted to and approved by the DIR on behalf of many other agencies by our contracted labor compliance provider, LCP, Inc.

Submitting the Program is a routine matter, so that our labor compliance contractor can fulfill their obligation and we fulfill our Prop 84 requirements.

STRATEGIC PLAN ITEM:

Approval of the Program allows us to continue moving forward with the Recharge Project completion, Strategic Plan Item 1.1.1

FISCAL IMPACT:

Costs associated with submission and enforcement of the Program are already part of the Recharge Project budget as well as the contract already approved with Labor Compliance Providers, Inc. in the amount of \$32,600 including 10% contingency.

RESOLUTION NO. 13-905

**RESOLUTION OF THE JOSHUA BASIN WATER DISTRICT
ESTABLISHING A LABOR COMPLIANCE PROGRAM (LCP)**

WHEREAS, Public Contracts Code 75075 requires an awarding body that awards any contract for a public works project financed in any part from funds made available pursuant to Proposition 84 to adopt and enforce, or contract with a third party to enforce, a labor compliance program pursuant to subdivision (b) of Labor Code Section 1771.5 for application to that public works project; and

WHEREAS, the JOSHUA BASIN WATER DISTRICT (District) seeks to establish a Department of Industrial Relations-approved in-house Labor Compliance Program approved by the Department of Industrial Relations; and

WHEREAS, the District may utilize the services of a labor compliance program consulting firm to execute the services of the District's LCP should it be approved by the Department of Industrial Relations.

NOW THEREFORE BE IT RESOLVED that the Board of Directors of the JOSHUA BASIN WATER DISTRICT hereby establishes a **Labor Compliance Program** geared to monitor and enforce contractors' compliance with California labor and apprenticeship laws for its public works construction projects financed in any part by Proposition 84.

APPROVED, this 17th day of April, 2013

JOSHUA BASIN WATER DISTRICT

By: _____
Mickey Luckman
President, Board of Directors

Attest: _____
Joe Guzzetta
Secretary, Board of Directors

JOSHUA BASIN WATER DISTRICT

LABOR COMPLIANCE PROGRAM

April 2013

Conforms to Labor Compliance Program 2009 Amendments

LABOR COMPLIANCE PROGRAM

TABLE OF CONTENTS

	<u>Pages</u>
INTRODUCTION	3
SECTION 1: PUBLIC WORKS SUBJECT TO PREVAILING WAGE LAWS	4
A. Application	4
B. Applicable Dates for Enforcement of a Labor Compliance Program	4
SECTION 2: COMPETITIVE BIDDING ON PUBLIC WORKS CONTRACTS	4
SECTION 3: JOB START MEETING	4
SECTION 4: INVESTIGATIVE METHODS	5
A. Certified Payroll Records Required	5
1. Submittal of Certified Payroll Records	6
2. Use of Electronic Reporting Forms	6
3. Review Payroll Records	7
4. Confirmation of Payroll Records	7
5. On-Site Visits	7
6. Full Accountability	8
7. Responsibility for Subcontractors	8
8. Payment to Employees	8
9. Requests for Certified Payroll Records	8
B. Apprentices	11
1. Contractor Responsibility	11
2. Duties of a Labor Compliance Program with Respect to Apprenticeship Standards	11
C. Audit of Certified Payroll Records	12
SECTION 5: REPORTING OF WILLFUL VIOLATIONS TO THE LABOR COMMISSIONER	13
A. Failure to Comply with Prevailing Wage Rate Requirements	13
B. Falsification of Payroll Records, Misclassification of Work, and/or Failure to Accurately Report Hours of Work	13
C. Failure to Submit Certified Payroll Records	13
D. Failure to Make Employer Payments	14
E. Failure to Pay the Correct Apprentice Rates and/or Misclassification of Workers as Apprentices	14
F. Taking or Receiving Portions of Wages of Workmen or Working Subcontractors as Felony	14
SECTION 6: ENFORCEMENT ACTION	14
A. Duty of the Labor Compliance Program	14
B. Withholding Contract Payments When Payroll Records are Delinquent or Inadequate	16
C. Withholding Contract Payments When, After Investigation, It Is Established That Underpayment or Other Violation Has Occurred.	17
D. Forfeitures Requiring Approval by the Labor Commissioner	18
E. Determination of Amount of Forfeiture by the Labor Commissioner (Title 8 CCR §16437)	18
F. Notice of Withholding	20
G. Deposits of Penalties and Forfeitures Withheld	20
H. Debarment Policy	21

SECTION 7: REQUEST FOR REVIEW OF LCP ENFORCEMENT ACTION/SETTLEMENT AUTHORITY ..	214
SECTION 8: PRIORITY DOSTRIBUTION OF FORFEITED SUMS	23
A. Withholding of Forfeited Sums	23
B. Disposition of Forfeited Sums	23
SECTION 9: ANNUAL REPORTS	23
SECTION 10: OUTREACH ACTIVITIES	24
ATTACHMENTS	25
ATTACHMENT A - CHECKLIST OF LABOR LAW REQUIREMENTS	26
ATTACHMENT B - COMPLIANCE MONIROTING & AUDIT RECORD WORKSHEETS	28
ATTACHMENT C - REQUEST FOR APPROVAL OF FORFEITURE.....	35
ATTACHMENT D - NOTICE OF WITHHOLDING CONTRACT PAYMENTS	40
ATTACHMENT E - NOTICE OF TEMPORARY WITHHOLDING OF CONTRACT PAYMENTS DUE TO DELINQUENT OR INADEQUATE PAYROLL RECORDS.....	43
ATTACHMENT F - CERTIFID PAYROLL RECORD (CPR) TEMPLATE	47
ATTACHMENT G - ANNUAL REPORT LCP-AR1 TEMPLATE FORM.....	49

Joshua Basin Water District

LABOR COMPLIANCE PROGRAM

Conforms to Labor Compliance Program 2009 Amendments

INTRODUCTION

Joshua Basin Water District (District) issues this Labor Compliance Program (LCP) for the purpose of identifying its policy relative to the responsibilities and procedures applicable to the labor compliance provisions of state and federally funded construction contracts. This program contains the labor compliance standards required by state and federal laws, regulations & directives.

The California Labor Code § 1770 et seq. require that building trades contractors on public works pay their workers based on the prevailing wage rates, which are established and issued by the Department of Industrial Relations, Division of Labor Statistics and Research.

The District has adopted this LCP to meet any Labor Compliance mandates on its public works projects. The District administers this LCP for monitoring the prevailing wage rates paid to construction workers on the District's public works projects. This LCP assures that all contractors and subcontractors comply with the prevailing wage, certified payroll record laws and apprenticeship standards pursuant to the Labor Code §1710 thru §1861.

In establishing this LCP, the District adheres to the statutory requirements as promulgated in §1771.5 (b) of the California Labor Code.

Further it is the intent of the District to actively enforce this LCP wherein the construction sites shall be monitored for worker classification, apprenticeship standards, the payment of prevailing wage rates and, wherein those contractors and subcontractors having workers on public works sites routinely submit copies of certified payroll records and any other documents required for verification, demonstrating their compliance with the payment of prevailing wage rates.

Questions regarding this Labor Compliance Program should be directed to:

Name: James Reed
Labor Compliance Providers, Inc.
Labor Compliance Officer to Joshua Basin Water District for the Prop 84 / Baldwin Park Operable Unit (BPOU) SA1 Treatment Facility Nitrate By-pass Project

Phone: (951) 686-3482

E-mail: inbox@mylcp.org

SECTION 1: PUBLIC WORKS SUBJECT TO PREVAILING WAGE LAWS

A. Application

State prevailing wage rates apply to all public works contracts as set forth in Labor Code Sections 1720, 1720.2, 1720.3, 1720.4 and 1771, and include, but are not limited to, such types of work as construction, alteration, demolition, repair, or maintenance work. The Division of Labor Statistics and Research (DLSR) predetermine the appropriate prevailing wage rates for particular construction trades and crafts by county.

B. Applicable Dates for Enforcement of a Labor Compliance Program

The applicable dates for enforcement of this Labor Compliance Program are established by Section 16426 of the California Code of Regulations. Contracts are not subject to the jurisdiction of the Labor Compliance Program until after the program has received initial approval or approved status.

SECTION 2: COMPETITIVE BIDDING ON PUBLIC WORKS CONTRACTS

The District shall publicly advertise upcoming public works projects to be awarded according to a competitive bidding process. Further information regarding the requirements of the bidding process may be obtained from the Bid Processing Section. All bid advertisements (or bid invitations) and public works contracts shall contain appropriate language concerning the requirements of chapter 1 of part 7 of division 2 of the State Labor Code.

SECTION 3: JOB START MEETING

After the award of the public works contract, and prior to the commencement of the work, a mandatory Job Start meeting (Pre-Job Labor Compliance Conference) shall be conducted by the District's LCP representative with the contractor, subcontractors and any entity providing labor at the site of the work. Applicable Federal and State labor law requirements shall be discussed and suggested reporting forms provided.

At the Pre-Job Labor Compliance Conference the LCP representative will provide the contractor and each subcontractor with a Checklist of Labor Law Requirements (presented as Attachment A on pages 23 - 24) and will discuss in detail the following checklist items:

1. The contractor's & subcontractors duty to pay prevailing wages (Labor Code Section 1771, et seq.);
2. The contractor's & subcontractor's duty to employ registered apprentices on public works projects (Labor Code Section 1777.5);
3. The penalties for failure to pay prevailing wages (for nonexempt projects) and to employ apprentices, including forfeitures and debarment (Labor Code Sections 1775 and 1777.7& 1813);
4. The requirement to maintain and submit copies of certified payroll records to the Labor Compliance Group upon request *at least monthly or within (10 days) of request by the awarding body*. (Labor Code Section 1776), and penalties for failure to do so (Labor Code Section 1776(h));
5. The prohibition against employment discrimination (Labor Code Sections 1735 and 1777.6; the Government Code; and Title VII of the Civil Rights Act of 1964, as amended);

6. The prohibition against taking or receiving a portion of an employee's wages (Labor Code Section 1778);
7. The prohibition against accepting fees for registering any person for public works (Labor Code Section 1779) or for filing work orders on public works (Labor Code Section 1780);
8. The requirement to list all subcontractors that are performing 1/2 of one percent of the total amount of the contract (Government Code Section 4100, et seq.);
9. The requirement to be properly licensed and to require all subcontractors to be properly licensed, and the penalty for employing workers while unlicensed (Labor Code Section 1021 and 1021.5, and Business and Professions Code Section 7000, et seq., under California Contractors License Law);
10. The prohibition against unfair competition (Business and Professions Code Sections 17200-17208);
11. The requirement that the contractor & subcontractor be properly insured for Workers' Compensation (Labor Code Section 1861);
12. The requirement that the contractor abide by the Occupational Safety and Health laws and regulations that apply to the particular public works project; and
13. The federal prohibition against hiring undocumented workers, and the requirement to secure proof of eligibility and citizenship from all workers.
14. The requirement that all employees be given an itemized wage deduction statement with each payment of wages (Labor Code Section 226 et. seq).

The contractors and subcontractors attending the Job Start meeting will be given the opportunity to ask questions of the LCP representative relative to the items contained in the Labor Law Requirements Checklist.

The checklist will then be signed by the contractor's/subcontractors authorized representative and the District's LCP representative. Signed copies from each conference shall be kept on file.

At the Job Start meeting, the LCP representative will provide the contractor with a copy of the LCP package which includes: a copy of the approved Labor Compliance Program, the checklist of Labor Law Requirements, applicable Prevailing Wage Determinations, blank certified payroll record forms, fringe benefit statement forms, state apprenticeship requirements, and a copy of the Labor Code relating to Public Works and Public Agencies (Part 7, Chapter 1, § 1720-1861). It will be the contractor's responsibility to provide copies of the LCP package to all listed subcontractors and to any substituted subcontractors.

SECTION 4: INVESTIGATIVE METHODS

A. Certified Payroll Records Required

The contractor shall maintain payrolls and basic records (timecards, canceled checks, cash receipts, trust fund forms, accounting ledgers, tax forms, superintendent and foreman daily logs, etc.) during the course of the work and shall preserve them for a period of three (3) years thereafter for all trades workers working

at the public works project sites *in accordance with Labor Code §1776*. Such records shall include the name, address, and social security number of each worker, his or her classification, a general description of the work each employee performed each day, the rate of pay (including rates of contributions for, or costs to provide fringe benefits), daily and weekly number of hours worked, deductions made, and actual wages paid.

California Code of Regulations §16401(a) stipulates the format for reporting of payroll records requested pursuant to Labor Code Section 1776 shall be on a form provided by the public entity. Copies of the forms may be procured at any office of the Division of Labor Standards Enforcement (DLSE) throughout the state and/or: Division of Labor Statistics & Research P.O. Box 420603 San Francisco, CA 94101; ATTENTION: Prevailing Wage Unit.

Acceptance of any other format shall be conditioned upon the requirement that the alternate format contain all of the information required pursuant to Labor Code Section 1776. If, however, the contractor does not comply with the provisions of Labor Code Section 1776, the Labor Commissioner may require the use of DIR's suggested format, "Public Works Payroll Reporting Form" (Form A-1-131). The wording / format for the Certified Payroll Record's Statement of Compliance acceptable by the District is included herein under Attachment F.

1. Submittal of Certified Payroll Records

The contractor shall maintain weekly certified payroll records for submittal to the District's labor compliance office on a weekly basis. The contractor shall be responsible for the submittal of payroll records of all its subcontractors. All certified payroll records shall be accompanied by a statement of compliance signed by the contractor indicating that the payroll records are correct and complete, and the wage rates contained therein are not less than those determined by the Director of the Department of Industrial Relations, and that the classifications set forth for each employee conform with the work performed by each employee.

The certified payroll records submitted pursuant to this section shall be on forms provided by the Division of Labor Standards Enforcement (A-1-131) or shall contain the same information. Forms missing any information as required on DLSE form (A-1-131) may be determined inadequate and subject to withholding under section 1771.5 (b)(5) and §16435 (d) of Title 8 of the California Code of Regulations, and as further described in section 6 (B) of this manual. Employer payments (fringe benefits) when taken as a credit against the prevailing per diem wages shall be identified on form PW26 and submitted with the first certified payroll report and any subsequent certified payroll report where wages or employer payments have changed.

Time cards, front and back copies of cancelled checks, daily logs, employee sign-in sheets and/or other records maintained for the purpose of reporting payroll may be requested by the LCP at any time and shall be provided within 10 days following the receipt of the request.

2. Use of Electronic Reporting Forms

The certified payroll records required by Labor Code Section 1776 may be maintained and submitted electronically subject to all of the following conditions:

(a) The reports must contain all of the information required by Labor Code Section 1776, with the information organized in a manner that is similar or identical to how the information is reported on the Department of Industrial Relations' suggested "Public Works Payroll Reporting Form" (Form A-1-131);

(b) The reports shall be in a format and use software that is readily accessible and available to contractors, awarding bodies, Labor Compliance Programs, and the Department of Industrial Relations;

(c) Reports submitted to the District, the Division of Labor Standards Enforcement, or other entity within the Department of Industrial Relations must be either (1) in the form of a non-modifiable image or record that bears an electronic signature or includes a copy of any original certification made on paper, or alternatively (2) printed out and submitted on paper with an original signature;

(d) The requirements for redacting certain information shall be followed when certified payroll records are disclosed to the public pursuant to Labor Code Section 1776(e), whether the records are provided electronically or as hard copies; and

(e) No contractor or subcontractor shall be mandated to submit or receive electronic reports when it otherwise lacks the resources or capacity to do so, nor shall any contractor or subcontractor be required to purchase or use proprietary software that is not generally available to the public.

3. Review Payroll Records

Payroll records submitted by contractors and subcontractors, shall be reviewed by the District's LCP staff as promptly as practicable after receipt thereof, but in no event more than (30) days after receipt. "Review" for this purpose shall be defined as inspection of the records to determine if (1) all appropriate data elements identified in Labor Code §1776 (a) have been reported; (2) certification forms have been completed and signed in compliance with Labor Code §1776 (b); and (3) the correct prevailing wage rates have been reported as paid for each classification of labor listed thereon, with confirmation of payment in the manner and to the extent described below.

4. Confirmation of Payroll Records

Pursuant to California Code of Regulations 16432(c), "confirmation" of payroll records furnished by contractors and subcontractors shall be defined as an independent corroboration of reported prevailing wage payments. Confirmation may be accomplished through worker interviews, examination of paychecks or paycheck stubs, direct confirmation of payments from third party recipients of "Employer Payments" (as defined at section 16000 of Title 8 of the California Code of Regulations), or any other reasonable method of corroboration. For each month in which a contractor or subcontractor reports having workers employed on the public work, confirmation of furnished payroll records shall be undertaken randomly for at least one worker for at least one weekly period within that month. Confirmation shall also be undertaken whenever complaints from workers or other interested persons or other circumstances or information reasonably suggest to the Labor Compliance Program that payroll records furnished by a contractor or subcontractor are inaccurate.

5. On-Site Visits

Representatives of the LCP shall conduct in-person inspections at the site or sites at which the contract for public work is being performed ("On-Site Visits"). On-Site Visits may be undertaken randomly or as

deemed necessary by the Labor Compliance Program, but shall be undertaken during each week that workers are present at sites at which the contract for public work is being performed. All On-Site Visits shall include visual inspection of (1) the copy of the determination(s) of the Director of Industrial Relations of the prevailing wage rate of per diem wages required to be posted at each job site in compliance with Labor Code Section 1773.2, and (2) the Notice of Labor Compliance Program Approval required to be posted at the job site in accordance with California Code of Regulations §16429, listing a telephone number to call for inquiries, questions, or assistance with regard to the LCP. On-Site Visits may include other activities deemed necessary by the LCP to independently corroborate prevailing wage payments reported on payroll records furnished by contractors and subcontractors.

6. Full Accountability

Each individual, laborer or craftsperson working on a public works contract must appear on the payroll. The basic concept is that the employer who pays the trades' worker must report that individual on its payroll. This includes individuals working as apprentices in an apprenticeable trade. Owner-operators are to be reported by the contractor employing them; rental equipment operators are to be reported by the rental company paying the workers' wages. Sole owners and partners who work on a contract must also submit a certified payroll record listing the days and hours worked, and the trade classification descriptive of the work actually done. The contractor shall make the records required under this section available for inspection by an authorized representative of the LCP and the Department of Industrial Relations, and shall permit such representatives to interview trades workers during hours on the project site.

7. Responsibility for Subcontractors

The contractor shall be responsible for ensuring adherence to labor standards provisions by its subcontractors in the manner specified by Labor Code Section 1775

a. The contractor shall monitor the payment of the specified general prevailing per diem wages by each subcontractor to its employees by weekly review of the subcontractor's certified payroll records.

b. Upon becoming aware of a subcontractor's failure to pay the specified prevailing rate of wages, the contractor shall diligently take corrective action to halt or rectify the failure, including, but not limited to, retaining sufficient funds due the subcontractor for work performed on the public works project (upon receipt of notification that a wage complaint has been resolved, the contractor shall pay any money retained from and owed to a subcontractor).

c. Prior to making final payment to the subcontractor for work performed on the public works project, the contractor shall obtain an affidavit signed under penalty of perjury from the subcontractor that the subcontractor has paid the general prevailing rate of per diem wages to its employees on the public works project, as well as any penalties, which have been imposed for working hours violations (Labor Code § 1813).

8. Payment to Employees

a. Employees must be paid unconditionally, and not less often than once each week, the full amounts that are due and payable for the period covered by the particular payday. An employer must, therefore,

establish a fixed workweek (i.e., Sunday through Saturday) and an established payday (such as Friday or the preceding day should such payday fall on a holiday). On each and every payday, each worker must be paid all sums due as of the end of the preceding workweek and must be provided with an itemized wage statement.

b. If an individual is called a subcontractor, when, in fact, he/she is merely a journey level mechanic supplying only his/her labor, such an individual would not be deemed a bona fide subcontractor and must be reported on the payroll of the contractor who contracted for his or her services as a trade's worker.

c. Moreover, any person who does not hold a valid contractor's license cannot be a subcontractor, and anyone hired by that person is the worker or employee of the contractor who contracted for his or her services for purposes of prevailing wage requirements, certified payroll & workers compensation laws.

d. A worker's rate for straight time hours must be equal to or exceed the rate specified in the contract by reference to the Prevailing Wage Rate Determinations for the class of work actually performed. Any work performed on Saturday, Sunday, and/or a holiday, or a portion thereof, must be paid the prevailing rate established for those days regardless of the fixed workweek. The hourly rate for hours worked in excess of 8 hours in a day or 40 hours in a workweek shall be premium pay. All work performed in excess of eight hours per day, 40 hours per week, on Saturday, on Sunday, and on holiday shall be paid in accordance with the applicable Prevailing Wage Determination.

9. Requests for Certified Payroll Records

Pursuant to California Code of Regulations §16400:

(a) Requests may be made by any person for certified copies of payroll records. Requests shall be made to any of the following:

- (1) the body awarding the contract, or
- (2) any office of the Division of Labor Standards Enforcement, or the Division of Apprenticeship Standards.

(b) Requests for certified copies of payroll records pursuant to Section 1776 of the Labor Code may be made by any person. However, any such request shall be in writing and contain at least the following information:

- (1) The body awarding the contract;
- (2) The contract number and/or description;
- (3) The particular job location if more than one;
- (4) The name of the contractor;
- (5) The regular business address, if known.

NOTE: Requests for records of more than one contractor or subcontractor must list the information regarding that contractor individually, even if all requests pertain to the same particular public works project. Blanket requests covering an entire public works project will not be accepted; unless contractor and subcontractor responsibilities regarding the project are not clearly defined.

(c) Acknowledgment of Request. The public entity receiving a request for payroll records shall acknowledge receipt of such, and indicate the cost of providing the payroll records based on an

estimate by the contractor, subcontractor or public entity. The acknowledgment of the receipt of said request for payroll records may be accomplished by the public entity's furnishing a copy of its written correspondence requesting certified copies of the payroll records sent to the specific contractor pursuant to Section 16400(d) below, to the person who requested said records.

(d) Request to Contractor. The request for copies of payroll records by the requesting public entity shall be in any form and/or method which will assure and evidence receipt thereof. The request shall include the following:

- (1) Specify the records to be provided and the form upon which the information is to be provided;
- (2) Conspicuous notice of the following:
 - (A) that the person certifying the copies of the payroll records is, if not the contractor, considered as an agent acting on behalf of the contractor; and
 - (B) that failure to provide certified copies of the records to the requesting public entity within 10 working days of the receipt of the request will subject the contractor to a penalty of twenty-five (\$25.00) dollars per calendar day or portion thereof for each worker until strict compliance is effectuated;
- (3) Cost of preparation as provided in Section 16402; and
- (4) Provide for inspection.

(e) Inspection of Payroll Records. Inspection of the original payroll records at the office of the contractor(s) pursuant to subdivision (b) of Section 1776 of the Labor Code shall be limited to the public entities upon reasonable written or oral notice.

Pursuant to California Code of Regulations §16402: the cost of preparation to each contractor, subcontractor, or public entity when the request was made shall be provided in advance by the person seeking the payroll record. Such cost shall be \$1 for the first page of the payroll record and 25 cents for each page thereafter, plus \$10 to the contractor or subcontractor for handling costs. Payment in the form of cash, check or certified money order shall be made prior to release of the documents to cover the actual costs of preparation.

Pursuant to California Code of Regulations §16403 (Privacy Considerations):

(a) Records received from the employing contractor shall be kept on file in the office or entity that processed the request for at least 6 months following completion and acceptance of the project. Thereafter, they may be destroyed unless administrative, judicial or other pending litigation, including arbitration, mediation or other methods of dispute resolution, are in process. Copies on file shall not be obliterated in the manner prescribed in subdivision (b) below;

(b) copies provided to the public upon written request shall be marked, obliterated or provided in such a manner that the name, address and Social Security number, and other private information pertaining to each employee cannot be identified. All other information including identification of the contractor shall not be obliterated;

(c) the public entity may affirm or deny that a person(s) was or is employed on a public works contract (by a specific contractor) when asked, so long as the entity requires such information of an identifying nature which will reasonably preclude release of private or confidential information.

B. Apprentices

Apprentices shall be permitted to work as such only when they are registered, individually, under a bona fide apprenticeship program registered and approved by the State Division of Apprenticeship Standards. The allowable ratio of apprentices to journeypersons in any craft/classification shall not be greater than the ratio permitted to the contractor as to its entire workforce under the registered program. Any worker listed on a payroll at an apprentice wage rate who is not registered shall be paid the journey level wage rate determined by the Department of Industrial Relations for the classification of the work he/she actually performed. A journey level worker must always be present at the job site where an apprentice is performing the work of his craft. Pre-apprentice trainees, trainees in non-apprenticeable crafts, and others who are not duly registered will not be permitted on public works projects unless they are paid full prevailing wage rates as journeypersons.

1. Contractor Responsibility

The contractor shall furnish written evidence of the registration (i.e., Apprenticeship Agreement or Statement of Registration) of its training program and apprentices, as well as the ratios allowed and the wage rates required to be paid there under for the area of construction, prior to using any apprentices in the contract work.

Compliance with California Labor Code § 1777.5 require all public works contractors and subcontractors to do the following when apprenticeable crafts are employed on the project:

- a. Prior to commencing work on a contract for public works, every contractor shall submit Contract Award Information to an applicable apprenticeship program that can supply apprentices to the site of the public work. The form DAS 140 can be used for this purpose.
- b. Employ apprentices on public works projects in a ratio to journeypersons as stipulated in the apprenticeship standards under which each apprenticeship committee operates, but in no case shall the ratio be less than one (1) apprentice to each five (5) journeypersons unless a lower/higher ratio is allowed via exemption for a particular craft;
- c. Contribute to the training fund in the amount identified in the prevailing wage rate publication for journeypersons and apprentices. Where the trust fund administrators cannot accept the contributions, then payment shall be made to the California Apprenticeship Council, Post Office Box 420603, San Francisco, CA 94142; and
- d. It should be noted that a prior approval for a specified project does not confirm approval to train on any other project. The contractor/subcontractor must check with the applicable Joint Apprenticeship Committee to verify status.

2. Duties of a Labor Compliance Program with Respect to Apprenticeship Standards

- a. The District's LCP staff shall:
 1. Inform contractors and subcontractors bidding public works of the apprenticeship requirements defined in Labor Code 1777.5 and CCR 230, 230.1;
 2. Send copies of awards and notices of discrepancies to the Division of Apprenticeship Standards as required under Section 1773.3 of the Labor Code, and

3. Refer complaints and promptly report suspected violations of apprenticeship requirements to the Division of Apprenticeship Standards.

b. The District's LCP staff shall be responsible for enforcing prevailing wage pay requirements for apprentices consistent with the practice of the Labor Commissioner, including:

1. That any contributions required pursuant to Labor Code Section 1777.5(m) are paid to the appropriate entity,
2. That apprentices are paid no less than the prevailing apprentice rate,
3. That workers listed and paid as apprentices on the certified payroll records are duly registered as apprentices with the Division of Apprenticeship Standards, and
4. Requiring that the regular prevailing wage rate be paid (i) to any worker who is not a duly registered apprentice and (ii) for all hours in excess of the maximum ratio permitted under Labor Code Section 1777.5(g), as determined at the conclusion of the employing contractor or subcontractor's work on the public works contract.

C. Audit of Certified Payroll Records

1. An Audit, as defined herein, shall be prepared by the District's LCP staff whenever the LCP has determined that there has been a violation of the Public Works Chapter of the Labor Code resulting in the underpayment of wages. An "Audit" for this purpose shall be defined as a written summary reflecting prevailing wage deficiencies for each underpaid worker, and including any penalties to be assessed under Labor Code Sections 1775 and 1813, as determined by the LCP after consideration of the best information available as to actual hours worked, amounts paid, and classifications of workers employed in connection with the public work. Such available information may include, but is not limited to, worker interviews, complaints from workers or other interested persons, all time cards, cancelled checks, cash receipts, trust fund forms, books, documents, schedules, forms, reports, receipts or other evidences which reflect job assignments, work schedules by days and hours, and the disbursement by way of cash, check, or in whatever form or manner, of funds to a person(s) by job classification and/or skill pursuant to a public works project. An Audit is sufficiently detailed when it enables the Labor Commissioner, if requested to determine the amount of forfeiture under section 16437, to draw reasonable conclusions as to compliance with the requirements of the Public Works Chapter of the Labor Code, and to enable accurate computation of underpayments of wages to workers and of applicable penalties and forfeitures. An Audit using the forms in Appendix B, when accompanied by a brief narrative identifying the Bid Advertisement Date of the contract for public work and summarizing the nature of the violation and the basis upon which the determination of underpayment was made, presumptively demonstrates sufficiency. Records supporting an Audit shall be maintained by the District's LCP to satisfy its burden of coming forward with evidence in administrative review proceedings under Labor Code Section 1742 and the Prevailing Wage Hearing Regulations found at sections 17201-17270 of Title 8 of the California Code of Regulations.
2. After the LCP has determined that violations of the prevailing wage laws have resulted in the underpayment of wages and an audit has been prepared, notification shall be provided to the contractor and affected subcontractor of an opportunity to resolve the wage deficiency prior to a determination of the amount of forfeiture by the Labor Commissioner pursuant to these regulations. The contractor and affected subcontractor shall be provided at least 10 days following such notification to submit exculpatory information consistent with the "good faith mistake" factors set forth in Labor Code Section 1775(a)(2)(A)(i) and (ii). If, based upon the contractor's submission, the LCP reasonably concludes that the failure to pay the correct wages was a good faith mistake, and has no knowledge that the contractor and affected

subcontractor have a prior record of failing to meet their prevailing wage obligations, the LCP shall not be required to request the Labor Commissioner for a determination of the amount of penalties to be assessed under Labor Code Section 1775 if the underpayment of wages to workers is promptly corrected and proof of such payment is submitted to the LCP. For each instance in which a wage deficiency is resolved in accordance with this regulation, the LCP shall maintain a written record of the failure of the contractor or subcontractor to meet its prevailing wage obligation. The record shall identify the public works project, the contractor or affected subcontractor involved, and the gross amount of wages paid to workers to resolve the prevailing wage deficiency; and the record shall also include a copy of the Audit prepared pursuant to subpart (e) above along with any exculpatory information submitted to the Labor Compliance Program by the affected contractor or subcontractor.

SECTION 5: REPORTING OF WILLFUL VIOLATIONS TO THE LABOR COMMISSIONER

If an investigation reveals that a willful violation of the Labor Code has occurred, the LCP will make a written report to the Labor Commissioner which shall include:

1. A detailed report which shall accurately describe the nature of the alleged violation and a description of the evidence which supports said allegations;
2. An audit consisting of a comparison of payroll records to the best available information as to the actual hours worked and wages paid;
3. The classification of workers employed on the public works contract, and any other additional investigative information as may be required to clarify the audit. Reports will be submitted on all appropriate willful violations including intent to defraud and deliberate failure or refusal to comply with public works law. All reports will include a recommendation regarding the appropriateness of debarment. Principal areas of concern include, but are not limited to, the following:

A. Failure to Comply with Prevailing Wage Rate Requirements

Failure to comply with prevailing wage rate requirements (as set forth in the Labor Code and District contracts) may be determined a willful violation whenever less than the stipulated basic hourly rate is paid to trades workers, or if overtime, holiday rates, fringe benefits, and/or employer payments are paid at a rate less than stipulated. The facts related to such willful violations may result in a determination that the contractor intended to defraud its employees of their wages.

B. Falsification of Payroll Records, Misclassification of Work, and/or Failure to Accurately Report Hours of Work

Falsification of payroll records and failure to accurately report hours of work is characterized by deliberate underreporting of hours of work; underreporting the headcount; stating that the proper prevailing wage rate was paid when, in fact, it was not; clearly misclassifying the work performed by the worker; and any other deliberate and/or willful act which results in the falsification or inaccurate reporting of payroll records. Such violations are deemed to be willful violations committed with the intent to defraud.

C. Failure to Submit Certified Payroll Records

The contractors and subcontractors shall have 10 days upon notification of the LCP representative in which to comply with the requirement for submittal of weekly payroll records that are complete and accurate. Failure to

provide certified payroll records as prescribed, will result in the withholding of contract payments pursuant to labor code §1771.5 (b)(5) and §16435 (d) of Title 8 of the California Code of Regulations and as further described in Section 6 (B) of this manual.

D. Failure to Make Employer Payments

Employer payments are defined as the amounts stipulated for fringe benefits or trust fund contributions and are determined to be part of the required prevailing wage rate. Failure to make employer payments or provide fringe benefits and/or make trust fund contributions in a timely manner is equivalent to payment of less than the stipulated wage rate and shall be reported to the Labor Commissioner, upon completion of an investigation and audit.

E. Failure to Pay the Correct Apprenticeship Rates and/or Misclassification of Workers as Apprentices

Failure to pay the correct apprenticeship rate or classifying a worker as an apprentice when not properly registered is equivalent to payment of less than the stipulated wage rate and shall be reported to the Labor Commissioner, as a willful violation, upon completion of an investigation and audit.

F. Taking or Receiving Portions of Wages of Workmen or Working Subcontractors as Felony

Every person, who individually or as a representative of the District, or as a contractor or subcontractor doing public work, or agent or officer thereof, who takes, receives or conspires with another to take or receive, for his own use or the use of any other person any portion of the wages of any workman or working subcontractor, in connection with services rendered upon any public work is guilty of a felony.

SECTION 6: ENFORCEMENT ACTION

A. Duty of the Labor Compliance Program

Pursuant to California Code of Regulations §16434, Duties of Labor Compliance Program:

(a) A Labor Compliance Program shall have a duty to the Director to enforce the requirements of Chapter 1 of Part 7 of Division 2 of the Labor Code and these regulations in a manner consistent with the practice of the Labor Commissioner. It is the practice of the Labor Commissioner to refer to the Director's ongoing advisory service of web-posted public works coverage determinations as a source of information and guidance in making enforcement decisions. It is also the practice of the Labor Commissioner to be represented by an attorney in prevailing wage hearings conducted pursuant to Labor Code Section 1742(b) and sections 17201-17270 of Title 8 of the California Code of Regulations.

(b) Upon receipt of a written complaint alleging that a contractor or subcontractor has failed to pay prevailing wages as required by the Labor Code, the Labor Compliance Program shall do all of the following:

- (1) Within 15 days after receipt of the complaint, send a written acknowledgment to the complaining party that the complaint has been received and identifying the name, address, and telephone number of the investigator assigned to the complaint;

- (2) Within 15 days after receipt of the complaint, provide the affected contractor with the notice required under Labor Code section 1775(c) if the complaint is against a subcontractor;
- (3) Notify the complaining party in writing of the resolution of the complaint within ten days after the complaint has been resolved by the Labor Compliance Program;
- (4) Notify the complaining party in writing at least once every 30 days of the status of a complaint that has not been resolved by the Labor Compliance Program; and
- (5) Notify the complaining party in writing at least once every 90 days of the status of a complaint that has been resolved by the Labor Compliance Program but remains under review or in litigation before another entity.

(c) The duties of a Labor Compliance Program with respect to apprenticeship standards are as follows:

- (1) Either the Awarding Body or the Labor Compliance Program acting on its behalf shall
 - (A) inform contractors and subcontractors bidding public works about apprenticeship requirements, (B) send copies of awards and notices of discrepancies to the Division of Apprenticeship Standards as required under Section 1773.3 of the Labor Code, and (C) refer complaints and promptly report suspected violations of apprenticeship requirements to the Division of Apprenticeship Standards.
- (2) The Labor Compliance Program shall be responsible for enforcing prevailing wage pay requirements for apprentices consistent with the practice of the Labor Commissioner, including:
 - (A) that any contributions required pursuant to Labor Code Section 1777.5(m) are paid to the appropriate entity, (B) that apprentices are paid no less than the prevailing apprentice rate, (C) that workers listed and paid as apprentices on the certified payroll records are duly registered as apprentices with the Division of Apprenticeship Standards, and (D) requiring that the regular prevailing wage rate be paid (i) to any worker who is not a duly registered apprentice and (ii) for all hours in excess of the maximum ratio permitted under Labor Code Section 1777.5(g), as determined at the conclusion of the employing contractor or subcontractor's work on the public works contract.

(d) For each public work project subject to a Labor Compliance Program's enforcement of prevailing wage requirements, a separate, written summary of labor compliance activities and relevant facts pertaining to that particular project shall be maintained. That summary shall demonstrate that reasonable and sufficient efforts have been made to enforce prevailing wage requirements consistent with the practice of the Labor Commissioner. Appendix C following this section provides a suggested format for tracking and monitoring enforcement activities. Compliance records for a project shall be retained until the later of (1) at least one year after the acceptance of the public work or five years after the cessation of all labor on a public work that has not been accepted, or (2) one year after a final decision or judgment in any litigation under Labor Code Section 1742. For purposes of this section, a written summary or report includes information maintained electronically, provided that the summary or report can be printed out in hard copy form or is in an electronic format that (1) can be transmitted by e-mail or compact disk and (2) would be acceptable for the filing of documents in a federal or state court of record within this state.

(e) The Labor Commissioner may provide, sponsor, or endorse training on how to enforce prevailing wage

requirements, including but not necessarily limited to the subjects of (1) ascertaining prevailing wage requirements and rates from the Division of Labor Statistics and Research, (2) monitoring and investigation under section 16432 above, (3) enforcement responsibilities under this section and sections 16435-16439 below, and (4) procedural requirements and responsibilities as an enforcing agency under Labor Code sections 1741-1743 and 1771.6 and sections 17201-17270 of Title 8 of the California Code of Regulations.

B. Withholding Contract Payments When Payroll Records are Delinquent or Inadequate

1. "Withhold" means to cease payments by the District, or others who pay on its behalf, or agents, to the contractor. Where the violation is by a subcontractor, the contractor shall be notified of the nature of the violation and reference made to its rights under Labor Code § 1729. A release bond under Civil Code § 3196 may not be posted for the release of the funds being withheld for the violation of the prevailing wage law.
2. "Contracts" except as otherwise provided by agreement, means only contracts under a single master contract, including a design build contract or contracts entered into as stages of a single project, which may be the subject of withholding pursuant to Labor Code Sections 1720, 1720.2, 1720.3, 1720.4, 1771 and 1771.5;
 - a. "Delinquent payroll records" means those not submitted on the basis set forth in the District's contract and or the LCP;
 - b. "Inadequate payroll records" is any one of the following:
 1. A record lacking the information required by Labor Code § 1776;
 2. A record which contains all of the required information but which is not certified, or is certified by someone who is not an agent of the contractor or subcontractor;
 3. A record remaining uncorrected for one payroll period, after a notice has been given to the contractor or subcontractor of inaccuracies detected by audit or record review; provided, however, prompt correction will stop any duty to withhold if such inaccuracies do not amount to 1 percent of the entire certified weekly payroll in dollar value and do not affect more than half the persons listed as workers employed on that certified weekly payroll, as defined in Labor Code § 1776 and § 16401 of Title 8 of the California Code of Regulations.
 - c. The withholding of contract payments when payroll records are delinquent or inadequate is required by Labor Code §1771.5 (b)(5), and it does not require the prior approval of the Labor Commissioner. The District shall only withhold those payments due or estimated to be due to the contractor or subcontractor whose payroll records are delinquent or inadequate, plus any additional amount that the LCP has reasonable cause to believe may be needed to cover a back wage and penalty assessment against the contractor or subcontractor whose payroll records are delinquent or inadequate; provided that a contractor shall be required in turn to cease all payments to a subcontractor whose payroll records are delinquent or inadequate until the LCP provides notice that the subcontractor has cured the delinquency or deficiency.
 - d. When contract payments are withheld under this section, the LCP shall provide the contractor and subcontractor, if applicable, with immediate written notice that includes all of the following: (1) a statement that payments are being withheld due to delinquent or inadequate payroll records, and that identifies what records are missing or states why records that have been submitted are deemed

inadequate; (2) specifies the amount being withheld; and (3) informs the contractor or subcontractor of the right to request an expedited hearing to review the withholding of contract payments under Labor Code Section 1742, limited to the issue of whether the records are delinquent or inadequate or the LCP has exceeded its authority under this section.

e. No contract payments shall be withheld solely on the basis of delinquent or inadequate payroll records after the required records have been produced.

f. In addition to withholding contract payments based on delinquent or inadequate payroll records, penalties shall be assessed under Labor Code Section 1776(h) for failure to timely comply with a written request for certified payroll records. The assessment of penalties under Labor Code Section 1776(h) does require the prior approval of the Labor Commissioner under section 16436 of the California Code of Regulations.

C. Withholding Contract Payments When, After Investigation, It Is Established That Underpayment or Other Violation Has Occurred.

1. "Withhold" and "contracts" have the same meaning set forth in sections 16435(a) and 16435(b) of these regulations.

2. Where the violation is by a subcontractor, the general contractor shall be notified of the nature of the violation and reference made to its rights under Labor Code Section 1729.

3. "Amount equal to the underpayment" is the total of the following determined by payroll review, audit, or admission of the contractor or subcontractor:

a. The difference between the amounts paid to workers and the correct General Prevailing Wage Rate of Per Diem Wages as defined in Labor Code §1773 and determined to be the prevailing rate due workers in such crafts, classifications or trade in which they were employed.

b. The difference between the amounts paid to workers and the correct amounts of employer payments, as defined in Labor Code §1773 .1 and determined to be part of the prevailing wage costs of contractors due for employment of workers in such craft, classification, or trade in which they were employed.

c. Estimated amounts of "illegal taking of wages"; and

d. Amounts of apprenticeship training contributions paid to neither the program sponsor's training trust nor the California Apprenticeship Council.

The withholding of contract payments when, after investigation, it is established that underpayment or other violations have occurred requires the prior approval of the Labor Commissioner under sections 16436 and 16437 of the California Code of Regulations.

4. Provisions relating to the penalties under Labor Code Sections 1775, 1776, 1777.7, and 1813:

a. Pursuant to Labor Code §1775, the contractor shall, as a penalty to the District, forfeit not more than two hundred dollars (\$200.00) for each calendar day, or portion thereof, for each worker paid less than the prevailing wages.

- b. Pursuant to Labor Code § 1776(h), the contractor shall, as a penalty to the District, forfeit one hundred dollars (\$100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. The assessment of penalties under this section does require the prior approval of the Labor Commissioner under §16436 of Title 8 of the California Code of Regulations.
- c. Pursuant to Labor Code § 1777.5, contractors and subcontractors are required to employ registered apprentices on public works projects. Each contractor and subcontractor shall keep an accurate payroll record relative to apprentices per §1776 of the Labor Code.
- d. In situations involving overtime, the contractor shall, as an additional penalty to the District forfeit twenty-five dollars (\$25) for each worker employed in the execution of the contract by the contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of §1813 of the Labor Code.

D. Forfeitures Requiring Approval by the Labor Commissioner

- 1. For the purposes of this section and §16437 below, "forfeitures" means the amount of wages, penalties and forfeitures assessed by the Labor Commissioner and proposed to be withheld pursuant to Labor Code §1771.6(a), and includes the following: (1) the difference between the prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate by the contractor; and (2) penalties assessed under Labor Code §1775, 1776 and 1813.
- 2. If the aggregate amount of forfeitures assessed as to a contractor or subcontractor is less than \$1,000.00, the forfeiture shall be deemed approved by the Labor Commissioner upon service and the Labor Commissioner's receipt of copies of the following: (1) The Notice of Withholding of Contract Payments authorized by Labor Code §1771.6(a); (2) an audit as defined in §16432(e) of the California Code of Regulations, and (3) a brief narrative identifying the Bid Advertisement Date of the contract for public work and summarizing the nature of the violation, the basis of the underpayment, and the factors considered in determining the assessment of penalties, if any, under Labor Code §1775.
- 3. For all other forfeitures, approval by the Labor Commissioner shall be requested and obtained in accordance with §16437 of the California Code of Regulations.

E. Determination of Amount of Forfeiture by the Labor Commissioner (Title 8 CCR §16437)

- 1. Where the Labor Compliance Program requests a determination of the amount of forfeiture, the request (included as an appendix to this manual) shall include a file or report to the Labor Commissioner which contains at least the information: specified in subparts (a) through (i) below.
 - a. Whether the public work has been accepted by the District and whether a valid notice of completion has been filed, the dates if any when those occurred, and the amount of funds being held in retention by the District;
 - b. Any other deadline which, if missed, would impede collection;

- c. Evidence of violation in narrative form;
 - d. Evidence of violation obtained under §16432 of the California Code of Regulations and a copy of the audit prepared in accordance with §16432(e) setting forth the amount of unpaid wages and applicable penalties;
 - e. Evidence that before the forfeiture was sent to the Labor Commissioner (1) the contractor and subcontractor were given the opportunity to explain why there was no violation, or that any violation was caused by good faith mistake and promptly corrected when brought to the contractors or subcontractors attention, and (2) the contractor and subcontractor either did not do so or failed to convince the LCP of its position.
 - f. Where the LCP seeks not only wages but also a penalty as part of the forfeiture, and the contractor or subcontractor has unsuccessfully contended that the cause of violation was a good faith mistake that was promptly corrected when brought to the contractors or subcontractors attention, a statement should accompany the proposal for a forfeiture with a recommended penalty amount, pursuant to Labor Code § 1775(a);
 - g. Where the LCP seeks only wages or a penalty less than \$50 per day as part of the forfeiture because the contractor or subcontractor has successfully contended that the cause of violation was a good faith mistake that was promptly corrected when brought to the contractor or subcontractors attention, the file should include the evidence as to the contractor or subcontractors knowledge of his or her obligation, including the programs communication to the contractor or subcontractor of the obligation in the bid invitation, at the Pre-Job Conference agenda and records, and any other notice given as part of the contracting process. Included with the file should be a statement similar to that described in subsection (f) above and recommended penalty amounts, pursuant to Labor Code § 1775(a);
 - h. The previous record of the contractor and subcontractor in meeting prevailing wage obligations; and
 - i. Whether the Labor Compliance Program has been granted approval on only an interim or temporary basis under §16425 or 16426 of the California Code of Regulations or whether it has been granted extended approval under §16427 of the California Code of Regulations.
2. The file or report shall be served on the Labor Commissioner as soon as practicable after the violation has been discovered, and not less than 30 days before the final payment or, but in no event not less than 30 days before the expiration of the limitations period set forth in Labor Code §1742
 3. A copy of the recommended forfeiture and the file or report shall be served on the contractor and subcontractor at the same time as it is sent to the Labor Commissioner. The LCP may exclude from the documents served on the contractor and subcontractor copies of documents secured from the contractor during an audit, investigation, or meeting if those documents are clearly referenced in the file or report.
 4. The Labor Commissioner shall affirm, reject, or modify the forfeiture in whole or in part as to the wages and penalties due.
 5. The Labor Commissioner's determination of the forfeiture is effective on one of the two following dates:

- a. For all programs other than those having extended authority under §16427 of the California Code of Regulations, on the date the Labor Commissioner serves by first class mail, on the District's LCP, on the contractor and on the subcontractor, if any, an endorsed copy of the proposed forfeiture, or a newly drafted forfeiture statement which sets out the amount of the forfeiture approved. Service on the contractor and subcontractor is effective if made on the last address supplied by the contractor or subcontractor in the record.
- b. For programs with extended authority under §16427 of the California Code of regulations, approval is effective 20 days after the requested forfeitures are served on the Labor Commissioner, unless the Labor Commissioner services a notice on the parties, within that time period, that this forfeiture request is subject to further review. For such programs, a notice that approval will follow such a procedure will be included in the transmittal of the forfeiture request to the contractor. If the Labor Commissioner notifies the parties of a decision to undertake further review, the Labor Commissioner's final approval, modification or disapproval of the proposed forfeiture shall be served within 30 days of the date of the notice of further review.

F. Notice of Withholding

1. As a matter of enforcing this chapter in accordance with Section 1726 or 1771.5, The District shall provide Notice of the Withholding of Contract Payments (included as an appendix to this manual) to the contractor and subcontractor, if applicable. The notice shall be in writing and shall describe the nature of the violation and the amount of wages, penalties, and forfeitures withheld. Service of the Notice shall be completed pursuant to Section 1013 of the Code of Civil Procedure by first-class and certified mail to the contractor and subcontractor, if applicable. The Notice shall advise the contractor and subcontractor, if applicable, of the procedure for obtaining review of the withholding of contract payments. The District shall also serve a copy of the notice by certified mail to any bonding company issuing a bond that secures the payment of wages covered by the notice and to any surety on a bond, if their identities are known to the District.
2. The withholding of contract payments in accordance with Section 1726 or 1771.5 shall be reviewable under Section 1742 in the same manner as if the Notice of the Withholding was a civil penalty order of the Labor Commissioner under this chapter. If review is requested, the Labor Commissioner may intervene to represent the awarding body.
3. Pending a final order, or the expiration of the time period for seeking review of the Notice of Withholding, the District shall not disburse any contract payments withheld.
4. From the amount recovered, the wage claim shall be satisfied prior to the amount being applied to penalties. If insufficient money is recovered to pay each worker in full, the money shall be prorated among all workers.
5. Wages for workers who cannot be located shall be placed in the Industrial Relations Unpaid Wage Fund and held in trust for the workers pursuant to Section 96.7. Penalties shall be paid into the General Fund of the District that has enforced this chapter pursuant to Section 1771.5.

G. Deposits of Penalties and Forfeitures Withheld

1. Where the involvement of the Labor Commissioner has been limited to a determination of the actual amount of penalty, forfeiture, or underpayment of wages and the matter has been resolved without

Litigation by or against the Labor Commissioner, the District shall deposit penalties and forfeitures into its general fund or fund of its choice.

2. Where collection of fines, penalties, or forfeitures results from Administrative proceedings or court action to which the Labor Commissioner and the District are both parties, the fines, penalties, or forfeitures shall be divided between the General Funds of the State and the District, as the court so deems.
3. All penalties recovered in administrative proceedings or court action brought by or against the Labor Commissioner and to which the District's Labor Compliance Program is not a party, shall be deposited in the general fund of the State.
4. All wages and benefits which belong to an employee and are withheld or collected from a contractor or subcontractor, either by withholding or as a result of court action pursuant to Labor Code § 1775, and which have not been paid to the worker or irrevocably committed on the worker's behalf to a benefits fund, shall be deposited with the Labor Commissioner, who will deal with such wages and benefits in accordance with Labor Code §96.7.

H. Debarment Policy

It is the policy of the LCP that the Public Works Prevailing Wage requirements set forth in the California Labor Code, Section 1720-1861, be strictly enforced. In furtherance thereof, construction contractors and subcontractors found to be repeat violators of the California Labor Code shall be referred to the Labor Commissioner for debarment from bidding on or otherwise being awarded any public work contract, within the state of California, for the performance of construction and/or maintenance services for the period not to exceed three (3) years in duration. The duration of the debarment period shall depend upon the nature and severity of the labor code violations and any mitigating and/or aggravating factors, which may be present at the hearing conducted by the Labor Commissioner for such purpose.

SECTION 7: REQUEST FOR REVIEW OF A LABOR COMPLIANCE PROGRAM ENFORCEMENT ACTION / SETTLEMENT AUTHORITY

1. After 60 days following the service of a civil wage and penalty assessment under Section 1741 or a notice of withholding under subdivision (a) of Section 1771.6, the affected contractor, subcontractor, and surety on a bond or bonds issued to secure the payment of wages covered by the assessment or notice shall be liable for liquidated damages in an amount equal to the wages, or portion thereof, that still remain unpaid. If the assessment or notice subsequently is overturned or modified after administrative or judicial review, liquidated damages shall be payable only on the wages found to be due and unpaid. Additionally, if the contractor or subcontractor demonstrates to the satisfaction of the director that he or she had substantial grounds for appealing the assessment or notice with respect to a portion of the unpaid wages covered by the assessment or notice, the director may exercise his or her discretion to waive payment of the liquidated damages with respect to that portion of the unpaid wages. Any liquidated damages shall be distributed to the employee along with the unpaid wages. Section 203.5 shall not apply to claims for prevailing wages under this chapter. (b) Notwithstanding subdivision (a), there shall be no liability for liquidated damages if the full amount of the assessment or notice, including penalties, has been deposited with the Department of Industrial Relations, within 60 days following service of the assessment or notice, for the Department to hold in escrow pending administrative and judicial review. The department shall release such funds, plus any

interest earned, at the conclusion of all administrative and judicial review to the persons and entities who are found to be entitled to such funds.

2. A contractor or subcontractor may request a settlement meeting pursuant to Labor Code §1742.1(b) and may request review of a LCP enforcement action in accordance with Labor Code §1771.6(b) and 1742 and the regulations found at §17201-17270 of Title 8 of the California Code of Regulations. The LCP shall have the rights and responsibilities of the enforcing agency (as defined in § 17202(f) of Title 8 of the California Code of Regulations, in responding to such a Request For Review, including but not limited to the obligations to serve notices, transmit the Request for Review to the hearing officer, and provide an opportunity to review evidence in a timely manner, to participate through counsel in all hearing procedures, and to meet the burden of establishing prima facie support for the Notice of Withholding of Contract Payments.
3. If a contractor or a subcontractor seeks review of a LCP enforcement action, the Labor Commissioner may intervene to represent the District, or to enforce relevant provisions of the Labor Code consistent with the practices of the Labor Commissioner, or both.
4. Except in cases where the Labor Commissioner has intervened pursuant to section (B) above, the LCP shall have the authority to prosecute, settle, or seek the dismissal of any Notice of Withholding of Contract Payment issued pursuant to Labor Code §1771.6 and any review proceeding under Labor Code §1742, without any further need for approval by the Labor Commissioner. Whenever a LCP settles in whole or in part or seeks and obtains the dismissal of a Notice of Withholding of Contract Payments or a review proceeding under Labor Code §1742, the LCP shall document the reasons for the settlement or request for dismissal and shall make that document available to the Labor Commissioner upon request.
5. For each public work project subject to a LCP's enforcement of prevailing wage requirements, a separate, written summary of labor compliance activities and relevant facts pertaining to that particular project shall be maintained. That summary shall demonstrate that reasonable and sufficient efforts have been made to enforce prevailing wage requirements consistent with the practice of the Labor Commissioner. Appendix C following this section provides a suggested format for tracking and monitoring enforcement activities. Compliance records for a project shall be retained until the later of (1) at least one year after the acceptance of the public work or five years after the cessation of all labor on a public work that has not been accepted, or (2) one year after a final decision or judgment in any litigation under Labor Code Section 1742. For purposes of this section, a written summary or report includes information maintained electronically, provided that the summary or report can be printed out in hard copy form or is in an electronic format that (1) can be transmitted by e-mail or compact disk and (2) would be acceptable for the filing of documents in a federal or state court of record within this state.
6. The Labor Commissioner may provide, sponsor, or endorse training on how to enforce prevailing wage requirements, including but not necessarily limited to the subjects of (1) ascertaining prevailing wage requirements and rates from the Division of Labor Statistics and Research, (2) monitoring and investigation under section 16432 above, (3) enforcement responsibilities under this section and sections 16435-16439 below, and (4) procedural requirements and responsibilities as an enforcing agency under Labor Code sections 1741-1743 and 1771.6 and sections 17201-17270 of Title 8 of the California Code of Regulations.

SECTION 8: PRIORITY DISTRIBUTION OF FORFEITED SUMS

A. Withholding of Forfeited Sums

1. Before making payments to the contractor of money due under a contract for public work, the District shall withhold and retain there from all amounts required to satisfy any civil wage and penalty assessment issued by the Labor Commissioner. The amounts required to satisfy a civil wage and penalty assessment shall not be disbursed by the District until receipt of a final order that is no longer subject to judicial review.

B. Disposition of Forfeited Sums

1. The prevailing wage recovery process of this LCP is in accordance with Labor Code § 1775, which provides that out of any funds withheld, recovered, or both, there shall first be paid the amount due each worker notwithstanding the filing of any Stop Notice by any person pursuant to Civil Code § 3179, et seq. Therefore, all workers employed on a public works project who are paid less than the prevailing wage rate shall have priority over all Stop Notices filed against the contractor.
2. In the event that there are insufficient funds available in the contractor's account to pay the total amounts due, the unpaid prevailing wages shall have priority and must, therefore, be paid first, in accordance with Labor Code § 1775. Furthermore, if insufficient funds are withheld, recovered, or both, to pay each underpaid worker in full, the money shall be prorated among all said underpaid workers; and all penalties shall be deposited in the General Fund of the District.

SECTION 9: ANNUAL REPORTS

Per section 16431 of the California Code of Regulations, the LCP shall submit to the Director of the DIR an annual report on the operation of its LCP no later than August 31 of each year. The reporting period will cover a 12 month period from July 1 of the preceding calendar year and will end on June 30 of the year that the annual report is due. The District's annual report shall be made on form LCP-AR1, which is included herein under Attachment G.

Information in the annual report shall be reported in sufficient detail to afford a basis for evaluating the scope and level of enforcement activity of the LCP. An annual report shall also include such additional information as the LCP may be required to report as a condition of its approval.

Pursuant to California Code of Regulations §16430, the District shall file a Statement of Economic Interest (FPPC Form 700) along with its Annual Report; specifically:

16430(a) An Awarding Body that operates either its own labor compliance program or that contracts with a third party to operate all or part of its labor compliance program shall determine and designate those employees and consultants of the program who participate in making governmental decisions for the Awarding Body within the meaning of Title 2, California Code of Regulations, sections 18700 - 18702.4. Those designated employees and consultants shall be required to file Statements of Economic Interest (FPPC Form 700) and to comply with other applicable requirements of the Political Reform Act (commencing with Section 87100 of the Government Code) in connection with work performed on behalf of the Awarding Body.

16430(b): Designated employees and consultants who operate or are employed by a third party labor

compliance program shall file their Statements of Economic Interest (FPPC Form 700) with the filing officer of each Awarding Body with which the third party program contracts, unless the Department of Industrial Relations or the Fair Political Practices Commission specifies a different or alternative filing location.

SECTION 10: OUTREACH ACTIVITIES

To ensure the successful implementation of this Labor Compliance Program, there shall be several outreach activities initiated and maintained. The LCP Administrator shall be responsible for communication and outreach activities relative to public information on the Labor Compliance Program:

1. Regular presentations to contractors at all job walk meetings (pre-bid conferences) and job start meetings (pre-job conferences);
2. Ongoing communication via correspondence and with workers at job sites when review of the CPR's reveals the possibility of prevailing wage violations.
3. Periodic meetings with contractor and labor organizations, prime contractors and subcontractors or work preservation volunteers interested in public works contracting.

ATTACHMENTS

This section contains the attachments applicable to the District's Labor Compliance Program

ATTACHMENT A - CHECKLIST OF LABOR LAW REQUIREMENTS FOR REVIEW AT PER-JOB CONFERENCE

(In accordance with CCR § 16421)

The federal and state labor law requirements applicable to the contract are composed of, but not limited to, the following:

1. Payment of Prevailing Wage Rates

The award of a public works contract requires that all workers employed on the project be paid not less than the specified general prevailing wage rates by the contractor and its subcontractors, unless subject to exemption per Labor Code § 1771.5. Should a contract exceed exemption amounts, the contractor and its subcontractors are required to pay not less than the specified general prevailing wage rates.

The contractor is responsible for obtaining and complying with all applicable general prevailing wage rates for trades workers and any rate changes, which may occur during the term of the contract. Prevailing wage rates and rate changes are to be posted at the job site for workers to view.

2. Apprentices

It is the duty of the contractor and subcontractor to employ registered apprentices on public works projects per Labor Code § 1777.5.

3. Penalties

Penalties, included forfeitures, and debarment, shall be imposed for contractor/subcontractor failure to pay prevailing wages (for nonexempt projects), failure to maintain and submit accurate certified payroll records upon request, failure to employ apprentices, and for failure to pay employees for all hours worked at the correct prevailing wage rate, in accordance with Labor Code §§ 1775, 1776, 1777.7, and 1813.

4. Certified Payroll Records

Per Labor Code § 1776, contractors and subcontractors are required to keep accurate payroll records which reflect the name, address, social security number, and work classification of each employee; the straight time and overtime hours worked each day and each week; the fringe benefits; and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee hired in connection with a public works project. Employee payroll records shall be certified and shall be made available for inspection at all reasonable hours at the principal office of the contractor/subcontractor, or shall be furnished to any employee, or to his or her authorized representative on request.

Contractors and subcontractors shall maintain their certified payrolls on a weekly basis and shall submit said payrolls to the Labor Compliance office on a weekly basis. In the event that there has been no work performed during a given week, the Certified Payroll Record shall be annotated "No Work" for that week and the final payroll for each contractor and subcontractor shall be identified in bold markings as "Final Project Payroll".

5. Nondiscrimination in Employment

Prohibitions against employment discrimination are contained in Labor Code Sections 1735 and 1777.6; the Government Code; the Public Contracts Code; and Title VII of the Civil Rights Act of 1964, as amended. All contractors and subcontractors are required to implement equal employment opportunity practices for women and ethnic groups as delineated below:

a. Equal Employment Poster

The equal employment poster shall be posted at the job site in a conspicuous place visible to employees and employment applicants for the duration of the project.

b. The contractor and each subcontractor shall maintain accurate records of employment information as required by the Monthly Employment Utilization Report. This report shall specify the ethnicity and gender for each employee in a craft, trade, or classification.

c. Further, efforts should be made to employ apprentices on public works contracts per Labor Code §1777.5 efforts to employ apprentices should also be documented.

6. Kickback Prohibited

Per Labor Code § 1778, contractors and subcontractors are prohibited from accepting, taking wages illegally, or extracting "kickback" from employee wages;

7. Acceptance of Fees Prohibited

Contractors and subcontractors are prohibited from exacting any type of fee for registering individuals for public work (Labor Code § 1779); or for filing work orders on public works contracts (Labor Code § 1780).

8. Listing of Subcontractors

Contractors are required to list all subcontractors hired to perform work on a public works project when that work is equivalent to more than one-half of one percent of the total effort (Government Code § 4100, et seq.);

9. Proper Licensing

Contractors and subcontractors are required to be properly licensed. Penalties will be imposed for employing workers while unlicensed (Labor Code § 1021 and Business and Professions Code § 7000, et seq. under California Contractors License Law);

10. Unfair Competition Prohibited

Contractors and subcontractors are prohibited from engaging in unfair competition (Business and Professions Code §§ 17200-17208);

11. Workers' Compensation Insurance

All contractors and subcontractors are required to be insured against liability for workers' compensation, or to undertake self-insurance in accordance with the provisions of Labor Code § 3700 (Labor Code § 1861);

12. OSHA

Contractors and subcontractors are required to comply with the Occupational, Safety and Health laws and regulations applicable to the particular public works project; and

13. Undocumented Workers

The Federal prohibition against hiring undocumented workers, and the requirement to secure proof of eligibility/citizenship from all workers.

14. Itemized Wage Statements

Every employer shall, semimonthly or at the time of each payment of wages, furnish each of his or her employees, either as a detachable part of the check, draft or voucher paying the employee's wages, or separately when wages are paid by personal check or cash, an accurate itemized statement as per §226 of the state labor code.

I acknowledge that I have been informed and am aware of the foregoing requirements and that I am authorized to make this certification on behalf of _____ (contractor)

For the Contractor:

For the District's Labor Compliance Administrator

Signature

Signature

Date

Date

ATTACHMENT B – COMPLIANCE MONITORING & AUDIT RECORD WORKSHEETS

Audit Record Worksheets [8 Cal. Code Reg. §16432]

- *Public Works Investigation Worksheet*
- *Public Works Audit Worksheet*
- *Prevailing Wage Determination Summary*
- *Suggested Single Project Labor Compliance Review and Enforcement Report Form [Appendix C following 8 CCR §16434]*

DEPT. OF INDUSTRIAL RELATIONS - DIVISION OF LABOR STANDARDS ENFORCEMENT

PUBLIC WORKS INVESTIGATION WORKSHEET

Classification Code	EMPLOYEE'S NAME		SOCIAL SECURITY NUMBER					DEPUTY	OFFICE	DATE	Employer	Case Number													
	PERIOD ENDING YEAR	Wk end	HOURS OF WORK							TOTAL DAYS WORKED	TOTAL HOURS WORKED	ACTUAL RATE	OTHER COMPEN-SATION	TOTAL WAGES PAID	Required Wage Rates	OTHER COMPEN-SATION	TOTAL WAGES REQUIRED	AMOUNT DUE AND OWING	No. of Violations	PENAL-TIES 1775	No. of Violations	PENAL-TIES 1813	TOTAL TRAIRING FUND	Amount Due and Owing	
			-Thu	-Wed	-Tue	-Mon	-Sun	-Sat	Fri	ST	OT	DT	SL,OL,DL	REQUIRED	REQUIRED	REQUIRED	REQUIRED	REQUIRED	REQUIRED	REQUIRED	REQUIRED	REQUIRED	REQUIRED	REQUIRED	
	ST																							Rate	
	OT																								
	DT																								
	ST																								Rate
	OT																								
	DT																								
	ST																								Rate
	OT																								
	DT																								
	ST																								Rate
	OT																								
	DT																								
	ST																								Rate
	OT																								
	DT																								
	ST																								Rate
	OT																								
	DT																								
	ST																								Rate
	OT																								
	DT																								

29

ST hours worked
OT hours worked
DT hours worked

TOTALS

Page No. ___

PREVAILING WAGE DETERMINATION SUMMARY

CODE NO.	CLASSIFICATION	Effective Date	HOURLY			HOLIDAY / TRAVEL &		Other hourly Requirements
			RATE	Contributions	TRAINING	TIME 1/2	SUNDAY	
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								

31

WAGE DETERMINATION INFORMATION

CODE NO.	CLASSIFICATION	WAGE DETERMINATION NO.
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		

Suggested Single Project Labor Compliance Review and Enforcement Report Form

[Appendix C following 8 CCR §16434]

Awarding Body: _____

Project Name: _____

Name of Approved Labor Compliance Program: _____

Bid Advertisement Date: _____

Acceptance Date: _____

Notice of Completion Recordation Date: _____

Summary of Labor Compliance Activities

1. Contract Documents Containing Prevailing Wage Requirements (Identify)

2. Prejob Conference(s) -- Attach list(s) of attendees and dates

3. Notification to Project Workers of Labor Compliance Program's Contact Person. (Explain Manner of Notification for each project work site.)

4. Certified Payroll Record Review

a. CPRs Received From:

<u>Contractor/Subcontractor</u>	<u>For weeks ending ("w/e") through w/e</u>
_____	_____
_____	_____
_____	_____
_____	_____

b. Classifications identified in CPRs and applicable Prevailing Wage Determinations

<u>Classification</u>	<u>Determination No.</u>
_____	_____
_____	_____
_____	_____
_____	_____

5. Further investigation or audit due to CPR review, information or complaint from worker or other interested person, or other reason:

a. Independent Confirmation of CPR Data

<u>Contractor/Subcontractor</u>	<u>Worker Interviews (Yes/No)</u>	<u>Reconciled CPRs with Paychecks or Stubs (Yes/No)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

b. Employer Payments (Health & Welfare, Pension, Vacation/Holiday) Confirmation

<u>Contractor/Subcontractor</u>	<u>Recipients of Employer Payments</u>	<u>Written confirmation Obtained (Yes/No)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

c. Contributions to California Apprenticeship Council or Other Approved Apprenticeship Program

<u>Contractor/Subcontractor</u>	<u>Recipients of Contributions</u>	<u>Written confirmation Obtained (Yes/No)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

d. Additional Wage Payments or Training Fund Contributions Resulting from Review of CPRs

<u>Contractor/Subcontractor</u>	<u>Additional amounts Paid to Workers</u>	<u>Additional Training Fund</u>	<u>Explanation</u>
_____	_____	_____	*
_____	_____	_____	*
_____	_____	_____	*
_____	_____	_____	*

* Use separate page(s) for explanation

6. Complaints Received Alleging Noncompliance with Prevailing Wage Requirements.

<u>Name of Complainant</u>	<u>Date Received</u>	<u>Resolution or Current Status</u>
_____	_____	*
_____	_____	*
_____	_____	*
_____	_____	*

*Use separate page(s) to explain resolution or current status

7. Requests for Approval of Forfeiture to Labor Commissioner

<u>Contractor/Subcontractor</u>	<u>Date of Request</u>	<u>Approved/Modified/Denied</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

8. Litigation Pending Under Labor Code Section 1742


<u>Contractor/Subcontractor</u>	<u>DIR Case Number</u>
_____	_____
_____	_____
_____	_____

9. (Check one): _____ Final report this project _____ Annual report this project

Authorized Representative for Labor Compliance Program

ATTACHMENT C - REQUEST FOR APPROVAL OF FORFEITURE

1. AWARDING BODY / THIRD PARTY LCP:

<p>Name and Contact Information for Awarding Body:</p>  <p>Joshua Basin Water District c/o Susan Greer 61750 Chollita Road Joshua Tree, CA 92252</p>	<p>Date of Request:</p> <p>LCP Approval Status (specify if either interim or temporary or if LCP has extended authority):</p>
---	---

2. PROJECT INFORMATION:

Project Name:	Contract Number:
Project Location:	
Bid Advertisement Dates:	Estimated Date Project is to be completed:
Acceptance Date of Project by the Awarding Body:	Notice of Completion/Date Recorded with County Recorder:
Other Relevant Deadline (specify):	Amount being held in Retention:

3. CONTRACTOR INFORMATION:

Name and address of Affected Contractor:	Name and address of Affected Subcontractor:
General Description of Scope of Work of the Entire Project:	
General Description of Scope of Work covered in the proposed Forfeiture (describe and attach relevant portions of contract or subcontract):	

4. LABOR COMPLIANCE PROGRAM INVESTIGATION AND FINDINGS:

Total Amount of Request for Notice of Withholding of Contract Payments:			
Wages Due:	Training Funds Due:	Total Penalties Due:	Potential Liquidated Damages [Wages + Training Funds]:
LC 1775 Penalties Due:	LC 1813 Penalties Due:	LC 1776 Penalties Due:	Other:

[Provide narrative summaries covering the following]:

- A. *Statement of Issues.*
- B. *Investigative Report (detailed narrative including but not limited to how the investigation was conducted including worker declarations, reviewing certified payroll records, verification of employer payment contributions, etc.).*
- C. *Audit Report (detailed explanation of how audit was completed addressing each of the issues above).*
- D. *Affected contractor and subcontractor information (how affected contractor and subcontractor were informed of potential violations; summary of their response with respect to violations and penalty issues; and any other information considered in determining recommended penalties).*
- E. *Recommended penalties under Labor Code Section 1775(a) and basis for recommendation, including how factors in subsection (a)(2) of Section 1775 were applied to arrive at the recommended amount(s).*


ATTACHMENTS

- 1. Audit Summary (Appendix B)
- 2. 1st Bid Advertisement Publication
- 3. Notice of Completion
- 4. Scope of Work
- 5. Complaint form(s) and Declarations, if any

Send the Request and all Attachments to:

Division of Labor Standards Enforcement
 Bureau of Field Enforcement
 Attn.: Regional Manager
 300 Oceangate Blvd., No. 850
 Long Beach, CA 90802

COPIES OF THIS REQUEST, INCLUDING ALL ATTACHMENTS, SHALL BE SERVED ON THE AFFECTED CONTRACTOR AND AFFECTED SUBCONTRACTOR AT THE SAME TIME THAT IT IS SENT TO THE DIVISION OF LABOR STANDARDS ENFORCEMENT.

<p>LABOR COMPLIANCE PROGRAM Joshua Basin Water District Review Office - Notice of Withholding of Contract Payments c/o Susan Greer 61750 Chollita Road Joshua Tree, CA 92252 Phone: (760) 366-8438 Fax: (760) 366-9528</p>	
<p>Date:</p>	<p>In Reply Refer to Case No.:</p>

Notice of Opportunity to Review Evidence Pursuant to Labor Code Section 1742(b)

To: Prime Contractor

Subcontractor

Please be advised that this office has received your **Request for Review**, dated _____, and pertaining to the Notice of Withholding of Contract Payments issued by the Labor Compliance Program in Case No. _____.

In accordance with Labor Code section 1742(b), this notice provides you with an opportunity to review evidence to be utilized by the Labor Compliance Program at the hearing on the Request for Review, and the procedures for reviewing such evidence.

Rule 17224 of the Prevailing Wage Hearing Regulations provides as follows:

A(a) Within ten (10) days following its receipt of a Request for Review, the Enforcing Agency shall also notify the affected contractor or subcontractor of its opportunity and the procedures for reviewing evidence to be utilized by the Enforcing Agency at the hearing of the Request for Review.

(b) An Enforcing Agency shall be deemed to have provided the opportunity to review evidence required by this Rule if it (1) gives the affected contractor or subcontractor the option at said party's own expense to either (i) obtain copies of all such evidence through a commercial copying service or (ii) inspect and copy such evidence at the office of the Enforcing Agency during normal business hours; or if (2) the Enforcing Agency at its own expense forwards copies of all such evidence to the affected contractor or subcontractor.

(c) The evidence required to be provided under this Rule shall include the identity of witnesses whose testimony the Enforcing Agency intends to present, either in person at the hearing or by declaration or affidavit. This provision shall not be construed as requiring the Enforcing Agency to prepare or provide any separate listing of witnesses whose identities are disclosed within the written materials made available under subpart (a).

(d) The Enforcing Agency shall make evidence available for review as specified in subparts (a) through (c) within 20 days of its receipt of the Request for Review; *provided that*, this deadline may be extended by written request or agreement of the affected contractor or subcontractor. The Enforcing Agency's failure to make evidence available for review as required by Labor Code section 1742(b) and this Rule, shall preclude the enforcing agency from introducing such evidence in proceedings before the Hearing officer or the Director.

(e) This Rule shall not preclude the Enforcing Agency from relying upon or presenting any evidence first obtained after the initial disclosure of evidence under subparts (a) through (d), *provided that*, such evidence is promptly disclosed to the affected contractor or subcontractor. This Rule also shall not preclude the Enforcing Agency from presenting previously undisclosed evidence to rebut new or collateral claims raised by another party in the proceeding. @

In accordance with the above Rule, please be advised that the Labor Compliance Program's procedure for you to exercise your opportunity to review evidence is as follows:

Within five calendar days of the date of this notice, please transmit the attached Request to Review Evidence to the following address:

Joshua Basin Water District
c/o Susan Greer
61750 Chollita Road
Joshua Tree, CA 92252
Phone: (760) 366-8438
Fax: (760) 366-9528

Request to Review Evidence

To: _____

From:




Joshua Basin Water District
c/o Susan Greer
61750 Chollita Road
Joshua Tree, CA 92252
Phone: (760) 366-8438
Fax: (760) 366-9528

Regarding Notice of Withholding of Contract Payments Dated _____

Our Case No.: _____

The undersigned hereby requests an opportunity to review evidence to be utilized by the Labor Compliance Program at the hearing on the Request for Review.

Phone No.: _____
Fax No.: _____

Labor Compliance Program c/o Susan Greer 61750 Chollita Road Joshua Tree, CA 92252 Phone: (760) 366-8438	
Date:	In Reply Refer to Case No.:

ATTACHMENT D - Notice of Withholding of Contract Payments

Awarding Body	Work Performed in County of
Project Name	Project No.
Prime Contractor	
Subcontractor	

After an investigation concerning the payment of wages to workers employed in the execution of the contract for the above-named public works project, the Labor Compliance Program for _____ (Labor Compliance Program) has determined that violations of the California Labor Code have been committed by the contractor and/or subcontractor identified above. In accordance with Labor Code sections 1771.5 and 1771.6, the Labor Compliance Program hereby issues this Notice of Withholding of Contract Payments.

The nature of the violations of the Labor Code and the basis for the assessment are as follows:

The Labor Compliance Program has determined that the total amount of wages due is: \$ _____

The Labor Compliance Program has determined that the total amount of penalties assessed under Labor Code sections 1775 and 1813 is: \$ _____

The Labor Compliance Program has determined that the amount of penalties assessed under Labor Code section 1776 is: \$ _____

LABOR COMPLIANCE PROGRAM

By: _____

Notice of Right to Obtain Review - Formal Hearing

In accordance with Labor Code sections 1742 and 1771.6, an affected contractor or subcontractor may obtain review of this Notice of Withholding of Contract Payments by transmitting a written request to the office of the Labor Compliance Program that appears below within 60 days after service of the notice. **To obtain a hearing, a written Request for Review must be transmitted to the following address:**

Labor Compliance Program
Review Office-Notice of Withholding of Contract Payments
c/o Susan Greer
61750 Chollita Road
Joshua Tree, CA 92252

A **Request for Review** either shall clearly identify the Notice of Withholding of Contract Payments from which review is sought, including the date of the notice, or it shall include a copy of the notice as an attachment, and shall also set forth the basis upon which the notice is being contested. In accordance with Labor Code section 1742, the contractor or subcontractor shall be provided an opportunity to review evidence to be utilized by the Labor Compliance Program at the hearing within 20 days of the Labor Compliance Program's receipt of the written **Request for Review**.

Failure by a contractor or subcontractor to submit a timely Request for Review will result in a final order which shall be binding on the contractor and subcontractor, and which shall also be binding, with respect to the amount due, on a bonding company issuing a bond that secures the payment of wages and a surety on a bond. Labor Code section 1743.

In accordance with Labor Code section 1742(d), a certified copy of a final order may be filed by the Labor Commissioner in the office of the clerk of the superior court in any county in which the affected contractor or subcontractor has property or has or had a place of business. The clerk, immediately upon the filing, shall enter judgment for the State against the person assessed in the amount shown on the certified order.

(continued on next page)

Opportunity for Settlement Meeting

In accordance with Labor Code Section 1742.1 (b), the Labor Compliance Program shall, upon receipt of a request from the affected contractor or subcontractor within 30 days following the service of this Notice of Withholding of Contract Payments, afford the contractor or subcontractor the opportunity to meet with the Labor Compliance Program's designee **to attempt to settle a dispute regarding the notice**. The settlement meeting may be held in person or by telephone and shall take place before the expiration of the 60-day period for seeking a hearing as set forth above under the heading Notice of Right to Obtain Review. No evidence of anything said or any admission made for the purpose of, in the course of, or pursuant to, the settlement meeting is admissible or subject to discovery in any administrative or civil proceeding. No writing prepared for the purpose of, in the course of, or pursuant to, the settlement meeting, other than a final settlement agreement, is admissible or subject to discovery in any administrative or civil proceeding. This opportunity to timely request an informal settlement meeting is **in addition** to the right to obtain a formal hearing, and a settlement meeting may be requested even if a written **Request for Review** has already been made. Requesting a settlement meeting, however, does not extend the 60-day period during which a formal hearing may be requested.

A written request to meet with the Labor Compliance Program's designee to attempt to settle a dispute regarding this notice must be transmitted to the contact named below at the following address:

Joshua Basin Water District
c/o Susan Greer
61750 Chollita Road
Joshua Tree, CA 92252

Liquidated Damages

In accordance with Labor Code section 1742.1, after 60 days following the service of this Notice of Withholding of Contract Payments, the affected contractor, subcontractor, and surety on a bond or bonds issued to secure the payment of wages covered by the notice shall be liable for liquidated damages in an amount equal to the wages, or portion thereof that still remain unpaid. If the notice subsequently is overturned or modified after administrative or judicial review, liquidated damages shall be payable only on the wages found to be due and unpaid. If the contractor or subcontractor demonstrates to the satisfaction of the Director of the Department of Industrial Relations that he or she had substantial grounds for believing the assessment or notice to be an error, the Director shall waive payment of the liquidated damages.


The Amount of Liquidated Damages Available Under this Notice is \$_____.

Distribution:

Prime Contractor
Subcontractor
Surety(s) on Bond

Attach:

Audit Summary
Proof of Service

Joshua Basin Water District c/o Susan Greer 61750 Chollita Road Joshua Tree, CA 92252 Phone: (760) 366-8438 Fax: (760) 366-9528	
Date:	Case or Contract No.:

**ATTACHMENT E - NOTICE OF TEMPORARY WITHHOLDING OF CONTRACT PAYMENTS
DUE TO DELINQUENT OR INADEQUATE PAYROLL RECORDS
(8 CCR §16435)**

Awarding Body:	Work performed in County of:
Project Name and Number (if any):	
Prime Contractor:	
Subcontractor:	

Pursuant to Labor Code §1771.5(b)(5) and 8 CCR §16435, contract payments are being withheld due to delinquent or inadequate payroll records.

Contractor or subcontractor whose payroll records are delinquent or inadequate:

The following payroll records are delinquent (specify weeks and due dates):

The following payroll records are inadequate (specify weeks and ways in which records are deemed inadequate under 8 CCR §16435(d)):

Estimated amount of contract payments due to contractor or subcontractor that are being withheld pursuant to this Notice:

See page 2 for additional information, including appeal rights.

 Labor Compliance Officer

Prime Contractor Obligations: If contract payments are being withheld due to the delinquency or inadequacy of your subcontractor's payroll records, you are required to cease all payments to that subcontractor until the Labor Compliance Program provides notice that the subcontractor has cured the delinquency or deficiency.

Notice of Right to Obtain Review – Expedited Hearing

An affected contractor or subcontractor may request review an expedited hearing to review this Notice of Withholding of Contract Payments under Labor Code §1742. *The only issue in any such review proceeding is whether the specified payroll records are in fact delinquent or inadequate within the meaning of 8 CCR §16435 or whether the Labor Compliance Program has exceeded its authority under 8 CCR §16435. To obtain an expedited hearing, a written request must be transmitted to the both the Labor Compliance Program and to the Lead Hearing Officer for the Director of the Department of Industrial Relations, as follows:*

Joshua Basin Water District
c/o Susan Greer
61750 Chollita Road
Joshua Tree, CA 92252
Phone: (760) 366-8438
Fax: (760) 366-9528

Office of the Director – Legal Unit
Attention: Lead Hearing Officer
Expedited Hearing Request
Fax to: (415) 703-4277


The request for expedited hearing should specify the basis for challenging this Notice and include a copy of this Notice as an attachment. The request should also identify and provide contact information for the person who will represent the contractor or subcontractor at the hearing.

Important Additional Information: This is a Notice of Temporary Withholding of Contract Payments for Delinquent or Inadequate Payroll Records *only*. This is *not* a determination of liability for wages or penalties under Labor Code §§1775 and 1776 or any other statute. *Contract payments cannot continue to be withheld pursuant to this notice, once the required records have been produced.* However, the contractor and subcontractor may still be subject to the assessment of back wages and penalties and the withholding of contract payments if, upon investigation, a determination is made that the contractor or subcontractor violated the public works requirements of the Labor Code.

This Notice only addresses rights and responsibilities under state law. Awarding bodies, labor compliance programs, and contractors may have other rights or responsibilities under federal or local law, where applicable, and may also have additional rights or remedies under the public works contract.

§16435. Withholding Contract Payments When Payroll Records are Delinquent or Inadequate.

- (a) "Withhold" means to cease payments by the Awarding Body, or others who pay on its behalf, or agents, to the general contractor. Where the violation is by a subcontractor, the general contractor shall be notified of the nature of the violation and reference made to its rights under Labor Code Section 1729.
- (b) "Contracts." Except as otherwise provided by agreement, only contracts under a single master contract, including a Design-Build contract, or contracts entered into as stages of a single project, may be the subject of withholding.
- (c) "Delinquent payroll records" means those not submitted on the date set in the contract.
- (d) "Inadequate payroll records" are any one of the following:
- (1) A record lacking any of the information required by Labor Code Section 1776;
 - (2) A record which contains all of the required information but is not certified, or is certified by someone who is not an agent of the contractor or subcontractor;
 - (3) A record remaining uncorrected for one payroll period after the Labor Compliance Program has given the contractor or subcontractor notice of inaccuracies detected by audit or record review. However, prompt correction will stop any duty to withhold if such inaccuracies do not amount to one (1) percent of the entire Certified Weekly Payroll in dollar value and do not affect more than half the persons listed as workers employed on that Certified Weekly Payroll, as defined in Labor Code Section 1776 and section 16401 of Title 8 of the California Code of Regulations.
- (e) The withholding of contract payments when payroll records are delinquent or inadequate is required by Labor Code Section 1771.5(b)(5), and it does not require the prior approval of the Labor Commissioner. The Awarding Body shall only withhold those payments due or estimated to be due to the contractor or subcontractor whose payroll records are delinquent or inadequate, plus any additional amount that the Labor Compliance Program has reasonable cause to believe may be needed to cover a back wage and penalty assessment against the contractor or subcontractor whose payroll records are delinquent or inadequate; *provided that* a contractor shall be required in turn to cease all payments to a subcontractor whose payroll records are delinquent or inadequate until the Labor Compliance Program provides notice that the subcontractor has cured the delinquency or deficiency.
- (f) When contract payments are withheld under this section, the Labor Compliance Program shall provide the contractor and subcontractor, if applicable, with immediate written notice that includes all of the following:
- (1) a statement that payments are being withheld due to delinquent or inadequate payroll records, and that identifies what records are missing or states why records that have been submitted are deemed inadequate;
 - (2) specifies the amount being withheld; and
 - (3) informs the contractor or subcontractor of the right to request an expedited hearing to review the withholding of contract payments under Labor Code Section 1742, limited to the issue of whether the records are delinquent or inadequate or the Labor Compliance Program has exceeded its authority under this section.
- (g) No contract payments shall be withheld solely on the basis of delinquent or inadequate payroll records after the required records have been produced.
- (h) In addition to withholding contract payments based on delinquent or inadequate payroll records, penalties shall be assessed under Labor Code Section 1776(h) for failure to timely comply with a written request for certified payroll records. The assessment of penalties under Labor Code Section 1776(h) does require the prior approval of the Labor Commissioner under section 16436 of these regulations.

<p>LABOR COMPLIANCE PROGRAM Joshua Basin Water District Review Office - Notice of Withholding of Contract Payments c/o Susan Greer 61750 Chollita Road Joshua Tree, CA 92252</p> <p>Phone: (760) 366-8438 Fax: (760) 366-9528</p>	
<p>Date:</p>	<p>In Reply Refer to Case No.:</p>

Notice of Transmittal

To: Department of Industrial Relations
 Office of the Director-Legal Unit
 Attention: Lead Hearing Officer
 P. O. Box 420603
 San Francisco, CA 94142-0603

Enclosed herewith please find a Request for Review, dated _____, postmarked _____, and received by this office on _____.

Also enclosed please find the following:

- _____ Copy of Notice of Withholding of Contract Payments
- _____ Copy of Audit Summary

LABOR COMPLIANCE PROGRAM
Joshua Basin Water District

By: _____

cc: Prime Contractor
 Subcontractor
 Bonding Company

Please be advised that the Request for Review identified above has been received and transmitted to the address indicated. Please be further advised that the governing procedures applicable to these hearings are set forth at Title 8, California Code of Regulations sections 17201-17270. These hearings are **not** governed by Chapter 5 of the Government Code, commencing with section 11500.



California
Department of
Industrial Relations

PUBLIC WORKS PAYROLL REPORTING FORM

Page _____ of _____

NAME OF CONTRACTOR: OR SUBCONTRACTOR:				CONTRACTOR'S LICENSE NO.:				ADDRESS:													
PAYROLL NO.:		FOR WEEK ENDING:		SELF-INSURED CERTIFICATE NO.:				PROJECT OR CONTRACT NO.:													
		(4) DAY		(5) TOTAL HOURS		(6) HOURLY RATE OF PAY		WORKERS' COMPENSATION POLICY NO.:		PROJECT AND LOCATION:											
(1) NAME, ADDRESS AND SOCIAL SECURITY NUMBER OF EMPLOYEE	(2) STATUS WITH EMPLOYER	(3) WORK CLASSIFICATION	M	T	W	TH	F	S	S	TOTAL HOURS	HOURLY RATE OF PAY	(7) GROSS AMOUNT EARNED	(8) DEDUCTIONS, CONTRIBUTIONS AND PAYMENTS							(9) NET WGS PAID FOR WEEK	CHECK NO.
			DATE										FED. TAX	FICA (SOC. SEC.)	STATE TAX	SDI	VAC/ HOLIDAY	HEALTH & WELF.	PENSION		
			HOURS WORKED EACH DAY																		

Form 9-1-11 (New 2/06)

S = STRAIGHT TIME
O = OVERTIME
SDI = STATE DISABILITY INSURANCE

*OTHER - Any other deductions, contributions and/or payments whether or not included or required by prevailing wage determinations must be separately listed. Use extra sheet(s) if necessary

CERTIFICATION **MUST** be completed
(See reverse side)

47

ATTACHMENT F - CERTIFIED PAYROLL RECORD (CPR) TEMPLATE

Date _____

I, _____
(Name of Signatory Party) (Title)

do hereby state:

(1) That I pay or supervise the payment of the persons employed by

_____ or the
(Contractor or Subcontractor)

_____ ; that during the payroll period commencing on the
(Building or Work)

_____ day of _____, and ending the _____ day of _____.

all persons employed on said project have been paid the full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of said

_____ from the full
(Contractor or Subcontractor)

weekly wages earned by any person and that no deductions have been made either directly or indirectly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 C.F.R. Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 957, 76 Stat. 357; 40 U.S.C. § 3145), and described below.

(2) That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for laborers or mechanics contained therein are not less than the applicable wage rates contained in any wage determination incorporated into the contract; that the classifications set forth therein for each laborer or mechanic conform with the work to be performed.

(3) That any apprentices employed in the above period are duly registered in a bona fide apprenticeship program registered with a State apprenticeship agency recognized by the Bureau of Apprenticeship and Training, United States Department of Labor, or if no such recognized agency exists in a State, are registered with the Bureau of Apprenticeship and Training, United States Department of Labor.

(4) That:

(a) WHERE FRINGE BENEFITS ARE PAID TO APPROVED PLANS, FUNDS, OR PROGRAMS

- In addition to the basic hourly wage rates paid to each laborer or mechanic listed in the above referenced payroll, payments of fringe benefits as listed in the contract have been or will be made to appropriate programs for the benefit of such employees, except as noted in section 4(c) below.

(b) WHERE FRINGE BENEFITS ARE PAID IN CASH

- Each laborer or mechanic listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the sum of the applicable basic hourly wage rate plus the amount of the required fringe benefits as listed in the contract, except as noted in section 4(c) below.

(c) EXCEPTIONS

EXCEPTION (CRAFT)	EXPLANATION

REMARKS

NAME AND TITLE	SIGNATURE

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. SEE SECTION 1031 OF TITLE 18 AND SECTION 221 OF TITLE 31 OF THE UNITED STATES CODE.

LCP-ARI

6. LC § 1771.5 enforcement activities (provide all information requested, attaching as many sheets as necessary).

A. List projects handled by LCP within the past 12 months.

Project Name	Bid Advertisement Date	Prime Contractor	Contract Amount
Total			

B. Summary of all wages and penalties assessed and/or recovered.

Project Name	Affected Contractor (who directly employed the worker)	Amount Assessed	Amount Recovered	Approval of Forfeiture Requested from Labor Commissioner?	Description of Violation
				<input type="checkbox"/> Yes <input type="checkbox"/> No	
				<input type="checkbox"/> Yes <input type="checkbox"/> No	
				<input type="checkbox"/> Yes <input type="checkbox"/> No	
				<input type="checkbox"/> Yes <input type="checkbox"/> No	
				<input type="checkbox"/> Yes <input type="checkbox"/> No	
				<input type="checkbox"/> Yes <input type="checkbox"/> No	
				<input type="checkbox"/> Yes <input type="checkbox"/> No	
				<input type="checkbox"/> Yes <input type="checkbox"/> No	
Total				<input type="checkbox"/> Yes <input type="checkbox"/> No	

50

LCP-AR1

C. For any amount identified in item B for which approval of forfeiture not requested from the Labor Commissioner, please explain below.

Project Name	Amount Assessed	Amount Recovered	Explanation
Total			

D. For any amount identified in item B for which approval of forfeiture was requested from the Labor Commissioner, please provide the following:

Project Name	Amount Assessed					Amount Recovered				
	LC §1776(g)	LC § 1775	LC § 1813	Wages	Total	LC § 1776(g)	LC § 1775	LC § 1813	Wages	Total
Total										

E. Identify cases that are or were the subject of LC § 1742 proceedings.

Project Name	Contractor	Nature of Violation	ODL Case #	Current Status

F. Did you refer any contractor to the Labor Commissioner for debarment per LC § 1777.1?

Please check one: Yes No

If yes, identify affected contractor(s) or subcontractor(s) and date(s) of referral: _____

G. Did you refer any apprenticeship violation to the Division of Apprenticeship Standards (DAS)?

Please check one: Yes No

If yes, identify affected contractor(s) or subcontractor(s) and date(s) of referral: _____

JOSHUA BASIN WATER DISTRICT
AGENDA REPORT

Meeting of the Board of Directors

April 17, 2013

Report to: President and Members of the Board
From: Susan Greer, Assistant General Manager/Controller



TOPIC:

BOARD OF DIRECTORS TO AUTHORIZE RATE STUDY AT A COST OF \$25,000, PLUS JBWD 10% CONTINGENCY OF \$2,500, PLUS DIRECT EXPENSES ESTIMATED AT \$1,800 FOR A TOTAL OF \$29,300

RECOMMENDATION:

Authorize Bartle Wells Associates to conduct a rate study at a cost of \$29,300 including 10% contingency plus estimated expenses.

ANALYSIS:

We discovered recently that the Board never formally authorized the rate study although it had been identified as a priority in your 2012 Strategic Plan and funded in the current Supplemental Budget.

A proposal from Bartle Wells Associates (BWA) for a rate and fee study was presented to the Board in June 2011. The Board authorized only the fee study portion of the proposal for \$14,700. Staff and BWA began work on the new fee study project after the Board's June 2011 approval, with the District collecting and tabulating labor, equipment and material cost data related to specific tasks. Once the informal direction was given to move forward on the rate study with a beginning date of January 2013, we gave the fee study project a lower priority because some of the work is required for both studies and it would be more cost effective to perform the two studies together.

BWA has provided a cost of \$29,300 including our contingency of 10% and estimated expenses to complete the rate study. That total, plus the \$14,700 for the already-approved fee study, is \$44,000 and the District has budgeted \$15,000 for the fee study and another \$30,000 for the rate study already.

Section 2 of the proposal, Scope of Services, addresses the many complex issues associated with a rate study, including analysis of financing alternatives for pipeline replacement and other capital projects and review of our capacity charges. BWA will assist us in our legal compliance with Proposition 218 as well as public education efforts. The proposal cost includes attendance of up to four on-site meetings by the consultants.

Staff is proposing BWA as a sole-source provider without the need for competitive procurement procedures. The District's Bidding Procedures allow us to waive the competitive procurement procedures because it is in the best interest of the District to utilize a source previously selected through a competitive process for earlier work on the same project. When the 2007 rate and fee study was proposed, the District solicited requests for proposals from six qualified firms and received three proposals. Proposed costs ranged from \$38,000 to \$49,500. BWA was the lowest qualified bidder, had excellent references, and was awarded the \$38,000 contract. BWA proved to be very

competent and worked well with Staff, the Board and the Citizens Advisory Committee on the previous rate and fee study.

In addition, since BWA has already been awarded the fee study, it would be inappropriate to contract with a different firm to conduct the rate study. The two studies use much of the same data and work together, determining which revenue sources fund which expenses, etc. Having one firm conducting the fee study and another conducting the rate study would be like hiring two different architects to design the same building.

STRATEGIC PLAN ITEM:

Strategic Plan Item #2.2.2, Rate Study. Conduct rate study, including review and update of structure and analysis of pay/go vs. debt financing.

FISCAL IMPACT:

\$29,300, already funded in 13/14 Supplemental Budget



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

1889 Alcatraz Avenue
Berkeley, CA 94703
510 653 3399 fax: 510 653 3769
www.bartlewells.com

April 9, 2013

Joshua Basin Water District
61750 Chollita Road
Joshua Tree, California 92252

Attention: Susan Greer, Assistant General Manager/Controller

Subject: Proposal for Water Rate Study

Bartle Wells Associates is pleased to submit this proposal to conduct a water rate study for the Joshua Basin Water District. Bartle Wells Associates specializes in providing independent financial advisory and utility rate consulting services to California water and wastewater agencies. We have extensive expertise developing long-term financial plans and water rates for a wide range of California water agencies. We have a well-earned reputation for providing our clients with straightforward, practical advice. And we have a strong track record of building consensus and public acceptance for final recommendations.

Bartle Wells Associates was established in 1964 and is the leading utility rate and finance consulting firm in California. We have served over 500 public agencies throughout the Western United States, predominantly in California, and have developed over 2,000 financial plans and rate studies for water, wastewater, and recycled water enterprises. Our clients have ranged from small cities and districts to large cities, special districts, joint power authorities, and counties. All of our lead consultants are Certified Independent Public Finance Advisors who specialize in water and wastewater rates and finance.

In 2006-2007, we assisted the District in developing a long-term financing plan and water rate study. Final recommendations were developed with input from the District and the District's Citizens Advisory Committee (CAC) and included a 4-year phase in of 6% annual rate increases coupled with modifications to the District's rate structure to gradually increase conservation incentive. We also updated the District's Capacity Charges based on the cost of infrastructure needed to serve growth.

Our overall goal of this assignment will be to work closely with the District to identify objectives, update financial projections, evaluate key alternatives and their impacts, and build consensus for final rate recommendations. Our general approach will be to work collaboratively with the District throughout the rate and fee study process to ensure final recommendations reflect District and CAC objectives.

We enjoyed working with the District on our prior assignment and hope this proposal provides a suitable basis for our selection. We are ready to begin working at the District's direction. Please contact me if you have any questions or would like any additional information.

Sincerely,

BARTLE WELLS ASSOCIATES

A handwritten signature in black ink that reads "Alex Handlers". The signature is written in a cursive, flowing style.

Alex Handlers, CIPFA
Principal/Vice President

Table of Contents

SECTION 1: FIRM OVERVIEW 1

SECTION 2: SCOPE OF SERVICES 3

SECTION 3: AVAILABILITY & FEES 8

Section 1: Firm & Staff Qualifications



BARTLE WELLS ASSOCIATES – FIRM OVERVIEW

Bartle Wells Associates (BWA) is an independent financial advisor to public agencies with expertise in water and wastewater rates and finance. Our firm was established in 1964 and is owned and managed by its principal consultants. We have over 45 years of experience advising local governments on the complexities and challenges in public finance. We have advised over 500 public agency clients in the western United States and completed over 2,500 assignments. We have a diversity of abilities and experience to evaluate all types of financial issues faced by local governments and to recommend the best and most-practical solutions.

Bartle Wells Associates has a stable, well-qualified professional team. Our education and backgrounds include finance, civil engineering, business, public administration, public policy, and economics. The firm is owned and managed by its principal consultants who have been with the firm for many years.

BWA specializes in three professional services: utility rate and fee studies, financial plans, and project financing. We are the only independent financial advisor providing *all three* of these interrelated services to public agencies.

BWA Key Services

- *Financial Plans*
- *Rate & Fee Studies*
- *Project Financing*

RATE AND FEE STUDIES Our *rate studies* employ a cost-of-service approach and are designed to maintain the long-term financial health of a utility enterprise while being fair to all customers. We develop practical recommendations that are easy to implement and often phase in rate adjustments over time to minimize the impact on ratepayers. We also have extensive experience developing impact fees that equitably recover the costs of infrastructure required to serve new development. BWA has completed hundreds of water and wastewater rate and fee studies. We have helped communities implement a wide range of water and sewer rate structures and are knowledgeable about the legal requirements governing rates and impact fees including Proposition 218 and Government Code 66000. We develop clear, effective presentations and have represented public agencies at hundreds of public hearings to build consensus for our recommendations.

FINANCIAL PLANS Our *financial plans* provide agencies with a flexible roadmap for funding long-term operating and capital needs. We evaluate the wide range of financing options available, develop a plan that recommends the best financing approach, and clearly identify the sources of revenue for funding projects and repaying any debt. We also help agencies develop prudent financial policies, such as fund reserve targets, to support sound financial management. BWA has developed over 2,000 water and wastewater enterprise financial plans to help public agencies fund their operating and capital programs, meet debt service requirements, and maintain long-term financial health.



Our offices are located in Berkeley, in a circa 1900 Victorian Building.

PROJECT FINANCING Our *project financing* experience includes over 300 bond sales and numerous bank loans, lines of credit, and various state and federal grant and loan programs. We generally recommend issuing debt via a competitive sale process to achieve the lowest cost financing possible. To date, we have helped California agencies obtain over \$5 billion of bond financing, \$350 million in low-rate SRF loans and grants, and hundreds of millions in bank loans and lines of credit. We work only for public agencies; we are independent financial advisors and do not buy, trade, or resell bonds. Our work is concentrated on providing independent advice that enables our clients to finance their projects on the most favorable terms—lowest interest rates, smallest issue size, and greatest flexibility.

Bartle Wells Associates is a charter member of the **National Association of Independent Public Finance Advisors (NAIPFA)**, which establishes strict criteria for independent advisory firms. All of our lead consultants are *Certified Independent Public Finance Advisors*.



Bartle Wells Associates is committed to providing value and the best advice to our clients. Our strength is *quality*—the quality of advice, service, and work we do for all our clients.

Business Contact Information

Bartle Wells Associates
1889 Alcatraz Avenue
Berkeley, CA 94703
Tel: 510.653.3399
Fax: 510.653.3769
www.bartlewells.com

BWA Staff to be Assigned to Project

Principal in Charge / Project Manager

Alex Handlers, MPA, CIPFA
Tel: 510.653.3399 (x109)
E-mail: alex@bartlewells.com

Senior Financing Analyst

Catherine Tseng, CIPFA
Tel: 510.653.3399, (x 103)
E-mail: ctseng@bartlewells.com

Other BWA consultants are available to assist this project team.

Bartle Wells Associates was established in 1964 and is a California Corporation and certified State of California Small Business. The Federal ID number is 94-166440.

Section 2: Scope of Services

This section presents a draft scope of services that we believe forms a sound basis for completing this assignment. Bartle Wells Associates will work with the District to finalize a scope of services and schedule that meets the District's objectives and scheduling needs. Our general project approach will be to work closely with the District's project team and Citizens Advisory Committee to identify objectives, set milestones, have frequent communication, and remain flexible to resolve unanticipated issues.

1. Project Team Orientation/Kickoff Meeting

To initiate our work, hold a kickoff meeting with the District, Citizens Advisory Committee, and others as appropriate, to accomplish the following:

- Identify members of District staff, Board of Directors, Citizens Advisory Committee, engineering consultants, and others who will participate in the project.
- Determine the roles and responsibilities of all project participants.
- Identify other parties that may have a significant interest in the project, such as community groups, business organizations, and large customers.
- Establish project schedule and key milestone dates.
- Confirm the key goals and expectations of the project team.

Note: BWA recommends postponing our initial "kickoff" meeting until after we have had time to review information and begin developing the financial plan and rate study. That way, in addition to discussing the project and District objectives, we can also discuss preliminary findings and initial ideas, and start getting more substantive input from the District and Citizens Advisory Committee.

2. Investigation and Data Collection

Assemble the information necessary to understand and describe the District's water system, finances, customers and usage, rate and fee structures, and agreements with other agencies. Assistance and cooperation of the District staff will be needed to assemble the background information. Investigation will include, but is not limited to, the following areas:

- Current budget.
- Historical financial information.
- Fund balances.
- Current water rates and charges.
- Updated water use and billing data from past 3 years.
- Updated capital improvement plans and engineering master plans.
- Long-term infrastructure replacement needs, if available.
- Projected growth and new development.
- Financial, management, and rate policies and guidelines.
- Water agreements with other agencies and/or organizations.
- Other relevant information.

The objectives of investigation and data collection are to develop a complete understanding of water enterprise, and to reach an agreement on basic assumptions to be used in the study.

3. Develop Forecasts and Projections

Based on evaluation of the data assembled and input provided by staff and other members of the project team, prepare forecasts and projections to be used in the cash flow projections. Develop projections for the following areas (and others as appropriate):

Growth Rates: Evaluate historical growth trends and develop appropriate and conservative growth rates on which to base financial plan/rate model. Demonstrate effect of financing assumptions of faster and slower growth rates.

Cost Escalation Factors: Review historical cost trends and work with project team to develop reasonable cost escalation factors for both operating and capital expenditures. Work with staff to estimate potential new operating costs, such as new O&M costs related to planned capital improvements, or costs for complying with future permit requirements.

Long-Term Capital Repairs & Replacements: Based on input from District staff, determine a reasonable amount to include for future, ongoing capital repairs and replacements. Consider phasing in funding for repairs and replacements over a number of years if warranted.

Water Sales Projections: With District input, forecast water sales accounting for future conservation as appropriate. As needed, evaluate future finances under different levels of water sales projections.

Review projections with District staff for agreements on assumptions, interpretation of data, and completeness of approach.

4. Evaluate Water Customer Classes and Usage Patterns

Analyze water consumption records for residential, commercial, and industrial/institutional customers. Investigate the appropriateness of current customer classes and analyze available data on water usage.

5. Evaluate Financing Alternatives & Develop Financing Plan for Capital Needs

Evaluate financing alternatives for the District's capital improvement needs, including long-term repairs and replacements. Develop a preliminary financing plan for funding the proposed projects and/or key alternatives. Assess funding needs replacements of major facilities and infrastructure. Evaluate potential financing alternatives and implications for each alternative. We typically try to balance pay-as-you-go financing with the prudent use of debt, if warranted.

6. Establish Prudent Minimum Fund Reserve Target

Evaluate the adequacy of the District's current fund reserves. Establish prudent minimum fund reserve targets based on the District's operating and capital funding projections. The reserve targets will help the District avoid the need for future rate spikes due to short-term revenue or expense fluctuations. Prudent reserve levels can also help the District gradually phase in future rate adjustments if ever needed. Develop a phased implementation plan for achieving the recommended reserve fund levels to minimize the immediate impact on rates.

7. Develop 10-Year Cash Flow Projections & Evaluate Financing Alternatives

Develop cash flow projections showing the financial position of the District over the next 10 years. The projections will incorporate the financing plan for the District's capital program and the forecasts and projections developed in consultation with District staff. The projections will be used to determine annual revenue requirements and estimate service charge increases needed to recover operating and capital funding requirements and maintain an adequate level of fund reserves. The cash flows will also incorporate any debt projections and will calculate annual debt service coverage for outstanding debt to ensure compliance with legal bond covenants.

During this phase, BWA will work closely with the project team to develop cash flow projections and evaluate key financing alternatives and their impacts on rates. This is often an iterative process where the information derived from the cash flows is used to develop new or modified financing options. Additionally, there are often multiple rate adjustment scenarios that can meet the District's financing targets. BWA typically recommends that rate increases be phased in over time, when possible, to minimize the annual impact on ratepayers.

8. Determine Long-Term Revenue Requirements

Determine long-term District revenue requirements for the next 10 years. Revenue requirements include ongoing and future operation and maintenance costs, capital projects and infrastructure replacement costs, debt repayment and legal bond covenants, and the maintenance of minimum fund reserves.

9. Conduct Rate & Fee Survey of Regional Water Agencies

Review and summarize water rates and connection fees of other regional and comparable agencies. Compare water bills for different customer classes and/or customers with different consumption levels. Summarize results in easily understandable tables and/or charts.

10. Evaluate Rate Structure Modifications

Discuss rate structure modifications or options that may help the District achieve new objectives. The water rate alternatives may include evaluation of alternative rate tiers and/or other modifications. We will also evaluate the allocation of costs between fixed and variable charges and the capacity ratios used to determine the fixed meter charges for various meter sizes. Discuss the pros and cons of potential adjustments or modifications to the current rate structure. If any modifications are desired, develop a phased implementation plan for implementing the changes.

11. Review Water Rate Charged to Other Regional Agencies

Review the District's current interagency rates. Evaluate the cost of obtaining and providing water to other agencies. Discuss rate options that may be appropriate for the District's interagency rates and calculate new rates that fully recover the cost of service.

12. Evaluate the Financial Impacts of a Drought and Develop Emergency Rates

Evaluate the potential financial impact to the District due to a drought or other reduction in water supply. This may include evaluation of different drought scenarios. Based on the potential impacts, develop an emergency rate structure for implementation during supply shortages. We generally recommend agencies gradually phase in emergency rates as different drought conditions are met. It is also important to phase out drought rates as water use gradually returns to pre-drought levels.

13. Calculate Rate Impacts on District Customers

Calculate the rate impacts of various financing and rate structure alternatives to provide the project team with a sound understanding of the implications of their decisions on the District's customer base. Work with the project team to identify customer and usage profiles to use for calculating the rate impacts. Discuss additional rate adjustments that may reduce the impact on certain customers if warranted and/or requested by the project team.

14. Review the District's Capacity Charges & Update if Appropriate

Review the District's current connection charges to ensure they equitably recover adequate costs for capacity in infrastructure required to serve growth. If warranted, update the District's Capacity Charges.

15. Develop Draft Rate Recommendations & Implementation Plan

Based on the analysis of the District's cash flow projections and long-term revenue requirements, and analysis of potential rate structure modifications, develop draft recommendations for future water rates and fees. Our analysis may develop a few rate adjustment alternatives based on input from the project team. We generally prefer to phase in rate adjustments when feasible to minimize the annual impact on ratepayers to the extent possible. Based on input from staff, develop a plan for implementing any rate structure modifications and/or rate adjustments.

16. Meetings & Presentations

Meet with the District and the District's Citizens Advisory Committee throughout the project to discuss findings, alternatives, and preliminary recommendations, and to gain ongoing input and feedback. Develop a PowerPoint presentation summarizing key findings and recommendations. Present recommendations and key alternatives to the Board of Directors and Citizens Advisory Committee for input. Revise recommendations as needed.

Our proposal assumed 4 meetings at the District which can include any combination of meetings and/or presentations with District staff, the Citizens Advisory Committee, and the Board of Directors.

A schedule of meetings and presentations can be developed with District input, but potentially might include the following.

- 1) A Kickoff Meeting (which could also serve as the first progress meeting). We could meet with staff in the afternoon and subsequently meet with the Citizens Advisory Committee.
- 2) A second progress meeting to discuss findings and alternatives, and receive input to develop and hone recommendations. We could meet with staff in the afternoon and subsequently meet with the Citizens Advisory Committee.

- 3) A presentation of findings and recommendations to the Citizens Advisory Committee and Board of Directors, potentially at a public rate workshop or Board Meeting.
- 4) A summary presentation of findings and recommendations at the Proposition 218 Rate Hearing.

17. Public Education and Consensus-Building

Rate and fee adjustments are often controversial. BWA has extensive experience developing clear presentations that facilitate public understanding of the need for rate increases. We understand the importance of building consensus and public acceptance for our recommendations and can assist the District an outreach strategy and informational materials. BWA will take the lead in presenting the rate recommendations at public meetings unless directed otherwise by the District.

18. Compliance With Proposition 218

Prop. 218 establishes requirements for adopting or increasing property-related fees and charges. In July 2006, the California Supreme Court ruled that water rates are subject to Prop. 218 (Articles XIII C and XIII D of the state constitution). Prop. 218 requires that the District: 1) mail notification of proposed rate increases and the date, time, and place of public hearing to all affected property owners (and potentially ratepayers who are tenants that pay water bills), 2) hold a public hearing not less than 45 days after the notices are mailed, and 3) subject the rate increases to majority protest; if more than 50% of property owners submit written protests, the proposed rate increases cannot be adopted. Water and sewer rates are exempt from the voting requirements of Prop. 218 provided rates do not exceed the cost of providing service and meet the substantive rate requirements of Proposition 218.

BWA has written many Prop. 218 notices and can assist the District with drafting the next Prop. 218 rate notice. BWA recommends the notice go beyond the minimum legal requirements and provide clear and concise explanation of the reasons for any rate adjustments. We have found that ratepayers are generally much more accepting of rate increases when they understand why they are being implemented.

19. Attend Proposition 218 Public Hearing & Give Summary Presentation

Attend the Proposition 218 Public Hearing and give a summary presentation highlighting the rationale for final recommendations if appropriate. Be available to discuss findings and recommendations and answer questions from the District Council or public, as directed by the Council. BWA recommends that the District establish a clear process for the public hearing so everything goes smoothly. We also recommend that any major controversial issues be covered prior to the rate hearing or scheduled for other Board Meetings.

Section 3: Availability & Fees

1. Bartle Wells Associates is prepared to begin work upon the District's authorization to proceed.
2. During the project development period, we will be available at all reasonable times and on reasonable notice for meetings and for consultation with District staff, attorneys, consulting engineers, and others as necessary.
3. Bartle Wells Associates will perform all work related to the assignment. Alex Handlers, a firm principal and vice president will be assigned as project leader on this assignment. He will serve as the lead contact person for BWA and will be involved with the project a day-to-day basis.
4. The fees for services outlined in this proposal will not exceed \$25,000 plus direct expenses estimated at \$1,800.

The fee is based on the following assumptions:

- a. The project will be completed by December 31, 2013 or other mutually agreeable date preferred by the District. BWA will work to meet all District scheduling requirements and deadlines.
 - b. All necessary information will be provided by the District and/or its other consultants in a timely manner.
 - c. Development of draft, final draft, and final versions of tables. Time and expenses involved in revising tables and assumptions may constitute additional services if not achievable within the budget.
 - d. The fee is based on a total of up to 4 trips to the District for meetings and presentations.
5. Progress payments and direct expenses are payable monthly on a time and materials basis as the work proceeds as provided in our Billing Rate Schedule 2013, which will remain in effect for this project.
 6. In addition to the services provided under this proposal, the District may authorize Bartle Wells Associates to perform additional services for which the City will compensate us based on consultants' hourly rates at the time the work is performed, plus direct expenses. Additional services may include, but are not limited to:
 - Meetings or presentations in excess of four (4) scheduled meetings/presentations
 - Changes in project scope
 - Delays in project schedule
 - Any other services not specified
 7. Bartle Wells Associates will maintain in force, during the full term of the assignment, insurance as provided in the Certificate of Insurance attached.
 8. If the project is terminated for any reason, Bartle Wells Associates is to be reimbursed for professional services and direct expenses incurred up to the time notification of such termination is received.
 9. This proposal may be withdrawn or amended if not accepted within 120 days of its date.

BARTLE WELLS ASSOCIATES
BILLING RATE SCHEDULE 2013
Rates Effective 1/1/2013

Professional Services

Financial Analyst I.....	\$95 per hour
Financial Analyst II	\$135 per hour
Senior Financial Analyst.....	\$165 per hour
Senior Consultant	\$195 per hour
Principal Consultant.....	\$235 per hour

The professional time rates include all overhead and indirect costs. Bartle Wells Associates does not charge for secretarial support services and internal computer time. Expert witness, legal testimony or other special limited assignment will be billed at one and one-half times the consultant's hourly rate.

The above rates will be in effect through December 31, 2013 at which time they will be subject to change.

Direct Expenses

Subconsultants will be billed at cost plus ten percent. Word processing and computer-assisted services related to official statement production are charged as direct expenses at \$60 per hour. Other reimbursable direct expenses incurred on behalf of the agency will be billed at cost plus ten percent. These reimbursable costs include, but are not limited to:

- Travel, meals, lodging
- Long distance telephone and fax
- Printing and report binding
- Special statistical analysis
- Outside computer services
- Bond ratings
- Automobile mileage
- Messenger services and mailing costs
- Photocopying
- Graphic design and photography
- Special legal services
- Legal advertisements

Insurance

Bartle Wells Associates maintains insurance in the amounts and coverage as provided in the attached schedule of insurance. Additional or special insurance, licensing, or permit requirements beyond what is shown on the schedule of insurance are billed in addition to the contract amount.

Payment

Fees will be billed monthly for the preceding month, and will be payable within 30 days of the date of the invoice. A late charge of 1.0 percent per month may be applied to balances unpaid after 60 days.

SCHEDULE OF INSURANCE

Insured: BARTLE WELLS ASSOCIATES

Bartle Wells Associates will maintain in force, during the full term of the assignment, insurance in the amounts and coverage as provided in this schedule. If additional insurance is required, and the insurer increases the premium as a result, then the amount of the increase will be added to the contract price.

TYPE OF INSURANCE	COMPANY POLICY NUMBER	COVERAGES AND LIMITS	EXP. DATE
Commercial General Liability	Hartford Insurance Company Policy #35-SBA PA6857	<ul style="list-style-type: none"> ■ \$2,000,000 General Aggregate ■ \$2,000,000 Products Comp/Op Aggregate ■ \$1,000,000 Personal & Advertising Injury ■ \$1,000,000 Each Occurrence 	6/1/13
Automobile Liability	Hartford Insurance Company Policy #35-UEC VU2842	<ul style="list-style-type: none"> ■ \$1,000,000 Combined Single Limit 	6/1/13
Workers Compensation & Employers' Liability	Hartford Underwriters Insurance Company Policy #35-WEC FG7858	<p>Workers' Compensation: Statutory Limits for the State of California. Employers' Liability:</p> <ul style="list-style-type: none"> ■ Bodily Injury by Accident - \$1,000,000 each accident ■ Bodily Injury by Disease - \$1,000,000 each employee ■ Bodily Injury by Disease - \$1,000,000 policy limit 	6/1/13
Professional Liability	Chubb & Son, Inc. BINDO94045	<p>Solely in the performance of services as municipal financing consultants for others for a fee.</p> <p>Limit: \$2,000,000 Per Occurrence & Aggregate (including defense costs, charges, and expenses)</p>	6/1/13

JOSHUA BASIN WATER DISTRICT
SUPPLEMENTAL DATA SHEET

Meeting of the Board of Directors

April 17, 2013

Report to: President and Board Members

From: Joe Guzzetta, General Manager



TOPIC: 2013 STRATEGIC PLAN

RECOMMENDATION: That the Board approve the attached Strategic Plan provided by Pat Caldwell, facilitator, with any changes and authorize the additional payment of \$301.00 for the Plan.

ANALYSIS: At the last Board meeting the Board considered the annual Strategic Plan submitted by Pat Caldwell, and continued the Plan to this meeting in order to review whether there were three goals or five goals.

Pat Caldwell confirmed that there were three goals in addition to the "task list" which is part of the Plan. Staff has no recollection of additional goals. The board may wish to approve the Plan as submitted or reconvene the Strategic Planning workshop.

Ms. Caldwell had agreed to a cost of the workshop not to exceed \$2,500. However, her invoice was submitted for \$2,801. When questioned, she said that the invoice reflects the actual hours and effort spent; but that she would accept the \$2,500 as payment-in-full if the Board does not want to pay the additional amount. Staff believes that the additional payment is fair for the work performed.

Attached is the draft from Ms. Caldwell. Staff has inserted the name of staff members who will be working on some of the priorities.

This plan has been combined with last year's Strategic Plan which included a number of capital projects that are at various stages of completion. The board reviewed in detail an update of those items at the last Board meeting. The complete plan is attached with the new items highlighted in yellow.

Approval of the 2013 Strategic Plan will serve as the Board's direction and priorities for the upcoming year.

Joshua Basin Water District

STRATEGIC PLAN

2013-2014

Developed March 11, 2013

Strategic Planning Session

March 11, 2013

On March 11, 2013, the Joshua Basin Water District Board of Directors and management staff met for the purpose of reviewing the old and developing a new strategic plan.

Prior to the meeting, the planning consultant/facilitator met with each member of the Board in an attempt to identify critical issues and/or concerns that would need discussion in the planning session. A list of 10 issues was identified and will be presented later in this document.

The first step in the planning process was to identify and discuss trends that might impact the way the JBWD does business. The identified trends are listed below:

TRENDS

Economic Trends:

- Lack of return on investment (Are reserves safe?)
- Theft of water
- Lack of customers' ability to pay their bills
- The poor economy is conflicting with our need to provide more services
- Lack of jobs
- Financial state of California
- Lots of changes at the Marine Base
- Lack of growth in the District
- Water rates (too low?)
- Home building and prices trending up (20% higher in the Basin)
- Labor costs and perks up
- Cost of purchased water going up
- Cost of energy up
- Regulations are out of control

Technological Trends:

- Technology changing all the time

- Increased costs to keep up with hardware, training, and software
- Need to provide adequate back up
- Field crew more technological
- More mobile workforce
- Can easily share and store large amounts of data
- Customers require and demand more technological services
- Need to be sensitive to those who don't have technology – provide hard copies
- Social media changing the way we do things
- Using technology to mitigate changes in the economy
- Need to stay current on state regulations concerning websites, social media
- Security issues
- Privacy issues – District's responsibility
- Staff training

Political Trends:

- State requirements for conservation, water rights and green energy
- Customers don't understand why water isn't free
- Getting funding from government more difficult
- Elected Board means the District could suddenly have all new faces and a steep learning curve
- Reverse condemnation
- Increasing regulatory environment
- Unfunded mandates
- Stable political environment in this District
- Rowdy group of political activists in Joshua Tree
- Lot of involved people in Joshua Tree
- Maintaining autonomy

Educational Trends:

- Attendance down locally
- Increase in home schooling
- Many people in Joshua Tree have no appreciation for education
- Less parent involvement

- Staff education (continuing education) important – available on line and in outside courses
- Director education also important
- Technology training necessary – in both how to use new technologies and in regulations
- Emerging services will require new education
- Need to educate our rate payers
- Look at grant requirements and get a full understanding of the intent and objective; use that understanding to determine the program

Social Trends:

- Social networking
- “Deep pockets” – litigious society
- People don’t think about water until they really need it
- Demographics of the District haven’t changed
- The ability to have instant information
- The emphasis on transparency of information
- Current customer base more sophisticated
- Low rate of complaints
- Social outreach very good
- People feel powerless
- Retirement of baby boomers – loss of knowledge
- Newer generation of employees work very differently
- Community wants to be informed and know that there is a level playing field

Next, the Board and staff conducted a S.W.O.T. analysis (Strengths, Weaknesses, Opportunities, and Threats) as a mini-environmental scan. The results of the S.W.O.T. follow.

S.W.O.T. ANALYSIS

Strengths:

- Political stability
- Minimal staff turnover
- Financial stability
- Water supply and quality
- Emergency preparedness

- Good public relations
- Frequent interaction with the community
- Well trained staff
- Good equipment
- Good cooperation
- Transparency
- Low rates
- Exceptional communication skills
- Good response on part of staff
- Reasonable and supportive Board
- Good grant record
- Foresight
- Strategic planning

Weaknesses:

- Undersized District office
- Old infrastructure – needs repair or replacement
- Aging pipeline
- Rules and regulations need updating
- Need procedures in written form
- Not enough information to the Board about what's happening in the field (SEMS)
- Lack of financial information to the Board
- Board needs to define what information it wants
- The District is a huge geographic area
- Contracting out too much
- Staffing levels
- Ability to store records
- Staff has to wear too many hats – have to do all the same things that are done in a large agency
- Behind in technology
- Are we on top of everything in operations?
- Need to determine our global mission

Opportunities:

- New customer base from closed water haulers
 - What are other districts doing for these customers?
 - What is our part in serving these customers?

- MWA's IRMP allows for new funding opportunities
- Continuing to look for grants – but setting aside funds for the cost of going after grants
- Communicating to the community about grants
- Communications in general
- Continuing collaborative outreach
- Future protecting of the aquifer
- Regional alliance of water districts/agencies
- Cooperation with Twentynine Palms and Big Horn

Threats:

- Earthquakes
- Maintaining out autonomy
- Well respected environmental attorneys in Joshua Tree present an opportunity for collaboration
- Will another community take over Joshua Tree?
- Laws and regulations
- Water loss
- Water theft
- State wanting to take over our reserves
- Casino
- Lawsuits
- Hyper inflation and the economy in general
- Aging infrastructure
- Potential growth
- Decrease in percentage of Marine Base personnel
- Decrease in funding for Marine Base
- Water availability
- Conservation requirements
- Customer backlash
- Terrorism – threats to water supply and security

Next, the group discussed the concerns identified by Board members in interviews conducted March 7, 2013. Those concerns are listed below.

BOARD CONCERNS

1. Financial (4x)
 - Board isn't adequately monitoring the budget
 - Need more detail on the financial reports
 - Need updates on project costs compared to budget
 - Need to quantify costs savings of using technology to save manpower
 - need to make presentations to the public and show them the savings, e.g. "GIS"
 - Need to set aside money for maintenance, repair and replacement
 - Need to continue getting grants but budget money for the cost of going after them
 - Need to assure *long-term* financial stability
2. Operations (2x)
 - Need to replace Director of Operations
 - Board needs to be kept up to date on field crew progress (SEMS reporting)
 - Field reports don't need to be lengthy with slide shows
3. Rates (2x)
 - Rate study should have been completed before this strategic plan update
 - May need to tighten up the rate tiers for conservation reasons; fold this into rate adjustments after rate study completed
4. Need to update the JBWD rules and regulations (2x)
 - Lots of vague and ambiguous language
 - Need to administer the rules and regulations consistently
 - Need to be able to cite the reasons for the rules/regulations
5. Need to develop mission and vision statements (2x)
 - Need them posted in the Board room and elsewhere
 - Need them printed on our agendas
 - Need to go over them regularly
 - Need to assure that our plan is in "sync" with our mission and vision
6. Board development and training (2x)
 - Do we truly understand our role? What's our accountability?
 - Need training in what we are allowed to do and what we should be doing

- Need to honor the chain of command
- Need to follow up on our requests and directives
- 7. Emergency plan (1x)
 - Need to assure those with responsibility for parts of the plan truly understand their part and how to implement it
 - Need to review the plan fairly often (1x a year isn't enough)
- 8. Public awareness (1x)
 - Need to schedule public meetings for topics people are passionate about (rate increase an example)
- 9. Need to clarify goals according to short-term, mid-term, and long-term, for example: (1x)
 - Sewering – 30 year goal?
 - ◆ Need to start planning for it now so it doesn't become a crisis as it is in Yucca Valley
 - ◆ In 30 years, all sewerage complete and wastewater reclamation facility built and operating
 - Pipe replacement – 20 year goal?
 - ◆ Was in the 2009-2011 plan
 - ◆ In 20 years, all pipe replacement complete and planning for the next replacement
- 10. Need to pursue a goal of a regional alliance of water districts(1x)

Following the discussion of Board Concerns, the group reviewed the goals that were developed at the previous two Strategic Planning sessions held in February 2009 and August 2012. The progress made on those goals was discussed. The purpose of this exercise was to determine if any of the previous goals should carry over into the new plan. It was decided that there should continue to be either a goal or objective in the updated plan relating to the need to replace aging pipe and the need to protect groundwater.

Then, strategic goals and objectives for 2013-2014 were developed. They are found on the following page.

STRATEGIC GOALS AND OBJECTIVES

2013-2014

Goal One: Assure long-term financial stability.

Objective 1.1: By 11/30/13 determine whether to borrow or “pay-as-you-go” for pipe replacement project.

Objective 1.2 By 02/01/14 implement rates to conform with AB 1420.

Objective 1.3 By 11/30/13 develop capital replacement plan and budget for it.

Objective 1.4 By 11/30/13 budget for water purchase.

Responsible parties for these objectives: Joe and Susan

Goal Two: Collaborate with other agencies in the sharing of mutual resources

Objective 2.1 By December 31, 2013 identify and reach out to potential partners for sharing resources.

Responsible parties: Joe and Management Staff

Goal Three: Maximize technological resources

Objective 3.1 Develop technology master plan that includes the following topics (examples):

- Radio read meters (Keith/Jim)
- GIS strategic plan (Keith, Dudek)
- Data integration (Keith, Dudek)
- Training (
- Website/social media (Kathleen)
- Record storage and retrieval (Susan)
- SCADA (Randy, Keith)
- Board technology (Keith)
- Budget (Team)

- Implementation schedule (Joe, Keith, Mike)
- Updates to the Board (Joe, Keith, Mike)

Responsible parties include: Mike M., Joe, Keith, Kathleen

In addition to the strategic goals and objectives above, the group decided it important to include in the strategic plan a list of tasks that were recommended as a result of the planning session. What follows is an attempt to develop such a list, but it needs to be reviewed and additional tasks added.

TASK LIST

1. Update the Board at the May 2013 meeting about the suggested outline of the technology master plan
2. Remove financial report from the Board's consent agenda and include it as a discussion item
3. Update rules and regulations
4. Develop written procedures
5. Finish rate study
6. Determine necessary staffing levels
7. Determine if construction of replacement pipe can be done with new in-house crews.
8. Consider expansion needs of shop and office
9. Report to Board on water loss
10. Assure that Board and CAC members are fully prepared to implement their assigned responsibilities in the emergency preparedness plan
11. Continue to implement "Best Management Practices" of the CUWCC (the remaining 40%)
12. Obtain additional authority to manage the Basin
13. Complete the recharge project
14. Fund for infrastructure and equipment
15. Determine date for Objective 2.1

Joshua Basin Water District Strategic Plan Summary

Strategic Line#	Project Manager	PROJECT NAME	PROJECT DESCRIPTION	FISCAL YEAR 2013	FISCAL YEAR 2014	FISCAL YEAR 2015	FISCAL YEAR 2016	PROGRESS NOTES	Estimated Completion Date
1.0.0 GOAL 1.0 PROTECT GROUNDWATER. Recognize groundwater as the District's most valuable asset and protect it as a top priority									
1.1.0 Slow and eventually reverse declining groundwater levels and protect the imported water entitlement									
1.1.1	JG	Recharge Basin & Pipeline Project	Construction Phase. \$6.2 mil from prop 84 plus \$1.3 million left from MWA. Board has delayed Pond construction pending BOR grant awards.	\$ 3,952,000	\$ 3,952,000			Contract is signed.	12/31/2013
1.1.2	JG	Water Purchase	1,100 acre feet of water to replenish aquifer.				\$ 500,000		6/30/2016
1.2.0 Obtain statutory authority to manage the Basin									
1.2.1	JG	Centralized Treatment Authority	Apply for Authority from LAFCO to construct a centralized treatment plant early, before it is needed.					Prioritize before needed	4/1/2015
1.2.2	JG	Centralized Treatment MOU	Complete the MOU with the Regional Water Quality Control Board to give the agency authority to decide when a package waste water treatment plant needs to be required by a developer. This may be changed based on new state policy on densities for septic systems.					Dependent on USGS study and RWQCB	4/1/2016
1.3.0 Manage the Basin effectively to protect groundwater supply and quality									
1.3.1	JG	USGS Wastewater Density Study	Complete the USGS study to understand allowed building density based on wastewater.					USGS expects draft in March/April 2013.	
1.3.2	JG	Urban Water Management Plan.	Complete the Urban Water Management Plan.					Complete	12/1/2013
1.3.3	JG	Groundwater Mgmt. Plan	Update AB3030 ground water management plan	\$ 50,000					12/31/2013
2.0.0 GOAL 2. FINANCIAL MANAGEMENT. Continue strong and conservative financial management that is cost conscious, reliable and avoids rate shocks									
2.1.0 Develop Mechanisms to link strategic plan initiatives so both the staff and board can track progress and not approve projects that exceed resources.									
2.1.1	MR	Tie Budget to Strategic Plan	Tie the Budget to strategic plan initiatives					Complete	6/1/2012
2.2.0 Provide reliable financial resources to meet critical projects within legal and revenue requirements, are incremental, and are perceived as fair to the public without rate shocks.									
2.2.1	SG	Integrated Financial Analysis	Carry out analysis needed to identify revenue needs associated with all district initiatives, most importantly to carry out pipeline replacement and for buying water					Start January 2013	1/1/2014
2.2.2	SG	Rate Study	Conduct rate study, including review and update of structure and analysis of pay/go versus debt financing.	\$ 30,000					1/31/2014
2.2.3	SG	Update District Fees	Carry out study to identify needed and fair fees.	\$ 15,000					12/1/2012
2.2.4		Capital Replacement Plan	Develop and budget for it.						11/30/2013
2.2.5	SG/JG	Water Purchase	Budget for it.						11/30/2013
2.3.0 Seek to maximize grant funding, especially for large capital projects									
2.3.1	JG	Funding Lobbyist	Board authorized a new contract on 09 05 2012					Completed 09 05 2012	3/1/2013
2.4.0 Improve Board oversight of finance									
2.4.1	Board	Establish Finance Committee	Goal is to improve board policy guidance and oversight.					Complete	4/1/2012
3.0.0 GOAL 3. OPERATIONAL AND ASSET MANAGEMENT. Design, build, operate, and maintain facilities for reliability and cost efficiency									
3.1.0 Carry out a strong maintenance management program that is fully proactive and document									
3.1.1	RL	<u>DEVELOP Maintenance Management System for Production Operations</u>	Identify features of a fully proactive and documented maintenance management program for production operations: wells, pumps, booster stations, reservoirs, including: tracking, recording, cost/benefit analysis, replacement timing.					Complete	9/1/2012
3.1.2	RL	<u>IMPLEMENT Maintenance Management System for Production Operations</u>	Implement Phase 1 of fully documented Maintenance Management Program for production operations.					Complete	9/1/2013

Joshua Basin Water District Strategic Plan Summary

Strategic Line#	Project Manager	PROJECT NAME	PROJECT DESCRIPTION	FISCAL YEAR 2013	FISCAL YEAR 2014	FISCAL YEAR 2015	FISCAL YEAR 2016	PROGRESS NOTES	Estimated Completion Date
3.1.3	JC	DEVELOP Maintenance Management System for Distribution Operations	Identify features of fully proactive and documented Maintenance Management Program for distribution operations. Set Priorities and phases to incorporate parts of the distribution system: Vehicles, valves, meters, equipment, hydrants, Main lines, services, air vacs, blow-offs, asphalt and other processes. include tracking, recording, cost/benefit analysis, replacement timing, and training.					Complete	9/1/2012
3.1.4	JC	IMPLEMENT Maintenance Management System for Distribution Operations	Implement Phase 1 of fully documented Maintenance Management Program for distribution operations.					Complete	9/1/2013
3.1.5	KF	VXU Meter Reading Unit	Provide for a backup VXU for meter reading	\$300.00	\$0.00			Complete	6/30/2014
3.1.6	JC	Large Meter Testing	Establish a program for regularly testing large customer meters	\$ 30,000				9 have been tested. 36 remaining.	6/30/2012
3.1.7	JC	Enclosure (Wall) in Shop	For safety & to block noise, fumes, arc flash.	\$ 12,000	\$ 16,000				06 30 2013
3.1.8	JC	Grizzly	Steel grate device for separating dirt, rocks and debris to enable us to stay on top of various waste material.	\$ 10,000				Complete	6/30/2013
3.1.9	JC	(2) Aluminum/Steel Carports	To cover outside equipment & PVC pipe to protect against elements and add security; 48 x 20; 2 units total.		\$ 6,000				6/30/2014
3.2.0	For large projects, provide a high level of project management to ensure project proceeds on time, on budget and to plan. Assure there is independent review and assessment of engineering and construction set up so that those involved clearly represent the District's interests								
3.2.1	JG	Project Management Oversight and Reporting	Review, update and document process for project management, oversight and reporting.					DUDEK is providing project oversight and tracking.	12/1/2013
3.3.0	Ensure redundancy and reliability of key parts of the water and wastewater system								
3.3.1	RL	H-Zone Tank (prev. Relocate C2A Tank to Hzone)	The cost will eventually be reimbursed to the operational budget from future capacity fees in the H-Zone. NEW TANK	\$ 510,000	\$ 90,000			Plans 90% complete. Bids May 2013. Construction July 1, 2013	6/30/2014
3.3.2	JG	HDMC Wastewater	Complete the sewer project for the Hospital. To be paid by HDMC.	\$ 1,000,000	\$ 1,460,700			Under Construction	9/30/2013
3.3.3	JG	Emergency Line to Hospital	Prepare plan for the redundant water service line for the hospital. Construction contingent on funding.					Dependent on funding and hospital decisions for permanent line	6/1/2013
3.3.4	JG	Altitude Valve at C2B Tank -- SCADA Controls at C2-B, C-1, and C-3	The three tanks in the C zone are at different altitudes. If the one at the highest altitude is filled, the other two overflow. These valves will prevent the overflowing.	\$ 108,900				Under Construction	10/31/2012
3.3.5	RL	Reservoir Maintenance/Renovation	Reservoir renovation/recoat					Funding in operating budget; 4 by 06/30/13. Agreement has been drafted and submitted to contractor.	6/30/2013
3.3.6	JC	Valve & Fire Hydrant Maintenance Program	Repair or Replace 100 Valves	\$ 33,333	\$ 33,333	\$ 33,334		Ongoing	
3.4.0	Design and operate the water and wastewater system for cost-efficiency								
3.4.1	SG	Identify Cost Savings	Identify cost savings opportunities in the operation and management of capital facilities, including through power management					Utilize outside consultant.	6/1/2015
3.5.0	Provide appropriate, safe facilities with adequate space to effectively carry out the District's goals and objectives								

Joshua Basin Water District Strategic Plan Summary

Strategic Line#	Project Manager	PROJECT NAME	PROJECT DESCRIPTION	FISCAL YEAR 2013	FISCAL YEAR 2014	FISCAL YEAR 2015	FISCAL YEAR 2016	PROGRESS NOTES	Estimated Completion Date
3.5.1	RL	Security (Motion Sensors) at Shop and Well 10	This would provide security to an expanded area at the shop.	\$ 12,304				Complete	6/30/2013
3.5.2	SG	Customer Service Account Filing System	Parcel files have expanded past our current storage area and can't be locked. This will allow us to store, secure and access our current files and any new files for the foreseeable future.	\$ 30,000					6/30/2013
3.5.3	JG	Facilities Plan/Space Needs Assessment	Conduct a facilities plan and assessment to identify space needs, estimated costs, etc. for a new or upgraded office building and Emergency Operations Center.					Soliciting proposals	6/1/2013
3.5.4	JG	Property Needs Assessment and Purchase	Conduct a property needs assessment: what facilities will be needed over time, in what locations and what size: purchase properties.					underway	12/1/2012
3.5.5	SG	Office Carpet	This provides for carpeting of all offices.	\$ 13,000				On hold pending space needs assessment	12/31/2012
3.6.0	Plan new facilities, upgrade and replacements in a way that promotes long-term reliability and cost-effectiveness								
3.6.1	SG/Brd	Pipeline replacement plan	Develop plan, timeline and funding for replacing aging pipelines. Design is completed for 15,000' of pipeline replacement					(see 2.2.0)	1/1/2014
3.6.2	RL	Replace Chlorination Pumps - 4 at \$3,000 each.	Current pumps are over 10 years old and unreliable. New pumps will operate with SCADA.	\$ 13,349				Complete	6/30/2012
3.6.3	RL	Chlorine Analyzers W/Telemetry programming	Install analyzers to monitor chlorine residual at up to four remote sites.	\$ 20,000					6/30/2013
3.6.4	RL	D-3-1 New Booster Pumps and Housing	The pumps at this booster station operate at a very low efficiency rate such that it is timely to replace them.	\$ 250,000				Ready for bid March - April 2013 with construction May - November 2013	5/31/2013
3.7.0	Coordinate with the customer service representatives to develop standardized approaches to providing customer service								
3.7.1	SG	Customer Service Procedure for Leaks	Complete customer service procedure around leaks, including water conservation survey.					Nearly complete	9/1/2012
3.7.2	SG	Complete SOPs	Major SOPs have been identified					(see 5.1.3) Complete	6/10/2013
4.0.0	GOAL 4. GOVERNMENTAL AND COMMUNITY RELATIONS. The District acts as a good neighbor and partner that is highly regarded in the community								
4.1.0	Take actions needed to ensure the community understands and supports the District								
4.1.1	KR	Public Outreach Plan & Program	Carry out ongoing public outreach plan and program.					PI Committee.	Annual report
4.1.2	KR	Update the Website							6/1/2012
4.1.3	JG	Demonstration Garden Improvements			\$ 10,000				6/30/2014
4.1.4	JG	Collaborate with other Agencies	Sharing of mutual resources. Identify and reach out to potential partners for sharing resources. Responsible parties: Joe and Management Staff.						12/31/2013
4.2.0	Be an active and collaborative leader and partner with other organizations throughout the region to meet District goals, including obtaining grants, groundwater management authority and sewer authority								
4.3.0	Ensure clear communications between the Board and Manager so the Board can provide proper oversight and clear policy direction								
4.3.1	JG	Board Tours	Plan and carry out Board tours of administrative, management and operational activities and facilities.						Ongoing
4.3.2	JG	Board Member Orientation	Form an ad-hoc Board Committee to develop new Board member orientation.					Committee and staff.	Ongoing
4.3.3	JG	Develop New Reporting to Board	Develop new monthly reporting practices to the Board.					Complete	9/1/2013
4.3.4	JG	Bi-monthly Board Workshops	Plan and conduct bi-monthly board workshops to provide enhanced communication on important District activities and progress.					Ongoing	Ongoing
5.0.0	ADMINISTRATION AND MANAGEMENT. Continue strengthening administration and management for increased consistency, performance and individual accountability								

Joshua Basin Water District Strategic Plan Summary

Strategic Line#	Project Manager	PROJECT NAME	PROJECT DESCRIPTION	FISCAL YEAR 2013	FISCAL YEAR 2014	FISCAL YEAR 2015	FISCAL YEAR 2016	PROGRESS NOTES	Estimated Completion Date
5.1.0 Continue to standardize and systematize training and procedures									
5.1.1	JG	Personnel Manual	Complete Personnel Manual.					Draft has been completed.	06 01 2013
5.1.2	JG	Standard Operating Procedures	Identify and develop key standard operating procedures and timeline for less critical procedures.					Major SOPs are identified and are being developed.	06 01 2013
5.1.3	JG	Training Manuals and Procedures	Develop standard training manuals and procedures.					Each operation.	01 01 2014
5.2.0 Staff should have clear goals and priorities that align with the strategic plan and be evaluated and rewarded based on performance									
5.2.1	Mgmt.	Performance evaluations	Update performance, evaluations and accountability approach. For example, consider options for a merit performance system and staff evaluations.					All supervisors and managers.	Begin 12/1/2013
5.3.0 The District will provide the tools, training and support so that staff can grow and improve in their careers									
5.4.0 The District chain of command at all levels will be clearly articulated , understood and followed									
5.5.0 The District's IT system will be fully functional									
5.5.1	MM JG KF KR	Maximize technological resources	Develop technology master plan that includes the following topics (examples): Radio read meters (Keith/Jim), GIS strategic plan (Keith/Dudek), Data integration (Keith.Dudek), Training, Website/social media (Kathleen), Record storage and retrieval (Susan), SCADA (Randy/Keith), Board technology (Keith), Budget (Team), implementation schedule (Joe, Keith, Mike), Updates to the Board (Joe, Keith, Mike).						6/1/2013
5.5.2	SG	Incode Version 10 Upgrade	4		\$ 65,000				6/30/2014
5.5.3	SG	Record Archival System	This will eventually enable the District to maintain more electronic files for easier access and less physical storage.	\$ 37,500	\$ 37,500				6/30/2014
5.6.0 Ensure that there is a thorough emergency management program that is tested and exercised									
5.6.1	RL	Earthquake Shut Off Valves or Retrofit for Three Tanks -- C2-B, C-1 and B	This, or a similar system, will provide a feature to the two major C tanks and the B tank serving the hospital, to shut off in the event of an earthquake or other event that results in an unusually large amount of water draining from the tank.	\$ 108,900				Under contract for March 2013 completion	3/31/2013
5.6.2	RC	Emergency Supplies	These include food, water, cots, etc. for serious emergencies for employees.	\$ 17,000					6/30/2013
5.6.3	RL	Transfer Switches at Remaining Booster Sites	These switches are needed in order to be able to use the emergency generators at the pump stations.	\$ 60,000					9/30/2013
5.6.4	RL	Well 10 & 14 Soft Start Bypass - Generator Controls	The new 600 KW generators need this equipment in order to operate properly at the two largest producing wells, well 10 and well 14.	\$ 20,000				Design underway. Expect completion Spring of 2013	8/31/2012
5.6.5	RC	Table Top Exercises	Continue annual table tops internally, and windshield survey, update the manual.					Constant updates manual has been updated.	9/1/2012