



JOSHUA BASIN WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, JULY 20, 2016 6:30 PM
61750 CHOLLITA ROAD, JOSHUA TREE, CALIFORNIA 92252

AGENDA

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **DETERMINATION OF A QUORUM**
4. **APPROVAL OF AGENDA**
5. **PUBLIC COMMENT**
 Members of the public may address the Board at this time with regard to matters within the Board’s jurisdiction that are not listed on the agenda. State law prohibits the Board of Directors from discussing or taking action on items not included on the agenda. Members of the public will have the opportunity for public comment on any item listed on the agenda when it is addressed on the agenda. Please limit comments to three (3) minutes or less.
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. Approve Draft Minutes of the July 6, 2016 Regular Meeting of the Board of Directors.
 - B. Approve Draft Minutes of the July 11, 2016 Special Meeting of the Board of Directors.
7. **UPDATE ON NEXTERA SOLAR PROJECT AND CONSIDERATION OF PROPOSED (A) WILL SERVE LETTER AND WATER SUPPLY AGREEMENT WITH JT SOLAR, AND (B) INDEMNITY AGREEMENT WITH NEXTERA, ALL IN SUCH FORM AS PRESENTED TO THE BOARD AT THIS MEETING** – Staff recommends that the Board authorize the General Manager to execute the (1) Will Serve letter which provides that it is effective upon the final approval of the County of San Bernardino, (2) Water Supply Agreement upon the satisfaction of the conditions set forth in the Will Serve Letter, and (3) Indemnity Agreement.
8. **2015/2016 Bad Debt Write-Off**
 Recommend that the Board accept and file.

Pages 3-7

Pages 8-21

Pages 22-24

9. **ADOPT RESOLUTION 16-964 -A RESOLUTION OF THE BOARD OF DIRECTORS OF THE JOSHUA BASIN WATER DISTRICT ESTABLISHING THE APPROPRIATION LIMIT OF THE DISTRICT FOR THE FISCAL YEAR 2016/2017**
Recommend that the Board adopt Resolution 16-964.
10. **STANDING COMMITTEE REPORTS**
 - A. **FINANCE COMMITTEE MEETING:** President Fuller and Director Johnson. Next Meeting is scheduled for July 25, 2016 9 a.m. to 10 a.m.
 - B. **WATER RESOURCES & OPERATIONS COMMITTEE:** Vice President Luckman and Director Johnson. Next Meeting is scheduled for July 25, 2016 10 a.m. to 11 a.m.
 - C. **LEGISLATIVE AND PUBLIC INFORMATION COMMITTEE:** Vice President Luckman and Director Unger: Kathleen Radnich, Public Outreach Consultant to report. Next meeting is scheduled for August 3, 2016.
11. **DISTRICT GENERAL COUNSEL REPORT**
12. **GENERAL MANAGER REPORT**
13. **FUTURE DIRECTOR MEETINGS AND TRAINING OPPORTUNITIES**
 - Mojave Water Agency – July 28 – Mickey Luckman
 - **ASBCSD – (Reminder) No Meeting for August**
 - San Bernardino County Water Conference – August 12, 2016
14. **DIRECTOR REPORTS ON MEETINGS ATTENDED, COMMENTS/FUTURE AGENDA ITEMS**
15. **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.

JOSHUA BASIN WATER DISTRICT
Minutes of the
REGULAR MEETING OF THE BOARD OF DIRECTORS

July 6, 2016

1. **CALL TO ORDER:** 6:30 PM

2. **PLEDGE OF ALLEGIANCE**

3. **DETERMINATION OF QUORUM:**

Victoria Fuller	Present
Bob Johnson	Present
Mickey Luckman	Present
Mike Reynolds	Present
Rebecca Unger	Present

STAFF PRESENT: Curt Sauer, General Manager
Susan Greer, Assistant General Manager/Controller
Keith Faul, GIS Coordinator

CONSULTANTS PRESENT: Kathleen Radnich, Public Outreach Consultant
Gil Granito, District Counsel, Redwine & Sherrill
Gerry Eagans, Redwine & Sherrill
Steve Abbott, Redwine & Sherrill

GUESTS 7

4. **APPROVAL OF AGENDA – MSC/ Reynolds/Luckman 5/0 to approve the Agenda.**

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	Aye
Unger	Aye

5. **PUBLIC COMMENT**

Steve Whitman, Joshua Tree – Asked the BoD why we are paying a Consultant to detect leaks when there is an application that is free.

Joe Fairbanks, Transition Joshua Tree – Informed the BoD that Transition Joshua Tree will have a Water Group meeting at 6 p.m. on July 7, 2016 at his home address.

PUBLIC COMMENT CLOSED

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. Approve Draft Minutes of the June 1, 2016 Regular Meeting of the Board of Directors.
- B. Approve Draft Minutes of the June 15, 2016 Special Meeting of the Board of Directors.
- C. Approve Draft Minutes of the June 15, 2016 Regular Meeting of the Board of Directors.

MSC/ Johnson/Luckman 5/0 to approve the above Minutes of the Board of Directors.

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	Aye
Unger	Aye

7. **3rd QUARTER ENDING MARCH 31, 2016 FINANCIAL REPORT**

Recommend that the Board accept and file.

MSC/ Luckman/Johnson 5/0 to accept and file the 3rd Quarter ending March 31, 2016 Financial Report.

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	Aye
Unger	Aye

8. **ADOPTION OF RESOLUTION No. 16-962, (PLEGGED REVENUE AND FUNDS) AND RESOLUTION No. 16-963 (REIMBURSEMENT)**

Recommend that the Board adopt Resolutions No. 16-962 and 16-963 as required by the State Water Resources Control Board for Financial Assistance pertaining to the JBWD Hexavalent Chromium VI Remediation Project, Project No. 3610025-001P.

MSC/ Luckman/Reynolds 5/0 to approve the adoption of Resolutions 16-962 and 16-963.

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	Aye
Unger	Aye

9. **STANDING COMMITTEE REPORTS:**

- A. **FINANCE COMMITTEE MEETING:** President Fuller and Director Johnson. Next Meeting is scheduled for July 25, 2016 9 a.m. to 10 a.m.
- B. **WATER RESOURCES & OPERATIONS COMMITTEE:** Vice President Luckman and Director Johnson. Next Meeting is scheduled for July 25, 2016 10 a.m. to 11 a.m.
- C. **LEGISLATIVE AND PUBLIC INFORMATION COMMITTEE:** Vice President Luckman and Director Unger: Kathleen Radnich, Public Outreach Consultant to report. Next meeting is scheduled for August 3, 2016.

10. **DISTRICT GENERAL COUNSEL GIL GRANITO** – No Report

11. **GENERAL MANAGER REPORT** – GM Sauer informed the BoD that the Division of Drinking Water has approved the Chromium VI Compliance Plan and that there will be an Emergency Response training class on August 16, 2016.

12. **FUTURE DIRECTOR MEETINGS AND TRAINING OPPORTUNITIES**

- Mojave Water Agency Board of Directors Meeting – July 14, 2016- Mike Reynolds
- ASBCSD Dinner – July 18, 2016 – El Pescador Restaurant & Meeting Hall, Victorville, CA
- San Bernardino County Water Conference – August 12, 2016

13. **DIRECTOR REPORTS ON MEETINGS ATTENDED, COMMENTS/FUTURE AGENDA ITEMS**

- Director Unger – Reported on the workshop she attended for the Mojave Water District Strategic Partners program.
- Director Reynolds – Reported on the Special Districts meeting and informed the BoD that Chris Palmer is the newly appointed Public Affairs Coordinator.
- Vice President Luckman – Encouraged everyone to sign up for the upcoming Wild Crafting and Seed Collection class.
- President Fuller – Commented on the online webinars she attended for the Aqua Communications Committee and she had attended the JBWD Finance Committee meeting.

14. **CLOSED SESSION** – At 7:08 p.m. the BoD adjourned to Closed Session. As required by Government Code Section 54956.9 (e)(2), the record should reflect that at this time the Board will go into Closed Session pursuant to Government Code Section 54956.9 to consult with legal counsel on a matter of potential/anticipated litigation against the District. One matter concerning objections lodged by the Coalition for Responsible Solar relating to potential water service to the NextEra Joshua Tree Solar Farm Project.
15. **REPORT ON CLOSED SESSION** – At approximately 7:08 p.m. the Board of Directors went into closed session as reflected in item 14 of tonight’s Agenda. During the Closed Session, the District’s General Counsel and General Manager led a discussion on a matter of potential litigation. No further reportable action was taken. The Closed Session ended at approximately 8:12 p.m. and the Board returned to Regular Session.

16. **ADJOURNMENT**

MSC Reynolds /Johnson 5/0 to adjourn the Regular Meeting of the Board of Directors of July 1, 2016 at 8:13 p.m.

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	Aye
Unger	Aye

Respectfully submitted:

Curt Sauer, GM and Board Secretary

JOSHUA BASIN WATER DISTRICT
Minutes of the
SPECIAL MEETING OF THE BOARD OF DIRECTORS

July 11, 2016

1. **CALL TO ORDER:**

7:00 PM

2. **PLEDGE OF ALLEGIANCE**

3. **DETERMINATION OF
QUORUM:**

Victoria Fuller	Present
Bob Johnson	Present
Mickey Luckman	Present
Mike Reynolds	Present
Rebecca Unger	Present

STAFF PRESENT:

Curt Sauer, General Manager
Susan Greer, Assistant General Manager/Controller
Sarah Johnson, Human Resources/Contracts Administrator

CONSULTANTS PRESENT:

0

GUESTS

0

4. **APPROVAL OF AGENDA –
MSC/ Luckman/Fuller 5/0 to approve the Agenda.**

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	Aye
Unger	Aye

5. **PUBLIC COMMENT - None**

6. **CLOSED SESSION –**

As required by Government Code Section 54956.9 (e) (2), the record should reflect that at this time the Board will go into Closed Session pursuant to Government Code Section 54956.9 to conference with the District's designated Labor Negotiators (Curt Sauer, General Manager and Susan Greer, Assistant General Manager) with Labor Counsel Steve Berliner pursuant to Government Code Section 54957.6 regarding labor negotiations pertaining to represented employees of the District (AFSCME Local 92).

MSC Fuller /Luckman 4/1/0 to adjourn to closed session at approximately 7:08 pm.

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	No
Unger	Aye

REPORT ON CLOSED SESSION- Closed session ended at approximately 8:39 p.m. with no reportable action taken.

7. **ADJOURNMENT**

MSC Reynolds /Fuller 5/0/0 to adjourn the Special Meeting of the Board of Directors of July 11, 2016 at 8:40 p.m.

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	Aye
Unger	Aye

Respectfully submitted:

Curt Sauer, GM and Board Secretary

DRAFT

JOSHUA BASIN WATER DISTRICT
MEETING AGENDA REPORT

Meeting of the Board of Directors

July 20, 2016

Report to: President and Members of the Board

Prepared by: Curt Sauer

TOPIC: Update on NextEra Solar Project, Proposed Will Serve Letter and Water Supply Agreement

RECOMMENDATION: Contingent upon final approval of the Project by the County, the Board authorizes the General Manager to execute the Will Serve Letter and Water Supply Agreement, as recently amended.

ANALYSIS:

After considerable discussions on this topic we are currently at a place where:

- The County has issued a well permit to the current land owner which transfers with ownership of the land
- The County Planning commission approved the project, 4 to 1
- Project approval is under appeal
- Project is scheduled to be heard by Board of Supervisors on August 9
- If the project is not approved, the proposed Will Serve Letter and Water Supply Agreement would be null and void
- If the project is approved, water could be supplied by the District OR a production well will be drilled by NextEra.

My recommendation is that the Board approves the issuance of the Will Serve Letter and the Water Supply Agreement, upon approval of the project by the County. That is the best way to position the District to protect the aquifer(s) while generating revenue for the District.

These documents would commit the District to supplying water to the project only if the Project is approved by the County.

These documents would commit the District to supplying water to the project only if the Project lands are owned by NextEra.

The existing conditional Will Serve Letter, from October of 2015, was constructed in response to the State mandated 28 percent conservation restrictions. While emergency regulations are still in effect, those regulations that affected mandatory conservation have been significantly changed. Our mandated conservation target is now zero.

In May of 2016 the District received a letter from a law firm on behalf of the Coalition for responsible Solar. That letter alleged the District's entitlement to State Water Project waters was not sufficient to ensure delivery of the water needed to offset the needs of the project.

We would need to purchase approximately 86 AF of State Water Project water from MWA. The District can obtain the water needed within its existing allotment from MWA. For this water year, we still have 184 AF available to purchase from our annual allotment from Mojave Water Agency.

Furthermore, for the next three years, MWA has self-certified to the State that they have in excess of 9 million acre feet of water available to serve all of their customers, thus guaranteeing our allotment of up to 1,958 AF per year is intact. At a minimum, 684 AF is available each of those years and we are budgeted to purchase only 500 AF, leaving a surplus of 184 AF available for the District to purchase in each of the next three years.

The letter also alleges that State Water Resource Control Board regulations prohibit the use of water for washing. This is incorrect. There is no prohibition for washing anything other than vehicles, sidewalks and driveways. (SWRCB Emergency Regulations, Sec. 864(a)(2), and (3)).

The letter also contained a thinly veiled threat that if the District issued a Will Serve Letter, the Coalition might sue the District. To protect the District, we have worked with NextEra to put in place the indemnity agreement included in this board packet (**at the time of posting the Indemnity Agreement was still being worked on**), whereby NextEra will cover all legal costs, as well as certain other costs, expenses and liabilities of the District should such a law suit be brought.

By approving the proposed Will Serve and Water Supply Agreement, if the project is approved by the County, NextEra would pay for water service at the prevailing rate similar to that charged to other customers. In addition, the WSA provides that NextEra would agree to provide the funds necessary to replenish the groundwater basin in order to fully offset the impact to the aquifer from the Project.

Finally, NextEra would be precluded from using water from a well on the Project site or on any adjacent property for the Project except in those instances when the District may be unable to provide the water as set forth in the WSA.

My recommendation to the Board is to proceed with the Will Serve and Water Supply Agreement included in this board packet upon the condition that NextEra executes the indemnity agreement also included in the board packet.

FISCAL IMPACT: \$70,000 estimated in revenue for the construction phase. Approximately \$46,000 estimated revenue to be used to buy SWP water, to be recharged to the Joshua Tree subbasin.

[JBWD LETTERHEAD]

WILL SERVE LETTER

_____, 2016

Joshua Tree Solar Farm, LLC
c/o NextEra Energy Resources, Inc.
Attn: Jess Melin, Project Developer, Business Development
700 Universe Blvd.
Juno Beach, Florida 33408

Re: Will Serve Commitment
APN: 060723119 and 607-364-06 (collectively, "Property")

Dear Mr. Melin:

JT Solar Farm, LLC, a Delaware limited liability company ("JT Solar") proposes to construct and operate a twenty (20) megawatt alternating current solar photovoltaic generation facility on the Property ("Project"). JT Solar anticipates that the Project will require: (1) approximately thirty-four (34) acre feet of water during construction of the Project; (2) approximately two (2) acre feet of water per year for the first twenty (20) year period to operate the Project; and (3) approximately twelve (12) acre feet of water to decommission the Project.

NextEra Energy Resources, Inc. ("NextEra"), an affiliate of JT Solar previously requested a will serve letter for the Project. On or about October 23, 2015 Joshua Basin Water District ("District") issued a conditional will serve letter to NextEra for the Project ("Conditional Will Serve Letter"). Since that time, JT Solar has sought to establish more certainty regarding the service of water to the Project, and as such, JT Solar has requested that Joshua Basin Water District ~~("District")~~ issue this will serve letter in the place and stead of the Conditional Will Serve Letter.

This letter constitutes a will serve commitment ("Commitment") by District to provide potable water necessary for the Project. The terms and conditions of the Commitment are as follows:

(1) The Commitment shall become effective upon the issuance by ~~expire nine (9) months from the date of this letter unless~~ the County of San Bernardino ("County") issues of its final discretionary approval for the Project ("Project Approval). In the event the County does not issue the Project Approval within nine (9) months from the date of this letter the Commitment shall expire. Upon expiration of the Commitment JT Solar must submit a new application for a new Commitment to the District for review and approval.

(2) The Commitment shall expire sixty (60) days after the Project Approval unless JT Solar executes the Water Supply Agreement in the same form and content as attached hereto as

Exhibit "A" and by this reference incorporated herein. In connection therewith, JT Solar must be the sole owner of the Property at the time the Water Supply Agreement is executed. JT Solar shall provide District with such proof of ownership as District shall reasonably require.

(3) JT Solar shall, at its sole cost and expense, apply for and obtain all necessary consents, approvals, permits and authority as shall be required for the construction, installation and operation of the Project.

(4) Concurrently with the execution of this Commitment by JT Solar, JT Solar shall execute the indemnification agreement in the same form and content as attached hereto as Exhibit "B" and by this reference incorporated herein.

All rights, privileges, and conditions of this Commitment are made to JT Solar and are not assignable or transferable to another owner or property, provided that JT Solar may assign this Commitment with the prior written consent of the District, which consent shall not be unreasonably withheld. The District reserves the right to impose further requirements, which it deems appropriate. Should you have any questions, please contact the undersigned. Upon the execution of this letter by JT Solar the Conditional Will Serve Letter will be null and void and of no further force and effect.

JOSHUA BASIN WATER DISTRICT

By: _____
Curt Sauer, General Manager

AGREED AND ACCEPTED BY:

JOSHUA TREE SOLAR FARM, LLC
a Delaware limited liability company

By: _____
Name: _____
Its: _____
Dated: _____

RECORDING REQUESTED BY
WHEN RECORDED RETURN TO

JOSHUA BASIN WATER DISTRICT
P.O. BOX 675
JOSHUA TREE, CA 92252
ATTN: Curt Sauer

NO FEE GOVT. CODE § 27383

(Space above this line for Recorder's use only)

Assessor's Parcel Numbers 607-231-19 and 607-364-06

WATER SUPPLY AGREEMENT

THIS WATER SUPPLY AGREEMENT ("Agreement") is made on this ____ day of _____, 2016 ("Effective Date"), by and between the JOSHUA BASIN WATER DISTRICT, a public agency of the State of California ("District") and JOSHUA TREE SOLAR FARM, LLC, a Delaware limited liability company ("JT Solar"). District and JT Solar are referred to in this Agreement collectively as the "Parties" and individually as a "Party."

RECITALS

A. JT Solar is the owner of certain real property located in County of San Bernardino, State of California and legally described on Exhibit "A" attached hereto and by this reference incorporated herein ("Property").

B. JT Solar proposes to construct and operate a twenty (20) megawatt alternating current solar photovoltaic generation facility on the Property ("Project").

C. JT Solar anticipates that the Project will require: (1) approximately thirty-four (34) acre feet of water for construction of the Project; (2) approximately two (2) acre feet of water per year for **the first** twenty (20) year period to operate the Project; and (3) approximately twelve (12) acre feet of water to decommission the Project at the end of the term.

D. On or about October 23, 2015 District issued a conditional will serve letter for the Project ("Will Serve Letter"). JT Solar desires more certainty with respect to the service of water to the Project than set forth in the Will Serve Letter. JT Solar shall deposit money with the District to purchase eight-six (86) acre feet of water ("Wholesale Water") from such sources as are available to District, including, but not limited to, Mojave Water Agency. After purchase of the Wholesale Water, it is the intent of District to recharge the Wholesale Water in one or more basins within the District's service area.

E. JT Solar is desirous of having District provide domestic water to the Project and District is willing to provide such water on the terms and conditions set forth herein.

draft #**119 72.142.16**

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. The Recitals listed above are incorporated into this Agreement as though fully set forth herein.
2. The term of this Agreement shall commence on the Effective Date and end ~~fortytwo~~ **(420)** years thereafter (“Expiration Date”).
3. Within ten (10) business days of the Effective Date, JT Solar shall deliver to District the sum of Forty-Five Thousand Nine Hundred Twenty-Four Dollars (\$45,924.00) (“Wholesale Water Purchase Payment”) in immediately available funds (86 acre feet x \$534.00 per acre foot) to purchase the Wholesale Water, provided however, if the Mojave Water Agency water rate is less or more than Five Hundred Thirty-Four Dollars (\$534.00) on the Effective Date, the Wholesale Water purchase amount shall be eighty-six (86) acre feet times the amount Mojave Water Agency charges for Wholesale Water on the Effective Date. Notwithstanding the foregoing, the determination of when to purchase Wholesale Water and how, when and where the Wholesale Water shall be recharged shall be in District’s sole and absolute discretion. After the deposit of the Wholesale Water Purchase Payment with the District as provided herein, JT Solar shall not be entitled to a refund of such amount or any portion thereof.
4. The physical point of delivery of domestic water service shall be at the interconnection approximately shown on Exhibit “B” attached hereto and by this reference set forth herein (“Interconnection”). The Interconnection shall be the point of delivery of water supplies provided under this Agreement. The District may make modifications to the Interconnection as it deems necessary to the prudent operation of the Interconnection and the District water system. The District previously installed a pipeline and appurtenant facilities from a main to the Interconnection. On or after the Effective Date, JT Solar shall execute the District’s standard form application for water service (“Application”) and shall pay such amounts as shall be required by the Regulations (as that term is defined herein). Within a reasonable time after the completion of the Application and payment of funds required by the Regulations, if any, District may install at the Interconnection a ~~two-inch (2”)~~ meter **(the size of which shall be determined by the District)** and such hydrants and appurtenances thereto as shall be required by the Regulations (“Facilities”), which Facilities shall be owned by the District. District shall invoice JT Solar for the Facilities along with the labor to install the same. JT Solar shall pay to District the sums shown on the invoice within ten (10) business days after the receipt thereof.
5. JT Solar shall be responsible for all costs and expenses incurred for the design, construction, operation and maintenance of all on-site water facilities on the JT Solar side of the meter. In addition thereto, JT Solar shall be responsible for the cost of operation, maintenance, modification, repair and/or replacement of the Interconnection and Facilities in accordance with the Regulations.
6. JT Solar shall, at JT Solar’s sole cost and expense, be responsible for compliance with the California Environmental Quality Act (“CEQA”) and all other applicable state and federal environmental laws and all federal and state requirements arising out of or in connection with the Project, including, without limitation, construction of on-site water facilities to be constructed

hereunder and for compliance with all conditions and mitigation measures which must be satisfied in connection with the same. As part of its obligation to fund the CEQA process, JT Solar shall prepare or cause to be prepared all instruments, documents, reports and other like or kind writings required to be prepared and/or filed by CEQA, provided, however, that the Parties acknowledge that the County of San Bernardino has conducted CEQA analysis of the Project in which the supply of water for the Project by the JBWD has been analyzed, and that the Parties further intend to rely upon such analysis to satisfy the requirements of CEQA as they might apply to this Agreement.

7. (a) District shall deliver up to eighty-six (86) acre feet of domestic water ("Minimum Quantity") to the Property. During the months of July, August and September during the Construction Period ("Construction Months"), District has certain "Time of Use" restrictions from Southern California Edison ("SCE"). Should the demand for water from the Project require District to operate electrical pumping equipment during the Construction Months within a Time of Use period, JT Solar is willing and hereby agrees to pay any and all costs of SCE arising out of or in connection with District pumping equipment being operated in the Time of Use restricted period. District shall add such amount to a payment invoice after such amount has been reasonably determined by the District. The Parties agree that JT Solar shall be required to pay for additional Wholesale Water in ten (10) acre feet increments ("Ten Acre Feet Increment(s)") after the District has delivered the Minimum Quantity or a Ten Acre Feet Increment to the Property. At or after the District has delivered the Minimum Quantity or a Ten Acre Feet Increment to the Property, District shall send written notice to JT Solar ("Deposit Notice"). The Deposit Notice shall provide that (i) District has delivered the Minimum Quantity or a Ten Acre Feet Increment to the Property, and (ii) JT Solar is required to pay to District an amount equal to ten (10) acre feet times the amount charged by Mojave Water Agency for wholesale water at the time of the Deposit Notice ("Additional Payment"). JT Solar shall, within thirty (30) days after receipt of the Deposit Notice, pay the Additional Payment to District. The District shall use such Additional Payments, when received, to purchase wholesale water. As set forth in Section 3 of this Agreement, the determination of when to purchase wholesale water with the Additional Payment and how, when and where such water shall be recharged shall be in District's sole and absolute discretion.

(b) If by reason of Acts of God, earthquakes, droughts, floods, storms, explosions, fires, labor disputes, strikes, insurrection, war, riots, acts of the public enemy, or federal or state or local order, rule, or regulation, or any other cause outside of District's control, District is prevented, in whole or in part, from the delivery of water to the Property, as provided herein, and provided that District has taken commercially reasonable, good faith efforts to deliver water to the Property notwithstanding any such event, then District may reduce delivery of water accordingly. If the force majeure event is system wide District may reduce delivery of water up to the same percentage the District reduces water delivery to its retail customers.

(c) The delivery of water may be suspended or curtailed in accordance with applicable law during any period of public emergency that is declared by District,

provided that any such suspension or curtailment is reasonably related to such public emergency, and that the suspension or curtailment of water service is not disproportionate to the suspension or curtailment of other water customers of the District during such public emergency.

(d) JT Solar shall not market, sell or make available the water provided hereunder to any person or entity within or without District's service area or sphere of influence, as amended from time to time, without first receiving the written approval of District, which approval may be withheld in District's sole and absolute discretion.

8. District will provide water to JT Solar at the Interconnection. The price for the water delivered by District shall be the same price charged by the District to its retail customers at the time water is delivered to the Property. If JT Solar uses water during the "Construction Period," JT Solar will pay the temporary water meter rate for such water. For purposes of this Agreement, the term "Construction Period" shall mean the period prior to the date all regulatory agencies permit the Project to be operated for the purpose set forth in Recital B above. JT Solar understands, acknowledges and agrees that District may, from time to time, increase its water rates and charges to its retail customers in accordance with California law. District will give JT Solar at least thirty (30) days notice prior to any increase of water rates. From time to time, District shall invoice JT Solar for water delivered to the Property and JT Solar shall pay to the District the sum shown in the invoice within ten (10) days after receipt thereof.

9. Except as otherwise provided herein, JT Solar shall comply with all District rules, regulations, ordinances, procedures and any like kind directives ("Regulations") with respect to water service, including, but not limited to, payment of applicable fees and charges in connection therewith. The provisions of the Regulations are incorporated herein by reference. Conversely, District will only provide service to the Project in accordance with the Regulations, as well as federal, state and local laws, rules, regulations, ordinances, and like directives, including restrictions related to the drought. In the event of a conflict between this Agreement and the Regulations, the Regulations shall control.

10. JT Solar shall, at its sole cost and expense, apply for and obtain all necessary consents, approvals, permits and authority as shall be required for the construction and installation of the Project and any on-site improvements described herein. JT Solar shall directly pay all costs associated with the construction of the on-site improvements (and any of them), including, but not limited to, furnishing of materials, and JT Solar shall keep District free and harmless from such costs.

11. District shall not be liable for the control, carriage, handling, use, disposal or distribution of water supplied or furnished under this Agreement past the Interconnection. District will not be liable for claims or damage of any nature whatsoever, including, but not limited to, property damage or personal injury, arising out of or connected with the control, carriage, handling, use, disposal or distribution of water supplied or furnished to JT Solar under this Agreement and JT Solar will indemnify, defend and hold harmless the District and its directors, officers, employees and agents from any such damage or claim of damages.

12. JT Solar hereby grants a perpetual non-exclusive easement to District in, on, over, under, upon, along and through the Property as may reasonably be required to construct, own, operate, maintain, replace, repair, enlarge, reconstruct, remove and improve the Facilities along with a right of reasonable access to and from such easement for the purpose of exercising the rights granted herein.

13. (a) District makes the following representations, warranties and covenants to JT Solar:

(i) District has the power and authority to enter into this Agreement and to perform its obligations and all necessary approvals and authorizations have been obtained that District must obtain to provide water to the Property.

(ii) This Agreement constitutes a legal, valid and binding obligation of the District and is enforceable against the District in accordance with its terms.

(iii) Subject to the ~~provisions~~ provisions set forth in this Agreement, after the Wholesale Water Purchase Payment as set for in paragraph 3 above, District shall provide up to eighty-six (86) acre feet of water required for Project construction, operation and decommissioning as detailed herein.

(b) JT Solar makes the following representations, warranties and covenants to District:

(i) JT Solar has the power and authority to enter into this Agreement and to perform its obligations and all necessary approvals and authorizations have been obtained that JT Solar must obtain to enter into this Agreement.

(ii) This Agreement constitutes a legal, valid and binding obligation of JT Solar and is enforceable against JT Solar in accordance with its terms.

14. This Agreement shall terminate and be of no further force and effect as of the Expiration Date.

15. The rights granted to JT Solar hereunder constitute the right to take domestic water only and shall not be interpreted as a sale, transfer or assignment of any of District's water rights.

16. JT Solar may, during the term of this Agreement, drill and outfit one (1) or more wells on the Property ("Wells"). JT Solar covenants and agrees that JT Solar will not construct any Wells on the Property, or the real property adjacent to the Property, inclusive of assessor parcel number 0607-364-06 ("Adjacent Property"), for purpose of providing water for the Project from the Wells on the Property or Adjacent Property for use on the Property, except for those instances where District cannot provide the water set forth in this Agreement. Nothing herein shall waive or release District's right to challenge the use of water for other purposes or for transport of water off the Property and/or Adjacent Property or for compliance with the Regulations and/or the District's groundwater management plan with respect to the drilling of the Wells and the

Parties toll any statute of limitations or equitable claims, including laches in connection with the equitable claims.

17. Concurrently with the execution of this Agreement by JT Solar, JT Solar shall deliver to District a current preliminary report ("PR") affecting the Property dated within thirty (30) days of the delivery thereof to District. The District will notify JT Solar of any title exceptions within the PR which must be subordinated to the lien of this Agreement. Notwithstanding the foregoing, any monetary liens or liens of any covenants, conditions and restrictions must be subordinated to the lien of this Agreement. JT Solar shall have a period of thirty (30) days after the receipt of written notice to cause the subordination of the items listed in District's notice, as well as any monetary liens or liens of any covenants, conditions and restrictions.

18. (a) The following events shall be deemed to be acts of default ("Acts of Default") by either Party under this Agreement regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency, or other proceeding which has or might have the effect of preventing such Party from complying with the terms of this Agreement:

(i) Failure to pay any sums to be paid hereunder within ten (10) days after written notice of such failure has been given to the defaulting Party;

(ii) Failure to comply in any material respect with any material term of this Agreement, other than the payment of sums to be paid hereunder, without curing such failure within ten (10) business days after written notice thereof if such failure can reasonably be cured within said ten (10) business day period; or if such failure cannot reasonably be cured within the ten (10) business day period, and such Party shall not have commenced to cure such failure within said period and shall not thereafter with reasonable diligence and good faith proceed to cure such failure;

(iii) Filing, or consent to the filing of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy by a Party, for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction; or a Party shall make an assignment for the benefit of creditors; or a Party shall consent to the appointment of a custodian, receiver, trustee, or other officer with similar powers, for substantially all of a Party's property, or be adjudicated insolvent; or an order for relief shall be entered against a Party in any case or proceeding for liquidation or reorganization or otherwise to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding up or liquidation of all or any part of a Party's property; or any petition for any such relief shall be filed against a Party and shall not be dismissed within forty-five (45) days.

(b) Upon the occurrence of any Act of Default, the non-defaulting Party may, at its option, and in addition to any other rights the non-defaulting Party may have at law or in equity, enforce, by all proper and legal suits and other means, its rights hereunder, including, without limitation, the collection of sums due hereunder, and should it be

necessary for such Party to take any legal action in connection with such enforcement, the defaulting Party shall pay such Party all costs, including reasonable attorneys' fees so incurred, all without prejudice to any remedies that might otherwise be used by either Party for recovery of arrearage of sums due hereunder, damages as herein provided, or breach of covenant.

(c) Upon the occurrence of any Act of Default by JT Solar which results in a material failure by JT Solar to meet its payment obligations set forth in this Agreement, District may, at its election, within ten (10) business days after written notice of such Act of Default has been given to JT Solar, cease delivery of water service to the Property until such Act of Default is cured.

19. (a) All notices provided for hereunder shall be in writing and mailed (registered or certified, postage prepaid, return receipt requested), or by express carrier (return receipt requested) or hand delivered to the Parties at the addresses set forth below or at such other addresses as shall be designated by such Party and a written notice to the other Party in accordance with the provisions of this Section. All such notices shall, if hand delivered, or delivered by express carrier, be deemed received upon delivery and, if mailed, be deemed received three (3) business days after such mailing.

DISTRICT:

Joshua Basin Water District
Attention: General Manager
Post Office Box 675
Joshua Tree California 92252

JT Solar:

Joshua Tree Solar Farm, LLC
c/o NextEra Energy Resources, LLC
Attn: Joshua Tree Solar Business Manager
700 Universe Blvd.
Juno Beach, FL 33408

(b) This instrument, together with the exhibits attached hereto and other writings referenced herein, contains the entire agreement between the Parties relating to the subject matter hereof and supersedes any and all prior agreements between the Parties, oral or written, and any and all amendments thereto. Any oral representations or modifications concerning this instrument shall be of no force and effect, excepting a subsequent modification in writing, signed by the Parties to be charged.

(c) In the event of any litigation or other action between the Parties arising out of or relating to this Agreement or the breach thereof, the prevailing Party shall be entitled, in addition to such other relief as may be granted, to its reasonable costs and attorneys' fees.

(d) If any provision of this Agreement shall be ruled invalid, illegal or unenforceable, the Parties shall: (i) promptly negotiate a substitute for the provision which shall, to the greatest extent legally permissible, effect the intent of the Parties in the invalid, illegal or unenforceable provision, and (ii) negotiate such changes in, substitutions for or additions to the remaining provisions of this Agreement as may be necessary in addition to and in conjunction with subsection (i) above to give effect to the intent of the Parties without the invalid, illegal or unenforceable provision. To the extent the Parties are unable to negotiate such changes, substitutions or additions as set forth in the preceding sentence, and the intent of the Parties with respect to the essential terms of the Agreement may be carried out without the invalid, illegal or unenforceable provision, the balance of this Agreement shall not be affected, and this Agreement shall be construed and enforced as if the invalid, illegal or unenforceable provision did not exist.

(e) Each Party hereto agrees to execute and deliver such other documents and perform such other acts as may be necessary to effectuate the purposes of this Agreement.

(f) This Agreement is entered into within the State of California, and all questions concerning the validity, interpretation and performance of any of its terms or provisions or any of the rights or obligations of the Parties hereto shall be governed by and resolved in accordance with the laws of the State of California.

(g) The terms and provisions set forth in this Agreement shall be deemed provisions, terms and/or covenants running with the Property in accordance with applicable law and shall pass to and be binding upon the successor owners of the Property. This Agreement shall burden the Property and is binding upon the Parties and their successors, assigns and all persons acquiring ownership of any interest in, or any portion of the Property. This Agreement shall benefit the Property and inure to the benefit of the owners of the Property. As such, all successor owners of the Property will have any of the rights, responsibilities and liabilities of JT Solar, as if such person or entity originally executed this Agreement in place and stead of JT Solar. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property, or any portion thereof, shall conclusively be held to have been executed, delivered and accepted subject to such terms and conditions regardless of whether such terms and conditions are set forth in such contract, deed or other instrument. No transfer of the Property shall relieve JT Solar of any responsibility or liability under this Agreement.

(h) The provisions of the Agreement shall be construed as to their fair meaning, and not for or against any Party based upon any attribution to such Party as the source of the language in question.

- (i) Time is of the essence of this Agreement and each and every term and provision thereof.
- (j) This Agreement shall be construed as if prepared by all of the Parties hereto. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the Party that has drafted it is not applicable and is waived.
- (k) No delay on the part of any Party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any Party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder, nor shall any single or partial exercise of any right, power or privilege hereunder, preclude any other or further exercise of any other right, power or privilege hereunder.
- (l) Each individual executing this Agreement hereby represents and warrants that he or she has the full power and authority to execute this Agreement on behalf of the named Parties.
- (m) This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute but one instrument.
- (n) If any amount due District hereunder is not paid when due, JT Solar shall pay to District an additional ten percent (10%) for each payment due as an administrative process charge. The Parties agree that this late charge represents a fair and reasonable estimate of the costs that District will incur by reason of late payment by JT Solar. Acceptance of any late charge shall not constitute a waiver of JT Solar's default with respect to the overdue amount or prevent District from exercising any of the other rights and remedies available to District. Any payment not paid when due shall bear simple interest at the rate of ten percent (10%) per annum (provided such amount shall not exceed the maximum rate allowed under California law) from the date due until paid in full.
- (o) The Parties agree that any action or proceeding to enforce or relating to this Agreement shall be brought exclusively in the State courts located in San Bernardino County, California, or the Federal court located in Riverside County, California and the Parties hereto consent to the exercise of personal jurisdiction over them by any such courts for purposes of any such action or proceeding.
- (p) Nothing in this Agreement will be construed to create an association, company, joint venture, trust or partnership, or to impose a trust or partnership covenant, obligation or liability.
- (q) This Agreement will not be construed to create any third party beneficiaries. This Agreement is for the sole benefit of the Parties and their respective successor, transferees and assignees and no other person or entity will be entitled to rely on or receive any benefit from this Agreement or any of its terms.

(r) Each Party to this Agreement will indemnify, defend and hold harmless the other Party and its respective directors, officers, employees and agents from and against any and all liability, losses, claims, damages, expenses, demands, settlements and costs including, but not limited to, interest, penalties, attorneys' and expert witness fees, consulting fees and litigation costs of any nature arising out of the Party's performance under this Agreement and caused by any negligent act or omission, willful misconduct or violation of law of or by the Party, or the Party's employees, agents, contractors and subcontractors.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the day and year first set forth above.

JT SOLAR:

JOSHUA TREE SOLAR FARM, LLC
a Delaware limited liability company

By: _____
Name: _____
Its: _____

DISTRICT:

JOSHUA BASIN WATER DISTRICT,
a public agency of the State of California


By: _____
Curt Sauer, General Manager

**JOSHUA BASIN WATER DISTRICT
MEETING AGENDA REPORT**

Meeting of the Board of Directors

July 20, 2016

Report to: President and Members of the Board

Prepared by: Susan Greer 

TOPIC:

APPROVE 15/16 BAD DEBT WRITE-OFF OF \$12,847.24 AND CONSIDER INCREASE TO GUARANTEE DEPOSIT FOR NEW CUSTOMERS WITH RED/POOR CREDIT

RECOMMENDATION:

- 1) Approve 15/16 bad debt write off in the amount of \$12,847.24
- 2) Consider Staff recommendation to increase the guarantee deposit amount for customers with red/poor credit

ANALYSIS:

Total bad debt is reduced again this year, both in number of accounts being written off as well as the total amount. The amount is reduced 15% this year compared to last year; from \$15,131 to \$12,847. The bad debt is reduced 55% compared to fiscal 09/10. This is the result of significant Staff effort and focus on this issue, primarily by Patricia Freeman. We are filing liens throughout the year when closed accounts are delinquent, we have developed a comprehensive system for identifying customers who haven't paid and are catching them when they come back to set up new accounts, we are using email reminders to collect on closed accounts, we are sending a list of all bad debt to our credit determination company which catches them as they try to establish credit elsewhere and we're making owners responsible for multiple tenant bad debts. In order for bad debt to be reduced, more payments had to be collected, and as a result of our efforts, we also collected \$2,597 in bad debt that would have otherwise been written off. This is in addition to bad debt that has been avoided in the first place because of tighter policies. The bad debt budget is \$15,500 for 15/16, so our actual cost is 17% less than the budgeted amount.

Recent historical bad debt activity is below:

Fiscal Year	Bad Debt	Total Quantity	Owners	%	Tenants	%
15/16	\$12,847	107	24	22%	83	78%
14/15	15,131	145	26	18%	119	82%
13/14	17,757	168	36	21%	132	79%
12/13	24,388	209	42	20%	167	80%
11/12	20,899	183	Not available			
10/11	27,100	234	Not available			
09/10	23,229	188	Not available			

The annual bad debt write-off also provides an opportunity to review the amount of write-off, policies that affect write-off and how we might improve the results.

This year, bad debt totals \$12,847. This represents 107 accounts overall, ranging in amounts from \$0.65 to \$1,108.53, representing 24 owner accounts and 83 tenant accounts; still approximately 80% tenant and 20% owner bad debt.

Again, we have several addresses with multiple bad debts being written off this year. There are three different addresses that have multiple bad debts being written off this year; all are tenant accounts. This is compared to four addresses last year with multiple bad debts and nine accounts the prior year. Since the majority of bad debt, as well as the multiple bad debts at one address, comes from tenants, our policy requiring owners to either pay off the bad debt or assume responsibility for the rental property account going forward is apparently paying off.

Liens have been filed on 35 accounts, all those that are eligible for liens. While 24 of the bad debt account-holders were owners, 17 of them were prior owners, and we cannot lien those properties once ownership has changed. That's why we don't wait to file liens only once per year.

We've been utilizing our third party credit determination service (red/yellow/green) as accounts are set up for many years and we're able to clearly see the results of that practice. The process involves utilization of a third party credit reporting company that verifies identity for us as required by law and at the same time also provides a credit determination based on the customer's previous credit history. We then charge a \$100 guarantee deposit for either red (poor) or yellow (fair) credit and no deposit is required for green (good) credit. We also continue to have "old" accounts with bad debt each year; these are accounts established before we initiated our credit determination process – red/yellow/green.

When the credit determination service was first established, Staff recommended that 'red' credit require a double \$200 deposit, 'yellow' require the standard \$100 deposit and 'green' require no deposit. A higher deposit for those 'red credit' customers is recommended by the third party vendor and typical among other clients who use the credit determination service company. The Board did not want to require the double deposit at the time we established the service. We now have proof that the credit determination being provided up-front is a clear indicator of how the account will be paid all the way through to account termination—most customers with 'green' credit pay their bills as required and don't leave us with unpaid bills. Only 19 customers on the list- 18% of the total- had 'green' credit as determined when their account was established. In fact, it's important to note that MOST customers of all credit ratings pay their bills as required; we send out bills to over 5,000 accounts 12 times per year, over 60,000 bills, and are only writing off 107 accounts. Since bad debt is an expense passed on to all ratepayers, we have an obligation to ensure that we are doing all we can to address the issue. See credit detail for proposed 15/16 write off below:

	Quantity	%	Amount	%	Average	Deposits	
Red/Poor	69	65	\$8,889	68	\$129	\$8,500	79/79
Yellow/Fair	10	9	851	7	85	400	4/4
Green/Good	19	18	1,999	16	105	0	0/10
"Old"	9	8	1,108	9	123	3,200	29/50
Total	107	100%	\$12,847	100%	\$120	\$12,300	114/145

Only 28 of the 107 accounts being written off , 26%, did not have deposits at the time accounts were closed; the other 79 accounts had deposits, mostly \$100, and 12 double \$200 deposits, which are required after lock-off for non-payment. This means that 74% of our write-off accounts already had a

deposit at the time the account was closed and demonstrates that the amount of the deposit is not large enough.

As water rates increase over time, the amount of the guarantee deposit also needs to increase and it has not increased since 1997—19 years. An *average* water bill, of 10 units of water, now costs \$55.04 per month, and will increase again next year. The legal process requires nearly three months before an account can be locked off for non-payment. Even if customers don't ultimately get locked off for non-payment, a trend we see is that customers stop paying their bills for the few months before they close their accounts, ultimately leaving us with a balance. By the time three months has passed, based on the *average* consumption noted, a customer has incurred a total of about \$180 in charges, including penalties. With a \$100 guarantee deposit on hand to satisfy this account balance, you can see what happens. This situation is only made worse if the customer uses more water, since the deposit is the same \$100 regardless of amount of water used or meter size.

Staff again recommends the \$200 guarantee deposit for the red/poor credit customers, based on the actual write off data, which indicates that 69 of the 98 accounts-70%-with a reported credit rating (other accounts pre-date the credit determination service implementation) were red/poor credit. Every one of those accounts had a \$100 deposit on file when their accounts were closed, further indication that the amount of the deposit is insufficient. The average write off was \$68 per account for the red/poor credit customers, so an additional \$100 deposit would make a significant impact on the overall write off of the red/poor credit accounts.

While Staff recommends the \$200 deposit, there are other alternatives that still make progress toward reducing future bad debt. As with water rates, increasing the deposit amount in small amounts over time as water rates increase instead of once every 19 years is advised. An increase of \$20 is still a significant increase, in lieu of doubling the deposit amount to \$200, but further increases should continue to be reconsidered each year. Increasing the deposit automatically by the same percentage as the water rates are increased is another way to address this issue.

While bad debt write off has been decreasing steadily for the last three years, we do anticipate an increase over the next few years. Unpaid inactive/locked meter billings will be a factor in the future, and with close to \$300,000 in revenue projected for each of the next two years, some measure of that will be uncollectable and have to be written off.

STRATEGIC PLAN ITEM:

N/A


FISCAL IMPACT:

\$12,847.24 proposed bad debt expense for 15/16 fiscal year

JOSHUA BASIN WATER DISTRICT
MEETING AGENDA REPORT

Meeting of the Board of Directors
Report to: President and Members of the Board

July 20, 2016

Prepared by: Susan Greer 

TOPIC:

ADOPTION OF RESOLUTION #16-964, ESTABLISHING THE APPROPRIATION LIMIT FOR FISCAL YEAR 2016/2017

RECOMMENDATION:

Adopt Resolution #16-964

ANALYSIS:

The appropriation limit calculation for fiscal year 16/17 is attached. This is another routine matter, requiring annual calculation, posting and approval by the governing body. We posted the calculation as required by law, at least 15 days prior to tonight's consideration for adoption, on June 21. The appropriation limit is also reviewed annually in conjunction with the audit.

The appropriation limit (also known as the Gann Limit) was enacted in 1980. The purpose of the Limit is to place an annual limit or restriction on the growth of tax-funded programs and services. The Limit provides for an annual increase no greater than the increase in the cost of living, plus the increase in population. The proceeds of taxes in excess of appropriations must be designated for purposes exempt from limitation or returned to taxpayers. Proceeds of taxes have been generally interpreted to include general tax revenues, proceeds from investment of tax revenue, revenue from user fees and charges that exceed the cost of providing the service and state/federal grant revenue unrestricted as to use. The cost of living increase this year is 5.37%, compared to 3.82% last year, while the population for unincorporated portions of San Bernardino County, which applies to us, increased slightly from .63% to .68%. This results in a total increase of 6.087%.

The District anticipates approximately \$420,000 in general tax revenues (the "free" portion of the 1% property tax) plus approximately \$17,000 in interest revenue this year which is subject to the Limit. All other revenues, such as for debt service or user fees (because they do not exceed the cost of service) are not subject to the Limit. The total of these subject revenues, \$437,000 is significantly below the 16/17 appropriation limit of \$1,618,400.

STRATEGIC PLAN ITEM:

N/A

FISCAL IMPACT:

N/A



P.O. BOX 675 • 61750 CHOLLITA ROAD • JOSHUA TREE • CALIFORNIA 92252
 TELEPHONE (760) 366-8438 FAX (760) 366-9528 E-mail: customerservice@jbwd.com
www.jbwd.com

2016/2017 APPROPRIATION LIMIT CALCULATION

PER CAPITA INCOME FACTOR CHANGE: 5.37%
 POPULATION FACTOR CHANGE: 0.68%
 (unincorporated San Bernardino County)

Per Capita Conversion to Ratio: 5.37 + 100 / 100 = 1.0537
 Population Conversion to Ratio: 0.68 + 100 / 100 = 1.0068

CHANGE FACTOR CALCULATION: 1.0537 x 1.0068 = 1.0609 6.087 %

2015/2016 LIMIT	\$	1,529,671
2016/2017 CHANGE FACTOR	x	<u>6.09%</u>
2016/2017 CHANGE LIMIT	\$	<u>88,729</u>

2015/2016 APPROPRIATION LIMIT	\$	1,529,671
2016/2017 CHANGE LIMIT	+	<u>88,729</u>
2016/2017 APPROPRIATION LIMIT	\$	<u>1,618,400</u>

Posted June 21, 2016

RESOLUTION 16-964

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE JOSHUA BASIN WATER DISTRICT
ESTABLISHING THE APPROPRIATION LIMIT OF
THE DISTRICT FOR THE FISCAL YEAR 2016/2017**

BE IT RESOLVED by the Board of Directors of the Joshua Basin Water District as follows:

1. That in accordance with Article XIIB of the California Constitution and Section 7910 of the Government Code of this State, the appropriation limit for this District is established at \$1,618,400.
2. The Board of Directors selects the per capita personal income as the cost-of-living factor to compute the appropriation limit.
3. That documentation used in the determination of such appropriation limit has been available to the public at least fifteen days prior to this meeting of the Board of Directors.
4. This resolution is effective July 20, 2016.

ADOPTED this 20th day of July, 2016.

Victoria Fuller _____
Mickey Luckman _____
Robert Johnson _____
Mike Reynolds _____
Rebecca Unger _____

By _____
Victoria Fuller, President

Attest _____
Curt Sauer, General Manager