

JOSHUA BASIN WATER DISTRICT
Minutes of the
REGULAR MEETING OF THE BOARD OF DIRECTORS
February 5, 2014

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
Gary Wilson	Present

STAFF PRESENT:

Susan Greer, Acting General Manager
Marie Salsberry, HR Manager/Administrative Specialist
Keith Faul, GIS Coordinator

CONSULTANTS PRESENT:

Gil Granito, District Counsel
Mike Metts, District Engineer, Dudek & Associates
Justin Schiedel, Dudek & Associates
David O'Leary, USGS
Kathleen Radnich, Public Outreach Consultant

GUESTS 6

4. APPROVAL OF AGENDA

MSC Luckman/Johnson 5/0 to approve the agenda for the February 5, 2014 Regular Meeting of the Board of Directors.

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Aye
Wilson	Aye

5. PUBLIC COMMENT

Kathleen Radnich, JBWD Public Outreach Consultant, stated the District will host a Water Education Day on March 30 along with Bighorn-Desert View Water Agency, Hi-Desert Water District, Mojave Water Agency, Twentynine Palms Water District and other local organizations.

6. CLOSED SESSION

The Board went to closed session at 7:06 pm and the meeting resumed in open session at 7:47 pm.

7. PUBLIC REPORT ON TONIGHT'S CLOSED SESSION

President Fuller reported that during the closed session the Board discussed appointment of a general manager and a roll call vote was taken for the conditional appointment, which will be subject to final action of Board approval of Mr. Sauer's contract as legally required during open session at the next meeting. President Fuller stated it had been nine months since the Board appointed Susan Greer as Acting General Manager and Susan has been amazing balancing her regular job and the job of General Manager.

President Fuller reported that, pending the contract and hiring approval at the February 19th Board meeting the Board has appointed Curt Sauer as the new general manager. She noted that Mr. Sauer has 30 years' experience managing programs, people and infrastructure; he served as the Joshua Tree National Park Superintendent and is a committed member of the Joshua Tree community. She reported the roll call vote for the appointment of Mr. Curt Sauer to the position of general manager:

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Aye
Wilson	No

District Legal Counsel Gil Granito reported that the Board has been diligent in adhering to the Brown Act and has done a remarkable job. He reported that an employment agreement will be included in the agenda packet for the next meeting so that it can be vetted by the public as well as deliberated by the Board.

Director Wilson commented opposing the choice of appointment for the general manager position. Director Luckman stated she was pleased with the appointment. Vice President Reynolds stated he was pleased with the decision and looking forward to working with Mr. Sauer.

8. CONSENT CALENDAR

MSC Luckman/Reynolds 5/0 to approve the draft minutes of the January 8, 2014 Special Meeting of the Board of Directors; to approve the draft minutes of the January 15, 2014 Regular Meeting of the Board of Directors; to approve the October 2013 Financial Report Review; and to approve the November 2013 Financial Report Review.

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Aye
Wilson	Aye

9. UNITED STATES GEOLOGICAL SURVEY (USGS) STUDY CONTINUATION AT A COST OF \$143,075

Acting General Manager Susan Greer reported to the Board, and introduced David O'Leary of United States Geological Survey (USGS), who presented information on work done to date and the proposal for continued studies.

MSC Luckman/Johnson 4/1 to approve \$143,075 extension to the Joint Funding Agreement with USGS.

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Aye
Wilson	No

10. APPROVAL OF CONSTRUCTION SUPPORT CONTRACTS FOR WATER RECHARGE FACILITY PROJECT AT A TOTAL COST OF \$153,043 INCLUDING 10% CONTINGENCY

District Engineer Mike Metts presented the staff report, describing the construction support services needed for the Recharge Facility project.

MSC Reynolds/Luckman 4/1 to authorize the contracts and costs for the Water Recharge Facility project as follows: 1) Dudek in the amount of \$54,860 for construction management and inspection; 2) Leighton

Engineering in the amount of \$49,288 for soils and geotechnical consulting; and 3) Diamondback Surveying in the amount of \$31,400 for construction staking; 4) Circle Mountain in the amount of \$3,595 for environmental services; and 5) a 10% contingency in the amount of \$13,900.

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Aye
Wilson	No

11. APPROVAL OF CONSTRUCTION SUPPORT CONTRACTS FOR D3 PUMP STATION REHABILITATION PROJECT AT A TOTAL COST OF \$34,018 INCLUDING 10% CONTINGENCY

District Engineer Metts reported on services needed in conjunction with the D3 Pump Station Rehabilitation project. He recommended that the Board authorize contracts to Dudek in the amount of \$13,500 for construction management and inspection, Heider Engineering in the amount of \$4,918 for soils and geotechnical consulting, Rockwell Electric in the amount of \$12,500 for electrical inspection, and a 10% contingency in the amount of \$3,100.

Director Wilson made a motion to approve the construction support contracts with the exception of Rockwell Electric, this portion would be put out to bid for sealed bids opened by the Board. There was no second and the motion failed.

MSC Luckman/Johnson 4/1 to approve the construction support contracts for D3 Pump Station Rehabilitation project at a total cost of \$34,018 including 10% contingency.

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Aye
Wilson	No

12. APPROVAL OF RESOLUTION 14-915 AMENDING THE BASIC WATER SERVICE RULES AND REGULATIONS

President Fuller reported that the Ad Hoc Rules and Regulations committee worked with staff and legal counsel to update the Rules and Regulations to provide clarity and transparency. AGM Greer reported that the proposed updates to Articles 1 and 2 clarify the rules for customers as well as for staff. She stated that Director Luckman had noted several typographical errors and correction of these could be included in the recommended action for this item.

Richard Fountain of Joshua Tree commented on several provisions of the Rules and Regulations. President Fuller stated no substantial changes were made to the Rules and Regulations; only the language was changed to make the document easier to read.

MSC Luckman/Reynolds 5/0 to adopt Resolution 14-915 Amending the Basic Water Service Rules and Regulations including correction of typographical errors noted by Director Luckman.

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Aye
Wilson	Aye

13. CHANGE FINANCIAL REPORTING FREQUENCY TO QUARTERLY OR AS-NEEDED

AGM Greer reported on behalf of the Finance Committee that it is the Board's decision how often to receive

financial reports. The District's budget is annual but revenues and expenses do not occur regularly throughout the year. Most questions related to financial reports have been about the check register. The Committee recommended quarterly financial reporting to the Board. The check audit report would still be provided monthly. Director Luckman asked if quarterly financial reports could be tied to the Strategic Plan. Discussion ensued.

MSC Johnson/Reynolds 5/0 to approve quarterly financial reporting frequency or as-needed.

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Aye
Wilson	Aye

14 COMMITTEE REPORTS

AD HOC COMMITTEES:

- A. GENERAL MANAGER SEARCH: Vice President Reynolds and Director Luckman: This committee will be dissolved.
- B. ADMINISTRATION CODE UPDATE PROJECT: President Fuller and Director Luckman: This will be addressed after updates to the Rules and Regulations are completed.
- C. HOSPITAL WASTEWATER PROJECT: Director Luckman and President Fuller: District Counsel Granito reported that a meeting is scheduled for this Friday.
- D. MOJAVE WATER AGENCY INTEGRATED REGIONAL WATER MANAGEMENT PLAN COMMITTEE: Director Luckman and President Fuller: Director Luckman reported the next meeting is tomorrow and President Fuller will attend.
- E. RULES AND REGULATIONS COMMITTEE: President Fuller and Vice President Reynolds: The committee will address the next phase.
- F. TANK RESTORATION PROJECT: Director Wilson and Director Johnson: Director Wilson reported that nothing will happen until the District has some money.

15. PUBLIC COMMENT

None.

16. GENERAL MANAGER REPORT

AGM Greer reported the Incode Version 10 upgrade is in process. The Department of Water Resources grant has been submitted and is under review. Another solar project is planned, for the area of Terrace and Cascade. Pre-construction meetings were held today for the Recharge Project and D3 Pump Station project; both projects will begin mid-march. AGM Greer addressed a question Director Wilson asked at the last meeting regarding vehicle use; a vehicle use policy is on the list of re-opener items in the current Memorandum of Understanding between the District and the general unit; after the current item being addressed in Meet and Confer is concluded she will request that the vehicle use policy be discussed next. Distribution department employees are no longer driving District vehicles home except when on call. She addressed comments that have been overheard in the community that the District is in serious financial distress and cannot pay its employees. That is not true; The District has cash flow concerns related to the grant; four million dollars have been spent and the grant funding of three million dollars will be coming back. Cash reserves are low but lowering the cash reserves was done intentionally. The District has three million dollars in reserve and is due three million dollars from grant funding for a total of six million dollars. Three million dollars is nearly one year's operating expense including all payroll for the District, so the

District is in good financial shape.
Newly designed water bills will go to customers for the first time next month; the newsletter will include information about the changes to the bill.

17. DIRECTORS COMMENTS/REPORTS

Director Johnson stated he looks forward to working with Mr. Sauer and welcomed him to the District. Director Luckman reported that the Association of California Water Agencies (ACWA) confirmed her appointment as a member of the Groundwater Committee representing Region 9. Vice President Reynolds welcomed Mr. Sauer. He reported attending the Association of San Bernardino County Special Districts meeting where the speaker was a representative of the San Bernardino County Sheriff Department. President Fuller reported attending the Mojave Water Agency meeting where a topic of discussion was the state's interest in oversight of groundwater management. President Fuller has been appointed to the ACWA Local Legislative Committee representing Region 9. She stated she is looking forward to having Mr. Sauer join the District.

18. DISTRICT GENERAL COUNSEL REPORT

District Counsel Granito reported on a third application for a solar facility; he and AGM Greer will prepare a response to express concerns about water issues.

19. FUTURE AGENDA ITEMS

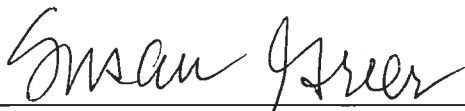
Welcome for the new general manager once hired.

20. ADJOURNMENT 9:13 PM

MSC Luckman/Reynolds 5/0 to adjourn the February 5, 2014 Regular Meeting of the Board of Directors.

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Aye
Wilson	Aye

Respectfully submitted:



Susan Greer, Acting General Manager