



JOSHUA BASIN WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY FEBRUARY 1, 2012 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 <u>not</u> 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. |
| Pg. 1-4
Pg. 5-8
Pg. 9-20 | | A. <u>Approve Minutes of December 21, 2011 Regular Board Meeting</u>
B. <u>Approve Minutes of January 18, 2012 Regular Board Meeting</u>
C. <u>Approve the Financial Report for December 2011</u> |
| Pg. 21-24 | 7. | POLICY REGARDING APPLICATION OF WATER AVAILABILITY ASSESSMENT (STANDBY CHARGE) TO PROPERTIES ACQUIRED BY GOVERNMENT AGENCIES
Recommend that the Board adopt Resolution 12-884 to apply the standby charge to properties acquired by governmental agencies after 1996, which were previously privately owned, as required by state law. |
| | 8. | COMMITTEE REPORTS |
| | | A. <u>PUBLIC INFORMATION COMMITTEE:</u> Vice President Luckman and Director Long; Kathleen Radnich, Public Outreach Consultant
B. <u>AD HOC GENERAL MANAGER PERFORMANCE FACILITATED REVIEW PROCESS:</u> President Reynolds and Director Long
C. <u>AD HOC RECHARGE BASIN SITE VEGETATION:</u> Vice President Luckman and Director Coate: The Committee and Staff recommend that the Board donate surplus cacti from the groundwater recharge site to Joshua Basin Water District customers and Pioneer Town properties that were scorched in previous year fires. |
| Pg. 25 | | |
| Pg. 26 | | D. <u>AD HOC BOARD COMMITTEE TO CONSIDER BOARD COMPENSATION:</u> President Reynolds and Vice President Luckman: The Committee recommends that the Board not consider increasing Board compensation, thereby not requiring setting of a public hearing. |

- Pg. 27-29
- Pg. 30
9. 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.
 10. PROJECT PRIORITY LIST
 11. GENERAL MANAGER REPORT
 12. DISTRICT GENERAL COUNSEL REPORT
Update on the Yorba Linda Fire Litigation; recently released Legislative Analyst’s Report on Special Districts (the “Dickinson Report”) and other matters of general interest. E.g. Attorney General Opinions, Legislation, Litigation, etc.
 13. FUTURE AGENDA ITEMS
 14. APPOINTMENTS TO THE CITIZENS ADVISORY COMMITTEE (CAC)
Recommend that the Board consider having CAC appointments approved by the Board of Directors rather than just the President; and consider the application process by which CAC members are considered for appointment.
 15. DIRECTORS COMMENTS/REPORTS
 - A. Trip to Washington DC to Seek Funds for Groundwater Pipeline and Recharge Project: President Reynolds and Vice President Luckman: Recommend that the Board authorize President Mike Reynolds and Vice President Mickey Luckman to go to Washington DC to seek additional funds for the Groundwater Recharge Project.
 16. CLOSED SESSION
 - A. At this time, the Board will go into Closed Session to confer with Legal Counsel on existing litigation pursuant to subdivision (a) of Government Code Section 54956.9. (Re Joshua Basin Water District v. Robert Ellis, San Bernardino Superior Court - Joshua Tree District, Case No. CIVMS 900168).
 - B. At this time, the Board will go into Closed Session to confer with Legal Counsel on existing litigation pursuant to subdivision (a) of Government Code Section 54956.9. (Re Joshua Basin Water District v. Ironhead LLC a California Limited Liability Company, Praxedes Beard and Does 1 – 10 inclusive, San Bernardino Superior Court - Joshua Tree District, Case No. CIVMS 1100087).
 17. REPORT ON CLOSED SESSION
 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.

JOSHUA BASIN WATER DISTRICT
Minutes of the
REGULAR MEETING OF THE BOARD OF DIRECTORS
December 21, 2011

1. CALL TO ORDER: 7:03 PM

2. PLEDGE OF ALLEGIANCE

3. DETERMINATION OF QUORUM:

Bill Long	Present
Mickey Luckman	Present
Mike Reynolds	Present
Gary Wilson	Present

STAFF PRESENT:

Joe Guzzetta, General Manager
Susan Greer, Assistant General Manager/Controller
Keith Faul, GIS Coordinator
Marie Salsberry, Executive Secretary

CONSULTANTS PRESENT:

Gil Granito, District Counsel
Gerald Eagans, District Counsel
Kathleen Radnich, Public Outreach Consultant

GUESTS 15

4. APPROVAL OF AGENDA

MSC Long/Reynolds 4/0 to approve the agenda for the December 21, 2011 Regular Meeting of the Board of Directors.

5. PUBLIC COMMENT

Eugene Starr of Joshua Tree requested forgiveness of a large water bill that he had incurred due to a leak. The request was referred to staff.

6. BOARD APPOINTMENT TO FILL THE BOARD VACANCY

District Legal Counsel Gil Granito stated that adjournment of the December 14th Board meeting was legally sustainable. He stated the Board can legally take action by means of a collective commitment by a majority of the Board, noting that the Board did not object to the adjournment and tacitly coordinated scheduling the adjourned meeting. He stated, however, a concern was expressed that a formal objection could be raised so it was decided to be in the best interest of the District to repeat the actions taken during that meeting as a fail-safe way to protect the District from accusations of non-compliance with the Brown Act.

MSC Long/Reynolds 4/0 to appoint Paul F. Coate as Director of the Board.
Director Coate was seated with the Board.

7. CONSENT CALENDAR

Director Wilson requested that the Consent Calendar item be pulled for discussion. General Manager Joe Guzzetta reported.

MSC Reynolds/Long 4/1 to approve staff recommendation to adopt revised Section 3.07.02 of the Administration Code to conform with the California Brown Act, rather than the more restrictive current Administration Code Section.

Coate	Aye
Long	Aye
Luckman	Aye
Reynolds	Aye
Wilson	No

8. SELECTION OF BOARD OFFICERS

MSC Long/Coate 4/1 to designate Mike Reynolds as President of the Board for 2012 and to designate Mickey Luckman as Vice President of the Board for 2012.

Coate	Aye
Long	Aye
Luckman	Aye
Reynolds	Aye
Wilson	No

9. AMENDMENT OF ARTICLES III AND VII TO PROVIDE RULES AND REGULATIONS RELATED TO THE WASTE WATER SYSTEM AND TO PROVIDE FOR DEVELOPMENT AGREEMENT WITH PROVISIONS TO EXTEND THE COLLECTION OF CAPACITY FEES

GM Guzzetta reported that proposed changes to Articles III and VII are recommended in order to bring the District Rules and Regulations up to date due to the District's authority regarding wastewater treatment. He explained notable changes to the two Articles.

MSC Long/Luckman 5/0 to approve staff recommendation to adopt Resolution 11-879 approving proposed changes to Articles III and VII of the Joshua Basin Water District Rules and Regulations to address various procedures and policies regarding waste water systems; and to provide for development agreements with the potential to collect capacity fees over an extended period of time; and to address making the property owner responsible for initiating a request for reimbursement.

10. AGREEMENT BETWEEN HI-DESERT MEDICA CENTER AND JOSHUA BASIN WATER DISTRICT FOR PACKAGE WASTE WATER TREATMENT PLANT

Legal Counsel Granito stated that a Closed Session would not be needed for tonight's meeting; he suggested that other items remaining on the agenda be heard and discussed prior to Item #10 because Item #10 would be likely to take quite a bit of time. The Board had no objection.

11. PUBLIC COMMENT

Steven Whitman of Joshua Tree, and member of the District Citizens Advisory Committee, commented that another committee member suggested to him that part of a CAC recommendation to the Board was handled incorrectly; he offered suggestions on how the recommendations may more clearly be represented to the Board. GM Guzzetta stated that he and Assistant General Manager/Controller Susan Greer were not aware of any recommendations from the CAC having been misrepresented to the Board; however, they would conduct a review to determine whether there was a conflict.

12. GENERAL MANAGER REPORT

The General Manager had nothing to report at this time.

13. DISTRICT COUNSEL REPORT

Legal Counsel Gil Granito reported that District staff and counsel are discussing how the formation of a sovereign nation within District boundaries would impact the District’s ability to manage the water.

14. DIRECTORS COMMENTS/REPORTS

President Luckman commented it has been a challenge and a pleasure to serve as Board President. Vice President Reynolds thanked President Luckman for a job well done as Board President. Director Coate thanked the Board staff and public, stating he hopes to serve the District well.

10. AGREEMENT BETWEEN HI-DESERT MEDICAL CENTER AND JOSHUA BASIN WATER DISTRICT FOR PACKAGE WASTE WATER TREATMENT PLANT

Vice President Reynolds recused himself from the discussion because he has a financial interest in the Hi-Desert Medical Center in that he does work from time to time for the hospital. He left the meeting at that time.

GM Guzzetta discussed the background of the agreement and how this agreement supports the District’s Waste Water Strategy. Legal Counsel Representative Gerald Eagens discussed details of the agreement and how concerns of both Joshua Basin Water District and Hi-Desert Medical Center are addressed in the agreement. Discussion ensued with several questions from the public addressed by staff and legal counsel. Chad Chadwick, Chief Executive Officer of Hi-Desert Medical Center participated in discussion and answered questions as needed.

MSC Long/Coate 3/1 (1 Absent – Recused) to approve staff recommendation to approve an agreement between Hi-Desert Medical Center (HDMC) and Joshua Basin Water District (JBWD) to provide for a package wastewater treatment plant to be paid by Hi-Desert Medical Center and constructed, owned, and operated by Joshua Basin Water District.

Coate	Aye
Long	Aye
Luckman	Aye
Reynolds	Absent - Recused
Wilson	No

15. CLOSED SESSION

- A. Closed Session to confer with Legal Counsel on existing litigation pursuant to subdivision (a) of Government Code Section 54956.9. (Re Joshua Basin Water District v. Robert Ellis, San Bernardino Superior Court - Joshua Tree District, Case No. CIVMS 900168).
- B. Closed Session to confer with Legal Counsel on existing litigation pursuant to subdivision (a) of Government Code Section 54956.9. (Re Joshua Basin Water District v. Ironhead LLC a California Limited Liability Company, Praxedes Beard and Does 1 – 10 inclusive, San Bernardino Superior Court - Joshua Tree District, Case No. CIVMS 1100087).

There was no Closed Session.

16. REPORT ON CLOSED SESSION

None.

17. ADJOURNMENT 8:30 PM

MSC Long/Coate 4/0 (1 Absent) to adjourn the December 21st 2011 Regular meeting of the Joshua Basin Water District Board of Directors.

Coate	Aye
Long	Aye
Luckman	Aye
Reynolds	Absent
Wilson	Aye

Respectfully submitted;

Joe Guzzetta, General Manager

DRAFT

JOSHUA BASIN WATER DISTRICT
Minutes of the
REGULAR MEETING OF THE BOARD OF DIRECTORS
January 18, 2012

1. CALL TO ORDER: 7:02 PM

2. PLEDGE OF ALLEGIANCE

3. DETERMINATION OF QUORUM:

Frank Coate	Present
Bill Long	Present
Mickey Luckman	Present
Mike Reynolds	Present
Gary Wilson	Present

STAFF PRESENT:

Joe Guzzetta, General Manager
Randy Little, Water Production Supervisor
Keith Faul, GIS Coordinator
Marie Salsberry, Executive Secretary

CONSULTANTS PRESENT:

Gil Granito, District Counsel
Kathleen Radnich, Public Outreach Consultant

GUESTS 13

4. APPROVAL OF AGENDA

MSC Long/Luckman 5/0 to approve the agenda for the January 18, 2012 Regular Meeting of the Board of Directors.

5. PUBLIC COMMENT

None.

6. CONSENT CALENDAR

MSC Long/Luckman 5/0 to approve the minutes of the December 7, 2011 Regular Board Meeting; to approve the minutes of the December 14, 2011 Regular Adjourned Board Meeting; to approve the Minutes of the January 4, 2012 Regular Board Meeting; to approve the Financial Report for November 2011; and to approve the Check Audit Report (Demand list) for December 2011.

7. INSPECTION, REHABILITATION, AND REPAIR OF WELL 10

JBWD Water Production Supervisor Randy Little reported and introduced Keith Collier of Legend Well and Pump Service who elaborated on testing and assessment of the condition of the well, and the maintenance and repair proposal. Discussion followed. Director Wilson requested Well 11 be assessed and an estimate given for it; General Manager Joe Guzzetta and Mr. Collier agreed. GM Guzzetta noted staff is considering putting the wells on an increased preventive maintenance program.

MSC Luckman/ Wilson 5/0 to approve staff recommendation to retain Legend Pump and Well Service, Inc. to inspect, rehabilitate, and repair Well 10 at a cost not to exceed \$50,056 to be funded from unappropriated reserve funds.

8. RESOLUTION FOR BUREAU OF RECLAMATION GRANT PROPOSAL

GM Guzzetta reported; there was no Board discussion.

MSC Long/Coate 4/1 to approve staff recommendation to adopt Resolution 12-881 authorizing submittal of a grant proposal for \$3,135,600 to the Bureau of Reclamation for the Groundwater Recharge Project.

Coate	Aye
Long	Aye
Luckman	Aye
Reynolds	Aye
Wilson	No

9. CONSIDER ADOPTING RESOLUTION 12-XXX ESTABLISHING THE APPROPRIATION LIMIT FOR FISCAL YEAR 2011/2012

GM Guzzetta Reported.

MSC Coate/Luckman 5/0 to approve staff recommendation to adopt Resolution 12-882 establishing the appropriation limit of the District for fiscal year 2011/2012.

10. ELECTION OF ASSOCIATION OF CALIFORNIA WATER AGENCY (ACWA) HEALTH BENEFITS AUTHORITY BOAD OF DIRECTORS

GM Guzzetta reported. Brief discussion ensued.

MSC Long/Luckman 4/1 that the District cast its vote for Judy Corl-Lorono for the vacant Director position on the Association of California Water Agencies Health Benefits Authority.

Coate	Aye
Long	Aye
Luckman	Aye
Reynolds	Aye
Wilson	No

11. PRIORITY SERVICE FOR LOWER INCOME HOUSING PROJECTS

GM Guzzetta reported, noting that JBWD adopted the original resolution in 2006 and that consideration of lower income housing was included in the updated Urban Water Management Plan the Board approved last year.

MSC Luckman/Long 5/0 to approve staff recommendation to adopt Resolution 12-883 reaffirming similar action taken in 2006 to provide priority service for lower income housing projects in compliance with California law.

12. COMMITTEE REPORTS

- A. **Public Information Committee:** Public Outreach consultant Kathleen Radnich reported the Public Information Committee will meet on January 23 to explore options for public involvement in relocation of native vegetation from the recharge project site. Docents will meet February 10. The local water agency tour for 2012 is being planned.
- B. **Ad Hoc General Manager Performance Facilitated Review Process:** President Reynolds reported the review is in process and 22 individuals were interviewed.
- C. **Ad Hoc Recharge Basin Site Vegetation:** Vice President Luckman reported that the Public Information Committee will discuss ideas for places to relocate native plants from the recharge project site; Director Coate reported the committee discussed sharing some of the local plants with the community.

13. PUBLIC COMMENT

None.

14. PROJECT PRIORITY LIST

GM Guzzetta reported. The Board and General Manager discussed projects on the list.

15. GENERAL MANAGER REPORT

GM Guzzetta reported crews will be doing final potholing on highway over the next week for the recharge project. Krieger and Steward will finalize the plans and District staff is looking forward to going out to bid on the project. He reported that 2012 Alliance for Water Awareness and Conservation (AWAC) calendars are available at the District.

16. DISTRICT COUNSEL REPORT

District Legal Counsel Gil Granito reported on a recent Attorney General opinion regarding real estate negotiations during closed session and on Assembly Bill 436 regarding prevailing wages.

17. FUTURE AGENDA ITEMS

There were no requests for future agenda items.

18. DIRECTORS COMMENTS/REPORTS

Open Space Committee Status Report: Mickey Luckman, Vice President: Vice President Luckman reported JBWD is a member of the Open Space Committee; the committee printed and distributed a report prematurely and it is back with the committee for further review; President Luckman and Kathleen Radnich will work on including language addressing water.

President Reynolds reported attending the Mojave Water Agency (MWA) Board meeting where he introduced Director Coate. The redistricting process at MWA is an item of concern as JBWD currently has wonderful representation and wants to ensure that for future.

Director Coate reported on attending the MWA Board meeting where a presentation was given by Beacon Economics on assessed valuation forecast; they forecast a turnaround by 2014 or 2015. A water reservoir belonging to MWA at Aberdeen and Warren Vista will be rehabbed by March. MWA is concerned about a possible reoccurrence of drought conditions. Director Coate thanked Jim Ventura for his years of service and hard work for JBWD.

19. CLOSED SESSION

A. Closed Session to confer with Legal Counsel on existing litigation pursuant to subdivision (a) of Government Code Section 54956.9. (Re Joshua Basin Water District v. Robert Ellis, San Bernardino Superior Court - Joshua Tree District, Case No. CIVMS 900168).

B. Closed Session to confer with Legal Counsel on existing litigation pursuant to subdivision (a) of Government Code Section 54956.9. (Re Joshua Basin Water District v. Ironhead LLC a California Limited Liability Company, Praxedes Beard and Does 1 – 10 inclusive, San Bernardino Superior Court - Joshua Tree District, Case No. CIVMS 1100087).

There was no Closed Session.

20. REPORT ON CLOSED SESSION

There was no closed session report. GM Guzzetta thanked the Board for embracing the Directors Best Practices, noting that Director Coate called ahead to discuss any of his concerns and questions with the General Manager prior to tonight's meeting.

21. ADJOURNMENT 8:07 PM

MSC Long/Coate 5/0 to adjourn the January 18, 2012 Regular Meeting of the Joshua Basin Water District Board of Directors.

Respectfully submitted;

Joe Guzzetta, General Manager

The next Regular Meeting of the Board of Directors is scheduled for Wednesday February 1, 2012 at 7:00 pm.

DRAFT

JOSHUA BASIN WATER DISTRICT

FINANCIAL REPORT HILIGHTS – DECEMBER 2011

FROM: Susan Greer *hsg*

This report represents the halfway mark of our 11/12 fiscal year.

SUMMARY

- CASH – Total cash, \$5,633,000, increased \$806,000 from prior month
- REVENUES – 78% Y-T-D
- EXPENSES – 42% Y-T-D

ACCOUNT RECAP (CASH BALANCE STATEMENT)

Total cash of \$5,633,000 is an increase of \$806,000 from last month and a decrease of \$135,000 from December 2010.

CASH FLOW STATEMENT

Water collections are \$14,000 more than the same *month* last year. Water usage for the *month* is virtually identical to the same *month* last year; water usage fiscal year-to-date is 4% less than last year. Capital expenditures of \$99,000 for the month represent a decrease of \$37,000 over the previous month and a decrease of \$186,000 from the prior year. Operating expenses for the *month* are virtually identical to the previous month. Year-to-date meter installation sales are five compared to three in the prior year, zero in the previous year and four in the year ending 6/30/09.

BOARD REPORT

This is the sixth month of the fiscal year; if evenly distributed throughout the year, expenses and revenues should be at 50% for the month.

REVENUES – total revenues are 78% year-to-date, after posting of all property tax revenues—this does not mean *payment* of all property taxes

- Metered Water Sales are *not* equally distributed throughout the year since water usage is highest in the summer. For example, February is typically the month of lowest consumption and August is the highest; with August consumption more than double that of February. We are currently at 59% of budget year-to-date, as compared to the typical 56% as of December. Metered Water Sales revenues for the month of December typically account for 6.1% of annual revenue; December this year is 6.8% of budget.
- Basic Fees are equally distributed, and at 50% of budget, right on target.
- Property Taxes including Standbys, a major source of revenue, have been sent to the County for inclusion on the property tax bills. These are one-time revenues, recorded in full early in the fiscal year with payments collected over many months during the remainder of the year. Property tax collections began in December, which is the explanation for the large increase in the cash balance.

JOSHUA BASIN WATER DISTRICT

EXPENSES – total expenses are 42% year-to-date

Production

Including allocated costs, Production expenses are 44% year-to-date.

Distribution

Distribution expenses are 42% year-to-date, including allocated costs.

Customer Service

Including allocated costs, Customer Service expenses are 45% year-to-date.

Administration

Administration expenses are 47% year-to-date including allocated expenses.

Engineering

Engineering expenses are 35% year-to-date including allocations.

Finance

Including allocated expenses, Finance expenses are 49% year-to-date.

Personnel

Including allocations, Personnel expense is 40% year-to-date.

Legal

Legal Services expense is 67% year-to-date.

Bonds & Loans

Bonds and Loans expense is 29% year-to-date.

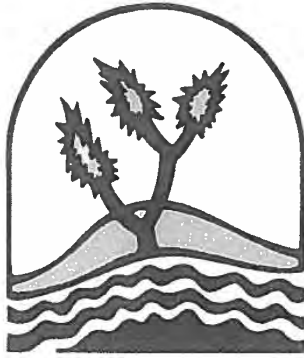
Capital Replacement Expense

Capital Replacement Expense	December	\$ 94,376
	Year-to-date	\$ 575,189

Revenues total 81% year-to-date including the billing of some property taxes; with expenses at 43% year-to-date. Revenues exceed expenses by \$2,064,000 before Capital Replacement Expense and by \$1,489,000 after.

	BEGINNING BALANCE	TOTAL DEBITS	TOTAL CREDITS	ENDING BALANCE	AVERAGE DAILY BALANCE
GENERAL FUND					
01 -11100	PETTY CASH FUND	600.00	0.00	0.00	600.00
01 -11110	CHANGE FUND	1,500.00	0.00	0.00	1,500.00
01 -11200	GENERAL FUND-U S	67,145.97	1,347,197.73	1,292,567.15CR	121,776.55
01 -11210	PAYROLL FUND - U	5,000.00	75,731.02	75,731.02CR	5,000.00
01 -11220	CREDIT CARD ACCO	53,328.99	57,930.39	96,326.96CR	14,932.42
01 -11300	LAIF-INVESTMENT	2,852,060.94	900,000.00	176,776.60CR	3,575,284.34
01 -11305	LAIF-EMERGENCY F	1,000,000.00	0.00	0.00	1,000,000.00
01 -11306	LAIF - EQUIP & T	316,646.71	0.00	0.00	316,646.71
01 -11310	LAIF - WATER CAP	80,570.82CR	0.00	0.00	80,570.82CR
01 -11313	LAIF - SEWER CAP	107,347.66	0.00	0.00	107,347.66
01 -11315	LAIF-CAPITAL PRO	0.00	0.00	0.00	0.00
01 -11320	LAIF- CMM REDEMP	228,122.69	66,776.60	0.00	294,899.29
01 -11325	LAIF - CMM RESER	272,784.59	0.00	0.00	272,784.59
01 -11330	LAIF CMM PREPAYM	2,956.13	0.00	0.00	2,956.13
FUND 01 TOTAL		4,826,922.86	2,447,635.74	1,641,401.73CR	5,633,156.87
REPORT TOTALS		4,826,922.86	2,447,635.74	1,641,401.73CR	5,633,156.87

SOA



JOSHUA BASIN WATER DISTRICT

P.O. BOX 675 • 61750 CHOLLITA ROAD • JOSHUA TREE • CALIFORNIA 92252
 TELEPHONE (760) 366-8438 FAX (760) 366-9528

Cash Flow

December 31, 2011

Beginning Cash			4,826,922.86
SOURCE OF FUNDS:			
Water A/R Collections	232,958.23		
Turn On/Misc	1,806.80		
Consumer Deposits	5,100.00		
Project Deposits	105.00		
Property Taxes G.D.	156,696.87		
ID #2 Tax Collections	48,347.30		
Standby Collections - Prior	91,878.94		
Standby Collections - Current	537,824.93		
CMM Assessment Collections	66,776.60		
LAIF CMM Payoff	0.00		
Water Capacity Charges	0.00		
Sewer Capacity Charges	0.00		
Meter Installation Fees	0.00		
Interest	0.00		
TOTAL SOURCE OF FUNDS		<u>1,141,494.67</u>	
FUNDS USED:			
Debt Service	0.00		
Capital Additions	98,676.10		
Operating Expenses	105,756.77		
Employee Funded 457 Transfer	3,205.89		
Bank Transfer Payroll Taxes	32,614.62		
CalPERS Transfer	18,475.14	<u>258,728.52</u>	
Bank Transfer Payroll	75,731.02		
Bank Transfer Fees/Charges	801.12	<u>76,532.14</u>	
TOTAL USE OF FUNDS		<u>335,260.66</u>	
Net Increase (Decrease)			<u>806,234.01</u>
Cash Balance at End of Period			<u><u>5,633,156.87</u></u>

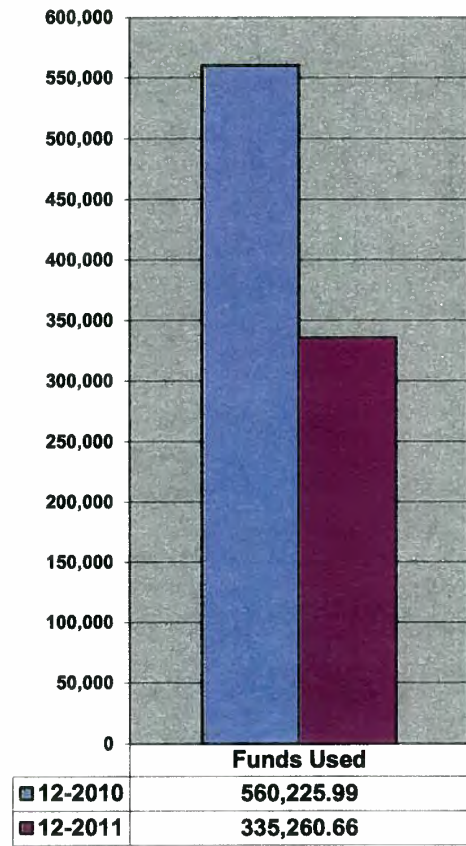
PROVIDE • PROTECT • PROMOTE

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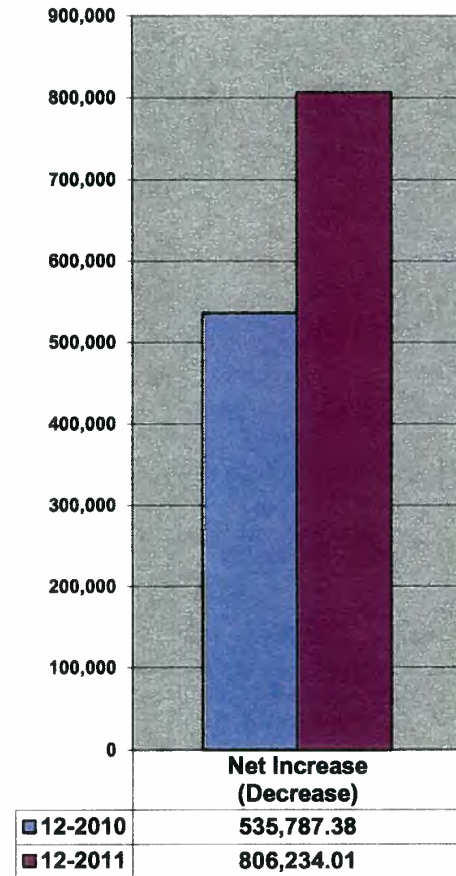
**Source of Funds Comparison
Dec. 2010 Dec. 2011**



**Funds Used Comparison
Dec. 2010 Dec. 2011**



**Net Increase (Decrease)
Dec. 2010 Dec. 2011**



BOARD REPORT

AS OF: DECEMBER 31ST, 2011

01 -GENERAL FUND
FINANCIAL SUMMARY

% OF YEAR COMPLETED: 50.00

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
<u>REVENUE SUMMARY</u>						
REVENUES	4,714,640	960,484.17	3,699,331.89	0.00	1,015,308.11	78.46
TOTAL REVENUES	4,714,640	960,484.17	3,699,331.89	0.00	1,015,308.11	78.46
<u>EXPENSE SUMMARY</u>						
Production	854,867	64,257.61	377,520.99	0.00	477,346.01	44.16
Distribution	508,987	33,147.21	215,520.49	0.00	293,466.51	42.34
Customer Service	556,812	17,301.72	249,565.27	0.00	307,246.73	44.82
Administration	563,982	40,247.38	265,787.13	0.00	298,194.87	47.13
Engineering	219,677	12,729.23	77,375.13	0.00	142,301.87	35.22
Finance	410,971	27,431.25	199,940.43	0.00	211,030.57	48.65
Personnel	60,945	4,657.00	24,448.83	0.00	36,496.17	40.12
Legal	68,666	10,802.75	46,155.50	0.00	22,510.50	67.22
Bonds & Loans	612,979	2,610.82	179,306.89	0.00	433,672.11	29.25
Benefits Allocated	0	0.00	0.00	0.00	0.00	0.00
Field Allocated	(1)	0.00	0.00	0.00	(1.00)	0.00
Office allocated	1	(0.01)	(0.01)	0.00	1.01	1.00-
TOTAL EXPENSES	3,857,886	213,184.96	1,635,620.65	0.00	2,222,265.35	42.40
REVENUE OVER/(UNDER) EXPENSES	856,754	747,299.21	2,063,711.24	0.00	(1,206,957.24)	240.88

01 -GENERAL FUND

% OF YEAR COMPLETED: 50.00

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
01-41010 METERED WATER SALES	1,332,808	91,107.78	786,639.56	0.00	546,168.44	59.02
01-41012 ALLOW FOR WAAP/BILLING ADJ (	3,529)	0.00 (	440.00)	0.00 (	3,089.00)	12.47
01-41015 BASIC FEES	1,338,834	112,096.20	671,190.12	0.00	667,643.88	50.13
01-41030 PRIVATE FIRE PROTECTION SERV.	19,410	1,628.64	9,771.84	0.00	9,638.16	50.34
01-41040 SPECIAL SERVICES REVENUE	118,420	9,004.38	56,704.33	0.00	61,715.67	47.88
01-41050 CROSS CONNECTION REVENUE	0	0.00	0.00	0.00	0.00	0.00
01-42100 STANDBY REVENUE-CURRENT	1,163,341	0.00	1,165,553.50	0.00 (	2,212.50)	100.19
01-42110 UNCOLLECTED STANDBY/CURRENT (	250,000)	0.00	0.00	0.00 (	250,000.00)	0.00
01-42200 STNBY INCOME PRIOR	161,460	91,878.94	98,229.14	0.00	63,230.86	60.84
01-42341 PRIOR YR REFUNDED REVENUE	0	0.00	0.00	0.00	0.00	0.00
01-43000 PROPERTY TAX - G.D.	414,829	396,283.00	396,283.00	0.00	18,546.00	95.53
01-43010 PROPERTY TAX I.D. #2	121,500	0.00	120,491.00	0.00	1,009.00	99.17
01-43020 PROPERTY TAX REVENUE -CMM	256,356	255,801.54	255,801.54	0.00	554.46	99.78
01-43030 CMM BOND CALL REVENUE	0	0.00	0.00	0.00	0.00	0.00
01-44000 CONNECTION FEES-HYDRANT,ML EXT	0	0.00	0.00	0.00	0.00	0.00
01-44001 MAINLINE REIMBURSEMENT FEES	0	0.00	0.00	0.00	0.00	0.00
01-44010 WATER CAPACITY CHARGES	0	0.00	31,135.00	0.00 (	31,135.00)	0.00
01-44020 PLAN CHECK/INSPECTION FEES	0	0.00	16,152.48	0.00 (	16,152.48)	0.00
01-44025 H ZONE ML REIMB FEES	0	0.00	0.00	0.00	0.00	0.00
01-44030 METER INSTALLATION FEES	0	0.00	2,190.00	0.00 (	2,190.00)	0.00
01-44035 METER REPAIR REVENUE	0	0.00	766.30	0.00 (	766.30)	0.00
01-44050 SEWER CAPACITY CHARGES	0	0.00	80,550.00	0.00 (	80,550.00)	0.00
01-45000 INTEREST REVENUE G.D.	39,678	4,533.14	9,039.63	0.00	30,638.37	22.78
01-46100 GRANT REVENUE	0	0.00	0.00	0.00	0.00	0.00
01-47000 MISCELLANEOUS REVENUE	1,533	391.30	1,515.20	0.00	17.80	98.84
01-47010 GAIN/LOSS ON SALE OF ASSETS	0 (	2,240.75) (	2,240.75)	0.00	2,240.75	0.00
01-47020 CHANGE IN MARKET VALUE	0	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUE	4,714,640	960,484.17	3,699,331.89	0.00	1,015,308.11	78.46

01 -GENERAL FUND

% OF YEAR COMPLETED: 50.00

EXPENSES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
<u>Production</u>						
01-501-01115 PRODUCTION SALARY	183,238	12,847.78	90,206.99	0.00	93,031.01	49.23
01-501-02205 WATER TREATMENT EXPENSE	12,923	1,175.77	6,258.03	0.00	6,664.97	48.43
01-501-03105 SOURCE OF SUPPLY/WELL MAIN	0	0.00	0.00	0.00	0.00	0.00
01-501-03115 PUMPING PLANT REPAIR & MAI	18,923	3,988.26	12,838.96	0.00	6,084.04	67.85
01-501-03120 TANK & RESERVOIR EXPENSE	186,029	8,203.79	5,004.53	0.00	181,024.47	2.69
01-501-04005 LABORATORY SERVICES	6,417	561.00	4,843.00	0.00	1,574.00	75.47
01-501-04010 LEAD/COPPER SAMPLING EXPEN	0	0.00	0.00	0.00	0.00	0.00
01-501-06105 POWER FOR PUMPING (ELECTRI	257,606	16,067.13	134,091.80	0.00	123,514.20	52.05
01-501-07005 PROPERTY INSURANCE	66,036	7,804.25	39,605.25	0.00	26,430.75	59.98
01-501-98001 EE BENEFITS ALLOCATED	101,990	8,606.74	49,237.44	0.00	52,752.56	48.28
01-501-98002 FIELD EXPENSES ALLOCATED	21,705	5,002.89	35,434.99	0.00	13,729.99	163.26
01-501-98003 OFFICE EXPENSE ALLOCATED	0	0.00	0.00	0.00	0.00	0.00
01-601-99200 AUTOMATIC CONTROLS	0	0.00	0.00	0.00	0.00	0.00
01-601-99205 BOOSTER/PUMP STATIONS	0	0.00	0.00	0.00	0.00	0.00
01-601-99220 MONITOR WELLS	0	0.00	0.00	0.00	0.00	0.00
01-601-99230 PRODUCTION WELLS	0	0.00	0.00	0.00	0.00	0.00
01-601-99240 PUMPING PLANT	0	0.00	0.00	0.00	0.00	0.00
01-601-99250 SOURCE OF SUPPLY	0	0.00	0.00	0.00	0.00	0.00
01-601-99260 WATER SAMPLING STATIONS	0	0.00	0.00	0.00	0.00	0.00
01-601-99270 WATER SEEPAGE PITS	0	0.00	0.00	0.00	0.00	0.00
01-601-99280 TANKS & RESERVOIRS	0	0.00	0.00	0.00	0.00	0.00
01-601-99450 SHOP TOOLS & EQUIPMENT - P	0	0.00	0.00	0.00	0.00	0.00
01-601-99510 LARGE EQUIPMENT - PROD	0	0.00	0.00	0.00	0.00	0.00
01-601-99550 AUTOMOTIVE - PRODUCTION	0	0.00	0.00	0.00	0.00	0.00
01-601-99600 GROUND WATER SURVEY	0	0.00	0.00	0.00	0.00	0.00
01-601-99610 URBAN GROUND WATER MNGT	0	0.00	0.00	0.00	0.00	0.00
01-601-99750 SOFTWRE & COMPUTRS- PRODUC	0	0.00	0.00	0.00	0.00	0.00
TOTAL Production	854,867	64,257.61	377,520.99	0.00	477,346.01	44.16
<u>Distribution</u>						
01-502-01105 MAIN, VALVE & LEAK SALARY	104,900	4,638.78	38,015.86	0.00	66,884.14	36.24
01-502-01130 DISTRIBUTION SALARY	108,861	7,212.66	51,666.53	0.00	57,194.47	47.46
01-502-01140 CROSS CONNECTION CONTRL SA	41,288	2,417.23	11,610.18	0.00	29,677.82	28.12
01-502-02920 INVENTORY-OVER & SHORT	3,168	0.00	306.23	0.00	3,474.23	9.67
01-502-03105 MAINLINE AND LEAK REPAIR	83,322	2,588.53	12,950.77	0.00	70,371.23	15.54
01-502-03110 EQUIPMENT RENTAL	3,023	226.71	1,360.26	0.00	1,662.74	45.00
01-502-03130 CROSS CONNECTION CONTROL E	679	0.00	635.63	0.00	43.37	93.61
01-502-04005 CONTRACT LOCATING EXPENSE	4,780	284.44	4,239.90	0.00	540.10	88.70
01-502-98001 EE BENEFITS ALLOCATED	142,786	12,049.43	68,932.42	0.00	73,853.58	48.28
01-502-98002 FIELD EXPENSES ALLOCATED	16,180	3,729.43	26,415.17	0.00	10,235.17	163.26
01-502-98003 OFFICE EXPENSE ALLOCATED	0	0.00	0.00	0.00	0.00	0.00
01-602-99210 MAINLINES & FIRE HYDRANTS	0	0.00	0.00	0.00	0.00	0.00
01-602-99220 METERS	0	0.00	0.00	0.00	0.00	0.00
01-602-99450 SHOP TOOLS & EQUIPMNT - DI	0	0.00	0.00	0.00	0.00	0.00
01-602-99550 AUTOMOTIVE - DISTRIBUTION	0	0.00	0.00	0.00	0.00	0.00
01-602-99580 LARGE EQUIPMENT - DISTRIBU	0	0.00	0.00	0.00	0.00	0.00
TOTAL Distribution	508,987	33,147.21	215,520.49	0.00	293,466.51	42.34

01 -GENERAL FUND

% OF YEAR COMPLETED: 50.00

EXPENSES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
<u>Customer Service</u>						
01-503-01105 FIELD SALRY - CUSTOMER SER	111,934	5,829.48	33,831.52	0.00	78,102.48	30.22
01-503-01110 OFFICE SALARY - CUSTOMER S	94,439	5,549.42	31,882.36	0.00	62,556.64	33.76
01-503-01135 STANDBY SALARY	21,934	3,238.90	12,578.99	0.00	9,355.01	57.35
01-503-03105 METER SERVICE REPAIR	15,929	1,721.21	7,714.18	0.00	8,214.82	48.43
01-503-04005 PLAN CHECK/INSPECTION	0	0.00	1,872.63	0.00	(1,872.63)	0.00
01-503-07005 CREDIT CARD FEES	7,448	774.33	7,067.24	0.00	380.76	94.89
01-503-07010 BAD DEBT	20,400	(27,099.82)	(1,408.17)	0.00	21,808.17	6.90-
01-503-07015 PUBLIC INFORMATION	44,737	2,376.12	20,002.02	0.00	24,734.98	44.71
01-503-07020 WATER CONSERVATION EXPENSE	18,727	4,315.60	15,296.39	0.00	3,430.61	81.68
01-503-98001 EE BENEFITS ALLOCATED	115,589	9,754.30	55,802.42	0.00	59,786.58	48.28
01-503-98002 FIELD EXPENSES ALLOCATED	1,579	363.85	2,577.10	0.00	(998.10)	163.21
01-503-98003 OFFICE EXPENSE ALLOCATED	104,096	10,478.33	62,348.59	0.00	41,747.41	59.90
01-603-99400 METER READING EQUIPMENT	0	0.00	0.00	0.00	0.00	0.00
TOTAL Customer Service	556,812	17,301.72	249,565.27	0.00	307,246.73	44.82
<u>Administration</u>						
01-504-01105 ADMINISTRATION SALARY	238,578	17,445.92	109,549.27	0.00	129,028.73	45.92
01-504-01115 DIRECTORS SALARY	0	1,389.04	11,266.62	0.00	(11,266.62)	0.00
01-504-01205 DIRECTORS EXPENSE	23,465	0.00	0.00	0.00	23,465.00	0.00
01-504-01210 DIRECTORS / C.A.C. EDUCATI	9,693	352.51	3,896.86	0.00	5,796.14	40.20
01-504-01215 TRAINING EXPENSE	16,994	83.25	7,338.39	0.00	9,655.61	43.18
01-504-04005 LOBBYIST	42,000	3,500.00	17,500.00	0.00	24,500.00	41.67
01-504-04010 PROJECT FEASIBILITY STUDIE	0	0.00	0.00	0.00	0.00	0.00
01-504-04015 CMC DEMO PROJECT CLEARING	0	0.00	0.00	0.00	0.00	0.00
01-504-04017 CIMIS STATION CLEARING ACC	0	0.00	0.00	0.00	0.00	0.00
01-504-07000 MISCELLANEOUS EXPENSE	2,467	24.00	868.19	0.00	1,598.81	35.19
01-504-07005 BUSINESS EXPENSE	16,062	918.60	6,240.37	0.00	9,821.63	38.85
01-504-07006 SUBSCRIPTIONS	3,111	0.00	1,127.60	0.00	1,983.40	36.25
01-504-07010 EMERGENCY PREPAREDNESS	7,555	0.00	816.00	0.00	6,739.00	10.80
01-504-07015 OUTSIDE SERVICES	31,112	2,043.16	14,955.55	0.00	16,156.45	48.07
01-504-07016 MEMBERSHIP FEES & DUES	18,031	1,110.10	10,202.26	0.00	7,828.74	56.58
01-504-98001 EE BENEFITS ALLOCATED	135,987	11,475.65	65,649.92	0.00	70,337.08	48.28
01-504-98002 FIELD EXPENSES ALLOCATED	0	0.00	0.00	0.00	0.00	0.00
01-504-98003 OFFICE EXPENSE ALLOCATED	18,927	1,905.15	11,336.10	0.00	7,590.90	59.89
01-604-99100 LAND & EASEMENT	0	0.00	0.00	0.00	0.00	0.00
01-604-99300 BUILDINGS	0	0.00	5,040.00	0.00	(5,040.00)	0.00
01-604-99320 DEMO GARDEN	0	0.00	0.00	0.00	0.00	0.00
01-604-99450 OFFICE FURNITURE & EQUIPME	0	0.00	0.00	0.00	0.00	0.00
01-604-99600 STRATEGIC PLAN DEV	0	0.00	0.00	0.00	0.00	0.00
01-604-99610 VULNERABILITY ASSESSMENT	0	0.00	0.00	0.00	0.00	0.00
01-604-99620 WASTE WATER FEASIBILITY ST	0	0.00	0.00	0.00	0.00	0.00
01-604-99630 WATER AVAILABILITY EVALUAT	0	0.00	0.00	0.00	0.00	0.00
01-604-99640 DEMOGRAPHIC SURVEY	0	0.00	0.00	0.00	0.00	0.00
01-604-99650 GROUND WATER MONITORING PL	0	0.00	0.00	0.00	0.00	0.00
01-604-99660 RATE STUDIES	0	0.00	0.00	0.00	0.00	0.00
01-604-99900 WASTEWATER SYSTEM & STARTU	0	0.00	0.00	0.00	0.00	0.00
TOTAL Administration	563,982	40,247.38	265,787.13	0.00	298,194.87	47.13

01 -GENERAL FUND

% OF YEAR COMPLETED: 50.00

EXPENSES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
<u>Engineering</u>						
01-505-01105 ENGINEERING/GIS/IT SALARY	83,299	5,957.60	36,612.44	0.00	46,686.56	43.95
01-505-02305 MAPS/DRAFTING SUPPLIES	1,616	0.00	2,038.50	0.00	422.50	126.14
01-505-04005 ENGINEERING SERVICES	60,000	850.00	2,290.00	0.00	57,710.00	3.82
01-505-04010 MAPPING SYSTEM UPGRADES	8,240	0.00	2,120.62	0.00	6,119.38	25.74
01-505-98001 EE BENEFITS ALLOCATED	47,595	4,016.48	22,977.47	0.00	24,617.53	48.28
01-505-98002 FIELD EXPENSES ALLOCATED	0	0.00	0.00	0.00	0.00	0.00
01-505-98003 OFFICE EXPENSE ALLOCATED	18,927	1,905.15	11,336.10	0.00	7,590.90	59.89
01-605-99400 ENGINEERING EQUIPMENT	0	0.00	0.00	0.00	0.00	0.00
01-605-99410 MAPPING SYSTEM	0	0.00	0.00	0.00	0.00	0.00
01-605-99600 WATER MASTER PLAN	0	0.00	0.00	0.00	0.00	0.00
01-605-99700 WATER MODEL ASSESSMENT H2O	0	0.00	0.00	0.00	0.00	0.00
01-605-99750 SOFTWARE & COMPUTERS	0	0.00	0.00	0.00	0.00	0.00
TOTAL Engineering	219,677	12,729.23	77,375.13	0.00	142,301.87	35.22
<u>Finance</u>						
01-506-01100 FINANCE SALARY	225,760	13,292.87	94,601.31	0.00	131,158.69	41.90
01-506-04005 ACCOUNTING SERVICES	24,970	0.00	23,582.00	0.00	1,388.00	94.44
01-506-98001 EE BENEFITS ALLOCATED	122,388	10,328.08	59,084.91	0.00	63,303.09	48.28
01-506-98002 FIELD EXPENSES ALLOCATED	0	0.00	0.00	0.00	0.00	0.00
01-506-98003 OFFICE EXPENSE ALLOCATED	37,853	3,810.30	22,672.21	0.00	15,180.79	59.90
TOTAL Finance	410,971	27,431.25	199,940.43	0.00	211,030.57	48.65
<u>Personnel</u>						
01-507-01100 PERSONNEL SALARY	26,455	1,635.81	8,073.31	0.00	18,381.69	30.52
01-507-01115 UNION & LABOR NEGOT. SALAR	0	0.00	0.00	0.00	0.00	0.00
01-507-01120 SAFETY SALARY	9,382	0.00	2,270.00	0.00	7,112.00	24.20
01-507-01905 EMPLOYMENT RECRUITING EXPE	2,046	921.05	1,872.47	0.00	173.53	91.52
01-507-01910 LABOR NEGOTIATION EXPENSE	0	0.00	0.00	0.00	0.00	0.00
01-507-98001 EE BENEFITS ALLOCATED	13,599	1,147.56	6,564.99	0.00	7,034.01	48.28
01-507-98002 FIELD EXPENSES ALLOCATED	0	0.00	0.00	0.00	0.00	0.00
01-507-98003 OFFICE EXPENSE ALLOCATED	9,463	952.58	5,668.06	0.00	3,794.94	59.90
01-607-99600 PERSONNEL MANUAL/CLASS STU	0	0.00	0.00	0.00	0.00	0.00
TOTAL Personnel	60,945	4,657.00	24,448.83	0.00	36,496.17	40.12
<u>Legal</u>						
01-508-04000 LEGAL SERVICES	68,666	10,802.75	46,155.50	0.00	22,510.50	67.22
TOTAL Legal	68,666	10,802.75	46,155.50	0.00	22,510.50	67.22
<u>Bonds & Loans</u>						
01-509-08105 BOND PAYABLE PRINCP 1997 B	0	0.00	0.00	0.00	0.00	0.00
01-509-08110 I.D. #2 BONDS PYBLE-PRINCI	100,000	0.00	0.00	0.00	100,000.00	0.00
01-509-08115 CMM PRINCIPAL	84,000	0.00	82,000.00	0.00	2,000.00	97.62
01-509-08120 MORONGO BASIN PIPELINE	228,642	0.00	0.00	0.00	228,642.00	0.00
01-509-08150 MWA OPERATION & MAINT.	0	0.00	0.00	0.00	0.00	0.00
01-509-08205 INTEREST EXPENSE - 1997 BO	0	0.00	0.00	0.00	0.00	0.00
01-509-08210 INTEREST EXPENSE I.D. #2	21,500	0.00	10,750.00	0.00	10,750.00	50.00
01-509-08215 INTEREST EXPENSE - CMM	160,356	0.00	81,572.35	0.00	78,783.65	50.87
01-509-08220 INTEREST EXPENSE-UTILITY S	0	0.00	0.00	0.00	0.00	0.00

01 -GENERAL FUND

% OF YEAR COMPLETED: 50.00

EXPENSES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
01-509-08305 TRUSTEE FEES - 1997 BONDS	2,575	0.00	0.00	0.00	2,575.00	0.00
01-509-08310 ANALYTICAL SERVICES 1997 B	2,591	0.00	0.00	0.00	2,591.00	0.00
01-509-08315 ID #2 BONDS COLLECTION CHA	346	119.85	162.01	0.00	183.99	46.82
01-509-08320 GENERAL TAX COLLECTION CHA	969	390.13	646.70	0.00	322.30	66.74
01-509-08325 ADMINISTRATION - CMM	12,000	2,100.84	4,175.83	0.00	7,824.17	34.80
01-509-08910 AMORTIZATION OF BOND DEFER	0	0.00	0.00	0.00	0.00	0.00
01-509-08911 AMORTIZATION OF BOND DISCO	0	0.00	0.00	0.00	0.00	0.00
01-509-08912 AMORTIZATION BOND ISSUE CO	0	0.00	0.00	0.00	0.00	0.00
TOTAL Bonds & Loans	612,979	2,610.82	179,306.89	0.00	433,672.11	29.25
<u>Benefits Allocated</u>						
01-551-01105 CONTRA SALARY-CAFE PLAN RE	0	0.00	0.00	0.00	0.00	0.00
01-551-01205 EMPLOYEE EDUCATION	262	0.00	0.00	0.00	262.00	0.00
01-551-01210 COMPENSATED LEAVE	185,000	23,387.52	104,467.67	0.00	80,532.33	56.47
01-551-01215 CAFETERIA PLAN EXPENSE	195,750	15,220.00	90,085.00	0.00	105,665.00	46.02
01-551-01220 GROUP INSURANCE EXPENSE	6,562	763.82	4,929.77	0.00	1,632.23	75.13
01-551-01225 WORKERS COMPENSATION INSUR	28,000	0.00	7,715.07	0.00	20,284.93	27.55
01-551-01230 RETIREMENT	149,304	10,360.25	70,216.60	0.00	79,087.40	47.03
01-551-01235 VEHICLE ALLOWANCE SALARY	0	0.00	0.00	0.00	0.00	0.00
01-551-01240 UNIFORMS	6,770	99.95	920.62	0.00	5,849.38	13.60
01-551-01245 ALLOWANCE AND ADJUSTMENTS	0	0.00	0.00	0.00	0.00	0.00
01-551-01305 PAYROLL TAXES	108,285	7,546.70	49,914.84	0.00	58,370.16	46.10
01-551-98000 ALLOCATED EXPENSES	(679,933)	(57,378.24)	(328,249.57)	0.00	(351,683.43)	48.28
TOTAL Benefits Allocated	0	0.00	0.00	0.00	0.00	0.00
<u>Field Allocated</u>						
01-552-02205 SHOP EXPENSE - COMBINED	11,222	1,016.45	5,889.97	0.00	5,332.03	52.49
01-552-02210 SMALL TOOLS EXPENSE - COMB	10,404	642.67	2,679.05	0.00	7,724.95	25.75
01-552-02215 SAFETY EXPENSE	5,132	1,144.60	1,589.40	0.00	3,542.60	30.97
01-552-03205 TRACTOR/TOOL REPAIR	4,145	2,126.40	4,054.94	0.00	90.06	97.83
01-552-03905 BUILDING REPAIR & MAINT.	28,787	1,095.36	11,065.85	0.00	17,721.15	38.44
01-552-05005 FUEL-VEHICLES	36,494	0.00	15,318.65	0.00	21,175.35	41.98
01-552-05010 AUTO EXPENSE	27,050	1,719.22	11,234.21	0.00	15,815.79	41.53
01-552-05015 EQUIPMENT CLEARING ACCOUN	(1,718)	0.00	(190.18)	0.00	(1,527.82)	11.07
01-552-06305 COMMUNICATIONS	10,305	1,351.47	5,792.27	0.00	4,512.73	56.21
01-552-07005 REGULATORY, PERMITS, ETC	8,115	0.00	10,044.96	0.00	(1,929.96)	123.78
01-552-07010 OVERHEAD 17 (OTHER-90)	(96,093)	0.00	(2,810.87)	0.00	(93,282.13)	2.93
01-552-07015 OVERHEAD 16 (LABOR-80)	(4,381)	0.00	(240.99)	0.00	(4,140.01)	5.50
01-552-98000 ALLOCATED EXPENSES	(39,463)	(9,096.17)	(64,427.26)	0.00	24,964.26	163.26
TOTAL Field Allocated	(1)	0.00	0.00	0.00	(1.00)	0.00
<u>Office allocated</u>						
01-553-01405 TEMPORARY LABOR FEES	22,870	3,062.88	20,279.49	0.00	2,590.51	88.67
01-553-02105 OFFICE SUPPLIES & EQUIPMEN	31,212	1,418.67	11,540.42	0.00	19,671.58	36.97
01-553-02110 POSTAGE	22,866	3,026.00	11,317.82	0.00	11,548.18	49.50
01-553-04005 COMPUTER PROGRAMMING EXPEN	2,719	0.00	0.00	0.00	2,719.00	0.00
01-553-04010 OFFICE EQUIP - REPAIR & MA	35,658	5,357.71	24,868.00	0.00	10,790.00	69.74
01-553-04015 SYSTEM ADMINISTRATION	49,359	3,755.00	26,285.00	0.00	23,074.00	53.25
01-553-06205 TELEPHONE AND UTILITIES	32,583	2,431.24	19,070.32	0.00	13,512.68	58.53
01-553-98000 ALLOCATED EXPENSES	(197,266)	(19,051.51)	(113,361.06)	0.00	(83,904.94)	57.47
TOTAL Office allocated	1	(0.01)	(0.01)	0.00	1.01	1.00

JOSHUA BASIN WATER DISTRICT
 BOARD REPORT
 AS OF: DECEMBER 31ST, 2011

01 -GENERAL FUND

% OF YEAR COMPLETED: 50.00

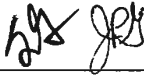
EXPENSES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
TOTAL EXPENSES	3,857,886	213,184.96	1,635,620.65	0.00	2,222,265.35	42.40
REVENUE OVER/(UNDER) EXPENSES	856,754	747,299.21	2,063,711.24	0.00	(1,206,957.24)	240.88

JOSHUA BASIN WATER DISTRICT
SUPPLEMENTAL DATA SHEET

Regular Meeting of the Board of Directors

February 1, 2012

To: President and Board of Directors
From: Susan Greer



TOPIC: Policy Regarding Application of Water Availability Assessment (Standby Charge) to Properties Acquired by Government Agencies

RECOMMENDATION: Adopt Resolution 12-XXX to apply the standby charge to properties acquired by governmental agencies after 1996, which were previously privately owned, as required by state law.

ANALYSIS: The District has been approached for a will serve letter for the new Joshua Tree Elementary School. This prompted Staff to consider whether the new school, being built on property that was previously private property and NOT standby-exempt, should be subject to standby fees going forward.

The proposed resolution will comply with current state law by requiring payment of standbys for parcels acquired by governmental agencies since 1996, where those acquired parcels were NOT previously exempt from standbys. It does not require payment of standbys for governmental agencies on any parcels that were already exempt in 1996. This would affect the following four agencies as detailed further in the staff report. It would apply in the future to other parcels acquired by governmental agencies as well:

Hi Desert Medical Center - \$30 per year
Morongo Basin Transit Authority - \$448 per year
Morongo Basin Unified School District - \$1,170 per year
Twenty-nine Palms Water District - \$1,421 per year

When the District adopted the current assessment formula in July 1996, the governmental agencies noted above were exempt under the law at that time. A few months later, Proposition 218 was approved by the voters, which mandated a new procedure for adoption of standby charges and other assessments. Those same agencies are no longer exempt, and in fact are required to pay assessments going forward or if they purchase property that has been properly assessed.

The proposed resolution clarifies that all properties assessed in 1996 will continue to be assessed even if acquired later by a public agency.

The following three previously non-exempt parcels were privately owned in 1996. When they were acquired by governmental agencies after 1996, we began exempting them erroneously from the standby charge and propose to correct the error and begin charging next year. We have notified the affected agencies and have not received comment to date.

Hi-Desert Memorial Health Care District, parcel 0588-411-08, .41 acres located roughly at Navajo and Outpost, NOT part of the hospital facility, charge would be \$30 per year

Morongo Basin Transit Authority, parcel 0603-191-36, 17.91 acres for MBTA facility near our future recharge site, charge would be \$448 per year

Twenty-nine Palms Water District, parcel 0608-091-02, 81.42 acre parcel is located at the eastern boundary of the District, roughly Alta Loma and Lee Drive, charge would be \$1,421 per year

In addition, the property where the proposed Joshua Tree Elementary school will be located, parcels 0600-201-03, 0600-201-09 and 0600-201-10, 39 acres total, will have an annual standby charge of \$1,170, which has been paid by a private owner in the past.

The attached resolution has been drafted by special counsel, Janet Morningstar, a Proposition 218 specialist. She has worked with the District on standby issues in the past and we call on her with technical questions related to the standbys. General counsel, Gil Granito, has reviewed and concurs.

Currently, the District properly exempts 32 different government parcels totaling 1,086 acres.

FISCAL IMPACT:

Future revenue of \$1,899 for three erroneously-exempted governmental parcels. Continued \$1,170 revenue for future Joshua Tree Elementary School property.

RESOLUTION 12-XXX

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE JOSHUA BASIN WATER DISTRICT
ESTABLISHING POLICY REGARDING APPLICATION OF WATER AVAILABILITY
ASSESSMENT TO PROPERTIES ACQUIRED BY GOVERNMENT AGENCIES

WHEREAS, the Joshua Basin Water District enacted a water availability assessment in July 1996 pursuant to the Uniform Standby Charge Procedures Act in order to provide revenues to pay the District's long-term debt for the Morongo Basin Pipeline, and for all other lawful purposes of the District; and,

WHEREAS, pursuant to the Uniform Standby Charge Procedures Act, notice of the intent to levy the water availability assessment was mailed to the owners of each parcel benefitting from the availability of water supplied by the District, but excluding parcels owned by a school district, hospital district, or other government entities, exempt from District taxes; and,

WHEREAS, in November 1996, the voters of the State of California approved Proposition 218, "The Right to Vote on Taxes Act" adding Articles XIII C and XIII D to the California Constitution, which mandated a new procedure for adoption of standby charges and other assessments and provided, among other things, that "[p]arcel within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit." (Article XIII D §4 (a)); and,

WHEREAS, Proposition 218 exempted from its procedures and approval process "[a]ny assessment [existing on the effective date of the Act] imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water..." until such assessment is increased. (Cal. Const. Article XIII D §5 (a)); and,

WHEREAS, the District has continued to reauthorize the water availability assessment, without increase, since 1996 pursuant to the Uniform Standby Charge Procedures Act, upon those parcels originally included in the water availability assessment; and,

WHEREAS, since 1996, some parcels originally included within the water availability assessment have been acquired by government entities, however the Resolution establishing the water availability assessment does not address whether such parcels shall continue to be subject to the assessment; and

WHEREAS, the calculation of the benefit to parcels subject to the water availability assessment, is based upon the inclusion of all parcels originally included within the assessment in 1996; and,

WHEREAS, the Board of Directors desires to comply with the requirements of Proposition 218 by establishing a policy that such parcels, for which mailed notice was given pursuant to the Uniform Standby Charge Procedures Act, shall remain subject to the water availability assessment, notwithstanding that they have subsequently been acquired by a government agency,

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

1. Any parcel which was included within the District's water availability assessment when it was established in July 1996, which is subsequently acquired by any government agency, the State of California or the United States, shall continue to be subject to assessment on the same basis as other parcels within the area subject to the water availability assessment, notwithstanding the change in ownership.
2. This policy reflects the original intent of the Resolution establishing the water availability assessment since its adoption in 1996 and is merely a clarification of existing policy. Therefore, any parcels which have been improperly exempted from assessment since 1996, shall be included in the assessment.
3. The General Manager is hereby authorized and directed to take any necessary and appropriate actions to implement this Resolution.

ADOPTED, this 1st day of February, 2012.

By: _____

Mike Reynolds, President

Attest: _____

Joe Guzzetta, General Manager

JOSHUA BASIN WATER DISTRICT
SUPPLEMENTAL DATA SHEET

Regular Meeting of the Board of Directors

February 1, 2012

Report to: President and Members of the Board
From: Joe Guzzetta, General Manager

TOPIC: TRANSPLANTING OF VEGETATION AT WATER RECHARGE
SITE

RECOMMENDATION: The Board Vegetation Transplant Committee and Staff recommend that the Board donate surplus cacti from the groundwater recharge site to Joshua Basin Water District (JBWD) customers and Pioneertown properties that were scorched in previous year fires.

ANALYSIS: In preparation for the groundwater recharge project, it is time to remove some of the vegetation from the site to prevent birds from nesting this season. Those plants include silver cholla, beavertail cactus, pencil cholla, hedgehog cactus, and catclaw acacia. In addition, the Little San Bernardino Mountains Linanthus needs to be stockpiled at one edge of the property. This will all be done in accordance with a plan approved by the County Planning Department.

There are approximately 300 cacti. About one-third will be transplanted from the interior of the site to an edge of the site. Our understanding is that most local residents look to remove cacti rather than to acquire it. However, it is proposed that the remaining cacti be made available at the recharge site to Joshua Basin Water District customers who may want them, and then to Pioneer Town properties, particularly the Land Conservancy, that were scorched in the fires a few years ago. The fire-burnt properties are in dire need of the cacti. Mike Branning of Unique Nursery in Yucca Valley has offered to assist in providing the cacti to the Pioneer Town properties.

Staff will work with legal counsel to address any legal concerns such as having recipients sign waivers of liability if necessary.

Joshua trees are being assessed for their suitability to transplant (size, health, etc) later this spring and will be addressed after the assessment is completed.

JOSHUA BASIN WATER DISTRICT
SUPPLEMENTAL DATA SHEET

Regular Meeting of the Board of Directors

February 1, 2012

Report to: President and Members of the Board
From: Ad Hoc Board Committee to Consider Board Compensation
President Mike Reynolds
Vice President Mickey Luckman

TOPIC: BOARD COMPENSATION

RECOMMENDATION: That the Board not consider increasing Board compensation, thereby not requiring setting of a public hearing.

ANALYSIS: Under state law (Section 20200 of the Water Code) the District may not increase the amount of salary for Director by more than 5% per year since the last adjustment.

The Board policy, based on public comment, has been to adjust salaries annually rather than to have periodic large increases. However, no one on the Board has agendized this matter for the past three years due to the adverse economy. While the Ad Hoc Committee does not recommend agendizing a public hearing, the Committee prefers to have the entire Board make this decision.

The current JBWD salary is \$173.63 per day. A 5% increase per year would increase this amount by \$27.37 per meeting.

Since the time of the last Board increase, November 2008, the Consumer Price Index has increased by 4.8%. In the past the Board has increased compensation by the allowable 5% because the Board may not exceed the 5% in those years when the CPI does so.

If the Board were to consider an increase, notice of public hearing, conducting of a public hearing, and adoption of an ordinance would first be required.

Project Priority List

PROJECTS NEARING COMPLETION

Personnel Policy Manual (Joe Guzzetta)

This will be considered during labor negotiations this year.

PROJECTS UNDERWAY

Pressure Reducing Station Replace/Refurbishment (Randy Little – Years 1-2)

Assess and overhaul or replace PRV/PSV/Altitude valve over a three year period. Twelve in use, one completed. Installation of second is underway.

Flow Meter Refurbishment (Randy Little – Year 2)

Four flow meters were budgeted for, with digital displays and telemetry plus DTS programming. Two are complete and two are underway.

Develop/Update Board Policies and Procedures (Susan Greer)

The District's Administration Code has been updated. Article 3 and Article 7 of the District Rules and Regulations have been updated.

Emergency Supplies (Rick Cook – Years 1-2)

These include food, water, cots, etc. for serious emergencies for employees. Emergency food and water have been ordered and are on hand.

Conduct Fee Study/Update Rate Study (Susan Greer – Year 1)

The Board approved Bartle Wells Associates to conduct a fee study at a cost not to exceed \$14,700, including 10% contingency. We anticipate completing the study in summer 2012.

Election to Charge Private Wells for Replacement Water

Attorney is reviewing election options.

Property Acquisition for Future Water Facilities (Joe Guzzetta – Year 1)

The Master Plan identifies 27 to 37 million gallons of additional reservoir storage that will be needed to operate the District in the future. Staff proposes to begin acquiring the land before the most ideal parcels are developed, especially for reservoirs which are constrained by altitude, proximity to the existing system, and other considerations. Potential sites are under evaluation. . The Board has authorized staff to prioritize the proposed sites and receive some preliminary information from CE Prime to consider phasing the acquisition of the parcels.

Recharge Basin & Pipeline Project (Joe Guzzetta)

Final design is 100% complete. Construction is contingent on Proposition 84 and other funding. Three million dollars in grant funds has been awarded. Some vegetation will be removed from the site in February. Awaiting Caltrans permits for final pot holes. Estimated time to go to bid is March or April.

Final Phase of 4" Pipe Replacement (Joe Guzzetta)

Priorities have been established. 15,000' of pipeline has been designed with 60,000' yet to be designed. Completion design and construction of this project is pending a financial strategy to be considered by the Board. Referred to Board Committee (Luhrs/Wilson) at the January 19, 2011 Regular Board Meeting. The Committee has recommended installing 15,000 feet of pipe. Proposed cost being re-evaluated following budget review 08 17 2011.

Record Archival System (Susan Greer – Year 1)

Staff had second presentation. This will eventually enable the District to maintain more electronic files for easier access and less physical storage.

Hauling Station Coin/Card Reader – Under Study (Jim Corbin – Year 1)

Staff is considering a system to enable selling of water at the hauling station.

PROJECTS COMPLETED

Carpet for Office (Terry Spurrier – Year 2)

Boardroom carpeted and renovated. Carpet for remaining office area to be budgeted for next year.

GIS Server for Field Login (Keith Faul – Year 1)

Field crew will receive laptop computers to be used in the field for more accuracy and efficiency. This server is needed in order to connect to the GIS system. Complete.

Update Urban Water Management Plan (Joe Guzzetta – Year 1)

The Public Hearing was held and the 2010 UWMP approved on June 15th.

Field Laptop Computers (Keith Faul – Year 1)

Laptops are installed

Well #16 (Randy Little)

The well has been completed and is permitted by Department of Health Services.

Hot Master + Backup Computer – SCADA (Randy Little – Year 1)

Complete. This computer provides backup to the Telemetry System.

LAFCO Mandatory Municipal Services Review (Joe Guzzetta – Year 1)

State law requires LAFCO to conduct a review of each agency's boundaries and services (at agency cost) to determine the appropriateness and to recommend any changes. LAFCO will conduct a hearing on January 19.

PROJECTS NOT BEGUN: YEAR 1

Earthquake Shutoff Valves for Three Tanks (Randy Little – Year 1)

Currently, if a pipe from a reservoir is broken the entire reservoir can be drained unless a valve is manually located and shut off. This will provide automatic shutoff in case of earthquake to the two major C tanks and the B tank serving the hospital. This item had been deferred but was re-prioritized to year 1 following budget review 08 17 2011. Dudek is engineering the valves.

Fire Cabinet for Maps (Keith Faul – Year 1)

PROJECTS NOT BEGUN: YEAR 2

System Reliability Upgrade for Hospital and County Complex; C, B and D3 zones (Jim Corbin & Joe Guzzetta Years 2-3)

This entire area has one single water supply feed. It does not have a redundant water supply for emergency situations. Staff has proposed a secondary "emergency" source. Identified by Board as a priority following budget review 08 17 2011. Staff is developing an interim strategy and developing costs for a permanent second supply.

Space Needs Assessment for Office Building Addition (Joe Guzzetta)

A needs assessment will determine how much space the District needs for an Emergency Operations Center in order to apply for grant construction funds. This item was discussed at the August 4, 2010 Board meeting, and deferred. Deferred to year 2 by Board.

D31 New Booster Pumps and Housing (Randy Little – Year 2)

The pumps at this booster station operate at a low efficiency rate such that it is timely to replace them. Dudek is engineering the pumps.

Chlorine Analyzers With Telemetry Programming (Randy Little – Year 2)

Install analyzers to monitor chlorine residual at up to four remote sites.

Asphalt Installation Equipment – Under Study (Jim Corbin – Year 2)

Altitude Valves at C2B, SCADA Electric Controls C1 and C3 Tanks (Randy Little – Year 2)

These valves will prevent the overflowing of the C Zone tanks. Dudek is engineering.

PROJECTS NOT BEGUN: YEAR 3

Security (Motion Sensors) at Shop and Well 10 (Randy Little – Year 3)

This would provide security to an expanded area at the shop.

Update 3030 Plan – Groundwater Management Plan (Joe Guzzetta)

Staff intends to solicit proposals for this project.

Custom Software Programming (Susan Greer/Keith Faul – Year 1; moved to Year 3)

Staff is re-assessing this issue and considering whether modifications to the existing software or an upgrade to the Version X software which adds the lacking features plus more is a better alternative.

Space Needs Assessment for Office Building Addition (Joe Guzzetta)

A needs assessment will determine how much space the District needs for an Emergency Operations Center in order to apply for grant construction funds. This item was discussed at the August 4, 2010 Board meeting, and deferred. Deferred to year 2 by Board, but moved to year 1 by Board action following budget review 08 17 2011.

Relocate C2 Tank & J Booster (Randy Little – Years 2-3)

This project has been designed and would relocate a 500,000 gallon tank from the C Zone where it is no longer needed to the H Zone where it is severely needed. The project was deferred pending funding.

EMERGENCY PREPAREDNESS PROJECTS: (Postponed to determine funding potential)

Well 10 and 14 Soft Start Bypass – Generator Controls (Randy Little – Year 1)

The new 600 KW generators need this equipment in order to operate properly at the two largest producing wells.

Transfer Switches at Remaining Booster Sites (Randy Little – Year 1)

The switches are needed in order to be able to use the emergency generators at the pump stations.

Large Meter Bypasses (Jim Corbin – Year 1)

Currently, in order to test or remove a large meter, the service needs to be disconnected. This is a serious problem for some large meters such as the hospital. The bypass will allow the meter to be removed and replaced without discontinuing service.

JOSHUA BASIN WATER DISTRICT
SUPPLEMENTAL DATA SHEET

Regular Meeting of the Board of Directors

February 1, 2012

Report to: Members of the Board
From: President Mike Reynolds
Vice-President Mickey Luckman

TOPIC: TRIP TO WASHINGTON DC TO SEEK FUNDS FOR
GROUNDWATER PIPELINE AND RECHARGE PROJECT

RECOMMENDATION: That the Board authorize President Mike Reynolds and Vice
President Mickey Luckman to go to Washington DC to seek
additional funds for the Groundwater Recharge Project

ANALYSIS: This is the time of year when our representative in Washington
DC recommends visiting Washington in order to meet with
legislators and staff of various departments in order to seek
funds for the Groundwater Recharge Project. The District has
submitted two grant applications for funding which we would
like to discuss with the appropriate individuals.

In addition, the annual Washington conference of the
Association of California Water Agencies will take place at the
end of February. As details of the agenda for that conference
emerge we will evaluate whether or not there is benefit of
attending any sessions of the conference.

Cost of attendance for the two Board members will depend
primarily on the airline and hotel costs which won't be made
until the Board approves the trip. The total cost per person is
expected to be in the range of \$1,500 but could be more or
less depending on the exact number of days and whether or
not any ACWA sessions are attended.

It is not uncommon for several board members of other water
agencies to attend, and the President and Vice President would
encourage any other interested JBWD Board members to
attend as well. As is the practice with most agencies, the
general manager will accompany the Board members.