

President
Tom Floen

VP
Stacy Doolittle

Directors
Jane Jarlsberg
Tomas Short
David Fick

**General
Manager**
Sarah Johnson

Legal Counsel
Jeff Hoskinson



REGULAR MEETING AGENDA OF THE BOARD OF DIRECTORS

Wednesday, December 6, 2023, at 5:30 p.m.

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

REMOTE ACCESS IS AVAILABLE FOR THE CONVENIENCE OF THE PUBLIC

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

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

MEETING ID: 872 8707 9239

PASSCODE: 61750

MISSION, VISION, AND VALUES

Mission Statement

To provide, protect, and maintain Joshua Tree's water - our vital community resource.

Vision Statement

To achieve excellence in all District endeavors.

Values

The community of Joshua Tree has entrusted the Board of Directors and employees of Joshua Basin Water District with its most valuable natural resource, its groundwater. As stewards of the community water supply, we oversee this critical natural resource to ensure current and future water reliability. Dedicated to this purpose, we embrace these important values:

- **Integrity** – To consistently earn our customers' trust by prioritizing the needs of the community... doing the right thing for the right reason.
- **Transparency** – To openly and honestly share information about our operations with the public.
- **Respect** – To treat the residents of Joshua Tree, and all those contacted in the course of business, with high esteem and regard.
- **Fiscal Responsibility** – To manage all resources as if they were our own, whether revenues, assets, or water supply, in a conscientious and appropriate manner.
- **Accountability** – To take responsibility for our decisions and actions in managing this essential resource.

1. CALL TO ORDER / PLEDGE OF ALLEGIANCE

2. DETERMINATION OF A QUORUM

Consideration of Board Member requests for remote participation.

3. APPROVAL OF AGENDA

4. PUBLIC COMMENT

This designated time is for members of the public to provide comments on any District related matter, whether appearing on the agenda or not. Under the provisions of the Brown Act, the Board is prohibited from taking action on items not listed on the agenda. At the discretion of the Board President, comments on a particular agenzied item may be deferred until that item is heard. Please state your name and limit your comments to 3 minutes.

5. CONSENT CALENDAR

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

A. DRAFT MINUTES – 11.15.2023

6. ITEM(S) PULLED FROM CONSENT CALENDAR FOR DISCUSSION

7. PROJECT LIST UPDATE

This item is for informational purposes only. Staff may provide updates to the Board on any projects listed. Board members may ask questions and seek clarification on any projects listed. If board action is necessary on any project, it will be scheduled as a future agenda item.

8. PRESENTATIONS

For informational purposes only. No action is to be taken.

A. PUBLIC OUTREACH REPORT

Public Outreach Consultant Kathleen Radnich will provide a report on outreach activities.

9. ACTION CALENDAR

A. PUBLIC OUTREACH CONTRACT

PRESENTED BY: SARAH JOHNSON, GENERAL MANAGER

RECOMMENDED ACTION: RECOMMEND APPROVAL OF THE ATTACHED UPDATED AGREEMENT BETWEEN JOSHUA BASIN WATER DISTRICT AND KATHLEEN RADNICH TO PROVIDE PUBLIC OUTREACH CONSULTING SERVICES

B. CITIZEN ADVISORY COUNCIL (CAC) BYLAWS

PRESENTED BY: SARAH JOHNSON, GENERAL MANAGER

RECOMMENDED ACTION: RECOMMEND APPROVAL OF THE NEWLY DEVELOPED CAC BYLAWS

C. SECTION 125 & FLEXIBLE SPENDING ACCOUNT

PRESENTED BY: SARAH JOHNSON, GENERAL MANAGER

RECOMMENDED ACTION: RECOMMEND THE BOARD ADOPT RESOLUTION 23-1060 APPROVING THE SECTION 125 CAFETERIA PLAN & FLEXIBLE SPENDING ACCOUNT

D. CA EXTENDED ARREARAGE PAYMENT PROGRAM

PRESENTED BY: ANNE ROMAN, DIRECTOR OF FINANCE

RECOMMENDED ACTION: REVIEW, DECIDE ON PARTICIPATION, AND ADOPT RESOLUTION, IF NEEDED

10. REPORTS AND COMMENTS

For informational purposes only on subjects not covered by the agenda. No action is to be taken. The Board may provide staff with requests for future agenda items.

- A. DIRECTORS REPORTS
- B. GENERAL MANAGER REPORT

11. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION
(Govt. Code 54956.9(d)1)

Name of case: In Re: Aqueous Film-Forming Foams Products Liability Litigation, MDL No. 2:18-mn-2873 (D.S.C.); City of Camden, et al., v. 3M Company, No. 2:23-cv-03147-RMG (PFAS Litigation)

12. ADJOURNMENT

CALENDAR REMINDER - FUTURE DIRECTOR MEETINGS	DATE	TIME	ATTENDEE(S)
JBWD – FINANCE COMMITTEE	12.13.23	9:00 AM	FLOEN, SHORT
JBWD – WRO COMMITTEE	12.13.23	CANCELLED	
MWA – BOARD MEETING	12.14.23	9:30AM	DOOLITTLE
JBWD – BOARD MEETING	12.20.23	5:30 PM	ALL
JBWD – BOARD MEETING	01.03.23	CANCELLED	

MEETING INFORMATION

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

Availability of agenda materials: Materials related to any item on this Agenda submitted to the District Board of Directors or Committee Members after distribution of the agenda packet are available for public inspection at the District's office, 61750 Chollita Road, Joshua Tree, CA 92252, during normal business hours. All documents supporting this agenda are available on the District website www.jbwd.com, subject to the staff's availability to post the documents before the meeting.

Reasonable Accommodation: Any person with a disability who requires accommodation to view the agenda or to participate in the public comment portion of the Board meeting, should direct such requests to Lisa Thompson, Executive Assistant, at 760-366-8438. Please allow three business days for your request to be processed. Requests must be received at least seventy-two (72) hours before the scheduled meeting.

Disruptive Conduct: If any meeting of the District is willfully disrupted by a person or by a group of persons so as to render the orderly conduct of the meeting impossible, a meeting may be recessed or the person or persons willfully disrupting the meeting may be ordered to leave the meeting. Disruptive conduct includes addressing the Board or Committee without first being recognized, not addressing the subject before the Board or Committee, repetitively addressing the same subject, failing to relinquish the podium when requested to do so, or otherwise preventing the Board or Committee from conducting its meeting in an orderly manner. Your cooperation is appreciated.

JOSHUA BASIN WATER DISTRICT
BOARD OF DIRECTORS MEETING
MEETING MINUTES
NOVEMBER 15, 2023

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE – President Floen called the board meeting to order at 5:30 p.m.
2. DETERMINATION OF A QUORUM – President Floen, Vice President Doolittle, Director Jarlsberg, Director Short, Director Fick

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

CITIZENS ADVISORY COUNCIL PRESENT – None

CONSULTANTS PRESENT – Kathleen Radnich, Public Outreach Consultant, Jeff Hoskinson, Legal Counsel

3. APPROVAL OF AGENDA –
 - 1st – Short
 - 2nd – Fick5/0/0 motion carried to approve the agenda.
4. PUBLIC COMMENT – None
5. CONSENT CALENDAR –
 - A. DRAFT MINUTES – 11.01.23
 - 1st – Doolittle
 - 2nd – Short5/0/0 motion carried to approve the 11.01.23 with the correction to the last bullet item on the General Manager’s report changing the month from November to October for the Great ShakeOut.
6. ITEM(S) PULLED FROM CONSENT CALENDAR FOR DISCUSSION – Director Jarlsberg asked to pull the check register to discuss the truck purchases.
 - A. CHECK REGISTER – SEPTEMBER 2023
 - 1st – Fick
 - 2nd – Doolittle5/0/0 motion carried to approve the September 2023 check register.
7. ACTION CALENDAR
 - A. RESERVE FUNDING TRANSFERS FOR FISCAL YEAR 2022/23
Director of Finance, Anne Roman gave her presentation on the Reserve Funding Transfers for fiscal year 2022/2023 to the board. Roman mentioned that the Reserve Funding Transfers is an annual agenda item but complex. Roman provided detailed information on proposed transfers for reserve funding usage and replenishment funding for fiscal year 22/23. Roman handed out graphs to the board to assist with understanding the process. Roman discussed the proposed reserve fund transfers from the LAIF Water Capacity reserve from the Tilford Phase 2 mainline replacement project. Roman briefly explained that the Reserve Policy and Rate Study determines what to set aside and the budget and usage determines how much of the reserves we are depleting. Roman concluded that proposed changes to the Reserve Fund Policy will be brought back to the Finance Committee in 2024.

1st –Jarlsberg
2nd – Short
5/0/0 motion carried to approve the Reserve Funding Transfers

8. REPORTS AND COMMENTS

A. DIRECTOR REPORTS AND COMMENTS -

PRESIDENT FLOEN –

- Reports – Attended CMM breakfast meeting.
- Comments – Floen mentioned that while at the CMM meeting, he liked interacting with others and sharing water-related topics.

VICE PRESIDENT DOOLITTLE-

- Reports – Attended the CSDA board orientation class.
- Comments – Learned the following information from CSDA class: Sticking with government recommended code, recommendation of having tours of the district once a year, and CSDA board handbook.

DIRECTOR JARLSBERG-

- Reports – Jarlsberg has been out of the area and did not attend any water-related meetings. Jarlsberg attended a Sacramento senior legislation in October.
- Comments – Jarlsberg could not attend the last MWA board meeting that she was assigned to and wanted to find out when she is scheduled for the next MWA meeting.

DIRECTOR SHORT-

- Reports – Short has not attended any meetings but is planning on attending the MWA Cadiz meeting.
- Comments – None

DIRECTOR FICK-

- Reports – None
- Comments – Fick mentioned the following: he has been watching the district's YouTube meeting videos, a situation when Orange County was going bankrupt, and MWA is having an upcoming presentation on Cadiz.

B. GENERAL MANAGERS REPORT –

General Manager, Sarah Johnson reported on the following:

- At last night's CAC meeting, the CAC members elected David Carrilo as the new Chairperson and Fred Jaross as the new Vice-Chairperson.
- The CAC Bylaws were developed and presented to the CAC members. The CAC Bylaws will come back to the Board for review and adoption.
- The district received all replacement vehicles. The old vehicles are up for auction with GovDeals.
- The upcoming ACWA fall conference is scheduled for November 27th – 30th. Vice President Doolittle, Director Jarlsberg, and Director Fick are attending the ACWA conference. Johnson, Interim Director of Operation, Jeremiah Nazario, and Executive Assistant Lisa Thompson are attending the ACWA conference on November 29th-30th.

- In 2024, we will incorporate manager meetups for board members to meet with Johnson five times a year. There will be two board members who will meet with Johnson for each meeting. Executive Assistant, Lisa Thompson will add the manager meet-ups on the rotating meeting calendar. Thompson will issue the 2024 rotating meeting calendar to all board members next month. Johnson reminded the board that if they cannot attend a meeting, to make sure that they contact another board member to take their place and inform Johnson, Thompson, and the Board President.
- Johnson mentioned that next week, she will be going on vacation. Director of Finance Anne Roman, will be available for any emergencies.

10. ADJOURNMENT

1st – Doolittle

2nd – Short

President Floen called the board to adjourn at 6:34 p.m.

Respectfully submitted,

Sarah Johnson, General Manager & Board Secretary

**JBWD PROJECT LIST
FY 23/24**

DEPT	PROJECT # (if applicable)	TYPE	FUND SOURCE	PROJECT NAME	PROJECT DESCRIPTION/INFORMATION	STRAT PLAN #	BUDGET FUNDED	FY BUDGET	BUDGET ADJUST	STATUS	PROJECT MANAGER
ADMIN	#E23003	OP EXPENSE	REPORTS & STUDIES	2023 HAZARD MITIGATION PLAN	ENGAGE WITH STURDIVAN TO RENEW HAZARD MITIGATION PLAN	4.7.2	YES	38,000		IN PROGRESS	SARAH
ADMIN	N/A	OP EXPENSE	OP EXPENSE	NEW EMERGENCY SUPPLIES	PURCHASE SUPPLIES TO REPLENISH EMERGENCY SUPPLIES (TENT, FOOD, ETC.)	4.7.4	YES	10,000		IN PROGRESS	SARAH
ADMIN	CP #A23210	CAPITAL	EQUIP & TECH	FILE SERVER REPLACEMENT	REPLACE THE FILE SERVER, WHICH IS ON SCHEDULE TO BE REPLACED DUE TO AGE.	1.1	YES	15,000		IN PROGRESS	DAVID
ADMIN	N/A	OP EXP	OP EXP	WEBSITE REDESIGN	UPGRADE WEBSITE DESIGN	4.8.1 & 5.1.5	NORMAL OPS	N/A		IN PROGRESS	SARAH/DAVID
ADMIN	CP #A21204	CAPITAL	CAPITAL	KEYLESS ENTRY	INSTALL KEYLESS ENTRY IN ADMIN AND OPS BUILDINGS FOR ADDED SECURITY CONTROLS	1.1.3	YES	45,000		IN QUEUE	DAVID
ADMIN	CP #A16003	CAPITAL	CAPITAL	CODIFICATION OF RECORDS	ARRANGE DISTRICT POLICIES INTO A SYSTEMATIC FORM (ADMIN CODE, RULES/REGS/EE RULES)	2.11.1	YES	10,000		IN QUEUE	SARAH/DAVID
ADMIN	#E23002	OP EXPENSE	REPORTS & STUDIES	STRATEGIC PLAN	STRATEGIC PLAN RENEWAL	2.12.3	YES	50,000		IN QUEUE	SARAH
ADMIN	N/A	OP EXP	OP EXP	BILL REDESIGN	MODERNIZE BILL DESIGN	4.4.2	NORMAL OPS	N/A		IN PROGRESS	SARAH/DAVID
ADMIN	CP #A22219	CAPITAL	CAPITAL	EXTERIOR BLDG REFRESH	MAINTENANCE TO THE EXTERIOR OF ADMIN BUILDING INCLUDING PAINT, SIGNAGE, AND POSSIBLE FLOOD	1.1.3	YES	50,000		IN QUEUE	DAVID
ADMIN/OPS	#A22216	OP EXPENSE	REPORTS & STUDIES	(CIP) CAPITAL IMPROV PLAN UPDATE	ENGAGE WITH ENGINEER TO UPDATE DISTRICT CAPITAL IMPROVEMENT PLAN	2.10.6	YES	250,000		IN QUEUE	SARAH/JEREMIAH
CIRP	CP #A22209	CAPITAL	CAPITAL	TILFORD PH2 DESIGN/SURVEY	PROJECT COMPLETE	1.2.6	YES	80,000		COMPLETE	BRANDON
CIRP	CP #A22211	CAPITAL	CAPITAL	TILFORD PH2 INSTALL	PROJECT COMPLETE	1.2.7	YES	650,000		COMPLETE 10/12/2023	BRANDON
CIRP	CP #A22227	CAPITAL	CAPITAL	BELMONT DESIGN/SURVEY	DESIGN COMPLETE	1.2.8	YES	150,000		IN PROGRESS	BRANDON
CIRP	CP #A23203	CAPITAL	CAPITAL	BELMONT PIPELINE (INVENTORY PRE-ORDER)	INVENTORY PRE-ORDER COMPLETE, MOST MATERIALS HAVE BEEN RECEIVED	1.2.8	YES	500,000		IN PROGRESS	BRANDON
FINANCE	N/A	OP EXPENSE	OP EXPENSE	PAYROLL SOFTWARE CONVERSION	REPLACE PAYLOCITY WITH PAYCHEX FOR PAYROLL/HRIS	4.5	YES	10,000		IN PROGRESS	AUTUMN

**JBWD PROJECT LIST
FY 23/24**

DEPT	PROJECT # (if applicable)	TYPE	FUND SOURCE	PROJECT NAME	PROJECT DESCRIPTION/INFORMATION	STRAT PLAN #	BUDGET FUNDED	FY BUDGET	BUDGET ADJUST	STATUS	PROJECT MANAGER
FINANCE	N/A	OP EXPENSE	OP EXPENSE	ASSET TRACKING SOFTWARE	IMPLEMENT ASSETS TRACKING SOFTWARE TO TRACK ASSETS	4.5.3	YES	10,000		IN PROGRESS	ANNE
OPS	CP #A23209	CAPITAL	EQUIP & TECH	2-WAY RADIOS - VEHICLES	PURCHASE 2-WAY RADIOS FOR COMMUNICATION & EMERGENCY MNGT	1.1.2.2	YES	35,000		COMPLETE	JEREMIAH
OPS	CP #A23204	CAPITAL	EQUIP & TECH	4 REPL TRUCKS	3 TOYOTA TACOMA AND 1 DODGE 2500 RECEIVED AND IN USE	1.3.5	YES	240,000		COMPLETE	JEREMIAH
OPS	CP #A23201	CAPITAL	EQUIP & TECH	VACUUM/EXCAVATOR	PROJECT COMPLETE	1.3.6	YES	95,000		COMPLETE	JEREMIAH
OPS	CP #A23208	CAPITAL	EQUIP & TECH	TIRE CHANGER REPLACEMENT	UPGRADE TIRE CHANGING EQUIPMENT	1.3.7	YES	12,000		COMPLETE	JEREMIAH
OPS	CP #A23202	CAPITAL	CAPITAL	CONCRETE MIXER	PROJECT COMPLETE	1.3.7	YES	8,000		COMPLETE	JEREMIAH
OPS	CP #A22202	CAPITAL	CAPITAL	D1-1 BOOSTER STN UPGRADE	IN PROCESS, AWAITING BUILDING DELIVERY	1.2.13	YES	240,000		IN PROGRESS	JEREMIAH
OPS	CP #A22203	CAPITAL	CAPITAL	E2-1 RESERVOIR UPGRADE	SITE LEVELED, RFP WILL BE NEXT STEP	1.2.14	YES	110,000		IN PROGRESS	JEREMIAH
OPS	CP #A20014	CAPITAL	METER REPL	METER REPLACEMENT PROGRAM 2020-2025	CONTINUE METER REPLACEMENT	1.2.21	YES	250,000		IN PROGRESS	JEREMIAH
OPS	CP #A23206	CAPITAL	CAPITAL	WELL 14 INJECT UPGR & MIOX CL2 @ ALL	INTERIM DIRECTOR OF OPERATIONS IS REDESIGNING MIOX SYSTEM SETUP	1.2.25	YES	50,000		IN PROGRESS	JEREMIAH
OPS	CP #A23207	CAPITAL	CAPITAL	AMI METER CONVERSION	PROPAGATION STUDY IN PROCESS	1.1	YES	200,000		IN PROGRESS	JEREMIAH
OPS	CP #A22217	CAPITAL	CAPITAL	INVENTORY/EQUIP BUILDING	WORKING WITH COUNTY ON PERMITTING	1.1.3.3	YES	140,000		IN PROGRESS	JEREMIAH
OPS	CP# A23205	CAPITAL	CAPITAL	CANTILEVER AUTO GATES @ 3 LOC	GATES PURCHASED - STAFF TO DO THE INSTALLATION	1.1.3	YES	60,000		IN PROGRESS	JEREMIAH
PRODUCTIO N	N/A	OP EXP	OP EXP	WATER RECHARGE PURCHASE	ACTUAL PURCHASE 1062 AF, SCHEDULED TO CONCLUDE APPROX. CALENDAR YR END	1.0	YES	685,300		IN PROGRESS	JEREMIAH



Board of Directors Staff Report

MEETING DATE: 12.06.23
PRESENTED BY: Sarah Johnson, General Manager
TOPIC: **PUBLIC OUTREACH CONTRACT**
RECOMMENDATION: Recommend approval of the attached updated agreement between Joshua Basin Water District and Kathleen Radnich to provide Public Outreach Consulting Services.

ANALYSIS:

Our District has benefited from Public Outreach services provided by consultant Kathleen Radnich for over a decade, and it's time to update the existing contract.

Engaging in a public outreach contract is crucial for us to forge meaningful connections with our customer base and the broader community. This proactive approach serves as a powerful tool for building trust, fostering transparency, and cultivating positive relationships with stakeholders. By enhancing our public image, we contribute to a more inclusive and participatory decision-making process, fostering collaboration and shared responsibility within the community. Additionally, these services help us meet regulatory requirements.

The updated contract, detailed in Appendix A, articulates the scope of services, including general, conservation, and emergency outreach, content creation, newsletter development, farmers market coordination, and regular reports and presentations.

Staff recommends that the Board of Directors consider and approve the attached updated agreement between the District and independent contractor Kathleen Radnich for Public Outreach Consulting Services.

STRATEGIC PLAN ITEM: 5.0 - Educate and engage with our customers, community, and partners.
5.1 - Continue Public Information Outreach Program

FISCAL IMPACT: FY 23/24 Public Outreach budgeted is \$75,000.
Public Outreach contract retainer is \$54,000 annually.

PUBLIC OUTREACH CONSULTANT AGREEMENT

The parties to this agreement are JOSHUA BASIN WATER DISTRICT (“DISTRICT”) and Kathleen Radnich, Independent Contractor (“CONSULTANT”). CONSULTANT and DISTRICT may be referred to herein individually as “Party” or collectively as “Parties.”

1. TERM AND TERMINATION

This Agreement shall become effective on the 1st of the month following board approval. The term of this engagement shall be two (2) years, ending two years after the effective date of this agreement. The Parties may elect to extend the term of this Agreement in one-year increments by way of a letter agreement signed by the General Manager and CONSULTANT.

The CONSULTANT or DISTRICT may terminate this agreement without cause by giving the other party ten (10) days of written notice of such termination and the effective date thereof. The CONSULTANT shall prepare and shall be entitled to receive compensation for services rendered through the notice of termination.

2. CONSULTANT’S SCOPE OF SERVICES

The services to be performed under this Agreement are as described in Appendix A hereunto attached and by this reference made a part hereof.

3. INDEPENDENT CONTRACTOR

CONSULTANT is an independent contractor. Neither the CONSULTANT nor any of the CONSULTANT’s offices, employees, agents, or subcontractors, if any, is an employee of the DISTRICT by virtue of this Agreement or performance of any work under this Agreement.

The CONSULTANT warrants that its personnel working on the Services, which include all services performed under this Agreement, are and shall be competent and suitable in every respect, whether as to qualifications, experience or otherwise, to perform such Services.

4. RATES AND FEES

The DISTRICT agrees to compensate the CONSULTANT in the amount of \$4,500 per month to be invoiced monthly and payable within thirty (30) days of receipt for services performed within “CONSULTANT’S SCOPE OF SERVICES (Appendix A).”

5. ADDITIONAL SERVICES

Any work performed by the CONSULTANT, at the request of the DISTRICT, beyond the SCOPE OF SERVICES (Appendix A), shall be billed at a rate of \$50.00 per hour with a one (1) hour minimum and included with a description of work performed on CONSULTANT’S invoice to the DISTRICT.

EMERGENCY SERVICES

During a declared disaster (district declared, local, county, state, or national) CONSULTANT will bill at the hourly rate.

No additional or emergency services work will be performed or billed without the General Manager’s approval.

6. EXPENSES FOR MATERIALS AND SUPPLIES

The CONSULTANT is not responsible for the expenses for materials or supplies directly related to the DISTRICT’s public outreach efforts. Costs for materials and supplies shall be approved in

advance by the DISTRICT. No materials or supplies will be ordered or billed without the General Manager's approval and/or without a properly executed Purchase Order where applicable. District staff shall be responsible for requesting and obtaining authorization for purchase orders.

7. REIMBURSEMENT

The DISTRICT will reimburse the CONSULTANT for out-of-pocket expenses incurred in the performance of the DISTRICT's public outreach program. Costs for materials and supplies from third-party vendor shall be charged to the DISTRICT at cost. Such costs shall be detailed in CONSULTANT's monthly invoice to the DISTRICT, and the original invoices for such materials and supplies shall be included as well as other supporting documentation.

The CONSULTANT shall not be eligible for reimbursement for any materials or supplies directly invoiced and paid to the third-party vendor by the DISTRICT.

8. INVOICES/PAYMENT

CONSULTANT shall submit itemized invoices to DISTRICT at Joshua Basin Water District, Attn: Accounts Payable, P.O. Box 675, Joshua Tree, CA 92252. Each invoice must show the Purchase Order number, description of supplies or services, sizes, units of measure, quantity, unit price, and extended totals, and shall cover only goods delivered or services performed. Invoices shall include supporting documentation including, but not limited to, original paid receipts and invoices to validate the charges for each invoiced item. Incomplete invoices shall be returned to CONSULTANT. Payment shall be due 30 days from DISTRICT's receipt of the invoice.

9. OWNERSHIP OF WORK PRODUCT

Upon delivery, the work product, including without limitation, all original reports, writings, recordings, drawings, files, and detailed calculations developed under this contract are the property of the DISTRICT. CONSULTANT agrees that all copyrights which arise from creation of the work pursuant to this contract shall be vested in the DISTRICT and waives and relinquishes all claims to copyright or other intellectual property rights in favor of the DISTRICT. DISTRICT acknowledges that its use of the work product is limited to the purposes contemplated by the scope of work and that the CONSULTANT makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the scope of work.

The CONSULTANT shall return all finished or unfinished documents, reports, photographs, films, charts, data, studies, surveys, drawings, models, maps, or other documents prepared by or in the possession of the CONSULTANT upon termination of this Agreement.

10. STANDARD OF PERFORMANCE

CONSULTANT does not act in a Customer Service capacity for the District. The CONSULTANT must forward any customer issues or concerns to the customer service supervisor or General Manager. CONSULTANT's services shall be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the CONSULTANT'S profession currently practicing under similar conditions. Whenever the work requires approval by the DISTRICT, it is understood to be approval solely for the purposes of conforming to the requirements of the scope of work and not acceptance of any professional or other responsibility for the work. Such approval does not relieve the CONSULTANT of responsibility for complying with the standard of performance or laws, regulations, industry standards, or from liability for damages caused by negligent acts, errors, omissions, noncompliance with industry standards, or the willful misconduct of CONSULTANT or its subcontractors. By delivery of completed work, CONSULTANT certifies that the work conforms to the requirements of this contract and all applicable federal, state and

local laws. If CONSULTANT is retained to perform services requiring a license, certification, registration or other similar requirement under California law, CONSULTANT shall maintain that license, certification, registration or other similar requirement throughout the term of this Agreement.

11. FORMAT OF DOCUMENTS

Documents submitted to the DISTRICT in electronic format shall be formatted according to specifications provided by the DISTRICT, or if not otherwise specified, in Microsoft Word, Excel, PowerPoint or other Microsoft Office 365 format as appropriate for the particular work product or, if directed by the General Manager in Adobe Acrobat pdf format.

12. CONFLICT OF INTEREST

In the performance of DISTRICT business, the CONSULTANT is expected to make decisions and take actions that are in the DISTRICT'S best interests as a whole, and which are not based on or influenced by personal relationships or benefits. CONSULTANT shall disclose any conflicts when and if such arise, and shall abstain from any involvement or influence over decisions in which a conflict exists.

13. CONFIDENTIAL INFORMATION

To the maximum extent permitted by law, and subject to the provisions of the California Public Records Act, the Parties acknowledge a duty not to disclose during or after the term, unless with the other Parties' written consent, any confidential information either concerning the other's business, its business plans, customers or associated entities or resulting from studies or surveys commissioned or paid for by the DISTRICT.

During and after the term, the CONSULTANT acknowledges its responsibility to treat in complete confidence all personnel and other data related to the DISTRICT'S business which the DISTRICT may supply the Consultant in the course of any work for the DISTRICT.

The restrictions shall not prevent:

- the disclosure or use of information in the proper performance of the CONSULTANT'S duties;
- the disclosure of information if required by law;
- the disclosure of information which has come into the public domain otherwise than through unauthorized disclosure; or
- the disclosure or use of information as is necessary to perform the SCOPE OF SERVICES or ADDITIONAL SERVICES required herein.

14. INDEMNIFICATION

To the extent permitted by law, CONSULTANT shall hold harmless, defend at its own expense, and indemnify DISTRICT, its directors, officers, employees, and authorized volunteers, against any and all liability, claims, losses, damages, or expenses, including reasonable attorneys' fees and costs, arising from all acts or omissions of CONSULTANT or its officers, agents, or employees in rendering services under this CONTRACT; excluding, however, such liability, claims, losses, damages or expenses arising from DISTRICT'S sole negligence or willful acts.

15. MINIMUM INSURANCE REQUIREMENTS

CONSULTANT shall procure and maintain for the duration of the CONTRACT insurance against claims for injuries or death to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by CONSULTANT, its agents, representatives, employees or subcontractors.

- a. **Coverage.** Coverage shall be at least as broad as the following:
- i. **Commercial General Liability.** Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 00 01) including products and completed operations, property damage, bodily injury, personal and advertising injury with limit of at least one million dollars (\$1,000,000) per occurrence or the full per occurrence limits of the policies available, whichever is greater. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (coverage as broad as the ISO CG 25 03 or ISO CG 25 04 endorsement provided to DISTRICT) or the general aggregate limit shall be twice the required occurrence limit.
 - ii. **Automobile Liability.** (If necessary) Insurance Services Office (ISO) Business Auto Coverage (Form CA 00 01), covering Symbol 1 (any auto) or, if CONSULTANT has no owned autos, Symbols 8 (hired) and 9 (non-owned), with limit of at least one million dollars (\$1,000,000) for bodily injury and property damage each accident.
 - iii. **Workers' Compensation.** As required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than one million dollars (\$1,000,000) per accident for bodily injury or disease. Waiver of Subrogation: The insurer(s) named above agree to waive all rights of subrogation against Joshua Basin Water District, its directors officers, employees and authorized volunteers for losses paid under the terms of this policy which arise from work performed by the Named Insured for DISTRICT; but this provision applies regardless of whether or not DISTRICT has received a waiver of subrogation from the insurer.
 - iv. **Professional Liability** (also known as Errors & Omissions). Insurance appropriate to CONSULTANT'S profession, with limits no less than one million dollars (\$1,000,000) per occurrence or claim, and two million dollars (\$2,000,000) policy aggregate.

If the Professional Liability policy is a claims-made policy: 1) The Retroactive Date must be shown and must be before the date of the CONTRACT or the beginning of CONTRACT work; 2) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work; and 3) If coverage is cancelled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, CONSULTANT must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

If CONSULTANT maintains broader coverage and/or higher limits than the minimums shown above, DISTRICT requires and shall be entitled to the broader coverage and/or higher limits maintained by CONSULTANT. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to DISTRICT.

- b. Other Required Provisions.** The commercial general liability policy must contain, or be endorsed to contain, the following provisions:
- i. Additional Insured Status.** Joshua Basin Water District, its directors, officers, employees, and authorized volunteers are to be given insured status (at least as broad as ISO Form CG 20 10 10 01) with respect to liability arising out of work or operations performed by or on behalf of CONSULTANT including materials, parts, or equipment furnished in connection with such work or operations.
 - ii. Primary Coverage.** For any claims related to this project, CONSULTANT's insurance coverage shall be primary at least as broad as ISO CG 20 10 04 13 as respects to Joshua Basin Water District, its directors, officers, employees, and authorized volunteers. Any insurance or self-insurance maintained by Joshua Basin Water District, its directors, officers, employees, and authorized volunteers shall be excess of CONSULTANT's insurance and shall not contribute with it.
- c. Expiration.** If any of the required coverages expire during the term of this CONTRACT, VENDOR shall deliver the renewal certificate(s) and endorsement(s) to DISTRICT at least 10 days prior to the expiration date.
- d. Notice of Cancellation.** Each insurance policy required above shall provide that coverage shall not be cancelled, except with notice to DISTRICT.
- e. Self-Insured Retentions.** Self-insured retentions must be declared to and approved by DISTRICT. DISTRICT may require CONSULTANT to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or DISTRICT.
- f. Acceptability of Insurers.** Insurance is to be placed with insurers having a current A.M. Best rating of no less than A: VII or as otherwise approved by DISTRICT. Insurers must be licensed to do business in California.
- g. Verification of Coverage.** CONSULTANT shall furnish DISTRICT with certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by DISTRICT before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive CONSULTANT's obligation to provide them. DISTRICT reserves the right to require complete, certified copies of all required insurance policies, including policy Declaration pages and Endorsement pages.

- h. Subcontractors.** CONSULTANT shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and CONSULTANT shall ensure that Joshua Basin Water District its directors, officers, employees, and authorized volunteers are an additional insured on commercial general liability coverage.

16. SAFETY

In the performance of this AGREEMENT, CONSULTANT shall comply with all applicable federal, state and local statutory and regulatory requirements including, but not limited to, California Department of Industrial Relations (Cal/OSHA) regulations and the U.S. Department of Transportation Omnibus Transportation Employee Testing Act, related to their scope of work and operations. In case of conflict in regulations, the most stringent shall apply.

17. MISCELLANEOUS PROVISIONS

- a. Descriptive Headings.** The various headings and numbers herein, the grouping of provisions of this CONTRACT into separate clauses and paragraphs, and the organization hereof are for the purpose of convenience only and shall not limit or otherwise affect the meaning hereof.
- b. Severability.** If any term, covenant, condition or provision of this CONTRACT is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.
- c. Attorney Fees.** In any action or proceeding to enforce or interpret any provision of this CONTRACT, or where any provision hereof is validly asserted as a defense, each party shall bear its own attorneys' fees, costs and expenses.
- d. Interpretation.** Both parties have had full opportunity to negotiate the terms of this CONTRACT, and neither party intends that this CONTRACT be construed for or against either party because of that party's role in drafting the CONTRACT.
- e. Notice.** Notice shall be given by first class mail, facsimile, or other electronic/telecommunications transmission with a date and time receipt acknowledgement or personal delivery. Notice shall be effective upon receipt. The Parties hereby covenant and agree that each party may rely on a telefax signature of the other with respect to matters pertaining to this CONTRACT, and the confirmation of delivery of fax shall be sufficient evidence of any notice required hereunder.
- f. Authority.** Each party represents and warrants that this CONTRACT is valid and binding, is duly authorized by appropriate authority and approving action, and that the person signing this CONTRACT has the authority to bind the respective party to this CONTRACT.
- g. Governing Law and Venue:** This CONTRACT has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. Any action or proceeding for dispute resolution arising out of this CONTRACT shall be brought and tried in the County of San Bernardino, State of California.

Except as set forth herein, this Agreement constitutes the entire agreement between the parties. The agreement can only be amended in writing signed by the parties hereto. If these terms are agreeable, please countersign below and retain one copy for your files, returning a copy to THE CONSULTANT.

Date:

Date:

JOSHUA BASIN WATER DISTRICT

Kathleen Radnich

By: _____
Sarah Johnson, General Manager

By: _____
Kathleen Radnich, Public Outreach
Consultant

APPENDIX A
SCOPE OF SERVICES

All work and/or content created within the CONSULTANT’S SCOPE OF SERVICES is subject to approval by the General Manager. All created material shall be provided in an acceptable format.

Scope of Services	Description	Frequency
1. Public Outreach	<p>Develop, plan, and facilitate public outreach programs, classes, tours, demonstration garden tours, organizing press conferences, emergency preparation, plant sales, and other public outreach events.</p> <p>Coordinates docents and volunteers for demonstration garden and other programs.</p> <p>Assists with updating signage, reports, and needed repairs for the demonstration garden.</p>	As needed
2. Conservation Outreach	Assist with conservation efforts and programs (i.e., evaporative cooler study).	As needed
3. Routine Emergency Outreach Preparation	<p>Assist with disaster preparation work as directed. Develop public emergency messaging, act as a liaison between the district and media/other agencies as directed.</p> <p><i>(Declared disaster work billed at the hourly rate.)</i></p>	As needed
4. Content Creation	Create content for poster boards, fact sheets, FAQ sheets, public outreach documents, email campaigns, public service announcements, media outreach, conservation outreach, social media posts, websites, emergency preparedness, etc.	As needed
5. Newsletter Content Creation	Create content for the recurring newsletter and enter content into the DISTRICT-provided platform and template.	Monthly
6. Meeting Involvement	<p>Attend, participate, and/or present in Board Meetings, CAC, AWAC, CALWARN, Morongo Basin Emergency Response, and other relevant meetings related to the District’s Public Outreach services.</p> <p>Helps recruit CAC members.</p>	As needed
7. Farmer’s Market	Provide Public Outreach services by coordinating, planning, and operating the weekly Farmer’s Market Booth.	Weekly during season
8. Reports, Presentations, and Other	<p>Provide a written monthly Public Outreach report to the General Manager and one in-person monthly Public Outreach report to the Board of Directors.</p> <p>Take a proactive approach, identifying public outreach issues that may affect the DISTRICT and proposing ways to prepare for them.</p> <p>Keeps up to date on relevant legislative issues and conservation programs.</p>	Monthly



Board of Directors Staff Report

MEETING DATE: 12.06.23
PRESENTED BY: Sarah Johnson, General Manager
TOPIC: **CITIZENS ADVISORY COUNCIL (CAC) BYLAWS**
RECOMMENDATION: Recommend approval of the newly developed CAC ByLaws

ANALYSIS:

The Citizens Advisory Council (CAC) serves as a structured platform for individual citizens to share opinions, study issues, and formulate recommendations within a focused, small-group setting. Initially established by the Board of Directors in May 2005 as a temporary committee to review significant policy issues, the CAC later transitioned into a permanent body. Over the years, its purpose has evolved into a successful sounding board on District matters, inadvertently becoming a valuable pipeline for future board members.

However, the CAC has operated under general unofficial guidelines, leading to confusion in processes and direction. In response, we have developed draft bylaws to provide clarity. Members reviewed these draft bylaws at the 11.14.23 meeting, offering suggestions and recommending the submission of the bylaws to the board for adoption.

Staff recommends that the Board of Directors consider and approve the attached CAC bylaws to enhance the Council's effectiveness and streamline its operations.

STRATEGIC PLAN ITEM: 5.0 - Educate and engage with our customers, community, and partners.
FISCAL IMPACT: N/A



CITIZENS ADVISORY COUNCIL - BYLAWS

I. ARTICLE I - INTRODUCTION

- A. **PURPOSE** – The purpose of the Joshua Basin Water District (“District”) Citizens Advisory (CAC) is to provide informed suggestions and recommendations on district-related issues to the Board of Directors (BOD). The BOD may also assign matters to the CAC for review, comment, and recommendation. CAC members will review information, request additional information to clarify when needed, and make recommendations to the BOD following a majority vote of the CAC.
- B. **ETHICS** – CAC members are expected to act ethically and responsibly. CAC members are expected to abide by the District’s Code of Ethics (Attachment A).
- C. **ANTI-HARASSMENT** – The District has a strong commitment to prohibiting and preventing discrimination, harassment, and retaliation in the workplace. The District has zero tolerance for any conduct that violates this Policy. CAC members are expected to abide by the District’s Policy Against Discrimination, Harassment, and Retaliation (Attachment B).
- D. **TRANSPARENCY** - Transparency and open meeting laws, such as the Brown Act and Public Records Act, apply to the CAC members and meetings.
- E. **LIMITATIONS ON AUTHORITY** – The CAC shall have no independent duties or authority to take actions that bind the District or the Board of Directors. CAC members shall make no expenditures or requisitions for services and supplies, and no individual member shall be entitled to reimbursement for travel or other expenses except as authorized by the Board of Directors.

II. ARTICLE II – MEMBERSHIP & APPOINTMENT

- A. **MEMBERSHIP APPLICATION** – Prospective members are asked to complete an application and submit it along with a resume and letter of interest to the District’s Executive Assistant. Eligible applications will be considered at a public BOD meeting. Membership may be appointed based on other interests, for example, involvement with Joshua Tree-based organizations. Applicants should demonstrate an interest in water-related issues.
- B. **MEMBERSHIP ELIGIBILITY** – To be eligible to join the CAC, members must be residents, account holders, or property owners AND must be registered voters in the District. Board members, district employees, and district consultants and contractors are not eligible for membership. The CAC members shall not have alternate members (for example- a CAC member may not have their spouse attend in the CAC member's place).
- C. **COMPENSATION** – CAC members shall serve without compensation.

- D. **APPOINTMENT PROCESS** – The appointment process shall be competitive, based on the applicant’s ability to maximize communication between the Board of Directors and ratepayers of the District. Appointments to the CAC are made by a majority vote of the Board of Directors.
- E. **TERMS** – Members shall serve a term of up to four (4) years from appointment, with terms ending on the December 31 immediately preceding what would be the fourth year for such member, unless the member resigns, is removed by the BOD, or otherwise becomes ineligible or is removed based on the criteria specified in Section II(B) or Article IV. Members may be reappointed if interested in continued service at the sole discretion of the BOD.

III. ARTICLE III - CAC ORGANIZATION & OFFICERS

- A. **MEMBERSHIP COMPOSITION** – The CAC shall be comprised of a minimum of six (6) to a maximum of twelve (12) members.
- B. **ELECTION OF OFFICERS** – At the final meeting of the calendar year, the CAC shall elect a chairperson and vice-chairperson. Those selected shall assume office at the first meeting of the following calendar year. The tenure for each position shall be one (1) year.
- C. **CHAIRPERSON** – The chairperson shall preside over all CAC meetings and, following each CAC meeting, will provide a report at the next available BOD meeting. The Executive Assistant will inform the Chairperson of the report’s scheduled date and time. Reports to the BOD on general CAC activities may be verbal. Recommendations to the Board can be presented in writing.
- D. **VICE-CHAIRPERSON** – The Vice Chairperson shall preside over all CAC meetings in the absence of the Chairperson. The Vice Chairperson assists the Chairperson as needed and performs the Chair’s responsibilities when the Chair is unavailable.
- E. **MINUTE TAKING** – Designated District staff shall prepare minutes of all CAC meetings. Minutes will be presented at the subsequent CAC meeting for approval. Upon approval, both the Chairperson and designated staff person shall sign the minutes. The original minutes shall be kept in District archives.

IV. ARTICLE IV – VACANCIES AND REMOVAL

- A. **OFFICER VACANCIES** – In the event of a vacancy in the chairperson’s position, the vice chairperson shall succeed as chairperson for the balance of the chairperson’s term. In the event of a vacancy in the vice chairperson, the CAC shall elect a successor from its membership to fill the position for the balance of the term.
- B. **MEMBER VACANCIES** – The BOD will fill vacancies among the CAC by appointment as outlined in Article II.
- C. **MEMBERSHIP DISCONTINUATION** –
 - a) Resignation - A CAC member may discontinue their membership voluntarily by submitting a written letter of resignation to the General Manager with a copy to the Chairperson.

- b) Disqualification - CAC membership is terminated automatically if the member's qualifications change during the course of the appointment (i.e., the member moves out of the district boundaries).
- c) Absenteeism - If a CAC member accumulates three absences within a calendar year, they will be considered automatically resigned from the CAC. However, a CAC member facing extenuating circumstances (i.e., illness) resulting in three or more absences in a calendar year can request consideration of extension of their membership from the General Manager.

D. DISMISSAL – All CAC members are subject to removal by the BOD at its pleasure, with or without cause.

V. ARTICLE V – MEETINGS, QUORUM, AND ATTENDANCE

- A. MEETINGS** – Regular meetings of the CAC are scheduled bi-monthly on the 2nd Tuesday at 5:00 p.m. and are held at 61750 Chollita Road, Joshua Tree, CA 92252, in the district board room. Special meetings are sometimes held on different dates or locations and may be scheduled as needed.
- B. QUORUM** – A quorum shall be established when a majority of the members appointed to the CAC are present.
- C. VOTING** - A quorum shall be required for any item to be put to a vote. Any CAC action must be voted on by a majority of the quorum.
- D. ATTENDANCE** – CAC members are encouraged to attend all CAC meetings. Any meetings that do not have a quorum will be cancelled. A member is allowed three absences from regular CAC meetings in any calendar year. Absences must be reported to the Executive Assistant a minimum of 24 hours in advance of the meeting.
- E. REMOTE ATTENDANCE** – CAC members are urged to attend all CAC meetings in person. Lack of an in-person quorum will result in meeting cancellation. Remote attendance can be accommodated using the same rules established for BOD members (Attachment C).

VI. ARTICLE VI - TRAINING – The BOD and staff are committed to providing CAC members with district operations training, information, and education. CAC members are highly encouraged to attend District Water Tours. At a minimum of twice per calendar year, staff will provide departmental presentations to the CAC as scheduled by the General Manager on topics such as:

- A.** Operations – overview of production (i.e., wells, boosters, reservoirs), distribution (pipeline networks, services lines, etc.)
- B.** Finance - overview of budget, income, reserves, debt, and grants
- C.** Administration - overview of customer service, customer programs, human resources, water service requirements, and rules and regulations
- D.** Governance - overview of the Brown Act and Ethics.

VII. ARTICLE VII. REVISION OR AMENDMENT OF BYLAWS - The CAC may recommend amendment or revision of these by-laws (rules of procedure) as needed by a majority vote of a quorum of the CAC membership. The CAC Chairperson shall present the recommendations to the Board of Directors for approval.

If you have any questions, please contact Lisa Thompson, Executive Assistant lthompson@jbwd.com.

Attachment A

A. Code of Ethics

This section applies to all officials and employees of the District.

1. Each official and employee has an obligation to meet the highest ethical and professional standards and to enhance the public's respect and trust for the District and its operations.
2. Employees of the District have responsibilities unique from their counterparts in private industry. Employment with the District carries an obligation of personal integrity and conduct that serves to establish public respect, confidence, and trust.
3. Employees represent the District and the quality of District service is judged through their performance and conduct. The ratepayers of Joshua Tree have the right to expect that District employees will provide services in an efficient, thorough and courteous manner. It is intended that the rules and procedures which follow will assist employees in maintaining high ethical standards and proper job performance, and in avoiding potential conflicts of interest both in fact and appearance.
4. The District, as a condition of employment, expects to receive from the employee:
 - Initiative and a conscientious effort to perform productive work.
 - Cooperative, positive, responsive, and courteous relations with fellow employees, supervisors/managers, subordinates, and the public.
 - A continuous effort to strive for greater knowledge and skill on the job in order to maintain performance at a high level.
 - Compliance with all policies, regulations, rules of conduct and ordinances established by the District.
 - Responsible work habits demonstrated by:
 - Dependability, promptness, reliable attendance, and performing required duties competently.
 - Keeping informed of developments and matters affecting job performance,
 - Being flexible and adaptable to change.
 - Accepting constructive suggestions and criticism.
 - Neat and clean grooming and attire appropriate to the job assignment. Prescribed uniforms and safety equipment must be worn where applicable.
 - Effectively implementing the official policies of the District when serving in their official capacity with customers, clients, and the public and/or when identifying themselves as District employees in the course of their work.

Attachment B

B. Policy Against Discrimination, Harassment, and Retaliation

Purpose

The District has a strong commitment to prohibiting and preventing discrimination, harassment, and retaliation in the workplace. The District has zero-tolerance for any conduct that violates this Policy. Conduct need not arise to the level of a violation of state or federal law to violate this Policy. Instead, a single act can violate this Policy and provide grounds for discipline or other appropriate sanctions. This Policy establishes a complaint procedure for investigating and resolving internal complaints of discrimination, harassment, and retaliation. The District encourages all covered individuals to report any conduct they believe violates this Policy as soon as possible. Any retaliation against an employee because they filed or supported a complaint or because they participated in the complaint resolution process is prohibited. Individuals found to have retaliated in violation of this Policy will be subject to appropriate sanction or disciplinary action, up to and including termination.

Covered Individuals and Scope of Policy

The individuals covered by this Policy are: applicants, employees regardless of rank or title, elected or appointed officials, interns, volunteers, and contractors. This Policy applies to all terms and conditions of employment, internships, and volunteer opportunities, including, but not limited to, selection, hiring, placement, promotion, disciplinary action, layoff, recall, transfer, leave of absence, compensation, accommodations, and training.

Definitions

Protected Classification

This Policy prohibits harassment, discrimination or retaliation because of an individual's protected classification. "Protected Classification" includes race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age (40 and over), sexual orientation, military and veteran status, and/or any other basis protected by local, state, or federal law. (Gov. Code § 12940(a).) This Policy prohibits discrimination, harassment or retaliation because: 1) of an individual's protected classification; 2) the perception that an individual has a protected classification; or 3) the individual associates with a person who has or is perceived to have a protected classification.

Protected Activity

This Policy prohibits discrimination, harassment, or retaliation because of an individual's protected activity. Protected activity includes: making a request for an accommodation for a disability; making a request for accommodation for religious beliefs; making a complaint under this Policy; opposing violations of this Policy; or participating in an investigation under this Policy.

Discrimination

This Policy prohibits treating covered individuals differently and adversely because of the individual's protected classification, actual or perceived; because the individual associates with a person who is member of a protected classification, actual or perceived; or because the individual participates in a protected activity as defined in this Policy. (Gov. Code § 12926(o).)

Harassment

Harassment includes, but is not limited to, the following types of behavior that are taken because of a person's actual or perceived protected classification:

- Speech, such as epithets, derogatory comments or slurs, and propositioning on the basis of a protected classification. This includes inappropriate comments about appearance, dress, physical features, gender identification, or race-oriented stories and jokes.
- Physical acts, such as assault, impeding or blocking movement, offensive touching, or physical interference with normal work or movement. This includes pinching, grabbing, patting, or making

- explicit or implied job threats or promises in return for submission to physical acts.
- Visual acts, such as derogatory posters, cartoons, emails, pictures or drawings related to a protected classification.
 - Unwanted sexual advances, requests for sexual favors and other acts of a sexual nature, where submission is made a term or condition of employment, where submission to or rejection of the conduct is used as the basis for employment decisions, or where the conduct is intended to or actually does unreasonably interfere with an individual's work performance or create an intimidating, hostile, or offensive working environment. (Gov. Code §12940(j); 2 Cal.Code Regs § 11091(b)(1).)

Guidelines for Identifying Harassment

Harassment includes any conduct which would be unwelcome or unwanted to an individual of the recipient's same protected classification. The following guidelines to determine if conduct is unwelcome or unwanted should be followed:

- It is no defense that the recipient "appears" to have consented to the conduct at issue by failing to protest about the conduct. A recipient may not protest for many legitimate reasons, including the need to avoid being insubordinate or to avoid being ostracized or subjected to retaliation.
- Simply because no one has complained about a joke, gesture, picture, physical contact, or comment does not mean that the conduct is welcome. Harassment can evolve over time. Small, isolated incidents might be tolerated up to a point. The fact that no one has yet complained does not preclude someone from complaining if the conduct is repeated in the future.
- Even visual, verbal, or physical conduct between two people who appear to welcome the conduct can constitute harassment of a third person who witnesses the conduct or learns about the conduct later. Conduct can constitute harassment even if it is not explicitly or specifically directed at a particular individual.
- Conduct can constitute harassment even if the individual has no intention to harass. Even well-intentioned conduct can violate this Policy if the conduct is directed at, or implicates a protected classification, and if an individual would find it offensive (e.g., gifts, over-attention, endearing nicknames, hugs).

Retaliation

Retaliation occurs when adverse conduct is taken against a covered individual because of the individual's protected activity as defined in this Policy. "Adverse conduct" may include but is not limited to: disciplinary action; counseling; spreading rumors about a complainant or about someone who supports or assists the complainant; shunning or avoiding an individual who reports harassment or discrimination; or making real or implied threats of intimidation to prevent or deter an individual from reporting harassment or discrimination.

Attachment C
Brown Act Teleconferencing Submittal for
Citizens Advisory Council Members
(Gov. Code § 54953, subd. (f).)
(AB 2449)¹

I, (print full name) _____, desire to appear at the meeting of the JOSHUA BASIN WATER DISTRICT (“Citizens Advisory Council”) on (insert date) _____ via teleconferencing for the following reason(s) (*check all that apply*):

LIMITED TO TWO MEETINGS PER YEAR MAXIMUM

Just Cause:

- A childcare/caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner requires me to participate remotely.
- A contagious illness prevents me from attending in person.
- A need related to a physical or mental disability prevents me from attending in person.
- Travel while on official business of the Citizen Advisory Council Member, or another state or local agency, prevents me from attending in person.

Emergency Circumstances:

- A physical or family medical emergency prevents me from attending in person. (Provide a general description of the emergency but do not include any detailed medical diagnosis/information):

By: _____
(signature)

Date Signed: _____

Printed Name: _____

DIRECTIONS FOR USE: Fill out and send this form to the General Manager at the earliest opportunity before start of regular meeting. Requests made for Emergency Circumstances must be approved by the General Manager at the beginning of the meeting.

Teleconferencing only permitted if public videoconferencing options are available.

Participating Citizen Advisory Council Members must declare whether anyone over the age 18 is present at teleconferencing location and general nature of relationship.

¹ No teleconferencing option listed herein may be used for more than: (a) three consecutive months; or (b) two of the meetings within a calendar year. Despite the foregoing, a member of the legislative body may still participate remotely, so long as the legislative body complies with the “traditional” teleconferencing rules pursuant to Gov. Code § 54953(b). Consult the General Manager for further details



Board of Directors Staff Report

MEETING DATE: 12.06.23
PRESENTED BY: Sarah Johnson, General Manager
TOPIC: **SECTION 125 CAFETERIA PLAN & FLEXIBLE SPENDING ACCOUNT (FSA) RESOLUTION**
RECOMMENDATION: Recommend the Board adopt Resolution 23-1060 approving the Section 125 Cafeteria Plan & Flexible Spending Account

ANALYSIS:

An IRS Section 125 Cafeteria Plan is the legal framework that allows employers to offer employees health insurance, a Flexible Spending Account (FSA), and other health-related benefits on a pre-tax basis. The District has offered employees the Section 125 cafeteria plan and FSA for many years.

An FSA is an employee benefit that allows employees to set aside their wages, on a pre-tax basis, for certain healthcare and dependent care expenses. Allowed expenses include insurance copayments and deductibles, qualified prescription drugs, insulin, and medical devices, and dependent care. FSA's are administered through third-party administrators who are responsible for compliance with the rules set forth by the IRS.

Paylocity is the District's current Section 125 Cafeteria Plan & FSA administrator. As there have been major complications with Paylocity's level of service, we have begun the transition back to Paychex for Payroll, Human Resources Information System (HRIS), Section 125 Cafeteria Plan, and FSA services.

One of the requirements of a Section 125 Cafeteria Plan & FSA is to have a board-adopted resolution approving the plan. Staff recommends the Board adopt Resolution 23-1060 authorizing the adoption and execution of the District's Section 125 Cafeteria Plan & Flexible Spending Account.

See the attached summary plan description for more information.

STRATEGIC PLAN ITEM: Goal 2.0 – Meet regulatory requirements for water, wastewater, financial, and administrative functions.
2.9.1 - Continuously improve, maintain, and comply with Employee Life Cycle best practices

FISCAL IMPACT: N/A

RESOLUTION NO. 23-1060

A RESOLUTION OF THE BOARD OF DIRECTORS OF JOSHUA BASIN WATER DISTRICT AUTHORIZING ADOPTION AND EXECUTION OF THE DISTRICT'S SECTION 125 PLAN AND FLEXIBLE SPENDING ACCOUNT

WHEREAS, the District offers a Section 125 Plan and Flexible Spending Account as an employee benefit; and

WHEREAS, it is required that the Section 125 Plan and Flexible Spending Account be adopted and authorized by the Board of Directors;

NOW, THEREFORE, BE IT RESOLVED, that the Section 125 Plan and Flexible Spending Account be adopted and approved in the form attached hereto;

FURTHER RESOLVED, the Joshua Basin Water District Board of Directors does hereby authorize the General Manager to execute an Adoption Agreement setting forth the terms and conditions of the plan on behalf of the District and to take all actions and execute and deliver such documents as necessary and to cause to be prepared and filed such reports documents or other information as may be required under applicable law.

Approved and Adopted this 6th day of December 2023 in Joshua Tree, California

Thomas Floen, President

Sarah Johnson, General Manager

SUMMARY PLAN DESCRIPTION

JOSHUA BASIN WATER DISTRICT Section 125 Plan 2024 Restatement

JOSHUA BASIN WATER DISTRICT Section 125 Plan
2024 Restatement

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JOSHUA BASIN WATER DISTRICT Section 125 Plan
2024 Restatement

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Introduction

JOSHUA BASIN WATER DISTRICT has established the JOSHUA BASIN WATER DISTRICT Section 125 Plan (the "Plan") to provide their Employees with choices among certain employee benefits and cash compensation.

The purpose of the Plan is to provide the following Benefit Options and other arrangements to Eligible Employees:

- **Premium Only Plan.** This Arrangement permits you to pay for the cost of your coverage for you, your Spouse, or your Dependents on a pre-tax salary reduction basis under:
- **Medical Flexible Spending Arrangement ("Medical FSA").** The Medical FSA permits you to elect to reduce a portion of your salary on a pre-tax basis to pay for Qualifying Medical Expenses for you, your Spouse, or your Dependents. You may not contribute to a Medical FSA if you contribute to a Health Savings Account. See the Section below regarding Limited Purpose Medical Flexible Spending Accounts for more information.
- **Limited Purpose Medical Flexible Spending Arrangement ("Limited Purpose Medical FSA").** The Limited Purpose Medical FSA permits you to elect to reduce a portion of your salary on a pre-tax basis to pay for certain limited Qualifying Medical Expenses for you, your Spouse, or your Dependents. You are permitted to contribute to a Limited Purpose Medical FSA if you make contributions to a Health Savings Account.
- **Dependent Care Flexible Spending Arrangement ("Dependent Care FSA").** The Dependent Care FSA permits you to elect to reduce a portion of your salary on a pre-tax basis to pay for Qualifying Dependent Care Expenses.

This booklet is called a Summary Plan Description ("SPD") and it contains a summary of your rights and benefits under the Plan. You may request a copy of the SPD by contacting the Plan Administrator. If you have difficulty understanding any part of this SPD, you should contact the Plan Administrator for assistance. The Plan Administrator may refer you to the Recordkeeper.

This SPD is a brief description of the terms of the Plan. It is not meant to interpret, extend, or change the Plan in any way. A copy of the Plan is on file with the Plan Administrator and you may review the Plan Document at any reasonable time. The Plan governs in the event of any discrepancy between the Plan's provisions and this SPD.

Section 1

Eligibility and Participation in the Plan

Eligibility Requirements

You are considered an Eligible Employee

Premium Only Plan (POP)

- Incorporated by reference

Flexible Spending Account (FSA)

- If you have worked for the Employer for 30 days

You are eligible to participate in the Plan

POP

- on your date of hire if you are classified as an Eligible Employee

FSA

- on the first day of the month beginning after the date you become an Eligible Employee

Enrollment

After meeting the Eligibility Requirements, you may enroll in the Plan as described in Section 2. Your enrollment becomes effective the first day of the month following the date you meet the Eligibility requirements and will remain in effect unless the Enrollment Form is changed by you or revoked.

Termination of Participation

Your coverage under the Plan will end if:

- You revoke your Enrollment Agreement;
- You no longer meet the Plan's eligibility criteria;
- Your employment with the Employer terminates; or
- The Plan is terminated.

Reinstatement During Plan Year

If you terminate employment and resume employment within thirty (30) days, your elections under the Plan may be automatically reinstated. However, if you resume employment thirty (30) days after the date you were terminated, you may not reinstate your previous elections on a prospective basis, in accordance with the Enrollment procedures discussed above. You may generally not make new elections for the remainder of the Plan Year.

Section 2 Enrollment Options Under the Plan

Enrollment Options

FSA - In order to enroll in the Plan, you will need to complete your enrollment through the participant website at www.paychex.com/login. Alternatively, you may complete an Enrollment Form, which may be obtained from and filed with your Employer. If applicable, enrollment also may be accomplished by alternate means as determined and communicated to you by your Employer. Your enrollment will be effective for the entire Plan Year, and will remain in effect from one Plan Year to the next unless changed or revoked. Your enrollment can only be changed annually during open enrollment or as described in this Section 2.

Employer Contribution

Your Employer may, in its discretion, credit an amount under the Plan each Plan Year, to be allocated in addition to the salary reduction of your elected benefits stated through your Enrollment Agreement. The amount of the Employer credit may change from one year to the next. Your Employer shall notify you of the annual employer contribution, if any, and the cost of your elected benefits prior to the beginning of each Plan Year.

Limits on Salary Reduction Amounts Elected

The limits on salary reduction amounts are as follows:

- **Premium Only Plan.** The maximum amount that you may elect to salary reduce under the Premium Only Plan for the Plan Year, is equal to the amount of the premium that is solely your responsibility under:
- **Medical FSA (includes Limited Purpose Medical FSA).** The maximum amount that you may elect to salary reduce under the Medical FSA for the Plan Year is \$3,050.00.

The minimum amount that you may elect to salary reduce under the Medical FSA for the Plan Year is \$0.00.

If your Employer makes an Employer Contribution to the Medical FSA, this amount will be added to the amount you elect to salary reduce. The total of your salary reduction and your Employer Contribution (if applicable) will represent the maximum benefit amount available under the Medical FSA.

- **Dependent Care FSA.** The maximum amount that you may elect to salary reduce under the Dependent Care FSA is equal to the lesser of:
 - your earned income for the Plan Year (after all reductions in compensation including the reduction related to Dependent care assistance) up to \$5,000 (subject to indexing by the IRS);
 - the actual or deemed earned income of your Spouse for the Plan Year; or
 - \$2,500 if you are married and filing a separate federal income tax return.

If your Spouse is a full-time student at an educational institution or is physically or mentally incapable of caring for himself or herself, your Spouse shall be deemed to have earned income of not less than \$250 per month if you have one Dependent and \$500 per month if you have two or more Dependents.

If your Employer makes an Employer Contribution to the Dependent Care FSA, this amount will be added to the amount you elect to salary reduce. The total of your salary reduction and your Employer Contribution (if applicable) will represent the maximum benefit amount available under the Dependent Care FSA.

Change in Election Due to Change in Status (For Benefits other than HSA)

You may change your election during the Plan Year if conditions (a), (b), and (c) are satisfied:

- (a) One or more of the following "change in status" events occurs:
- marriage (as defined under federal law),
 - divorce,
 - legal separation,
 - annulment,
 - death of Spouse or Dependent,
 - birth or adoption of child,
 - change in your employment status or that of your Spouse or Dependent,
 - a Dependent satisfying or ceasing to satisfy eligibility requirements, or
 - change in your place of residence or that of your Spouse or Dependent; and
- (b) The proposed change in election is on account of and corresponds with that change in status (for example, the proposed change bears a logical relationship to the event that has occurred); and
- (c) The change in status affects eligibility under the Plan (for example, you, your Spouse or your Dependent either gains or loses coverage in response to an event).

Change in Election Due to Change in Cost or Coverage , (For Benefits other than HSA)

If your cost or coverage under the Medical Plan or Dental Plan, or cost or coverage under your Dependent Care FSA changes, the Plan Administrator is authorized to allow you to change your election during the Plan Year with respect to the Premium Only Plan and Dependent Care FSA (but not the Medical FSA) under the following circumstances.

- **Cost Changes.** If the cost of your coverage increases or decreases during a Plan Year, the Employer may prospectively increase or decrease your salary reduction contributions for the Plan Year. If such change is significant, the Employer may allow you to make a corresponding change in election. This only applies in the case of a Dependent Care FSA if the cost change is imposed by a dependent care provider who is not your

relative.

- **Coverage Changes.** If your coverage is significantly reduced during the Plan Year (for example, there is a significant increase in the deductible, the co-pay, or the out-of-pocket cost sharing limit under the Health Program), the Employer may allow you to change your election with respect to that coverage and elect similar coverage available under the Plan. If you experience a complete loss of coverage as defined in IRS regulations, the Employer may allow you to drop coverage if no similar coverage is available.
- **Addition or Improvement.** If the Employer adds a coverage option, or if coverage under an existing option is significantly improved during the Plan Year, you may make an election on a prospective basis for the improved option.
- **Change in Coverage Under Another Employer Plan.** You may make a prospective election change that is on account of and corresponds with a change made under another employer's plan, including a plan of your Spouse or Dependent.

Change in Election Due to Certain Other Events (For Benefits other than HSA)

You may change your election during the Plan Year under the Premium Only Plan or Medical FSA if any of the following events occur:

- A special enrollment right under HIPAA;
- A judgment, decree or order requiring that your child receive accident or medical coverage (including a Qualified Medical Child Support Order); or
- Your eligibility for Medicare or Medicaid.

Change in Election Due to FMLA Leave , (For Benefits other than HSA)

If you take leave under the Family and Medical Leave Act of 1993 ("FMLA"), you may change or revoke your election under the Premium Only Plan (for group health coverage only) or the Medical FSA, subject to the following limitations:

- **Revoking Coverage.** If you are absent on FMLA Leave, you may elect to cease participation in the Premium Only Plan or the Medical FSA at the time your leave begins.
- **Resuming Coverage.** When you return to employment from FMLA Leave, if you have revoked coverage under the Premium Only Plan, you may elect to reinstate your coverage on a prospective basis, but only at the level of coverage elected before your FMLA Leave began. With respect to the Medical FSA, the preceding sentence applies, except that you may either:
 - catch-up the contributions that were due during the period of FMLA Leave, in which you will resume coverage at the same amount elected before FMLA Leave began, or
 - not catch-up such contributions, with the annual amount of your coverage reduced accordingly
- **Continuing Coverage.** If you wish to continue participation in the Plan during

FMLA Leave, you may either pay the premiums on a pre-tax basis before taking FMLA Leave (for example, pre-pay), on an after-tax basis during FMLA Leave (for example, pay as you go), or on a catch-up basis when you return from FMLA Leave (for example, catch-up). You must elect one of these payment methods prior to taking FMLA Leave and make all required payments on a timely basis in order to continue coverage during the leave period. If you continue coverage, expenses that you incur during the leave period will be reimbursed. Failure to make payments under the method that you elect will result in the discontinuance of coverage under the Plan during the leave period. If coverage is discontinued, no expenses that you incur during the leave period will be reimbursed.

Section 3 Benefit Options Under the Plan

Premium Only Plan

Cost of Coverage. A Premium Only Plan allows employer-sponsored group insurance plan premiums to be deducted from eligible employees on a pre-tax salary reduction basis. If you cover any individuals who do not satisfy the definition of an Employee, Spouse or Dependents, including your domestic partner, you will be required to pay for such coverage on an after-tax basis. In addition, unless specified otherwise above, Short-Term Disability and Long-Term Disability coverage will be paid on an after-tax basis, so that the benefit will be non-taxable.

Medical FSA

If you elect to participate in the Medical FSA, the Employer will establish and maintain on its books a Medical FSA Account that will allow you to pay the Qualifying Medical Expenses incurred by you, your Spouse or your Dependents on a pre-tax salary reduction basis. Each Plan Year will be accounted for separately. Certain limitations may apply if you participate in a Limited Purpose Medical FSA (see below for more information).

Crediting of Account. Your Medical FSA Account will be credited, as of each date compensation is paid to you, with an amount equal to the salary reduction you elected in your Enrollment Agreement. All amounts credited to the Medical FSA Account are the property of the Employer until paid out to you as a Qualifying Medical Expense.

Debiting of Account. Your Medical FSA Account will be debited from time to time in the amount of any payment for Qualifying Medical Expenses as long as you apply for reimbursement on or before March 31st following the close of the Plan Year. You will be eligible to receive reimbursement at any time during the Plan Year up to the amount that you elected in your Enrollment Agreement. Instead of applying for reimbursements, you may use the debit card provided by the Plan Administrator to pay for Qualifying Medical Expenses (as described more fully below).

Reimbursements Following Termination. If you terminate employment during the Plan Year, you will only have 90 days following the date of your termination to submit a claim for reimbursement from your Medical FSA of Qualifying Medical Expenses that were incurred on or prior to the date of your termination. If you do not submit a timely claim for reimbursement, your account balance will be forfeited and you will not be reimbursed for the incurred medical expense.

Reimbursement of Qualifying Medical Expenses with Medical FSA Carryover. You will receive, for each Plan Year, reimbursement of Qualifying Medical Expenses up to the dollar amount of coverage that you elect for that Plan Year, provided such expenses are incurred during the Plan Year and such expenses are not reimbursable by the Medical Plan or any other medical plan. Expenses are treated as incurred when the health care services are provided and not when you are billed, charged for, or pay for the services. Your account will be credited, on January 1 of the next Plan Year, with a carryover amount specified by the Employer in Item (VI) of the Adoption Agreement of unused funds remaining from the prior Plan Year, to be used to cover Qualifying Medical Expenses during the next Plan Year (the "Carryover Amount"). The Carryover Amount may be used in accordance with the terms set forth under this Medical FSA. Any amounts in excess of the Maximum Carryover Amount will

be forfeited to the plan. Effective January 1, 2017, for Participants who have not elected a salary reduction for the next Plan Year and have less than the Minimum Carryover Amount remaining after the close out of the prior Plan Year will be forfeited to the Plan.

Maximum Carryover Amount. The Maximum Carryover Amount shall be up to six hundred ten dollars, no cents (\$610.00) (or other amount specified in Item (VI) of the Adoption Agreement but not in excess of \$610.00).

Minimum Carryover Amount. Effective January 1, 2017 the Minimum Carryover Amount shall be twenty-five dollars (\$25.00) for any Participant that does not elect a salary reduction in the subsequent Plan Year.

If a Participant terminates employment during a Plan Year, Qualifying Medical Expenses will include only those expenses that are incurred on or prior to the date of termination of employment, unless such individual elects to continue coverage under COBRA.

Forfeiture of Account. As of March 31st of the following Plan Year, and after all reimbursements are made to you, any remaining balances in your account that exceed the Maximum Carryover Amount, or are less than the Minimum Carryover Amount (effective January 1, 2017), shall not be carried over to reimburse Qualifying Medical Expenses incurred during a subsequent Plan Year, and are not available in any other form or manner. Rather, balances in excess of the Maximum Carryover Amount or less than the Minimum Carryover Amount, remain the property of the Plan, and you forfeit all rights with respect to the balance. However, the Minimum Carryover Amount does not apply to you if you have elected a salary reduction for the next plan year.

Qualifying Medical Expenses. Qualifying Medical Expenses are expenses for medical care, within the meaning of section 213(d) of the Internal Revenue Code, incurred by you, your Spouse or your Dependent(s), but do not include premium payments for other medical plan coverage, including premiums paid for medical coverage under a plan maintained by your Spouse's or Dependent's employer. Examples of Qualifying Medical Expenses include:

- deductibles and co-payments under any Medical Plan or Dental Plan sponsored by the Employer and under other accident and health insurance that you, your Spouse or your Dependents maintain;
- dental care, including routine dental checkups, orthodontic work, and dentures;
- prescription and nonprescription medicine and drugs purchased to remedy current medical conditions for you, your Spouse or your Dependents;
- eye care, including vision checkups, eyeglasses, and contact lenses;
- hearing care, including hearing examinations and hearing aids; and
- routine physical examinations.

Limited Purpose Medical Flexible Spending Arrangement

If you contribute to a Health Savings Account, you are not eligible to participate in a Medical FSA. However, you may participate in a Limited Purpose Medical FSA. Under a Limited Purpose Medical FSA, you may receive reimbursements for dental or vision care expenses or certain preventative care

expenses the same way you would receive reimbursements if you participated in a Medical FSA.

Crediting of Account. Your Limited Purpose Medical FSA Account will be credited, as of each date compensation is paid to you, with an amount equal to the salary reduction you elected in your Enrollment Agreement. All amounts credited to the Limited Purpose Medical FSA Account are the property of the Employer until paid out to you as a Qualifying Medical Expense permitted under your Limited Purpose Medical FSA.

Debiting of Account. Your Limited Purpose Medical FSA Account will be debited from time to time in the amount of any payment for applicable Qualifying Medical Expenses as long as you apply for reimbursement on or before March 31st following the close of the Plan Year. You will be eligible to receive reimbursement at any time during the Plan Year up to the amount that you elected in your Enrollment Agreement. Instead of applying for reimbursements, you may use the debit card provided by the Plan Administrator to pay for applicable Qualifying Medical Expenses (as described more fully below).

Reimbursements Following Termination. If you terminate employment during the Plan Year, you will only have 90 days following the date of your termination to submit a claim for reimbursement from your Limited Purpose Medical FSA of applicable Qualifying Medical Expenses that were incurred on or prior to the date of your termination. If you do not submit a timely claim for reimbursement, your account balance will be forfeited and you will not be reimbursed for the incurred medical expense.

Reimbursement of Applicable Qualifying Medical Expenses. You will receive, for each Plan Year, reimbursement of applicable Qualifying Medical Expenses up to the dollar amount of coverage that you elect for that Plan Year, provided such expenses are incurred during the Plan Year and such expenses are not reimbursable by the Medical Plan or any other medical plan. Expenses are treated as incurred when the health care services are provided and not when you are billed, charged for, or pay for the services.

If a Participant terminates employment during a Plan Year, Qualifying Medical Expenses will include only those expenses that are incurred on or prior to the date of termination of employment, unless such individual elects to continue coverage under COBRA.

Forfeiture of Account. If any balance remains in your Limited Purpose Medical FSA Account for a Plan Year after all reimbursements are made to you, up until March 31st of the following year, such balance is not carried over to reimburse you for applicable Qualifying Medical Expenses incurred during a subsequent Plan Year, and is not available to you in any other form or manner. Rather, the balance remains the property of the Plan, and you forfeit all rights with respect to the balance.

Applicable Qualifying Medical Expenses. Reimbursement of expenses from a Limited Purpose Medical FSA are limited to:

- Services or treatments for dental care (excluding premiums);
- Services or treatments for vision care (excluding premiums);
- Services or treatments for "preventive care." Preventive care is defined in accordance with applicable rules and regulations under Section 223(c)(2)(C) of the Code. This may

include prescribed drugs to the extent that such drugs are taken by an eligible individual (1) to delay or prevent the onset of symptoms of a condition for which symptoms have not yet manifested themselves (i.e., the eligible individual is asymptomatic); (2) to prevent the recurrence of a condition from which the eligible individual has recovered; or (3) as part of a preventive care treatment program (e.g., a smoking-cessation or weight-loss program). Preventive care does not include services or treatments that treat an existing condition.

Dependent Care FSA

If you elect to participate in the Dependent Care FSA, the Employer will establish and maintain on its books a Dependent Care FSA Account that will allow you to pay Qualifying Dependent Care Expenses (explained below) on a pre-tax salary reduction basis. Each Plan Year will be accounted for separately.

Crediting of Account. Your Dependent Care Account will be credited, as of each date compensation is paid to you, with an amount equal to the salary reduction you elected in your Enrollment Agreement. All amounts credited to your Dependent Care Account are the property of the Employer until paid out as Qualifying Dependent Care Expense.

Debiting of Account. Your Dependent Care Account will be debited from time to time in the amount of any payment for Qualifying Dependent Care Expenses as long as you apply for reimbursement on or before March 31st following the end of the Plan Year. You will only be eligible to receive reimbursement up to the amount that is credited to your account at the time you request such reimbursement.

Reimbursements Following Termination. If you terminate employment during the Plan Year, you will only have 90 days following the date of your termination to submit a claim for reimbursement from your Dependent Care FSA of Qualifying Dependent Care Expenses that were incurred on or prior to the date of your termination. If you do not submit a timely claim for reimbursement, your account balance will be forfeited and you will not be reimbursed for the incurred dependent care expense.

Forfeiture of Accounts. If any balance remains in your Dependent Care Account for any Plan Year after all reimbursements are made to you, up until March 31st of the following year, such balance is not carried over to reimburse you for dependent care during a subsequent Plan Year, and is not available to you in any other form or manner. Rather, the balance remains the property of the Plan, and you forfeit all rights with respect to such balance.

Grace Period. You may continue to incur Qualifying Dependent Care Expenses up to March 15th following the end of the Plan Year.

Qualifying Dependent Care Expenses. Qualifying Dependent Care Expenses are expenses incurred by you which satisfy the following conditions:

- are incurred for the care of your Dependents or for related household services on or before March 15th following the close of the Plan Year; expenses are treated as incurred when the services are provided and not when you are billed, charged for, or pay for the services;

- are paid or payable to a dependent care service provider (i.e., a dependent care center that satisfies the requirements of Code section 21(b)(2)(C) or an individual who is: (i) not your dependent, and (ii) if your child, at least age 19) ; and
- are incurred to enable you and your Spouse if applicable to be gainfully employed.

Qualifying Dependent Care Expenses do not include expenses incurred for services outside your household for the care of a Dependent unless such Dependent is: (i) your Dependent who is under the age of 13 and who lives with you for over half the calendar year, (ii) your Dependent who is mentally or physically unable to care for himself, lives with you for over half the calendar year, regularly spends at least eight hours each day in your household, or (iii) your Spouse who is mentally or physically unable to care for himself, lives with you for over half the calendar year, and regularly spends at least eight hours each day in your household.

Section 4

Claims Procedures: Medical FSA, Limited Purpose FSA and/or Dependent Care FSA

How to File a Claim for Benefits

If you have completed an Enrollment Agreement for a Plan Year with respect to the Medical FSA, Limited Purpose Medical FSA and/or the Dependent Care FSA, you may pay for Qualifying Dependent Care Expenses and/or Qualifying Medical Expenses with your own funds and request reimbursement from the Plan in accordance with the procedures described in this section. Alternatively, you may use the debit card provided by the Plan Administrator to pay for Qualifying Medical Expenses in accordance with the procedures described in this section.

Reimbursement

If you pay for a Qualifying Dependent Care Expenses and/or Qualifying Medical Expenses with your own funds, you may receive reimbursement from your Medical FSA, Limited Purpose Medical FSA and/or Dependent Care FSA by submitting the request in writing to the Plan Administrator in such form as the Plan Administrator may prescribe, setting forth:

- the amount, date and nature of the expense for which reimbursement is requested;
- the name of the Service Provider to which the expense was paid; and
- such other information as the Plan Administrator may from time to time require.

The request must be accompanied by bills, invoices, receipts, or other statements showing the amounts of such expenses, together with any additional documentation that the Plan Administrator may request.

For the Dependent Care FSA, reimbursement will not be made until your Dependent Care Account balance is sufficient to pay your reimbursement. For the Medical FSA or Limited Purpose Medical FSA, the total amount that you elect for the Plan Year is, at all times, available for reimbursement.

Therefore, it does not matter whether your claims exceed the balance in your Medical FSA or Limited Purpose Medical FSA Account at the time of the reimbursement, as long as your claims do not exceed the amount you elected to contribute for the Plan Year.

Payment with FSA Debit Card

Rather than using your own funds to pay for Qualifying Medical Expenses and requesting reimbursement, you may pay for such expenses with a debit card provided by the Plan Administrator, subject to the rules described below.

Conditional Debit Card Charges. Any debit card charges that do not fit within one of the categories of automatic substantiation described below are treated as conditional, pending confirmation of the charge. For all conditional charges, you must file a claim for reimbursement with the Plan Administrator and submit additional third-party information, such as merchant or service provider receipts, for review and substantiation. If, upon review, the Plan Administrator determines that these charges are not Qualifying Medical Expenses, the Plan Administrator will notify you and correct any improper payments in accordance with the procedures outlined under the Plan.

Automatic Substantiation. The following categories of debit card transactions are considered "automatically substantiated." This means that you do not have to provide a receipt for review by the Plan Administrator unless otherwise requested:

- transactions that take place at a doctor's office, if the amount of the transaction equals the amount of your co-payment under the Medical Plan;
- transactions involving a co-payment amount that equals an exact multiple (or combination of co-payments) of not more than five times the dollar amount of the co-payment for the specific service;
- transactions where a third-party uses inventory control information to determine whether an expense qualifies as a Qualifying Medical Expense;
- transactions that are recurring and match previously approved claims;
- Prescription medications that are adjudicated through the Pharmacy Benefit Manager (PBM) network.

Claims Procedure

Initial Claim. If your claim under the Medical FSA, Limited Purpose Medical FSA and/or Dependent Care FSA is denied, a notice will be sent within a reasonable time period, but not longer than 30 days from the date the Plan Administrator receives your claim. If the Plan Administrator determines that an extension is necessary due to matters beyond control of the Plan, this time may be extended 15 days. You will receive notice prior to the extension that indicates the circumstances requiring the extension and the date by which the Plan expects to render a determination. If the extension is necessary to request additional information, the extension notice will describe the required information, and you will be given at least 45 days to submit the information. The Plan Administrator then will make its determination within 15 days from the date it receives your information, or, if earlier, the deadline to submit your information.

If your claim is partially or wholly denied, you will receive notice of an adverse benefit determination that will:

- state the specific reason(s) for the adverse benefit determination;
- reference the specific Plan provisions on which the determination is based;
- describe additional material or information, if any, needed to perfect the claim and the reasons such material or information is necessary;
- describe the Plan's claims review procedures and the time limits applicable to such procedures, including a statement of your right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on review;
- disclose any internal rule, guideline, or protocol relied on in making the adverse determination (or state that such information is available free of charge upon request); and
- if the denial is based on a medical necessity or experimental treatment or similar limit,

explain the scientific or clinical judgment for the determination (or state that such information will be provided free of charge upon request).

Appealing a Denied Claim. You will have 180 days from the receipt of an adverse benefit determination to file an appeal with the Plan Administrator. Requests for appeals should be sent to the address specified in the adverse benefit determination. Your request must include a description of the issues and evidence you think are relevant. If you do not raise these issues during your appeal, you may not be able to raise them at a later time, such as in a judicial proceeding.

You will have the opportunity to submit written comments, documents, or other information in support of your appeal and you will have access to all documents that are relevant to your claim. Your appeal will be conducted by a person different from the person who made the initial decision. No deference will be afforded to the initial determination.

If your claim involves a medical judgment question, the Plan Administrator will consult with an appropriately qualified health care practitioner with training and experience in the field of medicine involved. If a health care professional was consulted for the initial determination, a different health care professional will be consulted on appeal. Upon request, the Plan Administrator will provide you with the identification of any medical expert whose advice was obtained on behalf of the Plan in connection with your appeal.

You will be notified of the Plan Administrator's benefit determination on appeal within a reasonable time, but not later than 60 days from receipt of the appeal. If the Plan Administrator issues a negative decision, it will provide a written decision setting forth:

- the specific reason(s) for the adverse determination;
- a reference to specific Plan provision(s) on which the benefit determination is based ;
- a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim for benefits;
- a statement describing any voluntary appeal procedures offered by the Plan and your right to obtain information about such procedures and a statement regarding your right to bring an action under section 502(a) of ERISA;
- a disclosure of any internal rule, guidelines, or protocol relied on in making the adverse determination (or state that such information will be provided free of charge upon request);
- if the denial is based on a medical necessity or experimental treatment or similar limit, explain the scientific or clinical judgment for the determination (or state that such information will be provided free of charge upon request).

You also will receive a notice if your claim on appeal is approved.

You, or any other person claiming a benefit under the Plan, must follow the applicable claims procedures before taking action in any other forum regarding a claim for benefits under the Plan. Any suit or legal action initiated under the Plan must be brought no later than one year following a final decision on the claim for benefits under these claims procedures. If a civil action is not

filed within this period, the asserted benefit claim is deemed permanently waived and abandoned.

Correction of Improper Payments. The Plan Administrator retains the right to correct any improper payments issued to you, by debit card or otherwise, by offsetting the amount of any future claim payments, requiring you to reimburse the Plan Administrator by check, or by reducing your salary on an after-tax basis in an amount equal to the improper payment subject to state wage and hour laws.

Section 5

Miscellaneous Information

Non-Transferability of Plan Benefits

Benefits under the Plan may not be transferred, assigned, or used as collateral for a loan outside of the Plan, except to the extent required by law.

Plan Amendment

The Employer, in its sole discretion, may amend the Plan at any time. The Employer's right to amend or modify the Plan may be exercised by the Plan Administrator, provided the Employer does not object within 30 days following the Plan Administrator's issuance of written notice to the Employer of the amendment or modification. In no event will any amendment decrease a benefit you have a right to receive under the Plan.

Plan Termination

The Employer has no legal or contractual obligation to continue the Plan. While the Employer currently intends to continue the Plan indefinitely, it reserves the right to change or terminate the Plan at any time as circumstances may dictate. Any amendment or termination of the Plan will be in accordance with applicable law.

Interpretation of the Plan

The Plan Administrator has the power and discretionary authority to construe the terms of the Plan and to determine all questions that arise under the Plan. This power and authority include, for example, the administrative discretion necessary to resolve issues with respect to your eligibility for benefits, years of service, disability, and retirement, or to interpret any other term contained in Plan documents. The Plan Administrator's interpretations and determinations are binding on all Participants, Employees, former Employees, and their beneficiaries and are intended to be afforded the maximum deference under the law. Benefits under the Plan will be paid only if the Plan Administrator, or its designee, decides in its discretion that the claimant is entitled to them.

No Guaranty of Employment

Participation in the Plan does not guarantee your right to employment with the Employer.

Continuation of Coverage

If you cease to be an Eligible Employee under the Plan and you have elected to participate in the Medical FSA or the Limited Purpose Medical FSA, you may choose statutory continuation coverage under these Plans if you are eligible to do so under COBRA. If you elect COBRA continuation coverage, you may turn in claims for Qualifying Medical Expenses incurred during the Plan Year provided that COBRA participation is in effect. Information about COBRA will be provided to you when you or your Dependent becomes eligible for such coverage.

For more information regarding COBRA, contact the Plan Administrator.

Military Service

If you are on a military leave of absence, you may be eligible to continue coverage under the Plan for both yourself and your Eligible Dependents. You also have certain rights to re-enroll in the Plan upon reemployment. Please contact the Plan Administrator for more information.

HIPAA Privacy

The Plan or Insurance Company may disclose certain health information to the Employer for Plan administration functions. The Employer will keep this information confidential and will not use this information for any employment-related purpose.

Section 6

Statement of ERISA Rights

If you are a participant in the Medical FSA or Limited Purpose Medical FSA, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 ("ERISA"). ERISA provides that all Plan participants shall be entitled to:

Receive Information About the Medical FSA or Limited Purpose Medical FSA

- Examine, without charge, at the Plan Administrator's office and at other specified locations all documents governing the Medical FSA or Limited Purpose Medical FSA, including, if applicable, insurance contracts, collective bargaining agreements, and a copy of the latest annual report filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain copies of documents governing the operation of the Medical FSA or Limited Purpose Medical FSA, including, if applicable, insurance contracts and copies of the latest annual report (Form 5500 Series) and an updated SPD. The Plan Administrator may make a reasonable charge for the copies.

Continue Group Health Plan Coverage

- Continue health care coverage for yourself, Spouse or Dependents if there is a loss of coverage under the Medical FSA or Limited Purpose Medical FSA as a result of a qualifying event. You or your Dependents may have to pay for such coverage. Review this SPD and the documents governing the Medical FSA or Limited Purpose Medical FSA on the rules governing your COBRA continuation coverage rights.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate the Medical FSA or Limited Purpose Medical FSA, called "fiduciaries," have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the Medical FSA or Limited Purpose Medical FSA or the latest annual report from the Medical FSA or Limited Purpose Medical FSA and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Employer's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If it should happen that the fiduciaries misuse the Medical FSA or Limited Purpose Medical FSA's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about the Medical FSA or Limited Purpose Medical FSA, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Section 7
Plan Information

Plan Name

Paychex Section 125 Plan

Plan Sponsor

JOSHUA BASIN WATER DISTRICT
P O BOX 675
JOSHUA TREE, CA 92252-0675
(760) 974-6155

The Employer's Identification Number is:

95-2387111

Plan Administrator

The Plan Administrator is responsible for the administration of the Plan. The Plan Administrator's duties are specifically identified in the Plan document. The name, address, and business telephone number of the Plan Administrator is:

JOSHUA BASIN WATER DISTRICT
P O BOX 675
JOSHUA TREE, CA 92252-0675
(760) 974-6155

The Employer has delegated some of its duties as Plan Administrator to Paychex, Inc. The address and business telephone number of Paychex, Inc. is:

PAYCHEX, Inc.
1175 John Street
West Henrietta, NY 14586 - 9199
1-800-472-0072

Plan Number

The Plan number is 501

Plan Year

01/01/2024 - 12/31/2024*

* Plan will renew each January 1 following the initial Plan Year or until that time when the Plan has been terminated by the Employer Organization.

Type of Plan

The Premium Only Plan is intended to qualify as a cafeteria plan under Code section 125; the Medical FSA and/or Limited Purpose Medical FSA as an ERISA welfare plan under ERISA section 3(1) and a medical reimbursement plan under Code section 105; the Dependent Care FSA as a dependent care

assistance program under Code section 129 and salary reduction contributions to a Health Savings Account are provided under Code section 125.

Funding

The Plan is funded through the Employer's general assets.

Contributions

Contributions are made by the Employee; and/or the Employer in an amount determined by the Employer in its discretion.

Service of Process

The Plan's agent for service of legal process is:

JOSHUA BASIN WATER DISTRICT
P O BOX 675
JOSHUA TREE, CA 92252-0675
(760) 974-6155

Service of process may also be made on the Plan Administrator.

Section 8

Definitions

The following are some key definitions that are used in the Summary Plan Description to describe benefits under the Plan.

Carryover

Unused funds remaining from the prior Plan Year, to be used to cover Qualifying Medical Expenses during the next Plan Year. Amount is determined by your employer and may not exceed \$610.

Code

The Internal Revenue Code of 1986, as amended.

Dependent

For purposes of the Premium Only Plan Medical FSA and Limited Purpose Medical FSA, Dependent means:

- any individual who is a tax dependent of the Participant as defined in Code section 152, without regard to that person's gross income.
- A child of divorced parents is treated as a dependent of both parents if Code section 152(e) applies (regarding a child of divorced or separated parents who receives over half of his or her support from the parents and lives in the custody of one or both parents for more than one-half of the calendar year).

For purposes of the Dependent Care FSA, Dependent means:

- a dependent of the Participant who is under the age of 13 and who lives with the Participant for more than half the calendar year; or
- a dependent of the Participant who is physically or mentally incapable of caring for herself or himself, lives with the Participant for more than half the calendar year, regularly spends at least 8 hours per day in the Participant's household, and has gross income of less than the exemption amount under Code section 151(d), if required by law; or
- a Spouse of the Participant who is physically or mentally incapable of caring for herself or himself, lives with the Participant for more than half the calendar year, and regularly spends at least 8 hours per day in the Participant's household.

Employee

Any person who is a common law employee of the Employer. You are not considered an eligible Employee under the Plan if the Employer classifies you as a leased employee, independent contractor, or temporary employee.

Employer

JOSHUA BASIN WATER DISTRICT

(the "Company"), or as the context requires, any entity affiliated with the Company under the rules

of Section 414 of the Code that adopts the Plan for the benefit of its employees.

Enrollment Agreement

Flexible Spending Account enrollment option to elect benefits under the Plan and specify salary reduction amounts through the enrollment form or the participant website at www.paychex.com/login.

Enrollment Form

Flexible Spending Account or Health Savings Account enrollment form that the Employer provides to Eligible Employees or HSA-Eligible Individuals (as applicable) to elect FSA or HSA benefits and specify salary reduction amounts.

ERISA

The Employee Retirement Income Security Act of 1974, as amended.

FMLA Leave

Leave under the Family and Medical Leave Act of 1993.

Forfeitures

Any unused balance that remains in your Medical FSA, Limited Purpose Medical FSA or DCA FSA Account after the close of the plan year after all reimbursements are made to you. The balance remains the property of the Plan, and you forfeit all rights with respect to the balance.

Grace Period

The FSA Grace Period is an extended period of coverage at the end of every plan year that allows you extra time to incur expenses to use your remaining Flexible Spending Account balance after the close of the plan following year).

High Deductible Health Plan

A health plan that is intended to qualify as a high-deductible health plan under Code section 223(c)(2), as described in materials provided separately by the Employer or another third party.

HSA-Eligible Individual

An HSA-eligible individual is an individual who is eligible to contribute to an HSA under Code section 223 and who has elected qualifying High Deductible Health Plan coverage and who has not elected any disqualifying non-High Deductible Health Plan coverage.

Participant

An individual who has satisfied the Plan's eligibility requirements and has elected to participate in the Plan.

Plan

JOSHUA BASIN WATER DISTRICT Section 125 Plan

Plan Administrator

The Employer or person or entity that the Employer designates to perform specific administrative duties under the Plan.

Plan Document

The written document detailing the provisions of the Plan.

Plan Year

The twelve-month period selected by the Employer to be the Plan Year.

Recordkeeper

The person or entity to which the Employer delegates purely administrative functions otherwise exercisable by the Employer as Plan Sponsor.

Spouse

An individual who is legally married to a Participant as determined under applicable state law, and who is treated as a Spouse under the Code. However, for purposes of the Dependent Care FSA, the term "Spouse" does not include:

- an individual legally separated from the Participant under a divorce or separate maintenance decree; or
- an individual who, although married to the Participant, files a separate federal income tax return, maintains a principal residence separate from the Participant during the last six months of the taxable year, and does not furnish more than half the cost of maintaining the principal place of abode of the Participant.

Summary Plan Description

Summary of the Plan Document.



Board of Directors Staff Report

MEETING DATE: 12/06/23
PRESENTED BY: Anne Roman, Director of Finance
TOPIC: **CA EXTENDED ARREARAGE PAYMENT PROGRAM**
RECOMMENDATION: Review, decide on participation, and adopt resolution, if needed.

ANALYSIS:

Staff recently learned that the California Water and Wastewater Arrearage Payment Program has been extended. As we've contemplated whether to again recommend participating in this voluntary program, we are conflicted between so many important competing priorities and the opportunity to assist our disadvantaged ratepayers. Yet, for the many reasons listed below, Staff recommends opting out of this program this time. Staff asks the Board to weigh the statistics and information below in its decision of whether to participate.

Results of First Arrearages Program:

The District received net arrearages credits of \$314,944. In addition, the District was reimbursed for \$6,180 in quantifiable administrative costs. \$40,207 in required associated penalty waivers were provided to ratepayers. This resulted in a net benefit of approximately \$280,917.

Potential Benefits of the Extended Arrearages Program:

A rough estimate of potential participation in the Extended program is \$155,000 less approximately \$17,000 in required penalty waivers. Up to \$4,650 (3%) of the granted credits may be claimed in quantifiable administrative costs. This could result in a net benefit of up to \$142,650.

Accounts Receivable Balances:

- As of 03/07/22, after application of Arrearages credits, the A/R balance stood at \$840,990.
- As of 11/14/23, the District's A/R stands at \$992,640, including receipt of LIHWAP payments of almost \$90k.

Challenges:

- The Extended Arrearages program requires Federal SAM.GOV (System for Award Management) registration. At the time of this writing, we are waiting for our registration approval, which has been known to take months/years.
- We learned of this program just before its application opening date of November 1st but the application period is relatively short and closes on December 31, 2023.
- Approval is dependent upon available funding and not guaranteed.
- The Extended Arrearages program has a specific timeframe for eligible balances (June 16, 2021 through December 31, 2022). After the first Arrearages program and the requirement to offer contracts to ratepayers, our financial software has reset the balance aging dates, making it virtually impossible to use software reporting to determine the timeline of the accrued balances. This makes extracting this second round of data more challenging and most likely a manual process that could potentially be less defensible.

- Lengthy internal/external application and compliance requirements (approximately 19 steps):
 - 1) SAMS # (NEW)
 - 2) RESOLUTION TO PARTICIPATE
 - 3) POST INTENT TO PARTICIPATE ON CUSTOMER-FACING PLATFORMS
 - 4) SEGREGATE RESIDENTIAL AND COMMERCIAL DATA
 - 5) ANALYZE DATA FOR APPLICATION
 - 6) SPECIAL ANALYSIS FOR LIENS & CONTRACTS
 - 7) ANALYZE PENALTIES TO WAIVE
 - 8) COMPLETE APPLICATION THROUGH EAR PORTAL
 - 9) RE-ANALYZE DATA TO EXCLUDE NEW CUSTOMER PAYMENTS
 - 10) FORMAT DATA FOR IMPORT
 - 11) APPLY CREDITS TO CUSTOMER ACCOUNTS
 - 12) RE-ANALYZE PENALTY WAIVER DATA & FORMAT FOR IMPORT
 - 13) SEND LETTERS TO ALL PARTICIPANTS
 - 14) OFFER PAYMENT ARRANGEMENTS
 - 15) FORMAT UPLOAD OF FINAL DATA INTO EAR PORTAL
 - 16) CALCULATE AND APPLY FOR ADMINISTRATIVE FEES
 - 17) RETURN EXCESS FUNDS
 - 18) LIENS CLEANUP WHERE PARTIAL PAYMENTS ARE RECEIVED
 - 19) TRACKING & REPORTING, INCLUDING ADDITIONAL FINANCIAL STATEMENT REQUIREMENTS

Important Potential Deferred Projects:

Director of Finance projects potentially deferred another year as we approach Budget and Audit season.

- Asset tracking - Auditor recommended (Budgeted Strategic Plan item 4.4.6)
- Vehicle taxation - IRS required; CPA/Legal recommended
- Heavy Participation in payroll software conversion
- Meter installation fee updates – These are the costs we pass along to ratepayers for installing meters. They have not been updated for several years due to time constraints.
- Cost Allocation Plan – This Unbudgeted Strategic Plan item (2.8.3) has been deferred for many years and is crucial for a more defensible overhead application system and for federal/state grants and emergency funding. The goal was to include this in 2024/25 budget but this will be deferred again if that time is filled by the other important projects deferred above.

Costs:

A rough estimate of time to administer this program is a minimum of 150 hours of staff time at an average labor/benefit rate of \$82.81, or \$12,422. There could be additional costs for Temporary labor.

Most importantly, there are *real* potential costs associated with the tradeoff of sidelining other programs to participate in this one. For example, halting our asset tracking software implementation, which was auditor-recommended, leaves us with continued vulnerability to nefarious activity. In fact, it is often because of diversions such as this Arrearage program that other important tasks and programs have not been accomplished in the 60-year history of the District.

Furthermore, pushing back preparation of a Cost Allocation Audit/Plan could cost us future grant or emergency funding.

Upon application for the Extended Arrearage program, cutoffs would need to be halted for these ratepayers through a manual process. If the funding were ultimately not awarded, our ratepayers' balances would be further increased before we could cut off service again.

Ultimately, the limited staff members involved in the Extended Arrearages program would accomplish virtually nothing else for the month of December. This is unrealistic with a financial audit that needs to be wrapped up

by 12/31, a payroll software conversion, other mandatory routine daily tasks, upcoming holidays and vacation coverage.

With so many important projects filling any “spare time” (payroll conversion, asset tracking implementation, vehicle taxation, meter fees, etc.), my inclination is to pass up this Extended Arrearage opportunity. While it pains me to say from a short-term fiscal standpoint, the cost of potential tradeoffs could be greater than any benefit from this program.

Nevertheless, should the Board decide to participate in the California Extended Water and Wastewater Arrearage Payment Program Guidelines for understandable reasons, we respectfully request that the attached resolution 23-1059 be adopted so that staff can proceed as quickly as possible. Thank you!

STRATEGIC PLAN ITEM: 5.3 Enhance Relationships with External Partners and Agencies

FISCAL IMPACT: A potential net gain of up to \$142,650 from the Arrearages payments could be offset by unquantifiable opportunity costs from other unexecuted programs. A/R from deferred cutoffs could increase if the Arrearage funding didn’t materialize.

RESOLUTION NO. 23-1059

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE JOSHUA BASIN WATER DISTRICT TO PARTICIPATE IN THE CALIFORNIA EXTENDED WATER AND WASTEWATER ARREARAGE PAYMENT PROGRAM

WHEREAS, the State Water Resources Control Board has established the Extended California Water and Wastewater Arrearage Payment Program to provide funding to assist customers with water bill arrearages incurred from June 16, 2021, to December 31, 2022; and

WHEREAS, the Board of Directors of the District has elected to apply for and distribute said assistance to its customers within 60 days of receipt, according to methodology permissible under the State’s guidelines; and

WHEREAS, the Board of Directors of the District has instructed Staff to follow the State’s program guidelines including waiving penalties/late fees for the eligibility period, notifying customers, offering payment plans, and deferring water shut-offs as per the conditions of the program; and

NOW, THEREFORE, the Board of Directors of the Joshua Basin Water District grants authority to the General Manager as a signatory, to sign on behalf of the District, and to direct Staff in the application, participation, and execution of the California Extended Water and Wastewater Arrearages Payment Program, effective the day following the date of adoption.

PASSED AND ADOPTED this 6th day of December 2023 pursuant to the following votes:

AYES: _____
NOES: _____
ABSTAIN: _____
ABSENT: _____

By _____
Tom Floen, President, Board of Directors

Sarah Johnson, Board Secretary