



## AGENDA

### FINANCE COMMITTEE MEETING WEDNESDAY, FEBRUARY 14, 2024 AT 9:00 AM

This meeting may be attended in person at the District Office Boardroom at: 61750 Chollita Rd., Joshua Tree, CA 92252, by phone at 1 669 444 9171, or by video conference.

#### Join Zoom Meeting:

<https://us02web.zoom.us/j/85256309368?pwd=ck1RcGIYU1M4V1lzVU5xbU03UUV3UT09>

Meeting ID: 852 5630 9368

Passcode: 61750

1. **CALL TO ORDER / PLEDGE OF ALLEGIANCE**

2. **ROLL CALL**

3. **PUBLIC COMMENT**

This is the time set aside for public comment on any item not appearing on the agenda. At the discretion of the Board President, however, comments on a particular Agenized item may be deferred until that item is heard. Please state your name and limit your comments to 3 minutes.

4. **CONSENT CALENDAR**

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

**A. DRAFT FINANCE COMMITTEE MEETING MINUTES 01.10.24**

5. **DISCUSSION ITEMS**

**A. CHECK REGISTER – DECEMBER 2023**

**B. HISTORICAL LAIF RESERVE BALANCE REVIEW**

**C. RESERVE POLICY REVIEW**

6. **STAFF REPORTS**

7. **DIRECTOR COMMENTS**

8. **ADJOURNMENT**

JOSHUA BASIN WATER DISTRICT  
MINUTES OF THE  
FINANCE COMMITTEE MEETING  
Wednesday, January 10, 2024  
61750 Chollita Road, Joshua Tree, CA 92252

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE – President Floen called the meeting to order at 9:02 a.m.
2. ROLL CALL – President Floen and Director Short

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

CONSULTANTS – None

GUESTS – None

3. PUBLIC COMMENT – None

4. CONSENT CALENDAR

- A. DRAFT FINANCE COMMITTEE MEETING MINUTES 12.13.23

- 1<sup>st</sup> – Doolittle

- 2<sup>nd</sup> - Floen

- Motion carried to approve consent calendar 12.13.23 minutes.

5. DISCUSSION ITEMS -

- A. NOVEMBER 2023 - CHECK REGISTER

- 1<sup>st</sup> - Doolittle

- 2<sup>nd</sup> - Floen

- Motion carried to refer to the Board.

- B. 1<sup>ST</sup> FISCAL QUARTER ENDING 9/30/23 FINANCIAL REPORT

- Anne Roman, Director of Finance, presented the 1st Fiscal Quarter Ending 09/30/23 financial report to the board in detail. Roman explained that the report contains limited transactions because the report only contains data from the 1st quarter of the fiscal year. Roman pointed out that this report only included operating expenses, not capital costs. Roman specified that capital reporting is more labor-intensive.

- 1<sup>st</sup> - Doolittle

- 2<sup>nd</sup> – Floen

- Motion carried to refer to the Board.

6. STAFF REPORTS

Director of Finance, Anne Roman reported the following:

- Paychex payroll conversion is in process.
- Asset Panda implementation is in process.
- The board will receive a bound copy of the audit report soon.

7. DIRECTOR COMMENTS

Vice President Doolittle

- None

President Floen

- Floen inquired about whether well 14 is currently producing chlorine and whether the production process is underway.

8. ADJOURNMENT – President Floen adjourned the meeting at 10:33 a.m.

1<sup>st</sup> - Doolittle

2<sup>nd</sup> – Floen

NEXT MEETING – February 14, 2024, at 9:00 am.

Respectfully Submitted,

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Sarah Johnson, General Manager



Joshua Basin Water District

# Check Report

By Vendor DBA Name

Date Range: 12/01/2023 - 12/31/2023

Vendor Number	Vendor DBA Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
<b>Bank Code: AP-AP Cash</b>						
000501	ACWA JPIA	12/06/2023	Regular	0.00	38,294.51	65878
<a href="#">0701342</a>	Invoice	12/06/2023	EE HEALTH BENEFIT & EAP - 01/2024	0.00	38,294.51	
014091	ALL SECURITY EQUIPMENT	12/06/2023	Regular	0.00	11,979.97	65895
<a href="#">INV/2023/21054</a>	Invoice	12/06/2023	CANTILEVER AUTO GATES	0.00	11,979.97	
013998	AMAZON CAPITAL SERVICES INC	12/28/2023	Manual	0.00	720.51	902391
<a href="#">1YDP-XKGV-9L7L</a>	Invoice	12/28/2023	OFFICE SUPPLIES	0.00	720.51	
000999	AMERICAN WATER WORKS ASSOC	12/20/2023	Regular	0.00	487.00	65933
<a href="#">7002122719</a>	Invoice	12/20/2023	MEMBERSHIP RENEWAL 9/1/23 – 8/31/24	0.00	487.00	
000675	AQUA METRIC SALES COMPANY	12/06/2023	Regular	0.00	36,584.54	65916
<a href="#">INV0098108</a>	Invoice	12/06/2023	METER READING REPAIR	0.00	451.65	
<a href="#">INV0098119</a>	Invoice	12/06/2023	INVENTORY	0.00	36,132.89	
000675	AQUA METRIC SALES COMPANY	12/20/2023	Regular	0.00	40,914.35	65957
<a href="#">INV0098447</a>	Invoice	12/20/2023	METER REPLACEMENT PROGRAM SUPPLIES	0.00	4,781.46	
<a href="#">INV0098477</a>	Invoice	12/20/2023	INVENTORY	0.00	36,132.89	
013019	ARBORIST SERVICES	12/06/2023	Regular	0.00	775.00	65899
<a href="#">9159</a>	Invoice	12/06/2023	DEMO GARDEN/BUILD MAINT 10/16/23 – 11/15/23	0.00	775.00	
013019	ARBORIST SERVICES	12/20/2023	Regular	0.00	775.00	65946
<a href="#">9161</a>	Invoice	12/20/2023	DEMO GARDEN/BUILD MAINT 11/16/23 – 12/15/23	0.00	775.00	
013863	ATKINSON ANDELSON LOYA RUUD AND ROMO	12/06/2023	Regular	0.00	11,371.29	65880
<a href="#">697148</a>	Invoice	12/06/2023	LABOR LEGAL SERVICES - 10/2023	0.00	2,777.25	
<a href="#">697149</a>	Invoice	12/06/2023	LEGAL SERVICES - 10/2023	0.00	8,594.04	
013863	ATKINSON ANDELSON LOYA RUUD AND ROMO	12/20/2023	Regular	0.00	4,586.25	65934
<a href="#">699772</a>	Invoice	12/20/2023	LABOR LEGAL SERVICES - 11/2023	0.00	1,844.85	
<a href="#">699773</a>	Invoice	12/20/2023	LEGAL SERVICES - 11/2023	0.00	2,741.40	
001630	ATT MOBILITY	12/20/2023	Regular	0.00	2,058.33	65935
<a href="#">829480028X120...</a>	Invoice	12/20/2023	COMMUNICATIONS - 11/2023	0.00	2,058.33	
001630	ATT MOBILITY	12/20/2023	Regular	0.00	-2,058.33	65935
001630	ATT MOBILITY	12/20/2023	Manual	0.00	2,058.33	902388
<a href="#">829480028X120...</a>	Invoice	12/20/2023	COMMUNICATIONS - 11/2023	0.00	2,058.33	
000214	BABCOCK LABORATORIES INC	12/06/2023	Regular	0.00	4,371.78	65881
<a href="#">CK30867-2287</a>	Invoice	12/06/2023	HDMC WWTP - SAMPLING	0.00	411.67	
<a href="#">CK30964-2287</a>	Invoice	12/06/2023	SAMPLING	0.00	109.14	
<a href="#">CK31119-2287</a>	Invoice	12/06/2023	SAMPLING	0.00	127.33	
<a href="#">CK31128-2287</a>	Invoice	12/06/2023	SAMPLING	0.00	242.89	
<a href="#">CK31242-2287</a>	Invoice	12/06/2023	SAMPLING	0.00	2,856.75	
<a href="#">CK31440-2287</a>	Invoice	12/06/2023	HDMC WWTP - SAMPLING	0.00	255.97	
<a href="#">CL30171-2287</a>	Invoice	12/06/2023	HDMC WWTP - SAMPLING	0.00	368.03	
000214	BABCOCK LABORATORIES INC	12/20/2023	Regular	0.00	1,124.81	65936
<a href="#">CK31839-2287</a>	Invoice	12/20/2023	SAMPLING	0.00	109.14	
<a href="#">CL30271-2287</a>	Invoice	12/20/2023	SAMPLING	0.00	269.64	
<a href="#">CL30428-2287</a>	Invoice	12/20/2023	HDMC WWTP - SAMPLING	0.00	255.97	
<a href="#">CL30792-2287</a>	Invoice	12/20/2023	SAMPLING	0.00	109.14	
<a href="#">CL30931-2287</a>	Invoice	12/20/2023	SAMPLING	0.00	127.33	

Check Report

Date Range: 12/01/2023 - 12/31/2023

Vendor Number	Vendor DBA Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
<a href="#">CL30932-2287</a>	Invoice	12/20/2023	SAMPLING	0.00	253.59	
004110	BURRTEC WASTE AND RECYCLING SVCS	12/06/2023	Manual	0.00	592.67	902374
<a href="#">BW113023</a>	Invoice	12/06/2023	TRASH REMOVAL (SHOP) - 11/2023	0.00	430.64	
<a href="#">BW1223</a>	Invoice	12/06/2023	TRASH & RECYCLING (OFFICE) - 12/2023	0.00	162.03	
001517	CalPERS	12/08/2023	Manual	0.00	15,257.63	902380
<a href="#">PPE 12-1-23</a>	Invoice	12/08/2023	PAY PERIOD ENDING 12/1/23	0.00	15,257.63	
001517	CalPERS	12/20/2023	Manual	0.00	15,249.63	902387
<a href="#">PPE 12-15-23</a>	Invoice	12/20/2023	PAY PERIOD ENDING 12/15/23	0.00	15,249.63	
014075	CARBON HEALTH MEDICAL GROUP OF CALIFOR	12/06/2023	Regular	0.00	135.00	65883
<a href="#">CH110723</a>	Invoice	12/06/2023	DOT PHYSICAL	0.00	135.00	
013889	CARL OTTESONS CERTIFIED BACKFLOW TESTING	12/06/2023	Regular	0.00	500.00	65884
<a href="#">7488</a>	Invoice	12/06/2023	CROSS CONNECTION CONSULTING - 12/2023	0.00	500.00	
001555	CENTRTEL LLC	12/06/2023	Regular	0.00	600.80	65885
<a href="#">231202252101</a>	Invoice	12/06/2023	DISPATCH SERVICES - 11/2023	0.00	600.80	
001560	CENTURY FORMS	12/06/2023	Regular	0.00	588.04	65882
<a href="#">3398</a>	Invoice	12/06/2023	#10 WINDOW ENVELOPES	0.00	588.04	
000510	CHARTER COMMUNICATIONS	12/20/2023	Regular	0.00	550.00	65938
<a href="#">116905701120123</a>	Invoice	12/20/2023	INTERNET SERVICES - 12/2023	0.00	550.00	
000510	CHARTER COMMUNICATIONS	12/06/2023	Manual	0.00	377.88	902367
<a href="#">0008970112223</a>	Invoice	12/06/2023	SCADA INTERNET - 12/2023	0.00	377.88	
014052	CJ BROWN AND COMPANY CPAS - AN ACCOUN	12/20/2023	Regular	0.00	2,350.00	65939
<a href="#">CJBC113023</a>	Invoice	12/20/2023	FINANCIAL AUDIT 22/23 - 11/2023	0.00	2,350.00	
000237	COLONIAL LIFE AND ACCIDENT INSURANCE CO	12/06/2023	Manual	0.00	766.30	902369
<a href="#">39905611105899</a>	Invoice	12/06/2023	EE LIFE INSURANCE - 11/2023	0.00	766.30	
000112	COPPER MOUNTAIN MEDIA KXCM FM	12/20/2023	Regular	0.00	472.00	65940
<a href="#">23110004</a>	Invoice	12/20/2023	MWA GRANT: WATER CONSERVATION ADS	0.00	472.00	
013373	CORE AND MAIN LP	12/06/2023	Regular	0.00	4,875.50	65886
<a href="#">S815703</a>	Invoice	12/06/2023	MAINLINE/LEAK REPAIR SUPPLIES	0.00	1,609.38	
<a href="#">T804926</a>	Invoice	12/06/2023	INVENTORY	0.00	3,266.12	
013373	CORE AND MAIN LP	12/20/2023	Regular	0.00	6,030.76	65941
<a href="#">T453693</a>	Invoice	12/20/2023	INVENTORY	0.00	2,320.61	
<a href="#">T875858</a>	Invoice	12/20/2023	INVENTORY	0.00	846.15	
<a href="#">T991044</a>	Invoice	12/20/2023	INVENTORY	0.00	2,864.00	
013943	CYBER PHOTO-GRAPHICS	12/06/2023	Regular	0.00	1,666.11	65887
<a href="#">10640</a>	Invoice	12/06/2023	UNIFORMS	0.00	1,666.11	
014064	DIGIUM CLOUD SERVICE	12/20/2023	Regular	0.00	746.64	65954
<a href="#">INV00277520</a>	Invoice	12/20/2023	DIGIUM - 12/2023	0.00	746.64	
002565	DUDEK AND ASSOCIATES INC	12/06/2023	Regular	0.00	1,140.00	65888
<a href="#">202309434</a>	Invoice	12/06/2023	ENG SERV: HDMC WWTP 09/30/23 - 10/27/23	0.00	1,140.00	
013991	EIDE BAILLY LLP	12/06/2023	Regular	0.00	945.00	65889
<a href="#">EI01593777</a>	Invoice	12/06/2023	ACCOUNTING/AUDIT SERVICES - 09/2023	0.00	945.00	
013991	EIDE BAILLY LLP	12/20/2023	Regular	0.00	1,207.50	65942
<a href="#">EI01600652</a>	Invoice	12/20/2023	ACCOUNTING/AUDIT SERVICES - 10/2023	0.00	1,207.50	
002822	EMPLOYMENT DEVELOPMENT DEPT	12/13/2023	Manual	0.00	283.76	902381
<a href="#">L0340954704</a>	Invoice	12/13/2023	PAYLOCITY FILING ERROR PENALTIES & INTEREST	0.00	283.76	

Check Report

Date Range: 12/01/2023 - 12/31/2023

Vendor Number	Vendor DBA Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
000156	FORSHOCK	12/06/2023	Regular	0.00	243.00	65902
<a href="#">2300147</a>	Invoice	12/06/2023	MONTHLY SCADA MONITORING - 12/2023	0.00	38.00	
<a href="#">2300148</a>	Invoice	12/06/2023	MONTHLY SCADA MONITORING - 12/2023	0.00	205.00	
013222	FRONTIER COMMUNICATIONS INC	12/06/2023	Regular	0.00	223.14	65890
<a href="#">FC1223</a>	Invoice	12/06/2023	HDMC WWTP - TELEPHONE - 12/2023	0.00	223.14	
000058	GARDA CL WEST INC	12/06/2023	Regular	0.00	1,041.10	65891
<a href="#">10761367</a>	Invoice	12/06/2023	COURIER FEES - 12/2023	0.00	1,041.10	
014085	HARRINGTON INDUSTRIAL PLASTICS LLC	12/06/2023	Regular	0.00	2,650.66	65893
<a href="#">012M8230</a>	Invoice	12/06/2023	WELL 14 INJECT UPGR & MIOX CL2 SUPPLIES	0.00	2,650.66	
013802	HASA INC	12/06/2023	Regular	0.00	1,076.57	65894
<a href="#">931733</a>	Invoice	12/06/2023	WATER TREATMENT EXPENSE	0.00	1,076.57	
014050	HI DESERT STAR THE DESERT TRAIL	12/06/2023	Regular	0.00	260.00	65892
<a href="#">53466</a>	Invoice	12/06/2023	MWA GRANT: WATER CONSERVATION ADS	0.00	260.00	
004195	HOME DEPOT CREDIT SERVICES	12/19/2023	Manual	0.00	5,080.35	902389
<a href="#">HD1123</a>	Invoice	12/19/2023	BLDG MAINT/D1-1 BOOSTER SUPP/CIRP: SMALL TOOLS	0.00	5,080.35	
013797	INFOSEND INC	12/06/2023	Regular	0.00	3,576.55	65896
<a href="#">251721</a>	Invoice	12/06/2023	PRINT & MAIL WATER BILL - 11/2023	0.00	3,576.55	
013989	IRIDIUM SOLUTIONS	12/06/2023	Regular	0.00	7,225.00	65907
<a href="#">1033</a>	Invoice	12/06/2023	CONSULTING SERVICES - 11/2023	0.00	7,225.00	
013369	ISHRED INCORPORATED	12/20/2023	Regular	0.00	70.00	65943
<a href="#">4604</a>	Invoice	12/20/2023	ARCHIVE RECORD SHREDDING - 11/2023	0.00	70.00	
009054	KATHLEEN J RADNICH	12/06/2023	Regular	0.00	2,016.00	65897
<a href="#">23-1119-1</a>	Invoice	12/06/2023	PUBLIC RELATIONS SERVICES	0.00	756.00	
<a href="#">23-1126-1</a>	Invoice	12/06/2023	PUBLIC RELATIONS SERVICES	0.00	567.00	
<a href="#">23-1204-1</a>	Invoice	12/06/2023	PUBLIC RELATIONS SERVICES	0.00	693.00	
009054	KATHLEEN J RADNICH	12/20/2023	Regular	0.00	1,260.00	65944
<a href="#">23-1210-2</a>	Invoice	12/20/2023	PUBLIC RELATIONS SERVICES	0.00	630.00	
<a href="#">23-1217-1</a>	Invoice	12/20/2023	PUBLIC RELATIONS SERVICES	0.00	630.00	
006947	KCDZ FM	12/20/2023	Regular	0.00	335.00	65948
<a href="#">318-00023-0002</a>	Invoice	12/20/2023	MWA GRANT: WATER CONSERVATION ADS	0.00	335.00	
014089	LAWSON PRODUCTS INC	12/06/2023	Regular	0.00	4.90	65898
<a href="#">9311071286</a>	Invoice	12/06/2023	SHOP EXPENSE	0.00	4.90	
014089	LAWSON PRODUCTS INC	12/20/2023	Regular	0.00	1,058.27	65945
<a href="#">9311115784</a>	Invoice	12/20/2023	SAFETY SUPPLIES	0.00	115.57	
<a href="#">9311115785</a>	Invoice	12/20/2023	SHOP EXPENSE	0.00	701.24	
<a href="#">9311124673</a>	Invoice	12/20/2023	SAFETY SUPPLIES	0.00	72.84	
<a href="#">9311124674</a>	Invoice	12/20/2023	SHOP EXPENSE	0.00	84.31	
<a href="#">9311124675</a>	Invoice	12/20/2023	SHOP EXPENSE	0.00	84.31	
006504	MC CALL'S METERS SALES & SERVICE	12/06/2023	Regular	0.00	3,200.00	65900
<a href="#">36253</a>	Invoice	12/06/2023	CERTIFIED FLOW TESTS	0.00	3,200.00	
006507	McMASTER CARR SUPPLY COMPANY	12/06/2023	Regular	0.00	125.27	65901
<a href="#">17321128</a>	Invoice	12/06/2023	WELL 14 INJECT UPGR & MIOX CL2 SUPPLIES	0.00	125.27	
014042	MISSION SQUARE RETIREMENT	12/08/2023	Manual	0.00	3,593.50	902379
<a href="#">MSR120823</a>	Invoice	12/08/2023	EE & ER 457 REMITTANCE - 12/08/23	0.00	3,593.50	
014042	MISSION SQUARE RETIREMENT	12/22/2023	Manual	0.00	3,568.50	902390
<a href="#">MSR122223</a>	Invoice	12/22/2023	EE & ER 457 REMITTANCE - 12/22/23	0.00	3,568.50	

Check Report

Date Range: 12/01/2023 - 12/31/2023

Vendor Number Payable #	Vendor DBA Name Payable Type	Post Date	Payment Date Payable Description	Payment Type	Discount Amount Discount Amount	Payment Amount Payable Amount	Number
006800 <a href="#">MWA103123</a>	MOJAVE WATER AGENCY Invoice	12/06/2023	12/06/2023 WATER RECHARGE PURCHASE	Regular	0.00 0.00	143,835.00 143,835.00	65903
013990 <a href="#">202312</a>	MOMS DESERT VALLEY CLEANING Invoice	12/20/2023	12/20/2023 JANITORIAL SERVICES - 12/2023	Regular	0.00 0.00	1,500.00 1,500.00	65947
000110 000110 <a href="#">MUUSD111623</a>	MORONGO UNIFIED SCHOOL DISTRICT MORONGO UNIFIED SCHOOL DISTRICT Invoice	12/06/2023	12/06/2023 12/06/2023 STANDBY REFUND APN 0600-201-09	Regular Regular	0.00 0.00 0.00	-308.55 308.55 308.55	65904 65904
000110 <a href="#">MUUSD111623</a>	MORONGO UNIFIED SCHOOL DISTRICT Invoice	12/06/2023	12/06/2023 STANDBY REFUND APN 0600-201-09	Regular	0.00 0.00	308.55 308.55	65924
000233 <a href="#">454736</a> <a href="#">455358</a> <a href="#">455857</a> <a href="#">456979</a> <a href="#">457104</a>	NAPA AUTO PARTS Credit Memo Invoice Invoice Invoice Invoice	12/06/2023 12/06/2023 12/06/2023 12/06/2023 12/06/2023	12/06/2023 CREDIT: CORE DEPOSIT VEHICLE MAINTENANCE: V38 PUMPING PLANT MAINTENANCE VEHICLE MAINTENANCE: V42 VEHICLE MAINTENANCE: V42	Regular	0.00 0.00 0.00 0.00 0.00	639.02 -107.66 101.51 295.09 308.15 41.93	65923
000233 <a href="#">457106</a> <a href="#">457591</a>	NAPA AUTO PARTS Invoice Invoice	12/20/2023 12/20/2023	12/20/2023 VEHICLE/MOTOR GRADER/TRACTOR MAINT VEHICLE MAINTENANCE: V36	Regular	0.00 0.00	2,386.85 2,190.66 196.19	65960
000070 <a href="#">1227788</a>	ONLINE INFORMATION SERVICES INC Invoice	12/06/2023	12/06/2023 ID VERIF. SERV. - 11/2023	Regular	0.00 0.00	203.52 203.52	65905
013207 <a href="#">8583-12-2023</a>	PARCELQUEST Invoice	12/20/2023	12/20/2023 PARCEL OWNER INFO DATABASE 1/21/24 -1/20/25	Regular	0.00 0.00	2,399.00 2,399.00	65937
008137 <a href="#">2030232574</a>	PARKHOUSE TIRE INC Invoice	12/20/2023	12/20/2023 VEHICLE MAINTENANCE: V42	Regular	0.00 0.00	906.37 906.37	65949
008200 <a href="#">3106417344</a>	PITNEY BOWES INC Invoice	12/20/2023	12/20/2023 LEASING CHARGES 10/30/23 – 1/29/24	Manual	0.00 0.00	246.33 246.33	902385
008202 <a href="#">1024276720</a>	PITNEY BOWES INC Invoice	12/06/2023	12/06/2023 OFFICE SUPPLIES	Manual	0.00 0.00	98.36 98.36	902368
VEN01300 <a href="#">37440</a>	POWER DESIGN INC Invoice	12/20/2023	12/20/2023 D1-1 BOOSTER STN UPGRADE SUPPLIES	Regular	0.00 0.00	81,200.00 81,200.00	65950
008415 <a href="#">23571593</a> <a href="#">23571596</a> <a href="#">23577704</a> <a href="#">23577707</a>	PRUDENTIAL OVERALL SUPPLY Invoice Invoice Invoice Invoice	12/06/2023 12/06/2023 12/06/2023 12/06/2023	12/06/2023 SHOP EXPENSE SHOP EXPENSE SHOP EXPENSE SHOP EXPENSE	Regular	0.00 0.00 0.00 0.00	449.28 136.76 87.88 136.76 87.88	65906
008415 <a href="#">23584694</a> <a href="#">23584695</a>	PRUDENTIAL OVERALL SUPPLY Invoice Invoice	12/20/2023 12/20/2023	12/20/2023 SHOP EXPENSE SHOP EXPENSE	Regular	0.00 0.00 0.00	224.64 136.76 87.88	65951
008201 <a href="#">PB121223</a>	PURCHASE POWER Invoice	12/20/2023	12/20/2023 POSTAGE REFILL FOR METER	Manual	0.00 0.00	503.50 503.50	902386
013361 <a href="#">WOG00018252</a>	QUINN COMPANY Invoice	12/20/2023	12/20/2023 GENERATOR REPAIR: GR2	Regular	0.00 0.00	4,950.00 4,950.00	65952
009065 <a href="#">P9601745</a>	RDO EQUIPMENT COMPANY Invoice	12/06/2023	12/06/2023 TRACTOR MAINTENANCE: E41 & E71	Regular	0.00 0.00	111.44 111.44	65908
013782 <a href="#">RA121223</a>	RENES AQUATICS Invoice	12/20/2023	12/20/2023 CPR & AED TRAINING	Regular	0.00 0.00	700.00 700.00	65953

Check Report

Date Range: 12/01/2023 - 12/31/2023

Vendor Number Payable #	Vendor DBA Name Payable Type	Post Date	Payment Date Payable Description	Payment Type	Discount Amount Discount Amount	Payment Amount Payable Amount	Number
013831 <a href="#">236841</a>	SATMODO LLC Invoice	12/06/2023	12/06/2023 EMERGENCY SATELLITE PHONES - 12/2023	Regular	0.00 0.00	164.26 164.26	65909
013820 <a href="#">2534897-IN</a>	SC FUELS Invoice	12/06/2023	12/06/2023 FUEL FOR VEHICLES	Regular	0.00 0.00	4,337.53 4,337.53	65925
009898 <a href="#">GAS1223</a>	SOCALGAS Invoice	12/20/2023	12/20/2023 HEAT FOR SHOP 11/15/23 - 12/14/23	Manual	0.00 0.00	232.83 232.83	902383
009880 <a href="#">SCE1123</a>	SOUTHERN CALIFORNIA EDISON CO Invoice	12/06/2023	12/06/2023 POWER TO BLDGS & GEN - 11/2023	Manual	0.00 0.00	2,076.39 2,076.39	902378
009878 <a href="#">SCE1123</a>	SOUTHERN CALIFORNIA EDISON Invoice	12/06/2023	12/06/2023 POWER FOR PUMPING - 11/2023	Manual	0.00 0.00	27,003.01 27,003.01	902377
VEN01020 <a href="#">23-11059</a> <a href="#">23-11060SC</a> <a href="#">23-11082</a> <a href="#">23-12002SC</a> <a href="#">23-12023</a> <a href="#">23-12024SC</a>	SOUTHWEST NETWORKS INC Invoice Invoice Invoice Invoice Invoice Invoice	12/06/2023 12/06/2023 12/06/2023 12/06/2023 12/06/2023 12/06/2023	12/06/2023 ADDITIONAL SUPPLEMENTAL IT (AMC) - 11/2023 MOBILE DEVICE MANAGEMENT FEE - 10/2023 - 12/2023 SUPPLEMENTAL IT (AMC) - 11/2023 ADDITIONAL SUPPLEMENTAL IT (AMC) 11/2023 - 12/2023 OFFICE 365 MONTHLY MAINT - 01/2024 IT SERVICES - 01/2024 - 03/2024	Regular	0.00 0.00 0.00 0.00 0.00 0.00	16,086.78 15.03 30.00 1,068.75 88.00 998.00 13,887.00	65910
VEN01020 <a href="#">23-12044SC</a> <a href="#">23-12502</a>	SOUTHWEST NETWORKS INC Invoice Invoice	12/20/2023 12/20/2023 12/20/2023	12/20/2023 MOBILE DEVICE MANAGEMENT FEE - 12/2023 OFFICE COMPUTER EQUIPMENT	Regular	0.00 0.00 0.00	14,280.80 5.00 14,275.80	65955
009920 <a href="#">ST1223</a>	STANDARD INSURANCE CO Invoice	12/06/2023	12/06/2023 EE LIFE INSURANCE - 12/2023	Regular	0.00 0.00	1,699.81 1,699.81	65911
013788 <a href="#">1347</a>	STURDIVAN EMERGENCY MANAGEMENT CONS Invoice	12/06/2023	12/06/2023 HAZARD MITIGATION PLAN - HMP MAPPING SECTION 4	Regular	0.00 0.00	6,071.43 6,071.43	65913
013788 <a href="#">1402</a>	STURDIVAN EMERGENCY MANAGEMENT CONS Invoice	12/20/2023	12/20/2023 HAZARD MITIGATION PLAN - DRAFT SECTION 5, 6 & 7	Regular	0.00 0.00	6,071.43 6,071.43	65956
009980 <a href="#">WD-0234358</a>	SWRCB FEES Invoice	12/06/2023	12/06/2023 HDMC WWTP ANN'L DISCHARGE PERMIT 7/1/23-6/30/24	Regular	0.00 0.00	26,785.00 26,785.00	65914
009980 <a href="#">WD-0234316</a>	SWRCB FEES Invoice	12/06/2023	12/06/2023 ANNUAL DISCHARGE PERMIT FEE - 7/01/23 - 6/30/24	Regular	0.00 0.00	3,746.00 3,746.00	65915
000023 <a href="#">49678</a>	ULTIMATE MOTORS INC Invoice	12/06/2023	12/06/2023 VEHICLE REPAIRS: V31	Regular	0.00 0.00	45.70 45.70	65917
010850 <a href="#">1120230347</a>	UNDERGROUND SERVICE ALERT Invoice	12/06/2023	12/06/2023 TICKET DELIVERY SERVICE - 11/2023	Regular	0.00 0.00	109.75 109.75	65918
CC-ANNE <a href="#">US1123</a>	US BANK CORPORATE Invoice	12/06/2023	12/06/2023 EE TRAINING / CSMFO MEMBERSHIP	Manual	0.00 0.00	900.00 900.00	902372
CC-DAN <a href="#">US1123</a>	US BANK CORPORATE Invoice	12/06/2023	12/06/2023 SMALL TOOLS/MTR RPR POSTAGE/EE TRAINING	Manual	0.00 0.00	2,698.39 2,698.39	902370
CC-DAVID <a href="#">US1123</a>	US BANK CORPORATE Invoice	12/06/2023	12/06/2023 UNIFORMS/ADOBE/BLDG MAINT-OFC/OFFICE SUPPLIES	Manual	0.00 0.00	1,520.61 1,520.61	902371
CC-SARAH <a href="#">US1123</a>	US BANK CORPORATE Invoice	12/06/2023	12/06/2023 DIRECTORS TRAINING/EE TRAINING/BUSINESS EXPENSE	Manual	0.00 0.00	1,161.42 1,161.42	902373
000013 <a href="#">PO1223</a>	US POSTAL SERVICE Invoice	12/06/2023	12/06/2023 PO BOX RENTAL 01/01/24 - 12/31/24	Regular	0.00 0.00	388.00 388.00	65919



Check Report

Date Range: 12/01/2023 - 12/31/2023

Vendor Number	Vendor DBA Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
011101	VAGABOND WELDING SUPPLY	12/06/2023	Regular	0.00	257.03	65912
<a href="#">119601</a>	Invoice	12/06/2023	D1-1 BOOSTER STN UPGRADE SUPPLIES	0.00	250.94	
<a href="#">119806</a>	Invoice	12/06/2023	D1-1 BOOSTER STN UPGRADE SUPPLIES	0.00	6.09	
014056	VISUAL EDGE IT INC	12/06/2023	Regular	0.00	218.58	65920
<a href="#">24AR1324376</a>	Invoice	12/06/2023	OFFICE EXPENSE 10/30/23 - 11/29/23	0.00	218.58	
000327	WATER QUALITY SPECIALISTS	12/20/2023	Regular	0.00	3,821.00	65958
<a href="#">9205</a>	Invoice	12/20/2023	HDMC WWTP: OPERATION & MAINT - 11/2023	0.00	3,821.00	
011615	WESTERN EXTERMINATOR CO	12/06/2023	Regular	0.00	46.50	65921
<a href="#">53469428</a>	Invoice	12/06/2023	PEST CONTROL SERVICES - SHOP	0.00	46.50	
011615	WESTERN EXTERMINATOR CO	12/20/2023	Regular	0.00	50.00	65959
<a href="#">55956633</a>	Invoice	12/20/2023	PEST CONTROL SERVICES - SHOP	0.00	50.00	
013888	WIENHOFF DRUG TESTING	12/06/2023	Regular	0.00	255.00	65922
<a href="#">118021</a>	Invoice	12/06/2023	ANNUAL CONSORTIUM FEE 11/15/22 - 11/15/23	0.00	255.00	
VEN01090	WORLD OIL ENVIRONMENTAL SERVICES	12/06/2023	Regular	0.00	155.00	65879
<a href="#">I500-00997309</a>	Invoice	12/06/2023	USED MOTOR OIL DISPOSAL	0.00	55.00	
<a href="#">I500-01002118</a>	Invoice	12/06/2023	USED MOTOR OIL DISPOSAL	0.00	100.00	
013359	XEROX FINANCIAL SERVICES	12/20/2023	Manual	0.00	397.60	902384
<a href="#">5124651</a>	Invoice	12/20/2023	OFFICE EXPENSE 11/30/23 - 12/29/23	0.00	397.60	

Bank Code AP Summary

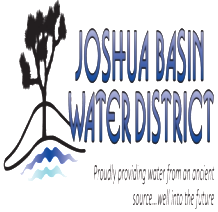
Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	119	76	0.00	524,207.46
Manual Checks	23	22	0.00	84,387.50
Voided Checks	0	2	0.00	-2,366.88
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	<b>142</b>	<b>100</b>	<b>0.00</b>	<b>606,228.08</b>

### All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	119	76	0.00	524,207.46
Manual Checks	23	22	0.00	84,387.50
Voided Checks	0	2	0.00	-2,366.88
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	<b>142</b>	<b>100</b>	<b>0.00</b>	<b>606,228.08</b>

### Fund Summary

Fund	Name	Period	Amount
01	GENERAL FUND	12/2023	606,228.08
			<b>606,228.08</b>



Joshua Basin Water District

# Check Report

By Vendor DBA Name

Date Range: 12/01/2023 - 12/31/2023

Vendor Number	Vendor DBA Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
<b>Bank Code: PR-Payroll Account</b>						
000248	PAYCHEX	12/15/2023	12/15/2023 Manual FSA IMPLEMENTATION	0.00	600.00	950057
<a href="#">28133004</a>	Invoice			0.00	600.00	
013940	PAYLOCITY	12/20/2023	12/20/2023 Manual HR ONLINE - 12/2023	0.00	34.25	950058
<a href="#">INV1753272</a>	Invoice			0.00	34.25	
013940	PAYLOCITY	12/20/2023	12/20/2023 Manual PAYROLL PROCESSING FEE - 12/2023	0.00	1,337.73	950059
<a href="#">INV1771199</a>	Invoice			0.00	1,337.73	

**Bank Code PR Summary**

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	0	0	0.00	0.00
Manual Checks	3	3	0.00	1,971.98
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	<b>3</b>	<b>3</b>	<b>0.00</b>	<b>1,971.98</b>

### All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	0	0	0.00	0.00
Manual Checks	3	3	0.00	1,971.98
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	<b>3</b>	<b>3</b>	<b>0.00</b>	<b>1,971.98</b>

### Fund Summary

Fund	Name	Period	Amount
01	GENERAL FUND	12/2023	1,971.98
			<b>1,971.98</b>

**JOSHUA BASIN WATER DISTRICT  
UTILITY REFUND REGISTER**

<u>Account Number</u>	<u>Name</u>	<u>Date</u>	<u>Type</u>	<u>Amount</u>	
14-00180-019	VURIK, ERIC	12/6/2023	Refund	57.50	Check #: 65875
59-00250-003	BECK, SARAH	12/6/2023	Refund	15.85	Check #: 65876
64-99300-000	TUMBLESON, BRYAN	12/6/2023	Refund	3,404.63	Check #: 65877
10-00089-010	CHICOZAING LLC	12/20/2023	Refund	118.38	Check #: 65926
10-00482-001	WHITE, NICHOLAS	12/20/2023	Refund	179.39	Check #: 65927
12-00383-001	LLC, STAY AWHILE CABINS	12/20/2023	Refund	0.48	Check #: 65928
55-00300-016	BBD LLC	12/20/2023	Refund	128.82	Check #: 65929
59-00031-012	CYRUS OPPORTUNUTY ZONE FUND LP	12/20/2023	Refund	18.62	Check #: 65930
64-99301-000	TUMBLESON, BRYAN	12/20/2023	Refund	2,536.46	Check #: 65931
65-00076-004	TEETS, ALLEN D	12/20/2023	Refund	185.36	Check #: 65932
				<b><u>6,645.49</u></b>	

Joshua Basin Water District  
 61750 Chollita Rd.  
 Joshua Tree, CA 92252

## Director Pay Report

11/18/2023 - 12/15/2023

Employee Number	Employee Name	Date	Adjustment Type	Additions	Reimbursements		
511	FLOEN, TOM	12/06/2023	Board Meeting - JBWD - Paid	\$173.63			
		12/13/2023	Committee Meeting - Finance - Paid	\$173.63			
		Totals:			\$347.26	\$0.00	
		Employee Total:			\$347.26		
		<hr/>					
512	JARLSBERG, JANE	11/27/2023	DIRECTOR TRAINING - MILEAGE REIMBURSEMENT		\$33.54 ACWA Fall Conference. Travel to conference. Director Jarlsberg stayed at a hotel on Monday night.		
		11/29/2023	DIRECTOR TRAINING - MILEAGE REIMBURSEMENT		\$33.40 Travel to ACWA Conference.		
		11/30/2023	DIRECTOR TRAINING - MILEAGE REIMBURSEMENT		\$66.81 Travel to ACWA Conference and back to Joshua Tree		
		12/02/2023	DIRECTOR TRAINING - PARKING REIMBURSEMENT		\$36.00 ACWA Fall Conference Parking \$12.00 per day X 3 days = \$36.00 Dates: 11/27/23, 11/28/23 & 11/30/23		
		11/27/2023	Conference - ACWA Fall - Paid	\$173.63			
		11/28/2023	Conference - ACWA Fall - Paid	\$173.63			
		11/29/2023	Conference - ACWA Fall - Paid	\$173.63			
		11/30/2023	Conference - ACWA Fall - Paid	\$173.63			
		12/06/2023	Board Meeting - JBWD - Paid	\$173.63			
		Totals:			\$868.15	\$169.75	
		Employee Total:			\$1,037.90		
		<hr/>					
		513	DOOLITTLE, STACY	11/27/2023	DIRECTOR TRAINING - MILEAGE REIMBURSEMENT		\$66.81 ACWA Conference mileage - travel to the conference and back to JT
				12/02/2023	MILEAGE REIMBURSEMENT		\$6.47 Coffee reimbursement at ACWA Fall Conference in Indian Wells on 11/28/23
11/18/2023	Training - Paid			\$173.63	CSDA - Intro to Special District Finances for Board Members on Friday, 11/17/23.		
11/27/2023	Conference - ACWA Fall - Paid			\$173.63			
11/28/2023	Conference - ACWA Fall - Paid			\$173.63			
11/29/2023	Conference - ACWA Fall - Paid			\$173.63			
11/30/2023	Conference - ACWA Fall - Paid			\$173.63			
12/06/2023	Board Meeting - JBWD - Paid			\$173.63			

		Totals:	\$1,041.78	\$73.28
		Employee Total:	\$1,115.06	
515	SHORT, THOMAS			
		11/20/2023	Dinner - ASBCSD - Paid	\$173.63
		12/06/2023	Board Meeting - JBWD - Paid	\$173.63
		12/13/2023	Committee Meeting - Finance - Paid	\$173.63
		Totals:	\$520.89	\$0.00
		Employee Total:	\$520.89	
516	FICK, DAVID			
		11/18/2023	DIRECTOR TRAINING - MILEAGE REIMBURSEMENT	\$84.50 Mileage for the CSDA Workshop at Mojave Water Agency on Friday, November 17th.
		11/28/2023	DIRECTOR TRAINING - MILEAGE REIMBURSEMENT	\$66.81 ACWA Conference mileage - traveling to the conference and back to Joshua Tree
		11/29/2023	DIRECTOR TRAINING - MILEAGE REIMBURSEMENT	\$66.81 ACWA Conference mileage - traveling to the conference and back to Joshua Tree
		11/30/2023	DIRECTOR TRAINING - MILEAGE REIMBURSEMENT	\$66.81 ACWA Conference mileage - traveling to the conference and back to Joshua Tree
		11/20/2023	Dinner - ASBCSD - Paid	\$173.63
		11/18/2023	Training - Paid	\$173.63
		11/28/2023	Conference - ACWA Fall - Paid	\$173.63
		11/29/2023	Conference - ACWA Fall - Paid	\$173.63
		11/30/2023	Conference - ACWA Fall - Paid	\$173.63
		12/06/2023	Board Meeting - JBWD - Paid	\$173.63
		Totals:	\$1,041.78	\$284.93
		Employee Total:	\$1,326.71	
		Grand Totals:	\$3,819.86	\$527.96
		Grand Total:	<b>\$4,347.82</b>	



## Finance Committee Staff Report

MEETING DATE: 02/14/2024  
PRESENTED BY: Anne Roman, Director of Finance  
TOPIC: **HISTORICAL LAIF RESERVE BALANCES**  
RECOMMENDATION: For Finance Committee information only. Will not advance to Board.

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### ANALYSIS:

In recent Board discussions, a Board Director requested historical LAIF reserve balances. Staff has prepared a limited review of such balances for the Finance Committee. Please consider the following:

- The dollar's buying power: 2019's \$9,175,450 would be worth \$10,935,660 in 2023.
- No comprehensive policy governing reserve usage existed until 2018.
- Older balances could be very challenging and time-consuming to obtain. Changes in the purpose/use of Reserve accounts also make comparison challenging in the earlier years; thus only 2018 and forward balances are presented.
- Some of the most substantial balance increases were in the legally restricted Capacity charge reserves. The District does not control development activity volumes.
- In 2021, the District was able to begin using incoming water capacity charges to reimburse itself for expansion work done during CIRP pipeline projects, reducing "out-of-pocket" costs. \$1,266,332 was unrestricted into LAIF - Cash Flow.
- 2020/2021 and 2021/22 saw the highest increases in reserve balances, likely related to COVID slowdowns in project spending from supply chain constraints.
- The District has a 30-year Capital Improvement Plan (CIP) to fulfill.
- The District may use any "excess" reserves to pre-pay the CIRP loan to save interest; to be discussed during upcoming Budget workshops.
- The District may use "excess" reserves to stabilize revenues in lieu of increasing rates further in response to mandated conservation measures in the short-term.
- The District may need matching funds for certain Chromium 6 grants.
- In this context, "excess" reserves are defined as those without other immediate or very specific purposes. To a limited extent, Cash Flow reserves may be considered.

Please refer to below table for historical balance details:



ACCOUNT NUMBER	ACCOUNT NAME	FYE	FYE	FYE	FYE	FYE	INCREASE
		2018-19	2019-20	2020-21	2021-22	2022-23	(DECREASE) FROM 2018-19
01-11300	LAIF - OPERATING	1,846,304	1,686,373	1,708,965	1,802,491	1,844,157	(2,148)
01-11303	LAIF - CASH FLOW ^	451,029	1,413,444	2,162,561	3,259,674	4,443,390	3,992,361
01-11305	LAIF - EMERGENCY CAPITAL REPL ~	2,000,000	2,000,000	1,897,329	2,000,000	2,395,166	395,166
01-11306	LAIF - EQUIP & TECH ~	389,952	193,522	363,522	363,522	242,516	(147,436)
01-11309	LAIF - CONSUMER & PROJECT DEP !	336,995	369,618	353,622	306,057	355,211	18,216
01-11310	LAIF - WATER CAPACITY !	339,369	524,933	1,060,233	993,426	1,124,204	784,835
01-11313	LAIF - WASTEWATER CAPACITY !	853,780	988,014	1,371,919	1,810,356	2,174,246	1,320,466
01-11315	LAIF - BUILDING ~	6,441	36,441	66,441	66,441	96,441	90,000
01-11316	LAIF - METER REPLACEMENT RESRV~	262,835	734,931	970,030	970,030	1,205,996	943,161
01-11317	LAIF - STUDIES & REPORTS ~	11,306	61,306	111,306	111,306	105,408	94,102
01-11318	LAIF - CAPITAL ~	1,878,168	1,720,073	2,050,134	2,818,629	2,901,649	1,023,481
01-11320	LAIF - CMM REDEMPTION FUND !	547,482	594,696	642,841	695,229	367,505	(179,976)
01-11325	LAIF - CMM FUND !	248,658	248,398	245,206	244,272	208,039	(40,619)
01-11330	LAIF - CMM PREPAYMENTS FUND !	3,131	3,204	3,231	3,240	4,873	1,743
		<b>9,175,450</b>	<b>10,574,954</b>	<b>13,007,342</b>	<b>15,444,675</b>	<b>17,468,802</b>	<b>8,293,352</b>
	BALANCE INCREASE	-	15%	23%	19%	13%	90%

**STRATEGIC PLAN ITEM:** N/A Report only.

**FISCAL IMPACT:** N/A Report only.



## Finance Committee Staff Report

MEETING DATE: 02/14/2024  
PRESENTED BY: Anne Roman, Director of Finance  
TOPIC: **RESERVE POLICY REVIEW**  
RECOMMENDATION: Review, provide recommendations. Updated draft Policy will go to Board for review/approval as part of Administration Code update.

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### ANALYSIS:

Early input on the Reserve Policy is requested from the Finance Committee, which will assist staff in upcoming budgeting considerations. Staff will review and work to incorporate the Finance Committee's ideas or suggestions into the policy. The draft policy will then advance for Board review as part of the Administrative Code Update project that is forthcoming this year. A single future resolution will adopt all the policies contained within the new Administration Code.

The District's Reserve Policy was initially adopted in 2018 via Resolution 18-895 and amended in 2019 by Resolution 19-1007. Prior to that, there existed only minimal guidance for reserves. To the extent practical, this policy incorporates advice from the 2013 CSDA's Special District Reserve Guidelines. A copy of these Guidelines can be inspected at the District office.

The policy itself states that it should be reviewed annually but that has proven to be impractical and, although it was the Director of Finance's intent to bring this policy for review in late 2022/early 2023, the Rate study took precedence. Fortunately, the policy has not needed urgent attention but the proposed clarifications shown below are recommended to be made at the early possible opportunity:

- Update position titles and add clause authorizing Director of Finance to utilize Copper Mountain Mesa Reserves and Consumer/Project Deposit Reserves for routine transactions to align with current practices. These transactions are not optional and have time constraints associated with them.
- Change policy review period from annual review to be concurrent with each 5-year Rate Study.
- Incorporate reserve-specific funding designated by 2022/23 Rate study.
- **Building Replacement Reserve** – \$30k annual funding was never sufficient; Option 1) Eliminate reserve and transfer \$96,440.80 funding to other reserve (Staff recommends Capital Reserve); or Option 2) designate a more realistic amount to continue. No funding was incorporated in Rate study.

**F.C. Recommendation:** \_\_\_\_\_.

- **Emergency Capital Replacement Reserve** - Increase target balance from \$2 million (currently funded at \$2,395,166 through prior Board action) to a higher amount that will be transferred from Capital Reserve Account as funding permits. Staff recommends \$3,000,000. **F.C. Recommendation: \$\_\_\_\_\_.**
- **Capital Reserve Account** - Expand language to include automatic reserve transfer approval when pre-approved in budget. Also require annual reporting at a minimum.
- **Capital Reserve Account** - Expand language to address any unavailable net revenues.
- **Capital Reserve Account** – Elaborate technical aspects to assist staff in consistently executing policy. For example, specify transfer timing for multi-year projects.
- **Meter Replacement Reserve** – Change language to designate that any funds remaining upon completion remain in Meter Replacement Reserve to begin funding for next round of meter replacements instead of transferring to Capital Reserve. **However, consider using this fund for budgeted \$200k AMI (Advanced Metering Infrastructure) meter conversion project.**

Please remember that the Reserves mentioned above are Board-Designated and, just as these requirements are set by the Board, they can be changed by the Board at any given time. Legally restricted reserves have minimal recommended changes and are not discussed herein due to the compulsory nature of those reserves.

Please review, provide recommendations, and refer the attached policy to the Board of Directors for review and approval as part of the Administration Code update later this year.

**STRATEGIC PLAN ITEM:** 2.12 Maintain and Enhance Finance Department Protocols

**FISCAL IMPACT:**

Transfer \$96,440.80 funds from Building Reserve to other reserve (Recommend Capital Reserve) upon approval.

Increase Emergency Capital Replacement Reserve from \$2,395,166 to \$3,000,000 by transferring \$604,834 from Capital Reserve, as funding allows, either immediately upon approval or incrementally over time.

Use Meter Replacement Reserve to fund budgeted \$200K AMI (Advanced Metering Infrastructure) meter conversion project.

**ARTICLE 9**  
**RESERVE FUND POLICY**

*(Adopted on 04/18/2018 Resolution No. 18-985 approved on 05/02/2018)  
(Amended on 08/21/2019 by Resolution No. 19-1007)*

**9.01 PURPOSE.** It is the JBWD Board of Director's intent through this Policy to describe how and why specific reserves are established and maintained and to provide JBWD ratepayers and taxpayers with assurance that reserve balances will be maintained at prudent and fiscally responsible levels.

Maintaining adequate cash reserves is an essential part of sound financial management, to meet both short-and long-term financial obligations. Reserves play a critical role in providing reliable service for our ratepayers, financing of long-term capital projects and responding to emergencies. Reserves can provide the savings necessary to balance budgets during periods of diminished revenues, allow for emergency preparedness, assist in maintaining stable water service rates, and preserve the financial stability of the JBWD against present and future uncertainties in an ever-changing environment.

Suggested reserve funding balances are necessary to maintain Joshua Basin Water JBWD's fiscal strength and flexibility and to adequately provide for:

- Compliance with applicable statutory requirements.
- Financing of future capital projects, and repair and replacement of existing assets.
- Cash flow requirements due to timing of revenues received and expenses paid.
- Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy.
- Contingencies or unforeseen operating or capital needs.

**9.01.01 GUIDING PRINCIPLES**

1. The JBWD will prudently manage the resources entrusted to it by its ~~our~~ ratepayers.
2. The JBWD will maintain reserve funds in designated accounts in a manner that ensures its financial soundness and provides transparency to its ratepayers.
3. The JBWD will maintain reserve funds that :
  - Are designated for specific purposes;
  - Are consistent with other financial policies, budgetary practices, JBWD programs and legal requirements;
  - Allow the JBWD to provide a high level of emergency preparedness for our-its ratepayers;
  - Provide funding for well-maintained infrastructure for current and future ratepayers; and
  - Allow the JBWD to respond to an ever-changing environment, such as drought or new water quality mandates.

**9.01.01 AUTHORITY.** JBWD has authority under Article XIII B of the California Constitution to establish such reserves as are deemed reasonable and proper.

#### **9.01.02 DEFINITIONS**

Restricted Reserves - Limitations on the use of restricted reserves are imposed by an outside source such as creditors, grantors, contributors, or laws or regulations of other Governmental entities. May sometimes be referred to as "legally restricted."

Unrestricted Reserves - Have no externally imposed use restrictions. The use of unrestricted reserves is at the discretion of the JBWD Board of Directors. There are two categories of unrestricted reserves, Designated and Undesignated. Currently, all Unrestricted Reserves at JBWD are Designated Reserves.

Designated Reserves - Set aside for a specific purpose, which is determined at the sole discretion of the Board of Directors. The Board of Directors also has the authority to redirect the use of these reserve funds as the needs of the JBWD change.

**9.01.03 RESTRICTED RESERVE FUNDS.** JBWD has the following types of restricted reserve funds:

Water Capacity Account – Regulated per Government Code 66013(b)(3). Water capacity charges are used to provide funding for water system infrastructure that will be required in the future or to pay back the JBWD for pre-built water system infrastructure already in existence at the time new water service connection is requested, as a pro-rata share of the costs to construct such facilities. Water capacity charges can fund either future system expansion required because of growth or may be used to reimburse the JBWD for previously funded capital facilities that provide benefit to future users. A pro rata share of investment earnings shall be credited to the water capacity charge reserve fund.

Wastewater/Sewer Capacity Charge Account – Regulated per Government Code 66013(b)(3). Wastewater/sewer capacity charges are used to provide funding for wastewater/sewer system infrastructure that will be required to be constructed in the future, or to payback the JBWD for pre-built water system infrastructure already in existence at the time new wastewater/sewer connection is requested, as a pro-rata share of the costs to construct such facilities. Wastewater/sewer capacity charges can fund either future system expansion required because of growth or may be used to reimburse the JBWD or previously funded capital facilities that provide benefit to future users. A pro rata share of investment earnings shall be credited to the wastewater/sewer capacity charge fund.

Consumer and Project Deposits Account – Good faith guarantee deposits provided by ratepayers for water service accounts or construction projects. Investment earnings shall be credited to the General Fund.

Copper Mountain Mesa Assessment JBWD (CMMAD) Account – The JBWD collects debt service and lien payoffs for the CMMAD, which funds are due to the bondholders. In addition, a reserve fund is established for CMMAD as required by the bonds and those reserve funds will be applied towards the final debt service payment on the bonds. A pro rata share of investment earnings shall be credited to the various CMMAD reserve funds.

**9.01.04 UNRESTRICTED RESERVE FUNDS.** JBWD has the following types of unrestricted reserve funds:

Operating Reserve Account – The primary purpose of the Operating Reserve is to ensure that the JBWD will, at all times, have sufficient funding available to meet operating and debt service costs. These funds are also available to support operating costs to minimize drastic fluctuations in rates, such as in the event of a drought when water use decreases, thus impacting operating revenues.

The target of the Operating Reserve fund is to maintain a balance equal to three (3) months average operating and debt service expenses excluding depreciation.

Cash Flow Reserve Account – This reserve is considered a cash flow requirement. It bridges the gap between the time expenses are paid, and revenues are collected from ratepayers, ensuring that the JBWD preserves creditworthiness and provides for liquidity throughout the fiscal year.

The target of the Cash Flow Reserve fund is to maintain a balance equal to three (3) months average operating and debt service expenses excluding depreciation.

The combined target balance for both the Cash Flow Reserve and the Operating Reserve is equal to six (6) months average operating and debt service expenses excluding depreciation. As monies are neither received nor spent in twelve even monthly increments, the Cash Flow Reserve balance may exceed this combined balance as monies are received and held temporarily for disbursement at a later date.

Emergency Capital Replacement Reserve Account - This reserve is provided for emergencies or unplanned infrastructure failures.

The target of the Emergency Reserve fund is to maintain a \$2 million balance.

Recommend increase to \$3 million.

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~~Capital Reserve Account – This reserve provides funding for infrastructure projects designated in the approved Capital Improvement Plan (CIP), as well as other, Board-approved capital projects. The CIP identifies annual infrastructure projects for pipelines, wells, boosters, and reservoirs.~~

~~Funding for capital projects is outlined in the Capital Budget. Depending on the District's cash flow requirements, Capital Reserves funded during any fiscal year may or may not be available for use at the start of the fiscal/budget year. Funds deposited into the Capital Reserve Account each year shall be as designated in the most recent Rate Study.~~

~~This reserve is to be used for capital projects that will be reviewed and approved by the Board of Directors, so no maximum reserve level is recommended. Because of the discretionary nature of this reserve, the ability to decide which projects will be funded and when no minimum balance is required.~~

~~Note that capital projects may be concurrently funded and constructed within the same fiscal year, or, because infrastructure project costs are significant, projects may take more than one fiscal year to either plan/construct or be fully funded.~~

Capital Reserve Account (Blended rates)- This reserve provides funding for capital projects designated in the approved Capital Improvement Plan (CIP), as well as other, Board-approved capital projects. The CIP identifies annual infrastructure projects for pipelines, wells, boosters, and reservoirs. These revenues are designated for Board-approved capital replacement projects and any related operating expenses incurred to support these projects, if completed in-house (i.e. salaries, benefits, equipment use, overhead, etc.).

This reserve is to be used for capital projects that will be reviewed and approved by the Board of Directors, so no maximum reserve level is recommended. Because of the discretionary nature of this reserve, the ability to decide which projects will be funded and when, no minimum balance is required.

Note that capital projects may be concurrently funded and constructed within the same fiscal year, or, when infrastructure project costs are significant, projects may take more than one fiscal year to either plan/construct or be fully funded. Depending on the District's cash flow requirements, Capital Reserves funded during any fiscal year may or may not be available for use at the start of the fiscal/budget year.

Funds deposited into the Capital Reserve Account each year shall be as designated in the most-recent Rate Study (generated by blended rates), increased or decreased by annual net revenues available after fully funding the Operating, Cash Flow, and Emergency Capital Replacement Reserves to their target levels. The amount designated in the Rate Study is an estimated funding level that is limited by the generation of net revenues. Funding for specific capital projects is outlined in the Capital Budget.

**Individual Replacement Reserves Account** - In addition to the water infrastructure projects funded via the CIP Reserve (above,) the JBWD has other capital replacement requirements. Individual replacement reserves are established for the following purposes, which are not otherwise funded via the Capital Improvement Plan.

~~**Building Replacement Reserve Account** — Is designated for future office building expansion or replacement. Target funding level of \$200,000 is based on 1,000 square foot expansion of office buildings within the next nine years. Replacement cost is based on ACWA/JPIA annually escalated insurance replacement cost.~~

~~**Equipment & Technology Replacement Reserve Account** — Provides for regular replacement of vehicles, heavy equipment and computers, software and peripherals, office equipment and SCADA (Supervisory Control and Data Acquisition computerized monitoring system) with a cost of at least \$1,000. Target funding level is \$500,000. Approximately \$1.7M will be paid for vehicles/equipment associated with the CIRP~~

~~pipeline replacement work. In order to fund replacement of this equipment after its ten-year life, the District will need to increase annual funding of the Equipment & Technology Replacement Reserve Account by approximately \$170,000 per year.~~

~~**Meter Replacement Reserve Account** – Targets replacement of water meters approximately every 20 years. A multi-year meter replacement project has been approved, which began in fiscal year 18/19, and is scheduled to end in fiscal 22/23 at cost of \$2,000,000. In fiscal 23/24, or after meter replacement is complete, the annual funding should decrease so that the meter replacement fund achieves the appropriate balance after 20 years, (based on an updated estimated future replacement cost apportioned over 20 years), to provide funding for the subsequent meter replacement cycle. Any funds remaining in the Meter Replacement Reserve Account after meter replacement is complete will be transferred to the CIP Reserve Account or could be left to kick start the next cycle of meter replacements. The Board of Directors will make the determination when the current meter replacement cycle is completed, approximately 22/23.~~

~~**Studies & Reports Replacement Account** – Funding for periodic updates to studies and reports such as the Urban Water Management Plan, Rate Studies, Compensation Studies, Water Master Plan. JBWD spends in excess of \$50,000 per year on average for such studies and reports, although individual studies and reports can exceed that cost. Target funding level is \$100,000.~~

<b>INDIVIDUAL REPLACEMENT RESERVES</b>	<u>2022/23 Rate Study Annual Funding</u>
<u>Equipment &amp; Technology Replacement Reserve Account – Provides for regular replacement of vehicles, heavy equipment and computers, software and peripherals, office equipment and SCADA (Supervisory Control and Data Acquisition computerized monitoring system) with a cost of at least \$1,000. Target funding level is \$600,000. In 2018, approximately \$1.7M in vehicles/equipment was acquired associated with the CIRP pipeline replacement program. In order to fund replacement of this equipment after its ten- year life, the District increased annual funding of the Equipment &amp; Technology Replacement Reserve Account by approximately \$170,000 per year.</u>	<u>2023 – 2027</u> <u>\$375,000</u>
<u>Meter Replacement Reserve Account – Targets replacement of water meters approximately every 20 years. A multi-year meter replacement project was scheduled to begin in fiscal year 18/19, and end in fiscal 22/23 at cost of \$2,000,000. Delays in obtaining inventory and COVID delays have extended anticipated completion of this program to fiscal year 25/26 or beyond. Subsequently, the annual funding should decrease so that the meter replacement fund achieves the appropriate balance after 20 years, (based on an updated estimated future replacement cost apportioned over 20 years), to provide funding for the subsequent meter replacement cycle. By default, any funds remaining in the Meter Replacement Reserve Account after meter replacement is complete will be remain in place for the next cycle of meter replacements. However, the Board of Directors may also make a determination to transfer any remaining funding to the Capital Reserve.</u>	<u>2023 – 2027</u> <u>\$185,000</u>
<u>Studies &amp; Reports Replacement Account – Funding for periodic updates to studies and reports such as the Urban Water Management Plan, Rate</u>	<u>2023 – 2027</u> <u>\$200,000</u>



Studies, Compensation Studies, Water Master Plan. JBWD spends over \$200,000 per year on average for such studies and reports, many unfunded State mandates. Target funding level is \$300,000.

Investment earnings from all Unrestricted Reserves - Will be credited to the General Fund.

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### 9.01.05 PROCEDURES

Policy Review - The Reserve Policy and its funding levels shall be reviewed every year, prior to the adoption of the budget prior to or in concurrence with the development of each new rate study at a minimum.

Utilization of Reserves for Cash Flow Purposes - The Cash Flow and Operating Reserves may be used at any time to meet cash flow requirements of JBWD operations, as authorized by the Director of Finance~~Assistant General Manager /Controller~~. Authority to use the funds will be consistent with all of the JBWD's financial policies.

Reserves for Debt service (CMM) or Consumer/Project deposits - These reserves are used throughout the year to meet scheduled debt obligations or refund unused deposits to customers upon account closing/project completion. In the interest of operational efficiency and due to the set nature of these transactions, such reserve use may be authorized by the Director of Finance.

Use of the Emergency Capital Replacement Reserves can be authorized by the General Manager per Article 4.04.07 of the Administrative Code.

Use of CIP Reserves and the various Individual Replacement Reserves must be authorized through the budget approval process but may occur at other times.

Capital Reserve and the various Individual Replacement Reserves - Authorized by the Board through the budget approval process, wherein intended reserve use is identified, but such authorization may also occur at other times. Budget approval shall be considered as approval to transfer related reserve funds for the actual incurred project cost, not to exceed the authorized budget, without further Board approval. A final accounting of reserve transfers will be provided to the Board of Directors on at least an annual basis. Whenever possible, transfer of reserves should occur annually (if an annual program like meter replacement), upon project completion, or no sooner than upon incurring at least 50% of project costs if a multi-year project.

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Reallocation of Funds - The Board shall approve any reallocation of funds, transfers among reserve funds, or action that is inconsistent with this policy.

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**9.01.06 SUMMARY** - The Reserve Fund Policy states that designated reserves will be maintained to allow for funding of the JBWD's operating, capital and debt service obligations, as well as funding for unforeseen events. Reserves will be established, replenished, and used only in a manner, which allows the JBWD to fund costs consistent with the Capital Improvement Plan, Financial Plan, and Rate Study, and other Board adopted actions. The JBWD's Reserve Fund Policy shall be periodically reviewed and adjusted-revised to meet the needs of the JBWD in concurrence with each new rate study at a minimum.

Finance Committee review date 08/14/19  
Review and amended date 08/21/2019