

JOSHUA BASIN WATER DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING MINUTES
WEDNESDAY, JUNE 29, 2022

CALL TO ORDER/PLEDGE OF ALLEGIANCE – President Floen called the special meeting to order at 2:00 p.m.

DETERMINATION OF A QUORUM – All Directors are present.

STAFF PRESENT –Sarah Johnson, General Manager, Anne Roman, Director of Finance, Autumn Rich, Accounting Supervisor, Steve Corbin, Production Supervisor, Jeremiah Nazario, Distribution Supervisor, Brandon Warner, CIRP Supervisor, Lisa Thompson, Lead C/S Rep., and Beverly Krushat, Executive Assistant, are in attendance.

CONSULTANTS PRESENT – Kathleen Radnich, Public Information Consultant, Jeff Hoskinson, Legal Counsel, and Auditors from Fedak & Brown, LLP - Andy Beck, Partner/Engagement Partner, Jeff Palmer, Supervisor, and Christopher Brown, Partner.

APPROVAL OF AGENDA –

MSC¹ (Jarlsberg/Doolittle) 4/0/0 motion carried to approve the agenda.

Ayes: Delph, Doolittle, Floen, and Jarlsberg

Noes: None

Absent: None

PUBLIC COMMENT – None

STATE OF EMERGENCY FINDINGS– The Board of Directors renewed its findings outlined in Resolution No. 21-1035 for an additional 30 days.

MSC¹ (Delph/Doolittle) 4/0/0 motion carried to renew the State of Emergency findings for another 30 days.

Ayes: Delph, Doolittle, Floen, and Jarlsberg

Noes: None

Absent: None

PUBLIC HEARING AND CONSIDERATION OF RESOLUTION NO. 22-1042 ADOPTING NEW MANDATORY WATER CONSERVATION MEASURES – GM Sarah Johnson gave the staff report and President Floen then opened the public hearing and asked Board members for their questions then asked for public comments (there were none). After a brief Q&A period with Board members, the public hearing was closed.

MSC¹ (Jarlsberg/Delph) 4/0/0 motion carried to adopt Resolution No. 22-1042 adopting new mandatory conservation measures.

Ayes: Delph, Doolittle, Floen, and Jarlsberg

Noes: None

Absent: None

PUBLIC HEARING TO CONSIDER THE WATER AVAILABILITY (STANDBY) CHARGES FOR FISCAL YEAR 22/23 AND AUTHORIZING COLLECTION BY SAN BERNARDINO COUNTY- Director Anne Roman stated that the Annual Standby Public Hearing is a legal requirement, necessary each year regardless of whether there is a rate change. The proposed rates are unchanged since 1996 and are authorized by the Uniform Standby Charge Procedures Act (Government Code 54984 et seq.). Although no change to the Standby charges is proposed, the District is legally required to advertise and hold a public hearing and adopt a resolution setting the rates annually. After Director Roman gave the staff report, President Floen opened the public hearing. After a brief Q&A period the Board approved and authorized collection of the Standby charges by San Bernardino County.

MSC¹ (Delph/Doolittle) 4/0/0 motion carried to approve and authorized collection of Standby Charges by San Bernardino County.

Ayes: Delph, Doolittle, Floen, and Jarlsberg
Noes: None
Absent: None

2020/2021 AUDITED FINANCIAL STATEMENTS – Director Anne Roman gave the staff report and introduced the Auditors of Fedak & Brown, LLP– Below is an overview of financial matters:

- **Net position increased** by 6.32% or \$2,383,046 to \$40,094,861, mostly related to increased water revenues from increased consumption, scheduled rate increases, and capital contributions from development activities.
 - Net position is “one way to measure the District’s financial health, or *financial position*. Over time, *increases or decreases* in the District’s net position are one indicator of whether its *financial health* is improving or deteriorating”. In this case, the net position is increasing or improving.
- **Total Revenues increased** by 16.03% or \$1,224,833, mainly due to increased consumption, scheduled rate increases, and capital contributions from development activities. **Capital contributions increased** by 60.97% or \$310,779. Capital contributions are primarily restricted.
- **Total Expenses increased** by 4.29% or \$300,794 due to increases in water recharge costs, offset by decreases in customer service costs, general and administrative costs, and distribution costs.
- **Total Assets increased** by 5.2% or \$2,314,930 to \$46,804,567 due to increases in restricted and unrestricted cash and cash equivalents, increased CIRP inventory, and Accounts Receivable increases due to the COVID shutoff moratorium.
- **Capital Assets increased** by 1.3% or \$389,628 mainly driven by the completion of the Saddleback Mainline project.
- **Total Liabilities decreased** by 0.8% or \$57,972 as a result of routine pay downs of bonds and notes, offset by an *increase* in net pension liability and customer deposits.

MSC¹ (Doolittle/Delph) 4/0/0 motion carried to accept and file the 2020/2021 Financial Report from Fedak & Brown, LLP.

Ayes: Delph, Doolittle, Floen, and Jarlsberg
Noes: None
Absent: None

CLOSED SESSION – At approximately 6:38 p.m. the Board adjourned to a closed session.

RETURN TO OPEN SESSION: The Board of Directors returned to Open Session at approximately 6:51 p.m. and reported that the Board met in Closed Session relative to real property negotiations. With respect to Item 13, the Board, by a unanimous roll-call vote of all its members, with all members present, approved a purchase of APN 0603-231-14-0000, though an agreement has not yet been signed or approved by the other party. Accordingly, details of the transaction will be released on request once the agreement is fully executed, and copies of such agreement will be made available on request at such time.

ADJOURNMENT – The Board of Directors adjourned at 6:53 p.m.

Respectfully submitted,



Sarah Johnson, General Manager & Board Secretary