

JOSHUA BASIN WATER DISTRICT
BOARD OF DIRECTORS MEETING
MEETING MINUTES
OCTOBER 18, 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, Interim Director of Operations, Jeremiah Nazario, General Manager, Sarah Johnson, Executive Assistant, Lisa Thompson, Accounting Supervisor, Autumn Rich

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 with changing agenda item 8 Closed Session to agenda item 9.
4. PUBLIC COMMENT – None.
5. CONSENT CALENDAR –
 - A. DRAFT MINUTES – 09.20.23
 - B. DRAFT MINUTES – 10.04.23
 - C. SALARY SCHEDULE1st – Fick
2nd – Doolittle
5/0/0 motion carried to approve the draft 09.20.23, 10.04.23 minutes, and salary schedule.
6. ITEM(S) PULLED FROM CONSENT CALENDAR FOR DISCUSSION – Vice President Doolittle and Director Jarlsberg asked to pull items from August 2023 check register. Doolittle pulled page 11 - Colonial EE Life Insurance and Calpers Additional Discretionary ER Contribution. Jarlsberg pulled page 11 - City National Bank, page 13 - RDO Equipment, page 14 - Toyota truck purchase.
 - 1st – Jarlsberg
 - 2nd – Doolittle5/0/0 motion carried to approve the August 2023 check register.
7. PRESENTATIONS
For informational purposes only on subjects not covered by the agenda. No action is to be taken.
 - A. PUBLIC OUTREACH REPORT
Public Outreach Consultant, Kathleen Radnich reported the following:
 - Constant Contact revealed 52% opening rate with the monthly newsletter.

- The 9/30/23 Sandbagging Event took place. Radnich shared that the Fire Department showed up and then quickly drove off for an emergency but did not say anything. Radnich proceeded with the sandbagging presentation and thanked President Floen for helping out. Radnich mentioned that the Fire Department came back towards the end of the event and were very helpful. The Sandbagging turned out to be a great event.
- The Winterizing class sponsored by MWA Mojave Desert will be on November 9th at 6:00pm. The class will be held virtually.
- The Plant sale will be on March 24, 2024. The Joshua Tree National Park is in the process of a five-year contract for the plant sale.
- Radnich mentioned that the Citizens Advisory Council (CAC) meeting is in November 13th and we are actively recruiting CAC members.
- District tours are coming up on February 22 and 29, 2024.
- Radnich shared that usually she has a booth and participates with the local Great Shake Out event, but some of the organizations involved could not get it together on time. Radnich reminded everyone to always be prepared.
- A customer from Quail Village Apartments left a phone message for Radnich to compliment district field staff on their friendliness to the public.

B. LAIF PERFORMANCE REPORT

Director of Finance, Anne Roman gave her presentation on the LAIF Performance Report to the board. Roman explained in detail the LAIF Performance investment interest rates and interest earned from the first to final quarters. Roman provided the LAIF quarterly interest allocation chart analysis for fiscal year ending 6/30/23. Roman mentioned that her staff report has the LAIF Statutes on the California Treasure's website, for additional information on questions about the security of the investment.

C. CAPACITY FEE REPORT FOR FISCAL YEAR ENDING 06/30/2023

Director of Finance, Anne Roman, gave her presentation on the Capacity Fee report for fiscal year ending 06/30/23 to the board. Roman explained that the capacity fee is a one-time development charge for connection to the water system when a customer purchases a new meter or meter upgrade. The capacity charge is used to fund capital improvements within the district's infrastructure. Roman explained in detail the water capacity fund balance increase from new meter sales and upgrades and interest earned for fiscal year 2022 to 2023. The unrestricted water capacity charges of \$395,166 were used to reimburse 38% of the district's Tilford Phase I project. Roman explained that there was a fund balance increase with the wastewater capacity fund with new meter sales and upgrades for fiscal year 2022-2023. Roman mentioned that Hi Desert Medical Center has a wastewater treatment plant, and they pay a note and interest to the district. Roman provided charts containing the annual reports of historical meter sales and capacity collections.

D. CMM ASSESSMENT DISTRICT ANNUAL REPORT

Director of Finance, Anne Roman, gave her presentation on the Copper Mountain Mesa Assessment District Annual report to the board. Roman discussed in detail the purpose of the CMMA including 1996 Limited Obligation Improvement Bond, status, collections, delinquencies, annual reports, continuing disclosure annual report, and bond call. Roman mentioned that there are comments about the delinquency rate being high in the assessment district. Roman explained that the interest rate starts out high in the first few years. After five years, the County begins a tax sale process, and the

delinquency rates quickly fall. Roman noted that an analysis showed that there was an 86% decrease of the delinquency rate over the last 10 years after the County tax sale process. Roman mentioned that the last time we did a CMM Bond Call was about 10 years ago, and expect to do a future bond call within the next 10 years. Roman mentioned that the district worked with NBS to administer any administrative costs with the assessments. NBS issues the annual CMMAD report, Continuing Disclosure report, and initiated the bond call. Roman noted that there is the full version of the CMM reports on our website.

8. REPORTS AND COMMENTS

A. DIRECTOR REPORTS AND COMMENTS -

PRESIDENT FLOEN –

- Reports – Attended the Finance Committee on October 11th.
- Comments – None.

VICE PRESIDENT DOOLITTLE-

- Reports – Attended the Mojave Water Agency (MWA) tour in Apple Valley on November 11th.
- Comments – Doolittle shared that on the MWA tour she got to see a hydroelectric plant, recharge areas, Mojave pipeline and aqueducts. Doolittle learned that the Mojave river flows north, Morongo Basin pipeline is boosted on Hwy 247 on Pony Rd in Johnson Valley to Warren Vista. Doolittle found the MWA Tour interesting and a nice event.

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DIRECTOR JARLSBERG-

- Reports – None
- Comments – Jarlsberg was disappointed that she could not go on MWA tour. Jarlsberg mentioned that the board information is out of date in the local newspaper, listing Rebecca Unger as a board member. Jarlsberg had a difficult time finding the YouTube meeting videos on the website. Jarlsberg suggested making an announcement on website to direct where videos are located. Jarlsberg appreciated the improvements to the website.

DIRECTOR SHORT-

- Reports – None
- Comments – Short mentioned that the MWA board meeting was cancelled.

DIRECTOR FICK-

- Reports – Attended the Finance Committee on October 11th.
- Comments – Fick mentioned that the MWA board meeting was cancelled.

B. GENERAL MANAGERS REPORT –

General Manager, Sarah Johnson reported on the following:

- Johnson mentioned that there is a new facelift of the agenda. We added the Presentations section to the agenda, that is for reports that are for information only and no action taken. A Project List will be added to the agenda in the future for any projects approved in the budget that are in progress.

- It was discussed at the Finance Committee last week to extend the time of the meeting to two hours. Extending the Finance Committee will allow more time to go over discussion items, without feeling rushed. The start time for the WRO Committee will be at 11:00am instead of 10:30am.
- The new website in process and forthcoming. Many hours are being spent on getting the new website ready.
- President Floen, Interim Director of Operations, Jeremiah Nazario, and Johnson attended MWA's Masterplan Workshop at Hi Desert Water District.
- Johnson is working with Director of Administration, David Shook with a Customer Service report update to bring to the board next year.
- Johnson shared that we have taken approximately 568 acre feet of recharge water from MWA during this fiscal year.
- Johnson and Nazario attended Morongo Basin Pipeline Commission at Hi Desert Water District.
- Johnson invited USGS to come out to do a 5-year sampling. Johnson and Nazario met with USGS and learned that there was a report in the past that was never published.
- Johnson gave a special thank you to the Director of Finance, Anne Roman for all her hard work and in-depth financial presentations. Johnson also praised Roman for her calm demeanor throughout the presentations.
- The Tilford 2 project is complete.

Director of Finance, Anne Roman reported the following:

- A payroll audit was conducted by CPA Cindy Byerrum with Eide Bailly. Roman mentioned that the district had never undergone a dedicated payroll audit, and recent payroll audit was voluntary. Roman pointed out that there are numerous pay and deductions codes in payroll which are very complex. Byerrum complimented Finance for the minimal number of findings and that everything was clean and easy to follow. It was recommended during the payroll audit to add the vehicle taxation, and small check box on W2 for payroll was missed which was a result of transferring from one payroll company to another but has been corrected. The district is in the process of switching back to Paychex from Paylocity. Roman was glad to report that the payroll audit went very well and provided the district with some assurance.
- In July 2022, the district put in a request to purchase a Pettibone with Apex. The vendor requested a copy of a check for shipping purposes, then electronically altered and cashed the check. Finance discovered the fraudulent activity and reported it to the bank. Luckily, the fraudulent check was caught on time and US Bank returned the funds. The district learned from the incident and implemented Payee Positive with US Bank, in which the name on the check is always verified before the check is cashed. Additional vendor validation processes were also implemented.

9. ADJOURNED TO CLOSED SESSION AT 7:29pm - Conference with Legal Counsel – Anticipated Litigation (Govt. Code §54956.9(d)(4)) – 1 case

RETURNED TO OPEN SESSION AT 7:44pm - We reported out of closed session that the Board met in closed session re Item 202306-20925508, and by unanimous vote rejected the claim of Cari McCormick and directed the General Manager to provide statutory notice.

10. ADJOURNMENT

1st – Short

2nd – Doolittle

President Floen called the board to adjourn at 7:44 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'S. Johnson', written in a cursive style.

Sarah Johnson, General Manager & Board Secretary






Draft Minutes 10.18..23

Final Audit Report

2023-12-12

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Status:	Signed
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"Draft Minutes 10.18..23" History

-  Document created by LISA THOMPSON (lthompson@jbwd.com)
2023-12-12 - 3:46:16 PM GMT
-  Document emailed to Sarah Johnson (sjohnson@jbwd.com) for signature
2023-12-12 - 3:46:30 PM GMT
-  Email viewed by Sarah Johnson (sjohnson@jbwd.com)
2023-12-12 - 4:16:13 PM GMT
-  Document e-signed by Sarah Johnson (sjohnson@jbwd.com)
Signature Date: 2023-12-12 - 4:16:46 PM GMT - Time Source: server
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2023-12-12 - 4:16:46 PM GMT