

JOSHUA BASIN WATER DISTRICT
Minutes of the
REGULAR MEETING OF THE CITIZENS ADVISORY COMMITTEE
January 9, 2018

1. CALL TO ORDER 6:00 p.m.
2. PLEDGE OF ALLEGIANCE
3. DETERMINATION OF QUORUM:

Jeff Dongvillo	Present
Tom Kayne	Present
Shari Long	Present
Karen Morton	Absent
Karyn Sernka	Present
Karen Tracy	Present

STAFF PRESENT: Curt Sauer, General Manager
Susan Greer, Assistant General Manager

CONSULTANTS: Kathleen Radnich, Public Information & Outreach

GUESTS: 1
4. APPROVAL OF AGENDA

MSC /Dongvillo/Tracy 5/0/1 to approve the Agenda of the Regular Meeting of the CAC for January 9, 2018.
5. PUBLIC COMMENT –
There was no public comment.
6. CONSENT CALENDAR
 - A. Special Meeting “Rate Workshop” Draft Minutes – December 6, 2017

MSC Kayne/Tracy 5/0/1 to approve the draft minutes of Special Meeting “Rate Workshop” on December 6, 2017.
7. RESERVE FUNDS DISCUSSION
 - S. Long opened the discussion by requesting to know what our total in reserve funds was.
AGM Greer confirmed it was 9 million.
 - S. Long asked how the funds were divided, what percentages, and what categories.
GM Sauer explained the difference between Restricted Funds vs. Unrestricted Funds, and what was required by law.
AGM Greer explained how the current “Opportunity Fund” levels were set: they just “evolved,” but never due to set policy. She reported that Staff was recommending 2 million in the Reserve Fund in the event of a major disaster.
 - G. Austin questioned if 2 million was enough in the event of a major disaster.
AGM Greer clarified funds from other unrestricted accounts could be moved to use in a disaster. She shared that they are kept in safe holding with LAIF (the State’s Local Agency Investment Fund) and easy to access.

GM Sauer noted that Alex Handler (Rate Study Consultant) only recommended 1 million to be set aside for a Disaster Fund, but staff recommends 2 million.

K. Tracy asked if we had a CIP Emergency Fund—like when a mainline break unexpectedly.

AGM Greer responded, “no.”

GM Sauer then explained how they planned to fund the current needs for CIP projects.

AGM Greer added that after the budget audit was complete, Staff would have a better idea of what funds could be moved were to address the CIP.

AGM Greer explained why having reserves sitting in one “General Fund” was a bad idea.

S. Long expressed concern for the public’s perception that our 9 million reserves would appear as a “slush fund” —as it is not marked for specific needs.

AGM Greer reassured her that the Reserve Fund Policy that Staff is working on would address the total funds by specifying where the money would go.

GM Sauer noted that by doing this, it would allow for long-term planning, citing the meter replacement program as an example.

G. Austin inquired about the lifespan of a water meter.

GM Sauer and AGM Greer spoke about how our meters have a 15-year lifespan, and most all are now at 20+ years old, and under report, as they fail.

K. Tracy expressed concern over verbiage used to educate the public regarding the word, “Reserves.” A discussion followed, with suggestions, such as: “Already Spent Funds,” “Emergency Fallback Funds,” and others.

GM Sauer concluded that it was important to change how we explain it to the public, using simple, “what if” examples.

K. Tracy agreed, noting that the Prop 218 was “*tough to read.*”

J. Dongvillo felt the newsletter helps with clarification, and that it was important to help it relate to the public’s personal budget. Breaking costs down to pennies/gallon, for example.

K. Tracy requested we emphasize infrastructure repairs with our public communications and asked if we were considering a “Debt Financing Reserve Account” (per David Becker’s presentation on pg. 8 of 20) even though Alex Handler pointed out we don’t generate enough funds now for this.

AGM Greer responded that we were not looking at Debt Financing right now.

K. Tracy shared about postings she and G. Austin encountered/made on the JT Community Connection (closed) Facebook page. She noted that initially, people did not “get it,” but “they do now!” She also asked about having JBWD’s current debts explained for transparency.

AGM Greer explained about “I.D.s”—“Improvement Districts and the bonds affiliated with them over the years on tax bills. She recapped the discussion, noting that the CAC was requesting simpler terms with examples in a rewrite of the Reserve Policy proposed. All agreed, with K. Tracy suggesting she use a major earthquake disaster as a reference example.

8. TALKING POINTS RATE INCREASE

GM Sauer shared that the CIP has 40 different projects, but the talking points document only shows the top priorities (four.) He explained the span of the projects, to include the needs of engineering and possible bidding to outside contractors.

T. Kayne asked for the current cost of pipeline installation.

GM Sauer shared variations of the costs, depending on doing it in-house or via outside contractors (average \$100/ft.) and discussed the pros and cons of both.

GM Sauer and AGM Greer spoke on installing pipelines for “right now” vs., the cost of installation with anticipation of community growth. The latter is costing more with an explanation as to why.

K. Radnich noted that policy was set that “new development pays its way,” and that would mean the community should not be paying for “anticipated growth.”

GM Sauer and AGM Greer confirmed this was true.

The committee members then discussed the Rate Hearing meeting, scheduled for February 21, 2018, and encouraged supporters to come and talk in support of the proposed funding for improving the District.

GM Sauer explained the process for the public to object, as well as the process for the Hearing. He feels it will be important for the public to see results.

AGM Greer also clarified that our rates can always go down, but they cannot go up without this process.

GM Sauer also spoke about the coming “organizational assessment” that will help drive the results of the implementation of the rate increase.

J. Dongvillo inquired about who received a Prop 218.

AGM Greer answered that most account holders received their notice today.

9. DISCUSS FEE PORTION OF RATE/FEE STUDY

K. Tracy asked for an explanation of the costs related to “Fees” she was seeing, wondering how that works with the rate increase.

AGM Greer explained that they were not the general “water delivery service” charges, but specific charges for special services, materials provided, equipment or time given for ratepayer requests. She and GM Sauer gave numerous examples.

AGM Greer explained how we were losing money because our fees are not a reflection of what it costs JBWD to provide these services and that most had not been revisited for over 20 years.

T. Kayne asked if we could index our fees with inflation.

AGM Greer confirmed but that currently, we do not. She felt that would be a simple way to keep fees in line with rising costs in future years.

S. Long asked why this hadn’t been brought up during the Rate Study discussions.

GM Sauer and AGM Greer offered numerous examples of where our rates were not a true reflection of the costs they impose (Will Serve Letters, new meter installations, volume requests from realtors for water availability for vacant land parcels, etc.) The committee discussed the potential of instituting a “time and materials fee”—or something like that.

AGM Greer agreed but said that would take far more research and planning, and that was why it was not included in the Rate Study discussions initially.

10. GENERAL MANAGER REPORT-

GM Sauer gave an update on Well 14. He shared that they will be opening bids shortly to start work to bring Well 14 back on line, hopefully within 90 days (start to finish.) This means it would be ready by summer. He shared that the first official "Snow Course" up in the Sierras revealed that the snow pack was only at 3% of the 10-year average. He opined that he would not be surprised, if this continues, to see the State reinstate drought mandates again.

AGM Greer shared that she believes most rate payers don't understand about lock-off fees, mostly because they pay on time and that only a segment of habitual customers drive that process of late payment notifications, turning meters off and on, etc., noting that it consumes much of Customer Service's time.

K. Tracy offered to share an article from Circle of Blue Today on "A World Preview of Not Ignoring Water Infrastructure."

11. CONFIRM DATE FOR NEXT CITIZENS ADVISORY COMMITTEE- March 13, 2018, at 6 p.m.

12. ADJOURNMENT:

MSC/Dongvillo/Kayne 5/0/1 to adjourn the January 9, 2018, Special Workshop Meeting of the Citizens Advisory Committee at 7:35 p.m.

Respectfully submitted,


Curt Sauer, GM and Board Secretary