

JOSHUA BASIN WATER DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING MINUTES
TUESDAY, AUGUST 21, 2018

CALL TO ORDER/PLEDGE OF ALLEGIANCE

President Luckman called the meeting to order at 6:30 p.m.

ROLL CALL

Directors Present – President Luckman, Vice President Johnson, Director Floen, Director Unger, Director Hund attended telephonically from 2443 Sierra Nevada Road, M-14, Mammoth Lakes, CA 93546

STAFF PRESENT

Curt Sauer, Susan Greer, AGM, Beverly Waszak, Executive Assistant

CONSULTANTS PRESENT - None

APPROVAL OF AGENDA

Director Floen made a motion to approve the Agenda. Director Unger seconded the motion.

MSC¹ 5/0/0) motion carried by the following vote:

Ayes: Floen, Hund, Johnson, Luckman, and Unger

Noes: None

Absent: None

Abstain: None

PUBLIC COMMENT – None

CONSENT CALENDAR

- Draft Minutes of August 15, 2018, Special Meeting of the Board of Directors

MSC¹ 5/0/0) motion carried by the following vote:

Ayes: Floen, Hund, Johnson, Luckman, and Unger

Noes: None

Absent: None

Abstain: Hund

RESOLUTION NO. 18-991 AUTHORIZING THE EXECUTION AND DELIVERY BY THE DISTRICT OF INSTALMENT SALE AGREEMENT #18-012 (\$3,010,000.00 LOAN AGREEMENT). Recommend that the Board approve Resolution No. 18-991. AGM Greer began the discussion of the \$3,010,000 Loan Agreement and led a Q&A period with the Board.

PUBLIC COMMENT – Steven Whitman, Joshua Tree reviewed the packet but questioned what the big picture is. He complimented the Board on being the best Board the District has ever had and highly respects all of them. However, he feels that none will be able to comprehend the long, complicated, and tightly written contract that is purely for the advantage of MUNI and Citi Corp. An example of this is the page right before Exhibit A there is a paragraph that says Indemnification Clause; this means that if there is any conflict with this contract JBWD gets to pay no one else. Secondly, how can any person on this Board approve this contract without the understanding of this contract?

PUBLIC COMMENT – Closed

President Luckman called for a vote to recommend that the Board approve Resolution No. 18-991. MSC¹ 4/0/1) motion carried by the following vote:

Ayes: Floen, Hund, Luckman, and Unger
Noes: Johnson
Absent: None
Abstain: None

DIRECTOR COMMENTS –

Director Unger asked Vice President Johnson that he voted against raising the rates and the loan but not on the Capital Improvement Project. She asked if he thought they could still get the CIP done without raising rates.

Vice President Johnson responded that yes, he did vote against both of these, but he does think there is a way to levy the rate structure, so they are not as steep as they have been initiated. Over the long haul, it can still accomplish the same thing.

Director Unger responded by asking not a 40%, 18%, but a 7% increase.

Vice President Johnson stated that we were already on track with the 7% increase and maybe bump it up.

Director Unger stated that it was just maintaining the District and barely keeping up with inflation and it certainly was not going to do Saddleback, shop and just barely kept us chugging along at bare maintenance. She thanked the ratepayers again for trusting us with the rate increases and please know that this loan will be handled carefully and contentiously. We have an incredible field crew and a great staff here at the District. It is also important to have a dissenting voice on the Board and dissenting voices in the audience.

Vice President Johnson thanked AGM Greer and GM Sauer for going above and beyond and have answered questions for us. He agrees with Mr. Whitman that this document is more than intense and we are just trying to stay faithful to the ratepayer. He appreciates the Board even though he is the dissenting vote. We will move forward with great vigor with doing what we are doing but thinks caution is always something that one needs to put out there.

Director Hund thanked the staff and notably AGM Greer for the excellent summaries she provided to the Board. He also thanked AGM Ban for the tremendous initiative in getting things started. He went on to say that, he knows it wasn't easy and some have angst about these decisions, but very soon, there will be some concrete improvements to our District's Infrastructure and the much-needed replacement of pipeline.

Director Floen stated that he could not wait to see the new equipment, pipe in the ground, and anything else that is listed in Exhibit A. Director Floen commented that he considers Mr. Steve Whitman a genius and considers him a friend, and he spends 5 hours every Saturday with him, and very much appreciates his advice on things and is always straightforward. Vice President Johnson has a sensitivity for people in the community who are financially challenged; he exhibits this frequently and is very happy that he does this.

President Luckman commented that she has never been prouder of the Board, and has several times this year that she has been proud. She thinks this Board is exceptional; the Board takes their responsibilities very seriously and is very conscious of the responsibilities that the public has entrusted to the Board by the community. It is always fun working with the Board, and the staff is magnificent.

ADJOURNMENT – Director Floen made a motion to adjourn at 6:28 p.m. Director Unger seconded.

MSC¹ (Unger/Floen) motion carried.

Respectfully Submitted,


Curt Sauer, GM and Board Secretary