

**President**  
Tom Floen

**VP**  
Stacy Doolittle

**Directors**  
Jane Jarlsberg  
Tomas Short  
David Fick

**General  
Manager**  
Sarah Johnson

**Legal Counsel**  
Jeff Hoskinson



## **SPECIAL MEETING AGENDA OF THE BOARD OF DIRECTORS**

**Monday, December 8, 2025 at 9:00 a.m.**

MEETINGS ARE HELD IN PERSON AT 61750 CHOLLITA RD., JOSHUA TREE, CA 92252

REMOTE ACCESS IS AVAILABLE FOR THE CONVENIENCE OF THE PUBLIC

CLICK TO JOIN VIRTUALLY: [ZOOM LINK](#)

CALL TO JOIN BY PHONE: (669) 444-9171

MEETING ID: 872 8707 9239

PASSCODE: 61750

### **MISSION, VISION, AND VALUES**

#### **Mission Statement**

To provide, protect, and maintain Joshua Tree's water - our vital community resource.

#### **Vision Statement**

To achieve excellence in all District endeavors.

#### **Values**

The community of Joshua Tree has entrusted the Board of Directors and employees of Joshua Basin Water District with its most valuable natural resource, its groundwater. As stewards of the community water supply, we oversee this critical natural resource to ensure current and future water reliability. Dedicated to this purpose, we embrace these important values:

- **Integrity** – To consistently earn our customers' trust by prioritizing the needs of the community... doing the right thing for the right reason.
- **Transparency** – To openly and honestly share information about our operations with the public.
- **Respect** – To treat the residents of Joshua Tree, and all those contacted in the course of business, with high esteem and regard.
- **Fiscal Responsibility** – To manage all resources as if they were our own, whether revenues, assets, or water supply, in a conscientious and appropriate manner.
- **Accountability** – To take responsibility for our decisions and actions in managing this essential resource.

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

### **2. DETERMINATION OF A QUORUM**

Consideration of Board Member requests for remote participation.

### **3. APPROVAL OF AGENDA**

### **4. PUBLIC COMMENT**

This designated time is for members of the public to provide comments on any District related matter, whether appearing on the agenda or not. Under the provisions of the Brown Act, the Board is prohibited from taking action on items not listed on the agenda. At the discretion of the Board President, comments on a particular agenda item may be deferred until that item is heard. Please state your name and limit your comments to 3 minutes.

**5. CONSENT CALENDAR**

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

Pg. 4-8

**A. DRAFT MINUTES – 11.19.25**

**6. ITEM(S) PULLED FROM CONSENT CALENDAR FOR DISCUSSION**

**7. DISCUSSION/ACTION CALENDAR**

Pg. N/A

**A. LEGISLATIVE TRIP SELECTION**

PRESENTED BY: GENERAL MANAGER, SARAH JOHNSON

RECOMMENDED ACTION: DETERMINE THE DISTRICT’S BOARD REPRESENTATIVES FOR THE UPCOMING LEGISLATIVE TRIPS—TENTATIVELY SCHEDULED FOR:

- WASHINGTON, D.C. ON FEBRUARY 24–26, 2026.
- SACRAMENTO ON MARCH 9–11, 2026.

Pg. 9

**B. WORKSHOP ON TRANSLATING THE STRATEGIC PLAN INTO THE ANNUAL BUSINESS PLAN**

PRESENTED BY: GENERAL MANAGER, SARAH JOHNSON

RECOMMENDED ACTION: RECEIVE AND PROVIDE DIRECTION TO STAFF REGARDING THE DEVELOPMENT OF THE ANNUAL BUSINESS PLAN

Pg. 10-24

**C. RESERVE FUND POLICY REVIEW/UPDATE**

PRESENTED BY: DIRECTOR OF FINANCE, ANNE ROMAN

RECOMMENDED ACTION: REVIEW, PROVIDE RECOMMENDATIONS, AND APPROVE AS PART OF ADMINISTRATION CODE UPDATE OR DIRECT TO BRING BACK CLEAN, FINAL COPY FOR APPROVAL.

**8. REPORTS AND COMMENTS**

For informational purposes only on subjects not covered by the agenda. The opinions of individual directors are not necessarily the opinions of the board or district staff. No action is to be taken. The Board may provide staff with requests for future agenda items. Director requests are located on pages following the agenda.

- A. DIRECTORS REPORTS**
- B. GENERAL MANAGER REPORT**

**9. ADJOURNMENT**

CALENDAR REMINDER - FUTURE DIRECTOR MEETINGS	DATE	TIME	ATTENDEE(S)
MORONGO BASIN PIPELINE COMMISSION	12.10.25	10:00 AM	FLOEN
MWA – BOARD MEETING	12.11.25	9:30 AM	FICK
JBWD – BOARD MEETING	12.17.25	5:00 PM	ALL
JBWD – BOARD MEETING	01.07.26	5:00 PM	ALL

**MEETING INFORMATION**

The public is invited to comment on any item on the agenda during the discussion of that item.

Availability of agenda materials: Materials related to any item on this Agenda submitted to the District Board of Directors or Committee Members after distribution of the agenda packet are available for public inspection at the District’s office, 61750 Chollita Road, Joshua Tree, CA 92252, during normal business hours. All documents supporting this agenda are available on the District website [www.jbwd.com](http://www.jbwd.com), subject to the staff’s availability to post the documents before the meeting.

Reasonable Accommodation: Any person with a disability who requires accommodation to view the agenda or to participate in the public comment portion of the Board meeting, should direct such requests to Lisa Thompson, Executive Assistant, at 760-366-8438. Please allow three business days for your request to be processed. Requests must be received at least seventy-two (72) hours before the scheduled meeting.

Disruptive Conduct: If any meeting of the District is willfully disrupted by a person or by a group of persons so as to render the orderly conduct of the meeting impossible, a meeting may be recessed or the person or persons willfully disrupting the meeting may be ordered to leave the meeting. Disruptive conduct includes addressing the Board or Committee without first being recognized, not addressing the subject before the Board or Committee, repetitively addressing the same subject, failing to relinquish the podium when requested to do so, or otherwise preventing the Board or Committee from conducting its meeting in an orderly manner. Your cooperation is appreciated.

# MEETING MINUTES



## REGULAR MEETING OF THE BOARD OF DIRECTORS NOVEMBER 19, 2025, 5:00 pm

### AGENDA ITEMS

#### 1. CALL TO ORDER

President Floen called the meeting to order at 5:01 p.m.

#### 2. DETERMINATION OF A QUORUM & ATTENDANCE

**Board Members Present:** President Floen, Vice President Doolittle, Director Jarlsberg, Director Short, Director Fick

**Staff Present:** General Manager Johnson, Director of Finance Roman, Director of Administration Shook, Accounting Supervisor Rich, Executive Assistant Thompson

**Consultant(s) Present:** Legal Counsel, Jeff Hoskinson, Public Outreach Consultant, Kathleen Radnich, CPA, Jonathan Abadesco

**Citizens Advisory Council Member(s) Present:** David Carrillo

#### 3. APPROVAL OF THE AGENDA

Director Short made a motion to approve the agenda, seconded by Director Jarlsberg and approved by the following vote:

1 <sup>st</sup> / 2 <sup>nd</sup>	Short/Jarlsberg
Ayes:	Floen, Doolittle, Jarlsberg, Short, and Fick
Noes:	None
Abstain:	None
Absent:	None

#### 4. PUBLIC COMMENT – None

#### 5. CONSENT CALENDAR

Vice President Doolittle requested that the 11.05.25 draft minutes be pulled from the Consent Calendar to allow corrections to her comment.

##### A. ITEMS PULLED FROM CONSENT CALENDAR FOR DISCUSSION -

##### B. DRAFT MINUTES – 11.05.25

Director Jarlsberg made a motion to approve the 11.05.25 draft minutes, with an amendment to Vice President Doolittle’s director comment to say: “private cloud drive”, seconded by Director Short and approved by the following vote:

1 <sup>st</sup> / 2 <sup>nd</sup>	Jarlsberg/Short
Ayes:	Floen, Doolittle, Jarlsberg, Short, and Fick

Noes: None  
Abstain: None  
Absent: None

**6. DISCUSSION/ACTION CALENDAR**

**A. 2024/25 ANNUAL FINANCIAL REPORT (AKA “AUDIT”)**

PRESENTED BY: DIRECTOR OF FINANCE, ANNE ROMAN, INTRODUCING JONATHAN ABADESCO, CPA  
RECOMMENDED ACTION: REVIEW AND APPROVE

Director of Finance Anne Roman presented the 2024/25 Annual Financial Report and noted that the audit required only minimal adjustments. Roman introduced Jonathan Abadesco, CPA, from CJ Brown & Company, who provided an overview of the audit process, audit requirements, the auditor’s report, the management report, and key financial highlights.

Abadesco reported that the District received an unmodified (clean) opinion with no material weaknesses or significant discrepancies, its third consecutive year without findings. Abadesco also highlighted an increase in the District’s net position, driven by higher water sales and scheduled rate adjustments. Abadesco concluded by commending General Manager Johnson and Director of Finance Roman for their exceptional work.

Roman thanked the Finance Department for their preparation and support throughout the audit process and also expressed her appreciation to the Board. Johnson acknowledged the team’s efforts as well, noting that this marks the District’s third consecutive clean audit and thanking both the Finance Department and the Board for their continued support.

Director Vice President Doolittle made a motion to approve the 2024/25 Annual Financial Report (Aka “Audit”), and seconded by Director Jarlsberg

1<sup>st</sup> /2<sup>nd</sup> Doolittle/Jarlsberg  
Ayes: Floen, Doolittle, Jarlsberg Short, and Fick  
Noes: None  
Abstain: None  
Absent: None

**B. PRELIMINARY DISCUSSIONS REGARDING POTENTIAL SEPTIC-TO-SEWER PROJECT IN JOSHUA TREE**

PRESENTED BY: GENERAL MANAGER, SARAH JOHNSON

RECOMMENDED ACTION: FOR INFORMATIONAL PURPOSES ONLY. NO ACTION IS TO BE TAKEN.

General Manager, Sarah Johnson, presented the Preliminary Discussions Regarding Potential Septic-to-Sewer in Joshua Tree. Johnson explained that San Bernardino County has received some inquiries from residents seeking sewer service and, as a result, approached Joshua Basin Water District to begin very early, exploratory conversations about the feasibility of a future project.

Johnson emphasized that these discussions are conceptual only. There are no plans, commitments, or formal proposals at this stage. Johnson summarized the County’s initial interest, possible funding pathways, and very preliminary conceptual boundary ideas.

Vice President Doolittle shared findings from her own research, including information on potential funding requests and anticipated challenges. The Board discussed potential funding sources such as federal dollars and grants, noting that engineering studies and community engagement would be essential in the future.

Johnson reiterated that this effort remains in the earliest exploratory phase and that staff will continue to monitor the County's progress in pursuing funding and remain engaged in ongoing conversations.

C. PRESENTATION AND DISCUSSION RELATIVE TO SENATE BILL (SB) 707 (2025) BROWN ACT MODIFICATIONS  
PRESENTED BY: GENERAL COUNSEL, JEFF HOSKINSON  
RECOMMENDED ACTION: INFORMATION AND DISCUSSION FOR POTENTIAL FUTURE ACTION.

General Counsel Jeff Hoskinson presented an overview of Senate Bill 707 and its 2025 updates to the Brown Act. He explained that while many of the new provisions primarily affect larger agencies, all board members are now required to receive a copy of the Brown Act statutes.

Hoskinson reviewed several key changes, including the permanent adoption of social media restrictions for board members, expanded definitions of "eligible legislative body," and new requirements for public outreach, language accessibility, and participation from underrepresented communities. He noted that these requirements are optional for smaller districts like JBWD but may be implemented if the Board chooses.

Hoskinson also covered updated teleconferencing rules, including options for remote participation by board members with disabilities, new quorum requirements, and revised procedures for emergencies and "just cause" remote attendance. He clarified that at least three board members must be physically present at the meeting location to form a quorum, and that minutes must reflect when members participate remotely. Because JBWD already offers Zoom access for the public, he noted that many of the changes will have minimal operational impact.

Regarding social media, Hoskinson advised board members not to interact with each other's posts related to district business and not to "like" or otherwise engage with posts containing agendas. Interaction with official district posts is acceptable.

Hoskinson also explained new authority under SB707 that allows the removal or limitation of individuals who disrupt meetings, including those participating remotely. He suggested the Board may wish to consider adopting policies related to managing disruptions and offering translated agendas.

The Board discussed potential future steps, including allowing remote participation for advisory committee members and making agendas available in Spanish upon request.

## 7. REPORTS AND COMMENTS

### President Floen

- Floen noted that many people assume the District receives its water from the Colorado River, and he clarified that this is not the case. Floen explained that the District relies on local aquifers and recharge water delivered through the Morongo Basin Pipeline. Floen emphasized that the District has a strong and reliable water supply because it is well-managed, and he reiterated the District's responsibility to continue providing a secure supply to the community.

### Vice President Doolittle

- Doolittle inquired if President Floen would organize a legislative Ad Hoc meeting during this session.
- Doolittle asked where in the agenda the report listing the monthly board stipends could be found.
- Doolittle reported that she recently used Artificial Intelligence to estimate how long the District's water supply could meet the annual demand for approximately 6,000 people. The analysis showed the supply could last more than 1,000 years, far exceeding the 200-year estimate she had previously

understood. Doolittle noted that she was surprised by how much water the District actually has available.

- Doolittle attended Senator Rosilicie Ochoa Bogh's meeting at Copper Mountain College on November 6<sup>th</sup>.
- Doolittle reported that she attended the ACWA Region 9 event on November 13<sup>th</sup> and 14<sup>th</sup>. Doolittle noted that the presentations covered topics such as the Metropolitan Water District's water storage and statewide growth and population trends. Doolittle also asked one of the speakers how Artificial Intelligence might affect small districts and was told that A.I. is expected to significantly increase productivity, reduce workforce needs, and improve administrative efficiency. Doolittle added that she recently heard a news segment in which Nvidia's CEO suggested that, within the next ten years, working or having a job could become "optional." Additionally, Doolittle met with Assemblyman Jeff Gonzales' representative for Indio and with Beatrice Audrey, who works on the MWA water banking project in Victorville. Doolittle requested that Stantec provide a presentation to the District on this topic due to its significance and interest.
- Doolittle reported attending the November ASBCSD Membership meeting and dinner, describing it as very informative. A BBK attorney spoke about First Amendment audits, explaining that auditors can record in any public space without consent and may even follow employees to their cars. Doolittle advised that Customer Service staff be mindful of keeping sensitive information or images out of view to avoid them being recorded and shared online. Doolittle suggested that if approached by auditors, employees should remain bland and unengaging. Doolittle noted that District staff may want to review these precautions.

#### Director Jarlsberg

- Jarlsberg reported attending the November ASBCSD Membership meeting, where the discussion focused on First Amendment rights and guidelines for public and non-public areas. Jarlsberg noted that non-public spaces should be clearly designated and that posting signage is recommended. Jarlsberg also learned that employees should remain calm, boring, and brief if approached.
- Jarlsberg reported attending the ACWA Region 9 event on November 13<sup>th</sup> and 14<sup>th</sup> and found it very helpful, with informative presentations and useful resources. The first speaker, a former General Manager of the Metropolitan Water District, discussed the history of the water district in Los Angeles, including population growth and drought impacts. Another presentation focused on issues related to the Colorado River.
- Jarlsberg shared that recent meetings have been fascinating. Jarlsberg emphasized the importance of water in today's society and expressed that she is grateful to be part of the work, learning something new every day.

#### Director Short

- Short reported attending the MWA Board meeting on November 13<sup>th</sup>. The meeting included a presentation from Investment Advisors, who noted that the federal government remains concerned about inflation and tariffs and may make an upcoming rate decision to support the economy. Another item discussed was the authorization of payment to the Department of Fish & Wildlife for take permits related to Joshua trees.
- Short reported attending the ACWA Region 9 event on November 13<sup>th</sup> and 14<sup>th</sup>. Short shared that the main focus was the Colorado River, which is becoming increasingly unreliable as states continue to dispute water allocations. Other discussions regarding the Colorado River included surface storage options and the Delta Conveyance Project. Short noted that every water source in the state faces uncertainty and emphasized the importance of making the most of the resources we have.

#### Director Fick

- Fick reported attending the November ASBCSD Membership meeting and noted that the room was somewhat crowded and small. Fick mentioned that the discussion included First Amendment topics and provided clarification on the distinction between assault and threat.

- Fick attended a meeting with Senator Rosilicie Ochoa Bogh at Copper Mountain College on November 6<sup>th</sup>.

#### General Manager Report

Johnson reported on the following:

- Johnson reported attending Senator Rosilicie Ochoa Bogh's meeting at Copper Mountain College on November 6<sup>th</sup>, along with Vice President Doolittle, Director Jarlsberg, and Director Fick. Johnson noted that both Directors represented the District very well.
- Johnson reported that yesterday's Manager Meetups with Directors Fick and Short went very well and was very informative.
- Johnson reported that all staff participated in CPR and first aid training last Monday.
- Johnson reported that interviews were conducted the previous day. Johnson noted that one field employee serving on the interview panel arrived straight from repairing a leak and was still covered in mud. Johnson commented that this provided the candidate with an authentic representation of the type of work involved in the Maintenance I position.

#### **8. ADJOURNMENT**

On motion by Director Jarlsberg, seconded by Director Short, and approved by the Board, the meeting was adjourned at 8:08 pm.

Respectfully submitted,

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Sarah Johnson, General Manager & Board Secretary



<b>AGENDA ITEM NO:</b>	7B
<b>MEETING DATE:</b>	12.08.25

## Staff Report

<b>PRESENTED BY:</b>	SARAH JOHNSON, GENERAL MANAGER
<b>TOPIC:</b>	<b>WORKSHOP ON TRANSLATING THE STRATEGIC PLAN INTO THE ANNUAL BUSINESS PLAN</b>
<b>RECOMMENDATION:</b>	RECEIVE AND PROVIDE DIRECTION TO STAFF REGARDING THE DEVELOPMENT OF THE ANNUAL BUSINESS PLAN

### ANALYSIS

The District Board of Directors recently updated its Strategic Plan covering years 2025-2030. This plan is designed to create organizational focus, improve alignment, and establish clear direction, which is especially vital for a public agency with limited resources and significant community responsibilities.

The Strategic Plan is a Board-level document that defines long-term organizational goals. The Business Plan translates those goals into actionable steps for staff. Although the Business Plan is primarily an internal operational tool, the Board reviews it and provides guidance to ensure it remains aligned with the Strategic Plan.

Over the past several months, staff have developed the Annual Business Plan by breaking down the Strategic Plan’s high-level objectives into practical projects and tasks. During this time, staff have also begun making progress toward many of these objectives as the plan was being prepared. It is important to emphasize that many of the strategic objectives are in addition to the District’s daily operational responsibilities. Thoughtful planning is therefore essential to ensure these objectives can be achieved without overburdening staff or compromising critical ongoing work.

This workshop provides an opportunity to review and refine the Annual Business Plan, while ensuring each strategic objective is clearly defined. Following today’s discussion, the Annual Business Plan will be brought back to the Board each year alongside the annual fiscal year budget, supporting informed funding decisions and necessary adjustments. Staff will provide updates as projects move forward and will present a formal mid-year status report to monitor progress and recommend modifications when needed.

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### FISCAL IMPACT

N/A



<b>AGENDA ITEM NO:</b>	7C
<b>MEETING DATE:</b>	12.08.25

## Staff Report

<b>PRESENTED BY:</b>	Anne Roman, Director of Finance
<b>TOPIC:</b>	<b>RESERVE FUND POLICY REVIEW/UPDATE</b>
<b>RECOMMENDATION:</b>	Review, provide recommendations, and approve revisions to Article 9 of the Administration Code, as detailed in <b>Resolution No. 25-1081 Exhibit A.</b>

**BACKGROUND:** The District’s Reserve Fund Policy, Article 9 of the Administration Code, was initially adopted in 2018 via Resolution 18-895 and amended in 2019 by Resolution 19-1007. To the extent practical, this policy incorporates guidance from the 2013 CSDA’s Special District Reserve Guidelines (latest edition). These Guidelines can be viewed at [https://www.californiacityfinance.com/2013\\_csd\\_reserve\\_guidelines\\_special%20districts.pdf](https://www.californiacityfinance.com/2013_csd_reserve_guidelines_special%20districts.pdf)

Reserves are funded in one of two ways: 1) Explicitly included for funding in a Rate Study, with rates being set to accumulate such funding when all revenue and expense targets are met, or 2) Funding may be transferred from existing unrestricted reserve fund(s) to another upon Board approval.

**SUMMARY:** Several updates are being recommended to the Reserve Fund Policy for clarification. Policy has been reviewed by legal counsel.

**ANALYSIS:** The policy format has been simplified; thus, a redlined comparison with the old policy is not included. Please consider the following Staff recommended substantive changes to the Reserve Fund Policy, **highlighted** in the attached proposed policy:

<b>SECTION 9.01.01 CHANGES</b>
<ul style="list-style-type: none"> <li>Reference CSDA Special District Reserve Guidelines</li> </ul>
<b>SECTION 9.01.03 CHANGES</b>
<ul style="list-style-type: none"> <li>Added definitions for Individual Replacement Reserves, LAIF, CAMP, and Target Levels. Elaborate other definitions.</li> </ul>
<b>SECTION 9.01.05 CHANGES:</b>
<b>RESERVE FUND NAME and BALANCE AT 12/02/25 LISTED BELOW</b>
<b>OPERATING RESERVE - \$2,397,561</b>
<ul style="list-style-type: none"> <li>No proposed changes</li> </ul>
<b>CASH FLOW RESERVE - \$8,245,883</b>
<ul style="list-style-type: none"> <li>Add language to explain that this reserve will also accumulate any reserves not initially assigned to another fund.</li> </ul>
<b>EMERGENCY CAPITAL REPLACEMENT RESERVE - \$2,469,615</b>
<ul style="list-style-type: none"> <li>Increase target level from \$2 million (currently funded at \$2.469 million including interest earned) to \$3 million, with the difference of approximately \$540k to be transferred from Capital Reserve Account as funding becomes available.</li> </ul>

<ul style="list-style-type: none"> <li>• For reference, ACWA/JPIA earthquake coverage is limited at \$2.5 million per event, aggregate among all JPIA claimants. Excludes pipelines, meters, and well cavities.</li> <li>• Add language to further define usage as being for “major”/”catastrophic” events in excess of \$100k except when the Cash Flow Reserve and/or Capital Reserve is not sufficient. This will limit unnecessary fund transfers for costs that could be easily borne by the Cash Flow Reserve or Capital Reserve.</li> <li>• <i>No annual funding is incorporated in 2022/23 Rate Study.</i></li> </ul>
<p><b>CAPITAL RESERVE ACCOUNT - \$5,870,470</b></p> <ul style="list-style-type: none"> <li>• Add target level of \$3,750,000 to represent approximately 1.5 years of CIP funding <i>Annual funding of \$2 million plus CPI is incorporated in 2022/23 Rate Study.</i></li> </ul>
<p><b>NEW RESERVE PROPOSED:</b>  <b>CHROMIUM 6 and/or REGULATORY COMPLIANCE RESERVE - \$0</b></p> <ul style="list-style-type: none"> <li>• Add new reserve fund and transfer \$4 million in Cash Flow Reserve funds (majority of funds in excess of three months balance of \$2,397,561) in anticipation of significant Chromium 6 funding needed until other funding can be secured. Set Target Level of \$4 million.</li> </ul>
<p><b>BUILDING REPLACEMENT RESERVE - \$96,441</b></p> <ul style="list-style-type: none"> <li>• Target funding level of \$200k in policy was not sufficient.</li> <li>• <b>STAFF RECOMMENDS Option 1.</b></li> <li>• <i>Option 1)</i> Designate a more realistic annual funding amount in the next Rate Study. Staff would recommend \$400k per year, to achieve a target level of \$2.4 million over six years to serve as “starter funding.”</li> <li>• <i>Option 2)</i> Eliminate reserve fund and transfer \$96,440.80 to another reserve (Staff would recommend the Capital Reserve).</li> <li>• <i>No annual funding is incorporated in 2022/23 Rate Study.</i></li> </ul>
<p><b>EQUIPMENT, TECHNOLOGY &amp; FLEET REPLACEMENT RESERVE - \$670,476</b></p> <ul style="list-style-type: none"> <li>• Add “Fleet” to name for clarification of vehicle inclusion.</li> <li>• Reduce target funding to \$350k from the \$500k anticipated need at the time of the 2022/23 Rate Study projections. This would reflect the outsourcing of pipeline program and the potential for disposing rather than replacing specific pipeline-related equipment.</li> <li>• Change the limit for usage to \$5,000+ from \$1,000+. This will limit unnecessary fund transfers for costs that could be borne by the Cash Flow Reserve.</li> <li>• <i>Annual funding of \$375K plus CPI is incorporated in 2022/23 Rate Study.</i></li> </ul>
<p><b>METER REPLACEMENT RESERVE - \$671,540</b></p> <ul style="list-style-type: none"> <li>• <b>STAFF RECOMMENDS Combination of Options 1 and 2</b> - Use current reserve balance to fund a future AMI conversion project and retain any remaining balance for future meter replacement.</li> <li>• <i>Option 1)</i> Designate that any funds remaining upon completion remain in Meter Replacement Reserve to begin funding for next round of meter replacements. Continue 2022/23 Rate Study annual funding \$185k until a new rate study is performed, at which time funding needs of this reserve will be re-evaluated based on projected future replacement costs. Set target funding</li> </ul>

<p>of \$2,000,000 to be reached by the start of the next meter replacement cycle in approximately 2040.</p> <ul style="list-style-type: none"> <li>• <i>Option 2)</i> Use available funds for future AMI (Advanced Metering Infrastructure) meter conversion.</li> <li>• <i>Option 3)</i> Eliminate fund, transferring balance to other reserve, recommend Capital reserve.</li> <li>• <i>Annual funding of \$185k is included in 2022/23 Rate Study.</i></li> </ul>
<p><b>STUDIES AND REPORTS RESERVE - \$632,146</b></p> <ul style="list-style-type: none"> <li>• Increase target funding from \$100k to \$150k to reflect the rising cost and quantity of Studies and Reports. However, future annual rate study funding may be reduced to reflect the cost savings realized from greater in-house and collaborative reporting.</li> <li>• <i>Annual funding of \$200k plus CPI is included in 2022/23 Rate Study.</i></li> </ul>
<p><b>UNDESIGNATED RESERVES - \$5.66</b></p> <ul style="list-style-type: none"> <li>• Add language about the CAMP General Pool fund.</li> </ul>
<p><b>SECTION 9.01.06 CHANGES</b></p>
<ul style="list-style-type: none"> <li>• Add explanation of how reserves are funded.</li> <li>• Revise review period from annual review to be concurrent with each five-year Rate Study, at a minimum.</li> <li>• Explain allocation of investment earnings to include CAMP.</li> <li>• Add language about Proration of Net Revenue Funds.</li> <li>• Add language about non-encumbrance of funds; previously mentioned in Capital Reserve section.</li> <li>• Update position title from AGM/Controller to Director of Finance.</li> <li>• Add language authorizing Director of Finance to utilize Copper Mountain Mesa Assessment District Reserves and Consumer/Project Deposit Reserves for routine transactions to align with current practices. These transactions are compulsory and have stringent time constraints.</li> <li>• Expand language to include automatic reserve transfer approval when pre-approved in budget.</li> <li>• Require new annual reporting to Board at a minimum.</li> <li>• Add language to refer to Rate Study for specific annual funding throughout.</li> </ul>

The Reserves mentioned above are Board-Designated and, just as these requirements are set by the Board, they can be changed at any time by Board action. Legally restricted reserves have minimal recommended changes so discussion herein is limited due to the compulsory nature of those reserves.

**RECOMMENDED ACTION:** Review, provide recommendations, and approve revisions to Article 9 of the Administration Code, as detailed in **Resolution No. 25-1081 Exhibit A.**

**FISCAL IMPACT:** Proposed transfers among Reserve funds resulting from these changes will have no overall fiscal impact on the District.

**RESOLUTION NO. 25-1081**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE JOSHUA  
BASIN WATER DISTRICT APPROVING RESERVE FUNDS POLICY  
(RESCINDING RESOLUTION NO. 18-985 & 19-1007)**

**WHEREAS**, the Joshua Basin Water District (“JBWD”) is a county water district existing and operating pursuant to Water Code section 30000 *et seq.*; and

**WHEREAS**, key elements of prudent financial planning and fiscal responsibility are to ensure that sufficient funding is available for current operating, capital and debt service cost needs and to anticipate and prepare for future funding requirements as well as for unforeseen disasters and other unforeseen events; and

**WHEREAS**, JBWD desires to set forth a policy for maintaining reserve funds within each of the JBWD’s separate funds and within such other funds as the District may establish and maintain from time to time;

**WHEREAS**, JBWD wants to provide transparency to ratepayers by describing how and why specific reserves are established and maintained.

**NOW, THEREFORE**, the Board of Directors of the Joshua Basin Water District hereby resolves, determines, and orders as follows:

1. The Reserve Funds Policy (“Policy”) set forth in Exhibit A, attached hereto and incorporated herein by this reference, is hereby approved. This Policy supersedes prior adopted policies, including, but not limited to, Resolution No. 18-985, and shall remain in effect until it is amended or superseded by a subsequently adopted policy.

2. The JBWD Director of Finance and other staff of the District are hereby authorized and directed to (1) take steps to implement the directives as set forth in the Policy and make reports to the Board of Directors as described therein; and (2) amend Article 9 of the existing Administration Code in accordance with the adopted Policy.

**PASSED AND ADOPTED** this 8th day of December, 2025, pursuant to the following votes:

AYES: \_\_\_\_\_  
NOES: \_\_\_\_\_  
ABSENT: \_\_\_\_\_  
ABSTAIN: \_\_\_\_\_

By: \_\_\_\_\_  
Thomas Floen, President

By: \_\_\_\_\_  
Sarah Johnson, General Manager & Board Secretary

**EXHIBIT A**

**RESERVE FUND POLICY**

DRAFT

## EXHIBIT A

### ARTICLE 9 – RESERVE FUND POLICY

(Adopted 04/18/2018 – Resolution No. 18-985;  
Amended 08/21/2019 – Resolution No. 19-1007)

#### 9.01 PURPOSE

The purpose of this policy is to define how and why the Joshua Basin Water District (JBWD) establishes and maintains reserve funds, ensuring that reserve balances remain at prudent and fiscally responsible levels.

Adequate reserves are vital to sound financial management, enabling JBWD to:

- Meet both short- and long-term obligations;
- Maintain reliable water service and financial stability;
- Finance capital projects and infrastructure replacement;
- Prepare for emergencies and unforeseen events; and
- Stabilize rates during periods of reduced revenue.

Reserves help maintain JBWD’s fiscal strength and flexibility, ensuring compliance with legal requirements, adequate cash flow, and preparedness for economic uncertainties or local disasters.

#### 9.01.01 GUIDING PRINCIPLES

To the extent practical, this policy follows the California Special Districts Association (CSDA) Special District Reserve Guidelines, Second Edition.

1. JBWD will prudently manage ratepayer funds and maintain transparency.
2. Reserve funds will be maintained in designated accounts to ensure financial soundness.
3. Reserve funds will:
  - Be designated for specific purposes;
  - Align with financial policies, budgets, and legal requirements;
  - Support emergency preparedness and infrastructure reliability; and
  - Allow JBWD to adapt to changing conditions such as drought or new regulations.

#### 9.01.02 AUTHORITY

Under Article XIII B of the California Constitution, JBWD has authority to establish reasonable and proper reserves.

### 9.01.03 DEFINITIONS

Unless otherwise defined herein, or unless the context requires otherwise, the following terms shall have the following meaning(s) for the purpose of this Policy:

- **Board** means the Board of Directors of Joshua Basin Water District.
- **Restricted Reserve Funds** means reserve funds whose use is limited by external requirements such as legal requirements or the requirements set by grantors, contributors, or creditors of the funds.
- **Unrestricted Reserve Funds** means reserve funds whose use is not restricted by external requirement; the use of this fund is determined by the JBWD Board.
- **Designated Reserve Fund (Committed):** Set aside for specific purposes as determined by the Board.
- **Undesignated Reserve Funds (Unassigned)** means Unrestricted Reserve Funds that are not assigned to specific purposes as determined by the Board.
- **Individual Replacement Reserve Funds (Committed)** means Designated Reserve Funds that are set aside for a specific capital replacement needs outside the Capital Reserve/ Capital Improvement Plan ("CIP"): Building Replacement Reserve Fund, Equipment, Technology & Fleet Reserve Fund, Meter Replacement Reserve Fund, and Studies & Reports Replacement Reserve Fund.
- **LAIF means** Local Agency Investment Fund, an investment program by California State Treasurer's Office, which is authorized under Government Code section 16429.1 et seq
- **CAMP** means California Asset Management Program, a joint powers authority that provides investment services to local agencies pursuant to Government Code section 53601(p).
- **Target Levels** means target level of reserve funds that JBWD intends to maintain. The Target Levels are based on risk assessment, each fund's replacement cost projections, and/or or identified projected need.

### 9.01.04 RESTRICTED RESERVE FUNDS

JBWD has the following types of restricted reserve funds:

- **Water Capacity Account** – Used to fund or reimburse capital infrastructure benefiting future users, 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 prorata 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 is credited to this account.

- **Wastewater/Sewer Capacity Account** – Similar to the Water Capacity Account but for wastewater/sewer infrastructure, per Government Code §66013(b)(3). A pro-rata share of investment earnings is credited to this account.
- **Consumer and Project Deposits Account** – Holds good faith deposits for service or project guarantees; Investment earnings are credited to the General Fund.
- **Copper Mountain Mesa Assessment District (“CMMAD”) Account** – Collects and holds debt service funds for bondholders as required by bond covenants; A pro-rata share of investment earnings is credited to this account.

### 9.01.05 UNRESTRICTED RESERVE FUNDS

JBWD has the following types of unrestricted reserve funds:

#### Designated Reserves:

- **Operating Reserve Account** – Ensures sufficient funds to cover operating and debt service costs and stabilize rates during revenue fluctuations. Target Level: Three (3) months of average operating and debt service expenses (excluding depreciation).
- **Cash Flow Reserve Account** – Bridges timing gaps between revenue collection and expense payments to maintain liquidity and creditworthiness. Target Level: Three (3) months of average operating and debt service expenses (excluding depreciation). Combined Target Level: Six (6) months when combined with the Operating Reserve. Since this fund will fluctuate with cash flow needs, it contains no maximum fund level and may accumulate reserves not initially assigned to another fund.
- **Emergency Capital Replacement Reserve Account** – Used for major unplanned infrastructure failures or emergencies, usually catastrophic in nature or amounting to at least \$100,000. May also be used when the Cash Flow Reserve Account does not contain a balance in excess of its minimum balance to fund the Emergency project and/or if the Capital Reserve is insufficient to fund the Emergency project. Target Level: \$3 million. When held in a CAMP subaccount, this reserve will accrue interest; in LAIF, it will not.
- **Capital Reserve Account** – Funds Board-approved routine capital projects, such as pipelines, wells, boosters, and reservoirs identified in the CIP or other authorized capital work. Funding levels are based on the most recent Rate Study and available net revenues after the Operating Reserve, Cash Flow Reserve, and Emergency Capital Replacement Reserve reach Target Level. 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 and the ability to decide which projects will be funded and when, *no minimum reserve level is required*. Target Level: \$3,750,000.
- **Chromium 6 and/or Regulatory Compliance Reserve Account** – Regulatory costs have become a significant factor for the District. This Reserve funds major costs directly related to complying with the State of California’s Hexavalent Chromium (“Chromium 6”) regulatory mandates or other significant regulatory rulings for

which a financial buffer is needed until other funding can be secured. Primarily intended for major capital or operating costs. Target Level: \$4 million to be achieved by initial transfer from other unrestricted fund.

- **Individual Replacement Reserves Funds**

- **Building Replacement Reserve** Account – Funds future office expansion or replacement, may only be “starter funding.” Target Level: \$2,400,000 to be achieved via proposed Rate Study funding over six years at \$400k per year.
- **Equipment, Technology & Fleet Reserve** – Funds replacement of vehicles, heavy equipment, technology, and office equipment (\$5,000+) or planned fleet expansion not to exceed 15% of existing fleet per Rate Study cycle. Target Level: \$350,000.
- **Meter Replacement Reserve** Account – Funds meter replacement on a 20-year cycle (multi-year program). After completion, funding levels will adjust based on projected future replacement costs. Unused funds will remain in this reserve to fund future program unless directed to transfer elsewhere by Board of Directors. Funds will also be available for use towards an AMI (Advanced Metering Infrastructure) meter conversion. Target Level: \$2,000,000 to be accumulated by next replacement cycle in 2040.
- **Studies & Reports Replacement Reserve Account** – Funds periodic updates to/replacements of major studies and reports (e.g., Rate Studies, Master Plans). Target Level: \$150,000.

**Undesignated Reserves:**

- **CAMP General Pool fund (4045-001)** - minimally funded and maintained only as the primary fund to support the existence of the CAMP Wastewater Capacity and CAMP Emergency Capital Replacement subaccounts. Interest earned in this account will periodically be transferred to the Cash Flow fund.

Investment earnings from unrestricted reserves are credited to the General Fund unless invested in a CAMP subaccount.

### **9.01.06 PROCEDURES**

**General:**

- Reserves are funded in one of two ways: 1) Explicitly included for funding in a Rate Study, with rates being set to accumulate such funding when all revenue and expense targets are met, or 2) funds may be transferred from existing Unrestricted Reserve Fund(s) to another reserve fund with Board action.
- The Reserve Policy and its funding levels shall be reviewed with each new Rate Study (typically every five years) at a minimum.
- Investment earnings from all Unrestricted Reserve Funds will be credited to the General Fund unless otherwise noted, such as when invested in a CAMP subaccount.

Investment earnings from all Restricted Reserve Funds will be credited as shown in Section 9.01.04.

- When net revenues projected in the Rate Study are unavailable, allocations to Individual Replacement Reserve Funds will be prorated proportionately after Operating Reserve Account, Cash Flow Reserve Account, and Emergency Capital Replacement Reserve Account are funded to their minimum or at the Target Levels.
- Funds are not encumbered for future use and funds will be allocated based on a first-come, first-served basis.
- Any reallocation or transfer inconsistent with this policy requires Board approval.
- Specific annual funding should be determined before each Rate Study.

Authorized Usage:

- **Cash Flow Reserve Account:** The Director of Finance may authorize the use of Operating or Cash Flow Reserves for temporary cash flow needs.
- **CMMAD Account:** Used as scheduled throughout the year per bond covenant requirements; authorized by the Director of Finance.
- **Consumer and Project Deposits Account:** Used as scheduled throughout the year per statutory requirements; authorized by the Director of Finance.
- **Emergency Capital Replacement Reserve Account:** Authorized by the General Manager per the Administrative Code or by Board action.
- **Capital Reserve Account and Individual Replacement Reserve Funds:** Authorized through the budget approval process or by separate Board action. Once authorized through the budget approval process, the Director of Finance may execute transfers as feasible. Transfers are Board-reported annually.

### 9.01.07 SUMMARY

JBWD will maintain designated reserves to fund operating, capital, and debt service needs and to respond to unforeseen events. Reserves will be reviewed and adjusted with each new Rate Study or as needed to ensure alignment with JBWD's financial and operational goals.

## 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.
- 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 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 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.

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. 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. 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. 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.

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.

**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.

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

### **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.

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

Use of the Emergency 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.

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

**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 to meet the needs of the JBWD.

Finance Committee review date 08/14/19

Review and amended date 08/21/2019