

JOSHUA BASIN WATER DISTRICT  
Minutes of the  
REGULAR MEETING OF THE BOARD OF DIRECTORS

September 16, 2015

1. CALL TO ORDER: 7:00 PM

2. PLEDGE OF ALLEGIANCE

3. DETERMINATION OF QUORUM:

Victoria Fuller	Present
Bob Johnson	Present
Mickey Luckman	Present
Mike Reynolds	Present
Rebecca Unger	Present

STAFF PRESENT:

Curt Sauer, General Manager  
Susan Greer, Assistant General Manager/Controller  
Seth Zielke, Director of Water Resources and Operations  
Keith Faul, GIS Coordinator

CONSULTANTS PRESENT:

Kathleen Radnich, Public Outreach Consultant  
Gil Granito, District Counsel, Redwine & Sherrill

GUESTS 9

4. APPROVAL OF AGENDA

MSC Luckman/Johnson, 5/0 to approve the agenda for the September 16, 2015 meeting.

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	Aye
Unger	Aye

5. CONSENT CALENDAR

MSC Luckman/Johnson, 5/0 to approve Draft Minutes of the September 2, 2015 Regular Meeting of the Board of Directors.

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	Aye
Unger	Aye

6. INACTIVE METER CHARGES

GM Curt Sauer gave the report. Sauer advised that the rate study conducted in 2013 by Bartles and Wells Associates recommended a 7% per year rate increase over a 5 year timeframe, plus charging the basic monthly

fee for inactive meters. Rate increase was recommended as rates had not been increased since January 2011 and were designated to pay for operations for the next 5 years, water purchases for groundwater recharge, and repayment of loan for pipeline replacement. Chromium 6 issue is currently unfunded. The Board adopted a 6% rate increase and tabled the Inactive Meter issue until the current timeframe. Written staff report in agenda packet can be reviewed for further detail.

Changes to basic service charge have previously been made by the Board.

Public Comment:

Gary Wilson, 46 year JBWD ratepayer, previous employee of JBWD, and former JBWD Director, Joshua Tree: In 1980's Wilson had two 1 inch meters installed on a lot, pulled the meters in the 1990's and received a letter from the District stating that if he wanted the meters reinstalled then he would be required to pay the monthly fee or applicable fees to reinstall.

Karen Tracy, JBWD ratepayer, Joshua Tree: Ms. Tracy is in support of the current staff report and in support of Inactive Meter Charges.

Richard Fountain, JBWD rate payer and past director, Joshua Tree: Mr. Fountain stated that meters had previously been charged the basic monthly fee if in place and half of the basic monthly fee if pulled. Mr. Fountain believes the charge of the monthly basic fee for inactive meters is ridiculous as Mr. Fountain owns property with two inactive meters. Mr. Fountain supports a charge of 50% of the basic monthly fee for inactive meters. If charged the basic monthly fee then Mr. Fountain states he will install the meters.

Fred Klintworth, JBWD rate payer, Sunfair area, Joshua Tree: Mr. Klintworth states times are changing and today JBWD is facing Chromium 6, groundwater recharge, and pipeline replacement. Inactive meter charges are equitable and fair.

Tom Floen, JBWD rate payer, Joshua Tree: Mr. Floen states there is justification needed for receipt of money, and for receipt of water. These justifications may include efforts of conservation, outreach to the public, and basic due diligence before we can receive generosity of the State. Showing that JBWD is looking for revenue within the District within reason would help defend District requests for money from other sources.

Karen Morton, rate payer, Joshua Tree: Ms. Morton states she is in support of fairness, and that inactive meter charges are the best solution for JBWD. Everybody should contribute. Ms. Morton points out that other water districts are already charging a basic fee for inactive meters and JBWD is on track to charge the basic fee for inactive meters as well.

Director Comment:

Director Reynolds states policy in place at the time of meter purchase should be honored. Director Reynolds states he is not in support of inactive meter charges for past purchases, but is in support of inactive meter charges from this point forward.

Vice President Luckman states policy changes because circumstances change, and states the policy to charge the basic monthly fee for inactive meters is fair and equitable for all the ratepayers in the District.

Director Unger also supports staff recommendations, and believes the policy to charge the basic monthly fee for inactive meters is fair and equitable for all ratepayers in the District.

Director Johnson clarified that discussion is regarding the monthly service fee, and not additional charges for a meter.

President Fuller states the monthly basic rate charges represent equity for all of the ratepayers in the community, and fully supports the staff report and basic monthly rate charges for inactive meters.

MSC Luckman/Unger, 4/1 to recommend that the Board take the following actions:

- 1) Approve memorandum from Bartle Wells Associates regarding inactive meters, which updates the 2013 Rate Study; and
- 2) Set the public hearing date to consider inactive meter charges for November 18, 2015; and
- 3) Approve the District's proposed notice to customers and property owners about the impending changes to the monthly charges for inactive meters.

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	No
Unger	Aye

#### 7. CONSERVATION UPDATE

GM Sauer gave the report and presentation. Tier 4 level water usage was analyzed for residential and institutional accounts. JBWD had a 28.25% cumulative savings from June thru August 2015 for water produced.

The Board received the conservation update for information only.

#### 8. STANDING COMMITTEE REPORTS

- A. LEGISLATIVE AND PUBLIC INFORMATION COMMITTEE: Vice President Luckman and Director Unger: Kathleen Radnich, Public Outreach Consultant, gave the report. On September 25<sup>th</sup> 10:00AM there is a meeting at the District office for previous and new docents regarding tours of the demonstration garden and the Fall Native Plant Sale, which will be on November 14<sup>th</sup> at the Mojave Desert Land Trust.
- B. FINANCE COMMITTEE: President Fuller and Director Johnson: There has not been a meeting since the last Board meeting.
- C. WATER RESOURCES & OPERATIONS COMMITTEE: Vice President Luckman and Director Johnson: There was not a meeting last month.

#### 9. PUBLIC COMMENT

Al Marquez, Sunfair Area, Joshua Tree: Mr. Marquez commented regarding the public comment periods within the Board Meetings. Mr. Marquez had concerns, as expressed in the previous meeting that President Fuller indicated on August 5<sup>th</sup> that the Public Comment periods during the Board meetings would be reduced from two to one. Mr. Marquez provided government codes regarding public comment and again opined that the public comment time should be provided twice during the meetings, and suggested that changing the number of public comment periods from two to one should have been an action item on the Agenda and up for vote by the Board of Directors.

Gary Wilson, Joshua Tree: Mr. Wilson stated that in the late 1980's – early 90's there was a project called 87-1. In 1991 the Board voted for a surcharge on all meters in the District to help finance the project, with a promise that within 6 months the project would start and the money would be refunded to the ratepayers. In most instances ratepayers with one meter would be surcharged approximately \$100.00 over a 6 month period. Mr. Wilson stated he had six meters and was surcharged approximately \$625.00 over the six month period. Mr. Wilson states the project name changed from 87-1 to Copper Mountain Mesa project, and JBWD did not send a notice or refund any of the money.

10. DISTRICT COUNSEL REPORT

Counselor Granito stated there is no specific legal report. Granito complimented Director Unger with regards to a noteworthy observation of how efficient or not JBWD is running the District with regards to the fact that State Water Resource Control Board has been granted the power to dissolve districts that are not operating efficiently. Granito applauded the JBWD for their conservation efforts, and noted he has observed other water districts evaluating potential revenue enhancement in his travels.

11. GENERAL MANAGER REPORT

General Manager Curt Sauer gave the report. GM Sauer discussed nitrogen levels from last year compared with this year at the monitoring site with regards to the arrival of groundwater recharge, showing that the nitrogen levels are decreasing. Nitrogen levels at wells 10 and 14 continue to remain within their historical range.

Seth Zielke, Director of Water Resources and Operations presented a report regarding the groundwater recharge. The Board received the reports for information only.

12. FUTURE DIRECTOR MEETINGS AND TRAINING OPPORTUNITIES

Mojave Water Agency Board Meeting September 24<sup>th</sup> – Director Luckman  
ASBCSD Meeting September 28<sup>th</sup> – Director Reynolds

13. INDIVIDUAL DIRECTOR REPORTS ON MEETINGS ATTENDED

Director Unger went to a MAC meeting and stated there will be lunch with a supervisor on September 29<sup>th</sup> at the county building.

Vice President Luckman attended the Mojave Water Agency meeting and was impressed with the presentation “Live like a Desert Native.”

14. DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Reynolds was impressed with a news item with regard to capturing rainwater, and giving away the captured water.

Director Unger would like to put forth a vote on the next agenda to change the public comment period from two to one.

15. ADJOURNMENT

MSC Reynolds/Luckman, 5/0 to adjourn the Regular Meeting of the Board of Directors of September 16, 2015 at 8:27 PM.

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	Aye
Unger	Aye

Respectfully submitted:

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Curt Sauer, General Manager and Board Secretary

JOSHUA BASIN WATER DISTRICT  
MEETING AGENDA REPORT

Meeting of the Board of Directors

October 7, 2015

Report to: President and Members of the Board

Prepared by: Curt Sauer

TOPIC: Public Comment Periods

RECOMMENDATION: Recommend the Board have one public comment period for items of interest not on the agenda, and clearly state that public comment for each agenda topic will be available during consideration of each agenda item.

ANALYSIS: The applicable statute is Government Code Section 54954.3.

This section requires that every agenda for a regular meeting must provide for an opportunity for members of the public to speak on (1) any item of interest not on the agenda, so long as the item is within the subject matter jurisdiction of the Board, and (2) on any specific item of business before or during the Board's consideration of an agenda item.

Most Agencies we reviewed place the Public Comment Period just after the Approval of the Agenda item. Staff recommends for the Board's consideration:

PUBLIC COMMENT – Members of the public may address the Board at this time with regard to matters within the Board's jurisdiction that are not listed on the agenda. State law prohibits the Board of Director from discussing or taking action on items not included on the agenda. Members of the public will have the opportunity for public comment on any item listed on the agenda when it is addressed on the agenda. Please limit comments to three (3) minutes or less.

Staff reviewed public comment periods at the following Agencies so that the Board could compare how other governing bodies cover this subject.

Hi-Desert Water District: 1 public comment period on the Agenda (3 minutes)

29 Palms Water District: 1 public comment period on the Agenda (3 minutes)

Mojave Water Agency: 1 public comment period on the Agenda (5 minutes per person, not more than 15 minutes total).

Bighorn Desert View Water Agency: 1 public comment period on the Agenda, and "Public invited to comment on any item on the agenda during discussion of that item." (3 minutes)

Mission Springs Water District: 1 public comment period on the Agenda (3 minutes)

Copper Mountain College: 1 public comment period on the Agenda

Municipal Advisory Committee: 1 public comment period on the Agenda

Metropolitan Water District: 1 public comment period on the Agenda

Long Beach Water Department: 1 public comment period on the Agenda (5 minutes), and "Each

person will be allowed five minutes unless extended by the Board.”

Coachella Valley Water District: 2 public comment periods on the Agenda (3 minutes each).

Irvine Ranch Water District: 1 public comment period on the Agenda: A) Oral B) Written –  
“Remarks are limited to 5 minutes per speaker on each subject.”

Orange County Water District: 1 public comment period on the Agenda (for both items on the agenda and not on the agenda).

STRATEGIC PLAN ITEM:

FISCAL IMPACT:

JOSHUA BASIN WATER DISTRICT  
MEETING AGENDA REPORT

Meeting of the Board of Directors

October 7, 2015

Report to: President and Members of the Board

Prepared by: Curt Sauer / Staff

TOPIC: RESOLUTION 15-951- A RESOLUTION OF THE BOARD OF DIRECTORS OF THE JOSHUA BASIN WATER DISTRICT, AUTHORIZING THE DISTRICT TO APPLY FOR A PROPOSITION 1 FUNDING PROGRAM FINANCING AGREEMENT AND AUTHORIZING THE GENERAL MANAGER TO SUBMIT AN APPLICATION.

RECOMMENDATION: That the Board approve Resolution 15-951

ANALYSIS:

STRATEGIC PLAN ITEM:

FISCAL IMPACT:

RESOLUTION 15-951

A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE JOSHUA BASIN WATER DISTRICT AUTHORIZING THE DISTRICT TO APPLY  
FOR A PROPOSITION 1 FUNDING PROGRAM FINANCING AGREEMENT AND  
AUTHORIZING THE  
GENERAL MANAGER TO SUBMIT AN APPLICATION

**WHEREAS**, the Board of Directors of the Joshua Basin Water District (JBWD), a public agency, has the authority to govern the Joshua Basin Water District; and

**WHEREAS**, the Board of Directors of the Joshua Basin Water District desires to enhance the provision and protection of the drinking water supplied to the customers of the Joshua Basin Water District; therefore;

**BE IT RESOLVED** by the Board of Directors of the Joshua Basin Water District that, the General Manager of Joshua Basin Water District, or his/her designee, is hereby authorized and directed to sign and file, for and on behalf of the JBWD, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning and/or design of the Chromium VI Remediation Project.

**BE IT FURTHER RESOLVED** that the General Manager of Joshua Basin Water District, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

**BE IT FURTHER RESOLVED** that the General Manager of Joshua Basin Water District, or his/her designee, is designated to represent the JBWD in carrying out the JBWD's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the JBWD and compliance with applicable state and federal laws.

Passed and adopted at a regular meeting of the Joshua Basin Water District Board of Directors on the 7th day of October, 2015

Signature: \_\_\_\_\_

Victoria Fuller

Title: President, Board of Directors

Signature: \_\_\_\_\_

Curt Sauer

Title: Board Secretary/General Manager



JOSHUA BASIN WATER DISTRICT  
MEETING AGENDA REPORT

Meeting of the Board of Directors

October 7, 2015

Report to: President and Members of the Board

Prepared by: Curt Sauer

TOPIC: Recharge Water Delivery Schedule

RECOMMENDATION: Discuss water recharge schedule as it relates to cost of water purchases. Recommend that the Board approve purchase of water in Spring of 2016.

ANALYSIS: The District began receiving water from Mojave Water Agency in the fall of 2014. We are currently receiving our 2015/2016 water. The money to pay for this fall's water is in the 2015/2016 budget.

After review of the rate setting process for MWA, it would be less expensive for the District to receive water in the spring of each "water year". MWA uses January to December for their "water year". Both MWA and JBWD have a fiscal year from July 1 to June 30.

MWA sets their rates each February, to take effect July 1<sup>st</sup> each year (rates are set for a fiscal year). Last year's rate increase was 5 percent but is probably going to be 6 to 6.5 percent for 2016.

At the February MWA Board meeting, their CFO reported that Energy prices are rising steeply over the next few years from the State (the basis for our rates) as a result of escalating electric charges. The Board decided on a "Not-To-Exceed" amount of the increase no higher than 8.5%. It is hard to tell right now what the final rate might be, however it won't be more than 8.5%. The rate increase probably won't be 8.5% for 2016. It may be closer to 6%. But it could be up to 8.5%.

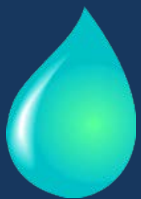
If the District were to start receiving water each spring, instead of the fall, we would place ourselves ahead of the rate increase which occurs each July. Buying water "twice" in fiscal year 2015/16, but only "once" in water year 2016, would allow us to purchase our 2016 water ahead of the rate increase. And, each year, we would purchase water ahead of the fiscal year rate increase, for a cumulative savings as displayed in the charts.

In order to accomplish this savings (or reduction in costs, depending on your view), I am suggesting that the Board consider the use of the Opportunity Fund to purchase water in the spring of 2016. Each year, we would budget as if we were buying water in the fall, at the higher cost. We would place the "savings" in the Opportunity Fund until it was back to the current 1 million dollar level. A review of the charts that will be presented will show possible scenarios of when replacement funds would total withdrawals.

**STRATEGIC PLAN ITEM:**

**FISCAL IMPACT:** Reduced annual costs between \$16,000 and 80,000 over the next ten years, depending on MWA rate increases.

# Water Recharge Cost Projections



*Every drop of water counts*

**(1 % cost increase for 10 years)**  
**(No change in amount of water purchased)**

<b>Year</b>	<b>Water (AF)</b>	<b>Est. Cost Before July 1</b>	<b>Est. Cost After July 1</b>	<b>% Increase</b>	<b>Additional Cost After July 1</b>
<b>2015</b>	500	<b>\$ 236,500</b>	<b>\$ 248,500</b>	5.0	<b>\$ 12,000 *</b>
<b>2016</b>	500	<b>\$ 248,500</b>	<b>\$ 263,500</b>	6.0	<b>\$ 15,000</b>
<b>2017</b>	500	<b>\$ 263,500</b>	<b>\$ 279,500</b>	6.0	<b>\$ 16,000</b>
<b>2018</b>	500	<b>\$ 279,500</b>	<b>\$ 296,500</b>	6.0	<b>\$ 17,000</b>
<b>2019</b>	500	<b>\$ 296,500</b>	<b>\$ 314,500</b>	6.0	<b>\$ 18,000</b>
<b>2020</b>	500	<b>\$ 314,500</b>	<b>\$ 333,500</b>	6.0	<b>\$ 19,000</b>
<b>2021</b>	500	<b>\$ 333,500</b>	<b>\$ 353,500</b>	6.0	<b>\$ 20,000</b>
<b>2022</b>	500	<b>\$ 353,500</b>	<b>\$ 374,500</b>	6.0	<b>\$ 21,000</b>
<b>2023</b>	500	<b>\$ 374,500</b>	<b>\$ 397,000</b>	6.0	<b>\$ 12,500</b>
<b>2024</b>	500	<b>\$ 397,000</b>	<b>\$ 421,000</b>	6.0	<b>\$ 24,000</b>
<b>2025</b>	500	<b>\$ 421,000</b>	<b>\$ 446,500</b>	6.0	<b>\$ 25,500</b>
<b>TOTAL SAVINGS if purchases are made before July 1</b>				<b>\$198,000</b>	

(1.5 % cost increase for 10 years)

(No change in amount of water purchased)

Year	Water (AF)	Est. Cost Before July 1	Est. Cost After July 1	% Increase	Additional Cost After July 1
2015	500	\$ 236,500	\$ 248,500	5.0	\$ 12,000 *
2016	500	\$ 248,500	\$ 264,500	6.5	\$ 16,000
2017	500	\$ 264,500	\$ 281,500	6.5	\$ 17,000
2018	500	\$ 281,500	\$ 300,000	6.5	\$ 18,500
2019	500	\$ 300,000	\$ 319,500	6.5	\$ 19,500
2020	500	\$ 319,500	\$ 340,500	6.5	\$ 21,000
2021	500	\$ 340,500	\$ 362,500	6.5	\$ 22,000
2022	500	\$ 362,500	\$ 386,000	6.5	\$ 23,500
2023	500	\$ 386,000	\$ 411,000	6.5	\$ 25,000
2024	500	\$ 411,000	\$ 437,500	6.5	\$ 26,500
2025	500	\$ 437,500	\$ 466,000	6.5	\$ 28,500
<b>TOTAL SAVINGS if purchases are made before July 1</b>					<b>\$217,500</b>

# (1.5 % cost increase for 10 years)

## (Increase amount of water purchased beginning 2019)

Year	Water (AF)	Est. Cost Before July 1	Est. Cost After July 1	% Increase	Additional Cost After July 1
2015	500	\$ 236,500	\$ 248,500	5.0	\$ 12,000 *
2016	500	\$ 248,500	\$ 264,500	6.5	\$ 16,000
2017	500	\$ 264,500	\$ 281,500	6.5	\$ 17,000
2018	500	\$ 281,500	\$ 300,000	6.5	\$ 18,500
2019	1000	\$ 600,000	\$ 639,000	6.5	\$ 39,000
2020	1000	\$ 639,000	\$ 681,000	6.5	\$ 42,000
2021	1000	\$ 681,000	\$ 725,000	6.5	\$ 44,000
2022	1000	\$ 725,000	\$ 772,000	6.5	\$ 47,000
2023	1000	\$ 772,000	\$ 822,000	6.5	\$ 50,000
2024	1000	\$ 822,000	\$ 875,000	6.5	\$ 53,000
2025	1000	\$ 875,000	\$ 932,000	6.5	\$ 57,000
<b>TOTAL SAVINGS if purchases are made before July 1</b>					<b>\$383,500</b>



# (3.5 % cost increase for 10 years)

## (Increase amount of water purchased beginning 2019)

Year	Water (AF)	Est. Cost Before July 1	Est. Cost After July 1	% Increase	Additional Cost After July 1
2015	500	\$ 236,500	\$ 248,500	5.0	\$ 12,000 *
2016	500	\$ 248,500	\$ 264,500	6.5	\$ 16,000
2017	500	\$ 264,500	\$ 281,500	6.5	\$ 17,000
2018	500	\$ 281,500	\$ 301,000	7.0	\$ 19,500
2019	1000	\$ 602,000	\$ 644,000	7.0	\$ 42,000
2020	1000	\$ 644,000	\$ 692,000	7.5	\$ 48,000
2021	1000	\$ 692,000	\$ 744,000	7.5	\$ 52,000
2022	1000	\$ 744,000	\$ 804,000	8.0	\$ 60,000
2023	1000	\$ 804,000	\$ 868,000	8.0	\$ 64,000
2024	1000	\$ 868,000	\$ 942,000	8.5	\$ 74,000
2025	1000	\$ 942,000	\$ 1,022,000	8.5	\$ 80,000
<b>TOTAL SAVINGS if purchases are made before July 1</b>					<b>\$472,500</b>

