



JOSHUA BASIN WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, JULY 6, 2016 6:30 PM
61750 CHOLLITA ROAD, JOSHUA TREE, CALIFORNIA 92252

AGENDA

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **DETERMINATION OF A QUORUM**
4. **APPROVAL OF AGENDA**
5. **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 Directors 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.
- Pages 3-15 6. **CONSENT CALENDAR**
 Items on the Consent Calendar are considered routine in nature and will be adopted in total by one action of the Board of Directors unless any Board Member or any individual or organization interested in one or more consent calendar items wishes to be heard.
 - A. Approve Draft Minutes of the June 1, 2016 Regular Meeting of the Board of Directors.
 - B. Approve Draft Minutes of the June 15, 2016 Special Meeting of the Board of Directors.
 - C. Approve Draft Minutes of the June 15, 2016 Regular Meeting of the Board of Directors.
- Pages 16-30 7. **3rd QUARTER ENDING JUNE 30, 2016 FINANCIAL REPORT**
 Recommend that the Board accept and file.
- Pages 30-36 8. **ADOPTION OF RESOLUTION No. 16-962, (PLEDGED REVENUE AND FUNDS) AND RESOLUTION No. 16-963 (REIMBURSEMENT)**
 Recommend that the Board adopt Resolutions No. 16-962 and 16-963 as required by the State Water Resources Control Board for Financial Assistance pertaining to the JBWD Hexavalent Chromium VI Remediation Project, Project No. 3610025-001P.

9. **STANDING COMMITTEE REPORTS**
 - A. FINANCE COMMITTEE MEETING: President Fuller and Director Johnson. Next Meeting is scheduled for July 25, 2016 9 a.m. to 10 a.m.
 - B. WATER RESOURCES & OPERATIONS COMMITTEE: Vice President Luckman and Director Johnson. Next Meeting is scheduled for July 25, 2016 10 a.m. to 11 a.m.
 - C. LEGISLATIVE AND PUBLIC INFORMATION COMMITTEE: Vice President Luckman and Director Unger: Kathleen Radnich, Public Outreach Consultant to report. Next meeting is scheduled for August 3, 2016.
10. **DISTRICT GENERAL COUNSEL REPORT**
11. **GENERAL MANAGER REPORT**
12. **FUTURE DIRECTOR MEETINGS AND TRAINING OPPORTUNITIES**
 - Mojave Water Agency Board of Directors Meeting – July 14, 2016- Mike Reynolds
 - ASBCSD Dinner – July 18, 2016 – El Pescador Restaurant & Meeting Hall, Victorville, CA
 - San Bernardino County Water Conference – August 12, 2016
13. **DIRECTOR REPORTS ON MEETINGS ATTENDED, COMMENTS/FUTURE AGENDA ITEMS**
14. **CLOSED SESSION**
CONFERENCE WITH GENERAL COUNSEL-POTENTIAL LITIGATION
At this time the Board will go into Closed Session pursuant to Government Code Section 54956.9 to consult with legal counsel on a matter of potential/anticipated litigation – (one matter)
15. **REPORT ON CLOSED SESSION** – General Counsel
16. **ADJOURNMENT**

INFORMATION

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

Any person with a disability who requires accommodation in order to participate in this meeting should telephone Joshua Basin Water District at (760) 366-8438, at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the District's office located at 61750 Chollita Road, Joshua Tree, California 92252 during normal business hours.

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

June 1, 2016

1. **CALL TO ORDER:** 6:30 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
Anne Roman, Accountant

CONSULTANTS PRESENT:

Kathleen Radnich, Public Outreach Consultant
Gil Granito, District Counsel, Redwine & Sherrill
Deb Bollinger, Bollinger Consulting Group
Meredith Clements, Kennedy/Jenks

GUESTS 15

4. **APPROVAL OF AGENDA – MSC/ Luckman/Reynolds 5/0 to approve the Agenda.**

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	Aye
Unger	Aye

5. **PUBLIC COMMENT**

Gary Wilson, Joshua Tree- Commented that recently the BoD approved a Will Serve Letter for the Alta Mira project but hadn't seen anything prior to the approval.

Joseph Fairbanks, Transition Joshua Tree – Informed the BoD about the Pump Dry documentary on June 8, 2016 from 6 -8 p.m.

Al Marquez, Sun Fair, Joshua Tree- Stated his displeasure about the amount of money going to Dudek Engineering.

David Ficke, Joshua Tree- Commented that he would like to see that the "You Tube", BoD meetings go back as far as 2015 at least.

PUBLIC COMMENT CLOSED

6. **CONSENT CALENDAR:**

Items on the Consent Calendar are considered routine in nature and will be adopted in total by one action of the Board of Directors unless any Board Member or any individual or organization interested in one or more consent calendar items wishes to be heard.

- A. Approve Draft Minutes of the May 18, 2016 Regular Meeting of the Board of Directors.

MSC/ Luckman/Reynolds 5/0 to approve the May 18, 2016 Minutes of the Regular Meeting of the Board of Directors.

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	Aye
Unger	Aye

7. **PRESENTATION BY KATHLEEN ROLLINS MCDONALD, EXECUTIVE OFFICER, LOCAL AREA FORMATION COMMISSION** – Kathleen Rollins McDonald explained that LAFCO was formed in 1963 and that there is a LAFCO in every County in California. LAFCO’s main purpose is to review and determine the boundaries for special districts, cities, incorporation of new cities, and the formation of new districts. It was designed to represent the body politic in each County. A short discussion with Q&A followed presentation.
8. **PUBLIC HEARING TO ADOPT THE 2015 URBAN WATER MANAGEMENT PLAN**
Recommend that the Board adopt Resolution 16-960, approving the Urban Water Management Plan which was available for public view, with any changes which the Board may approve during the public hearing. Curt Sauer, General Manager and Meredith Clements, Kennedy/Jenks presented the 2015 Urban Water Management Plan. A brief Q&A followed.

Curt Sauer, General Manger reviewed the following with the BoD.

- Staff Report –
- Resolution 16-960- GM Sauer read the Resolution to the BoD.
- UWMP – GM Sauer reviewed the 2015 UWMP changes with the BoD.
- Ordinance

BOARD COMMENTS

Director Unger stated that she would like to include Deb Bollinger’s new temperature figures and not use the ones that are currently listed in the report as they are misleading.

President Fuller replied that we need to keep the 20 year temperature figures also in order to show a trend.

President Fuller asked if the statement “JBWD is reliant on groundwater supply for all if its water demands” is a true statement.

Meredith Clements, Kenney/Jenks stated that it could be clarified.

Director Unger referenced page 3-6 “JBWD is considering a formation of a Sustainable Groundwater Agency” and she has never heard of this.

President Fuller replied that she had been mentioning this at the BoD meetings and it’s about Well Authority and Sustainable Ground Water Management.

PUBLIC COMMENT

Cookie Bellsborough, Joshua Tree -Read a poem to the BoD.

Al Marquez, Joshua Tree – Commented that there was a discrepancy with the Copper Mountain subbasin square miles from Dudek on the 2015 UWMP.

Joe Fairbanks, Joshua Tree-Representing Transition Joshua Tree referred to a letter that had been given to General Manager Sauer before the BoD meeting, from the Transition Joshua Tree Group (attached).

Gregory Glen, Joshua Tree – Thanked the BoD and Kennedy/Jenks for completing the 2015 UWMP. Mr. Glen referenced tables 2-1 and 2-2 stating there is significant water use that should be quantified.

Deb Bollinger, Joshua Tree – Representing Transition Joshua Tree, addressed Section 3 of the 2015 UWMP and stated their concerns on water supply. Ms. Bollinger also addressed her concerns about the available water within the Aquifer's.

PUBLIC COMMENT CLOSED

MSC/ Luckman/Reynolds 5/0 to continue the Public Hearing of the 2015 UWMP until the next BoD Meeting on June 15, 2016.

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	Aye
Unger	Aye

9. ADOPT 16/17-17/18 OPERATING AND CAPITAL BUDGETS

Recommend that the Board adopt the 2016-2017 and 2017-2018 Budgets. Susan Greer, Assistant General Manager updated the BoD on the few changes that had been made since the Budget Workshop.

MSC/ Johnson/Unger 5/0 to adopt the 16/17 and the 17/18 Operating and Capital Budgets.

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	Aye
Unger	Aye

10. STANDING COMMITTEE REPORTS:

A. **FINANCE COMMITTEE MEETING:** Brief reports by President Fuller and Director Johnson.

Next Meeting is scheduled for May 31, 2016, President Fuller commented that the Finance Committee did not have a meeting and the next meeting is scheduled for June 27, 2016

B. **WATER RESOURCES & OPERATIONS COMMITTEE:** Vice President Luckman and

Director Johnson. Next Meeting is scheduled for May 31, 2016. Vice President Luckman reported that the Water Resources and Operations Committee did not have a meeting and the next meeting is scheduled for June 27, 2016.

C. **LEGISLATIVE AND PUBLIC INFORMATION COMMITTEE:** Vice President Luckman and

Director Unger: Kathleen Radnich, Public Outreach Consultant to report. Next meeting is scheduled for June 1, 2016. Kathleen Radnich reported on updates.

11. **DISTRICT GENERAL COUNSEL REPORT** – General Counsel Gil Granito stated that all matters have been routine and don't warrant public comment.

12. GENERAL MANAGER REPORT –

GM Sauer stated that the State Water Resource Board will have a conference call on Monday, June 20, 2016 to discuss the Self Certification for new conservation targets. GM Sauer also suggested that the BoD hold a Special Closed Session Meeting on 6/15 at 5 p.m., before the Regular BoD meeting, to discuss Union negotiations.

13. FUTURE DIRECTOR MEETINGS AND TRAINING OPPORTUNITIES

- Mojave Water Agency TAC
- Morongo Basin Pipeline Commission
- ASBCSD
- San Bernardino County Water Conference

14. DIRECTOR REPORTS ON MEETINGS ATTENDED, COMMENTS/FUTURE AGENDA ITEMS

- **Director Unger** attended the Memorial Day ceremonies at the cemetery and commented how impressed she was on the amount of water that the Cemetery, Hospital, Copper Mountain College and Angel View have been conserving.
- **Director Johnson** thanked Transition Joshua Tree for their help with the UWMP.
- **Director Reynolds** thanked Z107 for providing a two part series on the UWMP for the community. He also thanked Transition Joshua Tree and the JBWD for all of their hard work with the UWMP.
- **President Fuller** thanked Z107, Transition Joshua Tree and the public for attending the BoD meetings and providing input to the UWMP.

15. ADJOURNMENT

MSC Unger/Luckman, 5/0 to adjourn the Regular Meeting of the Board of Directors of June 1, 2016 at 8:22 PM.

Fuller Aye
Luckman Aye
Johnson Aye
Reynolds Aye
Unger Aye

Respectfully submitted:

Curt Sauer, GM and Board Secretary



TJT Water Group

Joshua Tree, CA

www.transitionjoshuatree.org

June 1, 2016

Curt Sauer
Joshua Basin Water District
61750 Chollita Road
Joshua Tree, CA 92252

RE: DRAFT 2015 URBAN WATER MANAGEMENT PLAN FOR JOSHUA BASIN WATER DISTRICT

Dear Mr. Sauer,

Based on our review of the Draft 2015 UWMP for Joshua Basin Water District (JBWD) we have concerns with the plan on several levels. If this plan is to actually deal with the problems of overdraft and eventual depletion of our aquifers it will need to be based on more complete data that is specific to Joshua Tree, consider all potential sources of supply, and the Plan will need to actually be put into use as a valuable tool to guide the actions of the District rather than put on a shelf and checked off as a task completed.

This UWMP is a weighty document with weighty impacts on the JT community, and two and a half weeks, which included a major holiday, is too little time for meaningful review and comment, much less time for the board to consider any public comments. Many serious issues are revealed, and further study will inevitably identify others if additional time is provided. We recommend that, if possible, the vote to approve the UWMP be postponed until the next meeting of the JBWD board of directors.

The following specific comments summarize our biggest concerns (exclusive of Section 7). They are presented in the hope that this plan will represent a departure from the status quo and lead the District to take steps toward finally dealing with the managed depletion of the Joshua Tree and Copper Mountain sub-basins.

Section 1: Introduction

1.7 Population Projection – Table 1-5 of the UWMP appears to underestimate the projected JBWD population, which had been based on a 1.1% annual growth rate in the 2010 UWMP, and is now based on a 0.65% growth rate. Data specific to Joshua Tree should be used wherever possible.

The transient population is not accounted for anywhere within the UWMP. Joshua Tree has seen recent growth in vacation rental properties, which is significant because it is likely that visitors will use more water than the native population. The increasing transient population is indicated by the steady increase in JTNP visitorship from 1.4 million in 2013 to 1.6 million in

2014, and over 2 million in 2015. Other large local events such as the Joshua Tree Music Festivals and Bhakti/Shakti Fest attract tens of thousands of visitors each year collectively.

1.8 Climate – The climate description and data are not accurate for Joshua Tree, and in fact are taken from CIMIS stations located 62-65 miles away in Victorville and Newberry Springs. Joshua Tree gets much more monsoonal moisture according to data from the Joshua Tree CIMIS station, and local weather statistics. The evapotranspiration rate is also significantly higher than Victorville/Newberry Springs.

Section 2: Water Use

2.2.1 Historic Deliveries - While 0 water use is shown for Landscapes in Tables 2-1 and 2-2, in fact there is significant landscape water use within the District that should be quantified. A few examples of large landscapes with high water use are the Joshua Tree Memorial Park, the Joshua Tree Community Center/Sunburst Park, and Copper Mountain College. While these properties do not have separate irrigation meters, it is not accurate to make statements such as “Outdoor use of water for irrigation in JBWD is generally minimal” as appears in Section 3.4.

It should be noted that between 2010 and 2015 there was a reduction in total water deliveries of 340 AFY, shown in Tables 2-1 and 2-2. Without a corresponding decline in population this 25% reduction presumably represents conservation.

2.2.3 Historic Other Water Uses –Table 2-4 shows system losses of 344 AF per year in 2015. If this figure is accurate it is unacceptable water loss, exceeding the water savings that customers achieved. Reducing system losses should be prioritized by the District.

2.5.2 Conservation Effects on Water Usage – The last sentence of this sections states that “the water conservation achieved by AWAC is reflected in JBWD’s historic and future water demands”. It is not explained how this was calculated, or why JBWD would use information for all of the MWA Service Area rather JBWD’s own information.

Section 3: Water Supply

Concerning Section 3 as a whole, groundwater is identified as the only source of water for JBWD and it should be made clear that is a limited resource. The UWMP states that sustainable use of groundwater is dependent upon recharge either natural or artificial, then notes that “no water from natural water recharge is available for purposes of the UWMP”, and that the only local recharge that our aquifers receive is “return flow” from septic systems.

While the stated goal of the UWMP is to identify “potential sources of supply” and the reasonable yield, there is little consideration of alternative water sources such as stormwater, graywater, or recycled water. In fact it is stated that “JBWD does not currently use nor does it have plans to use surface water, stormwater, or recycled water”.

A candid discussion of Safe Yield should be included in any plan for meeting “current and future demands without adversely affecting aquifer health and groundwater sustainability.” This would require the District to reassess their paradigm of water resources and the unsustainable culture that has been perpetuated around the mythos that we are an oasis in the desert with an unlimited supply of groundwater.

3.2.1 Groundwater – The UWMP overestimates the water available from Copper Mountain and Joshua Tree subbasins. The estimated groundwater available in storage from both basins is shown as 557,000AF based on the volume of water in the upper aquifers. Yet, the document states that the estimates are “based on drawing down the upper aquifer until it is dewatered, which is not an acceptable management practice”.

It should also be stated in this document that Twentynine Palms Water District is also reliant on the Joshua Tree basin. The Groundwater Supply Reliability section of the Draft 2015 UWMP for TPWD includes Joshua Tree Basin with an estimated total storage capacity of 2,540,000AF as if upper, middle and lower aquifers could be completely dewatered.

3.3 Imported Water Supplies – states that JBWD is entitled to up to 1,959 AFY of SWP water, and that it has chosen to purchase only 500 AFY. It acknowledges that SWP Reliability is variable and was reduced to as little as 5% of allotments due to dry hydrologic conditions in 2013-2014. It is notable, however that Table 3-4 shows that in normal years JBWD anticipated deliveries of an additional 695 AFY of SWP water would be available. This would represent halting the continued overdraft of the Joshua Tree basin and is a significant improvement over previous plans. Halting the overdraft, however, is dependent on “Return Flow”.

3.4 Return Flow. Calculations shown in the UWMP are questionable. Return flows are described as water applied to an area which is not consumed in evaporation or transpiration and returns to a surface stream or aquifer. Examples provided include septic system and irrigation water that percolates into the groundwater aquifer. We have several issues with the calculations:

- They assume that a potential 50% of the water delivered to customers could go to return flow based on “discussions with MWA”.
- The return flow may take anywhere from 22.5 years to over 100 years to reach groundwater, and is, as such, future water and not current supply
- Calculations are based on an assumption that “outdoor use of water for irrigation in JBWD is generally minimal”, without providing any data for that assumption.

Based on these assumptions Table 3-5 shows large return flows of 640 to 870AFY of recharge for years 2020 to 2040.

3.9 Recycled Water. Contrary to statements made elsewhere in the UWMP, this section states that “in 2009 JBWD adopted a Wastewater Treatment Strategy in order to plan for a long-term and regional approach to protecting local groundwater”. Is there a distinction between treated water and recycled water? If so, definitions should be included.

The plan does not contemplate smaller residential or neighborhood scale recycling opportunities such as graywater, or stormwater collection systems. With less infrastructure required, the reaction time for implementation would be much quicker than large infrastructure projects. Like distributed solar, we anticipate that people will be willing to invest in these systems, especially if water is priced as the scarce resource that it is. This type of proactive/preventative approach to developing or enhancing alternative supplies would be preferable to a reactive approach after a drought or some other crisis occurs. Financial incentives could be analyzed.

Section 4: Water Quality

4.3.1 Groundwater Protection. The UWMP makes no mention of the widely recognized problem of nitrates. JBWD may have an active plan in place to track the infiltration of septic discharge and nitrate blooms, however it is not referenced in this document. The UWMP does identify nitrates as an indicator of Return Flow in section 3.4, and notes that “nitrate trends at Well 10, near dense populations, indicates leachate has reached the aquifer”, however we found no plan for prevention or treatment. A plan should be described and outlined in this section.

4.5 Water Quality Impacts on Reliability. The UWMP fails to document how many years JBWD can continue to pump from the upper aquifer without impacting water quality. It likewise should include an analysis of how long septic discharge and nitrates can be allowed to reach the aquifer before degrading water quality to the point that it is not economically feasible for treatment.

Section 6: Demand Management Measures

It should be mentioned in this section that JBWD has exceeded its “20 x 2020” demand reduction target of 157 GPCD. JBWD customers accomplished a GPCD of 125 in 2015, spreading all water deliveries, including commercial and institutional customers, among the population.

It should also be noted JBWD has exceeded its State mandated drought conservation standard by reducing residential water deliveries 22.3% from 2013 deliveries. The State Water Resource Control Board’s March 2016 Supplier Conservation Compliance report shows that JBWD is the only District in the Morongo Basin that achieved compliance with this stringent standard.

Transition Joshua Tree’s Water Group is an interest group, with the aim: To educate, advocate and demonstrate regenerative water practices that follow permaculture principles, in a way that inspires, empowers and enables people to evolve their thinking and to practice a higher water ethic.

Approximately two thirds of our members are ratepayers of JBWD and are generally representative of all the communities of the Morongo Basin.

It is our opinion that this document fails to represent many of the concerns of our constituents or to reliably guide the actions of the water district toward a more sustainable water future. It is our hope that these comments will be considered and that JBWD will realize its potential to be a model for responsible water use in the Morongo Basin through continued conservation, reducing water leaks, and developing local solutions.

Joseph Fairbanks

Transition Joshua Tree Water Group

62040 Grand View Circle,

Joshua Tree, CA 92252

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

June 15, 2016

1. **CALL TO ORDER:** 5:00 PM

2. **PLEDGE OF ALLEGIANCE**

3. **DETERMINATION OF QUORUM:**

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

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

CONSULTANTS PRESENT: Steve Berliner, Labor Counsel

GUESTS 0

4. **APPROVAL OF AGENDA – MSC/ Luckman/Reynolds 5/0 to approve the Agenda.**

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	Aye
Unger	Aye

5. **PUBLIC COMMENT-** None

6. **CLOSED SESSION**

Immediately following Item 5 of tonight's Agenda, the Board went into Closed Session pursuant to Government Code Section 54957.6 to consult with the District's Designated Negotiators, (Curt Sauer, General Manager and Susan Greer, Assistant General Manager) and Labor Counsel, Steve Berliner regarding labor negotiations pertaining to represented employees of the District. The Closed Session ended at approximately 5:50PM and the Board returned to Open Session. No further reportable action was taken.

7. **ADJOURNMENT**

MSC Luckman/Reynolds, 4/0/1 to adjourn the Special Meeting of the Board of Directors of June 15, 2016 at 5:55 p.m.

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	Absent
Unger	Aye

Respectfully submitted:

Curt Sauer, GM and Board Secretary

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

June 15, 2016

1. **CALL TO ORDER:** 6:30 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
Deb Bollinger, Bollinger Consulting Group

GUESTS 9

4. **APPROVAL OF AGENDA – MSC/ Reynolds/Luckman 5/0 to approve the Agenda.**

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	Aye
Unger	Aye

5. **PUBLIC COMMENT**

Al Marquez, Sun Fair, Joshua Tree- Stated that in 2008 the BoD authorized engineering and the funds to replace pipeline on Veteran’s way and to date it has not been done.

Joe Fairbanks, Transition Joshua Tree – Thanked everyone who came out for the “Pump Dry” presentation and invited the BoD and the public to attend the Cadiz, Inc. presentation with their Hydrologist at the Community Methodist Church on June 16th at 6 p.m.

PUBLIC COMMENT CLOSED

CONSENT CALENDAR:

6. Items on the Consent Calendar are considered routine in nature and will be adopted in total by one action of the Board of Directors unless any Board Member or any individual or organization interested in one or more consent calendar items wishes to be heard.
- A. Approve Draft Minutes of the May 25, 2016 Special Budget Workshop of the Board of Directors.

MSC/ Reynolds/Luckman 5/0 to approve the May 25, 2015 Minutes of the Special Budget Workshop Meeting of the Board of Directors.

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	Aye
Unger	Aye

7. PUBLIC HEARING TO CONSIDER THE WATER AVAILABILITY (STANDBY) CHARGES FOR FISCAL YEAR 2016/2017

Recommend that the Board adopt Resolution 16-961, establishing water availability charges for 16/17 and authorizing collection by San Bernardino County. No change in rate or methodology is proposed.

MSC/ Luckman/Johnson 5/0 to approve the adoption of Resolution 16-961.

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	Aye
Unger	Aye

8. CONTINUE PUBLIC HEARING TO ADOPT THE 2015 URBAN WATER MANAGEMENT PLAN

Recommend that the Board adopt Resolution 16-960, approving the Urban Water Management Plan.

General Manager Sauer updated the BoD on the changes that were discussed with Transition Joshua Tree and also to the 2015 UWMP.

PUBLIC COMMENT

Deborah Bollinger, Transition Joshua Tree- Thanked the BoD for continuing the hearing and also thanked GM Sauer for meeting with the TJT Group. Ms. Bollinger stated that the 2015 UWMP is a big improvement over the 2010 plan and the plans for neighboring communities.

Al Marquez, Sun Fair, Joshua Tree- Discussed the discrepancies between the current square miles shown for Copper Mountain in the 2015 UWMP and what had been listed in previous years for the acres/miles for Copper Mountain. Mr. Marquez also asked that there be an amount for the Private Wells for the minimum water producers.

PUBLIC COMMENT CLOSED

BOARD COMMENTS

VP Luckman – No Comment

Director Reynolds – No Comment

Director Unger – Commented that she hadn't completely finished going through all the changes but appreciated the amount of work that everyone had put into it.

Director Johnson – Thanked Transition Joshua Tree and the JBWD staff for their contributions and time they put forth towards the 2015 UWMP.

President Fuller – Thanked Transition Joshua Tree for their efforts to go through the 2015 UWMP and bring their comments and questions back to the BoD. President Fuller also commented that the amount of water in the aquifers has been contentious in the past.

GM Sauer referenced the Water Supply chapter and commented that in the 2004 USGS report they specifically addressed the issue and they have refined DWR's data based on what they best estimate on the two sub-basins that we are concerned about.

President Fuller mentioned that in January 2017 the JBWD will be provided with tools to address the outdoor landscape issue by ariel photography, which is what the Mojave Water District currently uses.

MSC/ Luckman/Johnson 5/0 to approve the adoption of Resolution 16-961.

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	Aye
Unger	Aye

9. REPLACEMENT OF DISTRICT COMPUTERS

Recommend that the Board approve purchase of computers at a cost not to exceed \$23, 000.

BOARD COMMENTS

Director Reynolds requested that a monitor be placed within the BoD area in order to view presentations.

President Fuller seconded Director Reynolds request.

PUBLIC COMMENTS

Al Marquez, Sun Fair referenced the amount spent in 2008 on computers and stated that it could be spent on pipeline.

Tom Floen, Joshua Tree stated that the JBWD needs new computers and software and to junk or donate the old ones.

PUBLIC COMMENTS CLOSED

Susan Greer, Assistant General Manager responded to Mr. Marquez that in 2008 JBWD spent \$250,000 to upgrade billing software that was from the 1980's era.

MSC/ Luckman/Unger 5/0 to approve the purchase of new computers not to exceed \$23,000.

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	Aye
Unger	Aye

10. UPDATE ON CONSERVATION TARGET/SWRCB REGULATIONS

Receive latest information of self-certification process due to State by June 22, 2016.

Recommend that the Board receive for information only.

GM Sauer reported on the State Water Resources Control Board regulations, Executive Order B-37-16, and the summary of the current water conditions and continued prohibitions.

BOARD COMMENTS

President Fuller replied that a large majority of the State will come up with zero and that she would like to see the JBWD come up with a voluntary 10% target for conservation.

Vice President Luckman thanked GM Sauer for his report and agreed with President Fuller's 10% voluntary target.

Director Reynolds thanked GM Sauer for his presentation and input.

PUBLIC COMMENTS

Deborah Bollinger, Joshua Tree recalled that the Governor asked for voluntary conservation and that we didn't accomplish this. If we continue as we are we will continue to deplete the aquifers.

Joe Fairbanks, Transition Joshua Tree commented that it would be a disservice to the Community to not conserve as much as possible. Especially when we consider the overdraft of the aquifers. We need to focus on conservation and recommends that the BoD take an aggressive approach as possible towards conservation.

Al Marquez, Joshua Tree referenced the solar farms and the amount of water it takes to clean the panels, which should be added to the prohibitions that GM Sauer reported on.

Gregory Glen, Joshua Tree agreed with the need to continue the conservation efforts and asked the BoD to refine the figures on the actual usage for the locals and the vacation renters.

PUBLIC COMMENTS CLOSED

11. STANDING COMMITTEE REPORTS:

- A. **FINANCE COMMITTEE MEETING:** Brief reports by President Fuller and Director Johnson. Next Meeting is scheduled for June 27, 2016 9a.m.
- B. **WATER RESOURCES & OPERATIONS COMMITTEE:** Vice President Luckman and Director Johnson. Next Meeting is scheduled for June 27, 2016 10a.m.
- C. **LEGISLATIVE AND PUBLIC INFORMATION COMMITTEE:** Vice President Luckman and Director Unger: Next meeting is scheduled for July 6, 2016.

12. DISTRICT GENERAL COUNSEL GIL GRANITO – Reported on the pending application for Joshua Basin before the State Water Resource Control Board. JBWD has asked for financial assistance for the Chromium VI Project. We have since received a loan agreement from the SWRCB for review, which is currently being reviewed by Counsel. A brief discussion followed about interest rates and construction loans.

13. GENERAL MANAGER REPORT – GM Sauer stated that he had received a copy of the NextEra Well Permit from the County. The well is 400 ft. deep and is capable of producing 150-300 gallons/minute.

14. FUTURE DIRECTOR MEETINGS AND TRAINING OPPORTUNITIES

- ASBCSD Dinner – June 20, 2016- Mexico Café, San Bernardino, CA
- Mojave Water Agency Board of Directors Meeting – June 23, 2016 – Rebecca Unger
- San Bernardino County Water Conference – August 12, 2016

15. DIRECTOR REPORTS ON MEETINGS ATTENDED, COMMENTS/FUTURE AGENDA ITEMS

- **Director Unger** announced the Turtle Island Dedication on July 9, 2016 at 5:00 p.m.
- **Director Johnson** thanked Transition Joshua Tree for the documentary “Pump Dry”
- **Vice President Luckman** reported on the TAC meeting of the Mojave Water Agency and the Morongo Basin Pipeline Commission meeting. VP Luckman referenced pipeline replacement at a cost of 2M per year to do infrastructure updates. In reference to Cadiz, Joshua Basin was the only agency that passed a Resolution in opposition to Cadiz.
- **President Fuller** agreed that she is opposed to Cadiz and thanked the public for helping the BoD with the important issues at hand.

16. ADJOURNMENT

MSC Luckman/Reynolds, 5/0 to adjourn the Regular Meeting of the Board of Directors of May 18, 2016 at 8:30 PM.

Fuller Aye
Luckman Aye
Johnson Aye
Reynolds Aye
Unger Aye

Respectfully submitted:

Curt Sauer, GM and Board Secretary

JOSHUA BASIN WATER DISTRICT
AGENDA REPORT

Meeting of the Board of Directors

July 6, 2016

Report to: President and Board Members

Prepared by: Susan Greer 

TOPIC:
3rd QUARTER ENDING 3/31/16 FINANCIAL REPORT

RECOMMENDATION:
Receive for information.

ANALYSIS:
Our third quarterly financial report is attached for fiscal year 15/16. We will discuss in detail at the meeting. We will also discuss water revenues in more detail, and we now have that revenue information through fiscal year-end.

STRATEGIC PLAN ITEM:
N/A

FISCAL IMPACT:
N/A

OTHER IMPACTS:
N/A



JOSHUA BASIN WATER DISTRICT
3rd QUARTER ENDING 3/31/16 FINANCIAL REPORT SUMMARY

CASH FLOW

\$689K water bill payments collected during the quarter
\$193K property taxes/assessments collected during the quarter
\$72K spent on CMM debt service
\$121K spent on capital projects during the quarter
Total cash decreased \$135K during the quarter

CASH BALANCES

Total cash as of 3/31/16 is \$8.3M
Both Emergency and Opportunity Funds are at their target balances
Total cash as of 3/31/16 is decreased \$135K over last quarter, and increased \$2.3M from one year ago

PROPERTY TAX AND ASSESSMENT COLLECTIONS

Tax collections are increased \$111K or 8% compared to the prior year
Increased tax collections can sometimes be an indicator of property sales

BOARD REPORT

Operating Revenues are 81% of budget
Water Revenues are 72% of budget
Operating Expenses are 62% of budget
Total operating revenues exceed total operating expenses by \$1M

WATER SALES CONSUMPTION STATISTICS

Y-T-D usage through 3/31/16 is 9.5% less than last year
Y-T-D usage through 3/31/16 is 16% less than two years ago
The top 10 users represent the following types of businesses:

Housing	3,782
Hospital	2,729
Public agency	1,754
Commercial	964
Customer with leak	481
	<hr/>
	9,710



P.O. BOX 675 • 61750 CHOLLITA ROAD • JOSHUA TREE • CALIFORNIA 92252
 TELEPHONE (760) 366-8438 FAX (760) 366-9528 E-mail: customerservice@jbwd.com
www.jbwd.org

Cash Flow

January - March 2016

Beginning Cash		8,467,884.48
SOURCE OF FUNDS:		
Water A/R Collections	662,928.13	
Grant Revenues	0.00	
Turn On/Misc	9,074.25	
Consumer Deposits	17,075.37	
Project Deposits	10,539.62	
HDMC WWTP Operations Reimbursement	40,423.85	
HDMC WWTP Operations Overhead Revenue	9,095.37	
Property Taxes G.D.	31,241.47	
ID #2 Tax Collections	2,871.04	
Standby Collections - Prior	50,060.79	
Standby Collections - Current	73,791.48	
CMM Assessment Collections	35,143.44	
Water Capacity Charges	7,797.00	
Wastewater Capacity Charges	0.00	
Meter Installation Fees	3,822.00	
Interest	7,045.98	
TOTAL SOURCE OF FUNDS		960,909.79
FUNDS USED:		
Debt Service	71,514.85	
Capital Additions	120,976.59	
Operating Expenses	436,182.66	
Employee Funded Payroll Taxes & CalPERS	129,091.50	
Employer Funded Payroll Taxes & CalPERS	63,819.17	
Employee Funded 457 Transfer	8,154.59	
Employer Funded 457 Transfer	0.00	829,739.36
Bank Transfer Payroll	263,745.36	
Bank Transfer Fees/Charges	2,494.28	266,239.64
TOTAL USE OF FUNDS		1,095,979.00
Net Increase (Decrease)		(135,069.21)
Cash Balance at End of Period		8,332,815.27



3rd Quarter Ending 3/31/16 CASH FLOW EXPLANATION

Beginning Cash Balance 1/1/16 **\$8,467,884**

Source of Funds (Revenues)

Total cash received during the quarter from all sources 960,910

Water bill and related payments of \$689,078 received from ratepayers

Property Tax/Assessment Payments of \$193,108 received

HDMC Funding of \$49,519 (Reimb \$40K, OH \$9K)

Project Deposits of \$10,540 received

Meter Installion/Capacity Fees of \$11,619 received (2 meters)

Interest Revenue of \$7,046 received

Use of Funds (Expenses)

Total use of cash during the quarter for all purposes 1,095,979

Capital costs during the quarter - \$53,535

- SCADA
- Chromium VI study
- Two New Trucks
- Urban Water Management Plan

Copper Mountain Mesa Assessment District Debt, \$71,516

Other Use of Funds costs indicated are average and typical

Ending Cash Balance 3/31/16 **\$8,332,815**

Total cash decreased during the quarter by \$135,070



CASH BALANCES 3/31/16

	3/31/16	LEGALLY	DISTRICT	COMPARISONS	
	<u>TOTAL</u>	<u>RESTRICTED</u>	<u>RESTRICTED</u>	12/31/2015	3/31/15
				<u>Balance</u>	<u>Balance</u>
Petty Cash	600			600	600
Change Fund	1,500			1,500	1,500
General Fund	184,427			326,542	145,860
Payroll Fund	5,000			5,000	5,000
Credit Card Fund	0			0	80,425
LAIF Investment Fund	2,929,036			2,895,546	656,123
Emergency Fund	1,000,000		1,000,000	1,000,000	1,000,000
Equip & Tech Reserve	485,766		485,766	511,176	514,087
Opportunity Fund	2,000,000		2,000,000	2,000,000	2,000,000
Well & Booster Reserve	300,000		300,000	300,000	200,000
Consumer Deposits	188,385	188,385		186,920	256,739
Water Capacity	68,835	68,835		60,985	57,015
Wastewater Capacity	524,968	524,968		524,513	513,361
Building Reserve	25,000		25,000	0	0
CMM Redemption	371,731	371,731		407,749	326,274
Reserve	244,567	244,567		244,355	244,464
Prepayment	3,001	3,001		2,998	2,992
	8,332,816	1,401,487	3,810,766	8,467,884	6,004,440



CASH BALANCE COMPARISONS 2016 to 2015

	<u>3/31/2016</u>	<u>3/31/2015</u>	Change
TOTAL CASH	<u>8,332,816</u>	<u>6,004,440</u>	<u>2,328,376</u> increase
District RESTRICTED	3,810,766	3,714,087	96,679 increase
Legally RESTRICTED	1,401,487	1,400,845	642 increase
UNRESTRICTED	3,120,563	889,508	2,231,055 increase

Capital projects affect cash position

Total cash balance as of 3/31/16 is decreased \$135K over last quarter

Total cash balance as of 3/31/16 is increased \$2.3M from one year ago, due to receipt of grant funds

Both Emergency and Opportunity Funds are at the target goal balances.

District-restricted funds have been Board-designated for a special purpose, but the Board may change this at any time

Reserves - equipment and technology- for replacement of vehicles, equipment and technology

 wells and boosters- for replacement of wells and boosters

 building - for replacement/expansion of office building and shop

Opportunity Fund - for special opportunities, such as early payoff of the ID#2 bonds in 2012, saving about \$19,000 interest

Emergency Fund - as the title implies, for emergencies, such as well failure or earthquake

Legally-restricted funds are restricted by law for a specific purpose

CMM funds received are all legally-restricted for costs associated with the CMM Assessment District

Consumer Deposits belong to customers and will eventually be returned or applied to account balances, as appropriate

Capacity Fees, both water and wastewater, can legally be used only for costs associated with "growth," such as new infrastructure



Property Tax and Assessment Revenues and Collections as of 3/31/16

	2015/2016			2014/2015		
	<u>Revenue</u>	<u>Y-T-D Collections</u>	<u>% Collected</u>	<u>Revenue</u>	<u>Y-T-D Collections</u>	<u>% Collected</u>
ID#2	12,164	12,164	100%	102,689	61,770	60%
General District Taxes	406,878	244,085	60%	364,437	222,170	61%
CMM Assessment District Prior	258,095	149,868 55,331	58%	257,240	137,494 41,905	53%
Standby Assessments Prior	1,140,297	704,633 245,965	62%	1,151,138	662,549 174,515	58%
TOTAL	1,817,434	1,412,046	78%	1,875,504	1,300,403	69%

General District and Standby Assessments are District funds and can be used for any legal District purpose.
 CMM Assessment District funds are "pass-through" only; we are collecting funds to pass through to a third party.
 ID#2 funds are pay-back to the District, after early payoff of the debt; there are no assessments on the tax rolls for 15/16.
 ID#2 Revenues are being recorded as payments are being received.



3rd Quarter Ending 3/31/16 BOARD REPORT SUMMARY

As of March 31, 2016, we are through 75% of the fiscal year

REVENUES

- Total Operating Revenues are 81% of budget
- Water Revenues are 72% of budget
- HDMC 50% of budget - only first two quarter billings prepared
- Property Tax Revenues are 100% of budget
- Other Revenues are 75% of budget

<u>EXPENSES</u>	% of budget				
Production	59%	Costs tracking appropriately			
Distribution	65%	Costs tracking appropriately			
Customer Service	64%	Costs tracking appropriately			
Administration	61%	Costs tracking appropriately			
Engineering	78%	Costs tracking appropriately			
Finance	69%	Costs tracking appropriately			
Personnel	22%	Salary reflects long-term absence			
Bonds & Loans	53%	Costs tracking appropriately			
HDMC Tmt. Plant	69%	Costs appropriate; billing in arrears			
Benefits Allocated	68%	Costs tracking appropriately			
Field Allocated	62%	Costs tracking appropriately			
Office Allocated	68%	Costs tracking appropriately			
<table border="0" style="width: 100%;"> <tr> <td style="width: 25%;">TOTAL</td> <td style="width: 25%; text-align: center;">62%</td> <td></td> </tr> </table>			TOTAL	62%	
TOTAL	62%				

SUMMARY

Total Operating Revenues exceed Total Operating Expenses by \$1,016,479

Total Operating Revenues are 81%, \$4.2M

Total Operating Expenses are 62%, \$3.2M



*Budget Report (Board Report)

Account Summary

For Fiscal: 2015-2016 Period Ending: 03/31/2016

	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Revenue						
Program: 40 - ** REVENUES **						
01-40-41010-FI	METERED WATER SALES	1,600,000.00	1,600,000.00	109,818.80	1,108,668.58	-491,331.42 69.29 %
01-40-41012-FI	ALLOW FOR WAAP/BILLING ADJ	0.00	0.00	0.00	-747.00	-747.00 0.00 %
01-40-41015-FI	BASIC FEES	1,380,000.00	1,380,000.00	118,324.19	1,047,077.05	-332,922.95 75.88 %
01-40-41016-FI	BASIC FEES - LOCKED/PULLED	0.00	52,500.00	21,558.69	21,637.01	-30,862.99 41.21 %
01-40-41030-FI	PRIVATE FIRE PROTECTION SERV.	23,335.30	23,335.30	1,803.46	15,543.95	-7,791.35 66.61 %
01-40-41040-FI	SPECIAL SERVICES REVENUE	112,207.90	112,207.90	10,101.57	93,445.03	-18,762.87 83.28 %
01-40-41045-FI	HDMC WWTP OPERATIONS REIMB	129,432.00	129,432.00	0.00	64,549.73	-64,882.27 49.87 %
01-40-41046-FI	HDMC WWTP OVERHEAD/FEES RE	29,068.00	29,068.00	0.00	14,523.43	-14,544.57 49.96 %
01-40-42100-FI	STANDBY REVENUE-CURRENT	1,151,912.93	1,151,912.93	0.00	1,140,296.99	-11,615.94 98.99 %
01-40-43000-FI	PROPERTY TAX REVENUE - G.D.	412,000.00	412,000.00	20,324.67	406,878.22	-5,121.78 98.76 %
01-40-43010-FI	AD VALOREM REVENUE - ID #2	0.00	0.00	730.70	12,164.49	12,164.49 0.00 %
01-40-43020-FI	ASSESSMENT REVENUE - CMM	253,626.37	253,626.37	0.00	258,094.50	4,468.13 101.76 %
01-40-44010-FI	WATER CAPACITY CHARGES	0.00	0.00	7,797.00	15,501.00	15,501.00 0.00 %
01-40-44030-FI	METER INSTALLATION FEES	0.00	0.00	3,822.00	6,367.00	6,367.00 0.00 %
01-40-44035-FI	METER REPAIR REVENUE	0.00	0.00	565.86	4,231.95	4,231.95 0.00 %
01-40-46121-FI	GRANT REVENUE - LOCAL (MWA)	12,400.00	32,930.00	0.00	5,560.00	-27,370.00 16.88 %
01-40-47000-FI	MISCELLANEOUS REVENUE	7,905.98	7,905.98	73.09	9,555.71	1,649.73 120.87 %
01-40-47002-FI	INTEREST REVENUE - G.D.	18,600.00	18,600.00	0.00	12,582.81	-6,017.19 67.65 %
01-40-47030-FI	DEMO GARDEN SALES (SALES TAXA	0.00	0.00	0.00	1,302.00	1,302.00 0.00 %
01-40-47040-FI	DEMO GARDEN DONATIONS	0.00	0.00	100.00	201.00	201.00 0.00 %
Program: 40 - ** REVENUES ** Total:		5,130,488.48	5,203,518.48	295,020.03	4,237,433.45	-966,085.03 81.43 %
Revenue Total:		5,130,488.48	5,203,518.48	295,020.03	4,237,433.45	-966,085.03 81.43 %
Expense						
Program: 01 - ** PRODUCTION **						
01-01-5-01-01118-FI	PRODUCTION SALARY	296,297.00	296,297.00	22,360.66	192,607.37	103,689.63 65.00 %
01-01-5-01-02205-RL	WATER TREATMENT EXPENSE	15,395.41	15,395.41	447.00	6,580.62	8,814.79 42.74 %
01-01-5-01-02210-RL	SMALL TOOLS - PRODUCTION	6,008.89	6,008.89	66.84	1,286.81	4,722.08 21.42 %
01-01-5-01-03102-GM	WATER RECHARGE PURCHASE	340,000.00	589,000.00	0.00	340,134.00	248,866.00 57.75 %
01-01-5-01-03105-GM	WATER SUPPLY MONITORING	0.00	74,325.00	0.00	13,063.05	61,261.95 17.58 %
01-01-5-01-03108-RL	RECHARGE MAINT/REPAIR	42,600.00	0.00	7,400.00	7,844.10	-7,844.10 0.00 %
01-01-5-01-03111-D/P	EQUIPMENT RENTAL	3,000.00	3,000.00	0.00	0.00	3,000.00 0.00 %
01-01-5-01-03115-RL	PUMPING PLANT REPAIR & MAINT.	89,865.75	89,865.75	3,539.17	50,266.61	39,599.14 55.94 %
01-01-5-01-03120-RL	TANK & RESERVOIR MAINTENANCE	0.00	20,000.00	10,575.00	10,575.00	9,425.00 52.88 %
01-01-5-01-03207-RL	GENERATOR (LARGE) REPAIR & MA	14,400.00	23,400.00	0.00	0.00	23,400.00 0.00 %
01-01-5-01-04004-RL	LABORATORY SERVICES	12,680.35	12,680.35	791.00	5,063.00	7,617.35 39.93 %
01-01-5-01-06105-RL	POWER FOR PUMPING (ELECTRIC)	363,000.00	363,000.00	18,449.01	198,449.92	164,550.08 54.67 %
01-01-5-01-06501-RL	TELEMETRY / SCADA EXPENSE	47,623.90	47,623.90	0.00	13,198.02	34,425.88 27.71 %
01-01-5-01-07002-AGM	RIGHT OF WAY	0.00	0.00	0.00	39,566.03	-39,566.03 0.00 %
01-01-5-01-98001-FI	EE BENEFITS ALLOCATED	159,030.38	159,030.38	42,610.51	117,911.50	41,118.88 74.14 %
01-01-5-01-98002-FI	FIELD EXPENSES ALLOCATED	58,585.65	58,585.65	13,171.11	37,336.62	21,249.03 63.73 %
Program: 01 - ** PRODUCTION ** Total:		1,448,487.33	1,758,212.33	119,410.30	1,033,882.65	724,329.68 58.80 %
Program: 02 - ** DISTRIBUTION **						
01-02-5-02-01130-FI	DISTRIBUTION SALARY	432,261.00	432,261.00	33,950.59	312,711.64	119,549.36 72.34 %
01-02-5-02-02211-JC	SMALL TOOLS - DISTRIBUTION	11,840.00	11,840.00	2,431.58	4,422.75	7,417.25 37.35 %
01-02-5-02-02920-FI	INVENTORY-OVER & SHORT	2,300.00	2,300.00	0.00	7,479.15	-5,179.15 325.18 %
01-02-5-02-03106-JC	MAINLINE AND LEAK REPAIR	94,400.05	94,400.05	843.48	19,142.73	75,257.32 20.28 %
01-02-5-02-03206-JC	TRACTOR REPAIR / MAINT.	10,281.12	10,281.12	118.76	2,318.67	7,962.45 22.55 %
01-02-5-02-04005-JC	UTILITY LOCATING (DIG ALERT)	10,491.52	10,491.52	835.66	7,079.71	3,411.81 67.48 %
01-02-5-02-98001-FI	EE BENEFITS ALLOCATED	246,139.96	246,139.96	62,147.91	171,975.25	74,164.71 69.87 %

***Budget Report (Board Report)**

For Fiscal: 2015-2016 Period Ending: 03/31/2016

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
01-02-5-02-98002-FI	FIELD EXPENSES ALLOCATED	90,669.01	90,669.01	19,201.46	54,431.07	36,237.94	60.03 %
Program: 02 - ** DISTRIBUTION ** Total:		898,382.66	898,382.66	119,529.44	579,560.97	318,821.69	64.51 %
Program: 03 - ** CUSTOMER SERVICE **							
01-03-5-03-01107-FI	FIELD SALARY - CUSTOMER SERVICE	24,275.00	24,275.00	2,035.98	17,437.34	6,837.66	71.83 %
01-03-5-03-01114-FI	OFFICE SALARY - CUSTOMER SERV.	104,971.00	104,971.00	8,871.07	72,625.79	32,345.21	69.19 %
01-03-5-03-03100-AGM	METER INSTALLATION EXPENSE	0.00	0.00	416.70	864.79	-864.79	0.00 %
01-03-5-03-03107-AGM	METER SERVICE REPAIR	54,474.80	54,474.80	1,128.24	24,600.30	29,874.50	45.16 %
01-03-5-03-07007-AGM	CREDIT CARD FEES (CUSTOMER)	6,311.50	0.00	0.00	0.00	0.00	0.00 %
01-03-5-03-07010-AGM	BAD DEBT	15,500.00	15,500.00	0.00	-1,501.59	17,001.59	-9.69 %
01-03-5-03-07015-AGM	CUSTOMER SERVICE - OTHER	17,900.00	24,211.50	2,767.94	24,468.82	-257.32	101.06 %
01-03-5-03-98001-FI	EE BENEFITS ALLOCATED	77,175.32	77,175.32	18,527.19	51,268.30	25,907.02	66.43 %
01-03-5-03-98002-FI	FIELD EXPENSES ALLOCATED	4,918.11	4,918.11	1,073.63	3,043.45	1,874.66	61.88 %
01-03-5-03-98003-FI	OFFICE EXPENSE ALLOCATED	43,584.34	43,650.04	10,903.25	30,148.28	13,501.76	69.07 %
Program: 03 - ** CUSTOMER SERVICE ** Total:		349,110.07	349,175.77	45,724.00	222,955.48	126,220.29	63.85 %
Program: 04 - ** ADMINISTRATION **							
01-04-5-04-01108-FI	ADMINISTRATION SALARY	190,939.00	190,939.00	11,503.61	115,358.56	75,580.44	60.42 %
01-04-5-04-01115-FI	SAFETY SALARY	9,600.00	9,600.00	640.00	3,160.00	6,440.00	32.92 %
01-04-5-04-01121-FI	DIRECTORS SALARY	20,835.60	20,835.60	2,257.19	16,668.48	4,167.12	80.00 %
01-04-5-04-01210-GM	DIRECTORS / C.A.C. EDUCATION	9,500.00	9,500.00	0.00	7,515.43	1,984.57	79.11 %
01-04-5-04-07008-ALL	BUSINESS EXPENSE	10,000.00	10,000.00	358.32	2,728.29	7,271.71	27.28 %
01-04-5-04-07014-GM	PUBLIC INFORMATION	47,000.00	47,000.00	5,365.20	33,822.21	13,177.79	71.96 %
01-04-5-04-07016-ALL	MEMBERSHIP, DUES & SUBSCRIPT	18,000.00	18,000.00	0.00	23,283.00	-5,283.00	129.35 %
01-04-5-04-07020-GM	WATER CONSERVATION EXPENSE	59,500.00	59,500.00	5,038.03	43,264.00	16,236.00	72.71 %
01-04-5-04-07025-GM	LEGAL SERVICES - NON-PERSONNEL	80,000.00	80,000.00	7,635.00	47,272.10	32,727.90	59.09 %
01-04-5-04-07218-ALL	SAFETY EXPENSE (EQUIP & SUPPLIE	14,953.68	14,953.68	0.00	1,070.16	13,883.52	7.16 %
01-04-5-04-07219-GM	EMERGENCY PREPAREDNESS	6,000.00	6,000.00	0.00	0.00	6,000.00	0.00 %
01-04-5-04-07401-AGM	PROPERTY INSURANCE	107,834.02	107,834.02	16,092.75	47,644.50	60,189.52	44.18 %
01-04-5-04-98001-FI	EE BENEFITS ALLOCATED	139,572.35	139,572.35	31,296.20	86,602.62	52,969.73	62.05 %
01-04-5-04-98003-FI	OFFICE EXPENSE ALLOCATED	95,363.08	95,499.63	22,662.47	62,663.35	32,836.28	65.62 %
Program: 04 - ** ADMINISTRATION ** Total:		809,097.73	809,234.28	102,848.77	491,052.70	318,181.58	60.68 %
Program: 05 - ** ENGINEERING **							
01-05-5-05-01109-FI	ENGINEERING/GIS/IT SALARY	91,405.00	91,405.00	6,721.90	63,203.03	28,201.97	69.15 %
01-05-5-05-02305-ENG	MAPS/DRAFTING SUPPLIES	3,118.00	3,118.00	0.00	1,433.28	1,684.72	45.97 %
01-05-5-05-04006-ENG	PLAN CHECK / INSPECTION	0.00	0.00	7,049.00	23,947.00	-23,947.00	0.00 %
01-05-5-05-04008-GM	ENGINEERING CONTRACT SERVICES	25,000.00	25,000.00	0.00	6,005.00	18,995.00	24.02 %
01-05-5-05-04013-ENG	ENG-TRAINING, MAPPING & OTHE	1,669.16	1,669.16	0.00	4,500.00	-2,830.84	269.60 %
01-05-5-05-98001-FI	EE BENEFITS ALLOCATED	52,544.88	52,544.88	13,173.09	36,452.49	16,092.39	69.37 %
01-05-5-05-98003-FI	OFFICE EXPENSE ALLOCATED	33,932.53	33,990.00	9,537.80	26,372.71	7,617.29	77.59 %
Program: 05 - ** ENGINEERING ** Total:		207,669.57	207,727.04	36,481.79	161,913.51	45,813.53	77.95 %
Program: 06 - ** FINANCE **							
01-06-5-06-01101-FI	FINANCE SALARY	215,364.00	215,364.00	14,719.06	145,714.83	69,649.17	67.66 %
01-06-5-06-04009-AGM	ACCOUNTING SERVICES	24,100.00	24,100.00	0.00	12,920.00	11,180.00	53.61 %
01-06-5-06-07001-AGM	FINANCE - OTHER	19,000.00	19,000.00	1,558.88	17,388.68	1,611.32	91.52 %
01-06-5-06-98001-FI	EE BENEFITS ALLOCATED	125,368.82	125,368.82	31,013.34	85,819.90	39,548.92	68.45 %
01-06-5-06-98003-FI	OFFICE EXPENSE ALLOCATED	83,236.46	83,371.78	22,458.67	62,099.84	21,271.94	74.49 %
Program: 06 - ** FINANCE ** Total:		467,069.28	467,204.60	69,749.95	323,943.25	143,261.35	69.34 %
Program: 07 - ** PERSONNEL **							
01-07-5-07-01102-FI	PERSONNEL SALARY	22,542.00	13,542.00	0.00	0.00	13,542.00	0.00 %
01-07-5-07-01215-ALL	TRAINING & EE EDUCATION	26,000.00	26,000.00	2,741.02	6,227.97	19,772.03	23.95 %
01-07-5-07-01905-HR	EMPLOYMENT RECRUITING EXPEN	5,000.00	5,000.00	0.00	0.00	5,000.00	0.00 %
01-07-5-07-01910-HR	LABOR LEGAL FEES	45,000.00	45,000.00	1,861.20	8,432.60	36,567.40	18.74 %
01-07-5-07-01915-HR	PERSONNEL - OTHER	13,000.00	13,000.00	0.00	584.88	12,415.12	4.50 %
01-07-5-07-98001-FI	EE BENEFITS ALLOCATED	21,182.17	21,182.17	3,273.07	9,057.21	12,124.96	42.76 %
01-07-5-07-98003-FI	OFFICE EXPENSE ALLOCATED	18,863.64	18,877.92	2,370.86	6,555.60	12,322.32	34.73 %
Program: 07 - ** PERSONNEL ** Total:		151,587.81	142,602.09	10,246.15	30,858.26	111,743.83	21.64 %

***Budget Report (Board Report)**

For Fiscal: 2015-2016 Period Ending: 03/31/2016

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Program: 09 - ** BONDS, LOANS & NON-OP EXP **							
01-09-5-09-08115-FI	CMM PRINCIPLE	98,000.00	98,000.00	0.00	98,000.00	0.00	100.00 %
01-09-5-09-08120-FI	MORONGO BASIN PIPELINE	219,898.00	219,898.00	0.00	0.00	219,898.00	0.00 %
01-09-5-09-08215-FI	INTEREST EXPENSE - CMM	145,260.00	145,260.00	71,514.85	145,234.70	25.30	99.98 %
01-09-5-09-08315-FI	ID #2 BONDS COLLECTION CHARGE	0.00	0.00	1.74	29.05	-29.05	0.00 %
01-09-5-09-08320-FI	GENERAL TAX COLLECTION CHARG	1,055.25	1,055.25	13.75	547.09	508.16	51.84 %
01-09-5-09-08325-FI	ADMINISTRATION - CMM	10,366.37	10,366.37	2,077.08	9,574.46	791.91	92.36 %
01-09-5-09-09205-FI	MISC NON-OP EXPENSE	0.00	0.00	0.00	400.00	-400.00	0.00 %
Program: 09 - ** BONDS, LOANS & NON-OP EXP ** Total:		474,579.62	474,579.62	73,607.42	253,785.30	220,794.32	53.48 %
Program: 20 - ** HDMC TREATMENT PLANT (Reimbursable) **							
01-20-5-20-03101-DWR	HDMC: OTHER	64,500.00	64,500.00	0.00	29,452.43	35,047.57	45.66 %
01-20-5-20-04100-DWR	HDMC: CONTRACTED OPERATION	74,000.00	74,000.00	14,354.58	69,000.55	4,999.45	93.24 %
01-20-5-20-06100-DWR	HDMC: PUMPING POWER	20,000.00	20,000.00	967.05	10,733.32	9,266.68	53.67 %
Program: 20 - ** HDMC TREATMENT PLANT (Reimbursable) ** To		158,500.00	158,500.00	15,321.63	109,186.30	49,313.70	68.89 %
Program: 42 - **RESERVE & OTHER FUNDING-OP**							
01-42-5-99-00010-FI	BUILDING RESERVE (OP FUNDED)	25,000.00	25,000.00	0.00	0.00	25,000.00	0.00 %
01-42-5-99-00100-AGM	EQUIP&TECH RESERVE (OP FUNDE	79,000.00	79,000.00	0.00	0.00	79,000.00	0.00 %
01-42-5-99-00110-FI	EQUIP&TECH RES (OP USED)	-45,623.90	-46,033.22	0.00	0.00	-46,033.22	0.00 %
01-42-5-99-00200-AGM	WELL/BOOSTER/TANKS RES (FUND	100,000.00	100,000.00	0.00	0.00	100,000.00	0.00 %
01-42-5-99-00250-FI	OTHER RESERVES (OP USED)	0.00	-249,000.00	0.00	0.00	-249,000.00	0.00 %
Program: 42 - **RESERVE & OTHER FUNDING-OP** Total:		158,376.10	-91,033.22	0.00	0.00	-91,033.22	0.00 %
Program: 51 - ** BENEFITS ALLOCATED TO DEPTS **							
01-51-5-51-01211-FI	COMPENSATED LEAVE	221,500.00	221,500.00	13,378.47	168,700.42	52,799.58	76.16 %
01-51-5-51-01216-FI	CAFETERIA PLAN EXPENSE	263,700.00	263,700.00	20,000.00	165,593.44	98,106.56	62.80 %
01-51-5-51-01220-FI	GROUP INSURANCE EXPENSE	8,662.40	8,662.40	1,734.01	8,176.12	486.28	94.39 %
01-51-5-51-01225-FI	WORKERS COMPENSATION INSUR	52,300.00	52,300.00	0.00	24,894.54	27,405.46	47.60 %
01-51-5-51-01230-FI	RETIREMENT: PERS Classic 2%@55	125,024.00	125,024.00	7,845.98	84,437.81	40,586.19	67.54 %
01-51-5-51-01231-FI	RETIREMENT: PERS Tier 2 2%@62	15,916.00	15,916.00	1,726.02	13,741.85	2,174.15	86.34 %
01-51-5-51-01232-FI	RETIREMENT: PERS - TEMP	2,115.48	2,115.48	152.50	1,367.81	747.67	64.66 %
01-51-5-51-01233-FI	RETIREMENT - 457 CONTRIBUTION	10,125.00	10,125.00	280.08	2,528.44	7,596.56	24.97 %
01-51-5-51-01305-FI	PAYROLL TAXES	121,671.00	121,671.00	9,816.31	89,646.84	32,024.16	73.68 %
01-51-5-51-98000-FI	ALLOCATED EXPENSES - BENEFITS	-821,013.88	-821,013.88	-202,041.31	-559,087.27	-261,926.61	68.10 %
Program: 51 - ** BENEFITS ALLOCATED TO DEPTS ** Total:		0.00	0.00	-147,107.94	0.00	0.00	0.00 %
Program: 52 - ** FIELD ALLOCATED TO DEPTS **							
01-52-5-52-01240-D/P	UNIFORMS (FIELD)	8,170.00	8,170.00	1,475.99	5,077.37	3,092.63	62.15 %
01-52-5-52-02206-D/P	SHOP EXPENSE - COMBINED	15,598.69	15,598.69	2,318.04	10,647.01	4,951.68	68.26 %
01-52-5-52-02212-D/P	SMALL TOOLS EXPENSE - COMBINE	7,050.00	7,050.00	67.23	2,466.18	4,583.82	34.98 %
01-52-5-52-03205-D/P	TOOL / EQUIP REPAIR	4,232.80	4,232.80	0.00	157.61	4,075.19	3.72 %
01-52-5-52-03905-D/P	BUILDING REPAIR/MAINT-SHOP/SI	13,695.36	13,695.36	1,555.77	13,986.29	-290.93	102.12 %
01-52-5-52-05005-D/P	FUEL-VEHICLES	42,640.00	42,640.00	3,433.15	18,744.97	23,895.03	43.96 %
01-52-5-52-05010-D/P	AUTO EXPENSE - FIELD	31,143.59	31,143.59	4,685.51	16,887.17	14,256.42	54.22 %
01-52-5-52-05015-FI	EQUIPMENT CLEARING ACCOUNT	0.00	0.00	0.00	-340.24	340.24	0.00 %
01-52-5-52-06305-ENG	COMMUNICATIONS	19,337.92	19,337.92	1,249.22	10,468.77	8,869.15	54.14 %
01-52-5-52-07009-D/P	REGULATORY-PERMITS, FEES, CERT	12,304.41	12,304.41	60.00	16,716.01	-4,411.60	135.85 %
01-52-5-52-98000-FI	ALLOCATED EXPENSES - FIELD	-154,172.77	-154,172.77	-33,446.20	-94,811.14	-59,361.63	61.50 %
Program: 52 - ** FIELD ALLOCATED TO DEPTS ** Total:		0.00	0.00	-18,601.29	0.00	0.00	0.00 %
Program: 53 - ** OFFICE ALLOCATED TO DEPTS **							
01-53-5-53-01405-ALL	TEMPORARY LABOR FEES	39,074.40	39,074.40	5,940.32	27,399.97	11,674.43	70.12 %
01-53-5-53-02105-ALL	OFFICE SUPPLIES & EQUIPMENT	54,000.00	54,409.32	2,652.04	22,156.46	32,252.86	40.72 %
01-53-5-53-02110-AGM	POSTAGE	24,719.73	24,719.73	3,011.55	17,652.45	7,067.28	71.41 %
01-53-5-53-03906-AGM	BUILDING REPAIR/MAINT - OFFICE	23,447.16	23,447.16	2,090.72	8,706.91	14,740.25	37.13 %
01-53-5-53-04015-AGM	COMPUTER SOFTWARE & SUPPOR	75,000.00	75,000.00	17,203.62	64,361.15	10,638.85	85.81 %
01-53-5-53-05010-AGM	AUTO EXPENSE - OFFICE	5,713.76	5,713.76	450.36	3,118.70	2,595.06	54.58 %
01-53-5-53-06205-AGM	TELEPHONE AND UTILITIES	53,025.00	53,025.00	6,208.67	44,444.14	8,580.86	83.82 %
01-53-5-53-98000-FI	ALLOCATED EXPENSES - OFFICE	-274,980.05	-275,389.37	-67,933.05	-187,839.78	-87,549.59	68.21 %
Program: 53 - ** OFFICE ALLOCATED TO DEPTS ** Total:		0.00	0.00	-30,375.77	0.00	0.00	0.00 %

***Budget Report (Board Report)**

For Fiscal: 2015-2016 Period Ending: 03/31/2016

	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Program: 95 - ** OVERHEAD **						
01-95-6-60-60002-FI OVERHEAD - GENERAL & ADMIN (5	0.00	0.00	-0.07	-14,829.60	14,829.60	0.00 %
01-95-6-60-60004-FI OVERHEAD - LABOR (5390)	0.00	0.00	0.00	-287.67	287.67	0.00 %
Program: 95 - ** OVERHEAD ** Total:	0.00	0.00	-0.07	-15,117.27	15,117.27	0.00 %
Expense Total:	5,122,860.17	5,174,585.17	396,834.38	3,192,021.15	1,982,564.02	61.69 %
Report Surplus (Deficit):	7,628.31	28,933.31	-101,814.35	1,045,412.30	1,016,478.99	3,613.18 %

Group Summary

Program	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Revenue						
40 - ** REVENUES **	5,130,488.48	5,203,518.48	295,020.03	4,237,433.45	-966,085.03	81.43 %
Revenue Total:	5,130,488.48	5,203,518.48	295,020.03	4,237,433.45	-966,085.03	81.43 %
Expense						
01 - ** PRODUCTION **	1,448,487.33	1,758,212.33	119,410.30	1,033,882.65	724,329.68	58.80 %
02 - ** DISTRIBUTION **	898,382.66	898,382.66	119,529.44	579,560.97	318,821.69	64.51 %
03 - ** CUSTOMER SERVICE **	349,110.07	349,175.77	45,724.00	222,955.48	126,220.29	63.85 %
04 - ** ADMINISTRATION **	809,097.73	809,234.28	102,848.77	491,052.70	318,181.58	60.68 %
05 - ** ENGINEERING **	207,669.57	207,727.04	36,481.79	161,913.51	45,813.53	77.95 %
06 - ** FINANCE **	467,069.28	467,204.60	69,749.95	323,943.25	143,261.35	69.34 %
07 - ** PERSONNEL **	151,587.81	142,602.09	10,246.15	30,858.26	111,743.83	21.64 %
09 - ** BONDS, LOANS & NON-OP EXP **	474,579.62	474,579.62	73,607.42	253,785.30	220,794.32	53.48 %
20 - ** HDMC TREATMENT PLANT (Reimbursable) **	158,500.00	158,500.00	15,321.63	109,186.30	49,313.70	68.89 %
42 - **RESERVE & OTHER FUNDING-OP**	158,376.10	-91,033.22	0.00	0.00	-91,033.22	0.00 %
51 - ** BENEFITS ALLOCATED TO DEPTS **	0.00	0.00	-147,107.94	0.00	0.00	0.00 %
52 - ** FIELD ALLOCATED TO DEPTS **	0.00	0.00	-18,601.29	0.00	0.00	0.00 %
53 - ** OFFICE ALLOCATED TO DEPTS **	0.00	0.00	-30,375.77	0.00	0.00	0.00 %
95 - ** OVERHEAD **	0.00	0.00	-0.07	-15,117.27	15,117.27	0.00 %
Expense Total:	5,122,860.17	5,174,585.17	396,834.38	3,192,021.15	1,982,564.02	61.69 %
Report Surplus (Deficit):	7,628.31	28,933.31	-101,814.35	1,045,412.30	1,016,478.99	3,613.18 %

Fund Summary

Fund	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)
01 - GENERAL FUND	7,628.31	28,933.31	-101,814.35	1,045,412.30	1,016,478.99
Report Surplus (Deficit):	7,628.31	28,933.31	-101,814.35	1,045,412.30	1,016,478.99



JOSHUA BASIN WATER DISTRICT

Water Sales Consumption Statistics as of 3/31/16

Consumption - 12 months ending:	CURRENT 3/31/2016	PRIOR 1 3/31/2015	PRIOR 2 3/31/2014
CCF	501,142	553,695	596,518
Gallons	374,854,216	414,163,860	446,195,464
Acre Feet	1,150	1,271	1,369
Change/PY	-9.49% decrease	-7.18% decrease	-15.99% decrease

Change 2014 - 2016
Change does not correlate to conservation mandate.

CONSUMPTION RANKING - TOP TEN - Quarter Ending 12/31/15

<u>Ranking</u>	<u>Account Name</u>	<u>Consumption (CCF)</u>
1	Quail Springs Village Apartments	2,097
2	Hi-Desert Medical Center	1,961
3	Joshua Tree Laundry	964
4	Lazy H Mobile Home Park	860
5	Yucca Trails Apartments	825
6	Hi Desert Medical Center (continuing care)	768
7	Morongo Unified School District	651
8	Joshua Tree Parks & Recreation	630
9	Customer with Leak	481
10	San Bernardino County Office	473
		<hr/> 9,710

Breakdown of Top Ten Users by type:

Housing (multi-unit)	3,782
Hospital/Medical	2,729
Public agency	1,754
Commercial	964
Customer with Leak	481
	<hr/> 9,710

JOSHUA BASIN WATER DISTRICT
MEETING AGENDA REPORT

Meeting of the Board of Directors

July 6, 2016

Report to: President and Members of the Board

Prepared by: Randy Mayes, Senior Administrative Assistant

TOPIC: Approval of Resolutions No. 16-962, Pledged Revenues and No. 16-963, Reimbursement

(The second Resolution No. 16-963 was still being worked on at the time of Agenda Posting. Legal Counsel will explain the purpose of the second resolution at the Board meeting.)

RECOMMENDATION: Recommend that the Board approve resolution 16-962 authorizing the General Manager to file financial application with SWRCB for Chromium 6 Remediation Plan.

ANALYSIS:

On January 20, 2016 the Board of Directors (“Board”) of the Joshua Basin Water District (“District”) approved Pledge Revenues Resolution No. 16-953.

On June 24, 2016, the State Water Resources Control Board Division of Financial Assistance (“Division”) notified the District that the pledge revenues and funds resolution template provided to the District by the Division to generate Resolution No. 16-953 contained an error on bullet item number four.

The Division has requested the following language be removed, “...its net water revenues and its water enterprise fund...” The Division has requested the following language be included in its place “...Net Revenues of the Water Enterprise Fund and the Water Enterprise Fund...”

Therefore, bullet item number four now reads, “The Joshua Basin Water District does hereby dedicate and pledge Net Revenues of the Water Enterprise Fund and the Water Enterprise Fund to payment of the DWSRF financing for the Project.”

Once approved by the Board, the District will submit the resolution to the SWRCB and proceed with finalizing the financial packet.

STRATEGIC PLAN ITEM:

FISCAL IMPACT:

RESOLUTION 16-962

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE JOSHUA BASIN WATER DISTRICT AUTHORIZING THE GENERAL MANAGER TO SIGN FINANCING AGREEMENT, AMENDMENTS, AND CERTIFICATIONS FOR FUNDING UNDER THE DRINKING WATER STATE REVOLVING FUND (DWSRF); AUTHORIZING THE GENERAL MANAGER TO APPROVE CLAIMS FOR REIMBURSEMENT; AUTHROIZING THE GENERAL MANAGER TO EXECUTE BUDGET AND EXPENDITURE SUMMARY; AUTHORIZING THE GENERAL MANAGER TO SIGN THE FINAL RELEASE FORM AND THE GENERAL MANAGER TO SIGN THE CERTIFICATION OF PROJECT COMPELTION; AND PLEDGING AND DEDICATING NET WATER REVENUSE FROM TO PAYMENT OF DWSRF FINANCING.

WHEREAS, the Joshua Basin Water District, a public agency formed and existing pursuant to Water Code Section 30000 et seq., seeks financing from the State Water Resources Control Board for a project commonly known as "Chromium VI Remediation Project" (hereafter "Project"); and

WHEREAS, 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;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that

1. The General Manager of the Joshua Basin Water District, or his/her designee, is hereby authorized and directed to sign and file, for and on behalf of the Joshua Basin Water District (hereafter, sometimes referred to as "JBWD") a financial assistance application for a financing agreement from the State Water Resources Control Board for the Project;
2. The General Manager of the Joshua Basin Water District, or his/her designee, is hereby authorized to sign the DWSRF program financing agreement for the Project and any amendments thereto, and provide the assurances, certifications and commitments required therefore;
3. The General Manager of the Joshua Basin Water District, or his/her designee, is hereby authorized to represent the JBWD in carrying out the JBWD responsibilities under the financing agreement, including approving and submitting disbursement requests (including Claims for Reimbursement) or other required documentation, compliance with applicable state and federal laws, and making any other necessary certifications;
4. The Joshua Basin Water District does hereby dedicate and pledge Net Revenues of the Water Enterprise Fund and the Water Enterprise Fund to payment of the DWSRF financing for the Project.

The Joshua Basin Water District commits to collecting such revenues and maintaining such fund(s) throughout the term of such financing and until the JBWD has satisfied its repayment obligation thereunder unless modification or change is approved in writing by the State Water Resources Control Board.

So long as the financing agreement(s) are outstanding, the JBWD pledge hereunder shall constitute a lien in favor of the State Water Resources Control Board on the foregoing fund(s) and revenue(s) without any further action necessary. So long as the financing agreement(s) are outstanding, the JBWD commits to maintaining the fund(s) and revenue(s) at levels JBWD sufficient to meet its obligations under the financing agreement(s). If for any reason, the said source of revenues proves insufficient to

satisfy the debt service of the DWSRF obligation, sufficient funds shall be raised through increased water rates, user charges, or assessments or any other legal means available to meet the DWSRF obligation and to operate and maintain the project; and

5. The authority granted hereunder shall be deemed retroactive. All acts authorized hereunder and performed prior to the date of this Resolution are hereby ratified and affirmed. The State Water Resources Control Board is authorized to rely upon this Resolution until written notice to the contrary, executed by each of the undersigned, is received by the State Water Resources Control Board. The State Water Resources Control Board shall be entitled to act in reliance upon the matters contained herein, notwithstanding anything to the contrary contained in the formation documents of the Joshua Basin Water District or in any other document.

Resolved Further that Resolution No. 16-953 is hereby rescinded and superseded in its entirety by this Resolution No. 16-962.

ADOPTED this 6th day of July 2016, I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by Joshua Basin Water District following a vote:

Director Victoria Fuller _____
Director Bob Johnson _____
Director Mickey Luckman _____
Director Mike Reynolds _____
Director Rebecca Unger _____

JOSHUA BASIN WATER DISTRICT

Signature: _____
Victoria Fuller

Title: President, Board of Directors

Signature: _____
Curt Sauer

Title: Board Secretary/General Manager

RESOLUTION 16-963

REIMBURSEMENT RESOLUTION OF THE BOARD OF DIRECTORS OF JOSHUA BASIN WATER DISTRICT

WHEREAS, Joshua Basin Water District, a public agency of the State of California (“JBWD”) desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water system, including treatment facilities, pipelines and other infrastructure more particularly known as the JBWD Hexavalent Chromium Remediation Project, Project No. 3610025-001P (the “Project”), and

WHEREAS, JBWD intends to finance the construction and/or reconstruction of the Project or portions of the Project with monies (“Project Funds”) provided by the State of California, acting by and through the State Water Resources Control Board (“State Water Board”), and

WHEREAS, prior to either the issuance of the obligations (“Obligations”) or the approval by the State Water Board of the Project Funds JBWD desires to incur certain capital expenditures (the “Expenditures”) with respect to the Project from available monies of JBWD, and

WHEREAS, JBWD has determined that those monies to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse JBWD for the Expenditures from the proceeds of the Obligations,

NOW, THEREFORE, THE BOARD OF DIRECTORS OF JOSHUA BASIN WATER DISTRICT DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. JBWD hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is Two Million Sixteen Thousand Dollars (\$2,016,000.00).

SECTION 3. This resolution (“Resolution”) is being adopted no later than sixty (60) days after the date on which JBWD will expend monies for the construction portion of the Project costs to be reimbursed with Project Funds.

SECTION 4. Each expenditure of JBWD will be of a type properly chargeable to a capital account under general federal income tax principles.

SECTION 5. To the knowledge of the board of directors (“Board”), JBWD is not aware of the previous adoption of official intent by JBWD that has been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 6. This Resolution is adopted as official intent of JBWD in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

SECTION 7. Each of the above recitals is true and correct, as is each of the findings and determinations set forth therein, and each of said recitals, findings and determinations is adopted by the Board of JBWD.

ADOPTED this 6th day of July, 2016. I, the undersigned, hereby certify that the foregoing Resolution was adopted by Joshua Basin Water District following a vote:

Director Victoria Fuller _____
Director Bob Johnson _____
Director Mickey Luckman _____
Director Mike Reynolds _____
Director Rebecca Unger _____

JOSHUA BASIN WATER DISTRICT

Signature: _____
Victoria Fuller
Title: President, Board of Directors

Signature: _____
Curt Sauer
Title: Board Secretary/General Manager

CERTIFICATION

I do hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the board of directors of Joshua Basin Water District held on July 6, 2016.

Curt Sauer, Secretary to the Board of
Directors

DRAFT