

JOSHUA BASIN WATER DISTRICT
Minutes of the
REGULAR MEETING OF THE BOARD OF DIRECTORS
October 1, 2014

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
Gary Wilson	Present

STAFF PRESENT:

Curt Sauer, General Manager
Keith Faul, GIS Coordinator
Randy Mayes, Senior Administrative Assistant

CONSULTANTS PRESENT:

Gil Granito, District Counsel
Kathleen Radnich, Public Outreach Consultant

GUESTS 6

4. APPROVAL OF AGENDA

MSC Luckman/Reynolds 5/0 to approve the agenda for the August 6th, 2014 meeting.

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Aye
Wilson	Aye

5. PUBLIC COMMENTS

None.

6. CONSENT CALENDAR:

MSC Luckman/Johnson 5/0 to approve the consent calendar.

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Aye
Wilson	Aye

A. Approve Draft Minutes of the September 17, 2014 Regular Meeting of the Board of Directors (With Removal of Director Reynolds).

7. REVIEW AND APPROVE FIRST AMENDMENT TO THE HDMC AGREEMENT FOR OWNERSHIP AND OPERATION OF THE WASTE WATER TREATMENT PLANT

General Manager Curt Sauer presented the Staff report; he provided history on the negotiations which took place between the District and the Hi Desert Medical Center. Essentially, the agreement reached is similar to the original version except that HDMC will retain the ownership of the plant. The final agreement reached resulted in HDMC covering all costs of the treatment facility. Additionally, the District's primacy agency, regulatory agency, and insurance group found no effects with the amendment as written. After his presentation Board President Fuller asked if there was any comment:

Director Reynolds requested to be recused from the discussion because of past subcontracting work for the HDMC.

Director Johnson inquired as to what was involved in the operation of the Plant? He also wanted to know whether adding them to our insurance policy would raise our premiums. The General Manager responded that a regional Waste Water Treatment Plant Operator would be the primary operator of the plant. Also if premiums were to rise they would be passed down to HDMC.

Director Fuller indicated that this negotiation has been a long journey, but that she was pleased with the final agreement that was reached resulting in the HDMC bearing all past, present, and future costs of the treatment facility.

Richard Fountain, JT resident, inquired as to the transfer of ownership? He expressed concern that future developers would be seeking this type of special owner/operator arrangement. District Council indicated that in the past two years the governing board took the action of transferring ownership to the medical center. The General Manager mentioned that LAFCO recognizes that this is an arrangement between two public agencies; however, any future development in Joshua Tree would result in the District being designated as the sole owner/operator.

MSC Luckman/Johnson 3/1

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Abstain
Wilson	No

8. CHROMIUM 6 UPDATE; Information Only

General Manager Curt Sauer presented the Staff report; he provided an overview of the four steps the District would be taking in the coming months to address the recent state regulations regarding Chromium VI. The steps include testing, profiling, treatment options, and funding options. In the event that the test results are above the MCL's the District would provide its customers with quarterly notices identifying the existence of Chromium VI. The District will be meeting with the Bureau of Reclamation on the potential utilization of their portable water quality trailer for little to no cost. This trailer is similar to a portable laboratory which is equipped with different treatment options for Chromium VI removal. He concluded that this issue may require years to address and appears certain to have a significant fiscal impact upon the District. After his presentation Board President Fuller asked if there was any comment:

Director Luckman indicated that after attending many meetings regarding Chromium VI, she believes the GM did a fantastic job of conveying the process.

9. DISCUSSION AND APPROVAL FOR THE GENERAL MANAGER TO PROCEED WITH
HIRING A CHIEF OF OPERATIONS

General Manager Curt Sauer presented the Staff report; he indicated that the COO position is a funded position. Over the past six months, he has found that this positions vacancy has created a void in the agency. This position would be responsible for the new treatment plant, recharge facility, Chromium VI mitigation etc. The filling of this position would free up valuable time for the GM and AGM to perform critical administrative functions and long term planning. Staff recommends that the GM be given authority to find and hire a Chief of Operations at a salary of \$60,000 in the first year and \$120,000 in the second year. After his presentation Board President Fuller asked if there was any comment:

Director Luckman mentioned that she has supported the rehiring of this position for several years. She believes it's needed and that it would enhance operations.

Director Reynolds recalled that since this position became vacant the District has tried several ways to fulfill these duties (i.e. hiring and interim COO, and spread the duties to the two operational supervisors). He concluded that in the long run it cost the District time and money.

Director Wilson indicated that he preferred that this decision wait until after the election.

Director Johnson expressed concern that a complete Staff analysis has not been done. He wondered whether a cost analysis could be conducted to see if we overspent or saved money by spreading these duties amongst Staff.

Director Fuller indicated that over the last several years she has witnessed an increased reliance upon our District Engineer to address questions that would normally be answered by an Operations Manager.

Fred Klintworth, JT resident, expressed that he did not believe it would be prudent to defer this decision until after the election cycle.

MSC Reynolds/Luckman 3/2

Fuller	Aye
Johnson	No
Luckman	Aye
Reynolds	Aye
Wilson	No

10. AMEND THE BOARD'S BEST PRACTICES DOCUMENT

General Manager Curt Sauer presented the Staff report; he provided the revision history of this document. After his presentation Board President Fuller asked if there was any comment:

Director Reynolds indicated that he wanted to see item 1.6.A removed from the final document.

Director Fuller read section 1.8 and 1.9 indicated that these sections along with 1.6.A were the only items to be revised.

Director Wilson indicated that he did not approve of the current version in its entirety.

MSC Luckman/Johnson 4/1 to approve and adopt the revised documented called Role of the Board of Directors.

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Aye
Wilson	No

14. STANDING COMMITTEES:

A. PUBLIC INFORMATION COMMITTEE: Director Luckman and President Fuller

Kathleen Radnich, Public Information Outreach, indicated the tank art project will commence next week. The upcoming Chamber Mixer on October 11 from 4pm-6pm will showcase the art project, and the GM will be presenting information on the new recharge site.

B. FINANCE COMMITTEE: President Fuller and Director Johnson: No report.

Director Johnson indicated that the group is making some headway in making spreadsheets convey information in a friendlier format. He indicated that the group has been quizzing Anne Roman in preparation for the upcoming audit.

Director Fuller further elaborated that the spreadsheets indicate the status of current projects and she believes the group will have something good to present in the coming weeks.

15. PUBLIC COMMENT

None.

17. DISTRICT GENERAL COUNSEL REPORT

Update on the Chromium VI litigation, District Council recently spoke with the lead council at the California Tax Association (CTA) and found that much of the litigation delay is attributed to the state preparing the record. District Council believes that this litigation is alive and well. The State filed an objection to one of the plaintiff's causes. This fifth cause is the science that informed the state of determining the Maximum Contaminant Level. The plaintiffs are currently reaching out to some large organizations to obtain amicus support. District council forecasted that he may come to the governing board in the near future for support of the amicus.

18. GENERAL MANAGER REPORT

Urban Water Management Plan update -- In July the Department of Water Resources (DWR) advised the District that they would not be approving the 2010 Urban Water Management Plan (UWMP). The DWR indicated that the service area population methodology did not meet their standard criteria. Our consulting firm, Kennedy/Jenks, revised the plan correcting the methodology used in 2010. The DWR has advised us that the UMWP will be approved. Most importantly, the DWR determined that the revised population methodology did not change the population and baseline calculations enough to merit a revision, public hearing, and board adoption. The District's population figures are basically unchanged and the daily per capita water use target for 2020 changed from 156 gallons to 159 gallons.

Recharge Pond Project – On Monday and Tuesday of this week Staff, in cooperation with MWA, Dudek, Cla Val, Forshock, charged the pipeline and tested the entire recharge project infrastructure. The system is operational and we are planning to start recharge of the ponds next Tuesday October 7. The District will be taking a total of 312 AF.

Our 14/15 budget has \$236,500 for 500 AF of water. Since we are receiving only 312 AF, there is a potential surplus of \$89,000. After January, which is the start of the next ‘water year’, and depending on winter precipitation and continuing drought allocations, the District may be able to receive the remaining 188 AF. However, if the drought allocations continue, the water may not be available and the District may have \$89,000 to utilize elsewhere.

Well 15 noise update – The General Manager received confirmation from County Code Enforcement that the District is out of compliance with the noise ordinances at this location. The GM has asked the Production Department to put together a plan of action to bring us into compliance, including cost projections. Once this information is available, the GM will bring the situation back to the Board for resolution.

Lobbyist Firm – the GM received a scope of work from Carpi Clay to continue work at the federal level and to add State level activity to focus primarily on the State Water Resources Control Board to address prioritization of the State Revolving Loan Program funds to bring JBWD in compliance with new drinking water standards. The GM intends to bring this proposal to the Board on October 15.

19. FUTURE DIRECTOR MEETINGS AND TRAINING OPPORTUNITIES

- A. Technical Advisory Committee Meeting - October 2, 2014 - 10:00 AM
- B. Mojave Water Agency Board of Directors – October 9, 2014 – 4:30 PM at JBWD
- C. ACWA Prop 1 Groundwater – October 8th, 2014 – 1:00 PM

20. INDIVIDUAL DIRECTOR REPORTS ON MEETINGS ATTENDED

Director Luckman indicated that several weeks ago she attended a Regional Water Control Board meeting in Palm Desert. These meetings are very fascinating and are worthwhile to attend.

Director Reynolds stated that he attended a Mojave Water Agency on September 11. During this meeting they talked about the next cool crop of the desert the “Jujube” which is a low water, high dollar return, and an anti-oxidant. The special districts meeting on the following Monday from BBK spoke on upcoming grants for mitigation costs of Chromium VI.

DIRECTORS COMMENTS/REPORTS

21. FUTURE AGENDA ITEMS

- Well 14 Rehab
- Ground Water Management Plan
- Water Master Plan
- Replacement of 2 Vehicles

22. ADJOURNMENT 8:15 PM

MSC Luckman/Reynolds 5/0 to adjourn the October 1, 2014 Regular Meeting of the Board of Directors.

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Aye
Wilson	Aye

Respectfully submitted:



Curt Sauer, General Manager and Board Secretary