

President
Stacy Doolittle

VP
David Fick

Directors
Tom Floen
Jane Jarlsberg
Jane Fawke

**General
Manager
Pro Tem**
Anne Roman

Legal Counsel
Jeff Hoskinson



SPECIAL MEETING AGENDA OF THE BOARD OF DIRECTORS **Thursday, October 15, 2026, at 2:00 p.m.**

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

REMOTE ACCESS IS AVAILABLE FOR THE CONVENIENCE OF THE PUBLIC

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

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

MEETING ID: 864 4800 3304

PASSCODE: 61750

MISSION, VISION, AND VALUES

Mission Statement

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

Vision Statement

To achieve excellence in all District endeavors.

Values

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

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

1. CALL TO ORDER / PLEDGE OF ALLEGIANCE

2. DETERMINATION OF A QUORUM

Consideration of Board Member requests for remote participation.

3. APPROVAL OF AGENDA

4. PUBLIC COMMENT

This is the time set aside for public comment on any District related matter, whether appearing on the agenda or not. Pursuant to the Brown Act, the Board is prohibited from taking action on items not listed on the agenda. At the discretion of the Board President comments on a particular Agendized item may be deferred until that item is heard. Please state your name and limit your comments to 3 minutes. For members of the public attending the meeting on-line, please use the "Raise Hand" reaction feature in your toolbar on Zoom to signal your desire to comment and be recognized by the Board.

5. CONSENT CALENDAR

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

A. DRAFT MINUTES – 10.07.26: RECOMMENDED FOR APPROVAL

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

7. CLOSED SESSION

A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957(B)(1)

TITLE: DISTRICT GENERAL COUNSEL.

B. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE PURSUANT TO GOVERNMENT CODE SECTION 54957(B)(1)

TITLE: DISTRICT GENERAL COUNSEL.

C. PUBLIC EMPLOYEE APPOINTMENT PURSUANT TO GOVERNMENT CODE SECTION 54957

TITLE: INTERIM DISTRICT GENERAL COUNSEL

8. DISCUSSION/ACTION CALENDAR

A. REPORT OUT FROM CLOSED SESSION

B. CONSIDERATION OF AND POSSIBLE ACTION ON SBEMP CONTRACT

C. SB394 WATER THEFT

PRESENTED BY: DIRECTOR OF ADMINISTRATION, DAVID SHOOK

RECOMMENDED ACTION: ADOPT ORDINANCE 26-12, SUPPORTING SENATE BILL 394 (ALLEN), WHICH STRENGTHENS CIVIL REMEDIES AND LOCAL ENFORCEMENT TOOLS TO DETER WATER THEFT FROM FIRE HYDRANTS AND PROTECT PUBLIC SAFETY.

D. INVESTMENT REPORT FOR FISCAL YEAR ENDING 06/30/2026

PRESENTED BY: GENERAL MANAGER PRO TEM AND DIRECTOR OF FINANCE, ANNE ROMAN

RECOMMENDED ACTION: FOR INFORMATIONAL PURPOSES ONLY.

Pg. 5-15

Pg. 18-26

Pg. 27-33

Pg. 34-36

9. DIRECTOR REPORTS/COMMENTS

This time is reserved for Director reports and comments on matters within the District's jurisdiction, for informational purposes only, on subjects not covered by the agenda; the opinions expressed by individual Directors do not necessarily reflect those of the Board as a whole or District staff, and no action shall be taken.

10. MANAGERS' REPORT

For informational purposes only on subjects not covered by the agenda. No action is to be taken.

11. UPCOMING AGENDA AND FUTURE ITEMS

A. Anticipated Upcoming Agenda Items

Items currently anticipated for upcoming meetings; dates and items subject to change:

November 4, 2026

- Staff Items:
 - September 2026 Check Register
 - AMI Update
 - ERNIE agreement
- Board-requested item: None scheduled.
- Other anticipated items:
 - MBCA annual Desert-Wise Landscape Tour Outcome Presentation

B. Future Agenda Items Requested by Directors

See attached list of future agenda items requested by Directors.

12. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL PURSUANT TO GOVERNMENT CODE SECTION 54956.9(D)(2) AND/OR(3). 1 POTENTIAL CASE.

TITLE: ANTICIPATED LITIGATION

B. PUBLIC EMPLOYEE DISCIPLINE, DISMISSAL, RELEASE PURSUANT TO GOVERNMENT CODE SECTION 54957.

13. ADJOURNMENT

MEETING INFORMATION

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

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

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

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

MEETING MINUTES



REGULAR MEETING OF THE BOARD OF DIRECTORS OCTOBER 7, 2026, 5:00 PM

1. CALL TO ORDER

President Doolittle called the meeting to order at 5:00 p.m.

2. DETERMINATION OF A QUORUM & ATTENDANCE

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

Staff Present: General Manager Pro Tem Roman, Director of Administration Shook, Accounting Supervisor Rich, Executive Assistant Thompson

Consultant(s) Present: Legal Counsel, Jeff Hoskinson; Public Outreach Consultant, Kathleen Radnich

Citizens Advisory Council Member(s) Present: David Carrillo

3. APPROVAL OF THE AGENDA

Director Jarlsberg moved to approve the agenda and seconded by Director Floen and approved by the following vote:

1st / 2nd Jarlsberg/Floen
Ayes: Doolittle, Fick, Floen, Jarlsberg, Fawke
Noes: None
Abstain: None
Absent: None

4. PUBLIC COMMENT –

The District also received two written public comments from Steve Bardwell of the Morongo Basin Conservation Association and Erin Gatlin, which was provided to the Board as supplemental communications prior to the meeting. To view the recording of the meeting, please click [here](#).

5. CONSENT CALENDAR

A. DRAFT MINUTES – 09.28.26 – President Doolittle requested that the minutes be pulled from the Consent Calendar.

6. ITEMS PULLED FROM CONSENT CALENDAR FOR DISCUSSION

A. DRAFT MINUTES – 09.28.26 – President Doolittle made corrected the third paragraph of Agenda Item 7A, changing “at the direction” of President Doolittle” to “at the request of President Doolittle.”

Director Fick made a motion to approve the 09.28.26 minutes as amended, seconded by Director Jarlsberg and approved by the following vote:

1 st / 2 nd	Fick /Jarlsberg
Ayes:	Doolittle, Fick, Floen, Jarlsberg, Fawke
Noes:	None
Abstain:	None
Absent:	None

7. DISCUSSION/ACTION CALENDAR

A. AUGUST 2026 CHECK REGISTER

PRESENTED BY: GENERAL MANAGER PRO TEM, ANNE ROMAN, ACCOUNTING SUPERVISOR,
AUTUMN RICH

RECOMMENDED ACTION: APPROVE CHECK REGISTER

Director Floen moved to approve the August 2026 Check Register and seconded by Director Jarlsberg and approved by the following vote:

1 st / 2 nd	Floen/Jarlsberg
Ayes:	Doolittle, Fick, Floen, Jarlsberg, Fawke
Noes:	None
Abstain:	None
Absent:	None

B. SAN BERNARDINO COUNTY JOSHUA TREE SEPTIC-TO-SEWER INITIATIVE-QUALIFIED RESOLUTION

PRESENTED BY: GENERAL MANAGER PRO TEM, ANNE ROMAN, ACCOUNTING SUPERVISOR,
AUTUMN RICH

RECOMMENDED ACTION: CONSIDER ADOPTION OF RESOLUTION NO. 26-1100 REGARDING
CONTINUED COUNTY PHASE I PLANNING AND FEASIBILITY WORK FOR THE JOSHUA TREE SEPTIC-
TO-SEWER INITIATIVE

General Manager Pro Tem Roman presented the San Bernardino County Joshua Tree Septic-to-Sewer Initiative Qualified Resolution and reviewed revisions made in response to the Board's discussion at the September 28, 2026, Special Meeting. The revisions clarified support for continued Phase I planning without presuming an outcome, affirmed the Board's governance and oversight responsibilities, emphasized meaningful District participation in matters affecting its responsibilities or authority, addressed interagency decision-making roles and dispute resolution, and requested regular County updates, preferably quarterly.

Public Comments:

Neil Rauchenberg, a longtime Joshua Tree resident, urged the Board to preserve District funds and have the County lead and fund wastewater planning. He expressed concerns about the District's ability to manage a sewer system, recommended hiring a liaison to coordinate with the County, and encouraged the Board to use the County's plan to evaluate future options for advancing the septic-to-sewer initiative.

Erin Gatlin urged caution regarding the County's septic-to-sewer study, emphasizing the need for coordinated planning, meaningful District participation, and a written agreement defining agency responsibilities and dispute resolution. She expressed concerns about limited County engagement, transparency, unanswered questions, and the lack of a clear project timeline, noting that qualified support could be interpreted as unconditional support and that the conditions may be disregarded.

Director Floen moved to adopt Resolution 26-1100 Regarding Continued County Phase 1 Planning and Feasibility Work for the Joshua Tree Septic-to-Sewer Initiative with the amendment to remove "individual directors" from the last sentence of Section 3 of the resolution and seconded by Director Jarlsberg and defeated by the following vote:

1 st / 2 nd	Floen/Jarlsberg
Ayes:	Floen, Jarlsberg
Noes:	Fick, Fawke, Doolittle
Abstain:	None
Absent:	None

By consensus, the Board directed staff to prepare a letter addressed to the County Supervisor's Office regarding the Joshua Tree Septic-to-Sewer Initiative and return it to the Board for consideration and approval at the next Board meeting, or as soon as the letter could be prepared. No formal vote was taken.

C. COMPENSATION FOR CONCURRENT GM PRO TEM ASSIGNMENT

PRESENTED BY: GENERAL COUNSEL, JEFF HOSKINSON

RECOMMENDED ACTION: CONSIDER COMPENSATION FOR CONCURRENT GM PRO TEM ASSIGNMENT

General Counsel Jeff Hoskinson presented the Compensation for Concurrent GM Pro Tem Assignment, explaining that Anne Roman continued to perform her Director of Finance duties while assuming additional General Manager Pro Tem responsibilities through November 9, 2026. He reviewed compensation options of 10%, 15%, and 20%, with corresponding hourly rates respectively, for the Board's consideration.

Director Floen moved to consider compensation for Concurrent GM Pro Tem Assignment at an hourly rate of \$128.30 and seconded by Director Fick and approved by the following vote:

1 st / 2 nd	Floen/Fick
Ayes:	Doolittle, Fick, Floen, Jarlsberg, Fawke
Noes:	None
Abstain:	None
Absent:	None

8. DIRECTOR REPORTS/COMMENTS

President Doolittle

- Doolittle reported that she and Director Fawke attended the San Geronio Pass Water Agency's State of the Pass event on October 6, 2026, where speakers emphasized the importance of reliable water infrastructure and long-term planning to support economic growth.
- Doolittle attended the September MWA TAC meeting, where Bighorn Desert View Water Agency presented on Goat Mountain Well 13, titled "The Good, the Bad and the Ugly." Doolittle shared updates on well construction challenges, recharge facilities, the Ames Reche project, and potential MWA gap funding for District projects.
- Doolittle reported that Phil Murray (USMC), who works for Aaron Adams in the Department of Encroachment, contacted her last week regarding emergency services and is coordinating with local contacts.
- Doolittle suggested that the upcoming rate study consider itemizing water bills to show electricity and recharge costs separately from the base fee and tiered water commodity charges.

Vice President Fick

- None

Director Floen

- Floen reported that he will be attending the Copper Mountain Mesa board meeting on Saturday.

Director Jarlsberg

- None

Director Fawke

- None

9. MANAGER'S REPORT

General Manager Pro Tem Roman prepared and distributed a written manager's report which is included as an attachment to the minutes.

10. AGENDA ITEMS REQUESTED BY THE BOARD

- Doolittle –None
- Floen – None
- Jarlsberg – None
- Fick – None
- Fawke – None

11. CLOSED SESSION

A. PUBLIC EMPLOYEE APPOINTMENT (Govt. Code § 54957)

Title: Interim/Acting General Manager

The meeting adjourned to closed session at 7:37 pm

The meeting reconvened to open session at 8:32 pm

Legal Counsel, Jeff Hoskinson reported that no reportable action was taken.

12. ADJOURNMENT

On motion by Director Floen seconded by Director Fawke, and approved by the Board, the meeting was adjourned at 8:32 p.m.

Respectfully submitted,

Anne Roman, General Manager Pro Tem & Board Secretary

TO VIEW THE MEETING RECORDING ON YOUTUBE, CLICK HERE:



PURPOSE:

The Managers Report provides the Board of Directors with a summary of **noteworthy** activities, meetings attended, and updates from the General Manager, Operations, Administration, Finance and other District functions. The report is not intended to be all-inclusive and does not replace separate staff reports or agenda items for matters requiring Board discussion or action. The Managers Report will be provided at least monthly and may be presented more frequently as needed.

GENERAL MANAGER

Staff continues to band together and support the GM Pro Tem during the General Manager's leave. Everyone has been particularly helpful and understanding of time constraints. The GM Pro Tem is greatly appreciative! GM Pro Tem will be on an unavoidable, long-ago planned, out-of-town vacation from October 19 – 24th. Director of Administration, David Shook, will be filling in as needed during that time. GM Pro Tem will be mostly available for any urgent matters by phone, text, and Teams (except where Death Valley lack of phone signals prohibit it).

OPERATIONS

The District's E2-1 Reservoir Rehabilitation Project is nearing completion. The project has resulted in increased traffic and activity in an area where residents particularly value their privacy. While access to the reservoir is legally established through a public roadway and three permanent easements, the District has worked closely with the neighboring property owner and contractor to reasonably accommodate concerns. We will continue to maintain open communication with all involved parties as the project is completed.

ADMIN

District staff met with a Tyler Incode representative to learn more about the previously mentioned texting and emailing functionality. On the District side, we have updated the text messages to meet the thresholds of 160 characters. We also learned that we must now work with Incode and Southwest Networks to fully implement these features and will continue with testing and keep the Board updated as statuses change. We are also awaiting legal guidance on any opt-in/opt-out requirements.

The Board may or may not have noticed the sun-burned signs inside the demo garden. Staff have ordered replacements from the original entity and will have a stronger UV coating. We expect these to be received before the end of the year. Additionally, the large demo garden sign that was simply hung on the fence of the garden contained inaccurate information. A replacement was designed, created, and has been received and the old, incorrect sign has been removed. Admin staff is working with the field staff on a weather resistant bracket and posts to set near the entrance of the demo garden. It is a brushed aluminum material, similar to the gabion wall signs that have stood up to the harsh sun and wind.

FINANCE

Coordination is underway on updating the meter connection deposit quotes and equipment rates that are planned for Board review in December. We are exploring some ways to refine our initial quoting process.

Finance continues to follow up with Paychex on outstanding payroll tax reporting corrections. Although we have been unsuccessful in identifying a different vendor that can accommodate our needs, the ongoing errors continue to require a significant amount of staff time. Approximately 75% of our quarterly payroll tax filings since transitioning to Paychex about three years ago have contained errors requiring correction.

OTHER

CMC | Carrillo Law, P.C.

1881 S. Business Center Drive, Suite 7B
San Bernardino, CA 92408
714-746-4258
Chris.Carrillo@cmclaw.law
cmclaw.law

September 30, 2026

SENT VIA EMAIL

Steve Bardwell
President of the Board
Morongo Basin Conservation Association
P.O. Box 24
Joshua Tree, CA 92252
stevebardwell@mbconservation.org

Re: Conflict of Interest Analysis Regarding Dual Board Service (MBCA Board Members Stacey Doolittle and David Fick)

Dear Board of Directors:

You have requested a legal assessment regarding whether a conflict of interest exists for Morongo Basin Conservation Association (“MBCA”) board members Stacey Doolittle and David Fick who concurrently serve as elected officials for the Joshua Basin Water District (“JBWD”). Based on an evaluation of California law, specifically California Government Code §1126 and the landmark appellate decision in *Mazzola v City and County of San Francisco* (1980) 112 Cal.App3d 141, it is my opinion that their concurrent service does not constitute a prohibited conflict of interest.

Legal Framework and Analysis

California Government Code §1126 governs local public agency officials engaging in outside employment or outside activities. Under Section 1126(a), a local agency officer or employee shall not engage in any activity for compensation or otherwise if it is “inconsistent, incompatible, in conflict with, or inimical to his or her duties as a local agency officer or employee or with the duties, functions, or responsibilities of his or her appointing power or the agency by which he or she is employed.” However, the California Court of Appeal in *Mazzola* established that Government Code Section 1126 is not self-executing. The *Mazzola* court ruled that a local agency

cannot punish, remove, or restrict an official for outside activities unless that agency has formally adopted a specific incompatible activities policy, explicitly 1) outlining the prohibited conduct, 2) establishing clear disciplinary procedures, and 3) providing the official with advanced notice.

Legal Application to MBCA and JBWD

Because the JBWD has no policy, rule, or regulation prohibiting its elected board members from participating in advocacy work such as the MBCA board, no statutory violation under Section 1126 can be enforced against them. Furthermore, it has been brought to my attention that **JBWD's own legal counsel has recently issued a formal letter to the JBWD board weighing in on this partiular question and affirming that there is no inherent legal conflict of interest presented by their dual service.** Under *Mazzola*, the transparency of their dual roles means that their involvement is effectively permitted in the absence of *explicit pre-existing prohibitive rules*.

Conclusion and Recommendation

MBCA Board members Stacey Doolittle and David Fick may legally and ethically continue to serve concurrently on both the MBCA and JBWD boards. With that stated, while there is no inherent conflict, I would advise that both individuals remain mindful of situations where an actual, specific transactional conflict could arise (e.g., if MBCA enters into a direct contractual dispute). In such isolated events, standard recusal protocols on a case-by-case basis will fully safeguard both entities.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Chris Carrillo', is positioned above the printed name.

Christopher Carrillo

Anne Roman

From: Steve Bardwell <stevebardwell@mbconservation.org>
Sent: Thursday, October 1, 2026 8:09 AM
To: Anne Roman; Rowe, Dawn
Cc: Stacy Doolittle; David Fick
Subject: MBCA - JBWD no conflict of interest
Attachments: Letter to MBCA_Conflict of Interest .pdf

Follow Up Flag: Follow up
Due By: Friday, October 2, 2026 11:00 AM
Flag Status: Flagged

[Report This Email](#)

Dear Ms Roman and Supervisor Rowe,

To address questions about there being a conflict of interest with MBCA Directors Stacy Doolittle and David Fick serving on the Joshua Basin Water District Board, MBCA solicited a legal opinion on this matter. The letter is attached to this email.

MBCA directors with knowledge about providing, maintaining and protecting our local water resources offer invaluable insight as we continue to provide substantive comments on issues and developments impacting the Morongo Basin and the Community of Joshua Tree. MBCA supports sustainable development that balances economic vitality with protection of the unique environment that fuels the local economy.

Thank you for your service.

Copied here is JBWD President, Stacy Doolittle, and JBWD Board member David Fick.

Regards.

Steve Bardwell
President, MBCA
stevebardwell@mbconservation.org

October 7, 2026

Board of Directors
Joshua Basin Water District

Re: Public Comment, October 7, 2026, Agenda Item 7B: Resolution No. 26-1100 and San Bernardino County's Request Regarding Phase I Septic-to-Sewer Planning

Dear President Doolittle and Members of the Board:

I write to urge caution before the Board gives its support to the County's septic-to-sewer study.

A sewer system would be one of the biggest decisions Joshua Tree makes in a generation. It would affect the groundwater basin, costs to households, and who runs a system residents would depend on for decades. A decision that size works best when the agencies involved plan it together. JBWD manages the groundwater, holds the water-quality data, and has wastewater responsibilities of its own. It belongs at the table from the start.

That has not happened. On April 1, 2026, County representatives told this Board they would return regularly as Phase I moved forward. Since then, JBWD has asked more than once for presentations and an opportunity to work together. Those requests have not led to the engagement the County described.

There is also no memorandum of understanding. No written agreement sets out what the County decides, what JBWD decides, or how disagreements between the agencies are resolved.

Transparency has been limited as well. The County's September 28, 2026 letter answered four consolidated questions and described most of the Board's remaining questions as matters Phase I will answer. According to that letter, the public tracking mechanism for the project "remains to be determined." The August 20, 2026 letter suggested project funding was at risk, but the County has not identified a deadline.

The County has asked for a yes or a no. In that setting, even qualified support is likely to be read as simple support, and its conditions are likely to be set aside. According to the County, only \$4,525 has been spent and the consultant's scope of work has not been issued. There is no reason to rush.

I ask the Board to make its support depend on real collaboration first:

- a written agreement on the roles of the County and JBWD;
- a real voice in the Phase I scope of work; and
- regular public updates to the Board.

The Board should also keep every right to say no. If those conditions are not met, waiting is a reasonable answer.

Whatever the Board decides, I trust it to put the basin and the people it serves first. Thank you for considering these comments.

Respectfully submitted,

Erin Gatlin

FUTURE AGENDA ITEMS REQUESTED BY DIRECTORS

ONGOING					
#	Future Agenda Item	Requested By	Date	Lead	Status / Notes
1	PFAS Concerns Discussion	Jarlsberg	01/21/26	TBD	No PFAS detected in water sampling
2	Update Employee Handbook with Incentives	Short	02/04/26	Johnson	FY 26/27
3	Waste Water Strategy	Doolittle	03/19/26	TBD	Anticipated 27/28 Budget cycle
4	Landscaping Policy Discussion	Doolittle	03/19/26	TBD	Take to W&G Committee, Anticipated Winter 2026/27
5	CEQA Review on Budget	Doolittle	05/11/26	TBD	Added to FY 26/27 Budget
6	Cadiz Discussion	Doolittle	07/15/26	Johnson	Need more info
7	Supporting Documents for Agenda Items 7A and 7B from 08/05/26 Board Meeting	Jarlsberg	09/02/26	—	Pulled by Requestor
8	Board Meeting Recordings, Public Comments, Records Retention and Publication	Doolittle	09/02/26	—	Anticipated Winter 2026/27

COMPLETED					
#	Future Agenda Item	Requested By	Date	Lead	Status / Notes
1	Sewer Project Updates	Fick	01/21/26	Johnson	Completed 04/01/26 (more information to come)
2	Chromium 6 Updates & Workshop	Doolittle	01/21/26	Johnson	Completed 03/19/26 — Info on harms of Cr6
3	Customer Deposits	Short	02/04/26	Roman	Completed 08/05/26
4	CAAP Re-evaluation	Fick	02/04/26	Shook	Completed 08/05/26
5	District to Join JTABC	Fick	03/19/26	Johnson	Completed 08/05/26
6	Nitrates Presentation	Doolittle/Fick	05/11/26	Roman	Completed on 09/28/26 Agenda
7	Lovemore Ranch Project Status	Fick	08/19/26	Roman	Completed on 09/02/26 Agenda
8	Enable Zoom & YouTube Transcription	Doolittle	09/02/26	—	Completed on 09/17/26
9	Consideration for the District to Continue Using Rojas Public Affairs	Fick	09/16/26	—	Completed 09/28/26
10	GM Pro Tem Roman Compensation	Fick	9/16/2026	—	Completed on 10/07/26

FUTURE DIRECTOR MEETINGS - CALENDAR REMINDER

Informed, well-connected, and educated Directors are able to provide the best decision-making on behalf of JBWD ratepayers. Training and educational conferences provide an invaluable opportunity for Directors to become and stay educated about issues of significance to JBWD. Networking with various representatives, whether local, state, or federal officials, provides an opportunity for JBWD to have a seat at the table, and affords perspective, insight, and occasion for JBWD to collaborate on similar issues, learn about grant opportunities or gain an understanding of upcoming legislation. Director attendance at various meetings is critical for ensuring that JBWD's concerns, needs, or interests are appropriately shared and represented at many levels of government. Directors serve as the official face of JBWD and their attendance at JBWD-sponsored events such as Water Education Day, JBWD tours, retirements, or celebrations, signifies the importance and value of such events. JBWD belongs to various industry associations and Director attendance at their meetings demonstrates our interest and willingness to be part of the solution.

MEETING	DATE	TIME	ATTENDEES
ASBCSD - Dinner	10.19.26	5:30 PM	Doolittle/Fick/Jarlsberg
Senator Ochoa Bogh	10.20.26	10:00 AM	Doolittle
JBWD - Board Meeting	10.21.26	CANCELLED	
MWA - Board Meeting	10.22.26	9:30 AM	Fawke
CSDA - Building Public Trust through Financial Transparency Webinar	10.27.26	10:00 AM	Doolittle
JBWD - Board Meeting	11.04.26	5:00 PM	All



JOHN O. PINKNEY, ESQ.
PARTNER
ADMITTED IN CA

REPLY TO:
74774 Hwy 111
Indian Wells, California 92210
T (760) 322-2275
pinkney@sbemp.com

October 8, 2026

VIA ELECTRONIC MAIL ONLY:

Joshua Basin Water District
Board of Directors
61750 Chollita Road
Joshua Tree, CA 92252

RE: ENGAGEMENT LETTER

Dear Board of Directors,

On behalf of Slovak Baron Empey Murphy & Pinkney, LLP ("SBEMP or **Attorneys**"), I want to thank you for the opportunity to represent Joshua Basin Water District, (hereinafter referred to as "**Client**"). This letter contains the terms under which our firm, upon execution of this Agreement, will be retained to represent Client. The terms of this letter will also govern any additional work which we may undertake on the Client's behalf unless we enter into a separate written engagement letter specifying other terms.

1. Conditions

This Agreement will not take effect, and SBEMP will have no obligation to provide legal services until Client returns a signed copy of this Agreement with initials where indicated.

2. Identity of Client

SBEMP will provide legal services to Client and not any other individuals, entities or affiliates. SBEMP does not by this Agreement become or take on the role as legal counsel in any capacity to the individuals serving as the District's elected or appointed officials.

3. Scope of Representation

SBEMP will represent Client as legal counsel to handle all of the legal needs of the District, including but not limited to day to day legal advice, representation at District board meetings, environmental and CEQA issues, water service and rate setting related issues, representation in litigation, labor and employment matters, contracting matters etc. It is understood and agreed upon that SBEMP is hired to function as an independent contractor and not an employee of the Client.

To assist SBEMP in performing the legal services required under this agreement, it is important that Client: 1) keep SBEMP advised of the names and contact information of any other persons authorized to represent Client; 2) respond promptly and truthfully to questions or requests for information, provide complete and accurate information in response to discovery requests and other inquiries; 3) appear upon reasonable notice at any depositions, court hearings, or other required appearances; and 4) remain current on your account. SBEMP has not been retained to give tax advice, and the Client should consult with tax advisors regarding tax advice.

4. Indemnification

Joshua Basin Water District acknowledges that SBEMP is acting as a public official. Accordingly, Joshua Basin Water District will be responsible, pursuant to Government Code Section 825, for providing a defense and indemnification for legal counsel's actions that are within the scope of SBEMP's engagement as legal counsel. Joshua Basin Water District agrees to undertake its statutory duty and defend and indemnify SBEMP, its officers, employees and agents against and will hold and save each of them harmless from, any and all claims or liabilities that may be asserted by any person, firm, or entity arising out of or in connection with the work, operations, or activities of SBEMP within the course and scope of its performance as legal/general counsel, but nothing herein shall require Joshua Basin Water District to indemnify SBEMP for liability arising from SBEMP's own negligence or alleged negligence.

5. Fees

Our fees are computed on an hourly basis in accordance with the rates assigned to the particular attorneys performing the work. Consideration in billing is also given to the novelty and difficulty of the questions involved and the skill requisite to perform the legal services properly; the likelihood, if apparent to Client, that the acceptance of the particular employment will preclude other employment by the firm; the amount involved; the time limitations imposed by Client or by the circumstances; the experience, reputation and ability of the lawyer or lawyers performing the services; and the value of the product or services received by Client.

Hourly rates are generally increased periodically to accommodate inflation, rising firm costs and to account for changes in billing rates such as when the status of our professionals' change, for example, when an associate becomes a partner or when an associate's level of experience merits a raise in his or her billing rate. These increases will be instituted automatically on a firm-wide basis and will be applied to your matter if the firm rates are increased. Notice of rate changes will be reflected on your monthly invoices when the change takes effect. Rates will increase by 3 percent each July 1.

SBEMP attorney hourly rates will be \$300 and Paralegals and non-attorney hourly rates will be \$150 per hour. For litigation related services, Attorney hourly rates will be \$340, and Paralegals and non-attorney hourly rates will be \$160 per hour. Litigation rates will apply in connection with pre-litigation matters, during litigation and on any post litigation and appeals.

The time charged will include the time SBEMP spends on telephone calls relating to Client's matter, including calls with Client, as well as time spent reviewing and responding to email communications. SBEMP's personnel assigned to the matter may confer among themselves about the matter, as required and appropriate. When they do confer, each person will charge for the time expended, as long as the work done is reasonably necessary and not duplicative. Likewise, if more than one of the legal personnel attends a meeting, or other proceeding, each will charge for the time spent.

Time is billed in increments of one-tenth (6 minutes) of an hour with a minimum billing increment of three-tenths (18 minutes). Legal personnel will bill for waiting time for meetings, in court, or at other proceedings and for travel time both locally and out-of-town.

6. Costs and Other Charges

- a) In General: SBEMP does not advance costs for clients. However, some routine costs such as photocopying, service of process fees, notary fees, recording fees, postage and express delivery, are incurred and paid for in advance on behalf of our clients. Except as listed below, all costs and expenses will be charged at SBEMP's cost:

In-office photocopying: \$.15/page

Mileage: current IRS rate as amended

- b) Unless an emergency occurs, or the costs are minimal, we do not advance costs for clients of the firm. Failure to provide advance notice of such costs does not relieve the Client of its obligation to pay for the costs. Reimbursement for costs advanced by us on your behalf and other expenses will be billed in addition to the hourly rate charged.
- c) In and Out of town travel: If in or out of travel town travel is required, Client agrees to pay reasonable cost for transportation, meals, lodging, and all other costs of any necessary in or out-of-town travel by SBEMP. Client will also be charged the hourly rates for the time legal personnel spend traveling.
- d) Experts, Consultants, and Investigations: It is Client's responsibility to pay for the costs of any experts, consultants, or investigators hired to assist SBEMP in

its representation of Client. Client will retain any experts, consultants, or investigators and will be solely responsible for paying their fees and costs.

7. Retainer

An advance retainer will not be required in connection with SBEMP's representation of Client.

Under California law, client funds that are too small in amount or held too briefly to earn interest for the client are maintained in accordance with the Interest on Lawyers' Trust Accounts (IOLTA) program. The interest earned on such funds is pooled and paid to the State Bar of California benefiting 100 nonprofit legal services throughout California. If we take or hold a large sum of client funds, we may hold those funds in an individual account, known as a Client Trust Account, which holds only the individual client's money. All interest earned in that account will go to the client. Unless we agree otherwise in writing, client's funds will be held in our IOLTA account.

8. Billing

SBEMP billing procedures are intended to be as simple and as clear as possible. You will be billed monthly for services rendered and for costs and expenses incurred. The bill will reflect the amount deducted from your fee and/or cost retainer, if applicable, and the balance of the retainer held in trust, if applicable. The amount deducted is the amount that you are obligated to pay to restore the original fee and/or cost retainer to the agreed amounts, if applicable. All payments owed are due and payable within ten days of presentation unless we have made other payment arrangements. If a bill is not paid within thirty days, a late charge of one-half percent (.5%) per month on the unpaid balance may be added to the amount past due, commencing with the next statement and continuing until paid.

If Client's account becomes more than 45-days delinquent, we reserve the right to cease all non-emergency legal work. If Client's account becomes more than 60-days delinquent, we reserve the right to withdraw from representing Client.

Angie Arcilla is our firm's administrative assistant and will answer any questions you may have regarding billing. She may be reached at arcilla@sbemp.com. However, you may always contact me as well if you have any questions regarding your bill.

Our office sends all invoices via email. We will send your monthly invoice via email to the email address listed on the first page, unless specified otherwise.

Should you request us at some future date to handle litigation and we are asked to estimate the anticipated cost of litigation, or any portion thereof, Client agrees and acknowledges that any such prediction, estimate, or budget is inherently difficult to accurately calculate, and is susceptible to a wide variety of future events and factors

impacting the cost, including, but not limited to, the actions of the opposing party and counsel, and other factors beyond SBEMP's control. Any estimates, predictions or budgets shall not be binding on SBEMP and shall not in any manner act as a limitation on the amount of fees owed nor as a basis for disputing amounts Client owes to SBEMP for work actually performed.

(CLIENT initials)

9. Client Funds

If SBEMP obtains funds for you and monies are owed to the firm, you agree that the sum owed to the firm may be deducted from said funds before returning the balance to you. SBEMP shall have a lien for services rendered and costs advanced on any sums recovered, whether by settlement or judgment on account of Client's claims. Because a lien may affect Client's property rights, Client may seek the advice of an independent lawyer of Client's own choice before agreeing to such a lien. By initialing this paragraph, Client represents and agrees that Client has had a reasonable opportunity to consult such an independent lawyer and, whether or not Client has chosen to consult such independent lawyer, Client agrees that SBEMP will have a lien as specified above.

(CLIENT initials)

10. Insurance Coverage

SBEMP will not provide advice on the type or amount of insurance recommendable to the Client. Moreover, to the extent Client is ever named as a defendant in a lawsuit, the Client will notify its insurance carrier and broker of the claim to determine whether insurance coverage is available.

SBEMP is pleased to advise you that it carries errors and omissions insurance. After a standard deductibility amount, this insurance provides coverage which exceeds the amount required by the State of California.

11. Absence of Conflicts

In order to avoid conflicts of interest among our clients, the firm maintains a conflict-of-interest index. The firm will not represent any party with an interest that may be adverse to an indexed person without an examination to determine if a conflict of interest would be created. In connection with your matter, we have indexed the following names: **JOSHUA BASIN WATER DISTRICT**. Please let me know if there are any other individuals or entities who will be closely involved with this matter. Unless we hear from you otherwise, SBEMP will presume the list is accurate and complete.

12. Disclaimer of Guarantee and Estimates

Nothing in this Agreement and nothing in SBEMP's statements to Client will be construed as or intended to be a promise or guarantee about the outcome of the matter. We have made no promises or guarantees about the outcome of any phase of this matter. Any comments we may make regarding the outcome of your matter are expressions of opinion only based on the facts and circumstances known at the time the comment is made.

Additionally, from time to time we may provide estimates of costs and fees or a budget for the estimated cost of the matter. Those are estimates only. Actual fees may vary from estimates for a variety of reasons many of which are beyond our control. The estimates are not a guarantee nor are they a limitation of the fees and costs Client is obligated to pay.

13. AI Use and Approval

Client is informed, understands and agrees that SBEMP may use reputable Artificial Intelligence ("AI") tools to assist with tasks such as legal research, document review, and drafting. These tools are used under attorney supervision to improve efficiency and quality and do not replace professional legal judgment. The Firm will not disclose identifiable client information or input it into any AI system that stores or uses data for future training unless the system is deployed in a private or secure environment. All AI use will comply with applicable ethical rules, confidentiality obligations, and data protection requirements.

14. Termination

You have the right to terminate our services at any time. We also have the right to terminate our services to you upon written notice in the event you fail to pay in full your monthly statements as submitted, fail to cooperate with a reasonable request or in the event we determine in our reasonable discretion that to continue services to you would be unethical, impractical or improper.

15. Conclusion of Services

All unpaid charges shall become immediately due and payable when SBEMP's services conclude. Upon conclusion and Client's request, SBEMP shall, upon written request, deliver Client's file to Client, along with any Client funds or property in our possession. In the event there are multiple Client contacts, Client shall determine who is the primary contact for purposes of receiving the original Client file.

16. Arbitration

IN THE EVENT OF ANY DISPUTE OVER THE AMOUNTS DUE, ANY COLLECTION ACTION BY US, OR ANY OTHER DISPUTE OF ANY KIND WHATSOEVER BETWEEN US, INCLUDING WITHOUT LIMITATION, DISSATISFACTION WITH THE SERVICES PROVIDED TO YOU OR YOUR BELIEF THAT THE FIRM HAS ENGAGED IN MALPRACTICE, THE PARTIES HEREBY AGREE TO SUBMIT ANY AND ALL DISPUTES TO FINAL AND BINDING ARBITRATION. THE ARBITRATOR ALSO SHALL HAVE THE EXCLUSIVE AUTHORITY TO RESOLVE ANY DISPUTE RELATING TO WHAT ISSUES HEREUNDER ARE ARBITRABLE INASMUCH AS THE INTENT OF THIS AGREEMENT IS TO INVEST IN THE ARBITRATOR SUCH EXCLUSIVE AUTHORITY TO INCLUDE ANY ISSUES AS TO THE ENFORCEABILITY OF THIS AGREEMENT AND/OR ANY CLAIM THAT ALL OR PART OF THIS AGREEMENT IS OR IS NOT ENFORCEABLE, VOID, AND/OR VOIDABLE. IT IS AGREED THAT THE ARBITRATOR SHALL BE REQUIRED TO FOLLOW THE LAW.

THE PARTIES AGREE THAT THE ARBITRATOR SHALL BE SELECTED THROUGH JAMS IN ONTARIO, CALIFORNIA, WITH VENUE TO OCCUR IN PALM SPRINGS, CALIFORNIA, UNLESS OTHERWISE AGREED UPON IN WRITING BY ALL PARTIES. THE PARTIES AGREE THAT JAMS SHALL SUBMIT A PANEL OF FIVE ARBITRATORS WITH THE PARTY DEMANDING ARBITRATION REQUIRED TO STRIKE A NAME FIRST AND THEREAFTER THE OTHER PARTY TO STRIKE A NAME UNTIL SUCH TIME AS ONE NAME REMAINS WHO SHALL BE THE ARBITRATOR, UNLESS THE PARTIES STIPULATE IN WRITING TO AN ARBITRATOR.

THE PARTIES AGREE TO EACH PAY ONE-HALF OF THE ARBITRATOR'S FEES NECESSARY TO PROCEED WITH AND HOLD THE ARBITRATION. EACH SIDE SHALL BEAR THEIR OWN COSTS AND FEES IN CONNECTION WITH THE ARBITRATION, REGARDLESS OF WHO IS CONSIDERED TO BE THE PREVAILING PARTY.

YOU ACKNOWLEDGE THAT WE HAVE EXPLAINED TO YOU THAT SUCH BINDING ARBITRATION MAY DEPRIVE YOU OF VARIOUS RIGHTS THAT YOU OTHERWISE MIGHT HAVE IN A LEGAL ACTION, INCLUDING WITHOUT LIMITATION THE RIGHT TO A JURY TRIAL, THE RIGHT TO APPEAL, AND THE RIGHT TO PUNITIVE DAMAGES. IF YOU DO NOT UNDERSTAND THIS CLAUSE, YOU SHOULD SEEK INDEPENDENT LEGAL COUNSEL.

(Client initials)

_____JOP_____
(Attorney initials)

17. Right to Publicity

If any information regarding this matter is publicly disclosed, Client consents to SBEMP's use of any such public information regarding its representation in this matter, for publicity, advertising, and/or promotional purposes in any media (print, television, radio, Internet), without further permission, consent, payment or other consideration, unless prohibited by law.

18. Document Storage Policies

SBEMP does not store physical client files. SBEMP documents are electronically stored and will be retained for five years digitally. At the conclusion of that period, without any further notice, all digital and other documents will be destroyed and discarded.

19. Severability

If any part of this Agreement found by a court of competent jurisdiction to be unlawful or not effective, the remainder of this Agreement shall remain in full force and effect.

20. Entire Agreement and Place of Performance

This Agreement contains the entire agreement of the parties. No other agreement, statement, or promise made on or before the effective date of this Agreement will be binding on the parties. Moreover, this Agreement is entered into and to be performed in San Bernardino County, California and shall be interpreted and enforced pursuant to the laws of the State of California.

21. Additional Matters

The parties agree that this engagement agreement shall be applicable and shall bind the parties respecting any additional matters undertaken by SBEMP for Client in the future so that separately executed agreements shall be unnecessary.

If this letter agreement meets with your approval, please sign and return a copy to me.

Sincerely,
SBEMP LLP

John O. Pinkney

BY: John O. Pinkney

Joshua Basin Water District
ENGAGEMENT LETTER
October 8, 2026
Page 9

JOP:

AGREED

By: Stacy Doolittle, President
Joshua Basin Water District

AGENDA ITEM NO:	8C
MEETING DATE:	10.15.26

Staff Report

PRESENTED BY:	DAVID SHOOK, DIRECTOR OF ADMINISTRATION
TOPIC:	SB 394 WATER THEFT
RECOMMENDATION:	Adopt Ordinance 26-12, supporting Senate Bill 394 (Allen), which strengthens civil remedies and local enforcement tools to deter water theft from fire hydrants and protect public safety.

BACKGROUND: Water theft from fire hydrants has been identified as an increasing statewide concern. Unauthorized hydrant use has been linked to commercial hauling operations that use specialized equipment to access hydrants and resell water for construction, landscaping, agricultural, or other uses.

The Senate Judiciary Committee analysis reports multiple examples of significant water loss and costs incurred by agencies, including losses measured in tens of millions of gallons and expenses for deterrence measures such as hydrant locks, cameras, monitoring devices, patrols, and construction of dedicated fill stations.

In addition to financial impacts, the bill's supporters highlight public safety risks. Improper hydrant closure or tampering can damage firefighting equipment or compromise hydrant performance during an emergency.

ANALYSIS: SB 394 proposes the following key changes:

- 1) Civil Action Authority for Utilities
The bill authorizes a utility to bring a civil action for damages against any person who commits, authorizes, solicits, aids, abets, or attempts to:
 - Tamper with a fire hydrant, fire hydrant meter, or fire detector check, or
 - Cause water to be diverted from a fire hydrant for non-firefighting purposes or without authorization from the appropriate water system or fire department.
- 2) Presumption of Liability
SB 394 establishes a rebuttable presumption that a person who tampers with or uses a hydrant or related equipment without authorization to obtain water and without paying the full lawful charge is in violation of the civil liability provisions.
- 3) Enhanced Local Ordinance Penalties
 - (a) SB 394 authorizes local agencies that provide retail water service to adopt ordinances prohibiting water theft via unauthorized connections. Any person who commits water theft via meter tampering is punishable as follows:
 - a. A fine of one hundred thirty dollars (\$130) for a first violation;
 - b. A fine of seven hundred dollars (\$700) for a second violation within one year of the first violation of the same;

and

- c. A fine of one thousand three hundred dollars (\$1,300) for the third violation and each additional violation of the same.
- (b) Any person who commits water theft via an unauthorized connection to a fire hydrant is punishable as follows:
- a. A fine of two thousand five hundred dollars (\$2,500) for a first violation;
 - b. A fine of five thousand dollars (\$5,000) for a second violation of the same; and
 - c. A fine of ten thousand dollars (\$10,000) for the third violation and each additional violation of the same.
- (c) Any person who commits water theft via any other means or forms is punishable as follows:
- a. A fine of one thousand dollars (\$1,000) for a first violation;
 - b. A fine of two thousand (\$2,000) for a second violation within one year of the first violation of the same; and
 - c. A fine of three thousand dollars (\$3,000) for the third violation and each additional violation of the same. The bill requires the local agency to adopt administrative procedures governing enforcement and review of fines.

4) Improved Enforcement for Repeat Offenders

The bill modifies the existing penalty structure so that a third and subsequent violation can be treated as such any time after a second violation, not only if the repeat violation occurs within one year of the first violation.

POLICY CONSIDERATIONS

SB 394 aligns with the following public policy interests:

- Public Safety: Ensuring hydrants remain functional and uncompromised for firefighting use.
- Water System Integrity: Deterring tampering with water infrastructure.
- Affordability and Fairness: Reducing losses that may otherwise be passed on to ratepayers.
- Conservation: Preventing wasteful and unauthorized use of water.

The bill is supported by a broad coalition of water agencies and local governments.

Pursuant to Water Code Section 31027, a county water district adopting an ordinance must satisfy publication requirements. Namely, a county water district must do one of the following:

- 1) Publication in Full. Publish once in full in a newspaper of general circulation within 10 days after adoption, or if there be no such newspaper, posted in three public places within the district;
- 2) Publication of Summary. Prepare, post and publish a summary of the ordinance at least five days prior to the board meeting adopting the ordinance. Within 15 days after adoption, post and publish again the summary of the ordinance along with the names of those directors voting for and against the ordinance.
- 3) Display Advertisement. If the Board decides that a summary is not feasible, publish a display advertisement of at least one-quarter of a page in a newspaper of general circulation in the county at least five days prior to the board meeting adopting the ordinance. Within 15 days after adoption, publish again a display advertisement of at least one-quarter of a page. The advertisement shall indicate the general nature of, and provide information about, the proposed or adopted ordinance or amendment, including information sufficient to enable the public to obtain copies of the complete text of the ordinance, and the names of the directors voting for and against the ordinance.

CONCLUSION:

Senate Bill 394 (Allen) addresses growing incidents of water theft through unauthorized use or tampering with fire hydrants. The bill expands legal tools available to utilities and local agencies by:

1. Authorizing a utility to bring a civil action for damages against persons who tamper with or divert water from a fire hydrant without authorization (including those who aid, abet, or attempt the act), and
2. Allowing local agencies that provide retail water service to adopt ordinances with enhanced administrative penalties for unauthorized hydrant connections, with fine limits up to \$10,000 for repeat violations.

The Senate Judiciary Committee analysis notes that water theft threatens public safety, conservation, and affordability, and current penalties have not been an effective deterrent. No opposition was reported in committee analysis materials.

STRATEGIC PLAN:

4.2 REVIEW AND UPDATE POLICIES AND IMPLEMENT PROCESS IMPROVEMENTS AND TECHNOLOGY SOLUTIONS TO MAXIMIZE EFFECTIVENESS.

5.1 ENHANCE CUSTOMER TRUST, UNDERSTANDING AND POSITIVE PERCEPTION OF THE WORK OF THE DISTRICT TO PROTECT AND PROVIDE WATER SERVICES.

FISCAL IMPACT:

The bill itself is listed as **non-fiscal** in the Senate Judiciary Committee analysis. However, if enacted and implemented locally, it may reduce water losses and deterrence costs over time by strengthening enforcement tools. No direct fiscal impact is anticipated from adopting the attached Ordinance.

ORDINANCE NO. 26-12

ORDINANCE OF THE BOARD OF DIRECTORS OF THE JOSHUA BASIN WATER DISTRICT PROHIBITING WATER THEFT AND UNAUTHORIZED CONNECTION TO FIRE HYDRANTS, ENFORCING PENALTIES ON OFFENDERS, AND ADOPTING ADMINISTRATIVE PROCEDURES GOVERNING ENFORCEMENT AND REVIEW OF FINES.

WHEREAS, water theft from fire hydrants has been identified as an increasing statewide concern, and unauthorized hydrant use has been linked to commercial hauling operations that use specialized equipment to access hydrants and resell water for construction, landscaping, agricultural, or other uses.

WHEREAS, California's Senate Judiciary Committee has documented multiple examples of significant water loss and costs incurred by agencies, including losses measured in tens of millions of gallons and expenses for deterrence measures such as hydrant locks, cameras, monitoring devices, patrols, and construction of dedicated fill stations.

WHEREAS, the Governor of California signed into law on October 10, 2025, Senate Bill No. 394 (Allen) ("SB 394"), which amends the California Civil Code and Government Code to address unauthorized connection to fire hydrants and allow local agencies that provide water services to adopt ordinances prohibiting such actions while imposing administrative fines and penalties.

WHEREAS, the California Civil Code Section 1822.1 was amended to allow a utility to bring a civil action for damages against any person who commits, authorizes, solicits, aids, abets, or attempts acts including tampering with a fire hydrant, fire hydrant meter, or fire detector check, or connects to, diverts water from, or causes water to be diverted from, a water hydrant without authorization from the utility that owns the fire hydrant.

WHEREAS, the California Government Code Sections 53069.45 and 53069.46 were amended to allow a local agency that provides water services to adopt an ordinance that prohibits water theft and the unauthorized connection to a fire hydrant with enhanced penalties and improved enforcement for repeat offenders.

WHEREAS, the Board of Directors ("Board") of the Joshua Basin Water District ("District") intends to adopt an ordinance that supports and reflects the amendments made pursuant to SB 394.

WHEREAS, California Water Code Section 31027 provides that a county water district's prescribed ordinance comes into full force and effect immediately upon adoption, but shall be published once in full in a newspaper of general circulation, printed, published and circulated in the district within 10 days.

WHEREAS, Water Code Section 31027 provides alternatives to full publication, including the publication of a summary of the proposed ordinance at least five days prior to the board meeting adopting the ordinance and again within 15 days after adoption of the ordinance, with the names of those directors voting for and against the ordinance.

WHEREAS, Water Code Section 31027 further provides that, under circumstances where a summary of the proposed ordinance is not feasible, publication may be satisfied by publication of a display advertisement of at least one-quarter of a page in a newspaper of general circulation in the county at least five days prior to the board meeting adopting the proposed ordinance and again within 15 days after adoption, providing information on the general nature of the proposed ordinance, where to obtain copies of the complete text of the ordinance, and the names of the directors voting for and against the ordinance.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE JOSHUA BASIN WATER DISTRICT HEREBY RESOLVES, DETERMINES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are incorporated herein as findings of the Board by this reference.

Section 2. In support of SB 394, the Board hereby adopts Ordinance No. 26-12 as follows:

(a) Any person who commits water theft via meter tampering is punishable as follows:

- a. A fine of one hundred thirty dollars (\$130) for a first violation;
- b. A fine of seven hundred dollars (\$700) for a second violation within one year of the first violation of the same; and
- c. A fine of one thousand three hundred dollars (\$1,300) for the third violation and each additional violation of the same.

(b) Any person who commits water theft via an unauthorized connection to a fire hydrant is punishable as follows:

- a. A fine of two thousand five hundred dollars (\$2,500) for a first violation;
- b. A fine of five thousand dollars (\$5,000) for a second violation of the same; and
- c. A fine of ten thousand dollars (\$10,000) for the third violation and each additional violation of the same.

(c) Any person who commits water theft via any other means or forms is punishable as follows:

- a. A fine of one thousand dollars (\$1,000) for a first violation;

- b. A fine of two thousand (\$2,000) for a second violation within one year of the first violation of the same; and
 - c. A fine of three thousand dollars (\$3,000) for the third violation and each additional violation of the same.
- (d) For the purpose of this Ordinance, “water theft” means an action to divert, tamper, or reconnect water utility services, as defined in the California Penal Code Section 498. “unauthorized connection to a fire hydrant” includes the unauthorized use of a fire hydrant, fire hydrant meter, or fire detector check.
- (e) The provisions set forth in Section (a)-(c) above are not cumulative, and only one may be applied, enforced, or imposed for any single offense.
- (f) Except for water theft committed via an unauthorized connection to a fire hydrant, hardship waivers may be granted to reduce the amount of fines imposed for water theft upon a showing by the responsible person that payment of full amount of fine or fines would impose an undue financial burden.
- (g) Upon assessing any fine under this Ordinance, the Joshua Basin Water District shall issue a written Notice of Determination stating the violation, the factual findings, the evidence relied upon, and the amount of the fine to be imposed.
 - a. The receiving party must pay the fine imposed within fifteen (15) business days of receiving the Notice of Determination via customer account or a written check to the following address:
 - i. Joshua Basin Water District, 61750 Chollita Rd, Joshua Tree, CA 92252
 - b. The receiving party may file a written request for review within ten (10) business days of receiving the Notice of Determination. The request shall state the grounds for contesting the fine and may include supporting documents, requests for hardship waivers, or other relevant evidence;
 - c. Upon a timely request for review, Joshua Basin Water District shall review and evaluate the supporting evidence, determine whether the fine was imposed in accordance with this Ordinance, and issue a written decision affirming, modifying, or rescinding the fine.
 - d. The written decision shall constitute the final and binding determination regarding the fine.
 - e. Filing a request for review shall not result in additional penalties or adverse treatment.

Section 3. This ordinance shall take effect upon approval of the same by the Board.

Section 4. This ordinance shall be published once in full in the Hi Desert Star on October 7, 2026.

PASSED AND ADOPTED this 15th day of October 2026, pursuant to the following votes:

AYES: _____
NOES: _____
ABSENT: _____
ABSTAIN: _____

By: _____
Stacy Doolittle, President

By: _____
Anne Roman, General Manager Pro Tem

AGENDA ITEM NO:	8D
MEETING DATE:	10.15.26

Staff Report

PRESENTED BY:	Anne Roman, GM Pro Tem and Director of Finance
TOPIC:	INVESTMENT REPORT FOR FISCAL YEAR ENDING 06/30/2026
RECOMMENDATION:	For informational purposes only.

SUMMARY: The District's LAIF fund earned \$890,483.18 plus \$3,516.97 of "in-lieu of deposit" interest from HDMC in fiscal year 2025/26. The District's CAMP funds earned \$223,299.83 in fiscal year 2025/26. The total investment earnings from non-US Bank sources totaled \$1,113,783.01 plus \$3,516.97 from HDMC.

ANALYSIS: Attached is the unaudited Annual Interest Allocation Report for fiscal year 2025/2026.

LAIF (Local Agency Investment Fund) remains the District's primary investment vehicle, offering a secure and liquid option as authorized by the District's Investment Policy. However, for the first time, after amending the Investment Policy in late 2024, the District placed funds with CAMP (California Asset Management Program), beginning slowly in January 2025.

In 2025/2026, the District earned \$890,483.18 in interest from LAIF, with rates ranging from 3.92% to 4.34%. Interest earnings were proportionally distributed among internal LAIF funds, including the legally segregated Capacity and CMM funds. Of the total interest, \$106,625.02 was allocated to these segregated funds, while \$783,858.16 was allocated to the District's Cash Flow Reserve Fund. An additional \$3,516.97 was earned on the HDMC Wastewater Note, in lieu of those funds being deposited in LAIF.

Regarding the security of the LAIF investment, here is a relevant excerpt from the LAIF Statutes, as posted on the California State Treasurer's website:

"Moneys placed with the Treasurer for deposit in the Local Agency Investment Fund by cities, counties, special districts, nonprofit corporations, or qualified quasi-governmental agencies shall not be subject to:

- a. Transfer or loan pursuant to Sections...
 - b. Impoundment or seizure by any state official or state agency."
- (<https://www.treasurer.ca.gov/pmia-laif/answer/laifstatutes.asp>)

The District's CAMP funds earned \$223,299.83, of which \$123,554.17 was restricted in the CAMP – Wastewater Capacity Fund and \$99,745.42 was allocated to the CAMP – Emergency Capital Reserve Fund. In addition, the CAMP – General Pool (essentially a base/transitional account) earned \$0.24. The interest rates ranged from 3.75% to 4.41%.

CAMP is a California Joint Powers Authority (JPA) established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is a "daily liquidity, stable net asset value (NAV) investment option

[that] stresses daily liquidity and safety of principal as two of its objectives, as underscored by its AAAm¹ rating from S&P Global. Earning a competitive yield is a third goal after safety and liquidity.” (<https://www.camponline.com/>)

Other smaller investments held with US Bank earned minimal interest of \$420.42 and are not included in the attached summary.

For context, investment earnings in previous fiscal years ranged from a low of \$36,623 in 2015/16 to this year’s record high of \$1,113,783.01 plus HDMC’s note interest of \$3,516.97 and \$420.42 in interest from other small accounts.

**RECOMMENDED
ACTION:**

Receive for informational purposes only.

STRATEGIC PLAN:

Objective 2.2: Manage financial reserves consistent with established policies for security, acceptable risk, and income objectives.

FISCAL IMPACT:

None

ANNUAL INTEREST ALLOCATION (Unaudited)
FOR THE FISCAL YEAR ENDED
06/30/2026

LAIF - ANNUAL RECAP

*** Interest from all unrestricted funds is posted to 11303-Cash Flow

INVESTMENT PERIOD	INTEREST EARNED	APPROX. POST DATE	CASH FLOW *** 11303	LAIF WATER CAP 11310	LAIF WASTEWTR CAP 11313	LAIF CMM RESERVE 11325	LAIF CMM REDEMP 11320	LAIF CMM PREPAY 11330	TOTAL
07/01 - 09/30/25	4.34%	10/15/2025	17,927,359.91	1,773,592.29	56,453.58	207,383.85	360,463.03	5,353.86	20,330,606.52
\$ ALLOC	215,401.29		189,939.07	18,791.08	598.12	2,197.22	3,819.08	56.72	215,401.29
10/01 - 12/31/25	4.20%	01/15/2026	19,645,678.94	1,924,895.37	14,930.12	209,581.07	520,511.73	5,410.58	19,645,678.94
\$ ALLOC	223,029.91		196,298.22	19,233.42	149.18	2,094.12	5,200.92	54.06	223,029.91
01/01 - 03/31/26	3.98%	04/15/2026	19,820,096.70	1,970,248.79	22,264.30	205,143.00	545,820.29	5,464.64	22,569,037.72
\$ ALLOC	219,875.79		193,094.60	19,194.88	216.91	1,998.58	5,317.58	53.24	219,875.79
04/01 - 06/30/26	3.92%	07/15/2026	21,616,569.28	2,077,598.67	43,542.91	207,141.58	587,124.67	6,936.40	24,538,913.51
\$ ALLOC	232,176.19	ACCRUED	204,526.28	19,657.31	411.98	1,959.88	5,555.11	65.63	232,176.19

LAIF ANNUAL ALLOCATION

890,483.18	783,858.16	76,876.68	1,376.20	8,249.80	19,892.69	229.65	890,483.18
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CAMP - ANNUAL RECAP

INVESTMENT PERIOD	INTEREST EARNED	APPROX. POST DATE	CAMP GENERAL POOL 11400	CAMP EMERGENCY 11405	CAMP WASTEWTR CAP 11413				TOTAL
07/01 - 07/31/25	4.41%	08/01/2025	5.60	2,442,786.34	2,973,030.00				5,415,821.94
\$ ALLOC	20,182.01		0.02	9,118.58	11,063.41				20,182.01
08/01 - 08/31/25	4.41%	09/01/2025	5.62	2,451,922.73	2,984,149.58				5,436,077.93
\$ ALLOC	20,255.99		0.02	9,136.39	11,119.58				20,255.99
09/01 - 09/30/25	4.27%	10/01/2025	5.64	2,460,711.20	2,994,845.71				5,455,562.55
\$ ALLOC	19,484.62		0.02	8,788.47	10,696.13				19,484.62
10/01 - 10/31/25	4.26%	11/03/2025	5.66	2,469,614.94	3,076,679.45				5,546,300.05
\$ ALLOC	19,987.92		0.02	8,903.74	11,084.16				19,987.92
11/01 - 11/30/25	4.08%	12/01/2025	5.68	2,477,931.33	3,087,040.13				5,564,977.14
\$ ALLOC	18,677.09		0.02	8,316.39	10,360.68				18,677.09
12/01 - 12/31/25	3.90%	01/02/2026	5.70	2,486,235.45	3,097,385.52				5,583,626.67
\$ ALLOC	18,649.53		0.02	8,304.12	10,345.39				18,649.53
01/01 - 01/31/26	3.84%	02/02/2026	5.72	2,494,367.88	3,107,517.01				5,601,890.61
\$ ALLOC	18,263.94		0.02	8,132.43	10,131.49				18,263.94
02/01 - 02/28/26	3.83%	03/02/2026	5.74	2,501,692.35	3,116,641.93				5,618,340.02
\$ ALLOC	16,449.41		0.02	7,324.47	9,124.92				16,449.41
03/01 - 03/31/26	3.80%	04/01/2026	5.76	2,509,755.99	3,126,687.72				5,636,449.47
\$ ALLOC	18,109.45		0.02	8,063.64	10,045.79				18,109.45
04/01 - 04/30/26	3.79%	05/01/2026	5.78	2,517,560.29	3,136,410.42				5,653,976.49
\$ ALLOC	17,527.02		0.02	7,804.30	9,722.70				17,527.02
05/01 - 05/31/26	3.75%	06/01/2026	5.80	2,525,592.26	3,168,722.16				5,694,320.22
\$ ALLOC	18,079.43		0.02	8,031.97	10,047.44				18,079.43
06/01 - 06/30/26	3.78%	07/01/2026	5.82	2,533,413.18	3,178,534.64				5,711,953.64
\$ ALLOC	17,633.42	ACCRUED	0.02	7,820.92	9,812.48				17,633.42

CAMP ANNUAL ALLOCATION

223,299.83	0.24	99,745.42	123,554.17	-	-	-	223,299.83
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TOTAL EARNINGS

1,113,783.01	783,858.40	176,622.10	124,930.37	8,249.80	19,892.69	229.65	1,113,783.01
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