

JOSHUA BASIN WATER DISTRICT
Minutes of the
REGULAR WORKSHOP MEETING
OF THE CITIZENS ADVISORY COMMITTEE
November 1, 2017

1. CALL TO ORDER 1:03 pm.
2. PLEDGE OF ALLEGIANCE
3. DETERMINATION OF QUORUM:

Jeff Dongvillo	Absent
Tom Kayne	Present
Shari Long	Present
Karen Morton	Present
Karyn Sernka	Present (Arrived late)
Karen Tracy	Present

STAFF PRESENT: Curt Sauer, General Manager

CONSULTANTS: Alex Handlers, Bartles Wells Associates
Kathleen Radnich, Public Information and Outreach

GUESTS: Gayle Austin and Al Marquez

4. APPROVAL OF AGENDA
MSC Kayne/Long 4/0/2 to approve the agenda for the November 1, 2017 Special Workshop Meeting of the Citizens Advisory Committee.
5. PUBLIC COMMENT –None
6. CONSENT CALENDAR
 - A. Special Workshop Draft Minutes – October 18, 2017
Approval of draft minutes was tabled until the next CAC meeting.
7. WORKSHOP – RATE INCREASE – ONGOING RATE DISCUSSION
 - A. Alex Handlers gave a quick review on the following:
 - 1.7% increase in general water use over years
 - Aging infrastructure
 - Long-term water supply
 - Chromium 6 treatment (delayed)
 - Ongoing cost inflation

B. Key changes

- Meter costs \$2.5M over 5 years
- \$400K after next 5 years
- Phased out approach over 6-7 years
- Chromium 6 delay

Tom Kayne asked if indexing is a consideration

Alex Handlers replied that a steep approach vs a gradual approach is worth considering. Prop 218 allows for inflationary rate adjustments; however, right now we are first looking at basic increases.

Karyn Sernka asked what rate structure are we looking at and are conservation incentives being included, i.e. 10% increase = 2% decrease.

Alex Handlers stated that it has been factored in, assuming more water use cut back in higher tiers.

C. Revised Scenarios

1. Best management with deferred Chromium 6
2. Phased approach to Chromium 6
3. Debt finance for CIP, meter replacement and Chromium 6 spread over 30 years with a low-interest rate.
4. Debt finance for CIP and meter replacement spread over 30 years with a low-interest rate. This scenario excludes costs for Chromium 6, Organizational Assessment and the 2019 Union Negotiations.

Shari Long asked to have the current list of CIPs and the current list of debts. Her concern is for households with high occupancy.

GM Sauer said he would have AGM Greer review the debt list and speak at the next CAC meeting on the bond debts.

Shari Long stated that she was concerned about the impact to property taxes.

Al Marquez asked to have information about the standby fees – where do they go and are they a part of the property tax. An improvement bond was dropped off from what? Committee consensus was that this information would be of benefit to them as well.

Karyn Sernka stated that she supports the request for a debt review.

Tom Kayne stated that he would like to see the explanation in the newsletter.

Karyn Sernka stated that Scenario #3 has the best comfort for kickback from the public. She also asked if Chromium 6 was still in litigation.

Alex Handlers replied no that it had been rescinded.

Shari Long asked about family households.

Alex Handlers replied that indoor water use would most likely still be reasonable at under 10 units per month.

Tom Kayne asked if the aquifer could be jeopardized if we don't replenish it with 500-acre-feet. GM Sauer shared that it is possible that to recharge only 500-acre-feet right now could be ok, explaining several variables that may or may not play in our favor.

Alex Handlers explained that MWA knows that HDWA wants more but no guarantees after 2020.

Alex Handlers continued with the presentation explaining debt scenarios and financial commitments over 5 years along with discussing rate structures.

GM Sauer suggested we increase our fixed rate scenarios.

Alex Handlers responded that it could affect the low-income users.

Al Marquez asked about Prop 218 if voters had the right to vote. Alex Handlers replied that it was not applicable in this situation.

Karen Tracy suggested we take the planned rate increase on January 1st but defer it until March. The Committee discussed the pros and cons of not having two rate increases back to back.

Karen Morton asked for talking points to be prepared for the next meeting.

Karen Tracy feels scenario 3 is the best with some modifications

Tom Kayne asked if scenario 3 would meet our funding needs in 5 years to get the projects done.

Alex Handlers responded no but possibly in 10 years and feels it would definitely get improvements moving in the right direction.

7. ADJOURNMENT:

MSC/Long/Kayne 5/0/1 to adjourn the November 1, 2017, Special Workshop Meeting of the Citizens Advisory Committee.

Respectfully submitted,


Curt Sauer, GM and Board Secretary