



PO Box 675 • 61750 Chollita Road • Joshua Tree CA 92252
Phone (760) 366-8438 • Fax (760) 366-9528 • www.jbwd.com
An Equal Opportunity Provider

JOSHUA BASIN WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY JUNE 17, 2015 7:00 PM
61750 CHOLLITA ROAD, JOSHUA TREE, CALIFORNIA 92252
AGENDA

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. DETERMINATION OF QUORUM
4. APPROVAL OF AGENDA
5. PUBLIC COMMENT:
This is the opportunity for members of the public to address the Board on matters within the Board's jurisdiction that are not listed on the agenda. Please limit comments to three (3) minutes or less. State law prohibits the Board of Directors from discussing or taking action on items not included on the agenda.
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 3, 2015 Regular Meeting of the Board of Directors.
 - B. Adopt the Resolution #15-950 establishing the appropriation limit for the fiscal year 2015/2016.
7. CONSIDER CHARGES FOR INACTIVE METER ACCOUNTS
Recommend the following:
 1. Conceptual approval to begin charging inactive meter accounts the monthly Basic Fee; and
 2. Authorize development of the Proposition 218 mailing to all customers, with final approval for the mailing and setting of the public hearing date at an upcoming Board meeting; and
 3. Understanding that final approval of the inactive meter charges cannot occur until after the public hearing is held.

Pgs. 1-4

Pgs. 5-7

Pgs. 8-9

8. STANDING COMMITTEE REPORTS:
 - A. PUBLIC INFORMATION COMMITTEE: Vice President Luckman and Director Unger: Kathleen Radnich, Public Outreach Consultant to report.
 - B. FINANCE COMMITTEE: President Fuller and Director Johnson
 - C. WATER RESOURCES & OPERATIONS COMMITTEE: Vice President Luckman and Director Johnson.
9. PUBLIC COMMENT:

This is the opportunity for members of the public to address the Board on matters within the Board's jurisdiction that are not listed on the agenda. Please limit comments to three (3) minutes or less. State law prohibits the Board of Directors from discussing or taking action on items not included on the agenda.
10. DISTRICT GENERAL COUNSEL REPORT
11. GENERAL MANAGER REPORT
12. FUTURE DIRECTOR MEETINGS AND TRAINING OPPORTUNITIES
Mojave Water Agency, June 25th – Victoria Fuller
The Colorado River Basin Regional Water Quality Control Board, Drought and Urban Water Conservation Symposium, June 26th – Curt Sauer
13. INDIVIDUAL DIRECTOR REPORTS ON MEETINGS ATTENDED
14. DIRECTORS COMMENTS/REPORTS
15. CLOSED SESSION
At this time the Board will go into Closed Session in accordance with Government Code Section 54956.9 (d) (2) to consult with legal counsel on one matter of Potential Litigation.
16. FUTURE AGENDA ITEMS
17. 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.

This meeting is scheduled to be broadcast on Time Warner Cable Channel 10 on June 24 at 7:00 pm and July 1 at 7:00 pm.

DVD recordings of Joshua Basin Water District Board meetings are available at the District office and at the Joshua Tree Library.

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

June 3, 2015

1. CALL TO ORDER: 7:00 PM

2. PLEDGE OF ALLEGIANCE

3. DETERMINATION OF QUORUM:

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

STAFF PRESENT:

Curt Sauer, General Manager
Susan Greer, Assistant General Manager/Controller
Keith Faul, GIS Coordinator

CONSULTANTS PRESENT:

Gil Granito, District Counsel, Redwine & Sherrill
Kathleen Radnich, Public Outreach Consultant
Deb Bollinger, Water Conservation Consultant

GUESTS 7

4. APPROVAL OF AGENDA

MSC Luckman/Johnson 4/0/1 to approve the agenda for the June 3, 2015 meeting; (with change to #11 to “Standing Committee Reports”).

Fuller	Aye
Johnson	Aye
Luckman	Aye
Unger	Aye
Reynolds	Absent

5. PUBLIC COMMENTS:

Thomas Fauls, Joshua Tree: With regards to Altamira decision at the 5/20/15 meeting, Fauls strongly urged that the Board communicate with the business community regarding limiting the issuance of water meters.

Gary Biggs, Joshua Tree: Wanted to compliment the Board for their decision regarding Altamira at the 5/20/15 meeting.

6. CONSENT CALENDAR

MSC Luckman/Johnson, 4/0/1 to approve Draft Minutes of the April 15, 2015 and May 20, 2015 Regular Meeting of the Board of Directors and

Fuller	Aye
Johnson	Aye
Luckman	Aye
Unger	Aye
Reynolds	Absent

7. PUBLIC HEARING TO CONSIDER THE WATER AVAILABILITY (STANDBY) CHARGES FOR FISCAL YEAR 2015/2016

Susan Greer gave the report. Standby charges represent a large amount of income to the District and have not changed in many years. Recommendation is to continue with current standby charges.

Public Comment by Thomas Fauls, Joshua Tree: Does not favor additional or higher property taxes to Joshua Tree property owners.

MSC Luckman/Johnson, 4/0/1 to adopt Resolution 15-949, establishing water availability charges for 15/16 and authorizing collection by San Bernardino County.

Fuller	Aye
Johnson	Aye
Luckman	Aye
Unger	Aye
Reynolds	Absent

8. JOINING EMERGENCY RESPONSE NETWORK OF THE INLAND EMPIRE (ERNIE)

General Manager Curt Sauer gave the report.

MSC Johnson/Luckman, 4/0/1 to join ERNIE

Fuller	Aye
Johnson	Aye
Luckman	Aye
Unger	Aye
Reynolds	Absent

9. ADOPTION OF WATER CONSERVATION ORDINANCE 15-9

General Manager Curt Sauer gave the report. Proposed ordinance updates conservation ordinance passed in August 2014 (14-8), and is to bring JBWD into compliance with the new State Water Quality Control Board regulations established in May 2015. The new ordinance adds prohibitions and changes the penalty structure for violations of the ordinance.

MSC Luckman/Unger, 4/0/1 to adopt Ordinance 15-9. (with correction to a typo in section 1b “measurable”)

Fuller	Aye
Johnson	Aye
Luckman	Aye
Unger	Aye
Reynolds	Absent

10. ADDITIONAL OPTIONS FOR WATER CONSERVATION

General Manager Curt Sauer gave the report. The District will be looking into leak detection for water loss in the system. Additional options for water conservation were put forth for discussion.

Public Comment from Tim Pinar, Joshua Tree: Asked what the consequence is of not reducing to 28%, and suggested that penalizing high users may cause a reduction of revenue to the JBWD as high users may then drill wells for their water.

GM Sauer and Counselor Granito responded to Pinar's question regarding potential penalties that could be incurred by the District if water conservation mandates are not met. The general consensus was that the State Water Resources Control Board will use reasonable discretion as long as JBWD is showing diligent efforts towards reaching the conservation goal of 28%.

Jeff Demaro, Joshua Tree, Groundskeeper of Copper Mountain College: Supports and is implementing conservation efforts at the college, although he expressed concern over the considerable expense of tearing out the lawns, and over r reducing water usage given number of students using the facility.

Deb Bollinger, Joshua Tree: Identify sufficient watering versus over watering of landscape. Bollinger also suggested water allocations per property size and household size.

Board received the overview of the Urban Water Management Plan's Water Shortage Contingency Plan and creation of administrative penalties to encourage water conservation.

11. STANDING COMMITTEE REPORTS

- A. LEGISLATIVE AND PUBLIC INFORMATION COMMITTEE: Kathleen Radnich, Public Outreach Consultant, gave the report. Campaign is targeting both locals and visitors to conserve water. MARS: Motivation, Association, Reinforcement, Sensory – applying these to encourage change in water use habits. Radnich described specific ways that will be implemented to encourage water conservation. The next Legal and Public Information Committee meeting is scheduled for July 1, 2015.
- B. FINANCE COMMITTEE: President Fuller and Director Johnson: Director Luckman sat in as and alternate. Committee is continuing to review the inactive meter charge and will bring something to the Board in the near future.
- C. WATER RESOURCES & OPERATIONS COMMITTEE: Vice President Luckman and Director Johnson: There was not a meeting, although a meeting will be scheduled and posted on the web page in the near future.

12. PUBLIC COMMENT

None.

13. DISTRICT COUNSEL REPORT

No report. Comment: Statewide litigation regarding Chromium 6 is scheduled for a hearing on June 12, 2015.

14. GENERAL MANAGER REPORT

General Manager Curt Sauer gave the report, and the Board received for information only.

15. FUTURE DIRECTOR MEETINGS AND TRAINING OPPORTUNITIES

Mojave Water Agency Board Meeting: June 11 - Reynolds (4:30-5:30)

Association of San Bernardino County Special Districts: June 15, 2015

TAC of Mojave Water Agency: June 4, 2015 at 10AM

Pipeline Commission Meeting : June 10, 2015 at 2PM

16. INDIVIDUAL DIRECTOR REPORTS ON MEETINGS ATTENDED

Director Unger attended the Mojave Water Agency regular Board meeting, and provided general comments about the meeting.

17. DIRECTORS COMMENTS/REPORTS:

Director Luckman and Fuller commented on the water usage of evaporative coolers, with suggestions for savings.

Director Johnson and Fuller expressed comments of appreciation for JBWD staff and consultants.

18. FUTURE AGENDA ITEMS

None.

19. ADJOURNMENT

MSC Luckman/Johnson, 4/0/1 to adjourn the Regular Meeting of the Board of Directors of June 3, 2015 at 8:40 pm

Fuller	Aye
Johnson	Aye
Luckman	Aye
Unger	Aye
Reynolds	Absent

Respectfully submitted:

Curt Sauer, General Manager and Board Secretary

JOSHUA BASIN WATER DISTRICT
MEETING AGENDA REPORT

Meeting of the Board of Directors

June 17, 2015

Report to: President and Members of the Board

Prepared by: Susan Greer 

TOPIC:

ADOPTION OF RESOLUTION #15-950, ESTABLISHING THE APPROPRIATION LIMIT FOR FISCAL YEAR 2015/2016

RECOMMENDATION:

Adopt Resolution #15-950

ANALYSIS:

The appropriation limit calculation for fiscal year 15/16 is attached. This is another routine matter, requiring annual calculation, posting and approval by the governing body. We posted the calculation as required by law, at least 15 days prior to tonight's consideration for adoption, on June 1. The appropriation limit is also reviewed annually in conjunction with the audit.

The appropriation limit (also known as the Gann Limit) was enacted in 1980. The purpose of the Limit is to place an annual limit or restriction on the growth of tax-funded programs and services. The Limit provides for an annual increase no greater than the increase in the cost of living, plus the increase in population. The proceeds of taxes in excess of appropriations must be designated for purposes exempt from limitation or returned to taxpayers. Proceeds of taxes have been generally interpreted to include general tax revenues, proceeds from investment of tax revenue, revenue from user fees and charges that exceed the cost of providing the service and state/federal grant revenue unrestricted as to use. The cost of living increase this year is 3.82%, compared to (negative) -.23% last year, while the population for unincorporated portions of San Bernardino County, which applies to us, decreased slightly from .69% to .63%. This results in a total increase of 4.474%.

The District anticipates approximately \$412,000 in general tax revenues (the "free" portion of the 1% property tax) plus approximately \$19,000 in interest revenue this year which is subject to the Limit. All other revenues, such as for debt service or user fees (because they do not exceed the cost of service) are not subject to the Limit. The total of these subject revenues, \$431,000 is significantly below the 15/16 limit of \$1,529,671.

STRATEGIC PLAN ITEM:

N/A

FISCAL IMPACT:

N/A



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.com

2015/2016 APPROPRIATION LIMIT CALCULATION

PER CAPITA INCOME FACTOR CHANGE: 3.82%
 POPULATION FACTOR CHANGE: 0.63%
 (unincorporated San Bernardino County)

Per Capita Conversion to Ratio: 3.82 + 100 / 100 = 1.0382
 Population Conversion to Ratio: 0.63 + 100 / 100 = 1.0063

CHANGE FACTOR CALCULATION: 1.0382 x 1.0063 = 1.0447 4.474 %

2014/2015 LIMIT	\$	1,464,507
2015/2016 CHANGE FACTOR	x	<u>4.47%</u>
2015/2016 CHANGE LIMIT	\$	65,164

2014/2015 APPROPRIATION LIMIT	\$	1,464,507
2015/2016 CHANGE LIMIT	+	<u>65,164</u>
2015/2016 APPROPRIATION LIMIT	\$	<u>1,529,671</u>

Posted June 1, 2015

RESOLUTION 15-950

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE JOSHUA BASIN WATER DISTRICT
ESTABLISHING THE APPROPRIATION LIMIT OF
THE DISTRICT FOR THE FISCAL YEAR 2015/2016

BE IT RESOLVED by the Board of Directors of the Joshua Basin Water District as follows:

1. That in accordance with Article XIIB of the California Constitution and Section 7910 of the Government Code of this State, the appropriation limit for this District is established at \$1,529,671.
2. The Board of Directors selects the per capita personal income as the cost-of-living factor to compute the appropriation limit.
3. That documentation used in the determination of such appropriation limit has been available to the public at least fifteen days prior to this meeting of the Board of Directors.
4. This resolution is effective June 17, 2015.

ADOPTED this 17th day of June, 2015.

By _____
Victoria Fuller, President

Attest _____
Curt Sauer, General Manager

JOSHUA BASIN WATER DISTRICT
MEETING AGENDA REPORT

Meeting of the Board of Directors

June 17, 2015

Report to: President and Members of the Board

Prepared by: Susan Greer

TOPIC: CONSIDER CHARGES FOR INACTIVE METER ACCOUNTS

RECOMMENDATION:

Recommend the following:

1. Conceptual approval to begin charging inactive meter accounts the monthly Basic Fee; and
2. Authorize development of the Proposition 218 mailing to all customers, with final approval for the mailing and setting of the public hearing date at an upcoming Board meeting; and
3. Understanding that final approval of the inactive meter charges cannot occur until after the public hearing is held.

ANALYSIS:

Consideration of charges for inactive meter accounts was evaluated during the last rate study, presented to the Board of Directors in December, 2013. At that time, the issue was tabled for further analysis and discussion. Considerable discussion related to this topic has occurred over the last six months with the Finance Committee.

The District currently has approximately 1,264 inactive meter accounts of various types and a total of 5,708 billable metered accounts. The inactive meter accounts represent 22% of the total billable accounts as of June. This number changes monthly as accounts open and close, and it is typically in the 22-24% range. This means that nearly ¼ of all meters in the District are inactive. Inactive meter accounts currently pay no basic fee while retaining their entitlement to water service.

Therefore, the other 75% of our rate payers assume 100 percent of all costs of operating the District, over and above revenues from property taxes or standby charges.

Inactive meter accounts consist of two different types: 1) 829 service only accounts where there are no meters installed, and 2) 435 of the in-between-accounts inactive meters, such as when one account closes but another hasn't been opened at the same address yet. The quantity of in-between-accounts changes daily as accounts open and close; the other number remains constant as we no longer allow service only accounts and require building permits before meters can be purchased.

Any of the inactive meter accounts can request water service at any time.

The consensus of the Finance Committee is that the initial "phase-in" of the inactive meter charge over a two-year period, which was proposed in 2013, is no longer the best option. It has been a year and a half since discussion of this topic began, and the Committee believes the District should no longer wait

to begin implementing the basic fee for all meters.

Revenues to be generated from the inactive meters could be up to \$376,000 per year, depending on how many customers choose the opt-out option. The rate study estimated annual revenue of \$210,000.

Locally, Hi-Desert Water District and Bighorn-Desert View Water Agency have a monthly service charge for inactive meters. There was an initial opportunity to “opt out” at HDWD, but that opportunity has passed and all accounts now pay monthly service charges. The opt-out eliminated the customer responsibility for monthly payment of the service fee, but requires payment of all applicable meter installation and/or capacity fees in effect at the time when service is requested in the future. We propose the same opt-out opportunity for a fixed time, with customers required to opt out in writing, acknowledging the terms of opting out.

Remember, Counsel Gil Granito told us that the court of appeals has allowed a basic fee to be charged for inactive meters. It was recognized that owners of these meters had a vested right to the service and with that right comes an obligation. (from January 8, 2014 JBWD Board of Directors Meeting minutes)

If a majority of the Board agrees with the proposed charge for inactive meter accounts, the next step is that we develop the required Prop 218 mailing to all customers and set a public hearing date. The mailing will be brought back to the Board for final approval and the public hearing date will be set at the same time, at least 45 days after the mailing. The cost of the mailing is approximately \$6,000.

STRATEGIC PLAN ITEM:

FISCAL IMPACT:

Cost of mailing, estimated at \$6,000. Potential revenue \$210,000 to \$376,000 per year based on current rates.