



**REGULAR FINANCE COMMITTEE MEETING  
WEDNESDAY, JANUARY 10, 2018, AT 9:00 AM  
61750 CHOLLITA ROAD, JOSHUA TREE, CA 92252**

**AGENDA**

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. DETERMINATION OF QUORUM
4. APPROVAL OF AGENDA
5. PUBLIC COMMENT
6. APPROVE MINUTES OF THE PRIOR COMMITTEE MEETING

Pages 2-3

- Regular Finance Committee Meeting Draft Minutes of December 18, 2017

Pages 4-10

7. REVIEW CHECK REGISTER FOR DECEMBER 2017- Receive information and refer to the Board of Directors for approval.

Pages 11-15

8. DISCUSS FEE PORTION OF RATE/FEE STUDY – For discussion only.

Pages 16-20

9. CONTINUED RESERVE FUND POLICY DISCUSSION – Review and refer to the Board for approval at the appropriate time.

10. STAFF REPORT

11. ADJOURNMENT

**INFORMATION**

During "Public Comment", please use the podium microphone. State your name and have your information prepared and be ready to provide your comments. The District is interested and appreciates your comments. A 3-minute time limit will be imposed.

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

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

JOSHUA BASIN WATER DISTRICT  
Minutes of the  
REGULAR MEETING OF THE FINANCE COMMITTEE  
Monday, December 18, 2017  
61750 Chollita Road, Joshua Tree, CA 92252

1. CALL TO ORDER 9:00 a.m.

2. PLEDGE OF ALLEGIANCE

Committee Members Present: Bob Johnson, Vice President  
Tom Floen, Director

Staff Present: Curt Sauer, General Manager  
Susan Greer, Assistant General Manager/Controller  
Anne Roman, Accountant

Consultant Present:

Guests: 2

3. DETERMINATION OF QUORUM  
A quorum is present.

4. APPROVAL OF AGENDA

MSC/Floen/Johnson 2/0 to approve the agenda for December 18, 2017, Regular Meeting of the Finance Committee.

5. PUBLIC COMMENT - None

6. APPROVE MINUTES OF THE PRIOR COMMITTEE MEETING –

- Regular Meeting of the Finance Committee of November 20, 2017.

MSC/Floen/Johnson 2/0 to approve the minutes of November 20, 2017.

7. REVIEW CHECK REGISTERS OCTOBER-NOVEMBER 2017-

MSC/Floen/Johnson 2/0 received information and referred to the Board for approval.

8. 1<sup>st</sup> QUARTER ENDING 9/30/17 FINANCIAL REPORT –

MSC/Floen/Johnson 2/0 received the report and referred to the Board for approval.

9. RESERVE FUND POLICY – Received information and forwarded to the Board.

10. STAFF REPORT - None

11. ADJOURNMENT –

MSC Floen/Johnson 2/0 to adjourn the Regular Meeting of the Finance Committee at 10:05 a.m.

Respectfully submitted:

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Susan Greer, Assistant General Manager/Controller

DRAFT



Joshua Basin Water District

\*Check Report JBWD

By Check Number

Date Range: 12/01/2017 - 12/31/2017

Vendor Number Payable #	Vendor DBA Name Payable Type	Payment Date Payable Date	Payment Type Payable Description	Discount Amount Discount Amount	Payment Amount Payable Amount	Number
Bank Code: AP-AP Cash						
013346 <u>2060L</u>	ANDY'S LANDSCAPE & TREE SERVICE INC. Invoice	12/05/2017 12/05/2017	Regular DEMO GARDEN/BUILD MAINT THRU 11/1	0.00 0.00	650.00 650.00	59507
004110 <u>BW1217</u> <u>BW1217B</u> <u>BW1217C</u>	BURRTEC WASTE & RECYCLING SVCS Invoice Invoice Invoice	12/05/2017 12/05/2017 12/05/2017	Regular RECYCLING - DEC 17 TRASH REMOVAL - DEC 17 TRASH REMOVAL - DEC 17	0.00 0.00 0.00	418.29 60.41 270.90 86.98	59508
013207 <u>19219</u>	PARCELQUEST Invoice	12/05/2017 12/05/2017	Regular PARCELQUEST: ANNUAL PARCEL OWNER	0.00 0.00	1,199.00 1,199.00	59509
001550 <u>KSG8079</u> <u>KSN2464</u> <u>KSV7829</u> <u>KTD1572</u> <u>KWG2162</u>	CDW GOVERNMENT, INC Invoice Invoice Invoice Invoice Credit Memo	12/05/2017 12/05/2017 12/05/2017 12/05/2017 12/05/2017	Regular OFFICE SUPPLIES OFFICE SUPPLIES OFFICE SUPPLIES OFFICE SUPPLIES RETURN: OFFICE SUPPLIES	0.00 0.00 0.00 0.00 0.00	1,068.05 40.65 917.89 962.89 64.51 -917.89	59510
001555 <u>171203192101</u>	CENTRATEL Invoice	12/05/2017 12/05/2017	Regular DISPATCH SERVICES - NOV 17	0.00 0.00	251.33 251.33	59511
001850 <u>959479</u> <u>959480</u>	CLINICAL LAB OF S.B. INC Invoice Invoice	12/05/2017 12/05/2017	Regular SAMPLING - OCT 17 HDMC WWTP SAMPLING- OCT 17	0.00 0.00	6,256.00 4,758.00 1,498.00	59512
013373 <u>H817375</u> <u>H854176</u> <u>H855603</u> <u>H888383</u> <u>H895519</u> <u>H901611</u> <u>H906335</u> <u>H934339</u>	CORE & MAIN LP Invoice Invoice Invoice Invoice Invoice Credit Memo Invoice Invoice	12/05/2017 12/05/2017 11/01/2017 12/05/2017 12/05/2017 12/05/2017 11/01/2017 12/05/2017 11/01/2017	Regular INVENTORY MAINLINE/LEAK REPAIR SUPPLIES INVENTORY INVENTORY INVENTORY INVENTORY INVENTORY TOOL/EQUIP REPAIR SUPPLIES	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00	4,272.04 1,027.14 363.30 1,396.90 580.62 414.72 -939.22 1,273.64 154.94	59513
002200 <u>2018009406</u> <u>2018009407</u>	DEPT OF THE INTERIOR-BLM Invoice Invoice	12/05/2017 12/05/2017	Regular RIGHT OF WAY RENTAL - 2018 RIGHT OF WAY RENTAL - 2018	0.00 0.00	15,885.74 15,385.74 500.00	59514
002565 <u>20176895</u>	DUDEK AND ASSOCIATES, INC Invoice	12/05/2017 12/05/2017	Regular ENG SERV: MULTIPLE PROJECTS	0.00 0.00	26,916.25 26,916.25	59515
VEN01466 <u>FB113017</u>	FEDAK & BROWN LLP Invoice	12/05/2017 12/05/2017	Regular FINANCIAL AUDIT 16/17	0.00 0.00	1,200.00 1,200.00	59516
013222 <u>FC1217</u>	FRONTIER CALIFORNIA INC. Invoice	12/05/2017 12/05/2017	Regular HDMC WWTP - TELEPHONE	0.00 0.00	179.32 179.32	59517
000058 <u>10355430</u>	GARDA CL WEST, INC. Invoice	12/05/2017 12/05/2017	Regular COURIER FEES - DEC 17	0.00 0.00	606.41 606.41	59518
000036 <u>1134</u>	GARRETT A. WARD Invoice	12/05/2017 12/05/2017	Regular REPAIR ROAD: J TANK	0.00 0.00	500.00 500.00	59519
006200 <u>62238</u>	MCALLISTERS JANITORIAL SERV. Invoice	12/05/2017 12/05/2017	Regular JANITORIAL SERVICES - NOV 17	0.00 0.00	580.00 580.00	59520

\*Check Report JBWD

Date Range: 12/01/2017 - 12/31/2017

Vendor Number	Vendor DBA Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
004152	HI-DESERT STAR	12/05/2017	Regular	0.00	300.00	59521
<u>26758</u>	Invoice	12/05/2017	EE RECRUITING	0.00	300.00	
013785	JAMES MARTA & COMPANY LLP	12/05/2017	Regular	0.00	1,000.00	59522
<u>11068</u>	Invoice	12/05/2017	SPECIAL DISTRICT RESERVE POLICIES PRES	0.00	1,000.00	
000134	KENNEDY/JENKS CONSULTANTS, INC.	12/05/2017	Regular	0.00	938.96	59523
<u>116652</u>	Invoice	12/05/2017	CONSULTING: MULTIPLE PROJECTS	0.00	938.96	
013227	LAYNE CHRISTENSEN COMPANY	12/05/2017	Regular	0.00	91,283.53	59524
<u>92083311</u>	Invoice	12/05/2017	WELL 14 REHAB	0.00	91,283.53	
006029	LIEBERT CASSIDY WHITMORE	12/05/2017	Regular	0.00	7,323.10	59525
<u>1449504</u>	Invoice	12/05/2017	LEGAL SERVICES - OCT 17	0.00	613.75	
<u>1449505</u>	Invoice	12/05/2017	LEGAL SERVICES - EE MATTERS	0.00	260.00	
<u>1449506</u>	Invoice	12/05/2017	LEGAL SERVICES - EE MATTERS	0.00	6,449.35	
003505	GARRYS TIRES	12/05/2017	Regular	0.00	20.00	59526
<u>14049</u>	Invoice	12/05/2017	VACUUM REPAIRS: E72	0.00	20.00	
003930	NBS	12/05/2017	Regular	0.00	1,295.00	59527
<u>101700163</u>	Invoice	12/05/2017	CMM ADMIN- ANNUAL REPORTING	0.00	1,295.00	
000070	ONLINE INFORMATION SERVICES, INC.	12/05/2017	Regular	0.00	204.50	59528
<u>826493</u>	Invoice	12/05/2017	ID VERIF. SERV. THRU 11/30/17	0.00	204.50	
008415	PRUDENTIAL OVERALL SUPPLY	12/05/2017	Regular	0.00	92.03	59529
<u>22521389</u>	Invoice	12/05/2017	SHOP EXPENSE	0.00	41.83	
<u>22521390</u>	Invoice	12/05/2017	SHOP EXPENSE	0.00	50.20	
013360	REDWINE AND SHERRILL, LLP	12/05/2017	Regular	0.00	5,620.50	59530
<u>1054</u>	Invoice	12/05/2017	LEGAL SERVICES - NOV 17	0.00	5,620.50	
013218	OFFICETEAM	12/05/2017	Regular	0.00	749.91	59531
<u>49718450</u>	Invoice	12/05/2017	TEMPORARY LABOR	0.00	749.91	
001932	SAN BERNARDINO COUNTY OFFICE OF THE ASS	12/05/2017	Regular	0.00	4.00	59532
<u>107925</u>	Invoice	12/05/2017	MAP REVISIONS - NOV 17	0.00	4.00	
009878	SOUTHERN CALIFORNIA EDISON	12/05/2017	Regular	0.00	30,162.94	59533
<u>SCE1117</u>	Invoice	12/05/2017	POWER FOR PUMPING - NOV 17	0.00	30,162.94	
011101	VAGABOND WELDING SUPPLY	12/05/2017	Regular	0.00	237.44	59534
<u>103298</u>	Invoice	12/05/2017	SAFETY/SHOP EXPENSE	0.00	237.44	
013196	TELEPACIFIC COMMUNICATIONS	12/05/2017	Regular	0.00	737.13	59535
<u>97499050-Q</u>	Invoice	12/05/2017	TELEPHONE (OFFICE) - DEC 17	0.00	737.13	
013366	THE SOCO GROUP, INC.	12/05/2017	Regular	0.00	4,744.77	59536
<u>0464739-IN</u>	Invoice	12/05/2017	FUEL FOR VEHICLES	0.00	4,030.73	
<u>0464806-IN</u>	Invoice	12/05/2017	FUEL FOR VEHICLES	0.00	714.04	
000013	U.S. POSTAL SERVICE	12/05/2017	Regular	0.00	236.00	59537
<u>PQ1217</u>	Invoice	12/05/2017	PO BOX THROUGH 12/31/18	0.00	236.00	
000023	ULTIMATE MOTORS, INC.	12/05/2017	Regular	0.00	45.00	59538
<u>26958</u>	Invoice	12/05/2017	VEHICLE REPAIRS: V25	0.00	45.00	
010850	UNDERGROUND SERVICE ALERT	12/05/2017	Regular	0.00	368.05	59539
<u>1120170336</u>	Invoice	12/05/2017	TICKET DELIVERY SERVICE - NOV 17	0.00	368.05	
010990	UTILIQUEST L.L.C.	12/05/2017	Regular	0.00	2,274.12	59540
<u>255638-Q</u>	Invoice	12/05/2017	CONTRACT LOCATING EXPENSE	0.00	643.20	
<u>255885-Q</u>	Invoice	12/05/2017	CONTRACT LOCATING EXPENSE	0.00	1,630.92	
000256	WATER INFORMATION SHARING AND ANALYSI	12/05/2017	Regular	0.00	249.00	59541

\*Check Report JBWD

Date Range: 12/01/2017 - 12/31/2017

Vendor Number	Vendor DBA Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
<u>2018-0101</u>	Invoice	12/05/2017	MEMBERSHIP DUES	0.00	249.00	
000327	WATER QUALITY SPECIALISTS	12/05/2017	Regular	0.00	3,310.00	59542
<u>5232</u>	Invoice	12/05/2017	HDMC WWTP: OPERATION & MAINT - NO	0.00	3,310.00	
000233	NAPA AUTO PARTS	12/05/2017	Regular	0.00	39.71	59543
<u>219025</u>	Invoice	12/05/2017	MAINLINE/LEAK REPAIR SUPPLIES	0.00	23.42	
<u>221554</u>	Invoice	12/05/2017	SMALL TOOLS - DISTRIBUTION	0.00	16.29	
000501	ACWA/JPIA	12/14/2017	Regular	0.00	17,675.71	59551
<u>0522644</u>	Invoice	12/14/2017	EE HEALTH BENEFIT & EAP JAN 18	0.00	17,675.71	
000675	AQUA-METRIC SALES COMPANY	12/14/2017	Regular	0.00	15,354.38	59552
<u>0067786-IN</u>	Invoice	12/14/2017	INVENTORY	0.00	15,354.38	
000950	ASSOCIATION OF THE S.B. CO. SPEC. DISTRICTS	12/14/2017	Regular	0.00	275.00	59553
<u>ASBCSD121217</u>	Invoice	12/14/2017	2018 MEMBERSHIP	0.00	275.00	
001630	AT&T MOBILITY	12/14/2017	Regular	0.00	1,254.79	59554
<u>829480028X1205</u>	Invoice	12/14/2017	COMMUNICATIONS - NOV 17	0.00	1,254.79	
013365	IMAGE SOURCE	12/14/2017	Regular	0.00	571.23	59555
<u>AR690129</u>	Invoice	12/14/2017	OFFICE EXPENSE 11/5/17 - 12/4/17	0.00	571.23	
010956	DOI-USGS	12/14/2017	Regular	0.00	17,849.85	59556
<u>90593654</u>	Invoice	12/14/2017	USGS COOPERATIVE WATER RESOURCES	0.00	10,490.43	
<u>90593655</u>	Invoice	12/14/2017	USGS COOPERATIVE WATER RESOURCES	0.00	7,359.42	
000126	EAST VALLEY WATER DISTRICT	12/14/2017	Regular	0.00	40.00	59557
<u>INV03571</u>	Invoice	12/14/2017	ERNIE TRAINING	0.00	40.00	
002820	EMPLOYEE RELATIONS, INC.	12/14/2017	Regular	0.00	50.35	59558
<u>80592</u>	Invoice	12/14/2017	EE RECRUITING EXPENSE	0.00	50.35	
000058	GARDA CL WEST, INC.	12/14/2017	Regular	0.00	13.59	59559
<u>70067288</u>	Invoice	12/14/2017	EVENXCHANGE FEES - NOV 17	0.00	13.59	
000500	ACE ALTERNATORS, GENERATORS & STARTERS	12/14/2017	Regular	0.00	60.04	59560
<u>104716</u>	Invoice	12/14/2017	VEHICLE REPAIR SUPPLIES: V28	0.00	60.04	
000188	4 SPORTS 'N MORE	12/14/2017	Regular	0.00	1,730.53	59561
<u>7208</u>	Invoice	12/14/2017	UNIFORMS	0.00	1,730.53	
004720	INLAND WATER WORKS	12/14/2017	Regular	0.00	7,251.58	59562
<u>51003315.001</u>	Invoice	12/14/2017	SMALL TOOLS - DISTRIBUTION	0.00	8,682.28	
<u>51003315.002</u>	Credit Memo	12/14/2017	CREDIT: SMALL TOOLS - DISTRIBUTION	0.00	-8,682.28	
<u>51003315.003</u>	Invoice	12/14/2017	SMALL TOOLS - DISTRIBUTION	0.00	7,251.58	
009054	KATHLEEN J. RADNICH	12/14/2017	Regular	0.00	877.40	59563
<u>171203-1</u>	Invoice	12/14/2017	PUBLIC RELATIONS SERVICES	0.00	323.40	
<u>171210-1</u>	Invoice	12/14/2017	PUBLIC RELATIONS SERVICES	0.00	554.00	
008415	PRUDENTIAL OVERALL SUPPLY	12/14/2017	Regular	0.00	92.03	59564
<u>22528696</u>	Invoice	12/14/2017	SHOP EXPENSE	0.00	41.83	
<u>22528698</u>	Invoice	12/14/2017	SHOP EXPENSE	0.00	50.20	
008201	PURCHASE POWER	12/14/2017	Regular	0.00	2,018.50	59565
<u>P8121217</u>	Invoice	12/14/2017	POSTAGE REFILL FOR METER	0.00	2,018.50	
013218	OFFICETEAM	12/14/2017	Regular	0.00	1,253.01	59566
<u>49761624</u>	Invoice	12/14/2017	TEMPORARY LABOR	0.00	1,253.01	
008414	PROVIDEO	12/14/2017	Regular	0.00	300.00	59567
<u>1133</u>	Invoice	12/14/2017	VIDEO TAPING & YOU TUBE BD MEETING	0.00	300.00	
009920	STANDARD INSURANCE CO	12/14/2017	Regular	0.00	905.89	59568

\*Check Report JBWD

Date Range: 12/01/2017 - 12/31/2017

Vendor Number	Vendor DBA Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
<u>ST1217</u>	Invoice	12/14/2017	EE LIFE INSURANCE - DEC 17	0.00	905.89	
011101	VAGABOND WELDING SUPPLY	12/14/2017	Regular	0.00	435.63	59569
<u>103590</u>	Invoice	12/14/2017	SMALL TOOLS - PRODUCTION	0.00	435.63	
009980	SWRCB FEES	12/14/2017	Regular	0.00	2,088.00	59570
<u>WD-0128449</u>	Invoice	12/14/2017	ANNUAL DISCHARGE PERMIT FEE 7/1/17 -	0.00	2,088.00	
009980	SWRCB FEES	12/14/2017	Regular	0.00	14,929.00	59571
<u>WD-0128471</u>	Invoice	12/14/2017	HDMC WWTP ANN'L DISCHARGE PERMIT	0.00	14,929.00	
009980	SWRCB FEES	12/14/2017	Regular	0.00	90.00	59572
<u>SWRCB-120617</u>	Invoice	12/14/2017	D-3 RENEWAL	0.00	90.00	
010990	UTILIQUEST L.L.C.	12/14/2017	Regular	0.00	244.52	59573
<u>256211-Q</u>	Invoice	12/14/2017	CONTRACT LOCATING EXPENSE	0.00	194.28	
<u>256461-Q</u>	Invoice	12/14/2017	CONTRACT LOCATING EXPENSE	0.00	50.24	
011615	WESTERN EXTERMINATOR CO.	12/14/2017	Regular	0.00	32.00	59574
<u>WE113017</u>	Invoice	12/14/2017	PEST CONTROL SERVICES - SHOP	0.00	32.00	
013787	WESTIN TECHNOLOGY SOLUTIONS, LLC	12/14/2017	Regular	0.00	11,597.50	59575
<u>10042</u>	Invoice	12/14/2017	ORGANIZATIONAL ASSESSMENT	0.00	11,597.50	
013359	XEROX FINANCIAL SERVICES	12/14/2017	Regular	0.00	395.66	59576
<u>1004756</u>	Invoice	12/14/2017	OFFICE EXPENSE 12/7/17 - 1/6/18	0.00	395.66	
000248	PAYCHEX	12/01/2017	Manual	0.00	340.30	900858
<u>310807</u>	Invoice	12/01/2017	PAYROLL PROCESSING FEE	0.00	340.30	
001517	CalPERS	12/01/2017	Manual	0.00	8,832.70	900859
<u>PPE 11-24-17</u>	Invoice	12/01/2017	PAY PERIOD ENDING 11/24/17	0.00	8,832.70	
000236	PAYPRO ADMINISTRATORS	12/15/2017	Manual	0.00	449.97	900860
<u>PPE 12-8-17</u>	Invoice	12/15/2017	EE FSA DEDUCTIONS 12-15-17	0.00	449.97	
000248	PAYCHEX	12/15/2017	Manual	0.00	99.00	900861
<u>17372863</u>	Invoice	12/15/2017	TIME & LABOR ONLINE USAGE FEE	0.00	99.00	
000248	PAYCHEX	12/15/2017	Manual	0.00	340.30	900862
<u>311438</u>	Invoice	12/15/2017	PAYROLL PROCESSING FEE	0.00	340.30	
004195	HOME DEPOT CREDIT SERVICES	12/15/2017	Manual	0.00	1,074.16	900863
<u>HD1217</u>	Invoice	12/15/2017	MAINLINE/LEAK SUPPLIES/SMALL TOOLS/	0.00	1,074.16	
001008	BUSINESS CARD	12/15/2017	Manual	0.00	4,905.63	900864
<u>BA1217</u>	Invoice	12/15/2017	UNIFORMS/TRAINING/OFFICE SUPPLIES	0.00	4,905.63	
001004	BUSINESS CARD	12/15/2017	Manual	0.00	1,208.45	900865
<u>BA1217</u>	Invoice	12/15/2017	TELEPHONE (OFFICE)/OFFICE SUPPLIES/E	0.00	1,208.45	
001005	BANK OF AMERICA	12/15/2017	Manual	0.00	5,518.31	900866
<u>BA1217</u>	Invoice	12/15/2017	DIRECTOR/CAC EDUCATION/OFFICE SUPP	0.00	5,518.31	
001517	CalPERS	12/15/2017	Manual	0.00	8,827.42	900867
<u>PPE 12-8-17</u>	Invoice	12/15/2017	PAY PERIOD ENDING 12/08/17	0.00	8,827.42	
VEN01533	PAYMENTUS GROUP INC.	12/21/2017	Manual	0.00	2,111.10	900868
<u>US17110196</u>	Invoice	12/21/2017	CREDIT CARD PROCESSING FEE - NOV 17	0.00	2,111.10	
001517	CalPERS	12/28/2017	Manual	0.00	9,107.96	900869
<u>PPE 12-22-17</u>	Invoice	12/28/2017	PAY PERIOD ENDING 12/22/17	0.00	9,107.96	
000248	PAYCHEX	12/29/2017	Manual	0.00	355.10	900870
<u>312062</u>	Invoice	12/29/2017	PAYROLL PROCESSING FEE	0.00	355.10	
009880	SOUTHERN CALIFORNIA EDISON CO	12/29/2017	Manual	0.00	2,217.85	900871

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Date Range: 12/01/2017 - 12/31/2017

Vendor Number	Vendor DBA Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
<u>SCE1217</u>	Invoice	12/29/2017	POWER TO BLDGS & GEN - DEC 17	0.00	2,217.85	
000025	ICMA RC	12/31/2017	Manual	0.00	10,042.60	900872
<u>900872</u>	Invoice	12/31/2017	457 REMITTANCE - DEC 17	0.00	5,704.44	
<u>900872A</u>	Invoice	12/31/2017	457 REMITTANCE - 2017 ER CONT	0.00	4,338.16	

Bank Code AP Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	90	63	0.00	308,604.31
Manual Checks	16	15	0.00	55,430.85
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	<b>106</b>	<b>78</b>	<b>0.00</b>	<b>364,035.16</b>



**JOSHUA BASIN WATER DISTRICT  
UTILITY REFUND REGISTER**

<u>Account Number</u>	<u>Name</u>	<u>Date</u>	<u>Type</u>	<u>Amount</u>	<u>Reference</u>
07-00078-013	BARTON, JOHN P	12/5/2017	Refund	30.88	Check #: 59544
07-00098-008	MEZA, GERARDO	12/5/2017	Refund	153.94	Check #: 59545
12-00351-002	HAYES, ZACHARY R	12/5/2017	Refund	27.47	Check #: 59546
53-00071-012	JONES, JEREMY	12/5/2017	Refund	17.45	Check #: 59547
61-00158-008	SCHULTZ, FRANK	12/5/2017	Refund	139.88	Check #: 59548
64-99236-000	ACC CONSTRUCTION INC	12/5/2017	Refund	19.84	Check #: 59549
65-00194-002	STRATTON, ARWIN	12/5/2017	Refund	24.86	Check #: 59550
03-00090-005	SEWARD, ERIC	12/14/2017	Refund	9.51	Check #: 59577
03-00212-012	ELLIOT, COREY A	12/14/2017	Refund	0.01	Check #: 59578
05-00041-012	ZAMORA, EDUARDO	12/14/2017	Refund	31.36	Check #: 59579
09-00134-011	FARBER, CHRISTOPHER	12/14/2017	Refund	6.33	Check #: 59580
10-00317-007	THALLAS, ALEAH	12/14/2017	Refund	29.85	Check #: 59581
12-00170-004	COLLINS, KRIS	12/14/2017	Refund	61.66	Check #: 59582
13-00269-009	AFFORDABLE RENTALS	12/14/2017	Refund	50.00	Check #: 59583
13-00316-003	BOOTH, KEVIN A	12/14/2017	Refund	0.61	Check #: 59584
51-00108-001	CRANSTON, MARK	12/14/2017	Refund	107.28	Check #: 59585
57-00037-008	MCPHILLIPS, RAMSEY	12/14/2017	Refund	100.00	Check #: 59586
62-00083-000	FOX, CARY	12/14/2017	Refund	25.29	Check #: 59587
62-00125-011	GOFF, DAVID J	12/14/2017	Refund	40.78	Check #: 59588
01-00084-002	ERMAN, CELESTE	12/14/2017	Refund	70.01	Check #: 59589
11-00375-000	ECKENROTH, DAVID	12/14/2017	Refund	60.92	Check #: 59590
55-00204-010	REIL, CARMEN	12/14/2017	Refund	29.14	Check #: 59591
05-00132-000	TRUST, GERARD LADANNE FAMILY	12/14/2017	Refund	478.69	Check #: 59592
				<u><u>1,515.76</u></u>	

**JOSHUA BASIN WATER DISTRICT**

**DECEMBER 2017**

**DIRECTOR PAY**

**PAY PERIODS: 11/11/2017 - 12/22/2017**

<b>Director</b>	<b>Date</b>	<b>Type</b>	<b>Amount</b>	<b>Notes</b>
THOMAS FLOEN	11/14/2017	UNPAID DIRECTOR	0.00	RESERVE FUNDING WORKSHOP
THOMAS FLOEN	11/15/2017	Director Pay	173.63	JBWD BOARD MEETING
THOMAS FLOEN	11/20/2017	UNPAID DIRECTOR	0.00	FINANCE COMMITTEE MEETING
THOMAS FLOEN	12/06/2017	Director Pay	173.63	JBWD BOARD MEETING
THOMAS FLOEN	12/18/2017	Director Pay	173.63	FINANCE COMMITTEE MEETING
THOMAS FLOEN	12/20/2017	Director Pay	173.63	JBWD BOARD MEETING
			<u>694.52</u>	
GEARY HUND	11/11/2017	Director Pay	173.63	10/26/17 MWA BOARD MEETING
GEARY HUND	11/11/2017	Mileage/Vehicle Expense	73.25	10/26/17 MILES: MWA BOARD MEETING
GEARY HUND	11/14/2017	Director Pay	173.63	RESERVE FUNDING WORKSHOP
GEARY HUND	11/15/2017	Director Pay	173.63	JBWD BOARD MEETING
GEARY HUND	12/06/2017	Director Pay	173.63	JBWD BOARD MEETING
GEARY HUND	12/18/2017	Director Pay	173.63	WATER RESOURCES & OPS COMMITTEE MEETING
GEARY HUND	12/20/2017	Director Pay	173.63	JBWD BOARD MEETING
			<u>1,115.03</u>	
ROBERT JOHNSON	11/14/2017	Director Pay	173.63	RESERVE FUNDING WORKSHOP
ROBERT JOHNSON	11/15/2017	Director Pay	173.63	JBWD BOARD MEETING
ROBERT JOHNSON	11/20/2017	Director Pay	173.63	FINANCE COMMITTEE MEETING
ROBERT JOHNSON	12/18/2017	Director Pay	173.63	FINANCE COMMITTEE MEETING
ROBERT JOHNSON	12/20/2017	Director Pay	173.63	JBWD BOARD MEETING
			<u>868.15</u>	
MICKEY C LUCKMAN	11/14/2017	Director Pay	173.63	RESERVE FUNDING WORKSHOP
MICKEY C LUCKMAN	11/15/2017	Director Pay	173.63	JBWD BOARD MEETING
MICKEY C LUCKMAN	11/27/2017	Director Pay	173.63	ACWA FALL CONFERENCE
MICKEY C LUCKMAN	11/27/2017	Director Training	60.99	MILES: ACWA FALL CONFERENCE
MICKEY C LUCKMAN	11/28/2017	Director Pay	173.63	ACWA FALL CONFERENCE
MICKEY C LUCKMAN	11/29/2017	Director Pay	173.63	ACWA FALL CONFERENCE
MICKEY C LUCKMAN	11/30/2017	Director Pay	173.63	ACWA FALL CONFERENCE
MICKEY C LUCKMAN	11/30/2017	Director Training	60.99	MILES: ACWA FALL CONFERENCE
MICKEY C LUCKMAN	12/06/2017	Director Pay	173.63	JBWD BOARD MEETING
MICKEY C LUCKMAN	12/09/2017	Director Pay	173.63	11/13/17 ASBCSD MEETING
MICKEY C LUCKMAN	12/09/2017	Meals/Lodging	21.00	11/13/17 ASBCSD DINNER
MICKEY C LUCKMAN	12/20/2017	Director Pay	173.63	JBWD BOARD MEETING
			<u>1,706.65</u>	
REBECCA UNGER	11/14/2017	Director Pay	173.63	RESERVE FUNDING WORKSHOP
REBECCA UNGER	11/15/2017	Director Pay	173.63	JBWD BOARD MEETING
REBECCA UNGER	11/28/2017	Director Pay	173.63	ACWA FALL CONFERENCE
REBECCA UNGER	11/29/2017	Director Pay	173.63	ACWA FALL CONFERENCE
REBECCA UNGER	11/30/2017	Director Pay	173.63	ACWA FALL CONFERENCE
REBECCA UNGER	12/06/2017	Director Pay	173.63	JBWD BOARD MEETING
REBECCA UNGER	12/20/2017	Director Pay	173.63	JBWD BOARD MEETING
			<u>1,216.41</u>	
<b>TOTAL</b>			<u><b>5,598.76</b></u>	

JOSHUA BASIN WATER DISTRICT  
MEETING AGENDA REPORT

Meeting of the Finance Committee

January 10, 2018

Report to: Committee Members

Prepared by: Susan Greer 

TOPIC:  
DISCUSS FEE PORTION OF RATE/FEE STUDY

RECOMMENDATION:  
Discussion only.

ANALYSIS:

The Rate/Fee Study is currently underway, and there has been much discussion about rates, and none about fees. Rates are subject to Prop 218, requiring mailed notification of proposed increases to customers and a public hearing. Fees, because they are not “property related fees and charges” as defined by Prop 218, aren’t subject to the same regulatory process as rates and the Board can adopt fees as they see fit. By law, fees must still be reasonable, which means they have a relationship to the actual cost. Fees are essentially based on staff labor, equipment and materials costs.

The existing fee schedule is attached. Note that a review and overhaul of *all fees* has not occurred in about 20 years although individual fees have been added and others increased over the years. Initial review finds significant increases to costs compared to existing fees and we will discuss some of those examples at the meeting. Inflation, technology, regulatory requirements, and our own procedures naturally change costs over time and fees are supposed to cover those costs.

FISCAL IMPACT:  
Discussion only.

**JOSHUA BASIN WATER DISTRICT**  
**RATE and FEE SCHEDULE (effective 1/1/18)**

**Basic Fee**

Meter Size	Flow (G.P.M.)	Monthly rate
3/4" and 1"	30 & 50	\$ 25.78
1 1/2"	100	\$ 85.93
2"	160	\$137.49
3"	300	\$257.79

**Private Fire Protection**

Device Size	Monthly Rate
2"	\$12.62
3"	\$25.25
4"	\$50.50
6"	\$75.76
8"	\$113.62

**Monthly Water Flow Charges**

**3/4" AND 1" METERS**

Consumption Amount	Rate per unit
0 – 5 units	\$3.00
6 – 10 units	\$3.50
11 – 20 units	\$4.00
21 + units	\$4.50

**1-1/2", 2" AND 3" METERS**

Consumption Amount	Rate per unit
All Usage	\$3.79

1 unit = one hundred cubic feet = 748 gallons

**Miscellaneous Charges**

Tag/Letter Fee	\$ 10.00
After Hours Turn on Fee	\$85.00
Backflow/Cross Connection Devices	\$25.00 per year
Broken Lock Fee	\$ 25.00
Cancellation of New Meter Installation After Application Process and Payment of Fees	\$50.00
Customer-Requested Meter Testing	3/4" or 1" - \$40.00 1-1/2" - \$75.00 Larger – cost + 15% Plus a water account adjustment for any discrepancy identified by the test, either under or over-recording
Delinquent Account Service Charge	1.5%/ month plus a one-time 10% penalty
Delinquent Account Unlock Charge	\$ 25.00
Document Charge – photocopies computer printout	\$ 0.25/page \$1.00/page with \$2.00 minimum
Fire Flow Test/Hydrant Testing	\$ 55.00

Guarantee Deposit – Temporary Service	\$250.00
Guarantee Deposit- Regular Service	\$100.00 unless waived with good credit
Meter Accuracy Testing	Based on meter size; minimum \$40
Meter Reinstallation Charge	\$ 40.00
Meter Exchange	Upgrade ¾" to 1" - \$335 Other upgrades and downgrades at actual cost
Meter Damage	Minor/Broken Ball Valve - \$150 Extensive Damage at actual cost
New Account Deposit	\$100.00
Permit to Supply Water for Domestic Irrigation to Adjoining Same Ownership Parcel	¾" meter - \$30.000 per year 1" meter - \$501.00 per year
Plan Check, Processing and Inspection Fees	Actual cost of services plus 15% for administration
Refund Agreement Processing Fee	Initial preparation - \$25.00 plus \$25.00 for each separate parcel covered. Annual processing costs - \$5.00 for each collection made
Returned Check Charge	\$ 20.00
Sale of Water to Other Water Agencies	\$9.53 per unit (100 cubic feet) Plus direct labor, material and equipment costs
Standard Front Footage Fee (mainline or wastewater)	Most recently-calculated front footage reimbursement (e.g. 2008 H Zone, \$37 per foot) as approved by Board of Directors
Standby (Water Availability) Fees (billed through property taxes)	See attached schedule
Temporary (Construction) Meter Minimum Charge and Quantity Rates	50% surcharge on Basic Fee and Flow charges
Temporary Service Installation Charge	\$30.00
Turn on Charge	\$ 15.00
Variance Application Processing Fee	\$25.00

### **Meter Installation and Capacity Charges**

Each meter installation with require payment of either tract or non-tract installation charge, depending on location, plus the corresponding capacity charges.

<b>Meter Size</b>	<b>Tract Installation</b>	<b>Non-Tract Installation</b>	<b>Water Capacity Charge</b>	<b>Wastewater Capacity Charge (per EDU)</b>
¾" Meter	\$ 585.00	\$1,911.00	\$4,207.00	\$6,271.00
1" Meter	\$ 669.00	\$2,002.00	\$7,009.00	\$6,271.00
1 ½" Meter	Cost + 15%	Cost + 15%	\$14,016.00	\$6,271.00
2" Meter	Cost + 15%	Cost + 15%	\$22,428.00	\$6,271.00
3" Meter	Cost + 15%	Cost + 15%	\$42,052.00	\$6,271.00

**Standby Rate Table Attached**

**EXHIBIT A**

**JOSHUA BASIN WATER DISTRICT  
WATER AVAILABILITY (STANDBY) CHARGES**

**SCHEDULE A  
MINIMUM PER PARCEL UP TO 1.25 ACRES**

COUNTY ZONE	District Zone 1	District Zone 2	District Zone 3	District Zone 4
20MRM40M	\$30.00	\$50.00		
3MRM	\$40.00	\$60.00		
4MRM	\$40.00	\$60.00	\$50.00	
RS8M	\$30.00	\$50.00		
RS10M	\$30.00	\$50.00		
RS18M	\$30.00	\$50.00		
RS20M	\$30.00	\$50.00		
RC40	\$40.00	\$60.00	\$40.00	\$40.00
RL20	\$30.00	\$50.00	\$40.00	\$40.00
RL10	\$30.00	\$50.00	\$40.00	\$40.00
RL5	\$30.00	\$50.00	\$40.00	\$40.00
RL2.5	\$30.00	\$50.00	\$40.00	\$40.00
COMMERCIAL	\$40.00	\$60.00	\$50.00	
INDUSTRIAL/ OTHER				
RS1	\$40.00	\$60.00	\$50.00	

**SCHEDULE B  
COST PER ACRE FOR PARCELS OVER 1.25 ACRES**

District Zone 1	District Zone 2	District Zone 3	District Zone 4	ACREAGE
\$20.00	\$30.00			0+ Acres
\$20.00	\$30.00			0-40 Acres
	\$25.00			41+ Acres
\$20.00	\$35.00	\$25.00		0-40 Acres
	\$25.00	\$15.00		41+ Acres
\$20.00	\$30.00			0+ Acres
\$20.00	\$35.00			0-40 Acres
\$15.00	\$25.00			41-80 Acres
\$10.00	\$15.00			81-160 Acres
	\$10.00			161-320 Acres
	\$1.00			321+ Acres
\$20.00	\$30.00			0-40 Acres
	\$25.00			41+ Acres
\$20.00	\$30.00			0+ Acres
\$15.00	\$25.00	\$15.00	\$15.00	0-40 Acres
	\$12.00	\$10.00	\$8.00	41-160 Acres
	\$5.00	\$4.00	\$3.00	161-320 Acres
	\$1.00	\$1.00	\$1.00	321+ Acres
\$20.00	\$30.00	\$20.00	\$15.00	0+ Acres
\$20.00	\$30.00	\$20.00	\$15.00	0-40 Acres
\$15.00				41+ Acres
\$20.00	\$30.00	\$20.00	\$15.00	0-40 Acres
\$12.00	\$25.00	\$15.00	\$12.00	41-80 Acres
\$8.00	\$10.00	\$8.00	\$8.00	81-160 Acres
\$4.00	\$5.00	\$4.00	\$3.00	161-320 Acres
\$1.00	\$1.00	\$1.00	\$1.00	321+ Acres
\$20.00	\$30.00	\$20.00	\$15.00	0-40 Acres
\$15.00	\$25.00	\$15.00	\$12.00	41-80 Acres
\$10.00	\$15.00	\$10.00	\$10.00	81-160 Acres
\$5.00	\$8.00	\$5.00	\$4.00	161-320 Acres
\$1.00	\$1.00	\$1.00	\$1.00	321+ Acres
\$25.00	\$35.00	\$25.00		0-40 Acres
\$20.00	\$30.00	\$20.00		41+ Acres
	\$25.00			
\$20.00	\$30.00	\$20.00		0-40 Acres
	\$25.00			41+ Acres

**JOSHUA BASIN WATER DISTRICT**  
**Water Availability (Standby) Zoning Descriptions**

**DISTRICT ZONE DESCRIPTIONS**

- ZONE 1** Any size parcel served by one or more meters
- ZONE 2** Any size parcel within 1/2 mile of a water mainline and in the same pressure zone as the mainline
- ZONE 3** Any size parcel within one mile of a water mainline and within one pressure zone of the mainline
- ZONE 4** All other parcels

**COUNTY ZONE DESCRIPTIONS**

- 3MRM** Residential, multi-family, 3,000 sq. ft. per unit, 14.5 units per acre
- 4MRM** Residential, multi-family, 4,000 sq.ft. per unit, 10.8 units per acre
- 20MRM40M** Residential, multi-family, 20,000 sq. ft. per unit, 2.18 units per acre
- RS1** Residential, single family, 1 unit per acre
- RS8M** Residential, single family, 8,000 sq.ft. per unit, 5.4 units per acre
- RS10M** Residential, single family, 10,000 sq. ft. per unit, 4.3 units per acre
- RS18M** Residential, single family, 18,000 sq. ft. per unit, 2.4 units per acre
- RS20M** Residential, single family, 20,000 sq. ft. per unit, 2.1 units per acre
- RL2.5** Rural Living, one residence per 2.5 acres
- RL5** Rural Living, one residence per 5 acres
- RL10** Rural Living, one residence per 10 acres
- RL20** Rural Living, one residence per 20 acres
- RC40** Resource Conservation, one residence per 40 acres
- CS, CC, CG,** Commercial Properties
- CO, CN** Commercial Properties
- IC** Industrial Properties

JOSHUA BASIN WATER DISTRICT  
MEETING AGENDA REPORT

Meeting of the Finance Committee

January 10, 2018

Report to: Committee

Prepared by: Susan Greer



**TOPIC:**

**CONTINUED REVIEW OF PROPOSED RESERVE FUND POLICY**

**RECOMMENDATION:**

Review and recommend to the Board for approval at the appropriate time.

**ANALYSIS:**

A copy of the draft Reserve Fund Policy, which includes the comments from our rate study consultant Alex, is attached for your review and consideration. Alex's comments are in red. The document was presented to the Board at their last meeting, requesting that the individual Directors provide any suggested changes to the Finance Committee members. The policy has also been sent to the CAC for input and we're awaiting their comments. We have already received input from Staff and the reserve policy trainer, David Becker, and all of those comments were included in the first draft policy previously presented. We will discuss any proposed amendments and continue the process until the Committee is prepared to send the policy to the Board for approval.

I have received information about the SCADA replacement requirements and will update that at the meeting, which impacts the Equipment & Technology Replacement Reserve – that comment is in green in the document.

**FISCAL IMPACT:**

N/A



# UPDATES FROM ALEX HANDLERS OF BARTLES WELLS ASSOCIATES

## JOSHUA BASIN WATER DISTRICT RESERVE FUND POLICY Adopted XX/XX/XX

### PURPOSE

It is the Joshua Basin Water District Board of Director's intent through this Policy to describe how and why specific reserves are established and maintained and to provide District ratepayers and taxpayers with assurance that reserve balances will be maintained at prudent and fiscally responsible levels.

Maintaining adequate cash reserves is an essential part of sound financial management, in order to meet both short-and long-term financial obligations. Reserves play a critical role in providing reliable service for our ratepayers, financing of long-term capital projects and responding to emergencies. Reserves can provide the savings necessary to balance budgets during periods of diminished ~~reserves~~ revenues, allow for emergency preparedness, assist in maintaining stable water service rates, and preserve the financial stability of the District against present and future uncertainties in an ever-changing environment.

Suggested reserve funding balances are necessary to maintain Joshua Basin Water District's fiscal strength and flexibility and to adequately provide for:

- Compliance with applicable statutory requirements.
- Financing of future capital projects, and repair and replacement of existing assets.
- Cash flow requirements.
- Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy.
- Contingencies or unforeseen operating or capital needs.

### GUIDING PRINCIPLES

1. The District will prudently manage the resources entrusted to it by our ratepayers.
2. The District will maintain reserve funds in designated accounts in a manner that ensures its financial soundness and provides transparency to its ratepayers.
3. The District will maintain reserve funds that :
  - Are designated for specific purposes;
  - Are consistent with other financial policies, budgetary practices, District programs and legal requirements;
  - Allow the District to provide a high level of emergency preparedness for our ratepayers;
  - Provide funding for well-maintained infrastructure for current and future ratepayers; and
  - ~~Permit investment in the future; and~~
  - Allow the District to respond to changing circumstances.

### AUTHORITY

Joshua Basin Water District has authority under Article XIIB of the California Constitution to establish such reserves as are deemed reasonable and proper.

### DEFINITIONS

**Restricted Reserves:** Limitations on the use of restricted reserves are imposed by an outside source such as creditors, grantors, contributors, or laws or regulations of other governmental entities.

## UPDATES FROM ALEX HANDLERS OF BARTLES WELLS ASSOCIATES

**Unrestricted Reserves:** Have no externally imposed use restrictions. The use of unrestricted reserves is at the discretion of the JBWD Board of Directors. There are two categories of unrestricted reserves – Designated and Undesignated. Currently, all Unrestricted Reserves at Joshua Basin Water District are Designated Reserves.

**Designated Reserves:** Set aside for a specific purpose, which is determined at the sole discretion of the Board of Directors. The Board of Directors also has the authority to redirect the use of these reserve funds as the needs of the Joshua Basin Water District change.

### **RESTRICTED RESERVE FUNDS: JBWD has the following types of restricted reserve funds:**

**Water Capacity Charges** – Regulated per Government Code 66013(b)(3). Water capacity charges are used to provide funding for water system infrastructure that will be required to be constructed in the future, or to pay-back the District for pre-built water system infrastructure already in existence at the time new water service connection is requested, as a pro-rata share of the costs to construct such facilities. Water capacity charges can fund either future system expansion required because of growth or may be used to ~~fund reimburse the District for previously-funded capital replacement for facilities that have been pre-previously built by current users that will provide benefit to~~ future users.

**Wastewater/Sewer Capacity Charge** – Regulated per Government Code 66013(b)(3). Wastewater/sewer capacity charges are used to provide funding for wastewater/sewer system infrastructure that will be required to be constructed in the future, or to pay-back the District for pre-built water system infrastructure already in existence at the time new wastewater/sewer connection is requested, as a pro-rata share of the costs to construct such facilities. Wastewater/sewer capacity charges can fund either future system expansion required because of growth or may be used to ~~reimburse the District for previously-funded capital facilities previously that provide benefit to future users. fund capital replacement for facilities that have been pre-built by current users that will benefit future users.~~

**Consumer and Project Deposits** – good faith guarantee deposits provided by ratepayers for water service accounts or for construction projects.

**Copper Mountain Mesa Assessment District (CMMAD) funds** – the District collects debt service and lien payoffs for the CMMAD, which funds are due to the bondholders. In addition, a reserve fund is established for CMMAD as required by the ~~bondholder bonds~~, and those reserve funds will be ~~used applied~~ towards the final debt service payment ~~to the bondholder on the bonds~~.

*Investment earnings from Restricted Reserves - shall be credited to the respective reserve funds.*

### **UNRESTRICTED RESERVE FUNDS: JBWD has the following types of unrestricted reserve funds:**

**Operating Reserve** - This reserve is considered a cash flow requirement. It bridges the gap between the time expenses are paid and revenues are collected from ratepayers, ensuring that the District preserves credit worthiness and provides for liquidity throughout the fiscal year. The purpose of the Operating Reserve is to ensure that the District will at all times have sufficient funding available to meet ~~annual~~ operating ~~and debt service?~~ costs. These funds are also available to support operating costs in order to minimize drastic fluctuations in rates, such as in the event of a drought when water use decreases, thus impacting operating revenues.

## UPDATES FROM ALEX HANDLERS OF BARTLES WELLS ASSOCIATES

The goal of the Operating Reserve fund is to maintain six months' average operating and debt service expenses excluding depreciation.

Emergency Capital Replacement Reserve - This reserve is provided for emergencies or unplanned infrastructure failures.

The goal of the Emergency Reserve fund is to maintain a \$2 million balance.

### CIP Reserve

This reserve provides funding for infrastructure projects in the approved Capital Improvement Plan (CIP.) The CIP identifies annual infrastructure projects for pipelines, wells, boosters and reservoirs.

Funding for CIP projects is set forth in the Capital Budget. In addition, **50% of annual operating net revenue**, as determined by the annual audit, will be deposited into the CIP Reserve fund after audit acceptance by the Board of Directors. Depending on the District's cash flow requirements, CIP Reserves funded during any fiscal year may or may not be available for use at the start of the fiscal/budget year.

This reserve is to be used for priority capital projects that will be reviewed and approved by the Board of Directors, so *no maximum reserve level is recommended*. Because of the discretionary nature of this reserve, the ability to decide which projects will be funded and when, *no minimum balance is required*.

Note that CIP projects may be concurrently funded and constructed within the same fiscal year, or, because infrastructure project costs are significant, projects may take more than one fiscal year to either plan/construct or be fully funded.

### Individual Replacement Reserves

In addition to the water infrastructure projects funded via the CIP Reserve (above,) the District has other capital replacement requirements. Individual replacement reserves are established for the following purposes, which are not otherwise funded via the Capital Improvement Plan:

**Building Replacement Reserve** – is designated for future office/shop building expansion or replacement. Target funding level of \$315,000 is based on 1,000 square foot expansion of both shop and office buildings within the next 10 years. Replacement cost is based on ACWA/JPIA annually escalated insurance replacement cost.

**Equipment & Technology Replacement Reserve** – provides for regular replacement of vehicles, heavy equipment and computers, software and peripherals, office equipment and SCADA with a cost of at least \$1,000. Waiting on info from RM about SCADA replacement, which hasn't been replaced in 30 years – quote hopefully by Friday, 12/15, some upgrades will be due.

**Meter Replacement Reserve** – targets replacement of water meters approximately every 20 years. Meter replacement is overdue at the time this policy was written, and the District intends to replace meters over the next five fiscal years (2018/19 – 2022/23) at an estimated cost of \$2,500,000, requiring annual funding of \$500,000 through 2022/23. In 2023/24, or after meter replacement is complete, the annual funding will decrease so that the meter replacement fund achieves the appropriate balance after 20 years, (based on an updated estimated future replacement cost apportioned over 20 years), to provide funding for the subsequent meter replacement cycle.

**Studies & Reports Replacement Reserve** – funding for periodic updates to studies and reports such as the Urban Water Management Plan, Rate Studies, Compensation Studies, Water Master Plan. JBWD spends

## UPDATES FROM ALEX HANDLERS OF BARTLES WELLS ASSOCIATES

approximately \$50,000 per year on average for such studies and reports, although individual studies and reports can exceed that cost. Target funding level is \$100,000.

In addition, a Wells, Boosters, Reservoir replacement reserve was previously established and currently has a balance of \$382,788 available for funding of appropriate projects. This Reserve will no longer be funded beginning in fiscal 18/19 and the current balance will be transferred to the CIP Reserve account.

### Totals and Inflation

Annual funding from the 17/18 operating budget for all of the existing Capital Replacement Reserves is approximately \$247,000. Including additions for the newly-identified reserves for meter replacement and studies & reports, and elimination of future funding for wells, boosters and reservoir replacement reserves, future reserve funding should be approximately \$690,000 per year as of the date of this policy. ~~However, JBWD does not currently generate adequate revenues to fund this level of reserves, but plans to increase annual reserve funding in future years, and such funding has been included in the 17/18 Rate Study.~~ Reserve funding should be increased each year in order to keep up with inflation. Funding levels for the Meter Replacement reserve will decrease after 5 years or when all water meters are replaced.

Investment earnings from Unrestricted Reserves - shall be credited to the General Fund.

### PROCEDURES

Policy Review - The Reserve Policy and its funding levels shall be reviewed every two years prior to adoption of the two-year budget. The Reserve Policy and funding levels will also be reviewed during the mid-term review of the budget that occurs during the second year of the two-year budget cycle.

Utilization of Reserves for Cash Flow Purposes - The Operating Reserves may be used at any time to meet cash flow requirements of District operations, as authorized by the Assistant General Manager/Controller. Authority to use the funds will be consistent with all of the District's financial policies.

Use of the Emergency Reserves can be authorized by the General Manager.

Use of Capital Replacement Reserves must be authorized by the JBWD Board of Directors.

Reallocation of Funds - The Board shall approve any reallocation of funds, transfers among reserve funds, or action that is inconsistent with this policy.

### SUMMARY

The Reserve Fund Policy states that designated reserves will be maintained to allow for funding of the District's operating, capital and debt service obligations, as well as funding for unforeseen events. Reserves will be established, replenished, and used only in a manner which allows the District to fund costs consistent with the Capital Improvement Plan, Financial Plan and Rate Study, and other Board adopted actions, ~~and in a manner that requires minimal annual adjustment to water rates.~~ The District's Reserve Fund Policy shall be periodically reviewed and adjusted to meet the needs of the District.