



# JOSHUA BASIN WATER DISTRICT

P.O. BOX 675 • 61750 CHOLLITA ROAD • JOSHUA TREE • CALIFORNIA 92252  
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JOSHUA BASIN WATER DISTRICT  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
WEDNESDAY SEPTEMBER 1, 2010 7:00 PM  
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. CONSENT CALENDAR
  - Pg. 1 A. Approve Minutes of the Special Meeting of August 9, 2010
  - Pg. 2-5 B. Approve Minutes of the Regular Meeting of August 4, 2010
  - Pg. 6-8 C. Approve Minutes of the Special Meeting of July 7, 2010
  - Pg. 9-11 D. Approve Minutes of the Special Meeting of June 30, 2010
- Pg. 12 7. AUTOMATIC TRANSFER SWITCH FOR MAIN OFFICES  
Recommend that the Board authorize the purchase of an automatic transfer switch and appropriate \$7,300 for the project.
- Pg. 13-17 8. BOARD OF DIRECTORS TO CONSIDER ANNUAL APPROVAL OF THE INVESTMENT POLICY  
Recommend that the Board approve the policy.
- Pg. 18-19 9. RESOLUTION #10-862 HONORING LOCAL AGENCY FORMATION COMMISSION (LAFCO) EXECUTIVE DIRECTOR KATHLEEN ROLLINGS-MCDONALD ON HER RETIREMENT  
Recommend that the Board adopt Resolution #10-862.

10. PROJECT PRIORITY LIST  
An update on staff's progress with assigned projects.
11. PUBLIC COMMENT
12. GENERAL MANAGER REPORT
13. DIRECTORS COMMENTS/REPORTS
14. CLOSED SESSION  
Conference with labor negotiator regarding General Unit; pursuant to Government Code 54957.6. District negotiator: Joe Guzzetta
15. ADJOURNMENT

The Board of Directors reserves the right to take action on items reserved for discussion only.

INFORMATION

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

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.

**JOSHUA BASIN WATER DISTRICT**  
**Minutes of the**  
**SPECIAL MEETING OF THE BOARD OF DIRECTORS**  
**Monday August 9, 2010**

**1. CALL TO ORDER 9:00 AM**

**2. PLEDGE OF ALLEGIANCE**

**3. DETERMINATION OF QUORUM:** By roll-call:  
Bill Long Present  
Mickey Luckman Present  
Mike Reynolds Present  
Steven Whitman Present  
Gary Wilson Present

**STAFF PRESENT:** Joe Guzzetta, General Manager  
Steve Berliner, Counsel

**GUESTS: 0**

**4. APPROVAL OF AGENDA**

MSC Reynolds/Whitman 5/0 to approve the agenda for the August 9, 2010 Special Meeting of the Board of Directors.

**5. PUBLIC COMMENT**

None.

**6. CLOSED SESSION**

**Conference with labor negotiator regarding General Unit; pursuant to Government Code 54957.6.**

**District negotiator: Joe Guzzetta**

The Board went to Closed Session at 9:04 am. The Board reconvened in Open Session at 10:20 am.

President Luckman stated that the Board had met in closed session to discuss the items as noted on the agenda and that no reportable action was taken during the closed session.

**13. ADJOURNMENT 10:20 AM**

MSC Long/Whitman 5/0 to adjourn the August 9, 2010 Special Meeting of the Board of Directors.

Respectfully submitted;

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Joe Guzzetta, General Manager

The next Regular Meeting of the Board of Directors is scheduled for Wednesday August 18, 2010 at 7:00 pm.

**JOSHUA BASIN WATER DISTRICT**  
**Minutes of the**  
**REGULAR MEETING OF THE BOARD OF DIRECTORS**  
**August 4, 2010**

**1. CALL TO ORDER**

**7:00 PM**

**2. PLEDGE OF ALLEGIANCE**

Mike Metts led the Pledge of Allegiance

**3. DETERMINATION OF QUORUM:** By roll-call:

Bill Long	Present
Mickey Luckman	Present
Mike Reynolds	Present
Steven Whitman	Present
Gary Wilson	Present

**STAFF PRESENT:**

Joe Guzzetta, General Manager  
Susan Greer Assistant GM/Controller  
Terry Spurrier, HR/Administrative Services Supervisor  
Marie Salsberry, Executive Secretary

**GUESTS: 8**

**4. APPROVAL OF AGENDA**

MSC Long/Whitman 5/0 to approve the agenda for the August 4, 2010 Regular Meeting of the Board of Directors.

**5. PUBLIC COMMENT**

None.

**6. CONSENT CALENDAR**

Director Wilson commented that the flushing program was not on the financial report; General Manager Guzzetta explained that flushing is being done but is not on the report because it is a small amount of the total work done.

MSC Long/Reynolds 4/1 to approve the Financial Report for June 2010.

Long	Aye
Luckman	Aye
Reynolds	Aye
Whitman	Aye
Wilson	No

**7. CONSIDER ADOPTING RESOLUTION #10-860 ESTABLISHING THE APPROPRIATION LIMIT OF THE DISTRICT FOR THE FISCAL YEAR 2010/2011**

Assistant General Manager/Controller Susan Greer reported, explaining the appropriation limit and how it is calculated. Al Marquez of Joshua Tree commented opposing adoption of the resolution. The Board took the following action:

MSC Long/Whitman 5/0 to approve staff recommendation to adopt Resolution #10-860 establishing the appropriation limit of the District for the fiscal year 2010/2011.

**8. CONSIDER ADOPTING RESOLUTION #10-861 FIXING THE RATE OF TAXATION WITHIN ID#2**

AGM/Controller Greer reported that the rate of taxation in Improvement District #2 is calculated based on assessed property values; this is a routine item and required each year. Al Marquez of Joshua Tree commented opposing adoption of the resolution and stated that he had sent an email to the District opposing the change to the rate of taxation.

MSC Long/Whitman 4/1 to approve staff recommendation to adopt Resolution #10-861 increasing the property tax rate for Improvement District #2 from \$0.0258 to \$0.0272 per \$100 of assessed valuation.

Long	Aye
Luckman	Aye
Reynolds	Aye
Whitman	Aye
Wilson	No

**9. PURCHASE OF HOT MASTER COMPUTER SYSTEM FOR SCADA**

General Manager Guzzetta reported that the computer being considered for replacement is used to monitor the water system; the computer runs 24 hours a day and a backup is required to assure the telemetry system is not interrupted. Board discussion followed.

MSC Whitman/Reynolds 5/0 to approve staff recommendation to approve the purchase of a replacement computer with hot master backup for the SCADA system from Digital Telemetry Systems at a cost of \$7,055.15 and labor estimated at \$3,656.25.

**10. REQUEST FOR PROPOSALS FOR ARCHITECTURAL SERVICES FOR EMERGENCY OPERATING CENTER**

GM Guzzetta reported that grant funding may be available for an emergency operations center; an assessment of the space needed would help the District to qualify for funding. After brief discussion the item was tabled.

**11. AGREEMENT WITH KENNEDY JENKS FOR 2010 URBAN WATER MANAGEMENT PLAN**

GM Guzzetta reported that the Urban Water Management Plan (UWMP) is updated every five years; this is required by the state. Kennedy Jenks is preparing the UWMP for Mojave Water Agency and through that process has already accumulated much of the information that will be needed for the JBWD UWMP; this allows Kennedy Jenks to offer a reduced price to JBWD to prepare the District's UWMP. Board discussion ensued.

MSC Long/Reynolds 5/0 to approve staff recommendation to authorize the General Manager to enter into an agreement with Kennedy Jenks to prepare the 2010 Urban Water Management Plan at a cost of \$35,200 and authorize a contingency of \$3,500.

**12. AWARD OF FINAL DESIGN CONTRACT FOR WATER RECHARGE PROJECT**

GM Guzzetta reported that in July the Board approved this project in the amount of \$232,000. On reviewing the design proposal it was found that the \$232,000 is for the pipeline design; design of the ponds will be \$118,000. This project was budgeted at \$400,000 so the total cost is within the budgeted amount.

Al Marquez of Joshua Tree commented opposing award of the contract. Discussion continued.

MSC Whitman/Long 4/1 to approve staff recommendation to authorize staff to enter into an agreement with Krieger & Stewart Engineers for final design of the Recharge Basin & Pipeline Project in an amount of \$350,000 and authorize a 10% contingency of \$35,000.

Long	Aye
Luckman	Aye
Reynolds	Aye
Whitman	Aye
Wilson	No

**13. E1/D2 ADDITIONAL ENGINEERING & CONSTRUCTION REVIEW COSTS**

District Engineer Mike Metts of Dudek & Associates reported, explaining the engineering and construction review costs for the E1/D2 project related to changes in the project design.

MSC Wilson/Whitman 5/0 to approve staff recommendation to authorize an increase in the engineering and construction review costs for the E1/D2 Project in the amount of \$49,632 for design costs associated with additional equipment and design revisions.

**14. PUBLIC INFORMATION COMMITTEE RECOMMENDATION TO UPDATE DISTRICT LOGO**

Board President Mickey Luckman reported for the Public Information Committee. An updated logo design was prepared at no cost to the District; it can be incorporated as printed materials are re-ordered, at minimal cost.

MSC Long/Whitman 4/1 to approve the updated logo design for the District and begin the process of changing to the new logo.

Long	Aye
Luckman	Aye
Reynolds	Aye
Whitman	Aye
Wilson	No

**15. PROJECT PRIORITY LIST**

GM Guzzetta reported that a new project list, based on the supplemental budget, will be presented at the next meeting.

**16. PUBLIC COMMENT**

Gary Lovelace of Joshua Tree commented in favor of completing the Recharge Project.

Al Marquez of Joshua Tree commented opposing completion of the Recharge Project.

**17. GENERAL MANAGER REPORT**

GM Guzzetta reported that the original cost estimate for the E1/D2 Project was \$700,000 or \$800,000.

**18. DIRECTORS COMMENTS/REPORTS**

Vice President Reynolds reported that he attended the Mojave Water Agency (MWA) Board of Directors meeting; the state is making more water available. MWA is celebrating its 50<sup>th</sup> anniversary.

The meeting was recessed for a short break at 8:05 pm.

**19. CLOSED SESSION**

**Conference with labor negotiator regarding General Unit; pursuant to Government Code 54957.6.**

**District negotiator: Joe Guzzetta**

The Board went to closed session at 8:10 pm and reconvened in open session at 9:25 pm. President Luckman stated that no reportable action was taken during the closed session.

**20. ADJOURNMENT 9:26 PM**

MSC Long/Whitman 5/0 to adjourn the August 4, 2010 Regular Meeting of the Board of Directors.

Respectfully submitted;

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Joe Guzzetta, General Manager

The next Regular Meeting of the Board of Directors is scheduled for August 18, 2010.

**JOSHUA BASIN WATER DISTRICT**  
**Minutes of the**  
**REGULAR MEETING OF THE BOARD OF DIRECTORS**  
**July 7, 2010**

**1. CALL TO ORDER**

**7:00 PM**

**2. PLEDGE OF ALLEGIANCE**

Susan Greer led the Pledge of Allegiance

**3. DETERMINATION OF QUORUM:** By roll-call:

Bill Long	Present
Mickey Luckman	Present
Mike Reynolds	Present
Steven Whitman	Present
Gary Wilson	Present

**STAFF PRESENT:**

Joe Guzzetta, General Manager  
Susan Greer Assistant GM/Controller  
Terry Spurrier, HR/Administrative Services Supervisor  
Marie Salsberry, Executive Secretary

**GUESTS: 4**

**4. APPROVAL OF AGENDA**

MSC Long/Reynolds 5/0 to approve the agenda for the July 7, 2010 Regular Meeting of the Board of Directors.

**5. PUBLIC COMMENT**

None.

**6. CONSENT CALENDAR**

MSC Long/Whitman 5/0 to approve the Financial Report for April 2010 and to approve the Financial Report for May 2010.

**7. PUBLIC HEARING REGARDING WATER AVAILABILITY (STANDBY) CHARGE FOR FISCAL YEAR 2010/2011**

Assistant General Manager/Controller Susan Greer presented the staff report, noting that a public hearing is required for the standby charges each year even when there are no proposed changes. Rates have not changed since 1996. There were no questions from the Board. President Luckman opened the public hearing; there were no comments. President Luckman closed the public hearing. There was no discussion.

MSC Long/Reynolds 5/0 to approve staff recommendation to adopt Resolution 10-859 Establishing a Water Availability Charge for Fiscal 2010-2011 and Authorizing the Collection Thereof by the County of San Bernardino.

**8. AWARD OF FINAL DESIGN CONTRACT FOR RECHARGE BASIN AND PIPELINE PROJECT**

General Manager Joe Guzzetta reported that the Board previously authorized that staff negotiate an agreement with Kreiger & Stewart in an amount not to exceed \$363,000. The contract amount is



expected to be \$232,000. GM Guzzetta outlined how the project will be funded. Director Long stated that after the project design is complete the project will be “shovel-ready” and can qualify for more grant funding.

MSC Whitman/Long 4/1 to approve staff recommendation to authorize staff to enter into an agreement with Krieger & Stewart Engineers for final design of the Recharge Basin and Pipeline Project in an amount of \$232,000 and authorize a 10% contingency of \$23,000.

Long	Aye
Luckman	Aye
Reynolds	Aye
Whitman	Aye
Wilson	No

#### **9. CHANGE ORDER FOR E-2 D-1 PUMPS BY C-1 TANK**

This item was deferred to later in the meeting as District Engineer Mike Metts had not yet arrived.

#### **10. PROJECT PRIORITY LIST**

There were no questions or discussion from the Board.

#### **11. PUBLIC COMMENT**

This item was deferred until after Item 9.

#### **12. GENERAL MANAGER REPORT**

GM Guzzetta reported that the Hi-Desert Medical Center had a pipeline break onsite; Kelly Stewart of District staff was able to find the correct part and advise them to fix the leak; the Chief Facilities Officer of the hospital thanked the District and Kelly in particular. Staff and President Luckman attended the Mojave Water Agency meeting where there was extensive discussion of the Urban Water Management Plan (UWMP); this was a lengthy meeting outlining many of the conservation requirements now required of the UWMP. The Citizens Advisory will be reviewing the District's UWMP. The deadline has been extended to July 2011. The next Morongo Basin ABCs of Water is next Thursday July 15, hosted by County Special Districts regarding wastewater; GM Guzzetta urged everyone to attend.

#### **13. DIRECTORS COMMENTS/REPORTS**

Director Long complimented Kelly Stewart for doing a great job. Director Whitman reported the District booth at the Farmers Market is very successful. Director Wilson reported that he attended the Public Information Committee as a private citizen and that President Luckman stated the committee is a standing committee but that he believes it is an ad hoc committee. GM Guzzetta explained that according to state law after an ad hoc committee meets several times it is considered a standing committee and notice of further meetings must be posted.

Engineer Mike Metts arrived.

#### **9. CHANGE ORDER FOR E-2 D-1 PUMPS BY C-1 TANK**

GM Guzzetta reported that during construction of the new pump stations it was found that a water main was not located where shown on the map. Re-design of the project was required; staff would like for the redesign to accommodate the future addition of items such as flow meters, SCADA, and generator transfer switch. A lengthy discussion followed with Mr. Metts providing more detail about the project.

Director Wilson recommended that the change order should be done and that the transfer switch, flow meters and other items should be included now because in an emergency situation this is a critical water supply. Discussion ensued and Mr. Metts determined doing all the work now would be about \$100,000 total. Mr. Metts explained the items included in the change order in greater detail.

MSC Wilson/Luckman 5/0 to approve staff recommendation to authorize a change order for \$35,925 and authorize expenditure for flow meters and transfer switch estimated at approximately \$60,000.

Director comments continued:

Vice President Reynolds congratulated Kelly on a job well done at Hi-Desert Medical Center. Vice President Reynolds attended the Landers fireworks and Yucca Valley fireworks to celebrate Independence Day.

President Luckman reported she attended Mojave Water Agency Technical Advisory Committee meeting regarding the UWMP; some hurdles are ahead but we are in good shape. The July 19 ASBCSD dinner meeting is hosted by Hi-Desert Water District at the Yucca Valley Community Center; Directors are urged to attend.

**PUBLIC COMMENT**

Al Marquez of Joshua Tree commented that District reserve funds have gone from 8.6 million dollars to under five million dollars. He feels the IDM bond funds for the pipeline of \$600,000 cannot be used for the recharge pipeline.

**14. CLOSED SESSION**

**Conference with labor negotiator regarding General Unit; pursuant to Government Code 54957.6.**

**District negotiator: Joe Guzzetta**

There was no closed session.

**15. ADJOURNMENT 8:30 PM**

MSC Long/Whitman 5/0 to adjourn the July 7, 2010 Special Meeting of the Board of Directors.

Respectfully submitted;

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Joe Guzzetta, General Manager

The next Regular Meeting of the Board of Directors is scheduled for July 21, 2010.

**JOSHUA BASIN WATER DISTRICT**  
**Minutes of the**  
**SPECIAL MEETING OF THE BOARD OF DIRECTORS**  
**June 30, 2010**

1. **CALL TO ORDER** **7:00 PM**
2. **PLEDGE OF ALLEGIANCE** James Corbin led the Pledge of Allegiance.
3. **DETERMINATION OF QUORUM:** By roll-call:
- |                |         |
|----------------|---------|
| Bill Long      | Present |
| Mickey Luckman | Present |
| Mike Reynolds  | Present |
| Steven Whitman | Present |
| Gary Wilson    | Present |

**STAFF PRESENT:** Joe Guzzetta, General Manager  
Susan Greer Assistant GM/Controller  
Marie Salsberry, Executive Secretary  
Ben Ruffner, Accountant

**GUESTS: 9**

4. **APPROVAL OF AGENDA**  
MSC Long/Whitman 5/0 to approve the agenda for the June 30, 2010 Special Meeting of the Board of Directors.

5. **PUBLIC COMMENT**  
None.

6. **CONSENT CALENDAR**  
MSC Long/Whitman 5/0 to approve the minutes of the Special Meeting of June 9, 2010.

7. **2010/2011 AND 2011/2012 2-YEAR BUDGET DISCUSSION**  
General Manager Guzzetta reported that the Board had referred the draft two-year budget to the Citizens Advisory Committee and the Ad Hoc Budget Committee (Vice President Reynolds and Director Whitman) for review.  
Vice President Reynolds reported for the Ad Hoc Committee recommending that the Board adopt the 2010/2011 and 2011/2012 two-year operations budget and supplemental budget with the following changes:  
Revenues will be projected at the current rate in anticipation that customers may reduce water usage and conserve water due to the general economy and other factors; adopt the two year operations and maintenance budget with one change in revenue, reducing total revenues in year one by 63,566 and in year two by 88,562.  
Defer the \$600,000 H Zone Tank Replacement Project and the \$175,000 Pipeline Replacement Design Project. Keep reserve funds at four million dollars or more: two million dollars in “emergency” reserve funds for extraordinary emergencies only; and an additional two million dollars in “opportunity” reserves to take advantage of opportunities such as significantly reduced prices or

matching grant funds. Any other reserves over the four million dollars would be available for supplemental and replacement items.

Vice President Reynolds reported that the Ad Hoc Budget Committee discussed alternative methods of funding pipe replacement; “pay-as-you-go” or borrowing from USDA at 4% interest for 40 years. The Committee generally supports the policy of pay-as-you-go however the Committee recommends a workshop for the Board to discuss pipe replacement funding options. Vice-President Reynolds noted that the Citizens Advisory Committee has recommended finding a consultant with expertise in funding options.

Dir Wilson made a motion that the regular and supplemental budget be cut 15% and have only a one year budget, because of the present economy, with only exceptions being mainline replacement, repair of pressure reducing stations, tanks and booster stations. There was no second to the motion.

GM Guzzetta reported that staff recommendations are the same as Ad Hoc Committee’s. Board discussion ensued. Al Marquez of Joshua Tree commented that there was no Board discussion following Director Wilson’s motion.

GM Guzzetta reported that the CAC recommended approving the operations and maintenance budget, keeping revenues flat; approving the supplemental budget with the Ad Hoc Budget Committee’s recommended changes, and to consider bringing in a financial advisor regarding borrow or pay-as-you-go to finance pipeline replacement.

Motion by Vice President Reynolds to receive recommendations from the Ad Hoc Budget Committee, Citizens Advisory Committee and staff for the budget as mentioned with changes as mentioned. The motion was revised; “to adopt operational and maintenance budget”, and seconded by Director Long:

MSC Reynolds/Long 4/1 to adopt operational and maintenance budget for fiscal years 2010/2011 and 2011/2012.

Long	Aye
Luckman	Aye
Reynolds	Aye
Whitman	Aye
Wilson	No

Director Whitman made a motion to reclassify reserves as follows; two million dollars for emergency reserve funds to be used only in extreme emergency, the next two million to be classified as opportunity reserves to be used only when unusual buys on needed equipment occur and anything above that combined four million dollars be classified as operational reserves to be used for supplemental projects as the District can afford them. Grant matching will qualify for opportunity reserve funding. Vice President Reynolds seconded the motion.

Robert Johnson of Joshua Tree and a Citizens Advisory Committee member, requested that there be a 2/3 consensus of the Board for any purchase on “opportunity”. Board discussion ensued.

Al Marquez of Joshua Tree commented that uses of unappropriated reserve funding should be discussed further as a separate agenda item. Board discussion ensued with Directors agreeing that more discussion is necessary.

Director Whitman withdrew the motion to reclassify reserves and Vice President Reynolds withdrew the second to the motion.

Director Luckman instructed staff to look into finding resources and work with the Ad Hoc Budget Committee to find a finance advisor.

Motion Reynolds/Whitman 4/1 to approve the supplemental budget for fiscal years 2010/2011 and 2011/2012, deferring the \$600,000 H Zone Tank Replacement Project and the \$175,000 Pipeline Replacement Design Project.

Long	Aye
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Luckman	Aye
Reynolds	Aye
Whitman	Aye
Wilson	No

**8. PROJECT PRIORITY LIST**

GM Guzzetta reported that staff had an emergency exercise on Monday and it went very well; staff identified areas where the District is prepared and areas that can use improvement. Staff also identified possible roles for the Board and the Citizens Advisory Committee. The General Manager explained how tank overflowing preserves water quality.

Director Wilson commented that the valve on C3 tank was replaced on November 17 2004. Director Wilson reported on a water meter feeding many different lots; water is running out into the street. GM Guzzetta said that staff would look into it.

**9. PUBLIC COMMENT**

None.

**10. GENERAL MANAGER REPORT**

GM Guzzetta reported that field work is coming along well, field crew is working on valve exercising and has identified in excess of 50 valves and hydrants that need work; the summer flushing program is beginning and will take about two weeks.

**11. DIRECTORS COMMENTS/REPORTS**

Dir. Reynolds reported that he attended the Special Districts Meeting in Helendale. Director Whitman reported that he has been volunteering at the Farmers Market on Saturdays and stated that it is time well spent. Director Long stated that he also had spent some time at the District's booth at the Farmer's Market. President Luckman stated that she and Director Whitman had been given a tour of the district by Operations Supervisor Jim Corbin and that it was very informative; it is a good idea for any new Director and also would be good to offer to the public. She thanked the Ad Hoc Budget committee for their hard work.

**12. CLOSED SESSION**

**Conference with labor negotiator regarding General Unit; pursuant to Government Code 54957.6.**

**District negotiator: Joe Guzzetta**

There was no closed session.

**13. ADJOURNMENT 7:55 PM**

MSC Long/Whitman 5/0 to adjourn the June 30, 2010 Special Meeting of the Board of Directors.

Respectfully submitted;

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Joe Guzzetta, General Manager

The next Regular Meeting of the Board of Directors is scheduled for Wednesday July 7, 2010.

JOSHUA BASIN WATER DISTRICT  
SUPPLEMENTAL DATA SHEET

Regular Meeting of the Board of Directors

September 1, 2010

Report to: President and Members of the Board  
From: Joe Guzzetta, General Manager

TOPIC: AUTOMATIC TRANSFER SWITCH FOR MAIN OFFICES

RECOMMENDATION: That the Board authorize purchase of an automatic transfer switch at the main Joshua Basin Water District (JBWD) offices at a cost of \$6,627 from David Price, and appropriate \$7,300 for the project.

ANALYSIS: The District has been steadily improving our equipment and facilities to be prepared for a serious emergency such as an earthquake. A 60KW generator provides backup power to the District offices but needs to be manually turned on and off. When power is intermittent, even in absence of an emergency, this causes interruptions in work and potentially loss of some computer data. With the proposed automatic transfer switch the power would quickly switch from electric power to the emergency generator.

A key consideration is that we anticipate being very understaffed in a serious emergency. Anything that can be done to automate operations will enable a better response to an emergency.

Cost of the switch is \$6,627. A 10% contingency has been added for unanticipated costs. It is proposed that David Price be authorized to do the work because he is familiar with the District generators and facilities.

The proposed transfer switch may make a significant difference in the District's ability to respond to emergencies, but will also improve operations during non-emergency interruptions in power. This was included in this year's budget with the transfer switches for the pumps.

JOSHUA BASIN WATER DISTRICT  
SUPPLEMENTAL DATA SHEET  
AGENDA ITEM

To: President and Board of Directors  
From: Susan Greer

September 1, 2010



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TOPIC: Board of Directors to Consider Annual Approval of the Investment Policy

RECOMMENDATION: Approve the investment policy.

HISTORY: Another routine matter, the District must annually re-approve the investment policy as required by the Government Code. The Code also requires the preparation of a quarterly investment report, which details the District's investments and earnings. Both requirements were enacted in response to the Orange County bankruptcy matter several years ago in which the County Board of Supervisors was unaware of the shaky investments made by the County Treasurer.

No changes from the last investment policy have been proposed. At this time, virtually all investments are maintained at LAIF (the state of California Local Agency Investment Fund). A small bond payment fund is managed by US Bank and invested in money market accounts.

## **JOSHUA BASIN WATER DISTRICT INVESTMENT POLICY**

The Board of Directors of the Joshua Basin Water District hereby adopt an Investment Policy as follows. Any surplus funds or funds held for any length of time for special projects shall only be invested in the following with reputable institutions.

(1) Direct and general obligations (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America) of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidences of ownership of proportionate interests of such obligations. Investments in such proportionate interests must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations and is a corporation rated A or better by Standard & Poors Corporation (S&P) or the equivalent rating by another recognized rating agency; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated (the obligations described in this paragraph are referred to herein as "United States Obligations").

(2) Obligations issued or guaranteed by the following instrumentalities or agencies of the United States of America:

- (a) Federal Home Loan Bank system;
- (b) Export-Import Bank of the United States;
- (c) Federal Financing Bank;
- (d) Government National Mortgage Association;
- (e) Farmers Home Administration;
- (f) Federal Home Loan Mortgage Company;
- (g) Federal Housing Administration;
- (h) Private Export Funding Corp;
- (i) Federal National Mortgage Association;
- (j) Federal Farm Credit Bank;
- (k) Maritime Administration; and
- (l) Public Housing Corporation.



(3) Pre-refunded municipal obligations meeting the following conditions:

(a) the bonds are (i) not to be redeemed prior to maturity or the applicable trustee has been given irrevocable instructions concerning their calling and redemption, and (ii) the applicable issuer has covenanted not to redeem such bonds other than as set forth in such instructions;

(b) the bonds are secured by cash or United States Obligations that may be applied only to interest, principal, and premium payments of such bonds;

(c) the principal of and interest on the United States Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the bonds;

(d) The United States Obligations serving as security for the bonds are held by an escrow agent or trustee that has a combined capital and surplus of not less than \$50,000,000 and is either subject to supervision or examination by federal or state authority or that is rated A or better by S&P or the equivalent rating by another recognized rating agency;

(e) the United States Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(f) the municipal obligations are rated AAA by S&P or the equivalent rating by another recognized agency.

(4) Direct and general long-term obligations of any state, to the payment of which the full faith and credit of the state is pledged and that are rated in any of the three highest rating categories by S&P or the equivalent rating by another recognized rating agency.

(5) Direct and general short-term obligations of any state, to the payment of which the full faith and credit of the state is pledged and that are rated in any of the three highest rating categories by S&P or the equivalent rating by another recognized rating agency.

(6) Interest-bearing demand or time deposits or interests in money market portfolios issued by state banks or trust companies or national banking associations that are members of the Federal Deposit Insurance Corporation (FDIC). These deposits or interests must be continuously and fully insured by FDIC and with banks that are rated at least A or better by S&P or the equivalent rating by another recognized rating agency.

(7) Long-term and medium-term corporate debt guaranteed by any corporation that is rated by S&P or the equivalent rating by another recognized rating agency in its three highest rating categories.

(8) Repurchase agreements, the maturities of which are 30 days or less, entered into with financial institutions such as banks or trust companies organized under state law or national banking associations, insurance companies or government bond dealers reporting to, trading with, and recognized as primary dealers by the Federal Reserve Bank of New York and members of the Security Investors Protection Corporation or with dealers or parent holding companies. The financial institutions, dealers, or parent holding companies must be rated at least A or better by S&P or the equivalent rating by another recognized rating agency. If it is a parent holding company that has the required S&P rating or the equivalent rating by another recognized rating agency, then the counterparty must have combined capital and surplus not less than \$50,000,000. If the counterparty is a parent holding company, then the agreement must be unconditionally guaranteed by a financial institution subsidiary with a combined capital and surplus not less than \$50,000,000. The repurchase agreement must be secured by United States Obligations. The United States Obligations must have a fair market value, exclusive of accrued interest, at least equal to the amount invested in the repurchase agreements. The Trustee (who shall not be the provider of the collateral) must have a perfected first lien in, and retain possession of, the collateral. The obligations serving as collateral must be free from all third party liens.

(9) Prime commercial paper of a United States corporation, finance company or banking institution rated in any of the two highest rating categories of S&P or the equivalent rating by another recognized rating agency.

(10) Public housing bonds issued by public agencies. Such bonds must be fully secured by a pledge of annual contributions under a contract with the United States government; temporary notes, preliminary loan notes or project notes secured by a requisition or payment agreement with the United States; or state or public agency or municipality obligations; provided that all of the above investments are rated in the three highest rating categories by S&P or the equivalent rating by another recognized rating agency.

(11) Shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940) or shares in a regulated investment company (as defined in Section 851(a) of the Internal Revenue Code of 1986, as amended) that is (A) a money market fund that has been rated in the highest rating category by S&P or the equivalent rating by another recognized rating agency, or (B) a money market account of the Trustee or any state or federal bank that is rated A or better by S&P or the equivalent rating by another recognized rating agency or that has a combined capital and surplus of not less than \$50,000,000.

(12) Units of a money market portfolio rated Am or Am-g by S&P or the equivalent rating by another recognized rating agency composed solely of obligations rated Am-g or better by S&P or the equivalent rating by another recognized rating agency having a federal income tax exclusion.

(13) Tax-exempt obligations rated in any of the three highest rating categories by S&P or the equivalent rating by another recognized rating agency.

(14) Units of a taxable government money market portfolio rated at least Am or Am-g by S&P or the equivalent rating by another recognized rating agency composed solely of obligations issued or guaranteed as to payment of principal and interest by the full faith and credit of the United States Government or repurchase agreements collateralized by such obligations.

(15) Certificates of deposit issued by commercial banks, savings and loan associations and mutual savings banks rated A or better by S&P or the equivalent rating by another recognized rating agency and properly secured at all times by collateral security described in paragraphs (1) and (2) above.

(16) The following investments fully insured by the Federal Deposit Insurance Corporation: (a) certificate of deposit, (b) savings accounts, (c) deposit accounts, (d) depository receipts of banks.

(17) Local Agency Investment Fund

\_\_\_\_\_  
Mickey Luckman, President, Board of Directors

\_\_\_\_\_  
Date


\_\_\_\_\_  
Joe Guzzetta, Secretary, Board of Directors

\_\_\_\_\_  
Date

JOSHUA BASIN WATER DISTRICT  
SUPPLEMENTAL DATA SHEET

Regular Meeting of the Board of Directors

September 1, 2010

Report to: President and Members of the Board  
From: Marie Salsberry, Executive Secretary 

TOPIC: RESOLUTION #10-862 HONORING LOCAL AGENCY  
FORMATION COMMISSION EXECUTIVE DIRECTOR KATHLEEN  
ROLLINGS-MCDONALD ON HER RETIREMENT

RECOMMENDATION: That the Board adopt Resolution 10-862

ANALYSIS: Ms. Kathleen Rollings-McDonald has announced her retirement  
as Executive Officer of the Local Agency Formation  
Commission (LAFCO) of San Bernardino County effective  
October 1, 2010.

She has been employed by San Bernardino County LAFCO for  
31 years. During her tenure with LAFCO she participated in  
events that shaped the Morongo Basin, including review of  
cityhood proposals for Twentynine Palms and Yucca Valley.

She has participated in several forums and meetings in Joshua  
Tree to explain a variety of organizational issues of concern to  
the residents here.

And, she participated in the process when JBWD sought  
authority for wastewater treatment within the District. That  
process culminated in LAFCO's resolution #2978 which bears  
her signature, granting the package treatment plant and sewer  
system planning authority.

RESOLUTION 10-862

A RESOLUTION OF THE JOSHUA BASIN WATER DISTRICT BOARD OF DIRECTORS HONORING KATHLEEN ROLLINGS-MCDONALD FOR HER 31 YEARS OF SERVICE WITH THE LOCAL AGENCY FORMATION COMMISSION

WHEREAS, Kathleen Rollings-McDonald has announced her retirement as the Executive Officer of the Local Agency Formation Commission (LAFCO) of San Bernardino County effective October 1, 2010; and

WHEREAS, she has been employed by the San Bernardino County LAFCO for 31 years; and

WHEREAS, during her tenure has held positions of Clerk of the Commission, LAFCO Analyst, Deputy Executive Officer, and Executive Officer; and

WHEREAS, during this time she has participated in the review of Cityhood proposals for the communities of Big Bear Lake, Highland, Hesperia, Twentynine Palms, Yucaipa, Apple Valley, Yucca Valley, Chino Hills, Rancho Vista, El Prado, and Lake Arrowhead; and

WHEREAS, she participated in the required process when the Joshua Basin Water District sought authority for wastewater treatment within the District’s jurisdiction; and

WHEREAS, that process was completed in 2007 with adoption of LAFCO Resolution No. 2978, granting Joshua Basin Water District authority over operation of package treatment plants and planning and engineering for regional sewer service;

NOW, THEREFORE, BE IT RESOLVED THAT the Joshua Basin Water District Board of Directors honors Kathleen Rollings-McDonald for her extraordinary commitment to community development and public interest for the past 31 years.

Her knowledge and expertise of the communities she has served will be missed.

The Joshua Basin Water District Board of Directors congratulates Kathleen Rollings-McDonald and wishes her the very best in her retirement and future endeavors.

ADOPTED this 1<sup>st</sup> day of September 2010.

By \_\_\_\_\_  
Mickey Luckman, President

Attest \_\_\_\_\_  
Joe Guzzetta, Board Secretary

## ***Project Priority List***

### **PROJECTS NEARING COMPLETION**

#### **Well #16** (Randy Little)

The well has been completed and is about to go into service pending release by Department of Health Services.

#### **Personnel Policy Manual** (Joe Guzzetta)

This will be considered during labor negotiations this year.

### **PROJECTS UNDERWAY**

- **Update Urban Water Management Plan** (Joe Guzzetta – Year 1)  
Contract was awarded to Kennedy Jenks at the August 4<sup>th</sup> 2010 Board meeting. State law requires this update to be completed by July 1, 2011.
- **Hot Master + Backup Computer – SCADA** (Randy Little – Year 1)  
The Board approved the purchase at the August 4<sup>th</sup> Board meeting. This computer will provide backup to the Telemetry System.

#### **Property Acquisition for Future Water Facilities** (Joe Guzzetta – Year 1)

The Master Plan identifies 27 to 37 million gallons of additional reservoir storage that will be needed to operate the District in the future. Staff proposes to begin acquiring the land before the most ideal parcels are developed, especially for reservoirs which are constrained by altitude, proximity to the existing system, and other considerations. Potential sites are under evaluation.

#### **Recharge Basin & Pipeline Project** (Joe Guzzetta)

Property has been purchased. Monitoring well has been installed. Final design contract was awarded to Krieger & Stewart Engineers at August 4<sup>th</sup> Board meeting. Construction is contingent on Proposition 84 and other funding.

#### **Final Phase of 4" Pipe Replacement** (Joe Guzzetta, Joe Bocanegra, Keith Faul)

Priorities have been established. 15,000' of pipeline has been designed with 60,000' yet to be designed. Completion design and construction of this project is pending a financial strategy to be considered by the Board.

#### **Record Archival System** (Susan Greer – Year 1)

Staff had second presentation. This will eventually enable the District to maintain more electronic files for easier access and less physical storage.

### **PROJECTS COMPLETED**

#### **PROJECTS NOT BEGUN: YEAR 1**

##### **Develop/Update Board Policies and Procedures** (Susan Greer)

##### **Update 3030 Plan** (Joe Guzzetta)

Staff intends to solicit proposals for this project.

##### **Election to Charge Private Wells for Replacement Water**

Attorney is reviewing election options.

##### **Fire Cabinet for Maps** (Keith Faul – Year 1)

##### **Custom Software Programming** (Susan Greer/Keith Faul – Year 1)

Adds lacking features to the District's main software program, such as reports or functions, and specific items not yet identified.

**Conduct Fee Study/Update Rate Study** (Susan Greer – Year 1)

Miscellaneous fees are being developed based upon resources used; staff, vehicle, equipment, etc. A rate study update will determine what rate changes are needed in the next several years to maintain services.

**Space Needs Assessment for Office Building Addition** (Joe Guzzetta – Year 1)

A needs assessment will determine how much space the District needs for an Emergency Operations Center in order to apply for grant construction funds. This item was discussed at the August 4, 2010 Board meeting, and deferred.

**LAFCO Mandatory Municipal Services Review** (Joe Guzzetta – Year 1)

State law requires LAFCO to conduct a review of each agency's boundaries and services (at agency cost) to determine the appropriateness and to recommend any changes. LAFCO must take the initiative to conduct this.

**GIS Server for Field Login** (Keith Faul – Year 1)

Field crew will receive laptop computers to be used in the field for more accuracy and efficiency. This server is needed in order to connect to the GIS system.

**Field Laptop Computers** (Keith Faul – Year 1)

**Storage Bays for Rock, Sand, Asphalt** (Jim Corbin – Year 1)

This will allow for more orderly storage of rock, sand, and asphalt which are used regularly in normal district operations.

**Property Acquisition for Future Water Facilities** (Joe Guzzetta – Year 1)

The Master Plan identifies 27 to 37 million gallons of additional reservoir storage that will be needed to operate the District in the future. Staff proposes to begin acquiring the land before the most ideal parcels are developed, especially for reservoirs which are constrained by altitude, proximity to the existing system, and other considerations.

**Hauling Station Coin/Card Reader – Under Study** (Jim Corbin – Year 1)

Staff is considering a system to enable selling of water at the hauling station.

These include food, water, cots, etc. for serious emergencies for employees.

**Pressure Reducing Station Replace/Refurbishment** (Randy Little – Years 1-2)

Assess and overhaul or replace PRV/PSV/Altitude valve over a three year period. Twelve in use, one completed.

**YEAR 2**

**Carpet for Office** (Terry Spurrier – Year 2)

**D31 New Booster Pumps and Housing** (Randy Little – Year 2)

The pumps at this booster station operate at a low efficiency rate such that it is timely to replace them.

**Chlorine Analyzers With Telemetry Programming** (Randy Little – Year 2)

Install analyzers to monitor chlorine residual at up to four remote sites.

**Flow Meter Refurbishment** (Randy Little – Year 2)

Four remaining flow meters (2 this year) with digital displays and telemetry plus DTS programming.

**Asphalt Installation Equipment – Under Study** (Jim Corbin – Year 2)

**Pipe Holder** (Jim Corbin – Year 2)

The District stores small amounts of plastic pipe for repairs. There is nowhere out of the sun to do so. Over time the pipe can deteriorate when exposed to the sun. This will provide shade.

**Altitude Valves at C2B, SCADA Electric Controls C1 and C3 Tanks** (Randy Little – Year 2)

These valves will prevent the overflowing of the C Zone tanks.

**Relocate C2 Tank & J Booster** (Randy Little – Years 2-3)

This project has been designed and would relocate a 500,000 gallon tank from the C Zone where it is no longer needed to the H Zone where it is severely needed. The project was deferred pending funding.

**System Reliability Upgrade for Hospital and County Complex; C, B and D3 zones** (Jim Corbin – Years 2-3)

This entire area has one single water supply feed. It does not have a redundant water supply for emergency situations. Staff has proposed a secondary “emergency” source.

**PROJECTS NOT BEGUN: YEAR 3**

**Security (Motion Sensors) at Shop and Well 10** (Randy Little – Year 3)

This would provide security to an expanded area at the shop.

**Emergency Preparedness Projects:** (Postponed to determine funding potential)

**Well 10 and 14 Soft Start Bypass – Generator Controls** (Randy Little – Year 1)

The new 600 KW generators need this equipment in order to operate properly at the two largest producing wells.

**Earthquake Shutoff Valves for Three Tanks** (Randy Little – Year 1)

Currently, if a pipe from a reservoir is broken the entire reservoir can be drained unless a valve is manually located and shut off. This will provide automatic shutoff in case of earthquake to the two major C tanks and the B tank serving the hospital.

**Transfer Switches at Remaining Booster Sites** (Randy Little – Year 1)

The switches are needed in order to be able to use the emergency generators at the pump stations.

**Large Meter Bypasses** (Jim Corbin – Year 1)

Currently, in order to test or remove a large meter, the service needs to be disconnected. This is a serious problem for some large meters such as the hospital. The bypass will allow the meter to be removed and replaced without discontinuing service.

**Emergency Supplies** (Rick Cook – Years 1-2)