

JOSHUA BASIN WATER DISTRICT
Minutes of the
REGULAR MEETING OF THE BOARD OF DIRECTORS
January 15, 2014

1. CALL TO ORDER: 7:00 PM

2. PLEDGE OF ALLEGIANCE

3. DETERMINATION OF QUORUM:

Victoria Fuller	Present
Bob Johnson	Present
Mickey Luckman	Present
Mike Reynolds	Present
Gary Wilson	Present

STAFF PRESENT:

Susan Greer, Acting General Manager
Marie Salsberry, HR Manager/Administrative Specialist
Keith Faul, GIS Coordinator
Bill Kline, Water Production Operator II

CONSULTANTS PRESENT:

Gil Granito, District Counsel
Mike Metts, District Engineer
Kathleen Radnich, Public Outreach Consultant
Alex Handlers, Bartle Wells Associates

GUESTS 11

4. APPROVAL OF AGENDA

President Fuller stated that more information had been received on Item #11 and referred the item back to staff for resubmittal and consideration.

MSC Reynolds/Luckman 4/1 to approve the agenda for the January 15, 2014 Regular Meeting of the Board of Directors, removing Item #11.

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Aye
Wilson	No

District Counsel Gil Granito reminded the Board of a new law mandating that votes of every director be reflected on the record; he recommended roll call votes for each action.

5. PUBLIC COMMENT

None.

6. CONSENT CALENDAR

Director Wilson requested that Item 6F be pulled for discussion.

MSC Reynolds/Johnson 5/0 to approve and adopt the updated General Unit Salary Schedule to be effective February 8, 2014; to approve the draft minutes of the December 16, 2013 Special Meeting of the Board of Directors; to approve the draft minutes of the December 17, 2013 Special Meeting of the Board of Directors; to approve the draft minutes of the December 18, 2013 Regular Meeting of the Board of Directors; and to approve the Check Audit Report Review for November 2013.

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Aye
Wilson	Aye

6.F CHECK AUDIT REPORT REVIEW FOR DECEMBER 2013

Director Wilson asked about a charge for vehicle maintenance and repair and if it was for the one and a half ton truck. Acting General Manager Susan Greer reported that it was and explained the repair charges. Director Wilson asked if staff is driving them home at night and commented it does not seem economical to have both trucks driven home by staff each day. AGM Greer stated she would provide a copy of the invoice to Director Wilson and offered to bring the subject of the trucks being driven after work hours back to the Board for consideration.

MSC Luckman/Reynolds 5/0 to approve the Check Audit Report Review for December 2013.

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Aye
Wilson	Aye

7. PUBLIC HEARING TO CONSIDER INCREASES TO WATER RATES AND CHARGES

President Fuller opened the public hearing and requested the staff presentation. AGM Greer reported that the water rate study was prepared by Bartle Wells Associates, and Alex Handlers of Bartle Wells Associates was present. Mr. Handlers presented information on the water rate study, explaining the objectives of the study, the process to determine proposed rates, financial challenges faced by the District, and an explanation of the proposed rates and rate structure and how proposed rates would affect current ratepayers.

President Fuller invited the Board to ask questions. Director Wilson stated he would not agree to an increase of more than two percent and he is not in favor of charging for inactive meters. Director Johnson stated that tough decisions are needed; he supports the rate increases but is unsure about charging for inactive meters. He noted that probably one quarter of the population here is below the poverty level. Director Luckman stated it is important for now and for the future to keep the District in good operating condition; it makes sense to have small rate increases rather than large ones after putting it off. Vice President Reynolds commented that rate increases are needed; the aquifer is in overdraft and water needs to be brought in, the District needs to buy water for tomorrow. He noted that rate increases over time have been less than the rate of inflation, making the cost of water here cheaper today than in the past. President Fuller stated that owners of pulled meters have a right and also a responsibility; she suggested a blue ribbon group to discuss the subject further this year. She stated that comparing inflation with the District's rate changes, we are paying less for water now than years ago; our rates are still among the lowest in the area.

President Fuller opened the public testimony portion of the public hearing. George Becker of Joshua Tree commented that District rates cause the north side to subsidize the south side; it is more costly to deliver to the south than to the north due to elevation. Steven Whitman of Joshua Tree commented he is concerned that the proposed rate increases will be inadequate and wondered how much users would need to conserve in order to pay the same monthly bill amount after a rate increase; rates are too low to increase revenue to the District. Karen Tracy of Joshua Tree commented in support of charging for pulled and inactive meters. She noted that the decision of the Citizens Advisory Committee was unanimous on that subject. She recommended the Board decide to charge for those fees which could amount to \$1.3 million over 5 years.

Ken Pitcher, Joshua Tree property owner, commented opposing a basic fee charged to pulled or inactive meters, stating it would not be ethically or morally right. President Fuller commented that she would like to have a blue ribbon committee discuss the subject and asked the speaker to leave his contact information. George Becker of Joshua Tree commented that standby charges are for replacing a deteriorating plant; if pulled meters are charged the basic fee they are charged twice. Tom Floen of Joshua Tree commented on the rate of inflation noting that if the District has not increased rates in two years then it has less money now than before. As people conserve more the District will earn less money; an adequate income for the District is a moving target. Den Winberry of Joshua Tree commented the presentation on the rate study was very good and the study seems thorough. He suggested no rate increase for ratepayers who use three units or less. President Fuller closed the public testimony portion of the public hearing and asked for questions from the Board; there were none. President Fuller asked for discussion by the Board. Vice President Reynolds stated he was pleased to hear the comments; most were positive. President Fuller commented that the lowest ratepayers will be paying less with the new rates, when inflation is taken into consideration.

MSC Luckman/Reynolds 4/1 to Adopt Resolution 14-914 Approving an Amendment to the District's Rules and Regulations Which Amendment 1) Provides for Increases to the District's Water Rates and Charges, and 2) Makes Findings and Determinations That the Action Taken in This Resolution is Exempt From the Requirements of the California Environmental Quality Act (CEQA) (Public Hearing – January 15, 2014).

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Aye
Wilson	No

District Counsel Granito stated that the resolution does not include any rate increase for inactive meters.

8. WATER RECHARGE PROJECT – RECHARGE FACILITY CONSTRUCTION CONTRACT APPROVAL AND AWARD

District Engineer Mike Metts presented the report noting that three bids were received for the project. The original Engineer's Estimate was \$2.5 million; however the low bid was \$2.179 million. After brief discussion the following action was taken:

MSC Reynolds/Luckman 4/1 to authorize the General Manager to award a contract for construction of the Water Recharge Facility Project to Vance Construction at a cost of \$2,373,600 including 10% contingency.

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Aye
Wilson	No

9. CONSIDER AWARD OF D3 BOOSTER STATION REPLACEMENT CONSTRUCTION CONTRACT OR ALTERNATIVE PROJECT

AGM Greer reported this item is on the Board's Strategic Plan. The project went to bid and of the bids received the lowest total project construction cost including contingency would be \$196,411. The District's Water Production Department has proposed less costly alternatives to this project. AGM Greer introduced District Water Production Operator II Bill Kline who gave a presentation on two alternative plans to replace components such as boosters and electrical components and having District staff perform most of the work, with the estimated cost of \$35,000 for one alternative and \$75,000 for another alternative. Mr. Kline and District Engineer Mike Metts answered several questions from the Board regarding the condition of the

station and the various proposals for replacement. After discussion the Board took the following action:
MSC Wilson/Luckman 3/2 to accept the bid from Cora Construction for the D3 Booster Station Replacement in the amount of \$143,000 with a total project cost of \$196,411 including 10% contingency.

Fuller	No
Johnson	Aye
Luckman	Aye
Reynolds	No
Wilson	Aye

President Fuller thanked Bill Kline for his excellent presentation.

10. REQUEST FOR PROPOSALS FOR NETWORK MANAGED SERVICES

AGM Greer reported that the contract with the current providers of computer and network services will end soon. Staff would like to compare costs for services and have prepared a Request for Proposals in order to verify that the District is getting the best service and value for the cost.

MSC Luckman/Johnson 4/1 to approve and authorize the distribution of a Request for Proposals for Network Managed Services

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Aye
Wilson	No

11. KAYE KEENE SECOND REQUEST FOR RECONSIDERATION OF COSTS REQUIRED FOR WATER SERVICE CONNECTION

This item was referred back to staff for resubmittal and consideration.

12. PURCHASE AND INSTALLATION OF PLANT IN DEMONSTRATION GARDEN

President Fuller commented on Past-President Director Luckman's service to the District and reported that she would like to recognize her by purchasing a plant on her behalf for installation in the demonstration garden. Vice President Reynolds noted that serving as President of the Board is a thankless job; he offered to pay for the cost. Director Johnson agreed this is a good idea. Director Wilson did not agree with the proposal.

MSC Reynolds/Johnson 3/1/1 to authorize purchase and installation of a plant and plaque recognizing outgoing President Luckman's leadership, with Vice President Reynolds paying the cost not to exceed \$50.

Fuller	Aye
Johnson	Aye
Luckman	Abstain
Reynolds	Aye
Wilson	No

13. AUTHORIZE GENERAL MANAGER TO PROVIDE COMMENTS TO THE COUNTY OF SAN BERNARDINO REGARDING THE PROPOSED SOLAR PROJECT ON ALTA LOMA AND OLYMPIC

AGM Greer reported that the District had received a Planning Project Notice from the County of San Bernardino for the proposed project. The project application indicates no water will be used; however staff questions whether that will be so; a similar project developed recently required a substantial amount of water.

District Counsel Granito suggested that since the developer has not contacted the District, a meeting be set with one or two directors and himself, perhaps at his office. The District has a legitimate and serious concern about such projects.

MSC Johnson/Wilson 5/0 to authorize the General Manager to submit comments to the County of San Bernardino regarding the proposed solar project on Alta Loma and Olympic.

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Aye
Wilson	Aye

14 COMMITTEE REPORTS

AD HOC COMMITTEES:

- A. GENERAL MANAGER SEARCH: Vice President Reynolds and Director Luckman: Director Luckman stated there will be a closed session discussion on this subject tonight.
- B. ADMINISTRATION CODE UPDATE PROJECT: President Fuller and Director Luckman: This will be addressed after updates to the Rules and Regulations.
- C. HOSPITAL WASTEWATER PROJECT: Director Luckman and President Fuller: District Counsel Granito stated that his partner Gerry Eagans will set up a conference call to give a report to the committee.
- D. MOJAVE WATER AGENCY INTEGRATED REGIONAL WATER MANAGEMENT PLAN COMMITTEE: Director Luckman and President Fuller: Director Luckman reported the next Technical Advisory Committee meeting will be February 6th; AGM Greer will attend.
- E. RULES AND REGULATIONS COMMITTEE: President Fuller and Vice President Reynolds: Vice President Reynolds reported that the committee hopes to meet next week.
- F. TANK RESTORATION PROJECT: Director Wilson and Director Johnson: Director Wilson reported that the committee met a couple of months ago; the project has been delayed until June due to financing.

STANDING COMMITTEES:

- A. PUBLIC INFORMATION COMMITTEE: Director Luckman and President Fuller: Public Outreach Consultant Kathleen Radnich reported that a volunteer docent meeting will be held on January 31st; Sunday March 30th the District will host an afternoon of water education in conjunction with neighboring water districts, Joshua Tree National Park, Joshua Tree National Park Association and Mojave Water Agency. The newsletter was not included with the bill this month but it is available online.
- B. FINANCE: President Fuller and Director Johnson: President Fuller reported the committee will meet soon.

15. PUBLIC COMMENT

Steven Whitman of Joshua Tree asked about the bid amount approved in Item #8 of this meeting agenda; AGM Greer stated that the amount approved includes 10% contingency.

16. GENERAL MANAGER REPORT

AGM Greer reported on highlights of the monthly Distribution report for December; there were three service line leaks, 17 dead ends were flushed; maintenance was performed on 16 hydrants and one hydrant was replaced. Twelve large meters were replaced. She reported that General Unit employees are due performance evaluations by the end of this month and potential pay increases are contingent upon an excellent rating. Previously, performance evaluations were based on date of hire. Citizens Advisory

Committee Chair Jay St. Gaudens has been ill. She reported that the District pays approximately \$1,600 per month for service for cellphones and wireless devices; \$800 per month for office phones which includes 17 phone lines; \$250 per month for shop phones, and about \$400 for internet and cable service.

17. DIRECTORS COMMENTS/REPORTS

Director Wilson commented that at the June 5th, 2013 meeting an item regarding vehicle purchase was postponed to be brought back at the next meeting. AGM Greer reported that the item has not yet been brought back to the Board, and no vehicles have been purchased. Vice President Reynolds noted that life is valuable and every moment should be treasured. President Fuller commented that Vice President Reynolds' mother has been ill; she has been a volunteer docent and an important part of our community.

18. DISTRICT GENERAL COUNSEL REPORT

None.

19. FUTURE AGENDA ITEMS

None.

20. CLOSED SESSION

At 9:17 President Fuller reported that the Board would adjourn to closed session and that no reportable action was anticipated.

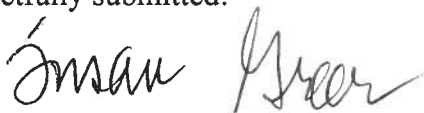
21. PUBLIC REPORT ON TONIGHT'S CLOSED SESSION

It was reported that at 9:17 the Board went to closed session to consider public employee appointment for the position of General Manager, pursuant to Government Code Section 54957(b)(1). No reportable action was taken during the closed session. The meeting resumed in open session at 10:10 pm.

22. ADJOURNMENT

The January 15, 2014 Regular Meeting of the Board of Directors was adjourned at 10:12 pm.

Respectfully submitted:



Susan Greer, Acting General Manager