



AMENDED AGENDA

REGULAR MEETING OF THE BOARD OF DIRECTORS WEDNESDAY, NOVEMBER 2, 2022, AT 5:30 PM 61750 CHOLLITA ROAD, JOSHUA TREE, CA 92252

ON MARCH 4, 2020, CALIFORNIA GOVERNOR GAVIN NEWSOM DECLARED A STATE OF EMERGENCY IN CALIFORNIA AS A RESULT OF THE COVID-19 PANDEMIC, AN EMERGENCY THAT REMAINS IN EFFECT AND FROM WHICH OUTBREAKS AND EXPOSURE CONTINUES TO PRESENT AN IMMINENT THREAT FOR SOME ATTENDEES. **ACCORDINGLY, THE BOARD OF DIRECTORS AND PUBLIC MAY ATTEND THIS MEETING IN-PERSON, TELEPHONE, OR BY VIDEO CONFERENCE.**

To join by Zoom please click the below link:

<https://us02web.zoom.us/j/81244957553?pwd=dUMrZFFiYlI4clJQT1R5TVFySkN4Zz09>

Or you may join by phone at 1-253-215-8782, Meeting ID: 812 4495 7553 Passcode: 921620

1. **CALL TO ORDER -**
2. **PLEDGE OF ALLEGIANCE –**
3. **DETERMINATION OF A QUORUM -**
4. **APPROVAL OF AGENDA -**
5. **PUBLIC COMMENT –** This is the time set aside for public comment on any District related matter, whether appearing on the agenda or not. At the discretion of the Board President, however, comments on a particular Agendized item may be deferred until that item is heard. Please state your name and limit your comments to 3 minutes.
6. **STATE OF EMERGENCY FINDINGS – GOVT. CODE § 54953(e) –** On October 6, 2021, the Board, by majority vote, adopted Resolution No. 21-1035, making certain findings that (1) the State of Emergency declared by California Governor Newsom on March 4, 2020, relative to the COVID-19 Emergency, remains in effect; and (2) due to existing rate of community transmission and the small meeting space available to the District for in-person attendance, the provision of a unrestricted physical location for the District’s meetings could present imminent risks to the health and safety of attendees. **It is recommended that the Board resolve by majority roll-call vote to extend the findings in Resolution No. 21-1035, modified to allow for optional in-person attendance for members of the Board and public, for an additional 30 days.**
7. **CONSENT CALENDAR –**
 - Draft minutes October 5, 2022
 - Draft minutes October 12, 2022
8. **AQUA METROLOGY PRESENTATION ON TRACE METAL INSTRUMENTATION –** Dr. Vladimir Dozortsev, Development Manager, Aqua Metrology Recommendation: Receive for information only.

Pages 3-4
Pages 5-6

Pages 7-8

9. **4th QUARTER ENDING 06/30/22 FINANCIAL SUMMARY/AT A GLANCE REPORT -UNAUDITED** – Director Anne Roman
Recommendation: Receive report, ask questions, and approve.

Pages 9-10

10. **CREDIT CARD PROCESSING FEES** – Director Anne Roman
Recommendation: Receive report, choose a payment model, and authorize the GM to execute a contract with Paymentus.
11. **BROWN ACT UPDATES** – Jeff Hoskinson, Legal Counsel
12. **GENERAL MANAGERS REPORT** – GM Sarah Johnson
13. **DIRECTOR REPORTS AND COMMENTS** –
- Mojave Water Agency Technical Advisory (TAC) Committee – October 6, 2022 – Director Jarlsberg
 - Mojave Water Agency Board of Directors Meeting – October 13, 2022 – Director Delph
 - Association San Bernardino County Special Districts (ASBCSD) – October 17, 2022– Director Jarlsberg
 - Mojave Water Agency Board of Directors Meeting – October 27, 2022 – Director Doolittle
14. **FUTURE DIRECTOR MEETINGS** –
- Special Board of Directors Meeting – Rate Study w/Citizens Advisory Council Invited – November 9, 2022, at 9:00 a.m.
 - Mojave Water Agency Board of Directors Meeting – November 17, 2022, at 9:30 a.m. – Director Jarlsberg
 - Association California Water Agencies (ACWA) – November 29, 2022, to December 2, 2022 – Director Delph, Director Doolittle, and Director Jarlsberg
15. **ADJOURNMENT** –

INFORMATION

The public is invited to comment on any item on the agenda during discussion of that item. Members of the public wishing to attend the meeting that require other reasonable modifications or accommodation to facilitate such attendance should contact Beverly Krushat at 760-974-0072 or bkrushat@jbwd.com as soon as feasible before the meeting to make such request.

Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Joshua Basin Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board are available online at jbwd.com for public inspection, or in the District’s office, 61750 Chollita Road, Joshua Tree, CA 92252 (“District Office”). If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available at the reception desk of the District Office and on-line at jbwd.com during business hours at the same time as they are distributed to the Board members. Disability-related accommodations: The Joshua Basin Water District Board of Directors meeting room is wheelchair accessible. If you require any special disability-related accommodations (e.g., access to an amplified sound system, etc.) please contact Ms. Krushat at the District Office at (760) 974-0072 during business hours at least seventy-two (72) hours prior to the scheduled meeting. This agenda can be obtained in alternative format upon written request to Ms. Krushat in the District Office, at least seventy-two (72) hours prior to the scheduled meeting.

JOSHUA BASIN WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES
WEDNESDAY, OCTOBER 5, 2022

CALL TO ORDER/PLEDGE OF ALLEGIANCE – President Floen called the regular board meeting to order at 5:30 p.m.

DETERMINATION OF A QUORUM – All Directors are present.

STAFF PRESENT –Sarah Johnson, General Manager, Anne Roman, Director of Finance, Autumn Rich, Accounting Supervisor, Beverly Krushat, Executive Assistant, Jeremiah Nazario, Distribution Supervisor, and Brandon Warner, CIRP Supervisor.

CONSULTANTS PRESENT – Kathleen Radnich, Public Information Consultant, Jeff Hoskinson, Legal Counsel

APPROVAL OF AGENDA –

MSC¹ (Doolittle/Jarlsberg) 4/0/0 motion carried to approve the agenda.

Ayes: Doolittle, Floen, and Jarlsberg

Noes: None

Absent: Delph

PUBLIC COMMENT – None

STATE OF EMERGENCY FINDINGS– The Board of Directors renewed its findings outlined in Resolution No. 21-1035 for an additional 30 days.

MSC¹ (Jarlsberg/Doolittle) 3/0/1 motion carried to renew the State of Emergency findings for another 30 days.

Ayes: Doolittle, Floen, and Jarlsberg

Noes: None

Absent: Delph

CONSENT CALENDAR – Draft minutes September 21, 2022.

MSC¹ (Jarlsberg/Doolittle) 3/0/1 motion carried to approve the draft minutes of September 21, 2022.

Ayes: Doolittle, Floen, and Jarlsberg

Noes: None

Absent: Delph

CAPACITY FEE REPORT - In 21/22, the Water Capacity reserve grew by \$802,265 from 109 new meter sales and/or meter size upgrades and interest earned on those funds, to a balance of \$1,862,498.39. However, fiscal year 21/22 also marked the first time since the 2010 H-Zone project that the District utilized any Water Capacity charges for growth or expansion projects. In 21/22, Water Capacity charges of \$871,166.04 were unrestricted and utilized to reimburse the District for the 67% of the Saddleback CIRP pipeline project cost that was attributable to vacant, undeveloped land, or upsizing of pipe. The ending balance of the Water Capacity Fund Balance was \$993,425.58 at 06/30/22.

The Wastewater Capacity Fund increased in 21/22 by \$434,186.66 collected from fifty-three new meter sales and/or meter upgrades and an installment payment of \$77,163.66 from the Hi Desert Medical Center (HDMC) for their note receivable. The ending balance, after interest earned amounted to \$1,810,355.70 at 06/30/22. No Wastewater capacity funds were used for growth or expansion projects. The Board received for information only, no action was taken.

EMPLOYEE COMPENSATION PLAN - Staff recommends that the Board adopt the attached Employee Compensation Plan to update its competitive and equitable compensation strategy that promotes employee engagement and high performance. Competitive compensation practices are essential to employee recruitment and retention efforts, aid in meeting regulatory requirements and transparency measures, and provide open communication to valued employees.

The changes include:

- FY22/23 COLA to match CPI 9.5%
- Maintain Current Health & Welfare Benefit structure (2023 Tier III cap = \$2,153.07)
- Update standby holiday standby language
- Update holiday “worked time” from time and a half to double time for non-exempt employees
- Add \$130 per year uniform allowance to administrative staff
- Update 457 District contribution from 25% with a \$1,500 annual cap to 50% contribution with a \$1,600 annual cap.
- Add one ten-hour floating holiday for all staff

After a lengthy discussion between the Board and staff, Director Doolittle motioned to approve and adopt Resolution No. 22-1049 with the elimination of the extra ten-hour floating holiday for staff.

MSC¹ (Doolittle) 1/2/1 motion failed.

Ayes: Doolittle

Noes: Jarlsberg and Floen

Absent: Delph

Director Jarlsberg motioned to approve and adopt Resolution No. 22-1049 as presented.

MSC¹ (Jarlsberg/Floen) motion carried to approve and adopt Resolution No. 22-1049.

Ayes: Doolittle, Floen, and Jarlsberg

Noes: None

Absent: Delph

JPIA REPRESENTATIVE – President Floen appointed Director Delph as the new JPIA representative and appointed Director Jarlsberg as alternate.

GENERAL MANAGER’S REPORT – GM Johnson gave a brief update on the following:

- After going through normal purchasing procedures, the district engaged with Apex Lift Equipment, LLC, to purchase a Pettibone. To secure delivery of the equipment, Apex was provided a photocopy of proof of payment which they used to fraudulently create a remote check replacing the payee’s name with a different company’s name, and then cashed the check. Immediately upon discovery, staff worked diligently to report the situation to several agencies while cooperating with the bank’s fraud department. We are happy to report that the money has been refunded following the bank investigation, which determined the check was indeed fraudulently created. We are adding an additional layer of positive pay protection to mitigate any future occurrence of this type of situation.
- We are still working on interviews for open positions and hope that we will have a majority of our vacancies filled in the coming months.
- Distribution Supervisor Nazario provided an update about the leak occurring on October 4th.

DIRECTOR REPORTS/COMMENTS – All Directors reported on the meetings they attended.

FUTURE DIRECTOR MEETINGS – President Floen read off the list of upcoming meetings.

ADJOURNMENT – MSC¹ (Jarlsberg/Doolittle) 3/0/1 motion carried to adjourn the meeting at 6:52 p.m.

JOSHUA BASIN WATER DISTRICT
SPECIAL BOARD OF DIRECTORS RATE STUDY WORKSHOP
MEETING MINUTES
WEDNESDAY, OCTOBER 12, 2022

CALL TO ORDER/PLEDGE OF ALLEGIANCE – President Floen called the regular board meeting to order at 9:00 a.m.

DETERMINATION OF A QUORUM – All Directors are present

STAFF PRESENT – Sarah Johnson, General Manager, Anne Roman, Director of Finance, Autumn Rich, Accounting Supervisor, Beverly Krushat, Executive Assistant, Jeremiah Nazario, Distribution Supervisor, Steve Corbin, Production Supervisor, and Brandon Warner, CIRP Supervisor

CITIZENS ADVISORY COUNCIL (CAC) – Chairperson David Carrillo, Glenn Harris, and Karen Morton

CONSULTANTS PRESENT – Kathleen Radnich, Public Information Consultant, Jeff Hoskinson, Legal Counsel, and Alex Handlers, Bartle Wells Associates

CANDIDATES RUNNING FOR A BOARD SEAT – Mr. Douglas “Buck” Buckley and Mr. T. Thomas Short

APPROVAL OF AGENDA –

MSC¹ (Delph/Doolittle) 4/0/0 motion carried to approve the agenda.

CREDIT CARD PROCESSING FEES – Director Anne Roman informed the Board of the ending of the 7-year contract with Paymentus, our credit card processor. After looking into an alternate provider, an integrated option through Tyler Incode, our financial software. Although that solution would offer some time savings due to the full software integration, the cost is close to twice what we’re currently paying with Paymentus.

Since 2013, before switching to Paymentus, our quantity of credit card transactions and e-checks has steadily increased from 12,785 to 32,914 in 21/22, a 157% increase. In 21/22, we paid just over \$48,000 in credit card and e-check processing fees, **1.1% of the \$4.5 million in revenues** we collected via these methods. **This is down since 2013, when our credit card costs amounted to 3% of \$781k in revenues collected.**

NACHA, the National Automated Clearing House Association, places the cost of receiving checks at about \$2 – \$4, which is significantly higher than the \$1.25 (\$0.65 per e-check) that we pay for a typical Paymentus credit card transaction. Furthermore, for most routine transactions, credit cards payments post automatically to our financial software via the API (application programming interface), cutting down the cost of retrieving mail, opening envelopes, coding, and posting the payment. It is also less error-prone than manually posting checks to customer accounts. Assuming a mailed check takes about 5 minutes to process, it would cost the District \$3.15, or \$1.90 more than our Paymentus fees, to process a check. Compared to the \$48,000 paid to Paymentus, it would have cost the District approximately \$103,679 to process the same volume of checks.

At this time, we are awaiting a new cost analysis from Paymentus and have also requested a hybrid fee model in addition to the absorbed fee model we currently use. In the absorbed fee model, the District absorbs all transaction costs compared to a hybrid model in which the customer would share the cost. We should keep in mind that we don’t want to disincentivize customers from using the credit card option which could happen when fees are applicable. Unfortunately, credit card processors also increase their fees overall when a hybrid model is used.

Barring any unreasonable increases in the forthcoming pricing analysis, Staff believes that the Paymentus absorbed fee model continues to be a cost-effective solution for the District. A brief Q&A followed, and no action was taken.

RATE STUDY WORKSHOP - Director Anne Roman informed all participants that in the Workshop, we will review initial recommendations of the 2018 rate study, review major use of capital funds between 2018 and 2022, discuss cost reductions already incorporated, and discuss major current, and upcoming needs. Also, to follow up on prior suggestions that have not been incorporated at this time, please consider the following important information:

- Segregating a class or group of customers requires cost of service justification. Customers who use large amounts of water, like short-term rentals (STR's), agricultural customers, customers with heavy landscape, or customers with pools, already pay higher volumetric charges and those charges include the cost of recharge water. The proposed rate study scenarios include replenishment costs (recharge water) for approximately 85% of water extracted from the aquifer.
- Conservation concerns are generally not part of a Rate Study process, but rather addressed in the Urban Water Management Plan (UWMP) and Water Shortage Contingency Plan (WSCP). These plans speak to drought, water waste issues, and outline the District's authority, including potential penalties, to enforce these regulations.
- Wells are regulated by San Bernardino County. The District cannot legally limit or charge well users for water extracted except by adjudication of water rights, a costly and lengthy process, or under the Sustainable Groundwater management Act (SGMA). The District is considered a low priority basin because its basins are well managed and not currently in overdraft, therefore does not warrant intervention under SGMA. Other options are under investigation but will not likely materialize during this rate study cycle.

Finally, we will explore several rate scenarios including:

- Best Management Practice
 - Funds all needs of the District.
 - Highest rates
 - Better maintains reserve fund levels
- Reduced Rate Increases / Reserve Subsidized
 - Rates are lower than Best Management Practice.
 - Maintains capital project funding levels
 - Subsidized with reserve fund drawdowns
- Limit Overall Rate Increases & Reduce Capital Funding
 - Rates maintained at artificially low level
 - Reduces capital funding to a lower level than prescribed by the District's Capital Improvement Plan (CIP)
 - Subsidized with reserve fund drawdowns
 - Less sustainable in the longer-term
- Dedicated/Restricted Capital Facilities charge option
 - Regular rates may remain near current levels
 - Segregates much of costly infrastructure (capital) costs
 - Capital Facilities charge is added, either via district billing to accountholders or tax-roll billing to parcel owners with service connections
 - Tax-roll billing would better place the infrastructure cost burden on the parcel owner
 - Funds are more specifically restricted for capital purposes

After Director Anne Roman gave her staff report she then introduced Mr. Alex Handlers, Bartle Wells Associates, who gave the Rate Study Preliminary presentation then proceeded to hold a very lengthy Q&A with all participants. No action was taken.

ADJOURNMENT – MSC¹ (Delph/Doolittle) 4/0/0 motion carried to adjourn the meeting at 11:54 a.m.

**JOSHUA BASIN WATER DISTRICT
MEETING AGENDA ITEM STAFF REPORT**

Board of Directors

DATE: November 2, 2022

REPORT TO: Board of Members
PREPARED BY: Anne Roman, Director of Finance
TOPIC: **4TH QUARTER ENDING 06/30/22 FINANCIAL
SUMMARY/AT-A-GLANCE REPORT - UNAUDITED**
RECOMMENDATION: Receive report, ask questions, and approve.

ANALYSIS: The Unaudited 4th quarter ending 06/30/22 Financial Summary is attached and will be reviewed in as much detail as desired in the meeting. A Summary/At-A-Glance format is being provided for 6/30 because the Board will also receive the final reporting from the Auditors, anticipated in December 2022.

If the Board prefers this abbreviated reporting format, future detailed quarterly reports can either be summarized with this “At-A-Glance” format or can be replaced altogether with this format. However, Staff still recommends that the Board receive comprehensive reporting.

A note about using this report:

- This is the final quarterly report for the year so all costs have been incurred.
- Some year-end entries may not be reflected.
- Each Department Head manages their own budget and can better provide details of budget vs. costs.
- The included Budget vs. Actual Costs section reflects OPERATING expenses only. CAPITAL COSTS are not included in that reporting since Capital reporting requires greater analysis, manual application of overhead costs/allocations, and reconciliation involvement from Project Managers. This more labor-intensive type of reporting will be provided on a *by project/by request* basis.

STRATEGIC PLAN 4.4 Ensure Timely Financial Transactions and Reports
ITEM:
FISCAL IMPACT: N/A


JBWD FINANCIALS AT A GLANCE

QUARTER ENDING 06/30/2022 - PRELIMINARY/UNAUDITED

CASH BALANCES as of	06/30/2022	03/31/2022	06/30/2021
UNRESTRICTED	5,522,960	4,992,246	4,058,318
LEGALLY RESTRICTED	4,052,581	3,792,174	3,677,053
BOARD DESIGNATED	6,329,929	6,329,929	5,458,763
	<u>15,905,470</u>	<u>15,114,349</u>	<u>13,194,134</u>
INCREASE FROM LAST YEAR	2,711,336		
INCREASE FROM LAST QTR	791,121		

Reserve funding has not been released for 21/22 costs.

CASH FLOW		AS OF 06/30/2022
BEGINNING BALANCE >		15,114,348
MAJOR SOURCE OF FUNDS DURING QUARTER		
WATER PAYMENTS	1,519,362	
DEVELOPMENT FEES	243,058	
PROPERTY TAX & ASSESS	516,919	
HDMC REIMB & O/H	40,146	
OTHER	106,480	
PLUS TOTAL SOURCE OF FUNDS >	2,425,965	
MAJOR USE OF FUNDS DURING QUARTER		
DEBT SERVICE	-	
CAPITAL COSTS	210,207	
O&M, PAYROLL	1,424,636	
LESS TOTAL USE OF FUNDS >	1,634,843	
ENDING BALANCE >	15,905,470	



Tundra, Building Refresh,
Well 14, Tiford, UWMWP

DEVELOPMENT FEES		QE 06/30/2022
	QTY	AMOUNT
METERS SOLD	16*	*5 Wastewater
UPGRADES	7	243,058

Includes meter installation, water capacity & wastewater capacity charges

BUDGET VS. ACTUAL COSTS				YTD 06/30/2022 - 100% OF YR
DEPARTMENT	BUDGET	ACTUAL YTD	% OF BUDGET	NOTES
REVENUES				
OPERATING REVENUES	6,287,275	6,863,870	109%	
NON-OPERATING REVENUES	2,285,134	3,411,431	149%	Unbudgeted devel rev & Arrearages grant
GRANT (ARREARAGES)	-	314,944	UNBUDGETED	
TOTAL REVENUES	8,572,409	10,590,245	124%	
EXPENSES				
PRODUCTION	1,864,400	1,701,603	91%	Vacant positions
DISTRIBUTION	1,029,472	734,213	71%	Vacant positions
CUSTOMER SERVICE	688,266	903,518	131%	Incl State Arreage grant credits
ADMINISTRATION	1,249,305	1,031,570	83%	Vacant positions
DEVEL & ENGINEERING	55,000	8,622	16%	More capital projects diverted costs
FINANCE	741,462	666,203	90%	
HUMAN RESOURCES	204,766	169,758	83%	
BONDS, LOANS & STBY	626,650	534,264	85%	
CAPITAL IMPROVEMENT (CIRP)	250,058	431,830	173%	More non-capital work
NON-OPERATING EXPENSE	-	145,360	UNBUDGETED	Anomaly
HDMC TREATMENT (REIMB)	132,000	188,458	143%	Fully reimbursed plus overhead
TOTAL EXPENSES	6,841,378	6,515,401	95%	Percent of Budget Spent vs. 100% of Year
SURPLUS (DEFICIT)	1,731,030	4,074,845		

**Before depreciation*



PROP TAXES/ASSESSMENTS		
	YTD 06/30/22	YTD 06/30/21
PROP TAXES COLLECTED	651,755	579,561
Collected*	100%	102%
CMM ASSESS COLLECTED	291,252	290,498
Current	226,840	228,556
Prior	64,412	61,942
Collected*	94%	89%
STANDBY ASSESS COLLECTED	1,228,038	1,315,065
Current	1,077,990	1,095,633
Prior	150,048	219,432
Collected*	90%	92%
TOTAL	2,171,045	2,185,124
*% of Billed Revenues Collected	104%	108%

BUDGET ADJUSTMENTS	QE 06/30/22
NONE	

CONSUMPTION		ROLLING 12 MONTHS	
12 MONTHS ENDING:	CONS (UNITS)	INCR (DECR)	
06/30/2022	524,978.00	-0.49%	
06/30/2021	527,557.00	13.14%	
06/30/2020	466,282.00		
TWO YEAR CHANGE>		12.59%	



TOP 10 CONSUMERS			QE 06/30/2022
ACCOUNT	CONS (UNITS)	AMOUNT	
Hi-Desert Medical Center (hospital and CCC)	3,926	35,488	
JT Parks & Recreation	2,471	20,199	
Joshua Tree Memorial Park	2,031	17,623	
Quail Springs Village Apartments	1,766	16,906	
Individual	1,342	11,408	
Morongo Unified School District	960	12,354	
William W Pyle JR	901	8,011	
Lazy H Mobilehome Park	799	7,475	
Individual	723	7,703	
Individual	701	5,811	

TERMS: QE - QUARTER ENDING; YTD - FISCAL YEAR-TO-DATE; AS OF - ACCUMULATION THROUGH

**JOSHUA BASIN WATER DISTRICT
MEETING AGENDA ITEM STAFF REPORT**

Regular Board of Directors Meeting

DATE: November 2, 2022

REPORT TO: Board Members
PREPARED BY: Anne Roman, Director of Finance
TOPIC: CREDIT CARD PROCESSING FEES – PART 2
RECOMMENDATION: Receive report, choose a payment model, and authorize the GM to execute a contract with Paymentus.

ANALYSIS: As discussed at a recent meeting, our Paymentus third-party credit card processor contract is nearing its end and we need to renegotiate the contract. We recently obtained a new proposal from Paymentus for three payment models, priced for a three-year contract:

Payment method	ABSORBED (District Pays 100%)	HYBRID (District/Customer Split)*	CUSTOMER PAID Convenience Fee
Credit/Debit (except AMEX)	\$1.25	\$0.75 - District \$1.45 - Customer	\$2.20
Digital Wallet (Paypal, Venmo, etc.)	\$1.25	\$0.75 - District \$1.45 - Customer	\$2.20
E-check (ACH)	\$0.65	\$0.75 - District \$1.45 - Customer	\$2.20
AMEX**	2.75%	0.94% - District 1.82% - Customer	2.75%
Approximate District Cost***	\$48,000	\$16,320	\$0
\$200 limit; larger transactions incur cost per \$200.			

*Suggested split; Can be split in any proportion.

**We have not been accepting AMEX due to higher fees.

***Based on historical transactions, excluding Amex (no history).

Current payment statistics, excluding ACH:

Payment method	Revenue	%	# Trans	%
Paymentus: Credit cards*	\$2,512,962	32.33%	18,619	38.16%
Paymentus: Debit cards	\$859,907	11.06%	6,244	12.80%
Paymentus: E-checks	\$1,171,778	15.07%	8,051	16.50%
Cash**	\$13,682	0.18%	94	0.19%
Checks (incl bank checks)	\$3,214,694	41.36%	15,790	32.35%
TOTAL 7/1/21-6/30/22	\$7,773,023	100%	48,798	100%

*Minimal Digital Wallet transactions included

**District was primarily accepting cash by appointment only.

Paymentus transactions (credit/debit, digital, e-checks) comprise 58.5% of revenue and 67.5% of the District's payment transactions. The District still receives about 41.5% of revenue and 32.5% of transactions in the form of checks or cash.

Although our prior analysis had shown that the internal cost of processing a routine check or cash payment is higher than historical credit card costs, legal counsel advises that either method for handling routine credit card processing fees, absorbing cost or passing external cost to customers, is defensible, provided the fee passed on is consistent with the actual cost incurred for the service. For the higher cost Development-type payments, we will either pass the credit card cost along directly via Paymentus fees (most accurate method of apportioning costs) or include them in the Meter installation/Capacity fee charges themselves.

With this, we respectfully request that the Board choose from the three payment models (Absorbed, Hybrid [specifying split], or Customer Paid) and authorize the General Manager to execute a renegotiated contract with Paymentus.

STRATEGIC PLAN ITEM: N/A
FISCAL IMPACT: N/A