

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

June 6, 2012

1. CALL TO ORDER: 7:00 PM

2. PLEDGE OF ALLEGIANCE

3. DETERMINATION OF QUORUM:

Frank Coate	Present
Bill Long	Present
Mickey Luckman	Present
Mike Reynolds	Present
Gary Wilson	Present

STAFF PRESENT:

Joe Guzzetta, General Manager  
Susan Greer, Assistant General Manager/Controller  
Keith Faul, GIS Coordinator  
Anne Roman, Accountant  
Marie Salsberry, Executive Secretary

CONSULTANTS PRESENT:

Gil Granito, District Counsel  
Kathleen Radnich, Public Outreach Consultant

GUESTS 7

4. APPROVAL OF AGENDA

MSC Luckman/Coate 5/0 to approve the agenda for the regular meeting of June 6, 2012.

5. PUBLIC COMMENT

Karen Tracy of Joshua Tree commented on the definition of “bigot” and stated she opposes comments occasionally presented by the public here.

Josh Canady of Fatty’s Fencing commented on the recharge project facility fencing specifications, stating that a cost savings could be realized by changing the requirements for the type of fencing.

Jean (no last name given) commented opposing the recharge project.

6. CONSENT CALENDAR

MSC Luckman/Long 5/0 to approve the Minutes of the May 16, 2012 regular Board Meeting and special Citizens Advisory Committee Meeting; to approve the minutes of the May 16, 2012 special Board meeting; and to cancel the July 4 regular Board meeting and schedule a June 13 special Board meeting.

7. FISCAL YEAR 2013 AND 2014 BUDGET RECOMMENDATIONS FROM CITIZENS ADVISORY COMMITTEE

General Manager Joe Guzzetta reported that the chairperson of the Citizens Advisory Committee (CAC) was unable to attend this Board meeting; the general manager reported the following recommendations from the CAC regarding the proposed budget:

- The entry for “Standby Income Prior” should be deleted from the budget since it is just an accounting entry and to balance to cash statements.

- The employee and volunteer appreciation event should be budgeted for both years rather than just one year.
- The CAC supports the signage improvements proposed for the Demonstration Garden and would support installing a canvass-type canopy since the District is not able to afford the more expensive shade structure originally designed by the landscape architect.
- The CAC supports the reduction of staff proposed to streamline operations.
- The CAC supports the reduced cost of the secondary water source for the Hi Desert Medical Center complex and the proposed funding for attendance of legal counsel at the Board meetings.

GM Guzzetta reported that staff concurs with the CAC's recommendation regarding the budget and that he had advised the CAC of one staff position that he is proposing to eliminate. He noted that CAC Chairperson Jay St. Gaudens will typically make CAC meeting reports at the second Board meeting of each month.

8. FISCAL YEAR 2013 AND 2014 BUDGET RECOMMENDATIONS FROM AD HOC BUDGET COMMITTEE

Director Coate reported that he and President Reynolds (the Ad Hoc Board Budget Committee) attended the CAC meeting and concurred with the CAC recommendations. He reported that the Ad Hoc Board Budget Committee also met with District staff. President Reynolds reported that the Ad Hoc Board Budget Committee recommended a line item title for interpretive signage at the demonstration garden be changed to "Demonstration garden improvements".

9. FISCAL YEAR 2013 AND 2014 BUDGET

General Manager Guzzetta reported noting this is a balanced two year budget; the operational budget is a rollover from previous with a three percent adjustment; reserve of one million dollars for emergencies is in place; a two million dollar opportunity reserve is in place but some of that is committed to the recharge project if needed.

Jean (no last name given) commented opposing the possible use of emergency reserves for the recharge project.

Director Wilson proposed fifteen percent reduction to the budget and proposed several specific reductions to or deletions of budgeted items and measures to be taken to reduce spending. Director Coate stated he approved of budget as it is ready to be presented. Director Long stated he was not in favor of putting the District in a weakened position and he was in favor of the budget. Vice President Luckman commented in favor of the budget with recommended changes. President Reynolds thanked the CAC for their work on reviewing the budget, stating he was pleased with the budget and the recommendations.

MSC Luckman/Long 4/1 to approve the budget with the recommended changes.

Coate	Aye
Long	Aye
Luckman	Aye
Reynolds	Aye
Wilson	No

10. AWARD CONTRACT FOR DISTRICT AUDIT SERVICES

Assistant General Manager/Controller Greer reported that five bids were received; she explained the process that staff used to rank the bidders on technical aspects and on costs, reviewed the results of the rankings. Board discussion ensued.

Al Marquez of Joshua Tree commented in favor of changing to an independent auditor.

AGM/Controller Greer clarified that all of the bidders are independent auditors; it is a requirement of the profession. President Reynolds stated that there is no conflict with any of these auditors.

MSC Long/Coate 5/0 to award the contract for District audit services to Charles Z. Fedak.

11. APPOINTMENTS TO CITIZENS ADVISORY COMMITTEE

General Manager Guzzetta reported that no applications had been submitted.

MSC Luckman/Long 5/0 to table the item.

12. COMMITTEE REPORTS

A. PUBLIC INFORMATION COMMITTEE: Vice President Luckman and Director Long; Kathleen Radnich, Public Outreach Consultant reported the District website is being upgraded. The annual Consumer Confidence Report will be available at the Farmers Market in June; the theme will be "Health on Tap". A drip irrigation seminar will be offered in August.

B. AD HOC GENERAL MANAGER CONTRACT NEGOTIATION COMMITTEE: President Reynolds and Director Long: No report.

C. AD HOC STRATEGIC PLAN COMMITTEE: Director Coate and Director Long: Director Coate reported the committee reviewed a draft plan.

D. AD HOC UTILITY SERVICES CONTRACT COMMITTEE: Director Coate and Director Long: Director Long reported the committee has a lot of material to review and this is in process.

E. AD HOC RECHARGE COMMITTEE: Director Long and Director Coate: Director Coate reported that the committee met with the general manager and is hoping that the project will be out to bid by the end of this week. The general manager reported project is being advertised and proposals are expected to be received in about four weeks.

F. CITIZENS ADVISORY COMMITTEE: Jay St. Gaudens, Chair: No report

General Manager Guzzetta reported that the District has been notified that it will receive grant funds when all documentation is completed. The award has officially been committed but funds are not given in advance.

Director Wilson asked if the newsletter stating the District had grant money is false; GM Guzzetta answered it was not false; that the District has the commitment of the grants.

13. PUBLIC COMMENT

Al Marquez of Joshua Tree commented stating that grant funding has not been received by the District.

Jean (no last name given) commented opposing the recharge project.

14. GENERAL MANAGER REPORT

GM Guzzetta reported that pieces of surplus pipe will be donated to the JT Clean Team who will use them to make ashtrays to put at local businesses; unless an agenda item is requested by Board he will donate the surplus pipe.

He reported that at next Wednesday's special meeting a presentation is planned explaining the project that is going out to bid; he will ask the engineers to specifically address issues brought up related to the fencing project.

He stated the agreement with MWA goes to 2022 and exceeds agreements of other agencies such as those in the Victorville area. He noted that the water to be delivered to Joshua Tree is slightly higher than Joshua Basin water at certain times of the year in salts, and much better quality than water from the Colorado River; it is the best quality water available.

15. DISTRICT GENERAL COUNSEL REPORT

Gil reported on litigation where the District prevailed at trial court in requiring the installation of meters on pumping. An appeal was filed and today Mr. Granito received a notice from the court of appeals indicating that no further extensions will be allowed.

16. FUTURE AGENDA ITEMS

None requested.

17. DIRECTORS COMMENTS/REPORTS

Director Wilson stated this is a special day today because of the freedoms we have, referring to the sacrifices of heroic men on D-Day, 60 years ago. He stated it will cost eight hundred thousand to a million dollars a year for water.

Director Coate reported attending the Mojave Water Agency (MWA) Board meeting where that agency's budget was approved. He stated that the Ames/Reche project will store water for use by Bighorn, Pioneertown and Yucca Valley. The Regional Water Quality Control Board will not merge with LaHontan but will stay local in the low desert. He commented that the District would be remiss to not bring water in to recharge; he applauded the Board and District for doing this after the community has invested money for years to this end.

Director Long stated only water that is requested will be paid for so there is no way to predict the cost; The District is looking forward fifty to a hundred years.

Vice President Luckman stated she believes that water will be available for much longer than eight years; she thanked the executive secretary for adding the board meeting broadcast dates and availability of DVD recordings to the agendas.

President Reynolds reported attending the MWA meeting noting that approval of the Ames/Reche project was good news. He thanked the public for their comments and proposed a forum to create an educational environment that would answer any questions on projects or other concerns.

18. CLOSED SESSION

A. Closed session pursuant to Government Code Section 54957.6 to consult with and instruct the Board's Ad Hoc Negotiation Committee (Mike Reynolds and Bill Long), which is acting as the Board's designated representative and is charged with the responsibility of negotiating a new Employment Agreement with the District's General Manager.

B. Closed Session pursuant to Government Code Section 54957 to consult with the District's General Manager and General Counsel concerning the release of an employee due to the elimination of a position attributable to a Reduction in Force/Reorganization.

Closed session began at 8:10 pm and the meeting resumed in open session at 9:03 pm.

General Counsel, reported that the Board went into closed session at approximately 8:10PM for the matters reflected as Items 18 A and B of tonight's agenda.

General Counsel reported that Mr. Guzzetta did not participate in the first phase of the closed session which concerned item 18. A and that during this phase of the closed session, the Board Ad Hoc Negotiating Committee consulted with the Board and no further reportable action was taken.

General Counsel reported that Mr. Guzzetta joined the closed session when item 18. B was discussed.

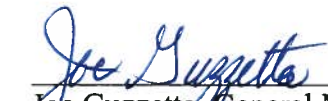
During this phase of the closed session the Board on a 4 to 1 vote [Directors Reynolds, Long, Luckman & Coate voting in favor and Director Wilson not in favor) authorized the General Manager to enter into a Separation Agreement with the affected employee.

The Closed Session ended at approximately 9:00PM and shortly thereafter, the open session resumed.

19. ADJOURNMENT

The meeting was adjourned at 9:06 pm.

Respectfully submitted:



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Joe Guzzetta, General Manager

The next regular meeting of the Board of Directors is scheduled for June 20, 2012 at 7:00 pm.