



PO Box 675 • 61750 Chollita Road • Joshua Tree CA 92252  
Phone (760) 366-8438 • Fax (760) 366-9528 • [www.jbwd.com](http://www.jbwd.com)  
An Equal Opportunity Provider

JOSHUA BASIN WATER DISTRICT  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
WEDNESDAY DECEMBER 18, 2013 7:00 PM  
61750 CHOLLITA ROAD, JOSHUA TREE, CALIFORNIA 92252  
AGENDA

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. DETERMINATION OF QUORUM

4. APPROVAL OF AGENDA

5. PUBLIC COMMENTS:

This public comment portion of this agenda provides an opportunity for the public to address the Board of Directors on items not listed on the agenda that *are of interest to the public at large* and are within the subject matter jurisdiction of this Board. The Board of Directors is prohibited by law from taking action on matters discussed that are not on the agenda, and no adverse conclusions should be drawn if the Board does not respond to public comments at this time. Comments that concern individual customer accounts are welcome, however we encourage doing so only after other administrative avenues for redress have been fully exhausted. In all cases, your concerns will be referred to the General Manager for review and a timely response.

Comments are to be limited to three minutes per speaker and shall not exceed a total of 20 minutes. All comments are to be directed to the Board of Directors and shall not consist of any personal attacks. Members of the public are expected to maintain a professional, courteous decorum during their comments. Public input may be offered on an agenda item when the item comes up for discussion and/or action. Members of the public who wish to speak shall proceed to the podium when called by the President of the Board. Please state your name and community of residence for the record.

6. CONSENT CALENDAR: Items on the Consent Calendar are considered routine in nature and will be adopted in total by one action of the Board of Directors unless any Board Member or any individual or organization interested in one or more consent calendar items wishes to be heard.

Pg. 1-3

- A. Approve Draft Minutes of the November 20, 2013 Regular Meeting of the Board of Directors

Pg. 4-20

- B. Approve October 2013 Check Audit Report

Pg. 21-28

- C. Approve September 2013 Financial Report

Pg. 29-79

7. 12/13 AUDIT REPORT PRESENTATION FROM CHARLES Z. FEDAK & COMPANY, CPA'S  
Recommend that the Board receive presentation, ask questions, accept and file report.

- Pg. 80-82      8.    DISCUSS CHARGING BASIC FEE FOR PULLED AND INACTIVE METERS  
Recommend that the Board review for information only; decision on this matter will be made in conjunction with 1/15/14 rate public hearing.
- Pg. 83-105    9.    APPEAL OF RATE PAYER MEYER/WATER BILL  
Recommend that the Board deny request for assistance because of non-compliance with policy.
- Pg. 106-188    10.   APPROVE WATER RATE STUDY  
Recommend that the Board approve study.
- Pg. 189-191    11.   APPROVE NOTICE OF COMPLETION AND RELEASE OF RETENTION FOR VAN DYKE CORPORATION FOR THE HDMC TREATMENT PLANT PROJECT  
Recommend that the Board approve notice of completion and release of retention in the amount of \$109,522.41.
- Pg. 192-199    12.   AUTHORIZE PURCHASE OF TWO FILE SERVERS AT COST OF \$22,033.41  
Recommend that the Board authorize purchase of file servers with funding from the Equipment & Technology Reserve Fund.
- Pg. 200        13.   ELECTION OF BOARD OFFICERS – PRESIDENT AND VICE PRESIDENT  
Recommend that the Board Elect President and Vice President for calendar year 2014.
14.   COMMITTEE REPORTS:  
AD HOC:  
A. GENERAL MANAGER SEARCH: Director Reynolds and President Luckman  
B. ADMINISTRATION CODE UPDATE PROJECT: Vice President Fuller and President Luckman  
C. HOSPITAL WASTEWATER PROJECT: President Luckman and Vice President Fuller  
D. MOJAVE WATER AGENCY INTEGRATED REGIONAL WATER MANAGEMENT PLAN COMMITTEE: President Luckman and Vice President Fuller  
E. RULES AND REGULATIONS COMMITTEE: Vice President Fuller and Director Reynolds  
F. TANK RESTORATION PROJECT: Director Wilson and Director Johnson  
STANDING:  
A. PUBLIC INFORMATION COMMITTEE: President Luckman and Vice President Fuller: Kathleen Radnich, Public Outreach Consultant to report.  
B. FINANCE COMMITTEE: Vice President Fuller and Director Johnson
15.   PUBLIC COMMENT  
At this time, any member of the public may address the Board on matters within the Board’s jurisdiction that are not listed on the agenda. Please use the podium microphone. The Board may not discuss at length or take action on items not on the agenda.
16.   GENERAL MANAGER REPORT
17.   DIRECTORS COMMENTS/REPORTS
18.   DISTRICT GENERAL COUNSEL REPORT

19. FUTURE AGENDA ITEMS
20. CLOSED SESSION  
At this time the Board will go into Closed Session
  1. Pursuant to Government Code Section 54957 (b) (1) Public Employee Appointment - Title: General Manager
  2. Pursuant to Government Code Section 54957 (a) to consult with the District's General Counsel on matters posing a threat to the security of the District's facilities and the essential public operations and services provided by the District.
21. PUBLIC REPORT ON TONIGHT'S CLOSED SESSION
22. ADJOURNMENT

#### INFORMATION

The public is invited to comment on any item on the agenda during discussion of that item.

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.

*This meeting is scheduled to be broadcast on Time Warner Cable Channel 10 on December 25 at 7:00 pm and January 1 at 7:00 pm. DVD recordings of Joshua Basin Water District Board meetings are available at the District office and at the Joshua Tree Library*

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

November 20, 2013

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

CONSULTANTS PRESENT:

Gil Granito, District Counsel  
Kathleen Radnich, Public Outreach Consultant

GUESTS 7

4. APPROVAL OF AGENDA

President Luckman stated that Item #10 would be removed from the agenda, for consideration at a later date. MSC Johnson/Fuller 5/0 to approve the agenda for the November 20, 2013 Regular meeting of the Board of Directors, with the exception that Item #10 will be considered at a later date.

5. PUBLIC COMMENTS

Richard Fountain of Joshua Tree asked several questions on behalf of Ms. Kaye Keene, who had requested a variance, and asked that the subject be agendized for a future meeting.

Mrs. Fissler, a Washington resident who owns property in Joshua Tree adjacent to Ms. Keene's property, commented that she understood that her property will not be able to get water service. Acting General Manager Susan Greer stated that is not the case. Board members encouraged Mrs. Fissler to meet with staff regarding future water service to her property.

6. CONSENT CALENDAR

MSC Fuller/Johnson 5/0 to approve the draft minutes of the November 6, 2013 Special Meeting of the Board of Directors and to approve the draft minutes of the November 6, 2013 Regular Meeting of the Board of Directors.

7. LETTER OF RESIGNATION OF PENNY MASON FROM CITIZENS ADVISORY COMMITTEE

AGM Greer reported that Penny Mason has been active in the CAC since 2009. Due to a change in her work schedule she is unable to continue attending the committee meetings.

8. APPEAL OF RATEPAYER MEYER/BILL DISPUTE ACCT #59-00275-01

AGM Greer presented the staff report. It was noted that the ratepayer was not present. Following brief discussion, Director Wilson made a motion to forgive \$300 of the bill and put the remainder on a payment plan. Director Reynolds seconded the motion; the action failed due to the following vote:

Fuller	No
Johnson	No
Luckman	No
Reynolds	Aye
Wilson	Aye

MSC Reynolds/Fuller 5/0 to give the ratepayer the opportunity, in a letter, to appear at the December 18<sup>th</sup> Board of Directors meeting to discuss this item.

9. APPROVAL OF TANK ART MURAL EDUCATIONAL PROJECT AT MINIMAL COST TO DISTRICT

Public Outreach Coordinator Kathleen Radnich reported on the proposed art mural project, which will be a community endeavor, with local artists, student artists, docents and others participating. The mural is designed to depict the water cycle here in the desert, complementing the conservation message of the demonstration garden. The tank is located adjacent to the garden and to Park Boulevard. It was noted that the cost to the District will be minimal; about \$200 for workers compensation insurance for volunteers.

Discussion ensued, and the Board took the following action:

MSC Fuller/Johnson 4/1 to approve the Tank Art Mural Educational Project.

Fuller	Aye
Johnson	Aye
Luckman	Aye
Reynolds	Aye
Wilson	No

10. CONSIDER RESOLUTION TO SUPPORT ACWA'S STATEWIDE WATER ACTION PLAN FOR CALIFORNIA

This item will be considered at a later date.

11. COMMITTEE REPORTS

AD HOC COMMITTEES:

- A. GENERAL MANAGER SEARCH: Director Reynolds and President Luckman: President Luckman reported that the consulting firm is reviewing applications and interviews may take place as early as December.
- B. ADMINISTRATION CODE UPDATE PROJECT: Vice President Fuller and President Luckman: The Administration Code will be reviewed after the Rules and Regulations have been updated.
- C. HOSPITAL WASTEWATER PROJECT: President Luckman and Vice President Fuller: AGM Greer reported that staff is waiting on comments from Hi-Desert Medical Center regarding contract amendments.
- D. MOJAVE WATER AGENCY INTEGRATED REGIONAL WATER MANAGEMENT PLAN COMMITTEE: President Luckman and Vice President Fuller: President Luckman stated there is nothing new to report.
- E. RULES AND REGULATIONS COMMITTEE: Vice President Fuller and Director Reynolds: Vice President Fuller reported that she and Director Reynolds are moving forward and hopefully will have a report at the December Board meeting.
- F. TANK RESTORATION PROJECT: Director Wilson and Director Johnson: Director Johnson reported that the committee is waiting to meet with the engineer.

STANDING COMMITTEES:

- A. PUBLIC INFORMATION COMMITTEE: President Luckman and Vice President Fuller: Public Outreach Consultant Kathleen Radnich reported that the docents will meet on December 6<sup>th</sup>.
- B. FINANCE: Vice President Fuller and Director Johnson: Vice President Fuller reported that she and Director Johnson met and the auditor was also present; the auditor will give a presentation to the Board at the December 18<sup>th</sup> meeting.

12. PUBLIC COMMENT

Richard Fountain of Joshua Tree commented that he had called to ask about dates and times for committee meetings and was told they had been cancelled.

13. GENERAL MANAGER REPORT

AGM Greer reported on field activities for the month of October including the following information; over 51 million gallons of water was pumped, 358 samples were collected, and 6 reservoirs were surface cleaned. She stated that bidding for the Recharge pond will begin soon, and that tax payments have begun. She reported that she met with representatives from California Rural Water Association recently to discuss possible grant funds for the Chromium-6 issue. Director Wilson asked about expenses for the Association of California Water Agencies Fall Conference and noted the cost of cellphones and television. He asked how much the dinner at Sizzler cost the District; AGM Greer responded that the District did not pay for the dinner.

14. DIRECTORS COMMENTS/REPORTS

Director Wilson commented that he had calendars and Christmas cards to give away. Director Johnson wished all a happy Thanksgiving and happy holidays. Director Reynolds wished all happy Thanksgiving and reminded everyone to stay safe. Director Fuller wished all happy holidays; she reported attending the Association of San Bernardino County Special Districts meeting where there was a discussion of the Affordable Care Act.

15. DISTRICT GENERAL COUNSEL REPORT

District Counsel Gil Granito reported that the District's rate consultant has delivered the final draft of the rate study; he urged President Luckman to appoint an ad hoc committee to review the draft study. President Luckman appointed herself and Director Fuller to the Ad Hoc Rate Study Review Committee.

16. FUTURE AGENDA ITEMS

None requested.

17. ADJOURNMENT 7:51 PM

MSC Fuller/Luckman 5/0 to adjourn the November 20, 2013 Regular Meeting of the Board of Directors.

Respectfully submitted:

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Susan Greer, Acting General Manager

CHECK NO	CHECK DATE	STATUS	VENDOR INFO		CHECK AMOUNT
053833	10/04/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201309302274 LATHAM, EVELYN H :US REFUND	3.24 ----- 3.24
053834	10/04/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201309302275 AFFORDABLE RENTALS :US REFUND	28.10 ----- 28.10
053835	10/04/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201309302276 TRI VALLEY REALTY :US REFUND	23.82 ----- 23.82
053836	10/03/2013	R	000156	MICHAEL JEAN KLUTTS I-20130905-508 HDMC WASTEWATER: SCADA	12,377.44 ----- 12,377.44
053837	10/04/2013	R	000675	AQUA-METRIC SALES COMPANY I-0049324-IN INVENTORY	6,679.95 ----- 6,679.95
053838	10/04/2013	R	001004	BUSINESS CARD I-BA1013 GM RECRUIT/EE TRNING/OFF SUPPLY	3,917.89 ----- 3,917.89
053839	10/04/2013	R	000241	BRIAN'S LOCK SHOP I-6393 BULLETIN BOARD LOCK REPAIR	90.00 ----- 90.00
053840	10/04/2013	R	002565	DUDEK AND ASSOCIATES, INC I-20133636 ENG SERV: MULTIPLE PROJECTS	6,540.61 ----- 6,540.61
053841	10/04/2013	R	003025	FEDEX I-2-414-95264 SHIPPING: METER TEST	39.78 ----- 39.78
053842	10/04/2013	R	003505	LORI PARKER I-8879 JD 710G TIRE MOUNT	10.80 ----- 10.80

CHECK NO	CHECK DATE	STATUS	VENDOR INFO		CHECK AMOUNT
053843	10/04/2013	R	004720	INLAND WATER WORKS	
			I-256367	MAINLINE/LEAK REPAIR SUPPLIES	601.18
			I-256368	BOOSTER STATION REPAIR	3,642.62
			I-256369	PUMPING PLANT SUPPLIES	153.79
					-----
					4,397.59
053844	10/04/2013	R	005621	KENNY STRICKLAND, INC	
			I-9115644	FUEL FOR VEHICLES	2,884.38
			I-9115645	FUEL FOR VEHICLES	1,394.65
					-----
					4,279.03
053845	10/04/2013	R	006200	HELEN A. MCALLISTER	
			I-5831B	JANITORIAL SERVICES - SEPT 13	548.75
					-----
					548.75
053846	10/04/2013	R	000233	YUCCA VALLEY AUTO PARTS, INC.	
			C-040776	CREDIT: GENERATOR BATTERY CORE	16.20CR
			I-040650	VEHICLE SUPPLIES	22.52
			I-040665	VEHCILE SUPPLIES	46.77
			I-040861	VEHICLE SUPPLIES	17.27
					-----
					70.36
053847	10/04/2013	R	008300	POSTMASTER	
			I-SD100213	POSTAGE FOR WATER BILLING	3,000.00
					-----
					3,000.00
053848	10/04/2013	R	008414	ROBERT L. STEPHENSON	
			I-1356	VIDEO TAPING BD MEETINGS - SEP	200.00
					-----
					200.00
053849	10/04/2013	R	009072	LAW OFFICES REDWINE AND SHERRILL	
			I-RS0913	LEGAL SERVICES - SEPT 13	11,252.00
					-----
					11,252.00
053850	10/04/2013	R	009878	SOUTHERN CALIFORNIA EDISON	
			I-SCE0913	POWER FOR PUMPING - SEPT 13	28,671.78
					-----
					28,671.78
053851	10/04/2013	R	010690	TYLER TECHNOLOGIES	
			I-025-78874	ONLINE PRODUCTS - OCT 13	185.00
					-----
					185.00



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053852	10/11/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201310082277 AGUILAR, CRYSTAL :US REFUND	3.78 ----- 3.78
053853	10/11/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201310082278 PREFERRED GROUP PROP:US REFUND	53.15 ----- 53.15
053854	10/11/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201310082279 AYASH, ELIZABETH :US REFUND	134.99 ----- 134.99
053855	10/11/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201310082280 RDC JERSON LLC :US REFUND	32.06 ----- 32.06
053856	10/11/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201310082281 PIERCE, JESSICA H :US REFUND	32.06 ----- 32.06
053857	10/11/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201310082282 ESPINAL, DOMINGO A :US REFUND	3.88 ----- 3.88
053858	10/11/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201310082283 MEYER, AUDREY J :US REFUND	49.18 ----- 49.18
053859	10/11/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201310082284 DENTON, JUSTIN D :US REFUND	28.34 ----- 28.34
053860	10/11/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201310082285 WHITE, CYDNEY :US REFUND	45.72 ----- 45.72
053861	10/11/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201310082286 BORDNER, TIMOTHY :US REFUND	51.96 ----- 51.96

CHECK NO	CHECK DATE	STATUS	VENDOR INFO		CHECK AMOUNT
053862	10/11/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201310082287 JASPER, KEVIN M :US REFUND	17.75 ----- 17.75
053863	10/11/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201310082288 CAMPBELL, MARK S :US REFUND	11.84 ----- 11.84
053864	10/11/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201310082289 ASHLEY-WALDROUP, DES:US REFUND	37.67 ----- 37.67
053865	10/11/2013	R	001630	AT&T MOBILITY I-829480028X10052013 COMMUNICATIONS - SEPT 13	1,565.77 ----- 1,565.77
053866	10/11/2013	R	001555	CENTRA TEL I-131003192101 DISPATCH SERVICES - SEPT 13	216.55 ----- 216.55
053867	10/11/2013	R	001933	COUNTY OF SAN BERNARDINO I-2013-0034PT UNPAID SPECIAL ASSESSMNT REPRT	715.80 ----- 715.80
053868	10/11/2013	R	001898	STEPHEN CORBIN I-SC100313 REIMB: AWWA MEALS & TRAVEL	178.17 ----- 178.17
053869	10/11/2013	R	000223	DITCH WITCH CENTRAL CALIFORNIA I-P84188 UTILITY HYDRO VACUUM SUPPLIES	306.27 ----- 306.27
053870	10/11/2013	R	000070	ONLINE INFORMATION SERVICES, INC. I-529516 ID VERIF. SERV. THRU 09/30/13	202.80 ----- 202.80
053871	10/11/2013	R	000236	PAYPRO ADMINISTRATORS I-PP101113 EE FSA DEDUCTIONS 10-11-13	470.81 ----- 470.81

CHECK NO	CHECK DATE	STATUS	VENDOR INFO		CHECK AMOUNT
053872	10/11/2013	R	009054	KATHLEEN J. RADNICH I-092913-40 PUBLIC RELATIONS SERVICES	720.00 ----- 720.00
053873	10/11/2013	R	009615	MARIE SALSBERY I-MS100213 REIMB: MEALS/DRINKS BOARD MTGS	88.19 ----- 88.19
053874	10/11/2013	R	000290	TFI RESOURCES, INC. I-NK575662 TEMPORARY LABOR	434.20 ----- 434.20
053875	10/18/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201310152290 ROTH, CASEY S :US REFUND	17.45 ----- 17.45
053876	10/18/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201310152291 FLORES, VERONICA A :US REFUND	12.67 ----- 12.67
053877	10/18/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201310152292 LAKE, WILLIAM M :US REFUND	66.24 ----- 66.24
053878	10/18/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201310152293 FARRINGTON, MICHAEL:US REFUND	28.95 ----- 28.95
053879	10/18/2013	R	000501	ACWA/JPIA I-ACWA1113 EE HEALTH BENEFIT & EAP NOV 13	12,068.48 ----- 12,068.48
053880	10/18/2013	R	000501	ACWA/JPIA I-JPIA093013 WORKERS COMP JULY-SEPT 2013	10,446.24 ----- 10,446.24
053881	10/18/2013	R	000675	AQUA-METRIC SALES COMPANY I-0049408-IN 2 HYDRANT METERS	2,207.54 ----- 2,207.54

CHECK NO	CHECK DATE	STATUS	VENDOR INFO	CHECK AMOUNT
053882	10/18/2013	R	001461      DEBORAH BOLLINGER I-569              WATER CONSERVATION - SEPT 13 I-569A             WATER CONSERVATION - SEPT 13	2,500.00 75.00 ----- 2,575.00
053883	10/18/2013	R	004110      BURRTEC WASTE & RECYCLING SVCS I-BW1013            RECYCLING - OCT 13 I-BW1013B           TRASH REMOVAL - OCT 13 I-BW1013C           TRASH REMOVAL - OCT 13	57.48 255.48 81.99 ----- 394.95
053884	10/18/2013	R	000137      CAL-OSHA REPORTER I-440127            CAL-OSHA SUBSCRIPTION	395.00 ----- 395.00
053885	10/18/2013	R	001528      CARPI & CLAY, INC I-CC0913            LOBBYIST - SEPT 13	1,750.00 ----- 1,750.00
053886	10/18/2013	R	001560      CENTURY FORMS, INC. I-71726             WATER BILL	1,602.28 ----- 1,602.28
053887	10/18/2013	R	001850      CLINICAL LAB OF S.B. INC I-931318            SAMPLING - SEPT 13	1,354.00 ----- 1,354.00
053888	10/18/2013	R	001865      COMPUTER GALLERY I-308017CW          FINANCE PRINTER INSTALLATION I-308042CW          PRINTER MAINTENANCE - SEPT 13 I-308043CW          PRINTER MAINT SHOP - SEPT 13 I-308053CW          PLAT. MAINTENANCE - NOV 13 I-308068CW          BDR BACKUP SERVICE - NOV 13	218.75 98.63 56.59 3,312.00 1,010.00 ----- 4,695.97
053889	10/18/2013	R	000223      DITCH WITCH CENTRAL CALIFORNIA I-P84182            UTILITY HYDRO VACUUM SUPPLIES	17.43 ----- 17.43
053890	10/18/2013	R	002420      DLT SOLUTIONS, INC I-SI233934          2014 AUTOCAD SUBSCRIPT RENEWAL	1,264.69 ----- 1,264.69

CHECK NO	CHECK DATE	STATUS	VENDOR INFO		CHECK AMOUNT
053891	10/18/2013	R	002565	DUDEK AND ASSOCIATES, INC I-20133966	9,440.00 ----- 9,440.00
053892	10/18/2013	R	003025	FEDEX I-2-429-41927	23.87 ----- 23.87
053893	10/18/2013	R	003215	LURCHZ CUSTOMZ LLC I-13625	625.02 ----- 625.02
053894	10/18/2013	R	000058	GARDA CL WEST, INC. I-192-458413	475.40 ----- 475.40
053895	10/18/2013	R	003505	LORI PARKER I-8961	185.66
				I-8985	17.00
					----- 202.66
053896	10/18/2013	R	004152	HI-DESERT STAR I-HDS093013	1,783.56 ----- 1,783.56
053897	10/18/2013	R	004195	HOME DEPOT CREDIT SERVICES I-HD1013	2,004.64 ----- 2,004.64
053898	10/18/2013	R	004720	INLAND WATER WORKS I-256634	153.79
				I-256635	751.68
				I-256663	5,346.00
				I-256836	861.08
				I-256837	486.00
					----- 7,598.55
053899	10/18/2013	R	000084	JOHNSON MACHINERY CO. I-SW030121063	1,652.01
				I-SW030121113	1,083.15
				I-SW030121114	1,184.99
					----- 3,920.15

CHECK NO	CHECK DATE	STATUS	VENDOR INFO		CHECK AMOUNT
053900	10/18/2013	R	005080	J & J BROTHERS CONST CO., INC. I-16833 RECHARGE PIPELINE	4,404.20 ----- 4,404.20
053901	10/18/2013	R	000321	JW MARRIOTT HOTEL I-JW101413 ACWA FALL CONFERENCE HOTEL	3,185.00 ----- 3,185.00
053902	10/18/2013	R	000286	LEGACY OFFICE PRODUCTS I-0002121-001 OFFICE SUPPLIES/SHOP EXPENSE I-0002122-001 OFFICE SUPPLIES	157.46 38.64 ----- 196.10
053903	10/18/2013	R	006030	RANDY LITTLE I-RL101513 REIMB: MILES TO/FROM AIRPORT	105.54 ----- 105.54
053904	10/18/2013	R	006790	MOBILE MINI, LLC - CA I-217008636 23' RECORD STORAGE RENTAL	227.18 ----- 227.18
053905	10/18/2013	R	000315	MORONGO BASIN AMBULANCE ASSN. I-MBAA101513 AHA FIRST AID & CPR CLASS	50.00 ----- 50.00
053906	10/18/2013	R	000233	YUCCA VALLEY AUTO PARTS, INC. I-041382 GENERATOR SUPPLIES I-041429 VEHICLE REPAIRS	25.29 102.16 ----- 127.45
053907	10/18/2013	R	000236	PAYPRO ADMINISTRATORS I-36644 FSA ADMIN FEES - SEPT 13	50.00 ----- 50.00
053908	10/18/2013	R	008405	PRECISION ASSEMBLY I-15732 SEPT WATER BILLING & PUBL INFO	1,828.97 ----- 1,828.97
053909	10/18/2013	R	008415	PRUDENTIAL OVERALL SPLY. I-20757693 SHOP EXPENSE	94.12 ----- 94.12

CHECK NO	CHECK DATE	STATUS	VENDOR INFO		CHECK AMOUNT
053910	10/18/2013	R	009054	KATHLEEN J. RADNICH I-100613-41 PUBLIC RELATIONS SERVICES	720.00 ----- 720.00
053911	10/18/2013	R	901385	SIMPLER LIFE EMERGENCY I-33866 EMERGENCY PREPAREDNESS	4,652.20 ----- 4,652.20
053912	10/18/2013	R	009880	SOUTHERN CALIFORNIA EDISON CO I-SCE1013 POWER TO BLDGS & GEN - OCT 13	1,992.59 ----- 1,992.59
053913	10/18/2013	R	003596	SUPERMEDIA LLC I-SM1013 MORONGO BASIN ADVERT - OCT 13	22.50 ----- 22.50
053914	10/18/2013	R	000290	TFI RESOURCES, INC. I-NK578206 TEMPORARY LABOR	434.20 ----- 434.20
053915	10/18/2013	R	010635	TOPS N BARRICADES I-1035448 SAFETY EXPENSE	94.18 ----- 94.18
053916	10/18/2013	R	010690	TYLER TECHNOLOGIES I-025-79321 INSITE TRANS FEES: JULY-SEPT	1,833.75 ----- 1,833.75
053917	10/18/2013	R	010850	UNDERGROUND SERVICE ALERT I-920130331 TICKET DELIVERY SERVICE - SEPT	54.00 ----- 54.00
053918	10/18/2013	R	901353	MICHAEL W. BRANNING I-UGC100313 DEMO GRDN/ BUILD MAINT- SEP 13	395.00 ----- 395.00
053919	10/18/2013	R	000247	UNITED STATES PLASTIC CORP I-3833046 PUMPING PLANT SUPPLIES	253.04 ----- 253.04

CHECK NO	CHECK DATE	STATUS	VENDOR INFO		CHECK AMOUNT
053920	10/18/2013	R	010990	UTILIQUEST L.L.C.	
			I-200401-Q	CONTRACT LOCATING EXPENSE	91.63
			I-200677-Q	CONTRACT LOCATING EXPENSE	427.70
			I-200916-Q	CONTRACT LOCATING EXPENSE	192.62
					-----
					711.95
053921	10/18/2013	R	011114	VAN DYKE CORP	
			I-17774	HDMC WASTEWATER CONSTRUCTION	29,697.48
					-----
					29,697.48
053922	10/18/2013	R	003595	VERIZON CALIFORNIA	
			I-V1013	TELEPHONE (SHOP) - OCT 13	253.98
					-----
					253.98
053923	10/18/2013	R	012020	XEROX CORPORATION	
			I-070398597	OFFICE EXPENSE 8/20/13-9/20/13	681.55
					-----
					681.55
053924	10/25/2013	R	1	CUSTOMER REFUNDS (MISC.)	
			I-000201310232294	INC REAL ESTATE CORP:US REFUND	75.39
					-----
					75.39
053925	10/25/2013	R	1	CUSTOMER REFUNDS (MISC.)	
			I-000201310232295	FRIESEN, MATTHEW D :US REFUND	39.24
					-----
					39.24
053926	10/25/2013	R	1	CUSTOMER REFUNDS (MISC.)	
			I-000201310232296	HACK, HILLARY L :US REFUND	19.27
					-----
					19.27
053927	10/25/2013	R	1	CUSTOMER REFUNDS (MISC.)	
			I-000201310232297	JASPER, SHANNA E :US REFUND	12.72
					-----
					12.72
053928	10/25/2013	R	1	CUSTOMER REFUNDS (MISC.)	
			I-000201310232298	ESPINOSA, DANIEL :US REFUND	20.45
					-----
					20.45
053929	10/25/2013	R	1	CUSTOMER REFUNDS (MISC.)	
			I-000201310232299	DAVIS, WILLIAM L. :US REFUND	35.52
					-----
					35.52



CHECK NO	CHECK DATE	STATUS	VENDOR INFO		CHECK AMOUNT
053930	10/25/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201310232300 TRI VALLEY REALTY :US REFUND	5.52 ----- 5.52
053931	10/25/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201310232301 AAA PROPERTY MANAGEM:US REFUND	42.88 ----- 42.88
053932	10/25/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201310232302 FARRINGTON, MICHAELE:US REFUND	23.82 ----- 23.82
053933	10/25/2013	R	000575	AFSCME LOCAL 1902 I-AFSCME1013 EE UNION DUES - OCT 13	526.50 ----- 526.50
053934	10/25/2013	R	001519	CALIFORNIA RURAL WATER ASSOC I-CRWA101713 EMPLOYEE TRAINING	125.00 ----- 125.00
053935	10/25/2013	R	001652	CIRCLE MOUNTAIN BIOLOGICAL I-CM091913 RECHARGE: BASIN & PIPELINE	3,559.80 ----- 3,559.80
053936	10/25/2013	R	001888	RICHARD H COOK I-RC101813 EMERGENCY MANAGEMENT PROGRAM	3,277.75 ----- 3,277.75
053937	10/25/2013	R	000205	LORI HERBEL I-LH100113 PUBLIC INFO/FARMER'S MARKET	125.00 ----- 125.00
053938	10/25/2013	R	000322	GARY L. BOWERS I-681 WATER DELIVERY-RECHARGE PIPELN	150.00 ----- 150.00
053939	10/25/2013	R	006800	MOJAVE WATER AGENCY I-MWA102513 HIGH DESERT WATER SUMMIT 2013	100.00 ----- 100.00

CHECK NO	CHECK DATE	STATUS	VENDOR INFO		CHECK AMOUNT
053940	10/25/2013	R	000236	PAYPRO ADMINISTRATORS I-PP102513 EE FSA DEDUCTIONS 10-25-13	470.81 ----- 470.81
053941	10/25/2013	R	008200	PITNEY BOWES INC. I-1285502-OT13 LEASING CHARGES - 4TH QTR 13	294.71 ----- 294.71
053942	10/25/2013	R	009054	KATHLEEN J. RADNICH I-1001313-42 PUBLIC RELATIONS SERVICES	684.00 ----- 684.00
053943	10/25/2013	R	000290	TFI RESOURCES, INC. I-NK581042 TEMPORARY LABOR	434.20 ----- 434.20
053944	10/25/2013	R	000510	TIME WARNER CABLE I-TW1013 CABLE & INTERNET - OCT 13	399.83 ----- 399.83
053945	10/25/2013	R	003600	VERIZON CALIFORNIA I-V1013 TELEPHONE (OFFICE) - OCT 13	799.12 ----- 799.12
053946	10/25/2013	R	000009	WESTERN PUMP, INC. I-W25281 REPAIRS: GAS PUMP	1,077.12 ----- 1,077.12
053947	10/31/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201310292303 PEARCE, MICHAEL R :US REFUND	50.77 ----- 50.77
053948	10/31/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201310292304 RDC JERSON LLC :US REFUND	43.25 ----- 43.25
053949	10/31/2013	R	1	CUSTOMER REFUNDS (MISC.) I-000201310292305 BIBBS, CASEY JR :US REFUND	13.44 ----- 13.44

CHECK NO	CHECK DATE	STATUS	VENDOR INFO			CHECK AMOUNT
053950	10/31/2013	R 1	CUSTOMER REFUNDS (MISC.)			
			I-000201310292306	CHRISS, KEVIN	:US REFUND	50.46
						-----
						50.46
053951	10/31/2013	R 1	CUSTOMER REFUNDS (MISC.)			
			I-000201310292307	MELLAND, COLLIN S	:US REFUND	84.91
						-----
						84.91
053952	10/31/2013	R 1	CUSTOMER REFUNDS (MISC.)			
			I-000201310292308	PRESTIGE PROPERTIES	:US REFUND	50.77
						-----
						50.77
053953	10/31/2013	R 1	CUSTOMER REFUNDS (MISC.)			
			I-000201310292309	AVALOS, SONETTE D	:US REFUND	86.43
						-----
						86.43
053954	10/31/2013	R 1	CUSTOMER REFUNDS (MISC.)			
			I-000201310292310	VALDEZ, CANDIS	:US REFUND	56.73
						-----
						56.73
053955	10/31/2013	R 1	CUSTOMER REFUNDS (MISC.)			
			I-000201310292311	COLINDRES, IRIS M	:US REFUND	55.54
						-----
						55.54
053956	10/31/2013	R	001012	BARTLE WELLS ASSOCIATES		
			I-BWA447B-1003	RATE & FEE STUDY - 2013		7,295.00
						-----
						7,295.00
053957	10/31/2013	R	000261	BONTERRA CONSULTING		
			I-20878	RECHARGE PIPE CONSULT SERVICES		306.25
						-----
						306.25
053958	10/31/2013	R	004110	BURRTEC WASTE & RECYCLING SVCS		
			I-BW1113	RECYCLING - NOV 13		57.48
			I-BW1113B	TRASH REMOVAL - NOV 13		255.48
			I-BW1113C	TRASH REMOVAL - NOV 13		81.99
						-----
						394.95
053959	10/31/2013	R	001595	CHEM-TECH INTERNATIONAL, INC.		
			I-JBWD167	WATER TREATMENT EXPENSE		1,215.32
						-----
						1,215.32

CHECK NO	CHECK DATE	STATUS	VENDOR INFO		CHECK AMOUNT
053960	10/31/2013	R	000237	COLONIAL LIFE & ACCIDENT INSURANCE CO, INC. I-3990561-1005358 EE LIFE INSURANCE- NOV 13	680.20 ----- 680.20
053961	10/31/2013	R	002565	DUDEK AND ASSOCIATES, INC I-20133952 CONST MGMT: RECHARGE I-20133953 CONST MGMT: HDMC WASTE WATER	2,676.77 19,863.71 ----- 22,540.48
053962	10/31/2013	R	003025	FEDEX I-2-444-49459 SHIPPING: METER TEST	51.77 ----- 51.77
053963	10/31/2013	R	004190	HI-WAY SAFETY INC I-9784 UNIFORMS: SAFETY JACKETS	104.66 ----- 104.66
053964	10/31/2013	R	004720	INLAND WATER WORKS I-257256 INVENTORY/SMALL TOOLS I-257257 SMALL TOOLS	1,027.21 57.24 ----- 1,084.45
053965	10/31/2013	R	000286	LEGACY OFFICE PRODUCTS I-0002251-001 OFFICE SUPPLIES	60.53 ----- 60.53
053966	10/31/2013	R	006029	LIEBERT CASSIDY WHITMORE I-171557 LEGAL SERVICES - SEPT 13 I-171558 LEGAL SERVICES-MOU NEGOTIATION	450.00 2,506.05 ----- 2,956.05
053967	10/31/2013	R	006504	MC CALL'S METERS, INC. I-24638 CERTIFIED FLOW TEST	45.84 ----- 45.84
053968	10/31/2013	R	006507	MCMASTER-CARR SUPPLY COMPANY I-63196799 SMALL TOOLS/ SHOP EXPENSE	837.67 ----- 837.67
053969	10/31/2013	R	006810	MOJAVE DESERT AQMD I-MD2460 PERMIT RENEWAL FEE- PARK BLVD	265.78

CHECK NO	CHECK DATE	STATUS	VENDOR INFO		CHECK AMOUNT
			I-MD2462	PERMIT RENWL FEES- VARIOUS LOC	809.82
			I-MD2463	PERMIT RENEWAL FEE- CHOLLITA	269.94
					-----
					1,345.54
053970	10/31/2013	R	000233	YUCCA VALLEY AUTO PARTS, INC.	
			I-044048	SHOP EXPENSE	7.78
			I-044121	SMALL TOOLS/SHOP EXPENSE	63.02
			I-044490	SMALL TOOLS	75.59
					-----
					146.39
053971	10/31/2013	R	000159	OASIS OFFICE SUPPLY	
			I-40558	SHIPPING: I-1 FLOW METER	35.33
			I-42096	SHIPPING	8.70
					-----
					44.03
053972	10/31/2013	R	008415	PRUDENTIAL OVERALL SPLY.	
			I-20764769	SHOP EXPENSE	94.12
					-----
					94.12
053973	10/31/2013	R	009054	KATHLEEN J. RADNICH	
			I-102013-43	PUBLIC RELATIONS SERVICES	727.20
					-----
					727.20
053974	10/31/2013	R	009878	SOUTHERN CALIFORNIA EDISON	
			I-SCE1013	POWER FOR PUMPING - OCT 13	27,266.53
					-----
					27,266.53
053975	10/31/2013	R	000290	TFI RESOURCES, INC.	
			I-NK583628	TEMPORARY LABOR	347.36
					-----
					347.36
053976	10/31/2013	R	010690	TYLER TECHNOLOGIES	
			I-025-80966	ONLINE PRODUCTS - NOV 13	185.00
					-----
					185.00
053977	10/31/2013	R	010990	UTILIQUEST L.L.C.	
			I-201222-Q	CONTRACT LOCATING EXPENSE	33.20
			I-201463-Q	CONTRACT LOCATING EXPENSE	33.20
					-----
					66.40
053978	10/31/2013	R	003605	VERIZON	

CHECK NO	CHECK DATE	STATUS	VENDOR INFO	CHECK AMOUNT
			I-V1013 TELEPHONE- HDMC WASTE WATER	177.12
				-----
				177.12
053979	10/31/2013	R	000091 SAN BERNARDINO COUNTY RECORDER	
			I-SB103013 RELEASE OF A LIEN	14.00
			I-SB103013A RELEASE OF A LIEN	14.00
			I-SB103013B RELEASE OF A LIEN	14.00
				-----
				42.00
*900386	10/11/2013	D	000248 PAYCHEX	
			I-10802921 TIME & LABOR ONLINE USAGE FEE	49.16
				-----
				49.16
900387	10/10/2013	D	001517 CalPERS	
			I-PPE 10-4-13 PAY PERIOD ENDING 10/04/13	8,142.28
				-----
				8,142.28
900388	10/11/2013	D	000248 PAYCHEX	
			I-206072 PAYROLL PROCESSING FEE	284.41
				-----
				284.41
900389	10/24/2013	D	001517 CalPERS	
			I-PPE 10-18-13 PAY PERIOD ENDING 10/18/13	8,342.66
				-----
				8,342.66
900390	10/25/2013	D	000248 PAYCHEX	
			I-206968 PAYROLL PROCESSING FEE	294.39
				-----
				294.39
900391	10/31/2013	D	000025 ICMA RC	
			I-900391 457 REMITTANCE - OCT 13	1,781.10
				-----
				1,781.10
TOTALS:	153			304,452.61
			LESS - PRIOR MONTH VOIDS:	
			LESS - CURRENT MONTH VOIDS:	
				0.00
				0.00
				-----
				304,452.61
				=====

**JOSHUA BASIN WATER DISTRICT**

**OCTOBER 2013**

**DIRECTOR PAY**

**PAY PERIODS: 9/21/2013 - 10/18/2013**

Director	Date	Type	Amount	Notes
VICTORIA J FULLER	10/02/2013	Director Pay	173.63	JBWD BOARD MEETING
VICTORIA J FULLER	10/05/2013	UNPAID DIRECTOR	0.00	8/23/13 SAN BERNARDINO COUNTY WATER CONFERENCE
VICTORIA J FULLER	10/14/2013	UNPAID DIRECTOR	0.00	PIC & FINANCE MEETING
VICTORIA J FULLER	10/16/2013	Director Pay	173.63	JBWD BOARD MEETING
			<u>347.26</u>	
ROBERT JOHNSON	10/02/2013	Director Pay	173.63	JBWD BOARD MEETING
ROBERT JOHNSON	10/05/2013	UNPAID DIRECTOR	0.00	8/23/13 SAN BERNARDINO COUNTY WATER CONFERENCE
ROBERT JOHNSON	10/14/2013	UNPAID DIRECTOR	0.00	FINANCE COMMITTEE MEETING
ROBERT JOHNSON	10/16/2013	Director Pay	173.63	JBWD BOARD MEETING
			<u>347.26</u>	
MICKEY C LUCKMAN	10/02/2013	Director Pay	173.63	JBWD BOARD MEETING
MICKEY C LUCKMAN	10/05/2013	Mileage/Vehicle Expense	-146.90	REVERSE- PAID IN ERROR: 7/24 & 7/25 MILES TO/FROM MWA
MICKEY C LUCKMAN	10/16/2013	Director Pay	173.63	JBWD BOARD MEETING
			<u>200.36</u>	
MICHAEL P REYNOLDS	09/21/2013	Director Pay	173.63	8/23/13 SAN BERNARDINO COUNTY WATER CONFERENCE
MICHAEL P REYNOLDS	09/21/2013	Mileage/Vehicle Expense	106.22	8/23/13 MILES: SAN BERNARDINO COUNTY WATER CONFERENCE
MICHAEL P REYNOLDS	09/21/2013	Director Pay	173.63	9/16/13 SPECIAL DISTRICTS MEETING
MICHAEL P REYNOLDS	09/21/2013	Mileage/Vehicle Expense	107.58	9/16/13 MILES: SPECIAL DISTRICTS
MICHAEL P REYNOLDS	10/02/2013	Director Pay	173.63	JBWD BOARD MEETING
MICHAEL P REYNOLDS	10/16/2013	Director Pay	173.63	JBWD BOARD MEETING
			<u>908.32</u>	
GARY L WILSON	10/02/2013	Director Pay	173.63	JBWD BOARD MEETING
GARY L WILSON	10/16/2013	Director Pay	173.63	JBWD BOARD MEETING
			<u>347.26</u>	
<b>TOTAL</b>			<u><u>2,150.46</u></u>	

	BEGINNING BALANCE	TOTAL DEBITS	TOTAL CREDITS	ENDING BALANCE	AVERAGE DAILY BALANCE	
GENERAL FUND						
01 -11100	PETTY CASH FUND	600.00	0.00	0.00	600.00	600.00
01 -11110	CHANGE FUND	1,500.00	0.00	0.00	1,500.00	1,500.00
01 -11200	GENERAL FUND-U S	99,572.56	4,016.53	11,906.69CR	91,682.40	91,682.40
01 -11210	PAYROLL FUND - U	5,000.00	0.00	0.00	5,000.00	5,000.00
01 -11220	CREDIT CARD FUND	75,811.25	9,093.83	7,968.66CR	76,936.42	76,936.42
01 -11300	LAIF - INVESTMEN	106,076.19	1,307.65	107,272.21CR	111.63	111.63
01 -11305	LAIF - EMERGENCY	391,977.95	118,039.55	0.00	510,017.50	510,017.50
01 -11306	LAIF - EQUIP & T	361,807.34	0.00	0.00	361,807.34	361,807.34
01 -11307	LAIF - OPPORTUNI	11,963.36	0.00	11,963.36CR	0.00	0.00
01 -11308	LAIF - WELL & BO	50,000.00	0.00	0.00	50,000.00	50,000.00
01 -11309	LAIF - CONSUMER	395,944.10	1,196.02	1,307.65CR	395,832.47	395,832.47
01 -11310	LAIF - WATER CAP	23,121.09	0.00	0.00	23,121.09	23,121.09
01 -11313	LAIF - SEWER CAP	288,320.01	0.00	0.00	288,320.01	288,320.01
01 -11320	LAIF- CMM REDEMP	212,919.69	0.00	0.00	212,919.69	212,919.69
01 -11325	LAIF - CMM RESER	244,509.72	0.00	0.00	244,509.72	244,509.72
01 -11330	LAIF - CMM PREPA	2,982.24	0.00	0.00	2,982.24	2,982.24
01 -11338	LAIF - HI DESERT	228,409.47	0.00	0.00	228,409.47	228,409.47
FUND 01 TOTAL		2,500,514.97	133,653.58	140,418.57CR	2,493,749.98	2,493,749.98
REPORT TOTALS		2,500,514.97	133,653.58	140,418.57CR	2,493,749.98	2,493,749.98





P.O. BOX 675 • 61750 CHOLLITA ROAD • JOSHUA TREE • CALIFORNIA 92252  
 TELEPHONE (760) 366-8438 FAX (760) 366-9528 E-mail: customerservice@jbsd.com  
[www.jbsd.com](http://www.jbsd.com)

**Cash Flow**  
**September 30, 2013**

Beginning Cash			3,074,661.13
<b>SOURCE OF FUNDS:</b>			
Water A/R Collections	277,108.65		
Turn On/Misc	1,482.33		
Consumer Deposits	5,000.00		
Project Deposits	0.00		
Property Taxes G.D.	0.00		
ID #2 Tax Collections	0.00		
Standby Collections - Prior	0.00		
Standby Collections - Current	5,647.50		
CMM Assessment Collections	0.00		
Water Capacity Charges	0.00		
Sewer Capacity Charges	0.00		
Meter Installation Fees	0.00		
Interest	0.00		
	<b>TOTAL SOURCE OF FUNDS</b>		<b>289,238.48</b>
<b>FUNDS USED:</b>			
Debt Service	166,814.85		
Capital Additions	377,866.03		
Operating Expenses	192,185.04		
<b>Employee</b> Funded Payroll Taxes & CalPERS	35,217.65		
<b>Employer</b> Funded Payroll Taxes & CalPERS	23,438.62		
<b>Employee</b> Funded 457 Transfer	1,706.10		
			<b>797,228.29</b>
Bank Transfer Payroll	70,910.21		
Bank Transfer Fees/Charges	2,011.13		
	<b>TOTAL USE OF FUNDS</b>		<b>870,149.63</b>
Net Increase (Decrease)			(580,911.15)
Cash Balance at End of Period			<u>2,493,749.98</u>

01 -GENERAL FUND  
 FINANCIAL SUMMARY

% OF YEAR COMPLETED: 25.00

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
<u>REVENUE SUMMARY</u>						
REVENUES	4,831,814	1,926,458.26	3,375,517.63	0.00	1,456,295.93	69.86
TOTAL REVENUES	4,831,814	1,926,458.26	3,375,517.63	0.00	1,456,295.93	69.86
<u>EXPENSE SUMMARY</u>						
Production	1,118,927	79,563.75	194,516.60	0.00	924,409.95	17.38
Distribution	653,769	46,626.69	135,082.84	0.00	518,686.58	20.66
Customer Service	502,470	37,654.82	105,424.85	0.00	397,045.63	20.98
Administration	545,172	28,863.21	77,044.71	0.00	468,127.13	14.13
Engineering	186,194	16,014.25	36,112.00	0.00	150,082.00	19.39
Finance	421,700	39,404.24	103,952.89	0.00	317,747.12	24.65
Personnel	153,482	13,992.91	33,119.27	0.00	120,362.73	21.58
Legal	104,000	6,251.00	12,469.00	0.00	91,531.00	11.99
Bonds & Loans	595,224	168,878.57	168,936.16	0.00	426,288.10	28.38
HDMC Treatment Plant	0	5,115.00	5,115.00	0.00	( 5,115.00)	0.00
Benefits Allocated	0	0.00	0.00	0.00	0.00	0.00
Field Allocated	0	0.00	0.00	0.00	0.00	0.00
Office allocated	( 1)	0.00	0.00	0.00	( 0.52)	0.00
Non-departmental	200,253	0.00	0.00	0.00	200,253.00	0.00
TOTAL EXPENSES	4,481,191	442,364.44	871,773.31	0.00	3,609,417.72	19.45
REVENUE OVER/(UNDER) EXPENSES	350,623	1,484,093.82	2,503,744.32	0.00	( 2,153,121.79)	714.09

01 -GENERAL FUND

% OF YEAR COMPLETED: 25.00

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
01-41010 METERED WATER SALES	1,426,599	163,334.89	497,622.93	0.00	928,976.07	34.88
01-41012 ALLOW FOR WAAP/BILLING ADJ	0	0.00	0.00	0.00	0.00	0.00
01-41015 BASIC FEES	1,323,623	113,052.93	339,912.55	0.00	983,710.01	25.68
01-41030 PRIVATE FIRE PROTECTION SERV.	19,544	1,855.88	5,408.58	0.00	14,135.42	27.67
01-41040 SPECIAL SERVICES REVENUE	112,337	10,215.94	28,562.58	0.00	83,774.42	25.43
01-42100 STANDBY REVENUE-CURRENT	1,165,554	1,153,137.33	1,151,912.93	0.00	13,641.07	98.83
01-42110 STANDBY-UNCOLLECTED CURRENT	0	0.00	0.00	0.00	0.00	0.00
01-42341 PRIOR YR REFUNDED REVENUE	0	0.00	0.00	0.00	0.00	0.00
01-43000 PROPERTY TAX - G.D.	396,283	0.00	0.00	0.00	396,283.00	0.00
01-43010 AD VALOREM REVENUE - I.D. #2	121,500	124,175.56	124,175.56	0.00	( 2,675.56)	102.20
01-43020 ASSESSMENT REVENUE - CMM	255,801	254,878.95	254,878.95	0.00	922.05	99.64
01-43030 BOND CALL REVENUE - CMM	0	0.00	0.00	0.00	0.00	0.00
01-44000 CONNECTION FEES-HYDRANT,ML EXT	0	0.00	0.00	0.00	0.00	0.00
01-44001 MAINLINE REIMBURSEMENT FEES	0	0.00	0.00	0.00	0.00	0.00
01-44010 WATER CAPACITY CHARGES	0	0.00	0.00	0.00	0.00	0.00
01-44020 PLAN CHECK/INSPECTION FEES	0	0.00	5,299.28	0.00	( 5,299.28)	0.00
01-44025 H ZONE ML REIMB FEES	0	0.00	0.00	0.00	0.00	0.00
01-44030 METER INSTALLATION FEES	0	0.00	0.00	0.00	0.00	0.00
01-44035 METER REPAIR REVENUE	0	( 297.41)	474.89	0.00	( 474.89)	0.00
01-44050 SEWER CAPACITY CHARGES	0	0.00	0.00	0.00	0.00	0.00
01-45000 INTEREST REVENUE - G.D.	9,040	0.00	0.00	0.00	9,040.00	0.00
01-46100 GRANT REVENUE - FEDERAL	0	0.00	0.00	0.00	0.00	0.00
01-46110 GRANT REVENUE - STATE	0	0.00	0.00	0.00	0.00	0.00
01-46120 GRANT REVENUE - LOCAL (HDMC)	0	106,076.19	368,252.33	0.00	( 368,252.33)	0.00
01-46121 GRANT REVENUE - LOCAL (MWA)	0	0.00	598,922.00	0.00	( 598,922.00)	0.00
01-46200 CAPITAL CONTRIBUTIONS	0	0.00	0.00	0.00	0.00	0.00
01-47000 MISCELLANEOUS REVENUE	1,533	28.00	95.05	0.00	1,437.95	6.20
01-47010 GAIN/LOSS ON SALE OF ASSETS	0	0.00	0.00	0.00	0.00	0.00
01-47020 CHANGE IN MARKET VALUE	0	0.00	0.00	0.00	0.00	0.00
<b>TOTAL REVENUE</b>	<b>4,831,814</b>	<b>1,926,458.26</b>	<b>3,375,517.63</b>	<b>0.00</b>	<b>1,456,295.93</b>	<b>69.86</b>

## BOARD REPORT

AS OF: SEPTEMBER 30TH, 2013

01 -GENERAL FUND

% OF YEAR COMPLETED: 25.00

EXPENSES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
<u>Production</u>						
01-501-01115 PRODUCTION SALARY	219,113	16,787.19	50,553.84	0.00	168,559.16	23.07
01-501-02205 WATER TREATMENT EXPENSE	14,400	1,178.50	3,609.14	0.00	10,790.86	25.06
01-501-03105 SOURCE OF SUPPLY/WELL MAIN	0	0.00	0.00	0.00	0.00	0.00
01-501-03110 CROSS CONNECTION CONTROL E	0	0.00	0.00	0.00	0.00	0.00
01-501-03115 PUMPING PLANT REPAIR & MAI	66,500	9,154.85	14,217.97	0.00	52,282.03	21.38
01-501-03120 TANK & RESERVOIR MAINTENAN	200,000	0.00	1,394.64	0.00	198,605.36	0.70
01-501-04005 LABORATORY SERVICES	9,500	1,298.61	2,323.61	0.00	7,176.39	24.46
01-501-06105 POWER FOR PUMPING (ELECTRI	326,223	29,384.23	60,635.28	0.00	265,588.17	18.59
01-501-07005 PROPERTY INSURANCE	95,000	8,661.25	25,983.75	0.00	69,016.25	27.35
01-501-08001 PRIVATE WELL METERING	0	0.00	0.00	0.00	0.00	0.00
01-501-98001 EE BENEFITS ALLOCATED	108,406	8,191.78	21,501.07	0.00	86,904.93	19.83
01-501-98002 FIELD EXPENSES ALLOCATED	79,784	4,907.34	14,297.30	0.00	65,486.80	17.92
01-601-99200 AUTOMATIC CONTROLS	0	0.00	0.00	0.00	0.00	0.00
01-601-99205 BOOSTER/PUMP STATIONS	0	0.00	0.00	0.00	0.00	0.00
01-601-99220 MONITOR WELLS	0	0.00	0.00	0.00	0.00	0.00
01-601-99230 PRODUCTION WELLS	0	0.00	0.00	0.00	0.00	0.00
01-601-99240 PUMPING PLANT	0	0.00	0.00	0.00	0.00	0.00
01-601-99250 SOURCE OF SUPPLY	0	0.00	0.00	0.00	0.00	0.00
01-601-99260 WATER SAMPLING STATIONS	0	0.00	0.00	0.00	0.00	0.00
01-601-99270 WATER SEEPAGE PITS	0	0.00	0.00	0.00	0.00	0.00
01-601-99280 TANKS & RESERVOIRS	0	0.00	0.00	0.00	0.00	0.00
01-601-99450 SHOP TOOLS & EQUIPMENT - P	0	0.00	0.00	0.00	0.00	0.00
01-601-99510 LARGE EQUIPMENT - PROD	0	0.00	0.00	0.00	0.00	0.00
01-601-99550 AUTOMOTIVE - PRODUCTION	0	0.00	0.00	0.00	0.00	0.00
01-601-99600 GROUND WATER SURVEY	0	0.00	0.00	0.00	0.00	0.00
01-601-99610 URBAN GROUND WATER MNGT	0	0.00	0.00	0.00	0.00	0.00
01-601-99750 SOFTWARE & COMPUTRS- PRODUC	0	0.00	0.00	0.00	0.00	0.00
TOTAL Production	1,118,927	79,563.75	194,516.60	0.00	924,409.95	17.38
<u>Distribution</u>						
01-502-01130 DISTRIBUTION SALARY	358,854	25,595.79	75,172.38	0.00	283,681.62	20.95
01-502-02920 INVENTORY-OVER & SHORT	2,000	0.00	0.00	0.00	2,000.00	0.00
01-502-03105 MAINLINE AND LEAK REPAIR	67,971	4,824.00	15,740.56	0.00	52,230.44	23.16
01-502-03110 EQUIPMENT RENTAL	2,933	227.18	681.54	0.00	2,251.46	23.24
01-502-03130 CROSS CONNECTION CONTROL E	1,100	0.00	0.00	0.00	1,100.00	0.00
01-502-04005 UTILITY LOCATING (DIG ALER	9,668	853.03	2,728.88	0.00	6,939.12	28.23
01-502-98001 EE BENEFITS ALLOCATED	151,768	11,468.49	30,101.49	0.00	121,666.51	19.83
01-502-98002 FIELD EXPENSES ALLOCATED	59,475	3,658.20	10,657.99	0.00	48,817.43	17.92
01-602-99210 MAINLINES & FIRE HYDRANTS	0	0.00	0.00	0.00	0.00	0.00
01-602-99220 METERS	0	0.00	0.00	0.00	0.00	0.00
01-602-99450 SHOP TOOLS & EQUIPMNT - DI	0	0.00	0.00	0.00	0.00	0.00
01-602-99550 AUTOMOTIVE - DISTRIBUTION	0	0.00	0.00	0.00	0.00	0.00
01-602-99580 LARGE EQUIPMENT - DISTRIBU	0	0.00	0.00	0.00	0.00	0.00
TOTAL Distribution	653,769	46,626.69	135,082.84	0.00	518,686.58	20.66

BOARD REPORT

AS OF: SEPTEMBER 30TH, 2013

01 -GENERAL FUND

% OF YEAR COMPLETED: 25.00

EXPENSES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
<u>Customer Service</u>						
01-503-01105 FIELD SALRY - CUSTOMER SER	22,481	1,981.78	7,128.08	0.00	15,352.92	31.71
01-503-01110 OFFICE SALARY - CUSTOMER S	67,705	6,004.48	18,227.69	0.00	49,477.31	26.92
01-503-03100 METER INSTALLATION EXPENSE	0	0.00	0.00	0.00	0.00	0.00
01-503-03105 METER SERVICE REPAIR	18,710	2,758.99	4,662.45	0.00	14,047.55	24.92
01-503-04005 PLAN CHECK/INSPECTION	0	0.00	0.00	0.00	0.00	0.00
01-503-07005 CREDIT CARD FEES (CUSTOMER	17,000	1,245.08	3,963.90	0.00	13,036.10	23.32
01-503-07010 BAD DEBT	25,000	311.15	407.99	0.00	25,407.99	1.63
01-503-07015 PUBLIC INFORMATION	55,130	4,850.90	10,385.57	0.00	44,744.43	18.84
01-503-07020 WATER CONSERVATION EXPENSE	45,000	2,909.75	5,720.75	0.00	39,279.25	12.71
01-503-98001 EE BENEFITS ALLOCATED	122,860	9,284.02	24,367.88	0.00	98,492.12	19.83
01-503-98002 FIELD EXPENSES ALLOCATED	5,802	356.90	1,039.80	0.00	4,762.68	17.92
01-503-98003 OFFICE EXPENSE ALLOCATED	122,782	8,574.07	30,336.72	0.00	92,445.28	24.71
01-603-99400 METER READING EQUIPMENT	0	0.00	0.00	0.00	0.00	0.00
TOTAL Customer Service	502,470	37,654.82	105,424.85	0.00	397,045.63	20.98
<u>Administration</u>						
01-504-01105 ADMINISTRATION SALARY	214,955	6,631.85	20,586.38	0.00	194,368.62	9.58
01-504-01115 DIRECTORS SALARY	29,170	1,736.30	5,208.90	0.00	23,960.94	17.86
01-504-01210 DIRECTORS / C.A.C. EDUCATI	9,500	3,290.00	3,290.00	0.00	6,210.00	34.63
01-504-04005 LEGISLATIVE ADVOCACY	45,600	1,750.00	3,500.00	0.00	42,100.00	7.68
01-504-07005 BUSINESS EXPENSE	20,550	390.83	719.30	0.00	19,830.70	3.50
01-504-07015 OUTSIDE SERVICES	36,112	2,582.94	9,556.29	0.00	26,555.71	26.46
01-504-07016 MEMBERSHIP, DUES & SUBSCRI	22,420	0.00	0.00	0.00	22,420.00	0.00
01-504-98001 EE BENEFITS ALLOCATED	144,541	10,922.37	28,668.08	0.00	115,872.92	19.83
01-504-98003 OFFICE EXPENSE ALLOCATED	22,324	1,558.92	5,515.76	0.00	16,808.24	24.71
01-604-99100 LAND & EASEMENT	0	0.00	0.00	0.00	0.00	0.00
01-604-99300 BUILDINGS	0	0.00	0.00	0.00	0.00	0.00
01-604-99320 DEMO GARDEN	0	0.00	0.00	0.00	0.00	0.00
01-604-99450 OFFICE FURNITURE & EQUIPME	0	0.00	0.00	0.00	0.00	0.00
01-604-99600 STRATEGIC PLAN DEV	0	0.00	0.00	0.00	0.00	0.00
01-604-99610 VULNERABILITY ASSESSMENT	0	0.00	0.00	0.00	0.00	0.00
01-604-99620 WASTE WATER FEASIBILITY ST	0	0.00	0.00	0.00	0.00	0.00
01-604-99630 WATER AVAILABILITY EVALUAT	0	0.00	0.00	0.00	0.00	0.00
01-604-99640 DEMOGRAPHIC SURVEY	0	0.00	0.00	0.00	0.00	0.00
01-604-99650 GROUND WATER MONITORING PL	0	0.00	0.00	0.00	0.00	0.00
01-604-99660 RATE STUDIES	0	0.00	0.00	0.00	0.00	0.00
01-604-99900 WASTEWATER SYSTEM & STARTU	0	0.00	0.00	0.00	0.00	0.00
TOTAL Administration	545,172	28,863.21	77,044.71	0.00	468,127.13	14.13
<u>Engineering</u>						
01-505-01105 ENGINEERING/GIS/IT SALARY	81,831	6,432.50	16,362.41	0.00	65,468.59	20.00
01-505-02305 MAPS/DRAFTING SUPPLIES	1,950	800.00	800.00	0.00	1,150.00	41.03
01-505-04005 ENGINEERING CONTRACT SERVI	25,000	3,400.00	3,400.00	0.00	21,600.00	13.60
01-505-04010 MAPPING SYSTEM UPGRADES	4,500	0.00	0.00	0.00	4,500.00	0.00
01-505-98001 EE BENEFITS ALLOCATED	50,589	3,822.83	10,033.83	0.00	40,555.17	19.83
01-505-98003 OFFICE EXPENSE ALLOCATED	22,324	1,558.92	5,515.76	0.00	16,808.24	24.71
01-605-99400 ENGINEERING EQUIPMENT	0	0.00	0.00	0.00	0.00	0.00
01-605-99410 MAPPING SYSTEM	0	0.00	0.00	0.00	0.00	0.00

01 -GENERAL FUND

% OF YEAR COMPLETED: 25.00

EXPENSES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
01-605-99600 WATER MASTER PLAN	0	0.00	0.00	0.00	0.00	0.00
01-605-99700 WATER MODEL ASSESSMENT H2O	0	0.00	0.00	0.00	0.00	0.00
01-605-99750 SOFTWARE & COMPUTERS	0	0.00	0.00	0.00	0.00	0.00
TOTAL Engineering	186,194	16,014.25	36,112.00	0.00	150,082.00	19.39
<u>Finance</u>						
01-506-01100 FINANCE SALARY	223,383	19,756.27	58,920.08	0.00	164,462.92	26.38
01-506-04005 ACCOUNTING SERVICES	23,582	6,700.00	8,200.00	0.00	15,382.00	34.77
01-506-98001 EE BENEFITS ALLOCATED	130,087	9,830.13	25,801.27	0.00	104,285.73	19.83
01-506-98003 OFFICE EXPENSE ALLOCATED	44,648	3,117.84	11,031.53	0.00	33,616.47	24.71
TOTAL Finance	421,700	39,404.24	103,952.88	0.00	317,747.12	24.65
<u>Personnel</u>						
01-507-01100 PERSONNEL SALARY	40,111	2,470.45	7,352.82	0.00	32,758.18	18.33
01-507-01120 SAFETY SALARY	9,382	0.00	0.00	0.00	9,382.00	0.00
01-507-01215 TRAINING & EE EDUCATION	20,573	890.94	3,442.29	0.00	17,130.71	16.73
01-507-01905 EMPLOYMENT RECRUITING EXPE	19,300	3,218.52	6,167.06	0.00	13,132.94	31.95
01-507-01910 LABOR LEGAL FEES	30,000	5,541.30	10,532.40	0.00	19,467.60	35.11
01-507-07010 EMERGENCY PREPAREDNESS	8,500	0.00	0.00	0.00	8,500.00	0.00
01-507-98001 EE BENEFITS ALLOCATED	14,454	1,092.24	2,866.81	0.00	11,587.19	19.83
01-507-98003 OFFICE EXPENSE ALLOCATED	11,162	779.46	2,757.89	0.00	8,404.11	24.71
01-607-99600 PERSONNEL MANUAL/CLASS STU	0	0.00	0.00	0.00	0.00	0.00
TOTAL Personnel	153,482	13,992.91	33,119.27	0.00	120,362.73	21.58
<u>Legal</u>						
01-508-04000 LEGAL SERVICES	104,000	6,251.00	12,469.00	0.00	91,531.00	11.99
TOTAL Legal	104,000	6,251.00	12,469.00	0.00	91,531.00	11.99
<u>Bonds &amp; Loans</u>						
01-509-08110 I.D. #2 BONDS PYBLE-PRINCP	110,000	0.00	0.00	0.00	110,000.00	0.00
01-509-08115 CMM PRINCIPAL	89,000	89,000.00	89,000.00	0.00	0.00	100.00
01-509-08120 MORONGO BASIN PIPELINE	219,696	0.00	0.00	0.00	219,695.76	0.00
01-509-08210 INTEREST EXPENSE I.D. #2	11,250	0.00	0.00	0.00	11,250.00	0.00
01-509-08215 INTEREST EXPENSE - CMM	153,653	77,814.85	77,814.85	0.00	75,837.65	50.64
01-509-08220 INTEREST EXPENSE-UTILITY S	0	0.00	0.00	0.00	0.00	0.00
01-509-08315 ID #2 BONDS COLLECTION CHA	330	0.00	31.25	0.00	298.75	9.47
01-509-08320 GENERAL TAX COLLECTION CHA	1,296	0.00	26.34	0.00	1,269.66	2.03
01-509-08325 ADMINISTRATION - CMM	10,000	2,063.72	2,063.72	0.00	7,936.28	20.64
01-509-09205 MISC NON-OP EXPENSE	0	0.00	0.00	0.00	0.00	0.00
TOTAL Bonds & Loans	595,224	168,878.57	168,936.16	0.00	426,288.10	28.38
<u>HDMC Treatment Plant</u>						
01-520-03100 HDMC: CHEMICALS	0	0.00	0.00	0.00	0.00	0.00
01-520-04100 HDMC: CONTRACTED OPERATION	0	5,115.00	5,115.00	0.00	5,115.00	0.00
01-520-06100 HDMC: PUMPING POWER	0	0.00	0.00	0.00	0.00	0.00
TOTAL HDMC Treatment Plant	0	5,115.00	5,115.00	0.00	5,115.00	0.00
<u>Benefits Allocated</u>						
01-551-01210 COMPENSATED LEAVE	193,458	14,467.18	42,412.24	0.00	151,045.76	21.92
01-551-01215 CAFETERIA PLAN EXPENSE	203,880	15,888.28	40,046.80	0.00	163,833.20	19.64

01 -GENERAL FUND

% OF YEAR COMPLETED: 25.00

EXPENSES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
01-551-01220 GROUP INSURANCE EXPENSE	10,815	756.28	515.81	0.00	10,299.19	4.77
01-551-01225 WORKERS COMPENSATION INSUR	28,551	0.00	0.00	0.00	28,551.00	0.00
01-551-01230 RETIREMENT: PERS Classic 2	167,692	15,058.87	35,424.67	0.00	132,267.33	21.12
01-551-01231 RETIREMENT: PERS Tier 2 2%	0	306.33	714.73	0.00	( 714.73)	0.00
01-551-01232 RETIREMENT - TEMP	0	0.00	94.36	0.00	( 94.36)	0.00
01-551-01233 RETIREMENT - 457 CONTRIBUT	0	61.50	164.00	0.00	( 164.00)	0.00
01-551-01240 UNIFORMS	6,770	0.00	162.00	0.00	6,608.00	2.39
01-551-01245 ALLOWANCE AND ADJUSTMENTS	0	0.00	0.00	0.00	0.00	0.00
01-551-01305 PAYROLL TAXES	111,538	8,073.42	23,805.82	0.00	87,732.18	21.34
01-551-98000 ALLOCATED EXPENSES	( 722,704)	( 54,611.86)	( 143,340.43)	0.00	( 579,363.57)	19.83
TOTAL Benefits Allocated	0	0.00	0.00	0.00	0.00	0.00
<u>Field Allocated</u>						
01-552-02205 SHOP EXPENSE - COMBINED	10,462	1,245.49	2,665.37	0.00	7,796.63	25.48
01-552-02210 SMALL TOOLS EXPENSE - COMB	8,500	201.77	347.63	0.00	8,152.37	4.09
01-552-02215 SAFETY EXPENSE	5,100	( 7,150.00)	3,070.36	0.00	2,029.64	60.20
01-552-03205 TRACTOR/TOOL REPAIR	14,000	2,102.27	2,362.38	0.00	11,637.62	16.87
01-552-03905 BUILD'G REPAIR/MAINT-SHOP/	8,200	835.00	1,572.83	0.00	6,627.17	19.18
01-552-05005 FUEL-VEHICLES	39,500	7,476.32	8,782.44	0.00	30,717.56	22.23
01-552-05010 AUTO EXPENSE	31,100	2,392.47	3,311.53	0.00	27,788.47	10.65
01-552-05015 EQUIPMENT CLEARING ACCOUNT	0	0.00	0.00	0.00	0.00	0.00
01-552-06305 COMMUNICATIONS	15,000	1,819.12	3,882.55	0.00	11,117.45	25.88
01-552-07005 REGULATORY, PERMITS, ETC	13,200	0.00	0.00	0.00	13,200.00	0.00
01-552-98000 ALLOCATED EXPENSES	( 145,062)	( 8,922.44)	( 25,995.09)	0.00	( 119,066.91)	17.92
TOTAL Field Allocated	0	0.00	0.00	0.00	0.00	0.00
<u>Office allocated</u>						
01-553-01405 TEMPORARY LABOR FEES	10,000	1,964.76	4,743.64	0.00	5,256.36	47.44
01-553-02105 OFFICE SUPPLIES & EQUIPMEN	43,894	3,489.38	9,222.57	0.00	34,671.03	21.01
01-553-02110 POSTAGE	23,200	579.03	4,115.11	0.00	19,084.89	17.74
01-553-03905 BUILDING REPAIR/MAINT - OF	17,200	1,982.12	3,514.77	0.00	13,685.23	20.43
01-553-04015 COMPUTER SUPPORT & LICENSE	92,146	3,498.90	21,524.94	0.00	70,620.94	23.36
01-553-06205 TELEPHONE AND UTILITIES	36,800	4,075.02	12,036.63	0.00	24,763.37	32.71
01-553-98000 ALLOCATED EXPENSES	( 223,240)	( 15,589.21)	( 55,157.66)	0.00	( 168,082.34)	24.71
TOTAL Office allocated	( 1)	0.00	0.00	0.00	( 0.52)	0.00
<u>Non-departmental</u>						
01-599-00100 EQUIPMENT & TECH RESERVE	100,000	0.00	0.00	0.00	100,000.00	0.00
01-599-00200 WELL/BOOSTER RESERVE	50,000	0.00	0.00	0.00	50,000.00	0.00
01-599-00300 OPERATIONAL RESERVE & COLA	51,308	0.00	0.00	0.00	51,308.00	0.00
01-599-00400 BUDGET CLEARING	84,945	0.00	0.00	0.00	84,945.00	0.00
01-599-00500 OVERHEAD 17 (OTHER-90/53)	86,000	0.00	0.00	0.00	( 86,000.00)	0.00
01-599-00510 OVERHEAD 16 (LABOR-80/5390	0	0.00	0.00	0.00	0.00	0.00
01-599-08999 UNCOLLECTABLE STANDBYS	0	0.00	0.00	0.00	0.00	0.00
TOTAL Non-departmental	200,253	0.00	0.00	0.00	200,253.00	0.00
TOTAL EXPENSES	4,481,191	442,364.44	871,773.31	0.00	3,609,417.72	19.45
REVENUE OVER/(UNDER) EXPENSES	350,623	1,484,093.82	2,503,744.32	0.00	( 2,153,121.79)	714.09

JOSHUA BASIN WATER DISTRICT  
AGENDA REPORT

Meeting of the Board of Directors

December 18, 2013

Report to: President and Members of the Board

From: Susan Greer 

TOPIC:  
12/13 AUDIT REPORT PRESENTATION FROM CHARLES Z. FEDAK & COMPANY, CPA'S

RECOMMENDATION:  
Receive presentation, ask questions, accept and file report

ANALYSIS:  
Our auditor, Paul Kaymark from Charles Z. Fedak & Company, will be at the meeting to give the presentation of the 12/13 audited financial statements. The report was presented to the Finance Committee on November 19.

The easiest read of the financial report is located at the front of the document, within the sections entitled Management's Discussion and Analysis (pages 3-6), and includes summary information.

Operating revenues decreased 6.4%. Total revenues (operating and non-operating) also decreased \$273,000 or 5.5%. This is a combination of decreased water sales and decreased standby charges. For standby charges, the anomaly was really fiscal year 11/12, with a big increase to standby revenues based on data we receive annually from the County. Normally, the report from the County indicates that we are owed less than we have on our books and we reduce revenues accordingly, as was done again the 12/13 year, which represents a normal amount of standby revenue.

Operating expenses before depreciation decreased \$6,089—really unchanged in the scheme of total operating expenses of \$3.2 million.

Net assets increased 15.4%, due primarily to the HDMC note receivable, work in progress (HDMC wastewater project, recharge project) and grants receivable.

Operating income before depreciation expense decreased from \$1,047,624 to \$778,805, or 25.6%, due to the decreases in revenues described above. After depreciation expense, operating loss increased from a loss of \$204,056 to a loss of \$487,825.

Operating loss results partially from the Board's desire to maintain lower water rates and instead offset operating expenses with non-operating revenues such as property taxes. Many public agencies such as ours run with an operating loss, balancing operating costs with non-operating revenues, such as tax revenues. Last year, non-operating revenues exceeded non-operating expenses by \$421,989, but when we add the operating loss of \$487,825, we have a net loss for the year of \$65,836 compared to net income of \$197,918 last year. Ordinarily, our operating and non-operating revenues combined exceed



our operating and non-operating expenses. Grants and other capital contributions provided the cash inflows that still allowed us to increase our net assets.

The District paid down its debt from \$3,873,438 to \$3,548,000 during the year, leaving only one debt issue; the Copper Mountain Mesa Assessment District, paid by assessments to the property owners in the area.

At the back of the audit report, you will find the Report on Internal Controls and Compliance. Again, no deficiencies in internal controls, material weaknesses or significant deficiencies were observed or identified during the audit. A Management Report from the Auditor is also attached.

The annual presentation of the audit report represents the culmination of tremendous effort on the part of the Finance Department, and Anne Roman, in particular. My finance team, including Anne, along with Patricia Freeman, Autumn Rich and Shirley Bolha, are a skilled and dedicated group and I am grateful for their hard work. They are very talented and the result of their hard work, the audit, speaks for itself. Again, we have no audit findings or problems with internal controls and only two audit entries. I take a lot of pride in being able to provide this report to the Board, but the credit truly belongs to my team who handle the thousands of transactions on a day-to-day basis that go into the annual financial report.

STRATEGIC PLAN ITEM:

N/A

FISCAL IMPACT:

N/A

*50th Anniversary 1963-2013*



**Joshua Basin Water District**

**Annual Financial Report**

**For the Fiscal Years Ended June 30, 2013 and 2012**



**Charles Z. Fedak & Company**

Certified Public Accountants  
An Accountancy Corporation



**Joshua Basin Water District  
Board of Directors as of June 30, 2013**

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Elected/ Appointed</u></b>	<b><u>Current Term</u></b>
Mickey Luckman	President	Elected	12/12-12/16
Victoria Fuller	Vice President	Elected	12/12-12/14
Paul Frank Coate	Director	Elected	12/12-12/16
Michael Reynolds	Director	Elected	12/12-12/16
Gary L. Wilson	Director	Elected	12/10-12/14

**Joshua Basin Water District  
Susan Greer, Interim General Manager  
61750 Chollita Road  
Joshua Tree, California 92252-0675  
(760) 366-8438 – [www.jbwd.com](http://www.jbwd.com)**

**Joshua Basin Water District**  
**Annual Financial Report**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**Joshua Basin Water District  
Annual Financial Report  
For the Fiscal Years Ended June 30, 2013 and 2012**

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## **Financial Section**





Charles Z. Fedak, CPA, MBA  
Paul J. Kaymark, CPA  
Christopher J. Brown, CPA

## Charles Z. Fedak & Company

Certified Public Accountants  
An Accountancy Corporation

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### Independent Auditor's Report

Board of Directors  
Joshua Basin Water District  
Joshua Tree, California

#### Report on the Financial Statements

We have audited the accompanying financial statements of the Joshua Basin Water District (District) as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2013 and 2012, and the respective changes in financial position, and, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.



## Independent Auditor's Report, continued

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 and the required supplementary information on page 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. This report can be found on pages 27 and 28.

**Charles Z. Fedak and Company, CPAs – An Accountancy Corporation**  
Cypress, California  
September 30, 2013

**Joshua Basin Water District**  
***Management's Discussion and Analysis***  
**For the Fiscal Years Ended June 30, 2013 and 2012**

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Joshua Basin Water District (District) provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2013 and 2012. The two year presentation is provided for comparative purposes. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

**Financial Highlights**

- The District's net position increased 15.4%, or \$4,478,194 to \$33,581,618 in fiscal year 2013, as a result of operations.
- In 2013, the District's operating revenues decreased 6.4%, or \$274,908, primarily due to a decrease in all operating revenue categories.
- In 2013, the District's operating expenses before depreciation decreased only \$6,089.

**Required Financial Statements**

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

**Financial Analysis of the District**

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the District in a way that helps answer this question.

**Joshua Basin Water District**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**Financial Analysis of the District, continued**

These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's *net position* and changes in them. You can think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation, such as changes in Federal and State water quality standards.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 11 through 25.

**Statement of Net Position**

	Condensed Statements of Net Position				
	2013	2012	Change	2011	Change
<b>Assets:</b>					
Current assets	\$ 6,976,260	6,756,057	220,203	6,323,612	432,445
Non-current assets	-	37,654	(37,654)	36,934	720
Capital assets, net	32,428,751	26,741,763	5,686,988	23,475,191	3,266,572
<b>Total assets</b>	<b>39,405,011</b>	<b>33,535,474</b>	<b>5,869,537</b>	<b>29,835,737</b>	<b>3,699,737</b>
<b>Liabilities:</b>					
Current liabilities	3,407,832	673,494	2,734,338	925,474	(251,980)
Non-current liabilities	3,460,107	3,758,556	(298,449)	3,949,785	(191,229)
<b>Total liabilities</b>	<b>6,867,939</b>	<b>4,432,050</b>	<b>2,435,889</b>	<b>4,875,259</b>	<b>(443,209)</b>
<b>Net position:</b>					
Net investment in capital assets	28,969,751	22,868,325	6,101,426	23,231,058	(362,733)
Unrestricted	4,611,867	6,235,099	(1,623,232)	5,540,725	694,374
<b>Total net position</b>	<b>33,581,618</b>	<b>29,103,424</b>	<b>4,478,194</b>	<b>28,771,783</b>	<b>331,641</b>
<b>Total liabilities and net position</b>	<b>\$ 40,449,557</b>	<b>33,535,474</b>	<b>6,914,083</b>	<b>33,647,042</b>	<b>(111,568)</b>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets of the District exceeded liabilities by \$33,581,618 and \$29,103,424 as of June 30, 2013 and 2012, respectively.

By far the largest portion of the District's net position (86% as of June 30, 2013, and 78% as of June 30, 2012) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are not available for future spending.

At the end of fiscal years 2013 and 2012, the District showed a positive balance in its unrestricted net position of \$4,611,867 and \$6,235,099, respectively, which may be utilized in future years. See note 10 for further information.

**Joshua Basin Water District**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**Statement of Revenues, Expenses and Changes in Net Position**

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2013	2012	Change	2011	Change
<b>Revenue:</b>					
Operating revenue	\$ 3,992,528	4,267,436	(274,908)	4,017,318	250,118
Non-operating revenue	816,923	814,764	2,159	895,460	(80,696)
<b>Total revenue</b>	<b>4,809,451</b>	<b>5,082,200</b>	<b>(272,749)</b>	<b>4,912,778</b>	<b>169,422</b>
<b>Expense:</b>					
Operating expense	3,213,723	3,219,812	(6,089)	3,186,794	33,018
Depreciation	1,266,630	1,251,680	14,950	1,134,312	117,368
Non-operating expense	394,934	412,790	(17,856)	497,985	(85,195)
<b>Total expense</b>	<b>4,875,287</b>	<b>4,884,282</b>	<b>(8,995)</b>	<b>4,819,091</b>	<b>65,191</b>
<b>Net income(loss) before capital</b>	<b>(65,836)</b>	<b>197,918</b>	<b>(263,754)</b>	<b>93,687</b>	<b>104,231</b>
<b>Capital contributions:</b>	<b>4,544,030</b>	<b>133,723</b>	<b>4,410,307</b>	<b>710,479</b>	<b>(576,756)</b>
Change in net position	4,478,194	331,641	4,146,553	804,166	(472,525)
<b>Net position, beginning of year</b>	<b>29,103,424</b>	<b>28,771,783</b>	<b>331,641</b>	<b>27,967,617</b>	<b>804,166</b>
<b>Net position, end of year</b>	<b>\$ 33,581,618</b>	<b>29,103,424</b>	<b>4,478,194</b>	<b>28,771,783</b>	<b>331,641</b>

The statement of revenues, expenses and changes of net position shows how the District's net position changed during the fiscal years. In the case of the District, the District's change in net position increased by \$4,478,194 and \$331,641 for the fiscal years ended June 30, 2013 and 2012, respectively.

A closer examination of the sources of changes in net position reveals that:

In 2013, the District's operating revenues decreased 6.4%, or \$274,908, primarily due to a decrease in all operating revenue categories.

In 2013, the District's operating expenses before depreciation decreased only \$6,089.

**Capital Asset Administration**

Changes in capital asset amounts for 2013 were as follows:

	Balance 2012	Additions	Transfers/ Deletions	Balance 2013
<b>Capital assets:</b>				
Non-depreciable assets	\$ 3,398,680	6,898,426	(324,043)	9,973,063
Depreciable assets	43,769,621	379,235	(312,799)	43,836,057
Accumulated depreciation	(20,426,538)	(1,266,630)	312,799	(21,380,369)
<b>Total capital assets, net</b>	<b>\$ 26,741,763</b>	<b>6,011,031</b>	<b>(324,043)</b>	<b>32,428,751</b>

Changes in capital asset amounts for 2012 were as follows:

	Balance 2011	Additions	Transfers/ Deletions	Balance 2012
<b>Capital assets:</b>				
Non-depreciable assets	\$ 3,811,305	706,947	(1,119,572)	3,398,680
Depreciable assets	42,704,062	1,119,572	(54,013)	43,769,621
Accumulated depreciation	(19,228,871)	(1,251,680)	54,013	(20,426,538)
<b>Total capital assets, net</b>	<b>\$ 27,286,496</b>	<b>574,839</b>	<b>(1,119,572)</b>	<b>26,741,763</b>

At the end of fiscal year 2013 and 2012, the District's investment in capital assets amounted to \$32,428,751 and \$26,741,763 (net of accumulated depreciation), respectively. This investment in capital assets includes land, transmission and distribution systems, buildings, equipment, vehicles and construction-in-process, etc. See note 6 for further information.

**Joshua Basin Water District**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**Debt Administration**

Changes in long-term debt amounts for 2013 were as follows:

	<u>Balance 2013</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2013</u>
Long-term debt:				
Bonds payable	\$ 3,873,438	562	(415,000)	3,459,000
Total long-term debt	<u>\$ 3,873,438</u>	<u>562</u>	<u>(415,000)</u>	<u>3,459,000</u>

Changes in long-term debt amounts for 2012 were as follows:

	<u>Balance 2011</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2012</u>
Long-term debt:				
Bonds payable	\$ 4,055,438	-	(182,000)	3,873,438
Total long-term debt	<u>\$ 4,055,438</u>	<u>-</u>	<u>(182,000)</u>	<u>3,873,438</u>

See note 8 for further information.

**Conditions Affecting Current Financial Position**

Management is unaware of any conditions which could have a significant impact on the District's current financial position, net position or operating results based on past, present and future events.

**Requests for Information**

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's Assistant General Manager/Controller at 61750 Chollita Road, Joshua Tree, California 92252-0675 – (760) 366-8438.

## **Basic Financial Statements**

**Joshua Basin Water District**  
**Statements of Net Assets**  
**June 30, 2013 and 2012**

<i>Assets</i>	<b>2013</b>	<b>2012</b>
<b>Current assets:</b>		
Cash and cash equivalents (note 2)	\$ 3,561,974	5,389,847
Accrued interest receivable	6,199	4,730
Accounts receivable – water sales and services, net (note 3)	990,781	922,216
Property taxes receivable	41,620	34,617
Special assessments receivable	140,388	150,822
Grants receivable	2,030,434	-
Accounts receivable – other	14,782	25,136
Materials and supplies inventory	116,716	153,184
Prepaid expenses and other deposits	73,366	75,505
<b>Total current assets</b>	<u>6,976,260</u>	<u>6,756,057</u>
<b>Non-current assets:</b>		
Note receivable – property tax from state (note 4)	-	37,654
Note receivable – Hi-Desert Medical Center (note 5)	1,044,546	-
Capital assets – not being depreciated (note 6)	9,973,063	3,398,680
Capital assets, net – being depreciated (note 6)	22,455,688	23,343,083
<b>Total non-current assets</b>	<u>33,473,297</u>	<u>26,779,417</u>
<b>Total assets</b>	<u>\$ 40,449,557</u>	<u>33,535,474</u>
<b><i>Liabilities and Net Position</i></b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 241,898	146,872
Accrued wages and related payables	67,233	64,080
Customer deposits and deferred revenue	175,412	188,842
Construction and retentions payable	1,037,312	-
Construction deposits and deferred revenue	1,715,065	-
Accrued interest payable	51,877	58,660
Long-term liabilities – due within one year:		
Compensated absences (note 7)	30,035	25,040
Bonds payable (note 8)	89,000	190,000
<b>Total current liabilities</b>	<u>3,407,832</u>	<u>673,494</u>
<b>Non-current liabilities:</b>		
Long-term liabilities – due in more than one year:		
Compensated absences (note 7)	90,107	75,118
Bonds payable (note 8)	3,370,000	3,683,438
<b>Total non-current liabilities</b>	<u>3,460,107</u>	<u>3,758,556</u>
<b>Total liabilities</b>	<u>6,867,939</u>	<u>4,432,050</u>
<b>Net position:</b>		
Net investment in capital assets (note 9)	28,969,751	22,868,325
Unrestricted (note 10)	4,611,867	6,235,099
<b>Total net position</b>	<u>33,581,618</u>	<u>29,103,424</u>
	<u>\$ 40,449,557</u>	<u>33,535,474</u>

See accompanying notes to the basic financial statements

**Joshua Basin Water District**  
**Statements of Revenues, Expenses and Changes in Net Assets**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Operating revenues:</b>		
Water consumption sales	\$ 1,364,490	1,448,441
Water service charges	1,367,437	1,362,325
Standby service charges	1,134,335	1,302,280
Other charges for services	126,266	154,390
<b>Total operating revenues</b>	<b>3,992,528</b>	<b>4,267,436</b>
<b>Operating expenses:</b>		
Pumping, production and treatment	795,220	841,399
Transmission and distribution	524,081	433,839
Customer service	598,696	576,438
General and administrative	1,295,726	1,368,136
<b>Total operating expenses</b>	<b>3,213,723</b>	<b>3,219,812</b>
Operating income before depreciation expense	778,805	1,047,624
Depreciation expense – capital recovery	(1,266,630)	(1,251,680)
<b>Operating loss</b>	<b>(487,825)</b>	<b>(204,056)</b>
<b>Non-operating revenue(expense):</b>		
Property taxes	390,640	396,283
Special assessments for debt service	370,682	398,443
Investment earnings	13,459	17,713
Morongo Basin pipeline (note 10)	(219,797)	(219,544)
Interest expense	(164,250)	(180,869)
Debt administration charges	(9,922)	(11,174)
Property tax administration charge	(965)	(1,203)
Other non-operating revenue, net	42,142	2,325
<b>Total non-operating, net</b>	<b>421,989</b>	<b>401,974</b>
<b>Net income(loss) before capital contributions</b>	<b>(65,836)</b>	<b>197,918</b>
<b>Capital contributions:</b>		
Water capacity charges	121,754	47,803
Wastewater capacity charges	99,802	85,920
Contributed capital	423,952	-
State capital grant	2,030,434	-
Local capital grant	1,868,088	-
<b>Total capital contributions</b>	<b>4,544,030</b>	<b>133,723</b>
<b>Change in net position</b>	<b>4,478,194</b>	<b>331,641</b>
<b>Net position, beginning of year</b>	<b>29,103,424</b>	<b>28,771,783</b>
<b>Net position, end of year</b>	<b>\$ 33,581,618</b>	<b>29,103,424</b>

See accompanying notes to the basic financial statements



**Joshua Basin Water District**  
**Statements of Cash Flows**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Cash flows from operating activities:</b>		
Cash receipts from customers for water sales and services	\$ 3,976,459	3,907,746
Cash paid to employees for salaries and wages	(1,405,320)	(1,501,249)
Cash paid to vendors and suppliers for materials and services	(1,895,747)	(2,204,022)
Net cash provided by operating activities	675,392	202,475
<b>Cash flows from non-capital financing activities:</b>		
Property taxes	383,637	391,727
Proceeds from note receivable – property tax from state	37,654	-
Net cash provided by non-capital financing activities	421,291	391,727
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets	(6,953,618)	(706,947)
Capital contributions	2,513,596	424,723
Issuance of note receivable – Hi-Desert Medical Center	(1,119,156)	-
Payments received for note receivable	74,610	-
Increase in construction and retentions payable	1,037,312	-
Increase in construction deposits and deferred revenue	1,715,065	-
Special assessments for debt service	381,116	386,800
Principle paid	(414,438)	(182,000)
Interest paid	(171,033)	(187,062)
Net cash used in capital and related financing activities	(2,936,546)	(264,486)
<b>Cash flows from investing activities:</b>		
Investment earnings	11,990	18,113
Net cash provided by investing activities	11,990	18,113
<b>Net increase(decrease) in cash and cash equivalents</b>	(1,827,873)	347,829
<b>Cash and cash equivalents, beginning of year</b>	5,389,847	5,042,018
<b>Cash and cash equivalents, end of year</b>	\$ 3,561,974	5,389,847

*Continued on next page*

See accompanying notes to the basic financial statements

**Joshua Basin Water District**  
**Statements of Cash Flows, continued**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**Reconciliation of operating loss to net cash provided by operating activities:**

	<u>2013</u>	<u>2012</u>
<b>Operating loss</b>	\$ (487,825)	(204,056)
<b>Adjustments to reconcile operating loss to net cash provided by operating activities:</b>		
Deprecation	1,266,630	1,251,680
Morongo Basin pipeline	(219,797)	(219,544)
Debt administration charges	(9,922)	(11,174)
Property tax administration charge	(965)	(1,203)
Other non-operating revenue, net	42,142	2,325
<b>Changes in assets and liabilities:</b>		
(Increase)decrease in assets:		
Accounts receivable – water sales and services, net	(68,565)	(364,541)
Accounts receivable – other	10,354	2,526
Materials and supplies inventory	36,468	2,702
Prepaid expenses and other deposits	2,139	(1,224)
Increase(decrease) in liabilities:		
Accounts payable and accrued expenses	95,026	(153,084)
Accrued wages and related payables	3,153	(1,211)
Customer deposits and deferred revenue	(13,430)	(99,083)
Compensated absences	19,984	(1,638)
Total adjustments	<u>1,163,217</u>	<u>406,531</u>
Net cash provided by operating activities	<u>\$ 675,392</u>	<u>202,475</u>

See accompanying notes to the basic financial statements

**Joshua Basin Water District**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**(1) Reporting Entity and Summary of Significant Accounting Policies**

**A. Organization and Operations of the Reporting Entity**

The Joshua Basin Water District (District) was organized in January 1963, under provisions of Division 12 of the Water Code of the State of California. The purpose of the District is to finance, construct, operate and maintain a water system and wastewater system to serve properties within the District's boundaries. The District services approximately 96 square miles in the unincorporated area of Joshua Tree, located in the Morongo Basin of San Bernardino County. The District is governed by a Board of Directors made up of five members elected by the qualified voters in the District.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Statements No. 61, *The Financial Reporting Entity*. The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

**B. Basis of Accounting and Measurement Focus**

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales), capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and water purchases, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

**C. Financial Reporting**

The District's basic financial statements are prepared in accordance with Generally Accepted Accounting Principles in the United States of America (GAAP) issued by the Governmental Accounting Standards Board (GASB) applicable to governmental entities that use proprietary fund accounting, including GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Revenues are recognized when earned, and costs and expenses are recognized when incurred.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* effective for financial statements for periods beginning after December 15, 2011. The District implemented this new pronouncement in the current year. The effect of the implementation of this statement to the District is limited to renaming of *Net Assets* to *Net Position*.

**Joshua Basin Water District**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Liabilities and Net Position**

**1. Use of Estimates**

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

**2. Cash and Cash Equivalents**

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

**3. Investments**

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

**4. Accounts Receivable and Allowance for Uncollectible Accounts**

The District extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the District uses the allowance method for the reservation and write-off of those accounts.

**5. Property Taxes and Assessments**

The San Bernardino County Assessor's Office assesses all real and personal property within the County each year. The San Bernardino County Tax Collector's Offices bills and collects the District's share of property taxes and assessments. The San Bernardino County Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

Property taxes receivable at year-end are related to property taxes collected by the San Bernardino County which have not been credited to the District's cash balance as of June 30. The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

**6. Materials and Supplies Inventory**

Materials and supplies inventory consists primarily of water meters, pipe and pipefittings for construction and repair to the District's water transmission and distribution system. Inventory is valued at cost using the weighted-average method. Inventory items are charged to expense at the time that individual items are withdrawn from inventory or consumed.

**7. Prepaid Expenses**

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

**Joshua Basin Water District**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Liabilities and Net Position, continued**

**8. Capital Assets**

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Transmission and distribution system – 3 to 50 years
- Structures and improvements – 10 to 30 years
- Vehicles and large equipment – 5 to 10 years
- Office furniture and equipment – 5 to 10 years
- Water rights – 25 years
- Wastewater system in development – 15 years
- Surveys and plans – 2 to 5 years

**9. Compensated Absences**

The District's policy is to permit employees to accumulate earned vacation up to a total of 400 hours, with amounts exceeding the limit being paid out as part of the employee's regular compensation. Upon termination of employment, employees are paid all unused vacation and forfeit any unused sick time.

**10. Net Position**

The financial statements utilize a net position presentation. Net position is categorized as follows:

- **Investment in Capital Assets, Net of Related Debt** – This component of net position consists of capital assets, net of accumulated depreciation and reduced by any outstanding debt against the acquisition, construction or improvement of those assets.
- **Restricted Net Position** – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – This component of net position consists of net position that do not meet the definition of *restricted* or *investment in capital assets, net of related debt*.

**11. Water Sales and Services**

Water sales are billed on a monthly cyclical basis and recognize the respective revenues when they are earned.

**12. Capital Contributions**

Capital contributions represent cash and capital asset additions contributed to the District by property owners, granting agencies or real estate developers desiring services that require capital expenditures or capacity commitment.

**13. Budgetary Policies**

The District adopts a bi-annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

**Joshua Basin Water District**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**E. Implementation of New Accounting Pronouncements**

For the year ended June 30, 2013, the District implemented the following Governmental Accounting Standards Board pronouncements:

***Governmental Accounting Standards Board Statement No. 60***

In November 2010, the GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This standard addresses how to account for and report service concession arrangements, a type of public-private or public-public partnership that state and local governments are increasingly entering into. There were no Concession Arrangements entered into by the District.

***Governmental Accounting Standards Board Statement No. 61***

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity, Omnibus*. This standard is designed to improve financial reporting for governmental entities by amending the requirements of GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 34, *Basic Financial Statement and Management's Discussion and Analysis for State and local Governments*.

***Governmental Accounting Standards Board Statement No. 62***

In December 2010, The GASB issued Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

Hereinafter, these pronouncements collectively are referred to as the ***FASB & AICPA pronouncements***. This Statement also supersedes Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in paragraph 7 of that statement for enterprise funds and business-type activities to apply post-November 30, 1989, FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989, FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement.

***Governmental Accounting Standards Board Statement No. 63***

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This standard is designed to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as ***Net Position***, rather than ***Net Assets***.

***Governmental Accounting Standards Board Statement No. 65***

In March 2012, the GASB issued Statement No. 65 – *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

**Joshua Basin Water District  
Notes to the Financial Statements  
For the Fiscal Years Ended June 30, 2013 and 2012**

**(2) Cash and Investments**

Cash and investments as of June 30, consist of the following:

	2013	2012
Cash on hand	\$ 2,100	2,100
Deposits with financial institutions	159,003	207,449
Deposits in Local Agency Investment Fund	3,400,871	5,180,298
Total cash and investments	\$ 3,561,974	5,389,847

As of June 30, the District's authorized deposits had the following maturities:

	2013	2012
Deposits in Local Agency Investment Fund	278 days	270 days

***Investments Authorized by the California Government Code and the District's Investment Policy***

The District is legally empowered by statute and resolution to invest in money-market funds and to invest in the California State Investment Pool – Local Agency Investment Fund. The District's investment policy identifies other investment types that are authorized for the District to invest in under the California Government Code.

***Investment in State Investment Pool***

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

***Custodial Credit Risk***

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits.

**Joshua Basin Water District**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**(2) Cash and Investments, continued**

***Custodial Credit Risk, continued***

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Of the bank balances, up to \$250,000 held at each institution were federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Code and the District's investment policy contains legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

***Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

***Credit Risk***

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

***Concentration of Credit Risk***

The District's investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than for external investment pools) that represent 5% or more of total District's investments at June 30, 2013 and 2012, respectively.

**(3) Accounts Receivable – Water Sales and Services, net**

Accounts receivable – water sales and services, net consisted of the following as of June 30:

	2013	2012
Accounts receivable – water sales	\$ 259,626	280,471
Unbilled water sales receivables	214,998	226,713
Standby charges receivables	645,089	705,032
Allowance for doubtful accounts	(128,932)	(290,000)
Total accounts receivable, net	\$ 990,781	922,216



**Joshua Basin Water District**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**(4) Note Receivable – Property Tax from State**

Under the provisions of the State of California Proposition 1A and as part of the 2010 fiscal year State of California budget package passed by the California State Legislature on July 28, 2009, the State of California borrowed 8.0% of the amount of property tax revenue apportioned to cities, counties and special districts. The State of California is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California State Legislature may consider only one additional borrowing within a ten-year period. The amount of the borrowing pertaining to the District was \$35,975. The borrowing was paid in full by the State of California on June 14, 2013.

**(5) Note Receivable – Hi-Desert Medical Center**

On July 1, 2012, the District executed a note receivable with the Hi-Desert Medical Center for \$1,119,156 for capacity charges due for sanitary sewer service to the Hi-Desert Medical Center Wastewater Treatment Plant. The note is to be repaid over a 15-year period (\$74,610 principal per year) with interest charged at the quarterly LAIF interest earnings rate. As of June 30, 2013, the note principal balance remaining was \$1,044,546. Accrued interest receivable on the note was \$3,111 and included in the accrued interest receivable balance at June 30, 2013.

**(6) Capital Assets**

Major capital assets additions during the years include upgrades and extensions of the District's water transmission and distribution systems and equipment purchases in the following schedules:

Changes in capital assets for the year ended June 30, 2013 were as follows:

	<u>Balance 2012</u>	<u>Additions/</u>	<u>Deletions/ Transfers</u>	<u>Balance 2013</u>
Non-depreciable assets:				
Land and land rights	\$ 508,177	-	-	508,177
Construction-in-process	2,890,503	6,898,426	(324,043)	9,464,886
Total non-depreciable assets	<u>3,398,680</u>	<u>6,898,426</u>	<u>(324,043)</u>	<u>9,973,063</u>
Depreciable assets:				
Transmission and distribution system	39,412,570	345,924	(132,043)	39,626,451
Structures and improvements	835,025	15,258	-	850,283
Vehicles and large equipment	1,504,515	13,053	(164,141)	1,353,427
Office furniture and equipment	1,168,040	5,000	(16,615)	1,156,425
Water rights	263,759	-	-	263,759
Wastewater system in development	22,419	-	-	22,419
Surveys and plans	563,293	-	-	563,293
Total depreciable assets	<u>43,769,621</u>	<u>379,235</u>	<u>(312,799)</u>	<u>43,836,057</u>
Accumulated depreciation:				
Transmission and distribution mains	(17,593,689)	(1,058,169)	132,043	(18,519,815)
Structures and improvements	(330,084)	(27,452)	-	(357,536)
Vehicles and large equipment	(845,863)	(78,484)	164,141	(760,206)
Office furniture and equipment	(902,235)	(87,826)	16,615	(973,446)
Water rights	(182,033)	(10,216)	-	(192,249)
Wastewater system in development	(9,341)	(4,483)	-	(13,824)
Surveys and plans	(563,293)	-	-	(563,293)
Total accumulated depreciation	<u>(20,426,538)</u>	<u>(1,266,630)</u>	<u>312,799</u>	<u>(21,380,369)</u>
Total depreciable assets, net	<u>23,343,083</u>	<u>(887,395)</u>	<u>-</u>	<u>22,455,688</u>
<b>Total capital assets, net</b>	<b>\$ <u>26,741,763</u></b>	<b><u>6,011,031</u></b>	<b><u>(324,043)</u></b>	<b><u>32,428,751</u></b>

**Joshua Basin Water District**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**(6) Capital Assets, continued**

Changes in capital assets for the year ended June 30, 2012 were as follows:

	<u>Balance 2011</u>	<u>Additions/</u>	<u>Deletions/ Transfers</u>	<u>Balance 2012</u>
Non-depreciable assets:				
Land and land rights	\$ 496,400	11,777	-	508,177
Construction-in-process	3,314,905	695,170	(1,119,572)	2,890,503
Total non-depreciable assets	<u>3,811,305</u>	<u>706,947</u>	<u>(1,119,572)</u>	<u>3,398,680</u>
Depreciable assets:				
Transmission and distribution system	38,532,051	880,519	-	39,412,570
Structures and improvements	821,390	17,298	(3,663)	835,025
Vehicles and large equipment	1,358,624	145,891	-	1,504,515
Office furniture and equipment	1,145,237	22,803	-	1,168,040
Water rights	263,759	-	-	263,759
Wastewater system in development	22,419	-	-	22,419
Surveys and plans	560,582	53,061	(50,350)	563,293
Total depreciable assets	<u>42,704,062</u>	<u>1,119,572</u>	<u>(54,013)</u>	<u>43,769,621</u>
Accumulated depreciation:				
Transmission and distribution mains	(16,705,272)	(888,417)	-	(17,593,689)
Structures and improvements	(305,303)	(28,444)	3,663	(330,084)
Vehicles and large equipment	(769,312)	(76,551)	-	(845,863)
Office furniture and equipment	(815,112)	(87,123)	-	(902,235)
Water rights	(171,817)	(10,216)	-	(182,033)
Wastewater system in development	(4,857)	(4,484)	-	(9,341)
Surveys and plans	(457,198)	(156,445)	50,350	(563,293)
Total accumulated depreciation	<u>(19,228,871)</u>	<u>(1,251,680)</u>	<u>54,013</u>	<u>(20,426,538)</u>
Total depreciable assets, net	<u>23,475,191</u>	<u>(132,108)</u>	<u>-</u>	<u>23,343,083</u>
<b>Total capital assets, net</b>	<u>\$ 27,286,496</u>	<u>574,839</u>	<u>(1,119,572)</u>	<u>26,741,763</u>

***Construction-In-Process***

The District is involved in various construction projects throughout the year. Once completed, projects are capitalized and depreciated over the life of the asset. The balance of construction-in-process was \$2,890,503 as of June 30, 2013, as follows:

Construction-in-process consisted of the following projects as of June 30:

<u>Project Description</u>	<u>2013</u>	<u>2012</u>
HDMC wastewater project	\$ 2,505,095	-
Water recharge pond	2,010,722	1,804,179
Water recharge pipe	4,193,567	362,070
Grading for new tank	234,850	138,069
Earthquake shut-off valves	166,180	-
Various other minor projects < \$100,000	354,472	586,185
Total construction-in-process	<u>\$ 9,464,886</u>	<u>2,890,503</u>

**Joshua Basin Water District**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**(7) Compensated Absences**

Changes to compensated absences for 2013, were as follows:

	<u>Balance 2012</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2013</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$	100,158	245,722	(225,738)	120,142	30,035	90,107

Changes to compensated absences for 2012, were as follows:

	<u>Balance 2011</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2012</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$	101,796	203,395	(205,033)	100,158	25,040	75,118

**(8) Long-Term Debt**

Changes in long-term debt amounts for the year were as follows:

	<u>Balance 2012</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 2013</u>	<u>Current Portion</u>
Long-term debt:					
Bonds payable:					
1974 General obligation bonds	\$ 330,000	-	(330,000)	-	-
1996 Limited obligation improvement bonds	3,543,438	562	(85,000)	3,459,000	89,000
Total bonds payable	<u>\$ 3,873,438</u>	<u>562</u>	<u>(415,000)</u>	<u>3,459,000</u>	<u>89,000</u>

Changes in long-term debt amounts for the year were as follows:

	<u>Balance 2011</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 2012</u>	<u>Current Portion</u>
Long-term debt:					
Bonds payable:					
1974 General obligation bonds	\$ 430,000	-	(100,000)	330,000	105,000
1996 Limited obligation improvement bonds	3,625,438	-	(82,000)	3,543,438	85,000
Total bonds payable	<u>\$ 4,055,438</u>	<u>-</u>	<u>(182,000)</u>	<u>3,873,438</u>	<u>190,000</u>

**1974 General Obligation Bonds**

In 1974, the District authorized and issued general obligation bonds in the amount of \$2.0 million at an interest rate of 5.00%. As of June 30, 2013, the District repaid the outstanding debt in full.

**1996 Limited Obligation Improvement Bonds**

In March 1996, the District authorized the issuance of \$4,551,389 in Copper Mountain Mesa limited obligation improvement bonds pursuant to the provisions of the Municipal Improvement Act of 1913. The bonds are payable solely from and secured solely by special assessments on property parcels and the amounts held by the District. The District is not obligated to, but may in its sole discretion, advance available surplus funds from the District treasury. The bonds bear interest at 4.5% per annum. Principal and interest are payable on March 2<sup>nd</sup> and September 2<sup>nd</sup> of each year as follows:

**Joshua Basin Water District**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**(8) Long-Term Debt, continued**

*1996 Limited Obligation Improvement Bonds, continued*

Year	Principal	Interest	Total
2014	\$ 89,000	153,653	242,653
2015	93,000	149,558	242,558
2016	98,000	145,260	243,260
2017	102,000	140,760	242,760
2018	107,000	136,057	243,057
2019-2023	607,000	602,349	1,209,349
2024-2028	754,000	449,729	1,203,729
2029-2033	939,000	259,942	1,198,942
2034-2036	670,000	46,035	716,035
Total	3,459,000	2,083,343	5,542,343
Current	(89,000)		
Long-term	\$ 3,370,000		

**(9) Net Investment in Capital Assets, Net of Related Debt**

Calculation of net investment in capital assets as of June 30, were as follows:

	2013	2012
Investment in capital assets, net of related debt		
Capital assets, not being depreciated	\$ 9,973,063	3,398,680
Depreciable capital assets, net	22,455,688	23,343,083
Current:		
Bonds payable	(89,000)	(190,000)
Non-current:		
Bonds payable	(3,370,000)	(3,683,438)
Total investment in capital assets	\$ 28,969,751	22,868,325

**(10) Unrestricted Net Position**

Unrestricted net position as of June 30, were categorized as follows:

	2013	2012
Non-spendable net position:		
Materials and supplies inventory	\$ 116,716	153,184
Prepaid expenses and other deposits	73,366	75,505
Total non-spendable net position	190,082	228,689
Spendable net assets are designated as follows:		
Capital replacement reserve	2,947,857	4,004,273
Rate stabilization reserve	1,473,928	2,002,137
Total spendable net position	4,421,785	6,006,410
Total unrestricted net position	\$ 4,611,867	6,235,099

**Joshua Basin Water District**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**(11) Morongo Basin Pipeline Project**

During the year ended June 30, 1991, the District executed an Agreement for construction, operation and financing of the Morongo Basin Pipeline project with the Mojave Water Agency (Agency). Pursuant to this Agreement, the Agency has constructed a pipeline to supply, on a wholesale basis, certain areas of San Bernardino County, including the Joshua Basin Water District, with water from the State Water Project.

Voters within the area to be served by the pipeline project approved the issuance of \$66,500,000 principal amount of general obligation bonds to finance the pipeline project. This resulted in the formation of Improvement District M of the Mojave Water Agency. In the Agreement, the District has agreed to make certain payments to the Agency to cover the District's share of fixed project costs, including debt service.

The District makes annual payments under the Agreement for Improvement District M's general obligation bond sales of \$12,000,000 principal amount in May 1991 (Series A) and \$40,735,000 principal amount in 1993 (Series B). The District is obligated to pay 27% of the debt service on Improvement District M's general obligation bonds.

Improvement District M bonds are general obligations of the Mojave Water Agency and are secured by and payable from the taxes levied upon the taxable property in Improvement District M. As part of the agreement, approximately 70% of the debt service will be derived from the levy of taxes on properties within Improvement District M, and 30% of the debt service on the bonds will be derived from payments to be made by the Mojave Water Agency participants.

In April 1996, \$50,485,000 of the Improvement District Bonds was refinanced with \$51,780,000 Improvement District M of the Mojave Water Agency General Obligation Bonds (Morongo Basin Pipeline Project) election of 1990, refunding Series of 1996. Interest rates range from 3.75% to 5.80%.

Payments of fixed project costs to the Agency have been classified as non -operating expenses in the amount of \$219,797 and \$219,544 for the years ended June 30, 2013 and 2012.

**(12) Deferred Compensation Savings Plan**

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors. Market value of all plan assets held in trust by ICMA-RC at June 30, 2013 and 2012 was \$552,086 and \$455,571, respectively.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

**Joshua Basin Water District**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**(13) Defined Benefit Pension Plan**

***Plan Description***

The Agency contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multi-employer defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public agencies within the State of California. Benefit provisions and all other requirements are established by state statute and the Agency. Copies of CalPERS annual financial report may be obtained from their executive Office: 400 P Street, Sacramento, CA 95814.

***Funding Policy***

The contribution rate for plan members in the CalPERS, 2.0% at 55 Risk Pool Retirement Plan is 7% of their annual covered salary and is paid by the members. The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The required employer contribution rates are equal to the annual pension costs (APC) percentage of payroll for fiscal years 2013, 2012 and 2011 as noted below. The contribution requirements of the plan members are established by State statute, and the employer contribution rate is established and may be amended by CalPERS.

***California Public Employees Pension Reform Act of 2013***

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013.

Key components of the legislation are as follows:

- Establishes PEPRA which will apply to all public employers and public pension plans on and after January 1, 2013 (Except specific exemptions);
- Establishes new retirement tiers/benefits for new public employees;
- Prohibits certain cash payments from being counted as compensation; and
- Increases retirement age for all new public employees.

***Second-Tier – Beginning January 1, 2013***

The contribution rate for plan members in the CalPERS 2.0% at 62 Retirement Plan under PEPRA is 6.50% of their annual covered wages. District employees contribute 6.50% of their annual covered wages to their account. Also, the District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The employer contribution rate (6.70%) and member contribution rate (6.50%) is a combined rate of 13.20% which will be in effect until June 30, 2015.

For fiscal years 2013, 2012 and 2011, the District's annual contributions for the CalPERS plan were equal to the District's required and actual contributions for each fiscal year as follows:

***Three Years CalPERS Funding Information***

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>	<u>APC Percentage of Payroll</u>
2010-2011	\$ 124,029	100%	-	9.511%
2011-2012	139,706	100%	-	10.861%
2012-2013	134,468	100%	-	11.040%

See Page 26 for the Schedule of Funding Status.

**Joshua Basin Water District**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**(13) Defined Benefit Pension Plan**

*Actuarial Methods and Assumptions*

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and the pattern of sharing of costs between the employer and plan members to that point. Consistent with the long-term perspective of actuarial calculations, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities for benefits.

The following is a summary of the actuarial assumptions and methods:

Valuation date	June 30, 2011
Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll, open
Average remaining amortization period	20 years as of the valuation date
Asset valuation method	15 year smoothed market
Actuarial assumptions:	
Discount rate	7.50% (net of administrative expenses)
Projected salary increase	3.30% to 14.20% depending on age, service, and type of employment
Inflation	2.75%
Payroll growth	3.00%
Individual salary growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%

**(14) Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. At June 30, 2013, the District participated in the liability and property programs of the ACWA/JPIA as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of \$1,000,000, combined single limit at \$1,000,000 per occurrence. The JPIA purchases additional excess coverage layers: \$60 million per occurrence for general, auto and public officials liability, which increases the limits on the insurance coverage noted above.

In addition to the above, the District also has the following insurance coverage:

- Employee dishonesty coverage up to \$100,000 per loss includes public employee dishonesty, forgery or alteration and theft, disappearance and destruction coverage's.
- Property loss is paid at the replacement cost for property on file \$17,691,378 if replaced within two years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$100 million per occurrence, subject to a \$2,500 deductible per occurrence.
- Boiler and machinery coverage for the replacement cost up to \$50 million per occurrence, subject to various deductibles depending on the type of equipment.

**Joshua Basin Water District**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**(14) Risk Management, continued**

- Workers' compensation insurance up to California statutory limits for all work related injuries/illnesses covered by California law. The ACWA/JPIA is self-insured up to \$2.0 million and excess insurance coverage has been purchased.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the year ending June 30, 2013. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2013, 2012 and 2011, respectively.

**(15) Joint-Venture: Joshua Basin – Hi-Desert Financing Authority**

In February 1991, the District and Hi-Desert Water District created the Joshua Basin – Hi-Desert Financing Authority (Authority) pursuant to the laws of the State of California. The Authority is a joint exercise of powers agreement by and between Joshua Basin Water District and Hi-Desert Water District. The purpose of the Authority is to cause the acquisition and construction of water facilities and to finance such projects through the issuance of bonds. The Authority has a five-member Board of Directors comprised of: (a) three members of the Board of Directors of Joshua Basin Water District and (b) two members of the Board of Directors of Hi-Desert Water District. Participation in the joint venture gives the District the ability to finance the cost of the installation and construction of any building, facility, structure, or other improvement which may be used to provide water to the lands and inhabitants of the District. As provided in the law, the Authority shall be a public entity separate from Joshua Basin Water District and Hi-Desert Water District. The debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of Joshua Basin Water District or Hi-Desert Water District. The debts, liabilities and obligations of either Joshua Basin Water District or Hi-Desert Water District shall not constitute debts, liabilities or obligations of the other agency.

**(16) Governmental Accounting Standards Board Statements**

**Newly Issued Accounting Pronouncements, But Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2013, that have effective dates that may impact future financial presentations.

***Governmental Accounting Standards Board Statement No. 66***

In March 2012, the GASB issued Statement No. 66 – *Technical Corrections—2013—an amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The impact of the implementation of this Statement to District's financial statements has not been assessed at this time.

***Governmental Accounting Standards Board Statement No. 68***

In June 2012, the GASB issued Statement No. 68 – *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.



**Joshua Basin Water District**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**(16) Governmental Accounting Standards Board Statements, continued**

**Newly Issued Accounting Pronouncements, But Not Yet Effective, continued**

***Governmental Accounting Standards Board Statement No. 68, continued***

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. The provisions of Statement 68 are effective for fiscal years beginning after June 15, 2014. The impact of the implementation of this Statement to District's financial statements has not been assessed at this time.

***Governmental Accounting Standards Board Statement No. 69***

In January 2013, the GASB issued Statement No. 69 – *Government Combinations and Disposals of Government Operations*. The objective of this Statement is to provide new accounting and financial reporting standards for government mergers and acquisitions and for government operations that have been transferred or sold. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2013. The impact of the implementation of this Statement to District's financial statements has not been assessed at this time.

***Governmental Accounting Standards Board Statement No. 70***

In April 2013, the GASB issued Statement No. 70 – *Accounting and Financial Reporting for Non-exchange Guarantees*. Provisions of this Statement require that governments that extend non-exchange financial guarantees to recognize a liability when qualitative factors and historic data, if any, indicate that it is more likely than not that the government will be required to make a payments on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows related to the guarantee expected to be incurred. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range. The impact of the implementation of this Statement to District's financial statements has not been assessed at this time.

**(17) Commitments and Contingencies**

***Grant Awards***

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

***Construction Contracts***

The District has a variety of agreements with private parties relating to the installation, improvement or modification of water and wastewater facilities and distribution systems within its service area. The financing of such construction contracts is being provided primarily from the District's replacement reserves and capital contributions.

***Litigation***

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

**(18) Subsequent Events**

Events occurring after June 30, 2013, have been evaluated for possible adjustment to the financial statements or disclosure as of September 30, 2013, which is the date the financial statements were available to be issued. The District is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

## **Required Supplementary Information**



**Joshua Basin Water District  
Schedule of Funding Status  
For the Fiscal Years Ended June 30, 2013 and 2012**

**(1) Defined Benefit Pension Plan**

<b>Development of the Actuarial Value of Assets Calculation in a Risk Pool</b>			
The District is part of the CalPERS Miscellaneous 2.0% at 55 yrs. Risk Pool	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>
1. Plan's accrued liability	\$ 1,029,643	-	-
2. Plan's side fund	-	-	-
3. Pool's accrued liability	3,619,835,876	-	-
4. Pool's side fund	(115,840,552)	-	-
5. Pool's actuarial value of assets (AVA) including receivables	3,203,214,899	-	-
6. Plan's actuarial value of assets (AVA) including receivables [(1+2) / (3+4) x 5]	941,259	-	-
7. Pool's market value of assets (MVA) including receivables	2,867,303,802	-	-
8. Plan's market value of assets (MVA) including receivables [(1+2) / (3+4) x 7]	842,552	-	-

***Funding History***

The Funding History below shows the actuarial accrued liability, the actuarial value of assets, the market value of assets, funded ratios and the annual covered payroll. The actuarial value of assets is used to establish funding requirements and the funded ratio on this basis represents the progress toward fully funding future benefits for current plan participants. The funded ratio based on the market value of assets is an indicator of the short-term solvency of the plan in the risk pool.

<u>Actuarial Valuation Date</u>	<u>Actuarial Accrued Liability (a)</u>	<u>Actuarial Value of Assets (AVA) (b)</u>	<u>Market Value of Assets (MVA) (c)</u>	<u>Funded Ratio AVA (b/a)</u>	<u>MVA (c/a)</u>	<u>Annual Covered Payroll</u>
June 30, 2011	\$ 1,029,643	941,259	842,552	91.42%	81.83%	\$ 2,331,588
June 30, 2012	*	-	-	0.00%	0.00%	-
June 30, 2013	*	-	-	0.00%	0.00%	-

\* CalPERS has not provided the information for these periods as of the date of the audit report.

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# **Report on Internal Controls and Compliance**





Charles Z. Fedak, CPA, MBA  
Paul J. Kaymark, CPA  
Christopher J. Brown, CPA

## Charles Z. Fedak & Company

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### **Independent Auditor's Report on Internal Controls Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Directors  
Joshua Basin Water District  
Joshua Tree, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Joshua Basin Water District (District) as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprises the District's basic financial statements, and have issued our report thereon dated September 30, 2013.

#### **Internal Control Over Financial Reporting**

In planning and performing our audits of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



**Independent Auditor's Report on Internal Controls Over Financial Reporting  
And on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards, (continued)***

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**Charles Z. Fedak & Company, CPA's - An Accountancy Corporation**  
Cypress, California  
September 30, 2013

**Joshua Basin Water District**

**Management Report**

**June 30, 2013**



**Charles Z. Fedak & Company**

Certified Public Accountants  
An Accountancy Corporation

**Joshua Basin Water District**

**Management Report**

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Charles Z. Fedak, CPA, MBA  
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Board of Directors  
Joshua Basin Water District  
Joshua Tree, California

### **Dear Members of the Board:**

We have audited the basic financial statements of the Joshua Basin Water District (the District) as of and for the year ended June 30, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and may not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the audit committee, the board of directors and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

Our other observations, comments and recommendations, all of which have been discussed with the appropriate members of management, are summarized as follows:

**Summary of Current Year Comments and Recommendations**

***Disclosure of Audit Adjustments and Reclassifications***

As your external auditor, we assume that the books and records of the District are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

**Management's Response**

The District has reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the District's accounting system to close-out the District's year-end trial balance.

\*\*\*\*\*

This communication is intended solely for the information and use of management, the audit committee, the board of directors and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

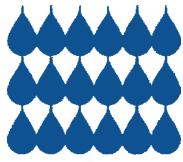
**Charles Z. Fedak & Company, CPAs – An Accountancy Corporation**  
Cypress, California  
October 31, 2013

**APPENDIX**

**Joshua Basin Water District**

**Audit/Finance Committee Letter**

**June 30, 2013**



Charles Z. Fedak, CPA, MBA  
Paul J. Kaymark, CPA  
Christopher J. Brown, CPA

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Board of Directors  
Joshua Basin Water District  
Joshua Tree, California

We have audited the basic financial statements of the Joshua Basin Water District (District) for the year ended June 30, 2013 and have issued our report thereon dated October 31, 2013. Generally accepted auditing standards require that we provide the Governing Board and management with the following information related to our audit of the District's basic financial statements.

### **Auditor's Responsibility under United States Generally Accepted Auditing Standards**

As stated in our Audit Engagement Letter dated May 30, 2013, our responsibility, as described by professional standards, is to express an opinion about whether the basic financial statements prepared by management with oversight of the Governing Board are fairly presented, in all material respects, in conformity with United States generally accepted accounting principles. Our audit of the financial statements does not relieve the Governing Board or management of its responsibilities of oversight in the District's external financial reporting process or any other processes.

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Governmental Auditing Standards*.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing requirements previously communicated to the board and management in our Communication to Those Charged with Governance during the Audit Planning Stage Letter dated June 30, 2013.

### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the basic financial statements.

We noted no transactions entered into by the District during fiscal year 2013 for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

### **Management's Judgments, Accounting Estimates and Financial Disclosures**

Accounting estimates play an integral part in the preparation of basic financial statements by management and are based upon management's knowledge, experience and current judgment(s) about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the position in the basic financial statements is (are):

Management's estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for delinquent/doubtful accounts is based on historical write-offs of past due delinquent/doubtful customer accounts, customer creditworthiness, and calculated assumptions of expected future write-offs. We evaluated the key factors and assumptions used to develop the allowance for delinquent/doubtful accounts in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the basic financial statements are neutral, consistent and clear. Certain basic financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the basic financial statements is (are):

The disclosure of fair value of cash and investments in Note 2 to the basic financial statements represents amounts susceptible to market fluctuations.

The disclosure of the District's allowance for delinquent/doubtful accounts in Note 3 to the basic financial statements represents amounts susceptible to external factors the District has no control over, such as, the state of the economy in the District's service area.

The disclosure of capital assets, net in Note 5 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

### **Corrected and Uncorrected Misstatements**

Generally Accepted Auditing Standards require us to accumulate all known and likely misstatements identified during the audit, except those that are considered trivial, and communicate them to the appropriate level of management as follows:

There were two (2) audit reclassification and adjusting entries proposed and posted to the original trial balance presented to us to begin our audit. (See a listing of those entries attached to this report)



**Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves the application of an accounting principal to the District’s basic financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

**Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit processes and testwork.

**Disagreements with Management**

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the basic financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit of the District.

**Management Representations**

We have requested certain representations from management that are included in the Management Representational Letter to the Auditor dated October 31, 2013.

**Conclusion**

We appreciate the cooperation extended us by Susan Greer, Anne Roman and the District staff in the performance of our audit testwork. We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the District.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than the specified, parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

**Charles Z. Fedak & Company, CPAs – An Accountancy Corporation**  
Cypress, California  
October 31, 2013

Board of Directors  
 Joshua Basin Water District

**Joshua Basin Water District  
 June 30, 2013  
 Schedule of Audit Adjusting Journal Entries**

Entry #	Status	Account	Description	Debit	Credit
AJE 1	Posted	599-00000	CAPITAL REPL EXPENSE	1,702.40	
		400-47000	MISCELLANEOUS REVENUE		1,702.40
		<b>AJE - To Adjust Depeciation Expense</b>			
AJE 2	Posted	200-21100	ACCOUNTS PAYABLE	775,289.08	
		200-21200	JOB RETENTION PAYABLE		775,289.08
		<b>RJE - Reclass for Financial Reporting Only - DO NOT POST</b>			
<b>TOTALS</b>				<u>776,991.48</u>	<u>776,991.48</u>

JOSHUA BASIN WATER DISTRICT  
MEETING AGENDA REPORT

Meeting of the Board of Directors

December 18, 2013

Report to: President and Members of the Board

Prepared by: Susan Greer



TOPIC:

DISCUSS CHARGING BASIC FEE FOR PULLED AND INACTIVE METERS

RECOMMENDATION:

Information only; decision on this matter will be made in conjunction with 1/15/14 rate public hearing

ANALYSIS:

As discussed during the two rate workshops with our rate study consultant, the District has approximately 1,000 pulled and inactive meters/accounts. The term inactive meters/accounts describes accounts that are in-between account-holders, such as when a tenant moves out but a new tenant has not yet established an account. The inactive period can be days, months or years. The term pulled meters/accounts also describes inactive accounts where meters were either never installed (although everything but the meter was installed) or meters were subsequently removed in order to avoid payment of fees. None of the pulled meter accounts have taken water service in the past.

Most pulled meters/accounts represent meters that were purchased in the early 1990's to avoid proposed increases in meter prices. Most of these customers purchased ¾" meters at a cost of either \$400 or \$1,400 depending on circumstances, and that same meter would cost from \$4,178 to \$5,170 today depending on circumstances NOT including the wastewater capacity fee of \$5,552 per EDU. That means a ¾" meter today can cost as much as \$10,722, although most customers require a 1" meter now because of fire sprinklers. Those customers who purchased meters have entitlement to water service without additional cost, secured at a cheap price compared to today's price, and have not contributed with payment of water rates toward ongoing maintenance of the water system. The District incurs certain fixed costs to maintain and operate the system whether or not a customer is taking service. If all of our customers are not paying for service, those who are paying must pay incrementally more. The Board and CAC agreed during the two rate workshops that it was fair for all customers with meters, and therefore entitlement to water service, to pay fees. The 2009 appellate court decision in Paland v. Brooktrails Township CSD provides legal guidance that the base charge for water service provided through an existing connection, regardless of whether the connection is active or inactive, is a property related charge, indicating that we can levy our basic service charge on parcels with inactive connections. Locally, Hi-Desert Water District has been doing exactly this for several years already with good success.

With pulled and inactive meters making up nearly 20% of our total meter count, the District has an obligation to provide water service to a substantial number of customers that are not currently taking service. The District must maintain capacity in the water system infrastructure in anticipation of those

customers connecting at some time. Current policy requires customers to have a building permit before they may obtain a water meter, so this situation will not be made any worse in the future.

Currently, customers can avoid payment of all fees by inactivating their accounts. We lock off the meters, send a final billing and then stop service and billing although meter reading and associated cost continues. We actually find about 50 meters with unauthorized use every month; where we don't have account holders—we find them through the meter reading process. The proposal is to begin charging the monthly Basic Fee for every meter that has been sold, whether or not the meter is currently installed or whether there is an active customer account. If a tenant account is closed, the account will automatically be transferred into the property owner's name for billing. The proposal is to phase-in the fee for pulled meters currently paying nothing, by charging 50% of the Basic Fee for the first year, and then moving to 100% of the fee in year two, starting February 2015. Currently inactive accounts will be activated and the owner of the property will be billed 100% of the Basic Fee charge. The number of inactive accounts changes significantly every month, with the District typically closing 50-100 accounts every month. Attempting to differentiate between the "original" inactive accounts that are part of this group and the additional 50-100 each month is too administratively challenging with existing resources. Remember that the inactive accounts have taken service in the past versus the pulled meters which have never had active service.

In lieu of paying ongoing basic fees, property owners may elect in writing to have the District buy-back their meter/service and be refunded any capacity fees paid in the past when the water meters were purchased. No refund of meter installation fees will be provided since the District already installed the meter *service*, which makes up the majority of the meter installation fee charge. Relating this back to the \$400 or \$1,400 paid by most of the customers with pulled meters, those who paid \$400 paid no capacity fee and would be entitled to no refund of fees if they gave up their meter, but would not have to pay any monthly Basic Fees going forward. For customers who paid \$1,400, they would be entitled to a \$1,000 refund of capacity fees paid (called Basic Facilities Fee at the time) and would not have to pay any ongoing monthly Basic Fees. Any customer that elects to have their meter/service removed would have to do so in writing and would have to pay the then-current cost for a new meter when they want service in the future. Although the property owner will forfeit their use of the water meter, we don't intend to remove the service and will need to expand the Rules and Regulations to include this option that would require payment of capacity fees in the future, but not meter installation fees.

Hi-Desert Water District began similarly charging for all purchased meters a few years back. They also offered the "buy-back" provision, allowing customers to eliminate obligation for payment by eliminating meter. Their results show that few customers asked for refunds and most are paying the monthly fees as required.

Assuming that some owners will not pay the new charges, the District will have to stay on top of those bills and file liens for unpaid charges on a regular, more than once-per-year basis. Once properties transfer ownership, we miss the opportunity to collect amounts owed us.

A few administrative challenges have already been identified in evaluating implementation of the proposal. We'd like some guidance on how the Board feels about these various issues so that we can prepare the resolution for the public hearing on January 15<sup>th</sup> accordingly.

We have quite a few active accounts with meters installed that use no water. They have meters and pay Basic Fees but don't use their service. If allowed, some of these accounts might want to have their meters removed in order to pay a 50% fee instead of the full fee. For administrative and financial reasons, I believe that we must *draw a line in the sand*, and not allow any more removal of meters in

order to pay the reduced fee—that option should exist only for those with pulled meters already. The rate study assumes this number to be static, with no additional pulled meters, and the proposed rates are based on the current number. The difference between the 50% fee and the full fee for a ¾ or 1” meter is \$146 for the entire year. It becomes a non-issue in year two when the proposed 50% fee goes away.

A few issues related to buy-back of the meters have been identified. Will the District allow this option forever or is there a timeframe for the buy-back? Do property owners need to decide by a specific date whether they're in or out and then be forever committed? Six months seems a reasonable amount of time to make this important decision. Next, will the District buy-back meters that have taken service (actually purchased *water*, not just payment of basic fee) in the past or is this buy-back limited to only those meters that were purchased for speculative purposes and never used? Staff recommends this option be available only for those meters that have never taken service as anything else increases our potential liability for refund of fees.

Lastly, will the District allow customers who are not taking service (purchasing water) to require the District to install meters for them or are we reserving meters for those taking service? If we install meters on about 800 pulled meter accounts, that's nearly a half million dollars in meters for no purpose—there should be no water use to the meter anyway. The law does not require that a meter be installed as a condition of charging a base charge. The meters will deteriorate over time and have to be replaced, potentially before ever being used, thereby incurring more cost. A rate payer at a recent meeting suggested that he would “require” the District to install a meter if he was going to have to pay a Basic Fee. While the District may find it beneficial over time to install meters at each location, in order to better track water consumption and theft, we don't want to be required to do so.

#### STRATEGIC PLAN ITEM:

2.2.2 Rate Study. Conduct rate study, including review and update of structure and analysis of pay/go versus debt financing.

#### FISCAL IMPACT:

Very conservatively, and assuming that some rate payers will opt out and give back their meters to avoid payment, our rate consultant estimates the first year 50% fee to generate \$100,000. In year two and forward, the 100% fee would generate \$200,000 revenue per year. This anticipates that approximately 1/3 of pulled meter accounts will opt out.

In total, the proposed 100% fees would generate \$300,000 per year based on the current number of inactive and pulled meters; the revenue estimates were reduced by 1/3 for those who we estimate will opt out. If fewer opt out, which was experienced by HDWD, we can expect the revenue numbers to be higher in both years and closer to \$300,000 by year two.

Estimating that as many as 1/3 of customers with pulled meters will want to opt out and give back their water meters, and further estimating that 1/3 of those customers paid \$1,000 capacity fees, the buy-out will cost the District \$107,000. We are working toward identifying the real number of customers that paid the capacity fees, but don't have it yet; changes in the estimates could make the District's actual cost either more or less than indicated.

JOSHUA BASIN WATER DISTRICT  
MEETING AGENDA REPORT

Meeting of the Board of Directors

December 18, 2013

Report to: President and Members of the Board

Prepared by: Susan Greer 

TOPIC:  
APPEAL OF RATE PAYER MEYER WATER BILL

RECOMMENDATION:  
Deny request for assistance because of non-compliance with policy.

ANALYSIS:  
Rate Payer Jo Nell Meyer has an \$809.27 water bill for the month of July and has requested assistance per the Water Account Assistance Program (WAAP). Assistance has been denied by Staff as the rate payer does not meet the WAAP guidelines.

This issue was discussed at the last two Board meetings. The customer's husband presented information stating that the mainline leak that we said occurred in his area and did not cause his leak was not the leak that he was referring to. The Board continued the matter until the leak information for the correct leak could be obtained. We did find a work order at exactly the location he gave us, but it occurred in January 2013, and could not have caused a high bill for him in July, which is the bill in question. Staff researched and finds two leaks in the timeframe that he's referring to; both are included herewith, and both were repaired under pressure, typical. One of these is the leak we included with the first staff report. We attempted to reach Mr. Farnick to get more details but he was busy working out of town in November and has not yet gotten back to us with the information. He was not able to pinpoint the date of the leak that he says occurred which we have no record for.

The customer was not at the last meeting and action was delayed pending his attendance. A letter was mailed to the customer several weeks ago indicating that action on this matter would be taken on December 18, whether or not they were in attendance at the meeting.

The Rules and Regulations specifically address any low or high water pressure issue on the customer side.

Article 1.26 indicates the following: *The District will attempt to maintain service pressures under normal conditions within a range of 40 to 125 psi. There will be conditions that develop where pressures will fall below this range, and other conditions will occur where the pressures will exceed this range. All customers who accept water service to their premises agree as a condition of acceptance of water service that they will hold the District harmless for any damage that may occur as a result of these low or high pressure conditions.*

Article 1.32 says the following: *The District recommends that a pressure regulator be installed on all*

*new service connections before water enters the structure. All systems with pressure reducing and relief valves shall be maintained by the customer.*

The two leaks in the customer’s area in the timeframe that would have affected the high bill in question were repaired under pressure without the need to shut down the system, therefore not creating high pressure or a water hammer. Even if a high pressure situation would have inadvertently been created, the Rules and Regulations put that responsibility on the customer and say the customer should have a pressure regulator to control such high pressure situations.

The District does not have a history of taking responsibility for customer’s bills created as a result of high pressure in the distribution system; in fact, I don’t ever recall such a situation.

The following exhibits are attached for review:

1	Letter from Meyer requesting assistance. Rate payer indicates average water use of 30-40 units per month, that she has never asked for water account assistance before and the cause of the high usage being air in their water. Meyer notes that previous incidents of high consumption are due either to a leak or a hose that was left on. (unfortunately, the WAAP application form that should have come with the letter could not be found)
2	Latest account history detail, showing \$809.27 bill in question
3-4	Consumption history, showing average of 69 units per month and a low of 11 and high consumption of 327. Note many incidents of consumption in excess of 100 units.
5-8	High read letters issued in past
9	Previous Water Account Assistance provided in 2008 for \$144.53, pursuant to request by rate payer.
10	Water Account Assistance Program guidelines
11	Letter from District indicating that we would not provide assistance because Meyer does not qualify because she is not property owner, bill difference is less than \$400 and no evidence of leak repair has been provided—all required per the policy.
12	Information from County Tax Collector website indicating owner of property
13-15	Work Order #67184 regarding the leak repaired in their area, shows that leak was repaired under pressure so no shutdown was needed. No other reports from customers in the area about air in the lines were received.
16-19	Work Order #67183, another leak repaired in customer’s area on 6/13/13. Work order shows that this leak was also repaired under pressure. No other customer reports.
20	Letter of appeal from Meyer requesting reconsideration of denial

The facts and circumstances of this case do not support the granting of assistance pursuant to the policy. Many rate payers, who do not meet the Water Account Assistance Program policy guidelines, have been and continue to be denied assistance.

**STRATEGIC PLAN ITEM:**

N/A

**FISCAL IMPACT:**

Depending on amount of assistance, if any, provided.



①

Our Average water use is  
approximately 30 to 40 units per month

last years bill of 159 for july also was  
a leak or a hose was left on

aug bill of 165 was a leak or  
a hose was left on  
and may's bill of 192 was a leak  
or a hose was left on

WE DID NOT SEEK HELP ever before

The leak this year happened during  
the time the water district was working  
on a leak off La Brisa (shadow mountain)  
They shut the main line off when  
they turned it back on , We had all kinds  
of air in our water.

Then we went on vacation and when  
we got back we had no water pressure  
and found a leak.

We are asking for \$725 in help.

Thanks

*John Meyer 9-9-13*

2

Account Number - 59-00275-01 MEYER, JONELL M. Service Address: 63080 LA BRISA DR

Date	Packet	Type	Receipt #	Reference	Debits	Credits	Balance
10/04/2013	008231	Payment	182359			165.77	1,153.46
09/30/2013	008195	Bill		7/28- 8/27 10/21	234.52		1,319.23
09/23/2013	008170	Late Charge			28.74		1,084.71
08/31/2013	008069	Bill		6/28- 7/28 09/20	165.77		1,055.97
08/21/2013	008041	Late Charge			80.93		890.20
07/31/2013	007946	Bill		5/29- 6/28 08/20	809.27		809.27
06/28/2013	007851	Payment	171984			329.53	0.00
06/30/2013	007839	Bill		4/29- 5/29 07/22	185.02		329.53
06/21/2013	007815	Late Charge			11.74		144.51
05/31/2013	007715	Adjustment		APPLY CREDITS			132.77
05/31/2013	007715	Bill		3/30- 4/29 06/20	132.77		132.77
05/21/2013	007693	Payment	168399			156.02	0.00
05/21/2013	007693	Payment	168398			200.00	156.02
05/21/2013	000000	Memo	168398	Ex CUT-PMT 200.00CR			356.02
05/21/2013	007689	Late Charge			27.75		356.02
05/15/2013	007669	Cutoff		48-HOUR TAG FEE	10.00		328.27
04/30/2013	007581	Bill		2/28- 3/30 05/20	259.27		318.27
04/23/2013	007568	Late Charge			5.36		59.00
03/31/2013	007478	Bill		1/29- 2/28 04/22	53.64		53.64
03/20/2013	007455	Payment	161609			205.83	0.00
03/18/2013	007444	Cutoff		Adjustment	10.00		205.83
02/28/2013	007359	Bill		12/30- 1/29 03/20	70.37		195.83
02/21/2013	007352	Late Charge			11.40		125.46
02/15/2013	007337	Payment	157896			90.39	114.06
01/31/2013	007275	Bill		11/30-12/30 01/31	114.06		204.45
01/22/2013	007244	Late Charge			7.45		90.39
01/18/2013	007237	Payment	155075	3063		80.36	82.94
01/16/2013	007228	Cutoff		Adjustment	10.00		163.30
01/02/2013	007185	Payment	152892	3061		181.72	153.30
01/02/2013	000000	Memo	152892	Ex CUT-PMT 181.72CR			335.02
12/31/2012	007170	Bill		10/31-11/30 01/21	72.94		335.02
12/21/2012	007160	Late Charge			9.55		262.08
12/17/2012	007143	Cutoff		Adjustment	10.00		252.53
11/30/2012	007074	Bill		10/01-10/31 12/20	60.81		242.53
11/26/2012	007071	Payment	149171			174.35	181.72
11/26/2012	000000	Memo	149171	Ex CUT-PMT 174.35CR			356.07
11/21/2012	007063	Late Charge			18.70		356.07
10/31/2012	006973	Bill		9/01-10/01 11/20	163.02		337.37
10/23/2012	006962	Late Charge			15.08		174.35
10/22/2012	006959	Payment	145460			512.07	159.27
10/16/2012	006933	Cutoff		Adjustment	10.00		671.34
09/30/2012	006864	Bill		8/02- 9/01 10/22	149.27		661.34
09/21/2012	006849	Late Charge			46.55		512.07
09/05/2012	006781	Payment	139952			493.92	465.52
08/31/2012	006747	Bill		7/03- 8/02 09/20	465.52		959.44
08/21/2012	006724	Late Charge			44.90		493.92
07/31/2012	006638	Bill		6/03- 7/03 08/20	449.02		449.02
07/20/2012	006621	Payment	135798			171.27	0.00
06/30/2012	006545	Bill		5/04- 6/03 07/20	171.27		171.27
06/26/2012	006533	Payment	132911			715.85	0.00
06/26/2012	000000	Memo		Reinstate S/O			715.85
06/25/2012	000000	Memo		Cutoff S/O			715.85
06/26/2012	000000	Memo	132911	Reinstate-PMT			715.85
06/25/2012	006524	Cutoff		Disconnect Fee	25.00		715.85
06/25/2012	006514	Memo		Cutoff Posting			690.85
06/21/2012	006514	Late Charge			56.15		690.85
06/18/2012	006495	Cutoff		Adjustment	10.00		634.70
05/31/2012	006419	Bill		4/04- 5/04 06/20	539.77		624.70

3

Account Number - 59-00275-01 MEYER, JONELL M. Service Address: 63080 LA BRISA DR

Service: 100 A WATER TABLE A Meter: 56029770

Month	Date	Read		Total Consumption	Demand		Flag	Reading		Occupant
		Previous	Current		Read	Consumption		Source		
Year : 2013 Total 9										
Sep	09/10/2013	3112	3193	81			Regular	Hand Held	01	
Aug	08/06/2013	3056	3112	56			Regular	Hand Held	01	
Jul	07/09/2013	2766	3056	290		Bill in question	Regular	Service Order	01	
Jun	06/05/2013	2703	2766	83			Regular	Hand Held	01	
May	05/07/2013	2659	2703	44			Regular	Hand Held	01	
Apr	04/11/2013	2569	2659	90			Regular	Meter Reading Input	01	
Mar	03/08/2013	2556	2569	13			Regular	Hand Held	01	
Feb	02/11/2013	2536	2556	20			Regular	Hand Held	01	
Jan	01/14/2013	2499	2536	37			Regular	Hand Held	01	
Year : 2012 Total 12										
Dec	11/30/2012	2478	2499	21			Regular	Hand Held	01	
Nov	10/31/2012	2462	2478	16			Regular	Hand Held	01	
Oct	10/01/2012	2407	2462	55			Regular	Hand Held	01	
Sep	09/01/2012	2357	2407	50			Regular	Hand Held	01	
Aug	08/02/2012	2192	2357	165			Regular	Hand Held	01	
Jul	07/03/2012	2033	2192	159			Regular	Hand Held	01	
Jun	06/03/2012	1975	2033	58			Regular	Hand Held	01	
May	05/08/2012	1783	1975	192			Regular	Service Order	01	
Apr	04/10/2012	1764	1783	19			Regular	Hand Held	01	
Mar	03/08/2012	1751	1764	13			Regular	Hand Held	01	
Feb	02/08/2012	1740	1751	11			Regular	Hand Held	01	
Jan	01/11/2012	1725	1740	15			Regular	Hand Held	01	
Year : 2011 Total 12										
Dec	11/30/2011	1701	1725	24			Regular	Hand Held	01	
Nov	10/31/2011	1619	1701	82			Regular	Hand Held	01	
Oct	10/01/2011	1570	1619	49			Regular	Hand Held	01	
Sep	09/01/2011	1481	1570	89			Regular	Hand Held	01	
Aug	08/02/2011	1408	1481	73			Regular	Hand Held	01	
Jul	07/03/2011	1284	1408	124			Regular	Hand Held	01	
Jun	06/03/2011	1198	1284	86			Regular	Hand Held	01	
May	05/04/2011	1172	1198	26			Regular	Hand Held	01	
Apr	04/04/2011	1148	1172	24			Regular	Hand Held	01	
Mar	03/05/2011	1128	1148	20			Regular	Hand Held	01	
Feb	02/03/2011	1112	1128	16			Regular	Hand Held	01	
Jan	01/04/2011	1097	1112	15			Regular	Hand Held	01	
Year : 2010 Total 12										
Dec	12/05/2010	1075	1097	22			Regular	Hand Held	01	
Nov	11/05/2010	1033	1075	42			Regular	Hand Held	01	
Oct	10/06/2010	964	1033	69			Regular	Hand Held	01	
Sep	09/06/2010	10881	964	83			Regular	Hand Held	01	
Aug	08/07/2010	10774	10881	107			Regular	Meter Reading Input	01	
Jul	07/08/2010	10627	10774	147			Regular	Meter Reading Input	01	
Jun	06/08/2010	10531	10627	96			Regular	Meter Reading Input	01	
May	05/09/2010	10514	10531	17			Regular	Meter Reading Input	01	
Apr	04/09/2010	10500	10514	14			Regular	Meter Reading Input	01	
Mar	03/10/2010	10489	10500	11			Regular	Meter Reading Input	01	
Feb	02/08/2010	10470	10489	19			Regular	Meter Reading Input	01	
Jan	01/09/2010	10453	10470	17			Regular	Meter Reading Input	01	
Year : 2009 Total 12										
Dec	12/10/2009	10435	10453	18			Regular	Meter Reading Input	01	
Nov	11/10/2009	10388	10435	47			Regular	Service Order	01	
Oct	10/11/2009	10061	10388	327			Regular	Meter Reading Input	01	
Sep	09/11/2009	9913	10061	148			Regular	Meter Reading Input	01	
Aug	08/12/2009	9782	9913	131			Regular	Hand Held	01	

4

Account Number - 59-00275-01 MEYER, JONELL M. Service Address: 63080 LA BRISA DR

Service: 100 A WATER TABLE A Meter: 56029770

Month	Date	Read		Total	Demand		Reading		Occupant
		Previous	Current	Consumption	Read	Consumption	Flag	Source	
Jul	07/13/2009	9700	9782	82			Regular	Hand Held	01
Jun	06/13/2009	9552	9700	148			Regular	Hand Held	01
May	05/14/2009	9420	9552	132			Regular	Hand Held	01
Apr	04/14/2009	9347	9420	73			Regular	Hand Held	01
Mar	03/15/2009	9327	9347	20			Regular	Hand Held	01
Feb	02/11/2009	9314	9327	13			Regular	Manual Read	01
Jan	01/14/2009	9277	9314	37			Regular	N/A	01
Year: 2008 Total 3									
Dec	12/11/2008	9233	9277	44			Regular	N/A	01
Nov		N/A	9233	65			Regular	N/A	01
Oct		N/A	9168	124			Regular	N/A	01
				Avg 69					

5



P.O. BOX 675 • 61750 CHOLLITA ROAD • JOSHUA TREE • CALIFORNIA 92252  
 TELEPHONE (760) 368-8438 FAX (760) 368-9528 E-mail: [customerservice@jbwd.com](mailto:customerservice@jbwd.com)  
[www.jbwd.com](http://www.jbwd.com)

7/12/2013

JONELL M. MEYER  
 63080 LA BRISA DR  
 JOSHUA TREE, CA 92252-3369

Re: Account #: 59-00275-01  
 Service Address: 63080 LA BRISA DR  
 APN: 063202137

Dear Customer:

This is a courtesy letter to let you know of higher usage on your account.. Below is the current meter reading information along with comparison to last month and last year. Each unit of usage equals 100 cubic feet.

Last Year Usage	Last months usage	Current months usage
\$ 449.02	\$ 185.02	\$ 779.02
159 units	63 units	279 units

There are several reasons why customers may suddenly find an unusually high water bill. Some of these include freezing/burst water pipes, forgetting to turn off water while watering outdoors, pipes being accidentally torn-out or chewed by an animal trying to access water, water theft, and misreading the meter.

But the most common reason is leaks. Leaks can be very sneaky and costly; sometimes one can see them, other times they are difficult to detect. Leaky toilets can sometimes be heard, often not seen, many times ignored. A worn washer in a hose bib can allow a faucet to leak a great deal of water very quickly and irrigation systems can be the source of a leak.

I have enclosed our FAQ (Frequently Asked Questions) #5 entitled "All of a Sudden, an Unusually High Water Bill" that discusses the subject in more detail. I have also enclosed our FAQ #8 entitled "Why Should We Have to Check the Water System for Water Leaks?" which provides information on how you may detect if you have a leak.

The District is offering a water survey to help you conserve water, contact the office to schedule and appolmet a not charge.

If you have any questions or further concerns, please do not hesitate to contact our office.

Sincerely,

Patricia Freeman  
 Billing Department

COPY

6



P.O. BOX 675 • 61750 CHOLLITA ROAD • JOSHUA TREE • CALIFORNIA 92252  
 TELEPHONE (760) 366-8438 FAX (760) 366-9528 E-mail: [customerservice@jbwd.com](mailto:customerservice@jbwd.com)  
[www.jbwd.com](http://www.jbwd.com)

4/23/2013

JONELL M. MEYER  
 63080 LA BRISA DR  
 JOSHUA TREE, CA 92252-3369

Re: Account #: 59-00275-01  
 Service Address: 63080 LA BRISA DR  
 APN: 0632-021-37

Dear Customer:

This is a courtesy letter to let you know of higher usage on your account.. Below is the current meter reading information along with comparison to last month and last year. Each unit of usage equals 100 cubic feet.

Last Year Usage	Last months usage	Current months usage
\$ 67.98	\$ 53.64	\$ 312.91
19 units	13 units	90 units

There are several reasons why customers may suddenly find an unusually high water bill. Some of these include freezing/burst water pipes, forgetting to turn off water while watering outdoors, pipes being accidentally torn-out or chewed by an animal trying to access water, water theft, and misreading the meter.

But the most common reason is leaks. Leaks can be very sneaky and costly; sometimes one can see them, other times they are difficult to detect. Leaky toilets can sometimes be heard, often not seen, many times ignored. A worn washer in a hose bib can allow a faucet to leak a great deal of water very quickly and irrigation systems can be the source of a leak.

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The District is offering a water survey to help you conserve water, contact the office to schedule and appointment a not charge.

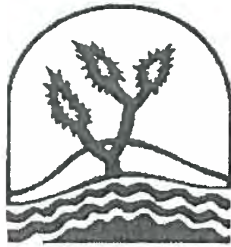
If you have any questions or further concerns, please do not hesitate to contact our office.

Sincerely,

Patricia Freeman  
 Billing Department

COPY

7



# JOSHUA BASIN WATER DISTRICT

P.O. BOX 675 • 61750 CHOLLITA ROAD • JOSHUA TREE • CALIFORNIA 92252  
TELEPHONE (760) 366-8438 FAX (760) 366-9528 E-mail: jbwbd@jbwd.org

Monday May 21, 2012

Attn: Jonell M Meyer  
603080 LA BRISA DR  
JOSHUA TREE, CA 92252

**COPY**

Re: Account #: 59-00275-01

Service Address: 63080 LA BRISA DR

Dear Customer:

This is a courtesy letter to let you know of higher usage on your account. Below is the current meter reading information along with comparison to last month and last year. Each unit of usage equals 100 cubic feet.

Last year Usage	Last month usage	Current months usage
\$ 85.79	\$ 67.98	\$ 676.75
26 units	19 units	192 units

There are several reasons why customers may suddenly find an unusually high water bill. Some of these include freezing/burst water pipes, forgetting to turn off water while watering outdoors, pipes being accidentally torn-out or chewed by an animal trying to access water, water theft, and misreading the meter.

But the most common reason is leaks. Leaks can be very sneaky and costly; sometimes one can see them, other times they are difficult to detect. Leaky toilets can sometimes be heard, often not seen, many times ignored. A worn washer in a hose bib can allow a faucet to leak a great deal of water very quickly and irrigation systems can be the source of a leak.

I have enclosed our FAQ (Frequently Asked Questions) #5 entitled "All of a Sudden, an Unusually High Water Bill" that discusses the subject in more detail. I have also enclosed our FAQ #8 entitled "Why Should We Have to Check the Water System for Water Leaks?" which provides information on how you may detect if you have a leak.

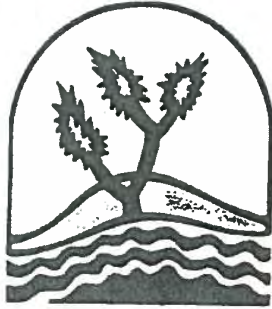
If you have any questions or further concerns, please do not hesitate to contact our office.

Sincerely,

Patricia Freeman  
Billing Department

APN 032-021-37

8



# JOSHUA BASIN WATER DISTRICT

P.O. BOX 675 • 61750 CHOLLITA ROAD • JOSHUA TREE • CALIFORNIA 92252  
TELEPHONE (760) 366-8438 FAX (760) 366-9528

8/24/99  
Date

Meyer, Jonell M  
Name

63080 La Brisa Dr  
Address

Joshua Tree CA 92252-3369

Re: Account # 59 002751  
Address 63080 La Brisa

	This Year Current Month	Last Year Same Month	Last Billing
USAGE (in hundred cubic feet)	<u>311</u>	<u>199</u>	<u>187</u>
AMOUNT OF WATER BILL (remember that rates may have changed from one billing to the next)	<u>\$ 590.80</u>	<u>\$ 369.30</u>	<u>\$ 349.36</u>

This letter serves as a courtesy notification that during our routine meter reading this month, we noticed that your water usage was much higher than normal. We have already read the meter a second time to verify the accuracy of the number. Perhaps you have filled a swimming pool or found a leak that had to be repaired? If you do not know of any reason why your water usage should be higher than normal, you may want to take this opportunity to look for leaks (toilets and irrigation systems are often a problem) and have them repaired to avoid any further water loss.

If you have any questions, don't hesitate to contact the District at (760) 366-8438.

PROVIDE • PROTECT • PROMOTE



**JOSHUA BASIN WATER DISTRICT**  
**WATER ACCOUNT ASSISTANCE PROGRAM APPLICATION**

NAME: <u>Jonell Meyer</u>	ACCT. # <u>59-00275-1</u>
PHONE NUMBER: <u>562 328 4477</u>	PARCEL # <u>632-021-37</u>
SERVICE ADDRESS: <u>63080 LA BRISA Joshua Tree, ca</u>	MAILING ADDRESS <u>Same</u>
AMOUNT OF BILL IN QUESTION: Date of Bill(s):	\$ <u>462.40</u>
NORMAL BILL, SAME PERIOD LAST YEAR: Date of Bill(s):	\$ <u>161.20</u>
REASON FOR ASSISTANCE REQUEST: <u>Pipe underground Broke while on vacation</u>	
ASSISTANCE AMOUNT REQUESTED:	\$ <u>300.</u>

I HEREBY REQUEST THAT CONSIDERATION OF ASSISTANCE AS OUTLINED ABOVE BE MADE. I ACKNOWLEDGE RECEIPT OF THE WATER ACCOUNT ASSISTANCE PROGRAM INFORMATION AND AUTHORIZE THE JOSHUA BASIN WATER DISTRICT TO CONDUCT AN INVESTIGATION. I AGREE TO COOPERATE WITH THE INVESTIGATION.

*Jonell Meyer*  
 SIGNATURE

3-16-08  
 DATE

This section for District use only

DATE APPLICATION RECEIVED \_\_\_\_\_

APPROVED

DENIED

ASSISTANCE AMOUNT \$ \$144.53

AUTHORIZED SIGNATURE *Terry Spurr*

10

1 of 3



# JOSHUA BASIN WATER DISTRICT

81750 CHOLLITA, P.O. BOX 875, JOSHUA TREE CA 92252-0675  
PHONE (760) 366-8438 FAX (780) 366-9528 EMAIL jbwtd@jbwd.com

## WATER ACCOUNT ASSISTANCE PROGRAM (WAAP)

The Water Account Assistance Program (WAAP) provides a method to request reduction of a high bill of unknown or accidental origin. The Program was created to assist customers who live in the home where the excessive usage occurred and are victims of extraordinary or unusual circumstances.

The procedure includes your written application and our investigation. Until the District receives your written application, the bill is due as presented. The application, plus information obtained as a result of the review and investigation will be forwarded to the Customer Service Supervisor who will evaluate the information, conduct an interview of the applicant and water survey will need to be conducted.

### General Guidelines

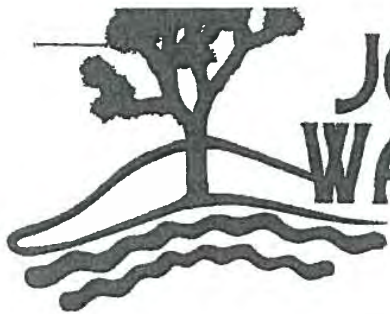
- The program is budget contingent; when the budget is exhausted, assistance is no longer available.
- This program applies to owner occupied properties only. Accounts for non-owner occupied properties do not qualify. Verification of ownership of the property is required.
- Account holder must repair any leaks before receiving assistance.
- Customers are limited to two (2) WAAP's within a five (5) year period at the same location. A new owner-customer at the same location could be considered for additional assistance.
- Assistance is limited to two billing cycles; assistance is calculated by comparing the difference between the current and the prior year's bills. If water is high for two months and equal to \$400, that is a viable that will be considered.
- The comparative time or circumstances may include past year(s) average(s), averaging over time, changed weather patterns, changes of property use and/or owner ship change
- If the difference is less than \$400.00, the account is not eligible for a WAAP. A payment plan, giving additional time to pay, will be offered.
- If the difference is more than \$400.00 the standard WAAP is 50% of the difference between current and prior year's bills, to a maximum assistance is \$800. The other 50% of the bill is the customer's responsibility to pay. The customer may request a payment plan for the balance. **A water survey will also be required.**

rec'd  
09-10-2013

Sep. 10 2013 12:28PM P 1

FAX NO.: 5628799373

FROM :



# JOSHUA BASIN WATER DISTRICT

PO BOX 675 - 61750 CHOLLITA ROAD - JOSHUA TREE - CA 92252  
PHONE 760.366.8438 FAX 760.366.9528 WWW.JBWD.COM

(11)

Jonell Meyer  
63080 La Brisa Dr.  
Joshua Tree, CA 92252  
September 11, 2013

Re: Water Account Assistance Program (WAAP)  
Account number: 59-00275-01  
APN: 0632-021-37

Dear Ms. Meyer:

Your application for assistance through WAAP, along with your supplemental letter was received in our office on 09/10/2013.

You requested assistance for your bill dated 07/31/2013, in the amount of \$809.27.

We cannot offer assistance through this program. There are certain guidelines which must be met in order to qualify for WAAP. Your application does not meet the following guidelines:

- The property must be owner occupied
- The difference between last year's bill of \$449.02 and this year's bill of \$809.27 is \$360.25  
The minimum amount for assistance is \$400.00
- Leaks must be repaired before receiving assistance. You do not indicate if the leak mentioned in your letter was repaired.

Also, your letter suggests the leak may have been caused by repair work done to a main line which caused air in your water. The field supervisor reviewed your concern and is confident the repair work did not cause a leak.

The past due amount of \$890.27 (\$809.27 plus a late fee of \$80.93) is due immediately. I have extended this amount to 09/30/2013. This amount must be paid in full on or before that date.  
Your current bill is due by 09/20/2013.

If you have any questions, please contact me at the number shown above.

Sincerely,

Peggy Jimenez  
Lead Customer Service Representative  
Joshua Basin Water District

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Tax Collector » Property Information For Parcel 0632-021-37-0000

Type of Property: **MISC RES**

Address Information		Legal Description		
Situs Address	Protected per CA Govt. Code Sect. 6254.21	Tract Number	Lot Number	Block/Unit
Billing Address	Protected per CA Govt. Code Sect. 6254.21			
As Of	12/13/2011	TRACT NO LOT		

Present Owner Information					
Name	Percent Ownership	Relationship	Document Number	Recording Date	Acquire Date
MARGARET ROSE FAMILY LLC	100%	SOLE OWNER	20110513604	12/05/2011	12/05/2011



# Work Order

Initial Call Time: 6/13/2013 11:30 AM

Scheduled Date: 6/13/2013

Due Date: 6/13/2013

13

## JOSHUA BASIN WATER DISTRICT

Work Order#: 67184

<b>Equipment:</b>	MAIN OFFICE	<b>Department:</b>	DISTRIBUTION DEPARTMENT
<b>Location:</b>		<b>Reason:</b>	LMP-LEAK-MAIN (MAIN LINE LEAK)
<b>Service Descrip:</b>	LA CRESCENTA X DESERT SHADOW RD		
<b>Type:</b>	LMP - LEAK MAINTENANCE PROGRAM		
<b>Assigned:</b>	JACOB MAYES, JEREMIAH NAZARIO, RYAN MURPHY		
<b>Priority:</b>	HIGH		
<b>Requested By:</b>	JEREMIAH NAZARIO		
<b>PROJECT #:</b>	NA	<b>INCODE SO #:</b>	NA
<b>NEW ER/SN:</b>	NA	<b>NEW MXU ID:</b>	NA
<b>NEW METER#:</b>	NA	<b>NEW READ:</b>	NA
<b>OLD METER #:</b>	NA	<b>OLD READ:</b>	NA
<b>GREEN INVENTORY USED:</b>	NO	<b>APN:</b>	NA
<b>CALLBACK TYPE:</b>	PHYSICAL RESPONSE	<b>CUT SIZE:</b>	DIRT
<b>W.L=GPMXMIN:</b>	2200	<b>ANNUAL PERMIT#:</b>	
<b>TYPE OF REPAIR:</b>	EMERGENCY RPR (EXISTING UTILITY)	<b>EMAIL: COUNTY INSPECTOR:</b>	NO
<b>EMAIL: AUTUNM RICH:</b>	NO	<b>(OFFICE USE ONLY) INCODE TRANSFER:</b>	
<b>Notes:</b>	OPENING COMMENTS: PLEASE FIX LEAK ON LA BRISA RD X STREET OF DESERT SHADOW RD.		



# Work Order

Initial Call Time: 6/13/2013 11:30 AM  
 Scheduled Date: 6/13/2013  
 Due Date: 6/13/2013

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## JOSHUA BASIN WATER DISTRICT

Work Order#: 67184

**Employees:**

Employee:	Arrival Date/Time:	Departure Date/Time:	Reg Hours:	OT Hours:	Actions Performed:
JACOB MAYES	6/13/2013 11:30 AM	6/13/2013 2:00 PM	2.50	0.00	CLOSING COMMENTS: LOCATED LEAK ON LA BRISA RD WEST OF DESERT SHADOW RD. LEAK IS A MAINLINE AND IS 6 INCH OWS PIPE. MAIN IS IN BAD CONDISHION. EXSPOSED MAINLINE USEING #72 VACCUM. LEAK WAS RIGHT NEXT TO ANOTHER CLAMP HAD TO REMOVE OLD CLAMP AND PLACE 6 INCH X 8 INCH OD CLAMP OVER BOTH LEAKS VACCUM WAS UNABLE TO KEEP UP WITH FLOW HAD TO CLAMP LEAKS UNDER WATER. USED JOHN DEER 410 TO BACK FILL AND CLEAN AREA.LEAK WAS DONE UNDER PRESSURE NO SHUT DOWN WAS NEEDED
JEREMIAH NAZARIO	6/13/2013 11:30 AM	6/13/2013 2:00 PM	2.50	0.00	CLOSING COMMENTS: LOCATED LEAK ON LA BRISA RD WEST OF DESERT SHADOW RD. LEAK IS A MAINLINE AND IS 6 INCH OWS PIPE. MAIN IS IN BAD CONDISHION. EXSPOSED MAINLINE USEING #72 VACCUM. LEAK WAS RIGHT NEXT TO ANOTHER CLAMP HAD TO REMOVE OLD CLAMP AND PLACE 6 INCH X 8 INCH OD CLAMP OVER BOTH LEAKS VACCUM WAS UNABLE TO KEEP UP WITH FLOW HAD TO CLAMP LEAKS UNDER WATER. USED JOHN DEER 410 TO BACK FILL AND CLEAN AREA.LEAK WAS DONE UNDER PRESSURE NO SHUT DOWN WAS NEEDED
RYAN MURPHY	6/13/2013 2:00 PM	6/13/2013 3:00 PM	1.00	0.00	CLOSING COMMENTS: BACKFILLED AND CLEANED AREA ON LA BRISA RD WEST OF DESERT SHADOW RD.

**Equipment Used:**

Equipment:	Serial Number:	Hours Used:
1. 2005 TOYOTA TUNDRA 4X4 #20	LIC#1173416	2.50
1. 2007 FORD F-450 #23	LIC#1236278	2.50



# Work Order

Initial Call Time: 6/13/2013 11:30 AM  
Scheduled Date: 6/13/2013  
Due Date: 6/13/2013

15

## JOSHUA BASIN WATER DISTRICT

Work Order#: 67184

Equipment:	Serial Number:	Hours Used:
1. 2012 DITCHWITCH VACUUM TRAILER # 72		2.50
1. JOHN DEERE 410 BACKHOE		1.00

Parts Used:                      Parts Vendor:    Service Vendor:

Part Description:	Part Number:	# Used:
C0301505 CLAMP FC 5.95-6.35 X 12'	C0301505	1

Additional Costs:  
Vendor:    Memo:    Cost:

Action Performed:

Technician Signature: \_\_\_\_\_ Date/Time: \_\_\_\_\_

Response Time: 0 Min



# Work Order

Initial Call Time: 6/13/2013 5:30 AM  
Scheduled Date: 6/13/2013  
Due Date: 6/13/2013

## JOSHUA BASIN WATER DISTRICT

Work Order#: 67183

16

<b>Equipment:</b>	MAIN OFFICE	<b>Department:</b>	DISTRIBUTION DEPARTMENT
<b>Location:</b>		<b>Reason:</b>	LMP-LEAK-MAIN (MAIN LINE LEAK)
<b>Service Descrip:</b>	MAINLINE LEAK ON SUNNY SANDS EAST OF CENTER RD		
<b>Type:</b>	LMP - LEAK MAINTENANCE PROGRAM		
<b>Assigned:</b>	JACOB MAYES, DAN BOCK, JEREMIAH NAZARIO, JEREMIAH NAZARIO		
<b>Priority:</b>	HIGH		
<b>Requested By:</b>	DAN BOCK		
<b>PROJECT #:</b>	NA	<b>INCODE SO #:</b>	NA
<b>NEW ER/SN:</b>	NA	<b>NEW MXU ID:</b>	NA
<b>NEW METER#:</b>	NA	<b>NEW READ:</b>	NA
<b>OLD METER #:</b>	NA	<b>OLD READ:</b>	NA
<b>GREEN INVENTORY USED:</b>	NO	<b>APN:</b>	NA
<b>CALLBACK TYPE:</b>	PHYSICAL RESPONSE	<b>CUT SIZE:</b>	DIRT
<b>W.L=GPMXMIN:</b>	6000	<b>ANNUAL PERMIT#:</b>	
<b>TYPE OF REPAIR:</b>	EMERGENCY RPR (EXISTING UTILITY)	<b>EMAIL: COUNTY INSPECTOR:</b>	NO
<b>EMAIL: AUTUNM RICH:</b>	NO	<b>(OFFICE USE ONLY) INCODE TRANSFER:</b>	
<b>Notes:</b>	OPENING COMMENTS: PLEASE ASSIST DAN BOCK IN FIXING MAIN LINE LEAK ON SUNNY SANDS EAST OF CENTER RD.		





# Work Order

Initial Call Time: 6/13/2013 5:30 AM

Scheduled Date: 6/13/2013

Due Date: 6/13/2013

17

## JOSHUA BASIN WATER DISTRICT

Work Order#: 67183

**Employees:**

Employee:	Arrival Date/Time:	Departure Date/Time:	Reg Hours:	OT Hours:	Actions Performed:
JACOB MAYES	6/13/2013 5:30 AM	6/13/2013 11:30 AM	6.00	0.00	CLOSING COMMENTS: CUSTOMERS CALLED IN ANSWERING SERVICE SAYING THERE PIPES WERE MAKING A SUCKING SOUND. DAN BOCK CALLED JACOB, AND JERIMAIH INTO WORK DUE TO DISCOVERING MASSIVE LEAK ON 6 INCH OWS PIPE USED VALVE VC271,VC272,VC285 TO ISOLATE LEAK TO CONTROL THE WATER FLOW. FLOW WAS NOT SHUT COMPLETELY OFF TO AVOID COMTAMINATION. USED #72 VACCUM TO EXPOSE MAINLINE. MAIN IS 6 INCH OWS PIPE AND IS IN BAD CONDISHION. USED 6 INCH BY 30 INCH FULL CIRCLE CLAMP TO STOP LEAK. TORQUED BOLTS TO PROPER FOOT POUNDS AND USED JOHN DEER 410 TO CLEAN AND REPAIR ROADS. CHARGED SYSTEM VERY SLOWLY TO AVOID WATER HAMMER. AFTER SYSTEM WAS CHARGED FLUSHED DEAD END LINES TO GET ALL AIR POCKETS OUT. USED DUMP TRUCK TO BRING UP 5 LOADS OF FRESH DIRT AND SPREAD USEING JOHN DEER 410.

JEREMIAH NAZARIO	6/13/2013 5:30 AM	6/13/2013 11:30 AM	6.00	0.00	CLOSING COMMENTS: CUSTOMERS CALLED IN ANSWERING SERVICE SAYING THERE PIPES WERE MAKING A SUCKING SOUND. DAN BOCK CALLED JACOB, AND JERIMAIH INTO WORK DUE TO DISCOVERING MASSIVE LEAK ON 6 INCH OWS PIPE USED VALVE VC271,VC272,VC285 TO ISOLATE LEAK TO CONTROL THE WATER FLOW. FLOW WAS NOT SHUT COMPLETELY OFF TO AVOID COMTAMINATION. USED #72 VACCUM TO EXPOSE MAINLINE. MAIN IS 6 INCH OWS PIPE AND IS IN BAD CONDISHION. USED 6 INCH BY 30 INCH FULL CIRCLE CLAMP TO STOP LEAK. TORQUED BOLTS TO PROPER FOOT POUNDS AND USED JOHN DEER 410 TO CLEAN AND REPAIR ROADS. CHARGED SYSTEM VERY SLOWLY TO AVOID WATER
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Response Time: N/A

2 of 4



# Work Order

JOSHUA BASIN WATER DISTRICT

Work Order#: 67183

Initial Call Time: 6/13/2013 5:30 AM

Scheduled Date: 6/13/2013

Due Date: 6/13/2013

18

Employee:	Arrival Date/Time:	Departure Date/Time:	Reg Hours:	OT Hours:	Actions Performed:
RYAN MURPHY	6/13/2013 7:30 AM	6/13/2013 12:00 PM	4.50	0.00	SLOWLY TO AVOID WATER HAMMER. AFTER SYSTEM WAS CHARGED FLUSHED DEAD END LINES TO GET ALL AIR POCKETS OUT. USED DUMP TRUCK TO BRING UP 5 LOADS OF FRESH DIRT AND SPREAD USEING JOHN DEER 410
DAN BOCK	6/13/2013 3:30 AM	6/13/2013 6:00 AM	0.00	2.50	CLOSING COMMENTS: CUSTOMERS CALLED IN ANSWERING SERVICE SAYING THERE PIPES WERE MAKING A SUCKING SOUND. DAN BOCK CALLED JACOB, AND JERIMAIH INTO WORK DUE TO DISCOVERING MASSIVE LEAK ON 6 INCH OWS PIPE USED VALVE VC271,VC272,VC285 TO ISOLATE LEAK TO CONTROL THE WATER FLOW. FLOW WAS NOT SHUT COMPLETELY OFF TO AVOID COMTAMINATION. USED #72 VACCUM TO EXPOSE MAINLINE. MAIN IS 6 INCH OWS PIPE AND IS IN BAD CONDISHION. USED 6 INCH BY 30 INCH FULL CIRCLE CLAMP TO STOP LEAK. TORQUED BOLTS TO PROPER FOOT POUNDS AND USED JOHN DEER 410 TO CLEAN AND REPAIR ROADS. CHARGED SYSTEM VERY SLOWLY TO AVOID WATER HAMMER. AFTER SYSTEM WAS CHARGED FLUSHED DEAD END LINES TO GET ALL AIR POCKETS OUT. USED DUMP TRUCK TO BRING UP 5 LOADS OF FRESH DIRT AND SPREAD USEING JOHN DEER 410.

Response Time: N/A

3 of 4



# Work Order

Initial Call Time: 6/13/2013 5:30 AM  
Scheduled Date: 6/13/2013  
Due Date: 6/13/2013

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## JOSHUA BASIN WATER DISTRICT

Work Order#: 67183

Employee:                      Arrival Date/Time:      Departure Date/Time:      Reg Hours:      OT Hours:      Actions Performed:

**Equipment Used:**

Equipment:	Serial Number:	Hours Used:
1. 1994 INTERNATIONAL DUMP TRUCK #16	LIC#1254801	2.50
1. 2005 TOYOTA TUNDRA 4X4 #20	LIC#1173416	6.00
1. 2007 FORD F-450 #22	LIC#1236279	4.00
1. 2007 FORD F-450 #23	LIC#1236278	6.00
1. 2012 DITCHWITCH VACUUM TRAILER # 72		6.00
1. 2012 TOYOTA TUNDRA 4X4 #28		2.00
1. JOHN DEERE 410 BACKHOE		2.50

**Parts Used:**                      **Parts Vendor:**                      **Service Vendor:**

Part Description:	Part Number:	# Used:
C0301508 CLAMP FC 6.56-6.96 X 30'	C0301508	1
C0301508 CLAMP FC 6.56-6.96 X 30'	C0301508	-1
C0301511 CLAMP FC 6.60-7.00 X 24'	C0301511	1

**Additional Costs:**

Vendor:	Memo:	Cost:

**Action Performed:**

**Technician Signature:** \_\_\_\_\_ **Date/Time:** \_\_\_\_\_

Response Time: N/A

JBWD

20

SEP 26 2013

RECEIVED BY: 

**Jo Nell Meyer**

**Douglas R. Farnik**

63080 La Brisa

Joshua Tree, CA 92252

9/17/2013

cell 562-652-0460 doug

cell 562-328-4477 Jonell

To Joshua Basin Water District

We would like to appeal the Water District decision to not help us with our huge leak which we believe was at least partially caused by a repair done by the Water District. We can be present at the October 2nd meeting.

sincerely

  
Douglas R. Farnik

Jo Nell Meyer


59-00275-01

JOSHUA BASIN WATER DISTRICT  
MEETING AGENDA REPORT

Meeting of the Board of Directors

December 18, 2013

Report to: President and Members of the Board

Prepared by: Susan Greer 

TOPIC:  
APPROVE WATER RATE STUDY

RECOMMENDATION:  
Approve study

ANALYSIS:

The District contracted with Bartle Wells Associates earlier this year for a water rate study. The rate consultant met two times with the Board and Citizens Advisory Committee to get direction and fine-tune details. The proposed five-year rate structure has been developed, and the report that explains and justifies the rates is the Water Rate Study (“Study”).

The objectives of the Study were to develop water rates that:

- Recover the costs of providing water service, including operating, capital and water supply funding needs;
- Are fair and equitable to all customers;
- Are easy to understand and implement;
- Increase conservation incentive and minimize the impact of rate increases on customers with low water use;
- Comply with legal requirements.

The Study provides significant background financial information. Highlights include the following:

- The District is facing several financial challenges in the coming years including aging infrastructure and over-drafting of our groundwater basin as well as the normal operating cost inflation.
- Water rate increases have averaged 1.07% per year over the past 18 years for the average residential user (10 units consumption per month). In the same timeframe, the consumer price index has increased 2.9% per year on average and the social security cost of living adjustment increase has averaged 2.4% per year.
- JBWD’s water rates are in the lower range compared to other local and regional agencies.
- Currently, average residential users are paying about 62¢ per 100 gallons of water.
- Water sales have been declining in recent years and increasing rates will likely result in more reduction to water sales. Proposed rates have been adjusted to compensate for this.

- Financial projections assume minimal new development, starting at 10 new homes and escalating to 20 per year over the five-year Study period.
- Financial projections assume that JBWD finances \$5 million for replacement of 70,000 feet of pipeline and then funds \$200,000 in 2016/17, up to \$500,000 per year for this purpose by the end of the decade.
- The Minimum Fund Reserve Target is equal to 50% of annual operating, maintenance and debt service expenses plus \$1 million for emergency funds.
- The Maximum Fund Reserve Target is equal to 100% of annual operating, maintenance and debt service expenses plus \$2 million for emergency funds.
- Funding for the Equipment/Technology/Vehicle replacement is \$100,000 per year and escalates 4% annually.
- Funding for Wells/Boosters/Tanks replacement starts at \$200,000 per year and escalates to \$300,000 by 2015/16 and then escalates 4% per year to account for construction cost inflation.
- Proposed phased-in rate increases are 7% per year for the next five years to cover our projected cost of providing service.
- Proposed rates gradually reduce the fixed charges (Basic Fee) and increase the variable charges (water usage) to encourage conservation and comply with the California Urban Water Conservation Council's Best Management Practices and our grant requirements.
- Proposed fixed charge rates will be applied to both inactive and pulled meter accounts, since not charging those customers who own capacity in the water system that must be maintained on their behalf means that those costs must be paid by other users.
- An average residential user will see their monthly bill increase from the current \$46.47 per month to \$62.38 over the five-year period. This represents about 43% of our customers.
- The lowest water users (representing about 26% of our customers) will see a lower increase, from \$30.24 currently to \$37.21 over the five-year period, as the fixed charges are reduced and the variable water usage charge is decreased, since they use such a small amount of water.

The Prop 218 process for increasing water rates requires mailed notice to customers. That notice has been mailed to and received by customers. This Study is another requirement of the rate increase process.

The public hearing to consider rate increases will be held on January 15, 2014. At that time, the Board will hear public testimony, consider any written protests and then adopt a resolution implementing the revised water rates, if desired.

#### STRATEGIC PLAN ITEM:

2.2.2 Rate Study. Conduct rate study, including review and update of structure and analysis of pay/go versus debt financing.

#### FISCAL IMPACT:

Proposed water rate increases will increase water revenues from \$3,044,881 to \$3,984,000 over five years, providing funding for operations, capital and water purchases to replenish our over-drafted aquifer.

# Joshua Basin Water District



## Water Rate Study

*December 11, 2013*



**BARTLE WELLS ASSOCIATES**  
INDEPENDENT PUBLIC FINANCE ADVISORS



**BARTLE WELLS ASSOCIATES**  
INDEPENDENT PUBLIC FINANCE ADVISORS

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Berkeley, CA 94703  
510 653 3399 fax: 510 653 3769  
www.bartlewells.com

December 11, 2013

Joshua Basin Water District  
P.O. Box 675 / 61750 Chollita Road  
Joshua Tree, CA 92252

Bartle Wells Associates is pleased to submit the attached *Water Rate Study*. The study develops water rates for the next five years based on a cost-of-service approach. The proposed rates were developed with substantial input from JBWD and the District's Citizens Advisory Committee, and are designed to a) fund JBWD's costs of providing service, b) fairly apportion costs to JBWD customers, c) increase conservation incentive while reducing the rate impacts on low water users.

As noted in the report, JBWD is facing a number of financial challenges. The proposed rate adjustments are needed to ensure adequate funding for ongoing operations, provide funding for the repair and replacement of aging facilities, and enable JBWD to start importing water from the Mojave Water Agency to help reduce further depletion of JBWD's over-drafted groundwater basin. The required rate increases are gradually phased in over five years to help meet JBWD's financial needs while minimizing the annual impact on ratepayers.

We enjoyed working with JBWD on this assignment and appreciate the ongoing input and assistance received from JBWD staff, Board Members, and the Citizens Advisory Committee. Please contact us anytime if you have questions about this report or other issues related to utility rates and finance.

BARTLE WELLS ASSOCIATES

Alex T. Handlers, CIPFA  
Principal/Vice-President

Catherine Tseng, CIPFA  
Senior Financial Analyst



<b>CURRENT &amp; PROPOSED WATER RATES</b>								
	<b>Current Rates</b>	<b>Proposed Water Rates</b>						
		<b>Mar-1 2014</b>	<b>Jan-1 2015</b>	<b>Jan-1 2016</b>	<b>Jan-1 2017</b>	<b>Jan-1 2018</b>		
<b>BASIC MONTHLY FEE</b>								
<u>Meter Size</u>	<u>Monthly Charge (\$)</u>							
3/4 inch	23.82	-	-	-	-	-		
1 inch	39.70	-	-	-	-	-		
3/4 & 1 inch	-	24.31	24.80	25.29	25.78	27.58		
1-1/2 inches	79.40	81.03	82.67	84.30	85.93	91.95		
2 inches	127.00	129.65	132.27	134.88	137.49	147.11		
3 inches	238.20	243.09	248.01	252.90	257.79	275.84		
<b>MONTHLY WATER FLOW CHARGES</b>								
<b>For 3/4" &amp; 1" Meters</b>								
	<u>Current Tiers</u>	<u>Proposed Tiers</u>	<u>Rate Per Unit (\$ per hundred cubic feet)</u>					
Tier 1	0 - 5 units	0 - 5 units	2.14	2.30	2.50	2.75	3.00	3.21
Tier 2	5.01 - 20 units	5.01 - 10 units	2.39	2.60	2.90	3.20	3.50	3.75
Tier 3	20.01 - 40 units	10.01 - 20 units	2.57	2.90	3.30	3.65	4.00	4.28
Tier 4	40.01 + units	20.01 + units	2.75	3.20	3.70	4.10	4.50	4.82
<i>1 unit = one hundred cubic feet = 748 gallons</i>								
<b>For 1-1/2", 2" and 3" Meters</b>								
	<u>Unit rate for all water use</u>		<u>Rate Per Unit (\$ per hundred cubic feet)</u>					
			\$2.39	\$2.71	\$3.07	\$3.43	\$3.79	\$4.06
<i>1 unit = one hundred cubic feet = 748 gallons</i>								
<b>PRIVATE FIRE PROTECTION CHARGES</b>								
<u>Service Size</u>	<u>Monthly Charge (\$)</u>							
2 inches	12.62	13.50	11.58	12.28	12.62	13.50		
3 inches	25.25	27.02	23.15	24.54	25.25	27.02		
4 inches	50.50	54.04	46.29	49.07	50.50	54.04		
6 inches	75.76	81.06	69.45	73.62	75.76	81.06		
8 inches	113.62	121.57	104.60	110.41	113.62	121.57		

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- Appendix A Water Rate Study Tables
- Appendix B Water Consumption Analysis
- Appendix C CUWCC BMP 1.4 - ALAEA Volumetric Percentage Model

## **LIST OF ACRONYMS**

<b>AF</b>	<b>Acre-Feet</b>
<b>ALAEA</b>	<b>At Least As Effective As</b>
<b>AWWA</b>	<b>American Water Works Association</b>
<b>BMP</b>	<b>Best Management Practice</b>
<b>BWA</b>	<b>Bartle Wells Associates</b>
<b>CUWCC</b>	<b>California Urban Water Conservation Council</b>
<b>gpd</b>	<b>gallons per day</b>
<b>hcf</b>	<b>hundred cubic feet</b>
<b>JBWD</b>	<b>Joshua Basin Water District</b>
<b>MWA</b>	<b>Mojave Water Agency</b>
<b>O&amp;M</b>	<b>operating and maintenance</b>

# 1 BACKGROUND & OBJECTIVES

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## 1.1 Background

Joshua Basin Water District (JBWD or District) provides water service to over 4,300 homes and businesses in the community of Joshua Tree, California. JBWD is located about 125 miles east of Los Angeles in San Bernardino County. The District was formed in 1963 and is governed by a five-member Board of Directors elected from the District's 96-square-mile service area.

JBWD is financially self-supporting and relies primarily on monthly water service charges to fund the costs of operating and maintaining the water system. Water rates have not been increased in approximately three years; the District's last rate increase became effective in January 2011. JBWD's water rates are low compared to other local and regional agencies.

JBWD owns and operates over 270 miles of water system pipelines, 5 wells, 17 water storage tanks, and 11 pump stations. Roughly 175 miles of JBWD's water pipelines were installed 40 to 70 years ago and are approaching the end of their useful lives. Other facilities including wells and water tanks are aging and will need to be refurbished in upcoming years.

JBWD currently relies on groundwater for 100% of the community's water supply. With minimal natural recharge, groundwater levels have decreased substantially over the years. JBWD plans to begin purchasing imported water from the Mojave Water Agency to help recharge and reduce further depletion of the groundwater basin.

## 1.2 Rate Study Objectives

In 2013, JBWD retained Bartle Wells Associates (BWA) to develop a long-term financial plan and water rate study. BWA developed the District's prior rate study in 2006. Key goals and objectives of the 2013 rate study include developing water rates that:

- Recover the costs of providing water service, including operating, capital, and water supply funding needs;
- Are fair and equitable to all customers;
- Are easy to understand and implement;
- Increase conservation incentive and minimize the impact of rate increases on customers with low water use;
- Comply with the substantive requirements of the California Constitution, Article 13D, Section 6 (established by Proposition 218) and the general mandate of Article 10, Section 2;

- Comply with the California Urban Water Conservation Council's (CUWCC's) Best Management Practice regarding retail water conservation pricing (BMP 1.4);
- Support JBWD's long-term operational and financial stability.

Final recommendations were developed with substantial input from the District and the District's *Citizens Advisory Committee*, a diverse group of local community members that has been advising the Board of Directors and providing community input on a wide range of policy issues since 2005.

This report summarizes findings and recommendations and develops water rate projections for the next five years. The proposed water rates include both a) overall rate increases needed to fund JBWD's costs of providing service as well as b) modifications to the rate structure designed to equitably apportion costs to all customers and achieve District objectives. The full set of tables developing the financial projections and rate recommendations is included in the appendix to this report.

## 2 WATER RATES & FINANCES

### 2.1 Current & Historical Water Rates

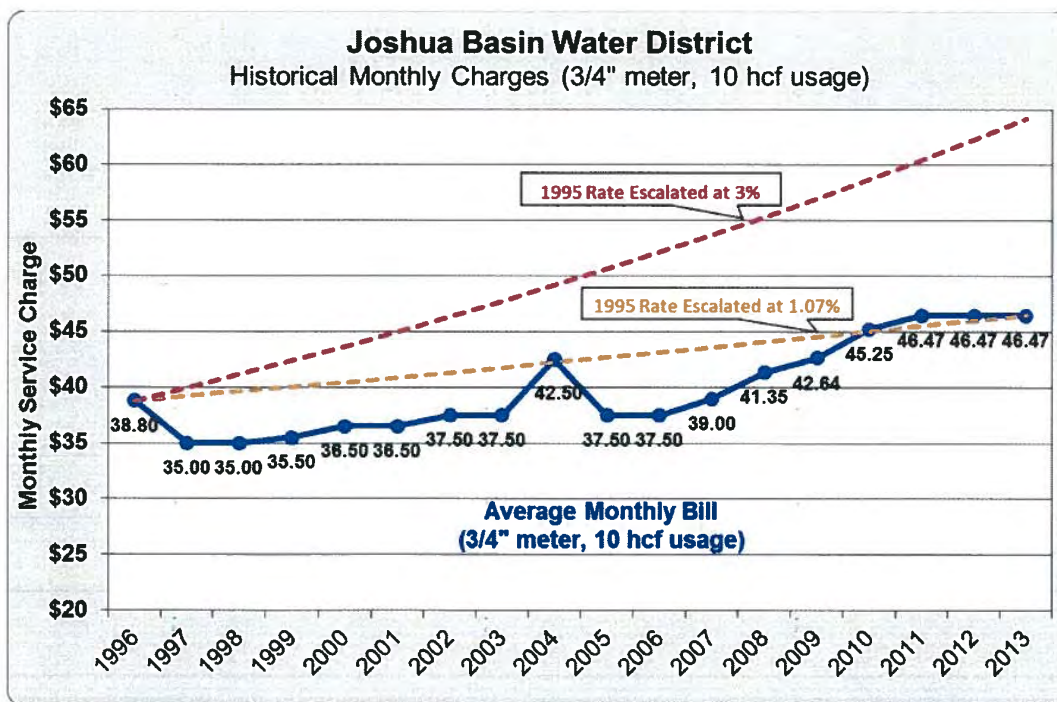
The following table shows a history of JBWD water rates. After a decade of minimal to no rate increases, JBWD adopted four years of 6% rate increases starting in 2007. These rate increases were subsequently spread over five years as shown on the table. Rates have not been increased in approximately three years, since the last 3% increase went into effect in 2011.

Historical Water Rates						
Effective Jan-1		2007	2008	2009	2010	Current 2011
<b>RATE ADJUSTMENT</b>		6%	6%	3%	6%	3%
<b>BASIC MONTHLY FEE</b>						
<u>Meter Size</u>	<u>Capacity (gpm)</u>	<u>Monthly Rate</u>				
3/4"	30	\$20.00	\$21.20	\$21.84	\$23.15	\$23.82
1"	50	33.30	35.30	36.36	38.55	39.70
1-1/2"	100	66.70	70.70	72.83	77.20	79.40
2"	160	106.70	113.10	116.50	123.49	127.00
3"	300	200.00	212.00	218.40	231.51	238.20
<b>MONTHLY WATER FLOW CHARGES</b>						
<b>For 3/4" &amp; 1" Meters</b>		<b>Rate Per Unit (hcf)*</b>				
<u>Consumption</u>						
0 - 5 units		\$1.80	\$1.91	\$1.97	\$2.09	\$2.14
5.01 - 20 units		2.00	2.12	2.19	2.33	2.39
20.01 - 40 units		2.10	2.25	2.32	2.46	2.57
40.01 + units		2.15	2.35	2.42	2.57	2.75
<i>1 unit = one hundred cubic feet = 748 gallons</i>						
<b>For 1-1/2", 2" and 3" Meters</b>		<b>Rate Per Unit (hcf)*</b>				
Unit rate per all water use		\$2.00	\$2.12	\$2.19	\$2.33	\$2.39
<b>PRIVATE FIRE PROTECTION</b>						
<u>Device Size</u>		<u>Monthly Rate</u>				
2"		\$10.60	\$11.24	\$11.58	\$12.28	\$12.62
3"		21.20	22.47	23.15	24.54	25.25
4"		42.40	44.94	46.29	49.07	50.50
6"		63.60	67.42	69.45	73.62	75.76
8"		95.40	101.12	104.60	110.41	113.62

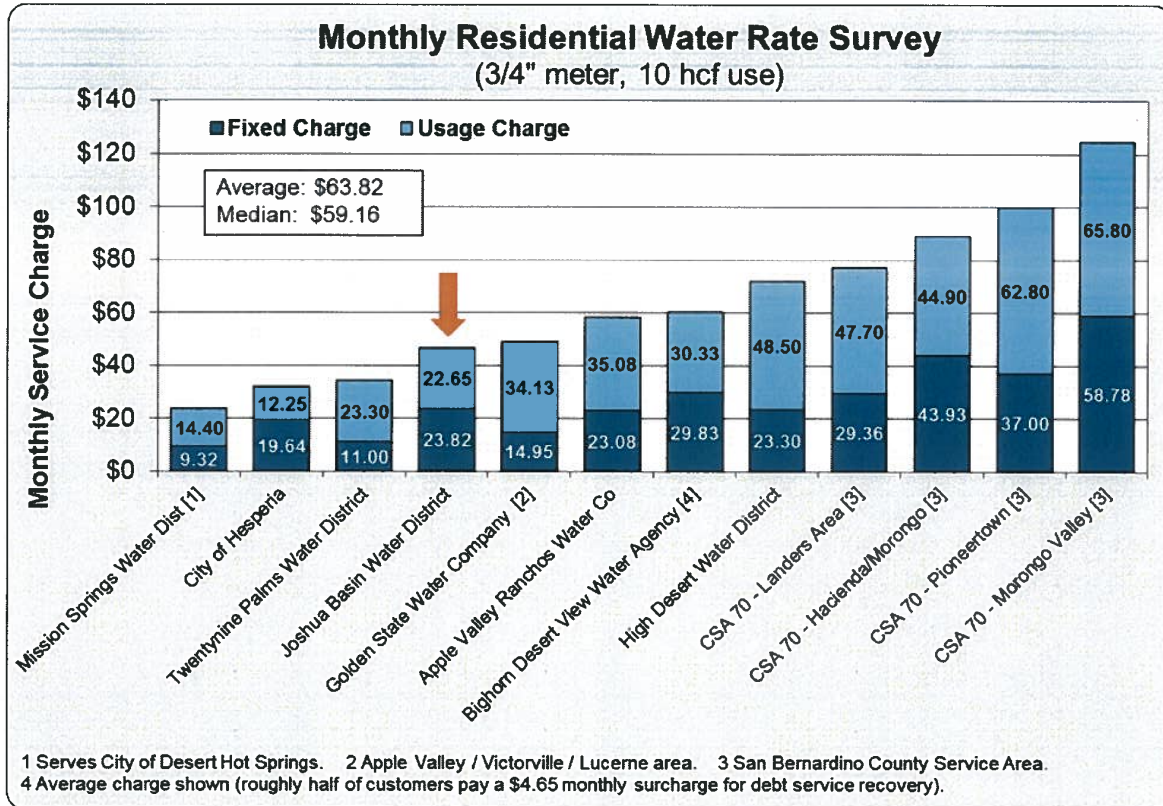
JBWD's water service charges include two components:

- A fixed **Basic Monthly Fee** based on meter size purchased. This charge is levied independent of water use and recovers a portion of the District's fixed costs for providing service. JBWD incurs a substantial amount of costs ensuring that water is available at all times to meet the instantaneous needs of customers. The Basic Monthly Fee varies by meter size and capacity, with larger meters paying higher charges based on the increased capacity and latent demand placed on the water system associated with each meter size. The Basic Monthly Fee currently recovers approximately 48% of total water rate revenues.
- Volumetric **Monthly Water Flow Charges** billed based on metered water use. This charge is levied on actual water use and recovers variable costs of providing water service as well as portion of fixed costs allocated to volumetric cost recovery. Water Flow Charges for customers with 3/4-inch and 1-inch meters are billed according to a 4-tiered inclining rate structure with water purchased first in Tier 1 and then subsequently in higher tiers as water use increases. Accounts with larger meters pay a uniform rate for each unit of metered water use. These volumetric charges currently recover approximately 52% of total water rate revenues.

The chart below shows historical monthly bills for a customer with average monthly water use of 10 hundred cubic feet (hcf), equal to about 245 gallons per day. Roughly two-thirds of residential bills are at or below this level. Since 1996, rates have risen by an average of 1.07% per year.



The following chart shows a survey of monthly regional water bills for a home with average monthly water use of 10 hcf. JBWD's rates are in the lower range compared to other local and regional agencies.



JBWD's monthly bill for a single family home with average monthly use of 10 hcf is currently \$46.47. This equates to an all-in cost of about \$0.62 per each 100 gallons of water use, or 6/10<sup>ths</sup> of a penny per gallon.

The monthly bill for a single family home with median use of 6 hcf per month is \$36.91. The median bill represents the midpoint at which approximately half of the District's residential bills are above or below.



## 2.2 Financial Overview

JBWD is a financially self-supporting agency that relies primarily on monthly water service charges to fund the costs of operating and maintaining the water system. Future rates need to be set at levels adequate to fund JBWD's costs of providing service, which generally include costs for a) administration, operations and maintenance, b) water supply, c) capital improvements and associated debt service requirements, d) infrastructure repairs and replacements, and e) costs for maintaining an adequate level of fund reserves to provide financial cushion for revenue shortfalls, unanticipated expenditures, and emergencies. Water rates account for approximately two-thirds of JBWD's annual revenues (excluding one-time grants), with the remaining one-third of revenues coming from a combination of standby charges, property taxes, private fire service and other miscellaneous charges, interest earnings, and capacity fees from new connections.

JBWD has historically maintained a prudent level of fund reserves, but reserves are currently temporarily low; reserves decreased to roughly \$1.8 million as of June 30, 2013. However, JBWD anticipates receiving a little over \$3.5 million of reimbursements this year, primarily from grants for construction of groundwater recharge facilities. These reimbursements will replenish the District's reserves to healthy levels.

JBWD anticipates receiving a substantial amount of grant funding and reimbursements including:

- \$7.2 million in total grant funding for JBWD's groundwater recharge facilities. Grant funding is being provided by the California Department of Water Resources, the California Department of Public Health, and the Mojave Water Agency. Some of this grant funding will be reimbursed to JBWD for prior expenditures, and some will be used to help fund additional costs for groundwater recharge facilities.
- \$599,000 of additional funding was received this fiscal year from the Mojave Water Agency for reimbursement of JBWD's share of a prior bond reserve fund.

JBWD is facing a number of financial challenges in upcoming years, primarily related to its over-drafted groundwater basin and aging facilities. Rate increases are needed to address these long-term financial challenges and help support safe, reliable, and sustainable water service

## **3 LEGAL REQUIREMENTS & RATE METHODOLOGY**

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### **3.1 Constitutional Rate Requirements**

The California Constitution includes two key articles that directly govern or impact JBWD's water rates: Article 10 and Article 13D. The water rates developed in this study were designed to comply with both of these constitutional mandates as well as various provisions of the California Water Code and Government Code that support and add further guidance for implementing these constitutional requirements. In accordance with the constitutional provisions, the proposed rates are designed to a) recover the District's cost of providing service, b) recover revenues in proportion to the cost for serving each customer, and c) promote conservation and discourage waste.

#### **3.1.1 Article 10, Section 2**

Article 10, Section 2 of the California Constitution was established by voter-approval in 1976 and requires public agencies to maximize the beneficial use of water, prevent waste, and encourage conservation. Section 2 states that:

*It is hereby declared that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare.*

#### **3.1.2 Article 13D, Section 6**

Proposition 218 was adopted by California voters in 1996 and added Articles 13C and 13D to the California Constitution. Article 13D, Section 6 governs property-related charges, which the California Supreme Court subsequently ruled includes ongoing utility service charges such as water, sewer, and garbage rates. Article 13D, Section 6 establishes a) procedural requirements for imposing or increasing property-related charges, and b) substantive requirements for those charges. Article 13D also requires voter approval for new or increased property-related charges but exempts from this voting requirement rates for water, sewer, and garbage service.

The substantive requirements of Article 13D, Section 6 require JBWD's water rates to meet the following conditions:

- 1) Revenues derived from the fee or charge shall not exceed the funds required to provide the property related service.

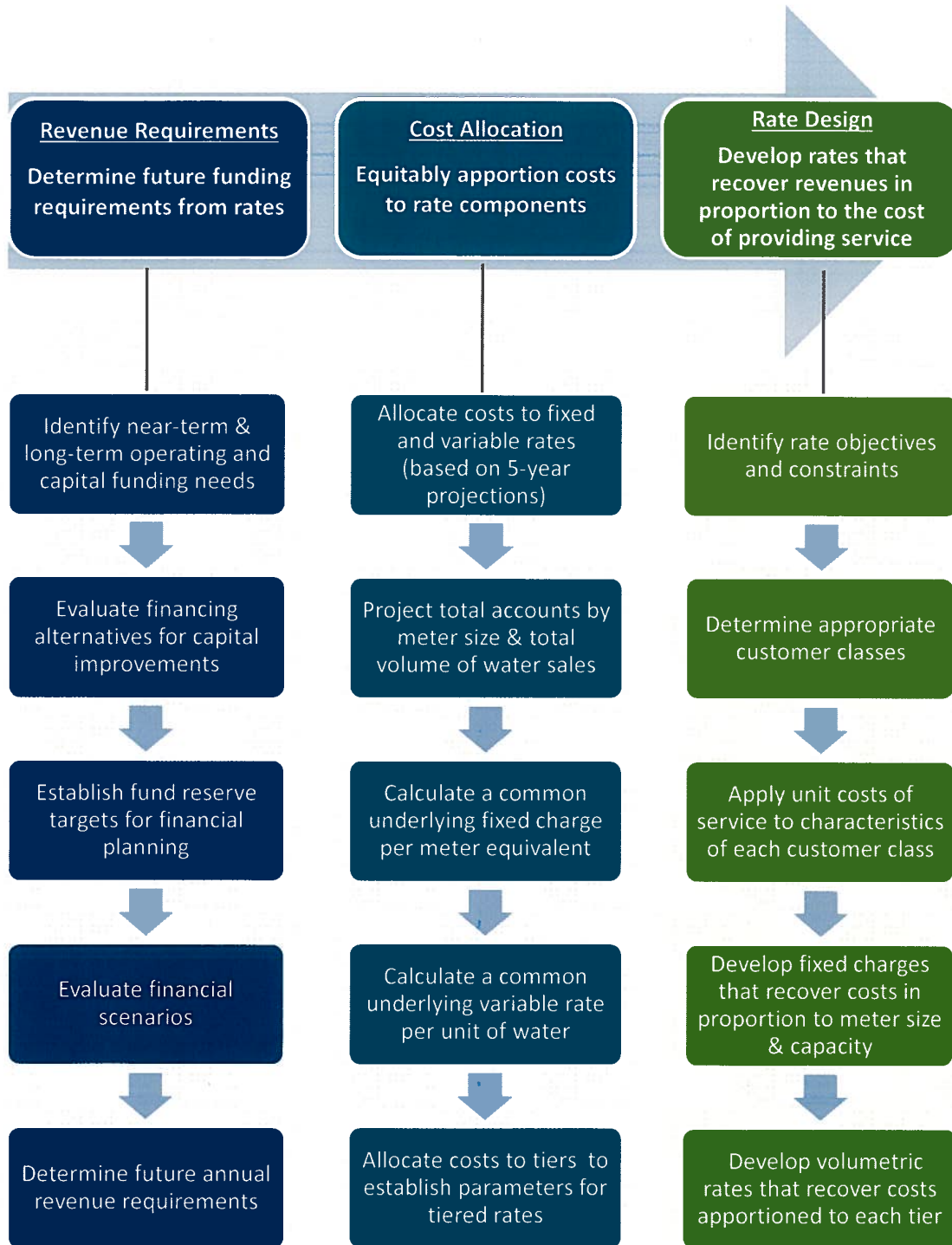
- 2) Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.
- 3) The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.
- 4) No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question.
- 5) No fee or charge may be imposed for general governmental services, such as police or fire services, where the service is available to the public at large in substantially the same manner as it is to property owners.

A subsequent appellate court decision in 2011 further clarified that agencies must demonstrate, satisfactory to a court's independent judgment, that property-related fees and charges meet the proportionality requirement of Section 6.(3). This rate study provides that justification. The water rates derived in this report are based on a cost-of-service methodology that fairly apportions costs to all customers.

### **3.2 Rate-Setting Methodology**

The rates developed in this report use a straightforward methodology to establish an equitable system of fixed and variable charges that recover the cost of providing service and fairly apportion costs to each rate component. The general methodology used in this study is summarized on the diagram on the following page.

# Cost of Service Rate-Setting Methodology



## **4 FINANCIAL PROJECTIONS**

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### **4.1 Financial Challenges / Key Drivers of Rate Increases**

JBWD is facing a number of financial challenges in upcoming years, primarily related to its over-drafted groundwater basin and aging facilities. Rate increases are needed to address these long-term financial challenges and help support safe, reliable, and sustainable water service. Key drivers of future rate increases are summarized as follows.

#### **4.1.1 Fund Imported Water Purchases to Reduce Further Groundwater Depletion**

JBWD currently relies on groundwater for 100% of the community's water supply. With minimal natural recharge, groundwater levels have decreased substantially over the years. Rate increases are needed to enable JBWD to begin importing water from the Mojave Water Agency to help recharge and reduce further depletion of the groundwater basin.

#### **4.1.2 Repair and Replace Aging Facilities and Undersized Water Pipelines**

Roughly 175 miles of JBWD's water pipelines were installed 40 to 70 years ago and are approaching the end of their useful lives. Many old pipelines are inadequately sized and no longer meet fire flow requirements. Additionally, a number of other JBWD facilities including wells and water tanks are aging and will need to be refurbished in upcoming years. Rate increases are needed to fund the near-term, high-priority replacement of roughly 14 miles of old, undersized pipelines (at an estimated cost of \$5 million) and support a prudent minimal level of ongoing investment in other aging facilities.

#### **4.1.3 Ongoing Operating Cost Inflation:**

JBWD faces ongoing operating cost inflation due to annual increases in a range of expenses including staffing, utilities, insurance, supplies, etc. Operating costs have increased in recent years without a corresponding increase in water rates. Rate increases are needed to bring rates back in line with the cost of providing service and enable future revenues to remain in line with ongoing cost inflation.

#### **4.1.4 Decline in Water Sales**

JBWD revenues in recent years have been negatively impacted by a decline in water sales and corresponding water rate revenues. Revenues may be further impacted due to additional conservation and customer response to rate increases. Reduced water sales put upward pressure on rates but not necessarily water bills, since customers who cut back their water pay for fewer units of water.

## 4.2 Water Enterprise Financial Projections

Bartle Wells Associates developed long-term cash flow projections to determine JBWD's annual revenue requirements and project water rate increases. The financial projections incorporate the latest information available as well as a number of reasonable and slightly conservative assumptions. Key assumptions are listed below:

- The financial projections are based on JBWD's 2013/14 Budget.
- Operating cost inflation is projected at 4% per year.
- Growth is projected to escalate from 10 new single family homes or equivalent dwelling units (EDUs) per year to 20 new EDUs per year in 5 years and beyond.
- Water sales are projected to decline by 3% for each 10% of rate increases (-0.3 elasticity) for the next 2 years, then by 2% (-0.2 elasticity) in future years.
- The projections assume JBWD starts billing the fixed meter charge to accounts with pulled meters, with the charge phased in from 50% of the fixed meter charge during the first year to 100% thereafter. The projections assume roughly 1/3 of pulled meter accounts will opt not to pay ongoing charges and instead request a refund of their capacity fee.
- JBWD's payments for its share of Morongo Pipeline debt reaches final maturity in 2020/21, freeing up \$220,000 per year in subsequent years that can be applied to other funding needs. These payments are accounted for as non-operating expenses since they are not direct obligations of JBWD.
- JBWD is projected to receive a little over \$3.5 million of reimbursements this fiscal year, predominantly from grants reimbursing the District for prior expenditures on groundwater recharge facilities.
- The projections account for the purchase of 500 Acre-Feet (AF) of imported water purchases from Mojave Water Agency for the next 7 years. This equates to a little less than one-third of JBWD's total annual water demand. After 7 years, longer-term water purchases are projected to increase 800 AF per year, roughly half of total annual customer demand.
- The projections assume JBWD uses debt financing to fund a \$5 million replacement of 70,000 feet of aging, substandard 4" water pipelines in 2014/15. Debt service projections are estimated based on a 20-year loan with a 4.75% interest rate (estimated conservatively on the high side for planning purposes). BWA recommends the District pursue low-cost financing alternatives such as the Safe Drinking Water State Revolving Fund financing program that currently offers 20-year loans at an interest rate of approximately 2%.

- Funding for ongoing maintenance/repair/rehabilitation of wells, boosters, and tanks escalates from \$200,000 in 2013/14 to \$300,000 annually in 2 years and escalates at the annual rate of 4% to account for construction cost inflation.
- Funding for equipment, technology, and vehicles is projected at \$100,000 starting 2014/15 and escalates at the annual rate of 4%.
- Funding for pipeline replacements gradually phased in from \$200,000 starting 2016/17 to \$500,000 annually by the end of the decade.
- For financial planning purposes, the financial projections assume a) a Minimum Fund Reserve Target equal to 50% of annual operating, maintenance, and debt service expenses, plus \$1 million for emergency capital reserves; and b) a Maximum Fund Reserve Target of 100% of annual operating, maintenance, and debt service expenses, plus \$2 million for emergency capital reserves. Maintaining a prudent minimal level of fund reserves provides a financial cushion for dealing with unanticipated expenses, revenue shortfalls, and non-catastrophic emergency capital repairs. The fund reserve targets will escalate over time as JBWD's expenses gradually increase in future years. It is acceptable if reserves temporarily exceed the maximum target or fall below the minimum target, provided action is taken to achieve the target over the longer run.
- The cash flow projections also show the annual debt service coverage ratio. Debt service coverage is generally defined as Net Revenues (total annual revenues less operating and maintenance expenses) divided by annual debt service. Debt secured by water revenues is typically secured by a legal pledge to raise rates and charges as needed to generate Net Revenues that exceed 120% to 125% of debt service, to provide investors with security that annual revenues will more than sufficient to pay debt service. Revenues generated in excess of operating and debt service costs are typically used to fund costs for capital expenditures and other discretionary expenditures.

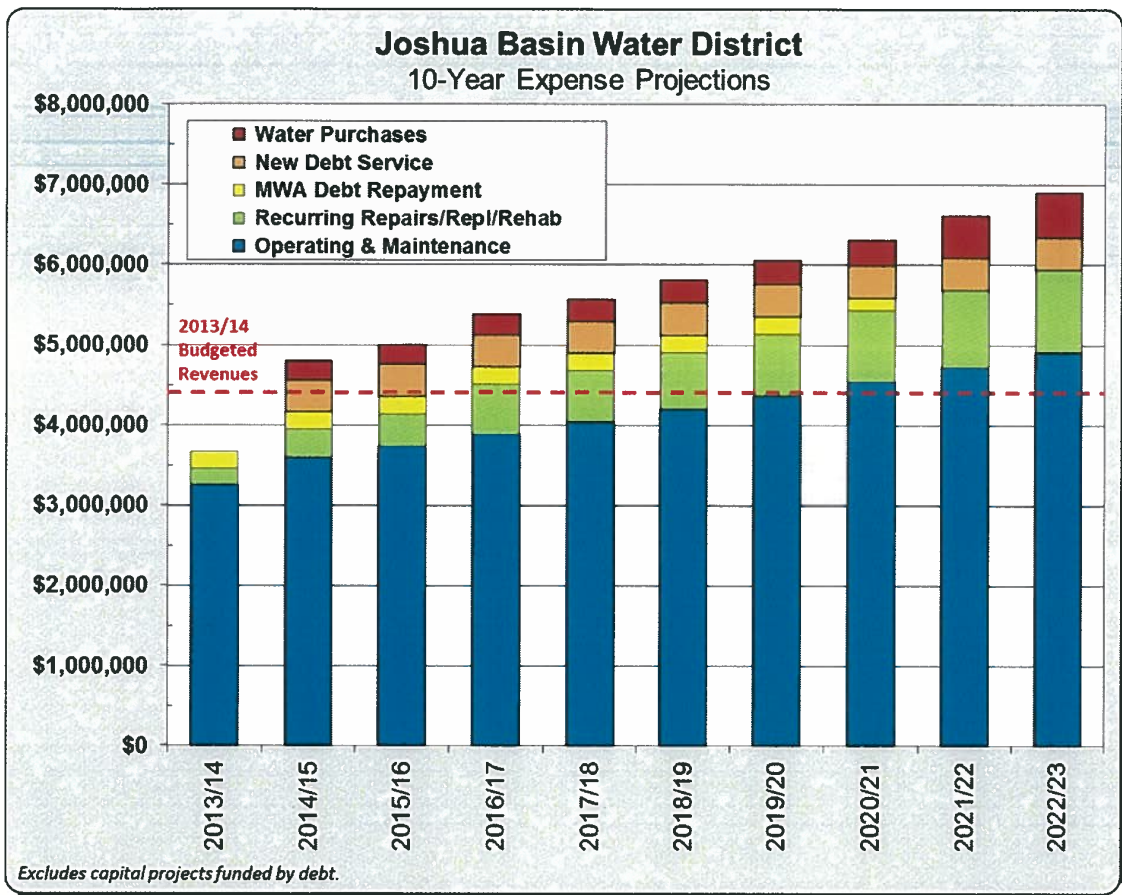
The following table shows a summary of 10-year water enterprise cash flow projections. A more detailed version of cash flows is included in the tables attached to this report.

**Summary of Cash Flow Projections (\$ millions)**

Fiscal Year	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
<b>Overall Rate Increases</b> Effective January 1	7%	7%	7%	7%	7%	6%	6%	6%	6%	6%
<b>Beginning Fund Reserves</b>	\$1.8	\$6.0	\$6.1	\$6.2	\$6.3	\$6.3	\$6.5	\$6.6	\$6.7	\$6.8
<b>REVENUES</b>										
Water Rate Revenues	2.9	3.2	3.4	3.6	3.8	4.1	4.3	4.5	4.8	5.1
Other Revenues	1.6	1.7	1.7	1.8	1.8	1.9	1.9	1.9	1.9	1.9
Grant Proceeds	7.8	-	-	-	-	-	-	-	-	-
Debt Proceeds	-	5.0	-	-	-	-	-	-	-	-
<b>Total</b>	<b>12.3</b>	<b>9.9</b>	<b>5.1</b>	<b>5.4</b>	<b>5.7</b>	<b>5.9</b>	<b>6.2</b>	<b>6.4</b>	<b>6.7</b>	<b>7.0</b>
<b>EXPENSES</b>										
Operating Expenses	3.4	3.6	3.7	3.9	4.0	4.2	4.4	4.5	4.7	4.9
Debt Service	0.0	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Capital Expenditures	4.7	5.6	0.6	0.8	0.9	0.9	1.0	1.0	1.0	1.0
Imported Water	0.0	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.5	0.6
<b>Total</b>	<b>8.1</b>	<b>9.8</b>	<b>5.0</b>	<b>5.4</b>	<b>5.6</b>	<b>5.8</b>	<b>6.1</b>	<b>6.3</b>	<b>6.6</b>	<b>6.9</b>
<b>Revenues Less Expenses</b>	<b>4.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>Ending Fund Reserves</b>	<b>6.0</b>	<b>6.1</b>	<b>6.2</b>	<b>6.3</b>	<b>6.3</b>	<b>6.5</b>	<b>6.6</b>	<b>6.7</b>	<b>6.8</b>	<b>6.9</b>
Min Fund Reserve Target	2.7	3.0	3.1	3.1	3.2	3.3	3.4	3.5	3.6	3.7
Max Fund Reserve Target	5.4	6.0	6.1	6.3	6.4	6.6	6.8	6.9	7.1	7.3
Debt Service Coverage	-	3.31	3.52	3.83	4.05	4.33	4.51	4.72	4.94	5.19



The following chart graphically shows a 10-year breakdown of projected water enterprise expenses.



### 4.3 Required Rate Increases

Based on evaluation of different financial scenarios and input from the District and the *Citizens Advisory Committee*, the projections include 7% annual rate increases for the next 5 years in order to fund JBWD’s projected costs of providing service. The proposed rate increases are phased in gradually over 5 years in order to keep revenues in line with funding needs and minimize the annual impact on JBWD customers.

In future years, JBWD can re-evaluate its finances and revenue requirements and adjust rates as needed based on updated projections. JBWD always has the flexibility to implement rates that are lower than those adopted pursuant to Proposition 218. However, future rates cannot exceed the adopted rate increases without going through the Proposition 218 process; rates adopted pursuant to Proposition 218 are essentially future rate caps.

## 5 RATE DERIVATION

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### 5.1 Rate Structure Modifications

The proposed rates developed in this report incorporate modifications to JBWD's rate structure designed to a) comply with the California Urban Water Conservation Council's Best Management Practice 1.4 regarding retail water conservation pricing (to comply with grant eligibility requirements), b) gradually increase conservation incentive while reducing the financial impact on customers with low to moderate water use, c) fairly apportion costs of service to all JBWD customers in accordance with the substantive requirements of Article 13D, Section 6 of the California Constitution, and d) reflect the policy preferences of the District and the *Citizens Advisory Committee*. Rate structure modifications are summarized as follows.

#### 5.1.1 Fixed Meter Charge Modifications

The proposed rates incorporate two modifications to JBWD's fixed Basic Monthly Fees including:

- **Gradually Reduce Fixed Rate Revenue Recovery from 48% to 40%** - Under the proposed rates, the percentage of rate revenues recovered from JBWD's fixed Basic Monthly Fees is gradually reduced from the current level of 48% to 40% over next 4 years. This reduction of fixed revenue recovery is based on the cost allocations developed subsequently in this report and complies with CUWCC's BMP 1.4, which is one of JBWD's grant eligibility requirements. *Note: The reduction in fixed charge revenue recovery results in lower impacts to low water users and higher impacts to higher water users.*
- **Combine 3/4-Inch and 1-Inch Meters into a Single Rate Class** - Currently, JBWD serves roughly 4,300 3/4-inch meters and only 175 1-inch meters. Customers with 1-inch meters currently pay higher fixed Basic Monthly Fees due to the higher meter capacity and demand placed on the water system. However, new plumbing code requirements require the installation of 1-inch meters for new homes that have the same water demands as existing homes currently served by 3/4-inch meters. To account for the fact that the underlying demand from new 1-inch and current 3/4-inch meters is essentially the same, the proposed rates combine both 3/4-inch and 1-inch meters into a single rate class.

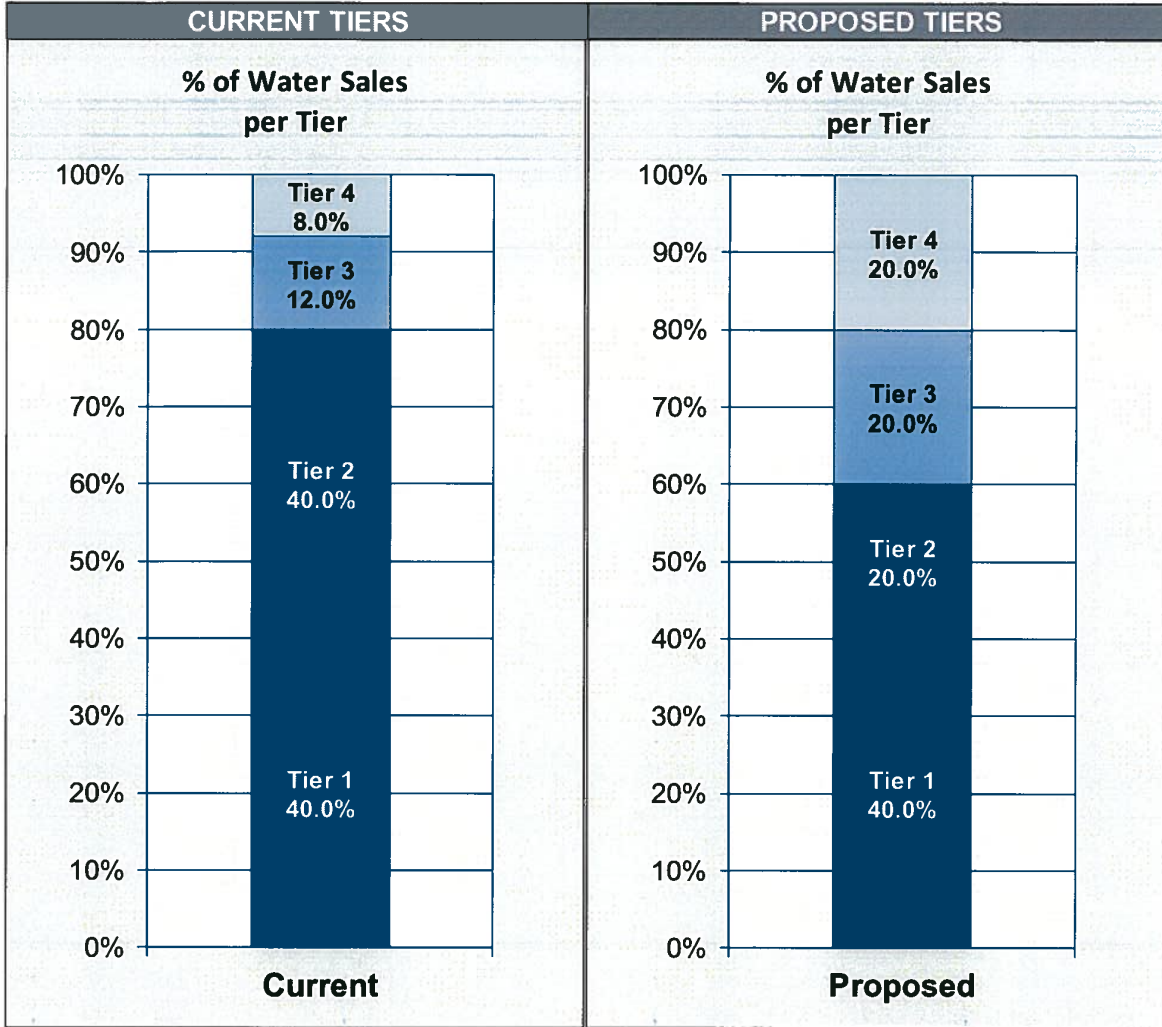
### 5.1.2 Variable Water Rate Structure Modifications

The proposed rates incorporate three modifications to JBWD’s variable Water Flow Charges. These modifications will result in a gradual increase in conservation incentive and help minimize the impact of proposed rate increases on customers with low water use. The proposed modifications include:

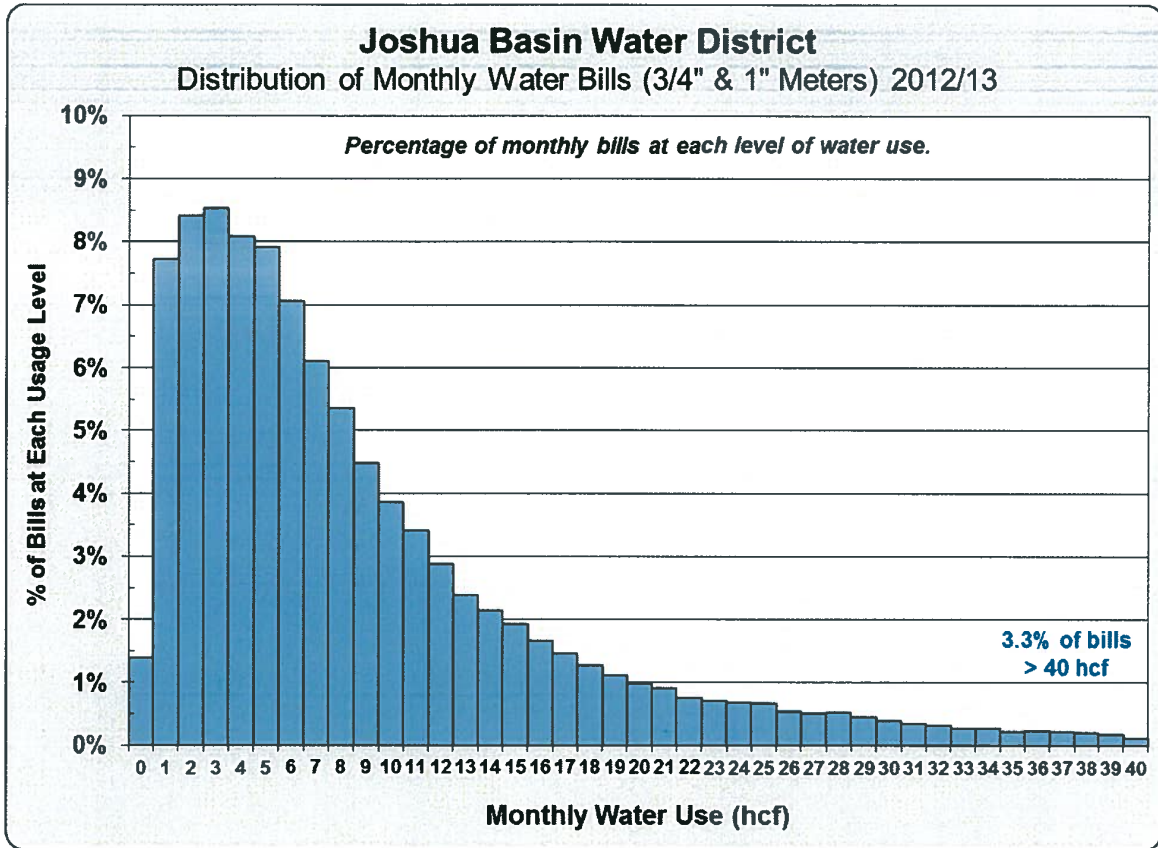
- **Gradually Increase Variable Rate Revenue Recovery from 52% to 60%** - Under the proposed rates, the percentage of rate revenues recovered from JBWD’s variable Water Flow Charges is gradually increased from the current level of 52% to 60% over next 4 years. As noted above, this modification is based on the cost allocations developed subsequently in this report and complies with CUWCC’s BMP 1.4 regarding retail water conservation pricing.
- **Increase the Steepness of Tiered Rates to Increase Conservation Incentive** – Under the District’s current tiered rate structure, the rate charged for water use in the highest tier is approximately 28% higher than the rate charged in the lowest tier. Under the proposed rates, this differential would gradually increase to 50% to increase conservation incentive. The increased steepness of tiered rates is gradually phased in over 4 years to minimize the annual impact and give customers time to adjust.
- **Revise Tier Breakpoints** – Customers with 3/4-inch and 1-inch meters are billed according to a 4-tiered inclining volumetric rate structure. Based on analysis of JBWD water consumption data and input from the District and the Citizens Advisory Committee, the proposed rates incorporate the following revisions to the tier breakpoints.

CURRENT TIERS				PROPOSED TIERS			
	Bi-Monthly Use	Bills Ending in Tier %	Water Use in Tier		Bi-Monthly Use	Bills Ending in Tier %	Water Use in Tier
Tier 1	0 - 5 hcf	42.1%	40.0%	Tier 1	0 - 5 hcf	42.1%	40.0%
Tier 2	5.01 - 20 hcf	46.1%	40.0%	Tier 2	5.01 - 10 hcf	26.9%	20.0%
Tier 3	20.01 - 40 hcf	8.6%	12.0%	Tier 3	10.01 - 20 hcf	19.3%	20.0%
Tier 4	40.01 + hcf	3.3%	8.0%	Tier 4	20.01 + hcf	11.8%	20.0%

A comparison of water use billed in the current and proposed tiers is shown below.



The derivation of tiered rates is based on analysis of JBWD water consumption data from fiscal year 2012/13. The following chart shows a breakdown of monthly water bills at each level of water use for accounts with 3/4-inch and 1-inch meters that pay tiered water rates.



## 5.2 Fixed & Variable Cost Recovery

Rates developed in this report are based on a reasonable allocation of costs to fixed and variable rate recovery as shown on the following table. Costs are allocated based on a 5-year average of projected expenses. Revenues derived from sources other than water rates are applied toward reducing cost recovery from fixed rates. Based on these cost allocations, water rates will be designed to recover 40% of rate revenues from JBWD's fixed Basic Monthly Fees and 60% of rate revenues from volumetric Water Flow Charges.

Fixed Rate & Variable Rate Revenue Recovery					
	Projected 5-Year Avg	Cost Recovery %		Cost Recovery \$	
		Fixed	Variable	Fixed	Variable
<b>REVENUES</b>					
Water Rate Revenues	3,218,000				
Other Revenues	1,902,655				
<b>Total Revenues</b>	<b>5,120,655</b>				
<b>EXPENSES</b>					
<b>Operating &amp; Maintenance</b>					
Production	945,568	50%	50%	472,784	472,784
Distribution	681,952	50%	50%	340,976	340,976
Customer Service	591,974	90%	10%	532,776	59,197
Administration	610,857	90%	10%	549,771	61,086
Engineering	204,007	50%	50%	102,003	102,003
Finance	462,300	100%	0%	462,300	0
Personnel & Legal	240,665	100%	0%	240,665	0
Subtotal	3,737,323	72%	28%	2,701,277	1,036,047
<b>Debt Service</b> (assumes 20-yr loan)	320,000	50%	50%	160,000	160,000
<b>Non-Operating/Discretionary</b>					
Morongo Basin Pipeline Pymts to MWA	219,739	0%	100%	0	219,739
Water Purchases from MWA	204,200	0%	100%	0	204,200
Tank, Well & Pump Maint/Improvements	277,200	50%	50%	138,600	138,600
Equipment/Tech/Vehicle Replacement	84,800	75%	25%	63,600	21,200
Pipeline Replacement (7,500' / yr)	80,000	75%	25%	60,000	20,000
Subtotal	865,939	30%	70%	262,200	603,739
<b>Total Expenses</b>	<b>4,923,262</b>	<b>63%</b>	<b>37%</b>	<b>3,123,477</b>	<b>1,799,786</b>
<b>NET FUNDING REQUIRED FROM WATER RATES</b>					
Total Expenses	4,923,262	63%	37%	3,123,477	1,799,786
Less Funding Sources Other Than Rates	(1,902,655)	100%	0%	(1,902,655)	0
<b>Net Funding Requirement from Water Rates</b>	<b>3,020,607</b>	<b>40.4%</b>	<b>59.6%</b>	<b>1,220,822</b>	<b>1,799,786</b>

*Excludes capital improvement projects funded by grants and debt, but includes associated debt service.*

Public agencies have used a wide range of approaches or perspectives for allocating and recovering costs. Depending on perspective, the same costs can reasonably be allocated 100% to fixed revenue recovery, 100% to variable rate recovery, or to some combination of the two. For example, debt service used to fund water treatment facilities can legitimately be treated as a) a fixed annual cost that should be recovered from fixed charges, b) a cost related to providing water supply to meet customer demand and therefore a cost that should be recovered from variable rates, or c) a cost that can be recovered from both fixed and variable rates in recognition of the two alternative perspectives.

Many of the District's costs are fixed costs that do not vary by water consumption, such as salaries, benefits, and costs for building and maintaining infrastructure. However, a portion of these fixed costs can reasonably be apportioned to variable, usage-based rate recovery in recognition that a portion of these fixed costs are related to the volumetric water use. For example, a share of the fixed cost of salaries related to water production can reasonably be recovered from usage-based charges as these costs are incurred to provide water supply to meet customer demand. Likewise, debt service payments related to the Morongo Pipeline may be fixed annual costs, but it is reasonable to recover some of these costs from usage-based rates as the costs are incurred to fund infrastructure that will deliver imported water to reduce depletion of the groundwater basin – depletion caused by over-drafting due to customer demand.

While there is no single correct approach, BWA believes that costs should be allocated within a reasonable range that reflects both a) underlying cost causation, to the extent such causation can reasonably be determined or estimated, and b) the policy preferences of the agency in cases where a range of reasonable approaches can be justified.

### **5.3 Fixed Rate Derivation**

The proposed fixed meter charges are designed to recover costs from each meter proportion to meter capacity and the associated demand placed on the water system by each meter size. The table on the following page calculates fixed meter charges for the next 4 years incorporating the rate structure modifications and cost allocations previously described.

Revenue requirements from fixed charges are calculated by multiplying a) the annualized revenue requirements from each mid-year rate increase by b) the percentage of costs allocated for fixed charge revenue recovery. This funding target is then divided by c) the total number of projected meter equivalents the District will serve each year in order to determine d) the fixed charge per meter equivalent. A meter equivalent represents the capacity of a base 3/4-inch meter. Larger

meters are converted into meter equivalents in order to determine a common underlying fixed charge that can be applied to the capacity of each meter size.

The increases to fixed rates are gradually and steadily phased in over the next 4 years resulting in an increase of \$0.49 per month per 3/4-inch meter (or meter equivalent) for each of the next 4 years.

<b>Fixed Rate Calculation</b>						
	<b>Current</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	
<b>Water Rate Revenue Recovery</b>						
Effective Date of Rate Increase		01/01/14	01/01/15	01/01/16	01/01/17	
Annualized Revenues w/ Rate Increase		\$2,943,000	\$3,118,000	\$3,304,000	\$3,516,000	
<b>Fixed Rate Recovery</b>						
		<i>With 4-Year Phase in to 40% Fixed Rate Recovery</i>				
Cost Recovery Allocation %	<b>48%</b>	<b>46%</b>	<b>44%</b>	<b>42%</b>	<b>40%</b>	
Cost Recovery Allocation \$		\$1,353,780	\$1,371,920	\$1,387,680	\$1,406,400	
<b>Meter Equivalents</b>						
Existing Meter Equivalents		4,513	4,513	4,523	4,533	
Projected Growth		<u>  </u>	<u>10</u>	<u>10</u>	<u>15</u>	
Total		4,513	4,523	4,533	4,548	
<b>Rate per Meter Equivalent</b>						
Annual	\$285.84	\$300.00	\$303.34	\$306.15	\$309.26	
Monthly	23.82	25.00	25.28	25.51	25.77	
Monthly Increase		1.18	0.28	0.23	0.26	
With Steady Annual Increases	<b>\$23.82</b>	<b>\$24.31</b>	<b>\$24.80</b>	<b>\$25.29</b>	<b>\$25.78</b>	
Monthly Increase		0.49	0.49	0.49	0.49	
<b>Projected Fixed Monthly Meter Charges<sup>1,2</sup></b>						
<u>Meter Size</u>	<u>Capacity (gpm)</u>					
3/4" & 1"	30	\$23.82	\$24.31	\$24.80	\$25.29	\$25.78
1-1/2"	100	79.40	81.03	82.67	84.30	85.93
2"	160	127.00	129.65	132.27	134.88	137.49
3"	300	238.20	243.09	248.01	252.90	257.79
1 Fixed Meter Charges recover costs in proportion to the capacity of each meter size based on standard meter capacities developed by the American Water Works Association (AWWA).						
2 The Fixed Meter Charge for 1" meters is currently \$39.70; the 1" meter rate will be merged with the 3/4" meter rate due to new plumbing code requirements requiring installation of 1" meters for connections with the same underlying demand as current 3/4" meters.						



## 5.4 Variable Rate Derivation

Revenue requirements from variable rates are calculated by multiplying a) the annualized revenue requirements from each mid-year rate increase by b) the percentage of costs allocated for variable rate revenue recovery. This funding target is then divided by c) the total volume of projected annual water sales for each year to determine d) a common, underlying rate per unit of metered water use.

The increases to variable rates are gradually and steadily phased in over the next 4 years resulting in an increase of \$0.36 per hundred cubic feet of water use each year. This equates to an increase of under 5 cents per hundred gallons each year for the next 4 years.

<b>Variable Rate Calculation</b>					
	<b>Current</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
<b>Water Rate Revenue Recovery</b>					
Effective Date of Rate Increase		01/01/14	01/01/15	01/01/16	01/01/17
Annualized Revenues w/ Rate Increase		\$2,943,000	\$3,118,000	\$3,304,000	\$3,516,000
<b>Variable Rate Recovery</b>					
		<i>With 4-Year Phase in to 60% Variable Rate Recovery</i>			
Cost Recovery Allocation %	<b>52%</b>	<b>54%</b>	<b>56%</b>	<b>58%</b>	<b>60%</b>
Cost Recovery Allocation \$		\$1,589,220	\$1,746,080	\$1,916,320	\$2,109,600
<b>Projected Water Sales (hcf)</b>					
Baseline Water Sales	600,000	600,000	587,400	575,065	567,014
Projected Change in Demand	-	-2.1%	-2.1%	-1.4%	-1.4%
Total	600,000	587,400	575,065	567,014	559,076
<b>Average Rate per Unit (\$/hcf)</b>					
Increase	\$2.35	\$2.71	\$3.04	\$3.38	\$3.77
		0.36	0.33	0.34	0.39
With Steady Annual Increases	<b>\$2.35</b>	<b>\$2.71</b>	<b>\$3.07</b>	<b>\$3.43</b>	<b>\$3.79</b>
Increase in Average Rate (\$/hcf)		0.36	0.36	0.36	0.36
<i>For Informational Purposes</i>					
Equivalent Rate per 100 gallons	\$0.314	\$0.362	\$0.410	\$0.459	\$0.507
Increase (\$ per 100 gallons)		0.048	0.048	0.048	0.048

## 5.5 Tiered Rate Derivation

The following two tables develop parameters for deriving tiered volumetric Water Flow Charges for customers with 3/4-inch and 1-inch meters. In the first table, revenues allocated for variable rate cost recovery (based on projected 2017/18 expenses) are allocated to both a) the tiered volumetric rates charged to customers with 3/4-inch and 1-inch meters, and b) the uniform volumetric rates charged to customers with larger meters based on the percentage of projected water use from each rate class.

Cost Allocation to Uniform & Tiered Rates						
	Projected 2017/18	Variable Rate Cost Recovery %		Cost Allocation to Uniform & Tiered Rates		
		%	\$	Uniform Rates	Tiered Rates	Total
Baseline Projected Water Use (hcf)				100,000	500,000	600,000
Change in Water Sales				-7%	-7%	-7%
Projected Water Use 2017/18 (hcf)				93,000	465,000	558,000
% of Total Water Consumption				16.7%	83.3%	100.0%
% of Tiered Rate Subtotal						
<b>EXPENSES</b>						
<b>Operating &amp; Maintenance</b>						
Production	1,021,000	50%	510,500	85,083	425,417	510,500
Distribution	736,000	50%	368,000	61,333	306,667	368,000
Customer Service*	640,000	10%	64,000	10,667	53,333	64,000
Administration	659,000	10%	65,900	10,983	54,917	65,900
Engineering	220,000	50%	110,000	18,333	91,667	110,000
Finance	499,000	0%	0	0	0	0
Personnel & Legal	260,000	0%	0	0	0	0
Subtotal	4,035,000	28%	1,118,400	186,400	932,000	1,118,400
<b>Debt Service</b> (assumes 20-yr loan)	400,000	50%	200,000	33,333	166,667	200,000
<b>Non-Operating/Discretionary</b>						
Morongo Basin Pipeline Pymts to MWA	220,000	100%	220,000	36,667	183,333	220,000
Water Purchases from MWA	274,000	100%	274,000	45,667	228,333	274,000
Tank, Well & Pump Maint/Improvements	324,000	50%	162,000	27,000	135,000	162,000
Equipment/Tech/Vehicle Replacement	112,000	25%	28,000	4,667	23,333	28,000
Pipeline Replacement (7,500' / yr)	200,000	25%	50,000	8,333	41,667	50,000
Subtotal	1,130,000	65%	734,000	122,333	611,667	734,000
<b>Total Expenses</b>	5,565,000	37%	2,052,400	342,067	1,710,333	2,052,400

\* Water Conservation Program costs account for approximately 10% of Customer Service expenses based on the FY2013/14 Budget.

The second table then further allocates costs designated for tiered rate recovery to each of the 4 proposed rate tiers to establish parameters for developing tiered rates. Most costs are allocated in direct proportion to the volume of water in each tier. However, a few cost items are allocated more to higher tiers including:

- Conservation program expenses (included in the Customer Service budget) which are allocated primarily to the highest two rate tiers in recognition that program costs are incurred largely due to the need to reduce water consumption of customers with higher levels of water use.
- Over the next five years, JBWD anticipates importing about a third of its annual water supply needs. Payments for the Morongo Basin Pipeline – which will be used to import water from Mojave Water Agency to reduce further depletion of JBWD’s over-drafted groundwater basin – and costs for imported water purchases are allocated to all tiers, but are more-substantially allocated to higher tiers in order to recover costs for the additional impacts to the groundwater basin from high levels of water use.

Tiered Rate Allocation										
	Tiered Rate Allocation %					Tiered Rate Allocation \$				
	Tier 1	Tier 2	Tier 3	Tier 4	Subtotal	Tier 1	Tier 2	Tier 3	Tier 4	Subtotal
Baseline Projected Water Use (hcf)	200,000	100,000	100,000	100,000	500,000					
Change in Water Sales	-7%	-7%	-7%	-7%	-7%					
Projected Water Use 2017/18 (hcf)	186,000	93,000	93,000	93,000	465,000					
% of Total Water Consumption	33.3%	16.7%	16.7%	16.7%	83.3%					
% of Tiered Rate Subtotal	40.0%	20.0%	20.0%	20.0%	100.0%					
<b>EXPENSES</b>										
<b>Operating &amp; Maintenance</b>										
Production	40.0%	20.0%	20.0%	20.0%	100.0%	170,167	85,083	85,083	85,083	425,417
Distribution	40.0%	20.0%	20.0%	20.0%	100.0%	122,667	61,333	61,333	61,333	306,667
Customer Service (conservation)	5.0%	15.0%	40.0%	40.0%	100.0%	2,667	8,000	21,333	21,333	53,333
Administration	40.0%	20.0%	20.0%	20.0%	100.0%	21,967	10,983	10,983	10,983	54,917
Engineering	40.0%	20.0%	20.0%	20.0%	100.0%	36,667	18,333	18,333	18,333	91,667
Finance	40.0%	20.0%	20.0%	20.0%	100.0%	0	0	0	0	0
Personnel & Legal	40.0%	20.0%	20.0%	20.0%	100.0%	0	0	0	0	0
Subtotal	38.0%	19.7%	21.1%	21.1%	100.0%	354,133	183,733	197,067	197,067	932,000
<b>Debt Service</b> (assumes 20-yr loan)	40.0%	20.0%	20.0%	20.0%	100.0%	66,667	33,333	33,333	33,333	166,667
<b>Non-Operating</b>										
Morongo Basin Pipeline Pymts to MWA	15.0%	20.0%	25.0%	40.0%	100.0%	27,500	36,667	45,833	73,333	183,333
Water Purchases from MWA	15.0%	20.0%	25.0%	40.0%	100.0%	34,250	45,667	57,083	91,333	228,333
Tank, Well & Pump Maint/Improvements	40.0%	20.0%	20.0%	20.0%	100.0%	54,000	27,000	27,000	27,000	135,000
Equipment/Tech/Vehicle Replacement	40.0%	20.0%	20.0%	20.0%	100.0%	9,333	4,667	4,667	4,667	23,333
Pipeline Replacement (7,500' / yr)	40.0%	20.0%	20.0%	20.0%	100.0%	16,667	8,333	8,333	8,333	41,667
Subtotal	23.2%	20.0%	23.4%	33.5%	100.0%	141,750	122,333	142,917	204,667	611,667
<b>Total Expenses</b>	32.9%	19.8%	21.8%	25.4%	100.0%	562,550	339,400	373,317	435,067	1,710,333
Projected Water Consumption per Tier						186,000	93,000	93,000	93,000	
Tiered Rate Allocation 2017/18 Divided by Projected Water Use <sup>1</sup>						\$3.02	\$3.65	\$4.01	\$4.68	
Proposed Rate Effective 01/01/18						3.00	3.50	4.00	4.50	

1 Shown for informational purposes to demonstrate that rates for each tier reasonably reflect and do not exceed the cost of service.

## 6 PROPOSED RATES & IMPACTS

### 6.1 Proposed Water Rates

The following table shows a 5-year schedule of proposed water rates incorporating a) the overall level of required rate increases to fund JBWD's costs of providing service, b) the proposed rate structure adjustments, and c) the revenue recovery allocations that fairly apportion costs to JBWD customers. Overall rate increases and most rate structure modifications are gradually phased in to minimize the annual impact on customers. Rate increases are scheduled to become effective each January 1, when water use is low. However, due to procedural requirements, the first rate increase is scheduled to become effective March 1, 2014.

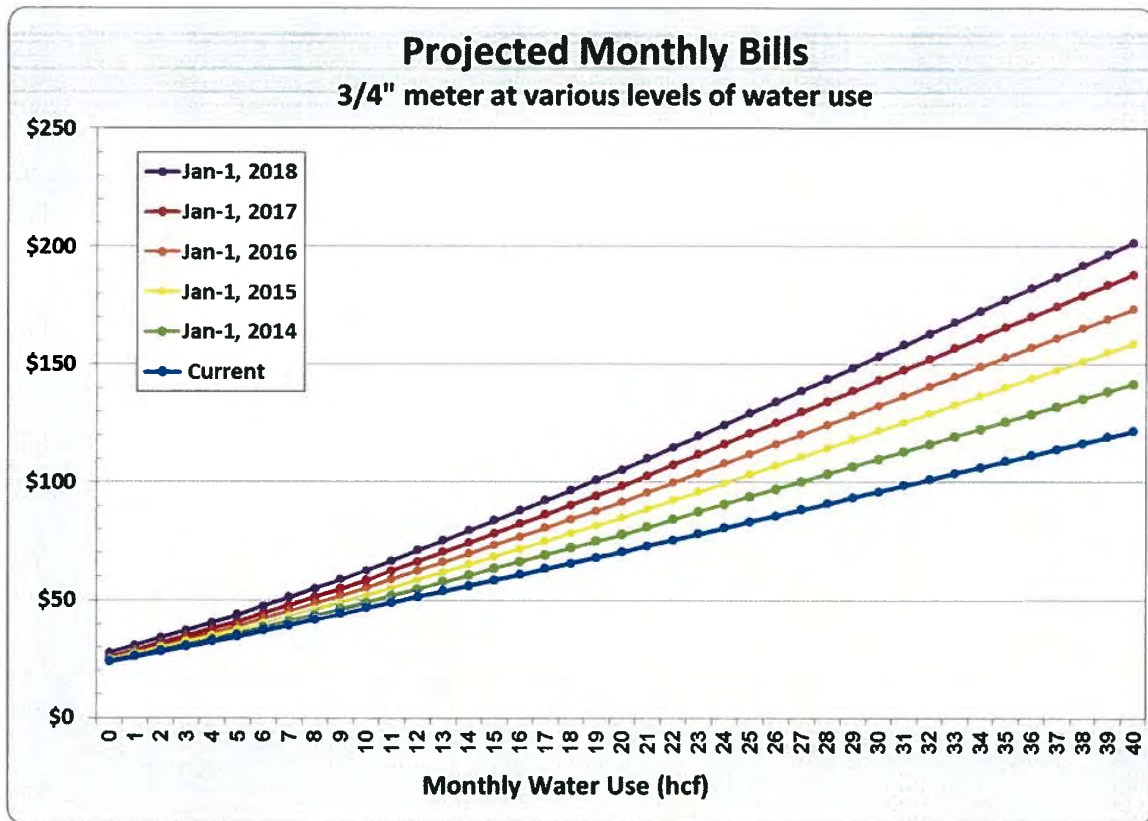
CURRENT & PROPOSED WATER RATES								
	Current Rates	Proposed Water Rates						
		Mar-1 2014	Jan-1 2015	Jan-1 2016	Jan-1 2017	Jan-1 2018		
<b>BASIC MONTHLY FEE</b>								
<u>Meter Size</u>	Monthly Charge (\$)							
3/4 inch	23.82	-	-	-	-	-		
1 inch	39.70	-	-	-	-	-		
3/4 & 1 inch	-	24.31	24.80	25.29	25.78	27.58		
1-1/2 inches	79.40	81.03	82.67	84.30	85.93	91.95		
2 inches	127.00	129.65	132.27	134.88	137.49	147.11		
3 inches	238.20	243.09	248.01	252.90	257.79	275.84		
<b>MONTHLY WATER FLOW CHARGES</b>								
<b>For 3/4" &amp; 1" Meters</b>								
	<u>Current Tiers</u>	<u>Proposed Tiers</u>	Rate Per Unit (\$ per hundred cubic feet)					
Tier 1	0 - 5 units	0 - 5 units	2.14	2.30	2.50	2.75	3.00	3.21
Tier 2	5.01 - 20 units	5.01 - 10 units	2.39	2.60	2.90	3.20	3.50	3.75
Tier 3	20.01 - 40 units	10.01 - 20 units	2.57	2.90	3.30	3.65	4.00	4.28
Tier 4	40.01 + units	20.01 + units	2.75	3.20	3.70	4.10	4.50	4.82
<i>1 unit = one hundred cubic feet = 748 gallons</i>								
<b>For 1-1/2", 2" and 3" Meters</b>								
			Rate Per Unit (\$ per hundred cubic feet)					
Unit rate for all water use			\$2.39	\$2.71	\$3.07	\$3.43	\$3.79	\$4.06
<i>1 unit = one hundred cubic feet = 748 gallons</i>								
<b>PRIVATE FIRE PROTECTION CHARGES</b>								
<u>Service Size</u>	Monthly Charge (\$)							
2 inches	12.62	13.50	11.58	12.28	12.62	13.50		
3 inches	25.25	27.02	23.15	24.54	25.25	27.02		
4 inches	50.50	54.04	46.29	49.07	50.50	54.04		
6 inches	75.76	81.06	69.45	73.62	75.76	81.06		
8 inches	113.62	121.57	104.60	110.41	113.62	121.57		

## 6.2 Water Rate Impacts

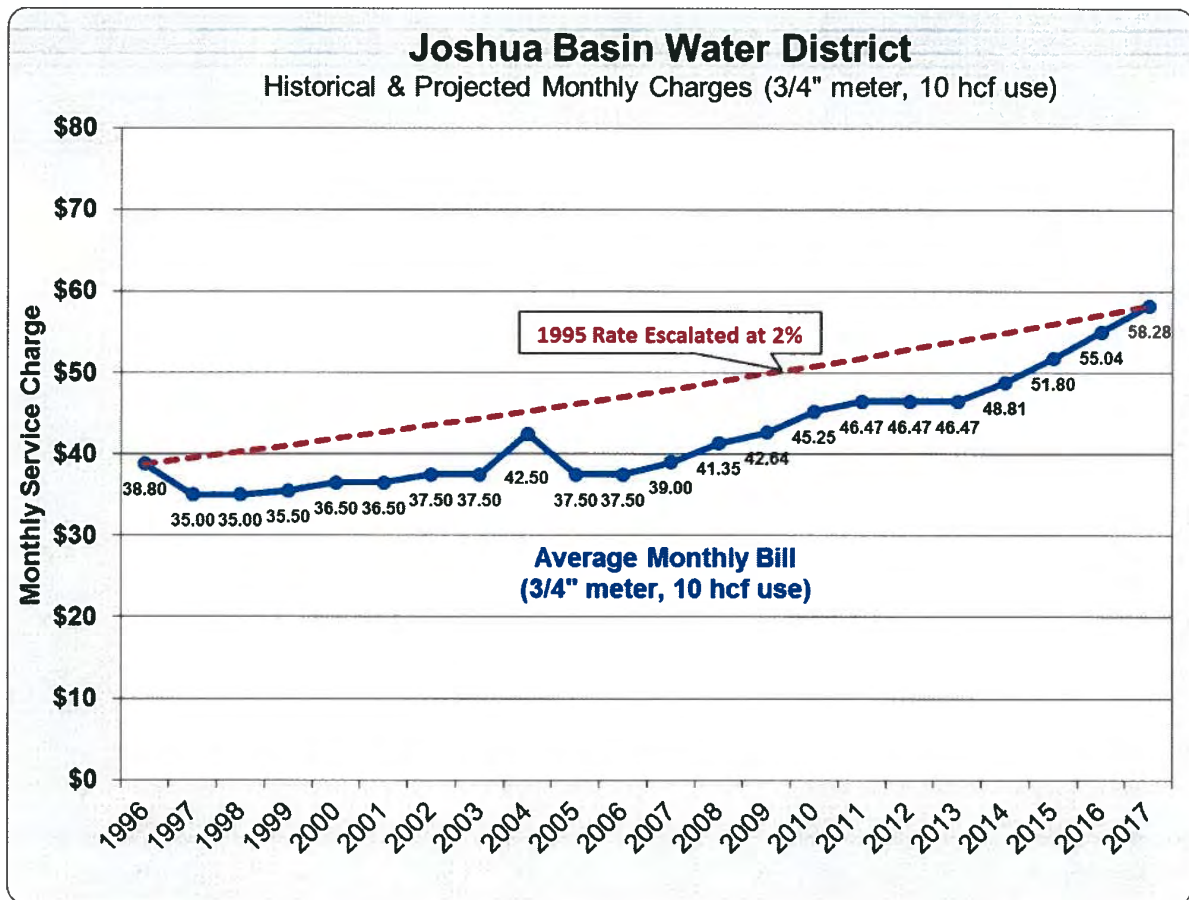
The following table shows the impacts of the proposed water rates on a customer with a 3/4-inch meter at a range of levels of water use. The table also shows impacts on high water user who reduces water use by 10% and 20%. Customers can mitigate the impact of rate increases by reducing water use. Note that water consumption, particularly for single family customers, typically varies from month to month due to seasonal variations in weather and/or other factors. Hence customers could face a range of impacts throughout the year depending on their level of water use in each billing period.

Projected Rate Impacts										
Level of Use	Monthly Use	% of Bills at or Below	Current	Projected Monthly Water Bills					5-Year Impact	Avg Annual Impact
				1/1/14	1/1/15	1/1/16	1/1/17	1/1/18		
LOW	3 hcf	25%	<b>\$30.24</b>	<b>\$31.21</b>	<b>\$32.30</b>	<b>\$33.54</b>	<b>\$34.78</b>	<b>\$37.21</b>		
			Increase \$	0.97	1.09	1.24	1.24	2.43	6.97	1.39
			Increase %	3.2%	3.5%	3.8%	3.7%	7.0%	23.0%	4.2%
MEDIAN	6 hcf	50%	<b>\$36.91</b>	<b>\$38.41</b>	<b>\$40.20</b>	<b>\$42.24</b>	<b>\$44.28</b>	<b>\$47.38</b>		
			Increase \$	1.50	1.79	2.04	2.04	3.10	10.47	2.09
			Increase %	4.1%	4.7%	5.1%	4.8%	7.0%	28.4%	5.1%
AVERAGE	10 hcf	70%	<b>\$46.47</b>	<b>\$48.81</b>	<b>\$51.80</b>	<b>\$55.04</b>	<b>\$58.28</b>	<b>\$62.38</b>		
			Increase \$	2.34	2.99	3.24	3.24	4.10	15.91	3.18
			Increase %	5.0%	6.1%	6.3%	5.9%	7.0%	34.2%	6.1%
MOD-HIGH 2x Average	20 hcf	88%	<b>\$70.37</b>	<b>\$77.81</b>	<b>\$84.80</b>	<b>\$91.54</b>	<b>\$98.28</b>	<b>\$105.18</b>		
			Increase \$	7.44	6.99	6.74	6.74	6.90	34.81	6.96
			Increase %	10.6%	9.0%	7.9%	7.4%	7.0%	49.5%	8.4%
HIGH 4x Average	40 hcf	97%	<b>\$121.77</b>	<b>\$141.81</b>	<b>\$158.80</b>	<b>\$173.54</b>	<b>\$188.28</b>	<b>\$201.58</b>		
			Increase \$	20.04	16.99	14.74	14.74	13.30	79.81	15.96
			Increase %	16.5%	12.0%	9.3%	8.5%	7.1%	65.5%	10.6%
<b>HIGH USER WITH 10% CONSERVATION</b>				10% Conservation Over 4 Years						
	40			39	38	37	36	36		
			<b>\$121.77</b>	<b>\$138.61</b>	<b>\$151.40</b>	<b>\$161.24</b>	<b>\$170.28</b>	<b>\$182.30</b>		
				16.84	12.79	9.84	9.04	12.02	60.53	12.11
				13.8%	9.2%	6.5%	5.6%	7.1%	49.7%	8.4%
<b>HIGH USER WITH 20% CONSERVATION</b>				20% Conservation Over 4 Years						
	40			38	36	34	32	32		
			<b>\$121.77</b>	<b>\$135.41</b>	<b>\$144.00</b>	<b>\$148.94</b>	<b>\$152.28</b>	<b>\$163.02</b>		
				13.64	8.59	4.94	3.34	10.74	41.25	8.25
				11.2%	6.3%	3.4%	2.2%	7.1%	33.9%	6.0%

The following chart shows projected monthly bills over the next 5 years at escalating levels of water use. As shown on the chart, the proposed rate increases will result in lower impacts at low levels of water and gradually escalating impacts at higher levels of water use.



The following chart shows both historical and projected monthly charges over the next 5 years for a customer with a 3/4-inch meter using the District average of 10 hcf of water per month. With the proposed rate increases, the long-term average annual rate increase since 1996 equates to slightly below 2%.



## 7 CHARGES TO INACTIVE CONNECTIONS

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### 7.1 Inactive Water Connections

JBWD's customer base includes a number of accounts that previously purchased water meters, but subsequently requested that their water meters not be installed or be removed. Many of these accounts had no near-term plans to develop their properties but purchased water meters during a brief period leading up to a large increase in JBWD's Basic Facility Charge (the "Capacity Charge" levied on new connections to recover costs for facilities benefitting each property).

By purchasing connections and then having the meter removed, these accounts received the ability to connect to the water system at any time in the future without a) paying the full cost of facilities benefitting their properties, and b) without having to pay any monthly service charges. This practice was historically allowed under prior JBWD policies that have since been revised to ensure new connections pay the Capacity Charge in effect at the time they connect and become ongoing customers.

JBWD has incurred substantial costs on behalf of its inactive connections including expenses for maintaining capacity in existing facilities that benefit the inactive connections. With no payment of ongoing service charges from these accounts without meters, the cost burden has been falling indirectly on JBWD customers who pay service charges each month.

### 7.2 Legal Basis for Charges

The legal question of whether California agencies can levy basic service charges on accounts with inactive service connections was resolved in a 2009 appellate court decision in *Paland v. Brooktrails Township CSD*. In this case, the court ruled that the base charge for water service provided through an existing connection, regardless of whether the connection is active or inactive, is a property-related charge and not an assessment. This ruling provides legal guidance that JBWD can levy its basic service charge on parcels with inactive connections – such as properties that previously purchased connections and water meters, but subsequently requested that their water meters not be installed or be removed – provided the District adhere to the procedural and substantive requirements of Article 13D of the California Constitution in establishing its water rates. Other agencies, such as High Desert Water District, have been levying similar charges on inactive connections for a number of years.



### **7.3 Recommended Charges**

In accordance with California law, and to be fair to existing ratepayers, JBWD should start levying the Basic Monthly Fee on all accounts with connections to JBWD's water system, regardless of whether the account is inactive. Since this represents a change from prior District policy, this report recommends JBWD phase in the service charge by giving accounts without meters a 50% rate reduction during the first year of implementation through December 31, 2014. Subsequently, these currently-inactive accounts would be treated consistently the same as all other customers. JBWD is not proposing to look backward and collect for prior years of unpaid service charges.

### **7.4 Option to Withdraw from District**

Some of the accounts without meters may not have any intent of initiating water service in the near future and have not anticipated paying any service charges. To be reasonable to these accounts, JBWD can give these accounts the option of withdrawing from JBWD so that they do not have to pay any ongoing service charges. Property owners choosing this option would be refunded the original Basic Facility Charge/Capacity Charge they paid, if any, and would lose their ability to automatically receive water service in the future. In order to initiate water service in the future, the property owner would need to pay the future Capacity Charge and any other applicable charges, and meet any other requirements in effect at the time of their connection, similar to all other new JBWD connections.

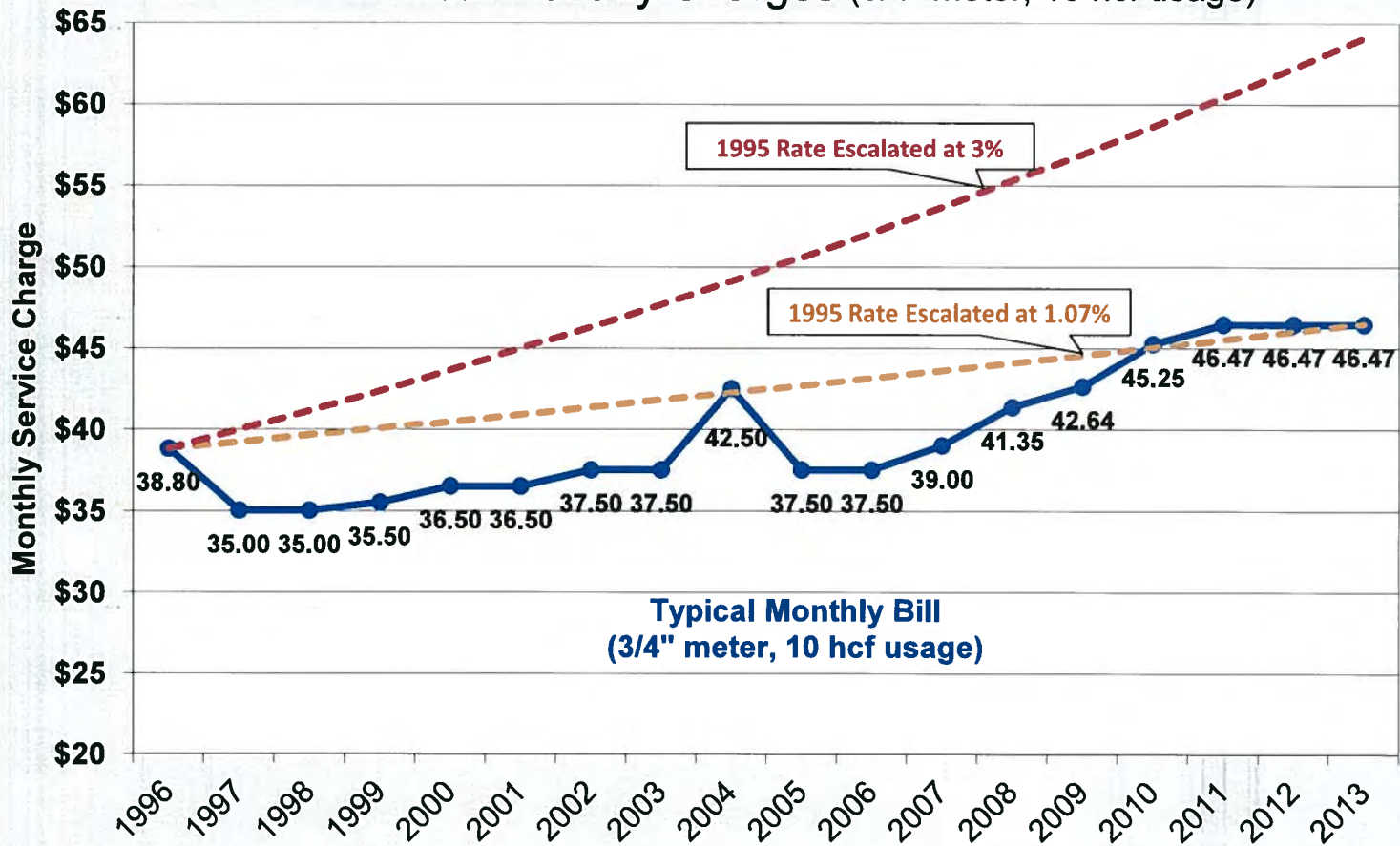
# **APPENDIX A**

## **Water Rate Study Tables**

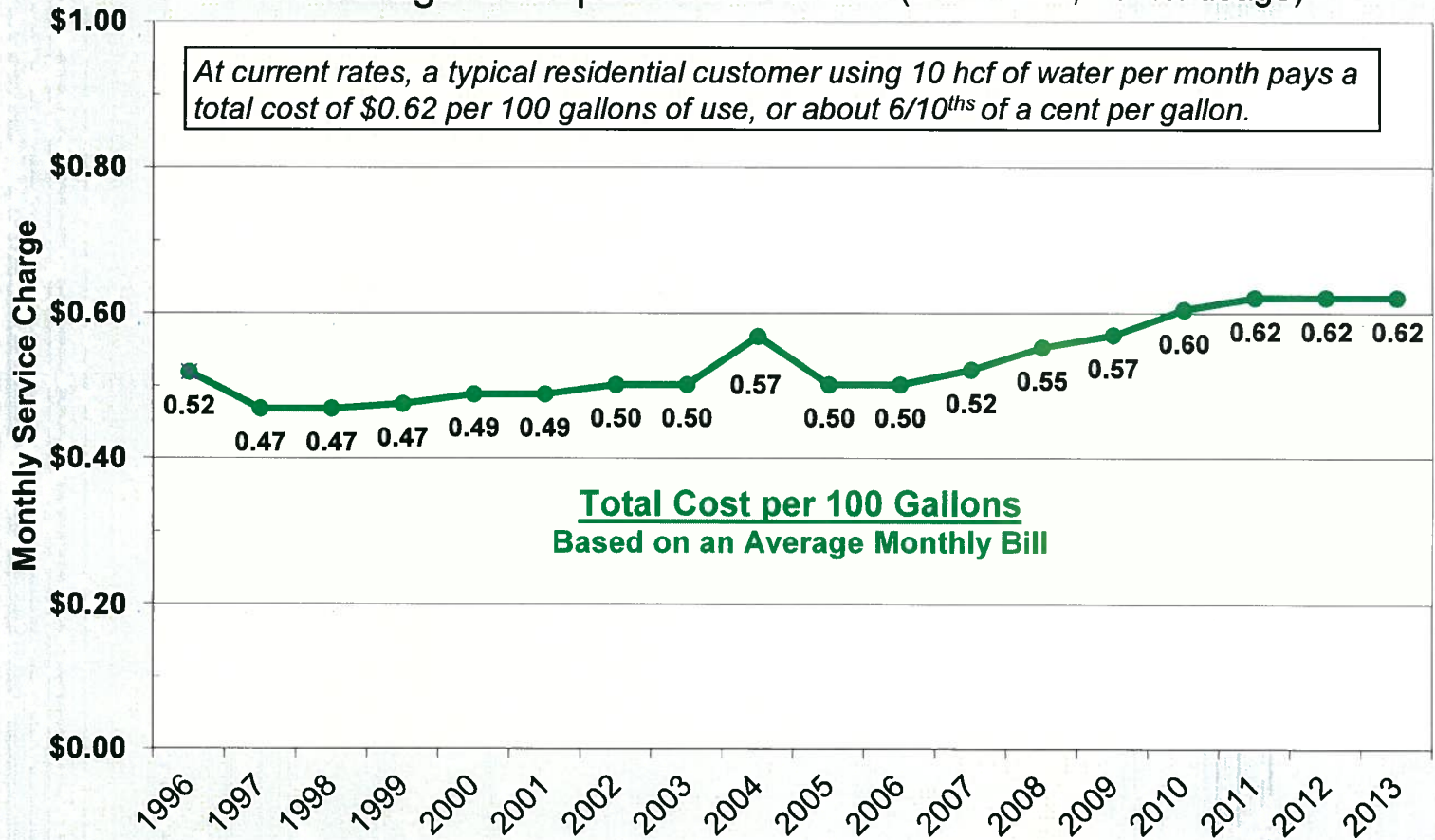
Table 1  
 Joshua Basin Water District  
 Monthly Water Rates

Effective Jan-1	2007	2008	2009	2010	Current 2011	
<b>RATE ADJUSTMENT</b>	6%	6%	3%	6%	3%	
<b>BASIC MONTHLY FEE</b>						
<u>Meter Size</u>	<u>Capacity (gpm)</u>	<u>Monthly Rate</u>				
3/4"	30	\$20.00	\$21.20	\$21.84	\$23.15	\$23.82
1"	50	33.30	35.30	36.36	38.55	39.70
1-1/2"	100	66.70	70.70	72.83	77.20	79.40
2"	160	106.70	113.10	116.50	123.49	127.00
3"	300	200.00	212.00	218.40	231.51	238.20
<b>MONTHLY WATER FLOW CHARGES</b>						
<b>For 3/4" &amp; 1" Meters</b>		<u>Rate Per Unit (hcf)*</u>				
<u>Consumption</u>						
0 - 5 units		\$1.80	\$1.91	\$1.97	\$2.09	\$2.14
5.01 - 20 units		2.00	2.12	2.19	2.33	2.39
20.01 - 40 units		2.10	2.25	2.32	2.46	2.57
40.01 + units		2.15	2.35	2.42	2.57	2.75
<i>1 unit = one hundred cubic feet = 748 gallons</i>						
<b>For 1-1/2", 2" and 3" Meters</b>		<u>Rate Per Unit (hcf)*</u>				
Unit rate per all water use		\$2.00	\$2.12	\$2.19	\$2.33	\$2.39
<b>PRIVATE FIRE PROTECTION</b>						
<u>Device Size</u>	<u>Monthly Rate</u>					
2"	\$10.60	\$11.24	\$11.58	\$12.28	\$12.62	
3"	21.20	22.47	23.15	24.54	25.25	
4"	42.40	44.94	46.29	49.07	50.50	
6"	63.60	67.42	69.45	73.62	75.76	
8"	95.40	101.12	104.60	110.41	113.62	

## Joshua Basin Water District Historical Monthly Charges (3/4" meter, 10 hcf usage)



## Joshua Basin Water District Average Cost per 100 Gallons (3/4" meter, 10 hcf usage)



**Table 2**  
**Joshua Basin Water District**  
**Monthly Residential Water Rate Survey**

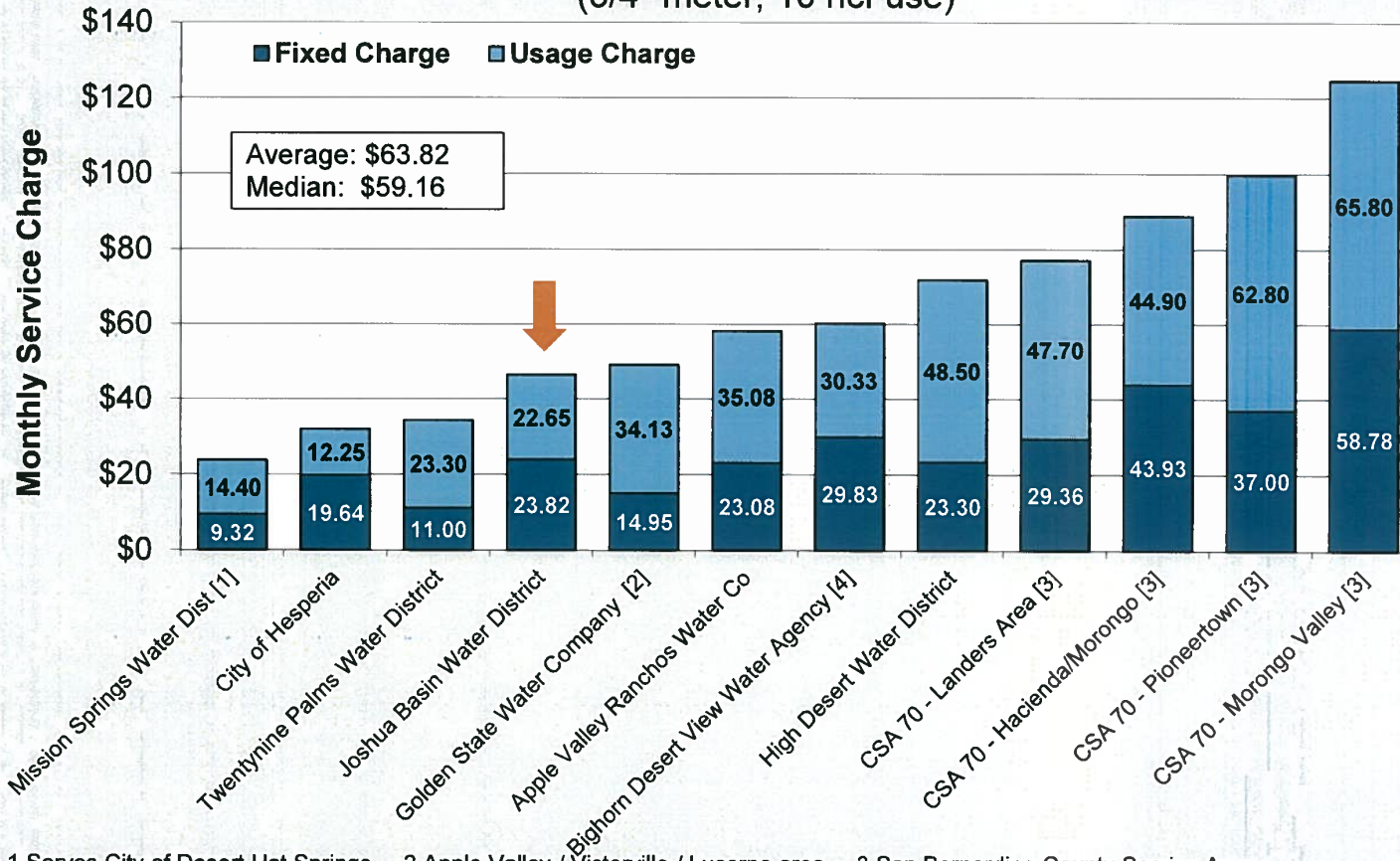
	Fixed Charges (5/8" or 3/4")	Residential Usage Charges		Monthly Service Charges		
		Tiers	Rate per hcf	5 hcf	10 hcf	15 hcf
Mission Springs Water Dist [1]	9.32	3 tiers	0.99 - 1.83	15.02	23.72	32.42
City of Hesperia	19.64	4 tiers	0.90 - 2.24	24.14	31.89	58.44
Twentynine Palms Water District	11.00	uniform block	2.33	22.65	34.30	45.95
<b>Joshua Basin Water District</b>	<b>23.82</b>	<b>4 tiers</b>	<b>2.14 - 2.75</b>	<b>34.52</b>	<b>46.47</b>	<b>58.42</b>
Golden State Water Company [2]	14.95	3 tiers	2.726 - 3.605	32.01	49.08	66.96
Bighorn Desert View Water Agency	27.50	uniform block	3.00	42.50	57.50	72.50
<i>With debt surcharge (1/2 customers)</i>	32.15	uniform block	3.00	45.44	62.81	80.80
Apple Valley Ranchos Water Co	23.08	3 tiers	2.443 - 3.054	40.79	58.16	76.15
High Desert Water District	23.30	4 tiers	3.59 - 9.08	43.35	71.80	106.25
CSA 70 - Landers [3]	29.36	3 tiers	4.77 - 6.31	53.21	77.06	101.63
CSA 70 W3 - Hacienda/Morongo [3]	43.93	3 tiers	4.49 - 5.94	66.38	88.83	111.95
CSA 70 W4 - Pioneertown Area [3]	37.00	4 tiers	6.28 - 9.55	68.40	99.80	135.90
CSA 70 F - Morongo Valley [3]	58.78	3 tiers	6.58 - 8.70	91.68	124.58	158.47
Average	27.22			44.68	63.82	85.76
Median	23.82			42.07	59.16	76.40

- 1 Serves City of Desert Hot Springs.  
2 Apple Valley / Victorville / Lucerne area.  
3 San Bernardino County Service Area.  
4 Based on average charges for Bighorn Desert Water Agency (not double counted).

**BARTLE WELLS ASSOCIATES**

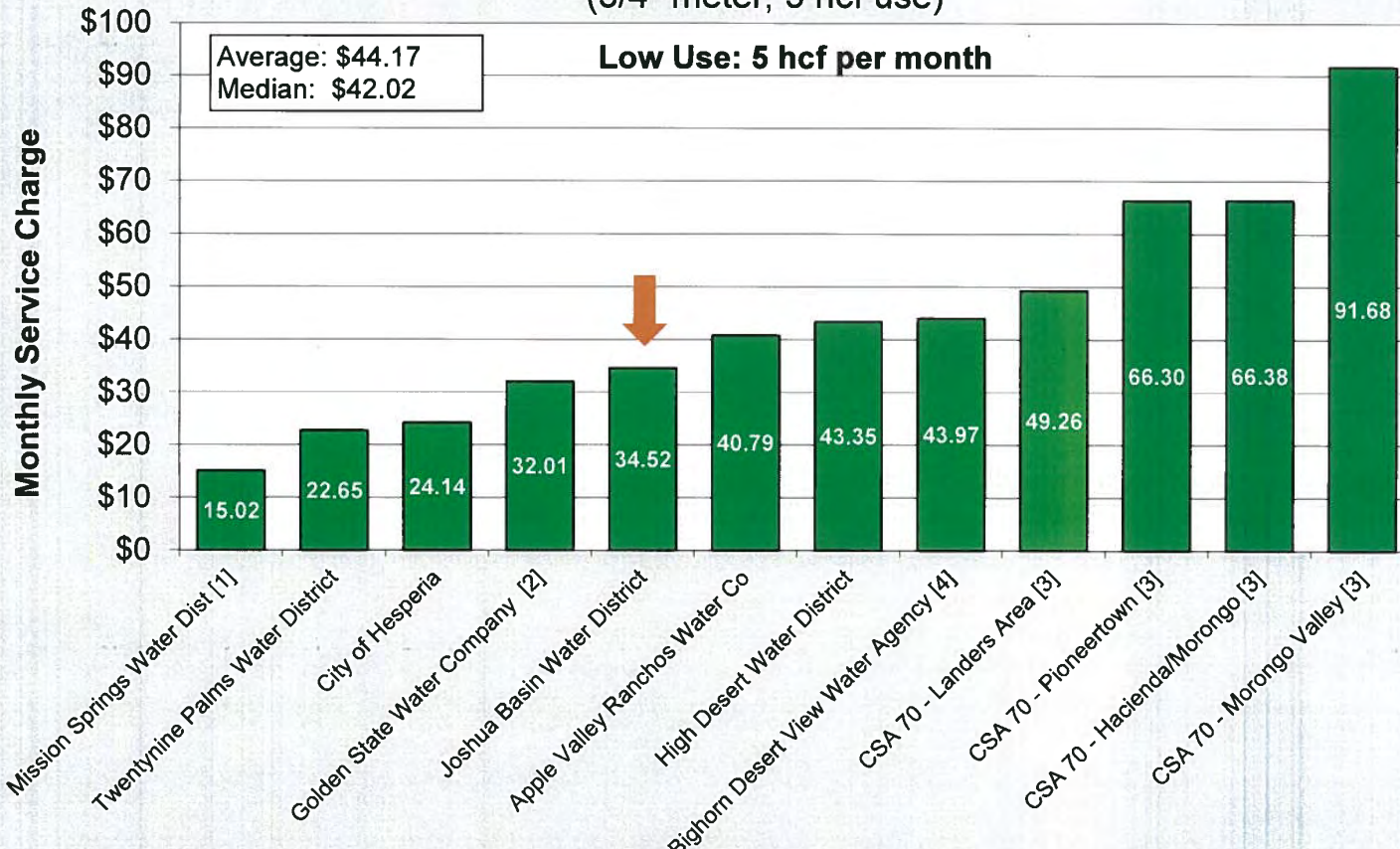
Jobs/Joshua Basin WD 447A/JBWD Rate Study Tables Draft 11-17-13/Rate Survey, 11/18/2013

## Joshua Basin Water District Survey of Monthly Residential Water Rates (3/4" meter, 10 hcf use)



1 Serves City of Desert Hot Springs. 2 Apple Valley / Victorville / Lucerne area. 3 San Bernardino County Service Area.  
4 Average charge shown (roughly half of customers pay a \$4.65 monthly surcharge for debt service recovery).

### Joshua Basin Water District Survey of Monthly Residential Water Rates (3/4" meter, 5 hcf use)



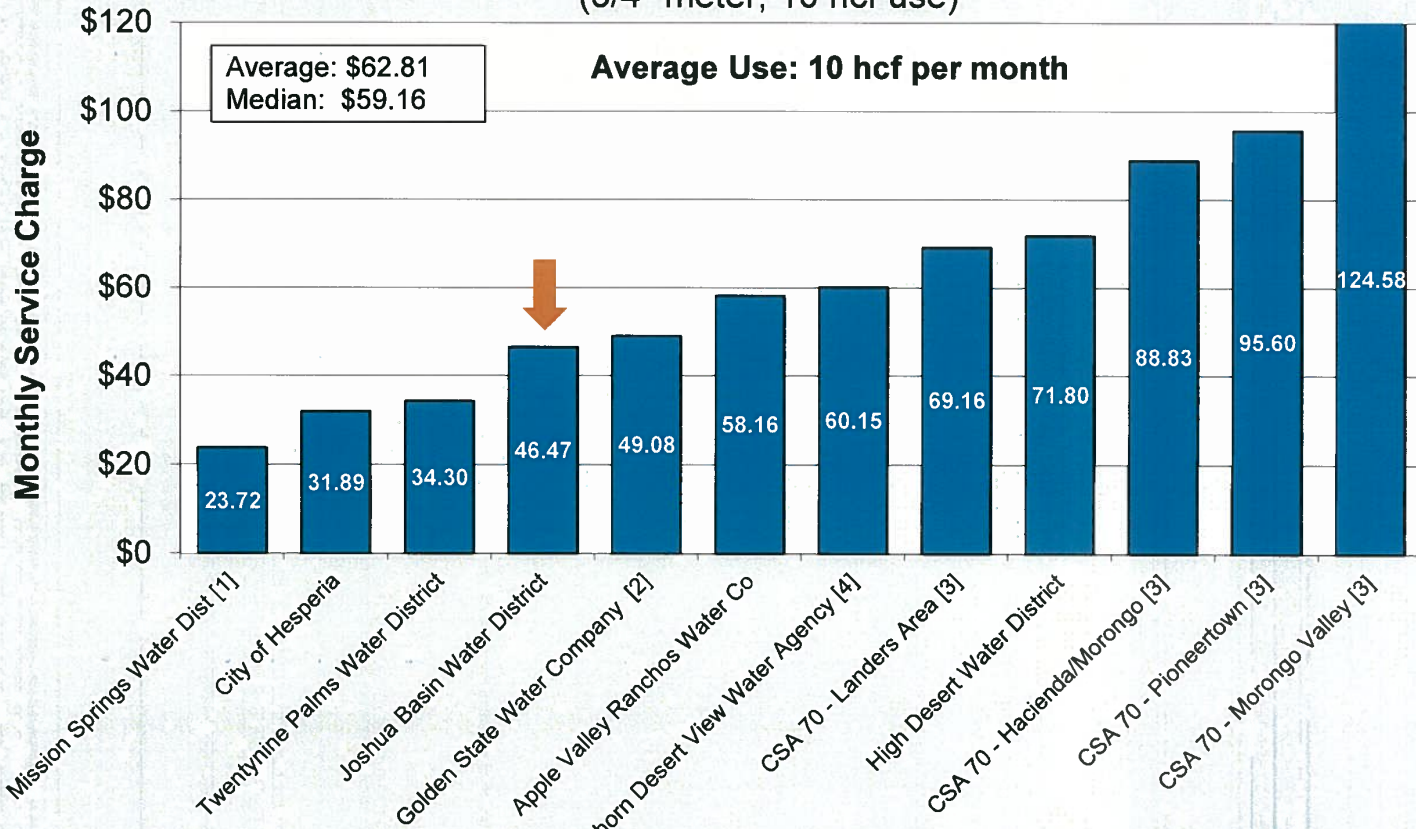
1 Serves City of Desert Hot Springs. 2 Apple Valley / Victorville / Lucerne area. 3 San Bernardino County Service Area.  
4 Average charge shown (roughly half of customers pay a \$4.65 monthly surcharge for debt service recovery).

**BARTLE WELLS ASSOCIATES**

Jobs/Joshua Basin WD 447A/ JBWD Rate Study Tables Draft 11-17-13/Rate Survey CHT low, 11/18/2013

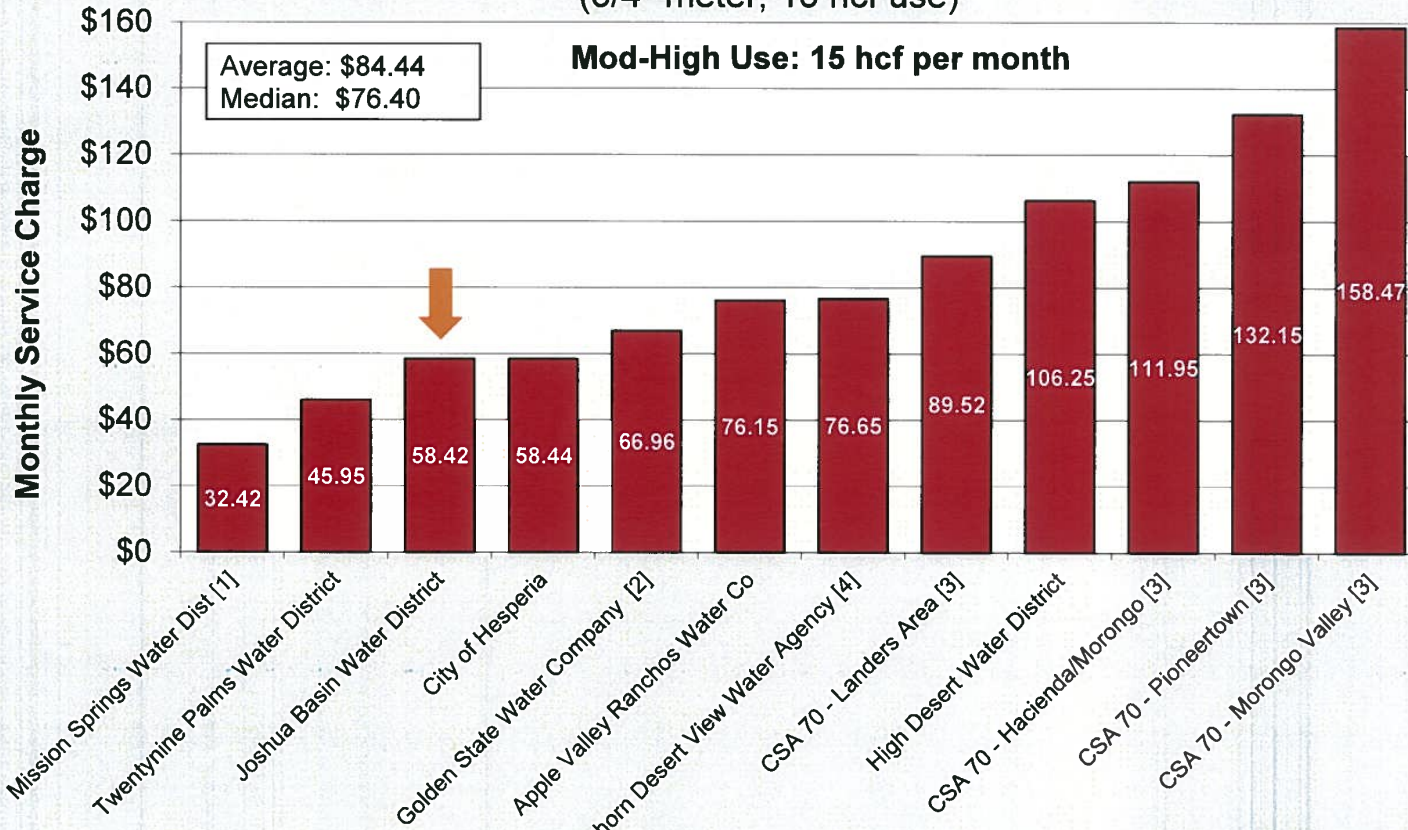


### Joshua Basin Water District Survey of Monthly Residential Water Rates (3/4" meter, 10 hcf use)



1 Serves City of Desert Hot Springs. 2 Apple Valley / Victorville / Lucerne area. 3 San Bernardino County Service Area.  
4 Average charge shown (roughly half of customers pay a \$4.65 monthly surcharge for debt service recovery).

## Joshua Basin Water District Survey of Monthly Residential Water Rates (3/4" meter, 15 hcf use)



1 Serves City of Desert Hot Springs. 2 Apple Valley / Victorville / Lucerne area. 3 San Bernardino County Service Area.  
4 Average charge shown (roughly half of customers pay a \$4.65 monthly surcharge for debt service recovery).

**BARTLE WELLS ASSOCIATES**

Jobs/Joshua Basin WD 447A/JBWD Rate Study Tables Draft 11-17-13/Rate Survey high, 11/18/2013

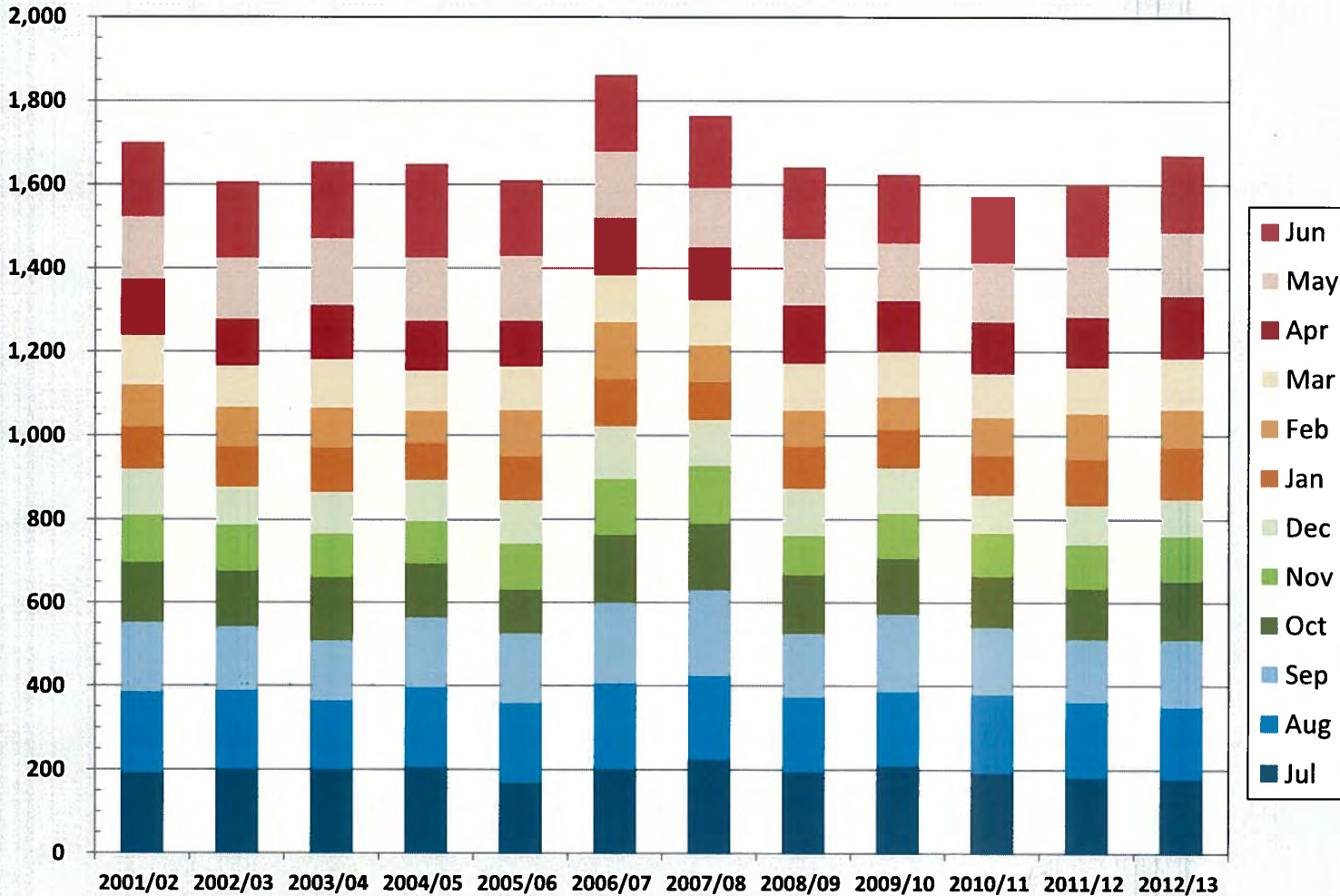
Table 3  
 Joshua Basin Water District  
 Active Accounts by Customer Class & Meter Size

Meter Size	Single Family Residential	Multi-Family Residential	Commercial & Institutional	Total	% of Total
3/4"	4,006	34	80	4,120	95.2%
1"	119	25	16	160	3.7%
1-1/2"	4	14	8	26	0.6%
2"	3	3	12	18	0.4%
3"	0	1	4	5	0.1%
Total	4,132	77	120	4,329	100.0%
% of Total	95.4%	1.8%	2.8%	100.0%	

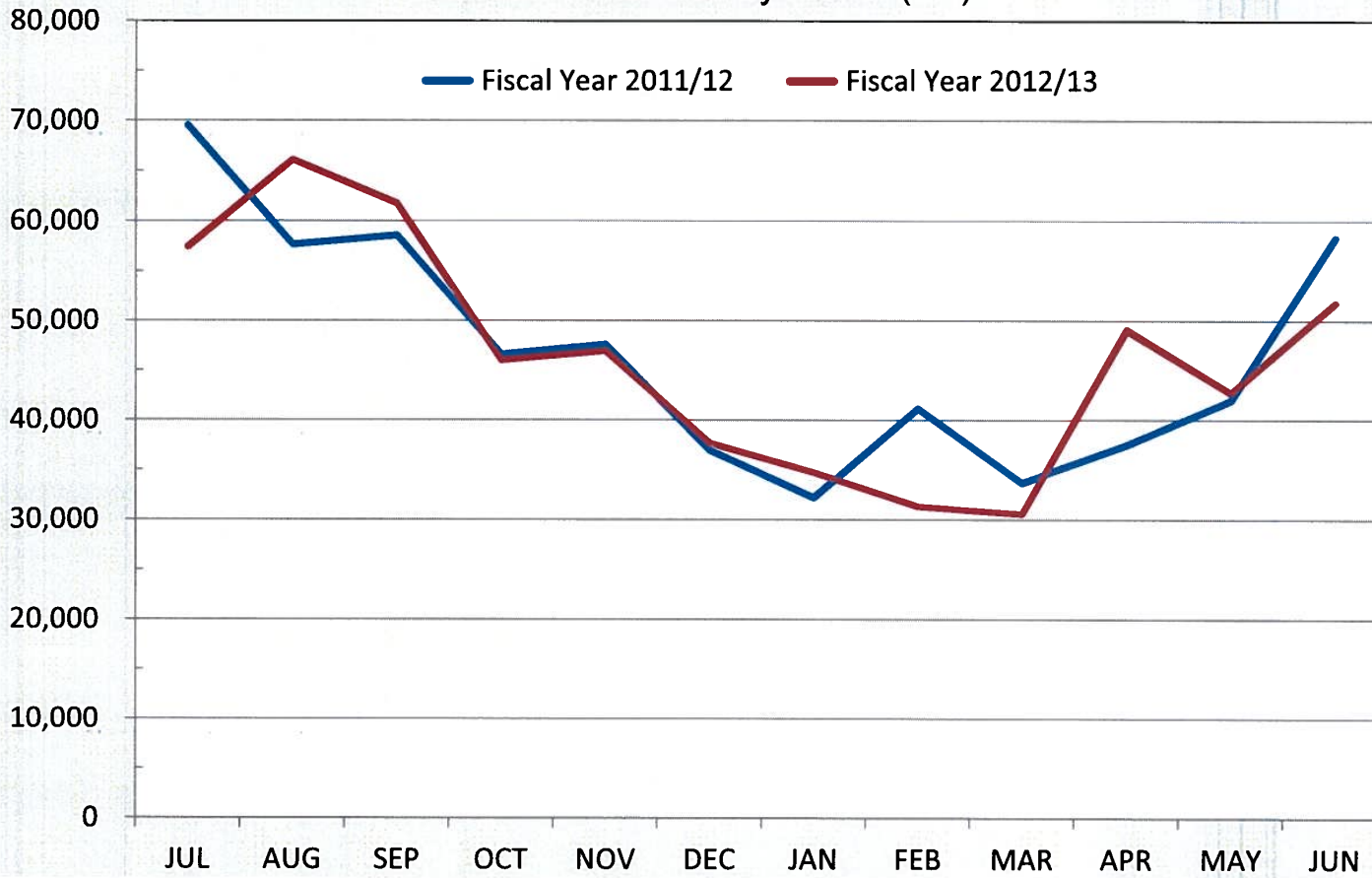
**Table 4**  
**Joshua Basin Water District**  
**Historical Water Production by Month (Acre-Feet)**

Month	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Jul	192.0	200.6	199.6	205.1	168.1	201.1	223.2	194.3	208.5	191.5	181.4	177.2
Aug	192.9	187.5	164.5	190.5	189.8	204.0	200.2	178.0	176.9	187.3	178.5	172.0
Sep	167.5	153.7	143.7	167.5	168.0	194.1	206.3	153.5	187.1	161.6	152.5	162.0
Oct	143.6	132.3	151.7	129.5	103.5	163.5	159.9	139.6	132.2	122.1	120.3	139.6
Nov	113.4	112.2	105.4	101.8	111.7	132.8	137.5	95.5	109.8	104.8	107.3	109.7
Dec	110.5	90.7	98.9	99.0	103.7	126.2	109.3	113.1	108.2	91.4	94.1	87.8
Jan	100.1	95.0	105.5	87.4	103.7	111.4	90.4	98.4	90.8	93.3	108.9	122.9
Feb	99.9	93.6	95.5	75.5	110.5	136.3	87.4	86.0	78.1	91.2	109.1	90.2
Mar	121.3	100.3	116.7	97.8	105.2	113.9	110.2	113.5	108.9	104.9	111.2	123.7
Apr	131.4	110.9	128.5	117.5	107.8	135.4	125.2	138.5	121.0	122.7	119.1	148.0
May	150.8	147.7	161.2	153.9	156.8	160.3	142.9	160.8	140.1	144.0	147.1	153.3
Jun	176.4	182.2	182.5	223.0	180.5	182.4	171.7	170.5	162.6	156.8	169.3	183.6
Total	1,699.8	1,606.7	1,653.7	1,648.5	1,609.3	1,861.3	1,764.1	1,641.6	1,624.3	1,571.2	1,598.7	1,669.9
Annual Change		-5.5%	2.9%	-0.3%	-2.4%	15.7%	-5.2%	-6.9%	-1.1%	-3.3%	1.8%	4.4%
Avg Month	141.7	133.9	137.8	137.4	134.1	155.1	147.0	136.8	135.4	130.9	133.2	139.2
Max Month	192.9	200.6	199.6	223.0	189.8	204.0	223.2	194.3	208.5	191.5	181.4	183.6
Min Month	99.9	90.7	95.5	75.5	103.5	111.4	87.4	86.0	78.1	91.2	94.1	87.8
Max / Avg	1.36	1.50	1.45	1.62	1.42	1.32	1.52	1.42	1.54	1.46	1.36	1.32
Jul-Dec %	54%	55%	52%	54%	52%	55%	59%	53%	57%	55%	52%	51%

### Joshua Basin Water District Historical Water Production (Acre-Feet)



### Joshua Basin Water District Metered Water Use by Month (hcf)



**Table 5**  
**Joshua Basin Water District**  
**Fund Balances**

Fund	Invested in	June 30, 2012 Balance	June 30, 2013 Balance
<b>Operating/Capital Reserves</b>			
General Operating Fund		\$145,086	\$91,523
Credit Card Account		57,362	62,479
Investment Account	LAIF	1,066,343	57,114
Equipment/Technology Reserve (1)	LAIF	256,211	361,807
Well/Booster Pump Reserve (1)	LAIF	<u>0</u>	<u>50,000</u>
Subtotal		1,525,002	622,923
<b>Other District Reserves</b>			
Petty Cash		600	600
Change Drawer Fund		1,500	1,500
Payroll Fund		5,000	5,000
Emergency Reserve Fund (2)	LAIF	1,000,000	1,000,000
Opportunity Fund (3)	LAIF	<u>2,000,000</u>	<u>173,235</u>
Subtotal		3,007,100	1,180,335
Restricted: Water Capacity Fees (4)	LAIF	(95,329)	23,117
<b>Subtotal: Beginning Balance for Financial Projections</b>		<b>4,436,773</b>	<b>1,826,375</b>
<b>Restricted Funds - Legally</b>			
Consumer & Projects Deposits	LAIF	224,142	242,912
Sewer Capacity Fees	LAIF	112,898	288,145
CMM Reserve Fund	LAIF	333,468	360,367
CMM Redemption Fund	LAIF	273,294	244,355
CMM Prepayments Fund	LAIF	<u>2,962</u>	<u>2,980</u>
Subtotal		946,764	1,138,759
<b>Other</b>			
Hi-Desert Medical Center (WWTP)	LAIF	0	595,909
<b>Subtotal: Other Reserves</b>		<b>946,764</b>	<b>1,734,668</b>
<b>Total</b>		<b>5,383,537</b>	<b>3,561,043</b>

- 1 - Restricted for replacement of assets for in these categories only. Well/Booster Pump Reserve was established in 2012/13 with annual funding of \$50,000. Annual funding for E/T Reserve is \$100,000 per year.
- 2 - Emergency Fund is restricted for unplanned/unbudgeted emergencies or disasters.
- 3 - Opportunity Fund is restricted for use if an opportunity arises that the Board wants to take advantage of for future items not planned or anticipated.
- 4 - Water capacity fund went negative in FY2012 because the District completed more applicable projects than funding received.

Source: District Fund Balance Reports.

Table 6  
 Joshua Basin Water District  
 Grant Funding & Reimbursements

Grant/Reimbursement	Total Grant	Reimbursement (for Prior Exps)	FY 2013/14 Project Funding
DWR IRWM Prop 84 Grant	\$3,000,000	\$1,929,000	\$1,071,000
CDPH Prop 84 Grant	3,200,000	0	3,200,000
MWA Local Grant	1,000,000	1,000,000	0
MWA IDM Reserve Excess Balance	599,000	599,000	0
Total	7,799,000	3,528,000	4,271,000



Table 7  
 Joshua Basin Water District  
 Outstanding Debt

Year	Debt Funded by District Payments				Assessment Bonds
	2006 IDM GO Refunding Bonds (MWA)				1996 Copper
Ending	Upcoming Yr	Est. Local	District	District	Mt. Mesa
June 30	IDM Debt Svc	Agency %	Share %	Payment	AD Bonds
2014	3,254,750	25%	27%	219,696	248,002
2015	3,253,000	25%	27%	219,578	247,817
2016	3,250,750	25%	27%	219,426	248,430
2017	3,257,750	25%	27%	219,898	247,840
2018	3,253,250	25%	27%	219,594	248,047
2019	3,257,500	25%	27%	219,881	248,030
2020	3,259,750	25%	27%	220,033	247,787
2021	2,304,750	25%	27%	155,571	247,320
2022					247,605
2023					246,642
2024					246,432
2025					246,930
2026					246,135
2027					246,047
2028					245,645
2029					245,905
2030					245,805
2031					245,345
2032					244,525
2033					244,322
2034					244,692
2035					244,612
2036					244,230
Total				3,230,567	7,408,502

Table 8  
 Joshua Basin Water District  
 Debt Service Estimates, \$3M Bank Loan

\$3 Million of Project Funding

	10-Year Bank Loan	15-Year Bank Loan	20-Year Bank Loan
<b>Project Funding Target</b>	\$3,000,000	\$3,000,000	\$3,000,000
<b>Loan Amount</b>			
Project Funding	\$3,000,000	\$3,000,000	\$3,000,000
Issuance Costs (est.)	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>
Total Loan Amount	3,075,000	3,075,000	3,075,000
<b>Loan Terms</b>			
Term (years)	10	15	20
Interest Rate (est.)	3.50%	4.00%	4.50%
<b>Annual Debt Service</b>	\$370,000	\$277,000	\$236,000
<b>Total Payments Over Term of Loan</b>	\$3,700,000	\$4,155,000	\$4,720,000
<b>Debt Service per \$1 Million of Project Funding</b>	\$123,333	\$92,333	\$78,667

Table 9  
 Joshua Basin Water District  
 Debt Service Estimates, \$5M Bank Loan

\$5 Million of Project Funding

	10-Year Bank Loan	15-Year Bank Loan	20-Year Bank Loan
<b>Project Funding Target</b>	\$5,000,000	\$5,000,000	\$5,000,000
<b>Loan Amount</b>			
Project Funding	\$5,000,000	\$5,000,000	\$5,000,000
Issuance Costs (est.)	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>
Total Loan Amount	5,075,000	5,075,000	5,075,000
<b>Loan Terms</b>			
Term (years)	10	15	20
Interest Rate (est.)	3.50%	4.00%	4.75%
<b>Annual Debt Service</b>	\$610,000	\$456,000	\$399,000
<b>Total Payments Over Term of Loan</b>	\$6,100,000	\$6,840,000	\$7,980,000
<b>Debt Service per \$1 Million of Project Funding</b>	\$122,000	\$91,200	\$79,800

Table 10

Joshua Basin Water District - Cash Flow Projections

	Budget	Projected									Esc	
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Factor	
1	Effective Date of Rate Adjustment	01/01/14	01/01/15	01/01/16	01/01/17	01/01/18	01/01/19	01/01/20	01/01/21	01/01/22	01/01/23	
2	Rate Adjustment %	7%	7%	7%	7%	7%	6%	6%	6%	6%	6%	
3	Growth: New EDUs	-	10	10	15	15	20	20	20	20	20	
4	Growth in Billable EDUs %	-	0.2%	0.2%	0.3%	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%	
5	Wtr Demand Elasticity (Response to Rate Incr)	-	(0.3)	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	
6	Change in Annual Water Consumption	-	-2.1%	-2.1%	-1.4%	-1.4%	-1.4%	-1.2%	-1.2%	-1.2%	-1.2%	
7	Capacity Fee	\$3,652	\$3,710	\$3,770	\$3,830	\$3,890	\$3,950	\$4,010	\$4,070	\$4,130	\$4,190	1.5%
8	Meter Installation Charge (Non-Tract)	\$1,518	\$1,540	\$1,560	\$1,580	\$1,600	\$1,620	\$1,640	\$1,660	\$1,680	\$1,710	1.5%
9	Water Purchases from MWA (AF)	0	500	500	500	500	500	500	500	800	800	
10	MWA Rate per AF	\$450	\$473	\$497	\$522	\$548	\$575	\$604	\$634	\$666	\$699	5.0%
11	Pulled Meter Accounts	1,047	700	700	700	700	700	700	700	700	700	
12	Pulled Meter Rate (% of Fixed Charge)	50%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
13	Interest Rate	-	1.0%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
14	Annual Cost Escalator	-	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	
15	<b>Beginning Fund Reserves</b>	\$1,826,375	\$5,971,000	\$6,087,000	\$6,222,000	\$6,253,000	\$6,341,000	\$6,460,000	\$6,571,000	\$6,694,000	\$6,777,000	
16	<b>REVENUES</b>											
17	Water Rate Revenues (with Jan-1 increase)	2,838,000	3,024,000	3,205,000	3,402,000	3,621,000	3,837,000	4,050,000	4,277,000	4,518,000	4,772,000	
18	Fixed Charges from Pulled Meters	75,000	205,000	210,000	214,000	224,000	239,000	253,000	268,000	284,000	301,000	
19	Standby Revenue (Net of Uncollectable)	1,036,071	1,036,000	1,036,000	1,035,000	1,034,000	1,033,000	1,032,000	1,031,000	1,030,000	1,029,000	
20	Private Fire Svc & Special Services	131,881	130,000	133,000	136,000	139,000	142,000	145,000	148,000	151,000	154,000	2.0%
21	Water Capacity & Meter Install Fees	0	53,000	53,000	81,000	82,000	111,000	113,000	115,000	116,000	118,000	
22	Interest Earnings	9,040	60,000	91,000	124,000	125,000	127,000	129,000	131,000	134,000	136,000	
23	Property Taxes	396,283	404,000	412,000	420,000	428,000	437,000	446,000	455,000	464,000	473,000	2.0%
24	<b>Total Revenues</b>	<b>4,486,275</b>	<b>4,912,000</b>	<b>5,140,000</b>	<b>5,412,000</b>	<b>5,653,000</b>	<b>5,926,000</b>	<b>6,168,000</b>	<b>6,425,000</b>	<b>6,697,000</b>	<b>6,983,000</b>	
25	Grants/Reimbursements	3,528,000										
26	New Grant Proceeds	4,271,000										
27	Potential Debt Proceeds		5,000,000									
28	<b>EXPENSES</b>											
29	<b>Operating &amp; Maintenance</b>											
30	Production (tank refurbishment included below)	872,842	908,000	944,000	982,000	1,021,000	1,062,000	1,104,000	1,148,000	1,194,000	1,242,000	
31	Distribution	629,760	655,000	681,000	708,000	736,000	765,000	796,000	828,000	861,000	895,000	
32	Customer Service	545,868	568,000	591,000	615,000	640,000	666,000	693,000	721,000	750,000	780,000	
33	Administration	564,284	587,000	610,000	634,000	659,000	685,000	712,000	740,000	770,000	801,000	
34	Engineering	188,034	196,000	204,000	212,000	220,000	229,000	238,000	248,000	258,000	268,000	
35	Finance	426,502	444,000	462,000	480,000	499,000	519,000	540,000	562,000	584,000	607,000	
36	Personnel & Legal	222,326	231,000	240,000	250,000	260,000	270,000	281,000	292,000	304,000	316,000	
37	Subtotal	3,449,616	3,589,000	3,732,000	3,881,000	4,035,000	4,196,000	4,364,000	4,539,000	4,721,000	4,909,000	
38	Debt Service (assumes 20-yr loan)	0	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	
39	<b>Non-Operating/Discretionary</b>											
40	Morongo Basin Pipeline Debt Pymts to MWA	219,696	220,000	220,000	219,000	220,000	220,000	220,000	156,000	0	0	
41	Water Purchases from MWA	0	237,000	249,000	261,000	274,000	288,000	302,000	317,000	533,000	559,000	
42	Tank, Well & Pump Maint/Improvements	200,000	250,000	300,000	312,000	324,000	337,000	350,000	364,000	379,000	394,000	
43	Equipment/Tech/Vehicle Replacement	0	100,000	104,000	108,000	112,000	116,000	121,000	126,000	131,000	136,000	
44	Pipeline Replacement (7,500' / yr)	0	0	0	200,000	200,000	250,000	300,000	400,000	450,000	500,000	
45	Replace 75,000' of Substandard 4" Pipe	0	5,000,000	0	0	0	0	0	0	0	0	
46	Grant-Funded Recharge Projects	4,271,000	0	0	0	0	0	0	0	0	0	
47	Subtotal	4,690,696	5,807,000	873,000	1,100,000	1,130,000	1,211,000	1,293,000	1,363,000	1,493,000	1,589,000	
48	<b>Total Expenses</b>	<b>8,140,312</b>	<b>9,796,000</b>	<b>5,005,000</b>	<b>5,381,000</b>	<b>5,565,000</b>	<b>5,807,000</b>	<b>6,057,000</b>	<b>6,302,000</b>	<b>6,614,000</b>	<b>6,898,000</b>	
49	<b>Revenues Less Expenses</b>	<b>4,144,963</b>	<b>116,000</b>	<b>135,000</b>	<b>31,000</b>	<b>88,000</b>	<b>119,000</b>	<b>111,000</b>	<b>123,000</b>	<b>83,000</b>	<b>85,000</b>	
50	<b>Ending Fund Reserves</b>	<b>5,971,338</b>	<b>6,087,000</b>	<b>6,222,000</b>	<b>6,253,000</b>	<b>6,341,000</b>	<b>6,460,000</b>	<b>6,571,000</b>	<b>6,694,000</b>	<b>6,777,000</b>	<b>6,862,000</b>	
51	Debt Service Coverage		3.31	3.52	3.83	4.05	4.33	4.51	4.72	4.94	5.19	
52	Min Fund Rsrv Target (50% O&M+Debt + \$1M)	2,724,808	2,994,500	3,066,000	3,140,500	3,217,500	3,298,000	3,382,000	3,469,500	3,560,500	3,654,500	
53	Max Fund Rsrv Target (100% O&M+Debt + \$2M)	5,449,616	5,989,000	6,132,000	6,281,000	6,435,000	6,596,000	6,764,000	6,939,000	7,121,000	7,309,000	

Table 11  
Joshua Basin Water District  
5-Year Average Revenues & Expenses

	2013/14	2014/15	2015/16	2016/17	2017/18	5-Year Avg
<b>REVENUES</b>						
Water Rate Revenues	2,838,000	3,024,000	3,205,000	3,402,000	3,621,000	3,218,000
Fixed Charges from Pulled Meters	75,000	205,000	210,000	214,000	224,000	185,600
Standby Revenue (Net of Uncollectable)	1,036,071	1,036,000	1,036,000	1,035,000	1,034,000	1,035,414
Private Fire Svc & Special Services	131,881	130,000	133,000	136,000	139,000	133,976
Water Capacity & Meter Install Fees	0	53,000	53,000	81,000	82,000	53,800
Interest Earnings	9,040	60,000	91,000	124,000	125,000	81,808
Property Taxes	396,283	404,000	412,000	420,000	428,000	412,057
<b>Total Revenues</b>	<b>4,486,275</b>	<b>4,912,000</b>	<b>5,140,000</b>	<b>5,412,000</b>	<b>5,653,000</b>	<b>5,120,655</b>
Grants/Reimbursements	3,528,000	0	0	0	0	705,600
New Grant Proceeds	4,271,000	0	0	0	0	854,200
Potential Debt Proceeds	0	5,000,000	0	0	0	1,000,000
<b>EXPENSES</b>						
<b>Operating &amp; Maintenance</b>						
Production	872,842	908,000	944,000	982,000	1,021,000	945,568
Distribution	629,760	655,000	681,000	708,000	736,000	681,952
Customer Service	545,868	568,000	591,000	615,000	640,000	591,974
Administration	564,284	587,000	610,000	634,000	659,000	610,857
Engineering	188,034	196,000	204,000	212,000	220,000	204,007
Finance	426,502	444,000	462,000	480,000	499,000	462,300
Personnel & Legal	222,326	231,000	240,000	250,000	260,000	240,665
Subtotal	3,449,616	3,589,000	3,732,000	3,881,000	4,035,000	3,737,323
<b>Debt Service</b> (assumes 20-yr loan)	0	400,000	400,000	400,000	400,000	320,000
<b>Non-Operating</b>						
Morongo Basin Pipeline Pymts to MWA	219,696	220,000	220,000	219,000	220,000	219,739
Water Purchases from MWA	0	237,000	249,000	261,000	274,000	204,200
Tank, Well & Pump Maint/Improvements	200,000	250,000	300,000	312,000	324,000	277,200
Equipment/Tech/Vehicle Replacement	0	100,000	104,000	108,000	112,000	84,800
Pipeline Replacement (7,500' / yr)	0	0	0	200,000	200,000	80,000
Replace 75,000' of Substandard 4" Pipe	0	5,000,000	0	0	0	1,000,000
Grant-Funded Recharge Projects	4,271,000	0	0	0	0	854,200
Subtotal	4,690,696	5,807,000	873,000	1,100,000	1,130,000	2,720,139
<b>Total Expenses</b>	<b>8,140,312</b>	<b>9,796,000</b>	<b>5,005,000</b>	<b>5,381,000</b>	<b>5,565,000</b>	<b>6,777,462</b>

Table 12  
Joshua Basin Water District  
Cost Recovery Allocation

Based on Projected 5-Year Average

	Projected 5-Year Avg	Cost Recovery %		Cost Recovery \$	
		Fixed	Variable	Fixed	Variable
<b>REVENUES</b>					
Water Rate Revenues	3,218,000				
Fixed Charges from Pulled Meters	185,600				
Standby Revenue (Net of Uncollectable)	1,035,414				
Private Fire Svc & Special Services	133,976				
Water Capacity & Meter Install Fees	53,800				
Interest Earnings	81,808				
Property Taxes	412,057				
<b>Total Revenues</b>	<b>5,120,655</b>				
<b>EXPENSES</b>					
<b>Operating &amp; Maintenance</b>					
Production	945,568	50%	50%	472,784	472,784
Distribution	681,952	50%	50%	340,976	340,976
Customer Service	591,974	90%	10%	532,776	59,197
Administration	610,857	90%	10%	549,771	61,086
Engineering	204,007	50%	50%	102,003	102,003
Finance	462,300	100%	0%	462,300	0
Personnel & Legal	240,665	100%	0%	240,665	0
Subtotal	3,737,323	72%	28%	2,701,277	1,036,047
<b>Debt Service</b> (assumes 20-yr loan)	320,000	50%	50%	160,000	160,000
<b>Non-Operating/Discretionary</b>					
Morongo Basin Pipeline Pymts to MWA	219,739	0%	100%	0	219,739
Water Purchases from MWA	204,200	0%	100%	0	204,200
Tank, Well & Pump Maint/Improvements	277,200	50%	50%	138,600	138,600
Equipment/Tech/Vehicle Replacement	84,800	75%	25%	63,600	21,200
Pipeline Replacement (7,500' / yr)	80,000	75%	25%	60,000	20,000
Subtotal	865,939	30%	70%	262,200	603,739
<b>Total Expenses</b>	<b>4,923,262</b>	<b>63%</b>	<b>37%</b>	<b>3,123,477</b>	<b>1,799,786</b>
<b>NET FUNDING REQUIRED FROM WATER RATES</b>					
Total Expenses	4,923,262	63%	37%	3,123,477	1,799,786
Less Funding Sources Other Than Rates	(1,902,655)	100%	0%	(1,902,655)	0
<b>Net Funding Requirement from Water Rates</b>	<b>3,020,607</b>	<b>40.4%</b>	<b>59.6%</b>	<b>1,220,822</b>	<b>1,799,786</b>

Excludes capital improvement projects funded by grants and debt, but includes associated debt service.

Table 13  
 Joshua Basin Water District  
 Accounts & Meter Equivalents

Meter Size	Single Family Residential	Multi-Family Residential	Commercial & Institutional	Total Accounts	Capacity <sup>1,2</sup> (gpm)	Meter Ratio	Meter Equivalents
3/4" & 1"	4,125	59	96	4,280	30	1.00	4,280
1-1/2"	4	14	8	26	100	3.33	87
2"	3	3	12	18	160	5.33	96
3"	<u>0</u>	<u>1</u>	<u>4</u>	<u>5</u>	300	10.00	<u>50</u>
Total	4,132	77	120	4,329			4,513

1 Based on American Water Works Association standard meter capacities.

2 Note: 1" meters merged in with 3/4" meters due to new plumbing code requirements which require 1" meters for new homes with underlying demand the same as existing homes served by a 3/4" meter.

Note: Number of accounts can vary by billing period due to changes in account status and growth.

Table 14  
 Joshua Basin Water District  
 Fixed Meter Charge Calculation

	Current	2013/14	2014/15	2015/16	2016/17	
<b>Water Rate Revenue Recovery</b>						
Effective Date of Rate Increase		01/01/14	01/01/15	01/01/16	01/01/17	
Annualized Revenues w/ Rate Increase		\$2,943,000	\$3,118,000	\$3,304,000	\$3,516,000	
<b>Fixed Rate Recovery</b>						
		<i>With 4-Year Phase in to 40% Fixed Rate Recovery</i>				
Cost Recovery Allocation %	48%	46%	44%	42%	40%	
Cost Recovery Allocation \$		\$1,353,780	\$1,371,920	\$1,387,680	\$1,406,400	
<b>Meter Equivalents</b>						
Existing Meter Equivalents		4,513	4,513	4,523	4,533	
Projected Growth		-	10	10	15	
Total		4,513	4,523	4,533	4,548	
<b>Rate per Meter Equivalent</b>						
Annual	\$285.84	\$300.00	\$303.34	\$306.15	\$309.26	
Monthly	23.82	25.00	25.28	25.51	25.77	
Monthly Increase		1.18	0.28	0.23	0.26	
With Steady Annual Increases	<b>\$23.82</b>	<b>\$24.31</b>	<b>\$24.80</b>	<b>\$25.29</b>	<b>\$25.78</b>	
Monthly Increase		0.49	0.49	0.49	0.49	
<b>Projected Fixed Monthly Meter Charges</b>						
<u>Meter Size</u>	<u>Capacity (gpm)</u>					
3/4" & 1"	30	\$23.82	\$24.31	\$24.80	\$25.29	\$25.78
1-1/2"	100	79.40	81.03	82.67	84.30	85.93
2"	160	127.00	129.65	132.27	134.88	137.49
3"	300	238.20	243.09	248.01	252.90	257.79

Note: Fixed Meter Charge for 1" meter is currently \$39.70; 1" meter rate will be merged in with 3/4" meter rate.



Table 15  
 Joshua Basin Water District  
 Projected Base Year Water Use by Tier

Meter Size	Current Tiers			Proposed Tiers		
	Tier Breakpoints	Water Use (hcf)	% of Subtotal	Tier Breakpoints	Water Use (hcf)	% of Subtotal
<b>3/4" &amp; 1" Meters</b>						
		<u>Use per Tier</u>			<u>Use per Tier</u>	
Tier 1	0 - 5 hcf	200,000	40.0%	0 - 5 hcf	200,000	40.0%
Tier 2	5.01 - 20 hcf	200,000	40.0%	5.01 - 10 hcf	100,000	20.0%
Tier 3	20.01 - 40 hcf	60,000	12.0%	10.01 - 20 hcf	100,000	20.0%
Tier 4	40.01 + hcf	<u>40,000</u>	<u>8.0%</u>	20.01 + hcf	<u>100,000</u>	<u>20.0%</u>
Subtotal		500,000	100.0%		500,000	100.0%
<b>Larger Meters</b>		95,000	100.0%		95,000	100.0%
<b>Construction/Fire</b>		5,000	100.0%		5,000	100.0%
<b>Total</b>		600,000			600,000	

Table 16  
 Joshua Basin Water District  
 Variable Water Flow Charge Calculation

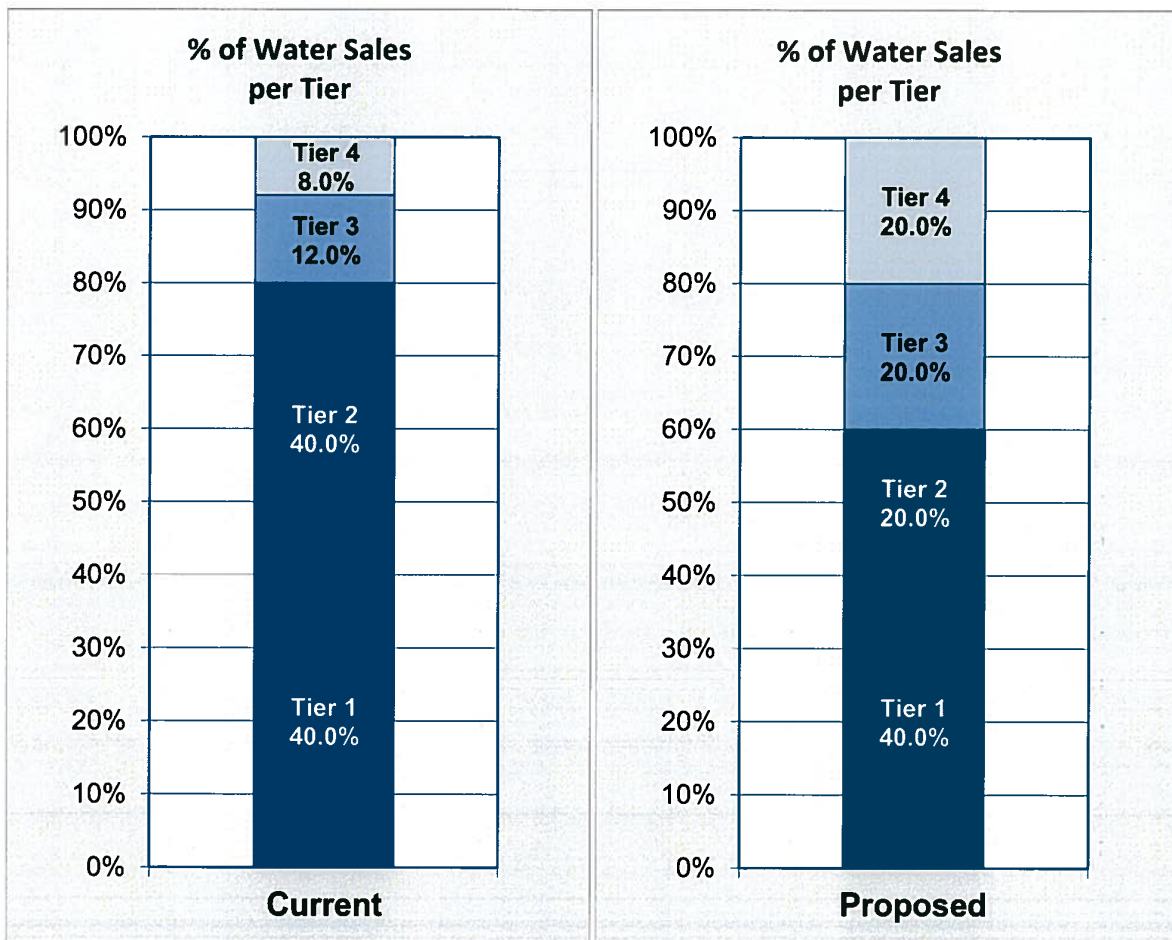
	Current	2013/14	2014/15	2015/16	2016/17
<b>Water Rate Revenue Recovery</b>					
Effective Date of Rate Increase		01/01/14	01/01/15	01/01/16	01/01/17
Annualized Revenues w/ Rate Increase		\$2,943,000	\$3,118,000	\$3,304,000	\$3,516,000
<b>Variable Rate Recovery</b>					
		<i>With 4-Year Phase in to 60% Variable Rate Recovery</i>			
Cost Recovery Allocation %	<b>52%</b>	<b>54%</b>	<b>56%</b>	<b>58%</b>	<b>60%</b>
Cost Recovery Allocation \$		\$1,589,220	\$1,746,080	\$1,916,320	\$2,109,600
<b>Projected Water Sales (hcf)</b>					
Baseline Water Sales	600,000	600,000	587,400	575,065	567,014
Projected Change in Demand	=	<u>-2.1%</u>	<u>-2.1%</u>	<u>-1.4%</u>	<u>-1.4%</u>
Total	600,000	587,400	575,065	567,014	559,076
<b>Average Rate per Unit (\$/hcf)</b>					
Increase	\$2.35	\$2.71	\$3.04	\$3.38	\$3.77
		0.36	0.33	0.34	0.39
<b>With Steady Annual Increases</b>					
Increase in Average Rate (\$/hcf)	<b>\$2.35</b>	<b>\$2.71</b>	<b>\$3.07</b>	<b>\$3.43</b>	<b>\$3.79</b>
		0.36	0.36	0.36	0.36
<i>For Informational Purposes</i>					
Equivalent Rate per 100 gallons	\$0.314	\$0.362	\$0.410	\$0.459	\$0.507
Increase (\$ per 100 gallons)		0.048	0.048	0.048	0.048

Table 17  
 Joshua Basin Water District  
 Current vs. Proposed Water Rate Tiers  
 For 3/4" & 1" Meters

Based on projected water use

CURRENT TIERS			PROPOSED TIERS				
	Bi-Monthly Use	Bills Ending in Tier %	Water Use in Tier		Bi-Monthly Use	Bills Ending in Tier %	Water Use in Tier
Tier 1	0 - 5 hcf	42.1%	40.0%	Tier 1	0 - 5 hcf	42.1%	40.0%
Tier 2	5.01 - 20 hcf	46.1%	40.0%	Tier 2	5.01 - 10 hcf	26.9%	20.0%
Tier 3	20.01 - 40 hcf	8.6%	12.0%	Tier 3	10.01 - 20 hcf	19.3%	20.0%
Tier 4	40.01 + hcf	3.3%	8.0%	Tier 4	20.01 + hcf	11.8%	20.0%

Note: Water bills & use statistics based on analysis of utility billing data from FY 2012/13.



**Table 18**  
**Joshua Basin Water District**  
**Cost Allocation to Tiered Water Rates 2017/18**

	Projected 2017/18	Variable Rate Cost Recovery %		Cost Allocation to Uniform & Tiered Rates		
		%	\$	Uniform Rates	Tiered Rates	Total
Baseline Projected Water Use (hcf)				100,000	500,000	600,000
Change in Water Sales				-7%	-7%	-7%
Projected Water Use 2017/18 (hcf)				93,000	465,000	558,000
% of Total Water Consumption				16.7%	83.3%	100.0%
% of Tiered Rate Subtotal						
<b>EXPENSES</b>						
<b>Operating &amp; Maintenance</b>						
Production	1,021,000	50%	510,500	85,083	425,417	510,500
Distribution	736,000	50%	368,000	61,333	306,667	368,000
Customer Service*	640,000	10%	64,000	10,667	53,333	64,000
Administration	659,000	10%	65,900	10,983	54,917	65,900
Engineering	220,000	50%	110,000	18,333	91,667	110,000
Finance	499,000	0%	0	0	0	0
Personnel & Legal	260,000	0%	0	0	0	0
Subtotal	4,035,000	28%	1,118,400	186,400	932,000	1,118,400
<b>Debt Service</b> (assumes 20-yr loan)	400,000	50%	200,000	33,333	166,667	200,000
<b>Non-Operating/Discretionary</b>						
Morongo Basin Pipeline Pymts to MWA	220,000	100%	220,000	36,667	183,333	220,000
Water Purchases from MWA	274,000	100%	274,000	45,667	228,333	274,000
Tank, Well & Pump Maint/Improvements	324,000	50%	162,000	27,000	135,000	162,000
Equipment/Tech/Vehicle Replacement	112,000	25%	28,000	4,667	23,333	28,000
Pipeline Replacement (7,500' / yr)	200,000	25%	50,000	8,333	41,667	50,000
Subtotal	1,130,000	65%	734,000	122,333	611,667	734,000
<b>Total Expenses</b>	5,565,000	37%	2,052,400	342,067	1,710,333	2,052,400

\* Water Conservation Program costs account for approximately 10% of Customer Service expenses based on the FY2013/14 Budget.

Table 19  
Joshua Basin Water District  
Cost Allocation to Tiered Water Rates 2017/18

	Tiered Rate Allocation %					Tiered Rate Allocation \$				
	Tier 1	Tier 2	Tier 3	Tier 4	Subtotal	Tier 1	Tier 2	Tier 3	Tier 4	Subtotal
Baseline Projected Water Use (hcf)	200,000	100,000	100,000	100,000	500,000					
Change in Water Sales	-7%	-7%	-7%	-7%	-7%					
Projected Water Use 2017/18 (hcf)	186,000	93,000	93,000	93,000	465,000					
% of Total Water Consumption	33.3%	16.7%	16.7%	16.7%	83.3%					
% of Tiered Rate Subtotal	40.0%	20.0%	20.0%	20.0%	100.0%					
<b>EXPENSES</b>										
<b>Operating &amp; Maintenance</b>										
Production	40.0%	20.0%	20.0%	20.0%	100.0%	170,167	85,083	85,083	85,083	425,417
Distribution	40.0%	20.0%	20.0%	20.0%	100.0%	122,667	61,333	61,333	61,333	306,667
Customer Service (conservation)	5.0%	15.0%	40.0%	40.0%	100.0%	2,667	8,000	21,333	21,333	53,333
Administration	40.0%	20.0%	20.0%	20.0%	100.0%	21,967	10,983	10,983	10,983	54,917
Engineering	40.0%	20.0%	20.0%	20.0%	100.0%	36,667	18,333	18,333	18,333	91,667
Finance	40.0%	20.0%	20.0%	20.0%	100.0%	0	0	0	0	0
Personnel & Legal	40.0%	20.0%	20.0%	20.0%	100.0%	0	0	0	0	0
Subtotal	38.0%	19.7%	21.1%	21.1%	100.0%	354,133	183,733	197,067	197,067	932,000
<b>Debt Service</b> (assumes 20-yr loan)	40.0%	20.0%	20.0%	20.0%	100.0%	66,667	33,333	33,333	33,333	166,667
<b>Non-Operating</b>										
Morongo Basin Pipeline Pymts to MWA	15.0%	20.0%	25.0%	40.0%	100.0%	27,500	36,667	45,833	73,333	183,333
Water Purchases from MWA	15.0%	20.0%	25.0%	40.0%	100.0%	34,250	45,667	57,083	91,333	228,333
Tank, Well & Pump Maint/Improvements	40.0%	20.0%	20.0%	20.0%	100.0%	54,000	27,000	27,000	27,000	135,000
Equipment/Tech/Vehicle Replacement	40.0%	20.0%	20.0%	20.0%	100.0%	9,333	4,667	4,667	4,667	23,333
Pipeline Replacement (7,500' / yr)	40.0%	20.0%	20.0%	20.0%	100.0%	16,667	8,333	8,333	8,333	41,667
Subtotal	23.2%	20.0%	23.4%	33.5%	100.0%	141,750	122,333	142,917	204,667	611,667
<b>Total Expenses</b>	32.9%	19.8%	21.8%	25.4%	100.0%	562,550	339,400	373,317	435,067	1,710,333
Projected Water Consumption per Tier						186,000	93,000	93,000	93,000	
Tiered Rate Allocation 2017/18 Divided by Projected Water Use <sup>1</sup>						\$3.02	\$3.65	\$4.01	\$4.68	
Proposed Rate Effective 01/01/18						3.00	3.50	4.00	4.50	

<sup>1</sup> Shown for informational purposes only, to demonstrate that rates for each tier reasonably reflect and do not exceed the cost of service.

Table 20  
 Joshua Basin Water District  
 Proposed Water Rate Tiers  
 For 3/4" & 1" Meters

	Projected			
	2013/14	2014/15	2015/16	2016/17
Effective Date of Rate Increase	01/01/14	01/01/15	01/01/16	01/01/17
<b>Target Average Rate (per hcf)</b>	<b>\$2.71</b>	<b>\$3.07</b>	<b>\$3.43</b>	<b>\$3.79</b>
<b>Monthly Tier Breakpoints</b>	<b>New Tier Breakpoints</b>			
Tier 1	0 - 5	0 - 5	0 - 5	0 - 5
Tier 2	>5 - 10	>5 - 10	>5 - 10	>5 - 10
Tier 3	>10 - 20	>10 - 20	>10 - 20	>10 - 20
Tier 4	>20	>20	>20	>20
<b>% of Use Billed in Tier</b>	<b>New Tier Breakpoints</b>			
Tier 1	40.0%	40.0%	40.0%	40.0%
Tier 2	20.0%	20.0%	20.0%	20.0%
Tier 3	20.0%	20.0%	20.0%	20.0%
Tier 4	20.0%	20.0%	20.0%	20.0%
<b>Proposed Tier Rates</b>	<b>New Tier Breakpoints</b>			
Tier 1	\$2.30	\$2.50	\$2.75	\$3.00
Tier 2	2.60	2.90	3.20	3.50
Tier 3	2.90	3.30	3.65	4.00
Tier 4	3.20	3.70	4.10	4.50
<i>Tier 4 / Tier 1 Differential</i>	39.1%	48.0%	49.1%	50.0%
<b>Tier Rate % of Target</b>	<b>New Tier Breakpoints</b>			
Tier 1	84.9%	81.4%	80.2%	79.2%
Tier 2	95.9%	94.5%	93.3%	92.3%
Tier 3	107.0%	107.5%	106.4%	105.5%
Tier 4	118.1%	120.5%	119.5%	118.7%
<b>Weighted Average Rate</b>	<b>\$2.66</b>	<b>\$2.98</b>	<b>\$3.29</b>	<b>\$3.60</b>

Table 21  
 Joshua Basin Water District  
 Projected Water Rates

Effective Jan-1	Current	Projected Water Rates					
		2014	2015	2016	2017	2018	
<b>BASIC MONTHLY FEE</b>							
<u>Meter Size</u>	<u>Capacity (gpm)</u>	Monthly Rate					
3/4" & 1"	30	\$23.82	\$24.31	\$24.80	\$25.29	\$25.78	\$27.58
1-1/2"	100	79.40	81.03	82.67	84.30	85.93	91.95
2"	160	127.00	129.65	132.27	134.88	137.49	147.11
3"	300	238.20	243.09	248.01	252.90	257.79	275.84
<b>MONTHLY WATER FLOW CHARGES</b>							
<b>For 3/4" and 1" Meters</b>		Rate Per Unit (\$/hcf)					
<u>New Tier Breakpoints</u>		New Tier Breakpoints					
Tier 1	0 - 5 units	\$2.14	\$2.30	\$2.50	\$2.75	\$3.00	\$3.21
Tier 2	5.01 - 10 units	2.39	2.60	2.90	3.20	3.50	3.75
Tier 3	10.01 - 20 units	2.57	2.90	3.30	3.65	4.00	4.28
Tier 4	20.01 + units	2.75	3.20	3.70	4.10	4.50	4.82
<i>1 unit = one hundred cubic feet = 748 gallons</i>							
<b>For 1-1/2", 2" and 3" Meters</b>		Rate Per Unit (\$/hcf)					
Unit rate for all water use		\$2.39	\$2.71	\$3.07	\$3.43	\$3.79	4.06
<i>1 unit = one hundred cubic feet = 748 gallons</i>							
<b>PRIVATE FIRE PROTECTION</b>							
<u>Device Size</u>	Monthly Rate						
2"	\$12.62	\$13.50	\$11.58	\$12.28	\$12.62	\$13.50	
3"	25.25	27.02	23.15	24.54	25.25	27.02	
4"	50.50	54.04	46.29	49.07	50.50	54.04	
6"	75.76	81.06	69.45	73.62	75.76	81.06	
8"	113.62	121.57	104.60	110.41	113.62	121.57	

Table 22  
 Joshua Basin Water District  
 Bill Impacts (3/4" Meter)

Monthly Use (hcf)	% of Bills in Block	% of Bills at or Below	Current Bill	Projected Monthly Bills					5-Year Impact		
				1/1/14	1/1/15	1/1/16	1/1/17	1/1/18	\$/month	%	\$/day
<b>3/4" Meter Account</b>											
0	1.4%	1.4%	\$23.82	\$24.31	\$24.80	\$25.29	\$25.78	\$27.58	\$3.76	15.8%	\$0.12
1	7.7%	9.1%	25.96	26.61	27.30	28.04	28.78	30.79	4.83	18.6%	0.16
2	8.4%	17.5%	28.10	28.91	29.80	30.79	31.78	34.00	5.90	21.0%	0.19
3	8.5%	26.1%	30.24	31.21	32.30	33.54	34.78	37.21	6.97	23.0%	0.23
4	8.1%	34.1%	32.38	33.51	34.80	36.29	37.78	40.42	8.04	24.8%	0.26
5	7.9%	42.1%	34.52	35.81	37.30	39.04	40.78	43.63	9.11	26.4%	0.30
6	Med 7.1%	49.1%	36.91	38.41	40.20	42.24	44.28	47.38	10.47	28.4%	0.34
7	6.1%	55.2%	39.30	41.01	43.10	45.44	47.78	51.13	11.83	30.1%	0.39
8	5.4%	60.6%	41.69	43.61	46.00	48.64	51.28	54.88	13.19	31.6%	0.43
9	4.5%	65.1%	44.08	46.21	48.90	51.84	54.78	58.63	14.55	33.0%	0.48
10	Avg 3.9%	68.9%	46.47	48.81	51.80	55.04	58.28	62.38	15.91	34.2%	0.52
11	3.4%	72.3%	48.86	51.71	55.10	58.69	62.28	66.66	17.80	36.4%	0.59
12	2.9%	75.2%	51.25	54.61	58.40	62.34	66.28	70.94	19.69	38.4%	0.65
13	2.4%	77.6%	53.64	57.51	61.70	65.99	70.28	75.22	21.58	40.2%	0.71
14	2.1%	79.7%	56.03	60.41	65.00	69.64	74.28	79.50	23.47	41.9%	0.77
15	1.9%	81.6%	58.42	63.31	68.30	73.29	78.28	83.78	25.36	43.4%	0.83
16	1.7%	83.3%	60.81	66.21	71.60	76.94	82.28	88.06	27.25	44.8%	0.90
17	1.5%	84.8%	63.20	69.11	74.90	80.59	86.28	92.34	29.14	46.1%	0.96
18	1.3%	86.1%	65.59	72.01	78.20	84.24	90.28	96.62	31.03	47.3%	1.02
19	1.1%	87.2%	67.98	74.91	81.50	87.89	94.28	100.90	32.92	48.4%	1.08
20	1.0%	88.2%	70.37	77.81	84.80	91.54	98.28	105.18	34.81	49.5%	1.14
21	0.9%	89.1%	72.94	81.01	88.50	95.64	102.78	110.00	37.06	50.8%	1.22
22	0.8%	89.8%	75.51	84.21	92.20	99.74	107.28	114.82	39.31	52.1%	1.29
23	0.7%	90.5%	78.08	87.41	95.90	103.84	111.78	119.64	41.56	53.2%	1.37
24	0.7%	91.2%	80.65	90.61	99.60	107.94	116.28	124.46	43.81	54.3%	1.44
25	0.7%	91.9%	83.22	93.81	103.30	112.04	120.78	129.28	46.06	55.3%	1.51
26	0.5%	92.4%	85.79	97.01	107.00	116.14	125.28	134.10	48.31	56.3%	1.59
27	0.5%	92.9%	88.36	100.21	110.70	120.24	129.78	138.92	50.56	57.2%	1.66
28	0.5%	93.5%	90.93	103.41	114.40	124.34	134.28	143.74	52.81	58.1%	1.74
29	0.5%	93.9%	93.50	106.61	118.10	128.44	138.78	148.56	55.06	58.9%	1.81
30	0.4%	94.3%	96.07	109.81	121.80	132.54	143.28	153.38	57.31	59.7%	1.88
31	0.4%	94.7%	98.64	113.01	125.50	136.64	147.78	158.20	59.56	60.4%	1.96
32	0.3%	95.0%	101.21	116.21	129.20	140.74	152.28	163.02	61.81	61.1%	2.03
33	0.3%	95.3%	103.78	119.41	132.90	144.84	156.78	167.84	64.06	61.7%	2.11
34	0.3%	95.6%	106.35	122.61	136.60	148.94	161.28	172.66	66.31	62.4%	2.18
35	0.2%	95.8%	108.92	125.81	140.30	153.04	165.78	177.48	68.56	62.9%	2.25
36	0.2%	96.0%	111.49	129.01	144.00	157.14	170.28	182.30	70.81	63.5%	2.33
37	0.2%	96.2%	114.06	132.21	147.70	161.24	174.78	187.12	73.06	64.1%	2.40
38	0.2%	96.4%	116.63	135.41	151.40	165.34	179.28	191.94	75.31	64.6%	2.48
39	0.2%	96.6%	119.20	138.61	155.10	169.44	183.78	196.76	77.56	65.1%	2.55
40	0.1%	96.7%	121.77	141.81	158.80	173.54	188.28	201.58	79.81	65.5%	2.62
50	41-50: 1.3%	98.0%	149.27	173.81	195.80	214.54	233.28	249.78	100.51	67.3%	3.30
75	51-75: 1.2%	99.2%	218.02	253.81	288.30	317.04	345.78	370.28	152.26	69.8%	5.01
100	76-100: 0.4%	99.6%	286.77	333.81	380.80	419.54	458.28	490.78	204.01	71.1%	6.71
200	101-200: 0.3%	100.0%	561.77	653.81	750.80	829.54	908.28	972.78	411.01	73.2%	13.51



Table 23  
 Joshua Basin Water District  
 Bill Impacts (3/4" Meter)

	Monthly Use	% of Bills at or Below		Current	Projected Monthly Water Bills					5-Year Impact	Avg Annual Impact
					1/1/14	1/1/15	1/1/16	1/1/17	1/1/18		
<b>LOW</b>	<b>3 hcf</b>	<b>25%</b>	Monthly Bill	<b>\$30.24</b>	<b>\$31.21</b>	<b>\$32.30</b>	<b>\$33.54</b>	<b>\$34.78</b>	<b>\$37.21</b>		
			Increase \$		0.97	1.09	1.24	1.24	2.43	6.97	1.39
			Increase %		3.2%	3.5%	3.8%	3.7%	7.0%	23.0%	4.2%
<b>MEDIAN</b>	<b>6 hcf</b>	<b>50%</b>	Monthly Bill	<b>\$36.91</b>	<b>\$38.41</b>	<b>\$40.20</b>	<b>\$42.24</b>	<b>\$44.28</b>	<b>\$47.38</b>		
			Increase \$		1.50	1.79	2.04	2.04	3.10	10.47	2.09
			Increase %		4.1%	4.7%	5.1%	4.8%	7.0%	28.4%	5.1%
<b>AVERAGE</b>	<b>10 hcf</b>	<b>70%</b>	Monthly Bill	<b>\$46.47</b>	<b>\$48.81</b>	<b>\$51.80</b>	<b>\$55.04</b>	<b>\$58.28</b>	<b>\$62.38</b>		
			Increase \$		2.34	2.99	3.24	3.24	4.10	15.91	3.18
			Increase %		5.0%	6.1%	6.3%	5.9%	7.0%	34.2%	6.1%
<b>MOD-HIGH</b>	<b>20 hcf</b>	<b>88%</b>	Monthly Bill	<b>\$70.37</b>	<b>\$77.81</b>	<b>\$84.80</b>	<b>\$91.54</b>	<b>\$98.28</b>	<b>\$105.18</b>		
2x Average			Increase \$		7.44	6.99	6.74	6.74	6.90	34.81	6.96
			Increase %		10.6%	9.0%	7.9%	7.4%	7.0%	49.5%	8.4%
<b>HIGH</b>	<b>40 hcf</b>	<b>97%</b>	Monthly Bill	<b>\$121.77</b>	<b>\$141.81</b>	<b>\$158.80</b>	<b>\$173.54</b>	<b>\$188.28</b>	<b>\$201.58</b>		
4x Average			Increase \$		20.04	16.99	14.74	14.74	13.30	79.81	15.96
			Increase %		16.5%	12.0%	9.3%	8.5%	7.1%	65.5%	10.6%
<b>HIGH USER WITH 10% CONSERVATION</b>					<b>10% Conservation Over 4 Years</b>						
			Water Use (hcf)	40	39	38	37	36	36		
			Monthly Bill	<b>\$121.77</b>	<b>\$138.61</b>	<b>\$151.40</b>	<b>\$161.24</b>	<b>\$170.28</b>	<b>\$182.30</b>		
			Increase \$		16.84	12.79	9.84	9.04	12.02	60.53	12.11
			Increase %		13.8%	9.2%	6.5%	5.6%	7.1%	49.7%	8.4%
<b>HIGH USER WITH 20% CONSERVATION</b>					<b>20% Conservation Over 4 Years</b>						
			Water Use (hcf)	40	38	36	34	32	32		
			Monthly Bill	<b>\$121.77</b>	<b>\$135.41</b>	<b>\$144.00</b>	<b>\$148.94</b>	<b>\$152.28</b>	<b>\$163.02</b>		
			Increase \$		13.64	8.59	4.94	3.34	10.74	41.25	8.25
			Increase %		11.2%	6.3%	3.4%	2.2%	7.1%	33.9%	6.0%

## **APPENDIX B**

Water Use Analysis for Combined 3/4" & 1" Meters

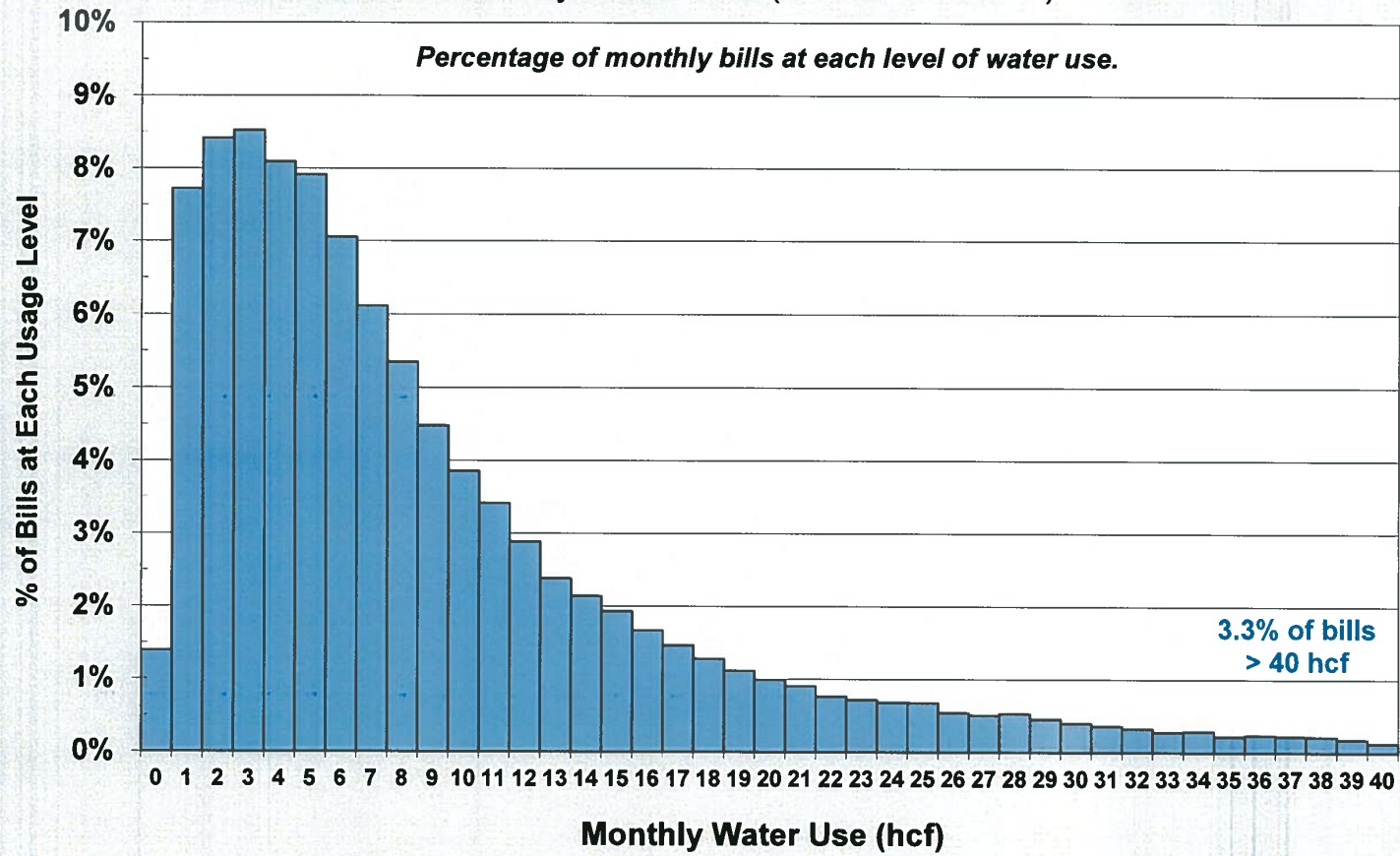
Table B-1

Joshua Basin Water District  
 Consumption Block Analysis (3/4" & 1" Meters) 2012/13

Median Monthly Use: 6.5 hcf  
 Average Monthly Use: 10.6 hcf

Monthly Use (hcf)	Number of Bills				Water Use (hcf)		Use Through Break	
	In Block	% of Total	Cumulative	Cumulative %	In Block	% of Ttl	Use (hcf)	% of Ttl
0	650	1.4%	650	1.4%	0	0.0%	0	0.0%
1	3,604	7.7%	4,254	9.1%	3,604	0.7%	46,037	9.3%
2	3,929	8.4%	8,183	17.5%	7,858	1.6%	88,470	17.9%
3	3,980	8.5%	12,163	26.1%	11,940	2.4%	126,974	25.7%
4	3,777	8.1%	15,940	34.1%	15,108	3.1%	161,498	32.6%
5	3,694	7.9%	19,634	42.1%	18,470	3.7%	192,245	38.9%
6	3,294	7.1%	22,928	49.1%	19,764	4.0%	219,298	44.3%
7	2,854	6.1%	25,782	55.2%	19,978	4.0%	243,057	49.1%
8	2,498	5.4%	28,280	60.6%	19,984	4.0%	263,962	53.4%
9	2,092	4.5%	30,372	65.1%	18,828	3.8%	282,369	57.1%
10	1,799	3.9%	32,171	68.9%	17,990	3.6%	298,684	60.4%
11	1,593	3.4%	33,764	72.3%	17,523	3.5%	313,200	63.3%
12	1,345	2.9%	35,109	75.2%	16,140	3.3%	326,123	65.9%
13	1,111	2.4%	36,220	77.6%	14,443	2.9%	337,701	68.3%
14	998	2.1%	37,218	79.7%	13,972	2.8%	348,168	70.4%
15	900	1.9%	38,118	81.6%	13,500	2.7%	357,637	72.3%
16	780	1.7%	38,898	83.3%	12,480	2.5%	366,206	74.0%
17	682	1.5%	39,580	84.8%	11,594	2.3%	373,995	75.6%
18	597	1.3%	40,177	86.1%	10,746	2.2%	381,102	77.0%
19	521	1.1%	40,698	87.2%	9,899	2.0%	387,612	78.3%
20	462	1.0%	41,160	88.2%	9,240	1.9%	393,601	79.6%
21	423	0.9%	41,583	89.1%	8,883	1.8%	399,128	80.7%
22	355	0.8%	41,938	89.8%	7,810	1.6%	404,232	81.7%
23	334	0.7%	42,272	90.5%	7,682	1.6%	408,981	82.7%
24	316	0.7%	42,588	91.2%	7,584	1.5%	413,396	83.6%
25	315	0.7%	42,903	91.9%	7,875	1.6%	417,495	84.4%
26	251	0.5%	43,154	92.4%	6,526	1.3%	421,279	85.1%
27	235	0.5%	43,389	92.9%	6,345	1.3%	424,812	85.9%
28	247	0.5%	43,636	93.5%	6,916	1.4%	428,110	86.5%
29	211	0.5%	43,847	93.9%	6,119	1.2%	431,161	87.1%
30	185	0.4%	44,032	94.3%	5,550	1.1%	434,001	87.7%
31	167	0.4%	44,199	94.7%	5,177	1.0%	436,656	88.3%
32	152	0.3%	44,351	95.0%	4,864	1.0%	439,144	88.8%
33	130	0.3%	44,481	95.3%	4,290	0.9%	441,480	89.2%
34	133	0.3%	44,614	95.6%	4,522	0.9%	443,686	89.7%
35	100	0.2%	44,714	95.8%	3,500	0.7%	445,759	90.1%
36	110	0.2%	44,824	96.0%	3,960	0.8%	447,732	90.5%
37	102	0.2%	44,926	96.2%	3,774	0.8%	449,595	90.9%
38	98	0.2%	45,024	96.4%	3,724	0.8%	451,356	91.2%
39	82	0.2%	45,106	96.6%	3,198	0.6%	453,019	91.6%
40	59	0.1%	45,165	96.7%	2,360	0.5%	454,600	91.9%
41	78	0.2%	45,243	96.9%	3,198	0.6%	456,122	92.2%
42	83	0.2%	45,326	97.1%	3,486	0.7%	457,566	92.5%
43	71	0.2%	45,397	97.2%	3,053	0.6%	458,927	92.8%
44	58	0.1%	45,455	97.4%	2,552	0.5%	460,217	93.0%
45	72	0.2%	45,527	97.5%	3,240	0.7%	461,449	93.3%
46	57	0.1%	45,584	97.6%	2,622	0.5%	462,609	93.5%
47	52	0.1%	45,636	97.7%	2,444	0.5%	463,712	93.7%
48	58	0.1%	45,694	97.9%	2,784	0.6%	464,763	93.9%
49	46	0.1%	45,740	98.0%	2,254	0.5%	465,756	94.1%
50	29	0.1%	45,769	98.0%	1,450	0.3%	466,703	94.3%
51-75	559	1.2%	46,328	99.2%	33,798	6.8%	481,526	97.3%
76-100	194	0.4%	46,522	99.6%	16,623	3.4%	487,724	98.6%
101-200	146	0.3%	46,668	100.0%	19,090	3.9%	494,114	99.9%
201+	19	0.0%	46,687	100.0%	4,438	0.9%	494,752	100.0%
Total	46,687	100.0%			494,752	100.0%		

## Joshua Basin Water District Distribution of Monthly Water Bills (3/4" & 1" Meters) 2012/13



### Joshua Basin Water District Single Family Residential Water Bills 2012/13

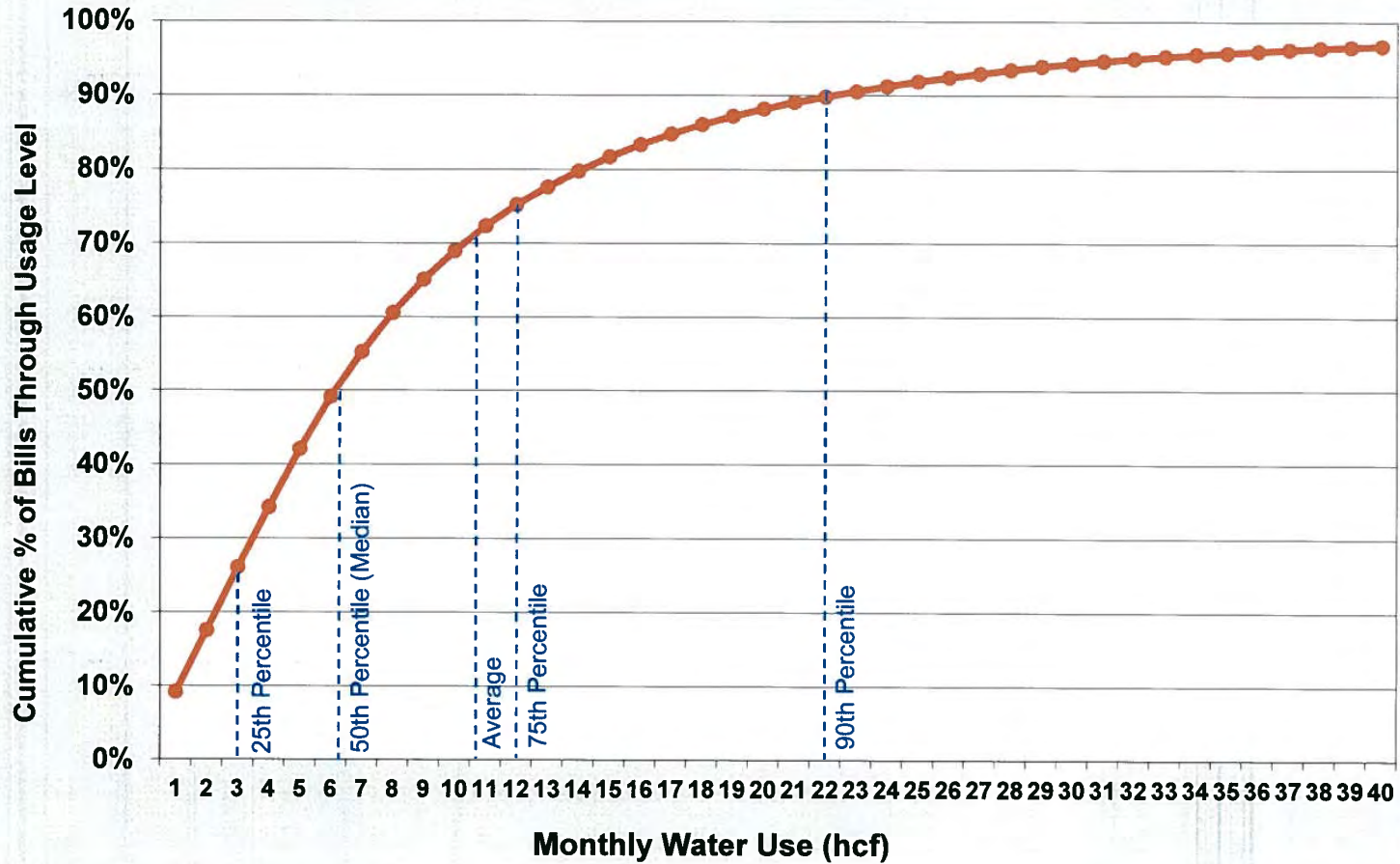


Table B-2

Joshua Basin Water District  
Consumption Block Analysis (3/4" & 1" Meters) 2011/12

Median Monthly Use: 6.5 hcf  
Average Monthly Use: 10.5 hcf

Monthly Use (hcf)	Number of Bills				Water Use (hcf)		Use Through Break	
	In Block	% of Total	Cumulative	Cumulative %	In Block	% of Ttl	Use (hcf)	% of Ttl
0	650	1.4%	650	1.4%	0	0.0%	0	0.0%
1	3,537	7.6%	4,187	9.0%	3,537	0.7%	46,004	9.4%
2	3,885	8.3%	8,072	17.3%	7,770	1.6%	88,471	18.1%
3	3,932	8.4%	12,004	25.7%	11,796	2.4%	127,053	25.9%
4	3,888	8.3%	15,892	34.1%	15,552	3.2%	161,703	33.0%
5	3,735	8.0%	19,627	42.1%	18,675	3.8%	192,465	39.3%
6	3,174	6.8%	22,801	48.9%	19,044	3.9%	219,492	44.8%
7	2,966	6.4%	25,767	55.2%	20,762	4.2%	243,345	49.7%
8	2,436	5.2%	28,203	60.5%	19,488	4.0%	264,232	53.9%
9	2,129	4.6%	30,332	65.0%	19,161	3.9%	282,683	57.7%
10	1,879	4.0%	32,211	69.0%	18,790	3.8%	299,005	61.0%
11	1,565	3.4%	33,776	72.4%	17,215	3.5%	313,448	64.0%
12	1,412	3.0%	35,188	75.4%	16,944	3.5%	326,326	66.6%
13	1,187	2.5%	36,375	78.0%	15,431	3.1%	337,792	68.9%
14	998	2.1%	37,373	80.1%	13,972	2.9%	348,071	71.0%
15	852	1.8%	38,225	81.9%	12,780	2.6%	357,352	72.9%
16	758	1.6%	38,983	83.6%	12,128	2.5%	365,781	74.6%
17	637	1.4%	39,620	84.9%	10,829	2.2%	373,452	76.2%
18	591	1.3%	40,211	86.2%	10,638	2.2%	380,486	77.6%
19	569	1.2%	40,780	87.4%	10,811	2.2%	386,929	79.0%
20	448	1.0%	41,228	88.4%	8,960	1.8%	392,803	80.2%
21	413	0.9%	41,641	89.3%	8,673	1.8%	398,229	81.3%
22	389	0.8%	42,030	90.1%	8,558	1.7%	403,242	82.3%
23	310	0.7%	42,340	90.8%	7,130	1.5%	407,866	83.2%
24	291	0.6%	42,631	91.4%	6,984	1.4%	412,180	84.1%
25	273	0.6%	42,904	92.0%	6,825	1.4%	416,203	84.9%
26	264	0.6%	43,168	92.5%	6,864	1.4%	419,953	85.7%
27	257	0.6%	43,425	93.1%	6,939	1.4%	423,439	86.4%
28	226	0.5%	43,651	93.6%	6,328	1.3%	426,668	87.1%
29	204	0.4%	43,855	94.0%	5,916	1.2%	429,671	87.7%
30	179	0.4%	44,034	94.4%	5,370	1.1%	432,470	88.2%
31	162	0.3%	44,196	94.7%	5,022	1.0%	435,090	88.8%
32	158	0.3%	44,354	95.1%	5,056	1.0%	437,548	89.3%
33	140	0.3%	44,494	95.4%	4,620	0.9%	439,848	89.8%
34	126	0.3%	44,620	95.6%	4,284	0.9%	442,008	90.2%
35	109	0.2%	44,729	95.9%	3,815	0.8%	444,042	90.6%
36	105	0.2%	44,834	96.1%	3,780	0.8%	445,967	91.0%
37	104	0.2%	44,938	96.3%	3,848	0.8%	447,787	91.4%
38	96	0.2%	45,034	96.5%	3,648	0.7%	449,503	91.7%
39	89	0.2%	45,123	96.7%	3,471	0.7%	451,123	92.1%
40	71	0.2%	45,194	96.9%	2,840	0.6%	452,654	92.4%
41	78	0.2%	45,272	97.0%	3,198	0.7%	454,114	92.7%
42	83	0.2%	45,355	97.2%	3,486	0.7%	455,496	92.9%
43	61	0.1%	45,416	97.3%	2,623	0.5%	456,795	93.2%
44	71	0.2%	45,487	97.5%	3,124	0.6%	458,033	93.5%
45	56	0.1%	45,543	97.6%	2,520	0.5%	459,200	93.7%
46	52	0.1%	45,595	97.7%	2,392	0.5%	460,311	93.9%
47	51	0.1%	45,646	97.8%	2,397	0.5%	461,370	94.1%
48	46	0.1%	45,692	97.9%	2,208	0.5%	462,378	94.3%
49	45	0.1%	45,737	98.0%	2,205	0.4%	463,340	94.5%
50	50	0.1%	45,787	98.1%	2,500	0.5%	464,257	94.7%
51-75	544	1.2%	46,331	99.3%	32,738	6.7%	477,870	97.5%
76-100	168	0.4%	46,499	99.7%	14,414	2.9%	483,559	98.7%
101-200	141	0.3%	46,640	100.0%	18,825	3.8%	489,684	99.9%
201+	14	0.0%	46,654	100.0%	3,194	0.7%	490,078	100.0%
Total	46,654	100.0%			490,078	100.0%		

## **APPENDIX C**

California Urban Water Conservation Council  
BMP 1.4 Retail Conservation Pricing  
Option 2 ALAEA Volumetric Percentage Model

## BMP 1.4 Retail Conservation Pricing: Option 2 Volumetric Percentage Model

Intro	<b>Step 1 Base</b>	Step 2 Non-Rate	Step 3 O&M Revenue	Step 4 Capital Revenue	Step 5 10-Yr Capital	Model

### Step 1 Overview:

The model calculates total and volumetric revenue requirements for a 5-year period. In this worksheet you set the base year for the revenue requirement forecast, set the financial assumptions, and enter the water sales, production, and meter equivalent forecasts for your utility. This information will be used by the model in subsequent steps.

### Financial Assumptions

<input checked="" type="checkbox"/> <b>Base Year:</b>	2014
<input checked="" type="checkbox"/> <b>Interest Rate Charged on Debt:</b>	5.00%
<input checked="" type="checkbox"/> <b>Interest Rate Earned on Funds:</b>	1.00%
<input checked="" type="checkbox"/> <b>Rate of Inflation:</b>	4.00%
<input checked="" type="checkbox"/> <b>Debt Repayment Period (yrs):</b>	20

### Opening Balances in 2014 for Reserves (\$000)

<input checked="" type="checkbox"/> <b>Capital Reserves:</b>	\$608
<input checked="" type="checkbox"/> <b>Rate Stabilization Reserve:</b>	\$1,826

### Production (1,000 HCF)

**Conversion Factors:**  
 1 Acre-Foot = 435.6 HCF  
 1 MG = 1,336.8 HCF

	2014	2015	2016	2017	2018
<b>METERED DEMAND</b>					
<input checked="" type="checkbox"/> Total Annual	600	600	600	600	600
<b>UNMETERED DEMAND</b>					
<input checked="" type="checkbox"/> Total Annual	30	30	30	30	30
<b>TOTAL DEMAND</b>					
Total Annual	630	630	630	630	630
<b>SYSTEM LOSSES</b>					
<input checked="" type="checkbox"/> Total Annual	70	70	70	70	70
Percent	10%	10%	10%	10%	10%
<b>SYSTEM PRODUCTION</b>					
Total Annual	700	700	700	700	700

### Meter Equivalents Forecast

	2014	2015	2016	2017	2018
<input checked="" type="checkbox"/> Metering	4,329	4,339	4,349	4,364	4,379
<input checked="" type="checkbox"/> Billing	4,513	4,523	4,533	4,548	4,563



## BMP 1.4 Retail Conservation Pricing: Option 2 Volumetric Percentage Model

Intro

Step 1  
Base

**Step 2  
Non-Rate**

Step 3  
O&M Revenue

Step 4  
Capital Revenue

Step 5  
10-Yr Capital

Model

### Step 2 Overview:

Non-rate revenue sources that will affect the annual revenue requirements from customer rates are entered in this step. These revenues will be deducted from Gross Revenue Requirements to arrive at the Net Revenue Requirement from customer rates. Amounts transferred into or out of any rate stabilization funds impacting revenue requirements from customer rates are also entered in this step. Users can enter up to seven non-rate revenue sources. If your utility has more than seven non-rate revenue sources, sources should be aggregated so there are no more than seven. Replace the "(not in use)" label for each row in which you

### Non-Rate Revenue Forecast (\$000)

Non-Rate Revenue Source	2014	2015	2016	2017	2018
<input checked="" type="checkbox"/> Standby Charges	\$1,036	\$1,036	\$1,036	\$1,035	\$1,034
<input checked="" type="checkbox"/> Priv Fire & Special Svcs	\$132	\$130	\$133	\$136	\$139
<input checked="" type="checkbox"/> Wtr Capacity & Mtr Fees	\$0	\$41	\$41	\$63	\$65
<input checked="" type="checkbox"/> Interest Earnings	\$9	\$60	\$91	\$124	\$124
<input checked="" type="checkbox"/> Property Taxes	\$396	\$404	\$412	\$420	\$428
<input checked="" type="checkbox"/> Pulled Meter Charges	\$75	\$205	\$210	\$214	\$224
<input type="checkbox"/>					
<b>Total Non-Rate Revenue:</b>	<b>\$1,648</b>	<b>\$1,876</b>	<b>\$1,923</b>	<b>\$1,992</b>	<b>\$2,014</b>

### Rate Stabilization Reserve Transfers (\$000)

	2014	2015	2016	2017	2018
<input checked="" type="checkbox"/> Amount Transferred Out:	\$0	\$0	\$0	\$0	\$0
<input checked="" type="checkbox"/> Amount Transferred In:	\$0	\$0	\$0	\$0	\$0
<b>Net Change to Reserve Balance:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Rate Reserve Ending Balance:</b>	<b>\$1,844</b>	<b>\$1,863</b>	<b>\$1,881</b>	<b>\$1,900</b>	<b>\$1,919</b>

### Net Non-Rate Revenues (\$000)

	2014	2015	2016	2017	2018
<b>Net Non-Rate Revenues:</b>	<b>\$1,648</b>	<b>\$1,876</b>	<b>\$1,923</b>	<b>\$1,992</b>	<b>\$2,014</b>

## BMP 1.4 Retail Conservation Pricing: Option 2 Volumetric Percentage Model

- Intro
Step 1  
Base
Step 2  
Non-Rate
**Step 3  
O&M Revenue**
Step 4  
Capital Revenue
Step 5  
10-Yr Capital
Model

### Step 3 Overview:

Annual O&M costs by account category and the functional allocation of these costs are entered in this step.

In the first table the user specifies each account category by replacing a row's "(not in use)" label with an account category name. The user can specify up to 13 account categories. If your utility has more than 13 O&M categories, they should be aggregated so there are no more than 13. The user enters O&M amounts for the base year. These amounts are grown in subsequent forecast years according to the growth in water demand and equivalent meter services and the rate of inflation entered in Step 1.

In the second table, the user enters the percentage of each O&M cost that should be allocated to the Volume, Metering, Billing, and Other functional categories. Rows in this table must add to 100% unless the row is not in use. The percentages entered in this table will affect the distribution of O&M costs to the volumetric rate and to the fixed charges. The percentages should accurately describe how costs are actually related to and caused by volumetric, metering, billing, and other utility functions. These factors should not be

### O&M Cost Forecast (\$000)

Cells in these columns populate once the O&M Functional Allocation Table is completed

Account Category	2014	2015	2016	2017	2018	Total
<input checked="" type="checkbox"/> Production	\$873	\$908	\$946	\$985	\$1,025	\$4,737
<input checked="" type="checkbox"/> Distribution	\$630	\$656	\$683	\$711	\$741	\$3,420
<input checked="" type="checkbox"/> Customer Service	\$546	\$568	\$592	\$616	\$642	\$2,965
<input checked="" type="checkbox"/> Administration	\$564	\$587	\$611	\$637	\$663	\$3,063
<input checked="" type="checkbox"/> Engineering	\$188	\$196	\$204	\$213	\$222	\$1,022
<input checked="" type="checkbox"/> Finance	\$427	\$444	\$462	\$481	\$500	\$2,313
<input checked="" type="checkbox"/> Personnel & Legal	\$222	\$231	\$240	\$250	\$260	\$1,204
<input type="checkbox"/> (not in use)		\$0	\$0	\$0	\$0	\$0
<input type="checkbox"/> (not in use)		\$0	\$0	\$0	\$0	\$0
<input type="checkbox"/> (not in use)		\$0	\$0	\$0	\$0	\$0
<input type="checkbox"/> (not in use)		\$0	\$0	\$0	\$0	\$0
<input type="checkbox"/> (not in use)		\$0	\$0	\$0	\$0	\$0
<input type="checkbox"/> (not in use)		\$0	\$0	\$0	\$0	\$0
<b>Total O&amp;M Revenue Req.:</b>	<b>\$3,450</b>	<b>\$3,591</b>	<b>\$3,738</b>	<b>\$3,893</b>	<b>\$4,054</b>	<b>\$18,725</b>

### O&M Cost: Functional Allocation (%)

Account Category	Functional Category				Total
	Volume	Metering	Billing	Other	
<input checked="" type="checkbox"/> Production	65.0%	35.0%	0.0%	0.0%	100%
<input checked="" type="checkbox"/> Distribution	50.0%	50.0%	0.0%	0.0%	100%
<input checked="" type="checkbox"/> Customer Service	25.0%	25.0%	25.0%	25.0%	100%
<input checked="" type="checkbox"/> Administration	10.0%	40.0%	0.0%	50.0%	100%
<input checked="" type="checkbox"/> Engineering	30.0%	70.0%	0.0%	0.0%	100%
<input checked="" type="checkbox"/> Finance	25.0%	0.0%	25.0%	50.0%	100%
<input checked="" type="checkbox"/> Personnel & Legal	0.0%	0.0%	0.0%	100.0%	100%
<input type="checkbox"/> (not in use)					0%
<input type="checkbox"/> (not in use)					0%
<input type="checkbox"/> (not in use)					0%

<input type="radio"/>	(not in use)					0%
<input type="radio"/>	(not in use)					0%
<input type="radio"/>	(not in use)					0%
Overall Allocation: (weighted average)		35.9%	32.3%	7.0%	24.7%	100%

**Allocation of O&M Costs (\$000)**

	2014	2015	2016	2017	2018	Total
<b>Total O&amp;M Costs</b>	\$3,450	\$3,591	\$3,738	\$3,893	\$4,054	\$18,725
<b>O&amp;M Allocated To:</b>						
Volumetric Portion:	35.9%	35.9%	35.9%	35.9%	35.9%	35.9%
Volumetric O&M Cost:	\$1,238	\$1,289	\$1,342	\$1,397	\$1,455	\$6,722
Metering Portion:	32.3%	32.3%	32.3%	32.3%	32.3%	32.3%
Metering O&M Cost:	\$1,115	\$1,160	\$1,208	\$1,258	\$1,310	\$6,050
Billing Portion:	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Billing O&M Cost:	\$243	\$253	\$263	\$274	\$286	\$1,319
<b>Total Allocated O&amp;M:</b>	<b>\$2,596</b>	<b>\$2,702</b>	<b>\$2,813</b>	<b>\$2,929</b>	<b>\$3,051</b>	<b>\$14,091</b>
Residual Portion:	24.7%	24.7%	24.7%	24.7%	24.7%	24.7%
Residual O&M Cost:	\$854	\$889	\$925	\$963	\$1,003	\$4,633

## BMP 1.4 Retail Conservation Pricing: Option 2 Volumetric Percentage Model

Intro

Step 1  
Base

Step 2  
Non-Rate

Step 3  
O&M Revenue

**Step 4  
Capital Revenue**

Step 5  
10-Yr Capital

Model

### Step 4 Overview:

The annual revenue requirement to finance capital works for the 5-year period are input by the user in this step. There are many ways in which utilities report capital financing. This step has been kept simple and may require some consolidation of information in order to report the needed figures.

Gross capital financing requirements are comprised of four components: total investments (i.e. the sum of expenditures on capital projects), payments made to capital reserves, existing debt service payments, and new debt service payments. New debt service payments are estimated automatically by the model using a capital recovery formula and the interest rate and debenture period assumptions set by the user in Step 1.

Net capital financing requirements are calculated by deducting from the gross requirements non-revenue sources of capital

### Gross Requirements for Capital Finance (\$000)

	2014	2015	2016	2017	2018
<input checked="" type="checkbox"/> Total Investments	\$4,691	\$5,807	\$873	\$1,100	\$1,130
<input checked="" type="checkbox"/> Revenues to Reserves	\$0	\$0	\$0	\$0	\$0
<input checked="" type="checkbox"/> Existing Debt Service	\$220	\$220	\$220	\$219	\$220
New Debt Service	\$0	\$0	\$401	\$401	\$401
<b>Total</b>	<b>\$4,910</b>	<b>\$6,027</b>	<b>\$1,494</b>	<b>\$1,720</b>	<b>\$1,751</b>

### Non-Revenue Proceeds for Capital Finance (\$000)

	2014	2015	2016	2017	2018
<input checked="" type="checkbox"/> New Debentures	\$0	\$5,000	\$0	\$0	\$0
<input checked="" type="checkbox"/> Applied Reserves	\$0	\$0	\$0	\$0	\$0
<input checked="" type="checkbox"/> Other (e.g. grants)	\$4,271	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$4,271</b>	<b>\$5,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### Net Revenue Requirement for Capital Finance (\$000)

	2014	2015	2016	2017	2018
Net Revenue Req. for Capital Finance:	\$639	\$1,027	\$1,494	\$1,720	\$1,751

### Capital Reserves Ending Balance (\$000)

	2014	2015	2016	2017	2018
Capital Reserves Ending Balance:	\$614	\$620	\$626	\$633	\$639

## BMP 1.4 Retail Conservation Pricing: Option 2 Volumetric Percentage Model

- Intro    Step 1 Base    Step 2 Non-Rate    Step 3 O&M Revenue    Step 4 Capital Revenue    **Step 5 10-Yr Capital**    Model

### Step 5 Overview:

The 10-year capital plan is entered in this step. The model uses the volumetric component of investment costs in the 10-year capital plan to allocate residual revenue requirements to the volumetric charge. In this step the model calculates the annualized capital cost of volumetric investments scheduled to occur over the 10-year period. The total present value of future investments is first calculated, then this amount is converted into an annual value using the capital recovery formula corresponding to a payment that grows over time with inflation.








The first five years of gross investment cost are taken from Step 4. The user enters the gross investment costs for the second five years in the column Gross Investment Cost. For each year in the 10-year period, the user enters the portion of the investment that should be allocated to volume. An investment belongs in the volumetric category if the investment can be deferred to a later year as a result of a lower growth in water use. Examples of volumetric-related capital investment include the following. Capacity expansion costs for supply, treatment, and trunk mains. Replacement costs where replacement is being driven by increased flows.

Annual gross investment cost typically will be comprised of many different projects. The user is advised to list the projects for each

### Planned Capital Investment Forecast (\$000)

Year	Gross Investment Cost	Portion Allocated to Volume	Volumetric Investment Cost
2014	\$4,691	75.00%	\$3,518
2015	\$5,807	65.00%	\$3,775
2016	\$873	65.00%	\$567
2017	\$1,100	55.00%	\$605
2018	\$1,130	55.00%	\$622
✓ 2019	\$991	55.00%	\$545
✓ 2020	\$1,073	55.00%	\$590
✓ 2021	\$1,207	55.00%	\$664
✓ 2022	\$1,493	55.00%	\$821
✓ 2023	\$1,589	55.00%	\$874
<b>Total Volume-Related Investment Costs:</b>			<b>\$12,581</b>
<b>Present Value of Costs:</b>			<b>\$10,590</b>
<b>Annualized Cost for 2014:</b>			<b>\$1,116</b>

## BMP 1.4 Retail Conservation Pricing: Option 2 Volumetric Percentage Model

Intro	Step 1 Base	Step 2 Non-Rate	Step 3 O&M Revenue	Step 4 Capital Revenue	Step 5 10-Yr Capital	Model
						

### Results:

Model results are summarized on this worksheet. First residual costs are computed as Total Revenue Requirement less Non-Rate Revenue and O&M Cost. Residual costs are then allocated between the volumetric rate and fixed charge based on volumetric capital costs. O&M and residual costs allocated to volume are then added together to determine the amount of Total Revenue Requirement to be recovered from the volumetric rate. This amount is divided by the Net Revenue Requirement to determine the

### Residual Costs (\$000)

#### Residual Costs:

Total Revenue Requirement is the sum of O&M and Capital Financing Costs from Steps 3 and 4. Non-Rate Revenue from Step 2 is subtracted from Total Revenue Requirement to get the Net Revenue Requirement. O&M costs are subtracted from the Net

	2014	2015	2016	2017	2018
Total Revenue Requirement	\$4,089	\$4,618	\$5,232	\$5,613	\$5,805
Less Non-Rate Revenue	(\$1,648)	(\$1,876)	(\$1,923)	(\$1,992)	(\$2,014)
Net Revenue Requirement	\$2,441	\$2,742	\$3,309	\$3,621	\$3,791
Less Allocated to O&M	(\$2,596)	(\$2,702)	(\$2,813)	(\$2,929)	(\$3,051)
Residual Costs	(\$155)	\$40	\$496	\$691	\$740

### Volumetric Capital Costs (\$000)

#### Volumetric Capital Costs:

Annualized volumetric capital cost for the Base Year is taken from Step 5. This amount is then increased by the rate of inflation entered in Step 1.

	2014	2015	2016	2017	2018
Volumetric Capital Cost	\$1,116	\$1,160	\$1,207	\$1,255	\$1,305

### Allocation of Residual Costs (\$000)

#### Allocation of Residual Costs:

The lesser of Annualized Investment Cost and Residual Cost is allocated to the volumetric portion. Any remainder is allocated to the fixed charge portion. This formulation ensures that cost recovery is restricted to the net revenue requirement.

	2014	2015	2016	2017	2018
Volumetric Portion	-\$155	\$40	\$496	\$691	\$740
Fixed Charge Portion	\$0	\$0	\$0	\$0	\$0

### Allocation of Net Revenue Requirement (\$000)

**Allocation of Net Revenue Requirement:**

Net Revenue Requirement allocated to Volume is the sum of O&M and Residual costs allocated to Volume. Volumetric O&M costs are taken from Step 3. Volumetric Residual costs are taken from the table above. Volumetric costs are divided by the Net Revenue Requirement to determine the percentage allocated to Volume. The Option 2 Volumetric Percentage is the average for the five

Allocated to Volume	2014	2015	2016	2017	2018	Total
O&M	\$1,238	\$1,289	\$1,342	\$1,397	\$1,455	\$6,722
Residual	-\$155	\$40	\$496	\$691	\$740	\$1,812
Total (V')	\$1,083	\$1,329	\$1,838	\$2,089	\$2,195	\$8,534
Allocated to Fixed Charge	\$1,358	\$1,413	\$1,471	\$1,532	\$1,595	\$7,370
Net Revenue Req. (V' + M')	\$2,441	\$2,742	\$3,309	\$3,621	\$3,791	\$15,903
% Volumetric (V'/V'+M')	44%	48%	56%	58%	58%	54%

Percent of net revenue requirement to come from water sales under Option 2 = 54%

JOSHUA BASIN WATER DISTRICT  
MEETING AGENDA REPORT

Meeting of the Board of Directors

December 18, 2013

Report to: President and Members of the Board

Prepared by: Susan Greer 

TOPIC:

APPROVE NOTICE OF COMPLETION AND RELEASE OF RETENTION FOR VAN DYKE CORPORATION FOR THE HDMC TREATMENT PLANT PROJECT

RECOMMENDATION:

Approve notice of completion and release of retention in the amount of \$109,522.41

ANALYSIS:

On August 15, 2012, the Board awarded the bid for the HDMC treatment plant construction to Van Dyke Corporation in the amount of \$1,998,000. In addition, the construction management by Dudek was estimated at \$193,000, plus the standard 10% contingency put the projected costs at \$2,410,100. Hi Desert Medical Center deposited the same \$2,410,100 with the District for the project.

Work progressed on time and budget and the final punch list is complete per our project manager and inspector, Justin Scheidel from Dudek. More importantly, the “proofing period” is complete and the Regional Water Quality Control Board accepts the treatment plant as meeting their stringent discharge requirements. We are ready to close the contract, file notice of completion and then release retention.

A breakdown of the contract costs and payments made and due is provided below.

Original Contract	\$1,998,000.00
Change Order #1	2,811.00
Change Order #2	3,944.00
Change Order #3	1,950.00
Change Order #4	3,810.00
Change Order #5 (no cost)	-
Change Order #6	175,070.00
Change Order #7	3,240.00
Change Order #8	2,573.50
<b>Total Contract Including Change Orders</b>	<b>\$2,191,398.50</b>
Paid to date	\$2,081,876.09
Retention payable	109,522.41
<b>Total Paid and Remaining to be Paid</b>	<b>\$2,191,398.50</b>

The project was completed ahead of time and under budget, largely due to the diligent oversight by the project manager and inspector, Justin Scheidel from Dudek. This enabled HDMC to connect their



Continuing Care Center (CCC) to the treatment plant (change order #6 above) with funding remaining from this project. That connection of the CCC to the treatment plant was expected to require additional out-of-pocket cost for HDMC, above and beyond the cost for the treatment plant. The original contract plus project management and inspection and the standard 10% contingency for unknowns and emergencies was \$2,410,100. Adding the \$157,044 paid to Dudek for project management to the contract amount paid or due as indicated above (\$2,191,398.50), we get a total of \$2,348,442.50. That makes the total project cost over \$61,000 less than anticipated **including** connection of the CCC to the treatment plant.

Once approved, the notice of completion will be filed with the County of San Bernardino and final payment of retention will be made at least 35 days after the filing of the notice of completion.

**STRATEGIC PLAN ITEM:**

3.3.2 HDMC Wastewater. Complete the sewer project for the Hospital. To be paid by HDMC.

**FISCAL IMPACT:**

Retention due to Van Dyke Corporation in the amount of \$109,522.41. Paid with HDMC funds on deposit.

Recording Requested by (and mail to):

JOSHUA BASIN WATER DISTRICT  
P O Box 675  
Joshua Tree, CA 92252

Exempt from filing fees per  
G.C. Section 6103

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**NOTICE OF COMPLETION**

Notice is given that work was completed on that certain work of improvement known as The Joshua Basin Wastewater Treatment Plant No. 1, for the owner, **Joshua Basin Water District, 6175 Chollita Road Joshua Tree, CA 92252**, on or before November 22, 2013 and that said work was accepted by the District on November 22,2013.

The original Contractor on said work was The Van Dyke Corporation, 6797 Adobe Road, 29 Palms, CA 92277 and the surety of said Contractor is First National Insurance Company of America of 175 Berkeley Street, Boston, MA 02116. Said work of improvement was constructed at 6808 Mojave Ranch Road, Joshua Tree, CA 92252 (and/or) Assessor's Parcel Number 060406121.

**JOSHUA BASIN WATER DISTRICT**

Date \_\_\_\_\_

By: \_\_\_\_\_  
General Manager

STATE OF CALIFORNIA  
COUNTY OF SAN BERNARDINO

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 2010 by

\_\_\_\_\_ ,

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

(seal)

Signature: \_\_\_\_\_  
Signature of Notary Public

JOSHUA BASIN WATER DISTRICT  
MEETING AGENDA REPORT

Meeting of the Board of Directors

December 18, 2013

Report to: President and Members of the Board

Prepared by: Susan Greer



TOPIC:

AUTHORIZE PURCHASE OF TWO FILE SERVERS AT COST OF \$22,033.41

RECOMMENDATION:

Authorize purchase of file servers with funding from the Equipment & Technology Reserve Fund

ANALYSIS:

The Board authorized the upgrade of our Incode financial software in May 2012. We've been on the waiting list for implementation ever since and we've finally made it to the top of the list. We are currently working with the provider, Tyler Technologies, on this major upgrade and we've identified that the existing file servers must be replaced in order to accommodate the upgrade. The existing servers were installed just about five years ago, in November 2008.

We need two new file servers, one for the applications and another for the data. These are replacement servers so it is appropriate to fund the purchase from the Equipment & Technology Replacement Reserve Fund. The balance in that fund is currently \$352,920.

The quote from our network administrator, Computer Gallery, is attached.

Incode SQL Data server	\$ 4,550.09
Incode Application server	2,223.53
Software and Labor	15,259.79
Total	\$22,033.41

STRATEGIC PLAN ITEM:

5.5.2 Incode Version 10 Upgrade.

FISCAL IMPACT:

\$22,033.41



**Legal Quotation**

**To: Joshua Basin Water District  
61750 Chollita Rd  
Joshua Tree, CA 92252**

**In reply to your request:  
HP DL360e Gen8 8SFF CTO Server**

**HP Quote #                      Created                      Expires**  
CNW1-17503-00                      12/12/2013                      3/12/2014

**Your HP Sales Contact:**

Sarah Plummer,  
Phone: 1-800-277-8988 ext7716022  
Fax:  
Email: sarah.plummer@hp.com

**Payment Terms:**

Net 45 Days, Subject to credit approval

**Submit Purchase Order To:**

U.S. SLED Order Management..

Phone: ..  
Fax: 1-800-386-1118  
Email: VALOM-US-SLED@hp.com

**Attn: TBD  
Phone:  
Fax:  
Email:**

SQL

<b>Solution</b>	<b>Net Price</b>	
Hardware:	US\$	4,477.82
Software:	US\$	72.27
Support:	US\$	0.00
Installation:	US\$	0.00
Other:	US\$	0.00
Sub-Total:	US\$	4,550.09
Shipping and Handling:	US\$	0.00
<b>Grand Total:</b>	<b>US\$</b>	<b>4,550.09</b>
<b>Estimated Delivery Upon Order Entry:</b> 2 weeks <b>Delivery Method:</b> Standard Delivery Duty Paid Shipping & Handling and Special Handling Exempt		

Print Date: 12/12/2013 2:40:47PM

Please direct inquiries regarding this quote to: RFQ-US-SLED@hp.com



Legal Quotation

Quote Number  
CNW1-17503-00

Page  
2

No.	Qty	Product	Description	Extended Item Net Price	Estimated Delivery Upon Order Entry
			HP DL360e Gen8 8SFF CTO Server [#1]		
0100	1	661189-B21	HP DL360e Gen8 8SFF CTO Server	803.00	2 weeks
	1	Opt. ABA	U.S. - English localization		2 weeks
0101	1	660666-L21	HP DL360e Gen8 E5-2403 FIO Kit	254.77	8 days
0102	3	647897-B21	HP 8GB 2Rx4 PC3L-10600R-9 Kit	470.85	5 days
	3	Opt. 0D1	Factory integrated		5 days
0103	3	647893-B21	HP 4GB 1Rx4 PC3L-10600R-9 Kit	262.80	5 days
	3	Opt. 0D1	Factory integrated		5 days
0104	4	655710-B21	HP 1TB 6G SATA 7.2k 2.5in SC MDL HDD	1,457.08	5 days
	4	Opt. 0D1	Factory integrated		5 days
0105	2	652745-B21	HP 500GB 6G SAS 7.2K 2.5in SC MDL HDD	509.54	8 days
	2	Opt. 0D1	Factory integrated		8 days
0106	1	661387-B21	HP DL360eGen8 CPU1 Riser W SAS FIO Kit	80.30	8 days
0107	1	631922-B21	HP 512MB 36in FBWC B-Series Smart Array	218.27	8 days
	1	Opt. 0D1	Factory integrated		8 days
0108	1	663201-B21	HP 1U SFF BB Gen8 Rail Kit	86.87	8 days
	1	Opt. 0D1	Factory integrated		8 days
0109	2	503296-B21	HP 460W CS Gold Ht Plg Pwr Supply Kit	334.34	5 days
	2	Opt. 0D1	Factory integrated		5 days
0110	1	BC393A	HP SAS Nm 1-Srv Lic for B320i	72.27	8 days
	1	Opt. 0D1	Factory integrated		8 days
0200	1	H4396B	HP No Additional Support Required		
<b>Grand Total:</b>				<b>US\$ 4,550.09</b>	



**Legal Quotation**

**To: Joshua Basin Water District  
61750 Chollita Rd  
Joshua Tree, CA 92252**

**In reply to your request:**  
HP DL320e Gen8 v2 Hot Plug 4SFF C

**HP Quote #                      Created                      Expires**  
CNW1-17504-00                      12/12/2013                      3/12/2014

**Your HP Sales Contact:**

Sarah Plummer,  
Phone: 1-800-277-8988 ext7716022  
Fax:  
Email: sarah.plummer@hp.com

**Payment Terms:**

Net 45 Days, Subject to credit approval

**Submit Purchase Order To:**

U.S. SLED Order Management..

Phone: ..  
Fax: 1-800-386-1118  
Email: VALOM-US-SLED@hp.com

APPS

**Attn: TBD  
Phone:  
Fax:  
Email:**

<b>Solution</b>	<b>Net Price</b>	
Hardware:	US\$	2,223.53
Software:	US\$	0.00
Support:	US\$	0.00
Installation:	US\$	0.00
Other:	US\$	0.00
Sub-Total:	US\$	2,223.53
Shipping and Handling:	US\$	0.00
<b>Grand Total:</b>	<b>US\$</b>	<b>2,223.53</b>
<b>Estimated Delivery Upon Order Entry:</b> 3 weeks <b>Delivery Method:</b> Standard Delivery Duty Paid Shipping & Handling and Special Handling Exempt		

Print Date: 12/12/2013 2:41:18PM

Please direct inquiries regarding this quote to: RFQ-US-SLED@hp.com



Legal Quotation

Quote Number  
CNW1-17504-00

Page  
2

No.	Qty	Product	Description	Extended Item Net Price	Estimated Delivery Upon Order Entry
0100	1	722315-B21	HP DL320e Gen8 V2 4-SFF CTO Chassis [#1]		
	1	Opt. ABA	HP DL320e Gen8 v2 Hot Plug 4SFF CTO Svr	360.00	3 weeks
			U.S. - English localization		3 weeks
0101	1	718253-L21	HP DL320e Gen8 v2 E3-1240v3 FIO Kit	352.00	8 days
0102	4	669322-B21	HP 4GB 2Rx8 PC3-12800E-11 Kit	230.68	8 days
	4	Opt. 0D1	Factory integrated		8 days
0103	4	652745-B21	HP 500GB 6G SAS 7.2K 2.5in SC MDL HDD	1,019.08	8 days
	4	Opt. 0D1	Factory integrated		8 days
0104	1	650926-B21	HP H222 Host Bus Adapter	181.77	3 weeks
	1	Opt. 0D1	Factory integrated		3 weeks
0105	1	718142-B21	HP 300W FIO Power Supply Kit	80.00	8 days
0200	1	H4396B	HP No Additional Support Required		
<b>Grand Total:</b>				<b>US\$ 2,223.53</b>	



73-965 Highway 111  
 Palm Desert, Ca 92260  
 760-779-1001  
 760-779-0771

QUOTE

Quote # JWPQ4876  
 Date 12/12/13  
 Sales Rep. MFarokhmanes

Quote To:

Joshua Basin Water District  
 Keith Faul  
 61750 Chollita Rd  
 Joshua Tree, CA 92252

Ship To:

Joshua Basin Water District  
 Keith Faul  
 61750 Chollita Rd  
 Joshua Tree, CA 92252

ph (760) 366-2042fax

Qty	Description	Unit Price	Ext. Price
1	Incode Servers	\$14,601.66	\$14,601.66
	(2) Microsoft Corporation OLP GOVT WIN SVR STD 2012R2 NL SQLSVRSTD 2012 ENG OLP NL LCLGOV (22) SQLCAL 2012 ENG OLP NL LCLGOV USRCAL Fixed Bid Labor		
		SubTotal	\$14,601.66
		Sales Tax	\$508.13
		Shipping	\$150.00
Suggested Deposit Amount:	\$7,629.90	Total	\$15,259.79

Please order the above items on my behalf.

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date

Prices quoted are good for 15 days. Payment terms are 50% down and 50% upon receipt or approved finance plan. Many items are not returnable. All returns are subject to a 20% restock fee. Computer Gallery standard Terms and Conditions apply to this order.

Please fax the signed quote back to Computer Gallery for order processing.





**SCOPE OF WORK**

Client: Joshua Basin Water District  
 Address: 61750 Chollita Rd  
 City/State/Zip: Joshua Tree, CA 92252  
 Phone: (760) 366-2042X 228 Fax: (760) 366-9528  
 Contact: Keith Faul  
 E-Mail: kfaul@jbwd.com  
 Date/Time of Call: 12/12/2013 2:06 PM

Scheduled: \_\_\_\_\_  
 Tech: \_\_\_\_\_  
 Time & Materials:  
 Phone Support:  
 Fixed Bid: Hours:  
 S-Pak: Rate:  
 Maint: Rate:  
 Travel Zone: Rate:

**Scheduling Instructions:**

This scope of work outlines our time estimate to you. This document will be used to generate your bill. Please make sure you understand and agree with all of the provisions. Any changes to this scope will be documented on a Change Request.

Qty	Description
<b>Incode Application Server Installation</b>	
• 1	Install and configure Windows Server 2008 R2
• 1	Join server to the domain as a member server
• 1	Ensure server checks in with WSUS and begins patching process
• 1	Install IIS7 role on server
• 1	Install .NET 3.5 Framework on server
• 1	Configure remote access for Incode Support to server
• 1	Integrate server with existing backup infrastructure

**Incode SQL Server Installation**

- 1 Install and configure Windows Server 2008 R2
- 1 Join server to the domain as a member server
- 1 Ensure server checks in with WSUS and begins patching process
- 1 Install and configure Microsoft SQL Server 2008 Standard Edition
- 1 Install IIS7 role on server
- 1 Install .NET 3.5 Framework on server
- 1 Configure remote access for Incode Support to server
- 1 Integrate server with existing backup infrastructure

**Incode Client Application Installation**

- 20 Manually install Incode Client on each PC

This total is not a guaranteed time quote. The above time estimates represent standard installation times with no equipment compatibility issues. Due to the complexities of computer systems, we cannot foresee all contingencies or compatibility issues. If we exceed our time estimates you are responsible for the additional time. We therefore provide this scope for planning purposes only.

Contact Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_


I represent that I have the authority to approve a Scope of Work and to sign documents for the above person or company.

JOSHUA BASIN WATER DISTRICT  
MEETING AGENDA REPORT

Meeting of the Board of Directors

December 18, 2013

Report to: President and Members of the Board

Prepared by: Susan Greer 

**TOPIC:**

**ELECTION OF BOARD OFFICERS – PRESIDENT AND VICE PRESIDENT**

**RECOMMENDATION:**

Elect President and Vice President for calendar year 2014.

**ANALYSIS:**

Article 2.01 of the District's Administration Code requires election of the Officers of the Board at the last regular meeting of each calendar year. Officers are the President and Vice President. Officers will serve for calendar year 2014.

It is the responsibility of the President of the Board is to preside over all meetings. The Vice-President shall act in the President's absence or inability to act.

**STRATEGIC PLAN ITEM:**

N/A

**FISCAL IMPACT:**

N/A