



JOSHUA BASIN WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY DECEMBER 7, 2011 7:00 PM

AGENDA

- | | | |
|-----------|-----|---|
| | 1. | CALL TO ORDER |
| | 2. | PLEDGE OF ALLEGIANCE |
| | 3. | DETERMINATION OF QUORUM |
| | 4. | APPROVAL OF AGENDA |
| | 5. | PUBLIC COMMENT: At this time, any member of the public may address the Board on matters within the Board's jurisdiction that are <u>not</u> 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.
During either "Public Comment" Item, please use the podium microphone. State your name and have your information prepared and be ready to provide your comments to the Board. The District is interested and appreciates your comments. A 3-minute time limit may be imposed. Thank you. |
| Pg 1-3 | 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.
A. Approve the Minutes of November 16 Board Meeting |
| Pg 4-42 | 7. | 10/11 AUDIT REPORT PRESENTATION FROM MESSNER & HADLEY
Recommend that the Board receive presentation, ask questions and approve report. |
| Pg 43-83 | 8. | APPOINTMENT OF BOARD MEMBER TO FILL VACANCY
Recommend that the Board conduct interviews of candidates for the vacant board seat; make appointment by majority vote or continue item. |
| Pg 84-91 | 9. | AUTHORIZATION TO APPLY FOR GRANT FOR GROUND WATER RECHARGE PROJECT
Recommend that the Board authorize the General Manager to apply for a grant in the amount of \$2 million; authorize Dudek Engineering to prepare the grant application at a cost of up to \$11,620. |
| Pg 92-95 | 10. | REVISION OF JBWD ADMINISTRATION CODE SECTION 3.07.02 PROVIDING FOR BOARD AGENDA ITEMS NEEDING TO BE ADDRESSED SUBSEQUENT TO POSTING OF AGENDA:
Recommend that the Board adopt the revision to conform with the California Brown Act, rather than the more restrictive current Administration Code Section. |
| Pg 96-115 | 11. | AGREEMENT BETWEEN HI-DESERT MEDICAL CENTER AND JOSHUA BASIN WATER DISTRICT FOR PACKAGE WASTE WATER TREATMENT PLANT
Recommend that the Board approve the agreement or continue to a later meeting before January 1 st . |

- 12. COMMITTEE REPORTS
 - A. PUBLIC INFORMATION COMMITTEE: Kathleen Radnich, Public Outreach Consultant
 - B. AD HOC GENERAL MANAGER PERFORMANCE FACILITATED REVIEW PROCESS: Vice President Reynolds and Director Long: Recommend that the board authorize an agreement with Rauch Communication Consultants, Inc. at a cost of \$4,650 or \$6,150 plus expenses, to assist in conducting the annual performance evaluation of the General Manager; Decide whether the Board President, a committee, or a designated board member will be the consultant’s direct contact; Confirm that the consultant shall be retained by the District’s legal counsel who will oversee the process to assure that it meets all legal requirements; Decide whether the interviews will extend beyond the board, and if so, identify any employees, peer managers, or others to interview at an additional cost of \$1,500.

13. 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.

14. GENERAL MANAGER REPORT
 Oral report on proposed changes to Rules and Regulations for waste water provisions.

15. DISTRICT GENERAL COUNSEL REPORT

16. SELECTION OF BOARD OFFICERS
 Recommend that the Board select a President and a Vice President for the 2012 calendar year.

17. APPOINTMENT OF BOARD REPRESENTATIVES TO MOJAVE WATER AGENCY, MORONGO BASIN PIPELINE COMMISSION, AND ASSOCIATION OF THE SAN BERNARDINO COUNTY SPECIAL DISTRICTS
 Recommend that the Board receive the appointments to be made by the Board President for representatives to the above agencies.

18. DIRECTORS COMMENTS/REPORTS

19. CLOSED SESSION
- A. At this time, the Board will go into Closed Session to confer with Legal Counsel on existing litigation pursuant to subdivision (a) of Government Code Section 54956.9. (Re Joshua Basin Water District v. Robert Ellis, San Bernardino Superior Court - Joshua Tree District, Case No. CIVMS 900168).
 - B. At this time, the Board will go into Closed Session to confer with Legal Counsel on existing litigation pursuant to subdivision (a) of Government Code Section 54956.9. (Re Joshua Basin Water District v. Ironhead LLC a California Limited Liability Company, Praxedes Beard and Does 1 – 10 inclusive, San Bernardino Superior Court - Joshua Tree District, Case No. CIVMS 1100087).
 - C. At this time, the Board will go into Closed Session to confer with labor negotiator regarding MSC unit pursuant to Government Code 54957.6. District negotiator: Joe Guzzetta.

20. REPORT ON CLOSED SESSION

21. 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.

JOSHUA BASIN WATER DISTRICT
Minutes of the
REGULAR MEETING OF THE BOARD OF DIRECTORS
November 16, 2011

1. CALL TO ORDER: 7:00 PM

2. PLEDGE OF ALLEGIANCE

3. DETERMINATION OF QUORUM:

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

STAFF PRESENT:

Joe Guzzetta, General Manager
Susan Greer, Assistant General Manager/Controller
Keith Faul, GIS Coordinator

CONSULTANTS PRESENT:

Gil Granito, District Counsel
Kathleen Radnich, Public Outreach Consultant

GUESTS 14

Following the Pledge of Allegiance, President Luckman requested a moment of silence in memory of late Director Michael Luhrs.

4. APPROVAL OF AGENDA

MSC Reynolds/Long 4/0 to approve the agenda for the November 16, 2011 Regular Meeting of the Board of Directors.

5. PUBLIC COMMENT

None.

6. CONSENT CALENDAR

Director Wilson requested that item C be removed from the Consent Calendar.

MSC Long/Reynolds 4/0 to approve the minutes of the November 2 regular meeting of the Board of Directors and to approve the Financial Report for October 2011

MSC Wilson/Luckman 4/0 to continue Item C of the Consent Calendar, "Agreement between Hi-Desert Medical Center and Joshua Basin Water District for Package Waste Water Treatment Plant" to the December 7th meeting.

7. FILLING OF BOARD VACANCY

Director Long commented supporting filling the vacant position by appointment in order to save the cost of holding a special election. Director Reynolds stated support for filling the vacancy by appointment due to the cost that would be incurred to hold a special election. Director Wilson stated his opinion that the Board is unable to take action on the vacancy until a death certificate is received confirming the death of Director Luhrs. Legal Counsel Gil Granito stated that judicial notice could be taken of Director Luhr's death.

Al Marquez of Joshua Tree stated that Legal Counsel Granito was incorrect in his advice.

Legal Counsel Granito recommended that the Board take action conditional on receiving evidence of death before making an appointment.

MSC Long/Reynolds 3/1 to fill the Board vacancy by appointment and to conduct interviews on December 7 with the intent of appointment at that time provided that legal evidence of Director Luhr's death is obtained prior to the appointment

Long	Aye
Luckman	Aye
Reynolds	Aye
Wilson	No

8. METER INSTALLATION FEE INCREASES

Assistant General Manager/Controller Susan Greer gave the staff report recommending increases in the meter fees based on projected costs for the next year, and answered questions from the Board.

MSC Long/Reynolds 4/0 to adopt Resolution 11-878 relating to meter installation fee increases.

9. COMMITTEE REPORTS:

- A. **Public Information Committee:** Kathleen Radnich, Public Outreach Consultant, reported on the recent "ABC's of Water" workshop with the topic of "Careers in Water" which was hosted by JBWD, and noted the exceptional presentation by Distribution Supervisor Jim Corbin. She also reported that JBWD will take a hiatus from the Saturday Joshua Tree Farmers Market during December, January, and February. Director Luckman commented on the positive reaction she has received from the "ABC's of Water" presentations.
- B. **Ad Hoc General Manager Performance Facilitated Review Process:** Vice President Reynolds and Director Long reported the committee has not received the proposal yet.

10. PUBLIC COMMENT

None.

11. GENERAL MANAGER REPORT

General Manager Guzzetta presented a report on behalf of Judy Corl-Lorono, Director, Bighorn Desert View Water Agency, who is seeking a seat on the Association of California Water Agencies Health Benefits Authority Board of Directors. Nomination for the appointment requires the concurring support of three other member water agencies, and Director Corl-Lorono has requested support from Joshua Basin Water District. This request came to the attention of Joshua Basin Water District on Monday, November 14, after posting of the agenda and can only be considered by the Board with the appropriate findings

MSC Reynolds/Long 3/1 to determine that there is a need to take immediate action due to the December 2 deadline for action; and that the need for action came to the attention of the Joshua Basin Water District subsequent to the agenda being posted.

Long	Aye
Luckman	Aye
Reynolds	Aye
Wilson	No

MSC Reynolds/Long 3/1 to adopt a resolution nominating Judy Corl-Lorono for the Association of California Water Agencies Health Benefits Authority Board of Directors.

Long	Aye
Luckman	Aye
Reynolds	Aye
Wilson	No

12. DISTRICT COUNSEL REPORT

Legal Counsel Granito stated he had no report for open session and that he would report to the Board in Closed Session regarding Item B.

13. DIRECTORS COMMENTS/REPORTS

Director Reynolds extended condolences to the family of Director Luhrs on his passing. There were no other comments.

14. CLOSED SESSION

- A. At this time, the Board will go into Closed Session to confer with Legal Counsel on existing litigation pursuant to subdivision (a) of Government Code Section 54956.9. (Re Joshua Basin Water District v. Robert Ellis, San Bernardino Superior Court - Joshua Tree District, Case No. CIVMS 900168).
- B. At this time, the Board will go into Closed Session to confer with Legal Counsel on existing litigation pursuant to subdivision (a) of Government Code Section 54956.9. (Re Joshua Basin Water District v. Ironhead LLC a California Limited Liability Company, Praxedes Beard and Does 1 – 10 inclusive, San Bernardino Superior Court - Joshua Tree District, Case No. CIVMS 1100087).

The Board entered closed session to consider item B at 7:36 pm.

15. REPORT ON CLOSED SESSION ITEMS

Counsel Gil Granito reported that during the Closed Session he gave a status report to the Board on Item B and no reportable action was taken.

16. ADJOURNMENT 7:50 PM

The Board adjourned the meeting in memory of Director Michael Luhrs. MSC Long/Reynolds 4/0 to adjourn the November 16, 2011 Regular Meeting of the Board of Directors in memory of Director Michael Luhrs.

Respectfully submitted;


Joe Guzzetta, General Manager

The next Regular Meeting of the Board of Directors is scheduled for Wednesday December 7, 2011 at 7:00 pm.

JOSHUA BASIN WATER DISTRICT
SUPPLEMENTAL DATA SHEET

Regular Meeting of the Board of Directors

December 7, 2011

To: President and Members of the Board
From: Susan Greer 

TOPIC: 10/11 Audit Report Presentation from Messner & Hadley

RECOMMENDATION: Receive presentation, ask questions and approve report

ANALYSIS: Paul Messner from Messner & Hadley will be at the meeting to give the presentation of the 10/11 audited financial statements.

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 3-8), including summary information.

Approximately 95% of the District's net assets are comprised of the capital assets of the District such as pipes, tanks and wells.

Total revenues (operating and non-operating) increased \$682,000 or 14%, primarily related to a \$568,000 increase in grant revenue (EPA and MWA) compared to last year.

Total expenses (operating and non-operating) increased \$104,000 or 2%. Operating expenses, including depreciation expense, increased \$142,000 or 3%.

Recurring operating expenses exceed recurring operating revenues by \$298,000 or 10%. When we add depreciation expense, operating expense exceeds operating revenues by \$1,432,000 or 50% – compared to \$1,363,000 or 48% in the prior year. Another way of looking at this is that operating revenues cover all but \$1,432,000 of operating and depreciation expense, with depreciation expense being \$1,134,000 of that amount. 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 standbys and property taxes. Many public agencies such as ours run with an operating loss, balancing operating costs with non-operating revenues such as tax revenues. Non-operating revenues exceeded non-operating expenses by \$2,166,000 and we used \$1,432,000 of that to fund the operating loss.

The District paid down it's debt from \$4.1 million to \$3.9 million during the year, including final payment on the 1997 Revenue Refunding Bonds. This leaves only two outstanding bond issues; the Copper Mountain Mesa Limited Obligation Bonds (payable from assessments to those property owners) and the 1974 General Obligation Bond (payable from ID#2 property tax rate).

Messner & Hadley indicate there were no findings as a result of the audit so no Management Letter was written. Findings are based on observed problems, weaknesses or deficiencies.

While I take great personal pride in presenting this report to the Board, I would be remiss if I didn't acknowledge the tremendous effort of my Finance Staff (Ben Ruffner, Anne Roman, Patricia Freeman and Shirley Bolha) during the previous year. Their commitment, effort, attention to detail and professionalism on a daily basis resulted in only three correcting audit entries and no audit findings again this year. They are a talented and dedicated group and I'm grateful for their fine work which produces these exceptional results.

FISCAL IMPACT: None

**JOSHUA BASIN
WATER DISTRICT**

Report on Audit

June 30, 2011 and 2010

JOSHUA BASIN WATER DISTRICT

of San Bernardino County

Joshua Tree, California

June 30, 2011 and 2010

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Mickey Luckman	President	December 5, 2012
Mike Reynolds	Vice-President	December 5, 2012
Bill Long	Director	December 5, 2012
Michael Luhrs	Director	December 3, 2014
Gary Wilson	Director	December 3, 2014

ADMINISTRATION

Joe Guzzetta	General Manager
Susan Greer	Assistant General Manager/Controller
Jim Corbin	Construction/Maintenance Supervisor
Randy Little	Water Production Supervisor
Keith Faul	GIS Coordinator
Terry Spurrier	HR/Administrative Services Supervisor
Ben Ruffner	Accountant

JOSHUA BASIN WATER DISTRICT
(A Special District)

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June 30, 2011 and 2010

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Joshua Basin Water District
Joshua Tree, California

We have audited the accompanying statements of the business-type activities of Joshua Basin Water District (the "District"), as of and for the years ended June 30, 2011 and 2010, which comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year comparative information has been derived from the District's 2010 financial statements and, in our report dated October 10, 2011, we expressed unqualified opinions on the respective financial statements of the business-type activities.

We conducted our audit 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*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Joshua Basin Water District, as of June 30, 2011 and 2010, and the respective changes in financial position and cash flows, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10 2011, 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* and should be considered in assessing the results of our audit.

- 1 -

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messnerandhadley.com

The Board of Directors
Joshua Basin Water District

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplemental operating statement is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Messner & Hadley, LLP.

Messner & Hadley, LLP
Certified Public Accountants

Victorville, California
October 10 2011

JOSHUA BASIN WATER DISTRICT
(A Special District)

Management's Discussion and Analysis
June 30, 2011 and 2010

The management of the Joshua Basin Water District (the "District") presents this Management Discussion and Analysis to achieve two goals:

1. To comply with the requirements of Governmental Accounting Standards Board Statement 34 (GASB 34) that are designed to provide more and easier-to-understand information about the finances of local government agencies such as the District; and
2. To provide readers with narrative information that may help in understanding and interpreting the information presented in the District's financial statements for the year ended June 30, 2011.

Questions or comments regarding this Management Discussion and Analysis may be directed to the Assistant General Manager/Controller via the following methods:

Mailing Address: Joshua Basin Water District
P.O. Box 675
Joshua Tree, California 92252-0675

Telephone: (760) 366-8438
Facsimile: (760) 366-9528
E-mail: sgreer@jbwd.com

FINANCIAL HIGHLIGHTS

The following items are, in the opinion of District management, among the most significant in assessing the District's overall financial activities and its financial position at the close of the year ended June 30, 2011:

- ❖ The District's assets exceeded its liabilities by \$28,834,845. Approximately 95 percent of the net assets, \$27,286,496, are composed of capital assets of the District – the water transmission and distribution system, land, buildings and equipment. Unrestricted net assets totaled \$5,603,787, up from \$5,566,234 at June 30, 2010.
- ❖ The District's operating revenues for the year ended June 30, 2011 were \$2,891,225. The majority of revenues came from water sales to customers. The second-largest source of revenue was \$1,151,131 in standby charges.
- ❖ The District's total net long-term liabilities at June 30, 2011, including the 1974 General Obligation Bonds and the Copper Mountain Mesa Limited Obligation Bonds, are \$3,873,438. This is a decrease of \$134,675 from net long-term liabilities, reflecting the payment of principal on debt.

JOSHUA BASIN WATER DISTRICT
(A Special District)

Management's Discussion and Analysis
June 30, 2011 and 2010

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts: (1) management's discussion and analysis; and (2) the financial statements, including the notes to financial statements.

The financial statements provide both long-term and short-term information about the District's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The District's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units on an accrual basis. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statement of Revenues, Expenses and Changes in Net Assets. All assets and liabilities associated with the operation of the District are included in the Statement of Net Assets.

The Statement of Net Assets presents the financial position of the District on a full accrual historical cost basis and provides information about the nature and amount of resources and obligations at year-end.

Statement of Net Assets

As of June 30, 2011, the total net assets of the District were \$28,834,845. The following table summarizes assets, liabilities and net assets at June 30, 2011 and 2010:

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>Net Change</u>
Current assets	\$ 6,423,612	\$ 6,753,006	\$ (329,394)
Capital assets	<u>27,286,496</u>	<u>27,161,281</u>	<u>125,215</u>
Total Assets	<u>\$ 33,710,108</u>	<u>\$ 33,914,287</u>	<u>\$ (204,179)</u>
Current liabilities	\$ 1,001,825	\$ 1,874,772	\$ (872,947)
Non-current liabilities	3,873,438	4,008,113	(134,675)
Net assets	<u>28,834,845</u>	<u>28,031,402</u>	<u>803,443</u>
Total Liabilities and Net Assets	<u>\$ 33,710,108</u>	<u>\$ 33,914,287</u>	<u>\$ (204,179)</u>

Total net assets increased \$803,443, or 2.87 percent from the prior year. At June 30, 2011, the District had \$6,423,612 in current assets as compared to \$6,753,006 at June 30, 2010. The total decrease in current assets of \$329,394 consists primarily of a \$539,299 decrease to cash and a \$177,187 increase in accounts receivable.

Net assets are reported as restricted when restrictions imposed by creditors (such as through debt covenants) or by law change the nature or normal understanding of the availability of the assets. Restricted assets for the District are cash collections in excess of amounts currently due for the repayment of bond principal.

JOSHUA BASIN WATER DISTRICT
(A Special District)

Management's Discussion and Analysis
June 30, 2011 and 2010

Non-current assets are the least liquid of assets. Assets that are not expected to be consumed or liquidated within one year are classified as non-current. The District's non-current assets consists of utility plant (e.g., wells, tanks, pipeline, etc.). The District's non-current assets at June 30, 2011 were \$27,286,496 versus \$27,161,281 at June 30, 2010. Charges against non-current assets, in the form of depreciation and amortization account for a portion of the change in non-current assets.

Change in Net Assets

The following table summarizes the changes in net assets for the years ended June 30, 2011 and 2010:

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>Net Change</u>
Operating revenues	\$ 2,891,225	\$ 2,818,039	\$ 73,186
Operating expenses	<u>(4,323,582)</u>	<u>(4,181,495)</u>	<u>(142,087)</u>
Operating loss	(1,432,357)	(1,363,456)	(68,901)
Non-operating revenue and expense	2,166,321	1,519,540	646,781
Capital contributions	<u>69,479</u>	<u>6,740</u>	<u>62,739</u>
Change in Net Assets	<u>\$ 803,443</u>	<u>\$ 162,824</u>	<u>\$ 640,619</u>

Total operating revenues increased \$73,186 or 2.60 percent, while expenses increased \$142,087 or 3.40 percent.

Non-operating revenues of \$2,731,310 exceeded non-operating expenses of \$495,510 by \$2,235,800. Among the significant changes from 2010: property tax revenue dropped \$24,683; standby charge revenue increased \$79,620 primarily because of an adjustment to standby charge receivables in the prior year; grant revenue increased by \$567,750; and there was a \$14,030 drop in investment income. Interest expense dropped \$31,393 as the 1997 refunding bond matured.

Capital contributions increased by \$62,739.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2011, the District's investment in capital assets was \$27,286,496, including: the water transmission and distribution system (underground pipelines, water services, water meters, fire hydrants, and other components); water production facilities (groundwater wells); land; buildings and both mobile and fixed equipment. Invested in capital assets is the component of net assets that consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributable to the acquisition of those assets.

JOSHUA BASIN WATER DISTRICT
(A Special District)

Management's Discussion and Analysis
June 30, 2011 and 2010

The amounts reported as invested in capital assets for the District at June 30, 2011 include: utility plant, at cost, of \$46,515,368, less accumulated depreciation of \$19,228,872; less all debt related to the acquisition of utility plant of \$4,055,438 for a total of \$23,231,058. At June 30, 2010 the total of invested in capital assets was \$22,465,168. The increase is due to current year capital asset additions and a pay down of the related debt.

The following shows the composition of the District's total capital assets at June 30, 2011:

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>Net Change</u>
Land	\$ 496,400	\$ 496,400	\$ -
Construction in progress	3,314,905	3,169,928	144,977
Water storage and related equipment	42,409,534	41,301,668	1,107,866
Office building and equipment	294,529	287,845	6,684
Less accumulated depreciation	<u>(19,228,872)</u>	<u>(18,094,560)</u>	<u>(1,134,312)</u>
Total utility plant, net	<u>\$ 27,286,496</u>	<u>\$ 27,161,281</u>	<u>\$ 125,215</u>

Additional information on the District's capital assets can be found in Note 4, Capital Assets, of the notes to the basic financial statements.

Debt Administration

The District now has two outstanding bond issues: the Copper Mountain Mesa Limited Obligation Bonds of 1996, and the General Obligation Bond. The 1997 Revenue Refunding Bonds were fully paid in fiscal 2010-2011.

No new debt was incurred by the District in 2011. Principal payments of \$95,000 on the General Obligation Bonds were made as scheduled, as well as \$78,000 principal payments on the Copper Mountain Mesa Limited Obligation Bonds. A final principal payment of \$515,000 was made on the 1997 Revenue Refunding Bonds.

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>Net Change</u>
General Obligation Bonds - 1974	\$ 430,000	\$ 525,000	\$ (95,000)
Refunding Revenue Bonds - 1997	-	515,000	(515,000)
Rural Development - CCM	3,625,438	3,703,438	(78,000)
Less current portion	(182,000)	(688,000)	506,000
Less deferred amounts	<u>-</u>	<u>(47,325)</u>	<u>47,325</u>
	<u>\$ 3,873,438</u>	<u>\$ 4,008,113</u>	<u>\$ (134,675)</u>

JOSHUA BASIN WATER DISTRICT
(A Special District)

Management's Discussion and Analysis
June 30, 2011 and 2010

The \$4.5 million Copper Mountain Mesa Limited Obligation Bonds were issued in 1996 to finance the installation and construction of a water distribution system and two booster pumping stations.

Additional information on debt activity can be found in Note 6, Long-Term Liabilities, of the notes to the basic financial statements.

ECONOMIC FACTORS AND FUTURE BUDGET CONSIDERATIONS

Growth

Growth continues to stall, as of June 30, 2011, in response to declines in both state and national economies; the same as for the last few years. This follows six years of minimal-to-moderate growth. Prior to that, the 1992 Landers Earthquake resulted in a decade of virtually no growth. We measure growth in two ways: increased assessed values and new service installations.

Assessed values decreased for the second year in a row – down another 5% for the year ending June 30, 2011 following a 7% decrease for the year ending June 30, 2010. This is compared to increases of 12%, 16%, 15%, 29% and 14% for the five previous years ending June 30, 2009, 2008, 2007, 2006 and 2005, respectively.

The District installed nine new customer-funded meters for the year ending June 30, 2011, an increase of 350% over the previous year. In prior years, new service installations were 2 in 2010, 9 in 2009, 24 in 2008, 105 in 2007, 192 in 2006, and 147 in 2005. While the current year results are promising since they have increased significantly over the prior year, it is still far below the normal meter growth numbers, established at approximately 200 per year in the 1980's.

In addition to the factors considered above – assessed values and meter installations – the District continues to see decreased water consumption by customers. The water rates are comprised of two components: a fixed charge and a variable charge based upon water consumption. Customers appear to be voluntarily reducing their water consumption in order to reduce their variable water charge. For the year ending June 30, 2011, water consumption was 4% less than the year before. This continues the trend we've seen over the last few years, with water consumption also decreasing 7% for the year ending June 30, 2010, 5% for the year ending June 30, 2009, and decreasing 2% for the year ending June 30, 2008.

Another factor which impacts the District's revenue and growth projections are the number of active meters. The active, billable meter count has declined each year since June 2009, when the count was 4,451. As of June 30, 2011, the count is 4,370, a decline of 87 meters since 2009. We expect that the decline is primarily the result of foreclosures, but may relate to the economy in a different way, with some vacation/second home accounts being closed by owners who can no longer afford to visit the area.

Management expects growth, measured by assessed values, new meter installations and active meter count, to slow even more in response to the continuing decline in the economy. Water usage may also continue to decline, although per capita consumption in Joshua Tree is already among the lowest in the State.

JOSHUA BASIN WATER DISTRICT
(A Special District)

Management's Discussion and Analysis
June 30, 2011 and 2010

Water Rates and Capital Spending

The District implemented a 3% water rate increase mid-year; the final rate increase authorized by the 2007 independent rate study, which is designed to provide for the capital needs of the District with small, regular rate increases. Due to the impact of any rate increases upon our customers in the current economy, our Board of Directors elected not to consider any water rate increases at the current time although they have authorized a miscellaneous fee study that is currently under way. Miscellaneous fees include such items as new account setup, returned check fees, copy charges and broken lock fees.

For the year ending June 30, 2011, the District completed more than \$1,114,000 in capital projects, including the recharge project monitoring well, the Water Wise Demonstration Garden, tank improvements, new PC's and laptops for staff and completion of two production well projects.

JOSHUA BASIN WATER DISTRICT
(A Special District)

Statements of Net Assets
For the Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Current assets:		
Cash and investments, unrestricted	\$ 5,042,018	\$ 5,581,317
Accounts receivable	1,151,427	974,240
Inventory	155,886	141,452
Prepaid expenses	<u>74,281</u>	<u>55,997</u>
Total current assets	6,423,612	6,753,006
Non-current assets:		
Utility plant, net	<u>27,286,496</u>	<u>27,161,281</u>
TOTAL ASSETS	<u><u>\$ 33,710,108</u></u>	<u><u>\$ 33,914,287</u></u>
 LIABILITIES		
Current liabilities:		
Accounts payable	\$ 466,834	\$ 846,369
Current portion of long-term debt	182,000	688,000
Deposits	288,138	272,830
Interest payable	<u>64,853</u>	<u>67,573</u>
Total current liabilities	1,001,825	1,874,772
Non-current liabilities, net	<u>3,873,438</u>	<u>4,008,113</u>
Total Liabilities	<u>4,875,263</u>	<u>5,882,885</u>
 NET ASSETS		
Invested in capital assets	23,231,058	22,465,168
Unrestricted	<u>5,603,787</u>	<u>5,566,234</u>
Total Net Assets	<u>28,834,845</u>	<u>28,031,402</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 33,710,108</u></u>	 <u><u>\$ 33,914,287</u></u>

JOSHUA BASIN WATER DISTRICT
(A Special District)

Statements of Revenues, Expenses and Changes in Net Assets
For the Years Ended June 30, 2011 and 2010

	2011	2010
OPERATING REVENUES	\$ 2,891,225	\$ 2,818,039
OPERATING EXPENSES		
Customer accounts	191,048	191,020
Fringe benefits	501,264	469,228
General and administrative	1,399,188	1,359,656
Pumping plant	519,704	451,208
Source of supply	67,810	41,725
Transmission and distribution	411,930	363,601
Vehicle and equipment	98,326	109,995
Depreciation	1,134,312	1,195,062
Total operating expenses	4,323,582	4,181,495
OPERATING LOSS	(1,432,357)	(1,363,456)
NON-OPERATING REVENUES (EXPENSES)		
Standby charges	1,151,131	1,071,511
Property taxes	844,284	868,967
Investment income	25,416	39,446
Grant revenue	641,000	73,250
Interest expense	(220,345)	(251,738)
Inter-agency payments	(219,291)	(219,763)
Other non-operating revenue/(expense)	(55,874)	(62,133)
Total non-operating revenues (expenses)	2,166,321	1,519,540
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	733,964	156,084
Capital contributions	69,479	6,740
CHANGES IN NET ASSETS	803,443	162,824
Net Assets, Beginning of year	28,031,402	27,868,578
Net Assets, End of year	\$ 28,834,845	\$ 28,031,402

JOSHUA BASIN WATER DISTRICT
(A Special District)

Statements of Cash Flows
For the Years Ended June 30, 2011 and 2010

	2011	2010
Cash flows from operating activities		
Receipts from customers	\$ 3,039,325	\$ 2,695,712
Payments to suppliers	(1,112,204)	(758,591)
Payments to employees and directors for services	(2,489,319)	(1,877,607)
Net cash provided by (used in) operating activities	(562,198)	59,514
Cash flows from non-capital and related financing activities		
Payments on inter-agency maintenance	(219,291)	(219,763)
Other payments	(55,874)	(52,032)
Net cash provided by (used in) non-capital and related financing activities	(275,165)	(271,795)
Cash flows from capital and related financing activities		
Acquisition and construction of utility plant	(1,259,527)	(1,835,508)
Principal paid on long-term debt	(688,000)	(655,000)
Interest paid on long-term debt	(175,740)	(208,083)
Receipts from assessments	1,151,433	1,071,511
Receipts from property tax for debt service	813,677	868,967
Capital contributions	69,479	6,740
Grant revenue	359,606	73,250
Net cash provided by (used in) capital and related financing activities	270,928	(678,123)
Cash flows from investing activities		
Interest received	27,136	39,446
NET DECREASE IN CASH	(539,299)	(850,958)
Cash and cash equivalents		
Beginning of year	5,581,317	6,432,275
End of year	\$ 5,042,018	\$ 5,581,317

JOSHUA BASIN WATER DISTRICT
(A Special District)

Statements of Cash Flows
For the Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Reconciliation of operating loss to cash used in operating activities		
Operating loss	\$ (1,432,357)	\$ (1,363,456)
Depreciation and amortization	1,134,312	1,195,062
(Increase) decrease in assets		
Accounts receivable and other current assets	132,791	(139,125)
Inventory	(14,434)	(15,867)
Prepaid expenses	(18,284)	(26,568)
Increase (decrease) in liabilities		
Accounts payable	(379,534)	392,670
Deposits	<u>15,308</u>	<u>16,798</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u><u>\$ (562,198)</u></u>	<u><u>\$ 59,514</u></u>

JOSHUA BASIN WATER DISTRICT

(A Special District)

Notes to Financial Statements
June 30, 2011 and 2010

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Joshua Basin Water District (the “District”) was organized under provisions of Division 12 of the Water Code of the State of California in January 1963. The District was formed to finance, construct, operate and maintain a water system serving portions of southwestern San Bernardino County. Currently, the District services approximately 96 square miles in the unincorporated area of Joshua Tree, located in the Morongo Basin of San Bernardino County.

The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14. The District is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the District appoints a voting majority of the component unit’s board, or because the component unit will provide a financial benefit or impose a financial burden on the District. The District has no component units.

Basis of Presentation and Measurement Focus

The District accounts for its activities as a single enterprise fund, and the financial statements are accounted for on a flow of economic resources measurement focus, using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the related liability is incurred, regardless of the timing of the cash flows.

The District distinguishes *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with principal ongoing operations. The principal operating revenues of the District are charges to customers for water sales and services. Operating expenses include the cost of water delivery and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange include grants, entitlements and donations. In accordance with GASB No. 33, *Accounting and Reporting for Non-Exchange Transactions*, revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the financial statements to the extent that those standards do not conflict with or contradict guidance of the Government Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance.

JOSHUA BASIN WATER DISTRICT
(A Special District)

Notes to Financial Statements
June 30, 2011 and 2010

Financial Reporting

The District's basic financial statements are presented in conformance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*" (GASB No. 34). This statement established revised financial reporting requirements for state and local governments throughout the United States for the purpose of enhancing the understandability and usefulness of financial reports.

GASB No. 34 and its related GASB pronouncements provide for a revised view of financial information and restructure the format of financial information provided prior to its adoption. A statement of net assets replaces the balance sheet and reports assets, liabilities, and the difference between them as net assets, not equity. A statement of revenues, expenses and changes in net assets replaces both the income statement and the statement of changes in retained earnings and contributed capital. GASB No. 34 also requires that the statement of cash flows be prepared using the direct method. Under the direct method, cash flows from operating activities are presented in major categories.

Under GASB No. 34, enterprise funds, such as the District, have the option of consistently following or not following pronouncements issued by the Financial Accounting Standards Board (FASB) subsequent to November 30, 1989. The District has elected not to follow FASB standards issued after that date, unless such standards are specifically adopted by GASB.

Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the American Institute of Certified Public Accountants (AICPA), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investment instruments purchased with a maturity of three months or less to be cash equivalents.

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.

JOSHUA BASIN WATER DISTRICT
(A Special District)

Notes to Financial Statements
June 30, 2011 and 2010

Property Taxes and Assessments

The County of San Bernardino Assessor's Office assesses all real and personal property within the County each year. The County of San Bernardino Tax Collector's Offices bills and collects the District's share of property taxes and assessments. The County of San Bernardino Treasurer's Office remits current and delinquent 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 County of San Bernardino, 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

Material and Supplies Inventory

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

Prepaid Expenses

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

Capital Assets

Purchased capital assets are stated at historical cost or estimated historical cost when original cost is not available. Donated capital assets are recorded at their estimated fair value at the date of donation. The District's policy is to capitalize all capital assets with costs exceeding a minimum threshold of \$5,000. Depreciation is recorded using the straight-line method over the estimated useful lives of the capital assets.

The range of estimated useful lives by type of asset is as follows:

Automatic controls	5 – 10 years
Booster station	25 – 45 years
General structures	15 – 40 years
Intangible plant	3 – 5 years
Meters and services	10 – 30 years
Office equipment	5 – 10 years
Reservoirs and tanks	25 – 50 years
Shop tools and equipment	5 – 15 years
Source of supply – wells	5 – 40 years
Transmission and distribution	3 – 50 years
Transportation equipment	5 years
Pumping and equipment	15 – 25 years

JOSHUA BASIN WATER DISTRICT
(A Special District)

Notes to Financial Statements
June 30, 2011 and 2010

Depreciation aggregated \$1,134,312 and \$1,195,062 for the years ended June 30, 2011 and 2010, respectively.

Compensated Absences

All earned vacation, floating holiday and administrative leave hours are payable upon termination or retirement and are accrued as compensated absences. The compensated liability is calculated in accordance with GASB Statement No. 16.

Water Sales

Water sales are billed on a monthly cyclical basis. Estimated unbilled water revenue through June 30 has been accrued at year end.

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.

Budgetary Policies

The District adopts an 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.

Net Assets

The financial statements utilize a net assets presentation. Net assets are categorized as follows:

- **Net Investment in Capital Assets** – This component of net assets 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 Assets** – This component of net assets consists of constraints placed on net assets 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 Assets** – This component of net assets consist of net assets that do not meet the definition of *restricted* or *net investment in capital assets*.

JOSHUA BASIN WATER DISTRICT
(A Special District)

Notes to Financial Statements
June 30, 2011 and 2010

NOTE 2 – CASH AND INVESTMENTS

Cash and investments held by the District were comprised of the following at June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Cash on hand and in banks	\$ 144,834	\$ 130,829
Investments with Local Agency Investment Fund (LAIF)	<u>4,897,184</u>	<u>5,450,488</u>
	<u>\$ 5,042,018</u>	<u>\$ 5,581,317</u>

Custodial Credit Risk of Cash Deposits

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 requires that a financial institution secure the District's cash deposits by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of pledged securities in the collateral pool must equal at least 110% of the District's cash deposits. California law also allows institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total cash deposits.

At June 30, 2011, the recorded amount of the District's deposits was \$144,834 and the bank balances were \$216,360. Of the bank balances, all were covered by Federal Depository Insurance Corporation (FDIC).

Investments

Under the provisions of the District's investment policy, and in accordance with California Government Code, Sections 53600 and 53603, the following investments were authorized:

Investment Type

Securities issued by the U.S. Treasury
Securities issued and fully guaranteed as to payment by an agency of the U.S. Government
Bankers' Acceptances
Non-negotiable certificates of deposit
Repurchase Agreements
California Local Agency Investment Fund (State Pool)
Corporate medium-term notes
Mortgage-backed securities
Diversified Management Companies, as defined by Section 23701m of the Revenue Taxation Code

Concentration of Credit Risk

At June 30, 2011, in accordance with State law and the District's Investment Policy, the District did not have 5% or more of its net investment in commercial paper, corporate bonds or medium term notes of a single organization. Investments in obligations of the U.S. government, U.S. government agencies, or government-sponsored enterprises are exempt from these limitations.

JOSHUA BASIN WATER DISTRICT
(A Special District)

Notes to Financial Statements
June 30, 2011 and 2010

Local Agency Investment Fund

The District maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California Government Code. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisory Board (the "Board") has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute.

At June 30, 2011, the District's investment position in the State of California Local Agency Investment Fund (LAIF) included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments included the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgaged-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2011, the District had \$4,897,184 invested in LAIF.

NOTE 3 – RECEIVABLES

The following summarizes the significant categories of receivables and other assets (current and non-current) at June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Receivables:		
Water sales	\$ 460,616	\$ 513,577
Assessments/property taxes	811,719	781,416
Interest	5,850	7,570
Grants	291,000	9,607
Other	27,662	130,720
Allowance for uncollectible assessment/accounts	<u>(445,420)</u>	<u>(468,650)</u>
	<u>\$ 1,151,427</u>	<u>\$ 974,240</u>

JOSHUA BASIN WATER DISTRICT
(A Special District)

Notes to Financial Statements
June 30, 2011 and 2010

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

Capital Assets:	Balance	Additions	Deletions	Balance
	July 01, 2010			June 30, 2011
Land and easements	\$ 496,400	\$ -	\$ -	\$ 496,400
Construction in progress	3,169,928	1,259,527	(1,114,550)	3,314,905
Total capital assets not being depreciated	3,666,328	1,259,527	(1,114,550)	3,811,305
Automatic controls	452,902	10,096	-	462,998
Booster/pump stations	944,924	-	-	944,924
Mainlines & fire hydrants	23,512,190	9,125	-	23,521,315
Meters	3,368,967	7,093	-	3,376,060
Monitor wells	86,726	855,935	-	942,661
Production wells	3,081,426	422,415	-	3,503,841
Pumping plant	589,328	-	-	589,328
Tanks	5,027,656	20,321	-	5,047,977
USGS monitoring wells - Phase 2	548,615	(548,615)	-	-
Utility plant	92,843	-	-	92,843
Water sampling stations	20,150	-	-	20,150
Water seepage pits	29,953	-	-	29,953
Buildings	543,229	7,893	-	551,122
Demonstration garden	-	270,268	-	270,268
Office furniture/equipment	401,004	-	-	401,004
Engineering equipment	82,680	-	-	82,680
Mapping system	50,888	-	-	50,888
Meter reading equipment	53,827	-	-	53,827
Shop tools/equipment	205,166	6,683	-	211,849
Automotive	479,814	-	-	479,814
Large equipment	878,810	-	-	878,810
Demographic survey	5,150	-	-	5,150
Ground water monitoring plan	33,336	-	-	33,336
Ground water survey	25,250	-	-	25,250
Personnel manual/class study	49,370	-	-	49,370
Rate & fee study	42,566	-	-	42,566
Strategic plans	33,999	-	-	33,999
Urban water management plan	50,349	-	-	50,349
Vulnerability assessment	8,044	-	-	8,044
Waste water feasibility study	117,632	-	-	117,632
Water availability evaluation	71,081	-	-	71,081
Water master plan	77,399	-	-	77,399
Water model assessment H2O net	46,407	-	-	46,407
Software & Computers	291,656	53,336	-	344,992
Intangible water rights	263,758	-	-	263,758
Waste water start up	22,418	-	-	22,418
	41,589,513	1,114,550	-	42,704,063
Less accumulated depreciation	(18,094,560)	(1,134,312)	-	(19,228,872)
Net assets being depreciated	23,494,953	(19,762)	-	23,475,191
NET CAPITAL ASSETS	\$ 27,161,281	\$ 1,239,765	\$ (1,114,550)	\$ 27,286,496

JOSHUA BASIN WATER DISTRICT
(A Special District)

Notes to Financial Statements
June 30, 2011 and 2010

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

Capital Assets:	Balance	Additions	Deletions	Balance
	July 01, 2009			June 30, 2010
Land and easements	\$ 218,371	\$ 278,029	\$ -	\$ 496,400
Construction in progress	2,382,140	787,788	-	3,169,928
Total capital assets not being depreciated	2,600,511	1,065,817	-	3,666,328
Automatic controls	337,210	115,692	-	452,902
Booster/pump stations	923,484	21,440	-	944,924
Mainlines & fire hydrants	23,512,190	-	-	23,512,190
Meters	3,368,158	809	-	3,368,967
Monitor wells	86,726	-	-	86,726
Production wells	3,081,426	-	-	3,081,426
Pumping plant	539,892	49,436	-	589,328
Tanks	4,968,502	59,154	-	5,027,656
USGS monitoring wells - Phase 2	548,615	-	-	548,615
Utility plant	92,843	-	-	92,843
Water sampling stations	20,150	-	-	20,150
Water seepage pits	29,953	-	-	29,953
Buildings	537,937	5,292	-	543,229
Office furniture/equipment	397,743	3,261	-	401,004
Engineering equipment	79,498	3,182	-	82,680
Mapping system	50,888	-	-	50,888
Meter reading equipment	59,010	-	(5,183)	53,827
Shop tools/equipment	205,166	-	-	205,166
Automotive	479,814	-	-	479,814
Large equipment	812,631	66,179	-	878,810
Demographic survey	5,150	-	-	5,150
Ground water monitoring plan	33,336	-	-	33,336
Ground water survey	25,250	-	-	25,250
Personnel manual/class study	49,370	-	-	49,370
Rate & fee study	-	42,566	-	42,566
Strategic plans	33,999	-	-	33,999
Urban water management plan	34,431	15,919	-	50,350
Vulnerability assessment	8,044	-	-	8,044
Waste water feasibility study	31,758	85,874	-	117,632
Water availability evaluation	66,757	4,323	-	71,080
Water master plan	77,399	-	-	77,399
Water model assessment H2O net	46,407	-	-	46,407
Software & Computers	28,837	274,145	(11,326)	291,656
Intangible water rights	263,758	-	-	263,758
Waste water start up	-	22,418	-	22,418
	40,836,332	769,690	(16,509)	41,589,513
Less accumulated depreciation	(16,905,907)	(1,195,062)	6,409	(18,094,560)
Net assets being depreciated	23,930,425	(425,372)	(10,100)	23,494,953
NET CAPITAL ASSETS	\$ 26,530,936	\$ 640,445	\$ (10,100)	\$ 27,161,281

JOSHUA BASIN WATER DISTRICT
(A Special District)

Notes to Financial Statements
June 30, 2011 and 2010

NOTE 5 – ACCOUNTS PAYABLE

Accounts payable at June 30, 2011 and 2010 consisted of the following:

	<u>2011</u>	<u>2010</u>
Payables:		
Vendors	\$ 264,711	\$ 648,315
Payroll	65,292	49,217
Vacation	101,796	113,803
Pre-paid capacity	<u>35,034</u>	<u>35,034</u>
	<u>\$ 466,833</u>	<u>\$ 846,369</u>

NOTE 6 – LONG-TERM LIABILITIES

Summary

The changes in the District's long-term obligations during the past two years consist of the following:

	<u>Balance July 01, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Due in one year</u>	<u>Long-Term Balance June 30, 2011</u>
General Obligation Bonds - 1974	\$ 525,000	\$ -	\$ 95,000	\$ 100,000	\$ 330,000
Refunding Revenue Bonds - 1997	515,000	-	515,000	-	-
Rural Development - CMM	<u>3,703,438</u>	<u>-</u>	<u>78,000</u>	<u>82,000</u>	<u>3,543,438</u>
	-	-	-	-	-
Total	<u>4,743,438</u>	<u>-</u>	<u>688,000</u>	<u>\$ 182,000</u>	<u>3,873,438</u>
Less deferred amounts:					
Issuance costs/premiums/ discounts/loss	<u>(47,325)</u>	<u>-</u>	<u>(47,325)</u>	<u>-</u>	<u>-</u>
Total long-term liabilities, net	<u>\$ 4,696,113</u>	<u>\$ -</u>	<u>\$ 640,675</u>	<u>\$ -</u>	<u>\$ 3,873,438</u>

	<u>Balance July 01, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Due in one year</u>	<u>Long-Term Balance June 30, 2010</u>
General Obligation Bonds - 1974	\$ 615,000	\$ -	\$ 90,000	\$ 95,000	\$ 430,000
Refunding Revenue Bonds - 1997	1,005,000	-	490,000	515,000	-
Rural Development - CMM	<u>3,778,438</u>	<u>-</u>	<u>75,000</u>	<u>78,000</u>	<u>3,625,438</u>
	-	-	-	-	-
Total	<u>5,398,438</u>	<u>-</u>	<u>655,000</u>	<u>\$ 688,000</u>	<u>4,055,438</u>
Less deferred amounts:					
Issuance costs/premiums/ discounts/loss	<u>(97,079)</u>	<u>-</u>	<u>(49,754)</u>	<u>-</u>	<u>(47,325)</u>
Total long-term liabilities, net	<u>\$ 5,301,359</u>	<u>\$ -</u>	<u>\$ 605,246</u>	<u>\$ -</u>	<u>\$ 4,008,113</u>

JOSHUA BASIN WATER DISTRICT
(A Special District)

Notes to Financial Statements
June 30, 2011 and 2010

General Obligation Bonds

In 1974, the District authorized and issued General Obligation Bonds in the amount of \$2,000,000 at an interest rate of 5%. The bonds mature through 2015 as follows:

Fiscal Year	General Obligation Bonds - 1974	
	Principal	Interest
2012	\$ 100,000	\$ 21,500
2013	105,000	16,500
2014	110,000	11,250
2015	115,000	5,750
	<u>\$ 430,000</u>	<u>\$ 55,000</u>

1997 Refunding Revenue Bonds Capital Improvement

In November 1997, the Joshua Basin-Hi Desert Financing Authority (the "Authority") issued \$5,400,000 in revenue refunding bonds. The proceeds of this issue, together with other lawfully available monies, were used to establish irrevocable escrows to advance refund and defease in their entirety the District's outstanding 1991 Revenue Bonds and the 1978 and 1979 State Safe Drinking Water Act Loans.

The District extinguished \$4,905,000 of 1991 Revenue Bonds and \$282,720 of State Safe Drinking Water Act Loans through a refunding. This resulted in a defeasance of debt. The net proceeds of approximately \$5,750,374 (after payment of issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Revenue Bonds and Safe Drinking Water Act Loans. As a result, this debt is considered to be defeased and the liability for the debt has been removed from long-term debt on the District's financial statements.

Although the refunding resulted in a deferred amount of \$740,419, the District, in effect, reduced its aggregate debt service payments by approximately \$638,567 over the next 18 years and obtained an economic gain (difference between the present value of the old and new debt service payments) of approximately \$301,513. The deferred amount on refunding is being amortized over the remaining life of the refunded debt.

The 1997 Revenue Bonds are limited obligations of the Authority. They are payable from and secured by a first pledge of certain payments received by the Authority from the District under an installment agreement and from interest and other income derived from any funds and accounts held under the indenture of trust. The obligation of the District to make such payments is payable solely from all gross income and revenue received by the District. The 1997 Revenue Bonds bear interest from 3.8% to 5.05% and mature from May 1, 1998 through May 1, 2011.

Final payment on the bonds was made in May, 2011.

JOSHUA BASIN WATER DISTRICT
(A Special District)

Notes to Financial Statements
June 30, 2011 and 2010

Limited Obligation Improvement Bonds

In March 1996, the District authorized the issuance of \$4,551,389 in Copper Mountain Mesa Limited Obligation Bonds pursuant to the provisions of the Municipal Improvement Act of 1913. The bonds are payable solely from and secured solely by the assessments 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 shall bear interest at 4.5% per annum. Principal and/or the applicable interest are payable on March 2 and September 2 of each year.

The bonds mature through 2036 as follows:

Fiscal Year	Rural Development - CCM	
	Principal	Interest
2012	\$ 82,000	\$ 161,325
2013	85,000	157,567
2014	89,000	153,653
2015	93,000	149,557
2016	98,000	145,260
2017 - 2021	557,000	654,728
2022 - 2026	692,000	514,755
2027 - 2031	861,000	340,897
2032 - 2036	1,068,438	124,493
	<u>\$ 3,625,438</u>	<u>\$ 2,402,235</u>

NOTE 7 – MOJAVE WATER AGENCY AGREEMENT

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 (the "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 and fixed operating and maintenance costs of the project on a take-or-pay basis.

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.

JOSHUA BASIN WATER DISTRICT
(A Special District)

Notes to Financial Statements
June 30, 2011 and 2010

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 \$219,291 and \$219,763 for the years ended June 30, 2011 and 2010.

NOTE 8 – 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 (the “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.

NOTE 9 – DEFERRED CHARGES

The long-term debt issuance costs are capitalized and amortized over the terms of the respective debt using the life of the underlying debt.

JOSHUA BASIN WATER DISTRICT
(A Special District)

Notes to Financial Statements
June 30, 2011 and 2010

NOTE 10 – EMPLOYEES’ RETIREMENT PLAN DESCRIPTION

In August, 2008 the District transitioned from a defined contribution plan to a defined benefit pension plan, Public Employees’ Retirement System (PERS) that provides retirement and disability benefits, annual cost - of - living adjustments, and death benefits to plan members and beneficiaries. PERS is part of the Public Agency portion of the California Public Employees’ Retirement System, (CalPERS), a cost-sharing multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers with the State of California. A menu of benefit provisions as well as other requirements is established by State statutes with the Public Employees’ Retirement Law. The District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance (other local methods). CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS’ annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy – The District contributes the employer shares for the Miscellaneous Plan. The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The District’s employer contribution rate for 2010-11 was 10.861% for miscellaneous employees. 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.

Annual Pension Cost – For year ended June 30, 2011, the District’s annual pension cost was \$124,029 and was equal to the District’s required and actual contributions. The required contribution was determined as part of the pool’s June 30, 2009 actuarial valuation.

Information for the District Public Employees’ Retirement Plan

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentages APC Contribution</u>	<u>Net Pension Obligation</u>
6-30-2009	\$ 97,555	100%	\$ --
6-30-2010	\$ 119,308	100%	\$ --
6-30-2011	\$ 124,029	100%	\$ --

NOTE 11 – COMMITMENTS AND CONTINGENCIES

The District has entered into various contracts for the purchase of material and construction of facilities. The amounts contracted for are based on the contractor’s estimated cost of construction. At June 30, 2011 and 2010, the total unpaid amounts on these contracts were \$435,045 and \$1,022,746, respectively.

In addition, in 2010 the District began a program to recoat some of their water storage tanks. The District has contracted with Utility Service Company to perform this recoating program along with a tank inspection program. At June 30, 2011 the District was committed to \$213,763 of the total project cost.

SUPPLEMENTAL SCHEDULE

JOSHUA BASIN WATER DISTRICT
(A Special District)

Schedule of Operating Expenses
For the Years Ended June 30, 2011 and 2010

	2011	2010
Customer accounts		
Meter repair salaries and wages	\$ 68,672	\$ 111,738
Office salaries	102,342	64,904
Meter repair	20,034	14,379
Total	191,048	191,021
Fringe benefits		
Group insurance and workers compensation	254,603	230,212
Payroll taxes	114,402	112,453
Retirement	124,029	119,306
Uniforms	7,930	7,047
Employee education	300	210
Total	501,264	469,228
General and administration		
Salaries	657,413	744,505
Temporary Labor	43,069	27,880
Directors' fees/education	32,418	36,115
Accounting services	23,582	23,582
Bad debt expense	25,745	23,244
Building repairs	24,227	26,537
Dues and subscriptions	14,622	16,526
Communication	11,199	10,730
Engineering services	116,249	33,407
Insurance - property	64,103	63,479
Legal services	75,666	67,689
Lobbyist	42,000	42,000
Membership fees and public information	45,371	42,354
Miscellaneous expense	43,650	41,510
Office equipment repair and maintenance	95,220	79,799
Office supplies and postage	52,942	54,144
Outside services	29,853	37,406
Telephone and utilities	36,051	31,615
Training	29,592	32,004
Travel and business expenses	15,512	15,843
Expense allocation	(79,296)	(90,712)
Total	1,399,188	1,359,657

JOSHUA BASIN WATER DISTRICT
(A Special District)

Schedule of Operating Expenses
For the Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Pumping plant		
Power purchased for pumping	280,851	265,702
Salaries and wages	163,323	129,271
Maintenance	<u>75,530</u>	<u>56,235</u>
Total	519,704	451,208
Source of supply		
Operation and maintenance	54,423	28,426
Water treatment	<u>13,387</u>	<u>13,299</u>
Total	67,810	41,725
Transmission and distribution		
Salaries and wages	356,285	282,135
Repairs and maintenance	<u>55,645</u>	<u>81,466</u>
Total	411,930	363,601
Vehicle and equipment		
Auto expense	74,333	61,017
Auto repair - salaries and wages	-	7,476
Tractor - tool repair	5,440	16,014
Tractor - tool repair salaries and wages	-	3,415
Equipment rental	2,743	2,878
Shop and small tools expense	<u>15,810</u>	<u>19,195</u>
Total	98,326	109,995
Depreciation	<u>1,134,312</u>	<u>1,195,062</u>
Total	<u>\$ 4,323,582</u>	<u>\$ 4,181,497</u>

OTHER INDEPENDENT AUDITORS' REPORT

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Board of Trustees
Joshua Basin Water District
Joshua Tree, California

We have audited the financial statements of the business-type activities of Joshua Basin Water District (the "District"), as of and for the year ended June 30, 2011, and have issued our report thereon dated October 10, 2011. We conducted our audit 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.

Internal Control Over Financial Reporting

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 opinion on the financial statements, but not for the purpose of expressing our 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.

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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

- 28 -

17072 Silica Drive, Suite 101 • Victorville • California 92395
(760) 241-6376 • Fax (760) 241-2011
10670 Civic Center Drive, Suite 110 • Rancho Cucamonga • California 91730
(909) 466-0900
messnerandhadley.com

The Board of Trustees
Joshua Basin Water District

Compliance and Other Matters

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 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 audit 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*.

This report is intended solely for the information and use of management, the Governing Board and others within the District, and is not intended to be and should not be used by anyone other than these specified parties.

Messner & Hadley, LLP.

Messner & Hadley, LLP
Certified Public Accountants

Victorville, California
October 10, 2011

FINDINGS AND RESPONSES SECTION

JOSHUA BASIN WATER DISTRICT
(A Special District)

Schedule of Findings and Responses
For the Year Ended June 30, 2011

There are no findings to report for the year ended June 30, 2011.

JOSHUA BASIN WATER DISTRICT
(A Special District)

Schedule of Prior Audit Findings
For the Year Ended June 30, 2011

There were no prior year findings for the year ended June 30, 2010.

JOSHUA BASIN WATER DISTRICT
SUPPLEMENTAL DATA SHEET

Regular Meeting of the Board of Directors

December 7, 2011

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



TOPIC: APPOINTMENT OF BOARD MEMBER TO FILL VACANCY

RECOMMENDATION: That the Board take the following action:

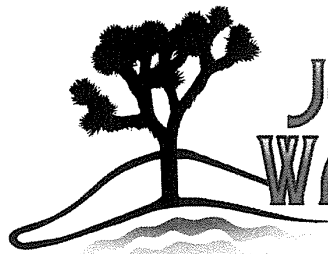
- 1) Conduct interviews of candidates for the vacant Board seat
- 2) By at least majority vote, appoint to fill the vacant position; or if unable to appoint this evening:
- 3) Continue the matter to a meeting not later than Monday, January 9, 2012, to make the appointment.

ANALYSIS: On November 16, the Board determined to fill the vacant Board seat by appointment rather than by election. The vacancy has been posted with a deadline of November 30, 2011 to submit applications. Applications that were received are attached.

After conducting interviews Board Members may appoint an individual to fill the position by majority vote. All voting must be done publicly. The Board may take a "straw vote" prior to formal vote if necessary to achieve a majority.

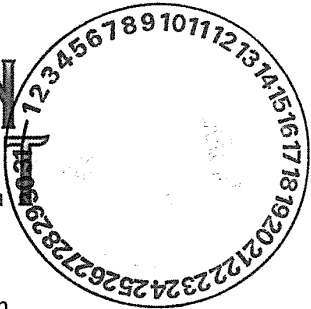
If the Board appoints this evening the individual selected may be sworn in by the General Manager/Board Secretary. The seat would be considered open at the next election of November 2012 at which time the appointed incumbent would need to run for office to continue in the seat until 2014.

If the Board is unable to make an appointment this evening it would be necessary to do so no later than January 9, 2012. After that date, the matter would be submitted to the County Board of Supervisors which would have the option of appointing an individual or setting an election.



JOSHUA BASIN WATER DISTRICT

61750 Chollita Road PO Box 675 Joshua Tree California
Ph: 760.366.8438 Fax: 760.366.9528 email: jbwd@jbwd.com



APPLICATION FOR VACANT POSITION ON JOSHUA BASIN WATER DISTRICT BOARD OF DIRECTORS

Please complete the form below and include the following as attachments:

- 1) Statement of qualifications, resume, limited to two pages (8-1/2 x 11)
- 2) Cover letter defining your interest in serving on the Joshua Basin Water District Board of Directors, limited to one page (8-1/2 x 11)
- 3) Completed Form 700 (Statement of Economic Interests)

Applicant Name PAUL F COATE
First M.I. Last
 Mailing address 61165 MELTON TRAIL
 City JOSHUA TREE State CA Zip Code 92252
 Residence address 61165 MELTON TRAIL
 City JOSHUA TREE State CA Zip Code 92252
 Voter registration address 61165 MELTON TRAIL
 City JOSHUA TREE State CA Zip Code 92252
 Phone: Home: 760-366-2213 Work: 760-830-7308 Cell: 760-668-2065

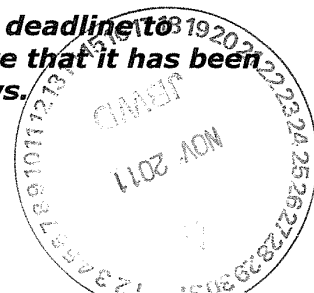
Emergency or Alternate Contact: Name: KAREN Y COATE
 Address: 61165 MELTON TRAIL, JOSHUA TREE CA 92252
 Phone: Home: 760-366-2213 Work: _____ Cell: 760-401-1735
 Applicant Signature: Paul F Coate

APPLICATION DEADLINE: 5:00 P.M. ON WEDNESDAY, NOVEMBER 30, 2011

Applications must contain an original signature and must include all required attachments.

The District will accept applications e-mailed before the deadline to jbwd@jbwd.com provided that you phone the District to assure that it has been received, and provided that a hard-copy follows.

**Send applications to:
Joshua Basin Water District
Attention: Board of Directors Vacancy
PO Box 675
Joshua Tree, CA 92252**



Statement of Qualifications

Paul F Coate

61165 Melton Trail, Joshua Tree, Ca 92252

Home Phone 760-366-2213 Work 760-830-7308 Cell 760-668-2065

E-Mail, FAKCOATE@msn.com

Work Experience

1975 – 1977, San Tiago Aqueduct, Los Alisos Ca, Water Treatment

1977 – 1980, Joshua Basin Water District. Joshua Tree Ca, Water Operations

1980 -1983, Bighorn Mountains Water Agency. Landers Ca, General Manager. Water District

1983 – Present Twentynine Palms Marine Base. Utility Supervisor. Water Treatment, Water Distribution, Wastewater Treatment, Wastewater Collections. Boiler Plant & Co-Generation Plant.

College:

Santa Ana College: Water Science

Palomar College: Water Science

College of the Desert: Water Science

Other Schooling includes 30 plus years of CWEA, AWWA, Water Quality Control Institute Training and other 3 & 4 day classes pertaining to the field of Water & Wastewater Treatment

Certifications:

Water Distribution, D4, and License number 23130

Water Treatment, T3, and License number 6126

Wastewater Treatment, WW4, and License number 5919



Statement of Interest

Nov 29, 2011

I have been interested in everything that is and has been going on in the Water District; I have been following the Board Meetings on your web page to keep me up to date. I feel that with my 36 years of Water experience and 28 years of Waste-Water experience that I could be helpful to the Board as it begins to move forward in this direction.

I have lived in this district for 19 years, and love the area, it is my home. I feel that I need to step out and share my experience with my local Community.

Note: I served on the Water Board for a short period of time in 1994, but had to go to Adak Alaska to help do a Base closer and did not get to finish my time on the Board. I would like to take this opportunity to fulfill my service to this Water District and my Community.

A handwritten signature in cursive script that reads "Paul E Coats". The signature is written in black ink on a white background.

STATEMENT OF ECONOMIC INTERESTS
COVER PAGE

Date Received
 Official Use Only

Please type or print in ink.

NAME OF FILER (LAST) (FIRST) (MIDDLE)
COATE PAUL FRANKLIN

1. Office, Agency, or Court

Agency Name
JOSHUA BASIN WATER DISTRICT - BOARD
 Division, Board, Department, District, if applicable Your Position

► If filing for multiple positions, list below or on an attachment.

Agency: _____ Position: _____

2. Jurisdiction of Office (Check at least one box)

State Judge (Statewide Jurisdiction)
 Multi-County _____ County of _____
 City of JOSHUA TREE Other _____

3. Type of Statement (Check at least one box)

Annual: The period covered is January 1, 2010, through December 31, 2010. **-or-** **Leaving Office:** Date Left ____/____/____
 The period covered is ____/____/____, through December 31, 2010. (Check one)
 The period covered is January 1, 2010, through the date of leaving office.
 Assuming Office: Date ____/____/____ The period covered is ____/____/____, through the date of leaving office.
 Candidate: Election Year _____ Office sought, if different than Part 1: _____

4. Schedule Summary

Check applicable schedules or "None." **► Total number of pages including this cover page: _____**

Schedule A-1 - Investments – schedule attached **Schedule C - Income, Loans, & Business Positions** – schedule attached
 Schedule A-2 - Investments – schedule attached **Schedule D - Income – Gifts** – schedule attached
 Schedule B - Real Property – schedule attached **Schedule E - Income – Gifts – Travel Payments** – schedule attached

-or-
 None - No reportable interests on any schedule

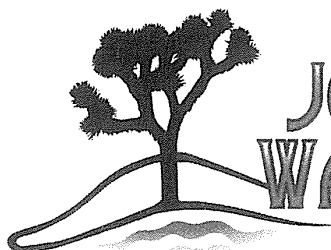
5. Verification

MAILING ADDRESS STREET CITY STATE ZIP CODE
 (Business or Agency Address Recommended - Public Document)
61165 MELTON TRAIL JOSHUA TREE CA 92252
 DAYTIME TELEPHONE NUMBER E-MAIL ADDRESS
(760) 668-2065 PAKCOATE@MSN.COM

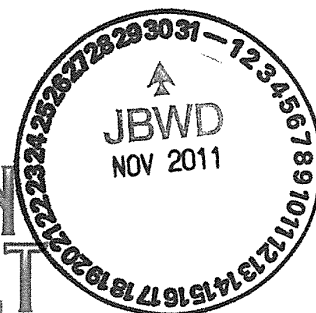
I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed NOV 29, 2011 Signature Paul J Coate
 (month, day, year) (File the originally signed statement with your filing official.)



JOSHUA BASIN WATER DISTRICT



61750 Chollita Road PO Box 675 Joshua Tree California
Ph: 760.366.8438 Fax: 760.366.9528 email: jbwbd@jbwd.com

APPLICATION FOR VACANT POSITION ON JOSHUA BASIN WATER DISTRICT BOARD OF DIRECTORS

Please complete the form below and include the following as attachments:

- 1) Statement of qualifications, resume, limited to two pages (8-1/2 x 11)
- 2) Cover letter defining your interest in serving on the Joshua Basin Water District Board of Directors, limited to one page (8-1/2 x 11)
- 3) Completed Form 700 (Statement of Economic Interests)

Applicant Name Ben F. Costello
First M.I. Last

Mailing address 60235 Latham Trail

City Joshua Tree State CA Zip Code 92252

Residence address 60235 Latham Trail

City Joshua Tree State CA Zip Code 92252

Voter registration address 60235 Latham Trail

City Joshua Tree State CA Zip Code 92252

Phone: Home: 760.366.8889 Work: 800.349-3034 Cell: _____

Emergency or Alternate Contact: Name: Cindy Melland

Address: 7227 Camino del Cielo Yucca Valley CA 92284

Phone: Home: 760.365.6821 Work: 760.365.3315 Cell: 760.217.0133

Applicant Signature: *Ben Costello*

APPLICATION DEADLINE: 5:00 P.M. ON WEDNESDAY, NOVEMBER 30, 2011

Applications must contain an original signature and must include all required attachments.

The District will accept applications e-mailed before the deadline to jbwd@jbwd.com provided that you phone the District to assure that it has been received, and provided that a hard-copy follows.

**Send applications to:
Joshua Basin Water District
Attention: Board of Directors Vacancy
PO Box 675
Joshua Tree, CA 92252**

Ben Costello

60235 Latham Trail ~ Joshua Tree, CA ~ 92252

760.366.8889 ~ benfcostello@msn.com

Joshua Basin Water District

PO Box 675

Joshua Tree, CA 92252

Dear Joshua Basin Water District Board Members:

My name is Ben Costello and I have lived in the high desert since 1975 and a resident of Joshua Tree since 1987.

I am interested in serving on your Board of Directors because I feel that I could represent Joshua Tree and the citizens in a positive and non-controversial manner.

I have served on the JT MAC; Board member and President of the Hi-Desert Playhouse Guild; JT Rotary member and currently serve as President of Career Pathways at Yucca Valley High School, a scholarship funding program led by former district employee Jeff Drozd.

I am also an actor and author, having published two successful books and I have been an active member of our high desert communities for over 35 years.

Thank you for your kind consideration of my request and I'm here to help.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ben Costello', with a stylized, cursive script.

Ben Costello

Ben F. Costello
60235 Latham Trail
Joshua Tree, CA 92252

benfcostello@msn.com

(760) 366 - 8889

OBJECTIVE

Looking for a career opportunity where my experience with people and customer service will be useful and will open the door for long-term growth.

EXPERIENCE

- Five Star Publications 2005-current
Book Author represented by this publisher.
- Hi-Desert Publishing 2004-2009
Circulation Administration/Sales Supervisor.
- San Bernardino County Home Health 2002-2006
Home Health Care Assistant (part time).
- Fran Dimmick Productions 1999 to 2002
Performer, production consultant and comedy writer.
- Hi-Desert Star 1997-1999
Advertising Sales Representative.
- Hi-Desert Medical Center 1989-1996
ER Registration – crew leader, responsible for scheduling and registration of patients.
Foundation Coordinator – Responsible for all the fundraising activities, coordinating volunteers for events, correspondence, board meeting coordination and general office duties for the Foundation and assisted marketing coordinator for HDMC.
- The Electrode Store, Dusty Dilley 1985-1989
Shipping, receiving and marketing; attended trade shows and assisted President.
- Lavender Construction 1977-1987
Crew supervisor, construction labor.

Ben F. Costello
60235 Latham Trail
Joshua Tree, CA 92252

benfcostello@msn.com

(760) 366 - 8889

EDUCATION

Yucca Valley High School Graduated 1979
San Bernardino Valley College .832 degree in Law Enforcement
LYONS Fundraising Seminar -- Denver, CO
Other various seminars relating to fundraising through the HDMC Foundation
Helen Westcott Theatre/Film Arts Academy - graduate

TECHNICAL SKILLS

Experience with: Word, Works, Rapid File, the Internet, and most office equipment

FUNDRAISING EXPERIENCE

Hi-Desert Playhouse Guild, Yucca Valley High School, Boys and Girls Club, HDMC Foundation, Muscular Dystrophy, Rotary, Career Pathways

STATEMENT OF ECONOMIC INTERESTS
COVER PAGE

Date Received
 Official Use Only

Please type or print in ink.

NAME OF FILER (LAST) Costello (FIRST) Ben (MIDDLE) F.

1. Office, Agency, or Court

Agency Name
Joshua Basin Water District
 Division, Board, Department, District, if applicable
Board Your Position
Director

► If filing for multiple positions, list below or on an attachment.

Agency: _____ Position: _____

2. Jurisdiction of Office (Check at least one box)

State Judge (Statewide Jurisdiction)
 Multi-County _____ County of _____
 City of Joshua Tree Other _____

3. Type of Statement (Check at least one box)

Annual: The period covered is January 1, 2010, through December 31, 2010. **-or-** Leaving Office: Date Left ____/____/____
 (Check one)
 The period covered is ____/____/____, through December 31, 2010. The period covered is January 1, 2010, through the date of leaving office.
 Assuming Office: Date ____/____/____ The period covered is ____/____/____, through the date of leaving office.
 Candidate: Election Year _____ Office sought, if different than Part 1: _____

4. Schedule Summary

Check applicable schedules or "None." Total number of pages including this cover page: _____

Schedule A-1 - Investments - schedule attached Schedule C - Income, Loans, & Business Positions - schedule attached
 Schedule A-2 - Investments - schedule attached Schedule D - Income - Gifts - schedule attached
 Schedule B - Real Property - schedule attached Schedule E - Income - Gifts - Travel Payments - schedule attached

-or-
 None - No reportable interests on any schedule

5. Verification

MAILING ADDRESS STREET CITY STATE ZIP CODE
 (Business or Agency Address Recommended - Public Document)
60235 Latham Trail Joshua Tree CA 92252

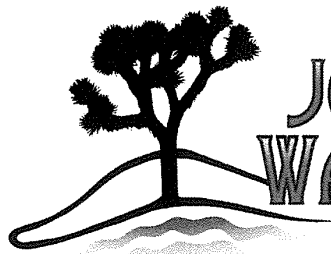
DAYTIME TELEPHONE NUMBER E-MAIL ADDRESS
(800) 349-3034 bentcostello@msn.com

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed 11/30/11
 (month, day, year)

Signature [Signature]
 (File the originally signed statement with your filing official.)



JOSHUA BASIN WATER DISTRICT

61750 Chollita Road PO Box 675 Joshua Tree California
Ph: 760.366.8438 Fax: 760.366.9528 email: jbwbd@jbwd.com



APPLICATION FOR VACANT POSITION ON JOSHUA BASIN WATER DISTRICT BOARD OF DIRECTORS

Please complete the form below and include the following as attachments:

- 1) Statement of qualifications, resume, limited to two pages (8-1/2 x 11)
- 2) Cover letter defining your interest in serving on the Joshua Basin Water District Board of Directors, limited to one page (8-1/2 x 11)
- 3) Completed Form 700 (Statement of Economic Interests)

Applicant Name BARBARA J DELPH
First M.I. Last

Mailing address 7364 QUAIL SPRINGS ROAD

City JOSHUA TREE State CA Zip Code 92252

Residence address 7364 QUAIL SPRINGS ROAD

City JOSHUA TREE State CA Zip Code 92252

Voter registration address 7364 QUAIL SPRINGS ROAD

City JOSHUA TREE State CA Zip Code 92252

Phone: Home: 760-366-8613 Work: 760-341-6800 Cell: 760-974-6941

Emergency or Alternate Contact: Name: WAYNE FENTGES

Address: 7364 QUAIL SPRINGS ROAD JOSHUA TREE CA 92252

Phone: Home: 760-366-8613 Work: - Cell: -

Applicant Signature: *Barbara J. Delph*

APPLICATION DEADLINE: 5:00 P.M. ON WEDNESDAY, NOVEMBER 30, 2011

Applications must contain an original signature and must include all required attachments.

The District will accept applications e-mailed before the deadline to jbwd@jbwd.com provided that you phone the District to assure that it has been received, and provided that a hard-copy follows.

**Send applications to:
Joshua Basin Water District
Attention: Board of Directors Vacancy
PO Box 675
Joshua Tree, CA 92252**

To Whom It May Concern:

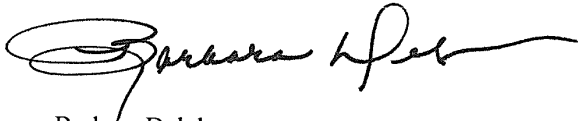
I am interested in serving on the Joshua Basin Water District Board of Directors because I feel I have something to offer to this community and to our water district. I take great pride in our community, and want to be part of the success of our local agencies

I have been an active participant in our water board meetings as a concerned citizen. I have also attended some extraneous informational sessions concerning water and water education. I am a current member of the Citizens Advisory Council, and a current member of the Joshua Tree Municipal Advisory Committee. I have also attended meetings of the Joshua Tree Community Association.

I am concerned that our community must plan ahead to fulfill the obligation of delivering clean, healthy water at a reasonable cost to the customers. JBWD has to have fore-sight to protect the rate-payers from rising costs and overdraft of our water supply.

The desert is a fragile environment, and water is of the utmost concern to keeping our community a viable entity. Team work is of the utmost importance so that we can work together to fulfill this goal.

Thank you for this opportunity,

A handwritten signature in black ink, appearing to read "Barbara Delph". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Barbara Delph
Applicant for the Board vacancy
7364 Quail Springs Road
Joshua Tree, CA 92252
760-974-6941 – cell
760-366-8613 - home

Barbara Delph
7364 Quail Springs Road
Joshua Tree, CA. 92252
Mobile: 760-974-6941
Home: 760-366-8613

I am an active participant in our local agencies; I attend the JBWD bi-weekly meetings; I am an active member in the CAC (Citizens Advisory Council) and am an active member of the Joshua Tree Municipal Advisory Committee. I take great pride in our community, and want to be part of the success of our local agencies.

OBJECTIVE

To obtain the open position for Director, where I can best use my knowledge, education, experience and people skills in a productive manner to enhance the position for which I am applying; as well as allowing for personal growth and development.

FUNCTIONAL SUMMARY

I am a responsible, self-motivated individual as well as being a team player. I have managerial and organizational skills with the ability to implement organizational goals and tasks. I am well versed in business acumen and am able to carry out complex tasks.

EMPLOYMENT

Desert Medical Advances

Responsible for regulatory tasks on 45+ clinical trials. These tasks include communications with major pharmaceutical companies and their representatives; submission and communications with global regulatory boards; submission and oversight of good clinical practices at the site level; and communications and submissions to the FDA (Food and Drug Administration).

Tri-Con Corporation

Responsible for multi-store operations, as well as training and profitability of individual stores. Job description included management development of all subordinate managers and their assistants; responsibility for all administrative tasks, including personnel and profit of all line items on the P&L.

J.J.R. Management Corporation

Responsible for single-store overall operations; training, profit and customer satisfaction. Job description included management development and training; local store marketing and overall customer satisfaction.

Dates of employment and references are available on request

STATEMENT OF ECONOMIC INTERESTS
COVER PAGE

Date Received
 Official Use Only

Please type or print in ink.

NAME OF FILER	(LAST)	(FIRST)	(MIDDLE)
	Delph	Barbara	J

1. Office, Agency, or Court

Agency Name
 Joshua Basin Water District

Division, Board, Department, District, if applicable
 Your Position
 Director

► If filing for multiple positions, list below or on an attachment.

Agency: _____ Position: _____

2. Jurisdiction of Office (Check at least one box)

State Judge (Statewide Jurisdiction)
 Multi-County _____ County of San Bernardino
 City of _____ Other _____

3. Type of Statement (Check at least one box)

Annual: The period covered is January 1, 2010, through December 31, 2010. **-or-** Leaving Office: Date Left ____/____/____
 (Check one)
 The period covered is ____/____/____, through December 31, 2010. The period covered is January 1, 2010, through the date of leaving office.
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 Candidate: Election Year _____ Office sought, if different than Part 1: _____

4. Schedule Summary

Check applicable schedules or "None."
 Schedule A-1 - Investments - schedule attached Schedule C - Income, Loans, & Business Positions - schedule attached
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 Schedule B - Real Property - schedule attached Schedule E - Income - Gifts - Travel Payments - schedule attached

-or-
 None - No reportable interests on any schedule

► Total number of pages including this cover page: _____

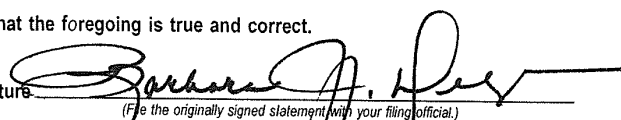
5. Verification

MAILING ADDRESS	STREET	CITY	STATE	ZIP CODE
<i>(Business or Agency Address Recommended - Public Document)</i>				
7364 Quail Springs Road		Joshua Tree	CA	92252
DAYTIME TELEPHONE NUMBER	E-MAIL ADDRESS			
(760) 974-6941	bdelph@dc.rr.com			

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed November 28, 2011
 (month, day, year)

Signature 
 (File the originally signed statement with your filing official.)

Letter of interest

Richard Fountain

I have been involved with the Joshua Basin Water District for over 30 years I have been on the board when tough decisions have been made such as the first payment of \$900,000+ for the Mojave Pipe Line Extension. At the time, the district was looking at a possible bankruptcy. Funds were low, revenue was down, we had to make very hard decisions, We froze wages. We froze projects, we cut expenses everywhere. After half a year, the payment was made on time, operating a small business in the local area for 30 + years has taught Richard me how to make wise decisions and be successful. I am extremely qualified to fill the position open on the board. I am very civic minded and dedicated to helping the community. The following resume is submitted for your consideration.

Richard Fountain

Richard Fountain
61620 Fountain Blvd.
Joshua Tree, Ca. 92252

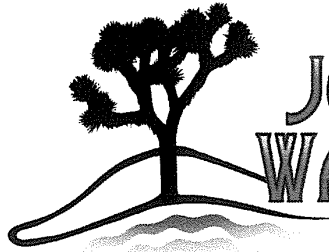
Resume

Experience

- **38 years in Contracting Construction Business**
- **Water main construction**
- **Fire hydrant/water meter installtions**
- **Numerous Contract jobs for the Joshua Basin Water District.**

Accomplishments while serving on the Board of The Joshua Basin Water District

- **Oversaw fiscal responsibilities.**
 - Keeping district out of bankruptcy.**
 - Doubling the water storage capacity.**
 - Cut the unaccounted water loss by 50%**
- **Initiated the first ground water management program**
- **Union negotiations**
- **Heavily involved in the Copper Mountain College Entrance into the Water System.**



JOSHUA BASIN WATER DISTRICT

61750 Chollita Road PO Box 675 Joshua Tree California
Ph: 760.366.8438 Fax: 760.366.9528 email: jbw@jbwd.com



APPLICATION FOR VACANT POSITION ON JOSHUA BASIN WATER DISTRICT BOARD OF DIRECTORS

Please complete the form below and include the following as attachments:

- 1) Statement of qualifications, resume, limited to two pages (8-1/2 x 11)
- 2) Cover letter defining your interest in serving on the Joshua Basin Water District Board of Directors, limited to one page (8-1/2 x 11)
- 3) Completed Form 700 (Statement of Economic Interests)

Applicant Name RICHARD E. FOUNTAIN
First M.I. Last
 Mailing address 61620 FOUNTAIN BLVD.
 City JOSHUA TREE State CA Zip Code 92252
 Residence address 61620 FOUNTAIN BLVD.
 City JOSHUA TREE State CA Zip Code 92252
 Voter registration address 61620 FOUNTAIN BLVD.
 City JOSHUA TREE State CA Zip Code 92252
 Phone: Home: 760-660-3510 Work: 760-660-3510 Cell: 760-660-3510

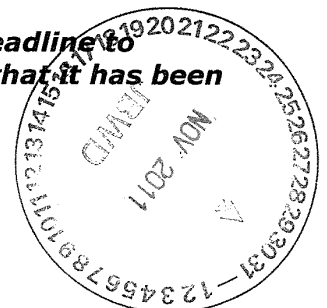
Emergency or Alternate Contact: Name: MARY FOUNTAIN
 Address: 3760 PORTER BLVD JOSHUA TREE CA
 Phone: Home: 760-366-2135 Work: _____ Cell: _____
 Applicant Signature: [Signature]

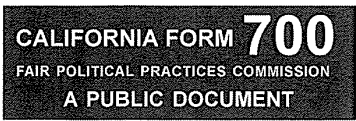
APPLICATION DEADLINE: 5:00 P.M. ON WEDNESDAY, NOVEMBER 30, 2011

Applications must contain an original signature and must include all required attachments.

The District will accept applications e-mailed before the deadline to jbwd@jbwd.com provided that you phone the District to assure that it has been received, and provided that a hard-copy follows.

**Send applications to:
Joshua Basin Water District
Attention: Board of Directors Vacancy
PO Box 675
Joshua Tree, CA 92252**





STATEMENT OF ECONOMIC INTERESTS COVER PAGE

Date Received Official Use Only

Please type or print in ink.

NAME OF FILER (LAST) FOUNTAIN (FIRST) RICHARD (MIDDLE) E.

1. Office, Agency, or Court

Agency Name JOSHUA BASIN WATER DISTRICT
Division, Board, Department, District, if applicable
Your Position DIRECTOR

If filing for multiple positions, list below or on an attachment.

Agency: Position:

2. Jurisdiction of Office (Check at least one box)

State, Multi-County, City of, Judge (Statewide Jurisdiction), County of SAN BERNARDINO, Other

3. Type of Statement (Check at least one box)

Annual, Leaving Office, Assuming Office, Candidate, Election Year, Office sought, if different than Part 1

4. Schedule Summary

Check applicable schedules or "None." Total number of pages including this cover page: 3
Schedule A-1, Schedule A-2, Schedule B, Schedule C, Schedule D, Schedule E, None - No reportable interests on any schedule

5. Verification

MAILING ADDRESS STREET CITY STATE ZIP CODE
11620 FOUNTAIN BLVD. FRESH TOWN CA 92252
DAYTIME TELEPHONE NUMBER E-MAIL ADDRESS
(760) 660 3510 PRESREF1@YAHOO.COM

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed 11-30-11 (month, day, year)

Signature [Handwritten Signature] (File this originally signed statement with your filing official.)

SCHEDULE B
Interests in Real Property
 (Including Rental Income)

▶ STREET ADDRESS OR PRECISE LOCATION
61620 FOUNTAIN BLVD
 CITY
JOSHUA TREE CA 92252

FAIR MARKET VALUE IF APPLICABLE, LIST DATE:
 \$2,000 - \$10,000
 \$10,001 - \$100,000
 \$100,001 - \$1,000,000
 Over \$1,000,000

IF APPLICABLE, LIST DATE: _____/_____/10
 ACQUIRED DISPOSED

NATURE OF INTEREST
 Ownership/Deed of Trust Easement
 Leasehold _____ Yrs. remaining _____ Other

IF RENTAL PROPERTY, GROSS INCOME RECEIVED
 \$0 - \$499 \$500 - \$1,000 \$1,001 - \$10,000
 \$10,001 - \$100,000 OVER \$100,000

SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.

▶ STREET ADDRESS OR PRECISE LOCATION
0602-C11-12-0000
0600-061-33-0-000
 CITY
JOSHUA TREE CA 92252

FAIR MARKET VALUE IF APPLICABLE, LIST DATE:
 \$2,000 - \$10,000
 \$10,001 - \$100,000
 \$100,001 - \$1,000,000
 Over \$1,000,000

IF APPLICABLE, LIST DATE: _____/_____/10
 ACQUIRED DISPOSED

NATURE OF INTEREST
 Ownership/Deed of Trust Easement
 Leasehold _____ Yrs. remaining _____ Other

IF RENTAL PROPERTY, GROSS INCOME RECEIVED
 \$0 - \$499 \$500 - \$1,000 \$1,001 - \$10,000
 \$10,001 - \$100,000 OVER \$100,000

SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.

* You are not required to report loans from commercial lending institutions made in the lender's regular course of business on terms available to members of the public without regard to your official status. Personal loans and loans received not in a lender's regular course of business must be disclosed as follows:

NAME OF LENDER* _____

ADDRESS (Business Address Acceptable) _____

BUSINESS ACTIVITY, IF ANY, OF LENDER _____

INTEREST RATE _____ TERM (Months/Years) _____
 _____% None

HIGHEST BALANCE DURING REPORTING PERIOD
 \$500 - \$1,000 \$1,001 - \$10,000
 \$10,001 - \$100,000 OVER \$100,000
 Guarantor, if applicable

NAME OF LENDER* _____

ADDRESS (Business Address Acceptable) _____

BUSINESS ACTIVITY, IF ANY, OF LENDER _____

INTEREST RATE _____ TERM (Months/Years) _____
 _____% None

HIGHEST BALANCE DURING REPORTING PERIOD
 \$500 - \$1,000 \$1,001 - \$10,000
 \$10,001 - \$100,000 OVER \$100,000
 Guarantor, if applicable

Comments: _____



61750 Chollita Road PO Box 675 Joshua Tree California
 Ph: 760.366.8438 Fax: 760.366.9528 email: jbwd@jbwd.com

**APPLICATION FOR VACANT POSITION
 ON JOSHUA BASIN WATER DISTRICT BOARD OF DIRECTORS**

Please complete the form below and include the following as attachments:

- 1) Statement of qualifications, resume, limited to two pages (8-1/2 x 11)
- 2) Cover letter defining your interest in serving on the Joshua Basin Water District Board of Directors, limited to one page (8-1/2 x 11)
- 3) Completed Form 700 (Statement of Economic Interests)

Applicant Name Robert Alan Johnson
First M.I. Last
 Mailing address HCR Box 3039
 City Joshua Tree State CA Zip Code 92252
 Residence address 63633 Wagon Wheel Rd
 City Joshua Tree State CA Zip Code 92252
 Voter registration address SAME AS ABOVE
 City _____ State _____ Zip Code _____
 Phone: Home: 760-366-8888 Work: 760-830-3446 Cell: 760-413-0273

Emergency or Alternate Contact: Name: MIRTA E. JOHNSON
 Address: 63633 Wagon Wheel Rd. Joshua Tree, CA
 Phone: Home: 760-366-8888 Work: _____ Cell: 760-413-3527
 Applicant Signature: [Signature]

APPLICATION DEADLINE: 5:00 P.M. ON WEDNESDAY, NOVEMBER 30, 2011

**Applications must contain an original signature
 and must include all required attachments.**

**The District will accept applications e-mailed before the deadline to
jbwd@jbwd.com provided that you phone the District to assure that it has been
 received, and provided that a hard-copy follows.**

**Send applications to:
 Joshua Basin Water District
 Attention: Board of Directors Vacancy
 PO Box 675
 Joshua Tree, CA 92252**

November 30, 2011

Joshua Basin Water District

Letter to District Board of Directors

My name is Robert Johnson and I am interested in serving on the Joshua Basin Water District. I have been a resident of Joshua Tree, California, since 1993.

I value the Hi-desert and its comfortable style of living. I treasure my home of residence and feel strongly about serving and supporting the community. I am extremely interested in the environment and the development of our desert community. I believe in the stewardship of resources, ensuring that through the use of positive management techniques and care, that our communities well being and quality of life, will remain for future generations. I feel that the community should be served by individuals who share and support the voice of the people.

It is my hope to serve the community, by being a voice and advocate for the compatible and systematic use of our water. We need to ensure that we maintain to a well developed long term plan for water use and sustainable living. We must be vigilant with regard to issues of; overdraft, contaminant discharge, demands for water and future growth.

While serving on the Board, I will endeavor to serve with integrity, honesty and a committed sense of leadership. I believe I can be a valued member of the Board and provide a balance for managing our resources and future stewardship. While serving, I can provide sound managerial skills with tested expertise plus serve as a voice of reason and logic.

It is my hope to serve the Joshua Basin Water District Board by being a trusted team member and representative voice of the Community.



Robert Alan Johnson



RESUME

Robert Alan Johnson
63633 Wagon Wheel Rd
HCR Box 3039
Joshua Tree, Ca 92252
(760) 366-8888 (Home)

November 30, 2011

Professional Experience

2009-Present

**Marine Corps Air Ground Combat Center
G-5 Community Liaison and Plans
Twentynine Palms, Calif.**

- Community Plans Manager / G-5: Coordinate and research various environmental projects, monitor and report on encroachment activities and/or incompatible land use development activities near the base that could affect its mission, training ranges and special use airspace and maneuver areas.

1983-2009

**California Army National Guard
(JFHQ) Joint Forces Headquarters,
Sacramento, Calif.**

- JFHQ State Chaplain (Colonel): ISO/Contingency Operations mobilization: Supervision, administration, support; Army Reserve National Guard, Air National Guard, and State Military Reserve (RST) Religious Support Teams. Brief Adjutant General and senior staff; moral, ethics, religious issues. Coordinate mobilizations-deployments; state / national defense, crisis-emergency support. (LNO) Liaison Officer, National Guard Bureau, NGB-OC. Oversight Religious /Spiritual Programs. Served 20,000 troops plus families. Second largest National Guard in the country. Retired 2009 at the rank of Colonel. Prior enlisted service, Honorable Discharge.

1994-2003

**Department of Defense/Department of the Navy
Marine Air Ground Task Force Training Command,
29 Palms, Ca. Twentynine Palms, Ca.
Program Manager, Intervention and Treatment Center**

- Supervise Family Advocacy Program, domestic violence services and administration supervision of staff
- Supervise the Drug and Alcohol Treatment Program, treatment and administration staff
- Provided therapeutic services to active duty Marines and their families.
- Cases involved: domestic violence / spouse abuse, child abuse / neglect

1993-1994 Union Rescue Mission, Los Angeles, Ca.
Director of Recovery Programs

- Program Director residential homeless recovery program, educational center and satellite outreach services. Worked with various civic, non-profit and religious faith groups. Serviced 300+ live-in residents and accommodated hundreds daily. Third largest service program in the country.

1979-1993 Pastoral Church Experience:

Associate Pastor Community: United Presbyterian Church, USA.
Served in a variety of positions.

Formal Education

Azusa Pacific University, Azusa, Ca.
Fuller Theological Seminary, Pasadena, Ca.
San Diego State University, San Diego, Ca.

MA. Marriage and Family
M.-Divinity. Theology
BA Social Welfare

Military Schools:

Selected to attend: Army War College (relinquished selection)
Command and General Staff- completed
Colonels and Installation Class-completed

Credentials

Licensed Marriage and Family Therapist (MFT #23984)
California State Certified Junior College Teacher (Psychology/Counseling)
Department of the Navy, Bureau of Medicine and Surgery
Certified Clinical Supervisor (CCS #40)
Alcohol and Drug Counselor, ADC II (#0237)
Ordained Presbyterian Minister (PCUSA-1981)

Military Awards:

Legion of Merit
Bronze Star
Order of California
Additional: Campaign and unit awards
Honorable Discharge

* References available upon request.

**STATEMENT OF ECONOMIC INTERESTS
 COVER PAGE**



Please type or print in ink.

NAME OF FILER (LAST) JOHNSON (FIRST) ROBERT (MIDDLE) ALAN

1. Office, Agency, or Court

Agency Name Joshua Basin Water District (Director)
 Division, Board, Department, District, if applicable _____ Your Position _____

► If filing for multiple positions, list below or on an attachment.

Agency: _____ Position: _____

2. Jurisdiction of Office (Check at least one box)

State Judge (Statewide Jurisdiction)
 Multi-County _____ County of SAN BERNARDINO
 City of _____ Other _____

3. Type of Statement (Check at least one box)

Annual: The period covered is January 1, 2010, through December 31, 2010. -or-
 The period covered is ____/____/____, through December 31, 2010.
 Assuming Office: Date 12/1/11
 Leaving Office: Date Left ____/____/____ (Check one)
 The period covered is January 1, 2010, through the date of leaving office.
 The period covered is ____/____/____, through the date of leaving office.
 Candidate: Election Year _____ Office sought, if different than Part 1: _____

4. Schedule Summary

Check applicable schedules or "None." ► Total number of pages including this cover page: 1

Schedule A-1 - Investments - schedule attached Schedule C - Income, Loans, & Business Positions - schedule attached
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-or-
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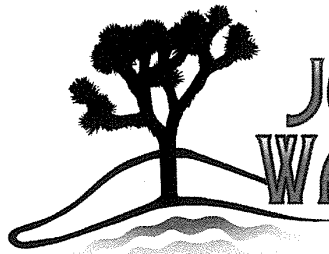
5. Verification

MAILING ADDRESS STREET CITY STATE ZIP CODE
HCR BOX 3039 JOSHUA TREE CA 92252
 DAYTIME TELEPHONE NUMBER E-MAIL ADDRESS
760)366-8888 JDJOHNSON@MSN.COM

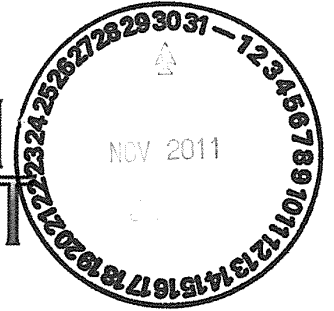
I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed 11/30/11 (month, day, year) Signature _____ (File the originally signed statement with your filing official.)



JOSHUA BASIN WATER DISTRICT



61750 Chollita Road PO Box 675 Joshua Tree California
Ph: 760.366.8438 Fax: 760.366.9528 email: jbwd@jbwd.com

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- 3) Completed Form 700 (Statement of Economic Interests)

Applicant Name ALBERT R. MARQUEZ
First M.I. Last

Mailing address PO BOX 1932

City JOSHUA TREE State CA Zip Code 92252

Residence address 4979 SUN GOLD AVE

City JOSHUA TREE State CA Zip Code 92252

Voter registration address PO BOX 1932

City JOSHUA TREE State CA Zip Code 92252

Phone: Home: 760-3662887 Work: N/A Cell: N/A

Emergency or Alternate Contact: Name: MARIA MARQUEZ

Address: PO BOX 1932

Phone: Home: 760-3662887 Work: N/A Cell: N/A

Applicant Signature: *Albert R. Marquez* NOV. 30, 2011

APPLICATION DEADLINE: 5:00 P.M. ON WEDNESDAY, NOVEMBER 30, 2011

Applications must contain an original signature and must include all required attachments.

The District will accept applications e-mailed before the deadline to jbwd@jbwd.com provided that you phone the District to assure that it has been received, and provided that a hard-copy follows.

**Send applications to:
Joshua Basin Water District
Attention: Board of Directors Vacancy
PO Box 675
Joshua Tree, CA 92252**

APPLICATION TO SERVE ON
JOSHUA BASIN WATER DISTRICT
BOARD OF DIRECTORS

JOSHUA BASIN WATER DISTRICT
BOARD OF DIRECTORS
61750 CHOLLITA ROAD
JOSHUA TREE, CA. 92522

November 30, 2011

This is my intent to apply for the position of Director of the Board of the Joshua Basin Water District by appointment. The position is for the unexpired term of a previous incumbent. My interest to serve on Board of Directors, is to continue the positive direction of the Joshua Basin Water District.

Qualifications:

Community Involvement, Youth and Senior Citizens Organizations, Real Estate, Property Management and a Military Veteran (US ARMY) Involvement in the Joshua Basin Water District in the operation, budgeting of finances and attending many meetings of the board to continue to be informed and participate in such meetings. Understanding the Ralph M. Brown Act and JBWD Administration Code.

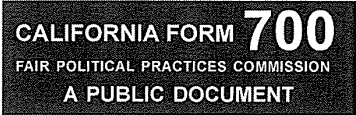
Resume:

2008--present	Committee Member CMC Bond Oversight Committee
2005--2011	Committee Member JBWD Citizens Advisory Committee
2002--2005	Committee Member, Chairperson CSA 20 SB County
	Thirty four years in Communications Services
	Six years Military Service US ARMY

I pledge that I will do all within my power and capabilities to contribute to the effectiveness of the Joshua Basin Water District/Board of Directors.

ALBERT R. MARQUEZ





STATEMENT OF ECONOMIC INTERESTS
COVER PAGE

Date Received
Official Use Only

Please type or print in ink.

NAME OF FILER (LAST) (FIRST) (MIDDLE)
MARQUEZ ALBERT R

1. Office, Agency, or Court

Agency Name
JOSHUA BASIN WATER DISTRICT
Division, Board, Department, District, if applicable
BOARD OF DIRECTORS
Your Position
DIRECTOR OF THE BOARD

If filing for multiple positions, list below or on an attachment.

Agency: NONE Position:

2. Jurisdiction of Office (Check at least one box)

State Multi-County City of Judge (Statewide Jurisdiction) County of SAN BERNARDINO Other

3. Type of Statement (Check at least one box)

Annual: The period covered is January 1, 2010, through December 31, 2010. -or- The period covered is through December 31, 2010. Assuming Office: Date 1/10/2011 to JAN 2012 Leaving Office: Date Left (Check one) The period covered is January 1, 2010, through the date of leaving office. The period covered is through the date of leaving office. Candidate: Election Year Office sought, if different than Part 1:

4. Schedule Summary

Check applicable schedules or "None." Total number of pages including this cover page: 3 3
Schedule A-1 - Investments - schedule attached
Schedule A-2 - Investments - schedule attached none
Schedule B - Real Property - schedule attached
Schedule C - Income, Loans, & Business Positions - schedule attached none
Schedule D - Income - Gifts - schedule attached none
Schedule E - Income - Gifts - Travel Payments - schedule attached none
None - No reportable interests on any schedule

5. Verification

MAILING ADDRESS STREET CITY STATE ZIP CODE
NONE
DAYTIME TELEPHONE NUMBER E-MAIL ADDRESS
(760) 3662887

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed NOV. 30, 2011 (month, day, year)

Signature (File the originally signed statement with your filing official.)

**SCHEDULE A-1
Investments**

Stocks, Bonds, and Other Interests
(Ownership Interest is Less Than 10%)
Do not attach brokerage or financial statements.

CALIFORNIA FORM 700
FAIR POLITICAL PRACTICES COMMISSION

Name
ALBERT R. MARQUEZ

▶ NAME OF BUSINESS ENTITY
VERIZON COMMUNICATIONS INC.
GENERAL DESCRIPTION OF BUSINESS ACTIVITY

STOCKS

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____
(Describe)
 Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
 ____/____/10 ____/____/10
 ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF BUSINESS ACTIVITY

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____
(Describe)
 Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
 ____/____/10 ____/____/10
 ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF BUSINESS ACTIVITY

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____
(Describe)
 Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
 ____/____/10 ____/____/10
 ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF BUSINESS ACTIVITY

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____
(Describe)
 Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
 ____/____/10 ____/____/10
 ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF BUSINESS ACTIVITY

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____
(Describe)
 Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
 ____/____/10 ____/____/10
 ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF BUSINESS ACTIVITY

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____
(Describe)
 Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
 ____/____/10 ____/____/10
 ACQUIRED DISPOSED

Comments: _____

SCHEDULE B
Interests in Real Property
 (Including Rental Income)

▶ STREET ADDRESS OR PRECISE LOCATION
PN 0466193060000
 CITY
HELENDALE, CA.

FAIR MARKET VALUE IF APPLICABLE, LIST DATE:
 \$2,000 - \$10,000
 \$10,001 - \$100,000
 \$100,001 - \$1,000,000
 Over \$1,000,000

IF APPLICABLE, LIST DATE:
 ACQUIRED / / 10 DISPOSED / / 10

NATURE OF INTEREST
 Ownership/Deed of Trust Easement
 Leasehold Other

IF RENTAL PROPERTY, GROSS INCOME RECEIVED
 \$0 - \$499 \$500 - \$1,000 \$1,001 - \$10,000
 \$10,001 - \$100,000 OVER \$100,000

SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.
N/A

▶ STREET ADDRESS OR PRECISE LOCATION
 CITY

FAIR MARKET VALUE IF APPLICABLE, LIST DATE:
 \$2,000 - \$10,000
 \$10,001 - \$100,000
 \$100,001 - \$1,000,000
 Over \$1,000,000

IF APPLICABLE, LIST DATE:
 ACQUIRED / / 10 DISPOSED / / 10

NATURE OF INTEREST
 Ownership/Deed of Trust Easement
 Leasehold Other

IF RENTAL PROPERTY, GROSS INCOME RECEIVED
 \$0 - \$499 \$500 - \$1,000 \$1,001 - \$10,000
 \$10,001 - \$100,000 OVER \$100,000

SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.

* You are not required to report loans from commercial lending institutions made in the lender's regular course of business on terms available to members of the public without regard to your official status. Personal loans and loans received not in a lender's regular course of business must be disclosed as follows:

NAME OF LENDER*
N/A

ADDRESS (Business Address Acceptable)

BUSINESS ACTIVITY, IF ANY, OF LENDER

INTEREST RATE TERM (Months/Years)
 _____ % None _____

HIGHEST BALANCE DURING REPORTING PERIOD
 \$500 - \$1,000 \$1,001 - \$10,000
 \$10,001 - \$100,000 OVER \$100,000
 Guarantor, if applicable

NAME OF LENDER*

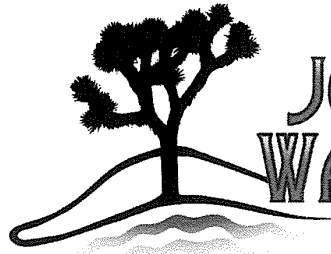
ADDRESS (Business Address Acceptable)

BUSINESS ACTIVITY, IF ANY, OF LENDER

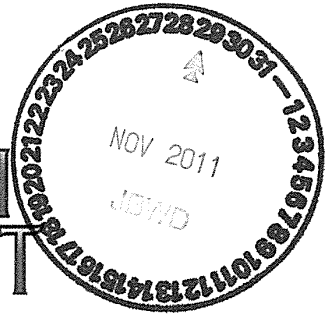
INTEREST RATE TERM (Months/Years)
 _____ % None _____

HIGHEST BALANCE DURING REPORTING PERIOD
 \$500 - \$1,000 \$1,001 - \$10,000
 \$10,001 - \$100,000 OVER \$100,000
 Guarantor, if applicable

Comments: _____



JOSHUA BASIN WATER DISTRICT



61750 Chollita Road PO Box 675 Joshua Tree California
Ph: 760.366.8438 Fax: 760.366.9528 email: jbwd@jbwd.com

APPLICATION FOR VACANT POSITION ON JOSHUA BASIN WATER DISTRICT BOARD OF DIRECTORS

Please complete the form below and include the following as attachments:

- 1) Statement of qualifications, resume, limited to two pages (8-1/2 x 11)
- 2) Cover letter defining your interest in serving on the Joshua Basin Water District Board of Directors, limited to one page (8-1/2 x 11)
- 3) Completed Form 700 (Statement of Economic Interests)

Applicant Name Karen L Tracy
First M.I. Last

Mailing address 62350 Cummins Way

City Joshua Tree State CA Zip Code 92252

Residence address 62350 Cummins Way

City Joshua Tree State CA Zip Code 92252

Voter registration address 62350 Cummins Way

City Joshua Tree State CA Zip Code 92252

Phone: Home: 760 401 0809 Work: 760 401 0809 Cell: 760 401 0809

Emergency or Alternate Contact: Name: Lori Flippin - sister

Address: 121 Poplar Av. Auburn CA 95603

Phone: Home: 530 268 1646 Work: N/A Cell: 530 913 7432

Applicant Signature: Karen Tracy

APPLICATION DEADLINE: 5:00 P.M. ON WEDNESDAY, NOVEMBER 30, 2011

Applications must contain an original signature and must include all required attachments.

The District will accept applications e-mailed before the deadline to jbwd@jbwd.com provided that you phone the District to assure that it has been received, and provided that a hard-copy follows.

**Send applications to:
Joshua Basin Water District
Attention: Board of Directors Vacancy
PO Box 675
Joshua Tree, CA 92252**

Dr. Karen Tracy

62350 Cummins Way
Joshua Tree 760 401 0809

November 28, 2011

Joshua Basin Water District
PO Box 675
61750 Chollita Road
Joshua Tree, CA 92252

Dear Board Members:

My formal education and more importantly, my seasoned community experience will prove invaluable in the position of Board Member at the Joshua Basin Water District. With 26 years in the Morongo Basin, 21 of them in Joshua Tree, I claim sophisticated and significant neighborhood networking skills.

Since retiring from dentistry in 2005 I have spent my time in meditation, yoga and community service on both the JBWD CAC, since July, 2008 and the Demonstration Garden planning and docent team since Dec. 2009.

Attached please find my resume. I look forward to hearing from you.

Sincerely,


Dr. Karen Tracy

KAREN TRACY DDS

62350 Cummins Way
Joshua Tree, CA 92252
760 401 0809

OBJECTIVE: To use my extensive and diverse background for analytical problem solving and community building in service to the Joshua Basin Water District.

QUALIFICATIONS:

With a background in medicine, especially emergency medicine, I inherently possess leadership skills, qualitative risk assessment and 'the-buck-stops-here' outlook. Yucca Valley's first woman Rotarian (1986-1990), United Way Campaign Chairperson for Joshua Tree (1988) and Hospice of Morongo Basin volunteer (2000-2009) demonstrate a broad and compassionate allegiance to this community. With the Public Health Dept. at UCLA, I published 3 separate volumes teaching facilitative communication (available upon request); my 'people skills' are superlative. Further revealing my directorial and involvement capabilities: I founded and led with Dr. Robert Kupps, the Hi Desert Combined Dental Study Club, arranging for speakers/topics and traveled with Flying Samaritans to remote Baja clinics.

EDUCATION:

DDS UCLA 5/1981
EMT College of the Redwoods 1/1983

EMPLOYMENT

10/2001-8/2005, Joshua Lane Dental, Bruce Jones D.D.S. employer

4/1991-4/1999, Morongo Basin Ambulance, Emergency Medical Technician responding to 911 calls

1982-1991-General Dentistry, various practices in California including the Morongo Basin

REFERENCES

Curt Sauer, former Superintendent, Joshua Tree National Park
760 366 7502
Curt_Sauer@nps.gov

Deb Bollinger, Bollinger Consulting Group
760 819 9939
deb@bollingerconsultinggroup.com

John Schuster, Attorney and Local Business Owner
323 336 1019
schuserj@radrunner.com

STATEMENT OF ECONOMIC INTERESTS
COVER PAGE

Date Received
 Official Use Only

Please type or print in ink.

NAME OF FILER (LAST) (FIRST) (MIDDLE)
TRACY Karen Lynn

1. Office, Agency, or Court

Agency Name
Joshua Basin Water District
 Division, Board, Department, District, if applicable
 Your Position
applicant for Board position

► If filing for multiple positions, list below or on an attachment.

Agency: _____ Position: _____

2. Jurisdiction of Office (Check at least one box)

- State
- Multi-County _____
- City of _____
- Judge (Statewide Jurisdiction)
- County of _____
- Other Joshua Basin Water District

3. Type of Statement (Check at least one box)

- Annual: The period covered is January 1, 2010, through December 31, 2010.
 -or-
 The period covered is ____/____/____, through December 31, 2010.
- Assuming Office: Date 1/9/2012
- Leaving Office: Date Left ____/____/____
 (Check one)
 - The period covered is January 1, 2010, through the date of leaving office.
 - The period covered is ____/____/____, through the date of leaving office.
- Candidate: Election Year _____ Office sought, if different than Part 1: _____

4. Schedule Summary

- Check applicable schedules or "None."
- Total number of pages including this cover page: 2
- Schedule A-1 - Investments - schedule attached
 - Schedule A-2 - Investments - schedule attached
 - Schedule B - Real Property - schedule attached
 - Schedule C - Income, Loans, & Business Positions - schedule attached
 - Schedule D - Income - Gifts - schedule attached
 - Schedule E - Income - Gifts - Travel Payments - schedule attached
- or-
- None - No reportable interests on any schedule

5. Verification

MAILING ADDRESS STREET CITY STATE ZIP CODE
 (Business or Agency Address Recommended - Public Document)
62350 Cummins Way Joshua Tree CA 92252

DAYTIME TELEPHONE NUMBER E-MAIL ADDRESS
(760) 401 0809 cktracy@mac.com

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed 11/29/11 Signature Karen Tracy
 (month, day, year) (File the originally signed statement with your filing official.)

SCHEDULE C
Income, Loans, & Business
Positions
 (Other than Gifts and Travel Payments)

CALIFORNIA FORM 700
 FAIR POLITICAL PRACTICES COMMISSION

Name _____

▶ 1. INCOME RECEIVED	▶ 1. INCOME RECEIVED
NAME OF SOURCE OF INCOME <u>Instant Karma Yoga</u>	NAME OF SOURCE OF INCOME _____
ADDRESS (Business Address Acceptable) <u>61738 29 Palms Hwy. J.T. 92352</u>	ADDRESS (Business Address Acceptable) _____
BUSINESS ACTIVITY, IF ANY, OF SOURCE <u>Yoga Studio</u>	BUSINESS ACTIVITY, IF ANY, OF SOURCE _____
YOUR BUSINESS POSITION <u>Yoga Instructor - Ind. Contractor</u>	YOUR BUSINESS POSITION _____
GROSS INCOME RECEIVED <input type="checkbox"/> \$500 - \$1,000 <input checked="" type="checkbox"/> \$1,001 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> OVER \$100,000	GROSS INCOME RECEIVED <input type="checkbox"/> \$500 - \$1,000 <input type="checkbox"/> \$1,001 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> OVER \$100,000
CONSIDERATION FOR WHICH INCOME WAS RECEIVED <input type="checkbox"/> Salary <input type="checkbox"/> Spouse's or registered domestic partner's income <input type="checkbox"/> Loan repayment <input type="checkbox"/> Partnership <input type="checkbox"/> Sale of _____ <small>(Property, car, boat, etc.)</small> <input type="checkbox"/> Commission or <input type="checkbox"/> Rental Income, list each source of \$10,000 or more <input checked="" type="checkbox"/> Other <u>Independent contractor</u> <small>(Describe)</small>	CONSIDERATION FOR WHICH INCOME WAS RECEIVED <input type="checkbox"/> Salary <input type="checkbox"/> Spouse's or registered domestic partner's income <input type="checkbox"/> Loan repayment <input type="checkbox"/> Partnership <input type="checkbox"/> Sale of _____ <small>(Property, car, boat, etc.)</small> <input type="checkbox"/> Commission or <input type="checkbox"/> Rental Income, list each source of \$10,000 or more <input type="checkbox"/> Other _____ <small>(Describe)</small>

▶ 2. LOANS RECEIVED OR OUTSTANDING DURING THE REPORTING PERIOD

* You are not required to report loans from commercial lending institutions, or any indebtedness created as part of a retail installment or credit card transaction, made in the lender's regular course of business on terms available to members of the public without regard to your official status. Personal loans and loans received not in a lender's regular course of business must be disclosed as follows:

NAME OF LENDER*	INTEREST RATE	TERM (Months/Years)
_____	_____ % <input type="checkbox"/> None	_____
ADDRESS (Business Address Acceptable) _____	SECURITY FOR LOAN <input type="checkbox"/> None <input type="checkbox"/> Personal residence	
BUSINESS ACTIVITY, IF ANY, OF LENDER _____	<input type="checkbox"/> Real Property _____ <small>Street address</small>	
HIGHEST BALANCE DURING REPORTING PERIOD <input type="checkbox"/> \$500 - \$1,000 <input type="checkbox"/> \$1,001 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> OVER \$100,000	_____ City	
	<input type="checkbox"/> Guarantor _____	
	<input type="checkbox"/> Other _____ <small>(Describe)</small>	

Comments: _____



JOSHUA BASIN WATER DISTRICT



61750 Chollita Road PO Box 675 Joshua Tree California
Ph: 760.366.8438 Fax: 760.366.9528 email: jbwd@jbwd.com

APPLICATION FOR VACANT POSITION ON JOSHUA BASIN WATER DISTRICT BOARD OF DIRECTORS

Please complete the form below and include the following as attachments:

- 1) Statement of qualifications, resume, limited to two pages (8-1/2 x 11)
- 2) Cover letter defining your interest in serving on the Joshua Basin Water District Board of Directors, limited to one page (8-1/2 x 11)
- 3) Completed Form 700 (Statement of Economic Interests)

Applicant Name STEPHEN W. TUTTLE
First M.I. Last

Mailing address P.O. BOX 545

City JOSHUA TREE State CA. Zip Code 92252

Residence address 979 SUNEVER Rd.

City JOSHUA TREE State CA. Zip Code 92252

Voter registration address P.O. BOX 545 / 979 SUNEVER Rd.

City JOSHUA TREE State CA. Zip Code 92252

Phone: Home: 760-366-2648 Work: 760-464-1438 Cell: 760-464-1438

Emergency or Alternate Contact: Name: MARY HELEN TUTTLE

Address: 979 SUNEVER Rd., JOSHUA TREE, CA 92252

Phone: Home: 760-366-2648 Work: 760-365-0881 Cell: 760-861-7315

Applicant Signature: Stephen W. Tuttle

APPLICATION DEADLINE: 5:00 P.M. ON WEDNESDAY, NOVEMBER 30, 2011

Applications must contain an original signature and must include all required attachments.

The District will accept applications e-mailed before the deadline to jbwd@jbwd.com provided that you phone the District to assure that it has been received, and provided that a hard-copy follows.

***Send applications to:
Joshua Basin Water District
Attention: Board of Directors Vacancy
PO Box 675
Joshua Tree, CA 92252***

Stephen W. Tuttle

November 22, 2011

My interests in Joshua Basin Water District stem from my concerns in maintaining quality water for both man and indigenous animals. I also feel that I can offer an insight to both the young and old perspective in reference to their understanding or lack of it of water flow, aquifers and delivery for all as I consider myself a common man. I do serve on multiple boards and have considerable experience in dealing with public and customer service. I have extensive experience in teaching and training and in most case have proven that I can explain any given subject, once I understand it myself to anyone.

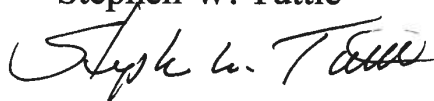
I pride myself in always trying to be positive about existing guidelines and in looking for ways to improve the present conditions. I enjoy looking at alternatives as I'm an "out of the box" thinker and have made many improvements to all companies I have worked with or associated with.

It would give me great honor to serve the people of Joshua Tree and surrounding areas. I have been involved with the community since the early 1980's primarily in the Copper Mountain Mesa area and truly enjoy where I live.

Although my knowledge on water delivery is limited to what I have read and experienced, I do have the desire, time and energy to learn and achieve more while expanding my own personal horizon.

Thank you for allowing me the opportunity and reviewing my qualifications for the board of directors for the Joshua Basin Water District.

Respectively,
Stephen W. Tuttle

A handwritten signature in black ink, appearing to read "Stephen W. Tuttle", written in a cursive style.

Mr. Stephen W. Tuttle

760-366-2648

979 Sunever Rd. P.O. Box 545, Joshua Tree, CA. 92252

tuttl42@gmail.com

Professional Profile

- Computer Technician
- Engine builder/car repair
- Electrician
- Plumber
- Home builder
- Welder
- Diesel Engine Repair
- IBM and EMC
- Owl garage
- Bench technician, Home wiring
- Multiple references
- Built my own home/garage
- Multiple references
- The Diesel Depot (own business and have repaired, built engines and have made own diesel fuel for over 6 years.

Professional Experience

The Diesel Depot, LLC, Joshua Tree, CA. 92252

January, 2005 through Present

Owner/Consulting, fabricator repair/instructorAchievements:

- Started own business for consulting for individuals to help them succeed.
- Help design system to create diesel fuel
- I consider myself a perfectionist living in a non perfect world
- While doing repairs for someone I show them what I do and what it takes to do it right.

Responsibilities:

- Owner operator of The Diesel Depot, LLC
- Consultant for homeowners and individuals
- Fabricator
- Instructor: Repair of failures at the component level
- Outside the box thinker and repair

EMC Corporation, Milford, MA. 01757

January, 1993 through June, 2006

Configuration Specialist/InstructorAchievements:

- Help design Microcode for DASD configuration
- Regional Technical Specialist level II
- Helped design course for education for microcode configuration

Responsibilities:

- Account responsibilities for large and small computer facilities
- Build and configure Storage units for Customers
- Customer satisfaction for performance of storage units
- Instructor for employees in the field of DASD configuration

IBM, San Fernando Valley, CA.
January, 1979 through January 1993
Customer Service

Achievements:

- Specialist on all Laser printers
- Senior Customer Account Representative
- Multiple awards in Customer Service

Responsibilities:

- Mainframe accounts including all hardware
- Assisting and instructing other employees
- Customer satisfaction of IBM equipment

Systems West Division, Monrovia, CA.
1977 though 1979
Calibration Technician

Achievements:

- Line technician supervisor

Responsibilities:

- Ensure products would meet standards for Quality control

Education

Citrus College, Azusa, CA.

Pasadena City College, Pasadena, CA.
Associates degree
1977

References

References are available upon request.

STATEMENT OF ECONOMIC INTERESTS
COVER PAGE

Date Received
 Official Use Only

Please type or print in ink.

NAME OF FILER (LAST) (FIRST) (MIDDLE)
TUTTLE STEPHEN W

1. Office, Agency, or Court

Agency Name
JOSHUA BASIN WATER DISTRICT BOARD POSITION
 Division, Board, Department, District, if applicable Your Position

► If filing for multiple positions, list below or on an attachment.

Agency: N/A Position: _____

2. Jurisdiction of Office (Check at least one box)

State Judge (Statewide Jurisdiction)
 Multi-County _____ County of SAN BERNARDINO
 City of JOSHUA TREE Other _____

3. Type of Statement (Check at least one box)

Annual: The period covered is January 1, 2010, through December 31, 2010. **Leaving Office:** Date Left _____
 -or- (Check one)
 The period covered is _____, through December 31, 2010. The period covered is January 1, 2010, through the date of leaving office.
 Assuming Office: Date 01/09/2012 The period covered is _____, through the date of leaving office.
 Candidate: Election Year _____ Office sought, if different than Part 1: _____

4. Schedule Summary

Check applicable schedules or "None." **Schedule A-1 - Investments** - schedule attached **Schedule C - Income, Loans, & Business Positions** - schedule attached
 Schedule A-2 - Investments - schedule attached **Schedule D - Income - Gifts** - schedule attached
 Schedule B - Real Property - schedule attached **Schedule E - Income - Gifts - Travel Payments** - schedule attached
 -or-
 None - No reportable interests on any schedule

5. Verification

MAILING ADDRESS STREET CITY STATE ZIP CODE
 (Business or Agency Address Recommended - Public Document)
P.O. BOX 545 JOSHUA TREE CA. 92252
 DAYTIME TELEPHONE NUMBER E-MAIL ADDRESS
 () _____

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed 11, 22, 2011 Signature Stephen W. Tuttle
(month, day, year) (File the originally signed statement with your filing official.)

SCHEDULE A-2
Investments, Income, and Assets
of Business Entities/Trusts
 (Ownership Interest is 10% or Greater)

CALIFORNIA FORM 700
 FAIR POLITICAL PRACTICES COMMISSION

Name _____

▶ 1. BUSINESS ENTITY OR TRUST

Name THE DIESEL DEPOT
 Address (Business Address Acceptable) 1057 SONEVERA RD. JOSHUA TREE, CA. 92252
 Check one
 Trust, go to 2 Business Entity, complete the box, then go to 2

GENERAL DESCRIPTION OF BUSINESS ACTIVITY _____

FAIR MARKET VALUE	IF APPLICABLE, LIST DATE:	
<input type="checkbox"/> \$2,000 - \$10,000	<u>N/A</u> / <u>10</u>	<u>N/A</u> / <u>10</u>
<input checked="" type="checkbox"/> \$10,001 - \$100,000	ACQUIRED	DISPOSED
<input type="checkbox"/> \$100,001 - \$1,000,000		
<input type="checkbox"/> Over \$1,000,000		

NATURE OF INVESTMENT
 Sole Proprietorship Partnership Other

YOUR BUSINESS POSITION Employee

▶ 2. IDENTIFY THE GROSS INCOME RECEIVED (INCLUDE YOUR PRO RATA SHARE OF THE GROSS INCOME TO THE ENTITY/TRUST)

\$0 - \$499 \$10,001 - \$100,000
 \$500 - \$1,000 OVER \$100,000
 \$1,001 - \$10,000

▶ 3. LIST THE NAME OF EACH REPORTABLE SINGLE SOURCE OF INCOME OF \$10,000 OR MORE (Attach a separate sheet if necessary.)

N/A

▶ 4. INVESTMENTS AND INTERESTS IN REAL PROPERTY HELD BY THE BUSINESS ENTITY OR TRUST

Check one box:
 INVESTMENT REAL PROPERTY

1057 SONEVERA RD. JOSHUA TREE, CA. 92252
 Name of Business Entity or
 Street Address or Assessor's Parcel Number of Real Property

JOSHUA TREE
 Description of Business Activity or
 City or Other Precise Location of Real Property

FAIR MARKET VALUE	IF APPLICABLE, LIST DATE:	
<input checked="" type="checkbox"/> \$2,000 - \$10,000	<u>N/A</u> / <u>10</u>	<u>N/A</u> / <u>10</u>
<input type="checkbox"/> \$10,001 - \$100,000	ACQUIRED	DISPOSED
<input type="checkbox"/> \$100,001 - \$1,000,000		
<input type="checkbox"/> Over \$1,000,000		

NATURE OF INTEREST
 Property Ownership/Deed of Trust Stock Partnership

Leasehold _____ Other _____
 Yrs. remaining

Check box if additional schedules reporting investments or real property are attached

Comments: CREATED FOR LOWER INSURANCE COSTS

▶ 1. BUSINESS ENTITY OR TRUST

Name _____
 Address (Business Address Acceptable) _____
 Check one
 Trust, go to 2 Business Entity, complete the box, then go to 2

GENERAL DESCRIPTION OF BUSINESS ACTIVITY _____

FAIR MARKET VALUE	IF APPLICABLE, LIST DATE:	
<input type="checkbox"/> \$2,000 - \$10,000	_____ / <u>10</u>	_____ / <u>10</u>
<input type="checkbox"/> \$10,001 - \$100,000	ACQUIRED	DISPOSED
<input type="checkbox"/> \$100,001 - \$1,000,000		
<input type="checkbox"/> Over \$1,000,000		

NATURE OF INVESTMENT
 Sole Proprietorship Partnership Other

YOUR BUSINESS POSITION _____

▶ 2. IDENTIFY THE GROSS INCOME RECEIVED (INCLUDE YOUR PRO RATA SHARE OF THE GROSS INCOME TO THE ENTITY/TRUST)

\$0 - \$499 \$10,001 - \$100,000
 \$500 - \$1,000 OVER \$100,000
 \$1,001 - \$10,000

▶ 3. LIST THE NAME OF EACH REPORTABLE SINGLE SOURCE OF INCOME OF \$10,000 OR MORE (Attach a separate sheet if necessary.)

▶ 4. INVESTMENTS AND INTERESTS IN REAL PROPERTY HELD BY THE BUSINESS ENTITY OR TRUST

Check one box:
 INVESTMENT REAL PROPERTY

 Name of Business Entity or
 Street Address or Assessor's Parcel Number of Real Property

 Description of Business Activity or
 City or Other Precise Location of Real Property

FAIR MARKET VALUE	IF APPLICABLE, LIST DATE:	
<input type="checkbox"/> \$2,000 - \$10,000	_____ / <u>10</u>	_____ / <u>10</u>
<input type="checkbox"/> \$10,001 - \$100,000	ACQUIRED	DISPOSED
<input type="checkbox"/> \$100,001 - \$1,000,000		
<input type="checkbox"/> Over \$1,000,000		

NATURE OF INTEREST
 Property Ownership/Deed of Trust Stock Partnership

Leasehold _____ Other _____
 Yrs. remaining

Check box if additional schedules reporting investments or real property are attached

FPPC Form 700 (2010/2011) Sch. A-2
 FPPC Toll-Free Helpline: 866/275-3772 www.fppc.ca.gov

JOSHUA BASIN WATER DISTRICT
SUPPLEMENTAL DATA SHEET

Regular Meeting of the Board of Directors

December 7, 2011

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

TOPIC: AUTHORIZATION TO APPLY FOR GRANT FOR GROUND WATER RECHARGE PROJECT



RECOMMENDATION: That the Board authorize the General Manager to apply for a Bureau of Reclamation grant in the amount of \$2 million and authorize Dudek Engineering to prepare the grant application at a cost of up to \$11,620.

ANALYSIS: The Bureau of Reclamation is seeking proposals for a Title XVI Water and Energy Efficiency Grant. This is a significant grant that requires a Congressional Authorization. That authorization was obtained through Mojave Water Agency. In addition our representative in Washington and the JBWD Board President and General Manager have spent a great deal of time talking with federal officials about the grant.

The ground water recharge project meets the criteria for the grant. Based on nearly-completed engineering plans Krieger & Stewart Engineers estimate that the construction will cost be as follows:

\$5,000,000	16" pipeline and related costs
<u>1,167,000</u>	Water ponds including earthwork, piping, landscaping and fencing
\$6,167,000	Total Construction Hard Costs to be incurred
335,000	Construction Management
<u>???</u>	Mitigation Monitoring
\$6,502,000	Total Construction hard and soft costs to be incurred
<u>\$1,233,000</u>	20% contingency
\$7,735,000	Total construction costs plus mitigation.

Other costs incurred to date or anticipated for grant purposes which may be grant-eligible include:

447,000	CEQA
480,000	Engineering Design
998,700	USGS Monitoring Well & Studies
210,900	Land Acquisition
<u>125,000</u>	Administrative & Legal
<u>2,261,600</u>	Other costs incurred or anticipated to date
\$9,996,600	Total probable hard and soft costs

If the engineering estimate changes as the final plans are completed, the grant will be modified accordingly. The above estimates do not take into account the current economy which may result in lower bids.

Anticipated funding other than this grant include:

\$2,261,000	Joshua Basin Water District from above
\$1,000,000	Mojave Water Agency (MWA)
\$ 600,000	Morongo Pipeline Refund
\$ 287,000	Environmental Protection Agency
<u>3,000,000</u>	Proposition 84 funds through MWA
7,148,000	Total anticipate funding to date
2,848,600	Total minimal funding required

The District also applied recently for \$2,000,000 in other Proposition 84 funds but the outcome of that grant has not been determined.

In addition, the grant application will include any eligible costs which have already been paid or anticipated by JBWD.

Dudek estimates that preparing the grant would require 56 hours of the grant writer's time and 12 hours of engineering time to prepare the grant for a total cost of about \$11,620.

The deadline for the grant is January 17, 2012. Since it is expected to be a highly competitive grant staff proposes to have Dudek prepare the application to assure the best opportunity for success in the most efficient way. The Board will recall that the cost to MWA to prepare the first Proposition 84 grant was \$80,000.

DUDEK

621 CHAPALA STREET
SANTA BARBARA, CALIFORNIA 93101
T 805.963.0651 F 805.963.2074

November 22, 2011

211143

Joe Guzzetta, General Manager
Joshua Basin Water District
Post Office Box 675
Joshua Tree, CA 92252

Subject: Proposal for Grant Writing Services in pursuit of a Title XVI Water Reclamation and Reuse Program Construction Grant FY 2012 (WaterSMART)

Dear Mr. Guzzetta:

Pursuant to your request of November 16, 2011, it is our pleasure to have prepared this scope of work and fee estimate for preparation of a USBR WaterSMART Grant for the Joshua Basin Water District's Recharge Basin and Pipeline Project.

Background

In August of 2011, Dudek prepared the Title XVI Water Reclamation and Reuse Program Feasibility Report required prior to pursuit of the the Construction Grant. Having submitted the aforementioned Feasibility Study, we understand that the District is now interested in submitting for the actual Title XVI Water Reclamation and Reuse Program Construction Grant. We understand that the District is requesting Dudek to prepare the application materials required for the Construction Grant.

Title XVI Water Reclamation and Reuse Program Construction Grant Application

The application for Title XVI Water Reclamation and Reuse Program Construction Grant is due **January 17, 2012 at 4:00 p.m.**, however, in order to ensure that the application is thoroughly reviewed and vetted by the District in advance of the deadline as our internal deadline for submittal to the District is **January 9, 2012**. We will submit the completed application to the District and request review and comments to us within 3 days (by January 12) and then we will submit the application on January 14, 2012 in advance of the January 17, 2012 deadline. It is our experience that submittal of applications through grants.gov operated best when accomplished when it is done well in advance of the stipulated deadline.

Title XVI Water Reclamation and Reuse Program Construction Application Materials

In order for an application to be deemed complete, it must contain the following items and be no greater than 75 pages:

- Core Form SF---424
- SF---424 B or D Form
- a Title Page
- a Table of Contents
- a technical Proposal & Evaluation Criteria (with a 50 page limit) which entails:
 - an Executive Summary
 - a Technical Project Description
 - Evaluation Criteria
 - Environmental Compliance
 - Required Permits and Approvals
- Project Budget Application
 - SF---424A or C form
 - Description of expenditures planning through September 2012
 - Funding Plan

Signatures: The SF---424 Application Cover Page and other SF forms must be signed by the person legally authorized to submit the application and to commit the applicant (District) to the complete performance of the project.

Scope of Work and Tasks

The overview and scope of work discussed below reflects the tasks and effort we anticipate to be a part of the project:

Task 1 – Discussion with the District

Dudek will have a conference call with appropriate District staff to determine who the correct contact person/people is/are for the duration of project. Establishing clear communication and point people will streamline the process and ensure that all information is gathered in a timely manner and efficiently incorporated into the application. On this conference call, a timeline will be generated and agreed upon so that the District and Dudek are able to track project progress.

Task 2 – Contact with USBR

Dudek will initiate/establish contact with USBR to discuss the project, obtain insight and confirm deadlines, requisite materials and to have any questions answered.

Task 3 – Generation of Application Materials

Based upon the District's project objectives and USBR program eligibility and evaluation criteria, Dudek will generate a complete, strong and competitive application for the *Joshua Basin Water District Recharge Basin and Pipeline* that garners the maximum amount of points (200 total possible points) for the District (applicant). Dudek will prepare a draft application package, transmit the package to the District and request comments. After this initial review and

comment, Dudek will incorporate and or revise the application as necessary and appropriate, finalize and prepare the and final application to upload to the grants.gov website and for hard copy transmittal.

As we are focused on a winning application, Dudek will ensure that the crafted content/discussions are compelling and consistent with the evaluation criteria employed by USBR. The evaluation criteria employed by USBR includes the following categories and points:

- ❖ Water Supply – 55 points
- ❖ Status Of Project – 30 points
- ❖ Environment and Water Quality – 30 points
- ❖ Renewable Energy and Energy Efficiency – 25 points
- ❖ Cost per Acre Foot of Water and other Project Benefits – 25 points
- ❖ Reclamation's Obligations and Benefits to Rural or Economically Disadvantaged Communities – 20 points
- ❖ Watershed Perspective – 15 points

Dudek will be checking in with USBR staff to discuss the application and contents as is necessary and appropriate.

Task 4 – Follow-Up after Application Submittal

Once the application has been submitted to USBR, Dudek will follow-up with appropriate USBR staff to ensure the application materials have been received. At appropriate intervals, Dudek will contact USBR to inquire about review. Dudek will keep the District abreast of all contact and outcomes of discussions with USBR.

We hope that this letter proposal provides you with the information required. Should you have any questions, please feel free to contact me at 963.0651 ext. 3531 or via email: jgray@dudek.com. If the letter proposal is acceptable to you, please sign below and return this to me at your earliest convenience. I look forward to the opportunity of working with you.

Thank you for your consideration.

Sincerely,



Jane Gray
Environmental Planner

DUDEK

Dudek

Accepted By:

Joseph Guzzetta

ATTACHMENT A
Cost Estimate

DUDEK				
Employee :	Mike Metts	Saurabh Thapar	Jane Gray	Total
Employee Type :	Principal Engineer/Project Manager	Project Engineer	Funding Specialist	Hours
Tasks	\$210	\$155	\$140	
Conference Call with District Staff	2		2	4
Review Background Materials & Forms			4	4
Contact USBR			1	1
Complete SF-424 Core Form, SF-424 B or D Form, SF-424A Form & obtain Original Signatures			8	8
Prepare Technical Proposal & Evaluation Criteria	2	1	40	43
Prepare Project Budget Applications			12	12
Internal Completeness Review	3	1	8	12
Submit to JBWD for Review & Comment				
Incorporate District Comments into Application			4	4
Submit Application to USBR through grants.gov website			3	3
Transmit Hard Copies of Application to USBR			1	1
Total Costs Per Employee	\$1,470.00	\$310.00	\$9,380.00	92
TOTAL PROJECT COST	\$11,620			

JOSHUA BASIN WATER DISTRICT
SUPPLEMENTAL DATA SHEET

Regular Meeting of the Board of Directors

December 7, 2011

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

TOPIC: REVISION OF JOSHUA BASIN WATER DISTRICT (JBWD) ADMINISTRATION CODE SECTION 3.07.02 PROVIDING FOR BOARD AGENDA ITEMS NEEDING TO BE ADDRESSED SUBSEQUENT TO POSTING OF THE AGENDA

RECOMMENDATION: That the Board adopt revised Section 3.07.02 to conform with the California Brown Act, rather than the more restrictive current Administration Code Section.

ANALYSIS: When the Board wishes to consider an item that was received after posting of the agenda, and when only four board members are present, the JBWD Administrative Code requires a unanimous vote to consider the item, while the California Government Code 54954 (Brown Act) only requires a 2/3 majority vote, or 3 affirmative votes to consider the item. This action would change the JBWD Administrative Code to be consistent with the Brown Act. The JBWD Administrative Code is already consistent with the Brown Act when three or five board members are present, requiring a 2/3 majority vote in those instances.

The Brown Act limits Board action to items that were posted on the published agenda. However, there are some exceptions. One such exception is Section 54954.2 (2) which **states:** *"Upon a determination by a two-thirds vote of the members of the legislative body present at the meeting, or if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted as specified in subdivision (a)."*

Under this provision, four of five board members, three of four board members, or three of three board members present at a meeting can make the finding. JBWD's more restrictive Administration Code Section 3.07.02 states:

"Upon a determination by a four (4) member vote of the board or, if less than four members are present, a unanimous vote of those Directors present, the Board of Directors may take action on items if the Board determines that there is a need to take action and the need for action arose subsequent to the Agenda being posted."

The proposed change below comes directly from the Government Code:

Proposed Section 3.07.02

Upon a determination by a two-thirds vote of the members of the Board present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, the Board of Directors may take action on items if the board determines that there is a need to take immediate action and that the need for action came to the attention of the District subsequent to the Agenda being posted.

This discrepancy came to light after the last meeting when the Board voted to consider the endorsement of Judy Corl-Lorono for the Benefits Management Authority of the Association of California Water Agencies, Joint Powers Insurance Authority (JPIA). Since the Board's vote was 3/1 rather than 4/0, the action was not valid and staff did not forward the action to the JPIA.

§ 54954.1

**LOCAL AGENCIES
Title 5**

constitute grounds for invalidation of the actions of the legislative body taken at the meeting for which the agenda or agenda packet was not received.

(Added by Stats.1973, c. 1070, p. 2151, § 1. Amended by Stats.1990, c. 1198 (A.B. 4065), § 1; Stats.1997, c. 253 (S.B.138), § 4; Stats.2002, c. 300 (A.B.3035), § 6.)

Cross References

City government, ordinances, publication, see Government Code § 36933.
"Legislative body" defined for purposes of this Chapter, see Government Code § 54952.
"Meeting" defined for purposes of this Chapter, see Government Code § 54952.2.

Library References

Municipal Corporations ¶89.
Westlaw Topic No. 268. C.J.S. Municipal Corporations §§ 224 to 230, 233.

Research References

Encyclopedias

CA Jur. 3d Administrative Law § 123, Compliance With Americans With Disabilities Act.
CA Jur. 3d Administrative Law § 137, Request for Agenda.

Treatises and Practice Aids

9 Witkin Cal. Proc. 5th Administrative Proceedings § 26, (S 26) in General.
9 Witkin Cal. Proc. 5th Administrative Proceedings § 28, in General.

United States Code Annotated

Equal opportunity for individuals with disabilities, prohibition against discrimination, see 42 U.S.C. § 12132.

Notes of Decisions

Executive sessions 2
Fees 1

cost of providing the service. 62 Op.Atty.Gen. 658, 10-31-79.

2. Executive sessions

1. Fees

Under this section, a reasonable charge for sending such notice is a factual question and the charge should be based upon the estimated

Local agencies, including school boards, may hold executive sessions only during regular or special meetings for which adequate notice has been given as required by provisions of secret meeting law. 43 Op.Atty.Gen. 79, 2-18-64.

§ 54954.2. Agenda; posting; action on other matters

(a)(1) At least 72 hours before a regular meeting, the legislative body of the local agency, or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. A brief general description of an item generally need not exceed 20 words. The agenda shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. The agenda shall include information regarding how, to whom, and when a request for disability related modification or accommodation, including auxiliary aids or services may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting.

CITIES, COUNTIES AND OTHER AGENCIES

§ 54954.2

Div. 2

(2) No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3. In addition, on their own initiative or in response to questions posed by the public, a member of a legislative body or its staff may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities. Furthermore, a member of a legislative body, or the body itself, subject to rules or procedures of the legislative body, may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.

(b) Notwithstanding subdivision (a), the legislative body may take action on items of business not appearing on the posted agenda under any of the conditions stated below. Prior to discussing any item pursuant to this subdivision, the legislative body shall publicly identify the item.

(1) Upon a determination by a majority vote of the legislative body that an emergency situation exists, as defined in Section 54956.5.

✓ (2) Upon a determination by a two-thirds vote of the members of the legislative body present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted as specified in subdivision (a).

(3) The item was posted pursuant to subdivision (a) for a prior meeting of the legislative body occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

(c) This section is necessary to implement and reasonably within the scope of paragraph (1) of subdivision (b) of Section 3 of Article I of the California Constitution.

(Added by Stats.2005, c. 72 (A.B.138), § 12, eff. July 19, 2005.)

Historical and Statutory Notes

Sections 16 and 17 of Stats.2005, c. 72 (A.B. 138), provide:

"SEC. 16. The Legislature finds and declares that Sections 54954.2 and 54957.1 of the Government Code are necessary to implement and reasonably within the scope of paragraph (1) of subdivision (b) of Section 3 of Article I of the California Constitution.

"SEC. 17. (a) Notwithstanding any other provision of law, the Commission on State Mandates, no later than June 30, 2006, shall reconsider its test claim statement of decision in CSM-4202 on the Mandate Reimbursement Program to determine whether Chapter 486 of the Statutes of 1975 and Chapter 1459 of the

Statutes of 1984 constitute a reimbursable mandate under Section 6 of Article XIII B of the California Constitution in light of federal and state statutes enacted and federal and state court decisions rendered since these statutes were enacted. If a new test claim is filed on Chapter 890 of the Statutes of 2004, the commission shall, if practicable, hear and determine the new test claim at the same time as the reconsideration of CSM-4202. The commission, if necessary, shall revise its parameters and guidelines in CSM-4485 to be consistent with this reconsideration and, if practicable, shall include a reasonable reimbursement methodology as defined in Section 17518.5 of the Govern-

JOSHUA BASIN WATER DISTRICT
SUPPLEMENTAL DATA SHEET

Regular Meeting of the Board of Directors

September 7, 2011

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

TOPIC: AGREEMENT BETWEEN HI DESERT MEDICAL CENTER AND
JOSHUA BASIN WATER DISTRICT FOR PACKAGE WASTE
WATER TREATMENT PLANT

RECOMMENDATION: That the Board approve an agreement between Hi Desert Medical Center (HDMC) and Joshua Basin Water District (JBWD) to provide for a package wastewater treatment to be paid by the HDMC and constructed, owned, and operated by Joshua Basin Water District.

ANALYSIS: In planning for its future expansion the Hi Desert Medical Center anticipates the need to provide waste water treatment to meet the requirements of the Colorado River Basin Region California Water Quality Control Board (Regional Board) and JBWD. In 2009 JBWD adopted its waste water strategy which lays the foundation for addressing the HDMC needs.

In November 2009 JBWD and HDMC agreed to work together toward an agreement that would provide for JBWD to design, construct, own and operate a package waste water treatment plant to serve HDMC, with the cost to be paid by HDMC. **The basic provisions of this agreement are consistent with JBWD's** waste water requirements for all development in Joshua Tree, except that it stretches out or defers the payment of certain fees recognizing that HDMC is a governmental agency, and recognizing the cooperative and mutually beneficial nature of this agreement.

The major points of the agreement are noted below. The attached summary shows more detail. Also attached is the full agreement.

- JBWD will design and construct a 52,000 gallon per day (gpd) average daily flow waste water treatment plant with a maximum flow of 73,000 gpd. This will serve the 23,500 square feet of planned offices and all of the existing HDMC facilities including the Continuing Care Center, except the chillers. The waste water treatment plant has been designed to expand in the future (Phase

2) to bring the total to 104,000 average and 146,000 gpd maximum flow for 100,000 square feet of future hospital facilities.

- HDMC will pay for all costs of constructing the project, which HDMC would incur even absent this agreement.
- HDMC will pay to JBWD a capacity fee of \$1,245,636.36 less a credit of \$126,480 for a net of \$1,119,156.36. Although this fee would normally be required at the onset, the agreement allows HDMC to pay over a period of 16 years with interest at the rate that JBWD would otherwise receive on the funds. This capacity fee is for **the future "central" waste water treatment plant that** JBWD is expected to need to comply with the Regional Board. This fee is required of all similar projects.
- The package waste water treatment plant has a designed life of 15 years, although the life could be longer. JBWD regulations would require HDMC to pay for the replacement over a 15-year period. In lieu of that, this agreement provides for HDMC to pay for the replacement whenever the plant needs to be replaced.
- HDMC will pay a monthly fee for operation and maintenance of the plant.
- **Whenever JBWD constructs the "central plant" the package plant will be abandoned and HDMC will be connected to the "central plant."**
- The design of the plant has already been completed by Dudek & Associates, district engineers for JBWD. It would require about 12 months for construction.

This agreement is mutually beneficial to both agencies. It enables the HDMC to expand its facilities at a cost anticipated to be the same or lower than if it were constructed by HDMC. It relieves HDMC of operating a waste water treatment plant. It furthers the goals of JBWD for clean water by reducing the nitrates that otherwise would enter the ground water, and it provides a prototype of future waste water treatment plants in JBWD consistent with the JBWD Waste Water Strategy.

The agreement has been reviewed by the appropriate committees of the Hi Desert Medical Center and the Joshua Basin Water District and they concur with this recommendation.

EXECUTIVE SUMMARY OF THE PROPOSED WASTE WATER AGREEMENT (“AGREEMENT”) BETWEEN HIGH DESERT MEDICAL CENTER (“HDMC”) AND JOSHUA BASIN WATER DISTRICT (“JBWD”)

- HDMC proposes to expand its Acute Care Hospital in Joshua Tree, California (“Acute Care Facility”). In connection with the expansion, the parties desire to enter into the Agreement wherein JBWD would design, build, own and operate the Phase 1 package waste water treatment plant, subject to HDMC’s right to take over such plant as discussed below, with a 52,000 gallon-per-day (gpd) average daily flow and 73,000 gpd maximum daily flow. Phase 1 of the project is intended to treat waste water from a building addition of 23,500 square feet in addition to all current septic waste from the Acute Care Facility with the exception of water used for the chillers.
- In the future HDMC may construct up to 100,000 square feet of building at the Acute Care Facility which would require Phase 2 of the package waste water treatment plant with a 104,000 gpd average flow and a 146,000 gpd maximum flow. Phase 2 of the project shall also be designed, constructed, owned and operated by JBWD, subject to HDMC’s right to take over such plant as discussed below.
- HDMC would pay for all of the costs to design, build, and operate Phase 1 and Phase 2 of the package treatment plant. HDMC has, in certain circumstances, the ability to abandon or assume responsibility for the planning, design, and/or construction of Phase 1 and/or Phase 2 of the project if the parties are unable to come to agreement at various points on items such as (1) what improvements are to be constructed, (2) the cost of bids for each phase, (3) change orders required during construction,(4) initiation of the Phase 2 improvements, and (5) rates and charges levied by JBWD. The right to abandon or take over the project are subject to the conditions set forth in the Agreement.
- Within 30 days of the effective date of the Agreement HDMC will deposit \$200,000 with JBWD to provide for planning, engineering, advertising, bidding and other costs incurred by JBWD prior to award of the construction contract.
- If HDMC decides to proceed with the design of Phase-2 of the project, HDMC will place a deposit at that time with JBWD for pre-construction costs which amount shall be determined by JBWD.
- JBWD will use commercially reasonable efforts to obtain all licenses, permits, entitlements, consents, or authority to construct the project. HDMC shall have the opportunity to review and comment on plans, bids and change orders in connection with the project. Upon the opening of bids, HDMC shall have the option of (1) approving the bids and depositing with JBWD the construction costs; or (2) taking over the project or (3) abandoning the project (or abandoning Phase 2, if Phase 1 is in effect). The right to abandon or take over the project are subject to the conditions set forth in the Agreement. In the event of (2) or (3) above, HDMC shall pay to JBWD or JBWD may use the deposit to pay all costs incurred by JBWD to date.
- HDMC shall provide an easement at the Acute Care Facility to JBWD of such a size which JBWD considers reasonable, at no cost, for construction, operation and maintenance of the project.
- HDMC shall be responsible, at HDMC’s sole cost and expense, for all CEQA review and approvals.
- During construction, HDMC shall have the opportunity to review, approve, or disapprove all proposed change orders. If disapproved, the Agreement shall terminate if the disapproval is to a Phase 1 change order. If the disapproved change order relates to Phase 2, the Agreement will terminate as to Phase 2. In either event HDMC shall pay to JBWD or JBWD may use the deposit to pay all costs incurred by JBWD to date.

- JBWD may use the services of a construction manager which shall be paid by HDMC.
- If HDMC elects not to use all the capacity herein described and JBWD determines that capacity exists to serve other off-site properties, those off-site properties may be connected to the package treatment plant provided that they reimburse HDMC for their pro-rata share of the costs and expenses incurred by HDMC.
- HDMC shall pay to JBWD a capacity fee required of all similar developments, for the purpose of construction of a future central waste water treatment plant (“Central Plant”). The estimated fee is \$1,245,636.36. JBWD shall apply a credit of \$126,480 thereto resulting in an estimated fee of \$1,119,156.36. Recognizing that HDMC is a governmental agency, and considering the cooperative nature of the Agreement, the fee may be paid over a period of 15 years with interest at a rate comparable to what JBWD receives on its investments.
- HDMC shall pay rates and charges to JBWD for operation of the package treatment plant, subject to the HDMC’s right to take over such plant as discussed above.
- The package treatment plant is anticipated to have a useful life of 15 years. HDMC shall pay to JBWD the *replacement cost* of the package treatment plant over a 15-year period for Phase I of such plant and for Phase 2 if it is constructed. In lieu of making payments for the replacement of the package treatment plant, HDMC will have the option of deferring payments and providing for payment at the time that JBWD determines such plant needs to be replaced. In the event HDMC does not want to pay the replacement costs, HDMC shall take over the package treatment plant subject to the conditions set forth in the Agreement.
- At such time as a Central Plant is constructed, the package treatment plant will be abandoned. HDMC will have the option of paying to remove such plant or retaining such plant.
- The Agreement provides for a penalty of 5% for payments to JBWD that are late, to compensate for additional administrative costs, provided that any costs over \$500 must be documented. The Agreement also provides for interest at the highest of the following (1) a rate equal to the return that JBWD receives on instruments of \$1M; (2) the rate paid by the Local Agency Investment Fund; or (3) costs incurred by a third party contractor if the late payment results in additional contract costs.
- The Agreement provides for disputes to be resolved through a dispute resolution process.

Recording Requested by
When Recorded Return to

JOSHUA BASIN WATER DISTRICT
P O BOX 675
JOSHUA BASIN CA 92252
ATTN: GENERAL MANAGER

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

APN:

AGREEMENT

THIS AGREEMENT (“**Agreement**”) is entered into this ____ day of _____, 2011 (“**Effective Date**”) by and between **JOSHUA BASIN WATER DISTRICT**, a public agency of the State of California (“**JBWD**”) and **HI DESERT MEDICAL CENTER**, a public agency of the State of California (“**HDMC**”). JBWD and HDMC are referred to in this Agreement collectively as the “**Parties**” and each individually as a “**Party**.”

RECITALS

A. HDMC owns and operates a general acute care hospital in Joshua Tree, California, and is the owner of certain real property located in the County of San Bernardino, State of California, legally described on Exhibit A attached hereto and by this reference incorporated herein (“**HDMC Property**”).

B. JBWD is a public agency of the State of California and operates in the County of San Bernardino, State of California.

C. HDMC desires to expand its present infrastructure, and JBWD desires to expand its capacity to provide water treatment and other services to HDMC.

D. HDMC desires to enter into an agreement for JBWD to construct and operate, principally for HDMC's benefit, a waste water treatment plant (“**Project**”). The Project shall be constructed in two (2) phases. The first phase of the Project (“**Phase 1 of the Project**”) shall consist of the expansion of certain existing building(s) and constructing new building(s) on the HDMC Property. Phase 1 of the Project shall consist of approximately **Twenty-Three Thousand Five Hundred** (23,500) square feet of improvements on the HDMC Property. Phase 1 of the Project is generally depicted on Exhibit B attached hereto and by this reference incorporated herein. The second phase of the Project (“**Phase 2 of the Project**”) shall consist of approximately **One Hundred Thousand** (100,000) square feet of improvements on the HDMC Property. HDMC has not decided, as of the date hereof, the exact improvements which will consist of Phase 2 of the Project.

E. HDMC desires that JBWD provide sanitary sewer service to the HDMC Property and JBWD is willing to provide such sanitary sewer service to such property by the construction of a waste water package treatment plant and appurtenances thereto ("**Package Plant**") on the terms and subject to the conditions set forth in this Agreement.

F. In or about 2009 JBWD adopted a waste water treatment strategy ("**Strategy**"). The Strategy, in part, provided for the potential design, land acquisition and construction of a centralized waste water treatment plant, trunk sanitation system and appurtenances for the collection and treatment of sewage and industrial wastes of a liquid nature (collectively, "**Treatment Plant**"). In the event the Treatment Plant is constructed, the Parties anticipate that the Package Plant will be abandoned and the Project will be connected to the Treatment Plant in accordance with the rules, regulations, ordinances, policies and procedures developed by JBWD.

G. San Bernardino County approved the Mitigated Negative Declaration concerning the Project on December 16, 2008 ("**Negative Declaration**").

H. JBWD approved the Project on April 13, 2010.

I. The Parties desire to enter into this Agreement to set forth certain commitments and agreements of the Parties with respect to (i) the design, construction, ownership and financial contributions of the Parties concerning the Package Plant and (ii) the provision of sanitary sewer service to the Project.

J. This Agreement is consistent with the Negative Declaration and there have been no changes in the Project that would warrant any supplemental environmental analysis.

IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS SET FORTH IN THIS AGREEMENT, AND UPON THE CONDITIONS CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

1. The facilities to be constructed as part of the Package Plant with respect to Phase 1 of the Project are generally described on Exhibit C attached hereto and by this reference incorporated herein (collectively, "**Phase 1 Improvements**"). It is contemplated that the Phase 1 Improvements shall allow JBWD to process approximately **fifty-two thousand** (52,000) gallons per day ("**gpd**") average daily flow and **seventy-three thousand** (73,000) gpd maximum daily flow. This Agreement recognizes the capacity limit of the Package Plant with the Phase I Improvements is projected to be up to **seventy-three thousand** (73,000) gpd, which is the projected maximum waste water need of HDMC with respect to Phase 1 of the Project. Should these capacity needs change, HDMC shall timely notify JBWD and the Parties will subsequently negotiate appropriate modifications to this Agreement. At the time HDMC determines to construct Phase 2 of the Project, JBWD shall determine the facilities which are necessary to serve Phase 2 of the Project ("**Phase 2 Improvements**"), provided that JBWD shall meet and confer with HDMC as to what constitutes the Phase 2 Improvements. [In the event the Parties are unable to agree, after meeting and conferring, with respect to what constitutes the Phase 2 Improvements, either; (a) the Phase 2 Improvements shall not be constructed and the provisions herein concerning the design, construction, operation and maintenance and ownership of the Phase 2 Improvements shall be null and void; or (b) HDMC shall elect, in writing, to design and

construct such Phase 2 Improvements as HDMC shall desire; provided that the conditions of Section 12 are satisfied. In the event HDMC cannot satisfy the conditions set forth in Section 12 within the time frames set forth therein, the Phase 2 Improvements shall not be constructed and the provisions herein concerning the design, construction, operation, maintenance and ownership of the Phase 2 Improvements shall be null and void.] It is anticipated that the Phase 2 Improvements shall allow JBWD to process approximately **one hundred four thousand** (104,000) gpd average daily flow and **one hundred forty-six thousand** (146,000) gpd maximum daily flow, if JBWD constructs the Phase 2 Improvements pursuant to the terms hereof. This Agreement recognizes the capacity limits of the Package Plant as expanded is projected to be up to **one-hundred forty-six thousand** (146,000) gpd, which is the projected maximum waste water needs of HDMC with respect to Phase 2 of the Project. Should these capacity needs change, HDMC shall timely notify JBWD and the Parties will subsequently negotiate appropriate modifications to this Agreement. The Phase 1 Improvements and the Phase 2 Improvements (if constructed) shall sometimes be collectively referred to herein as the "**Improvements.**"

2. (a) HDMC shall, at HDMC's sole cost and expense, be responsible for compliance with the California Environmental Quality Act ("**CEQA**") and all other applicable state and federal environmental laws and all requirements of the Federal Endangered Species Act and the California Endangered Species Act arising out of or in connection with the design and construction of the Improvements and for compliance with all conditions and mitigation measures which must be satisfied in connection with the same. HDMC represents to JBWD that HDMC may, pursuant to federal, state and local law, act as lead agency for the purpose of complying with CEQA. Pursuant to the foregoing representation, HDMC shall act as lead agency for the purpose of complying with CEQA. As part of its obligation to fund the CEQA process, HDMC shall prepare or cause to be prepared all supplemental environmental instruments, documents, reports and other like or kind writings required to be prepared and/or filed by CEQA.

(b) HDMC shall, upon request by JBWD, and at no cost to JBWD, furnish JBWD with such information as HDMC possesses or has available to it from any consultants, engineers, contractors or other persons engaged by or under the control of HDMC relating to the environmental assessment relative to the creation of the Improvements. In this regard, nothing herein contained shall be construed or interpreted to require JBWD to take or participate in any legal action pertaining to compliance with CEQA and/or other state and federal environmental laws and requirements.

3. (a)(i) Subject to the following, HDMC shall fund the cost of the design and construction of the Improvements including any related costs and expenses arising out of or in connection with the same. JBWD will obtain bids for the construction of the Improvements. Upon the opening of the bids, JBWD shall provide HDMC with copies of such bids. HDMC shall, within [time period], have the option to (A) approve the bids; provided that HDMC understands and acknowledges that the board of directors of JBWD ("**Board**") may select the lowest responsible bidder as determined by such Board or reject all bids, or (B) take over the construction of the Improvements; provided that the conditions of Section 12 are satisfied. In the event HDMC elects to take over the Project, HDMC may deduct from the deposits made pursuant to Subsections 3.(b) or 3.(c), whichever is applicable, such amount as JBWD considers

sufficient to pay for the costs and expenses paid or incurred by JBWD prior to HDMC's election. In the event HDMC cannot satisfy the conditions set forth in Section 12 within the time frames set forth therein, this Agreement shall terminate if such occurs with respect to the Phase 1 Improvements and HDMC shall pay all costs and expenses that District paid or incurred prior to the deemed termination of this Agreement; provided that if the issue is with the Phase 2 Improvements and the Phase 1 Improvements have been constructed and are then being operated by JBWD, this Agreement shall only terminate as to the Phase 2 Improvements. In the event HDMC approves the bids and JBWD awards the construction contract for the Improvements, JBWD will use commercially reasonable efforts to minimize additional Improvement costs. However, the Parties recognize and agree that additional costs may be warranted for a variety of reasons, including, but not limited to, unforeseen circumstances or need for work not contemplated by the Phase 1 Plans or Phase 2 Plans, as the case may be, as those terms are defined in Section 5. JBWD shall be authorized to pay such costs. Such costs shall be paid by HDMC in accordance with this Agreement. .

(ii) HDMC may demand an accounting as to the status of the account of all deposits and expenditures at any time, and JBWD shall provide such accounting in a reasonable time.

(b) HDMC shall deposit with JBWD within **thirty** (30) days after the Effective Date, the sum of **Two Hundred Thousand Dollars** (\$200,000.00) ("**Phase 1 Deposit**"). The Phase 1 Deposit shall be held by JBWD for all costs and expenses of JBWD with respect to the creation of the Phase 1 Improvements, except construction costs, which shall be handled pursuant to Section 7, including, but not limited to, the costs of the plans and specifications, Entitlements (as that term is defined in Section 4), advertising and bidding of the construction of the Phase 1 Improvements (including preparation of the bid documents) and any other matter related to or arising out of the same. HDMC hereby authorizes JBWD to use, apply or retain all or any other part of the Phase 1 Deposit to offset its costs and expenses related to the foregoing. JBWD shall not be required to keep the Phase 1 Deposit separate from its general funds and HDMC shall not be entitled to interest on the Phase 1 Deposit. If there are any funds left in the Phase 1 Deposit after the Phase 1 Improvements are completed and accepted, such excess shall be returned to HDMC. If further funds are necessary, HDMC shall, within **ten** (10) days after written demand therefor, deposit cash with JBWD in an amount which JBWD considers sufficient to pay for the costs and expenses to be incurred hereunder. HDMC may demand an accounting as to the status of the account and all deposits and expenditures at any time, and JBWD shall provide such accounting in a reasonable time.

(c) Within a period of time as mutually agreed after HDMC notifies JBWD of its election to construct the Phase 2 Improvements, HDMC shall deposit with JBWD such sum as shall be reasonably determined by JBWD ("**Phase 2 Deposit**"). The Phase 2 Deposit shall be held by JBWD for all costs and expenses of JBWD with respect to the creation of the Phase 2 Improvements, except construction costs, which shall be handled pursuant to Section 7, including, but not limited to, the costs of the plans and specifications, Entitlements, advertising and bidding of the construction of the Phase 2 Improvements (including preparation of the bid documents) and any other matter related to or arising out of the same. HDMC hereby authorizes JBWD to use, apply or retain all or any other part of the Phase 2 Deposit to offset its costs and expenses related to the foregoing. JBWD shall not be required to keep the Phase 2 Deposit

separate from its general funds and HDMC shall not be entitled to interest on the Phase 2 Deposit. If there are any funds left in the Phase 2 Deposit after the Phase 2 Improvements are completed and accepted, such excess shall be returned to HDMC. If further funds are necessary, HDMC shall, within **ten** (10) days after written demand therefor, deposit cash with JBWD in an amount which JBWD considers sufficient to pay for the costs and expenses to be incurred hereunder. HDMC may demand an accounting as to the status of the account and all deposits and expenditures at any time, and JBWD shall provide such accounting in a reasonable time.

4. On or after receipt of the Phase 1 Deposit or Phase 2 Deposit, as the case may be, JBWD shall, at HDMC's sole cost and expense, use commercially reasonable efforts to obtain or cause to be obtained through consultants and/or third parties, all consents, approvals, permits, authority, licenses or entitlements ("**Entitlements**") as shall be required for the design, construction, operation and maintenance of the Improvements with respect to the appropriate phase, including Entitlements from the County of San Bernardino and the California Regional Water Quality Control Board, Colorado River Basin Region. Nothing herein shall be construed as a guaranty that JBWD shall obtain such Entitlements. HDMC agrees to cooperate, in all respects with JBWD, or such other individuals or entities designated by JBWD, in connection with the obtaining of the Entitlements including, without limitation, attending meetings, testifying in public hearings and the execution of all applications, petitions and documents reasonably necessary in the Entitlement process.

5. (a) On or after the receipt of the Phase 1 Deposit, JBWD shall employ, or cause to be employed, at HDMC's cost and expense, Dudek Engineering, in coordination with the existing Agreement between HDMC and Dudek Engineering ("**Engineer**") to plan, design and prepare detailed construction plans, drawings and specifications for the Phase 1 Improvements ("**Phase 1 Plans**"). JBWD shall submit the Phase 1 Plans to HDMC for review and comment. HDMC shall have **sixty** (60) business days after receipt of the Phase 1 Plans to comment thereon. Failure of HDMC to comment within such **sixty** (60) business-day period shall be deemed a waiver by HDMC of the right to do so. In the event that HDMC does comment within the **sixty** (60) business-day period, JBWD shall, in good faith, consider such comments, but shall not be required to amend the Phase 1 Plans in accordance therewith. HDMC shall cooperate with the Engineer with respect to the preparation of the Phase 1 Plans.

(b) On or after the receipt of the Phase 2 Deposit, JBWD shall employ, or cause to be employed, at HDMC's cost and expense, a qualified professional engineering firm to plan, design and prepare detailed construction plans, drawings and specifications for the Phase 2 Improvements ("**Phase 2 Plans**"). JBWD shall submit the Phase 2 Plans to HDMC for review and comment. HDMC shall have such time as the Parties shall agree, to review and comment on the Phase 2 Plans. HDMC shall cooperate with the engineering firm with respect to the preparation of the Phase 2 Plans.

6. Upon the Effective Date, HDMC shall execute, cause to be executed and delivered the easement attached hereto as Exhibit D and by this reference incorporated herein ("**Easement**"). The Easement provides for the construction, operation and maintenance of the Improvements on that portion of the HDMC Property described therein ("**Easement Area**") together with the reasonable right of access to and from said Easement for purposes of exercising the rights granted therein. In connection therewith, HDMC hereby irrevocably grants to JBWD

and its agent, contractors, employees, representatives and consultants the right to enter on the Easement Area to investigate matters which pertain to the design and construction of the Improvements, including, without limitation, soil and surface conditions and to conduct environmental studies, engineering studies, land use and such other investigations as JBWD, in its reasonable discretion, may desire.

7. (a)(i) Upon completion of the Phase 1 Plans and satisfaction of the CEQA requirements by HDMC, JBWD shall, at HDMC's sole cost and expense, advertise and bid the construction of the Phase 1 Improvements. The Parties recognize, acknowledge and agree that the construction and installation of the Phase 1 Improvements is a public works project. As such, it is the intent of JBWD to comply with the provisions of the California Labor Code, Government Code and Public Contract Code, including, without limitation, prevailing wage requirements. Subject to the provisions of California law relating to public works projects applicable to JBWD, and subject to HDMC's rights under Section 3.(a)(i), JBWD shall award the work to the lowest responsible bidder ("**Phase 1 Contractor**"). The Parties agree that JBWD shall be the awarding body without the approval or consent from HDMC, except as provided in Section 3.(a)(i). Subject to HDMC's rights under Section 3.(a)(i), JBWD shall negotiate and enter into all contracts and Agreements with the Phase 1 Contractor with respect to the construction of the Phase 1 Improvements. Subject to HDMC's rights under Section 3.(a)(i), HDMC shall fund the cost of the design and construction of the Phase 1 Improvements and any related costs and expense arising out of or in connection with the same. HDMC may demand an accounting as to the status of the account and all deposits and expenditures at any time, and JBWD shall provide such accounting in a reasonable time.

(ii) The Phase 1 Contractor shall install the Phase 1 Improvements in substantial accordance with the Phase 1 Plans. HDMC understands and acknowledges that change orders for the construction of the Phase 1 Improvements may be warranted due to a variety of reasons, including, but not limited to, unforeseen circumstances or the need for construction of additional or changed improvements not contemplated by the Phase 1 Plans. In the event of a change order which increases the cost of the installation of the Phase 1 Improvements, JBWD shall submit the change order to HDMC for approval or disapproval. HDMC shall have five (5) business days from receipt of a request of a change order to approve or disapprove, in writing, of the same. Failure to disapprove of a change order, in writing, within the five (5) business day period shall be deemed approval thereof by HDMC. In the event HDMC disapproves, in writing, a change order within the five (5) business day period, the Parties shall meet and confer over a five (5) business day period after the disapproval to resolve the change order. In the event the Parties are unable to resolve the change order within such five (5) business day period, this Agreement shall terminate; provided that if the issue is with the Phase 2 Improvements and the Phase 1 Improvements have been constructed and are then being operated by JBWD, this Agreement shall only terminate as to the Phase 2 Improvements. JBWD shall pay from the Phase 1 Construction Deposit (as that term is defined below) all amounts owed or accrued with respect to the construction of the Phase 1 Improvements including, but not limited to, any amount required to be paid as a result of the early termination of the construction contract. After payment of such amount, JBWD shall return to HDMC all funds remaining in the Phase 1 Construction Deposit less Ten Percent (10%) of the unexpended funds which may be held for an additional period of ninety (90) days for work owed or accrued with respect to the construction of the Phase 1 Improvements. In the event there are costs that are incurred as a

result of the foregoing process of approving a change order, HDMC shall bear those costs and JBWD is hereby authorized to deduct such amount from the Phase 1 Construction Deposit. The Parties acknowledge and agree that the construction of the Improvements is for the benefit of the HDMC Property and JBWD is not required to expend any funds of the JBWD to create the Improvements including design and construction of the same.

(iii) JBWD may, but is not required, to retain the services of a project manager(s) as a cost of the installation of the Phase 1 Improvements paid by HDMC, to (A) oversee the furnishing and installation of the Phase 1 Improvements; and (B) inspect the installation of the Phase 1 Improvements.

(iv) HDMC shall pay the costs for installation of the Phase 1 Improvements as more particularly provided in this Subsection 7.(a). HDMC shall deposit with JBWD an amount equal to all estimated construction costs including the bid to be awarded, the cost of construction management, plus a **ten percent (10%)** contingency ("**Phase 1 Construction Deposit**") within _____ (____) days after written notice from JBWD of an intent to accept the bid referred to in Subsection (a) above. The Phase 1 Construction Deposit shall be held by JBWD for all costs and expenses of JBWD with respect to the construction of the Phase 1 Improvements and any other matter related to or arising out of the same. HDMC hereby authorizes JBWD to use, apply or retain all or any other part of the Phase 1 Construction Deposit to offset its costs and expenses related to the foregoing. JBWD shall not be required to keep the Phase 1 Construction Deposit separate from its general funds and HDMC shall not be entitled to interest on the Phase 1 Construction Deposit. If there are any funds left in the Phase 1 Construction Deposit after the Phase 1 Improvements are completed and accepted, such excess shall be returned to HDMC. If further funds are necessary, HDMC shall, within thirty (30) days after written demand therefor, deposit cash with JBWD in an amount which JBWD considers sufficient to pay for the costs and expenses to be incurred hereunder. HDMC may demand an accounting as to the status of the account and all deposits and expenditures at any time, and JBWD shall provide such accounting in a reasonable time.

(v) From time to time JBWD shall submit progress reports to HDMC with respect to the installation of the Phase 1 Improvements. JBWD shall provide HDMC at least semi-annual construction progress reports signed by the project/construction manager or the district engineer.

(vi) HDMC shall cooperate with JBWD, the Phase 1 Contractor and any consultants and representatives of JBWD in the construction of the Phase 1 Improvements. JBWD or the Phase 1 Contractor shall provide HDMC with prior written notice of such date the Phase 1 Contractor shall initiate construction of the Phase 1 Improvements on the Easement Area.

(vii) Upon completion of the construction and installation of the Phase 1 Improvements, JBWD shall give HDMC notice of the same and require the Phase 1 Contractor to file a notice of completion for recording in the Office of the County Recorder. Upon completion of the Phase 1 Improvements, the facilities constructed as part of the Phase 1 Improvements shall be owned by the JBWD. Upon the request of JBWD, HDMC shall execute and deliver to JBWD a bill of sale in such form and content as shall be reasonably determined by

the Parties. The Parties further agree that all personal property associated with the Phase 1 Improvements shall also become the sole property of the JBWD, including, without limitation, all Entitlements, Phase 1 Plans, operating manuals, surveys and as-built drawings associated with the construction of the Phase 1 Improvements. Subject to the terms of Section 10, JBWD shall thereafter repair, replace and maintain the Phase 1 Improvements. Once the Phase 1 plant is completed and transferred to JBWD the operation/maintenance and compliance costs will be periodically billed to HDMC. If other dischargers become additionally serviced by the Package Plant, such expenses shall be proportionately billed to those additional parties.

(b) The provisions of Section 7.(a)(i) through 7.(a)(vii) shall apply to the advertising, bidding and construction of the Phase 2 Improvements; provided that the deposit of funds by HDMC to construct the Phase 2 Improvements shall be in an amount reasonably determined by the JBWD.

8. (a) Upon completion and acceptance of the Phase 1 Improvements and compliance by HDMC with the terms of this Agreement and including, but not limited to, the payment of fees and charges, the JBWD shall provide or cause to be provided, sanitary sewer service to Phase 1 of the Project, subject to circumstances within the control of JBWD or consistent with the JBWD's rules, regulations, policies and procedures as may be amended from time to time; provided that HDMC has not elected to take over the Project and satisfied the obligations set forth in Section 12 JBWD agrees that it shall take all commercially reasonable steps to assure that the Package Plant shall meet all requirements of the California Regional Water Quality Control Board (Colorado River Basin Region) and that such plants shall be operated in such commercially reasonable fashion to appropriately handle the waste water of HDMC in compliance with waste discharge requirements, and all other applicable requirements.

(b) Upon completion and acceptance of the Phase 2 Improvements and compliance by HDMC with the terms of this Agreement and including, but not limited to, the payment of fees and charges, the JBWD shall provide or cause to be provided, sanitary sewer service to Phase 2 of the Project subject to circumstances within the control of JBWD or as otherwise provided by the JBWD's rules, regulations, policies and procedures as may be amended from time to time; provided that HDMC has not elected to take over the Project and satisfied the obligations set forth in Section 12. JBWD agrees that they shall take all commercially reasonable steps to assure that the Package Plant shall meet all requirements of the California Regional Water Quality Control Board (Colorado River Basin Region) and that such plants shall be operated in such commercially reasonable fashion to appropriately handle the waste water of HDMC in compliance with waste discharge requirements, and all other applicable requirements.

(c) After acceptance of the Phase 1 Improvements and/or the Phase 2 Improvements and subject to the provisions of Section 1, JBWD may determine, in its reasonable discretion, that capacity exists in the Package Plant to provide sanitation service to other real property ("**Off Site Property**"), in addition to that portion of the Project to be served by the Package Plant. The Parties hereby agree that JBWD shall have the absolute right to provide sanitation service to such Off Site Property from the Package Plant on such terms and conditions as the JBWD shall agree with such Off Site Property owners ("**Off Site Owner(s)**") provided that such Off Site Owners pay the prorata portion of all the costs and expenses incurred by

HDMC in the design and installation of the appropriate Improvements. Thus, for example, (i) if the total cost of the Phase 1 Improvements which was paid by HDMC is One Million Five Hundred Thousand Dollars (\$1,500,000.00); (ii) HDMC uses on average seventy-five percent (75 %) of the capacity of the Package Plant attributable to the Phase 1 Improvements; (iii) an Off Site Owner is calculated to use on average five percent (5 %) of the capacity of the Package Plant attributable to the Phase 1 Improvements, then as a condition to sanitation service from the Package Plant, the Off Site Owner shall pay to JBWD the sum of Seventy-Five Thousand Dollars (\$75,000.00) ($\$1,500,000.00 \times 5\%$) of the capacity fee. JBWD shall remit such amount to HDMC within a reasonable amount of time after JBWD receives such amount from the Off Site Owner.

9. (a)(i) Prior to any sanitary service to Phase 1 of the Project, HDMC shall pay to JBWD, a capacity fee equal to Five Thousand Two Hundred Seventy Dollars (\$5,270.00) times the number of equivalent dwelling units ("**EDU**") generated by Phase 1 of the Project as reasonably determined by the JBWD based on the average flow of two hundred twenty (220) gallons per day per EDU. EDU's for Phase I are estimated at **two hundred thirty six and six/tenths** (236.6) with the capacity fee estimated at One Million Two Hundred Forty-Five Thousand Six Hundred Thirty-Six and 36/100 Dollars (\$1,245,636.36). Notwithstanding the foregoing, HDMC shall be exempted from payment of the first twenty-four (24) EDUs (e.g., One Hundred Twenty-Six Thousand Four Hundred Eighty Dollars (\$126,480.00) so that the total due shall be One Million One Hundred Nineteen Thousand One Hundred Fifty-Six and 36/100 Dollars (\$1,119,156.36). In lieu of depositing the full amount of the capacity fee prior to any sanitary service to Phase 1 of the Project, HDMC may elect to enter into an agreement in such form and content attached hereto as Exhibit E and by this reference incorporated herein ("**Payment Agreement**"), with HDMC to make annual principal installments over a period of fifteen (15) years with additional annual interest payments based on the annual interest earned by other JBWD funds that could have been available for investment of the capacity fees. HDMC must affirmatively elect, in writing, to enter into the Payment Agreement within thirty (30) days of the Effective Date; and if so elected, to execute and deliver the Payment Agreement to JBWD within thirty (30) days of the Effective Date. Failure to timely satisfy the foregoing conditions shall be deemed an election to pay the full amount of the capacity fee prior to any sanitary service to Phase 1 of the Project.

(ii) Pay to JBWD such rates and charges related to sanitation service to Phase 1 of the Project in accordance with the rules, regulations, ordinances, policies and procedures developed by JBWD. In the event HDMC disputes any rates and charges, or proposed rates and charges, related to sanitation service to Phase 1 of the Project, HDMC shall (A) waive such objections, or (B) elect to take over operation, maintenance and ownership of Phase 1 of the Project; provided that the conditions of Section 12 are satisfied. In the event HDMC disputes any rates and charges, HDMC shall have [number of days] to elect Subsection (A) or Subsection (B) above, in writing. Failure to make any such election, in writing, within such [time period] shall be deemed an election of Subsection (A) above. In the event HDMC cannot satisfy the conditions set forth in Section 12 within the time frames set forth therein, HDMC shall be deemed to have elected Subsection (A). During the time that HDMC is attempting to satisfy the conditions set forth in Section 12, JBWD may charge the rates and charges it proposes.

(b) (i) Prior to any sanitary service to Phase 2 of the Project, HDMC shall pay to JBWD, the capacity fee in effect at the time of payment, times the number of EDUs generated by Phase 2 of the Project as reasonably determined by the JBWD based on the average flow of **two hundred twenty** (220) gallons per day per EDU.

(ii) Pay to the JBWD such rates and charges related to sanitation service to Phase 2 of the Project in accordance with the rules, regulations, ordinances, policies and procedures developed by the JBWD. Any dispute regarding rates and charges related to sanitation service to Phase 1 of the Project must be negotiated by JBWD and HDMC and HDMC shall (A) waive such objections, or (B) elect to take over operation, maintenance and ownership of Phase 1 of the Project; provided that the conditions of Section 12 are satisfied. In the event HDMC disputes any rates and charges, HDMC shall have [number of days] to elect Subsection (A) or Subsection (B) above, in writing. Failure to make any such election, in writing, within such [time period] shall be deemed an election of Subsection (A) above. In the event HDMC cannot satisfy the conditions set forth in Section 12 within the time frames set forth therein, HDMC shall be deemed to have elected Subsection (A). During the time that HDMC is attempting to satisfy the conditions set forth in Section 12, JBWD may charge the rates and charges it proposes.

10. (a) (i) HDMC acknowledges that the Package Plant has a useful life of approximately fifteen (15) years. Notwithstanding anything contained in this Agreement, HDMC shall be required to pay for the replacement of the Package Plant, if HDMC is the sole user of the Package Plant, or a prorata portion of the replacement of the Package Plant if there are other users pursuant to Section 8.(c).

(ii) HDMC hereby agrees to pay for the replacement of the portion of the Package Plant attributable to the Phase 1 Improvements (or HDMC's prorata share of such) either pursuant to this subsection or subsection 10.(d) below. On or before one (1) year after the acceptance of the Phase 1 Improvements, JBWD will estimate the cost of the replacement of the Package Plant which is attributable to the Phase 1 Improvements, which includes a ten percent (10 %) contingency amount ("**Replacement Cost**"). The Parties agree that interest on the Replacement Cost shall accrue at the rate equal to the annual increase in the Engineering News-Record Construction Cost Index (ENR-CCI 20 Cities). JBWD shall give HDMC written notice of the Replacement Cost, and HDMC's portion thereof ("**HDMC's Share**"), which HDMC Share shall be amortized over **fifteen** (15) **years**. HDMC shall have the right for a period of **six** (6) months after receipt of the amount of the replacement costs from JBWD to either (A) pay the replacement costs as hereinafter provided; or (B) pay the replacement costs pursuant to subsection 10.(d) below. In the event HDMC elects Subsection (A), the first payment shall be due and payable to JBWD **two** (2) **years** after the acceptance of the Phase 1 Improvements and continuing every year thereafter until the HDMC Share and interest thereon are paid in full. The HDMC Share may be prepaid at any time without penalty.

(iii) HDMC hereby agrees to pay for the replacement of the portion of the Package Plant attributable to the Phase 2 Improvements (or HDMC's prorata share of such) either pursuant to this subsection or subsection 10.(d) below. On or before one (1) year after the acceptance of the Phase 2 Improvements, JBWD will estimate the Replacement Cost of the replacement of the Package Plant attributable to the Phase 2 Improvement. The Parties agree

that interest on the Replacement Cost shall accrue at the rate equal to the annual increase in the Engineering News-Record Construction Cost Index (ENR-CCI 20 Cities). JBWD shall give HDMC written notice of HDMC's Share of the Replacement Cost attributable to the Phase 2 Improvements, which HDMC Share shall be amortized over **thirteen (13) years**. HDMC shall have the right for a period of **six (6) months** after receipt of the amount of the replacement costs from JBWD to either (A) pay the replacement costs as hereinafter provided; or (B) pay the replacement costs pursuant to subsection 10.(d) below. In the event HDMC elects Subsection (A) the first payment shall be due and payable to JBWD **two (2) years** after the acceptance of the Phase 2 Improvements and continuing every year thereafter until the HDMC Share and interest thereon are paid in full. The HDMC Share may be prepaid at any time without penalty.

(b) HDMC shall be responsible for any subsequent replacement costs and elections at **fifteen (15) year** intervals on the same terms and conditions as set forth in Section 10(a)(ii) in the event that HDMC is not connected to the Treatment Plant.

(c) At the time that HDMC is connected to the Treatment Plant and all expenses paid, there shall be a project accounting prepared and any funds remaining in the "replacement fund" shall be applied to costs to connect HDMC to the Treatment Plant. Any funds remaining after payment for the costs to connect HDMC to the Treatment Plant shall be returned to HDMC.

(d) In lieu of making annual payments toward the replacement of any phase noted in Sections 10(a)(ii), 10(a)(iii) or 10(b) above, HDMC may elect to defer all payments for the replacement of the Package Plant until JBWD determines, in its sole and absolute discretion, that the Package Plant needs to be replaced. HDMC shall provide the replacement amount to JBWD within _____ (___) days after receipt of written notice from JBWD. HDMC shall have the right for a period of **six (6) months** after receipt of the amount of the replacement costs from JBWD to either (A) pay the replacement costs as hereinafter provided; or (B) take over the ownership of the Project Plant, provided the conditions of Section 12 are satisfied. Failure to make such election, in writing, within the **six (6) month** period shall be deemed an election of Subsection (A). In the event HDMC cannot satisfy the conditions set forth therein, HDMC shall be deemed to have elected Subsection (A). In the event HDMC elects Subsection (A) or Subsection (A) is deemed elected, whether making annual payments for the cost of replacement or paying at the time that the replacement is needed, HDMC shall be responsible for the cost of full replacement or any portion thereof, when needed, including, but not limited to, replacement due to failure of the system and/or failure to comply with the regulatory discharge requirements of JBWD and/or the California Regional Water Quality Control Board, Colorado River Basin Region.

11. Upon the completion of the Treatment Plant and the hook-up of the HDMC Property and other properties serviced by the Package Plant thereto in accordance with the rules, regulations ordinances, policies and procedures developed by the JBWD, HDMC shall give JBWD written notice of HDMC's election to: (a) retain the Package Plant; or (b) require JBWD to remove, at HDMC's sole cost and expense, the Package Plant from the HDMC Property. In the event HDMC does not elect in writing, to require JBWD to remove the Package Plant from the HDMC Property within **one hundred twenty (120) days** after receipt of the written notice, then HDMC will be deemed to have elected to retain the Package Plant. In the event HDMC

elects or is deemed to have elected to retain the Package Plant on the HDMC Property, JBWD shall deliver to HDMC, a bill of sale for the Package Plant in the same form and content as required pursuant to Section 7.(a)(vii). The Package Plant shall be transferred to HDMC free of all liens and encumbrances. In the event HDMC elects to cause JBWD to remove the Package Plant from the HDMC Property, HDMC shall deposit with JBWD a sum reasonably determined by the JBWD ("**Removal Deposit**") within **sixty** (60) days after written notice from JBWD. The Removal Deposit shall be held by JBWD for all costs and expenses of JBWD with respect to the removal of the Package Plant from the HDMC Property and any other matter related to or arising out of the same. HDMC hereby authorizes JBWD to use, apply or retain all or any other part of the Removal Deposit to offset its costs and expenses related to the foregoing. JBWD shall not be required to keep the Removal Deposit separate from its general funds and HDMC shall not be entitled to interest on the Removal Deposit. If there are any funds left in the Removal Deposit after the removal of the Package Plant from the HDMC Property is completed and accepted, such excess shall be returned to HDMC. If further funds are necessary, HDMC shall, within **thirty** (30) days after written demand therefor, deposit cash with JBWD in an amount which JBWD considers sufficient to pay for the costs and expenses to be incurred hereunder. Upon the complete removal of the Package Plant, JBWD shall quitclaim to the owner of the HDMC Property, all of JBWD's rights, title and interest in and to the Easement. HDMC may demand an accounting as to the status of the account and all deposits and expenditures at any time, and JBWD shall provide such accounting in a reasonable time.

12. The following shall be conditions precedent to HDMC's election pursuant to Sections [1, 8(a), 8(b), 9(a), 9(b), 10(a) and 10(d) ("Option Sections"]:

(a) HDMC shall take title to the Package Plant as is, where is, with all faults.

(b) HDMC shall have obtained all entitlements to own and operate the Package Plant from all governmental agencies having jurisdiction thereof, including entitlements from the County of San Bernardino and the California Regional Water Quality Board, Colorado River Basin Region.

(c) The written consent of any off site owners using or contractually entitled to use the Package Plant.

The conditions set forth in this Section must be satisfied on or before [time period] after HDMC has made an election pursuant to the Option Sections.

13. (a) All notices or other communications between the JBWD and HDMC required or permitted hereunder shall be in writing and personally delivered or sent by certified mail, return receipt requested and prepaid, or sent by reputable overnight courier (such as Federal Express, UPS or DHL), or transmitted by electronic facsimile transmission (with electronic confirmation of receipt) to the following addresses:

JBWD: Joshua Basin Water District
P O Box 675
61750 Chollita Road
Joshua Tree CA 92252
Attn: _____
Telephone: 760-366-8438
Facsimile: 760-366-9528

HDMC: Hi Desert Medical Center
6601 White Feather Road
Joshua Tree, CA 92252
Attn: Dan McClure, Chief Information Officer
Telephone: 760-366-6137
Facsimile: 760-366-6240

COPY TO: Cathy Deubel Salenko
Best Best & Krieger LLP
400 Capitol Mall, Suite 1650
Sacramento, CA 95814
Telephone: 916-325-4000
Facsimile: 916-325-4010

A notice shall be effective on the date of personal delivery if personally delivered before 5:00 p.m., otherwise on the day following personal delivery, or on the date of receipt, if transmitted by electronic facsimile transmission (with electronic confirmation of receipt) prior to 5:00 p.m. or otherwise on the next day, provided receipt of such transmission shall be confirmed by follow-up notice within **seventy-two** (72) hours by another method authorized above, or **two** (2) business days following the date the notice is postmarked, if mailed, or on the day following delivery to the applicable overnight courier, if sent by overnight courier. Any Party may change the address to which notices are to be given to it by giving notice of such change of address in the manner set forth above for giving notice.

(b) Time is of the essence of this Agreement and each and every term and provision hereof.

(c) This Agreement shall be construed as if prepared by all of the Parties. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the Party that has drafted it is not applicable and is waived. This Agreement shall be construed, interpreted and governed by the laws of the State of California and the laws of the United States of America prevailing in California.

(d) If any provision of this Agreement shall be ruled invalid, illegal or unenforceable, the parties shall: (i) promptly negotiate a substitute for the provision which shall, to the greatest extent legally permissible, effect the intent of the parties in the invalid, illegal or unenforceable provision, and (ii) negotiate such changes in, substitutions for or additions to the remaining provisions of this Agreement as may be necessary in addition to and in conjunction

with Subsection (i) above to give effect to the intent of the parties without the invalid, illegal or unenforceable provision. To the extent the parties are unable to negotiate such changes, substitutions or additions as set forth in the preceding sentence, and the intent of the parties with respect to the essential terms of the Agreement may be carried out without the invalid, illegal or unenforceable provision, the balance of this Agreement shall not be affected, and this Agreement shall be construed and enforced as if the invalid, illegal or unenforceable provision did not exist.

(e) The terms and provisions set forth in this Agreement shall be deemed provisions, terms and/or covenants running with the HDMC Property in accordance with applicable law, including, without limitation, Section 1468 of the California Civil Code and shall pass to and be binding upon the successor owners of the HDMC Property. As such, all successor owners of the HDMC Property will have any of the rights, responsibility and liabilities of HDMC as if such person or entity originally executed this Agreement in place and stead of HDMC. Each and every contract, deed or other instrument hereafter executed covering or conveying the HDMC Property, or any portion thereof, shall conclusively be held to have been executed, delivered and accepted subject to such terms and conditions regardless of whether such terms and conditions are set forth in such contract, deed or other instrument. No transfer of the HDMC Property shall relieve HDMC of any responsibility or liability under this Agreement.

(f) Unless specifically stated to the contrary, all references to days herein shall be deemed to refer to business days. In the event that the final date for payment of any amount or performance of any act hereunder falls on a Saturday, Sunday or holiday, such payment may be made or act performed on the next succeeding business day.

(g) In the event of any legal action to interpret this Agreement or enforce the rights or remedies of any Party to this Agreement, the prevailing Party in such legal action shall be entitled to recover its costs and expenses (including attorneys' fees) of such action.

(h) Except as otherwise provided in Section 7(a)(ii), the Parties agree that any action or proceeding to enforce or relating to this Agreement shall be brought exclusively in the state courts located in San Bernardino County, California or the federal court located in Riverside County, California, and the Parties hereto consent to the exercise of personal jurisdiction over them by any such courts for purposes of any such action or proceeding.

(i) In the event any undisputed amount due to JBWD hereunder is not paid when due, HDMC shall pay to JBWD an additional five percent (5%) for each payment due as an administrative processing charge provided that any cost in excess of Five Hundred Dollars (\$500.00) shall be documented and itemized. The Parties agree that this late charge represents a fair and reasonable estimate of the costs the JBWD will incur by reason of such late payment to JBWD. Any payment not paid when due shall bear interest at the highest of the following rates: 1) The rate of interest that JBWD earns during the period of delinquency, from the Local Agency Investment Fund or other investment of One Million Dollars (\$1,000,000) whichever is greater; 2) If the payment is for a contract, HDMC will reimburse JBWD at the rate that JBWD would owe the Contractor for the delinquent payment; 3) If the payment is for a capacity fee or other construction fund, the rate of interest represented by the change in the Engineering New-Record Construction Cost Index (ENR-CCI 20 Cities) (provided such amount shall not exceed the maximum rate allowed under California law); from the date due until paid in full.

(j) This Agreement, together with any other written agreements referred to herein, is intended by the Parties to be the final expression of their agreement with respect to the subject matter hereof, and is intended as the complete and exclusive statement of the terms of the agreement between the Parties. As such, this Agreement supersedes any prior understandings between the Parties, whether oral or written. Any amendments to this Agreement shall be in writing and shall be signed by all Parties hereto.

(k) No delay on the part of any Party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any Party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder, nor shall any single or partial exercise of any right, power or privilege hereunder, preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

(l) This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute but one instrument.

(m) Each individual executing this Agreement hereby represents and warrants that he or she has the full power and authority to execute this Agreement on behalf of the named Parties.

(n) HDMC shall have a period of one hundred twenty (120) days after the Effective Date to cause any monetary liens and encumbrances recorded against the HDMC Property to be subordinated to the lien of this Agreement.

14. Dispute Resolution

Should any dispute arise between the parties relative to construction, deposits, operations, transfer or any other provision of the Agreement, the complaining/initiating party shall timely provide notice to the other party/parties.

Within **thirty** (30) days after receipt of such notice, the parties shall meet and confer over the dispute.

If the parties do not reach agreement, the dispute shall be transferred to the American Arbitration Association and resolved in accordance to their rules of commercial arbitration as more fully referenced in Section 7(a)(ii).

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

"JBWD"
JOSHUA BASIN WATER DISTRICT, a
public agency of the State of California

"HDMC"
HI DESERT MEDICAL CENTER, a
public agency of the State of California

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT LIST

Exhibit A	Legal Description of the HDMC Property
Exhibit B	Depiction of Project
Exhibit C	Description of Package Plant Facilities
Exhibit D	Easement
Exhibit E	Payment Agreement

JOSHUA BASIN WATER DISTRICT
SUPPLEMENTAL DATA SHEET

Regular Meeting of the Board of Directors

December 7, 2011

Report to: President and Members of the Board
From: Vice President Reynolds, Director Long, ad hoc Board Committee

TOPIC: PROPOSAL FOR EVALUATION PROCESS OF GENERAL MANAGER

RECOMMENDATION: That the Board authorize an agreement with Rauch Communication Consultants, Inc. at a cost of \$4,650 or \$6,150 plus expenses, to assist the Board in conducting the annual performance evaluation of the General Manager and if so make the following determinations:

- Decide whether the Board President, a committee, or a designated board member will be the consultant's direct contact;
- Confirm that the consultant shall be retained by the District's legal counsel who will oversee the process to assure that it meets all legal requirements;
- Decide whether the interviews will extend beyond the board, and if so, identify any employees, peer managers, or others to interview at an additional cost of \$1,500.

ANALYSIS: In the past the Board has conducted the annual evaluation of the General Manager without a structured process. Presentations at recent conferences of the Association of California Water Agencies have discussed the benefits of a structured process led by a consultant to assist in determining and implementing the Board's goals.

The ad hoc committee to establish the evaluation process was appointed by President Luckman. The committee received three proposals. The proposal by Rauch was the most comprehensive and least costly. The Committee has checked with references and Rauch Communications is highly regarded by clients who have used the firm.

Cost of this proposal is \$4,650 in addition to travel costs, with an additional \$1,500 if the Board decides to add a day of optional interviews. Due to the personnel nature of an employee evaluation Rauch recommends that the contract be with legal counsel to ensure that the process conforms to legal requirements and to protect confidentiality issues related to Human Resources activities.

The attached proposal outlines specifics of the process. Approval of this proposal should result in a more meaningful and useful evaluation process.



Rauch Communication Consultants Inc.

936 Old Orchard Rd – Campbell, CA 95008
PH 408-374-0977
FX 408-374-2197
E info@rauchcc.com

P R O P O S A L

DATE: October 28, 2011 **NO OF PAGES:** 6
TO: President of the Board, Bill Long
FROM: Martin Rauch **RE:** Proposal for Manager Evaluation

Background

This document provides a proposal to assist the Board of Directors of Joshua Basin Water District in carrying out the annual performance evaluation of its General Manager, Joe Guzzetta.

I understand that the manager is overdue for his performance evaluation. We are proposing a proven process that will help the Board to:

- Undertake an effective evaluation of the manager’s performance.
- Identify areas of good performance, any problem areas, and determine the appropriate response.
- Determine how and when the Board will provide ongoing oversight of the manager’s performance in the future.
- Determine whether the Board needs to make changes in the way it provides direction.
- Identify what constitutes effective performance by the manager in the Board’s view
- Set compensation for the manager

Proposed Approach

In our experience, any consideration of Board/Manager roles and relationships should be rooted in well-known good-governance principles. Although commonly recognized, these descriptions are provided as context for the approach we recommend.

THE ROLE OF THE BOARD. The Board’s only employee is the General Manager, who is the crucial link between the board and the everyday operations of the District. This is why it is important for the Board to follow an in-depth process to assure that the way the District is being managed meets their expectations.

It is the role of the Board to govern, that is, to provide direction for the Districts’ future by setting the mission, vision, goals, values and policies. Beyond that, the role of the Board is to determine whether these guiding directions are being implemented by the manager in a manner acceptable to the Board, and that the results meet their expectations.

ROLE OF THE MANAGER. The managers task is to implement the direction and policies approved by the board, including: hiring, supervising and evaluating staff, supervising all programs, ensuring that staff actions are in conformance with the mission, vision, goals and policies set by the Board, and providing information to the Board so that they can govern appropriately. And doing all this in a manner acceptable to the Board.

DEALING WITH THE BOARD/MANAGER RELATIONSHIP. In simple terms, whatever praise or concerns the Board has about the Managers performance, should be communicated directly to the manager. The Board should then listen thoughtfully to his response, and provide an opportunity for the manager to improve his performance, if required. While it is within the Board's role to set expectations and goals, it is not desirable to become involved with administrative and management activities or in actively helping the manager to manage. The performance evaluation process is a two-way street to discuss management performance in a, clear, open and adult way. As such, part of the process should include the Board giving the manager an opportunity to express whether the Board is giving effective policy direction.

The Proposed Process

All information gathered will be held in a strictly confidential manner.

1. **THE DISTRICT'S ROLE IN PREPARATION:**
 - a. Decide whether the Board president, a committee or a designated board member will be the consultant's direct contact.
 - b. Confirm that the consultant shall be retained by the District's legal counsel who will oversee the process to assure that it meets all legal requirements.
 - c. Decide whether the interviews will extend beyond the board, and, if so, identify any employees, peer managers, or others to interview.
 - d. Ask the Manager to prepare a summary of the highlights of the past year. The evaluation process looks back over a whole year. Because many of us are lucky to remember what happened last month, the Manager should send a brief summary of the year's highlights to the Governing Board members in advance, and then thoughtfully discuss each event.
 - e. The appropriate place to set goals and objectives for the District is in the Board Strategic Planning Process. Lacking a strategic plan, we propose to ask the Manager to prepare his management goals for the coming year, describing what he is planning to focus on and accomplish. This will be used to set up goals and objectives for the manager and for his performance review in the coming year.
2. **CONSULTANT WILL DISTRIBUTE A REVIEW FORM. WE WILL DISTRIBUTE IN ADVANCE A PERFORMANCE REVIEW FORM TO EACH OF THE PARTICIPANTS IN THE REVIEW PROCESS. THE PURPOSE OF THE FORM IS SIMPLY TO HELP THE DIRECTORS THINK BROADLY AND CONCRETELY ABOUT THE PERFORMANCE REVIEW. THE HEART OF THE REVIEW IS NOT THE FORM, RATHER THE IN-PERSON DISCUSSION WITH THE MANAGER DURING THE FACILITATED PERFORMANCE REVIEW SESSION. THE FORM COVERS THE FOLLOWING AREAS: PLANNING; ORGANIZATIONAL SKILLS; BUDGET/FINANCE; COMMUNITY RELATIONS; PERSONNEL RELATIONS; MANAGEMENT SKILLS; LEADERSHIP, BOARD MANAGER RELATIONS.**

Each area includes between two and six specific questions about that area. For example,

under the category of leadership, there are five questions, including: Does the General Manager inspire a shared vision and enlist staff and Board support? Does the General Manager seek and pursue opportunities to improve the District's operation? Does the General Manager enable others to act by creating an atmosphere of trust and cooperation?

Each interviewee is asked to review and fill out the performance review form in advance and then share that with the interviewer.

3. **START THE PROCESS WITH CONFIDENTIAL INTERVIEWS.** We propose to conduct a one-day series of confidential interviews beginning with the Board President and then with each member of the Board in a series of one hour, confidential sessions. We will then interview the manager himself. Each interviewee will be asked to walk through their filled-out form and to give specific examples where ratings are high or low. The consultant and interviewees will also discuss other issues raised by the participants. All interviews will be absolutely confidential so that everyone feels free to say whatever is on his/her mind.

OPTIONAL: GETTING FEEDBACK FROM INDIVIDUALS OTHER THAN THE BOARD. The RFP discusses the option of obtaining feedback from others beside the Board. This can provide an additional independent point of view that may be helpful. If desired, this group could include the District management team and managers of several peer Districts that work regularly with the manager. It is important to note that we would not ask anyone beside the Board to review the manager – rather we would ask them to share their experience working with him.

4. **FACILITATE THE PERFORMANCE REVIEW WORKSHOP.**
 - a. The consultant will present his findings from the interview process, ensuring that it remains confidential, generalized, and includes a summary of the numerical results from the performance review forms.
 - b. The Manager presents his summary of the previous year's events and achievements.
 - c. Board members are asked to comment freely, especially on how they viewed the Manager's actions at that time. Was it appropriate? Effective? Out of line? Disappointing? In short, an honest and complete discussion of the managers performance. The Manager will be asked to tell his side of the story, too. This open dialog is a frank look backward at the past year, and is the heart of the performance review process.
 - d. Ordinarily goals and objective established by the board in the strategic planning process and the Board's goals become key elements of the manager's goals. However, in the absence of established District goals and objectives, the board members will comment on the manager's plan (goals and objectives) for the coming year, adding or subtracting ideas of their own.
5. **PREPARE A REPORT.** The consultant will take notes during the performance review session and provide a summary of the performance review discussion. The consultant will indicate where there is consensus and where there are differences. The document is placed in the file as a record of the evaluation and as a baseline for the coming year's evaluation.

6. IDENTIFY THE PLAN, TIME AND PLACE FOR FUTURE ANNUAL REVIEWS.
7. COMPENSATION. Compensation is the next step following the performance evaluation. The RFP states that the Board expects the consultant to assist the board in arriving at an appropriate compensation following the evaluation. All decisions on compensation and benefits must be made by the entire governing body in a public meeting, which is normally scheduled immediately after or soon after the performance review.

It is common for a Board committee to design and implement a methodology for setting the compensation of the manager. Compensation is typically based on factors such as the position's requirements, manager's experience and qualifications, complexity of the job, private and public sector labor market conditions, cost of living, public acceptability, and the organization's ability to pay, etc. We would encourage the Board to form such a committee, gather the appropriate comparative and financial information and bring a recommendation forward at the Board meeting in which any compensation decision will be made. The consultant will assist the Committee as it gathers information and develops its approach to setting compensation.

Cost proposal

Our cost estimate includes the following assumptions: coordination with the Board President; a full day of on-site interviews, coordination with a compensation committee, preparation of a confidential written report, and facilitate the actual review for \$4,650 plus actual travel expenses. To add a day of optional interviews is \$1,500 additional.

Legal Oversight

We recommend that if we are selected, District legal counsel retain us and provide project oversight to ensure that the process conforms to legal requirements and to protect HR-related confidentiality issues.

The Consultant

The work will be carried out by Martin Rauch. He is experienced in strategic planning, group dynamics, developing consensus, and facilitation. His formal training in this area includes completion of Business Mediation Training at UC Berkeley, as well as courses in Facilitating and Mediating Effective Environmental Agreements. Mr. Rauch also possesses extensive experience with water agencies and water issues throughout the state.

Rauch Communication Consultants, Examples of Experience

Three Valleys Municipal Water District, Manager Evaluation. This Board had a number of problems communicating internally and in giving clear policy direction to the Manager. Rauch Communication Consultants worked with the Board and Manager on clarifying Roles and Relationships and facilitated the annual review of the General Manager. The District has been operating smoothly.

Reference: Bob Kuhn, Director. Cell: (626) 374-9501; Work (626) 335-4008.

Our board was having a tough time, communicating between ourselves and unable to communicate with staff. The seminar the Rauch's put together for us has given us a clear vision and made all the difference in the world. The time invested was the most productive I have ever spent in over 20 years as an elected official

Bob Kuhn, Director

Las Gallinas Valley Sanitary District, Board/Manager Roles and Relationships

Rauch Communication Consultants worked with this Board, which had become severely frustrated and less effective due to internal disputes and differences. The issues were eventually settled through facilitation by Rauch Communication Consultants.

Reference: Larry Loder, Director 1-415-479-5357

Novato Sanitary District, Board workshops, small and large meetings, group work environments.

Worked with this District over many years on numerous projects requiring facilitation of large and small groups of many types including working committees, small and large group meetings, board meetings, public meetings and more.

Reference: Beverly James, General Manager, (415) 892-1694

Friant Water Users Authority, Facilitated Dispute Among Members RCC Facilitated discussions on how to settle a long-running dispute between dozens of water users represented by the Friant Water Users Authority and environmental organizations. The farmers, represented by the Authority, had been at a stalemate and participated in several meetings facilitated by Rauch Communication Consultants. All the members but one ultimately reached consensus and a solution was developed that allowed them to move forward.

Conjunctive Use Working Group, Use of Vacant Storage Space

RCC facilitated discussions among numerous water agencies and other stakeholders about the use of vacant storage space in the Central and West Coast Basin of Los Angeles County. The project was funded by the State Department of Water Resources. Political and economic issues prevented fulfillment of an agreement, but substantial progress was made toward clarifying a large number of key technical, economic, legal and governance issues that had previously not been agreed upon.

Pajaro Valley Water Management District, Basin Management Plan

RCC helped this regional water management agency recover from a lost election and intensive attacks by local groups. RCC's program for the District included public outreach as well as development and continual refinement of strategy with staff, consultants and the Board of Directors; as they worked with supporters, opponents and uncommitted stakeholders toward development of a program that ultimately developed support, was approved, and won a public election.

Monterey Peninsula Water Management District, Adjudication

Facilitated a series of stakeholder meetings on this intensely divisive subject. Extensive progress was made in obtaining a common understanding and agreement on a number of technical issues. The process was completed by the Judge overseeing the adjudication.

San Diego County Water Authority, Water Treatment Plan

RCC facilitated monthly discussion meetings with over 20 agencies and the Water Authority in developing a countywide water treatment plan. Although relationships among the various factions were difficult at first, a successful consensus was reached

I wish to express my sincere appreciation for...your participation in the "Closed Session" portion of our meeting, by facilitating discussions regarding the performance evaluation of the District's General Manager, served to be a valuable asset in the completion of [the] review. Again, I thank you.

Muriel O'Brien,
President of the Board

Big Bear Municipal Water District and San Bernardino Valley Municipal Water District,
Legal Dispute

RCC facilitated a solution to a long-simmering water dispute between the two agencies following years of court fights.

Arcade Water District, Citizens Committee

Planned and facilitated this committee that helped refine and support successful water supply plan to raise rates 200% over 4 years.

Goleta Water District, Citizens Committee

Facilitated citizens committee helped refine a successful rate increase.

San Antonio Water Company, Citizens Committee

Planned and facilitated a citizens committee that helped develop a new rate structure that was later adopted. Previously, the issue had been controversial and the agency had been stymied in its efforts.

Cambria Community Services District, Citizens Committee Following a failed election and firing of a general manager, a citizens Committee helped refine a plan leading to a successful majority election for a desalination project.

El Toro Water District, Citizens Committee

Citizens committee helped District succeed in consolidation issue.

Castaic Lake Water District, Citizens Committee

Citizens Committee worked with financial consultant to develop major water plan.

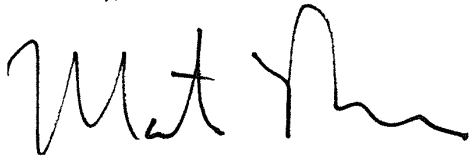
City Of Santa Barbara Water: Citizens Committee

Citizens Committee helped guide successful effort to design and approve major capital improvements on reservoir.

City of Santa Barbara Roads: Facilitated small and large group citizen engagement program,
Provided outreach and facilitation for traffic calming programs around Saint Francis hospital and another one for Cottage hospital

We appreciate the opportunity to propose on this important matter. Please let me know if we can provide additional information or if there is anything else we can do to help.

Sincerely,



Martin Rauch
Rauch Communication Consultants, Inc.

JOSHUA BASIN WATER DISTRICT
SUPPLEMENTAL DATA SHEET

Regular Meeting of the Board of Directors

December 7, 2011

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



TOPIC: SELECTION OF BOARD OFFICERS

RECOMMENDATION: That the Board select a President and a Vice President for the 2012 calendar year.

ANALYSIS: The District Administration Code states that a President and Vice President be selected at the last regular meeting of the calendar year. There are no rules or practices concerning rotation or selection, other than that the officers are selected by majority vote.

JOSHUA BASIN WATER DISTRICT
SUPPLEMENTAL DATA SHEET

Regular Meeting of the Board of Directors

December 7, 2011

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



TOPIC: APPOINTMENT OF BOARD REPRESENTATIVES TO MOJAVE WATER AGENCY TECHNICAL ADVISORY COMMITTEE, MORONGO BASIN PIPELINE COMMISSION, AND ASSOCIATION OF THE SAN BERNARDINO COUNTY SPECIAL DISTRICTS

RECOMMENDATION: That the Board receive the appointments to be made by the Board President for representatives to the above agencies.

ANALYSIS: The District participates in three organizations that require official appointment of representatives. They are:

- Morongo Basin Pipeline Commission
- Association of San Bernardino County Special Districts (ASBCSD)
- Mojave Water Agency Technical Advisory Committee (MWA TAC)

The purpose of the Morongo Basin Pipeline Commission is to make recommendations to MWA regarding rates, taxes, and other issues pertaining to the pipeline which brings state project water to the Morongo Basin. The meetings are held 3 or 4 times per year on a weekday at a water agency within the Morongo Basin, and are about one and one half hours long. JBWD has one voting seat on this commission.

Mojave Water Agency TAC meets about 4 to 6 times per year on a Wednesday from 9:00 am to noon in Apple Valley. This is an informal committee which is open to all "stakeholders" with an interest in MWA. The Joshua Basin Water District General Manager typically attends. Attendance by the JBWD board is not limited, so that all board members could attend if there were interest. The TAC provides recommendations to the MWA board on the Regional Water Management Plan, rates and fees, strategies for securing future water, etc.

The Association of San Bernardino County Special Districts meets monthly, at a dinner meeting usually in the west end of San Bernardino County. JBWD has one vote at meetings of this agency.

The meetings consist of a program and/or discussion of issues of interest to special districts in San Bernardino County. This association also has a formal role in making appointments to positions on the Local Agency Formation Commission.

The Board practice is for the president to make the appointments of representatives to these organizations.