

JOSHUA BASIN WATER DISTRICT
Minutes of the
REGULAR MEETING OF THE BOARD OF DIRECTORS
January 19, 2011

1. **CALL TO ORDER** 7:00 PM
2. **PLEDGE OF ALLEGIANCE** Led by: Andy Sells
3. **DETERMINATION OF QUORUM:**
- | | |
|----------------|---------|
| Bill Long | Present |
| Mickey Luckman | Present |
| Mike Luhrs | 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
Andy Sells, AWCA/JPIA

GUESTS 9

4. **APPROVAL OF AGENDA**
MSC Long/Reynolds 5/0 to approve the agenda for the January 19, 2011 Regular Meeting of the Board of Directors.
5. **PUBLIC COMMENT**
None.
6. **CONSENT CALENDAR**
MSC Long/Reynolds 5/0 to Approve the Minutes of the January 5, 2011 Regular Board Meeting and to Approve the December 2010 Financial Report.
7. **PRESENTATION BY ANDY SELLS: ACWA/JPIA UPDATE**
Andy Sells gave a presentation explaining the Joint Powers Insurance Authority programs for Liability, Property and Workers Compensation Insurance Programs, the organizational structure of the JPIA, and the many training programs available. He stressed JBWD's excellent record in risk management stating that JBWD has a surprisingly good "rate stabilization reserve" at the JPIA for being such a new member. Mr. Sells answered questions from Board Members and the public.

8. PIPE REPLACEMENT PROGRAM

The General Manager, Joe Guzzetta recommended to the Board to determine if funds to continue the pipeline replacement program were going to be borrowed from the USDA at a low interest rate or continue the District policy of "pay-as-you go." Discussion followed with public comment from Steve Whitman to not borrow the funds. Director Michael Luhrs commented that even small jobs will get a good price. It was discussed to have a map with high-leak areas and the 70,000 to 90,000 feet of pipe that is the next priority for replacement specifically including the San Angelo area. President Luckman appointed an Ad hoc sub-committee of Director Luhrs and Wilson, and the Citizens Advisory Committee to review.

9. TEMPORARY EMPLOYEE TO CONTINUE VALVE MAINTENANCE PROGRAM

MSC Long/Reynolds 3/2 to approve staff recommendation to authorize extension of a temporary contract employee for an additional six months, approximately, to complete the initial round of the new systematic valve maintenance program, with funds to come from salary savings (approximately \$15,000) and an additional appropriation of \$8,000. The Board will review status of the program after six months.

Long	Aye
Luckman	Aye
Luhrs	No
Reynolds	Aye
Wilson	No

10. CONSIDER RECLASSIFYING DIRECTORS AS "EMPLOYEES" FOR TAX PURPOSES ONLY

Assistant General Manager/Controller Susan Greer presented the report explaining that the District's Counsel has advised that Board Members must now be classified as "employees" rather than "contractors" in order to be consistent with IRS regulations. She explained how the change would affect Board Members and the District. Director Luhrs opposed the change with concern that future members may use this as an opportunity to justify District paid health insurance. It was clarified that "employee status" would not be necessary for the Board to receive health benefits.

Linda Camacho, Director, Morongo Basin Ambulance, addressed the Board noting that the directors of the ambulance association are changing their status to "employee" also on the basis that they are required to be at a specific location at a specific time for their meetings.

Steve Whitman, member of the public, noted that IRS regulations require that directors be classified as employees. He also commented on the importance of having the six-month financial report, which appears healthy, be on the discussion calendar.

MSC Long/Reynolds 3/2 to approve staff recommendation to reclassify Directors as "Employees" for tax purposes.

Long	Aye
Luckman	Aye
Luhrs	No
Reynolds	Aye
Wilson	No

11. PROJECT PRIORITY LIST

GM Guzzetta advised that work on the E-2 and D-1 booster project has been completed except for

connection by Edison Company, and that the boosters will be activated as soon as the connection is completed. He also noted in response to questions from the last meeting, that the Outpost mainline was abandoned when the new line was installed, and that parts of the pipe are removed as they become exposed. He noted further that the pipes next to the highway west of the nursery have been covered.

12. PUBLIC COMMENT

Al Marquez commented on the LAFCO hearing earlier in the day about the sphere of influence expansion.

13. GENERAL MANAGER REPORT

GM Guzzetta commented on the LAFCO hearing. He also noted that the Board can use the JPIA to receive mandated sexual harassment training. He reported on attendance at the steering committee of the Alliance for Water Awareness and Conservation, and attendance of himself and Assistant General Manager Greer at the Hi Desert Water District presentation of the waste water treatment assessment district. Director Wilson questioned whether the Canyon Auto contract is based on the original rate schedule or a new rate schedule.

14. DIRECTORS COMMENTS/REPORTS

Director Luhrs requested a copy of A T O M bid documents. He clarified his request for documents and lists made at a prior meeting and agreed to meet with staff to review the information.

Director Long reported attending the Mojave Water Agency meeting where a video was shown of the widening that occurred on the Mojave River due to recent rains, and vehicles that were stranded in the River trying to cross where they shouldn't have.

President Luckman attended the LAFCO hearing noting that the Sphere of Influence for CSA 20 was expanded to be contiguous with that of JBWD. The LAFCO report also recommended that at some time in the future it would be appropriate to consider consolidating CSA 20 and JBWD. She also reported attendance at a workshop on performance evaluation for general managers during the recent conference of the Association of California Water Agencies. She appointed an ad hoc committee of Vice President Reynolds and Director Long to consider the "facilitated review process" of evaluation discussed at the conference and to recommend a process for evaluating the General Manager during the next annual evaluation.

15. CLOSED SESSION

The Board recessed to Closed Session at 8:45 pm to consider the following:

1. Conference 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). Director Luhrs recused himself from this item (for personal, not financial reasons).

2. Conference with Legal Counsel on a matter of potential litigation pursuant to subdivision (c) of Government Code Section 54956.9. (One matter - unidentified). All directors participated in consideration of this item.

The Board reconvened in open session at 9:27 pm.

16. REPORT ON CLOSED SESSION ITEMS

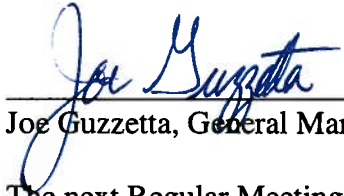
District Counsel Gil Granito reported that the Board has met in closed session. There was no reportable action.

17. ADJOURNMENT

9:29 PM

MC Long 5/0 to adjourn the January 19, 2011 Regular Meeting of the Board of Directors.

Respectfully submitted;

A handwritten signature in blue ink that reads "Joe Guzzetta". The signature is written in a cursive style and is positioned above a horizontal line.

Joe Guzzetta, General Manager

The next Regular Meeting of the Board of Directors is scheduled for Wednesday February 2nd 2011 at 7:00 pm.