



JOSHUA BASIN WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
 WEDNESDAY, MAY 16, 2018, at 6:30 PM
 61750 CHOLLITA ROAD, JOSHUA TREE, CA 92252

AGENDA

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **DETERMINATION OF A QUORUM**
4. **APPROVAL OF AGENDA**
5. **PUBLIC COMMENT**
 This is the time set aside for public comment on any District-related matter not appearing on the agenda. Government Code prohibits the Board from taking action on these items, but they may be referred for future consideration. Please state your name and limit your comments to 3 minutes.
6. **CONSENT CALENDAR**
 Matters on the Consent Calendar are considered routine in nature and will be enacted in a single motion without discussion. Any Board member or member of the public may request that an item be removed from the Consent Calendar and acted on separately.
 - A. Approve the Draft Minutes of April 18, 2018, Regular Meeting of the Board of Directors
 - B. Approve the Draft Minutes of April 25, 2018, Special Meeting of the Board of Directors
 - C. Approve the Draft Minutes of April 30, 2018, Special Workshop Meeting of the Board of Directors
 - D. Approve Resolution No. 18-985 (Adding Reserve Fund Policy to the Admin Code)
7. **UPDATE OF HAZARD MITIGATION PLAN BY GARY STURDIVAN-** Recommend that the Board receive for information only.
8. **RISK TRANSFER AND INSURANCE** – Recommend that the Board receive for information only.
9. **WARREN VALLEY BASIN BOUNDARY MODIFICATION REQUEST** – Recommend that the Board approve modification request.
10. **DISTRICT GENERAL COUNSEL REPORT** –
11. **GENERAL MANAGER REPORT** –

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12. **DIRECTOR REPORTS ON MEETINGS ATTENDED, COMMENTS AND FUTURE AGENDA ITEMS –**
 - Public Outreach Consultant – Kathleen Radnich
 - Mojave Water Agency Board of Directors – April 26, 2018 – Director Unger
 - ACWA Spring Conference – President Luckman

13. **FUTURE DIRECTOR MEETINGS AND TRAINING OPPORTUNITIES**
 - ASBCSD – Sponsored by Hi-Desert Water Agency – The Roost Sports Café & Bar, Hawks Landing Golf Club, 55100 Martinez Trail, Yucca Valley, CA 92284 – May 21, 2018, at 6:00 p.m.-GM Sauer and all Board members.
 - Finance Committee –May 23, 2018, 9:00 a.m.– Vice President Johnson and Director Floen
 - Mojave Water Agency Board of Directors – May 24, 2018, at 9:30 a.m. – President Luckman
 - Mojave Water Agency Technical Advisory Committee (TAC) – June 7, 2018, at 10:00 a.m. – President Luckman

14. **ADJOURNMENT**

INFORMATION

The public is invited to comment on any item on the agenda during a discussion of that item. Any person with a disability who requires accommodation to participate in this meeting should telephone Joshua Basin Water District at (760) 366-8438, at least 48 hours prior to the meeting to request 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
REGULAR MEETING MINUTES
WEDNESDAY, APRIL 18, 2018

CALL TO ORDER/PLEDGE OF ALLEGIANCE

President Luckman called the meeting to order at 6:30 p.m. Gary Sturdivan led the pledge.

ROLL CALL

Directors Present – President Luckman, Vice President Johnson, Director Floen, and Director Hund.
Director Unger is absent.

STAFF PRESENT

Curt Sauer, GM, Susan Greer, AGM, Keith Faul, GIS Coordinator, Beverly Waszak, Executive Assistant

CONSULTANTS PRESENT

Kathleen Radnich, Public Outreach Consultant, Gil Granito, District General Counsel, and Gary Sturdivan, Sturdivan Emergency Management Consulting, Inc.

APPROVAL OF AGENDA

Vice President Johnson made a motion to approve the Agenda. Director Hund seconded the motion.

MSC' (Johnson/Hund) motion carried by the following vote

Ayes: Floen, Hund, Johnson, and Luckman
Noes: None
Absent: Unger
Abstain: None

PUBLIC COMMENT – None

CONSENT CALENDAR

- Approve the Draft Minutes of March 21, 2018

Vice President Johnson made a motion to approve the Draft Minutes of March 21, 2018, and Director Hund seconded the motion.

MSC' (Johnson/Hund) motion carried by the following vote:

Ayes: Floen, Hund, Johnson, and Luckman
Noes: None
Absent: Unger
Abstain: None

UPDATE ON HAZARD MITIGATION PLAN – Gary Sturdivan, Sturdivan Emergency Management Consulting, Yucca Valley, CA, gave an update on the progress of the Hazard Mitigation Plan.

Public Comments – None

No motion was made; the update was for information only.

APPROVAL OF TWO RESOLUTIONS, REQUIRED BY BUREAU OF RECLAMATION, TO APPLY FOR WATER SMART GRANTS, FOR METER REPLACEMENT AND MAINLINE REPLACEMENT, TOTALING \$600,000- GM Sauer gave the staff report.

Public Comments – None

Director Hund made a motion to adopt Resolution No. 18-983 authorizing staff to apply for the Meter Replacement Grant. Director Floen seconded.

MSC' (Hund/Floen) motion carried by the following vote:

Ayes: Floen, Hund, Johnson, and Luckman
Noes: None
Absent: Unger
Abstain: None

Director Hund made a motion to adopt Resolution No. 18-984 authorizing staff to apply for the Mainline Replacement Grant. Director Floen seconded.

MSC' (Hund/Floen) motion carried by the following vote:

Ayes: Floen, Hund, Johnson, and Luckman
Noes: None
Absent: Unger
Abstain: None

CONSIDER REVISIONS TO OPERATING BUDGET CYCLE – AGM Greer gave the staff report.

Public Comments – None

Vice President Johnson made a motion to adopt Resolution No. 18-984 authorizing staff to apply for the Mainline Replacement Grant. Director Floen seconded.

MSC' (Johnson/Floen) motion carried by the following vote:

Ayes: Floen, Hund, Johnson, and Luckman
Noes: None
Absent: Unger
Abstain: None

RESERVE FUND POLICY – AGM Greer gave the staff report, followed by a brief Q&A period with the Board.

Public Comments – None

Vice President Johnson made a motion to adopt the Reserve Fund Policy. Director Floen seconded.

MSC' (Johnson/Floen) motion carried by the following vote:

Ayes: Floen, Hund, Johnson, and Luckman
Noes: None
Absent: Unger
Abstain: None

DISTRICT GENERAL COUNSEL REPORT – Mr. Granito reported that the California Legislature has and continues to look for solutions to help reduce California's severe housing shortage. One such bill, currently pending before the Legislature is Senate Bill 831. Senate Bill 831 focuses on facilitating the construction of "Accessory Dwelling Units". Mr. Granito indicated that Accessory Dwelling Units are known by many names such as granny flats; in-law flats; cottages; secondary units and more. It could be a garage apartment, a basement apartment, etc. In any event, Mr. Granito indicated that Senate Bill 831 could eliminate all or most development fees for Accessory Dwelling Units...This would include Capacity Charges that are imposed by Water and Sanitation Districts. As such, Senate Bill 831 is worth keeping an eye on.

GENERAL MANAGER REPORT – GM Sauer gave updates on the following:

- CEC Solar Grant
- Office Remodel
- Well 14
- Grants for meters and mainline replacement
- Auditor was here for a day
- Workshop week of April 30th on the Budget/CIP projects

DIRECTOR REPORTS ON MEETINGS ATTENDED, COMMENTS & FUTURE AGENDA ITEMS-

Karen Tracy, Chairperson Citizens Advisory Committee (CAC) informed the Board of the CAC spending time going over the new Legislative material on helping low-income families with their water bill. Three (3) members went to United Way to find out how this program works with water districts, in this case, Coachella Valley Water District. They fund this for people that are 200% below the Federal Poverty Level, and they still do not receive very many applications. Ms. Tracy continued to inform the Board of the Bills that are currently coming out of Sacramento.

Kathleen Radnich, Public Outreach Consultant, reviewed Water Education Day with the Board with a brief presentation.

Director Floen gave a brief report on the Mojave Water Agency Board of Directors meeting he attended on March 22, 2018. He also stated that Director Jim Ventura, MWA admired the way the Joshua Tree Community willingness to accept the reality that we needed a rate increase. Director Ventura, MWA contributed a lot of the success to our Public Outreach Program, which is managed by Kathleen Radnich.

President Luckman gave a brief report on the tour she went on at Victor Valley Waste Water Treatment Plant.

Director Hund gave a brief overview of the recent JBWD Water Resources & Operations Committee meeting.

President Luckman mentioned the Victor Valley College Symposium that she attended with GM Sauer, Director Unger, and Kathleen Radnich.

Vice President Johnson thanked the CAC for their assistance with the Low-Income Rate Assistance Program. He commented on the riveting two-hour Finance Committee meeting that took place on April 12, 2018, and invited everyone to attend the next one.

President Luckman informed every one of the upcoming Director Meetings and future training opportunities. She also stated that she had appointed a Committee to do the General Managers evaluations, which are the same individuals from last year, Vice President Johnson and Director Unger.

ADJOURNMENT

Vice President Johnson made a motion to adjourn the Board of Directors meeting at 8:04 p.m. Director Floen seconded.

MSC' (Johnson/Floen) motion carried by the following vote:

Ayes: Floen, Hund, Johnson, and Luckman

Noes: None

Absent: Unger

Abstain: None

Respectfully submitted:

Curt Sauer, GM and Board Secretary

JOSHUA BASIN WATER DISTRICT
SPECIAL MEETING MINUTES
WEDNESDAY, APRIL 25, 2018

CALL TO ORDER/PLEDGE OF ALLEGIANCE

President Luckman called the meeting to order at 11:00 a.m. Jim Ventura, MWA Board of Directors, led the pledge.

ROLL CALL

Directors Present – President Luckman, Vice President Johnson, Director Floen, and Director Hund. Director Unger is absent.

STAFF PRESENT

Curt Sauer, GM, Susan Greer, AGM/Controller, Mark Ban, AGM OPS. Sarah Johnson, HR Manager, Keith Faul, GIS Coordinator, Beverly Waszak, Executive Assistant

CONSULTANTS PRESENT

Kathleen Radnich, Public Outreach Consultant, Doug Spiers, Westin Technology Solutions Inc.

APPROVAL OF AGENDA

Vice President Johnson made a motion to approve the Agenda. Director Floen seconded the motion.

MSC¹ (Johnson/Floen) motion carried by the following vote

Ayes: Floen, Hund, Johnson, Luckman, and Unger

Noes: None

Absent: None

Abstain: None

PUBLIC COMMENT – Jim Ventura, MWA Board of Directors, commented that MWA has started tightening up their staff and have not filled several positions. He stated that they went to 9:30 a.m. meetings, which makes it easier for individuals that have travel to our Board meetings and it keeps our staff from working overtime. This is going to be an exciting future, yet challenging.

FINAL ORGANIZATION ASSESSMENT – Doug Spiers, Westin Technology Solutions Inc. presented an overview of the Final Organizational Assessment and Q&A period followed with the Board. The final Organization Assessment presentation is located on our website.

Vice President Johnson made a motion to direct the General Manager to develop an implementation plan. Director Floen seconded the motion.

MSC¹ (Johnson/Floen) motion carried by the following vote

Ayes: Floen, Hund, Johnson, Luckman, and Unger

Noes: None

Absent: None

Abstain: None

ADJOURNMENT - Vice President Johnson made a motion to adjourn the Special meeting of the Board of Directors at 12:52 p.m. President Luckman seconded the motion.

MSC' (Johnson/Luckman) motion carried by the following vote

Ayes: Floen, Hund, Johnson, Luckman, and Unger

Noes: None

Absent: None

Abstain: None

Respectfully submitted:

Curt Sauer, GM and Board Secretary

DRAFT

**JOSHUA BASIN WATER DISTRICT
SPECIAL WORKSHOP MEETING MINUTES
WEDNESDAY, APRIL 30, 2018**

CALL TO ORDER/PLEDGE OF ALLEGIANCE

President Luckman called the meeting to order at 3:00 p.m.

ROLL CALL

Directors Present – President Luckman, Vice President Johnson, Director Floen, Director Hund, and Director Unger.

CITIZENS ADVISORY COMMITTEE (CAC) PRESENT

Karen Tracy, Chair Person, Gayle Austin, Tom Kayne, Shari Long, Karen Morton, and Karyn Sernka

STAFF PRESENT

Curt Sauer, GM, Mark Ban, AGM OPS, Sarah Johnson, HR Manager, Anne Roman, Accountant, Keith Faul, GIS Coordinator, and Beverly Waszak, Executive Assistant

CONSULTANTS PRESENT

Kathleen Radnich, Public Outreach Consultant

APPROVAL OF AGENDA

Director Hund made a motion to approve the Agenda. Director Unger seconded the motion.

MSC¹ (Hund/Unger) motion carried by the following vote

Ayes: Floen, Hund, Johnson, Luckman, and Unger

Noes: None

Absent: None

Abstain: None

PUBLIC COMMENT – None

DISCUSSION OF 18/19 BUDGET AND IMPLEMENTATION OF CAPITAL IMPROVEMENT PLAN (CIP) – GM Sauer opened the workshop with a brief overview of the 18/19 Budget. A Q&A period followed. No action was taken.

ADJOURNMENT - Vice President Johnson made a motion to adjourn the Special Workshop meeting of the Board of Directors at 4:48 p.m. Director Unger seconded.

MSC¹ (Johnson/Unger) motion carried

Respectfully submitted:

Curt Sauer, GM and Board Secretary

RESOLUTION NO. 18-985

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE JOSHUA BASIN WATER DISTRICT
ESTABLISHING RULES AND REGULATIONS RELATING TO AGENCY RESERVES**

WHEREAS, fiscal strength and prudent and sound financial management are necessary to provide for the long-term success of Joshua Basin Water District (District); and

WHEREAS, fiscal strength includes maintenance of cash reserves that provide reliable service for our ratepayers, the ability to finance long-term capital projects and the ability to respond to emergencies; and.

WHEREAS, the Board of Directors of the Joshua Basin Water District to adopt a set of rules that establish a prudent Reserve Policy and

WHEREAS, authority for the District to establish reserves is provided by Article XIII B of the California Constitution; and

WHEREAS, the District wants to provide transparency to ratepayers and taxpayers by describing how and why specific reserves are established and maintained.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Joshua Basin Water District hereby adopts the following Reserve Fund Policy, added as Article 9 of the existing Administration Code.

ADOPTED, SIGNED AND APPROVED THIS 16th day of May, 2018.

Mickey Luckman _____
Tom Floen _____
Geary Hund _____
Bob Johnson _____
Rebecca Unger _____

Mickey Luckman, President, Board of Directors

Curt Sauer, General Manager/Board Secretary

ARTICLE 9

RESERVE FUND POLICY

9.01 PURPOSE. It is the Joshua Basin Water District Board of Director's intent through this Policy to describe how and why specific reserves are established and maintained and to provide District ratepayers and taxpayers with assurance that reserve balances will be maintained at prudent and fiscally responsible levels.

Maintaining adequate cash reserves is an essential part of sound financial management, to meet both short-and long-term financial obligations. Reserves play a critical role in providing reliable service for our ratepayers, financing of long-term capital projects and responding to emergencies. Reserves can provide the savings necessary to balance budgets during periods of diminished revenues, allow for emergency preparedness, assist in maintaining stable water service rates, and preserve the financial stability of the District against present and future uncertainties in an ever-changing environment.

Suggested reserve funding balances are necessary to maintain Joshua Basin Water District's fiscal strength and flexibility and to adequately provide for:

- Compliance with applicable statutory requirements.
- Financing of future capital projects, and repair and replacement of existing assets.
- Cash flow requirements.
- Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy.
- Contingencies or unforeseen operating or capital needs.

9.01.01 GUIDING PRINCIPLES

1. The District will prudently manage the resources entrusted to it by our ratepayers.
2. The District will maintain reserve funds in designated accounts in a manner that ensures its financial soundness and provides transparency to its ratepayers.
3. The District will maintain reserve funds that :
 - Are designated for specific purposes;
 - Are consistent with other financial policies, budgetary practices, District programs and legal requirements;
 - Allow the District to provide a high level of emergency preparedness for our ratepayers;
 - Provide funding for well-maintained infrastructure for current and future ratepayers; and
 - Allow the District to respond to an ever-changing environment, such as drought or new water quality mandates.

9.01.01 AUTHORITY. Joshua Basin Water District has authority under Article XIII B of the California Constitution to establish such reserves as are deemed reasonable and proper.

9.01.02 DEFINITIONS

Restricted Reserves - Limitations on the use of restricted reserves are imposed by an outside source such as creditors, grantors, contributors, or laws or regulations of other Governmental entities.

Unrestricted Reserves - Have no externally imposed use restrictions. The use of unrestricted reserves is at the discretion of the Joshua Basin Water District Board of Directors. There are two categories of unrestricted reserves, Designated and Undesignated. Currently, all Unrestricted Reserves at Joshua Basin Water District are Designated Reserves.

Designated Reserves - Set aside for a specific purpose, which is determined at the sole discretion of the Board of Directors. The Board of Directors also has the authority to redirect the use of these reserve funds as the needs of the Joshua Basin Water District change.

9.01.03 RESTRICTED RESERVE FUNDS. Joshua Basin Water District has the following types of restricted reserve funds:

Water Capacity Account – Regulated per Government Code 66013(b)(3). Water capacity charges are used to provide funding for water system infrastructure that will be required in the future or to pay back the District for pre-built water system infrastructure already in existence at the time new water service connection is requested, as a pro-rata share of the costs to construct such facilities. Water capacity charges can fund either future system expansion required because of growth or may be used to reimburse the District for previously funded capital facilities that provide benefit to future users. Investment earnings shall be credited to the water capacity charge reserve fund.

Wastewater/Sewer Capacity Charge Account – Regulated per Government Code 66013(b)(3). Wastewater/sewer capacity charges are used to provide funding for wastewater/sewer system infrastructure that will be required to be constructed in the future, or to payback the District for pre-built water system infrastructure already in existence at the time new wastewater/sewer connection is requested, as a pro-rata share of the costs to construct such facilities. Wastewater/sewer capacity charges can fund either future system expansion required because of growth or may be used to reimburse the District or previously funded capital facilities that provide benefit to future users. Investment earnings shall be credited to the wastewater/sewer capacity charge fund.

Consumer and Project Deposits Account – Good faith guarantee deposits provided by ratepayers for water service accounts or construction projects. Investment earnings shall be credited to the General Fund.

Copper Mountain Mesa Assessment District (CMMAD) Account – The District collects debt service and lien payoffs for the CMMAD, which funds are due to the bondholders. In addition, a reserve fund is established for CMMAD as required by the bonds and those reserve funds will be applied towards the final debt service payment on the bonds. Investment earnings shall be credited to the various CMMAD reserve funds.

9.01.04 UNRESTRICTED RESERVE FUNDS. Joshua Basin Water District has the following types of unrestricted reserve funds:

Operating Reserve Account – The primary purpose of the Operating Reserve is to ensure that the District will, at all times, have sufficient funding available to meet operating and debt service costs. These funds are also available to support operating costs to minimize drastic fluctuations in rates, such as in the event of a drought when water use decreases, thus impacting operating revenues.

The target of the Operating Reserve fund is to maintain a balance equal to three (3) months average operating and debt service expenses excluding depreciation.

Cash Flow Reserve Account – This reserve is considered a cash flow requirement. It bridges the gap between the time expenses are paid, and revenues are collected from ratepayers, ensuring that the District preserves creditworthiness and provides for liquidity throughout the fiscal year.

The target of the Cash Flow Reserve fund is to maintain a balance equal to three (3) months average operating and debt service expenses excluding depreciation.

The combined target balance for both the Cash Flow Reserve and the Operating Reserve is equal to six (6) months average operating and debt service expenses excluding depreciation. As monies are neither received nor spent in twelve even monthly increments, the Cash Flow Reserve balance may exceed this combined balance as monies are received and held temporarily for disbursement at a later date.

Emergency Capital Replacement Reserve Account - This reserve is provided for emergencies or unplanned infrastructure failures.

The target of the Emergency Reserve fund is to maintain a \$2 million balance.

Capital Improvement Plan Reserve (CIP) Account - This reserve provides funding for infrastructure projects in the approved Capital Improvement Plan (CIP.) The CIP identifies annual infrastructure projects for pipelines, wells, boosters, and reservoirs.

Funding for CIP projects is outlined in the Capital Budget. In addition, 50% of annual operating net revenue, as determined by the annual audit, will be deposited into the CIP Reserve fund after audit acceptance by the Board of Directors. Depending on the District's cash flow requirements, CIP Reserves funded during any fiscal year may or may not be available for use at the start of the fiscal/budget year.

This reserve is to be used for priority capital projects that will be reviewed and approved by the Board of Directors, so *no maximum reserve level is recommended*. Because of the discretionary nature of this reserve, the ability to decide which projects will be funded and when *no minimum balance is required*.

Note that CIP projects may be concurrently funded and constructed within the same fiscal year, or, because infrastructure project costs are significant, projects may take more than one fiscal year to either plan/construct or be fully funded.

Individual Replacement Reserves Account - In addition to the water infrastructure projects funded via the CIP Reserve (above,) the District has other capital replacement requirements. Individual replacement reserves are established for the following purposes, which are not otherwise funded via the Capital Improvement Plan.

Building Replacement Reserve Account – Is designated for future office/shop building expansion or replacement. Target funding level of \$315,000 is based on 1,000 square foot expansion of both shop and office buildings within the next ten years. Replacement cost is based on ACWA/JPIA annually escalated insurance replacement cost.

Equipment & Technology Replacement Account – Provides for regular replacement of vehicles, heavy equipment and computers, software and peripherals, office equipment and SCADA (Supervisory Control and Data Acquisition computerized monitoring system) with a cost of at least \$1,000. Target funding level is \$500,000.

Meter Replacement Account - Targets replacement of water meters approximately every 20 years. Meter replacement is overdue at the time this policy was written, and the District intends to replace meters over the next five fiscal years (2018/19 – 2022/23) at an estimated cost of \$1,500,000, requiring annual funding of \$250,000 through 2022/23. In 2023/24, or after meter replacement is complete, the annual funding will decrease so that the meter replacement fund achieves the appropriate balance after 20 years, (based on an updated estimated future replacement cost apportioned over 20 years), to provide funding for the subsequent meter replacement cycle.

Studies & Reports Replacement Account – Funding for periodic updates to studies and reports such as the Urban Water Management Plan, Rate Studies, Compensation Studies, Water Master Plan. JBWD spends approximately \$50,000 per year on average for such studies and reports, although individual studies and reports can exceed that cost. Target funding level is \$50,000.

In addition, a Wells, Boosters, Reservoir replacement reserve was previously established and currently has a balance of \$382,788 available for funding of appropriate projects. This Reserve will no longer be funded beginning in fiscal 18/19, and the current balance will be transferred to the CIP Reserve account.

Investment earnings from all Unrestricted Reserves - Will be credited to the General Fund.

9.01.05 PROCEDURES

Policy Review - The Reserve Policy and its funding levels shall be reviewed every year, prior to the adoption of the budget.

Utilization of Reserves for Cash Flow Purposes - The Operating Reserves may be used at any time to meet cash flow requirements of District operations, as authorized by the Assistant General Manager/Controller. Authority to use the funds will be consistent with all of the District's financial policies.

Use of the Emergency Reserves can be authorized by the General Manager per Article 4.04.07 of the Administrative Code.

Use of Capital Replacement Reserves must be authorized by the JBWD Board of Directors.

Reallocation of Funds - The Board shall approve any reallocation of funds, transfers among reserve funds, or action that is inconsistent with this policy.

9.01.06 SUMMARY - The Reserve Fund Policy states that designated reserves will be maintained to allow for funding of the District's operating, capital and debt service obligations, as well as funding for unforeseen events. Reserves will be established, replenished, and used only in a manner, which allows the District to fund costs consistent with the Capital Improvement Plan, Financial Plan, and Rate Study, and other Board adopted actions. The District's Reserve Fund Policy shall be periodically reviewed and adjusted to meet the needs of the District.

JOSHUA BASIN WATER DISTRICT
MEETING AGENDA REPORT

Meeting of the Board of Directors

May 16, 2018

Report to: President and Board of Directors

Prepared by: Sarah Johnson, Human Resources Manager/Contract Administrator

TOPIC: RISK TRANSFER AND INSURANCE

RECOMMENDATION: Recommend that the Board receive for information only

ANALYSIS:

The purpose of Risk Transfer is to minimize potential liability exposures of the District by transferring the legal and financial responsibility for losses to the party best able to control them, to transfer exposures to the most responsible party, and to avoid costly claims. Risk transfer should be utilized anytime our District uses the services of a vendor (e.g., contractor, consultant, concessionaire, supplier, lessee, etc.). Risk Transfer is accomplished utilizing contracts and insurance.

The District's minimum insurance requirements are based on ACWA/JPIA recommendations and industry best practices. Currently, staff utilizes a manual and inefficient Certificate of Insurance (COI) tracking process to ensure vendor compliance. Approximately 70% of COI's are submitted to the District with mistakes or are not compliant. Often, it can take as long as six weeks to for a vendor to become compliant.

After a vendor becomes compliant, staff manually tracks expiration dates for policy renewals. Staff reaches out to vendors to request renewal COI's which starts the process all over again. Approximately ten staff hours a week are spent on insurance tracking. While progress has been made with our manual tracking program, it is still not close to being fully compliant. This has led staff to look for better methods to handle this process.

Staff has sought out proposals from several companies that specialize in COI compliance. Utilizing a COI management services will dramatically increase insurance compliance which will reduce potential liability.

Staff has conducted a thorough analysis of each proposal and demo submitted. Staff has selected EBIX as the company that will best meet the needs of the District. EBIX has considerable experience monitoring insurance for water districts, has the longest history in the COI management process, and provides the best rate structure.



P.O. Box 675 * 61750 Chollita Road * Joshua Tree * California 92252
Phone (760) 366-8438 * Fax (760) 366-9528
Website: www.jbwd.com * Customer Service: customerservice@jbwd.com

May 10, 2018

Jack Tung
Engineering Geologist
Department of Water Resources
Southern Region
770 Fairmont Ave., Suite 102
Glendale, CA 91203-1035

Reference: Warren Valley Basin Boundary Modification Request

Dear Mr. Tung,

The purpose of this proposed Basin Boundary Modification Request for the Warren Valley Groundwater Basin 7-12 (Warren Valley Basin) is to bring the eastern basin boundary into alignment with the written description of the Warren Valley Basin provided in Bulletin 118 (Update 2003).

Joshua Basin Water District's Board of Directors supports the boundary adjustment.

After several discussions with all affected parties, the Board believes such an adjustment will clarify the location of the interface between Warren Valley Basin and the Joshua Tree Basin, ultimately leading to improved water supply planning.

Sincerely,

Mickey Luckman
President of the Board of Directors
Joshua Basin Water District

PRINT VIEW OF INITIAL NOTIFICATION

1. LOCAL AGENCY INFORMATION

Name: Mojave Water Agency
Address: 13846 Conference Center Drive
City: Apple Valley Zip: 92307
Phone(Work): (760) 946-7063 Phone(Cell):
Email: agarcia@mojavewater.org Fax:

2. LOCAL AGENCY POINT OF CONTACT INFORMATION

Name: Anna Garcia
Address: 13846 Conference Center Drive
City: Apple Valley Zip: 92307
Phone(Work): 760-946-7063 Phone(Cell):
Email: agarcia@mojavewater.org

3. LINKS TO LOCAL AGENCY'S INTERNET WEBSITE

General information regarding potential basin boundary modification process is posted or will be posted.
<http://www.mojavewater.org/basinmodification.html>

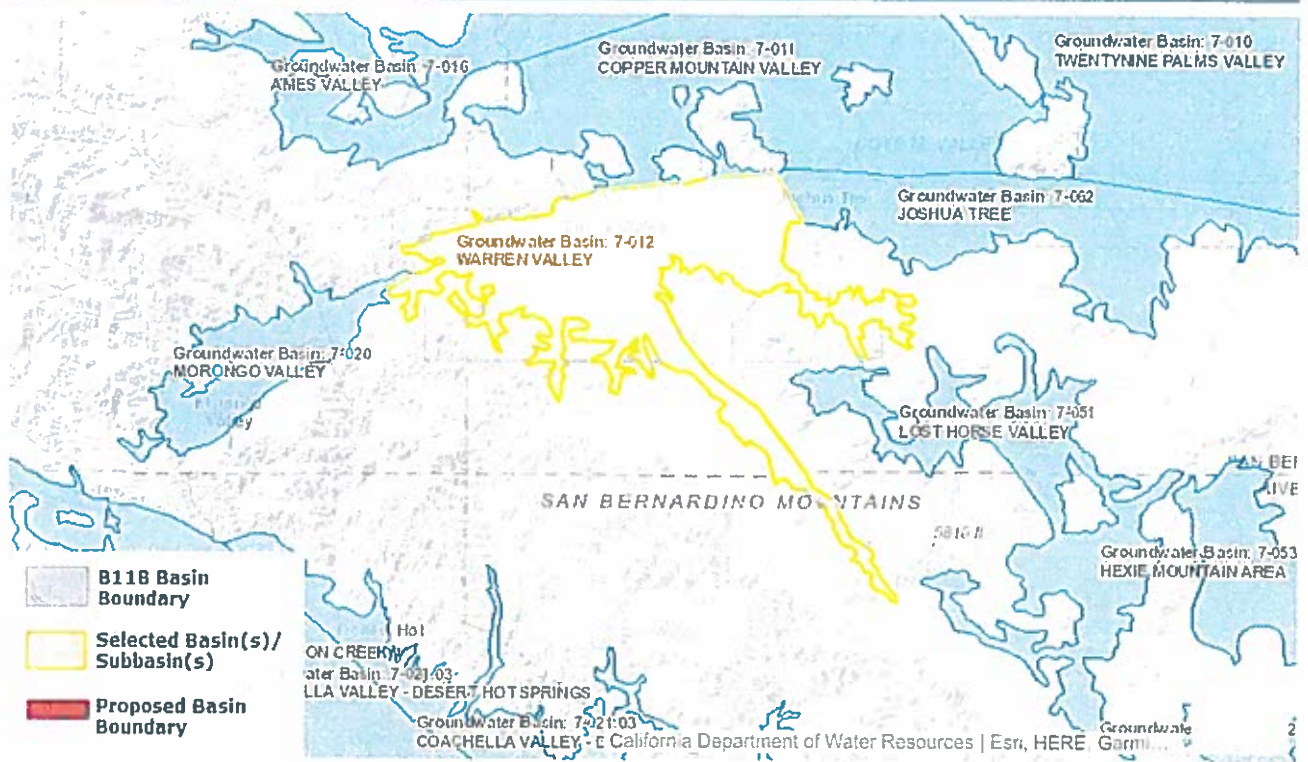
4. BRIEF DESCRIPTION OF POTENTIAL BASIN BOUNDARY MODIFICATION REQUEST

23 CCR §340.4 States that a "clear and unambiguous written description of a basin or subbasin boundary in Bulletin 118 shall prevail over any inconsistent basin or subbasin boundary as depicted on a map, in an electronic data file, or otherwise, except when modified pursuant to these regulations." The purpose of this proposed Basin Boundary Modification Request for the Warren Valley Groundwater Basin 7-12 (Warren Valley Basin) is to bring the eastern basin boundary into alignment with the written description of the Warren Valley Basin provided in Bulletin 118 (Update 2003). An apparent discrepancy exists between the area of the Warren Valley Basin listed in Bulletin 118 (Update 2003) as 17,200 acres or 26.9 square miles and the area of the Warren Valley Basin listed as 23,952 acres or 37.4 square miles in datasets available on DWR's CASGEM website (http://www.water.ca.gov/groundwater/casgem/basin_prioritization.cfm). Bulletin 118 (Update 2003) identifies the "Yucca barrier" of Lewis (1972) as the eastern boundary of the Warren Valley Basin. Subsequent studies by the USGS (Nishikawa et al., 2003 and 2004) document hydrogeologic and water level data that support the presence of the Yucca barrier. Mojave Water Agency staff obtained a copy of Lewis (1972), USGS Open-File Report 72-234 (<https://pubs.er.usgs.gov/publication/ofr72234>), then georeferenced and digitized the "Yucca barrier" into a shapefile, which was overlain onto the Final 2016 Bulletin 118 Groundwater Basin Boundaries available on DWR's Basin Boundary Modifications webpage (http://www.water.ca.gov/groundwater/sgm/basin_boundaries.cfm). The location of the eastern boundary of Warren Valley Basin in the Final 2016 Bulletin 118 Groundwater Basin Boundaries shapefile is inconsistent with the "Yucca barrier" of Lewis (1972) as shown on the attached figure. This proposed Internal Scientific Basin Boundary Modification is an administrative adjustment to bring the graphically drawn basin boundary into alignment with the written description of Warren Valley Basin provided in Bulletin 118 (Update 2003) as required by 23 CCR §340.4. This correction would also resolve an apparent discrepancy between the area of the Joshua Tree Groundwater Basin 7-62 (Joshua Tree Basin) listed in Bulletin 118 (Update 2003) as 33,800 acres or 53.8 square miles and in datasets available on DWR's CASGEM website (http://www.water.ca.gov/groundwater/casgem/basin_prioritization.cfm) as 27,422 acres or 42.8 square miles. Which would indicate that the area beyond the properly described and delineated Warren Valley Basin (7-12) is part of the Joshua Tree Basin (7-62) and should have been designated very low priority.

5. POTENTIAL BASIN(S)/SUBBASIN(S)

7-012 WARREN VALLEY

6. MAP OR DOCUMENT OF POTENTIAL BASIN BOUNDARY MODIFICATION



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