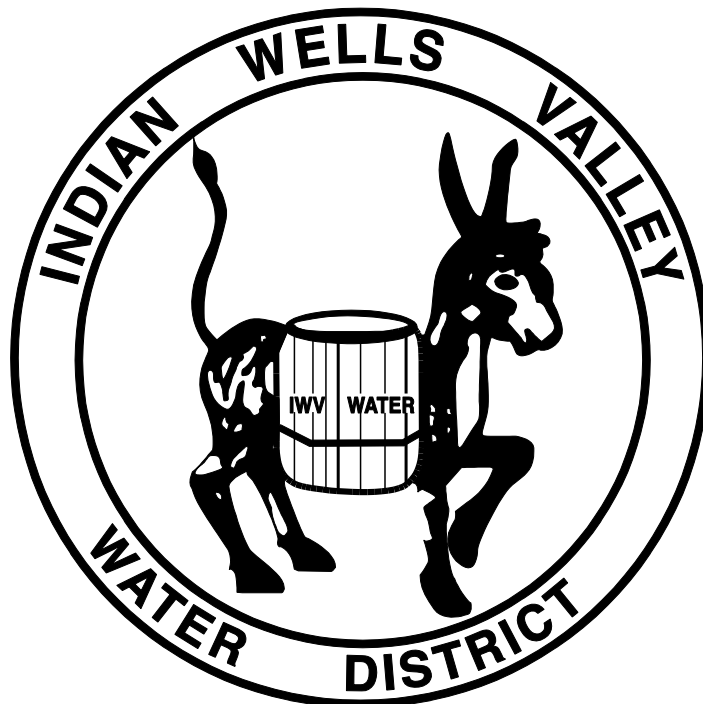


Indian Wells Valley Water District

Board of Directors Meeting



April 11, 2011

INDIAN WELLS VALLEY WATER DISTRICT

BOARD OF DIRECTORS

Harold W. Manning, President
Peggy Breeden, Vice President
Peter Brown
Leroy Corlett
Donald J. Cortichiato

Thomas F. Mulvihill
General Manager
Krieger & Stewart, Incorporated
Engineers
McMurtrey, Hartsock & Worth
Attorneys-at-Law

2011 COMMITTEE ASSIGNMENTS

ADMINISTRATION/EXECUTIVE COMMITTEE (BREEDEN/MANNING)

Personnel, Legal Matters, General Plan, Community Relations, Board Meeting Agendas, Ordinances, Rules, Regulations, Policies, Procedures, Customer Service, Variances, Director's Manual, etc.

FINANCE COMMITTEE (BREEDEN/CORTICHIATO)

Rates, Cost-of-Service, Budget, Audits, Cost Allocation, Investments, Financial Services, Insurance, Loans/Grants, Water Sales & Service Policy Manual, Accounting, Assessment Districts, Billing, etc.

WATER MANAGEMENT (CORLETT/CORTICHIATO)

Water Management, Water Policy, Water Quality, Conservation, Urban Water Management Plan, California Urban Water Conservation Council, Title 22 Compliance, etc.

PLANT & EQUIPMENT COMMITTEE (BROWN/CORLETT)

Transmission/Distribution System, Vehicles & Equipment, Wells, Reservoirs, Real Property Management, Telemetry, etc.

ALTERNATE WATER SUPPLY COMMITTEE (BROWN/MANNING)

Alternative sources for water supply including Blending, Importation, Reuse, etc.

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

REGULAR BOARD MEETING

AGENDA

MONDAY, APRIL 11, 2011 - 7:00 P.M.

BOARD OF DIRECTORS' HEARING ROOM
500 W. RIDGECREST BLVD., RIDGECREST

(Pursuant to Government Code section 54957.5, any materials relating to an open session item on this agenda, distributed to the Board of Directors after the distribution of the agenda packet, will be made available for public inspection at the time of distribution at the following location: Indian Wells Valley Water District, 500 W. Ridgecrest Blvd., Ridgecrest, CA).

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
4. POSTING OF AGENDA DECLARATION
5. CONFLICT OF INTEREST DECLARATION
6. PUBLIC QUESTIONS AND COMMENTS

(THIS PORTION OF THE MEETING IS RESERVED FOR PERSONS DESIRING TO ADDRESS THE BOARD ON ANY MATTER NOT ON THE AGENDA AND OVER WHICH THE BOARD HAS JURISDICTION. HOWEVER, NO ACTION MAY BE TAKEN BY THE BOARD OF DIRECTORS ON ANY ITEM NOT APPEARING ON THE AGENDA. NON-AGENDA SPEAKERS ARE ASKED TO LIMIT THEIR PRESENTATION TO FIVE MINUTES. PUBLIC QUESTIONS AND COMMENTS ON ITEMS LISTED ON THE AGENDA WILL BE ACCEPTED AT ANY TIME THE ITEM IS BROUGHT FORTH FOR CONSIDERATION BY THE BOARD. WHEN YOU ARE RECOGNIZED BY THE CHAIRPERSON, PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD).

7. CURRENT BUSINESS/COMMITTEE REPORTS
 - A. Consent Calendar
 1. Approval of Minutes:
 - a. March 14, 2011 Regular Board Meeting
 2. Approval of Accounts Payable

- B. Water Management Committee
 - 1. Regional Water Management Plan Status

- C. Plant and Equipment Committee
 - 1. Surplus Equipment
Committee recommends the following Motion: Board approve surplus equipment list as presented.
 - 2. Acceptance of Contract Work: Construction of 0.40 MG D-Zone Reservoir
Committee recommends the following Motion: Board accept contract work for construction of 0.40 MG D-Zone Reservoir by CB&I, Inc. in the amount of \$772,814.71.

- D. Finance Committee
 - 1. 2010 Sales and Use Tax
Committee recommends the following Motion: Board approve payment of 2007 through 2010 sales and use tax plus interest, but request a penalty waiver.

- E. General Manager and Staff Update
 - 1. Water Production and New Services
 - 2. Mainline Replacement Projects
 - 3. Capital Improvement Projects
 - 4. Report: Well No. 18
 - 5. Grant Applications Update
 - 6. XERIC® Hands-On, How-To Seminar Report
 - 7. Spring Home & Leisure Show Report

- 8. BOARD COMMENTS/FUTURE AGENDA ITEMS

- 9. CLOSED SESSION
 - A. Real Property Negotiations
Inyo County
APN: 033-490-02
District Negotiator: Tom Mulvihill
Negotiating With: Foresight Solar, LLC
(Pursuant to Government Code Section 54956.8)

- 10. ADJOURNMENT

Requests for disability related modifications or accommodations, including auxiliary aids or services may be made by telephoning or contacting Rose Koch at the District offices. Please attempt to make such requests known at least 24 hours before the scheduled meeting.



Approval of Minutes

MINUTES OF THE REGULAR BOARD MEETING

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

March 14, 2011

The Regular Meeting of the Board of Directors of the Indian Wells Valley Water District was called to order by Vice-President Breeden at 7:00 p.m. in the Board of Directors Hearing Room, 500 West Ridgecrest Boulevard, Ridgecrest, California.

CALL TO ORDER

The Pledge of Allegiance was led by Director Brown.

PLEDGE

DIRECTORS PRESENT: President Harold W. Manning (arrived at 7:25 p.m.)
Vice-President Margaret "Peggy" L. Breeden
Director Peter E. Brown
Director Leroy H. Corlett
Director Donald J. Cortichiato

ROLL CALL

DIRECTORS ABSENT: None.

ALSO PRESENT: Jim Worth, Attorney;
Chuck Krieger, Consulting Engineer;
Tom Mulvihill, General Manager;
Larry DeGano, Operations Superintendent;
Jennifer Keep, Chief Financial Officer;
Lucinda Crosby, Public Education and Conservation Coordinator;
Rose Koch, Recording Secretary

AGENDA DECLARATION

**AGENDA
DECLARATION**

Recording Secretary, Rose Koch, reported that the agenda for tonight's Regular Board Meeting was posted on Friday, March 11, 2011.

CONFLICT OF INTEREST DECLARATION

**CONFLICT OF
INTEREST**

None.

PUBLIC QUESTIONS AND COMMENTS

**PUBLIC
COMMENTS**

None.

WATER WISE PARTNER AWARD: XERIC® AMBASSADOR TARYN TREE

**WATER WISE
PARTNER AWARD**

Lucinda Crosby presented the Water Wise Partner Award to XERIC® Ambassador Taryn Tree. Ms. Tree is a local resident and landscaper and has been instrumental in a number of water conservation projects over and above regular volunteer duties. She has a unique set of skills - very creative as well as knowledgeable about plants that do well in the Indian Wells Valley climate.

CONSENT CALENDAR

CONSENT CALENDAR

MOTION: was made by Director Brown and seconded by Director Corlett, to approve the Minutes of the January 13, 2011 Special Board Meeting Workshop and February 14, 2011 Regular Board Meeting and to approve payment of Accounts Payable totaling \$336,453.25. The Motion was carried. (Vote 4-0)

WATER MANAGEMENT COMMITTEE

WATER MANAGEMENT

Director Corlett reported that there has been an agreement reached between Inyo County and the Indians. There has been a request to revisit the priorities of the approved first round grants. Director Corlett volunteered to work with a six-person committee to review the grant applications. A question had been asked that if the Inyo-Mono Regional Water Management Plan does not receive the full \$5,000,000 grant fund, how will the lesser amount received be distributed. Director Corlett is asking the Board and staff what would be the minimum amount accepted by the District for the Brackish Water Study grant to move forward. This minimum amount should be determined before the next Regular Board Meeting. Tom Mulvihill recommended presenting this item to the Alternate Water Supply Committee. Mr. Mulvihill informed the Board that staff will be meeting with perspective partners (Navy, Searles Valley Minerals) along with Consulting Hydrologist Tim Parker, to come up with a work plan, grant request, and to review the scope-of-work to determine a minimum amount.

RWMP

ADMINISTRATION/EXECUTIVE COMMITTEE

ADMIN/EXEC

Vice-President Breeden presented Resolution 11-01, authorizing the District to enter into an agreement to receive a grant for WaterSMART: Water and Energy Efficiency Grants for FY 2011 for the Indian Wells Valley, California.

RESOLUTION 11-01

MOTION: was made by Vice-President Breeden and seconded by Director Corlett, adopting Resolution 11-01 as presented, authorizing the District to enter into an agreement to receive a grant for WaterSMART: Water and Energy Efficiency Grants for FY 2011 for the Indian Wells Valley, California.

Staff is prepared to address the requirements of the grant.

The Motion was carried, by the following roll call vote:

- Director Brown: Yes
- Director Corlett: Yes
- Director Cortichiato: Yes
- Vice President Breeden: Yes
- President Manning: Absent

FINANCE COMMITTEE

FINANCE

Director Cortichiato informed the Board that the Finance Committee reviewed and recommended staff's proposal to retain the Conservation Specialist I position on a seasonal basis (May through October); reclassify it as full-time (40 hours per week); and place it under the direct supervision of the Field Service Supervisor.

CONSERVATION
SPECIALIST I

MOTION: was made by Director Cortichiato and seconded by Director Corlett, to approve the Conservation Specialist I position on a seasonal basis (May through October); reclassify the position as a full-time (40 hours per week); and placed under the direct supervision of the Field Service Supervisor.

Labor costs have been addressed for this seasonal full-time position in the Fiscal Year 2010-2011 Budget and will be reviewed again for the 2011-2012 Budget. Position will be advertised in-house. If there is no interest, the position will be publicly advertised.

Motion was carried. (Vote 4-0)

Director Cortichiato informed the Board that the committee reviewed the 2010-2011 Capital Improvement Budget for Butterworth Wells 1 and 2. The Finance Committee recommended increasing the budget to \$561,000 from \$300,000 to accommodate equipping the completed wells and the remaining tasks associated with this project. The committee also recommended authorizing the General Manager to award the work to the lowest responsible bidder provided the revised budget is not exceeded.

CIP BUDGET
INCREASE

Tom Mulvihill added that this revised amount does include the 20% construction contingency. Time is of the essence because the tenant farmer needs irrigation water by the end of this month.

MOTION: was made by Director Cortichiato and seconded by Director Corlett, to increase the Capital Improvement Budget to \$561,000 from \$300,000 to accommodate equipping the completed wells and the remaining tasks associated with this project and authorize the General Manager to award the work to the lowest responsible bidder provided the revised budget is not exceeded.

President Manning arrived at 7:25 p.m.

Director Brown expressed concern of the cost difference and the overall effect of the District. Director Brown suggests reviewing all new projects with regards to the effect on the budget due to conservation and the new conservation rates.

Motion was carried, unanimously. (Vote 5-0)

GENERAL MANAGER AND STAFF UPDATE

**GENERAL
MANAGER &
STAFF UPDATE**

Tom Mulvihill reported that there were two new residential services for the month of February. Water production for February was 339.2 acre-feet (110,528,659 gallons) compared to 338.0 acre-feet in February 2010.

PRODUCTION/
NEW SERVICES

Larry DeGano reported on the Mainline Replacement Project: The Construction Crew has completed replacing the 6-inch AC pipe with 8-inch PVC pipe on California Avenue between Sunland Street and Gateway Boulevard. Pressure testing and sampling have passed. All of the tie-ins have been made. As of today, the crew has completed 12 of the 29 service changeovers.

MAINLINE
REPLACEMENT
PROJECTS

Tom Mulvihill reported on the following Capital Improvement Projects:

CAPITAL
IMPROVEMENT
PROJECTS

D-Zone Reservoir. All construction activities are complete at the D-zone reservoir site. The bacteriological and volatile Organic Chemicals (VOCs) testing have passed. As of today, the new reservoir is in service. Request for Board acceptance will be made at the next Regular Board Meeting.

Arsenic Treatment Facilities/Well 34. Startup activities and troubleshooting have begun at the Well 11/13 facility. The facility was run for a few hours last week and water was put into the distribution system. The facility is not fully operational at this time. The contract will not be complete until the facility is on line and all the pertinent District personnel have been trained.

The Well 9A/10 facility should begin the same troubleshooting and startup procedures before the end of the month.

Quarterly Arsenic notification letters will continue every quarter until the running annual average arsenic detection is below the maximum State requirement.

Tom Mulvihill informed the Board that a Change Order was executed in the amount of \$23,080.00 for the rehabilitation of Well 18, including the new vertical turbine pump which will be delivered this week. The contractor will be bailing the bottom, wire brush scrubbing, and filling in the well at a depth of 900±ft and installation of a 5±ft concrete plug. The well should be back in service by the end of the month.

WELL NO. 18
REPORT

Jennifer Keep informed the Board on the following grants:

GRANT UPDATE

Staff received notification from the Bureau of Reclamation that the Application Review Committee reviewed District's statement of interest in the Rural Water Supply Program grant for the Brackish Water Resource Study and invited the District to submit a full grant application. The District intends to submit a full grant application for \$200,000 by the April 5, 2011 due date. This year, the Bureau has assigned a Reclamation representative located in the Southern California Area Office to oversee the full application process.

In January, 2011, the District submitted a grant application through the Inyo-Mono Integrated Regional Water Management Plan for \$200,485 for the Brackish Water Resource Study. The application was reviewed for AB 1420 compliance by the California Department of Water Resources (DWR). AB 1420 amended the Urban Water Management Planning Act requiring that the terms of, and eligibility for, any water management grant awarded by DWR be conditioned on the implementation of Demand Management Measures (DMM's) or Best Management Practices (BMP's). DWR notified District staff and the Inyo-Mono Integrated Regional Water Management Plan that the District is in compliance with AB 1420.

Staff submitted a WaterSMART grant application to the Bureau of Reclamation on February 17, 2011. The District requested \$73,500 in 50/50 matching money to help fund a Living Turf Replacement Pilot program (aka Cash for Grass). After the grant was submitted on February 17th, the District received a letter of support from U.S. Senator Barbara Boxer, which was forwarded to and accepted by the Bureau of Reclamation. This grant is expected to be awarded this summer.

Lucinda Crosby announced that there will be a XERIC[®] Hands-On, How-To Seminar on Saturday, March 26th at the Fall Home & Leisure Show beginning at 2:00 p.m. Fritzie von Jessen, Certified Master Desert Gardner and Naturalist, will be giving a presentation on "Gorgeous and Water Efficient: the California Friendly Garden". Admission is free and seating is limited. Fritzie von Jessen will also have a book signing immediately following the presentation.

XERIC[®]
SEMINAR

Lucinda Crosby also announced that the 2011 Spring Home & Leisure Show will be held at the Fairgrounds on March 26th and 27th. Conservation items such as low-flow showerheads, faucet aerators, and hose nozzles will be distributed. Conservation education material will be available to the public. Drought-tolerant plants will be displayed at the show. Tamara Alaniz, Water Conservation Program Manager for the Alliance for Water Awareness and Conservation (AWAC) will be assisting the District on Saturday. Ms. Alaniz will be bringing educational conservation information as well as promotional items.

HOME &
LEISURE
SHOW

BOARD COMMENTS/FUTURE AGENDA ITEMS

**BOARD
COMMENTS/
FUTURE
ITEMS**

Jennifer Keep presented to Lucinda Crosby a Certificate of Recognition from the California Urban Water Conservation Council (CUWCC) for her nomination for the 2010 CUWCC Llana Sherman Excellence Award for Local/Community Innovations.

Director Brown reported that a photo opportunity for the new D-Zone Reservoir has been scheduled for Friday, March 25th at 12:30 p.m. Director Brown also recommended that in light of the massive earthquake in Japan, staff should review the Disaster Preparedness Plan specifically safety drills, emergency generators, power to fuel stations, expansion of fuel stations, fresh emergency supplies located in locker, spare parts, alternate wells to maximize water capacity, emergency hookups for alternate wells, and potable water distribution plan. Tom Mulvihill recommended listing this item on the Plant and Equipment Committee Meeting Agenda.

Director Cortichiato updated the Board on the Association of California Water Agencies (ACWA) Region 7 meeting he attended today. Tim Quinn from ACWA is asking for agency input in regards to requests from the State that is costing agencies and their rate payers a substantial amount of money. The arsenic notice after facilities are on-line is a perfect example of what Mr. Quinn is looking for. Another agency had mentioned it had cost their agency approximately \$130,000 to complete a

grant application. Mr. Quinn also talked about the Comprehensive Water Package Bill. This bond was scheduled to be on the 2010 election ballot but is now scheduled for November 2012. Director Cortichiato asked the other Directors to encourage voters that the bond is something the State of California needs. Director Cortichiato also offered the following ACWA Region 7 meeting handouts: Comprehensive Legislative Water Package, AB ACWA Region 7 Meeting, and ACWA "New" Priority Activities for 2011.

Director Cortichiato announced that there will be a water forum held on April 22nd in Visalia at the Holiday Inn. Invitations will be sent to elected officials.

With no further Board comments, President Manning recessed the meeting and adjourned to Closed Session at 8:00 p.m.

CLOSED SESSION

**CLOSED
SESSION**

The meeting was reconvened in Closed Session at 8:05 p.m.

The meeting was recalled to Open Session at 8:34 p.m.

There was no action taken which would require disclosure under the Brown Act.

ADJOURNMENT

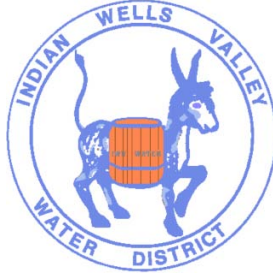
ADJOURNMENT

With no further business to come before the Board, the meeting was adjourned by President Manning at 8:35 p.m.

Respectfully submitted,

Rose Koch
Recording Secretary

APPROVED: _____



Committee Reports

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

WATER MANAGEMENT COMMITTEE
SPECIAL MEETING

REPORT

THURSDAY, MARCH 31, 2011 – 11:00 A.M.

BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

Attendees: Leroy Corlett, Don Cortichiato, Tom Mulvihill, Jennifer Keep, Rose Koch, and Ambassadors Diane Decamp and Judy Talbot

1. Call to Order

The meeting was called to order at 11:05 a.m.

2. Committee/Public Comments

None.

3. Water Consumption Data Trends

Early 2009, staff had contacted the 13 largest water users within the District, to show them what their bills will be if they do not decrease their water consumption. The 13 largest users did not include any single-family residents.

Staff presented a report to the Committee showing the results of their visit with these water users. The majority showed a significant decrease in water consumption. The remaining showed an increase. This increase could be due to an increase in occupancy in the case of multiple unit developments.

4. Ambassador Landscape Certificate

Ambassadors Diane Decamp and Judy Talbot presented to the Committee a certificate that the Ambassador's recognize as water users who are making an effort to conserve water by removing the majority of turf in their yards and replacing it with xeriscape. The Ambassadors felt that these efforts should be recognized with an Ambassador landscape Certificate. Director Cortichiato suggested orchestrating an annual tour, preferably in the Spring when plants are blooming, of xeriscaped homes within the District. A list could also be made up of 10 homes so that people could just drive by. The District would have to get permission from the home owner to be on the tour and list.

The Committee commended the Ambassador's use of the Ambassador Landscape Certificate Recognition. The Committee recommended staff work on an annual organized XERIC[®] yard tour event, with the permission of the owners.

5. Future Agenda Items

St. Ann's Demonstration Garden Design & Budget
Water Efficient Landscape Ordinances for New Construction

6. Adjournment

Meeting was adjourned at 12:17 p.m.

c:	Board	Keep	Crosby
	Mulvihill	DeGano	File
	Morquecho	Koch	Committee Binder

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

PLANT AND EQUIPMENT
COMMITTEE REPORT

THURSDAY, MARCH 31, 2011 – 3:30 PM

BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

Attendees: Peter Brown, Leroy Corlett, Tom Mulvihill, Larry Degano, Renee Morquecho, and Jason Lillion.

1. Call to Order

The meeting was called to order at 3:35 p.m.

2. Committee/Public Comments

None.

3. Variance Request: Gene and Alice Gibson, 1406 W. Burns Ave

After reviewing the facts regarding this request, staff determined that a variance request was not needed in this case and therefore, there is no need for Board review.

4. Surplus Equipment/Vehicles

The Committee reviewed a list of surplus equipment/tools/computers. No vehicles are on the surplus list at this time. The Committee recommended approval of the surplus list.

5. Well 18 Rehabilitation

Bakersfield Well & Pump has finished its work at Well 18 and startup of the well occurred yesterday, March 30, 2011. A concrete 'plug' was set in the well at 890±ft. During startup of the well, the output was over 1300 gpm to atmosphere.

6. Water Supply Improvement Plan

Staff and Krieger & Stewart met with the Navy on March 14th to discuss the District's proposal to increase the size of the intertie with the Navy and purchase water directly from their system. Krieger & Stewart will be creating a drawing for Navy review. Staff also had a conference call on March 21st with ECORP to discuss the project description. ECORP is working on the project description along with other documents needed for the upcoming May or June scoping meeting.

7. Butterworth Ranch

a. Replacement of Wells No. 1 and 2

Best Drilling & Pump has completed the drilling, casing, development, and constant rate testing of both wells 1A and 2A. The constant rate test for Well 1A was performed at 1100 gpm. Drawdown stabilized at 68 feet during 24 hours of pumping. Well 2A was pumped at 1000 gpm with 30 feet of drawdown. The drawdown would not stabilize in Well 2A at a higher pumping rate and air was present in the discharge water. Best will be removing their test pumping equipment this week and plans to construction the well pedestals next week.

Bidding documents for equipping both wells are essentially complete pending the additional of some final details and a decision from Mr. Summers regarding preferred motor for Well 2A.

b. Rehabilitation of Well No. 3

The rehabilitation of Well No. 3 is complete and the well is operation. Staff has also completed the modifications to the discharge head and installation of a new flow meter.

8. Capital Improvement Projects Update

a. Arsenic Treatment Facilities/Well 34

Startup/troubleshooting activities continue at the Well 11/13 site. Essentially, all construction has been completed for both arsenic removal facilities except for punch list items. According to Krieger & Stewart's experience with these types of projects, the startup issues that have been experienced by the District are not unusual or unexpected. Once the Well 11/13 plant is fully operational, official classroom training of staff will be scheduled. Krieger & Stewart is in the process of reviewing O&M manuals and expects to finish their review next week. In additional, because only punch list items remain, daily inspection by Krieger & Stewart is not necessary and inspection will be cut back to once per week starting next week.

b. Acceptance of Contract Work: Construction of 0.4MG D-zone Reservoir, CB&I, Inc.

The Committee reviewed a recommendation from Krieger & Stewart to accept the contract work by CB&I, Inc. for the construction of the 0.4MG D-zone reservoir. The contract work was performed according to contract documents. The Committee recommended the District accept said contract work in the amount of \$772,814.71. Subsequent to Board acceptance, Notice of Completion will be filed with Kern County and thereafter, following the lien period, the District will release the retained contract amount from escrow.

9. Mainline Replacement Program:

a. California Ave between Sunland and Gateway

The Construction Crew has 11 more service changeovers to perform in California Ave. Engineering will be discussing the condition of the road with the City next week. Since an asphalt patch list is being finalized for bidding at this time, staff would like to add California Avenue to the list.

b. Burns from Mahan to Dolphin

Since the County is planning on paving Burns from Mahan to Brady beginning as early as June, the Construction Crew will be replacing a 6 inch AC line in Burns with 8 inch PVC once California Ave is finished. This section of Burns Ave has experienced numerous failures and is in need of replacement.

10. Regulatory Compliance

Nothing unusual to report this month. No positive coliform samples or other water quality issues this past month.

11. Future Agenda Items

- Well 13 site beautification
- Emergency Preparedness

The Committee adjourned to Closed Session at 4:24pm

12. Closed Session

A. Real Property Negotiations

Property located in Inyo County, California

Property: APN 033-490-02

District Negotiator: Tom Mulvihill

Negotiating With: Foresight Solar, LLC

(Pursuant to Government Code 54956.8)

No action was taken which would require disclosure under the Brown Act. The Committee reconvened to the Regular Meeting at 4:33pm

13. Adjournment

The meeting was adjourned at 4:33pm.

c:	Brown	Morquecho	Lillion	Post	Krieger
	Corlett	DeGano	Koch	Committee Binder	Keep
	Mulvihill	Crosby	Calendar	Board	File

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FINANCE COMMITTEE
REGULAR MEETING

REPORT

Thursday, April 7, 2011 – 2:30 PM

GENERAL MANAGER'S OFFICE
500 W. RIDGECREST BLVD., RIDGECREST

ATTENDEES: Peggy Breeden, Peter Brown, Tom Mulvihill, Lucinda Sue Crosby and Jennifer Keep

1. Call to Order

The Finance Committee Meeting was called to order at 2:37 pm.

2. Committee/Public Comments

Staff reported that it had submitted the 2011 Bureau of Reclamation Rural Water Supply grant application on Friday, April 1, 2011 for the Brackish Water Resource Study project. The total estimated project cost is \$420,500. This grant is designed to fund the first \$200,000 in project costs and then there is a 50/50 cost share for remaining expenses, so if awarded, the District's total projected contribution is \$110,250 and Reclamation's contribution would be \$310,250. Grant award notifications are expected June 2011. The grant writer and the representative from the Bureau of Reclamation were very positive about the final application and suggested IWVWD has a good chance to get an award. The Committee expressed thanks to local Cherokee leader Little Deer Durvin and the Indian Wells Valley Cooperative Groundwater Management Group for submitting letters of support for the study.

3. 2010 Sales & Use Tax

Per the direction of the District's auditors, Sales & Use Tax returns for all untaxed out of state purchases for calendar years 2007 through 2010 are being prepared. Currently, the estimated tax liability for four years of tax is \$100,000 plus interest for 2007 through 2009. The State Board of Equalization may issue penalties for the late returns, but the District can submit a "Request for Relief from Penalty" requesting a waiver. The 2010 return is due April 15, 2011.

The Committee recommended staff pay the 2007 through 2010 Sales and Use tax plus interest but request a penalty waiver.

4. Water Consumption Data Trends

Staff presented an analysis of the District's top 13 water users comparing summer 2009 and 2010 as well as calendar year 2009 and 2010 usage. Overall, these customers reduced water consumption by 10% during summer months (25.8 million gallons) and nearly 15% (77.2 million gallons) for the year. Staff noted that this change in pattern is contributing to the District's revenue reduction.

5. City of Ridgecrest Vehicle Maintenance Program

The Committee discussed the City of Ridgecrest's proposal to provide vehicle maintenance services to other public entities in the community. Discussions centered around how using the City service would affect the operations department, concerns about the level of priority IWWWD vehicles would receive, how utilizing this service would affect the District's current local vehicle maintenance vendors, and whether or not the loss of sales tax would affect the community. The Committee requested staff acquire the City's proposed service rates and compare them to current rates paid for similar service as well as provide the City the information requested regarding the District's current vehicle maintenance program.

6. Financial Statements, February 28, 2011

The Committee reviewed the District's financial statements as of February 28, 2011. 67% of the year has passed, and trend data indicates by February, the District generally collects *at least* 67% of its YTD revenues. This year, the District has only collected 63% of budgeted revenues. This 4% decrease is representative of ~\$338,000. Expenses are 4.5% or ~\$275,000 over YTD revenues.

Additionally, the Committee had a preliminary discussion about what might be done with the 2009 COP project funds after the current capital projects are completed (Arsenic Treatment Plants, Well 34 and D-Zone Tank).

7. Accounts Payable

The Committee recommended approval of accounts payable as follows:

Checks through:	<u>3/10/11</u>	<u>3/23/11</u>
Prepaid	\$ 43,500.59	\$ 681,065.74
Current	<u>207,539.18</u>	<u>\$ 266,848.90</u>
Total	<u>\$251,039.77</u>	<u>\$ 947,914.64</u>

8. Future Agenda Items

- Cell Phone Policy
- Vehicle Replacement & Maintenance Policies
- Grant Application Updates
- Grant Writer Consultant
- Cost Accounting
- Rate comparisons for legal and engineering consultants
- Grant application updates

9. Adjournment

The Committee adjourned at 3:38 pm.

cc: **Breeden** **Keep** **Morquecho** **Post** **Binder**
Cortichiato **Koch** **Crosby** **Calendar** **File**
Mulvihill **DeGano** **Kight** **Board**

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

ADMINISTRATION/EXECUTIVE COMMITTEE
MEETING REPORT, REVISED

THURSDAY, APRIL 7, 2011 – 3:30PM

GENERAL MANAGER'S OFFICE
500 W. RIDGECREST BLVD., RIDGECREST

Attendees: Harold Manning, Peggy Breeden, Tom Mulvihill, Jennifer Keep and Lucinda Crosby

1. Call to Order

The Administration/Executive Committee Meeting was called to order at 3:44pm

2. Committee/Public Comments

None

3. Report from Lobbyist Aaron Mullins

No report was submitted this month. Information was received that Mr. Mullins would email a written report on Friday, April 8, 2011.

4. Ridgcrest Chamber of Commerce Official Ballot – 2011

After review of the Ridgcrest Chamber of Commerce Official Ballot – 2011 the Committee looked at all the candidates for the Chamber Board and all were well qualified candidates. Being unable to eliminate one and wanting to cast a ballot, Committee drew one name to eliminate and the vote is as follows: Bob Aslanian, Steven Boster, Judie Foust, Dotsy Cronin and Jim Davis to Ridgcrest Chamber of Commerce Board of Directors.

5. Nominations for Open Positions on ACWA HBA Board of Directors

After review of the Nominations for Open Positions on ACWA HBA Board of Directors Committee has no recommendation.

6. Mojave Desert-Mountain Resource Conservation & Development Council

Committee reviewed list of Council members. Tom Mulvihill stated that it was brought to the Committee for review purposes at the request of Director Corlett. District legal council does not see a conflict of interest regarding District participation. Committee stated there was no conflict of interest with the Water District's participation.

7. Develop Format and Process for General Manager Evaluation Purposes

Committee reviewed draft General Manager evaluation form and asked that it be distributed to Board of Directors for feedback prior to Board Workshop.

8. Draft Agenda for Regular Board Meeting of April 11, 2011

Staff advised Committee of an additional agenda item consisting of a recommendation from Finance Committee that the Board approve paying 2007 – 2010 Sales and Use Tax, plus interest, but request a penalty waiver.

It was noted that this item should be discussed in more detail at the Board Meeting.

9. Future Agenda Items

None

10. Adjournment

The meeting was adjourned at 4:14pm

c: Board Management Crosby Koch Worth File Committee Binder



7.C.1.

P&E
March 31, 2011

TO: Jennifer Keep
FROM: Joe Rivera
SUBJECT: Surplus Equipment

TOOLS

- (3) Ingersoll Rotary Air Pumps
- (2) Air Operated Tampers
- (2) TS350 Cut Off Saws
- (1) Hydrastic Test Pump
- (2) Hand Hydraulic Valve Exercisers
- (2) Mikasa Tampering Hammers
- (1) 15 HP Gas Motor

FURNITURE

- (1) Wooden Book Case
- (6) Metal Filing Cabinets
- (5) Metal Office Desks
- (1) Wooden Office Desk

P&E March 31, 2011

To: Whom it may concern

From: Andre Hill

Subject: Surplus Computer Equipment

1. Computers:

Precision 340	J966M11
Dimension 4600	31WL941
Dimension 8400	5H2K851
Precision 390	7M3TLB1
Precision 490	2CTHWD1
Dimension 9100	4KTWP81
Precision 530	6CNM311
Dimension 340	2PYXY01
Precision 340	DQ64N21

2. Printers:

HP Photo smart 7760	MY36R1236K
HP Deskjet 9650	SG38J111SR
HP Color Laser jet 5M	JPPKQ15019
HP Laser Jet 9000	JPBDP02848

3. Monitors:

Dell	72872-778
Dell	64180=352
Dell	T7XV57AA18010

4. Boxes of Miscellaneous Parts - 3

5. Battery Backups - 13

6. Computer Desks -2



7.C.2.

MEMORANDUM

TO: TOM F. MULVIHILL
RENEE E. MORQUECHO
INDIAN WELLS VALLEY WATER DISTRICT

FILE: 178-91.6 F/C

FROM: CHARLES A. KRIEGER *CAK*
SABRINA A. NIES *SAN*
KRIEGER & STEWART, INCORPORATED

DATE: 3/30/2011

SUBJECT: CONSTRUCTION OF 0.40 MG D-ZONE RESERVOIR
CB&I, INCORPORATED
RECOMMENDATION OF ACCEPTANCE OF CONTRACT WORK

All work performed by CB&I, Inc. (CB&I) has been essentially completed (with the exception of minor cosmetic remedial work) and the adjusted Contract Amount for same is set forth as follows:

Original Contract	\$793,800.00
Contract Change Order No. 1	\$0.00
Contract Change Order No. 2	(\$4,500.00)
Contract Change Order No. 3	\$0.00
Contract Change Order No. 4	<u>(\$16,485.29)</u>
Adjusted Contract	\$772,814.71

Contract Change Order No. 1 reflects an adjustment to the Contract Completion Date to accommodate delays in Contract execution. Contract Change Order No. 2 is attributable to deleting "Rock Excavation" (Bid Item 104) from the Contract. Contract Change Order No. 3 reflects an adjustment to the Contract Completion Date to accommodate delays due to inclement weather and pipeline trenching delays due to unexpected rock conditions. Contract Change Order No. 4 is attributable to modifying Bid Item 106 to eliminate temporary bypass piping not constructed and also reflects an adjustment to the Contract Completion Date to accommodate delays related to draining D-Zone Reservoir to enable Contractor to perform remedial work.

TOM F. MULVIHILL
RENEE E. MORQUECHO
3/30/2011
PAGE 2

Since the Contract Work has been performed in accordance with the Contract Documents, we recommend the District accept said work in the amount of \$772,814.71. Subsequent to Board acceptance, a Notice of Completion will be filed and thereafter, following the lien period, the District will make final payment (i.e. release retained amount from escrow account).

If you have any questions, or require additional information, please call.

SAN/lgm
178-91-RECACCEPT

cc: Jim Worth, McMurtrey, Hartsock, & Worth



7.E.7.



INDIAN WELLS VALLEY WATER DISTRICT

March 29, 2011

Memorandum To: Tom Mulvihill
Memorandum From: Rose Koch
Subject: 2011 Spring Home & Leisure Show Report

The District had an excellent turnout at the 2011 Spring Home & Leisure Show. Representatives from Alliance for Water Awareness and Conservation, Tamara and Latasha, were of great assistance to us on Saturday bringing a plethora of water conservation pamphlets and giveaways. Lucinda Crosby delivered a well-attended XERIC[®] Seminar on Saturday. There were ten Xeriscape plants displayed and given away at the end of the show to participants (205) who entered a drawing. Total conservation items distributed are as follows:

<u>Item</u>	<u>2007</u>	<u>2008</u>	<u>2009</u> <u>Spring</u>	<u>2009</u> <u>Fall</u>	<u>2010</u> <u>Spring</u>	<u>2010</u> <u>Fall</u>	<u>2011</u> <u>Spring</u>
Low-Flow Hose Nozzles	400	300	553	417	771	465	562
Faucet Aerators	400	500	487	300	460	350	600
Low-Flow Showerheads	475	400	172	325	450	375	284
Sport Bottles	400	200	385	398	617	380	494
Blue Tote Bags	0	0	0	0	600	258	500
Moisture Meters	0	0	0	334	648	0	676

Written notes were received from the public: 1) Do online billing. 2) Landscape all new water treatment areas. They look awful and lots of folks are complaining. 3) Bring lists of landscapers to the next event. 4) Two inquiries were made about the permanent patch between 1104 and 1108 N. Carolyn Street. They did not leave any contact information. 5) Notification if the District is selling property in China Lake Acres. They will call.

Six Cash for Grass Program Surveys were filled out, all in favor.

Special thanks and appreciation to all of the employees, management, and Board of Directors who helped prepare, set up/tore down the booth and display, and worked shifts. It couldn't have been a success without them!

cc: Board of Directors



**The Mission
of the
Indian Wells Valley Water District
is to deliver the
highest quality water at the
best possible price
while continuing to serve as
respectful stewards of the environment.**

**The Vision
of the
Indian Wells Valley Water District
is to provide for
self-sustaining water resources
now and for
generations to come.**

Board of Directors