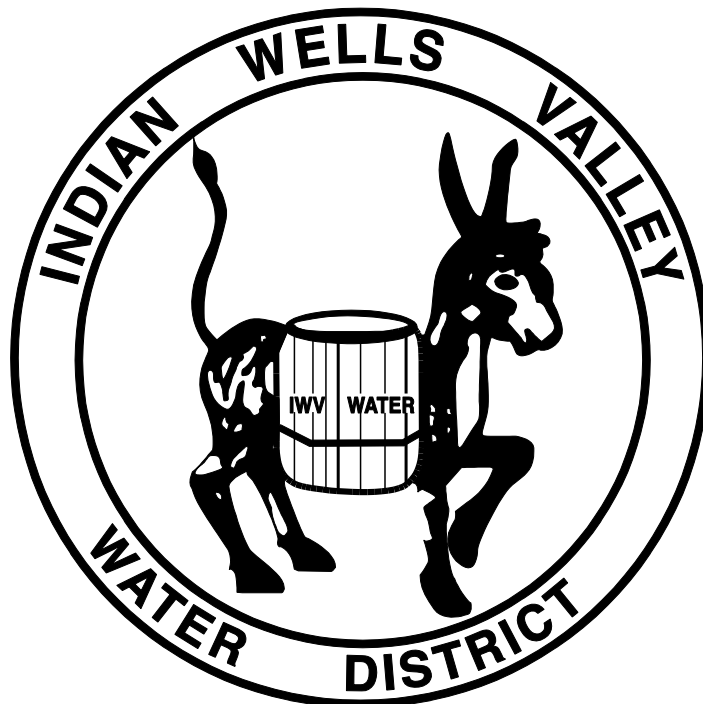


Indian Wells Valley Water District

Board of Directors Meeting



December 12, 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, DECEMBER 12, 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. November 14, 2011 Regular Board Meeting
 - b. December 5, 2011 Special Board Meeting Workshop
 2. Approval of Accounts Payable Disbursements

- B. Election of Officers
 - 1. President
 - 2. Vice-President
 - C. 2012 Committee Assignments
 - D. Plant and Equipment Committee
 - 1. Water Supply Improvement Project
 - E. Finance Committee
 - 1. Cost of Service Study
 - 2. Mid-Year Budget Revision
 - a. General Fund Budget
Committee recommends the following: Board approve the revised General Fund Budget as presented.
 - b. Capital Improvement Projects Budget
Committee recommends the following: Board approve the revised Capital Improvement Projects Budget as presented.
 - F. Administration/Executive Committee
 - 1. California Urban Water Conservation Council Group 1 Board of Directors Representatives Election 2011
 - 2. Resolution 11-04: Adopting the Countywide Vision of the San Bernardino Associated Governments
Committee recommends the following Motion: Board adopt Resolution 11-04 Countywide Vision of the San Bernardino Associated Governments as presented.
 - 3. January Annual Board Workshop
 - G. General Manager Compensation
 - H. Inyo-Mono Regional Water Management Group Status
 - I. General Manager and Staff Update
 - 1. Water Production and New Services
 - 2. Department of Water Resources Letter dated October 28, 2011-Urban Water Management Plan Requirements
 - 3. Well 18 Status
8. BOARD COMMENTS/FUTURE AGENDA ITEMS

9. CLOSED SESSION

- A. Potential Litigation
One Matter
(Pursuant to Government Code Section 54956.9(b)(1))
- B. General Manager Succession
(Pursuant to Government Code Section 54957(b)(1))
- C. Public Employee Performance Evaluation and Compensation
Position: General Manager
(Pursuant to Government Code Section 54957 and 54957.6)

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

November 14, 2011

The Regular Meeting of the Board of Directors of the Indian Wells Valley Water District was called to order by President Manning at 7:03 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 Cortichiato.

PLEDGE

DIRECTORS PRESENT: President Harold W. Manning
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;
Tom Mulvihill, General Manager;
Jennifer Keep, Chief Financial Officer;
Reneé Morquecho, District Engineer;
Larry DeGano, Operations Superintendent;
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 Thursday, November 10, 2011.

CONFLICT OF INTEREST DECLARATION

**CONFLICT OF
INTEREST**

None.

PUBLIC QUESTIONS AND COMMENTS

**PUBLIC
COMMENTS**

None.

CONSENT CALENDAR

**CONSENT
CALENDAR**

MOTION: was made by Director Brown and seconded by Director Corlett, to approve the Minutes of the October 10, 2011 Regular Board Meeting, and to approve disbursement of Accounts Payable totaling \$945,331.04. The Motion was carried, unanimously. (Vote 5-0)

WATER MANAGEMENT COMMITTEE

**WATER
MANAGEMENT**

MOTION: was made by Director Corlett and seconded by Director Cortichiato, to ratify and support District submission of the planning grant application for the establishment of a flood control district. APPLICATION FLOOD CONTROL DISTRICT

Director Corlett explained that the deadline for the planning grant application submission was October 31st for the Project: IWV Flood Control District Feasibility Study. The planning grant application is being submitted as a place holder so that the Indian Wells Valley Cooperative Groundwater Management Group Technical Advisory Committee has time to investigate whether or not it would be practical and realistic to pursue a grant for a flood control district. The full grant application is due February 2012. Kern County is willing to take the lead, but do not have the funds for the project. If the project is feasible, funding and in-kind commitments will be determined at the time of the grant application. Estimated project cost is \$100,000.

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

PLANT AND EQUIPMENT COMMITTEE

P & E

Tom Mulvihill reported that when there are leaks in the polyethylene service laterals they are being replaced with copper. The City of Ridgecrest is planning on resurfacing and repaving certain streets, but has not prioritized the list. The intention of the District is to proactively replace the polyethylene service laterals before the City does their work. The District has included a line item for service lateral replacements in the list of Capital Projects provided to the consultant working on the update to the Cost of Service Study. Staff estimated the amount of work to be done each year based on a draft paving/resurfacing schedule from the City and the average number of laterals that could be replaced each day. Staff has asked the City for an update to their paving schedule and to keep the District closely informed of their future plans. SERVICE LATERAL REPLACEMENTS/ CITY PAVING SCHEDULE

FINANCE COMMITTEE

FINANCE

Jennifer Keep reported the District has been using Springbrook Software, Inc.'s Version 6.02 software for its billing and accounting functions. Although Version 6.02 has some reporting and data inquiry limitations, it adequately meets the District's needs. However, the software is stored on a Microsoft 2000 server, which has not been supported by Microsoft since 2010. The District has a Microsoft 2008 server, but Version 6.02 is incompatible and cannot be transferred to the new server. Transactions are backed up daily, and the District's IT staff has a plan in place to temporarily maintain the software in the event the Microsoft 2000 server fails. For the stability of the District and for the long-term, it has become necessary to upgrade this software to maintain uninterrupted billing and accounting services. BILLING SOFTWARE

In preparation for the impending software upgrade, staff has reviewed three billing and accounting software systems including Springbrook Software's Version 7. Staff feels that all three billing and accounting software options are similar to one another, and all of them, including Springbrook's Version 7 are certainly more versatile than Springbrook's Version 6.02, which will increase staff's reporting capabilities. Conservation rate structures (i.e., budget billing) is available in Springbrook's Version 7, and has unlimited capabilities. All three software vendors offer web payments and Interactive Voice Response (IVR) options. This service provided by Springbrook would be an additional annual cost of \$20,000.

The District retains an annual maintenance agreement with Springbrook. As a result, Springbrook will not charge software related fees for upgrades but will only charge fees associated with professional services to consult, train, manage the project, implement, provide technical and programming services, and convert existing data. Total estimated cost to upgrade Springbrook to Version 7 is \$46,000. Staff also received a quote from Tyler Technologies for Incode software for a total purchase price of \$133,000 not including estimated travel expenses. A quote was not received from the third vendor.

If the Board approves Springbrook Version 7, actual migration would be completed July 2012. The District would be billed this fiscal year a 10% deposit for training and migration, 50% of the customization cost, plus IT training for a total of \$7,925. Next fiscal year a total of \$21,575 would be due for 40% of the training and migration costs plus 50% of the customization cost and travel expenses. Once the migration has been completed and the District has utilized the software for one year, the remaining cost of \$16,500 would be due the third fiscal year.

Tom Mulvihill added that before the upgrade was made with Springbrook staff wanted to consider whether or not to take the time of doing a Request for Proposal (RFP) for other alternative software. Staff is satisfied with the current vendor.

Ms. Keep reported that the number one request from customers is on-line payments and e-statements. Currently staff recommends to customers to either utilize auto-pay or on-line home banking.

Director Cortichiato inquired whether staff has interviewed other agencies using Springbrook Version 7. Ms. Keep responded that she has not received a list of current Version 7 users.

The Finance Committee recommended upgrading the District's billing and accounting software with Springbrook's Version 7.

MOTION: was made by Vice-President Breeden and seconded by Director Brown, to approve upgrading the District's billing and accounting software with Springbrook's Version 7 at an estimated cost of \$46,000.

Director Cortichiato asked if this was time critical and if not to take time to interview those other agencies currently using Springbrook's Version 7. Ms. Keep stated that the current software

server is not supported. The District has been using the server in this condition since the middle of last year. Staff agreed that there should be time to make calls and inquire of Version 7.

MOTION: was made by Vice-President Breeden and seconded by Director Brown, to amend the previous Motion to include staff proceed with calls to current users of Springbrook's Version 7, and if satisfactory, approve upgrading the District's billing and accounting software with Springbrook's Version 7 at an estimated cost of \$46,000. The Motion was carried, unanimously. (Vote 5-0)

The Finance Committee reviewed preliminary findings and recommendations of the fixed and arsenic charges updates prepared by Bartle Wells Associates. The proposed arsenic charges are based on 100% of the annual arsenic treatment plant operating expense and 100% of the debt service associated with the capital development of the arsenic treatment plants. Bartle Wells prepared two ready to serve charge proposals (fixed vs. variable revenue recovery allocations). The Finance Committee also reviewed the Cost of Service Study timeline and recommended holding a Board Workshop on December 5, 2011 at 5 p.m. for full Board discussion and input prior to the December 12, 2011 Regular Board Meeting. COST OF SERVICE STUDY

The Board agreed by consensus that Monday, December 5th at 7:00 p.m. a Board Workshop will be held to review the proposed Cost of Service Study.

The Finance Committee also recognized the new rates would become effective March 1, 2012 if the Cost of Service Study Update stays on schedule. The Committee recommended postponing rate increases scheduled for February 1, 2012 to coincide with rate changes from the Cost of Service Study Update.

MOTION: was made by Vice-President Breeden and seconded by Director Corlett, to postpone the rate increase scheduled for February 1, 2012 to coincide with the rate changes from the Cost of Service Study update. The Motion was carried, unanimously. (Vote 5-0)

INYO-MONO REGIONAL WATER MANAGEMENT GROUP STATUS

IMRWGM

Director Corlett reported that he will be participating at an Inyo-Mono Regional Water Management Group (IMRWGM) Meeting via telephone on Wednesday. Discussion will be held regarding the Phase 1 grant application status. A schedule will be set up for the Round 2 planning grant. Director Corlett will inquire when the District can resubmit their application for the brackish water grant. Director Corlett announced that he will also be nominated for a 2-year position on the Administrative Committee. This would involve phone calls once a month.

The Board of Directors by consensus concurred that Director Corlett be nominated for a 2-year position on the IMRWGM Administrative Committee.

The IMRWMG through CalTrout will hold a workshop on California Environmental Quality Act (CEQA) for small agencies or interested parties. The workshop will take place at the Methodist Church in Ridgecrest on December 15th from 9:30 a.m. to 5:00 p.m. The workshop will cover the objectives of CEQA and the directives of agencies bound by CEQA, exemptions, documentations, etc. If you would like to attend, you must sign up. A part-time outreach specialist has been hired to work with small water agencies and co-ops.

**DIRECTOR
VACANCY**

EXPECTED DIRECTOR VACANCY

Jim Worth presented the process for filling a Director vacancy. The Board does not take any action until the resignation has become effective. The Board has 15 days to notify Kern County that there is a vacancy and 60 days to appoint a new Director. The appointed Director will fill the position until the next general election. Before the Board appoints a new Director, a Notice of Vacancy must be posted 15 days prior. Vacancy notification to the County and Notice of Vacancy may be done at the same time. To be considered for the vacant position, the Board agreed by consensus that they will accept written letters after January 2, 2012. President Manning has submitted a letter of resignation effective January 1, 2012.

**GENERAL
MANAGER &
STAFF UPDATE**

GENERAL MANAGER AND STAFF UPDATE

Tom Mulvihill reported that the water production for October was 671 acre-feet (218,645 gallons) compared to 618.4 acre-feet in October 2010. There was one new residential service and one new landscape service for the month of October.

**PRODUCTION/
NEW SERVICES**

Tom Mulvihill also reported that there were two public information meetings held last week, one at the senior center in Inyokern on Tuesday and the other at Ridgecrest City Council Chambers on Wednesday. A comprehensive overview of the draft Environmental Impact Report (EIR) document and the EIR process were presented at both meetings. After the presentation, a question and answer period took place. There were 37 persons signed in from the Inyokern meeting and 22 signed in from the Ridgecrest meeting. No written comments were received at either public meeting.

WSIP

Mr. Mulvihill announced that the draft EIR is available on the District's website and in CD format. Hard copies may be reviewed at the District Office or Ridgecrest Library. As of today, only one written comment has been received. Written comments must be emailed or postmarked no later than December 9th. Due to the holidays, the Public Hearing date, time, and place have not been confirmed as yet.

Tom Mulvihill announced that the District was awarded the top ACWA OUTREACH Association of California Water Agency's (ACWA) Outreach winner in AWARD Region 7. The award is for the outstanding effort made by the District to help ACWA accomplish its legislative goals for this year. There are a total of 10 Regions and the overall winner will be announced at the general luncheon held at the 2011 ACWA Fall Conference in Anaheim on Thursday, December 1st. Director Cortichiato may be attending.

Jennifer Keep recapped what was reported at the October 10th Regular Board Meeting under Water Meter Accuracy and Testing. Ms. Keep WATER METER ACCURACY & TESTING informed the Board that there were 283 meters reread over the last 45 days due to either zero usage reads or water usage that has exceeded a specific threshold. Ninety three customers requested rereads. Of the 93, 90 have been resolved and 3 are pending. Staff will continue to work with those that are pending until they are resolved.

Director Cortichiato believes that there are customers that do not understand the District rates and the accuracy of the meters. He expressed the need to confirm with the customers that the bills and meters are accurate. Director Cortichiato also thanked Ms. Keep and her staff for doing an excellent job working with the customers.

Reneé Morquecho reported that Onstott Construction has finished all ASPHALT PATCH paving that was originally assigned, however striping on California REPAIRS Avenue has yet to be completed. Staff executed a Change Order this week for Onstott to install new valve boxes in the southeast area of town where the County has recently paved several dirt roads. To date, there are 21 new temporary patches to be paved. A work order may be issued to Onstott Construction in the spring time for the additional patch work.

Ms. Morquecho also reported that Consultant BESST is scheduled to come WELL 18 back tomorrow morning to make a second attempt to get camera access through the sounding tube to video Well 18 located in the southwest well field.

BOARD COMMENTS/FUTURE AGENDA ITEMS

BOARD COMMENTS

Director Cortichiato complimented the Pumping Plant Crew for their presentation that was made at the arsenic facility tours; Ken Silliman, José Serna, John Thatcher, and Kurt Kramer. Director Cortichiato stated that performing presentations is not the job that they were hired to do and that they were very well organized, informed, and were able to share that information with the public that was available for the tours. They did an excellent job.

With no further Board comments, President Manning recessed the meeting and adjourned to Closed Session at 8:09 p.m.

CLOSED SESSION

**CLOSED
SESSION**

The meeting was reconvened in Closed Session at 8:20 p.m.

The meeting was recalled to Open Session at 9:05 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 9:05 p.m.

Respectfully submitted,

Rose Koch
Recording Secretary

APPROVED : _____

MINUTES OF THE SPECIAL BOARD MEETING WORKSHOP

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

December 5, 2011

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

CALL TO ORDER

DIRECTORS PRESENT: President Harold W. Manning
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: Tom Mulvihill, General Manager;
Larry DeGano, Operations Superintendent;
Jennifer Keep, Chief Financial Officer;
Renée Morquecho, District Engineer;
Rose Koch, Recording Secretary

AGENDA DECLARATION

**AGENDA
DECLARATION**

Recording Secretary, Rose Koch, reported that the agenda for today's Special Board Meeting Workshop was posted on Friday, December 2, 2011.

CONFLICT OF INTEREST DECLARATION

**CONFLICT OF
INTEREST**

None.

PUBLIC QUESTIONS AND COMMENTS

**PUBLIC
COMMENTS**

None.

BOARD WORKSHOP

BOARD WORKSHOP

Jennifer Keep introduced Doug Dove and Catherine Tseng, Cost of Service Study consultants from Bartle Wells Associates, who participated via teleconference.

**COST OF
SERVICE STUDY**

Doug Dove presented the Cost of Service Study, which was distributed prior to the Board Workshop. Ms. Keep announced that Table 9 had been revised and copies were made available to participants and public at the workshop.

Bartle Wells and Associates consultants gave an overview of the following:

1. Current rates.
2. Current Reserve Fund Balances are \$6,820,787.
3. Current total expense budget is \$8,525,900 (not including debt). Future annual expenses were projected with a 3% escalation factor.
4. Current debt service is \$2,146,813 (included principal and interest).
5. Capital Improvement Program cost projections vary from \$1,278,500 in 2012 to \$2,789,750 in 2017.
6. Actual and projected water sales revenue. Water revenue includes water sales, water service and non-operating income. Current total revenue budget is \$8,729,700. Water sales revenue is projected to decrease compared to the two prior years.

The primary reason is reduced water consumption. Two options were presented to the Board of Directors for increasing rates to cover the fixed costs of the District. Both scenarios assumed a conservation effect of 0% on Tiers 1 thru 3 and 4% on Tiers 4 thru 7.

Scenario 1: The Ready to Serve Charge would cover 52% of the total revenue requirement. The Usage Charge would cover 48% of the total revenue requirement. Compared to current rates, the Usage Charge would be reduced in Tiers 1 thru 3. Tiers 4 through 7 would remain the same. Allocation for this scenario was based on an analysis by each department.

Scenario 2: The Ready to Serve Charge would cover 43% of the total revenue requirement. The Usage Charge would cover 57% of the total revenue requirement. The Usage Charge would be increased in Tiers 3 thru 7. Allocation for this scenario was based on salaries/benefits and debt service.

Both scenarios also include a fixed arsenic charge based on both debt service and operating costs of the two new arsenic treatment plants.

After review of each scenario, the Board agreed that Scenario 1 would be the better option to assure the revenues required for covering the fixed costs of the District. The Board asked that a table be presented showing both scenarios and more conservation rate options that would reflect 1% or 2% conservation effect on Tiers 1 thru 3 for the next 3 years. Consultants will present the table for review at the Regular Board Meeting on December 12th.

BOARD COMMENTS/FUTURE AGENDA ITEMS

BOARD COMMENTS

On behalf of the District, Director Cortichiato accepted the Association of California Water Agency's (ACWA) Outreach award for Region 7 while attending ACWA's Fall Conference last week.

Director Cortichiato suggested to staff to look at the Water Tool Kit on ACWA's website. He feels that the District could benefit from the information that is available to educate the public.

Director Cortichiato commented the District should only show usage in gallons and have no references to hundred cubic feet (HCF).

Director Corlett asked what the Board could do to reduce staff time on customer complaints. The Board agreed that staff should continue to educate and re-educate the public.

Director Breeden reported that there was a Facebook posting regarding the District's arsenic compliance letter. She suggested that we continue to educate the public.

With no further Board comments, President Manning recessed the workshop and adjourned to Closed Session at 8:47 p.m.

CLOSED SESSION

CLOSED SESSION

The meeting was reconvened in Closed Session at 8:52 p.m.

The meeting was recalled to Open Session at 9:42 p.m.

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

ADJOURNMENT

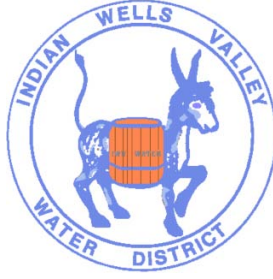
ADJOURNMENT

With no further business to come before the Board, the meeting was adjourned by President Manning at 9:42 p.m.

Respectfully submitted,

Rose Koch
Recording Secretary

APPROVED: _____



Committee Reports

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

PLANT AND EQUIPMENT
REGULAR COMMITTEE REPORT

TUESDAY, DECEMBER 6, 2011 – 03:30 PM

BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

Attendees: Leroy Corlett, Peter Brown, Renee Morquecho, Tom Mulvihill, Larry DeGano, Ken Silliman and Jennifer Keep.

1. Call to Order

The meeting was called to order at 3:31 p.m.

2. Committee/Public Comments

None.

3. Water Supply Improvement Plan Update

Two Open Houses for the Draft EIR were held November 8th and 9th at the Inyokern Senior Center and at Ridgecrest City Hall. Both Open Houses consisted of a PowerPoint presentation followed by a question and answer period. Approximately 50 people attended the meeting in Inyokern and 25-30 people in Ridgecrest. Written comments on the Draft EIR must be postmarked by December 9, 2011. No written comments were received at the workshops.

Pumping Plant Crew Leader Ken Silliman provided the Committee his perspective on the need for additional pumping capacity provided by the WSIP. Mr. Silliman emphasized the need to plan for the worst case scenario and that the more wells he has at his disposal the better. As an operator, he never wants to be in the position to report that the District does not have enough water to meet demand. Therefore, the more options he has to stagger pumping around the valley and additional capacity in case of emergency or other mechanical problem(s) the better. Director Corlett requested that Mr. Silliman report his needs at the next Board meeting.

4. Well 18 Status

The video of Well 18 showed gravel intrusion coming from the 2 inch sounding tube. At this

time staff along with Krieger & Stewart are discussing/evaluating making the upgrades to Well 18 to accommodate an increase in flow if the Water Supply Improvement Plan CEQA is approved in January 2012. If the CEQA is approved and the upgrades to pumping equipment and electrical can be made before June 1st, then bidding documents will be ready

for release at the time the Board approves the final Environmental Impact Report. If the EIR is not approved, then the necessary repairs to well 18 will be made and the well put back in service.

5. Well 17 Discharge Permit Status

Staff at NAWS has written a letter for the Captain's signature that will give the District permission to discharge water to Navy property during times of maintenance at Well 17. This letter should be received by the District within the next week.

6. New A-zone Tank(s) Site Status

Staff has asked the Navy to provide the terms of a lease and/or easement for District review. Staff also asked if the District can pursue both a lease and land swap at the same time. The Navy has requested copies of any deeds/documents related to the purchase of the District's property in the area.

7. Well 13 Site Beautification

Staff is reviewing a proposal from Deluxe Landscaping that would provide landscaping on the north and west sides of the Well 13 site. Staff is also considering other more cost-effective options that would be low maintenance and not compromise security. Staff will have another update for the Committee in January.

8. Regulatory Compliance

No issues to report.

9. Future Agenda Items

None.

10. Adjournment

The meeting was adjourned at 4:10 pm.

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

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FINANCE COMMITTEE
REGULAR MEETING

REPORT

Thursday, December 8, 2011 – 2:30 PM

BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

ATTENDEES: Peggy Breeden, Harold Manning, Tom Mulvihill, Renee Morquecho and Jennifer Keep

1. Call to Order

The Finance Committee Meeting was called to order at 2:34 pm.

2. Committee/Public Comments

Judy Decker commented the Board of Directors should enact a plan to reserve funds for future source of water supply and then fund it through water sales itemizing the amount on water bills as a reminder to both the public and the Board.

Mark Williams commented he wants the District to work toward reinstating its conservation staff.

3. Cost of Service Study

Staff reported to the Committee that Bartle Wells Associates is currently working on the tables and projections requested at the December 5, 2011 Board Workshop. They are expected to be included in the Board Packet for the December 12, 2011 regular Board Meeting.

4. 2011-2012 Mid-Year Budget Revision

Staff presented the 2011-2012 Mid-Year General Fund and Capital Improvement Projects and Purchases Budget proposals. The Committee also reviewed a 10-year capital project schedule and a current cash flow projection.

Revenues over expenditures in the Mid-Year General Fund budget proposal equal -\$1,043,075. This is a savings of \$81,626 compared to the Revised General Fund budget approved in September 2011.

The +/- \$10,000 changes for the General Fund Budget are as follows:

Budget Changes	Description
\$ 40,000	Increased Commercial/Public/Industrial Water Sales projection to reflect year to date actuals
15,000	Increased Construction Water projection to reflect year to date actuals
10,000	Increased Water Treatment Chemicals budget to reflect current year trend
22,000	Increased Arsenic Plant – Purchase Power budget to reflect current year trend
-56,000	Transferred \$140,500 of the Maintenance of Streets budget to California Street Mainline CIP budget to cover the permanent patch expenses finalizing Phase I of the project. Increased this budget by \$84,500 to cover anticipated permanent patch projects this Spring
20,000	Increased Engineering Consultant budget in anticipation of services required through the end of the fiscal year
-27,000	Reduced Customer Accounts – Labor budget to reflect temporary reassignment of staff to the Field Service Department to assist with the Firefly project
16,000	Increased Customer Accounts – Temporary Labor budget to reflect temporary assistance in Customer Service Department during the Firefly project
-14,000	Decreased Customer Accounts – Benefits budget reflecting temporary reassignment of staff to Field Services Department to assist with Firefly project
-16,000	Reduced Printing & Reproduction budget reflecting the current year trend
26,000	Increased Field Services – Labor budget to reflect temporary reassignment of Customer Service staff to assist with Firefly project
-55,000	Added Field Services – Capital Project Credit budget so departmental costs incurred on behalf of the Firefly project can be transferred to the CIP budget
13,000	Increased Field Services – Benefits budget to reflect temporary reassignment of Customer Service staff to assist with Firefly project
-20,000	Decreased Legal Services budget to reflect services anticipated through the end of the year
-123,000*	Decreased Depreciation Expense budget to reflect postponement of arsenic treatment plant Notice of Completion
-22,000	Decreased Interest Income budget to reflect reduced interest rates
-52,000	Decreased Interest Income – COP budget to reflect reduced interest rates
19,000	Increased Miscellaneous Revenues budget to reflect year to date actuals including nearly \$9K in SCE rebates for energy efficiency

* Doesn't impact cash flow projection

The Mid-Year Capital Improvement Projects and Purchases budget proposal totals \$881,000, which is an increase of \$436,555 compared to the Revised CIP budget approved in September 2011. Nearly \$265,000 of this budget will be covered by 2009 COP Project funds, so cash flow will not be impacted. The changes for the Capital Improvement Projects and Purchases Budget are as follows:

Budget Changes	Description
\$262,000*	Added budget for Arsenic Treatment Facilities project to include final project and facility beatification expenses. These expenses will be covered with the 2009 COP Project funds
2,600*	Added budget for D-Zone Tank final project expenses. These expenses will be covered with the 2009 COP Project funds
140,500	Added budget for final expenses for Phase I of the California Street Mainline Replacement project
-6,000	Decreased budget for the final expenses for Phase I of the Burns Street Mainline Replacement project
65,000	Added budget for expenses anticipated during the final phase of the Firefly project
-24,000	Reduced budget for Springbrook Update project to reflect the purchase of the Inventory module and 1 st installment of the upgrade
6,500	Added budget for final expenses from the Butterworth Well project
\$436,550	TOTAL CAPITAL IMPROVEMENT PROJECTS & PURCHASES

* Doesn't impact cash flow projection

A revised Cash Flow Projection was presented to the Committee showing cash flow is still expected to be positive at \$118,925, which is \$213,875 less than projected in the 2011-2012 Revised budget, which was approved in September 2011.

General Fund Budget

The Committee recommended the proposed 2011-2012 Mid-Year General Fund Budget be approved.

Capital Improvement Projects and Purchases Budget

The Committee recommended the proposed 2011-2012 Mid-Year Capital Improvement Projects and Purchases Budget be approved.

5. Billing Software

At the November 14, 2011 regular board meeting, the Board of Directors approved upgrading the District's billing and accounting software with Springbrook's Version 7 if staff acquired satisfactory references from other Springbrook Version 7 customers. Staff contacted five water districts that migrated to Version 7. Those that migrated more than two years ago indicated Springbrook staff could have been better prepared but despite that would keep Springbrook if they had to do it over. Companies that migrated within the last year commented the process was very smooth and were very happy with the whole procedure and product. Based on the positive references, staff reported it is in the process of finalizing the contract and should have it signed within a few days.

6. Construction Meter Update

Staff gave the Committee a report updating them on the benefit analysis of switching to or supplementing stock with lock-on construction meters. The District offers construction meter water service, which is a means to provide water through a temporary construction water meter that is installed on a fire hydrant generally for construction and other legitimate non-potable water use. The District uses portable construction meters, which currently cost up to \$1,400 each. Several years ago, the community experienced a surge of development necessitating the purchase of additional construction meters as the District's supply was inadequate to meet construction needs.

Due to the increased stock, it was important to review the Construction Meter Policy and Procedure to improve controls over these costly and portable meters. Staff researched the pros and cons of lock-on meters versus portable meters by contacting nine water districts. Seven of the districts use portable meters and rate their success between very good and excellent. The two districts that use lock-on meters both rated their success as excellent. Staff also reviewed the other districts' construction meter policies, fees, charges and reading procedures. IWVWD's construction meter program is very similar to others.

Due to the high cost to replace construction meters, and the decreasing demand for them, staff opted to maintain its portable meters but modified the construction meter policy to improve its control to excellent. Changes include enforcing the policy to ensure the meters are read and inspected by staff monthly, painting all of the District's meters so they are recognizable in the field by staff, and increasing the refundable deposit to \$1,000. Since these changes were implemented, the program has been running at an excellent level.

7. Financial Statements, October 31, 2011

The Committee reviewed the District's financial statements as of October 31, 2011. Revenues were at 48% of budget, which is 5% higher than the four-year historical trend. Expenses were 79% of the actual revenues received, which is 5% lower than the four-year historical trend average.

8. Third Quarter Investment Report

The Committee reviewed the quarterly financial investment statements as of September 30, 2011. The Kern County Treasury's Annualized Yield as of September 30, 2011 is .724% whereas the Local Agency Investment Fund (LAIF) Year-to-Date Yield is .389%. The unrestricted fund balance was \$4,459,874, and the restricted fund balance including the \$830,300 of 2009 COP Project funds was \$3,292,658 for total fund reserves of \$7,752,532.

9. Accounts Payable Disbursements

The Committee recommended approval of accounts payable disbursements as follows:

Checks through:	<u>11/22/11</u>		<u>12/8/11</u>		
Prepaid	\$ 64,365.53		\$ 57,851.01		
Current	<u>60,374.12</u>		<u>62,919.18</u>		
Total	<u>\$124,739.65</u>	+	<u>\$ 120,770.19</u>	=	<u>\$245,509.84</u>

10. Future Agenda Items

- Policies: Vehicle Replacement & Maintenance
- Consultant Engineer Rate Survey

11. Adjournment

The Committee adjourned at 3:30 pm.

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

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

ADMINISTRATION/EXECUTIVE COMMITTEE
MEETING REPORT

THURSDAY, DECEMBER 8, 2011 – 3:30PM

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

Attendees: Harold Manning, Peggy Breeden, Tom Mulvihill, Jennifer Keep, Renée Morquecho

1. Call to Order

The Administration/Executive Committee Meeting was called to order at 3:35 p.m.

2. Committee/Public Comments

None

3. Resolution Authorizing the District to Approve and Adopt the Countywide Vision of the San Bernardino Associated Governments

Motion was made by Vice President Breeden and seconded by President Manning recommending Resolution No. 11-XX as presented. Committee recommends Board approval of resolution.

4. CA Urban Water Conservation Council 2011 Board of Directors Election

After review of the candidates for the California Urban Water Conservation Council Board of Directors Representatives, the Committee has no recommendation for the Board. Director candidate statements will be emailed to the Board for review.

5. January Annual Board Workshop

Committee recommends Friday, January 20, 2012, 9:05 am for Annual Board Workshop.

6. Draft Agenda for Regular Board Meeting of December 12, 2011

The Committee reviewed the agenda and made changes as necessary. The Committee discussed the manner in which the General Manager Evaluation form should be used. The Committee requests all Directors to individually complete the evaluation form and bring the completed form to Closed Session.

7. Future Agenda Items

None

8. Adjournment

The meeting was adjourned at 3:54 p.m.

c: Board Worth Committee Binder
Management Koch File



7.E.2.

**Indian Wells Valley Water District
2011-2012 Mid Year General Fund Budget Proposal**

Account	Description	2012 Approved Budget	2012 Revised Budget	2012 Mid Year Proposal	% Δ Proposed v. Revised	\$ Δ Proposed v. Revised
Operating Revenues						
1-0-4110-100	Residential	\$4,740,000	\$4,740,000	\$4,740,000		\$0
1-0-4110-200	China Lake Acres	130,000	130,000	130,000		0
1-0-4110-300	Master-Metered Res.	530,000	530,000	530,000		0
1-0-4110-400	Commercial/Public/Ind.	990,000	990,000	1,030,000		40,000
1-0-4110-500	Bulk Rate	8,000	8,000	8,000		0
1-0-4110-600	Construction Water	5,000	5,000	20,000		15,000
1-0-4110-700	Fire Prevention	70,000	70,000	70,000		0
1-0-4110-801	B-Zone Charge	54,000	54,000	54,000		0
1-0-4110-802	C-Zone Charge	27,000	27,000	27,000		0
1-0-4110-803	D-Zone Charge	5,000	5,000	5,000		0
1-0-4110-804	E-Zone Charge	28,000	28,000	28,000		0
1-0-4110-900	Arsenic Charges	1,467,000	1,467,000	1,467,000		0
	Total Water Sales	<u>8,054,000</u>	<u>8,054,000</u>	<u>8,109,000</u>	0.68%	55,000
1-0-4230-000	Customer Service Charges	\$44,000	\$44,000	\$44,000		\$0
1-0-4231-100	Delinquent Billing Charge	155,000	155,000	155,000		0
1-0-4231-200	48-Hour Notice Charge	32,000	32,000	32,000		0
1-0-4231-300	Turn-Off Charge	14,000	14,000	14,000		0
1-0-4232-000	New Service Installation Chrgs	9,000	9,000	9,000		0
1-0-4233-000	Capital Facility Fee	\$198,000	198,000	96,000		-102,000
1-0-4234-000	Plan Check & Processing Fee	3,000	3,000	3,000		0
1-0-4236-000	Dist Syst Connect Chrg/Frnt Ft	4,000	4,000	4,000		0
	Total Water Service Revenue	<u>459,000</u>	<u>459,000</u>	<u>357,000</u>	-22.22%	-102,000
	Total Operating Revenues	<u>8,513,000</u>	<u>8,513,000</u>	<u>8,466,000</u>	-0.55%	-47,000
Operating Expenditures						
1-1-5211-000	Pumping Plant - Supervision	\$40,000	\$40,000	\$40,000	0.00%	\$0
1-1-5212-000	Pumping Plant - Labor	102,000	103,000	102,000	-0.97%	-1,000
1-1-5213-000	Pumping Plant - Overtime	2,000	2,000	2,000	0.00%	0
1-1-5213-100	Pumping Plant - Standby	4,000	4,000	4,000	0.00%	0
1-1-5214-000	Pumping Plant - Emp Benefits	60,000	60,000	60,000	0.00%	0
1-1-5215-000	Pumping Plant - Vehicle Maintenance	6,000	6,000	7,000	16.67%	1,000
1-1-5215-500	Pumping Plant - Vehicle Fuel	16,000	16,000	15,000	-6.25%	-1,000
1-1-5221-000	Maintenance Of Pumping Plant Structures	3,000	3,000	4,000	33.33%	1,000
1-1-5222-000	Maintenance of Pumping Equipment	16,000	96,000	76,000	-20.83%	-20,000
1-1-5222-200	Maintenance Standby Generators	13,000	13,000	13,000	0.00%	0
1-1-5223-000	Maintenance & Care Of Grounds	7,000	7,000	7,000	0.00%	0
1-1-5224-000	Maintenance Automated Pumping Controls	16,000	16,000	16,000	0.00%	0
1-1-5225-000	Operating Permits	6,000	6,000	6,000	0.00%	0
1-1-5231-000	Purchased Power Wells, Etc.	563,000	563,000	563,000	0.00%	0
1-1-5233-000	Natural Gas	1,000	1,000	1,000	0.00%	0
1-1-5246-000	Training & Conferences PP	2,000	2,000	500	-75.00%	-1,500
1-1-5250-000	Bulk Water Station Expenses	5,000	5,000	5,000	0.00%	0
1-1-5334-000	Water Treatment Chemicals	46,000	46,000	56,000	21.74%	10,000
1-1-5429-000	Misc Parts & Materials PP	0	1,000	3,000	200.00%	2,000
1-1-5621-000	Stationery & Supplies PP	2,000	2,000	1,000	-50.00%	-1,000
1-1-5627-050	Cell Phones PP	2,000	2,000	2,500	25.00%	500
1-1-5675-000	Computer Supplies PP	1,000	1,000	500	-50.00%	-500
	Total Pumping Plant Expenditures	<u>913,000</u>	<u>995,000</u>	<u>984,500</u>	-1.06%	-10,500

**Indian Wells Valley Water District
2011-2012 Mid Year General Fund Budget Proposal**

Account	Description	2012 Approved Budget	2012 Revised Budget	2012 Mid Year Proposal	% Δ Proposed v. Revised	\$ Δ Proposed v. Revised
1-2-5211-000	Arsenic Plant - Supervision	40,000	40,000	\$40,000	0.00%	\$0
1-2-5212-000	Arsenic Plant - Labor	105,000	106,000	105,000	-0.94%	-1,000
1-2-5213-200	Arsenic Plant - Overtime	4,000	6,000	6,000	0.00%	0
1-2-5213-201	Arsenic Plant - Standby	5,000	10,000	10,000	0.00%	0
1-2-5214-000	Arsenic Plant - Emp Benefits	60,000	60,000	60,000	0.00%	0
1-2-5221-000	Maintenance of Arsenic Plant Structures	3,000	3,000	3,000	0.00%	0
1-2-5222-000	Maintenance of Arsenic Equipment	5,000	5,000	5,000	0.00%	0
1-2-5224-000	Maintenance Automated Controls	14,000	14,000	14,000	0.00%	0
1-2-5231-000	Arsenic Plant - Purchased Power	53,000	53,000	75,000	41.51%	22,000
1-2-5246-000	Arsenic Plant - Training & Conferences	2,000	2,000	500	-75.00%	-1,500
1-2-5332-000	Arsenic Lab Analysis	0	1,000	1,000	0.00%	0
1-2-5333-001	Water Treatment Arsenic Notices	14,000	14,000	14,000	0.00%	0
1-2-5335-100	Arsenic Treatment Chemicals	318,000	318,000	318,000	0.00%	0
1-2-5335-200	Arsenic Solids Disposal	7,000	7,000	7,000	0.00%	0
1-2-5429-000	Misc Parts & Materials AP	0	0	1,000		1,000
1-2-5621-000	Stationery & Supplies AP	2,000	2,000	1,000	-50.00%	-1,000
	Total Arsenic Plant Expenditures	632,000	641,000	660,500	3.04%	19,500
1-3-5411-000	T&D - Supervision	\$145,000	\$118,000	\$119,000	0.85%	\$1,000
1-3-5412-000	T&D - Labor	464,000	328,000	332,000	1.22%	4,000
1-3-5412-500	T&D - Capital Project Credit	-267,000	-8,000	-8,000	0.00%	0
1-3-5413-000	T&D - Overtime	16,000	16,000	22,000	37.50%	6,000
1-3-5414-000	T&D - Benefits	307,000	204,000	201,000	-1.47%	-3,000
1-3-5415-000	T&D - Vehicle Maintenance	15,000	15,000	15,000	0.00%	0
1-3-5415-500	T&D - Vehicle Fuel	24,000	24,000	24,000	0.00%	0
1-3-5416-000	T&D - Maint Heavy & Light Equipment	35,000	35,000	35,000	0.00%	0
1-3-5421-000	Maintenance of T&D	6,000	6,000	6,000	0.00%	0
1-3-5422-000	Maint Reservoirs & Tanks	104,000	104,000	104,000	0.00%	0
1-3-5424-000	Maint of Fire Hydrants	4,000	4,000	6,000	50.00%	2,000
1-3-5425-000	Maint Laterals & Meters	80,000	80,000	99,000	23.75%	19,000
1-3-5426-000	Maint Valves & Boxes	5,000	5,000	10,000	100.00%	5,000
1-3-5427-000	Maintenance Of Streets	357,000	357,000	301,000	-15.69%	-56,000
1-3-5429-000	Misc Parts & Materials T&D	40,000	40,000	40,000	0.00%	0
1-3-5433-000	Equipment Rental	10,000	10,000	10,000	0.00%	0
1-3-5434-000	Capital Equipment Credit	-75,000	-3,000	-3,000	0.00%	0
1-3-5446-000	Training and Conferences T&D	8,000	8,000	1,500	-81.25%	-6,500
1-3-5447-000	Meal Tickets T&D	3,000	3,000	3,000	0.00%	0
1-3-5621-000	Stationery & Supplies T&D	2,000	2,000	2,000	0.00%	0
1-3-5627-050	Cell Phones T&D	2,000	1,000	1,300	30.00%	300
1-3-5675-000	Computer Supplies T&D	1,000	1,000	500	-50.00%	-500
	Total Transmission & Distribution Expenditures	1,286,000	1,350,000	1,321,300	-2.13%	-28,700

**Indian Wells Valley Water District
2011-2012 Mid Year General Fund Budget Proposal**

Account	Description	2012 Approved Budget	2012 Revised Budget	2012 Mid Year Proposal	% Δ Proposed v. Revised	\$ Δ Proposed v. Revised
1-4-5412-100	Engineering - Labor	\$259,000	\$200,000	\$206,000	3.00%	\$6,000
1-4-5413-100	Engineering - Overtime	2,000	2,000	2,000	0.00%	0
1-4-5414-100	Engineering - Benefits	114,000	56,000	56,000	0.00%	0
1-4-5415-100	Engineering - Vehicle Maintenance	4,000	4,000	4,000	0.00%	0
1-4-5415-300	Engineering - Vehicle Fuel	13,000	13,000	9,500	-26.92%	-3,500
1-4-5415-400	Water Treatment Lab Analysis	16,000	16,000	16,000	0.00%	0
1-4-5415-500	SDWR Compliance Notices	9,000	9,000	9,000	0.00%	0
1-4-5446-000	Training and Conferences ENG	2,000	2,000	2,000	0.00%	0
1-4-5464-200	Training and Conferences IT	1,000	1,000	1,000	0.00%	0
1-4-5465-000	Meal Tickets ENG	1,000	200	200	0.00%	0
1-4-5621-000	Stationery & Supplies ENG	5,000	5,000	5,000	0.00%	0
1-4-5627-050	Cell Phones ENG	3,000	1,500	1,600	6.67%	100
1-4-5653-000	Consulting Engineer Services	80,000	80,000	100,000	25.00%	20,000
1-4-5656-000	Water Trax Subscription	10,000	10,000	10,000	0.00%	0
1-4-5675-000	Computer Supplies ENG	2,500	2,500	2,500	0.00%	0
1-4-5675-200	Computer Supplies IT	10,500	10,500	10,500	0.00%	0
	Total Engineering Expenditures	524,000	412,700	435,300	5.48%	22,600
1-5-5511-000	Customer Accts - Supervision	\$71,000	\$71,000	\$71,000	0.00%	\$0
1-5-5512-000	Customer Accts - Labor	97,000	92,000	65,000	-29.35%	-27,000
1-5-5512-100	Customer Accts - Temp Labor	0	1,000	17,000	1600.00%	16,000
1-5-5513-000	Customer Accts - Overtime	1,000	1,000	1,000	0.00%	0
1-5-5514-000	Customer Accts - Benefits	78,000	76,000	62,000	-18.42%	-14,000
1-5-5520-000	Uncollectible Accounts	38,000	38,000	38,000	0.00%	0
1-5-5541-000	Postage & Supplies CUSTOMER	70,000	70,000	54,000	-22.86%	-16,000
1-5-5542-000	Printing & Reproduction CUSTOMER	14,000	14,000	14,000	0.00%	0
1-5-5550-000	Cash Short/Over	100	100	100	0.00%	0
1-5-5621-000	Stationery & Supplies CUSTOMER	2,000	2,000	2,000	0.00%	0
1-5-5675-000	Computer Supplies CUSTOMER	2,500	2,500	2,500	0.00%	0
1-0-4920-001	Interest Paid on Deposits	1,000	1,000	1,000	0.00%	0
	Total Customer Accounts Expenditures	374,600	368,600	327,600	-11.12%	-41,000
1-6-5429-000	Misc Parts & Materials FS	\$0	\$1,000	\$1,000	0.00%	\$0
1-6-5561-000	Field Services - Supervision	66,000	73,000	73,000	0.00%	0
1-6-5562-000	Field Services - Labor	163,000	119,000	145,000	21.85%	26,000
1-6-5563-000	Field Services - Overtime	1,000	4,000	4,000	0.00%	0
1-6-5564-000	Field Services - Capital Proj Credit	0	0	-55,000		-55,000
1-6-5565-000	Field Services - Benefits	112,000	89,000	102,000	14.61%	13,000
1-6-5566-000	Field Services - Vehicle Maintenance	7,000	7,000	7,000	0.00%	0
1-6-5566-500	Field Services - Vehicle Fuel	16,000	16,000	16,000	0.00%	0
1-6-5567-000	Maintenance of Meters FS	29,000	29,000	29,000	0.00%	0
1-6-5567-001	Datamatic Software Maintenance	9,000	10,000	10,500	5.00%	500
1-6-5568-000	Training and Conferences FS	1,000	1,000	1,000	0.00%	0
1-6-5621-000	Stationery & Supplies FS	2,000	2,000	2,000	0.00%	0
1-6-5627-050	Cell Phones FS	2,000	1,500	1,600	6.67%	100
1-6-5675-000	Computer Supplies FS	1,000	1,000	1,000	0.00%	0
	Total Field Services Expenditures	409,000	353,500	338,100	-4.36%	-15,400

**Indian Wells Valley Water District
2011-2012 Mid Year General Fund Budget Proposal**

Account	Description	2012 Approved Budget	2012 Revised Budget	2012 Mid Year Proposal	% Δ Proposed v. Revised	\$ Δ Proposed v. Revised
1-7-5611-000	Administration - Supervision	\$535,000	\$528,000	\$525,000	-0.57%	-\$3,000
1-7-5612-000	Administration - Labor	112,000	112,000	111,000	-0.89%	-1,000
1-7-5612-100	Accounting - Labor	124,000	124,000	123,000	-0.81%	-1,000
1-7-5612-200	Administration - Part Time Lbr	17,500	17,500	17,500	0.00%	0
1-7-5613-000	Administration - Overtime	2,000	5,000	5,000	0.00%	0
1-7-5613-100	Accounting - Overtime	500	1,500	1,500	0.00%	0
1-7-5614-000	Administration - Benefits	222,000	221,000	220,000	-0.45%	-1,000
1-7-5614-100	Accounting - Benefits	69,000	65,000	65,000	0.00%	0
1-7-5615-100	Administration - Vehicle Maintenance	3,000	3,000	3,000	0.00%	0
1-7-5615-200	Administration - Vehicle Fuel	3,000	3,000	3,000	0.00%	0
1-7-5621-000	Stationery & Supplies ADMIN	8,000	8,000	8,000	0.00%	0
1-7-5622-000	Printing & Reproduction ADMIN	1,000	1,000	1,000	0.00%	0
1-7-5623-000	Postage ADMIN	5,000	5,000	4,000	-20.00%	-1,000
1-7-5624-000	Memberships & Subscriptions	24,000	27,000	31,000	14.81%	4,000
1-7-5625-000	Travel & Conference MGMT	3,000	3,000	3,000	0.00%	0
1-7-5625-001	Travel & Conference ADMIN/ACCT	2,000	2,000	2,000	0.00%	0
1-7-5625-100	Maintenance of Structures	3,000	3,000	3,000	0.00%	0
1-7-5626-000	Office & Shop Utilities	48,000	47,000	47,000	0.00%	0
1-7-5626-001	Hazardous Waste Disposal	0	1,000	1,000	0.00%	0
1-7-5627-000	Telephones	19,000	19,000	19,000	0.00%	0
1-7-5627-050	Cell Phones ADMIN	4,000	3,500	3,500	0.00%	0
1-7-5627-100	Internet Service Provider	7,000	7,000	7,000	0.00%	0
1-7-5627-500	Security Services	4,000	4,000	4,000	0.00%	0
1-7-5628-000	Custodian/Caretaker	12,000	12,000	12,000	0.00%	0
1-7-5629-100	Employment Verification	200	200	200	0.00%	0
1-7-5631-000	Ins Property & Liability	101,000	101,000	101,000	0.00%	0
1-7-5631-100	Deductible Adjustments	3,000	3,000	3,000	0.00%	0
1-7-5632-000	Medical Examinations	500	500	500	0.00%	0
1-0-5642-501	Workers Comp Previous FY	0	0	8,275		8,275
1-7-5645-001	Accrued Sick/Vacation Leave	25,000	25,000	25,000	0.00%	0
1-7-5646-200	Safety Materials and Equipment	21,000	21,000	21,000	0.00%	0
1-7-5647-000	Education Reimbursement	2,000	2,000	2,000	0.00%	0
1-7-5648-000	Misc Sundies & Supplies	11,000	11,000	11,000	0.00%	0
1-7-5650-100	Employee Assistance Program	1,500	1,500	1,500	0.00%	0
1-7-5651-000	Legal Services	100,000	100,000	80,000	-20.00%	-20,000
1-7-5652-000	Auditing Services	20,000	20,000	20,000	0.00%	0
1-7-5654-000	Financial Services	15,000	15,000	15,000	0.00%	0
1-7-5658-000	Misc. Consultants	3,000	4,000	4,000	0.00%	0
1-7-5658-100	Hydrogeologist Consultant	30,000	30,000	25,000	-16.67%	-5,000
1-7-5659-000	Underground Service Alert	500	500	500	0.00%	0
1-7-5661-000	Rents/Lease Equipment	4,000	4,000	4,000	0.00%	0
1-7-5662-000	Leases Real Estate BLM	6,000	6,000	6,000	0.00%	0
1-7-5672-000	Office Equipment Maintenance	19,000	19,000	19,000	0.00%	0
1-7-5675-000	Computer Supplies ADMIN	2,500	2,500	2,500	0.00%	0
1-7-5676-000	Springbrook Software Maintenance	19,000	19,000	22,000	15.79%	3,000
1-7-5679-300	Cost of Service Study	10,000	10,000	10,000	0.00%	0
1-7-5690-000	After Hours	33,000	33,000	38,000	15.15%	5,000
Total Administration & General Expenditures		1,626,200	1,650,700	1,638,975	-0.71%	-11,726

**Indian Wells Valley Water District
2011-2012 Mid Year General Fund Budget Proposal**

Account	Description	2012 Approved Budget	2012 Revised Budget	2012 Mid Year Proposal	% Δ Proposed v. Revised	\$ Δ Proposed v. Revised
1-8-5691-000	Director's Fees	\$14,000	\$14,000	\$14,000	0.00%	\$0
1-8-5691-500	Health Insurance Director's	60,000	60,000	58,000	-3.33%	-2,000
1-8-5691-600	Director's Workers Comp	1,000	1,000	1,000	0.00%	0
1-8-5692-000	Recording Secretary	1,200	1,200	1,200	0.00%	0
1-8-5694-000	Travel & Convention - Directors	5,000	5,000	5,000	0.00%	0
1-8-5695-000	Elections	0	0	500		500
	Total Legislative Expenditures	<u>81,200</u>	<u>81,200</u>	79,700	-1.85%	-1,500
1-0-5710-000	Depreciation	\$2,724,000	\$2,610,000	\$2,487,000	-4.71%	-\$123,000
	Total Depreciation and Amortization	<u>2,724,000</u>	<u>2,610,000</u>	2,487,000	-4.71%	-123,000
	Total Operating Expenditures	<u>8,570,000</u>	<u>8,462,700</u>	8,272,975	-2.24%	-189,726
	Operating Revenues over Expenditures	<u>-57,000</u>	<u>50,300</u>	193,026	283.75%	142,726
	Non-Operating Revenues					
1-0-4920-000	Interest Income	\$55,000	\$55,000	\$33,000	-40.00%	-\$22,000
1-0-4920-102	Interest Income - COP	64,000	64,000	12,000	-81.25%	-52,000
1-0-4920-210	Assessment Int Income AD #87-1	72,000	72,000	72,000	0.00%	0
1-0-4920-700	Interest Income Prop44/55	1,500	1,500	1,500	0.00%	0
1-0-4960-000	Miscellaneous Revenues	5,000	5,000	24,000	380.00%	19,000
1-0-4970-000	Olancha Farm Rent	19,200	19,200	19,200	0.00%	0
	Total Non-Operating Income	<u>216,700</u>	<u>216,700</u>	161,700	-25.38%	-55,000
	Non-Operating Expenditures					
1-0-5923-001	2003 Bond - Interest	143,000	143,000	143,000	0.00%	0
1-0-5924-000	Prop 44 Loan - Interest	2,300	2,300	2,300	0.00%	0
1-0-5925-000	Prop 55 Loan - Interest	90,000	90,000	90,000	0.00%	0
1-0-5927-001	2003 Bond Sweep Fee/Admin Fee	1,800	1,800	1,800	0.00%	0
1-0-5927-100	COP 2009 Admin/Mis Fees	1,000	1,000	1,000	0.00%	0
1-0-5927-101	COP 2009 Issuances Expense	4,400	4,400	4,400	0.00%	0
1-0-5927-102	COP 2009 - Interest	963,000	963,000	963,000	0.00%	0
	Non-Operating Expense, Interest	<u>1,205,500</u>	<u>1,205,500</u>	1,205,500	0.00%	0
1-0-5929-000	Misc Service Charges/Penalties	\$7,000	\$7,000	\$10,000	42.86%	\$3,000
1-0-5929-001	Credit Card Service Charges	15,000	15,000	18,000	20.00%	3,000
1-0-5929-200	Misc State & County Fees	100	1,900	1,900	0.00%	0
1-0-5933-000	Dept Health Service Annual Fee	20,000	20,000	12,000	-40.00%	-8,000
1-0-5934-000	Recruitment & Relocation	35,000	35,000	35,000	0.00%	0
1-0-5944-000	Public Information	21,000	21,000	21,000	0.00%	0
1-0-5961-200	IWVCGWMG Expenses	3,500	3,500	3,500	0.00%	0
1-0-5962-000	LAFCO Expense	2,000	2,000	1,500	-25.00%	-500
	Non-Operating Expense, Miscellaneous	<u>103,600</u>	<u>105,400</u>	102,900	-2.37%	-2,500

**Indian Wells Valley Water District
2011-2012 Mid Year General Fund Budget Proposal**

Account	Description	2012 Approved Budget	2012 Revised Budget	2012 Mid Year Proposal	% Δ Proposed v. Revised	\$ Δ Proposed v. Revised
1-9-5000-000	Conservation/Public Education Labor	91,000	8,000	\$16,000	100.00%	\$8,000
1-9-5000-001	Conservation/Public Education OT	100	100	100	0.00%	0
1-9-5000-002	Conservation/Public Education Benefits	29,000	5,000	1,000	-80.00%	-4,000
1-9-5000-003	Conservation/Public Education Travel	500	500	500	0.00%	0
1-9-5621-000	Stationery & Supplies CONSRV	1,000	250	250	0.00%	0
1-9-5627-050	Cell Phones CONSRV	1,000	200	300	50.00%	100
1-9-5675-000	Computer Supplies CONSRV	1,000	250	250	0.00%	0
1-9-5949-000	Water Conservation Programs	18,000	18,000	18,000	0.00%	0
1-9-5949-001	Water Conservation Advertising	11,000	11,000	11,000	0.00%	0
	Non-Operating Expense, Conservation	152,600	43,300	47,400	9.47%	4,100
1-9-5952-000	Well Monitoring Program	\$0	\$3,000	\$3,000	0.00%	\$0
1-9-5953-000	Kern County Property Tax	3,500	3,500	3,000	-14.29%	-500
1-9-5954-000	Inyo County Property Tax	3,500	3,500	3,500	0.00%	0
1-9-5960-001	AWS - Butterworth Ranch Olancha	18,500	23,500	23,500	0.00%	0
1-9-5960-003	AWS - Stine Property	4,000	4,000	4,000	0.00%	0
1-9-5960-102	AWS - Ground Water Flow Model	0	0	5,000		5,000
	Non-Oper Expense, Alternate Water Supply	29,500	37,500	42,000	12.00%	4,500
	Total Non-Operating Expenditures	1,491,200	1,391,700	1,397,800	0.44%	6,100
	Non-Op Revenues over Non-Op Expenditures	-1,274,500	-1,175,000	-1,236,100	5.20%	-61,100
	Op & Non-Op Revenues over Expenditures	-\$1,331,500	-\$1,124,700	-\$1,043,075	-7.26%	81,626

**Indian Wells Valley Water District
Capital Improvement Projects and Purchases Budget
2011-2012 Mid-Year Proposal**

Project		Approved Budget	Revised Actuals	Mid-Year Proposal
Pumping Plant				
1-0-1115-801	Arsenic Treatment Plants	0	0	262,000
1-0-1115-820	WSIP Environmental Reporting	250,000	251,450	251,500
		<u>250,000</u>	<u>251,450</u>	<u>513,500</u>
Transmission & Distribution				
1-0-1117-308	A-Zone Tank	15,000	15,000	15,000
1-0-1117-319	D-Zone Tank	0	0	2,500
1-0-1117-302	California Street Mainline Replacement	346,200	0	140,500
1-0-1117-306	Burns Street Mainline Replacement	332,340	31,000	25,000
1-0-1117-30X	Greenlawn Mainline Replacement	221,460	0	0
1-0-1117-300	New Service Installations	9,000	9,000	9,000
1-0-1117-360	Fire Hydrants	7,500	7,500	7,500
		<u>931,500</u>	<u>62,500</u>	<u>199,500</u>
Technology				
1-0-1117-410	Firefly Installation Project	0	0	65,000
1-0-1118-151	Geographical Information System Project	25,000	1,000	1,000
1-0-1118-150	Accounting Software Upgrade Project	50,000	50,000	26,000
		<u>75,000</u>	<u>51,000</u>	<u>92,000</u>
General Plant				
1-0-1118-401	Equipment, Replacement (Telemetry)	17,500	17,500	17,500
1-0-1118-005	Equipment, New (Security)	30,000	30,000	20,000
1-0-1118-953	Miscellaneous Capital Purchases	25,000	25,000	25,000
1-0-1118-105	Replacement Equipment, Customer Accounts	7,000	7,000	7,000
		<u>79,500</u>	<u>79,500</u>	<u>69,500</u>
Future Source of Supply				
1-0-1114-001	Butterworth Well	0	0	6,500
Total Capital Improvements		<u><u>\$ 1,336,000</u></u>	<u><u>\$ 444,450</u></u>	<u><u>\$ 881,000</u></u>

s/b -0-

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**Indian Wells Valley Water District
Capital Improvement Projects and Purchases Budget
2011-2012 Mid-Year Proposal Details**

Department/ Account #	Project Name	Project Budget	* Project to Date Actuals	2012 Mid-Year Proposal	Future Budgets
<u>Pumping Plant</u>					
1-0-1115-801	Arsenic Treatment Facility & Fencing & Pipeline All Expenses including Design	14,142,817	13,880,817	262,000	0
1-0-1115-825	WSIP Environmental Reporting Expense (CEQA/NEPA)	300,000	48,500	251,500	0
1-0-1117-361	A-Zone Tank All Expenses including Design	1,765,000	0	15,000	1,750,000
1-0-1117-354	D-Zone Tank All Expenses including Design	1,383,007	1,380,507	2,500	0
<u>Transmission & Distribution Plant</u>					
1-0-1117-303	Mainline Replacement (California)	403,081	262,581	140,500	0
1-0-1117-306	Mainline Replacement (Burns)	190,659	165,659	25,000	0
1-0-1117-300	New Service Installations (Annual Budget Item)	9,000	0	9,000	0
1-0-1117-360	Fire Hydrants (Annual Budget Item)	7,500	0	7,500	0
<u>Technology</u>					
1-0-1117-401	Firefly Installation Project	1,544,411	1,479,411	65,000	0
1-0-1118-151	Needs Assessment Services, Information System	225,000	0	1,000	224,000
1-0-1118-150	Springbrook Upgrade Including Inventory Module Purchase	60,500	0	26,000	34,500
<u>General Plant</u>					
1-0-1118-401	Equipment, Replacement Telemetry for Pressure Station (Downs/Dolphin)	17,500	0	17,500	0
1-0-1118-005	Equipment, New Security System - Arsenic Plant on Garth Security System - Springer Tank	10,000 10,000 <hr/> 20,000	0 0 <hr/> 0	10,000 10,000 <hr/>20,000	0 0 <hr/> 0
1-0-1118-953	Miscellaneous Capital Purchases (Annual Budget Item)	25,000	0	25,000	0
1-0-1118-105	Replacement Equipment, Cust Accts (Annual Budget Item)	7,000	0	7,000	0
<u>Future Source of Supply</u>					
1-0-1114-002	Butterworth Well	602,802	596,302	6,500	0
Total Capital Improvements		\$20,703,277	\$17,813,777	\$881,000	\$2,008,500

**Indian Wells Valley Water District
Cash Flow Projection
Mid-Year Budget Proposal
2011-2012**

Cash Flow Projection

Beginning Cash **\$4,365,892**

REVENUES

Operating Revenues	8,466,000
Non-Operating Revenues	161,700
2009 COP Draw	516,000
TOTAL REVENUES	9,143,700

EXPENSES

Operating Exp - Pumping Plant	984,500
Operating Exp - Arsenic Plant	660,500
Operating Exp - T&D	1,321,300
Operating Exp - Engineering	435,300
Operating Exp - Customer Accounts	327,600
Operating Exp - Field Services	338,100
Operating Exp - Admin/General	1,638,975
Operating Exp - Legislative	79,700
Total Operating Expenses	5,785,975

Capital Improvement Projects	881,000
Misc Non-Op Expenses	102,900
Conservation	47,400
Alternate Water Supply	42,000
Long Term Debt (Principal & Interest)	2,165,500
Total Non-Operating Expenses	3,238,800

TOTAL EXPENSES **9,024,775**

NET CASH FLOW **118,925**

ENDING CASH **4,484,817**

Debt Service Coverage (Min. 1.20x)	1.22
Meet Debt Service Coverage?	yes

Fund Reserve Target - 6 months of O&M	2,892,988
Meet Fund Reserve Target?	yes

IWVWD Capital Improvement Projects
FY 2012 - FY 2021

	Project	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	Comments	
Pumping Plant	Arsenic Treatment Plants	\$262,000										\$262,000	Project management, construction and site beautification	
	WSIP Environmental Reporting (WSIP Phase I)	\$251,500										\$251,500	WSIP	
	Well Improvements (WSIP Phase I)		\$665,000									\$665,000	Re-equip Well 18 & Well 34	
	Replacement Well		\$950,000	\$950,000								\$1,900,000	Placeholder in case a well goes down	
	Well No. 35 (WSIP Phase II)				\$1,900,000							\$1,900,000	WSIP	
	TOTAL PUMPING PLANT	\$513,500	\$1,615,000	\$950,000	\$1,900,000	\$0	\$0	\$0	\$0	\$0	\$0	\$4,978,500		
Transmission & Distribution	East Bowman A-Zone Reservoir #1	\$15,000					\$437,500	\$1,312,500				\$1,765,000	A-Zone Tank/East Bowman Reservoir Project	
	Transmission Line Extension Bowman Rd to A-Zone Reservoir					\$1,500,000	\$2,250,000					\$3,750,000		
	D-Zone Reservoir	\$2,500										\$2,500	Final expenses	
	California Mainline Replacement	\$140,500										\$140,500	Includes street maintenance	
	Burns Mainline Replacement	\$25,000	\$178,000									\$203,000		
	Ward Mainline Extension			\$533,000								\$533,000	Primavera to China Lake Acres 7920ft in dirt	
	Sunland to Forest Knoll Mainline Relocations				\$605,000							\$605,000	Approx. 9000 ft in dirt	
	Greenlawn Mainline Replacement					\$89,000						\$89,000	Between California & Church 660 ft	
	Rancho Mainline Replacement					\$89,000						\$89,000	Between California & Church 660 ft	
	Forest Knoll Mainline Replacement					\$89,000						\$89,000	Between California & Church 660 ft	
	Springside Mainline Replacement					\$89,000						\$89,000	Between California & Church 660 ft	
	Primrose Mainline Replacement					\$89,000						\$89,000	Between California & Church 660 ft	
	Orchard Mainline Replacement					\$89,000						\$89,000	Between California & Church 660 ft	
	Gateway Mainline Replacement							\$178,000				\$178,000	Church to R/C Blvd 1320 ft	
	French St Mainline Replacement								\$612,000			\$612,000	Replace old Navy 12 " pipe from China Lake Blvd to La Mirage (2600 ft)	
	Las Flores Mainline Exesnion to China Lake Blvd								\$71,000			\$71,000	Complete a loop 300 ft	
	Old Navy Housing Area Mainline Replacement								\$100,001	\$621,500	\$621,500	\$1,343,001	Gold Canyon, Oasis, Sahara, Palm, LaMirage, Sand Dune, Robalo, Aronda, Cisco, Nadeu, Sandora, Kashmir (approx 3 mi)	
	Springer to Gateway Tank		\$500,000	\$500,000								\$1,000,000		
	New Service Installations	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$90,000	
	Fire Hydrants	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$75,000	
Service Lateral Replacement Project		\$108,000	\$325,000		\$400,000			\$500,000	\$500,000	\$500,000	\$2,333,000			
	TOTAL TRANSMISSION & DISTRIBUTION	\$199,500	\$802,500	\$1,374,500	\$621,500	\$2,450,500	\$2,704,000	\$1,507,000	\$1,299,501	\$1,138,000	\$1,138,000	\$13,235,001		
Tech	Firefly Installation Project	\$65,000										\$65,000		
	GIS Needs Assessment & Implementation	\$1,000	\$24,000	\$100,000	\$100,000							\$225,000	2011-2012 includes travel to inspect a system in place; 2012-2013 will be the assessment; 2013-2014 will be implementation	
	Replacement Computer Equipment & Software	\$26,000	\$31,575	\$21,500	\$1,200		\$20,000					\$100,275	FY 2011-2012 through 2013-2014 Includes Springbrook Upgrade & Misc Purchases; FY 2016-2017 includes replacement server	
	Website Redesign				\$25,000							\$25,000		
		TOTAL TECH	\$92,000	\$55,575	\$121,500	\$126,200	\$0	\$20,000	\$0	\$0	\$0	\$0	\$415,275	
Future Source of Supply	Brackish Water Resource Study								\$200,000			\$200,000		
	Butterworth Well	\$6,500										\$6,500	Final project expenses	
	Stine Property, Well										\$750,000	\$750,000		
		TOTAL FUTURE SOURCE OF SUPPLY	\$6,500	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000	\$0	\$750,000	\$956,500	
General Plant	Vehicles, Replacement			\$50,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$225,000		
	Equipment, Replacement	\$17,500	\$8,750	\$8,750	\$8,750	\$8,750	\$8,750	\$8,750	\$8,750	\$8,750	\$8,750	\$96,250	FY 2011-2012 includes replacement of two telemetry systems; following years include one telemetry system replacement	
	Equipment, New	\$20,000		\$20,000		\$20,000		\$20,000		\$20,000		\$100,000	FY 2011-2012 includes new security systems at arsenic plants; placeholders included in following years	
	Miscellaneous Capital Purchases	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$250,000		
	Replacement Equipment, Customer Accounts	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$70,000		
		TOTAL GENERAL PLANT	\$69,500	\$40,750	\$110,750	\$65,750	\$85,750	\$65,750	\$85,750	\$65,750	\$85,750	\$65,750	\$741,250	
	Total	\$881,000	\$2,513,825	\$2,556,750	\$2,713,450	\$2,536,250	\$2,789,750	\$1,592,750	\$1,565,251	\$1,223,750	\$1,953,750	\$20,326,526		



7.F.1.

Group 1 Board of Directors Representatives Election
Wednesday, December 14, 2011

Please submit your vote by completing this ballot and 1) faxing it to 916-552-5877 by 5:00pm on Tuesday, December 13th; OR 2) bringing it to the meeting with you.

Per Article 9, Section 9.03 of the MOU, the following Group 1 member agency will assume office of **Chair** on the Board of Directors for 2011.

Contra Costa Water District (Chris Dundon)

Coast Region

(Two Positions Filled Until 2012, please vote for One*)

- Dublin San Ramon Service District (Dan Gallagher)
- City of San Luis Obispo (Ron Munds)

Inland Region

(Position Filled Until 2012)

South Region

(One Position Filled Until 2012, please vote for Four*)

- Irvine Ranch Water District (Fiona Sanchez)
- Long Beach Water Department (Matt Lyons)
- Los Angeles Department of Water and Power (Penny Falcon)
- Metropolitan Water District of Southern California (Tim Blair)
- San Diego County Water Agency (Toby Roy)

*The person elected to the South Region for this ballot cycle with the lowest number of votes will serve a one-year term.

Voting Agency Name: _____

Print Name

(Date)

Signature (Group 1 Signatory Representative) Only ONE ballot per Signatory



716 10th Street
Suite 200
Sacramento
California 95814

Phone
916/ 552-5885
Fax
916/ 552-5877

www.cuwcc.org

November 14, 2011

Ms. Rose Koch
Indian Wells Valley Water District
500 W. Ridgecrest Blvd.
Ridgecrest, CA 93556

Dear Ms. Koch:

Enclosed you will find your organization's one-page ballot for the 2011 Board of Directors Election. Please note the recently approved (September 16, 2011) Group 1 Regional Voting Structure now designates Board seats for (3) three regions from which Group 1 Board members will be elected. The Group 1 Board has been increased by one seat for a total of nine (9) seats. You may vote for candidates from any region in the state. The only limits are the number of open seats for each region; all Group 1 members may vote for the candidates of their choice in all regions.

Signatory member organizations are entitled to one ballot per organization for their Group's representatives. Please be sure to fill out your agency name at the bottom of the ballot. You may vote by mail to the CUWCC office or fax to (916) 552-5877. The deadline for mailed or faxed ballots is 5:00 pm on December 13, 2011. Member representatives who attend the Plenary meeting on December 14, 2011 in West Sacramento may vote by paper ballot at the meeting, as long as they have not previously voted by fax or mail.

All submitted Board of Director Candidate Statements have been made available for review on the Council website, located on the Committees page, under Plenary, December 14, 2011:

<http://cuwcc.org/committees/details.aspx?taxid=5864&parentid=1910>

As we look forward to the upcoming year, we hope you will join us as we thank our exiting Board Members for their hard work and dedication to the Council during the 2011-2012 term, as well as the invaluable time and effort put in over the year from our exiting Board Chair, Heather Cooley.

Sincerely yours,



Chris Brown
Executive Director



716 10th Street
Suite 200
Sacramento
California 95814

PHONE
916/552-5885

FAX
916/552-5877

www.cuwcc.org

**Dan Gallagher, Operations Manager
Dublin San Ramon Services District**

Candidate Statement for the California Urban Water Conservation Council Board of Directors

Immediate Goals for CUWCC

I am running for the CUWCC Board of Directors as an advocate for the needs of small and medium-sized agencies, and to motivate this important constituency to get more involved in the Council's efforts.

I believe that CUWCC could achieve broader success in its mission to maximize urban water conservation by reaching out more effectively to small and medium-sized water agencies. If these agencies are to achieve the BMPs, they must be involved in developing strategies and practices that work in their world. I propose that CUWCC form a new committee of the smaller water agencies to focus on their needs. This committee could discuss cost-effective and efficient ways for small and medium-size water agencies to successfully implement the BMPs. Simple improvements in Council processes, such as distributing agenda materials well in advance of meetings, would also give members sufficient time to study the materials, prepare responses with constructive comments, and decide how to cast their votes. If elected to the Board, I will work to achieve these improvements.

Qualifications

For more than five years I've been the Operations Manager at Dublin San Ramon Services District, overseeing operations and maintenance of water distribution (more than 17,000 connections), recycled water treatment and distribution (2,450 af/yr), as well as wastewater collection, treatment and disposal (processing 11.5 mgd). For almost ten years prior to that, I was the General Manager of Victor Valley Wastewater Reclamation Authority (VWRA), managing the 12.5 MGD regional wastewater treatment facility. I started VWRA's first recycling operation in an adjudicated desert basin, so I understand the legal, regulatory, financial, and public relations challenges of changing the way a community views and uses water. In all, I have more than 30 years of experience in the water industry.

As a member of a water agency's senior management, I would bring a valuable perspective to the CUWCC board. I interface with elected officials and officers of public entities. I am responsible for management and supervision of professional and technical staff, budget preparation, and the daily operation of our facilities as well as two JPA's that we operate and maintain under contract. My connections in the recycled water and wastewater community could open new opportunities for partnerships and innovation. WateReuse named me as the Recycled Water Advocate of the Year in 2003, and I remain a passionate supporter of this important resource and conservation tool.

As an original signatory of the CUWCC Memorandum of Understanding, Dublin San Ramon Services District has a long-standing relationship with the Council. We are achieving our 20% by 2020 target ten years early, and we are working to reduce our per capita water use even more. As a member of the Group 1 Representation Selection Committee, I'd like to do more for CUWCC. Please elect me to the Board.

Board of Directors Candidate Statement - 2011

Group 1 Members:

My name is Ron Munds; I am the Conservation Manager for the City of San Luis Obispo and have been working in the water conservation field for over 22 years. My community has a population of about 45,000 and has approximately 14,500 water service connections. Coming from a relatively small agency, I have experienced the successes and difficulties in developing and implementing a cost effective, comprehensive water conservation program which meets the need of my community, as well as being in compliance with the CUWCCs Best Management Practices and the Memorandum of Understanding (MOU).

The City of San Luis Obispo was one of the original signatories to the MOU and I have been actively involved in the organization since the early years. I have been on the Board of Directors since 2001. During my tenure on the Board of Directors I have served on the Finance, Governance, Residential and Landscape Committees, served as the Vice Chair (2003) and Chair (2004), served as the Chair of the AB 2717 Landscape Task Force (2005), chaired the Utility Operations BMP Revision Committee (2008), served on member of the Group 1 Representation Committee (and sub-committee) and have been part of numerous other sub-committees working on BMP revisions and strategic planning over the years.

I have worked hard to help guide the CUWCC through good and bad financial times, to build consensus between diverse interest groups to recognize and attain common goals and to advance new cutting edge water conservation technologies and practices statewide. With this brief introduction and explanation of my background, I am asking you to consider me as one of your four candidates that you will vote for in the upcoming election. I believe we have accomplished a lot as an organization over the last several years but there is still much work to be done. Using my experience from the past and my vision for the future, I would like to continue to serve you a member of the Board of Directors of the CUWCC.

Group 1, CUWCC Board
Fiona Sanchez, Irvine Ranch Water District

I am running for a Group 1 Board Position for several reasons, but most importantly because I believe the CUWCC is an organization that helps promotes water use efficiency throughout the state in a cooperative way. The CUWCC needs to focus on how it can best support agencies in their water conservation efforts, help agencies meet their water conservation goals, foster innovation and continue a leadership role in California. Specific experience and some of the goals that I have in running for a Board position are as follows:

1. BMP Implementation and Reporting

- I have over 19 years of experience in designing, implementing and managing innovative water conservation programs. For 10 of those years I was a consultant, and worked with multiple agencies throughout the state, small retailers and large wholesalers, to implement successful programs.
- I am currently the Water Efficiency Manager of a water retailer. As a result I have an in-depth understanding of the practical and budgetary issues that agencies face when it comes to BMP implementation, particularly from a retail agency perspective.
- Agencies need the support and the flexibility to implement programs most appropriate and cost-effective for their service area.
- Agencies also need a reliable reporting system that will help them document and demonstrate the effectiveness of their water conservation efforts.

2. Financial and Policy Experience

- As a Group 3 member I served on the Board for over 5 years, several of those as Treasurer of the CUWCC before the Council had any full time staff.
- I recently served my first two-year term on the Board as a Group 1 member, and that experience this year has given me a strong understanding of the requirements of the position, as well as the issues facing the CUWCC.
- Over the past two years I have been involved in several key committees including Group 1 Voting, Research and Evaluation, and Database Reporting.
- I actively participate in state legislative policy directly related to water use efficiency, am involved in pilot water-energy programs and served on the Urban Stakeholder Committee for the implementation of SBx7-7 (20 x 2020 legislation).

3. Commitment

- The CUWCC has been a leader for 20 years in California water use efficiency. As a Board member I want to make sure we keep that leadership role and provide a valuable resource for agencies and for the state. I would like to bring my broad-based background and experience to the table. I know that there is a time obligation. I am more than willing to make that commitment.

I hope that you will consider voting for me for a Group 1 Board position. If elected, I would be honored and will work hard to represent you and your agency.

Fiona Sanchez

Candidate for Board of Directors of the CUWCC

Matthew P. Lyons

Director of Planning and Conservation, Long Beach Water Department (LBWD)

LBWD is a mid-size retail water agency serving the 464,000 people of the City of Long Beach, serving about 56,000 acre-feet of potable and about 8,000 acre-feet of recycled water annually; with 89,000 customer accounts, about 950 miles of potable mains, and about 20,000 hydrants and 20,000 valves. LBWD is a 'full service' department, with the largest groundwater treatment plant in California, with engineering, water quality, water treatment divisions, two fully staffed and equipped water main replacement crews, a meter shop, and 24-hour day emergency response.

- **My education:** Masters Degree in Public Policy
- **My relevant work history:** 17 years in the water industry; approximately 10 years in water conservation
- **I have been on the CUWCC Board for several years**
- **My CUWCC involvement includes:**
 - Involved in
 - Creation of GPCD compliance option in lieu of the Traditional BMPs;
 - Aligning the CUWCC GPCD option with the SBx7-7 20% reduction in GPCD option (Method 1)
 - Creation of methodology for weather-normalization GPCD reporting data
 - Involved in special committee whose work resulted in the regional voting process
 - Involved in creation of new system water loss BMP 1.2 (was BMP 3)
 - Member, Utility Operations committee
- **My priorities for the coming years**

My hope for the CUWCC, and what I will work towards if reelected to the Board, are primarily:

 1. Resolving the problems with the BMP reporting database; with the hope of creating a reliable, low-cost system that is user-friendly from the perspective of a utility that has to input the data, and user-friendly from the perspective of reporting information out of the database.
 2. California water and the role of conservation have changed dramatically since the CUWCC was created 20 years ago. I believe CUWCC must re-invent itself in order to stay relevant. If reelected to the Board, I will work towards re-inventing CUWCC with the hope of maximizing its usefulness to its members, in particular, and to urban water use efficiency in general.

CUWCC Candidate Statement
PENNY FALCON
Los Angeles Department of Water and Power

As the Water Conservation Policy Manager at the Los Angeles Department of Water and Power (LADWP), I am an active participant in the CUWCC, the primary LADWP representative to the CUWCC, and consider compliance with the BMPs one of my key responsibilities. I have been involved in various CUWCC committees and working groups, including the revision of BMP 1.2, GPCD method, BMP Database Reporting System, Research and Evaluation, and Governance. In these working groups I have advocated for sufficient and reasonable BMP requirements that would afford water agencies the flexibility to operate efficiently while still being able to pursue more advanced water conservation programs. With the passage of recent legislation (AB 1420 and SBX7-7), an agency's compliance with the CUWCC BMPs is essential and I am dedicated to ensure the revised BMP Database Reporting System will clearly and accurately characterize an agency's compliance status.

In 2010-2011 I also chaired the Group 1 Representation Selection Committee and worked to bring together diverse opinions for the betterment of the organization. We were successful in developing a new procedure for electing our Board that was recently approved by our members. This experience has shown me the importance of ensuring a solid communication strategy among all our water agencies by providing fair and equitable representation to all our members. I am dedicated to ensure the CUWCC remains a leader in conservation and will work hard to represent your concerns.

As one of the first CUWCC Signatories and largest water agencies, LADWP has been a dedicated CUWCC member with a robust Water Conservation Program. We have been involved in several major CUWCC studies, such as Free Ridership, Toilet Flapper Leaks, and Smart Controller Savings, providing both funding and staffing resources. LADWP also developed the Supplemental Purchase Specification for ultra-low-flush toilets which was used by a number of other water agencies, resulting in more persistent water savings from ULFTs.

LADWP's Water Conservation Program began in the late 1980s with financial incentives and rebates to our customers for water-saving devices, as well as free devices. To date, we have spent over \$250 million dollars on the implementation of our Conservation Program. LADWP serves nearly four million customers and as a result of the collective water conservation efforts of LADWP and our customers, Los Angeles has the same demand for water as it did 25 years ago despite a population increase of nearly one million people. As part of our effort to maintain the conservation ethic in Los Angeles, LADWP has been instrumental in securing passage of local ordinances addressing Retrofit on Resale, Water Use Restrictions, and New Construction Plumbing Codes. We continue to promote water conservation with our recent outdoor drought tolerant landscaping program and an aggressive recycled water program.

Tim Blair

Candidate Statement for the CUWCC Board of Directors

About the Metropolitan Water District

The Metropolitan Water District of Southern California (Metropolitan) is the largest wholesaler of water in the United States. 1 in 20 US residents get some or all of their water from Metropolitan. Metropolitan was an original signatory of the CUWCC's MOU in 1991 and has been a member of the CUWCC ever since. In that time, Metropolitan has shown extraordinary leadership in the area of water use efficiency. It has paid out over \$290 million in direct financial incentives (before program overhead or labor costs) for the achievement of the BMPs and has accrued over 1.4 million acre-feet of conserved water from its incentive-based programs alone. As part of its on-going commitment, Metropolitan has sponsored and supported numerous pieces of water use efficiency legislation, made CUWCC membership a prerequisite for annexation into Metropolitan, and provided half CUWCC dues for any and all CUWCC water agencies in Metropolitan's service area.

About Tim Blair

Tim Blair is the Program Manager for Water Use Efficiency at the Metropolitan Water District of Southern California. In this position, he formulates incentive, outreach, and legislative & regulatory strategies to advance conservation throughout California. He has held this position for over eight years. Tim's history in water conservation goes back to the early 1990s. In 1990, Tim was a water rates analyst at the Los Angeles Department of Water & Power. He worked on some of the first studies of water savings from ultra low flush toilets. He also served as the staff economist to the Los Angeles Mayor's Blue Ribbon Committee on Water Rates, a process that implemented conservation oriented inclining block water rates throughout the city of Los Angeles. Upon joining Metropolitan in 1992, Tim helped develop Metropolitan's first resource plan that expressly recognized conservation as a water supply. His first work with the Council was as Co-Chair of the Water Rates Committee that produced the Council's 1997 water rates implementation manual. He served on the CUWCC Board of Directors for seven years, ending in 2010. He has also served for eight years as the Chair of the Council's Research & Evaluation Committee, as well as eight years on the Finance Committee and seven years on the Governance Committee. In addition to his work on the Council, Tim served as a member of the AB 2717 Landscape Taskforce and the SBX 7-7 Urban Stakeholder Committee.

Tim's Views on Being a Council Board Member

I value the Council for setting consistent and objective standards for water use efficiency in the State. The consensus of the Council is well respected by current and past legislatures and administrations. The challenge of reaching this consensus, first within Group 1 and then between Groups 1 & 2, is the serious business of the Council's Board of Directors. As a Board member I must balance the organizational objectives of the Council with the burdens placed on all Council members in the fulfillment of their obligations under the MOU. Although my first responsibility as a Board member is to the Council and its objectives, I have had a particular interest in broadening the participation of Group 1 members in the Council. To that end, I started quarterly Statewide Group 1 meetings in early 2009. In 2010, we added webinar capability to the meetings, enhancing the experience for those that could not attend in person. These meetings help facilitate Group 1 discussions on Council issues and State legislation. My objectives as a Board member will be to encourage further Group 1 membership in the Council, ensure that the consensus decisions of the Board consider the diverse viewpoints of Council members, and work toward helping all of California achieve the water use efficiency goals set through recent legislation. I hope you will support my election to the Council Board.

Toby Roy
San Diego County Water Authority
Candidate Statement

The San Diego County Water Authority has been actively involved in water conservation and the California Urban Water Conservation Council since the early 90s. We were an original signatory to the CUWCC memorandum of understanding and have implemented all of the BMPs since that time. The Water Authority pays half of the dues for our member agencies and we work to ensure that our member agencies as well as all members of the CUWCC are well served by the work done at the CUWCC.

As a Water Resources Manager at the San Diego County Water Authority, I am responsible for managing the Integrated Regional Water Management (IRWMP) and Recycled Water Programs, and have been responsible for conservation policy at the Water Authority. I managed implementation of Water Authority's conservation programs from 2006 through 2008 and prepared the Water Authority's Blueprint for Water Conservation which set a five year path for our conservation programs.

I have served on the CUWCC Board of Directors since 2006 and chaired the Board in 2010. The CUWCC has been in transition as long as I have been on the Board and that transition is not complete. Since I became a Board member, CUWCC adopted a full set of new BMPS, has been actively involved in the implementation of the provisions of SBX 7 7 and has adopted a new strategic plan. I see the role of the CUWCC changing as DWR is taking on the role of oversight on SBX 7 7 implementation. While BMPs will remain a requirement for urban water agencies through 2014 under provisions of AB 1420, in 2015 the standards will move to the target based requirements of SBX 7 7. The CUWCC needs to provide a service to its members to assist them in complying with the BMPS, SBX 7 7 and additional requirements related to the Urban Water Management Plans. In addition, in 2016 there will be an assessment of status under implementation of SBX 7 7. I believe the CUWCC should provide a forum for discussion on that assessment among its members.

As a Board member of the CUWCC, current chair of the CII Task Force, and a manager of the San Diego IRWMP, I have significant experience in participating with other stakeholders in a collaborative setting on water conservation (and other) issues. I recognize that there are many interests at the table at the CUWCC with the wide variety of Group 1 members as well as Group 2 and Group 3 members. As a Board member representing the Group 1 members, I will try to take all points of view into consideration and propose approaches that will meet the interests of all of the Group 1 members. Last year, I also participated on DWR's Urban Stakeholder Committee to craft guidelines for urban water management plans, along with a number of other water agencies from throughout the state. The water agencies participating on the USC had a lot in common and were able to work together on issues. I believe that the Group 1 members at the Council also have a lot in common and should be able support each other on issues related to conservation.



7.F.2.

RESOLUTION NO. 11-04

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
INDIAN WELLS VALLEY WATER DISTRICT, KERN AND
SAN BERNARDINO COUNTIES, CALIFORNIA,
ADOPTING A COUNTYWIDE VISION FOR OUR FUTURE.**

WHEREAS, in Fall 2010, the County of San Bernardino and San Bernardino Associated Governments initiated an effort to engage the county's residents, businesses, non-profits and other governmental agencies in the creation of a Countywide Vision for the future; and

WHEREAS, the County and San Bernardino Associated Governments facilitated forums throughout the county and receive feedback from the public to identify the vision that community residents have for their future; and

WHEREAS, from October 2010 through May 2011, input was gathered from thousands of residents, employers, educators, community and faith-based organizations, and elected and appointed government leaders throughout the county, through an online survey, 18 community meetings, two dozen roundtable discussions with topical experts, and input from each of the county's 24 cities and towns; and

WHEREAS, the community participants eagerly and conscientiously shared their thoughts about the county's successes, failures, opportunities and challenges; and

WHEREAS, the resulting data was summarized into a Countywide Vision Report, which includes the Countywide Vision Statement, nine core vision elements, a set of shared values and a collection of great examples that demonstrate innovative and collaborative solutions to critical issues; and

WHEREAS, on June 30, 2011, the County Board of Supervisors and the San Bernardino Associated Governments Board of Directors adopted the Countywide Vision Statement;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by this Board of Directors approves and adopts the following Countywide Vision Statement:

"We envision a complete county that capitalizes on the diversity of its people, its geography, and its economy to create a broad range of choices for its residents in how they live, work, and play.

We envision a vibrant economy with a skilled workforce that attracts employers who seize the opportunities presented by the county's unique advantages and provide the jobs that create countywide prosperity.

We envision a sustainable system of high-quality education, community health, public safety, housing, retail, recreation, arts and culture, and infrastructure, in which development complements our natural resources and environment.

We envision a model community which is governed in an open and ethical manner, where great ideas are replicated and brought to scale, and all sectors work collaboratively to reach shared goals.

From our valleys, across our mountains, and into our deserts, we envision a county that is a destination for visitors and a home for anyone seeking a sense of community and the best life has to offer."

All the foregoing being on the motion of _____, seconded by _____, and authorized by the following vote, namely:

AYES:

NOES:

ABSENT:

ABSTAIN:

I HEREBY CERTIFY that the foregoing resolution is the resolution of Indian Wells Valley Water District as duly passed and adopted by said Board of Directors at a legally convened meeting held on the 12th day of December, 2011.

WITNESS my hand and the official seal of said Board of Directors this 12th day of December, 2011.

President of the Indian Wells
Valley Water District and of
the Board of Directors thereof.

Secretary of the Indian Wells
Valley Water District and of the
Board of Directors thereof.

(SEAL)



received
10/26/11

October 24, 2011

Mr. Tom Mulvihill
General Manager
Indian Wells Valley Water District
P.O. Box 1329
Ridgecrest, CA 93555

Dear Mr. Mulvihill,

On June 30, 2011, the San Bernardino Associated Governments (SANBAG) Board of Directors and the Board of Supervisors endorsed and adopted a Countywide Vision. The Vision Statement articulates what the people we serve want for their future.

Individual bodies and agencies have created their own visions over the years, but until now a vision for the county as a whole had never been attempted. A shared Countywide Vision is a vital tool in ensuring we use our resources wisely and move forward together with a common purpose.

The only way to achieve the Vision is for every public agency in the county to adopt it and make it part of what they use to guide their decision making. In addition to SANBAG and the Board of Supervisors, the Rancho Cucamonga City Council, the Ontario City Council, the Redlands City Council, and the Victor Valley Wastewater Reclamation Authority Board of Commissioners have taken formal action to adopt the Vision.

We invite you to join us in moving the Vision forward by asking your governing board to adopt the Vision. A resolution template is attached for your convenience, and a representative from the Vision project will be available to make a presentation to your governing body at the time it considers adopting a resolution, if you wish.

Efforts to achieve the Vision, including your agency's participation, will be chronicled on the Vision website, www.sbcounty.gov/vision, where you can also examine the various Vision documents. The Board of Supervisors is assembling discussion groups built around the Vision's elements. This will be one of many initiatives that will be undertaken – we hope with your participation - to carry the Vision process to the next level.

Thank you for joining us in this historic effort to achieve the Countywide Vision identified by our residents.

If you have questions or need assistance, please contact Bob Page with the County Administrative Office at (909) 387-4384 or bpage@sbcounty.gov.

Sincerely,

Supervisor Josie Gonzales
Chair, Board of Supervisors



Highland Mayor Larry McCallon
President, SANBAG Board of Directors

Governments
SANBAG
Working Together



7.1.2.

**DEPARTMENT OF WATER RESOURCES**

1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 653-5791

October 28, 2011

Ms. Renee Morquecho
Indian Wells Valley Water District
500 West Ridgecrest Boulevard
Ridgecrest, California 93556-1329

Dear Ms. Morquecho:

The Department of Water Resources (DWR) has reviewed the Indian Wells Valley Water District's (IWWVD) 2010 Urban Water Management Plan (UWMP) received on July 14, 2011. The California Water Code (CWC) directs DWR to report to the legislature once every five years on the status of submitted plans. In meeting this legislative reporting requirement, DWR reviews all submitted plans.

DWR's review of IWWVD's 2010 plan has found that the plan has addressed the requirements of the CWC. DWR's review of plans is limited to assessing whether suppliers have addressed the required legislative elements. In its review, DWR does not evaluate or analyze the supplier's UWMP data, projections, or water management strategies. This letter simply acknowledges that IWWVD's UWMP has addressed these requirements. The results of the review will also be provided to DWR's Financial Assistance Branch.

If you have any questions regarding the review of the plan or urban water management planning please don't hesitate to email or call.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Brostrom".

Peter Brostrom
UWMP Program Manager
brostrom@water.ca.gov
(916) 651-7034

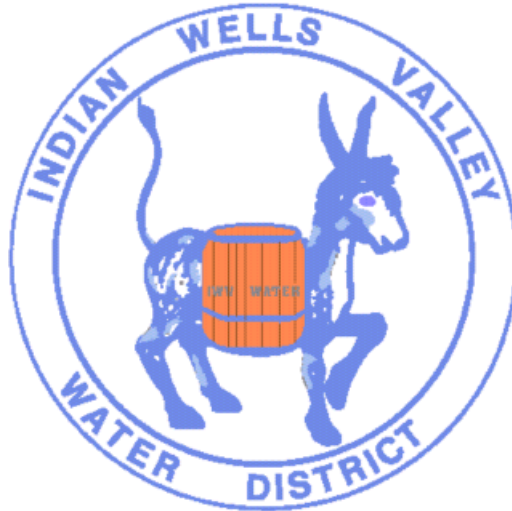
11/7/11

Copy, Distribute & File

cc: David Inouye
DWR Southern Regional Office

Tom M.
Renee M.
Rose K.

received
11/3/11



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