

MINUTES OF THE REGULAR BOARD MEETING

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

June 14, 2010

The Regular Meeting of the Board of Directors of the Indian Wells Valley Water District was called to order by President Brown 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 Breedon.

PLEDGE

DIRECTORS PRESENT: President Peter E. Brown
Vice-President Harold W. Manning
Director Margaret "Peggy" L. Breedon
Director Leroy H. Corlett
Director Donald J. Cortichiato (via teleconference)

ROLL CALL

DIRECTORS ABSENT: None.

ALSO PRESENT: Jim Worth, Attorney;
Tom Mulvihill, General Manager;
Larry DeGano, Operations Superintendent;
Jennifer Keep, Chief Financial Officer;
Reneé Morquecho, District Engineer;
Travis Reed, Engineering Intern;
Ken Silliman, Pumping Plant Supervisor;
Lucinda Crosby, Public Education and Conservation Coordinator;
Rose Koch, Recording Secretary

AGENDA DECLARATION

**AGENDA
DECLARATION**

The agenda for tonight's Regular Board Meeting was posted on Friday, June 11, 2010 at 500 W. Ridgecrest Blvd. and posted on Monday, June 14, 2010 at teleconference location, 1091 Pinehurst Lane, Palm Desert, California.

CONFLICT OF INTEREST DECLARATION

**CONFLICT OF
INTEREST**

None.

PUBLIC QUESTIONS AND COMMENTS

**PUBLIC
COMMENTS**

Public comments were heard from Shawn Sanford of 418 Vista Del Lago, Ridgecrest, Judie Decker of 625 Ward, Ridgecrest, and Gary Charlton of 995 N. Norma, Ridgecrest.

**INTRODUCTION OF KERN COUNTY LOCAL AGENCY FORMATION COMMISSION (LAFCo)
COMMISSIONER MEL MCLAUGHLIN**

**LAFCo
MEL MCLAUGHLIN**

Kern County Local Agency Formation Commission Commissioner (LAFCo) Mel McLaughlin was invited to give a brief background and summary of what LAFCo does. Mr. McLaughlin has been in "amateur politics" since 1975. He has worked for Shafter/Wasco Irrigation District for 13 years and worked himself up to Assistant Superintendent. He then went on to the City of Wasco Fire Department and worked his way up to Fire Chief. The next move was to the Kern County Fire Department where he spent two years in Randsburg. He was promoted to Ridgecrest for another two years. Mr. McLaughlin has been on the Kern County LAFCo for approximately 27 years.

Each county in California has a LAFCo. Kern County LAFCo is made up of two city members, two special district representatives, two public representatives, two county supervisors, and one Bakersfield City special seat. Rebecca Moore is the Kern County LAFCo Manager. Any annexation by a City, District, and/or special agency, has to be approved by LAFCo. Certain conditions must be met before the approval of an annexation. Annexations require notification of residents by mail if there are more than 1,000 residents affected. The annexation process takes approximately one year. Ms. Moore and staff can help guide agencies through the annexation process.

The Board thanked Commissioner Mel McLaughlin and expressed appreciation for coming.

CONSENT CALENDAR

**CONSENT
CALENDAR**

MOTION: was made by Vice-President Manning and seconded by Director Corlett, to approve the Minutes of the May 10, 2010 Regular Board Meeting, and to approve payment of Accounts Payable totaling \$478,794.81. The Motion was carried, by the following roll call vote:

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

WATER MANAGEMENT COMMITTEE

**WATER
MANAGEMENT**

Mike Ferguson, for Emerald Point Development, is requesting a variance at Lot 10 of Tract 6504 from Ordinance No. 90 restricting living turf in the front yard. Lot 10 of Tract 6504 is the last undeveloped lot in the tract. All other lots are landscaped with living turf in the front yards. The committee recommended granting a variance allowing living turf in the front yard of Lot 10 of Tract 6504. Due to the timing of negotiations of sale and the adoption of the Ordinance, the following Motion was made:

**VARIANCE
REQUEST**

MOTION: was made by Director Corlett and seconded by Director Breeden, to grant a variance to allow turf (500 square feet maximum) in the front yard of Tract 6504, Lot 10. The Motion was carried, by the following roll call vote:

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

FINANCE COMMITTEE

FINANCE

Chief Financial Officer Jennifer Keep gave a Power Point presentation which highlighted the proposed General Fund and Capital Improvement Projects and Purchases Budgets for Fiscal Year 2010-2011 (included in the Board package).

GENERAL FUND
&
CAPITAL
BUDGETS

MOTION: was made by Vice-President Manning and seconded by Director Cortichiato, accepting the General Fund Budget for Fiscal Year 2010-2011 as presented. The Motion was carried, by the following roll call vote:

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

MOTION: was made by Vice-President Manning and seconded by Director Cortichiato, accepting the Capital Improvement Projects and Purchases Budget for Fiscal Year 2010-2011 as presented. The Motion was carried, by the following roll call vote:

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

ADMINISTRATION/EXECUTIVE COMMITTEE

ADMIN/EXEC

Vice-President Manning presented the 2010 Water Bond for clean, reliable water for California. The committee recommended supporting the 2010 Water Bond. This item will be tabled until next month to present a Resolution of the Board supporting the safe, clean, and reliable drinking water supply act of 2010.

2010 WATER
BOND

The Mid-Year Board Workshop was tentatively scheduled for Friday, July 9, 2010 at 9:05 a.m.

MID-YEAR
WORKSHOP

Vice-President Manning presented the need for adjustment to the salary range of the Field Service Representative II due to the new requirements for a D-2 Certification.

FSR II
SALARY
RANGE

MOTION: was made by Vice-President Manning and seconded by President Brown, approving the adjusted salary range of the Field Service Representative II from the current range \$16.49 to \$23.50 to the proposed range of \$17.50 to \$24.50. The Motion was carried, by the following roll call vote:

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

PLANT AND EQUIPMENT COMMITTEE

P & E

A Concept Plan was submitted by Developer Emerald Point Development, Inc. for Tract 7188 for 40-single family residences located at the intersection of Drummond Avenue and Mahan Street. An 8-inch mainline extension would be needed off Arroyo Street to serve this new tract. The committee recommended acceptance of the Concept Plan.

CONCEPT PLAN
TRACT 7188

MOTION: was made by President Brown and seconded by Director Breeden, accepting the Concept Plan as presented by Developer Emerald Point Development, Inc. for Tract 7188. The Motion was carried, by the following roll call vote:

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

Ken Silliman presented three work orders for telemetry equipment and installation for the arsenic removal facilities at Wells 9A/10 and Wells 11/13 in the amounts of \$53,412.51, \$20,292.63, and \$21,272.63 for a total of \$94,977.77. These work orders are to provide telemetry services at each well site.

ARSENIC
FACILITIES
TELEMETRY
WORK ORDERS

MOTION: was made by Director Corlett and seconded by President Brown, approving the arsenic removal facilities telemetry work orders in the amounts of \$53,412.51, \$20,292.63, and \$21,272.63 for a total of \$94,977.77. The Motion was carried, by the following roll call vote:

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

President Brown reported that the committee recommended staff prepare a Request for Proposal for solar facilities at Wells 30, 31 and possibly at Wells 18 and 33. SOLFOCUS

Results of a third party assessment by Southern California Edison (SCE) of the Power Purchase Agreements offered to the Board by SolFocus were included in the Board Package. SolFocus had presented the Board options for using solar power at Wells 18 and 33, 30, 31 and 34. Of those options, SCE reviewed the Purchase Agreements for Wells 30, 31 and 34. Because wells 18 and 33 are separately metered by SCE, a solar system cannot be installed to power both facilities. Each well would need its own solar facility.

Of the three proposals reviewed by SCE, the proposed solar fields for Wells 30 and 31 would generate positive cash flow in 12 and 8 years respectively. The cumulative cash flow for the solar field at Well 34 remains negative for 20 years.

MOTION: was made by Director Breeden and seconded by Director Corlett, authorizing staff to prepare Request for Proposal for solar facilities at Wells 30, 31 and possibly at Wells 18 and 33. The Motion was carried, by the following roll call vote:

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

**INTEGRATED REGIONAL WATER MANAGEMENT PLAN
REVISED MEMORANDUM OF UNDERSTANDING**

IRWMP MOU

Director Corlett presented the draft Inyo-Mono Integrated Regional Water Management Plan Memorandum of Understanding (included in the Board Package). The Memorandum of Understanding (MOU) will be voted upon in July. Director Corlett asked for Board comments by the July Regular Board Meeting. Legal Counsel has reviewed the draft MOU and has made a redline version with questions and comments. The redline version will be emailed to the Board of Directors.

**GENERAL
MANAGER &
STAFF UPDATE**

GENERAL MANAGER AND STAFF UPDATE

Tom Mulvihill reported that there were a total of 3 new residential service connections for the month of May. Water production for May was 194,192,000 gallons for an average of 6.26 million gallons per day (596 acre-feet).

**PRODUCTION/
NEW SERVICES**

Mr. Mulvihill also reported that he had inquired of the new Conservation Specialist, Andrew Peters, how things were going and what type of reception is he getting from the public. Mr. Peters responded that things are going well and is encountering a lot of understanding public. He has encountered a few angry people, but by the time they are finished talking, they are satisfied and are agreeing to comply by the Water Efficient Landscape Ordinance.

Reneé Morquecho reported that the bids for the D-Zone Tank will be sent out tomorrow. Bid opening will be July 7th.

CAPITAL
IMPROVEMENT
PROJECTS

Ms. Morquecho also reported on the raw water pipeline for the arsenic treatment facilities. There was a pre-construction meeting on May 25th. There were some issues with the contract such as signatures on the bid bonds, workers compensation, etc. As soon as these issues are resolved, the contractor will get started.

Work continues on the Well 34 and the arsenic facilities. At Wells 9A/10, the underground potable water lines are approximately 90% complete. The contractor has started installation of the underground chemical drain lines and also installation of the 4-inch water lines. At well 11/13, the slurry has been poured over the conduits and they are compacting the soil for pouring of concrete around the filter pads. The first 4-foot row of blocks has also been finished for the building. At Well 34, the interior wall is being installed along with interior electrical.

Tom Mulvihill reported that for about two decades the District has discharged water into a storm water ditch on Highway 178. Two years ago, Cal-Trans notified the District that we could no longer discharge the water into the ditch. Well 17 is the next well to be replaced, but because of environmental permitting, the District will not be able to replace the well for two years. If the District should need to rehabilitate the well, there is no place to discharge the water. The District has not been able to accomplish working something out with Cal-Trans, therefore staff has contacted Jean Fuller's office.

WELL 17
DISCHARGE

Mr. Mulvihill reported that the street patching by Kern Asphalt has been completed. Staff is reviewing the status of more work and anticipates issuing another work order for permanent patch.

STREET
PATCHING

Larry DeGano reported that the District's Construction Crew is behind schedule due to sick and vacation leave. There are six long-side services to install along with two tie-ins and one line abandonment before completion. The Construction Crew will be installing a 12-inch tee and valve at Well 11 for the raw water line to well 13, which will delay the mainline replacement project another day.

MAINLINE
REPLACEMENT
PROJECTS

Mr. DeGano also reported that the Pumping Plant addressed well shutdown failures at Well 33. The Pumping Plant was also called out to Butterworth Ranch in Olancho to remove rocks lodged in the impellers in the flow meter of Well 1. Pumping Plant continues to work on the semi-annual maintenance and should be completed by the end of this month.

Jennifer Keep reported that Fitch Ratings recalculated IWWWD's 2003 Series Bond and the 2009 Certificate of Participation. The previous underlying long term rating was A+ and the recalculated underlying long term rating is now AA-. Upon receiving this information, Willdan Financial Services issued the required Notices of Significant Event.

NOTICE OF
SIGNIFICANT
EVENT

Ms. Keep also reported that staff submitted four mandated cost claims to the State Controller's Office for expenses incurred to comply with the Open Meetings Act/Brown Act Reform. The claims, totaling

COST CLAIMS

\$29,597.73, were submitted for fiscal years 2005-2006 through 2008-2009. Staff will submit claims for fiscal year 2009-2010 before the February 15, 2011 due date.

Staff reported it checks the website www.grants.gov daily and searches for grants related to water, water waste, sewer treatment, reclamation and conservation.

GRANT
APPLICATIONS

Staff recently submitted a Statement of Interest to the Bureau of Reclamation for the Rural Water Supply Program grant. If the District receives this funding, up to \$200,000, it plans to use it for the Brackish Water Resource Study. Staff received a letter today inviting the District to apply for the grant.

BOARD COMMENTS/FUTURE AGENDA ITEMS

**BOARD
COMMENTS**

Director Cortichiato thanked and expressed appreciation to Jennifer Keep for keeping on top of the grants.

Director Corlett informed the Board that he received a compliment from Terry Rogers at the last Indian Wells Valley Cooperative Groundwater Management Group meeting. The Association of California Water Agencies Insurance Group, which Terry Rogers participates in, commented that the highest claims area is from water damage from water agencies not being able to turn off valves. It was noted that the Indian Wells Valley Water District had a valve exercise truck in operation and thought that was an outstanding effort on the District's part.

Vice-President Manning asked that Ordinance No. 90 be revisited at the Board Workshop.

Director Breeden agreed with Vice-President Manning.

President Brown reported that there is a lot going on at this time and thanked Jennifer Keep for doing a great job.

Tom Mulvihill announced that at the Chamber of Commerce Board of Directors Installation dinner, the Indian Wells Valley Water District received recognition for conservation in the community as represented through Lucinda Crosby.

Mr. Mulvihill introduced the Summer Engineering Intern Travis Reed.

With no further Board comments, President Brown recessed the meeting and adjourned to Closed Session at 9:13 p.m.

CLOSED SESSION

**CLOSED
SESSION**

The meeting was reconvened in Closed Session at 9:20 p.m.

The meeting was recalled to Open Session at 10:30 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 Brown at 10:30 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Rose Koch".

Rose Koch
Recording Secretary

APPROVED: July 12, 2010