

MINUTES OF THE SPECIAL BOARD MEETING WORKSHOP

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

June 23, 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 9:10 a.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: Jim Worth, Attorney;
Chuck Krieger, Consulting Engineer;
Tom Mulvihill, General Manager;
Larry DeGano, Operations Superintendent;
Jason Lillion, Assistant Operations Superintendent;
Jennifer Keep, Chief Financial Officer;
Renée Morquecho, District Engineer;
Lucinda Crosby, Public Education and Conservation Coordinator;
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 Tuesday, June 21, 2011.

CONFLICT OF INTEREST DECLARATION

**CONFLICT OF
INTEREST**

None.

PUBLIC QUESTIONS AND COMMENTS

**PUBLIC
COMMENTS**

Public making comments were Shari Ladd, 837 W. Bataan, Ridgecrest, CA and Penelope LePome, 635 N. Rio Bravo, Ridgecrest, CA.

Ms. Ladd spoke in opposition of the current Ordinance No. 90 requiring water efficient landscape as a condition of receiving new single family dwelling water service.

Ms. LePome suggested the Board of Directors develop criteria for a developer moratorium. Also, with regards to the 2010 Urban Water Management Plan, Ms. LePome would like to know the criteria for declaring a water emergency.

BOARD WORKSHOP

BOARD WORKSHOP

ORDINANCE NO. 90: REQUIRING WATER EFFICIENT LANDSCAPE AS A CONDITION OF RECEIVING NEW SINGLE FAMILY DWELLING WATER SERVICE

LANDSCAPE
ORDINANCES

ORDINANCE NO. 91: REQUIRING WATER EFFICIENT LANDSCAPE AS A CONDITION OF RECEIVING NEW MULTI-FAMILY DWELLINGS, COMMERCIAL AND/OR INSTITUTIONAL WATER SERVICE

For approximately one year the Water Management Committee, District Staff, and City of Ridgecrest Representatives have been working together to develop an optional ordinance to Ordinance No. 90. This optional ordinance would allow the new single family dwelling to have a limited amount of high water use plants/turf in the front and back yards. The major concern has always been how to regulate the amount of high water use plants/turf in the back yards without gaining access. The proposed revision to Ordinance No. 91 is to allow limited high water use plants only in areas designated active use or recreational. Proposed optional ordinance to Ordinance No. 90 and revisions to Ordinance No. 91 were included in the Board Packet.

Both ordinances were discussed as one item. After a lengthy discussion suggestions and ideas were brought forward by Board Members on whether the proposed changes were the best for the District and its customers. Some of those suggestions and ideas were 1) leave the ordinances as they are, 2) accept the revisions as proposed, 3) develop a water budget according to lot size, and 4) take another look at the rate tier structure.

Directors Corlett and Cortichiato recommended that whatever the District's course of action to continue to communicate with Kern County and the City of Ridgecrest and keep them informed. The drawdown of the aquifer is a basin-wide issue.

It was the consensus of the Board that the current Ordinances 90 and 91 are living documents and could be revised at any time.

With the suggestion of Director Cortichiato proposing a possible water budget or new rate structure, the Board tabled this item until after the next agenda item B. Cost of Service Study and Water budget Billing.

Workshop was recessed at 9:47 a.m. and called back to order at 10:00 a.m.

Director Cortichiato distributed two handouts he received at a seminar "Developing a Rate Structure that Addresses the Financial Consequences of SBx7-7" during the Association of California Water Agencies (ACWA) Conference in December, 2010. In 2009, the California State Senate enacted SBx7-7 to increase water use efficiency by setting an overall

COST OF
SERVICE STUDY
& WATER BUDGET
BILLING

goal of reducing urban water per capita use by 20% by 2020. The financial consequence of SBx7-7 for most agencies is that as demand decreases, revenues fall more than the monetary benefit of water savings costs. Rate increases are required to offset the decline in revenues and can be politically challenging and not well received by the public and elected officials. The key is to develop a rate structure that anticipates the decline in revenues. Two options were offered to develop an appropriate rate structure: 1) Fixed Cost = Fixed Revenue, and 2) Fixed Cost on Reliable Water Sales. Other factors to be considered: customer understanding, administrative ease, affordability for low water users and essential uses, equity associated with peaking costs, and encourage conservation/water use efficiency. Examples were given for tiered rates and water budget rates and pros and cons for water conservation vs. water efficiency and conservation rate structures inclining block vs. water budget.

Director Cortichiato suggested inviting Raftelis Financial Consultants to give a presentation to the full Board and staff.

It was by Board consensus that staff invite Raftelis Financial Consultants to give a presentation to the Board and staff. The topic will be discussed at a subsequent Water Management Committee meeting. Committee may invite or visit Irvine Ranch Water District and/or Rancho California Water District both of which are currently using one of the two rate structure options.

After reviewing and discussing the handouts from the ACWA Conference seminar, the Board reached the following consensus: Inspecting back yards is invasive, revise Ordinance No. 91 as presented, and leave Ordinance No. 90 the same until further review of the options previously brought forward. LANDSCAPE ORDINANCES

The Administration/Executive Committee presented a proposed General Manager Evaluation process, which was included in the Board Packet. The Board agreed by consensus that the proposed General Manager Evaluation form will be utilized for this process. GENERAL MANAGER EVAL

After discussion, the Administration/Executive Committee will determine a timeline for the General Manager's succession. The Board agreed that six weeks or less should be sufficient for training the new General Manager prior to the General Manager's departure. GENERAL MANAGER SUCCESSION

Tom Mulvihill updated the Board on the status of each goal and priority presented at the January 2011 Board Workshop. There were no concerns addressed by the Board. GENERAL MANAGER GOALS & PRIORITIES

Mr. Mulvihill noted that a summary of the January 13th Workshop was included in the packet. The Board and staff reviewed the Expectations/Workshop Issues/Goals & Priorities. BOARD OF DIRECTORS GOALS

BOARD COMMENTS/FUTURE AGENDA ITEMS

BOARD COMMENTS

Director Brown commented that he would like to be kept informed of income vs. expenses.

Director Corlett commented that he would like to see more interface with Kern County for two reasons: Solar Millennium's Ridgecrest Solar Project and the District's water conservation ordinance for new single-family residents.

Vice-President Breeden commented that everyone in the valley needs to conserve water; City of Ridgecrest, Kern County, private well owners, etc.

Vice-President Breeden also commented that Judie Decker's submitted comments to the Board regarding the 2010 Urban Water Management Plan need to be reviewed and discussed in the Alternate Water Supply Committee.

Vice-President Breeden informed the Board that Kern County Water Agency reported at the Indian Wells Cooperative Groundwater Management Group meeting that they have so much water this year. Ms. Breeden asked staff to see if there are any options open to the District to get some of that water.

Director Cortichiato complimented management and staff on a good job.

Tom Mulvihill reported that he had attended and participated at the Kern County Specific Plan Visioning Workshop on Wednesday, June 22nd. There was an overwhelming concern for water in the valley. Another meeting will be scheduled in July and a report on the workshop results will be given by Kern County.

With no further Board comments, President Manning recessed the workshop and adjourned to Closed Session at 11:24 a.m.

CLOSED SESSION

CLOSED SESSION

The meeting was reconvened in Closed Session at 11:30 a.m.

The meeting was recalled to Open Session at 12:39 p.m.

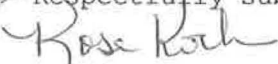
There was no action taken which would require disclosure under the Brown Act.

ADJOURNMENT

ADJOURNMENT

With no further business to come before the Board, the meeting was adjourned with the following Motion:

MOTION: was made by Vice-President Breeden and seconded by Director Cortichiato to adjourn the meeting at 12:39 p.m. The Motion was carried, unanimously. (Vote 5-0)

Respectfully submitted,

Rose Koch
Recording Secretary

APPROVED: July 11, 2011