

MINUTES OF THE REGULAR BOARD MEETING

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

December 14, 2009

The Regular Meeting of the Board of Directors of the Indian Wells Valley Water District was called to order by President Corlett at 7:01 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 Leroy H. Corlett
Vice-President Peter E. Brown
Director Donald J. Cortichiato
Director Harold W. Manning

ROLL CALL

DIRECTORS ABSENT: Director Margaret "Peggy" L. Breeden

ALSO PRESENT: Jim Worth, Attorney;
Chuck Krieger, Consulting Engineer;
Tom Mulvihill, General Manager;
Larry DeGano, Operations Superintendent;
Reneé 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 tonight's Regular Board Meeting was posted on Friday, December 11, 2009.

CONFLICT OF INTEREST DECLARATION

**CONFLICT OF
INTEREST**

None.

PUBLIC QUESTIONS AND COMMENTS

**PUBLIC
COMMENTS**

Mrs. Judith Ann Decker, 625 W. Ward, Ridgecrest, CA reported that the District's plant booklet "*Landscape Plants for the California High Desert*" is being distributed at the checkout stand at Home Depot. The Home Depot worker stated that she picks the booklets up at the Water District because customers inquire about plants that can grow in the Indian Wells Valley. Mrs. Decker suggested staff commend and thank her for distributing the booklet.

XERISCAPE RECOGNITION

XERISCAPE RECOGNITION

Recognition was given for the use of artificial turf at three residences located in the Indian Wells Valley: Tom and Annette DeMay (designed by Quartz and Green), Michael and Sandra Moore (designed by Taryn Tree with Pro-Turf product), and Mike and Joanna Rindt (designed by Kari Hunter).

Vice-President Brown suggested posting pictures on the District's website of examples using synthetic turf.

CONSENT CALENDAR

CONSENT CALENDAR

MOTION: was made by Director Cortichiato and seconded by Vice-President Brown, to approve the Minutes of the November 9, 2009 Regular Board Meeting and December 8, 2009 Special Board Meeting Workshop, and to approve payment of Accounts Payable totaling \$436,933.39. The Motion was carried. (Vote 4-0)

ELECTION OF OFFICERS

ELECTION OF OFFICERS

President Corlett opened nominations for Board President and Vice-President. Director Cortichiato nominated Vice-President Brown for President and Director Manning for Vice-President. With no other nominations, the nominations for the positions of President and Vice-President were closed by Board consensus.

MOTION: was made by Director Cortichiato and seconded by President Corlett, appointing Vice-President Brown as Board President and Director Manning as Board Vice-President for the 2010 calendar year. The Motion was carried. (Vote 4-0)

2010 COMMITTEE ASSIGNMENTS

COMMITTEE ASSIGNMENTS

Each Director was tasked with conveying their preferences for committee assignments to Tom Mulvihill by 5:00 p.m. on Wednesday, December 16th.

PLANT AND EQUIPMENT COMMITTEE

P & E

Three bids were received for the purchase of new valve operating equipment:

VALVE TURNER

<u>Vendor</u>	<u>Total Bid</u>
Pacific Tek	\$42,867.00
iwater.org	\$46,439.00
E.H. Wachs	\$50,240.25

Committee recommended purchasing the new valve operator from low bidder Pacific Tek in the amount of \$42,867.00. The District currently has a valve turner from Pacific Tek and has demonstrated good use, but is being used on the Maintenance Crew for leak repair.

The new valve turner will be used specifically for the Valve Maintenance Program.

MOTION: was made by Vice-President Brown and seconded by President Corlett, to purchase the one new valve operating equipment from low bidder Pacific Tek in the amount of \$42,867.00 which includes tax. The Motion was carried. (Vote 4-0)

FINANCE COMMITTEE

FINANCE

Tom Mulvihill presented the revision of the 2009-2010 General Fund Mid-Year Budget Proposal.

MID YEAR
BUDGET
REVISION

Proposed water sales were increased by \$21,000 based on the year-to-date history plus an additional 2% based on the Cost of Service Proposal. Pumping Plant expenditures were decreased by \$9,600. Water treatment expenditures were increased \$16,000 to reflect increased costs related to chlorine. Transmission and Distribution expenditures were increased \$113,400 for anticipated increase in costs of asphalt patch and installation and maintenance of streets. Customer Account expenditures increased \$38,115 primarily due to an increase in the budget for uncollectable accounts. Field Services expenditures were increased \$18,000 due to an increase in the maintenance of meters and meter boxes. Administration expenditures were reduced \$11,000 due to a change in personnel. Total general expenditures were increased \$203,895 primarily due to an increase in worker's compensation and legal and engineering consulting services for particular projects. Total depreciation and amortization was increased \$98,700 due to the issuance expense of the bond issue. Total Operating Revenues over Expenditures has decreased \$435,910. Total Non-Operating Income has increased \$447,000 primarily due to receiving reimbursement for Prop 50 revenue claims. Non-Operating Expense was increased \$557,171 primarily due to 2009 COP interest expense. Conservation has decreased \$49,900 by deferring the pilot Cash for Grass Program. Alternate Water Supply Non-Operating Expense has increased \$88,100 to represent the full cost of a potential brackish water research project. Total increase in the budget for Non-Operating Expenditures is \$595,370. Total Revenues over Expenditures is a net operating loss of \$584,280.

MOTION: was made by Director Cortichiato and seconded by Vice-President Brown, approving the General Fund Operating Budget as presented. The Motion was carried. (Vote 4-0)

Mr. Mulvihill also presented revisions of the 2009-2010 Capital Projects Mid Year Budget Proposal.

Total Capital Improvements Budget has been revised to \$13,785,847. New Well No. 34 increased the budget by \$178,830 to reflect the actual bid amount and updated engineering cost estimates. Budget increased \$504,000 per revised cost estimate for D-Zone tank. Projecting \$200,000 is 2009-2010 for projected Well Improvements (Phase 1) for preliminary work. Arsenic Treatment Facility and Fencing increased the budget by \$5,400,000 to reflect the actual construction bid amount, new engineering costs and raw water pipeline.

Transmission and Distribution Plant Capital Improvement budget increased \$200,000 for mainline replacement. General Plant increased \$10,288 for the balance of renovation of front office, \$117,000 for the purchase of dump truck and trailer, and \$44,000 for computer equipment replacement of a server, Director laptop computers, and printer for customer accounts.

Director laptops, proposed budget increase of \$5,000, would be used to eliminate paper and printing costs, employee time, and the capability of automatically updating documents. After discussion, this item will be deferred for staff to prepare a cost analysis.

MOTION: was made by Director Cortichiato and seconded by Director Manning, approving the Capital Projects Budget as presented minus the \$5,000 for Director laptop computers pending the staff's study and analysis with recommendation back to the Board. The Motion was carried. (Vote 4-0)

Vice-President Brown reported that certain additional engineering services were utilized and were not included in the original scope of services for Wells 9A/10 and Wells 11/13 Arsenic Removal Facilities. Additional engineering services were needed for the following: Geotechnical Engineering Services; Southern California Edison Service Applications, Design, and Coordination; Construction Staking for Site Fencing at Wells 9A/10; Development and Evaluation of Pumping Alternatives for Arsenic Removal Plants Treated Water Delivery; Preparation of Plans and Specifications for Arsenic Plant Booster Stations; Evaluation of Emergency Power for the Arsenic Removal and Well Pumping Plants; Preparation of Plans and Specifications for Emergency Power Facilities, Consolidation of SCE Electrical Services, and Development of Operations and Maintenance Costs for the Proposed Arsenic Removal Plants. The cost of the additional design services exceeded the original \$394,000 engineering services work order by \$208,000. While Krieger & Stewart did not seek a work order amendment prior to completing the work, staff authorized the consultant to perform the additional work in the interest of meeting project deadlines. To be more compliant with the work order process, staff will begin reviewing all current work orders on a weekly basis.

AMENDMENT
K & S
WORK ORDER

MOTION: was made by Director Cortichiato and seconded by Director Manning, to approve the amended work order from Krieger & Stewart for the Design and Engineering Services related to Arsenic Removal Facilities as presented. The Motion was carried. (Vote 4-0)

WATER MANAGEMENT COMMITTEE

WATER
MANAGEMENT

Ordinance No. 90 was presented to require water efficient landscape as a condition of receiving new single family dwelling water service. No turf will be allowed in the front yard. Only plants from the Approved Plant List shall be used. The irrigation system in the front yard must be a low volume irrigation system. The landscape area shall be designed to eliminate any runoff.

ORDINANCE 90

MOTION: was made by President Corlett and seconded by Vice-President Brown, adopting Ordinance No. 90, requiring water efficient landscape as a condition of receiving new single family dwelling water service. Ordinance will become effective April 9, 2010. The Motion was carried. (Vote 4-0)

Ordinance No. 91 was presented to require water efficient landscape as a condition of receiving new multi-family dwellings, commercial and/or institutional water service. Turf and/or any plants not on the approved plant list are limited up to 50% of the landscape area. Only the plants from the approved plant list shall be used within the remaining landscape area. The irrigation system in the remaining landscape area must be a low volume irrigation system. All landscape area shall be designed to eliminate any runoff.

ORDINANCE 91

With regards to both ordinances, the applicant will be required to sign a covenant to be recorded against the property. Any title reports on the property will disclose the existence of the covenant to future owners. The first notice of non-compliance will be a written notice along with educational material. Thirty days later, if satisfactory progress is not being made to correct the violation, a second notice will be issued and fined up to \$50. Thirty days later, if satisfactory progress is still not being made to correct the violation, a third notice will be issued and fined up to \$200. Thirty days later, if satisfactory progress has not been made, the process will begin for termination of service. There is an appeal process that if the owner/occupant disputes the violation, they can request a hearing before the appropriate committee of the Board. If the decision of the committee is not to the owner/occupant satisfaction, they may provide a written request to appeal to the Board of Directors. Both ordinances will be effective April 9, 2010.

MOTION: was made by President Corlett and seconded by Vice-President Brown, adopting Ordinance No. 91, requiring water efficient landscape as a condition of receiving new multi family dwelling, commercial and/or institutional building/facility water service. Ordinance will become effective April 9, 2010. The Motion was carried. (Vote 4-0)

Presented in the Board Package was the final graph of the total consumption average per account by month to show the results of the Voluntary Watering Guidelines. The baseline used in the calculations was the average usage per account for the years 2003 through 2007. The result was a 6.1% decrease in 2008 and a 2.7% decrease in 2009 for an overall decrease in water consumption of 8.8% from the five-year baseline.

WATERING
GUIDELINES

ADMINISTRATION/EXECUTIVE COMMITTEE

ADMIN/EXEC

Resolution 09-11 was presented to endorse and support the Kern County Armed Forces Day Celebration in Ridgecrest, CA on May 15, 2010.

RESOLUTION
09-11

MOTION: was made by Vice-President Brown and seconded by Director Cortichiato, to adopt Resolution 09-11 endorsing and supporting the Kern County Armed Forces Day Celebration in Ridgecrest, CA on May 15, 2010. The Motion was carried, by the following roll call vote:

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

McMurtrey, Hartsock & Worth's new attorney fee schedule presented in the Board Package was reviewed by the committee and recommends Board acceptance.	ATTORNEY FEE SCHEDULE
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MOTION: was made by Vice-President Brown and seconded by President Corlett, to accept the new attorney fee schedule as presented in the letter dated December 3, 2009 from McMurtrey, Hartsock & Worth. The Motion was carried. (Vote 4-0)

GENERAL MANAGER AND STAFF UPDATE

**GENERAL
MANAGER &
STAFF UPDATE**

Tom Mulvihill reported that there were four new residential services for the month of November.	NEW SERVICES
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The Annual Board Workshop is scheduled for January 15, 2010 at 1:00 p.m.	ANNUAL BOARD WORKSHOP
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The City of Ridgecrest will be doing the second reading of the Water Efficient Landscape Ordinance on Wednesday, December 16 th at 6:30 p.m.	LANDSCAPE ORDINANCE
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Reneé Morquecho reported that a pre-construction meeting with staff, Krieger & Stewart and the contractor, Pascal & Ludwig, has been scheduled for December 15, 2009 at 10:00 a.m.	ARSENIC TREATMENT FACILITY
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Ms. Morquecho reported that staff and the Technical Advisory Committee of the IWV Cooperative Groundwater Management Group met on December 7 th to review a draft final copy of the Brackish Water Treatment Pilot Study Report. Recommendations were made to Carollo and will be incorporated into the report. The draft final report will be sent to the Department of Water Resources for review by the end of December.	BRACKISH WATER STUDY
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Larry DeGano reported on the Drummond Avenue Mainline Replacement Project. Leaks have been repaired at Scott and Sherri Streets at Drummond Avenue. Both lines have passed leakage and pressure testing. Crew will begin doing six 6-inch and one 12-inch tie ins and installing valve boxes. Project should be complete in one month.	MAINLINE REPLACEMENT PROJECTS
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BOARD COMMENTS/FUTURE AGENDA ITEMS

**BOARD
COMMENTS**

Vice-President Brown thanked President Corlett for leading this past year and keeping everyone on task.

Director Cortichiato quoted Benjamin Franklin, "When the well is dry, we know the worth of water." Director Cortichiato commented he is glad that we're working on conservation.

Director Manning commented that he had heard that there is a place where they are so low on water that their water access is all locked up. He was not sure where this was.

President Corlett requested that staff and the Administration/Executive Committee research whether or not the District should join with the City of Ridgecrest on a lobbyist contract and make a recommendation to the Board.

President Corlett announced that all Association of California Water Agencies meetings will be presented on their website.

President Corlett also announced that the capital cost of solar has decreased 50% in the last year. One thing that is selling solar is the escalating incentives. Each escalation is less than the previous. Pacific Gas & Electric is now at Level 6 and Southern California Edison is at Level 5.

Phil Metz of SolFocus told President Corlett that he really appreciates the support Jennifer Keep has been giving him to perform the analysis.

With no further Board comments, President Corlett recessed the meeting and adjourned to Closed Session at 8:36 p.m.

CLOSED SESSION

**CLOSED
SESSION**

The meeting was reconvened in Closed Session at 8:45 p.m.

The meeting was recalled to Open Session at 9:58 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 Corlett at 9:59 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Rose Koch". The signature is written in black ink and is positioned directly below the typed name.

Rose Koch
Recording Secretary

APPROVED: January 11, 2010