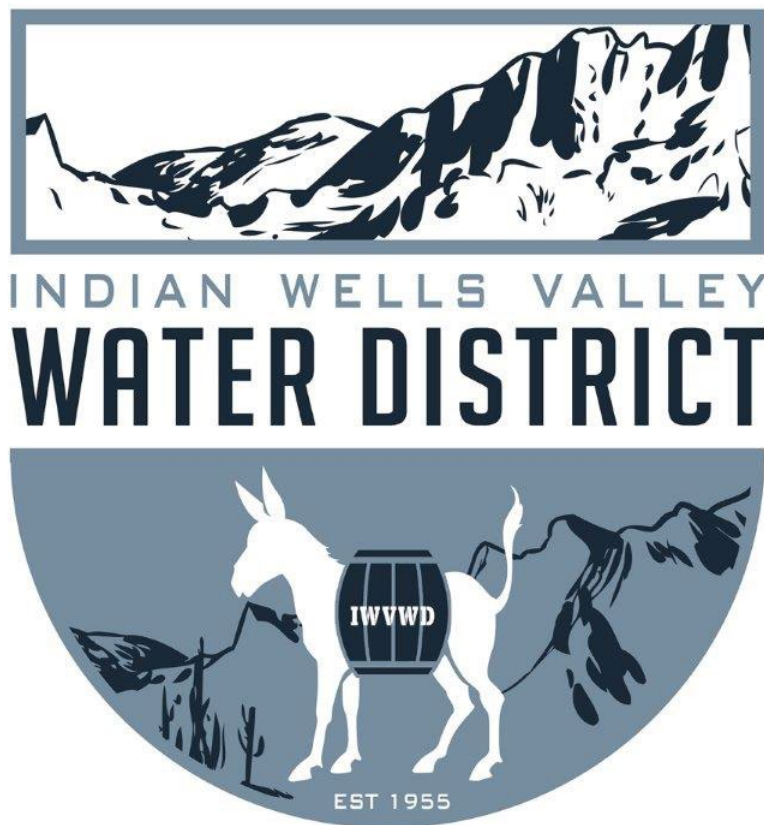


INDIAN WELLS VALLEY WATER DISTRICT

Board of Directors Meeting



August 10,2026

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

REGULAR BOARD MEETING

AGENDA

MONDAY, AUGUST 10, 2026
CLOSED SESSION - 4:30 P.M.
OPEN SESSION - 6:00 P.M.

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

All District meetings are streamed live through Zoom	
Join Zoom Meeting at: https://zoom.us/j/9649549487 Meeting ID: 964 954 9487	One tap mobile: 669-900-9128, 9649549487# US (San Jose) 669-444-9171, 9649549487# US Dial by your location: 669-900-9128 US (San Jose) 669-444-9171 US 253-215-8782 US (Tacoma)

(In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Isabel Tejeda at (760) 384-5502. Requests must be made as early as possible and at least one full business day before the start of the meeting. 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. Ridgcrest Blvd., Ridgcrest, 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 on Closed Session
7. Closed Session
 - A. Potential Litigation
 - Conference with Legal Counsel
 - 2 Matters
 - (Pursuant to Government Code Section 54956.9(d)(2)(4))

- B. Existing Litigation
Conference with Legal Counsel
Mojave Pistachios, LLC v Indian Wells Valley Water District, et al.
Orange County Superior Court Case No. 30-2021-01187275-CU-OR-CJC
(Pursuant to Government Code Section 54956.9(d)(1))

- C. Real Property Negotiations
District Negotiators: Renee Morquecho and Jim Worth
Landowner Negotiator: Gary Arnold, Esq.
Property Description: Little Lake Ranch, Inc.
(Pursuant to Government Code Section 54956.8)

- D. Real Property Negotiations
District Negotiators: Renee Morquecho and Jim Worth
Property Description: Grant Airport
APN: 033-490-03
(Pursuant to Government Code Section 54956.8)

- E. Real Property Negotiations
District Negotiators: Renee Morquecho and Jim Worth
Property Description: Stine Ranch
APN: 033-060-20 & APN: 033-060-21
(Pursuant to Government Code Section 54956.8)

- F. Real Property Negotiations
District Negotiators: Renee Morquecho and Jim Worth
Property Description: Butterworth Ranch
APN: 033-110-12 & APN: 033-110-19
(Pursuant to Government Code Section 54956.8)

- G. Conference with Labor Negotiators
District Representatives: Renee Morquecho and Jim Worth
Employee Organizations: Exempt and Non-Exempt
(Pursuant to Government Code Section 54957.6)

- 8. 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 for the record.)

- 9. Current Business/Committee Reports
 - A. Consent Calendar
Description: Approval of Board Meeting Minutes and Accounts Payable

Disbursements.

1. Approval of Minutes:
 - i. July 13, 2026, Regular Board Meeting.
2. Approval of Accounts Payable Disbursements.

B. RB Inyokern Data Center

Description: Discussions and potential Board action regarding the proposed RB Inyokern Data Center

1. Letter to the California Energy Commission
2. Legislative Support for AB 2469 and AB 2619

C. Proposition 4 Grant Funding Presentation

Description: Special Projects Coordinator to present information on Proposition 4 Grant funding.

D. Administration / Executive Committee

1. Dress Code Policy

Description: Board to review Dress Code Policy.

Committee Recommendation: Committee recommended the Board approve the Dress Code Policy as presented by staff.

E. Comprehensive Groundwater Adjudication

Description: Report and discussion regarding the status of the Comprehensive Groundwater Adjudication.

F. Indian Wells Valley Groundwater Authority

Description: Report and discussion regarding meetings of the Indian Wells Valley Groundwater Authority (IWVGA). Including, Board discussion and consideration of issues of importance requiring action by the IWVGA. Next meeting is scheduled for August 12, 2026.

1. Replenishment Fee Discussion

G. General Manager Update (The Board will consider and may act on the following items):

Description: Water District Business

1. Significant WD events, service outages, emergencies etc.
2. Pertinent Legislative Updates
3. Personnel safety and injury reports

H. Engineering/Water Supply Update (The Board will consider and may act on the following items):

Description: Engineering updates

1. Update on District consolidations
 - i. Inyokern CSD
 - ii. Rademacher Way/Gordon St.
 - iii. Dune 3 Mutual Water Company
 - iv. Stark Street Water System
2. Water Supply

- I. Financial Update (The Board will consider and may act on the following items):
Description: Report on the District's current financial status
 - 1. Year to date water use
 - 2. Financial Reports and status
 - 3. Water Smart notifications
 - 4. Turn-off/Turn on monthly data

- J. Operations Update (The Board will consider and may act on the following items):
Description: Update on Operations
 - 1. Valve exercising
 - 2. Utility marking data (USA North and South)
 - 3. NO-DES Flushing
 - 4. After Hours Calls
 - 5. Service Lateral Repairs
 - 6. Lateral Replacements
 - 7. Hydrants Repairs / Replacements
 - 8. Mainline Repairs

- 10. Board Comments/Future Agenda Items.

- 11. Date of next Regular Board meeting: **September 14, 2026.**

- 12. Adjournment.



INDIAN WELLS VALLEY WATER DISTRICT



BOARD OF DIRECTORS

Ronald R. Kicinski, President
David C. H. Saint-Amand, Vice President
Mallory J. Boyd
Charles D. Griffin
Stanley G. Rajtora

George D. Croll
General Manager
Krieger & Stewart, Incorporated
Engineers
McMurtrey, Hartsock, Worth & St. Lawrence
Attorneys-at-Law

2026 COMMITTEE ASSIGNMENTS

ADMINISTRATION/EXECUTIVE COMMITTEE (GRIFFIN/KICINSKI)

Personnel, Legal Matters, General Plan, Community Relations, Board Meeting Agendas, Ordinances, Rules, Regulations, Policies, Procedures, Customer Service, Variances, Director's Manual. Groundwater Sustainability Act, Indian Wells Valley Groundwater Authority, Water Management, Water Policy, Conservation, Alternative sources for water supply including Blending, Importation, Reuse, etc.

FINANCE COMMITTEE (KICINSKI/BOYD)

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

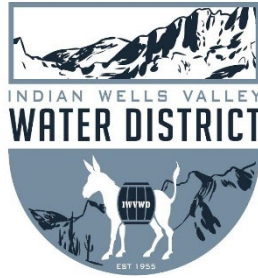
PLANT & EQUIPMENT COMMITTEE (RAJTORA/ SAINT-AMAND)

Transmission/Distribution System, Vehicles & Equipment, Wells, Reservoirs, Real Property Management, and Telemetry, Water Quality, Urban Water Management Plan, CalWEP, Title 22 Compliance, etc.

Committee Meetings are generally scheduled on a regular day and time.
Committee Meetings are subject to change.

Plant & Equipment
Finance
Administration/Executive

Monday before the Board Meeting at 3:00 p.m.
Tuesday before the Board Meeting at 3:00 p.m.
Wednesday before the Board Meeting at 3:00 p.m.



Committee Reports

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

PLANT AND EQUIPMENT COMMITTEE
SPECIAL MEETING

REPORT

TUESDAY, August 4, 2026 – 3:00PM
BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

Attendees: Chuck Griffin, Ron Kicinski, John Svika, Ty Staheli, Renee Morquecho and Justin Thompson.

1. Call to Order

The meeting was called to order at 3:00 pm.

2. Committee/Public Comments

Staff informed board that Nicholas Construction Inc (NCI) removed all construction pipe from their property.

3. Water System Consolidations: Update

- Inyokern CSD: Staff reported no news from the State regarding consolidation with the Inyokern CSD.
- Dune 3: Staff reported that contract documents have been reviewed by legal and sent to the contractor for signature. Construction is planned to commence on August 17th.
- Stark Street: The Groundwater Authority is working on obtaining easements through their right-of-way specialist. President Kicinski asked if easements would be completed in time before the District's deadline. Renee Morquecho said construction of Stark would not begin by end of calendar year and that funding would go towards design and obtaining easements.
- Rademacher Way (Phase 2): The Groundwater Authority's right-of-way specialist is still working on obtaining the remaining easements. Staff has a meeting with Stetson on the week of August 10th to discuss obtaining easements by September so IWVWD construction can perform the work.

4. Potential Grand Funded Projects: Update

George Croll gave presentation to the committee on prop 4 funding for proposed stormwater projects. Committee discussed interest in pursuing grant funding to potentially catch water from dixie wash or

bowman near IWWWD properties. President Kicinski elected to bring discussion to the August 10th board meeting.

George Croll also mentioned La mirage as a potential candidate for a disadvantaged community (DAC) project funding.

5. Future Agenda Items

- Keeping track of potential grant-funded projects.
- Add Stormwater projects discussion.

6. Adjournment

The meeting was adjourned at 3:28 pm.

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FINANCE COMMITTEE
SPECIAL MEETING

REPORT

TUESDAY AUGUST 4, 2026 – 3:30 PM
BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

ATTENDEES: Ron Kicinski, Chuck Griffin, Renee Morquecho, Ty Staheli, John Svika, and Justin Thompson

1. Call to Order

The Finance Committee Meeting was called to order at 3:36 pm.

2. Committee/Public Comments

None.

3. Fraud Risk Discussion

Description: Discuss potential or actual fraud risks within the organization.

None to report. Interim audit in progress.

4. Financial Statements July 31, 2026 (preliminary)

Description: Presentation to Committee financial reports and graphs depicting current revenue and expense trends compared to budget and previous fiscal year actuals.

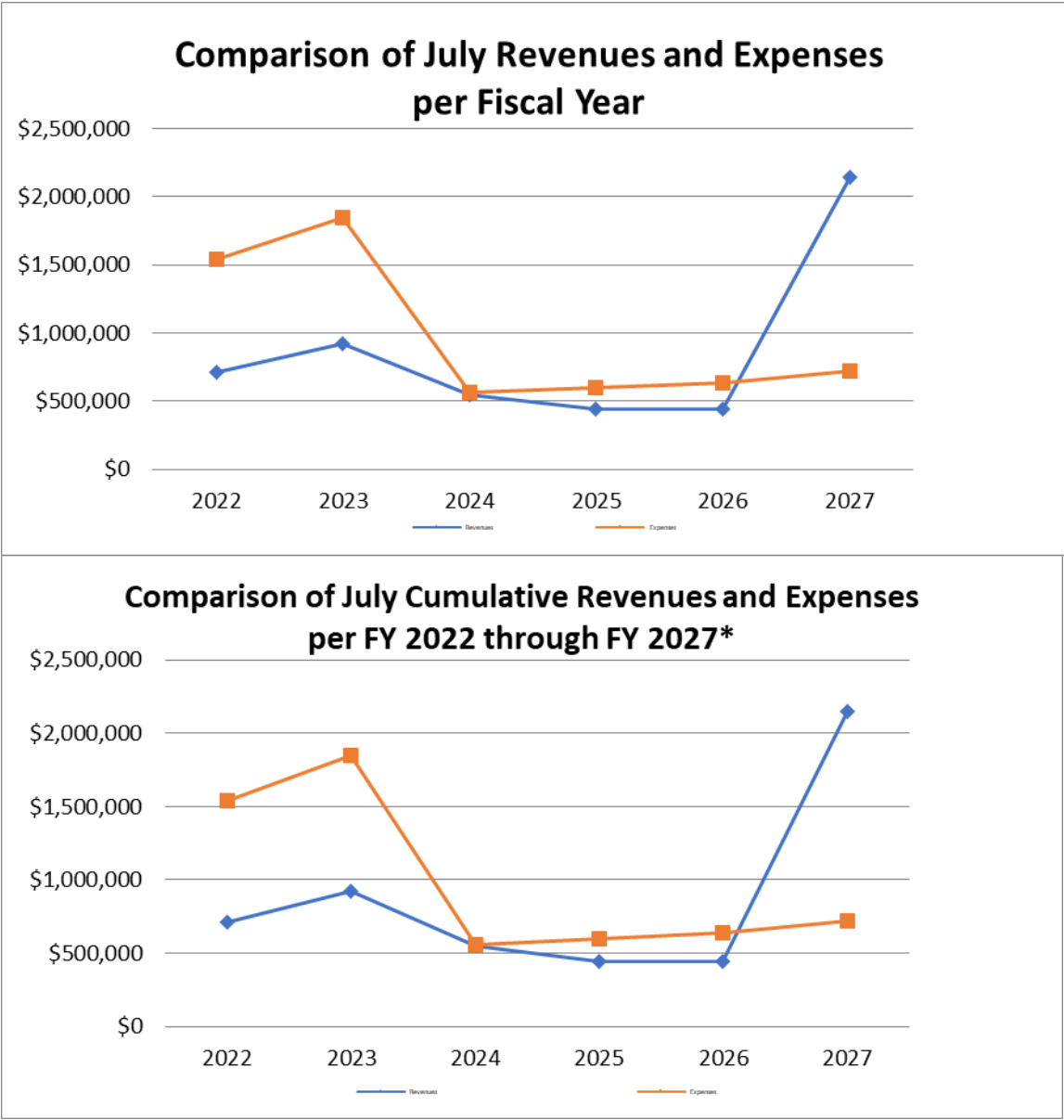
Estimated year-to-date revenues as of July 31, 2026, are \$2,146,306 and expenses are \$722,398, therefore revenues exceeded expenditures by \$1,423,908, which is better than budget by \$2,027,117. Accruals, both expenditure and revenue, are pending.

To date, the District rate payers have paid the Groundwater Authority \$20,303,299 in fees.

Staff presented the following spreadsheet, which compares July year-to-date actual to budgeted revenues and expenses by category:

Indian Wells Valley Water District
Revenues vs. Expense
Actuals & Budget through July 2026 (Preliminary)

	2027 Budget	YTD Budget	Actuals	Δ
Revenues				
Total Water Sales	16,464,300	451,355	1,545,872	1,094,517
GSA Fees	2,962,200	97,042	534,591	437,549
Total Water Service Revenue	410,900	14,217	30,776	16,559
Total Non-Operating Income	591,000	20,449	12,397	-8,052
Capital Contributions	215,000	7,439	22,670	15,231
Total Revenues	20,643,400	590,502	2,146,306	1,555,804
Expenses				
Water Supply	2,040,696	135,706	31,837	-103,869
Arsenic Treatment Plants	413,231	27,480	4,320	-23,160
Transmission & Distribution	1,929,167	128,290	44,561	-83,729
Engineering	615,404	40,924	42,767	1,842
Customer Service	652,104	43,365	15,811	-27,554
Field Services	696,494	46,317	14,678	-31,638
General & Administration	3,750,556	249,412	129,413	-119,999
Legal	1,680,000	111,720	0	-111,720
Legislative	125,900	8,372	15,340	6,968
Depreciation	3,300,000	275,000	275,000	0
Non-Operating, Interest	1,614,366	88,641	88,512	-129
Non-Operating, Miscellaneous	497,500	33,084	60,159	27,075
GSA Fees	3,166,617	0	0	0
Non-Operating, Conservation	34,200	2,274	0	-2,274
Non-Operating, Alternate Water	47,000	3,126	0	-3,126
Total Expenses	20,563,235	1,193,711	722,398	-471,313
Net Revenue Increase (Decrease)	80,165	-603,209	1,423,908	2,027,117
Capital Expenditures			21,806	
-Bond or Grant Funded			0	
Debt Service Principle			84,662	
Total GSA Extraction Fee Paid			3,942,611	
Total GSA Replenishment Fee Paid			16,360,688	
			20,303,299	



**Actual Revenues and Expenses are Estimated*

5. Accounts Payable Disbursements

Description: Presentation to Committee of Accounts Payable Disbursements reports for Board approval.

The Committee reviewed the accounts payable disbursements totaling \$2,141,891.31 as follows:

Checks through	7/1/2026	7/16/2026	7/30/2026
Prepaid	55,749.22	54,005.68	-
Current	997,627.15	849,770.51	184,738.75
Total	1,053,376.37	903,776.19	184,738.75

6. Future Agenda Items

Credit Card Fees

7. Adjournment

The Committee adjourned at 3:52 pm.

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

ADMINISTRATION/EXECUTIVE COMMITTEE

REGULAR MEETING AGENDA

WEDNESDAY, AUGUST 5, 2026

3:00 PM

BOARDROOM OR [ZOOM ROOM](#)

500 W. RIDGECREST BLVD., RIDGECREST

ATTENDEES: Ron Kicinski, Chuck Griffin, Renee Morquecho, Ty Staheli, John Svika, Justin Thompson
and Isabel Tejada

1. Call to Order

The meeting was called to order at 3:00 PM

2. Committee/Public Comments

None.

3. Outstanding Public Record Requests (PRR)

Ty Staheli reported there are two outstanding requests, one of them is for all contracts over \$50,000 over the last year and a half and the other is for information that the District already provides to Transparent California.

4. Dress Code Policy

Renee Morquecho presented the Dress Code Policy to the Committee and explained that staff decided to clarify the current dress code and combine the boot allowance and reimbursement for safety glasses policies so that staff can reference one policy. Director Griffin commented that he would like staff to look into the possibility of crew members being allowed to wear shorts, he would also like to make sure staff is taking into consideration high temperatures when requiring certain safety equipment. The Committee recommended the Board approve the Dress Code Policy as presented by staff.

5. Indian Wells Valley Groundwater Authority

There is no Agenda out for the upcoming IWVGA meeting so there is nothing to report at this time. Director Boyd will be attending the upcoming IWVGA meeting in place of Vice President Saint-Amand.

6. Draft Agenda for the Regular Board Meeting of August 10, 2026

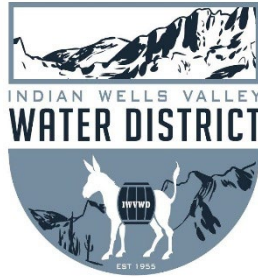
The Committee reviewed the Agenda and requested that an item be added under IWVGA where the Board can discuss in detail the replenishment fee. The Committee approved the Agenda with the one addition.

7. Future Agenda Items

None.

8. Adjournment

Meeting was adjourned at 3:16 PM.



Approval of Minutes

MINUTES OF THE REGULAR BOARD MEETING

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

July 13, 2026

The Regular Meeting of the Board of Directors of the Indian Wells Valley Water District was called to order by President Kicinski at 4:30 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 John Svika.

DIRECTORS PRESENT: President Ronald R. Kicinski
Vice President David C.H. Saint-Amand
Director Charles D. Griffin
Director Mallory J. Boyd

PLEDGE

ROLL CALL

DIRECTORS ABSENT: Director Stan G. Rajtora

STAFF PRESENT: Renée Morquecho, General Manager
Jim Worth, Attorney
Justin Thompson, Chief Engineer
Tyrell Staheli, Chief Financial Officer
John Svika, Operations Manager
Isabel Tejeda, Recording Secretary

STAFF ATTENDING
REMOTELY: George Croll, Special Projects Coordinator

AGENDA DECLARATION

**AGENDA
DECLARATION**

Recording Secretary, Isabel Tejeda, reported that the agenda for today's Regular Board Meeting was posted on Thursday, July 09, 2026.

CONFLICT OF INTEREST DECLARATION

**CONFLICT OF
INTEREST**

None.

PUBLIC QUESTIONS AND COMMENTS ON CLOSED SESSION

**PUBLIC
COMMENTS**

None.

With no further Board or Public comments, President Kicinski recessed the meeting and adjourned to Closed Session at 4:31 p.m.

CLOSED SESSION

**CLOSED
SESSION**

The meeting was reconvened in Closed Session at 4:34 p.m.

Closed Session was adjourned at 6:03 p.m.

The meeting was reconvened to Open Session at 6:08 p.m.

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

PUBLIC QUESTIONS AND COMMENTS

The Board heard public comment from Mike Neel and Mike Sinnott.

**PUBLIC
COMMENT**

CONSENT CALENDAR

MOTION: was made by Director Boyd and seconded by Director Griffin approving the Minutes of the June 08, 2026, Regular Board Meeting, June 11, 2026, Special Board Meeting and Payment of Accounts Payable totaling \$1,065,929.31. Motion was carried, unanimously. (Ayes: Kicinski, Saint-Amand, Griffin, Boyd. Nays: None. Absent: Rajtora.)

**CONSENT
CALENDAR**

PLANT & EQUIPMENT COMMITTEE

Justin Thompson reported that contractor JSS Construction installed a new water pipelines for Tract 6221 and presented a map for the Board to review. The contractor completed construction all necessary pressure tests and disinfection. The dedication has been signed by the contractor with the following contingencies: (1) completing the remaining service laterals, and (2) providing as-builts to the District. The total amount on the dedication was \$152,130,000.

**DEDICATION OF
FACILITIES**

MOTION: was made by Vice President Saint-Amand and seconded by Director Griffin approving the Dedication of Tract 9554 Unit C 8" PVC Pipeline. Motion was carried, unanimously. (Ayes: Kicinski, Saint-Amand, Griffin, Boyd. Nays: None. Absent: Rajtora.)

ADMINISTRATION/ EXECUTIVE COMMITTEE

Isabel Tejeda informed the Board there were two positions that were not included in the salary survey that was approved by the Board in June. Both entry level salaries for the Field Services Representative 1 and Maintenance Repair Construction 1 need to be increased and the maximum salary for the MRC 1 should be increased.

SALARY SURVEY

The Board heard public comment from Renee Westa-Lusk.

MOTION: was made by Director Boyd and seconded by Vice President Saint-Amand approving the Salary Survey as presented. Motion was carried, unanimously. (Ayes: Kicinski, Saint-Amand, Griffin, Boyd. Nays: None. Absent: Rajtora.)

RB Inyokern Data Center Intervener Status

Jim Worth reported there are two different types of intervener status that are generally available and presented the difference between the two. Mr. Worth explained the RB Inyokern Data Center submitted an application for a small pumping plant exception which would limit the actions that agencies with intervener status can take. If the exemption is granted the permitting and regulatory process would be passed from the California Energy Commission (CEC) to local agencies. Mr. Worth recommended the Board direct Staff to draft a letter of concern to the CEC.

**RB INYOKERN
DATA CENTER
INTERVENER
STATUS**

The Board heard public comment from Lindsey Stephens, Kathy Russel, Mike Neel, Mike Sinnott, Renee Westa-Lusk and Bonnie Derosa.

MOTION: was made by Vice President Saint-Amand and seconded by Director Boyd directing Staff to draft a letter of concern to the CEC. Motion was carried unanimously, by the following roll call vote:

President Kicinski: Aye
 Vice President Saint-Amand: Aye
 Director Boyd: Aye
 Director Griffin: Aye
 Director Rajtora: Absent

COMPREHENSIVE ADJUDICATION

COMPREHENSIVE ADJUDICATION

Jim Worth reported the Phase 2 trial ended on June 29, 2026 it was a 10-day trial. The Judge decided to have a Special Master appointed, this person would go through the trial transcripts and all other evidence that was admissible during the trial and come up with their own opinion on the safe yield. Mr. Worth explained the judge would not be bound to the Special Masters' opinion, he is looking for assistance in a very technical trial.

The Board heard public comment from Lindsey Stephens, Renee Westa-Lusk and Mike Sinnott.

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY (IWVGA)

IWVGA

Vice President Saint-Amand gave a summary of the GA meeting, there was a new representative for the Navy, discussion on the RB Inyokern Data Center and it was reported that the design for the pipeline should be completed by the end of the calendar year. The next GA meeting is August 12, 2026.

The Board heard public comment from Mike Neel, Lindsey Stephens, Kathy Russell, Renee Westa-Lusk and Mike Sinnott.

General Manager Update

GENERAL MANAGER UPDATE

Renee Morquecho reported there is no significant events to report on for the month of June however due to the warmer weather there has been an increase in leaks that the maintenance and construction crews have been very busy. The District is currently tracking Advanced Clean Fleet Regulations as well as the following bills: SB 1125, AB 2739, AB 2469 and AB 2619. There was nothing significant to report in regards to personal safety or injuries.

Vice President Saint-Amand gave a brief summary on AB 2469 and AB 2619, both are attempts at regulating Data Centers. Mr. Saint-Amand directed Staff to further look into the bills and draft a letter of support from the District.

Engineering Update/Water Supply Update

ENGINEERING UPDATE

Water Systems Consolidations:

- o Inyokern CSD: nothing to report at this time.
- o Rademacher Way/Gordon St: Staff is working with legal to review the easement deeds.
- o Dune 3: The Budget was approved by the State on July 2, 2026. Contract documents are under review by Legal. The General Contractor GHD will be providing their performance bond and insurance to Legal for review. Staff is still waiting for the date that they will begin construction.
- o Stark Street: Staff submitted comments on the 95% drawings and is waiting on Krieger & Stewart for final design. The IWVGA and their consultant will be working on the needed easements.

Justin Thompson reported that Arsenic Plant 1 is up and running, he gave thanks the District's construction crew for replacing a valve that was

WATER SUPPLY UPDATE

needed. Water Supply department is performing maintenance on Arsenic Plant 2 so it is ready to go in case it is needed. Currently Water Supply department is still working on preparing sites for additional cameras.

Mr. Thompson gave an update on the Northwest Transmission Line replacement; Nicholas construction should have the pipe disposed of completely in the next 2 weeks.

The Board heard public comment from Renee Westa-Lusk.

FINANCIAL UPDATE

Ty Staheli reported total billed consumption for the month of June was 442 acre-feet which brings the total for the year to 5,143 acre-feet. Mr. Staheli reported year-to-date current revenues are \$18.5 million which is \$1.8 million below budget. Mr. Staheli reported expenditures are at \$18 million which is \$1.8 million below budget. The District's net to date is \$571,000 which is close to the anticipated amount. Capital expenditures spent to date is \$2.8 million of that \$1.7 million is funded by grant or bond funding. The District has paid \$19,989,658 to the IWVGA in replenishment and extraction fees. Staff also provided an update on meter installations; delinquent account turn offs and WaterSmart alerts.

FINANCIAL UPDATE

The Board heard public comment from Renee Westa-Lusk and Mike Sinnott.

Operations Update

John Svika reported there were 4 valves exercised which puts the year-to-date total to 532 valves. There were 345 USA North locates and 4 for USA South. Mr. Svika reported there were 0 flushes therefore the total water saved by the NO-DES truck remains just under 10 million gallons. Staff reported 20 after-hour calls which resulted in 12 lateral repairs. For the month there were 32 service lateral repairs, 14 lateral replacements, 1 hydrant replacement, and 1 valve repair.

OPERATIONS UPDATE

BOARD COMMENTS/FUTURE AGENDA ITEMS

BOARD COMMENTS

Director Boyd thanked staff for all their hard work.

Vice President Saint-Amand reminded the public of recent earthquakes and urged everyone to reflect on earthquake and disaster preparedness.

President Kicinski thanked the staff and Board for their commitment to transparency.

DATE OF NEXT REGULAR BOARD MEETING

DATE OF NEXT BOARD MEETING

The date of the next Regular Board Meeting is Monday, August 10, 2026.

ADJOURNMENT

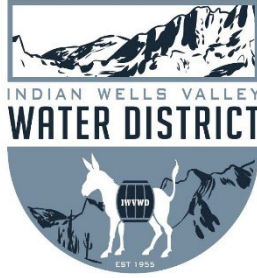
ADJOURNMENT

With no further business to come before the Board, the meeting was adjourned at 8:00 p.m.

Respectfully submitted,

Isabel Tejeda
Recording Secretary

APPROVED: _____



9.B.1.



INDIAN WELLS VALLEY WATER DISTRICT



BOARD OF DIRECTORS

Ronald R. Kicinski, President
David C. H. Saint-Amand, Vice President
Mallory J. Boyd
Charles D. Griffin
Stanley G. Rajtora

Renée Morquecho
General Manager
Krieger & Stewart, Incorporated
Engineers
McMurtrey, Hartsock, Worth & St. Lawrence
Attorneys-at-Law

August 11, 2026

VIA CEC PORTAL AND U.S. MAIL

Ms. Elizabeth Huber
California Energy Commission
715 P Street
Sacramento CA 95814

Re: Docket 26-SPPE-01. Inyokern Data Center Small Power Plant Exemption and CEQA

The Board of Directors (Board) of the Indian Wells Valley Water District (District) has authorized this letter in response to the referenced Application for Small Power Plant Exemption and associated CEQA review being performed by the California Energy Commission ("CEC"). The District is a County Water District formed and operating pursuant to California Water Code §§ 30000, et seq. The District is the largest water purveyor in the Indian Wells Valley, so we focus our concerns on the potential impacts to local power usage and the local water supply. This includes ongoing implementation of the Sustainable Groundwater Management Act (SGMA) and the ongoing Comprehensive Groundwater Adjudication of the Indian Wells Valley groundwater basin ("IWV Basin"), that will determine the amount of groundwater that can be pumped from the basin on an annual basis and the amount of a pumper's groundwater rights (see *Mojave Pistachios v. Indian Wells Valley Water District, et. al*, Orange County Superior Court Case No. 30-2021-01187275-CU-OR-CJC).

Reliable Local Power: The IWV Basin is designated as a critically over-drafted basin (Basin No. 6-54, Bulletin 118) by the Department of Water Resources. Residents and businesses within the IWV Basin rely on groundwater as their sole source of water.. Virtually all water supplies in this basin rely on groundwater wells, which of course, are powered by electricity supplied mainly by Southern California Edison. Reliable grid power and prioritizing the available power for the public good should be a primary consideration of the CEC when determining whether this project gains initial approval prior to moving forward with CEQA and other local permitting processes. The District recognizes that this 99 MW backup generation facility is "small" within the context of overall California power needs, however, within the context of the Indian Wells Valley, it is a significant increase to local power usage. With this in mind, we request the CEC carefully review the following in its evaluation of this request.

1. Can the local electrical grid supply the requested power without adversely impacting local users of power?

2. What priority will the Data Center be given during periods when local electrical demand exceeds supply? Of particular concern is a situation where the Data Center receives power to meet its reliability requirements at the expense of power to supply critical groundwater wells needed in a hot desert environment. We note, there are some 800 electrical powered groundwater wells within the Indian Wells Valley that are in direct proximity to the Data Center.
3. Will the backup generators proposed by the Applicant be in compliance with all aspects of the California Air Resources Board Diesel Air Toxic Control Measures (ATCM) regulations? Of particular concern is the unlimited time limits to run these generators during power outages or during a Public Safety Power Shutoff (PSPS). Additionally, the proximity to local schools has been raised as a concern and this should be reviewed by the CEC as part of the evaluation process.

Projected Water Use: The proposed Data Center (Project) in Inyokern estimates a maximum of 49.1 acre-feet (AF) of water use per year. If the Project operates at 85% capacity, the theoretical Water Use Efficiency (WUE) would be approximately 0.1 to 0.12 L/kWh. This value is inconsistent with Table B.1 Facility-Level Efficiency Targets in the Environmental Sustainability Plan and BMP document (Appendix O). According to the Table, only fully closed loop chilled water systems can achieve this level of WUE. And this is at the lower limit of such systems that use between 0.1 and 0.3 L/kWh. The proposed hybrid system also includes evaporative adiabatic components that have WUE ranging from 0.5 to 2.0 L/kWh. It is unclear how such a low WUE is achievable with the proposed systems given the proponents own WUE estimates. Additionally, in the same table, the proponent cites a target Power Usage Effectiveness PUE of 1.41 but fails to cite a target WUE. The proponent needs to explain how a hybrid system using closed loop cooling with additional evaporative cooling can achieve a WUE at the low end of 100% closed loop systems. The theoretical estimated WUE of approximately 0.12 does not fit the proponent's own WUE estimates. This translates into the potential for far greater water usage than stated. In addition, we have reviewed and join in the the other comments submitted on the proposed Project and their stated concerns about the local water supply and low project water use alleged by the Applicant.

Water Demand and Wastewater Disposal: The Applicant alleges that Project water supply and wastewater disposal demands are adequately addressed as a result of the Inyokern CSD ("CSD") Water and Sewer Will Serve letter dated April 2, 2026 ("Will Serve" letter) (See attached Exhibit "A"). We have reviewed the Will Serve letter and it raises even more questions and concerns as outlined below.

Water Demand: The Applicant concludes the "Project's total annual water demand of approximately 36.83 to 49.10 AFY falls within the CSD's confirmed service capacity" (Application p.559). The CSD's annual groundwater allotment is 102 acre-feet under the Groundwater Sustainability Plan ("GSP") adopted by the Indian Wells Valley Groundwater Authority ("IWVGA"). The Applicant fails to explain how the CSD can serve the Project's additional annual water demand of 49.10 acre-feet, which is almost double the CSD's annual allotment? Further, the Applicant's Water Supply Assessment ("WSA") fails to meet the requirements imposed by California Water Code § 10910 when a project's water supply is groundwater dependent. The Applicant's reliance on the CSD for its project water demand, with no further explanation of how the CSD will acquire the additional water needed to serve the project, fails to meet its burden.

Status of the CSD: It is important to note that the District has never requested that the CSD be

consolidated into the District, however, in light of the Applicant's reliance on the CSD for water supply and wastewater disposal demands, any potential consolidation between the District and the CSD cannot be ignored. On June 6, 2025, the State Water Resources Control Board ("State Board") sent the District a letter requiring the District and the CSD to enter into six (6) months of "voluntary negotiations" regarding a possible consolidation of the two districts (See attached Exhibit "B"). The State Board identified "concerns regarding Inyokern CSD's water system deficiencies" and "about the ability of Inyokern CSD to sustainably provide safe and affordable supply of drinking water into the future." The "voluntary negotiations" were not successful. The State Board ranks Water Systems on its SAFER Program website. This assessment lists the CSD as a Disadvantaged and Failing System and can be found here:

https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/saferdashboard.html

While we do not have exact usage for the CSD, we are aware that the CSD is being sued by the IWVGA, in part, for failure to pay replenishment fees which are assessed when a pumper exceeds its allotment under the GSP. The filing of the lawsuit indicates that the annual allotment of 102 acre-feet to the CSD is insufficient for its current customer base, let alone the additional demand created by the Project (see *Indian Wells Valley Groundwater Authority v Inyokern Community Services District*, Kern County Superior Case No. BCV-22-100281).

It is our understanding the the CSD is still not in compliance with applicable state regulations and still subject to potential mandatory consolidation with the District pursuant to State Board authority. What are the plans of the Applicant if the CSD consolidates with the District? While not advocating for said consolidation, but also so there is no misunderstanding, if consolidation is ordered, the Board of the District will not be bound to serve and provide the Project's water demands pursuant to the CSD's five (5) page Will Serve letter, including the Limitations and Disclaimers. At a minimum, it is unclear at this time if the CSD has the ability, sufficient capacity or sufficient water to provide water and/or wastewater services¹ to this Project in the future.

Operational Costs: An additional concern relates to operational costs. Using the Project proponent's projected 99MW max electrical usage, one can calculate a theoretical range of electrical costs per year of operation. Operating at 85% capacity on average, and a projected electrical cost of \$0.09 kWh as a minimum and \$0.18 kWh maximum, the cost range is between \$66M and \$132M annually. Using the proponents PUE value of 1.41, the support systems cost would be 29% of total cost or between \$19M to \$38M annually. The PUE for pure evaporative systems in desert environments is closer to 1.1 to 1.25. This demonstrates why data centers have traditionally used evaporative systems in hot dry climates. In our theoretical scenario above, this equates to a \$10M-\$20M savings in electrical costs annually if the systems used only evaporative cooling. Because the proposed system uses both closed loop and evaporative cooling, there is a significant economic advantage to maximizing evaporative cooling over the closed loop system. Once built, what prevents the operator from choosing to utilize the much less expensive evaporative system to save literally millions of dollars a year, at the expense of the IWV Basin and those who rely on this scarce resource? This needs clarification by the Applicant.

Additional Information: We note the CEC requested additional information from the Applicant by way of letter dated June 11, 2026. Our review of the Applicant's analysis of potential impacts caused by

¹ The State Board consolidation discussions are presently limited to the CSD's domestic water supply operations, but the District "may acquire, construct, and operate facilities for the collection, treatment and disposal of sewage, waste and storm water of the district" (see California Water Code § 31100).

the Project justifies the CEC's need for additional information to properly evaluate the Project. On a related note, there are multiple bills being considered by the State legislature that would require more robust studies and greater transparency to gain approval. The new proposed legislation evidences the public's concerns over the impacts associated with data centers in general. We encourage the CEC to continue to evaluate the Project's potential impacts as many questions remain unanswered by the Applicant.

Thank you for your attention to this matter. Feel free to contact me at reneem@iwwwd.com should you have any questions.

Respectfully,

Renee Morquecho, Ph.D., P.E.
General Manager

Cc:

DRAFT

EXHIBIT “A”

DIRECTORS:

K. Fagan-Merrifield
D. Reynolds
T. Lee Hicks
C. Rogers

H. Gallier - General Manager
A. Aguil - Water Operator
T. Langin - Chief Wastewater Operator



P.O. Box 1418
1429 Broadway
Inyokern, CA 93527

Phone: (760) 377-4708
Phone: (760) 677-1003
Phone (760) 377-4708

April 2, 2026

R & L Capital, Inc.
Attn: Robbie Barker
82740 Trona Rd,
Trona, CA 93562

Re: Water and Sewer Service Will Serve

Project: RB Inyokern Data Center — APNs 084-010-43, 084-010-44, 084-010-45, 084-010-48

Location: Inyokern, CA

Dear Mr. Barker:

Inyokern Community Services District ("District") has reviewed the project description for water and sanitary sewer service to serve the above-referenced data center development project ("Project"). Subject to the conditions set forth herein, the District is providing this conditional will-serve letter regarding water and sewer service to the Project, based on the demand envelope identified in Section 1 and contingent upon compliance with all applicable California Energy Commission (CEC), Kern County, Indian Wells Valley Groundwater Authority, District, and other applicable regulatory agency rules, regulations, capacity fees, connection requirements, and environmental review obligations as further described below. For clarity, this letter does not guarantee service and does not constitute a CEQA determination or a fee lock unless expressly stated herein.

1. PROJECT DESCRIPTION

Project Name: RB Inyokern Data Center

Applicant / Developer: R & L Capital, Inc.

General Plan / Zoning: Industrial / M-2 PD

Proposed Use: Data Center

Total Site Area: Approx. 50 acres

Total Building Area (Gross): 238,000 sq. ft.

IT Load (Critical Power): Phase 1: 60 MW; Ultimate Build-Out: 99 MW

Cooling System Type: Conceptual Design- Hybrid dual chilled-water plant setup with air-cooled chillers plus adiabatic (tower) assist, feeding CRAH units in the IT suites, with liquid-assist capability for HPC racks

Planned Construction Start: April 2027

Estimated Occupancy: November 2028

Design Envelope. The water demand and wastewater flow estimates in this letter are based on the IT loads stated above and a Power Usage Effectiveness (PUE) of 1.41

(±10%). So long as the Project remains within ±10% of these parameters, the District's preliminary findings regarding system capacity and infrastructure herein shall remain applicable, subject to applicable law.

2. WATER SERVICE

2.1 Estimated Water Demand

Based on the Project description and supporting hydraulic calculations submitted by the Applicant, the District has estimated the following water demands:

Average Day Demand (ADD): Approx. 40,430 GPD (28.1 GPM)

Maximum Day Demand (MDD): Approx. 60,645 GPD

Peak Hour Demand (PHD): Approx. 101,075 GPD

Fire Flow Requirement: 3,000 GPM @ 20 psi residual

Fire Flow Duration: 4 hours minimum

Cooling Tower Makeup Water: Approx. 28,500 GPD (dominant demand driver)

Potable Domestic / Sanitary: Approx. 1,900 GPD

Irrigation / Landscaping: Approx. 500 GPD (recycled water preferred)

Demand estimates are preliminary and based on the MW of critical IT load identified in Section 1 with an assumed Power Usage Effectiveness (PUE) of 1.41 (±10%). Final demands shall be verified by Applicant's licensed civil engineer and confirmed by the District prior to issuance of a Water Service Agreement. If verified final demands remain within the Design Envelope in Section 1, no further capacity re-evaluation shall be required, subject to applicable law.

2.2 Meter and Service Requirements

The following meters and service connections are anticipated: (a) domestic potable service and (b) fire service. Applicant and District will determine meter sizes and locations during design review. If recycled water becomes available for irrigation and/or process, the Applicant will install separate metering and purple-pipe infrastructure per District standards.

3. SEWER SERVICE

3.1 Estimated Wastewater Flow

Average Dry Weather Flow (ADWF): Approx. 6,670 GPD

Peak Wet Weather Flow (PWWF): Approx. $2.5 \times$ ADWF for pipeline sizing

Primary Discharge Source: Sanitary / domestic (restrooms, break rooms, locker facilities)

Secondary Discharge Source: Cooling tower blowdown (requires pretreatment evaluation)

HVAC Condensate: Volume TBD at final engineering. This letter assumes primary routing of all sanitary wastewater to the District's collection system. If Applicant proposes to route any portion of the wastewater stream to an on-site industrial septic or other alternative disposal system, Applicant shall notify the District in writing and obtain District concurrence prior to permitting. This letter does not authorize partial service or split-routing arrangements without a separate written amendment.

3.2 Industrial Pretreatment

The District operates a publicly owned treatment works (POTW) subject to the pretreatment standards established under 40 C.F.R. Part 403 and state law. Cooling tower blowdown may contain concentrations of conductivity, total dissolved solids, corrosion inhibitors, and biocides that require evaluation. Applicant shall submit a Wastewater Characterization Report to the District no later than 120 days prior to issuance of the first building permit for the Project.

Within 45 days of receipt of a complete report, the District will provide interim numeric acceptance criteria (e.g., conductivity/TDS, phosphate/phosphonate, molybdate, biocide residuals, and any applicable metals) sufficient to support basis-of-design and permitting. The District will determine whether a Significant Industrial User (SIU) permit is required. Battery energy storage systems (BESS) present on site shall be

assessed for potential fluoride, lithium, and PFAS contributions to the waste stream. If the Applicant's blowdown meets the District's interim criteria and any SIU permit conditions, no additional pretreatment beyond the specified controls will be required.

4. SYSTEM CAPACITY AND INFRASTRUCTURE

The District has conducted a preliminary capacity review of its water distribution and wastewater collection systems in the vicinity of the Project. Based on currently available system data, the District has sufficient capacity to serve the Project subject to the following findings and conditions:

- **Water Supply:** The District has contracted and/or developed water supplies sufficient to serve the Project's projected demands within the District's planning horizon, subject to the conditions and conservation requirements stated herein.
- **Distribution System:** A water main extension is anticipated to provide adequate fire flow and domestic pressure to the Project site. All extensions shall be designed and constructed at Applicant's sole cost per District standards. If the District requests oversizing beyond Project need, the parties shall execute a reimbursement agreement as described in Section 5.6.
- **Wastewater Collection:** Existing trunk sewer facilities are preliminarily found to have sufficient capacity; however, upsizing of the lateral connection may be required based on final hydraulic modeling.
- **Water Storage:** Applicant may need to provide additional storage capacity; however, Applicant shall verify hydropneumatic or on-site pressure zone requirements with the District's Engineer. The District notes that Applicant proposes on-site water storage of approximately 388,000 gallons and a supplemental on-site well for emergency and fire suppression purposes. To the extent these private systems reduce demand on District facilities during peak periods, that reduction shall be reflected in the final hydraulic analysis, subject to District Engineer review and approval. The Applicant's private well and storage shall not be interconnected to the District's potable distribution system without prior District approval and cross-connection controls in compliance with CCR Title 17.
- **Treatment Capacity:** The District's treatment facility has available capacity to accept the Project's projected flows as of the date of this letter. Capacity reservations are subject to current Connection Fee agreements as further described in Section 6.
- **Fire Flow Coordination.** Upon receipt of 30% utility plans, the District will provide preliminary confirmation of required off-site main sizes/looping and any on-site storage or pumping needed to achieve 3,000 gpm at 20 psi for 4 hours, within 45 days.

5. CONDITIONS OF SERVICE

This Will Serve Letter is conditioned upon Applicant's full compliance with each of the following requirements. This letter does not constitute a binding service agreement, a vested right to service, or a commitment to waive any applicable fee or regulatory requirement.

5.1 Applications and Agreements.

- Execution of the District's standard Water Service Agreement and Sewer Service Agreement prior to commencement of construction.
- Submission and approval of complete water and sewer improvement plans prepared by a California-licensed civil engineer, stamped, and signed.
- Submittal of a Hydraulic Study / Water Demand Analysis consistent with District Engineering Design Standards. If verified demands remain within the Design Envelope, no additional capacity re-evaluation will be required, subject to applicable law.

5.2 Fees and Charges.

- Payment of all applicable Connection Fees (water and sewer capacity fees) at the rate in effect at the time of building permit issuance.
- Payment of plan check, inspection, and meter installation fees.

- Reimbursement to District for any oversized facilities constructed per District direction (reimbursement agreement to be executed separately).

All fees are subject to annual adjustment and are not locked by issuance of this letter. Notwithstanding the foregoing, upon execution of the Service Agreements and payment of 25% of Phase 1 capacity fees as estimated by the District in writing within 30 days of Service Agreement execution, the Phase 1 capacity fee rates shall be fixed for 18 months, with the balance due at building permit issuance.

5.3 Environmental Review

This letter does not constitute a CEQA determination. Service commitment is conditioned upon completion of CEQA review for the Project by the Lead Agency, including analysis of water supply impacts pursuant to Water Supply Assessment (WSA) requirements under Water Code §10910 et seq., if applicable. Should the Project trigger a WSA, Applicant shall provide written notice to the District no less than 120 days prior to the Lead Agency's public hearing to allow preparation of the assessment. Upon receipt of a complete WSA application and payment of applicable fees, the District will provide a draft WSA within 60 days, subject to statutory timelines. Service may be conditioned upon mitigation measures identified in the environmental review.

5.4 Water Conservation and Efficiency

- All plumbing fixtures and fittings shall comply with California's Building Standards Code (Title 24) water efficiency requirements.
- Cooling towers shall be equipped with conductivity controllers, side-stream filtration, and drift eliminators; minimum cycles of concentration of ≥ 5.0 (unless an alternative is approved by the District based on water chemistry and POTW criteria) are required.
- Applicant shall prepare and submit a Water Efficiency Plan for District review prior to issuance of building permits.
- A water audit shall be conducted and submitted to the District within 12 months of initial occupancy.

5.5 Additional Requirements

- Backflow prevention assemblies shall be installed and tested per California Code of Regulations Title 17.
- All on-site water and sewer facilities shall be constructed per District Standard Drawings and Specifications.
- Applicant shall execute a Developer's Agreement for construction of off-site infrastructure no later than 30 days prior to permit issuance.
- District inspection and observation rights shall be granted throughout construction.
- As-built drawings in PDF and DWG/GIS format shall be delivered to the District within 60 days of project completion.
- Applicant will implement spill containment and isolation measures to prevent any BESS-related discharges to the sanitary system and will identify sampling points for any required pretreatment monitoring.
- Applicant will coordinate pressure regulation/surge control devices where required to protect District systems, consistent with District standards.
- Prior to execution of a Water Service Agreement, Applicant will submit a statement identifying the source of water for the cooling tower, whether potable, recycled, or private.

Applicant shall obtain LAFCo annexation approval prior to commencement of construction, and service is conditioned upon such approval being obtained.

- Prior to commencement of construction, Applicant shall execute a separate Construction Water Service Agreement with the District for temporary construction water supply. Construction water rates and meter sizing shall be determined at that time. Construction water service is not guaranteed by this letter and is subject to District system availability.

5.6 Oversizing Reimbursement; Assignment; Design Envelope & Fee Lock

(a) Oversizing Reimbursement. If the District requests facilities sized beyond the Project's needs, the parties shall execute a reimbursement agreement with a 10-year term using a pro-rata methodology (e.g., EDU/gpm) collected via connection fee surcharge on benefiting parcels.

(b) Assignment. This letter and any subsequent service agreements may be assigned to Project affiliates, successors, or construction lenders upon 30 days' prior written notice to the District, provided the assignee assumes the Applicant's obligations herein in writing.

(c) Design Envelope. As provided in Section 1, the District's findings remain applicable if verified demands remain within $\pm 10\%$ of the IT load/PUE envelope.

(d) Fee Lock Option. As provided in Section 5.2, upon partial prepayment the Phase 1 capacity fee rates shall be fixed for 18 months.

6. LIMITATIONS AND DISCLAIMERS

This Will Serve Letter is valid for a period of 24 months from the date of this letter and may be extended once for 12 months upon written request and evidence of good-faith progress; such extension shall not be unreasonably withheld by the District's General Manager. This letter is non-transferable without prior written consent of the District. Consent to assignment under Section 5.6(b) shall not be unreasonably withheld, conditioned, or delayed. This letter is issued in reliance upon information provided by Applicant; any material change in Project scope, water demand, discharge characteristics, or phasing outside the Design Envelope may render this commitment null and void and require re-evaluation. The District reserves the right to impose additional conditions or modify this commitment in response to changes in water supply availability, regulatory requirements, or system capacity constraints. Nothing herein constitutes a guarantee of service or waiver of any applicable law, regulation, fee, or District policy.

This letter is issued solely in the District's capacity as a water and sewer service provider and does not constitute a water supply assessment under Water Code §10910 et seq. unless expressly prepared and adopted as such by the District's Board of Directors. The District is not a responsible or trustee agency under the Applicant's pending Small Power Plant Exemption (SPPE) Application before the California Energy Commission, and this letter shall not be construed as the District's participation in or approval of that proceeding.

7. NEXT STEPS

To proceed, Applicant should contact the District's Engineer to initiate the formal service application process. The District recommends scheduling a pre-application meeting to discuss phasing, infrastructure design, and fee estimates prior to plan preparation. Following the pre-application meeting, the Applicant will submit 30% utility plans for District review; the District will provide consolidated comments within 30 days. The parties will then target execution of the Service Agreements and any required Developer's Agreement no later than 30 days prior to building permit issuance. The District looks forward to working with the Applicant on this project. Questions regarding this letter should be directed to the Engineering Services Division at the contact information above.

Sincerely,



Holly Gallier
General Manager

EXHIBIT “B”



State Water Resources Control Board

Division of Drinking Water

June 6, 2025

Water System No. CA1510017

George Croll, General Manager
Indian Wells Valley Water District
P.O. BOX 1329
Ridgecrest, CA 93556

Dear George Croll,

This letter concerns the current and future operations of Inyokern Community Services District (Inyokern CSD). The State Water Resources Control Board's (State Water Board), Division of Drinking Water (Division) has concerns regarding Inyokern CSD's water system deficiencies, detailed in Appendix A. These deficiencies are resulting in unsafe drinking water for the residents of the water system. Further, there are concerns about the ability of Inyokern CSD to sustainably provide safe and affordable supply of drinking water into the future. Therefore, the State Water Board strongly recommends that Inyokern CSD voluntarily consolidate with Indian Wells Valley Water District (CA1510017). The State Water Board may take future steps to order the consolidation if it is not voluntarily negotiated in a timely manner.

Six Month Period for Voluntary Consolidation

Prior to issuing an order directing the Indian Wells Valley Water District to consolidate with Inyokern CSD, California Health and Safety Code (CHSC) Section 116682, subd. (b)(1) requires the State Water Board to encourage voluntary consolidation. Section 116682, subd. (b)(7)(A) also requires the State Water Board to notify both Inyokern CSD and Indian Wells Valley Water District and to establish a deadline of no less than six months, unless a shorter period is justified, to negotiate consolidation. **This letter serves as official notification that pursuant to CHSC Section 116682(b), Inyokern CSD is to negotiate with Indian Wells Valley Water District regarding managerial and physical consolidation of Inyokern CSD with Indian Wells Valley Water District. The deadline for completion of this negotiation is December 12, 2025.** The State Water Board requests that the parties report the outcome of such negotiations to no later than two weeks following the deadline. This reporting shall include the milestones agreed upon to accomplish consolidation and a timeline for completing them. Additionally, the reporting shall include a letter signed by Indian Wells Valley Water District and Inyokern CSD stating that they intend to consolidate voluntarily in accordance with the agreed upon milestones and timelines. If a timely

E. JOAQUIN ESQUIVEL, CHAIR | ERIC OPPENHEIMER, EXECUTIVE DIRECTOR

voluntary consolidation cannot be negotiated, the State Water Board may exercise its authority pursuant to CHSC Section 116682(a) to order consolidation.

Consolidation Assistance

The State Water Board acknowledges that consolidation is a complex process and stands ready to assist Inyokern CSD and Indian Wells Valley Water District. Pursuant to CHSC Section 116682, subdivision (b)(7)(B), and in order to assist with the negotiation process, the State Water Board will provide technical assistance and work with both Inyokern CSD and Indian Wells Valley Water District to develop a financing package that benefits both parties. This assistance will be provided by both the Division and the State Water Board's Division of Financial Assistance and Division of Drinking Water. Funding will align with the adopted Intended Use Plan and Funding Policies. More information available at [Financial Assistance Funding - Grants and Loans | California State Water Resources Control Board](#)

If you have any question regarding this letter, please contact me or Elvira Reyes of my staff by email at elvira.reyes@waterboards.ca.gov.

Sincerely,

Bryan Potter

Digitally signed by Bryan Potter
Date: 2025.06.06 12:34:20
-07'00'
Water Boards

Bryan Potter, P.E.,
Senior Water Resource Control Engineer, Southern Engagement Unit, SAFER Section
State Water Resources Control Board, Division of Drinking Water

Appendix:

A. Background Information

Cc (Via email)

Holly Gallier, General Manager
manager@inyokerncsd.com

Pam Ernst, Consultant
edandpam1@gmail.com

Renee Morquecho, Chief Engineer
Indian Wells Valley Water District
RENEEM@IWWVD.COM

Blair Knox, Executive Officer
Kern County LAFCO
eo@kernlafco.org

Jesse Dhaliwal, P.E., District Engineer
SWRCB, Division of Drinking Water
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David Rice, Legal Counsel
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Bryan Potter, P.E., Southern Engagement Unit Senior Engineer
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Jeff Desnmore, P.E., South Central Section Chief
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Adriana Renteria
SWRCB, Public Engagement & Tribal Affairs
Adriana.Renteria@Waterboards.ca.gov

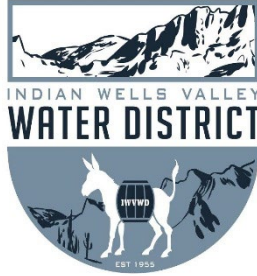
Kristyn Abhold, P.E., Assistant Deputy Director
SWRCB, Division of Financial Assistance
Kristyn.Abhold@Waterboards.ca.gov

Appendix A. Background Information**Inyokern Community Services District (CSD)**

Inyokern CSD is classified as a community public water system with a population of 782 residents, served through 265 service connections. Inyokern CSD provides groundwater to its customers. As documented in the following findings, Inyokern CSD consistently fails to provide adequate supply of safe drinking water.

1. To date, Inyokern CSD has failed to submit an acceptable Corrective Action Plan to the Division. Compliance Order No. 04_24J_002 established a deadline of August 31, 2024. Two attempts were made on August 31, 2024, and January 31, 2025.
2. On January 23, 2025, the Division approved the permit amendment application to inactive Well 04. Inyokern CSD solely relies on Well 03 to supply domestic water to its customers as of January 23, 2025.
3. On October 10, 2024, the Division issued Citation No. 04_19_24C_013 failure to meet the minimum pressure for September 2024.
4. On September 7, 2024, the Division issued a Boil Water Notice due to a water outage and water service was returned on September 9, 2024.
5. On August 2024, Inyokern CSD was awarded \$147,593.76 in emergency funds to repair Well 03, treatment, and supply interim hauled water.
6. On July 17, 2024, the Division issued Compliance Order No. 04_24J_002 for failure to meet the minimum pressure and maximum day demand capacity at all times for 2024. Return to compliance deadline is August 31, 2025.
7. On June 29, 2024, the Division issued a Boil Water Notice due to mechanical problems with the well resulting in a dry tank, low water pressure, and water outage. Water service was returned on June 7, 2024.
8. On June 22, 2024, the Division issued a Boil Water Notice due well and pressure tank operating problems. Water service was returned on June 26, 2024.
9. The 2023-2024 Kern County Grand Jury (Grand Jury) was authorized by Penal Code §933.5 to investigate special districts within Kern County. Upon receiving citizen complaints, the Grand Jury initiated an investigation into the operations and financial condition of the Inyokern CSD. The Grand Jury found that the Inyokern CSD is financially insolvent and is facing multiple critical issues. Inyokern CSD has shown that it does not have the means or ability to rectify these issues. This has caused the citizens of the Inyokern CSD to face water insecurity.

10. On February 23, 2022, the Division issued Citation No. 03_19_22C_007 for failure to comply with permit provision and failure to comply with the revised total coliform rule. Specifically, the Water System failed to comply with Permit Provision No. 15 of its Domestic Water Supply Permit No. 03-19-20P-013 (issued on August 31, 2020) for quarterly bacteriological monitoring of raw water, in 2021, from Wells 03 and 04.
11. On December 19, 2019, the Division issued Citation No. 03_19_19C_031 for failure to have a certified distribution operator for 2019.
12. On February 6, 2019, the Division issued Citation No. 03_19_19C_008 for 1, 2,3 – Trichloropropane (1, 2, 3, -TCP) Monitoring Violation for 4th Quarter 2018.



9.B.2.

AMENDED IN SENATE JULY 2, 2026

AMENDED IN SENATE JUNE 15, 2026

AMENDED IN ASSEMBLY APRIL 8, 2026

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 2619

Introduced by Assembly Member Papan

February 20, 2026

An act to add Sections 16000.4 and 16100.4 to the Business and Professions Code, and to amend Section 10632 of, and to add Section 10609.1 to, the Water Code, relating to water.

LEGISLATIVE COUNSEL’S DIGEST

AB 2619, as amended, Papan. Water resources: data centers.

(1) Existing law authorizes the legislative body of an incorporated city and the county board of supervisors to license businesses carried on within their respective jurisdictions and to set license fees, as specified.

This bill would require a person who owns or operates a data center, prior to applying to a city or a county for an initial business license, equivalent instrument, or permit, to provide its water supplier, under penalty of perjury, ~~an~~ *a good faith* estimate of the expected water use, the anticipated source of water, and the data center’s projected water use volume for the maximum day, maximum month, and average year. When applying to a city or county for an initial business license, the bill would require a person who owns or operates a data center to report, under penalty of perjury, on the application, ~~an~~ *a good faith* estimate of the expected water use, the anticipated source of water, and the data center’s projected water use volume for the maximum day, maximum

month, and average year. When applying to a city or county for a renewal of a business license, equivalent instrument, or permit, the bill would require a person who owns or operates a data center to report, under penalty of perjury, on the application, the data center's annual water use for the preceding calendar year, including total water use, ~~direct water use, and indirect water use,~~ and *direct water use*, as prescribed. By expanding the crime of perjury, the bill would impose a state-mandated local program. The bill would define terms for purposes of these provisions.

Existing law establishes the State Energy Resources Conservation and Development Commission with various responsibilities with respect to developing and implementing the state's energy policies. Existing law establishes the Department of Water Resources and prescribes the powers and responsibilities of the department.

This bill would require the Department of Water Resources and the State Energy Resources Conservation and Development Commission to develop, on or before January 1, 2029, guidelines and best practices to maximize the efficient use of natural resources to address the developing and emerging needs of technology in California that are consistent with urban water use objectives under prescribed provisions of law. The bill would specify that these guidelines and best practices include, among others, the use of closed-loop systems and nonpotable water. The bill would also require the department, in coordination with other relevant state agencies, to develop guidance that cities and counties may use for assessing projected water use, water efficiency measures, and cumulative water resource impacts of proposed data centers within the context of local and regional water management objectives.

(2) Existing law, the Urban Water Management Planning Act, requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan. Existing law requires an urban retail water supplier to quantify past, current, and projected water use, identifying the uses among water use sectors, including, among others, commercial, agricultural, and industrial. Existing law requires every urban water supplier to prepare and adopt a water shortage contingency plan as part of its urban water management plan. Existing law requires the water shortage contingency plan to include the procedures used in conducting an annual water supply and demand assessment, including the key data inputs and assessment methodology used to evaluate the urban water supplier's water supply reliability for the current year and

one dry year. Those key data inputs and assessment methodology used to evaluate water supply reliability include, among other things, current year unconstrained demand, considering certain factors.

This bill would specify that the current year unconstrained demand includes, but is not limited to, the unconstrained demand of data centers, irrigation, and other large water users.

(3) The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. (a) It is the intent of the Legislature that data
2 centers are considered commercial, industrial, and institutional
3 users under the state’s “Making Conservation a California Way
4 of Life” regulation (Article 1 (commencing with Section 965) of
5 Chapter 3.5 of Division 3 of Title 23 of the California Code of
6 Regulations), consistent with the urban water use objectives under
7 Chapter 9 (commencing with Section 10609) of Part 2.55 of
8 Division 6 of the Water Code.

9 (b) The Legislature finds and declares that the growth of data
10 center operations has created increasing demand for water
11 resources, which have implications for statewide sustainability
12 goals. The Department of Water Resources possesses the technical
13 expertise, planning capacity, and regulatory experience necessary
14 to evaluate and develop efficiency standards that balance
15 operational reliability with resource conservation. California law
16 has long required individual businesses and facilities to report
17 water withdrawals, discharges, and related operational data directly
18 to state or local water agencies where those activities may affect
19 water supply, water quality, or aquatic resources.

20 (c) The Legislature finds that large scale data centers
21 increasingly function as critical infrastructure with substantial and

1 growing demands on water resources and that a similar framework
2 of periodic, standardized facility level reporting is necessary to
3 support statewide water conservation, infrastructure planning, and
4 environmental protection in California.

5 SEC. 2. Section 16000.4 is added to the Business and
6 Professions Code, to read:

7 16000.4. (a) For purposes of this section:

8 (1) “Data center” means a facility that houses computing
9 infrastructure, including graphics and central processing units,
10 servers, storage devices, networking equipment, and associated
11 power and cooling systems, for the primary purpose of processing,
12 storing, or distributing electronic data. Types of data centers
13 include only the following:

14 (A) “Type I data center,” also commonly known as a “hyperscale
15 data center,” means a data center with more than 10,000 servers
16 or a power consumption of more than 25 megawatts.

17 (B) “Type II data center” means a data center with a power
18 consumption of at least 2 megawatts and no more than 25
19 megawatts.

20 (C) “Type III data center” means a data center with a power
21 consumption of less than two megawatts.

22 (2) “Water supplier” means either of the following:

23 (A) “Community water system,” as defined by Section 116275
24 of the Health and Safety Code.

25 (B) “Urban water supplier,” as defined by Section 10617 of the
26 Water Code.

27 (b) (1) Prior to applying to a city for an initial business license,
28 equivalent instrument, or permit, a person who owns or operates
29 a data center shall provide its water supplier, under penalty of
30 perjury, ~~an~~ *a good faith* estimate of the expected water use, the
31 anticipated source of water, and the data center’s projected water
32 use volume for the maximum day, maximum month, and average
33 year.

34 (2) When applying to a city for an initial business license,
35 equivalent instrument, or permit, a person who owns or operates
36 a data center shall report, under penalty of perjury, on the
37 application, ~~an~~ *a good faith* estimate of the expected water use,
38 the anticipated source of water, and the data center’s projected
39 water use volume for the maximum day, maximum month, and
40 average year.

(3) When applying to a city for a renewal of a business license, equivalent instrument, or permit, a person who owns or operates a data center shall report, under penalty of perjury, the data center's annual water use for the preceding calendar year, including total water use, ~~direct water use, and indirect water use.~~ *use and direct water use*. As part of direct water use reporting, the owner or operator shall report the cooling system type of the data center. For purposes of this paragraph:

(A) ~~Direct paragraph,~~ "direct annual water use" means the volume of water withdrawn, delivered, or otherwise used onsite for data center operations, including cooling, sanitation, irrigation, and any other operational use, identified by source, including potable water, nonpotable water, or recycled water.

(B) ~~"Indirect water use" means the volume of water withdrawn for the purpose of generating the electricity consumed by the data center.~~

(C) ~~"Total water use" means the sum of direct water use and indirect water use.~~

SEC. 3. Section 16100.4 is added to the Business and Professions Code, to read:

16100.4. (a) For purposes of this section:

(1) "Data center" means a facility that houses computing infrastructure, including graphics and central processing units, servers, storage devices, networking equipment, and associated power and cooling systems, for the primary purpose of processing, storing, or distributing electronic data. Types of data centers include only the following:

(A) "Type I data center," also commonly known as a "hyperscale data center," means a data center with more than 10,000 servers or a power consumption of more than 25 megawatts.

(B) "Type II data center" means a data center with a power consumption of at least 2 megawatts and no more than 25 megawatts.

(C) "Type III data center" means a data center with a power consumption of less than two megawatts.

(2) "Water supplier" means either of the following:

(A) "Community water system," as defined by Section 116275 of the Health and Safety Code.

(B) "Urban water supplier," as defined by Section 10617 of the Water Code.

(b) (1) Prior to applying to a county for an initial business license, equivalent instrument, or permit, a person who owns or operates a data center shall provide its water supplier, under penalty of perjury, ~~an~~ *a good faith* estimate of the expected water use, the anticipated source of water, and the data center's projected water use volume for the maximum day, maximum month, and average year.

(2) When applying to a county for an initial business license, equivalent instrument, or permit, a person who owns or operates a data center shall report, under penalty of perjury, on the application, ~~an~~ *a good faith* estimate of the expected water use, the anticipated source of water, and the data center's projected water use volume for the maximum day, maximum month, and average year.

(3) When applying to a county for a renewal of a business license, equivalent instrument, or permit, a person who owns or operates a data center shall report, under penalty of perjury, the data center's annual water use for the preceding calendar year, including total water use, ~~direct water use, and indirect water use.~~ *use and direct water use.* As part of direct water use reporting, the owner or operator shall report the cooling system type of the data center. For purposes of this paragraph:

(A) ~~“Direct annual water use”~~ *“direct annual water use”* means the volume of water withdrawn, delivered, or otherwise used onsite for data center operations, including cooling, sanitation, irrigation, and any other operational use, identified by source, including potable water, nonpotable water, or recycled water.

(B) ~~“Indirect water use” means the volume of water withdrawn for the purpose of generating the electricity consumed by the data center.~~

(C) ~~“Total water use” means the sum of direct water use and indirect water use.~~

SEC. 4. Section 10609.1 is added to the Water Code, to read:

10609.1. (a) On or before January 1, 2029, the department and the State Energy Resources Conservation and Development Commission shall develop guidelines and best practices to maximize the efficient use of natural resources to address the developing and emerging needs of technology in California that are consistent with urban water use objectives under this chapter and the Energy Star program of the United States Environmental

1 Protection Agency, as that program existed on January 1, 2025,
2 to the extent that the Energy Star program is applicable to water
3 usage.

4 (b) Pursuant to subdivision (a), best practices shall include, but
5 not be limited to, all of the following:

6 (1) The use of closed-loop systems.

7 (2) The use of nonpotable water.

8 (3) The installation of rainwater and stormwater capture
9 infrastructure.

10 (4) Water-efficient practices for indoor and outdoor water use.

11 (5) Water-efficient practices need to be scalable and increased
12 for type I and type II data centers, as defined in subdivision (d).

13 (6) Location, design, construction, and capacity of cooling water
14 intake structures reflecting the best technology available for
15 minimizing adverse environmental impact.

16 (c) On or before January 1, 2029, the department, in coordination
17 with other relevant state agencies, shall develop guidance that
18 cities and counties may use for assessing projected water use, water
19 efficiency measures, and cumulative water resource impacts of
20 proposed data centers within the context of local and regional water
21 management objectives.

22 (d) For purposes of this section, “data center” means a facility
23 that houses computing infrastructure, including graphics and central
24 processing units, servers, storage devices, networking equipment,
25 and associated power and cooling systems, for the primary purpose
26 of processing, storing, or distributing electronic data. Types of
27 data centers include only the following:

28 (1) “Type I data center,” also commonly known as a “hyperscale
29 data center,” means a data center with more than 10,000 servers
30 or a power consumption of more than 25 megawatts.

31 (2) “Type II data center” means a data center with a power
32 consumption of at least 2 megawatts and no more than 25
33 megawatts.

34 (3) “Type III data center” means a data center with a power
35 consumption of less than two megawatts.

36 SEC. 5. Section 10632 of the Water Code is amended to read:

37 10632. (a) Every urban water supplier shall prepare and adopt
38 a water shortage contingency plan as part of its urban water
39 management plan that consists of each of the following elements:

1 (1) The analysis of water supply reliability conducted pursuant
2 to Section 10635.

3 (2) The procedures used in conducting an annual water supply
4 and demand assessment that include, at a minimum, both of the
5 following:

6 (A) The written decisionmaking process that an urban water
7 supplier will use each year to determine its water supply reliability.

8 (B) The key data inputs and assessment methodology used to
9 evaluate the urban water supplier's water supply reliability for the
10 current year and one dry year, including all of the following:

11 (i) Current year unconstrained demand, including, but not limited
12 to, the unconstrained demand of data centers, irrigation, and other
13 large users, considering weather, growth, and other influencing
14 factors, such as policies to manage current supplies to meet demand
15 objectives in future years, as applicable.

16 (ii) Current year available supply, considering hydrological and
17 regulatory conditions in the current year and one dry year. The
18 annual supply and demand assessment may consider more than
19 one dry year solely at the discretion of the urban water supplier.

20 (iii) Existing infrastructure capabilities and plausible constraints.

21 (iv) A defined set of locally applicable evaluation criteria that
22 are consistently relied upon for each annual water supply and
23 demand assessment.

24 (v) A description and quantification of each source of water
25 supply.

26 (3) (A) Six standard water shortage levels corresponding to
27 progressive ranges of up to 10, 20, 30, 40, and 50 percent shortages
28 and greater than 50 percent shortage. Urban water suppliers shall
29 define these shortage levels based on the suppliers' water supply
30 conditions, including percentage reductions in water supply,
31 changes in groundwater levels, changes in surface elevation or
32 level of subsidence, or other changes in hydrological or other local
33 conditions indicative of the water supply available for use. Shortage
34 levels shall also apply to catastrophic interruption of water supplies,
35 including, but not limited to, a regional power outage, an
36 earthquake, and other potential emergency events.

37 (B) An urban water supplier with an existing water shortage
38 contingency plan that uses different water shortage levels may
39 comply with the requirement in subparagraph (A) by developing

1 and including a cross-reference relating its existing categories to
2 the six standard water shortage levels.

3 (4) Shortage response actions that align with the defined
4 shortage levels and include, at a minimum, all of the following:

5 (A) Locally appropriate supply augmentation actions.

6 (B) Locally appropriate demand reduction actions to adequately
7 respond to shortages.

8 (C) Locally appropriate operational changes.

9 (D) Additional, mandatory prohibitions against specific water
10 use practices that are in addition to state-mandated prohibitions
11 and appropriate to the local conditions.

12 (E) For each action, an estimate of the extent to which the gap
13 between supplies and demand will be reduced by implementation
14 of the action.

15 (5) Communication protocols and procedures to inform
16 customers, the public, interested parties, and local, regional, and
17 state governments, regarding, at a minimum, all of the following:

18 (A) Any current or predicted shortages as determined by the
19 annual water supply and demand assessment described pursuant
20 to Section 10632.1.

21 (B) Any shortage response actions triggered or anticipated to
22 be triggered by the annual water supply and demand assessment
23 described pursuant to Section 10632.1.

24 (C) Any other relevant communications.

25 (6) For an urban retail water supplier, customer compliance,
26 enforcement, appeal, and exemption procedures for triggered
27 shortage response actions as determined pursuant to Section
28 10632.2.

29 (7) (A) A description of the legal authorities that empower the
30 urban water supplier to implement and enforce its shortage
31 response actions specified in paragraph (4) that may include, but
32 are not limited to, statutory authorities, ordinances, resolutions,
33 and contract provisions.

34 (B) A statement that an urban water supplier shall declare a
35 water shortage emergency in accordance with Chapter 3
36 (commencing with Section 350) of Division 1.

37 (C) A statement that an urban water supplier shall coordinate
38 with any city or county within which it provides water supply
39 services for the possible proclamation of a local emergency, as
40 defined in Section 8558 of the Government Code.

(8) A description of the financial consequences of, and responses for, drought conditions, including, but not limited to, all of the following:

(A) A description of potential revenue reductions and expense increases associated with activated shortage response actions described in paragraph (4).

(B) A description of mitigation actions needed to address revenue reductions and expense increases associated with activated shortage response actions described in paragraph (4).

(C) A description of the cost of compliance with Chapter 3.3 (commencing with Section 365) of Division 1.

(9) For an urban retail water supplier, monitoring and reporting requirements and procedures that ensure appropriate data is collected, tracked, and analyzed for purposes of monitoring customer compliance and to meet state reporting requirements.

(10) Reevaluation and improvement procedures for systematically monitoring and evaluating the functionality of the water shortage contingency plan in order to ensure shortage risk tolerance is adequate and appropriate water shortage mitigation strategies are implemented as needed.

(b) For purposes of developing the water shortage contingency plan pursuant to subdivision (a), an urban water supplier shall analyze and define water features that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, separately from swimming pools and spas, as defined in subdivision (a) of Section 115921 of the Health and Safety Code.

(c) The urban water supplier shall make available the water shortage contingency plan prepared pursuant to this article to its customers and any city or county within which it provides water supplies no later than 30 days after adoption of the water shortage contingency plan.

SEC. 6. The Legislature finds and declares that water conservation is a matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, Section 2 of this act adding Section 16000.4 to the Business and Professions Code applies to all cities, including charter cities.

SEC. 7. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service

1 charges, fees, or assessments sufficient to pay for the program or
2 level of service mandated by this act or because costs that may be
3 incurred by a local agency or school district will be incurred
4 because this act creates a new crime or infraction, eliminates a
5 crime or infraction, or changes the penalty for a crime or infraction,
6 within the meaning of Section 17556 of the Government Code, or
7 changes the definition of a crime within the meaning of Section 6
8 of Article XIII B of the California Constitution.

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AMENDED IN SENATE JULY 2, 2026
AMENDED IN SENATE JUNE 15, 2026
AMENDED IN ASSEMBLY MAY 22, 2026
AMENDED IN ASSEMBLY APRIL 8, 2026
AMENDED IN ASSEMBLY MARCH 16, 2026
CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 2469

Introduced by Assembly Member Papan

February 20, 2026

An act to add Section 65964.7 to the Government Code, and to add Section 10609.13 to the Water Code, relating to water.

LEGISLATIVE COUNSEL’S DIGEST

AB 2469, as amended, Papan. Data centers: water use disclosures.

The Planning and Zoning Law authorizes the legislative body of any county or city to adopt ordinances that, among other things, regulate the use of buildings, structures, and land as between industry, businesses, residences, and open space, as specified.

This bill would prohibit a city, county, or city and county from approving a discretionary or ministerial permit or other entitlement that would result in the construction, or an expansion that increases the maximum peak water use, of a data center unless specified conditions are satisfied, including, among others, that the applicant provides the city, county, or city and a county prescribed information. The bill would include in this prescribed information a water scarcity plan, a water supply assessment, and a water use assessment, each as provided. The

bill would also include in the specified conditions that the applicant assumes responsibility for the full cost of any required water conveyance, treatment or storage, or distribution infrastructure improvements necessary to serve the project, as determined by the Department of Water Resources or the applicable water supplier. By expanding the duties of local agencies to administer these provisions, this bill would impose a state-mandated local program.

Existing law requires the Department of Water Resources to recommend, and the State Water Resources Control Board to adopt, as prescribed, performance measures for water used by commercial, industrial, institutional, and large landscape water users (CII water use). Existing law requires each urban retail water supplier, as defined, to implement the performance measures adopted by the board under these provisions.

This bill would require the department to ~~recommend~~ *develop a definition and estimate of annual water consumption*, no later than June 30, 2028, ~~and the board to adopt, no later than December 31, 2029, a for CII water use classification for~~ users that qualify as large ~~consumptive-use~~ *consumptive-use* facilities, including data centers. ~~The bill would require that this classification be separate and distinct from classifications applicable to other CII water use. centers and similar water consumption patterns, as provided.~~

The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 65964.7 is added to the Government
- 2 Code, to read:
- 3 65964.7. (a) For purposes of this section:
- 4 (1) "Water scarcity plan" means a report that includes measures
- 5 to be implemented during an abnormally dry year, ~~as a moderate~~

1 drought year, a severe drought year, ~~and an extreme drought year,~~
2 and an exceptional drought year, as defined by the United States
3 drought monitor, including staged withdrawal reductions,
4 nonessential use curtailment, recycling and reuse, thermal load
5 reductions, and temporary load shedding where necessary.

6 (2) "Water use assessment" means a report that includes all of
7 the following:

8 (A) A description of the data center, including its location,
9 identification of the owner and operator, and a detailed description
10 of operations.

11 (B) A detailed accounting of expected water intake, expressed
12 in gallons per day and total volume, including:

13 (i) Maximum and average daily demand.

14 (ii) Maximum and average monthly demand.

15 (iii) Demand over an average 12-month consecutive period.

16 (iv) Water withdrawals.

17 ~~(v) Phases of growth or expansion.~~

18 ~~(vi) Trigger points for additional demand.~~

19 ~~(vii) Full build-out and peak operation scenarios.~~

20 (C) A detailed explanation of each direct water use, including,
21 but not limited to, cooling systems, humidification, potable and
22 sanitary uses, fire suppression systems, and maintenance
23 operations. For each use, the assessment includes identification of
24 all of the following:

25 (i) Input water quality requirements.

26 (ii) Whether the use is consumptive.

27 (iii) Average daily consumptive volume.

28 (iv) Whether the use is continuous, intermittent, or seasonal.

29 (v) Opportunities for reuse or closed-loop systems.

30 (D) A cooling alternatives analysis that compares the proposed
31 cooling method to a range of alternatives, including all of the
32 following:

33 (i) Evaluation of water use at the data center and at the site of
34 energy generation.

35 (ii) Evaluation of impact on source water and water scarcity.

36 (iii) Consideration of closed-loop cooling.

37 ~~(E) A detailed estimate of indirect water use associated with~~
38 ~~energy production disaggregated by generation type.~~

1 ~~(F) A cost-of-service study completed by the applicable water~~
2 ~~provider within the last five years, or funded by the data center if~~
3 ~~none exists.~~

4 (b) Notwithstanding any other law, a city, county, or city and
5 county shall not approve a discretionary or ministerial permit or
6 other entitlement that would result in the construction, or expansion
7 that increases the maximum peak water use, of a data center unless
8 all of the following conditions are satisfied:

9 (1) The applicant has provided the city, county, or city and
10 county with all of the following:

11 (A) A water supply assessment, as described in Part 2.10
12 (commencing with Section 10910) of Division 6 of the Water
13 Code, for the construction or expansion.

14 (B) Upon request of the city, county, or city and county, a water
15 use assessment, as defined in paragraph (2) of subdivision (a).

16 (C) Beginning January 1, 2028, a water scarcity plan, as defined
17 in paragraph (1) of subdivision (a).

18 (D) Projected water use and water efficiency measures.

19 (E) Disclosures regarding workforce needs associated with the
20 project, including all of the following:

21 (i) Workforce composition.

22 (ii) Job classifications.

23 (iii) Employment duration.

24 (iv) Wage ranges and benefits.

25 (v) The proportion of the workforce residing within the county
26 in which the project is located.

27 (vi) The proportion of the workforce residing within the state.

28 (vii) All water resource plans, water usage reports, supporting
29 documentation, and any approvals issued by a state or local agency
30 related to the plans or applications.

31 (2) The applicant assumes responsibility for the full cost of any
32 required water conveyance, treatment or storage, or distribution
33 infrastructure improvements necessary to serve the project, as
34 determined by the Department of Water Resources or the applicable
35 water supplier.

36 (3) *Nothing in this section shall be construed to require a city,*
37 *county, or city and county to approve a permit, entitlement, or*
38 *other approval for the construction or expansion of a data center*
39 *solely because the applicant has satisfied the requirements of this*
40 *subdivision.*

1 SEC. 2. Section 10609.13 is added to the Water Code, to read:

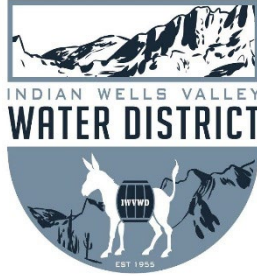
2 10609.13. ~~(a) The department, in coordination with the board,~~
3 ~~shall conduct necessary studies and investigations and recommend,~~
4 ~~to develop a definition and estimate of annual water consumption,~~
5 ~~no later than June 30, 2028, a for CII water use classification~~
6 ~~system for users that qualify as large consumptive use~~
7 ~~consumptive-use facilities, including data centers. The classification~~
8 ~~system required by this section shall be separate and distinct from~~
9 ~~classifications applicable to other CII water use. centers and similar~~
10 ~~water consumption patterns. CII outdoor irrigation water use that~~
11 ~~is served through a dedicated irrigation meter shall be excluded~~
12 ~~from the definition and estimate.~~

13 ~~(b) (1) The board, in coordination with the department, shall~~
14 ~~adopt the classification for CII water use required by this section~~
15 ~~on or before December 31, 2029.~~

16 ~~(2) Each urban retail water supplier shall implement the~~
17 ~~classification adopted by the board pursuant to paragraph (1).~~

18 SEC. 3. The Legislature finds and declares that water
19 conservation is a matter of statewide concern and is not a municipal
20 affair as that term is used in Section 5 of Article XI of the
21 California Constitution. Therefore, Section 1 of this act adding
22 Section 65964.7 to the Government Code applies to all cities,
23 including charter cities.

24 SEC. 4. No reimbursement is required by this act pursuant to
25 Section 6 of Article XIII B of the California Constitution because
26 a local agency or school district has the authority to levy service
27 charges, fees, or assessments sufficient to pay for the program or
28 level of service mandated by this act, within the meaning of Section
29 17556 of the Government Code.



9.D.1.

Dress Code Policy

Purpose and Scope

Employees are representatives of the District and should arrive to work dressed professionally and appropriate for the nature of the work performed. District employees regularly meet with the public and other agency/business representatives. Accordingly, it is important to establish and maintain high standards for the District's Dress Code Policy ("Policy"). All employees are expected to use good judgement and professionalism at all times. Employees who report to work in clothing that violates this Policy, or is deemed unsafe, may be asked to clock out and return in acceptable and/or safe clothing.

All employees continue to have the right to submit a claim for reimbursement for clothing that is damaged at work. The claim must be submitted to, and is subject to, the approval of their department manager.

Dress Code Policy

General dress code guidelines for each department are outlined below.

Customer Accounts

Customer Accounts Staff will be provided 6 District issued shirts that will include both polo shirts and T-Shirts in District approved colors that must be worn unless otherwise requested or permitted by department manager or the General Manager. T-Shirts may only be worn on the last working day of the week unless otherwise stated. Staff may wear jeans and any other business casual bottoms. For safety reasons, all employees must wear closed-toe footwear; sandals, flip-flops and other open-toed shoes are prohibited. Employees can reference the chart below for general guidelines.

Employees may purchase additional shirts at their own expense. Shirts shall be ordered via the Human Resources Department.

Administration Staff

Administrative staff may wear business casual attire rather than formal business attire. Administrative staff should remember to consider your workday as there may be meetings or events that require formal business attire. For safety reasons, all employees must wear closed-toe footwear; sandals, flip-flops and other open-toed shoes are prohibited.

If you have questions on what attire is appropriate, please ask your department manager or the General Manager for guidance. Employees can reference the chart below for general guidelines.

Unacceptable Clothing

Footwear	Hiking boots, slippers, beach/pool-type rubber flip flops
Bottoms	Ripped denim or jeans, sweats, shorts, bib-overalls, leather, hip huggers, minis skirts (more than 3" above the knee)
Shirts/Blouses	Sleeveless tops, halter tops, crop tops, strapless, backless, spaghetti straps, tube tops; large lettering, slogans or pictures, non-Department logos; sheer, revealing or tight fitting
Dresses	Strapless, backless, spaghetti straps, sun dresses, overall jumpers; bare shoulders or midriff; sheer, revealing or tight fitting

IF IN DOUBT, DON'T WEAR IT!

Maintenance, Construction, Meter Shop, Water Supply & Warehouse

Employees are required to wear District-provided shirts and jackets. Employees are expected to use good judgement and professionalism so shirts must be clean and untorn. If there is any damage to an employee's shirt, they shall report damage and request a new shirt from the Warehouse Administrator. If there are any questions about what type of damage to report, employees should ask their department manager.

Each full-time, probationary, and regular employee of the District, and each temporary full-time employee who has completed one year of continuous work for the District, will be provided an annual clothing/ boot allowance per the current MOU. Eligible clothing articles include, but are not limited to, denim jeans, socks and cold weather apparel. Safety sensitive positions are required to wear safety boots.

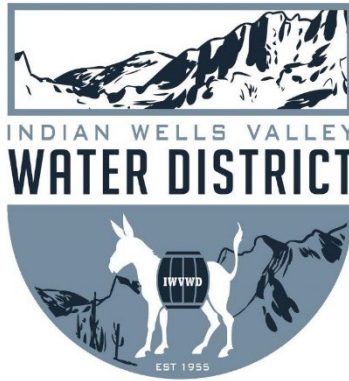
Any employee requesting reimbursement shall, prior to reimbursement, be required to present a receipt for purchase of same and evidence of ANSI-approved standards. Such purchases will be eligible for reimbursement, subject to providing the receipt for the purchase of said eligible clothing to the appropriate departmental manager for approval.

District employees will be provided with protective eyeglasses on an as-needed basis, as determined by the District's General Manager or designee. These glasses will meet ANSI Z87.1-2003, or current standards for safety glasses. A designated employee requesting protective eyeglasses with prescription lenses (including bifocals and trifocals) will be reimbursed by the District in amounts not to exceed \$250 for prescription safety glasses, \$330 for bifocals and \$375 for trifocals (one pair per year unless damaged). Tinting such lenses will be permissible; however,

such glasses must also meet ANSI Z87.1-2003, or current, standards.

A request for reimbursement must be accompanied by a statement from the employee's optical provider, verifying that these standards were met. Employees requiring prescription safety glasses to perform their jobs are encouraged to contact their department manager prior to purchase for consideration.

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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