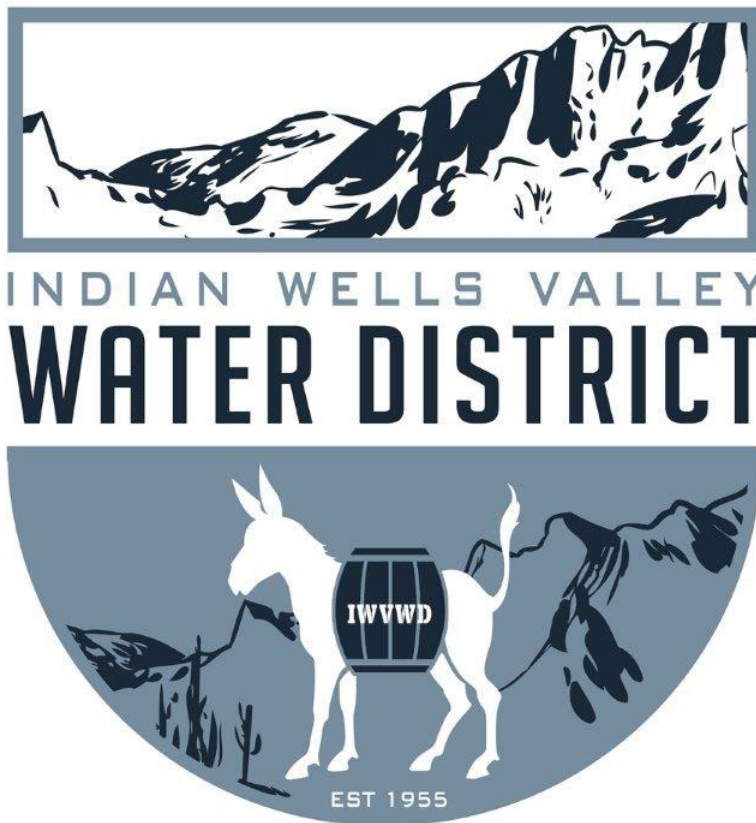


INDIAN WELLS VALLEY WATER DISTRICT

Board of Directors Meeting



August 11, 2025



INDIAN WELLS VALLEY WATER DISTRICT



BOARD OF DIRECTORS

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

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

2025 COMMITTEE ASSIGNMENTS

ADMINISTRATION/EXECUTIVE COMMITTEE (GRIFFIN/SAINT-AMAND)

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/RAJTORA)

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 (BOYD/KICINSKI)

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.

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

REGULAR BOARD MEETING

REVISED AGENDA

MONDAY, AUGUST 11, 2025
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 Lauren Smith 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. Ridgecrest Blvd., Ridgecrest, CA.)

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Posting of Agenda Declaration
5. Conflict of Interest Declaration
6. Public Questions and Comments on Closed Session
7. Closed Session
 - A. Potential Litigation
Conference with Legal Counsel
1 Matter
(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. Existing Litigation
Conference with Legal Counsel
Mojave Pistachios, LLC v Indian Wells Valley Groundwater Authority, et al.
Orange County Superior Court Case No. 30-2021-01187589-CU-WM-CXC
(Pursuant to Government Code Section 54956.9(d)(1))

- D. Existing Litigation
Conference with Legal Counsel
Searles Valley Minerals Inc., v Indian Wells Valley Groundwater Authority, et al.
Orange County Superior Court Case No. 30-2021-01188089-CU-WM-CXC
(Pursuant to Government Code Section 54956.9(d)(1))

- E. Conference with Labor Negotiators
District Representatives: George Croll 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. Presentation:
 - 1. Trial Security Camera Setup & Presentation of Remote Site Installation Cost
Description: Reporting of results from a trial setup at Well #35 and presentation on estimated deployment costs for remote sites.

- 10. Current Business/Committee Reports
 - A. Consent Calendar
Description: Approval of Board Meeting Minutes and Accounts Payable Disbursements.
 - 1. Approval of Minutes:
 - i. July 14, 2025, Regular Board Meeting
 - 2. Approval of Accounts Payable Disbursements

 - B. Plant & Equipment Committee
 - 1. Acceptance of Contract Work: NW Transmission Pipeline Replacement Project
Description: Staff will present a recommendation for Acceptance of Contract

Work.

Committee Recommends the Following: Release the retention in full if Nicholas provides a Letter of Intent which contains a timeline for proper disposal of the removed CMLC pipe

2. Public Health Goals Report

Description: Staff to present the triennial Public Health Goals report.

C. Comprehensive Adjudication

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

D. 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 13, 2025.

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

1. Water Production, New Services, etc.

Description: Pertinent Legislative Updates, and personnel safety record for the preceding month. Update on leaks on rental and leased properties potential action against landlords.

2. Committee Meeting Updates

Description: Staff to provide updates from the monthly Committee Meetings that are not currently on the agenda.

3. Public Outreach

Description: Public Outreach Report.

4. Water System Consolidations Update

Description: Update on District consolidations

- Inyokern CSD Ad-Hoc Committee Meetings.
- Rademacher.
- Dune 3 Mutual Water Company.
- Hometown Water.

5. Brady Street Transmission Pipeline Replacement

Description: Update on pipeline replacement.

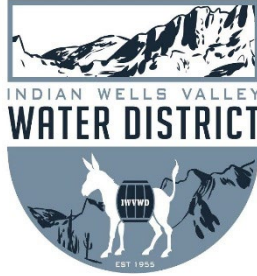
6. Brackish Water Treatment Update

Description: Update on the Brackish Water Study Final Report.

7. Recycled Water

Description: Update on Recycled Water.

8. Financial Status
Description: Report on the District's current financial status.
9. Arsenic Treatment Facilities
Description: Staff will update the Board on maintenance issues and production.
10. Operations
Description: Staff report on operations.
11. Board Comments/Future Agenda Items
12. Date of next Regular Board meeting: **September 8, 2025.**
13. Adjournment



Committee Reports

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

PLANT AND EQUIPMENT COMMITTEE
REGULAR MEETING

REPORT

MONDAY AUGUST 4, 2025 – 3:00PM
BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

Attendees: Mallory Boyd, Ron Kicinski, George Croll, 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

None.

3. Acceptance of Contract Work: NW Transmission Pipeline Replacement Project

Staff presented that the project has been completed and the adjusted contract amount is \$6,070,350.00. The District is withholding \$303,517.50 in retention. Staff was looking for direction from the Committee because some Board members had expressed concern over the failure to dispose of the old pipe properly and had discuss withholding retention. Nicholas Construction purchased an E20 RS zoned parcel south of Inyokern and has been storing the removed CMLC pipe there. Nicholas has indicated they will be disposing of the pipe, but has not yet begun to do so.

Staff expressed concerns with withholding any retention money due to the established relationship the District has with Nicholas, the quality of the work performed in the past, and the difficulty obtaining bids from contractors to work in Ridgecrest.

After discussion, the Committee recommended the Board release the retention in full if Nicholas provides a Letter of Intent which contains a timeline for proper disposal of the removed CMLC pipe.

4. Public Health Goals Report

Staff presented the 2025 Public Health Goals report to the Committee. It will be presented to the entire Board during the next meeting and a public hearing will be held during the regular Board meeting in September. This report is required by the State every three years.

5. **Water System Consolidations: Update**

- Hometown Water: The State continues to push Hometown to consolidate. Meanwhile, Staff has submitted costs to date for reimbursement.
- Rademacher Way: Construction of Phase 1 has been completed. Staff is coordinating with the IWV Groundwater Authority and their contractor to connect the Sanchez residence to the new pipeline. Staff will be discussing the easements with legal counsel.
- Dune 3: Staff sent the Right-of-Entry (ROE) agreement to all the property owners that are served by Dune 3. All property owners must sign the ROE agreement before the project can be bid. Nineteen have been returned, one is in foreclosure, and the owner of two other parcels has indicated she will return the agreements shortly.

Legal counsel has discussed the language of the agreement between the District and Dune 3 and will be incorporating the agreed upon language and sending it out for signature this week. The owner of Dune 3 needed clarification on a few items.

Inyokern CSD:

The District has received numerous calls from unhappy customers of the CSD. The CSD sent letters to residents regarding an intent to collect back tax assessments that were not paid. Since the District has had no part in this decision, staff has been referring callers to the County Supervisor's office.

The District has not received a response to the State's letter of voluntary consolidation. The Board's Ad-Hoc Committee has reached out to the CSD to meet, but has not received a response.

6. **Arsenic Plants: Update**

Both plants are operational and running. Well 11 is no longer pumped through Plant 1. Plant 1 produced just under 3.7M gallons of water last month. Plant 2 has been running well with the new filtration media installed. It treated just under 47M gallons of water last month.

7. **Recycled Water Feasibility Study: Discussion**

There has been no new information on this item, but the District would like to see this as a topic of mediation with the IWVGA.

8. **Future Agenda Items**

- Recommendation for leak repair assistance in La Mirage area.
- La Mirage Housing Area Grant Funding
- Transmission pipeline(s) inspection

- Imported pipeline infrastructure upgrades

9. Adjournment

The meeting was adjourned at 4:03 pm.

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FINANCE COMMITTEE
REGULAR MEETING

REPORT

TUESDAY AUGUST 5, 2025 – 3:00 PM
BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

ATTENDEES: Ron Kicinski, Stan Rajtora, George Croll, Ty Staheli, John Svika, and Renee Morquecho

1. Call to Order

The Finance Committee Meeting was called to order at 3:00 pm.

2. Committee/Public Comments

None.

3. Fraud Risk Discussion

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

Nothing to report.

4. GA Imported Water Costs

Description: Discuss imported water costs and potential impact to customers' bills

Committee would like to know where the Replenishment Fee, held by the GA, has been spent.

5. Financial Statements July 31, 2025 (preliminary)

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

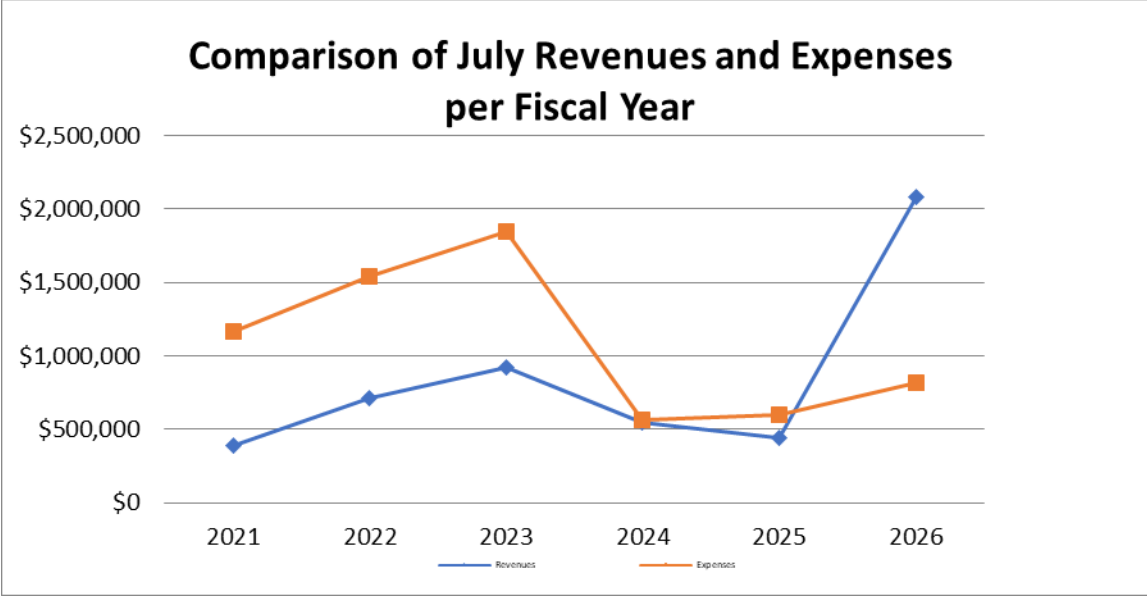
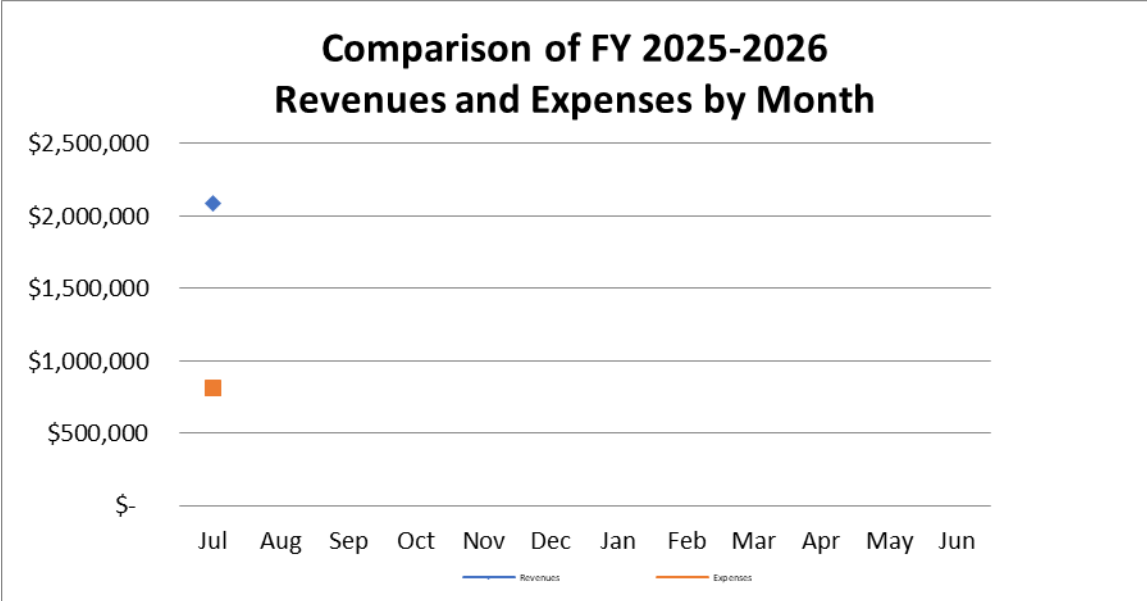
Estimated year-to-date revenues as of July 31, 2025, are \$2,084,251 and expenses are \$816,171, therefore revenues exceeded expenditures by \$1,268,080, which is better than budget by \$1,791,885. Accruals to the previous year are pending.

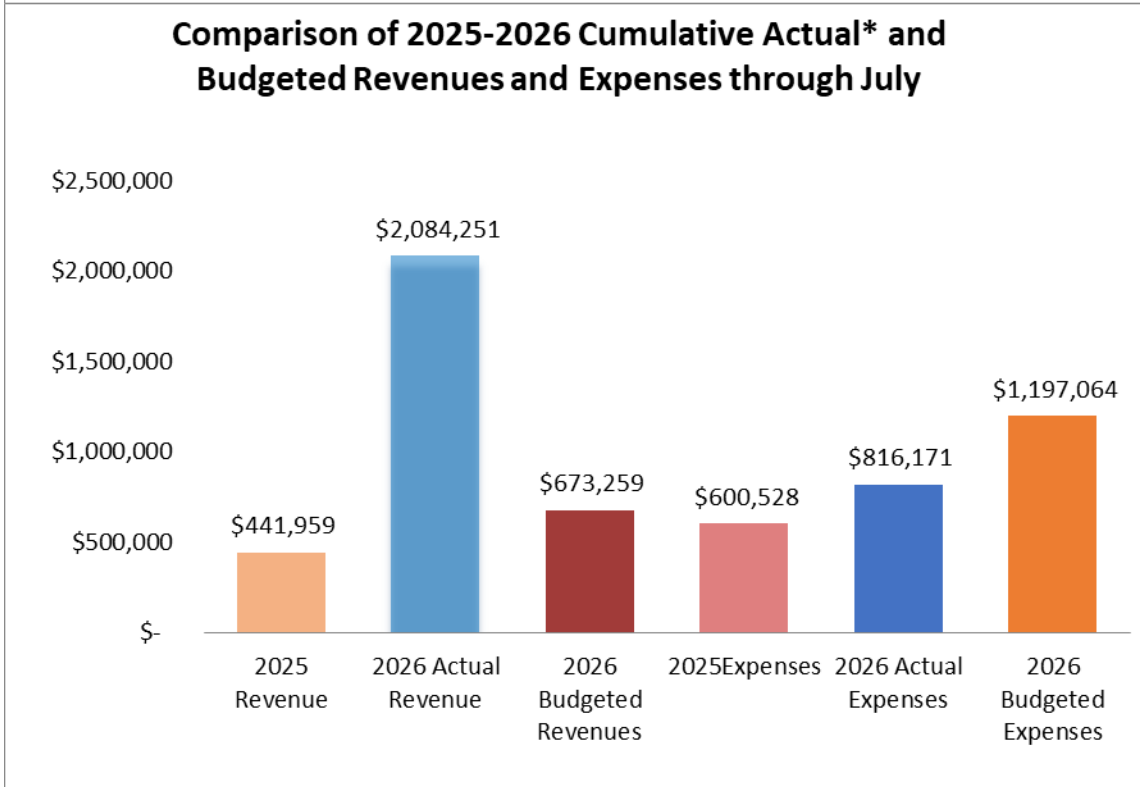
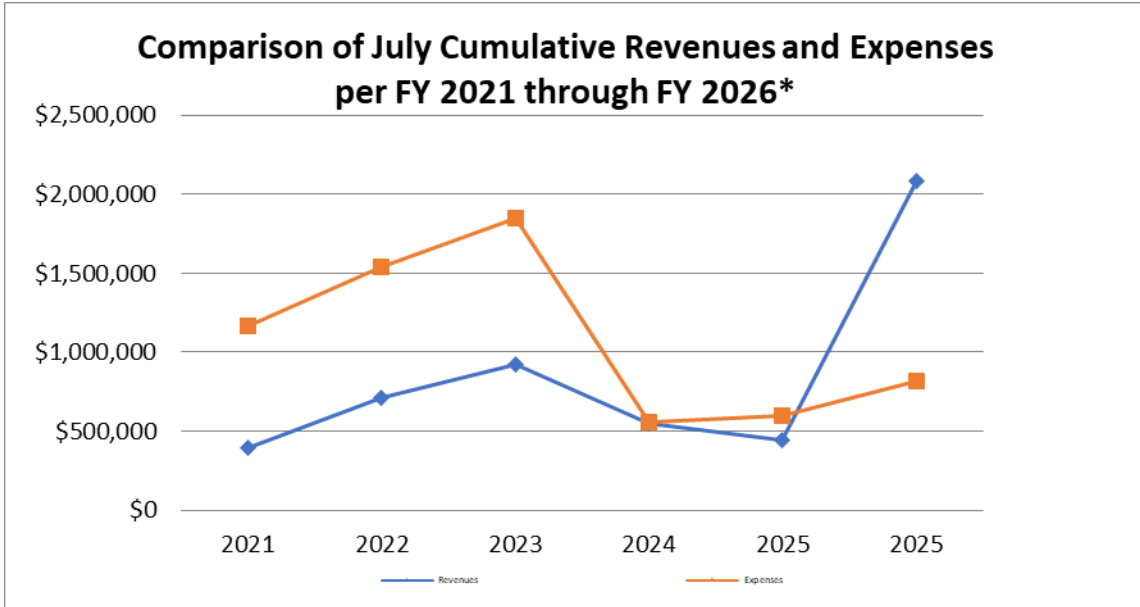
To date, the District rate payers have paid the Groundwater Authority \$17,882,501 in fees.

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 2025 (Preliminary)

	2026 Budget	YTD Budget	Actuals	Δ
Revenues				
Total Water Sales	14,939,300	469,966	1,414,895	944,928
GSA Fees	3,377,580	123,799	509,319	385,520
Total Water Service Revenue	375,900	13,946	34,402	20,456
Total Non-Operating Income	1,594,372	59,151	2,524	-56,627
Capital Contributions	172,400	6,396	123,111	116,715
Total Revenues	20,459,552	673,259	2,084,251	1,410,992
Expenses				
Water Supply	1,907,557	137,153	39,443	-97,711
Arsenic Treatment Plants	462,519	33,255	7,328	-25,927
Transmission & Distribution	1,898,115	136,474	41,580	-94,894
Engineering	696,189	50,056	39,116	-10,940
Customer Service	566,939	40,763	23,786	-16,977
Field Services	600,408	43,169	15,762	-27,407
General & Administration	3,169,078	227,857	125,162	-102,694
Legal	1,500,000	107,850	0	-107,850
Legislative	107,100	7,700	11,463	3,762
Depreciation	3,300,000	275,000	275,000	0
Non-Operating, Interest	1,674,379	97,256	97,197	-59
Non-Operating, Miscellaneous	437,500	31,456	139,720	108,264
GSA Fees	3,420,830	0	0	0
Non-Operating, Conservation	34,200	2,459	613	-1,846
Non-Operating, Alternate Water	92,000	6,615	0	-6,615
Total Expenses	19,866,814	1,197,064	816,171	-380,893
Net Revenue Increase (Decrease)	592,738	-523,805	1,268,080	1,791,885
Capital Expenditures			60,428	
-Bond or Grant Funded			22,079	
Debt Service Principle			93,810	
Total GSA Extraction Fee Paid			3,361,324	
Total GSA Replenishment Fee Paid			14,521,177	
			17,882,501	





*Actual Revenues and Expenses are Estimated

6. Accounts Payable Disbursements

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

The Committee reviewed the accounts payable disbursements totaling \$1,285,234.18 as follows:

Checks through:	<u>7/2/25</u>	<u>7/17/25</u>
Prepaid	\$ 62,999.07	\$ 51,387.34
Current	<u>919,679.89</u>	<u>251,167.88</u>
Total	<u>\$ 982,678.96</u>	<u>\$ 302,555.22</u>

7. Future Agenda Items

- Year-End Update
- Grant Funding
- Security Upgrades & Costs
- Inyokern CSD

8. Adjournment

The Committee adjourned at 3:35 pm.

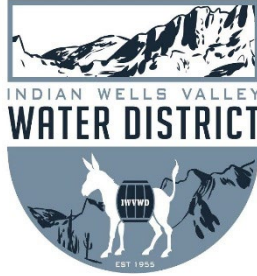
BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT
ADMINISTRATION/EXECUTIVE COMMITTEE
REGULAR MEETING MINUTES

WEDNESDAY, AUGUST 6, 2025 – 3:00 P.M.

BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

Attendees: David Saint-Amand, Chuck Griffin, George Croll, Ty Staheli, Renee Morquecho, and John Svika

- 1. Call to Order**
The meeting was called to order at 3:00 p.m.
- 2. Committee/Public Comments**
None.
- 3. Outstanding Public Record Requests (PRR)**
No outstanding PRRs.
- 4. Presentation of Brackish Groundwater Feasibility Study**
Wade Major, of aquilogic, to provide a presentation of the Study (available online). Wade Major to provide an executive summary that will be distributed to the Board.
- 5. Indian Wells Valley Groundwater Authority**
David Saint-Amand commented on the following actions taken at the July meeting:
 - Creation of an official IWVGA Facebook page – item tabled
 - Request for more detailed invoices
 - The GA formally responded to the District’s request for mediation and are in agreement to proceedThe next IWVGA meeting is scheduled for August 13th.
- 6. Alternate Water Sources**
Staff awaits further decision on the agreement between the IWVGA and City of Ridgecrest concerning their Recycled Water.
- 7. Draft Agenda for the Regular Board Meeting of August 11, 2025**
The Committee reviewed the agenda and made no changes.
- 8. Future Agenda Items**
None.
- 9. Adjournment**
The meeting adjourned at 3:44 p.m.



Approval of Minutes

MINUTES OF THE REGULAR BOARD MEETING

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

JULY 14, 2025

The Regular Meeting of the Board of Directors of the Indian Wells Valley Water District was called to order by President Saint-Amand 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 Ron Kicinski. **PLEDGE**

DIRECTORS PRESENT: President David C.H. Saint-Amand
Vice President Charles D. Griffin **ROLL CALL**
Director Ronald R. Kicinski
Director Stan G. Rajtora

DIRECTORS ABSENT: Director Mallory J. Boyd

STAFF PRESENT: George Croll, General Manager
Jim Worth, Attorney
Renée Morquecho, Chief Engineer
Tyrell Staheli, Chief Financial Officer
John Svika, Operations Manager
Lauren Smith, Recording Secretary

AGENDA DECLARATION **AGENDA DECLARATION**
Recording Secretary, Lauren Smith, reported that the agenda for today's Regular Board Meeting was posted on Thursday, July 10, 2025.

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 Saint-Amand 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 4:33 p.m.

Closed Session was adjourned at 5:57 p.m.

The meeting was reconvened to Open Session at 6:04 p.m.

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

PUBLIC QUESTIONS AND COMMENTS

The Board heard public comment from Judie Decker.

**PUBLIC
COMMENTS**

CONSENT CALENDAR

MOTION: was made by Director Kicinski and seconded by Vice President Griffin approving the Minutes of the June 9, 2025, Regular Board Meeting, June 24, 2025, Special Board Meeting, and Payment of Accounts Payable totaling \$1,666,386.33. Motion was carried, unanimously. (Ayes: Griffin, Kicinski, Rajtora, Saint-Amand. Nays: None. Absent: Boyd.)

**CONSENT
CALENDAR**

COMPREHENSIVE ADJUDICATION

Jim Worth reported the closing trial briefs for the Phase 1 trial to quantify the federal reserve water rights have been filed. Awaiting Judge Claster’s final ruling. More information to come.

**COMPREHENSIVE
ADJUDICATION**

Phase 2 trial for the determination of the Basin’s Safe Yield - has a trial date of June 1, 2026. The IWVGA and District successfully exchanged their model files on April 21st. Expert reports and designations will occur during August.

The District has responded to the IWVGA’s letter regarding mediation (letters available on the District website), and are waiting a response from the IWVGA.

Staff continues to monitor the status of AB 1413 and AB 1466.

The Board heard public comment from Renee Westa-Lusk.

QUITCLAIM STATUS UPDATE

Quitclaim for the parcel to the Diocese of Fresno Education Corporation has been filed with Kern County. No other updates available.

**QUITCLAIM
STATUS - APN
478-030-34**

REVISED ORGANIZATIONAL CHART

The Board reviewed the proposed changes to the Organizational Chart (included in the Board packet). The proposed changes include moving the IT position under the management of the Chief Financial Officer, and changing the title to “IT Supervisor”, this does not affect the current budget or pay range for this position. The revisions also include an additional “IT Tech” position, which is unfunded until FY ‘27.

**REVISED ORG
CHART**

MOTION: was made by Director Kicinski and seconded by Director Rajtora approving the proposed revisions of the Organizational Chart as presented. Motion was carried, unanimously. (Ayes: Griffin, Kicinski, Rajtora, Saint-Amand. Nays: None. Absent: Boyd.)

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY (IWVGA)

The June IWVGA meeting was cancelled.

IWVGA

The next IWVGA Special Board meeting is scheduled for July 16, 2025.

No further updates at this time.

GENERAL MANAGER AND STAFF UPDATE

George Croll reported on employee injuries, delinquent accounts, conservation efforts, and public outreach. Staff gave an update on AB 1413 and AB 1466.

**GENERAL
MANAGER AND
STAFF UPDATE**

George Croll commented on landlords that allow leaks to continue unabated. Several leaks are located in the La Mirage area and are on the customer side. Staff to research legal options going forward and will update the Board accordingly.

Mr. Croll summarized the topics of discussion on the Committee agendas, including final numbers for FY '25, and Construction Crew workload.

COMMITTEE
MEETING
UPDATES

Jim Worth commented the District received a letter from State Water Resources Control Board (SWRCB) which outlines the current and future operations of the Inyokern CSD and the six-month negotiation period between Inyokern CSD and the District for voluntary consolidation. Mr. Worth provided an update on conversations with Inyokern CSD's attorney, and the desire to hold public negotiation meetings. Public meeting agendas will be posted and treated according to the Brown Act.

INYOKERN CSD
AD-HOC UPDATE

MOTION: was made by Director Kicinski and seconded by Vice President Griffin to cancel the Mid-Year Board Workshop scheduled for Monday, July 21, 2025. Motion was carried unanimously, by the following roll call vote:

MID-YEAR
BOARD
WORKSHOP

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

The Contractor has completed all contract work and the outstanding corrective work items, as well as the work at Highway 178/Brady Street. Both lines were brought online and have been in service since June 25th. Staff will bring the Acceptance of Contract Work at a future meeting.

NW TRANSM.
PIPELINE

Brady Transmission pipeline is back in service since last month. Staff is planning for further replacement next winter.

BRADY TRANS.
PIPELINE
BREAK

Water Systems Consolidations:

CONSOLIDATION
PROJECTS

Dune 3: Right-of-Entry agreement sent to all property owners. Agreement between Dune 3 and the District to be signed. Jim Worth provided an update on the status of the Agreement; a revised version should be available by this week.

Hometown: Plans are complete. Staff is waiting to hear from Department of Drinking Water (DDW) if project will move forward. Meanwhile, staff will submit costs to date to the State for reimbursement.

Rademacher: Construction crew finished the installation of Phase 1. Line is now back in service. Staff received two of the five easements being requested. Staff to follow up with legal how to proceed with the easements.

Ty Staheli reported the estimated year-to-date revenues as of June 30, 2025, are \$20,228,636 and expenses are \$18,502,890. Revenues exceeded expenditures by \$2,725,746, which is better than budget by \$3,076,485. To date, the District has paid \$17,388,823 in GA Fees to the Groundwater Authority.

FINANCIAL
STATUS

ARSENIC
TREATMENT

John Svika reported both Plants are online.

For the month of June, 57 services were repaired and 19 were replaced. OPERATIONS
The NO-DES truck made one run in June. Since inception, the NO-DES
truck has filtered 9,522,204 gallons. 26 valves were exercised.

BOARD COMMENTS/FUTURE AGENDA ITEMS

**BOARD
COMMENTS**

The Board collectively thanked staff for their on-going hard work.

Director Rajtora commented he is excited about the prospect of a
mediation between the IWVGA and District.

Vice President Griffin and President Saint-Amand both commented the
District strongly supports the Navy, and are eager to pursue mediation
with the IWVGA.

DATE OF NEXT REGULAR BOARD MEETING

**DATE OF NEXT
BOARD MEETING**

The date of the next Regular Board Meeting is Monday, August 11, 2025.

ADJOURNMENT

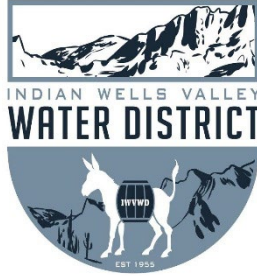
ADJOURNMENT

With no further business to come before the Board, the meeting was
adjourned at 7:11 p.m.

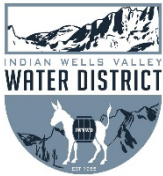
Respectfully submitted,

Lauren Smith
Recording Secretary

APPROVED: _____



10.B.1.



MEMORANDUM

August 11, 2025

To: Board of Directors

From: Staff

Subject: North West Transmission Mainline Replacement
Recommendation of Acceptance of Contract Work

All work performed by Nicholas Construction Inc. (Contractor) was completed in accordance with the contract documents, with one exception: the old cement mortar-lined and coated (CMLC) transmission pipe was removed from the project site but, not disposed of in a manner suitable to the District. Instead, the Contractor stockpiled the pipe on a residentially zoned parcel they purchased (APN 341-083-19). The new pipeline was put into service by June 25th and the adjusted Contract Amount and contract completion dates are set forth as follows:

	<u>Amount</u>
Original Contract Amount	\$5,698,350.00
Contract Change Order No. 1	\$0.00
Contract Change Order No. 2	\$0.00
Contract Change Order No. 3	\$0.00
Contract Change Order No. 4	\$332,000.00
Contract Change Order No. 5	<u>\$40,000.00</u>
Adjusted Contract Amount	\$6,070,350.00

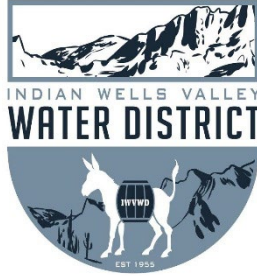
<u>Contract Completion Dates</u>	
<u>Original</u>	<u>Adjusted</u>
December 3, 2024	June 30, 2025

Change Order No. 1 was attributable to out-of-scope work to install pipeline under Hwy-178 at Victor Road to tie into Well 30 in exchange for the use of native soil, resulting in an increase of the project completion date by 27 days. Change Order No.2 was attributable to a time extension of 60 days for the contract completion date due to pipe removal and processing. Change Order No. 3 was attributable to additional scope of work to retrieve a plastic bag from the newly constructed pipe, resulting in a contract completion extension of 31 days. Contract Change Order No. 4 was attributable to out-of-scope work to install fusible pipe under Hwy-178 at Brady Street. Contract Change Order No. 5 was attributable to the additional compensation for two days of work due to unforeseen site flooding at Brady during the fusible pipe installation. The total amount of contract extension via change order for this project was 209 days. The total contract amount adjustment due to change orders for this project was \$372,000.00, which is approximately 6.5% of the original contract amount.

Recommendation:

While the stockpiled CMLC pipe remains a point of contention, staff acknowledge that the contractor has otherwise met all other contractual obligations. They have exceeded expectations by completing out-of-scope work at the District's request and continuing to provide valuable, unpaid consultation on the upcoming Brady Street mainline replacement project.

Considering broader implications and risks associated with withholding retention due to the storage location of the CMLC pipe, staff recommends that the District move forward with accepting the Contract Work in the amount of \$6,070,350.00, file a Notice of Completion with Kern County. The District is holding retention funds in the amount of \$303,517.50. Once the Notice of Completion is filed, the 60-day lien period will begin, during which time suppliers, subcontractors, and others can file claims for payment not received. Any such claims will be addressed collectively, and once all claims have been resolved, any remaining retained funds will be released to the Contractor.



10.B.2.



INDIAN WELLS VALLEY WATER DISTRICT

August 11, 2025

To: Board of Directors
From: Renee Morquecho, Chief Engineer
Subject: Required Report on Public Health Goals

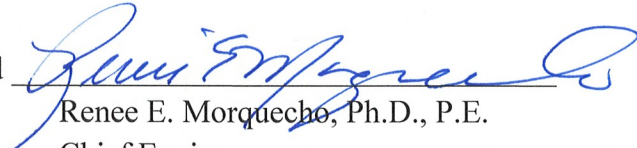
Attached for your review and approval is a report prepared by staff comparing our District's drinking water quality with the public health goals (PHGs) adopted by California EPA's Office of Environmental Health Hazard Assessment (OEHHA) and with maximum contaminant level goals (MCLGs) adopted by the USEPA. PHGs and MCLGs are not enforceable standards and no action to meet them is mandated.

SB1307 (Calderone-Sher; effective 1-1-97) added new provisions to the California Health and Safety Code which mandate that a report be prepared by July 1, 1998, and every three years thereafter. The attached report is intended to provide information to the public in addition to the Annual Water Quality Report that is provided to each customer.

Our water system complies with all of the health-based drinking water standards and maximum contaminants levels (MCLs) required by the California Water Resources Control Board Division of Drinking Water and the USEPA. No additional actions are recommended.

The law requires that a public hearing be held (which can be part of a regularly scheduled public meeting) for the purpose of accepting and responding to public comment on the report. This public hearing will be scheduled as part of our regular board meeting on September 8, 2025 and will be noticed as required for public hearings.

Signed


Renee E. Morquecho, Ph.D., P.E.
Chief Engineer



INDIAN WELLS VALLEY WATER DISTRICT 2025 REPORT ON WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS (JULY 2025)

Executive Summary

The water served by the Indian Wells Valley Water District meets all State of California Water Resources Control Board (SWRCB) and United States Environmental Protection Agency (USEPA) drinking water standards set to protect public health. This special report is required of large systems every 3 years to report on any constituents exceeding a non-enforceable Public Health Goal (PHG) or Maximum Contaminant Level Goal (MCLG). Between 2022 and 2024, the PHG/MCLG was exceeded for total coliform, fluoride, radium 228, uranium and arsenic. There are Best Available Technologies (BATs) available to reduce the amount of each of these constituents but the cost is prohibitive and the effectiveness of the treatment processes to provide any significant reductions in constituent levels at these already low values is uncertain. In addition, the health protection benefits of these further hypothetical reductions are not at all clear and may not be quantifiable. Therefore, no action is proposed at this time.

What are Public Health Goals (PHGs)?

PHGs are water quality goals set by the California Office of Environmental Health Hazard Assessment (OEHHA) which is part of Cal-EPA and are based solely on public health risk considerations. None of the practical risk-management factors that are considered by the USEPA or the SWRCB Division of Drinking Water (DDW) in setting drinking water standards (MCLs) are considered in setting the PHGs. These factors include analytical detection capability, treatment technology available, benefits and costs. The PHGs are not enforceable and are not required to be met by any public water system. MCLGs are the federal equivalent to PHGs.

Reporting Requirements

Provisions of the California Health and Safety Code specify that larger (>10,000 service connections) water utilities prepare a special report if their water quality measurements have exceeded any PHGs. Reporting must be done every 3 years. The law also requires that where OEHHA has not adopted a PHG or a contaminant, the water suppliers are to use the MCLGs adopted by USEPA.

The purpose of this report is to inform consumers of contaminants in IWVWD drinking water that exceed the PHGs or MCLGs during 2022, 2023 and 2024. Included are the numerical public health risk associated with the MCL and the PHG or MCLG, the category or type of risk to health that could be associated with each contaminant, the best treatment technology available

that could be used to reduce the contaminant level, and an estimate of the cost of treatment if it is appropriate and feasible. For general information about our water quality, please refer to the latest Annual Water Quality Report that was published May 2025. The report can be found on our website at www.iwvwd.com/ccr-2024.

Water Quality Data Considered

The water quality data collected by IWVWD between 2022 and 2024 were considered for the purpose of determining compliance with drinking water standards and PHG reporting requirements. This data is all summarized in the District's Annual Water Quality Reports. For each regulated contaminant, SWRCB DDW establishes Detection Limits for Purposes of Reporting (DLR). DLRs are the minimum levels at which any analytical result must be reported to SWRCB and are usually limited by the technology available for detecting a contaminant. Analytical results below the DLRs cannot be quantified with any certainty. In many cases, PHGs are set below the DLRs. Any contaminant reported below the DLR will be considered zero for the purpose of this report, which is accepted by the SWRCB.

Guidelines Followed

The Association of California Water Agencies (ACWA) formed a workgroup which prepared guidelines for water utilities to use in preparing these required reports. The ACWA guidelines were used in the preparation of our report. No guidance was available from state regulatory agencies.

Best Available Treatment Technology and Cost Estimates

Both the USEPA and the SWRCB adopted what are known as Best Available Technologies (BATs) which are the best methods of reducing contaminant levels to the MCL. Costs can be estimated for such technologies. However, since many PHGs and MCLGs are set much lower than the MCL, it is not always possible or feasible to determine what treatment is needed to further reduce a constituent downward to or near the PHG or MCLG, many of which are set at zero. Estimating the costs to reduce a constituent to zero is difficult, if not impossible, because it is not possible to verify by analytical means that the level has been lowered to zero. In some cases, installing treatment to try and further reduce very low levels of one constituent may have adverse effects on other aspects of water quality. The costs estimated below do not include engineering, environmental, or construction costs.

Constituents Detected that Exceed a PHG or a MCLG

The following is a discussion of constituents that were detected in one or more of our drinking water wells at levels above the PHG, or if no PHG, above the MCLG.

Total Coliform:

Coliform bacteria are an indicator organism that are naturally present in the environment and are not generally considered harmful. They are used to indicate contamination because of the ease in monitoring and analysis. The USEPA and California state Treatment Technique trigger level is no more than 5% total coliform positive (TC-positive) samples in a month. The USEPA MCLG is zero percent TC-positive samples each month.

The District collected and analyzed between 52 and 65 samples per month for coliform bacterial during 2022-2024 and two months had detections above the MCLG. The maximum percentage of TC-positive samples in a month was 11.39%. This was very unusual, and after consulting with our laboratory, we were informed that several batches of bottles used for coliform sampling were contaminated and should not be used. They also began using a new supplier for their bottles. The District has had no coliform positive samples since that change was implemented. All coliform positive samples are re-sampled within 24 hours of notice and have all been coliform negative upon re-sampling.

The USEPA set a MCLG for total coliform at zero percent positive, but there is no commercially available technology that will guarantee zero percent positive every single month. Therefore, a cost for achieving zero percent cannot be estimated.

The District will continue with monitoring of the distribution system for coliform bacteria, maintaining a chlorine residual throughout the system, and continue the flushing program that brings fresh water into areas where water can become stagnant to ensure a chlorine residual is maintained.

Fluoride: Fluoride is the name given to a group of compounds that are composed of the naturally occurring element fluorine and one or more other elements. Fluorides are present naturally in water and soil at varying levels. Most water supplies contain some naturally occurring fluoride. In the 1940s, scientists discovered that people who lived where drinking water supplies had naturally occurring fluoride levels of approximately 1 part per million (ppm) or greater had fewer dental caries (cavities) than people who lived where fluoride levels in drinking water were lower. Many more recent studies have supported this finding.

The California Department of Health Services (predecessor to SWRCB), adopted regulations in 1998 that establish standards for the addition of fluoride to drinking water. The regulations are located in Title 22 of the California Code of Regulations (CCR) Sections 64433, et. seq.. The standards require fluoridating public water systems to maintain fluoride levels within a range that

has been established for its climate. This is based on the concept that people in cooler climates typically drink less water per day than people in warmer climates. The optimal level for fluoride in the Indian Wells Valley is 0.8 ppm with a control range of 0.7 to 1.3 ppm. The average naturally occurring fluoride level in the District's wells is 0.7 ppm. The District is not required to add any additional fluoride to the drinking water.

The MCL for fluoride is 2.0 ppm; the PHG and MCLG is 1.0 ppm. We detected fluoride in one well in 2023 that exceed the PHG. The concentration of fluoride in Well 9A was 1.4 ppm.

The PHG for fluoride was established to prevent primarily dental fluorosis, or mottling of the teeth. Dental fluorosis is not a sign of fluoride poisoning. It is a condition where the dental hard tissues (enamel) are more porous than is found in normal enamel. Like many common substances vital for health (e.g. zinc and iron), fluoride can be poisonous in excessive amounts. Daily intake over many years of 20-80 milligrams or more, depending upon body weight, is required to produce symptoms of chronic poisoning. Doses such as these are associated with water supplies that contain at least 10 ppm of naturally-occurring fluoride. Millions of people have been consuming water containing natural or adjusted fluoride at 0.7 to 1.2 ppm throughout their lives with no adverse health effects.

The BAT for reducing fluoride in water (according to the EPA) is reverse osmosis or distillation. Blending is also a proven method for reducing fluoride in water. Currently, the water for Well 9A is treated for arsenic and rarely used due to the high cost of arsenic removal. When used, water from the treatment plant blends with water from other wells that serve the "A" pressure zone. Reducing the level of fluoride in one well would not be cost-effective when it can be blended with water from other wells.

Radium-228:

Radium-228 is a naturally occurring radioactive isotope formed from the decay of thorium-232. Radium-228 decays to become actinium-228 and emits a beta particle in the process. The PHG for radium-228 is 0.019 picocuries per liter (pCi/L). There is no MCL for radium-228 by itself, but an MCL has been issued by the EPA for radium-226 and radium-228 combined at 5.0 pCi/L. One sample was collected during the 2022-24 sample period which detected a radium-228 level of 1.8 pCi/L.

The health risk category associated with radium-228 is carcinogenicity. At the PHG, the theoretical cancer risk is one excess cancer case per million people exposed to the PHG level for a lifetime of 70 years. At the Federal and State MCL of 5 pCi/L (combined radium-226 and radium-228), the theoretical cancer risk is one excess cancer case per ten thousand people exposed o the MCL for a lifetime of 70 years.

The BATs for radium-228 reduction are ion exchange, reverse osmosis, lime softening and coagulation/filtration.

Uranium: The major source of uranium in drinking water is from erosion of natural deposits. The MCL for uranium is 20 pCi/L and the PHG is 0.43 pCi/L. The District only sampled one well during the 2022-24 period and the amount detected was 2.8 pCi/L which is well below the MCL.

The category of health risk for uranium is carcinogenicity. At the PHG, the theoretical cancer risk is one excess cancer case per million people exposed to the PHG level for a lifetime of 70 years. At the Federal and State MCL of 20pCi/L, the theoretical cancer risk is five excess cases per hundred thousand people exposed to the MCL for a lifetime of 70 years.

The BATs for uranium reduction are ion exchange, reverse osmosis, lime softening and coagulation/filtration.

Arsenic: Arsenic is a naturally occurring element in the earth's crust and is very widely distributed in the environment. All humans are exposed to microgram quantities of arsenic (inorganic and organic) largely from food and to a lesser degree from drinking water and air. In certain geographical areas, natural mineral deposits may contain large quantities of arsenic and this may result in higher levels of arsenic in water. Waste chemical disposal sites may also be a source of arsenic contamination of water supplies. Arsenic does not have a tendency to accumulate in the body at low environmental exposure levels. Studies in humans have shown considerable individual variability in arsenic toxicity. The levels of arsenic that most people ingest in food and water (ca. 50 µg/day) have not usually been considered to be of health concern for non-cancer effects.

The MCL for arsenic is 10 ppb, the PHG and MCLG for arsenic is 0.004 ppb (4 parts per trillion). We have detected concentrations of arsenic in raw water from all our wells above the PHG between 2022 and 2024. The levels detected ranged from ND to 7.5 ppb. No water above the MCL of 10 ppb has been served from any well since August 1, 2011 when the arsenic removal facilities were put into service.

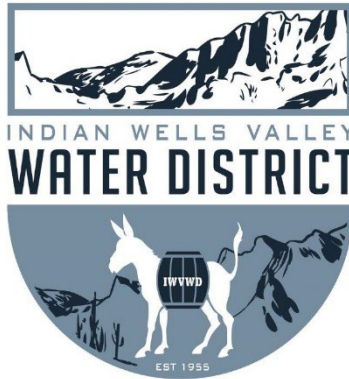
The health risk associated with arsenic, and the reason that a drinking water standard was adopted for it, is that people who drink water containing arsenic above the MCL throughout their lifetime could experience an increased risk of getting some cancers. The OEHHA (part of the California Environmental Protection Agency) has set the PHG at 4 parts per trillion (0.004 ppb). The PHG is based on a level that will result in not more than 1 excess cancer in 1 million people who drink 2 liters daily of this water for 70 years. The actual cancer risk may be lower or zero.

The BETs for removal of arsenic in water are: activated alumina, coagulation/filtration, lime softening, ion exchange and reverse osmosis. The District is already using coagulation/filtration

technology. Most of the time, the District is reducing the arsenic concentrations in wells 9A, 10, 11 and 13 to non-detect levels (<2.0 ppb). Any results below the detection limit of 2.0 ppb is considered zero by the DDW. If all the District's wells had to be treated for arsenic to below the DLR (to try and reach the PHG), the cost could be over \$2,000,000.00 per year or almost \$200.00 per customer per year. The cost could be much higher or lower depending on the technology chosen and size of facilities constructed.

Recommendations for Further Action

The water served by the Indian Wells Valley Water District meets all State of California Water Resources Control Board Division of Drinking Water and USEPA drinking water standards set to protect public health. To further reduce the constituents identified in this report that are already significantly below the health-based Maximum Contaminant Levels established to provide "safe drinking water", additional costly treatment process would be required. The effectiveness of the treatment processes to provide any significant reductions in constituent levels at these already low values is uncertain. In addition, the health protection benefits of these further hypothetical reductions are not at all clear and may not be quantifiable. Therefore, no action is proposed at this time.



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