The Regular Meeting of the Board of Directors of the Indian Wells Valley Water District was called to order by Vice-President Cordell at 6:01 p.m. in the Board of Directors Hearing Room, 500 West Ridgecrest Boulevard, Ridgecrest, California.

The Pledge of Allegiance was led by Rose Koch.

DIRECTORS PRESENT: Vice-President Charles F. Cordell
                     Director Charles D. Griffin
                     Director Ronald R. Kicinski

DIRECTORS ABSENT: President Peter E. Brown
                  Director Donald J. Cortichiato

ALSO PRESENT: Jim Worth, Attorney;
               Don Zdeba, General Manager;
               Jason Lillian, Operations Superintendent;
               Renee Morquecho, Chief Engineer;
               Jennifer Keep, Chief Financial Officer;
               Lauren Duffy, Executive Secretary;
               Rose Koch, Recording Secretary

AGENDA DECLARATION

Recording Secretary, Rose Koch, reported that the agenda for tonight’s Regular Board Meeting was posted on Friday, April 7, 2017.

CONFLICT OF INTEREST DECLARATION

None.

PUBLIC QUESTIONS AND COMMENTS

None.

CONSENT CALENDAR

MOTION: was made by Director Griffin and seconded by Director Kicinski to approve the Minutes of the March 13, 2017 Regular Board Meeting, and to approve payment of Accounts Payable totaling $1,778,000.96. Motion was carried. (Ayes: Cordell, Griffin, Kicinski. Nays: None. Absent: Brown, Cortichiato)
PLANT AND EQUIPMENT COMMITTEE

Included in the Board Packet is the list presented to the committee. The committee recommended the Board approve the surplus list as presented.

MOTION: was made by Director Griffin and seconded by Director Kicinski to approve the list of surplus items as presented. Motion was carried. (Ayes: Cordell, Griffin, Kicinski. Nays: None. Absent: Brown, Cortichiato)

ADMINISTRATION/EXECUTIVE COMMITTEE

Don Zdeba reported that the Special District Leadership Foundation (SDLF) District of Distinction renewal application requires the District’s Board Minute action adopting and/or having reviewed the policies and procedures manual within the past year.

Updates to the Board of Directors Manual were presented for approval:
1) Added Resolution 16-11: Amending the Conflict of Interest Code.
2) Job Description of Operations Manager was updated.

Regular Updates include:
- Committee Assignments
- Budget
- Organization Chart

MOTION: was made by Director Kicinski and seconded by Director Griffin to approve the updates to the Board of Directors Manual as presented. Motion was carried. (Ayes: Cordell, Griffin, Kicinski. Nays: None. Absent: Brown, Cortichiato)

GENERAL MANAGER COMPENSATION

This item was deferred until after Closed Session.

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY (IWVGA)

Don Zdeba reported that the next meeting is scheduled for Thursday, April 20th. There will be a presentation by the Department of Water Resources (DWR). The agenda has not been finalized. There is intent to have a public workshop, but the date has not been set.

Vice-President Cordell commented that he was approached by people concerned about the workshop being held after the April 20th Groundwater Sustainability Agencies (GSA) meeting.

Director Griffin reported that the workshop was going to be scheduled prior to the April 20th GSA meeting. Director Griffin commented that he would like the public workshop to be held either before the April 20th GSA meeting or held in lieu of the April 20th meeting. He feels it is very important to discuss Article 5 before they move forward. Director Griffin proposed that the District recommend to the GSA to either have the April 20th meeting become the workshop or have no discussion on Article 5 until after the workshop.
Director Kicinski agreed with Director Griffin that before anything is finalized, the public workshop needs to occur.

Jim Worth commented that the Board has expressed its point of view that the workshop should take place before any provisions are made to the bylaws. The point of the workshop is to have an open discussion to be in a position to define Article 5 which includes the Public Advisory Committee (PAC) and Technical Advisory Committee (TAC). Nothing has been finalized and the District is one vote.

Public commented on the application process and the lack of description, guidelines, and deadline date. Public recommended that the Board write a letter expressing the Board of Directors' point of view on having the workshop to discuss Article 5 before it is finalized.

Director Griffin commented that he would like to see progress, but believes if the GSA does not have the workshop in place of the GSA meeting, that would be delaying progress. He believes that they cannot move forward until the workshop is in place.

**MOTION:** was made by Director Griffin and seconded by Director Kicinski to request formally that the GSA meeting becomes the Public Workshop and the DWR presentation can take place at that workshop.

Director Kicinski suggested that the Board not support a vote on finalizing Article 5 until the workshop is held.

Director Griffin suggested the Board write a letter to the IWVGA requesting the public workshop be held in the evening before the GSA meeting.

**AMENDED MOTION:** was made by Director Griffin and seconded by Director Kicinski to write a letter informing the GSA of the Board of Directors' stand on no modifications to Bylaws Article 5 until the Public Workshop has been held. Motion was carried. (Ayes: Cordell, Griffin, Kicinski. Nays: None. Absent: Brown, Cortichiato

**GENERAL MANAGER AND STAFF UPDATE**

Don Zdeba updated the safety record to 818 consecutive days without a recordable injury.

Metered water production at the wells for the month of March was 146,375,200 gallons (449.2 acre-feet). The number the State Water Resources Control Board (SWRCB) is using for comparison is metered water through the distribution system or consumption, and non-revenue water which is water lost to leaks, flushing activities, blow-offs, etc. For the month of March, the number is 84,402,000 gallons (259 acre-feet). The conservation results for March were reported to the SWRCB on April 5th. Consumption was down 23.8% compared to March 2013. This follows a 35.4% reduction in consumption during February.

March is the month we allowed transitioning from one day per week landscape watering to three days per week. The 20% conservation target established by the Board of Directors took effect June 1, 2016.
For the ten-month period since, the District’s cumulative result is 22%.

For the month of March, the District’s reported R-gpcd was 74, a 14% decrease from March 2016 and a 24% decrease from March 2015.

There were seven new connections during the month of March resulting in capital facility fees of $114,886. Total number of new connections for this fiscal year is 42, contributing $371,676 in additional revenue.

Public Outreach:
- Don Zdeba attended the Community Collaborative meeting at City Hall on April 4th. Mr. Zdeba provided the following update:
  - Indian Wells Valley Groundwater Authority status.
  - The District and Sun Outdoor Advertising partnering on a contest for third graders to submit their ideas for a conservation message. The winning entry will appear on a billboard that will be unveiled in May. The District will also be using entries to produce an 18-month calendar.
- Don Zdeba was the guest speaker at the Rotary Club luncheon on March 22nd.
- A new General Manager’s column highlighting the status of major District projects was published in both the Daily Independent and the News Review last month.

Don Zdeba updated the Board of Directors on the January 24, 2017 Special Board Workshop Action Items:
- Arsenic Plant vs Blending: Staff and Chuck Krieger to present the pros and cons of quantitative/qualitative aspects of concepts related to arsenic facility vs. blending including costs for consideration.
  Update: No progress to report. The Finance Committee expressed concern at spending money on a feasibility study for blending water to meet arsenic compliance requirements and noted that even if the blending process costs less than operating the existing arsenic treatment plants, the District must continue to pay the 2009 Certificates of Participation (COP) debt service until 2040 as well as some operational costs. The Finance Committee requested further Board discussion. Krieger & Stewart to bring a feasibility study cost estimate to the Board of Directors.
- Cost of Service Study: Staff run scenarios keeping the current tiers, 3% increase annually, and reviewing the debt service. Staff to present scenarios at a subsequent Board Meeting.
  Update: Staff is making progress on incorporating the adjustments discussed at the Annual Board Workshop and will provide the Cost of Service Report for review by legal counsel before bringing it to the Finance Committee. Staff is still in progress making the adjustments discussed at the January 24, 2017 Board Workshop as well as preparing the Cost of Service study report, which is the supporting documentation for the need and validity of the proposed rate adjustments in accordance with Proposition 218. When complete, the Cost of Service report will be provided to legal counsel for review before bringing it to the Finance Committee.
- Ordinance No. 101 Excessive Water Use: Staff draft Ordinance No. 101 to reflect a 1% increase in Tiers 3 and 4 for all residential/commercial (if applicable) users if the Governor
declares a State drought condition or local drought condition. If there is an Indian Wells Valley Water District emergency water shortage condition, draft as proposed in Section 5 (as proposed) Local Water Supply Shortage Condition for all residential/commercial (if applicable) users. Jim Worth to confirm whether or not commercial users may be included in Ordinance No. 101.

Update: The direction provided at the March 13th Board meeting is to draft Ordinance No. 101 as the updated Water Shortage Contingency Plan replacing the existing plan approved in 1992 under Resolution No. 92-08. The new Ordinance No. 101 will incorporate language contained in the initial draft of Ordinance 101 to comply with requirements of SB 814.

Renee Morquecho reported that Layne has installed the liner and gravel pack. The well has been swabbed to consolidate the gravel. Test pumping was performed and was able to produce 2,000 gpm with no decrease in specific capacity. The video log was completed and the liner placement was exactly where agreed upon. The disinfection process will begin April 17th.

District staff continues to hold weekly meetings with OpTerra. There were three shutdowns scheduled to allow OpTerra to tie in to the switchgear at District sites (Well 9A/10, Well 31 and the District Office). The LED lighting upgrades at the Office and Warehouse are complete. The HVAC upgrades for the District office are scheduled for the end of this month.

Well 34: A preconstruction meeting with Layne Christensen is scheduled for Monday, April 17th, 2017.

Well 35: Hydro Resources continues pumping the well for development, but the yield has been poor indicating an issue with drilling mud still caked onto the borehole wall. A dispersant was added to the well, but unfortunately the yield did not improve. At this time, super chlorination and jetting are being considered. A similar problem was experienced after Well 34 was drilled and the super chlorination greatly increased the production from the well. Krieger and Stewart, Hydro Resources, and staff are discussing further. No resolution has been made at this time.

Jennifer Keep reported that estimated year-to-date revenues as of March 31, 2017 are $9,006,545 and estimated expenses are $7,760,581, so estimated revenues exceed estimated expenses by $1,245,964, which is better than budget by $640,828.

The Automated Meter Infrastructure (AMI) Pilot Project is active and staff is learning how to use the system to its fullest extent. The Opt-Out Policy was approved by the Board last month. The N-sight program sends e-mails daily regarding high consumption and other issues. The meter reads are coming in through the Gateway system as they should.

Jennifer Keep reported on the following conservation items:
- State Water Resources Control Board (SWRCB) Water Waster Report - There were 4 water waste reports during March 2017. Four contacts were made. There were no second or third notices or penalties.
Cash for Grass - Ninety eight (98) yards have been completed resulting in removal of 107,038.5 square feet of turf ($107,038.50). There are 25 yards (40,999 square feet) in the process of being converted. There are 43 yards ($94,000) that are pre-approved and are awaiting notice for pre-inspection. There is approximately 6,000 sq. ft. for applications (3) pending. There is $133,963 Cash for Grass funds available from the revised $382,000 budget. Approximately 18.4 acre-feet of water per year will be saved from yards that have been converted.

XERIC© Ambassador Consultations: Three consultations were scheduled and completed for the month of March. There were no consultation requests received at the Home & Leisure Show. There are zero consultations pending. Staff is considering disbursing the conservation packet to the proposed customer to review and then the customer may request a consultation.

The Third Grade Billboard Contest has concluded. The billboard unveiling is scheduled for Thursday, May 4th at 10:00 a.m. Location of billboard is South China Lake Boulevard, 600 ft. north of Bowman Road.

Jason Lillion reported that the Church Service Lateral Project is complete.

Staff is preparing to have the Arsenic facilities on line. The filter vessels have been disinfected and FE tanks have been vacuumed. The FE pump is being refurbished/rebuilt at ITT’s shop in City of Industry.

Staff exercised the Navy Intertie. There was a restriction on the District side. Once that was discovered, there was approximately 1,400 gpm from the Navy to the District. The District was able to give the Navy 2,800 gpm.

For the month of March, three services were repaired and 51 were replaced. There were 31 blowoffs for a loss of 65,615 gallons. One hundred and forty two (142) valves were turned.

Staff gave a presentation on the NO-DES truck process and water quality results.

**BOARD COMMENTS/FUTURE AGENDA ITEMS**

Director Griffin commended the Board of Directors and staff. Director Griffin commented that his water has not tasted as well as it tastes right now in 10 years. The NO-DES truck is working. The water quality has drastically improved at his home on Laura Street. There is no odor.

Director Griffin commented on televising/recording meetings. Director Griffin asked that the Board look in to posting on the website recordings of District meetings, and if needed, put this topic on the next Regular Board Meeting Agenda.

Director Kicinski thanked the public for attending.

With no further Board or Public comments, Vice-President Cordell recessed the meeting and adjourned to Closed Session at 7:19 p.m.
The meeting was reconvened in Closed Session at 7:30 p.m.
The meeting was recalled to Open Session at 8:29 p.m.
No action was taken that would require disclosure under the Brown Act.

With no further business to come before the Board, the meeting was adjourned at 8:29 p.m.

Respectfully submitted,

Rose Koch
Recording Secretary

APPROVED: May 8, 2017