

MINUTES OF THE REGULAR BOARD MEETING

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FEBRUARY 13, 2023

The Regular Meeting of the Board of Directors of the Indian Wells Valley Water District was called to order by President Boyd 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 Stan Rajtora. **PLEDGE**

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

DIRECTORS ABSENT: None.

STAFF PRESENT: Don Zdeba, General Manager
Jim Worth, Attorney
Ty Staheli, Chief Financial Officer
Jason Lillion, Operations Manager
Renée Morquecho, Chief Engineer
Lauren Smith, Recording Secretary

STAFF ATTENDING VIA TELECONFERENCE: Chuck Krieger, Consulting Engineer
Travis Romeyn, Consulting Engineer

AGENDA DECLARATION

Recording Secretary, Lauren Smith, reported that the agenda for tonight's Regular Board Meeting was posted on Friday, February 10, 2023. **AGENDA DECLARATION**

CONFLICT OF INTEREST DECLARATION

Director Saint-Amand stated his opinions shared during this meeting are his own and do not necessarily reflect the opinions of his employer, nor the Board. **CONFLICT OF INTEREST**

PUBLIC QUESTIONS AND COMMENTS ON CLOSED SESSION

None. **PUBLIC COMMENTS**

With no further Board or Public comments, President Boyd recessed the meeting and adjourned to Closed Session at 4:32 p.m.

CLOSED SESSION

The meeting was reconvened in Closed Session at 4:35 p.m. **CLOSED SESSION**

Closed Session was adjourned at 6:00 p.m.

The meeting was reconvened to Open Session at 6:05 p.m.

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

PUBLIC QUESTIONS AND COMMENTS

**PUBLIC
COMMENTS**

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

DEPARTMENT OF WATER RESOURCES (DWR) FACILITATION UPDATE

**DWR
FACILITATION
UPDATE**

Lisa Beutler and Emily Finnegan of Stantec provided a report on the DWR Facilitation update. (Presentation available in Board packet.)

The Board heard public comment from Judie Decker, Mike Neel, Renee Westa-Lusk, and Mike Sinnott.

The Board asked clarifying questions to better understand the recommended next steps.

CONSENT CALENDAR

**CONSENT
CALENDAR**

MOTION: was made by Vice President Kicinski and seconded by Director Saint-Amand approving the Minutes of the January 9, 2023, Regular Board Meeting, Minutes of the January 24, 2023, Special Board Meeting Workshop, February 7, 2023, Special Board Meeting, Payment of Accounts Payable totaling \$1,675,669.07, and Resolution No. 23-02: AB 361 Finding. Motion was carried, unanimously by the following roll call vote:

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

PLANT & EQUIPMENT COMMITTEE

**P&E:
VARIANCE
REQUEST**

Pam Smith is requesting a variance to the requirement to construct a water line across the entire frontage of their parcel. The parcel is located at the southeast corner of Kendall Ave. and Lumill Street. A new water line will be constructed from the corner of Kendall Ave. and Summit Street 665 ± L.F. to the east and then south on Lumill Street 50 ± L.F. A covenant running with the land would be required by the District requiring the construction of the pipeline in Lumill Street to the south if needed by a landowner south of APN 343-200-26.

MOTION: was made by Director Griffin and seconded by Vice President Saint-Amand approving the variance request for Smith Family Trust and require a covenant running with the land. Motion was carried, unanimously. (Ayes: Boyd, Kicinski, Griffin, Rajtora, Saint-Amand. Nays: None. Absent: None.)

FINANCE COMMITTEE

**FINANCE: SRF
LOAN APP
ASSISTANCE**

Travis Romeyn, of Krieger & Stewart (K&S), reviewed two charts with the Board of Directors. The charts show the tasks, costs, and

timeline differences between State Revolving Fund (SRF) and Bond financing.

The Board directed staff to reach out to Association of California Water Agencies (ACWA) and State officials to discuss this issue further, including timeline concerns.

At the January 24, 2023, Board Workshop, staff was directed to reevaluate the proposed construction meter fixed monthly fee amount. Staff discussed options with Mark Hildebrand, of Hildebrand Consulting, and developed a recommended solution. **CONSTRUCTION METER RATES**

Ty Staheli reviewed the recommended solution with the Board, which would have the fixed monthly fee mirror the bulk water monthly fee, with an added \$25 fee to cover the handling, storage, reading, and tracking of construction meters.

MOTION: was made by Director Rajtora and seconded by Director Saint-Amand approving staff's aforementioned recommendation. Motion was carried, unanimously. (Ayes: Boyd, Kicinski, Griffin, Rajtora, Saint-Amand. Nays: None. Absent: None.)

ADMINISTRATION EXECUTIVE COMMITTEE

The Board reviewed the Special District Risk Management Authority (SDRMA) Notification of Nominations - 2023 Election and Director roles and requirements. No nominations made and no action taken.

ADMIN/EXEC:
SDRMA
ELECTIONS

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY (IWVGA)

Director Griffin commented on actions taken at the January 11th and February 8th Board meetings, including:

IWVGA

- Approval of letter of interest to U.S. Army Corps of Engineers.
- Heritage Village Shallow Well Impact Mitigation Evaluation discussion has been postponed.
- Submittal of the 2022 Water Year Annual Report to DWR has been postponed allowing for Directors, staff, and consultants to review and provide further comments.
- Approval of Resolutions authorizing Award of Contract to Provost & Pritchard Consulting Group for design services for the Imported Water pipeline, and a Resolution approving CEQA/NEPA documents and permit documentation services.
- Resolution to authorize Award of Contract to Overland, Pacific, & Cutler, LLC. for right-of-way and parcel acquisition services for the Imported Water pipeline.

The Board heard public comments from Judie Decker and Mike Neel (spreadsheet attached).

The Board directed engineering staff to review the topic of the Heritage Village well.

REPLENISHMENT FEE ADJUSTMENT

Don Zdeba commented that the governing Ordinance for the Replenishment Fee contains a procedure to reconcile the District's payment of the fee at the end of the year. Staff is still working with the IWVGA to reconcile the numbers for 2022. Staff has had additional discussions with the IWVGA staff since the posting of tonight's agenda.

REPLENISHMENT FEE ADJ.

Accordingly, no Board action is requested tonight, and it would be premature to report on anything further at this time. Mr. Zdeba did report that discussions to-date have been productive, and resolution is expected soon.

Vice President Kicinski left the meeting at 8:06 p.m.

Jim Worth reported on recent actions regarding the Comprehensive Adjudication, including:

**COMPREHENSIVE
ADJUDICATION**

- The next Case Management Conference is scheduled for March 17, 2023, at 1:30 p.m.
- Waiver of the initial appearance fee has been continued until February 28, 2023
- The Judge has continued the stay on discovery, as well as initial disclosures.

GENERAL MANAGER AND STAFF UPDATE

**GENERAL
MANAGER AND
STAFF UPDATE
SAFETY,
PRODUCTION &
NEW SERVICES**

Don Zdeba updated the safety record to 40 consecutive days without a recordable injury.

Metered water production at the wells for the month of January was 1,06,767,000 gallons (327.6 acre-feet). The number the State Water Resources Control Board (SWRCB) is using for comparison is metered water through the distribution system, or consumptions, and non-revenue water which is water lost to leaks, flushing activities, blow-offs, etc. That number is 101,257,000 gallons (310.7 acre-feet). The preliminary and full report were submitted to SWRCB on February 2nd. The conservation results for January show consumption down 24.1% compared to January of 2013, the baseline year established by the SWRCB. The 20% conservation target established by the District Board took effect in June 2016 for comparison. Through January the cumulative result remains at 23.6%.

In response to Governor Newsom's request for a voluntary 15% reduction to address current drought conditions, the SWRCB is also comparing current water consumption to the same month in 2020/2021. Comparing January 2023 to January 2021, there is a 9.6% reduction.

Comparing the January conservation results to recent years, consumption in 2022 was 25.3% lower than the 2013 baseline year, 2021 was 16% lower, 2020 was 30% lower, and 2019 was 23.8% lower.

The Residential gallons per capita per day (R-gpcd) for the month was 82.5. This includes both indoor and outdoor usage. There were three new connections during the month of January, contributing \$15,204 in Capital Facility Fees. There have been 13 new connections during this fiscal year, contributing \$62,538 in Capital Facility Fees.

Mr. Zdeba attended the Community Collaborative meeting at City Hall on February 7th. He shared information about the upcoming Board meeting on February 13th, including the update on the DWR Facilitation services, the February 27th Public Hearing on the proposed rate schedule. Mr. Zdeba also mentioned the Department of Drinking Water division of SWRCB has issued a requirement for water suppliers to submit either on a weekly, monthly, or quarterly basis, depending on determination if their water supply is "at-risk" the new SAFER report.

**PUBLIC
OUTREACH**

SAFER stands for Safe and Affordable Funding for Equity and Resilience. The District has been determined to not be at risk and are required to complete monthly reports and submit a quarterly report.

Staff continues to work with Providence Strategic Consulting to promote WaterSmart. As of this morning, there are 1,560 active accounts accounting for 12.1% of customers. This is an increase of nine accounts since last month's report. There were 478 customer alerts issued in January and there have been 13,398 in the past 12-months.

Staff reported that Assembly Bill 361 currently remains in place until January 2024, although the state-of-emergency related to COVID-19 in the state of California terminates on February 28, 2023. The end of the state-of-emergency means local agencies cannot use AB 361's provisions after that date for COVID-19 reasons. AB 361

The following updates were given on items assigned at the January 24, 2023, Special Board Workshop: BOARD WORKSHOP UPDATES

- **Potential Strategic Planning Efforts**

President Boyd reported the Ad-Hoc Committee met and had initial discussions they felt were strategic planning efforts for the District. Updates will be provided to the Board when available.

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

Layne expects to mobilize at the end of this month to install the new pump and other equipment. They are currently waiting for the motor to return from being serviced. WELL 31 REHAB

Work on A/C and electrical is being done at the Booster Station along with new fencing. Ring-wall construction and tank base compaction has been completed at the College tank site. The tank subcontractor is scheduled to return to begin erecting the tank at the beginning of March. They are working on inlet/outlet piping at the C-zone tank. The new Gateway tank is online and the old tank is draining for piping modifications to be made. BOOSTER STATIONS AND TANKS PROJECT

Ty Staheli reported that the estimated year-to-date revenues as of January 31, 2023, are \$9,318,913 and expenses are \$10,464,974. Expenditures exceeded revenues by \$1,146,061, which is less than budget by \$356,848. FINANCIAL STATUS

Mr. Staheli reviewed the report provided by ENGIE Services for July 2022 through January 2023 with the Board. For January, the actual savings was \$34,608.33 and the guaranteed savings \$36,684.25. The total saving this fiscal year is \$311,509.86. At the Well 35 site, the actual savings for January was \$982.51 and guaranteed was \$1,475.78. The total savings since the Well 35 site went online January 2022 is \$24,186.41. SOLAR PRODUCTION

Mr. Staheli reported on the following conservation items: CONSERVATION
State Water Resources Control Board (SWRCB) Water Waster Report - Thus far in 2023, there have been a total of 14 water waste reports received with 14 contacts made. There has been five formal Second Notices and one penalty issued.

WEKA, Inc. is scheduled to begin removal and installation of the replacement pipeline on February 27th. Staff, K&S, and WEKA participated in a preconstruction meeting on February 9th. WEKA estimates the job to take three weeks to complete. INYOKERN RD TRANSM. MAIN

Plant 1 is still pending underdrain replacement. The media has been excavated and the current underdrain has been removed. Staff is waiting for a revised quote to only replace the laterals for the underdrain. Staff is working on salvaging as much media as possible to replace in the vessels, with the hope that there can be two vessels online with a potential to purchase more replacement media next fiscal year. Plant 2 is offline; staff is keeping the plant in a constant readiness state should the water usage demand another well be brought online. This will cause a substantial amount of work to staff to maintain the plants during work hours due to the pneumatic valves failing to actuate in colder weather temperatures.

ARSENIC
TREATMENT

Mr. Lillion reported for the month of January, one service was repaired and 25 were replaced. The NO-DES truck made no runs in January. Since inception, the NO-DES truck has filtered 8,597,835 gallons. Zero valves were exercised as staff is working with Spatial Wave to provide a method for the valve turning machine to communicate with the software within the new Windows environment.

OPERATIONS

BOARD COMMENTS/FUTURE AGENDA ITEMS

None.

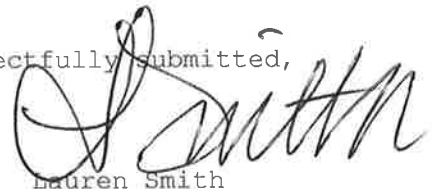
**BOARD
COMMENTS**

ADJOURNMENT

With no further business to come before the Board, the meeting was adjourned at 8:39 p.m.

ADJOURNMENT

Respectfully submitted,



Lauren Smith
Recording Secretary

APPROVED: March 13, 2023

Estimated GA Imported Water Cost Per Household

Grey cells below for user input, using their own assumptions. Items like Grant Amounts are guesses (to date)

Hookups (Households)

12,500 From Water District

Finance Rate

2% input desired assumed rate

Finance Term (years)

30 input assumed financing term

Water Supply

48,388,000 GA published amount(2019)

Cumulative Inflation

25% since 2019(estimated)

			Pipeline Project	
Pipeline Project				
AVEK Capital Cost	\$	177,975,000	GA published amount(2019)	LADWP Cost \$ 55,046,000
AVEK O&M cost	\$	2,280,000	GA published amount(2019)	LADWP O&M \$ 833,000
AVEK Annual Service	\$	5,860,000	GA published amount(2019)	LADWP Annual \$ 4,260,000
Grant Amount	\$	125,500,000	input any assumed amount	Grant Amount \$ 25,000,000

ONE TIME COSTS		AVEK	LADWP
Capital Costs		222,468,750	68,807,500
Table A Water Cost		48,388,000	48,388,000
One Time Cost(Total)		270,856,750	117,195,500
Less Grants		125,500,000	25,000,000
One Time Cost Less Grants		145,356,750	92,195,500
FINANCED		Finance Cost/Month	(537,267)
MONTHLY COST		Average Per Hookup	(43)
			\$ (27)

ANNUAL COSTS		AVEK	LADWP
Annual O&M Cost		2,280,000	833,000
Annual Service cost		5,860,000	4,260,000
Total Annual Costs		8,140,000	5,093,000
MONTHLY COST		Monthly O&M + Service Cost	
		Average Per Hookup	(54)
			\$ (34)

TOTAL		Total Monthly Cost Per Hookup	(97)	\$	(51)
		(Financed and Annual Costs)			

Summary of some cost scenarios - note that "annual costs" amount is not financed and will always be about \$54 per month

These examples are for the AVEK project (only realistic project)

Loan Rate %	Inflation rate	Grant amount	Term (years)	Monthly cost
1	25	\$125 Million	30	\$92
2	25	\$125 Million	30	\$97
4	25	\$125 Million	30	\$110
1	25	\$30 million	30	\$116
1	20	\$30 million	30	\$114
2	20	\$0	30	\$132
1	25	\$177,975,000	30	\$79

Best case scenario is (unlikely) \$79 per month

Worst Case scenario is \$132 per month