

Indian Wells Valley Water District

Board of Directors Meeting



April 10, 2017

INDIAN WELLS VALLEY WATER DISTRICT

BOARD OF DIRECTORS

Peter Brown, President
Chuck Cordell, Vice President
Donald J. Cortichiato
Chuck Griffin
Ronald R. Kicinski

Donald M. Zdeba
General Manager
Krieger & Stewart, Incorporated
Engineers
McMurtrey, Hartsock & Worth
Attorneys-at-Law

2017 COMMITTEE ASSIGNMENTS

ADMINISTRATION/EXECUTIVE COMMITTEE (BROWN/CORDELL)



Personnel, Legal Matters, General Plan, Community Relations, Board Meeting Agendas, Ordinances, Rules, Regulations, Policies, Procedures, Customer Service, Variances, Director's Manual, etc.

FINANCE COMMITTEE (CORTICHIATO/GRIFFIN)

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

GROUNDWATER SUSTAINABILITY ACT (GSA) COMMITTEE (BROWN/GRIFFIN)

Groundwater Sustainability Act, Indian Wells Valley Groundwater Authority, Water Management, Water Policy, Water Quality, Conservation, Urban Water Management Plan, California Urban Water Conservation Council, Title 22 Compliance, Alternative sources for water supply including Blending, Importation, Reuse, etc.

PLANT & EQUIPMENT COMMITTEE (CORDELL/KICINSKI)

Transmission/Distribution System, Vehicles & Equipment, Wells, Reservoirs, Real Property Management, Telemetry, etc.

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

| | |
|--------------------------|---|
| Administration/Executive | Wednesday before the Board Meeting @ 3:30 p.m. |
| Finance | Tuesday before the Board Meeting @ 3:00 p.m. |
| GSA | Third Thursday of the month @ 1:00 p.m. & Last Thursday of the month @ 2:00 p.m. |
| Plant & Equipment | Tuesday before the Board Meeting @ 2:00 p.m. |

500 West Ridgecrest Boulevard – Mailing Address: P.O. Box 1329, Ridgecrest, California 93556-1329

(760) 375-5086 Fax (760) 375-3969

www.iwvwd.com E-mail: iwvwd@iwvwd.com

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

REGULAR BOARD MEETING

AGENDA

MONDAY, APRIL 10, 2017 - 6:00 P.M.

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

(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 Rose Koch 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

(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 AND ADDRESS FOR THE RECORD).

7. CURRENT BUSINESS/COMMITTEE REPORTS

A. Consent Calendar

Description: Approval of Board Meeting Minutes and Accounts Payable Disbursements.

1. Approval of Minutes:
 - a. March 13, 2017 Regular Board Meeting
2. Approval of Accounts Payable Disbursements

B. Plant and Equipment Committee

1. Surplus Items

Description: Board consideration to approve surplus items.

Committee Recommends: Board approve the surplus list as presented.

C. Administration/Executive Committee

1. Board of Directors Manual

Description: The Districts of Distinction application requires the District's Board minute action adopting and/or having reviewed the policies and procedures manual within the past year.

Committee Recommends: Board approve the changes to the Board of Directors Manual as presented.

D. General Manager Compensation

Description: Board consideration to adjust the General Manager's compensation.

E. Indian Wells Valley Groundwater Authority

Description: Report and discussion regarding the March 16, 2017 board meeting of the Indian Wells Valley Groundwater Authority. Including, Board discussion and consideration of issues of importance requiring action by the Indian Wells Valley Groundwater Authority. Next meeting is scheduled for April 20, 2017.

F. General Manager and Staff Update (The Board will consider and may take action on the following items):

1. Water Production, New Services, and Personnel Safety Record

Description: Water produced from all District wells, report of the new services installed in the District, and personnel safety record for the preceding month.

2. Public Outreach

Description: Public Outreach Report.

3. January 24, 2017 Special Board Workshop Action Items Update

Description: Update on the items below.

- 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.

- 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.
- 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.

4. Well 33 Repair/Rehabilitation Project
Description: Update on the status of this Project.
5. OpTerra Solar Project
Description: Update on the OpTerra Solar Project.
6. Water Supply Improvement Project
Description: Update on the status of this project.
7. Financial Status
Description: Report on the District's current financial status.
8. AMI Pilot Project
Description: Update on the AMI Pilot Project.
9. Conservation
Description: Update on the Conservation Program and discussion on water conservation related items.
10. West Church Avenue Service Lateral Replacements Project
Description: Update on the West Church Avenue Service Lateral Replacement Project.
11. Arsenic Treatment Facilities
Description: Update on the Arsenic Treatment Facilities.
12. Operations
Description: Staff report on operations.

8. BOARD COMMENTS/FUTURE AGENDA ITEMS

9. CLOSED SESSION

- A. Potential Litigation
Conference with Legal Counsel
One Matter
(Pursuant to Government Code Section 54956.9(d)(2))
- B. Public Employee Performance Evaluation and Compensation
Position: General Manager
(Pursuant to Government Code Section 54957 and 54957.6)

10. ADJOURNMENT



Approval of Minutes

MINUTES OF THE REGULAR BOARD MEETING

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

March 13, 2017

The Regular Meeting of the Board of Directors of the Indian Wells Valley Water District was called to order by President Brown at 6:00 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 Jason Lillion.

PLEDGE

DIRECTORS PRESENT: President Peter E. Brown
Vice-President Charles F. Cordell
Director Donald J. Cortichiato
Director Charles D. Griffin
Director Ronald R. Kicinski

ROLL CALL

DIRECTORS ABSENT: None.

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

AGENDA DECLARATION

**AGENDA
DECLARATION**

Recording Secretary, Rose Koch, reported that the agenda for tonight's Regular Board Meeting was posted on Friday, March 10, 2017.

CONFLICT OF INTEREST DECLARATION

**CONFLICT OF
INTEREST**

None.

PUBLIC QUESTIONS AND COMMENTS

**PUBLIC
COMMENTS**

Public making comments were Mike Neel encouraging the Board to listen to what people are saying and Stuart Fields addressing solutions to the aquifer by reducing the use of water significantly and importing water. Director Griffin expressed his concern over the water being expelled from the aqueduct and suggested making containment basins on District property to trap the water being released at approximately 20,000 gpm.

CONSENT CALENDAR

**CONSENT
CALENDAR**

MOTION: was made by Director Cortichiato and seconded by Director Griffin to approve the Minutes of the February 13, 2017 Regular Board Meeting, and to approve payment of Accounts Payable totaling \$1,427,841.17. Motion was carried, unanimously. (Ayes: Brown, Cordell, Cortichiato, Griffin, Kicinski. Nays: None.)

ADMINISTRATION/EXECUTIVE COMMITTEE

ADMIN/EXEC

No action was taken by the Board of Directors for the Special District Risk Management Authority 2017 Election Board of Directors. SDRMA NOMINATION

No action was taken by the Board of Directors for the California Special Districts Association Board of Directors call for Nominations Seat C. CSDA NOMINATION

Don Zdeba reported that draft Ordinance No. 101 (included in the Board Packet) reflects the changes proposed by the Board of Directors at the January 24th Special Board Meeting Workshop. The language in the draft Ordinance and in the Urban Water Management Plan was found to be conflicting. The Urban Water Management Plan language is taken from the Water Shortage Contingency Plan adopted in 1992 (Resolution No. 92-08). ORDINANCE 101

The Board of Directors agreed by consensus to draft Ordinance 101 to include an update and revision of the Water Shortage Contingency Plan along with the current language in the Ordinance addressing the 1% penalties when the Governor declares either a State and local drought emergency and defining the fees of the local emergency as declared by the Board of Directors to meet the requirements of Senate Bill 814. These changes will be made to the Urban Water Management Plan at the next revision in 2020.

Director Griffin commented that he still opposes the term of "water waster" Director Kicinski reminded Director Griffin that there is an appeal process for those who are fined for excessive water use. Director Griffin also commented on being in compliance with Proposition 218 with the penalties. Legal Counsel responded that it will be in compliance with Proposition 218. Director Griffin also commented that in order for him to support Ordinance No. 101, institutional, commercial, and schools will need to be included in the restrictions.

During revision of Ordinance No. 101, staff will define institutional, commercial, and schools involvement as to "excessive water user." Staff will bring back to the Board of Directors at a subsequent Regular Board Meeting.

Jennifer Keep presented a draft procedure for customers to have the option of opting-out of the Automated Meter Infrastructure (AMI) reading system. AMI OPT-OUT PROCEDURE

MOTION: was made by Vice-President Cordell and seconded by Director Griffin to approve the AMI Opt-Out Program as presented.

Advantages of the AMI reading system include early leak detection, reduction in staff time manually reading meters, additional staff time to conduct meter repair and meter box maintenance, and more staff time to assist customers with water audits, etc.

The District is currently working with the AMI system in a pilot project consisting of 468 meters. Concurrently, staff added approximately 2,000 meters to the project when the 5/8" meters were exchanged to 3/4" meters.

At least one customer has publicly asked to opt-out of the AMI system due to privacy and safety reasons. Therefore, District staff presented a draft procedure for customers to have the option of opting-out of the AMI reading system at their home and/or business. Draft procedure includes the following:

- ✓ Request to opt-out must be made by the District customer of record. Family members, neighbors, or landlords cannot act on behalf of another customer.
- ✓ Customers can indicate their preference to opt-out of the AMI program by mailing in an opt-out form or by advising the District Office to sign-up in person.
- ✓ The current cost to opt-out of the AMI program and manually read the customer's meter is \$25.00 per month. The monthly fee will be reviewed during the Cost of Service process and modified as necessary to ensure the fee is adequate to cover costs.
- ✓ Opt-out customers may only opt-out or change their mind returning to an AMI meter one time per service address per calendar year. Customer will be charged the cost of the analog register, time, materials and a 15% administrative fee.
- ✓ Opt-out customers will not be eligible for the District's Unanticipated Use Claim program.

Staff commented that consideration should be made to amend the procedure so a customer going from the analog meter to an AMI register will also be charged the cost of the AMI meter, time, materials and a 15% administrative fee. This is only the case if it had originally been opt-out.

The breakdown of the \$25.00 monthly fee to read the analog register was also included in the Board Packet.

There was discussion between the Board of Directors and the public regarding the \$25.00 monthly fee to read the analog meter. Director Griffin commented that he will opt-out of the AMI system and feels the \$25.00 monthly fee is fair. Other Directors concurred that the \$25.00 fee is fair.

AMENDED MOTION: was made by Vice-President Cordell and seconded by Director Griffin to amend the previous Motion to include if the customer elects to opt back in to the AMI Program, there will be a cost to the customer as well who opts-out. Motion was carried, unanimously. (Ayes: Brown, Cordell, Griffin, Cortichiato, Kicinski. Nays: None.)

Ordinance No. 102 was presented to adjust Director Compensation to the allowable amount, including consideration of an annual 5% increase.

ORDINANCE NO.
102

MOTION: was made by Director Cortichiato and seconded by Director Kicinski, adopting Ordinance No. 102, Adopting Rules and Regulations Governing Compensation Received by Members of the Board of Directors for Services Provided on Behalf of the Indian Wells Valley Water District.

Director Griffin suggested the Board receive the same percentage of pay increase as the employees. Director Cortichiato responded, "In this case, the Board of Directors vote for employee compensation increases, and therefore, would be voting for the Directors compensation as well."

The Motion was carried, by the following roll call vote:

| | |
|-------------------------|-----|
| President Brown: | Yes |
| Vice-President Cordell: | Yes |
| Director Cortichiato: | Yes |
| Director Griffin: | No |
| Director Kicinski: | Yes |

| | |
|---|-----------------------------|
| RESOLUTION NO. 17-02: ACCEPTING DEDICATION OF WATER SYSTEM IMPROVEMENTS FOR MAINLINE EXTENSION AT MURRAY MIDDLE SCHOOL, VALUE: \$19,000.00 | RESOLUTION NO. 17-02 |
|---|-----------------------------|

Resolution No. 17-02 was presented to accept the dedication of water system improvements for 105± foot mainline extension for the new Murray Middle School on East Drummond Avenue. Improvements were constructed and installed by Kerns Brothers Construction at a cost of \$19,000.00.

Motion: was made by Director Cortichiato and seconded by Director Griffin, accepting dedication of water system improvements for 105± foot mainline extension for the new Murray Middle School on East Drummond Avenue.

The Motion was carried, by the following roll call vote:

| | |
|-------------------------|-----|
| President Brown: | Yes |
| Vice-President Cordell: | Yes |
| Director Cortichiato: | Yes |
| Director Griffin: | Yes |
| Director Kicinski: | Yes |

| | |
|---|-----------------------------|
| RESOLUTION NO. 17-03: RESTATING THE CONSOLIDATION OF DISTRICT ELECTIONS WITH THE STATEWIDE GENERAL ELECTIONS | RESOLUTION NO. 17-03 |
|---|-----------------------------|

Resolution No. 17-03 was presented to restate the consolidation of District Elections with the Statewide General Elections as directed by the Kern County Elections Office to include biennial elections consolidated with the general election on even-numbered years, reimbursement of the County of Kern for costs to conduct the election, and that the resolution remain in effect until rescinded by the board.

Motion: was made by Director Kicinski and seconded by Director Griffin, restating the consolidation of District Elections with the Statewide General Elections.

The Motion was carried, by the following roll call vote:

| | |
|-------------------------|-----|
| President Brown: | Yes |
| Vice-President Cordell: | Yes |
| Director Cortichiato: | Yes |
| Director Griffin: | Yes |
| Director Kicinski: | Yes |

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY (IWVGA)

IWVGA

Included in the Board Packet were the draft Bylaws of the Indian Wells Valley Groundwater Authority, a Memorandum for the IWVGA Staff Report Regarding Written Comments Received on Bylaws, and the IWVGA Policy Advisory Committee Guidelines.

The Board of Directors reviewed the draft Bylaws of the IWVGA.

MOTION: was made by Director Kicinski and seconded by Director Cortichiato to approve the draft Bylaws of the IWVGA as presented.

Discussion was had by Board Members and Public. The main concern was the lack of names for some entities such as large agriculture and Searles Valley Minerals.

After lengthy discussion, the following Motion was made giving President Brown direction as the Representative of the Indian Wells Valley Water District for the Groundwater Sustainability Agencies (GSA):

AMENDED MOTION: was made by Director Kicinski and seconded by Director Cortichiato to amend the previous Motion to give President Brown the approval to represent the Board's decision to include in the Bylaws the names of large agriculture entities (Meadowbrook, Mojave) and Searles Valley Minerals and to discuss the inclusion of the Conflict of Interest Code. Motion was carried. (Ayes: Brown, Cortichiato, Kicinski. Nays: Griffin. Abstain: Cordell.)

With regard to approval of the Charter for the Policy Advisory Committee, this item is tabled.

Meeting was recessed at 9:31 p.m. and re-convened at 9:45 p.m.

GENERAL MANAGER AND STAFF UPDATE

**GENERAL
MANAGER &
STAFF UPDATE**

Don Zdeba updated the safety record to 790 consecutive days without a recordable injury.

**SAFETY,
PRODUCTION &
NEW SERVICES**

Metered water production at the wells for the month of February was 112,943,800 gallons (346.6 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 February, the number is 80,846,000 gallons (248.1 acre-feet). The conservation results for February were reported to the SWRCB on March 2nd. Consumption was down 35.4% compared to February 2013. This follows a 25.5% reduction in consumption during January. The 20% conservation target established by the Board of Directors took effect June 1st. For the nine-month period since, the District's cumulative result is 21.9% exceeding the goal by just under 2%.

For the month of February, the District's reported R-gpcd was 79, the same as February 2015 and 6% lower than February 2014.

There were five new connections during the month of February resulting in capital facility fees of \$25,340. Total number of new connections for this fiscal year is 35, contributing \$256,790 in additional revenue.

Public Outreach:

- Don Zdeba attended the Community Collaborative meeting at City Hall on March 7th. Mr. Zdeba provided the following update: PUBLIC OUTREACH
 - Conservation results for February and the cumulative results since the Board adopted the 20% target beginning in June.
 - Update on Well 35.
 - Delivery and conservation benefits of the District's new NO-DES flushing unit acquired with financial assistance from the State Water Resources Control Board.
 - District booth at the annual Home and Leisure Show.

Don Zdeba reported that he was a guest speaker at two civic organization luncheons: Democratic Club on February 18th and the Kiwanis Club on March 2nd.

The District staffed a booth at the annual Home and Leisure Show held on March 11th and 12th at the Desert Empire Fairgrounds. Don Zdeba recognized staff members Rose Koch, John Svika, Kaleb Griffin, Michael Occhionero, Cory Krausman, Amber Chapin, and Lauren Duffy for assisting with setting up, staffing, and tearing down the booth. Marge Vargus, XERIC_o Ambassador, also participated on Saturday morning.

Don Zdeba updated the Board of Directors on the July 19th, 2016 Special Board Workshop Action Items: BOARD WORKSHOP UPDATE 2016

- Purchase Policies: Draft a vehicle purchase policy. Contact all vendors on the vendor list by e-mail and advise them to register on the District's website to receive e-mail alerts for all District projects requiring bids. Also, advertise annually in the newspaper advising vendors to register on the website. Resolution 16-09 was presented to the Board for approval August 8th. The Board agreed by consensus to continue current policy practices and not approve Resolution 16-09. This item will be complete when staff emails vendors to register on website. Update: The review and vetting of the vendor list is complete. Staff will send a direct mailing to each one on the list inviting them to register on the District's website. Access to the application has been added to the District's website home page. This item is complete.

Don Zdeba updated the Board of Directors on the January 24, 2017 Special Board Workshop Action Items: BOARD WORKSHOP UPDATE 2017

- 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.

- 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.
- 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: Item was discussed earlier at this meeting.
- Director Compensation: Legal Counsel review District resolutions pertaining to director compensation. Board recommends director compensation \$100 or allowable amount per training event/meeting/etc. including consideration of an annual increase of 5%.
Update: Ordinance No. 102 adopted earlier at this meeting. This item is complete.

Renee Morquecho reported that Layne Christensen began work on February 27th. The liner has been installed and gravel packing was finished last week. Consolidation of the gravel pack using airlifting has been completed. Installation of the test pump began today. Test pumping is expected to begin on Thursday.

Electricians began working today on the electrical for the carport structure in the District's parking lot. A crew has been working out at Well No. 31 performing wire management and grading, etc. Lighting upgrades will commence in about two weeks while the HVAC upgrades are scheduled for the end of March.

WELL 33 REHAB

Well 34: The contract has been signed by Layne Christensen and reviewed by District legal counsel. It was discovered that the bonds had the wrong date and amount. Once the new bonds are received, a pre-construction meeting will be scheduled and a notice to proceed will be issued.

OPTERRA SOLAR PROJECT

Well 35: Well 35 has been drilled and cased. The plumbness/alignment survey was conducted last week. Hydro Resources has begun pumping/surge development. They will be setting up the sprinkler system to fill up the pond.

WSIP

Jennifer Keep reported that estimated year-to-date-revenues as of February 28, 2017 are \$8,225,753 and estimated expenses are \$6,885,764, so estimated revenues exceed estimated expenses by \$1,339,989, which is better than budget by \$424,674.

FINANCIAL STATUS

As of February 1st, the Automated Meter Infrastructure (AMI) Pilot Project is active. Staff is learning the nuances of the system and adjusting reporting parameters.

AMI PROJECT

Jennifer Keep reported on the following conservation items:

CONSERVATION

- ✓ State Water Resources Control Board (SWRCB) Water Waster Report - There were 10 water waste reports during February 2017. Ten contacts were made. One resulted in a formal Second Notice. There were no Third Notices.
- ✓ Cash for Grass - Ninety three (93) yards have been completed resulting in removal of 101,868 square feet of turf (\$108,868). There are 21 yards (30,756 square feet) in the process of being converted. There are 46 yards (\$100,000) that are pre-approved and are awaiting notice for pre-inspection. There is approximately 12,000 sq. ft. for applications (6) pending. There is \$137,377 Cash for Grass funds available from the revised \$382,000 budget. Staff is working with the State to see if it is possible to make a modification to the program again to offer more rebate to top users. Approximately 17.5 acre-feet of water per year will be saved from yards that have been converted.
- ✓ XERIC® Ambassador Consultations: Two consultations were scheduled and completed for the month of February. There are two consultations pending.
- ✓ Postcards were mailed to customers last week. Postcards had informative conservation messages and the watering schedule.
- ✓ The Third Grade Billboard Contest has concluded. The billboard unveiling is scheduled for Wednesday, April 26th at 10:00 a.m. Location is to be determined.

Jason Lillion reported that the crew will be doing the tie-in at Margalo Street. There are three more services to install on Sunset Place. The next step will be to install laterals on the 100 and 200 block of Church Avenue.

CHURCH
SERVICE
LATERAL
PROJECT

The first of two FE pumps will be sent down to ITT's shop in City of Industry on Wednesday to be equipped with stainless steel impellers. Turnaround will take approximately five to six weeks.

ARSENIC
FACILITIES

For the month of February, 11 services were repaired and 23 were replaced. There were 33 blowoffs for a loss of 47,730 gallons. Twenty valves were turned. The NO-DES truck has arrived and training is scheduled for next week. Truck should be operating in April.

OPERATIONS
REPORT

BOARD COMMENTS/FUTURE AGENDA ITEMS

**BOARD
COMMENTS**

Director Cortichiato commented that public who comment on video recording of Board Meetings should be reminded that the Board of Directors have discussed this suggestion at a previous meeting and it was determined not to video the meeting due to the expense.

Director Kicinski recognized President Brown for being the Representative of the District on the Groundwater Sustainability Agencies. It is not an easy task and thanked President Brown for persevering.

With no further Board or Public comments, President Brown recessed the meeting and adjourned to Closed Session at 10:07 p.m.

CLOSED SESSION

**CLOSED
SESSION**

The meeting was reconvened in Closed Session at 10:11 p.m.

The meeting was recalled to Open Session at 10:21 p.m.

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

ADJOURNMENT

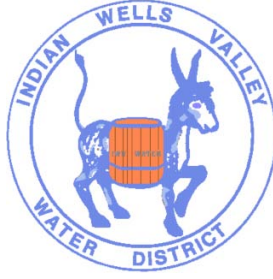
ADJOURNMENT

With no further business to come before the Board, the meeting was adjourned at 10:21 p.m.

Respectfully submitted,

Rose Koch
Recording Secretary

APPROVED: _____



Committee Reports

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

GROUNDWATER SUSTAINABILITY ACT COMMITTEE
MEETING MINUTES

THURSDAY, MARCH 30, 2017 – 2:00 P.M.

BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

Attendees: Peter Brown, Chuck Griffin, Don Zdeba, Renée Morquecho, Jennifer Keep, and Jason Lillion
Teleconferencing in was Indian Wells Valley Water District's attorney James Worth

1. Call to Order

The meeting was called to order at 2:01 p.m.

2. Committee/Public Comments

None.

3. Indian Wells Valley Groundwater Authority

James Worth said that the scheduling for the IWVGA Workshop is in the making. It is unsure if the IWVGA Workshop will take place before the April 20th meeting, in lieu of the meeting or after the meeting on April 20th. IWVGA Board and staff are aiming for an evening workshop.

The Request for Proposals (RFP) for a Water Resources Manager for the IWVGA were sent to 16 individuals, the deadline for turning in the RFPs is unknown at this time.

Chuck Griffin has not been involved with the email correspondence between the IWVGA Board and staff members. James Worth will try and resolve this issue.

Stan Rajtora asked for clarification on Phillip Hall's comment at the March 16th IWVGA Board meeting regarding all agencies being liable if the GSA were to face a lawsuit. James Worth stated the Joint Power Agreement defines how the IWVGA will conduct business. That is the governing document, regardless of Mr. Rjatora's understanding of Mr. Hall's statement. It was recommended that Mr. Rajtora directly ask Phillip Hall for clarification.

Stan Rajtora expressed concern that section 3.8 of the Bylaws should also be included in the workshop discussion along with Article 5 due to the two sections tying into one another.

James Worth has yet to have time to speak with legal counsel as to why Inyo County's Board representative and alternate both sat in on closed session of the February 16, 2017 IWVGA Board Meeting.

4. Water Conservation

Jennifer Keep reported on the Water District's conservation efforts stating that the Cash for Grass project is still in effect and the Water District is still receiving applications.

Consultations have been scheduled with a Water District XERIC® Ambassador for xeriscape. March had limited water waste restrictions resulting in minimal waste reports. Walmart has been approved for a temporary watering variance until the end of April. The store is not able to sign off on their project until everything is deemed complete by the California EPA, which requires Walmart to have the ground covered at least 70% with new plants. In the variance it was specified that the store cannot have any runoff, the store must maintain the 8 p.m. – 8 a.m. water restrictions, and the store must keep their watering times restricted. The bill message for April will include the watering restriction schedule effective April 1st. There will be an ad in the East Kern edition of the Daily Independent and also a radio ad on KSSI. Both ads will focus on the watering restrictions. The billboard contest is progressing. The contest consisted of local 3rd graders drawing ads for conservation. The billboard unveiling will be on April 26th.

Don Zdeba added that the AMI project is going well and every morning a report is produced for “potential leaks”. The other day a past co-worker of Mr. Zdeba had popped up on the potential leak list and Mr. Zdeba contacted him. The customer searched his home for leaks and used dye tabs in his toilet to discover he had a leaky toilet valve.

Stan Rajtora commented that on numerous occasions he was approached by public stating that the Water District wasn’t charging enough for water, to which staff advised Mr. Rajtora to refer the public to call the Water District.

Donna Hocker asked if the rate payers would end up paying for the funding of the GSA. To which staff answered yes. Ms. Hocker commented that if the City also starts taxing rate payers for funding of the GSA and the Water District includes a charge on their bills then it should just be one tax. Possibly there should be a single fee from Kern County instead of a couple different taxes.

5. Future Agenda Items

None.

6. Adjournment

The meeting was adjourned at 3:09 p.m.

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

PLANT AND EQUIPMENT COMMITTEE
REGULAR MEETING

REPORT

TUESDAY, APRIL 4, 2017 – 2:00 PM

BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

Attendees: Chuck Cordell, Ron Kicinski, Don Zdeba, Renée Morquecho, Jason Lillion, Travis Reed and Jennifer Keep.

1. Call to Order

The meeting was called to order at 2:00 p.m.

2. Committee/Public Comments

Don Zdeba informed the Committee that intertie testing with the Navy is scheduled for tomorrow and with Searles Valley Minerals next week.

3. Surplus Items: Presentation of List

Staff presented the Committee with a list of sixteen items, including three vehicles to advertise as surplus. Once the Board approves the list, the items will be advertised in the local papers and on the District website. The Committee recommended the Board approve the surplus list as presented.

4. Well 33 Repair/Rehabilitation: Update

Layne has installed the liner and gravel pack. The well was then swabbed to consolidate the gravel. Test pumping (surging followed by continuous pumping) began March 16th and was finished March 29th. They were able to pump 2000 gpm with no decrease in specific capacity. The video log was completed today and the liner placement was exactly where agreed upon. Next, any additional gravel pack will be added and the top of the liner will be sealed with bentonite. Installation of new pumping equipment will then be scheduled. The well is to be back in production before the end of this month.

5. WSIP Update: Upgrades to Well 34 and New Well 35

Well 34: A preconstruction meeting with Layne Christensen is scheduled for Friday April 14, 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 is being considered as a resolution. A similar problem was experienced after Well 34 was drilled and the super chlorination greatly increased the production from the well. Hydro has submitted two proposals and we are waiting for costs associated with those proposals before discussing them with Hydro.

6. AMI Pilot Project: Update

The 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.

7. Solar Power Project: Update

District staff continues to hold weekly meetings with OpTerra. There are three shutdowns scheduled this week to allow OpTerra to tie in to SCE at District sites. The Well 9A/10 site was scheduled for today at 9:00, Well 31 is scheduled for tomorrow and an outage at the District Office is scheduled for the morning of Saturday, April 8th. 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.

8. W. Church Ave Project: Update

This project is almost complete. All the service changeovers have been finished and the only thing that remains is one mainline abandonment near Sunset.

9. Future Agenda Items

None.

10. Adjournment

The meeting was adjourned at 2:20 p.m.

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FINANCE COMMITTEE
REGULAR MEETING
REPORT

TUESDAY, APRIL 4, 2017 – 3:00 PM

BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

ATTENDEES: Chuck Griffin, Ron Kicinski, Don Zdeba, Jason Lillion, Renee Morquecho and Jennifer Keep

1. Call to Order

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

2. Committee/Public Comments

The 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 COP debt service until 2040 as well as some operational costs. The Committee would like this issue added to the Board agenda for further Board discussion.

3. Cost of Service Study

Description: Staff update on Cost of Service study.

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. Director Griffin commented he is concerned whether or not the Tier 4 cost per unit is Prop 218 compliant. Staff noted it is checking into it.

4. Fraud Risk Discussion

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

None to report.

5. Financial Statements, February 28, 2017 (final) and March 31, 2017 (preliminary)

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

Year to date revenues as of February 28, 2017 are \$8,179,545 and expenses are \$6,910,581, so revenues exceeded expenses by \$1,268,964, which exceeds budget by \$356,649. Staff presented the following spreadsheet, which compares February 2017 year to date actual to budgeted revenues and expenses by category, and balance sheet.

Indian Wells Valley Water District

Revenues vs. Expense

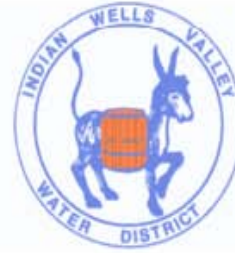
Actuals & Budget through February 2017

| | Budget | Actuals | Δ |
|--|------------------|------------------|-----------------|
| Revenues | | | |
| Total Water Sales | 6,726,000 | 6,752,995 | 26,995 |
| Total Water Service Revenue | 179,000 | 191,936 | 12,936 |
| Total Non-Operating Income | 304,200 | 358,624 | 54,424 |
| Capital Contributions | 847,200 | 875,990 | 28,790 |
| Total Revenues | 8,056,400 | 8,179,545 | 123,145 |
| Expenses | | | |
| Pumping Plant | 738,652 | 666,734 | -71,918 |
| Arsenic Treatment Plants | 223,524 | 222,060 | -1,464 |
| Transmission & Distribution | 1,095,178 | 1,153,499 | 58,321 |
| Engineering | 222,376 | 263,031 | 40,655 |
| Customer Service | 232,824 | 221,886 | -10,938 |
| Field Services | 287,068 | 284,330 | -2,738 |
| General & Administration | 1,094,164 | 1,061,379 | -32,785 |
| Legislative | 76,585 | 71,136 | -5,449 |
| Depreciation | 1,840,000 | 1,842,667 | 2,667 |
| Non-Operating, Interest | 826,172 | 831,466 | 5,294 |
| Non-Operating, Miscellaneous | 99,204 | 158,161 | 58,957 |
| Non-Operating, Conservation | 326,008 | 86,440 | -239,568 |
| Non-Operating, Alternate Water | 82,330 | 47,794 | -34,536 |
| Total Expenses | 7,144,085 | 6,910,581 | -233,504 |
| Net Revenue Increase (Decrease) | 912,315 | 1,268,964 | 356,649 |

General Ledger

Balance Sheet

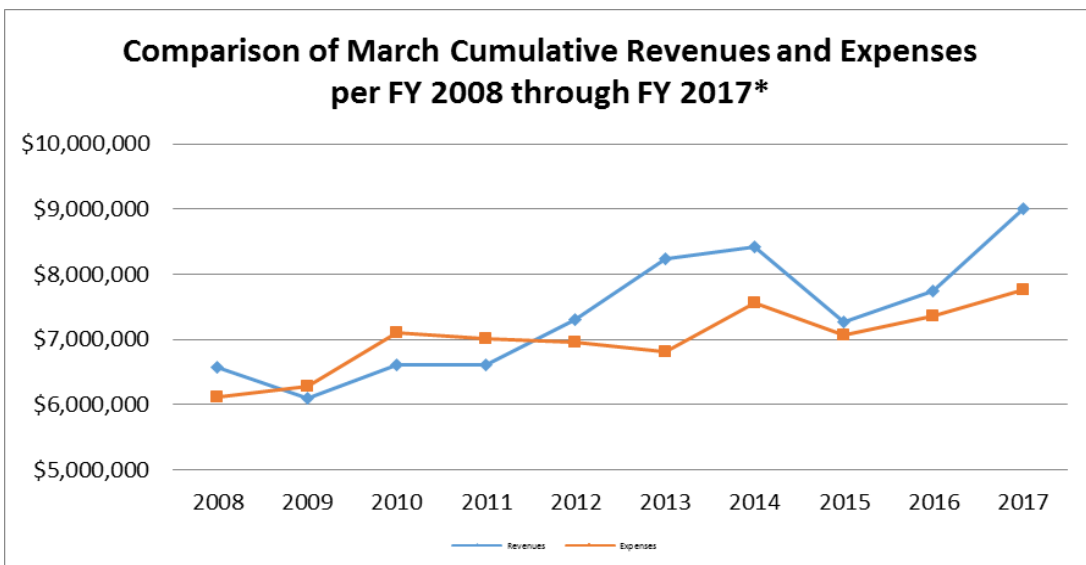
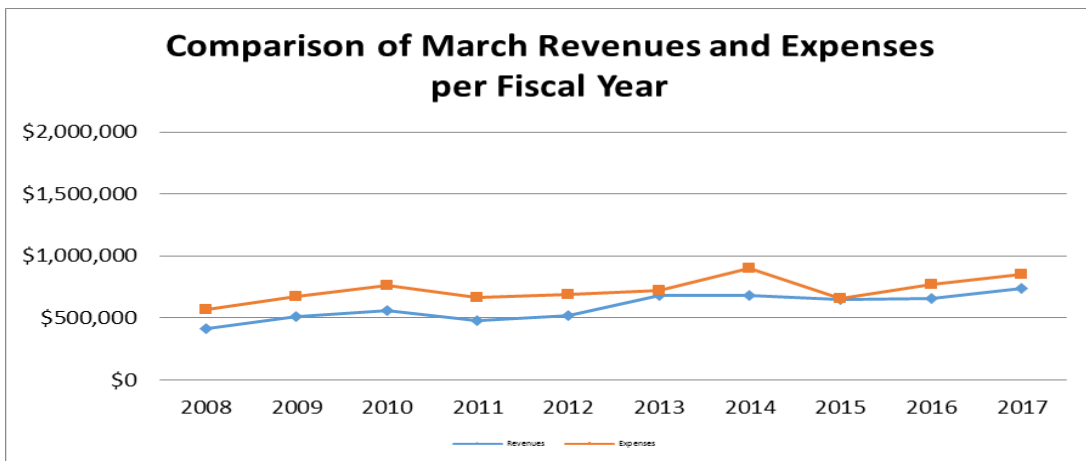
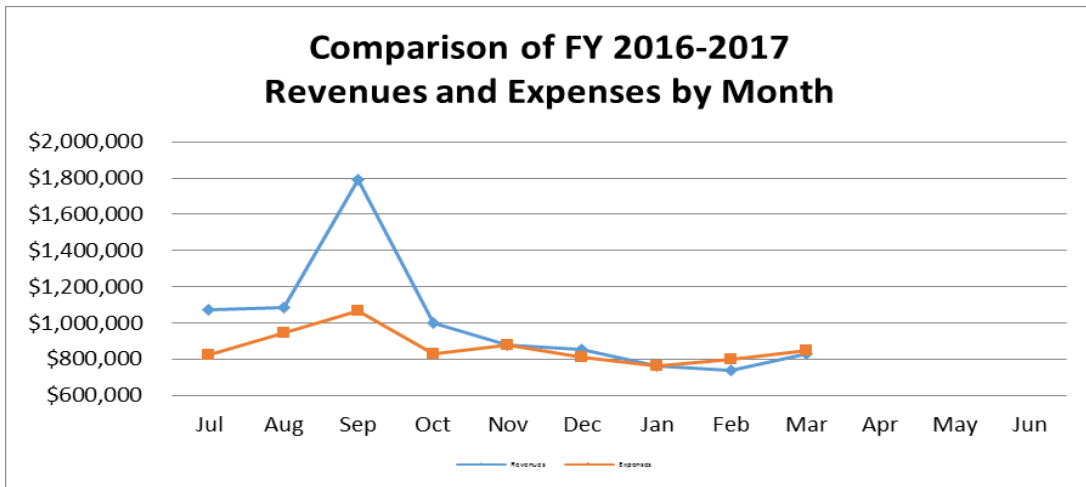
User: jleep
 Printed: 04/04/2017 - 12:11PM
 Fund: 1
 Period: 8
 Fiscal Year: 2017

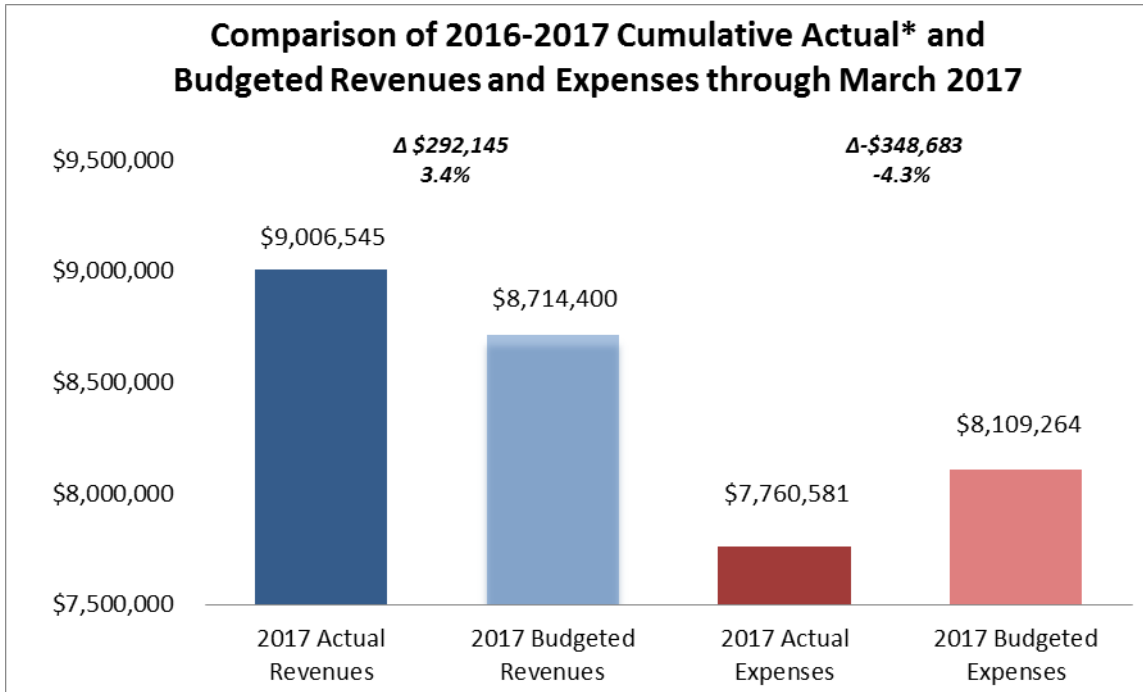


Fund ALFRE

| Account Type | Amount |
|--|----------------------|
| 1 - GENERAL FUND | |
| Assets | |
| Cash | 12,472,417.47 |
| Receivable | 1,138,239.35 |
| Inventory | 340,696.71 |
| Pre-Paid | 1,155,406.72 |
| Property, Plant & Equipment | 103,581,024.21 |
| Depreciation | (51,405,413.77) |
| Non-Current Assets | 1,269,771.61 |
| Restricted Assets | 2,784,960.07 |
| Total Assets: | 69,494,435.73 |
| Liabilities | |
| Current Liabilities | 703,590.69 |
| Long Term Liabilities | 29,600,278.99 |
| Total Liabilities: | 30,303,869.68 |
| Fund Balance | |
| Utility Plant & Fund Balances | 37,921,601.79 |
| Total Fund Balance: | 37,921,601.79 |
| Total Liabilities and Fund Balance: | 68,225,471.47 |
| Total Retained Earnings: | 1,268,964.26 |
| Total Fund Balance and Retained Earnings: | 39,190,566.05 |
| Total Liabilities, Fund Balance, and Retained Earnings: | 69,494,435.73 |
| Totals for Fund 1 - GENERAL FUND: | 0.00 |

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.





**Actual Revenues and Expenses are Estimated*

6. Accounts Payable Disbursements

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

The Committee recommended approval of accounts payable disbursements totaling \$1,778,000.96 as follows:

| | | |
|-----------------|----------------------|------------------------|
| Checks through: | <u>3/13/17</u> | <u>3/24/17</u> |
| Prepaid | \$ 527,092.20 | \$ 61,562.63 |
| Current | <u>171,107.69</u> | <u>1,018,238.44</u> |
| Total | <u>\$ 698,199.89</u> | <u>\$ 1,079,801.07</u> |

The Committee inquired about debt service frequency. Staff reported the solar loan debt service is paid monthly. The 2009 COP, Prop 55 Loan and 2012 Loan are paid off semi-annually.

7. Future Agenda Items

2017-2018 General Fund and Capital Improvements and Projects Budgets.

8. Adjournment

The Committee adjourned at 3:11 pm.

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

ADMINISTRATION/EXECUTIVE COMMITTEE
MEETING MINUTES

WEDNESDAY, APRIL 05, 2017 – 3:30 P.M.

BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

Attendees: Peter Brown, Chuck Cordell, Don Zdeba, Renée Morquecho, Jennifer Keep and Jason Lillion

1. Call to Order

The meeting was called to order at 3:30 p.m.

2. Committee/Public Comments

None.

3. Board of Directors Manual

Staff reviewed the updates made to the Board of Directors Manual which included:

- 1) Added Resolution 16-11: Amending the Conflict of Interest Code.
- 2) Job Description of Operations Manager was updated.
- 3) Replaced Personnel Manual with 2016 Personnel Manual (Amended August, 2016)

Regular Updates include:

- Committee Assignments
- Budget
- Organization Chart

The two directors present, Peter Brown and Chuck Cordell, acknowledged and approved changes. Changes to the Board of Directors Manual will also be read at the April 10, 2017 Regular Board Meeting.

4. Ordinance No. 101

Staff is working with Krieger & Stewart on an update of the Water Shortage Contingency Plan to include the requirements of SB814. The update will be presented as Ordinance 101 and the changes will be incorporated in the Urban Water Management Plan in 2020. The first draft of Ordinance 101 is expected next week.

5. Draft Agenda for Regular Board Meeting of April 10, 2017

The Committee reviewed the agenda and made changes as necessary.

6. Future Agenda Items

None.

7. Adjournment

The meeting was adjourned at 3:45 p.m.



7.B.1

Surplus List 2017

- Item 1. 2 4-Drawer file cabinets
- Item 2. 2 Green metal cabinets with shelves
- Item 3. 1 Water meter flow tester
- Item 4. 2 Ice chests
- Item 5. 1 Wooden desk
- Item 6. 2 Dell Monitors
- Item 7. Metal rack with 5 shelves
- Item 8. Office table with drawers
- Item 9. 1 Goodyear P235/75R15 RT/S tire
- Item 10. 3 Yokohama P235/75 R15 A/T tires
- Item 11. 1 Automatic gate opener (not working)
- Item 12. 17 Office Phones and 1 conference speakerphone
- Item 13. 2003 F250 regular cab 2wd V8 gas 105,330.4 miles. Minimum bid of 2,650.00
- Item 14. 2002 F450 extend cad 2wd 6.0 Diesel with a Douglas utility truck bed with crane mount with 106,265.2 miles. Minimum bid of \$3,000
- Item 15. 2004 F450 regular cab 2wd 6.0 Diesel with a Douglas utility truck bed with crane mount with 101,742.8 miles. Minimum bid of \$3,000.00
- Item 16. Dayton Air compressor (not working)



7.F.9.

SWRCB Water Waster Report

| | # of water waste reports received | # of contacts made (written or verbal) | # of formal warning actions | # of penalties issued |
|----------------------------------|-----------------------------------|--|-----------------------------|-----------------------|
| Jan-17 | 12 | 10 | 2 | 1 |
| Feb-17 | 10 | 10 | 1 | 0 |
| Mar-17 | 4 | 4 | 0 | 0 |
| Apr-17 | | | | |
| May-17 | | | | |
| Jun-17 | | | | |
| Jul-17 | | | | |
| Aug-17 | | | | |
| Sep-17 | | | | |
| Oct-17 | | | | |
| Nov-17 | | | | |
| Dec-17 | | | | |
| SUBTOTAL 2015 | 378 | 376 | 40 | 10 |
| SUBTOTAL 2016 | 406 | 399 | 28 | 3 |
| SUBTOTAL 2017 | 26 | 24 | 3 | 1 |
| TOTAL | 810 | 799 | 71 | 14 |
| TOTAL PENALTIES BILLED | | | | \$1,450 |
| TOTAL PENALTIES COLLECTED | | | | \$1,450 |

Cash for Grass

* In January 2016, the State approved \$322,000 grant funds for IWVWD Cash for Grass program

C4G funds still available* \$133,963

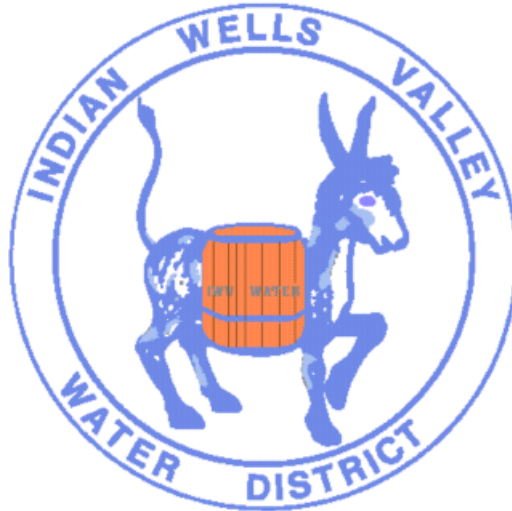
| | | \$382,000* Budget Accounting (\$1 = 1 square foot) | Potential Annual Water Savings (AF) | Savings - Cost to Produce 1 AF |
|------------------------------|------------|--|-------------------------------------|--------------------------------|
| Yards completed | 98 | 107,038.5 | 18.40 | \$4,672.00 |
| Yards pending | 25 | 40,999.0 | 7.00 | \$1,790.00 |
| Preapproved apps to stop H2O | 43 | 94,000.0 | 16.20 | \$4,130.00 |
| Applications Pending | 3 | 6,000.0 | 1.00 | \$262.00 |
| Total yards inspected | 169 | \$248,038 | 42.60 | \$10,854 |

| | |
|-----------------------------------|----|
| Withdrawn applications | 81 |
| Yards that didn't pass inspection | 17 |

XERIC® Ambassador Consultations

| | | | |
|--------|---|--------|--|
| Jan-17 | 0 | Jul-17 | |
| Feb-17 | 2 | Aug-17 | |
| Mar-17 | 3 | Sep-17 | |
| Apr-17 | | Oct-17 | |
| May-17 | | Nov-17 | |
| Jun-17 | | Dec-17 | |

| | |
|--|----------|
| Total Consultations in 2017 | 5 |
| Total Consultations Currently Scheduled | 0 |
| Total Consultation Applications not Processed | 0 |



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