

MINUTES OF THE REGULAR BOARD MEETING

BOARD OF DIRECTORS  
INDIAN WELLS VALLEY WATER DISTRICT

FEBRUARY 10, 2020

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

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

**DIRECTORS ABSENT:** Director Donald J. Cortichiato

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

**AGENDA DECLARATION**

**AGENDA  
DECLARATION**

Recording Secretary, Lauren Duffy, reported that the agenda for tonight's Regular Board Meeting was posted on Thursday, February 6, 2020.

**CONFLICT OF INTEREST DECLARATION**

**CONFLICT OF  
INTEREST**

None.

**PUBLIC QUESTIONS AND COMMENTS**

**PUBLIC  
COMMENTS**

None.

**COMMUNITY CHOICE AGGREGATION (CCA) PRESENTATION**

**CCA  
PRESENTATION**

Scott O'Neil provided an overview of what the CCA entails. This discussion was originally generated at the January 23<sup>rd</sup> Special Board Meeting Workshop during the topic of replacing swamp coolers with air conditioners (AC) in an effort to reduce water. During the Board discussion at the Workshop, the possibility of lower electric bills as a result of establishing a CCA could potentially help customers with the switch from swamp coolers to AC.

Mr. O'Neil used the City of Lancaster as an example, which has been a CCA for roughly ten years. He further commented that Lancaster's City Manager, Jason Caudle, will be presenting at the February 27<sup>th</sup> Economic Outlook Development Conference and encouraged attendance.

The Board heard Public comment from Don Decker and Mike Neel.

**PRESENTATION BY CHRIS BROWN OF FEDAK & BROWN, LLC:  
2018-2019 AUDIT REPORT**

**2018-2019  
AUDIT REPORT**

A PowerPoint presentation of the 2018-2019 Audit Results was given to the Board by Chris Brown of Fedak & Brown, LLC. Mr. Brown reported on the financial highlights of the District such as current assets, current liabilities, total net assets, total revenues, total expenses, and total expenses vs. total revenues.

It is the opinion of Fedak & Brown that the financial statements referred to within the audit fairly present the financial position of the District as of June 30, 2019. The District received an unmodified "clean" report. As a result of the audit, no material weaknesses within the District's internal control structure were identified.

The Board heard public comment from Judie Decker.

The Board directed staff to present costs accrued by the District for the IWVGA at the March Finance Committee meeting.

MOTION: was made by Director Kicinski and seconded by Vice-president Saint-Amand to receive and file the 2018-2019 Audit Report by Fedak and Brown, LLC. Motion was carried, unanimously. (Ayes: Cordell, Kicinski, Rajtora, Saint-Amand. Nays: None. Absent: Cortichiato)

**CONSENT CALENDAR**

**CONSENT  
CALENDAR**

MOTION: was made by Director Kicinski and seconded by Director Rajtora approving the Minutes of the January 13, 2020 Regular Board Meeting and the January 23, 2020 Special Board Meeting Workshop and payment of Accounts Payable totaling \$875,847.97. Motion was carried, unanimously. (Ayes: Cordell, Kicinski, Rajtora, Saint-Amand. Nays: None. Absent: Cortichiato)

**KRIEGER & STEWART ENGINEERING CONSULTANTS: 2020 FEE SCHEDULE**

**K&S 2020 FEES**

Don Zdeba presented Krieger & Stewart's (K & S), Engineering Consultants, 2020 Fee Schedule, as well as a 2019-2020 fee comparison spreadsheet (included in the Board Packet). K & S last increased their rate of compensation in January 2019. The proposed rates are to be implemented immediately.

MOTION: was made by Vice-president Saint-Amand and seconded by Director Kicinski to approve the 2020 fee schedule for Krieger & Stewart as presented. Motion was carried, unanimously. (Ayes: Cordell, Kicinski, Rajtora, Saint-Amand. Nays: None. Absent: Cortichiato)

**HAIWEE  
GEOTHERMAL  
PROJECT**

**HAIWEE GEOTHERMAL LEASING AREA PROJECT FINAL ENVIRONMENTAL ANALYSIS**

The Bureau of Land Management (BLM) published a final Environmental Impact Statement (EIS) for the proposed Haiwee Geothermal Leasing Area Project in Inyo County. The EIS analyzes the proposed leasing of 22,800 acres of BLM public lands for geothermal exploration, development, and utilization in the Haiwee Geothermal Leasing Area.

Due to the possible impact on natural recharge from Rose Valley into the Indian Wells Valley (IWV), staff recommends submitting a letter of protest in response to the proposed leasing of BLM public lands.

A draft copy of the protest letter was provided to the Board prior to the meeting. Staff will need to review the draft against a checklist of items that must be included to constitute a valid protest. Kern County intends to also submit a letter of protest, and possibly the IWVGA.

The Board heard public comment from Don Decker and Mike Neel.

MOTION: was made by Director Kicinski and seconded by Director Rajtora for legal counsel to review the response letter and submit on behalf of the District. Motion was carried, unanimously. (Ayes: Cordell, Kicinski, Rajtora, Saint-Amand. Nays: None. Absent: Cortichiato)

**SPECIAL BOARD WORKSHOP**

The Board discussed holding a one-topic Special Board Meeting Workshop for consulting engineer Chuck Krieger to present historical perspectives on the District's efforts to identify alternate water supply opportunities.

**SPECIAL BOARD  
MEETING  
WORKSHOP**

The Board unanimously agreed to schedule said Workshop on Thursday, March 5<sup>th</sup>; 9:00 a.m. Mr. Krieger confirmed his availability for the aforementioned date and time.

**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY (IWVGA)**

**IWVGA**

Director Kicinski reported on the following actions taken at the January 16, 2020 IWVGA Regular Board Meeting:

- Groundwater Sustainability Plan (GSP) was adopted and submitted to the Department of Water Resources (DWR).
- Potential administrative and augmentation fees.
- Water allocations based on existing water rights within the basin.
- Possible future Ordinances and requirements for non-deminimis well owners.

**GENERAL MANAGER AND STAFF UPDATE**

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

Don Zdeba updated the safety record to 1,854 consecutive days without a recordable injury.

Metered water production at the wells for the month of January was 109,765,000 gallons (336.9 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 January, the number is 93,330,000 gallons (286.4 acre-feet). The conservation results for January were reported to the SWRCB on February 6<sup>th</sup>. Consumption was down 30% compared to January 2013. The 20% conservation target established by the Board of Directors took effect last June 1<sup>st</sup>. Since that time, the cumulative result is 22.5%. For the month of January, the District's reported R-gpcd was 76.9, which is:

10.0% lower than	January 2018
21.1% lower than	January 2017
13.8% lower than	January 2016
27.3% lower than	January 2015
19.9% lower than	January 2014

There were eight new connections added during the month of January resulting in \$35,476 in capital facility fees. There have been forty-one new connections since the fiscal year began on July 1<sup>st</sup>, resulting in additional revenue of \$182,466.

Don Zdeba attended the February 4<sup>th</sup> Community Collaborative meeting at City Hall and reported on the following: PUBLIC OUTREACH

- The IWVGA approved the GSP. Stetson Engineers submitted the plan to the Department of Water Resources (DWR) on January 31<sup>st</sup>.
- Two Ordinances will be considered at future IWVGA meetings; one for fees and one requiring meters on non-deminimis potable water wells.
- Status update on the post-earthquake repairs and experience with California Governor's Office of Emergency Services (CalOES).

The following update was given on items assigned at the January 23, 2020 Special Board Workshop: BOARD WORKSHOP UPDATES

- Replacement of Swamp Coolers. Discussion to be held with the appropriate parties to possibly establish a CCA.

Scott O'Neil presented earlier in the meeting and staff will continue to follow up with this item and provide a report at the March meeting.

- Senate Bill (SB) 606 and Assembly Bill (AB) 1668.

No update available at this time. Staff will provide a report to the Board at the March meeting.

The contract was awarded to Pacific Hydrotech in November 2019. A pre-construction meeting is scheduled for Tuesday, February 11<sup>th</sup>. Construction is expected to begin in March. WELL UPDATE 35

The District's contact from California Office of Emergency Services (CalOES) is currently reviewing items already submitted. The packet for Well 30 has been reviewed and will be submitted for reimbursement, roughly \$110,000. He had further questions regarding the spreadsheet submitted for parts and amounts not adding up properly. Ms. Morquecho will review and resubmit to CalOES. POST-EARTHQUAKE REPAIRS

Staff is awaiting a report from BESST on the zonal flow and chemical profile testing of Well 10.

At the January 13, 2020 Regular Board Meeting, the Board approved to keep the bulk station at its current location and make necessary changes to be ADA compliant. Staff has since began working on those remediations. Discussion has been held of possibly moving the station BULK WATER STATION UPDATE

to the east side of the property. Staff will provide an update at the March Plant & Equipment Committee meeting.

Cosner-Neipp will be at the site on Thursday, February 13<sup>th</sup>, to install the new radio for internet in hopes that it will solve the communication issues.

The programming for the boosters and tanks is completed and ATSI is currently working on the wells. Once completed, they will begin work on the arsenic plants. ATSI has sent out orders for all the components, once received and checked in, they will send staff the invoices. Once all programming is finished, the panel designs will be sent for fabrication. Staff expects factory acceptance testing in mid-March. SCADA

Ty Staheli reported that the estimated year-to-date revenues as of January 31, 2020 are \$6,408,767 and expenses are \$6,944,131. Expenses exceeded revenues by \$535,364, which exceeds budget by \$454,743. FINANCIAL STATUS

Ty Staheli reviewed the report provided by ENGIE Services for July 2019 to January 2020 with the Board of Directors. The guaranteed savings during that time was \$275,921.63 and actual savings was \$274,239.68. The total savings since July 2018 is \$1,598,822.45. SOLAR PRODUCTION

There are 2,216 AMI registers left to be installed. Ferguson subcontractors have installed seven towers and ten collectors. Neptune will be returning on February 18<sup>th</sup> to commission/initialize the collector sites. Once all collectors have been installed, the AMI system should give the District over 96% coverage. AMI PROJECT

Ty Staheli reported on the following conservation items: CONSERVATION

- State Water Resources Control Board (SWRCB) Water Waster Report - For 2020, there have been two water waste reports received with two contacts made. There have been no formal Second Notices nor Third Notices.
- Cash for Grass - One hundred-sixty-two (162) yards have been completed resulting in removal of 191,126.5 square feet of turf (\$191,126.50). There are fifteen yards (47,148.0 square feet) in the process of being converted.
- There are ten yards (\$28,000) that are pre-approved and are awaiting notice for pre-inspection.
- There is one pending application.
- There are approximately \$101,726 Cash for Grass funds available from the revised \$382,000 budget.
- Approximately 48.2acre-feet of water per year will be saved from yards that have been converted.
- Cash for Grass funds must be used and all yards completed by February 29, 2020 to ensure paperwork is submitted prior to the grant deadline of March 31<sup>st</sup>.

Mr. Lillion reported for the month of January, five services were repaired and forty-four were replaced. Due to the geographic information system (GIS) tablet not working, the NO-DES truck made no runs in January. Since inception, the NO-DES truck has filtered 5,890,735 gallons. Forty-six valves were turned. OPERATIONS

**BOARD COMMENTS/FUTURE AGENDA ITEMS**

No Board comments.

**BOARD  
COMMENTS**

The Board heard public comment from Judie Decker.

With no further Board or Public comments, President Cordell recessed the meeting and adjourned to Closed Session at 7:36 p.m.

**CLOSED SESSION**

The meeting was reconvened in Closed Session at 7:45 p.m.

**CLOSED SESSION**

The meeting was recalled to Open Session.


There was no further action taken that would require disclosure under the Brown Act.

**ADJOURNMENT**

With no further business to come before the Board, the meeting was adjourned at 8:36 p.m.

**ADJOURNMENT**

Respectfully submitted,

  
Lauren Duffy  
Recording Secretary

**APPROVED: March 9, 2020**