

MINUTES OF THE REGULAR BOARD MEETING

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

MAY 11, 2020

The Regular Meeting of the Board of Directors of the Indian Wells Valley Water District was called to order by President Cordell at 6:10 p.m. via teleconference. **CALL TO ORDER**

The Pledge of Allegiance was led by Don Zdeba. **PLEDGE**

DIRECTORS ATTENDING

VIA TELECONFERENCE: President Charles F. Cordell
Director Donald J. Cortichiato
Director Ronald R. Kicinski
Director Stan G. Rajtora
Vice President David C.H. Saint-Amand

ROLL CALL

DIRECTORS ABSENT: None.

STAFF ATTENDING VIA

TELECONFERENCE: Jim Worth, Attorney;
Don Zdeba, General Manager;
Renee Morquecho, Chief Engineer;
Travis Reed, Associate Engineer;
Ty Staheli, Chief Financial Officer;
Jason Lillion, Operations Manager;
Lauren Duffy, Recording Secretary;

AGENDA DECLARATION

Recording Secretary, Lauren Duffy, reported that the agenda for tonight's Regular Board Meeting was posted on Friday, May 8th, 2020. **AGENDA DECLARATION**

CONFLICT OF INTEREST DECLARATION

None. **CONFLICT OF INTEREST**

PUBLIC QUESTIONS AND COMMENTS

Mike Neel commented on the importance of Public Board meetings versus via Webex. Mr. Neel suggested future meetings be held at City Hall if social distancing is still required. He further voiced his opinion that the District acquire the City's wastewater treatment plant. **PUBLIC COMMENTS**

CONSENT CALENDAR

MOTION: was made by Director Kicinski and seconded by Director Cortichiato approving the Minutes of the April 13, 2020 Regular Board Meeting and payment of Accounts Payable totaling \$589,465.42. Motion was carried, unanimously by the following roll call vote: **CONSENT CALENDAR**

President Cordell:	Aye
Director Cortichiato:	Aye
Director Kicinski:	Aye
Director Rajtora:	Aye
Vice President Saint-Amand:	Aye

PLANT AND EQUIPMENT

**P&E: CONCEPT
PLAN APPROVAL**

Don Zdeba commented the agenda item was presented at the P&E Committee meeting, where discussion was deferred to the Board Meeting. Mr. Zdeba stated that within this Concept Plan there are easements that were required to be granted to the District with regard to the infrastructure that will be installed for water service. In addition to the Concept Plan, they are requesting a Will-Serve letter.

After much deliberation, the following motion was made.

MOTION: was made by Director Kicinski and seconded by Director Cortichiato approving the Concept Plan for TPM 12291 and providing a Will-Serve letter. Motion was carried by the following roll call vote:

President Cordell:	Aye
Director Cortichiato:	Aye
Director Kicinski:	Aye
Director Rajtora:	Nay
Vice President Saint-Amand:	Aye

Mr. Zdeba commented staff is currently working with Jim Worth on the District Policy Approval of New Developments and no update is available at this time. Further discussion will be had at the Administration/Executive Committee meeting and also the June Board meeting. Staff is currently reviewing example Will-Serve letters provided by Cornerstone Engineering.

**POLICY
APPROVAL OF
NEW
DEVELOPMENTS**

The Board heard Public comment from Mike Neel.

The Board reviewed the memorandum provided by Krieger & Stewart (K&S) regarding the recommendation of award for the Gateway reservoir pipeline replacement and reservoir rough grading project. The District received four bids, with the lowest being submitted by Nicholas Construction, Inc. in the amount of \$493,000.00. The District may receive money from California Office of Emergency Services (CalOES) for the pipeline replacement, as it was damaged as a result of the July 2019 earthquakes.

**AWARD OF
CONTRACT**

MOTION: was made by Director Rajtora and seconded by Director Kicinski approving the Award of Contract to Nicholas Construction, Inc. for the Gateway reservoir pipeline replacement and reservoir rough grading project in the amount of \$493,000.00. Motion was carried, unanimously by the following roll call vote:

President Cordell:	Aye
Director Cortichiato:	Aye
Director Kicinski:	Aye
Director Rajtora:	Aye
Vice President Saint-Amand:	Aye

Renee Morquecho informed the Board that Dune III is a private mutual water company of 36 connections located in the China Lake Acres area. The owner of Dune III approached the State for assistance in consolidating with the District. The owner has several concerns with running the system by himself at his age. Staff had a conference call with the State Water Resources Control Board (SWRCB) on March 27th. Dune III is requesting the District to send a letter of intent to SWRCB to clarify the District's intent to consolidate.

DUNE III
CONSOLIDATION

If approved, SWRCB would need to determine the eligibility for any grant funding and conduct an income survey.

The Plant & Equipment Committee recommended the Board approve to continue with the process of consolidation with the stipulation that the consolidation would be covered by grant funding and would not cost the District any money. The letter will include statements of the requirements to consolidate and grant funding.

MOTION: was made by Director Kicinski and seconded by Vice President Saint Amand approving continuing with the process of consolidation with the stipulation that the cost is covered by the State with grant funds and does not cost the District money. Motion was carried, unanimously by the following roll call vote:

President Cordell:	Aye
Director Cortichiato:	Aye
Director Kicinski:	Aye
Director Rajtora:	Aye
Vice President Saint-Amand:	Aye

FINANCE COMMITTEE

Don Zdeba started by clarifying the request did not come from the Indian Wells Valley Groundwater Authority (IWVGA), but from Steve Johnson of Stetson Engineers, the IWVGA's Water Resources Manager. Mr. Johnson reached out to Don with concerns regarding the IWVGA cashflow issues and how it has impacted Stetson Engineers. At this time, there are approximately \$500,000 worth of invoices from Stetson that have been deferred.

FINANCE: GSA
ADDITIONAL
FUNDING
ADVANCE

The Board discussed how the advance may benefit the District's ratepayers and how, inevitably, the IWVGA will end up in this same predicament later on down the road.

This is not a formal request, as a formal request would need to come directly from the IWVGA.

The Board discussed that it is not in favor of advancing more funds to the IWVGA at this time.

The Board heard Public Comment from Mike Neel.

ADMINISTRATION/EXECUTIVE

The Board reviewed the proposed changes to the Personnel Manual. The changes include additions of a Lactation Accommodation Policy and a Hygiene Policy. Management and legal have reviewed the policies and the final drafts were presented to the Board.

ADMIN/EXEC:
PERSONNEL
MANUAL
CHANGES

MOTION: was made by Director Kicinski and seconded by Director Cortichiato approving the proposed changes to the Personnel Manual. Motion was carried, unanimously by the following roll call vote:

President Cordell:	Aye
Director Cortichiato:	Aye
Director Kicinski:	Aye
Director Rajtora:	Aye
Vice President Saint-Amand:	Aye

The Board reviewed the redline version of the updated Record Retention Policy. The Policy has not been updated since originally adopted in 2003. Some changes include removal of certain documents which are no longer used, social media writings, and electronic copies of documents. Any destruction of documents mentioned within the policy are required to have the signature of the General Manager or his designee. RECORD RETENTION POLICY

MOTION: was made by Director Cortichiato and seconded by Vice President Saint Amand approving the updated Record Retention Policy. Motion was carried, unanimously by the following roll call vote:

President Cordell:	Aye
Director Cortichiato:	Aye
Director Kicinski:	Aye
Director Rajtora:	Aye
Vice President Saint-Amand:	Aye

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

IWVGA

Don Zdeba commented that at the May 21st IWVGA Board Meeting there will be an agenda item with regards to a status report on a proposal to increase the existing Groundwater Extraction Fee. The increase in fees would cover additional costs associated with the development of the Groundwater Sustainability Plan (GSP). The pumping fee revenues aren't coming in as originally projected. The IWVGA Board requested staff to research potentially increasing the pumping fee and provide recommendations for consideration. A preliminary analysis of the costs associated with developing the GSP has been created by Ty Staheli. Albeit a moving target, there remains a \$1.5 million gap to pay off the GSP. Mr. Zdeba added staff expects to take a report with a final number to the IWVGA Board at the June meeting.

Director Kicinski stressed the importance of the IWVWD Board reviewing the proposed increased extraction fee prior to the IWVGA approving it.

Director Rajtora asked for clarification when the \$500,000 advance provided by the IWVWD would begin applying to its pumping fees. Mr. Zdeba replied he believes the District would be able to begin applying its credit toward any new fees implemented.

Mr. Zdeba commented the Administrative Budget was submitted to Stetson Engineers for review; however, no further discussion has been held with staff.

The Board heard Public comment from Mike Neel.

GENERAL MANAGER AND STAFF UPDATE

Don Zdeba updated the safety record to 1,945 consecutive days without a recordable injury.

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

Metered water production at the wells for the month of April was 132,652,600 gallons (407.1 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 April, the number is 109,692,400 gallons (336.6 acre-feet). The conservation results for April were reported to the SWRCB on May 6th. Consumption was down 32.0% compared to April 2013. The 20% conservation target established by the Board of Directors took effect June 2016. Since that time, the cumulative result is 22.5%. For the month of April, the District's reported R-gpcd was 93.2, which is:

1.5% lower than	April 2019
8.9% lower than	April 2018
32.4% lower than	April 2017
29.2% lower than	April 2016
54.6% lower than	April 2015

There were five new connections added during the month of April resulting in \$20,272 in capital facility fees. There have been sixty new connections since the fiscal year began on July 1st, resulting in additional revenue of \$263,554.

Don Zdeba commented that due to the COVID-19 pandemic and required social isolation, the Community Collaborative was cancelled for May.

**PUBLIC
OUTREACH**

The District's outreach continues to be primarily through its website and Facebook page. The District will be sponsoring an ad in an upcoming special edition from the Daily Independent to be published May 30th, titled "Rebuilding America". The ad will express appreciation to all first responders, including the District's staff, for their dedication and work during the pandemic. The ad will also inform readers about the status of the office closure.

Don Zdeba reported the Water Management Committee reviewed the discussion at the Special Board workshop during which the highest priority was assigned to recycled water from the City's treatment facility. Other options of interest, not in any particular order were Searles Valley Minerals self-reliance, capture of Coso Geothermal steam discharge, a banking project, and the ongoing Brackish Groundwater Feasibility Study.

**ALTERNATE
WATER SOURCE
WORKSHOP**

Mr. Zdeba added, with regards to recycled water, he has had three conversations with Ron Strand on this topic and he and Ron Kicinski talked briefly with Scott Hayman after the last month's GA Board meeting. In those conversations he mentioned the District's support for growth, but at the same time we are facing a fixed allocation from the GSP so any growth, unless offset (new theater causes the existing theater to close, e.g.), will result in the need to secure additional

supplies to meet the new demand at significant cost to our ratepayers, also residents of the city.

Pacific Hydrotech mobilized on May 4th. They provided an updated construction schedule, which indicates a new finish date of November 23rd. They have begun work on the pump pedestal and are preparing to do the pipeline tie-in. Travis Reed added the District is currently working on securing an encroachment permit from CalTrans and the County to detour traffic on Bowman Road and Highway 395, as well as Brown Road and Highway 395. WELL UPDATES 35

Staff was working with CalOES on the Damage Survey Reports and submitted all requested documents. CalOES approved the following for reimbursement: saddle rupture on Drummond Avenue, air release and vacuum valve assemblies, and the tank diving inspections. The reimbursement is estimated to be around \$53,000. POST-EARTHQUAKE REPAIRS

Layne Christensen will be on-site this week to complete the motor wire replacement at Well 10. The project will then be submitted to CalOES.

Staff is currently reviewing a preliminary design and bid package for the C-zone booster building submitted by Cornerstone Engineering.

Gateway boosters: Award of Contract was approved at the beginning of this meeting.

Tanks: Staff had a meeting with Chuck Krieger of Krieger & Stewart regarding the replacement of the tanks and decided to move forward with replacing them along with construction of two other needed tanks. Krieger & Stewart will be writing up a proposal for this project.

Staff has completed the new design and it was sent to the compliance specialist for review and approval. BULK WATER STATION

Ty Staheli reported that the estimated year-to-date revenues as of April 30, 2020 are \$9,043,476 and expenses are \$9,580,224. Expenses exceeded revenues by \$536,748, which exceeds budget by \$1,026,251. FINANCIAL STATUS

Ty Staheli reviewed the report provided by ENGIE Services for July 2019 to April 2020 with the Board of Directors. The guaranteed savings during that time was \$400,910.90 and actual savings was \$400,937.07. The total savings since July 2018 is \$2,667,616.22. SOLAR PRODUCTION

There are about 6 AMI registers left to be installed. All $\frac{3}{4}$ meters have been installed. Staff continues to monitor the data collected from the AMI Project for accuracy and ensuring all antennas have been installed. 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 twelve water waste reports received with twelve contacts made. There have been two formal Second Notices and one penalty issued.

ATSI and the District had a Zoom conference last week. On the conference, ATSI showed staff the panel view screens. Staff provided changes to ATSI and revisions are being made. Another meeting is scheduled for Wednesday, May 13th. Staff expects to have a factory acceptance test either late this month or early June, with installation taking place in June.

SCADA

Staff received the four motors back and all passed inspection. They also received the two original stainless-steel pumps and are awaiting a firm delivery date on the upgraded stainless-steel pumps. Staff will continue to coordinate rental of the crane to install the pumps based on that date.

ARSENIC
TREATMENT
FACILITIES

Mr. Lillion reported for the month of April, nine services were repaired and thirteen were replaced. The NO-DES truck made 30 runs in April and filtered 215,130 gallons. Since inception, the NO-DES truck has filtered 6.5 gallons. 124 valves were exercised.

OPERATIONS

BOARD COMMENTS/FUTURE AGENDA ITEMS

**BOARD
COMMENTS**

Director Kicinski thanked staff for their continued hard work.

Director Rajtora echoed the previous comment made by public on the importance to get the meetings back to normal where public can attend.

President Cordell also voiced his appreciation for staff and agreed with comments made by fellow Board members.

With no further Board or Public comments, President Cordell recessed the meeting and adjourned to Closed Session at 8:18 p.m.

CLOSED SESSION

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The meeting was reconvened in Closed Session at 9:01 p.m.

The meeting was recalled to Open Session at 10:17 p.m.

ADJOURNMENT

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With no further business to come before the Board, the meeting was adjourned at 10:22 p.m.

Respectfully submitted,



Lauren Duffy
Recording Secretary

APPROVED: June 8, 2020