

MINUTES OF THE REGULAR BOARD MEETING

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

JUNE 8, 2020

The Regular Meeting of the Board of Directors of the Indian Wells Valley Water District was called to order by President Cordell at 6:05 p.m. via teleconference. **CALL TO ORDER**

The Pledge of Allegiance was led by David Saint-Amand. **PLEDGE**

DIRECTORS ATTENDING **ROLL CALL**

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

DIRECTORS ABSENT: None.

STAFF ATTENDING VIA

TELECONFERENCE: 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

Recording Secretary, Lauren Duffy, reported that the agenda for tonight's Regular Board Meeting was posted on Friday, June 5th, 2020. **AGENDA DECLARATION**

CONFLICT OF INTEREST DECLARATION

None.

CONFLICT OF INTEREST

PUBLIC QUESTIONS AND COMMENTS

None.

PUBLIC COMMENTS

CONSENT CALENDAR

Jim Worth made the following corrections to the minutes:
May 11th, 2020: Addition of the sentence "No action was taken which would require disclosure under the Brown Act."
May 26th, 2020: Addition of the sentence "The meeting was recalled into Open Session."

CONSENT CALENDAR

MOTION: was made by Director Cortichiato and seconded by Director Rajtora approving the Minutes of the May 11th, 2020 Regular Board Meeting, Minutes of the May 26th, Special Board Meeting, and payment of Accounts Payable totaling \$665,199. 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

FINANCE :

Ty Staheli reviewed the 2020-2021 General Fund and Capital Improvements and Projects budget proposals with the Board of Directors. The proposed budget includes total revenues and expenditures similar to 2019-2020. The proposed budget for revenues is \$11,978,911, which is \$20,040 below the 2019-2020 approved budget. This includes a 3% Rate Increase, State Disaster Reimbursement, and elimination of the Cash for Grass program which ended in March 2020.

2020-2021
GENERAL FUND
BUDGET

For expenditures, the proposed amount is \$12,841,302, which is \$61,855 below the 2019-2020 approved budget. The main difference being an increase in Field Services of \$136,870, due to the service agreement for the new AMI collectors, the software for the AMI collection "Neptune 360", and cell services. Administration has an increase of \$129,575, due to increases in liability insurance, Legal costs, and Public Employee's Retirement System (PERS) unfunded liability costs.

The following categories saw decreases in expenditures:

- 2018 Certificate of Participation (COP) Premium hits the interest account for a reduction of \$100,000
- Cash for Grass completed Program for a reduction of \$217,000

Mr. Staheli presented proposed changes to the District's organizational chart. As a result of the completion of the AMI conversion check, staff proposes to eliminate the Non-District Field Services Temp position and change the Field Services District Temp to a permanent position. Routes will still need to be checked quarterly to ensure there are no obstructions prohibiting the communication of the meters as well as provide regular maintenance of meter boxes.

The proposed changes will not negatively affect the current Field Services employees.

Mr. Staheli reviewed the 2019-2020 projected cash flow ending on June 30, 2020 with the Board of Directors.

The beginning cash amount was \$25,214,616, with projected incoming revenue being \$11,823,722, and expenditures, including Capital Improvement, totaling \$13,475,859, resulting in net cash flow of -\$1,652,137.

The Debt Service Coverage was met at a ratio of 1.82 (minimum is 1.20x) and the Fund Reserve Target was met at \$2,894,341.

Mr. Staheli reviewed the 2020-2021 Proposed General Fund Budget. Beginning cash is \$23,562,479, with revenues projected at \$11,978,911, expenditures, including Capital Improvement Projects, totaling \$22,006,101, resulting in a net cash flow of -\$10,027,190.

The Debt Service Coverage and Fund Reserve Target would again be met.

Director Rajtora commented that he would like to eliminate the 3% rate increase which goes into effect on July 1st, 2020. Legal counsel, Jim Worth, responded that no action may be taken on a non-agenda item. Mr. Staheli added the 3% rate increase is a key component in the proposed 2020-2021 General Fund Budget.

MOTION: was made by Director Saint-Amand and seconded by Director Cortichiato to approve the 2020-2021 General Fund Budget as presented. 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. Staheli reviewed the proposed 2020-2021 Capital Improvement Budget with the Board of Directors. He further clarified the District has roughly 18-months to use the COP funds, which staff plans to use toward partially funding the following projects: 2020-2021 CIP BUDGETS

- New Infrastructure: Back Parking Lot & North Wall (\$570,000 COP)
- Solar Project at Well 35 (\$100,000 COP)

MOTION: was made by Director Kicinski and seconded by Director Saint-Amand to approve the 2020-2021 Capital Improvement Budget as presented. 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

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

IWVGA

Director Kicinski commented on the need for the District to review and discuss the potential impact that future IWVGA pumping fees could have on ratepayers. He asked for this item to be on the July IWVWD Board Workshop and for estimates of charges to the District's customers.

The Board discussed the IWVGA cash flow issue and development of an administrative staff. Further discussion was held on the importance of the District and City of Ridgecrest working together regarding fees implemented.

GENERAL MANAGER AND STAFF UPDATE

GENERAL MANAGER AND STAFF UPDATE SAFETY, PRODUCTION & NEW SERVICES

Don Zdeba updated the safety record to 1,973 consecutive days without a recordable injury.

Metered water production at the wells for the month of May was 174,036,100 gallons (534.1 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 May, the number is 143,343,900 gallons (439.9 acre-feet). The conservation results for May were reported to the SWRCB on June 4th. Consumption was down 30.9% compared to May 2013. The 20% conservation target established by the Board of Directors took effect June 2016. Since that time, the cumulative result is 22.7%. For the month of May, the District's reported R-gpcd was 119.9, which is:

1.1% lower than	May 2019
7.8% lower than	May 2018
4.1% lower than	May 2017
3.7% lower than	May 2016
17.3% lower than	May 2015

There were ten new connections added during the month of May, one that was pre-paid, resulting in \$45,612 in capital facility fees. There have been seventy new connections since the fiscal year began on July 1st, resulting in additional revenue of \$314,234.

Don Zdeba commented that due to the COVID-19 pandemic and required social isolation, recent Community Collaborative meetings had been cancelled. The meeting did resume in June via web meeting; however, he was unable to participate due to a conflicting meeting. Ty Staheli will provide more detail later in the meeting, but a major outreach effort commenced last week with the rollout of the WaterSmart customer portal. The AMI project began in 2015. PUBLIC OUTREACH

The following quarterly update was given on items assigned at the January 23, 2019 Special Board Workshop: BOARD WORKSHOP UPDATES

- Update 1997 General Plan. Updates to include distribution line expansion for disadvantaged communities, water haulers, and shallow wells. Plan will identify the areas, pros and cons, prioritize the areas, cost of line expansion to each area, and funding sources. Jim Worth will define Disadvantaged Communities (DAC) as part of the updated General Plan.

Renee Morquecho commented staff received an update from Krieger & Stewart (K&S) that they are making headway on updating the model. Staff sent K&S small water system maps received from the state, locations of normally closed valves at zone breaks, piping configurations at the pump stations, and pressure reducing valve stations. The hydraulic model should be completed within the next couple of weeks and the entire 2020 General Plan update by September of this year.

Director Kicinski requested information regarding the increase of pumping as a result of these upgrades to be presented at the July Workshop. Ms. Morquecho responded she would follow up with K&S if that amount could be provided by the July workshop.

Mr. Zdeba reported at the May 11th Regular Board meeting, the Board directed a letter to be sent to Ridgecrest City Council requesting a commitment for the City and District staffs to initiate negotiations, when appropriate, on an agreement meeting both parties' objectives in the best interest of the citizens of Ridgecrest and the District's ratepayers. The letter was sent on May 14th to City Council, as well as a copy to the City Manager. Mayor Breeden confirmed the letter has been received. Staff awaits a response. ALTERNATE WATER SOURCE WORKSHOP

The Board unanimously agreed to schedule the mid-year Board Workshop for July, 23rd at 9:00 a.m. The Board was asked to send their agenda requests to Lauren Duffy and Don Zdeba. An agenda item will also be on the July Regular Board meeting agenda to further discuss potential agenda items.

MID-YEAR
WORKSHOP

Photos of the progress of the pumping plant for Well 35 were displayed and included in the Board packet. Pacific Hydrotech mobilized on May 4th. They provided an updated construction schedule, which indicates a new finish date of November 23rd. The pump pedestal has been installed, as well as the drain lines. Work continues on the electrical for the building and the contractor will be preparing to pour the footing and begin the brick work over the next few weeks. Monthly progress meetings will be held with staff, the contractor, and project manager.

WELL 35
UPDATES

All completed work has been submitted to California Office of Emergency Services (CalOES) and approved for reimbursement. Ms. Morquecho will email out the estimated reimbursement total to the Board of Directors. The remaining items to be submitted for reimbursement are:

POST-
EARTHQUAKE
REPAIRS

- Gateway boosters (pipeline and booster building)
- C-zone booster roof and seismic upgrades

A preconstruction meeting is scheduled for June 9th with the awarded contractor of the Gateway pipeline project.

The ADA Compliance specialist has reviewed and approved moving forward with the Bulk Station plans.

BULK WATER
STATION

Staff decided on July 8th at 5:30 p.m. for a public meeting with bulk water customers. Notifications will be sent to all bulk water customers and will require an RSVP, to limit the number of attendees due to social distancing requirements. Ray Hocker will be livestreaming the meeting for those unable to attend. The ADA Compliance specialist confirmed he will be able to attend.

Ty Staheli reported that the estimated year-to-date revenues as of May 31, 2020 are \$9,957,052 and expenses are \$10,309,152. Expenses exceeded revenues by \$352,099, which exceeds budget by \$1,493,366. He added that as a result of Governor Newsom's Order to suspend the shutoff of utilities during COVID-19, 279 accounts have not been locked off. Compared to last year, same timeframe, there were 115.

FINANCIAL
STATUS

Ty Staheli reviewed the report provided by ENGIE Services for July 2019 to May 2020 with the Board of Directors. The guaranteed savings during that time was \$450,179.49 and actual savings was \$449,181.40. The total savings since July 2018 is \$3,116,827.62.

SOLAR
PRODUCTION

All AMI registers have been installed. At this time, staff is monitoring connectivity with the meters and checking for obstructions or issues with any register reporting lower connectivity. The WaterSmart program went live on June 1st, 2020. Welcome e-mails were sent to customers who had an e-mail address on file, whereas letters were mailed to the remaining customers on Friday, June 5th.

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 sixteen water waste reports received with sixteen contacts made. There have been two formal Second Notices and one penalty issued.

ATSI has completed the programming on the panel views. They have shipped the ethernet connections for the power monitors the District will be installing. Staff expects to have a factory acceptance test tentatively scheduled on July 28th. SCADA

The two stainless steel effluent pumps were installed on June 4th, one at each plant, with the idea that they can be brought online while waiting for the other two pumps to be completed. Staff expects the other two pumps to arrive the second week of July. ARSENIC TREATMENT FACILITIES

Mr. Lillion reported for the month of May, fifteen services were repaired and fourteen were replaced. The NO-DES truck made five runs in May and filtered 30,150 gallons. Since inception, the NO-DES truck has filtered 6.5 million gallons. 162 valves were exercised. Work on the Springside mainline has been completed. OPERATIONS

BOARD COMMENTS/FUTURE AGENDA ITEMS

BOARD COMMENTS

Director Kicinski commented that he was very proud of staff for all of their hard work.

Director Rajtora commented he would like future meetings to allow public participation and no more Webex meetings.

President Cordell and Director Cortichiato also thanked staff for all of their work.

With no further Board or Public comments, President Cordell recessed the meeting and adjourned to Closed Session at 7:58 p.m.

CLOSED SESSION

CLOSED SESSION

The meeting was reconvened in Closed Session at 8:25 p.m.

The meeting was recalled to Open Session.

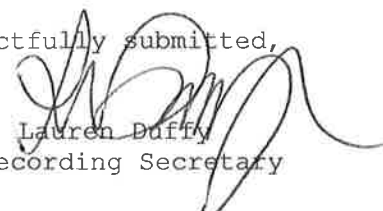
No action was taken which would require disclosure under the Brown Act.

ADJOURNMENT

ADJOURNMENT

With no further business to come before the Board, the meeting was adjourned at 9:01 p.m.

Respectfully submitted,



Lauren Duffy
Recording Secretary

APPROVED: July 13, 2020