

MINUTES OF THE REGULAR BOARD MEETING

BOARD OF DIRECTORS  
INDIAN WELLS VALLEY WATER DISTRICT

SEPTEMBER 14, 2020

The Regular Meeting of the Board of Directors of the Indian Wells Valley Water District was called to order by President Cordell at 6:06 p.m. via WebEx Teleconference. **CALL TO ORDER**

The Pledge of Allegiance was led by David Saint-Amand. **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;  
Ty Staheli, Chief Financial Officer;  
Jason Lillion, Operations Manager;  
April Nordenstrom, Executive Secretary;  
Lauren Duffy, Recording Secretary

**AGENDA DECLARATION**

Recording Secretary, Lauren Duffy, reported that the agenda for tonight's Regular Board Meeting was posted on Friday, September 11, 2020.

**AGENDA  
DECLARATION**

**CONFLICT OF INTEREST DECLARATION**

None.

**CONFLICT OF  
INTEREST**

**PUBLIC QUESTIONS AND COMMENTS**

Mike Neel commented on the importance of holding open meetings where public may physically attend.

Chuck Griffin echoed Mr. Neel's comments regarding open meetings in which members of the public may attend.

**PUBLIC  
COMMENTS**

**CONSENT CALENDAR**

**MOTION:** was made by Director Kicinski and seconded by Director Cortichiato approving the Minutes of the August 10, 2020 Regular Board Meeting, Minutes of the August 13, 2020 Special Board Meeting, Minutes of the September 9, 2020 Special Board Meeting, and payment of Accounts Payable totaling \$1,122,601.70. 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 COMMITTEE**

**P&E:**  
 ACCEPTANCE OF  
 CONTRACT  
 WORK: GATEWAY

The Board reviewed the recommendation from Krieger & Stewart to accept the Contract Work performed by Nicholas Construction for the Gateway Reservoir Pipeline Replacement and Reservoir Rough Grading Project. The Committee also recommended the Board accept the Contract Work in the amount of \$514,650.00.

MOTION: was made by Vice President Saint-Amand and seconded by Director Kicinski accepting the Contract Work performed by Nicholas Construction for the Gateway Reservoir in the amount of \$514,650.00. 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

The Board reviewed Resolution No. 20-05: Accepting Dedication of New Water Facilities for 760±LF of 12-inch PVC pipeline in a private street between China Lake Blvd. and Chelsea Street, for Holiday Inn, Value: \$144,320.00. The new water facilities were constructed and installed by So. Cal Contractors, Inc. to District specifications. The Water improvements were installed to provide water service to APNs 033-080-04 and 033-080-05 for Holiday Inn Express.

**RESOLUTION**  
**NO. 20-05:**  
**HOLIDAY INN**

MOTION: was made by Vice President Saint-Amand and seconded by Director Rajtora approving Resolution No. 20-05: Accepting Dedication of New Water Facilities for 760±LF of 12-inch PVC pipeline in a private street between China Lake Blvd. and Chelsea Street, for Holiday Inn, Value: \$144,320.00. 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

Ty Staheli presented the surplus items list to the Board of Directors (included in Board packet). Along with various office supplies, the list included the following surplus vehicles:

**SURPLUS ITEMS**

Year	Make	Model	Mileage
2007	Honda	Pilot	121,006
2008	Ford	F-150	74,160
2004	Ford	F-650/5yd Dump	56,927 *Reserve
1990	Ford	F-800/2,000-Gal Water	35,851
2005	Ford	F-250	94,078
1995	Ford	F-700/16' Flatbed	28,252
2006	Ford	F-450	110,397

The Board heard public comment from Chuck Griffin.

MOTION: was made by Director Kicinski and seconded by Vice President Saint-Amand to surplus all items as presented. 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

**ADMINISTRATION EXECUTIVE COMMITTEE**

**ADMIN/EXEC:  
POLICY ON  
FLOW REDUCERS**

As a result of Governor Newsom's Executive Order prohibiting water shutoffs during the pandemic, staff researched two options that could be installed on a past due customer's meter to reduce water flow. The Committee discussed the options and recommended that staff send a letter to all past due customers, incentivizing them to set up a payment plan and have their past due fees written off.

Mr. Zdeba commented District staff has continued to offer payment plans to past due customers with little to no avail. A few other Water Districts have utilized the flow reducer devices in response to the Executive Order, as well as a conservation tactic. He further explained the devices, stating the flow would be reduced to one gallon per minute. Staff does not anticipate this interfering with swamp coolers, as they usually require 15 gallons per hour.

The Board discussed concerns regarding customer safety in the event an emergency arose (i.e. a fire), and costs associated with the installation and removal of the flow reducers. Staff reiterated past due customers will still be responsible for all past due bills once the Executive Order is rescinded.

Board directed staff and legal to research options for agreements for past due customers to sign, requiring them to abide by its terms in order to have accrued late fees written off, but still be responsible for all past due bills. Further discussion to be held at the October Regular Board meeting.

The Board heard public comment from Mike Neel and Chuck Griffin.

AMENDED MOTION: was made by Vice President Saint-Amand and seconded by Director Kicinski to table further discussion on this topic and directed legal to review options for an agreement for past due customers to sign and directed staff to draft a letter to all past due customers incentivizing them to sign an agreement, as well as inform them of the Board's possible intentions to enforce installation of flow reducers. 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

Staff provided a breakdown of the manual reading fee with updated, AMI OPT-OUT current rates, which results in an average cost of \$54.64. The MANUAL READ current rate to opt-out is \$25, approved and based on costs from 2017. FEE The Committee recommends the fee remain the same, as they feel it is fair and appropriate.

The Board heard public comment from Mike Neel and Mallory Boyd.

MOTION: was made by Vice President Saint-Amand and seconded by Director Kicinski to keep the AMI Opt-Out Manual Meter Read Fee at \$25. Motion was carried by the following roll call vote:

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

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

**IWVGA**

Director Kicinski commented that a Replenishment Fee financial budget must be created to track all income, and especially expenses. The Proposition 218 notice specifically stated the fees collected were to be used to acquire water entitlements and pay for any claimed well mitigation. Therefore, it is necessary, for transparency reasons, to have detailed line item expense categories along with the justification for each line item. The Replenishment Fees and expenditures must be diligently tracked so that non-related expenses are not paid by the collected fees.

Finally, the IWVGA must attach a sunset to the Replenishment Fee. It has only been implied that it will expire in five years. Such terms as "estimated to take five years" and "collect approximately \$50MM" do not mean much. Without a definitive ending date, the fee might go on for many more years. This is unacceptable. There must also be an approved IWVGA Administrative Budget for approval by the IWVGA Board 60 days before the end of the fiscal year ending December 31, 2020.

We cannot accept that all future administrative expenses will fall into the Groundwater Sustainability Plan (GSP) development budget, or the Replenishment Fee budget. Although Don Zdeba, Ty Staheli, and Stetson Engineers spent many hours developing this budget the "ball was dropped" by legal because as it was stated "there was no way to figure out who benefits from the operations of the IWVGA".

So, there is no current income stream for the GA Administration. And because of this lack of action there will be attempts to categorize many future expenses as either GSP plan development expense or Replenishment Fee expenses. Remember the IWVGA Board stated that the Pumping Fee will stop after the approximately \$1.5M has been collected. So, any attempt to add expenses to this plan development budget cannot happen. The IWVGA must deny the request from the City of Ridgecrest to be reimbursed for approximately \$290,000 in legal fees. This will reduce the time that the Pumping Fee will remain in effect. The IWVGA Board accepted and approved Retainer Agreements from Kern County, the City of Ridgecrest and the IWVWD legal representatives that stated services would be provided as "In Kind".

Why should the IWVWD be expected to pay for the City's legal cost related to the IWVGA, as well as our own attorney. The City had a choice to be represented by their attorney. Just as the county and the IWVWD. They chose yes. There has yet to be a defined project to bring imported water into the valley. And we all know the capital cost and the yearly Operations & Maintenance (O&M) expenses make any project from the south unaffordable by our sparsely populated community; not to mention the years of litigation that might be required to build a pipeline and facilities through miles of protected land. The IWVGA Board must face up to the obvious solution of a water trade from the north, including water banking for Los Angeles Department of Water & Power (LADWP). And again, a new fee must be established in the future to pay for this necessary solution. This means another budget for GSP implementation. It is obvious from the above discussion that a Standing Finance Committee must be allowed. If not, who will control the millions of dollars of revenue and related expenses?

Director Kicinski continued that he has heard too much talk of how the tasks performed by the contractors to the IWVGA can be made to fit into the Replenishment Fee budget. Or worse yet, added to the GSP development budget. And let us not forget that the District's responsibility to provide the IWVGA general manager, finance reporting and clerk responsibilities ends at the end of 2020. Who will perform these duties? He commented that he can positively state that all duties, and associated costs, will not fall into the Replenishment Fee budget. No administrative revenue means no administration.

He further asked why can't a detailed engineering and/or legal explanation be made for the allocation of the Navy's carryover? Why is it that only Searles Valley Minerals (SVM) and the District are responsible for the purchase of augmented water supply? Again, the IWVGA Board has stated that all water pumpers except the Navy and de-minimis extractors must equally share in the costs for replenishment and mitigation. How is it that de-minimis pumpers are exempt from any costs? These questions must be answered to have a fair and equal participation in our aquifer becoming sustainable. Slipping in the cost for "Following" as a foot note in the Engineering Report justifying the Replenishment Fee was a very underhanded way to make sure that the IWVWD pays for the failure of Kern county to enforce their land use plan for many years. We are in this mess because the county allowed large scale commercial farming to develop in the desert. Why is it that the city residents and the IWVWD customers must pay for the fallowing of farmland that clearly lands under the county's jurisdiction and responsibility? The IWVWD clearly has its tasks laid out. We must reduce the amount of augmented water required by the District as defined and calculated by the IWVGA. If the District is to remain financially sound while providing the necessary water at a reasonable cost, we must make every attempt to find and control our own sources of water. The Water Management Committee must continue to explore all possibilities, including wastewater treatment, water banking projects with LADWP and possible other water purchase agreements. He concluded by stating we must use all sources available, such as Krieger & Stewart, Capitol Core, Parker Groundwater, our staff, and our legal team.

The Board agreed with and echoed Director Kicinski's comments.

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

Mr. Zdeba added an update on the IWVGA General Manager position, stating originally the position closed on August 30<sup>th</sup>, however Board and staff felt it best to extend it until October 10<sup>th</sup> in hopes to receive more applications.

**GENERAL MANAGER AND STAFF UPDATE**

Don Zdeba updated the safety record to 92 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 August was 255,652,200 gallons (784.6 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 August, the number is 248,320,800 gallons (762.1 acre-feet). The conservation results for August were reported to the SWRCB on September 10<sup>th</sup>. Consumption was down 14.7% compared to August 2013. The 20% conservation target established by the Board of Directors took effect June 2016. Since that time, the cumulative result is 22.9%.

For the month of August, the District's reported R-gpcd was 203.1, which is:

7.9% higher than	August 2019
4.5% higher than	August 2018
10.7% higher than	August 2017
2.7% higher than	August 2016
1.2% lower than	August 2015

There were sixteen new connections added during the month of August, including one pre-paid. There have been thirty new connections during the fiscal year that began on July 1<sup>st</sup>. The new connections have contributed \$146,972 in additional revenue.

Don Zdeba commented he participated in the web-based Community Collaborative September 1<sup>st</sup> meeting and reported on repairs at the Gateway Boosters, the work being done at Well 35, and the tank replacement program that includes replacement of two tanks with seismic upgrades (C-zone and D-zone) along with a new tank at the College and a second tank at Gateway to provide additional storage and redundancy. Mr. Zdeba also reported recent conservation results and mentioned the fees recently adopted by the Groundwater Authority and the potential impact on the average Water District customer.

**PUBLIC  
OUTREACH**

Mr. Zdeba also commented on a new General Manager's column provided to the News Review and Daily Independent on the topic of Groundwater Authority fees and the estimated impact on District customers. A link to the article was posted on the District's Facebook page. The bill calculator feature on the District's website has been updated to include the increased groundwater extraction fee and the Replenishment Fee to allow customers to estimate the impact of these fees on their bills.

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

- 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.

**UPDATE:** Mr. Zdeba reported the chapters related to existing facilities, water supply, and projected demands are nearly complete. The hydraulic network model is complete. The bulk of their effort now is focused on using the model to simulate various operation scenarios, including fire flows, to identify system deficiencies and recommended improvements to address said deficiencies. After that, K&S will prepare costs estimates for the improvements. A meeting with staff will be scheduled to discuss implementation schedule for constructing the improvements. K&S is also working with Ty to review Southern California Edison's (SCE) rate schedules and the District's recent, historic SCE charges to assess whether they can refine pumping schedules to reduce energy costs. The initial findings show that we can. Namely, it appears the current production capacity and storage capacity are adequate to serve demands during peak energy periods with water in storage rather than by pumping, thereby avoiding peak period premium power rates. Tentatively planning a Board workshop in mid to late October to review findings and get feedback. The plan would then be finalized in November.

The following updates were given on items assigned at the July 23,  
2020 Special Board Workshop:

- Take a closer look at the IWVGA fees and provide a breakdown  
**UPDATE:** The IWVGA staff has not made progress on identifying additional fees. Director Kicinski intends to request the Replenishment Fee be broken down by specific tasks at the IWVGA Board meeting on Thursday. This would provide a higher level of accountability for how those funds are expended.
- Focus on groundwater replenishment from the City's new recycled water treatment facility  
**UPDATE:** Krieger & Stewart (K&S) provided a draft memorandum on groundwater replenishment using deep well injection on Friday, September 11<sup>th</sup>. Staff is currently reviewing the draft.
- Mr. Worth to research legal options regarding Will-Serve letters and implementing fees  
**UPDATE:** Mr. Worth commented that due to the current workload with the IWVGA, he has not been able to work on this item.
- Revising the allocation table with suggestions from the Board  
**UPDATE:** Mr. Worth did not currently have an update.

Photos of the progress of the pumping plant for Well 35 were displayed. Pacific Hydrotech continues working on the pumping plant and the moveable wall. They are also working on interior piping, electrical, and exterior discharge piping that will connect to Bowman Road and to the on-site pond. Staff is currently trying to set up a call to receive an update on the contractor's plan going forward regarding the pipeline across Bowman Road.

WELL  
UPDATES

35

All completed work has been submitted to California Office of POST-Emergency Services (CalOES) and approved for reimbursement. The EARTHQUAKE District received reimbursement for all items except Well 10. The REPAIRS remaining repairs are the Gateway boosters (pipeline and booster building) and the C-zone booster roof/seismic upgrades. According to the State, the delay in submitting the Well 10 project for reimbursement was due to closing out the fiscal year. Once Nicholas Construction has completed their work on the pipeline, it will also be submitted for reimbursement after the final payment is made. The next phase will be the booster station. The plans for seismic upgrades to the C-zone booster building have been finalized and staff is waiting to review the final specifications.

Ty Staheli reported that the estimated year-to-date revenues as of FINANCIAL August 31, 2020 are \$2,314,503 and expenses are \$2,091,065. Revenues STATUS exceeded expenditures by \$223,438, which exceeds budget by \$802,558.

Ty Staheli reviewed the report provided by ENGIE Services for July and SOLAR August 2020 with the Board of Directors. The guaranteed savings PRODUCTION during that time was \$94,795.00 and actual savings was \$74,273.00. The total savings since July 2018 is \$4,202,624.31.

Ty Staheli reported on the following conservation items: CONSERVATION  
➤ State Water Resources Control Board (SWRCB) Water Waster Report  
- For 2020, there have been thirty-four water waste reports received with thirty-four contacts made. There have been five formal Second Notices and two penalties issued.

The stratus server was physically installed last week. Staff expects SCADA security and alarming software to be installed and tested this week. Installation of components is tentatively scheduled to begin next week.

For the month of August, Plant 1 did not run, and Plant 2 produced ARSENIC 51,402,000 gallons. All four stainless steel pumps are installed, and TREATMENT both plants are fully functional. FACILITIES

Mr. Lillion reported for the month of August, twenty-two services were OPERTATIONS repaired and twenty-six were replaced. The NO-DES truck made 28 runs in August and filtered 633,450 gallons. Since inception, the NO-DES truck has filtered 7,247,315 gallons. 126 valves were exercised. As a result of the Springer pipeline break, 2.3MG of water was lost.

**BOARD COMMENTS/FUTURE AGENDA ITEMS**

**BOARD COMMENTS**

Director Kicinski commented on his hopes to hold in-person meetings very soon.

With no further Board or Public comments, President Cordell recessed the meeting and adjourned to Closed Session at 8:10 p.m.

**CLOSED SESSION**

**CLOSED SESSION**

The meeting was reconvened in Closed Session at 8:22 p.m.

The meeting was recalled to Open Session at 9:10 p.m.

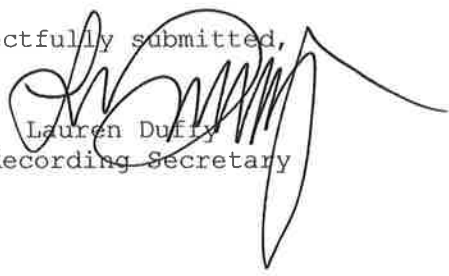


**ADJOURNMENT**

**ADJOURNMENT**

With no further business to come before the Board, the meeting was adjourned at 9:10 p.m.

Respectfully submitted,

  
Lauren Duffy  
Recording Secretary

**APPROVED: October 13, 2020**