

MINUTES OF THE REGULAR BOARD MEETING

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

JUNE 12, 2023

The Regular Meeting of the Board of Directors of the Indian Wells Valley Water District was called to order by President Boyd at 4:30 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 Lauren Smith. **PLEDGE**

DIRECTORS PRESENT: President Mallory J. Boyd
Vice President Ronald R. Kicinski
Director Charles D. Griffin
Director Stan G. Rajtora
Director David C.H. Saint-Amand **ROLL CALL**

DIRECTORS ABSENT: None.

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

AGENDA DECLARATION **AGENDA DECLARATION**
Recording Secretary, Lauren Smith, reported that the agenda for today's Regular Board Meeting was posted on Thursday, June 8, 2023.

CONFLICT OF INTEREST DECLARATION **CONFLICT OF INTEREST**
Director Saint-Amand stated his opinions shared during this meeting are his own and do not necessarily reflect the opinions of his employer, nor the Board.

PUBLIC QUESTIONS AND COMMENTS ON CLOSED SESSION **PUBLIC COMMENTS**
None.

With no further Board or Public comments, President Boyd recessed the meeting and adjourned to Closed Session at 4:32 p.m.

CLOSED SESSION **CLOSED SESSION**
The meeting was reconvened in Closed Session at 4:34 p.m.

Closed Session was adjourned at 5:59 p.m.

The meeting was reconvened to Open Session at 6:04 p.m.

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

PUBLIC QUESTIONS AND COMMENTS

**PUBLIC
COMMENTS**

The Board heard public comment from Mike Sinnott, Judie Decker, Mike Neel, and Renee Westa-Lusk.

CONSENT CALENDAR

**CONSENT
CALENDAR**

MOTION: was made by Vice President Kicinski and seconded by Director Saint-Amand approving the Minutes of the May 8, 2023, Regular Board Meeting, and Payment of Accounts Payable totaling \$1,474,848.09. Motion was carried, unanimously. (Ayes: Boyd, Griffin, Kicinski, Rajtora, Saint-Amand. Nays: None. Absent: None.)

PLANT & EQUIPMENT COMMITTEE

**P&E
SURPLUS LIS**

The Board reviewed the list of two surplus vehicles which will be added to the list previously approved by the Board. These vehicles no longer meet California emission requirements.

MOTION: was made by Director Rajtora and seconded by Director Griffin approving the surplus list consisting of two vehicles to add to the previously approved surplus list. (Ayes: Boyd, Griffin, Kicinski, Rajtora, Saint-Amand. Nays: None. Absent: None.)

FINANCE COMMITTEE

**FINANCE
2023-'24
BUDGET**

Ty Stahlie presented the 2023-2024 General Fund and Capital Improvements and Projects budget proposals. The District's financial goals are to have a balanced budget in which revenues exceed expenses, have positive cash flow, meet debt service obligations and not incur new debt. Due to leveling revenues outside of the GA Fees, inflationary cost increases of operating expenses, and significant capital projects, the District will not meet the first of these goals. The District will meet its debt service obligation and is anticipating incurring new debt or grant funding. The proposal projects revenues at \$17,599,695 and expenses at \$17,890,677 for a difference in which expenses exceed revenues by \$290,982. Specific budget changes compared to the 2022-2023 Fiscal Year General Fund Budget are as follows:

- Total water sales, budgeted a 95% of previous year's consumption, increased by \$1,615,878 due to implementation of the scheduled 8% rate increase.
- All labor and benefits costs increased due to an estimated COLA, applicable merit raises, and benefit cost increases.
- Arsenic Treatment Plants increased by \$164,750. Increases are due to increased usage of the Plants to supplement the capacity loss of the Inyokern 30" transmission line.
- GSA replenishment fee expense decreased due to reduced consumption.

Mr. Staheli will revise an error on page 2 of the General Fund Proposed Budgets, under "Capital Improvement Projects" should read "\$9,171,500".

The Board asked clarifying questions regarding the 2023-2024 General Fund and Capital Projects Budgets.

The Board heard public comment from Mike Neel and Mike Sinnott.

MOTION: was made by Director Griffin and seconded by Vice President Kicinski approving the 2023-2024 General Fund and Capital Projects Budget as presented with the aforementioned revision. (Ayes: Boyd, Griffin, Kicinski, Rajtora, Saint-Amand. Nays: None. Absent: none.)

ADMINISTRATION EXECUTIVE COMMITTEE

ADMIN/EXEC

The Board reviewed the Special District Risk Management Authority (SDRMA) Election Packet and unanimously agreed to vote for three incumbents: Robert Swan, Jesse Claypool, and Sandy Seifert-Raffelson to the SDRMA Board of Directors for the 2024-2027 term.

SDRMA
ELECTIONS

MOTION: was made by Vice President Kicinski and seconded by Director Griffin voting for three running incumbents for the SDRMA Board of Directors for a four-year term. (Ayes: Boyd, Griffin, Kicinski, Rajtora, Saint-Amand. Nays: None. Absent: none.)

The Board unanimously recommended President Boyd as the Association of California Water Agencies (ACWA) designated voting representative, as President Boyd is also the District's ACWA representative. Mr. Boyd will vote, on behalf of the District, for the next ACWA President and Vice via electronic ballot.

ACWA
DESIGNATE
VOTING REP

MOTION: was made by Director Saint-Amand and seconded by Vice President Kicinski designating President Boyd as voting representative for ACWA on behalf of the District. (Ayes: Boyd, Griffin, Kicinski, Rajtora, Saint-Amand. Nays: None. Absent: none.)

ASSEMBLY BILL (AB) 560

AB 560

Jim Worth presented a draft letter opposing AB 560, which is a bill attempting to create additional requirements that a judge must go through prior to making a final ruling in an adjudication.

The Board heard public comment from Judie Decker, Renee Westa-Lusk, and Mike Neel.

MOTION: was made by Director Griffin and seconded by Director Rajtora authorizing staff to send letter of opposition to AB 560. (Ayes: Boyd, Griffin, Kicinski, Rajtora, Saint-Amand. Nays: None. Absent: none.)

AUTHORIZING GM TO SUBMIT PROPOSAL FOR FUNDING ASST. FROM DCIP

RESO NO. 23-03

The Board reviewed Resolution No. 23-03: Authorizing the General Manager (GM) to submit a proposal and apply for funding assistance from the Office of Local Defense Community Cooperation under the Fiscal year 2023 Defense Community Infrastructure Pilot Program (DCIP) for construction of the Northwest Transmission Mainline Replacement Pipeline.

The Board extended their sincerest gratitude to Cpt. Vaughan for writing the support letter and to John Kersey for facilitating through this process.

MOTION: was made by Vice President Kicinski and seconded by Director Griffin approving Resolution No. 23-03. Motion was carried, unanimously by the following roll call vote:

President Boyd:	Aye
Vice President Kicinski:	Aye
Director Griffin:	Aye
Director Rajtora:	Aye
Director Saint-Amand:	Aye

SUPPORT OF ACWA PRESIDENT NOMINATION CATHY GREEN

RESO NO. 23-04

The Board reviewed Resolution No. 23-04: Support of Nomination of Cathy Green as candidate for Association of California Water Agencies (ACWA) President for the 2023 Election. Ms. Green previously served as Vice President for the past term.

MOTION: was made by Director Saint-Amand and seconded by Vice President Kicinski approving Resolution No. 23-04. Motion was carried, unanimously by the following roll call vote:

President Boyd:	Aye
Vice President Kicinski:	Aye
Director Griffin:	Aye
Director Rajtora:	Aye
Director Saint-Amand:	Aye

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY (IWVGA)

IWVGA

Director Griffin discussed items on the upcoming IWVGA Board meeting scheduled for June 14, 2023, including: the 2021 Financial Audit from Brown Armstrong, and the Communication and Engagement (C&E) Plan.

Director Griffin encouraged the public to attend the upcoming meeting.

Due to technical issues, the Board recessed the meeting at 7:09 p.m.

The meeting was reconvened at 7:20 p.m.

The Board heard public comment from Judie Decker, Mike Sinnott, Minke Neel, and Renee Westa-Lusk.

COMPREHENSIVE ADJUDICATION

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Jim Worth reported there was a Case Management Conference held on June 2nd. Judge Claster has still not been assigned by the judicial council. The judicial council has acknowledged they received the letter and supporting documents. At the June 2nd Case Management Conference, the parties and Judge Claster agreed it was time for the District to petition the Supreme Court of California directly requesting an assignment.

The next Case Management Conference is scheduled for September 1, 2023; at 2:30 p.m.

The Board heard public comment from Mike Neel.

GENERAL MANAGER AND STAFF UPDATE

GENERAL MANAGER AND STAFF UPDATE SAFETY, PRODUCTION & NEW SERVICES

Don Zdeba updated the safety record to 160 consecutive days without a recordable injury.

Metered water production at the wells for the month of May was 181,054,000 gallons (555.6 acre-feet). The number the State Water

MOTION: was made by Director Griffin and seconded by Vice President Kicinski approving the 2023-2024 General Fund and Capital Projects Budget as presented with the aforementioned revision. (Ayes: Boyd, Griffin, Kicinski, Rajtora, Saint-Amand. Nays: None. Absent: none.)

ADMINISTRATION EXECUTIVE COMMITTEE

ADMIN/EXEC

The Board reviewed the Special District Risk Management Authority SDRMA

damage and Indian Wells was shut off May 26th due to flooding concerns at Inyokern Airport. The leading edge of the flow has been shifting rather wildly of late. At one point it crossed Brown Road then it receded all the way west of Red Rock Canyon Road. Last week, once again, it encroached the District's Watkins property only to recede again west of Red Rock Canyon Road on Saturday. Today, with the clouds and cooler temperatures of recent days it has crossed Highway 178.

An amended Notice of Exemption was filed May 16th with language that does not limit the project to hand-placing sandbags because other less costly and laborious alternatives are under consideration including sand dams similar to those Kern County placed in 2017. The amended NOE has restarted the 30-day clock. The Navy provided a letter in support of the District taking action to slow the flow through the wash that has been included with the revised NOE as well as with the Stream Alteration Agreement application submitted to Fish and Wildlife May 19th. While work can start on after the NOE is filed, staff is awaiting approval from Fish & Wildlife for the Stream Alteration Agreement submitted over three weeks ago. There is the option to start a project and file an emergency application within 14 days and staff may need to consider that alternative.

At this point, staff is monitoring the leading edge of the release to see what impact the forecasted higher temperatures fewer clouds have. As long as it remained well away from any District property the thought was no action would be taken and resources will be better spent on addressing a long-term project to capture future releases.

As of Saturday, an estimated 6,952.7 acre-feet have been released into the basin. LADWP is providing regular updates on release points and rates and the information is being passed on to interested parties including the Navy, the Coso geothermal operation, and Stetson staff.

The Board heard public comment from Judie Decker, Mike Sinnott, and Renee Westa-Lusk.

Mr. Zdeba reported the original indoor standard set by the bills was 55 gallons per person per day (gpcd) until January 2025, 52.5 gpcd until 2030, and 50 gallons gpcd after 2030. Senate Bill (SB) 1157 proposed a revised indoor standard of 55, 47, and 42 at the same milestones. SB 1157 passed the Senate last August with 28 voting in favor of the bill. ACWA submitted a letter to the Governor September 2nd requesting he veto the bill, but the bill was signed September 28th. SB 606 and AB 1668

ACWA has expressed concerns that water suppliers and Californians need adequate time to comply with the goals of "Making Water Conservation a California Way of Life" in a manner that is cost-effective and realizes multiple benefits. Standards should be individually and locally feasible and variances, as currently being considered, are not feasible requiring significant burden of proof and technical assistance for compliance. In general, the proposed regulatory framework is too complex burdensome. ACWA remains engaged with three work groups currently meeting regularly. The Outdoor Working Group is meeting Monday afternoons, starting June 12th, from 1:00 - 2:00 p.m., for a total of 4 weeks. However, the SWRCB has not yet released updated material. Consequently, today's meeting was cancelled. The CII Working Group meets on Tuesday afternoons, starting June 13th, from 1:00 - 2:30 p.m., for a total of 8 weeks. The Methodologies & Variances Working Group

will meet on Wednesday afternoons, starting June 14th, from 2:00 – 3:30 p.m., for a total of 8 weeks.

The coaters finished up their work at the College tanks last week and electric work is being done this week. State inspection of the College tank is scheduled for June 22nd. The pumps for the booster station have been received. Staff is still waiting on the motor control center (MCC), which is not scheduled to arrive until July. The contract completion has been pushed until October.

BOOSTER STATIONS AND TANKS PROJECT

Ty Staheli reported that the estimated year-to-date revenues as of May 31, 2023, are \$13,897,048 and expenses are \$15,899,010. Expenditures exceeded revenues by \$2,001,962, which is less than budget by \$344,142.

FINANCIAL STATUS

Mr. Staheli reviewed the report provided by ENGIE Services for July 2022 through May 2023 with the Board. For May, the actual savings was \$58,593.45 and the guaranteed savings \$53,033.79. The total savings this fiscal year is \$521,308.23. At the Well 35 site (Phase 2), the actual savings for May was \$2,514.00 and guaranteed was \$2,188.44. The total savings since at the Well 35 site this calendar year is \$9,678.88.

SOLAR PRODUCTION

Mr. Staheli reported on the following conservation items:
State Water Resources Control Board (SWRCB) Water Waster Report – Thus far in 2023, there have been a total of 46 water waste reports received with 46 contacts made. There has been 20 formal Second Notices and seven penalties issued.

CONSERVATION

Staff is working with Krieger & Stewart (K&S) to assemble the final bid documents to make the project shovel ready, which combined with a third-party cost estimate, the District's description of the necessity of the project, and the letter received from Cpt. Vaughan, when all are completed, the District can apply for the DCIP grant. The plan is to have the documents ready for review this Friday, June 16th, and have the application submitted early next week. Once funding has been approved, it is believed the project will be out to bid and awarded later this year or early next, and completed before next year's pumping season.

INYOKERN RD TRANSM. MAIN

Plant 2 is running into the system and produced 34,246,000 gallons for the month. The District has received the shipment of the support media, and is consolidating all of the treatment media for Plant 1. Pureflow is scheduled to be onsite on June 20th for inspection of the District loading vessels in preparation for return to service.

ARSENIC TREATMENT

Mr. Lillion reported for the month of May, 12 services were repaired and 32 were replaced. The NO-DES truck made four runs in May, filtering 31,380 gallons. Since inception, the NO-DES truck has filtered 8,880,645 gallons. 21 valves were exercised.

OPERATIONS

BOARD COMMENTS/FUTURE AGENDA ITEMS

BOARD COMMENTS

Director Rajtora thanked John Kersey for the efforts put forth regarding the DCIP grant. He further commented that he agreed with Mr. Sinnott's earlier comments regarding his thoughts on recycled water and which agency should receive it.

Director Saint-Amand stated due to increasing water conservation imposed by state law, the water available for processing at the water treatment plant may reduce.

ADJOURNMENT

ADJOURNMENT

With no further business to come before the Board, the meeting was adjourned at 8:02 p.m.

Respectfully submitted,



Lauren Smith

Recording Secretary

APPROVED: July 10, 2023