

MINUTES OF THE REGULAR BOARD MEETING

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

AUGUST 14, 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 Jim Worth. **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: Tyrell Staheli, Interim General Manager
Jim Worth, Attorney
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 Friday, August 11, 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 4:31 p.m.

CLOSED SESSION **CLOSED SESSION**
The meeting was reconvened in Closed Session at 4:35 p.m.

Closed Session was adjourned at 5:56 p.m.

The meeting was reconvened to Open Session at 6:02 p.m.

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

PUBLIC QUESTIONS AND COMMENTS

**PUBLIC
COMMENTS**

None.

CONSENT CALENDAR

**CONSENT
CALENDAR**

MOTION: was made by Vice President Kicinski and seconded by Director Saint-Amand approving the Minutes of the July 7, 2023, Special Board Meeting, July 10, 2023, Regular Board Meeting, July 11, 2023, Special Board Meeting, July 25, 2023, Special Board Meeting Workshop, and Payment of Accounts Payable totaling \$1,910,043.73. Motion was carried, unanimously. (Ayes: Boyd, Griffin, Kicinski, Rajtora, Saint-Amand. Nays: None. Absent: None.)

WATER SHORTAGE CONTINGENCY PLAN

**2023 WSCP
SCHEDULE
PUBLIC
HEARING**

The Board discussed potential dates for the Public Hearing to adopt the 2023 Water Shortage Contingency Plan (WSCP). The WSCP was revised to include the new tier system. The draft redlined version of the WSCP will be sent to the Board for review.

The Board unanimously agreed to schedule the Public Hearing to coincide with the November Regular Board Meeting. Staff will take the appropriate measures to notify the newspaper and other agencies of the Public Hearing.

FINANCE COMMITTEE

**FINANCE
WATER SALES &
SERVICE
POLICY**

Director Rajtora submitted a summary of his comments on the Water Sales and Service Policy for the record. (Attached to minutes.)

No action was taken.

ADMINISTRATION EXECUTIVE COMMITTEE

**ADMIN/EXEC
ACWA REGION &
ELECTIONS**

The Board reviewed the ballot for the Association of California Water Agencies (ACWA) Region 7 election for the 2023-'24 term of president and vice president. The Board unanimously agreed to concur with the Region 7 Nominating Committee's recommended slate.

MOTION: was made by Director Saint-Amand and seconded by Vice President Kicinski concurring with the Region 7 Nominating Committee's recommended slate. (Ayes: Boyd, Griffin, Kicinski, Rajtora, Saint-Amand. Nays: None. Absent: none.)

The Board reviewed the draft Probation & Reinstatement policy to be included in the Personnel Manual. The policy was distributed to all employees and a meeting was held last week with staff. The majority of staff in attendance approved of the policy as presented.

**PROBATION &
REINSTATEMENT
POLICY**

MOTION: was made by Vice President Kicinski and seconded by Director Saint-Amand approving the Probation & Reinstatement Policy as presented. (Ayes: Boyd, Kicinski, Rajtora, Saint-Amand. Nays: None. Absent: none. Abstain: Griffin)

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY (IWVGA)

IWVGA

Director Griffin discussed action items of the July 12, 2023, IWVGA meeting, including:

- Next IWVGA meeting is tentatively scheduled for August 23, 2023
- Communication & Engagement Plan discussion with little action or public input
- Director Griffin requested to change meeting times to allow greater public participation
- Scoping meeting is scheduled for August 23, 2023; 5:30 p.m. to receive input in preparation of an Environmental Impact Report (EIR) for the Imported Water Pipeline Project

The Board discussed a letter dated August 9, 2023, written by staff with assistance of Krieger & Stewart. The letter was addressed to IWVGA's General Manager, Carol Thomas-Keefer, and Stetson Engineers regarding the Imported Water Conveyance System Project and several questions the District hopes to have answered.

The letter will be published on the District's website and Facebook page. (Letter attached to minutes.)

The Board heard public comment from Judie Decker.

COMPREHENSIVE ADJUDICATION

COMPREHENSIVE ADJUDICATION

Jim Worth reported that a judge still has not been assigned by the judicial council. On August 2nd, the District filed a petition to the Supreme Court of California directly requesting an assignment of Judge Claster.

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

GENERAL MANAGER AND STAFF UPDATE

GENERAL MANAGER AND STAFF UPDATE SAFETY, PRODUCTION & NEW SERVICES

Ty Staheli, Interim General Manager, reported as of today, employees at the Water District have worked 223 days since the last recordable injury.

Metered production at the wells for the month of July was 228,996,000 gallons (702.8 acre-ft). 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. That number is 1182,050,000 gallons (558.7 acre-feet). The conservation results for July show consumption down 41.8% compared to July of 2013, the baseline year established by the State Water Board. The 20% conservation target established by the District Board took effect in June 2016 for comparison. Through July the cumulative result is at 24.4%.

Comparing the July conservation results to recent years, consumption in 2022 was 35.0% lower than the 2013 baseline year.

The Residential gallons per capita per day (R-gpcd) for the month was 144.3. This includes both indoor and outdoor usage. There was one new connection added during the month, the first month of the new fiscal year. The connection contributed \$5,068 in Capital Facility Fees.

Don Zdeba attended the August 1st Community Collaborative meeting at City hall and reported Los Angeles Department of Water & Power (LADWP) stopped releasing water into the basin from the aqueduct on July 18th. It is estimated 10,085 acre-feet flowed into the basin since releases began in April. It was also reported the District was awaiting results of its application for Defense Community Infrastructure Pilot Program funding in support of the Northwest Transmission Pipeline Replacement Project, the new 550,000 gallons College Tank is in service, letters reporting boron exceeding the Notification Level were mailed to the City of Ridgecrest, Kern County, and San Bernardino County on July 27th.

PUBLIC
OUTREACH

Staff continues to work with Providence Strategic Consulting to promote WaterSmart on social media. As of this morning, there are 1,643 active WaterSmart accounts accounting for 12.3% of customers. There were 2,186 customer alerts issued in June and there have been 13,303 in the past twelve months.

The following updates were given on items assigned at the July 25, 2023, Special Board Workshop:

BOARD
WORKSHOP
UPDATES

- **Potential Strategic Planning Efforts**

The Committee plans to meet after the District's new General Manager, George Croll starts on September 1st.

- **Variance for Evaporative Coolers**

No update was available at this time.

- **Letter to the IWVGA regarding potential sites for monitoring wells in the El Paso area to be drafted by Tim Parker**

Once the letter is drafted it will be provided to the Board prior to distribution to the IWVGA.

The contractor expects delivery of the motor control center ("MCC") for the Booster Station this month. Meanwhile, the pumps and motors have been installed and the electrical installation continues. The new College tank is online and the old tank has been drained. The contractor is working on the pipe modifications to the old tank at this time. A punch list site walk was conducted last week and the list will be sent to the contractor.

BOOSTER
STATIONS &
TNKS

Best Drilling & Pump pulled the Well 33 pump last week. They also took the top portion from Well 34 (which staff took out years ago and rebuilt) to construct modifications to fit the Well 35 discharge head. Installation should be completed this week. With startup next week.

WELL
UPDATE 33

The estimated year-to-date revenues as of July 31, 2023, are \$1,555,041 and expenses are \$633,199. Revenues exceeded expenditures by \$91,842, which is better than budget by \$1,421,965. Year-end revenue accruals have yet to be booked. This is resulting in lower revenue numbers for the period.

FINANCIAL
STATUS

The Board reviewed the solar report provided by ENGIE Services for July 2022 through July 2023. There is no longer a guaranteed savings listed for Phase 1 since that part of the contract has ended. Staff will continue to review the solar production at each site. At the Well 35 site (Phase 2), actual savings for July was \$2,396.86 and the guaranteed savings was \$2,054.98. The total savings at the Well 35 site this calendar year is \$14,427.61.

SOLAR
PRODUCTION

The Board directed staff to provide the solar production reports on an annual basis going forward, unless an issue arises.

Mr. Staheli reported on the following conservation items: CONSERVATION
State Water Resources Control Board (SWRCB) Water Waster Report - Thus far in 2023, there have been a total of 60 water waste reports received with 60 contacts made. There has been 23 formal Second Notices and seven penalties issued.

Staff was informed that it did not rank high enough on the priority list to receive funding from the Defense Community Infrastructure Pilot Program. The interim General Manager will be continuing to reach out to Navy contacts to pursue other avenues of funding from the 2019 earthquake relief funds. Staff reached out to Weka to get a revised quote to cover the initial pipeline replacement project, which will not include any new appurtenances. INYOKERN RD
TRANSM. MAIN

Plant 2 is running into the system and produced 52,511,000 gallons for the month. Staff continues to work on sifting the treatment media from the support in a cost savings effort. ARSENIC
TREATMENT

Mr. Lillion reported for the month of July, 16 services were repaired and 30 were replaced. The NO-DES truck made four runs in July, filtering 52,170 gallons. Since inception, the NO-DES truck has filtered 8,947,275gallons. 15 valves were exercised. OPERATIONS

BOARD COMMENTS/FUTURE AGENDA ITEMS

**BOARD
COMMENTS**

Vice President Kicinski commented on the recent California Special District Association (CSDA) magazine published and encouraged the Board to read some specific articles in it.

Director Rajtora encouraged the public and staff to visit the Maturango Museum exhibit entitled, "Artistic Water-Wise Landscape". He also asked staff to continue following up with State Revolving Funds (SRF).

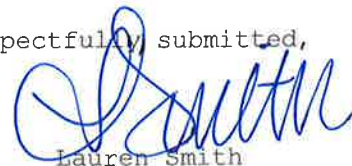
Board heard public comment from Judie Decker

ADJOURNMENT

ADJOURNMENT

With no further business to come before the Board, the meeting was adjourned at 7:16 p.m.

Respectfully submitted,



Lauren Smith

Recording Secretary

APPROVED: _____

7/11/23

1. The roles of the Board, Staff, and public need to be clear and unambiguous.
 - a. Staff action should be prefaced with, 'The staff ... (shall, will, or may)
 - b. The public should be able to appeal staff recommendations to the Board.
 - c. The public should be able to request a variance to Board policy with the concurrence of the GM, Board president, or any two Board members.
2. The ordinance should have numbered paragraphs to improve understanding and organization.
3. Add a paragraph identifying the key authorities and regulations governing water agency operation. This is standard practice in key ordinances.
4. Customer classes should be defined as spelled out in the American Water Works Manual. In particular, the Single-Family residence fee structure, should not be commingled with other customer classes with different usage characteristics.
5. The purpose of the landscape meter should be given. The landscape meter should be used solely for landscape water metering. It should never be used to reduce the fees of any account, be it SFR, multi-family residence, or CII.
6. The ordinance needs to include a "will-serve" policy that protects the existing rate-payers from increased fees and possible loss of water delivery in the future. Lack of a Board policy is currently putting the public at risk.
7. The ordinance should define both an appeal process and a variance process, which identifies both the staff and rate-payer responsibilities.
 - 7a. Any account wanting a variance to the connection fees for private fire service or landscape service should request a variance from the Board. Any new service creates new cost to the WD. Those fees have to be paid by someone. No new service should be automatically exempt.
 - 7b. If the staff does not want common variances listed in this document, an informal document needs to be developed for the use of the rate-payers. The Board has a responsibility to be transparent and provide complete information.
8. The ordinance should completely describe the purpose of an assessment district or provide a reference document for same. Do we still allow assessment districts? I have not seen any prohibition. Are there state or county laws governing them? Where are existing districts located. How do local contractors and realtors identify the locations? WD documentation needs to be complete.
9. The meter exchange should include an increase in both the Capital Facility Fee and the Distribution System Fee.



INDIAN WELLS VALLEY WATER DISTRICT



BOARD OF DIRECTORS

Mallory J. Boyd, President
Ronald R. Kicinski, Vice President
Charles D. Griffin
Stanley G. Rajtora
David C. H. Saint-Amand

Donald M. Zdeba
General Manager
Krieger & Stewart, Incorporated
Engineers
McMurtrey, Hartsock & Worth
Attorneys-at-Law

August 9, 2023

Carol Thomas-Keefer, General Manager
Indian Wells Valley Groundwater Authority

cc: Steve Johnson, Water Resources Manager
Indian Wells Valley Groundwater Authority

Subject: Indian Well Valley Groundwater Authority
Imported Water Conveyance System Project

Dear Ms. Thomas-Keefer,

We understand that the purpose of the Imported Water Conveyance System Project (Project) is to augment the supply of water within the Indian Wells Valley by importing water from the State Water Project (SWP), via the Antelope Valley East Kern Water Agency (AVEK) into the Indian Wells Valley for direct connection to the Indian Wells Valley Water District's (District's) domestic water system; thus providing in-lieu groundwater replenishment by reducing the District's groundwater extraction. As such, we believe that our participation in the Project is necessary for the Project's success, especially with a direct connection to the District's facilities currently being proposed. However, to date, the District's Board of Directors and other stakeholders have not been provided with sufficient information from the Indian Wells Valley Groundwater Authority (Authority) to allow it to formulate the District's position on the Project as currently conceived.

To proceed, it is incumbent upon the District to perform the necessary due diligence and accurately assess the various impacts of the Project on the District's customers and facilities, particularly with regard to costs. We appreciate the information provided to date by the Authority and its consultants to address our questions and concerns; but the provided details are not comprehensive enough to perform a thorough analysis, resulting in a number of questions remaining unanswered, which are set forth below. We believe that the Authority's responses will be informative for not only the District, but for other stakeholders as well.

Water Rights/Capital Cost

A comprehensive cost estimate covering the water rights purchase and capital costs of the Project has not been provided to date, but is necessary to assess the Project's financial impact on the District's ratepayers. It is anticipated that this cost estimate will need to address, at a minimum, the following questions:

- According to the current "letter of intent" that is in place per the Dudley Ridge Water District's (Dudley Ridge's) website, the Authority is to purchase 750 acre-feet per year (AFY) of SWP Table A water allocation from Dudley Ridge at a cost of \$8,528 per acre-foot (AF) for a total cost of \$6,396,000.
- The SWP is a variable water source that rarely provides 100% of the water allocations. Currently, the estimated long-term average allocation is approximately 42%, reducing the amount of the anticipated resulting "letter of intent" water allocation to 315 AFY. At this reduced rate, the Authority's future deliveries target of 6,431 AFY would require SWP Table A water allocations of 15,312 AFY. Assuming these additional water allocations would be acquired at a cost

similar to the Dudley Ridge "letter of intent" rate of \$8,528 per AF, this would be a total cost of approximately \$131,000,000.

- If an adequate amount of SWP Table A water allocation rights cannot be obtained, will alternate sources of water be pursued? If so, what are these sources and what are their anticipated costs?
- What is the Project's estimated capital cost? It appears likely to approach \$200 million, considering the Project consists of 50 miles of 20" or 24" pipeline, a 7 million gallon (MG) blending tank, three booster pump stations, disinfection station(s), and a pressure reducing valve (PRV) station.
- What are the estimated soft costs (design, permitting, construction engineering, inspection, etc.)?
- What is the estimated cost for CEQA/NEPA compliance, including anticipated related litigation and resulting Project delays?
- What is the estimated cost for the installation of the necessary Southern California Edison infrastructure to provide power to the three booster pump stations and one PRV station?
- What is the estimated cost for acquiring adequate easements for the installation of the conveyance system?
- What is the estimated cost for securing mitigation land needed to offset habitat disturbance resulting from Project construction?
- If loans/bonds are required to cover the above costs, what are the anticipated terms (interest rate and duration) and resulting financing costs?

Annual Operating Cost

It is anticipated that this cost estimate will need to address, at a minimum, the following questions:

- What are the SWP costs (both the fixed costs and variable transportation costs) required to secure the water on a yearly basis?
- What are AVEK's costs that will apply (treatment, delivery of treated SWP water to Project, injection/recovery of stored AVEK groundwater for delivery, wheeling, other)?
- What is the anticipated yearly cost (labor, electricity, disinfectant chemicals, repair materials, etc.) for operating and maintaining the conveyance system?

Future Capital Cost

The conveyance system will require replacement at the end of its design life (likely 50+ years for pipeline after completion, less for mechanical components), unless the basin demands are low enough that the system can be abandoned (which may then result in the Bureau of Land Management (BLM) requiring complete removal of the facility). What will be the estimated annual contribution to a "capital replacement fund" to prepare for such replacement activity?

Planning

- The District's current minimum day demand (typical for winter months) is between 1.0 and 1.5 MGD. The District's current maximum day demand is generally 5 MGD. The ultimate delivery of 6,431 AFY translates to about 5.8 MGD. What is the plan to accommodate the surplus delivery?
- Has delivery to a groundwater replenishment facility (either full-time or during low demand periods in the District's service area) been considered?

Operation/Permitting

- The District has stated that it would prefer to take operational control at the blending tank where water will be delivered and not be responsible for operation of the conveyance facilities, but no agreement is currently in place. The State Water Resources Control Board, Division of Drinking Water (DDW) has informed us that the entity that operates the proposed conveyance facilities must be a public water system. Who will be the operator of the proposed conveyance system?
- Are the intended operating hours of the conveyance system planned to be outside of the peak Time of Use (TOU) rates imposed by Southern California Edison (in order to help reduce operating costs)?
- The District has been informed by DDW that introducing State Water Project Water directly into the District's system, even if it has been treated and passed through a groundwater banking facility, will result in the District requiring surface water system licensure, which would require additional certifications for District's employees and additional monitoring. Said certifications will impose additional costs on the District and will take time to obtain. Additional monitoring requirements will be dependent on the specific quality parameters of the water to be delivered to the District. Are the results of a complete water quality analysis of the water proposed to be delivered via the proposed conveyance system available so that potential water quality issues requiring action by the District are known?

Water Quality

- Should any water quality constituents of the imported water, such as Total Dissolved Solids (TDS), exceed those of the existing groundwater supplies, will the City of Ridgecrest's Wastewater Treatment Plant be required to incorporate additional improvements to comply with its operating permit discharge regulations, and to prevent adverse impacts on the groundwater basin? If so, what are the estimated costs for said capital improvements?
- There is a potential issue with Trihalomethanes (THMs) in the AVEK system that we understand will need to be addressed with additional treatment at the connection point to the District's system. What is the proposed treatment process, and what is the anticipated cost of the necessary facilities?
- What is the plan for maintaining water quality in the pipeline (especially during low flow conditions)?

Flushing/Disinfection

- It is possible that a complete flushing and disinfection will be required any time the system sits unused for a period of time. In these instances, it appears an expected loss of water of approximately 18-20 AF is possible for every flushing occurrence (which would constitute 2-6% of the initial water quantity anticipated to be conveyed by the pipeline). What is the plan to prevent/reduce the need for these flushing events (i.e., maintain a constant flow to percolation ponds during low flow periods, etc.)?
- Where will discharge points be located for flushing of the pipeline, and how will the flushing water be disposed? Are the necessary permits for flushing water disposal from California Department of Fish and Wildlife and the BLM currently being acquired?
- As it is understood that disinfectant levels will need to be maintained throughout the length of the conveyance system, where will the disinfection stations be located in the system? This will have a direct impact on the operating cost of the pipeline.
- Where will the associated disinfectant sampling stations be located in the conveyance system? This will also impact operating cost of the pipeline.

Impact to the District's System

Introducing large flows into the proposed connection point of the 3.0 MG Ridgecrest Heights Reservoir in Pressure Zone B will require a minimum of the following improvements to the District's system. How will these improvements be funded?

- Replacement of the existing C Zone booster station at the Ridgecrest Heights Reservoir site: cost estimate of \$2.5 million in 2021 dollars.
- Replacement of the Springer Avenue, South Gateway Boulevard, and Bowman Road pipelines: cost estimates of \$3.4 million, \$2.5 million, and \$5.4 million, respectively, in 2021 dollars.
- Upgrades of the Bowman and Springer PRV stations: cost estimates of \$1 million each in 2021 dollars.

Because the Project capital cost will be hundreds of millions of dollars, and will result in significant annual operation and maintenance expenses, the District requests that the Authority prepare and present a comprehensive cost summary for consideration by the District, the Authority Board of Directors, the Indian Wells Valley community, and other interested local, regional, state, and federal individuals and entities. The summary should include all costs identified in the previous sections, together with other costs the Authority or its consultants are aware of, as may have been identified during their discussions/negotiations with State Water Contractors, Department of Water Resources, AVEK, and others. The summary should reflect total cost and annualized cost, which should be presented as both total cost per year and unit cost per AF. The summary should include ranges for "optimistic" conditions (delivery of 100% Table A allocations, securing grants as may be reasonably expected, and other factors) and "pessimistic" conditions (reduced delivery of Table A allocations such as 5% for recent years and 42% projected by State, no grants, and other factors). The summary should also include financing/interest costs for the capital expenditures. Lastly, the summary should include costs for short-term (initial allocation of 750 AFY) and long-term (ultimate allocation of 15,312 AFY), included in the "optimistic" and "pessimistic" scenarios.

The above described cost estimates should then be analyzed by the Authority in order to identify the funding mechanism(s) required for Project implementation and operation. Specifically, what fees (replenishment, pumping, other) will be imposed on the various groundwater pumpers as a result of this Project.

We appreciate the opportunity to present our questions and concerns to the Authority and look forward to your responses, which will allow the District's Board of Directors to proceed fully-informed with their deliberations regarding the District's potential support of the Project.

Sincerely,



Don Zdeba
General Manager