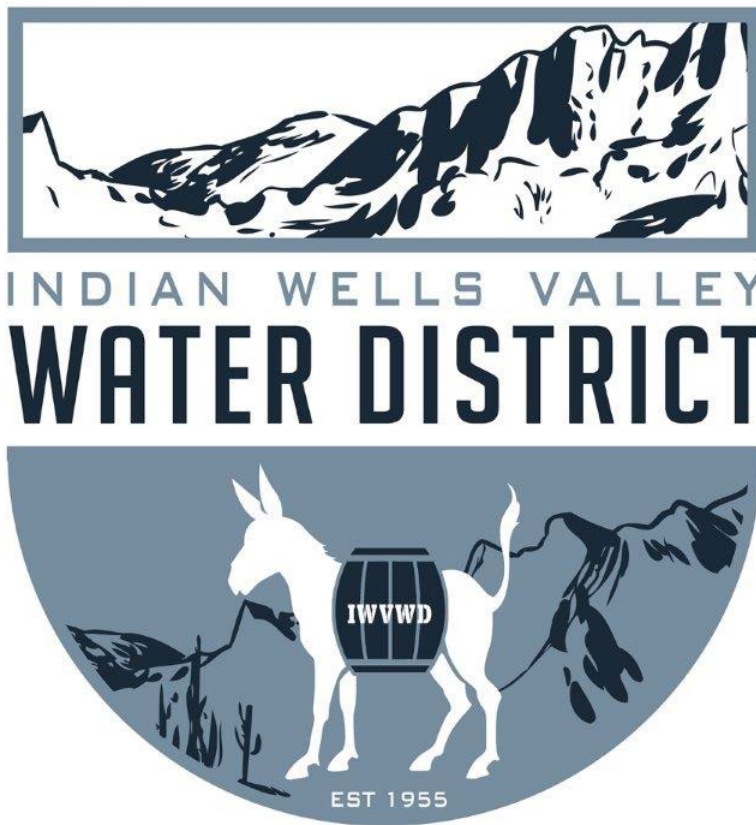


# INDIAN WELLS VALLEY WATER DISTRICT

Board of Directors Meeting



**February 10, 2025**



# INDIAN WELLS VALLEY WATER DISTRICT



## BOARD OF DIRECTORS

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

George D. Croll  
General Manager  
Krieger & Stewart, Incorporated  
Engineers  
McMurtrey, Hartsock, Worth & St. Lawrence  
Attorneys-at-Law

## 2025 COMMITTEE ASSIGNMENTS

### ADMINISTRATION/EXECUTIVE COMMITTEE (GRIFFIN/SAINT-AMAND)

Personnel, Legal Matters, General Plan, Community Relations, Board Meeting Agendas, Ordinances, Rules, Regulations, Policies, Procedures, Customer Service, Variances, Director’s Manual. Groundwater Sustainability Act, Indian Wells Valley Groundwater Authority, Water Management, Water Policy, Conservation, Alternative sources for water supply including Blending, Importation, Reuse, etc.

### FINANCE COMMITTEE (KICINSKI/RAJTORA)

Rates, Cost-of-Service, Budget, Audits, Cost Allocation, Investments, Financial Services, Insurance, Loans/Grants, Water Sales & Service Policy Manual, Accounting, Assessment Districts, Billing, etc.

### PLANT & EQUIPMENT COMMITTEE (BOYD/KICINSKI)

Transmission/Distribution System, Vehicles & Equipment, Wells, Reservoirs, Real Property Management, and Telemetry, Water Quality, Urban Water Management Plan, CalWEP, Title 22 Compliance, etc.

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Committee Meetings are generally scheduled on a regular day and time.  
Committee Meetings are subject to change.

**Plant & Equipment**  
**Finance**  
**Administration/Executive**

Monday before the Board Meeting at 3:00 p.m.  
Tuesday before the Board Meeting at 3:00 p.m.  
Wednesday before the Board Meeting at 3:00 p.m.

BOARD OF DIRECTORS  
INDIAN WELLS VALLEY WATER DISTRICT

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REGULAR BOARD MEETING  
&  
PUBLIC HEARING

AGENDA

MONDAY, FEBRUARY 10, 2025  
**CLOSED SESSION - 4:30 P.M.**  
**OPEN SESSION - 6:00 P.M.**

BOARD OF DIRECTORS' HEARING ROOM  
500 W. RIDGECREST BLVD., RIDGECREST

<b>All District meetings are streamed live through Zoom</b>	
<b>Join Zoom Meeting at:</b> <a href="https://zoom.us/j/9649549487">https://zoom.us/j/9649549487</a> <b>Meeting ID:</b> 964 954 9487	<b>One tap mobile:</b> 669-900-9128, 9649549487# US (San Jose) 669-444-9171, 9649549487# US <b>Dial by your location:</b> 669-900-9128 US (San Jose) 669-444-9171 US 253-215-8782 US (Tacoma)

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*(In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Lauren Smith at (760) 384-5502. Requests must be made as early as possible and at least one full business day before the start of the meeting. Pursuant to Government Code section 54957.5, any materials relating to an open session item on this agenda, distributed to the Board of Directors after the distribution of the agenda packet, will be made available for public inspection at the time of distribution at the following location: Indian Wells Valley Water District, 500 W. Ridgecrest Blvd., Ridgecrest, CA.)*

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Posting of Agenda Declaration
5. Conflict of Interest Declaration
6. Public Questions and Comments on Closed Session
7. Closed Session
  - A. Potential Litigation
  - Conference with Legal Counsel

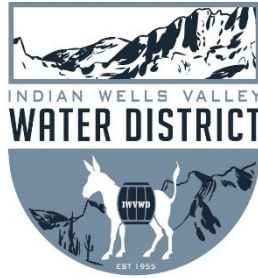
1 Matter  
(Pursuant to Government Code Section 54956.9(d)(2)(4))

- B. Existing Litigation  
Conference with Legal Counsel  
*Mojave Pistachios, LLC v Indian Wells Valley Water District, et al.*  
Orange County Superior Court Case No. 30-2021-01187275-CU-OR-CJC  
(Pursuant to Government Code Section 54956.9(d)(1))
  - C. Existing Litigation  
Conference with Legal Counsel  
*Mojave Pistachios, LLC v Indian Wells Valley Groundwater Authority, et al.*  
Orange County Superior Court Case No. 30-2021-01187589-CU-WM-CXC  
(Pursuant to Government Code Section 54956.9(d)(1))
  - D. Existing Litigation  
Conference with Legal Counsel  
*Searles Valley Minerals Inc., v Indian Wells Valley Groundwater Authority, et al.*  
Orange County Superior Court Case No. 30-2021-01188089-CU-WM-CXC  
(Pursuant to Government Code Section 54956.9(d)(1))
  - E. Real Property Negotiations  
District Negotiator: George Croll  
Landowner Negotiator: Bill Ferguson  
APN: Kern County Parcel  
(Pursuant to Government Code Section 54956.8)
8. Public Questions and Comments  
*(This portion of the meeting is reserved for persons desiring to address the Board on any matter not on the agenda and over which the Board has jurisdiction. However, no action may be taken by the Board of Directors on any item not appearing on the agenda. Non-agenda speakers are asked to limit their presentation to five minutes. Public questions and comments on items listed on the agenda will be accepted at any time the item is brought forth for consideration by the Board. When you are recognized by the chairperson, please state your name for the record.)*
9. Presentation by CJ Brown & Associates: 2023-2024 Audit Report  
**Description:** Presentation by Chris Brown of the final 2023-2024 Audit Report.
10. Public Hearing  
**Description:** In order to ensure rates, fees, and other charges collected cover the District's revenue requirements, an independent consultant is hired to conduct a study to determine the cost of water service and then recommends water rates that will cover these costs.
- A. Presentation of the Cost-of-Service Study by Mark Hildebrand of Hildebrand Consulting.
  - B. Public Comments on 2024 Cost of Service Study and Proposed Rates and Charges.
  - C. Board Comments on 2024 Cost of Service Study and Proposed Rates and Charges.

- D. Request for Approval of Ordinance No. 109: Rescinding Ordinance No. 106 and Ordinance No. 107 in its Entirety; and Providing for a reference Document Entitled, “Water Sales and Service Policy Manual”
11. Current Business/Committee Reports
- A. Consent Calendar  
**Description:** Approval of Board Meeting Minutes and Accounts Payable Disbursements.
1. Approval of Minutes:
    - i. January 13, 2025, Regular Board Meeting
    - ii. January 23, 2025, Special Board Meeting Workshop
  2. Approval of Accounts Payable Disbursements
- B. Krieger & Stewart (K&S) Work Order – Preliminary Engineering Analysis  
**Description:** Board to review Work Order 83A - Preliminary Engineering Analysis - Recycled Water Treatment/Conveyance/Replenishment Project
- C. Plant & Equipment Committee
1. Award of Contract: Trench Pavement Replacement  
**Description:** Staff to present recommendation for Award of Contract.  
**Committee Recommends the Following:** awarding the Trench Pavement Replacement Contract to Eric Onstott Construction for \$187,730.00.
  2. Award of Contract: Master Service Agreement Wells/Boosters  
**Description:** Staff to present a recommendation for Award of Contract.  
**Committee Recommends the Following:** award contracts to both Layne Christensen and Best Drilling and Pump.
  3. Award of Contract: GHD for Dune 3 Project, Construction and Grant Management  
**Description:** Staff will present a proposal by GHD for Professional Services for the Dune 3 Mutual Water Company Consolidation Project.  
**Committee Recommends the Following:** signing the agreement with GHD for the Dune 3 consolidation project but wants to be sure the entire Board has a chance to read the contract and ask questions.
- D. Administration/Executive Committee
1. Senate Bill (SB) 1100 – FEHA Driver’s License Discrimination  
**Description:** Staff to present modified job descriptions removing the requirement for the employee to have a driver’s license, as driving is not an essential part of those positions.  
**Committee Recommends the Following:** Approve the revised job descriptions as presented in accordance with SB 1100.
  2. Additional District Temp M/R/C Position  
**Description:** Staff requests Board to consider and approve additional temporary position for an M/R/C employee in the 2025-2026 Fiscal Year Budget.

**Committee Recommends the Following:** the Board approve an additional Temp MRC position to be included in the next Fiscal Year Budget.

- E. Indian Wells Valley Groundwater Authority  
**Description:** Report and discussion regarding the January meeting of the Indian Wells Valley Groundwater Authority (IWVGA). Including, Board discussion and consideration of issues of importance requiring action by the IWVGA. Next meeting is scheduled for February 12, 2025.
- F. Comprehensive Adjudication  
**Description:** Report and discussion regarding the status of the Comprehensive Adjudication.
- G. General Manager and Staff Update (The Board will consider and may act on the following items):
  - 1. Water Production, New Services, and Personnel Safety Record  
**Description:** Water produced from all District wells, report of the new services installed in the District, and personnel safety record for the preceding month.
  - 2. Committee Meeting Updates  
**Description:** Staff to provide updates from the monthly Committee Meetings that are not currently on the agenda.
  - 3. Public Outreach  
**Description:** Public Outreach Report.
  - 4. NW Transmission Pipeline  
**Description:** Update on this Project.
  - 5. Water System Consolidations Update  
**Description:** Update on these Projects.
  - 6. Financial Status  
**Description:** Report on the District's current financial status.
  - 7. Arsenic Treatment Facilities  
**Description:** Staff will update the Board on maintenance issues and production.
  - 8. Operations  
**Description:** Staff report on operations.
- 12. Board Comments/Future Agenda Items
- 13. Date of next Regular Board meeting: **March 10, 2025.**
- 14. Adjournment



# 9. 2023-2024 Audit Report

**Indian Wells Valley Water District**

**Management Report**

**June 30, 2024**

Management Report Draft Subject to Board Approval



# Indian Wells Valley Water District

## Management Report

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Management Report Draft Subject to Board Approval

Board of Directors  
Indian Wells Valley Water District  
Ridgecrest, California

**Dear Members of the Board:**

In planning and performing our audit of the financial statements of Indian Wells Valley Water District (District) as of and for the years ended June 30, 2024 and 2023, in accordance with auditing standards generally accepted in the United States of America, we considered internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Current Year Comment and Recommendation**

Our comment, all of which have been discussed with the appropriate members of management, is summarized as follows:

***Disclosure of Audit Adjustments and Reclassifications***

As your external auditor, we assume that the books and records of the District are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

**Management's Response**

We have reviewed and approved all of the audit adjustment and reclassification entries and have entered them into the general ledger of the District as of year end.

**Prior Year Comment and Recommendation**

***Disclosure of Audit Adjustments and Reclassifications***

As your external auditor, we assume that the books and records of the District are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

**Management's Response**

We have reviewed and approved all of the audit adjustment and reclassification entries and have entered them into the general ledger of the District as of year end.

\* \* \* \* \*

This communication is intended solely for the information and use of management, the audit committee, the board of directors, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

**APPENDIX**

**Indian Wells Valley Water District**

**Audit/Finance Committee Letter**

**June 30, 2024**

Management Report Draft Subject to Board Approval

Board of Directors  
Indian Wells Valley Water District  
Ridgecrest, California

We have audited the financial statements of the business-type activities of the Indian Wells Valley Water District (District) for the years ended June 30, 2024 and 2023 and have issued our report thereon dated February 10, 2025. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated June 17, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated February 10, 2025.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

### **Required Risk Assessment Procedures per Auditing Standards:**

As auditors of the District, we are required per AU-C Section 240, “Consideration of Fraud in a Financial Statement Audit”, to “ordinarily” presume and consider the following risks in designing our audit procedures:

- Management override of controls
- Revenue recognition

### **Qualitative Aspects of the Entity’s Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management’s current judgments. The most sensitive accounting estimates affecting the financial statements are as follows:

Management’s estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management’s estimate of capital assets depreciation is based on historical estimates of each capitalized item’s useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Management’s estimate of the other post-employment benefit (OPEB) plan: deferred outflows of resources, total OPEB liability, and deferred inflows of resources are based on the alternative measurement method. This alternative measurement method was determined and prepared by the District’s third-party actuary. We evaluated the basis, methods, and assumptions used by the actuary to calculate OPEB and relate balances in determining that they are reasonable in relation to the financial statements taken as a whole.

Management’s estimate of the net pension liability is based on an actuarial valuation of this liability that was conducted by a third-party actuary. We evaluated the basis, methods, and assumptions used by the actuary to calculate the net pension liability and related amounts for the District to determine that they are reasonable in relation to the financial statements taken as a whole.

## **Qualitative Aspects of the Entity's Significant Accounting Practices, continued**

### *Significant Accounting Estimates, continued*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to:

The disclosure of cash and investments in Note 2 to the basic financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets, net in Note 5 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the District's net other post-employment benefit liability, in Note 8 to the basic financial statements is based on an actuarial valuation.

The disclosure of the District's net pension liability in Note 9 to the basic financial statements is based on an actuarial valuation.

### **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management:

#### **Identified or Suspected Fraud**

We have not identified or have not obtained information that indicates that fraud may have occurred.

#### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

#### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule on pages 5 through 7 discloses all material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated February 10, 2025.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

### **Other Matters**

We applied certain limited procedures to the Management Discussion and Analysis, Schedules of Changes in the District's Total OPEB Liability and Related Ratios, Schedules of District's Proportionate Share of the Net Pension Liability, and Schedules of Pension Plan Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

### **Restriction on Use**

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

### **Conclusion**

We appreciate the cooperation extended us by George Croll, General Manager and Tyrell Staheli, Chief Financial Officer, in the performance of our audit testwork. We will be pleased to respond to any question you have about the foregoing. We appreciate the opportunity to continue to be of service to the District.

**C.J. Brown & Company, CPAs**  
Cypress, California  
February 10, 2025



**Indian Wells Valley Water District  
Schedule of Audit Adjusting Journal Entries  
June 30, 2024**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
<b>Adjusting Journal Entries JE # 1</b>			
AJE - To record LAIF interest receivable at June 30, 2024.			
1-0-1373-000	Accrued Interest Receivable	3,774.71	
1-0-4920-000	Interest Income		3,774.71
<b>Total</b>		<b><u>3,774.71</u></b>	<b><u>3,774.71</u></b>
<b>Adjusting Journal Entries JE # 2</b>			
AJE - To reclassify July Med Ins paid 6/20/24 check 71774 in outstanding checks from expense to prepaids at June 30, 2024.			
1-0-1440-000	Pre-Paid Insurance	74,592.06	
1-1-5214-000	Water Supply - Emp Benefits		8,150.07
1-2-5214-000	Arsenic Plant - Emp Benefits		1,438.25
1-3-5414-000	T&D - Benefits		20,105.36
1-4-5414-100	Engineering - Benefits		3,330.97
1-5-5514-000	Customer Accts - Benefits		4,389.41
1-6-5565-000	Field Service - Benefits		7,758.95
1-7-5614-000	Administration - Benefits		10,491.57
1-7-5614-100	Accounting - Benefits		5,310.10
1-8-5691-500	Health Insurance Director's		3,660.89
1-9-5928-000	OPEB Expense		9,956.49
<b>Total</b>		<b><u>74,592.06</u></b>	<b><u>74,592.06</u></b>
<b>Adjusting Journal Entries JE # 3</b>			
AJE - To remove stale AP traced to Audit AJE #11 in FY18/19 to 1) accrue Onstott construction invoice 71819 at 38% and 2) accrue Aqualogic Inc invoice 037-01-14 for work performed April through June 2019, at June 30, 2024. Do not reverse entry.			
1-0-2220-000	Accounts Payable	55,004.98	
1-9-5999-000	Audit Adjustment		55,004.98
<b>Total</b>		<b><u>55,004.98</u></b>	<b><u>55,004.98</u></b>
<b>Adjusting Journal Entries JE # 4</b>			
AJE - To record interest payable for 2016 solar loan, 2018 COP, 2024 COP at June 30, 2024.			
1-9-5927-105	2018 COP Interest Expense	92,412.90	
1-9-5927-108	2024 COP Interest Expense	91,526.18	
1-9-5927-202	2016 Solar Loan Interest Exp	14,868.04	
1-0-2259-006	2016 Solar Loan Accrued Int		14,868.04
1-0-2259-007	Interest Payable - 2018 COP		92,412.90
1-0-2259-008	Interest Payable - 2024 COP		91,526.18
<b>Total</b>		<b><u>198,807.12</u></b>	<b><u>198,807.12</u></b>
<b>Adjusting Journal Entries JE # 5</b>			
AJE - To reverse water sales to month end report for June and Adjust water sales to month end report for June.			
1-0-1371-000	Accounts Receivable Water Sale	98,888.29	
1-0-4110-100	Residential Usage	211,106.47	
1-0-1371-000	Accounts Receivable Water Sale		211,106.47
1-0-4110-100	Residential Usage		98,888.29
<b>Total</b>		<b><u>309,994.76</u></b>	<b><u>309,994.76</u></b>
<b>Adjusting Journal Entries JE # 6</b>			
AJE - To write off stale checks > 3 years per California Government Code Sections 50050-50056 at June 30,			
1-0-2290-000	Reserve For Credit Balances	39,088.60	
1-0-4960-000	Miscellaneous Revenues		39,088.60
<b>Total</b>		<b><u>39,088.60</u></b>	<b><u>39,088.60</u></b>

**Indian Wells Valley Water District  
Schedule of Audit Adjusting Journal Entries  
June 30, 2024**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 7</b>			
GASB 68 Entry #1 - To reclassify 2023 contributions to NPL at June 30, 2024.			
1-0-2500-500	Net Pension Liability	545,176.00	
1-0-1500-000	Deferred Outflows		545,176.00
<b>Total</b>		<b><u>545,176.00</u></b>	<b><u>545,176.00</u></b>
<b>Adjusting Journal Entries JE # 8</b>			
GASB 68 Entry #2 - To reclassify 2024 contributions to Deferred Outflows of Resources at June 30,			
1-0-1500-000	Deferred Outflows	581,270.00	
1-1-4500-000	PERS ER Contributions		75,566.00
1-2-4500-000	PERS ER Contribution		11,625.00
1-3-4500-000	PERS ER Contribution		186,006.00
1-4-4500-000	PERS ER Contribution		40,689.00
1-5-4500-000	PERS ER Contribution		46,502.00
1-6-4500-000	PERS ER Contribution		69,752.00
1-7-4500-000	PERS ER Contribution		151,130.00
<b>Total</b>		<b><u>581,270.00</u></b>	<b><u>581,270.00</u></b>
<b>Adjusting Journal Entries JE # 9</b>			
GASB 68 Entry #3 - To record changes in pension liability during FY22/23 at June 30, 2024. Note: Deferred Outflow and Inflow entries are summarized.			
1-0-1500-000	Deferred Outflows	537,794.00	
1-1-5641-500	PERS Cost by Function	65,173.00	
1-2-5641-500	PERS Cost by Function	10,027.00	
1-3-5641-500	PERS Cost by Function	160,426.00	
1-4-5641-500	PERS Cost by Function	35,093.00	
1-5-5641-500	PERS Cost by Function	40,106.00	
1-6-5641-500	PERS Cost by Function	60,160.00	
1-7-5641-500	PERS Cost by Function	130,346.00	
1-0-2500-000	Deferred Inflows		41,109.00
1-0-2500-500	Net Pension Liability		998,016.00
<b>Total</b>		<b><u>1,039,125.00</u></b>	<b><u>1,039,125.00</u></b>
<b>Adjusting Journal Entries JE # 10</b>			
GASB 68 Entry #4 - To record changes in the deferred outflows and deferred inflows (amortization) during FY22/23 at June 30, 2024.			
1-0-2500-000	Deferred Inflows	151,860.00	
1-1-5641-500	PERS Cost by Function	50,549.00	
1-2-5641-500	PERS Cost by Function	7,777.00	
1-3-5641-500	PERS Cost by Function	124,428.00	
1-4-5641-500	PERS Cost by Function	27,219.00	
1-5-5641-500	PERS Cost by Function	31,107.00	
1-6-5641-500	PERS Cost by Function	46,660.00	
1-7-5641-500	PERS Cost by Function	1.00	
1-7-5641-500	PERS Cost by Function	101,097.00	
1-0-1500-000	Deferred Outflows		540,697.00
1-0-1500-000	Deferred Outflows		1.00
<b>Total</b>		<b><u>540,698.00</u></b>	<b><u>540,698.00</u></b>
<b>Adjusting Journal Entries JE # 11</b>			
GASB 75 Entry #1 - To reclassify 2023 contributions to a reduction in Net OPEB Liability at June 30,			
1-0-2400-500	Net OPEB Liability	73,682.00	
1-0-1501-000	Deferred Outflows - OPEB		73,682.00
<b>Total</b>		<b><u>73,682.00</u></b>	<b><u>73,682.00</u></b>

**Indian Wells Valley Water District  
Schedule of Audit Adjusting Journal Entries  
June 30, 2024**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 12</b>			
GASB 75 Entry #2 - To contra reclassify 2024 contributions for retiree benefits to deferred outflows of resources from expense at June 30, 2024.			
1-0-1501-000	Deferred Outflows - OPEB	92,950.00	
1-9-5928-000	OPEB Expense		92,950.00
<b>Total</b>		<b><u>92,950.00</u></b>	<b><u>92,950.00</u></b>
<b>Adjusting Journal Entries JE # 13</b>			
GASB 75 Entry #3 - To record changes in OPEB liability during FY22/23 in the current year.			
1-0-1501-000	Deferred Outflows - OPEB	3,979.00	
1-0-2400-500	Net OPEB Liability	474,466.00	
1-9-5928-000	OPEB Expense	220,854.00	
1-0-1501-000	Deferred Outflows - OPEB		283,947.00
1-0-2400-000	Deferred OPEB Inflows		415,352.00
<b>Total</b>		<b><u>699,299.00</u></b>	<b><u>699,299.00</u></b>
<b>Adjusting Journal Entries JE # 14</b>			
GASB 75 Entry #4 - To record changes in the deferred outflows and deferred inflows (amortization) at June 30, 2024.			
1-0-2400-000	Deferred OPEB Inflows	44,542.00	
1-0-1501-000	Deferred Outflows - OPEB		9,449.00
1-0-1501-000	Deferred Outflows - OPEB		16,997.00
1-9-5928-000	OPEB Expense		18,096.00
<b>Total</b>		<b><u>44,542.00</u></b>	<b><u>44,542.00</u></b>
<b>Adjusting Journal Entries JE # 15</b>			
GASB 87 Entry # 1 - To record 2024 lease receivable and deferred inflow maintenance at June 30, 2024.			
1-0-2500-100	Deferred Inflow - Butterworth	9,563.27	
1-0-4970-000	Olancha Farm Rent	10,000.00	
1-0-1376-001	Lease Receivable - Butterworth		9,534.01
1-0-4920-301	Lease Interest Income		465.99
1-0-4970-000	Olancha Farm Rent		9,563.27
<b>Total</b>		<b><u>19,563.27</u></b>	<b><u>19,563.27</u></b>
<b>Total Adjusting Journal Entries</b>		<b><u>4,317,567.50</u></b>	<b><u>4,317,567.50</u></b>
<b>Total All Journal Entries</b>		<b><u>4,317,567.50</u></b>	<b><u>4,317,567.50</u></b>

**Legend:**

AJE	Audit Adjusting Journal Entry
GASB 68 Entry	GASB 68 Adjusting Journal Entry
GASB 75 Entry	GASB 75 Adjusting Journal Entry
GASB 87 Entry	GASB 87 Adjusting Journal Entry



# **Indian Wells Valley Water District**

## **Annual Financial Report**

**For the Fiscal Years Ended June 30, 2024 and 2023**

Financial Statements Draft Subject to Board Approval



**History and Organization:**

On January 24, 1955, the Ridgecrest County Water District was formed in accordance with Division 12, Section 30000-00901 of the California Water Code. The District was incorporated as a Political Corporation on February 1, 1955, and established as a California public entity with authority to construct, operate and maintain a community water works system, such as the District deems necessary and proper. In January 1970, the name was changed to Indian Wells Valley Water District to recognize that service had extended beyond the political boundaries of the City of Ridgecrest. Service is provided to nearly 12,000-metered sites. Voters living within the District's boundaries elect five Directors to govern the District. The District has a staff of 32 full-time regular employees. The District operates strictly from water rate charges and fees for services and has no revenue from taxes or federal sources. The District operates eleven production wells, eleven water tanks that provide for 17.1 million gallons of storage, and seven booster stations.

**Indian Wells Valley Water District  
Board of Directors as of June 30, 2024**

<u>Name</u>	<u>Title</u>	<u>Elected/ Appointed</u>	<u>Current Term</u>
Ronald R. Kicinski	President	Elected	11/20-11/24
David C.H. Saint-Amand	Vice-President	Elected	11/23-11/26
Charles D. Griffin	Director	Elected	11/20-11/24
Stan G. Rajtora	Director	Elected	11/23-11/26
Mallory J. Boyd	Director	Elected	11/22-11/24

**Indian Wells Valley Water District  
George Croll, General Manager  
500 W. Ridgecrest Blvd.  
Ridgecrest, California 93555  
(760) 375-5086 – [www.iwvwd.com](http://www.iwvwd.com)**

**Indian Wells Valley Water District**

**Annual Financial Report**

**For the Fiscal Years Ended June 30, 2024 and 2023**

Financial Statements Draft Subject to Board Approval

**Indian Wells Valley Water District  
Annual Financial Report  
For the Fiscal Years Ended June 30, 2024 and 2023**

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## **Financial Section**

Financial Statements Draft Subject to Board Approval





## **Independent Auditor's Report**

Board of Directors  
Indian Wells Valley Water District  
Ridgecrest, California

### **Report on the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the Indian Wells Valley Water District (District) which comprises the statements of net position as of June 30, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position for the fiscal years then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Indian Wells Valley Water District as of June 30, 2024 and 2023, and the changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## Independent Auditor's Report, continued

### *Auditor's Responsibilities for the Audits of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District 's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control–related matters that we identified during the audits.

## **Independent Auditor's Report, continued**

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 and the required supplementary information on pages 46 through 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. This report can be found on pages 50 and 51.

**C.J. Brown & Company, CPAs**  
Cypress, California  
February 10, 2025

**Indian Wells Valley Water District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Indian Wells Valley Water District (District) provides an introduction to the financial statements for the fiscal years ended June 30, 2024 and 2023. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

**Financial Highlights**

- In fiscal year 2024, the District's net position decreased 1.84%, or \$700,411 to \$37,419,731, due to a decrease of \$1,067,894 from ongoing operations offset by capital contributions of \$367,483. In fiscal year 2023, the District's net position decreased 0.74%, or \$284,418 to \$38,120,142, due to a decrease of \$873,426 from ongoing operations offset by capital contributions of \$589,008.
- Total revenues increased 4.97% or \$792,403 to \$16,741,295. In fiscal year 2023, the District's total revenues decreased 2.95% or \$484,967 to \$15,948,892.
- Operating revenues increased 4.65% or \$727,308 to \$16,355,258. In fiscal year 2023, the District's operating revenues decreased 3.77% or \$612,492 to \$15,627,950.
- Non-operating revenues increased 20.28% or \$65,095 to \$386,037. In fiscal year 2023, the District's non-operating revenues increased 65.93% or \$127,525 to \$320,942.
- Total expenses increased 5.87% or \$986,871 to \$17,809,189. In fiscal year 2023, the District's total expenses increased 2.66% or \$436,019 to \$16,822,318.
- Operating expenses increased 5.05% or \$632,486 to \$13,152,716. In fiscal year 2023, the District's operating expenses increased 3.24% or \$393,389 to \$12,520,230.
- Non-operating expenses increased 14.72% or \$201,118 to \$1,567,551. In fiscal year 2023, the District's non-operating expenses increased 3.66% or \$48,260 to \$1,366,433.
- Capital contributions decreased 37.61% or \$221,525 to \$367,483. In fiscal year 2023, the District's capital contributions decreased 11.95% or \$79,944 to \$589,008.

**Required Financial Statements**

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all the District's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. These statements measure the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. These statements can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments, and net change in cash resulting from operations, investing, non-capital financing, and capital and related financing activities, and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

**Indian Wells Valley Water District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**Financial Analysis of the District**

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District in a way that help answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid. These two statements report the District's *net position* and changes in it. One can think of the District's net position (assets and deferred outflows of resources, less liabilities and deferred inflows of resources), as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning, and new or changed government legislation, such as changes in Federal and State water quality standards.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 15 through 45.

**Statement of Net Position**

<b>Condensed Statements of Net Position</b>					
	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>As Restated 2022</u>	<u>Change</u>
<b>Assets:</b>					
Current assets	\$ 25,465,794	15,805,719	9,660,075	22,250,222	(6,444,503)
Non-current assets	120,000	127,862	(7,862)	120,000	7,862
Capital assets, net	<u>59,863,500</u>	<u>60,383,597</u>	<u>(520,097)</u>	<u>55,868,511</u>	<u>4,515,086</u>
<b>Total assets</b>	<u>85,449,294</u>	<u>76,317,178</u>	<u>9,132,116</u>	<u>78,238,733</u>	<u>(1,921,555)</u>
<b>Deferred outflows of resources</b>	<u>2,219,447</u>	<u>2,473,403</u>	<u>(253,956)</u>	<u>1,305,011</u>	<u>1,168,392</u>
<b>Liabilities:</b>					
Current liabilities	5,795,058	2,837,052	2,958,006	3,116,282	(279,230)
Non-current liabilities	<u>43,838,461</u>	<u>37,468,392</u>	<u>6,370,069</u>	<u>35,929,654</u>	<u>1,538,738</u>
<b>Total liabilities</b>	<u>49,633,519</u>	<u>40,305,444</u>	<u>9,328,075</u>	<u>39,045,936</u>	<u>1,259,508</u>
<b>Deferred inflows of resources</b>	<u>615,491</u>	<u>364,995</u>	<u>250,496</u>	<u>2,093,248</u>	<u>(1,728,253)</u>
<b>Net position:</b>					
Net investment in capital assets	21,348,254	28,407,074	(7,058,820)	22,730,376	5,676,698
Restricted	7,954,884	491,437	7,463,447	5,428,522	(4,937,085)
Unrestricted	<u>8,116,593</u>	<u>9,221,631</u>	<u>(1,105,038)</u>	<u>10,245,662</u>	<u>(1,024,031)</u>
<b>Total net position</b>	<u>\$ 37,419,731</u>	<u>38,120,142</u>	<u>(700,411)</u>	<u>38,404,560</u>	<u>(284,418)</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$37,419,731 and \$38,120,142 as of June 30, 2024 and 2023, respectively.

**Indian Wells Valley Water District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**Statement of Net Position, continued**

The largest portion of the District's net position (57% and 75% as of June 30, 2024 and 2023, respectively) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are not available for future spending.

At the end of fiscal years 2024 and 2023, the District showed a positive balance in its unrestricted net position of \$8,116,593 and \$9,221,631, respectively, which may be utilized in future years. See note 12 for further information.

**Statement of Revenues, Expenses, and Changes in Net Position**

**Condensed Statements of Revenues, Expenses, and Changes in Net Position**

	2024	2023	Change	As Restated 2022	Change
<b>Revenue:</b>					
Operating revenue	\$ 16,355,258	15,627,950	727,308	16,240,442	(612,492)
Non-operating revenue	386,037	320,942	65,095	193,417	127,525
<b>Total revenue</b>	<u>16,741,295</u>	<u>15,948,892</u>	<u>792,403</u>	<u>16,433,859</u>	<u>(484,967)</u>
<b>Expense:</b>					
Operating expense	13,152,716	12,520,230	632,486	12,126,841	393,389
Depreciation and amortization	3,088,922	2,935,655	153,267	2,941,285	(5,630)
Non-operating expense	1,567,551	1,366,433	201,118	1,318,173	48,260
<b>Total expense</b>	<u>17,809,189</u>	<u>16,822,318</u>	<u>986,871</u>	<u>16,386,299</u>	<u>436,019</u>
<b>Net (loss) income before capital contributions</b>	<u>(1,067,894)</u>	<u>(873,426)</u>	<u>(194,468)</u>	<u>47,560</u>	<u>(920,986)</u>
<b>Capital contributions:</b>	<u>367,483</u>	<u>589,008</u>	<u>(221,525)</u>	<u>668,952</u>	<u>(79,944)</u>
<b>Changes in net position</b>	<u>(700,411)</u>	<u>(284,418)</u>	<u>(415,993)</u>	<u>716,512</u>	<u>(1,000,930)</u>
<b>Net position, beginning of year</b>	<u>38,120,142</u>	<u>38,404,560</u>	<u>(284,418)</u>	<u>37,688,048</u>	<u>716,512</u>
<b>Net position, end of year as restated</b>	<u>\$ 37,419,731</u>	<u>38,120,142</u>	<u>(700,411)</u>	<u>38,404,560</u>	<u>(284,418)</u>

A closer examination of the sources of changes in net position reveal that:

In fiscal year 2024 the District's net position decreased 1.84%, or \$700,411 to \$37,419,731, due to a decrease of \$1,067,894 from ongoing operations offset by capital contributions of \$367,483. In fiscal year 2023, the District's net position decreased 0.74%, or \$284,418 to \$38,120,142, due to a decrease of \$873,426 from ongoing operations offset by capital contributions of \$589,008.

The District's total revenues increased 4.97% or \$792,403 to \$16,741,295 in fiscal year 2024. In fiscal year 2023, the District's total revenues decreased 2.95% or \$484,967 to \$15,948,892.

The District's operating revenues increased 4.65% or \$727,308 to \$16,355,258 in fiscal year 2024, primarily due to increases of \$1,938,437 in zone charges and \$827,771 in ready-to-serve charges, offset by decreases of \$1,979,712 in water consumption sales and \$48,576 in arsenic compliance charges as compared to the prior year. In fiscal year 2023, the District's operating revenues decreased 3.77% or \$612,492 to \$15,627,950, primarily due to decreases of \$1,475,154 in water consumption sales, \$106,235 in other charges for services, \$43,556 in arsenic compliance charges, offset by increases of \$648,783 in zone charges and \$363,670 in ready-to-serve charges as compared to the prior year.

**Indian Wells Valley Water District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**Statement of Revenues, Expenses, and Changes in Net Position, continued**

The District's non-operating revenues increased 20.28% or \$65,095 to \$386,037 in fiscal year 2024, primarily due to an increase of \$37,296 in investment earnings and \$35,531 in other revenue, offset by a decrease of \$7,573 in gain on disposition of assets. In fiscal year 2023, the District's non-operating revenues increased 65.93% or \$127,525 to \$320,942, primarily due to an increase of \$173,616 in investment earnings, offset by a decrease of \$51,161 in gain on disposition of assets.

The District's total expenses increased 5.87% or \$986,871 to \$17,809,189 in fiscal year 2024. In fiscal year 2023, the District's total expenses increased 2.66% or \$436,019 to \$16,822,318.

The District's operating expenses increased 5.05% or \$632,486 to \$13,152,716 in fiscal year 2024, primarily due to increases of \$319,454 in water supply, \$118,989 in field services, \$88,074 in arsenic plant expenses, \$84,297 in general and administrative, \$42,166 in engineering, and \$37,851 in customer service, offset by a decrease of \$53,329 in transmission and distribution as compared to the prior year. In fiscal year 2023, the District's operating expenses increased 3.24% or \$393,389 to \$12,520,230, due to increases of \$203,011 in transmission and distribution, \$133,582 in general and administrative, \$104,916 in arsenic plant expenses, \$53,973 in water supply, \$50,416 in engineering, and \$38,725 in field services, offset by a decrease of \$184,996 in customer service as compared to the prior year.

The District's depreciation increased 5.22%, or \$153,267 to \$3,088,922 in fiscal year 2024, primarily due to \$5,056,601 in transfers from construction in progress to depreciable assets in the prior year. In fiscal year 2023, the District's depreciation decreased 0.19%, or \$5,630 to \$2,935,655, primarily due to maturation of existing capital assets as compared to prior year.

The District's non-operating expenses increased 14.72% or \$201,118 to \$1,567,551 in fiscal year 2024, primarily due to an increase of \$269,027 in debt service costs, offset by a decrease of \$67,909 in interest expense related to long-term debt as compared to the prior year. In fiscal year 2023, the District's non-operating expenses increased 3.66% or \$48,260 to \$1,366,433, primarily due to an increase of \$46,655 in interest expense related to long-term debt as compared to the prior year.

The District's capital contributions decreased 37.61% or \$221,525 to \$367,483 in fiscal year 2024, due to decreases of \$124,593 in capital facility fees, \$103,373 in capital contributions from developers, and \$102,592 in in capital contributions from the State, offset by an increase of \$109,033 in capital contributions from local sources. In fiscal year 2023, the District's capital contributions decreased 11.95% or \$79,944 to \$589,008, due to decrease of \$141,856 in capital facility fees, offset by increases of \$46,283 in capital contributions from developers and \$15,629 in capital contributions from the State.



**Indian Wells Valley Water District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**Capital Asset Administration**

Changes in capital asset amounts for 2024 were as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2024</u>
<b>Capital assets:</b>				
Non-depreciable assets	\$ 14,807,086	2,660,174	(10,875,676)	6,591,584
Depreciable assets	117,794,736	10,784,327	-	128,579,063
Accumulated depreciation and amortization	<u>(72,218,225)</u>	<u>(3,088,922)</u>	<u>-</u>	<u>(75,307,147)</u>
Total capital assets, net	<u>\$ 60,383,597</u>	<u>10,355,579</u>	<u>(10,875,676)</u>	<u>59,863,500</u>

Changes in capital asset amounts for 2023 were as follows:

	<u>Restated 2022</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2023</u>
<b>Capital assets:</b>				
Non-depreciable assets	\$ 12,399,020	7,485,464	(5,077,398)	14,807,086
Depreciable assets	112,934,475	5,056,601	(196,340)	117,794,736
Accumulated depreciation and amortization	<u>(69,464,984)</u>	<u>(2,935,655)</u>	<u>182,414</u>	<u>(72,218,225)</u>
Total capital assets, net	<u>\$ 55,868,511</u>	<u>9,606,410</u>	<u>(5,091,324)</u>	<u>60,383,597</u>

At the end of fiscal years 2024 and 2023, the District's investment in capital assets amounted to \$59,863,500 and \$60,383,597 (net of accumulated depreciation and amortization), respectively. This investment in capital assets includes land, transmission and distribution systems, buildings, equipment, vehicles leased equipment and construction-in-process. See note 5 for further information.

**Debt Administration**

Changes in long-term debt amounts for 2024 were as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2024</u>
<b>Long-term debt:</b>				
COPs payable	\$ 26,450,747	7,750,994	(854,908)	33,346,833
Loans payable	<u>5,525,776</u>	<u>-</u>	<u>(357,363)</u>	<u>5,168,413</u>
Total long-term debt	<u>\$ 31,976,523</u>	<u>7,750,994</u>	<u>(1,212,271)</u>	<u>38,515,246</u>

**Indian Wells Valley Water District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**Debt Administration, continued**

Changes in long-term debt amounts for 2023 were as follows:

	<u>Balance</u> <u>2022</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance</u> <u>2023</u>
<b>Long-term debt:</b>				
COPs payable	\$ 27,268,155	-	(817,408)	26,450,747
Loans payable	5,858,227	-	(332,451)	5,525,776
Lease payable	11,753	-	(11,753)	-
Total long-term debt	\$ <u>33,138,135</u>	<u>-</u>	<u>(1,161,612)</u>	<u>31,976,523</u>

See note 7 for further information.

**Conditions Affecting Current Financial Position**

Management is unaware of any conditions which could have a significant impact on the District's current financial position, net position or operating results in terms of past, present, and future periods.

**Requests for Information**

This financial report is designed to provide the District's funding sources, customers, stakeholders, and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's Chief Financial Officer at 500 West Ridgecrest Boulevard, Ridgecrest, California 93555 – (760) 375-5086.

## **Basic Financial Statements**

Financial Statements Draft Subject to Board Approval

**Indian Wells Valley Water District**  
**Statements of Net Position**  
**June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Current assets:</b>		
Cash and cash equivalents (note 2)	\$ 12,146,019	10,641,447
Restricted – cash and cash equivalents (note 2)	8,153,691	602,797
Accrued interest receivable	76,357	82,834
Accounts receivable – water sales and services	2,687,038	1,931,657
Accounts receivable – IWVGA	1,164,677	1,295,184
Accounts receivable – other	15,119	10,671
Assessment bonds receivable – delinquent (note 3)	33,193	61,476
Lease receivable (note 4)	7,862	9,534
Materials and supplies inventory	1,058,407	1,064,181
Prepaid expenses and other deposits	123,431	105,938
<b>Total current assets</b>	<b>25,465,794</b>	<b>15,805,719</b>
<b>Non-current assets:</b>		
Lease receivable (note 4)	-	7,862
Mitigation deposit – California Department of Fish and Game	120,000	120,000
Capital assets – not being depreciated (note 5)	6,591,584	14,807,086
Capital assets, net – being depreciated (note 5)	53,271,916	45,576,511
<b>Total non-current assets</b>	<b>59,983,500</b>	<b>60,511,459</b>
<b>Total assets</b>	<b>85,449,294</b>	<b>76,317,178</b>
<b>Deferred outflows of resources:</b>		
Deferred other post-employment benefit outflows (note 8)	229,598	516,744
Deferred pension outflows (note 9)	1,989,849	1,956,659
<b>Total deferred outflows of resources</b>	<b>\$ 2,219,447</b>	<b>2,473,403</b>

*Continued on next page*

See accompanying notes to the basic financial statements.

**Indian Wells Valley Water District**  
**Statements of Net Position, continued**  
**June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 770,902	1,061,426
Accrued wages and related payables	60,638	58,267
Customer deposits	325,199	322,961
Accrued interest payable	198,807	111,360
Unearned revenue	3,112,530	119,371
Long-term liabilities – due within one year:		
Compensated absences (note 6)	88,038	70,044
Bonds payable (note 7)	880,000	747,500
Loans payable (note 7)	358,944	346,123
<b>Total current liabilities</b>	<b>5,795,058</b>	<b>2,837,052</b>
<b>Non-current liabilities:</b>		
Long-term liabilities – due in more than one year:		
Compensated absences (note 6)	352,152	280,177
Bonds payable (note 7)	32,466,833	25,703,247
Loans payable (note 7)	4,809,469	5,179,653
Net other post-employment benefit liability (note 8)	1,536,567	2,084,715
Net pension liability (note 9)	4,673,440	4,220,600
<b>Total non-current liabilities</b>	<b>43,838,461</b>	<b>37,468,392</b>
<b>Total liabilities</b>	<b>49,633,519</b>	<b>40,305,444</b>
<b>Deferred inflows of resources:</b>		
Deferred lease inflows (note 4)	4,782	14,345
Deferred other post-employment benefit inflows (note 8)	470,458	99,648
Deferred pension inflows (note 9)	140,251	251,002
<b>Total deferred inflows of resources</b>	<b>615,491</b>	<b>364,995</b>
<b>Net position:</b>		
Net investment in capital assets (note 10)	21,348,254	28,407,074
Restricted (note 11)	7,954,884	491,437
Unrestricted (note 12)	8,116,593	9,221,631
<b>Total net position</b>	<b>\$ 37,419,731</b>	<b>38,120,142</b>

See accompanying notes to the basic financial statements.

**Indian Wells Valley Water District**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Operating revenues:</b>		
Water consumption sales	\$ 5,087,740	7,067,452
Ready-to-serve charges	6,173,090	5,345,319
Arsenic compliance charges	1,831,341	1,879,917
Zone charges	2,794,403	855,966
Other charges for services	468,684	479,296
<b>Total operating revenues</b>	<b>16,355,258</b>	<b>15,627,950</b>
<b>Operating expenses:</b>		
Water supply	1,521,978	1,202,524
Arsenic plant	274,721	186,647
Transmission and distribution	1,765,688	1,819,017
Field services	609,412	490,423
Engineering	575,891	533,725
Customer service	499,986	462,135
Legislative	84,642	89,658
General and administrative	7,820,398	7,736,101
<b>Total operating expenses</b>	<b>13,152,716</b>	<b>12,520,230</b>
Operating income before depreciation expense	3,202,542	3,107,720
Depreciation expense – capital recovery	(3,088,922)	(2,935,655)
<b>Operating income</b>	<b>113,620</b>	<b>172,065</b>
<b>Non-operating revenue(expense):</b>		
Special assessment 87-1 for debt service	10,007	8,224
Investment earnings	297,664	260,368
Rental revenue	8,029	9,971
Interest expense	(1,293,219)	(1,361,128)
Debt service costs	(274,332)	(5,305)
Gain on disposition of assets	-	7,573
Other revenue	70,337	34,806
<b>Total non-operating expense, net</b>	<b>(1,181,514)</b>	<b>(1,045,491)</b>
<b>Net loss before capital contributions</b>	<b>(1,067,894)</b>	<b>(873,426)</b>
<b>Capital contributions:</b>		
Capital facility fees	132,195	256,788
Capital contributions – State	-	102,592
Capital contributions – developer	126,255	229,628
Capital contributions – local	109,033	-
<b>Total capital contributions</b>	<b>367,483</b>	<b>589,008</b>
<b>Changes in net position</b>	<b>(700,411)</b>	<b>(284,418)</b>
<b>Net position, beginning of year</b>	<b>38,120,142</b>	<b>38,404,560</b>
<b>Net position, end of year</b>	<b>\$ 37,419,731</b>	<b>38,120,142</b>

See accompanying notes to the basic financial statements.

**Indian Wells Valley Water District**  
**Statements of Cash Flows**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Cash receipts from customers for water sales and services	\$ 18,809,233	14,899,814
Cash paid to employees for salaries and wages	(8,276,206)	(7,507,206)
Cash paid to vendors and suppliers for materials and services	(4,677,269)	(5,844,607)
<b>Net cash provided by operating activities</b>	<b>5,855,758</b>	<b>1,548,001</b>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets	(2,568,825)	(7,452,415)
Proceeds from capital contributions	367,483	589,008
Special assessments for debt service	38,290	19,605
Proceeds from the issuance of debt 2024 Certificates of Participation	7,750,994	-
Principal paid on long-term debt	(1,212,271)	(1,161,612)
Interest paid on long-term debt	(1,205,772)	(1,266,593)
Debt service costs on long-term debt	(274,332)	(5,305)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>2,895,567</b>	<b>(9,277,312)</b>
<b>Cash flows from investing activities:</b>		
Investment earnings	304,141	193,220
<b>Net cash provided by investing activities</b>	<b>304,141</b>	<b>193,220</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>9,055,466</b>	<b>(7,536,091)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>11,244,244</b>	<b>18,780,335</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 20,299,710</b>	<b>11,244,244</b>
<b>Reconciliation of cash and cash equivalents to the statements of net position:</b>		
Cash and cash equivalents	\$ 12,146,019	10,641,447
Restricted assets – cash and cash equivalents	8,153,691	602,797
<b>Total cash and cash equivalents</b>	<b>\$ 20,299,710</b>	<b>11,244,244</b>

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See accompanying notes to the basic financial statements.

**Indian Wells Valley Water District**  
**Statements of Cash Flows, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 113,620	172,065
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation	3,088,922	2,935,655
Rental revenue	8,029	9,971
Gain on disposition of assets	-	7,573
Other revenue	70,337	34,806
<b>Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:</b>		
(Increase)Decrease in assets:		
Accounts receivable – water sales and services	(755,381)	(2,866)
Accounts receivable – IWVGA	130,507	(755,882)
Accounts receivable – other	(4,448)	9,786
Lease receivable	9,534	(7,861)
Materials and supplies inventory	5,774	(266,012)
Prepaid expenses and other deposits	(17,493)	(19,174)
(Increase)Decrease in deferred outflows of resources:		
Deferred other post-employment benefit outflows	287,146	(68,759)
Deferred pension outflows	(33,190)	(1,099,633)
Increase(Decrease) in liabilities:		
Accounts payable and accrued expenses	(290,524)	(293,436)
Accrued wages and related payables	2,371	(77,886)
Customer deposits	2,238	(36,578)
Unearned revenue	2,993,159	12,915
Compensated absences	89,969	(79,606)
Net other post-employment benefit liability	(548,148)	386,387
Net pension liability	452,840	2,414,789
Increase(Decrease) in deferred inflows of resources:		
Deferred lease inflows	(9,563)	9,563
Deferred other post-employment benefit inflows	370,810	(158,642)
Deferred pension inflows	(110,751)	(1,579,174)
Total adjustments	5,742,138	1,375,936
<b>Net cash provided by operating activities</b>	<b>\$ 5,855,758</b>	<b>1,548,001</b>
<b>Non-cash investing and financing transactions:</b>		
Change in fair market value of investments	\$ 1,233	21,251

See accompanying notes to the basic financial statements.



**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(1) Reporting Entity and Summary of Significant Accounting Policies**

**A. Organization and Operations of the Reporting Entity**

The Indian Wells Valley Water District (District) was formed for the purpose of furnishing potable water within the District. The District was formed under the provisions of the County Water Act found in Division 12 of the State of California Water Code. The District is located in Kern County and includes the community of Ridgecrest and provides water to approximately 12,000 customers.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity*. The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

**B. Basis of Accounting and Measurement Focus**

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales), and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and water purchases, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

**C. Financial Reporting**

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the District's proprietary fund.

The District has adopted the following GASB pronouncements in the current year:

*Governmental Accounting Standards Board Statement No. 99*

In April 2022, the GASB issued Statement No. 99 – Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**C. Financial Reporting, continued**

*Governmental Accounting Standards Board Statement No. 99, continued*

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

*Governmental Accounting Standards Board Statement No. 100*

In June 2022, the GASB issued Statement No. 100 – Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position**

**1. Use of Estimates**

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported changes in net position during the reporting period.

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued**

**2. Cash and Cash Equivalents**

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

**3. Investments**

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

**4. Fair Value Measurements**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset, as follows:

- **Level 1** – Valuation is based on quoted prices in active markets for identical assets.
- **Level 2** – Valuation is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3** – Valuation is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity, and other assumptions that are internally generated and cannot be observed in the market.

**5. Restricted Assets**

Certain assets of the District are restricted for use by ordinance or debt covenant and, accordingly, are shown as restricted assets on the accompanying statements of net position. The District uses restricted resources, prior to using unrestricted resources, to pay expenditures meeting the criteria imposed on the use of restricted resources by a third party.

**6. Accounts Receivable and Allowance for Uncollectible Accounts**

The District extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the District uses the allowance method for the reservation and write-off of those accounts.

**7. Lease Receivable / Payable**

Lease receivables / payables are measured at the present value of payments expected to be received (paid) during the lease term.

**8. Materials and Supplies Inventory**

Materials and supplies inventory consist primarily of water meters, pipe, and pipefittings for construction and repair to the District's water transmission and distribution system. Inventory is valued at cost using the weighted-average method. Inventory items are charged to expense at the time that individual items are withdrawn from inventory or consumed.

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued**

**9. Prepaids**

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

**10. Capital Assets**

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Transmission and distribution system – 30 to 35 years
- Structures and improvements – 10 to 30 years
- Vehicles and large equipment – 3 to 10 years
- Office furniture and equipment – 3 to 10 years

Leased equipment is amortized on a straight-line basis over the life of the lease.

**11. Deferred Outflows of Resources**

The statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of resources applicable to future periods and, therefore, will *not* be recognized as an outflow of resources (expenditure) until that time. The District has the following items that qualify for reporting in this category:

*Post-Employment Benefits Other Than Pensions (OPEB)*

- Deferred outflow which is equal to employer contributions made after the measurement date of the net other-postemployment benefit liability. This amount will be amortized-in-full against the net other-postemployment benefit liability in the next fiscal year.
- Deferred outflow for the change in assumptions which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with other-postemployment benefits through the Plan.
- Deferred outflow for the net difference in projected and actual earnings on investments of the pension plans fiduciary net position. This amount is amortized over a 5-year period.

*Pensions*

- Deferred outflow which is equal to employer contributions made after the measurement date of the net pension liability. This amount will be amortized-in-full against the net pension liability in the next fiscal year.
- Deferred outflow for the net difference between the actual and expected experience which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension through the Plan.

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued**

**11. Deferred Outflows of Resources, continued**

*Pensions, continued*

- Deferred outflow for the net change in assumptions which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension through the Plan.
- Deferred outflow for the net difference in projected and actual earnings on investments of the pension Plans' fiduciary net position. This amount is amortized over a 5-year period. In the prior year, this item was reported as a deferred inflow.
- Deferred outflow for the net change due to the difference in the change in proportions of the net pension liability which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension through the Plan.

**12. Compensated Absences**

The District's personnel policies provide for accumulation of vacation and sick leave. Liabilities for vacation and portions of sick leave are recorded when benefits are earned. Cash payment of unused vacation is available to those qualified employees when retired or terminated.

**13. Post-Employment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the District's OPEB plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

GASB 75 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation date: June 30, 2023 and 2021
- Measurement dates: June 30, 2023 and 2022
- Measurement periods: July 1, 2022 to June 30, 2023 and July 1, 2021 to June 30, 2022

**14. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and addition to/deduction from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation dates: June 30, 2022 and June 30, 2021
- Measurement dates: June 30, 2023 and June 30, 2022
- Measurement periods: July 1, 2022 to June 30, 2023 and July 1, 2021 to June 30, 2022

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued**

**15. Deferred Inflows of Resources**

The statements of net position will sometimes report a separate section for deferred inflows of resources. This financial statement element, *deferred inflows of resources*, represents an acquisition of resources applicable to future periods and, therefore, will *not* be recognized as an inflow of resources (revenue) until that time. The District has the following items that qualify for reporting in this category:

*Post-Employment Benefits Other Than Pensions (OPEB)*

- Deferred inflow for the difference between the actual and expected experience which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with other-postemployment benefits through the Plan.

*Pensions*

- Deferred inflow for the net difference in actual and proportionate share of employer contribution which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

**16. Net Position**

The District follows the financial reporting requirements of the GASB and reports net position under the following classifications:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances of any debt or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- *Unrestricted* – the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that is not included in the determination of the net investment in capital assets or restricted components of net position.

**17. Capital Contributions**

Capital contributions represent cash and capital asset additions contributed to the District by property owners, granting agencies, or real estate developers desiring services that require capital expenditures or capacity commitment.

**18. Budgetary Policies**

The District adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(2) Cash and Investments**

Cash and investments as of June 30 are classified as follows:

	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	\$ 12,146,019	10,641,447
Cash and cash equivalents – restricted	8,153,691	602,797
Total cash and investments	\$ 20,299,710	11,244,244

Cash and investments as of June 30 consist of the following:

	<b>2024</b>	<b>2023</b>
Cash on hand	\$ 1,200	1,200
Deposits with financial institutions	1,370,055	1,566,008
Deposits with Bank of New York	7,489,712	-
Total cash on hand and deposits	8,860,967	1,567,208
Deposits in Local Agency Investment Fund	333,512	1,379,470
Deposits in Kern County Investment Pool	11,105,231	8,297,566
Total investments	11,438,743	9,677,036
Total cash and cash equivalents	\$ 20,299,710	11,244,244

As of June 30, the District's authorized deposits had the following average days to maturity:

	<b>2024</b>	<b>2023</b>
Deposits in Local Agency Investment Fund	217 days	260 days
Deposits in Kern County Investment Pool	611 days	606 days

***Investments Authorized by the California Government Code and the District's Investment Policy***

The District is legally empowered by statute and resolution to invest in money-market funds, the California State Investment Pool – Local Agency Investment Fund, and the Kern County Investment Pool. The District's investment policy identifies other investment types that are authorized for the District to invest under the California Government Code.

***Investment in State Investment Pool***

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(2) Cash and Investments, continued**

***Investment in Kern County Investment Pool***

The Kern County Treasurer's Pooled Cash Portfolio (Pool) is a pooled investment fund program governed by the Kern County Board of Supervisors and administered by the Kern County Treasurer and Tax Collector. Investments in the Pool are highly liquid as deposits and withdrawals can be made at any time without penalty. The Pool does not impose a maximum investment limit.

The Kern County's bank deposits are either federally insured or collateralized in accordance with the California Government Code. Pool detail may be obtained from the Kern County Treasurer and Tax Collector's website at [www.kcttc.co.kern.ca.us](http://www.kcttc.co.kern.ca.us).

***Custodial Credit Risk***

The custodial credit risk for *deposits* is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies.

California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000, are federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

***Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

As of June 30, 2024 and 2023, the District's investments held to maturity were categorized as twelve months or less, respectively.

***Credit Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.



**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(2) Cash and Investments, continued**

Credit ratings of investments as of June 30, 2024 were as follows:

Credit ratings of investments as of June 30, 2024, were as follows:

<u>Investment Types</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year End</u>	
			<u>AAA</u>	<u>Not Rated</u>
Local Agency Investment Fund (LAIF)	\$ 333,512	N/A	-	333,512
Kern County Investment Pool	11,105,231	N/A	-	11,105,231
Total	\$ 11,438,743		-	11,438,743

Credit ratings of investments as of June 30, 2023 were as follows:

Credit ratings of investments as of June 30, 2023, were as follows:

<u>Investment Types</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year End</u>	
			<u>AAA</u>	<u>Not Rated</u>
Local Agency Investment Fund (LAIF)	\$ 1,379,470	N/A	-	1,379,470
Kern County Investment Pool	8,297,566	N/A	-	8,297,566
Total	\$ 9,677,036		-	9,677,036

**Concentration of Credit Risk**

The District's investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than for external investment pools) that represent 5% or more of total District investments at June 30, 2024 and 2023, respectively.

**Fair Value Measurements**

At June 30, 2024 and 2023, there were no reportable investments measured at fair value on a recurring and non-recurring basis, respectively.

**(3) Assessment Bonds Receivable**

The District has elected to hold the AD 87-1 Assessment District Bonds rather than sell them on the open market. Since the District has "invested" in these bonds, they are entitled to receive all revenue relating to the Assessment District Bonds.

The assessment bonds receivable at June 30 are as follows:

	<u>2024</u>	<u>2023</u>
Assessment bonds receivable – current and delinquent	\$ 33,193	61,476
Total assessments bonds receivable, net	\$ 33,193	61,476

At June 30, 2024 and 2023, the AD 87-1 Assessment District Bonds had been paid-in-full. The remaining balance represents the delinquent portion of the assessment bonds receivable balance. The balances were determined collectible at June 30, 2024 and 2023, respectively.

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(4) Lease Receivable**

The change in lease receivable for the year ended June 30, were as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2024</u>	<u>Current Portion</u>	<u>Long-term Portion</u>	<u>Deferred Inflows</u>
Lease receivable:							
Mammoth Lakes	\$ 17,396	-	(9,534)	7,862	7,862	-	(4,782)
Total lease receivable	\$ 17,396	-	(9,534)	7,862	7,862	-	(4,782)

The change in lease receivable for the year ended June 30, were as follows:

	<u>Balance 2022</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2023</u>	<u>Current Portion</u>	<u>Long-term Portion</u>	<u>Deferred Inflows</u>
Lease receivable:							
Mammoth Lakes	\$ 7,862	19,127	(9,593)	17,396	9,534	7,862	(14,345)
Total lease receivable	\$ 7,862	19,127	(9,593)	17,396	9,534	7,862	(14,345)

***Mammoth Lakes – Butterworth Ranch***

On January 1, 2021, the District entered into a lease agreement with a tenant doing business as Mammoth Lakes Pack Outfit (Mammoth Lakes). Mammoth Lakes has agreed to pay the District for purpose of leasing land for the purpose of agriculture use at the District’s site known as Butterworth Ranch. On January 1, 2023, the District renewed its lease agreement with Mammoth Lakes. The terms of the agreement require Mammoth Lakes to pay the District in semi-annual installments through December 31, 2025.

Following the provisions set forth by *GASB Statement No. 87*, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 3.50%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2024 and 2023, deferred inflows were reported at \$4,782 and \$14,345, respectively.

Future payments to be received and deferred inflows as of June 30, 2024, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
2025	7,862	139	8,001	(4,782)
Total	7,862	139	8,001	\$ (4,782)
Current	(7,862)			
Non-current	\$ -			

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(5) Capital Assets**

Changes in capital assets for 2024 were as follows:

	<u>Balance 2023</u>	<u>Additions/</u>	<u>Deletions/ Transfers</u>	<u>Balance 2024</u>
Non-depreciable assets:				
Land and land rights	\$ 2,868,769	-	-	2,868,769
Construction-in-process	11,938,317	2,660,174	(10,875,676)	3,722,815
Total non-depreciable assets	<u>14,807,086</u>	<u>2,660,174</u>	<u>(10,875,676)</u>	<u>6,591,584</u>
Depreciable and amortizable assets:				
Transmission and distribution system	63,977,044	1,111,760	-	65,088,804
Production and source of supply	38,018,760	9,233,928	-	47,252,688
General plant	15,798,932	438,639	-	16,237,571
Total depreciable and amortizable assets	<u>117,794,736</u>	<u>10,784,327</u>	<u>-</u>	<u>128,579,063</u>
Accumulated depreciation and amortization:				
Depreciable assets	(72,218,225)	(3,088,922)	-	(75,307,147)
Total accumulated depreciation and amortization	<u>(72,218,225)</u>	<u>(3,088,922)</u>	<u>-</u>	<u>(75,307,147)</u>
Total depreciable and amortizable assets, net	<u>45,576,511</u>	<u>7,695,405</u>	<u>-</u>	<u>53,271,916</u>
<b>Total capital assets, net</b>	<b>\$ <u>60,383,597</u></b>	<b><u>10,355,579</u></b>	<b><u>(10,875,676)</u></b>	<b><u>59,863,500</u></b>

Major capital assets additions during the years include upgrades and extensions of the District's water transmission and distribution system, production and source of supply infrastructure, and general plant. Of the construction in progress deletions, \$91,349 was expensed.

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(5) Capital Assets, continued**

Changes in capital assets for 2023 were as follows:

	<u>Restated 2022</u>	<u>Additions/</u>	<u>Deletions/ Transfers</u>	<u>Balance 2023</u>
Non-depreciable assets:				
Land and land rights	\$ 2,868,769	-	-	2,868,769
Construction-in-process	9,530,251	7,485,464	(5,077,398)	11,938,317
Total non-depreciable assets	<u>12,399,020</u>	<u>7,485,464</u>	<u>(5,077,398)</u>	<u>14,807,086</u>
Depreciable and amortizable assets:				
Transmission and distribution system	63,213,693	763,351	-	63,977,044
Production and source of supply	33,992,752	4,026,008	-	38,018,760
General plant	15,649,915	267,242	(118,225)	15,798,932
Leased equipment	78,115	-	(78,115)	-
Total depreciable and amortizable assets	<u>112,934,475</u>	<u>5,056,601</u>	<u>(196,340)</u>	<u>117,794,736</u>
Accumulated depreciation and amortization:				
Depreciable assets	(69,398,027)	(2,924,496)	104,298	(72,218,225)
Amortizable assets	(66,957)	(11,159)	78,116	-
Total accumulated depreciation and amortization	<u>(69,464,984)</u>	<u>(2,935,655)</u>	<u>182,414</u>	<u>(72,218,225)</u>
Total depreciable and amortizable assets, net	<u>43,469,491</u>	<u>2,120,946</u>	<u>(13,926)</u>	<u>45,576,511</u>
<b>Total capital assets, net</b>	<b>\$ <u>55,868,511</u></b>	<b><u>9,606,410</u></b>	<b><u>(5,091,324)</u></b>	<b><u>60,383,597</u></b>

Major capital assets additions during the years include upgrades and extensions of the District's water transmission and distribution system, production and source of supply infrastructure, and general plant. Major deletions during the year include disposals to general plant and leased assets. Of the construction in progress deletions, \$20,796 was expensed.

**(6) Compensated Absences**

Changes to compensated absences for 2024 were as follows:

	<u>Balance 2023</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2024</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$	<u>350,221</u>	<u>445,473</u>	<u>(355,504)</u>	<u>440,190</u>	<u>88,038</u>	<u>352,152</u>

Changes to compensated absences for 2023 were as follows:

	<u>Balance 2022</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2023</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$	<u>429,827</u>	<u>458,699</u>	<u>(538,305)</u>	<u>350,221</u>	<u>70,044</u>	<u>280,177</u>

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(7) Long-term Debt**

Changes in long-term debt amounts for 2024 were as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 2024</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Bonds payable:						
2018 Certificates of participation	\$ 23,685,000	-	(747,500)	22,937,500	780,000	22,157,500
Premium on issuance – 2018 Series	2,765,747	-	(107,408)	2,658,339	-	2,658,339
2024 Certificates of participation	-	7,345,000	-	7,345,000	100,000	7,245,000
Premium on issuance – 2024 Series	-	405,994	-	405,994	-	405,994
Total bonds payable	<u>26,450,747</u>	<u>7,750,994</u>	<u>(854,908)</u>	<u>33,346,833</u>	<u>880,000</u>	<u>32,466,833</u>
Loans payable:						
Mission Bank – 2016 loan	<u>5,525,776</u>	<u>-</u>	<u>(357,363)</u>	<u>5,168,413</u>	<u>358,944</u>	<u>4,809,469</u>
Total long-term debt	<u>\$ 31,976,523</u>	<u>7,750,994</u>	<u>(1,212,271)</u>	<u>38,515,246</u>	<u>1,238,944</u>	<u>37,276,302</u>

Changes in long-term debt amounts for 2023 were as follows:

	<u>Balance 2022</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 2023</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Bonds payable:						
2018 Certificates of participation	\$ 24,395,000	-	(710,000)	23,685,000	747,500	22,937,500
Premium on issuance – 2018 Series	2,873,155	-	(107,408)	2,765,747	-	2,765,747
Total bonds payable	<u>27,268,155</u>	<u>-</u>	<u>(817,408)</u>	<u>26,450,747</u>	<u>747,500</u>	<u>25,703,247</u>
Loans payable:						
Mission Bank – 2016 loan	<u>5,858,227</u>	<u>-</u>	<u>(332,451)</u>	<u>5,525,776</u>	<u>346,123</u>	<u>5,179,653</u>
Lease payable:						
Unitrends equipment lease	<u>11,753</u>	<u>-</u>	<u>(11,753)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total long-term debt	<u>\$ 33,138,135</u>	<u>-</u>	<u>(1,161,612)</u>	<u>31,976,523</u>	<u>1,093,623</u>	<u>30,882,900</u>

**2018 Series Certificates of Participation – Water Revenue Refunding Bonds**

On November 13, 2018, the District issued 2018 Series Certificates of Participation Water Revenue Bonds, not to exceed \$38,000,000 for the purpose of advance refunding its outstanding 2009 Series Certificates of Participation Water Revenue Bonds and to finance new capital improvement projects. As a result of the refunding, the District's 2009 Certificates of Participation issue is considered defeased and the liability for that obligation has been removed from the District's financial statements. The District completed the advance refunding to reduce the District's total debt service payments over a 20-year period by a present-value amount of approximately \$2.905 million to obtain an economic gain of approximately \$3.831 million.

The certificates-of-participation are scheduled to mature in fiscal year 2049. An interest rate premium in the amount of \$3,258,032 was calculated on the issuance of the refunding revenue bonds and will be amortized over the life of the debt. Principal and interest are payable in monthly installments due on the 1<sup>st</sup> of each month at rates ranging from 4.00% to 5.00% with monthly principal installments ranging from \$43,333 to \$129,583.

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(7) Long-term Debt, continued**

***2018 Series Certificates of Participation – Water Revenue Refunding Bonds, continued***

Future long-term debt service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 780,000	1,099,325	1,879,325
2026	818,750	1,060,325	1,879,075
2027	856,250	1,019,387	1,875,637
2028	901,250	976,575	1,877,825
2029	948,750	931,512	1,880,262
2030-2034	5,537,500	3,893,625	9,431,125
2035-2039	6,830,000	2,362,312	9,192,312
2040-2044	2,897,500	1,061,000	3,958,500
2045-2049	3,367,500	399,300	3,766,800
Total	22,937,500	<u>12,803,361</u>	<u>35,740,861</u>
Current	(780,000)		
Bond premium	<u>2,658,339</u>		
Long-term	<u>\$ 24,815,839</u>		

***2024 Series Certificates of Participation – Water Revenue Bonds***

On March 12, 2024, the District issued 2024 Series Certificates of Participation Water Revenue Bonds, for the purpose of financing the District’s water transmission pipeline replacement project.

The certificates-of-participation are scheduled to mature in fiscal year 2054. An interest rate premium in the amount of \$405,994 was calculated on the issuance of the refunding revenue bonds and will be amortized over the life of the debt. Principal is payable in annual installments due on the 1<sup>st</sup> of each April starting on April 1<sup>st</sup>, 2025 and interest is payable in semi-annual installments due on the 1<sup>st</sup> of each October and April starting on October 1<sup>st</sup>, 2024 at rates ranging from 4.00% to 5.00% with annual principal installments ranging from \$100,000 to \$430,000.

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(7) Long-term Debt, continued**

***2024 Series Certificates of Participation – Water Revenue Bonds, continued***

Future long-term debt service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 100,000	348,627	448,627
2026	120,000	326,150	446,150
2027	125,000	320,150	445,150
2028	130,000	313,900	443,900
2029	140,000	307,400	447,400
2030-2034	795,000	1,426,250	2,221,250
2035-2039	1,025,000	1,205,750	2,230,750
2040-2044	1,300,000	923,500	2,223,500
2045-2049	1,630,000	596,600	2,226,600
2050-2054	1,980,000	244,000	2,224,000
Total	7,345,000	<u>6,012,327</u>	<u>13,357,327</u>
Current	(100,000)		
Bond premium	405,994		
Long-term	\$ <u>7,650,994</u>		

***Mission Bank – 2016 Loan***

On April 1, 2016, the District entered into a loan agreement to receive an \$8,000,000 loan from Mission Bank to finance the construction of the Solar Power Facility project. Terms of the agreement call for annual payments including interest at 3.50% maturing in fiscal year 2036.

Future long-term debt service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 358,944	175,188	534,132
2026	371,711	162,421	534,132
2027	384,931	149,201	534,132
2028	398,255	135,877	534,132
2029	412,787	121,345	534,132
2030-2034	2,294,672	375,989	2,670,661
2035-2036	947,113	32,132	979,245
Total	5,168,413	<u>1,152,153</u>	<u>6,320,566</u>
Current	(358,944)		
Long-term	\$ <u>4,809,469</u>		

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(7) Long-term Debt, continued**

***VAR Technology Finance Equipment Lease***

On December 14, 2018, the District entered into an agreement with the VAR Technology Finance, to lease backup server equipment for use in the District’s administrative office. Terms of the agreement commenced on July 1, 2019, for a period of 48 months, with rent due monthly at \$1,979 per month for the entire lease term.

Following the provisions set forth by *GASB Statement No. 87*, the District has recorded a right-to-use asset and a lease payable at present value with an implicit rate of 3.50%. The right-to-use asset is amortized on a straight-line basis over the term of the lease. At June 30, 2023, the lease was paid-in-full.

**(8) Other Post-Employment Benefit (OPEB) Plan**

***Plan Description***

The District provides other post-employment benefits (OPEB) to qualified employees who retire from the District and meet the District’s vesting requirements. The Plan is a single-employer defined benefit OPEB plan administered by the District. The District’s Board has the authority to establish and amend the benefit terms and financing requirements of the Plan. The District participates in CalPERS California Employer’s Retiree Benefit Trust Program (CERBT), a trust fund intended to perform an essential government function within the meaning of Section 115 of the Internal Revenue Code. Copies of CalPERS CERBT audited financial report may be obtained from their executive Office: 400 P Street, Sacramento, CA 95814.

***Benefits Provided***

The District provides post-employment health care benefits to all employees who retire from the District and meet certain eligibility requirements. Retirees may enroll in any plan available through CalPERS medical, dental and vision programs. The contribution requirements of Plan members and the District are established and may be amended by the Board of Directors.

To be eligible for retiree health benefits, an employee must retire from the District on or after age 55 with at least 15 years of District service. As of June 30, 2024 and 2023, the District’s contribution was \$700 per month for eligible employees regardless of the year in which the employee retired.

***Employees Covered by Benefit Terms***

At June 30 the following employees were covered by the benefit terms:

	<b>2024</b>	<b>2023</b>
Active plan members	28	31
Retirees and beneficiaries receiving benefits	12	11
Total Plan membership	40	42

***Contributions***

The contribution requirements for eligible retired employees of the District are established and may be amended by the Board of Directors. The District contributes towards the cost of health insurance for retirees under any group plan offered by CalPERS, subject to certain restrictions as determined by the District. The annual contribution is based on the actuarially determined contribution.



**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(8) Other Post-Employment Benefit (OPEB) Plan, continued**

*Contributions, continued*

For the years ended June 30, the contributions were as follows:

	<b>2024</b>	<b>2023</b>
Contributions – employer	\$ 92,950	73,682

***Net OPEB Liability***

The District’s net OPEB liability was measured as of June 30, 2023 and 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023 and 2021. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

***Actuarial Assumptions***

The net OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

The following is a summary of the actuarial assumptions and methods:

Inflation	2024 – 2.50 percent 2023 – 2.50 percent
Salary increases	2.75 percent, average, including inflation
Discount rate	2024 – 6.60 percent 2023 – 6.75 percent
Healthcare cost trend rates	4.00 percent
Retirees' share of benefit-related costs	100 percent of the District's share of projected health insurance premiums for retirees age 55 with a minimum 15 years of service hired before July 1, 2013.  100 percent of the District's share of projected health insurance premiums for retirees age 60 with a minimum 15 years of service hired on or after January 1, 2013.

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(8) Other Post-Employment Benefit (OPEB) Plan, continued**

***Discount Rate***

At June 30, 2023 and 2022, the discount rate used to measure the net OPEB liability was 6.60 percent and 6.75 percent, respectively. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates.

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. The asset class percentages were taken from the current composition of the CERBT trust, and the expected yields were taken from a CalPERS publication for the Pension Fund. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2023 and 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation* CERBT Strategy 1</u>	<u>Expected Real Return**</u>
Global equity	59%	7.79%
Fixed income	25%	4.50%
Treasury inflation-protected securities	5%	3.25%
Commodities	3%	7.80%
Real estate trusts	8%	7.50%
Total	<u>100%</u>	

\* Policy target effective October 1, 2018

\*\* Assumed long-term rate of inflation - 2.75%

\*\*\* Expected long-term net rate of return, rounded - 6.75%

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(8) Other Post-Employment Benefit (OPEB) Plan, continued**

*Changes in the Net OPEB Liability*

Changes in net OPEB liability for the years were as follows:

	<u>June 30, 2024</u>			<u>June 30, 2023</u>
	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>	<u>Net OPEB Liability</u>
<b>Balance at beginning of year</b>	\$ 3,290,786	1,206,071	2,084,715	1,698,328
<b>Changes for the year:</b>				
Service cost	104,635	-	104,635	101,835
Interest	221,589	-	221,589	208,357
Expected investment income	-	81,398	(81,398)	(94,001)
Administrative expense	-	(350)	350	353
Employer contributions as benefit payments	-	98,004	(98,004)	(91,742)
Actual benefit payments from employer	(98,004)	(98,004)	-	-
Expected minus actual benefit payments	(415,352)	-	(415,352)	(18,780)
Experience (gains) losses	-	-	-	-
Changes in assumptions	(283,947)	-	(283,947)	-
Changes in benefit terms	-	-	-	-
Investment gains/(losses)	-	(3,979)	3,979	280,365
<b>Net change</b>	<u>(471,079)</u>	<u>77,069</u>	<u>(548,148)</u>	<u>386,387</u>
<b>Balance at end of year</b>	\$ <u>2,819,707</u>	<u>1,283,140</u>	<u>1,536,567</u>	<u>2,084,715</u>

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The following tables present the District's net OPEB liability calculated using the discount rate, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate.

As of June 30, 2024, the discount rate comparison was as follows:

	Discount Rate - 1%	Current	Discount
		Discount	Rate + 1%
		5.60%	6.60%
District's net OPEB liability	\$ 1,971,500	1,536,567	1,183,029

As of June 30, 2023, the discount rate comparison was as follows:

	Discount Rate - 1%	Current	Discount
		Discount	Rate + 1%
		5.75%	6.75%
District's net OPEB liability	\$ 2,552,480	2,084,715	1,700,783

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(8) Other Post-Employment Benefit (OPEB) Plan, continued**

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate*

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

As of June 30, 2024, the healthcare cost trend rate comparison was as follows:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
	<u>3.00%</u>	<u>4.00%</u>	<u>5.00%</u>
District's net OPEB liability	\$ 1,168,743	1,536,567	2,018,547

As of June 30, 2023, the healthcare cost trend rate comparison was as follows:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
	<u>3.00%</u>	<u>4.00%</u>	<u>5.00%</u>
District's net OPEB liability	\$ 1,662,548	2,084,715	2,627,125

*OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB*

For the years ended June 30, 2024 and 2023, the District recognized OPEB expense of \$202,758 and \$232,668, respectively.

As of June 30, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>June 30, 2024</u>		<u>June 30, 2023</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer contributions made subsequent to the measurement date	\$ 92,950	-	73,682	-
Changes in assumptions	47,456	-	340,852	-
Differences between expected and actual experience	-	(470,458)	-	(99,648)
Investment gains and losses	89,192	-	102,210	-
Total	\$ <u>229,598</u>	<u>(470,458)</u>	<u>516,744</u>	<u>(99,648)</u>

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(8) Other Post-Employment Benefit (OPEB) Plan, continued**

As of June 30 2024 and 2023, employer OPEB contributions reported as deferred outflows of resources related to contributions subsequent to the measurement date of \$92,950 and \$73,682 will be/were recognized as a reduction of the net OPEB liability for the fiscal years ended June 30, 2025 and 2024, respectively.

As of June 30, 2024, other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<b>Fiscal Year Ending June 30:</b>	<b>Deferred Outflows/ (Inflows) of Resources, Net</b>
2025	\$ 32,622
2026	10,674
2027	144,963
2028	(23,259)
2029	(25,644)
Thereafter	<u>(247,326)</u>
Total	<u>\$ (107,970)</u>

***OPEB Plan Fiduciary Net Position***

Detailed information about the OPEB plan’s fiduciary net position is available in separately issued CalPERS financial reports. See pages 46 and 47 for the Required Supplementary Information.

**(9) Defined Benefit Pension Plan**

***Plan Description***

All qualified permanent and probationary employees are eligible to participate in the District’s separate Miscellaneous Employee, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website or may be obtained from their executive office: 400 P Street, Sacramento, CA 95814.

***Benefits Provided***

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the District’s CalPERS 2.0% at 55 Risk Pool to new employee entrants, not previously employed by an agency under CalPERS, effective December 31, 2012. All employees hired after January 1, 2013 are eligible for the District’s CalPERS 2.0% at 62 Retirement Plan under PEPRA.

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(9) Defined Benefit Pension Plan, continued**

***Benefits Provided, continued***

The Plan's provisions and benefits in effect at June 30, 2024 and 2023, are summarized as follows:

	<b>Miscellaneous Plan</b>	
	<b>Tier 1</b>	<b>Tier 2</b>
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 60	52 - 62
Monthly benefits, as a % of eligible compensation	1.5% to 2.4%	1.0% to 2.5%
2024:		
Required employee contribution rates	6.930%	7.750%
Required employer contribution rates	10.100%	7.680%
2023:		
Required employee contribution rates	6.930%	6.750%
Required employer contribution rates	8.630%	7.470%

***Contributions***

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers to be determined on an annual basis by an actuary and shall be effective on the July 1, following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30, by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

As of the fiscal years ended June 30, the contributions to the Plan were as follows:

	<b>Miscellaneous Plan</b>	
	<b>2024</b>	<b>2023</b>
Contributions – employer	\$ 581,270	545,176

***Net Pension Liability***

As of the fiscal years ended June 30, the District reported net pension liabilities for its proportionate share of the net pension liability of the Plan was as follows:

	<b>Proportionate Share of Net Pension Liability</b>	
	<b>2024</b>	<b>2023</b>
Miscellaneous Plan	\$ 4,673,440	4,220,600

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(9) Defined Benefit Pension Plan, continued**

*Net Pension Liability, continued*

The District's net pension liability for the PERF C is measured as the proportionate share of the net pension liability for the miscellaneous pool. As of June 30, 2024 and 2023, the net pension liability of the Plan is measured as of June 30, 2023 and 2022 (the measurement dates), respectively. The total pension liability for the PERF C's miscellaneous risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 and 2021 (valuation dates), rolled forward to June 30, 2023 and 2022, respectively, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's change in the proportions of the net pension liability as of June 30, were as follows:

	<b>Miscellaneous Plan</b>	
	<b>2024</b>	<b>2023</b>
Proportion – beginning of year	0.03654%	0.03339%
Proportion – end of year	0.03746%	0.03654%
Change – increase (decrease)	0.00092%	0.00315%

***Pension Expense and Deferred Pension Outflows (Inflows) of Resources***

As of June 30, 2024 and 2023, the District recognized pension expense of \$890,168 and \$281,158, respectively.

As of June 30, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

<b>Description</b>	<b>2024</b>		<b>2023</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions subsequent to the measurement date	\$ 581,270	-	545,176	-
Net difference between actual and expected experience	201,710	-	27,991	-
Net change in assumptions	282,157	-	432,490	-
Net difference between projected and actual earnings on plan investments	756,671	-	773,105	-
Differences between actual contribution and proportionate share of contribution	-	(140,251)	-	(251,002)
Net adjustment due to differences in proportions of net pension liability	168,041	-	177,897	-
Total	\$ 1,989,849	(140,251)	1,956,659	(251,002)

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(9) Defined Benefit Pension Plan, continued**

***Pension Expense and Deferred Pension Outflows (Inflows) of Resources, continued***

As of June 30 2024 and 2023, the District reported \$581,270 and \$545,176, respectively, as deferred outflows of resources related to contributions subsequent to the measurement dates. Pension contributions subsequent to the measurement date for the year ended June 30, 2024, will be recognized as a reduction of the net pension liability for the year ended June 30, 2025. Pension contributions subsequent to the measurement date for the year ended June 30, 2023, were recognized as a reduction of the net pension liability for the year ended June 30, 2024.

At June 30, 2024, other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized as pension expense as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Deferred Net Outflows / (Inflows) of Resources</b>
2025	\$ 380,208
2026	272,787
2027	590,195
2028	25,138

***Actuarial Assumptions***

The total pension liability in the June 30, 2022 and 2021, actuarial valuation reports were determined using the following actuarial assumptions:

Valuation dates	June 30, 2022 and 2021
Measurement dates	June 30, 2023 and 2022
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	2024 - 6.90%
	2023 - 6.90%
Inflation	2024 - 2.30%
	2023 - 2.30%
Salary increases	Varies by Entry Age and Service
Investment rate of return	6.90 % net of pension plan investment and administrative expenses; includes inflation
Mortality Rate Table*	Derived using CalPERS' membership data for all funds
Period upon which actuarial experience survey assumptions were based	1997-2015
Post retirement benefit	COLA up to 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

\* The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the April 2014 experience study report (based on CalPERS demographic data from 1997 to 2011) available online at <https://www.calpers.ca.gov/docs/forms-publications/calpers-experience-study-2014.pdf>.



**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(9) Defined Benefit Pension Plan, continued**

***Discount Rate***

The discount rate used to measure the total pension liability was 6.90% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, the amortization and smoothing periods recently adopted by CalPERS were utilized. The crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments.

Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

At June 30, 2024 and 2023, the long-term expected real rate of return by asset class was as follows:

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1–10</u>
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	27.00%
Mortgage-backed Securities	5.00%	50.00%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	<u>100.00%</u>	

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(9) Defined Benefit Pension Plan, continued**

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following table presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

As of June 30, 2024, the discount rate comparison was as follows:

	<b>Discount Rate 1% Decrease 5.90%</b>	<b>Current Discount Rate 6.90%</b>	<b>Discount Rate 1% Increase 7.90%</b>
District's net pension liability	\$ 7,212,874	4,673,440	2,583,267

As of June 30, 2023, the discount rate comparison was as follows:

	<b>Discount Rate 1% Decrease 5.90%</b>	<b>Current Discount Rate 6.90%</b>	<b>Discount Rate 1% Increase 7.90%</b>
District's net pension liability	\$ 6,572,965	4,220,600	2,285,188

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports. See pages 48 and 49 for the Required Supplementary Information.

***Payable to the Pension Plan***

As of June 30, 2024 and 2023, the District reported no payables for the outstanding amount of contribution to the pension plan.

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(10) Net Investment in Capital Assets**

Calculation of net investment in capital assets as of June 30 were as follows:

	<b>2024</b>	<b>2023</b>
Capital assets:		
Capital assets – not being depreciated	\$ 6,591,584	14,807,086
Capital assets, net – being depreciated	53,271,916	45,576,511
Current:		
Certificates-of-participation	(880,000)	(747,500)
Loans payable	(358,944)	(346,123)
Non-current:		
Certificates-of-participation	(32,466,833)	(25,703,247)
Loans payable	(4,809,469)	(5,179,653)
Total net investment in capital assets	\$ 21,348,254	28,407,074

**(11) Restricted**

Calculation of restricted net position as of June 30 was as follows:

	<b>2024</b>	<b>2023</b>
Restricted – cash and cash equivalents:		
Kern County AD 87-1	\$ 593,617	538,949
Kern County Capital Facility Fees	70,362	63,848
BNY 2024 Bond Project Funds	7,489,712	-
Accrued interest payable	(198,807)	(111,360)
Total restricted net position	\$ 7,954,884	491,437

**(12) Unrestricted**

Unrestricted net position as of June 30 were categorized as follows:

	<b>2024</b>	<b>2023</b>
Non-spendable net position:		
Materials and supplies inventory	\$ 1,058,407	1,064,181
Prepaid expenses and other deposits	123,431	105,938
Mitigation deposit – California Department of Fish and Game	120,000	120,000
Total non-spendable net position	1,301,838	1,290,119
Spendable net position:		
Capital replacement reserve	4,543,170	5,287,675
Rate stabilization reserve	2,271,585	2,643,837
Total spendable net position	6,814,755	7,931,512
Total unrestricted net position	\$ 8,116,593	9,221,631

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(13) Deferred Compensation Savings Plan**

For the benefit of its employees, the District participates in two Deferred Compensation Programs (Programs): A 457 plan and a 401(a) plan. The purpose of these Programs is to provide deferred compensation for public employees that elect to participate in the Programs. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District and are not subject to claims of the District's general creditors. For the District's 457 plan, the market value of all plan assets held in trust by Mutual of America at June 30, 2024 and 2023, was \$2,935,094 and \$2,582,874, respectively. For the District's 401(a) plan, the market value of all plan assets held in trust by Mutual of America at June 30, 2024 and 2023, were \$299,705 and \$162,799, respectively.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for these plans, the assets and related liabilities are not shown on the statements of net position.

**(14) Debt Without District Commitment**

***Special Assessment Districts***

The District maintains two Assessment Districts. These Assessment Districts were established under the Municipal Improvement Act of 1913 and partially financed with the 1951 Improvement Act bonds. Accounting for these Assessment Districts follows the Governmental Accounting Standards Board Statement No. 6, *Accounting and Financial Reporting for Special Assessments*. GASB No. 6 states that enterprise funds, such as that of the District, are to account for special assessment financing debt on the books of the District only if one of the following conditions exists:

1. The District is directly liable for the special assessment debt
2. The District is not directly liable for the special assessment debt, but the debt is expected to be repaid from revenues of the District.

Since the District is not directly liable for the Assessment District debt and it is expected all such debt will be repaid from landowner assessments and not District revenues, the special assessment debt is not included in the District's financial statements. The District acts solely as an agent for the bondholders in collecting and forwarding the special assessments.

***Assessment District No. 87-1***

The District acquired the Ridgecrest Heights Water System during the 1988 fiscal year. In order to finance the construction of the estimated \$6,741,000 of required improvements the District formed Assessment District 87-1 on June 14, 1989. The District holds the Assessment District Bonds and did not sell them on the open market. Bond principal and interest revenues will be used to repay loans received to finance construction from the State of California. At June 30, 2020, the bond debt service was paid-in-full. At June 30, 2024 and 2023 there were delinquent receivables in the amount of \$33,193 and \$61,476 respectively.

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(15) Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California special districts. The purpose of the SDRMA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

At June 30, 2024, the District participated in the liability and property programs of the SDRMA as follows:

- General and auto liability, public officials' and employees' errors and omissions and employment practices liability: Total risk financing limits of \$10,000,000, combined single limit at \$10,000,000 per occurrence, subject to the following deductibles.
  - General Liability Property Damage - \$500
  - Auto Liability Property Damage - \$1,000
  - 50% co-insurance of cost expended by SDRMA, in excess of \$10,000 to \$50,000, per occurrence, for employment related claims. However, 100% if the obligation will be waived if certain criteria are met, as provided in the memorandum of coverage's.

In addition, the District also has the following insurance coverage:

- Employee dishonesty coverage up to \$1,000,000 per loss includes public employee dishonesty, forgery or alteration and theft, disappearance and destruction coverages.
- Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis. A combined total of \$1 billion per occurrence (pool limit), subject to a \$1,000 deductible per occurrence.
- Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence (pool limit), subject to a \$1,000 deductible per occurrence.
- Public officials personal liability up to \$500,000 each occurrence, with an annual aggregate of \$500,000 per each elected/appointed official to which this coverage applies, subject to the terms, conditions and exclusions as provided in the memorandum of coverage's, subject to a \$1,000 deductible per occurrence.
- Comprehensive and collision on selected vehicles, with deductibles of \$250/\$500 or \$500/\$1,000 as elected.
- Workers' compensation insurance up to statutory limits and Employer's Liability Coverage up to \$5 million.

Settled claims have not exceeded any of the coverage amounts in the last three fiscal years. There were no reductions in insurance coverage in fiscal years 2024, 2023, and 2022. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2024, 2023, and 2022.

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(16) Governmental Accounting Standards Board Statements Issued, Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2024, that has effective dates that may impact future financial presentations.

***Governmental Accounting Standards Board Statement No. 101***

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 102***

In December 2023, the GASB issued Statement No. 102 – *Certain Risk Disclosures*. The primary objective of this Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

**Indian Wells Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(16) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued**

***Governmental Accounting Standards Board Statement No. 103***

In April 2024, the GASB issued Statement No. 103 – *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government’s accountability. Also, this Statement: (1) continues the requirement that the basic financial statements be preceded by management’s discussion and analysis (MD&A), which is presented as required supplementary information (RSI); (2) describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence; (3) requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses; (4) requires governments to present each major component unit separately in the reporting entity’s statement of net position and statement of activities if it does not reduce the readability of the statements; and (5) requires governments to present budgetary comparison information using a single method of communication—RSI.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 104***

In September 2024, the GASB issued Statement No. 104 – *Disclosure of Certain Capital Assets*. The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments. Also, this Statement establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement apply to the financial statements of all state and local governments.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

**(17) Commitments and Contingencies**

***Construction Contracts***

The District has a variety of agreements with private parties relating to the installation, improvement or modification of water and wastewater facilities and distribution systems within its service area. The financing of such construction contracts is being provided primarily from the District’s replacement reserves and capital contributions.

***Litigation***

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

**(18) Subsequent Events**

Management is not aware of any events or transactions, including estimates that provide additional evidence about conditions which existed after June 30, 2024, which require disclosure as of February 10, 2025, which is the date the financial statements were available to be issued.

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Financial Statements Draft Subject to Board Approval



## **Required Supplementary Information**

Financial Statements Draft Subject to Board Approval



**Indian Wells Valley Water District**  
**Schedules of Changes in the District's Net OPEB Liability and Related Ratios**  
**As of June 30, 2024**  
**Last Ten Fiscal Years\***

Fiscal year ending	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
<b>Total OPEB liability</b>							
Service cost	\$ 104,635	101,835	67,973	66,154	43,624	42,456	41,320
Interest	221,589	208,357	173,446	163,097	97,754	70,031	91,646
Assumption changes	(283,947)	-	540,418	-	(603,686)	485,414	-
Changes in benefit terms	-	-	-	-	906,443	-	-
Expected benefit payments	-	-	-	-	-	(44,151)	-
Experience (gains)/losses	-	-	(92,504)	-	(17,713)	-	-
Actual benefit payments from employer	(98,004)	(91,742)	(79,915)	(79,259)	(61,487)	-	-
Actual minus expected benefit payments	(415,352)	(18,780)	-	-	-	1,172	(42,438)
Expected minus actual benefit payments	-	-	(4,155)	(1,305)	16,420	-	-
Net change in total OPEB liability	(471,079)	199,670	605,263	148,687	381,355	554,922	90,528
Total OPEB liability – beginning	3,290,786	3,091,116	2,485,853	2,337,166	1,955,811	1,400,889	1,310,361
Total OPEB liability – ending	\$ 2,819,707	3,290,786	3,091,116	2,485,853	2,337,166	1,955,811	1,400,889
<b>Plan Fiduciary Net Position</b>							
Employer contributions as benefit payments	\$ 98,004	91,742	79,915	79,259	61,487	-	-
Expected investment income	81,398	94,001	76,488	73,909	49,717	46,906	-
Investment gains/(losses)	(3,979)	(280,365)	223,827	(36,611)	12,145	30,630	-
Actual investment income	-	-	-	-	-	-	97,323
Administrative expenses	(350)	(353)	(413)	(516)	(214)	(1,787)	(811)
Actual benefit payments from employer	(98,004)	(91,742)	(79,915)	(79,259)	(61,487)	-	-
Expected benefit payments	-	-	-	-	-	(44,151)	-
Benefit payments	-	-	-	-	-	-	(42,438)
Actual minus expected benefit payments	-	-	-	-	-	1,172	-
Other **	-	-	-	-	-	1,190	-
Net change in plan fiduciary net position	77,069	(186,717)	299,902	36,782	61,648	33,960	54,074
Plan fiduciary net position – beginning	1,206,071	1,392,788	1,092,886	1,056,104	994,456	960,496	906,422
Plan fiduciary net position – ending	\$ 1,283,140	1,206,071	1,392,788	1,092,886	1,056,104	994,456	960,496
Net OPEB liability – ending	\$ 1,536,567	2,084,715	1,698,328	1,392,967	1,281,062	961,355	440,393
Covered payroll	\$ 2,887,953	2,683,152	2,574,331	2,524,428	1,984,705	2,305,138	2,156,274
Net OPEB liability as a percentage of covered payroll	53.21%	77.70%	65.97%	55.18%	64.55%	41.70%	20.42%

**Notes to Schedule:**

Valuation dates	June 30, 2023	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Method and assumptions used to determine contribution rates:							
Single and agent employers	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization period	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market value	Market value	Market value	Market value	Market value	Market value	Market value
Inflation	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%
Salary increases	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Investment rate of return	6.60%	6.75%	6.75%	7.00%	7.00%	5.00%	7.00%
Mortality, retirement, disability							
Termination	(4)	(4)	(4)	(3)	(3)	(3)	(3)

- (1) Level percentage of payroll, closed
- (2) Pre-retirement mortality based on RP-2014 Employee Mortality Tables, Post retirement mortality rates based on RP-2014 Health Annuitant Mortality Table
- (3) 2014 CalPERS Active Mortality for Miscellaneous Employees
- (4) 2017 CalPERS Mortality for Miscellaneous and School Employees

\* The District has presented information for those years for which information is available until a full 10-year trend is compiled.

**Indian Wells Valley Water District**  
**Schedules of OPEB Plan Contributions**  
**As of June 30, 2024**  
**Last Ten Fiscal Years\***

Fiscal year ending	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarially determined contribution	\$ 92,950	73,682	73,620	79,915	79,259	61,487	57,651
Contributions in relation to the actuarially determined contribution	<u>(92,950)</u>	<u>(73,682)</u>	<u>(73,620)</u>	<u>(79,915)</u>	<u>(79,259)</u>	<u>(61,487)</u>	<u>(57,651)</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ <u>2,887,953</u>	<u>2,683,152</u>	<u>2,574,331</u>	<u>2,524,428</u>	<u>1,984,705</u>	<u>2,305,138</u>	<u>2,156,274</u>
Contributions as a percentage of covered payroll	<u>3.22%</u>	<u>2.75%</u>	<u>2.86%</u>	<u>3.17%</u>	<u>3.99%</u>	<u>2.67%</u>	<u>2.67%</u>

\* The District has presented information for those years for which information is available until a full 10-year trend is compiled.

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**Indian Wells Valley Water District**  
**Schedules of the District's Proportionate Share of the Net Pension Liability**  
**As of June 30, 2024**  
**Last Ten Fiscal Years**

Fiscal years	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement dates	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability	0.03746%	0.03654%	0.03339%	0.03192%	0.03069%	0.02917%	0.02875%	0.02712%	0.02292%	0.02885%
District's proportionate share of the net pension liability	\$ 4,673,440	4,220,600	1,805,811	3,473,330	3,144,639	2,810,828	2,851,601	2,346,813	1,573,256	1,795,052
District's covered payroll	\$ 2,887,953	2,683,152	2,574,331	2,524,428	1,984,705	2,305,138	2,156,274	2,095,489	2,075,823	1,907,011
District's proportionate share of the net pension liability as a percentage of its covered payroll	161.83%	157.30%	70.15%	137.59%	158.44%	121.94%	132.25%	111.99%	75.79%	94.13%
District's fiduciary net position as a percentage of the District's total pension liability	75.11%	75.54%	88.70%	77.30%	78.02%	79.45%	78.83%	80.54%	86.11%	83.61%

**Notes to schedule:**

Benefits changes:

There were no changes in benefits

Changes in assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses.

The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

The asset valuation method changed from the 15 year smoothed market method to the market value method.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%

The inflation rate was reduced from 2.75% to 2.625%

From fiscal year June 30, 2018 to June 30, 2019:

The inflation rate was reduced from 2.625% to 2.50%

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90%

The inflation rate was reduced from 2.50% to 2.30%

From fiscal year June 30, 2023 to June 30, 2024:

There were no changes in assumptions.

**Indian Wells Valley Water District  
Schedules of Pension Plan Contributions  
As of June 30, 2024  
Last Ten Fiscal Years**

Fiscal years	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially determined contribution	\$ 561,719	600,343	491,371	403,812	380,872	317,222	261,417	232,521	170,777	136,504
Contribution's in relation to the actuarially determined contribution	<u>(561,719)</u>	<u>(600,343)</u>	<u>(491,371)</u>	<u>(403,812)</u>	<u>(380,872)</u>	<u>(317,222)</u>	<u>(261,417)</u>	<u>(232,521)</u>	<u>(170,777)</u>	<u>(136,504)</u>
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 2,887,953	2,683,152	2,574,331	2,524,428	1,984,705	2,305,138	2,156,274	2,095,489	2,075,823	1,907,011
Contribution's as a percentage of covered payroll	<u>19.45%</u>	<u>22.37%</u>	<u>19.09%</u>	<u>16.00%</u>	<u>19.19%</u>	<u>13.76%</u>	<u>12.12%</u>	<u>11.10%</u>	<u>8.23%</u>	<u>7.16%</u>
<b>Notes to schedule:</b>										
Valuation dates	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market value	Market value	Market value	Market value	Market value	Market value	Market value	Market value	Market value	15 year Smoothed Market Method
Inflation	2.300%	2.300%	2.500%	2.500%	2.625%	2.750%	2.750%	2.750%	2.750%	2.750%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	6.90% (3)	6.90% (3)	7.15% (3)	7.000% (3)	7.250% (3)	7.375% (3)	7.500% (3)	7.500% (3)	7.500% (3)	7.500% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)

- (1) Level of percentage of payroll, closed  
(2) Depending on age, service, and type of employment  
(3) Net of pension plan investment expense, including inflation  
(4) 50 for all plans with exception of 52 for Miscellaneous 2% @62  
(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

# **Report on Internal Controls and Compliance**

Financial Statements Draft Subject to Board Approval





**Independent Auditor's Report on Internal Controls Over Financial Reporting  
and on Compliance and Other Matters Based on Audits of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Board of Directors  
Indian Wells Valley Water District  
Ridgecrest, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Indian Wells Valley Water District (District) as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprises the District's basic financial statements, and have issued our report thereon dated February 10, 2025.

**Internal Control Over Financial Reporting**

In planning and performing our audits of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

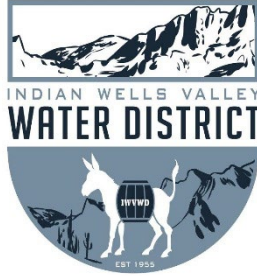
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Independent Auditor’s Report on Internal Controls Over Financial Reporting  
and on Compliance and Other Matters Based on Audits of Financial Statements  
Performed in Accordance with *Government Auditing Standards*, (continued)**

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**C.J. Brown & Company, CPAs**  
Cypress, California  
February 10, 2025



# 10. Public Hearing

**ORDINANCE NO. 109**

ORDINANCE OF THE BOARD OF DIRECTORS OF THE INDIAN WELLS VALLEY WATER DISTRICT, KERN AND SAN BERNARDINO COUNTIES, CALIFORNIA, RESCINDING ORDINANCE NUMBER 106 AND ORDINANCE 107 IN ITS ENTIRETY; AND PROVIDING FOR A REFERENCE DOCUMENT ENTITLED "WATER SALES AND SERVICE POLICY MANUAL"

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BE IT ORDAINED, by the Board of Directors of the Indian Wells Valley Water District, as follows:

**Section 1. PURPOSE.**

The purpose of this Ordinance is to rescind Ordinance No. 106 and Ordinance No. 107 in its entirety and provide for a reference document entitled "Water Sales and Service Policy Manual" covering Water Rates, and Other Rates, Fees, Charges, and Regulations of the District.

**Section 2. REPEAL, RESCISION AND AMENDMENT.**

Ordinance No. 106 and Ordinance No. 107 is hereby rescinded in its entirety.

**Section 3. WATER SALES AND SERVICE POLICY MANUAL ADOPTION.**

The Water Sales and Service Policy Manual attached hereto is hereby adopted.

**Section 4. EFFECTIVE DATE.**

This Ordinance will take effect on March 1<sup>st</sup>, 2025.

**Section 5. PUBLICATION.**

The Secretary is hereby directed to cause this Ordinance to be published once in full in a newspaper of general circulation, printed, published and circulated in the District.

All the foregoing being on the motion of Director seconded by Director, and authorized by the following vote, namely:

AYES:

NOES:

ABSENT:

ABSTAIN:

I HEREBY CERTIFY that all the foregoing ordinance is the ordinance of the Indian Wells Valley Water District as duly passed and adopted by said Board of Directors at a legally convened meeting held on the February 10, 2025.

WITNESS my hand and the official seal of said Board of Directors this 10<sup>th</sup> day of February 2025.

---

David C.H. Saint-Amand  
President of the Indian Wells Valley Water  
District and of the Board of Directors  
thereof.

ATTEST:

---

George D. Croll  
Secretary of the Indian Wells Valley Water  
District and of the Board of Directors thereof.

(SEAL)

STATE OF CALIFORNIA )  
COUNTIES OF KERN )  
AND SAN BERNARDINO )

I, GEORGE D. CROLL, Secretary of the Board of Directors of the Indian Wells Valley Water District, DO HEREBY CERTIFY, as follows:

The foregoing Ordinance is a full, true and correct copy of Ordinance No. 109, duly adopted at a Regular Board Meeting of the Board of Directors of said District, duly and held at the regular meeting place of the Board on the 10<sup>th</sup> day of February, 2025, for which all of the members of said Board of Directors had due notice and at which a majority of the Board of Directors were present. All the foregoing being on the motion of Director seconded by Director, and authorized by the following vote, namely:

AYES:

NOES:

ABSENT:

ABSTAIN:

I have carefully compared the foregoing with the original Minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original ordinance adopted at said Meeting and entered into said Minutes.

Ordinance No. 109 has not been amended, modified or rescinded since the date of its adoption on February 10<sup>th</sup>, 2025, and the same is now in full force and effect.

WITNESS my hand and the official seal of said Board of Directors this 10<sup>th</sup> day of February 2025.

---

George D. Croll  
Secretary of the Indian Wells Valley Water District  
and of the Board of Directors thereof.

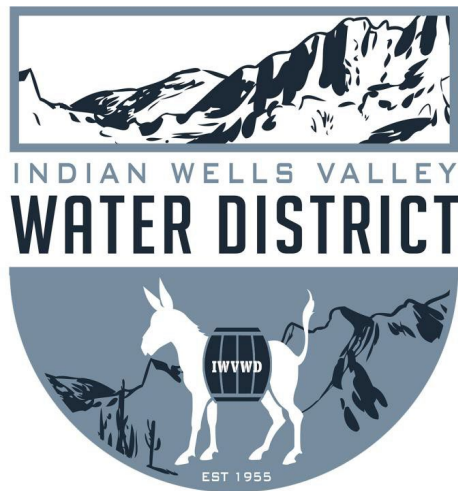
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David C.H. Saint-Amand  
President of the Indian Wells Valley Water District  
and of the Board of Directors thereof.

(SEAL)

# Indian Wells Valley Water District

## WATER SALES & SERVICE POLICY MANUAL



**Adopted:**

**By Ordinance No. 109107**

**Effective Date: ~~April~~ March 1, 2025~~3~~**

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## **GENERAL PROVISIONS - CONDITIONS OF SERVICE**

For conditions of service applicable to new connections to the District's system, see the various fee and charge provisions included within this manual and the District's Standard Construction Specifications, which is under separate cover.

New service is when an applicant 1) would like to start service with the District but does not have an active account, 2) has an active account and would like to open another active account at a new address, or 3) would like to close the active account and start service at a new address.

Before new service is started, applicants shall pay the refundable deposit and service charge.

Before new service is started, applicants and/or others in the residence or business benefitting from the new water service who have existing delinquent accounts shall pay the balance in full including interest. Lease agreements listing all tenants may be required before starting new service.

The District will at all times attempt to deliver to its customers a continuous and sufficient supply of water at adequate pressure at the meter to meet reasonable service demands. However, the District is not and will not be liable for any loss, damage, or inconvenience to any person by reason of shortage, insufficiency, suspension, or discontinuance of water service, or for increases or decreases in water pressure. Additionally, partial or total interruptions in service are sometimes necessary for the repair, maintenance, alteration, or extension of the District's facilities and the District shall not be liable or responsible for such interruptions.

The District reserves the right at any and all times to shut off water delivery for the purpose of maintenance or for making repairs and alterations to its system. Whenever possible, advance notice of interruption of service will be given to all affected water users; however, the District cannot guarantee complete freedom from service interruption.

The District will endeavor to provide potable water (water meeting the applicable water quality requirements of the California State Water Resources Control Board) to its customers. The District does not and shall not accept liability or responsibility for water that meets such applicable standards at the meter but reacts or interacts with non-District owned facilities causing damage or harm.

All water sold or dispensed by the District shall be metered or measured. By applying for and/or receiving water service from the District, each consumer irrevocably licenses the District and its authorized employees and agents to enter upon the consumer's property at reasonable times for the purpose of reading, inspecting, testing, checking, repairing, maintaining, or replacing the District's meters, customer's backflow prevention devices, and other facilities. Meters and service laterals shall be located in dedicated easements that allow entry for reading, repair and other necessary District activity by District personnel, without limitation. When the meter and service lateral are not located in a dedicated easement, the same irrevocable license provisions shall apply.

If a meter cannot be accessed due to a customer-caused obstruction or situation that prevents the reading of a meter and said obstruction/situation cannot be easily remedied by the District, the customer will be notified to correct the obstruction/situation in a timely manner. If the obstruction/situation prevents the meter from being read, the usage will be estimated for billing purposes until the meter can be properly read by District personnel. At the District's sole discretion, the customer may be billed for expenses incurred by the District to remedy the obstruction/situation, including time and materials plus an overhead and administrative charge of 15%.

District service facilities including meters, boxes and service laterals from the District's water main to and through the meter and customer service valve shall belong to and be maintained by the District. It is the customer's responsibility for installation and maintenance of the customer service line, including all service piping, valves and appurtenances on the discharge side of the meter including the customer service valve. The meter valve (angle stop) on the street side of the meter shall be operated by District personnel only. If a meter valve (angle stop) is damaged by non-District personnel, the customer will be responsible for all repair charges including the cost of time and materials plus an overhead and administrative charge of 15%. If an angle stop has been locked by the District and the lock is damaged or broken, the customer shall be charged \$100.

Title to water furnished by the District, the risk of loss thereof, and full responsibility for the carriage, handling, storage, disposal and use thereof, shall pass from the District to the water user at the outlet of the District meter, the control valve of a fire hydrant, or the control valve for a fire service.

For liability reasons, the District shall not repair leaks nor loan equipment or material for repairs on the customer's side of the meter, unless the installation was done by District personnel, such as in the case of a District installed change over, and then only within one year of installation.

A meter shall not be used to service any parcel or unit other than as assigned by the District. A service line may not cross a parcel or lot to reach another parcel or lot for service. Customers shall not serve water to neighboring properties via a garden hose, similar device or any other method.

Water that has been sold by the District shall not be resold, unless the customer is a local purveyor or water system, and then only in case of an emergency water shortage, and only with written consent of the Board of Directors of the District or General Manager.

In accordance with State Code, a customer's water service may be discontinued for nonpayment of a bill for water service. The District may also discontinue service to any customer for violation of its rules and regulations, or where safety of the water supply is endangered. If an unsafe or hazardous condition is found or is reasonably likely to exist on the customer's premises, or if the use of water thereon by apparatus, appliances, equipment, or otherwise is found and is reasonably suspected to be detrimental or damaging to the District or to its customer, the service may be shut off without notice.

In the event of unusual or other circumstances deemed appropriate by the District's Board of Directors, any of the rules, regulations, rates, fees, or charges, contained herein, are subject to review and or modification as the Board of Director's may determine, in its sole and absolute discretion, on a case-by-case basis.

**METERED AND FLAT RATES AND CHARGES - GENERAL**

Flat rate private fire protection accounts shall be billed on a monthly basis. All other categories of rates shall be read and billed on a monthly basis. Since it is not always possible to read meters at exactly the same intervals every month, the period between reading dates may vary slightly. Meters will be read as nearly as possible on the same day of each month. Special readings will be made on commencement and termination of service for purposes of pro-rating opening and closing bills.

If a meter fails to register correctly or cannot be read due to a malfunction, the usage may be estimated at 75% of the customer's historical consumption for the same period of time for the previous year, if available, or estimated by taking into consideration seasonal water demand, or any other factors that are material and significant to arriving at fair usage, or the District may use any other reasonable usage deemed appropriate after consultation with the customer. The District will endeavor to correct in a timely manner those situations that prevent a meter from being read so that the meter reading will not have to be estimated for a second consecutive billing period.

If a meter is not registering water usage, through no fault of the customer, the non-working meter will be repaired or replaced by the District by the next scheduled meter reading date, or the customer will be billed the minimum rate only until such time as repairs are made except in circumstances where prompt repair or replacement may be impossible, including circumstances such as natural disasters.

Meter boxes will be scheduled for cleanout or meters will be replaced, as circumstances dictate, in a prompt manner.

The 3/4- inch meter is the standard size meter for the District's smallest sized water service.

The following rates and charges are listed for a monthly billing schedule. All meter connections, excepting Private Fire Protection Service, will be charged the monthly Ready-to-Serve charge, the Arsenic Compliance charge plus metered monthly quantity rates and a zone charge if applicable. Landscape meter usage shall be billed at the Non-Single Family Residence rates.

**MONTHLY READY-TO-SERVE CHARGES**

The Monthly Ready-to-Serve Charge is generally intended to cover the fixed expenses of the District, excluding interest expense.

Meter Size	Effective 03/01/2025	Effective 01/01/2024	Effective 01/01/2025	Effective 01/01/2026	Effective 01/01/2027
3/4"	\$35,704.31	\$38,564.75	\$41,645.17	\$44,145.58	\$46,795.91
1"	\$54,886.38	\$59,277.02	\$64,017.86	\$67,858.17	\$71,939.98
1-1/2"	\$102,801.24	\$111,031.36	\$119,911.47	\$127,111.59	\$134,741.72
2"	\$160,321.93	\$173,142.13	\$186,992.30	\$198,212.48	\$210,102.68
3"	\$313,723.79	\$338,824.17	\$365,934.50	\$387,894.86	\$411,165.25
4"	\$486,285.88	\$525,186.47	\$567,206.98	\$601,237.54	\$637,318.15
6"	\$965,601.16	\$1,042,861.28	\$1,126,281.38	\$1,193,861.59	\$1,265,491.68
8"	\$1,540,801.86	\$1,664,072.05	\$1,797,202.15	\$1,905,032.28	\$2,019,332.58
10"	\$2,211,882.67	\$2,388,832.94	\$2,579,943.17	\$2,734,733.43	\$2,898,813.73

**MONTHLY ARSENIC COMPLIANCE CHARGES**

The Monthly Arsenic Compliance Charge is intended to cover the District's total arsenic compliance costs, including both debt principal and operations expenses.

Meter Size	Effective 03/01/2023	Effective 01/01/2024	Effective 01/01/2025	Effective 01/01/2026	Effective 01/01/2027
3/4"	\$10,281.43	\$11,101.67	\$11,991.76	\$12,711.94	\$13,471.22
1"	\$17,132.07	\$18,502.79	\$19,982.61	\$21,182.58	\$22,452.71
1-1/2"	\$34,274.45	\$37,014.60	\$39,974.25	\$42,375.19	\$44,915.45
2"	\$54,836.33	\$59,227.96	\$63,967.80	\$67,808.10	\$71,879.91
3"	\$109,651.32	\$118,421.45	\$127,891.57	\$135,561.16	\$143,691.83
4"	\$171,332.07	\$185,042.79	\$199,842.46	\$211,832.59	\$224,542.87
6"	\$342,674.44	\$370,084.44	\$399,694.44	\$423,675.33	\$449,095.74

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8"	<u>9</u> \$548.27663.1	<u>55.94</u> \$592.137	<u>92.42</u> \$639.507	<u>1.81</u> \$677.8785	<u>35</u> \$718.54918.
10"	<u>9</u> \$788.13953.3	<u>29.51</u> \$851.181.	<u>87.87</u> \$919.271.	<u>0.90</u> \$974.431.	<u>97</u> \$1,032.901.3
	<u>2</u>	<u>048.65</u>	<u>132.54</u>	<u>223.14</u>	<u>20.99</u>

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**ZONE CHARGE**

The Zone Charge is intended to recover from customers all the variable direct costs of power to supply water to the higher zones. Other variable direct costs could be charged to these customers when there is a reasonable way to identify and quantify them.

The Zone Charge is assessed as a multiple of the customer's zone against their usage. Each zone represents a difference of approximately 100 feet in elevation. The zones are designated A (lowest), B, C, D, and E (highest). Zone Charges are applied to customers in zones B, C, D, and E.

The zone charges are, per 100 cubic feet:

	Effective <u>03/01/2023</u> <u>025</u>	Effective <u>01/01/2024</u> <u>026</u>	Effective <u>01/01/2025</u> <u>027</u>	Effective <u>01/01/2026</u> <u>028</u>	Effective <u>01/01/2027</u> <u>029</u>
B-Zone	\$0.2732	\$0.2935	\$0.3138	\$0.3341	\$0.3544
C-Zone	\$0.5060	\$0.5466	\$0.5871	\$0.6177	\$0.6583
D-Zone	\$0.7793	\$0.831.02	\$0.901.10	\$0.951.19	\$1.011.29
E-Zone	\$1.0425	\$1.3812	\$1.2149	\$1.2861	\$1.3674

**METERED MONTHLY QUANTITY RATES BASED UPON METER SIZE**

Rate per Hundred Cubic Feet (HCF)

**3/4" Meter**  
**Rate per HCF**

	<u>Hundred Cubic Feet (HCF)</u>	Effective <u>03/01/2023</u> <u>2025</u>	Effective <u>01/01/2024</u> <u>2026</u>	Effective <u>01/01/2025</u> <u>2027</u>	Effective <u>01/01/2026</u> <u>2028</u>	Effective <u>01/01/2027</u> <u>2029</u>
Tier 1	0 - 20	\$2.0645	\$2.2167	\$2.3786	\$2.503.07	\$2.643.30
Tier 2	20.01 and Over	\$7.3470	\$7.4692	\$7.628.11	\$7.758.32	\$7.898.55
			+ zone charge			

**1" Meter**  
**Rate per HCF**

	<u>Hundred Cubic Feet (HCF)</u>	Effective <u>03/01/2023</u> <u>2025</u>	Effective <u>01/01/2024</u> <u>2026</u>	Effective <u>01/01/2025</u> <u>2027</u>	Effective <u>01/01/2026</u> <u>2028</u>	Effective <u>01/01/2027</u> <u>2029</u>
Tier 1	0 - 33	\$2.0645	\$2.2167	\$2.3786	\$2.503.07	\$2.643.30
Tier 2	33.01 and Over	\$7.3470	\$7.4692	\$7.628.11	\$7.758.32	\$7.898.55

+ zone charge

**1-1/2" Meter**  
**Rate per HCF**

	<u>Hundred Cubic Feet (HCF)</u>	Effective <u>03/01/2023</u> <u>2025</u>	Effective <u>01/01/2024</u> <u>2026</u>	Effective <u>01/01/2025</u> <u>2027</u>	Effective <u>01/01/2026</u> <u>2028</u>	Effective <u>01/01/2027</u> <u>2029</u>
Tier 1	0 - 65	\$2. <u>0645</u>	\$2. <u>21</u> <u>67</u>	\$2. <u>3786</u>	\$ <u>2.50</u> <u>3.07</u>	\$ <u>2.643.30</u>
Tier 2	65.01 and Over	\$7. <u>3470</u>	\$7. <u>46</u> <u>92</u>	\$ <u>7.628.11</u>	\$ <u>7.75</u> <u>8.32</u>	\$ <u>7.898.55</u>

+ zone charge

**2" Meter**  
**Rate per HCF**

	<u>Hundred Cubic Feet (HCF)</u>	Effective <u>03/01/2023</u> <u>2025</u>	Effective <u>01/01/2024</u> <u>2026</u>	Effective <u>01/01/2025</u> <u>2027</u>	Effective <u>01/01/2026</u> <u>2028</u>	Effective <u>01/01/2027</u> <u>2029</u>
Tier 1	0 - 104	\$2. <u>0645</u>	\$2. <u>21</u> <u>67</u>	\$2. <u>3786</u>	\$ <u>2.50</u> <u>3.07</u>	\$ <u>2.643.30</u>
Tier 2	104.01 and Over	\$7. <u>3470</u>	\$7. <u>46</u> <u>92</u>	\$ <u>7.628.11</u>	\$ <u>7.75</u> <u>8.32</u>	\$ <u>7.898.55</u>

+ zone charge

**3" Meter**  
**Rate per HCF**

	<u>Hundred Cubic Feet (HCF)</u>	Effective <u>03/01/2023</u> <u>2025</u>	Effective <u>01/01/2024</u> <u>2026</u>	Effective <u>01/01/2025</u> <u>2027</u>	Effective <u>01/01/2026</u> <u>2028</u>	Effective <u>01/01/2027</u> <u>2029</u>
Tier 1	0 - 208	\$2. <u>0645</u>	\$2. <u>21</u> <u>67</u>	\$2. <u>3786</u>	\$ <u>2.50</u> <u>3.07</u>	\$ <u>2.643.30</u>
Tier 2	208.01 and Over	\$7. <u>3470</u>	\$7. <u>46</u> <u>92</u>	\$ <u>7.628.11</u>	\$ <u>7.75</u> <u>8.32</u>	\$ <u>7.898.55</u>

+ zone charge

**4" Meter**  
**Rate per HCF**

	<u>Hundred Cubic Feet (HCF)</u>	Effective <u>03/01/2023</u> <u>2025</u>	Effective <u>01/01/2024</u> <u>2026</u>	Effective <u>01/01/2025</u> <u>7</u>	Effective <u>01/01/2026</u> <u>2028</u>	Effective <u>01/01/2027</u> <u>2029</u>
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Tier 1	0 - 325	\$2. <del>06</del> <u>45</u>	\$2. <del>21</del> <u>67</u>	\$2. <del>37</del> <u>86</u>	\$2. <del>50</del> <u>3.07</u>	\$2. <del>64</del> <u>3.30</u>
Tier 2	325.01 and Over	\$7. <del>34</del> <u>70</u>	\$7. <del>46</del> <u>92</u>	\$7. <del>62</del> <u>8.11</u>	\$7. <del>75</del> <u>8.32</u>	\$7. <del>89</del> <u>8.55</u>
			+ zone charge			



**6" Meter  
Rate per HCF**

	<u>Hundred Cubic Feet (HCF)</u>	Effective <u>03/01/2023</u> <u>2025</u>	Effective <u>01/01/2024</u> <u>2026</u>	Effective <u>01/01/2025</u> <u>2027</u>	Effective <u>01/01/2026</u> <u>2028</u>	Effective <u>01/01/2027</u> <u>2029</u>
Tier 1	0 - 650	\$2. <del>06</del> <u>45</u>	\$2. <del>21</del> <u>67</u>	\$2. <del>37</del> <u>86</u>	\$ <del>2.50</del> <u>3.07</u>	\$ <del>2.64</del> <u>3.30</u>
Tier 2	650.01 and Over	\$7. <del>34</del> <u>70</u>	\$7. <del>46</del> <u>92</u>	\$ <del>7.62</del> <u>8.11</u>	\$ <del>7.75</del> <u>8.32</u>	\$ <del>7.89</del> <u>8.55</u>

+ zone charge

**8" Meter  
Rate per HCF**

	<u>Hundred Cubic Feet (HCF)</u>	Effective <u>03/01/2023</u> <u>2025</u>	Effective <u>01/01/2024</u> <u>2026</u>	Effective <u>01/01/2025</u> <u>2027</u>	Effective <u>01/01/2026</u> <u>2028</u>	Effective <u>01/01/2027</u> <u>2029</u>
Tier 1	0 – 1,040	\$2. <del>06</del> <u>45</u>	\$2. <del>21</del> <u>67</u>	\$2. <del>37</del> <u>86</u>	\$ <del>2.50</del> <u>3.07</u>	\$ <del>2.64</del> <u>3.30</u>
Tier 2	1,040.01 and Over	\$7. <del>34</del> <u>70</u>	\$7. <del>46</del> <u>92</u>	\$ <del>7.62</del> <u>8.11</u>	\$ <del>7.75</del> <u>8.32</u>	\$ <del>7.89</del> <u>8.55</u>

+ zone charge

**10" Meter  
Rate per HCF**

	<u>Hundred Cubic Feet (HCF)</u>	Effective <u>03/01/2023</u> <u>2025</u>	Effective <u>01/01/2024</u> <u>2026</u>	Effective <u>01/01/2025</u> <u>2027</u>	Effective <u>01/01/2026</u> <u>2028</u>	Effective <u>01/01/2027</u> <u>2029</u>
Tier 1	0 – 1,495	\$2. <del>06</del> <u>45</u>	\$2. <del>21</del> <u>67</u>	\$2. <del>37</del> <u>86</u>	\$ <del>2.50</del> <u>3.07</u>	\$ <del>2.64</del> <u>3.30</u>
Tier 2	1,495.01 and Over	\$7. <del>34</del> <u>70</u>	\$7. <del>46</del> <u>92</u>	\$ <del>7.62</del> <u>8.11</u>	\$ <del>7.75</del> <u>8.32</u>	\$ <del>7.89</del> <u>8.55</u>

+ zone charge

**CONSTRUCTION METER CHARGES, RATES & PROVISIONS**

**ACCOUNT SETUP CHARGES**

A \$20.00 processing charge will be applied each time a construction meter permit, including permit extensions, is approved.

The construction meter applicant shall submit a deposit in the amount of \$1,550.00. This deposit amount represents the value of replacing a construction meter. The deposit is refundable provided the

meter is returned in working condition determined by a District inspection before the account is closed and the meter is returned to service. The inspection results will be documented on the Temporary Construction Meter Use Permit. The final bill, which includes Monthly Ready-to-Serve Charge, Metered Monthly Usage Rates, and any cost to repair damages to the construction meter, shall be deducted from the deposit.

The District may hold a deposit for up to five days for immediate return to the permittee if the meter is returned within the designated timeframe and passes a District inspection.

Construction meters will be charged a \$25 meter handling service charge, monthly ready-to-serve charge and metered monthly usage rates.

\$25 + ~~34.87~~45.18 effective ~~April~~March 1, ~~2023~~2025  
\$25 + ~~37.66~~52.20 effective January 1, ~~2024~~2026  
\$25 + ~~40.67~~58.38 effective January 1, ~~2025~~2027  
\$25 + ~~43.11~~65.05 effective January 1, ~~2026~~2028  
\$25 + ~~45.70~~72.25 effective January 1, ~~2027~~2029

**METERED MONTHLY USAGE RATES**  
(Rate per HCF)  
(All Usage)

~~\$7.31~~8.36 effective ~~April~~March 1, ~~2023~~2025  
~~\$7.46~~9.20 effective January 1, ~~2024~~2026  
~~\$7.62~~9.94 effective January 1, ~~2025~~2027  
~~\$7.75~~10.74 effective January 1, ~~2026~~2028  
~~\$7.89~~11.60 effective January 1, ~~2027~~2029  
+ zone charge

**GENERAL PROVISIONS - CONDITIONS OF SERVICE**

Construction Meter Water Service means service provided through a temporary construction water meter that is installed on a fire hydrant generally for construction and other legitimate non-potable water use as determined by the General Manager.

Fire hydrants are for use by Water District personnel or by organized fire protection agencies, pursuant to contract with the Water District. Other parties desiring to use fire hydrants for any purpose must first obtain a permit from the District prior to the use and shall operate said fire hydrants according to the regulations set forth herein and as otherwise directed by the Water District. The permittee must furnish said permit for inspection if requested to do so by a District employee or by a law enforcement officer. Unauthorized use of fire hydrants shall be prosecuted according to law.

Construction meters may only be connected to District facilities.

Construction meters may be portable or locked onto a fire hydrant by the District.

Each permit will allow for temporary metered water usage from a specific hydrant for up to 90 consecutive days. Permits may be extended up to 270 additional consecutive days at no less than 30-day increments at the discretion of the District. Meters may be returned prior to the permit expiration date.

The permittee must use a wrench specifically designed for opening and closing fire hydrant valves and said opening and closing shall be done slowly to prevent damage to the valve and distribution system. Pipe wrenches or crescent wrenches shall not be used, as these will damage valve stems. The permittee shall be responsible and solely liable for any damage to said fire hydrant, valves or the system for failing to exercise proper care in the opening and closing of any fire hydrant valve.

The permittee is responsible for closing the hydrant and removing any portable construction meter at the completion of each day. If there is water loss over night or over a weekend from a hydrant that was recently opened for construction meter use, the permittee shall be charged the estimated usage at the current construction meter monthly metered usage rates if the loss is due to the permittee's action or inaction as determined by the District.

If a meter becomes damaged or fails to record the water usage properly, it must be returned immediately to the Water District for repair and/or replacement. The permittee is responsible for any and all labor and material costs associated with repair or replacement of a lost or damaged construction meter.

If the calibration vane, calibration screen, register pin and/or seal pin is missing from the meter or there is other evidence the meter has been tampered with, damaged or removed from the hydrant for the purpose of receiving water without paying the full lawful charge, the permittee shall be charged for estimated usage at the current construction meter monthly metered usage rates plus any and all labor and material costs associated with repair or replacement of the damaged construction meter. These costs are subject to an overhead and administrative charge of 15%. No further service will be allowed until all fees and charges are paid in full.

All construction meters must be read by District personnel at approximately 30 day intervals for billing purposes. Locked-on meters may be routinely read in the field by District personnel. Permittees with portable construction meters shall return portable construction meters to District Headquarters for a reading by the due date set by the District unless meter is equipped with an AMI register. Permittees of portable non-AMI equipped construction meters who do not bring in the meter by the due date will be charged a minimum of \$73.00 for all costs associated with dispatching District personnel to locate and read a portable construction meter, including the cost of time and materials plus an overhead and administrative charge of 15%. Failure of the permittee to make the meter available for reading on a monthly basis or failure to pay charges when due may result in cancellation of said permit in which case the meter will be subject to immediate confiscation.

At the expiration date of the permit or upon completion of use, if sooner, the permittee shall return the permit, and if applicable, the portable meter to the Water District for inspection and final billing. Monthly service charges will not be pro-rated for meters returned prior to the billing due date. The deposit, minus any charges for water use and applicable meter repair, will be returned to the permittee by mail, or the permittee may be billed for any applicable charges exceeding the deposit. If the permit and/or the portable meter is not returned as set forth herein, or within ten days after District provides

written or telephone communication to do so, the permit shall be deemed revoked, however the construction meter shall still be deemed property of the District subject to immediate return.

Smaller angle-stop construction meters are prohibited. When permanent service is paid for in advance, construction water may be taken from the permanent meter and service connection intended to serve the parcel. District facilities damaged during construction will be repaired by the District and charged to the developer on a time and material basis plus an overhead and administrative charge of 15%.

Additional terms and conditions of the construction meter agreement are listed in the permit agreement. The District reserves the right to amend the permit agreement.

Consult Ordinance Number 87 and successor agreements for the backflow prevention requirements for construction meters.

**BULK WATER STATION CHARGES, RATES & PROVISIONS**

**METERED RATES**

	Effective <del>03/01/2025</del> 04/01/2025	Effective 01/01/2024	Effective <del>01/01/2025</del> 2027	Effective 01/01/2026	Effective 01/01/2027
Monthly Fixed	\$ <u>34,874.18</u>	\$ <u>37,664.40</u>	\$ <u>40,675.01</u>	\$ <u>43,115.41</u>	\$ <u>45,705.84</u>
Volumetric Per HCF	\$ <u>6,938.38</u>	\$ <u>7,489.22</u>	\$ <u>8,089.96</u>	\$ <u>8,561.76</u>	\$ <u>9,071.62</u>

The Monthly Fixed charge will be applied on the 1<sup>st</sup> of the month.

Bulk water is water obtained by the customer from the District's bulk water station facility.

If the bulk water account holder does not haul their own water, the name, address and phone number of the account holder's designated agent must be on file with the District.

It is the responsibility of any applicant who proposes to utilize hauled water as the source of domestic supply to satisfy the requirements of the Indian Wells Valley Water District. Applicants are advised that there may be California State Water Resources Control Board regulations that applicant may need to comply with as well.

**PRIVATE FIRE PROTECTION SERVICE CHARGES, RATES & PROVISIONS**

**FLAT MONTHLY SERVICE RATE**

Connection Size	Effective <u>0403/01/2023</u> <u>2025</u>	Effective <u>01/01/2024</u> <u>26</u>	Effective <u>01/01/2025</u> <u>27</u>	Effective <u>01/01/2026</u> <u>28</u>	Effective <u>01/01/2027</u> <u>2029</u>
1"	<del>\$1,892.28</del>	<del>\$2,042.51</del>	<del>\$2,202.71</del>	<del>\$2,332.93</del>	<del>\$2,473.16</del>
2"	<del>\$11,714.17</del>	<del>\$12,651.59</del>	<del>\$13,661.84</del>	<del>\$14,481.19</del>	<del>\$15,351.96</del>
3"	<del>\$33,994.12</del>	<del>\$36,714.23</del>	<del>\$39,654.85</del>	<del>\$42,035.276</del>	<del>\$44,555.698</del>
4"	<del>\$72,418.758</del>	<del>\$78,209.34</del>	<del>\$84,461.0405</del>	<del>\$89,531.237</del>	<del>\$94,901.2136</del>
6"	<del>\$210,352.5444</del>	<del>\$227,182.79.88</del>	<del>\$245,353.02.27</del>	<del>\$260,073.26.45</del>	<del>\$275,673.352.57</del>
8"	<del>\$448,285.42.24</del>	<del>\$484,145.96.46</del>	<del>\$522,876.44.18</del>	<del>\$554,246.95.71</del>	<del>\$587,497.51.37</del>
10"	<del>\$806,169.75.13</del>	<del>\$870,651.072.64</del>	<del>\$940,301.158.45</del>	<del>\$996,721.251.13</del>	<del>\$1,056,521.351.22</del>

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A Private Fire Protection Service consists of facilities serving building sprinkler systems, hydrants, hose reels and other facilities installed on private property for fire protection purposes.

The applicant for private fire protection service shall pay the actual cost of installation of the service from the distribution main to the customer's premises, including the cost of a detector check meter or other suitable and equivalent device, valve, and meter box. The District may also require a check valve of a type approved by the National Board of Fire Underwriters or similar organization, and the District may also require that said check valve be equipped with a bypass meter, at the expense of the property owner. The District may agree to install the connection and meter on a time and material basis plus an overhead and administrative charge of 15%.

There shall be no connections between a fire protection service or system and any other water distribution system on the premises except when the service or system requires a remote fixture connection. There shall be no water used through a non-remote fixture connection fire protection service except to extinguish fires and for testing firefighting equipment. A fire protection service with a remote fixture connection may use up to one hundred cubic feet of water per month at the current metered monthly quantity rate based on meter type and size. If water consumption exceeds one hundred cubic feet in a month or if any consumption is recorded on a non-remote fixture connection meter, the private fire protection service customer shall be charged double the regular flat monthly service rates, except that no charge shall be made for water used to extinguish fires where such fires

were reported to the fire department. If the District does not require a meter and if water is used through a fire service connection for any other purpose than extinguishing of fires, the District shall have the right to place a meter on the fire service connection at the owner's expense. If water is used from a private fire service in violation of these regulations, the District may, at its option, discontinue the service. The District assumes no responsibility for loss or damage due to lack of water or pressure, and merely agrees to endeavor to furnish such water quantities and pressures that are available at the time of use. The service is subject to shutdowns and variations required by the operation of the system.

**INDIAN WELLS VALLEY WATER DISTRICT'S POLICY ON  
DISCONTINUATION OF WATER SERVICE FOR NON-PAYMENT**

Notwithstanding any other policy, rule, or ordinance of the Indian Wells Valley Water District ("District"), this Policy on Discontinuation of Water Service for Non-Payment ("Policy") shall apply to the discontinuation of residential water service for non-payment. In the event of any conflict between this Policy and any other policy, rule or ordinance, this Policy shall prevail.

**DELINQUENCY:**

All charges for residential water furnished by the District are due and payable when billed and become delinquent if not paid within thirty (30) days from the date the bill is mailed. Upon becoming delinquent, a late charge of \$2.00 plus five percent (5%) will be assessed on unpaid amounts outstanding at the time of the next billing (typically 30 days). Typically, this notice of an outstanding balance and levying of the late charge will be on the following month's bill for service. Those customers who have entered into payment arrangements prior to the next billing will not be assessed a delinquent fee on amounts subsequently paid according to the arrangement terms.

**DISCONTINUATION OF SERVICE:**

The District will not discontinue residential water service for non-payment until payment by the customer has been delinquent for at least sixty (60) days. Prior to the District discontinuing water service, the following notices will be provided or attempted:

1. MAILED NOTICE OF DISCONTINUATION (15 days prior to shut-off/45 days after delinquent):

If payment has not been received within forty-five (45) days of becoming delinquent, a notice will be mailed to the customer at the address where service is provided. If the customer's billing address is different from the service address, the notice will be sent to the billing address as well as to the address of the property to which residential service is provided, and addressed as "Occupant." The notice shall include, but is not limited to, all of the following information:

- a. Customer's name and address;
- b. The amount that is past due;
- c. Date by which payment or payment arrangements are required to avoid

discontinuation of service;

- d. Description of the process to apply for an extension of time to pay the delinquent charges;
  - e. Description of the process to dispute or appeal a bill;
  - f. A description of the procedure by which the customer may request a deferred, reduced, or alternative payment schedule, including an amortization of the delinquent residential service charges; and
  - g. District phone number and a web link to the District's written collection policy.
2. 48-HOUR SHUT-OFF NOTICE (by phone and/or door hanger with copy of this Policy):

In addition to the Notice of Discontinuance, the District will provide a 48-Hour Shut-Off Notice advising of the impending termination of water service at least forty-eight (48) hours in advance of the termination of service. This 48-Hour Shut-Off Notice will be by door hanger and/or via phone call to the telephone number on record, and will notify the customer that service will be discontinued if payment is not received by a specific date.

If the District is unable to make contact with the customer or an adult occupying the residence by telephone, the District shall make a good faith effort to visit the residence and leave, or make other arrangements for placement in a conspicuous place of, a notice of imminent discontinuation of residential service for nonpayment and the District's policy for discontinuation of residential service for nonpayment.

3. All delinquent water service charges and associated fees must be received by the District by 4:00 p.m. on the day specified in the written 48-Hour Shut-Off Notice. If payment has not been received within the time stated in the 48-Hour Shut-Off Notice, water service will be discontinued and will not be turned back on until the next business day following payment of all past due fees and charges, including any reconnection fees, has been made in full or alternative arrangements have been made pursuant to this Policy.

#### ALTERNATIVE PAYMENT PLANS:

Any customer who is unable to pay for water service within the normal payment period may request, in writing, an alternative payment arrangement to avoid late fees or disruption of service. The District will consider all circumstances surrounding the request and make a determination as to whether the payment arrangement is warranted.

Any payment arrangements that extend into the next billing period are considered an amortization plan, which must be in writing and signed by the customer. An amortization plan will amortize the unpaid balance over a period defined by the customer, not to exceed twelve

(12) months from the original date of the bill. The amortized payments will be combined with, and subject to the due date of, the customer's regular bill. **The customer must comply with the terms of the amortization plan and remain current as charges accrue in each subsequent billing period. The customer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an amortization plan. Failure to comply with the terms of an amortization plan will result in the issuance of a written disconnection notice. The disconnection notice will be in the form of a door hanger delivered to the premises no less than five (5) business days in advance of discontinuance of service.**

**DISPUTED BILLS OR APPEALS:**

In the event of a disputed meter reading, the meter shall be reread. If the accuracy of the meter is questioned by a customer, the customer shall be given the option of placing a \$75.00 deposit with the District for a meter registration accuracy test. The District recommends that the customer be present to watch the meter being removed from the meter box and to record the serial number. The meter will then be shipped to a third-party tester.

If the results of the test show the meter is greater than 101.5% accurate, the meter is over-reading usage, the meter will be replaced, a pro-rated adjustment will be made on previous bills up to a maximum of six months and the \$75.00 deposit will be returned to the customer. If the meter is less than 98.5% accurate, the meter is under-reading usage, the meter will be replaced, the \$75.00 deposit will be forfeited and no further action will be taken. If the results of the test show that the meter is at least 98.5% to 101.5% accurate, the customer shall forfeit the \$75.00 deposit to cover the District's expense to perform the meter accuracy test.

A customer can contest or appeal a bill by submitting a written appeal to the District's General Manager within thirty (30) calendar days of the date of the bill. The written appeal should clearly state all reasons and all supporting facts for the appeal. Any written appeal should be provided to the District at:

Indian Wells Valley Water District  
Attn: General Manager  
500 W. Ridgecrest Blvd. Ridgecrest, CA 93555 [iwvwd@iwvwd.com](mailto:iwvwd@iwvwd.com)

The General Manager or his designee shall make a ruling within fifteen (15) calendar days of date of the written appeal.

**CIRCUMSTANCES WHERE THE DISTRICT WILL NOT DISCONTINUE SERVICE:**

Notwithstanding the foregoing, the District will not discontinue residential service for nonpayment if all of the following conditions are met:

1. The customer, or a tenant of the customer, submits to the District the certification of a primary care provider that discontinuation of residential service will be life-threatening to, or pose a serious threat to the health and safety of, a resident of the premises where residential service is provided.<sup>1</sup>

2. The customer demonstrates that he or she is financially unable to pay for residential service within the District's normal billing cycle. The customer shall be deemed financially unable to pay for residential service within the District's normal billing cycle if any member of the customer's household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that the household's annual



income is less than 200% of the federal poverty level.

3. The customer is willing to enter into an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment, consistent with this Policy.

If all of these three conditions are met, the customer may request that the delinquent charges be amortized over a period of twelve (12) months. The burden of proving compliance with the three conditions described above is on the customer. Upon receipt of documentation alleging compliance with the three conditions, the District General Manager shall review that documentation and make a determination of compliance within seven (7) business days of submittal to either request additional information or accept or deny the request.

Exceptions to this Policy deemed worthy and appropriate may be granted on a case-by-case basis by the General Manager or the General Manager's designate.

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<sup>1</sup> "Primary care provider" is defined in subparagraph (A) of paragraph (1) of subdivision (b) of Welfare and Institutions Code Section 14088(b)(1) as either of (A) Any internist, general practitioner, obstetrician-gynecologist, pediatrician, family practice physician, nonphysician medical practitioner, or any primary care clinic, rural health clinic, community clinic or hospital outpatient clinic currently enrolled in the Medi-Cal program, which agrees to provide case management to Medi-Cal beneficiaries OR (B) A county or other political subdivision that employs, operates, or contracts with, any of the primary care providers listed in subparagraph (A), and that agrees to use that primary care provider for the purposes of contracting under this article.

**FAILURE TO COMPLY WITH AMORTIZATION PLAN:**

If the customer fails to comply with the amortization agreement for delinquent charges, OR while undertaking an amortization agreement for delinquent charges, and the customer does not pay his or her current residential service charges for sixty (60) days or more, residential service will be discontinued no sooner than five (5) business days after the District posts a 5-Day Final Notice of intent to disconnect service in a prominent and conspicuous location at the property.

In the event that the District discontinues residential service for nonpayment, it will provide the customer with information on how to restore residential service.

**RE-ESTABLISHMENT OF SERVICE:**

Subject to any contrary provisions in this Policy, where service has been discontinued for violation of rules or for nonpayment of bills, the District will charge the fees stated below for reconnection of service:

Service Reinstatement Charge (Regular Hours) \$38.00\* Service Reinstatement Charge (After Hours) \$150.00\*

*\* If the actual cost of reinstatement is less than the amounts above, the lesser amount will be invoiced and charged.*

Water service will be turned on no later than next business day unless after hours service is requested and paid.

Water service that is turned on by any person other than District personnel or without District authorization may be subject to fines or additional charges or fees, as well as criminal prosecution for the theft of water. Any damages that occur as a result of unauthorized restoration of service are the responsibility of the customer.

**DEPOSITS REQUIRED AFTER DISCONTINUED SERVICE FOR NON-PAYMENT:**

Any service discontinued for nonpayment shall require a security deposit, if said deposit is not already on file, in addition to payment of all other applicable fees and charges, before water service is resumed. The amount of the security deposit for reinstatement of discontinued service will be the estimated average monthly water bill, but in no case less than the fixed deposit schedule stated below:

<u>METER SIZE</u>	<u>DEPOSIT</u>
3/4" & Bulk Customers .....	\$70.00
1" .....	\$90.00
1-1/2" .....	\$160.00
2" .....	\$230.00
3" .....	\$460.00

4" .....	\$570.00
6" .....	\$805.00
8" .....	\$1,145.00
10" .....	\$2,290.00

Any account having three or more delinquencies within the past twelve months will be required to pay and maintain a deposit according to the schedule stated above, even though water service may not have actually been disconnected, if said deposit is not already on file.

A security deposit will be refunded on any account that has remained in good standing for twelve consecutive months. Accounts will be reviewed for potential refund on an annual anniversary basis. Any security deposits on file when service is discontinued will be applied towards the final billing.

**LANDLORD-TENANT SITUATIONS:**

Where the District furnishes individually metered residential service to residential occupants of a detached single-family dwelling, a multiunit residential structure, mobile home park, or permanent residential structure in a labor camp, and the owner, manager, or operator of the dwelling, structure, or park is the customer of record, the District will make every good faith effort to inform the residential occupants, by means of written notice, when the account is in arrears that service will be terminated at least 10 days prior to the termination. The written notice shall further inform the residential occupants that they have the right to become customers, to whom the service will then be billed, without being required to pay any amount which may be due on the delinquent account so long as the tenant provides verification of tenancy in the form of a rental agreement or proof of rent payments.

For multi-unit complexes with a master meter, the District is not required to make service available to the residential occupants unless each residential occupant agrees to the terms and conditions of service and meets the requirements of law and the District's rules and regulations. However, if one or more of the residential occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the District, or if there is a physical means legally available to the District of selectively terminating service to those residential occupants who have not met the requirements of the District's rules and regulations, the District will make service available to those residential occupants who have met those requirements.

Before receiving service, each applicant for a metered connection will be required to establish credit, which will be deemed established under any one of the following conditions:

1. Applicant makes a cash deposit to secure payment of his water bills as required in this Policy.
2. Applicant has been a customer of the District and during the last twelve (12) consecutive months of that prior service has paid all water bills without disconnection for nonpayment.

In the case of a detached single-family dwelling, the District may do any of the following:

1. Give notice of termination at least seven (7) days prior to the proposed termination.
2. In order for the amount due on the delinquent account to be waived, require an occupant who becomes a customer to verify that the delinquent account customer of record is or was the landlord, manager, or agent of the dwelling. Verification may include, but is not limited to, a lease or rental agreement, rent receipts, a government document indicating that the occupant is renting the property, or information disclosed pursuant to Section 1962 of the Civil Code.

#### **BACKFLOW PREVENTION DEVICE TEST**

All backflow prevention devices, which are required by the District, must be tested on an annual basis according to District Ordinance 87 or succeeding ordinances. An additional fee of \$6.00 will be charged when a 10-Day Notice of Termination letter is issued and a fee of \$13.00 will be charged when a 48-hour notice is issued to the customer's premises. Upon failure to provide successful test results within the time specified in a final notice, service shall be discontinued until the device is tested and passes, and a \$38.00 Service Reinstatement charge is paid.

#### **RETURNED PAYMENT CHARGES**

If a check, credit card transaction or automatic payment service is used for payment of District fees, rates or charges and the payment is declined by the bank upon which it is drawn, for whatever reason, the customer will be charged the amount payable to cover the returned check, credit card transaction or automatic payment; the actual Non-Sufficient Funds (NSF) bank fees assessed to the District; and a Returned Payment Charge of \$20.00. Payment to cover these charges must be made in cash or with certified funds. Customers having more than two returned payment transactions within six months may be required to pay future bills in cash or with certified funds and may be removed from Auto-Pay at the discretion of the District.

#### **DISPUTED BILLS**

In the event of a disputed reading, the meter shall be reread. If the accuracy of the meter is questioned by a customer, the customer shall be given the option of placing a \$75.00 deposit with the District for a meter registration accuracy test. The District recommends that the customer be present to watch the meter being removed from the meter box and to record the serial number. The meter will then be shipped to a third party tester. If the results of the test show the meter is greater than 101.5% accurate, the meter is over-reading usage, the meter will be replaced, a pro-rated adjustment will be made on previous bills up to a maximum of six months and the \$75.00 deposit will be returned to the customer.

If the meter is less than 98.5% accurate, the meter is under-reading usage, the meter will be replaced, the \$75.00 deposit will be forfeited and no further action will be taken.

If the results of the test show that the meter is at least 98.5% to 101.5% accurate, the customer shall forfeit the \$75.00 deposit to cover the District's expense to perform the meter accuracy test.

**CUSTOMER DEPOSITS**

Applicants for metered and bulk rate water service shall deposit with the District, an amount equal to the estimated average monthly water bill, fixed as follows:

<b><u>METER SIZE</u></b>	<b><u>DEPOSIT</u></b>
3/4" & Bulk Customers .....	\$70.00
1" .....	\$90.00
1-1/2" .....	\$160.00
2" .....	\$230.00
3" .....	\$460.00
4" .....	\$570.00
6" .....	\$805.00
8" .....	\$1,145.00
10" .....	\$2,290.00

Security deposits are required of all applicants for water service.

Any service discontinued for nonpayment shall require a security deposit, if said deposit is not already on file, in addition to payment of all other applicable fees and charges, before water service is resumed. The amount of the security deposit for reinstatement of discontinued service will be the estimated average monthly water bill, but in no case less than the fixed deposit schedule stated above.

Any account having three or more delinquencies within the past twelve months will be required to pay and maintain a deposit according to the schedule stated above, even though water service may not have actually been disconnected, if said deposit is not already on file.

A security deposit will be refunded on any account that has remained in good standing for twelve consecutive months. Accounts will be reviewed for potential refund on an annual anniversary basis. Any security deposits on file when service is discontinued will be applied towards the final billing.

Developers/Customers may be required to provide the District with a deposit when applying for a new service. The amount will be determined on a case-by-case basis. The deposit will be returned upon final approval by the District's Field Service Department of the meter, meter box installation and all other connection facilities. In the event the meter, meter box and other connection facilities do not meet the time and/or other requirements of the District, the deposit will be used to pay for District labor, materials and/or outside contracts to remedy the situation plus an overhead and administrative charge of 15%.

**CUSTOMER SERVICE CHARGES**

New Account Charge (Regular hours turn-on)	\$20.00
New Account Charge (After hours turn-on)	\$150.00
Service Reinstatement Charge (Regular hours)	\$38.00
Service Reinstatement Charge (After hours)	\$150.00

In addition to the above, other customer service visits may include, but are not limited to, emergency turn-offs, turn-ons and meter re-readings and may be subject to a \$38.00 charge during regular working hours or a \$195.00 charge during non-working hours. Other applicable fees, charges and security deposits may also be required for customer service visit requests.

These Customer Service Charges are not applicable to Continuity of Service Agreements to accounts that are in good standing.

### **WATER THEFT**

California law, including but not limited to Penal codes 498, 624 and 625, defines various methods of water theft. In the event that a suspected water theft is discovered, District personnel will contact law enforcement personnel. Water theft can result in the District pressing charges.

To prevent further water delivery from occurring, the District may remove or lock the meter or confiscate the equipment or materials that allow the unauthorized connection. The customer/individual will be charged all costs incurred by the District associated with reporting the incident including but not limited to labor, materials and equipment used to report the incident and all costs incurred by the District to replace or repair any District facilities or other items that were tampered with, damaged or removed for the purpose of receiving water without paying the full lawful charge. These costs are subject to an overhead and administrative charge of 15%. No further service will be allowed at the address until all fees and charges are paid in full.

When the District has discovered that a customer has obtained water service by fraudulent means, or has diverted the water service for unauthorized use, the service to that customer may be discontinued without notice. The District shall not restore service until the customer has complied with all rules and requirements of the District and the District has been reimbursed for the full amount of the actual cost to the District incurred by reason of the said fraudulent use. For additional information on the District's unauthorized service policy, refer to Ordinance No. 82 adopted August 23, 1993, and any successor ordinances.

Tampering, altering, modifying, reconnecting, bypassing, or any otherwise unauthorized or fraudulent control of water meters and appurtenances are violations of the California Penal Code. Breaking or obstructing water pipes or meters, diverting flow or drawing water from any stopcock or faucet by which the flow of water is controlled, after the service has been closed or shut off for a specific cause, is also a violation of the California Penal Code and will be addressed according to the "Procedure for Suspected Water Theft" adopted on June 12, 2006.

Any violation that causes the District to repair, restore, replace, or relocate a District-owned facility will be billed on a time and material basis plus an overhead and administrative charge of 15%. Nonpayment of such amounts may result in termination of service or collection action.

### **CUSTOMER COMPLAINTS**

Should Customer Accounts staff be unable to satisfy a customer's billing complaint, the customer may file a complaint with the Chief Financial Officer. Should the Chief Financial Officer be unable to satisfy the customer's complaint, the customer may file a complaint with the General Manager.

Should the General Manager be unable to satisfy the customer's complaint, the customer may file a complaint with the Board of Directors by submitting the complaint in writing. The decision of the Board of Directors shall be final.

#### **METER EXCHANGES**

A customer, upon request, may exchange an existing meter for a meter of lesser or greater size, subject to District approval. Installation of the new meter and service lateral, if required, for a 2" or smaller service, will be billed on a time and material basis plus an overhead and administrative charge of 15%. New meters, 3" or larger, or compound meters, shall be purchased and installed at the sole cost of the applicant and shall be subject to Engineering Dept. specifications, review and inspection. Once installed, the meter and service connection become the property and maintenance responsibility of the District; however, the applicant must warrant the installation for a period of two years.

Customers shall only be allowed to exchange meters with the approval of the District, and the meter and installation charge shall be computed on an individual basis.

Inasmuch as Capital Facility Fees are based solely upon meter size, any customer/developer who requests a larger meter, whether domestic or landscape, will be responsible for payment of the Capital Facility Fee (aka Basic Facility Fee) differential between the current meter size originally paid and the larger meter Capital Facility Fee in existence at the time of the exchange, in addition to payment of time and material costs plus an overhead and administrative charge of 15% associated with the actual meter and service installation change.

In the event that a customer requests a meter exchange for the purpose of downsizing his/her service, the District will not refund the Capital Facility Fees differential between the current meter size originally paid and the smaller meter Capital Facility Fee. The District will issue a letter to the customer that can be remitted anytime within ten years to permit the service to be restored to the original size without having to pay an additional Capital Facilities Fee. This letter is transferrable to a future property owner.

Single family residential customers will not generally be permitted to exchange an existing meter for a meter size greater than 3/4-inch, since such request shall constitute a significant change in water demand and service. If the District requests the change in meter size, charges, if any, will be determined on an individual basis.

#### **CONTINUITY OF SERVICE AGREEMENT**

In order to accommodate interim water service for "clean and show" purposes, an owner or agent may have water service for specific water meter(s) automatically placed in the owner's or agent's name at the time a tenant requests discontinuance of service, if the owner or agent applies for and executes an Application for Continuity of Service Agreement.

Please note that the District reserves the right to disconnect water service to a tenant for nonpayment of water bills, regardless of whether or not a Continuity of Service Agreement is onfile. The District will not require that the owner or agent pay the standard Customer Service Charges and/or deposits for establishing a new account for any meter for which there is a Continuity of Service

Agreement on file and if the account is in good standing.

When responsibility for a meter reverts to an owner or agent under a Continuity of Service Agreement, the meter must remain on until a new tenant or a new owner applies for the water service or until the Continuity of Service Agreement is canceled with ten days' written notice.

**CAPITAL FACILITY FEE**

Connection fees are composed of Capital Facility Fees and Distribution System Fees.

<u>Meter Size</u>	<u>Capital Facility Fee</u>
3/4"	\$ 5,068.00
1"	\$ 8,463.00
1-1/2"	\$ 16,875.00
2"	\$ 27,011.00
3"	\$ 54,072.00
4"	\$ 84,478.00
6"	\$ 168,905.00
8"	\$ 270,258.00
10"	\$ 388,537.00

Capital Facility Fees and all other Rates, Charges and Fees associated with new service can only be accepted on behalf of a parcel that has an adjacent District water main that extends completely across one or more sides of the parcel to be served, and only if said main is of adequate size, age and service pressure to serve the development proposed, and for which a meter will be installed within 90 days, or as otherwise allowed or required by the District's Board of Directors in unusual circumstances. Payment of all other Rates, Charges and Fees applicable to the proposed parcel must accompany the payment of Capital Facility Fees.

If an applicant or developer desires to serve a parcel or lot that has had no previous authorized service from the District, and said parcel or lot is not adjacent to an existing water main of a size, condition, and service pressure deemed necessary by the District to serve the proposed development or property, the applicant or developer shall be required to construct all necessary water system facilities, including a water main line extension to and across the entire frontage of the parcel(s) to be served, at the applicant or developer's sole expense, in accordance with District specifications, rules, and regulations. In such case, the applicant or developer shall bear the entire cost of all design, construction, and inspection. The applicant or developer must contact the Engineering Department for more information about District specifications, rules and regulations regarding the construction of water system facilities and to be issued a permit for construction.

In a parcel split situation, only one division of the original parcel will be given credit for the residential service originally paid for. The remaining newly-formed parcels shall be subject to payment of all applicable Water District connection fees currently in effect for obtaining water service. In addition, in order to receive water service, the newly-created parcels must be completely fronted on at least one side by a Water District pipeline of a size and pressure adequate to service the newly-created parcels. If additional distribution pipelines are required to reach remote parcel locations, the labor and materials to install such pipelines, to District specifications, will be at the owner's or developer's sole



expense.

All residential, commercial, public, industrial and agricultural connections shall be levied a Capital Facility Fee based upon their meter size. There is an exception for duplex and triplex connections. If an owner/developer constructing a duplex or triplex provides water usage calculations to the District, the Capital Facility Fee (and other connection fees) will be based on the water needed for the development; each unit will still be individually metered. Capital Facility Fees are a one-time charge and are used to finance the upgrading and/or rehabilitation or replacement of existing water supply, storage, and transmission facilities as well as the construction of new water supply, water treatment, storage, and transmission facilities in order to service the demand caused by the new development, and must be paid in advance of any service connection to the benefited parcel. It is a charge for facilities in existence at the time a charge is imposed or charges for new facilities to be constructed in the future that are of benefit to the person or property being charged. It is appropriate and necessary to provide for system facilities that have not been constructed, or that have been constructed, but for which new development has not contributed its fair share of the cost. The Capital Facility Fees collected shall be used to cover the cost of the source of supply, storage, major transmission and distribution lines, and any additional related facilities as required to service the demand load caused by the new development.

The Fee shall be solely used to pay (1) for public facilities constructed or to be constructed by the District, (2) for reimbursing the District for the development's fair share of those capital improvements already constructed by the District and/or (3) to reimburse other developers who have constructed basic facilities, where those facilities were beyond those needed for the other developer's project(s).

Certain properties may not be subject to Capital Facility Fees due to an agreement or memorandum of understanding covering the tract or property.

When a customer desires to individually meter a multiple unit building (residential or commercial) that is master metered and where the Capital Facility Fee or Basic Facility Fee was paid for the master metered service, and where individual meters would not constitute a material increase in capacity or demand, as determined by the District, no additional Capital Facility Fee will be charged.

The District reserves the right to determine the appropriate meter size for the development or proposed development from information provided by the applicant and as investigated by the District. Applicants for water service shall have the right to appeal to the Board of Directors a determination made by staff. The decision of the Board of Directors shall be final and binding.

A customer must notify the District of any new construction or placement of new living structures upon a parcel with existing water service. Any new construction/structures will be evaluated by the District to determine whether a larger meter, additional meter or other system modifications would be required to accommodate increased capacity or demand needs caused by new or additional improvements. If the District determines that an additional capacity or demand need will be placed upon the District's water production, transmission, and storage facilities as a result of the new construction, the District reserves the right to charge and collect from the customer an additional Capital Facility Fee to be determined on a case-by-case basis.

Except in unusual circumstances, as determined by the District, Private Fire Service shall be exempt from the payment of Connection Fees (Capital Facility Fees and Distribution System Fees). Landscape-only meters may be exempt from Connection Fees (Capital Facility Fees and Distribution Fees), at the sole discretion of the District, provided the landscape-only meter serves no facility whatsoever and is no larger than the meter used to monitor domestic water for which appropriate connection fees have been paid, or for which no structure whatsoever is involved, such as a meter for street island landscaping. All landscape-only meters are subject to engineering analysis by the District.

**DISTRIBUTION SYSTEM FEE**

The Distribution System Fee is a charge for the water distribution system typically located between transmission lines and service laterals. The applicant shall pay the following Distribution System Fee where a water main abuts applicant's benefited parcel, provided, however, that the applicant shall be exempted from such Distribution System Fee whenever water service is provided from a water main constructed and installed at the sole cost of said applicant or the applicant's predecessor-in-interest:

<u>Meter Size</u>	<u>Distribution System Fee</u>
3/4"	\$ 3,724.00
1"	\$ 6,206.00
1-1/2"	\$ 12,412.00
2"	\$ 19,860.00
3"	\$ 39,719.00
4"	\$ 62,061.00
6"	\$ 124,122.00
8"	\$ 198,595.00
10"	\$ 285,480.00

An additional fee may also be imposed to include the estimated cost of modifications or additions to infrastructure that may become necessary to bring existing infrastructure up to current District standards or due to unusual or exceptional circumstances related to a customer's application for service.

An applicant shall not be required to pay any Distribution System Fee if the applicant can prove to the satisfaction of the District that the same or a similar charge was imposed upon applicant's predecessor-in-interest and was paid within twenty years of the date of applicant's request for water service from a steel main, or within thirty years of the date of applicant's request for water service from an asbestos cement or polyvinyl chloride pipe main. A predecessor-in-interest shall be deemed to exist where the subject lot is within a subdivision of land in which the developer has installed and dedicated to the District a distribution system which provides service to the lot. A predecessor-in-interest shall be deemed to exist where the property to be served is within Assessment District No. 14 (a City assessment district), 82-1, 87-1, 91-1, or within the Bradley TractNo. 2460.

As with Capital Facility Fees, Distribution System Fees must be paid in advance of any service connection to the benefited parcel.

Distribution System Fees may also be required from an applicant not otherwise covered by the above,

**Commented [RM1]:** I think we should remove this since we shouldn't have any new services on steel mains.

**Commented [RM2]:** I am going to ask Jim about this again. I think we need to start charging again if it has been 30 years since the AD was dedicated/completed.

if in the discretion of the District, such charge is reasonably necessary to ensure the applicant pays an equitable fee or charge associated with the District's distribution system.

### **MASTER METERS**

Generally, all residential units must be individually metered, and multiple meters are encouraged for conservation purposes; however, master metering may, at the sole discretion of the District, be allowed with respect to residential developments, under the following circumstances:

1. The property served is a single parcel, owned by a single person, entity, or organization and consisting of more than three residential units.
2. All master meters permitted shall be in the owner's name and all bills shall be the primary responsibility of and shall be paid by said owner. Any agent of the owner shall have their name on file with the District.
3. The master meter shall be located at the property line adjacent to the street or easement.
4. The District reserves the right to require additional meters or to impose conditions in special or unusual circumstances, such as for heavy landscaping or for widely separated buildings on large parcels.
5. An approved backflow prevention device(s) will be required for all master meters, installed and maintained by the owner, at the owner's expense.

The meter size, as required for any particular development, may be determined by the District, at the District's sole discretion, based upon information provided by the applicant and investigation by the District. In the case of more than one service to the same development, the total charge shall be the sum of the appropriate individual charges. The District reserves the right to require an increase in meter size at any time. The owner-applicant must, at that time, pay any additional fees due, including but not limited to Capital Facility Fees.

Generally, all commercial, public, industrial, and agricultural units must be individually metered, and multiple meters are encouraged for conservation and safety purposes; however, master metering may, at the sole discretion of the District, be allowed with respect to commercial, public, industrial, and agricultural developments in circumstances where separate meters would be impractical, such as hotels and motels or facilities of common use such as common bathrooms or washrooms. If master metering is allowed, an approved backflow prevention device(s) must be installed and maintained by the owner, at the owner's expense. There shall be at least one separate meter for each separate sewer lateral. There shall be a separate meter to each customer for which a backflow prevention device is required. There shall be a separate meter for each culinary establishment, each commercial/industrial establishment which uses water as a part of its commercial or industrial business or process, each medical and dental office, each veterinary clinic and animal grooming or boarding or sales establishment, each grocery and food handling or sales establishment, and as otherwise required by the District in its sole discretion; whether or not such establishments are in separate freestanding buildings and whether or not such establishments require backflow prevention devices. There shall

also be a separate meter for all commercial and industrial establishments which contains fifty or more fixture units per Uniform Plumbing Code.

**SERVICE INSTALLATION CHARGES**

Service Installation Charges cover the cost of a water service lateral (from the water main to the customer's meter location) and the installation of a water meter, meter box, valves, and other appurtenances up to the discharge side of the customer valve. Service Installation Charges are collected at the time application for service is made. Where the premises to which water is to be furnished does not have a meter for use on said premises, the applicant shall pay an installation charge based on all costs of installation, including meters, appurtenances, and appurtenant work and shall make a deposit of the estimated amount. Said charge shall be paid in advance of water service. Once installed, the water service lateral, water meter, meter box, valves, and appurtenances become the property of the District.

Payment for meter installation, in addition to all other usual and regular charges of the District, is as follows:

<u>Meter Size</u>	<u>Amount</u>
3/4"	\$ 382.00
1"	\$ 506.00
1-1/2"	\$ 920.00
2"	\$ 1,056.00

For most meter installations, the above amounts are payment in full. However, when District costs exceed the deposit amount due to special circumstances (such as a non-plastic meter box and lid) the customer shall be billed the additional costs on a time and materials basis plus an overhead and administrative charge of 15%. When it is also necessary for the District to install the service lateral from the main to the meter location, an additional charge of \$757.00 for 3/4" and 1" meters (1" lateral) or \$1,013.00 for 1-1/2" and 2" meters (2" lateral) must be paid by the customer. This charge does not include excavation, backfill and street repair, which must be performed by the developer/customer and inspected by the District to ensure the District's installation specifications are met. Meter and service connections must be installed by the District; however, a service connection may be installed by a California licensed contractor, with the District's prior approval, and in such event, the applicant must warrant the installation for a period of two years.

At the discretion of the District, prior to installation, the developer must provide the final grade and curb stake information placed by a California licensed Surveyor or California licensed Professional Civil Engineer.

Meter and service connections larger than two-inches in size, or any size compound meter, shall be installed by a California licensed contractor at the sole cost of the applicant. Once installed, the meter and service connection become the property and maintenance responsibility of the District; however, the applicant must warrant the installation for a period of two years.

If the service cannot be located, it will be classified as abandoned. Abandoned services may be considered as new services for purposes of collection of some or all rates, charges and fees for

obtaining service. Upon receipt of an application, an abandoned service may be activated, provided the applicant pays actual time and materials costs plus an overhead and administrative charge of 15% required to locate the service, restore it, and/or upgrade it to current District standards.

An existing service connection may be relocated on the same property, or upgraded, with the approval of the District; however, it may not be moved to a new property. All work by the District will be done on a time and material basis plus an overhead and administrative charge of 15%.

If the meter and service installation requires a backflow prevention device, the costs associated with the installation and maintenance of the backflow prevention device are the sole responsibility of the applicant. (Refer to Ordinance No. 87 and any other successor ordinances.)

### **PRESSURE VARIANCES**

An applicant for service from a main through which the static water pressure will be lower than the normal minimum operating pressure of forty (40) pounds per square inch (psi) must apply for a Low Water Pressure Agreement, in recordable form, and if granted, shall be responsible for installation and maintenance of privately owned pressure equipment, including a District approved backflow device or other devices, as required.

An applicant for service from a main through which the static water pressure will be higher than the normal operating limit of 90 psi must apply for a High Water Pressure Agreement, in recordable form, and if granted, shall be responsible for installation and maintenance of privately owned pressure equipment, including a pressure regulator on applicant's side of the meter or other devices as required to mitigate the potential problems/damages from high water service pressure. Customer may elect to have the District provide and install said pressure regulator on Customer's side of the meter on the service line to the Customer's Property. District will warranty the installation of the pressure regulator only for one year at which time the pressure regulator will become the sole responsibility of Customer to be maintained by Customer in accordance with District Regulations.

Commented [RM3]: But we only do this once right?

### **CONCEPT/PLAN CHECK FEES/INSPECTION DEPOSITS**

An applicant/developer must first submit an application for water system improvements with the Engineering Department. The Engineer will then review the requirements and process for obtaining a permit to install new water system improvements with the applicant/developer. A permit will not be issued until the concept plan and construction plans have been approved in writing and the appropriate fees paid. In addition, the construction inspection deposit must be paid and construction submittals approved before a permit will be issued. The fees for Concept Plan Approval, Plan Check and Construction Inspection are listed below. Once a water system improvements permit is issued, it is valid for two (2) years from the date of approval. If the construction of water system improvements has not been completed and those improvements dedicated to the District within said two years, the applicant/developer must re-submit plans and will be subject to any new standards and construction specifications that have been adopted by the District, AWWA, or State of California since the permit was issued.

An applicant/developer will be required to provide waterworks plans designed by a California

licensed Professional Engineer and to adhere to the District's Standard Construction Specifications and Drawings, which are provided under separate cover and available through the District's Engineering Department. Please refer to the Standard Construction Specifications and Drawings for details on requirements for project bonding, insurance, environmental impact reports, and easements.

- 1. **Concept Plan Approval:** Applicant must make an advance payment of a Concept Plan Fee in the amount of \$100.00 to cover facility design requirements review and approval. When required, the applicant must also pay all costs for the District engineering staff, District engineering consultant and/or legal counsel related to the applicant's request plus an overhead and administrative charge of 15%. Any Concept Plan Approval granted is valid for a period of one year from the date of said approval. If construction plans are not submitted to the District during such 12 months, the applicant must resubmit a new concept plan and pay an additional Concept Plan Fee.

A Concept Plan Fee is also required for those variance requests where a conceptual plan or drawing needs to be reviewed by District engineering staff.

- 2. **Plan Check:** Applicant must pay a fee, as follows, in advance, to cover engineering review and approval of construction plans and specifications submitted for each proposed water system improvement project:

<u>Engineer's Cost Estimate</u>	<u>Fee</u>
\$0 - \$200,000	2% (minimum \$500)
> \$200,000	1% (minimum \$4,000)

Applicant must also pay (if applicable) actual costs incurred by the District for engineering consultant and/or legal counsel review plus an overhead and administrative charge of 15%.

- 3. **Construction Inspection:** Applicant must pay a deposit before construction begins to cover the cost of District inspection of water system improvements. The applicant must deposit 3% of the actual construction cost of the water system improvement work (\$180.00 minimum). Inspections or tests shall be charged on an actual time basis, calculated at \$120.00 per hour with a minimum one hour charge for each official inspection. All construction work necessitating the District Inspector to appear at the construction site before or after District's regular business hours may require the applicant to pay an after hour rate of \$155.00 per hour subject to a minimum charge of \$265.00 per after- hours inspection. Any after-hours inspection must be pre-paid and pre-arranged with the District Inspector.

Any refund of the unused portion of the 3% deposit will not be granted until all water system improvements have been completed and dedicated to the District with approval by the Board of Directors.

**WILL-SERVE LETTERS**

The City of Ridgecrest, the Counties of Kern and San Bernardino, as well as other public and governmental agencies, financial entities and private individuals frequently require developers to obtain "Will-Serve" letters from the Water District to establish that the District water service is available for a proposed project. If deemed necessary by the District, the developer will be required

to submit a tentative project map or site plan for review. The fee for a requested "Will-Serve" letter is \$25.00. The District may require submittal and/or approval of a concept/plan prior to issuance of a will-serve letter ([see Concept Plan Approval above](#)).

The District will review the proposed project to determine if the project lies within the District's boundaries and the extent of the expected impacts on District facilities and/or District customers.

For projects requiring extensive review and consultation, the developer will pay all costs for District engineering staff, District engineering consultant and or legal/counsel plus an overhead and administrative charge of 15% exceeding \$25.00 related to the developer's request for a "Will- Serve" letter.

If appropriate, as determined in its sole discretion and upon terms and conditions it deems appropriate, the District will send the requesting agency a "Will-Serve" letter on behalf of the developer's proposed project. Generally this letter will state that the District can provide service, upon demand, to any location within its boundaries, subject to all District Ordinances, Rules and Policies, and upon construction by the developer of any water system facility extensions; relocation of any existing water lines and/or existing fire hydrants; and/or additional improvements or requirements which may be found necessary, and the deposit of applicable charges and fees for obtaining water service. All such offers of service shall be valid for a period of one year.

#### **REFUND AGREEMENTS**

Developers may be required, at their sole expense, to install or replace or upgrade existing water system facilities, including, but not limited to, water mains, valves, fire hydrants, backflow prevention devices and service connections, as a condition to receiving water service. If required, developers must furnish all labor and materials necessary to install or replace the water system facilities, in accordance with District-approved plans and specifications.

If the District requires the installation or replacement of a water main to service an applicant's benefited parcel as a condition to receiving water service, and said water main, once installed, may provide water service to neighboring parcels other than those benefiting the applicant, the applicant may be entitled to receive partial reimbursement for eligible costs of improvements. Developers may request such a reimbursement by applying for a Refund Agreement, at or prior to the time of dedication.

The District may, under the terms and conditions elsewhere described, impose a Distribution System Fee to be paid by new connections where the property owner requesting service or predecessor-in-interest has not participated in the costs of the water main abutting said property. During the term of the Refund Agreement, the District shall credit the developer with 100% of said Distribution System Fees collected on said eligible water line.

The Refund Agreement shall expire ten (10) years from the date of said agreement, or when the developer has been repaid 100% of the eligible costs of said improvements, whichever occurs first. Eligible costs include, but are not limited to, construction, engineering and surveying. Refund Agreements must be approved by the Board of Directors.

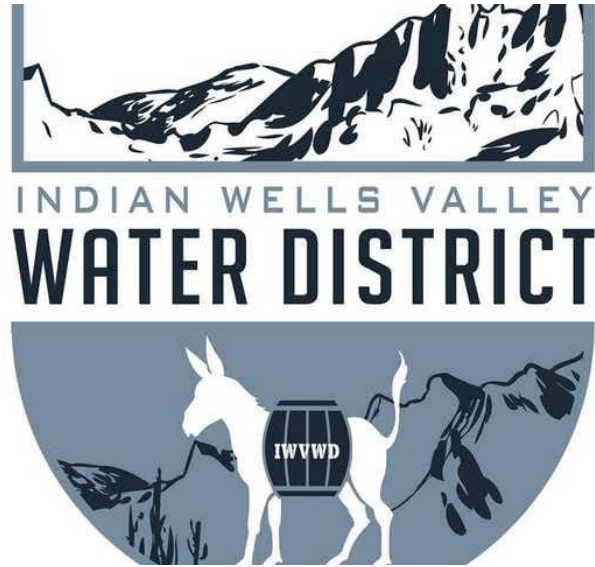
**CONTINUITY/SPECIAL CONDITIONS/SEVERABILITY**

Continuity – Adoption of these rules shall not be construed as a waiver of any right or obligation under any prior agreement, contract or commitment.

Special Conditions – In the event that conditions arise which are not specifically covered by these rules, the Board may take whatever action which, in its sole discretion, is warranted.

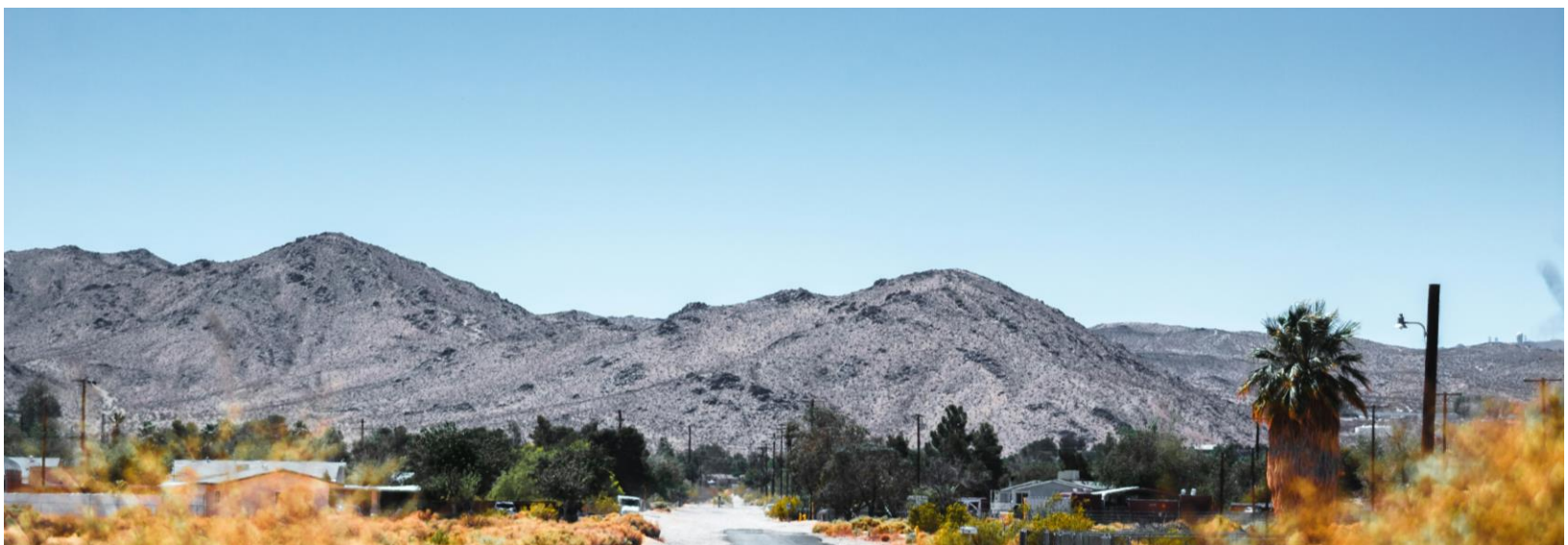
Severability – If any section, subsection, subdivision, paragraph, sentence, clause, or phrase of this regulation, or any part thereof, is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this regulation, or any part thereof. The Board hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be declared invalid.





2024 Water Rate Update Report  
Indian Well Valley Water District  
Final Report

November 18, 2024



November 18, 2024



Mr. Tyrell Staheli  
Finance Director  
Indian Wells Valley Water District  
500 W. Ridgecrest Blvd.  
Ridgecrest, CA 93555

Re: 2024 Water Rate Update Report

Dear Mr. Staheli,

Hildebrand Consulting is pleased to present this 2024 Water Rate Update Report (Report) that was performed for Indian Wells Valley Water District. We appreciate the assistance provided by you and all of the members of the District staff who participated in the study.

If you or others at the District have any questions, please do not hesitate to contact me at:

[mhildebrand@hildco.com](mailto:mhildebrand@hildco.com)  
(510) 316-0621

We appreciate the opportunity to be of service to the District and look forward to the possibility of doing so again in the near future.

Sincerely,

A handwritten signature in blue ink, appearing to read 'M. Hildebrand', with a stylized, cursive script.

Mark Hildebrand  
Hildebrand Consulting, LLC

Enclosure

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Schedule 3 - Cash Flow Pro Forma
Schedule 4 - Five-Year Schedule of Proposed Rates

## List of Acronyms

AF	acre-foot (325,851 gallons)
AWWA	American Water Works Association
CIP	capital improvement program
COP	Certificates of Participation
DCR	debt service coverage ratio
FY	fiscal year (which ends on June 30 for the District)
GSA	Groundwater Sustainability Agency
GSP	Groundwater Sustainability Plan
HCF	hundred cubic feet (748 gallons)
SGMA	Sustainable Groundwater Management Act

## **Section 1. INTRODUCTION**

Indian Wells Valley Water District (District) has retained Hildebrand Consulting to update its financial plan to update the District’s water rates (Study). This report describes in detail the assumptions, procedures, and results of the study, including conclusions and recommendations.

### **1.1 DISTRICT BACKGROUND**

The District was organized in 1953 for the purpose of providing domestic water supplies within its service area. The District is situated in the Indian Wells Valley, which lies in the northern portion of the Mojave Desert, southeasterly of the Sierra Nevada, and southerly of the Owens Valley. The District is the primary purveyor of public water supplies in the Ridgecrest area of Kern and San Bernardino Counties.

The District manages water resources and constructs, operates, maintains, repairs, and replaces water system facilities as needed to provide water service in compliance with applicable standards and regulations.

The District’s water comes from groundwater wells, four of which are treated for arsenic removal. The service area varies in elevation by more than 500 feet; therefore, the District has created five different elevation zones for purposes of water rates.

### **1.2 STUDY BACKGROUND**

The District prepared a water rate study in 2022 which included both a financial plan and cost-of-service analysis (2022 Rate Study<sup>1</sup>). Based on the 2022 Rate Study’s

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<sup>1</sup> Indian Wells Valley Water District, 2022 *Water Rate Study – Final Report*, January 4, 2023, Hildebrand Consulting

recommendations, the District adopted a five-year schedule of water rates with the last rate increase occurring on January 1, 2027. The District has elected to update its financial plan in light of financial conditions that are materially different from those that were forecasted by the 2022 Rate Study.

### **1.3 STUDY OBJECTIVES**

The primary objectives of this Study are to:

- i. Develop a multi-year financial management plan that integrates the District’s capital funding needs
- ii. Identify future rate adjustments to water rates and a funding strategy that will ensure adequate revenues to meet the District’s ongoing financial requirements
- iii. Propose a new 5-year rate schedule

This study does not include an update to the cost-of-service analysis and does not propose any changes to the rate structure.

### **1.4 STUDY METHODOLOGY**

This Study applied methodologies that are aligned with industry standard practices for rate setting as laid out in the American Water Works Association (AWWA) M1 Manual<sup>2</sup>, and applicable law, including California Constitution Article XIII D, Section 6(b), commonly known as Proposition 218.

The Study began with a review of the District’s current financial dynamics and latest available data for the utility’s operations. A multi-year financial management plan was then developed to determine the level of annual rate revenue required to cover projected annual operating expenses, debt service (including coverage targets), and

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<sup>2</sup> AWWA M1 Manual: Principles of Water Rates, Fees, and Charges, 7<sup>th</sup> Edition

capital cost requirements while maintaining adequate reserves. This portion of the Study was conducted using an MS Excel<sup>®</sup>-based financial planning model which was customized to reflect financial dynamics and the latest available data for the District's operations in order to develop a long-term financial management plan, inclusive of projected annual revenue requirements and corresponding annual rate adjustments.

The 10-year Financial Plan was developed through several interactive work sessions with District staff. As a result of this process, the Study has produced a robust Financial Plan that will enable the District to meet its future revenue requirements and achieve financial performance objectives throughout the study period while striving to limit rate increases.

The recommended rate schedule presented herein is designed to ensure that the District's water rates are sufficient to meet its projected financial obligation over the course of the planning period.

## **Section 2. 10-YEAR FINANCIAL PLAN**

This Study has developed a 10-year financial plan based on source data that includes FY 2024/25 budget, FY 2023/24 actuals, cash balances as of June 30, 2024, a 10-year CIP developed by District staff, existing debt service schedules, District reserve policies, and forecast assumptions as described in this section.

The 10-year financial plan was developed through several interactive work sessions with District staff. As a result of this process, the Study has produced a robust financial plan that will enable the District to meet its future revenue requirements and achieve financial performance objectives throughout the projection period while striving to limit rate increases.

The financial plan reflects assumptions and estimates believed reasonable at the present time. However, conditions change. It is recommended that the District continuously review financial conditions and reaffirm annual rate adjustments as part of the annual budget process, as well as perform a more comprehensive financial plan and rate update every 3 to 5 years, as conditions dictate.

### **2.1 EXISTING FUNDS AND REVENUES**

The following described the District's existing fund structures, policies, and revenues.

#### **2.1.1 Reserve Policies**

Utilities set aside cash reserves in order to both (1) ensure that short-term cash flow requirements can always be met even during adverse conditions and (2) meet financial obligations associated with outstanding debt. Reserves help to ensure that a utility will always have adequate funds available to meet its financial obligations (including debt payments) during periods of revenue shortfall (either because revenues are unusually low or because expenditures are unusually high). Reserves also provide a financial



backstop in the event of emergency repairs to the system as a result of natural disasters or unanticipated system failures.

Establishing target reserve levels is central to the process of developing a multi-year financial plan. Financial policies should articulate the level of the reserve targets, the purpose of the respective reserves, and the intended use of the funds, including any limitations on the use of the funds. Once reserve targets are established, they should be reviewed annually during the budgeting process to assure conformance with any adopted policies and consistency with the underlying financial plan. Decisions can be made to maintain, increase, or spend down the reserve balances, as appropriate, within the context of the long-range financial plan.

The financial plan in this Study is consistent with all of the District's existing reserve policies. The District reserve policies are consistent with 1) our industry experience for similar systems, 2) reserve policy recommendations by the AWWA, and 3) the criteria published by municipal utility rating agencies (Fitch, Moody's, and Standard & Poor's).

#### 2.1.1.1 MINIMUM RESERVES

Minimum reserves refer to reserves that the District should never *plan* to draw down (although circumstances may force the District to use these reserves). In other words, such reserves provide the District with a critical financial cushion that should only be used as a result of unforeseen circumstances. The District has one such reserve, which is described below.

**Operating Reserve** - The District has a 6-month Operating Reserve policy, which means that 180 days of operating costs (not including Groundwater Sustainability Agency (GSA) costs) are kept available in cash reserves. This reserve ensures continuity of service regardless of short-term changes in cash flow or sudden increases in operating costs. Since this reserve target is set relative to the District's operating budget, the target will change as the budget changes. As detailed in **Schedule 3**, the Operating Reserve target is approximately \$5.5 million in FY 2024/25.

#### 2.1.1.2 TARGET RESERVES

Target reserves are more flexible than minimum reserves and are designed to be drawn down and built back up over the course of a financial planning period. These reserves are meant to provide the District with both some protection against catastrophic failure as well as flexibility with cash funding its capital program.

**Capital Reserve** – The purpose of the Capital Reserve is both to (1) protect the District from the financial impacts that may be caused by the catastrophic failure of critical infrastructure and (2) manage the inherent volatility of capital spending. The District has sized the target of this reserve to be equal to the replacement cost of one well, one booster station and one storage tank. Based on District cost estimates, this equals approximately \$10.8 million.

**Vehicle and Computer Replacement Reserves** - These reserves total \$350 thousand and \$100 thousand, respectively. The vehicle and computer reserves are maintained at their maximum balance allowed by Resolution 13-08.

#### 2.1.2 Beginning Fund Balance

The ending cash balance for FY 2023/24 was used to establish the FY 2024/25 beginning balance, as outlined in **Table 1**. The restricted funds refer to funds that were collected through the Capital Facility Fee and are designated to pay for growth-related capital projects. The remaining 2024 Bond proceeds are designated to pay for capital projects primarily in FY 2024/25.

**Table 1: FY 2024/25 Beginning Cash Balance**

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Unrestricted Fund Balance	\$12,313,000
• Restricted Fund (Capital Facility Fund)	\$70,000
Restricted Fund (A87)	\$562,000
2024 Bond Proceeds	\$7,496,000

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**Total: \$20,441,000**

### 2.1.3 Forecasted Customer Growth

Growth in the customer base affects both water demand as well as Capital Facility Fee<sup>3</sup> revenue. Estimated annual Capital Facility Fee revenues are based on the amount of new development activity (i.e., growth). Capital Facility Fee revenue accrues to the capital fund and is used to help fund planned capital improvement projects.

Projected Capital Facility Fee revenues indicate that the District is forecasting to grow at a rate of about 0.21 percent per year. Future growth will depend on many factors, including the economy.

### 2.1.4 Rate Revenue

Rate revenue is the revenue generated from customers for water service. The District receives rate revenue in the form of fixed charges (Account Charge, Ready-to-Serve Charge and Arsenic Compliance Charge) and the consumption-based Commodity Charge and Zone Charge. The District also collects Construction Meter Charges for the use of temporary hydrant meters, a fixed Private Fire Service charge for those with direct fire service lines, and Bulk Water Rates for customers that receive their water from the filling station. The rate revenue modeled in the Financial Plan starts with FY 2024/25 budgeted revenues and is adjusted annually to reflect assumed customer

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<sup>3</sup> Capital Facility Fees are one-time charges to new development to pay for capacity in the utility systems.

growth and the rate revenue adjustments that are proposed by this Study. Other than demand increases associated with customer growth, water demand is anticipated to decrease by 2.5 percent per year through FY 2029. Budgeted and projected rate revenues (including proposed rate adjustments) over the next ten years are listed in **Schedule 3**.

#### 2.1.4.1 WATER RATES

The District's current rate structure is explained in detail in the 2022 Rate Study report. The rates are comprised of a fixed service charge and a commodity (consumption-based) rate. The District's fixed service charge is made up of an Account Charge, a Ready-to-Serve Charge, and an Arsenic Treatment Charge. These charges are assessed based on meter size and cover a portion of the District's fixed costs.

The tiered rates have two tiers, with Tier 1 recovering District costs as well as the pass-through of GSA's Groundwater Extraction Fee. Tier 2 recovers Tier 1 costs and also includes the pass-through of the GSA Replenishment Fee.

The amount of Tier 1 water allotted to customers is based on the District's GSA groundwater pumping allocation. The Tier 1 allocation allows each customer to use their proportionate share of the water allocation before being charged the pass-through Replenishment Fee. Water allocations are sized in proportion to meter size with 20 HCF per equivalent meters per month. The tier thresholds by meter size are summarized in Table 2.

The District has seen a long-term trend of water usage reductions of 2.5 percent per year. This Financial Plan assumes that this trend will continue for the next 5 years before leveling off.

**Table 2: Tier Thresholds By Meter Size**

Meter Size	Tier 1 Threshold (HCF per month)
3/4"	20
1"	33
1.5"	65
2"	104
3"	208
4"	325
6"	650
8"	1040

*2.1.4.2 ZONE CHARGE*

The District charges a Zone Charge (elsewhere sometimes known as an elevation charge or pumping charge) to account for the cost to “lift” water to properties that are located in higher elevations. The District has five zones (Zone A through Zone E), which differ in elevation by approximately 100 ft.

*2.1.4.3 BULK WATER RATES*

The District provides Bulk Water services for a metered rate to customers who receive the water at the District’s bulk water facility. Individually subscribed customers pay a fixed monthly charge in addition to a uniform commodity rate for water actually used.

**2.1.5 Construction Meter Rates**

The District provides the service of issuing temporary meters (“Construction Meters”). Customers rent the construction meter at a monthly rate and pay a volumetric rate that includes the Zone charge based on where the construction meter is being used.

**2.1.6 Private Fire Rates**

Private Fire are fixed monthly rates that apply to accounts that have a dedicated service line for fire protection.

See Schedule 4 for a complete schedule of water rates for the five-year planning period.

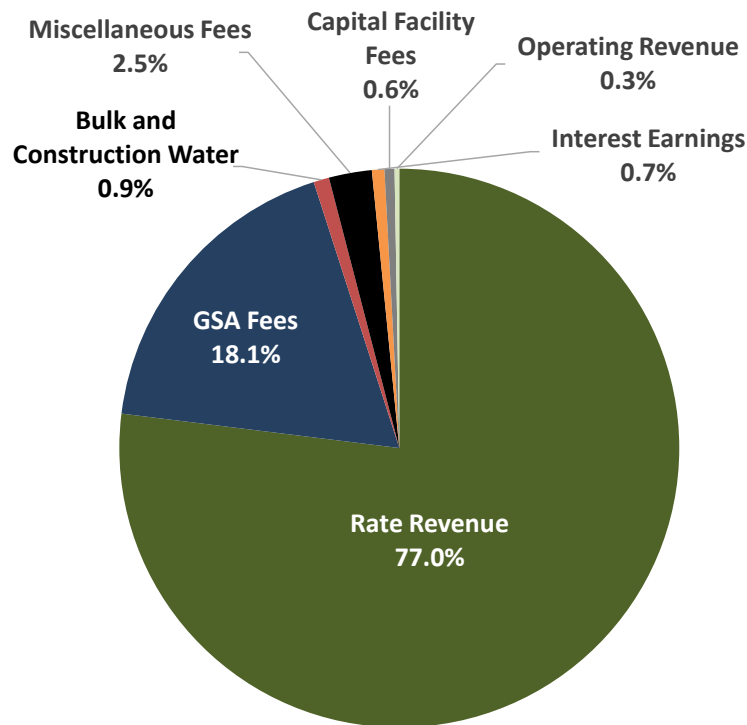
### 2.1.7 Non-Rate Revenues

In addition to rate revenue, the District receives additional “non-rate revenue” from sources such as miscellaneous service fees (e.g., turn-on service fee, delinquency billing charges, plan checks and inspection fees), Capital Facility Fees, assessment revenue, operational revenue (e.g., rent), GSA fee revenue (see below) and interest revenue on investments. Projections of non-rate revenues were based on FY 2024/25 budgeted revenues and assumed to remain flat for the planning period. Future interest income was estimated based upon projected fund balances and an assumed interest rate of 1.2 percent, which is consistent with the District’s historical interest earnings relative to its total reserve levels.

The District is subject to fees imposed by the Indian Wells Valley Groundwater Authority, which are designed to pay for the costs associated with complying with the requirements of the Sustainable Groundwater Management Act (SGMA). The District currently pays two such fees, both of which are volumetric fees and are collectively referred to as the “GSA fees.” The first is the Groundwater Extraction Fee of \$0.24 per hundred cubic feet (HCF) of pumped groundwater to primarily pay for the preparation of the Groundwater Sustainability Plan (GSP). The second is the Replenishment Fee of \$2,140 / acre-foot (AF) of pumped groundwater to pay for the costs of an imported water supply. Currently the District passes through these GSA fees to customers by adding the above commodity rates to the District’s then-current commodity rates.

Estimated future annual Capital Facility Fee revenues were based on the current fees and the projected amount of new growth (see Section 2.1.3). Capital Facility Fee revenue is restricted and is used to help fund specific growth-related capital improvement projects.

Budgeted water rate and non-rate revenues are depicted in Figure 1 and listed in detail in **Schedule 3**.



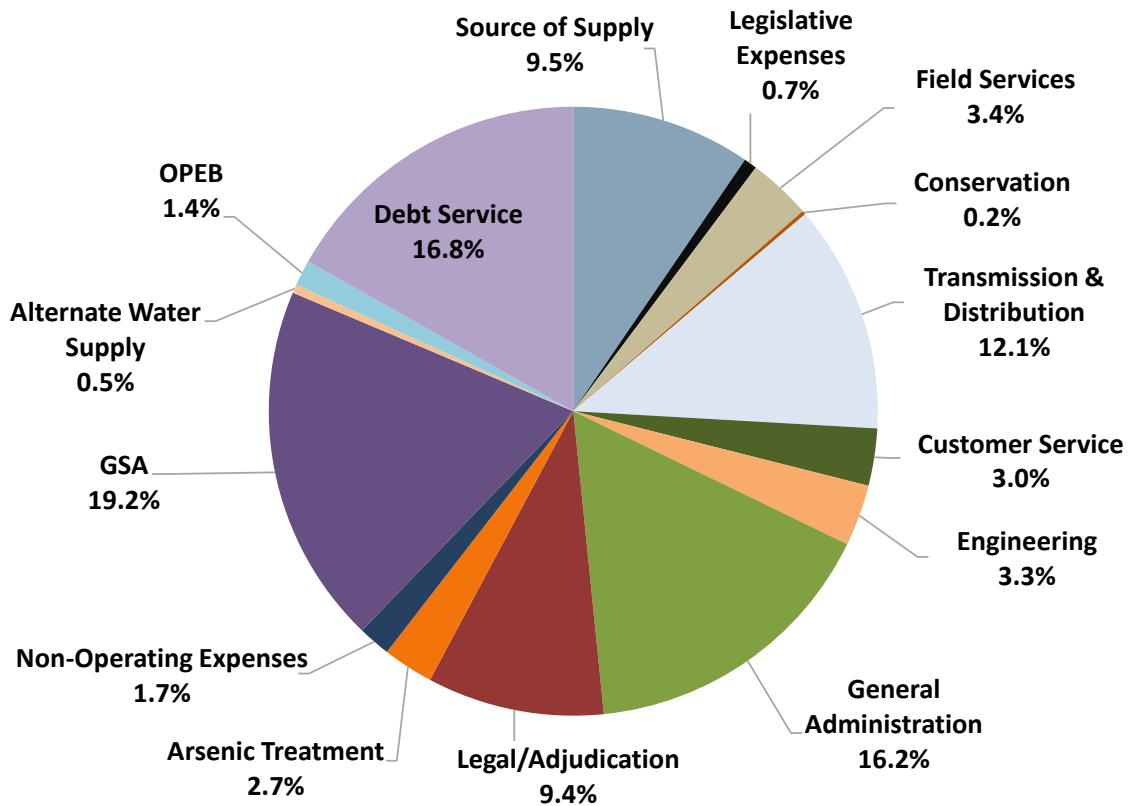
**Figure 1: Revenue Categories (FY 2024/25 Budget)**

## 2.2 CURRENT AND FORECASTED EXPENSES

This section describes the District’s existing and forecasted operating, debt and capital expenses.

### 2.2.1 Operations and Maintenance

The District’s operating and maintenance expenses were projected over the next ten years based on expected inflation rates, starting with the budgeted expenses for FY 2024/25 (see Section 2.2.2). Major budgeted expense categories for FY 2024/25 are depicted in Figure 2. Budgeted and projected operating and maintenance costs are listed in detail in **Schedule 1**.



**Figure 2: Operating & Debt Expenses (FY 2024/25 Budget)**

### 2.2.2 Cost Escalation Projections

Annual cost escalation factors for the various types of expenses were developed based upon a review of historical inflation trends, published inflation forecasts, industry experience, and discussions with District staff. During the projection period, all operating expenses are projected to increase at 3.0 percent per year.

### 2.2.3 Existing Debt

The District currently pays debt service on three outstanding loans. This includes a 2018 Water Revenue COP (with annual debt service of approximately \$1.9 million through FY 2038/39 followed by approximately \$800 thousand for ten more years) and a 2016 Solar Loan (with annual debt service of just over \$500 thousand through FY 2034/35) and a

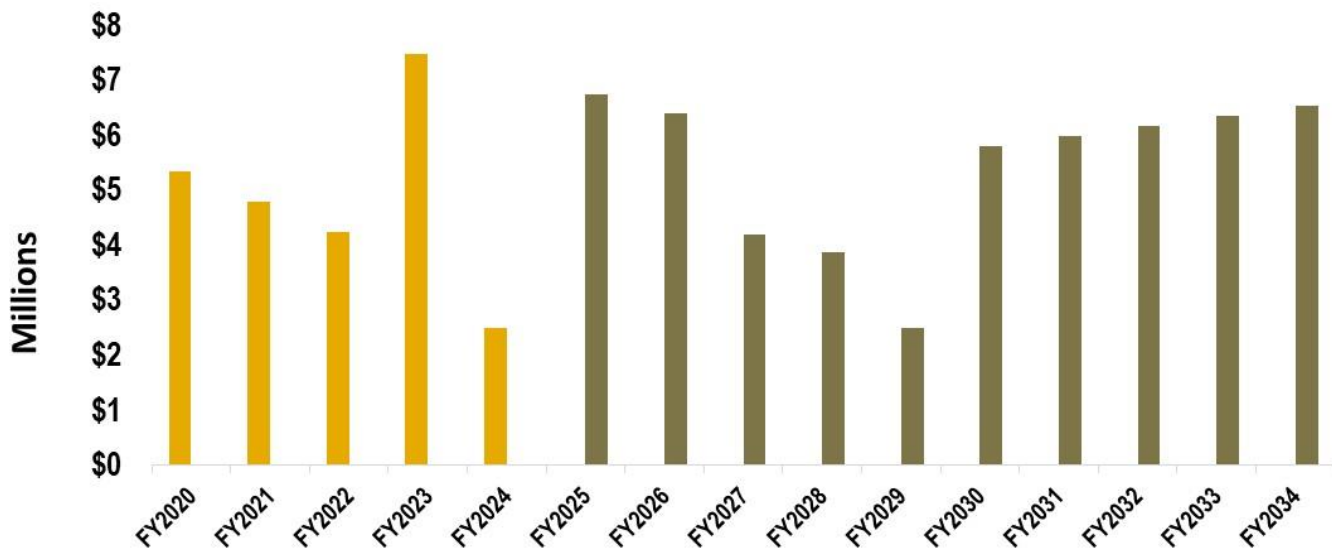


2024 Revenue Bond for \$7.5 million with payments of about \$445 thousand per year through FY 2053/54. No new debt issues are included in this current financial plan.

One of the requirements associated with debt is to maintain rate revenue and other non-rate revenues at levels sufficient to meet debt service coverage requirements (DCR). The District's current debt contracts require that the District maintain net revenues (i.e., revenues after paying all operating costs) at a DCR level that is at least 1.20 times annual debt service. Based on published guidance from Fitch Ratings, utility systems with *midrange* financial profiles should maintain a DCR greater than 1.50 times annual debt service. **Schedule 3** shows that the proposed financial plan establishes a plan for increasing the DCR to above 2.0.

#### **2.2.4 Capital Improvement Program**

Figure 3 shows that from FY 2018/19 through FY 2023/24 the District has spent an average of approximately \$4.2 million per year on capital projects to rehabilitate or improve the water system. During the period from FY 2024/25 through FY 2033/34 the District plans to increase its annual capital spending to an average of \$5.6 million per year in order to proactively address the water system's rehabilitation needs associated with supply facilities, pipes, water tanks, and other system facilities.



**Figure 3: Historic and Projected Capital Spending**

Some of the District’s more significant projects are highlighted in Table 3. The most expense projects in the next five years are transmission and distribution projects, including the replacement of a Springfield 24” pipe, an Inyokern 30” pipe, a Bowman 30” pipe and La Mirage mainline replacements. A detailed list of the planned capital projects and associated costs through FY2028/29 is provided in **Schedule 2**. Starting in FY2029/30 the annual capital spending is assumed to be about \$5.0 million (in 2024 dollars).

Future California water conservation mandates may require the District to build a new recycled water treatment plant in the 2030-2040 timeframe. This current financial plan does not include the cost of this project due to the uncertainty of when the project will be required (if at all) and uncertainties regarding project costs (currently estimated in the \$100 million range) and funding sources (it is currently thought that the District will need to fund about 25 percent of the capital costs and 100 percent of future operating costs).

**Table 3: Summary of Capital Spending through FY 2028/29\***

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>Water Supply</b>					
Well Rehabilitation		\$300,000	\$300,000	\$300,000	\$300,000
New Well Development					
Miscellaneous Water Supply	\$145,000	\$1,167,500	\$1,097,500	\$1,035,000	\$110,000
<b>TOTAL WATER SUPPLY</b>	<b>\$145,000</b>	<b>\$1,467,500</b>	<b>\$1,397,500</b>	<b>\$1,335,000</b>	<b>\$410,000</b>
<b>Transmission and Distribution</b>					
Springer 24" Line		\$3,400,000			
La Mirage Mainline Replacements			\$1,375,000	\$1,375,000	\$1,375,000
Inyokern 30"	\$6,000,000				
Miscellaneous T&D	\$216,500	\$691,500	\$516,500	\$266,500	\$266,500
<b>TOTAL TRANSMISSION &amp; DISTRIBUTION</b>	<b>\$6,216,500</b>	<b>\$4,091,500</b>	<b>\$1,891,500</b>	<b>\$1,641,500</b>	<b>\$1,641,500</b>
<b>TOTAL TECH</b>	<b>\$22,000</b>	<b>\$115,000</b>	<b>\$30,000</b>	<b>\$15,000</b>	<b>\$15,000</b>
<b>TOTAL GENERAL PLANT</b>	<b>\$35,000</b>	<b>\$535,000</b>	<b>\$625,000</b>	<b>\$545,000</b>	<b>\$145,000</b>
<b>TOTAL FUTURE SOURCE OF SUPPLY</b>	<b>\$314,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL CAPITAL PROGRAM:</b>	<b>\$6.7M</b>	<b>\$6.2M</b>	<b>\$3.9M</b>	<b>\$3.5M</b>	<b>\$2.2M</b>

\* All costs expressed in 2024 dollars

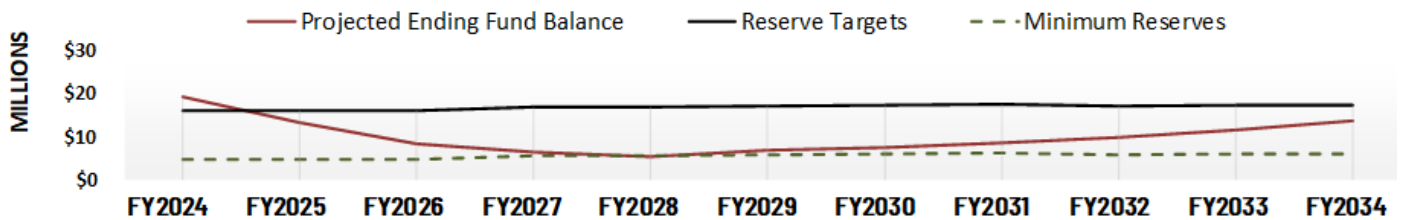
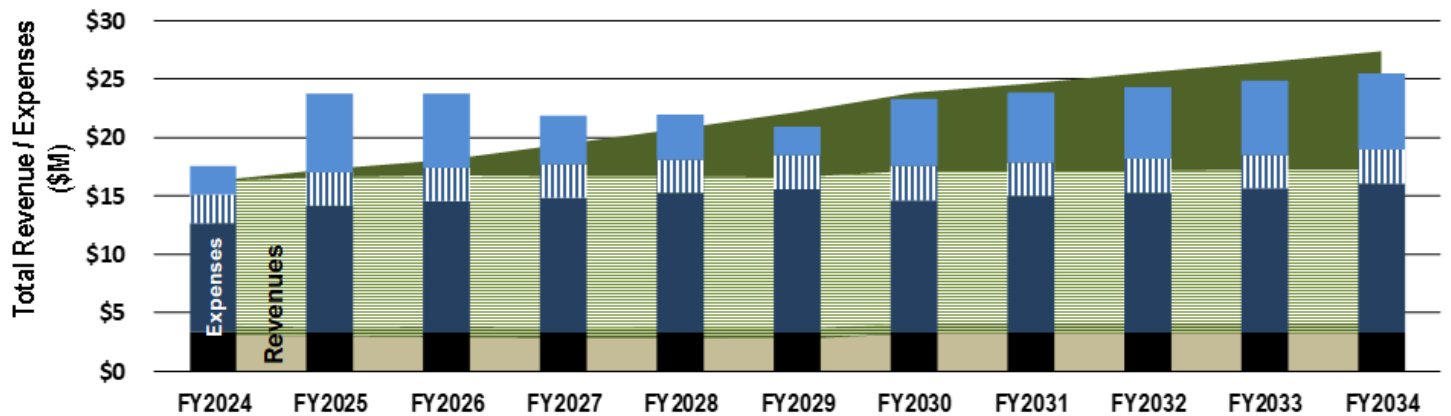
### 2.3 PROPOSED FINANCIAL STRATEGY

The above information was analyzed in a financial planning model to produce a 10-year projection of the sufficiency of current rate revenues to meet projected financial requirements and determine the rate revenue increases necessary in each year of the projection period. This section first explains the District’s debt strategy, then describes the proposed rate increases for the next 5 years.

Based upon the previously discussed financial data, assumptions, policies, and debt strategy, this Study proposes a five-year schedule of annual rate adjustments and debt funded capital spending as shown in **Figure 4**. The rate schedules associated with these rate adjustments have been provided as **Schedule 4**.

The first proposed rate increase for this Study is scheduled to occur February 1, 2025 (seven months into the fiscal year). All subsequent rate increases proposed by this Study will occur on January 1 of each year (halfway through the fiscal year).

The numbers provided in Schedule 3 are summarized graphically in Figure 4, which shows the District’s target reserves being met throughout the planning period. After the final recommended increase in FY 2028/29, it is anticipated (barring unforeseen emergencies or changes in infrastructure/operational needs) that the annual rate revenue increases will taper as shown in Schedule 3.



	Proposed					Projected				
Rate Revenue Increase:*	12.0%**	10.0%	8.0%	8.0%	8.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Debt Coverage Ratio:	1.06	1.49	1.79	2.05	2.35	3.24	3.43	3.62	3.82	3.99
Net Debt Proceeds:										

\* First proposed rate increases to be effective February 1 of 2025; subsequent rate increase will be on January 1.

\*\* Replaces previously approved rate increase of 8% on January 1, 2025.

**Figure 4: Cash Flow Projection with Recommended Rate Revenue Increases**

The 2022 Rate Study anticipated that there would be 8 percent and 6 percent rate increases during this period in order to support the District’s continued transition to pay-as-you-go (PayGo) capital project funding. The current proposed rate increases are larger than the increases forecasted by the 2022 Rate Study because:

- 1) Usage rate revenue and GSA fee revenue were lower than forecasted due to a decrease in Tier 2 water usage.
- 2) Operating costs are expected to increase more than previously projected, due in part to a temporary increase in legal fees.
- 3) Average capital spending is forecasted to be \$5 million as compared to the \$4 million forecasted by the 2022 Rate Study.

### **Section 3. CONCLUSION**

This Study used methodologies that are aligned with industry standard practices for rate setting as promulgated by AWWA and all applicable law, including Proposition 218. The proposed adjustments to the rates will provide revenue stability and continue to equitably and proportionately recover costs from the appropriate customers.

Based on the methodologies described above, Schedule 4 provides a complete schedule proposed rates over the five-year planning period. The water rates will need to be adopted in accordance with Proposition 218, which will require a detailed notice describing the proposed rates to be mailed to each affected property owner or customer at least 45 days prior to conducting a public hearing to adopt the rates.

It is recommended that the District continue to closely monitor its financial condition on an annual basis.

## SCHEDULES

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**Schedule 1: Budgeted and Projected Operating and Debt Expenses**

**Schedule 2: Capital Spending Forecast**

**Schedule 3: Cash Flow Pro Forma**

**Schedule 4: Five-Year Schedule of Proposed Water Rates**

**Schedule 1 –Budgeted and Projected Operating and Debt Expenses (1 of 3)**

	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
<b>SOURCE OF SUPPLY</b>										
1 PERS ER Contribution	(\$71,000)	(\$73,000)	(\$75,000)	(\$77,000)	(\$80,000)	(\$82,000)	(\$85,000)	(\$87,000)	(\$90,000)	(\$92,000)
2 Water Supply - Supervision	\$122,000	\$126,000	\$129,000	\$133,000	\$137,000	\$141,000	\$146,000	\$150,000	\$155,000	\$159,000
3 Water Supply - Labor	\$367,000	\$378,000	\$389,000	\$401,000	\$413,000	\$425,000	\$438,000	\$451,000	\$465,000	\$479,000
4 Water Supply - Overtime	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
5 Water Supply - Standby OT	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$9,000	\$9,000	\$9,000	\$10,000	\$10,000
6 Water Supply - Emp Benefits	\$194,000	\$200,000	\$206,000	\$212,000	\$218,000	\$225,000	\$232,000	\$239,000	\$246,000	\$253,000
7 Vehicle Maintenance WS	\$20,000	\$21,000	\$21,000	\$22,000	\$23,000	\$23,000	\$24,000	\$25,000	\$25,000	\$26,000
8 Vehicle Fuel WS	\$17,000	\$18,000	\$18,000	\$19,000	\$19,000	\$20,000	\$20,000	\$21,000	\$22,000	\$22,000
9 Maint of Pumping Structures	\$28,000	\$29,000	\$30,000	\$31,000	\$32,000	\$32,000	\$33,000	\$34,000	\$35,000	\$37,000
10 Maint of Pumping Equipment	\$28,000	\$29,000	\$30,000	\$31,000	\$32,000	\$32,000	\$33,000	\$34,000	\$35,000	\$37,000
11 Maint of Standby Generators	\$40,000	\$41,000	\$42,000	\$44,000	\$45,000	\$46,000	\$48,000	\$49,000	\$51,000	\$52,000
12 IP Radio System Maintenance	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
13 Equipment Maintenance - #655C	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000
14 Maint and Care of Grounds	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000
15 Maintenance Automated Controls	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000
16 Telemetry Mnt Agreement	\$12,000	\$12,000	\$13,000	\$13,000	\$14,000	\$14,000	\$14,000	\$15,000	\$15,000	\$16,000
17 Operating Permits	\$15,000	\$15,000	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$18,000	\$19,000	\$20,000
18 Purchased Power Wells, Etc.	\$600,000	\$618,000	\$637,000	\$656,000	\$675,000	\$696,000	\$716,000	\$738,000	\$760,000	\$783,000
19 Water Bill Well Sites	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000
20 Solar Expenses	\$40,000	\$41,000	\$42,000	\$44,000	\$45,000	\$46,000	\$48,000	\$49,000	\$51,000	\$52,000
21 Natural Gas	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
22 Training, Conf, Cert Renewal	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$9,000	\$9,000	\$9,000	\$10,000	\$10,000
23 Bulk Water Station Expenses	\$8,000	\$8,000	\$8,000	\$9,000	\$9,000	\$9,000	\$10,000	\$10,000	\$10,000	\$10,000
24 WS Lab Analysis & Eqmt	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000
25 Water Treatment Chemicals	\$85,000	\$88,000	\$90,000	\$93,000	\$96,000	\$99,000	\$101,000	\$105,000	\$108,000	\$111,000
26 Maint Reservoirs & Tanks	\$15,000	\$15,000	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$18,000	\$19,000	\$20,000
27 Misc Parts & Materials WS	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000
28 Stationery & Supplies WS	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000
29 Cell Phones WS	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000
30 PERS Cost by Function	\$37,000	\$38,000	\$39,000	\$40,000	\$41,000	\$42,000	\$44,000	\$45,000	\$46,000	\$48,000
<b>Arsenic Treatment</b>										
31 PERS ER Contribution	(\$11,000)	(\$11,000)	(\$12,000)	(\$12,000)	(\$12,000)	(\$13,000)	(\$13,000)	(\$13,000)	(\$14,000)	(\$14,000)
32 Arsenic Plant - Supervision	\$20,000	\$21,000	\$21,000	\$22,000	\$23,000	\$23,000	\$24,000	\$25,000	\$25,000	\$26,000
33 Arsenic Plant - Labor	\$62,000	\$64,000	\$66,000	\$68,000	\$70,000	\$72,000	\$74,000	\$76,000	\$79,000	\$81,000
34 Arsenic Plant - OT	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
35 Arsenic Plant - Standby OT	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000
36 Arsenic Plant - Emp Benefits	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$41,000	\$42,000	\$43,000	\$44,000
37 Maint Arsenic Plant Structures	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000
38 Maint of Arsenic Equipment	\$15,000	\$15,000	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$18,000	\$19,000	\$20,000
39 IP Radio System Maintenance	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000
40 Maint Arsenic Plant Grounds	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
41 Maint Automated Controls	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000
42 Telemetry Mnt Agreement	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000
43 Arsenic Plant - Purchased Powe	\$65,000	\$67,000	\$69,000	\$71,000	\$73,000	\$75,000	\$78,000	\$80,000	\$82,000	\$85,000
44 Solar Expenses	\$25,000	\$26,000	\$27,000	\$27,000	\$28,000	\$29,000	\$30,000	\$31,000	\$32,000	\$33,000
45 Arsenic Lab Analysis & Eqmt	\$15,000	\$15,000	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$18,000	\$19,000	\$20,000
46 Arsenic Treatment Chemicals	\$130,000	\$134,000	\$138,000	\$142,000	\$146,000	\$151,000	\$155,000	\$160,000	\$165,000	\$170,000
47 Arsenic Solids Disposal	\$50,000	\$6,000	\$6,000	\$50,000	\$6,000	\$6,000	\$50,000	\$6,000	\$6,000	\$50,000
48 Misc Parts & Materials Arsenic	\$15,000	\$15,000	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$18,000	\$19,000	\$20,000
49 PERS Cost by Function	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
<b>Transmission and Distribution</b>										
50 PERS ER Contribution	(\$174,000)	(\$180,000)	(\$185,000)	(\$191,000)	(\$196,000)	(\$202,000)	(\$208,000)	(\$215,000)	(\$221,000)	(\$228,000)
51 T&D - Supervision	\$135,000	\$139,000	\$143,000	\$148,000	\$152,000	\$157,000	\$161,000	\$166,000	\$171,000	\$176,000
52 T&D - Labor	\$839,000	\$864,000	\$890,000	\$917,000	\$944,000	\$973,000	\$1,002,000	\$1,032,000	\$1,063,000	\$1,095,000
T&D - NO-DES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
53 T&D - Temp Labor	(\$40,000)	(\$41,000)	(\$42,000)	(\$44,000)	(\$45,000)	(\$46,000)	(\$48,000)	(\$49,000)	(\$51,000)	(\$52,000)
54 T&D Capital Projects	(\$60,000)	(\$62,000)	(\$64,000)	(\$66,000)	(\$68,000)	(\$70,000)	(\$72,000)	(\$74,000)	(\$76,000)	(\$78,000)
55 T&D - Overtime	\$8,000	\$8,000	\$8,000	\$9,000	\$9,000	\$9,000	\$9,000	\$10,000	\$10,000	\$10,000
56 T&D Standby Time	\$60,000	\$62,000	\$64,000	\$66,000	\$68,000	\$70,000	\$72,000	\$74,000	\$76,000	\$78,000
57 T&D - Benefits	\$453,000	\$467,000	\$481,000	\$495,000	\$510,000	\$525,000	\$541,000	\$557,000	\$574,000	\$591,000
58 Vehicle Maint T&D	\$25,000	\$26,000	\$27,000	\$27,000	\$28,000	\$29,000	\$30,000	\$31,000	\$32,000	\$33,000
59 Vehicle Fuel T&D	\$55,000	\$57,000	\$58,000	\$60,000	\$62,000	\$64,000	\$66,000	\$68,000	\$70,000	\$72,000
60 Maint Heavy & Light Equipment	\$45,000	\$46,000	\$48,000	\$49,000	\$51,000	\$52,000	\$54,000	\$55,000	\$57,000	\$59,000
61 Maintenance Laterals & Meters	\$310,000	\$319,000	\$329,000	\$339,000	\$349,000	\$359,000	\$370,000	\$381,000	\$393,000	\$404,000
62 Maintenance Valves & Boxes	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000
63 Maintenance of Streets	\$400,000	\$412,000	\$424,000	\$437,000	\$450,000	\$464,000	\$478,000	\$492,000	\$507,000	\$522,000



**Schedule 1 –Budgeted and Projected Operating and Debt Expenses (2 of 3)**

	<b>FY2024/25</b>	<b>FY2025/26</b>	<b>FY2026/27</b>	<b>FY2027/28</b>	<b>FY2028/29</b>	<b>FY2029/30</b>	<b>FY2030/31</b>	<b>FY2031/32</b>	<b>FY2032/33</b>	<b>FY2033/34</b>
	<b>Budget</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
64 Maintenance of Streets - Permi	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000
65 Welding Supplies T&D	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000
66 Misc Parts & Materials T&D	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000
67 Equipment Rental	\$21,000	\$22,000	\$22,000	\$23,000	\$24,000	\$24,000	\$25,000	\$26,000	\$27,000	\$27,000
68 Capital Equipment Credit	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)	(\$7,000)
69 Training & Conference T&D	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000
70 Meal Tickets T&D	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
71 Stationery & Misc Supplies T&D	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000
72 Cell Phones T&D	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000
73 PERS Cost by Function	\$90,000	\$93,000	\$95,000	\$98,000	\$101,000	\$104,000	\$107,000	\$111,000	\$114,000	\$117,000
<b><u>Engineering</u></b>										
74 PERS ER Contribution	(\$38,000)	(\$39,000)	(\$40,000)	(\$42,000)	(\$43,000)	(\$44,000)	(\$46,000)	(\$47,000)	(\$48,000)	(\$50,000)
75 Engineering - Labor	\$310,000	\$319,000	\$329,000	\$339,000	\$349,000	\$359,000	\$370,000	\$381,000	\$393,000	\$404,000
76 Eng - Capital Project Credit	(\$50,000)	(\$52,000)	(\$53,000)	(\$55,000)	(\$56,000)	(\$58,000)	(\$60,000)	(\$61,000)	(\$63,000)	(\$65,000)
77 Engineering - Benefits	\$106,000	\$109,000	\$112,000	\$116,000	\$119,000	\$123,000	\$127,000	\$130,000	\$134,000	\$138,000
78 Vehicle Maint ENG	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000
79 Vehicle Fuel ENG	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000
80 Water Treatment Lab Analysis	\$29,000	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000
81 Consumer Confidence Reports	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000	\$14,000	\$14,000	\$14,000
82 Training & Conferences ENG	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Training & Conferences IT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
83 Misc Supplies & Equipment	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
84 Cell Phones ENG	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000
85 PERS Cost by Function	\$20,000	\$20,000	\$21,000	\$22,000	\$22,000	\$23,000	\$24,000	\$24,000	\$25,000	\$26,000
86 Miscellaneous Consultant - GIS	\$50,000	\$52,000	\$53,000	\$55,000	\$56,000	\$58,000	\$60,000	\$61,000	\$63,000	\$65,000
87 Consulting Engineering Service	\$40,000	\$41,000	\$42,000	\$44,000	\$45,000	\$46,000	\$48,000	\$49,000	\$51,000	\$52,000
88 Water Trax Subscription	\$15,000	\$15,000	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$18,000	\$19,000	\$20,000
89 Computer Supplies/Maint Agreem	\$12,000	\$12,000	\$13,000	\$13,000	\$14,000	\$14,000	\$14,000	\$15,000	\$15,000	\$16,000
90 Engineering Labor Allotment	\$40,000	\$41,000	\$42,000	\$44,000	\$45,000	\$46,000	\$48,000	\$49,000	\$51,000	\$52,000
<b><u>Customer Service</u></b>										
91 PERS ER Contribution	(\$44,000)	(\$45,000)	(\$46,000)	(\$48,000)	(\$49,000)	(\$51,000)	(\$52,000)	(\$54,000)	(\$55,000)	(\$57,000)
92 Customer Accts - Supervision	\$110,000	\$113,000	\$117,000	\$120,000	\$124,000	\$128,000	\$131,000	\$135,000	\$139,000	\$144,000
93 Customer Accts - Labor	\$144,000	\$148,000	\$153,000	\$157,000	\$162,000	\$167,000	\$172,000	\$177,000	\$182,000	\$188,000
94 Customer Accts - Temp Labor	\$20,000	\$21,000	\$21,000	\$22,000	\$23,000	\$23,000	\$25,000	\$25,000	\$25,000	\$26,000
95 Customer Accts - Overtime	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
96 Customer Accts - Benefits	\$95,000	\$98,000	\$101,000	\$104,000	\$107,000	\$110,000	\$113,000	\$117,000	\$120,000	\$124,000
97 Uncollectible Accounts	\$70,000	\$72,000	\$74,000	\$76,000	\$79,000	\$81,000	\$84,000	\$86,000	\$89,000	\$91,000
98 Postage & Supplies CUSTOMER	\$70,000	\$72,000	\$74,000	\$76,000	\$79,000	\$81,000	\$84,000	\$86,000	\$89,000	\$91,000
99 Print & Reproduction CUSTOMER	\$17,000	\$18,000	\$18,000	\$19,000	\$19,000	\$20,000	\$20,000	\$21,000	\$22,000	\$22,000
100 Training & Conference CUSTOMER	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000
101 Stationery & Supplies CUSTOMER	\$7,000	\$7,000	\$7,000	\$8,000	\$8,000	\$8,000	\$8,000	\$9,000	\$9,000	\$9,000
102 PERS Cost by Function	\$22,000	\$23,000	\$24,000	\$25,000	\$25,000	\$26,000	\$27,000	\$28,000	\$28,000	\$29,000
<b><u>Field Services</u></b>										
103 PERS ER Contribution	(\$60,000)	(\$62,000)	(\$64,000)	(\$66,000)	(\$67,000)	(\$70,000)	(\$72,000)	(\$74,000)	(\$76,000)	(\$78,000)
104 Misc Parts & Materials FS	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000
105 Field Service - Supervision	\$119,000	\$123,000	\$126,000	\$130,000	\$134,000	\$138,000	\$142,000	\$146,000	\$151,000	\$155,000
106 Field Service - Labor	\$227,000	\$234,000	\$241,000	\$248,000	\$255,000	\$263,000	\$271,000	\$279,000	\$288,000	\$296,000
107 Field Service - Overtime	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
108 Field Service Capital Proj Cr	(\$75,000)	(\$77,000)	(\$80,000)	(\$82,000)	(\$84,000)	(\$87,000)	(\$90,000)	(\$92,000)	(\$95,000)	(\$98,000)
109 Field Service - Benefits	\$165,000	\$170,000	\$175,000	\$180,000	\$186,000	\$191,000	\$197,000	\$203,000	\$209,000	\$215,000
110 Vehicle Maintenance FS	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000
111 Vehicle Fuel FS	\$13,000	\$13,000	\$14,000	\$14,000	\$15,000	\$15,000	\$16,000	\$16,000	\$16,000	\$17,000
112 Maintenance Meters FS	\$46,000	\$47,000	\$49,000	\$50,000	\$52,000	\$53,000	\$55,000	\$57,000	\$58,000	\$60,000
113 Software Maintenance	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$40,000
114 AMI	\$50,000	\$52,000	\$53,000	\$55,000	\$56,000	\$58,000	\$60,000	\$61,000	\$63,000	\$65,000
115 Training & Conferences FS	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000
116 Stationery & Supplies FS	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
117 Cell Phones FS	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
118 PERS Cost by Function	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$40,000
<b><u>General Administration</u></b>										
119 PERS ER Contribution	(\$147,000)	(\$152,000)	(\$156,000)	(\$161,000)	(\$166,000)	(\$171,000)	(\$176,000)	(\$181,000)	(\$186,000)	(\$192,000)
120 Administration - Supervision	\$609,000	\$627,000	\$646,000	\$665,000	\$685,000	\$706,000	\$727,000	\$749,000	\$771,000	\$795,000
121 Administration - Labor	\$303,000	\$312,000	\$322,000	\$331,000	\$341,000	\$352,000	\$362,000	\$373,000	\$384,000	\$396,000
122 Accounting - Labor	\$158,000	\$163,000	\$168,000	\$173,000	\$178,000	\$183,000	\$189,000	\$194,000	\$200,000	\$206,000
123 Administration - Overtime	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000
124 Accounting - Overtime	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
125 Administration - Benefits	\$307,000	\$316,000	\$326,000	\$335,000	\$346,000	\$356,000	\$367,000	\$378,000	\$389,000	\$401,000
126 Accounting - Benefits	\$56,000	\$58,000	\$59,000	\$61,000	\$63,000	\$65,000	\$67,000	\$69,000	\$71,000	\$73,000
127 Vehicle Maintenance ADMIN	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000
128 Vehicle Fuel ADMIN	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000





**Schedule 2 – Capital Spending Projections** (in 2024 dollars)

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>WATER SUPPLY</b>					
1 Well 17 MCC		\$235,000			
2 ARP 1 Filtrate Tank		\$400,000			
3 Mag Starters	\$40,000	\$40,000			
4 Pressure Reduction Valve		\$200,000			
5 Well Rehab X 2		\$300,000	\$300,000	\$300,000	\$300,000
6 Ridgecrest Heights Booster		\$10,000	\$450,000	\$450,000	
7 C-Zone Booster Replacement		\$50,000	\$475,000	\$475,000	
8 Springer Tank Solar		\$62,500	\$62,500		
9 Towers		\$60,000			
10 Chlorine Analyzers		\$10,000	\$10,000	\$10,000	\$10,000
11 Well 35 Generator Slab	\$5,000				
12 Chem Rooms		\$100,000	\$100,000	\$100,000	\$100,000
13 Gateway Tank Re-coat	\$100,000				
14 <b>Total Water Supply</b>	<b>\$145,000</b>	<b>\$1,467,500</b>	<b>\$1,397,500</b>	<b>\$1,335,000</b>	<b>\$410,000</b>
<b>TRANSMISSION &amp; DISTRIBUTION</b>					
15 New Service Installations	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
16 Springer 24" Line		\$3,400,000			
17 Gateway Blvd 24"		\$30,000	\$250,000		
18 Ridgecrest Blvd Alternate Line		\$45,000			
19 South Gold Canyon Mainline Replacement		\$150,000			
20 Karen Mainline Replacement		\$150,000			
21 Service Lateral Replacements	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
22 La Mirage Mainline Replacements			\$1,375,000	\$1,375,000	\$1,375,000
23 Fire Hydrants	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500
24 Invokern 30"	\$6,000,000				
25 End-of-Life Meter Exchange	\$100,000	\$200,000	\$150,000	\$150,000	\$150,000
26 <b>Total T&amp;D</b>	<b>\$6,216,500</b>	<b>\$4,091,500</b>	<b>\$1,891,500</b>	<b>\$1,641,500</b>	<b>\$1,641,500</b>
<b>TECH</b>					
27 Misc Computer Purchases	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
28 TSC5 Controller		\$50,000			
29 Trimble Basestation		\$15,000			
30 Tape Drive Backup	\$7,000				
31 Network Upgrade		\$35,000			
32 Replacement Equipment, Server			\$15,000		
33 <b>Total Tech</b>	<b>\$22,000</b>	<b>\$115,000</b>	<b>\$30,000</b>	<b>\$15,000</b>	<b>\$15,000</b>
<b>GENERAL PLANT</b>					
34 Vehicles Replacement		\$120,000	\$120,000	\$120,000	\$120,000
35 Backhoe		\$180,000			
36 Vac Trailer		\$80,000	\$80,000		
37 Auto Crane		\$20,000			
38 Light Plant		\$10,000			
39 Weed Abatement Equipment		\$100,000			
40 Welder	\$10,000				
41 New Infrastructure, Back Parking Lot & North Wall			\$400,000	\$400,000	
42 Miscellaneous Capital Purchases	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
43 <b>Total General Plant</b>	<b>\$35,000</b>	<b>\$535,000</b>	<b>\$625,000</b>	<b>\$545,000</b>	<b>\$145,000</b>
<b>SOURCE OF SUPPLY</b>					
44 Groundwater Model	\$314,000				
45 <b>Total Source of Supply</b>	<b>\$314,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
46 <b>TOTAL CAPITAL PROGRAM:</b>	<b>\$6,732,500</b>	<b>\$6,209,000</b>	<b>\$3,944,000</b>	<b>\$3,536,500</b>	<b>\$2,211,500</b>
47 COST AFTER INFLATION	\$6,733,000	\$6,395,000	\$4,184,000	\$3,864,000	\$2,489,000

**Schedule 3 –Cash Flow Pro Forma**

	Actual FY2024	Budget FY2025	Forecast FY2026	Forecast FY2027	Forecast FY2028	Forecast FY2029	Forecast FY2030	Forecast FY2031	Forecast FY2032	Forecast FY2033	Forecast FY2034
1 <b>Rate Revenue Increase:</b>		12.00%	10.00%	8.00%	8.00%	8.00%	4.00%	4.00%	4.00%	4.00%	4.00%
<b>Rate Revenue</b>											
2 <b>Usage Revenue (Commodity &amp; Zone)</b>	\$3,925,000	\$4,082,000	\$4,478,000	\$4,823,000	\$5,098,000	\$5,389,000	\$5,697,000	\$5,937,000	\$6,187,000	\$6,448,000	\$6,719,000
3 Change due to growth & use		(\$94,000)	(\$103,000)	(\$111,000)	(\$117,000)	(\$124,000)	\$12,000	\$12,000	\$13,000	\$13,000	\$14,000
4 Increase due to rate adjustments		\$204,000	\$224,000	\$193,000	\$204,000	\$216,000	\$114,000	\$119,000	\$124,000	\$129,000	\$134,000
5 <b>Fixed Revenue (RTS, Arsenic &amp; Fire Protection)</b>	\$8,282,000	\$8,613,280	\$9,665,000	\$10,651,000	\$11,525,000	\$12,471,000	\$13,495,000	\$14,063,000	\$14,654,000	\$15,271,000	\$15,913,000
6 Change due to growth & use		\$18,000	\$20,000	\$22,000	\$24,000	\$26,000	\$28,000	\$29,000	\$31,000	\$32,000	\$33,000
7 Increase due to rate adjustments		\$431,000	\$483,000	\$426,000	\$461,000	\$499,000	\$270,000	\$281,000	\$293,000	\$305,000	\$318,000
8 <b>Other Rate Revenue (Bulk &amp; Construction)</b>	\$143,000	\$148,720	\$165,000	\$181,000	\$195,000	\$211,000	\$227,000	\$237,000	\$247,000	\$257,000	\$267,000
9 Increase due to rate adjustments		\$7,000	\$8,000	\$7,000	\$8,000	\$8,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
10 <b>GSA Fees</b>	\$3,139,000	\$3,067,000	\$2,997,000	\$2,928,000	\$2,861,000	\$2,795,000	\$3,261,000	\$3,261,000	\$3,261,000	\$3,261,000	\$3,261,000
<b>Non-Rate Revenues</b>											
11 Miscellaneous Fees	\$486,000	\$430,000	\$430,000	\$430,000	\$430,000	\$430,000	\$430,000	\$430,000	\$430,000	\$430,000	\$430,000
12 Interest Earnings	\$169,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
13 Capital Facility Fees	\$99,000	\$100,000	\$251,000	\$251,000	\$251,000	\$251,000	\$251,000	\$251,000	\$251,000	\$251,000	\$251,000
14 Operating Revenue	\$43,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
15 Assessment Revenue	\$18,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
16 Grant	\$3,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17 2024 Bond Proceeds	\$7,495,712	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18 <b>Total Revenue</b>	<b>\$26,799,712</b>	<b>\$17,179,000</b>	<b>\$18,790,000</b>	<b>\$19,973,000</b>	<b>\$21,112,000</b>	<b>\$22,344,000</b>	<b>\$23,962,000</b>	<b>\$24,797,000</b>	<b>\$25,668,000</b>	<b>\$26,574,000</b>	<b>\$27,517,000</b>
<b>O&amp;M Costs</b>											
19 Source of Supply	\$1,400,000	\$1,623,000	\$1,671,000	\$1,721,000	\$1,773,000	\$1,826,000	\$1,881,000	\$1,938,000	\$1,996,000	\$2,056,000	\$2,117,000
20 Legislative Expenses	\$85,000	\$119,000	\$123,000	\$127,000	\$130,000	\$134,000	\$138,000	\$143,000	\$147,000	\$151,000	\$156,000
21 Field Services	\$536,000	\$571,000	\$589,000	\$605,000	\$623,000	\$642,000	\$661,000	\$681,000	\$701,000	\$722,000	\$744,000
22 Conservation	\$37,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$40,000	\$41,000	\$42,000	\$43,000	\$45,000
23 Transmission & Distribution	\$1,611,000	\$2,062,000	\$2,268,000	\$2,333,000	\$2,403,000	\$2,475,000	\$2,550,000	\$2,626,000	\$2,705,000	\$2,786,000	\$2,870,000
24 Customer Service	\$444,000	\$517,000	\$532,000	\$548,000	\$564,000	\$581,000	\$599,000	\$617,000	\$635,000	\$654,000	\$674,000
25 Engineering	\$530,000	\$554,000	\$571,000	\$588,000	\$605,000	\$624,000	\$642,000	\$662,000	\$681,000	\$702,000	\$723,000
26 General Administration	\$3,838,000	\$4,358,000	\$4,436,000	\$4,569,000	\$4,707,000	\$4,881,000	\$3,701,000	\$3,751,000	\$3,863,000	\$3,979,000	\$4,099,000
27 Arsenic Treatment	\$270,000	\$457,000	\$425,000	\$438,000	\$494,000	\$464,000	\$478,000	\$536,000	\$506,000	\$521,000	\$581,000
28 Non-Operating Expenses	\$241,000	\$293,000	\$312,000	\$322,000	\$331,000	\$341,000	\$352,000	\$362,000	\$373,000	\$384,000	\$396,000
29 GSA	\$3,400,000	\$3,261,000	\$3,261,000	\$3,261,000	\$3,261,000	\$3,261,000	\$3,261,000	\$3,261,000	\$3,261,000	\$3,261,000	\$3,261,000
30 Alternate Water Supply	\$52,000	\$77,000	\$79,000	\$81,000	\$84,000	\$86,000	\$89,000	\$91,000	\$94,000	\$97,000	\$100,000
31 OPEB	\$233,000	\$233,000	\$240,000	\$247,000	\$254,000	\$262,000	\$270,000	\$278,000	\$286,000	\$295,000	\$304,000
32 <b>Total Operating Expenses</b>	<b>\$12,677,000</b>	<b>\$14,159,000</b>	<b>\$14,542,000</b>	<b>\$14,876,000</b>	<b>\$15,266,000</b>	<b>\$15,615,000</b>	<b>\$14,662,000</b>	<b>\$14,987,000</b>	<b>\$15,290,000</b>	<b>\$15,651,000</b>	<b>\$16,070,000</b>
<b>Capital Costs</b>											
33 Existing Debt Service	\$2,419,000	\$2,862,000	\$2,860,000	\$2,855,000	\$2,856,000	\$2,861,000	\$2,866,000	\$2,864,000	\$2,865,000	\$2,863,000	\$2,866,000
34 Capital Spending (with existing funds)	\$2,484,000	\$6,733,000	\$6,395,000	\$4,184,000	\$3,864,000	\$2,489,000	\$5,796,000	\$5,970,000	\$6,149,000	\$6,334,000	\$6,524,000
35 <b>Total Capital Expenses</b>	<b>\$4,903,000</b>	<b>\$9,595,000</b>	<b>\$9,255,000</b>	<b>\$7,039,000</b>	<b>\$6,720,000</b>	<b>\$5,350,000</b>	<b>\$8,662,000</b>	<b>\$8,834,000</b>	<b>\$9,014,000</b>	<b>\$9,197,000</b>	<b>\$9,390,000</b>
36 <b>Total Rate Revenue Requirement</b>	<b>\$17,580,000</b>	<b>\$23,754,000</b>	<b>\$23,797,000</b>	<b>\$21,915,000</b>	<b>\$21,986,000</b>	<b>\$20,965,000</b>	<b>\$23,324,000</b>	<b>\$23,821,000</b>	<b>\$24,304,000</b>	<b>\$24,848,000</b>	<b>\$25,460,000</b>
37 <b>Beginning Year Balance</b>	<b>\$9,962,698</b>	<b>\$19,808,757</b>	<b>\$13,233,757</b>	<b>\$8,226,757</b>	<b>\$6,284,757</b>	<b>\$5,410,757</b>	<b>\$6,789,757</b>	<b>\$7,427,757</b>	<b>\$8,403,757</b>	<b>\$9,767,757</b>	<b>\$11,493,757</b>
38 <b>Surplus/(Shortfall)</b>	<b>\$9,219,712</b>	<b>(\$6,575,000)</b>	<b>(\$5,007,000)</b>	<b>(\$1,942,000)</b>	<b>(\$874,000)</b>	<b>\$1,379,000</b>	<b>\$638,000</b>	<b>\$976,000</b>	<b>\$1,364,000</b>	<b>\$1,726,000</b>	<b>\$2,057,000</b>
39 <b>End of Year Balance</b>	<b>\$19,182,410</b>	<b>\$13,233,757</b>	<b>\$8,226,757</b>	<b>\$6,284,757</b>	<b>\$5,410,757</b>	<b>\$6,789,757</b>	<b>\$7,427,757</b>	<b>\$8,403,757</b>	<b>\$9,767,757</b>	<b>\$11,493,757</b>	<b>\$13,550,757</b>
40 <i>Minimum Reserve Level</i>	\$4,639,000	\$4,639,000	\$4,639,000	\$5,449,000	\$5,641,000	\$5,808,000	\$6,003,000	\$6,177,000	\$5,701,000	\$5,863,000	\$6,015,000
41 <i>Available Balance</i>	\$14,543,410	\$8,594,757	\$3,587,757	\$835,757	(\$230,243)	\$981,757	\$1,424,757	\$2,226,757	\$4,066,757	\$5,630,757	\$7,535,757
<b>Debt Coverage Calculations</b>											
42 <i>Total Revenue Available for Debt Service</i>	\$3,627,000	\$3,020,000	\$4,248,000	\$5,097,000	\$5,846,000	\$6,729,000	\$9,300,000	\$9,810,000	\$10,378,000	\$10,923,000	\$11,447,000
43 <i>Total Yearly Parity Debt Payment</i>	\$2,419,000	\$2,862,000	\$2,860,000	\$2,855,000	\$2,856,000	\$2,861,000	\$2,866,000	\$2,864,000	\$2,865,000	\$2,863,000	\$2,866,000
44 <b>Debt Coverage Ratio</b>	<b>1.50</b>	<b>1.06</b>	<b>1.49</b>	<b>1.79</b>	<b>2.05</b>	<b>2.35</b>	<b>3.24</b>	<b>3.43</b>	<b>3.62</b>	<b>3.82</b>	<b>3.99</b>

**Schedule 4 – Five-Year Schedule of Proposed Water Rates (1 of 3)**

**CURRENT**

Commodity Charges (per HCF)

	District Rates	GSA Extraction Fee	GSA Replenishment	Total
Tier 1	\$1.97	\$0.24	\$0.00	\$2.21
Tier 2	\$1.97	\$0.24	\$5.25	\$7.46

Fixed Monthly Charges

Meter Size	Ready-to-Serve	Arsenic Charge	Total
3/4"	\$38.56	\$11.10	\$49.66
1"	\$59.27	\$18.50	\$77.77
1 1/2"	\$111.03	\$37.01	\$148.04
2"	\$173.14	\$59.22	\$232.36
3"	\$338.82	\$118.42	\$457.24
4"	\$525.18	\$185.04	\$710.22
6"	\$1,042.86	\$370.08	\$1,412.94
8"	\$1,664.07	\$592.13	\$2,256.20
10"	\$2,388.83	\$851.18	\$3,240.01

Zone Charges

Zone	Volumetric Charge (per HCF)
Zone B	\$0.29
Zone C	\$0.54
Zone D	\$0.83
Zone E	\$1.12

Construction Meter Charges

	Rates
Monthly Meter Charge:*	\$62.66
Volumetric Unit Rate (per HCF):	\$7.46

\* May be pro-rated for partial months.

Private Fire Service

Meter Size	Monthly Charge
1"	\$2.04
2"	\$12.65
3"	\$36.71
4"	\$78.20
6"	\$227.18
8"	\$484.14
10"	\$870.65

Bulk Water Rates

	Rates
Monthly Fixed Charge:	\$37.66
Volumetric Charge (per HCF):	\$7.48

**Effective February 1, 2025**

Commodity Charges (per HCF)

	District Commodity Rate	GSA Extraction Fee	GSA Replenishment Fee	Total
Tier 1	\$2.21	\$0.24	\$0.00	\$2.45
Tier 2	\$2.21	\$0.24	\$5.25	\$7.70

Fixed Monthly Charges

Meter Size	Ready-to-Serve	Arsenic Charge	Total
3/4"	\$43.19	\$12.43	\$55.62
1"	\$66.38	\$20.72	\$87.10
1 1/2"	\$124.35	\$41.45	\$165.80
2"	\$193.92	\$66.33	\$260.25
3"	\$379.48	\$132.63	\$512.11
4"	\$588.20	\$207.24	\$795.44
6"	\$1,168.00	\$414.49	\$1,582.49
8"	\$1,863.76	\$663.19	\$2,526.95
10"	\$2,675.49	\$953.32	\$3,628.81

Zone Charges

Zone	Volumetric Charge (per HCF)
Zone B	\$0.32
Zone C	\$0.60
Zone D	\$0.93
Zone E	\$1.25

Construction Meter Charges

	Rates
Monthly Meter Charge:*	\$70.18
Volumetric Unit Rate (per HCF):	\$8.36

\* May be pro-rated for partial months.

Private Fire Service

Meter Size	Monthly Charge
1"	\$2.28
2"	\$14.17
3"	\$41.12
4"	\$87.58
6"	\$254.44
8"	\$542.24
10"	\$975.13

Bulk Water Rates

	Rates
Monthly Fixed Charge:	\$42.18
Volumetric Charge (per HCF):	\$8.38

**Schedule 4 – Five-Year Schedule of Proposed Water Rates (2 of 3)**

**Effective January 1, 2026**

Commodity Charges (per HCF)

	District Commodity Rate	GSA Extraction Fee	GSA Replenishment Fee	Total
Tier 1	\$2.43	\$0.24	\$0.00	\$2.67
Tier 2	\$2.43	\$0.24	\$5.25	\$7.92

Fixed Monthly Charges

Meter Size	Ready-to-Serve	Arsenic Charge	Total
3/4"	\$47.51	\$13.67	\$61.18
1"	\$73.02	\$22.79	\$95.81
1 1/2"	\$136.79	\$45.60	\$182.39
2"	\$213.31	\$72.96	\$286.27
3"	\$417.43	\$145.89	\$563.32
4"	\$647.02	\$227.96	\$874.98
6"	\$1,284.80	\$455.94	\$1,740.74
8"	\$2,050.14	\$729.51	\$2,779.65
10"	\$2,943.04	\$1,048.65	\$3,991.69

Zone Charges

Zone	Volumetric Charge (per HCF)
Zone B	\$0.35
Zone C	\$0.66
Zone D	\$1.02
Zone E	\$1.38

Construction Meter Charges

	Rates
Monthly Meter Charge:*	\$77.20
Volumetric Unit Rate (per HCF):	\$9.20

\* May be pro-rated for partial months.

Private Fire Service

Meter Size	Monthly Charge
1"	\$2.51
2"	\$15.59
3"	\$45.23
4"	\$96.34
6"	\$279.88
8"	\$596.46
10"	\$1,072.64

Bulk Water Rates

	Rates
Monthly Fixed Charge:	\$46.40
Volumetric Charge (per HCF):	\$9.22

**Effective January 1, 2027**

Commodity Charges (per HCF)

	District Commodity Rate	GSA Extraction Fee	GSA Replenishment Fee	Total
Tier 1	\$2.62	\$0.24	\$0.00	\$2.86
Tier 2	\$2.62	\$0.24	\$5.25	\$8.11

Fixed Monthly Charges

Meter Size	Ready-to-Serve	Arsenic Charge	Total
3/4"	\$51.31	\$14.76	\$66.07
1"	\$78.86	\$24.61	\$103.47
1 1/2"	\$147.73	\$49.25	\$196.98
2"	\$230.37	\$78.80	\$309.17
3"	\$450.82	\$157.56	\$608.38
4"	\$698.78	\$246.20	\$944.98
6"	\$1,387.58	\$492.42	\$1,880.00
8"	\$2,214.15	\$787.87	\$3,002.02
10"	\$3,178.48	\$1,132.54	\$4,311.02

Zone Charges

Zone	Volumetric Charge (per HCF)
Zone B	\$0.38
Zone C	\$0.71
Zone D	\$1.10
Zone E	\$1.49

Construction Meter Charges

	Rates
Monthly Meter Charge:*	\$83.38
Volumetric Unit Rate (per HCF):	\$9.94

\* May be pro-rated for partial months.

Private Fire Service

Meter Size	Monthly Charge
1"	\$2.71
2"	\$16.84
3"	\$48.85
4"	\$104.05
6"	\$302.27
8"	\$644.18
10"	\$1,158.45

Bulk Water Rates

	Rates
Monthly Fixed Charge:	\$50.11
Volumetric Charge (per HCF):	\$9.96

**Schedule 4 – Five-Year Schedule of Proposed Water Rates (3 of 3)**

**Effective January 1, 2028**

Commodity Charges (per HCF)

	District Commodity Rate	GSA Extraction Fee	GSA Replenishment Fee	Total
Tier 1	\$2.83	\$0.24	\$0.00	\$3.07
Tier 2	\$2.83	\$0.24	\$5.25	\$8.32

Fixed Monthly Charges

Meter Size	Ready-to-Serve	Arsenic Charge	Total
3/4"	\$55.41	\$15.94	\$71.35
1"	\$85.17	\$26.58	\$111.75
1 1/2"	\$159.55	\$53.19	\$212.74
2"	\$248.80	\$85.10	\$333.90
3"	\$486.89	\$170.16	\$657.05
4"	\$754.68	\$265.90	\$1,020.58
6"	\$1,498.59	\$531.81	\$2,030.40
8"	\$2,391.28	\$850.90	\$3,242.18
10"	\$3,432.76	\$1,223.14	\$4,655.90

Zone Charges

Zone	Volumetric Charge (per HCF)
Zone B	\$0.41
Zone C	\$0.77
Zone D	\$1.19
Zone E	\$1.61

Construction Meter Charges

	Rates
Monthly Meter Charge:*	\$90.05
Volumetric Unit Rate (per HCF):	\$10.74

\* May be pro-rated for partial months.

Private Fire Service

Meter Size	Monthly Charge
1"	\$2.93
2"	\$18.19
3"	\$52.76
4"	\$112.37
6"	\$326.45
8"	\$695.71
10"	\$1,251.13

Bulk Water Rates

	Rates
Monthly Fixed Charge:	\$54.12
Volumetric Charge (per HCF):	\$10.76

**Effective January 1, 2029**

Commodity Charges

	District Commodity Rate	GSA Extraction Fee	GSA Replenishment Fee	Total
Tier 1	\$3.06	\$0.24	\$0.00	\$3.30
Tier 2	\$3.06	\$0.24	\$5.25	\$8.55

Fixed Monthly Charges

Meter Size	Ready-to-Serve	Arsenic Charge	Total
3/4"	\$59.84	\$17.22	\$77.06
1"	\$91.98	\$28.71	\$120.69
1 1/2"	\$172.31	\$57.45	\$229.76
2"	\$268.70	\$91.91	\$360.61
3"	\$525.84	\$183.77	\$709.61
4"	\$815.05	\$287.17	\$1,102.22
6"	\$1,618.48	\$574.35	\$2,192.83
8"	\$2,582.58	\$918.97	\$3,501.55
10"	\$3,707.38	\$1,320.99	\$5,028.37

Zone Charges

Zone	Volumetric Charge (per HCF)
Zone B	\$0.44
Zone C	\$0.83
Zone D	\$1.29
Zone E	\$1.74

Construction Meter Charges

	Rates
Monthly Meter Charge:*	\$97.25
Volumetric Unit Rate (per HCF):	\$11.60

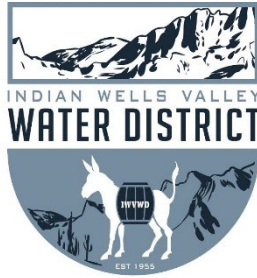
\* May be pro-rated for partial months.

Private Fire Service

Meter Size	Monthly Charge
1"	\$3.16
2"	\$19.65
3"	\$56.98
4"	\$121.36
6"	\$352.57
8"	\$751.37
10"	\$1,351.22

Bulk Water Rates

	Rates
Monthly Fixed Charge:	\$58.45
Volumetric Charge (per HCF):	\$11.62



# Committee Reports



BOARD OF DIRECTORS  
INDIAN WELLS VALLEY WATER DISTRICT

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PLANT AND EQUIPMENT COMMITTEE  
REGULAR MEETING

REPORT

MONDAY FEBRUARY 3, 2025 – 3:00PM  
BOARD ROOM  
500 W. RIDGECREST BLVD., RIDGECREST

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Attendees: Ron Kicinski, Mallory Boyd, George Croll, Jason Lillion, Ty Staheli and Renee Morquecho.

**1. Call to Order**

The meeting was called to order at 3:00 pm.

**2. Committee/Public Comments**

None.

**3. Award of Contract: Trench Pavement Replacement**

The District received one bid for this project from Eric Onstott Construction (Onstott) for \$187,730.00. Onstott did not change their per ton price for asphalt since 2022. There was a slight increase in the mobilize/demobilize charge. The Committee recommended awarding the Trench Pavement Replacement Contract to Eric Onstott Construction for \$187,730.00.

**4. Award of Contract: Master Service Agreement Wells/Boosters**

On January 28, 2025, two water well contractors responded to the District's Request for Proposal for Maintenance, Repair and Rehabilitation of Water Wells and Booster Pumps. Each contractor submitted hourly rates for regular and emergency labor and hourly rates for equipment. Based on the rates submitted, staff is recommending the District sign contracts with both Layne Christensen (primary) and Best Drilling and Pump (secondary). When the primary contractor is not available, the secondary contractor will be contacted.

The Committee recommended the Board award contracts to both Layne Christensen and Best Drilling and Pump.

**5. Award of Contract: GHD for Dune 3 Project, Construction and Grant Management**

GHD is an engineering consulting firm that will be handling the Dune 3 Mutual Water Company consolidation project. GHD has been working with the State to apply for the funding and complete the design. The agreement between the District and GHD will be for project and grant management

as well as construction inspection, bidding, grant administration and construction administration. GHD will be paid by the grant funding. Their proposal also includes compaction testing which will be performed by a third party. The amount of their proposal is \$746,664.00. The projected is estimated to take a total of 8 months with 6 months of field work. The Committee recommended signing the agreement with GHD for the Dune 3 consolidation project but wants to be sure the entire Board has a chance to read the contract and ask questions at the next Board meeting.

**6. Contract Approval: District Contract with Hometown Water Association**

Staff is waiting for legal review of the Dune 3 contract which will then be revised for Hometown. This item may be ready for the Board next week.

**7. Contract Approval: District Contract with Dune 3 Mutual Water Company**

Staff is waiting for legal review and may have this agreement ready for full Board review during the next Board meeting.

**8. Solar Sites Security: Discussion**

Staff received prices from three companies that can provide security systems at the solar sites. Staff has chosen the lowest priced system and is moving forward with a pilot study at the largest site to gauge the effectiveness of the system in preventing theft. The pilot study will be for one year. The cost is within the purchase authority of the General Manager.

**9. Recycled Water Feasibility Study: Discussion**

Staff has reviewed a draft proposal from Kreiger & Stewart. Legal counsel is completing a letter that will be presented at the next City Council meeting requesting permission to move forward with obtaining access to the wastewater effluent. The District does not want to move forward with spending money on a feasibility study if ultimately it cannot obtain access to the effluent.

**10. NW Transmission Pipeline Replacement Project: Update**

Currently the contractor is coordinating fencing repairs with their subcontractor and Navy security. The District is also negotiating the final items needed to finish the project, including removal of a trash bag that was sucked into the pipeline during a flushing event. The bag had been temporarily covering an external opening and was drain into the pipeline. Staff will be speaking with the contractor and State Water Resources Control Board this afternoon and then working with the contractor on a plan to locate the bag for removal.

**11. Water System Consolidations: Update**

Potholing to finish the Hometown design is being done this week. Potholing has been completed for Phase 2 design of the Rademacher project. Staff will soon be scheduling pipe installation for Phase 1. The plan is to get everything installed except for the connection to Springer Ave which can occur

when the NW Transmission line is available. Staff spoke with Stetson and Self-Help Enterprises about another small water system (Stark Street) and the possibility of consolidation. They are located southwest of Dune 3 and the IWVGA is considering funding their consolidation due to the well going dry.

No new information from the State regarding the Inyokern Community Services District.

**12. Arsenic Plants: Update**

Staff had planned to begin vacuuming out old media today at Plant 2, but the vacuum truck broke down in Palmdale on its way here. A new truck is planned for arrival tomorrow.

**13. Future Agenda Items**

- La Mirage Housing Area Grant Funding
- Transmission pipeline(s) inspection
- Springer Ave pipeline schedule
- Imported pipeline infrastructure upgrades

**14. Adjournment**

The meeting was adjourned at 3:56 pm.

BOARD OF DIRECTORS  
INDIAN WELLS VALLEY WATER DISTRICT

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FINANCE COMMITTEE  
REGULAR MEETING

REPORT

TUESDAY FEBRUARY 4, 2025 – 3:00 PM  
BOARD ROOM  
500 W. RIDGECREST BLVD., RIDGECREST

---

ATTENDEES: Ron Kicinski, Stan Rajtora, George Croll, Ty Staheli, Jason Lillion, and Renee Morquecho

**1. Call to Order**

The Finance Committee Meeting was called to order at 3:00 pm.

**2. Committee/Public Comments**

None.

**3. Fraud Risk Discussion**

Description: Discuss potential or actual fraud risks within the organization.

None to report.

**4. GA Imported Water Costs**

Description: Discuss imported water costs and potential impact to customers' bills

The District has shared its cost study and supporting information of the GA's Imported Water Project and its impact on customer bills.

The GA, recently, released its cost estimates for both the pipeline and recycled water. Though the estimated cost per acre foot was shared, the information behind the cost was not available at this time.

The District will continue monitoring the release of information.

**5. Fourth Quarter 2024 Investment Reports**

Description: Presentation to Committee of the quarterly investment earnings of the District's reserves in the Kern County Treasury and the State Treasury's Local Agency Investment Fund (LAIF).

**INDIAN WELLS VALLEY WATER DISTRICT  
 QUARTERLY INVESTMENT REPORT  
 QUARTER ENDING DECEMBER 2024**

<b>INVESTMENTS</b>	<b>UNRESTRICTED</b>	<b>RESTRICTED</b>	<b>TOTAL</b>
Cash in Bank	\$ 1,817,935	0	
Local Agency Investment Fund	342,535		
Kern County Treasurer	6,992,385	122,894	
BNY Mellon 2024 Bond Project Fund		5,185,944	
Total Water District Investments	<u>\$ 9,152,855</u>	<u>\$ 5,308,838</u>	<u>\$ 14,461,693</u>

<b>RESERVES</b>	<b>DISTRICT DESIGNATED</b>	<b>RESTRICTED</b>	<b>TOTAL</b>
Capital Improvements & Replacements (Committed)	\$ 746,427		
Vehicle Replacement (Assigned)	351,560		
Computer Equipment Replacement (Assigned)	100,446		
Emergency Reserve (Committed)	3,361,619		
Alternate Water Supply/Future Source of Supply (Assigned)	2,088,986		
Miscellaneous Capital (Assigned for projects postponed)	6,384		
Customer Deposits & Credits (Nonspendable)	370,073		
Prepaid Connection Fees (Nonspendable)	407,853		
Post-Retirement Health Benefits - Kern County (Assigned)	336,963		
Emergency Reserve (Uncommitted)	1,382,544		
AD 87-1 Reserve Funds		51,711	
2024 Bond Project Funds		5,185,944	
Capital Facility Fees		<u>71,183</u>	
Total Water District Reserves	<u>\$ 9,152,855</u>	<u>\$ 5,308,838</u>	<u>\$ 14,461,693</u>

*In the event of an emergency, the District may be required to use any or all unrestricted funds in Mission Bank, Kern County Treasury and LAIF*

**6. Financial Statements January 31, 2025 (preliminary)**

Description: Presentation to Committee financial reports and graphs depicting current revenue and expense trends compared to budget and previous fiscal year actuals.

Estimated year-to-date revenues as of January 31, 2025, are \$10,204,137 and expenses are \$11,049,901, therefore expenditures exceeded revenues by \$845,764, which is better than budget by \$738,146.

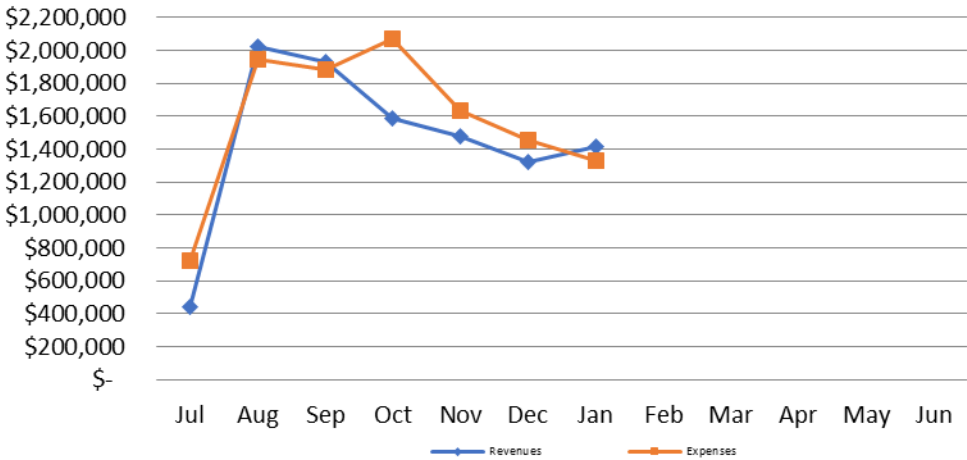
To date, the District rate payers have paid the Groundwater Authority \$16,691,540 in fees.

Staff presented the following spreadsheet, which compares January year-to-date actual to budgeted revenues and expenses by category:

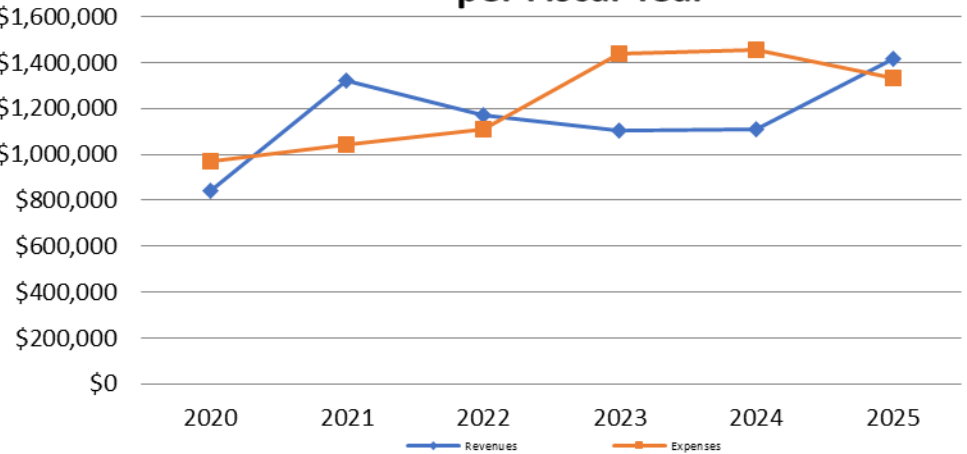
**Indian Wells Valley Water District**  
**Revenues vs. Expense**  
**Actuals & Budget through January 2025 (Preliminary)**

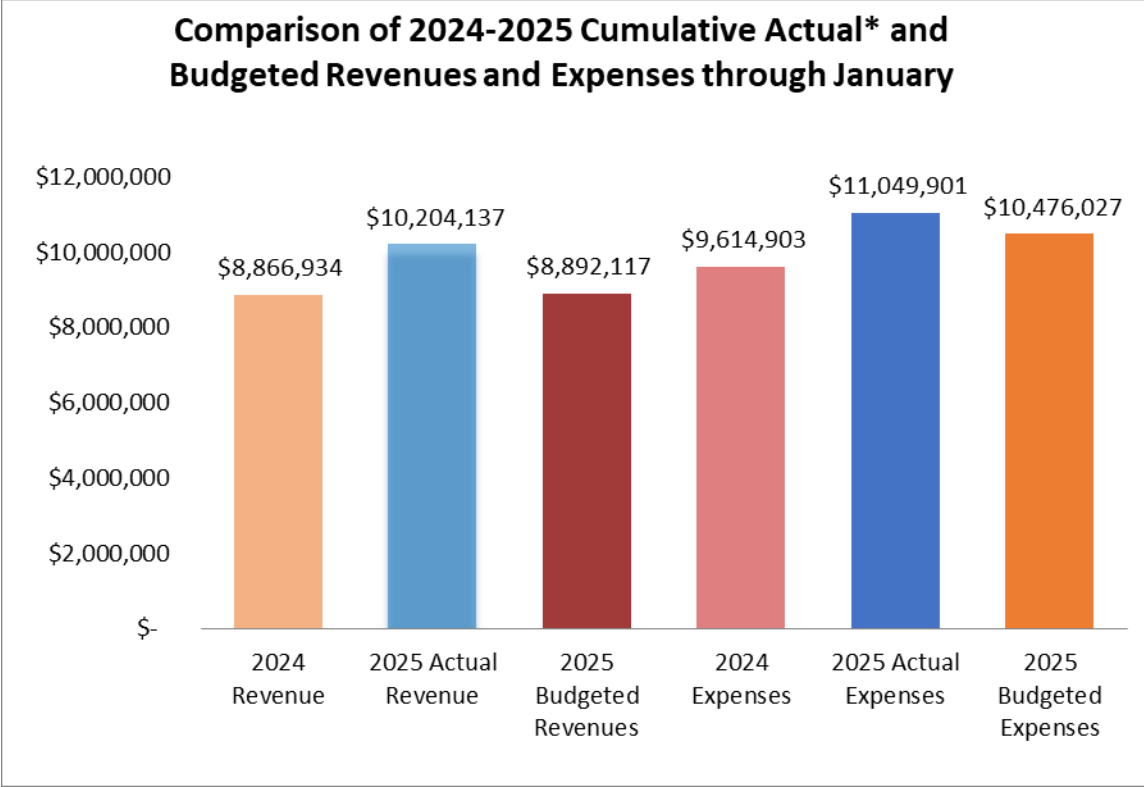
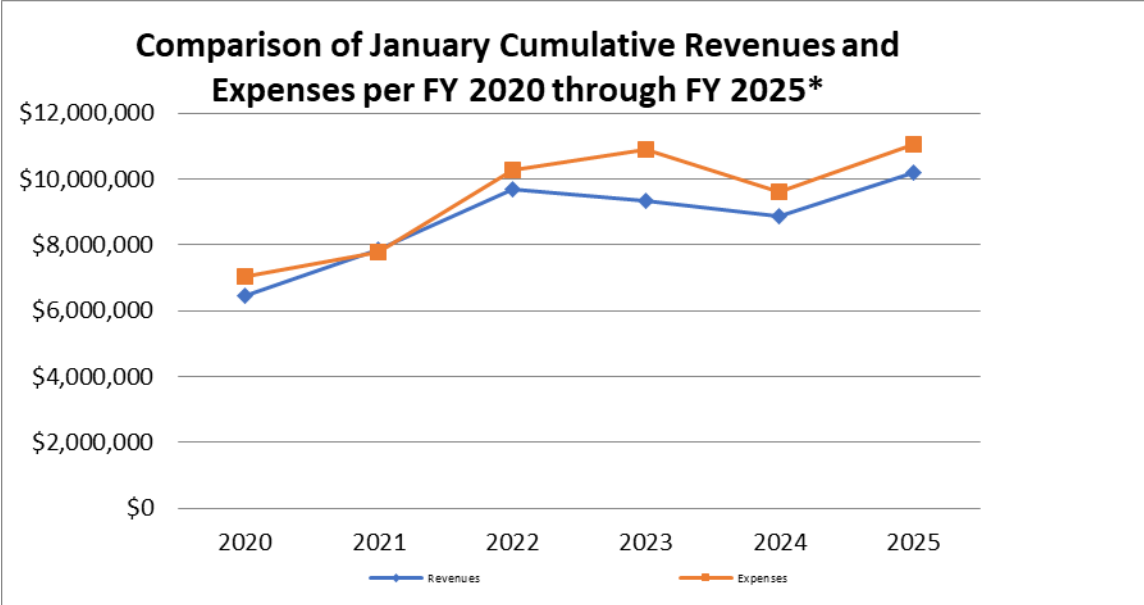
	2025 Budget	YTD Budget	Actuals	Δ
<b>Revenues</b>				
Total Water Sales	13,064,552	6,698,348	7,209,539	511,190
GSA Fees	3,112,486	1,737,920	2,296,555	558,636
Total Water Service Revenue	375,900	243,815	276,721	32,905
Total Non-Operating Income	172,400	100,211	95,014	-5,198
Capital Contributions	154,500	111,822	326,308	214,486
<b>Total Revenues</b>	<b>16,879,838</b>	<b>8,892,117</b>	<b>10,204,137</b>	<b>1,312,020</b>
<b>Expenses</b>				
Water Supply	1,622,677	957,542	903,745	-53,797
Arsenic Treatment Plants	456,719	269,510	150,189	-119,321
Transmission & Distribution	1,861,515	1,098,480	850,153	-248,327
Engineering	544,019	326,927	324,739	-2,188
Customer Service	516,579	304,833	213,969	-90,864
Field Services	570,208	336,480	328,284	-8,196
General & Administration	2,758,794	1,627,964	1,520,974	-106,991
Legal	1,050,000	619,605	573,675	-45,930
Legislative	119,400	70,458	50,615	-19,843
Depreciation	3,300,000	1,925,000	1,925,000	0
Non-Operating, Interest	1,747,156	1,019,175	1,117,711	98,536
Non-Operating, Miscellaneous	436,000	168,769	451,200	282,431
GSA Fees	3,111,310	1,676,815	2,592,478	915,663
Non-Operating, Conservation	34,200	20,181	8,401	-11,781
Non-Operating, Alternate Water	92,000	54,289	38,770	-15,519
<b>Total Expenses</b>	<b>18,220,578</b>	<b>10,476,027</b>	<b>11,049,901</b>	<b>573,874</b>
<b>Net Revenue Increase (Decrease)</b>	<b>-1,340,740</b>	<b>-1,583,910</b>	<b>-845,764</b>	<b>738,146</b>
<b>Capital Expenditures</b>			<b>6,870,132</b>	
<b>Debt Service Principle</b>			<b>655,241</b>	
<b>Total GSA Extraction Fee Paid</b>			3,070,753	
<b>Total GSA Replenishment Fee Paid</b>			13,620,787	
			<b>16,691,540</b>	

### Comparison of FY 2024-2025 Revenues and Expenses by Month



### Comparison of January Revenues and Expenses per Fiscal Year





*\*Actual Revenues and Expenses are Estimated*



**7. Accounts Payable Disbursements**

Description: Presentation to Committee of Accounts Payable Disbursements reports for Board approval.

The Committee reviewed the accounts payable disbursements totaling \$713,299.83 as follows:

Checks through:	<u>1/06/25</u>	<u>1/16/25</u>	<u>1/30/25</u>
Prepaid	\$ 48,634.74	\$ 52,324.35	\$ 0.00
Current	<u>74,243.77</u>	<u>319,747.83</u>	<u>218,349.14</u>
Total	<u>\$ 122,878.51</u>	<u>\$ 372,072.18</u>	<u>\$ 218,349.14</u>

**8. Future Agenda Items**

None

**9. Adjournment**

The Committee adjourned at 3:56 pm.

BOARD OF DIRECTORS  
INDIAN WELLS VALLEY WATER DISTRICT

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ADMINISTRATION/EXECUTIVE COMMITTEE  
REGULAR MEETING MINUTES

WEDNESDAY, FEBRUARY 5, 2025 – 3:00 P.M.

BOARD ROOM  
500 W. RIDGECREST BLVD., RIDGECREST

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Attendees: David Saint-Amand, Chuck Griffin, George Croll, Ty Staheli, Renee Morquecho, and Jason Lillion

**1. Call to Order**

The meeting was called to order at 3:00 p.m.

**2. Committee/Public Comments**

Mike Neel asked for increased conservation reducing measures regarding greenspace on residential and commercial properties in Ridgecrest.

**3. Senate Bill (SB) 1100 – FEHA Driver’s License Discrimination**

Effective January 1, 2025, California’s Fair Employment and Housing Act (FEHA) included provisions that prohibit employers from requiring job applicants and existing employees to possess a driver’s license when the job does not require them to drive. Staff is currently working on a driver policy to present to the Board at a future date.

Committee reviewed the revised job descriptions of positions not required to have a driver’s license. Committee recommends Board approve revisions in accordance with SB 1100.

**4. Additional District Temp M/R/C Position**

Staff requests Board to consider and approve additional temporary position for an M/R/C employee in the 2025-2026 Fiscal Year Budget. Committee recommends the Board approve an additional Temp MRC position to be included in the next Fiscal Year Budget.

**5. Outstanding Public Record Requests (PRR)**

Staff and legal are currently working on a PRR previously received.

**6. Indian Wells Valley Groundwater Authority**

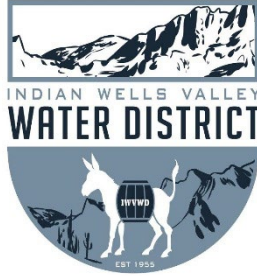
Director Griffin commented the Special Meeting to review the Groundwater Sustainability Plan (GSP) was postponed until further notice. He also commented that he has not see the agenda for next week’s IWVGA’s Regular Board meeting scheduled for February 12, 2025.

**7. Alternate Water Sources**

An item has been added to the Regular Board Meeting agenda for next week regarding a Work Order from K&S for Preliminary Engineering Analysis – Recycled Water Treatment/Conveyance/ Replenishment Project.

George Croll will be presenting a letter to the City of Ridgecrest at their City Council Meeting scheduled for this evening. The letter is a request for formal discussions regarding effluent rights from the City's Waste Water Treatment Plant.

- 8. Draft Agenda for the Regular Board Meeting & Public Hearing of February 10, 2025**  
The Committee reviewed the agenda and made minor changes.
- 9. Future Agenda Items**  
None.
- 10. Adjournment**  
The meeting adjourned at 3:32 p.m.



# Approval of Minutes

MINUTES OF THE REGULAR BOARD MEETING

BOARD OF DIRECTORS  
INDIAN WELLS VALLEY WATER DISTRICT

JANUARY 13, 2025

The Regular Meeting of the Board of Directors of the Indian Wells Valley Water District was called to order by President Saint-Amand 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 George Croll. **PLEDGE**

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

DIRECTORS ABSENT: None

STAFF PRESENT: George Croll, 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 Thursday, January 9, 2025.

**CONFLICT OF INTEREST DECLARATION** **CONFLICT OF INTEREST**  
None.

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

With no further Board or Public comments, President Saint-Amand 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 5:49 p.m.

The meeting was reconvened to Open Session at 6:00 p.m.

No action was taken that requires disclosure under the Brown Act.

President Saint-Amand announced the Public Hearing regarding the Rate Increase will be held on February 10, 2025, Regular Board meeting.

**PUBLIC QUESTIONS AND COMMENTS**

**PUBLIC  
COMMENTS**

The Board heard public comment from Mike Neel.

**CONSENT CALENDAR**

**CONSENT  
CALENDAR**

MOTION: was made by Director Boyd and seconded by Director Kicinski approving the Minutes of the December 9, 2024, Regular Board meeting, and Payment of Accounts Payable totaling \$1,098,170.44. Motion was carried, unanimously. (Ayes: Boyd, Griffin, Kicinski, Rajtora, Saint-Amand. Nays: None. Absent: None.)

**PLANT & EQUIPMENT COMMITTEE**

**P&E: AWARD OF  
CONTRACT**

The Board reviewed a recommendation by staff to award a contract to J. Colon Coatings to recoat the shell of the 0.55MG Gateway reservoir. After completion of the new 1.0MG Gateway reservoir, the older tank was drained and staff noticed significant delamination on the interior. J. Colon performed a complete recoating of the interior in 2014 and recommended recoating just the shell after inspection. Staff attempted to obtain quotes from other companies to recoat just the shell, but was only provided prices for recoating the shell and floor and a significantly higher cost. The District has budgeted \$100,000 for this project.

MOTION: was made by Vice President Griffin and seconded by Director Boyd awarding contract to J. Colon Coatings to recoat the shell of the 0.55MG Gateway reservoir in the amount of \$84,000. Motion was carried, by the following roll call vote:

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

**2025 COMMITTEE MEETINGS**

**2025  
COMMITTEE  
MEETINGS**

President Saint-Amand announced the new dates & times of the 2025 Committee Meetings as follows: each Committee meeting will meet the week prior to the Board meetings, which currently meet the second Monday of the month. Plant & Equipment (P&E) - Monday at 3:00 p.m.; Finance - Tuesday at 3:00 p.m.; and Administration/Executive (Admin/Exec) - Wednesday at 3:00 p.m. The Committee members for 2025 are as follows: P&E - Director Boyd and Director Kicinski; Finance - Director Kicinski and Director Rajtora; Admin/Exec - Vice President Griffin and President Saint-Amand. The Water Management Committee has been rolled into Admin/Exec and P&E.

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

**IWVGA**

The Board discussed items from the January 8<sup>th</sup> meeting, including:

- Upcoming Special IWVGA Board Meeting tentatively scheduled for January 28<sup>th</sup> for the Periodic Evaluation and Amendment of the

- Groundwater Sustainability Plan (GSP). The amended GSP has yet to be distributed to the public for review
- Agreement with Wulff Hansen for Municipal Advisor Services related to Potential Water Purchase and Interconnection Bonding
- An update was provided on the Rademacher Consolidation
- Second Transient Pool Adoption to be presented to the Board at the February IWVGA Meeting for consideration of approval

Vice President Griffin expressed his frustration on the District's role with the IWVGA.

The Board asked clarifying questions regarding the Water Resources Development Act WRDA Authorization. It is unsure if "Real Property" would also apply to water rights.

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

Board directed staff and legal to write a letter of intent to the City of Ridgecrest to memorialize the request for a commitment of the District using the wastewater for its Recycled Water Project.

**COMPREHENSIVE ADJUDICATION**

**COMPREHENSIVE ADJUDICATION**

The Court granted the motion for Searles Valley Minerals for a Safe Yield Trial, which is set for March 30, 2026. The IWVGA filed a petition with the Appellate Court for writ of mandate, asking for the trial court's decision to be overturned and authority for determination of safe yield, independent of the GSP. The Court denied the IWVGA's petition for writ of mandate. The IWVGA then filed a petition with the Supreme Court to hear it, or at least direct the Appellate Court to. Staff awaits the decision by the Supreme Court.

Phase 1 trial is to quantify the federal reserve water rights and is scheduled for April 28, 2025. Discovery is ongoing.

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

**GENERAL MANAGER AND STAFF UPDATE**

**GENERAL MANAGER AND STAFF UPDATE**

Mr. Croll reported on the District's previous and upcoming outreach efforts. He also mentioned the annual Economic Outlook Conference will not be discussing the topic of water at the 2025 event. Mr. Croll updated the Board on water consumption/production for the month of December.

Mr. Croll summarized the topics of discussion on the Committee agendas, including draft finance slides which will be presented at the upcoming Workshop, update on Rademacher and consolidations, and Public Records Requests. (Committee Reports included in Board packet.)

**COMMITTEE MEETING UPDATES**

The contractor is working on punch list items at this time and has removed the old water pipe off the right-of-way. Contractor was granted a time extension to February 28, 2025. Staff expects to send contract to Board for Acceptance of Work in March.

**NW TRANSM. PIPELINE**

The District has signed agreements with the State for both the Hometown Water and Dune 3 grants. State legal will soon approve the language

**CONSOLIDATION PROJECTS**

for the agreement between the District and each water system. District legal counsel sent draft of a right-of-entry agreement that can be used for the both projects. Krieger & Stewart continues working on design of Phase 2 for the Rademacher Way project. Potholing to complete design to be done this week. Easement requests to be sent to property owners. First invoice to Stetson and the IWVGA for reimbursement. No new information from the State regarding the Inyokern Community Services District.

Renee Morquecho provided the Board with a summary of the Conservation Way of Life report submitted to the State. The report also showed the projected annual usage every five years until 2040. CONSERVATION AS A WAY OF LIFE REPORT

According to the Finance CM report: the estimated year-to-date revenues as of December 31, 2024, are \$8,785,279 and expenses are \$9,718,471. Expenditures exceeded revenues by \$933,192, which is better than budget by \$501,059. To date, the District has paid \$16,592,444 in GA Fees to the Groundwater Authority. FINANCIAL STATUS

According to the State Water Resources Control Board (SWRCB) Water Waster Report included in the Board packet - there were 15 water waste reports received in 2024, with 15 contacts made. There were two formal Second Notice and one penalty issued. CONSERVATION

Both Plants are winterized. Plant 2 will have media addressed this offseason. ARSENIC TREATMENT

For the month of December, 19 services were repaired and 18 were replaced. The NO-DES truck made five runs in December. Since inception, the NO-DES truck has filtered 9,473,226 gallons. Zero valves were exercised. GIS system continues Water Supply Testing. OPERATIONS

**BOARD COMMENTS/FUTURE AGENDA ITEMS**

**BOARD COMMENTS**

Director Kicinski commented on the Rate Study being presented at the February Board meeting and encouraged public to attend.

Vice President Griffin thanked staff for their hard work. He also sent his condolences to those effected by the LA fires.

Director Rajtora commented on the cost of the adjudication. He also encouraged public to attend the upcoming Workshop.

Director Kicinski commented on the Rate Study being presented at the February Board meeting and encouraged public to attend.

Vice President Griffin thanked staff for their hard work. He also sent his condolences to those effected by the LA fires.

Director Rajtora commented on the cost of the adjudication. He also encouraged public to attend the upcoming Workshop.

Director Boyd thanked the public for their participation.

President Saint-Amand commented on the importance of being prepared, especially for an earthquake. He also thanked staff for their professionalism and the public for their participation.



**DATE OF NEXT REGULAR BOARD MEETING**

The date of the next Regular Board Meeting is Monday, February 10, 2025.

**DATE OF NEXT  
BOARD MEETING**

**ADJOURNMENT**

With no further business to come before the Board, the meeting was adjourned at 7:52 p.m.

**ADJOURNMENT**

Respectfully submitted,

Lauren Smith  
Recording Secretary

**APPROVED:** \_\_\_\_\_

MINUTES OF THE SPECIAL BOARD MEETING WORKSHOP

BOARD OF DIRECTORS  
INDIAN WELLS VALLEY WATER DISTRICT

JANUARY 23, 2025

The Special Board Meeting Workshop of the Board of Directors of the Indian Wells Valley Water District was called to order by President Saint-Amand at 9:00 a.m. in the Board of Directors Hearing Room, 500 West Ridgecrest Boulevard, Ridgecrest, California. **CALL TO ORDER**

The Pledge of Allegiance was led by Chuck Krieger. **PLEDGE**

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

**DIRECTORS ABSENT:** None

**STAFF PRESENT:** George Croll, General Manager  
Jim Worth, Attorney  
Chuck Krieger, Consulting Engineer  
Jason Lillion, Operations Manager  
Renée Morquecho, Chief Engineer  
Tyrell Staheli, Chief Financial Officer  
Lauren Smith, Recording Secretary

**AGENDA DECLARATION** **AGENDA DECLARATION**  
Recording Secretary, Lauren Smith, reported that the agenda for today's Special Board Meeting Workshop was posted on Tuesday, January 21, 2025.

**CONFLICT OF INTEREST DECLARATION** **CONFLICT OF INTEREST**  
None.

**PUBLIC QUESTIONS AND COMMENTS** **PUBLIC COMMENTS**  
None.

**BOARD WORKSHOP** **BOARD WORKSHOP**  
Ty Staheli provided the monthly budget review to the Board. (Included in PowerPoint on District website.) The Budget covered 15 different categories, and provided an overview on the 2025 budget, Year-to-Date expenses, and if the program was over/under. **BUDGET REVIEW**

The Board asked for this review to be presented on a quarterly basis to the Finance Committee, as well as an update on the July Workshop.

The Board recessed the meeting at 9:56 a.m.

The meeting was reconvened at 10:01 a.m.

Jason Lillion provided a presentation of how the new GIS system and Work Order Processing program work. GIS SYSTEM OVERVIEW

Renee Morquecho provided a summary on the Conservation as a California Way of Life report submitted on January 1<sup>st</sup>. At this time, there is not an Evaporative Cooler Variance available. CONSERVATION AS A WAY OF LIFE

Mr. Staheli presented an update on the Meter Replacement Program, and associated costs. Cost per meter is \$450, yearly required capital contribution is \$270,000, and the FY 2025 budget is \$100,000. METER REPLACEMENT PROGRAM

Each department reported on their goals for 2025. The Board asked staff to provide employee and operational related posts, such as employee recognition and acknowledgement of achievements. STAFF GOALS

The Board recessed the meeting at 11:13 a.m.

The meeting was reconvened at 11:18 a.m.

Vice President Griffin commented he would like to have a better relationship with the IWVGA, and the City regarding the Recycled Water Program. He further spoke of the importance for staff to be well taken care of, and have the things they need in order to get their job done. He would like staff and legal to research options for a fund to be created to contribute to District celebrations, such as a Christmas or retirement party. BOARD OF DIRECTOR GOALS

Director Boyd echoed Griffin's comments about a better relationship with the IWVGA and City of Ridgecrest. He also expressed the importance of Recycled Water for the Valley's water security.

Director Rajtora also hopes for a relationship with the City of Ridgecrest. He also asked for the Budget Review to happen quarterly, to ensure a thorough understanding of the current budget standing.

Director Kicinski also commented on the need for a better relationship with the City of Ridgecrest, as well as more employee and operational media posts.

President Saint-Amand agreed with his fellow Board member's comments. He also added the need for more communications with the State and follow up with legislature.

Any outstanding issues or follow up action already discussed throughout the meeting. OUTSTANDING ISSUES

Director Kicinski asked for staff to provide options for a fund for awards ceremonies and staff celebrations. BOARD COMMENTS

**ADJOURNMENT**

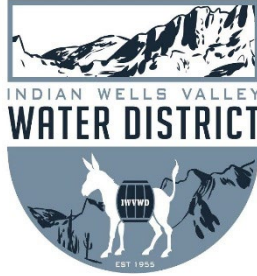
**ADJOURNMENT**

With no further business to come before the Board, the meeting was adjourned at 11:35 p.m.

Respectfully submitted,

Lauren Smith  
Recording Secretary

**APPROVED:** \_\_\_\_\_



**11.B.**

**WORK ORDER**

**Indian Wells Valley Water District**  
**P.O. Box 1329**  
**Ridgecrest, CA 93556-1329**  
**(760) 375-5086**

K&S Project (Billable) No. 178-153.2  
K&S File No. 178-153.2A  
Consultant Work Order No. 83A

Consultant's Name: Krieger & Stewart, Incorporated  
Address: 3890 Orange Street #1509  
City, State, Zip: Riverside, CA 92502  
Office Phone: (951) 684-6900

Not to Exceed Fee: \$174,000.00  
Completion Date: June 2025  
Liaison's Name: Charles A. Krieger  
Liaison's Phone: (951) 684-6900

Project Name: Preliminary Engineering Analysis – Recycled Water Treatment/Conveyance/  
Replenishment Project

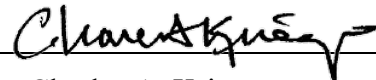
Description: (See Work Order No. 83B Exhibit "A", attached)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The Work(s) to be performed, time of performance, and not to exceed compensation shall be as described in Exhibit "A" attached hereto and made a part hereof and shall be performed in accordance with the "Master Agreement" dated August 10, 2015 with services billed in accordance with Krieger & Stewart's 2024 Fee Schedule. Consultant certifies that as of the date of execution of this Work Order, all insurance is as stated in the "Master Agreement" and will be maintained in good standing for the term of this Work Order.

INDIAN WELLS VALLEY  
WATER DISTRICT

KRIEGER & STEWART, INCORPORATED

By: \_\_\_\_\_  
Name: George Croll  
Title: General Manager  
Date: \_\_\_\_\_

By:   
Name: Charles A. Krieger  
Title: President  
Date: 02/05/2025

**WORK ORDER NO. 83A  
EXHIBIT "A"**

**INDIAN WELLS VALLEY WATER DISTRICT  
RECYCLED WATER TREATMENT/CONVEYANCE/REPLENISHMENT PROJECT**

**PRELIMINARY ENGINEERING ANALYSIS**

**SCOPE OF ENGINEERING SERVICES**

Krieger & Stewart will provide the following engineering services for the analysis and preliminary design for potential recycled water treatment/conveyance/replenishment projects:

**1. Coordination with Stakeholders**

We will coordinate with fellow institutional Valley stakeholders (including Indian Wells Valley Groundwater Authority (IWVGA), City of Ridgecrest, Searles Valley Minerals Corporation, etc.) and the general public as part of emphasizing transparency related to project development. We will provide technical engineering support to Indian Wells Valley Water District (District) throughout the planning phase of the projects. Assistance is anticipated to include meeting attendance, visual aid preparation, compiling technical information, and answering technical questions.

- Exclusions: Public outreach

**2. Characterization of Existing and Anticipated WWTP Effluent Quality and Quantity**

The proposed treatment processes and reuse options of the product water is dependent on the City's wastewater treatment plant (WWTP) effluent quality and quantity. As such, we will perform sampling and an analysis on the existing WWTP effluent quality, as well as a review of the proposed WWTP design to determine anticipated effluent characteristics. These steps will be focused on determining the following:

- Establish level of treatment to be provided by City.
- Establish design quantity of secondary effluent to be provided by City, along with daily and seasonal variability.
- Obtain design range of effluent quality parameters from City for Total Dissolved Solids (TDS) and Total Nitrogen (TN).
- Obtain anticipated discharge concentrations of other pollutants of concern (Total Organic Carbon (TOC), petroleum residuals, organic solvents, perchlorate, etc.).
- Obtain information on City source control program, including Navy facilities.

We will summarize our findings in a technical memorandum that will serve as the basis of information for the preliminary design.

- Deliverables
  - Technical Memorandum
  - Workshop
- Necessary Third-Party Information: City's WWTP design, site access for effluent testing
- Exclusions: Laboratory analysis fees

### **3. Potential Recycled Water Uses, Corresponding Regulatory Criteria, and Environmental / Legal Constraints**

Based on the WWTP effluent quality and quantity, we will evaluate the potential final product water use, as well as the recommended associated treatment processes, regulatory criteria, and anticipated environmental/legal constraints.

Note that, currently, a minimum level of tertiary treatment is anticipated for any recycled water application, but it appears likely that advanced treatment will be required. In addition, it is also currently understood that all Title 22 criteria and State anti-degradation policies will apply to the recycled water quality, and that the Regional Water Quality Control Board, Lahontan Region (RWQCB) and State Water Resources Control Board, Division of Drinking Water (DDW) will require disinfection and compliance with TDS and NO<sub>3</sub> (Total Nitrogen) maximum contaminant levels (MCLs).

We will summarize these findings into a technical memorandum that will serve as a guide for the permitting process of the final design.

- Deliverables
  - Technical Memorandum
  - Workshop

### **4. Proposed Recycled Water Treatment Processes**

In conjunction with our specialty subconsultant Separation Processes, Inc. (SPI), we will prepare a preliminary design for the Full Advanced Treatment (FAT) system, including:

- Treatment Technologies
  - Equipment sizing and train quantities
  - Overall plant footprint and schematics
  - Anticipated effluent quality and quantity
  - Anticipated waste stream quantity and recommended handling/disposal process
- Cost Estimate
  - Capital cost
  - Operations and maintenance cost



We will summarize this preliminary design in a technical memorandum that will inform the basis for the final FAT system design.

- Deliverables
  - Technical Memorandum
  - Workshop

## **5. Proposed Conveyance Systems**

We will prepare a preliminary design for the proposed conveyance system from the City WWTP site to three alternative locations (each of which will include two options for replenishment: basin percolation and well injection). While it is currently anticipated that the three sites may include the District's Watkins property site, final identification of the three locations will be established after coordination with District Hydrogeological Consultant, Tim Parker. The preliminary design will include the following:

- Pipeline
  - Preliminary alignment
  - Diameter
  - Length
- Booster pump station
  - Pump sizing
  - Pump quantity
  - Plant layout and schematics
- Cost Estimate
  - Capital cost
  - Operations and maintenance cost

We will summarize this preliminary design in a technical memorandum that will inform the basis for the final conveyance system design.

- Deliverables
  - Technical Memorandum
  - Workshop

## **6. Potential Replenishment Systems**

We will prepare a preliminary design for the two potential replenishment systems: basin percolation and well injection.

The basin percolation preliminary design will include basin aspects such as the proposed basin area, depth, quantity, etc., as well as an analysis of the potential use of a drywell system to allow water to pass by near-surface impermeable layers (such as any shallow caliche layers).

The well injection preliminary design will include the proposed injection well casing diameter, depth, perforation locations, material type, etc., as well as the proposed quantity of injection wells and the proposed mechanical configuration.

Both preliminary designs will not be site specific, but rather serve as important information in any subsequent site selection processes for project implementation.

- Deliverables
  - Technical Memorandum
  - Workshop

## 7. **Summary Memorandum and Project Comparison**

Upon completion of the above tasks, we will compile a summary report that provides a general comparison of the potential projects for recycled water treatment, conveyance, and replenishment for District consideration and potential pursuit.

Project analysis/comparison is anticipated to include the following factors:

- Estimated Cost
  - Planning and Design
    - Pilot Studies
    - Planning Reports
    - Preliminary Design
    - Final Design
    - Environmental/Permitting
  - Capital
    - Construction, Replacement
    - Land, Right-of-Way
    - Soft Costs (legal, admin, environmental, permitting)
    - Funding opportunities
  - Operation and Maintenance (labor, energy)
  - Disposal of waste streams
- Anticipated Non-Cost
  - Usable "new water" credit produced (i.e. quantity of water not lost to evaporation and waste streams, such as filter backwash and desalination brine)
  - Relative length of implementation schedule
  - Operational factors, such as flexibility, reliability, and complexity
  - Anticipated public acceptance

A roadmap identifying permitting, pilot testing, design, construction, and monitoring requirements will be developed for comparative purposes.

- Deliverables
  - Technical Memorandum
  - Workshop

### **General Exclusions**

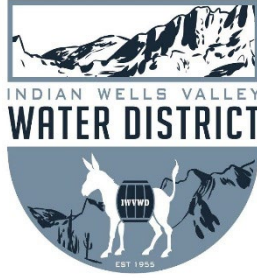
Our scope does not include costs associated with implementing the proposed replenishment testing, including preparation of percolation/tracer testing documents, construction drawings/specifications, or funding applications, or the preparation and processing of environmental documents.

AGMT/178/WO/178-153P2-WO83A-EX-A-DRAFT

**WORK ORDER 83A  
EXHIBIT "B"  
INDIAN WELLS VALLEY WATER DISTRICT  
RECYCLED WATER TREATMENT/CONVEYANCE/REPLENISHMENT PROJECT  
ESTIMATED FEES FOR ENGINEERING SERVICES**

TASK / COMPONENT	KRIEGER & STEWART												TOTAL		
	PRINCIPAL IN CHARGE (1)		PROJECT MANAGER (2)		PROJECT ENGINEER (3)		ENVIRONMENTAL ENGINEER (4)		CADD SERVICES (5)		SUPPORT SERVICES (6)			OUTSIDE SERVICES	
	HOURS	\$	HOURS	\$	HOURS	\$	HOURS	\$	HOURS	\$	HOURS	\$		\$	
1. COORDINATION WITH STAKEHOLDERS	20	5,780	20	4,820											10,600
2. CHARACTERIZATION OF WWTP EFFLUENT QUALITY AND QUANTITY	5	1,445	20	4,820	10	1,620					20	2,740			10,625
3. RECYCLED WATER APPLICATIONS, REGULATIONS, AND CONSTRAINTS	10	2,890	10	2,410	10	1,620	60	15,540			40	5,480			27,940
4. PROPOSED RECYCLED WATER TREATMENT PROCESSES	5	1,445	20	4,820					10	1,850	20	2,740	62,940 (7)		73,795
5. PROPOSED CONVEYANCE SYSTEMS	10	2,890	40	9,640	40	6,480			20	3,700	20	2,740			25,450
6. POTENTIAL REPLENISHMENT SYSTEMS	5	1,445	20	4,820	20	3,240			10	1,850	10	1,370			12,725
7. SUMMARY MEMORANDUM AND PROJECT COMPARISON	5	1,445	10	2,410	20	3,240					20	2,740			9,835
<b>SUBTOTAL:</b>	60	17,340	140	33,740	100	16,200	60	15,540	40	7,400	130	17,810	62,940		170,970
															REIMBURSABLES (2%± OF K&S FEES ONLY): 2,593
															<b>ENGINEERING SERVICES TOTAL (ROUNDED): 174,000</b>
<b>HOURLY RATES PER K&amp;S 2025 FEE SCHEDULE:</b>			<b>OUTSIDE SERVICES</b>												
(1) PRINCIPAL ENGINEER	@	\$289 /Hr	(7) SEPARATION PROCESSES, INC.												
(2) SENIOR ENGINEER I	@	\$241 /Hr													
(3) STAFF ENGINEER I	@	\$162 /Hr													
(4) SENIOR ENGINEER II	@	\$259 /Hr													
(5) OPERATOR III	@	\$185 /Hr													
(6) STAFF TECHNICIAN III	@	\$137 /Hr													





**11.C.1.**



## MEMORANDUM

**DATE:** February 3, 2025  
**TO:** BOARD OF DIRECTORS  
**FROM:** RENEE MORQUECHO  
**SUBJECT:** CONSTRUCTION OF TRENCH PAVEMENT REPLACEMENT  
RECOMMENDATION OF AWARD

---

On January 28, 2025, the District received one (1) bid for subject project. The bid amount is as follows:

<u>Contractor</u>	<u>Bid Amount</u>
Eric Onstott Construction	\$187,730.00

Onstott Construction was the low bidder. The bid was based on a total of 250 tons of asphalt. Staff followed the policy for formal bidding, in addition to sending the bid package directly to two other contractors on our bidder's list. No other bids were received.

Onstott did not raise their per ton asphalt cost since the last bid in 2022. The only change was a slight increase in the mobilize/demobilize charge.

Since Eric Onstott Construction is an experienced, capable contractor with a current Class C-12 (earthwork and paving) Contractor's License (638567), which enables them to perform the work under California State Law, and is registered with the Department of Industrial Relations as a Public Works Contractor (1000023719), Staff recommends awarding the contract to Onstott Construction for \$187,730.00.

Onstott 1/28/25

### Bid Schedule

The undersigned hereby proposes to furnish all labor, materials, equipment and methods necessary for constructing all Work specified, all in strict accordance with these Contract Documents and at the bid prices set forth hereafter. The undersigned also acknowledges that all bid prices include sales tax and all other applicable taxes and fees and that bids shall be valid for 120 days from bid date.

#### BID SCHEDULE I CONSTRUCTION OF TRENCH PAVEMENT REPLACEMENT

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
101	Mobilize/demobilize equipment and personnel.	N/A	L.S.	N/A	\$ <u>4500</u>
102	Remove existing temporary/permanent asphalt trench patch; grind existing pavement edges (thickness = 0.15', T (width) = 1.0') to accommodate specified "T" cap; furnish and install permanent asphalt concrete trench base paving per Standard Drawings, Special Requirements, Specifications, and permits.	130	TON	\$ <u>743</u>	\$ <u>96590</u>
103	Furnish and install permanent asphalt concrete cap to the specified cap dimensions; place 24" sand slurry seal along patch edges per Standard Drawings, Special Requirements, Specifications, and permits.	120	TON	\$ <u>722</u>	\$ <u>86640</u>

**BID SCHEDULE I  
CONSTRUCTION OF  
TRENCH PAVEMENT REPLACEMENT**

TOTAL BID AMOUNT (Sum of Bid Items 101 through 103):

One hundred Eighty Seven thousand Seven hundred Thirty Dollars \$ 187,730  
(words) (figures)

Bidder hereby acknowledges that all bid prices include any amounts payable by Owner for taxes which may result from this proposal.

**Bidder's Authorized Representative**

Robin Onstott

Signature

Robin Onstott

Name (Print)

Owner

Title (Print)

Onstott Construction

Company Name (Print)

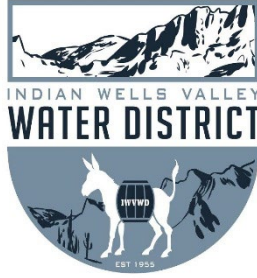
638567

California State Contractor's License No.

1000023719

California Public Works Registration No.





**11.C.2.**



## MEMORANDUM

**TO:** BOARD OF DIRECTORS

**FROM:** RENEE MORQUECHO  
CHIEF ENGINEER

**DATE:** 02/03/2025

**SUBJECT:** MAINTENANCE, REPAIR AND REHABILITATION OF WATER WELLS  
AND BOOSTER PUMPS  
RECOMMENDTION OF AWARD

---

On January 28, 2025, the District received two (2) proposals for the Maintenance, Repair and Rehabilitation of Water Wells and Booster Pumps. Attached are the rates for labor and equipment provided by the two bidders (Layne Christensen and Best Drilling & Pump).

After review of the bid sheets, answers to questions, safety records, Staff is recommending the District sign contracts with both Layne Christensen (primary) and Best Drilling and Pump (secondary). If the primary contractor is not available in the time frame requested, the secondary contractor can be contacted.

Both Layne and Best are registered with the Department of Industrial Relations as Public Works Contractors and are experienced, capable contractors with current C-57 licenses which enables them to do work on wells in the State of California. In addition, Layne possesses both an A (General Contractor) and C-10 (Electrical) contractor's license.

Staff recommends the Board award contracts to both Layne and Best using the rates attached to this memorandum. The contracts will initially be for one (1) year with the option to renew two (2) additional one (1) year terms with Board approval if the contractor requests an increase in rates.

**INDIAN WELLS VALLEY WATER DISTRICT  
ANNUAL SERVICE AGREEMENT**

**BID SCHEDULE 1  
HOURLY RATES – LABOR  
(to be used for negotiating cost of repairs/rehabilitation)**

<b>ITEM NO.</b>	<b>LABOR</b>	<b>REGULAR HOURLY RATE</b>	<b>NOTE(S)</b>
101	MOBILIZATION/DEMOBILIZATION	\$ 256.41	
102	HELPER (FIELD)	\$ 175.82	
103	MACHINIST (SHOP)	\$ 105.56	
104	WELDER (FIELD)	\$ 219.81	
105	CRANE OPERATOR (FIELD)	\$ 219.81	
106	WELDER (SHOP)	\$ 105.56	
107	ELECTRICIAN (FIELD)	\$ 259.67	
108	PUMP MECHANIC (FIELD)	\$ 259.67	
109	PUMP MECHANIC (SHOP)	\$ 105.56	
110	OTHER (SPECIFY)	\$ 0	
111	OTHER (SPECIFY)	\$ 0	

**BID SCHEDULE 2**  
**HOURLY RATES – EMERGENCY LABOR**  
 (to be used for negotiating cost of repairs/rehabilitation)

ITEM NO.	LABOR	REGULAR HOURLY RATE	NOTE(S)
201	MOBILIZATION/DEMOBILIZATION	\$ 329.49	
202	HELPER (FIELD)	\$ 263.73	
203	MACHINIST (SHOP)	\$ 158.35	
204	WELDER (FIELD)	\$ 329.74	
205	CRANE OPERATOR	\$ 329.74	
206	WELDER (SHOP)	\$ 158.35	
207	ELECTRICIAN (FIELD)	\$ 389.54	
208	PUMP MECHANIC (FIELD)	\$ 389.54	
209	PUMP MECHANIC (SHOP)	\$ 158.35	
210	OTHER (SPECIFY)	\$ 0	
211	OTHER (SPECIFY)	\$ 0	

**BID SCHEDULE 3**  
**HOURLY RATES – EQUIPMENT**

ITEM NO.	EQUIPMENT	LEASED/OWNED/RENTAL CIRCLE CHOICE(S)	RATE	NOTE(S)
301	CRANE – 40 OR 50 TON	L / <input type="radio"/> O / R	\$ 147.27 /HR	
302	PUMP PULLING RIG – 30 TON CAPACITY	L / <input type="radio"/> O / R	\$ 116.67 /HR	
303	CABLE TOOL RIG – 5 TON CAPACITY	L / <input type="radio"/> O / R	\$ 51.06 /HR	
304	ROTARY CRANE – 5 TON AND SMALLER	L / <input type="radio"/> O / R	\$ 51.28 /HR	
305	ROTARY CRANE 8 OR 10 TON	L / <input type="radio"/> O / R	\$ 57.69 /HR	
306	ROTARY CRANE 15 TON OR 35 TON	L / <input type="radio"/> O / R	\$ 79.49 /HR	
307	AIR COMPRESSOR, MINIMUM OF 600 CFM	L / O / <input type="radio"/> R	\$ 147.27 /HR	
308	CHEMICAL TRAILER (including poly mixing tank, safety equipment, mixing and pumps)	L / <input type="radio"/> O / R	\$ 42.76 /HR	
309	SERVICE UTILITY TRUCK – 1 TON OR SMALLER	L / <input type="radio"/> O / R	\$ 39.86 /HR	
310	DOWN HOLE VIDEO SURVEY WITH SIDESCAN (provided in digital format)	L / <input type="radio"/> O / R	\$2,710.26 L.S.	
311	21,000 GAL (MIN) BAKER TANK RENTAL (DAILY)	N/A	\$ 54.49 /DAY	
312	OTHER (SPECIFY)	L / O / R	\$ 49.36 /HR	Flatbed Truck

Contractor hereby acknowledges that all bid prices include any amounts payable to District for taxes which may result from this proposal.

**Contractor's Authorized Representative**

Layne Christensen Company  
Contractor (Company Name)

  
Signature

510011  
California Contractor License Number

Todd Howard  
Name (Print)

11000004273  
Public Works Registration Number

General Manager  
Title (Print)

**INDIAN WELLS VALLEY WATER DISTRICT  
ANNUAL SERVICE AGREEMENT**

**BID SCHEDULE 1  
HOURLY RATES – LABOR  
(to be used for negotiating cost of repairs/rehabilitation)**

<b>ITEM NO.</b>	<b>LABOR</b>	<b>REGULAR HOURLY RATE</b>	<b>NOTE(S)</b>
101	MOBILIZATION/DEMOBILIZATION	\$ 465.00	
102	HELPER (FIELD)	\$ 110.00	
103	MACHINIST (SHOP)	\$ 165.00	
104	WELDER (FIELD)	\$ 250.00	
105	CRANE OPERATOR (FIELD)	\$ 140.00	
106	WELDER (SHOP)	\$ 85.00	
107	ELECTRICIAN (FIELD)	\$ 250.00	
108	PUMP MECHANIC (FIELD)	\$ 140.00	
109	PUMP MECHANIC (SHOP)	\$ 85.00	
110	OTHER (SPECIFY)	\$ N/A	
111	OTHER (SPECIFY)	\$ N/A	

**Best Drilling And Pump, Inc.**

**BID SCHEDULE 2**  
**HOURLY RATES – EMERGENCY LABOR**  
 (to be used for negotiating cost of repairs/rehabilitation)

ITEM NO.	LABOR	REGULAR HOURLY RATE	NOTE(S)
201	MOBILIZATION/DEMOBILIZATION	\$ 550.00	
202	HELPER (FIELD)	\$ 145.00	
203	MACHINIST (SHOP)	\$ 205.00	
204	WELDER (FIELD)	\$ 290.00	
205	CRANE OPERATOR	\$ 190.00	
206	WELDER (SHOP)	\$ 105.00	
207	ELECTRICIAN (FIELD)	\$ 290.00	
208	PUMP MECHANIC (FIELD)	\$ 190.00	
209	PUMP MECHANIC (SHOP)	\$ 105.00	
210	OTHER (SPECIFY)	\$ N/A	
211	OTHER (SPECIFY)	\$ N/A	

**Best Drilling And Pump, Inc.**



**BID SCHEDULE 3**  
**HOURLY RATES – EQUIPMENT**

ITEM NO.	EQUIPMENT	LEASED/OWNED/RENTAL CIRCLE CHOICE(S)	RATE	NOTE(S)
301	CRANE – 40 OR 50 TON	L / O / (R)	\$ 430.00 /HR	Equipment Only
302	PUMP PULLING RIG – 30 TON CAPACITY	L / (O) / R	\$215.00 /HR	Equipment Only
303	CABLE TOOL RIG – 5 TON CAPACITY	L / (O) / R	\$215.00 /HR	Equipment Only
304	ROTARY CRANE – 5 TON AND SMALLER	L / (O) / R	\$ 245.00 /HR	Equipment Only
305	ROTARY CRANE 8 OR 10 TON	L / (O) / R	\$ 245.00 /HR	Equipment Only
306	ROTARY CRANE 15 TON OR 35 TON	L / (O) / R	\$245.00 /HR	Equipment Only, Maximum Capacity: 30 Tons
307	AIR COMPRESSOR, MINIMUM OF 600 CFM	L / (O) / R	\$ 190.00 /HR	
308	CHEMICAL TRAILER (including poly mixing tank, safety equipment, mixing and pumps)	L / (O) / R	\$ 225.00 /HR	
309	SERVICE UTILITY TRUCK – 1 TON OR SMALLER	L / (O) / R	\$ 185.00 /HR	
310	DOWN HOLE VIDEO SURVEY WITH SIDESCAN (provided in digital format)	L / O / (R)	\$2,100.00 L.S.	
311	21,000 GAL (MIN) BAKER TANK RENTAL (DAILY)	N/A	\$ 167.00 /DAY	
312	OTHER (SPECIFY)	L / O / R	\$ N/A /HR	

**Best Drilling And Pump, Inc.**

Contractor hereby acknowledges that all bid prices include any amounts payable to District for taxes which may result from this proposal.

Best Drilling and Pump, Inc.

Contractor (Company Name)

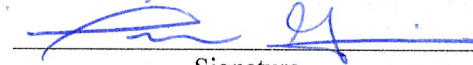
C-57 #826672

California Contractor License Number

1000001067

Public Works Registration Number

**Contractor's Authorized Representative**



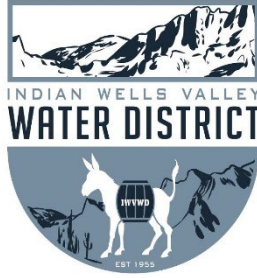
Signature

Tim Garcia

Name (Print)

Project Manager

Title (Print)



**11.C.3.**

2235 Mercury Way #150  
Santa Rosa, CA 95497  
United States  
www.ghd.com



**Project Number:** 12656446  
**FAAST Pin:** 49240  
**Proposal Reference:** EDWG-1510017-002C

**December 19, 2024**

**Renee Morquecho, PhD, PE**  
**Chief Engineer**  
**Indian Wells Valley Water District**  
**500 W. Ridgecrest Boulevard**  
**Ridgecrest, CA 93555**

## **Proposal for Professional Services for Dune 3 Mutual Water Company Consolidation Project**

Dear Dr. Morquecho,

GHD is excited to assist the Indian Wells Valley Water District (“District”) with expansion of its water distribution system by constructing new waterworks to connect and serve water to Dune 3 Mutual Water Company (D3MWC) customers and to replace the D3MWC water distribution system (“Project”). The Project is funded through the Expedited Drinking Water Grant (EDWG) Program and aims to improve the reliability, quality, and efficiency of water service for D3MWC customers, who currently rely on two groundwater wells vulnerable to contamination and depletion.

### **1. Project Understanding**

The District owns and operates a 12-inch water main at the intersection of West Ward Avenue and Strecker Street and a 12-inch water main at the intersection of Autumn Avenue and North Calvert Boulevard. Since the D3MWC service area extends nearly to these two connection points, minimal additional pipe will be needed to tie D3MWC customers into the District’s system. Since the D3MWC service area is within the District’s current sphere of influence and service boundary, no Local Agency Formation Commission coordination is required for the consolidation project to move forward.

The two existing D3MWC production wells will be abandoned according to Kern County requirements, and D3MWC’s distribution system will be abandoned in place. Existing pumps and water storage tanks will be removed from the easements.

The Project will include installation of approximately 12,000 feet of 8- and 12-inch water main and appurtenances. The Project will require the acquisition of easements, permits, and approvals from various agencies and stakeholders. The construction is expected to cost \$4.2 million and take approximately eight months to complete, including 6 months of field work.

GHD is excited to propose on the design completion and construction phase of this exciting project. Below is our understanding of the scope of services and proposal terms for your consideration.

## 2. Project Approach

GHD will build upon the already completed 90% design plans and technical specifications (“Design Documents”) to prepare a bid-ready package including 100% construction drawings and technical specifications (“100% Set”) and a tentative construction schedule. GHD will work with District staff to compile the Design Documents into a complete bid-ready project manual (“Project Manual”) incorporating the District’s procurement and contract documents. GHD will assist in the bid solicitation process and manage the contract with the construction contractor (“Contractor Contract”) as the District’s representative. GHD will also prepare reimbursement claim packages ready for District signature and submittal to the State Water Resources Control Board (SWRCB) Division of Financial Services (DFA) construction Project Manager (PM).

## 3. Glossary of Terms and Acronyms

As the following scope includes many industry terms and acronyms, we have included an informal glossary here.

- 100% Set – 100% set of construction drawings and technical specifications.
- Certified Payroll – Payroll report that verifies workers' wages and hours worked, often required for public works projects to confirm compliance with labor laws.
- Change Order (CO) – Approved change to the project scope, schedule, or cost that is documented and agreed upon by the parties involved.
- Communications Plan – Document that outlines the strategy for managing project communications.
- Construction Management System Web-Based Platform (Web-Based Platform) – Used for managing construction projects, including tracking schedules, submittals, RFIs, COs, and other project-related documents.
- Contract Record Drawings – Official drawing set prepared by the Engineer of Record that incorporates changes made during construction.
- Construction Controls Team – Team responsible for overseeing construction processes to support on-time, budget, and quality project completion.
- Construction Management Team – Team managing the execution of construction activities.
- Construction Manager (CM) – Person responsible for overseeing the work of the General Contractor.
- Construction Schedule – Timeline for project construction phases.
- Contractor Contract – Agreement between the General Contractor and the District.
- Cost Estimate – Estimation of probable construction costs, can be different levels of certainty based on design.
- Dune 3 Mutual Water Company (D3MWC) – Mutual Water Company to be consolidated by the District.
- Design Documents – Design plans and technical specifications, can be different levels of refinement.
- Design Team – Group responsible for creating Design Documents.
- District – Indian Wells Valley Water District – Water District consolidating D3MWC.
- Division of Drinking Water (DDW) – Part of the State Water Resources Control Board (SWRCB) that regulates public drinking water systems.
- Division of Financial Assistance (DFA) – Part of the SWRCB that provides financing for the planning, construction, and operation of water systems, including drinking water, sewage, and water recycling facilities - The DFA also offers technical assistance to small communities and drought support for individuals.

- Engineer of Record – State-licensed professional engineer responsible for Design Documents and Contract Record Drawings.
- Expedited Drinking Water Grant (EDWG) Program – Funding program designed to provide financial assistance for projects that improve drinking water systems quickly and efficiently.
- Final Payment – Last payment made to a contractor or service provider upon the completion of a project – This payment typically signifies all work has been completed to the satisfaction of the client and no further payments are due.
- General Contractor (GC) – Company contracted to construct the Project.
- Indian Wells Valley Water District (IWWVD) – Public agency responsible for providing water services to the Indian Wells Valley service area.
- Inspector/Observer – Construction Management Team member responsible for monitoring the GC's work to confirm compliance with project specifications and requirements.
- Local Agency Formation Commission – Regulatory agency responsible for overseeing the formation and boundary changes of local government agencies, including water districts.
- Notice to Proceed (NTP) – Authorization to begin work.
- Proposed/Potential Change Order (PCO) – Proposed change to the project scope, schedule, or cost that is under consideration but has not yet been approved.
- Pre-Construction Meeting – Meeting coordinated and led by the Construction Management Team before the start of construction – This meeting is typically attended by pertinent District staff, the CM, utility companies, the GC, and major subcontractors.
- Project – Expansion of the District's water distribution system by constructing new waterworks to connect and serve water to D3MWC customers and to replace the D3MWC water distribution system.
- Project Management Plan – Comprehensive document that outlines the approach, processes, and procedures for managing a project.
- Project Manager (PM) – Person who leads and coordinates teams to execute Project elements to achieve timely completion within budget and to agreed quality level.
- Project Manual – Document that provides information on how to bid a project, and the contractual relationship between the District and the GC.
- Punch List – List of items that need to be completed or corrected before a project can be considered finished.
- Quality Assurance/Quality Control (QA/QC) – Process to prevent, detect, and resolve quality failures.
- Quality Management Plan (QMP) – Document that establishes the metrics and procedures to maintain quality standards for the duration of the Project.
- Recommendation to Award Memorandum – Memorandum recommending award of Construction Contract to a particular bidder.
- Request for Information (RFI) – Formal request made by a contractor to the project owner or engineer for clarification or additional information regarding the project.
- Risk Register – Document to identify, analyze, and manage risks and uncertainties that could negatively impact the Project.
- Site Meeting – Initial meeting with GHD and District staff to review conditions and discuss the Project.
- State Water Resources Control Board (SWRCB) – State agency that oversees the allocation of the state's water resources.
- Stormwater Pollution Prevention Plan (SWPPP) – Plan required by regulatory agencies to prevent stormwater pollution during construction activities.

## 4. Scope of Services

The work tasks and levels of effort are described in the following sections. A summary of the task budgets is provided at the end of this proposal, and an estimate of the hours required to complete the scope of services is attached.

### 4.1 Tasks and Level of Effort

#### Task 1 Project Management and Coordination

This task includes Project administration, coordination, meetings, and Quality Assurance/Quality Control (QA/QC).

GHD will conduct a virtual Project kick-off/chartering session to assure roles and responsibilities are understood by Project participants.

GHD will prepare a Project Management Plan, a Communications Plan, and a Quality Management Plan for the Project.

GHD will conduct project management duties such as coordination with the District, the SWRCB Division of Drinking Water (DDW) and DFA, and others as required, prepare monthly invoicing, and attend and document meetings. The Project Management Plan will include a description of roles and responsibilities, document management procedures, confirm permit requirements, and other documentation of processes required for Project implementation. The Communications Plan will identify the Project participants and the frequency and types of communications for the Project. The Quality Management Plan will define the quality assurance measures that will be implemented and documented to confirm the effectiveness of the GC's quality control. GHD has scoped the following meeting, in addition to regular Project correspondence:

- Site Meeting – GHD will participate in one (1) site visit with District staff to review conditions and discuss the Project.

#### Deliverables

- Project Management Plan, updated as needed
- Communications Plan
- Quality Management Plan
- Meeting minutes with action items
- Monthly invoices and progress reports including site photos

#### Assumptions and Exclusions

- The Site Meeting is assumed to be two (2) hours in length, not including travel time.

#### Task 2 Design Finalization

GHD will finalize the Design Documents to the 100% Set ready for the bidding process. The final design stage involves reviewing and incorporating necessary changes, corrections, or additional details to confirm the 100% Set is comprehensive, accurate, and meets Project requirements. The 100% Set will serve as the definitive reference for DFA, the District, bidders, and the selected General Contractor (GC), providing a complete guide for the Project's execution.

- *2.1: Final Design* – GHD will deliver a bid-ready package four (4) weeks after receiving the Notice to Proceed (NTP) and comments on the 90% design plans by completing the following:
  - Address comments on 90% design plans to finalize 100% construction drawings.

- Address comments on technical specifications to finalize them; include additional detail to align with the construction drawings.
  - Work with District staff to compile the 100% Set into a complete bid-ready Project Manual incorporating the District's procurement and contract documents.
- *2.2: Design Review Meetings* – GHD will participate in design progress and design review meetings to review the existing Design Documents and the 100% Set, respectively. We have anticipated up to two (2) meetings to be conducted via Microsoft Teams, each lasting two (2) hours or less. Our project manager and key members of our engineering team will participate.
  - *2.3: Constructability, Scheduling, Estimating, Risk, QA/QC* – As part of design finalization, GHD will conduct a constructability review, update the Cost Estimate and tentative Construction Schedule, complete a Risk Register, and provide QA/QC for the Project Manual.

### **Deliverables**

- Bid-Ready Documents – Project Manual submitted to the District and DFA PM for approval
- Construction Schedule update (tentative), Cost Estimate update, and Risk Register

### **Assumptions and Exclusions**

- The scope and fee do not include costs or fees associated with obtaining environmental, agency or utility permits, or resolving hazardous material issues. The District will be responsible for any deposits and fees required for project implementation.
- GHD will not provide additional underground utility locating services.
- Additional work that may be required as a condition of permit approval is not included.
- The District will address comments on the Div 00 and Div 01 specifications to finalize them.
- The District will lead the process of amending their drinking water permit with DDW, if necessary, and GHD will provide support and technical assistance to the District for up to eight hours.
- The District will obtain waivers as needed where Title 22-required utility separation cannot be obtained.

### **Task 3 Bid-Phase Engineering Services**

Throughout the bid solicitation process, GHD will provide clarifications and necessary revisions to the 100% Set. This confirms bidders have a clear understanding of the project requirements, and adjustments are made to address questions and provide clarifications as needed.

- *3.1: Advertisement* – After obtaining approval from the DFA Project Manager (PM), GHD will prepare the advertisement for bid for publication and will provide a digital copy to the District. The District will be responsible for advertising the Project in the local paper and paying any fees to advertise. Contractors shall be responsible for printing their own copies of the documents.
- *3.2: Bidding Assistance* – This task includes facilitation of a pre-bid meeting on site with interested contractors to review the site and the Project requirements. Questions raised during the meeting will be responded to via a formal addendum which will include the attendance list. GHD will respond to technical inquiries during the bid phase and prepare written addenda as needed to clarify requirements. This scope is based on preparation of up to two addenda related to interpretations of the Project Manual. Changes in the intent of design requiring redesign work are not included in this scope or fee.
- *3.3: Bid Evaluation* – GHD will assist the District with evaluation of bids and prepare a recommendation to award memorandum ("Recommendation to Award Memorandum"). The Risk Register will be updated to reflect any changes during the bid period.

### **Deliverables**

- Bid advertisement to be published



- Pre-bid meeting agenda and minutes
- Up to two (2) addenda
- Recommendation to Award Memorandum
- Updated Risk Register

### **Assumptions and Exclusions**

- District will pay any publishing and advertising fees.

### **Task 4 Construction Contract Management**

GHD's Construction Management Team will provide on-site and remote support to inspect GC work; coordinate on-site inspections; provide management of quality, health, safety, and environment; address Requests For Information (RFIs); report trends; and administer the claims process. GHD's Design Team will address design-related issues that arise, work with field staff to minimize risks, and confirm the Project is built in accordance with design intent as reflected in the Project Manual. Construction phase estimated duration is seven months in 2025.

- *4.1: Project Coordination* - GHD will provide periodic updates, coordinate meetings and telephone calls, promptly transcribe meeting minutes, and distribute correspondence. GHD will coordinate with
  - District staff to discuss and address issues with the Project.
  - The businesses and residences in the vicinity of the Project as well as Project stakeholders.
  - The District and DFA PM to discuss Project details and review the tentative Construction Schedule.
- *4.2: Pre-Construction Meeting* - GHD's Construction Management Team will coordinate and lead the virtual Pre-Construction Meeting. The Pre-Construction Meeting is typically attended by pertinent District staff, the GHD Construction Manager (CM), utility companies, the GC, and major subcontractors. The CM will prepare the agenda and meeting minutes. Prior to the Pre-Construction Meeting, the CM will prepare a draft contact list including GHD staff, District staff, DFA PM, GC, and others as appropriate. Contact information will be collected for key personnel from each agency to be contacted in the event of an emergency. The list will be updated, finalized, and distributed to participants after the meeting, as well as to the local police and fire departments.
- *4.3: Weekly Progress Meetings* - GHD will conduct weekly progress meetings and other special technical meetings on site throughout the Project. The CM will prepare the agenda, describing key issues, schedule status, COs, and PCOs and distribute minutes to meeting participants. Our estimated level of effort assumes up to 26 weekly progress meetings over a seven-month period.
- *4.4: Review General Contractor Construction Schedule* - The CM will review the GC's Construction Schedule for conformance with the specifications and for reasonableness of activity durations and sequence. Evaluation will include the following:
  - Review GC's Construction Schedule for conformance to contract requirements and general accuracy of status, sequence, and durations.
  - Meeting with the GC to discuss and clarify any significant issues, review revised schedules, review work progress as compared to the as-planned GC's Construction Schedule, and notify GC of schedule slippage.
  - Review GC's Construction Schedule to determine impact of the weather and COs.
  - Review GC's updates of the Construction Schedule that incorporate actual progress, weather delays, and CO impacts.
- *4.5: Maintain Project Records* - GHD will maintain project records, including daily logs, weekly report of working days, inspection reports, compliance testing results, photos, measurement of quantities, schedules, submittals, RFIs, COs, monthly pay requests, issues, and correspondence. Project records will

be maintained in an organized manner for quick reference on a Web-Based Construction Management System Platform ("Web-Based Platform").

- *4.6: Review and Evaluate Monthly Progress Payments* - GHD will review and evaluate monthly progress payment requests submitted by the GC, negotiate differences over payment, and recommend payments to be made by the District. Quantity vouchers will be checked and signed independently by the CM to monitor quantities paid against estimated quantities. Up to eight progress payments are estimated.
- *4.7: Prepare Monthly Progress Reports* - The CM will prepare and submit to the District and DFA PM a monthly progress report, which will include a construction progress summary, payments, and summary logs for PCOs and COs. Our level of effort estimates up to eight progress reports.
- *4.8: Respond to Requests for Information and Issue Clarifications* - GHD's Construction Management Team will coordinate, evaluate, and manage the process of responding to RFIs and issuing clarifications. This effort includes preparation of an RFI log, tracking progress, reviewing responses, and transmitting responses to the GC. Responses related to field information or coordination will be provided by the CM Team. Our estimated level of effort assumes review and processing of up to 10 GC RFI's. RFI's and responses will be posted to and archived from the Web-Based Platform.
- *4.9: Prepare Potential Change Orders and Change Orders* - GHD will coordinate and manage PCOs and COs, including logging and reviewing them in conjunction with the Design Team and the District and assisting with determination of changed conditions and scope definition as needed. GHD will develop independent cost estimates, assist with negotiation, and incorporate COs into the GC's Contract with the District ("Contractor Contract"). Our estimated level of effort assumes review and processing of up to 10 potential GC COs. Final COs will be archived in the Web-Based Platform.
- *4.10: Coordinate Submittal and Shop Drawing Review* - GHD will coordinate submittal and shop drawing review with the Design Team, track progress, review responses, and confirm transmittal of responses to the GC. The CM and Construction Management Team Inspector/Observer ("Inspector/Observer") will also review submittals of shop drawings, materials, test reports, and manufacturer cut sheets to understand installation requirements and identify potential issues. Our estimated level of effort assumes review and processing up to 20 GC submittals. Submittals will be posted to and archived from the Web-Based Platform.
- *4.11: Monitor Permit Compliance* - GHD will monitor GC compliance with construction permits, traffic and pedestrian control plans, and environmental requirements including the Stormwater Pollution Prevention Plan (SWPPP). The CM will coordinate with the Design Team and the Inspector/Observer for compliance and will recommend a course of action to the District if required measures are not being met by the GC.
- *4.12: Monitor Labor Compliance* - The GC and subcontractor crews will be tracked to confirm Certified Payroll information is posted to the Department of Industrial Relations website. Accuracy of postings will be spot checked against recorded personnel on site.
- *4.13: Perform Claims Management* - GHD will analyse potential claims for additional compensation requested and make recommendations to the District for resolution. GHD will coordinate and monitor claims response preparation and log and track status. The CM will monitor and assist in mitigating potential claims. Support in defending any Project claims can be negotiated as an extra service.

### **Deliverables**

- Emergency Contact List
- Meeting Minutes
- Progress Reports
- Project records including schedules, submittals, RFIs, COs, monthly pay requests, and correspondence posted to the Web-Based Platform

## **Task 5 Field Inspection/Observation**

GHD will provide the Inspector/Observer to monitor the GC's work for compliance with the Contractor Contract, submittals, RFIs, COs, traffic and pedestrian control plan, and environmental compliance, including SWPPP requirements. GC's Certified Payrolls will be checked and documented by the Inspector/Observer. The Inspector/Observer will be on site full time during most operations. Daily effort is assumed to be 8.5 hours per workday for an estimated duration of 26 weeks.

- *5.5: Prepare Photograph or Video Documentation* - The Project Inspector/Observer will document initial site conditions prior to GC's commencement of construction using either still photographs or video and will provide additional photos of construction progress as part of daily reports throughout construction as well as after construction is complete. This documentation will be submitted to the DFA PM as part of Progress Document Field Changes to the Drawings. The Project Inspector/Observer will document field changes to the Contractor Contract on a real-time basis during the progress of construction.
- *5.2: Prepare Daily Observation Reports* - The Project Inspector/Observer will prepare daily observation reports. Reports will include employee names and labor classifications, equipment identification, hours worked and when equipment was utilized, weather conditions, and issues, observations, and significant conversations between the Inspector/Observer and the GC and the public. Reports will be posted to the Web-Based Platform. The daily documentation will include photographs and material tags.
- *5.3: Materials Testing* – GHD will provide soil and concrete materials testing to confirm compliance with contract specifications. The GHD Project Inspector/Observer will coordinate with the Contractor and schedule the materials testing laboratory performing QA/QC testing.
- *5.4: Develop Punch List* - The Project Inspector/Observer will develop a preliminary list of actions to be taken before conclusion ("Punch List") for the Project and maintain a running Punch List throughout the course of the Project. The Project Inspector/Observer will schedule with the District and Design Team to conduct final completion inspections and issue final Punch Lists.

### **Deliverables**

- Project records including inspection reports, compliance testing results, photos, documentation of quantities posted to the Web-Based Platform, and mark-ups of Contract Record Drawings.

### **General Task 5 Assumptions and Exclusions**

- GHD's CM Team is not responsible for the GC's means and methods of construction.
- GHD's CM Team does not supervise or direct the work of the GC. The CM Team does not control over construction techniques, sequences, or procedures and does not coordinate the Work under the Contractor Contract.
- GHD's CM Team is not responsible for site safety; GHD's responsibility is limited to the safety of GHD's staff.
- The GC will provide construction staking. GHD will provide QA/QC checks of the GC's work.
- GHD's activities will not relieve the GC's obligations to perform the work in accordance with the contract documents.
- The District will be responsible for operating valves and equipment to facilitate shutdowns and tie-ins and will take responsibility for system operation and maintenance upon Project acceptance.
- Water Quality testing will be the responsibility of the GC or the District, as specified in the contract documents. GHD will compile results of GC-provided tests.
- The GC will be responsible for distributing public notices of traffic disruptions and water shutdowns. The Construction Management Team will coordinate with stakeholders on site as needed.

## **Task 6 Construction-Phase Engineering and Administration Services**

The Design Team will provide engineering review of documentation and coordinate responses to RFIs and CO requests with the Construction Management Team. The Construction Controls Team will provide remote support to administer the Contractor Contract. Regular communications between the on-site Construction Management Team and the Controls Team will facilitate seamless, timely, and cost-effective Contractor Contract management.

- *6.1: Requests For Information, Submittals, Change Order Processing and Mitigation* - During the construction phase, the Construction Management and Design Teams will be responsible for reviewing up to ten (10) RFIs and twenty (20) submittals. These reviews are essential to address questions or changes that arise during construction, ensuring the Project stays on track and adheres to the approved 100% Set. In addition, modifications required due to unforeseen conditions encountered in the field will be communicated to the Design Team and CM by the Inspector/Observer. This information will be provided periodically to ensure the Contract Record Drawings accurately reflect the actual conditions in the field, maintaining alignment between the 100% Set and what is being constructed. Changes to the contract documents will be developed in response to changed conditions or inquiries from the GC and incorporated into the Contract Record Drawings after approval by the District.

To confirm quality and accuracy, the Design Team will conduct up to two (2) site visits throughout the construction process. The site visits are intended to assist in the RFI and amendment support and/or provide final verification of installations for the Contract Record Drawings. By conducting these visits, the Design Team will be able to promptly address discrepancies or issues, helping to ensure the successful completion of the Project.

- *6.2: Contract Administration, Monitoring and Compliance* - The Controls Team will provide office support to manage the Contractor Contract, including documentation of scope change through the Web-Based Platform; document control of updates to the 100% Set and reports; forecast cost to complete; monitor progress against quality, budget, and GC's Construction Schedule; review the status of trends; process pay applications and obtain approval; and escalate unsolved issues as pertains to the administration of the Contractor Contract.

The Controls Team will coordinate with the Construction Management Team, the GC, and the District to maintain the Risk Register, assist in forecasting potential issues and associated costs, and identify potential mitigation strategies.

- *6.3: Commissioning, Warranties, and Close Out* - The Construction Management Team will support system and equipment commissioning in accordance with the 100% Set and work with the GC to compile and archive documents. GHD will compile change documents and prepare Contract Record Drawings based on GHD's and GC's field documentation. GHD will provide the District with a complete set of Project records of the Project, indexed and filed, and a listing of warranties provided under the Project including the items covered and the warranty duration.

### **Deliverables**

- Final Risk Register
- Contract Record Drawings in AutoCAD and PDF file formats
- Compilation of warranty information
- Project close out documentation for accounting and finance
- Archive copy of information downloaded from the Web-Based Platform

### **Assumptions and Exclusions**

- Changes to the Design Documents will be within the original scope of services as reflected in the Grant Agreement.

## **Task 7 Grant Administration**

GHD will assist the District with Grant Administrative tasks and will

- Document GHD’s monitoring and review of work performed. Coordinate and conduct periodic and final site visits with the DFA PM. GHD will notify the DFA PM a minimum of 15 working days in advance of upcoming meetings, workshops, and trainings.
- Obtain written concurrence from the DFA PM confirming DFA has made its own environmental findings if applicable and concurs that implementation/construction may proceed. DFA may deem the Project ineligible for funding if construction begins prior to their issuance of the NTP.
- Submit construction site progress photos compiled by GHD field staff to the DFA PM as part of the progress reports.
- Complete an EDWG Request for Bid Solicitation Approval Form after obtaining necessary approvals, entitlements, permits, and agreements identified in the Project Management Plan. Submit documentation to the DFA PM to obtain written Bid Solicitation Approval.
- Prepare an EDWG Final Budget Approval Form and submit to the DFA PM for approval to award the Contractor Contract.
- Submit the NTP and the awarded Contractor Contract to the DFA PM.
- Submit any PCOs that arise during construction that may affect the Project’s benefits and identified components or costs to the DFA PM for approval prior to proceeding with the changes.
- Submit any required drinking water permit amendment application documents to the DDW and the DFA PM prior to Completion of Construction. The District will lead the process of amending their drinking water permit with DDW, but GHD will provide support as needed.
- Prepare and submit claim reimbursement requests to the DFA PM.

### **Deliverables**

- EDWG Request for Bid Solicitation Approval
- EDWG Final Budget Approval Form
- Quarterly Progress Reports
- Project Completion Report
- Grant Administration reporting documentation
- Claim Reimbursement Requests

### **Additional Services**

This proposal is based upon the scope of services described above. Although not included within this proposal, GHD can perform additional design, administrative, and construction management services upon request.

Work outside the scope of services specified may be conducted at the request of the District. When such work is requested, GHD will submit an estimate of cost to the District for approval prior to commencing additional work. Additional work might include any of the following:

1. Attendance at meetings or site visits in addition to those outlined above.
2. Reviews and/or meetings other than those listed in the scope of services.
3. Design of features or systems other than the expansion included in this scope of services.
4. Stakeholder engagement and communication.
5. Dispute resolution services.

## 5. Owner Responsibilities

This proposal is based on the District providing GHD with certain documents and services:

- Access to all areas of the site during construction.
- Timely review of all final design, bid stage, construction stage, and close out documents.
- Project coordination and communication with other agencies, stakeholders, and the community.
- Internal District project coordination and communication to facilitate meetings, site visits, and internal approval processes.
- Existing conditions reports and drawings such as stormwater, geological, environmental hazards, and other.

### *GHD Project Key Team Members*

Name	GHD Title	Project Position
Pedro Alvarez	Senior Civil Engineer – Water and Wastewater	Design Lead
Emma Del Vento	US West PMCM Services Business Group Lead	Business Group Lead
Brian Loney	Senior Construction Manager	Construction Manager
Stacey Mauer	Senior Project Controls	Controls Lead
Jane Rozga	Senior Construction Manager	Senior Construction Manager

## 6. Schedule

GHD will provide an updated Construction Schedule within two weeks of executing a contract with the District. Upon approval of the updated schedule, we will keep the District and the DFA PM informed of any necessary changes to the Construction Schedule.

We understand failure to provide items by the due dates indicated in the updated Construction Schedule may constitute a material violation of the Grant Agreement. DFA may adjust the dates in the “Estimated Due Date” column of the table in the Grant Agreement, but “Critical Due Date” adjustments will require an amendment to the Grant Agreement. As applicable for specific submittals, we will assist the District in planning adequate time to solicit, receive, and address comments prior to final submittals.

GHD will work with the District to achieve construction substantial completion by the approved completion of construction date unless an extension is granted by the DFA PM in writing and will deliver any request for extension no less than 30 days prior to the approved completion of construction date.

GHD will work with the District to complete and submit work in time to be approved by the DFA PM prior to the approved estimated due date for the final reimbursement request.

## 7. Budget Summary

The services described herein will be provided on a time and materials basis, including travel and other expenses, for the following phase/scope of services as outlined above.

Task	Description	Budget
1	Project Management and Coordination	\$23,202
2	Design Finalization	\$50,412
3	Bid Phase Engineering Services	\$17,326
4	Construction Contract Management	\$119,175
5	Field Inspection/Observation	\$461,218
6	Construction Phase Engineering and Administration Services	\$47,038
7	Grant Administration	\$45,134
<b>TOTAL BUDGET</b>		<b>\$746,664</b>

GHD's terms and conditions are included as Attachment 2. If the District prefers to use its terms and conditions, we reserve the right to negotiate the terms.

We appreciate the opportunity to submit this proposal and are confident that we can provide the best value and quality for the Construction Management stage of the Consolidation Project, we look forward to working with you on this important endeavour.

Should you have any questions regarding the information outlined above, please contact Emma using the contact information below.

Regards,



**Emma Del Vento, AICP, LEED AP, PMP**  
US West PMCM Services Business Group Lead

206.580.8112  
emma.delvento@ghd.com

**Jane Rozga, PE**  
Senior Construction Manager

707.236.1530  
jane.rozga@ghd.com

Attachments    Budget Estimate  
                      GHD Terms and Conditions

This document is valid 90 calendar days, is and shall remain the property of GHD. The document may only be used for the purpose of assessing our offer of services and for inclusion in documentation for the engagement of GHD. Unauthorised use of this document in any form whatsoever is prohibited. © GHD 2024

# **Attachment 1**

**Budget Estimate**





**Dune 3 Mutual Water Company Consolidation**  
*Construction Management and Project Support*  
 Budget Estimate

Description	Proj Director	PM	CM/RE	Asst PM/CM	Lead Inspector	Const Tech	Proj Analyst	Estimator /Risk	Controls	Controls Support	Design Lead	Senior Design Technician	Design Technician	Grant PM	Lead Inspector	Total Hours	Labor Total	Materials Testing	Subs Markup	Total Subcontractors	Travel, Lodging, and Meals	Total Disbursements	Estimated Project Total
	Emma Del Vento	Jane Rozga	Brian Loney	Nicole Garza	Eric Leitz	Kellen Hausser {TBD}	Kimberlee Loop	Steve Ferrero	Stacey Mauer	Sarah Cuellar	Pedro Alvarez	TBD	TBD	Karen Petryna	Eric Leitz (OT)								
	\$360	\$360	\$315	\$176	\$203	\$203	\$113	\$315	\$315	\$248	\$297	\$284	\$243	\$293	\$305								
<b>Task1</b>	<b>6</b>	<b>4</b>	<b>28</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>16</b>	<b>0</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>92</b>	<b>\$22,604</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$22,604</b>
Subtask 1.1 Project Management and Coordination	6	4	28	22	0	0	16	0	8	8	0	0	0	0	0	92	\$22,604	\$0	\$0	\$0	\$0	\$0	\$22,604
<b>Task2</b>	<b>0</b>	<b>2</b>	<b>16</b>	<b>12</b>	<b>12</b>	<b>48</b>	<b>0</b>	<b>4</b>	<b>8</b>	<b>12</b>	<b>12</b>	<b>16</b>	<b>32</b>	<b>22</b>	<b>0</b>	<b>196</b>	<b>\$49,138</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$49,138</b>
Subtask 2.1 Design Finalization	0	2	16	12	12	48	0	4	8	12	12	16	32	22	0	196	\$49,138	\$0	\$0	\$0	\$0	\$0	\$49,138
<b>Task3</b>	<b>0</b>	<b>0</b>	<b>28</b>	<b>16</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>68</b>	<b>\$16,884</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,884</b>
Subtask 3.1 Bid - Phase Engineering Services	0	0	28	16	0	20	0	0	0	0	4	0	0	0	0	68	\$16,884	\$0	\$0	\$0	\$0	\$0	\$16,884
<b>Task4</b>	<b>4</b>	<b>6</b>	<b>210</b>	<b>140</b>	<b>0</b>	<b>90</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>462</b>	<b>\$116,172</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$116,172</b>
Subtask 4.1 Construction Contract Management	4	6	210	140	0	90	0	8	0	4	0	0	0	0	0	462	\$116,172	\$0	\$0	\$0	\$0	\$0	\$116,172
<b>Task5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1040</b>	<b>60</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>1200</b>	<b>\$253,750</b>	<b>\$114,320</b>	<b>\$17,148</b>	<b>\$131,468</b>	<b>\$76,000</b>	<b>\$76,000</b>	<b>\$461,218</b>
Subtask 5.1 Field - Inspection/Observation	0	0	0	0	1040	60	0	0	0	0	0	0	0	0	100	1200	\$253,750	\$114,320	\$17,148	\$131,468	\$76,000	\$76,000	\$461,218
<b>Task6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>76</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>180</b>	<b>\$45,868</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$45,868</b>
Subtask 6.1 Construction Phase Engineering & Administration	0	0	0	20	0	20	0	0	24	76	40	0	0	0	0	180	\$45,868	\$0	\$0	\$0	\$0	\$0	\$45,868
<b>Task7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>48</b>	<b>0</b>	<b>136</b>	<b>\$34,780</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$34,780</b>
Subtask 7.1 Grant Administration	0	0	0	34	0	0	0	0	20	34	0	0	0	48	0	136	\$34,780	\$0	\$0	\$0	\$0	\$0	\$34,780
<b>Total Labor Hours</b>	<b>10</b>	<b>12</b>	<b>282</b>	<b>244</b>	<b>1,052</b>	<b>238</b>	<b>16</b>	<b>12</b>	<b>60</b>	<b>134</b>	<b>56</b>	<b>16</b>	<b>32</b>	<b>70</b>	<b>100</b>								
<b>Estimated Project Total</b>	<b>\$3,600</b>	<b>\$4,320</b>	<b>\$88,830</b>	<b>\$42,944</b>	<b>\$213,556</b>	<b>\$48,314</b>	<b>\$1,808</b>	<b>\$3,780</b>	<b>\$18,900</b>	<b>\$33,232</b>	<b>\$16,632</b>	<b>\$4,544</b>	<b>\$7,776</b>	<b>\$20,510</b>	<b>\$30,450</b>	<b>2334</b>	<b>\$539,196</b>	<b>\$114,320</b>	<b>\$17,148</b>	<b>\$131,468</b>	<b>\$76,000</b>	<b>\$76,000</b>	<b>\$746,664</b>

# **Attachment 2**

**GHD Terms and Conditions**



# Professional Services Agreement

GHD Reference No: 12656446

This Professional Services Agreement (hereinafter "Agreement") is effective this [Enter day] day of [Enter month] [Enter year], ("Effective Date") between [Select item] (hereinafter "GHD") and [Enter client name] (hereinafter "Client") (which are collectively referred to as the "Parties" or individually as a "Party"). In consideration of the mutual promises set forth herein, the Parties agree as follows:

**1. Scope of work.** GHD shall perform the services set forth in the Scope of Work which is attached hereto as Exhibit "A". It is understood that the Scope of Work will be based on facts known and laws in place at the time of execution of this Agreement. Each Party will promptly inform the other in writing if facts are discovered that indicate that this Agreement or Scope of Work may need to be modified. If there is a change in law or project assumptions which materially affect either Party's obligations hereunder, upon receiving or providing the notice described above, the Parties shall execute an amendment which will include, at a minimum, a description of the proposed modifications and their effect on the scope, fees, and timelines specified in the Scope of Work (an "Amendment").

**2. Changes in the services.**

(a) Except for additional services required due to the fault of GHD, any change to the scope, schedule, extent, or character of the services shall be set forth in a written Amendment which is agreed upon and signed by GHD and Client.

(b) Unless otherwise provided herein, GHD shall not be required to perform any additional services unless the Amendment sets forth the scope of the additional services and any adjustment in compensation for, and/or the time to perform, such additional services.

(c) GHD shall also be entitled to an Amendment setting forth an equitable adjustment to its compensation, based on standard rates for professional services and expenses, if any information provided by, or on behalf of, Client is not complete and/or accurate or, as a result of the services performed hereunder, GHD or any GHD employees are required to give evidence before, or provide any information to, a court or other competent authority.

(d) GHD shall have no liability for any delay, and the services completion date shall be extended by the equivalent time, associated with Client's delay in executing an Amendment.

**3. Payment for services.**

(a) For services rendered on a time plus expense basis:

(i) The fees will be in accordance with the fee schedule set forth in the Scope of Work. GHD's rates stated in the fee schedule are subject to revision on a periodic basis, following notice to Client. Personnel rates are all-inclusive, including overhead and profit.

(ii) GHD shall be reimbursed for all reasonable expenses actually incurred in connection with the services, plus reasonable markup as specified in the Scope of Work, plus reasonable travel and living expenses of GHD staff; communication and technology charges; printing and reproduction costs; photographic expenses; advertising for bids; special delivery and express charges; and costs of providing and maintaining site offices, supplies, and equipment.

(iii) For services performed or goods supplied by GHD's subcontractors, Client shall pay GHD for the cost of such services or goods plus markup, as specified in the Scope of Work.

(b) For services rendered on a lump sum, unit price, or fixed fee basis, Client shall pay GHD for services that are rendered on a percentage complete or task complete basis as specified in the Scope of Work. The fees are all-inclusive, including overhead and profit, and apply to all labor.

(c) Unless otherwise agreed, GHD will invoice Client monthly for services completed. Payment of GHD invoices shall be due upon receipt by Client. If Client disputes an invoice, Client shall notify GHD in writing within thirty (30) calendar days of the invoice date identifying the cause of the dispute and paying that portion of the invoice not in dispute. Failure of Client to notify GHD of any disputed amounts within the specified time shall deem the invoice accepted by Client. Interest shall not accrue on any disputed amount.

(d) GHD reserves the right without penalty to suspend performance of services in the event Client fails to pay all amounts which are not subject to a bona fide dispute within forty-five (45) calendar days from the invoice date. All suspensions shall extend the completion date of any affected project commensurately unless otherwise agreed to by the Parties.

**4. Insurance.** GHD agrees to carry throughout the term of this Agreement insurance policies of the following types and with the following limits, unless otherwise agreed in writing, and will provide certificates of insurance upon request to evidence such insurance. The District and its Agents will be named as additional insured on required insurance policies with the exception of professional liability.

- (a) Workers' compensation – statutory;
- (b) employers' liability – \$1,000,000 per accident/ disease/ employee (US);
- (c) automobile liability – \$1,000,000 combined single limit;
- (d) commercial general liability – \$1,000,000 per occurrence and \$2,000,000 in aggregate; and
- (e) professional liability – \$1,000,000 per claim and \$2,000,000 in aggregate.

**5. Documents and data.**

(a) Client shall be responsible for, and GHD may rely upon, the accuracy and completeness of all requirements, instructions, reports, data, documents, site information, and other information furnished by Client to GHD pursuant to this Agreement ("Client Data"). Client warrants that it owns all rights to, or otherwise has rights to use and disclose, Client Data required to meet Client obligations set forth herein. Client agrees to grant and hereby grants to GHD a non-exclusive, royalty-free, license to use Client Data and perform all acts with respect to Client Data as necessary to perform the Scope of Work. GHD shall have no obligation to validate the content of Client Data for content, accuracy, usability or for any other purpose.

(b) Client acknowledges that project or site information previously provided by Client (or by a third party on Client's behalf) to GHD personnel not engaged in the provision of the services hereunder shall not be deemed to have been provided to or known by GHD personnel that are engaged in the provision of the services hereunder.

(c) Client shall review any reports, plans, designs, drawings, specifications, bids, proposals, and any other work prepared or furnished by GHD under this Agreement (the "Work Product") before it is finalized. Client shall make decisions within a reasonable time and carry out its other responsibilities in a timely manner so as not to delay the services. Client shall give prompt written notice to GHD whenever Client observes or otherwise becomes aware of any failure by GHD to provide services that meet the standard of care established in this Agreement.

(d) At the request of GHD, Client shall provide GHD with the following information (which shall also be considered "Client Data") to the extent such information is in Client's possession and is pertinent to the Scope of Work, as determined by GHD:

(i) all criteria and full information as to Client's requirements; copies of all design and construction standards which Client will require to be included in GHD's work; copies of Client's standard terms, conditions, and related documents for GHD to include in bidding documents, when applicable; and

(ii) any other available information pertinent to the project, including, without limitation, reports and data relative to previous designs or investigations; environmental, geological, and geotechnical conditions of the project site and all surrounding area at or adjacent to the project site; and insofar as such information is not available, Client agrees to pay GHD for the reasonable cost of obtaining the same such information.

(e) If applicable to the Scope of Work, Client shall be responsible for providing information, to the extent such information is within Client's possession, (which shall also be considered "Client

Data”) regarding the location of all known subsurface structures at the project site including but not limited to pipes, tanks, sewer, and utilities (power, phone, cable, gas, water, etc.).

(f) Client agrees that GHD may use Client Data to add insight, analytics, and data science to the services and/or to provide or suggest additional solutions or services to Client. Client acknowledges and agrees GHD may store Client Data on a cloud computing service (e.g., Microsoft Azure, Amazon Web Services, etc.) and which may be transmitted to or stored outside the County of origin, subject to applicable laws.

(g) Client acknowledges and agrees that GHD may obtain and aggregate technical and other data related to the services that is: (i) is anonymized and presented in a way which does not reveal Client’s identity; and (ii) may be combined with historical or recent data and information of other clients or additional data sources (“Aggregated Data”). Client agrees that all right, title, and interest in Aggregated Data, including all intellectual property rights, are hereby assigned to and owned solely by GHD. GHD may reproduce, distribute, display, make publicly available, and otherwise use the Aggregated Data for any business purpose, during and after the term of this Agreement.

**6. Confidentiality.** During the term of this Agreement and for a period of two (2) years thereafter (and in the case of trade secrets, until such time as the trade secret no longer qualifies for protection as such under applicable law). GHD shall not disclose any Confidential Information relating to Client to any third parties other than employees, subcontractors, or agents of GHD without the prior written consent of Client, except as required by applicable law, regulation, or legal process, or as may be required by emergency situations. “Confidential Information” includes, without limitation, whether received from or on behalf of the Client, whether marked or not; (i) any information constituting a trade secret under applicable law, (ii) non-technical information relating to the past, present or future business affairs of the Client such as pricing, margins, marketing plans and strategies, finances, financial and accounting data and information, suppliers, customers, customer lists, purchasing data, future business plans, (iii) technical information including patent, copyright, trade secret, and other proprietary information. In the event GHD is requested pursuant to, or required by applicable law, regulation, or legal process to disclose any Confidential Information, GHD will notify Client of the circumstances requiring such disclosure and will refrain from such disclosure for the maximum period of time allowed by law so that Client may seek a protective order or other appropriate remedy to protect the Confidential Information. This provision shall not apply to data or information which (i) is or becomes part of the public domain other than as a result of disclosure by GHD; (ii) was acquired by GHD independently from third parties not under any obligation to Client to keep such data and information confidential; (iii) was in GHD’s possession prior to disclosure of the same by Client; or (iv) has been independently developed by GHD, or its employees, subcontractors, or agents.

**7. Independent contractor and subcontracting.** The Parties acknowledge and agree that GHD shall be an independent contractor and shall have responsibility for and control over the means of providing the services. GHD shall have the right to use subcontractors as GHD deems necessary to assist in the performance of the services. GHD shall not be required to employ any subcontractor that is unacceptable to GHD.

**8. Site access and safety.** Client shall provide right of entry and safe access and necessary permissions for GHD, its representatives, and its subcontractors to perform the services. GHD shall only be responsible for the activities of its own employees and agents on a project site with respect to safety. GHD, its representatives, and its subcontractors will comply with all reasonable known security, health, and safety requirements of the project site owner, as well as those of Client with respect to Client’s facilities, which may be imposed upon GHD as a condition of its right of entry. If access to the project site is required to perform the services and such access does not comply with applicable Client approved safety plans, regulations, and/or laws, GHD may, at its sole discretion, suspend services until such violations are remedied.

**9. Hazards, materials, and samples.**

(a) Unless otherwise stated in the Scope of Work, GHD shall have the primary responsibility of determining if known or potential health or safety hazards exist on or near the project site upon which the services are to be performed by GHD or its subcontractors. Client warrants that it will make full and accurate written disclosure as to any hazardous, radioactive, or toxic substance, or any irritant, contaminant, pollutant, or otherwise dangerous substance or condition (“Hazardous Conditions”) which Client knows or has reason to believe exist at the project site prior to the commencement of the services.

(b) If Hazardous Conditions are discovered by GHD during the performance of the services which it could not have reasonably discovered prior to the commencement of the services and if the existence of such Hazardous Conditions materially changes the nature or performance of the services or responsibilities at the project site, Client and GHD shall execute an Amendment to address such changes. If the Parties are unable to agree on an Amendment within thirty (30) calendar days, the Agreement may be terminated by GHD in accordance with the termination provisions of this Agreement. The Parties expressly agree that, unless otherwise specified in the Scope of Work, the discovery of the presence of mold, asbestos, or lead-based paint will constitute a changed condition enabling GHD in its sole discretion to terminate its provision of services if GHD and Client are unable to renegotiate the Scope of Work in a timely manner. GHD will notify Client as soon as practicable should GHD encounter unanticipated hazardous or suspected hazardous materials or conditions.

(c) GHD and Client recognize and agree that GHD has neither created nor contributed to the existence of any Hazardous Conditions at the project site, and as such, GHD has no responsibility in relation to the presence of any such Hazardous Conditions. Accordingly, in the event of any claim against GHD arising out of any actual or alleged Hazardous Conditions on a project site, Client agrees to defend, indemnify, and hold GHD harmless from such claim(s) against GHD or its employees, agents, directors, officers, or subcontractors, unless such claims arise out of the negligence, gross negligence, or willful misconduct of GHD. This indemnity obligation shall cover, without limitation, any claims against or liability of GHD in relation to preexisting conditions on the project site, any statutory liability, and/or any strict liability under any federal, state, provincial, and/or local environmental laws alleging or asserting, without limitation, that GHD, by virtue of status as an owner, operator, handler, generator, arranger, transporter, treater, storer, or disposer, is liable for any Hazardous Conditions.

(d) In the event GHD performs sampling on behalf of Client, GHD shall preserve such samples obtained from the project site as it deems necessary for the project, but not longer than 45 calendar days after the issuance of any document that includes data obtained from such samples. GHD shall arrange for the disposal of samples containing hazardous materials on behalf of Client, which may consist of returning the samples to the project site, and Client agrees to pay GHD for the cost of returning or disposing of such samples. Samples shall remain the property of Client, and ultimate responsibility for their disposal shall remain with Client. Unless otherwise stated in the Scope of Work, GHD shall not assume title to any samples taken on behalf of Client.

**10. Standard of care.** GHD represents that the services shall be performed in a manner consistent with the level of care and skill ordinarily exercised by members of GHD's profession practicing under similar circumstances at the same time and in the same locality. No warranties, guaranties, or representations of any kind, either express or implied, are included or intended by this Agreement or in any proposal, contract, report, opinion, or other document in connection with this project. Upon receipt of notice from Client, GHD shall promptly correct, without additional compensation, any services which fail to conform to the standard of care established in this Section.

**11. Indemnity and liability.**

(a) Subject to the limitations of Section 11(d) and Section 11(e) below, GHD agrees to indemnify and hold harmless Client (including its officers, directors and employees) from and against losses, damages, liabilities, and expenses (including reasonable legal fees, court costs, and costs of investigation) to the proportionate extent caused by: (i) the failure of GHD to comply in material respects with federal, state, provincial and/or local laws and regulations applicable to the services; (ii) a breach by GHD of this Agreement; or (iii) the negligence or willful misconduct on the part of GHD in performing the services.

(b) Subject to the limitations of Section 11(d) and Section 11(e) below, Client agrees to indemnify and hold harmless GHD (including its parents, subsidiaries, affiliates, and the officers, directors, employees, agents, subcontractors, and any successors or assigns) from and against losses, damages, liabilities, and expenses (including reasonable legal fees, court costs, and costs of investigation) to the proportionate extent caused by: (i) a breach by Client of this Agreement; (ii) the negligence or willful misconduct of Client; or (iii) any condition existing at the project site prior to the arrival of GHD of which GHD had no actual knowledge and over which GHD had no control.

(c) The indemnification commitments in this Agreement do not include a defense obligation by the indemnitor unless such obligation is expressly stated.

(d) TO THE MAXIMUM EXTENT PERMITTED BY LAW, FOR ANY DAMAGE CAUSED BY NEGLIGENCE, INCLUDING ERRORS, OMISSIONS, OR OTHER ACTS; OR FOR ANY

DAMAGES BASED IN CONTRACT; OR FOR ANY OTHER CAUSE OF ACTION; GHD'S LIABILITY, INCLUDING THAT OF ITS EMPLOYEES, AGENTS, DIRECTORS, OFFICERS, AND SUBCONTRACTORS, SHALL BE STRICTLY LIMITED TO THE LESSER OF THE AGREEMENT VALUE OR \$1,000,000. NOTWITHSTANDING THE PRECEDING SENTENCE, IF THE AGREEMENT VALUE IS LESS THAN \$50,000, GHD'S LIABILITY SHALL BE LIMITED TO \$50,000.

CLIENT'S LIABILITY TO GHD (NOT INCLUDING PAYMENT OBLIGATIONS), INCLUDING THAT OF ITS EMPLOYEES, AGENTS, DIRECTORS, OFFICERS, AND CONTRACTORS, WILL BE LIMITED TO THE LESSER OF THE AGREEMENT VALUE OR \$1,000,000.

THE LIMITATIONS IN THIS PARAGRAPH SHALL NOT APPLY TO DAMAGE RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE PARTY CAUSING SUCH DAMAGE.

(e) IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER UNDER THIS AGREEMENT OR OTHERWISE FOR ANY CONSEQUENTIAL, SPECIAL, INDIRECT, INCIDENTAL, OR PUNITIVE DAMAGES, AND/OR DAMAGES RESULTING FROM BUSINESS INTERRUPTION OR THE LOSS OF PROFITS, REVENUE, OPPORTUNITY, ANTICIPATED SAVINGS, USE, DATA AND/OR GOODWILL. THIS MUTUAL WAIVER IS APPLICABLE, WITHOUT LIMITATION, TO ALL DAMAGES CONTEMPLATED IN THIS SECTION 11(E) THAT MIGHT OTHERWISE BE INCLUDED WITHIN A PARTY'S INDEMNIFICATION OBLIGATIONS.

## **12. Intellectual property.**

(a) GHD's Work Product is deemed to be instruments of service and GHD shall retain ownership and property interests therein, however, GHD hereby grants Client, upon Client's payment to GHD of amounts properly due under this Agreement, a non-exclusive, non-transferable, non-sublicensable, license to use the Work Product or make and retain copies for information and reference, to effectuate to the purpose contemplated by the Scope of Work. Any reuse or modification of the Work Product without written verification or adaptation by GHD for the specific purpose intended will be at Client's sole risk and without liability to GHD and Client agrees to defend, indemnify, and hold harmless GHD from all claims, damages, losses, and expenses including attorneys' fees or other costs arising out of or resulting from Client's such unauthorized use.

(b) Client acknowledges that inventions, works, products, software, copyrights, patents, derivative works, trade secrets, trademarks and service marks (including all goodwill), domain names, social media sites, moral rights, publicity rights, and privacy rights and any other materials which were created, conceived, or reduced to practice prior to or independently of this Agreement by GHD, and trade secrets, know how, methodology, and processes of GHD whether or not related to the Scope of Work (hereinafter the "Background IP") shall remain the property of GHD. To the extent that any Background IP is incorporated into the Work Product and on the condition that Client has fully paid GHD for the Work Product, GHD hereby grants Client a limited, nonexclusive, nontransferable, perpetual, irrevocable, royalty-free, paid-up, license to utilize the Background IP solely with respect to the purpose contemplated by the Scope of Work.

## **13. Termination.**

(a) Client will have the right to terminate this Agreement at any time with or without cause, based solely on Client's convenience, provided that GHD is provided thirty (30) calendar days advance written notice of the termination. Client shall pay GHD for all services performed and expenses incurred prior to the effective date of termination, including but not limited to costs to cancel or suspend subcontracts, and other related close out costs.

(b) GHD may terminate its obligations pursuant to this Agreement under the following circumstances:

(i) In the event of a breach or default of any obligation by Client, except non-payment of disputed amounts, or as otherwise provided for in this Agreement;

(ii) If GHD is unable, for any reason beyond its control, including, without limitation, a Force Majeure event, to perform its obligations pursuant to this Agreement in a safe, lawful, or professional manner; or

(iii) In the event Client (i) ceases to do business in the normal course, (ii) becomes or is declared insolvent or bankrupt, (iii) is the subject of any proceeding related to its liquidation or insolvency or (iv) makes an assignment for the benefit of creditors.

(c) If either circumstance described in Section 13(b)(i) or 13(b)(ii) above occurs, GHD shall notify Client of pertinent conditions and recommend appropriate action. If within thirty (30) calendar days of such notice the circumstances described in Section 13(b)(i) or 13(b)(ii) above have not been remedied or cured, GHD may terminate this Agreement hereunder. In the event of termination, GHD shall be paid for services performed prior to the effective date of termination plus reasonable termination expenses.

**14. Dispute resolution.** Both Parties agree in good faith to attempt to resolve amicably, without litigation, any dispute arising out of or relating to this Agreement or the work to be performed hereunder. Following notification of a dispute, the Parties shall have five (5) business days from the date of notification to begin negotiations and fifteen (15) business days from the notification date to complete negotiations, unless otherwise agreed in writing. If any dispute cannot be resolved through direct discussions, the Parties agree to endeavor to settle the dispute by mediation. The Parties shall have forty-five (45) business days within which to commence the first mediation session following the conclusion of their good faith negotiations or expiration of the time within which to negotiate. Either Party may make a written demand for mediation, which demand shall specify the facts of the dispute. The matter shall be submitted to a mediator mutually selected by the Parties. The mediator shall hear the matter and provide an informal nonbinding opinion and advice in order to help resolve the dispute. The mediator's fee shall be shared equally by the Parties. If the dispute is not resolved through mediation, the matter may be submitted to the judicial system in the courts of general jurisdiction where the project site is located. IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY. For the avoidance of doubt, GHD's statutory or other right, if any, to file a lien for Client's nonpayment will not be conditioned upon or subject to the dispute resolution rules contained in this Section.

**15. Records and audit.** Client shall have the right, upon reasonable advance notice, to audit records associated with the services performed and the charges invoiced to Client pursuant to this Agreement. Client's right to audit shall not extend to proprietary information or the profit margin and composition of GHD's fees, except for that portion of the services priced on a cost reimbursable basis. Such records shall be open to inspection and audit by authorized representatives of Client during normal business hours at the place where such records are kept until the completion or termination of this Agreement and for a minimum of 3 years thereafter. GHD shall require its subcontractors to similarly maintain records and to permit the inspection and audit of such records by Client upon similar conditions and time periods.

**16. Force majeure.** If either Party is rendered unable, wholly or in part, by Force Majeure (as defined below) to carry out its obligations under this Agreement, other than the obligation to pay funds due, that Party shall give the other Party prompt written notice of the Force Majeure with reasonably full particulars thereof. Thereupon, the obligations of the Party giving notice, so far as they are affected by the Force Majeure, shall be suspended during, but not longer than, the continuance of the Force Majeure. The affected Party shall use all reasonable diligence to remove or remedy the Force Majeure as quickly as possible, except that this requirement shall not require the settlement of strikes, lockouts, or other labor difficulty. The term "Force Majeure" as used in this Agreement shall mean an Act of God, natural events, labor, civil or industrial disturbance, pandemic, governmental or legislative actions, or orders of any court or agency having jurisdiction of the Party's actions, unavailability of equipment, personnel, or information, and any other cause which is not reasonably within the control of the Party claiming suspension.

**17. Notice.** Notices pertaining to this Agreement shall be in writing and deemed to have been duly given if delivered in person, by prepaid overnight express delivery service, or by registered or certified mail with postage prepaid and return receipt requested, or when sent by email and upon the receipt by the sending party of written confirmation by the receiving party, provided, however, that an automated email confirmation of delivery or read receipt shall not constitute such confirmation, to the respective Party's authorized representative identified below, or at such other address as may be changed by either Party by giving written notice thereof to the other:

	<b>GHD</b>	<b>Client</b>
<b>Attention:</b>	Emma Del Vento	Renee Morquecho
<b>Address:</b>	99725 3 <sup>rd</sup> Ave NE, Ste 204 Seattle, WA 98115	Indian Wells Valley Water District P.O. Box 1329 Ridgecrest, CA 93555
<b>Email:</b>	emma.delvento@ghd.com	reneem@wvwd.com
<b>Telephone:</b>	206-580-8112	760-384-5520



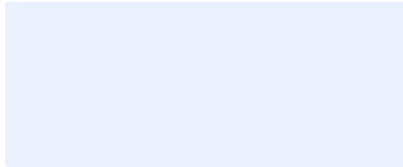
**18. Miscellaneous.**

- (a) Third party beneficiaries.** This Agreement does not and is not intended to confer any rights or remedies upon any person other than the Parties.
- (b) Municipal advisor rule.** GHD's services do not include serving as a "municipal advisor" or advising Client or any other entity in any manner regarding municipal financial products or municipal securities.
- (c) Reliance.** GHD's Work Product shall not be relied upon, and Client shall not allow GHD's Work Product to be relied upon, by any third party entity or person without GHD's prior written consent, which shall be granted only if such third party requests and is granted the right to rely prior to the commencement of the services and such third party has (i) executed GHD's standard form reliance agreement and (ii) paid any fees specified in the Scope of Work. Client will indemnify and hold harmless GHD against any claim by, or liability to, a third party arising from reliance on the Work Product in violation of this Section.
- (d) Waiver.** No failure or delay by either Party in exercising any right, power, or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise of any such right, power, or privilege preclude any other or further exercise thereof.
- (e) Successors and assignment.** Neither Party may assign, sublet, or transfer any rights under or interest (including, but without limitation, monies that are due or may become due) in this Agreement without the written consent of the other Party. The obligations of the Parties under this Agreement will not terminate upon any attempted assignment that violates this Agreement. Any assignment or attempted assignment violating this Agreement is void. Notwithstanding the preceding provisions of this Section, Client hereby agrees that this Agreement may be assigned to another entity within the GHD group of companies that will be directly or indirectly wholly owned by GHD Group Limited (a "Related Entity"). Any such Related Entity shall assume all GHD's liabilities, duties, and obligations in, to, and under this Agreement, which assignment may be effected without any prior notice or action on the part of GHD provided that GHD shall give notice of such assignment to Client as soon as reasonably practicable. Client agrees to execute and deliver any documents as may be reasonably requested to evidence consent to such assignment.
- (f) Conflict of Interest.** GHD and its Related Entities are engaged by a wide variety of clients, some of whom may be competitors, suppliers, or customers of Client, or other parties with conflicting legal and/or business interests to Client, including, without limitation, in relation to the services provided to Client by GHD. In accordance with applicable professional standards, and except as set out below, GHD will not use any confidential information regarding Client in connection with its engagements with other clients and will establish safeguards to manage conflicts, which may include, in GHD's reasonable discretion, the use of separate personnel and data access controls. Client further agrees that GHD may, in its sole discretion, disclose the fact or general nature of its engagement for Client to (i) internally to Related Entities in order to check against potential conflicts of interest, and (ii) to the extent reasonably required in order to obtain the consent of another entity or individual for GHD to act for such entity or individual, or for Client, in connection with this Agreement or any future engagement.
- (h) Severability and survival.** The Parties agree that, in the event one or more of the provisions or a portion thereof of this Agreement should be declared void or unenforceable, the remaining provisions shall not be affected and shall continue in full force and effect. The Parties also agree that the obligations and representations which by their nature are intended to survive the termination of this Agreement, including but not limited to those pertaining to indemnification, limitations of liability, and intellectual property, shall survive the termination of this Agreement.
- (i) Governing law.** This Agreement shall be governed by the laws of the State in which the project site is located.
- (j) No Construction or adverse inference.** The Parties have been provided an opportunity to negotiate the terms of this Agreement. The terms and conditions contained therein shall not be construed in favor of or against any Party.
- (k) Authority to sign.** Each of the persons signing below on behalf of any Party hereby represents and warrants that they are signing with full and complete authority to bind the Party on whose behalf they are signing to every term of this Agreement. This Agreement may be executed in counterparts, each of which will be deemed an original and which together will constitute one and the same instrument.

**(l) Entire agreement.** This Agreement, including all attached Exhibits and documents referenced in those Exhibits, constitute the complete and final agreement between GHD and Client regarding the subject matter hereof. This Agreement supersedes all prior or contemporaneous communications, representations, undertakings, or understandings of the Parties, whether oral or written, relating to the services and subject matter of this Agreement, except to the extent that such prior communications have explicitly been incorporated into the Agreement or one of the attached Exhibits. Modifications of this Agreement shall not be binding unless made in writing and signed by an authorized representative of each Party.

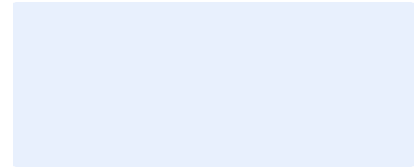
**In witness whereof,** GHD and Client have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

GHD  
GHD Inc.

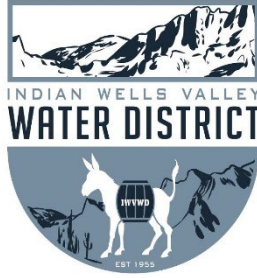


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Emma Del Vento  
Business Group Leader

Client



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George Croll  
General Manager



**11.D.1.**

## Senate Bill 1100 – FEHA – Driver’s License Discrimination

Effective January 1, 2025, California’s Fair Employment and Housing Act (FEHA) includes provisions that prohibit employers from requiring job applicants and existing employees to possess a driver’s license when the job does not require them to drive. This includes removing driver’s license requirements in job postings, applications, and other materials where a driver’s license is not required.

Before including a statement that the position requires a driver’s license, the District must go through a process by asking the following questions for each position:

1. Does the District “reasonably” expect driving to be one of the job functions of the position?  
**AND**
2. Does the District “reasonably” believe using alternate forms of transportation would not be comparable in travel time or cost to the District? The legislation states “alternate forms of transportation may include, but are not limited to, a ride-hailing service, taxi, carpooling, bicycling, walking”.

For those positions where driving is an essential function of the job, the answer may be easy to determine. For example, positions where employees work in the field and drive District vehicles, would most likely pass both questions.

However, for positions where driving is incidental to the position, question (1) might be a yes, but (2) is not as easy to determine. This may include employees who periodically drive to pick up supplies, make a bank deposit, or drive from one District location to another. There are also those employees who attend conferences on District business or other meetings.

The key is for the District to go through the process of assessing each job position.

### **Recommendations:**

*NOTE: The information provided in this advisory is based on our interpretation of the legislation and does not guarantee compliance. We encourage you to review the legislation thoroughly and consult with your District’s employment practices attorney for additional guidance.*

- **Job Position Evaluation** - Evaluate each job position to determine if the two conditions have been met. These are the positions that require a driver’s license. If the position does not meet the conditions, requiring driver’s licenses would be prohibited.
- **Document Revisions** - If the position does not meet the conditions, revise relevant documents such as job postings, applications, and other materials that include driver’s license requirements for the position. The term “other materials” is not specifically defined in the legislation; however, we expect they will include job descriptions, handbooks, driver polices, and other documents where driver’s licenses are addressed.
- **DMV Driver Record Requests** – If the District participates in the DMV PULL Notice Program, driver’s names whose positions do not require a driver’s license should be removed.

- **Using Alternate Transportation** – When alternate forms of transportation are selected, it's important to include an assessment of the potential exposures the option may create. For example, if the District is considering the use of bicycles, e-bikes, or scooters, it's important to develop procedures to protect the employee and District from potential injuries and liability exposure.

Questions? Give us a call at 800.537.7790 or email Henri Castro, Risk Control Manager, at [hcastro@sdrma.org](mailto:hcastro@sdrma.org) or Eric Lucero, Sr. Risk Control Specialist, at [elucero@sdrma.org](mailto:elucero@sdrma.org).

INDIAN WELLS VALLEY WATER DISTRICT  
Essential Function Job Description

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1. **Position Title:** ACCOUNTANT
2. **Employment Classification:** Non-Exempt
3. **Department:** Fiscal
4. **Reports To:** Chief Financial Officer
5. **Fundamental Objective:** Under the direction of the Chief Financial Officer, performs a variety of bookkeeping and accounting functions. Responsibilities include, but are not limited to: processing accounts payable and payroll; maintaining capital asset records and inventory listing; performing analysis and reconciliation of accounts payable and receivable, payroll, and other functions; assisting with the budget compilation; and maintaining records and reporting the District's financial operations.
6. **Level of Supervision Required:** Minimal. Direction is provided by the Chief Financial Officer.
7. **Supervisory Responsibilities:** None.
8. **Essential Job Duties and Responsibilities:**
  - A. Maintain a complete and systematic record of all financial transactions of the District in the general ledger according to generally accepted accounting practices, including closing and adjusting journals each fiscal year and reconciling revenues.
  - B. Participate in the budget development process by compiling departmental and capital budgets, including analysis of historical financial data and other supporting information.
  - C. Prepare monthly financial statements and other periodic financial reports.
  - D. Assist auditors during annual independent audit and workers' compensation audit.
  - E. Reconcile cash accounts on monthly basis and initiate transfers between accounts as necessary.
  - F. Reconcile fixed assets and maintain related asset records.
  - G. Maintain and/or recommend development of internal audit controls including but not limited to keeping accounting functions secure, ensuring District personnel properly account for receipts, and process payments as authorized by the board.

- H. Organize and maintain the accounts payable system including acquiring required tax documentation from vendors, receiving invoices, validating payment approval, processing payments, and printing and mailing checks. Prepare Report of Accounts Payable for Finance Committee and Board of Directors.
- I. Prepare, maintain and distribute, as necessary, payroll information, including but not limited to: paychecks; tax, retirement and unemployment reports and related deposits; W-9 and 1099 - Miscellaneous forms; paid leave accruals for employees; W-2s and related reports.
- J. Maintain miscellaneous employee records (e.g. clothing allowance, boot allowance, employee assistance program, cafeteria plan program, deferred compensation program) and prepare payments as necessary.
- K. As required by the California Occupational Safety and Health Act and the Indian Wells Valley Water District's Safety Manual, responsibly, faithfully, and regularly observe all safety rules and utilize all health and safety equipment, procedures and techniques required for all tasks or circumstances.
- L. Perform other duties as assigned.

Attendance at various meetings, including safety meetings.

All other temporary work assignments that are infrequently assigned, and not covered above, shall be considered non-essential tasks, duties or responsibilities.

9. **Skills and Abilities:**

A. **Knowledge of:**

1. Reading, mathematical, written language, and verbal skills necessary to perform the essential functions of the job. Mathematical knowledge includes understanding calculations to add, subtract, multiply, and divide all units of measure.
2. Accounting theory, principles and practices, and their application to a wide variety of accounting transactions and problems.
3. Laws, ordinances and regulations governing the financial operations of the District and its departments.
4. Principles of auditing.

B. **Ability to:**

1. Proficiently use Microsoft Office products especially Microsoft Excel.
2. Analyze and evaluate accounting problems and develop appropriate data in

preparation of financial reports and statements.

3. Accurately audit accounting records.
4. Assist with the preparation of operating and capital improvement budgets.
5. Ensure the accuracy of posting to accounting journals and ledgers.
6. Prepare a variety of financial reports.
7. Accurately process payroll and accounts payable on a timely basis.
8. Follow written and oral instructions.
9. Keep written records and make written and informal oral reports.
10. Communicate with office personnel, co-workers, and the public.
11. Maintain sound and cooperative working relationships with co-workers, supervisors, and management to insure output of a good and efficient product or service.

10. **Minimum Qualifications:** An equivalent combination of experience, education/training may be accepted by the General Manager. A typical way to obtain the knowledge and abilities would be:

**Education:** An Associate's Degree from an accredited college or university, with major course work in accounting, business administration or related field.

**Experience:** Five years of professional level accounting experience, preferably in a government agency.

**Certifications:** None.

**Licenses:** None.

Must also successfully complete physical examination.

11. **Physical Demands/Requirements:**

The physical requirements and physical demands placed upon this position are outlined separately. A copy of these requirements is to be attached to this job description.



**ACCOUNTANT**  
**JOB DESCRIPTION APPROVAL**

**Department Manager Recommendation:**

Signature: \_\_\_\_\_

Date: 11-20-14

**General Manager Approval:**

Signature: Hamid M. M. M.

Date: 20 November 2014

**Received, and Rcco/e? Human Resources:**

Signature: \_\_\_\_\_

Date: 11-20-14

INDIAN WELLS VALLEY WATER DISTRICT  
Essential Function Job Description

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1. **Position Title:** CHIEF FINANCIAL OFFICER
2. **Employment Classification:** Exempt
3. **Department:** Fiscal and Customer Services
4. **Reports To:** General Manager
5. **Fundamental Objective:** Under direction of the General Manager, develop and implement financial strategies; plan, organize and manage the District's financial affairs, such as financial planning for capital projects, budgeting, accounting, cash management, rate setting, bond financing, purchasing, customer relations and billing, meter reading and repair, public education/conservation functions, and related services. Assist and support the General Manager, including acting as General Manager when assigned.
6. **Level of Supervision Required:** Minimal. Direction is provided by the General Manager.
7. **Supervisory Responsibilities:** Directly supervise Customer Service Supervisor, Field Service Supervisor, Accountant/Bookkeeper, Warehouse Administrator and others as assigned. Indirectly supervise Conservation personnel, Customer Service Representatives, and Field Service Technician and Representatives.
8. **Essential Job Duties and Responsibilities:**
  - A. Manage, develop and administer accounting, financial, and budget control systems. Manage applicable operations and/or accounting functions. Develop and manage the work order program.
  - B. Supervise, plan, assign, train and review the conservation, field services, customer service, and accounting departments.
  - C. Responsible for comprehensive annual report preparation and analysis of various financial statements, schedules, and reports.
  - D. Perform advanced accounting work and provide assistance to staff. Maintain and reconcile the District's general ledger. Maintain compliance with applicable accounting procedures, laws, ordinances and regulations. Recommend and implement various District policies. Review, develop and modify accounting methods to improve existing procedures, ensure

conformity to policy and adherence to legal requirements, and increase effectiveness.

- E.** Develop administrative policies for approval and assist other staff with accounting and financial issues. Recommend and implement various District policies. Review, develop, and modify administrative methods regarding finances, customer accounts, field services and warehouse, and conservation to improve existing procedures, ensure conformity to policy, and increase effectiveness.
- F.** Develop, monitor and administer District operating and Capital budgets, including derivation of major assumptions upon which the annual budgets are based and monitoring capital accounts, project costs and identifying fixed and other capital assets.
- G.** Maintain compliance with applicable procedures, laws, ordinances and regulations. Recommend and implement District policies as necessary.
- H.** Provide short and long term financial planning and debt management for the District. Monitor cash flow and investments and develop recommendations for approval. Develop periodic reports on the status of investments as required by applicable covenants, policies and laws.
- I.** Coordinate the annual financial audit. Coordinate accounting controls according to standard audit requirements and assist external auditors in fiscal year review.
- J.** Oversee and participate in regular review and revision of District water rates and fees and other operating charges. Administer implementation of new rates and fees following Board approval.
- K.** Coordinate all District real property sales and purchases (excluding acquisition of easements).
- L.** Perform various computerized operations, such as developing and operating various computerized data bases and spreadsheets. Operate computers for various accounting functions. Maintain various pages and make posts on the District's website.
- M.** Monitor and perform accounting functions for assessment districts.
- N.** Perform various accounting and financial analyses as required. Prepare reports and make presentations.
- O.** Act as liaison between the District and financial consultants, actuaries, and others as assigned.

P. Attend committee and Board meetings as requested.

Q. Other duties as assigned.

Attendance at various meetings, including safety meetings.

All other temporary work assignments which are infrequently assigned, and not covered above, shall be considered non-essential tasks, duties or responsibilities.

9. **Skills and Abilities:**

A. **Knowledge of:**

1. Principles and practices of governmental accounting, finance, purchasing, risk management and budgeting.
2. Principles of supervision, training and evaluation.
3. Computerized accounting and information systems.

B. **Ability to:**

1. Analyze and interpret complex financial accounting records and make recommendation(s) and/or present reports as necessary.
2. Prepare financial statements, reports and analyses.
3. Design and install new and improved accounting and record-keeping systems.
4. Understand investment options.
5. Plan, assign and supervise the work of subordinates.
6. Communicate clearly and effectively in English, both orally and in writing.
7. Proficiently use Microsoft Office products especially Microsoft Excel.
8. Establish and maintain effective working relationships with others.

10. **Minimum Qualifications:** An equivalent combination of experience, education/training may be accepted by the General Manager. A typical way to obtain the knowledge and abilities would be:

**Experience:** Five years of increasingly responsible experience in accounting or auditing work, preferably including two years in a supervisory capacity.

**Education:** Bachelor's Degree from an accredited college or university, with major course work in accounting, public finance, or related field.

**Certifications:** None.

**Licenses:** None.

Must also successfully complete physical examination ~~and possess a valid California driver's license with a driving record acceptable to the District's insurance underwriter.~~

**11. Physical demands/requirements:**

The physical requirements and physical demands placed upon this position are outlined separately. A copy of these requirements is to be attached to this job description.

**CHIEF FINANCIAL OFFICER**  
**JOB DESCRIPTION APPROVAL**

**Department Manager Recommendation:**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**General Manager Approval:**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Received and Recorded by Human Resources:**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

INDIAN WELLS VALLEY WATER DISTRICT  
Essential Function Job Description

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1. **Position Title:** CUSTOMER SERVICE REPRESENTATIVE
2. **Employment Classification:** Non-Exempt
3. **Department:** Customer Services
4. **Reports To:** Customer Service Supervisor
5. **Fundamental Objective:** Under the direction of the Customer Service Supervisor, performs a variety of semi-skilled office tasks related to Customer Services.
6. **Level of Supervision Required:** Minimal. Direction is provided by the Customer Service Supervisor.
7. **Supervisory Responsibilities:** None.
8. **Essential Job Duties and Responsibilities:**
  - A. **Billing Processing/Data Entry** - Generate/assist with preparation of all original and delinquent billings and mail to customers. Prepare reading sequences and schedule and generate route sheets. Prepare delinquent tum-off notices for delivery to customers by others. Operate keyboard or other data entry device to enter data into computer database.
  - B. **Collections** - Locate and notify customers with delinquent accounts and attempt to secure payment, utilizing postal services, telephones, collection agencies and Field Service Department. Initiate and mail routine collection letters to customers, process delinquency notices.
  - C. **Cashier/Teller/Payment Processing/Data Entry** - Collect funds for payment of account billings, deposits and various service charges. Issue receipts. Balance daily collections and prepare daily bank deposits.
  - D. **Customer Service/Account Information** - Interview customers by phone and in person to receive service and billing complaints, orders for meter installation, meter verification, applications for various types of water service, meter tum-ons, discontinuance of service, billing address changes and other updates to service data. Determine applicable charges for various utility services requested. Initiate and process appropriate paperwork. Process and maintain various records and reports such as customer credit balances, customer security deposits, meter maintenance records, and meter re-read records. Within delegated limits, may

adjust accounts in regards to customer complaints concerning billing or service rendered. Refer complaints of service failures or irregularities to the appropriate departments. Track and process account deposits and account credit balances and refunds.

E. **General Office** - Operate a telephone, two-way radio and e-mail to communicate with field personnel, co-workers and the public. Keep various accounting records, file and sort/process mail. Make bank deposit and deliver/pick up mail at post office

F. Perform other duties as assigned.

Attendance at various meetings, including safety meetings.

All other temporary work assignments which are infrequently assigned, and not covered above, shall be considered nonessential tasks, duties or responsibilities.

9. **Skills and Abilities:**

A. **Knowledge of:**

1. Mathematical calculations to add, subtract, multiply and divide all units of measure necessary to perform the essential functions of the job. Arithmetic operations involving all American monetary units.
2. Must have knowledge of modern office technology, practices, methods and procedures.

B. **Ability to:**

1. Quickly and accurately perform procedures that are routine, repetitive, detailed and organized. Make decisions based on information that can be readily checked and verified. Change easily and frequently from one activity to another. Read and copy large quantities of numbers, without error. Read and understand instructions. Write and speak in English language clearly and distinctly, speaking with poise, voice control and confidence. Ability to understand and utilize the District's utility billing and related software programs and computer equipment.
2. Maintain sound client/customer relationships to ensure customer satisfaction with quality and quantity of service. Communicate with courtesy, efficiency and tactfulness with many different kinds of people, listening to customers carefully. Maintain sound and cooperative working relationships with co-workers, crew leaders and management to insure output of a good and efficient product or service. Use personal judgment and specialized knowledge to give information to people. Apply common



sense understanding to carry out instructions furnished in written, oral or diagrammatic form. Handle deadlines, deal with problems and customer complaints. Learn office policies, rules and practices. Keep written records and make written and informal oral reports.

3. Must have ability to keep financial records.
4. Proficiently use Microsoft Office products especially Microsoft Excel.

10. **Minimum Qualifications:** An equivalent combination of experience, education/training may be accepted by the General Manager. A typical way to obtain the knowledge and abilities would be:

**Experience:** Two years experience in the operation of a variety of office equipment and machinery and in dealing with the general public. Requires reading, mathematical, written language, and verbal skills necessary to perform the essential functions of the job.

**Education:** High School Graduate, or equivalent certification, required.

**Certifications:** [Must obtain a Notary Public Commission within one year of hire date.](#)~~None.~~

**Licenses:** None.

Must also successfully complete physical examination ~~and possess a valid California driver's license with a driving record acceptable to the District's insurance underwriter.~~

11. **Physical Requirements:**

The physical requirements and physical demands placed upon this position are outlined separately. A copy of these requirements is to be attached to this job description.

**CUSTOMER SERVICE REPRESENTATIVE**  
**JOB DESCRIPTION APPROVAL**

**Department Manager Recommendation:**

Signature: \_\_\_\_\_

Date: 5-10-16

**General Manager Approval:**

Signature: \_\_\_\_\_

Date: 10 May 2016

**Received and Recorded by Human Resources:**

Signature: \_\_\_\_\_

Date: 5/11/16

INDIAN WELLS VALLEY WATER DISTRICT  
Essential Function job Description

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1. **Position Title:** CUSTOMER SERVICE SUPERVISOR
2. **Employment Classification:** Non-Exempt
3. **Department:** Customer Services
4. **Reports To:** Chief Financial Officer
5. **Fundamental Objective:** Under the direction of the Chief Financial Officer, administers, supervises, and coordinates the activities of Customer Services.
6. **Level of Supervision Required:** Minimal. Direction is provided by the Chief Financial Officer.
7. **Supervisory Responsibilities:** Directly supervise Customer Service Representatives.
8. **Essential Job Duties and Responsibilities:**
  - A. Provide customer service, billing, collections, and meter reading support services.
  - B. Provide leadership by example, establishing and maintaining quality standards, especially attendance, punctuality and performance of job duties.
  - C. Respond to difficult and complex inquiries and complaints regarding utility services and billing procedures and practices.
  - D. Collect information from subordinate staff regarding delinquent accounts and initiate the collection or write-off of delinquent accounts.
  - E. Perform liaison functions between customer service staff and other departments to ensure efficient billing and utility services.
  - F. Supervise, train and evaluate subordinate customer service personnel.
  - D. Maintain sound client/customer relationship to ensure customer satisfaction with quality and quantity of service.
  - E. Provide input and recommendations regarding customer services issues, applicable policies and covenants.
  - F. Assist in preparation of budget for Customer Service Department.

**G.** Perform other duties as assigned.

Attendance at various meetings, including safety meetings.

All other temporary work assignments which are infrequently assigned, and not covered above, shall be considered non-essential tasks, duties or responsibilities.

**9. Skills and Abilities:**

**A Knowledge of:**

1. District regulations, policies, practices, and procedures regarding the general supervision of personnel and customer service, utility billing, and collections.
2. Modern office methods and equipment.
3. District utility billing and related software programs and computer equipment.
4. Proficiently use Microsoft Office products especially Microsoft Excel.
5. Customer relations.

**B. Ability to:**

1. Effectively utilize the District's computer software and equipment to prepare and dispatch billings, notices, correspondence, and reports; to collect, and account for payments.
2. Communicate clearly and effectively in English, both orally and in writing.
3. Analyze customer service and utility billing problems and make appropriate recommendations.
4. Plan, organize, supervise, and counsel subordinates.
5. Establish and maintain effective working relationships with other District staff.
6. Respond to public concerns, inquiries, and complaints in a tactful, effective manner.

10. **Minimum Qualifications:** An equivalent combination of experience, education/training may be accepted by the General Manager. A typical way to obtain the knowledge and abilities would be:

**Experience:** Three years of progressively responsible customer services experience with significant responsibility for planning and supervising the work of other employees.

**Education:** High School Diploma or equivalency, supplemented by workshops and professional training relevant to the job duties.

**Certifications:** ~~Must obtain a Notary Public Commission within one year of hire date.~~ None

**Licenses:** None.

Must also successfully complete physical examination ~~and possess a valid California driver's license with a driving record acceptable to the District's insurance underwriter.~~

11. **Physical Demands/Requirements:**

The physical requirements and physical demands placed upon this position are outlined separately. A copy of these requirements is to be attached to this job description.

**CUSTOMER SERVICE SUPERVISOR**  
**JOB DESCRIPTION APPROVAL**

**Department Manager Recommendation:**

Signature: \_\_\_\_\_ D 1--

Date: 5-10-11o-----

**General Manager Approval:**

Signature: \_\_\_\_\_

Date: 10 May 2016\_\_\_\_\_

**Received and Recorded by Human Resources:**

Signature: -----

Date: 1ca \ a. L b LP\_\_\_\_\_

INDIAN WELLS VALLEY WATER DISTRICT  
Essential Function Job Description

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1. **Position Title:** EXECUTIVE ASSISTANT
2. **Employment Classification:** Non-Exempt
3. **Department:** Administration
4. **Reports To:** Chief Financial Officer
5. **Fundamental Objective:** Under the direct supervision of the CFO, performs a variety of highly responsible, confidential and complex clerical, secretarial and administrative duties for the District.
6. **Level of Supervision Required:** Minimal. Direction is provided by the CFO.
7. **Supervisory Responsibilities:** May exercise direct or indirect supervision over other secretarial and clerical positions.
8. **Essential Job Duties and Responsibilities:**
  - A. Perform a wide variety of complex, responsible, administrative and confidential duties for professional and managerial staff.
  - B. Interpret District policies, rules and regulations in response to inquiries and refer inquiries as appropriate.
  - C. Independently respond to letters and general correspondence of a routine nature.
  - D. Make travel arrangements, maintain appointment schedules and calendars, and arrange meetings and conferences.
  - E. May take shorthand and/or transcribe from machine recordings and operate office equipment including computers, etc.
  - F. Type a variety of materials, including general correspondence and memoranda.
  - G. Participate and assist in the administration of major programs, committees, etc.; prepare comprehensive reports, compile annual reports, etc.
  - H. Research, compile and analyze data from special projects and various reports.

- I. Initiate and maintain files and personnel records.
- J. Screen phone calls, visitors, and mail.
- K. May be asked to attend various meetings to take notes and prepare minutes, coordinate meeting schedules, and be responsible to contact appropriate individuals.
- L. Recommend organizational or procedural changes affecting clerical activities.
- M. Assist customer service department on an as needed basis by performing various tasks including but not limited to preparing deposits, processing, payments, opening/closing customer accounts, and posting electronic payments.
- N. Perform related duties as assigned.
- O. Water Waste Reports - Compile and input data to a spreadsheet, send out formal notices of violation, complete High Water Users report, research, compile and analyze information for various water waste reports monthly. Responsible to follow up with any violations issued.
- P. Unanticipated Water Use Claims - Research, compile and calculate data from customer accounts as well as submitted information from customers in order to issue a water waste credit. Responsible to follow up with any claims issued.

Attendance at various meetings, including safety meetings.

All other temporary work assignments which are infrequently assigned, and not covered above, shall be considered non-essential tasks, duties or responsibilities.

**9. Skills and Abilities:**

**A. Knowledge of:**

- 1. English usage, spelling, grammar, and punctuation.
- 2. Modern office methods, procedures and equipment.
- 3. Business letter writing.
- 4. Principles of supervision, training and performance evaluation.

**B. Ability to:**



1. Understand the organization and operation of the District and of outside agencies as necessary to assume assigned responsibilities.
  2. Communicate effectively and courteously, both orally and in writing.
  3. Compose general correspondence and letters.
  4. Work cooperatively with other staff, Board members, and outside agencies.
  5. Interpret and apply administrative and District policies, laws and rules.
  6. Operate and use modern office equipment.
  7. Work independently in the absence of supervision and work under pressure to meet deadlines.
  8. Analyze situations carefully and adopt effective courses of action.
  9. Plan, organize and schedule priorities in the office.
  10. Coordinate and maintain effective working relationships with staff and public.
  11. Supervise, train and evaluate subordinates.
  12. Type at a speed sufficient to complete a high volume of work in a timely and accurate manner.
10. **Minimum Qualifications:** An equivalent combination of experience, education/training may be accepted by the General Manager. A typical way to obtain the knowledge and abilities would be:

**Experience:** Three years of responsible secretarial experience comparable to this job experience is preferred.

**Education:** Equivalent to the completion of the twelfth grade, including or supplemented by special or college level clerical and/or business courses.

**Certifications:** None.

**Licenses:** None.

Must also successfully complete physical examination.

**11. Physical Requirements:**

The physical requirements and the physical demands placed upon this position are outlined separately. A copy of these requirements is to be attached to this job description.

**EXECUTIVE ASSISTANT**  
**JOB DESCRIPTION APPROVAL**

**Department Manager Recommendation:**

Signature: [Signature]

Date: 8, -/t f. - '2..

**General Manager Approval:**

Signature: [Signature]

Date: 6 . 1c; - ? o' - 11

**George Croff**  
GENERAL MANAGER  
r  
WV WATER DISTRICT

**Received and Recorded by Human Resources:**

Signature: [Signature]

Date: 10/21/11

INDIAN WELLS VALLEY WATER DISTRICT  
Essential Function Job Description

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- 1. **Position Title:** HR SPECIALIST/CLERK OF THE BOARD
- 2. **Employment Classification:** Non-Exempt
- 3. **Department:** Administration
- 4. **Reports To:** General Manager
- 5. **Fundamental Objective:** Under the direct supervision of the General Manager, prepares and posts agendas, records meetings, maintains district records, ensures compliance with legal requirements, provides broad administrative support to the Board of Directors and the General Manager, assists in the development of District policies, and provides human resources planning, administration, and support.
- 6. **Level of Supervision Required:** Minimal. Direction is provided by the General Manager.
- 7. **Supervisory Responsibilities:** None.
- 8. **Essential Job Duties and Responsibilities:**
  - A. Prepare and post board meeting agendas and packets, record meeting minutes, and maintain District records.
  - B. Attend and take notes at internal meetings as needed.
  - C. Administer and Track Human Resources compliance, including performance evaluations, disciplinary actions, accident/injury reports (OSHA), Worker’s Compensation Claims, Family and Medical Leave Act, Americans and Disabilities Act, Fair Employment, COBRA, and other relevant requirements.
  - D. Enroll, administer, and process employee benefits.
  - E. Administer employee physicals and drug testing as required by District regulations and policies.
  - F. Respect and maintain the confidential nature of personnel records and events.
  - G. Data base management, data analysis and reporting for management.

- H. Assists in development and interpretation of applicable regulations, policies, procedures, and covenants, and make recommendations to the General Manager.
- I. Assists Board of Directors with compliance of Ethics and Sexual Harassment Training and specific forms as required by the State and County.
- J. Administer various programs including, but not limited, to conservation, public relations, permitting, etc.
- K. Plan and coordinate staff and supplies for public events.
- L. Represent the District at certain meetings as directed by the General Manager.
- M. Prepare reports.
- N. Collect data and information, and conduct and administer surveys.
- O. Make recommendations concerning various administrative policies and duties.
- P. Collect, sort, and distribute incoming mail.
- Q. Perform other duties as assigned.

Attendance at various meetings, including safety meetings.

All other temporary work assignments which are infrequently assigned, and not covered above, shall be considered non-essential tasks, duties or responsibilities.

**9. Skills and Abilities:**

**A. Knowledge of:**

- 1. General knowledge and appreciation of laws, and regulations that relate to Special District governance and to human resources.
- 2. District regulations, policies, practices, and procedures relating to the Board of Directors, District governance and to human resources.
- 3. Principles of organization, administration, budget, and personnel management.
- 4. Modern office methods and equipment, including the District's software and computer equipment used in utility billing.
- 5. Customer and labor relation skills.

**B. Ability to:**

1. Effectively utilize the District's computer and software to administer, track, and report human resource events, and other activities.
2. Communicate effectively and courteously, both orally and in writing, with Board Members, public, and staff.
3. Prepare for Board and Committee meetings independently.
4. Prioritize and complete management projects without close supervision and guidance.
5. Establish and maintain effective working relationships with other District staff.
6. Prepare press releases on various technical and financial issues.
7. Prepare and administer contracts, etc.

10. **Minimum Qualifications:** An equivalent combination of experience, education/training may be accepted by the General Manager. A typical way to obtain the knowledge and abilities would be:

**Experience:** Three years of progressively responsible administrative experience, with significant data management exposure.

**Education:** High school diploma or equivalent required. Additional college courses or business-related training is preferred.

**Certifications:** None.

**Licenses:** None.

Must also successfully complete physical examination ~~and possess a valid California driver's license with a driving record acceptable to the District's insurance underwriter.~~

11. **Physical Requirements:**

The physical requirements and the physical demands placed upon this position are outlined separately. A copy of these requirements is to be attached to this job description.

**ADMINISTRATIVE ASSISTANT**  
**JOB DESCRIPTION APPROVAL**

**Department Manager Recommendation:**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**General Manager Approval:**

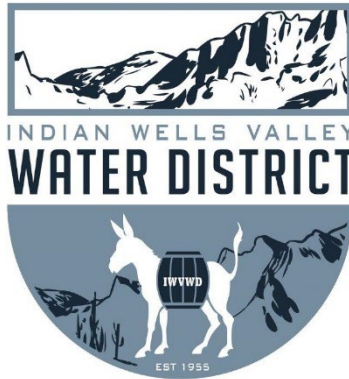
Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Received and Recorded by Human Resources:**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



The Mission of the

## **Indian Wells Valley Water District**

is to deliver the highest quality water at the best possible price while continuing to serve as respectful stewards of the environment.

The Vision of the

## **Indian Wells Valley Water District**

is to provide for self-sustaining water resources now and for generations to come.

**Board of Directors**