

# INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

City of Ridgecrest, Indian Wells Valley Water District, Inyo County, Kern County, San Bernardino County

## BOARD OF DIRECTORS MEETING MINUTES

**Thursday, May 21, 2020; 10:00 a.m.**

### IWVGA Members Present:

Chairman Mick Gleason, Kern County	Don Zdeba, IWVGA General Manager
John Vallejo, Inyo County	Phillip Hall, Legal Counsel
Ron Kicinski, IWVWD	Steve Johnson, Stetson Engineers
Scott Hayman, City of Ridgecrest	Commander Peter Benson, US Navy, DoD Liaison
Thomas Bickauskas, Bureau of Land Management	April Nordenstrom, Clerk of the Board
Bob Page, San Bernardino County	

Attending via teleconference is Bob Page, John Vallejo, Steve Johnson, Commander Peter Benson, Thomas Bickauskas.

Meeting recording and public comment letters submitted are made available at:

<https://iwvga.org/iwvga-meetings/>

### 1. CALL TO ORDER:

The meeting is called to order by Chairman Gleason at 10:00 a.m.

### 2. PUBLIC COMMENT ON CLOSED SESSION:

None.

Chairman Gleason calls the meeting into Closed Session at 10:02 a.m.

### 3. CLOSED SESSION:

- CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(4)) Number of cases: 3 or more: Based on existing facts and circumstances, the Board of Directors, on the advice of legal counsel, is meeting to decide whether, and when, to initiate litigation for failure to properly provide well registration and reporting.
- CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION (Government Code Section 54956.9(d)(2)(e)(1)) Number of cases: One (1) Significant exposure to litigation in the opinion of the Board of Directors on the advice of legal counsel, based on: Facts and circumstances that might result in litigation against the IWVGA but which are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed.

### 4. OPEN SESSION:

Meeting was reconvened into open session at 11:00 a.m.

#### a. Report on Closed Session:

Counsel Hall reports that no action was taken which would require disclosure under the Brown Act.

#### b. The Pledge of Allegiance is led by Vice Chair Hayman

#### c. April Nordenstrom calls the following roll call:

Director Vallejo	Present
Director Kicinski	Present
Chairman Gleason	Present
Director Page	Present
Vice Chair Hayman	Present

**5. PUBLIC COMMENT:**

None.

**6. CONSENT AGENDA:**

- a. Approve Minutes of Board Meeting April 16, 2020
- b. Approval of Resolution No. 04-20 Appointing Steven Kourakos as TAC representative for Searles Valley Minerals (SVM).
- c. Approve Expenditures
  - i. \$2,242.50 - RWG Law
  - ii. \$224,563.05 - Stetson Engineers (March & April)
  - iii. \$6,710.00 - Capitol Core Group
  - iv. \$3,800.00 – Brown Armstrong
  - v. \$1,260.00 – WellIntel Inc.

The Board hears public comment from Camille Anderson of SVM and Judie Decker.

Director Kicinski asks for the Stetson invoice to be pulled for further discussion.

Motion made by Scott Hayman and seconded by Ron Kicinski to approve Minutes of Board Meeting April 16, 2020, Resolution No. 04-20 and the following expenditures in the amount of \$2,242.50 to RWG Law, \$6,710.00 to Capitol Core Group, \$3,800.00 to Brown Armstrong and \$1,260.00 to WellIntel Inc. Motion unanimously carries by the following roll call vote:

Director Vallejo	Aye
Director Kicinski	Aye
Chairman Gleason	Aye
Vice Chair Hayman	Aye
Director Page	Aye

Director Kicinski asks where the approval of Stetson expenditures is coming from and if all the tasks performed were crucial to the GA at this time. Kicinski expresses concern for the increase in costs due to the current financial situation. Steve Johnson responds that tasks listed in the invoices are budgeted items. Johnson further states that Stetson does provide a quarterly report, offering a more in depth look into these tasks.

Counsel Hall assures Director Kicinski that the tasks were not only crucial but that the work load in the past couple months has been very significant.

Chairman Gleason questions the possibility of changing Stetson's quarterly financial report to a monthly financial report. Don Zdeba and Steve Johnson agree to explore options.

Motion made by Ron Kicinski and seconded by Scott Hayman to approve the Stetson expenditure in the amount of \$224,563.05. Motion unanimously carries by the following roll call vote:

Director Vallejo	Aye
Director Kicinski	Aye
Chairman Gleason	Aye
Vice Chair Hayman	Aye
Director Page	Aye

**7. REQUEST FOR RECONSIDERATION – GROUNDWATER SUSTAINABILITY REPORT TO UNITED STATES NAVY:**

Don Zdeba provides a staff report on the Groundwater Sustainability Report (documents made available on the IWVGA website). At the January IWVGA meeting, Capitol Core Group (CCG) gained approval to move forward with the Groundwater Sustainability Report, with the understanding

that any mention of potential sources of imported water need be removed. Michael McKinney of CCG states that the request for reconsideration is due to the Department of Navy demanding additional information on the interconnection projects being considered by the IWVGA. Therefore, in order to move forward the potential projects with Los Angeles Department of Water and Power (LADWP) and Antelope Valley East Kern (AVEK) need to be added back into the Report.

Vice Chair Hayman clarifies if the Report must be narrowed down to one project. McKinney responds that both the LADWP and AVEK projects can be included.

Director Kicinski commends CCG's work and agrees that both projects must be mentioned in the Report to provide full transparency to the Navy by reflecting what is in our Groundwater Sustainability Plan (GSP). Kicinski questions whether the water banking project with LADWP should be included. McKinney confirms that the banking project is of interest to the Navy and recommends including it in the Report.

Commander Benson asserts that the Navy has not committed to funding any projects at this time.

Chairman Gleason acknowledges the efforts needed by members of the IWVGA to convince the Navy that our agency needs their support.

Director Vallejo questions McKinney concerning policy statements made in May of 2019 by LADWP asserting LADWP has no interest in wheeling or exchanging water with the IWVGA but may consider a banking project. Jeff Simonetti of CCG responds that LADWP and AVEK are waiting on the IWVGA to identify a preferred transfer partner before engaging in further project discussion; both are aware of the challenges that lie ahead. Simonetti further explains that because both projects are mentioned in the GSP, the Navy prefers that reflect in the Report as well. Vallejo states that if transparency is our goal, pushing for an exchange project with LADWP who has no interest in that project, is misleading to the Navy and not achieving said transparency. Vallejo also asserts that the LADWP project is short sighted for the IWV constituents, and that the AVEK project is a better project for the basin's future. Vallejo requests that any information provided to the Navy include the fact that the exchange project identified in the GSP lacks any support from LADWP.

Director Page questions what comes first, acquiring supplemental water or identifying the partner. Counsel Hall states that we need to identify the source of water then plan the infrastructure to bring it here.

The Board hears public comment from Camille Anderson of SVM.

Motion made by Scott Hayman and seconded by Ron Kicinski to approve the Request for Reconsideration for the Groundwater Sustainability Report to reference potential water banking and interconnection projects with LADWP and AVEK." Motion carries by the following roll call vote.

Director Vallejo	Nay
Director Kicinski	Aye
Chairman Gleason	Aye
Vice Chair Hayman	Aye
Director Page	Nay

#### **8. DISCUSSION ON INDEPENDENT IWVGA GENERAL MANAGER**

Don Zdeba provides a staff report and job description for an independent IWVGA General Manager (GM) position (documents made available on the IWVGA website). With authorization from the Board, Staff will start recruitment in June with a final recommendation being presented to the Board in August.

Director Kicinski wants to see this happen as soon as possible to relieve this workload from the Water District but expresses concern for finances. He asks staff to look into a firm as well as an independent GM. If possible, he would like to keep the hiring process local. Kicinski questions whether the GM position will take over all administrative work including clerk and financial duties. Zdeba confirms the GM will handle all administrative

tasks currently provided through in-kind services.

Director Vallejo questions if staff will be leaving the salary range open, as this may have a significant impact on the recruitment effort. Zdeba states that at this time the salary is \$150,000, but staff is looking into all options. Director Page identifies edits needed to be made for tasks listed in the GM job description. Zdeba acknowledges edits and will review the responsibilities with staff.

Chairman Gleason agrees the GA needs to be financially stable moving forward with a GM. Gleason does not want to limit the hiring process to local only.

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

Motion made by Ron Kicinski and seconded by Scott Hayman directing staff to move forward with the process of hiring a General Manager or firm to assume all administrative tasks for the IWVGA. Motion unanimously carries by the following roll call vote.

Director Vallejo	Aye
Director Kicinski	Aye
Chairman Gleason	Aye
Vice Chair Hayman	Aye
Director Page	Aye

#### 9. WATER RESOURCES MANAGER REPORT:

Steve Johnson provides updates on the following grants/programs; (presentations made available on the IWVGA website). Johnson identifies a list of key dates which can be found on the IWVGA website.

##### a. Report on Proposition 1 Grant Status

Invoice #3, covering the months of April 2019 – June 2019 has been approved by Department of Water Resources (DWR). Total payment after retention is \$186,185.71. Invoice #4, covering the months of July 2019 – September 2019 has been approved by DWR. Total payment after retention is \$90,978.92. Invoice #5, covering the months of October 2019 – December 2019 has been approved by DWR. Total payment after retention is \$61,603.54. Invoice #6, covering the months of January 2020 – March 2020 is being prepared for submission to DWR by the end of the week.

##### b. Severely Disadvantaged Communities (SDAC) Program

The Prop 1 grant extension approved a SDAC deadline for June 2021. Given the number of tasks needing to be completed under this program, Johnson is seeking direction from the Board. The SDAC is fully funded through the State, however the GA must pay for all costs up front and await reimbursement. Zdeba states that if the Board chooses to go forward with the SDAC, based on the \$30 per acre foot pump fee, the GA will have an ending balance of -\$92,326 for the year 2020. Should they choose to forgo this program the 2020 ending balance will be -\$433,619.

##### c. Proposition 68 Grant Status

IWVGA awarded \$330,000 with \$300,000 of that immediately available. The remaining \$30,000 is subject to availability of funds. Grant agreement fully executed on May 4.

##### d. Groundwater Pumping Verification

Groundwater Extraction Questionnaire was sent to Non de minimis pumpers both registered and suspected within the Indian Wells Valley Basin. The questionnaire was to be submitted to the WRM by March 1, 2020. As of May 18, Stetson has received 32 responses. Those who did not submit the questionnaire will not receive a pumping report. Draft Reports anticipated to be released to pumpers on May 27.

##### e. Groundwater Sustainability Plan (GSP) Annual Report

First GSP Annual Report was due to DWR by April 1, 2020, covering water year 2018-2019. Stetson requested a deadline extension to the end of April, which was approved by DWR. The contents of that

report include progress towards GSP implementation and groundwater elevation, storage and supply data. Report is currently under staff review. Projected submission to DWR by end of week.

- f. **Reporting Requirements for New Pumpers within the Indian Wells Valley Basin**  
IWVGA Staff will coordinate with the counties of Kern, San Bernardino, and Inyo to ensure the Authority is notified of all new well permits issued within the Basin. Authority Staff will review all new Well Registration Forms (WRF) submitted by both new and current residents in the Basin to verify the required information has been submitted.
- g. **Transient Pool/ Fallowing Program Draft Report**  
Both draft Reports are currently under Legal review. Reports are expected to be released for review at the June meeting.
- h. **Coso Royalty Funding**  
List of potential projects identified by IWVGA Staff and Navy Representatives. A conference call took place days before the meeting that reduced the list to the following two projects; Project 3: Rose Valley Exploratory Well Installation and Project 4: Controlled Source Audio Magnetic Telluric Geophysical Investigation (CSAMT). Details need to be provided to Commander Benson by end of next week.
- i. **Schedule**  
Johnson reviews the dates provided on the draft schedule. Counsel Hall clarifies the GSP notes the August 1 date for the Ag Fallowing Program but if needed, the date can change to accommodate the current Covid-19 Pandemic.

Chairman Gleason commends the selection process made for the Coso Royalty Funding projects list.

The Board hears public comment from Judie Decker, Camille Anderson of SVM, Mike Neel, Elaine Mead, Renee Westa-Lusk and Marilyn Neel.

## **10. GENERAL MANAGER'S REPORT:**

- a. **Monthly Financial Report**  
Don Zdeba provides a report on IWVGA finances (made available on the IWVGA website). The current account balance of \$108,180.00 will cover the costs of invoices listed under the Consent Agenda excluding Stetson. Invoice #4 and #5 are currently under review with DWR, with a projected payout of \$152,582.46. Zdeba states that once those grants are received, they will be used to pay the previously deferred Stetson invoices. The Prop 1 grant holds a remaining balance of \$1,005,566.58; \$646,000.00 reserved for the SDAC.
- b. **Delinquent Accounts**  
Zdeba states April Nordenstrom, Clerk of the Board, created a list of the registered Non de minimis pumpers whose account is in a delinquent status. Once the list was reviewed by staff Nordenstrom reached out to those pumpers in an effort to obtain the missing data and payments. Some accounts have been resolved. Contact will be made once again to those still in delinquent status.
- c. **Report on IWVGA's Water Marketer (Capitol Core Group)**  
Zdeba summarizes the project update memorandum provided by CCG (documents made available on the IWVGA website). McKinney is requesting direction from the Board regarding the Defense Community Infrastructure Program (DCIP). He suggests not commenting on what has been published. McKinney further requests Chairman Gleason's signature on a Letter of Support for America's Water Infrastructure Act of 2020 (S. 3591) and the Drinking Water Infrastructure Act of 2020 (S. 3590) (document made available on the IWVGA website). McKinney informs the Board of an opportunity to create complex Public Private Partnership Programs for infrastructure, delivery, and finance. This program allows for loans and private financing in advance public private partnerships.

McKinney states they are looking for Board direction as to whether they would like CCG to engage, monitor or disregard any opportunity to form this type of arrangement.

- d. Well Registration Update
  - Non de minimis – 116 (among 56 pumpers)
  - De minimis – 120

Director Kicinski agrees with signing and submitting the letter of support and further agrees with no comment regarding DCIP at this time. Kicinski states they need to keep a closer eye on finances to ensure the costs are just and controlled.

Vice Chair Hayman questions if there is a time constraint on the Public Private Partnership Program and if CCG feels the Board should proceed. McKinney states this is not time critical and suggests monitoring at this time.

The Board hears public comment from Renee Westa-Lusk.

**11. CLOSING COMMENTS :**

Director Vallejo wishes everyone well.

Director Kicinski thanks City IT as well as the public.

Vice Chair Hayman applauds the work done by City IT to repair the damage resulting from the power outage the previous day in time for the IWVGA to hold the meeting.

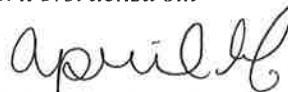
**12. DATE AND TIME OF NEXT MEETING** – June 18, 2020; 10:00 a.m.

**13. ADJOURN:**

Chairman Gleason adjourned the meeting at 1:36 p.m.

Respectfully submitted,

*April Nordenstrom*



Clerk of the Board

Indian Wells Valley Groundwater Authority