

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, November 21; 10:00 a.m.

IWVGA Members Present:

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

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 Kicinski at 10:00 a.m.

2. PUBLIC COMMENTS ON CLOSED SESSION:

None.

Chairman Kicinski calls the meeting into Closed Session at 10:00 a.m.

3. CLOSED SESSION:

- 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 11:09 a.m.

a. Report on Closed Session:

Jim Worth reported that no action was taken which would require disclosure under the Brown Act.

b. The Pledge of Allegiance is led by John Kersey.

c. April Nordenstrom calls the following roll call:

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

5. PUBLIC COMMENTS:

The Board hears public comments from Judie Decker, and Tom Browne of Lahontan Water Board.

6. CONSENT AGENDA:

- a. Approve Minutes of Board Meeting October 17, 2019
- b. Approve Expenditures
 - i. \$94,090.01 - Stetson Engineers
 - ii. \$373.50 - City of Ridgecrest (unbudgeted)
 - iii. \$12,862.50 - Capitol Core Group
 - iv. \$1,200.00 – Sun Outdoor Reimbursement to IWVWD

Motion made by Mick Gleason and seconded by Scott Hayman to approve Minutes of Board Meeting October 17, 2019, and the following expenditures in the amount of \$94,090.01 to Stetson Engineers, \$373.50 to City of Ridgecrest, \$12,862.50 to Capitol Core Group, \$1,200.00 to Sun Outdoor. Motion unanimously carries by the following vote: (Ayes: Gleason, Hayman, Kicinski, Page, Vallejo. Nays: None. Abstain: None.)

7. UPDATE ON IWVGA FINANCES:

- a. Monthly Financial Report:

Don Zdeba provides the monthly financial report (made available on the IWVGA website). He states the current account balance of \$119,983.00 permits payment to the expenditures listed above, leaving a balance of \$11,457.00. The Stetson invoice of \$102,654.54 will once more be deferred.
- b. Draft Cost Structure for Independent IWVGA Administration:

Don Zdeba states that staff was tasked with completing a proposed IWVGA Administration Budget (made available on the IWVGA website). Costs were calculated with an assumed staff of 3 and a 15% contingency. Items 1-9 were developed by Indian Wells Valley Water District (IWVWD) staff; remainder were completed by Stetson Engineering.

Director Hayman questions whether the balance provided includes a reserve or if a reserve exists, and if the budget includes legal challenges. Zdeba replies, there are no reserves included or available, and line item 8.b, provided by Jim Markman, covers legal fees.

Director Vallejo raises concerns with staff's choice of California Public Employees' Retirement System (CalPERS) for the retirement plan, as there are cheaper plans available. He further questions if the Following Program contains any overlap with the Dust Control Mitigation Program. Steve Johnson confirms they are separate costs. Vallejo questions the costs needed for line item 10.x.c, Meeting and Preparation (Engineering Support), and line item 10.x.3, Technical Reports. Johnson explains the cost for 10.x.c will cover any prep work and/or attendance at IWVGA, Policy Advisory Committee (PAC), and Technical Advisory Committee (TAC) meetings. Johnson further explains the cost for line item 10.x.3 will fund time spent evaluating the pumping documentation submitted by each non de minimis pumper for the allocation process, which will be a one-time expenditure to IWVGA. Vallejo suggests staff investigate the cost of hiring a part time IWVGA Administrative Assistant, employed through the Water District, to handle IWVGA work.

Chairman Kicinski recommends that IWVGA continue operating on in-kind services, due to the high costs of having an independent administration. Kicinski confirms with Steve Johnson that the expenses provided are based on worst case assumptions and include any potential tasks to ensure there are minimal unbudgeted items.

Vice Chair Gleason expresses a sense of urgency in establishing an IWVGA Administration, most importantly a General Manager, due to the conflict of interest Don Zdeba faces as the manager of both the IWVGA and the IWVWD. He further extends county assistance in providing an office space and cell phones for IWVGA Administration.

The Board hears public comment from Alan Christensen, Stan Rajtora, Donna Hocker, Judie Decker, and Derek Hoffman.

8. BOARD REVIEW AND APPROVAL OF 2020 IWVGA BUDGET:

Don Zdeba presents the four different Pro-Forma Scenarios (made available on the IWVGA website). He clarifies none of these scenarios include the \$210,000 reimbursement to the City for legal work and use of facilities that went into forming the Joint Powers Agreement (JPA), the \$500,000 credit due to the IWVWD, or the \$500,000 reimbursement owed to Kern County. Staff suggests the \$75 per acre foot scenario, which will take effect in April 2020, and reflects a positive balance of \$54,086.00 by September 2020.

Vice Chair Gleason emphasizes that there will be several fees associated with groundwater and does not agree with raising a pump fee to people using less water.

Chairman Kicinski points out that by not raising the pump fee, and pushing this negative budget into the year 2021, pumpers may be paying multiple fees at once due to other costs going forward. Kicinski further raises concerns with being able to pay for the Severely Disadvantaged Communities (SDAC) Program.

Director Vallejo questions if the PAC has looked at fees at any point. PAC Chair David Janiec responds that any pump fees discussed at the PAC meetings were when the \$30 fee was put in place. Vallejo suggests moving forward with the process of adopting an ordinance, without making any final decisions on a set dollar amount regarding the increased pump fee. Board members agree.

Director Page comments that it has been made clear this budget has been structured as such to pay off the GSP, and further questions when staff will present a budget that will better reflect the cost of operations. Zdeba responds that a more structured budget will be made available once the GSP is in place and there is a clear picture of where the IWVGA will focus future projects and funding. Page inquires as to when any future fees may be put in place. Keith Lemieux responds that new fees will start as early as July 2020.

The Board hears public comment from Mike Neel, Josh Nugent, Judie Decker, Stan Rajtora, Tom Browne, Camille Anderson, Elaine Mead, Derek Hoffman, Anita Imsand, and Claudia Ethun.

9. PRESENTATION ON POSSIBLE POST-GSP FEES:

Keith Lemieux gives a presentation on possible post-GSP fees (presentation made available on the IWVGA website).

Chairman Kicinski asks staff and legal counsel to produce a more concrete report of costs for certain projects and how those projects benefit those paying the fees.

Vice Chair Gleason asks for proposals of each potential post-GSP fee.

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

10. RESOLUTION NO. 08-19:

Motion made by Bob Page and seconded by Mick Gleason to approve Resolution NO. 08-19 – Approval of an agreement with Brown Armstrong to conduct a financial audit of the Authority. Motion unanimously carries by the following vote: (Ayes: Gleason, Hayman, Kicinski, Page, Vallejo. Nays: None. Abstain: None.)

The Board hears public comment from Renee Westa-Lusk.

11. WATER REOURCES MANAGER REPORT:

Steve Johnson provides updates on the following grants/programs; (presentations made available on the IWVGA website)

- a. Report on Proposition 1 Grant Status:
Payment of Invoice #2 has been received in the amount of \$352,055.21. Invoice #3 has been submitted to Department of Water Resources (DWR) for a total of \$137,405.47 and covers the months of April 2019 – June 2019. Invoice #4 is in progress.
- b. Severely Disadvantaged Communities (SDAC) Programs Update:
Agreement extension has been tentatively approved through April 2021. SDAC programs will be on hold until a formal written extension has been received.
- c. Groundwater Sustainability Plan (GSP):
Draft GSP was released to PAC/TAC and public on November 4th. Stetson is currently reviewing comments submitted by staff and public. Board to consider adoption on January 16th, 2020 with a submission to DWR on January 24th, 2020. Public workshop to review GSP has been set for Thursday December 12th, 2019; 6:00 PM at the Kerr McGee Center.
- d. Proposition 68 Grant Status Update:
Application was submitted to DWR on November 14th. Grant funding requested was \$753,900 and would be awarded sometime in March 2020.

Jim Worth reads the following statement provided by Jim Markman, to clarify any confusion of a comment he made at the joint PAC/TAC meeting;

“At the recent joint TAC-PAC meeting, I responded to a question as to whether the plan was enforceable during the course of the DWR review of the plan. Such enforcement presumably would be seeking civil remedies from the Court. My response was that I was not comfortable that the statute clearly provides for immediate enforcement while DWR review is pending. I did not state an opinion that immediate enforcement was not available to the GSA and only intended to note the ability to enforce was not legally certain. I understand that information previously received from DWR staff was that DWR would not include review or enforcement of pumping allocations, but only will concern the viability of the attainment of sustainability. I also understand that written confirmation of that DWR understanding of its SGMA role may be provided. In any event, the decision to enforce the adopted Plan and when to enforce it remains at the discretion of the GSA Board and the Board will continue to be offered legal input to consider when making such a decision.”

-Jim Markman of RWG Law

The Board hears public comment from Judie Decker, Renee Westa-Lusk, Carol Vaughn, and Sarah Ziegers.

12. UPDATE ON OUTREACH EFFORTS:

Don Zdeba states, the Indian Wells Valley Water District booth, at the Petroglyph Festival, received several questions regarding the IWVGA.

13. BOARD QUESTIONS REGARDING POLICY ADVISORY COMMITTEE (PAC) AND TECHNICAL ADVISORY COMMITTEE (TAC) REPORTS:

David Janiec, PAC Chair, confirms with the Board, the next committee meetings will take place in January 2020 regarding the possible raised pump fee. Janiec suggests a summary of the GSP be provided at the December 12th Public Workshop, offering a more simplified explanation of all the GSP encompasses. Adam Bingham, TAC Chair, shares news of TAC Member, Earl Wilson’s recent health concerns. Adam sends well wishes for a swift recovery.

14. GENERAL MANAGER'S REPORT:

- a. Report on IWVGA's Water Marketer (Capitol Core Group)
Don Zdeba provides an update on the work being done by Capitol Core Group. All work has been stopped besides that related to the Defense Community Infrastructure Program (CCG Report made available on the IWVGA website).
- b. Well Registration Update:
Non-De Minimis: 4
De Minimis: 80

Vice Chair Gleason asks Don Zdeba how many unregistered wells are believed to be in the Valley. Zdeba states there are approximately 900 total in the Indian Wells Valley and only 107 of those are paying the pump fee and 80 are de minimis. That being said, there are roughly 700 unregistered wells.

15. CLOSING COMMENTS:

Director Vallejo shares well wishes for Earl Wilson's speedy recovery and asks for any contact information for his immediate family. Vallejo thanks PAC/TAC members, and staff for all their hard work, and further expresses gratitude for all the comments received for the GSP.

Chairman Kicinski thanks the public for their patience during the meeting and further extends his well wishes for Earl Wilson.

16. DATE AND TIME OF NEXT MEETING – December 19, 2019; 10:00 a.m.

17. ADJOURN:

Chairman Kicinski adjourned the meeting at 2:18 p.m.

Respectfully submitted,

April Nordenstrom



Executive Secretary
Indian Wells Valley Water District