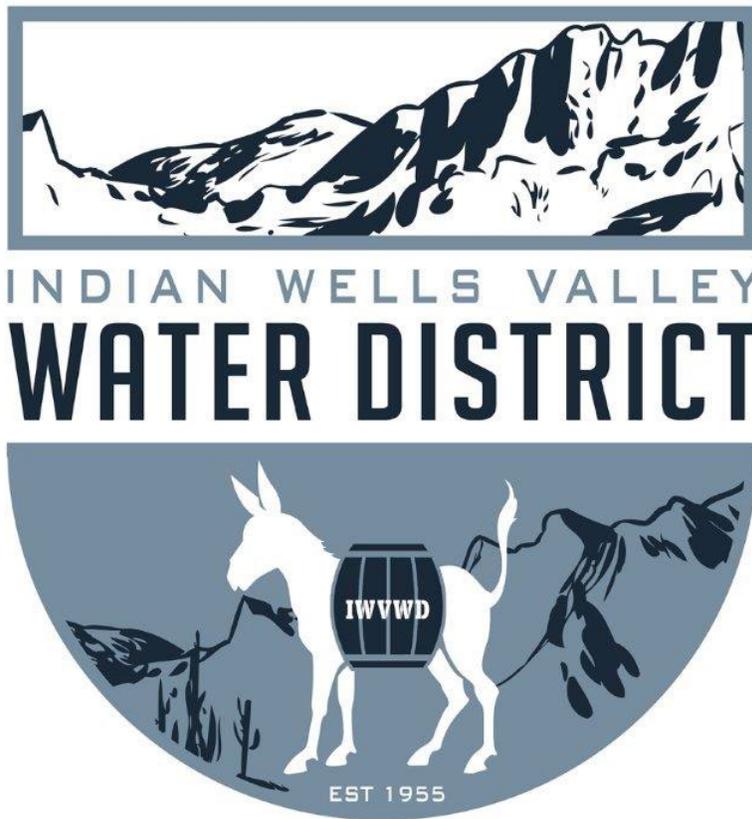


INDIAN WELLS VALLEY WATER DISTRICT

Board of Directors Meeting



May 13, 2024



INDIAN WELLS VALLEY WATER DISTRICT



BOARD OF DIRECTORS

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

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

2024 COMMITTEE ASSIGNMENTS

ADMINISTRATION/EXECUTIVE COMMITTEE (KICINSKI/SAINT-AMAND)

Personnel, Legal Matters, General Plan, Community Relations, Board Meeting Agendas, Ordinances, Rules, Regulations, Policies, Procedures, Customer Service, Variances, Director’s Manual, etc.

FINANCE COMMITTEE (KICINSKI/SAINT-AMAND)

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/RAJTORA)

Transmission/Distribution System, Vehicles & Equipment, Wells, Reservoirs, Real Property Management, Telemetry, etc.

WATER MANAGEMENT (BOYD/GRIFFIN)

Groundwater Sustainability Act, Indian Wells Valley Groundwater Authority, Water Management, Water Policy, Water Quality, Conservation, Urban Water Management Plan, California Urban Water Conservation Council, Title 22 Compliance, Alternative sources for water supply including Blending, Importation, Reuse, etc.

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

Administration/Executive
Finance
Plant & Equipment
Water Management

Wednesday before the Board Meeting at 2:00 p.m.
Tuesday before the Board Meeting at 2:30 p.m.
Tuesday before the Board Meeting at 2:00 p.m.
Wednesday before the Board Meeting at 3:00 p.m..

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

REGULAR BOARD MEETING

AGENDA

MONDAY, MAY 13, 2024
CLOSED SESSION - 4:30 P.M.
OPEN SESSION - 6:00 P.M.

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

All District meetings are streamed live through Zoom

Join Zoom Meeting at: https://zoom.us/j/9649549487 Meeting ID: 964 954 9487	One tap mobile: 669-900-9128, 9649549487# US (San Jose) 669-444-9171, 9649549487# US Dial by your location: 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
2 Matters
(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))

- 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 and address for the record.)

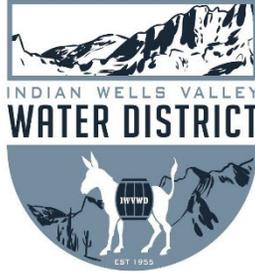
- 9. Current Business/Committee Reports
 - A. Consent Calendar
Description: Approval of Board Meeting Minutes and Accounts Payable Disbursements.
 - 1. Approval of Minutes:
 - i. April 8, 2024, Regular Board Meeting
 - 2. Approval of Accounts Payable Disbursements

 - B. Finance Committee
 - 1. Auditor Contract
Description: Discuss 5-year Auditor Contract with C.J Brown & Company for yearly financial audits.
Committee Recommends the Following:

 - C. Indian Wells Valley Groundwater Authority
Description: Report and discussion regarding the April 10, 2024, 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 May 15, 2024.

 - D. Comprehensive Adjudication
Description: Report and discussion regarding the status of the Comprehensive Adjudication.

- E. 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. Public Outreach
Description: Public Outreach Report.
 3. State Regulatory Updates
Description: Updates on State regulatory changes, including:
 - ✓ Assembly Bill (AB) 1668 and Senate Bill (SB) 606
 4. January 12, 2024, Special Board Workshop
Description: Updates on the items below assigned at the January 12, 2024, Special Board Workshop:
 - ✓ Updated costs and plans for Wastewater Project
 - ✓ Follow up with LADWP on capturing water overflow
 - ✓ Project Priority List Based on FY 24 Funding
 5. NW Transmission Pipeline
Description: Update on this Project.
 6. Dune 3 and Hometown Water Consolidations update
Description: Update on these Projects.
 7. Financial Status
Description: Report on the District's current financial status.
 8. Conservation
Description: Update on the Conservation Program and discussion on water conservation related items.
 9. Arsenic Treatment Facilities
Description: Staff will update the Board on maintenance issues and production.
 10. Operations
Description: Staff report on operations.
10. Board Comments/Future Agenda Items
11. Adjournment



Committee Reports

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

PLANT AND EQUIPMENT COMMITTEE
SPECIAL MEETING

REPORT

TUESDAY, APRIL 30, 2024 – 2:00 PM
BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

Attendees: Mallory Boyd, George Croll, Jason Lillion and Renee Morquecho.

1. Call to Order

The meeting was called to order at 2:02 pm.

2. Committee/Public Comments

None.

3. NW Transmission Pipeline Replacement Project: Update

Staff is reviewing submittals by the contractor Nicholas Construction. Once all items are approved and ordered, the contractor will have a better idea of when mobilization can take place and a preconstruction meeting will be scheduled.

4. Dune 3 and Hometown Water Consolidations: Update

Since the District agreed to move forward with both these consolidations, the State Water Resources Control Board has issued preliminary award letters for both projects on April 18th. The District has until May 18th to supply the required documents. Once that is completed, grant agreements will be prepared for both projects.

5. Arsenic Treatment Facilities: Update

Staff is preparing Plant 2 with two vessels to run to the system this week. This will allow the use of one well. Filtronics has received the media today and will have all of it shipped to the District by the end of next week. Staff has not heard back from PureFlow on the delivery of their media.

6. Future Agenda Items

- Transmission pipeline(s) inspection
- La Mirage area infrastructure (grant funding?)

- Springer Ave pipeline schedule
- Imported pipeline infrastructure upgrades

7. Adjournment

The meeting was adjourned at 2:07pm.

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FINANCE COMMITTEE
SPECIAL MEETING

REPORT

TUESDAY APRIL 30, 2024 – 2:30 PM
BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

ATTENDEES: David Saint-Amand, Ron Kicinski, George Croll, Jason Lillion, and Renee Morquecho

1. Call to Order

The Finance Committee Meeting was called to order at 2:30 pm.

2. Committee/Public Comments

None.

3. Fraud Risk Discussion

Description: Discuss potential or actual fraud risks within the organization.

None to report.

4. Auditor Contract

Description: Discuss 5-year Auditor Contract with CJ Brown & Company for yearly financial audits.

Board reviewed contract presented by staff. Contract rates were competitive with similar services from other agencies, and the Board has been satisfied with the results of previous audits from CJ Brown & Company.

Committee recommends approval.

5. GA Imported Water Costs

Description: Discuss imported water costs and potential impact to customers' bills

Staff continues develop an accurate cost matrix inclusive of all associated costs to estimate impacts on customers.

Staff has been working with Clean Energy Capital and Kreiger & Stewart to develop the costs associated with the proposed pipeline design. Initial draft of the cost matrix to be presented at the June Board meeting.

6. Financial Statements April 30, 2024 (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 April 30, 2024, are \$12,284,795 and expenses are \$13,372,361, therefore expenditures exceeded revenues by \$1,087,565, which is over budget by \$92,783.

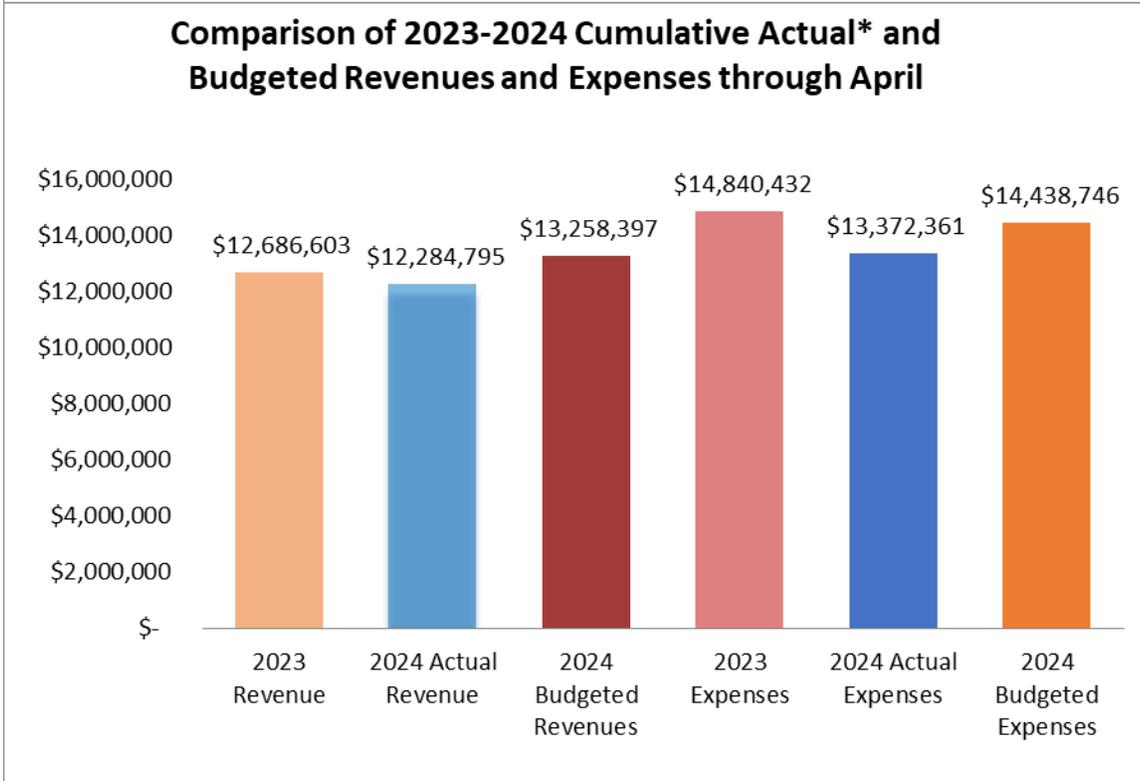
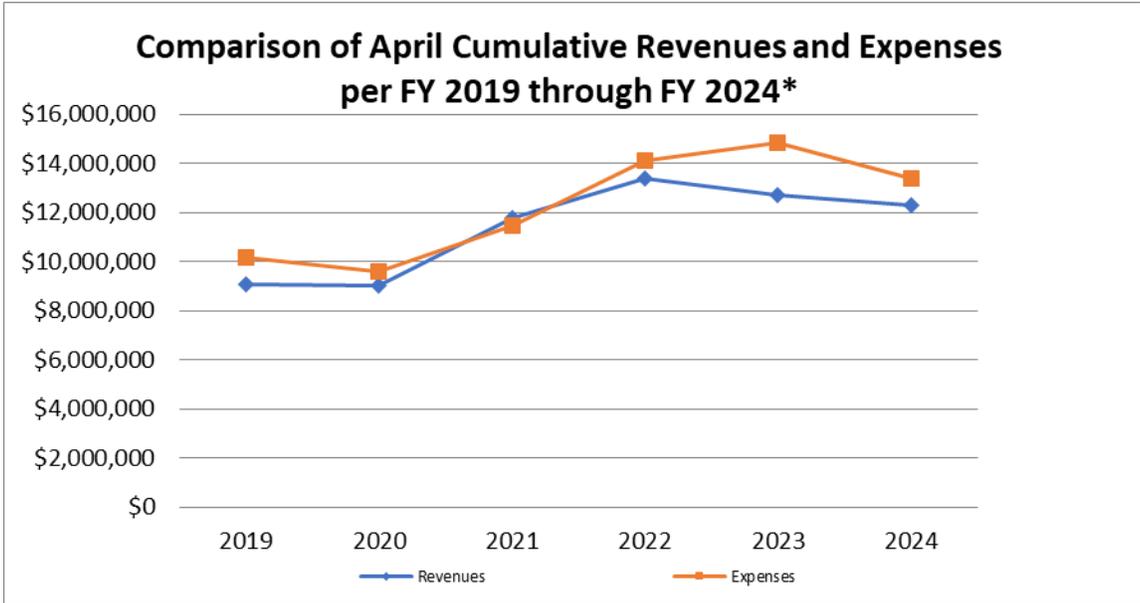
To date, the District has paid the Groundwater Authority \$13,809,906 in fees.

Staff presented the following spreadsheet, which compares April year-to-date actual to budgeted revenues and expenses by category:

**Indian Wells Valley Water District
 Revenues vs. Expense
 Actuals & Budget through April 2024 (Preliminary)**

	Budget	Actuals	Δ
Revenues			
Total Water Sales	9,608,544	9,425,929	-182,615
GSA Fees	3,008,480	2,046,950	-961,530
Total Water Service Revenue	293,014	343,019	50,005
Total Non-Operating Income	213,973	192,312	-21,661
Capital Contributions	134,386	276,585	142,199
Total Revenues	13,258,397	12,284,795	-973,602
Expenses			
Water Supply	991,731	1,155,460	163,730
Arsenic Treatment Plants	338,574	190,050	-148,524
Transmission & Distribution	1,688,939	1,312,736	-376,203
Engineering	406,698	421,518	14,820
Customer Service	397,036	281,621	-115,415
Field Services	423,524	446,389	22,864
General & Administration	2,132,315	2,016,473	-115,842
Legal	655,040	1,093,920	438,880
Legislative	78,441	70,974	-7,467
Depreciation	2,750,000	2,750,000	0
Non-Operating, Interest	1,028,424	1,093,504	65,080
Non-Operating, Miscellaneous	221,076	400,820	179,744
GSA Fees	3,223,616	2,050,174	-1,173,441
Non-Operating, Conservation	28,003	29,252	1,250
Non-Operating, Alternate Water	75,330	59,469	-15,860
Total Expenses	14,438,746	13,372,361	-1,066,385
Net Revenue Increase (Decrease)	-1,180,349	-1,087,565	92,783
Capital Expenditures		2,139,395	
Debt Service Principle		926,386	

Total GSA Extraction Fee Paid	2,553,858
Total GSA Replenishment Fee Paid	<u>11,256,048</u>
	13,809,906



*Actual Revenues and Expenses are Estimated

7. Accounts Payable Disbursements

Description: Presentation to Committee of Accounts Payable Disbursements reports for Board approval.

The Committee recommended approval of accounts payable disbursements totaling \$652,218.19 as follows:

Checks through:	<u>4/11/24</u>	<u>4/25/24</u>
Prepaid	\$ 59,251.04	\$ 51,610.72
Current	<u>401,966.79</u>	<u>139,389.64</u>
Total	<u>\$ 461,217.83</u>	<u>\$ 191,000.36</u>

8. Future Agenda Items

None

9. Adjournment

The Committee adjourned at 2:41 pm.

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

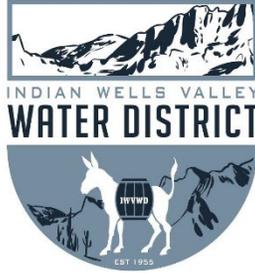
ADMINISTRATION/EXECUTIVE COMMITTEE
SPECIAL MEETING MINUTES

WEDNESDAY, MAY 1, 2024 – 2:00 P.M.

BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

Attendees: Ron Kicinski, David Saint-Amand, George Croll, Renee Morquecho, and Jason Lillion

- 1. Call to Order**
The meeting was called to order at 2:02 p.m.
- 2. Committee/Public Comments**
None.
- 3. Draft Agenda for the Regular Board Meeting of May 13, 2024**
The Committee reviewed the agenda and made no changes. The Committee discussed the need to hold a Special Meeting for a Closed Session presentation.
- 4. Future Agenda Items**
None.
- 5. Adjournment**
The meeting adjourned at 2:10 p.m.



Approval of Minutes

MINUTES OF THE REGULAR BOARD MEETING

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

APRIL 8, 2024

The Regular Meeting of the Board of Directors of the Indian Wells Valley Water District was called to order by Vice 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: Vice President David C.H. Saint-Amand
Director Mallory J. Boyd
Director Charles D. Griffin
Director Stan G. Rajtora **ROLL CALL**

DIRECTORS ABSENT: President Ronald R. Kicinski

STAFF PRESENT: George Croll, General Manager
Jim Worth, Attorney
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 Regular Board Meeting was posted on Thursday, April 4, 2024.

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

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

With no further Board or Public comments, Vice 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 4:35 p.m.

Closed Session was adjourned at 6:05 p.m.

The meeting was reconvened to Open Session at 6:09 p.m.

No action was taken that requires disclosure under the Brown Act.

PUBLIC QUESTIONS AND COMMENTS

None.

**PUBLIC
COMMENTS**

CONSENT CALENDAR

MOTION: was made by Vice President Saint-Amand and seconded by Director Rajtora approving the Minutes of the March 11, 2024, Regular Board Meeting, and Payment of Accounts Payable totaling \$1,012,189.97. Motion was carried, unanimously. (Ayes: Boyd, Griffin, Rajtora, Saint-Amand. Nays: None. Absent: Kicinski.)

**CONSENT
CALENDAR**

ADMINISTRATION EXECUTIVE COMMITTEE

The Board reviewed the draft sick leave policy changes. The changes made to the policy will comply with the 2024 California sick leave law updates. Draft Policy included in the Board packet.

**ADMIN/EXEC
CM:
SICK POLICY**

The Board heard public comment from Renee Westa-Lusk.

MOTION: was made by Director Boyd and seconded by Director Griffin approving the sick leave policy as presented. (Ayes: Boyd, Griffin, Rajtora, Saint-Amand. Nays: None. Absent: Kicinski.)

SALARY SURVEY

The Board reviewed the Salary Survey as presented by staff.

SALARY SURVEY

Board heard public comment from Renee Westa-Lusk.

MOTION: made by Director Boyd and seconded by Director Griffin to approve the presented Salary Survey. Motion was carried, unanimously. (Ayes: Boyd, Griffin, Rajtora, Saint-Amand. Nays: None. Absent: Kicinski.)

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY (IWVGA)

The Board discussed items on the March 29th agenda, including:

- Water Year 2023 Annual Report
- Shallow Well Mitigation Funding Request for two wells
- Change in Scope of Work and Budget for contract with Provost and Pritchard Consulting Group for CEQA/NEPA documents for the Imported Water Pipeline

IWVGA

The Board heard public comment from Judie Decker.

COMPREHENSIVE ADJUDICATION

Vice President Saint-Amand commented on recent newspaper articles that have maliciously maligned the Water District's reputation and reported falsehoods and opinions as facts.

**COMPREHENSIVE
ADJUDICATION**

Jim Worth provided a recap of the Hearing from March 22, 2024. The purpose of the Hearing was to address any outstanding issues and try to get a Phase 1 Trial set on two matters, the Federal Reserve Right and the amount of groundwater in storage. The Federal Reserve Right Hearing was scheduled for April 2025.

Mr. Worth clarified the article which falsely commented that the District was anti-Navy and was trying to curtail the Navy's pumping.

Mr. Worth clarified the reasons for the Comprehensive Adjudication and the requirement to serve notices to the public.

The IWVGA's preliminary junction against Mojave Pistachios is set to be heard on June 14th.

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

GENERAL MANAGER AND STAFF UPDATE

**GENERAL
MANAGER AND
STAFF UPDATE**

George Croll reported the monthly water data for March. Water produced: 107,432,000 gallons, water consumed: 83,174,000 gallons (11% commercial, 4% other, 85% residential), and estimated loss 5,646,420 gallons (which is water lost to meter inaccuracy, flushing, and theft, etc.)

Mr. Croll reported on conservation efforts: Comparing January 2024 to 2013, there has been a 30% reduction in water production, and comparing 2020 to 2023, there was a 16% reduction.

Staff will have a booth at the Maturango Museum's Conservation in The IWV event on Saturday, April 13th. Mr. Croll attended the Republican Club meeting on Friday, March 15th and provided a brief overview. PUBLIC OUTREACH

Mr. Croll provided an update on the AB 1668 and SB 606 California Conservation as a Way of Life. It is proposed to be adopted by the State Water Resources Control Board (SWRCB) and in effect January 2025. STATE REG. UPDATES

The following updates were given on items assigned at the January 12, 2024, Special Board Workshop: BOARD WORKSHOP UPDATES

➤ **Updated Costs and plans for Wastewater Project**

Follow up to be had with CEC and presented to the Board accordingly

➤ **Follow up with LADWP on capturing water overflow**

Mr. Croll to engage with LADWP on potential releases in the coming year.

➤ **Project Priority List based on FY 24 Funding**

Staff is working on the list, including costs, and will present to the Board at a future Board meeting

Complete, signed contract documents were received by the District. Nicholas Construction expects to mobilize by the end of June/early July. Staff plans to have the pre-construction meeting in Mid-June. Bond proceeds closed last month. The funds are now in the trust account. The District also executed the contract with the State for the \$3M that was earmarked in the last State budget. NW TRANSM. PIPELINE

Staff will be working on submitting documents to SWRCB to proceed with an expedited funding option available. Renee Morquecho will be providing an update regarding the Dune 3 and Hometown Water Consolidations at the IWVGA meeting on Wednesday. CONSOLIDATION PROJECTS

The estimated year-to-date revenues as of March 31, 2024, are \$11,115,407 and expenses are \$12,448,638. Expenditures exceeded revenues by \$1,333,231, which is over budget by \$236,127. To date, the District has paid \$13,775,255 in GA Fees to the Groundwater Authority. FINANCIAL STATUS

Mr. Staheli reported on the following conservation items: CONSERVATION
State Water Resources Control Board (SWRCB) Water Waster Report - there have been four water waste reports received with four contacts made. There has been one formal Second Notice and one penalty issued.

Plants are off for the season. The 50% invoices were paid to order the ARSENIC media from Pureflow and Filtronics. Pureflow is scheduled for media TREATMENT delivery May 1st. We are still waiting for Filtronics to provide a date of delivery.

Mr. Lillion reported for the month of March, six services were repaired OPERATIONS and 33 were replaced. The NO-DES truck made two runs in March. Since inception, the NO-DES truck has filtered 9,263,099 gallons. 35 valves were exercised.

BOARD COMMENTS/FUTURE AGENDA ITEMS

BOARD COMMENTS

Vice President Saint-Amand thanked the public for their participation and staff for their professionalism and hard work.

ADJOURNMENT

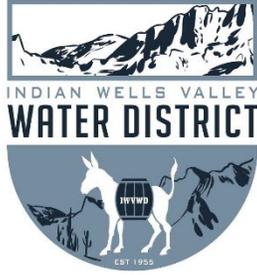
ADJOURNMENT

With no further business to come before the Board, the meeting was adjourned at 7:27 p.m.

Respectfully submitted,

Lauren Smith
Recording Secretary

APPROVED: _____



9.B.1.



**Certified
Public
Accountants**



**Consultants
& Advisors**



Indian Wells Valley Water District

Cost Proposal to Provide Professional Auditing Services

**For the Fiscal Years Ending
June 30, 2024, through 2028**

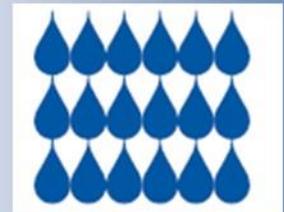
**Christopher J. Brown CPA, CGMA
Jonathan P. Abadesco, CPA**

10805 Holder Street, Suite 150
Cypress, California 90630

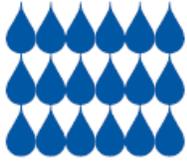
5051 Canyon Crest Drive, Suite 203
Riverside, California 92507

Phone: (657) 214-2307
Email: chris@cjbrowncpa.com

California BOA License Number: 6529



**C.J. Brown & Company, CPAs
An Accountancy Corporation**



C.J. Brown & Company CPAs
An Accountancy Corporation

Christopher J. Brown, CPA, CGMA
Jonathan Abadesco, CPA
Jeffrey Palmer

Cypress Office:
10805 Holder Street, Suite 150
Cypress, California 90630
(657) 214-2307

Riverside Office:
5051 Canyon Crest Drive, Suite 203
Riverside, California 92507
(657) 214-2307

March 28, 2024

Mr. Tyrell Staheli, Chief Financial Officer
Indian Wells Valley Water District
500 W. Ridgecrest Blvd.
Ridgecrest, California 93555

Re: Request for Audit Services Proposal

Dear Mr. Staheli:

Based on our understanding of the Indian Wells Valley Water District (District) requirements, our all-inclusive estimated fee for audit services, preparation of the annual State Controllers Report, and out-of-pocket costs at our discounted rates for the fiscal year ending June 30, 2024, will be **\$23,775**. This fee is based on our understanding of the District's audit requirements.

Assuming there is no substantial change in the District's activities and operations, our fee for audit services, preparation of the annual State Controllers Report, and estimated out-of-pocket expenses, for the fiscal years ending June 30, 2025, through 2028 will be **\$24,495**, **\$25,210**, **\$25,935**, and **\$26,725**, respectively.

Our estimate for out-of-pocket expenses is a separate estimate and may not be utilized in total to the amount estimated. Again, these fees are based on the estimated costs to complete the audit. The components of this audit services fee proposal and out-of-pocket costs for the fiscal year ending June 30, 2024, through 2028 are itemized in the attached Exhibits.

Our not-to-exceed fee proposal is contingent upon our understanding of your requirements and the assistance we require as noted in our original audit technical proposal.

Additional services not included in this proposal will be based on our discounted billing rates based on the level of experience required. We would execute a separate contract for these services, if they are requested by the District.

I am authorized to make representations for C.J. Brown & Company, CPAs – An Accountancy Corporation and am duly authorized to sign a contract with the District.

Christopher J. Brown, CPA CGMA

March 28, 2024

Date

Exhibit I – Proposed Hours and Our Fees

Proposed Hours and Our Fees

We anticipate that, for the fiscal year ending June 30, 2024, through 2028, the audit of the District will require approximately 180 audit hours. These hours, by major area, are summarized as follows:

Breakout of Audit Hours				
Audit Steps	Partner	Mngr/Sup	Staff	Total
Planning & Documentation	5	10	10	25
Risk Assessment	5	10	10	25
Controls Testwork	5	15	20	40
Substantive Testwork	5	15	40	60
Reporting	5	15	10	30
	25	65	90	180

As shown above, we expect approximately 50% of engagement hours to come from the Partners and Managers assigned to the engagements.

Working on the premise that we will be provided with all the documents listed per our audit requirements (will be provided prior to commencement of fieldwork), we expect to perform the audit of the District at fees as stated in the attached Schedule of Professional Fees on Page 3 for the fiscal year ending June 30, 2024, through 2028, respectively.

Our fees are based on the product of the time spent on the engagement and the billing rates of the individuals assigned, plus out-of-pocket costs (such as report reproductions, typing, postage, travel, copies, telephone, etc.). We will obtain the assistance of District's personnel to the extent possible and otherwise endeavor to keep these charges to a minimum. We will submit progress billings monthly to your office as our work progresses, which will be due and payable thirty days from the date of the invoice.

Based upon the present size and scope of the activities of the District, we expect to perform the services enumerated above at our standard hourly rates. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to the audit.

In accordance with your request for proposal and the Office of Management and Budget Circular A-128, we will maintain our work papers for a minimum of seven years and make them available to the District, state agencies, the General Accounting Office, and other parties upon the direction of the District. We have provided a breakdown of our current hourly rates, which would apply to this engagement on the attached Schedule of Professional Fees by Hours on Pages 4 through 6 of this cost proposal.

We want the Board to understand that we will provide **any** assistance and answer **any** questions that the District's staff or members of the Boards may have when they arise for the entire duration of our contract. We find it important to stay abreast of the District's activities and issues during the entire engagement.

We would like to thank you and the Board for the opportunity to submit a proposal for the auditing services of the District. Because of our experience in special districts and agencies, we will provide you with accounting updates (GASB) to assist in your operations as well as meet the audit needs of the organization. We will also continually make recommendations on these and other matters that come to our attention. We are proud of the professional services we provide and encourage you to make inquiries to any of our clients about their satisfaction with our services and the quality of our staff.

Exhibit II – Schedule of Professional Fees

Indian Wells Valley Water District					
Engagement Fees By Fiscal Year	Audit Service Fees*	State Controller's Report	Total	Not-to-Exceed Estimate of Out of Pocket Costs**	Total Engagement
Fiscal Year 2024	\$ 21,650	625	22,275	1,500	23,775
Fiscal Year 2025	22,305	640	22,945	1,550	24,495
Fiscal Year 2026	22,960	650	23,610	1,600	25,210
Fiscal Year 2027	23,615	670	24,285	1,650	25,935
Fiscal Year 2028	<u>24,335</u>	<u>690</u>	<u>25,025</u>	<u>1,700</u>	<u>26,725</u>
Total Five Year Contract Price	\$ <u>114,865</u>	<u>3,275</u>	<u>118,140</u>	<u>8,000</u>	<u>126,140</u>

* Professional audit services fees – labor only.

** Estimate of out-of-pocket costs consist of: travel, mileage, postage and printing costs. Out-of-pocket costs may not be fully utilized.

Exhibit III – Schedule of Professional Fees by Hours

Indian Wells Valley Water District Fiscal Year 2024
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Breakdown of Fees by Hours

	Hours	Hourly Rates	Total
Fiscal Year 2024 Audit of:			
District's Annual Financial Report			
Partner - Engagement & Technical	25	\$ 160	\$ 4,000
Manager/Supervisor	65	140	9,100
Staff	90	95	8,550
Total Financial Statement Audit for 2024	180		21,650
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			1,500
Total Maximum for 2024			23,150
Additional Items Asked to be Priced by the District			
Preparation of the District's Annual State Controller's Report	5	\$ 125	625
Total Maximum with Additional Items for 2024	185		\$ 23,775

Indian Wells Valley Water District Fiscal Year 2025
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Breakdown of Fees by Hours

	Hours	Hourly Rates	Total
Fiscal Year 2025 Audit of:			
District's Annual Financial Report			
Partner - Engagement & Technical	25	\$ 165	\$ 4,125
Manager/Supervisor	65	144	9,360
Staff	90	98	8,820
Total Financial Statement Audit for 2025	180		22,305
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			1,550
Total Maximum for 2025			\$ 23,855
Additional Items Asked to be Priced by the District			
Preparation of the District's Annual State Controller's Report	5	\$ 128	\$ 640
Total Maximum with Additional Items for 2025	185		\$ 24,495

Exhibit III – Schedule of Professional Fees by Hours

Indian Wells Valley Water District Fiscal Year 2026
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Breakdown of Fees by Hours

	Hours		Hourly Rates		Total
Fiscal Year 2026 Audit of:					
District's Annual Financial Report	25	\$	170	\$	4,250
Partner - Engagement & Technical	65		148		9,620
Manager/Supervisor	90		101		9,090
Staff	180				22,960
Total Financial Statement Audit for 2026					22,960
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)					1,600
Total Maximum for 2026					\$ 24,560
Additional Items Asked to be Priced by the District					
Preparation of the Agency's Annual State Controller's Report	5	\$	130	\$	650
Total Maximum with Additional Items for 2026	185				\$ 25,210

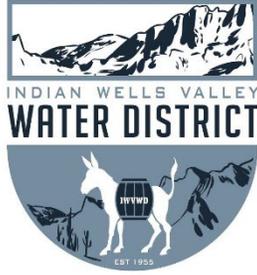
Indian Wells Valley Water District Fiscal Year 2027
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Breakdown of Fees by Hours

	Hours		Hourly Rates		Total
Fiscal Year 2027 Audit of:					
District's Annual Financial Report	25	\$	175	\$	4,375
Partner - Engagement & Technical	65		152		9,880
Manager/Supervisor	90		104		9,360
Staff	180				23,615
Total Financial Statement Audit for 2027					23,615
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)					1,650
Total Maximum for 2027					\$ 25,265
Additional Items Asked to be Priced by the District					
Preparation of the District's Annual State Controller's Report	5	\$	134	\$	670
Total Maximum with Additional Items for 2027	185				\$ 25,935

Exhibit III – Schedule of Professional Fees by Hours

Indian Wells Valley Water District Fiscal Year 2028			
Breakdown of Fees by Hours			
	Hours	Hourly Rates	Total
Fiscal Year 2028 Audit of:			
District's Annual Financial Report			
Partner - Engagement & Technical	25	\$ 180	\$ 4,500
Manager/Supervisor	65	157	10,205
Staff	90	107	9,630
Total Financial Statement Audit for 2028	180		24,335
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			1,700
Total Maximum for 2028			\$ 26,035
Additional Items Asked to be Priced by the District			
Preparation of the District's Annual State Controller's Report	5	\$ 138	\$ 690
Total Maximum with Additional Items for 2028	185		\$ 26,725



9.E.6.



State Water Resources Control Board

April 18, 2024

George Croll
General Manager
Indian Wells Valley Water District
PO Box 1329
Ridgecrest, CA 93556-1329

PRELIMINARY FUNDING AWARD NOTIFICATION; INDIAN WELLS VALLEY WATER DISTRICT; DUNE 3 WATER COMPANY CONSOLIDATION PROJECT (PROJECT); EXPEDITED DRINKING WATER GRANT FUNDING PROGRAM (EDWG) – ROUND 3 PROJECT NO. EDWG-1510017-002C

Dear Mr. Croll:

Your request for funding from the Division of Financial Assistance (Division) for the Project has been given preliminary approval. The Project has been reviewed by Division staff and determined to be eligible for funding per the Expedited Drinking Water Grant Program Guidelines ([EDWG Guidelines](#)), as adopted by the State Water Board on March 8, 2023. Therefore, the Division has transferred the application to the EDWG Program. Funding is contingent upon submittal of the requested information and the development and execution of a grant agreement. The purpose of this funding is to consolidate Dune 3 Mutual Water Company, LLC (Subsumed System) with Indian Wells Valley Water District (Receiving System). The Project has an overall cost estimate of approximately \$4,598,924.

Jessica Krebs has been assigned as the Project Manager for this Project. You will be contacted by your assigned Project Manager to ensure that all conditions and requirements are addressed prior to execution of the grant agreement. We encourage your prompt response to any requests from our staff because unreasonable delays or failure to respond could result in withdrawal of this preliminary funding award.

The Division understands the importance of the Project and wants to ensure its successful and timely completion. To proceed with the process of developing a grant agreement, please provide the following documents within thirty (30) calendar days of this letter:

- [Scope of Work](#)
- [Self-Certification Form](#) (Please note that Section 2 of this form requires review and input from your legal counsel regarding the Grant Agreement and Legal Opinion Templates.)

E. JOAQUIN ESQUIVEL, CHAIR | ERIC OPPENHEIMER, EXECUTIVE DIRECTOR

Additional information and forms are available on the [EDWG Program Page](#). Indian Wells Valley Water District must provide the requested documents within thirty (30) calendar days following the date of this letter. Failure to provide the requested documents within this timeframe may jeopardize funding under the current round or result in removal from the EDWG Program.

Once the aforementioned documents are received in a form satisfactory to the Division, a grant agreement will be prepared for the Project. No reimbursement of eligible project-related costs will be issued until the grant agreement is executed, subject to the terms and conditions of the grant agreement.

The grant agreement will require that certain conditions be met prior to proceeding with bid solicitation and construction activities. Proceeding with the bid solicitation and/or construction prior to receiving authorization from the Project Manager may jeopardize funding for the Project. Any costs incurred are at your own risk until the grant agreement is executed and the Division has provided the necessary approvals to proceed.

The provision of a grant agreement is contingent upon your timely submission of the documents listed above and on the Division's approval upon completion of review.

We look forward to working with you on this Project. Please contact the assigned Project Manager, Jessica Krebs, with any questions at (916) 341-5986 or Jessica.Krebs@waterboards.ca.gov.

Sincerely,



Jasmine Oaxaca, Acting Assistant Deputy Director
Division of Financial Assistance

cc: Renee Morquecho
Chief Engineer
Indian Wells Valley Water District

Jesse Dhaliwal
Tehachapi District Engineer
Division of Drinking Water

Osiel Jaime
Sanitary Engineer
Division of Drinking Water

Jessica Krebs
Water Resources Control Engineer
Division of Financial Assistance



State Water Resources Control Board

April 18, 2024

George Croll
General Manager
Indian Wells Valley Water District
PO Box 1329
Ridgecrest, CA 93556-1329

PRELIMINARY FUNDING AWARD NOTIFICATION; INDIAN WELLS VALLEY WATER DISTRICT; HOMETOWN WATER ASSOCIATION CONSOLIDATION (PROJECT); EXPEDITED DRINKING WATER GRANT FUNDING PROGRAM (EDWG) – ROUND 3; PROJECT NO. EDWG-1510017-003C

Dear Mr. Croll:

Your request for funding from the Division of Financial Assistance (Division) for the Project has been given preliminary approval. The Project has been reviewed by Division staff and determined to be eligible for funding per the Expedited Drinking Water Grant Program Guidelines ([EDWG Guidelines](#)), as adopted by the State Water Board on March 8, 2023. Therefore, the Division has transferred the application to the EDWG Program. Funding is contingent upon submittal of the requested information and the development and execution of a grant agreement. The purpose of this funding is to consolidate Hometown Water Association (Subsumed System) with Indian Wells Valley Water District (Receiving System). The Project has an overall cost estimate of approximately \$297,072.

Jessica Krebs has been assigned as the Project Manager for this Project. You will be contacted by your assigned Project Manager to ensure that all conditions and requirements are addressed prior to execution of the grant agreement. We encourage your prompt response to any requests from our staff because unreasonable delays or failure to respond could result in withdrawal of this preliminary funding award.

The Division understands the importance of the Project and wants to ensure its successful and timely completion. To proceed with the process of developing a grant agreement, please provide the following documents within thirty (30) calendar days of this letter:

- [CEQA Planning Exemption Certification Form](#)
- [Scope of Work](#)

E. JOAQUIN ESQUIVEL, CHAIR | ERIC OPPENHEIMER, EXECUTIVE DIRECTOR

- [Self-Certification Form](#) (Please note that Section 2 of this form requires review and input from your legal counsel regarding the Grant Agreement and Legal Opinion Templates.)

Additional information and forms are available on the [EDWG Program Page](#). Indian Wells Valley must provide the requested documents within thirty (30) calendar days following the date of this letter. Failure to provide the requested documents within this timeframe may jeopardize funding under the current round or result in removal from the EDWG Program.

Once the aforementioned documents are received in a form satisfactory to the Division, a grant agreement will be prepared for the Project. No reimbursement of eligible project-related costs will be issued until the grant agreement is executed, subject to the terms and conditions of the grant agreement.

The grant agreement will require that certain conditions be met prior to proceeding with bid solicitation and construction activities. Proceeding with the bid solicitation and/or construction prior to receiving authorization from the Project Manager may jeopardize funding for the Project. Any costs incurred are at your own risk until the grant agreement is executed and the Division has provided the necessary approvals to proceed.

The provision of a grant agreement is contingent upon your timely submission of the documents listed above and on the Division's approval upon completion of review.

We look forward to working with you on this Project. Please contact the assigned Project Manager, Jessica Krebs, with any questions at (916) 341-5986 or Jessica.Krebs@waterboards.ca.gov.

Sincerely,



Jasmine Oaxaca, Acting Assistant Deputy Director
Division of Financial Assistance

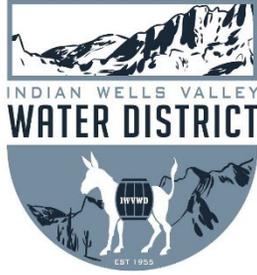
cc: See next page

cc: Renee Morquecho
Chief Engineer
Indian Wells Valley Water District

Jesse Dhaliwal
Tehachapi District Engineer
Division of Drinking Water

Osiel Jaime
Sanitary Engineer
Division of Drinking Water

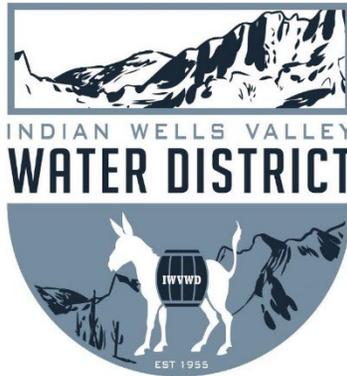
Jessica Krebs
Water Resources Control Engineer
Division of Financial Assistance



9.E.8.

SWRCB Water Waster Report

	# of water waste reports received	# of contacts made (written or verbal)	# of formal warning actions	# of penalties issued
Jan-24	0	0	0	0
Feb-24	2	2	0	0
Mar-24	4	4	1	1
Apr-24	1	1	0	0
May-24				
Jun-24				
Jul-24				
Aug-24				
Sep-24				
Oct-24				
Nov-24				
Dec-24				
SUBTOTAL 2015	378	376	40	10
SUBTOTAL 2016	406	399	28	3
SUBTOTAL 2017	70	68	10	4
SUBTOTAL 2018	60	58	7	4
SUBTOTAL 2019	56	56	8	1
SUBTOTAL 2020	42	42	8	2
SUBTOTAL 2021	131	131	12	4
SUBTOTAL 2022	106	106	6	0
SUBTOTAL 2023	64	64	24	7
SUBTOTAL 2024	7	7	1	1
TOTAL	1313	1300	143	35
TOTAL PENALTIES BILLED				\$3,450
TOTAL PENALTIES COLLECTED				\$3,050



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