

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

Ridgecrest City Hall 100 W California Ave., Ridgecrest, CA 93555 760-499-5000

BOARD OF DIRECTORS A G E N D A

Thursday, July 20, 2017, 10:00 a.m.

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 Alan Christensen at (661) 868-3183. Requests must be made as early as possible and at least one full business day before the start of the meeting. Documents and material relating to an open session agenda items that are provided to the IWVGA Board of Directors prior to a regular meeting will be available for public inspection and copying at Indian Wells Valley Water District, 500 Ridgecrest Blvd, Ridgecrest, CA 93555, or online at www.co.kern.ca.us/groundwater/.

Statements from the Public

The public will be allowed to address the Board during Public Comments about subjects within the jurisdiction of the IWVGA Board and that are NOT on the agenda. No action may be taken on off-agenda items unless authorized by law. Questions posed to the Board may be answered after the meeting or at future meeting. Dialog or extended discussion between the public and the Board or staff will be limited in accordance with the Brown Act. The Public Comments portion of the meeting shall be limited to three (3) minutes per speaker. Each person is limited to one comment during Public Comments.

All remarks and questions should be addressed to the Board as a whole and not to any individual Board member or staff. There will be time after each action item on the agenda to receive comments from the public. Again each speaker will be limited to three (3) minutes. Speakers should be brief and limit their comments to the specific subject being discussed. Persons will be limited to one comment per person unless directed by the Chair.

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENTS

This time is reserved for the public to address the Board about matters NOT on the agenda. No action will be taken on non-agenda items unless authorized by law. Comments are limited to three minutes per person.

4. SPECIAL PRESENTATIONS

5. CONSENT AGENDA (Items may be removed from the Consent Agenda for discussion by the Board)

- a. Approve Minutes of Board Meeting June 15, 2017
- b. Resolution 03-17 Adopting Conflict of Interest Code Approved by FPPC

6. APPROVE RESOLUTION APPOINTING RENEE WESTA-LUSK TO THE POLICY ADVISORY COMMITTEE (PAC)

7. APPROVE RESOLUTION APPOINTING MEMBERS TO THE TECHNICAL ADVISORY COMMITTEE (TAC)

8. REPORT FROM POLICY ADVISORY COMMITTEE

9. DISCUSSION/ACTION TO PREPARE PROPOSITION 1 GRANT FUNDING APPLICATIONS

10. REPORT ON PLAN OF ACTION AND MILESTONES FOR A GROUNDWATER SUSTAINABILITY PLAN

11. APPROVE AGREEMENT WITH JAMES MARKMAN OF RICHARDS, WATSON & GERSHON AS SPECIAL LEGAL COUNSEL

12. GENERAL MANAGER'S REPORT

13. CLOSING COMMENTS

This time is reserved for comments by Board members and/or staff and to identify matters for future Board business.

14. CLOSED SESSION

- a. Public Employee Appointment – Title: Water Resources Manager (Government Code § 54957(b)(1))
- b. Public Employee Appointment – Title: Board Legal Counsel (Government Code § 54957(b)(1))
- c. Public Employee Performance Evaluation – Title: General Manager (Government Code § 54957)

15. DATE AND TIME OF NEXT MEETING

August 17, 2017, 10:00 am

16. ADJOURN

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

BOARD OF DIRECTORS MINUTES

Ridgecrest City Hall
100 W California Ave
Ridgecrest, CA 93555

Thursday, June 15, 2017, 10:00 a.m.

CALL TO ORDER:

The meeting was called to order by Chairperson Gleason at 10:01 a.m.

ROLL CALL:

Commander Brian Longbottom, Department of the Navy
Dana Stephenson, Bureau of Land Management
Bob Page, San Bernardino County
Peter Brown, Indian Wells Valley Water District
Chairperson Mick Gleason, Kern County
Mayor Peggy Breeden, City of Ridgecrest
Matt Kingsley, Inyo County

Also Present:

Lauren Duffy, IWVGA Clerk
Alan Christensen, IWVGA Acting General Manager, Kern County
Phill Hall, IWVGA Counsel
Dale Schafer, DWR Facilitator

PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was led by Nick Panzer followed by a moment of silence.

PUBLIC COMMENTS:

None.

SPECIAL PRESENTATIONS:

- a) The Stanford Groundwater Architecture Project
"Utilizing Advanced Geophysical and Computational Methods for the Development of Hydrogeologic Conceptual Models"
Presenters: Jacob Vind, Danish Ministry of Public Affairs-Water Technology Alliance
Max Halkjaer, Ramboll and SkyTEM co-founder

The presentation has been made available to the Indian Wells Valley Groundwater Authority Interested Parties list.

Public comments:

Don Decker stated that after reviewing the SkyTEM papers he discovered that there is very little discussion about basic data reproducibility, accuracy and precision of the measurements. Mr. Decker asked what kind of accuracy of reproducibility are they able to obtain, in other words how real is the data that they obtain from the measurements.

Mr. Vind commented that an issue with geophysics is always "how do you validate something you cannot see." Mr. Vind explained that they spend a lot of time in each area they are working in to verify data according to what they already know. Mr. Vind stated that this is a very mature technology, one which is applied across the world.

Max Halkjaer stated that he would be happy to provide Mr. Decker with papers that better illustrate how the process is done.

Mike Neel asked how they are able to obtain much resolution with low frequency measurements. Mr. Neel asked if the Board would even be suited to receiving this type of data. Mr. Neel concluded that the Board should consider what they will obtain from these tests before spending the tax-payers dollars.

Tim Parker clarified that geophysics can provide more and better information on the subsurface to support the brackish water study. The Brackish Water Study is being funded by the Brackish Water Study Group (Searles Valley Minerals, Coso Geothermal, Mojave Pistachios, and Indian Wells Valley Water District). Mr. Parker also explained that the Danish Government is entering into an MOU with the State of California. This MOU will be signed on September 22, 2017. The idea is that the state will help fund the Stanford Groundwater Architecture Project. It is a \$2.1 million project that includes three (3) basins, the Indian Wells Valley is one of them. The state is going to provide a significant amount of funding, the Danish Government will also provide funding and the locals will split the other funding that's required.

Chairperson Gleason asked what value is the information that this project can give the IWVGA in Sustainable Groundwater Management Act (SGMA).

Tim Parker answered that there are three components to this project:

- 1) Data acquisition with the SkyTEM technology.
- 2) Producing a data management system.
- 3) Producing a revised hydrogeological conceptual model.

The data management system which this project will produce is required under SGMA. After the data management system is produced, the IWVGA Board can decide if they want to use that system or develop another one. The value of the data is that it will fill in a lot of data gaps and provide a better understanding and less uncertainty down the road using models to understand what needs to be done to come to sustainability in this basin. Mr. Parker concluded that, after this project, the IWVGA will have a better understanding of the aquifer underlying this basin.

Judie Decker commented that to her understanding, the Danes make all of the data collected available to the public, which the public can acquire and understand what is happening to their groundwater in their country. She applauds that and wishes the public had that here.

Board comments:

Bob Page asked who would be responsible for the “local share” of the remaining balance for the project. Mr. Parker answered the IWVGA would not be asked to fund this project.

Peter Brown asked if the end game is to create a cloud based data system in which everyone can access the information based on their needs. Mr. Parker answered that, assuming this project goes forward, there could be a data system that would be capable to do that.

Matt Kingsley asked if the data would help the IWVGA understand recharge. Mr. Parker answered that another study is currently going on with the USGS under the grant funds awarded to Kern County. This study will look at precipitation and will go back twenty years, also look forward eighty years, which will then be fed in to help the model.

It was clarified that there are no intentions to make this data produced by the project unavailable to the public.

Vice-chair Breeden asked what actions was Denmark able to accomplish with the data they received from the project. Mr. Vind answered that in terms of regulatory complex, Denmark and California are very different, and so the measures taken in Denmark are very different than those in California. Mr. Vind explained that one thing that was done in Denmark was revoking well permits which cannot be done in California.

Chair Gleason asked if the end result of this study would provide information on where the best location to have a water bank would be, if in the future the IWVGA decided to bank water. Mr. Parker answered it would be one result of the study. It would better refine the model and give the basin a better understanding of its aquifer.

b) Brackish Groundwater Feasability Study – Wade Major, aquilologic

The presentation is available online at: <http://www.co.kern.ca.us/water/Brackish-Groundwater-Feasibility-Study-Overview.pdf>

Public comments:

Don Decker commented that there is an issue with brackish water extraction that has not been on anyone’s charts that he has ever seen. The issue being that the brackish water in this valley is associated with aquifer zones with high clay content. If these zones are de-watered you have the potential of subsidence. Mr. Decker stated that there needs to be a careful look at potential subsidence. One area of high total dissolved solids (TDS) is along the north Brown Road access. Mr. Major replied that subsidence is one of the big concerns. While it is not noted explicitly it is considered within the realm of “unknown impacts”. Mr. Major added that they are certainly mindful of subsidence in certain regions.

Board comments:

Brian Longbottom asked what type of scale Mr. Major is talking about with regards to the pilot project. Mr. Major commented that they envisioned running the pilot at 25 gallons per minutes (gpm). Mr. Major explained that they are looking at a footprint of 1,500 square feet at a production rate of about 25gpm.

Vice-chair Breeden asked how \$2,500 an acre-foot make it economically sustainable. Mr. Major said that it is expensive water to produce and is not economically sustainable. However, if you dispose of the brine costs, they are anticipating driving the de-salting cost down to possibly \$400-500 an acre foot.

CONSENT CALENDAR:

- a) **Approve Minutes of Board Meeting May 18, 2017**

Public comments:

None.

Board comments:

None.

Motion was made by Matt Kingsley and seconded by Peter Brown to approve the May 18, 2017 Minutes. Motion carried unanimously. (Ayes: Breeden, Brown, Gleason, Kingsley, Page Nays: None.)

REVIEW APPLICATIONS AND MAKE APPOINTMENTS TO THE POLICY ADVISORY COMMITTEE:

- a) **Review Applications and Make Appointments to the PAC:**

Alan Christensen reported that staff recommends the following appointments to the Policy Advisory Committee:

- Patricia Quist, Small Agriculture
- Carol Wilson, Business Interests
- Scott O'Neil, Business Interests
- Nick Panzer, Residential Customer of Public Water Agency
- West Katzenstein, Domestic Well Owners
- Lyle Fisher, Domestic Well Owners

Vice-chair Breeden thanked all applicants for applying. Vice-chair Breeden explained that it was a difficult decision and each member chose separately. Chair Gleason added that this is time for "all hands on deck". Anyone who applied and was not selected still has a role in the development of this IWVGA.

Vice-chair Breeden clarified that the Board of Realtors was asked to be the Business Interests representative, the Board of Realtors chose Carol Wilson to represent on behalf of their board.

Bob Page commented that it was agreed at a prior meeting that there would be two representatives for the "Residential Customer of Public Water Agency" as mentioned in the Bylaws. Three applications were submitted for the Residential Customer of Public Water Agency category.

Public comments:

Donna Hocker commented that Rita Read is the alternate realtor for Carol Wilson.

Sophia Merk commented that the alternate for Eastern Kern County Resource Conservation District is Stan Rajtora.

Board comments:

Matt Kingsley asked whether alternates were designated as voting members. Alan Christensen answered that in the bylaws it is silent on the issue of alternates. Phill Hall added that alternates would have to file form 700s if they were ever designated in the bylaws.

Alan Christensen clarified that form 700 requires you report all income and if any gifts are received it could become a conflict.

It was clarified that there should be two seats for "Residential Customer of Public Water Agency". The other two applicants consisted of: Renee Westa-Lusk and Teresa Sizemore.

Vice-chair Breeden recommended Renee Westa-Lusk to be the second representative for a residential customer. Chair Gleason agreed with the recommendation.

Bob Page stated that one of the eleven voting members must be a representative of a Disadvantaged Community.

Phill Hall stated that Searles Valley Minerals would fit within the Disadvantaged Communities because it is a wholesaler providing utilities to disadvantaged communities.

According to the bylaws, the Board has met its requirements to have representation from a disadvantaged community.

Alan Christensen recommends that the Board appoint those members which the ad-hoc committee has recommended and hold off on the appointment of a second representative for Residential Customer of Public Water Agency.

Public comments:

Patricia Farris asked what the advantage of having an alternate for committees if they cannot vote.

Sophia Merk commented that Pearsonville may be considered a disadvantage community for Inyokern. Ms. Merk suggested that perhaps Matt Kingsley could do an outreach to Pearsonville.

Judie Decker commented that she was told she could only apply for one position, however she qualifies for three positions. Ms. Decker feels the Board is limiting itself by allowing applicants to only apply for one category.

b) Adopt Resolution setting for the PAC Roster:

Motion was made by Peter Brown and seconded by Bob Page to adopt Resolution 01-17 with exhibit A as originally presented with only one residential representative. Motion carried unanimously. (Ayes: Breedon, Brown, Gleason, Kingsley, Page Nays: None.)

Staff was directed to allow a discussion regarding disadvantaged communities on the next IWVGA meeting agenda.

c) Discussion of Coordinator for Policy Advisory Committee:

Peter Brown commented that the Indian Wells Valley Water District (IWVWD) is willing to fund a coordinator to get things going with the committees until a Water Resource Manager (WRM) is hired.

Matt Kingsley asked if the IWVWD would go out for Request for Proposals (RFP) or if he already had someone in mind. Mr. Brown answered that they would simply choose someone, whether it be Dale Schafer, Don Zdeba, or Tim Parker.

Bob Page requests that the IWVWD pick someone who is not currently an applicant for the Water Resources Manager.

Chair Gleason asked what would happen when a WRM is hired. Mr. Brown answered that there would possibly be a small overlap, but then the position would dissolve.

Matt Kingsley stated it sounded like a good idea and was in favor of appointing Dale Schafer to that position.

Bob Page suggested that "facilitator" be used instead of "coordinator".

Alan Christensen stated that the public and Board should be made aware of the job requirements.

Chair Gleason commented that the PAC should be in charge of getting the committee moving.

Public comments:

West Katzenstein commented, from experience, that if the PAC votes a member within itself as the chairman, he/she will have a contingency to support. Mr. Katzenstein suggests having a facilitator who does not represent someone.

Nick Panzer agreed that the first meeting should be called by someone not on the PAC and that should happen very soon.

Leigh Ann Cook, County of Kern Chief of Staff, volunteered to facilitate the first PAC meeting. The board agreed to have Leigh Ann Cook facilitate the first PAC meeting.

Phill Hall clarified that the Board will set the PAC meeting schedule, due to the fact that every time the PAC meets it costs the IWVGA money. Also, at the first meeting of the PAC the PAC will need to select their chairperson.

d) Applications for Technical Advisory Committee:

Alan Christensen reported that there is not an application for the TAC. It is asked that applicants submit a resume with all qualifications to:

Lauren Duffy	or	Alan Christensen
Clerk of the Board		achristensen@kerncounty.com
500 West Ridgecrest Blvd.		
Ridgecrest, CA 93555		

The number of members that will be on the TAC is unknown at this time.

Vice-chair Breeden feels a timeframe should be set for resumes and nominations to be received.

Public comments:

Derek Hoffman agrees that a timeframe should be set for nominations.

West Katzenstein asked that there be a timeframe for PAC members to nominate a TAC member.

Board comments:

Each PAC member will be contacted to make them aware of the nomination deadline of the TAC members.

The TAC resume and nomination deadline is set to July 10, 2017 at 5:00 p.m.

UPDATE ON REVENUE ISSUES AND CONCERNS FOR THE IWVGA:

Alan Christensen reported that the board is near hiring a special counsel attorney for groundwater as well as a decision on hiring a Water Resource Manager (WRM). In the IWVGA bank account there is a balance of \$75,000, which included five agencies contributing \$15,000. The IWVGA has secured a grant with the state in the amount of \$250,000 and roughly \$90,000 is committed to the USGS Recharge Study. Some funding remains from the grant to be used towards the Groundwater Sustainability Plan (GSP), but there are some restrictions to how the money is used. For example, grant money cannot be used for an attorney to review documents. Up to \$1,000,000 is available from Prop. 1 funding Round Two to critically overdrafted basins. Staff will aggressively pursue Prop. 1 funding. Mr. Christensen stated that the GSP could cost anywhere from \$500,000 to \$1,000,000. Mr. Christensen concluded that other funding options need to be considered, such as a loan from a benefactor agency that is willing to provide the IWVGA the money with the anticipation of being reimbursed at a later time. Staff recommended that a consultant be hired to provide the Board with revenue assessment options available for the IWVGA and the consultant to be paid out of the \$75,000 available in the IWVGA account.

Bob Page asked staff to clarify the second round of Prop. 1 funding. If that pot of money is the same monies that the Brackish Water Study Group will be applying for, will the IWVGA and the Brackish Water Study Group be competing for the same money. Mr. Christensen answered that he could only assume that no, the two groups would not be competing.

Vice-chair Breeden asked if major pumpers are asked to contribute money, how that would happen without it coming across as the pumpers are trying to buy a right or an accommodation.

Peter Brown suggested that a Finance Committee be formed to provide the Board with costs, potential costs and grant funding. Mr. Brown stated that the Indian Wells Valley offered to pay for a coordinator to get things in motion.

Chair Gleason commented that he has a list to task the PAC with. One of those tasks being the PAC to coordinate Prop. 1 funding. Chair Gleason agrees with the idea of a Finance Committee.

It was clarified by Mr. Hall that by forming a Finance Committee, consisting of Peter Brown and Bob Page would not constitute a standing committee. Because Mr. Page would be participating remotely, it would not meet the requirement for a quorum.

Public comments:

Judie Decker commented that this issue is a water issue and should be based on water consumption and not the state of the property.

Derek Hoffman commented that it is important to have a collaborative process to maximize the funding opportunities for the basin. Mr. Hoffman offered the following time sensitive recommendations to the Board in an effort to try and help funding questions:

Structural recommendations:

- The GSA should continue to provide structure to make sure it is in compliance with all requirements necessary to pursue and receive grant funding.
- Form the Technical Advisory Committee as soon as possible so that it may provide the best projects available for the GSA.
- Assign the PAC with the responsibility of developing a funding strategy.

Specifics on funding recommendations:

- Track opportunities and be positioned to pursue the rapidly approaching funding solicitation cycles and to ensure we are in alignment with some of the regional planning processes.
- Prop. 1 funding for up to \$1-\$1.5 million.
- Prop. 1 Integrated Regional Water Management (IRWM) funding.

Joshua Nugent echoed Mr. Hoffman's statement that the TAC should be formed as soon as possible. Mr. Nugent agreed that the TAC and PAC should be linked to the Finance Committee to proceed on financial matters. Mr. Nugent asked the Board to consider another workshop.

Stan Rajtora supports that formation of a Finance Committee, however, he does not support a finance ad-hoc committee. Mr. Rajtora expressed disappointment in the lack of discussion for a

first PAC or TAC meeting. Mr. Rajtora feels the PAC should be deeply involved in the funding issues of the IWVGA.

Mike Neel agrees that funding should come from assessment of the water; whoever pumps the most water pays the most. Mr. Neel agrees that the Finance Committee should not be an ad-hoc, but open to the public. Mr. Neel hopes that staff sit down and take the necessary time to come up with solid numbers with regards to expenses and costs.

Sophia Merk agrees that the PAC should begin meeting as soon as possible. Ms. Merk also feels that the Finance Committee should be open to the public.

Board comments:

Phill Hall commented that four or five months ago when the Board was discussing appointing a PAC it was immediately threatened with litigation. The IWVGA Board needs to have some discussion on what the legal parameters are for putting any sort of pump assessments in closed session. Mr. Hall commented that this most likely won't be a section 4.218 assessment, but rather under Section 6. An option that this Board may use is tax roll, under Section 6 assessment, to collect fees rather than collect it from various agencies.

Chair Gleason commented that he is not comfortable hiring a WRM until the funds are allocated, but understands that the WRM needs to be hired as soon as possible.

It was established that the finance ad-hoc committee will be closely working with the PAC.

After much deliberation the following motion was made:

Motion was made by Peter Brown and seconded by Bob Page to form a temporary Finance Ad-Hoc Committee to consist of Bob Page and Peter Brown. Motion carried unanimously. (Ayes: Breeden, Brown, Gleason, Kingsley, Page Nays: None.)

REPORT ON PLAN OF ACTION AND MILESTONES FOR A GROUNDWATER SUSTAINABILITY PLAN:

Commander Brian Longbottom presented the IWV Groundwater Authority WRM Team Schedule. Commander reported that staff wanted to provide a more detailed list of tasks and timelines. The purpose of this schedule is to map out what needs to be completed for the GSP. This document will be made available online.

This schedule will be the primary tool for the WRM.

GENERAL MANAGER'S REPORT:

Alan Christensen reported that staff is opening a dialogue with the Los Angeles Department of Water and Power (LADWP) in hopes of developing any kind of relationship to allow for positive opportunities. Mr. Christensen reported that Chair Gleason and he will be visiting Sacramento to meet with Department of Water Resources (DWR) within the next thirty days. Also, the JPA

document that the IWVGA used to form is now being used by others as a model. Board Comments:

Bob Page asked if the formation of this GSA is required to be provided to Local Agency Formation Commissions (LAFCO) in each of the three counties; Kern, San Bernardino, and Inyo County.

Phill Hall answered that he wasn't certain. It was requested that staff submit the formation of the GSA to all three county LAFCOs.

CLOSING COMMENTS:

Chair Gleason stated that we need to be proud of this GSA. Chair Gleason also thanked everyone for their hard work to get this agency to where it is today. Chair Gleason commented that a relationship with LADWP is essential. Starting tomorrow, there will be bulldozing done at Freeman Gulch in an attempt to slow down the release of water by the LADWP to give it more time to absorb into the aquifer.

Chair Gleason tasked the following to the PAC:

- Leadership to be appointed to the PAC by the PAC.
- Form an outreach study so that residents in this valley will have a better understanding of SGMA.
- Coordinate Prop. 1 funding priorities with other agencies in the valley. Also, to become experts in the Prop. 1 funding process.
- Reports to be provided by Leigh Ann Cook.

CLOSED SESSION:

Motion made by Matt Kingsley to move the meeting to Closed Session at 12:47 p.m.

- a. PUBLIC EMPLOYEE APPOINTMENT - Title: Board Attorney (Government Code §54957(b)(1))
- b. Conference with Legal Counsel -- Anticipated Litigation (Government Code Section 54956.9(d)(2)(e)(1)0 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 to be disclosed.

The meeting was recalled to Open Session.

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

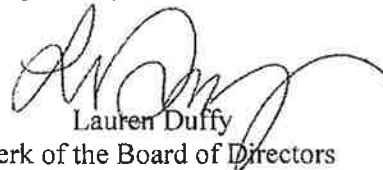
DATE AND TIME OF NEXT MEETING:

The next IWVGA meeting will be held July 20, 2017, at 10:00 a.m., in the Council Chambers at Ridgcrest City Hall, 100 W. California Avenue.

ADJOURN:

Chairperson Gleason announced the meeting adjourned at 3:30 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Lauren Duffy', written in a cursive style.

Lauren Duffy
Clerk of the Board of Directors
Indian Wells Valley Groundwater Authority

July 11, 2017

VIA ELECTRONIC MAIL

The Board of Directors and Associate Members of
Indian Wells Valley Groundwater Authority

Re: *Urgent Agenda Item for July 20, 2017, Board Meeting to Timely Secure Millions of Dollars in Grant Funding for SGMA Implementation in the Indian Wells Valley*

Dear Board of Directors:

On behalf of Mr. Edward Imsand, a member of the Indian Wells Valley Groundwater Authority's (Groundwater Authority) recently established Policy Advisory Committee ("PAC") representing Large Agriculture, it was a pleasure to attend the PAC's first official meeting on June 29, 2017. Consistent with Mr. Imsand's comments at that PAC meeting, and per the direction of the Groundwater Authority's General Counsel at that meeting, the purpose of this letter is to request that your Board include an agenda item for July 20, 2017, Board meeting to approve taking the necessary and time-sensitive actions to apply for millions of dollars of grant funding for the benefit of the Groundwater Authority and the entire Indian Wells Valley Groundwater Basin ("Basin").

To be clear, a failure to take the steps requested in this letter at the July 20, 2017, Board meeting will very likely cause the Groundwater Authority to forfeit the opportunity to apply for millions of dollars in available grant funding, including funding to develop the Groundwater Sustainability Plan (GSP).

A very short, two-month window will begin in August and will close in mid-October 2017, to apply (i.e. compete) for Proposition 1 funds administered under the California Department of Water Resources' (DWR) Sustainable Groundwater Program ("SGWP"). DWR will begin awarding grants in December 2017. Once the Proposition 1 SGWP funds are exhausted, there will be no more application windows or funds to support GSP development and preparation.

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Specifically, it is requested that the Board include the following as an agenda item for the July 20, 2017, Groundwater Authority meeting:

*ITEM ___: CONSIDER AND APPROVE ASSIGNMENTS TO POLICY
ADVISORY COMMITTEE REGARDING STRATEGY FOR PURSUING GRANT
FUNDING*

a. Authorize the PAC to prepare and submit to the Board at the August Board meeting, or at an earlier special meeting of the Board, a proposal including scope of work, budget, schedule and consultant service contract approvals as necessary to complete a SGWP grant funding application for the Groundwater Authority's GSP deliverable, consistent with Proposition 1 and related regional grant funding programs.

b. Authorize the PAC to prepare grant funding application documents for approval by the Board, and to oversee the grant funding process under the direction of the Board.

c. Authorize the PAC to meet as often as needed specifically regarding grant funding opportunities, in order to accomplish items (a) and (b).

Enclosed with this letter is a proposed grant funding plan schedule designed to meet immediate and long-term grant funding deadlines, consistent with the proposed agenda item above.

As further explanation, there are two fast-approaching DWR Sustainable Groundwater Management Program Proposition 1 grant funding opportunities:

(1) Category 1 holds \$10 million total, statewide, to be allocated in up to \$1 million grants for projects serving Severely Disadvantaged Communities; and

(2) Category 2 holds approximately \$76.3 million statewide, including up to \$1.5 million per basin for those deemed critically overdrafted (such as our Basin) to support activities associated with the planning, development and preparation of GSPs.

The Proposition 1 Guidelines require a 50% cost share, which can include certain in-kind services. DWR also administers grant funding under the Integrated Regional

Board of Directors and Associate Members of
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Water Management Planning (“IRWM”) program, for which the next funding solicitation cycle will begin in the first quarter of 2018. The application process for both programs is technical and complex. There are also limits on the number and type of applications that may be submitted, which requires that we coordinate all potential Proposition 1 funding projects, including the ongoing Brackish Water Resources Study project, in order to maximize grant funding opportunities.

The Board is requested to utilize available cash on hand (approximately \$75,000 according to the Interim General Manager’s recent report) to help cover the costs associated with preparing the grant funding application(s) and contribute toward the local cost share requirements. Investing that money to obtain over \$1.5 million in grant funds is an enormous return on investment that will benefit the entire Basin; likewise, failing to invest has an enormous opportunity cost. We understand that the Board and its Ad Hoc Finance Committee are currently considering hiring a funding consultant, which may be necessary at some point regarding long-term funding matters. In the meantime, we encourage the Board to utilize its PAC and existing resources first, to apply for grant funding, which must begin now. Using grant funds for initial Groundwater Authority start-up organizational costs during the development of the GSP will provide the Board with ample time to plan and develop a long term funding policy.

At the June 15, 2017, Groundwater Authority meeting, Chairperson Gleason assigned several action items to the PAC, including the following:

- “Funding options to address solutions”
- “Become experts on Proposition 1 funding”
- “Coordinate Proposition 1 funding priorities”

At the June 29, 2017, PAC meeting, Mr. Imsand proposed and the PAC discussed these assignments, including a PAC meeting schedule that would enable the PAC to timely develop and implement a grant funding application strategy. That proposed schedule included two specific meeting dates in July, and two in August, followed by a regular PAC meeting schedule on the 2nd and 4th Thursdays of each month afterward at least until the grant funding process is complete.

Unfortunately, the proposed scheduling for PAC meetings was not made firm, due in part to conflicting vacation and availability schedules among Groundwater Authority staff. **As of the date of this letter, there are no further scheduled PAC meetings,**

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which is of great concern among a majority of the PAC members who wish to ensure that the Groundwater Authority will successfully position itself to secure competitive grant funding under the rapidly-approaching deadlines. In addition to establishing a regular meeting schedule, the PAC needs to meet frequently enough over the next several months to achieve the objectives established by the Board.

Thank you for considering this time-sensitive and important matter. We ask the Board to engage the PAC, consistent with the Groundwater Authority's bylaws and organizational structure and as requested in this letter, to help lead the shared objective of all Basin stakeholders to obtain as much outside funding as possible as an important early step toward improving long-term Basin and regional water sustainability.

Sincerely,



Derek R. Hoffman, Attorney for
GRESHAM SAVAGE
NOLAN & TILDEN,
A Professional Corporation

DRH:dms

Enclosure

cc: L. Duffy, A. Christensen, D. Zdeba, T. Parker, L. Oviatt, K. Lemieux, P. Hall, J. Worth, M. Ostoich, M. Davis, Client

BEFORE THE BOARD OF DIRECTORS INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

In the matter of:

Resolution No. 03-17

RESOLUTION AMENDING RESOLUTION NO. 01-16 (BYLAWS) TO ADD A CONFLICT OF INTEREST CODE

I, Lauren Duffy, Secretary of the Board of Directors for the Indian Wells Valley Groundwater Authority, do certify that the following resolution, on motion of Director _____, seconded by Director _____, was duly passed and adopted by the Board of Directors at an official meeting this 20th day of July, 2017, by the following vote:

AYES:

NOES:

ABSENT:

Secretary of the Board of Directors
Indian Wells Valley Groundwater Authority

RESOLUTION

Section 1. **WHEREAS:** On August 25, 2016, the Authority adopted a Conflict of Interest Code as required by law pursuant to Resolution No. 01-16. The Authority subsequently submitted this Resolution for review by the Fair Political Practices Commission.

Subsequently, on May 18, 2017, the Authority adopted Bylaws. At the time these Bylaws were adopted, the Fair Political Practices Commission was still reviewing the Conflict of Interest Code.

The Fair Political Practices Commission has completed its review of the Conflict of Interest Code and approved it. Accordingly, the following Resolution codifies the previously adopted Conflict of Interest Code into the previously reserved Article 15 of the Bylaws.

Section 2. **THEREFORE IT IS RESOLVED** by the Board of Directors of the Indian Wells Valley Groundwater Authority, as follows:

Article 15 of the Bylaws of the Indian Wells Valley Groundwater Authority hereby is revised as follows:

ARTICLE 15. CONFLICT OF INTEREST

- 15.1 ADOPTION OF CONFLICT OF INTEREST CODE. The terms of 2 Cal. Code of Regs. Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, along with this Article 15, constitute the conflict of interest code of the Indian Wells Valley Groundwater Authority.
- 15.2 DESIGNATED EMPLOYEES. Designated employees and consultants shall file their statements with the Indian Wells Valley Groundwater Authority, which will make the statements available for public inspection and reproduction. (Govt. Code § 81008.) Statements for all designated employees will be retained by the agency.

15.2.1	<u>JOB TITLE</u>	<u>DISCLOSURE CATEGORY</u>
	General Counsel	1
	Volunteers	
	Consultants	

Volunteers and Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitations: The Board of Directors may determine in writing that a particular volunteer or consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in this section. Such determination shall include a description of the duties and, based upon that description, a statement of the extent of disclosure requirements. The Board's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

- 15.2.2 An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by section 87200.

15.3 DISCLOSURE CATEGORIES

Category 1: FULL DISCLOSURE. A designated employee in this category is treated as a mandatory/statutory filer and thus must report all reportable interests in real property within the Authority's jurisdiction, as well as reportable investments, business positions and sources of income, including gifts, loans and travel payments. For the purposes of

these provisions, the term jurisdiction includes: those lands within the Indian Wells Valley Groundwater Basin (Basin); those lands that rely on water from the Basin; those lands that are within two miles of the Basin; and, those lands that are within two miles of land that rely on water from the Basin.

Category 2: Full Disclosure (excluding interest in real property). A designated employee in this category must report all reportable investments, business positions and sources of income, including gifts, loans and travel payments.

Category 3: Interests in Real Property. A designated employee in this category must report all reportable interests in real property with the Authority's jurisdiction,

Category 4: General Contracting For Entire Authority. A designated employee in this category must report all reportable investments, business positions and income, including gifts, loans and travel payments, from sources that provide leased facilities, goods, equipment, vehicles, machinery or services, including training or consulting services, of the type utilized by the Authority.

Category 5: General Contracting For Specific Department. All investments, business positions and income, including gifts, loans and travel payments, from sources that provide leased facilities, goods, equipment, vehicles, machinery or services, including training or consulting services, of the type utilized by the employee's department or area of authority.

Section 3. Except as provided herein, the Bylaws of Indian Wells Valley Groundwater Authority is hereby reaffirmed and readopted.

IWVGA ADMINISTRATIVE OFFICE

Staff Report

TO: IWVGA Board Members

DATE: July 20, 2017

FROM: Alan Christensen *AC*

SUBJECT: Resolution 02-17 Appointing Renee Westa-Lusk to the Policy Advisory Committee
(Fiscal Impact: none)

DISCUSSION

An Ad Hoc Committee of the IWVGA Board of Directors has considered applications for openings on the Policy Advisory Committee (PAC). Once the final list of names is approved by resolution, it will be referenced in the IWVGA Bylaws.

RECOMMENDATION

Approve the Resolution 02-17 Appointing Renee Westa-Lusk to the PAC.

BEFORE THE BOARD OF DIRECTORS INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

In the matter of:

Resolution No. 02-17

RESOLUTION APPOINTING MEMBERS TO THE POLICY ADVISORY COMMITTEE.

I, Lauren Duffy, Secretary of the Board of Directors for the Indian Wells Valley Groundwater Authority, do certify that the following resolution, on motion of Director _____, seconded by Director _____, was duly passed and adopted by the Board of Directors at an official meeting this 20th day of July, 2017, by the following vote:

AYES:

NOES:

ABSENT:

Secretary of the Board of Directors
Indian Wells Valley Groundwater Authority

RESOLUTION

Section 1. **WHEREAS:**

(a) The Bylaws of the Indian Wells Valley Groundwater Authority provide that individuals shall be appointed to the Policy Advisory Committee by Resolution;

Section 2. **THEREFORE IT IS RESOLVED** by the Board of Directors of the Indian Wells Valley Groundwater Authority, as follows:

1. This Board finds that the recited facts are true and that it has the jurisdiction to consider, approve, and adopt this Resolution,
2. The Board hereby appoints the individuals on the attached Exhibit "A" to the Policy Advisory Committee

EXHIBIT A

Policy Advisory Committee (PAC)

Member Names

<u>Category</u>	<u>Name</u>
Large Agriculture	Rodney Stiefater
Large Agriculture	Edward Imsand
Small Agriculture	Patricia Quist
Business Interests	Scott O'Neil
Business Interests	Carol Wilson
Residential Customers of Public Water Agency	Nick Panzer
Residential Customers of Public Water Agency	Renee Westa-Lusk
Domestic Well Owners	West Katzenstein
Domestic Well Owners	Lyle Fisher
Eastern Kern County Resource Conservation District	Donna Thomas
Wholesaler and Industrial User	Steve Godard
Indian Wells Valley Water District*	Don Zdeba
Department of the Navy*	Brian Longbottom
Bureau of Land Management*	Ryan Klaush

* Non-voting members

IWVGA ADMINISTRATIVE OFFICE

Staff Report

TO: IWVGA Board Members

DATE: July 20, 2017

FROM: Alan Christensen, General Manager *AC*

SUBJECT: Resolution 04-17 Appointing Members to the Technical Advisory Committee
(Fiscal Impact: none)

DISCUSSION

Applications for openings on the Technical Advisory Committee (TAC). Eight applications were received, and all appear qualified to serve on the TAC.

RECOMMENDATION

Approve the Resolution 04-17 Appointing Members to the TAC.

BEFORE THE BOARD OF DIRECTORS INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

In the matter of:

Resolution No. 04-17

RESOLUTION APPOINTING MEMBERS TO THE TECHNICAL ADVISORY COMMITTEE.

I, Lauren Duffy, Secretary of the Board of Directors for the Indian Wells Valley Groundwater Authority, do certify that the following resolution, on motion of Director _____, seconded by Director _____, was duly passed and adopted by the Board of Directors at an official meeting this 20th day of July, 2017, by the following vote:

AYES:

NOES:

ABSENT:

Secretary of the Board of Directors
Indian Wells Valley Groundwater Authority

RESOLUTION

Section 1. **WHEREAS:**

(a) The Bylaws of the Indian Wells Valley Groundwater Authority provide that individuals shall be appointed to the Technical Advisory Committee by Resolution;

Section 2. **THEREFORE IT IS RESOLVED** by the Board of Directors of the Indian Wells Valley Groundwater Authority, as follows:

1. This Board finds that the recited facts are true and that it has the jurisdiction to consider, approve, and adopt this Resolution,
2. The Board hereby appoints the individuals on the attached Exhibit "A" to the Technical Advisory Committee:

EXHIBIT A

Technical Advisory Committee (TAC)

Member Names

<u>Category</u>	<u>Name</u>
Large Agriculture	Eddie Teasdale
Large Agriculture	Anthony Brown
Small Agriculture	Open
Business Interests	Open
Business Interests	Open
Residential Customers of Public Water Agency	Open
Residential Customers of Public Water Agency	Michael Powell
Domestic Well Owners	Don Decker
Domestic Well Owners	Open
Eastern Kern County Resource Conservation District	Earl Wilson
Wholesaler and Industrial User	Adam Bingham
Indian Wells Valley Water District	Renee Morquecho
Department of the Navy*	Stephan Bork
Bureau of Land Management*	Open

* Non-voting members

IWVGA ADMINISTRATIVE OFFICE

Staff Report

TO: IWVGA Board Members **DATE:** July 20, 2017
FROM: Alan Christensen, General Manager *AC*
SUBJECT: Report from the Policy Advisory Committee
(Fiscal Impact: none)

DISCUSSION

The Policy Advisory Committee (PAC) had their first meeting on June 29, 2017. Minutes from that meeting are attached. The PAC is scheduled to meet again on July 20, 2017. The agenda for that meeting is attached.

Donna Thomas, the PAC Chair will provide a report to the IWVGA Board on PAC activities and questions the PAC has for the Board. For your information, Steve Godard was elected Vice-Chair by the PAC.

This item is an opportunity for the Board of the IWVGA to communicate with the PAC on a formal basis. One primary objective of the PAC is to receive direction from the Board.

Staff also wants to announce that the PAC is now receiving administrative support from the Kern County Planning and Natural Resources Department. The Department has volunteered to provide clerical services and develop agendas and minutes. There is no cost to the IWVGA or the PAC for these services.

RECOMMENDATION

None

**INDIAN WELLS VALLEY
GROUNDWATER AUTHORITY
POLICY ADVISORY COMMITTEE**

Indian Wells Valley Water District 500 W. Ridgecrest Blvd. Ridgecrest

MINUTES

Thursday, June 29, 2017, 10:00 a.m.

1. CALL TO ORDER/ROLL CALL:

The meeting was called to order by Leigh Ann Cook, Chief of Staff, Supervisor Gleason and Interim Coordinator for the Policy Advisory Committee at 10:00 a.m

POLICY ADVISORY COMMITTEE:

Rondey Stiefvater, Large Agriculture

Edward Imsand, Large Agriculture

Patricia Quist, Small Agriculture

Scott O'Neil, Business Interests

Carol Wilson, Business Interests

Vacant, Residential Customers of Public Water Agency

Nick Panzer, Residential Customers of Public Water Agency

West Katzenstein, Domestic Well Owner

Lyle Fisher, Domestic Well Owner

Donna Thomas, Eastern Kern County Resource CD

Steve Godard, Wholesaler and Industrial User

ROLL CALL:

11 Present; 1 Absent – Scott O'Neil

NON VOTING MEMBERS:

Don Zdeba, Indian Wells Valley Water District

Ryan Klaush, Bureau of Land Management

Brian Longbottom, Department of the Navy

Lorelei Oviatt, County of Kern

ROLL CALL:

2 Present; 2 Absent – Brian Longbottom and Lorelei Oviatt

2. PUBLIC COMMENTS

Sophia Merk thanked the committee for its transparency.

3. OVERVIEW

- a. The Election of Chair and Vice Chair was held. Donna Thomas was selected Chair and Steve Godard was selected Vice Chair
- b. Discussion of Disadvantaged Communities Representative

4. STAFFING RECOMMENDATIONS

- a. It was reported that Lorelei Oviatt, Director of Planning and Natural Resources offered to provide some administrative staffing through her department.

5. REPORTING AND TRAINING REQUIREMENTS

Counsel reviewed the requirements of the committee to follow the Brown Act, file Form 700s and attend ethics training. Discussion and questions from the Committee and the public followed.

6. SET REGULAR MEETING DATES

It was determined another poll through calendaring would be done and a date or dates would be determined.

7. ACTION ITEMS ASSIGNED

Discussion and question from the Board and the Public on how to accomplish goals followed.

8. ADJOURN

Meeting was adjourned at 12:04 pm.

**INDIAN WELLS VALLEY
GROUNDWATER AUTHORITY
POLICY ADVISORY COMMITTEE**
Indian Wells Valley Water District 500 W. Ridgecrest Blvd. Ridgecrest, CA 93555

A G E N D A

Thursday, July 20, 2017, 8:00 a.m.

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 Alan Christensen at (661) 868-3183. Requests must be made as early as possible and at least one full business day before the start of the meeting. Documents and material relating to an open session agenda items that are provided to the IWVGA PAC Committee prior to a regular meeting will be available for public inspection and copying at Indian Wells Valley Water District, 500 Ridgecrest Blvd, Ridgecrest, CA 93555, or online at www.co.kern.ca.us/groundwater/.

Statements from the Public

The public will be allowed to address the Committee during Public Comments about subjects within the jurisdiction of the IWVGA Committee and that are NOT on the agenda. No action may be taken on off-agenda items unless authorized by law. Questions posed to the Committee may be answered after the meeting or at future meeting. Dialog or extended discussion between the public and the Committee or staff will be limited in accordance with the Brown Act. The Public Comments portion of the meeting shall be limited to three (3) minutes per speaker. Each person is limited to one comment during Public Comments.

All remarks and questions should be addressed to the Committee as a whole and not to any individual member or staff. There will be time after each action item on the agenda to receive comments from the public. Again each speaker will be limited to three (3) minutes. Speakers should be brief and limit their comments to the specific subject being discussed. Persons will be limited to one comment per person unless directed by the Chair.

1. CALL TO ORDER/ROLL CALL

2. PUBLIC COMMENTS

This time is reserved for the public to address the Committee about matters NOT on the agenda. No action will be taken on non-agenda items unless authorized by law. Comments are limited to three minutes per person.

3. APPROVAL OF MINUTES

4. ETHICS TRAINING AND SIGN UPS

5. UPDATE AND DISCUSSION ON DISADVANTAGED COMMUNITIES REPRESENTATIVES

6. DISCUSSION – QUESTIONS FOR BOARD ON PAC TASKS AND DEADLINES

7. SET REGULAR MEETING DATES AND COMMUNICATION PROTOCOLS

8. DISCUSSION – MATERIALS FOR NOTEBOOKS

9. FUTURE AGENDA ITEMS DISCUSSION

10. COMMITTEE MEMBER ANNOUNCEMENTS OR COMMENTS

11. ADJOURN

IWVGA ADMINISTRATIVE OFFICE

Staff Report

TO: IWVGA Board Members **DATE:** July 20, 2017

FROM: Alan Christensen, General Manager *AC*

SUBJECT: Discussion/Action to Prepare Proposition 1 Grant Funding Application for Groundwater Sustainability Plan Development
(Fiscal Impact: none)

DISCUSSION

The State of California Department of Water Resources (DWR) has announced grants available to eligible Groundwater Sustainability Agencies (GSA) working toward completion of the Groundwater Sustainability Plan (GSP).

DWR plans to offer up to \$1.5 million maximum grant amount for GSAs in critically overdrafted basins (Tier 1) to offset the costs of GSP development. Funding for these grants will be between \$15 million and \$30 million state-wide. The IWVGA is eligible under the Tier 1 funding category. Eligible project types include those activities associated with the planning, development or preparation of GSP(s) that will comply with and meet the requirements of the GSP Regulations.

DWR will be releasing the grant Proposal Solicitation Package (PSP) in August 2017. Timelines for the grant are as follows:

<u>Milestone or Activity</u>	<u>Schedule</u>
Phase 1-Proposal Solicitation Package (PSP)	August 2017
Applicant Workshops	TBD
Grant Applications Deadline	October 2017
Phase 1-Funding Awards	December 2017
Phase 2-Continuous Filing Deadline	December 2017 through January 2018
Release of Funding Awards	TBD

It is clear that work toward preparing a grant application must start immediately. The Water Resources Manager (WRM) position is critical to preparing grant applications. The WRM will be recommending and directing projects and activities necessary to develop the GSP, which must be completed by January 31, 2020. Of course, the WRM will be working closely with the Technical Advisory Committee (TAC) to prioritize the plans and activities will be included in the grant application. The Policy Advisory Committee (PAC) has also offered to assist in the grant preparation.

It is critical that grant application preparation be closely coordinated and focused. Staff recommends a small committee of staff and stakeholders to begin work on grant preparation. This committee would immediately work with the newly hired Water Resources Manager to assess, prioritize, and define projects and activities that would be grant eligible.

RECOMMENDATION

Appoint a staff/stakeholder committee to begin preparations for grant applications from the State of California Department of Water Resources.

I. INTRODUCTION

DWR is administering the SGWP Grant Program, using funds authorized by Proposition 1, to encourage sustainable management of groundwater resources that support SGMA. SGMA was signed into law in 2014 and amended the Water Code (Part 2.74 of Division 6 of the Water Code, Sections 10720-10737.8). SGMA provides the framework for sustainable groundwater management planning and implementation. SGMA text can be found at the link listed in the Foreword.

SGMA fosters sustainable groundwater management in California’s designated high and medium priority groundwater basins or subbasins, hereinafter referred to as basins, by requiring local public agencies and Groundwater Sustainability Agencies (GSAs) to develop and implement GSPs or alternatives to GSPs (Alternative Plan). The regulations for the evaluation of GSPs and Alternative Plans, the implementation of GSPs and Alternative Plans, and coordination agreements between GSAs and/or stakeholders are hereinafter referred to as the GSP Regulations. The GSP Regulations were approved by the California Water Commission on May 18, 2016, and are codified in the California Code of Regulations (CCR), Title 23, Division 2, Chapter 1.5, Subchapter 2; found at the link listed in the Foreword.

DWR previously issued the Guidelines that will be used to administer this grant solicitation. The Guidelines provide general information regarding program and eligibility requirements. This PSP is making a total of approximately \$86.3 million available. The PSP contains specific information regarding the process, eligibility, and required content for grant proposals. Potential applicants are encouraged to read both the Guidelines and PSP prior to deciding to submit an application. The Guidelines can be found at the link listed in the Foreword.

II. FUNDING

Proposition 1 authorized \$100 million to be made available for competitive grants for projects that develop and implement groundwater plans and projects in accordance with groundwater planning requirements established under Division 6 (commencing with Section 10000) (Water Code Section 79775). Proposition 1 also requires that at least 10 percent (%), of the authorized \$100 million (\$10 million), be made available to projects that serve Severely Disadvantaged Communities (SDACs), defined as communities with a median household income (MHI) of less than 60% of the Statewide MHI.

DWR will solicit proposals to award funding on a competitive basis in two funding categories. Table 1 presents the funding information for both categories:

- Category 1 – SDAC Projects
- Category 2 – Groundwater Sustainability Plans, which has two tiers
 - Tier 1 - Critically overdrafted basins
 - Tier 2 - All other high and medium priority basins

Table 1 presents the funding information for both categories, as well as for both Tiers. Categories are described further in Section III B.

Funding Category		Total Funding	Maximum Grant Amount*
Category 1		At least \$10 million	\$1 million per project
Category 2	Tier 1	At least \$15 million, but not more than \$30 million	\$1.5 million per basin
	Tier 2	At least \$46.3 million, but not more than \$61.3 million	\$ 1 million per basin

*Minimum grant amount that can be requested is \$50,000.

A. Cost Share

Proposition 1 requires a minimum cost share of 50% of the total project cost. Project expenses must be incurred after May 18, 2016, to be considered as cost share. The cost share for projects benefiting a SDAC, DAC, or EDA may be waived or reduced. For definitions of SDAC, DAC, and EDA, see Appendix B of the Guidelines.

DWR will use the information presented in the Applications to evaluate whether the project provides benefits to a SDAC, DAC or an EDA to determine whether the required cost share is waived or reduced (see Appendices E and F of the Guidelines for additional details).

B. Eligible Costs and Payment

Costs incurred by grant recipients after July 1, 2017 must meet the conditions outlined in Section V.I of the Guidelines and the definitions of "local costs share" and "reimbursable costs" contained in Appendix B of the Guidelines to be considered for cost share or reimbursement. DWR's standard method of payment is reimbursement in arrears and Section V.I of the Guidelines states that no advance funds will be provided. Notwithstanding that statement and consistent with Water Code Section 10551, DWR will consider advance payment requests for Category 1 projects (SDAC Project), if the following requirements are met:

- The project is sponsored by a nonprofit organization, DAC, or proponent of a project that benefits a DAC
- The grant award is less than \$1 million
- The project is included and implemented in an Integrated Regional Water Management Plan (IRWM)

See Appendix A for more detail regarding advanced payment.

III. ELIGIBILITY

Applications for SGWP grants must meet all applicable eligibility criteria to be considered for grant funding, see Guidelines Section III. Eligibility requirements are listed below and identified in Questions 4 through 8 in Section V, Table 3 of this PSP.

A. Eligible Applicant

Eligible applicants for Category 1 proposals are public agencies, non-profit organizations, public utilities, federally recognized Indian tribes, California Native American Tribes, and mutual water companies (Water Code Section 79712.(a-b)). See Appendix B of the Guidelines for definition of these terms for eligible applicant.

Eligible applicants for Category 2 proposals are GSAs for the respective basin for which the application is submitted. For Category 2 proposals, only one application will be accepted per basin. However, an applicant with jurisdiction over multiple basins must submit one consolidated application and may request up to \$500,000 for additional basins, in addition to the maximum grant amount identified in Table 1.

For Category 2 proposals, the grant applicant is the agency submitting the application on behalf of the basin. The grant applicant is also the agency that would enter into an agreement with the State, should the application be successful. If there is more than one eligible agency within a basin, an eligible agency may be part of the proposal as a project proponent, but must identify a single entity that will act as the grant applicant and submit a basin-wide application and receive the grant on behalf of the basin. Project proponents would access grant funding through their relationship with the grant applicant, at DWR's discretion.

B. Eligible Project Types

Category 1 and Category 2 projects must address a DWR Bulletin 118 (2016) basin or a non-adjudicated portion of a basin that are designated by DWR as high or medium priority basins.

Category 2 projects located in basins determined to be probationary under SGMA by State Water Resources Control Board are not eligible for this grant program.

Category 2 projects located in a basin in which an Alternative Plan was submitted are not eligible for funding. However, an applicant may withdraw the Alternative Plan submittal before the close of the first open filing phase to be eligible for funding under this PSP.

Please check links for additional information on Bulletin 118, Basin Prioritization, Critically Overdrafted Basins, and GSA Formation provided in the Foreword.

1. Category 1 – SDAC Projects

Eligible projects must serve SDACs and support groundwater sustainability in the basin. Eligible Category 1 projects include but are not limited to the following examples:

- Vulnerability assessments
- Develop feasibility studies to evaluate sustainable groundwater management projects for SDACs
- Design and environmental planning of sustainable groundwater management projects for SDACs
- Technical assistance for SDACs to gather information and participate in groundwater sustainability planning activities
- Evaluate the groundwater management needs of SDACs, including actions that foster engagement of SDACs in sustainable groundwater planning activities
- Install and instrument a groundwater production well
- Connect communities on degraded groundwater to municipal supplies
- Retrofit existing groundwater well system to have water treatment capabilities
- Installation of meters on groundwater production wells
- Instrumentation of monitoring wells with pressure transducers

2. Category 2 – Groundwater Sustainability Plans

Eligible project types include those activities associated with the planning, development, or preparation of GSP(s) that will comply with and meet the requirements of the GSP Regulations.

IV. SOLICITATION PROCESS AND SCHEDULE

This grant solicitation will use an open filing approach, which will include two-phases, if necessary. The first phase of the solicitation will be open for nine weeks with anticipated grant awards in Winter 2017. If all funds are not awarded in phase one, DWR will open a second phase of solicitation to award the remaining funds. The anticipated schedule for this grant solicitation is presented in Table 2. Any change or update to the schedule will be posted on the DWR website. Updates may also be notified through e-mail announcements. If you are not already on the SGWP Grant Program e-mail contact list, please use the link listed in the Foreword.

Table 2 – Schedule for 2017 SGWP Grant Solicitation	
Milestone or Activity	Schedule <i>Italics denote tentative dates</i>
Release of Draft PSP for <i>GSPs and Projects</i> for public review	May 10, 2017
Public Meetings: Three public meetings will be held in June 2017. Please check the link below for dates and locations. http://water.ca.gov/irwm/grants/sgwp/upcomingevents.cfm	June 2017
Draft PSP for <i>GSPs and Projects</i> Public Comment Deadline	June 19, 2017
Release of Final PSP for <i>GSPs and Projects</i> /Phase 1 solicitation opens for Continuous Filing	August 2017
Applicant Workshop(s): Dates and locations to be provided in the Final PSP.	TBD
End of Phase 1 Continuous Filing: Grant Applications must be submitted via GRanTS	October 2017
Release of Phase 1 Funding Awards	December 2017
Tentative Phase 2 Solicitation Continuous Filing: Grant Applications must be submitted via GRanTS	December 2017 through January 2017
Release of Funding Awards*	TBD

**Date will be determined depending on remaining funds and number of applications received*

V. APPLICATION INSTRUCTIONS

This section provides instructions for preparing and submitting an application. The Application Instructions section consists of two subsections: A) *What to Submit* and B) *How to Submit*. It is important that the applicants follow the Application Instructions to ensure that their application will address all of the required elements. Applicants are reminded that once the application has been submitted to DWR, any privacy rights as well as other confidentiality protections afforded by law with respect to the application package will be waived.

A. What to Submit

Applicants must submit a complete SGWP Grant Application during the continuous filing phase shown in Table 2. The grant application consists of four sections or “Tabs”, as follows:

- Applicant Information Tab
- Projects Tab
- Questions Tab
- Attachments Tab

Additional details regarding the Tabs is outlined in Section V, Table 3 – Grant Application Checklist, which is provided as a guide for the applicants to ensure that they have submitted the required information for a complete application.

Category 1 proposals may be submitted separately or can be included with a Category 2 proposal. In the event that an applicant submits an application for multiple projects, the applicant must ensure that the “Tabs” are complete for each of the projects within the grant application. For example, Category 1 proposals may include separate projects for different SDACs within a basin; Category 2 proposals may include multiple projects for GSP development executed by different GSAs within a basin. However, as identified in Table 1, Category 2 proposals may include multiple projects with the project budgets collectively not exceeding \$1.5 million for critically overdrafted basins or not exceeding \$1 million for other high or medium priority basins, respectively.

B. How to Submit

Applicants must submit a complete application online using DWR’s Grant Review and Tracking System (GRanTS) electronic submittal tool. GRanTS can only be accessed with Internet Explorer and Google Chrome. The online GRanTS application will be available for use and can be found at the following link: <http://www.water.ca.gov/grants/>.

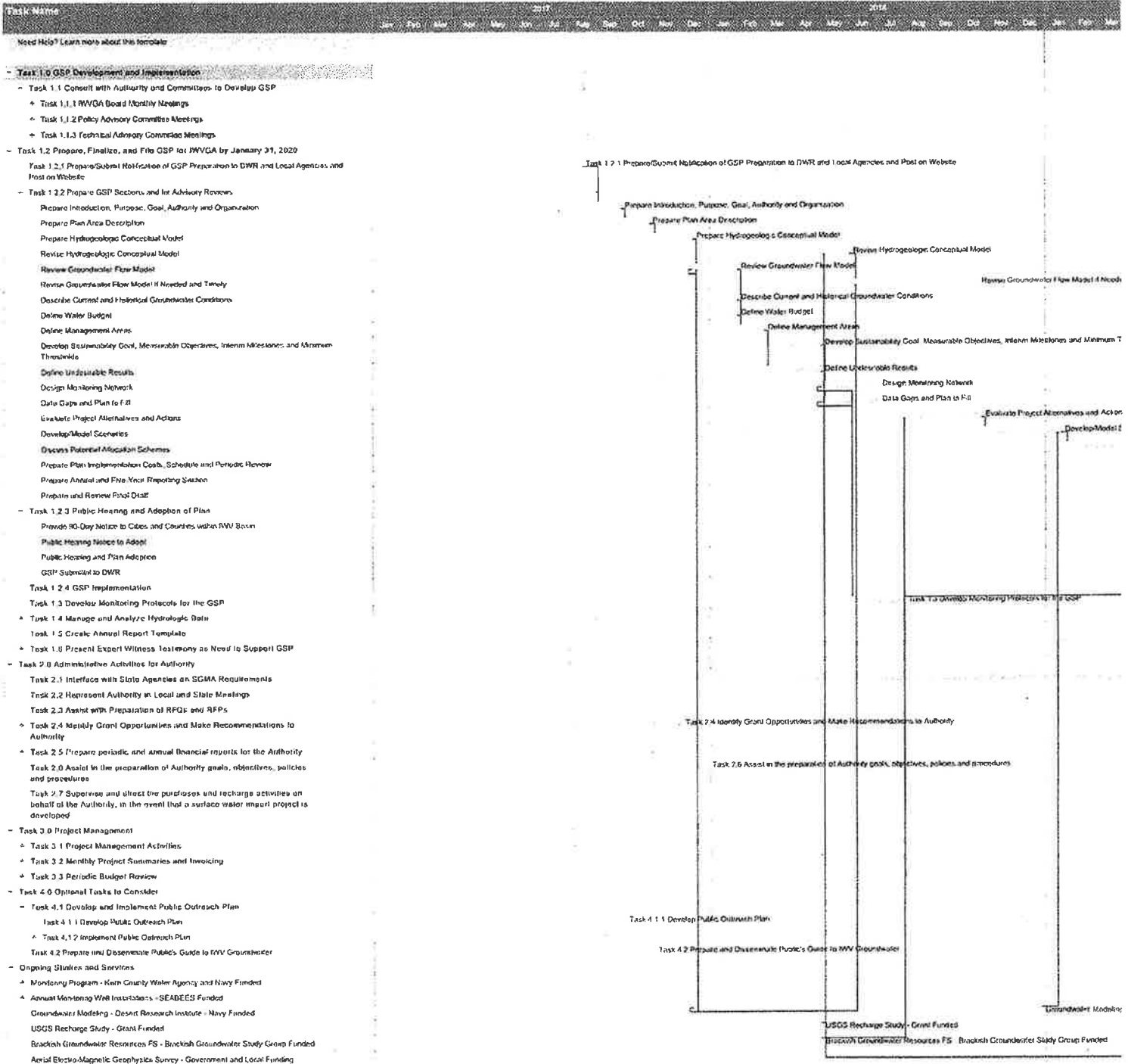
The name of this PSP in GRanTS is “2017 SGWP PSP”. To access this PSP, applicants must register and have an account in GRanTS, if they have not already done so. The online application will be available no later than August XX, 2017.

Indian Wells Valley Groundwater Authority – GSA Lead Agency
Preliminary Schedule: Recommended Actions To Secure Grant Funding For Regional Activities
(Part 1 – Prop. 1 SGWP Grants; Part 2 – GSA PAC Funding Activities).

Milestones	July				Aug				Sept				Oct			
	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4
Part 1 – SGWP Grants																
GSA PAC: Funding Needs & Opportunities Assessment	x	x														
GSA Board PAC Funding Plan Approval-authorizations			x													
Prop. 1 SGWP Funding Services Agreement Process							x									
DWR Opens Prop. 1 SGWP Funding Solicitation – Round 1																
SGWP Funding Application Preparation and Submittal									x	x	x	x	x	x	x	
DWR SGWP Application Review/Awards – 3 months																>
PAC GSA Board Check-in			x				x				x				x	
Part 2 – GSA PAC Funding Activities																
GSA PAC – Funding Plan																
+ Develop and Maintain Funding Priority List	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	>
+ Track other Prop.1 funding	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	>
+ Plan for IRWM Coordination																>
+ Tap DAC Funding Options	x	x	x	x	x	x	x	x	x	x	x	>				
+ Coordination with TAC																>
+ GSA Board Updates				x			x				x				x	
+ Implementation Schedule					M				M				M			>
+ Budget/Business Plan					M				M				M			
+ Other duties as assigned																>

Notes: Assumes GSA Board governance structure with PAC serving as lead on funding efforts for FY17-18.
Assumes GSA Board approves PAC recommended funding actions at the July 20 Board Meeting.
PAC would be directed and authorized to secure funding services support to execute 2017 SGWP grant funding request for GSA GSP development and preparation.
PAC would be responsible for preparation and submittal of the SGWP funding application to DWR during Round 1 SGWP funding solicitation window (expected to be from Aug. 25-Oct. 25, 2017).
PAC funding focus would be consistent with items listed above, plus any additional items added by the Board.
PAC would coordinate activities with the TAC once fully established and operational (expected in July 2017).
PAC would advise the Board on project priorities, stage of development and interagency coordination that may enhance funding success for the region.
The GSA Board would receive regular updates from the PAC regarding funding actions and progress.
Symbols: x-continual effort; >-activity continues into the future; M-update monthly.

WV GSP Preparation



IWVGA ADMINISTRATIVE OFFICE

Staff Report

TO: IWVGA Board Members **DATE:** July 20, 2017

FROM: Alan Christensen, General Manager *AC*

SUBJECT: Approve Agreement with James Markman of Richards, Watson & Gershon to serve as Special Counsel to the IWVGA
(Fiscal Impact: Maximum hourly rate of \$325 per hour)

DISCUSSION

A two member Ad Hoc Committee of the IWVGA Board comprised of Board Members Peggy Breeden and Bob Page evaluated applications from attorneys and legal firms with specialty skills in water and groundwater law. The Ad Hoc Committee recommended three finalists to interview with the entire IWVGA Board.

The Board interviewed the individuals and chosen James Markman to serve as special counsel to the Board on an "as needed" basis. More specifically, the services to be performed will be provided as directed by Authority's Board of Directors, General Manager, or General Counsel and shall include, attendance at selected Board of Directors meetings, legal research and legal advice to the Authority and designated staff; participation in the preparation and review of resolutions, agreements, and other legal documents; participation in planning for and negotiating any and all terms, rights and obligations contained in the plan which may result from the SGMA Project, including water rights and production allocations and cost allocations; and litigation related to the SGMA project. Normal and routine legal advice will continue to be provided by attorneys from the member agencies of the IWVGA.

Either the IWVGA or Mr. Markman may terminate the agreement with 30 days written notice. The costs for legal services from Mr. Markman will be calculated on an hourly basis, as found in Exhibit A of the agreement. Other services, if needed, will be provided at lesser rates.

RECOMMENDATION

Approve an agreement with James Markman of the firm Richards, Watson & Gershon to serve as Special Counsel to the IWVGA

**AGREEMENT FOR
PROFESSIONAL LEGAL SERVICES
SPECIAL COUNSEL**

This agreement ("Agreement") is made and entered into this 20th day of July 2017, by and between RICHARDS, WATSON & GERSHON, A Professional Corporation, with a place of business at 1 Civic Center Circle, Brea, California 92821, hereinafter referred to as "RWG," and INDIAN WELLS VALLEY GROUNDWATER AUTHORITY, Ridgecrest City Hall, 100 W. California Avenue, Ridgecrest, California 93555, hereinafter referred to as "AUTHORITY".

WHEREAS, AUTHORITY desires to retain RWG to perform legal special counsel services concerning the generation and implementation of a groundwater sustainability plan pursuant to the State Sustainable Groundwater Act; and

WHEREAS, RWG is in the general practice of law with extensive public law and water law, water rights and groundwater adjudication and management experience; and

WHEREAS, RWG hereby discloses its prior representation of Indian Wells Valley Water District on an unrelated matter, which representation concluded in 2001;

NOW, THEREFORE, in consideration of the mutual terms and conditions hereinafter set forth, it is agreed as follows:

1. Appointment of Special Counsel.

AUTHORITY hereby appoints JAMES L. MARKMAN to serve as Special Counsel to AUTHORITY. Both the Special Counsel and all other attorneys providing services hereunder shall, at all times hereunder and at their sole cost and expense, be fully qualified and licensed to practice law in the State of California and before all appropriate State and Federal courts and other bodies and tribunals.

2. Scope of Work.

RWG by and through the services of JAMES L. MARKMAN agrees to perform legal services concerning the project described above and hereinafter referred to as "the SGMA Project." Special Counsel shall represent the interests of the AUTHORITY as a whole with the core goal of timely implementing the SGMA Project as distinguished from advocating to specifically benefit any water producer. More specifically, the services to be performed by RWG shall be provided as directed by Authority's Board of Directors, Chief Executive or General Counsel and shall include, without limitation, the following:

- A. Attendance at selected Board of Directors meetings.
- B. Legal research and legal advice to AUTHORITY and designated AUTHORITY staff.
- C. Participation in the preparation and review of resolutions, agreements, and other legal documents.
- D. Participation in planning for and negotiating any and all terms, rights and obligations contained in the implementation plan which may result from the SGMA Project, including, but not limited to, water rights and production allocations and cost allocations.
- E. Litigation related to the SGMA Project.

3. Term.

This Agreement shall commence as of _____, 2017 and shall continue in effect until terminated by AUTHORITY or RWG. AUTHORITY or RWG may terminate this Agreement at any time, with or without cause, by giving thirty (30) days written notice to the other party prior to termination of this Agreement. In the event of termination: (i) AUTHORITY shall remain obligated to pay for all costs and expenditures incurred by RWG prior to the effective date of such termination; and (ii) RWG shall comply with all provisions of the Rules of Professional Conduct for the termination of a client relationship, shall assist AUTHORITY in transition to a new special counsel and shall be compensated for such assistance at the rates provided under this Agreement.

4. Coordination and Organization.

JAMES L. MARKMAN will process, coordinate and direct as necessary all legal services hereunder in order to maximize the timeliness and usefulness of the delivery of such services. The Special Counsel and other RWG attorneys providing services hereunder shall be available, at all reasonable times, to AUTHORITY's Board of Directors, Chief Executive, General Counsel and other persons designated by the Chief Executive in relationship to legal services to be furnished by RWG hereunder.

5. Payment.

5.1 Compensation and Reimbursement Rates.

RWG shall be compensated for the performance of legal services and reimbursed for costs incurred therewith in accordance with the Compensation and Reimbursement Schedule for Indian Wells Valley Groundwater Authority ("Compensation and Reimbursement Schedule"), attached to this Agreement as Exhibit "A" and incorporated herein as though set forth in full.

5.2 Billing.

RWG shall provide to AUTHORITY a monthly invoice for the services provided, the time spent providing those services, and costs incurred. All invoices shall be in the form customarily supplied by RWG to public agency clients being billed on an hourly basis. AUTHORITY shall process and cause such invoices to be paid promptly and no later than thirty (30) days after receipt of the invoice.

6. Indemnification

Each party shall indemnify, defend and hold harmless the other party, its directors, members, officers, employees and agents from and against any and all third-party claims, suits or actions instituted on account of personal injuries or death of any person (including but not limited to workers and the public) or physical damage to property resulting from or arising out of the indemnitor's willful misconduct or negligent act or omission while engaged in the performance of obligations or exercise of rights under this Agreement.

7. Conflicts of Interest.

RWG shall comply with all applicable laws and professional rules and standards relating to any known conflict of interest involving AUTHORITY and matters upon which RWG is providing legal services under this Agreement. RWG shall not reveal confidential information of AUTHORITY, except with the consent of the Chief Executive, the Board of Directors or as otherwise required by law. RWG shall notify the General Manager or Board of Directors or General Counsel, depending on the circumstances, of any conflict of interest related to matters upon which it is providing legal services under this Agreement upon discovery of any such conflict. In the event that such conflict is not or cannot be waived or resolved, AUTHORITY shall retain alternate legal counsel and RWG shall assist and cooperate with such legal counsel retained by AUTHORITY on the matter for which the conflict arose.

8. Client Files.

8.1 Offer to Transfer Files.

At the conclusion of RWG's legal representation of AUTHORITY, the original client files for the work performed under this Agreement shall be made available to AUTHORITY. RWG will be entitled to make copies of any client files. At the conclusion of RWG's legal representation of AUTHORITY, (regardless of whether AUTHORITY takes possession of the client files) AUTHORITY shall take possession of any and all original contracts, and other such important documents that may be in the client files and RWG shall have no further responsibility with regard to such documents.

8.2 Notice of Intent to Dispose.

If AUTHORITY does not take possession of the client files at the conclusion of RWG's legal representation of AUTHORITY, RWG shall store such client files for a period of at least one (1) year. At the conclusion of such one (1) year period, RWG may send to AUTHORITY a notice, advising of RWG's intention to dispose of the client files. AUTHORITY shall have sixty (60) days from the date of such notice to take possession of the client files. If AUTHORITY does not take possession of the client files during that time, AUTHORITY agrees that RWG may dispose of the client files without further notice.

8.3 Survival of Expiration.

Section 8 of this Agreement shall survive the expiration of this Agreement.

9. General Provisions.

9.1 Non-Discrimination.

In the performance of this Agreement, RWG shall not wrongfully discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, sexual orientation or medical condition.

9.2 Assignment/Delegation.

This Agreement contemplates the personal professional services of RWG and neither this Agreement, nor any portion thereof, shall be assigned or delegated without the prior written consent of AUTHORITY.

9.3 Interpretation.

The following rules of legal construction shall apply:

A. This Agreement is made and entered into in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California.

B. The section captions and headings in this Agreement have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.

C. Whenever in this Agreement the context may so require, the masculine gender shall be deemed to refer to and include the feminine and neuter, and the singular shall refer to and include the plural.

9.4 Attorney's Fees.

The parties acknowledge and agree that each will bear its own costs, expenses and attorney's fees arising out of and/or connected with the negotiation, drafting and execution of this Agreement.

9.5 Notices.

Any notice required to be given shall be deemed to have been given by depositing such notice in the United States mail, postage prepaid, and addressed as follows:

TO IWVGA:

Indian Wells Valley Groundwater Authority
Ridgecrest City Hall
100 W. California Avenue
Ridgecrest, California 93555

Attention: Chief Executive

TO RWG:

Richards, Watson & Gershon
1 Civic Center Circle
P.O. Box 1059
Brea, California 92822-1059

Attention: James L. Markman

9.6 Signatories.

Each signatory warrants and represents that he or she is competent and authorized to execute this Agreement on behalf of the party for whom he or she purports to sign.

9.7 Entire Agreement.

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

9.8 Modification of Agreement.

This Agreement and the provisions set forth herein may be modified only by way of a written amendment to this Agreement that has been approved and executed by and on behalf of both RWG and AUTHORITY.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the respective dates set forth opposite each of their signatures.

Dated: _____

INDIAN WELLS VALLEY GROUNDWATER
AUTHORITY

By: _____

President, Board of Directors

Dated: _____

RICHARDS, WATSON & GERSHON,
A Professional Corporation

By: _____

JAMES L. MARKMAN
Vice-President

ATTEST:

Secretary to the Board

Exhibit "A"

**Compensation and Reimbursement Rate Schedule for
Indian Wells Valley Groundwater Authority**

1) Legal Services

Legal Services shall be billed to, and compensated by, the AUTHORITY, at the following rates for RWG:

- At the rate of \$325 per hour for services performed by James L. Markman;
- At the rate of \$300 per hour for the services of other RWG Shareholders and Senior Counsel;
- At the rate of \$275 per hour for the services of RWG associate attorneys;
- At the rate of \$235 per hour for the services of RWG clerks; and
- At the rate of \$200 per hour for the services of RWG paralegals.

Only one-half of the time expended in driving to or from AUTHORITY's office in Ridgecrest, California shall be charged.

2) Reimbursable and/or Other Costs

Expenses for non-local travel will be charged at our actual costs. RWG bills mileage at the standard rate established by the IRS for calculating the operating expenses of an automobile used for business purposes, which currently is 53.5 cents per mile, but will not bill mileage incurred by an RWG employee or agent driving to or from AUTHORITY's office in Ridgecrest, California. Copying costs will be charged at 5 cents per page. All other costs, such as long distance telephone charges, messenger and delivery services will be charged only at the Firm's actual out-of-pocket expenses. The Firm will not charge for legal research, word processing and similar clerical tasks.

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Brea, California 92822-1059

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Dated: _____

INDIAN WELLS VALLEY GROUNDWATER
AUTHORITY

By: _____

President, Board of Directors

Dated: _____

RICHARDS, WATSON & GERSHON,
A Professional Corporation

By: _____

JAMES L. MARKMAN
Vice-President

ATTEST:

Secretary to the Board

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