

# INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

Ridgecrest City Hall 100 W California Ave., Ridgecrest, CA 93555 760-499-5002

## BOARD OF DIRECTORS A G E N D A

Wednesday, August 11, 2021

**Closed Session 10:00 a.m.**

**Open Session: No earlier than 11:30 a.m.**

***NOTICE:*** *In accordance with the evolving public health declarations, we will continue to provide live stream video for those wishing to participate virtually. Please see the Public Comment Notice below for detailed instructions on submitting public comment as well as websites for livestream broadcasting. Telephonic participation by members of the Board and staff is expected.*

*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 April Keigwin at (805) 764-5452. 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 Ridgecrest City Hall, 100 W California Ave, Ridgecrest, CA 93555, or online at <https://iwvga.org/>.*

### 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. All Public Comment portions of the meeting shall be limited to three (3) minutes per speaker. Each person is limited to one comment during Public Comments.*

### 1. CALL TO ORDER

### 2. PUBLIC COMMENT ON CLOSED SESSION

### 3. CLOSED SESSION

- CONFERENCE WITH REAL PROPERTY NEGOTIATIONS –  
(Government Code Section 54956.8) - Property: State Water Project Importation;  
Agency Negotiator: Capitol Core Group; Negotiating Parties: Various; Under  
Negotiation: Price and terms of payment.
- CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION  
(Government Code Section 54956.9(b)) - Number of cases: (1)
- CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
(Government Code Section 54956.9(c)): IWVGA v. Inyokern CSD

- CONFERENCE WITH LEGAL COUNSEL – GROUNDWATER ADJUDICATION  
(Government Code Section 54956.9): Mojave Pistachios v. Indian Wells Valley Water District
- CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1) - Name of case: Searles Valley Minerals Inc v. Indian Wells Valley Groundwater Authority, et. al.
- CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1) - Name of case: Mojave Pistachios, LLC, a California limited liability company, et.al. v. Indian Wells Valley Groundwater Authority, a California Joint Powers Authority, et. al.

**4. OPEN SESSION – No earlier than 11:30 a.m.**

- a. Report on Closed Session
- b. Pledge of Allegiance
- c. Roll Call

**5. PUBLIC COMMENT**

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.

**6. CONSENT AGENDA**

- a. Approve Minutes of Board Meeting July 14, 2021
- b. Approve Letter to Mission Bank
- c. Approve Expenditures
  - \*To view itemized invoices please visit <https://iwvga.org/iwvga-meetings>*
  - i. \$46,375.72 – Stetson Engineers
  - ii. \$18,876.25 – Regional Government Services

**7. WATER RESOURCES MANAGER REPORT**

- a. Grant Funding
  - i. Proposition 1
  - ii. Proposition 68
- b. GSP Implementation Projects/Management Action Updates
  - i. Recycled Water Program
  - ii. Project No. 1 – Surface Percolation Replenishment
  - iii. Project No. 4 – Shallow Well Impact Mitigation Program Update
- c. Other Projects
  - i. Navy/COSO Royalty Fund 2021 Project(s)
  - ii. IWVGA / Desert Resource Institute Basin Model Transfer – Configuration Management Plan Status Update

**8. BOARD REVIEW AND APPROVAL OF ADDENDUM NO. 1 TO EXISTING CONSULTANT’S SERVICES AGREEMENT NO. 03-19 WITH CALIFORNIA RURAL WATER ASSOCIATION**

**9. BOARD DISCUSSION ON FINANCING THE REPLENISHMENT FEE**

**10. BOARD DISCUSSION AND DIRECTION ON REENGAGEMENT OF THE POLICY ADVISORY COMMITTEE (PAC) AND THE TECHNICAL ADVISORY COMMITTEE (TAC)**

**11. RESOLUTION NO. 06-21 AMENDMENT TO SECTIONS 5.4, 5.5, 5.7 AND 5.9 OF THE BYLAWS**

**12. GENERAL MANAGER'S REPORT**

- a. Monthly Financial Report
- b. Report on IWVGA's Water Marketer (Capitol Core Group)
- c. Severely Disadvantaged Communities (SDAC) Programs Update
- d. Past Due Accounts

**13. CLOSING COMMENTS**

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

**14. DATE OF NEXT MEETING – SEPTEMBER 8, 2021**

**15. ADJOURN**

**PUBLIC COMMENT NOTICE**

On March 17, 2020, Governor Newsom issued Executive Order N-29-20, relating to the convening of public meetings in light of the COVID-19 pandemic. At this time, the Indian Wells Valley Groundwater Authority is continuing to hold board meetings in order to conduct essential business. IWVGA meetings will be open to the public for physical attendance; However, for those who wish to continue using virtual alternatives please follow the directions below for access to live stream video as well as ways to submit public comment.

- **Watch meetings on-line:**  
All of our meetings are streamed live at <https://ridgecrest-ca.gov/369/Watch> (4 second streaming delay) or on YouTube at <https://www.youtube.com/cityofridgecrest/live> (22 second streaming delay) and are also available for playback after the meeting.
- **Call in for public comments:**  
If you wish to make verbal comment, *please call (760) 499-5010*. This phone line will allow only one caller at a time, so if the line is busy, please continue to dial. We will be allowing a 20-30 second pause between callers to give time for media delays and callers to dial in. Due to media delays, please mute your streaming device while making public comment. If you wish to comment on multiple items, you will need to call in as each item is presented.  
*\*Please Note – This process will be a learning curve for all, please be patient.*
- **Submit written comments:**  
We encourage submittal of written comments supporting, opposing, or otherwise commenting on an agenda item, for distribution to the Board prior to the meeting. Send emails to [akeigwin@rgs.ca.gov](mailto:akeigwin@rgs.ca.gov) written correspondence may be sent to April Keigwin, Clerk of the Board, 100 W. California Ave., Ridgecrest, CA 93555. Please specify to which agenda item your comment relates.
- **Large Groups:**  
If you are part of a large group that would like to comment on an agenda item, please consider commenting in writing. This will be as impactful to the Board as having a large group in attendance.

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# INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

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

## BOARD OF DIRECTORS MEETING MINUTES Wednesday, July 14, 2021; 10:00 a.m.

### IWVGA Members Present:

Chairman Scott Hayman, City of Ridgecrest	Carol Thomas-Keefer, IWVGA General Manager
Phillip Peters, Kern County	Keith Lemieux, Legal Counsel
Stan Rajtora, IWVWD	Steve Johnson, Stetson Engineers
John Vallejo, Inyo County	Commander Peter Benson, US Navy, DoD Liaison
Tim Itnyre, San Bernardino County	April Keigwin, Clerk of the Board
Thomas Bickauskas, Bureau of Land Management	

Attending via teleconference is Tim Itnyre, and John Vallejo.

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

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

### 1. CALL TO ORDER:

The meeting is called to order by Chairman Hayman at 10:01 a.m.

### 2. PUBLIC COMMENT ON CLOSED SESSION:

The Board hears public comment from Renee Westa-Lusk.

Chairman Hayman calls the meeting into Closed Session at 10:04 a.m.

### 3. CLOSED SESSION:

- CONFERENCE WITH REAL PROPERTY NEGOTIATIONS –  
(Government Code Section 54956.8) - Property: State Water Project Importation; Agency Negotiator: Capitol Core Group; Negotiating Parties: Various; Under Negotiation: Price and terms of payment.
- CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(b)) - Number of cases: (2)
- CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
(Government Code Section 54956.9): IWVGA v. Frank Bellino (BCV-21-100415)
- CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1)) - Name of case: Searles Valley Minerals Inc. v. Indian Wells Valley Groundwater Authority, et. al.
- CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1)) - Name of case: Mojave Pistachios, LLC, a California limited liability company, et.al. v. Indian Wells Valley Groundwater Authority, a California Joint Powers Authority, et. al.

Closed Session adjourned at 10:56 a.m.

**4. PUBLIC COMMENT: (Item tabled and addressed after item 5)**

The Board hears public comment from Sophia Merk, Shirley Kirkpatrick, Judie Decker, Mike Neel, Charlie Manzie, Margaret Graham, Charlie Dobbins, Raymond Kelso, Shirley Jorgensen, and Helen Jackson.

**5. OPEN SESSION:**

Meeting reconvenes into Open Session at 11:02 a.m.

## a. Report on Closed Session:

Counsel Lemieux reports the Board has identified a source for State Water Project and directed property negotiators to issue an offer to the seller. In regard to the legal items, no reportable action was taken that would require disclosure under the Brown Act.

## b. The Pledge of Allegiance is led by Chairman Hayman

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

Chairman Hayman	Present
Vice Chair Rajtora	Present
Director Itnyre	Present
Director Peters	Present
Director Vallejo	Present

**8. CONSENT AGENDA:**

- a. Approve Minutes of Board Meeting June 9, 2021
- b. 90 Day check-in from Regional Government Services
- c. Approve Expenditures

*\*To view itemized invoices please visit <https://iwvga.org/iwvga-meetings>*

- i. \$50,463.44 – Stetson Engineers – (Replenishment Fee)
- ii. \$19,168.75 – Regional Government Services – (Extraction Fee / Replenishment Fee)
- iii. \$10,287.50 – Capitol Core Group – (Replenishment Fee)
- iv. \$45,279.30 – California Rural Water Association (May / June) (Prop. 1 Grant – SDAC)

Vice Chair Rajtora asks to pull agenda item 8.b and 8.c.i for further discussion.

The Board hears public comment from Mike Neel.

Motion made by Phillip Peters and seconded by Stan Rajtora to approve Minutes of Board Meeting June 9, 2021, and the following expenditures in the amount of \$50,463.44 to Stetson Engineers, \$19,168.75 to Regional Government Services, \$10,287.50 to Capitol Core Group, and \$45,279.30 to California Rural Water Association.

Motion carries by the following roll call vote:

Chairman Hayman	Aye
Vice Chair Rajtora	Aye
Director Itnyre	Aye
Director Peters	Aye
Director Vallejo	Aye

Motion made by Stan Rajtora and seconded by Phillip Peters to approve agenda item 8.b – 90 Day check-in from Regional Government Services and 8.c.i – Stetson Invoice in the amount of \$50,463.44.

Motion carries by the following roll call vote:

Chairman Hayman	Aye
Vice Chair Rajtora	Aye
Director Itnyre	Aye
Director Peters	Aye
Director Vallejo	Aye

**9. WATER RESOURCES MANAGER REPORT:**

- a. Steve Johnson, Joseph Montoya, Steve Reich, Jean Moran and Heather Steele provide updates on the following grants/programs: Prop. 1 Grant Status, Prop. 68 Grant Status, Recycled Water Program, Navy/COSO Royalty Fund 2021 Project(s), GSP Planned Projects – Project No. 4 Shallow Well Impact Mitigation Program, GSP Planned Projects – Project No. 1 Surface Percolation Replenishment Update, Technical Support Services Agreement Status Update, IWVGA / Desert Resource Institute Basin Model Transfer – Configuration Management Plan Status Update, GSP Groundwater Dependent Ecosystems (GDE’s) Update, Prop 1 Work Daily Management Task Systems – Monitoring Wells on Navy Property, and Estimated Total Basin Pumping (previous 12 months).

The Board hears public comment from Don Decker, Judie Decker, Mike Neel, Charlie Manzie, David Janiec, and Renee Westa-Lusk.

**10. AGREEMENT WITH BROWN ARMSTRONG TO CONDUCT THE 2020 FINANCIAL AUDIT.**

Carol Thomas-Keefer presents the agreement (documents made available on the IWVGA website).

Director Vallejo requests the agreement be approved as its own item with no resolution attached, as it is not necessary. Counsel Lemieux agrees.

Motion made by Phillip Peters and seconded by Stan Rajtora to approve the agreement with Brown Armstrong to conduct the 2020 Financial Audit.

Motion carries by the following roll call vote:

Chairman Hayman	Aye
Vice Chair Rajtora	Aye
Director Itnyre	Aye
Director Peters	Aye
Director Vallejo	Aye

**11. GENERAL MANAGER’S REPORT:**

Carol Thomas-Keefer provides updates on the following: Monthly Financial Update, Report on IWVGA’s Water Marketer (Capitol Core Group), and Severely Disadvantaged Communities (SDAC) Program (documents made available on the IWVGA website).

**12. CLOSING COMMENTS:**

Vice Chair Rajtora appreciates the reengagement efforts for the Policy Advisory Committee (PAC) and stresses the need to reengage the Technical Advisory Committee (TAC) as well. Rajtora expresses the need for a better managed financial situation. Rajtora thanks the public for their participation.

Thomas Bickauskas states the BLM has been putting effort into finding a representative to participate on the TAC.

Chairman Hayman expresses concern for the water rates placed on the customers of the Indian Wells Valley Water District. Hayman directs staff to come back to the August meeting with an agenda item to discuss the benefits of financing the replenishment fee. Hayman asks for an additional agenda item to discuss reengagement of the PAC and TAC.

**13. DATE OF NEXT MEETING – AUGUST 11, 2021**

**14. ADJOURN:**

Chairman Hayman adjourns the meeting at 1:49 p.m. on July 14, 2021.

Respectfully submitted,

*April Keigwin*  
Clerk of the Board  
Indian Wells Valley Groundwater Authority



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**BOARD OF DIRECTORS**

**Scott Hayman, Chair**  
**Stan Rajtora, Vice-Chair**  
**Phillip Peters**  
**Matt Kingsley**  
**Paul Cook**  
**CDR Peter Benson, DoD Liaison**  
**Thomas Bickauskas**

**Carol Thomas-Keefer**  
*General Manager*  
**Keith Lemieux**  
*Legal Counsel*

August 11, 2021

Mission Bank  
1450 N Norma St.  
Ridgecrest, CA. 93555

RE: Account Authorization Updates

To Whom it May Concern,

The Indian Wells Valley Groundwater Authority (IWVGA) adopted a professional services agreement with Regional Government Services on February 10, 2021. By adopting this agreement there have been administrative changes within IWVGA staff that require account authorization updates to the IWVGA Mission Bank account.

Please remove the following individuals; Donald Zdeba, Diana Nguyen and Tyrell Staheli, effective immediately. Ronald Strand is a current authorized user and that remains unchanged. In addition to Ronald Strand, please add April Keigwin.

The mailing address for the IWVGA has changed from 500 W Ridgecrest Blvd. Ridgecrest, CA. 93555 to 100 W California Ave. Ridgecrest, CA. 93555.

Should you require further assistance or are in need of clarification please contact April Keigwin, IWVGA Clerk of the Board at [akeigwin@rgs.ca.gov](mailto:akeigwin@rgs.ca.gov) or by phone at (805) 764-5452.

Sincerely,

Chairman Scott Hayman  
Indian Wells Valley Groundwater Authority

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**Invoice**

City of Ridgecrest  
 Attn: Alan Christensen  
 100 W. California Ave.  
 Ridgecrest, CA 93555

**Invoice Number: 2652-47**  
**Invoice Date: 07/29/21**

Project #: 2652      **Indian Wells Valley Groundwater Authority**

Professional Services through 6/30/2021

**Water Resources Management**

**02.01 - POAM No. 15,16 Prop 1 Grant Administration**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	0.50	\$200.00	\$100.00
Associate III	5.50	\$105.00	\$577.50
<i>Professional Services Subtotal:</i>			<u>\$677.50</u>
<i>POAM No. 15,16 Prop 1 Grant Administration Subtotal:</i>			<u>\$677.50</u>

**37 - 2021 SDAC Program Support: Rebate Program**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	2.00	\$200.00	\$400.00
Associate III	4.50	\$105.00	\$472.50
<i>Professional Services Subtotal:</i>			<u>\$872.50</u>
<i>2021 SDAC Program Support: Rebate Program Subtotal:</i>			<u>\$872.50</u>

**38 - 2021 SDAC Program Support: Water Auditt, Leak Detection & Repair**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	3.00	\$200.00	\$600.00
Associate III	11.00	\$105.00	\$1,155.00
<i>Professional Services Subtotal:</i>			<u>\$1,755.00</u>
<i>2021 SDAC Program Support: Water Auditt, Leak Detection &amp; Repair Subtotal:</i>			<u>\$1,755.00</u>

**40 - 2021 General Engineering**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	3.75	\$200.00	\$750.00
Associate III	0.75	\$105.00	\$78.75
<i>Professional Services Subtotal:</i>			<u>\$828.75</u>
<i>2021 General Engineering Subtotal:</i>			<u>\$828.75</u>

**41 - 2021 Production Reporting Support**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	1.00	\$230.00	\$230.00
Supervisor I	0.75	\$200.00	\$150.00
Associate III	8.00	\$105.00	\$840.00
<i>Professional Services Subtotal:</i>			<u>\$1,220.00</u>
<i>2021 Production Reporting Support Subtotal:</i>			<u>\$1,220.00</u>

**42 - TSS Coordination: Drilling Support**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
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**42 - TSS Coordination: Drilling Support**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	1.00	\$200.00	\$200.00
Assistant I	4.75	\$95.00	\$451.25
<i>Professional Services Subtotal:</i>			<u>\$651.25</u>
<i>TSS Coordination: Drilling Support Subtotal:</i>			<u>\$651.25</u>

**46 - 2021 Data Management System Support**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Associate I	2.50	\$115.00	\$287.50
<i>Professional Services Subtotal:</i>			<u>\$287.50</u>
<i>2021 Data Management System Support Subtotal:</i>			<u>\$287.50</u>

**51 - 2021 Meetings and Prep**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	17.00	\$230.00	\$3,910.00
Supervisor I	1.75	\$200.00	\$350.00
Senior Associate	8.50	\$120.00	\$1,020.00
Associate III	10.25	\$105.00	\$1,076.25
<i>Professional Services Subtotal:</i>			<u>\$6,356.25</u>
<b>Reimbursables</b>			<u>Charge</u>
Reproduction (Color)			\$65.86
Reproduction			\$2.25
<i>Reimbursables Subtotal:</i>			<u>\$68.11</u>
<i>2021 Meetings and Prep Subtotal:</i>			<u>\$6,424.36</u>

**52 - 2021 Budget Support**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Senior Associate	3.00	\$120.00	\$360.00
Associate III	0.50	\$105.00	\$52.50
<i>Professional Services Subtotal:</i>			<u>\$412.50</u>
<i>2021 Budget Support Subtotal:</i>			<u>\$412.50</u>

**53 - 2021 General Project Management**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	3.00	\$230.00	\$690.00
Supervisor I	6.50	\$200.00	\$1,300.00
Senior Associate	4.00	\$120.00	\$480.00
Associate III	1.25	\$105.00	\$131.25
Assistant I	0.25	\$95.00	\$23.75
<i>Professional Services Subtotal:</i>			<u>\$2,625.00</u>
<i>2021 General Project Management Subtotal:</i>			<u>\$2,625.00</u>

**55 - 2021 Grant Review/Application**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	1.75	\$200.00	\$350.00
Associate III	2.25	\$105.00	\$236.25
<i>Professional Services Subtotal:</i>			<u>\$586.25</u>
<i>2021 Grant Review/Application Subtotal:</i>			<u>\$586.25</u>

**56 - 2021 Model Transfer and Upgrade**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
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**56 - 2021 Model Transfer and Upgrade**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	6.00	\$200.00	\$1,200.00
			<i>Professional Services Subtotal:</i>
			<u>\$1,200.00</u>
<b>Sub-Contractors</b>			<u>Charge</u>
Horizon Environmental, Inc.			\$1,830.00
			<i>Sub-Contractors Subtotal:</i>
			<u>\$1,830.00</u>
			<i>2021 Model Transfer and Upgrade Subtotal:</i>
			<u>\$3,030.00</u>

**57 - Navy/Coso Royalty Fund: Develop FY22 Project & Secure Funding**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	2.00	\$230.00	\$460.00
			<i>Professional Services Subtotal:</i>
			<u>\$460.00</u>
			<i>Navy/Coso Royalty Fund: Develop FY22 Project &amp; Secure Funding Subtotal:</i>
			<u>\$460.00</u>

**58 - Navy/Coso Royalty Fund: 2021 Rose Valley MW Permitting, Bid Doc Support & Dri**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	1.50	\$230.00	\$345.00
			<i>Professional Services Subtotal:</i>
			<u>\$345.00</u>
			<i>Navy/Coso Royalty Fund: 2021 Rose Valley MW Permitting, Bid Doc Support &amp; Dri</i>
			<u>\$345.00</u>

**59 - 2021 Data Collection**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	19.00	\$200.00	\$3,800.00
Associate I	23.50	\$115.00	\$2,702.50
GIS Manager	8.00	\$115.00	\$920.00
Contract Management	0.75	\$100.00	\$75.00
Assistant I	20.00	\$95.00	\$1,900.00
			<i>Professional Services Subtotal:</i>
			<u>\$9,397.50</u>
<b>Reimbursables</b>			<u>Charge</u>
Car Rental			\$115.11
			<i>Reimbursables Subtotal:</i>
			<u>\$115.11</u>
<b>Sub-Contractors</b>			<u>Charge</u>
Horizon Environmental, Inc.			\$420.00
			<i>Sub-Contractors Subtotal:</i>
			<u>\$420.00</u>
			<i>2021 Data Collection Subtotal:</i>
			<u>\$9,932.61</u>

**60 - 2021 Imported Water: Negotiations and Coordination**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	4.00	\$230.00	\$920.00
Supervisor I	2.00	\$200.00	\$400.00
Associate III	7.00	\$105.00	\$735.00
			<i>Professional Services Subtotal:</i>
			<u>\$2,055.00</u>
			<i>2021 Imported Water: Negotiations and Coordination Subtotal:</i>
			<u>\$2,055.00</u>

**61 - 2021 Imported Water: Engineering and Analysis**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Associate III	11.50	\$105.00	\$1,207.50
			<i>Professional Services Subtotal:</i>
			<u>\$1,207.50</u>
			<i>2021 Imported Water: Engineering and Analysis Subtotal:</i>
			<u>\$1,207.50</u>

**62 - 2021 Recycled Water**



**62 - 2021 Recycled Water**

**Professional Services**

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	5.00	\$230.00	\$1,150.00
Supervisor I	2.75	\$200.00	\$550.00
GIS Manager	2.00	\$115.00	\$230.00
Associate II	0.50	\$110.00	\$55.00
Associate III	16.75	\$105.00	\$1,758.75
Assistant I	21.00	\$95.00	\$1,995.00

*Professional Services Subtotal:* \$5,738.75

*2021 Recycled Water Subtotal:* \$5,738.75

**63 - 2021 Shallow Well Mitigation Program: Plan Development**

**Professional Services**

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	1.00	\$230.00	\$230.00
Senior Associate	9.50	\$120.00	\$1,140.00

*Professional Services Subtotal:* \$1,370.00

*2021 Shallow Well Mitigation Program Plan Development Subtotal:* \$1,370.00

**66 - 2021 Litigation Support – Searles Valley Minerals & Mojave Pistachios**

**Professional Services**

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	17.50	\$230.00	\$4,025.00
Supervisor I	5.50	\$200.00	\$1,100.00
Senior Associate	0.75	\$120.00	\$90.00
Associate I	2.50	\$115.00	\$287.50
Associate III	3.75	\$105.00	\$393.75

*Professional Services Subtotal:* \$5,896.25

*2021 Litigation Support – Searles Valley Minerals & Mojave Pistachios Subtotal:* \$5,896.25

***Water Resources Management Subtotal:* \$46,375.72**

**\*\*\* Invoice Total \*\*\***

**\$46,375.72**

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**PO Box 1350**  
**Carmel Valley, CA 93924**

# Invoice

Date	Invoice #
6/30/2021	12211

Bill To:
Indian Wells Valley Groundwater Authority 100 W California Ave Ridgecrest, CA 93555

P.O. No.	Due Date	Inv Sent
	7/30/2021	7/12/2021

Date	Description	Amount
6/30/2021	Contract Services for June - please see attached	18,576.25
<b>Total</b>		<b>\$18,576.25</b>

**Indian Wells Valley**

Month: **Jun, 2021**

Advisor Name	Hours and Rates by Pay Period				Monthly Total Billed
	1st -15th		16th - EOM		
	Reg Hrs	Bill Rate	Reg Hrs	Bill Rate	
Carol Thomas-Keefer	19.75	\$ 125.00	10.00	\$ 125.00	\$ 3,718.75
April Keigwin	75.40	\$ 100.00	65.10	\$ 100.00	\$14,050.00
Jefferson Kise	3.00	\$ 135.00	1.50	\$ 135.00	\$ 607.50
Sandra Strong	1.00	\$ 100.00	1.00	\$ 100.00	\$ 200.00
<b>Totals</b>	<b>99.15</b>		<b>77.60</b>		<b>\$18,576.25</b>

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**PO Box 1350**  
**Carmel Valley, CA 93924**

# Invoice

Date	Invoice #
6/30/2021	12284

Bill To:
Indian Wells Valley Groundwater Authority 100 W California Ave Ridgecrest, CA 93555

P.O. No.	Due Date	Inv Sent
	7/26/2021	8/20/2021

Date	Description	Amount
6/30/2021	Reimbursable Expenses for City of Ridgecrest Monthly Rent (\$300)	300.00
<b>Total</b>		<b>\$300.00</b>

**AGREEMENT FOR LEASE OF  
100 W. CALIFORNIA AVENUE, RIDGECREST, CA**

**by and between**

**THE CITY OF RIDGECREST AND  
REGIONAL GOVERNMENT SERVICES**

**AGREEMENT:**

**Premises:** For and in consideration of the terms, covenants, and conditions contained in this Agreement, City leases to RGS, and RGS leases from City, an approximate 210 square foot office space located along with the monthly use of the City's conference room located at 100 W. California Avenue., Ridgecrest, County of Kern, State of California, depicted on the floor plan attached as **Exhibit "A"** ("**Premises**").

**Term:** The initial term of this Agreement ("**Term**") shall commence on the Execution Date and terminate one year (12 months) thereafter, unless sooner terminated or extended as provided in this Agreement.

**Option to Extend Term:** Provided RGS is not in default of any of the terms, covenants, or conditions of this Agreement, RGS shall have one option to request an extension of the initial Term for a two-year period ("**Option Term**"). RGS may exercise the option by giving the City's City Manager ("**CM**") written notice of RGS's desire to extend, not less than 60 days prior to expiration of the initial Term. The CM, at the CM's sole discretion, may accept or reject the request to extend.

**4. Right to Terminate:** Either Party may terminate this Agreement for any reason by providing a 60-day prior written notice to the other Party.

**5. Hold Over:** If RGS holds over after the expiration of the Term, with the express or implied consent of City, such holding over shall be a tenancy only from month to month and shall be governed by the terms, covenants, and conditions contained in this Agreement.

**6. Rental Consideration:**

**a. In General:** As consideration for the lease of the Premises during the Term, RGS shall pay to City in lawful money of the United States, to CM at 100 W. CALIFORNIA AVENUE, RIDGECREST, CA, or to such persons and at such places as may be designated from time to time by City. The first rental payment shall be paid within 30 days of the Execution Date, and thereafter for the balance of the Term, shall be paid on or before the first of each month. In the event RGS occupies the Premises for a partial month at any time, RGS shall only be responsible for a prorated portion of the Rent.

**b. Fair Market Rental Value:** The fair market rental rate of the facility is determined to be \$300 per month (\$1.43 per square foot).

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IWVGA Board Meeting  
August 11, 2021

Proposition 1 Status Update

- Invoice #8a
  - Covers July through September 2020
  - Total payment after retention: \$137,765.72
  - Status: Submitted November 30, 2020
  - Progress Reports combined for Prop 1 & Prop 68 submitted November 30, 2020
  - Revised invoice with requested payment after retention of **\$82,904.06** was submitted on May 14 (removed costs subject to CEQA concurrence, per DWR recommendation)
  - Status: Payment for \$82,904.06 received on July 20
- Invoice #9a
  - Covers October through December 2020
  - Total payment after retention: \$127,787.67
  - Status: Submitted February 26, 2021
  - Progress Reports combined for Prop 1 & Prop 68 submitted February 26, 2021
  - Revised invoice with requested payment after retention of **\$51,679.74** was submitted on May 14 (removed costs subject to CEQA concurrence, per DWR recommendation)
  - Status: Payment for \$51,679.74 received on July 20
- DWR CEQA Concurrence for Prop 1 monitoring wells, stream gages, and weather stations
  - All documents submitted on July 29, currently under DWR review

AGENDA ITEM 7a.i



1

IWVGA Board Meeting  
August 11, 2021

Proposition 1 Status Update (cont.)

- Invoice #10a
  - Covers January through March 2021
  - Total requested payment after retention: **\$77,758.34**
  - Status: Submitted May 28, 2021
  - Progress Reports combined for Prop 1 & Prop 68 submitted May 28, 2021
- Next Invoice/Progress Report due no later than August 30

AGENDA ITEM 7a.i



2

IWVGA Board Meeting  
August 11, 2021

Proposition 68 Status Update

- Invoice # 10b
  - Covers January through March 2021
  - Total requested payment after retention: **\$2,865.04**
  - Status: Submitted May 28, 2021
- Next Invoice/Progress Report due no later than August 30
- Received notice on August 2 that additional \$30,000 in grant funds has been made available for award
  - Was contingent on State's future appropriations of Proposition 1 funding
  - Amendment to funding agreement currently being coordinated/prepared by GA Staff

AGENDA ITEM 7a.ii



3

IWVGA Board Meeting  
August 11, 2021

Recycled Water Program Update

- Alternatives Analysis Update
  - Joint scope of work released to IWVGA Staff Team and currently under Staff Team review
    - To be released to TAC after review and revision
  - Draft write-up of City's of existing WWTF facilities, existing recycled water uses, and City's plans to upgrade and expand the WWTF will be released to City Staff
  - Next Steps
    - Continue with characterization of WWTF effluent quantity and water quality
      - Review of WWTF flow rate and loading technical memorandum from Provost & Pritchard
    - Continue review of regulatory, permitting, environmental, legal requirements for alternatives

AGENDA ITEM 7b.i



4



## IWVGA Board Meeting August 11, 2021

### Project No. 1 - Surface Percolation Replenishment

- Continued work on Task 3 – Facility and Engineering Requirements – Underway
- Developing Draft Technical Memorandum – expect late August delivery to GA Staff

AGENDA ITEM 7b.ii



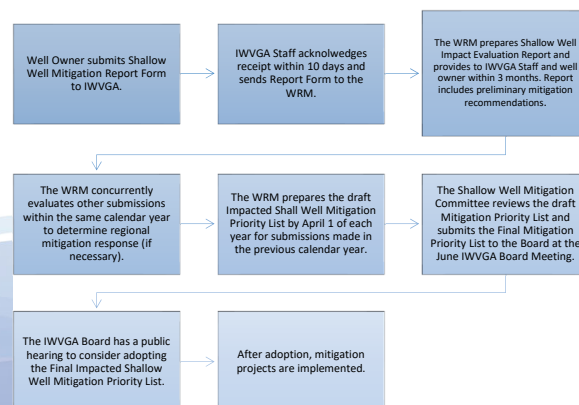
5

## IWVGA Board Meeting August 11, 2021

### GSP Planned Projects – Project No. 4 Shallow Well Impact Mitigation Program Update

- Shallow Well Mitigation Report Form adopted in May
- Report Form is posted on IWVGA website
- No submittals to date
- Draft Mitigation Program prepared
  - Still in Staff review
- The Shallow Well Impact Mitigation Program was sent to the PAC and TAC for review. Comments are being received.

#### • Draft Summary of Process



AGENDA ITEM 7b.iii



6

IWVGA Board Meeting  
August 11, 2021

Navy/Coso Royalty Fund: FY 2021 Project

- NEPA/SF 299 Completed and provided to Navy
- Worked with Navy to develop Rose Valley monitoring well investigation description and background document

Navy/Coso Royalty Fund: FY 2022 Project

- FY22 ESP Project Request Form submitted to Navy on July 18, 2021.
- Notification that Project was not selected on July 31, 2021

AGENDA ITEM 7c.i



7

IWVGA Board Meeting  
August 11, 2021

IWVGA/Desert Resource Institute Basin Model Transfer – Configuration Management Plan Status Update

- *(Verbal Status Update)*

AGENDA ITEM 7c.ii



8

IWVGA Board Meeting  
August 11, 2021

New Proposition 1 Grant Funding Opportunity

- Round 3 – SWRCB Groundwater Grant Program
  - Implementation projects that prevent or cleanup contaminated groundwater that served/serves as a source of drinking water
    - Design, construction, pilot studies, initial startup of facilities
  - Examples of eligible projects
    - Wellhead treatment, installation of wells combined with treatment systems, centralized groundwater treatment systems, source area cleanup
  - Minimum of \$500,000 and Maximum of \$50,000,000
  - Initial Concept Proposals due **September 7, 2021**
    - Invitations to submit Full Proposals planned for release in November 2021
  - Limited potential to fund any projects currently being implemented by GA
    - Other eligible projects may be pursued by other agencies in the Basin

NON-AGENDA ITEM



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# IWVGA ADMINISTRATIVE OFFICE

*STAFF REPORT*

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**TO:** IWVGA Board of Directors **DATE:** August 11, 2021

**FROM:** Carol Thomas, General Manager  
Steve Johnson, Water Resources Manager

**SUBJECT:** **Agenda Item No. 8 – Board Review and Approval of Addendum No. 1 to Existing Consultant’s Services Agreement No. 03-19 with California Rural Water Association**

## **BACKGROUND**

Pursuant to its Proposition 1 grant funding agreement, the Indian Wells Valley Groundwater Authority (GA) has implemented two (2) water conservation programs for Severely Disadvantaged Communities (SDACs): A Water Conservation and Installation (Rebate) Program and a Water Audit, Leak Detection and Repair Program (Audit-Leak Program). These Programs were intended to be administered as pilots made available only to SDACs within the Basin, and the results of these Programs would be evaluated for potential future expansion throughout the Basin.

The Rebate Program recently concluded after approximately ten months of operation but experienced very little participation. As a result, a significant amount of grant funding intended for the Rebate Program was not used. The State Department of Water Resources (DWR) has acknowledged that the GA may transfer the unused grant funding from the Rebate Program to the Audit-Leak Program.

## **DISCUSSION**

In June 2020, the GA executed Consultant Services Agreement No. 03-19 with the California Rural Water Association (CRWA) to administer and manage the GA’s Audit-Leak Program as a consultant to the GA. The GA, with input from CRWA, has determined that the unused grant funding from the Rebate Program can be used to conduct additional water conservation work that was not included in CRWA’s original scope. CRWA anticipates that the additional work may include implementing a flow meter change-out program and preparing water conservation and drought management/resilience planning documents to assist SDAC water systems in implementing strategies for efficient water use, conservation, and drought preparedness.

This additional conservation work is not included in the original scope of work described in Exhibit A (Scope of Work) to Agreement No. 03-19. Therefore, an addendum to Agreement No. 03-19

would be required to proceed with CRWA performing the additional conservation work. Staff has drafted an addendum to Agreement No. 03-19 and will proceed with executing the addendum upon Board approval.

The addendum adds a new Task 6 to Exhibit A to Agreement No. 03-19 documenting the tasks and deliverables associated with CRWA's additional conservation work. The addendum also provides a modified budget and termination date for Agreement No. 03-19. Staff estimates that \$98,000 via grant funding transferred from the Rebate Program may be added to CRWA's existing budget of \$394,000 to complete the additional work, bringing CRWA's new total budget to \$492,000. The new program termination date provided in the addendum is October 31, 2022, as documented in Staff's prior correspondence with DWR.

The addendum would also provide CRWA with extra time to complete its water audit and leak detection reports pursuant to the original scope of work and within the original Program budget.

Staff is working separately with DWR to amend the GA's existing Proposition 1 grant funding agreement to include the additional water conservation work identified by the GA and to revise the Audit-Leak Program schedule. The funding agreement amendment need not provide a modified budget, as expenditures under the two SDAC Programs fall under the same funding agreement component.

#### **ACTION(S) REQUIRED BY THE BOARD**

Staff recommends that the Board approve the Addendum No. 1 to the GA's existing Agreement No. 03-19 with CRWA.

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**Addendum No. 1 to  
Indian Wells Valley Groundwater Authority  
Agreement No. 03-19**

**Consultant's Services Agreement for  
Leak Detection and Repair Program**

WHEREAS, the **INDIAN WELLS VALLEY GROUNDWATER AUTHORITY** ("Authority") and **CALIFORNIA RURAL WATER ASSOCIATION** ("CRWA") executed an agreement on July 17, 2020 ("Agreement") whereby CRWA would provide administration services to support the Authority's Water Audit, Leak Detection and Repair Program for Severely Disadvantaged Communities within the Indian Wells Valley Groundwater Basin ("Basin").

**WITNESSETH**

WHEREAS, the Agreement's term expired on June 30, 2021, and;

WHEREAS, the Authority seeks to amend the Agreement's scope of work, fee, and termination date such that CRWA may complete the Agreement's original scope of work and also perform additional work related to water conservation and drought management planning.

**NOW THEREFORE, IT IS HEREBY AGREED**, by and between the Authority and CRWA as follows:

- 1) Section III "Term Period" of the Agreement is amended in whole to read as follows:

Unless otherwise terminated as provided herein, this Agreement shall continue in effect until **October 31, 2022**. The parties reserve the right to extend this Agreement upon mutually agreeable terms.

- 2) Section IV "Compensation" paragraph 3 of the Agreement is amended in whole to read as follows:

Consultant shall submit monthly invoices for services rendered under this Agreement to:



**Indian Wells Valley Groundwater Authority  
100 West California Avenue  
Ridgecrest, California 93555**

3) Exhibit A – Scope of Work is expanded and amended to add the following:

Phase 4

**Task 6 – Additional Conservation and Drought Management Planning**

- Task 6.1: The Contractor will develop water conservation planning and drought management planning documents to assist SDACs in implementing strategies for conservation and drought preparedness. These strategies may include demand reduction, operational modifications to increase efficiency, supply augmentation with non-potable water, and supply alternatives such as emergency interconnections.
- Task 6.2: The Contractor will implement a meter change-out program to address customer-side water losses and to ensure accurate meter readings for the purpose of reporting groundwater extractions.

Milestone/Deliverable

Contractor will furnish timely written water conservation and drought management planning reports for each SDAC to the IWVGA for review and comment/approval.

Contractor will prepare meter change-out program guidelines for review and comment/approval. Contractor will also provide to IWVGA proof of meter change-outs including proof of purchase for new flow meters, new flow meter specifications, customer contact information, and photographic documentation of both new and old flow meters.

**Contractor is not to proceed in performing the work under Task 6 until receiving prior written authorization from the IWVGA's General Manager.**

4) Exhibit B – Fee is amended in whole to read as follows:

**Task 1. Identify Severely Disadvantaged Communities with IWVGA..... Included**  
**Task 2. Water Audit Services..... Included**  
**Task 3. Leak Detection ..... Included**  
**Task 4. Repair..... Subject to Task 4.4**  
**Task 5. Reporting..... Included**

**Task 6. Additional Conservation and Drought Management Planning..... Included**  
**Total Not-to-Exceed Fee\*..... \$492,000**

**\*Increase of \$98,000 via funds transferred from other IWVGA Prop 1 grant projects**

**IN WITNESS WHEREOF**, the parties have executed this Addendum as of the date last written below.

California Rural Water Association

Indian Wells Valley Groundwater Authority

BY: \_\_\_\_\_  
Dustin Hardwick  
Deputy Director  
CRWA

BY: \_\_\_\_\_  
Carol Thomas-Keefer  
Acting General Manager  
IWVGA

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

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# IWVGA ADMINISTRATIVE OFFICE

*STAFF REPORT*

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**TO:** IWVGA Board of Directors **DATE:** August 11, 2021

**FROM:** Carol Thomas-Keefer,  
General Manager

**SUBJECT:** **Agenda Item No. 9 – Board Discussion on Financing the Replenishment Fee**

## **Executive Summary**

At our last regular board meeting, the Authority received complaints from several members of the public regarding the impact of the Authority's groundwater replenishment fee on the rates charged for water service by the Indian Wells Valley Water District (District). Additionally, Authority staff has received some complaint calls from Water District customers that appear to be directed to the Authority by the Water District staff.

As a result, staff was recently directed to revisit the issue and prepare a report about actions that could reduce the impact of the replenishment fee on customers of the District. The replenishment fee was adopted with the assumption that those affected by it could and would seek long term financing because of the associated benefits such as lower water purchase costs.

Staff has again concluded that the Board of Directors of the Indian Wells Valley Water District is the responsible party to take action on this issue. Accordingly, staff recommends that the board direct the Chairman of the Board to send the correspondence attached to this report to the Board of Directors of the Indian Wells Valley Water District requesting that the District reconsider its option to lower the costs on its current customers through the use of long-term financing.

## **Discussion**

As you know, there is simply no way to achieve sustainability in this basin without import water supplies. The local water supplies, even when optimized to the greatest extent possible, are simply insufficient to provide water for the basic domestic needs of residents within the Indian Wells Valley Basin. As a result, the Authority has determined that there is an immediate need to import water supplies as early as practical. Last August the Authority adopted a replenishment fee calculated to fund the cost of acquiring title to a permanent supply of state project water. The Authority projects that the total cost of the water needed by the Water District will be approximately \$22.5 million.

The Authority needs to purchase this water as soon as possible because the costs of this water will continue to increase annually. Additionally, it is a virtual certainty that as SGMA is implemented throughout the State, these import water supplies will become even more scarce and more costly than they already are and without them economic growth will be significantly stifled. Moreover, the Authority

must have certainty regarding the import water rights before it begins the expensive process of building a water conveyance system into the Basin. Simply put, it's not a rational choice in this basin to build the considerable infrastructure before the import water rights are obtained. Accordingly, the Authority determined that it was necessary to collect the total cost of the water within five years of adoption of the fee so that the water would be purchased at the time the conveyance system physical construction activities begin.

As repeatedly discussed at the time of the replenishment fee's adoption, it is theoretically possible for the Authority to collect the needed funds within five years without requiring immediate payment from the replenishment fee by financing the cost of the water purchase through bonds or loans. However, any lender would first require that all challenges to the fee be resolved so that there is certainty regarding the collection of this revenue. Unfortunately, because of the ongoing litigation by Searles Valley Minerals and Mojave Pistachios there is uncertainty regarding the ultimate disposition of the fee and, as a result, currently, the Authority is not able to finance these costs.

However, there is another option for financing the replenishment fee. The District may finance the fee itself to reduce the costs to its ratepayers. This would work as follows: the District could obtain a loan, bonds, or other financing arrangement for the total cost of the water needed to support the future needs of District ratepayers. The District could then apply these proceeds directly towards the immediate purchase of water.

This would have the following benefits. First, the District would be able to purchase all its water supply immediately. The Authority has been advised that the cost of water will be increased dramatically over the next several years. By purchasing its water now, the Authority estimates that the water District could save many thousands of dollars for its ratepayers.

Second, the Authority estimates that payment on a 30-year bond would result in a dramatic decrease in the rates charged to the District customers. The District currently charges the replenishment fee at \$1.70 per hundred cubic foot (HCF) on each customer's water bill for an average increase of approximately \$25.00 per month (\$300.00 per year) for a typical District customer. Using recent financial projections provided by financial analysts, the Authority has prepared estimates (see Exhibit A) indicating that payments on a 30-year bond would reduce this fee from \$1.70 per HCF to \$0.42 per HCF. This could result in a monthly increase of \$6.20 instead of the current Water District increase of \$25.00. The savings equates to approximately \$18.80 per month (\$226.00 per year) for the average District customer, or approximately 75%.

For comparison, the District has estimated that payments on a 30-year loan would reduce this fee from \$1.70 per HCF to \$0.90 per HCF. This would result in a savings of only approximately \$11.75 per month (\$141.00 per year) for the average District customer, or approximately 47%.

Finally, financing the fee would be fairer to the current rate payers. The purpose of the fee is to secure groundwater for the long-term supply of the District. It is reasonable therefore that the cost of this supply be born not only by the current rate payers in the District but also by future ratepayers that may begin service sometime in the next 30 years.

The Authority is unaware of any impediment that would prevent the District from implementing a financing plan. Staff for the Authority has attempted to discuss this matter with District staff on several occasions without producing any meaningful results. In fact, in spite of numerous requests the Water District staff has been unwilling or unable to provide any reasoning for the Water District's refusal to take the rational step of using long term financing to pay for this long-term need. Moreover, we have been informed that the District has not considered this long term financing option in open session or taken

public comment on it. Accordingly, it is appropriate to appeal directly to the District's Board of Directors regarding this matter.

**Recommendation:**

Staff recommends that the Board direct Chairman Hayman to submit the letter attached hereto to the Board of Directors of the Indian Wells Valley Water District for their consideration and review at their next regular meeting scheduled for September 13 at 6:00 p.m.

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**Exhibit A**  
**Indian Wells Valley Groundwater Authority**  
**Basis for Estimate of Replenishment Fee Financing for Indian Wells**  
**Valley Water District**

Current IWVWD Replenishment Fee Charge to Customers <sup>1,2</sup>	Financed IWVWD Replenishment Fee Charge to Customers (at 2.628% interest over 30 years)
<b>\$1.70 per HCF</b>	<b>\$0.42 per HCF</b>

**Background Information**

Total IWVGA Replenishment Fee Costs	\$52,800,000	
IWVGA Total Augment Supply Need	5,000.0	[AF]
IWVWD Portion of Augment Supply Need <sup>3</sup>	2,117.0	[AF]
IWVWD Portion of Replenishment Fee	\$22,355,520	

**Replenishment Fee Financing Information**

Term Period (years)	30
Project Fund	\$22,355,520
Estimated Financing Charges <sup>4</sup>	\$409,038
Total Amount Financed	\$22,764,558
Interest Rate <sup>5</sup>	2.628%
Annual Debt Service	\$1,106,284
Financed IWVWD Replenishment Fee Charge <sup>6,7</sup> [\$ per HCF]	<b>\$0.42</b>

**Notes**

- 1) HCF = hundred cubic feet. 1 acre-foot = 435.60 HCF.
- 2) Based on current IWVWD water bills. Assumes collection of \$22,355,520 over 5 years.
- 3) As shown in August 2020 staff report establishing Basin Replenishment Fee, and in IWVWD "Impact of IWVGA Fees on District Customers" article.  
<https://www.iwvwd.com/impact-of-iwvga-fees-on-district-customers/>
- 4) Financing charges based on financing projections table provided to IWVGA Staff by Wulff, Hansen & Co. on August 5, 2021.
- 5) Interest rate based on financing projections table provided to IWVGA Staff by Wulff, Hansen & Co. on August 5, 2021.
- 6) Based on continuous annual pumping by IWVWD of 6,037.8 acre-feet per year throughout Term Period. Annual pumping estimated via IWVWD collection of \$22,355,520 over 5 years through Replenishment Fee charge of \$1.70 per HCF (approximately \$740.52 per acre-foot).
- 7) Calculated as the annual debt service divided by the IWVWD's projected annual pumping of 6,037.8 acre-feet.



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**BOARD OF DIRECTORS**

**Scott Hayman, Chair**  
**Stan Rajtora, Vice-Chair**  
**Phillip Peters**  
**Matt Kingsley**  
**Paul Cook**  
**CDR Peter Benson, DoD Liaison**  
**Thomas Bickauskas**

**Carol Thomas-Keefer**  
*General Manager*  
**Keith Lemieux**  
*Legal Counsel*

August 11, 2021

To President Chuck Griffin:

I am submitting the following correspondence on behalf of the members of the Indian Wells Valley Groundwater Authority. The Authority appreciates your District's continuing cooperation and assistance in implementing the replenishment of the basins groundwater supply through the projects outlined in the Authority's Groundwater Sustainability Plan. I am offering the following correspondence in order to help the District implement the plan for the benefit of its ratepayers and the basin in general.

We have received several complaints at our meetings regarding the increase to the District's water rates undertaken in response to the District's payment of the authorities replenishment fee. We believe that the District should consider long term financing the cost of its replenishment water purchase so as to reduce the impact to its current ratepayers and two spread the cost of the replenishment program between current and future users of the water to reflect the benefits conferred by the program.

Our staff has informed us that financing these fees over a 30-year term could result in a discount of approximately 75% in the current impact to your ratepayers. Your District currently charges the replenishment fee at \$1.70 per hundred cubic foot on each customer's water bill for an average increase of \$25.00 per month (\$300.00 per year) for the typical customer. Using recent financial projections provided by financial analysts, the Authority has prepared estimates indicating that payments on a 30-year bond would reduce this fee from \$1.70 per HCF to \$0.42 per HCF. This could result in a monthly increase of \$6.20 instead of the current Water District increase of \$25.00. The savings equates to approximately \$18.80 per month (\$226.00 per year) for the average District customer, or approximately 75%.

For comparison, the District has estimated that payments on a 30-year loan would reduce this fee from \$1.70 per HCF to \$0.90 per HCF. This would result in a savings of only approximately \$11.75 per month (\$141.00 per year) for the average District customer, or approximately 47%.

We ask that your board place this matter on its next regular agenda for discussion. We have instructed our staff to provide any additional information that may be useful and for your consideration. We look forward to the continued cooperation between our entities.

Scott Hayman  
IWVGA, Chairman

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# IWVGA ADMINISTRATIVE OFFICE

*STAFF REPORT*

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**TO:** IWVGA Board of Directors **DATE:** August 11, 2021

**FROM:** Carol Thomas-Keefer, General Manager  
Steve Johnson, Water Resources Manager

**SUBJECT:** **Agenda Item No. 10 – Board Discussion and Direction on Re engagement of the Policy Advisory Committee (PAC) and the Technical Advisory Committee (TAC)**

## **DISCUSSION**

Primarily as a result of COVID, meetings of the IWVGA Policy Advisory Committee (PAC) and the Technical Advisory Committee (TAC) were suspended, and GA Board meetings were conducted virtually. The GA Staff team has maintained electronic communication with TAC and PAC members, soliciting input as needed on an informal basis. As of July 14, 2021, the GA Board resumed in-person board meetings for the first time since early 2019. The PAC and TAC members have also requested that their meetings be resumed as “in-person” meetings.

The GA Staff supports and encourages the re-engagement of the PAC and TAC, and offers the following recommendations to streamline the existing process for PAC and TAC involvement.

### **Policy Advisory Committee (PAC)**

Section 5.5 of the By-Laws states, “The PAC is the primary advisory body to the Board on all policy-related matters of Board that are appropriate for PAC input.” Section 5.5 further states that, “The Boards shall provide tasks to the PAC and the PAC shall report directly to the Board.” In order to expedite and streamline the process for sending topics to the PAC for review, staff recommends amending the by-laws to allow the General Manager, in coordination with board members, legal counsel and the Water Resource Manager, to assign items for PAC review without awaiting formal board approval.

Stall also recommends that the By-laws be amended to allow the PAC to provide any reports or comments on assigned topics to the General Manager for review prior to submitting the PAC report to the Board for inclusion in the board agenda packet. The intent is to allow questions and potential issues to be resolved in advance of board review.

The GA Staff team has been coordinating with the current PAC Chairperson, Mr. David Janiec. Mr. Janiec has proposed a return to regular, in-person meetings, with a “schedule-hold” date of the

4<sup>th</sup> Thursday of each month as needed, at 5:00PM, in the City Council Chambers. Meetings would be cancelled for months where there are no items for discussion. The first resumed meeting would be held on August 26, 2021.

Staff, in coordination with the PAC chair, has prepared the following list of topics for PAC review. The Board should review and confirm these topics, and direct staff to assist the PAC chair in prioritizing the items as needed. Going forward, if the Board approves, the General Manager, along with the Water Resource Manager and legal counsel, will assign additional topics as they arise; the Board may also elect to assign items to the PAC as appropriate.

PAC – Potential August 26, 2021, Agenda Topics:

1. Confirm PAC Chair and Vice-chair, and identify note-taker and distributor.
2. Finalize current PAC membership, identify vacancies and provide direction to PAC members on filling vacancies.
3. Confirm “schedule-hold” date/time for PAC meetings, as needed.
4. PAC Task Assignment: Review PAC Public Outreach Plan for IWVGA and suggest methods for improved implementation.
5. PAC Task Assignment: Review draft Shallow Well Impacts Mitigation Program, identify policy issues and make suggestions.
6. PAC Task Assignment: Review IWV Basin water conservation programs and make appropriate suggestions improved implementation.
7. PAC Task Assignment: Review draft Ordinance on Temporary/Emergency Water Use and Waiver of Assessments and make suggestions on GA policy issues.

### **Technical Advisory Committee (TAC)**

Section 5.11 states, “...the Technical Advisory Committee (TAC) which will assist the Water Resource Manager (WRM) in the preparation of the GSP and will work collaboratively with other committees of the Board.” Section 5.12 also states, “...Each member of the PAC may nominate one member of the TAC for review and possible approval by the Board....”

The WRM and GA Staff team have been coordinating with the current TAC membership to continue with TAC technical input. Remaining TAC members have continued to review and comment on technical items submitted for their review through emails or virtual meetings; therefore, at this time, staff does not see a need to establish regular TAC meetings, either virtually or in-person. Staff does recommend that the GA board and staff continue use of the TAC as a valuable technical resource for implementation of the GSP and recommends continued use of the TAC on an as-needed basis, and through means of electronic communication.

To ensure the TAC is re-engaged and includes all appropriate representatives, the WRM will work with PAC and TAC members to:

1. Confirm TAC chair and vice-chair
2. Identify meeting notetaker and distributor to TAC members and GA Staff Team
3. Finalize current TAC membership list and identify/verify “vacancies,” help coordinate

- nominations and qualifications from the PAC for new TAC members to fill “vacancies”
4. Schedule virtual meetings if and when needed

Staff recommends the following topics for TAC review:

1. IWVGA/DRI Basin Model and draft Configuration Management Plan (CMP), review and comment.
2. Draft Shallow Well Impacts Mitigation Program, review and comment.
3. Draft Ordinance on Temporary/Emergency Water Use and Waiver of Assessments, review and comment.
4. IWV water conservation efforts (IWVWD, mutuals, etc.) Recommendations to the Board on additional water conservation opportunities.
5. TSS current projects and future projects.
6. Navy/COSO Royalty Fund projects and future projects.
7. Imported Water Supply Conveyance Project evaluation and recommendation.

The Water Resource Manager, along with GA staff as needed, will assist the TAC in prioritizing review of these and future items. Staff also recommends that TAC reports be directed first to the Water Resource Manager before being presented to the board.

### **CONCLUSION AND RECOMMENDED ACTIONS**

In an effort to re-engage the PAC and TAC and create a streamlined and efficient process for review and reporting, staff recommends that the Board consider the approval of recommendations contained in this report, including appropriate amendments to the By-laws to streamline the PAC review process and allow the General Manager, along with legal counsel and Water Resource Manager, to assign topics to the PAC. These amendments should also include the opportunity for PAC reports to be provided the General Manager prior to board review in an effort to answer questions and resolve potential issues. If these amendments are adopted, staff will assign the above items to the PAC and the TAC unless the Board directs otherwise.

Recommended amendments to the By-laws are identified and proposed in a separate agenda item; no additional action is required for this item.

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# IWVGA ADMINISTRATIVE OFFICE

*STAFF REPORT*

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**TO:** IWVGA Board of Directors

**DATE:** August 11, 2021

**FROM:** Keith Lemieux  
IWVGA General Counsel

**SUBJECT:** Agenda Item No. 11 – Resolution No. 06-21 Amendment to Sections 5.4, 5.5, 5.7 and 5.9 of the Bylaws

## **BACKGROUND**

At the July 14, 2021 IWVGA Regular Board Meeting, the Authority board signaled its desire to amend the Bylaws to grant the General Manager the authority to assign tasks as permitted by Sections 5.4, 5.5 and 5.9, and to add one representative from the Trona Community to the list of voting PAC members identified in Section 5.7.

## **Recommendation:**

Staff recommends the Board approve Resolution No. 06-21 to amend Sections 5.4, 5.5, 5.7, and 5.9 of the Bylaws.



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**BEFORE THE BOARD OF DIRECTORS OF THE  
INDIAN WELLS VALLEY GROUNDWATER AUTHORITY**

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**In the matter of:**

**Resolution No. 06-21**

**READOPTING AND AMENDING THE  
BYLAWS TO REFLECT CHANGES TO  
STANDING COMMITTEE DIRECTION,  
POLICY ADVISORY COMMITTEE MEMBERSHIP  
AND ROLES AND RESPONSIBILITIES**

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I, \_\_\_\_\_, Clerk 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 11<sup>th</sup> day of August, 2021, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

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\_\_\_\_\_  
Clerk of the Board of Directors  
Indian Wells Valley Groundwater Authority

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**RESOLUTION**

**THE BOARD OF DIRECTORS OF INDIAN WELLS VALLEY GROUNDWATER  
AUTHORITY RESOLVES AS FOLLOWS:**

**Section 1. WHEREAS** The Indian Wells Valley Groundwater Authority adopted the Bylaws on May 18, 2017 pursuant to Resolution No. 06-21.

**Section 2. WHEREAS** The Indian Wells Valley Groundwater Authority now desires to amend Sections 5.4, 5.5, 5.7 and 5.9 of the Bylaws to reflect changes to the Standing Committee Direction, Policy Advisory Committee Membership and to the Policy Advisory Committee Roles and Responsibilities, respectively.

**Section 3. THEREFORE, IT IS RESOLVED** by the Board of Directors of the Indian Wells Valley Groundwater Authority that Resolution No. 06-21 and Section 5.4 of the Bylaws are hereby amended in its entirety to read as follows:

“STANDING COMMITTEE DIRECTION. The Board or the General Manager shall assign tasks to its standing committees, the expected duration for completion of a particular task, and a summary of the resources, including staff or consultant support available to the standing committee in performing the task.”

**Section 4. THEREFORE, IT IS RESOLVED** by the Board of Directors of the Indian Wells Valley Groundwater Authority that Resolution No. 06-21 and Section 5.5 of the Bylaws are hereby amended to modify the third sentence of Section 5.9 as follows:

“The Board or the General Manager shall provide tasks to the PAC and the PAC shall report directly to the Board.”

**Section 5. THEREFORE, IT IS RESOLVED** by the Board of Directors of the Indian Wells Valley Groundwater Authority that Resolution No. 06-21 and Section 5.7 of the Bylaws are hereby amended to add the following constituent group to the list of voting PAC members:

“1 representative from the Trona Community.”

**Section 6. THEREFORE, IT IS FURTHER RESOLVED** by the Board of Directors of the Indian Wells Valley Groundwater Authority that Resolution No. 06-21 and Section 5.9 of the Bylaws are hereby amended to modify the first sentence of Section 5.9 as follows:

“The PAC, in consultation with the Water Resources Manager, shall be tasked by the Board or the General Manager to develop non-binding proposals on policy matters pertaining to each GSP Element (“PAC Proposals”).”

**Section 7.** Except as provided herein, Resolution No. 06-21, and the Bylaws of Indian Wells Valley Groundwater Authority, are hereby reaffirmed and readopted.

**Section 8.** This Resolution shall become effective immediately.

**PASSED, APPROVED, AND ADOPTED,** by the Indian Wells Valley Groundwater Authority this 11th day of August, 2021.

SIGNED:

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President of the Board of Directors

ATTEST:

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Profit and Loss Statement  
Actual vs Budget

	Administration		GSP Development		Replenishment Fee		Transient Pool (Mitigation)		TOTAL	
	<u>Actual</u>	<u>FY Budget</u>	<u>Actual</u>	<u>FY Budget</u>	<u>Actual</u>	<u>FY Budget</u>	<u>Actual</u>	<u>FY Budget</u>	<u>Actual</u>	<u>FY Budget</u>
<b>REVENUE</b>										
Pumping Fee			517,275	1,959,673	1,148,444	8,356,306	48,676	69,381	1,714,395	10,385,360
Allocation to Admin: Extraction Fee Revenue		911,050							-	911,050
Allocation to Admin: Replenishment Fee Revenue		910,401							-	910,401
Rose Valley Reimbursement by Navy		300,000							-	300,000
Prop 1 Grant -GSP Preparation @ \$1,500,000			142,344	324,494					142,344	324,494
Prop 1 Grant -SDAC Reimburse @ \$646,000				389,051					-	389,051
Prop 68				283,918					-	283,918
IWVWD Credit @ \$615,082.87										
<b>TOTAL REVENUE</b>	<b>-</b>	<b>2,121,451</b>	<b>659,620</b>	<b>2,957,136</b>	<b>1,148,444</b>	<b>8,356,306</b>	<b>48,676</b>	<b>69,381</b>	<b>1,856,740</b>	<b>13,504,274</b>
<b>EXPENSES</b>										
Beginning balance position		119,190		(156,525)					-	(37,335)
Contract Administration(RGS)		225,000	18,494		18,494				36,988	225,000
Insurance		10,000							-	10,000
Audit		7,000	1,000						1,000	7,000
Public Ed/Outreach		5,000							-	5,000
Legal - GSP Implementation		100,000							-	100,000
Legal - Special Counsel		250,000							-	250,000
Meetings & Prep		12,000							-	12,000
General Engineering		50,000							-	50,000
Production Reporting Support		36,000							-	36,000
TSS Coordination: Drilling Support		30,000							-	30,000
TSS Coordination: Coordination/Application Supp		30,000							-	30,000
Coordination w/DWR on GSP Review		50,000							-	50,000
Annual Report		30,000							-	30,000
Data Management System		26,000							-	26,000
Allocation Plan for Sustainable Yield:									-	-
Allocation Plan for Sustainable Yield: Allocation Process and Pool Supp		30,000							-	30,000
Allocation Plan for Sustainable Yield: Rules/Regs on Pumping/restrictions		10,000							-	10,000

Profit and Loss Statement  
Actual vs Budget

	Administration		GSP Development		Replenishment Fee		Transient Pool (Mitigation)		TOTAL	
	Actual	FY Budget	Actual	FY Budget	Actual	FY Budget	Actual	FY Budget	Actual	FY Budget
Allocation Plan for Sustainable Yield: Fallowing and Pool Xfer Program		25,000							-	25,000
Conservation Efforts		20,000							-	20,000
Meetings and Prep		120,000							-	120,000
Budget Support		5,000							-	5,000
General Project Management		50,000							-	50,000
Stakeholder Coordination		10,000							-	10,000
Grant Application Prep		50,000							-	50,000
GA Model Transfer and Upgrade		50,000							-	50,000
Navy/COSO Royalty Fund Coord: Develop FY22 Project/Secure Funding		40,000							-	40,000
Navy/COSO Royalty Fund Coord: 2021 Rose Valley MW Permitting, Bid & Drilling		300,000							-	300,000
Navy/COSO Royalty Fund Coord: Stetson/DRI Storage Calc and Rpt Review		11,100							-	11,100
Data Collection		120,000							-	120,000
Reserve Requirements		255,315							-	255,315
City of Ridgecrest Reimbursement				300,000					-	300,000
County of Kern Repayment				500,000					-	500,000
SDAC			112,145	481,651					112,145	481,651
Stetson				60,000	501,684				501,684	60,000
-SDAC support				12,000					-	12,000
-Weather Station Maintenance				2,000					-	2,000
-Monitoring Well Maintenance				2,000					-	2,000
-Pump Fee Support				15,000					-	15,000
Outstanding Invoices				619,825	514,077				514,077	619,825
Transfer to Admin				911,050					-	911,050
Legal Services						10,000			-	10,000
Administration						15,000			-	15,000
Imported Water Supply Negotiations/Coordination						50,000			-	50,000
Imported Water Supply Engineering and Analysis						126,500			-	126,500
Optimize Use Of Recycled Water						250,000			-	250,000
Capitol Core					73,256	175,000			73,256	175,000
Transfer to Admin						910,401			-	910,401
Shallow Well Impacts Mitigation: Program Development							50,000		-	50,000
Shallow Well Impacts Mitigation: Outreach and Impact Eval							20,000		-	20,000

Profit and Loss Statement  
Actual vs Budget

	Administration		GSP Development		Replenishment Fee		Transient Pool (Mitigation)		TOTAL	
	<u>Actual</u>	<u>FY Budget</u>	<u>Actual</u>	<u>FY Budget</u>	<u>Actual</u>	<u>FY Budget</u>	<u>Actual</u>	<u>FY Budget</u>	<u>Actual</u>	<u>FY Budget</u>
									-	-
<b>Expenses not aligned with budget expense items</b>									-	-
Website Fees			276						276	-
Publishing			1,199						1,199	-
Well Monitoring			1,680						1,680	-
Administrative - other			26,865						26,865	-
2020 invoices approved, deferred, not budgeted	18,641								18,641	-
									-	-
Other	11,541								11,541	-
<b>TOTAL EXPENSES</b>	<b>30,182</b>	<b>2,076,604</b>	<b>161,659</b>	<b>2,747,001</b>	<b>1,107,510</b>	<b>1,536,900</b>	<b>-</b>	<b>70,000</b>	<b>1,299,352</b>	<b>6,430,505</b>
<b>NET INCOME (LOSS)</b>	<b>(30,182)</b>	<b>44,847</b>	<b>497,960</b>	<b>210,135</b>	<b>40,934</b>	<b>6,819,406</b>	<b>48,676</b>	<b>(619)</b>	<b>557,388</b>	<b>7,073,768</b>



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TO: Carol Thomas, General Manager – IWVGA

FROM: Jeff Simonetti, Senior Vice President

CC: Michael McKinney  
Todd Tatum  
Ron Strand, City Manager, Ridgecrest  
Steve Johnson, Stetson Engineering  
Members of the IWVGA Board of Directors

DATE: August 11, 2021

SUBJECT: Project Update Memorandum for July 2021 activities

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The following memo is an addendum to the Federal/State Funding Memorandum of July 14, 2021, and will also provide a project status update for July 2021 activities.

### STATE BUDGET PASSAGE

As stated in our July 14<sup>th</sup> memorandum, the State of California has passed its Fiscal Year 2021 Budget including an authorization/appropriation of \$5.9 billion for various “water projects.” Program (Implementation) guidance for the individual programs have not been developed by the Agencies. Appropriated amounts will remain available between now and June 30, 2024, when all unexpended funding not programmed by the Agencies will be returned to the State Legislature for reprogramming. Based upon our Legislative and Agency discussions, Capitol Core anticipates that some level of “shovel ready” requirement will be imposed on portions of the funding. Based upon our experience this means that eligible portions of the projects will be required to be complete within 18-months of the awarded funding.

Capitol Core has completed its analysis of the legislation, SB 129, (link to the bill found [here](#)) and is in the process of developing specific “funding requests” to both the Department of Water Resources (DWR) and State Water Resources Control Board. The purpose of our funding requests is to provide specific projects and amounts to the Agencies to allow for continued *positioning* of these projects. Our goal will be to meet with DWR/SWRCB staff in August to discuss these specific funding requests. IWVGA should be anticipating near term preparation of specific applications for funding award once Guidance and Funding Opportunity Announcements (FOAs) have been published. Capitol Core is monitoring (weekly) the publication of Guidance and FOAs by the Agencies; we will advise IWVGA staff of such items as they are published.

Our efforts are focusing on these specific sections of the SB 129:

- \$650 million to the State Water Resources Control Board for wastewater projects
- \$60 million to the State Department of Water Resources for SGMA-related projects

## IMPORTED WATER SUPPLIES

As directed last month, Capitol Core has developed a “Term Sheet” for an imported water supplier and continued discussions with the Supplier. Delivery of the Term Sheet and initial negotiations will take place between the Authority and the Supplier during August 2021.

## ADDITIONAL STATE ACTIVITIES:

### Senate Bill 252 (pending)

As we address above, the state has a large pot of money that it is allocating towards water infrastructure projects. One of the largest pots of money is going towards the Department of Conservation for repurposing of agricultural land. Capitol Core is getting indications that this funding source will be tied to AB 252, which sets the parameters for what a “multi-benefit” project is and what the programmed monies can be used for. A link to the bill is [here](#).

While the bill is not final, it has been amended since its passage out of the Assembly. First, the bill as drafted prioritizes basins that are in critical overdraft. We also still anticipate that there will be approximately \$500 million in funding tied to this program. However, the eligibility requirements have changed. The current bill draft contains the following language related to eligibility:

#### “12289.4.

Projects and programs that are eligible for grants include, but are not limited to, all of the following:

- (a) A program to identify a potential land repurposing project and develop a land repurposing plan.
- (b) A project to repurpose irrigated agricultural land for a new use, including, but not limited to, all of the following uses:
  - (1) Restoring upland habitat.
  - (2) Creating pollinator habitat.
  - (3) Restoring flood plains.
  - (4) Creating dedicated multibenefit recharge areas.
  - (5) Dryland farming or planting cover crops.
  - (6) Switching from irrigated agriculture to rangeland.
  - (7) Creating parks or community recreation areas.
- (c) A purchase of a conservation easement on repurposed land to permanently protect any of the new uses specified in subdivision (b).”

#### “12289.6.

Priority shall be given to projects and programs that do any of the following:

- (a) Maximize habitat consolidation and connectivity.
- (b) Are located adjacent to land with high habitat value.
- (c) Provide habitat for endangered plant or animal species.
- (d) Provide permanent benefits, including protecting community air quality and water supply.
- (e) Repurpose irrigated agricultural lands of socially disadvantaged farmers or ranchers.

We will continue to monitor the progress of the bill and to determine if there is applicability to the Groundwater Authority. The bill passed out of the Assembly on a vote of 78-0 and passed out of the Senate Committee on Natural Resources and Water. The Senate still must pass it and then go back to the Assembly for a concurrence vote or to a conference committee before it is approved.

## **Proposition 1: Temperance Flats Reprogramming:**

The Temperance Flat Dam was a proposed second dam behind the existing Friant Dam, which forms Millerton Lake on the San Joaquin River. While the River already has a dam to form Millerton Lake and feed the Friant-Kern Canal (among other projects on the River), proponents of Temperance Flat argued that the existing Millerton Lake is not large enough to capture high-flow water years such as what occurred in 2017 or 2019. The project would have created a second dam to raise the water levels in the Temperance Flat area upstream of the existing Millerton Lake. The project initially received \$171 million in Prop. 1 funding from the California Water Commission (CWC).

Despite the \$171 million in funding, the project had a few flaws from the start. First, engineers estimated the total project cost at \$2.6 billion to complete, so the amount allocated through the California Water Commission was a small portion of the total funding need. Second, the project faced environmental opposition from the beginning. Finally, the San Joaquin River water is already significantly over-subscribed, and there is no guarantee that the project will create “new water” above and beyond what member agencies already receive. As such, the project had a hard time attracting new funding and missed a milestone deadline to receive the \$171 million CWC grant.

The California Water Commission is determining what to do with these turned-back funds. They are accepting applications for consideration of re-programming these funds. Applications are due by October 22, 2021. In order to be considered under this program, the project would have to complete the following by January 1, 2022:

- Complete a feasibility study
- Have draft environmental documentation ready for public review
- Have commitments for at least 75% of the non-public benefit cost share of the project and
- The Commission must find the project feasible

While Capitol Core is not certain whether completing these requirements is feasible in the timeframe necessary, if they are, there is no cost to submit a feasibility review application to the CWC for review. We would also like direction from the Board and staff on whether A) this is pool of money that you are interested in pursuing and B) whether meeting the requirements for consideration are feasible within the application time frame.

## **FEDERAL ACTIVITIES**

### **Legislative: Infrastructure Bill and Potential Wastewater Funding**

The status of the infrastructure bill remains in flux. At the outset, the Biden Administration and Democratic Congressional Leadership pushed for a \$2 trillion infrastructure funding bill. House and Senate Republicans indicated that they would like to see the infrastructure bill pared back to \$621 billion in spending. They contend that much of the infrastructure projects that President Biden proposed do not follow the traditional definition of infrastructure such as roads, bridges, transit improvements, etc. Further, they want to use some of the funds from other stimulus bills that have so far not been spent and to ensure that taxes are not raised to pay for this bill.

In mid-June, a bipartisan group of 21 Senators worked with President Biden to come to a general agreement on a negotiated \$1.2 trillion infrastructure package. At the time of writing, the bill text is still being negotiated. We will provide a further overview of the water and wastewater provisions once the full text of the bill has been negotiated. While the Senate is still currently in session, the House is adjourned on summer recess until September.

## **FY2022 National Defense Authorization Act**

As we have discussed in prior memos, we have submitted three policy-related requests to our congressional delegation for consideration in the 2021 NDAA. At this point, the NDAA markup process is slowed down due to the delay of President Biden's overall budget. House Armed Services Committee Chair Adam Smith (D-WA) indicated that he will not be able to conduct markups on the House defense bill until September as a result of the delay in President Biden's budget.

## **2021 DCIP Funding Round**

The Federal Funding Opportunity for this year's Defense Community Infrastructure Program (DCIP) is available for viewing. The link is [here](#) and applications were due by July 12<sup>th</sup>. We anticipate that we will have a list of finalist applications in either late August or early September. This year's application will be judged differently than last year's applicant pool. For 2021, Military Value is the top criterion for consideration of a DCIP application. To determine this, the Office of Local Defense Community Cooperation (OLDCC, the administrator of the DCIP program) will be using the military value rankings determined in the Base Realignment and Closure (BRAC) Commission from 2005. Click [here](#) to see how the installations were ranked during this process.

While neither project is currently deemed "shovel ready" for the purposes of making a DCIP application, we are monitoring the progress of the DCIP applications this year and will be advocating for further DCIP authorizations in this year's NDAA as described above. In June, we also met with China Lake base representatives to discuss our potential funding needs and partnership opportunities. We discussed both the wastewater treatment plant and interconnection projects and the importance of the base's support of a potential DCIP application for the success of a project submission. Towards that end, the OLDCC released guidelines on the items that the base command support letter should address for the DCIP application. You can view those guidelines [here](#).

## **Pending Agency Actions**

Throughout the month, we met with our legislative delegation as well as a few federal agencies to determine potential project eligibility and project funding sources. The two areas that we are continuing to explore after our discussions this month are:

- **US Economic Development Administration:** Public Works and Economic Assistance Programs
- **US Environmental Protection Agency:** Drinking Water and Clean Water State Revolving Fund loans/grants

In August, we plan to continue discussions with the US EPA on these projects and are planning to set up meetings with our local congressional delegation during the August/September summer recess.

Should you have any questions concerning any of our activities, please give me a call at 909.568.5645.

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