

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, November 10, 2021

Closed Session 10:00 a.m.

Open Session: No earlier than 11:00 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. AB 361 FINDING

3. PUBLIC COMMENT ON CLOSED SESSION

4. 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.

5. OPEN SESSION – No earlier than 11:00 a.m.

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

6. 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.

7. CONSENT AGENDA

- a. Approve Minutes of Board Meeting October 13, 2021
- b. Resolution 09-21 – Approval of PAC Membership Application for Regina Troglin
- c. Approve Expenditures
 - *To view itemized invoices please visit <https://iwvga.org/iwvga-meetings>*
 - i. \$51,093.35 – Stetson Engineers
 - ii. \$20,377.25 – Regional Government Services – (Replenishment / Extraction)
 - iii. \$10,000.00 – Capitol Core Group – (Replenishment)
 - iv. \$314.80 – WellnTel (Extraction)

8. 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. Miscellaneous Items
 - i. Policy on Temporary Use
 - ii. Annual Report for Water Year 2021

9. BOARD REVIEW AND APPROVAL OF 2022 BUDGET

10. GENERAL MANAGER’S REPORT

- a. Monthly Financial Report
- b. Report on IWVGA’s Water Marketer (Capitol Core Group)

- c. Update on Wulff Hansen
- d. 2022 IWVGA Board Rotation Update

11. PAC/TAC REPORT

12. CLOSING COMMENTS

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

13. DATE OF NEXT MEETING – DECEMBER 8, 2021

14. ADJOURN

PUBLIC COMMENT NOTICE

On September 16, 2021, Governor Newsom signed into law Assembly Bill 361, 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 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, October 13, 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 Benjamin Turner, US Navy, DoD Liaison
Tim Itnyre, San Bernardino County	April Keigwin, Clerk of the Board

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 10:05 a.m.

2. BOARD CONSIDERATION AND ADOPTION OF RESOLUTION NO. 07-21 PERTAINING TO AB-361

Motion made by Phillip Peters and seconded by John Vallejo to approve Resolution 07-21 pertaining to AB-361.

Motion carries by the following roll call vote:

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

3. PUBLIC COMMENT ON CLOSED SESSION:

None.

Chairman Hayman calls the meeting into Closed Session at 10:09 a.m.

4. 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. Inyokern CSD.

- 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 11:17 a.m.

5. OPEN SESSION:

Meeting reconvenes into Open Session at 11:20 a.m.

- a. Report on Closed Session:
Counsel Lemieux reports no 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

6. PUBLIC COMMENT:

The Board hears public comment from Josh Nugent and Renee Westa-Lusk.

7. CONSENT AGENDA:

- a. Approve Minutes of Board Meeting September 8, 2021.
- b. Conflict Waiver Letter
- c. Approve Expenditures
**To view itemized invoices please visit <https://iwvga.org/iwvga-meetings>*
 - i. \$54,904.50 – Stetson Engineers
 - ii. \$18,575.00 – Regional Government Services – (Replenishment / Extraction)
 - iii. \$17,831.25 – Capitol Core Group – (Replenishment)
 - iv. \$1,000.00 – Brown Armstrong – (Extraction)

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

Motion made by Phillip Peters and seconded by Stan Rajtora to approve Minutes of Board Meeting September 8, 2021, Conflict Waiver Letter and the following expenditures in the amount of \$54,904.50 to Stetson Engineers, \$18,575.00 to Regional Government Services, \$17,831.25 to Capitol Core Group, and \$1000.00 to Brown Armstrong.

Motion carries by the following roll call vote:

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

8. WATER RESOURCES MANAGER REPORT:

Steve Johnson and Joseph Montoya provide updates on the following grants/programs:

- a. Grant Funding
 - i. Proposition 1
 - ii. Proposition 68
- b. GSP Implementation Projects/Management Action Updates
 - i. Recycled Water Program
 - ii. Project No. 4 – Shallow Well Impact Mitigation Program Update
- c. Miscellaneous Items
 - i. Policy on Temporary Use

The Board hears public comment from Renee Westa-Lusk. Josh Nugent, Judie Decker, and Don Decker.

9. RECORD RETENTION / DESTRUCTION POLICY:

Counsel Lemieux provides a staff report and policy (documents made available on the IWVGA website).

The Board hears public comment from Don Decker.

Motion made by Phillip Peters and seconded by Stan Rajtora to approve the record retention and destruction policy with the edit that the policy will only subject board and staff of other agencies to GA related records. Motion carries by the following roll call vote:

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

10. BOARD CONSIDERATION OF BOND COUNSEL AGREEMENT WITH WULFF HANSEN:

Wulff Hansen representative Roy Nelson provides a report, agreement and resolution (documents made available on the IWVGA website).

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

Motion made by Phillip Peters and seconded by Scott Hayman approving the bond counsel agreement with Wulff Hansen.

Motion carries by the following roll call vote:

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

11. 6-MONTH CHECK IN WITH REGIONAL GOVERNMENT SERVICES:

Carol Thomas-Keefer provides 6-month check in report from Regional Government Services (documents made available on the IWVGA website).

12. GENERAL MANAGER’S REPORT:

Carol Thomas-Keefer provides the Monthly Financial Report. Jeff Simonetti of Capitol Core Group provides a Technical Memorandum discussing the status of potential alternate water supply purchases (documents made available on the IWVGA website).

The Board hears public comment from Denise Kight, Judie Decker and Renee Westa-Lusk.

13. PAC/TAC REPORT:

PAC Chair, David Janiec gives a report from the September 22, PAC Meeting (document made available on the

IWVGA website). Steve Johnson provides a status update on TAC reengagement.

14. CLOSING COMMENTS:

Vice Chair Rajtora requests the 2020 Water Year Report be sent to the TAC for review. Rajtora states he would like to see the 2020 audit completed soon as well as the 2022 Budget.

Director Peters appreciates the input provided by Alan Christensen regarding the GA being mindful of using its resources efficiently.

Director Vallejo expresses concerns with comments made by Indian Wells Valley Water District (IWWVD) Board Members at recent meetings and states that given these comments and the groundwater adjudication filed by IWWVD, there is a cause for concern with them assuming the role of Chair and General Counsel for the IWVGA as stated in section 3.2 of the Bylaws. Vallejo asks that staff review this matter and return with a recommendation regarding next year's rotation.

15. DATE OF NEXT MEETING – November 10, 2021

16. ADJOURN:

Chairman Hayman adjourns the meeting at 1:54 p.m. on October 13, 2021.

Respectfully submitted,

April Keigwin
Clerk of the Board
Indian Wells Valley Groundwater Authority

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EXHIBIT A

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

In the matter of:

Resolution No. 09-21

**RESOLUTION APPOINTING MEMBER TO
THE POLICY ADVISORY COMMITTEE.**

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 10th day of February 2021, by the following vote:

AYES:

NOES:

ABSENT:

Clerk 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 (“PAC”) 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. This Board hereby appoints the individuals on the attached Exhibit “A” to the PAC.

EXHIBIT A

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY
POLICY ADVISORY COMMITTEE (PAC) ROSTER

POLICY ADVISORY COMMITTEE:

Category:	Name:
Large Agriculture	OPEN
Large Agriculture	Edward Imsand
Small Agriculture	OPEN
Business Interests	David Janiec
Business Interests	OPEN
Residential Customers of Public Water Agency	Renee Westa-Lusk
Residential Customers of Public Water Agency	Nick Panzer
Residential Customer of the Trona Community Public Water Agency	Regina Troglin
Domestic Well Owner	West Katzenstein
Domestic Well Owner	OPEN
Eastern Kern County Resource Conservation District	Judie Decker
Wholesaler Industrial User	Camille Anderson
Inyokern CSD	Tim Carroll
*Indian Wells Valley Water District	Don Zdeba
*Bureau of Land Management	Thomas Bickauskas
*Department of the Navy	John Kersey
*County of Kern	Lorelei Oviatt
*Non-voting Members	

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Invoice

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

Invoice Number: 2652-50
Invoice Date: 10/27/21

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

Professional Services through 9/30/2021

Water Resources Management

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

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Senior Associate	3.25	\$120.00	\$390.00
Associate III	3.50	\$105.00	\$367.50
<i>Professional Services Subtotal:</i>			<u>\$757.50</u>
Reimbursables			<u>Charge</u>
Reproduction (Color)			\$107.69
Reproduction			\$2.25
Telephone - Conference Call			\$79.92
<i>Reimbursables Subtotal:</i>			<u>\$189.86</u>
<i>POAM No. 15,16 Prop 1 Grant Administration Subtotal:</i>			<u>\$947.36</u>

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

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Associate III	0.50	\$105.00	\$52.50
<i>Professional Services Subtotal:</i>			<u>\$52.50</u>
<i>2021 SDAC Program Support: Water Auditt, Leak Detection & Repair Subtotal:</i>			<u>\$52.50</u>

40 - 2021 General Engineering

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	19.00	\$200.00	\$3,800.00
Senior Associate	18.50	\$120.00	\$2,220.00
Associate III	19.00	\$105.00	\$1,995.00
<i>Professional Services Subtotal:</i>			<u>\$8,015.00</u>
<i>2021 General Engineering Subtotal:</i>			<u>\$8,015.00</u>

41 - 2021 Production Reporting Support

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Associate III	5.75	\$105.00	\$603.75
<i>Professional Services Subtotal:</i>			<u>\$603.75</u>
<i>2021 Production Reporting Support Subtotal:</i>			<u>\$603.75</u>

42 - TSS Coordination: Drilling Support

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	0.50	\$200.00	\$100.00
<i>Professional Services Subtotal:</i>			<u>\$100.00</u>
<i>TSS Coordination: Drilling Support Subtotal:</i>			<u>\$100.00</u>

44 - Coordination with DWR on GSP Review



44 - Coordination with DWR on GSP Review

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Senior Associate	1.50	\$120.00	\$180.00
<i>Professional Services Subtotal:</i>			<u>\$180.00</u>
<i>Coordination with DWR on GSP Review Subtotal:</i>			<u>\$180.00</u>

45 - 2021 Annual Report

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	6.00	\$200.00	\$1,200.00
Senior Associate	4.00	\$120.00	\$480.00
GIS Manager	6.25	\$115.00	\$718.75
Assistant I	4.25	\$95.00	\$403.75
<i>Professional Services Subtotal:</i>			<u>\$2,802.50</u>
<i>2021 Annual Report Subtotal:</i>			<u>\$2,802.50</u>

46 - 2021 Data Management System Support

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Associate I	7.25	\$115.00	\$833.75
<i>Professional Services Subtotal:</i>			<u>\$833.75</u>
<i>2021 Data Management System Support Subtotal:</i>			<u>\$833.75</u>

47 - 2021 Allocation Plan: Allocation Process & Transient Pool Support

Professional Services	<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>2021 Allocation Plan: Allocation Process & Transient Pool Support Subtotal:</i>			<u>\$345.00</u>

49 - 2021 Allocation Plan: Following & Transient Pool Transfer Program

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Senior Associate	1.25	\$120.00	\$150.00
<i>Professional Services Subtotal:</i>			<u>\$150.00</u>
<i>2021 Allocation Plan: Following & Transient Pool Transfer Program Subtotal:</i>			<u>\$150.00</u>

50 - 2021 Conservation Efforts

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Associate III	0.50	\$105.00	\$52.50
<i>Professional Services Subtotal:</i>			<u>\$52.50</u>
<i>2021 Conservation Efforts Subtotal:</i>			<u>\$52.50</u>

51 - 2021 Meetings and Prep

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	27.50	\$230.00	\$6,325.00
Supervisor I	1.00	\$200.00	\$200.00
Senior Associate	7.00	\$120.00	\$840.00
Associate III	6.25	\$105.00	\$656.25
<i>Professional Services Subtotal:</i>			<u>\$8,021.25</u>
<i>2021 Meetings and Prep Subtotal:</i>			<u>\$8,021.25</u>

52 - 2021 Budget Support

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Senior Associate	5.75	\$120.00	\$690.00
Associate III	9.25	\$105.00	\$971.25



52 - 2021 Budget Support

<i>Professional Services Subtotal:</i>	<u>\$1,661.25</u>
<i>2021 Budget Support Subtotal:</i>	<u>\$1,661.25</u>

53 - 2021 General Project Management

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	2.50	\$230.00	\$575.00
Supervisor I	3.00	\$200.00	\$600.00
Senior Associate	5.25	\$120.00	\$630.00
Associate III	6.75	\$105.00	\$708.75
Assistant I	6.25	\$95.00	\$593.75

<i>Professional Services Subtotal:</i>	<u>\$3,107.50</u>
<i>2021 General Project Management Subtotal:</i>	<u>\$3,107.50</u>

54 - 2021 Stakeholder Coordination

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Senior Associate	0.50	\$120.00	\$60.00

<i>Professional Services Subtotal:</i>	<u>\$60.00</u>
<i>2021 Stakeholder Coordination Subtotal:</i>	<u>\$60.00</u>

56 - 2021 Model Transfer and Upgrade

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	3.00	\$200.00	\$600.00

<i>Professional Services Subtotal:</i>	<u>\$600.00</u>
<i>2021 Model Transfer and Upgrade Subtotal:</i>	<u>\$600.00</u>

59 - 2021 Data Collection

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	14.00	\$200.00	\$2,800.00
GIS Manager	3.50	\$115.00	\$402.50
Assistant I	23.50	\$95.00	\$2,232.50
GIS Specialist I	1.00	\$95.00	\$95.00

<i>Professional Services Subtotal:</i>	<u>\$5,530.00</u>
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Reimbursables

	<u>Charge</u>
Equipment Purchase	\$1,347.24

<i>Reimbursables Subtotal:</i>	<u>\$1,347.24</u>
<i>2021 Data Collection Subtotal:</i>	<u>\$6,877.24</u>

60 - 2021 Imported Water: Negotiations and Coordination for Replenishment Fee

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	5.00	\$230.00	\$1,150.00
Supervisor I	5.00	\$200.00	\$1,000.00
Senior Associate	0.50	\$120.00	\$60.00
Associate III	32.00	\$105.00	\$3,360.00

<i>Professional Services Subtotal:</i>	<u>\$5,570.00</u>
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<i>2021 Imported Water: Negotiations and Coordination for Replenishment Fee Subtotal:</i>	<u>\$5,570.00</u>
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62 - 2021 Recycled Water for Replenishment Fee

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	7.00	\$230.00	\$1,610.00
Supervisor I	4.75	\$200.00	\$950.00



62 - 2021 Recycled Water for Replenishment Fee

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Associate I	0.75	\$115.00	\$86.25
Associate III	20.50	\$105.00	\$2,152.50
Assistant I	16.75	\$95.00	\$1,591.25
			Professional Services Subtotal:
			\$6,390.00
			2021 Recycled Water for Replenishment Fee Subtotal:
			\$6,390.00

63 - 2021 Shallow Well Mitigation Program: Plan Development

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	4.50	\$230.00	\$1,035.00
Senior Associate	2.50	\$120.00	\$300.00
Associate III	1.25	\$105.00	\$131.25
			Professional Services Subtotal:
			\$1,466.25
			2021 Shallow Well Mitigation Program: Plan Development Subtotal:
			\$1,466.25

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

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	10.00	\$230.00	\$2,300.00
Supervisor I	1.00	\$200.00	\$200.00
Senior Associate	1.50	\$120.00	\$180.00
Associate III	5.50	\$105.00	\$577.50
			Professional Services Subtotal:
			\$3,257.50
			2021 Litigation Support – Searles Valley Minerals & Mojave Pistachios Subtotal:
			\$3,257.50
			Water Resources Management Subtotal:
			\$51,093.35

***** Invoice Total ***** **\$51,093.35**

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Carmel Valley, CA 93924

Invoice

Date	Invoice #
9/30/2021	12539

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

P.O. No.	Due Date	Inv Sent
	10/30/2021	10/15/2021

Date	Description	Amount
9/30/2021	Contract Services for September - please see attached	20,077.25

		Total	\$20,077.25
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Indian Wells Valley

Month: **Sep, 2021**

Hours and Rates by Pay Period					
	1st -15th		16th - EOM		Monthly
Advisor Name	Reg Hrs	Bill Rate	Reg Hrs	Bill Rate	Total Billed
Carol Thomas-Keefer	18.00	\$ 125.00	8.00	\$ 125.00	\$ 3,250.00
April Keigwin	79.40	\$ 100.00	53.60	\$ 100.00	\$ 13,300.00
Jefferson Kise	1.00	\$ 135.00	1.25	\$ 135.00	\$ 303.75
Glenn Lazof	1.90	\$ 150.00	0.40	\$ 150.00	\$ 345.00
Gina M Schuchard	11.50	\$ 135.00	8.00	\$ 135.00	\$ 2,632.50
Roberto Moreno	0.00	\$ -	1.50	\$ 164.00	\$ 246.00
Totals	111.80		72.75		\$ 20,077.25

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Carmel Valley, CA 93924

Invoice

Date	Invoice #
9/30/2021	12623

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

P.O. No.	Due Date	Inv Sent
	11/28/2021	10/29/2021

Date	Description	Amount
9/30/2021	Reimbursable Expense for City of Ridgecrest Monthly Rent (\$300 - please see attached)	300.00
Total		\$300.00

**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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**CAPITOL
CORE
GROUP**

Capitol Core Group, Inc.
205 Cartwheel Bend (Operations Dept.)
Austin, TX 78738 US
949.274.9605
operations@capitolcore.com
www.capitolcore.com

BILL TO

Indian Wells Valley Groundwater
Authority
500 West Ridgecrest Blvd.
Ridgecrest, California 93555
USA

INVOICE 2021-058

DATE 11/01/2021 **TERMS** Net 45

DUE DATE 12/16/2021

DATE	ACCOUNT SUMMARY	AMOUNT
10/01/2021	Balance Forward	41,668.75
	Other payments and credits after 10/01/2021 through 10/31/2021	-41,668.75
11/01/2021	Other invoices from this date	0.00
	New charges (details below)	10,000.00
	Total Amount Due	10,000.00

ACTIVITY	HOURS	RATE	AMOUNT
Charges			
Task 1 -- Secure Imported Water Sources			
Government Relations: Intergovernmental Affairs	4	225.00	900.00
Follow-up discussions, negotiations and internal meetings concerning Table A seller/Agency-I {Simonetti}			
Government Relations: Intergovernmental Affairs	2	225.00	450.00
Follow-up Table A/Seller-I and Seller-II {Simonetti}			
Government Relations: Intergovernmental Affairs	1.50	250.00	375.00
Discussion w/ Table A and document preparation/Seller-II {Tatum}			
Government Relations: Intergovernmental Affairs	1	250.00	250.00
Negotiation w/ seller/Agency-II {Tatum}			
Government Relations: Intergovernmental Affairs	1.50	250.00	375.00
Negotiations w/ seller/Agency-I {Tatum}			
Government Relations: Intergovernmental Affairs	1.50	250.00	375.00
Internal and client briefing calls re: Table A supply discussion/negotiations {Tatum}			
Government Relations: Intergovernmental Affairs	1.50	250.00	375.00
IWVGA Staff Conference Call deal-points to seller/Agency I {McKinney}			
Total Task 1 = \$3,100.00 (13 hours)			
Task 2 -- Identify and Secure Federal Funding Sources			
Government Relations: Federal	3	225.00	675.00
National Defense Authorization Act FY2022: IGSA prohibition amendment and DCIP amendment (wastewater treatment plant) {Simonetti}			

ACTIVITY	HOURS	RATE	AMOUNT
Government Relations:Federal Regional Agency Meeting scheduling: USEPA, BOR, USDA, {Simonetti}	1.50	225.00	337.50
Government Relations:Federal Direct Advocacy: National Defense Authorization Act FY2022 IGSA prohibition amendments and DCIP amendment -- call w/ Senate Armed Services Committee staff; Senator Inhofe staff; Assoc. Defense Communities, and Roosevelt Group calls {McKinney}	2	250.00	500.00
Total Task 2 = \$1,512.50 (6.5 hours)			
Task 3 -- US Navy Liaison			
Total Task 3 = \$0.00			
Task 4 -- Secure State Funding Sources			
Government Relations:California SWRCB: State Revolving Fund scoping meeting on Wastewater Treatment Plant (preparation and meeting) {Simonetti}	2.50	225.00	562.50
Government Relations:California DWR: Materials review, scoping meeting w/ DWR staff interconnection project, review memorandum, review IWVGA draft Comment Letter {Simonetti}	3.50	225.00	787.50
Government Relations:California DWR: Materials preparation, scoping meeting requests and direct staff advocacy for Water Recycling Plant {Simonetti}	3	225.00	675.00
Government Relations:California DWR Staff: SGMA-IP Implementation Guidance advocacy; scoping meeting w/ DWR staff; review draft memorandum, review draft-Comment letter {Frye}	3.50	250.00	875.00
Government Relations:California Draft SGMA-IP Implementation Guidance Memorandum; scoping meeting w/ DWR staff; Draft IWVGA Comment Letter on SGMA-IP IG/PSP {McKinney}	3	250.00	750.00
Total Task 4 = \$3,650.00 (15.5 hours)			
Task 5 -- Administrative			
Administrative Monthly Status Update Memorandum {Simonetti}	2	225.00	450.00
Administrative Board Meeting October (Close and Open Session) {Simonetti}	3.50	225.00	787.50
Administrative Closed Session Board Meeting and preparation {Tatum}	2	250.00	500.00
Total Task 5 = \$1,737.50 (7.5 hours)			

Thank you for your business. Please make checks payable to Capitol Core Group, Inc.

TOTAL OF NEW CHARGES 10,000.00

TOTAL DUE \$10,000.00

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WellIntel Inc.
906 E. Hamilton St.
Milwaukee, WI 53202 US
844-935-5426
accounting@wellIntel.com

Invoice 2303



BILL TO Don Zdeba Indian Wells Valley Groundwater Authority 500 W. Ridgecrest Blvd. Ridgecrest, CA 93555 USA	SHIP TO Attn: April Nordenstrom For Stetson Engineers 1220 Ann Ct Ridgecrest, CA 93555 USA
--	---

DATE
10/19/2021

PLEASE PAY
\$314.80

DUE DATE
11/18/2021

ITEM	DESCRIPTION	QTY	RATE	AMOUNT
4ANNB2-SP	Extreme Weather Battery	4	60.00	240.00T
X - Components - SP	3' mini USB cable for SensorLink 2.0 use	1	0.00	0.00T
Sales Tax	Sales Tax calculated by AvaTax on Tue 19 Oct 19:31:41 UTC 2021	1	19.80	19.80

SUBTOTAL	259.80
TAX (0)	0.00
SHIPPING	55.00
TOTAL	314.80

TOTAL DUE **\$314.80**

THANK YOU.

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IWVGA Board Meeting – WRM Report
November 10, 2021

Proposition 1 Status Update

- Invoice #10a
 - Covers January through March 2021
 - Total requested payment after retention: **\$77,720.33**
 - Status: Re-submitted October 1, 2021
 - Includes minor revisions on 2021 mileage rates and eligibility of equipment costs
 - Progress Reports combined for Prop 1 & Prop 68 re-submitted October 1, 2021
- Invoice #11a
 - Covers April through June 2021
 - Total requested payment after retention: **\$69,955.50**
 - Status: Submitted August 30, 2021
 - Progress Reports combined for Prop 1 & Prop 68 submitted August 30, 2021
- Next invoice (#12a) to be submitted no later than November 30
- CEQA concurrence is complete, per September 13 email from DWR
 - Removed costs totaling **\$130,850.07** for Invoices 8a & 9a will be requested as part of Invoice 12

AGENDA ITEM 8a.i



IWVGA Board Meeting – WRM Report
November 10, 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
- Invoice # 11b
 - Covers April through June 2021
 - Total requested payment after retention: **\$3,552.11**
 - Status: Submitted August 30, 2021
- Next invoice (#12b) to be submitted no later than November 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
 - Draft amendment documents (scope, budget, and schedule for funding agreement) were submitted to DWR on August 23
 - Revisions were requested by DWR on October 22, currently being prepared by GA Staff

AGENDA ITEM 8a.ii



IWVGA Board Meeting – WRM Report November 10, 2021

Recycled Water Program Update

- Alternatives Analysis Scope of Work
 - Received comments from TAC members, City/MKN, and Navy; comments are being reviewed and incorporated
- Section 1: Draft write-up of City's of existing WWTF facilities, existing recycled water uses, and City's plans to upgrade and expand the WWTF
 - Received comments from TAC members; comments are being reviewed and incorporated
- Section 2: Characterization of WWTF effluent quantity and quality
 - Based on findings of July 10 Provost & Pritchard technical memorandum on projected City populations, WWTF flow rates, and WWTF BOD loading
 - Currently undergoing additional internal staff-level review, will be released to Technical Team around week of November 15
- Section 3: Identification of recycled water alternatives
 - Currently undergoing internal staff-level review
- Next Steps
 - Continue Section 2 characterization of WWTF effluent water quality
 - Continue review of regulatory, permitting, environmental, legal requirements for alternatives
 - Schedule next meeting of Technical Team for review of Sections 1 & 2

AGENDA ITEM 8b.i



3

IWVGA Board Meeting – WRM Report November 10, 2021

Policy on Shallow Well Impact Identification, Evaluation and Mitigation Program (Program)

- Indian Wells Valley (IWV) groundwater basin (Basin) has been in overdraft for several decades, resulting in significant lowering of regional and local groundwater elevations. There are also water quality impacts.
- Most impacted wells are shallow wells serving private homes, rural domestic/mutual water companies, small agricultural and livestock water supply.
- IWVGA Sustainable Management Plan (GSP), Project #4 is a Program to help mitigate impacts to shallow wells. Under the GSP, anticipated pumping will continue to exceed the sustainable yield for a period of time, with potential impacts.
- The Program will be implemented and managed by the IWVGA Staff, under the direction of the IWVGA Board, on a case-by-case basis.
- The Program is dependent on individual Well Owners to voluntarily provide adequate information and data to evaluate any well impact claim (Subject Well must be fully registered with the IWVGA.)

AGENDA ITEM 8b.iii



4

IWVGA Board Meeting – WRM Report
November 10, 2021

**Policy on Shallow Well Impact Identification, Evaluation and Mitigation Program
(Program) (continued)**

➤ General Procedures

- Submittal of completed, "Report Form for a Shallow Water Supply Well, Negatively Impacted by Chronic Overdrafting of Groundwater in the IWV Basin" to the Clerk of the Board.
- Submittal of a complete well evaluation and performance review by a qualified, licensed well drilling and equipment contractor, with recommendations and cost estimate.
- IWVGA Staff will acknowledge receipt and coordinate with the Well Owner for complete submittals.
- WRM draft Staff Report within 90 days after complete submittal, with recommendations.
- Draft Report review with Well Owner.
- To IWVGA Board for action. Well Owner has opportunity to address the Board.
- Program costs managed by the General Manager.

AGENDA ITEM 8b.iii



5

IWVGA Board Meeting – WRM Report
November 10, 2021

Policy on Temporary Water Use

- Issue of groundwater pumping to serve temporary use has been raised
 - Example: IWVWD serving temporary housing for NAWS-China Lake improvements
- The Replenishment Fee is presently assessed on all groundwater pumping over the GSP sustainable yield (excluding Navy and De Minimis)
- The Authority recognizes that certain pumping should not be subject to the Replenishment Fee (potentially eligible for an Authority Board waiver)
- Temporary use is water used for a temporary endeavor with a defined beginning and end
- A temporary use of groundwater shall be determined on a case-by-case basis based on the circumstances of each request

AGENDA ITEM 8c.i



6

IWVGA Board Meeting – WRM Report
November 10, 2021

Policy on Temporary Water Use (continued)

- Written request to the Authority for an Authority Board Waiver of the Replenishment Fees with evidence/documentation
- Authority Staff will review the request and supporting evidence and make a recommendation to the Board in a Staff Report
- Authority Staff will coordinate with the pumper on the draft Staff Report
- The final Staff Report will be placed on the Authority Board agenda for action, and the pumper will have an opportunity to address the Board
- Authority Board action shall be final

AGENDA ITEM 8c.i



IWVGA Board Meeting – WRM Report
November 10, 2021

Policy on Temporary Water Use (continued)

- Some examples of potential temporary water use
 - Water supplied for a temporary use
 - Leak or unanticipated use of water
 - Emergency use of water
 - Investigative studies/pilot projects
 - Registered De Minimis pumpers providing assistance

AGENDA ITEM 8c.i



IWVGA Board Meeting – WRM Report
November 10, 2021

GSP Annual Report

- Annual Reports are due annually to DWR on April 1
- The April 2022 report provides data for WY 2021 (October 2020- September 2021)
- DWR Requirements for Annual Report
 - Groundwater Levels
 - Change in Groundwater in Storage
 - Groundwater Production/Total Water Use
 - Update on progress towards implementing the GSP
- We will be expanding the Annual Reports to include additional data obtained during the reporting year
- Previous Annual Reports are posted on the IWVGA Website:
 - <https://iwvga.org/reports>

IWVGA Board Meeting – WRM Report
November 10, 2021

GSP Annual Report (continued)

- WY 2021 Annual Report Schedule
 - December 2021: Internal Draft Review
 - January 2022: Staff Review
 - End of January 2022: Beginning of TAC Review
 - March 9th: Presentation to the Board
 - April 1: Submittal to DWR

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INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

DRAFT POLICY ON

SHALLOW WELL IMPACT IDENTIFICATION, EVALUATION AND MITIGATION PROGRAM

INTRODUCTION AND BACKGROUND

The Indian Wells Valley (IWW) groundwater basin (Basin) has been in overdraft for several decades. Overdraft conditions, both historical and current, have resulted in a significant lowering of the regional and local groundwater elevations, and a significant reduction in the amount of useable water in groundwater storage. In addition, the Basin has hydrogeologic areas with poor water quality (high total dissolved solids), that can, and have, migrated to areas that previously had higher quality groundwater, resulting in water quality impacts to some wells. Most of the impacted wells are shallow wells, constructed to serve private homes, rural domestic/mutual water companies, small agricultural, and livestock water supply needs.

Under the Sustainable Groundwater Management Act (SGMA), adopted in 2014, the Basin must achieve sustainability by year 2040 and eliminate undesirable results. The IWW Groundwater Sustainability Plan (GSP) was adopted in January 2020. The IWW GSP includes a program to help mitigate impacts to shallow wells caused by the chronic lowering of groundwater levels and degraded water quality as Project # 4.

Despite having an adopted GSP in the IWW, pumping greater than the natural sustainable yield of the Basin is anticipated to continue, and consequently, groundwater levels will continue to lower and impact shallow wells until sustainability is reached by at least year 2040.

This “Policy” for the Shallow Well Impact Identification, Evaluation and Mitigation Program (Program) provides the guidelines for Well Owners with potentially impacted shallow wells and the Authority Staff to implement the Program.

SHALLOW WELL IMPACT IDENTIFICATION, EVALUATION AND MITIGATION PROGRAM

The Program is funded by the Shallow Well Mitigation Fee, which is included in the Replenishment Fee. The Replenishment Fee is assessed on all groundwater pumping in excess of the Groundwater Sustainability Plan (GSP) sustainable yield of 7,650 AFY. The Shallow Well Mitigation fund is managed by the Indian Wells Valley Groundwater Authority (Authority) Staff, under the direction of the Authority Board of Directors. The Program will be implemented and managed by the Authority Staff, under the direction of the Authority Board, on a “case-by-case” basis. The Program is designed to be primarily an “evaluation and potential mitigation reimbursement” process. Well Owners are responsible for maintaining their wells in good operating condition and maintaining reliable potable water supply. The Program is dependent on individual Well Owners voluntarily submitting their shallow well impacts information for consideration for potential mitigation support by the Authority.

The following outlines the initial steps to be taken by Well Owners and Authority Staff to initiate the evaluation of a potentially impacted shallow well:

1. Well Owner shall submit a fully completed “Report Form for a Shallow Water Supply Well Negatively Impacted by Chronic Overdrafting of Groundwater in the IWW Basin” (Report Form) to the Clerk of the Board. The Report Form can be found on the Authority website at www.iwvga.org. Attachment C also provides the Report Form. (Subject Well must be fully registered with the IWWGA.)
2. Well Owners shall submit a complete well evaluation and performance review by a qualified, licensed well drilling and equipment contractor. The Report shall include a complete evaluation, including identification of potential causes for the

well impacts and/or failure. The Report shall include the recommended mitigation measures and the estimated cost and schedule for completion.

3. Authority Staff will acknowledge receipt of the “completed” Report Form and well evaluation report within 10 calendar days.
4. The Water Resources Manager (WRM) will conduct the independent evaluation of the Well Owners impacted well. The WRM will notify the Well Owner of the start date for the independent evaluation. The WRM will notify the Well Owner when it is determined the Well Owner supplied data and information is “complete”. The WRM will complete the independent evaluation and prepare a draft Staff Report within 90 days after notifying the Well Owner of a complete submittal.
5. The WRM draft evaluation report will be provided to the Well Owner for review and comment, prior to finalizing the Staff Report and presenting it to the Authority Board for action.
6. The WRM will present the evaluation report (Staff Report), including recommendations, for the Authority Board for action. The Well Owner will have an opportunity to address the Authority Board at the meeting.
7. Any Program-related mitigation costs incurred by the Authority shall be managed and accounted for by the General Manager.

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INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

DRAFT POLICY ON TEMPORARY (SHORT-TERM) USES OF GROUNDWATER SUPPLY

A specified amount of groundwater pumped from the Basin is considered within the GSP sustainable yield and is therefore exempt from the Basin Replenishment Fee. The Replenishment Fee is presently assessed on all groundwater pumping over the GSP sustainable yield (excluding Navy and De minimis) on the premise that all groundwater pumped over the GSP sustainable yield needs to be replaced with a permanent imported water supply. The Authority recognizes that certain pumping should not be subject to the Replenishment Fee (potentially eligible for an "Authority Board Waiver") and hereby implements this policy on Temporary (Short-Term) Uses of Groundwater Supply ("Policy").

For purposes of this Policy, a temporary use of groundwater ("Temporary Use") is water used for a temporary endeavor with a defined beginning and end (usually constrained by date or deliverable). A Temporary Use of groundwater shall be determined on a case-by-case basis based on the circumstances of each request. The determination of whether a use of groundwater shall be treated as a Temporary Use may be granted at the discretion of the Authority Board of Directors ("Board").

Any groundwater pumper requesting that water be treated as a Temporary Use must submit a written request to the Authority for an Authority Board Waiver of the Replenishment Fee, with satisfactory evidence, indicating why said groundwater use should be treated as a Temporary Use. Authority staff will review the request and supporting evidence and make a recommendation to the Board. The groundwater pumper shall be provided the opportunity to discuss with Authority staff any questions or concerns staff may have with the groundwater pumpers request prior to making its recommendation. The request will then be put on an agenda for the Authority Board to consider the request at which time the groundwater pumper will be provided the opportunity to address the Board on the request for an Authority Board Waiver. The Board's determination shall be considered final.

Commented [JW1]: Will we have an "application for waiver"?

As discussed above, for purposes of this Policy and upon request, a Temporary Use may include, but not be limited to the following:

1. Water Supplied for a Temporary Use: Water supplied to a location for a temporary amount and time and a temporary use of that water.
2. Leak or Unanticipated Use of Water: A temporary loss of water resulting from leakage, theft or damage to water supply facilities. Any Board determination in this

respect shall include a consideration of any reasonably prompt responses or other remedial actions taken after discovery of the leakage, theft or damage.

3. Emergency Use of Water: Emergency uses of groundwater may include major fire or accident, cleanup of contamination spill or similar activity or natural disaster. Any request for an Authority Board Waiver shall include details of the Emergency Use and documentation on the amount of water used.
4. Investigative Studies/Pilot Projects: Any person or entity properly registered with the Authority may request an Authority Board Waiver for an investigative study or pilot project relating to the Indian Wells Valley groundwater basin that involves groundwater use, and the information being collected is of value to the Basin and/or Authority.
5. Registered De Minimis Pumpers Providing Assistance: If a registered De Minimis pumper provides water supply assistance to another De Minimis registered pumper, the De Minimis supplier may request an Authority Board Waiver of any Replenishment Fees that may result from supplying a Temporary Use to a registered De Minimis pumper in need.

This Policy is subject to change at the discretion of the Board.

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IWVGA ADMINISTRATIVE OFFICE

STAFF REPORT

TO: IWVGA Board of Directors **DATE:** November 5, 2021

FROM: Carol Thomas-Keefer, General Manager

SUBJECT: Agenda Item No. 9 – 2022 Proposed Budget

In accordance with Section 9.07 of the Groundwater Authority’s enabling Joint Exercise of Powers Agreement, staff has developed for Board consideration a draft budget for the fiscal year beginning January 1, 2022.

Key Budget Points and Assumptions:

- The total proposed budget, including projected expenditures from all funds, is approximately \$3.86 million. Total revenues are projected at \$5.8 million.
- Extraction fee expenses total \$2.3 million and will require an inter-fund transfer of more than \$1 million to balance the budget. The GA continues to address outstanding debt against the Extraction fee fund, including proper allocation of pre-2021 invoices and the repayment of outstanding advances/obligations to the County of Kern and to the City of Ridgecrest. These outstanding advances are budgeted for repayment in 2022.
- Legal fees relating to pending litigation and outside of general counsel services are budgeted as expenses to the Augmentation (Replenishment) fee fund.
- Administration costs are split equally between Extraction and Replenishment fees, consistent with the approved 2021 budget.
- RGS fees represent a placeholder only, subject to revision based on Board action on the proposed contract renewal to be presented in December 2021. Final budget figures will be adjusted based on Board action next month.

ACTION(S) REQUIRED BY THE BOARD

The Board should review and consider adoption of the proposed 2022 draft budget as presented or with revisions as directed by the Board.

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PROPOSED ANNUAL BUDGET BY REVENUE ALLOCATION

	BY REVENUE ALLOCATION					TOTAL PROPOSED BUDGET
	Extraction	Restricted Augmentation	Restricted Shallow Well Mitigation	Restricted Prop. 1 SDAC	Restricted Prop. 68	
REVENUE						
Extraction Fee	1,245,105	-	-	-	-	1,245,105
Augmentation Fee	-	4,069,625	-	-	-	4,069,625
Shallow Well Mitigation	-	-	195,250	-	-	195,250
Dept. of Water Resources (DWR) Grants	-	-	-	321,500	17,000	338,500
TOTAL REVENUES	1,245,105	4,069,625	195,250	321,500	17,000	5,848,480
EXPENSES						
Administration	349,040	174,980	-	-	-	524,020
Non-Departmental	800,000	675,000	-	-	-	1,475,000
Conservation Programs	-	-	-	306,500	-	306,500
Basin Management Administration	197,000	-	-	-	17,000	214,000
Basin Management	841,810	353,000	20,000	15,000	-	1,229,810
Grant Management	120,000	-	-	-	-	120,000
TOTAL EXPENSES	2,307,850	1,202,980	20,000	321,500	17,000	3,869,330
Surplus (Deficit)	(1,062,745)	2,866,645	175,250	-	-	1,979,150

BEGINNING & ENDING BALANCES

	Beginning Balances*	Revenue	Transfer In**	Transfer Out**	Expenses	Ending Balances
Extraction Fund	-	1,245,105	1,062,745	-	2,307,850	-
Augmentation Fund	-	4,069,625	-	1,062,745	1,202,980	1,803,900
Shallow Well Mitigation Fund	-	195,250	-	-	20,000	175,250
Dept. of Water Resources (DWR) Grants	-	338,500	-	-	338,500	-
	-	5,848,480	1,062,745	1,062,745	3,869,330	1,979,150

* The 2020 Audit is in process; Upon completion, beginning balances will be available. 2021 Budget and Expenses are in the process of being allocated by revenue and tasks.

** The Extraction Fund Budget will be balanced through a loan from the Augmentation Fund.

EXTRACTION FEE: REVENUE PROJECTION

	Actual 2018	Actual 2019	Actual 2020	Actual 2021	Estimated 2022
January	-	18,909	18,377	59,430	59,430
February	-	15,616	17,610	52,912	52,912
March	-	18,676	46,549	88,269	88,269
April	-	31,523	24,589	92,753	92,753
May	-	40,761	41,475	123,306	123,306
June	-	49,112	51,380	165,687	165,687
July	-	50,130	54,033	190,755	190,755
August	-	49,646	54,820	118,147	118,147
September	45,018	28,698	133,771	90,254	133,771
October	29,560	26,533	91,886	-	91,886
November	24,090	18,907	68,824	-	68,824
December	38,086	19,723	59,365	-	59,365
TOTAL	<u>136,754</u>	<u>368,234</u>	<u>662,682</u>	<u>981,512</u>	<u>1,245,105</u>

Removed Shallow Well Mitigation/Transient Pool Members from Actuals:

Meadowbrook Dairy , Quist Farms, Sierra Shadows, Simmons, Hovaten, Art Hickle, Amber Glow

Projection is based on using January to August 2021 Actuals and Sept to Dec 2020 Actuals.

AUGMENTATION FEE: REVENUE PROJECTION

	Estimated 2021	Adopted 2021	Less IWVWD SWMF*	Estimated 2022
January	-	218,850	(1,798)	217,052
February	-	209,817	(1,724)	208,093
March	50,500	236,916	(1,946)	234,970
April	264,426	264,426	(2,851)	261,575
May	346,957	346,957	(3,998)	342,959
June	486,561	486,561	(3,998)	482,563
July	515,303	515,303	(4,234)	511,069
August	509,965	509,965	(4,190)	505,775
September	439,753	439,753	(3,613)	436,140
October	337,513	337,513	(2,773)	334,740
November	282,493	282,493	(2,321)	280,172
December	256,625	256,625	(2,108)	254,517
TOTAL	<u>3,490,096</u>	<u>4,105,179</u>	<u>(35,554)</u>	<u>4,069,625</u>

**Indian Wells Valley Water District Shallow Well Mitigation Fee was submitted with the Augmentation Fee. This portion is now located in the Shallow Well Mitigation Fee (SWMF) Revenue.*

2021 Estimated Column includes repayment of Advance Agreement to Indian Wells Valley Water District.

Additional Revenue is pending from Searles Valley Minerals and Mojave Pistachios .

The revenue projection will be revisited when current year actuals/trends are finalized.

Augmentation Fee has also been referred to as Replenishment Fee.

SHALLOW WELL MITIGATION FEE: REVENUE PROJECTION

	Actual 2021	Estimated 2022
	<u> </u>	<u> </u>
January	9	13,000
February	2,716	13,000
March	7,709	13,000
April	10,873	10,873
May	13,164	13,164
June	14,119	14,119
July	13,903	13,903
August	16,637	16,637
September	11,380	13,000
October	-	13,000
November	-	13,000
December	-	13,000
TOTAL	<u>90,511</u>	<u>159,697</u>
		35,554
<i>Add IWVWD Shallow Well Mitigation Fee (SWMF)</i>		<u>35,554</u>
Estimated Revenue		<u>195,251</u>

Revenue projection rounds the average for April thru August to \$13,000 as a conservative estimate for 2022.

Shallow Well Mitigation Fee has also been referred to as Transient Pool Fee.

OUTSTANDING OBLIGATIONS

	Kern County	City of Ridgecrest	Augmentation Fund	Total
Advance Agreements				
Advance of Funds	500,000	-	-	500,000
In-Kind Services				
Attorney Services/IT/Council Chambers	-	300,000	-	300,000
Inter-Fund Loans				
2022 Loan to Extraction Fund*	-	-	1,062,745	1,062,745
Repayment of Adv. Of Funds to IWVWD**	-	-	500,000	500,000
Postponed Invoice Payments				
None	-	-	-	-
Total	500,000	300,000	1,562,745	2,362,745

* Included in Proposed Budget.

** IWVWD used restricted Augmentation Revenue to repay the Advance Agreement.

Repayment of the IWVWD Advance requires a transfer from the Extraction Fund to the Augmentation Fund.

Current and Prior Year Obligations : Review of current and prior year use of Augmentation Revenue is on-going. Additional inter-fund loans will be presented in a future financial update. Amendment to the budget will be necessary to schedule a revised repayment.

PROPOSED 2022 OBLIGATION REPAYMENTS

	Kern County	City of Ridgecrest	Augmentation Fund	Total
Advance Agreements				
Advance of Funds	500,000	-	-	500,000
In-Kind Services				
Attorney Services/IT/Council Chambers	-	300,000	-	300,000
	500,000	300,000	-	800,000

Upon repayment of the 2022 Obligations, an inter-fund loan will be created between the Extraction Fund and Augmentation Fund.

City of Ridgecrest In-Kind Services Repayment will be updated with year-end actuals and presented in a future financial update. Amendment to the budget will be required to schedule a revised repayment.

PROPOSED ANNUAL BUDGET - BALANCED

BY REVENUE ALLOCATION

	Extraction	Restricted Augmentation	Restricted Shallow Well Mitigation	Restricted Prop. 1 SDAC	Restricted Prop. 68	TOTAL PROPOSED BUDGET
1 REVENUE						1
2 Extraction Fee	1,245,105	-	-	-	-	1,245,105 2
3 Transfer In/Loan from Augmentation Fund	1,062,745	-	-	-	-	1,062,745 3
4 Augmentation Fee	-	4,069,625	-	-	-	4,069,625 4
5 Transfer In/Loan Repayment from Extraction Fund	-	-	-	-	-	- 5
6 Shallow Well Mitigation Fee	-	-	195,250	-	-	195,250 6
7 Department of Water Resources (DWR) Grants	-	-	-	321,500	17,000	338,500 7
8						8
9 TOTAL REVENUES	2,307,850	4,069,625	195,250	321,500	17,000	6,911,225 9
10						10

11 EXPENSES

12 Administration

13 Administration	166,500	166,500	-	-	-	333,000 13
14 Office Rent	1,800	1,800	-	-	-	3,600 14
15 Office Supplies	500	500	-	-	-	1,000 15
16 Postage and Delivery	180	180	-	-	-	360 16
17 External Audit	6,000	6,000	-	-	-	12,000 17
18 Council Chambers/IT Services	8,500	-	-	-	-	8,500 18
19 General Counsel	150,000	-	-	-	-	150,000 19
20 Insurance Premium	13,160	-	-	-	-	13,160 20
21 Legal Notices	2,000	-	-	-	-	2,000 21
22 Memberships	100	-	-	-	-	100 22
23 Website	300	-	-	-	-	300 23
24 Printing and Reproduction	-	-	-	-	-	- 24
25 Bank Service Charges	-	-	-	-	-	- 25
26						26

PROPOSED ANNUAL BUDGET - BALANCED

BY REVENUE ALLOCATION

	Restricted Extraction	Restricted Augmentation	Restricted Shallow Well Mitigation	Restricted Prop. 1 SDAC	Restricted Prop. 68	TOTAL PROPOSED BUDGET
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27	Non-Departmental					27
28		500,000	-	-	-	500,000
29		175,000	-	-	-	175,000
30		-	-	-	-	-
31	500,000	-	-	-	-	500,000
32	300,000	-	-	-	-	300,000
33		-	-	-	-	-
34		1,062,745	-	-	-	1,062,745
35						
36	Conservation Programs					36
37		-	-	306,500	-	306,500
38						
39	Basin Management Administration					39
40	17,000	-	-	-	17,000	34,000
41	120,000	-	-	-	-	120,000
42	10,000	-	-	-	-	10,000
43	10,000	-	-	-	-	10,000
44	40,000	-	-	-	-	40,000
45						
46	Basin Management					46
47	8,210	-	-	-	-	8,210
48	-	-	-	15,000	-	15,000
49	35,000	-	-	-	-	35,000
50	10,000	-	-	-	-	10,000
51	30,000	-	-	-	-	30,000
52	45,000	-	-	-	-	45,000
53	30,000	-	-	-	-	30,000
54	20,000	-	-	-	-	20,000

PROPOSED ANNUAL BUDGET - BALANCED

BY REVENUE ALLOCATION

Extraction	Restricted Augmentation	Restricted Shallow Well Mitigation	Restricted Prop. 1 SDAC	Restricted Prop. 68	TOTAL PROPOSED BUDGET
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55	Basin Management (cont'd)						55
56	Allocation Plan and Rules & Regs on Pumping/Restrictions	10,000	-	-	-	10,000	56
57	Conservation Efforts	-	20,000	-	-	20,000	57
58	General Project Management	30,000	-	-	-	30,000	58
59	Model Transfer and Upgrade	150,000	-	-	-	150,000	59
60	Navy/Coso Royalty Fund: Develop FY23 Projects & Secure Funding	30,000	-	-	-	30,000	60
61	Navy/Coso Royalty Fund: 2021 Rose Valley MW Permitting, Bid Doc Supp.,Drilling	300,000	-	-	-	300,000	61
62	Data Collection, Monitoring, and Data Gaps	134,000	-	-	-	134,000	62
63	Imported Water: Negotiations and Coordination	-	35,000	-	-	35,000	63
64	Imported Water: Engineering and Analysis	-	118,000	-	-	118,000	64
65	Recycled Water	-	180,000	-	-	180,000	65
66	Shallow Well Mitigation Program: Outreach and Impacts Evaluation	-	-	20,000	-	20,000	66
67	Brackish Water Group: Data Review and Coordination	7,500	-	-	-	7,500	67
68	Well Monitoring Services	2,100	-	-	-	2,100	68
69							69
70	Grant Management						70
71	Prop 1 / Prop 68 Grant Administration	70,000	-	-	-	70,000	71
72	Grant Review and Application Preparation	50,000	-	-	-	50,000	72
73							73
74	TOTAL EXPENSES	<u>2,307,850</u>	<u>2,265,725</u>	<u>20,000</u>	<u>321,500</u>	<u>4,932,075</u>	74
75							75
76	Surplus (Deficit)	<u>-</u>	<u>1,803,900</u>	<u>175,250</u>	<u>-</u>	<u>1,979,150</u>	76

EXTRACTION FUND

REVENUE	<u>PROPOSED BUDGET</u>
Extraction Fee	1,245,105
Transfer In/Loan From Augmentation Fund	1,062,745
TOTAL EXTRACTION FUND REVENUES	<u>2,307,850</u>

EXPENSES	<u>PROPOSED BUDGET</u>
Administration	
Administration	166,500
Office Rent	1,800
Office Supplies	500
Postage and Delivery	180
External Audit	6,000
Council Chambers/IT Services	8,500
General Counsel	150,000
Insurance Premium	13,160
Legal Notices	2,000
Memberships	100
Website	300
Printing and Reproduction	-
Bank Service Charges	-
Non-Departmental	
Repayment of Kern County Advance	500,000
Repayment of City of Ridgecrest In-Kind Services	300,000
Transfer Out/ Loan Repayment to Augmentation Fund	-
Basin Management Administration	
Production Reporting, Transient Pool, and Fee Support	17,000
Meetings and Prep	120,000
Budget Support	10,000
Stakeholder Coordination	10,000
Litigation Support	40,000
Basin Management	
Review of Ramboll Report (Task began in 2020)	8,210
General Engineering	35,000
TSS: El Paso Well Drilling Support	10,000
TSS: General Coordination/Application Support	30,000
Coordination with DWR on GSP Review	45,000
Annual Report Preparation	30,000
Data Management System Support	20,000

EXTRACTION FUND (Cont'd)

	<u>PROPOSED BUDGET</u>
EXPENSES	
Basin Management (Cont'd)	
Allocation Plan and Rules & Regs on Pumping/Restrictions	10,000
General Project Management	30,000
Model Transfer and Upgrade	150,000
Navy/Coso Royalty Fund: Develop FY23 Projects & Secure Funding	30,000
Navy/Coso Royalty Fund: 2021 Rose Valley MW Permitting, Bid Doc Support, & Drilling	300,000
Data Collection, Monitoring, and Data Gaps	134,000
Brackish Water Group: Data Review and Coordination	7,500
Well Monitoring Services	2,100
Grant Management	
Prop 1 / Prop 68 Grant Administration	70,000
Grant Review and Application Preparation	50,000
	<u>TOTAL EXTRACTION FUND EXPENSES</u>
	<u>2,307,850</u>
	<u>Total Extraction Fund Surplus (Deficit)</u>
	<u>-</u>

AUGMENTATION FUND

	PROPOSED BUDGET
REVENUE	
Augmentation Fee	4,069,625
Transfer In/Loan Repayment from Extraction Fund	-
TOTAL AUGMENTATION FUND REVENUES	4,069,625

	PROPOSED BUDGET
EXPENSES	
Administration	
Administration	166,500
Office Rent	1,800
Office Supplies	500
Postage and Delivery	180
External Audit	6,000
Non-Departmental	
Other Legal Services	500,000
Lobbying Services	175,000
Other Professional Services	-
Transfer Out/Loan To Extraction Fund	1,062,745
Basin Management	
Conservation Efforts	20,000
Imported Water: Negotiations and Coordination	35,000
Imported Water: Engineering and Analysis	118,000
Recycled Water	180,000
TOTAL AUGMENTATION FUND EXPENSES	2,265,725
Augmentation Fund Surplus (Deficit)	1,803,900

SHALLOW WELL MITIGATION FUND

	PROPOSED BUDGET
REVENUE	
Shallow Well Mitigation Fee	195,250
TOTAL SHALLOW WELL MITIGATION FUND REVENUES	195,250
	PROPOSED BUDGET
EXPENSES	
Basin Management	
Shallow Well Mitigation Program: Outreach and Impacts Evaluation	20,000
TOTAL SHALLOW WELL MITIGATION FUND EXPENSES	20,000
Shallow Well Mitigation Fund Surplus (Deficit)	175,250

DEPARTMENT OF WATER RESOURCES GRANTS FUND

	PROPOSED BUDGET
REVENUE	
Proposition 1-Integrated Regional Water Management Implementation Plan (IRWM)	321,500
Proposition 68-Sustainable Groundwater Management (SGM)	17,000
TOTAL DEPT. OF WATER RESOURCES GRANTS FUND REVENUES	338,500
	PROPOSED BUDGET
EXPENSES	
Proposition 1	
Conservation Programs	
Outreach & Technical Services	306,500
Basin Management	
Prop 1 SDAC Program Support	15,000
SUBTOTAL PROPOSITION 1 EXPENSES	321,500
Proposition 68	
Basin Management Administration	
Production Reporting, Transient Pool, and Fee Support	17,000
SUBTOTAL PROPOSITION 68 EXPENSES	17,000
TOTAL DEPT. OF WATER RESOURCES GRANTS FUND EXPENSES	338,500
Dept. of Water Resources Grants Fund Surplus (Deficit)	-

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BUDGET TO ACTUAL REPORT - SEPTEMBER

		ACTUALS BY REVENUE ALLOCATION					(B)	(A-B)	(B/A)		
		(A)	Restricted	Restricted	Restricted	Restricted	YTD	\$	%		
		BUDGET	Extraction	Augmentation	Shallow Well Mitigation	Prop. 1 SDAC	Prop. 1/68	ACTUAL	REMAINING	COMPLETED	
1	REVENUE									1	
2	Extraction Fee	1,959,673	981,512	-	-	-	-	981,512	978,161	50%	2
3	Augmentation Fee	8,356,306	-	3,228,548	-	-	-	3,228,548	5,127,758	39%	3
4	IWVWD Credit -Advance of Funds	(615,083)	-	(615,083)	-	-	-	(615,083)	-	100%	4
5	Shallow Well Mitigation Fee	69,381	-	-	90,511	-	-	90,511	(21,130)	130%	5
6	Department of Water Resources (DWR) Grants	997,463	-	-	-	93,466	51,743	145,209	852,254	15%	6
7	Rose Valley Reimbursement by Navy	300,000	-	-	-	-	-	-	300,000	0%	7
8	TOTAL REVENUES	11,067,740	981,512	2,613,465	90,511	93,466	51,743	3,830,697	7,237,043	35%	8
9	EXPENSES									9	
10	Administration									10	
11	Administration	225,000	46,217	46,217	-	-	-	92,434	132,566	41%	11
12	Office Rent	-	450	450	-	-	-	900	(900)	0%	12
13	Office Supplies	-	-	-	-	-	-	-	-	0%	13
14	Postage and Delivery	-	-	-	-	-	-	-	-	0%	14
15	External Audit	7,000	1,000	1,000	-	-	-	2,000	5,000	29%	15
16	Council Chambers/IT Services	-	-	-	-	-	-	-	-	0%	16
17	General Counsel	10,000	3,120	-	-	-	-	3,120	6,880	31%	17
18	Insurance Premium	10,000	11,441	-	-	-	-	11,441	(1,441)	114%	18
19	Legal Notices	-	1,199	-	-	-	-	1,199	(1,199)	0%	19
20	Memberships	-	100	-	-	-	-	100	(100)	0%	20
21	Website	-	276	-	-	-	-	276	(276)	0%	21
22	Printing and Reproduction	-	-	-	-	-	-	-	-	0%	22
23	Bank Service Charges	-	-	-	-	-	-	-	-	0%	23
24	<i>Additional Admin</i>	<i>15,000</i>	-	-	-	-	-	-	15,000	0%	24
25	<i>Meetings & Prep</i>	<i>12,000</i>	-	-	-	-	-	-	12,000	0%	25
26	<i>Public Education/Outreach</i>	<i>5,000</i>	-	-	-	-	-	-	5,000	0%	26
27										27	

BUDGET TO ACTUAL REPORT - SEPTEMBER

		ACTUALS BY REVENUE ALLOCATION					(B)	(A-B)	(B/A)	
		(A)	Restricted	Restricted	Restricted	Restricted	YTD	\$	%	
		BUDGET	Extraction	Augmentation	Shallow Well Mitigation	Prop. 1 SDAC	Prop. 1/68	ACTUAL	REMAINING	COMPLETED
28	Non-Departmental									28
29	Other Legal Services	350,000	-	265,453	-	-	-	265,453	84,547	76%
30	Lobbying Services	175,000	-	101,375	-	-	-	101,375	73,625	58%
31	Other Professional Services	-	-	-	-	-	-	-	-	0%
32	Repayment of Kern County Advance	300,000	-	-	-	-	-	-	300,000	0%
33	Repayment of City of Ridgecrest In-Kind Services	500,000	-	-	-	-	-	-	500,000	0%
34	Repayment of Unpaid Invoices*	619,825	-	514,077	-	-	-	514,077	105,748	83%
35	FY 2020 Invoices Paid in Current Year-Unbudgeted*	-	223,704	-	-	-	-	223,704	(223,704)	0%
36	Repayment of Unpaid Invoices-Unbudgeted*	-	-	18,641	-	-	-	18,641	(18,641)	0%
37	Reserve Requirements	255,315	-	-	-	-	-	-	255,315	0%
38										38
39	Conservation Programs									39
40	Outreach & Technical Services	481,651	-	-	-	157,424	-	157,424	324,227	33%
41										41
42	Basin Management Administration									42
43	Production Reporting, Transient Pool, and Fee Support	51,000	1,445	-	-	-	7,753	9,198	41,803	18%
44	Meetings and Prep	120,000	68,109	-	-	-	-	68,109	51,891	57%
45	Budget Support	5,000	4,048	-	-	-	-	4,048	953	81%
46	Stakeholder Coordination	10,000	-	-	-	-	-	-	10,000	0%
47	Litigation Support	30,000	27,238	-	-	-	-	27,238	2,763	91%
48										48
49	Basin Management									49
50	POAM No. 20 Data Management System	-	2,467	-	-	-	4,934	7,401	(7,401)	0%
51	POAM No. 56 Monitoring Wells - Implementation	-	100	-	-	-	200	300	(300)	0%
52	POAM No. 78 Aquifer Tests	-	5,537	-	-	-	11,074	16,612	(16,612)	0%
53	Review of Ramboll Report (Task began in 2020)	11,330	-	-	-	-	-	-	11,330	0%
54	Prop 1 SDAC Program Support	12,000	910	-	-	1,979	3,794	6,683	5,318	56%
55	General Engineering	50,000	14,924	-	-	-	-	14,924	35,076	30%
56	TSS: El Paso Well Drilling Support	30,000	22,646	-	-	-	-	22,646	7,354	75%
57	TSS: General Coordination/Application Support	30,000	3,871	-	-	-	-	3,871	26,129	13%
58	Coordination with DWR on GSP Review	50,000	150	-	-	-	-	150	49,850	0%
59	Annual Report Preparation	30,000	24,194	-	-	-	-	24,194	5,806	81%
60	Data Management System Support	26,000	11,374	-	-	-	-	11,374	14,626	44%
61	Allocation Plan: Allocation Process & Transient Pool Support	-	5,729	-	-	-	-	5,729	(5,729)	0%

BUDGET TO ACTUAL REPORT - SEPTEMBER

		ACTUALS BY REVENUE ALLOCATION					(B)	(A-B)	(B/A)	
		(A)	Restricted	Restricted	Restricted	Restricted	YTD	\$	%	
		BUDGET	Extraction	Augmentation	Shallow Well Mitigation	Prop. 1 SDAC	Prop. 1/68	ACTUAL	REMAINING	COMPLETED
62	Basin Management (cont'd)									
63	Allocation Plan and Rules & Regs on Pumping/Restrictions	10,000	1,010	-	-	-	630	1,640	8,360	16%
64	Allocation Plan: Following & Transient Pool Transfer Program	-	2,602	-	-	-	-	2,602	(2,602)	0%
65	Conservation Efforts	20,000	-	230	-	-	-	230	19,770	1%
66	General Project Management	50,000	16,380	-	-	-	-	16,380	33,620	33%
67	Model Transfer and Upgrade	50,000	10,485	-	-	-	-	10,485	39,515	21%
68	Navy/Coso Royalty Fund: Develop Projects & Secure Funding	40,000	6,728	-	-	-	-	6,728	33,273	17%
69	Navy/Coso Royalty Fund: Rose Valley MW Permitting, Bid Doc Spt & Drillir	300,000	14,361	-	-	-	-	14,361	285,639	5%
70	Data Collection, Monitoring, and Data Gaps	120,000	70,833	-	-	-	-	70,833	49,167	59%
71	Imported Water: Negotiations and Coordination	50,000	-	9,458	-	-	-	9,458	40,543	19%
72	Imported Water: Engineering and Analysis	126,500	-	2,715	-	-	-	2,715	123,785	2%
73	Recycled Water	250,000	-	39,759	-	-	-	39,759	210,241	16%
74	Shallow Well Mitigation Program: Plan Development	-	-	-	5,273	-	-	5,273	(5,273)	0%
75	Shallow Well Mitigation Program: Outreach and Impacts Evaluation	20,000	-	-	1,894	-	-	1,894	18,106	9%
76	Brackish Water Group: Data Review and Coordination	12,000	5,100	-	-	-	-	5,100	6,901	42%
77	Well Monitoring Services	2,000	1,680	-	-	-	-	1,680	320	84%
78	Weather Station Maintenance	2,000	-	-	-	-	-	-	2,000	0%
79										
80	Grant Management									
81	Prop 1 / Prop 68 Grant Administration	-	22,121	-	-	-	-	22,121	(22,121)	0%
82	Grant Review and Application Preparation	50,000	14,021	-	-	-	-	14,021	35,979	28%
83										
84	TOTAL EXPENSES	<u>4,523,621</u>	<u>645,569</u>	<u>999,374</u>	<u>7,166</u>	<u>159,403</u>	<u>28,384</u>	<u>1,839,896</u>	<u>2,683,725</u>	<u>41%</u>
85										
86	Surplus (Deficit)	<u>6,544,119</u>	<u>335,943</u>	<u>1,614,091</u>	<u>83,345</u>	<u>(65,937)</u>	<u>23,358</u>	<u>1,990,801</u>	<u>4,553,318</u>	

*Financial policies are forthcoming for continuing appropriations related to grants and/or projects, budget amendments and year-end reconciliation. Payment of prior year invoices will be reallocated to the appropriate department or division in a year-end reconciliation process.

Billing and receipt of reimbursement grant program revenue may cross over fiscal years with revenue received for prior year programs. Separate reconciliation will be completed for grant programs.

OBLIGATION PAYMENTS

	Indian Wells Valley Water District	Kern County	City of Ridgcrest	Augmentation Fund	Total
Advance Agreements					
Credit to Augmentation Revenue*	500,000	-	-	-	500,000
In-Kind Services					
Attorney Services/IT/Council Chambers	-	-	-	-	-
Inter-Fund Loans					
TBD Upon Year-End Reconciliation	-	-	-	-	-
Postponed Invoice Payments					
IWVWD-Capitol Core-Credit to Aug. Revenue	115,083	-	-	-	115,083
2020 Invoices approved, deferred (\$619,824.74)	-	-	-	514,077	514,077
2020 Invoices approved, deferred, not budgeted	-	-	-	18,641	18,641
Total	<u>615,083</u>	<u>-</u>	<u>-</u>	<u>532,718</u>	<u>1,147,801</u>

OUTSTANDING OBLIGATIONS

	Indian Wells Valley Water District	Kern County	City of Ridgcrest	Augmentation Fund	Total
Advance Agreements					
Advance of Funds	-	500,000	-	-	500,000
In-Kind Services					
Attorney Services/IT/Council Chambers (FY 2021)	-	-	300,000	-	300,000
Inter-Fund Loans					
Repayment of Adv. Of Funds to IWVWD*	-	-	-	500,000	500,000
Postponed Invoice Payments					
None	-	-	-	-	-
Total	<u>-</u>	<u>500,000</u>	<u>300,000</u>	<u>500,000</u>	<u>1,300,000</u>

* IWVWD used restricted Augmentation Revenue to repay the Advance Agreement.

Repayment of the IWVWD Advance requires a transfer from the Extraction Fund to the Augmentation Fund.

Current and Prior Year Obligations : Review of current and prior year use of Augmentation Revenue is on-going. Additional inter-fund loans will be presented in a future financial update. Amendment to the budget will be necessary to schedule a revised repayment.

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To: Carol Thomas-Keefer, General Manager – IWVGA

From: Michael W. McKinney, President

cc: Ron Strand, City Manager Ridgecrest
Steve Johnson, Stetson Engineers
Jeff Simonetti, SVP
Todd Tatum, SPA
Jason J. Frye, EVP
Zubi Ruth Olin, Director

Date: November 10, 2021

Subject: Project Update Memorandum for October Activities

Capitol Core completed significant activities in all project areas during the month of October. The following update will provide an overview of these projects by task. Should you have any questions, please give me a call to discuss.

Imported Water Supplies

Throughout the month of September, Capitol Core has continued negotiations with identified potential permanent water suppliers to possibly deliver water to the Groundwater Authority. We are working with the Board of Directors on next steps and actions on these water supplies.

Identify and Secure Federal Funding Sources

Infrastructure Bill

Political negotiations within the Congress on the federal infrastructure, budget reconciliation, debt-ceiling and Continuing [Budget] Resolution continue. Capitol Core monitored Congressional/ Administration activities closely during October. We urged Congressional Members, on behalf of all impacted clients, to pass the infrastructure legislation away from other budget/debt related activities. The negotiations in Washington, D.C. regarding the budget, infrastructure deal and debt ceiling remain fluid. Capitol Core will further monitor new details out of Washington and keep you informed of any changes that may affect you. As of the time of this writing, the House is attempting to bring the bills back for a vote, but there are still concerns about holdouts among the Progressive Caucus regarding the lack of their social item requests in the bills. The Senate is scheduled to remain in recess until November 15th (but subject to change). In the Senate, both Senators Manchin and Sinema have indicated “progress” on the bill package, but have not yet indicated full support.

NDAA/ Defense Communities Infrastructure Program

The Association of Defense Communities alerted Capitol Core about an amendment to the House National Defense Authorization Act (NDAA). As part of the NDAA amendment package that they are proposing, one in particular would be helpful in relation to the Ridgecrest area and would make the wastewater treatment facility eligible for funding. Currently, the wastewater treatment facility is not eligible for funding through the DCIP. Although the City of Ridgecrest will own and operate the new facility, the actual property underlying the facility is on an easement from the US Navy. This fact would make the wastewater treatment facility ineligible for funding through the DCIP as currently written. ADC has proposed the language below that would allow projects located on leased military land to be eligible for the program, thus making the project eligible to make an application.

Defense Community Infrastructure Pilot Program

SEC. XXXX. Defense Community Infrastructure Pilot Program.

Section 2391(d) of title 10, United States Code, as amended, is further amended as follows:

(a) Subsection (d)(1)(B)(i) is amended to read as follows: *“Projects that will enhance military value at a military installation determined on a project-by-project basis assessed as to how that project contributes to the current and or planned mission for that installation.”*

(b) Subsection (e)(4)(A)(i) is amended to read as follows: *“is located off of a military installation, or on land under the jurisdiction of a Secretary of a military department subject to a long-term real estate agreement, such as a lease or easement; and”*.

The House version of the NDAA (HR 4350) passed with this language in it. The Senate version (S.2792) has not yet been passed, but the current draft has similar language in it. We are working with ADC to amend the Senate version of the bill so that it will have different language than the House bill. We have identified two potential Senators to carry this language and are awaiting the scheduling of the Senate NDAA on the Floor. Should the Senate support the amendment, this will allow the language to be brought up in Conference Committee to reconcile the differences in language between the two bills. The amendments are occurring late in the process, and the bill may be rushed due to the current negotiations on the infrastructure bill taking priority. If these amendments do not get passed in this year's NDAA, it will be a top priority for our 2022 NDAA policy requests.

Identify and Secure State Funding Sources

SGMA Program Funding Eligibility

On October 14, 2021, Capitol Core, Stetson and Carol met with Kelley List, Program Director for SGMA Implementation at DWR as well as members of the DWR team to discuss eligibility of the Interconnection Project to bring imported water in the basin. We received good news regarding the SGMA funding

implementation program and the IWVGA's eligibility. That same day, DWR released its draft [Program Solicitation Package](#) (aka: Implementation Guidance or "PSP") for the SGMA Implementation Funding Program. The draft PSP is open for comments to the DWR prior to November 29, 2021. We have attached a memo and draft comment letter to this package for your consideration regarding the PSP and recommended comment areas.

During our discussion DWR announced that both the Interconnection Project and Water Recycling Plant would be eligible for up to \$7.6 million. We are recommending that the IWVGA submit comments on the draft PSP, begin preparing an application for the SGMA implementation, and focus that application on the required planning dollars for the Interconnection Project.

The application timeline is as follows:

- Comment Period for PSP closes November 29, 2021
- COD Basin – Round 1 Grant Solicitation Opens December 2021
- Application Workshop Mid December 2021 (hearing Dec. 16)
- Grant Solicitation Closes noon January, 31 2022
- Final Awards March 2022
- Execute Agreements May 2022

Application Instructions

Within the PSP there are specific instructions for applying for awards from DWR SGMA grants. This consists of four distinct phases: the application timeline, what to submit, how to submit, and finally the Application Review Process that DWR will complete. The [Application Packet can be found here](#).

What to Submit

- Public comment concerning SGM and San Joaquin Valley Flood mitigation requirements.
- IWVGA must submit a complete the SGM Grant Program's Application during the open filing phase as (this is shown in Table 1 – Schedule for SGM Grant Program's SGMA Implementation –
- Planning and Projects Grant Solicitation) to receive an award.
 - Project Eligibility Criteria for the applications can be found in the 2021 Guidelines, Section III. B. Eligible Project Types.
- Spending Plan – a spending plan (of at least \$10 m) must be provided regardless of the amount of the award request.
- For Round 1, all eligible applications will require a self-evaluation be submitted with the application package. The GSA must submit their self-evaluation form and spending plan to sgwp@water.ca.gov no later than noon on January 31, 2022.

How to Submit

- The COD Basin applicants have until noon on January 31, 2022 to submit a Spending Plan to sgwp@water.ca.gov or will forfeit the allotted funding. (*source: CA DWR*)
- Include completed scoring criteria as outlined in Table 7 of the PSP for the interconnection project.
- GSA must submit an adopted Resolution (on page 21) designating an authorized representative to submit the application and execute an agreement with the State of California for the SGMA Implementation – Planning and Projects grant application. (Please see Pages 19 – 21 for the example resolution language and additional instructions).
- Eligibility Self-Evaluation form with the Spending Plan
 - Please see Page 20 for additional instructions.

Application Review Process (DWR)

DWR will score and screen for eligibility and completeness in accordance with Section VI of the 2021 Guidelines and Section III of the PSP.

Wastewater Treatment Plant

Proposed Implementation Guidelines for the State Water Resources Control Board (SWRCB) “wastewater treatment program” [Item 3940-106-001, Schedules 1(a) and 1(d), SB 129, Chapter 69 Statutes of 2021] limited direct award amounts to “small and disadvantaged communities,” defined by the Agency as less than 20,000 residents with a household income 80% of the established poverty limit. The City of Ridgecrest is approximately 8,000 residents above the “small” definition with a household income that exceeds the requirement by approximately \$14,000/year and is therefore ineligible for direct award under Schedule 1(a) and 1(d). Capitol Core met with James Garcia, program manager at SWRCB for the “wastewater treatment program” to seek eligibility and direction from the Agency.

Communities that do not meet the small and disadvantaged requirements are eligible for loans under the State Revolving Fund (SRF) [Item 3940-106-001 Schedule 1(c), *ibid*] and we have been referred to program manager, Bob Pontureri for discussion. We met with Robert and the project is eligible to make a State Water Revolving Fund loan application. There is a possibility under certain circumstances that some of the principal may be forgiven under this program. We are conducting further research to determine if this application will be eligible or principal forgiveness and if so, how much.

Tertiary Treatment Facility/Water Recycling Facility

Capitol Core made a \$9.1 million to \$11.8 million funding request to the SWRCB under the “wastewater treatment program.” For the same reasons as described above, the funding request was denied and redirected to the “water recycling program” for a combined request. SWRCB directed Capitol Core to program manager Sandeep “Sunny” Kals for discussion. After our discussions with Sunny, he determined that our project is eligible for consideration under his program.

Proposed Implementation Guidelines for the “water recycling program” establish a ceiling of \$8 million in direct award for construction activities and limited planning activities to a \$250,000 direct award for “feasibility studies” only. This is far below the \$4 million to \$6 million request for planning of the advanced treatment portions of the water recycling plant and the \$9.1 million to \$11 million request for the planning and construction activities for the Tertiary Treatment Facility. In addition, both the staff from Assembly Member

Fong's and Senator Grove's offices have expressed concern over the feasibility of funding for the water recycling facility. We are working through those concerns. We have revised and combined the funding request and continue to work with our legislative delegation and SWRCB on these issues.

Interconnection Facility

As a result of the proposed \$7.6 million in SGMA funding that the IWVGA will be eligible to apply for, the interconnection project is eligible for funding through this program.

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To: Carol Thomas-Keefer, General Manager – IWVGA
Steve Johnson, Watermaster – IWVGA (Stetson Engineering)

From: Michael W. McKinney, President

cc: Jason Jackson Frye, EVP
Jeff Simonetti, SVP
Todd Tatum, Sr. PCA
Zubi Ruth Olin, Director

Date: October 19, 2021

Subject: Department of Water Resources: Sustainable Groundwater Management Act Implementation program

On October 14, 2021, IWVGA personnel, Stetson Engineering and Capitol Core met with Department of Water Resources personnel concerning the Sustainable Groundwater Management Act (SGMA) implementation program. The purpose of these meetings was to determine eligibility of the interconnection project for programmatic funding authorized/appropriated under the FY2021-2022 Budget Act (SB 129 and SB 170). The initial IWVGA funding request that Capitol Core submitted on IWVGA's behalf earlier this year included up to \$6 million in requested planning funding to assist in determining the Board's preferred route and other planning issues to interconnect the basin to either the Antelope Valley East-Kern Water Agency (AVEK) or the Los Angeles Department of Water and Power (LADWP) aqueduct.

IWVGA is eligible for up to \$7.6 million in SGMA implementation under the FY2021-2022 Budget Acts. The Authority may establish priorities for either the interconnection project or the water recycling plant to receive such funding. This memorandum will outline the steps, comments, and recommended actions for IWVGA Board consideration.

Pursuant to Task 4 of Capitol Core's 2021 Work Plan, the firm is charged with "Identifying and Securing State Funding Sources." In working with lawmakers, Capitol Core identified potential funding opportunities and positioned the interconnection project and the water recycling project for such funding in the current budget. While the California Senate denied requests for legislatively-directed funding (e.g. earmarks), Capitol Core worked to ensure sufficient programmatic funding for Department of Water Resources and State Water Resource Control Board to allow for funding opportunities for both the interconnection and water recycling plant projects.

In light of the programmatic funding that is available to the district through our efforts, our recommendations are as follows:

- Prepare and submit comments to the draft implementation guidelines for the SGM implementation funding prior to November 29, 2021

- Determine funding priorities for the SGMA-implementation program
- Focus funding requests on a single project – do not spread funding request across projects which may not provide substantial impact to the GSP implementation goals
- Immediately begin preparing an application for funding priorities

SGMA Implementation Program Findings (DWR)

DWR released the draft PSP on October 13, 2021, for a short review and comment period. The funding guidelines are generally stated below in the Draft PSP section which also outlines the eligibility and application deadline requirements.

The draft PSP is problematic in the following areas for IWVGA and requires the Authority’s comments to influence both the problematic and helpful areas. DWR staff is open to such comments and is willing to make minor modifications to the PSP within the guidelines of SB 129/SB170. After review of the PSP by IWVGA staff and counsel, the following areas require formal comment for DWR consideration. **A draft comment letter is attached for your approval and must be submitted prior to November 29, 2021.**

There are a few areas to note regarding the PSP document:

- 1) **Eligibility Requirements:** Page 8 discusses eligibility requirements. GSAs are eligible to apply for grants. However, there is a discussion related to the adjudication process and how it may pertain to the IWVGA. The eligibility requirement states: “Eligible applicants for the SGMA implementation are... Agencies with an approved Alternative, including those within basins that adjudicated after January 1, 2015 **or adjudications that have been filed but the court has not acted on the filing.**” (emphasis added). As you know, the IWVGA has some pending litigation including the potential for a court-ordered adjudication of the Basin. The basin remains eligible for funding if an adjudication action has been filed but not acted on. If an adjudication action takes place, the basin will no longer be eligible to receive funding through this program.
- 2) **San Joaquin Valley Projects Carveout:** Within the SB 170 authorizing legislation, there is a particular carveout for projects in the San Joaquin Valley. The particular language reads:

Section 80 of the *Budget Act of 2021, Chapter 240; Statutes of 2021* (Senate Bill 170) providing for item 3860-101-0001 of Section 2.00 stated:

12. Of the funds appropriated in Schedule (1)(d), \$60,000,000 shall be directed to projects that benefit groundwater basins in the San Joaquin Valley, and for the following purposes: (a) geophysical investigations of groundwater basins to identify recharge potential; (b) early implementation of existing regional flood management plans that incorporate groundwater recharge; and (c) projects in the San Joaquin Valley that would complement efforts of a local groundwater sustainability plan, that provide for floodplain expansion to benefit groundwater recharge or habitat. To expedite the execution of projects described in Schedule (1)(d), funds may be awarded through grants or direct expenditures to a public agency or a nongovernmental organization. Of the \$60,000,000, the department shall commit \$40,000,000 of these funds to projects by September 15, 2022.

We do not believe that it was the intention of the legislature to make these requirements apply to all COD basins. However, there is some ambiguity in the program guidance as to whether we would either have to comply with these guidelines or not receive funding for this portion if we do not. It is Capitol Core's recommendation that the IWVGA comment that the San Joaquin Valley provisions only apply to the San Joaquin Valley COD basins and that the funding portion not be taken away from basins where this provision does not apply. Finally, we recognize that the Indian Wells Basin partially overlies parts of Kern County where this provision would apply to other areas of the County. Capitol Core recommends that we state that the provision should not apply to us *and* take a clear neutral/no comment position on the merits of the provision in the areas to which it applies.

- 3) **Support the Current Language to Maintain Equitable Funding for Each COD Basin:** Each COD basin has priorities and funding needs. The current draft of the PSP states that each COD basin will receive \$7.6 million in funding (Page 7 Paragraph 2) and that there is a self-evaluation required for each basin to be considered. The current funding system as written is advantageous for the IWVGA for a few reasons. First, the funding is not competitive between the COD basins. We do not have to worry that larger basins will receive funding through a competitive bid process at our expense. Second, we also do not have to compete against other GSAs in the basin. As we discussed earlier, other basins that have multiple GSAs must agree to a funding plan among the GSAs in the basin and submit one application for consideration. Since the IWVGA is the only GSA in the basin, there is no competition among GSAs to prioritize funding in the basin. As such, we would recommend that the Authority comment favorably on the current proposed funding requirements and recommend keeping them as-is.
- 4) **Remaining Funding:** There are indications in the PSP that there are some COD basins that either may not be eligible for funding or do not have projects that need funding. We recommend that the IWVGA comment that if there are unallocated funds specifically for the COD basins at the end of Round 1, that the remaining funds be eligible to the other COD basins either through direct appropriation or a competitive bid process.

Draft Proposal Solicitation Package (PSP)

Background.

The Budget Act appropriates a total of \$180 million in Fiscal Year (FY) 2021/2022 to DWR for SGMA implementation. After administrative costs, \$171 million is available for grant awards. Of the \$171 million that the Budget act appropriates, \$152 million shall be directed to projects that benefit Critically Overdrafted (COD) groundwater basins that support implementation of SGMA. The Budget Act also authorizes the Legislature to appropriate a total of \$60 million in FY 2022/2023 and \$60 million in FY 2023/2024 to DWR for SGMA implementation. After administrative costs, \$114 million will be available for grant awards that will be directed to projects that benefit medium and high priority groundwater basins (and any COD basins not previously awarded funding) that support implementation of SGMA.

Round 1 Funding.

- Geophysical investigation(s) of groundwater basins to identify recharge potential (e.g., Aerial Electromagnetic Surveys);

- Early implementation of existing regional flood management plans that incorporate groundwater recharge (e.g., basin recharge using floodwater); or
- Projects that would complement efforts of a local GSP, that provide for floodplain expansion to benefit groundwater recharge or habitat (e.g., basin recharge using peak flows from a river, creek, or stream).

The Budget Act requires all funding agencies to expedite execution of grant agreements in an effort to get the funding out to the eligible applicants as quickly as possible. The Budget Act also requires funding for the SGMA Implementation to be awarded via a competitive grant process. However, the application process is only competitive for basins that have multiple GSAs per basin. DWR has determined that \$7.6 million will be available per COD Basin and that each COD Basin will be required to conduct a self-evaluation of their project list using the scoring criteria outlined in Table 7 to determine which projects are the most competitive within the basin. These self-evaluations shall be submitted as backup documentation to a Spending Plan. Only one Spending Plan will be accepted per COD Basin and the applicant must meet the eligibility requirements listed within the PSP and the 2021 Guidelines. If there are multiple GSAs within the basin, the GSAs must come to an agreement as to which projects will take priority in the one submittal. In the instance of IWVGA, they are the only GSA in the basin – so this requirement is not applicable.

The application process has three steps:

- 1) IWVGA must submit a Spending Plan of at least \$10 million for the SGM Grant Program staff to review and rank. The projects must be eligible per the guidelines and must be submitted by no later than January 31, 2022.
- 2) SGM Grant Program staff will review the application for eligibility and have initial screening meetings with the applicant. If the initial screening is positive, they will begin draft agreements.
- 3) The Office of General Counsel and the Financial Assistance Branch (FAB) Manager will review the draft agreements. Finally, the Manager of the SGM Grant Program will review their comments and finalize the Agreement to route for signature.

Each applicant should provide a Spending Plan for a minimum of \$10 million for the SGM Grant Program staff to review and rank. **The COD Basin applicants have until noon on January 31, 2022, to submit a Spending Plan or will forfeit the allotted funding.** Once SGMA Grant program staff review the Spending Plan, the applicant will be contacted to set up an appointment to review the Spending Plan, check the eligibility of the Project(s), and to develop a draft agreement. The Office of General Counsel and the Financial Assistance Branch (FAB) manager will review the draft agreements. Finally, the manager of the SGM Grant Program will review their comments and finalize the agreement to route for signature. To expedite the agreement process, it is highly recommended that the applicants within the COD Basins submit their Spending Plans well in advance of January 31, 2022, if possible. The SGM Grant Program staff will be reviewing the Spending Plans in the order in which they were received. Any remaining funds not awarded in the Round 1 grant solicitation will be available in future funding rounds.

Capitol Core strongly recommends submitting a spending plan prior to January 31, 2022. Stetson Engineering will be charged with application development. Capitol Core Group will continue to assist and support those efforts, working with DWR staff to ensure a timely review of the Spending Plan.

Funding Priorities

Capitol Core strongly recommends focusing requested funding on a specific project. The need to demonstrate to DWR the feasibility of SGMA compliance projects in the basin is now critical. It is also critical from the perspective of other potential funding sources (particularly at the federal level) that we demonstrate a commitment at the State level for the interconnection project so that we can leverage that with our Congressional delegation and potentially with the Department of Defense. Both the interconnection project and the water recycling plant are eligible for under the program. **It is our recommendation to apply for and focus funding efforts on the interconnection project.**

Pursuant to Stetson Engineering's August 2021 estimates, between \$3.6 million and \$11 million would be expended during the eligible period on the interconnection project for the following activities:

- Planning
- Interconnection Project Route Selection
- Environmental Reviews and Permitting

Capitol Core's discussions with DWR have determined that such activities are eligible under the SGMA Implementation program. To date, eligible funding for planning activities from other sources for the interconnection project have not been identified and would likely require legislatively-directed funding from the State Legislature or Congress. Agency programmatic funding is focused on construction and shovel-ready activities. The DWR funding would close the gap for planning and open the project up to other funding sources at both the State and Federal level of government. Utilization of the funding for the interconnection project also keeps that project on the currently estimated timeline allowing for GSP compliance by the required date.

Per Stetson's August 2021 estimates, approximately \$6.2 million to \$8.4 million in planning dollars is required for the Water Recycling Plant during the eligible funding period. An additional \$9.4 million to \$12.6 million in design and engineering may also be necessary between now and December 2024. Unlike the interconnection project, the Water Recycling Plant is eligible for other funding sources. Such future funding sources from the Bipartisan Infrastructure Legislation and Appropriations bills include:

- Increased SRF Authority – \$13.8 billion
- Supplemental appropriations – \$55 billion
 - Drinking Water and Clean Water State Revolving Funds - \$23.426 billion of This provision provides funds to the Drinking Water and Clean Water State Revolving Funds, which provide below-market rate loans and grants to fund water infrastructure improvements to protect public health and the environment.
 - The legislation reduces the state cost share for the first two years to 10 percent. Forty-nine percent of the funding will be administered as grants and completely forgivable loans.

This legislation also reauthorizes the Drinking Water State Revolving Loan Funds (DWSRF) and increases the minimum percentage of additional subsidy that must go to disadvantaged communities from 6 percent to 12 percent. This section also broadens the discretionary authority of states to assist disadvantaged communities with grants, negative interest loans,

forgiveness of principal, and loan forgiveness. States may also buy, refinance, or restructure the debt of a disadvantaged community.

Should you have any questions concerning this memorandum, the PSP-comment process, the PSP-Application process, and the SGMA IP please give me call.

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November 15, 2021

Ms. Kelley List, P.G.
Department of Water Resources
State of California
715 P Street
Sacramento, California 95814

{Via Electronic Mail to: SGWP@water.ca.gov}

RE: Comment Letter, Draft SMGA Implementation Guidelines and
Proposal Solicitation Package

Dear Ms. List:

The Indian Wells Valley Groundwater Authority (IWVGA) formally submits comments on the Draft Sustainable Groundwater Management Act (SGMA) Implementation Guidelines and Proposal Solicitation Package (PSP). Our comments will be focused on: 1) the eligibility criteria concerning early implementation of existing regional flood management plans and provide for floodplain expansion; 2) the potential reprioritizing of forfeited or unutilized “Round 1” funding to “Round 2” Participants; and 3) our support for the overall methodology of the Implementation Guidelines relative to the submittal of strategic funding plans by each Critically Overdrafted (COD) groundwater basins, pursuant to the Department of Water Resources’ Bulletin 118. Further we want to thank both you and the Department of Water Resources (DWR) staff for your continued efforts to support SGMA implementation.

Standing and Background

The IWVGA is the sole Groundwater Sustainability Agency (GSA) for the Indian Wells Valley Basin. The Authority is a joint-powers authority (JPA) comprised of the County of San Bernardino, the County of Kern, the County of Inyo, the City of Ridgecrest, and the Indian Wells Valley Water District. In addition, the Authority has two ex-officio members: a representative of the United States Navy (on behalf of U.S. Naval Air Weapons Station China Lake (NAWSCL)) and the Bureau of Land Management (BLM). These two members represent critical aspects of the basin.

Although not subject to SGMA requirements, over 80 percent of US Navy personnel working at NAWSCL live off-installation within the City of Ridgecrest and surrounding communities. IWVGA has taken the responsibility of providing sufficient water supply to these personnel and their dependents both now and in the future. NAWSCL is a critical military installation to the United States, California, and the region.

On January 1, 2020, IWVGA submitted its Groundwater Sustainability Plan (GSP) to DWR for review and comment. The GSP contained six major elements to provide for SGMA compliance including two major infrastructure requirements (interconnection facilities and water recycling facilities) totaling between \$129.7 million and \$277.7 million. These projects are in early planning and permitting stages.

In addition to numerous events beyond the Basin's control, such as Climate Change and severe/exceptional drought conditions, the Indian Wells Valley Groundwater Basin currently relies solely upon groundwater recharge for water supplies. The COD Basin is isolated and lacks interconnection with other agencies to allow for imported water supplies to meet the needs of residents, U.S. Navy, agriculture, the surrounding communities or SGMA sustainability requirements. The GSP determined that the basin requires between 3,000 and 5,000 acre-feet per year via imported water sources, made possible by the future proposed interconnection project, in conjunction with the other implementation recommendations to achieve sustainability.

The other major need for SGMA compliance is the Water Recycling Plant, proposed to utilize 2,700 acre-feet per year of secondary-treated effluent to provide 2,000 acre-feet per year of recycled water for re-injection to offset groundwater utilization.

Based upon the eligibility criteria in the Draft PSP, these would be the projects for application of the SGMA Implementation Funding.

The following comments outline our thoughts and suggestions on the implementation of the PSP:

Comment 1: Critically Overdrafted Basins without a flood mitigation element of their GSP, that are outside the San Joaquin Valley, should not be held to early implementation of existing regional flood management plans or provision of floodplain expansion requirements.

Section 80 of the *Budget Act of 2021, Chapter 240; Statutes of 2021* (Senate Bill 170) providing for item 3860-101-0001 of Section 2.00 stated:

12. Of the funds appropriated in Schedule (1)(d), \$60,000,000 shall be directed to projects that benefit groundwater basins in the San Joaquin Valley, and for the following purposes: (a) geophysical investigations of groundwater basins to identify recharge potential; (b) early implementation of existing regional flood management plans that incorporate groundwater recharge; and (c) projects in the San Joaquin Valley that would complement efforts of a local groundwater sustainability plan, that provide for floodplain expansion to benefit groundwater recharge or habitat. To expedite the execution of projects described in Schedule (1)(d), funds may be awarded through grants or direct expenditures to a public agency or a nongovernmental organization. Of the \$60,000,000, the department shall commit \$40,000,000 of these funds to projects by September 15, 2022.

Taken literally, this removes at least two COD basins, including the Indian Wells Valley Groundwater Basin, from receiving any funding under the SGMA Implementation program. We do not believe that it was the intent of the Legislature to disparately treat GSA requirements to favor funding or, to provide funding only to those COD Basins located within the San Joaquin Valley. IWVGA appreciates and supports DWR's efforts in the draft-PSP to equitably treat all GSAs in the State and strongly urges an equitable approach be maintained in the final Implementation Guidance.

The draft-PSP Implementation Guidance does, however, maintain the early implementation of existing regional flood management plans and provision of floodplain expansion eligibility requirements, intended for the COD Basins in the San Joaquin Valley. Not all COD Basins are similarly situated. IWVGA is

situated in an arid desert region with an annual rainfall of between four and six inches. Flooding is not a major issue for the area and the capture of minimal/occasional 100-year and 500-year flood events in the basin would not provide significant groundwater recharge opportunities. These criteria were meant for COD Basins that are in flood prone areas. We recognize these criteria may benefit COD Basins in the San Joaquin Valley and IWVGA has no comment or position on those requirements for funding eligibility provided it is limited to COD Basins in the San Joaquin Valley.

To maintain the equitable approach to funding currently contained within the Implementation Guidance/draft-PSP among the COD Basins, while maintaining the Legislature's intent in Section 80 of SB 170. Therefore, IWVGA strongly recommends the eligibility criteria to include directive language (Section II, Subsection A, @ page 6) to provide for COD Basins outside of the San Joaquin Valley. This directive language would apply to basins outside of the San Joaquin Valley where early implementation of regional flood management plans and floodplain expansion eligibility requirements may not net intended or beneficial results to achieve the goals of their GSP, SGMA compliance and water resilience. We respectfully suggest the following language for your consideration:

Of the \$7.6 million per COD Basin ***located within the San Joaquin Valley***, a minimum of \$3.7 million shall be used towards tasks and activities that include:

- Geophysical investigation(s) of groundwater basins to identify recharge potential (e.g., Aerial Electromagnetic Surveys);
- Early implementation of existing regional flood management plans that incorporate groundwater recharge (e.g., basin recharge using floodwater); or SGM Grant Program's Proposal Solicitation Package 2021 7
- Projects that would complement efforts of a local GSP, that provide for floodplain expansion to benefit groundwater recharge or habitat (e.g., basin recharge using peak flows from a river, creek, or stream).

For COD Basins not located in the San Joaquin Valley, the applicant shall demonstrate the impacts of existing regional flood management plans on groundwater recharge and, to the extent that such flood management plans provide significant groundwater recharge opportunities seek to include such tasks and activities.

Comment 2: Remaining and/or unawarded funding availability to COD Basins.

The draft-PSP indicates that COD Basins not providing application prior to January 31, 2022, or any remaining/unawarded funding "will be available in future funding rounds" (Section II, Subsection A @ pg 7). The draft-PSP does not, however; indicate that such funding will remain available to COD Basins for subsequent funding applications. The Implementation Guidance clearly establishes a request to provide at least \$10 million in funding priorities for each COD Basin and provides funding up to \$7.6 million to those basins.

In the event Round 1 funding provides for unawarded funding availability, such funding should be provided equitably to the COD Basins either through 1) direct award, to meet portions/all of the remaining \$2.4 million provided in each COD Basin funding request; 2) awarded through competitive future solicitations

open solely to COD Basins; or 3) combined with potential future SGMA Implementation funding provided by the Legislature to COD Basins.

The draft-PSP should be clarified to convey DWRs intent to maintain funding designated to COD Basins and not provide such funding to Round 2 participants.

Comment 3: Maintain Equitable Funding Strategy Among COD Basins

As previously stated, IWVGA supports the DWR's overall strategy to provide each COD Basin with \$7.6 million according to competitive strategic funding plans. This process will assist GSAs as well as DWR to identify SGMA critical projects within the basins and prioritize projects that meet eligibility criteria. We cannot stress enough that approach should be maintained.

The priorities identified within each GSP establish critical opportunities to achieve sustainability within the COD Basins. As written, the draft-PSP allows each COD Basin to focus funding efforts on particular SGMA implementation projects. The draft-PSP creates funding certainty for important projects and does not create a system of winner-and-loser COD Basins competing for larger portions of the appropriated funding amounts. In its approach, DWR has maintained the local control and ability of each COD Basin to determine funding priorities and apply, through its Strategic Funding Plan, for a designated amount of funding. As previously stated, our basins infrastructure needs alone require \$129.7 million to \$277.7 million in investment to achieve sustainability, a requirement under SGMA. The DWR's approach equitably handles the needs of each COD Basin within the amount that the Legislature provided through SB 170. When coupled with our previous comment concerning regional flood management plans, no region or resident in COD Basins are left behind without at least the partial financial ability to implement needed sustainability requirements. We strongly support this provision and urge DWR to maintain the approach in the final-PSP Implementation Guidance.

IWVGA thanks you for the opportunity to comment on the draft-PSP and respectfully urges your consideration of our proposed modifications and support of equitable funding distribution. Should you have any questions, please call Keith Lemieux at (805) 495-4770.

Sincerely,

Scott Hayman
Chairman
Indian Wells Valley Groundwater Authority

cc: Members of the Indian Wells Valley Groundwater Authority Board of Directors
Carol Thomas-Keefer, General Manager
Steve Johnson, Stetson Engineers
Michael W. McKinney, Capitol Core Group

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IWVGA ADMINISTRATIVE OFFICE

STAFF REPORT

TO: IWVGA Board Members

DATE: November 10, 2021

FROM: IWVGA Staff

SUBJECT: AGENDA ITEM 10.d - 2022 BOARD ROTATION UPDATE

BACKGROUND

On May 18, 2017, the Bylaws of the Indian Wells Valley Groundwater Authority (IWVGA) was unanimously adopted. As described in section 3.2, Appointment of Officers of the Board, IWVGA Chair and Vice Chair are to rotate annually between the board member representing County of Kern, City of Ridgecrest and the Indian Wells Valley Water District (District).

3.2) Beginning in 2017, the Chairperson and Vice-Chairperson shall rotate annually between the Board members representing the County of Kern, City of Ridgecrest, and the Indian Wells Valley Water District...Officers of the Board may be removed and replaced at any time, with or without cause by a vote of the Board. In the event that an Officer of the Board loses their position as a Primary Director, that Officer of the Board position shall become vacant and the Board shall elect a new individual to serve the remaining term.

In addition to board rotation, the attorney representing the agency serving as chair shall represent the IWVGA Board as general counsel as described in section 3.5, General Counsel.

3.5) The Authority's General Counsels shall be the attorneys appointed by the County of Kern, the City of Ridgecrest, and the Indian Wells Valley Water District. The primary responsibility to act as the Authority's General Counsel during public meetings shall rotate annually and be in coordination with who is the then acting Chairperson. General Counsel shall be appointed by the Board, and shall be directly responsible to the Board. The General Counsel shall give advice or written opinions as needed and/or directed by the Board, and shall prepare proposed resolutions, laws, rules, contracts, and other legal documents for the Authority when requested to do so by the Authority. The General Counsel shall attend to all lawsuits and other matters to which the Authority is a part or in which the Authority may be legally interested and do such other things pertaining to the General Counsel's office as the Authority may request.

DISCUSSION

At the October 13, 2021 IWVGA Regular Board Meeting, it was requested that staff reach out to the District to discuss whether they plan to assume the 2022 rotation for chair and general counsel. Given

comments made by board members during District meetings as well as recent legal filings by the District, ethical concerns have been raised. District board and staff met internally to discuss the 2022 rotation and plan to assume the role as Chair but will not have District attorney, Jim Worth, serving as IWVGA General Counsel.

As described above in section 3.2 of the Bylaws, "*Officers of the Board may be removed and replaced at any time, with or without cause by a vote of the Board*". The District will assume the Chairperson role unless removed by a majority vote. City of Ridgecrest attorney, Keith Lemieux will remain as General Counsel.

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Indian Wells Valley Groundwater Authority – Financing Considerations



November 10, 2021

Prepared by:



Background

- The Indian Wells Valley Ground Authority (the “GA”), as part of its process in relation to the purchase of Class A water rights, had previously requested the Indian Wells Valley Water District (the “District”) to finance the District’s portion of the Basin Replenishment Fee.
- The District’s Board elected not to finance its portion of the Basin Replenishment Fee, at least in part, relying on the analysis contained in a District Staff Report dated September 13, 2021.
- As the Municipal Advisor and a fiduciary to the GA, we feel it is worthwhile to provide a differing analysis for consideration by the GA Board.

Sept. 13 District Staff Report

- The Sept. 13th District Staff Report stated that for the District to maintain its S&P AA- credit rating, among other things, it must maintain relatively low debt.
- It further stated that the District's credit rating could be downgraded if its creditworthiness declined due to increased debt-to-assets via additional debt issuances.
- We believe that the above statements made in the Sept. 13 District Staff Report lack important context that we outline on the following slides.

Basin Replenishment Fee & Debt

- The District agreed to pay and is obligated to pay the Basin Replenishment Fee over a period of 5 years and in the approximate annual amount of \$4.25 million. Although the District's obligation to pay the Basin Replenishment Fee is not by definition bonded debt, it is a liability of the District and is treated as such by the investment community, including credit rating agencies and municipal bond investors.

Useful life and Asset Financing

- The asset that will be funded by the Basin Replenishment Fees, Class A water rights, have a long-term useful life.
- Using long-term financing, in the current accommodative interest rate environment, to finance the purchase of an asset with a useful life that meets or exceeds the term of the financing is not considered credit negative by credit rating agencies.
- In fact, rating agencies typically look favorably upon entities that spread capital costs out over an appropriate time horizon because it frees up cash to maintain strong net revenue debt service coverage and adequate reserves.

Useful life and Asset Financing cont.

- Furthermore, using long-term financing to purchase an asset with a correspondingly long useful life creates a more equitable structure for rate/fee payors, as current customers do not have to bear the full cost of an asset that will benefit both current and future rate/fee payors.
- We want the GA Board to understand that, in our opinion, the financing of the Replenishment fee by any of the fee payors, over an appropriate time horizon, such as a period of 20 to 40 years, is unlikely to be considered a credit negative by the rating agencies and furthermore, if structured appropriately would be considered prudent management and stewardship.

Basin Replenish Fee without Financing

- We believe that neglecting to finance the Replenishment Fee over an appropriate time horizon would be looked at unfavorably by credit rating agencies as it could lead to lower debt service coverage, impair liquidity, and increase delinquencies by decreasing water bill affordability for its current customer base.

Other Advantages of Financing

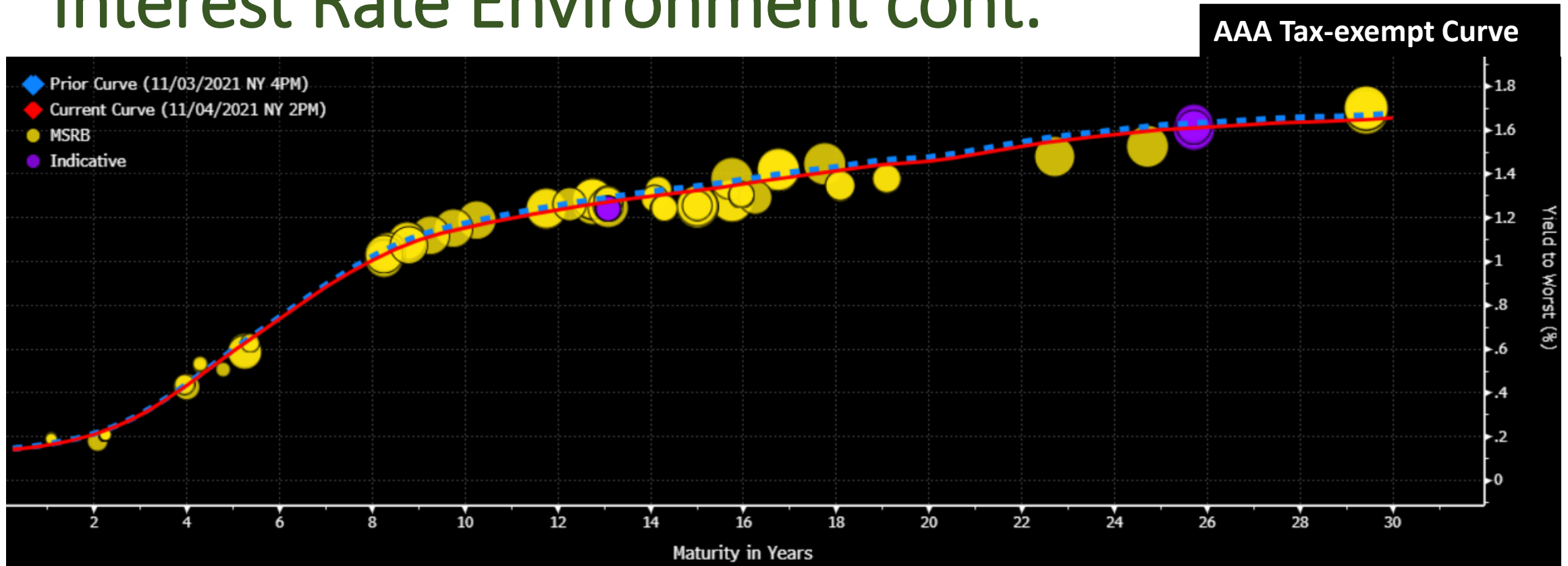
- Having the proceeds from a financing in-hand provides the GA with added leverage when negotiating the purchase of water rights.
- Financing the purchase of water rights will increase the GA's visibility from an investor standpoint. Increased visibility can help the GA establish its name in the marketplace ahead of its larger potential infrastructure financing.
- Additionally, it would allow the GA to begin to establish a track record of compliance with respect to Continuing Disclosure and other reporting obligations.
- The inaugural financing will create a feedback loop with market participants which will enable the GA to take measures to improve its credit profile and marketability based on investor feedback derived from the issuance.

Interest Rate Environment



- Rates remain in trading ranges near historic lows with the all-time historic low reached in August of 2020.
- Rates are projected to trend upward in mid-2022 with the Federal Reserve signaling it will begin to raise the federal funds rate and taper open market purchases.
- Consequently, we believe the GA could benefit from locking in needed financing at today's accommodative low rates ahead of the anticipated Fed actions.

Interest Rate Environment cont.



- Due to the flat shape of the yield curve, long-term borrowing is relatively inexpensive.
- Ex: AAA rated issuers of 30-year bonds are paying a rate of 1.66% as compared to AAA rated issuers of 20-year bonds that are paying 1.45% (this difference equates to additional annual interest on \$25 million of only \$52,500).

Indian Wells Valley Groundwater Authority
Revenue Bonds, Series 2022 (Water Rights Acquisition Financing Project)



As of November 4, 2021

<u>Date</u>	<u>Task/Event</u>
11/3	RFP for Underwriter/Placement Agent distributed to qualified firms
11/4	Agenda deadline for 11/10 Board meeting
11/10	<u>Board meeting</u> to give status update on proposed financing program (time: 11:00 am)
11/19	Underwriter/Placement Agent Proposals due
Week of 11/22	<u>Meeting with Staff</u> to select Underwriter/Placement Agent and to discuss information needed for Preliminary Official Statement (POS) (time: to be determined)
12/2	Agenda deadline for 12/8 Board Meeting
12/8	<u>Board meeting</u> to hire Underwriter/Placement Agent and to approve Resolution of intent to issue bonds (time: 11:00am)
12/9	Bond Counsel to distribute draft POS and financing documents for comment
12/10	Municipal Advisor to contact S&P Global Ratings to schedule Rating call for the week of January 17 th
12/16	Comments due on POS and financing documents
12/17	Draft Rating presentation distributed for comment
1/1	Water Purchase Agreement between GA and District finalized
1/6	Agenda deadline for 1/12 Board meeting
1/12	<u>Board meeting</u> to approve POS, financing documents and to authorize sale of certificates (time: 11:00 am)
1/13	Underwriter to contact Bond Insurers
Week of 1/17	Rating call with S&P Global Ratings
Week of 1/24	Receive Rating, Finalize Bond Insurance, Complete UW due diligence Call
1/28	Mail POS
2/9	Pre-price
2/10	Price
2/23	Pre-close
2/24	Close

NOVEMBER

Su	Mo	Tu	We	Th	Fr	Sa
31	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	1	2	3	4
5	6	7	8	9	10	11

DECEMBER

Su	Mo	Tu	We	Th	Fr	Sa
28	29	30	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	1
2	3	4	5	6	7	8

JANUARY

Su	Mo	Tu	We	Th	Fr	Sa
26	27	28	29	30	31	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31	1	2	3	4	5

FEBRUARY

Su	Mo	Tu	We	Th	Fr	Sa
30	31	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	1	2	3	4	5
6	7	8	9	10	11	12

MARCH

Su	Mo	Tu	We	Th	Fr	Sa
27	28	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2
3	4	5	6	7	8	9

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Item 1. Call to Order - Voting members Ed Imsand, David Janiec, Renee Westa-Lusk, Nick Panzer, West Katzenstein, Judie Decker, and Camille Anderson were present. Non-voting member Don Zdeba was present. Not present were voting members Tim Carrol and Lyle Fisher, and non-voting members Tom Bickauskas, John Kersey, and Lorelei Oviatt.

Item 2. Pledge of Allegiance

Item 3. Open Public Comment (Not Related to Other Agenda Items)

Joshua Nugent of Mojave Pistachios stated that they were excited and supportive of the facilitation process and that they have responded positively to DWR. He asked whether the PAC was going to have a role in the process.

Item 4. Approve PAC Minutes of the September PAC Meeting

Don Zdeba submitted typographical error corrections and West Katzenstein submitted a correction to a sentence summarizing his comments on item 5. Nick Panzer moved to approve the minutes as amended, seconded by Judie Decker. The motion was approved 7-0.

Item 5. Selection of PAC Vice Chair

Renee Westa-Lusk nominated Judie Decker, seconded by Nick Panzer. Judie Decker was confirmed as PAC Vice-Chair by a 6-0-1 vote with Ed Imsand abstaining.

Item 6. Communication and Engagement (C&E) Plan Review and Recommendations

a. Sub-Committee Report Recommendations - West Katzenstein provided a draft written report from the subcommittee. The draft report covered recommended activities for the GA to undertake to increase the effectiveness of the C&E Plan, and whether the C&E Plan be revised or not. The report recommended five action areas for focus: 1. Overview Documents and *CONCEPTUAL* examples of individual handouts, 2. Q&A Handout, 3. A schedule/POA&M tracking projects tied to finances, 4. GA Website Upgrade, 5. More informal dialogue opportunities. The entire sub-committee agreed on recommendations 3 and 4, and that the Fact Sheet Summary subset of item 1 was needed. As a member of the sub-committee, Judie Decker submitted a minority report contained within the committee report.

There was great concern expressed over some of the overview documents and which agency is responsible for ensuring the integrity and source of the facts and numbers. This was most critical in discussing the individual impact sheet for the Water District customers. Is it the GA or the Water District (WD)? Additionally, there was great concern with the PAC providing any *CONCEPTUAL* example containing numbers which may be subject to implementation variables and sources, and if provided to the public in draft form, could easily be mis-interpreted and raise false expectations.

Member Comments - Members Don Zdeba, Ed Imsand, Judie Decker, Camille Anderson, and Renee Westa-Lusk questioned the WD customers example document with regard to the responsible agency question (WD or GA), and the propriety of the PAC providing the example itself. Nick Panzer noted that the ratepayers deserve an answer to the question "what is the cost to me?" and that the GA has responsibility for major factors in that calculation. He also focused on the need for concise summary information limited to a single page. David Janiec suggested that since both the GA and WD have authority and responsibility for the impact to WD customer fees, that the PAC should recommend that the GA board members provide such an impact statement for each of the user

pumper/groups in the basin, and agree jointly among themselves with regard to the exact information it would contain.

Public Comment – Don Decker suggested that the PAC was dealing with a complex and interlocked set of data and we should focus on non-numerical summaries at the highest level to start with. He pointed to the sub-committee Fact Sheet as a potential example to follow.

PAC Action - The PAC generally supported the recommended five action areas of the sub-committee and agreed to task the subcommittee to reconvene and review each recommendation based on feedback during this meeting. Specifically, with respect to the overview documents, they are to approach recommendation number 1 to identify any significant gaps in information that the GA public communication should fill. Within each gap, the subcommittee should also identify the specific subtopics of information needed, rather than providing an example document. The PAC agreed that the Fact Sheet may be a good example of a document that could be provided to fill a gap, but that some other gaps should not have an example. The sub-committee should focus on the identifying the major gap and subtopics themselves. In the case of the stakeholder group impact documents, the sub-committee should expand the gap identification to include one for each individual user/pumper stakeholder group. Individual PAC members are to provide to the chair any gaps from the group they represent. The sub-committee will document the areas of full agreement as well as disagreement, summarizing the arguments on each side.

b. Review Individual C&E Plan Recommendations

The sub-committee recommended that the C&E Plan does not need revision and the PAC generally agreed. Discussion by the full PAC noted there are some required updates due to some outdated contact information, as well as consideration of the example “Essential Communication Strategy Topics” that was provided in the updated Owens Valley Basin C&E Plan. For example, the identification of individual gap areas may be considered as such.

PAC Action- The PAC will revisit this after completion of the sub-committee effort. The PAC again requests the GA board to provide an assessment and input they may have on improving the C&E Plan based on the experience with the GSP development.

Item 7. First Draft GA Schedule Review and Comment

GA staff provided a top-level first draft preliminary schedule for review and discussion. The draft schedule was provided at a yearly level, beginning in 2022.

Member Comment – Judie Decker expressed concern regarding Stetson Engineers expending time and effort on GSP implementation before it has been approved by DWR. David Janiec noted that under SGMA, authority to execute the plan is authorized upon submission of the plan.

Renee Westa-Lusk commented that more detail is needed, including identification of TAC and PAC required engagement tasks as were defined in the GSP POA&M, and targeting a monthly integrated schedule. Judie Decker noted that the topics are very general and should be broken down to lower levels and that the list doesn’t include tasking to generate the 2021 annual report. West Katzenstein and Judie noted it should include sources and funds allocated and expended against a task to date, as well as identifying where critical path tasks are inter-linked. In response to questions about the new accounting software, Carol Thomas-Keefer stated that it would provide more clarity and linkages to funding sources, allocations, and expenditures to tasks, but that a lot of manual work would still be required to fully link

to the schedule. Camille Anderson noted that the ongoing repetitive tasks are not as important as the financials against tasks to inform and judge financial performance.

PAC Action-Due to the short time provided for the schedule review, members were tasked with submitting individual recommended requirements for the integrated GA schedule by November 10th, keeping in mind the costs in time and money required by staff to do so. They will be forwarded to staff and reviewed at the next PAC meeting. General Manager Carol Thomas-Keefer also requested recommended priority for tasks included in the draft schedule, including identifying those unnecessary to the schedule.

Item 8. Future Agenda Items

- a. Continued C&E Plan review and recommendations
- b. Review individual member submissions on schedule requirements and priorities

Item 9. Confirm Next Regular Meeting for November and December

The November meeting will be set depending on the availability of City Council chambers, either November 29 or 30. The meeting date for December will be determined at the November meeting.

Item 10. Member Comments

Judie Decker noted that the EKCRCD submitted a letter to DWR asking to participate in the facilitation process. West Katzenstein stated that we are right in the middle of all the critical issues for communication issues and getting them on the table – right where the PAC should be. Renee Westa-Lusk, Don Zdeba and David Janiec each complemented the sub-committee for their time and effort in developing their recommendations on tough topics.

Item 11. Meeting Adjourned.

Submitted by: David Janiec, IWVGA PAC Chair, 7 November 2021

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IWVGA TECHNICAL ADVISORY COMMITTEE REPORT
FOR
NOVEMBER 10, 2021 GA BOARD MEETING

(Temporarily from WRM)

1. Meetings No TAC meeting held. Schedule “hold” for 3rd Thursday at 12:30 p.m. before scheduled PAC meetings. Currently, online TAC-WRM coordination.
2. Membership See attached TAC Membership, as of September 22, 2021. Many open seats. Most active members – Don Decker, Tim Parker (IWWWD) and Eddy Teasdale. BLM seat vacant – WRM coordination with BLM. Some interest expressed, forwarded to Don/Tim/Eddy.
3. TAC Topics Recycled Water Program 1st Draft under review, some comments received. Surface Percolation Replenishment Study Phase 1 Draft recently sent to TAC.
4. TAC Planned Topics IWW Water Conservation programs review/effectiveness (TAC review as needed). GSP Annual Report in January (WRM/GA redistributed 2020 Annual Report). TSS/COSO-Navy/GSP-DWR review planned for TAC review.

EXHIBIT A

Technical Advisory Committee (TAC)

Member Names

<u>Category</u>	<u>Name</u>
Large Agriculture	Eddy Teasdale
Large Agriculture	Open
Small Agriculture	Open
Kern County Water Agency	Open
Business Interests	Open
Business Interests	Open
Residential Customers of Public Water Agency	Open
Residential Customers of Public Water Agency	Open
Domestic Well Owners	Don Decker
Domestic Well Owners	Open
Eastern Kern County Resource Conservation District	Open
District Wholesaler and Industrial User	Steven Kourakos
Indian Wells Valley Water District*	Tim Parker
Department of the Navy*	Charlotte Baldwin
Bureau of Land Management*	Open

*Non-Voting Members
Members

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