

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, March 9, 2022

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. BOARD MEMBER COMMENTS

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

8. CONSENT AGENDA

- a. Approve Minutes of Board Meeting February 9, 2022
- b. Approve Minutes of Special Board Meeting February 24, 2022
- c. Shallow Well Mitigation Policy
- d. Letter of Support for City of Ridgecrest Wastewater Treatment Plant State Budget Request
- e. Approve Expenditures
 - *To view itemized invoices please visit <https://iwvga.org/iwvga-meetings>
 - i. \$78,367.77 – Stetson Engineers
 - ii. \$30,216.25 – Regional Government Services – (Replenishment / Extraction)
 - iii. \$17,187.50 – Capitol Core Group – (Replenishment)
 - iv. \$100.00 – California Association of Mutual Water Companies – (Extraction)
 - v. \$125,000.00 – Kern County Repayment – (Extraction)
 - vi. \$1,680.00 – Wellntell – (Extraction)

9. WATER RESOURCES MANAGER REPORT

- a. Grant Funding
 - i. Proposition 1
 - ii. Proposition 68
- b. GSP Implementation Projects/Management Action Updates
 - i. Recycled Water Program
- c. Miscellaneous Items
 - i. Annual Report for Water Year 2021

- ii. Groundwater Dependent Ecosystems (GDE) Update
- iii. Rose Valley Subflow Update

10. GENERAL MANAGER'S REPORT

- a. Monthly Financial Report
- b. Report on IWVGA's Water Marketer (Capitol Core Group)
- c. Update on Communication and Engagement Plan

11. DATE OF NEXT MEETING – APRIL 13, 2022

12. 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, February 9, 2022; 11:00 a.m.

IWVGA Members Present:

Chairman Phillip Peters, Kern County	Carol Thomas-Keefer, IWVGA General Manager
Scott Hayman, City of Ridgecrest	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, John Vallejo, and Phillip Peters.

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

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

1. CALL TO ORDER:

Vice Chair Hayman calls the meeting to order at 10:02 a.m.

2. AB-361 FINDING:

Motion made by Stan Rajtora and seconded by Scott Hayman to make a finding that health and safety risks as stated in AB-361 are still of concern.

Motion carries by the following roll call vote:

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

3. PUBLIC COMMENT ON CLOSED SESSION:

None.

Vice Chair Hayman calls the meeting into Closed Session at 10:04 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 adjourns at 11:03 a.m.

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

Meeting reconvenes into Open Session at 11:09 a.m.

- a. Report on Closed Session – Counsel Lemieux reports there was no action that would require disclosure under The Brown Act.
- b. Pledge of Allegiance is led by Vice Chair Hayman
- c. Roll Call

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

6. PUBLIC COMMENT:

The Board hears public comment from Mike Neel.

7. BOARD MEMBER COMMENTS:

Chairman Peters states he has been under the weather and out of abundance of caution he has chosen to participate remotely.

8. CONSENT AGENDA:

- a. Approve Minutes of Board Meeting January 12, 2021
- b. Approve Expenditures

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

- i. \$80,037.40 – Stetson Engineers
- ii. \$30,539.50 – Regional Government Services – (Replenishment / Extraction)
- iii. \$13,906.25 – Capitol Core Group – (Replenishment)

Motion made by Phillip Peters and seconded by Stan Rajtora to approve Minutes of Board Meeting January 12, 2022, and the following expenditures in the amount of \$80,037.40 to Stetson Engineers, \$30,539.50 to Regional Government Services, and \$13,906.25 to Capitol Core Group.

Motion carries by the following roll call vote:

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

9. BOARD DISCUSSION AND ACTION ON PROJECT PRIORITY RANKING FOR DWR SGMA-IP GRANT FUNDING OPPORTUNITY:

Steve Johnson, Joseph Montoya and Jeff Simonetti provide presentation and application documents (documents made available on IWVGA website).

The Board hears public comment from West Katzenstein, and Renee Westa-Lusk.

Motion made by Phillip Peters and seconded by John Vallejo to approve the project priority ranking for DWR SGMA-IP Grant Funding Application.

Motion carries by the following roll call vote:

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

10. BOARD REVIEW AND APPROVAL OF POLICY ON TEMPORARY USE:

Steve Johnson provides staff report, policy and presentation (documents made available on the IWVGA website).

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

Motion fails for lack of a second.

11. BOARD REVIEW AND APPROVAL OF SHALLOW WELL MITIGATION POLICY:

Steve Johnson provides staff report, policy and presentation (documents made available on the IWVGA website). Item is moved to March Regular Board Meeting for consideration and approval in the Consent Agenda.

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

12. BOARD REVIEW AND DISCUSSION OF DEPARTMENT OF WATER RESOURCES APPROVAL LETTER ON INDIAN WELLS VALLEY GROUNDWATER SUSTAINABILITY PLAN:

Carol Thomas-Keefer and Jeff Helsley present a PowerPoint presentation reviewing the Indian Wells Valley Groundwater Sustainability Plan Approval Report from DWR (documents made available on the IWVGA website).

13. WATER RESOURCES MANAGER REPORT:

Steve Johnson, Joseph Montoya and Jean Moran 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
- c. Miscellaneous Items
 - i. Annual Report for Water Year 2021
 - ii. Groundwater Dependent Ecosystems (GDE) Update
 - iii. Rose Valley Subflow Update

Vice Chair Hayman calls for a recess at 1:18 p.m.

Meeting readjourned at 1:25 p.m.

The Board hears public comment from Don Decker, West Katzenstein, and Judie Decker.

14. GENERAL MANAGER'S REPORT:

Carol Thomas-Keefer provides the Monthly Financial Report, update from Wulff Hansen, update on 2020 audit, and delinquent accounts (documents made available on the IWVGA website). Jeff Simonetti of Capitol Core Group provides a Technical Memorandum (document made available on the IWVGA website).

Director Vallejo leaves the meeting at 2:05 p.m.

15. PAC/TAC REPORT:

PAC Chair, David Janiec provides a report on the January 24 meeting. No TAC update at this time.

16. DATE OF NEXT MEETING – MARCH 9, 2022

17. ADJOURN:

Vice Chair Hayman adjourns the meeting at 2:17 p.m. on February 9, 2022.

Respectfully submitted,

April Keigwin

Clerk of the Board

Indian Wells Valley Groundwater Authority

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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 SPECIAL MEETING MINUTES

Thursday, February 24, 2022; 3:00 p.m.

IWVGA Members:

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

Attending via teleconference is Tim Itnyre, John Vallejo, Carol Thomas-Keefer, Keith Lemieux and Steve Johnson.

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

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

1. CALL TO ORDER:

Chairman Peters calls the meeting to order at 3:08 p.m.

- a. The Pledge of Allegiance is led by Chairman Peters
- b. April Keigwin calls the following roll call:

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

2. PUBLIC COMMENT ON CLOSED SESSION:

None.

Meeting is called into Closed Session at 3:09 p.m.

3. CLOSED SESSION:

- CONFERENCE WITH REAL PROPERTY NEGOTIATIONS –
(Government Code Section 54956.8) - Property: State Water Project Importation; Agency Negotiator: Capitol Core Group; Negotiating Parties: Various; Under Negotiation: Price and terms of payment.

Closed Session adjourns at 4:21 p.m.

4. REPORT ON CLOSED SESSION

Meeting reconvenes in Open Session at 4:23 p.m.

Counsel Lemieux reports no action was taken that would require disclosure under The Brown Act.

5. DATE OF NEXT MEETING – MARCH 9, 2022

6. ADJOURN:

Chairman Peters adjourns the meeting at 4:23 p.m. on February 24, 2022.

Respectfully submitted,

April Keigwin
Clerk of the Board
Indian Wells Valley Groundwater Authority

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INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

POLICY ON

SHALLOW WELL IMPACT IDENTIFICATION, EVALUATION

AND MITIGATION PROGRAM

INCLUDING EMERGENCY ASSISTANCE

(MARCH 9, 2022)

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. The Program is essentially a Groundwater Authority shallow well impacts verification and assessment, followed by potential Authority reimbursement of the shallow well owner’s mitigation costs. The Program includes provisions for impacted shallow well owners to request fast-track emergency assistance through the Authority General Manager.

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 (for emergency assistance, shallow well owners may submit a written request to the Authority General Manager that clearly describes the “emergency” and requested “assistance”, including technical support):

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 IWV 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 IWVGA.)
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. The Authority Staff Report will not be initiated until the Well Owner Report Form is deemed complete.
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 45 days after notifying the Well Owner of a complete Report Form 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.

EMERGENCY ASSISTANCE

The Emergency Assistance program is designed to assist Shallow Well Owners experiencing an “emergency water supply” situation (shallow well has failed and no other potable water supply is available). The Shallow Well Owner must have fully registered the subject Well with the Authority and must demonstrate reasonable and prudent Well maintenance and repair. The Shallow Well Impact Identification Evaluation and Mitigation Program-Emergency Assistance Application (Form) is posted online.

The Form shall be submitted to the Authority General Manager (GM). The GM will determine if/when the Form is considered complete. Within three (3) work days of a “completed” Form, the GM will complete a Staff Report with recommendations. The completed Form and Staff Report must be approved by the GM and Authority Board Chairperson before implementation. The Water Resources Manager may provide assistance, as needed.

The Authority Board allocates up to \$50,000 per year to the Emergency Assistance program, to be allocated by the GM and Board Chairperson, and managed by the Authority GM and staff. The Authority GM will maintain current contractor contact information for the various well impact evaluation, mitigation and temporary water supply services.

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INDIAN WELLS VALLEY GROUNDWATER AUTHORITY
(IWVGA)

REPORT FORM

FOR A
SHALLOW WATER SUPPLY WELL
NEGATIVELY IMPACTED BY CHRONIC
OVERDRAFTING OF GROUNDWATER
IN THE IWV BASIN

EMERGENCY ASSISTANCE

(MARCH 9, 2022)

The IWVGA has approved the first phase of the “Shallow Well (Impacts) Mitigation Program”, Project No. 4 of the Authority’s Groundwater Sustainability Plan (GSP), January 2020. Phase one includes development of the “Program” and initial “Outreach, Identification and Evaluation.”

This “Emergency Assistance Report Form” is part of the “Outreach, Identification and Evaluation” for potentially negatively impacted shallow wells, occurring “after February 1, 2020”, per the GSP. This Emergency Assistance program is for Shallow Wells experiencing an “emergency water supply” situation where the Well failure has occurred and no other potable water supply is available.

The subject Well must be fully registered with the Authority and the Well Owner must demonstrate reasonable and prudent well maintenance and repair.

In accordance with the GSP, the evaluation process for Emergency Assistance will include but not be limited to, an analysis of the following: (Note: (WO) indicates Well Owner responsibility and (GA) indicates Groundwater Authority responsibility.)

a) “Well Owner, Well and Well Hardware Identification and Description” (WO) Identification of the well owner, well location, well pump hardware and well pumping

history. Well depth as drilled and casing and screen lengths installed? Depth of the pump intake as last installed? Depth to top of Screen, any unusual formation materials noted in the driller's log, at the depth of the screen installation? Is this well declared to be de minimis? (Well registration with the GA.)

b) "Nature of the Subject Well Failure" (WO) What is the nature of the well failure? Is the well failure a pumping failure or of a water quality nature? Indicate if you are currently "without" potable water supply, and explain "when" and "how" this occurred.

c) "Emergency Assistance" Describe the Emergency Assistance you are requesting, including for "how long" and the "estimated cost".

d) "Shallow Well Owner Impact Mitigation" Describe the work you have done to mitigate your Well failure and to "restore" potable water supply.

e) "Shallow Well Impacts Mitigation" Describe your plan to mitigate your shallow well failure. Indicate whether you intend to submit a Report Form under the primary Shallow Well Impact, Identification and Mitigation Policy (primarily a technical support and well owner "cost reimbursement" program).

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BOARD OF DIRECTORS

Phillip Peters, Chair
Scott Hayman, Vice-Chair
Stan Rajtora
Matt Kingsley
Paul Cook
Thomas Bickauskas
CDR Benjamin Turner, DoD Liaison

Carol Thomas-Keefer
General Manager
Keith Lemieux
Legal Counsel

March 9, 2022

The Honorable Shannon Grove
Member California State Senate
State Capitol
Sacramento, California 95814

The Honorable Vincent Fong
Member California State Assembly
State Capitol
Sacramento, California 95814

RE: SUPPORT -- City of Ridgecrest, Wastewater Treatment Plant
State Budget Request

Dear Senator Grove and Assembly Member Fong:

The Indian Wells Valley Groundwater Authority (IWVGA) supports the City of Ridgecrest's FY2022/2023 Budget Request for its wastewater treatment facility. This facility is critical to support the both the City's and Naval Air Weapons Station China Lakes requirements as well as meeting the requirements of the Sustainable Groundwater Management Act (SGMA).

IWVGA is the groundwater sustainability agency serving the region that includes the City of Ridgecrest and the Naval Air Weapons Station. Our recently approved Groundwater Sustainability Plan includes development of a water recycling plant to provide 2,000 acre-feet per year of water for injection into the aquifer. This water will offset imported water requirements and assist the region in meeting resiliency requirements. The City's wastewater treatment plant provides the necessary 2,700 acre-feet per year of effluent as feedstock for the Authority's water recycling plant. Without this new facility, we would likely be unable to provide recycled water to the region.

Over 90% of U.S. Navy personnel and their families live outside of the Naval Air Weapons Station. The provision of water and wastewater services are critical to the quality of life of these personnel. The City, the Indian Wells Valley Water District, the U.S. Navy, and the Authority have been working diligently to achieve water sustainability in the region. The water recycling plant is an important part of that cooperation toward meeting SGMA requirements.

For these reasons, the IWVGA urges your support for the FY2022/2023 Budget Request for the City of Ridgecrest's wastewater treatment facility.

Sincerely,

Phillip Peters
Chairman, IWVGA
Supervisor – 1st District County of Kern

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City of Ridgecrest, Kern County, California
FY2022/2023 State Budget Request

Wastewater Treatment Plant
Construction Funding
Project Completion Timeline September 2025

Contacts:

Michael W. McKinney – 714.299.0053
m.mckinney@capitolcore.com

Jeff M Simonetti – 909.568.5684
j.simonetti@capitolcore.com

Ron Strand, City Manager
760.608.9036
rstrand@ridgecrestca.gov

Wastewater Treatment Plant Briefing Document

Issue: The City of Ridgecrest’s wastewater treatment plant is 77-years old and requires replacement. 94% of the funding for the new facility will be provided through locally obtained funds and City-obtained financing. Despite this effort, the impacts of the pandemic and the costs associated with the 2019 7.1 magnitude earthquake have created a \$5 million shortfall to complete construction.

The project has multi-benefits, providing critical service to the United States Naval Air Weapons Station China Lake and creating 2,700 acre-feet of effluent per year for the Indian Wells Valley Groundwater Authority’s water recycling plant in support of the Groundwater Sustainability Plan (GSP).

The project is “shovel ready” with scheduled completion by September 2025. Without the construction of the plant, the planned water recycling plant will not have the feedstock needed to produce approximately 2,000 acre-feet per year of water for injection, thus not meeting GSP requirements. In addition, the current plant likely will face unforeseen maintenance requirements due to the advanced age of the plant. These unforeseen maintenance needs will require local funding to provide band-aid repairs thus removing new technologies and efficiencies or creating potential environmental hazards.

Request: The City of Ridgecrest requests \$5 million direct FY2022/2023 State Budget to meet construction timelines and maintain GSP compliance.

Background:

The City of Ridgecrest currently owns and operates a wastewater treatment plant that is situated on the grounds of the U.S. Naval Air Weapons Station China Lake. The plant currently treats wastewater flows from both the surrounding City of Ridgecrest and the Air Station. The plant was built in 1946 and then expanded in 1976. In October 2020, the City of Ridgecrest and the U.S. Navy reached a 50-year land easement agreement and a 10-year wastewater service contract between the Navy and the City of Ridgecrest. While the site is on leased U.S. Navy land, the City of Ridgecrest will own and operate the entirety of the facility.

The wastewater treatment plant currently needs to be replaced. This funding request would allow for the City of Ridgecrest to complete build-out of the new wastewater treatment plant to better serve the needs of the China Lake Naval Weapons Air Station and the city.

The new wastewater treatment plant will be built on the installation and have two components. The first component is the wastewater treatment plant and the second is a recycling and advanced treatment facility. The plant will be located on a land easement section that the Navy granted to the City of Ridgecrest. The City of Ridgecrest will continue to own and operate the facility.

Construction Schedule and Funding:

The City of Ridgecrest is in the process of environmental permitting, other permitting, pre-design/preliminary design, initial engineering of the wastewater treatment plant. The City anticipates State Agency approvals and commencement of construction in 2023. Completion of the plant is scheduled for 2025.

Task	WWTP Start Date	Completion Date
Permitting	July 2021	Dec. 2021
Pre-Design/ Preliminary	April 2021	Aug. 2021
Design	July 2021	Jan. 2023
Agency Review/ Approval	March 2022	July 2022
Financing	July 2021	Jan. 2023
Construction	Jan. 2023	Sept. 2025

The total plant costs are between \$53.0 and \$69.3 million. Provision of local funds and locally obtained financing will fund approximately 94% of the wastewater treatment plant. The City is exploring financing primarily through the Clean Water State Revolving Fund (SRF). The requested \$5 million backstops a cash-shortfall needed to maintain the construction schedule of the WWTP and the water recycling plant.

Without the requested funding, design, financing and construction of the wastewater treatment plant cannot progress per the above timeline. Phase I Plans, permitting and environmental reviews are currently occurring. The City of Ridgecrest is currently undergoing its planning and environmental review for the project. The requested funding will cover initial pre-construction expenses. It is anticipated that the planning, permitting and design phase will take approximately 1 to 1.5 years from now to complete. Phase II, the financing and pre-construction activities phase (began mid-2021) will happen concurrently with the permitting and environmental review stage of the project. This process will continue until construction commences on the project in early 2023. It is the goal of the city to have public funding and financing lined up for the project so that these funds are ready to deploy in early 2023. Re-opening financing discussions will delay construction and will increase ratepayer debt-obligation over a 30-year period to this disadvantaged community serving our military families and supporting residents.

The plant is a critical component to the groundwater basin's GSP, providing 2,700 acre-feet per year of effluent to the Indian Wells Valley Groundwater Authority's water recycling plant. The water recycling plant will provide tertiary and advanced treatment to bring 2,000 acre-feet per year of water for injection into the groundwater basin. The current plant does not support the efficient provision of that effluent and would require significant investment to even allow for provision of any effluent for recycling.

Explored Sources of Funding

The City of Ridgecrest has explored other sources of funding and continues to work with the U.S. Environmental Protection Agency (USEPA) on the deployment of funds through the Infrastructure Investment and Jobs Act (IIJA, HR 3684).

Federal.

The United States Navy has declined funding participation in the wastewater treatment facility. However, the Navy will provide effluent to the treatment plant and will pay user fees for the service.

The IWVGA sought a community project funding request (CPFR) through the U.S. Congress in 2021. The CPFR for a variety of reasons is infeasible at this time.

In conjunction with the Indian Wells Valley Groundwater Authority, we have scheduled a scoping meeting concerning available programs through the USEPA for programmatic funds available as a result of the IIJA. These funds, however, prioritize water recycling over treatment needs. In addition, the Authority requires \$5.3 million in planning funds to begin the water recycling facility and meet the construction timelines required under the GSP.

State.

The City has held extensive meetings with the State Water Resources Control Board for the provision of funding under the Water Quality Program. The FY2021/2022 State Budget Act provided \$650 million for drinking water and wastewater projects. This funding was prioritized to disadvantaged communities. While the City of Ridgecrest meets the U.S. Census Bureau's definition of a disadvantaged community, its population exceeds the agency's definition "small and disadvantaged community" by 7,800. Funding round priorities exhausted available funding under the program.

Additional discussions with State Water Resources Control Board were explored with regard to the \$85 million in "groundwater clean-up and water recycling projects." It was determined these funds were ineligible to be applied to secondary treatment facilities and planning funding, needed for the Indian Wells Valley Groundwater Authority, were not prioritized in the FY2021/2022 State Budget. Discussions with the Department of Water Resources netted similar results:

- Multi-Benefit Program Funds were prioritized by the agency for "drought emergency" projects including hauled and bottled water and emergency interconnection, construction funding for drought resilience projects – such as the wastewater treatment plant or the water recycling plant – were given a third-round priority. Funding under the FY2021/2022 State Budget Act were exhausted in the second round.
- SGMA-IP funding found the wastewater treatment plant to be a secondary requirement to the water recycling plant. In addition, SGMA-IP funding is critical for other infrastructure projects needed to meet the requirements of the GSP.

The City of Ridgecrest has used all due-diligence in working with State and federal agencies to seek programmatic funding for the wastewater treatment plant. Despite the critical nature of the plant, it has been determined to be ineligible for certain funding or secondary/third priority for other rounds of funding which were exhausted prior to the possibility of application. While we continue to explore opportunities with the agencies, in order to meet State Budget deadlines, the City of Ridgecrest is directly requesting the \$5 million in funding.

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CITY OF RIDGECREST

100 West California Avenue

Ridgecrest, CA 93555-4054

Telephone (760) 499-5002

February 24, 2022

Eric A. Bruen
Mayor

The Honorable Sharon Grove
California State Senate
State Capitol
Sacramento, California 95814

The Honorable Vincent Fong
California State Assembly
State Capitol
Sacramento, California 95814

L. Scott Hayman
Mayor Pro Tem

Solomon P. Rajaratnam
Vice Mayor

RE: State Budget Request – FY2022/2023
City of Ridgecrest Wastewater Treatment Plant

Kyle Blades
Council Member

Dear Senator Grove and Assembly Member Fong:

Peggy Breeden
Council Member

As the Mayor of the City of Ridgecrest, and on behalf of the over 28,700 residents of the City, I write to formally ask for consideration of a State Budget Request in the amount of \$5 million for construction activities related to the City's Wastewater Treatment Facility. In support of the State's drought resiliency goals and to continue to meet the needs of the U.S. Naval Air Weapons Station China Lake, the City is utilizing a combination of savings achieved through ratepayer funding and a Clean Water State Revolving Fund Loan to fund the vast majority costs associated with the over \$53 million plant.

Ron Strand
City Manager

Cheri Freese
Finance Director

Travis Reed
Public Works Director

The current wastewater treatment facility serving the City and the Naval Air Weapons Station China Lake is 77-years old and requires replacement. Owned and operated by the City of Ridgecrest, the proposed new primary and secondary wastewater treatment plant will be located adjacent to the existing facility on the Naval installation. In October 2020, the City of Ridgecrest and the U.S. Navy reached a 50-year land easement agreement and a 10-year wastewater service contract between the Navy and the City of Ridgecrest. While the site is on leased U.S. Navy land, the City of Ridgecrest will own and operate the entirety of the facility.

Jed McLaughlin
Chief of Police

The City of Ridgecrest is in the process of environmental permitting, other permitting, pre-design/preliminary design, initial engineering of the wastewater treatment plant. With State Agency approvals and construction scheduled to begin in 2023, completion of the plant is scheduled for 2025. Provision of local funds and locally obtained financing will fund between 92% and 94% of the plant WWTP. The requested \$5 million backstops a cash-shortfall needed to maintain the construction schedule of the wastewater treatment plant.

Ricca Charlon
City Clerk

In addition to the provision of wastewater treatment services for the City and Naval Air Weapons station, the City's wastewater treatment plant is scheduled to provide 2,700 acre-feet per year of effluent to the proposed Indian Wells Valley Groundwater Authority's water recycling plant and the US Navy. The water recycling plant is a key-component of the basin's Groundwater Sustainability Plan (GSP) and will provide 2,000 acre-feet per year of advanced treated water for injection into the basin.

Without the requested funding, design, financing and construction of the wastewater treatment plant cannot progress per the above timeline. Phase I Plans, permitting and environmental reviews are currently occurring. The City of Ridgecrest is currently undergoing its planning and environmental review for the project. The requested funding will cover initial pre-construction expenses. It is anticipated that the planning, permitting and design phase will take approximately 1 to 1.5 years from now to complete. Phase II, the financing and pre-construction activities phase (Beginning in mid-2021) will happen concurrently with the permitting and environmental review stage of the project. This process will continue until construction commences on the project in early 2023. It is the goal of the city to have public funding and financing lined up for the project so that these funds are ready to deploy in early 2023.

The City of Ridgecrest, like many cities throughout the state and country, is struggling to advance projects that lack dedicated funding sources but have the capacity to create meaningful change, safeguard critical assets and deliver equitable solutions to some of our most pressing needs. As most of us now know, the pandemic exacerbated inequities in our communities, and I am proud our City found innovative ways of delivering much-needed services and assistance to our most vulnerable communities and this critical defense installation during the pandemic. These innovative solutions, however, did deplete some of the City's general funds, and given the state's financial outlook, we respectfully request the State's investment in the communities that were hardest hit by the pandemic.

For these reasons, I request your consideration of a State Budget Request for this critical multi-benefit infrastructure project that helps meet the requirements of the Sustainable Groundwater Management Act, serves our national defense and provides critical environmental service to the residents of Ridgecrest.

Sincerely,



Eric A. Bruen
Mayor

cc: The Honorable Phillip Peters, Chairman IWVGA and Supervisor Kern County
Ron Strand, City Manager



CITY OF RIDGECREST, KERN COUNTY, CALIFORNIA
FY2022/2023 STATE BUDGET REQUEST

Wastewater Treatment Plant
Construction Funding
Project Completion Timeline September 2025

Contacts:

Michael W. McKinney – 714.299.0053
m.mckinney@capitolcore.com

Jeff M Simonetti – 909.568.5684
j.simonetti@capitolcore.com

Ron Strand, City Manager
760.608.9036
rstrand@ridgecrestca.gov

ISSUE: The City of Ridgecrest’s wastewater treatment plant is 77-years old and requires replacement. 94% of the funding for the new facility will be provided through locally obtained funds and City-obtained financing. Despite this effort, the impacts of the pandemic and the costs associated with the 2019 7.1 magnitude earthquake have created a \$5 million shortfall to complete construction.

The project has multi-benefits, providing critical service to the United States Naval Air Weapons Station China Lake and creating 2,700 acre-feet of effluent per year for the Indian Wells Valley Groundwater Authority’s water recycling plant in support of the Groundwater Sustainability Plan (GSP).

The project is “shovel ready” with scheduled completion by September 2025. Without the construction of the plant, the planned water recycling plant will not have the feedstock needed to produce 2,000 acre-feet per year of water for injection, thus not meeting GSP requirements. In addition, the current plant likely will face unforeseen maintenance requirements due to the advanced age of the plant.. These unforeseen maintenance needs will require local funding to provide band-aid repairs thus removing new technologies and efficiencies or creating potential environmental hazards.

REQUEST: The City of Ridgecrest requests \$5 million direct FY2022/2023 State Budget to meet construction timelines and maintain GSP compliance.

BACKGROUND:

The City of Ridgecrest currently owns and operates a wastewater treatment plant that is situated on the grounds of the U.S. Naval Air Weapons Station China Lake. The plant currently treats wastewater flows from both the surrounding City of Ridgecrest and the Air Station. The plant was built in 1946 and then expanded in 1976. In October 2020, the City of Ridgecrest and the U.S. Navy reached a 50-year land easement agreement and a 10-year wastewater service contract between the Navy and the City of Ridgecrest. While the site is on leased U.S. Navy land, the City of Ridgecrest will own and operate the entirety of the facility.

The wastewater treatment plant currently needs to be replaced. This funding request would allow for the City of Ridgecrest to complete build-out of the new wastewater treatment plant to better serve the needs of the China Lake Naval Weapons Air Station and the city.

The new wastewater treatment plant will be built on the installation and have two components. The first component is the wastewater treatment plant and the second is a recycling and advanced treatment facility. The plant will be located on a land easement section that the Navy granted to the City of Ridgecrest. The City of Ridgecrest will continue to own and operate the facility.

Construction Schedule and Funding:

The City of Ridgecrest is in the process of environmental permitting, other permitting, pre-design/preliminary design, initial engineering of the wastewater treatment plant. The City anticipates State Agency approvals and commencement of construction in 2023. Completion of the plant is scheduled for 2025.

Task	WWTP Start Date	Completion Date
Permitting	July 2021	Dec. 2021
Pre-Design/ Preliminary	April 2021	Aug. 2021
Design	July 2021	Jan. 2023
Agency Review/ Approval	March 2022	July 2022
Financing	July 2021	Jan. 2023
Construction	Jan. 2023	Sept. 2025

The total plant costs are between \$53.0 and \$69.3 million. Provision of local funds and locally obtained financing will fund approximately 94% of the wastewater treatment plant. The City is exploring financing primarily through the Clean Water State Revolving Fund (SRF). The requested \$5 million backstops a cash-shortfall needed to maintain the construction schedule of the WWTP and the water recycling plant.

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The plant is a critical component to the groundwater basin's GSP, providing 2,700 acre-feet per year of effluent to the Indian Wells Valley Groundwater Authority's water recycling plant. The water recycling plant will provide tertiary and advanced treatment to bring 2,000 acre-feet per year of water for injection into the groundwater basin. The current plant does not support the efficient provision of that effluent and would require significant investment to even allow for provision of any effluent for recycling.

EXPLORED SOURCES OF FUNDING

The City of Ridgecrest has explored other sources of funding and continues to work with the U.S. Environmental Protection Agency (USEPA) on the deployment of funds through the Infrastructure Investment and Jobs Act (IIJA, HR 3684).

Federal.

The United States Navy has declined funding participation in the wastewater treatment facility. However, the Navy will provide effluent to the treatment plant and will pay user fees for the service.

The IWVGA sought a community project funding request (CPFR) through the U.S. Congress in 2021. The CPFR for a variety of reasons is infeasible at this time.

In conjunction with the Indian Wells Valley Groundwater Authority, we have scheduled scoping meeting concerning available programs through the USEPA for programmatic funds available as a result of the IIJA. These funds, however, prioritize water recycling over treatment needs. In addition, the Authority requires \$5.3 million in planning funds to begin the water recycling facility and meet the construction timelines required under the GSP.

State.

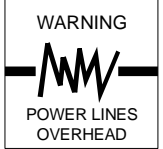
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Additional discussions with State Water Resources Control Board were explored with regard to the \$85 million in "groundwater clean-up and water recycling projects." It was determined these funds were ineligible to be applied to secondary treatment facilities and planning funding, needed for the Indian Wells Valley Groundwater Authority, were not prioritized in the FY2021/2022 State Budget.

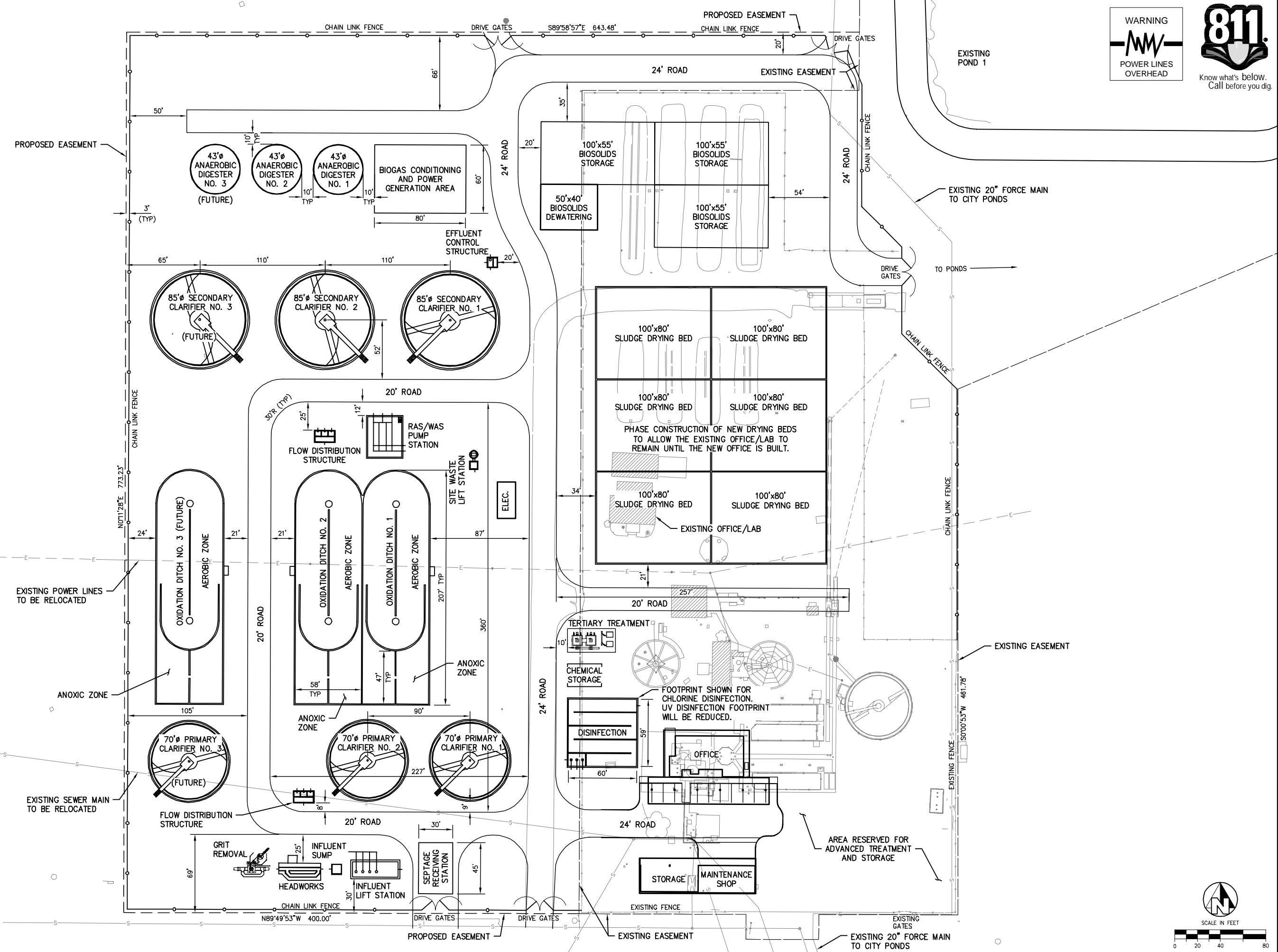
Discussions with the Department of Water Resources netted similar results:

- Multi-Benefit Program Funds were prioritized by the agency for "drought emergency" projects including hauled and bottled water and emergency interconnection, construction funding for drought resilience projects – such as the wastewater treatment plant or the water recycling plant – were given a third-round priority. Funding under the FY2021/2022 State Budget Act were exhausted in the second round.
- SGMA-IP funding found the wastewater treatment plant to be a secondary requirement to the water recycling plant. In addition, SGMA-IP funding is critical other infrastructure projects needed to meet the requirements of the GSP.

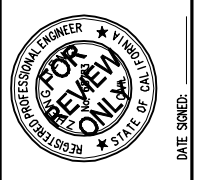
The City of Ridgecrest has used all due-diligence in working with State and federal agencies to seek programmatic funding for the wastewater treatment plant. Despite the critical nature of the plant, it has been determined to be ineligible for certain funding or secondary/third priority for other rounds of funding which were exhausted prior to the possibility of application. While we continue to explore opportunities with the agencies, in order to meet State Budget deadlines, the City of Ridgecrest is directly requesting the \$5 million in funding.



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**PRELIMINARY
NOT FOR CONSTRUCTION
12/10/2021**



WWTP REPORT ADDENDUM
CITY OF RIDGECREST
KERN COUNTY, CA
EXHIBIT 3
OX DITCH WITH PRIMARY CLARIFIERS

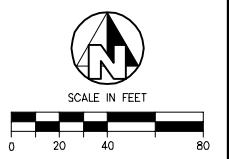
PROVOST & PRITCHARD
CONSULTING GROUP
An Employee Owned Company
467 W. AVE. AVE.
CLARK, CALIFORNIA 98111
509.462.7000 FAX 509.462.7115
http://www.provostpritchard.com

DESIGN ENGINEER:
JERRY TENG
LICENSE NO:
68,783

DRAFTED BY: MJB CHECKED BY: KKS
DATE: 12/10/2021
JOB NO: 203021001
PROJECT NO: 203021001
PHASE: PRA

0 1" = 40'
ONE INCH, ADJUST SCALE FOR REDUCED OR ENLARGED PLANS

12/10/2021 2:03 PM G:\Ridgcrest_City of - 2030_203021001 - WWTP Rpt Addendum\300 CAD\340 Sheet Sets\99 Exhibits\3 OX Ditch With Primary Clarifiers.dwg - Mike Brosseau



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Defense Community Infrastructure Program (DCIP) Request for Amendments and Program Priorities

Issue: Implementation Guidance for the Defense Community Infrastructure Program (DCIP) precludes projects owned and operated by public agencies but located on leased lands inside defense installation boundaries. These projects are otherwise critical to the mission status of the defense installation providing utility services and would be eligible for DCIP but for the project's location on leased federal lands. The City of Ridgecrest has such a project.

Request: Amend the DCIP to allow projects owned and operated by eligible entities but located on leased federal lands.

Background:

The City of Ridgecrest currently owns and operates a wastewater treatment plant that is situated on the grounds of the U.S. Naval Air Weapons Station China Lake. The plant currently treats wastewater flows from both the surrounding City of Ridgecrest and the Air Station. The plant was built in 1946 and then expanded in 1976. In October 2020, the City of Ridgecrest and the U.S. Navy reached a 50-year land easement agreement and a 10-year wastewater service contract between the Navy and the City of Ridgecrest. While the site is on leased U.S. Navy land, the City of Ridgecrest will own and operate the entirety of the facility. Funding for the plant has a \$5 million shortfall and would seek FY2024 funding under the DCIP but for the eligibility prohibition for projects located on federal lands.

The DCIP was authorized by the Congress in the FY2019 NDAA as a short-term pilot grant program to provide assistance to defense communities and local utilities serving defense installations for required infrastructure projects that served the needs of the installation's mission through military value, resiliency, and [personnel] quality of life. Within this pilot program, Congress authorized \$100 million for a three-year period. Appropriators, however, did not provide funding for the program in the first year but did provide \$50 million in the second and third years of authorization.

The FY2022 NDAA reauthorized DCIP through FY2028 but established a Congressional review (program audit) at the end of FY2024 prior to further authorized funding levels. The FY2022 NDAA authorized \$104 million for the program through FY2024. Appropriators in the Consolidated FY2022 Appropriations bill funded \$60 million of the total authorized amount, leaving \$40 million remaining for appropriations in FY2023/FY2024.

The City of Ridgecrest's wastewater treatment plant meets DCIP eligibility and would be prioritized under the "military value" and "resilience" criterion. Replacement of the 77-year-old wastewater treatment plant is required. Without replacement maintenance costs of the existing plant will dramatically increase; the plant will be unable to meet the needs of the U.S. Naval Air Weapons Station China Lake nor the City where over 80% of the installations personnel and dependents live; and it will eventually fail creating environmental, quality of life and mission status impacts.

Proposed Amendment Language:

**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”*.

Additional Changes to DCIP:

DCIP is a critical program. Our military relies on a complex network of roads, buildings, facilities, utilities and land — on- and off- base — to provide the critical training and power- projection platforms necessary to protect our nation. This is our nation’s defense infrastructure, and its sustainment is critical to our ability to maintain our fighting forces’ competitive edge.

Much of the support that our communities provide comes in the form of municipal services and utilities, including electricity, water, wastewater, schools, and police and fire services. Reliable and high-quality delivery of those services, however, rests upon the existence of a robust infrastructure within the surrounding community. The City of Ridgecrest takes seriously its commitment and duty to provide these services to both the installation and its personnel which reside outside of the installation. The impacts of the 2019 7.1 earthquake and the economic effects of the COVID-19 pandemic have financially impacted the City. Programs, such as DCIP, provide much needed assistance to allow us to continue to provide excellent services.

DCIP is underfunded. There is an immediate infrastructure need to address installation resiliency, particularly water and wastewater in California’s severe drought condition. DCIP accelerates local agency projects to address those resiliency needs. ***DCIP requires additional and annual funding through the authorization period.*** For example, while the program is set to be reauthorized in the FY2024 National Defense Authorization Act, appropriators may provide the remaining authorized funds in FY2023. Without additional authorization amounts, the program would be unavailable in FY2024, just as the City of Ridgecrest is applying for funding.

DCIP needs to be made “permanent.” Currently in the statute it is labelled as a “pilot program.” ***We urge Congress to makes these changes to its implementation guidance and establish a set authorization period.*** This will allow DCIP to continue to provide critical assistance to local agencies in support of our military without requiring this annual program modification.

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Invoice

Indian Wells Valley Groundwater Authority
 Mr. Alan Christensen
 100 W. California Ave.
 Ridgecrest, CA 93555

Invoice Number: 2652-54
Invoice Date: 02/24/22

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

Professional Services through 1/31/2022

Water Resources Management 2022

01 - Meetings & Prep

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	21.00	\$237.00	\$4,977.00
Supervisor I	10.25	\$206.00	\$2,111.50
Senior Associate	7.25	\$128.00	\$928.00
Associate III	17.50	\$111.00	\$1,942.50
<i>Professional Services Subtotal:</i>			<u>\$9,959.00</u>

Reimbursables	<u>Charge</u>
Reproduction (Color)	\$18.69
Reproduction	\$20.25
<i>Reimbursables Subtotal:</i>	
	<u>\$38.94</u>
<i>Meetings & Prep Subtotal:</i>	
	<u>\$9,997.94</u>

03 - Grant Review & Application Preparation

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	7.00	\$237.00	\$1,659.00
Supervisor I	9.25	\$206.00	\$1,905.50
Associate III	58.75	\$111.00	\$6,521.25
Associate III	2.50	\$100.00	\$250.00
Assistant II	25.50	\$93.00	\$2,371.50
<i>Professional Services Subtotal:</i>			<u>\$12,707.25</u>

Reimbursables	<u>Charge</u>
Reproduction (Color)	\$153.08
Reproduction	\$4.80
<i>Reimbursables Subtotal:</i>	
	<u>\$157.88</u>
<i>Grant Review & Application Preparation Subtotal:</i>	
	<u>\$12,865.13</u>

04 - Data Mgmt System Support

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Associate I	25.75	\$122.00	\$3,141.50
Assistant I	1.00	\$98.00	\$98.00
<i>Professional Services Subtotal:</i>			<u>\$3,239.50</u>
<i>Data Mgmt System Support Subtotal:</i>			<u>\$3,239.50</u>

05 - General Project Mgmt

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	2.75	\$206.00	\$566.50



05 - General Project Mgmt

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Senior Associate	1.00	\$128.00	\$128.00
Associate III	0.75	\$111.00	\$83.25
Contract Management	0.50	\$103.00	\$51.50
			<u>\$829.25</u>
<i>Professional Services Subtotal:</i>			<i>\$829.25</i>
<i>General Project Mgmt Subtotal:</i>			<u><i>\$829.25</i></u>

06 - Model Transfer & Upgrade

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	1.50	\$237.00	\$355.50
Supervisor I	2.50	\$206.00	\$515.00
			<u>\$870.50</u>
<i>Professional Services Subtotal:</i>			<i>\$870.50</i>
<i>Model Transfer & Upgrade Subtotal:</i>			<u><i>\$870.50</i></u>

07 - Imported Water: Engineering & Analysis

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	2.00	\$237.00	\$474.00
Supervisor I	1.50	\$206.00	\$309.00
Associate III	0.75	\$111.00	\$83.25
GIS Specialist I	4.25	\$101.00	\$429.25
			<u>\$1,295.50</u>
<i>Professional Services Subtotal:</i>			<i>\$1,295.50</i>
<i>Imported Water: Engineering & Analysis Subtotal:</i>			<u><i>\$1,295.50</i></u>

08 - Imported Water: Negotiations & Coordination

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	1.00	\$237.00	\$237.00
Associate III	0.50	\$111.00	\$55.50
			<u>\$292.50</u>
<i>Professional Services Subtotal:</i>			<i>\$292.50</i>
<i>Imported Water: Negotiations & Coordination Subtotal:</i>			<u><i>\$292.50</i></u>

09 - Recycled Water

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	3.00	\$237.00	\$711.00
Supervisor I	3.75	\$206.00	\$772.50
Associate III	7.25	\$111.00	\$804.75
Assistant II	28.00	\$93.00	\$2,604.00
			<u>\$4,892.25</u>
<i>Professional Services Subtotal:</i>			<i>\$4,892.25</i>
<i>Recycled Water Subtotal:</i>			<u><i>\$4,892.25</i></u>

10 - Stakeholder Coordination

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Senior Associate	0.50	\$128.00	\$64.00
			<u>\$64.00</u>
<i>Professional Services Subtotal:</i>			<i>\$64.00</i>
<i>Stakeholder Coordination Subtotal:</i>			<u><i>\$64.00</i></u>

11 - Data Collection, Monitoring & Data Gaps

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	14.25	\$206.00	\$2,935.50
GIS Manager	1.50	\$122.00	\$183.00
Assistant I	20.00	\$98.00	\$1,960.00



11 - Data Collection, Monitoring & Data Gaps

	<i>Professional Services Subtotal:</i>	\$5,078.50
Sub-Contractors		<u>Charge</u>
Horizon Environmental, Inc.		\$620.00
	<i>Sub-Contractors Subtotal:</i>	\$620.00
	<i>Data Collection, Monitoring & Data Gaps Subtotal:</i>	\$5,698.50

18 - Navy/Coso Royalty Fund: FY21 Rose Valley MW Permitting, Bid Doc Support & Dr

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	1.00	\$237.00	\$237.00
Supervisor I	12.75	\$206.00	\$2,626.50
			<i>Professional Services Subtotal:</i>
			\$2,863.50
Reimbursables			<u>Charge</u>
Car Rental			\$359.90
Lodging			\$88.27
			<i>Reimbursables Subtotal:</i>
			\$448.17
Sub-Contractors			<u>Charge</u>
Horizon Environmental, Inc.			\$1,973.38
			<i>Sub-Contractors Subtotal:</i>
			\$1,973.38
			<i>Navy/Coso Royalty Fund: FY21 Rose Valley MW Permitting, Bid Doc Support & Dr</i>
			\$5,285.05

20 - Shallow Well Mitigation Program: Outreach & Impacts Evaluation

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	4.00	\$237.00	\$948.00
Associate III	1.50	\$111.00	\$166.50
			<i>Professional Services Subtotal:</i>
			\$1,114.50
			<i>Shallow Well Mitigation Program Outreach & Impacts Evaluation Subtotal:</i>
			\$1,114.50

21 - General Engineering

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	2.50	\$206.00	\$515.00
GIS Manager	1.00	\$122.00	\$122.00
Associate III	2.75	\$111.00	\$305.25
			<i>Professional Services Subtotal:</i>
			\$942.25
Sub-Contractors			<u>Charge</u>
Board of Regents			\$1,352.90
			<i>Sub-Contractors Subtotal:</i>
			\$1,352.90
			<i>General Engineering Subtotal:</i>
			\$2,295.15

22 - Coordination with DWR on GSP Review

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	8.50	\$237.00	\$2,014.50
Supervisor I	5.25	\$206.00	\$1,081.50
Senior Associate	1.00	\$128.00	\$128.00
Associate III	2.50	\$111.00	\$277.50
			<i>Professional Services Subtotal:</i>
			\$3,501.50
			<i>Coordination with DWR on GSP Review Subtotal:</i>
			\$3,501.50

23 - Annual Report Preparation

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	5.50	\$237.00	\$1,303.50



23 - Annual Report Preparation

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	28.75	\$206.00	\$5,922.50
Senior Associate	62.50	\$128.00	\$8,000.00
Associate I	1.00	\$122.00	\$122.00
GIS Manager	26.00	\$122.00	\$3,172.00
Associate III	2.50	\$111.00	\$277.50
GIS Specialist I	1.50	\$101.00	\$151.50
Assistant I	53.50	\$98.00	\$5,243.00
Assistant II	1.00	\$93.00	\$93.00
			<u>Professional Services Subtotal:</u>
			\$24,285.00

Annual Report Preparation Subtotal: \$24,285.00

25 - Allocation Plan & Rules & Regs on Pumping/Restrictions

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	3.00	\$237.00	\$711.00
			<u>Professional Services Subtotal:</u>
			\$711.00

Allocation Plan & Rules & Regs on Pumping/Restrictions Subtotal: \$711.00

26 - Budget Support

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Senior Associate	0.50	\$128.00	\$64.00
			<u>Professional Services Subtotal:</u>
			\$64.00

Budget Support Subtotal: \$64.00

27 - Litigation Support

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	4.50	\$237.00	\$1,066.50
			<u>Professional Services Subtotal:</u>
			\$1,066.50

Litigation Support Subtotal: \$1,066.50

***Water Resources Management 2022 Subtotal:* \$78,367.77**

***** Invoice Total *****

\$78,367.77

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PO Box 1350
Carmel Valley, CA 93924

Invoice

Date	Invoice #
1/31/2022	13023

Bill To:

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

P.O. No.	Due Date	Inv Sent
	3/2/2022	2/18/2022

Date	Description	Amount
1/31/2022	Contract Services for January - please see attached	29,916.25

		Total	\$29,916.25
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Indian Wells Valley

Month: **Jan, 2022**

Advisor	Hours and Rates by Pay Period				Monthly Total Billed
	1st -15th		16th - EOM		
	Reg Hrs	Bill Rate	Reg Hrs	Bill Rate	
CT	11.25	\$ 130.00	15.50	\$ 130.00	\$ 3,477.50
AK	67.90	\$ 105.00	70.20	\$ 105.00	\$ 14,500.50
JK	0.25	\$ 137.00	0.50	\$ 137.00	\$ 102.75
GL	0.00	\$ -	0.00	\$ -	\$ -
GS	41.75	\$ 137.00	40.75	\$ 137.00	\$ 11,302.50
RM	0.00	\$ -	3.25	\$ 164.00	\$ 533.00
Totals	121.15		130.20		\$ 29,916.25

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Invoice

PO Box 1350
Carmel Valley, CA 93924

Date	Invoice #
1/31/2022	13115

Bill To:

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

P.O. No.	Due Date	Inv Sent
	3/24/2022	2/24/2022

Date	Description	Amount
1/31/2022	Reimbursable Expenses for City of Ridgecrest Monthly Rent (\$300 -please see attached)	300.00

		Total	\$300.00
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**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, Inc.
 205 Cartwheel Bend (Operations Dept.)
 Austin, TX 78738 US
 512.568.3084
 operations@capitolcore.com
 www.capitolcore.com

BILL TO

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

INVOICE 2022-007**DATE** 03/02/2022 **TERMS** Net 45**DUE DATE** 04/16/2022**VENDOR ID**

195953-

INVOICE PERIOD

February 2022

DATE	ACCOUNT SUMMARY	AMOUNT
02/02/2022	Balance Forward	13,906.25
	Other payments and credits after 02/02/2022 through 03/01/2022	0.00
03/02/2022	Other invoices from this date	0.00
03/02/2022	Other payments from this date	-13,906.25
	New charges (details below)	17,187.50
	Total Amount Due	17,187.50

ACTIVITY	HOURS	RATE	AMOUNT
Charges			
Task 1 -- Secure Imported Water Supplies			
Government Relations: Intergovernmental Affairs Private Seller 2: Client e-mails and research (McKinney)	0.75	250.00	187.50
Government Relations: Intergovernmental Affairs Agency 1: Letter and Packet Development (McKinney)	1	250.00	250.00
Government Relations: Intergovernmental Affairs Agency 1: Support Letters Development (McKinney)	1.50	250.00	375.00
Government Relations: Intergovernmental Affairs General: Bond Counsel Meeting (McKinney)	1.50	250.00	375.00
Government Relations: Intergovernmental Affairs Sub-Task 1D -- 2022 Water Supplier Inquiries (Tatum)	3.50	250.00	875.00
Government Relations: Intergovernmental Affairs Internal water calls and client communications (Tatum)	1	250.00	250.00
Government Relations: Intergovernmental Affairs Agency 1: Negotiations/Discussion (Tatum)	1	250.00	250.00
Government Relations: Intergovernmental Affairs Private Seller 2: Client Meeting (special meeting closed session) and internal meetings; review term sheet draft (Tatum)	4	250.00	1,000.00
Government Relations: Intergovernmental Affairs Private Seller 2: LOI call w/seller (Tatum)	0.50	250.00	125.00

ACTIVITY	HOURS	RATE	AMOUNT
Government Relations: Intergovernmental Affairs Sub-Task 1D: 2022 Water Suppliers Inquiry and Internal/Client Meetings (Simonetti)	4.50	225.00	1,012.50
Government Relations: Intergovernmental Affairs Agency 1: Document Preparation, Negotiation w/ Agency, follow-up, meeting with U.S. Navy, stakeholder letters, and coordination (Simonetti)	8.25	225.00	1,856.25
Government Relations: Intergovernmental Affairs General: Bond Counsel and Water Assets Meetings (Various) (Simonetti)	2.75	225.00	618.75
Government Relations: Intergovernmental Affairs Private Seller 2: Client Calls, Closed Session, Document Preparation, Term Sheet Preparation, Review/Edits (Simonetti)	6.25	225.00	1,406.25
Total Task 1 = \$6,515.25 (36.5 hours)			
Task 2 -- Secure Federal Funding Sources			
Government Relations: Federal Direct Advocacy: Wastewater Treatment Plant -- DCIP Amendment Lobbying Packet Development (McKinney)	3	250.00	750.00
Government Relations: Federal Agency: Water Recycling Plant -- Misc. Agency Program Review and correspondence with client (McKinney)	1	250.00	250.00
Government Relations: Federal Agency: WRP/WWTP/Interconnection -- USEPA Briefing, preparation, scoping meeting and after-action report (McKinney)	3.75	250.00	937.50
Government Relations: Federal Agency: Water Recycling Plant -- CalOES/FEMA, HMGP scoping meeting and client follow-up (McKinney)	1	250.00	250.00
Government Relations: Federal Agency: USEPA Briefing (various projects and activities) (Simonetti)	2.50	225.00	562.50
Government Relations: Federal Agency: DOI-BOR call (Simonetti)	0.75	225.00	168.75
Total Task 2 -- \$2,688.75 (12 hours)			
Task 3 -- Secure State Funding Sources			
Government Relations: California Legislative: Wastewater Treatment Plan -- State Funding Request Development (McKinney)	3.75	250.00	937.50
Government Relations: California Agency: Interconnection Project -- DWR, SGMA-IP: Water District briefing discussion and follow-up (McKinney)	1	250.00	250.00
Government Relations: California Agency: Interconnection Project -- DWR, SGMA-IP: Client e-mails, review documents and final transition to Stetson (McKinney)	3.75	250.00	937.50
Government Relations: California Agency: Interconnection Project -- DWR, SGMA-IP Water District Briefing, review documents, internal meetings and transition to Stetson (Simonetti)	3	225.00	675.00
Government Relations: California Legislative: Wastewater Treatment Plant -- review documents and call w/ Asm. Fong's staff	1	225.00	225.00
Total Task 3 -- \$1,495.00 (12.5 hours)			
Task 4 -- Administrative (Board Meetings/Reports)			

ACTIVITY	HOURS	RATE	AMOUNT
Administrative Board Meeting: Closed Session (McKinney)	0.25	250.00	62.50
Administrative Board Meeting: Open Session presentation (McKinney)	3	250.00	750.00
Administrative Board Meeting: Closed and Open Session (Tatum)	2	250.00	500.00
Administrative Monthly Reporting (various) (Simonetti)	2	225.00	450.00
Administrative Board Meetings: Closed and Open Session/Special Session (Simonetti)	4	225.00	900.00
Total Task 4 -- \$2,662.50 (11.25 hours)			

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

TOTAL OF NEW CHARGES

17,187.50

TOTAL DUE	\$17,187.50
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California Association of Mutual Water Companies
 1370 N. Brea Blvd., Suite 235
 Fullerton, CA 92835



INVOICE

BILL TO	Date	Invoice No
Indian Wells Valley Groundwater Authority 500 W Ridgecrest Blvd. Ridgecrest, CA 93555	Jan 27, 2022	02120

Description	Rate	Due Date
		Total
CalMutuals 2022 Membership Dues AFFILIATE MEMBERS:Non-Portable Districts		\$100
Please make checks payable to California Association of Mutual Water Companies and send payments to the address at the top of the invoice. Payments accepted online by credit card at https://caomwc.wildapricot.org/ . For billing inquiries, please call (714) 709-4040. Thank you!	Total	\$100
	Payments	
	Balance Due	\$100



January 2022

Dear Affiliate Member:

Happy New Year! Thank you for your Affiliate Membership with the California Association for Mutual Water Companies (CalMutuals), and your participation in CalMutuals JPRIMA insurance program. As a reminder, membership with CalMutuals is required to enjoy JPRIMA insurance coverage. Affiliate membership is free to CalMutuals JPRIMA insureds for the first year and offered at a reduced rate thereafter.

Enclosed is an invoice for your 2022 Affiliate Membership dues, which is discounted as a result of your participation in CalMutuals JPRIMA insurance program. Also enclosed is a contact form with information we have for your organization. Your help in reviewing and updating the information would be greatly appreciated and will help us to more effectively help you. Membership dues and contact information can be updated through US Mail or online at <https://caomwc.wildapricot.org/>

In 2021, CalMutuals JPRIMA retained 99% of its insureds/members, maintained competitive pricing, and again declared a dividend for all Workers' Comp clients insured in policy year 2018 equaling 5% of the 2018 annual premium paid. CalMutuals JPRIMA expanded insurance offerings beyond Property and Casualty, Workers' Compensation and Pollution to include a new Cybersecurity product, and published and distributed valuable risk management guidance through the *Practitioner's Handbook of Risk Management for Water & Wastewater Systems* written by risk management expert, Gordon Graham and CalMutuals JPRIMA's Insurance Administrator, Paul Fuller.

Last year CalMutuals JPRIMA net position increased by 68% over the previous year and the Authority continued to invest insurance residuals to generate needed funding for resources that help CalMutuals small system members. These resources are available to support our Affiliate members as well. Resources are available at no cost for member water systems with less than 500 service connections and to members purchasing both the JPRIMA P&C and Workers' Comp insurance and at a reduced cost to all remaining members. These resources include:

- **Online Water Treatment and Distribution Operator training courses and Continuing Education Units (CEUs)** for member's employees through the *American Water College*.
- **Background checks** for potential employees, and potential board members to assure the quality of employees and potential candidates through *OPEN Online*.
- **Management Training Video series** in conjunction with *American Association of Water Distribution & Management*. The subjects of the videos include Inverse Condemnation, Critical Infrastructure, Climate Change, Risk Management, and include perspectives from attorneys, insurance professionals, and case studies presented by water agency managers.

We value your membership and look forward to continued collaboration in 2022. If you, or another member of your organization, have questions about CalMutuals or CalMutuals JPRIMA please do not hesitate to contact us.

Sincerely,

Adán Ortega
Executive Director, CalMutuals
adan@calmutuals.org
(714) 709-4040

Susan Allen
CEO CalMutuals-JPRIMA
susan@calmutuals.org
(562) 301-0852

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

Invoice 2390



BILL TO Carol Thomas-Keefer Indian Wells Valley Groundwater Authority 500 W. Ridgecrest Blvd. Ridgecrest, CA 93555 USA	SHIP TO Carol Thomas-Keefer Indian Wells Valley Groundwater Authority 500 W. Ridgecrest Blvd. Ridgecrest, CA 93555 USA
--	--

DATE
02/15/2022

PLEASE PAY
\$1,680.00

DUE DATE
03/17/2022

ITEM	DESCRIPTION	QTY	RATE	AMOUNT
2DSNN12 - Annual	Analytics Dashboard well subscription (annual) - 10 wells for 12 months (2022)	10	168.00	1,680.00
Sales Tax	Sales Tax calculated by AvaTax on Thu 17 Feb 17:32:54 UTC 2022	1	0.00	0.00

TOTAL DUE

\$1,680.00

THANK YOU.

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IWVGA Board Meeting March 9, 2022

Proposition 1 Status Update

- **Invoice #11a**
 - Covers April through June 2021
 - Total requested payment after retention: **\$69,955.50**
 - Status: Payment received
- **Invoice #12a**
 - Covers July through September 2021
 - Total requested payment after retention: **\$1,843.88**
 - Status: Additional revisions were made and submitted to DWR on February 18
 - Formatting of costs included from Invoices 8a & 9a (totaling **\$130,850.07** after retention)
- **Invoice #13a**
 - Covers October through December 2021
 - Total requested payment after retention: **\$299.70**
 - Status: Submitted on February 28
 - Progress report #13 submitted on February 28, including both Prop 1 and Prop 68 reports

AGENDA ITEM 9a.i



IWVGA Board Meeting March 9, 2022

Proposition 68 Status Update

- **Invoice # 10b**
 - Covers January through March 2021
 - Total requested payment after retention: **\$2,865.04**
 - Status: Payment was processed in November 2021, currently awaiting payment
- **Invoice # 11b**
 - Covers April through June 2021
 - Total requested payment after retention: **\$3,552.11**
 - Status: Payment received
- **Invoice # 12b**
 - Covers July through September 2021
 - Total requested payment after retention: **\$3,158.82**
 - Status: Currently awaiting payment
- **Invoice # 13b**
 - Covers October through December 2021
 - Total requested payment after retention: **\$272.09**
 - Status: Submitted on February 28
- **Additional \$30,000 in grant funds has been made available for award**
 - Revised amendment documents were submitted to DWR on November 30
 - Documents are currently still under review, per DWR

AGENDA ITEM 9a.ii



IWVGA Board Meeting
March 9, 2022

Recycled Water Program Update

- Section 4: Identification of regulatory/permitting requirements and environmental/legal constraints for alternatives
 - Released to Technical Team on March 8, comments due March 25
- Section 5: Evaluation criteria for recycled water alternatives
 - Draft summary of criteria and proposed weighting released to Technical Team on March 8, comments due March 25
- Next Steps
 - Schedule next meeting with Technical Team for review of Section 4 and next steps for Section 5
 - Potentially schedule a meeting with Regional Board for input on recycled water projects and water quality concerns (if any)

AGENDA ITEM 9b.i



IWVGA Board Meeting
March 9, 2022

GSP WY 2021 Annual Report
Water Year 2021 (October 1 2020 to September 30 2021)

AGENDA ITEM 9C.i.



Background

- **SGMA Requirement**
 - Submit annual report to DWR by April 1, reporting on the previous Water Year (WY)
 - Major Components:
 - Progress Toward Sustainability
 - Groundwater Elevation Data
 - Water Supply Data
- **Status of Annual Reports**
 - WY 2021 Annual Report (3rd Annual)
 - Provided to IWVGA Staff and TAC for review/comment
 - Posted on IWVGA website
 - No DWR comments received on WY 2019 or WY 2020 Annual Reports

AGENDA ITEM 9C.i.



Annual Report Organization

- Executive Summary
- General Information
- Progress Towards GSP Implementation and Sustainability
- Hydrologic Conditions
- Groundwater Elevation Data
- Water Supply Data
- Other Data Collection and Basin Management Tools

AGENDA ITEM 9C.i.



Progress Towards Sustainability

• Projects and Management Actions

- **Management Action #1: Allocations, Transient Pool, Fallowing Program**
 - Resolution 04-20: Established reporting requirements for new groundwater wells.
 - Ordinance 04-20: Established requirements for the installation of, use of, and reporting on metering equipment.
 - Ordinance 05-20: Increased the groundwater extraction fee to \$105/A.F
 - Various other resolutions to direct non-compliant pumpers to report groundwater production and pay applicable groundwater production fees.
 - Resolution 01-21: Revise the existing Transient Pool program to allow for Transient Pool allocations transfers between qualified pumpers within the Transient Pool, as well as Transient Pool allocations transfers between certain other parties with approval from the IWVGA Board of Directors.
 - No allocation transfers were made and no Transient Pool members elected to participate in the Fallowing Program during WY 2021.

AGENDA ITEM 9C.i.



7

Progress Towards Sustainability

• Projects and Management Actions

- **Project #1: Imported Water Supply**
 - Capitol Core Group identified options for water transfers and pursued potential funding sources. (Additional progress has been made since WY 2021)
 - Surface Percolation Replenishment Study (Phase 1)
 - Purpose: Identify locations for potential recharge basins for further investigation with the goal of ultimately assessing feasibility to develop a surface spreading project.
 - Work on initial draft commenced
 - Proposition 68 Grant funding application
 - Grant proposal was not accepted by the DWR because the proposed project did not include a capital improvement/construction component.

AGENDA ITEM 9C.i.



8

Progress Towards Sustainability

- **Projects and Management Actions**

- **Project #2: Optimize Recycled Water Use**

- Resolution 02-20 adopted to formally created the Recycled Water Program.
 - IWWWD in discussion regarding participation in program.
 - An Option Agreement was executed between City of Ridgecrest and the IWVGA
 - Recycled Water Use Alternatives Analysis
 - Analysis in development.
 - A Technical Working Group was formed with IWVGA, Ridgecrest, and IWWWD.

- **Project #3: Conservation**

- Implementation of SDAC Conservation Program
 - Rebate Program completed.
 - Leak Detection Program ongoing.
 - Additional Water District conservation efforts

AGENDA ITEM 9C.i.



Progress Towards Sustainability

- **Projects and Management Actions**

- **Project #4: Shallow Well Mitigation Program**

- Continued program development through PAC and TAC.
 - Shallow Well Impact Report Form adopted.
 - No submittals of impacted wells to the IWVGA to date.

- **Project #5: Dust Control Mitigation**

- No work completed in WY 2021

- **Project #6: Pumping Optimization**

- No work completed in WY 2021

AGENDA ITEM 9C.i.



Progress Towards Sustainability

- Sustainable Management Criteria
 - Chronic Lowering of Groundwater Levels
 - 6 representative monitoring sites are above the measurable objective
 - 2 representative monitoring sites are within the operating range between the measurable objective and minimum threshold
 - 2 key sites do not have recent data and need sustainable management criteria to be established (ongoing work)
 - Current data do not indicate concern that the first interim milestones will not be met in 2025.

Progress Towards Sustainability

- Sustainable Management Criteria
 - Loss of Groundwater in Storage
 - Sustainable Management Criteria measured as loss of storage since WY 2020 in 5-year increments

Progress Towards Sustainability

- Sustainable Management Criteria
 - Degraded Water Quality (TDS concentrations)
 - 5 representative monitoring sites are below the measurable objective (based on last available data)
 - 4 representative monitoring sites have limited data and need sustainable management criteria to be established
 - 1 representative monitoring site is within the operating range between the measurable objective and minimum threshold (based on last available data)
 - Current data do not indicate concern that the first interim milestones will not be met in 2025.

Progress Towards Sustainability

- Sustainable Management Criteria
 - Land Subsidence
 - Due to implementation of projects and management actions that will result in stabilization of groundwater levels, the land subsidence is not anticipated to increase.
 - No representative monitoring sites outside of the SNORT alignment at NAWS China Lake have been established at this time.
 - No land subsidence data was provided by the U.S. Navy during WY 2021.
 - New InSAR data was made available on the SGMA Data Viewer for WY 2020 (most recent year of data) which indicate the majority of the Basin experienced a slight vertical elevation displacement.

Hydrologic Conditions

Water Year Types based on Precipitation at China Lake NAF Station (No. 041733)

WY	Annual Precipitation (in/yr)	Water Year Type
2015	3.67	N
2016	1.38	BN
2017	4.61	AN
2018	1.43	BN
2019	6.13	W
2020	5.57	AN
2021	0.58	D

Notes: W = Wet, AN = Above Normal; N = Normal; BN = Below Normal; D = Dry.

AGENDA ITEM 9C.i.

15



Groundwater Elevation Data

• Contours

- Depth to Water measured at 88 wells in Fall 2020 and 113 wells in Spring 2021
 - Domestic wells were not sampled due to Covid-19 restrictions
- KCWA produced Fall 2020 and Spring 2021 groundwater elevation contours to show seasonal highs and seasonal lows
- Groundwater flows from Rose Valley, Sierras, Argus Range, and El Paso subarea towards the playa at center of the basin
- Pumping centers form depressions
- Little seasonal variation shown between Fall 2020 and Spring 2021 contours
 - Trends and changes are better displayed on hydrographs

AGENDA ITEM 9C.i.

16



Groundwater Elevation Data

- Hydrographs
 - Hydrographs have been developed for all wells in the IWV Groundwater Monitoring Program (GWMP)
 - Posted on the DMS website (www.iwvgsp.com)

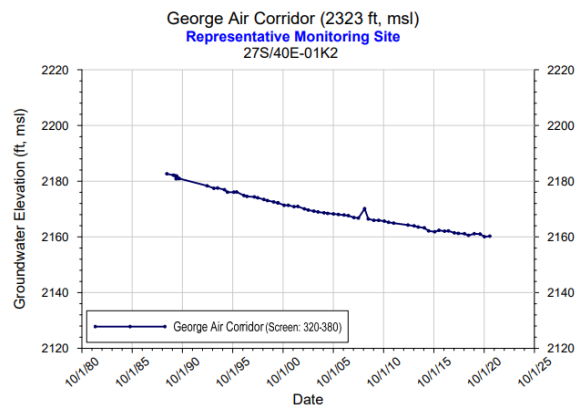
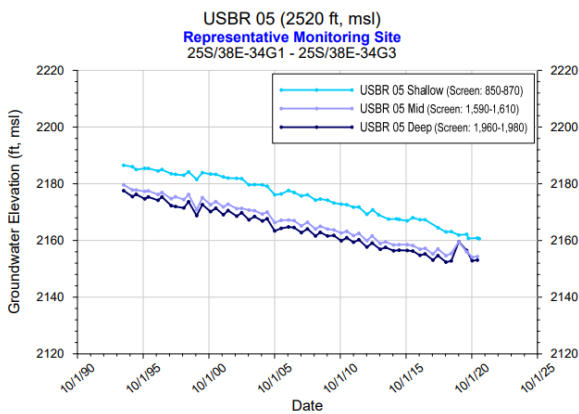
AGENDA ITEM 9C.i.

17



Groundwater Elevation Data

- Hydrographs



AGENDA ITEM 9C.i.

18



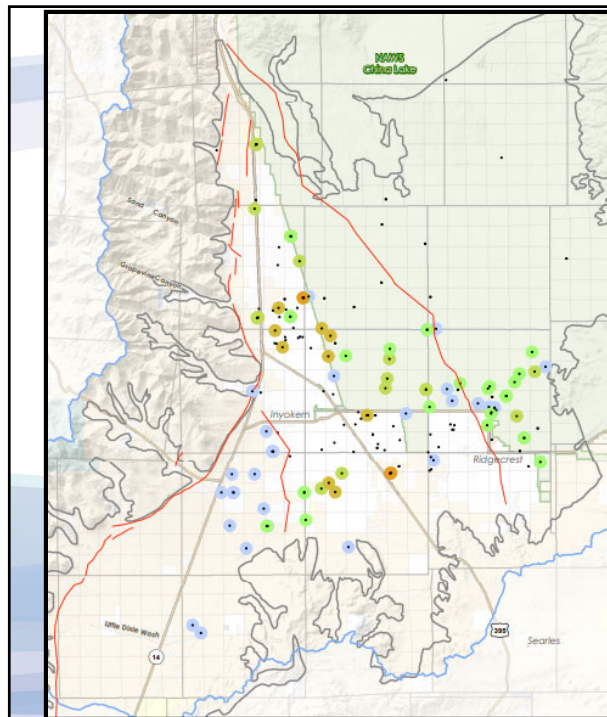
Groundwater Elevation Data

• Groundwater in Storage

- Current groundwater datasets are considered insufficient for estimating the total change of groundwater in storage for WY 2021. (Data collection issues discussed later)
- Given the partial data available during the last two years, the WY 2021 Annual Report is limited to the changes in groundwater levels observed between 2015 and 2021 for the discussion of storage change.

AGENDA ITEM 9C.i.

19



Average Annual Groundwater Level Change WY 2015 – 2021 (6 years)

- 93 wells with concordant data from WY 2015 and WY 2021
- Increase of 46 wells compared to WY 2020
- Greatest decline of groundwater levels occur near the northwest and south/southwest pumping centers
- Note: 1.5 ft/yr decline over 6 years is 9 ft

Observed Groundwater Level Declines WY 2015-2021 (feet)



Water Supply Data

- **Groundwater Extraction Data**

- Based on reported groundwater pumping data for extraction fees and best available data from sources available to the IWVGA

Water Use Sector	WY 2021	WY 2021
	Reported Pumping (AF)	Estimated Pumping (AF)
Urban	6,530	6,530
Industrial	2,180	2,180
Agriculture	8,820	8,900
Other – Federal	1,770	1,770
Other – Domestic/ Mutuals/Co-Ops	430	1,420
TOTAL	(incomplete)	20,800

AGENDA ITEM 9C.i.

21



Water Supply Data

- **Groundwater Extraction Data**

Water Year	Total Estimated Pumping (AF)
WY 2019	22,800
WY 2020	21,990
WY 2021	20,800

In WY 2021, the estimated total groundwater production was 2.7 times the estimated sustainable yield of 7,650 indicating overdraft conditions have continued in the IWV.

AGENDA ITEM 9C.i.

22



Water Supply Data

- Recycled Water Use

- Golf course landscape irrigation (urban)
- Agricultural irrigation (alfalfa)
- Partial maintenance of the Mojave Tui Chub habitat (environmental water)
- Discharge to evaporation/percolation ponds

Recycled Water Use Sector	WY 2021 Estimated Use (AF)
Urban	400
Agriculture	110
Other	790
TOTAL	1,330

Water Supply Data

- Total Water Use Summary (Estimated)

Use Category	WY 2021 Estimated Total Water Use (AF)
Groundwater Production	20,800
Recycled Water	1,300
TOTAL	22,100

Other Data Collection and Basin Management Tasks

- Annual Water Quality Testing (ongoing)
- Rose Valley Monitoring Wells (in progress)
 - The IWVGA coordinated with the U.S. Navy and BLM to develop a project to install monitoring wells in near the Little Lake region of the IWVGB to monitor subsurface inflow from Rose Valley.
- El Paso Monitoring Well (completed)
 - TSS Agreement with DWR to drill and construct one triple-nested monitoring well in the El Paso Subbasin. Well installation completed in March 2021.
- Brackish Water Investigation by Water District (in progress)
 - APT test conducted in northern agricultural area of Basin



Other Data Collection and Basin Management Tasks

- Numerical Model (in progress)
 - CMP process ongoing to transfer numerical model to the IWVGA.
- Data Management System (ongoing)
 - Updated with most recent groundwater levels and contour maps.
 - Telemetry data posted on DMS hydrographs and additional telemetry equipment installed
- Precipitation Station and Steam Gage Data Collection (ongoing)
- Other Prop 1 Data Collection/Installations (completed)
 - Chimney Peak Precipitation Station installed and APT test conducted. Technical Reports for isotope sampling, water quality sampling, APT tests completed.



Comments Received on Draft Annual Report

- Initial Draft prepared in January 2022
- Comment Period: January 31 to February 25, 2022
- 3 Comment Documents Received
- Each comment carefully considered
 - Several comments were related to the lack of a quantified change of storage estimate for WY 2021 (discussed previously)
 - Several comments suggested changes to the GSP that are more suitable to be addressed in the 5-year update of the GSP

Changes Incorporated into Final Draft Annual Report

- Inclusion of Navy production data
 - Finalization of tables of Production Estimates
- Addition of monitoring program attachment
 - Provides current monitoring network and documents revisions
- Inclusion of land subsidence figure
- Additional information regarding steps to resolve data collection issues
- Clarification to sustainable management criteria description
- Additional corrections, clarifications, and minor edits from comments received

Continued Tasks

- Resolution of Data Collection Issues
 - Spring 2022 sampling event scheduled for mid-March 2022 (10th -17th)
 - Plan in place to measure water levels at approximately 160 wells and take 180 measurements
 - WRM is calling all domestic well owners in monitoring program to confirm well availability for spring water level sampling
 - KCWA still under Covid-19 restrictions
 - 2 additional staff have been added to support KCWA's data collection
 - KCWA and WRM will collect data
 - WRM will train new Navy field staff
 - Telemetry equipment maintenance will take place at 9 wells
 - Stetson is updating well access agreements for KCWA

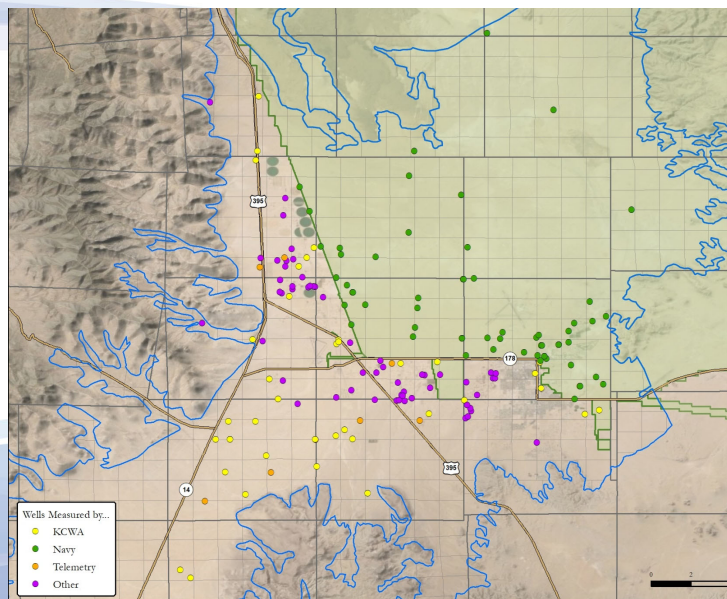
AGENDA ITEM 9C.i.

29



Continued Tasks

- Resolution of Data Collection Issues
 - Spring 2022 sampling event scheduled for mid-March 2022 (10th -17th)



AGENDA ITEM 9C.i.

30



Continued Tasks

- 5-Year GSP Update Tasks (2022-2025)
 - CMP Process
 - Update the numerical model
 - Evaluate storage change using the numerical model and Thiessen Polygon method and original GSP water budgets
 - Plan Updates
 - Incorporate new data collected since GSP preparation (update water budget, update model, re-evaluate any changes to groundwater conditions using sustainability indicators)
 - Incorporate Recommended Corrective Actions (RCAs) from DWR's review of GSP
 - Evaluate establishing management areas (separating the El Paso subbasin from the main IWV basin)
 - Evaluate representative monitoring sites and sustainable management criteria
 - TAC Engagement and Input will be Critical

AGENDA ITEM 9C.i.

31 

IWVGA Board Meeting March 9, 2022

Status Updates on Technical Work re: GSP Data Gaps

Groundwater Dependent Ecosystems (GDE)

- Navy biologist evaluating GDE sites first week of March 2022
- Next step: determine if new sites will provide GDE monitoring

AGENDA ITEM 9c.ii

32 

IWVGA Board Meeting
March 9, 2022

Status Updates on Technical Work re: GSP Data Gaps

Subflow from Rose Valley to IWV

- 2/15 BLM approved Variance Request with well construction maps
- 2/18 BLM issued Right-of-Way Notice to Proceed (NTP)
- Postponed February 21st Drilling Start
- Status – waiting for Navy Contracting Approval

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BUDGET TO ACTUAL REPORT- JANUARY

ACTUALS BY REVENUE ALLOCATION

	(A) BUDGET	Restricted Extraction	Restricted Augmentation	Restricted Shallow Well Mitigation	Restricted Prop. 1 SDAC	Restricted Prop. 1/68	(B) \$ ACTUAL	(A-B) \$ REMAINING	(B/A) % COMPLETED
1 REVENUE									
2 Extraction Fee	1,245,105	75,526	-	-	-	-	75,526	1,169,579	6%
3 Transfer In/Loan from Augmentation Fund	1,062,745	-	-	-	-	-	-	1,062,745	0%
4 Augmentation Fee	4,069,625	-	254,517	-	-	-	254,517	3,815,108	6%
5 Transfer In/Loan Repayment from Extraction Fund	-	-	-	-	-	-	-	-	0%
6 Shallow Well Mitigation Fee	195,250	-	-	2,497	-	-	2,497	192,753	1%
7 Department of Water Resources (DWR) Grants	338,500	-	-	-	-	-	-	338,500	0%
8									
9 TOTAL REVENUES	6,911,225	75,526	254,517	2,497	-	-	332,540	6,578,685	5%
10 EXPENSES									
11 Administration									
12 Administration (RGS)	333,000	13,351	13,351	-	-	-	26,703	306,297	8%
13 Office Rent	3,600	-	-	-	-	-	-	3,600	0%
14 Office Supplies	1,000	-	-	-	-	-	-	1,000	0%
15 Postage and Delivery	360	-	-	-	-	-	-	360	0%
16 External Audit (Brown & Associates)	12,000	-	-	-	-	-	-	12,000	0%
17 Council Chambers/IT Services	8,500	-	-	-	-	-	-	8,500	0%
18 General Counsel (OMLO Law)	150,000	-	-	-	-	-	-	150,000	0%
19 Insurance Premium (Insurica)	13,160	-	-	-	-	-	-	13,160	0%
20 Legal Notices (Daily Independent)	2,000	-	-	-	-	-	-	2,000	0%
21 Memberships (Cal. Assoc.Mutual Water Co)	100	-	-	-	-	-	-	100	0%
22 Website (IWVWD)	300	-	-	-	-	-	-	300	0%
23 Printing and Reproduction	-	-	-	-	-	-	-	-	0%
24 Bank Service Charges	-	-	-	-	-	-	-	-	0%
25									
26 Non-Departmental									
27 Other Legal Services (RWG Law)	500,000	-	3,896	-	-	-	3,896	496,104	1%
28 Lobbying Services (Capitol Core)	175,000	-	13,313	-	-	-	13,313	161,688	8%
29 Other Professional Services	-	-	-	-	-	-	-	-	0%
30 Repayment of Kern County Advance	500,000	-	-	-	-	-	-	500,000	0%
31 Repayment of City of Ridgecrest In-Kind Services	300,000	-	-	-	-	-	-	300,000	0%
32 Transfer Out/ Loan Repayment to Augmentation Fund	-	-	-	-	-	-	-	-	0%
33 Transfer Out/Loan to Extraction Fund	1,062,745	-	-	-	-	-	-	1,062,745	0%

BUDGET TO ACTUAL REPORT- JANUARY

ACTUALS BY REVENUE ALLOCATION

	(A) BUDGET	Restricted Extraction	Restricted Augmentation	Restricted Shallow Well Mitigation	Restricted Prop. 1 SDAC	Restricted Prop. 1/68	(B) \$ ACTUAL	(A-B) \$ REMAINING	(B/A) % COMPLETED	
34									34	
35	Conservation Programs								35	
36	Outreach & Technical Services (Cal Rural Water Assoc & Water Wise)	306,500	-	-	-	-	-	306,500	0%	36
37									37	
38	Basin Management Administration								38	
39	Production Reporting, Transient Pool, and Fee Support	34,000	-	-	-	-	-	34,000	0%	39
40	Meetings and Prep	120,000	7,541	-	-	-	7,541	112,459	6%	40
41	Budget Support	10,000	-	-	-	-	-	10,000	0%	41
42	Stakeholder Coordination	10,000	-	-	-	-	-	10,000	0%	42
43	Litigation Support	40,000	356	-	-	-	356	39,645	1%	43
44									44	
45	Basin Management								45	
46	POAM No. 20 Data Management System	-	-	-	-	-	-	-	0%	46
47	POAM No. 56 Monitoring Wells - Implementation	-	-	-	-	-	-	-	0%	47
48	POAM No. 78 Aquifer Tests	-	-	-	-	-	-	-	0%	48
49	Review of Ramboll Report (Task began in 2020)	8,210	-	-	-	-	-	8,210	0%	49
50	Prop 1 SDAC Program Support	15,000	-	-	83	-	83	14,917	1%	50
51	General Engineering	35,000	3,119	-	-	-	3,119	31,882	9%	51
52	TSS: El Paso Well Drilling Support	10,000	-	-	-	-	-	10,000	0%	52
53	TSS: General Coordination/Application Support	30,000	-	-	-	-	-	30,000	0%	53
54	Coordination with DWR on GSP Review	45,000	-	-	-	-	-	45,000	0%	54
55	Annual Report Preparation	30,000	1,642	-	-	-	1,642	28,359	5%	55
56	Data Management System Support	20,000	2,085	-	-	-	2,085	17,915	10%	56
57	Allocation Plan: Allocation Process & Transient Pool Support	-	356	-	-	-	356	(356)	0%	57
58	Allocation Plan and Rules & Regs on Pumping/Restrictions	10,000	-	-	-	-	-	10,000	0%	58
59	Allocation Plan: Fallowing & Transient Pool Transfer Program	-	-	-	-	-	-	-	0%	59
60	Conservation Efforts	20,000	-	-	-	-	-	20,000	0%	60
61	General Project Management	30,000	3,036	-	-	-	3,036	26,965	10%	61
62	Model Transfer and Upgrade	150,000	5,063	-	-	-	5,063	144,937	3%	62
63	Navy/Coso Royalty Fund: Develop Projects & Secure Funding	30,000	-	-	-	-	-	30,000	0%	63
64	Navy/Coso Royalty Fund: Rose Valley MW Permitting, Bid Doc Spt & Drillin	300,000	-	-	-	-	-	300,000	0%	64
65	Data Collection, Monitoring, and Data Gaps	134,000	5,880	-	-	-	5,880	128,120	4%	65
66	Imported Water: Negotiations and Coordination	35,000	-	1,422	-	-	1,422	33,578	4%	66
67	Imported Water: Engineering and Analysis	118,000	4,121	-	-	-	4,121	113,879	3%	67
68	Recycled Water	180,000	-	17,345	-	-	17,345	162,655	10%	68

BUDGET TO ACTUAL REPORT- JANUARY

ACTUALS BY REVENUE ALLOCATION

	(A) BUDGET	Restricted Extraction	Restricted Augmentation	Restricted Shallow Well Mitigation	Restricted Prop. 1 SDAC	Restricted Prop. 1/68	(B) \$ ACTUAL	(A-B) \$ REMAINING	(B/A) % COMPLETED
69 EXPENSES (Cont'd)									
70 Basin Management (cont'd)									
71 Shallow Well Mitigation Program: Plan Development	-	-	-	1,115	-	-	1,115	(1,115)	0%
72 Shallow Well Mitigation Program: Outreach and Impacts Evaluation	20,000	-	-	-	-	-	-	20,000	0%
73 Brackish Water Group: Data Review and Coordination	7,500	-	-	-	-	-	-	7,500	0%
74 Well Monitoring Services (WellIntel Inc.)	2,100	-	-	-	-	-	-	2,100	0%
75 Weather Station Maintenance	-	-	-	-	-	-	-	-	0%
76									
77 Grant Management									
78 Prop 1 / Prop 68 Grant Administration	70,000	3,129	-	-	-	-	3,129	66,871	4%
79 Grant Review and Application Preparation	50,000	5,981	-	-	-	-	5,981	44,019	12%
80									
81 TOTAL EXPENSES	4,932,075	55,658	49,327	1,115	83	-	106,184	4,825,891	2%
82									
83 Surplus (Deficit)	1,979,150	19,868	205,190	1,382	(83)	-	226,356	1,752,794	

Budget to Actual Report includes all revenues and expenditures during the calendar year and is on a cash basis. Accruals will be finalized during the year-end reconciliation and audit process and presented in a separate report. 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. 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.

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				
Estimated 2022 Loan to Extraction Fund*	-	-	1,062,745	1,062,745
Repayment of Adv. Of Funds to IWVWD**	-	-	500,000	500,000
Estimated 2021 Loan to Extraction Fund-TBD***	-	-	-	-
Postponed Invoice Payments				
None	-	-	-	-
Total	<u>500,000</u>	<u>300,000</u>	<u>1,562,745</u>	<u>2,362,745</u>

* Included in Adopted 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.

*** Review of 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.

ADOPTED 2022 OBLIGATION REPAYMENTS

	Kern County	City of Ridgecrest	Augmentation Fund	Total
Advance Agreements				
\$125,000 scheduled in March, June, Sept, Dec	500,000	-	-	500,000
In-Kind Services				
Attorney Services/IT/Council Chambers	-	300,000	-	300,000
	<u>500,000</u>	<u>300,000</u>	<u>-</u>	<u>800,000</u>

Upon repayment of the 2022 Obligations, an inter-fund loan of \$800,000 will be created between the Extraction Fund and Augmentation Fund and added to Outstanding Obligations under Inter-Fund Loans.

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.

CASH BALANCE

January 2022 Activity

Cash Receipts (Receipts over \$50,000 and all grants are detailed)

IWVWD - Augmentation, Extraction, SWM Fees	\$ 292,000.59
All Other Cash Receipts	40,539.06
Total Cash Receipts	\$ 332,539.65

Cash Disbursements

Warrants - 1/31/2022	\$ (106,183.14)
Total Cash Disbursements	\$ (106,183.14)

Cash Balance

Prior Month to Current Month Ending Balance Reconciliation

December Cash Balance By Investment

Kern County Treasurer	\$ 2,256,448.37
Mission Bank	789,404.50
Total December Cash Balance as of December 31	\$ 3,045,852.87

January Activity

Cash Receipts	\$ 332,539.65
Cash Disbursements	(106,183.14)
Total January Activity	\$ 226,356.51

January Ending Cash Balance	\$ 3,272,209.38
Less: Outstanding Warrants	(129,235.15)
Total Available Cash By Activity as of January 31	\$ 3,142,974.23

January Cash Balance by Investment

Kern County Treasurer	\$ 3,242,209.38
Mission Bank	30,000.00
Total January Balance	\$ 3,272,209.38
Less: Outstanding Warrants	(129,235.15)
Total Available Cash by Investment as of January 31	\$ 3,142,974.23

Cash Receipts are deposited in Mission Bank and sent electronically to Kern County Treasurer. Cash in Transit at month end will be reflected in the Kern County Treasurer balance. Warrants are approved by IWVGA Board and administratively processed by IWVGA staff. Warrants are executed by Kern County staff. Outstanding Warrants are vendor invoices received by 1/31/2022 and not yet paid. Outstanding Obligations are detailed in a separate attached report.

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BUDGET TO ACTUAL REPORT- FEBRUARY

ACTUALS BY REVENUE ALLOCATION

	(A) BUDGET	Restricted Extraction	Restricted Augmentation	Restricted Shallow Well Mitigation	Restricted Prop. 1 SDAC	Restricted Prop. 1/68	(B) \$ ACTUAL	(A-B) \$ REMAINING	(B/A) % COMPLETED
1 REVENUE									
2 Extraction Fee	1,245,105	75,872	-	-	-	-	75,872	1,169,233	6%
3 Transfer In/Loan from Augmentation Fund	1,062,745	-	-	-	-	-	-	1,062,745	0%
4 Augmentation Fee	4,069,625	-	254,517	-	-	-	254,517	3,815,108	6%
5 Transfer In/Loan Repayment from Extraction Fund	-	-	-	-	-	-	-	-	0%
6 Shallow Well Mitigation Fee	195,250	-	-	2,888	-	-	2,888	192,362	1%
7 Department of Water Resources (DWR) Grants	338,500	-	-	-	147,676	3,552	151,228	187,272	45%
8									
9 TOTAL REVENUES	6,911,225	75,872	254,517	2,888	147,676	3,552	484,505	6,426,720	7%
10 EXPENSES									
11 Administration									
12 Administration (RGS)	333,000	28,471	28,471	-	-	-	56,942	276,058	17%
13 Office Rent	3,600	150	150	-	-	-	300	3,300	8%
14 Office Supplies	1,000	-	-	-	-	-	-	1,000	0%
15 Postage and Delivery	360	-	-	-	-	-	-	360	0%
16 External Audit (Brown & Associates)	12,000	-	-	-	-	-	-	12,000	0%
17 Council Chambers/IT Services	8,500	-	-	-	-	-	-	8,500	0%
18 General Counsel (OMLO Law)	150,000	-	-	-	-	-	-	150,000	0%
19 Insurance Premium (Insurica)	13,160	-	-	-	-	-	-	13,160	0%
20 Legal Notices (Daily Independent)	2,000	-	-	-	-	-	-	2,000	0%
21 Memberships (Cal. Assoc.Mutual Water Co)	100	-	-	-	-	-	-	100	0%
22 Website (IWVWD)	300	-	-	-	-	-	-	300	0%
23 Printing and Reproduction	-	-	-	-	-	-	-	-	0%
24 Bank Service Charges	-	-	-	-	-	-	-	-	0%
25									
26 Non-Departmental									
27 Other Legal Services (RWG Law)	500,000	-	8,648	-	-	-	8,648	491,352	2%
28 Lobbying Services (Capitol Core)	175,000	-	27,219	-	-	-	27,219	147,781	16%
29 Other Professional Services	-	-	-	-	-	-	-	-	0%
30 Repayment of Kern County Advance	500,000	-	-	-	-	-	-	500,000	0%
31 Repayment of City of Ridgecrest In-Kind Services	300,000	-	-	-	-	-	-	300,000	0%
32 Transfer Out/ Loan Repayment to Augmentation Fund	-	-	-	-	-	-	-	-	0%
33 Transfer Out/Loan to Extraction Fund	1,062,745	-	-	-	-	-	-	1,062,745	0%

BUDGET TO ACTUAL REPORT- FEBRUARY

ACTUALS BY REVENUE ALLOCATION

	(A) BUDGET	Restricted Extraction	Restricted Augmentation	Restricted Shallow Well Mitigation	Restricted Prop. 1 SDAC	Restricted Prop. 1/68	(B) \$ ACTUAL	(A-B) \$ REMAINING	(B/A) % COMPLETED	
34									34	
35	Conservation Programs								35	
36	Outreach & Technical Services (Cal Rural Water Assoc & Water Wise)	306,500	-	-	-	-	-	306,500	0%	36
37									37	
38	Basin Management Administration								38	
39	Production Reporting, Transient Pool, and Fee Support	34,000	-	-	-	-	-	34,000	0%	39
40	Meetings and Prep	120,000	14,997	-	-	-	14,997	105,003	12%	40
41	Budget Support	10,000	-	-	-	-	-	10,000	0%	41
42	Stakeholder Coordination	10,000	-	-	-	-	-	10,000	0%	42
43	Litigation Support	40,000	356	-	-	-	356	39,645	1%	43
44									44	
45	Basin Management								45	
46	POAM No. 20 Data Management System	-	-	-	-	-	-	-	0%	46
47	POAM No. 56 Monitoring Wells - Implementation	-	-	-	-	-	-	-	0%	47
48	POAM No. 78 Aquifer Tests	-	-	-	-	-	-	-	0%	48
49	Review of Ramboll Report (Task began in 2020)	8,210	-	-	-	-	-	8,210	0%	49
50	Prop 1 SDAC Program Support	15,000	-	-	333	-	333	14,667	2%	50
51	General Engineering	35,000	10,054	-	-	-	10,054	24,946	29%	51
52	TSS: El Paso Well Drilling Support	10,000	-	-	-	-	-	10,000	0%	52
53	TSS: General Coordination/Application Support	30,000	-	-	-	-	-	30,000	0%	53
54	Coordination with DWR on GSP Review	45,000	64	-	-	-	64	44,936	0%	54
55	Annual Report Preparation	30,000	11,591	-	-	-	11,591	18,410	39%	55
56	Data Management System Support	20,000	4,070	-	-	-	4,070	15,930	20%	56
57	Allocation Plan: Allocation Process & Transient Pool Support	-	356	-	-	-	356	(356)	0%	57
58	Allocation Plan and Rules & Regs on Pumping/Restrictions	10,000	-	-	-	-	-	10,000	0%	58
59	Allocation Plan: Fallowing & Transient Pool Transfer Program	-	-	-	-	-	-	-	0%	59
60	Conservation Efforts	20,000	-	-	-	-	-	20,000	0%	60
61	General Project Management	30,000	8,648	-	-	-	8,648	21,352	29%	61
62	Model Transfer and Upgrade	150,000	5,419	-	-	-	5,419	144,581	4%	62
63	Navy/Coso Royalty Fund: Develop Projects & Secure Funding	30,000	-	-	-	-	-	30,000	0%	63
64	Navy/Coso Royalty Fund: Rose Valley MW Permitting, Bid Doc Spt & Drillin	300,000	119	-	-	-	119	299,882	0%	64
65	Data Collection, Monitoring, and Data Gaps	134,000	20,755	-	-	-	20,755	113,245	15%	65
66	Imported Water: Negotiations and Coordination	35,000	-	2,844	-	-	2,844	32,156	8%	66
67	Imported Water: Engineering and Analysis	118,000	9,816	-	-	-	9,816	108,184	8%	67
68	Recycled Water	180,000	-	33,136	-	-	33,136	146,864	18%	68

BUDGET TO ACTUAL REPORT- FEBRUARY

ACTUALS BY REVENUE ALLOCATION

	(A) BUDGET	Restricted Extraction	Restricted Augmentation	Restricted Shallow Well Mitigation	Restricted Prop. 1 SDAC	Restricted Prop. 1/68	(B) \$ ACTUAL	(A-B) \$ REMAINING	(B/A) % COMPLETED
69 EXPENSES (Cont'd)									
70 Basin Management (cont'd)									
71 Shallow Well Mitigation Program: Plan Development	-	-	-	1,115	-	-	1,115	(1,115)	0%
72 Shallow Well Mitigation Program: Outreach and Impacts Evaluation	20,000	-	-	-	-	-	-	20,000	0%
73 Brackish Water Group: Data Review and Coordination	7,500	-	-	-	-	-	-	7,500	0%
74 Well Monitoring Services (WellIntel Inc.)	2,100	-	-	-	-	-	-	2,100	0%
75 Weather Station Maintenance	-	-	-	-	-	-	-	-	0%
76									
77 Grant Management									
78 Prop 1 / Prop 68 Grant Administration	70,000	3,573	-	-	-	-	3,573	66,427	5%
79 Grant Review and Application Preparation	50,000	15,067	-	-	-	-	15,067	34,933	30%
80									
81 TOTAL EXPENSES	4,932,075	133,503	100,469	1,115	333	-	235,419	4,696,656	5%
82									
83 Surplus (Deficit)	1,979,150	(57,631)	154,048	1,773	147,343	3,552	249,085	1,730,065	

Budget to Actual Report includes all revenues and expenditures during the calendar year and is on a cash basis. Accruals will be finalized during the year-end reconciliation and audit process and presented in a separate report. 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. 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.

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				
Estimated 2022 Loan to Extraction Fund*	-	-	1,062,745	1,062,745
Repayment of Adv. Of Funds to IWVWD**	-	-	500,000	500,000
Estimated 2021 Loan to Extraction Fund-TBD***	-	-	-	-
Postponed Invoice Payments				
None	-	-	-	-
Total	500,000	300,000	1,562,745	2,362,745

* Included in Adopted 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.

*** Review of 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.

ADOPTED 2022 OBLIGATION REPAYMENTS

	Kern County	City of Ridgecrest	Augmentation Fund	Total
Advance Agreements				
\$125,000 scheduled in March, June, Sept, Dec	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 of \$800,000 will be created between the Extraction Fund and Augmentation Fund and added to Outstanding Obligations under Inter-Fund Loans.

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.

IWVGA
As of February 28, 2022

CASH BALANCE

February 2022 Activity

Cash Receipts (Receipts over \$50,000 and all grants are detailed)

DWR - Prop 1 Grant - Invoice 10A	\$ 77,720.33
DWR - Prop 1 Grant - Invoice 11A	69,955.50
DWR - Prop. 68 Grant - Invoice 11B	3,552.11
All Other Cash Receipts	<u>737.10</u>
Total Cash Receipts	\$ 151,965.04

Cash Disbursements

Warrants - 2/28/2022	\$ (129,235.15)
Total Cash Disbursements	\$ (129,235.15)

Cash Balance

Prior Month to Current Month Ending Balance Reconciliation

January Cash Balance By Investment

Kern County Treasurer	\$ 3,242,209.38
Mission Bank	<u>30,000.00</u>
Total January Cash Balance as of January 31	\$ 3,272,209.38

February Activity

Cash Receipts	\$ 151,965.04
Cash Disbursements	<u>(129,235.15)</u>
Total February Activity	\$ 22,729.89

February Ending Cash Balance	\$ 3,294,939.27
Less: Outstanding Warrants	<u>(139,520.02)</u>
Total Available Cash By Activity as of February 28	<u>\$ 3,155,419.25</u>

February Cash Balance by Investment

Kern County Treasurer	\$ 3,294,939.27
Mission Bank	<u>-</u>
Total February Balance	\$ 3,294,939.27
Less: Outstanding Warrants	<u>(139,520.02)</u>
Total Available Cash by Investment as of February 28	<u>\$ 3,155,419.25</u>

Cash Receipts are deposited in Mission Bank and sent electronically to Kern County Treasurer. Cash in Transit at month end will be reflected in the Kern County Treasurer balance. Warrants are approved by IWVGA Board and administratively processed by IWVGA staff. Warrants are executed by Kern County staff. Outstanding Warrants are vendor invoices received by 2/28/2022 and not yet paid. Outstanding Obligations are detailed in a separate attached report.

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To: Carol Thomas-Keefer, General Manager – IWVGA
From: Michael W. McKinney, President CCG
cc: Jeff Simonetti, SVP CCG
Todd Tatum, SCA CCG
Date: March 9, 2022
Subject: Project Update Memorandum – February activities

The following memorandum reflects Capitol Core activities for the month of February 2022 as well as planned activities for March 2022. Activity on each Task contained within the scope of work is reflected below.

Task 1 – Secure Imported Water Supplies

Significant activity concerning potential water supply purchases occurred during February. We expect continued presentations and discussions between the during March 2022. All activities were provided under separate Memorandum in Closed Session. Additional activities to identify new water supplies also occurred during February and will continue through March.

Task 2 – Secure Federal Funding

USEPA Scoping Meeting.

A scoping meeting with USEPA Region 9 and Headquarters Office of Water personnel was held on February 9th. This meeting was to determine possible programmatic funding eligibility for the Water Recycling Plant and the Wastewater Treatment Plan as well as provide an update on the Interconnection Project.

This meeting revealed that discussions concerning new funding programs, authorized and appropriated under the Infrastructure Investment and Jobs Act (IIJA), were somewhat premature with implementation guidance on these programs not expected until mid-2022. Eligibility of the projects for WIFIA and State Revolving Fund loan programs were re-discussed.

USEPA personnel referred the Water Recycling Plant project to the Federal Emergency Management Agency's Hazardous Mitigation Grant Program (HMGP) which is a two-part application process first administered through the California Office of Emergency Services (CalOES), then combined with other State project applications for final approval by FEMA (see discussion below).

FEMA/CalOES – HMGP.

FEMA's Hazard Mitigation Grant Program provides funding to state, local, tribal and territorial governments so they can rebuild in a way that reduces, or mitigates, future disaster losses in their communities. This grant funding is available after a presidentially declared disaster. On August 8, 2021, President Biden announced an additional \$3.46 billion to be provided under the CARES Act for the HMGP and listed, among others, the following eligible priorities for the FY2022 award:

- Using aquifer storage and recovery, floodplain and stream restoration, flood diversion and storage, or green infrastructure methods to reduce the impacts of flood and drought.

Projects such as the Water Recycling Plant have not traditionally been included in FEMA's "mitigation action portfolio." However, exploration of the project with CalOES was needed to determine eligibility in the new priorities established by the President.

A scoping meeting with CalOES took place on February 15, 2022, which fully discussed the possibility of seeking "advance assistance" funding. While the project can be described to fit into the drought mitigation requirements thus meeting the President's established priorities, the allocation for advance assistance in the FY2021/2022 budget was \$10 million. Projects seeking advance assistance must be completed to 60% design in order to demonstrate the feasibility of the project. Funding being sought for the water recycling plant is to obtain planning, design, and environmental permitting. The project does not meet the 60% requirement and would likely be deemed as ineligible by CalOES during the initial application phase.

Based upon our analysis and the determination of CalOES, Capitol Core does not believe the water recycling plant is a good fit for the HMGP funding now, or in the future, under current implementation guidance.

Wastewater Treatment Plan – DCIP

Advocacy strategies concerning the Defense Community Infrastructure Program (DCIP) were developed and launched in February. This activity would amend the current DCIP to allow projects sited upon federal lands, but otherwise owned, operated and maintained by a "defense community," to be eligible under the program. Capitol Core is working through the Association of Defense Communities (ADC) to prioritize this amendment and develop a supporting stakeholder coalition of similarly situated defense communities. In addition, we are advocating for increases in appropriations to the program and continued reauthorization of DCIP for future use by the interconnection project. The advocacy package is attached.

Under existing guidelines, the interconnection project is eligible for DCIP for construction funding within 18-months of completion of the project. The water recycling plant is eligible under the "resiliency" criteria. However, discussions over that project's "military value," which are prioritized under the statute, need to be explored.

Task 3 – Secure State Funding Sources

SGMA-IP

Completion of the SGMA-IP grant application and submittal occurred during February 2022. Transition to Stetson Engineering and final review occurred during mid-February. Sub-task 3A under our scope of work is now complete.

Wastewater Treatment Plant

Capitol Core completed a State Budget Request in the amount of \$5 million on behalf of the City of Ridgecrest's wastewater treatment plant. This budget request has been formally submitted for consideration by Senator Grove and Assembly Member Fong. If accepted, it will proceed to discussions with Committee Chairs and Assembly/Senate Leadership.

Capitol Core strongly recommends IWVGA support the City's request and has provided a letter for review/approval. Both the County of Kern and the China Lake Alliance have submitted support letters for the request.

The State Budget Request packet is attached to this memorandum.

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