

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, June 14, 2023

Closed Session – 10:00 a.m.

Open Session – No earlier than 11:00 a.m.

Pursuant to California Government Code 54953(b)(1) two additional call-in locations have been established for Board Members who will attend this meeting via teleconference at 14955 Dale Evans Parkway Apple Valley, CA. 92307 and at 1360 N Main St Bishop, CA. 93514.

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.*

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. ADOPTION OF AGENDA

3. PUBLIC COMMENT ON CLOSED SESSION

4. CLOSED SESSION

- CONFERENCE WITH REAL PROPERTY NEGOTIATIONS –
(Government Code Section 54956.8) - Property: Jackson Ranch - Kings County
Assessor's Parcel Numbers 048-010-016, 048-010-018, and 048-020-030; Agency
Negotiator: Capitol Core Group; Negotiating Parties: Various; Under Negotiation: Price
and terms of payment.
- CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Government Code Section 54956.9(d)(1)): IWVGA v. Inyokern CSD – Kern County Superior Court BCV-22-100281

- 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. - Orange County Superior Court 30-2022-01239487-CU-MC-CJC
- 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. - Orange County Superior Court 30-2022-0139479-CU-MC-CJC

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 May 10, 2023
- b. Approve Expenditures
**To view itemized invoices please visit <https://iwvga.org/iwvga-meetings>*
 - i. \$113,853.26 – Stetson Engineers
 - ii. \$21,933.57 – Regional Government Services – (Replenishment / Extraction)
 - iii. \$15,950.00 – Capitol Core Group – (Replenishment)
 - iv. \$281,456.23 – Provost & Pritchard – (SGMA IP Grant)
 - v. \$8,000.00 – Brown Armstrong – (Replenishment / Extraction)
 - vi. \$85,838.30 – Garrison Brothers – (Rose Valley / Navy)

9. BOARD TO RECEIVE AND FILE THE 2021 FINANCIAL AUDIT FROM BROWN ARMSTRONG

10. COMMUNICATION AND ENGAGEMENT PLAN UPDATES AND BOARD DIRECTION

11. RESOLUTION 06-23 PROVIDING PROCEDURE TO ADDRESS LEGISLATIVE RESPONSE NEEDS OF THE AUTHORITY

12. DEPARTMENT OF WATER RESOURCES REQUEST FOR SUPPLEMENTAL MONITORING TO ADDRESS WET CONDITIONS

13. WATER RESOURCES MANAGER REPORT

- a. Grant Funding
- b. GSP Implementation Projects/Management Action Updates
 - i. Recycled Water Project
 - ii. Imported Water Project
- c. Miscellaneous Items
 - i. Data Collection and Monitoring
 - ii. IWVGA Basin Model Configuration Management Plan
 - iii. Rose Valley Subflow Update
 - iv. Update on LADWP Releases

14. GENERAL MANAGER'S REPORT

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

15. DATE OF NEXT MEETING – JULY 12, 2023

16. ADJOURN

PUBLIC COMMENT NOTICE

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, May 10, 2023

IWVGA Members Present:

Chairman Scott Hayman, City of Ridgecrest	Carol Thomas-Keefer, IWVGA General Manager
Zack Scrivner, Kern County	Keith Lemieux, Legal Counsel
Chuck Griffin, 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
Thomas Bickauskas, Bureau of Land Management	

Attending via teleconference is Tim Itnyre, Steve Johnson, Carol Thomas-Keefer.

Meeting recording, public comment letters submitted, and all board meeting related documents are made available at:
<https://iwvga.org/iwvga-meetings/>

1. CALL TO ORDER:

Chairman Hayman calls the meeting to order at 10:06 a.m.

2. ADOPTION OF AGENDA:

Motion made by Chuck Griffin and seconded by John Vallejo to approve adoption of the agenda. Motion carries by the following roll call vote:

Chairman Hayman	Aye
Vice Chair Scrivner	Absent
Director Itnyre	Aye
Director Griffin	Aye
Director Vallejo	Aye

3. PUBLIC COMMENT ON CLOSED SESSION:

None.

Chairman Hayman calls the meeting into Closed Session at 10:07 a.m.

4. CLOSED SESSION:

- CONFERENCE WITH REAL PROPERTY NEGOTIATIONS – (Government Code Section 54956.8) - Property: Jackson Ranch - Kings County Assessor's Parcel Numbers 048-010-016, 048-010-018, and 048-020-030; Agency Negotiator: Capitol Core Group; Negotiating Parties: Various; Under Negotiation: Price and terms of payment.
- CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Government Code Section 54956.9(c)): 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. - Orange County Superior Court 30-2022-01239487-CU-MC-CJC

- 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. - Orange County Superior Court 30-2022-0139479-CU-MC-CJC

Closed Session adjourns at 10:28 a.m.

5. OPEN SESSION – No earlier than 10:30 a.m.

Meeting reconvenes into Open Session at 10:32 a.m.

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

Chairman Hayman	Present
Vice Chair Scrivner	Absent
Director Itnyre	Present
Director Griffin	Present
Director Vallejo	Present

6. PUBLIC COMMENT:

The Board hears public comment from Pat Farris.

7. BOARD MEMBER COMMENTS:

Director Griffin would like the Communication and Engagement Plan updates added to the next agenda. Griffin also asks legal counsel to explain the recent appellate court decision. Lemieux states the appellate court wanted to hear a brief from the IWVGA before deciding on whether to move forward with a trial. Griffin asks for an audit update; Carol Thomas-Keefer states she will provide an update during her report.

8. CONSENT AGENDA:

- a. Approve Minutes of Board Meeting April 12, 2023
- b. Approve Expenditures

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

- i. \$106,130.62 – Stetson Engineers
- ii. \$29,055.40 – Regional Government Services – (Replenishment / Extraction)
- iii. \$15,981.25 – Capitol Core Group – (Replenishment)
- iv. \$201,475.58 – Provost & Pritchard – (SGMA IP Grant)
- v. \$95,830.79 – Garrison Brothers – (Rose Valley / Navy)

Motion made by Chuck Griffin and seconded by John Vallejo to approve Minutes of Board Meeting April 12, 2023, and the following expenditures in the amount of, \$106,130.62 to Stetson Engineers, \$29,055.40 to Regional Government Services, \$15,981.25 to Capitol Core Group, \$201,475.58 to Provost & Pritchard and \$95,830.79 to Garrison Brothers.

Motion carries by the following roll call vote:

Chairman Hayman	Aye
Vice Chair Scrivner	Absent
Director Itnyre	Aye
Director Griffin	Aye
Director Vallejo	Aye

9. WATER RESOURCES MANAGER REPORT:

Steve Johnson and Jean Moran provide updates on the following grants/programs:

- a. Grant Funding
- b. GSP Implementation Projects/Management Action Updates
 - i. Recycled Water Program
 - ii. Imported Water Program
- c. Miscellaneous Items
 - i. Data Collection and Monitoring
 - ii. IWVGA Basin Model Configuration Management Plan
 - iii. Rose Valley Subflow Update
 - iv. Update on LADWP Releases

Vice Chair Scrivner joins the meeting at 11:10

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

10. GENERAL MANAGER'S REPORT:

Carol Thomas-Keefer provides the monthly financial report. Michael McKinney of Capitol Core Group provides a report on lobbying activities as well as legislative updates requiring board direction.

11. PAC REPORT

David Janiec provides a report for the April 27, 2023 PAC meeting.

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

12. DATE OF NEXT MEETING – JUNE 14, 2023

13. ADJOURN:

Chairman Hayman adjourns the meeting at 12:23 a.m. on May 10, 2023.

Respectfully submitted,

April Keigwin
Clerk of the Board
Indian Wells Valley Groundwater Authority

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Invoice

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

Invoice Number: 2652-69
Invoice Date: 06/01/23

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

Professional Services through 4/30/2023

Water Resources Management 2023

01 - Meetings & Prep

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	14.50	\$237.00	\$3,436.50
Supervisor I	25.50	\$206.00	\$5,253.00
Senior Associate	4.50	\$128.00	\$576.00
GIS Manager	3.25	\$122.00	\$396.50
Associate III	1.50	\$111.00	\$166.50
Assistant I	58.25	\$98.00	\$5,708.50
<i>Professional Services Subtotal:</i>			<u>\$15,537.00</u>
<i>Meetings & Prep Subtotal:</i>			<u>\$15,537.00</u>

01.01 - LADWP Release Coordination and Meetings

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	7.50	\$237.00	\$1,777.50
Supervisor I	12.25	\$206.00	\$2,523.50
Supervisor II	2.50	\$191.00	\$477.50
Associate I	2.00	\$122.00	\$244.00
Senior Assistant	3.25	\$103.00	\$334.75
<i>Professional Services Subtotal:</i>			<u>\$5,357.25</u>

Reimbursables	<u>Charge</u>
Car Rental	\$15.96
Field Supplies	\$13.39
Laboratory / Testing	\$800.00
Overnight Mail	\$182.33
<i>Reimbursables Subtotal:</i>	
	<u>\$1,011.68</u>

LADWP Release Coordination and Meetings Subtotal: \$6,368.93

02.01 - SGMA IP Grant Administration

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Senior Associate	2.50	\$128.00	\$320.00
Assistant I	24.00	\$98.00	\$2,352.00
<i>Professional Services Subtotal:</i>			<u>\$2,672.00</u>

SGMA IP Grant Administration Subtotal: \$2,672.00

03 - Grant Review & Application Preparation

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Assistant I	2.25	\$98.00	\$220.50



03 - Grant Review & Application Preparation

<i>Professional Services Subtotal:</i>	\$220.50
<i>Grant Review & Application Preparation Subtotal:</i>	\$220.50

04 - Data Mgmt System Support

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	0.50	\$237.00	\$118.50
Senior III	0.75	\$134.00	\$100.50
Associate I	1.75	\$122.00	\$213.50
<i>Professional Services Subtotal:</i>			\$432.50
<i>Data Mgmt System Support Subtotal:</i>			\$432.50

05 - General Project Mgmt

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	4.00	\$237.00	\$948.00
Supervisor I	14.50	\$206.00	\$2,987.00
Supervisor II	4.00	\$191.00	\$764.00
Senior Associate	5.00	\$128.00	\$640.00
Assistant I	3.00	\$98.00	\$294.00
<i>Professional Services Subtotal:</i>			\$5,633.00
<i>General Project Mgmt Subtotal:</i>			\$5,633.00

06 - Model Transfer & Upgrade

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	6.50	\$206.00	\$1,339.00
Supervisor II	13.00	\$191.00	\$2,483.00
GIS Manager	4.00	\$122.00	\$488.00
<i>Professional Services Subtotal:</i>			\$4,310.00
Sub-Contractors			<u>Charge</u>
Board of Regents			\$4,572.71
<i>Sub-Contractors Subtotal:</i>			\$4,572.71
<i>Model Transfer & Upgrade Subtotal:</i>			\$8,882.71

07.01 - Imported Water: Planning/Design/Environmental

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	14.00	\$237.00	\$3,318.00
Supervisor I	17.00	\$206.00	\$3,502.00
Assistant I	71.75	\$98.00	\$7,031.50
<i>Professional Services Subtotal:</i>			\$13,851.50
<i>Imported Water: Planning/Design/Environmental Subtotal:</i>			\$13,851.50

07.02 - Imported Water: Engagement/Outreach

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	2.00	\$237.00	\$474.00
<i>Professional Services Subtotal:</i>			\$474.00
<i>Imported Water: Engagement/Outreach Subtotal:</i>			\$474.00

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
Supervisor I	2.75	\$206.00	\$566.50



08 - Imported Water: Negotiations & Coordination

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Assistant I	1.00	\$98.00	\$98.00
<i>Professional Services Subtotal:</i>			<i>\$901.50</i>
<i>Imported Water: Negotiations & Coordination Subtotal:</i>			<i>\$901.50</i>

11 - Data Collection, Monitoring & Data Gaps

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	20.25	\$206.00	\$4,171.50
Supervisor II	14.50	\$191.00	\$2,769.50
Associate I	37.75	\$122.00	\$4,605.50
GIS Manager	2.50	\$122.00	\$305.00
Senior Assistant	34.75	\$103.00	\$3,579.25
<i>Professional Services Subtotal:</i>			<i>\$15,430.75</i>
			<u>Charge</u>
Equipment Purchase			\$4,065.30
Lodging			\$178.54
Mileage			\$222.05
<i>Reimbursables Subtotal:</i>			<i>\$4,465.89</i>
<i>Data Collection, Monitoring & Data Gaps Subtotal:</i>			<i>\$19,896.64</i>

14 - Production Reporting, Transient Pool & Fee Support

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Senior Associate	4.50	\$128.00	\$576.00
Associate I	9.00	\$122.00	\$1,098.00
<i>Professional Services Subtotal:</i>			<i>\$1,674.00</i>
<i>Production Reporting, Transient Pool & Fee Support Subtotal:</i>			<i>\$1,674.00</i>

17 - Navy/Coso Royalty Fund: Develop FY24 Projects & Secure Funding

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	4.50	\$206.00	\$927.00
Supervisor II	10.00	\$191.00	\$1,910.00
Associate I	6.25	\$122.00	\$762.50
<i>Professional Services Subtotal:</i>			<i>\$3,599.50</i>
<i>Navy/Coso Royalty Fund: Develop FY24 Projects & Secure Funding Subtotal:</i>			<i>\$3,599.50</i>

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

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	28.50	\$206.00	\$5,871.00
Senior III	0.75	\$134.00	\$100.50
Associate I	66.75	\$122.00	\$8,143.50
<i>Professional Services Subtotal:</i>			<i>\$14,115.00</i>
			<u>Charge</u>
Car Rental			\$2,086.23
Field Supplies			\$115.08
Lodging			\$2,484.06
Meals			\$79.90
Overnight Mail			\$43.21
<i>Reimbursables Subtotal:</i>			<i>\$4,808.48</i>
			<u>Charge</u>
Sub-Contractors			
Pacific Surveys, LLC			\$4,893.00



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

Sub-Contractors Subtotal: \$4,893.00

Navy/Coso Royalty Fund: FY21 Rose Valley MW Permitting, Bid Doc Support & Dr \$23,816.48

18.1 - Navy/Coso Cooperative Agreement

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	3.50	\$237.00	\$829.50
Supervisor I	5.50	\$206.00	\$1,133.00
Supervisor II	3.50	\$191.00	\$668.50
<i>Professional Services Subtotal:</i>			<u>\$2,631.00</u>

Navy/Coso Cooperative Agreement Subtotal: \$2,631.00

20 - Shallow Well Mitigation Program: Outreach & Impacts Evaluation

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	6.00	\$237.00	\$1,422.00
Supervisor I	2.25	\$206.00	\$463.50
Associate III	0.50	\$111.00	\$55.50
Assistant I	7.00	\$98.00	\$686.00
<i>Professional Services Subtotal:</i>			<u>\$2,627.00</u>

Shallow Well Mitigation Program Outreach & Impacts Evaluation Subtotal: \$2,627.00

21 - General Engineering

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	0.50	\$206.00	\$103.00
Senior Associate	2.50	\$128.00	\$320.00
<i>Professional Services Subtotal:</i>			<u>\$423.00</u>
<i>General Engineering Subtotal:</i>			<u>\$423.00</u>

22 - GSP 5-Year Update

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	1.50	\$237.00	\$355.50
Senior Associate	2.50	\$128.00	\$320.00
<i>Professional Services Subtotal:</i>			<u>\$675.50</u>
<i>GSP 5-Year Update Subtotal:</i>			<u>\$675.50</u>

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

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	7.00	\$237.00	\$1,659.00
<i>Professional Services Subtotal:</i>			<u>\$1,659.00</u>

Allocation Plan & Rules & Regs on Pumping/Restrictions Subtotal: \$1,659.00

27 - Litigation Support

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	6.25	\$206.00	\$1,287.50
Senior Associate	3.00	\$128.00	\$384.00
Senior Assistant	2.00	\$103.00	\$206.00
<i>Professional Services Subtotal:</i>			<u>\$1,877.50</u>

Litigation Support Subtotal: \$1,877.50

***Water Resources Management 2023 Subtotal:* \$113,853.26**



Project #: 2652

Invoice No: 2652-69

June 01, 2023

Page 5

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

\$113,853.26

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PO Box 1350
Carmel Valley, CA 93924

Invoice

Date	Invoice #
4/30/2023	14961

Bill To:

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

P.O. No.	Due Date	Inv Sent
	5/30/2023	5/18/2023

Date	Description	Amount
4/30/2023	Contract Services for April - please see attached	21,149.00

Electronic Payment Information: Community Bank of the Bay ABA: 121142407 Account: 0365002245	Total \$21,149.00
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Indian Wells Valley

Month: **Apr, 2023**

Hours and Rates by Pay Period						
		1st -15th		16th - EOM		Monthly
Advisor	Reg Hrs	Bill Rate	Reg Hrs	Bill Rate	Total Billed	
CT	27.00	\$ 130.00	19.50	\$ 130.00	\$ 6,045.00	
AK	64.50	\$ 105.00	66.30	\$ 105.00	\$ 13,734.00	
JK	0.00	\$ -	0.00	\$ -	\$ -	
GL	0.00	\$ -	0.00	\$ -	\$ -	
AM	0.00	\$ -	0.00	\$ -	\$ -	
GS	9.50	\$ 137.00	0.50	\$ 137.00	\$ 1,370.00	
EF	0.00	\$ -	0.00	\$ -	\$ -	
RM	0.00	\$ -	0.00	\$ -	\$ -	
Totals	101.00		86.30		\$ 21,149.00	

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PO Box 1350
Carmel Valley, CA 93924

Invoice

Date	Invoice #
4/30/2023	15049

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

P.O. No.	Due Date	Inv Sent
	6/15/2023	5/30/2023

Date	Description	Amount
4/30/2023	Reimbursable Expenses for Ridgecrest Monthly Rent and Abila (\$300 + \$484.57) - please see attached	784.57

Electronic Payment Information: Community Bank of the Bay ABA: 121142407 Account: 0365002245	Total	\$784.57
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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 2023-026

DATE 06/01/2023 **TERMS** Net 45

DUE DATE 07/16/2023

VENDOR ID
195953

INVOICE PERIOD
May 2023

DATE	ACCOUNT SUMMARY	AMOUNT
05/01/2023	Balance Forward	39,812.50
	Other payments and credits after 05/01/2023 through 05/31/2023	-23,831.25
06/01/2023	Other invoices from this date	0.00
	New charges (details below)	15,950.00
	Total Amount Due	31,931.25

ACTIVITY	HOURS	RATE	AMOUNT
Charges			
Task 1: Secure Water Supplies			
Government Relations: Intergovernmental Affairs	3	275.00	825.00
Subtask A: Jackson Ranch Transaction {Tatum}			
Government Relations: Intergovernmental Affairs	1	250.00	250.00
Subtask A: Jackson Ranch Meeting {Simonetti}			
Government Relations: Intergovernmental Affairs	3	275.00	825.00
Subtask B: Interconnection Pipeline Project Activities {Tatum}			
Government Relations: Intergovernmental Affairs	3.25	250.00	812.50
Subtask B: Interconnection Pipeline -- California City Presentation -- materials preparation and meeting {Simonetti}			
Government Relations: Intergovernmental Affairs	0.50	275.00	137.50
Subtask B: AVEK Meetings {Tatum}			
Government Relations: Intergovernmental Affairs	9	275.00	2,475.00
Subtask D: 2023 Water Meetings {Tatum}			
Government Relations: Intergovernmental Affairs	2.50	250.00	625.00
Subtask D: 2023 Water Supplies {Simonetti}			
Invoice Total Task 1: \$5,950.00 (22.25 hours)			
Task 2: Interconnection Pipeline Project			
Government Relations: Federal	0.75	275.00	206.25
Agency: Preparation Meeting re: US Navy {McKinney}			

ACTIVITY	HOURS	RATE	AMOUNT
Government Relations:Federal Legislative: Follow-up FY2024 Appropriations (general) {McKinney}	2	275.00	550.00
Government Relations:Federal Agency: Meeting w/ US Navy regarding Interconnection Pipeline Project {Simonetti}	2.50	250.00	625.00
Invoice Total Task 2: \$1,381.25 (5.25 hours)			
Task 3: Water Recycling Plant Project			
Invoice Total Task 3:			
Task 4: Wastewater Treatment Plant Project			
Invoice Total Task 4:			
Task 5: Other Projects in Support of the GSP			
Government Relations:California Legislative: AB 560 -- Internal Meetings, Legislative Meetings, and document drafting {McKinney}	3	275.00	825.00
Government Relations:California Legislative: AB 779 -- Internal Meetings, Legislative Meetings and document drafting {McKinney}	5	275.00	1,375.00
Government Relations:Local Governmental Affairs Legislative: AB 1008 -- SBCounty Meetings and internal client meetings {McKinney}	2	275.00	550.00
Government Relations:California Legislative: AB 1205 Assembly floor opposition {McKinney}	3.50	275.00	962.50
Government Relations:Federal Legislative: HR 3746 -- Fiscal Responsibility Act: Analysis and tracking activities (split) {McKinney}	2.75	275.00	756.25
Government Relations:California Executive: Meeting w/ Governor's Water Policy Advisor all GSP Projects {Simonetti}	1	250.00	250.00
Government Relations:California Legislative: AB 444 -- Cal-DCIP meetings/Direct Advocacy {Simonetti}	2.75	250.00	687.50
Government Relations:California Legislative: AB 779 -- Direct Advocacy Assembly {Simonetti}	1	250.00	250.00
Government Relations:California Legislative: AB 1205 -- Direct Advocacy (Assembly and Senate); coalition building {Simonetti}	5.50	250.00	1,375.00
Invoice Total Task 5: \$7,031.25 (29.25 hours)			
Task 6: Project Administration			
Administrative Board Meeting -- May Materials Preparation and Board Meeting {McKinney}	3	275.00	825.00
Administrative Board Meeting -- May {Tatum}	0.50	275.00	137.50
Administrative Board Meeting: May Board Meeting {Simonetti}	2.50	250.00	625.00
Invoice Total Task 6: \$1,587.50 (6 hours)			

Regulatory Compliance Reporting Notes:			

ACTIVITY	HOURS	RATE AMOUNT
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Invoice Total IWVGA Reportable Federal: \$2,137.50

Invoice Total City of Ridgecrest Reportable Federal: \$0.00

Invoice Total IWVGA Reportable California: \$7,212.50

Invoice Total City of Ridgecrest Reportable California: \$0.00

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

TOTAL OF NEW CHARGES 15,950.00

TOTAL DUE \$31,931.25

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455 W. Fir Avenue
Clovis, CA 93611
(559) 449-2700
Fax (559) 449-2715



April Keigwin
Indian Wells Valley Groundwater Authority
100 West California Avenue
Ridgecrest, CA 93555

May 11, 2023
Project No: 04101-22-001
Invoice No: 100447

Project Name: Indian Wells Valley Groundwater Authority-Imported Water Pipeline Alignment Study

Client Project #:
Completed and submitted final report.

Professional Services from April 1, 2023 to April 30, 2023

Phase: T08 Alternative Alignment Technical Memo

	Hours	Rate	Amount	
Principal Engineer	.12	238.00	28.56	
Totals	.12		28.56	
Total Labor				28.56
		Total this Phase:		\$28.56

Billing Limits	Current	Prior	To-Date	
Total Billings	28.56	449,071.04	449,099.60	
Budget			449,100.00	
Budget Remaining			.40	
		Total this Invoice		\$28.56

*** Please make checks payable to Provost & Pritchard Consulting Group ***
For billing inquiries, please email BillingInquiries@ppeng.com.

Billing Backup

Thursday, May 11, 2023

Provost & Pritchard Consulting Group

Invoice 100447 Dated 5/11/2023

1:58:30 PM

Phase: T08 Alternative Alignment Technical Memo

Labor

			Hours	Rate	Amount	
Principal Engineer						
1105 - Davis, Jeffrey	4/4/2023		.12	238.00	28.56	
Totals			.12		28.56	
Total Labor						28.56

Total this Phase: \$28.56

Total this Project: \$28.56

Total this Report \$28.56

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455 W. Fir Avenue
 Clovis, CA 93611
 (559) 449-2700
 Fax (559) 449-2715



April Keigwin
 Indian Wells Valley Groundwater Authority
 100 West California Avenue
 Ridgecrest, CA 93555

May 30, 2023
 Project: No: 04101-23-002
 Invoice No: 100958

Project Name: IWVGA Imported Water Conveyance Design Services

Client Project #:
 See Monthly Progress Report attached.

Professional Services from April 1, 2023 to April 30, 2023

Phase: 121P Coordination Meetings

Labor

	Hours	Rate	Amount
Senior Engineer	14.30	195.00	2,788.50
Associate Engineer	3.50	156.00	546.00
Principal Engineer	9.70	238.00	2,308.60
Project Administrator	.30	94.00	28.20
Project Administrator	.50	101.00	50.50
Associate Biologist	1.00	130.00	130.00
Principal Const. Manager	2.00	215.00	430.00
Licensed Surveyor	1.00	180.00	180.00
Travel Time	7.50	80.00	600.00
Totals	39.80		7,061.80
Total Labor			7,061.80

Reimbursable Expenses

Travel & Mileage		320.88	
Total Reimbursables		320.88	320.88
Total this Phase:			\$7,382.68

Phase: 122S Stantec Coordination Meetings

Consultants

Consultants		8,280.00	
Total Consultants		8,280.00	8,280.00
Total this Phase:			\$8,280.00

Phase: 131P P&P General PM

Labor

	Hours	Rate	Amount
Senior Engineer	2.00	178.00	356.00
Senior Engineer	57.10	195.00	11,134.50
Senior Technician	38.00	143.00	5,434.00
Principal Engineer	.50	217.00	108.50
Principal Engineer	3.70	207.00	765.90
Principal Engineer	30.70	238.00	7,306.60
Project Administrator	.10	94.00	9.40

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Project	04101-23-002	IWVGA Imported Water Conveyance Design	Invoice	100958
Project Administrator		12.80	101.00	1,292.80
Totals		144.90		26,407.70
Total Labor				26,407.70

Reimbursable Expenses

Travel & Mileage				228.24
Total Reimbursables				228.24
Total this Phase:				\$26,635.94

Phase: 132S Stantec General PM

Consultants

Consultants				201.25
Total Consultants				201.25
Total this Phase:				\$201.25

Phase: 211P Preliminary Design Coordination

Labor

	Hours	Rate	Amount	
Senior Engineer	3.50	186.00	651.00	
Senior Engineer	4.80	195.00	936.00	
Assistant Engineer	4.00	126.00	504.00	
Project Administrator	.30	94.00	28.20	
Travel Time	4.10	80.00	328.00	
Totals	16.70		2,447.20	
Total Labor				2,447.20

Reimbursable Expenses

Other Direct Reimb Expenses				270.37
Total Reimbursables				270.37
Total this Phase:				\$2,717.57

Phase: 221P Env & ROW Consultant Coord

Labor

	Hours	Rate	Amount	
Senior Engineer	40.00	195.00	7,800.00	
Principal Engineer	2.00	207.00	414.00	
Principal Engineer	1.00	238.00	238.00	
Project Administrator	1.00	101.00	101.00	
Associate GIS Specialist	6.90	105.00	724.50	
Totals	50.90		9,277.50	
Total Labor				9,277.50

Reimbursable Expenses

Travel & Mileage				225.23
Total Reimbursables				225.23
Total this Phase:				\$9,502.73

Phase: 231P Surveying

Labor

	Hours	Rate	Amount
1 Man Survey Crew	83.50	200.00	16,700.00
Senior Technician	22.00	130.00	2,860.00

Project	04101-23-002	IWVGA Imported Water Conveyance Design	Invoice	100958
Associate Technician		1.50	107.00	160.50
Licensed Surveyor		51.00	180.00	9,180.00
Travel Time		9.50	80.00	760.00
	Totals	167.50		29,660.50
	Total Labor			29,660.50
Reimbursable Expenses				
	Travel & Mileage			3,981.01
	Per Diem - Meals & Incidentals			901.60
	Total Reimbursables			4,882.61
			Total this Phase:	\$34,543.11

Phase:	241P	Utility Research/Coordination		
Labor				
		Hours	Rate	Amount
	Senior Engineer	.50	195.00	97.50
	Assistant Engineer	16.00	126.00	2,016.00
	Associate Engineer	2.80	156.00	436.80
	Principal Engineer	1.00	207.00	207.00
	Project Administrator	.50	94.00	47.00
	Totals	20.80		2,804.30
	Total Labor			2,804.30
			Total this Phase:	\$2,804.30

Phase:	251P	P&P Coord Geotechnical Services		
Labor				
		Hours	Rate	Amount
	Assistant Engineer	4.00	126.00	504.00
	Totals	4.00		504.00
	Total Labor			504.00
			Total this Phase:	\$504.00

Phase:	252G	SEI Geotechnical Services		
Consultants				
	Consultants		31,949.13	
	Total Consultants		31,949.13	
			Total this Phase:	\$31,949.13

Phase:	271P	BLM Special Use Permit		
Labor				
		Hours	Rate	Amount
	Senior Engineer	9.50	195.00	1,852.50
	Principal Engineer	1.00	238.00	238.00
	Senior GIS Specialist	24.70	147.00	3,630.90
	Senior GIS Specialist	.60	175.00	105.00
	Associate GIS Specialist	2.30	105.00	241.50
	Totals	38.10		6,067.90
	Total Labor			6,067.90
			Total this Phase:	\$6,067.90

Phase:	274P	Kern Roads Agreement/Encroachment Permit
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Labor

	Hours	Rate	Amount	
Principal Engineer	1.50	207.00	310.50	
Totals	1.50		310.50	
Total Labor				310.50
			Total this Phase:	\$310.50

Phase: 281P P&P Preliminary Design Report

Labor

	Hours	Rate	Amount	
Senior Engineer	54.00	178.00	9,612.00	
Senior Engineer	2.50	164.00	410.00	
Senior Engineer	78.40	195.00	15,288.00	
Assistant Engineer	56.00	112.00	6,272.00	
Assistant Engineer	1.00	126.00	126.00	
Associate Engineer	13.00	156.00	2,028.00	
Assistant Engineer	1.60	119.00	190.40	
Principal Engineer	6.40	217.00	1,388.80	
Principal Engineer	40.30	207.00	8,342.10	
Principal Engineer	34.10	227.00	7,740.70	
Principal Engineer	11.58	238.00	2,756.04	
Principal Engineer	1.30	248.00	322.40	
Project Administrator	4.70	94.00	441.80	
Senior GIS Specialist	28.30	147.00	4,160.10	
Associate GIS Specialist	.80	105.00	84.00	
Associate GIS Specailist	1.10	132.00	145.20	
Travel Time	7.50	80.00	600.00	
Totals	342.58		59,907.54	
Total Labor				59,907.54

Reimbursable Expenses

Color Copies			69.55	
Travel & Mileage			243.31	
Total Reimbursables			312.86	312.86
			Total this Phase:	\$60,220.40

Phase: 282D P&P Drafting Preliminary Design

Labor

	Hours	Rate	Amount	
Senior Engineer	1.50	186.00	279.00	
Assistant Engineer	1.50	105.00	157.50	
Senior Technician	45.30	143.00	6,477.90	
Senior Technician	1.70	136.00	231.20	
Assistant Engineer	14.90	126.00	1,877.40	
Principal Engineer	6.30	207.00	1,304.10	
Senior Technician	11.50	158.00	1,817.00	
Senior Technician	.80	150.00	120.00	
Associate Technician	3.00	119.00	357.00	
Totals	86.50		12,621.10	
Total Labor				12,621.10
			Total this Phase:	\$12,621.10

Phase: 283S Stantec Preliminary Design Report

Project	04101-23-002	IWVGA Imported Water Conveyance Design	Invoice	100958
Consultants				
Consultants			1,104.00	
	Total Consultants		1,104.00	1,104.00
			Total this Phase:	\$1,104.00
<hr/>				
Phase:	285T	Bennett Trenchless Prelim Design Report		
Consultants				
Consultants			810.75	
	Total Consultants		810.75	810.75
			Total this Phase:	\$810.75
<hr/>				
Phase:	286Q	Dahl Preliminary Design Report		
Consultants				
Consultants			782.00	
	Total Consultants		782.00	782.00
			Total this Phase:	\$782.00
<hr/>				
Phase:	28T1	Preliminary System Hydraulics TM Stantec		
Consultants				
Consultants			3,352.25	
	Total Consultants		3,352.25	3,352.25
			Total this Phase:	\$3,352.25
<hr/>				
Phase:	28T2	Pipe Optimizations TM		
Labor				
			Hours	Rate
				Amount
Assistant Engineer			10.60	112.00
	Totals		10.60	1,187.20
	Total Labor			1,187.20
			Total this Phase:	\$1,187.20
<hr/>				
Billing Limits				
		Current	Prior	To-Date
Total Billings		210,976.81	208,026.55	419,003.36
Budget				3,770,969.00
Budget Remaining				3,351,965.64
			Total this Invoice	<u>\$210,976.81</u>

*** Please make checks payable to Provost & Pritchard Consulting Group ***
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April Keigwin
 Indian Wells Valley Groundwater Authority
 100 West California Avenue
 Ridgecrest, CA 93555

May 26, 2023
 Project No: 04101-23-001
 Invoice No: 100944

Project Name: Indian Wells Valley Groundwater Authority-CEQA/NEPA Documents and Permit Documentation

Client Project #:

TSK 1: Project set up and workload staff. Coordination meetings and tasks for project initiation.

TSK 2: Discussions regarding borings for upcoming surveys.

TSK 3: Preparation and research for botanical surveys. Prepare and attend kick off meeting with Stantec for biological work. Reimbursable expenses – travel & mileage, room & board, meals for biological field surveys

TSK 5: Meeting with BLM to discuss permitting needs.

TSK 6: Internal kick off meeting for CEQA & NEPA tasks. Weekly check-in meeting for CEQA & NEPA tasks and coordination. Begin drafting Project Description needed for environmental documentation. Drafting exhibits.

Professional Services from April 1, 2023 to April 30, 2023

Phase:	TSK1	Initial Coordination			
Labor					
			Hours	Rate	Amount
	Principal Engineer		2.90	207.00	600.30
	Project Administrator		8.60	101.00	868.60
	Principal Planner		10.90	188.00	2,049.20
	Totals		22.40		3,518.10
	Total Labor				3,518.10
				Total this Phase:	\$3,518.10

Phase:	TSK2	Geotechnical Studies			
Labor					
			Hours	Rate	Amount
	Project Administrator		.40	101.00	40.40
	Principal Planner		4.50	188.00	846.00
	Totals		4.90		886.40
	Total Labor				886.40
				Total this Phase:	\$886.40

Phase:	TSK3	Technical Studies			
Labor					
			Hours	Rate	Amount
	Project Administrator		2.30	94.00	216.20
	Project Administrator		10.60	101.00	1,070.60
	Senior GIS Specialist		42.00	147.00	6,174.00
	Principal Planner		9.50	188.00	1,786.00
	Associate Biologist		39.20	110.00	4,312.00

*** Please make checks payable to Provost & Pritchard Consulting Group ***
 For billing inquiries, please email BillingInquiries@ppeng.com.

Project	04101-23-001	CEQA/NEPA Documents and Permit Documenta	Invoice	100944
Associate Biologist		102.60	130.00	13,338.00
Assistant Biologist		6.70	90.00	603.00
Principal Biologist		19.60	165.00	3,234.00
Travel Time		34.10	80.00	2,728.00
	Totals	266.60		33,461.80
	Total Labor			33,461.80
Consultants				
	Consultants			8,902.44
	Total Consultants		8,902.44	8,902.44
Reimbursable Expenses				
	Travel & Mileage			3,675.09
	Other Direct Reimb Expenses			756.45
	Total Reimbursables		4,431.54	4,431.54
			Total this Phase:	\$46,795.78

Phase:	TSK4	Public Outreach		
Labor				
		Hours	Rate	Amount
	Project Administrator	.10	101.00	10.10
	Totals	.10		10.10
	Total Labor			10.10
			Total this Phase:	\$10.10

Phase:	TSK5	Regulatory Compliance and Permitting		
Labor				
		Hours	Rate	Amount
	Project Administrator	.20	101.00	20.20
	Assistant Envir. Spec.	43.90	112.00	4,916.80
	Principal Planner	3.90	188.00	733.20
	Associate Biologist	30.30	110.00	3,333.00
	Assistant Biologist	1.50	95.00	142.50
	Totals	79.80		9,145.70
	Total Labor			9,145.70
Reimbursable Expenses				
	Travel & Mileage			501.67
	Total Reimbursables		501.67	501.67
			Total this Phase:	\$9,647.37

Phase:	TSK6	CEQA/NEPA Documentation		
Labor				
		Hours	Rate	Amount
	Principal Engineer	1.00	238.00	238.00
	Project Administrator	1.40	94.00	131.60
	Project Administrator	2.20	101.00	222.20
	Assistant Planner	46.40	103.00	4,779.20
	Principal Planner	12.70	188.00	2,387.60
	Senior Planner	3.80	165.00	627.00
	Associate GIS Specialist	.80	105.00	84.00
	Associate GIS Specialist	6.60	125.00	825.00

Project	04101-23-001	CEQA/NEPA Documents and Permit Documenta	Invoice	100944
Senior Wtr Resource Spec.		1.40	170.00	238.00
Totals		76.30		9,532.60
Total Labor				9,532.60
Reimbursable Expenses				
Travel & Mileage				3.01
Filing Fees				57.50
Total Reimbursables				60.51
			Total this Phase:	\$9,593.11
			Total this Invoice	<u><u>\$70,450.86</u></u>

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Brown Armstrong Accountancy Corporation

4200 Truxtun Avenue
Suite 300
Bakersfield, CA 93309
661-324-4971

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY
100 W. CALIFORNIA AVENUE
RIDGECREST, CA 93555

Invoice No. 270124

Date Sunday, May 28, 2023

Client No. 32711.001

Final billing on 2021 audit:

(Contract amount/Billed to date: \$20,000/\$20,000)

Current Invoice Amount	\$	800.00
Beginning Balance		<u>7,200.00</u>
Balance Due	\$	<u>8,000.00</u>

0 - 30	31 - 60	61 - 90	91 - 120	Over 120	Balance
800.00	3,000.00	0.00	4,200.00	0.00	8,000.00

Please remit by: June 25, 2023

Credit Card and ACH Payments Accepted on BA Payment Portal, www.ba.cpa

Click on "Make a Payment"

(3.5% Convenience Fee will Apply on Credit Cards)

Make checks payable to: **Brown Armstrong**

E-mail billing inquiries to: Bianca Maravilla

bmaravilla@ba.cpa

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Garrison Brother Well Service
 1621 N Jacobs Dr
 Ridgecrest, CA 93555 US
 garrison35@gmail.com

Invoice



BILL TO

Jean M Moran
 Stetson Engineers Inc
 785 Grand Avenue, Suite 202
 Carlsbad, CA 92008

SHIP TO

Jean M Moran
 Stetson & GSA
 Rose Valley Monitoring Well Project.
 Pearsonville CA 93527

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
1212	06/09/2023	\$85,838.30	07/09/2023	Net 30	

SALES REP

Ron Garrison

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
05/25/2023	Demobilize	Completed Well #1, demobilization of equipment from site, site clean up, installation of bumper posts, locking Well cap, safety reflectors on posts.	1	25,000.00	25,000.00
05/25/2023	Mobilize	Monitor well #2, Cleared site according to permitting conditions. Mobilized drill equipment to site #2, set up drill & began the drilling process.	1	25,000.00	25,000.00
05/25/2023	Parts	Well #2, 4.5 Inch PVC water well casing, spline lok, blanks.	540	21.89	11,820.60T
05/25/2023	Parts	Well #2, 4.5 Inch PVC water well casing, spline lok, well screen.	60	24.00	1,440.00T
05/25/2023	Parts	Twenty foot sanitary well seal, with a 6 foot by 6 foot reinforced concrete pad with 4 bollards concreted 3 feet. Developed well #1	1	20,000.00	20,000.00T

Thank you for your business! We take credit cards, bank transfers, and checks can be sent to 1621 N Jacobs Dr. Ridgecrest, Ca 93555

Contractor License # 673398
 Partial billing of completed works & necessary materials needed for monitor well #2

SUBTOTAL	83,260.60
TAX	2,577.70
TOTAL	85,838.30
BALANCE DUE	\$85,838.30

Upon completion of monitor well #2, a final invoice will be completed.

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To the Board of Directors
Indian Wells Valley Groundwater Authority
Ridgecrest, California

We have audited the financial statements of the business-type activities of the Indian Wells Valley Groundwater Authority (the Authority) for the year ended December 31, 2021. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 3, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority's financial statements were:

Management's estimate of the allowance for doubtful accounts related to the water basin replenishment fee receivable. We evaluated the key factors and assumptions used to develop the estimate of the useful lives of its capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the useful lives of its capital assets for the purpose of calculating annual depreciation expense in the Authority's Statement of Revenues, Expenses, and Changes in Net Position. Estimated useful lives for equipment is 7 years. We evaluated the key factors and assumptions used to develop the estimate of the useful lives of its capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of accounts receivable of the water basin replenishment fee and the related allowance in Note 3 and the estimate of the allowance useful lives of its capital assets in Note 4 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 12, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of Indian Wells Valley Groundwater Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
May 12, 2023

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2021**

**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY
DECEMBER 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Governing Board
Indian Wells Valley Groundwater Authority
Ridgecrest, California

Opinions

We have audited the accompanying financial statements of the Indian Wells Valley Groundwater Authority (the Authority), the business-type activities as of and for the year ended December 31, 2021, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the Authority, as of December 31, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
May 12, 2023

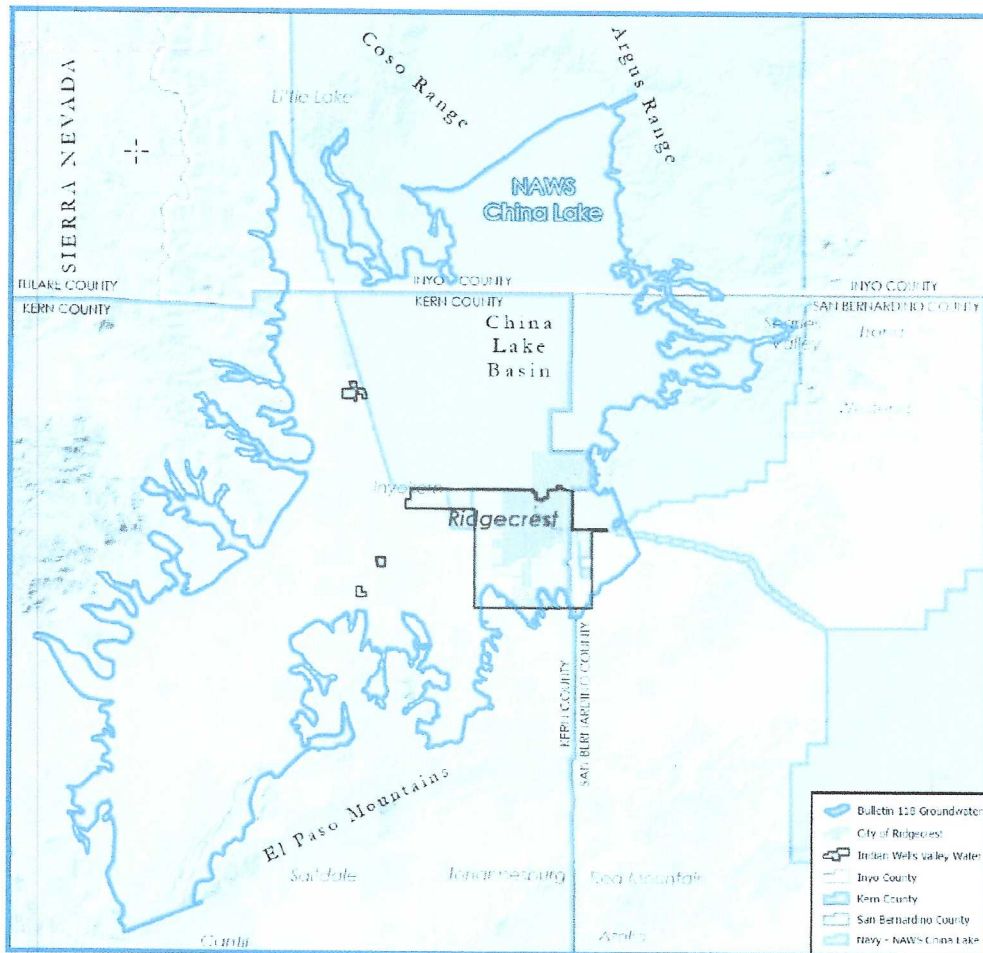
**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

The Management's Discussion and Analysis (MD&A) of the financial performance of the Indian Wells Valley Groundwater Authority (Authority) introduces the financial statements of the Authority for the fiscal year ending December 31, 2021. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

Introduction to the Authority

The Authority was formed in July 2016 in response to the 2014 Sustainable Groundwater Management Act (SGMA or the Act) for the purpose of achieving groundwater sustainability in the Indian Wells Valley Groundwater Basin. SGMA requires groundwater basins subject to the Act to form a Groundwater Sustainability Agency (GSA), which is then required to develop and implement a groundwater sustainability plan (GSP or Plan) and achieve sustainable groundwater management within 20 years of Plan adoption. The Authority received approval for the Plan from the Department of Water Resources in January 2022.

The Authority is a joint powers authority comprised of the following five local public agencies: County of Kern, Indian Wells Valley Water District, County of Inyo, County of San Bernardino and the City of Ridgecrest.



Stetson Engineers Inc.: Jurisdictions and Boundaries of JPA Members - IWVGW Basin

**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

The Authority's Board of Directors is composed of 5 voting members, one from each member jurisdiction. The JPA also has non-voting Associate Members for the following federal agencies: United States Department of the Interior Bureau of Land Management and United States Navy Naval Air Weapons Station China Lake. The Authority's revenue sources include extraction fees, basin replenishment fees and Department of Water Resources (DWR) grant funding.

Authority administration and engineering services were outsourced since the inception of the JPA. Stetson Engineering provides Water Resource Manager services, engineering and grant administration for the Authority. Administration and financial services were originally shared between JPA members until January 2021, when Regional Government Services (RGS) was hired to provide outsourced administration and financial services for the Authority.

This section of the annual financial report presents our discussion and analysis of Authority's financial performance during the period from January 1, 2021 to December 31, 2021 with one prior year for comparison. Please read it in conjunction with Authority's financial statements, which follow this section.

2021 FINANCIAL HIGHLIGHTS

- The Basin Replenishment Fee was implemented in 2021 to support the cost and purchase of imported water in the basin. In fiscal year 2021, \$4.2 million in revenue was associated with the Basin Replenishment Fee. For more information on the Basin Replenishment Fee and its implementation, please see Note 3.
- The Extraction fee earned \$1.3 million in 2021. For more information on the Extraction Fee and its implementation, please see Note 3.
- The Authority repaid Indian Wells Valley Water District for the \$500,000 Advance from 2018.
- Revenues for the fiscal year were \$5,522,199 in total or \$4.7 million higher than the previous fiscal year primarily due to the addition of the Basin Replenishment Fee.
- Outstanding Assessment fees totaled \$11.9 million. The Authority is initiating efforts to collect the unpaid Basin Replenishment fees (Note 3 - Accounts Receivable).
- Department of Water Resources (DWR) Grant funding from Proposition 1 and Proposition 68 is nearing completion.
- The Authority finished the year with a net position of \$2.4 million, an increase of \$3.8 million from fiscal year 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of three parts – management's discussion and analysis (this section), the financial statements, and required supplementary information. The financial statements are prepared in conformity with generally accepted accounting principles and necessarily include amounts based upon reliable estimates and judgments. The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position are included along with Notes to the Financial Statements to clarify unique accounting policies and financial information. The Statement of Net Position includes all of the Authority's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. The Authority reports its activities as an enterprise fund. An enterprise fund uses the accrual basis of accounting for its activities.

**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Following is the Authority's Condensed Statement of Net Position.

	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>Percent Change</u>
Assets				
Cash and Cash Equivalents	\$ 3,045,853	\$ 146,996	\$ 2,898,857	1972%
Accounts Receivable, Net of Allowance (Note 3)	332,862	62,663	270,199	431%
Grants Receivable	492,289	656,959	(164,670)	-25%
Advances to Other Funds	500,000	-	500,000	N/A
Capital Assets	22,769	26,909	(4,140)	-15%
Total Assets	<u>4,393,773</u>	<u>893,527</u>	<u>3,500,246</u>	<u>392%</u>
Liabilities				
Accounts Payable	267,901	797,909	(530,008)	-66%
Advances from Other Funds	500,000	-	500,000	N/A
Advances Payable	500,000	1,000,000	(500,000)	-50%
Due to Other Governments	692,217	482,060	210,157	44%
Total Liabilities	<u>1,960,118</u>	<u>2,279,969</u>	<u>(319,851)</u>	<u>-14%</u>
Net Position				
Net Investment in Capital Assets	22,769	26,909	(4,140)	-15%
Restricted	3,160,686	-	3,160,686	N/A
Unrestricted	(749,800)	(1,413,351)	663,551	47%
Total Net Position	<u>\$ 2,433,655</u>	<u>\$ (1,386,442)</u>	<u>\$ 3,820,097</u>	<u>276%</u>

Under Assets, the cash and cash equivalents balance reflect funds on deposit at the County of Kern and the Authority's bank. The increase in cash of \$2.9 million from the previous year is due to the receipt of new fee revenue from the Basin Replenishment fee. Accounts Receivable includes outstanding Basin Replenishment Fee and Extraction Fee revenue not yet received by December 31, 2021. Grants Receivable reflects grant reimbursement requests submitted to the Department of Water Resources (DWR) which are awaiting reimbursement. Advances to Other Funds includes \$500,000 advanced by the Basin Replenishment Fund to the Extraction Fund for the repayment of an advance by JPA member Indian Wells Valley Water District. In fiscal year 2017, the Indian Wells Valley Water District (District) agreed to advance \$500,000 for adoption, evaluation and approval of the Groundwater Sustainability Program (GSP). In 2021, the District, with Board approval, held back payment of the District's portion of the Basin Replenishment fees to repay itself the \$500,000. As the activities were related to the GSP, the action resulted in the Extraction Fund receiving an advance from the Basin Replenishment Fund (Note 6).

Under Liabilities, the Authority's accounts payable liabilities are routine monthly vendor invoices. Advances payable is owed to the County of Kern, a JPA member. In 2017, the County of Kern agreed to advance \$500,000 for the purpose of filling the funding gap that had been created by the delay in imposing a groundwater extraction fee. Due to Other Governments includes \$692,217 owed to the City of Ridgecrest. Since 2016, The City of Ridgecrest, a JPA member, has provided General Counsel or Legal Services, and use of Council Chambers/Audio Visual/IT services to the Authority. Repayment is restricted to Extraction revenue.

**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Following is a Condensed Statement of Revenues, Expenses, and Changes in Net Position for the fiscal years ended 2021 and 2020.

	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>Percent Change</u>
Operating Revenues				
Assessment Fees	\$ 5,522,199	\$ 795,136	\$ 4,727,063	594%
Total Operating Revenues	<u>5,522,199</u>	<u>795,136</u>	<u>4,727,063</u>	594%
Operating Expenses				
Professional Expenses	2,020,759	1,623,601	397,158	24%
Depreciation Expense	4,140	2,070	2,070	100%
Total Operating Expenses	<u>2,024,899</u>	<u>1,625,671</u>	<u>399,228</u>	25%
Nonoperating Revenues				
State Grants	322,797	659,537	(336,740)	-51%
Assessment Fees	11,989,819	-	11,989,819	N/A
Bad Debt Expense	(11,989,819)	-	(11,989,819)	N/A
Total Nonoperating Revenues	<u>322,797</u>	<u>659,537</u>	<u>(336,740)</u>	-51%
Change in Net Position	3,820,097	(170,998)	3,991,095	2334%
Beginning Net Position	<u>(1,386,442)</u>	<u>(1,215,444)</u>	<u>(170,998)</u>	-14%
Ending Net Position	<u>\$ 2,433,655</u>	<u>\$ (1,386,442)</u>	<u>\$ 3,820,097</u>	276%

Under Operating Revenues, Assessment Fees have increased by \$4.7 million. In 2021, the Basin Replenishment Fee was implemented through a Prop. 218 process resulting in \$4.2 million in revenue. The Authority continues to receive Extraction Fee revenue. Extraction Fee revenue increased from prior year due to rate adjustments.

The Authority's operating expenses include contracted Administrative, Engineering, Legal and Lobbying related services associated with implementing the GSP. Professional services increased by 24% primarily due to litigation-related costs.

Under Nonoperating Revenues, Grant revenue is decreasing as DWR Proposition 1 and 68 grant related activities are winding down. The Assessment Fees and Bad Debt Expense is associated with two water producers who have refused to pay the Basin Replenishment Fee. For more information, see Note 3 – Accounts Receivable. These amounts are not to be considered as available for financing operations until the funds are collected.

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY
STATEMENT OF NET POSITION (DEFICIT)
DECEMBER 31, 2021

	Extraction Fund	Basin Replenishment Fund	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 416,931	\$ 2,628,922	\$ 3,045,853
Accounts Receivable, Net of Allowance (Note 3)	75,848	257,014	332,862
Grant Receivable	492,289	-	492,289
Total Current Assets	<u>985,068</u>	<u>2,885,936</u>	<u>3,871,004</u>
Noncurrent Assets			
Advances to Other Funds (Note 5)	-	500,000	500,000
Depreciable Capital Assets, Net (Note 4)	22,769	-	22,769
Total Noncurrent Assets	<u>22,769</u>	<u>500,000</u>	<u>522,769</u>
Total Assets	<u>1,007,837</u>	<u>3,385,936</u>	<u>4,393,773</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	173,633	94,268	267,901
Total Current Liabilities	<u>173,633</u>	<u>94,268</u>	<u>267,901</u>
Noncurrent Liabilities			
Advances Payable (Note 6)	500,000	-	500,000
Advances from Other Funds (Note 5)	500,000	-	500,000
Due to Other Governments	561,235	130,982	692,217
Total Noncurrent Liabilities	<u>1,561,235</u>	<u>130,982</u>	<u>1,692,217</u>
Total Liabilities	<u>1,734,868</u>	<u>225,250</u>	<u>1,960,118</u>
NET POSITION			
Net Investment in Capital Assets	22,769	-	22,769
Restricted	-	3,160,686	3,160,686
Unrestricted	(749,800)	-	(749,800)
Total Net Position (Deficit)	<u>\$ (727,031)</u>	<u>\$ 3,160,686</u>	<u>\$ 2,433,655</u>

The accompanying notes are an integral part of basic these financial statements.

**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Extraction Fund	Basin Replenishment Fund	Total
OPERATING REVENUES			
Assessment Fees	\$ 1,319,924	\$ 4,202,275	\$ 5,522,199
Total Operating Revenues	<u>1,319,924</u>	<u>4,202,275</u>	<u>5,522,199</u>
OPERATING EXPENSES			
Professional Fees	1,094,248	926,511	2,020,759
Depreciation Expense	4,140	-	4,140
Total Operating Expenses	<u>1,098,388</u>	<u>926,511</u>	<u>2,024,899</u>
Operating Income	<u>221,536</u>	<u>3,275,764</u>	<u>3,497,300</u>
NONOPERATING REVENUES			
State Grants	322,797	-	322,797
Assessment Fees (Note 3)	16,540	11,973,279	11,989,819
Bad Debt Expense	(16,540)	(11,973,279)	(11,989,819)
Total Nonoperating Revenues	<u>322,797</u>	<u>-</u>	<u>322,797</u>
TRANSFERS			
Transfers In/Out (Note 5)	115,078	(115,078)	-
Change in Net Position	659,411	3,160,686	3,820,097
Net Position - Beginning	<u>(1,386,442)</u>	<u>-</u>	<u>(1,386,442)</u>
Net Position - Ending (Deficit)	<u>\$ (727,031)</u>	<u>\$ 3,160,686</u>	<u>\$ 2,433,655</u>

The accompanying notes are an integral part of basic these financial statements.

**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Extraction Fund	Basin Replenishment Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Assessments Fees	\$ 1,306,739	\$ 3,945,261	\$ 5,252,000
Cash Payments for Operating Expenses	(1,639,349)	(701,261)	(2,340,610)
Net Cash Provided (Used by) Operating Activities	<u>(332,610)</u>	<u>3,244,000</u>	<u>2,911,390</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from State Grants	487,467	-	487,467
Proceeds from Advances	(500,000)	-	(500,000)
Interfund Advances and Transfers	615,078	(615,078)	-
Net Cash Provided (Used by) Financing Activities	<u>602,545</u>	<u>(615,078)</u>	<u>(12,533)</u>
Net Increase in Cash and Cash Equivalents	269,935	2,628,922	2,898,857
Cash and Cash Equivalents, Beginning of Year	<u>146,996</u>	<u>-</u>	<u>146,996</u>
Cash and Cash Equivalents, End of Year	<u>\$ 416,931</u>	<u>\$ 2,628,922</u>	<u>\$ 3,045,853</u>
Reconciliation of Operating Income to Net Cash Used by Operating Activities:			
Operating Income	\$ 221,536	\$ 3,275,764	\$ 3,497,300
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	4,140	-	4,140
(Increase) in Assessment Fees Receivable	(13,185)	(257,014)	(270,199)
Increase/(Decrease) in Accounts Payable	(624,276)	94,268	(530,008)
Increase in Due to Other Governments	79,175	130,982	210,157
Net Cash Provided (Used) by Operating Activities	<u>\$ (332,610)</u>	<u>\$ 3,244,000</u>	<u>\$ 2,911,390</u>

The accompanying notes are an integral part of basic these financial statements.

**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Authority Activities

Indian Wells Valley Groundwater Authority (the Authority) was formed June 15, 2016. The Authority is organized under California Government Code Section 65000. The Authority was formed for the purpose of forming a Groundwater Sustainable Agency (GSA) and achieving groundwater sustainability in the Indian Wells Valley Groundwater Basin. The Authority is governed by a five-member Board of Directors (the Board). One board member is appointed by each General Member. The five General Members of the Authority are the City of Ridgecrest, County of Inyo, County of Kern, County of San Bernardino, and Indian Wells Valley Water District (the District).

The accounting and reporting policies of the Authority conform in all material respects to accounting principles generally accepted in the United States of America applicable to governmental enterprise funds.

B. Reporting Entity

The Authority has no oversight responsibility for any other governmental entity nor is the Authority's operation a component unit of any other governmental entity. Therefore, the reporting entity consists only of the Authority's operations.

C. Basis of Presentation

The Authority reports its activities as an enterprise fund. An enterprise fund is a proprietary type fund used to account for operations that are financed in a manner similar to private business enterprises: (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are prepared using the economic resource measurement focus and the accrual basis of accounting. Under the economic measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with these activities are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenue) and decreases (expenses) in total net position (deficit). Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

E. Classification of Revenues and Expenses

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from water activities related to the Indian Wells Valley Groundwater Basin and related costs. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Classification of Revenues and Expenses (Continued)

Operating revenues, such as member contributions, result from exchange transactions associated with the principal activity of the Authority. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as sale of assets and grant income, result from nonexchange transactions or ancillary activities in which the Authority gives (receives) value without directly receiving (giving) equal value in exchange. For the year ended December 31, 2021, nonoperating revenues included \$322,797, in grant income received from the State of California.

Operating expenses include the cost of sales and service, administrative expense, and depreciation on capital assets. All expenses not meeting this definition are reported as nonoperating expenses.

F. Establishment of Revenue

Income is, for the most part, generated from the contributions of the Authority's members. The Board determines member contributions.

On August 21, 2020, a public hearing was held to consider the adoption of the Basin Replenishment Fee by the Authority. Federal Interests and de minimis users, as defined by the Sustainable Groundwater Management Act (SGMA), are exempt from the Replenishment Fee. Likewise, residents in the Authority small mutuals and the Inyokern Community Services District are exempted through Navy pronouncement that its water needs include off-stations demands for its workforce, and their dependents. The Replenishment Fee is calculated so that the properties are only charged their fair share, and no more. At the hearing, the Authority conducted a majority protest proceeding and determined there was not a majority of protest letters received. The Board adopted Ordinance 03-20 setting the Basin Replenishment Fee.

G. Budget

Although a budget is adopted annually, it is used primarily as a guideline for the Board in regulation of expenses. The budget is prepared on a modified cash basis of accounting. There is no legal compulsion to stay within the adopted budget in the payment or classification of expenses.

H. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits with financial institutions, deposits in money market mutual funds, and short-term investments with original maturities of twelve months or less from the date of acquisition. The short-term investments include the pooled cash with the Kern County Treasury. Investment pool deposits are carried at the Authority's proportionate share of the fair value of the pool's underlying portfolio.

I. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the enterprise fund on the Statement of Net Position as nondepreciable or depreciable noncurrent assets. Capital assets are defined by the Authority as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets (Continued)

Depreciable capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Useful Lives</u>
Equipment	7 years

J. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Authority to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. Subsequent Events

In preparing these financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through May 12, 2023, the date the financial statements were available to be issued.

L. Net Position

In the Statement of Net Position, net position is classified in the following category:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction, or improvement of those assets.

Restricted Net Position - This component of net position represents amounts with constraints on their use that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This amount includes all items that do not meet the definition of restricted assets.

On December 31, 2021, the Extraction Fund had a deficit of \$727,031. The deficit will be eliminated with the collection of future assessment fees.

M. Governmental Accounting Standards Update

Recently released standards by GASB affecting future years are as follows:

GASB Statement No. 87 – Leases. The requirements of this statement are effective for reporting periods beginning after December 15, 2021. The Authority has not fully judged the effect of implementation of GASB Statement No. 87 as of the date of the basic financial statements.

GASB Statement No. 89 – Accounting for Interest Cost Incurred Before the End of a Construction Period. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. The Authority has not fully judged the impact of implementation of GASB Statement No. 89 on the financial statements.

GASB Statement No. 91 – Conduit Debt Obligations. The requirements of this statement are effective for reporting periods beginning after December 15, 2021. The Authority has not fully judged the impact of implementation of GASB Statement No. 91 on the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Governmental Accounting Standards Update (Continued)

GASB Statement No. 92 – Omnibus 2020. The requirements of this statement are effective as follows:

- The requirements related to the effective date of GASB Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of GASB Statements No. 73 and No. 74 are effective for reporting periods beginning after June 15, 2021.
- The requirements related to application of GASB Statement No. 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

The Authority has not fully judged the impact of implementation of GASB Statement No. 92 on the financial statements.

GASB Statement No. 93 – Replacement of Interbank Offered Rates. The requirements of this statement, except for paragraph 11b, are effective for reporting periods beginning after June 15, 2021. The Authority has not fully judged the impact of implementation of GASB Statement No. 93 on the financial statements.

GASB Statement No. 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. The Authority has not fully judged the impact of implementation of GASB Statement No. 94 on the financial statements.

GASB Statement No. 96 – Subscription-Based Information Technology Arrangements. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. The Authority has not fully judged the impact of implementation of GASB Statement No. 96 on the financial statements.

GASB Statement No. 97 – Certain Component Units Criteria and Accounting and Financial Reporting of Internal Revenue Code 457 Deferred Compensation Plans – an Amendment to GASB Statements No. 14 and No. 84 and a Supersession of GASB Statement No. 32. The requirements in paragraph 4 as it applies to defined contribution pension plans, defined other employee benefit plans, and other employee benefit plans and paragraph 5 are effective immediately. All other requirements of this statement are effective for reporting periods beginning after June 15, 2021. The Authority has not fully judged the impact of implementation of GASB Statement No. 97 on the financial statements.

NOTE 2 – CASH DEPOSITS AND INVESTMENTS

The Authority has the following cash and cash investments at December 31:

	<u>2021</u>
Deposits:	
Demand deposits	\$ 789,405
Cash Investments:	
Kern County Investment Fund	<u>2,256,448</u>
Total	<u>\$ 3,045,853</u>

The Authority's deposit policy for custodial credit risk requires compliance with the provisions of state law. Balances were fully insured and/or collateralized with securities held by the pledging financial institutions in the Authority's name.

The Authority does not have an adopted investment policy; therefore, the Authority is governed by the investment guidelines of the California Government Code. The State of California Government Code authorizes investments in obligations of the U.S. Treasury, its agencies and instrumentalities, commercial paper, bankers' acceptances, repurchase agreements, and the State of California Local Agency Investment Fund.

As of December 31, 2021, the Authority had \$2,256,448, invested with the Kern County Investment Fund. The Kern County Investment Fund fair value factor of 0.995792 at December 31, 2021, was used to calculate the fair value of the investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the Authority). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

GASB Statement No. 40 requires that disclosures be made with respect to custodial credit risks relating to deposits and investments. Of the Authority's bank balance at December 31, 2021, \$789,405, was exposed to custodial credit risk.

NOTE 3 – ACCOUNTS RECEIVABLE

The Authority was created through a Joint Exercise of Powers agreement in 2016 to serve as the GSA for the Indian Wells Valley Groundwater Basin. The Authority was created pursuant to SGMA which calls for local agencies to form GSAs to establish and implement Groundwater Sustainability Plans (GSP) for groundwater basins within the state that were determined by the Department of Water Resources (DWR) to be medium or high priority. The Indian Wells Valley Groundwater Basin was not only high priority, but is designated by DWR as a critically-overdrafted (COD) basin. All basins subject to SGMA requirements were required to establish GSAs by June 2017; GSAs managing CODs – which have the greatest need for action – were required to create and submit a GSP by January 2020.

NOTE 3 – ACCOUNTS RECEIVABLE (Continued)

As the designated GSA for the Indian Wells Valley Basin, the Authority has the authorities given under SMGA (California Water Code Div. 6, Part 2.74 – Sections 10720 – 10737.8) as well as the powers of the member agencies as provided through its Joint Exercise of Powers Agreement (authorized by California Government Code Chapter 5, Sections 6500 – 6599.3). The authorities granted through SGMA include the ability to impose fees for groundwater management and implementation of the GSP. The process for adopting such fees is cited in SGMA (California Water Code Sections 10730-10731) and mirrors the requirements of Proposition 218 and Proposition 26. The Authority's fees were developed and implemented pursuant to those requirements. The Board Resolution and Engineer's Report establishing the Replenishment Fee are here: <https://iwvga.org/s/Ordinance-03-20-Full-7szn.pdf>. Board actions and supporting documents for the Extraction Fee, GSP and other information can be found on the Authority's website, IWVGA.ORG.

On August 21, 2020, a public hearing was held to consider the adoption of the Basin Replenishment Fee by the Authority. Federal Interests and de minimis users, as defined by the SGMA, are exempt from the Replenishment Fee. Likewise, residents in the Authority's small mutuals and the Inyokern Community Services District are exempted through Navy pronouncement that its water needs include off-Stations demands for its workforce, and their dependents. The Replenishment Fee is calculated so that the properties are only charged their fair share, and no more. At the hearing, the Authority conducted a majority protest proceeding and determined there was not a majority of protest letters received. The Board adopted Ordinance 03-20 setting the Basin Replenishment Fee.

The Basin Replenishment Fee is a composite per acre foot extraction fee to purchase import supplies for those that need them and to pay for mitigation of registered shallow wells that are damaged by continuing overdraft. The Basin Replenishment Fee can be lowered as it is proportional and based on the augmented supply needed so if the needed supply is lowered the ultimate cost is lowered.

Basin Replenishment Fees currently imposed by the Authority are as follows:

- Shallow Well Mitigation Fee: Currently at \$17.50/acre-foot (AF), this fee is paid by agricultural pumpers who joined the Transient Pool. The Transient Pool allocated agricultural users with an allotment of water that can be used until 2040.
- Replenishment Fee: This fee is levied on any water producers who exceed the allotment assigned to them from the Basin's sustainable safe yield; it is also levied on agricultural water users who chose not to join the Transient Pool. Currently, the Replenishment totals \$2,130/AF – comprised of two separate components: the Shallow Well Mitigation Fee (identified above) at \$17.50/AF, and an Augmentation Fee at \$2,112.50/AF. The purpose of the Replenishment Fee is to pay for activities associated with supplementing the Basin's natural water supply, including the purchase of rights to imported water supplies, construction of an imported water pipeline, and an advanced water treatment facility for reuse of recycled water.

The largest receivables are from the replenishment fee which is a new revenue source this year.

The Replenishment Fee

On August 21, 2020, pursuant to California Water Code Section 10730.2, the Authority's Board of Directors passed Ordinance 03-20, establishing a "Basin Replenishment Fee" of \$2,130 per AF of water extracted from Basin. The Basin Replenishment Fee went into effect January 1, 2021. When the fee was adopted, the Authority relied on the process contained in Water Code section 10730.2, which mirrors Section 6 of Proposition 218. For the fee adoption, the GSA sent the fee out as a majority protest and there were not enough protests to meet the threshold for not imposing the fee, so the fee was approved.

The Basin Replenishment Fee is designed to provide funding for two projects: (1) the importation of water supplies and (2) the mitigation of damages to shallow wells, which will continue to occur until augmented supplies are delivered to the basin. Pursuant to Ordinance 03-20, beginning on February 15, 2021, and every month thereafter on, or before, the 15th day of the month, pumpers subject to the Basin Replenishment Fee must submit payment for the prior calendar month's extractions.

NOTE 3 – ACCOUNTS RECEIVABLE (Continued)

The Replenishment Fee (Continued)

There are three water producers subject to the Basin Replenishment Fee – 1) Mojave Pistachios, LLC; 2) Searles Valley Minerals Inc.; and 3) Indian Wells Valley Water District.

During the year ended December 31, 2021, the Indian Wells Valley Water District paid \$4,202,275. Mojave Pistachios, LLC and Searles Valley Minerals have refused to pay the fee. Both have unsuccessfully attempted to challenge the collection of the fee through an injunction. Additionally, claims for damages by both Mojave Pistachios, LLC and Searles Valley Minerals were recently dismissed, and the Authority is now initiating efforts to collect the unpaid fees.

The Assessments Receivable are as follow as of December 31, 2021:

Mojave Pistachios, LLC	\$ 7,251,138	Basin Replenishment Fee
Searles Valley Minerals	4,722,141	Basin Replenishment Fee
Inyokern Community Services District	<u>16,540</u>	Extraction Fee
Total Receivable	<u>\$ 11,989,819</u>	

The Authority has chosen to not recognize these receivable amounts as the legal process for collections moves forward. The Authority is confident in the collection of the Basin Replenishment outstanding receivables but for accounting purposes are listed under Allowance for Doubtful Accounts. These amounts are not to be considered as available for financing operations until the funds are collected.

Impact of Litigation on Collection of the Basin Replenishment Fee

Status of Challenge to the fee: Last year both Mojave and Searles Valley Minerals tried to have the court issue an injunction against the replenishment fee to direct the Authority to stop its attempts to collect the fee from these parties. The Authority responded by pointing out that both parties had waived their right to challenge the fee by failing to pay it as required by California law. After a series of hearings, the court ultimately ruled in favor of the Authority finding that these parties had no legal grounds to contest the fee. As a result, the legal challenges that remain are to other actions taken by the Authority and do not represent a threat to the collection of the fee.

In fact, the \$4.2 million that has been collected so far has come from another party, the Indian Wells Water District (District) that is a member of the Authority and did not challenge the fee. The Authority currently has lawsuits pending to collect the outstanding fee from Searles Valley Minerals and Mojave Pistachios, LLC. If this effort is successful, these parties will be liable to pay the Authority several million dollars more than the Authority has already collected. If the fees cannot be collected, the Authority will continue to collect from the District. In no event will the outcome of these lawsuits eliminate the obligation of the District to pay the Replenishment Fee.

Extraction Fee

Effective September 1, 2018, and adopted by Ordinance No. 02-18, all groundwater extractions from and within the Basin shall be subject to measurement and the Groundwater Extraction. This fee, currently at \$105 per acre-foot of water pumped, is levied on all water producers within the Indian Wells Valley Basin, except for de minimis pumpers (those who produce less than two AF per year) and co-ops with less than four connections.

California Water Code Section 10730, enacted through SGMA, authorizes the Groundwater Authority, the authority to impose a groundwater extraction fee. Pursuant to Section 10730(a), the fees may be used "to fund the costs of a groundwater sustainability program, including, but not limited to, preparation adoption, and amendment of a groundwater sustainability plan, and investigations, inspections, compliance assistance, enforcement, and program administration, including a prudent reserve." In addition, Water Code Section 10725(a) authorizes the Groundwater Authority to "perform any act necessary or proper to carry out the purposes of this part {SGMA}."

NOTE 3 – ACCOUNTS RECEIVABLE (Continued)

Extraction Fee (Continued)

Pursuant to SGMA, all groundwater pumpers are subject to the groundwater extraction fee except for federal entities and those that qualify as de minimis extractors. SGMA expressly provides that a “de minimis extractor” is a “person who extracts, for domestic purposes, two acre-feet or less per year” (California Water Code Section 10721(e)). “Person” for the purposes of this fee is any typical household including landscaping. One acre-foot of water is equivalent to 325,851 gallons.

During the year ended December 31, 2021, Accounts Receivable associated with the collection of the Extraction Fee was \$16,540 from InyoKern Community Services District. The probability of collection is uncertain at this time and is included in Allowance for Doubtful accounts. Total Extraction Fee revenue collected during the year was \$1.3 million.

Total accounts receivable for the year ended December 31, 2021, is as follows:

	Extraction Fund	Basin Replenishment Fund	Total
Accounts Receivable	\$ 92,388	\$ 12,230,293	\$ 12,322,681
Allowance for Doubtful Accounts	(16,540)	(11,973,279)	(11,989,819)
Accounts Receivable, Net	<u>\$ 75,848</u>	<u>\$ 257,014</u>	<u>\$ 332,862</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021, is as follows:

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Depreciable Assets:				
Equipment	<u>\$ 28,979</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,979</u>
Total Depreciable Assets	<u>28,979</u>	<u>-</u>	<u>-</u>	<u>28,979</u>
Less: Accumulated Depreciation:				
Equipment	<u>(2,070)</u>	<u>(4,140)</u>	<u>-</u>	<u>(6,210)</u>
Total Accumulated Depreciation	<u>(2,070)</u>	<u>(4,140)</u>	<u>-</u>	<u>(6,210)</u>
Total Depreciable Assets, Net	<u>26,909</u>	<u>(4,140)</u>	<u>-</u>	<u>22,769</u>
Total Capital Assets, Net	<u>\$ 26,909</u>	<u>\$ (4,140)</u>	<u>\$ -</u>	<u>\$ 22,769</u>

Depreciation expense for the year ended December 31, 2021, is \$4,140.

NOTE 5 – INTERFUND TRANSACTIONS ADVANCES TO/FROM OTHER FUNDS

Advances To/From Other Funds

<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>	
	<u>Extraction Fund</u>	<u>Total</u>
Basin Replenishment Fund	<u>\$ 500,000</u>	<u>\$ 500,000</u>
Total	<u>\$ 500,000</u>	<u>\$ 500,000</u>

Transfers

For the year ended December 31, 2021, the Authority had the following transfers:

<u>Transfers Out</u>	<u>Transfers In</u>	
	<u>Extraction Fund</u>	<u>Total</u>
Basin Replenishment Fund	<u>\$ 115,078</u>	<u>\$ 115,078</u>
Total	<u>\$ 115,078</u>	<u>\$ 115,078</u>

NOTE 6 – ADVANCES PAYABLE

On June 26, 2018, the County of Kern (the County) provided the Authority with initial funding capital to close the funding gap created by the delay in imposing a groundwater extraction fee, while simultaneously providing provisions that will ensure that the County's contributions are refunded to the County as the Authority becomes self-sufficient. Advances payable to the County is \$500,000 at December 31, 2021.

NOTE 7 – STATUS OF LITIGATION

The Authority is involved in various lawsuits; however the Authority does not believe litigation will have a significant impact on the operations of the Authority.

OTHER INDEPENDENT AUDITOR'S REPORT

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Members of the Governing Board
Indian Wells Valley Groundwater Authority
Ridgecrest, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Indian Wells Valley Groundwater Authority (the Authority), as of and for the year ended December 31, 2021, and the related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 12, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
May 12, 2023

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IWVGA ADMINISTRATIVE OFFICE

STAFF REPORT

TO: IWVGA Board of Directors **DATE:** June 9, 2023

FROM: Carol Thomas-Keefer, General Manager

SUBJECT: **Agenda Item No. 10 – Communications and Engagement Plan Update**

BACKGROUND

The Groundwater Sustainability Plan (GSP) developed by the Indian Wells Valley Groundwater Authority includes a Communications and Engagement Plan (C&E Plan) as required by GSP regulations. The C&E Plan for the IWVGA GSP was initially developed by the Policy Advisory Committee (PAC) in 2018 with a focus on GSP planning and development.

In 2022, following the state Department of Water Resources' approval of the IWVGA's GSP, the PAC undertook a review of the C&E Plan in order to address one of DWR's Recommended Corrective Actions in the GSP pertaining to the C&E Plan. Recommended Corrective Action #1 (RCA 1) states: "Provide additional information on the required, ongoing communications elements required in the GSP Regulations, and describe how those required elements fit into the Authority's Communication and Engagement Plan, including how it will continue to allow an open collaborative process with active diverse stakeholder engagement...during Plan implementation."

In response to DWR's RCA 1, the PAC performed a comprehensive review of the existing C&E Plan and has updated the Plan with expanded activities aimed toward educating and engaging the community on Basin groundwater management matters and the need to achieve sustainability. Dave Janiec, on behalf of the PAC, provided the updated C&E Plan recommendation to the IWVGA board at its October 12, 2022, meeting.

DISCUSSION

The PAC has provided a number of excellent suggestions and recommendations for enhancing IWVGA's communications and outreach efforts. This updated C&E Plan identifies communication methods and engagement tools, proposes an organizational structure for communications activities, and outlines a variety of recommended outreach tasks. The board, in its 2022 and 2023 annual budgets, allocated limited funds toward C&E Plan activities with the intent that the updated C&E Plan would provide additional direction, and staff has begun to

implement some of these recommendations. However, the updated C&E Plan represents a comprehensive set of outreach guidelines and activities and will require additional budget and planning for broader implementation.

RECOMMENDATION

The IWVGA board should consider directing the General Manager to distill the PAC's proposed C&E Plan update into a recommended implementation plan with a proposed budget, for board consideration at the next meeting. Considering the limited budget available for C&E Plan activities in 2023, the staff recommendation would propose a work plan that would extend into 2024 so that adequate budget can be allocated.

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**Communication and Engagement Plan for GSP Implementation Phase
DRAFT RECOMMENDATION**

Indian Wells Valley Groundwater Authority
Policy Advisory Committee

August 25, 2022

I. PURPOSE OF THE DOCUMENT

The Groundwater Sustainability Plan (GSP) for the Indian Wells Valley Groundwater Basin was submitted in January 2021, thus starting the GSP implementation phase per SGMA guidelines. The GSP was subsequently approved by the California Department of Water Resources (DWR) on January 13, 2022.

The original Communications & Engagement Plan (C&E) dated April 19, 2018, addressed C&E during the GSP development phase. This document addresses the GSP implementation phase and supersedes the original C&E plan. It retains the essential elements of the original plan and incorporates additional areas of focus to address the C&E needs of the GSP implementation phase, lessons learned during the GSP development phase, and C&E corrective actions recommended by DWR.

During the GSP implementation phase, the Indian Wells Valley Groundwater Authority (IWVGA) is dedicated to expanding the public's trust with enhanced open dialogue and transparency. The IWVGA encourages active involvement of diverse social, cultural, and economic elements of the population to ensure that all relevant and interested stakeholders, beneficial users, and the public are involved. The key responsibilities of the IWVGA are: 1. To continually alert and notify stakeholders of the status of groundwater and the actions being taken to reach sustainability, and 2. To provide stakeholders opportunities to obtain information and to engage in the implementation of the GSP. Once alerted, all interested parties have a responsibility to become informed and participate in the process.

II. BACKGROUND

A. BASIN BACKGROUND

The Indian Wells Valley (IWV) Groundwater Basin is located east of the southern Sierra Nevada Range in southern California with an area of approximately 382,000 acres underlying portions of Inyo, Kern, and San Bernardino Counties. The IWV Groundwater Basin is identified by the Department of Water Resources (DWR) as Basin 6-54 in Bulletin No. 118. IWV Groundwater Basin is classified as a "critically overdrafted" basin pursuant to the California Statewide Groundwater Elevation Monitoring (CASGEM) program, the Sustainable Groundwater Management Act (SGMA), and Bulletin No. 118 interim update (2016) prepared by the DWR. As required by SGMA, all Bulletin No. 118 basins designated as "high" or "medium priority" and "critically overdrafted" such as the IWV Groundwater Basin shall be managed under a Groundwater Sustainability Plan (GSP) submitted to DWR by January 31, 2020.

The IWV Groundwater Basin resources are not currently sustainably managed. Groundwater is the sole source of water in the IWV. Overdraft conditions have existed since at least the 1960s as a result of groundwater pumping exceeding the sustainable

yield of the basin. Disadvantaged Communities (DACs), Severely Disadvantaged Communities (SDACs), Economically Distressed Areas (EDAs), and the large number of shallow domestic water wells overlying the IWV Groundwater Basin are particularly susceptible to adverse effects resulting from chronic lowering of groundwater levels. Mitigating the chronic lowering of groundwater levels by implementing the GSP is an urgent requirement. As a result of these conditions, and with the purpose of complying with SGMA regulations and DWR standards and guidance, the IWVGA was established; and in January 2022 DWR approved the IWV Groundwater Basin GSP.

Until the Comprehensive Adjudication, and other lawsuits, are settled in the Superior Court there may be limited communication and information provided on certain issues regarding the IWV Groundwater Basin. The Board may have to prioritize communication actions recommended in this C&E Plan due to limited funding.

B. SGMA COMMUNICATIONS AND ENGAGEMENT PLAN REQUIREMENTS

This document is designed to assist the public and the IWVGA in developing a mutual understanding of how the IWVGA will fulfill the requirements of SGMA as they relate to public engagement. Specific guidance in California law requires the GSP to address C&E:

CA Code of Regulations – Title 23 – Division 2 – Chapter 1.5 – Sub Chapter 2 – Article 5 – Sub Article 1 – Sub Section 354.10 (d)

“A communication section of the Plan that includes the following:

1. An explanation of the Agency’s decision-making process
2. Identification of opportunities for public engagement and a discussion of how public input and response will be used.
3. A description of how the Agency encourages the active involvement of diverse social, cultural, and economic elements of the population within the basin.
4. The method the Agency shall follow to inform the public about progress implementing the Plan, including the status of projects and actions.”

C. IMPORTANCE OF STAKEHOLDER ENGAGEMENT

The GSP clearly identifies the severity of the overdraft in the basin, as well as the challenging magnitude of the projects, actions, and resources necessary to bring the basin into sustainability. The IWV Groundwater Basin underlies a variety of land uses and communities with varying needs and interests relating to the sustainable management of its resources. The plan requires significant public understanding, engagement, and support for successful implementation.

D. DECISION MAKING PROCESS

In July 2016, the IWVGA was formed through a Joint Exercise of Powers Agreement for the purpose of forming a Groundwater Sustainability Agency (GSA), as defined by SGMA, to manage the Indian Wells Valley Groundwater Basin and to implement SGMA requirements, including the development and implementation of a GSP. The IWVGA consists of the following voting member agencies:

- City of Ridgecrest (a public agency)
- Indian Wells Valley Water District (a California Special District)
- County of Kern (a public agency)
- County of Inyo (a public agency)
- County of San Bernardino (a public agency)

And consists of the following non-voting associate members:

- United States Department of the Interior – Bureau of Land Management
- United States Navy - Naval Air Weapons Station China Lake

During the formation of the IWVGA, a comprehensive listing of interested parties (Appendix A) was developed. This listing of over 150 stakeholders includes representatives from all types of water users within the IWV Groundwater Basin and continues to be used for notification of public meetings, other types of notifications (e.g., mailings, email, etc.), and updates relating to the discussions surrounding SGMA and the implementation of the GSP. This stakeholder listing continues to be used and updated.

The IWVGA conducts regular board meetings on a monthly basis to support the on-going development and implementation of the GSP for the IWV Groundwater Basin. The purpose of these meetings is to conduct the business of the IWVGA, present the status of the GSP and its implementation, and to provide an opportunity for input from interested parties both in-person and virtually.

The IWVGA created two standing committees to advise the IWVGA board on policy and technical issues and information. The Policy Advisory Committee (PAC) and The Technical Advisory Committee (TAC), provide an additional public engagement opportunity for interested parties of the basin. Through these committees and other identified means of engagement, the public is able to provide input to the IWVGA throughout the implementation phase of the GSP. All input received from interested parties is taken into account during the IWVGA decision-making process.

III. OBJECTIVES AND DESIRED OUTCOMES

Ultimately, the success of the IWV Groundwater Basin will be determined by the collective action of all groundwater users. On a practical level, that means that in order to meet the ongoing water supply needs, for both health and safety and economic livelihoods, the Basin must be managed in a balanced fashion. The approved GSP has been developed to meet this objective, and the IWVGA needs maximum public engagement in order to be successful in the implementation of the GSP.

Therefore, the IWVGA seeks to involve interested parties, stakeholders, and the public, and to keep the internal information flow seamless among staff, consultants, committee members, and the Board regarding the goals and objectives of the IWV Groundwater Basin GSP and its implementation projects, management actions and execution.

A. DESIRED OUTCOMES

1. Maximum public awareness, understanding, and engagement from all parties in implementing the GSP
2. Increased credibility and public trust and support for the GSP implementation process
3. Reach full sustainability in the basin through GSP implementation

B. CONCERNS AND CHALLENGES

1. Fragmented methods of communication and methods of information retrieval.
2. Lack of more extensive use of growing popular social media and other communication vehicles.
3. Apathy or the limited interest in the subject.
4. Use of unfamiliar language and technical terminology.
5. Limited available access to accurate reference materials through affordable communication methods.
6. Absentee and out of basin landowners
7. Temporary employees in the basin who own homes
8. Limited access for non-English language and hearing-impaired individuals
9. Scheduling meetings at times that maximize the opportunity for public participation
10. Gaining and retaining public trust
11. Presenting a balanced statement of the magnitude of the problem and the proposed solutions
12. Ongoing litigation(s) and their potential limits on communications
13. Difficulties in communication with DAC, SDAC, and EDA communities

C. APPROACH

1. Notify and inform the public about the status of groundwater in the IWV and provide accurate, objective, and timely information through the use of multiple communication venues and tools to maximize distribution.
2. Manage a singular repository (i.e., the website) that serves as the central database for all public information and is the primary reference point that all external posts or engagements lead back to. This repository should provide overview and introductory information in layman's terms for newly interested members of the public, as well as detailed information sources.
3. Designate a Communications Director whose responsibility it is to maintain, coordinate and implement the C&E Plan.
4. Implement an integrated schedule available to the public that includes information about the projects and management actions throughout implementation, including budgetary information.

IV. OPPORTUNITIES FOR PUBLIC INVOLVEMENT AND ENGAGEMENT

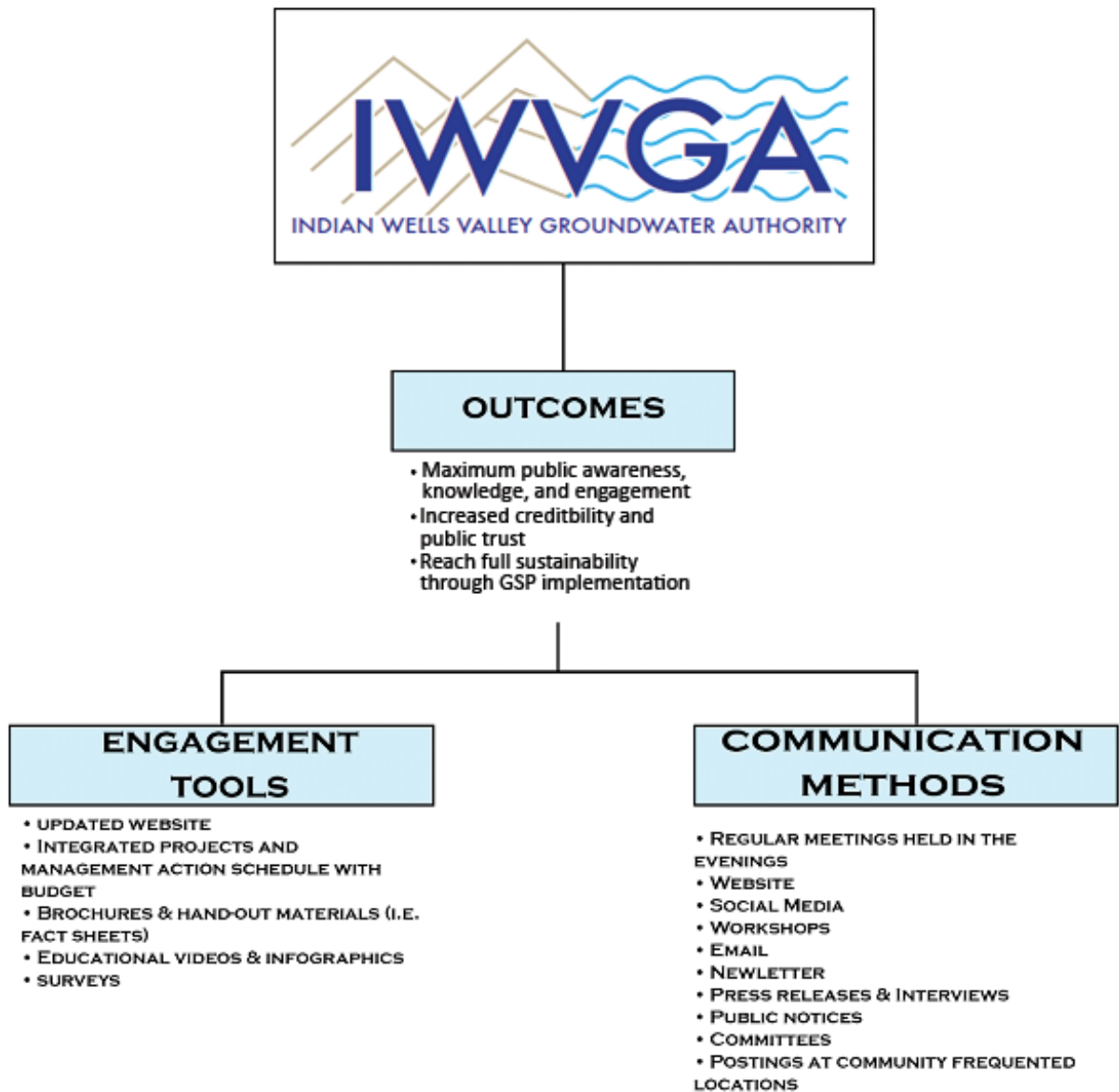
A. AUDIENCE

In addition to the interested parties and stakeholders identified in Appendix A, a listing of organizations, Appendix B, was developed to help inform and engage the general public and key governing agencies/individuals in the GSP implementation process. These can generally be grouped into two categories:

- I. Local Community Information, Outreach, and Engagement Opportunity (Awareness, Coordination, Participation, and Execution)
 - a. Service organizations
 - b. Business and Advocacy Groups
 - c. Schools and Education Organizations
 - d. Tribal Representation
 - e. Local Utilities within the Basin
 - f. Local Government
- II. External Contacts (Proactive Coordinated Execution and Funding Solutions)
 - a. Regional
 - i. Utilities
 - ii. Regulatory Agencies
 - iii. Districts
 - b. State
 - i. Advocacy groups and coalitions
 - ii. Legislative representations

- iii. Executive agencies
- c. National
 - i. Advocacy groups and coalitions
 - ii. Legislative representations
 - iii. Executive agencies

B. OVERVIEW OF IWVGA COMMUNICATION AND ENGAGEMENT



C. COMMUNICATION VENUES AND TOOLS

1. REGULAR IWVGA BOARD MEETINGS

Board and Committee Meetings are open to the public, and available for live viewing via YouTube. The IWVGA is deeply rooted in stakeholder engagement, and the IWVGA will continue to provide both in-person and virtual meeting attendance options.

2. COMMUNICATIONS DIRECTOR

The Communications Director is a key staff position for the implementation phase of the GSP. The Communications Director works closely with interested parties, stakeholder groups, staff, and the General Manager (GM) to implement the Communications and Engagement Plan.

3. COMMITTEES

POLICY ADVISORY COMMITTEE (PAC)

The PAC advises the IWVGA board on all policy matters, including GSP implementation. The committee meets on a monthly basis and provides representation for all types of water users in the IWV Groundwater Basin.

The voting members of the PAC include water users from the following:

- 2 representatives from Large Agriculture
- 1 representative from Small Agriculture
- 2 representatives from Business Interests
- 2 representatives from Domestic Well Owners
- 2 representatives from residential customers of a public agency water supplier
- 1 representative from Eastern Kern County Resource Conservation District
- 1 representative from Wholesaler and Industrial User
- At least 1 representative from Disadvantaged Communities (Inyokern)
- 1 representative from private water customers of Trona

The non-voting members of the PAC include:

- The IWV Water District

- United States Department of the Interior, Bureau of Land Management – Ridgecrest Field Office
- United States Navy, Naval Air Weapons Station China Lake
- Director of Kern County Planning and Natural Resources Department

TECHNICAL ADVISORY COMMITTEE (TAC)

The TAC meets on an as needed basis and provides technical review of data and other information pertaining to the GSP, implementation projects, and other requests from the Board. The TAC is comprised of individuals representing PAC membership stakeholder categories, and the interest of basin landowners and water users. The PAC Committee members may nominate a TAC member for their respective stakeholder membership category.

4. WEBSITE

The website (<https://iwvga.org>), will be updated and maintained to provide all accurate, relevant, and authoritative information about SGMA, the IWVGA, and implementation of the GSP. The website should be seen as the primary resource for all publicly available information and should be structured to appear prominently when an interested party executes a search about groundwater in the IWV.

The website should include:

- Primary Homepage/Landing Page that is easily navigated to find desired links or files within the site
- Frequently Asked Questions (FAQ)
- Meeting Packets and Video Links
- Document and web links with an easily searchable feature
- Integrated schedule for projects and management actions with budget
- Basin information, background, and additional data repository web link (<https://iwvgagasp.com>)

Social Media, infographics, brochures, and fact sheets will directly link back to the website and the information provided within it.

5. MASTER INTEGRATED PROJECT SCHEDULE

An essential element of the C&E phase is an integrated schedule which will be available to the public. This schedule will provide transparency about the timelines, inter-dependencies, and costs of projects and management actions. It will communicate

historical and planned actions of the IWVGA and provide a comprehensive overview for the public and stakeholders.

6. SOCIAL MEDIA

Existing well-established social media (e.g., Facebook) platforms will be leveraged to contact the public, share IWVGA activities, and GSP updates/milestones. Both an information-only avenue for dissemination, and a two-way communication method may be used to answer public questions and provide much needed information in a timely manner to a large sector of stakeholders. Any IWVGA social media posts will direct users to the IWVGA website for complete and in-depth information.

7. FACT SHEETS AND HAND-OUT MATERIALS

Fact sheets and hand-out materials should provide information on topics such as, but not limited to,

- SGMA
- GSP development and implementation
- Implementation Projects and Management Actions
- Basin Background and Basic Hydrologic Information

8. WORKSHOPS & COMMUNITY EVENTS

The IWVGA will conduct public workshops that pertain to implementation projects and actions. These workshops will focus on providing the public as much information as possible on the projects, the budget, schedule, and provide interested parties an opportunity to engage throughout implementation.

9. EDUCATIONS VIDEOS & INFOGRAPHICS

Short videos and infographics should be leveraged to provide concise information in an easy to consume format for IWVGA utilized social media platforms.

10. C&E CONTACT LISTS (APPENDIX A AND APPENDIX B)

The C&E contact lists, found in Appendix A and B, are used to send out IWVGA information relating to important updates, meeting packets, etc. Personal contact information provided to the IWVGA shall be secured and not available to the public.

Methods of communications using this information can include, but are not limited to, Push notifications, email communications, text alerts, etc.

11. EXISTING CHANNELS OF COMMUNICATION

To expand the IWVGA's sphere of engagement, the IWVGA will partner with existing agencies, committees, and organizations to disseminate information and invite public involvement. The Communications Director and/or GM will request the opportunity to provide articles, updates, and announcements for existing social media pages and newsletters (both digital and print). The Communications Director and/or GM will attend board/committee meetings, brief leadership, and coordinate public outreach at key IWVGA milestones.

12. ADDITIONAL TOOLS AND VENUES

- A. Quarterly or Annual E-Newsletter
- B. Public Notices
- C. Surveys
- D. Press releases and interviews
- E. Community Groups

D. COMMUNICATION RESPONSIBILITIES

1. PRESS PROTOCOLS

The press is an important partner for getting the IWVGA message out to the stakeholders. To maximize the effectiveness in working with the media, a consistent protocol should be followed by all staff, consultants, board members, and committee members.

- A. The Spokespersons
 - The primary spokespersons for all media inquiries are the GM and Communications Director. Media inquiries should first be directed to the Communications Director to coordinate a response.
 - Reporters may want to also interview board members and community members. The Communications Director and GM will maintain a list of board members and other designated spokespersons who will be prepared and can be called on for media interviews.
 - In preparation for the interview, the GM and Communications Director will work closely with the spokesperson chosen in

preparation for the media interviews. Factual and coordinated talking points will be provided in advance of the interview.

B. Responsiveness

- Reporters often work on tight deadlines. If there is a media request, it should be referred to the Communications Director and GM at the earliest possible opportunity.

C. Notifying the IWVGA

- Following the interview or press statement, if published, the GM or Communications Director will send notification to the Board and committee members.

2. GENERAL MANAGER (GM)

The GM, as described in the bylaws article 3.3, is the key personnel position that is the link between the IWVGA Board, staff, consultants, committee members, and interested parties in the community. The GM should be an employee of the IWVGA reporting directly to the Board and is responsible and accountable for C&E Plan execution by the Communications Director.

3. COMMUNICATIONS DIRECTOR

The Communications Director function will report directly to the GM. The Communications Director should not be a representative of any of the member agencies that comprise the IWVGA; he/she should be a member of IWVGA staff similar to the GM. The Communications Director will work closely with the GM, board members, and designated spokespersons to provide the public with accurate and verifiable information in a timely manner.

The Communications Director will monitor social media sites for mentions of the IWVGA, GSP, and implementation projects and management actions. A social media report, including any IWVGA mentions, positive and negative comments, will be provided to the GM monthly. Negative posts will be shared and discussed immediately to determine what, if any, response is warranted.

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IWVGA ADMINISTRATIVE OFFICE

STAFF REPORT

TO: IWVGA Board Members

DATE: June 14, 2023

FROM: IWVGA Staff

SUBJECT: AGENDA ITEM 11 - RESOLUTION 06-23 PROVIDING PROCEDURE TO ADDRESS LEGISLATIVE RESPONSE NEEDS OF THE AUTHORITY.

BACKGROUND

The Groundwater Authority has already engaged and directed staff and consultants to monitor and appropriately respond to legislation, and potential legislation, that may impact the adopted policies and procedures of the Groundwater Authority. In that regard, the Groundwater Authority has been very successful and has already acquired roughly \$15 million in grant support and other assistance.

The legislative season is in now in full swing. Accordingly, Bills are being amended and working through the various committees at a very quick pace. As example last month, staff reported on two Bills and the Board approved the Authority's position letters on those Bills. Since then, both of those Bills have been further amended and at this time staff is fairly certain that those Bills will receive even further amendment before the next Board meeting. Accordingly, staff is asking the Board to adopt the following Resolution which provides staff with the ability to quickly respond to Bills and amendments in consultation with Board President and Vice President to ensure that the adopted policies and procedures of the Groundwater Authority are considered in the legislative process.

Staff has provided the attached Resolution for the Board's consideration and adoption.

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

In the matter of:

Resolution No. 06-23

**PROVIDING PROCEDURE TO ADDRESS LEGISLATIVE RESPONSE NEEDS OF
THE AUTHORITY.**

**I, _____, Clerk of the Board of Directors for the Indian Wells Valley
Groundwater Authority, do certify that the following resolution, on motion of Director
_____, seconded by Director _____, was duly passed and adopted by the Board of
Directors at an official meeting this 14th day of June, 2023, by the following vote:**

AYES:

NOES:

ABSENT:

Clerk of the Board of Directors
Indian Wells Valley Groundwater Authority

RESOLUTION

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

Section 1. WHEREAS the adopted policies and procedures of the Indian Wells Valley Groundwater Authority can, and may, be impacted by further amendments to the statutes effecting the Sustainable Groundwater Management Act.

Section 2. WHEREAS staff has been authorized and directed to respond to Bills and amendments that may impact the adopted policies and procedures of the Groundwater Authority.

Section 3. WHEREAS given the very quick time frames involved in Bill amendments, staff believes that it could be beneficial to further memorialize staff's ability to individually consult with and receive direction from the Board President and/or Vice President on the Bill's that could impact the adopted policies and procedures of the Groundwater Authority.

Section 4. THEREFORE, IT IS RESOLVED by the Board of Directors of the Indian Wells Valley Groundwater Authority that staff may individually consult with and rely upon the direction of the Board President and/or Vice President in addressing Bill's and amendments that impact that the already adopted policies and procedures of the Groundwater Authority.

Section 5. This Resolution shall become effective immediately.

PASSED, APPROVED, AND ADOPTED, by the Indian Wells Valley Groundwater Authority this 14th day of June, 2023.

SIGNED:

President of the Board of Directors

ATTEST:

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IWVGA ADMINISTRATIVE OFFICE

STAFF REPORT

TO: IWVGA Board Members **DATE:** June 14, 2023

FROM: IWVGA Staff

SUBJECT: **Agenda Item 12 – Department of Water Resources Request for Supplemental Monitoring to Address Wet Conditions**

BACKGROUND AND DISCUSSION

The California Department of Water Resources (DWR) requires Groundwater Sustainability Agencies (GSAs) to collect groundwater elevation measurements to assess the groundwater conditions of groundwater basins across the state of California. DWR’s Groundwater Sustainability Plan (GSP) regulations require the collection of groundwater level measurements at least twice a year: the first occurring between January 1 and June 30 and the second occurring between July 1 and December 31.

The Indian Wells Valley Groundwater Authority (IWVGA) has developed a Groundwater Monitoring Program (GWMP) that consists of 177 groundwater wells (including multi-level piezometers) across the Indian Wells Valley Groundwater Basin (IWVGB). GWMP groundwater level collection occurs over one week in March and one week in October consistent with DWR’s GSP regulations. Groundwater level collection is a joint effort of the Kern County Water Agency (KCWA), Navy personnel, and the IWVGA staff. Data collection and monitoring updates are provided at the monthly IWVGA Board meetings within the Water Resources Manager Reports.

With the record snow and rainfall that occurred California during the winter of 2022-23 and the Governor’s recent Executive Orders N-3-23, N-4-23, and N-6-23 highlighting the importance of capturing runoff from rainfall and melting snow to replenish aquifers throughout the State, DWR is requesting that GSAs increase the frequency of groundwater level collection from the required biannual measurements. The increased monitoring will allow basins to better understand the groundwater levels responses associated with wet years and to better understand the best time to capture the occurrence of seasonal high groundwater levels.

In response to DWR’s request, the Supplemental Groundwater Level Monitoring Plan for the IWVGB has been developed for May, August, and December this year to supplement the October and March bi-annual monitoring. Groundwater level measurements would be taken from 58 monitoring wells at 42 locations (which includes 8 multi-level piezometers, 28 monitoring wells, and 6 domestic wells). Data will also be downloaded from 11 pressure transducers.

A memorandum with the supplemental monitoring schedule, the locations of the wells to be measured, and a breakdown of the estimated budget of \$20,100.00 for the supplemental monitoring is in your Board packet.

This supplemental monitoring was not included in the IWVGA's 2023 budget for Data Collection, Monitoring, and Data Gaps. However, since it appears that the Feasibility Study for the Brackish Water Project will not be available until the end of this year and review of the study will be conducted next year, funds that were budgeted for the review in the IWVGA's 2023 budget for Brackish Water Group: Data Review and Coordination will be available to fund the Supplemental Groundwater Level Monitoring Plan.

ACTION(S) REQUIRED BY THE BOARD

Staff recommends that the Board authorize implementation of the Supplemental Groundwater Level Monitoring Plan as requested by DWR.

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DRAFT Monitoring Plan

785 Grand Avenue, Suite 202 • Carlsbad, California • 92008

Phone: (760) 730-0701 FAX: (415) 457-1638 Web site: www.stetsonengineers.com

TO: File DATE: May 16, 2023
FROM: Stetson Engineers, Inc. JOB NO: 2652-2023:11
RE: Additional DWR Monitoring Plan for the IWV Groundwater Basin.

California's Department of Water Resources (DWR) requires Groundwater Sustainability Agencies (GSAs) to collect groundwater elevation measurements to assess the groundwater conditions of groundwater basins across the state of California. Requirements outlined in the Groundwater Sustainability Plan (GSP) require at least the collection of at least two groundwater level measurements: the first must occur between January 1 and June 30 and the second must occur between July 1 and December 31.

With the record snow and rainfall to California during winter months (2022 into 2023), DWR is requesting that GSAs increase the frequency of groundwater level collection from the required biannual measurements. This increase would allow for basins to better understand the response to groundwater levels associated with wet years and better understand the best time to capture the occurrence of seasonal high groundwater levels.

1.0. GROUNDWATER MONITORING PROGRAM

The Indian Wells Valley Groundwater Authority (IWVGA) has developed a Groundwater Monitoring Program (GWMP) that consists of 177 groundwater wells (including multi-level piezometers)¹ across the Indian Wells Valley Groundwater Basin (IWVGB). Twenty-three groundwater wells have been outfitted with pressure transducers (18) or telemetry devices (10) that collect hourly groundwater level data. Of the 177 groundwater wells in the GWMP, 60 lie within the boundaries of China Lake's Naval Air and Weapons Station (NAWS), with 6 having pressure transducers and 5 having telemetry equipment installed. Forty-eight of the 177 groundwater wells are privately owned domestic wells.

GWMP groundwater level collection occurs over one week in March and October each year to comply with the GSP. Groundwater level collection is a joint effort between the Kern County

¹ This is the status of the monitoring program as of the Indian Wells Valley Groundwater Basin GSP Annual Report Water Year 2022 published in March 2023 by the IWVGA.

Water Agency (KCWA), Navy personnel, and the IWVGA staff. Due to entry restrictions to NAWS China Lake, Navy personnel collects groundwater level measurements from the 60 groundwater wells that lie within the NAWS boundary. KCWA and the IWVGA collect groundwater levels from the remaining 117 groundwater wells.

Due to access issues imposed by privately owned domestic wells and entry restrictions to NAWS China Lake, the IWGA plans to collect the additional measurements requested by DWR from a subset of GWMP wells. A map showing the subset of wells for additional monitoring can be found in Figure 1 and a list of the respective wells can be found in Attachment A.

2.0. ADDITIONAL GROUNDWATER LEVEL MONITORING PLAN/SCHEDULE

Supplemental monitoring is proposed during May, August, and December to supplement the October and March bi-annual monitoring. Groundwater level measurements² would be taken from 58 monitoring wells at 42 locations (includes 8 multi-level piezometers, 28 monitoring wells, and 6 domestic wells). Data will also be downloaded from 11 pressure transducers. The proposed monitoring schedule during the next 12 months would be as follows:

May 2023³ (*additional monitoring during LADWP Release Monitoring*)

August 2023⁴ (*additional monitoring during LADWP Release Monitoring*)

Week of October 2nd, 2023 – GWMP bi-annual groundwater level measurements collected by IWVGA, KCWA and Navy

December 2023 (*supplemental monitoring event*)

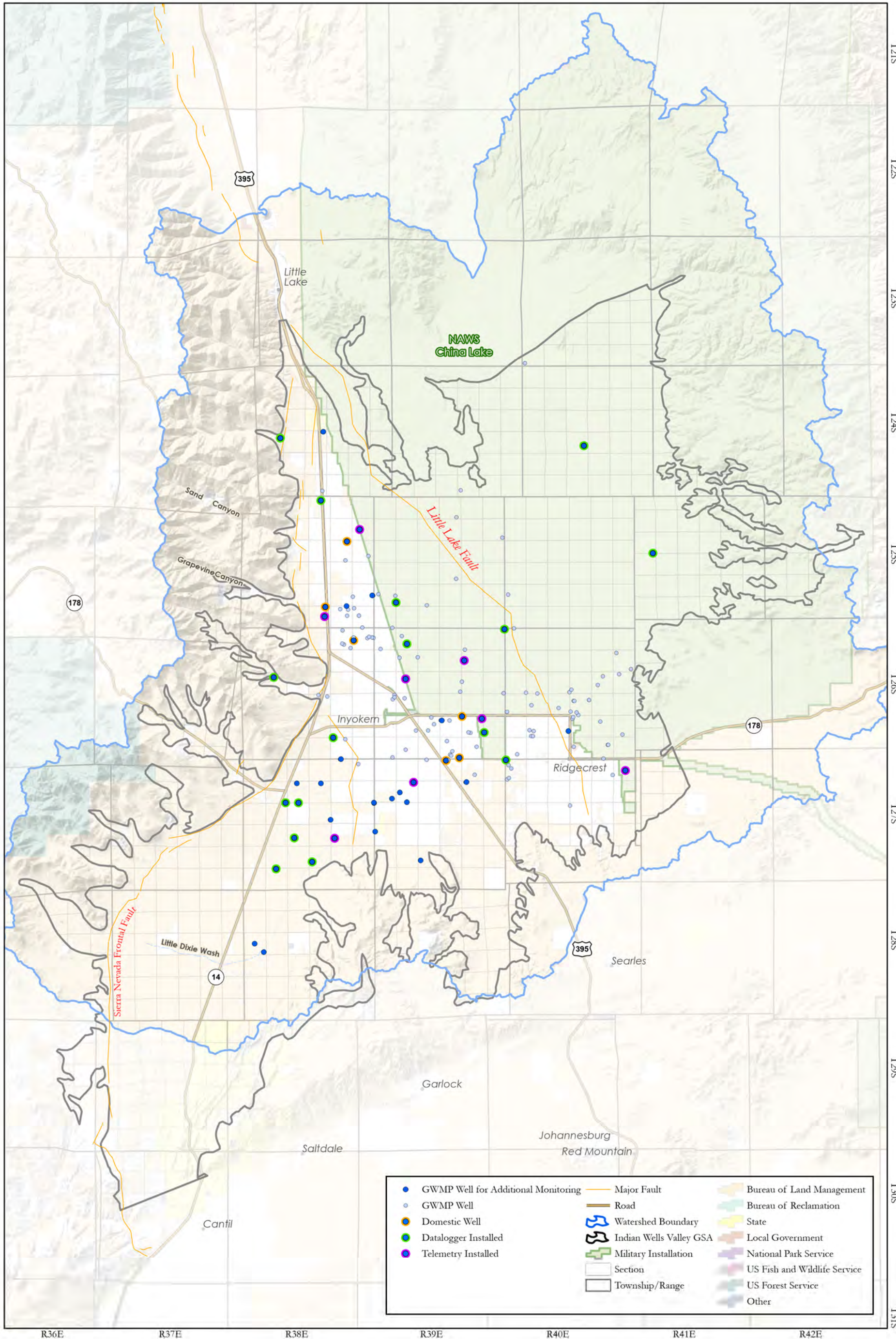
Week of March 4th, 2024 – GWMP bi-annual groundwater level measurements collected by IWVGA, KCWA and Navy

All groundwater level data will be posted on the IWV Data Management System (DMS) website (iwvgsp.com) and on DWR's SGMA data portal.

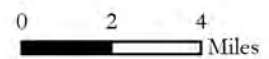
² The May and August supplemental monitoring events will augment the planned groundwater level measurements and datalogger download for the LADWP Release Monitoring program with field measurements at additional GWMP monitoring wells.

³ The May 2023 monitoring event will augment the planned LADWP Release Monitoring.

⁴ The August 2023 monitoring event will augment the planned LADWP Release Monitoring.



WELLS FOR ADDITIONAL MONITORING
INDIAN WELLS VALLEY
 DRAFT 5/12/2023



ATTACHMENT A

ADDITIONAL MONITORING SITES

58

DBID	State ID	Alternate Well Name	Latitude (NAD83)	Longitude (NAD83)	Equip.	March 2023 DTW
1	28S/38E-18R	Abandoned Well	35.49364	-117.92094		193.8
2	28S/38E-18F01	Black Hills Well	35.49928	-117.92844		214.5
5	27S/38E-27M01	USNS-03	35.55387	-117.88132	DL	196.28
6	27S/39E-28L01	ROCK QUARRY	35.55472	-117.79253		287.7
7	27S/38E-23F01	USBR 1-S	35.56959	-117.86289	Telem.	185.61
8	27S/38E-23F02	USBR 1-SM	35.56968	-117.86369		185.27
10	27S/38E-23F04	USBR 1-D	35.56968	-117.86369		185.27
11	27S/38E-21L01	AB303-05	35.56985	-117.89592	DL	360.6
12	27S/39E-19E01	IWV MW #3	35.57400	-117.82969		207.6
13	27S/38E-15R01	AB303-06	35.58195	-117.86617		277.3
16	27S/38E-13A01	Sea Bee Well	35.59345	-117.83060		227.49
17	27S/38E-09Q02	AB303-02	35.59362	-117.89262		422.54
18	27S/38E-09P01	Father Crowley	35.59363	-117.89246	DL	423.83
19	27S/38E-08R01		35.59367	-117.90300	DL	508.8
20	27S/38E-13A02	AB303-01	35.59369	-117.83070		226.81
21	27S/39E-08P02	IWV MW # 2	35.59393	-117.80371		445.3
22	27S/39E-07R01	INYO	35.59634	-117.81589		Dry
23	27S/39E-08M02	IWV MW #1	35.60045	-117.80947		418.4
24	27S/38E-10B02	AB303-03	35.60662	-117.87407		429
25	27S/38E-09C01	AB303-04	35.60665	-117.89378		385.3
26	27S/39E-11D01	USBR 3-S	35.60731	-117.75485		371.6
27	27S/39E-11D02	USBR 3-M	35.60718	-117.75563		366.46
28	27S/39E-11D03	USBR 3-D	35.60718	-117.75563		347.98
30	27S/40E-06D01	Dist. Well 12	35.62198	-117.72253	DL	286.4
36	27S/40E-01K02	George Air Corridor	35.61470	-117.62469	Telem.	164.76
37	27S/40E-06F01	Frisbee	35.61629	-117.71810		318.29
46	27S/38E-02C01	USBR 2-S	35.62280	-117.85761		284.3
47	27S/38E-02C02	USBR 2-M	35.62274	-117.85841		276.1
48	27S/38E-02C03	USBR 2-D	35.62274	-117.85841		283.9
51	26S/39E-34R02	Long	35.62351	-117.76068		324.5
84	26S/39E-27D02	MW 32-SM	35.64852	-117.77493		280.51
85	26S/39E-27D03	MW 32-DM	35.64857	-117.77591		280.73
86	26S/39E-27D04	MW 32-D	35.64857	-117.77591		280.76
88	26S/39E-26A03	USBR 4-SM	35.64966	-117.74213	Telem.	248.55
146	26S/38E-01M05	Fields	35.70215	-117.84707		214.4
157	25S/38E-34G01	USBR 5-S	35.71813	-117.87090	Telem.	363.94
158	25S/38E-34G02	USBR 5-M	35.71801	-117.87175		371.05
159	25S/38E-34G03	USBR 05-D	35.71801	-117.87175		372.26
168	25S/38E-34A01	Means	35.72453	-117.87024		364
173	25S/38E-25J01	NR 1-S	35.73218	-117.83175		117.3
174	25S/38E-25J02	NR 1-M	35.73208	-117.83087		120.7

DBID	State ID	Alternate Well Name	Latitude (NAD83)	Longitude (NAD83)	Equip.	March 2023 DTW
175	25S/38E-25J03	NR 1-D	35.73218	-117.83175		136.1
202	24S/38E-21A01	USBR 10-S	35.84143	-117.87176		325.68
203	24S/38E-21A02	USBR 10-SM	35.84134	-117.87258		325.5
205	24S/38E-21A04	USBR 10-D	35.84134	-117.87258		324.28
207	25S/38E-03B		35.79546	-117.87382	DL	293.58
229	26S/40E-28J01	HOSPITAL	35.64121	-117.67128		136.1
235	27S/39E-08A01		35.60721	-117.79818	Telem.	398.85
247	24S/38E-19H	Ninemile Well	35.83719	-117.90704	DL	8.06
248	25S/38E-14A	Bork	35.76809	-117.85244		232
301	27S/38E-32C01	EP-01 S	35.54904	-117.91071	Insitu DL	275.13
302	27S/38E-32C02	EP-01 M	35.54904	-117.91071	Insitu DL	281.61
303	27S/38E-32C03	EP-01 D	35.54904	-117.91071	Insitu DL	275.83
305	26S/38E-17	Indian Wells Canyon	35.67757	-117.91260	DL	81.19
306	26S/39E-27C02	Garrison	35.65120	-117.75838		277.7
307	26S/39E-25K01		35.64043	-117.74025	DL	265.07
169	25S/38E-35B01		35.72509	-117.85286		239.94
220	26S/38E-35D		35.63714	-117.86398	DL	451.1

Wet Year Additional Groundwater Level Monitoring - May, August, December

Stetson Engineers



Hydrogeologist Jean Moran	Supervisor II Chaoying Jaoi	Geologist (Stephan Bork)	GIS Manager (Noah Wasserman)	Assistant I Nichole Weedman
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Subtotal

Billing Rate \$/hour	\$216	\$201	\$129	\$129	\$108	
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1 Project Management, Coordination, and Reporting

Project Management and Coordination		2				8	\$1,296
Project Management Calls (estimate 3 calls)		2				4	\$864
Maps and Summarizing Data		2	4		4	8	\$2,616
							-
Subtotal		6	4		4	20	\$4,776

2 Water Level Monitoring

First Monitoring Field Visit (2 Days in May)		2		8	2	14	\$3,234
Second Monitoring Field Visit (2 days in Jul/Aug)		1				14	\$1,728
Third Monitoring Field Visit (2 days in Dec/Jan)		1			2	30	\$3,714
Field & Data Summary		1	4			16	\$2,748
2 Dataloggers and cables							\$1,230
Travel Expenses (for 3 events)							\$2,550
Field Expenses							\$120
Subtotal		5	4	8	4	74	\$15,324

TOTAL for Wet Year Additional Groundwater Level Monitoring - May, August, December **\$20,100**

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IWVGA ADMINISTRATIVE OFFICE
STAFF REPORT

TO: IWVGA Board Members **DATE:** JUNE 14, 2023

FROM: IWVGA Water Resources Manager

SUBJECT: AGENDA ITEM 13 – WATER RESOURCES MANAGER’S REPORT

Presented below are brief updates on the status of grant funding, GSP Implementation Projects and Management Actions, and Miscellaneous Items.

AGENDA ITEM 13a – GRANT FUNDING UPDATE

Proposition 1 Update

- Invoice #15a
 - Covers April 2022 through June 2022
 - Total requested payment after retention: **\$17,532.41**
 - Status: Approved, awaiting payment
- Invoice #16a
 - Covers July 2022 through September 2022
 - Total requested payment after retention: **\$21,049.59**
 - Status: Under DWR review
- Invoice #17a:
 - Covers October 2022 through December 2022
 - Total requested payment after retention: **\$7,817.63**
 - Status: Under DWR review

Proposition 68 Update

- Invoice #16b
 - Covers July 2022 through September 2022
 - Total requested payment after retention: **\$6,380.65**
 - Status: Approved, awaiting payment
- Invoice 17b:
 - Covers October 2022 through December 2022
 - Total requested payment after retention: **\$3,062.50**
 - Status: Approved, awaiting payment

Proposition 1/68 Grant Closeout

- Retention invoices for Proposition 1 and Prop 68 in the amount of \$187,678.87 and \$32,941.39, respectively were submitted to DWR on February 28, 2023. The Proposition 1 retention invoice was revised on May 18 per DWR's request.

SGMA Implementation Round 1 Update

- Invoice #2
 - Covers October 2022 through December 2022
 - Total requested payment: **\$ 332,985.58**
 - Status: Under DWR review
- Invoice #3
 - Covers January 2023 through March 2023
 - Total requested payment: **\$435,887.19**
 - Status: Under DWR review
- Invoice #4
 - Covers April 2023 to June 2023
 - Due August 31, 2023

SGMA Implementation Round 2 Update

- Grant application submitted on December 15, 2022 for \$8,945,000
 - Funding requested for several tasks related to implementing the GSP and preparing the 5-year GSP update.
- On May 19, DWR released its SGMA Implementation – Round 2 Draft Recommended Award List which indicated the IWVGA's application was not selected for funding.

Urban Community Drought Relief Program Update

- Two grant applications submitted on January 31, 2023 for \$10,570,000 (under review by DWR)
 - Funding requested for the Recycled Water Project and the Shallow Well Consolidation Project.
- Applications were re-submitted to DWR on February 20, 2023 per DWR's guidance with corrections.
- DWR contacted Carol Thomas-Keefer on June 8, 2023 to indicate the Shallow Well Consolidation Project had been selected for funding.

AGENDA ITEM 13b – GSP IMPLEMENTATION PROJECTS / MANAGEMENT ACTIONS UPDATE

Recycled Water Program

- U.S. Bureau of Reclamation Title XVI Feasibility Study
 - Board authorized Water Resource Manager to submit Title XVI Feasibility Study to U.S. Bureau of Reclamation at the March 8, 2023 Board Meeting
 - BOR has completed review of the Feasibility Study and requested clarification on some items on June 8, 2023.
 - Water Resource Manager is preparing a response.
- Water Resource Manager met with Trussell Technologies to discuss upcoming tasks in the development of the recycled water project including preparing to meet with the State Water Resources Control Board – Division of Drinking Water to discuss the permitting process for the project.

Imported Water Project

- Imported Water Pipeline Alignment Study
 - Posted on GA website
 - Due to DWR by July 31, 2023
- Imported Water Pipeline Design Services
 - Coordination Meetings:
 - May 8 and May 22, 2023: Bi-weekly with Staff, Environmental and Right-of-Way Consultants
 - Bi-weekly meetings with BLM
 - May 19, 2023: Meeting with the State Water Resources Control Board Division of Drinking Water (DDW) and the IWWWD to discuss design issues including water quality and chlorine residual
 - May 23, 2023: Presentation of a general project overview at the City of California City Council Meeting
 - Ongoing coordination with Caltrans, United Pacific Rail Road, and Southern California Edison
 - Continuing coordination of reimbursement agreements with California City and Kern County
 - Began soil borings in Kern County and California City
 - Continuing utility research
 - Finalized hydraulics analysis to solidify pump station locations and initiated pipe optimization analysis for the preliminary design
 - Next Steps:
 - Begin trenchless crossings identification
 - Submit Preliminary System Hydraulics Technical Memorandum
 - Submit Pipe Optimizations and Refinements Technical Memorandum
 - Start geotechnical borings in BLM land in July
 - Next Milestones
 - Preliminary Design Report by July 2023
 - Provide project description by March 2024 to provide to the

Environmental CEQA/NEPA process

- Imported Water Pipeline Environmental Services
 - Coordination Meetings
 - May 8 and May 22, 2023: Bi-weekly coordination meetings with Staff, Design and Right-of-Way Consultants
 - Biweekly meetings with BLM
 - Preconstruction meeting with the California Department of Fish and Wildlife, United States Army Corps of Engineers, and State Water Resources Control Boards to discuss required permits
 - Continue aquatic delineations
 - Completed Desert Tortoise and Burrowing Owl surveys
 - Results of survey due to BLM by the end of June
 - Next Steps:
 - Begin BLM cultural survey in July
 - Provide Biological Resources Results to GA Staff for submittal to BLM by end of June
 - Next Milestones:
 - Finalize NEPA compliance for geotechnical borings and environmental surveys/ studies within BLM property
 - Conduct technical analyses/ Special Studies March through July 2023

- Imported Water Pipeline Right-of-Way Services
 - Coordination Meetings:
 - May 8 and May 22, 2023: Bi-weekly coordination meetings with Staff, Design and Environmental Consultants
 - Obtained thirty-two Right-of-Entry agreements from property owners for 29 parcels along the alignment to allow performance of biological/technical studies and geotechnical borings
 - Coordinating with California Fish and Wildlife regarding County Right of Way
 - Next Steps:
 - Continue obtaining Rights of Entry from property owners along the pipeline alignment to allow performance of biological/technical studies and geotechnical borings
 - Next Milestone:
 - Provide a Right of Way Acquisition Plan by June 2024

- US Army Corps of Engineers Planning Assistance to States (PAS) Program
 - Army Corps has reviewed the proposed list of project scope and tasks and deliverables for Army Corps involvement
 - Next Steps:
 - Meet with Army Corps to finalize project scope

Shallow Well Mitigation Program

- Current Applications
 - Stark Street Mutual Water Company
 - The application was presented to the Board on March 8, 2023 and was authorized funding up to \$31,821 for the estimated “market value” of the well plus the incremental cost of drilling a deeper well
 - A notice was provided to Stark Street Mutual Water Company regarding the Board’s action.
 - Meeting scheduled for June 12 to discuss the status of the well and funding to restore water to the community
 - Investigating additional dry wells reported to DWR

AGENDA ITEM 13c – MISCELLANEOUS ITEMS

Data collection and Monitoring

- May 16-17 Additional monitoring conducted for LADWP releases
- May 30 Spring 2023 groundwater data posted to SGMA website
- Review surface water quality data

GSP Model Configuration Management Plan (CMP)

- Continued discussions with DRI and WRM regarding model updates
 - Bi-weekly discussions with respect to model development
- CMP Timeline
 - 2023: TMG planned review of model revisions, calibration, sensitivity Model updates and calibration for 5-Year GSP Report
 - 2024: Modeling Scenarios for 5-Year GSP Report

Subflow from Rose Valley to IWV

- May 26 Completed RVS-mid monitoring well construction
- May 30 Started mud rotary drilling RVS-north - basalt encountered at 10’ depth
- June 2 Switch to air hammer for hard rock drilling
- Navy/Coso projects prepared for FY 2024 consideration

Update on LADWP Releases

- A total of 6,106 AF has been released into the Indian Wells Valley Groundwater Basin from March 29 through June 1, 2023.

ACTION(S) REQUIRED BY THE BOARD

There are no actions required by the Board.

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BUDGET TO ACTUAL REPORT- May

		ACTUALS BY REVENUE ALLOCATION						(B)	(A-B)	(B/A)
		Restricted	Restricted	Restricted	Restricted	Restricted	Restricted	\$	\$	%
		Extraction	Augmentation	Shallow Well Mitigation	Prop. 1; Prop.68 SDAC	SGMA IP Grant	Navy/COSO Fund	ACTUAL	REMAINING	COMPLETED
(A)	BUDGET									
1	REVENUE									
2	Extraction Fee	1,319,924	461,362	-	-	-	-	461,362	858,562	35%
3	Transfer In/Loan from Augmentation Fund	367,814	-	-	-	-	-	-	367,814	0%
4	Transfer In/Loan from Grant Funds-Prop 1/Prop 68	204,636	-	-	-	-	-	-	204,636	0%
5	Augmentation Fee	3,912,060	-	1,218,260	-	-	-	1,218,260	2,693,800	31%
6	Transfer In/Loan Repayment from Extraction Fund	-	-	-	-	-	-	-	-	0%
7	Shallow Well Mitigation Fee	125,776	-	-	24,092	-	-	24,092	101,684	19%
8	Department of Water Resources (DWR) Grants-Prop 1/68	204,636	-	-	-	86,874	-	86,874	117,762	42%
9	Department of Water Resources (DWR) Grants -IP Grant	2,000,000	-	-	-	-	-	-	2,000,000	0%
10	Navy/COSO Royalty Fund	15,000	-	-	-	-	-	-	15,000	0%
11										
12	TOTAL REVENUES	8,149,846	461,362	1,218,260	24,092	86,874	-	1,790,588	6,359,258	22%
13	EXPENSES									
14	Administration									
15	Administration (RGS)	333,000	75,793	75,793	-	-	-	151,585	181,415	46%
16	Office Rent (City of Ridgecrest)	3,600	900	900	-	-	-	1,800	1,800	50%
17	Office Supplies	1,000	-	-	-	-	-	-	1,000	0%
18	Postage and Delivery	360	-	-	-	-	-	-	360	0%
19	External Audit	12,000	-	-	-	-	-	-	12,000	0%
20	Council Chambers/IT Services (City of Ridgecrest)	8,500	-	-	-	-	-	-	8,500	0%
21	General Counsel (Aleshire & Wynder/City of Ridgecrest)	200,000	21,460	-	-	-	-	21,460	178,540	11%
22	Insurance Premium	14,870	14,817	-	-	-	-	14,817	53	100%
23	Legal Notices (Daily Independent)	2,000	-	-	-	-	-	-	2,000	0%
24	Memberships (Cal. Assoc.Mutual Water Co)	100	100	-	-	-	-	100	-	100%
25	Website (IWVWD)	300	312	-	-	-	-	312	(12)	104%
26	Printing and Reproduction	-	-	-	-	-	-	-	-	0%
27	Bank Service Charges	24	-	-	-	-	-	-	24	0%
28										
29	Non-Departmental									
30	Other Legal Services (RWG Law)	400,000	-	166,207	-	-	-	166,207	233,793	42%
31	Lobbying Services (Capitol Core)	174,000	-	92,488	-	-	-	92,488	81,513	53%
32	Other Professional Services (Garrison Brothers)	-	-	-	-	-	95,831	95,831	(95,831)	0%
33	Shallow Well Mitigation Emergency Assistance Program	50,000	-	-	-	-	-	-	50,000	0%
34	Repayment of Kern County Advance	-	-	-	-	-	-	-	-	0%
35	Repayment of City of Ridgecrest In-Kind Services	500,000	-	-	-	-	-	-	500,000	0%
36	Transfer Out/ Loan Repayment to Augmentation Fund	-	-	-	-	-	-	-	-	0%
37	Transfer Out/Loan to Extraction Fund	572,450	-	-	-	-	-	-	572,450	0%

BUDGET TO ACTUAL REPORT- May

		ACTUALS BY REVENUE ALLOCATION						(B)	(A-B)	(B/A)
		Restricted	Restricted	Restricted	Restricted	Restricted	Restricted	\$	\$	%
		Extraction	Augmentation	Shallow Well Mitigation	Prop. 1; Prop.68 SDAC	SGMA IP Grant	Navy/COSO Fund	ACTUAL	REMAINING	COMPLETED
(A)	BUDGET									
38										
39	Community & Engagement									
40	Design Services	25,000	-	-	-	-	-	-	25,000	0%
41	Printing and Reproduction	10,000	-	-	-	-	-	-	10,000	0%
42	Website Services	25,000	-	-	-	-	-	-	25,000	0%
43										
44	Basin Management Administration									
45	Production Reporting, Transient Pool, and Fee Support (Stetson)	5,000	1,060	-	-	-	-	1,060	3,940	21%
46	Meetings and Prep (Stetson)	140,000	88,195	-	-	-	-	88,195	51,805	63%
47	Budget Support (Stetson)	7,500	1,067	-	-	-	-	1,067	6,434	14%
48	Stakeholder Coordination (Stetson)	10,000	-	-	-	-	-	-	10,000	0%
49	Litigation Support (Stetson)	40,000	28,070	-	-	-	-	28,070	11,930	70%
50										
51	Basin Management									
52	General Engineering (Stetson)	50,000	3,664	-	-	-	-	3,664	46,337	7%
53	TSS: El Paso Well Drilling Support (Stetson)	-	1,708	-	-	-	-	1,708	(1,708)	0%
54	TSS: General Coordination/Application Support (Stetson)	15,000	61	-	-	-	-	61	14,939	0%
55	Coordination with DWR on GSP Review (Stetson)	-	4,948	-	-	-	-	4,948	(4,948)	0%
56	GSP 5-Year Update (Stetson)	50,000	16,149	-	-	-	-	16,149	33,851	32%
57	Annual Report Preparation (Stetson)	50,000	39,897	-	-	-	-	39,897	10,103	80%
58	Data Management System Support (Stetson)	30,000	12,574	-	-	-	-	12,574	17,426	42%
59	Allocation Plan: Allocation Process & Transient Pool Support (Stetson)	-	-	-	-	-	-	-	-	0%
60	Allocation Plan and Rules & Regs on Pumping/Restrictions (Stetson)	12,000	3,726	-	-	-	-	3,726	8,274	31%
61	Allocation Plan: Fallowing & Transient Pool Transfer Program (Stetson)	-	-	-	-	-	-	-	-	0%
62	Conservation Efforts (Stetson)	10,000	-	-	-	-	-	-	10,000	0%
63	General Project Management (Stetson)	30,000	13,691	-	-	-	-	13,691	16,309	46%
64	Model Transfer and Upgrade (Stetson)	200,000	98,859	-	-	-	-	98,859	101,141	49%
65	Navy/Coso Royalty Fund: Develop Projects & Secure Funding (Stetson)	25,000	21,673	-	-	-	-	21,673	3,327	87%
66	Navy/Coso Royalty Fund: Rose Valley MW Permitting, Bid, Drilling (Stetson)	15,000	-	-	-	-	8,647	8,647	6,354	58%
67	Data Collection, Monitoring, and Data Gaps (Stetson)	145,000	113,893	-	-	-	-	113,893	31,107	79%
68	Imported Water: Negotiations and Coordination(Stetson)	20,000	-	16,318	-	-	-	16,318	3,682	82%
69	Imported Water: Engineering and Analysis(Stetson)	-	-	18,547	-	-	-	18,547	(18,547)	0%
70	Recycled Water (Stetson)	150,000	-	146,304	-	-	-	146,304	3,697	98%
71	LADWP Release Coordination and Meetings	-	-	9,749	-	-	-	9,749	(9,749)	0%
72										

BUDGET TO ACTUAL REPORT- May

		ACTUALS BY REVENUE ALLOCATION						(B)	(A-B)	(B/A)	
		Restricted	Restricted	Restricted	Restricted	Restricted	Restricted	\$	\$	%	
		Extraction	Augmentation	Shallow Well Mitigation	Prop. 1; Prop.68 SDAC	SGMA IP Grant	Navy/COSO Fund	ACTUAL	REMAINING	COMPLETED	
(A)	BUDGET										
73	EXPENSES (Cont'd)										
74	Basin Management (cont'd)										
75	Shallow Well Mitigation Program: Plan Development (Stetson)	-	-	-	-	-	-	-	-	0%	
76	Shallow Well Mitigation Program: Outreach and Impacts Eval.(Stetson)	20,000	-	26,985	-	-	-	26,985	(6,985)	135%	
77	Brackish Water Group: Data Review and Coordination(Stetson)	-	-	-	-	-	-	-	-	0%	
78	Review of Outside Studies and Coordination (Stetson)	30,000	-	-	-	-	-	-	30,000	0%	
79	Well Monitoring Services (WellIntel Inc.)	2,100	1,559	-	-	-	-	1,559	541	74%	
80	Weather Station Maintenance(Stetson)	-	-	-	-	-	-	-	-	0%	
81											
82	Grant Management										
83	Prop 1 / Prop 68 Grant Administration (Stetson)	5,000	14,050	-	-	-	-	14,050	(9,050)	281%	
84	Prop 1 SDAC Support	-	-	-	2,774	-	-	2,774	(2,774)	0%	
85	Grant Review and Application Preparation (Stetson)	75,000	44,742	-	-	-	-	44,742	30,258	60%	
86	IP Grant Administration (Stetson)	70,000	-	-	-	21,058	-	21,058	48,942	30%	
87	Planning/Design/Environmental (Stetson)	175,000	-	-	-	61,984	-	61,984	113,016	35%	
88	Engagement/Outreach (Stetson)	25,000	-	-	-	-	-	-	25,000	0%	
89	Bureau of Land Management	-	-	-	-	25,000	-	25,000	(25,000)	0%	
90	Engagement /Outreach-Other Professional Services (Provost & Pritchard)	1,730,000	-	-	-	637,272	-	637,272	1,092,728	37%	
91	TOTAL EXPENSES	5,468,804	622,966	526,305	26,985	2,774	745,314	104,477	2,028,821	3,439,983	37%
92											
93	Surplus (Deficit)	2,681,042	(161,605)	691,955	(2,893)	84,100	(745,314)	(104,477)	(238,233)		

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. FY 2022 revenue and expenses for November were deposited and paid in January/February 2023. A future report will include an adjustment to reflect current budget to actual activity. Currently the % completed YTD is inflated as a result. 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.

MONTH TO DATE REVENUES & EXPENDITURES EXCLUDING TRANSFERS

	Revenue	Transfer In*	Transfer Out*	Expenses	Surplus (Deficit)
Extraction Fund	461,362	-	-	622,966	(161,605)
Augmentation Fund	1,218,260	-	-	526,305	691,955
Shallow Well Mitigation Fund	24,092	-	-	26,985	(2,893)
Department of Water Resources (DWR) Grants-Prop 1/68	86,874	-	-	2,774	84,100
Department of Water Resources (DWR) Grants -IP Grant	-	-	-	745,314	(745,314)
Navy/COSO Royalty Fund	-	-	-	104,477	(104,477)
Total	<u>1,790,588</u>	<u>-</u>	<u>-</u>	<u>2,028,821</u>	<u>(238,233)</u>

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

OUTSTANDING OBLIGATIONS

	Kern County	City of Ridgecrest	Augmentation Fund	Total
Advance Agreements				
Advance of Funds	500,000	-	-	500,000
Advance Repayment	(500,000)	-	-	(500,000)
In-Kind Services				
Attorney Srvcs./IT/Chambers -FY23	-	82,133	-	82,133
Attorney Srvcs./IT/Chambers -FY22	-	241,204	-	241,204
Attorney Srvcs./IT/Chambers -FY 21	-	325,235	-	325,235
Attorney Srvcs./IT/Chambers -FY's16-20	-	366,982	-	366,982
Inter-Fund Loans				
2023 Loan to Extraction Fund-Estimated*	-	-	367,814	367,814
Repayment of Adv. Of Funds to IWVWD**	-	-	500,000	500,000
Repymt of Adv. Of Funds to Kern Cty-YE Est***	-	-	142,200	142,200
Postponed Invoice Payments				
None	-	-	-	-
Total	-	1,015,554	1,010,014	2,025,568

*Estimated and included in proposed budget**

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

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

*Kern Cnty Repymnt was \$500k but it is estimated only \$142,200 will be loaned from the Augmentation Fund at YE****

City of Ridgecrest In-Kind Services includes services associated with Extraction and Augmentation expenses.

ADOPTED 2023 OBLIGATION REPAYMENTS

	Kern County	City of Ridgecrest	Augmentation Fund	Total
Advance Agreements				
Advance of Funds-Est. Repayment 12/31/2022	-	-	-	-
In-Kind Services				
Attorney Services/IT/Council Chambers	-	500,000	-	500,000
Financing				
Water Purchase related Financing- TBD	-	-	-	-
	-	500,000	-	500,000

Upon repayment of Obligations, an inter-fund loan will be created between the Extraction Fund and Augmentation Fund for amount not funded by the Extraction Fund.

CASH BALANCE

May 2023 Activity

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

IWVWD Augmentation/Extraction/SWM	\$	-
Grant Reimbursement		-
All Other Cash Receipts -May		106,983.57
Total Cash Receipts	\$	<u>106,983.57</u>

Cash Disbursements (Obligation payments are detailed)

Warrants -April	\$	231,345.52
Warrants- JPRIMA		14,817.00
Warrants- BLM		25,000.00
Warrants -May		504,487.99
Total Cash Disbursements	\$	<u>775,650.51</u>

Cash Balance

Prior Month to Current Month Ending Balance Reconciliation

April Cash Balance By Investment

Kern County Treasurer	\$	5,769,068.00
AltaOne Credit Union		404,667.46
Total Cash Balance as of April 30	\$	<u>6,173,735.46</u>

May Activity

Cash Receipts	\$	106,983.57
Cash Disbursements		<u>(775,650.51)</u>
Total May Activity	\$	(668,666.94)
May Ending Cash Balance	\$	5,505,068.52
Less: Outstanding Warrants -June		(596,871.32)
Total Available Cash By Activity as of May 31	\$	<u>4,908,197.20</u>

May Cash Balance by Investment

Kern County Treasurer	\$	5,505,068.52
AltaOne - Transfer in Transit 5/31 (\$106,983.57)		-
Total May Balance	\$	5,505,068.52
Less: Outstanding Warrants		<u>(596,871.32)</u>
Total Available Cash by Investment as of May 31	\$	<u>4,908,197.20</u>

Cash Receipts are deposited in AltaOne Credit Union 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 and not yet paid. Outstanding Obligations are detailed in a separate attached report.

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To: Carol Thomas-Keefer, General Manager Indian Wells Valley Groundwater Authority

From: Jeff Simonetti, SVP Capitol Core Group

cc: Steve Johnson, Stetson Engineers
Michael W. McKinney, President Capitol Core Group
Todd Tatum, SCA Capitol Core Group

Date: June 14, 2023

Subject: Project Update Memorandum – May 2023 Activities

The following will provide activities and updates for the month of May 2023.

Task 1: Imported Water Supplies

Capitol Core continued discussions both with potential water suppliers as well as transfer partners in the month of May. Regarding the water transfers, Capitol Core worked closely with Stetson and Provost and Pritchard to further discussions regarding the imported water pipeline and agreements. We presented our pipeline alignment to the City Council of California City per their request. The City Council and staff did not have any major concerns about the pipeline project. We also continued discussions with the Antelope Valley – East Kern Water Agency and the sellers of the Table A water that we are negotiating with.

Task 2: Interconnection Pipeline Project

Updated Report – U.S. Army Corps of Engineers: Planning Assistance to States Program

Los Angeles Division USACE personnel provided IWVGA a draft scope of work for final review. The USACE Headquarters (Pentagon) provided the Los Angeles Division with funding to assist IWVGA in the development of a plan. A final scope of work is expected before the July Board meeting.

Task 3: Water Recycling Plant

Updated Report – USACE: Planning Assistance to States

See interconnection report.

Task 5: Other Projects Supporting the GSP

New/Report – HR 3746 (McHenry, R-NC) – Fiscal Responsibility Act of 2023

Commonly referred to as the “debt ceiling” legislation, HR 3746 was signed into law by President Biden on June 3, 2023. The bill will suspend the debt limit through Jan. 1, 2025, in exchange for a

cap in overall spending for two years, allowing a slight increase for defense, veterans' affairs, agriculture, and cutting non-defense funds. Beyond fiscal-year 2025 through fiscal-year 2029, the bill places specific limits on discretionary spending. As expected, the bill rescinds unobligated CARES Act funding. Funding limits include FY-24 nondefense spending levels about equal to the FY-23 due to legislative adjustments in spending bills, including a plan to repurpose certain CARES Act funding and mandatory Internal Revenue Service funding.

The impact on FY-24 Appropriations has not been fully realized with topline spending allocations only provided on Military & Veterans Affairs, Agriculture, Government Operations, and Homeland Security. Passage of the Debt Ceiling bill will clear the way for Appropriators in both the House and Senate to begin working on their respective spending measures. The Debt Ceiling bill did take into account the possibility of a Continuing Resolution for FY- 2024 imposing a 1% across-the-board cut to discretionary funds if lawmakers rely on a CR beyond the end of calendar year 2023. This certainly places pressure on Appropriators to strike a deal this and the next fiscal year. Although not directly repealed through the bill, as indicated in the House of Representative's original debt ceiling package (HR 2811), the agreement does represent cuts to spending in both the *Infrastructure, Investment and Jobs Act* (i.e., the Bipartisan Infrastructure Bill) and the *Inflation Reduction Act* (the Budget Reconciliation Act). Limitations on overall spending, as proposed in the debt ceiling bill, essentially freeze the last two remaining years of the *IJA* at FY-2023 levels and limit the ability to fully fund the tax-credit provisions of the *IRA* without further cutting spending. For the non-mandatory appropriations within the *IJA*, Appropriators will be forced to reconcile the spending limit to the remaining authorizations contained in the *IJA* and *IRA*.

This is important to IWVGA because the bill forces reductions in overall spending, which are likely to impact military discretionary programs, such as the Defense Community Infrastructure Project (wastewater treatment plant) as well as Bureau of Reclamation (water recycling plant), military construction, and the *Water Resources Development Act* funding (interconnection pipeline). The bill also limits discretionary spending for the years spanning FY2026-FY2029 reducing the overall availability of legislatively-directed spending programs.

Passage of this bill will create additional competition for (now limited) federal funding, requiring IWVGA to seek project authorization earlier in the legislative process and develop specific timelines for needed project funding. It is now critical for IWVGA to execute an agreement with USACE under the Planning Assistance to States (PAS) program during Fiscal Year 2023 (interconnection pipeline and water recycling plant). Capitol Core will be working with IWVGA staff to accelerate federal authorization requests and develop project funding timelines. In addition, Capitol Core will be reporting on FY2024 Appropriations measures to gauge potential impact to federal programmatic funding timelines.

Updated Report – AB 444 (Addis): California Defense Community Infrastructure Act

The Cal-DCIP bill passed the California Assembly on May 23, 2023, by a vote of 74-0. On behalf of the City of Ridgecrest and IWVGA, Capitol Core is leading the coalition and lobbying efforts on this legislation. The bill has been referred to State Senate Governance and Finance Committee. The Committee has not yet scheduled a hearing date for the bill.

Updated Report – AB 560 (Bennett): Groundwater Adjudications

AB 560 requires the court to seek a nonbinding opinion from the State Water Resources Control Board prior to entering a judgement in a groundwater adjudication. The nonbinding advisory opinion requires the Board to provide information to the court as to whether or not the judgement would substantially impair the GSA and/or the DWR/Board from achieving the requirements under SGMA. The Board is required to consult with DWR in developing its advisory opinion. The bill is sponsored by the California Alliance for Family Farmers (CAFF) which represents small farming operations throughout the State.

AB 560 passed the Assembly on May 31st by a vote of 48-19, with 13 members not recording a vote. The bill likely will receive referrals to the Judiciary and Natural Resources and Water Committees. There are further amendments to the bill that these committees may consider.

Updated Report – AB 779 (Wilson): Groundwater Adjudications

AB 779 would require the plaintiff and defendant involved in an adjudication to forward all relevant pleading and briefing materials to the Department of Water Resources after a decision has been rendered by the court. The bill would require the department to post the documents on its website in the interest of transparency and accessibility, as specified. The bill would require the court to invite a representative from the department or the State Water Resources Control Board to provide technical assistance or expert testimony on the amount of water in the basin subject to adjudication, equitable and sustainable pumping allocations for the basin, and sustainable groundwater management best practices and recommendations. The bill would require the court to take into account the needs of small farmers and disadvantaged communities, as those terms are defined, when entering a judgment.

The bill would require a groundwater sustainability agency with jurisdiction over a basin subject to an adjudication proceeding to submit a comprehensive monitoring plan to the court, and to report monitoring data to the court and the department. The bill would prescribe pumping restrictions on groundwater users during an adjudication proceeding. The bill would require a groundwater sustainability agency to hold a public meeting to explain the adjudication process to water users within its basin and the public upon receiving notice that an adjudication has commenced in its basin. The bill would authorize a groundwater sustainability agency to invite the state board or the department to send a representative to the meeting in order to help explain the adjudication process. The bill is sponsored by CAFF.

The bill passed the Assembly by a vote of 59-17. It is awaiting committee assignment in the Senate. There are further amendments to the bill that the chosen Senate committee may consider.

New Report – AB 1008 (Bauer-Kahan): Western Joshua Tree Protection Act

San Bernardino County requested support for their proposed amendments to AB 1008 providing certain exemptions upon taking restrictions of the Western Joshua Tree.

Capitol Core requested input from the City of Ridgecrest and IWVGA concerning Joshua Tree impacts to proposed GSA (and municipal) projects. After review by City staff and staff biologists

associated with both the interconnection pipeline and water recycling project, they determined that no Western Joshua Trees are within the proposed project areas.

Updated Report – AB 1205 (Bauer-Kahan): Water Purchase, Sale, Lease and Transfer from Agriculture Properties.

AB 1205 would prohibit the sale, transfer or lease of water rights for profit on or below agriculture lands. Originally limited to “hedge funds,” the 03/23/2023 amendments to the bill broadened that to an “investment fund,” broadly defined as a private equity fund, public equity fund, venture capital fund, hedge fund, fixed income fund, real estate fund, infrastructure fund, or similar pooled investment entity that is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, owning, holding, or trading securities or other assets.

As originally reviewed by IWVGA Counsel, AB 1205 was determined to have various legal issues and, if passed, would likely be struck down by the courts. With the April amendments, Capitol Core Group was directed by staff to seek context for the legislation and determine if water transactions similar to the Dudley Ridge-IWVGA would be prohibited under the legislation. Jeff Simonetti met with the Assembly Committee on Water, Parks, & Wildlife Chief Consultant, Pablo Garza, wherein it was determined that, as currently written, AB 1205 would prohibit water rights transactions wherein incorporated, held in-trust, or any investment fund involving agriculture lands. Suggested verbal/informal amendments to AB 1205 to provide clarity or exemption to these types of transactions were rejected. Assembly Committee staff requested formal amendments and position from IWVGA for consideration by the Author and Committee.

The bill would prohibit future similar transactions in the State of California removing a potential water source critical to IWVGA achieving imported water supply requirements approved by the State in the Groundwater Sustainability Plan (GSP).

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