

# 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, February 10, 2021

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

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

***NOTICE:*** *In accordance with the evolving public health declarations, we are temporarily limiting public attendance to virtual alternatives only. Please see the Public Comment Notice below for detailed instructions on submitting public comment as well as websites for livestream broadcasting. Telephonic participation by the majority of Board Members and staff is expected.*

*In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact April Keigwin at (760) 384-5511. Requests must be made as early as possible and at least one full business day before the start of the meeting. Documents and material relating to an open session agenda items that are provided to the IWVGA Board of Directors prior to a regular meeting will be available for public inspection and copying at Indian Wells Valley Water District, 500 Ridgecrest Blvd, Ridgecrest, CA 93555, or online at <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.*

***Due to the length of the agenda, one or more recesses should be expected.***

### **1. CALL TO ORDER**

### **2. PUBLIC COMMENT ON CLOSED SESSION**

### **3. CLOSED SESSION**

- PUBLIC EMPLOYEE APPOINTMENT –  
(Government Code Section 54957(b)(1)) - Title: General Manager
- CONFERENCE WITH REAL PROPERTY NEGOTIATIONS –  
(Government Code Section 54956.8) - Property: State Water Project Importation;  
Agency Negotiator: Capitol Core Group; Negotiating Parties: Various; Under  
Negotiation: Price and terms of payment.

- CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION  
(Government Code Section 54956.9(b)) - Number of cases: (1)
- CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION  
(Government Code Section 54956.9(c) - Number of cases: (3)
- CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1) - Name of case: Searles Valley Minerals Inc v. Indian Wells Valley Groundwater Authority, et. al.
- CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1) - Name of case: Mojave Pistachios, LLC, a California limited liability company, et.al. v. Indian Wells Valley Groundwater Authority, a California Joint Powers Authority, et. al.

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

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

**5. PUBLIC COMMENTS**

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

**6. CONSENT AGENDA**

- a. Approve Minutes of Board Meeting January 21, 2021
- b. Approve Expenditures
  - i. \$72,409.46 – Stetson Engineers – (Prop. 1 Grant)
  - ii. \$10,112.50– Capitol Core Group - (Replenishment Fee)
  - iii. \$5,000.00– WaterWise Consulting – (Prop. 1 Grant – SDAC)
  - iv. \$1,680.00 - WellIntel Inc. – (Extraction Fee)
  - v. \$221.48 – The Daily Independent (Extraction Fee)
  - vi. \$100.00 – California Association of Mutual Water Companies (Extraction Fee)
  - vii. \$266.00 – Squarespace, Inc. – (Reimbursement to IWVWD)

**7. BOARD REVIEW AND APPROVAL OF PROFESSIONAL SERVICES AGREEMENT FOR GERNEAL MANAGEMENT AND ADMINISTRATIVE SERVICES BETWEEN REGIONAL GOVERNMENT SERVICES AUTHORITY AND IWVGA (Ron Strand / Chris Paxton)**

**8. BOARD CONSIDERATION AND APPROVAL OF GSP PLANNED PROJECT NO. 4 – SHALLOW WELL (IMPACTS) MITIGATION PROGRAM (Steve Johnson)**

**9. WATER RESOURCES MANAGER REPORT**

- a. Report on Proposition 1 Grant Status
- b. Proposition 68 Grant Status Update
- c. New Proposition 68 Grant Funding Application
- d. Recycled Water Program Update
- e. Navy/COSO Royalty Fund 2021 Project(s)

- f. GSP Planned Projects – Project No. 1 Surface Percolation Replenishment and Pilot/Demonstration Project (Local, Imported and Recycled Water)

#### 10. GENERAL MANAGER’S REPORT

- a. Transient Pool Program Update (Keith Lemieux)
- b. Monthly Financial Report
- c. Report on IWVGA’s Water Marketer (Capitol Core Group)
- d. Severely Disadvantaged Communities (SDAC) Programs Update
- e. Delinquent Accounts
- f. Well Registration Update

#### 11. CLOSING COMMENTS

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

#### 12. DATE OF NEXT MEETING – March 10, 2021

#### 13. ADJOURN

### PUBLIC COMMENT NOTICE

On March 17, 2020, Governor Newsom issued Executive Order N-29-20, relating to the convening of public meetings in light of the COVID-19 pandemic. At this time, the Indian Wells Valley Groundwater Authority is continuing to hold board meetings in order to conduct essential business. However, as suggested by the Center for Disease Control and set forth in the Executive Order, we are temporarily limiting public attendance through the following virtual alternatives:

- **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 [apriln@iwvwd.com](mailto:apriln@iwvwd.com) written correspondence may be sent to April Keigwin, Clerk of the Board, 500 W. Ridgecrest Blvd., 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.

*The page intentionally blank*

# 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 Thursday, January 21, 2021; 10:00 a.m.

### IWVGA Members Present:

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

Attending via teleconference is Bob Page, John Vallejo, Steve Johnson, Keith Lemieux, Commander Peter Benson, and Thomas Bickauskas.

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

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

### 1. CALL TO ORDER:

The meeting is called to order by Chairman Hayman at 10:11 a.m.

### 2. PUBLIC COMMENT ON CLOSED SESSION:

The Board hears public comment from Mike Neel.

Chairman Hayman calls the meeting into Closed Session at 10:14 a.m.

### 3. CLOSED SESSION:

- CONFERENCE WITH REAL PROPERTY NEGOTIATORS –  
(Government Code Section 54956.8) - Capitol Core Presentation on State Water Project Importation Purchase Options
- CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION (Government Code Section 54956.9(c)) - Number of cases: (3)
- CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1)) - Name of case: Searles Valley Minerals Inc. v. Indian Wells Valley Groundwater Authority, et. al.
- CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1)) - Name of case: Mojave Pistachios, LLC, a California limited liability company, et.al. v. Indian Wells Valley Groundwater Authority, a California Joint Powers Authority, et. al.

Closed Session adjourned at 11:02 a.m.

### 4. OPEN SESSION:

Meeting reconvenes into open session at 11:07 a.m.

- a. Report on Closed Session:  
Counsel Lemieux reports the Board met on the litigation items and no action was taken that would require disclosure under the Brown Act. Lemieux states Closed Session will reconvene after the meeting to discuss the Real Property Negotiators item.
- b. The Pledge of Allegiance is led by Chairman Hayman
- c. April Keigwin calls the following roll call:

|                    |         |
|--------------------|---------|
| Chairman Hayman    | Present |
| Vice Chair Rajtora | Present |
| Director Page      | Present |
| Director Peters    | Present |
| Director Vallejo   | Present |

## 5. PUBLIC COMMENT:

The Board hears public comment from Burnell Blanchard, West Katzenstein, Don Decker, Mike Neel, Renee Westa-Lusk, and Judie Decker.

## 6. CONSENT AGENDA:

- a. Approve Minutes of Board Meeting December 17, 2020
- b. Approve Expenditures
  - i. \$1,332.50 – RWG Law – (Extraction Fee)
  - ii. \$223,704.39 – Stetson Engineers – (November & December) (Prop. 1 Grant)
  - iii. \$23,181.25 – Capitol Core Group - (Reimbursement to IWVWD)
  - iv. \$5,640.00 – WaterWise Consulting – (Prop. 1 Grant – SDAC)
  - v. \$1,199.43 – Daily Independent – (Extraction Fee)
  - vi. \$12,879.64 – California Rural Water Association – (Prop. 1 Grant – SDAC)

Motion made by Phillip Peters and seconded by Stan Rajtora to approve Minutes of Board Meeting December 17, 2020 and the following expenditures in the amount of \$1,332.50 to RWG Law, \$223,704.39 to Stetson Engineers, \$23,181.25 to Capitol Core Group, \$5,640.00 to WaterWise Consulting, \$1,199.43 to Daily Independent and \$12,879.64 to California Rural Water Association.

Motion carries by the following roll call vote:

|                    |         |
|--------------------|---------|
| Chairman Hayman    | Aye     |
| Vice Chair Rajtora | Aye     |
| Director Page      | Aye     |
| Director Peters    | Aye     |
| Director Vallejo   | Abstain |

## 7. GROUNDWATER SUSTAINABILITY PLAN SECTION 5.3 – PROJECT NO. 2 IWVGA RECYCLED WATER PROGRAM:

Steve Johnson and Jeff Helsley provide a presentation of the proposed Recycled Water Program (presentation made available on the IWVGA website).

The Board hears public comment from Elisabeth Esposito, Renee Westa-Lusk, Mike Neel, Judie Decker, and Tom Browne.

Motion made by Bob Page and seconded by Phillip Peters to approve Project No. 2 - IWVGA Recycled Water Program.

Motion carries by the following roll call vote:

|                    |     |
|--------------------|-----|
| Chairman Hayman    | Aye |
| Vice Chair Rajtora | Nay |
| Director Page      | Aye |
| Director Peters    | Aye |
| Director Vallejo   | Aye |

**8. BOARD DISCUSSION AND POTENTIAL APPROVAL OF 2021 PROPOSED MEETING DATES:**

April Keigwin provides a calendar highlighting the proposed meeting dates of second Wednesday of every month (documents made available on the IWVGA website).

The Board hears public comment from Mike Neel.

Motion made by Phillip Peters and seconded by Bob Page to approve 2021 meeting dates for the second Wednesday of the month with a start time of 10:00 am.

Motion carries by the following roll call vote:

|                    |     |
|--------------------|-----|
| Chairman Hayman    | Aye |
| Vice Chair Rajtora | Aye |
| Director Page      | Aye |
| Director Peters    | Aye |
| Director Vallejo   | Aye |

**9. BOARD REVIEW AND APPROVAL OF 2021 IWVGA BUDGET:**

Ty Staheli, IWVWD Chief Financial Officer, provides the 2021 IWVGA Budgets (documents made available on the IWVGA website).

The Board hears public comment from Tom Browne, and Elisabeth Esposito.

Motion made by Bob Page and seconded by Phillip Peters to approve the 2021 IWVGA Budget.

Motion carries by the following roll call vote:

|                    |     |
|--------------------|-----|
| Chairman Hayman    | Aye |
| Vice Chair Rajtora | Aye |
| Director Page      | Aye |
| Director Peters    | Aye |
| Director Vallejo   | Aye |

**10. BOARD TO RECEIVE AND FILE THE 2018 – 2019 FINANCIAL AUDIT:**

Thomas Young, of Brown Armstrong, presents a Financial Audit Letter and Audit Report detailing the results of the 2018 and 2019 Financial Audit (documents made available on the IWVGA website).

The Board hears public comment from Elisabeth Esposito.

**11. CAPITOL CORE GROUP 2019 -2020 AFTER ACTION REPORT:**

Michael McKinney, Jeff Simonetti, and Todd Tatum, of Capitol Core Group present the After Action Report (documents made available on the IWVGA website).

The Board hears public comment from Tom Browne.

**12. BOARD REVIEW AND APPROVAL OF CONTRACT EXTENSION WITH CAPITOL CORE GROUP:**

Ron Strand provides a staff report and Amendment No. 4 extending the contract with Capitol Core Group (documents made available on the IWVGA website).

The Board hears public comment from Renee Westa-Lusk, Dave Janiec, Don Decker, Judie Decker, and Tom Browne.

Motion made by Phillip Peters and seconded by Stan Rajtora to approve Amendment No. 4 extending the contract with Capitol Core Group.

Motion carries by the following roll call vote:

|                    |     |
|--------------------|-----|
| Chairman Hayman    | Aye |
| Vice Chair Rajtora | Aye |
| Director Page      | Aye |
| Director Peters    | Aye |
| Director Vallejo   | Aye |

Chairman Hayman calls for a recess at 1:54 p.m.  
Meeting reconvenes at 2:15 p.m.

**13. BOARD CONSIDERATION AND POSSIBLE APPROVAL OF VARIANCE REQUEST PER ORDINANCE NO. 04-20 BY CHINA LAKE ACRES AND NORTHEAST LELITER WATER CO-OP:**  
Jeff Helsley provides a staff report detailing each variance request (document made available on the IWVGA website).

Motion made by Bob Page and seconded by Phillip Peters to approve a request for variance from the provisions of Articles 2 and 3 of Ordinance No. 04-20 for China Lake Acres Mutual Water Company and Northeast Leliter. Motion carries by the following roll call vote:

|                    |     |
|--------------------|-----|
| Chairman Hayman    | Aye |
| Vice Chair Rajtora | Nay |
| Director Page      | Aye |
| Director Peters    | Aye |
| Director Vallejo   | Aye |

**14. BOARD CONSIDERATION AND APPROVAL OF ACCEPTANCE LETTER FOR PARTICIPATION IN TRANSIENT POOL PROGRAM:**

Counsel Lemieux provides a staff report and Resolution 01-21 adopting an amended report on the Transient Pool and Fallowing Program (documents made available on the IWVGA website).

Motion is made by Bob Page and seconded by Phillip Peters to 1) Make findings that the action is exempt from further CEQA review because the action is ministerial, does not include a discretionary act, is mandated by law and is provided statutorily and categorical exemptions, and will not have a significant effect on the environment, and 2) Adopt Resolution 01-21 adopting an “Amended Report on Transient Pool and Fallowing Program.”

Motion carries by the following roll call vote:

|                    |     |
|--------------------|-----|
| Chairman Hayman    | Aye |
| Vice Chair Rajtora | Nay |
| Director Page      | Aye |
| Director Peters    | Aye |
| Director Vallejo   | Aye |

**15. BOARD CONSIDERATION AND APPROVAL OF AGREEMENT TO TOLL THE STATUTE OF LIMITATIONS FOR LITIGATION WITH MEADOWBROOK DAIRY REAL ESTATE, BIG HORN FIELDS, LLC, BROWN ROAD FIELDS, LLC, HIGHWAY 395 FIELDS, LLC, AND THE MEADOWBROOK MUTUAL WATER COMPANY:**

Counsel Lemieux provides staff report, and Tolling Agreement (documents made available on the IWVGA website).

Motion made by Bob Page and seconded by Stan Rajtora to approve the Tolling Agreement with Meadowbrook Dairy Real Estate, Big Horn Fields, LLC, Brown Road Fields, LLC, Highway 395, LLC, and the Meadowbrook Mutual Water Company.

Motion carries by the following roll call vote:



|                    |     |
|--------------------|-----|
| Chairman Hayman    | Aye |
| Vice Chair Rajtora | Aye |
| Director Page      | Aye |
| Director Peters    | Aye |
| Director Vallejo   | Aye |

**16. BOARD CONSIDERATION AND APPROVAL OF TECHNICAL SUPPORT SERVICES (TSS) AGREEMENT:**

Jean Moran provides TSS Agreement (document made available on the IWVGA website).

Motion made by Bob Page and seconded by Phillip Peters to approve the Technical Support Services Agreement between the California Department of Water Resources and IWVGA.

Motion carries by the following roll call vote:

|                    |     |
|--------------------|-----|
| Chairman Hayman    | Aye |
| Vice Chair Rajtora | Aye |
| Director Page      | Aye |
| Director Peters    | Aye |
| Director Vallejo   | Aye |

**17. WATER RESOURCES MANAGER REPORT:**

Steve Johnson provides updates on the following grants/programs: Prop. 1 Grant Status, Prop. 68 Grant Status, New Prop 68 Funding, GSP Planned Project No. 4 Shallow Well Mitigation Program, and GSP Planned Project No. 1 Surface Percolation Replenishment and Pilot/Demonstration Project (presentations made available on the IWVGA website).

**18. GENERAL MANAGER'S REPORT:**

Ron Strand provides updates on the following: Monthly Financial Report, Severely Disadvantaged Communities (SDAC) Program, Delinquent Accounts, and Well Registration Update (documents made available on the IWVGA website).

**19. CLOSING COMMENTS :**

Director Page requests staff reach out to Tom Browne to answer his questions regarding water quality and IWVGA procedures and operations at a more appropriate time. Director Page further states that due to the appointment of Supervisor Paul Cook, this will likely be his last meeting. Page thanks Board and staff and states it has been a pleasure to work with everyone and he will miss being part of IWVGA.

Director Peters expresses gratitude for having the opportunity to be part of this Board. Peters thanks Page for his efforts and assistance in getting this Board off the ground.

Vice Chair Rajtora states it is an honor to be part of the IWVGA and represent the people of this Valley. Rajtora states he would like three items added to the next agenda; 1) Pumping report that reflects groundwater extraction within the basin, 2) Cumulative Fee Report from adoption of the \$105.00/AF Groundwater Extraction Fee to current, 3) Delay of the Replenishment Fee. Rajtora thanks Page for his insight.

Director Vallejo states the discussion of delaying the Replenishment Fee has been considered numerous times by the Board. He further states he would prefer the item be added based on Board decision and not at the request of one Director. Vallejo thanks Director Page for his efforts and states he has brought value to this Board in both presence and approach to Board business. He further states that Page will be missed on this Board and expresses well wishes for his future.

Chairman Hayman expresses no desire in seeing the Replenishment Fee return to the agenda for Board discussion. Hayman states the Board will miss Director Page and wishes him well on his future endeavors.

Chairman Hayman recesses meeting at 4:03 pm.

Chairman Hayman calls the meeting into closed session at 4:09 p.m.

Chairman Hayman adjourns closed session at 4:35 p.m.

Chairman Hayman calls the meeting into open session at 4:35 p.m.

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

**20. DATE OF NEXT MEETING** – February 10, 2021

**21. ADJOURN:**

Chairman Hayman adjourns the meeting at 4:36 p.m. on January 21, 2021.

Respectfully submitted,

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

*The page intentionally blank*



**Invoice**

County of Kern  
 Mr. Alan Christensen  
 County Administrative Office  
 1115 Truxton Ave., 5th Floor  
 Bakersfield, CA 93301

**Invoice Number: 2652-42**  
**Invoice Date: 02/04/21**

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

Professional Services through 1/31/2021

**Water Resources Management**

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

| <b>Professional Services</b> | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u>   |
|------------------------------|-------------------|------------------|---|
| Principal                    | 1.00              | \$230.00         | \$230.00  |
| Senior Associate             | 4.00              | \$120.00         | \$480.00  |
| Associate III                | 1.50              | \$105.00         | \$157.50  |
|                              |                   |                  | <i>Professional Services Subtotal:</i>                      |
|                              |                   |                  | <hr/>   |
|                              |                   |                  | <i>POAM No. 15,16 Prop 1 Grant Administration Subtotal:</i> |
|                              |                   |                  | <hr/>   |
|                              |                   |                  | \$867.50  |

**04.02 - POAM No. 20 Data Management System**

| <b>Professional Services</b> | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u>                                       |
|------------------------------|-------------------|------------------|---|
| Principal                    | 0.75              | \$230.00         | \$172.50  |
| Supervisor I                 | 1.00              | \$200.00         | \$200.00  |
| Associate I                  | 37.00             | \$115.00         | \$4,255.00  |
| GIS Manager                  | 2.25              | \$115.00         | \$258.75  |
| GIS Specialist I             | 0.50              | \$95.00          | \$47.50   |
|                              |                   |                  | <i>Professional Services Subtotal:</i>              |
|                              |                   |                  | <hr/>   |
|                              |                   |                  | <i>POAM No. 20 Data Management System Subtotal:</i> |
|                              |                   |                  | <hr/>   |
|                              |                   |                  | \$4,933.75  |

**11.02 - POAM No. 56 Monitoring Wells - Implementation**

| <b>Professional Services</b> | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u>  |
|------------------------------|-------------------|------------------|--|
| Supervisor I                 | 1.00              | \$200.00         | \$200.00   |
|                              |                   |                  | <i>Professional Services Subtotal:</i>                         |
|                              |                   |                  | <hr/>  |
|                              |                   |                  | <i>POAM No. 56 Monitoring Wells - Implementation Subtotal:</i> |
|                              |                   |                  | <hr/>  |
|                              |                   |                  | \$200.00   |

**11.05 - POAM No. 78 Aquifer Tests**

| <b>Sub-Contractors</b> |  | <u>Charge</u>                              |
|------------------------|--|--|
| Board of Regents       |  | \$10,622.95                                |
|                        |  | <i>Sub-Contractors Subtotal:</i>           |
|                        |  | <hr/>                                      |
|                        |  | <i>POAM No. 78 Aquifer Tests Subtotal:</i> |
|                        |  | <hr/>                                      |
|                        |  | \$10,622.95                                |

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

| <b>Professional Services</b> | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u>  |
|------------------------------|-------------------|------------------|--|
| Associate III                | 1.25              | \$105.00         | \$131.25   |
|                              |                   |                  | <i>Professional Services Subtotal:</i>                     |
|                              |                   |                  | <hr/>  |
|                              |                   |                  | <i>2021 SDAC Program Support: Rebate Program Subtotal:</i> |
|                              |                   |                  | <hr/>  |
|                              |                   |                  | \$131.25   |

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

| <b>Professional Services</b> | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u> |
|------------------------------|-------------------|------------------|---------------|
|------------------------------|-------------------|------------------|---------------|



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

| <b>Professional Services</b>  | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u>  |
|---|-------------------|------------------|----------------|
| Associate III   | 0.75              | \$105.00         | \$78.75        |
| <i>Professional Services Subtotal:</i>  |                   |                  | <u>\$78.75</u> |
| <i>2021 SDAC Program Support: Water Auditt, Leak Detection &amp; Repair Subtotal:</i> |                   |                  | <u>\$78.75</u> |

**39 - 2021 Pump Fee Support**

| <b>Professional Services</b>           | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u>  |
|--|-------------------|------------------|----------------|
| Supervisor I                           | 0.25              | \$200.00         | \$50.00        |
| <i>Professional Services Subtotal:</i> |                   |                  | <u>\$50.00</u> |
| <i>2021 Pump Fee Support Subtotal:</i> |                   |                  | <u>\$50.00</u> |

**40 - 2021 General Engineering**

| <b>Professional Services</b>              | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u>     |
|---|-------------------|------------------|-------------------|
| Principal                                 | 1.50              | \$230.00         | \$345.00          |
| Supervisor I                              | 6.50              | \$200.00         | \$1,300.00        |
| Associate III                             | 2.00              | \$105.00         | \$210.00          |
| <i>Professional Services Subtotal:</i>    |                   |                  | <u>\$1,855.00</u> |
| <i>2021 General Engineering Subtotal:</i> |                   |                  | <u>\$1,855.00</u> |

**43 - TSS Coordination: General Coordination/Applicatin Support**

| <b>Professional Services</b>   | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u>     |
|--|-------------------|------------------|-------------------|
| Principal  | 1.00              | \$230.00         | \$230.00          |
| Supervisor I   | 16.75             | \$200.00         | \$3,350.00        |
| GIS Manager  | 1.50              | \$115.00         | \$172.50          |
| Assistant I  | 1.25              | \$95.00          | \$118.75          |
| <i>Professional Services Subtotal:</i>                                     |                   |                  | <u>\$3,871.25</u> |
| <i>TSS Coordination: General Coordination/Applicatin Support Subtotal:</i> |                   |                  | <u>\$3,871.25</u> |

**45 - 2021 Annual Report**

| <b>Professional Services</b>           | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u>   |
|--|-------------------|------------------|-----------------|
| Supervisor I                           | 3.50              | \$200.00         | \$700.00        |
| Assistant I                            | 3.00              | \$95.00          | \$285.00        |
| <i>Professional Services Subtotal:</i> |                   |                  | <u>\$985.00</u> |
| <i>2021 Annual Report Subtotal:</i>    |                   |                  | <u>\$985.00</u> |

**48 - 2021 Allocation Plan: Rules & Regs on Pumping/Restriction**

| <b>Professional Services</b>   | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u>     |
|--|-------------------|------------------|-------------------|
| Principal  | 3.00              | \$230.00         | \$690.00          |
| Senior Associate   | 1.00              | \$120.00         | \$120.00          |
| Associate III  | 6.00              | \$105.00         | \$630.00          |
| <i>Professional Services Subtotal:</i>   |                   |                  | <u>\$1,440.00</u> |
| <i>2021 Allocation Plan: Rules &amp; Regs on Pumping/Restriction Subtotal:</i> |                   |                  | <u>\$1,440.00</u> |

**49 - 2021 Allocation Plan: Fallowing & Transient Pool Transfer Program**

| <b>Professional Services</b>   | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u>   |
|--|-------------------|------------------|-----------------|
| Principal  | 1.00              | \$230.00         | \$230.00        |
| <i>Professional Services Subtotal:</i>   |                   |                  | <u>\$230.00</u> |
| <i>2021 Allocation Plan: Fallowing &amp; Transient Pool Transfer Program Subtotal:</i> |                   |                  | <u>\$230.00</u> |

**51 - 2021 Meetings and Prep**

| <b>Professional Services</b> | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u> |
|------------------------------|-------------------|------------------|---------------|
|------------------------------|-------------------|------------------|---------------|



**51 - 2021 Meetings and Prep**

**Professional Services**

|  | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u>      |
|--|-------------------|------------------|--------------------|
| Principal                              | 28.50             | \$230.00         | \$6,555.00         |
| Supervisor I                           | 25.75             | \$200.00         | \$5,150.00         |
| Senior Associate                       | 12.25             | \$120.00         | \$1,470.00         |
| Associate III                          | 26.50             | \$105.00         | \$2,782.50         |
| <i>Professional Services Subtotal:</i> |                   |                  | <u>\$15,957.50</u> |

**Reimbursables**

|                                | <u>Charge</u>  |
|--------------------------------|----------------|
| Telephone - Conference Call    | \$95.18        |
| <i>Reimbursables Subtotal:</i> |                |
|                                | <u>\$95.18</u> |

*2021 Meetings and Prep Subtotal:* \$16,052.68

**52 - 2021 Budget Support**

**Professional Services**

|  | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u>     |
|--|-------------------|------------------|-------------------|
| Principal                              | 4.00              | \$230.00         | \$920.00          |
| Supervisor I                           | 4.25              | \$200.00         | \$850.00          |
| Associate III                          | 11.00             | \$105.00         | \$1,155.00        |
| <i>Professional Services Subtotal:</i> |                   |                  | <u>\$2,925.00</u> |

*2021 Budget Support Subtotal:* \$2,925.00

**53 - 2021 General Project Management**

**Professional Services**

|  | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u>     |
|--|-------------------|------------------|-------------------|
| Principal                              | 3.00              | \$230.00         | \$690.00          |
| Supervisor I                           | 9.25              | \$200.00         | \$1,850.00        |
| Senior Associate                       | 10.00             | \$120.00         | \$1,200.00        |
| Associate III                          | 5.00              | \$105.00         | \$525.00          |
| <i>Professional Services Subtotal:</i> |                   |                  | <u>\$4,265.00</u> |

*2021 General Project Management Subtotal:* \$4,265.00

**55 - 2021 Grant Review/Application**

**Professional Services**

|  | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u>      |
|--|-------------------|------------------|--------------------|
| Principal                              | 6.50              | \$230.00         | \$1,495.00         |
| Supervisor I                           | 15.00             | \$200.00         | \$3,000.00         |
| Senior I                               | 3.50              | \$160.00         | \$560.00           |
| Senior Associate                       | 11.00             | \$120.00         | \$1,320.00         |
| GIS Manager                            | 0.50              | \$115.00         | \$57.50            |
| Associate III                          | 44.00             | \$105.00         | \$4,620.00         |
| <i>Professional Services Subtotal:</i> |                   |                  | <u>\$11,052.50</u> |

**Reimbursables**

|                                | <u>Charge</u>   |
|--------------------------------|-----------------|
| Reproduction (Color)           | \$59.63         |
| Reproduction                   | \$2.25          |
| Telephone - Conference Call    | \$85.70         |
| <i>Reimbursables Subtotal:</i> |                 |
|                                | <u>\$147.58</u> |

*2021 Grant Review/Application Subtotal:* \$11,200.08

**56 - 2021 Model Transfer and Upgrade**

**Professional Services**

|  | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u>     |
|--|-------------------|------------------|-------------------|
| Supervisor I                           | 6.75              | \$200.00         | \$1,350.00        |
| <i>Professional Services Subtotal:</i> |                   |                  | <u>\$1,350.00</u> |

*2021 Model Transfer and Upgrade Subtotal:* \$1,350.00



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

| <b>Professional Services</b>   | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u>   |
|--|-------------------|------------------|-----------------|
| Principal  | 4.25              | \$230.00         | \$977.50        |
| <i>Professional Services Subtotal:</i>   |                   |                  | <u>\$977.50</u> |
| <i>Navy/Coso Royalty Fund: Develop FY22 Project &amp; Secure Funding Subtotal:</i> |                   |                  | <u>\$977.50</u> |

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

| <b>Professional Services</b>   | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u>     |
|--|-------------------|------------------|-------------------|
| Supervisor I   | 8.00              | \$200.00         | \$1,600.00        |
| <i>Professional Services Subtotal:</i>   |                   |                  | <u>\$1,600.00</u> |
| <i>Navy/Coso Royalty Fund: 2021 Rose Valley MW Permitting, Bid Doc Support &amp; Dri</i> |                   |                  | <u>\$1,600.00</u> |

**59 - 2021 Data Collection**

| <b>Professional Services</b>           | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u>     |
|--|-------------------|------------------|-------------------|
| Supervisor I                           | 8.25              | \$200.00         | \$1,650.00        |
| GIS Manager                            | 1.50              | \$115.00         | \$172.50          |
| Assistant I                            | 29.25             | \$95.00          | \$2,778.75        |
| <i>Professional Services Subtotal:</i> |                   |                  | <u>\$4,601.25</u> |
| <i>2021 Data Collection Subtotal:</i>  |                   |                  | <u>\$4,601.25</u> |

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

| <b>Professional Services</b>  | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u>   |
|---|-------------------|------------------|-----------------|
| Principal   | 3.00              | \$230.00         | \$690.00        |
| <i>Professional Services Subtotal:</i>                              |                   |                  | <u>\$690.00</u> |
| <i>2021 Imported Water: Negotiations and Coordination Subtotal:</i> |                   |                  | <u>\$690.00</u> |

**62 - 2021 Recycled Water**

| <b>Professional Services</b>           | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u>     |
|--|-------------------|------------------|-------------------|
| Principal                              | 3.75              | \$230.00         | \$862.50          |
| Supervisor I                           | 3.00              | \$200.00         | \$600.00          |
| Senior Associate                       | 0.50              | \$120.00         | \$60.00           |
| Associate III                          | 11.00             | \$105.00         | \$1,155.00        |
| <i>Professional Services Subtotal:</i> |                   |                  | <u>\$2,677.50</u> |
| <i>2021 Recycled Water Subtotal:</i>   |                   |                  | <u>\$2,677.50</u> |

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

| <b>Professional Services</b>  | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u>   |
|---|-------------------|------------------|-----------------|
| Principal   | 3.50              | \$230.00         | \$805.00        |
| <i>Professional Services Subtotal:</i>                                  |                   |                  | <u>\$805.00</u> |
| <i>2021 Shallow Well Mitigation Program: Plan Development Subtotal:</i> |                   |                  | <u>\$805.00</u> |

**Water Resources Management Subtotal: \$72,409.46**

**\*\*\* Invoice Total \*\*\* \$72,409.46**



**REIMBURSABLE SUMMARY**

County of Kern  
 County Administrative Office  
 1115 Truxtun Ave., 5th Floor  
 Bakersfield CA 93301  
 ATTN.: Mr. Alan Christensen

**Invoice Number: 2652-42**  
**Invoice Date: 02/04/21**

Project #: 2652 **Indian Wells Valley Groundwater Authority**  
 Manager: Stephen Johnson  
 Professional Services through 01/31/2021

**Water Resources Management**

**11.05 - POAM No. 78 Aquifer Tests**

**Sub-Contractors**

| <u>Description</u> | <u>Date</u> | <u>Units</u> | <u>Unit Rate</u> | <u>Charge</u>                        | <u>Notes</u> |
|--------------------|-------------|--------------|------------------|--------------------------------------|--------------|
| Board of Regents   | 12/31/2020  | 1.00         | \$10,622.95      | \$10,622.95                          |              |
|                    |             |              |                  | POAM No. 78 Aquifer Tests Sub-Total: | \$10,622.95  |

**51 - 2021 Meetings and Prep**

**Reimbursables**

| <u>Description</u>          | <u>Date</u> | <u>Units</u> | <u>Unit Rate</u> | <u>Charge</u>                     | <u>Notes</u> |
|-----------------------------|-------------|--------------|------------------|-----------------------------------|--------------|
| Telephone - Conference Call | 01/12/2021  | 1.00         | \$28.37          | \$28.37                           |              |
| Telephone - Conference Call | 01/14/2021  | 1.00         | \$66.81          | \$66.81                           |              |
|                             |             |              |                  | 2021 Meetings and Prep Sub-Total: | \$95.18      |

**55 - 2021 Grant Review/Application**

**Reimbursables**

| <u>Description</u>          | <u>Date</u> | <u>Units</u> | <u>Unit Rate</u> | <u>Charge</u>                            | <u>Notes</u> |
|-----------------------------|-------------|--------------|------------------|--|--------------|
| Telephone - Conference Call | 01/12/2021  | 1.00         | \$48.74          | \$48.74                                  |              |
| Telephone - Conference Call | 01/12/2021  | 1.00         | \$36.96          | \$36.96                                  |              |
| Reproduction                | 01/31/2021  | 15.00        | \$0.15           | \$2.25                                   |              |
| Reproduction (Color)        | 01/31/2021  | 67.00        | \$0.89           | \$59.63                                  |              |
|                             |             |              |                  | 2021 Grant Review/Application Sub-Total: | \$147.58     |





Invoice for Stetson Engineers Inc, Isotopic Support

INVOICE TO

**Stetson Engineers Inc**  
**Attn: Accounts Payable**  
**2171 East Francisco Blvd. Suite K**  
**San Rafael, CA 94901**

INVOICE NUMBER: CI-06-4624 / 16 ✓  
 DATE: 01/22/21  
 AMOUNT: \$10,622.95 ✓  
 TERMS: Due Upon Receipt

|   |               |                            |
|---|---------------|----------------------------|
| Contract/Grant/Agreement/Purchase Order   | Period Billed |                            |
| <b>Stetson Engineers Inc. Contract # 2652 - 001</b> ✓   | From          | To                         |
| <b>Contract Dated 5/24/19</b>   | 12/1/2020     | 12/31/2020                 |
| Title: <b>Stetson Engineers Inc, / Isotopic Support - Indian Wells Valley Groundwater Authority</b> |               |                            |
| P.I.: <b>Chapman, Jenny</b>   |               |                            |
| DRI Acct: <b>AWD-06-00000523 / GR09067 RC0068</b>   |               | TAX ID #: <b>886000024</b> |
| Cost Elements/Services  | Current       | Cumulative                 |

Stetson Engineers, Inc. - Isotopic Support - Indian Wells Valley Groundwater Authority

|               |                  |                   |
|---------------|------------------|-------------------|
| Salaries      | 8,808.78         | 107,919.09        |
| Travel        | 1,814.17         | 11,411.43         |
| Operating     |                  | 138.11            |
| <b>Totals</b> | <u>10,622.95</u> | <u>119,468.63</u> |

**Total Amount Due This Invoice** 10,622.95 ✓

|                  |                   |
|------------------|-------------------|
| Budget Amount    | 136,911.00        |
| Invoiced to Date | <u>119,468.63</u> |
| Budget Balance   | <b>17,442.37</b>  |

"I certify to the best of my ability that all expenditures reported are for appropriate purposes and in accordance with the provisions of the award documentation."

*Sherril Schmidt* \_\_\_\_\_ 01/22/21  
 Sherril Schmidt, Sponsored Research Specialist Date  
 (775) 673-7404

|  |                |  |
|--|----------------|--|
| Make Check Payable To: <b>Board of Regents</b> | Mail Check To: | Desert Research Institute<br>Financial Services Office<br>2215 Raggio Parkway<br>Reno, Nevada 89512-1095 |
|--|----------------|--|

\* Please return Invoice Copy with Check \*



Oct-20

Stetson Engineers - Isotopic Support - IWVGA

Awd-06-523 / GR09067

Contract # 2652 - 001

| Position                | Worker             | Rate   | Hours    | Cost     |
|-------------------------|--------------------|--------|----------|----------|
| Environmental Engineer  | Gabrielle Boisrame | 99.00  | 0.0000   | 0.00     |
| Geochemist              | Ron Hershey        | 184.51 | 0.0000   | 0.00     |
| Geochemist-Field        | Brittany Kruger    | 90.83  | 0.0000   | 0.00     |
| Geochemist-SME          | Jim Thomas         | 193.52 | 0.0000   | 0.00     |
| Geologist               | Steve Bacon        | 99.64  | 0.0000   | 0.00     |
| GIS Professional        | Cheryl Collins     | 98.95  | 0.0000   | 0.00     |
| Groundwater Modeler-SME | Karl Pohlmann      | 239.00 | 0.0000   | 0.00     |
| Hourly Data Analyst     | Austin Chapman     | 29.46  | 0.0000   | 0.00     |
| Hydrogeologist          | John Healey        | 112.93 | 0.0000   | 0.00     |
| Hydrogeologist          | Kevin Heintz       | 75.95  | 108.9148 | 8,271.75 |
| Hydrogeologist-SME      | Jenny Chapman      | 258.45 | 2.0779   | 537.03   |
| Hydrologist             | Chris Garner       | 117.95 | 0.0000   | 0.00     |

| Travel & Operating         | Dates     | Cost     |
|----------------------------|-----------|----------|
| Nov. 8-10, 2020 Fieldwork  | 12/1/2020 | 1,059.46 |
| Nov. 14-15, 2020 Fieldwork | 12/1/2020 | 754.71   |

**Total Salaries & Fringe** **8,808.78**

**Total Travel & Operating** **1,814.17**

**Total Costs**

**10,622.95**



# Project Accounting Summary

Account #: 1757778 Invoice #: 1744809842 Date: 01/31/2021

| PAC:                      |                   |          |             |                 |  |
|---------------------------|-------------------|----------|-------------|-----------------|--|
| Owner Name                | Conference        | Date     | Minutes     | Conf Charge     |  |
| Castaneda, Fatima         | 2652-24 375197540 | 01/12/21 | 223         | \$36.96         |  |
| Castaneda, Fatima         | 2652-17 375179265 | 01/12/21 | 294         | \$48.74         |  |
| Castaneda, Fatima         | 1265-21 375166592 | 01/12/21 | 6           | \$27.87         |  |
| Castaneda, Fatima         | 2652-01 374912432 | 01/07/21 | 141         | \$28.37         |  |
| Castaneda, Fatima         | 08 374819821      | 01/06/21 | 240         | \$39.81         |  |
| Castaneda, Fatima         | 08 374728238      | 01/05/21 | 433         | \$71.84         |  |
| <b>Total Conferences:</b> |                   | <b>6</b> | <b>1337</b> | <b>\$253.59</b> |  |

| PAC: 08003                |            |          |           |                |  |
|---------------------------|------------|----------|-----------|----------------|--|
| Owner Name                | Conference | Date     | Minutes   | Conf Charge    |  |
| Castaneda, Fatima         | 375283421  | 01/13/21 | 83        | \$28.16        |  |
| <b>Total Conferences:</b> |            | <b>1</b> | <b>83</b> | <b>\$28.16</b> |  |

| PAC: 1336                 |            |          |            |                |  |
|---------------------------|------------|----------|------------|----------------|--|
| Owner Name                | Conference | Date     | Minutes    | Conf Charge    |  |
| Sharody, Ali              | 375199153  | 01/12/21 | 428        | \$70.97        |  |
| <b>Total Conferences:</b> |            | <b>1</b> | <b>428</b> | <b>\$70.97</b> |  |

| PAC: 196110003            |            |          |            |                |  |
|---------------------------|------------|----------|------------|----------------|--|
| Owner Name                | Conference | Date     | Minutes    | Conf Charge    |  |
| Castaneda, Fatima         | 375865652  | 01/21/21 | 505        | \$79.01        |  |
| <b>Total Conferences:</b> |            | <b>1</b> | <b>505</b> | <b>\$79.01</b> |  |

| PAC: 2                    |            |          |          |                |  |
|---------------------------|------------|----------|----------|----------------|--|
| Owner Name                | Conference | Date     | Minutes  | Conf Charge    |  |
| Reich, Steve              | 375090418  | 01/11/21 | 3        | \$27.86        |  |
| <b>Total Conferences:</b> |            | <b>1</b> | <b>3</b> | <b>\$27.86</b> |  |

| PAC: 221005               |            |          |            |                |  |
|---------------------------|------------|----------|------------|----------------|--|
| Owner Name                | Conference | Date     | Minutes    | Conf Charge    |  |
| Castaneda, Fatima         | 375671951  | 01/19/21 | 308        | \$51.05        |  |
| <b>Total Conferences:</b> |            | <b>1</b> | <b>308</b> | <b>\$51.05</b> |  |

| PAC: 2533102001           |            |          |           |                |  |
|---------------------------|------------|----------|-----------|----------------|--|
| Owner Name                | Conference | Date     | Minutes   | Conf Charge    |  |
| Castaneda, Fatima         | 374635032  | 01/04/21 | 37        | \$27.98        |  |
| <b>Total Conferences:</b> |            | <b>1</b> | <b>37</b> | <b>\$27.98</b> |  |

| PAC: 25331021 |            |      |         |             |  |
|---------------|------------|------|---------|-------------|--|
| Owner Name    | Conference | Date | Minutes | Conf Charge |  |

# Project Accounting Summary

Account #: 1757778 Invoice #: 1744809842 Date: 01/31/2021

| PAC: 25331021             |            |          |          |                |
|---------------------------|------------|----------|----------|----------------|
| Owner Name                | Conference | Date     | Minutes  | Conf Charge    |
| Castaneda, Fatima         | 375749007  | 01/20/21 | 155      | \$28.40        |
| <b>Total Conferences:</b> |            |          | <b>1</b> | <b>\$28.40</b> |

| PAC: 2628                 |            |          |          |                |
|---------------------------|------------|----------|----------|----------------|
| Owner Name                | Conference | Date     | Minutes  | Conf Charge    |
| Reich, Steve              | 375867163  | 01/21/21 | 280      | \$46.42        |
| <b>Total Conferences:</b> |            |          | <b>1</b> | <b>\$46.42</b> |

| PAC: 2733                 |            |          |          |                |
|---------------------------|------------|----------|----------|----------------|
| Owner Name                | Conference | Date     | Minutes  | Conf Charge    |
| Reich, Steve              | 375093378  | 01/11/21 | 69       | \$28.09        |
| <b>Total Conferences:</b> |            |          | <b>1</b> | <b>\$28.09</b> |

| PAC: 277801               |            |          |          |                |
|---------------------------|------------|----------|----------|----------------|
| Owner Name                | Conference | Date     | Minutes  | Conf Charge    |
| Castaneda, Fatima         | 375291941  | 01/13/21 | 140      | \$28.34        |
| Castaneda, Fatima         | 375284619  | 01/13/21 | 4        | \$27.86        |
| <b>Total Conferences:</b> |            |          | <b>2</b> | <b>\$56.20</b> |

| PAC: 2782                 |            |          |          |                |
|---------------------------|------------|----------|----------|----------------|
| Owner Name                | Conference | Date     | Minutes  | Conf Charge    |
| Krueger, Robyn            | 375790010  | 01/20/21 | 176      | \$29.17        |
| <b>Total Conferences:</b> |            |          | <b>1</b> | <b>\$29.17</b> |

| PAC: 3104                 |                   |          |          |                 |
|---------------------------|-------------------|----------|----------|-----------------|
| Owner Name                | Conference        | Date     | Minutes  | Conf Charge     |
| Castaneda, Fatima         | 1205-01 376187082 | 01/26/21 | 249      | \$41.29         |
| Castaneda, Fatima         | 1960-09 375752625 | 01/20/21 | 154      | \$28.39         |
| Castaneda, Fatima         | 2652-1 375410269  | 01/14/21 | 403      | \$66.81         |
| <b>Total Conferences:</b> |                   |          | <b>3</b> | <b>\$136.49</b> |

*The page intentionally blank*



CAPITOL  
CORE  
GROUP

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

**BILL TO**

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

**INVOICE 2021-006**

**DATE** 02/01/2021 **TERMS** Net 45

**DUE DATE** 03/18/2021

| DATE       | ACCOUNT SUMMARY  | AMOUNT     |
|------------|--|------------|
| 01/04/2021 | Balance Forward  | 23,181.25  |
|            | Other payments and credits after 01/04/2021 through 01/31/2021 | -11,618.75 |
| 02/01/2021 | Other invoices from this date                                  | 0.00       |
|            | New charges (details below)                                    | 10,112.50  |
|            | Total Amount Due   | 21,675.00  |

| ACTIVITY  | HOURS | RATE   | AMOUNT   |
|---|-------|--------|----------|
| <b>Charges</b>  |       |        |          |
| Task 1: Secure Imported Water Supplies  |       |        |          |
| <b>Strategic Communications:Water Procurement Assistance</b><br>Client call re: imported water {Tatum}                                      | 0.50  | 250.00 | 125.00   |
| <b>Strategic Communications:Water Procurement Assistance</b><br>Review of IWVGA documents/reports and client call {Tatum}                   | 1     | 250.00 | 250.00   |
| <b>Strategic Communications:Water Procurement Assistance</b><br>Water Supplier call/inquiry (various) {Tatum}                               | 1     | 250.00 | 250.00   |
| <b>Strategic Communications:Water Procurement Assistance</b><br>Water Supplier work plan review and call/inquiry {Tatum}                    | 1     | 250.00 | 250.00   |
| <b>Strategic Communications:Water Procurement Assistance</b><br>Water Supplier follow-up call {Tatum}                                       | 0.50  | 250.00 | 125.00   |
| <b>Strategic Communications:Water Procurement Assistance</b><br>Water Supplier call/inquiry {Tatum}   | 0.50  | 250.00 | 125.00   |
| <b>Strategic Communications:Water Procurement Assistance</b><br>Internal coordination and IWVGA conference call {Tatum}                     | 1.50  | 250.00 | 375.00   |
| <b>Strategic Communications:Water Procurement Assistance</b><br>Supplier Outreach North of Delta Supplies {Simonetti}                       | 2     | 225.00 | 450.00   |
| <b>Strategic Communications:Water Procurement Assistance</b><br>Supplier Outreach (various) and After-Action Report development {Simonetti} | 4.50  | 225.00 | 1,012.50 |
| <b>Strategic Communications:Water Procurement Assistance</b><br>Supplier Outreach for multi-year (Simonetti)                                | 1     | 225.00 | 225.00   |

| ACTIVITY   | HOURS | RATE   | AMOUNT |
|--|-------|--------|--------|
| <b>Strategic Communications:Water Procurement Assistance</b><br>Preparation of materials for Water Supplier {Simonetti}  | 1.50  | 225.00 | 337.50 |
| <b>Strategic Communications:Water Procurement Assistance</b><br>Water Supplier calls (various) {Simonetti}   | 3     | 225.00 | 675.00 |
| Total Task 1 = \$4,200.00  |       |        |        |
| Task 3: Funding Sources  |       |        |        |
| <b>Government Relations:Federal Legislative Affairs</b><br>Conference Call w/ Rep. McCarthy's Office -- preparation and folow-up {McKinney}  | 1.75  | 250.00 | 437.50 |
| <b>Government Relations:Federal Legislative Affairs</b><br>Internal Meetings, strategy review, 2020 After-Action Report Review {McKinney}  | 2.50  | 250.00 | 625.00 |
| <b>Government Relations:Federal Legislative Affairs</b><br>EPA Team Conf. Call follow-up {McKinney}  | 1     | 250.00 | 250.00 |
| <b>Government Relations:Federal Legislative Affairs</b><br>Preparation of materials for Rep. McCarthy's Office call (Simonetti)  | 1.50  | 225.00 | 337.50 |
| <b>Government Relations:Federal Legislative Affairs</b><br>Conf. Call w/ Rep. McCarthy's Office, follow-up calls and internal calls re: next steps {Simonetti}                         | 3     | 225.00 | 675.00 |
| <b>Government Relations:Federal Legislative Affairs</b><br>Conf. call and outreach w/ OLDCC re: 2021 DCIP Implementation Guidelines Coordination {Simonetti}                           | 2.50  | 225.00 | 562.50 |
| <b>Government Relations:California Legislative Affairs</b><br>Governor's Office conf. call and preparation, follow-up and scheduling {Simonetti}                                       | 2.50  | 225.00 | 562.50 |
| <b>Government Relations:Federal Legislative Affairs</b><br>Follow-up US Bureau of Reclamation (conf. call) and U.S. EPA (conf. call) re: WWTP and Interconnection Facility {Simonetti} | 2.50  | 225.00 | 562.50 |
| Total Task 3 = \$4,012.50  |       |        |        |
| Task 4: Reporting and Board Meetings   |       |        |        |
| <b>Administrative</b><br>Presentation review and Board Meeting {Tatum}   | 2.50  | 250.00 | 625.00 |
| <b>Administrative</b><br>Board Meeting {McKinney}  | 1.50  | 250.00 | 375.00 |
| <b>Administrative</b><br>Monthly Reporting {Simonetti}   | 1.50  | 225.00 | 337.50 |
| <b>Administrative</b><br>After Action Report Finalization, Board Meeting {Simonetti}   | 2.50  | 225.00 | 562.50 |
| Total Task 4 = \$1,900.00  |       |        |        |

NOTE: Invoice billed to 2019-2020 Contract.

TOTAL OF NEW  
CHARGES

10,112.50

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

TOTAL DUE

**\$21,675.00**

*The page intentionally blank*





# WaterWise Consulting, Inc.

"Conserving our natural resources for future generations"

1751 S. Grand Ave.  
Glendora, CA 91740

# Invoice

| Date      | Invoice # |
|-----------|-----------|
| 1/31/2021 | 6650      |

| Customer  |
|---|
| Indian Wells Groundwater Authority<br>Attn: Accounts Payable<br>500 W. Ridgecrest Blvd.<br>Ridgecrest, CA 93555 |

| Contract No. | Due Date | Terms  |
|--------------|----------|--------|
| 02-19        | 5/1/2021 | Net 90 |

| Item                  | Description   | Amount   |
|-----------------------|---|----------|
| Rebate Administration | Indian Wells Groundwater Authority<br>Water Conservation Rebate Program<br>Service Period: January 2021<br><br>Task: Monthly Administration - $\$5,000.00 \times 1 = \$5,000.00$<br><br>Task: Website Development - $\$4,000.00 \times 0 = \$0.00$<br><br>Task: Program Manager - $\$125.00 \times 0 = \$0.00$<br><br>Task: Design, Marketing & Outreach - $\$80.00 \times 0 = \$0.00$<br><br>Task: Customer Rebates - $\$0.00$<br><br>TOTAL THIS INVOICE: $\$5,000.00$ | 5,000.00 |

Please Make Check Payable To: WaterWise Consulting, Inc.

|              |            |
|--------------|------------|
| <b>Total</b> | \$5,000.00 |
|--------------|------------|

| Phone #        | Fax #          | E-Mail                        | Web Site                     |
|----------------|----------------|-------------------------------|------------------------------|
| (626) 335-7888 | (626) 628-0311 | info@waterwise-consulting.com | www.waterwise-consulting.com |

**Indian Wells Groundwater Authority**

Water Conservation Rebate Program

Service Period: January 2021

**Fixed Labor Cost Breakdown**

| <i>Classification</i>  | <i>Staff Name(s)</i>                   | <i>Service Date(s)</i> | <i>Item Qty.</i> | <i>Fixed Rate</i> | <i>Total Billed</i> | <i>Labor Summary</i>  |
|------------------------|--|------------------------|------------------|-------------------|---------------------|---|
| Monthly Administration | Rebecca Shields Moose<br>Blanca Cortez | 1/1/2021 to 1/31/2021  | 1                | \$ 5,000.00       | \$ 5,000.00         | * Customer Service Representative Staffing<br>* Assist customers via phone and email<br>* Mailing program applications and postcards to customers upon request<br>*Additional customer contact research |
|                        |  |                        |                  |                   | <b>\$ 5,000.00</b>  |   |

**Hourly Labor Cost Breakdown**

| <i>Classification</i> | <i>Staff Name</i>     | <i>Service Date(s)</i> | <i>Qty. Hours</i> | <i>Hourly Rate</i> | <i>Total Billed</i> | <i>Labor Summary</i> |
|-----------------------|-----------------------|------------------------|-------------------|--------------------|---------------------|----------------------|
| Program Manager       | Rebecca Shields Moose |                        |                   | \$ 125.00          | \$ -                |                      |
|                       |                       |                        | <b>0</b>          |                    | <b>\$ -</b>         |                      |

| <i>Classification</i> | <i>Staff Name</i> | <i>Service Date(s)</i> | <i>Qty. Hours</i> | <i>Hourly Rate</i> | <i>Total Billed</i> | <i>Labor Summary</i> |
|-----------------------|-------------------|------------------------|-------------------|--------------------|---------------------|----------------------|
|                       |                   |                        |                   | \$ 80.00           | \$ -                |                      |
|                       |                   |                        | <b>0</b>          |                    | <b>\$ -</b>         |                      |

Invoice Total: \$ 5,000.00

*The page intentionally blank*

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

## Invoice 2066



|  |  |
|--|--|
| <b>BILL TO</b><br>Don Zdeba<br>Indian Wells Valley<br>Groundwater Authority<br>500 W. Ridgecrest Blvd.<br>Ridgecrest, CA 93555 USA | <b>SHIP TO</b><br>Don Zdeba<br>Indian Wells Valley<br>Groundwater Authority<br>500 W. Ridgecrest Blvd.<br>Ridgecrest, CA 93555 USA |
|--|--|

DATE  
01/26/2021

PLEASE PAY  
\$1,680.00

DUE DATE  
02/25/2021

| ITEM          | DESCRIPTION   | QTY | RATE   | AMOUNT   |
|---------------|---|-----|--------|----------|
| 2DSNN12       | Analytics Dashboard (AD) (annual) -<br>10 wells for 12 months     | 10  | 168.00 | 1,680.00 |
| T - Sales Tax | Sales Tax calculated by AvaTax on<br>Wed 27 Jan 03:19:09 UTC 2021 | 1   | 0.00   | 0.00     |

TOTAL DUE

**\$1,680.00**

THANK YOU.

*The page intentionally blank*



*The page intentionally blank*

California Association of Mutual Water Companies  
 1370 N. Brea Blvd., Suite 134  
 Fullerton, CA 92835



## INVOICE

| BILL TO   | Date         | Invoice No |
|---|--------------|------------|
| Indian Wells Valley Groundwater Authority<br>500 W Ridgecrest Blvd.<br>Ridgecrest, CA 93555 | Jan 25, 2021 | 01545      |

| Description   | Rate               | Due Date |
|---|--------------------|----------|
|   |                    | Total    |
| CalMutuals 2021 Membership Dues<br>AFFILIATE MEMBERS: Non-Portable Districts  |                    | \$100    |
| Please make checks payable to California Association of Mutual Water Companies and send payments to the address at the top of the invoice.<br><br>Payments accepted online by credit card at <a href="https://caomwc.wildapricot.org/">https://caomwc.wildapricot.org/</a> .<br><br>For billing inquiries, please call (714) 449-8403. Thank you! | <b>Total</b>       | \$100    |
|   | <b>Payments</b>    |          |
|   | <b>Balance Due</b> | \$100    |





### MEMBER CONTACT INFORMATION

Please review and update contact information associated with your CalMutuals membership.

To update online: Log in to <https://caomwc.wildapricot.org/> To update by mail: Review and revise this form and return with your membership dues. Many thanks!

|   |  |   |
|---|--|---|
| <b>Company</b>                                | Indian Wells Valley Groundwater Authority  |   |
| <b>Website</b>                                | <a href="https://iwvga.org/">https://iwvga.org/</a>  |   |
| <b>Mailing Address</b>                        | 500 W Ridgecrest Blvd.<br>Ridgecrest, CA 93555   |   |
| <b>Physical Address</b><br>(if different)     |  |   |
| <b>County</b>                                 | Kern   |   |
| <b>Manager Contact</b>                        |  | <input type="checkbox"/> Manager is Primary Contact |
| Manager-First                                 | Ron  |   |
| Manager-Last                                  | Strand   |   |
| Title   | General Manager  |   |
| Manager Email                                 | rstrand@ridgecrest-ca.gov  |   |
| Manager Telephone                             |  |   |
| Manager Cell                                  |  |   |
| <b>Board Contact</b>                          |  | <input type="checkbox"/> Board is Primary Contact   |
| Board First                                   |  |   |
| Board Last                                    |  |   |
| Board Title                                   |  |   |
| Board Email                                   |  |   |
| Board Telephone                               |  |   |
| <b>Staff Contact</b>                          |  | <input type="checkbox"/> Staff is Primary Contact   |
| Staff-First                                   | Peggy  |   |
| Staff-Last                                    | Breeden  |   |
| Staff-Title                                   | Mayor and Board President  |   |
| Staff EMail                                   | pbreeden@ridgecrest-ca.gov   |   |
| Staff Telephone                               |  |   |
| <b>Annual Revenue</b>                         | \$   |   |
| <b>Company Type</b>                           | <input type="checkbox"/> Drinking Water <input type="checkbox"/> Irrigation <input type="checkbox"/> Other |   |
| <b># of Connections or<br/># Acres Served</b> |  |   |

Please identify the three most critical issues/concerns facing your Company in 2021:



January 2021

Dear Affiliate Member:

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

Enclosed is an invoice for your 2021 discounted membership dues. Also enclosed is a contact form with information we have for your organization. Your help in reviewing and updating the information would be greatly appreciated and will help us to more effectively help you. Membership dues and contact information can be updated through US Mail or online at <https://caomwc.wildapricot.org/>

In 2020, CalMutuals JPRIMA retained 99% of its insureds/members, maintained competitive pricing, and again declared a dividend for all Workers' Comp clients insured in policy year 2017 equaling 10% of the 2017 annual premium paid. CalMutuals JPRIMA expanded engagement in our new Environmental Pollution Product tailored for water & sewer districts which provides third-party pollution liability and remediation expenses as well as first-party pollution clean-up and forged relationships with selected Employee Benefits providers to support our members with medical, dental, vision, life and disability and insurance needs.

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

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

We value your membership and look forward to continued collaboration in 2021. If you, or another member of your organization, have questions about CalMutuals or CalMutuals JPRIMA please do not hesitate to contact us.

Sincerely,

Adán Ortega  
Executive Director  
[adan@calmutuals.org](mailto:adan@calmutuals.org)  
(714) 449-8403

MEMBER RESOURCES

CalMutuals and CalMutuals JPRIMA continues to expand resources to support our members.

These resources include:



**\* Continuing Education**

Help your team meet continuing education requirements. Enroll in free operator, safety, and management online training modules; including state-mandated board member ethics training.



**\* Employee Background Checks**

Streamline your hiring processes by taking advantage of free or discounted background checks by OPENonline for criminal records, identity, driver's records, education and more.



**Legal Services and Compliance Check-ups**

Get peace of mind with low-cost compliance check-ups by partner Lagerlof, Senecal, Gosney & Kruse. Have attorneys review existing governing documents such as articles of incorporation and bylaws, rules, and regulations, and other documents required to comply with provisions of AB54 and AB240.



**Administrative & Operational Reviews**

Get administrative and operational support for your small system of 500 or fewer connections through a new pilot program. Contact us to learn more and see if this program is a good fit.

**Administrative Reviews may include:**

- Management operations
- Staff training and development
- Budgeting, financial planning and rate setting
- Long-term capital planning
- Identifying outside funding sources

**Operational Reviews may include:**

- Water quality and treatment
- Regulatory compliance
- Water loss analysis and audit validations
- Water production reporting



**Peer-to-Peer Support**

Connect with CalMutuals members to address shared challenges. As issues emerge, reach out and we will work to identify members who may be able to provide insight, assistance and guidance.



**Leadership Video Series**

Tap into a vast and virtual library of videos on cybersecurity, inverse condemnation, risk management, human resources fundamentals and more, courtesy of our partnership with the American Association of Water Distribution & Management (AAWD&M).



**Referrals to Preferred Vendors**

Link to CalMutuals' preferred vendors; with expertise ranging from website design to pipe, valve and meter supply, to financial and engineering services. They're experienced in working with small systems and often provide discounts for members.



**"Best in Class" Insurance for water systems**

Access to exceptional Property & Casualty and Workers' Compensation insurance through CalMutuals Joint Powers Risk and Insurance Management Authority.

Exclusively for members with worker's compensation insurance through JPRIMA



**Risk Management and Human Resources Tools**

Get answers to your human resources and safety professionals questions using The Zenith's toll-free number. Find thousands of risk management, safety, and HR best practices resources at your fingertips through the Zenith Solution Center.

**REGISTER OR LEARN MORE**

[www.calmutuals.org/resources](http://www.calmutuals.org/resources)  
[www.calmutualsjprima.org/resources](http://www.calmutualsjprima.org/resources)

info@calmutuals.org • 714-449-8403

Access the member-only section of our website through the "Login" tab:

Username: camwc  
 Password: #CalMutuals#8403

\* Free to members with <500 connections and members with property and liability and worker's compensation insurance through JPRIMA. Discounted for all others.

*The page intentionally blank*



# Invoice

Friday, January 15, 2021

ISSUED TO:  
April Keigwin

ISSUED BY:  
Squarespace, Inc.  
225 Varick Street, 12th Floor  
New York, NY 10014

## Charges

Purchase of domain: iwvga.org - iwvga.squarespace.com  
1/30/2021 – 1/30/2022  
\$20.00

Purchase of domain: iwvga.net - iwvga.squarespace.com  
1/30/2021 – 1/30/2022  
\$20.00

Purchase of domain: iwvga.com - iwvga.squarespace.com  
1/30/2021 – 1/30/2022  
\$20.00

|                 |         |                          |
|-----------------|---------|--------------------------|
| Card ending in: | 1163    | All prices in US Dollar. |
| Subtotal:       | \$60.00 |                          |
| Discount:       | --      |                          |
| Due:            | \$0.00  |                          |
| Paid:           | \$60.00 |                          |

All prices in US Dollar.



# Invoice

Saturday, January 30, 2021

ISSUED TO:  
April Keigwin

ISSUED BY:  
Squarespace, Inc.  
225 Varick Street, 12th Floor  
New York, NY 10014

## Charges

Subscription: Business (Annually) - iwvga.squarespace.com  
1/30/2021 – 1/30/2022  
\$216.00

|                 |          |                          |
|-----------------|----------|--------------------------|
| Card ending in: | 1163     | All prices in US Dollar. |
| Subtotal:       | \$216.00 |                          |
| Discount:       |          |                          |
| Due:            | \$0.00   |                          |
| Paid:           | \$216.00 |                          |

All prices in US Dollar.

*The page intentionally blank*

# IWVGA ADMINISTRATIVE OFFICE

*STAFF REPORT*

---

**TO:** IWVGA Board Members **DATE:** February 10, 2021

**FROM:** IWVGA Staff

**SUBJECT:** **Agenda Item No. 7 – Board Review and Approval of Professional Services Agreement for General Management and Administrative Services Between Regional Government Services Authority (“RGS”) and IWVGA**

## **DISCUSSION**

Since the inception of the Indian Wells Valley Groundwater Authority (“Authority”) in 2016, the Board has relied upon in-kind services through membership staff for the day-to-day management and administration of the Authority until a General Manager (“GM”) could be appointed (IWVGA JPA – section 8.03 and IWVGA By-Laws section 3-3). In the interim, these responsibilities fell upon the membership staff for the Chairman of the Board which rotates annually between the County of Kern, IWV Water District and the City of Ridgecrest.

In 2018, the Board directed Staff to seek applications for a GM for the Authority. In August 2018, the Board and Staff interviewed potential candidates. While qualified applicants were interviewed, the Board elected at the time not to hire a GM and remained with the current administrative structure.

In 2020, the Board again directed Staff to seek applications for a GM. The Board decided it was time to hire a GM that was solely accountable to the Board and not another member agency.

On October 29, 2020, the Board and Staff interviewed potential candidates. On December 17, 2020, the Board selected RGS and directed Staff to negotiate an agreement with RGS for GM and administrative services for the Authority.

RGS is a unique, fee-supported, joint powers authority specializing in public-sector administration and consulting services. RGS exclusively serves the public interest and employs experienced public professionals to assist their partner agencies. RGS has been the Employer of Record for approximately 20 agencies, hiring more than 125 employees to serve those agencies. Currently, RGS provides staffing for the Salinas Valley Basin Groundwater Sustainability Agency, as well as several emergency radio interoperability JPA’s in the Greater Bay Area (Exhibit #1- Statement of Qualifications for RGS).

Staff negotiated an agreement with RGS (See Exhibits #2-3). The scope of work for the GM and administration services were based on a workflow analysis conducted by IWVWD GM Don Zdeba and his staff. IWVWD staff were responsible for GM and administrative duties for the Authority



for all of 2019 and 2020.

The following are key points of the agreement:

- One-year agreement beginning February 10, 2021. May be amended by mutual agreement;
- RGS Team will consist of three key staff – GM, Clerk of the Board and Accounting Manager;
- Budget of 35.5 hours per week allocated among the various roles;
- Formal Board review and evaluation of RGS at 3 and 6 months following the date of the agreement to clarify findings and expectations;
- RGS will not have a local office;
- Estimated annual contract cost: \$200,000.

**FUNDING:**

RGS agreement will be funded through the Replenishment and Extraction Fees and is budgeted in the 2021 IWVGA Budget. Budgeted \$225,000.

**EXHIBITS:**

Exhibit #1: Statement of Qualifications from RGS

Exhibit #2: RGS Proposal

Exhibit #3: IWVGA Agreement No.01-2021 – Professional Services Agreement with RGS

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

Staff recommends Board approval.

*The page intentionally blank*

**INDIAN WELLS VALLEY GROUNDWATER  
AUTHORITY AGREEMENT NO. 01-21**

**PROFESSIONAL SERVICES AGREEMENT FOR GENERAL MANAGEMENT  
AND ADMINISTRATIVE SERVICES**

THIS AGREEMENT is made and entered into this 10th day of February, 2021 (“Effective Date”), by and between Indian Valley Wells Groundwater Authority (“IVWGA”), and Regional Government Services Authority (“Consultant”).

**RECITALS :**

A. WHEREAS, IVWGA proposes to utilize the services of Consultant as an independent contractor to provide comprehensive administration services to IVWGA (“Project”), as more fully described herein; and

B. WHEREAS, Consultant represents that it has that degree of specialized expertise contemplated within California Government Code Section 37103, and holds all necessary licenses to practice and perform the services herein contemplated; and

C. WHEREAS, no official or employee of IVWGA has a financial interest, within the provisions of Sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

**1.0. SERVICES PROVIDED BY RGS**

1.1. Scope of Services. Consultant shall provide the services described in the attached **Exhibit A**. The services may be amended, at IVWGA’s discretion, by way of a written directive from IVWGA.

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional Consultants in similar fields and circumstances in accordance with sound professional practices. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise IVWGA of any changes in any laws that may affect Consultant’s performance of this Agreement.

1.3. Performance to Satisfaction of IVWGA. Consultant agrees to perform all the work to the complete satisfaction of the IVWGA and within the hereinafter specified. Evaluations of the work will be done by IVWGA at 3 months and 6 months following the date of agreement to clarify findings and expectations. If the quality of work is not satisfactory, IVWGA in its discretion has the right to:

- (a) Meet with Consultant to review the quality of the work and resolve the matters of concern;
- (b) Require Consultant to repeat the work at no additional fee until it is

satisfactory; and/or

(c) Terminate the Agreement as hereinafter set forth.

1.4. Warranty. Consultant warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws, including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Consultant shall indemnify and hold harmless IVWGA from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against IVWGA for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement.

1.5 Licenses, Permits, Fees and Assessments. Consultant shall obtain at its sole cost and expense such licenses, permits, and approvals as may be required by law for the performance of the services required by this Agreement. Consultant shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant's performance of the Services, and shall indemnify, defend and hold harmless IVWGA, its officers, employees or agents, against any such fees, assessment, taxes, penalties or interest levied, assessed or imposed against IVWGA hereunder.

1.6. Non-discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religion, color, national origin, ancestry, age, physical handicap, medical condition, marital status, sexual gender or sexual orientation, except as permitted pursuant to Section 12940 of the Government Code.

1.7. Non-Exclusive Agreement. Consultant acknowledges that IVWGA may enter into agreements with other Consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.8 Representatives and Personnel of Consultant. RGS will designate individual RGS employees as "principals" of Consultant ("Principals"). The designated principals shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the Services. All personnel of Consultant, and any authorized agents, shall at all times be under the exclusive direction and control of the Principals.

In the event that Agency or RGS, at any time during the term of this Agreement, desires the reassignment of principal personnel, Agency and RGS shall meet and discuss in good faith to address the issue of concern, including but not limited to reassigning such person or persons.. Additionally, Consultant shall utilize only competent personnel to perform the Services. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff and subcontractors, if any, assigned to perform the Services required under this Agreement. Consultant shall notify IVWGA of any changes in Consultant's staff and subcontractors, if any, assigned to perform the Services, prior to and during any such performance.

1.9. Delegation and Assignment. This is a personal service contract, and the duties set forth herein shall not be delegated or assigned to any person or entity without the prior written consent of IVWGA. Consultant may engage a subConsultant(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Consultant's sole cost and expense.

1.10. Confidentiality. Employees of Consultant in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of IVWGA. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without written authorization by IVWGA. IVWGA shall grant such authorization if disclosure is required by law. All IVWGA data shall be returned to IVWGA upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement. If Consultant, or any officer, employee, agent or subcontractor of Consultant provides any information or work product in violation of this Agreement, then IVWGA shall have the right to reimbursement and indemnity from Consultant for any damages, costs, and fees, including attorney's fees, caused by or incurred as a result of Consultant's conduct.

## **2.0. COMPENSATION AND BILLING**

2.1. Compensation. Consultant shall be paid in accordance with the fee schedule set forth in **Exhibit B** attached hereto and made a part of this Agreement (the "Fee Schedule").

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of services specified in the Consultant's Proposal unless IVWGA, prior to Consultant's performance of the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

2.3. Method of Billing. Consultant may submit invoices to IVWGA for approval on a progress basis, but no more often than two times a month. Said invoice shall be based on the total of all Consultant's services which have been completed to IVWGA's sole satisfaction. IVWGA shall pay Consultant's invoice within thirty (30) days from the date IVWGA receives said invoice. Each invoice shall describe in detail, the services performed, the date of performance, and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

2.4. Records and Audits. Records of Consultant's services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to IVWGA for inspection and/or audit at mutually convenient times for a period of three (3) years from the Effective Date.

## **3.0. TIME OF PERFORMANCE**

3.1. Commencement and Completion of Work. The professional services to be performed pursuant to this Agreement shall be completed in accordance with Section 4.1 of this Agreement. The Project Schedule may be amended by mutual agreement of the parties. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party.

#### **4.0. TERM AND TERMINATION**

4.1. Term. This Agreement shall commence on February 10, 2021, and shall continue for 1 year after the Effective Date, unless previously amended in accordance with Section 3.1 of this Agreement or unless terminated as provided herein.

4.2. Notice of Termination. IVWGA reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing written notice to Consultant. The termination of this Agreement shall be deemed effective upon the termination date specified in the notice of termination. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by IVWGA.

Consultant reserves the right to terminate this Agreement at any time, with or without cause, upon thirty (30) days' written notice to IVWGA.

4.3. Compensation. In the event of termination by IVWGA, IVWGA shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed up to and including the date of IVWGA's written notice of termination. Compensation for work in progress shall be prorated based on the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein. In ascertaining the professional services actually rendered hereunder up to the effective date of termination of this Agreement, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents pertaining to the services contemplated herein whether delivered to IVWGA or in the possession of the Consultant.

In the event of termination, without cause, by Consultant, Consultant shall reimburse IVWGA for additional costs to be incurred by IVWGA in obtaining the work from another consultant.

4.4. Documents. In the event of termination of this Agreement, all documents prepared by Consultant in its performance of this Agreement including, but not limited to, finished or unfinished design, development and construction documents, data studies, drawings, maps and reports, shall be delivered to IVWGA within ten (10) days of delivery of termination notice to Consultant, at no cost to IVWGA. Any use of uncompleted documents without specific written authorization from Consultant shall be at IVWGA's sole risk and without liability or legal expense to Consultant.

#### **5.0. INSURANCE**

5.1. Minimum Scope and Limits of Insurance. Consultant shall obtain, maintain, and keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, rated "A," Class X, or better in the most recent Best's Key Insurance Rating Guide, and approved by IVWGA:

- (a) Commercial general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than Two Million Dollars (\$2,000,000.00), combined single limits, per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or shall be twice the required occurrence limit.
- (b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence for bodily injury and property damage.
- (c) Workers' compensation insurance as required by the State of California. Consultant agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the IVWGA, its officers, agents, employees, and volunteers arising from work performed by Consultant for the IVWGA and to require each of its subConsultants, if any, to do likewise under their workers' compensation insurance policies.
- (d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than Two Million Dollars (\$2,000,000.00), combined single limits, per occurrence and aggregate. Architects' and engineers' coverage shall be endorsed to include contractual liability. If the policy is written as a "claims made" policy, the retro date shall be prior to the start of the contract work. Consultant shall obtain and maintain, said E&O liability insurance during the life of this Agreement and for three years after completion of the work hereunder.

5.2. Endorsements. The commercial general liability insurance policy and business automobile liability policy shall contain or be endorsed to contain the following provisions:

- (a) Additional insureds: "Indian Valley Wells Groundwater Authority and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of the Consultant pursuant to its contract with IVWGA; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; automobiles owned, leased, hired, or borrowed by the Consultant."
- (b) Notice: "Said policy shall not terminate, be suspended, or voided, nor shall it be cancelled, nor the coverage or limits reduced, until thirty (30) days after written notice is given to IVWGA."
- (c) Other insurance: "The Consultant's insurance coverage shall be primary insurance as respects Indian Valley Wells Groundwater Authority, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by Indian Valley Wells Groundwater Authority shall be excess and not contributing with the insurance provided by this policy."

- (d) Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to Indian Valley Wells Groundwater Authority, its officers, officials, agents, employees, and volunteers.
- (e) The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5.3. Deductible or Self Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by IVWGA. No policy of insurance issued as to which IVWGA is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.4. Certificates of Insurance. Consultant shall provide to IVWGA certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by IVWGA, prior to performing any services under this Agreement. The certificates of insurance shall be attached hereto as **Exhibit D** and incorporated herein by this reference.

5.5. Non-limiting. Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

## **6.0. GENERAL PROVISIONS**

6.1. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. Chairman of the Board shall designate a representative from the IWVGA Board for purposes of this Agreement who may issue all consents, approvals, directives and agreements on behalf of IVWGA, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Consultant hereby designates Richard Averett, or his designee, to act as its representative for purposes of this Agreement. Consultant's representative shall be authorized to issue all consents, approvals, directives and agreements on behalf of Consultant called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Notices. Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, facsimile or mail and shall be addressed as set forth below. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 48 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.



IF TO CONSULTANT:

Regional Government Services  
P.O. Box 1350  
Carmel Valley, CA 93924

Tel: 650) 587-7300  
Email: [contracts@rgs.ca.gov](mailto:contracts@rgs.ca.gov)  
Attn: Contracts

IF TO IVWGA:

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

Tel: 760) 499-5001  
Email: [rstrand@ridgecrest-ca.gov](mailto:rstrand@ridgecrest-ca.gov)  
Attn: Ron Strand

6.4. Attorneys' Fees. In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.5. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Kern County, California.

6.6. Assignment. Consultant shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Consultant's interest in this Agreement without IVWGA's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of IVWGA's consent, no subletting or assignment shall release Consultant of Consultant's obligation to perform all other obligations to be performed by Consultant hereunder for the term of this Agreement.

6.7. Indemnification and Hold Harmless. Consultant shall defend, indemnify, and hold harmless IVWGA, its officers, employees and agents, from and against loss, injury, liability, or damages arising from any act or omission to act, including any negligent act or omission to act by Consultant or Consultant's officers, employees, or agents. Consultant's duty to indemnify and defend does not extend to the damages or liability caused by IVWGA's sole negligence or willful misconduct.

Should conflict of interest principles preclude a single legal counsel from representing both IVWGA and Consultant, or should IVWGA otherwise find Consultant's legal counsel unacceptable, then Consultant shall reimburse IVWGA its costs of defense, including without limitation reasonable legal counsel's fees, expert fees, and all other costs and fees of litigation. Consultant shall promptly pay any final judgement rendered against IVWGA (and its officers, officials, employees, and volunteers) with respect to claims determined by a trier of fact to have been the result of Consultant's negligent, reckless or wrongful performance. It is expressly understood and agreed that the foregoing provisions are intended to be as broad and inclusive as is permitted by the law of the State of California and will survive termination of this Agreement.

Consultant's obligations under this section apply regardless of whether or not such claim, charge, damage, demand, action, proceeding, loss, stop notice, cost, expense, judgement, civil fine or penalty, or liability was caused in part or contributed to by an Indemnitee.

However, without affecting the rights of IVWGA under any provision of this agreement, Consultant shall not be required to indemnify and hold harmless IVWGA for liability attributable to the active negligence of IVWGA, provided such active negligence is determined by agreement between the parties or by the findings of a court of competent jurisdiction. In instances where IVWGA is shown to have been actively negligent and where IVWGA's active negligence accounts for only a percentage of the liability involved, the obligation of Consultant will be for that entire portion or percentage of liability not attributable to the active negligence of IVWGA.

IVWGA and Consultant mutually waive any and all consequential, special, indirect and punitive damages against each other whether in contract, tort or any other legal theory.

6.8. Independent Contractor. Consultant is and shall be acting at all times as an independent contractor and not as an employee of IVWGA. Consultant shall have no power to incur any debt, obligation, or liability on behalf of IVWGA or otherwise act on behalf of IVWGA as an agent. Neither IVWGA nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its or employees are in any manner agents or employees of IVWGA. Consultant shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. Consultant shall indemnify and hold IVWGA harmless from any and all taxes, assessments, penalties, and interest asserted against IVWGA by reason of the independent contractor relationship created by this Agreement. Consultant further agrees to indemnify and hold IVWGA harmless from any failure of Consultant to comply with the applicable worker's compensation laws. IVWGA shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to IVWGA from Consultant as a result of Consultant's failure to promptly pay to IVWGA any reimbursement or indemnification arising under this paragraph.

6.9. Cooperation. In the event any claim or action is brought against IVWGA relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance and cooperation which IVWGA might require.

6.10. Ownership of Documents. All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, files and tapes furnished or prepared by Consultant or any of its subConsultants in the course of performance of this Agreement, shall be and remain the sole property of IVWGA. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of IVWGA. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of IVWGA and without liability or legal exposure to Consultant. IVWGA shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from IVWGA's use of such documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by Consultant. Consultant shall deliver to IVWGA any findings, reports, documents, information, data, in any form, including but not limited to, computer tapes, discs, files audio tapes or any other Project related items as requested by IVWGA or its authorized representative, at no additional cost to the IVWGA.

The IVWGA's ownership of the "documents and materials" described above shall not apply to Consultant's "proprietary information," which means for purposes of this Agreement, all information or material that has or could have commercial value or other utility in Consultant's business, including without limitation: Consultant's (i) computer or data processing programs; (ii) data processing applications, routines, subroutines, techniques or systems; desktop or web-based software; (iii) business processes; (iv) marketing plans, analysis and strategies; and, (v) materials and techniques used. Except as otherwise required by law, IVWGA shall hold in confidence and shall not use (except as expressly authorized by this Agreement) or disclose to any other party any proprietary information provided, learned of or obtained by IVWGA in connection with this Agreement. The obligations imposed by this paragraph shall survive any expiration or termination of this Agreement or otherwise. The terms of this paragraph shall not apply to any information that is public information. This paragraph also shall not alter or limit the confidentiality and nondisclosure requirements set forth in this Agreement.

6.11. Public Records Act Disclosure. Consultant has been advised and is aware that this Agreement and all reports, documents, information and data, including, but not limited to, computer tapes, discs or files furnished or prepared by Consultant, or any of its subConsultants, pursuant to this Agreement and provided to IVWGA may be subject to public disclosure as required by the California Public Records Act (California Government Code Section 6250 *et seq.*). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in the California Government Code Section 6254.7, and of which Consultant informs IVWGA of such trade secret. IVWGA will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. IVWGA shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.

6.12. Conflict of Interest. Consultant and its officers, employees, associates and subConsultants, if any, will comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this agreement, including, but not limited to, the Political Reform Act (Government Code Sections 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant and its officers, employees, associates and subConsultants shall not, without the prior written approval of the IVWGA Representative, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subConsultants to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

6.13. Responsibility for Errors. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the IVWGA's representative, regarding any services rendered under this Agreement at no additional cost to IVWGA. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to IVWGA, provide all necessary design drawings, estimates and other Consultant professional services necessary to rectify and correct the matter to the sole satisfaction of IVWGA and to participate in any meeting required with regard to the correction.

6.14 Non-Liability of IVWGA Officers and Employees. No officer or employee of the IVWGA shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the IVWGA or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

6.15. Prohibited Employment. Consultant will not employ any regular employee of IVWGA while this Agreement is in effect.

6.16. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the document referenced.

6.17. Costs. Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.18. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of IVWGA and Consultant and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.19. Headings. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.20. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.21. Amendments. Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.22. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.23. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.24. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.25. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this Agreement.

6.26 Time of Essence. Time is of the essence in the performance of this Agreement.

6.27. Arbitration and Waiver of Jury Trial. The Parties further agree as follows: In the event any dispute shall arise between the Parties to this Agreement, the same shall be resolved by arbitration conducted by the American Arbitration Association in accordance with the Commercial Arbitration Rules of the American Arbitration Association, as then in effect. Such arbitration shall be conducted at a location within Los Angeles County, California agreeable to both Parties before three (3) arbitrators who shall be selected by mutual agreement of the Parties; if agreement is not reached on the selection of arbitrators within fifteen (15) days, then each of the Parties shall select an arbitrator and the two (2) arbitrators so selected shall select a third. The provisions of the Commercial Arbitration Rules of the American Arbitration Association shall apply and govern such arbitration except that the prevailing party shall be entitled to recover from the other party its attorney's fees and costs actually incurred in such amount as may be determined by the arbitrators.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

INDIAN VALLEY WELLS  
GROUNDWATER AUTHORITY

\_\_\_\_\_  
Chairman of the Board

Date: \_\_\_\_\_

REGIONAL GOVERNMENT SERVICES  
AUTHORITY

\_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
IVWGA Board Attorney

Date: \_\_\_\_\_

**EXHIBIT A**  
**SCOPE OF WORK**

I. Consultant shall perform the following services (“Services”):

A. COMPREHENSIVE ADMINISTRATIVE SERVICES

RGS will provide a range of administrative services to support the Agency’s groundwater sustainability mission. A team of RGS employees will deliver comprehensive administration through the implementation of organizational infrastructure and management practices (meeting management, record keeping, financial management, etc.). RGS team members will focus on the administrative operations of the Agency including:

1. Serve as the General Manager to the Agency’s Board of Directors.
2. Manage the acquisition of contractors to provide necessary technical services.
3. Coordinate Agency activities with all other member agencies and organizations.
4. Ensure compliance with all state, local, and federal laws.
5. Prepare and implement Agency budgets including short and long term financial strategies.
6. Prepare a Capital Improvement Program and other planning projects as needed.
7. Provide legislative analysis and recommendations to the Board.
8. Work with the Board in developing Agency priorities, implementing Board policies and directives and communicating them to stakeholders.
9. Serve as the principal spokesperson for the Agency at public and professional functions and prepare reports and other materials for Agency meetings; oversee public information programs, and coordinate media relations.
10. Ensure Agency records are maintained and ensure proper noticing and documentation of board actions and minutes.
11. Coordinate development and implementation of a Ground Water Sustainability Plan, achieving the goals outlined in SGMA.

RGS will assign a team of employees to carry out the roles and activities as shown below. The team consists of three (3) key RGS staff, assigned to the roles of General Manager, Clerk of the Board, and Accounting Manager. In addition, the RGS accounting staff will handle AP/AR functions. RGS staff work remotely through various technologies; in-person office attendance will be provided only as necessary. Initially, the 35.5 hours would be allocated among the various roles as shown. This initial estimate of amount and division of administrative work is subject to adjustment as the ebb and flow of agency work dictates.

|                                      |             |
|--------------------------------------|-------------|
| <b><u>AGENCY MANAGEMENT</u></b>      |             |
| <b>General Manager</b>               |             |
| Hrs./wk.                             | 10          |
| <b>Clerk of the Board</b>            |             |
| Hrs./wk.                             | 18          |
| <b><u>FINANCIAL TRANSACTIONS</u></b> |             |
| <b>Accounting Manager</b>            |             |
| Hrs./wk.                             | 1.5         |
| <b>Accountant (AP/AR)</b>            |             |
| Hrs./wk.                             | 6           |
| <b>Total Hrs./wk.</b>                | <b>35.5</b> |

RGS reserves the right to assign additional cost-comparable RGS resources to deliver the agreed-upon services as emergent circumstances in the Agency require. RGS also requests the designation of an Agency Board representative to serve as liaison with RGS; and requests that formal review meetings be scheduled to review service needs, agency plans, and workload data, and agree on necessary and appropriate adjustments to the services.

**B. INITIAL STEPS**

RGS desires to provide services that ensure cooperative working relationships with all stakeholders. After executing an agreement with IWVGA, RGS will:

1. Assign an RGS employee to serve as the general manager.
2. Meet with Board and appropriate JPA member agency staff to develop a transition plan for activities, data and records, and any IWVGA-owned office equipment or software assets.
3. Assign Clerk of the Board services.
4. Transition Agency financial records and transactional workflows to RGS.
5. Establish protocols for legacy systems, if any; and for communication channels between RGS staff and JPA member staff to ensure completeness of transition.

**EXHIBIT B**  
**FEE SCHEDULE**

| <u>Role</u>                 | <u>Hourly Rate</u> |
|-----------------------------|--------------------|
| General Manager             | \$125              |
| Clerk of the Board          | \$100              |
| Accounting Manager          | \$135              |
| Accounts Payable/Receivable | \$97               |



*The page intentionally blank*



**REGIONAL  
GOVERNMENT  
SERVICES**

**SERVING PUBLIC AGENCIES SINCE 2002**

January 18, 2021

Ronald Strand, Acting General Manager

**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY**

500 West Ridgecrest Boulevard

Ridgecrest, CA 93555

**RE: PROPOSAL TO INDIAN WELLS VALLEY GROUNDWATER AUTHORITY  
FOR COMPREHENSIVE AGENCY ADMINISTRATION SERVICES**

Dear Mr. Strand:

Regional Government Services Authority (RGS) is pleased to provide you with this proposal to provide comprehensive administration services for the Indian Wells Valley Groundwater Authority (IWVGA, the Agency). As you are aware from the SOQ we provided to IWVGA last October, RGS is a unique, fee-supported, joint powers authority specializing in public-sector administration and consulting services. RGS exclusively serves the public interest and employs experienced public-sector professionals to assist our partner agencies. RGS has a solid and respected reputation with the public agencies we serve for timely, cost efficient delivery and effective implementation. As a public agency, we understand the needs and requirements of other public agencies.

Since October, we have had the opportunity to engage with your organization to assess the Agency's needs and consider alternatives for meeting them. The following pages present RGS' formal proposal for to provide a comprehensive set of remotely-coordinated administrative services which will support the mission of the IWVGA, and coordinate the execution of the Board's policies in compliance with relevant state laws.

### **COMPREHENSIVE ADMINISTRATIVE SERVICES**

RGS will provide a range of administrative services to support the Agency's groundwater sustainability mission. A team of RGS employees will deliver comprehensive administration through the implementation of organizational infrastructure and management practices (meeting management, record keeping, financial management, etc.). RGS team members will focus on the administrative operations of the Agency including:

- Serve as the General Manager to the Agency's Board of Directors.
- Manage the acquisition of contractors to provide necessary technical services.

- Coordinate Agency activities with all other member agencies and organizations.
- Ensure compliance with all state, local, and federal laws.
- Prepare and implement Agency budgets including short and long term financial strategies.
- Prepare a Capital Improvement Program and other planning projects as needed.
- Provide legislative analysis and recommendations to the Board.
- Work with the Board in developing Agency priorities, implementing Board policies and directives and communicating them to stakeholders.
- Serve as the principal spokesperson for the Agency at public and professional functions; oversee public information programs, and coordinate media relations.
- Ensure Agency records are maintained and ensure proper noticing and documentation of board actions and minutes.
- Coordinate development and implementation of a Ground Water Sustainability Plan, achieving the goals outlined in SGMA.

RGS will assign a team of employees to carry out the roles and activities as shown below.

|                                      |             |
|--------------------------------------|-------------|
| <b><u>AGENCY MANAGEMENT</u></b>      |             |
| <b>General Manager</b>               |             |
| Hrs./wk.                             | 10          |
| <b>Clerk of the Board</b>            |             |
| Hrs./wk.                             | 18          |
| <b><u>FINANCIAL TRANSACTIONS</u></b> |             |
| <b>Accounting Manager</b>            |             |
| Hrs./wk.                             | 1.5         |
| <b>Accountant (AP/AR)</b>            |             |
| Hrs./wk.                             | 6           |
| <b>Total Hrs./wk.</b>                | <b>35.5</b> |

The team consists of three (3) key RGS staff, assigned to the roles of General Manager, Clerk of the Board, and Accounting Manager. In addition, the RGS accounting staff will handle AP/AR functions. RGS staff work remotely through various technologies; in-person office attendance will be provided only as necessary. Initially, the 35.5 hours would be allocated among the various roles as shown. This initial estimate of amount and division of administrative work is subject to adjustment as the ebb and flow of agency work dictates.

RGS reserves the right to assign additional cost-comparable RGS resources to deliver the agreed-upon services as emergent circumstances in the Agency require. RGS also requests the designation of an Agency Board representative to serve as liaison with RGS; and requests that formal review meetings be scheduled to review service needs, agency plans, and workload data, and agree on necessary and appropriate adjustments to the services.

## **INITIAL STEPS**

RGS desires to provide services that ensure cooperative working relationships with all stakeholders. After executing an agreement with IWVGA, RGS will:

- Assign an RGS employee to serve as the general manager.
- Meet with Board and appropriate JPA member agency staff to develop a transition plan for activities, data and records, and any IWVGA-owned office equipment or software assets.

- Assign Clerk of the Board services.
- Transition Agency financial records and transactional workflows to RGS.
- Establish protocols for legacy systems, if any; and for communication channels between RGS staff and JPA member staff to ensure completeness of transition.

## **COST PROPOSAL**

RGS has developed an estimate that provides an average of 35.5 hours of service per week to IWVGA for the initial year of services. Hourly rates for assigned staff roles are shown below. The cost for these services is estimated to be \$200,000.00 for the first year. It is unknown to RGS at this time what assets and tools the Agency owns and which have been provided by JPA members. Accordingly, please note that this proposal does not include transition costs such as acquiring office space (if an office is desired), data transfer time and technical support (financials, etc.), transition of website maintenance, acquisition of local office technology (computers, printers, copiers and more), etc. It also does not include travel costs for in-person attendance at meetings when required. In addition, we note that the exact number of hours required to effectively manage IWVGA is unknown at this time. Therefore, our agreement should provide for formal reviews and re-assessments at 90 days and 180 days into the contract to clarify findings and expectations.

| <b>Role</b>                 | <b>Hourly Rate</b> |
|-----------------------------|--------------------|
| General Manager             | \$125              |
| Clerk of the Board          | \$100              |
| Accounting Manager          | \$135              |
| Accounts Payable/Receivable | \$97               |

RGS employees are seasoned professionals who work effectively with all levels of management, employees, elected officials, and the public. We are confident that RGS will provide the resources necessary to fulfill the Agency's objectives. If you have any questions or need additional information, please contact Chris Paxton at (650) 587-7300, ext. 38 or at [cpaxton@rgs.ca.gov](mailto:cpaxton@rgs.ca.gov); or me at (650) 587-7315 or at [sselivanoff@rgs.ca.gov](mailto:sselivanoff@rgs.ca.gov). I look forward to the upcoming partnership between RGS and IWVGA.

Sincerely,



Sophia Selivanoff, Deputy Executive Director  
**REGIONAL GOVERNMENT SERVICES**

*The page intentionally blank*

# IWVGA ADMINISTRATIVE OFFICE

*STAFF REPORT*

---

**TO:** IWVGA Board Members **DATE:** February 10, 2021

**FROM:** IWVGA Staff

**SUBJECT:** **Agenda Item No. 8 – Board Consideration and Approval of GSP Planned Project No. 4 – Shallow Well (Impacts) Mitigation Program**

## **DISCUSSION**

It was estimated during develop of the Groundwater Sustainability Plan (GSP) that as many as 97 shallow wells may have experienced impacts through 2018 as a result of overdraft conditions in the Indian Wells Valley Groundwater Basin (Basin). As discussed in GSP Section 4.3.1.2 and in GSP Appendix 3-E, the groundwater modeling results of GSP Management Scenario 6.2 indicated that even with implementation of GSP Projects and Management Actions—potentially 22 shallow wells could be impacted before the other GSP Projects and Management Actions are fully implemented to achieve Basin sustainability. Project No. 4 of GSP is to develop a “Shallow Well Mitigation Program” intended to address the potential overdraft-related impacts to shallow wells located within the Basin. The Shallow Well Mitigation Program is intended to provide direct benefits to groundwater users in the basin who have, or will have, experienced unreasonable water supply impacts as a result of overdraft conditions in the Basin.

The Authority’s recently adopted budget for calendar year 2021 includes a total task budget of \$70,000 for Shallow Well Mitigation work. The total task budget consists of \$50,000 budgeted for development of a Shallow Well Impacts Identification, Evaluation, and Mitigation Plan; and \$20,000 budgeted for development of a shallow well impacts reporting form, outreach to shallow well owners, and identification and initial evaluation of the water supply impacts reported by shallow well owners.

A “Preliminary Impacted Shallow Wells Mitigation Plan and Funding Plan Approach” outline was presented to the TAC and PAC in March and April of 2019, respectively. This outline, as well as GSP Appendix 3-E containing the technical memorandum describing the shallow well impact analysis, was redistributed to TAC members on January 29, 2021, for further review and comment. This outline and the comments received from the TAC will serve as the basis for the Shallow Well Impacts Identification, Evaluation, and Mitigation Plan (Plan) to be developed by Authority Staff pursuant to GSP Project No. 4.

## **WORK PLAN**

The Plan will first determine the best method to identify and verify the total number of shallow wells located within the Basin, currently estimated at 872. The Plan will then outline the process by which shallow well owners may apply and submit their impacted wells for evaluation and

consideration for mitigation by the Authority. A review process will be developed in the Plan for the Authority's Water Resources Manager to process the applications and make recommendations to the Authority Board regarding mitigation requirements, if any. Shallow wells that experience impacts related to chronic lowering of groundwater levels and/or degraded water quality occurring **after February 1, 2020**, may be eligible for mitigation, pending the evaluation of impacts.

Evaluation criteria will be established in the Plan to characterize the level of reported impacts experienced by shallow well owners and to assess the current viability of the shallow wells. These criteria may include loss of well performance or efficiency, appropriateness of original well design and construction, water level and water quality trends, and the percentage (if any) of the well owner's mitigation responsibility.

A methodology for characterizing the reported impacted shallow wells will be developed and discussed in the Plan. Shallow well impact characterization may be performed through a review of potential causes of impacts (e.g. pumping centers). As a result, shallow wells may be organized into common mitigation zones based on well location and the characterized impacts. The Plan will also evaluate all possible alternatives for mitigation of shallow well impacts, which may include well deepening, lowering of well pumps, well component replacement, or well abandonment. The TAC will be engaged as the Plan is developed.

The estimated costs for mitigation of each shallow well will be developed on a case-by-case basis, though the GSP estimates that a total of \$1.65 million (approximately \$75,000 per well) will be necessary for mitigation. The Board has established an extraction fee (Mitigation Fee) to fund development of the Plan, administration of the Shallow Well Mitigation Program, and future mitigation costs.

The estimated budget for development of the Plan is \$70,000 in calendar year 2021. It is anticipated that development and finalization of the Plan will continue into calendar year 2022.

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

Staff recommends the Board authorize the Water Resource Manager to proceed with development of the Shallow Well Mitigation Plan for the Authority's Shallow Well Mitigation Program.

*The page intentionally blank*



# IWVGA Board Meeting February 10, 2021

## **GSP Planned Projects – Project No. 4 Shallow Well (Impacts) Mitigation Program**

- Shallow Well Impacts Identification, Evaluation and Mitigation Program Presented TAC (March 2019), GA Board (October 2019)
- Presented Update at January 21, 2021 GA Board Meeting
- Re-released to TAC in January 2021 for Review and Comment
- IWVGA 2021 Budget \$70,000 (\$50,000 Program Plan, \$20,000 Outreach, Identification and Initial Evaluation)
- Request Authorization to Proceed

*The page intentionally blank*

IWVGA Board Meeting  
February 10, 2021

Proposition 1 Status Update

- Invoice #8
  - Covers July through August 2020
  - Total payment after retention: \$136,282.15
  - Status: Submitted November 30, 2020
  - Progress Reports combined for Prop 1 & Prop 68 submitted November 30, 2020
  - DWR provided minor comments on January 8; comments addressed and invoice resubmitted on February 5
- Next Invoice due by February 28, 2021

AGENDA ITEM 9a



IWVGA Board Meeting  
February 10, 2021

Proposition 68 Status Update

- IWVGA was awarded \$330,000 of the maximum eligible of \$330,827
  - \$300,000 currently available
- Invoice # 8b (Prop 68)
  - Covers July through August 2020
  - Total payment after retention: \$3,412.40
  - Submitted November 30, 2020
  - Status: Approved by DWR on January 15, 2021; currently awaiting payment
- Next Invoice due by February 28, 2021

AGENDA ITEM 9b



## IWVGA Board Meeting February 10, 2021

### New Proposition 68 Grant Funding Application

- Grant application was submitted on January 8, 2021 (on time)
  - Compiled application is available on IWVGA website
- Six (6) Letters of Support were submitted by January 15 to justify Project benefits to Underrepresented Communities for a reduction or elimination of Local Cost Share
- Grant Application distributed to TAC on January 29 for review and comment on grant scope of work and budget
  - If IWVGA is awarded, it is anticipated that there will be some flexibility in negotiating the final scope of work and budget included in the final grant agreement.
- DWR has indicated that a Technical/Eligibility Review of applications will be completed before February 5, 2021
- Draft funding list to be released March 2021

AGENDA ITEM 9c



## IWVGA Board Meeting February 10, 2021

### **Recycled Water Program Update**

- IWVGA Recycled Water Program
  - Option Agreement between IWVGA and City of Ridgecrest approved at November 2020 Board Meeting
    - IWVGA may purchase recycled water generated at City Wastewater Treatment Facility (WWTF)
  - Recycled Water Program established at November 2020 Board meeting
    - Recycled water to be provided by IWVGA to groundwater users to reduce imported water requirements and potentially reduce Basin Replenishment Fee payments
  - Recycled Water Use Alternatives Analysis was authorized at January 2021 Board meeting
    - Evaluate the potential uses of recycled water in the Basin and identify those uses that achieve the highest and most cost-effective benefits towards sustainable Basin management and reduction of imported water requirements
- Alternatives Analysis Update
  - More detail is currently being added to Scope of Work to encompass all planned work tasks
    - Originally based on "Beneficial Use Study and Plan" outline dated September 4, 2020
  - Scope of Work will be provided to the City and TAC for review and comment
    - Will be posted online by Friday, February 12
  - City/TAC comments will be incorporated, and work will continue on the Analysis with ongoing coordination with the City of Ridgecrest, the TAC, and the IWVGA Board.

AGENDA ITEM 9d



IWVGA Board Meeting  
February 10, 2021

**Navy/COSO Royalty Fun 2021 Project(s) – Project Status**

- RFPs to construct monitoring wells in Rose Valley were prepared and provided to four qualified well drilling companies in January 2021
- Three bids have been received and are being refined to meet budget constraints
- Stetson is working with BLM to secure Form SF299 for Cat-Ex and Right-of-Way
- Work Plan, Recommended Contractor, and Permitting Documents ready by March
- Package delivered to Navy by early April
- Drilling to commence in Fall 2021

AGENDA ITEM 9e



IWVGA Board Meeting  
February 10, 2021

**Navy/COSO Royalty Fun 2021 Project(s) – Project Status (contin.)**

- Draft project list of qualifying projects prepared for distribution during week of February 15
- TAC Meeting Review to occur during Week of February 22
  - Develop new alternatives not previously considered
  - Choose top alternatives for further investigation
- Initiate feasibility level design (Navy Form DD1391) March 1<sup>st</sup>
- Identify and initiate permitting requirements March 1<sup>st</sup>
- Draft 1391 documents for two preferred projects week of April 11
- Final 1391 documents delivered to Navy week of April 18

AGENDA ITEM 9e



## IWVGA Board Meeting February 10, 2021

### **GSP Planned Projects – Project No. 1 Surface Percolation Replenishment and Pilot/Demonstration Project (Local, Imported and Recycled Water)**

- Currently developing scope of work to address data gaps in areas suitable for recharge
- Draft scope of work and budget prepared by February 19
- Currently reviewing previous work and available studies regarding soils, percolation rates, and available recycled water supply
- Presentation of scope and budget to Staff Team then TAC Week of February 22
- Address Staff Team/TAC comments and present scope and budget to GA Board at March meeting

*The page intentionally blank*

**Indian Wells Valley Groundwater Authority  
January 2021 Financial Report**

|                             | FY 2020<br>Actuals | 2021 Budget | through<br>January<br>(GSP) | through<br>January<br>(Admin) |
|-----------------------------|--------------------|-------------|-----------------------------|-------------------------------|
| <b>Beginning Balance</b>    | <b>111,735</b>     |             | -                           | -                             |
| County of Kern Advance      | -                  | -           | -                           | -                             |
| IWVWD Advance               | 27,835             | -           | -                           | -                             |
| Navy in-Kind                | -                  | -           | -                           | -                             |
| IWVWD In-kind               | -                  | -           | -                           | -                             |
| Initial Member Contribution | -                  | -           | -                           | -                             |
| <b>Beginning Balance</b>    | <b>111,735</b>     | -           | <b>64,491</b>               | -                             |

**Revenues**

|                                |                  |                  |   |                |
|--------------------------------|------------------|------------------|---|----------------|
| DWR                            | -                | -                | - | -              |
| Prop 1 Grant                   | 174,984          | -                | - | 342,257        |
| -GSP Preparation @ \$1,500,000 | -                | 324,494          | - | -              |
| -SDAC Reimburse @ \$646,000    | -                | 389,051          | - | -              |
| Prop 68                        | -                | 283,918          | - | -              |
| Assessment Pumping Fee         | 822,785          | 1,959,673        | - | 122,489        |
| <b>Total Revenue</b>           | <b>1,419,253</b> | <b>2,957,136</b> | - | <b>464,746</b> |

|  | GSP<br>Budget    | Admin<br>Budget  | through<br>January<br>(GSP) | through<br>January<br>(Admin) |
|--|------------------|------------------|-----------------------------|-------------------------------|
| City of Ridgcrest Reimbursement                                | 210,466          | 300,000          | -                           | -                             |
| County of Kern Advance Reimbursement                           | 500,000          | 500,000          | -                           | -                             |
| IWV Water District Advance Reimbursement                       | 500,000          | -                | -                           | -                             |
| - IWV Water District credit for invoices pd on behalf of IWVGA | 115,083          | -                | -                           | -                             |
| Legal Services   | -                | -                | -                           | 21,990                        |
| DRI  | -                | -                | -                           | -                             |
| SDAC   | -                | 481,651          | -                           | 29,610                        |
| Stetson  | -                | 60,000           | -                           | 360,572                       |
| - SDAC Support   | -                | 12,000           | -                           | -                             |
| - Weather Station Maintenance                                  | -                | 2,000            | -                           | -                             |
| - Monitoring Well Maintenance                                  | -                | 2,000            | -                           | -                             |
| - Pump Fee Support   | -                | 15,000           | -                           | -                             |
| Auditing Services  | -                | -                | -                           | -                             |
| IWVWD Reimbursement for Website fees                           | -                | -                | -                           | -                             |
| Banking Fees   | -                | -                | -                           | -                             |
| Additional Insurance Cost                                      | -                | -                | -                           | -                             |
| PAC & TAC Meeting Costs  | -                | -                | -                           | -                             |
| Water Marketing  | -                | -                | -                           | -                             |
| Water Wise Consulting  | -                | -                | -                           | 11,815                        |
| Well Monitoring  | -                | -                | -                           | -                             |
| Other (Mailer, etc.)   | -                | -                | -                           | 978                           |
| Transfer to Admin  | -                | 911,050          | -                           | -                             |
| <b>Total Expenses</b>  | <b>1,325,549</b> | <b>2,283,701</b> | -                           | <b>424,965</b>                |

**Ending Balance**

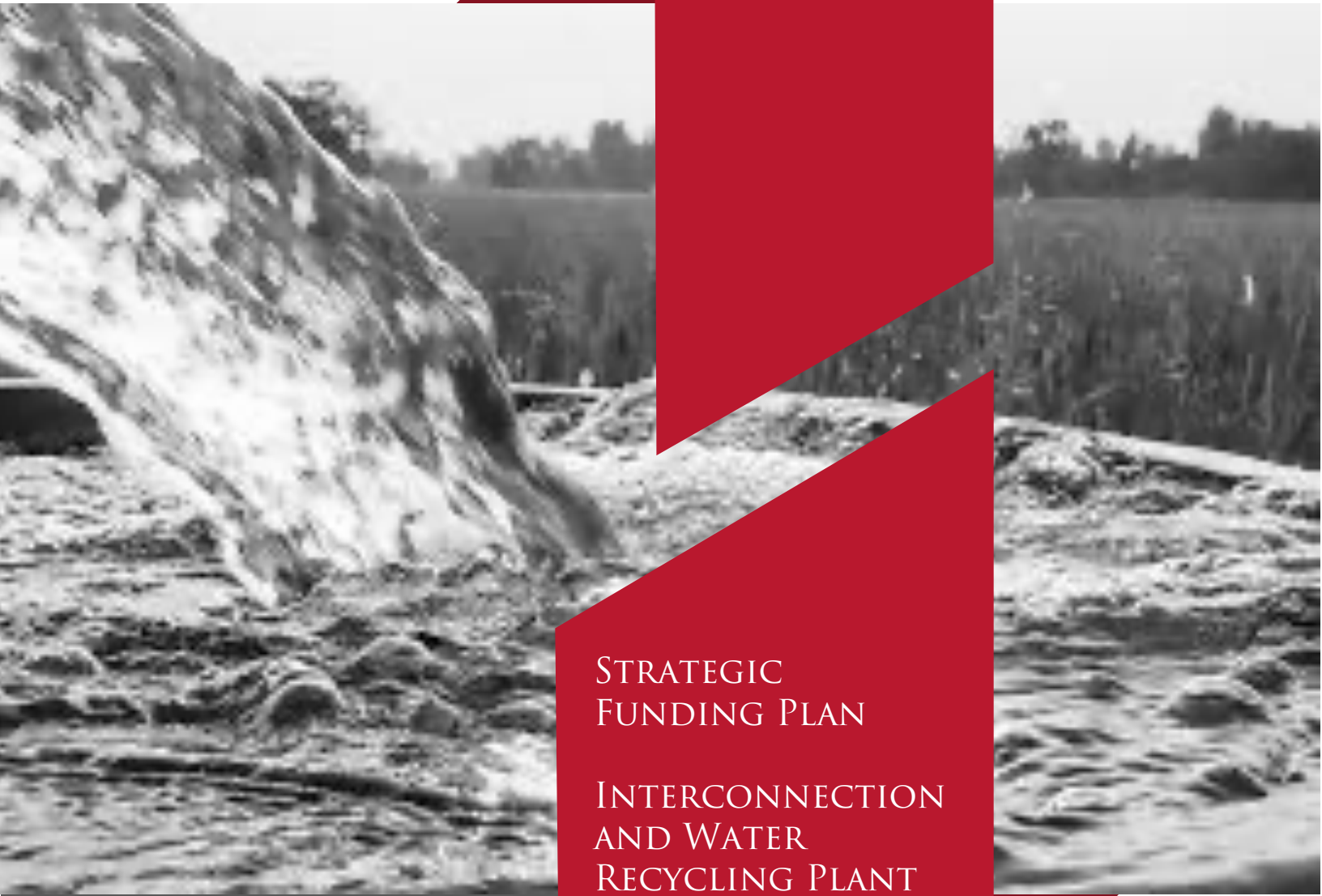
|                  |                |
|------------------|----------------|
| <b>(652,114)</b> | <b>104,272</b> |
|------------------|----------------|

**Unpaid Invoices**

|  |                   |
|--|-------------------|
| California Association of Mutual Water Companies INV# 01545, 01/25/21  | 100.00            |
| California Rural Water Association INV# ICSD-FSLD-A-003, 12/09/20 (approved, payment pending SDAC reimbursemer | 11,500.74         |
| California Rural Water Association INV# ICSD-FSLD-A-004, 01/11/21 (approved, payment pending SDAC reimbursemer | 1,715.00          |
| California Rural Water Association INV# SVWD-FSLD-A-001, 12/10/20 (approved, payment pending SDAC reimbursemer | 1,295.00          |
| California Rural Water Association INV# SVWD-FSLD-A-002, 01/11/21 (approved, payment pending SDAC reimbursemer | 11,164.64         |
| Capitol Core Group INV# 2021-006   | 10,112.50         |
| Daily Independent INV# P4LL224, 01/02/21   | 221.48            |
| IWVWD Reimbursement for Squarespace charges  | 276.00            |
| Stetson INV# 2652-38, 10/09/20 (approved, deferred)  | 68,616.69         |
| Stetson INV# 2652-39, 11/11/20 (approved, deferred)  | 49,307.67         |
| Stetson INV# 2652-40, 01/06/21 (approved, deferred)  | 90,629.36         |
| Stetson INV# 2652-41, 01/15/21 (approved, deferred)  | 133,075.03        |
| Stetson INV# 2652-42, 02/04/21   | 72,409.46         |
| Water Wise Consulting INV# 6626, 12/31/20 (approved, payment pending SDAC reimbursement)                       | 5,640.00          |
| Water Wise Consulting INV# 6650, 01/31/21  | 5,000.00          |
| WellIntel Inc INV# 2066, 01/26/21  | 1,680.00          |
|  | <b>462,743.57</b> |



*The page intentionally blank*



REGIONAL WATER  
INFRASTRUCTURE

STRATEGIC  
FUNDING PLAN

INTERCONNECTION  
AND WATER  
RECYCLING PLANT  
INFRASTRUCTURE



CAPITOL  
**CORE**  
GROUP

Educate • Advocate • Win

INDIAN WELLS VALLEY  
GROUNDWATER AUTHORITY

REVISED JANUARY 2021



This report supersedes/replaces the “Infrastructure Strategic Funding Plan” provided to the Indian Wells Valley Groundwater Authority in October 2019. This revised document represents updated materials, programmatic funding opportunities, and legislative information through January 2021.

## BACKGROUND AND EXECUTIVE SUMMARY

In March 2019, the Indian Wells Valley Groundwater Authority (IWVGA) awarded the Professional Water Supplies Procurement Services agreement to Capitol Core Group, Inc. (Capitol Core). Within the authorized Scope of Work, Task 3, Capitol Core was tasked with identifying and securing potential State of California, Federal, and other funding sources for infrastructure needs associated with compliance of the Sustainable Groundwater Management Act (SGMA) and to implement plans as part of the IWVGA’s Groundwater Sustainability Plan (GSP). Subtask B of Task 3 directed Capitol Core to prepare a written document identifying potential sources of funding and best recommendations for the IWVGA – The Infrastructure Strategic Funding Plan.

Our survey and discussions encompass two distinct projects relative to the GSP. Both the infrastructure required to deliver potential imported water supplies to the Indian Wells Valley Groundwater Basin (hereafter, ‘interconnection project’ or ‘Project’) and the wastewater/water recycling plant (hereafter ‘WWTP’ or ‘Plant’) were surveyed for funding eligibility.

The interconnection project will connect to one of two potential delivery agencies (transfer partners) for imported water:

- Antelope Valley East Kern Water Agency (AVEK)
- Los Angeles Department of Water and Power (LADWP)

Working closely with Stetson Engineering, they provided Capitol Core with rough “order of magnitude” infrastructure cost estimates for each potential transfer partner. The AVEK interconnection costs estimate is \$177,000,000 and the LADWP interconnection cost estimate is \$55,000,000. Construction timeline for the interconnection project construction timeline is scheduled between 2023-2032.

In September 2020, the IWVGA also requested that Capitol Core survey for funding to apply to the WWTP. Capitol Core’s review of funding sources were for the following aspects of the plant:

1. Near-term availability of funding to complete the City of Ridgecrest’s portion WWTP (providing funding for application to revenue shortfalls, if any, or for construction of tertiary treatment facilities)
2. Multi-year funding availability for construction of tertiary treatment and/or the infrastructure of the water recycling facility.

The Plant’s construction schedule, final design, and complete cost estimate remain in the planning phases. As such, the amount of fund required for Plant construction has not been determined and a definitive request for funding from the Agencies or the Legislatures has not been made.

The findings and recommendations included within this report are based upon a survey and request methodology at the Federal and State of California levels. To a lesser extent a survey of private funding opportunities was also researched. This methodology included:

- **A survey and discussion with applicable Federal and State agencies having jurisdiction over water supplies, water storage, floodwater mitigation or safe drinking water act requirements.**

Using Congressional Research Service resources, Capitol Core identified all federal Agency programmatic funding opportunities. We then met with each Federal and State Agency to determine the Project's and the Plant's eligibility for funding under those programs. In addition, we reviewed authorization timelines for the programs as well as appropriated funding amounts. This review was to determine if the program would remain in effect when the Project's or Plant's construction timeline allowed for funding and to determine the potential amount of funding available within the program. We established relational capital with each Agency on behalf of IWVGA to allow for continued discussion over programmatic funding and to position the Authority with the individual Agencies for funding awards.

- **A survey of and direct advocacy in support of all eligible program pending Federal and State legislative items.**

Utilizing the identified programmatic funding opportunities, Capitol Core worked with the Committees of jurisdiction (authorizers) and the appropriators to increase pending legislation funding amounts for programs where the Project or the Plant would be eligible to receive such funding within the authorized program period. Our goal was to increase federal funding in eligible programs in an attempt to ensure funding availability when needed by IWVGA.

- **State of California, Office of the Governor Advocacy:**

Programmatic funding opportunities, beyond the Proposition 1 funding, were largely unavailable in 2019/2020. Our purpose in this advocacy was to increase awareness of the needed infrastructure costs to comply with SGMA and seek priority of State programs for funding, positioning 'critically overdrafted basin in the first position. However, the new 2021 proposed budget may provide opportunities to pursue funding sources at the state level.

- **Direct Project/Plant Authorization or Direct Budget Opportunities:**

Capitol Core has reviewed applicable Federal and State Agency programs to determine if direct legislative authorization of the Project/Plant, either independent of an Agency program or within an Agency program, is necessary and/or possible. We have explored direct, line-item, budget opportunities with specific Agencies for the Project/Plant funding.

- **Direct Appropriation Opportunities:**

Capitol Core explored opportunities through direct legislative appropriations or the ability to utilize Congressionally appropriated funds over and above the department's budget request or program direction that is contained in the statutory sections of the act or the act's accompanying report language.



- **Grant Opportunities**

Agency grant opportunities were explored for eligibility, continued priority within the Agency and Congressionally appropriated amounts to the grant programs.

The following represents Capitol Core’s findings to-date and provide recommended courses of action to fund infrastructure requirements.

## EXECUTIVE SUMMARY

From the period of March 2019 through December 2020, Capitol Core met with Members of the United States Congress, federal agencies, Members of the California Legislature, the Governor’s office, and State agencies to assess potential funding sources. Details of our meetings and findings were provided to IWVGA in both the Federal Funding After Action Report, June 2019 and the State of California After-Action Report, September 2019.

Regardless of the transfer partner, the IWVGA infrastructure project (“Project”) is eligible for potential federal funding under eleven agency programs. At the State level, three potential funding options exist. These programs can provide loan, grant, or directly appropriated funding to the project. Each of the funding opportunities are outlined in the following section and are also stated within the After-Action Reports. It is highly likely that Project funding will be obtained from various sources at the Federal and State levels rather than a “one-stop” approach.

The requested funds do not include continued operating or entitlement (water) costs. The Project is limited to infrastructure needed to transfer imported water into the Indian Wells Valley Basin. The operating costs and potential entitlement/water costs are included within this report, at request, and are provided in order to show a complete impact.

The findings of this report indicate that single-source funding for either transfer partner of the Project (LADWP or AVEK) and the Plant is unlikely. Our recommended findings are based upon the least-cost impact to IWVGA residents. Our findings further indicate the project is eligible for various federal/State loan programs, grant programs, and federal agency programs requiring Congressional authorization. We also found that direct authorization and appropriations are potential sources worth exploring. A direct, line-item, budget request has been forwarded to the Department of the Navy on the interconnection project, and we will continue discussions with them on this matter.

Capitol Core has made initial order-of-magnitude funding requests to the United States Congress, the Department of the Navy, the Newsom Administration, and the California State Legislature. These funding requests are initial and not formalized and require further direction from the Board. As stated, some funding requests may require authorization of additional programmatic funds for the project itself. In order to obtain such funding, multi-year appropriations requests may be necessary. This will also coincide with the project construction timeline which extends over a five-year period.

Capitol Core would like to provide a special thank you to members of the Department of Defense, Department of the Navy, Department of Interior, Environmental Protection Agency, State Water Resources Control Board,



Office of the Governor – Office of Planning & Research, the California Governor’s Military Council, Congressman Kevin McCarthy and staff, Congressman Paul Cook and staff, Senator Shannon Grove and staff, and Assembly Member Vince Fong and staff for the generosity of their time, willingness to assist in finding solutions, and guidance through the process.

### **Timeframes for Applications for Funding**

Stetson Engineering provided the following interconnection project construction timeframes:

|                                    |           |
|------------------------------------|-----------|
| Financing Agreements               | 2021-2022 |
| Preliminary Planning & Engineering | 2023-2024 |
| CEQA/NEPA                          | 2025-2026 |
| Right of Way Acquisition           | 2027-2030 |
| Design                             | 2031-2032 |
| Construction                       | 2033-2036 |

For the interconnection project, engineering and design timelines would trigger eligibility for Federal/State programmatic opportunities, certain grants, legislative authorization, and multi-year appropriations requests. Based upon the timeline above, FY2024 would be the likely first available opportunity to seek government funding sources. This would require applications and legislative actions during 2023 in order to obtain necessary approvals for funding in the FY2024 Federal or State Budget. Other programs, requiring ‘shovel ready’ status (i.e., DCIP) would not be eligible for funding applications until the Authority determines a route and begins project design. Direct legislative authorization, either within or independent of an Agency program, would be a multi-year program at the earliest spanning a five fiscal year period beginning in FY2024-FY2029. Direct appropriation of such a project would also be multi-year beginning in FY2024 with new legislative requests dependent on the scheduling requirements of the Congress/Legislature.

Construction schedules for the WWTP span from late 2022 (FY2023) through an undesignated timeline for completion of the water recycling facility. The ‘shovel readiness’ of the WWTP allows for programmatic opportunities (i.e., DCIP), grants, and certain legislative authorization/appropriations during the FY2022-2023 process. Other programs, grants, or authorizations/appropriations for the water recycling portion of the plant would be eligible in specific years based on the undeveloped construction timeline.

### **FINDINGS**

Capitol Core’s findings concluded five main categories for consideration by the IWVGA for both the interconnection project and the WWTP:

- Federal/State loan programs for complete or partial funding
- Direct legislative authorization for total or partial funding
- Legislative appropriation of funding under existing program authorizations
- Grant opportunities to fund small award portions of the projects

The Board should consider three items when reviewing our recommendations:



1. Financial assistance for either project can, and likely will, come from a combination of sources within the categories provided above, and
2. Direction to pursue recommendations should not be limited to a single opportunity or category. Any decision that the Board makes to explore/pursue a particular recommendation(s) does not, at this point, commit IWVGA to that funding source and can be withdrawn.
3. Capitol Core's recommendations may change as Congressional priorities are established for the New Administration and the 117<sup>th</sup> Congressional Session. This document should be viewed as a 'living document' and will be modified as new programs and actions are identified.

## **Loan Programs**

Both the Project and the Plan are eligible for partial or complete funding through government-backed low interest loan programs. The loan programs warrant consideration by the Board. Capitol Core's work with the nine Federal and State Agencies was primarily to identify funding potentials and determine both project's eligibility for the loan programs. Under the Trump Administration, eligibility determinations were broadly defined and allowed Agency discretion to provide access to the program. By Executive Order [20 January 2021], the Biden Administration reinstated many of the regulatory controls over Agencies, signaling a less discretionary ability on the part of the individual Agencies to determine eligibility. The impact of this Executive Order has not been realized and requires Capitol Core to further work with the Agencies on certain loan programs to make a final eligibility determination (notations on those programs are provided in our recommendations). For specific programs, we have provided a financial analysis of the impact of the loan in the detailed sections below.

Benefits of the loan programs include the single source of funding, the potential for forgivability of principal amounts under certain loan programs, and the availability of funding without seeking legislative authority. The negatives of loans are costs, indebtedness, and financial liability (impact on balance sheet). Loan applications can be processed within the Project's 2023 and/or 2024 timeframe and funds can be available for items ranging from engineering to construction.

The process of seeking a loan program would require the District to work with the identified Agencies to develop the application, seek local legislative delegation support for the application, and fully analyze the upfront costs as well as funding timeline.

Specific discussion of each loan program is detailed in the following pages. However; Capitol Core believes the following programs to be particularly worth further discussion:

- **WIFIA**

The WIFIA program is a federal credit program administered by EPA for eligible water and wastewater infrastructure projects with a minimum financing requirement of \$20 million. WIFIA allows for loans up to 49% of the total project costs with up 80% combined total federal funding (with the remainder coming from other sources such as grants). State Revolving Funds, under limited circumstances, may be considered as "federal funds" for the purpose of calculating the 80% limitation rule. There are two project criteria for WIFIA loans 1) drinking water projects and 2) clean water projects.



- State Revolving Fund

The 80%/20% loan split, low interest, and potential forgivability of principle amounts causes Capitol Core to recommend further exploration with both the EPA and State of California (Water Resources Control Board). Both projects have eligibility under separate sections of the State Revolving Fund program.

### **Authorizations/Appropriations**

The Authorization process seeks legislative authority for funding new programs or new projects. Water infrastructure will be a priority of the 117<sup>th</sup> Congress and the Biden Administration. During the 116<sup>th</sup> Congress a bipartisan deal concerning water infrastructure sought to increase overall funding by \$6.2 billion to \$8.7 billion over the next five-years. The political change in the Congress and the Presidency held passage of that legislation (primarily at the request of the incoming Administration). This presents a unique opportunity to IWVGA to seek Congressional authority for funding all/portions of the Project/Plant through existing programs or directly (independently). This is a two-step process, requiring legislative authority and then seeking appropriated amounts in the appropriate fiscal year for the project. Two existing programs, 1) Bureau of Reclamation Title XVI and 2) U.S. Department of Agriculture Water/Wastewater Program may allow for a direct funding authorization for the WWTP only.

Benefits of the Authorization route include direct funding and potential funding without indebtedness. Conversely, there are risks associated with legislative passage and significant Agency control/oversight of funding.

### **Direct Appropriation and Budget Requests**

Direct appropriation (legislatively authorized funding) of both projects is possible. Existing programs, authorized by the Congress within the EPA, BOR, and U.S. Department of Commerce Economic Development Assistance provide opportunities to ‘plus up’ programmatic budgets via Congressional action. Direct ‘earmark’ through the California budget process is also possible, though the current political environment makes state appropriations more challenging.

Direct appropriation at the Congressional level requires the District to work with both the Agency and the Congress to ‘plus up’ programmatic budgets with the intent of utilizing spending the funding on the subject project. This process forces the Agency to prioritize programmatic spending on the project in the fiscal year appropriated by the Congress. For California, direct appropriations are provided through ‘earmarks’ within the budget trailer bills. These are legislatively directed projects utilizing the jurisdictional agency as the conduit for funding.

In particular, due to construction schedule, the interconnection project will require multi-year appropriations requests (regardless of legislative authorization) to provide funding to the project either through direct earmark (State) or plus-up (federal).

Capitol Core has made an initial and direct funding request on behalf of the interconnection project to the U.S. Department of Navy. That request is pending consideration and determined to be a priority for action during





2021. An exact funding amount has not been requested and further discussions with the Department are needed concerning the overall project.

Legislative action to fund ‘all of the interconnection project’ through Authorization, Appropriations or Direct Budget request is not favored by the Congress, State Legislature, or the Governor. Capitol Core explored potential opportunities to fund portions of the interconnection project through a ‘plus up’ of the appropriated Military Construction funding for the base rebuild. Members of the Appropriations Committee and staff do not support such a ‘plus up’ as those funds were appropriated under an emergency order to rebuild the base for mission operations. Both House and Senate Appropriations Committee Members expressed opposition to ‘complete funding,’ leading us to the finding that a ‘mosaic’ of funding sources will be required.

## **Grants**

There are millions of dollars in eligible grant opportunities for both projects. These grants will mostly range in small amounts from \$1 million to \$5 million. Capitol Core is continuing to explore larger grant opportunities with the State of California. Grants are awarded through a highly competitive process and can be paired with loans to reduce debt financing or other direct government funding sources. Grants require a specialized application writer and several staff-hours to accomplish. Open ‘Funding Opportunity Announcements’ will be provided to allow for scheduling of applications for eligible grants. In addition, we are recommending further pre-positioning of potential applications with Agencies and policymaker advocacy to provide support for grant applications.

Grant opportunities will primarily come through the BOR’s WaterSMART program, the State Water Resources Control Board or the California Water Commission.

## **State Agency Opportunities**

In addition to the potential options listed above, there are potential funding sources that we believe the Authority could consider at the state level. In 2020, the outlook for state funding looked bleak. In the pre-COVID budget, California the initial budget included a \$40 million proposal for a SGMA-related general fund authorization. The fund would have been used for projects that address groundwater overdraft and would have been awarded through the State Department of Water Resources. However, the State removed this spending line item from the 2020 budget once they realized the magnitude of the challenges that the State budget would face during the COVID crisis.

For the 2021 budget, the State of California has a much rosier outlook. While the COVID economic downturn took a toll on some parts of state revenue collection, the success of some business sectors such as technology, real estate and e-commerce bolstered the revenue streams from these industries. As such, some programs that the Governor cut in the 2020 budget may be returning in the 2021 budget.

The Legislative Analyst Office released the budget overviews shortly before the deadline for this report to be submitted, so Capitol Core will need more time to review the budgets and potential eligibility more fully. Highlights of our initial budget review include:



- **Department of Water Resources:** \$60 million (\$30 million in FY 20-21 and \$30 million for FY 21-22) for grant funding to implement SGMA plans
  - o Competitive application process through DWR
  - o Priority given to critically overdrafted groundwater basins
  - o Funds can be used for “grants to implement GSP-specified actions to intended to help bring groundwater use to more sustainable levels such as groundwater recharge projects.”

### **Potential Temperance Flat Dam Funds Reprogramming**

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

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

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

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

While Capitol Core is not certain whether completing these requirements is feasible in the timeframe necessary, if they are, there is no cost to submit a feasibility review application to the CWC for review.

### **Agencies Still in Review**

Scheduling required completion of this Strategic Funding Plan prior to a full review with applicable Agencies. Capitol Core is still in the process of coordinating with the U.S. Army Corps of Engineers, the U.S. Department of Commerce, the California Department of Natural Resources, California Water Commission, and the



California State Water Resources Control Board to more fully explore funding opportunities and available programs. Our findings will be updated, as necessary, through addendum memorandums to this Report.

{remainder of page left intentionally blank}



## PROGRAMMATIC FUNDING SUMMARY

| Program Name      | Authorized Through | Amts. Annually Appropriated | Program Type            | Maximum Funding     | Application Year |
|-------------------|--------------------|-----------------------------|-------------------------|---------------------|------------------|
| WIFIA (EPA)       | FY2022             | \$200 Million               | Loan                    | 49% of Project      | 2022-2023        |
| WaterSMART (BOR)  | FY2024             | \$29 Million                | Grant                   | \$1M to \$3M        | Revolving        |
| DCIP (DOD)        | FY2022             | \$50 Million                | Award                   | Up to \$25M         | 2021-2022        |
| REPI (DOD)        | FY2024             | \$90 Million                | Real Property Purchase  | Various             | Revolving        |
| WRDA (Army Corps) | FY2023             | \$43.5 Million              | Grant                   | As Authorized       | Revolving        |
| CFP (USDA)        | FY2024             | \$30 Million                | Grant and Loan Programs | \$250,000 to \$10 M | Revolving        |
| Title XVI (BOR)   | FY2024             | \$67 Million                | Award Program           | 25%/75%             | 2023             |
| RUS (USDA)        | FY2026             | \$17.6 Million              | Grant                   | Unknown             | 2023-2026        |
| CWSRF             | Continual          |                             | Loan                    | 100%                | 2023-2026        |
| DWSRF             | Continual          |                             | Loan                    | 100%                | 2023-2026        |

## PENDING LEGISLATIVE ITEMS SUMMARY

| Legislation | Program Impacted  | Description    | Authorization Amount                  |
|-------------|---|----------------|---------------------------------------|
| AWIA        | EPA Clean Water SRF   | Loan and Grant | \$1.5-3 billion in additional funding |
|             | EPA WIFIA   | Loan           | \$50 million additional funding       |
|             | New (House Version) Water, Wet Weather and Resiliency Project | Grants/Award   | \$1 billion                           |
|             | New (Senate Version) Clean Water and Resiliency Program       | Grants         | \$5 million                           |
|             | NEW (Senate Version) US EPA Clean Water                       | Grants         | \$75 million                          |



Act – Technical Assistance Program

|                       |  |                  |  |
|-----------------------|--|------------------|--|
| DWIA                  | EPA Drinking Water SRF                                   | Loan and Grant   | \$35 million to \$2.5 billion                                |
|                       | (Senate Version) EPA Source water Petition Program       | Grants           | \$5 million  |
|                       | (Senate Version) EPA Underserved Communities Aid Program | Grants           | \$50 million   |
|                       | NEW (Senate Version) EPA 'Mid-Sized Grants Program'      | Grants           | \$5 million  |
|                       | NEW (House Version) BOR: Western Waters Program          | Loans and Grants | \$3.5 billion (\$75 million designated for storage projects) |
| Total Pending Funding |  |                  | \$6.22 billion to \$8.725 billion                            |





## TABLE OF CONTENTS

|                               |  |    |
|-------------------------------|--|----|
| Background                    |  | 1  |
|                               | Executive Summary                              | 3  |
|                               | Findings                                       | 4  |
|                               | Programmatic Funding Summary                   | 10 |
|                               | Pending Legislative Items Summary              | 10 |
| <hr/>                         |  |    |
| Table of Contents             |  | 11 |
| <hr/>                         |  |    |
| Funding Opportunities Summary |  | 12 |
|                               | U.S. Environmental Protection Agency           | 12 |
|                               | Bureau of Reclamation, Department of Interior  | 15 |
|                               | Department of Defense                          | 17 |
|                               | U.S. Army Corps of Engineers, Dept. of Defense | 19 |
|                               | U.S. Department of Agriculture                 | 20 |
|                               | State of California Programs                   | 22 |
| <hr/>                         |  |    |
| Pending Legislative Programs  |  | 28 |
|                               | Federal Legislation                            | 28 |
|                               | California Legislation                         | 32 |
| <hr/>                         |  |    |
| Strategic Funding Options     |  | 33 |
|                               | Overall  | 33 |
|                               | Program Summary Chart                          | 37 |



## FUNDING OPPORTUNITY SUMMARIES

The following section of the report/plan will outline the available Federal and State of California programs which the interconnection project has been deemed eligible. These are legislatively authorized programs (aka “programmatic funding”) through specified periods as noted.

### U S ENVIRONMENTAL PROTECTION AGENCY (EPA)

#### **Water Infrastructure Financing and Integration Act (WIFIA)**

|                                  |                |
|----------------------------------|----------------|
| FY2021-2022 Funding Availability | \$4.22 billion |
| Additional Pending Funding       | \$675 million  |

The Water Infrastructure Finance and Innovation Act (WIFIA) authorizes EPA to provide credit assistance, secured (direct) loans or loan guarantees, for a broad range of drinking water and wastewater projects. In contrast to SRF programs, EPA provides credit assistance to eligible recipients. Thus far, EPA has provided credit assistance in the form of secured loans, and the Agency does not expect much demand for loan guarantees.

Localities are primarily responsible for providing water infrastructure services, which include both drinking water and wastewater infrastructure. According to the most recent estimates by states and EPA, funding needs for projects eligible for CWSRF or DWSRF funding, described in the sections below (i.e., projects needed to address water quality and public health-related problems or regulations), total over \$840 billion over a 20-year period. WRRDA also authorizes USACE to provide similar assistance under WIFIA for water resource projects, such as flood control or hurricane and storm damage reduction.

Congress has appropriated funds to EPA to implement WIFIA, and as of the date of this report, Congress has not yet appropriated funds (nor has the Administration requested funds) that would enable USACE to begin making WIFIA loans under the authority in WRDA. However, as of mid-2020, USACE had advanced its efforts to develop its WIFIA program. USACE would implement the agency’s WIFIA program upon receipt of an appropriation.

WIFIA provides an additional source of funding for water infrastructure projects, including projects eligible for CWSRF and DWSRF assistance. Some stakeholders have argued that the clean water and drinking water SRF programs are structured in a way that makes them useful primarily for smaller communities and smaller projects. The WIFIA program can provide credit assistance to large water infrastructure projects that otherwise have difficulty obtaining financing. Moreover, SRF funding is generally limited to projects that promote CWA or SDWA compliance and other statutory objectives. WIFIA can provide capital at a low cost to the borrower, because even though the interest on 30-year Treasury securities is taxable, Treasury rates can be less expensive than rates on traditional tax-exempt municipal debt.

In federal budgetary terms, WIFIA assistance has much less of an impact on federal spending than a grant, which is not repaid to the U.S. Treasury. The volume of loans and other types of credit assistance that the

programs can provide is determined by the size of congressional appropriations and calculation of the subsidy amount. WIFIA defines the *subsidy amount* as follows:

The amount of budget authority sufficient to cover the estimated long-term cost to the Federal Government of a Federal credit instrument, as calculated on a net present value basis, excluding administrative costs and any incidental effects on governmental receipts or outlays in accordance with the Federal Credit Reform Act of 1990 (2 U.S.C. §661 *et seq.*)

Although subsidy rates are project-specific, in the Trump Administration's FY2021 budget proposal, OMB estimated a 0.91% subsidy rate for WIFIA in FY2020. This equates to a 1:110 ratio. At this subsidy rate, a \$10 million appropriation could support direct loans totaling \$1.1 billion. Thus, one advantage of the WIFIA program is that it can provide a large amount of credit assistance relative to the amount of budget authority provided<sup>1</sup>.

WIFIA credit assistance is available to state infrastructure financing authorities for a group of projects and individual project sponsors, which may include:

- Corporation
- Partnership
- Joint venture
- A trust; or
- A federal, state, local, or tribal government (or consortium of tribal governments).

Categories eligible for assistance by EPA include:

- Wastewater treatment and community drinking water facilities
- Enhanced energy efficiency of a public water system or wastewater treatment works
- Repair or rehabilitation of aging wastewater and drinking water systems
- Desalination, water recycling, aquifer recharge, or development of alternative water supplies to reduce aquifer depletion
- Prevention, reduction, or mitigation of the effects of drought; or a combination of eligible projects.

The act provides EPA the authority to provide a wide range of wastewater and drinking water projects. Generally, project costs must be \$20 million or larger to be eligible for credit assistance. For projects in less populous communities (defined by WIFIA as populations of 25,000 or fewer), project costs must be \$5 million or more.

Discussions with EPA indicated the IWVGA Project qualifies under both the drinking water and clean water project criteria. Eligibility to the program is not at issue. WIFIA loan funding is highly competitive, especially for California projects, and subject to limitations of federal appropriations during any Fiscal Year. Also, at issue

---

<sup>1</sup> The statutory authority for the WIFIA program is WRRDA (P.L. 113-121, Title V, codified at 33 U.S.C. §§3901-3914). The Fixing America's Surface Transportation Act (FAST Act, P.L. 114-94) and AWIA amended WIFIA provisions in 2015 and 2018, respectively. EPA promulgated an interim final rule for the program on December 19, 2016 (81 *Federal Register* 91822). Regulations are codified at Title 40, Section 35.10000, of the *Code of Federal Regulations*.





for WIFIA is the high cost of the loan application and origination fees required by EPA. On average, WIFIA loans cost between \$250,000 to \$300,000 per project in loan/origination fees. This makes WIFIA more attractive to large-scale projects which can more easily absorb the higher cost-of-financing. Finally, direction from the Board is required, at some point, regarding the desire to pursue a program which will encumber future generations (up to 35-years) with repayment of the loan.

| Transfer Partner | Projected Project Cost | Total Eligible Loan Amount | Total Eligible Federal Funding Amount |
|------------------|------------------------|----------------------------|---------------------------------------|
| LADWP            | \$55,000,000           | \$26,950,000               | \$44,000,000                          |
| AVEK             | \$177,000,000          | \$86,730,000               | \$141,600,000                         |

WIFIA loan calculation (based on typical terms/conditions, maximum loan amount):

| Total Loan Amount | Loan Term (years)   | Interest Rate       |
|-------------------|---------------------|---------------------|
| \$86,730,000.00   | Maximum - 35        | 4.56% <sup>2</sup>  |
| Compound          | Repayment           | Loan Fees           |
| Annually (APY)    | Quarterly           | ~\$350,000.00       |
| Quarterly Payment | Total Payments Made | Total Interest Paid |
| \$1,230,686.55    | \$172,296,117.67    | \$85,566,117.67     |

## BUREAU OF RECLAMATION

### WaterSMART Program

FY2021-2022 Funding Availability      \$67 million  
 Additional Pending Funding      Unknown chances of passage/inclusion in final bill

Department of Interior, Bureau of Reclamation (BOR) administers the WaterSMART grant program in several program areas designed to meet the authorized priority Congress established. These programs are specifically designed to assist communities in drought conditions by increasing water supplies, infrastructure and quality. Through WaterSMART, BOR works cooperatively with states, tribes, and local entities as they plan for and implement actions to increase water supply through investments to modernize existing infrastructure and attention to local water conflicts. WaterSMART has been authorized by Congress through 2024 and is expected to be re-authorized at that time.

Congress has appropriated \$29,100,000 in funding for FY19. Grants are required to have a 50% match from the local agency, state or tribe. Matching funds can come from non-federal sources. Pending legislation, HR 2473 (Harder, D-CA) S. 1932 (Gardner, R-CO) will increase the WaterSMART grant program by \$82,000,000 in varying fiscal years if the legislation passes. What limits WaterSMART grants are the relatively small award amounts, up to \$1,000,000 per grant.

Both the Project and the Plant are eligible for several Water SMART grant programs. The priorities established by BOR will determine eligibility in the given year. A schedule of WaterSMART and other grants needs to be developed to allow for ease in application timing. The WWTP is eligible beginning in 2022, while the interconnection project's eligibility will be delayed until 2024.

<sup>2</sup> Based upon most current Treasury bond yield rates.



## Title XVI

|                                  |                 |
|----------------------------------|-----------------|
| FY2021-2022 Funding Availability | \$1.128 billion |
| Additional Pending Funding       | \$850 million   |

Title XVI of the Reclamation Projects Authorization and Adjustment Act of 1992 (P.L. 102-575) directs the Secretary of the Interior to develop a program to “investigate and identify” opportunities to reclaim and reuse wastewater and naturally impaired ground and surface water. Water reclaimed via Title XVI projects is primarily used for M&I water supply (non-potable and indirect potable purposes only). Other uses include irrigation supply, groundwater recharge, fish and wildlife enhancement, or outdoor recreation.

The original Title XVI legislation authorized construction of five reclamation wastewater projects and six wastewater and groundwater recycling/reclamation studies. The act was amended in 1996 (P.L. 104-266) to authorize another 18 construction projects and an additional study and has been amended several times since, resulting in a total of 53 projects individually authorized for construction. Most recently, amendments to Title XVI enacted in December 2016 in the Water Infrastructure Improvements for the Nation Act (WIIN Act, P.L. 114-322) made changes to the program, including authorizing the Secretary of the Interior to accept and review nonfederal feasibility studies for potential planning design and construction projects.

As of August 2019, 54 projects had been approved under the WIIN Act authority. The WIIN Act also authorized a competitive grant program for construction of projects approved under this authority, including an authorization of \$50 million in appropriations. WIIN is an oversubscribed program with a backlog of Project exceeding \$1 billion and annual Congressional funding in the \$50 million/year range. The general purpose of Title XVI projects is to provide supplemental water supplies by recycling/reusing agricultural drainage water, wastewater, brackish surface and groundwater, and other sources of contaminated water. Projects may be permanent or for demonstration purposes.

Title XVI projects are funded through partial de facto grants. The funding is part of the larger Reclamation WaterSMART program, which also provides grants for water conservation and river basin studies under separate authority granted in the Secure Water Act (P.L. 111-11, Subtitle B). Title XVI project construction costs are shared by the federal government and a local project sponsor or sponsors. The federal share is generally limited to a maximum of 25% of total project costs and is non-reimbursable, resulting in a de facto grant to the local project sponsor(s). In 1996, Congress limited the federal share of individual projects to \$20 million in 1996 dollars (P.L. 104- 266).

The federal share of feasibility studies is limited to 50% of the total study cost except in cases of “financial hardship.” However, the federal share must be reimbursed. The Secretary may also accept in-kind services that are determined to positively contribute to the study.

Similar to other Reclamation activities, the Title XVI water reclamation and wastewater recycling program is limited to projects and studies in the 17 western states unless otherwise specified. Authorized recipients of program assistance include “legally organized non-federal entities,” such as irrigation districts, water districts, municipalities, and Indian tribes. Prior to enactment of the WIIN Act, Administration requests for construction



funding had generally been limited to projects where (1) an appraisal investigation and feasibility study have been completed and approved by the Secretary, (2) the Secretary determined that the project sponsor was capable of funding the nonfederal share of project costs, and (3) the local sponsor entered into a cost-share agreement with Reclamation. The WIIN Act provided the Department of Interior with additional authority to accept nonfederal feasibility studies and to approve and consider these projects for construction funding if they meet Title XVI program criteria. These criteria require that (1) the study comply with federal laws and regulations applicable to water reuse and recycling studies, and (2) the project is technically and financially feasible and provides a federal benefit in accordance with Reclamation laws. The WIIN Act authority has essentially rendered unnecessary the prior practice of obtaining specific authorizations for individual Title XVI projects before Reclamation can pursue funding<sup>3</sup>.

Further discussion of the WWTP's eligibility is required with BOR based upon the change in Administration and potential narrowing of criteria. The Plant may be required to be Authorized under Title XVI prior to eligibility determinations and Title XVI programs are subject to 'plus up' requirements if needed.

## U.S. DEPARTMENT OF DEFENSE

### Defense Communities Infrastructure Program (DCIP)

The Defense Community Infrastructure Program was originally passed within the Fiscal Year 2016 Defense Authorization Act. The program required the Secretary of Defense to coordinate with base-command to determine off-site infrastructure requirements to maintain mission-status at individual military installations. The program was established as a *pilot project* and authorized \$100M to be appropriated through the Defense Appropriations Act toward identified projects. DCIP has been reauthorized through 2025 and requests additional funding of \$100 million over this timeframe. Criteria for eligibility prioritize projects with a 'Military Value' first, then move 'Resiliency,' and 'Quality of Life' to secondary considerations. Capitol Core worked with the DOD OEA over the past couple of years to influence the Implementation Guidelines and create positive eligibility determinations for both the interconnection and WWTP. Both projects will need a determination of 'shovel ready' prior to project application, which the OEA generally views as completion of the project within 18 months of the grant award.

The IWVGA Project qualifies for the DCIP program, providing up to \$27,500,000 in funding to the interconnection project and WWTP (provided that the project is appropriated and there is no cap to individual

---

<sup>3</sup> The original statutory authority for the Reclamation wastewater and reuse program is the Reclamation Wastewater and Groundwater Study and Facilities Act, Title XVI of P.L. 102-575, as amended (43 U.S.C. §390h et seq.). Other statutes that authorized Title XVI projects include the Reclamation Recycling and Water Conservation Act of 1996 (P.L. 104-266); the Oregon Public Land Transfer and Protection Act of 1998 (P.L. 105-321); the 1999 Water Resources Development Act (WRDA, P.L. 106-53, §595); the Consolidated Appropriations Act for FY2001 (P.L. 106-554, Division B, §106); a bill amending the Reclamation Wastewater and Groundwater Study and Facilities Act (P.L. 107-344); the Consolidated Appropriations Act for FY2003 (P.L. 108-7, Division D, §211); the Emergency Wartime Supplemental Appropriations Act of 2003 (P.L. 108-11); the Irvine Basin Surface and Groundwater Improvement Act of 2003 (P.L. 108- 233); the Williamson County Water Recycling Act of 2004 (P.L. 108-316); the Hawaii Water Resources Act of 2005 (P.L. 109-70); the Consolidated Appropriations Act, 2008 (P.L. 110-161); the Consolidated Natural Resources Act of 2009 (P.L. 110-229); the Omnibus Public Land Management Act of 2009 (P.L. 111-11; Title IX, Subtitle B); and the WIIN Act (P.L. 114-322, Title III, Subtitle J).



project funding). Eligibility to apply for DCIP will be determined on the individual project's 'shovel ready' designation. For the WWTP, we are recommending IWVGA or the City of Ridgecrest apply for such funding in 2022 (for FY2023 funding) or 2023 (for FY2024 funding) based upon the construction schedule progress. For the interconnection project, we are recommending IWVGA or the Indian Wells Valley Water District apply for such funding in 2024 (for FY2025 funding) or at latest in 2028 (for FY2029) funding depending on program reauthorization, availability of funds and construction schedule progress.

### **Readiness and Environmental Protection Integration Act (REPI)**

The DOD's REPI Program is a key tool for combating encroachment that can limit or restrict military training, testing, and operations. The REPI Program protects these military missions by helping remove or avoid land-use conflicts near installations and addresses regulatory restrictions that inhibit military activities. Office of the Secretary of Defense (OSD) administers this program.

REPI also supports partnerships that advance cross-boundary solutions and link military readiness, conservation, and communities with federal and state partners through a common, collaborative framework. The IWVGA project potentially qualifies under this cross-boundary partnership arrangement. The DOD also works collaboratively on these projects with the Department of Agriculture and EPA on the REPI projects.

The evaluative process for funding REPI buffer projects starts with the Services submitting proposals to OSD for the annual buffer project funding process. OSD uses tailored qualitative and quantitative criteria to evaluate the proposals and works with the Services to take into consideration the value and priority of the missions that the proposed project aims to protect. OSD also encourages proposals that provide multiple benefits to the community and environment and strengthen partner cost-sharing.

Congress authorized REPI through 2026 and has historically appropriated the following amounts for the program(in millions of dollars):

FY 2014: \$60.41  
FY 2015: \$58.57  
FY 2016: \$75  
FY 2017: \$75.17  
FY 2018: \$90

Direct authorization of the budget requirements for the IWVGA Project can be included within the REPI program. This would be accomplished through a specific budget request to the DOD from the Authority, with the support of Congressional Members and the DOD State Advisory Office.

For future authorizations, appropriators and the Department of Defense will likely want to see a clearer direct benefit to the base and mission for proposed projects. Discussions with legislators indicated that there were some "bad apple" projects in the past where environmental groups that wanted to oppose real estate development projects near a base would attempt to use the REPI program to get the DOD to condemn these lands with only tangential benefit to the base. If the Authority or China Lake NWAS is going to pursue the REPI program, they will have to be cognizant of providing a clear case as to why the project benefits the mission of the base and the community that supports it. It is a further question if REPI can be utilized for the



purchase of infrastructure rather than its traditional use of land-purchase without Congressional modification to the program.

There has been significant discussion with base command and Southwest Command concerning the application of REPI for the interconnection project. Their interpretation limits application of REPI to the acquisition of property for the spreading grounds or other rights-of-way (ROW) as needed. That differs from many Congressional interpretations that the statute allows for ‘real property’ which would include infrastructure. Assuming the current Implementation Guidelines, discussions between the Navy and IWVGA on REPI application should begin once the Board makes a determination on the route for the interconnection project. Real property and ROW acquisition is scheduled for 2027 requiring FY2026 review of appropriated REPI amounts and application.

Capitol Core did not review REPI application or eligibility for the WWTP during this strategic funding survey due diligence.

## UNITED STATES ARMY CORPS OF ENGINEERS (USACE)

### **Water Resources Development Act (WRDA), Environmental Infrastructure Assistance**

Federal policy generally concludes that community water supply is a local and state responsibility. However, communities, particularly in rural and small communities, have increasingly sought federal water supply assistance. Since 1992, Congress has enacted more than 350 authorizations allowing USACE to provide designated communities, counties, and states with design and construction assistance for drinking water and wastewater infrastructure (including treatment and distribution/collection facilities) and source water protection and development. These activities are known as *environmental infrastructure* (EI) projects or programs. The authorizations of federal appropriations for these activities have varied widely from \$0.5 million to \$25 million for planning and design assistance and from \$0.2 million to \$435 million for construction assistance. As with Reclamation’s rural water supply and Title XVI projects, congressional funding of these authorizations has enlarged the scope of USACE’s activities. Like many USACE activities, congressional support for specific EI assistance authorizations and appropriations is complicated by the authorities’ geographic specificity, which is problematic under congressional earmark bans and moratoria.

Applicable programs are administered by the USACE under the Water Resources Development Act. The FY18 re-authorization of WRDA focused specifically on water infrastructure needs critical for the Nation’s economic competitiveness and domestic security.

The Army Corps of Engineers will develop implementation guidance for WRDA provisions in coordination with the Assistant Secretary of the Army for Civil Works. All indications are the IWVGA Project would be eligible under WRDA for authorization/funding. However, the specific regulations/guidance has not been issued. Therefore, we are unable to verify project eligibility or program priorities at ACOE for the new program.

WRDA is strictly authorizing legislation. The funding to implement authorized studies, projects, and activities is provided separately through the annual appropriations budgetary process. WRDA funding is extremely



competitive across the United States. A specific-WRDA authorization and appropriation for the Project is likely required.

Under most USACE EI assistance authorizations, federal assistance typically requires a 75% federal and 25% nonfederal cost-share (some authorities are 65% federal and 35% nonfederal). Congress typically provides the federal portion in annual Energy and Water Development Appropriations acts. How USACE and nonfederal financing is managed varies according to the specifics of the authorization. USACE may perform the authorized design or construction work and can often use appropriated funds to reimburse nonfederal sponsors for work the sponsors perform, subject to the availability of appropriations.

Because EI assistance activities are not part of a national USACE program per se, there are no general eligibility criteria. Most USACE EI authorities specify a specific geographic location (e.g., a city, county, or state) and types of projects (e.g., municipal drinking water) as the principal eligibility requirements. Consequently, USACE evaluates an activity's eligibility by identifying whether there is an authorization for the geographic area of the activity and whether the type of activity is eligible under that authorization.

## U.S. DEPARTMENT OF AGRICULTURE

USDA has several programs for small communities, such as Inyokern within the Basin, that may be eligible for funding. They noted that Inyokern Community Services already has a loan with them for a drinking water project. They also stressed that loans and grants can only be used for drinking water or wastewater projects as opposed to more general groundwater projects.

### **WEP: Community Facilities Direct Loan and Grant Program**

|                                  |                |
|----------------------------------|----------------|
| FY2021-2022 Funding Availability | \$1.34 billion |
| Additional Pending Funding       | \$17.6 million |

The Community Facilities Program provides affordable funding to develop essential community facilities in rural areas which are defined as cities, villages, townships and towns including Federally Recognized Tribal Lands with no more than 20,000 residents according to the latest [U.S. Census Data](#). An essential community facility is defined as a facility that provides an essential service to the local community for the orderly development of the community in a primarily rural area, and does not include private, commercial or business undertakings. Local agencies, Tribal governments and community-based non-profit corporations are eligible for the program. Funds can be used to purchase, construct, and / or improve essential community facilities, purchase equipment and pay related project expenses.

The program provides low interest direct loans, grants and a combination of the two above, as well as USDA's [loan guarantee program](#). These may be combined with commercial financing to finance one project if all eligibility and feasibility requirements are met. Project priorities include a priority point system based on population, median household income, small communities with a population of 5,500 or less, and low-income communities having a median household income below 80% of the state nonmetropolitan median household income. Funding is provided through a competitive application process. Direct loan repayment terms may not be longer than the useful life of the facility, state statutes, the applicant's authority, or a maximum of 40 years, whichever is less. Interest rates are set by Rural Development, contact us for details and current rates. Once



the loan is approved, the interest rate is fixed for the entire term of the loan and is determined by the median household income of the service area and population of the community. Grants are provided on a graduated scale with smaller communities with the lowest median household income being eligible for projects with a higher proportion of grant funds. Grant assistance is limited to the following percentages of eligible project costs:

- Maximum of 75 percent when the proposed project is:
  - Located in a rural community having a population of 5,000 or fewer; and
  - The median household income of the proposed service area is below the higher of the poverty line or 60 percent of the State nonmetropolitan median household income.
- Maximum of 55 percent when the proposed project is:
  - Located in a rural community having a population of 12,000 or fewer; and
  - The median household income of the proposed service area is below the higher of the poverty line or 70 percent of the State nonmetropolitan median household income.
- Maximum of 35 percent when the proposed project is:
  - Located in a rural community having a population of 20,000 or fewer; and
  - The median household income of the proposed service area is below the higher of the poverty line or 80 percent of the State nonmetropolitan median household income.
- Maximum of 15 percent when the proposed project is:
  - Located in a rural community having a population of 20,000 or fewer; and
  - The median household income of the proposed service area is below the higher of the poverty line or 90 percent of the State nonmetropolitan median household income. The proposed project must meet both percentage criteria.

Applicants must be unable to finance the project from their own resources and/or through commercial credit at reasonable rates and terms. Project must demonstrate substantial community support and environmental review must be completed/acceptable<sup>4</sup>.

Another suggested program is the Regional Conservation Program that the National Resources Conservation Service administers. As a result of changes in the 2018 Farm Bill, the program has \$30 million of funding in fiscal year 2019. Partners, which can include private industry, universities, water districts, non-governmental organizations, Indian tribes, and state and local governments, can request sums between \$250,000 – 10 million to improve water quality, address drought, and protect the agricultural viability of the area. Here is additional information on this program:

[Regional Conservation Program](#)

---

<sup>4</sup> Statutory authority for the water and waste disposal loan and grant programs, water technical assistance, and other rural water assistance programs is the Consolidated Farm and Rural Development Act, as amended, (§306, 7 U.S.C. §1926). Regulatory authority is Code of Federal Regulations, [7 CFR 5001](#). And [OneRD FY2021 Annual Notice](#).



## STATE OF CALIFORNIA PROGRAMS

### State Water Resources Control Board

The federal Clean Water Act established the State Revolving Fund programs that are administered by the SWRCB to finance the protection and improvement of both water quality and drinking water. These programs have been available since 1989. Every project is directly related to protecting or improving public health, water availability water quality, or all of the above. The SWRCB establishes an annual plan implementing the two programs and detailing the complementary financing programs. The most recent report published is for State Fiscal Year (SFY) 2019-2020 which identifies the SGMA compliance as a priority funded project.

### Clean Water State Revolving Fund

|                                  |                              |
|----------------------------------|------------------------------|
| FY2021-2022 Funding Availability | \$1.12 billion               |
| Additional Pending Funding       | \$1.5 billion to \$3 billion |

In 1987, Congress amended the Clean Water Act (CWA) to establish the Clean Water State Revolving Fund (CWSRF). EPA receives annual appropriations to support the CWSRF and distributes funds to the states based upon a statutory formula. States provide matching funds equal to 20% of its allocation to fully capitalize the program. Funding is primarily used to provide loans to eligible recipients and the program is sustained through repayment thus creating a continuing source of assistance. According to the EPA, the CWSRF has provided \$271 billion in assistance from 1987 to 2016.

The CWSRF program's primary purpose is to provide assistance in constructing and upgrading publicly owned municipal wastewater treatment plants and related equipment (including stormwater infrastructure), implementing nonpoint pollution management programs, developing and implementing management plans under the National Estuary Program, and supporting a range of other eligible activities that were added to the program in 2014.

The CWSRF may provide seven general types of financial assistance: making loans; buying or refinancing existing local debt obligations; guaranteeing or purchasing insurance for local debt obligations; guaranteeing CWSRF debt obligations (i.e., to be used as security for leveraging the assets in the CWSRF); providing loan guarantees for local government revolving funds; earning interest on fund accounts; and supporting reasonable costs of administering the CWSRF. Loans are made at or below market interest rates, including zero interest loans, as determined by the state in negotiation with the applicant.

Although the CWSRF program is generally a loan program, states may (under certain conditions) provide "additional subsidization"—such as principal forgiveness, negative interest loans, or a combination—to municipalities that meet the state's affordability criteria and for particular projects, such as those that implement water or energy efficiency goals or mitigate stormwater runoff. In addition, Appropriations Acts in recent years have required states to use minimum percentages of their allotted funds to provide additional subsidization. This trend began with the American Recovery and Reinvestment Act of 2009 (P.L. 111-5), which required states to use at least 50% of their funds for this purpose. Recent Appropriations Acts included an identical condition, requiring 10% of the CWSRF grants be used "to provide additional subsidy to eligible recipients in the form of forgiveness of principal, negative interest loans, or grants (or any combination of these)."





All principal and interest payments on loans must be credited directly to the SRF, and loans are to be repaid within 30 years of a project's completion, not to exceed the project's useful life

Eligible loan recipients for CWSRF assistance are any municipal, intermunicipal, interstate, or **state agency**. Projects or activities eligible for funding were initially those needed for constructing or upgrading (and planning and designing) publicly owned municipal wastewater treatment plans. These include construction or upgrading of secondary or advanced treatment plants; construction of new collector sewers, interceptor sewers, or storm sewers; and projects to correct existing problems of sewer system rehabilitation, infiltration/inflow of sewer lines, and combined sewer overflows. Storage system are also eligible. Operation and maintenance are not eligible activities. All funds in the CWSRF are first to be used to assure compliance with enforceable deadlines, goals, and requirements of the act, including municipal compliance. After satisfying the "first use" requirement, funds may be used to implement other eligible uses, which initially included nonpoint source management programs and estuary activities in approved State Nonpoint Management Programs and estuarine Comprehensive Conservation and Management Plans, respectively.

The CWSRF is one of the highest funded federal loan infrastructure programs in the United States, with usable capacity creating accessibility to funding. Mechanisms for negative interest, forgiveness, and affordability requirements make it an attractive program for IWVGA use<sup>5</sup>.

The Clean Water State Revolving Fund (CWSRF) is authorized under California Water Code Sections 13475-13485 and operates pursuant to an Operating Agreement between the State Water Board and the United States Environmental Protection Agency (U.S. EPA) Region 9. In some cases, enrollment and receipt of funding under the CWSRF may be partially counted toward "federal funds" under the WIFIA and RIFIA federal programs. The CWSRF functions as an environmental infrastructure bank that federal and state funds capitalize – providing a sustainable source of funds for water quality protection and improvement. The CWSRF's capital and its earnings are used to provide financial assistance to a wide variety of water quality projects. States can target specific water quality problems, offer a variety of financing options, and customize terms to meet their water quality needs. Financing options include loans, refinancing debt, purchasing or guaranteeing local debt, and purchasing bond insurance.

Interest rates must be below the market rate. Repayment periods are generally the lesser of 30 years or the expected useful life of the financed asset. Since 2009, federal CWSRF appropriations and California law have also authorized grants, negative interest rates, and principal forgiveness on a limited basis. The CWSRF has grown since financing its first project in 1989 and has executed more than \$11.0 billion in financial assistance agreements with over 350 unique recipients. The program has funded a broad range of projects. Approximately 96 percent (96%) of funds have been used for publicly owned wastewater infrastructure, and about four percent (4%) of funds have been used for nonpoint source or estuary projects. For SFY 2019-2020, four priorities have been identified:

1. Small Community Wastewater,

---

<sup>5</sup> Statutory authority for the clean water SRF program is the Clean Water Act, as amended, Sections 601-607 (33 U.S.C. §§1381-1387). Regulations are codified at Title 40, Section 35.3100, of the *Code of Federal Regulations*.



2. Water Recycling,
3. Stormwater, and
4. Groundwater Sustainability

### **Drinking Water State Revolving Fund**

|                                  |                               |
|----------------------------------|-------------------------------|
| FY2021-2022 Funding Availability | \$863 million                 |
| Additional Pending Funding       | \$35 million to \$2.5 billion |

The Safe Drinking Water Act (SDWA) requires public water systems to comply with federal drinking water regulations promulgated by EPA. Through these regulations EPA sets standards to control the levels of more than 90 contaminants in drinking water, and more regulations are under development. To help communities meet these federal mandates and to meet the act's public health objectives, Congress amended the SDWA in 1996 to establish a drinking water state revolving fund (DWSRF) loan program. The program is patterned closely after the CWSRF and authorizes EPA to make grants to states to capitalize drinking water state revolving loan funds. States use their DWSRFs to provide assistance to public water systems for infrastructure and other drinking water projects.

States may use a portion of their annual grants to administer the DWSRF program and to implement other SDWA requirements. States must match 20% of the federal capitalization grant. Each year, states are required to develop an "intended use plan" that includes a list of projects the state intends to fund through the DWSRF. The law generally directs states to give funding priority to projects that (1) address the most serious health risks; (2) are needed to ensure compliance with SDWA regulations; and (3) assist systems most in need on a per household basis, according to state affordability criteria. The law also directs states to make available at least 15% of their annual allotment to public water systems that serve 10,000 or fewer persons (to the extent the funds can be obligated to eligible projects). Over the life of the program, roughly 71% of DWSRF assistance agreements and 38% of funds have gone to these smaller systems. Capitalization grants are allotted among the states according to the results of the most recent quadrennial survey of the capital improvements needs of eligible water systems. Needs surveys are prepared by EPA and the states, and the most recent survey indicates that public water systems need to invest at least \$472.6 billion on infrastructure improvements over 20 years (\$23.63 billion annually) to ensure the provision of safe drinking water and compliance with federal standard. This state-administered program provides assistance for infrastructure projects and other expenditures that facilitate compliance with federal drinking water regulations or that promote public health protection. The SDWA directs states to give funding priority to infrastructure projects that are needed to achieve or maintain compliance with SDWA requirements, protect public health, and assist systems with economic need. Further, states may use a portion of the capitalization grant for specified purposes, including programs for protecting sources of drinking water and improving the managerial and technical capacity of water systems.

States may use the DWSRF to make low- or zero-interest loans to public water systems, and loan recipients must generally repay the entire loan plus any interest to the state. DWSRFs may also be used to buy or refinance local debt obligations, guarantee or purchase insurance for a local obligation, provide revenue or security for payment of principal and interest on state revenue or general obligation bonds if the proceeds of bond sale are deposited into the DWSRF, and earn interest on DWSRF accounts.



The statute authorizes states to use up to 35% of their annual DWSRF grants to provide additional subsidies (e.g., principal forgiveness and negative interest rate loans) to help economically disadvantaged communities of any size (a disadvantaged community is one in which the service area of a public water system meets state-established affordability criteria.) The Consolidated Appropriations Act, 2020 (P.L. 116-94), requires states to use 14% of their DWSRF capitalization grants “to provide additional subsidy to eligible recipients in the form of forgiveness of principal, negative interest loans, or grants (or any combination of these).”

Drinking water systems that are eligible to receive DWSRF assistance include community water systems, whether publicly or privately owned, and not-for-profit noncommunity water systems. Federally owned systems are not eligible to receive assistance from this program.

Projects eligible for DWSRF assistance include (1) capital investments to rehabilitate or replace infrastructure in order to continue providing the public with safe drinking water (e.g., storage facilities and transmission and distribution pipes); (2) projects needed to address violations of SDWA regulations (e.g., treatment facilities); and (3) project design and planning and associated preconstruction activities. Assistance may also be available for construction of new wells to replace contaminated wells, source water protection, land acquisition, security measures (including infrastructure improvements), and consolidation of water supplies (e.g., in cases where individual homes or public water systems have a water supply that is contaminated, or a system is unable to maintain compliance for financial or managerial reasons).

Projects and activities not eligible for funding include projects primarily intended to serve future growth or to provide fire protection, construction of dams or reservoirs (except reservoirs for treated water), monitoring, and operation and maintenance. Ineligible systems include those that lack the financial, technical or managerial capacity to maintain SDWA compliance and systems in significant noncompliance with any SDWA regulation (unless the project is likely to ensure compliance)<sup>6</sup>.

The Drinking Water State Revolving Fund (DWSRF) is administered in the same manner as CWSRF, however priorities for the program and appropriated funding amounts differ.

As an example of demand for the SRF programs a total of 251 applications were received requesting \$7.51 billion in assistance. Typical applications for new project have exceeded \$100 million/project.

The **interest rate** for the SRF loans are tiered based upon project and community type:

**Standard Rate.** The State Water Board’s standard interest rate for CWSRF (repayable) planning financing is 50 percent (50%) of the rate obtained by the State Treasurer for California’s most recent general obligation bond sale. The standard term for repayable planning financing is five or ten years, at the applicant’s option.

The State Water Board’s standard interest rate for CWSRF (repayable) construction financing is 50 percent (50%) of the rate obtained by the State Treasurer for California’s most recent general obligation

---

<sup>6</sup> The statutory authority for the DWSRF program is the Safe Drinking Water Act Amendments of 1996 (P.L. 104-182, Section 1452, 42 U.S.C. §300j-12). Regulations are codified at Title 40, Section 35.3500, of the *Code of Federal Regulations*



bond sale. The standard term for repayable construction financing is a maximum of 30 years or the useful life of the financed facilities.

**Short Term.** Applicants for SRF repayable construction financing will receive a 0.25% reduction to the standard interest rate in exchange for selecting a 20-year financing term rather than a 30-year financing term, but the resulting interest rate will not be less than zero percent.

**Small and Disadvantaged Communities.** For small and disadvantaged communities, the SWRCB has the authority to negotiate low-interest (greater than zero) loans for less than \$10 million project costs.

**SRF Loan (based upon current Treasury bond yield rates):**

|                   |                     |                     |
|-------------------|---------------------|---------------------|
| Total Loan Amount | Loan Terms (years)  | Interest Rate       |
| \$86,730,000.00   | Maximum – 30        | 2.175%              |
| Compound          | Repayment           | Loan Fees           |
| Annually (APY)    | Quarterly           | ~\$250,000.00       |
| Quarterly Payment | Total Payments Made | Total Interest Paid |
| \$983,586.00      | \$118,030,333.03    | \$31,300,333.03     |

**Principal Forgiveness.** Under the federal CWA, the SWRCB has the authority to forgive qualifying principal loan amounts based upon the total national appropriation for the SRF program each year. Forgiveness of the principal is known as a “capitalization grant,” and it is estimated that the SWRCB will have approximately \$47 million to commit to principal forgiveness. That amount increases, however; should passage of the Feinstein or Harder legislation occur. In that instance, approximately \$133 million would be available for “capitalization grant” conversion.

It is not readily clear, and the IWVGA should not rely upon, that the Project is eligible for conversion to the “capitalization grant” funds.

**Grant Funding**

Grant funding is also available through the CWSRF and DWSRF programs through the SWRCB. How these grants are funded, however; differs from the federal CWA funding provided to the States and varies depending on grant program.

**Small Community Grant Fund.** The SCG Fund allows funding for communities with the most need in California, helping those that cannot otherwise afford a loan or similar financing to move forward with water quality improvements. The SCG Fund receives revenue generated by a fee on CWSRF financing agreements deposited into the SCG Fund separate from the CWSRF. Other funds may also be appropriated to the SCG Fund, including general obligation bond funds available because of Proposition 1 and any available residual general obligation bond funds. Approximately \$78 million will be available specifically for wastewater projects during fiscal year 2019-2020.

Grant priority is given to projects that serve small and disadvantaged communities, defined as communities with a median-household income of less than 60 percent of the statewide median household income.



**Groundwater Grant Fund.** Chapter 10 of Proposition 1 provides \$800 million to the State Water Board for grants for projects to prevent or clean up the contamination of groundwater that serves or has served as a source of drinking water. Round 1 awards were completed in early 2018, for a total of approximately \$125 million awarded to approximately 25 projects. The round 2 project solicitation has closed, and awards are anticipated in late 2019. The third and final solicitation is planned for 2020. It is unclear if the Legislature’s intention is to adapt the Groundwater Grant programs for SGMA compliance and continue funding under a separate section of Proposition 1.

{Remainder of Page Left Intentionally Blank}





## PENDING LEGISLATIVE PROGRAMS

### FEDERAL LEGISLATION

During the 116<sup>th</sup> Session (2019-2020), Congress prioritized water infrastructure legislation. Some of these spending programs, specifically under WIFIA and WRDA, will require reauthorization. Both the House of Representatives and U.S. Senate passed water infrastructure legislation but died upon adjournment of the session because the Conference Committee did not act upon them in time. The main policy differences between bills is the House of Representatives’ focused on projects with ‘environmental’ benefit while the Senate has a more general focus on infrastructure. The House bill would have authorized \$50 billion over a five-year period. The Senate bill would have authorized \$30 billion over the same period of time.

Congress did pass a stopgap “bare bones” bill to authorize the most necessary provisions in the Water Resources Development Act. However, Congress will have to act further on the provisions that they did not pass, as some crucial parts of the bill are set to expire by September 30<sup>th</sup>.

Both the interconnection project and the City of Ridgecrest’s wastewater treatment facility would be eligible for several of the programs summarized below. Increases in funding, particularly to the State Revolving Fund (designated as “SRF”) programs would lessen competition for funding within the State’s already oversubscribed program, thereby increasing chances of award.

**Side by side comparison (note that these bills will have to be re-introduced during this legislative session, and provisions may change from the bills introduced in 2020)**

|   |   |
|---|---|
| <p>The Moving Forward Act of 2020<br/>H.R. 2</p>  | <p>American Water Infrastructure Act (AWIA)<br/>S. 3591<br/>Drinking Water Infrastructure Act (DWIA)<br/>S. 3590</p>  |
| <p><b>General Overview:</b> Provides \$1.5 trillion in funding for infrastructure projects including highways, bridges, transit, rail, airports, ports/harbors, education and childcare, community development, housing, broadband, clean energy, healthcare, and \$25 billion in funding to modernize the U.S. Postal Service.</p>   | <p><b>General Overview:</b> Provides \$30 billion for water infrastructure projects over a five-years period (FY2021-FY2026)</p>  |
| <p><b>Clean Water Provisions:</b> Calls on EPA to issue a report on the current and future workforce needs of public water treatment utilities, including recommendations for federal investments</p> <p>Authorizes \$1.5 billion over 5 years in grants to states to assist in the implementation of state water quality improvement programs.</p> <p>Authorizes \$1 billion in grants for municipalities to implement watershed, wet weather and resiliency projects geared toward assessing and addressing future risks from manmade or natural disasters. 15% of these grants would</p> | <p><b>Clean Water Provisions:</b> Reauthorizes the Water Infrastructure Finance Innovation Act (WIFIA) at \$50 million annually over 5 years. Also allows WIFIA applicants to provide one versus two agency rating opinion letters prior to projects moving forward.</p> <p>Reauthorizes the CWSRF and increases the program from \$2 billion up to \$3 billion from FY 2021 – 2023.</p> <p>Requires that 10% of a state’s Clean Water State Revolving Funds (SRF) be used for grants and negative interest loans and loan forgiveness to buy or refinance debt. In addition,</p> |

be earmarked for municipalities that are less than 10,000. In addition, EPA will provide a report to Congress on the costs to implement resiliency and sustainability measures for wastewater systems.

Authorizes \$600 million in grants for alternative water source projects which can include stormwater and projects covered under the Reclamation Projects Authorization and Adjustment Act. 15% of grants would be earmarked for municipalities under 10,000.

Increases funding for sewer overflow and stormwater reuse program by \$4 million annually over 5 years.

Calls on water utilities that utilize the Clean Water SRF to consider modifications that promote energy efficiency. In addition, 15% of SRF capitalization grants will be allocated for green infrastructure, water or energy efficiency, or other environmentally innovative projects.

Authorizes \$40 billion over five years for the CWSRF. Allows for 10% of CWSRF funds to be used for grants to states over 5 years. 1% of funds may be used for grants to promote workforce training.

2% must be used to provide technical assistance to small, rural and tribal POTWs.

Establishes a Clean Water Infrastructure Resiliency and Sustainability Program which provides grants for publicly owned treatment works (POTWs). \$5 million is authorized annually over 5 years with a 10% cost share.

Authorizes \$75 million over 5 years for CWA technical assistance grants to non-profit agencies assisting small, rural, and tribal municipalities.

Creates a grant program to assist small POTWs that serve less than \$10,000 people or are disadvantaged to upgrade equipment to increase energy and/or water efficiency.

Authorizes \$5 million annually over 5 years.

Authorizes \$1-2 million annually for a grant program to promote workforce development in the water utility sector.

Reauthorizes grants for institutions to develop projects on water supply reliability and other water research issues. Grants have a 50% match and the program provides \$8.25 million annually over 5 years.

Requires EPA to establish a pilot program to encourage states to share information on water quality, infrastructure needs and technology. Also calls for the establishment of a multistate consortia to share water data and best practices. \$15 million is authorized annually over 5 years.

Calls on EPA to do an analysis of funding to rural and low-income communities for programs under SDWA and CWA and also highlight opportunities to provide additional funding to these communities.

Establishes a Water Reuse Agency Taskforce. EPA will coordinate with other agencies to implement the National Water Reuse Action plan. The Taskforce is authorized for 6 years but can be extended by EPA.

**Drinking Water Provisions:** Establishes a grant program to pay for capital costs associated with the treatment of PFAS.

**Drinking Water Provisions:** Reauthorizes funding for communities facing drinking water emergencies. Provides \$35 million annually over 5 years. Also reauthorizes technical assistance to public water systems with emergency concerns at \$15 per year over 5 years.



Increases funding for the drinking water SRF to \$25 billion, the drinking water system resilience funding program, the Indian Reservation Water program, and the Voluntary School and Childcare Lead Testing Grant program.

Authorizes \$4.5 billion in grants for the replacement of lead lines. Disadvantaged communities would have priority.

Authorizes \$5 million in grants to replace water fountains with lead in parks and playgrounds.

Permanently extends Buy American provisions.

Requires states to use 20% of DRSRF for grants, negative interest loans, or to buy, refinance or purchase debt. This can be increased in emergencies. 2% of DWSRF will be used for non-profit groups to provide technical assistance to assist struggling water systems.

Buy America requirements for iron and steel used in new water infrastructure.

Provides \$300 million in grants for water systems to address emerging contaminants such as PFAS.

Reauthorizes the Source Water Petition Program, which allows owners and operators of community water systems, municipal and local governments, and political subdivisions to submit a partnership petition to the state. Partnerships can focus on coordination to reduce contaminants, obtain financial and/or technical assistance, or to develop recommendations for long term protection of a community's water systems source water. \$5 million is authorized over 5 years.

Expands the Assistance for Small and Disadvantaged Communities program to use the funds to purchase filters to remove emerging contaminants. The program is reauthorized for \$100 million annually over 5 years.

Creates a competitive grant program at EPA focused on underserved communities. These grants would be distributed by the states and are authorized at \$50 million annually over 5 years.

Reauthorizes the Drinking Water Infrastructure Risk and Resiliency program for 5 years. Funding for the program will be increased from \$4 million to \$10 million annually.

Creates a grant program that would allow utilities or non-profits to voluntarily connect low income households to municipal systems. \$20 million in funding for FY 2021 and 22.

Creates a pilot program for lead mapping. \$10 million is authorized.

Establishes an operational sustainability program for small public water systems. The program is authorized at \$10 million with a 10% non-federal share.





Creates a midsize (10,000 – 100,000) grant program for increased resiliency and sustainability for drinking water projects. Funds can be used for conservation, water efficiency, desalinization, renovation or relocation of existing vulnerable systems, enhancement of water supplies, and other measures to increase resiliency due to natural disasters. The program is authorized for \$5 million annually for 5 years.

Provides \$5 million for EPA to study and make recommendations on how to bring affordable drinking water to rural and low-income communities.

Requires EPA to do a study to examine emerging technologies that could improve the treatment, monitoring, affordability, efficiency and safety of public drinking water systems.

Also establishes a grant program to deploy technologies for communities that are less than 100,000 or disadvantaged. The program is authorized at \$10 million annually over 5 years.

Creates a new grant program modeled after the SRF programs. Grants can be used for planning design, siting, preconstruction activities, replacing and rehabilitation of aging treatment, or distribution systems of public water systems so they will be able to comply with the Safe Drinking Water Act. The program is authorized at \$50 million from FY 2022 – 24. Individual states can receive up to 20% of the grants and there is a waivable non-federal share of 20%.

**Western Water Provisions:** Authorizes \$3.5 billion for western water infrastructure and drought resiliency measures.

This would include \$750 million for sustainable multi-benefit water storage projects, \$500 million for water recycling and reuse; and \$260 for desalinization projects.

Reauthorizes grants for water research institutes in all 50 states, Washington D.C. and the U.S. territories.

Calls on DOI to identify beneficial groundwater storage and recharge locations across the western U.S. and future water infrastructure conveyance needs to facilitate

Drought Resilience and Water Supply Act of 2020  
S. 1932

**Western Water Provisions:** Same as House bill.



|   |  |
|---|--|
| <p>groundwater storage and aquifer recharge in western states.</p> <p>Provides funding for water and sanitation facilities on the Indian Health Service’s Sanitation Deficiency List.</p>   |  |
| <p><b>Other Provisions of Interest:</b> Reestablishes SRF funds under FEMA for hazard mitigation projects that will reduce future risks and costs of floods, earthquakes and other catastrophic events as defined by FEMA.</p> <p>Calls for NOAA to study wild fish in PFAS contaminated waters and the risk to humans and fish.</p> <p>Provides a tax credit to state and local governments for qualified infrastructure bonds.</p> <p>Exempts interest on advance refunding bonds from taxation.</p> <p>Increases the annual state volume cap on private activity bonds to \$402,220,000.</p> | <p><b>Other Provisions of Interest:</b> Calls on USACE to study and construct new or enlarge existing small water storage programs in rural states in partnership with a non-federal interest. \$130 million is authorized annually and individual projects are capped at \$65 million. The federal share is 75%.</p> <p>Calls on USACE and the National Academy of Sciences to conduct a study on the ability of federal agencies to coordinate with each other as well as state and local agencies, communities, universities, consortiums and other key stakeholders to facilitate the sharing of water allocation, supply and water data. NAS will share their findings with Congress and make recommendations. \$3.9 million is authorized for this study.</p> <p>Calls on USACE to report to Congress on the implementation of WRRDA (2014), WIIN (2016), and AWIA (2018). Also authorizes \$50 million to complete any reports that have not yet been done in these statutes.</p> |

**CALIFORNIA LEGISLATION**

In 2020, Governor Newsom announced a \$40 million FY2021-2022 program directly related to SGMA implementation along with a multi-agency task force to look at California’s water needs. The COVID-19 pandemic, however; created significant budget strain on the State and the appropriation was removed from the budget package.

As mentioned in the Executive Summary, the 2021 proposed State budget includes a \$60 million provision to provide grants through the State Department of Water Resources for groundwater management projects in critically overdrafted groundwater basins. We are also reviewing other provisions of the budget proposal to determine if there are other funding sources that the projects could leverage.



## STRATEGIC FUNDING OPTIONS

The complexity of the Project and the magnitude of the cost-estimates will likely require IWVGA to obtain funding through a combination of sources including federal, State, and other sources combined with a local-match amount depending on the transfer partner.

At the request of an IWVGA Board Member, Capitol Core inquired on the possibility of a single funding source (e.g. the Department of Defense) providing finance for the interconnection project. Our inquiries were met with a negative response from all parties (U.S. Senate, U.S. House, Department of Defense) and we believe that obtaining funds from a single source is highly unlikely. Further complicating the single-source solution is the needed repair to the Naval Air Weapons Station at China Lake that the recent earthquake caused, creating an estimated \$4 billion priority over compliance with SGMA.

Our “Order of Magnitude Request (OMR),” to Federal and State agencies was based upon a reasonable shared-cost principal for multi-year funding of the “project.” We caution the Authority that increasing funding requests beyond “reasonable” levels may jeopardize the entire request. However, we recognize that determining “reasonable” is very subjective. The “OMRs” reflected below are our best recommended amounts.

As funding amounts are needed in future years, Capitol Core will use the OMRs to position IWVGA with Federal and State policymakers to make specific funding requests in appropriate fiscal year budgets beginning in Fiscal Year 2022. Should authorizing legislation be required in order to make the appropriations request, that legislation would be required at least one fiscal year prior to the appropriations request. For example, if a funding request under DCIP was made in FY2022 but additional funding authorization through the Department of Defense was required, the funding authorization would need to be made in 2020. Recommended programs that require further authorizations are noted within each program area.

## OVERALL

### **Loan Programs**

Four of the identified State and Federal Programs are large-scale loans with terms ranging from 25 to 35 years (maximum) and interest rates of 2.175% to 4.56%. The programs include WIFIA, RIFIA, Department of Agriculture, and California State Revolving Fund. Eligibility under WIFIA, RIFIA and the State Revolving Fund loan programs has been determined. Eligibility of the project under the Department of Agriculture is questionable due to the “rural communities” definition and will require further clarification. We therefore did not include the Department of Agriculture loan program in our considerations as the other loan programs provided a more definitive eligibility and favorable terms.

A WIFIA/RIFIA/SRF loan is included in our considerations. These amounts may range from \$5 million to \$86 million. While not ideal due to long-term encumbrances, these loan programs may be necessary depending on the transfer partner project chosen by the Board or to cover costs not otherwise available in the General Fund during the needed fiscal year.

## Grants

The project is eligible for three grant programs:

- WaterSMART
- Small Community Grant Fund
- Groundwater Grant Fund

These grants cover smaller amounts, ranging from \$400,000 to \$3 million in awards. They are highly competitive and require significant staff time for application development (30 to 100 personnel hours). The grants are subject to program re-authorization by the U.S. Congress or California Legislature in specific years and are subject to annual appropriations by the Legislative bodies. The grants afford the opportunity to obtain planning/engineering costs for the project as well as direct construction costs.

We have included application to all three of these within our Strategic Funding Plan recommendations. Due to the project timeline, applications would be submitted no earlier than FY2021. We are recommending seeking grants in the amount of \$6 million over the course of the infrastructure project. The Board should anticipate the staff time required for grant application preparation over the course of the project period.

## Direct Appropriation/Budget/Authorization

Capitol Core anticipates the need to seek direct project authorization and/or appropriation through both the United States Congress and the State Legislature. In the case of DCIP, IWVGA may be required to seek additional authorization amounts to specifically cover the project needs (e.g. “Plus Up”) within the Department of Defense Budget. A similar process may be required to seek funding under REPI. A direct budget request, through the Department of Defense (e.g. “Plus Up”) is also an alternative. That alternative may conflict, however, with NAWSCL’s budget needs required for the earthquake repair.

While the infrastructure project is eligible under WRDA for direct authorization, Capitol Core did not include it within our recommendations. WRDA amounts are typically well below the \$15 million request, which may harm the overall chances of passage by the U.S. Congress. Further, involvement of the Army Corps of Engineers, who administers WRDA funding and oversees such projects, in the project may complicate U.S. Navy involvement due to increased oversight requirements (e.g. EIS and EIR; flood control; and environmental considerations).

Capitol Core recommends seeking a direct authorization of the infrastructure project through the Department of Defense. This may occur through REPI, DCIP or direct budget. Our conversations with the Assistant Secretary of Defense and Assistant Secretary of the Navy staff would indicate they are in the very preliminary stages of dealing with the consequences of SGMA. Our briefings and project updates were some of the first they had heard. This may provide an opportunity to position IWVGA as a leader within SGMA compliance and seeking funding for the infrastructure project.

For State funding, there are few alternatives beyond seeking a direct appropriation for the project. A multi-year appropriation (“earmark”) will be required beginning as early as FY2022. Legislative support for this course of action was minimal. While the Governor’s office recognizes the impact of SGMA compliance on



water agencies during his term in office, the California Legislature is largely unaware of the cost-magnitude. A coalition seeking authorization of combined project costs for agencies remains a future possibility. However, we currently anticipate individual agencies seeking State funds through direct appropriation.

**Water Costs Estimates Interconnection Project**

As stated in our August Technical Memo, we estimate that the water cost to deliver through the AVEK route is approximately \$1,475 per acre-foot in year one. Assuming a 3,000 acre-foot need, the first-year water cost would be \$4,425,000.

As stated in our August Water Technical Memo, we assume the purchase of 3,000 acre-feet of water. We provided 10 potential scenarios of where this water might come from. These average costs range from \$3,400,278 to \$5,261,263, depending on sources, costs, etc.

**Operating Cost Estimates Interconnection Project**

Ongoing/annual operating costs are not included in our project cost estimates and are likely ineligible for State or Federal Funding. They are included herein, only to provide a total cost estimate for the Project.

The total annual O&M costs for the AVEK interconnection project would be \$8,140,000. The annual operations & maintenance (O&M) costs would consist of regular maintenance of and power supply for the booster pump stations. The annual service costs would include a transportation fee, a wheeling fee, and a treatment fee, all of which would be applied volumetrically.

Ongoing/annual operating costs are not included in our project cost estimates and are likely ineligible for State or Federal Funding. They are included herein, only to provide a total cost estimate for the Project.

The total annual O&M costs for the LADWP interconnection project would be \$180,000 per the Stetson Engineers estimates. The annual O&M costs would consist of regular maintenance of the surface spreading grounds. The annual service costs would include a transportation fee and a wheeling fee, both applied volumetrically.

**Cost Summary Estimates Interconnection Project**

**Scenario 1**

|                            |                     |                     |                        |
|----------------------------|---------------------|---------------------|------------------------|
| Loan Amount                | Est. Financing Fees | Req. Federal Direct | Applied Federal Grants |
| \$86,730,000.00            | \$350,000.00        | \$15,000,000.00     | \$3,000,000.00         |
| Req. State Direct          | State Grants        | Local Match         | Interest Paid          |
| \$15,000,000.00            | \$3,000,000.00      | \$54,270,000.00     | \$31,330,333.00        |
| <b>Total Project Costs</b> |                     |                     |                        |
| <b>\$208,680,333.00</b>    |                     |                     |                        |



| Finance Carrying Costs      | Annual O&M     | Annual Service Costs | Annual Water Costs |
|-----------------------------|----------------|----------------------|--------------------|
| \$3,934,344.00              | \$2,280,000.00 | \$5,860,000.00       | \$4,425,000*       |
| <b>Annual Project Costs</b> |                |                      |                    |
| <b>\$16,499,344.00</b>      |                |                      |                    |

\*Assumes year one water costs as 3,000 AF. Water costs will escalate in later years.

### Scenario 2

| Req. Federal Direct         | Applied Federal Grants | Req. State Direct          | Applied State Grants       |
|-----------------------------|------------------------|----------------------------|----------------------------|
| \$15,000,000.00             | \$3,000,000.00         | \$15,000,000.00            | \$3,000,000.00             |
| <b>Outside Contribution</b> |                        | <b>Local Matching Fund</b> |                            |
| \$17,000,000.00             |                        | \$2,000,000.00             |                            |
|                             |                        |                            | <b>Total Project Costs</b> |
|                             |                        |                            | <b>\$55,000,000.00</b>     |

| Annual O&M                              | Annual Services Costs | Annual Water Costs                   |
|---|-----------------------|--------------------------------------|
| \$180,000.00                            | \$4,260,000.00        | \$3,400,278.00 to<br>\$5,261,263.00* |
| <b>Annual Project Costs</b>             |                       |                                      |
| <b>\$7,840,278.00 to \$9,701,263.00</b> |                       |                                      |

\*Assumes 3,0000 AF of water purchases in the average ranges presented in the August Water Technical Memo

{Remainder of page intentionally left blank}



## PROGRAM SUMMARY CHART

| Program  | Type            | WWTP Eligibility              | Date      | Interconnection Project Eligibility | Date      |
|--|-----------------|-------------------------------|-----------|-------------------------------------|-----------|
| WIFIA (EPA)                                    | Loan            | Yes                           | 2022-2023 | Yes                                 | 2026      |
| WaterSMART (BOR)                               | Grant           | Yes                           | 2022-2923 | Yes                                 | 2024-2026 |
| DCIP (DOD)                                     | Grant           | Yes                           | 2022-2023 | Yes                                 | 2026-2028 |
| REPI (DOD)                                     | Land Purchase   | Undetermined                  |           | Yes                                 | 2026      |
| WRDA (USACE)                                   | Federal Project | Undetermined                  |           | Requires Authorization              | 2026-2030 |
| Title XVI (BOR)                                | Federal Project | Requires Authorization        | 2023      | No                                  |           |
| CFP and RUS (USDA)                             | Award           | Undetermined                  |           | Undetermined                        |           |
| CWSRF (California/EPA)                         | Loan            | Potentially                   | 2022-2023 | Yes                                 | 2024      |
| DWSRF  | Loan            | Yes                           | 2022-2023 | Yes                                 | 2024      |
| Direct Legislative Authorization (Independent) | Federal Project | Possible (DOD, BOR and USACE) | 2022      | Possible (DOD, USACE)               | 2024      |
| Direct Appropriation (multi-year)              | Federal Project | Potentially                   |           | Possible (DOD)                      | 2026-2030 |





CAPITOL  
**CORE**  
GROUP

Educate • Advocate • Win

[WWW.CAPITOLCORE.COM](http://WWW.CAPITOLCORE.COM)



*The page intentionally blank*

## **IWVGA January 2021 Report- Michael Sims (Lead Leak Detection Specialist)**

January 4 – 8: Gathering data on Inyokern CSD, Westend and Argus and revising report template.

January 12: Meet onsite with Tony to go over maps and get some concise information on the whereabouts of the valves tied into Argus from Trona MHP. It was quite the journey through hills and brushy terrain. After the journey, Tony showed us where there were other opportunities for finding buried valves.

The maps received were just a bird's eye view, my team and I have many questions to ask on concerned areas. Addressing concerns usually causes more time on our part on each system. Having cooperation with the system's operators and management is key to us doing the best job possible.

January 12: To Searles Valley, onsite preparing to do a full day system leak audit at Argus

January 13: Onsite full day system leak audit at Argus

January 14: Onsite full day system leak audit at Argus

January 18 – 22: We continued to gather information from the team's equipment and pictures. The systems were mapped and the boundary lines were revised, according to Tony at Searles Domestic Water Company, on Diamond Maps. Also, telecommunication via email with Audrey in getting the meter routes for Trona and Pioneer Point.

January 26: To Searles Valley, onsite full day system leak audit at Argus

January 27: Onsite full day system leak audit at Argus

January 28: Onsite half day system leak audit at Argus

January 29: Gathering information from team on this week's leak survey

*The page intentionally blank*



**WaterWise**  
Consulting, Inc.  
"Conserving our natural resources for future generations"

# WATER CONSERVATION REBATE PROGRAM

## Indian Wells Valley Groundwater Authority Monthly Report

January 2021

**Ajay Dhawan**

President, WaterWise Consulting, Inc.  
ADhawan@WaterWise-Consulting.com

**Rebecca Shields Moose**

Program Manager, Water Conservation Rebate Program  
RShieldsMoose@WaterWise-Consulting.com

## Contents

|   |   |
|---|---|
| Month Seven Summary                     | 3 |
| Overview                                | 3 |
| Marketing and Outreach                  | 3 |
| Program Applicants and Customer Service | 3 |
| Budget                                  | 3 |
| In Closing                              | 3 |
| Month Seven                             | 3 |

## Month Seven Summary

### Overview

In June 2020 Indian Wells Valley Groundwater Authority (IWVGA) and WaterWise Consulting (WWC) entered into a contract to provide a rebate program to Severely Disadvantaged Communities (SDACs) within the IWVGA area. This water conservation program provides rebates to both residential and commercial sites for the installation of high-efficiency water devices. The program is funded for 10 months of administration, and is set to conclude in May 2021. In January work continued on outreach and marketing to raise awareness of the new program.

### Marketing and Outreach

The program launched in August. Program marketing continued through January. Phone calls were made to local businesses, coffee shops, restaurants and gas stations, to inform them of the program and offer postcards to distribute. This generated some interest but no applications, and the phone calls will continue in February.

### Program Applicants and Customer Service

Response to the program marketing remains low. Our only customer calls regarding the program were in response to voicemails we left with local businesses. Staff were available during business hours Monday through Friday for incoming calls, emails, and to mail out printed copies of applications or postcards as needed.

### Budget

Total costs in January were \$5,000. This consisted of the \$5,000 monthly administration fee. Remaining program budget at the end of January was \$102,660.

## In Closing

### Month Seven

With continued lack of applications, month seven saw ongoing outreach efforts to better reach eligible customers. Direct contacts to local businesses produced some initial positive responses, though no applications have yet been submitted. Concern over lack of applications will drive further marketing and outreach until we see the expected levels of program participation.

*The page intentionally blank*