

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, September 8, 2021

Closed Session 10:00 a.m.

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

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

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact April Keigwin at (805) 764-5452. Requests must be made as early as possible and at least one full business day before the start of the meeting. Documents and material relating to an open session agenda items that are provided to the IWVGA Board of Directors prior to a regular meeting will be available for public inspection and copying at Ridgecrest City Hall, 100 W California Ave, Ridgecrest, CA 93555, or online at <https://iwvga.org/>.

Statements from the Public

The public will be allowed to address the Board during Public Comments about subjects within the jurisdiction of the IWVGA Board and that are NOT on the agenda. No action may be taken on off-agenda items unless authorized by law. Questions posed to the Board may be answered after the meeting or at future meeting. Dialog or extended discussion between the public and the Board or staff will be limited in accordance with the Brown Act. All Public Comment portions of the meeting shall be limited to three (3) minutes per speaker. Each person is limited to one comment during Public Comments.

1. CALL TO ORDER

2. PUBLIC COMMENT ON CLOSED SESSION

3. CLOSED SESSION

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

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

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

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

5. PUBLIC COMMENT

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

6. CONSENT AGENDA

- a. Approve Minutes of Board Meeting August 11, 2021
- b. Approve Expenditures
 - *To view itemized invoices please visit <https://iwvga.org/iwvga-meetings>*
 - i. \$63,149.64 – Stetson Engineers
 - ii. \$18,302.50 – Regional Government Services – (Replenishment / Extraction)
 - iii. \$23,837.50 – Capitol Core Group (July & August) – (Replenishment)

7. WATER RESOURCES MANAGER REPORT

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

8. SEARLES VALLEY MINERALS FACILITIES TOUR

9. STETSON STAFF TEAM RATES

10. GENERAL MANAGER'S REPORT

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

11. PAC/TAC REPORT

12. CLOSING COMMENTS

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

13. DATE OF NEXT MEETING – OCTOBER 13, 2021

14. ADJOURN

PUBLIC COMMENT NOTICE

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

- **Watch meetings on-line:**

All of our meetings are streamed live at <https://ridgecrest-ca.gov/369/Watch> (4 second streaming delay) or on YouTube at <https://www.youtube.com/cityofridgecrest/live> (22 second streaming delay) and are also available for playback after the meeting.

- **Call in for public comments:**

If you wish to make verbal comment, *please call (760) 499-5010*. This phone line will allow only one caller at a time, so if the line is busy, please continue to dial. We will be allowing a 20-30 second pause between callers to give time for media delays and callers to dial in. Due to media delays, please mute your streaming device while making public comment. If you wish to comment on multiple items, you will need to call in as each item is presented.

*Please Note – This process will be a learning curve for all, *please be patient*.

- **Submit written comments:**

We encourage submittal of written comments supporting, opposing, or otherwise commenting on an agenda item, for distribution to the Board prior to the meeting. Send emails to akeigwin@rgs.ca.gov written correspondence may be sent to April Keigwin, Clerk of the Board, 100 W. California Ave., Ridgecrest, CA 93555. Please specify to which agenda item your comment relates.

- **Large Groups:**

If you are part of a large group that would like to comment on an agenda item, please consider commenting in writing. This will be as impactful to the Board as having a large group in attendance.

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INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

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

BOARD OF DIRECTORS MEETING MINUTES Wednesday, August 11, 2021; 10:00 a.m.

IWVGA Members Present:

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

Attending via teleconference is Tim Itnyre, Zack Scrivner, John Vallejo, and Carol Thomas-Keefer.

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 10:14 a.m.

2. PUBLIC COMMENT ON CLOSED SESSION:

The Board hears public comment from Renee Westa-Lusk.

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

3. CLOSED SESSION:

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

Closed Session adjourned at 11:27 a.m.

4. OPEN SESSION:

Meeting reconvenes into Open Session at 11:34 a.m.

a. Report on Closed Session:

Counsel Lemieux reports litigation against Frank Bellino has been settled with the agreement that all delinquent fees and missing pumping data will be brought current. Both the Mojave Pistachios (MP) and Searles Valley Minerals (SVM) filings have been dismissed and any claims against the replenishment fee will not go forward. SVM and MP were granted a leave to amend their complaints to challenge something other than the replenishment fee. Inyokern CSD submitted a letter of intention to not pay the extraction fee. Board has unanimously authorized the Law Offices of Olivarez Madruga Lemieux and O'Neill to file an action against Inyokern CSD to collect money owed as well as an order directing them to pay the fee going forward.

b. The Pledge of Allegiance is led by Chairman Hayman

c. April Keigwin calls the following roll call:

| | |
|--------------------|---------|
| Chairman Hayman | Present |
| Vice Chair Rajtora | Present |
| Director Itnyre | Present |
| Director Scrivner | Present |
| Director Vallejo | Present |

5. PUBLIC COMMENT:

The Board hears public comment from Lyle Fisher, Mike Neel, Shirley Kirkpatrick, Judie Decker, and Renee Westa-Lusk.

6. CONSENT AGENDA:

a. Approve Minutes of Board Meeting July 14, 2021

b. Approve Letter to Mission Bank

c. Approve Expenditures

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

i. \$46,375.72 – Stetson Engineers

ii. \$18,876.25 – Regional Government Services

Vice Chair Rajtora asks to pull agenda item 6.c.i and 6.c.ii for further discussion.

Motion made by Stan Rajtora and seconded by Scott Hayman to approve Minutes of Board Meeting July 14, 2021 with amendment to Navy DOD Liaison representative present for the July meeting, and the letter to Mission Bank.

Motion carries by the following roll call vote:

| | |
|--------------------|-----|
| Chairman Hayman | Aye |
| Vice Chair Rajtora | Aye |
| Director Itnyre | Aye |
| Director Scrivner | Aye |
| Director Vallejo | Aye |

Motion made by Stan Rajtora and seconded by Scott Hayman to approve agenda item 6.c.i – expenditure in the amount of \$46,375.72 to Stetson Engineers, and 6.c.ii – expenditure in the amount of \$18,876.25 to Regional Government Services.

Motion carries by the following roll call vote:

| | |
|--------------------|-----|
| Chairman Hayman | Aye |
| Vice Chair Rajtora | Aye |
| Director Itnyre | Aye |
| Director Scrivner | Aye |
| Director Vallejo | Aye |

7. WATER RESOURCES MANAGER REPORT:

Steve Johnson, Joseph Montoya, Jeff Helsley, and Heather Steele provide updates on the following grants/programs:

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

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

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

Carol Thomas-Keefer and Joseph Montoya present the agreement addendum (documents made available on the IWVGA website).

Motion made by Scott Hayman and seconded by Stan Rajtora to approve Addendum No. 1 to Agreement No. 03-19 with California Rural Water Association.

Motion carries by the following roll call vote:

| | |
|--------------------|-----|
| Chairman Hayman | Aye |
| Vice Chair Rajtora | Aye |
| Director Itnyre | Aye |
| Director Scrivner | Aye |
| Director Vallejo | Aye |

9. BOARD DISCUSSION ON FINANCING THE REPLENISHMENT FEE:

Carol Thomas-Keefer presents a staff report and supporting documentation (documents made available on the IWVGA website).

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

Motion made by John Vallejo and seconded by Scott Hayman to approve sending a letter requesting the Indian Wells Valley Water District (IWVWD) to add a Replenishment Fee Finance Discussion to the next IWVWD Board Meeting Agenda.

Motion carries by the following roll call vote:

| | |
|--------------------|---------|
| Chairman Hayman | Aye |
| Vice Chair Rajtora | Abstain |
| Director Itnyre | Aye |
| Director Scrivner | Aye |
| Director Vallejo | Aye |

Chairman Hayman calls for a recess at 1:23 p.m.

Meeting reconvenes at 1:45 p.m.

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

Carol Thomas-Keefer presents staff report for PAC and TAC reengagement (documents made available on the IWVGA website).

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

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

Counsel Lemieux presents the staff report and Resolution (documents made available on the IWVGA website).

Motion made by Stan Rajtora and seconded by Tim Itnyre to approve Resolution 06-21 adopting amendments to section 5.4, 5.5, 5.7 and 5.9 of the Bylaws with one edit to page 2 section 4 line 3 of the resolution correcting 5.9 to 5.5.

Motion carries by the following roll call vote:

| | |
|--------------------|-----|
| Chairman Hayman | Aye |
| Vice Chair Rajtora | Aye |
| Director Itnyre | Aye |
| Director Scrivner | Aye |
| Director Vallejo | Aye |

12. GENERAL MANAGER’S REPORT:

Carol Thomas-Keefer provides updates on the following: Monthly Financial Update, Severely Disadvantaged Communities (SDAC) Program, and Past Due Accounts. Jeff Simonetti of Capitol Core Group provides a technical memorandum (documents made available on the IWVGA website).

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

13. CLOSING COMMENTS:

Commander Peter Benson announces he is retiring as the Public Works Officer for the United States Navy. Commander Benjamin Turner will be assuming his position as Navy DOD Liaison for the IWVGA.

Vice Chair Rajtora thanks staff for putting together a plan to reengage the PAC and TAC. Rajtora thanks the public for attending the meeting.

Director Itnyre thanks Board and staff for their hard work put in to these meetings.

Chairman Hayman thanks Commander Benson for his time put in with both the Navy and the IWVGA and welcomes Commander Benjamin Turner. Hayman thanks Director Itnyre for participating in the town hall meeting held in Trona.

14. DATE OF NEXT MEETING – SEPTEMBER 8, 2021

15. ADJOURN:

Chairman Hayman adjourns the meeting at 3:00 p.m. on August 11, 2021.

Respectfully submitted,

April Keigwin
Clerk of the Board
Indian Wells Valley Groundwater Authority

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Invoice

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

Invoice Number: 2652-48
Invoice Date: 08/24/21

Project #: 2652 Indian Wells Valley Groundwater Authority

Professional Services through 7/31/2021

Water Resources Management

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

| Professional Services | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u> |
|---|-------------------|------------------|-------------------|
| Principal | 2.00 | \$230.00 | \$460.00 |
| Supervisor I | 4.75 | \$200.00 | \$950.00 |
| Senior Associate | 0.50 | \$120.00 | \$60.00 |
| Associate III | 17.00 | \$105.00 | \$1,785.00 |
| Assistant I | 1.00 | \$95.00 | \$95.00 |
| <i>Professional Services Subtotal:</i> | | | <u>\$3,350.00</u> |
| Reimbursables | | | <u>Charge</u> |
| Telephone - Conference Call | | | \$79.58 |
| <i>Reimbursables Subtotal:</i> | | | <u>\$79.58</u> |
| <i>POAM No. 15,16 Prop 1 Grant Administration Subtotal:</i> | | | <u>\$3,429.58</u> |

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

| Professional Services | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u> |
|---|-------------------|------------------|-----------------|
| Supervisor I | 2.00 | \$200.00 | \$400.00 |
| Associate III | 2.00 | \$105.00 | \$210.00 |
| <i>Professional Services Subtotal:</i> | | | <u>\$610.00</u> |
| <i>2021 SDAC Program Support: Water Auditt, Leak Detection & Repair Subtotal:</i> | | | <u>\$610.00</u> |

39 - 2021 Pump Fee Support

| Professional Services | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u> |
|--|-------------------|------------------|-----------------|
| Associate III | 3.75 | \$105.00 | \$393.75 |
| <i>Professional Services Subtotal:</i> | | | <u>\$393.75</u> |
| <i>2021 Pump Fee Support Subtotal:</i> | | | <u>\$393.75</u> |

40 - 2021 General Engineering

| Professional Services | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u> |
|---|-------------------|------------------|-------------------|
| Supervisor I | 7.00 | \$200.00 | \$1,400.00 |
| Senior Associate | 3.00 | \$120.00 | \$360.00 |
| Associate III | 2.50 | \$105.00 | \$262.50 |
| <i>Professional Services Subtotal:</i> | | | <u>\$2,022.50</u> |
| <i>2021 General Engineering Subtotal:</i> | | | <u>\$2,022.50</u> |

41 - 2021 Production Reporting Support

| Professional Services | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u> |
|------------------------------|-------------------|------------------|---------------|
| Principal | 4.00 | \$230.00 | \$920.00 |
| Associate III | 1.25 | \$105.00 | \$131.25 |



41 - 2021 Production Reporting Support

| | |
|--|-------------------|
| <i>Professional Services Subtotal:</i> | <u>\$1,051.25</u> |
| <i>2021 Production Reporting Support Subtotal:</i> | <u>\$1,051.25</u> |

42 - TSS Coordination: Drilling Support

Professional Services

| | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u> |
|--|-------------------|------------------|----------------|
| Assistant I | 0.25 | \$95.00 | \$23.75 |
| <i>Professional Services Subtotal:</i> | | | <u>\$23.75</u> |

| | |
|---|----------------|
| <i>TSS Coordination: Drilling Support Subtotal:</i> | <u>\$23.75</u> |
|---|----------------|

45 - 2021 Annual Report

Professional Services

| | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u> |
|--|-------------------|------------------|-------------------|
| GIS Manager | 1.00 | \$115.00 | \$115.00 |
| Assistant I | 15.25 | \$95.00 | \$1,448.75 |
| <i>Professional Services Subtotal:</i> | | | <u>\$1,563.75</u> |

| | |
|-------------------------------------|-------------------|
| <i>2021 Annual Report Subtotal:</i> | <u>\$1,563.75</u> |
|-------------------------------------|-------------------|

46 - 2021 Data Management System Support

Professional Services

| | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u> |
|--|-------------------|------------------|-------------------|
| Associate I | 17.75 | \$115.00 | \$2,041.25 |
| <i>Professional Services Subtotal:</i> | | | <u>\$2,041.25</u> |

| | |
|--|-------------------|
| <i>2021 Data Management System Support Subtotal:</i> | <u>\$2,041.25</u> |
|--|-------------------|

51 - 2021 Meetings and Prep

Professional Services

| | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u> |
|--|-------------------|------------------|--------------------|
| Principal | 31.00 | \$230.00 | \$7,130.00 |
| Supervisor I | 20.00 | \$200.00 | \$4,000.00 |
| Senior Associate | 15.00 | \$120.00 | \$1,800.00 |
| Associate III | 12.50 | \$105.00 | \$1,312.50 |
| <i>Professional Services Subtotal:</i> | | | <u>\$14,242.50</u> |

Reimbursables

| | <u>Charge</u> |
|--------------------------------|-----------------|
| Car Rental | \$43.11 |
| Lodging | \$89.87 |
| <i>Reimbursables Subtotal:</i> | <u>\$132.98</u> |

| | |
|---|--------------------|
| <i>2021 Meetings and Prep Subtotal:</i> | <u>\$14,375.48</u> |
|---|--------------------|

53 - 2021 General Project Management

Professional Services

| | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u> |
|--|-------------------|------------------|-------------------|
| Supervisor I | 7.50 | \$200.00 | \$1,500.00 |
| Senior Associate | 9.00 | \$120.00 | \$1,080.00 |
| Associate III | 6.00 | \$105.00 | \$630.00 |
| Contract Management | 0.25 | \$100.00 | \$25.00 |
| <i>Professional Services Subtotal:</i> | | | <u>\$3,235.00</u> |

| | |
|--|-------------------|
| <i>2021 General Project Management Subtotal:</i> | <u>\$3,235.00</u> |
|--|-------------------|

55 - 2021 Grant Review/Application

Professional Services

| | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u> |
|--|-------------------|------------------|-----------------|
| Associate III | 9.00 | \$105.00 | \$945.00 |
| <i>Professional Services Subtotal:</i> | | | <u>\$945.00</u> |

| | |
|--|-----------------|
| <i>2021 Grant Review/Application Subtotal:</i> | <u>\$945.00</u> |
|--|-----------------|

56 - 2021 Model Transfer and Upgrade



56 - 2021 Model Transfer and Upgrade

| Professional Services | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u> |
|--|-------------------|------------------|-------------------|
| Principal | 3.50 | \$230.00 | \$805.00 |
| Supervisor I | 14.50 | \$200.00 | \$2,900.00 |
| <i>Professional Services Subtotal:</i> | | | <u>\$3,705.00</u> |
| <i>2021 Model Transfer and Upgrade Subtotal:</i> | | | <u>\$3,705.00</u> |

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

| Professional Services | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u> |
|--|-------------------|------------------|-------------------|
| Principal | 9.00 | \$230.00 | \$2,070.00 |
| <i>Professional Services Subtotal:</i> | | | <u>\$2,070.00</u> |
| <i>Navy/Coso Royalty Fund: Develop FY22 Project & Secure Funding Subtotal:</i> | | | <u>\$2,070.00</u> |

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

| Professional Services | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u> |
|--|-------------------|------------------|-------------------|
| Principal | 5.50 | \$230.00 | \$1,265.00 |
| Associate I | 2.00 | \$115.00 | \$230.00 |
| <i>Professional Services Subtotal:</i> | | | <u>\$1,495.00</u> |
| <i>Navy/Coso Royalty Fund: 2021 Rose Valley MW Permitting, Bid Doc Support & Dri</i> | | | <u>\$1,495.00</u> |

59 - 2021 Data Collection

| Professional Services | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u> |
|--|-------------------|------------------|--------------------|
| Supervisor I | 17.50 | \$200.00 | \$3,500.00 |
| Senior Associate | 1.00 | \$120.00 | \$120.00 |
| Associate I | 30.50 | \$115.00 | \$3,507.50 |
| Assistant I | 6.00 | \$95.00 | \$570.00 |
| <i>Professional Services Subtotal:</i> | | | <u>\$7,697.50</u> |
| Reimbursables | | | <u>Charge</u> |
| Car Rental | | | \$493.02 |
| Lodging | | | \$178.85 |
| Meals | | | \$25.70 |
| <i>Reimbursables Subtotal:</i> | | | <u>\$697.57</u> |
| Sub-Contractors | | | <u>Charge</u> |
| Board of Regents | | | \$2,449.51 |
| <i>Sub-Contractors Subtotal:</i> | | | <u>\$2,449.51</u> |
| <i>2021 Data Collection Subtotal:</i> | | | <u>\$10,844.58</u> |

60 - 2021 Imported Water: Negotiations and Coordination

| Professional Services | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u> |
|---|-------------------|------------------|-------------------|
| Principal | 3.00 | \$230.00 | \$690.00 |
| Associate III | 10.50 | \$105.00 | \$1,102.50 |
| <i>Professional Services Subtotal:</i> | | | <u>\$1,792.50</u> |
| <i>2021 Imported Water: Negotiations and Coordination Subtotal:</i> | | | <u>\$1,792.50</u> |

61 - 2021 Imported Water: Engineering and Analysis

| Professional Services | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u> |
|--|-------------------|------------------|-------------------|
| Associate III | 13.00 | \$105.00 | \$1,365.00 |
| Technical Illustrator | 0.50 | \$85.00 | \$42.50 |
| <i>Professional Services Subtotal:</i> | | | <u>\$1,407.50</u> |
| <i>2021 Imported Water: Engineering and Analysis Subtotal:</i> | | | <u>\$1,407.50</u> |

62 - 2021 Recycled Water



62 - 2021 Recycled Water

Professional Services

| | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u> |
|------------------|-------------------|------------------|---------------|
| Principal | 10.50 | \$230.00 | \$2,415.00 |
| Supervisor I | 19.00 | \$200.00 | \$3,800.00 |
| Senior Associate | 0.50 | \$120.00 | \$60.00 |
| GIS Manager | 4.00 | \$115.00 | \$460.00 |
| Associate III | 16.25 | \$105.00 | \$1,706.25 |
| Assistant I | 23.50 | \$95.00 | \$2,232.50 |

Professional Services Subtotal: \$10,673.75

2021 Recycled Water Subtotal: \$10,673.75

63 - 2021 Shallow Well Mitigation Program: Plan Development

Professional Services

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

Professional Services Subtotal: \$60.00

2021 Shallow Well Mitigation Program: Plan Development Subtotal: \$60.00

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

Professional Services

| | <u>Bill Hours</u> | <u>Bill Rate</u> | <u>Charge</u> |
|------------------|-------------------|------------------|---------------|
| Principal | 5.00 | \$230.00 | \$1,150.00 |
| Supervisor I | 1.00 | \$200.00 | \$200.00 |
| Senior Associate | 0.50 | \$120.00 | \$60.00 |

Professional Services Subtotal: \$1,410.00

2021 Litigation Support – Searles Valley Minerals & Mojave Pistachios Subtotal: \$1,410.00

***Water Resources Management Subtotal:* \$63,149.64**

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

\$63,149.64



REIMBURSABLE SUMMARY

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

Invoice Number: 2652-48
Invoice Date: 08/24/21

Project #: 2652 **Indian Wells Valley Groundwater Authority**
 Manager: Stephen Johnson

Professional Services through 07/31/2021

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

Reimbursables

| <u>Description</u> | <u>Date</u> | <u>Units</u> | <u>Unit Rate</u> | <u>Charge</u> | <u>Notes</u> |
|-----------------------------|-------------|--------------|------------------|---|--------------|
| Telephone - Conference Call | 07/30/2021 | 1.00 | \$79.58 | \$79.58 | |
| | | | | POAM No. 15,16 Prop 1 Grant Administration Sub-Total: | \$79.58 |

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> |
|--------------------|-------------|--------------|------------------|-----------------------------------|--------------|
| Car Rental | 07/14/2021 | 1.00 | \$43.11 | \$43.11 | |
| Lodging | 07/14/2021 | 1.00 | \$89.87 | \$89.87 | |
| | | | | 2021 Meetings and Prep Sub-Total: | \$132.98 |

59 - 2021 Data Collection

Reimbursables

| <u>Description</u> | <u>Date</u> | <u>Units</u> | <u>Unit Rate</u> | <u>Charge</u> | <u>Notes</u> |
|--------------------|-------------|--------------|------------------|---------------|--------------|
| Meals | 07/08/2021 | 1.00 | \$17.72 | \$17.72 | |
| Car Rental | 07/09/2021 | 1.00 | \$387.22 | \$387.22 | |
| Car Rental | 07/09/2021 | 1.00 | \$105.80 | \$105.80 | |
| Lodging | 07/09/2021 | 1.00 | \$178.85 | \$178.85 | |
| Meals | 07/09/2021 | 1.00 | \$7.98 | \$7.98 | |

Sub-Contractors

| <u>Description</u> | <u>Date</u> | <u>Units</u> | <u>Unit Rate</u> | <u>Charge</u> | <u>Notes</u> |
|--------------------|-------------|--------------|------------------|---------------------------------|--------------|
| Board of Regents | 06/30/2021 | 1.00 | \$2,449.51 | \$2,449.51 | |
| | | | | 2021 Data Collection Sub-Total: | \$3,147.08 |

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PO Box 1350
Carmel Valley, CA 93924

Invoice

| Date | Invoice # |
|-----------|-----------|
| 7/31/2021 | 12342 |

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

| P.O. No. | Due Date | Inv Sent |
|----------|-----------|-----------|
| | 9/10/2021 | 8/20/2021 |

| Date | Description | Amount |
|-----------|--|--------|
| 7/31/2021 | Reimbursable Expenses for City of Ridgecrest Monthly Rent (\$300 -please see attached) | 300.00 |

| | | | |
|--|--|--------------|-----------------|
| | | Total | \$300.00 |
|--|--|--------------|-----------------|

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

by and between

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

AGREEMENT:

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

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

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

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

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

6. Rental Consideration:

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

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

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PO Box 1350
Carmel Valley, CA 93924

Invoice

| Date | Invoice # |
|-----------|-----------|
| 7/31/2021 | 12303 |

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

| P.O. No. | Due Date | Inv Sent |
|----------|-----------|-----------|
| | 8/31/2021 | 8/13/2021 |

| Date | Description | Amount |
|-----------|--|-----------|
| 7/31/2021 | Contract Services for July - please see attached | 18,002.50 |

| | | | |
|--|--|--------------|--------------------|
| | | Total | \$18,002.50 |
|--|--|--------------|--------------------|

Indian Wells Valley

Month: **Jul, 2021**

| Hours and Rates by Pay Period | | | | | |
|-------------------------------|--------------|-----------|--------------|-----------|---------------------|
| | 1st -15th | | 16th - EOM | | Monthly |
| Advisor Name | Reg Hrs | Bill Rate | Reg Hrs | Bill Rate | Total Billed |
| Carol Thomas-Keefer | 19.50 | \$ 125.00 | 8.75 | \$ 125.00 | \$ 3,531.25 |
| April Keigwin | 70.00 | \$ 100.00 | 71.00 | \$ 100.00 | \$ 14,100.00 |
| Jefferson Kise | 1.75 | \$ 135.00 | 1.00 | \$ 135.00 | \$ 371.25 |
| | | | | | |
| | | | | | |
| | | | | | |
| Totals | 91.25 | | 80.75 | | \$ 18,002.50 |

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**CAPITOL
CORE
GROUP**

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

BILL TO

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

INVOICE 2021-044

DATE 08/04/2021 **TERMS** Net 45

DUE DATE 09/18/2021

| DATE | ACCOUNT SUMMARY | AMOUNT |
|------------|--|-----------|
| 07/06/2021 | Balance Forward | 38,037.50 |
| | Other payments and credits after 07/06/2021 through 08/03/2021 | 0.00 |
| 08/04/2021 | Other invoices from this date | 0.00 |
| | New charges (details below) | 10,937.50 |
| | Total Amount Due | 48,975.00 |

| ACTIVITY | HOURS | RATE | AMOUNT |
|--|-------|--------|----------|
| Charges | | | |
| Task 1 -- Secure Water Supplies | | | |
| Intergovernmental Affairs Water Services Water Calls/Internal and External Supplies and Verification {Tatum} | 2 | 250.00 | 500.00 |
| Intergovernmental Affairs Water Services Term Sheet Development and Negotiations {Tatum} | 1 | 250.00 | 250.00 |
| Intergovernmental Affairs Water Services Water Calls/Internal and External Supplies and Verification {Simonetti} | 5 | 225.00 | 1,125.00 |
| Intergovernmental Affairs Water Services Term Sheet Development and Negotiations {Simonetti} | 3 | 225.00 | 675.00 |
| Total Task 1 = \$2,550.00 (11 hours) | | | |
| Task 2 -- Identify and Secure Federal Funding | | | |
| Government Relations:Federal Legislative Affairs Direct Advocacy: Federal Infrastructure Legislation US Senate various office {McKinney} | 3 | 250.00 | 750.00 |
| Government Relations:Federal Legislative Affairs Direct Advocacy: Federal Infrastructure Legislation; Representative Obernolte meeting/call; SB County meetings (re: Federal); various follow-up {Simonetti} | 5 | 225.00 | 1,125.00 |
| Government Relations:Federal Legislative Affairs Direct Advocacy: Federal Agencies follow-up UPSEPA, USDOC {Simonetti} | 1.50 | 225.00 | 337.50 |

| ACTIVITY | HOURS | RATE | AMOUNT |
|--|-------|--------|----------|
| Government Relations:Federal Legislative Affairs Federal Legislative Analysis (Infrastructure bills); research and meeting establishment {Gillis} | 5 | 125.00 | 625.00 |
| Total Task 2 = \$2,837.50 (14.5 hours) | | | |
| Task 3 -- U.S. Navy Liaison | | | |
| Government Relations:Federal Legislative Affairs US Navy Letter {Simonetti} | 2 | 225.00 | 450.00 |
| Total Task 3 = \$225.00 (2 hours) | | | |
| Task 4 -- Identify and Secure State Funding | | | |
| Government Relations:California Legislative Affairs Direct Advocacy (split) State Budget and SB 129 analysis; memo development; and Funding Request Development {McKinney} | 6 | 250.00 | 1,500.00 |
| Government Relations:California Legislative Affairs Direct Advocacy: DWR Follow-up with policy staff {Simonetti} | 2 | 225.00 | 450.00 |
| Government Relations:California Legislative Affairs State Budget Analysis (SB 129) analysis, memo, and Funding Request Development {Olin} | 5 | 175.00 | 875.00 |
| Government Relations:California Legislative Affairs State Budget Analysis; Research and meeting requests {Gillis} | 5 | 125.00 | 625.00 |
| Total Task 4 = \$3,450.00 | | | |
| Task 5 -- Board Meetings, Reporting | | | |
| Administrative Boad Meeting {Tatum} | 1.50 | 250.00 | 375.00 |
| Administrative Board Meeting and Reporting {McKinney} | 1.50 | 250.00 | 375.00 |
| Administrative Board Meeting, Monthly Reporting {Simonetti} | 4 | 225.00 | 900.00 |
| Total Task 5 = \$1,650.00 (7 hours) | | | |

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

TOTAL OF NEW CHARGES

10,937.50

TOTAL DUE

\$48,975.00

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**CAPITOL
CORE
GROUP**

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

BILL TO

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

INVOICE 2021-048

DATE 09/01/2021 **TERMS** Net 45

DUE DATE 10/16/2021

| DATE | ACCOUNT SUMMARY | AMOUNT |
|------------|--|------------|
| 08/04/2021 | Balance Forward | 37,187.50 |
| | Other payments and credits after 08/04/2021 through 08/31/2021 | -26,250.00 |
| 09/01/2021 | Other invoices from this date | 0.00 |
| | New charges (details below) | 12,900.00 |
| | Total Amount Due | 23,837.50 |

| ACTIVITY | HOURS | RATE | AMOUNT |
|--|-------|--------|----------|
| Charges | | | |
| Task 1 -- Secure Imported Water Supplies | | | |
| Government Relations: Intergovernmental Affairs Water Supplier: Term Sheet follow-up and conference call re: term sheet {Simonetti} | 2 | 225.00 | 450.00 |
| Government Relations: Intergovernmental Affairs Water Supplier Meeting, Materials Preparation and "member agency" strategy development {Simonetti} | 2.50 | 225.00 | 562.50 |
| Government Relations: Intergovernmental Affairs 2nd Water Supplier Meeting, Materials Preparation and "member agency" discussion {Simonetti} | 1.50 | 225.00 | 337.50 |
| Government Relations: Intergovernmental Affairs Water Suppliers (various)" Table A Inquiries, materials preparation, client calls {Simonetti} | 7 | 225.00 | 1,575.00 |
| Government Relations: Intergovernmental Affairs Internal water supplier strategy calls {Simonetti} | 1 | 225.00 | 225.00 |
| Government Relations: Intergovernmental Affairs Water Supplier Meeting {Tatum} | 1 | 250.00 | 250.00 |
| Government Relations: Intergovernmental Affairs Water Financing Call (internal w/ IWVGA Staff) {Tatum} | 1.50 | 250.00 | 375.00 |
| Government Relations: Intergovernmental Affairs Infrastructure Requirement for Water Transfer, Conf. Call w/ client {Tatum} | 1 | 250.00 | 250.00 |

| ACTIVITY | HOURS | RATE | AMOUNT |
|---|-------|--------|----------|
| Government Relations: Intergovernmental Affairs Water Financing (call w/ client); Water Supplies call w/ Client (various); emails with client counsel on water supplies {McKinney} | 2.75 | 250.00 | 687.50 |
| Total Task 1 = \$4,712.50 | | | |
| Task 2 -- Secure Federal Funding Sources | | | |
| Government Relations: Federal Federal Infrastructure side-by-side preparation and legislative analysis {Olin} (split) | 2.50 | 175.00 | 437.50 |
| Government Relations: Federal Follow-up and internal strategy re: Federal Infrastructure Legislation {Simonetti} | 1 | 225.00 | 225.00 |
| Government Relations: Federal Direct Advocacy: EDA follow-up and EPA follow-up on eligibility {Simonetti} | 1 | 225.00 | 225.00 |
| Government Relations: Federal Analysis, Senate-version (as engrossed) Infrastructure Legislation (HR 3684) {McKinney} (split) | 3 | 250.00 | 750.00 |
| Total Task 2 = \$1,637.50 | | | |
| Task 3 -- Liaison w/ U.S. Navy | | | |
| Government Relations: Federal Internal follow-up US Navy Letter {Simonetti} | 1 | 225.00 | 225.00 |
| Government Relations: Federal SWC Letter preparation and edit; conf. call w/ client on same {McKinney} | 1.50 | 250.00 | 375.00 |
| Total Task 3 = \$600.00 | | | |
| Task 4 -- Secure State Funding Sources | | | |
| Government Relations: California State Funding Request Development (tertiary treatment and treated water pipeline {Olin}) | 3 | 175.00 | 525.00 |
| Government Relations: California State Funding Request Development; DWR call; SWRCB call; internal calls, client calls | 6 | 225.00 | 1,350.00 |
| Government Relations: California Direct Advocacy: Sen. Grove and PPT Atkins re: State Funding Request {Simonetti} | 2 | 225.00 | 450.00 |
| Government Relations: California State Funding Requests -- Preparation, edits and conf. call w/ client {McKinney} | 4 | 250.00 | 1,000.00 |
| Government Relations: California Direct Advocacy -- re: State Funding Requests, Senator Grove {McKinney} | 0.50 | 250.00 | 125.00 |
| Government Relations: California DWR/SWRCB Grants Analysis; implementation guidelines (re: SB 129), legislative analysis SB 252 {Gillis} (split) | 3 | 100.00 | 300.00 |
| Total Task 4 = \$3,750.00 | | | |
| Task 5 -- Board Meetings, Internal Client Calls and Reporting | | | |
| Administrative Report Preparation, Board Materials Preparation, Client Memorandum Development {Simonetti} | 3.50 | 225.00 | 787.50 |

| ACTIVITY | HOURS | RATE | AMOUNT |
|---|--------------|-------------|---------------|
| Administrative Board Meeting (close and open) {Simonetti} | 3.50 | 225.00 | 787.50 |
| Administrative Board Meeting (Closed Session) {Tatum} | 1 | 250.00 | 250.00 |
| Administrative Board Meeting (Open Session) {McKinney} | 1.50 | 250.00 | 375.00 |
| Total Task 5 =\$2,200.00 | | | |

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

TOTAL OF NEW CHARGES

12,900.00

TOTAL DUE \$23,837.50

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IWVGA Board Meeting September 8, 2021

Proposition 1 Status Update

- Invoice #10a
 - Covers January through March 2021
 - Total requested payment after retention: **\$77,758.34**
 - Status: Submitted May 28, 2021
 - Minor revisions required per direction from DWR on 2021 mileage rates and eligibility of equipment costs
 - Progress Reports combined for Prop 1 & Prop 68 submitted May 28, 2021
- Invoice #11a
 - Covers April through May 2021
 - Total requested payment after retention: **\$69,955.50**
 - Status: Submitted August 30, 2021
 - Progress Reports combined for Prop 1 & Prop 68 submitted August 30, 2021
- Continuing communications with DWR on status of CEQA concurrence review and payment of costs removed from Invoices 8a & 9a
 - Removed costs totaling **\$54,861.66** (after retention) for Invoice 8a
 - Removed costs totaling **\$75,988.41** (after retention) for Invoice 9a

AGENDA ITEM 7a.i



IWVGA Board Meeting September 8, 2021

Proposition 68 Status Update

- Invoice # 10b
 - Covers January through March 2021
 - Total requested payment after retention: **\$2,865.04**
 - Status: Submitted May 28, 2021
- Invoice # 11b
 - Covers April through June 2021
 - Total requested payment after retention: **\$3,552.11**
 - Status: Submitted August 30, 2021
- Received notice on August 2 that additional \$30,000 in grant funds has been made available for award
 - Was contingent on State's future appropriations of Proposition 1 funding
 - Amendment to funding agreement currently being coordinated/prepared by GA Staff

AGENDA ITEM 7a.ii



IWVGA Board Meeting September 8, 2021

Recycled Water Program Update

- Alternatives Analysis Update
 - Joint scope of work released to IWVGA Staff Team and currently under Staff Team review
 - No comments received to-date
 - To be released to TAC after review and revision
 - Section 1: Draft write-up of City's of existing WWTF facilities, existing recycled water uses, and City's plans to upgrade and expand the WWTF
 - Received comments from City on August 27, comments currently being reviewed/incorporated
 - To be released to TAC after revisions
 - Next Steps
 - Continue with characterization of WWTF effluent quantity and water quality
 - Review of WWTF flow rate and loading technical memorandum from Provost & Pritchard
 - Continue review of regulatory, permitting, environmental, legal requirements for alternatives
 - Develop outline of recycled water alternatives to be evaluated

AGENDA ITEM 7b.i



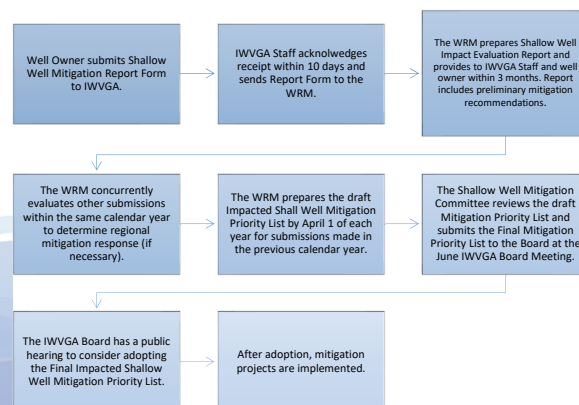
3

IWVGA Board Meeting September 8, 2021

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

- Shallow Well Mitigation Report Form adopted in May
- Report Form is posted on IWVGA website
- No submittals to date
- Draft Mitigation Program prepared – Staff Review
- The Shallow Well Impact Mitigation Program was sent to the PAC and TAC for review. Comments are being received.
- Received IWVWD comments on August 26, 2021.
- Redraft to Staff Team then to GA Board.

• Draft Summary of Process



AGENDA ITEM 7b.ii



4

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IWVGA Board Meeting
September 8, 2021

Searles Valley Minerals Water System Tour – August 30, 2021

1. Participation

- a. GA Staff Team WRM, Assistant GM and Legal Counsel.
- b. Searles Vice-President, System Operator, Executive Assistant, Legal Counsel, and a Court Reporter.
- c. Court Reporter was requirement of Searles and therefore, required both Legal Counsels to participate.

2. Reason of Authority Request for Tour

- a. SVM assertion that SDWC cannot be operated if SVM Industrial Plan shuts down.
- b. SVM subsequent assertion that if SVM shutdown and ceases its operation of the SVM water system, the SDWC will not receive water supply.

3. Tour

- a. Over 5-hours from IWV to Searles Valley.
- b. Over 20 separate stops.
- c. SVM/Mr. Burnell Blanchard very accommodating.

AGENDA ITEM 8



1

IWVGA Board Meeting
September 8, 2021

Searles Valley Minerals Water System Tour – August 30, 2021 (contin.)

4. Learned

- a. Five IWV basin wells and two pipelines deliver IWV basin water to the Searles Valley Arsenic Plant, essentially all IWV water is treated for potable water.
- b. After leaving IWV basin, the water flows downhill to Searles accumulating excess head/pressure to serve SDWC and Searles Industrial Plant. No apparent water pressure issues to serving SDWC.
- c. Apparently, no IWV basin water is used to directly process materials at SVM. All "process" water is reportedly from Searles Valley basin.
- d. Apparently, IWV basin water is all treated to potable standards and used by SDWC and Searles Plant Industrial uses.
- e. Apparently, SVM has potable water supply requirements to the BLM/Trona Airport and some local residents with water supplied from SDWC – which indicates SVM would need to continue to supply SDWC, even if/when the Plant is shutdown.

5. Conclusions from Tour

- a. SVM very clearly demonstrated the complete reliance of SDWC on the SVM water system operations. Authority staff never disputed this situation.
- b. Based on the Tour, there is no apparent reason why SVM could not shutdown the Plant operations but continue operation of SVM water system to serve SDWC and SVM potable water customers. (BLM/Trona Airport and local residents).

AGENDA ITEM 8



2

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IWVGA ADMINISTRATIVE OFFICE

STAFF REPORT

TO: IWVGA Board of Directors

DATE: September 8, 2021

FROM: Carol Thomas-Keefer, General Manager
Keith Lemieux, Legal Counsel

SUBJECT: Agenda Item No. 9 – Stetson Staff Rates

DISCUSSION

The IWVGA retained Stetson Engineers Inc. (Stephen B. Johnson) as its Water Resources Manager (WRM) through its Water Resources Manager Services Agreement (Agreement No. 02-17), dated August 17, 2017, essentially four (4) years ago. The Agreement basically says the WRM is retained to perform necessary services in connection with the Authority's preparation, filing and implementation of the GSP. The Term of the Agreement (Section III Term Period), "...shall cover a three-year period commencing on the Effective Date and continuing unless terminated as provided herein". Termination (Section XIII) may occur with or without cause upon seven (7) days notice to Stetson.

There are no specific provisions in the Agreement for adjustment of Stetson's Fee Schedule/Rates. Stetson has continued to use their original 2017 Rates, currently in effect.

Stetson has indicated that it is their common practice to hold Rates (no increases) for a few years for its best clients (IWVGA).

Stetson has provided the attached Table 1 showing its Rates for 2017 (current for IWVGA), 2018 and 2019, along with percent increases. Also shown is the 2017-2019 total increase. Also attached is Stetson's proposed Rate Schedule, Effective January 1, 2019.

ACTION(S) REQUIRED BY THE BOARD

Stetson is requesting an adjustment of its Rate Schedule for IWVGA from the 2017 Rates (original) to the 2019 Rates.

TABLE 1 - Stetson Billing Rate Percent Increases



2171 E. Francisco Blvd., Suite K • San Rafael, California 94901
Phone: (415) 457-0701 • FAX: (415) 457-1638 • Website: www.stetsonengineers.com

Northern California • Southern California • Arizona • Colorado

Standard Billing Rate Schedule

Professional Fees

| | 2017 | 2018 | 2017-2018 % difference (actual) | 2019 | 2018-2019 % difference (actual) | 2017-2019 % difference (actual) |
|----------------------------------|----------|----------|---------------------------------------|----------|---------------------------------------|---------------------------------------|
| Principal | \$230.00 | \$237.00 | 3% | \$237.00 | 0% | 3% |
| Special Project Director | \$230.00 | \$237.00 | 3% | \$237.00 | 0% | 3% |
| Project Manager, Senior | \$200.00 | \$206.00 | 3% | \$206.00 | 0% | 3% |
| Supervisor I | \$200.00 | \$206.00 | 3% | \$206.00 | 0% | 3% |
| Supervising Soil Scientist | \$185.00 | \$191.00 | 3% | \$191.00 | 0% | 3% |
| Supervisor II | \$185.00 | \$191.00 | 3% | \$191.00 | 0% | 3% |
| Supervisor III | \$180.00 | \$185.00 | 3% | \$185.00 | 0% | 3% |
| Senior I | \$160.00 | \$165.00 | 3% | \$165.00 | 0% | 3% |
| Senior II | \$145.00 | \$149.00 | 3% | \$149.00 | 0% | 3% |
| Senior III | \$130.00 | \$134.00 | 3% | \$134.00 | 0% | 3% |
| Construction Manager | \$130.00 | \$134.00 | 3% | \$134.00 | 0% | 3% |
| Construction Manager / Oversight | \$115.00 | \$118.00 | 3% | \$118.00 | 0% | 3% |
| Senior Construction Inspector | \$115.00 | \$118.00 | 3% | \$118.00 | 0% | 3% |
| Senior Field Geologist | \$130.00 | \$134.00 | 3% | \$134.00 | 0% | 3% |
| Senior Associate | \$120.00 | \$124.00 | 3% | \$128.00 | 3% | 7% |
| Associate I | \$115.00 | \$118.00 | 3% | \$122.00 | 3% | 6% |
| Associate II | \$110.00 | \$113.00 | 3% | \$116.00 | 3% | 5% |
| Associate III | \$105.00 | \$108.00 | 3% | \$111.00 | 3% | 6% |
| Associate Soil Scientist | \$105.00 | \$108.00 | 3% | \$111.00 | 3% | 6% |
| Senior Assistant | \$100.00 | \$103.00 | 3% | \$103.00 | 0% | 3% |
| Assistant I | \$95.00 | \$98.00 | 3% | \$98.00 | 0% | 3% |
| Assistant II | \$90.00 | \$93.00 | 3% | \$93.00 | 0% | 3% |
| Assistant Soil Scientist | \$90.00 | \$93.00 | 3% | \$93.00 | 0% | 3% |
| Assistant III | \$85.00 | \$88.00 | 4% | \$88.00 | 0% | 4% |
| GIS Manager | \$115.00 | \$118.00 | 3% | \$122.00 | 3% | 6% |
| GIS Specialist I | \$95.00 | \$98.00 | 3% | \$101.00 | 3% | 6% |
| GIS Specialist II | \$85.00 | \$88.00 | 4% | \$91.00 | 3% | 7% |
| Technical Illustrator | \$85.00 | \$88.00 | 4% | \$88.00 | 0% | 4% |
| AutoCAD Technician | \$85.00 | \$88.00 | 4% | \$88.00 | 0% | 4% |
| Soil Technician | \$75.00 | \$77.00 | 3% | \$77.00 | 0% | 3% |
| Aide I | \$70.00 | \$72.00 | 3% | \$72.00 | 0% | 3% |
| Aide II | \$60.00 | \$62.00 | 3% | \$62.00 | 0% | 3% |
| Aide III | \$55.00 | \$57.00 | 4% | \$57.00 | 0% | 4% |
| Project Coordinator I | \$130.00 | \$134.00 | 3% | \$134.00 | 0% | 3% |
| Project Coordinator II | \$95.00 | \$98.00 | 3% | \$98.00 | 0% | 3% |
| Project Coordinator III | \$85.00 | \$88.00 | 4% | \$88.00 | 0% | 4% |
| Contract Management | \$100.00 | \$103.00 | 3% | \$103.00 | 0% | 3% |
| Administrative I | \$70.00 | \$72.00 | 3% | \$72.00 | 0% | 3% |
| Administrative II | \$65.00 | \$67.00 | 3% | \$67.00 | 0% | 3% |
| Administrative III | \$60.00 | \$62.00 | 3% | \$62.00 | 0% | 3% |



Standard Billing Rate Schedule Professional Fees

| | | |
|----------------------------------|----------|----------|
| Principal | \$237.00 | Per Hour |
| Special Project Director | \$237.00 | Per Hour |
| Project Manager, Senior | \$206.00 | Per Hour |
| Supervisor I | \$206.00 | Per Hour |
| Supervising Soil Scientist | \$191.00 | Per Hour |
| Supervisor II | \$191.00 | Per Hour |
| Supervisor III | \$185.00 | Per Hour |
| Senior I | \$165.00 | Per Hour |
| Senior II | \$149.00 | Per Hour |
| Senior III | \$134.00 | Per Hour |
| Construction Manager | \$134.00 | Per Hour |
| Construction Manager / Oversight | \$118.00 | Per Hour |
| Senior Construction Inspector | \$118.00 | Per Hour |
| Senior Field Geologist | \$134.00 | Per Hour |
| Senior Associate | \$128.00 | Per Hour |
| Associate I | \$122.00 | Per Hour |
| Associate II | \$116.00 | Per Hour |
| Associate III | \$111.00 | Per Hour |
| Associate Soil Scientist | \$111.00 | Per Hour |
| Senior Assistant | \$103.00 | Per Hour |
| Assistant I | \$98.00 | Per Hour |
| Assistant II | \$93.00 | Per Hour |
| Assistant Soil Scientist | \$93.00 | Per Hour |
| Assistant III | \$88.00 | Per Hour |
| GIS Manager | \$122.00 | Per Hour |
| GIS Specialist I | \$101.00 | Per Hour |
| GIS Specialist II | \$91.00 | Per Hour |
| Technical Illustrator | \$88.00 | Per Hour |
| AutoCAD Technician | \$88.00 | Per Hour |
| Soil Technician | \$77.00 | Per Hour |
| Aide I | \$72.00 | Per Hour |
| Aide II | \$62.00 | Per Hour |
| Aide III | \$57.00 | Per Hour |
| Project Coordinator I | \$134.00 | Per Hour |
| Project Coordinator II | \$98.00 | Per Hour |
| Project Coordinator III | \$88.00 | Per Hour |
| Contract Management | \$103.00 | Per Hour |
| Administrative I | \$72.00 | Per Hour |
| Administrative II | \$67.00 | Per Hour |
| Administrative III | \$62.00 | Per Hour |

Effective January 1, 2019

Direct Expense Rates

| Expense Description | Billing Rate |
|---|---------------------|
| Fax | \$0.30 / Page |
| Mileage | \$* / Mile |
| Reproduction: Black & White (In-House) | \$0.15 / Page |
| Reproduction: Color - 8.5" x 11" (In-House) | \$0.89 / Page |
| Reproduction: Color - 11" x 17" (In-House) | \$1.89 / Page |
| Plotter Reproduction (In-House) | \$1.50 / Sq. Ft. |
| Specialty Computer Expense (In-House) | \$15.00 / Hour |
| 4x4 Truck with Drill Rig | \$150.00 / Day |
| Survey Equipment | \$120.00 / Day |

Notes:

- 1) * Mileage is billed at the current IRS approved mileage rate and may be subject to change.
- 2) Subcontractor services will be charged at cost plus 10% administration fee.
- 3) All other project reimbursable expenses (i.e., telephone, commercial transportation, meals, lodging, postage, outside reproduction, etc.) will be billed at cost.
- 4) Testimony fees are 150% of standard rates and apply to depositions, court time and time spent on stand-by at attorney's request. Travel time and preparation time is charged at standard rates. Stetson Engineers Inc. authorizes only staff at associate classification or higher to testify as expert witnesses.

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**AMENDMENT NO.1 TO THE WATER RESOURCES MANAGER
SERVICES AGREEMENT**

Whereas, the **INDIAN WELLS VALLEY GROUNDWATER AUTHORITY** (“Authority”) and **STETSON ENGINEERS, INC.**, (“Consultant”) entered into the Water Resources Manager Services Agreement (Agreement No. 02-17) on August 17, 2017, regarding the preparation, development, and implementation of a Groundwater Sustainability Plan for the Indian Wells Valley Groundwater Basin (“Agreement”).

Whereas, Section 4 of the Agreement specifies the terms for compensation to be paid to Consultant by the Authority.

Whereas, there are no specific provisions in the Agreement for adjustment of Stetson’s Fee Schedule/Rates.

Whereas, Consultant has continued to use the original 2017 rates, currently in effect, as is their common practice to hold rates (no increases) for a few years for its best clients, such as IWVGA; and

Whereas, Consultant has maintained its 2017 rates for IWVGA for the past four years, and this board now finds it appropriate to consider Consultant’s request to adjust the rate schedule in the WRM Services Agreement.

The Parties, based upon mutual consideration, hereby agree as follows:

1. The Authority will approve Consultant’s request for adjustment of its Rate Schedule from the 2017 rates (original) to the 2019 rates.
2. The attached Table 1 provided by Consultant which shows its rates for 2017 (current for IWVGA), 2018 and 2019, along with percent increases will be used in incorporating Consultant’s updated Rate Schedule.

Dated this 8th day of September, 2021

STETSON ENGINEERS, INC.

**INDIAN WELLS VALLEY
GROUNDWATER AUTHORITY**

By: _____
Steve Johnson, Water Resources Manager

By: _____
Scott Hayman, Chairman

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**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY
AGREEMENT NO. 02-17**

**WATER RESOURCES MANAGER
SERVICES AGREEMENT**

As of August 17, 2017 (“Effective Date”), the **INDIAN WELLS VALLEY GROUNDWATER AUTHORITY**, (“Authority”), and **STETSON ENGINEERS, INC.**, (“Consultant”), agree as follows:

RECITALS

WHEREAS, the Authority is in need of a consultant with the appropriate technical background, expertise, and experience to act as the Authority’s Water Resources Manager and prepare, develop, and implement a Groundwater Sustainability Plan (“GSP”) for the Indian Wells Valley Groundwater Basin (“Basin”).

WHEREAS, the Consultant is a professional firm with roughly 65 professional employees comprising one of, if not, the most experienced groundwater management supporting staffs in Southern California.

WHEREAS, the Consultant’s senior staff member for this project has 40 years of continuous professional engineering experience, and the Consultant has continuously provided cost-efficient Groundwater Management Engineering and Technical services to a variety of clients since 1964.

WHEREAS, after a detailed process, the Authority has determined that the Consultant is exceptionally well qualified to deliver the services need by the Authority in a cost-efficient manner.

WHEREAS, the Authority now desires to engage the services of Consultant, and the Consultant agrees to provide such services pursuant to this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, Authority and Consultant agree as follows:

AGREEMENT

I. INCORPORATION OF RECITALS

The Recitals and section titles set forth herein are incorporated herein and are an operative part of this Agreement.

II. SERVICES TO BE PERFORMED

Consultant hereby contracts to be the Authority's Water Resources Manager and to perform necessary services in connection with the Authority's preparation, filing, and implementation of a GSP for the Indian Wells Valley Groundwater Basin. For the consideration hereinafter stipulated, Consultant hereby accepts such contract under the hereinafter set forth terms and conditions.

III. TERM PERIOD

The term of this Agreement shall cover a three-year time period commencing on the Effective Date and continuing unless terminated as provided for herein.

IV. COMPENSATION

Authority shall pay Consultant on a time, materials, and expense basis in accordance with the **Fee Schedule** attached hereto as Exhibit A. In the alternative, the Authority and Consultant may agree to a written Task Order arrangement for certain work proposals and items, in which case compensation shall be set forth in the written Task Order.

Consultant shall not be compensated for any services, nor reimbursed for any expenses in excess of those authorized by this Agreement, or any Task Order, without prior written approval by Authority. If contingencies arise during the performance of a project which requires services outside the scope of the project, Authority may authorize, in writing, the work to be performed. Payment for such approved contingencies will be made in accordance with the **Fee Schedule** or as agreed upon by the parties. **Additional work performed without written authorization will not be approved for payment.**

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

**Indian Wells Valley Groundwater Authority
Ridgecrest City Hall
100 W. California Avenue
Ridgecrest, California 93555**

Invoices **MUST** identify the Agreement Number, Account Number, and Project Name (Title) as shown herein. Any invoice received without proper identification will be returned to Consultant. Approved invoices will be paid within thirty (30) days after receipt.

V. DATA AND SERVICES FURNISHED BY AUTHORITY

Authority shall provide Consultant with reasonably available information pertinent to the tasks to be performed by Consultant, and Consultant shall be entitled to use and rely upon all such information. Consultant shall apply reasonable caution in the interpretation and uses of Authority furnished data and promptly advise Authority of any actual or perceived errors.

VI. PREVAILING WAGES

By its execution of this Contract, Consultant certifies that it is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq. as well as California Code of Regulations, Title 8, Section 16000 et seq. ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. Consultant and/or Consultant's subcontractors shall pay prevailing wages to all employees legally entitled to such payment. At present, it is anticipated that Consultant will, at a minimum, have employees working in the field of inspection, surveying, and soils testing which are entitled to such payment. Given the breadth of services to be performed under this Agreement, it is possible that other employees may be entitled to prevailing wages, and Consultant agrees to inform the Authority of any activity that may fall within the purview of prevailing wage laws before the activity begins.

If this project is subject to Federal funding, Consultant shall comply with the Davis-Bacon Act, as identified in the applicable Davis-Bacon Prevailing Wage. Payment of State prevailing wage rates, when higher, is required whenever Federally funded or assisted projects are controlled or carried out by California awarding bodies. Consultant shall submit U.S. Department of Labor WH-347 Davis-Bacon Certified Payroll Form and be prepared to submit additional labor compliance forms and reports, upon request.

VII. STATUS OF CONSULTANT

Consultant shall perform the services provided for herein in Consultant's own way as an independent contractor and in pursuit of Consultant's independent calling, and not as an employee of Authority. Consultant shall be under the control of Authority only as to the result to be accomplished. Neither Consultant nor any of its employees or agents shall have any claim under this Agreement or otherwise against Authority for vacation pay, paid sick leave, retirement benefits, social security, workers' compensation, health, disability, unemployment insurance benefits, or other employee benefits of any kind. Consultant is liable for all applicable Social Security, Federal, and State taxes required on payments made by Authority. In the event the Internal Revenue Service or any other governmental agency should question or challenge the independent contractor status of Consultant or any of its respective employees or agents, the parties hereby agree that both Consultant and Authority shall have the right to participate in any discussion or

negotiation occurring with such agency or agencies, regardless of with who or by whom such discussions or negotiations are initiated.

VIII. INSURANCE

Consultant shall not commence work under this Agreement until it has obtained the policies of insurance required hereunder, nor shall it allow any subcontractor to commence work until the policies of insurance required of the subcontractor have been obtained. Consultant shall verify and confirm proper coverage to Authority standards of the subcontractors.

Consultant shall, during the life of this Agreement, notify Authority in writing of any incident, either under its jurisdiction, or any of its subcontractors, giving rise to any potential Bodily Injury or Property Damage claim and resultant settlements, whether in conjunction with this or other project which may affect the limits of the required coverage, as soon as is reasonable and practical.

The Consultant and each of its subcontractors shall take out and maintain the following policies of "occurrence form" (where applicable) type insurance, with coverage and carriers acceptable to the Authority, at its sole cost and expense at all times during the life of this Agreement, including the entire time of the Consultant's guarantee. The Authority may request certificates of insurance from subcontractors to verify proper coverage and additional named insured requirements. Such requests shall be responded to within a reasonable time frame (48 -72 Hrs.):

- A. **Workers' Compensation Insurance.** Consultant shall cover employees as required by Labor Code Section 3600, and Consultant shall require subcontractors similarly to provide such Workers' Compensation insurance for subcontractors' employees. Such policy shall contain an endorsement which waives rights of subrogation against the Authority as designated in the policy of Worker's Compensation Insurance. Self-insured programs or PEO programs are generally not acceptable to the Authority and must be approved by the Authority in advance.
- B. **Commercial Liability Insurance.** The Consultant shall procure and maintain Commercial General Liability Insurance in amounts not less than the following:

\$1,000,000 Each Occurrence
\$2,000,000 General Aggregate

The policy is to be endorsed for the aggregate limit to apply to this Agreement. Where Excess liability insurance is used in connection with primary liability insurance, the combination of such must allow total limits of liability to be in amounts not less than the above specified amounts.

- C. **Automobile Liability Insurance.** The Consultant shall procure and maintain Commercial Automobile Liability Insurance in amounts not less than the following:

\$1,000,000 Combined Single Limit (BI/PD)
\$1,000,000 Combined Single Limit Uninsured/Underinsured Liability

Where excess liability insurance is used in connection with primary liability insurance the combination of such must allow total limits of liability to be in amounts not less than the above specified amounts.

- D. **Professional Liability Insurance.** Consultant shall procure and maintain Professional Liability Insurance in amounts not less than the following:

\$1,000,000 per Claim and Annual Aggregate

- E. **General Insurance Requirements.** Each such policy of insurance shall:

1. Be produced by agent/brokers who are licensed to transact insurance business in the State of California;
2. Be issued by insurance carriers which are:
 - i. Licensed by the State of California to write business in this state; and
 - ii. Rated no less than "A-, Class VIII" or better by the A.M. Best Consultant.
3. Any insurance carrier which is strategically affiliated with a parent insurance consultant or insurance group must disclose the name of the parent consultant or group in any certificate of insurance documentation provided to the Authority.
4. Name and list the Authority as "Additional Insured," by an endorsement executed by the insurance carrier (this requirement does not apply to Professional Liability or Workers' Compensation Insurance); such endorsement shall be ISO form GC2010 (11/85ed) or its equivalent. Any equivalent shall include the CG 2037- completed operations in favor of the Authority.
5. Specify that it acts as primary insurance and that no insurance held or owned by the additional insured shall be called upon to cover a loss under said policy;

6. Not be canceled until thirty (30) days after receipt by the Authority of a written notice of such cancellation as evidenced by receipt of a mailed letter;
7. Show evidence of renewal of an expiring policy once the insurance has been approved by the Authority. Prior approval must be obtained if the coverage or limits of the policy or the carrier has changed.

IX. HOLD HARMLESS AND INDEMNIFICATION

Consultant shall hold, and defend with counsel of Authority's choice, the Authority, its agents, officers, employees, and volunteers free and harmless from any and all claims, liabilities, penalties, fines, or any damage to property, whether real or personal, including attorney fees and court costs, arising from any negligent act or omission to act by Consultant, its officers, agents, and employees caused by, or resulting from, or claimed to have been caused by Consultant.

Notwithstanding the foregoing, in the event the subject action alleges negligence on the part of the Authority, or any third party not under contract with Consultant, Consultant's obligations regarding Authority's defense under this paragraph include only the reimbursement of Authority's reasonable defense costs incurred to the extent of Consultant's negligence as expressly determined by a final judgment, arbitration, award, order, settlement, or other final resolution. Consultant shall not be responsible for warranties, guarantees, fitness for a particular purpose, breach of fiduciary duty, loss of anticipated profits or for economic, incidental, or consequential damages to Authority or any third party arising out of breach of contract, termination, or for any other reason whatsoever. Additionally, Consultant shall not be responsible for acts and decisions of third parties, including governmental agencies, other than Consultant's subconsultants, that impact project completion and/or success.

X. STANDARD OF CARE

Consultant's services shall be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions. Services shall be performed to Authority's reasonable satisfaction.

XI. ASSIGNMENT

Authority has entered into this Agreement to receive professional services from Consultant. Consultant shall not sell, assign, or transfer Consultant's rights or obligations under this Agreement without Authority's prior written consent, which consent may be withheld in the Authority's sole discretion. Consultant may make use of the part-time

assistance of other experts possessing unique skills, the utilization of which will, in the opinion of Consultant, enhance the quality of service to Authority.

XII. SAFETY

Consultant will ensure that employees, and the employees of subcontractors, are notified of and observe and abide by safety regulations and laws. Consultant shall immediately notify Authority of damage to property and/or injury to, or death of persons, which occurs in connection with, or is related to the project. Consultant shall furnish Authority a written report of such damage or injury within three (3) working days.

XIII. TERMINATION

Authority may terminate this Agreement, in whole or in part, with or without cause, upon seven (7) days written notice to Consultant. Upon receipt of the termination notice, Consultant shall promptly discontinue services unless the notice directs to the contrary. In the event Authority renders such written notice to Consultant, Consultant shall be entitled to compensation for services rendered prior to the effective date of the notice and further services set forth in the notice. Authority shall be entitled to reimbursement for compensation paid in excess of services rendered. Consultant waives claims for damages that might arise from Authority's termination of this Agreement. Consultant shall deliver to the Authority and transfer title (if necessary) to all completed work and work in progress, including drafts, documents, plans, forms, maps, products, graphics, computer programs, and reports.

XIV. CONSULTANT RESPONSIBILITIES

A. EMPLOYEES:

1. **Background/Security:** Consultant warrants that all personnel engaged in the performance of this work are legal employees of the Consultant and possess sufficient experience.
2. **Health:** All personnel shall be in good health and free of contagious diseases. Consultant shall not allow any persons(s) under the influence of alcohol or drugs on Authority's property. Neither shall the Consultant allow the use of presence of alcohol or drugs on Authority's property.
3. **Conduct:** Any employee or subcontractor or Consultant performing work on Authority property while under the influence of alcohol or drugs or whose conduct interferes with proper performance of the work or with Authority's operations shall be immediately removed from the work site and not permitted at the worksite thereafter.

4. Supervision: Consultant shall provide a supervisor or foreman who shall be present at all times during contract operations and who shall be responsible for both conduct and workmanship. The supervisor or foreman shall be able to communicate effectively in both written and oral English.
 5. Training: Consultant shall have an ongoing training program for its entire staff. Consultant shall provide only personnel that have been fully trained for performance of this work. Supervisors shall have been trained in supervision as well as technical training.
 6. Gifts and Gratuities: Consultant shall establish precautions to prevent its employees or agents from making, providing, or offering gifts, entertainment, payments, loans, or other considerations which could be deemed to appear to influence individuals to act contrary to the best interest of the Authority.
- B. Conflict of Interest: Consultant shall make all reasonable efforts to ensure that no conflict of interest exists between its officers, employees, or subcontractors and the Authority. Consultant shall make a reasonable effort to prevent employees, Consultant, or members of governing bodies from using their positions for purposes that are, or give the appearance of being, motivated by a desire for private gain for themselves or others such as those with whom they have family business or other ties. Officers, employees, and agents of cities, counties, districts, and other local agencies are subject to applicable conflict of interest codes and State law. In the event the Authority determines a conflict of interest situation exists, any increase in costs associated with the conflict of interest situation may be disallowed by the Authority, and such conflict may constitute grounds for termination of this Agreement. This provision shall not be construed to prohibit employment of persons with whom Consultant's officers, employees, or agents have family, business, or other ties so long as the employment of such persons does not result in increased costs over those associated with the employment of any other equally qualified applicant.

XV. MISCELLEANOUS:

- A. To the extent the terms and conditions contained herein are inconsistent with the terms and conditions contained in Consultant's proposal, the terms and conditions in this Agreement shall govern.
- B. There are no understandings or agreements except as herein expressly stated.

- C. If a provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force and effect without being impaired or invalidated.
- D. As applicable, Consultant shall not be suspended or debarred pursuant to the provisions of 31 U.S.C. 6101, note, E.O. 12549, E.O. 12689, 48 CFR 9.404, and each agency's codification of the Common Rule for Non-procurement suspension and debarment.
- E. Original papers, maps, models, designs, studies, surveys, reports, data, notes, computer files, documents, drawings, and other work product (collectively "Work Product") of Consultant produced by Consultant, except documents which are required to be filed with public agencies, shall be deemed solely the property of Authority. Consultant will take such steps as are necessary to perfect or protect the ownership interest of Authority in such Work Product. Upon completion, expiration, or termination of this Agreement, Consultant shall turn over to Authority all such original Work Product in Consultant's possession or control. Consultant may retain a file copy. Any reuse of completed documents or use of partially completed documents without written verification or concurrence by Consultant for the specific purpose intended will be at Authority's sole risk and without liability or legal exposure to Consultant.
- F. Consultant shall not release information or Work Product to persons or entities other than Authority without the prior written consent of Authority, except as otherwise required by law. Consultant shall promptly notify Authority should Consultant, or its representatives be served summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, requests for admissions, other discovery request, or court order from any third party regarding this Agreement and the services performed.
- G. This Agreement may not be amended except by a subsequent writing which is signed by the Parties.
- H. This Agreement shall be governed by the laws of the State of California. Venue for a dispute shall be State courts located in Kern County, California. Parties consent to the exercise of personal jurisdiction over them by any such courts for purposes of any such action or proceeding.
- I. All work, labor, and materials shall be done and provided in strict conformity with each of the following: (i) all laws, ordinances, codes, rules, regulations, and standard specifications of governmental authorities having jurisdiction over Consultant's work; and (ii) this Agreement. Consultant shall also comply, at Consultant's expense, with all requirements of inspectors of any

governmental authority having jurisdiction over Consultant's work. The Consultant will be responsible for securing any and all required governmental inspections and approvals for the work completed.

- J. If any disputes should arise between the Parties concerning the work to be done under this Agreement, the payments to be made, or the manner of accomplishment of the work, Consultant shall nevertheless proceed to perform the work as directed by Authority pending settlement of the dispute.
- K. The fact that Authority has made payment shall not be interpreted to imply Authority has inspected, approved, or accepted the work which has been performed by Consultant. No delay or omission in the exercise of any right or remedy by the non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. A Party's consent to or approval of any act by the other Party requiring the Party's consent or approval shall not be deemed to waive or render unnecessary the other Party's consent to or approval of any subsequent act. Waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision.
- L. No director, officer, or employee of the Authority shall have any financial interest, direct or indirect, in this Agreement nor shall any such director, officer, or employee participate in any decision relating to this Agreement which affects his/her financial interest or the financial interest of any corporation, partnership, entity, or association in which he/she is directly or indirectly interested, in violation of any State or Federal statute or regulation. The Consultant warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement.
- M. Time shall be of the essence as to times of performance. Neither party shall be responsible for delays beyond their reasonable control.
- N. Each Party represents and warrants to the other Party that all necessary action has been taken by such Party to authorize the undersigned to execute this Agreement and to bind it to the performance of its obligations hereunder.
- O. This Agreement is binding upon the successors and assigns of the Parties.
- P. The services to be performed by Consultant are intended solely for the benefit of Authority. No person or entity not a signatory to this Agreement shall be entitled to rely on Consultant's performance of its services hereunder, and no right to assert a claim against Consultant by assignment of indemnity rights or otherwise shall accrue to a third party as a result of this Agreement or the performance of Consultant's services hereunder.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

STETSON ENGINEERS INC.

By: 
Stephen B. Johnson, P.E.
President, Stetson Engineers Inc.

Date: 8/21/17

**INDIAN WELLS VALLEY GROUNDWATER
AUTHORITY**

By: 
Mick Gleason, Board Chairperson

Date: 9/5/17

Approved as to Form

By: 
Philip W. Hall, General Counsel

Date: 8/30/17

EXHIBIT A FEE SCHEDULE



2171 E. Francisco Blvd., Suite K • San Rafael, California 94901
Phone: (415) 457-0701 • FAX: (415) 457-1638 • Website: www.stetsonengineers.com

Northern California • Southern California • Arizona • Colorado

Standard Billing Rate Schedule Professional Fees

| | | |
|----------------------------------|----------|----------|
| Principal | \$230.00 | Per Hour |
| Special Project Director | \$230.00 | Per Hour |
| Project Manager, Senior | \$200.00 | Per Hour |
| Supervisor I | \$200.00 | Per Hour |
| Supervising Soil Scientist | \$185.00 | Per Hour |
| Supervisor II | \$185.00 | Per Hour |
| Supervisor III | \$180.00 | Per Hour |
| Senior I | \$160.00 | Per Hour |
| Senior II | \$145.00 | Per Hour |
| Senior III | \$130.00 | Per Hour |
| Construction Manager | \$130.00 | Per Hour |
| Construction Manager / Oversight | \$115.00 | Per Hour |
| Senior Construction Inspector | \$115.00 | Per Hour |
| Senior Field Geologist | \$130.00 | Per Hour |
| Senior Associate | \$120.00 | Per Hour |
| Associate I | \$115.00 | Per Hour |
| Associate II | \$110.00 | Per Hour |
| Associate III | \$105.00 | Per Hour |
| Associate Soil Scientist | \$105.00 | Per Hour |
| Senior Assistant | \$100.00 | Per Hour |
| Assistant I | \$95.00 | Per Hour |
| Assistant II | \$90.00 | Per Hour |
| Assistant Soil Scientist | \$90.00 | Per Hour |
| Assistant III | \$85.00 | Per Hour |
| GIS Manager | \$115.00 | Per Hour |
| GIS Specialist I | \$95.00 | Per Hour |
| GIS Specialist II | \$85.00 | Per Hour |
| Technical Illustrator | \$85.00 | Per Hour |
| AutoCAD Technician | \$85.00 | Per Hour |
| Soil Technician | \$75.00 | Per Hour |
| Aide I | \$70.00 | Per Hour |
| Aide II | \$60.00 | Per Hour |
| Aide III | \$55.00 | Per Hour |
| Project Coordinator I | \$130.00 | Per Hour |
| Project Coordinator II | \$95.00 | Per Hour |
| Project Coordinator III | \$85.00 | Per Hour |
| Contract Management | \$100.00 | Per Hour |
| Administrative I | \$70.00 | Per Hour |
| Administrative II | \$65.00 | Per Hour |
| Administrative III | \$60.00 | Per Hour |

Effective January 1, 2017

W A T E R R E S O U R C E P R O F E S S I O N A L S
S E R V I N G C L I E N T S S I N C E 1 9 5 7

Direct Expense Rates

| Expense Description | Billing Rate |
|---|---------------------|
| Fax | \$0.30 / Page |
| Mileage | \$* / Mile |
| Reproduction: Black & White (In-House) | \$0.15 / Page |
| Reproduction: Color - 8.5" x 11" (In-House) | \$0.89 / Page |
| Reproduction: Color - 11" x 17" (In-House) | \$1.89 / Page |
| Plotter Reproduction (In-House) | \$1.50 / Sq. Ft. |
| 4x4 Truck with Drill Rig | \$150.00 / Day |
| Survey Equipment | \$120.00 / Day |

*Mileage is billed at the current IRS approved mileage rate and may be subject to change.

All other project reimbursable expenses (i.e., telephone, commercial transportation, meals, lodging, postage, outside reproduction, etc.) will be billed at cost.

Note: Testimony fees are 150% of standard rates and apply to depositions, court time and time spent on stand-by at attorney's request. Travel time and preparation time is charged at standard rates. Stetson Engineers Inc. authorizes only staff at associate classification or higher to testify as expert witnesses.

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Profit and Loss Statement
Actual vs Budget

| | Administration | | GSP Development | | Replenishment Fee | | Transient Pool (Mitigation) | | TOTAL | |
|---|----------------|------------------|-----------------|------------------|-------------------|------------------|-----------------------------|------------------|------------------|-------------------|
| | <u>Actual</u> | <u>FY Budget</u> | <u>Actual</u> | <u>FY Budget</u> | <u>Actual</u> | <u>FY Budget</u> | <u>Actual</u> | <u>FY Budget</u> | <u>Actual</u> | <u>FY Budget</u> |
| REVENUE | | | | | | | | | | |
| Revenue | | | 769,045 | 1,959,673 | 1,663,747 | 8,356,306 | 62,904 | 69,381 | 2,495,697 | 10,385,360 |
| Allocation to Admin: Extraction Fee Revenue | | 911,050 | | | | | | | - | 911,050 |
| Allocation to Admin: Replenishment Fee Revenue | | 910,401 | | | | | | | - | 910,401 |
| Rose Valley Reimbursement by Navy | | 300,000 | | | | | | | - | 300,000 |
| Prop 1 Grant -GSP Preparation @ \$1,500,000 | | | 142,344 | 324,494 | | | | | 142,344 | 324,494 |
| Prop 1 Grant -SDAC Reimburse @ \$646,000 | | | | 389,051 | | | | | - | 389,051 |
| Prop 68 | | | | 283,918 | | | | | - | 283,918 |
| IWVWD Credit @ \$615,082.87 | | | | | | | | | | |
| TOTAL REVENUE | - | 2,121,451 | 911,390 | 2,957,136 | 1,663,747 | 8,356,306 | 62,904 | 69,381 | 2,638,041 | 13,504,274 |
| EXPENSES | | | | | | | | | | |
| Beginning balance position | | 119,190 | | (156,525) | | | | | - | (37,335) |
| Contract Administration(RGS) | | 225,000 | 28,078 | | 28,078 | | | | 56,156 | 225,000 |
| Insurance | | 10,000 | | | | | | | - | 10,000 |
| Audit | | 7,000 | 1,000 | | | | | | 1,000 | 7,000 |
| Public Ed/Outreach | | 5,000 | | | | | | | - | 5,000 |
| Legal - GSP Implementation | | 100,000 | | | | | | | - | 100,000 |
| Legal - Special Counsel | | 250,000 | | | | | | | - | 250,000 |
| Meetings & Prep | | 12,000 | | | | | | | - | 12,000 |
| General Engineering | | 50,000 | | | | | | | - | 50,000 |
| Production Reporting Support | | 36,000 | | | | | | | - | 36,000 |
| TSS Coordination: Drilling Support | | 30,000 | | | | | | | - | 30,000 |
| TSS Coordination: Coordination/Application Supp | | 30,000 | | | | | | | - | 30,000 |
| Coordination w/DWR on GSP Review | | 50,000 | | | | | | | - | 50,000 |
| Annual Report | | 30,000 | | | | | | | - | 30,000 |
| Data Management System | | 26,000 | | | | | | | - | 26,000 |
| Allocation Plan for Sustainable Yield: | | | | | | | | | - | - |
| Allocation Plan for Sustainable Yield: Allocation Process and Pool Supp | | 30,000 | | | | | | | - | 30,000 |
| Allocation Plan for Sustainable Yield: Rules/Regs on Pumping/restrictions | | 10,000 | | | | | | | - | 10,000 |

Profit and Loss Statement
Actual vs Budget

| | Administration | | GSP Development | | Replenishment Fee | | Transient Pool (Mitigation) | | TOTAL | |
|--|----------------|-----------|-----------------|-----------|-------------------|-----------|-----------------------------|-----------|---------|-----------|
| | Actual | FY Budget | Actual | FY Budget | Actual | FY Budget | Actual | FY Budget | Actual | FY Budget |
| Allocation Plan for Sustainable Yield: Fallowing and Pool Xfer Program | | 25,000 | | | | | | | - | 25,000 |
| Conservation Efforts | | 20,000 | | | | | | | - | 20,000 |
| Meetings and Prep | | 120,000 | | | | | | | - | 120,000 |
| Budget Support | | 5,000 | | | | | | | - | 5,000 |
| General Project Management | | 50,000 | | | | | | | - | 50,000 |
| Stakeholder Coordination | | 10,000 | | | | | | | - | 10,000 |
| Grant Application Prep | | 50,000 | | | | | | | - | 50,000 |
| GA Model Transfer and Upgrade | | 50,000 | | | | | | | - | 50,000 |
| Navy/COSO Royalty Fund Coord: Develop FY22 Project/Secure Funding | | 40,000 | | | | | | | - | 40,000 |
| Navy/COSO Royalty Fund Coord: 2021 Rose Valley MW Permitting, Bid & Drilling | | 300,000 | | | | | | | - | 300,000 |
| Navy/COSO Royalty Fund Coord: Stetson/DRI Storage Calc and Rpt Review | | 11,100 | | | | | | | - | 11,100 |
| Data Collection | | 120,000 | | | | | | | - | 120,000 |
| Reserve Requirements | | 255,315 | | | | | | | - | 255,315 |
| City of Ridgecrest Reimbursement | | | | 300,000 | | | | | - | 300,000 |
| County of Kern Repayment | | | | 500,000 | | | | | - | 500,000 |
| SDAC | | | 157,424 | 481,651 | | | | | 157,424 | 481,651 |
| Stetson | | | | 60,000 | 552,147 | | | | 552,147 | 60,000 |
| -SDAC support | | | | 12,000 | | | | | - | 12,000 |
| -Weather Station Maintenance | | | | 2,000 | | | | | - | 2,000 |
| -Monitoring Well Maintenance | | | | 2,000 | | | | | - | 2,000 |
| -Pump Fee Support | | | | 15,000 | | | | | - | 15,000 |
| Outstanding Invoices | | | | 619,825 | 514,077 | | | | 514,077 | 619,825 |
| Transfer to Admin | | | | 911,050 | | | | | - | 911,050 |
| Legal Services | | | | | | 10,000 | | | - | 10,000 |
| Administration | | | | | | 15,000 | | | - | 15,000 |
| Imported Water Supply Negotiations/Coordination | | | | | | 50,000 | | | - | 50,000 |
| Imported Water Supply Engineering and Analysis | | | | | | 126,500 | | | - | 126,500 |
| Optimize Use Of Recycled Water | | | | | | 250,000 | | | - | 250,000 |
| Capitol Core | | | | | 83,544 | 175,000 | | | 83,544 | 175,000 |
| Transfer to Admin | | | | | | 910,401 | | | - | 910,401 |
| Shallow Well Impacts Mitigation: Program Development | | | | | | | 50,000 | | - | 50,000 |
| Shallow Well Impacts Mitigation: Outreach and Impact Eval | | | | | | | 20,000 | | - | 20,000 |

Profit and Loss Statement
Actual vs Budget

| | Administration | | GSP Development | | Replenishment Fee | | Transient Pool (Mitigation) | | TOTAL | |
|---|-----------------|------------------|-----------------|------------------|-------------------|------------------|-----------------------------|------------------|------------------|------------------|
| | <u>Actual</u> | <u>FY Budget</u> | <u>Actual</u> | <u>FY Budget</u> | <u>Actual</u> | <u>FY Budget</u> | <u>Actual</u> | <u>FY Budget</u> | <u>Actual</u> | <u>FY Budget</u> |
| | | | | | | | | | - | - |
| Expenses not aligned with budget expense items | | | | | | | | | - | - |
| Website Fees | | | 276 | | | | | | 276 | - |
| Publishing | | | 1,199 | | | | | | 1,199 | - |
| Well Monitoring | | | 1,680 | | | | | | 1,680 | - |
| Administrative - other | | | 203,820 | | | | | | 203,820 | - |
| 2020 invoices approved, deferred, not budgeted | 18,641 | | | | | | | | 18,641 | - |
| | | | | | | | | | - | - |
| Other | 11,541 | | | | | | | | 11,541 | - |
| TOTAL EXPENSES | 30,182 | 2,076,604 | 393,478 | 2,747,001 | 1,177,846 | 1,536,900 | - | 70,000 | 1,601,505 | 6,430,505 |
| NET INCOME (LOSS) | (30,182) | 44,847 | 517,912 | 210,135 | 485,901 | 6,819,406 | 62,904 | (619) | 1,036,536 | 7,073,768 |

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TO: Carol Thomas-Keefer, General Manager IWVGA

FROM: Michael W. McKinney, President

CC: Jeff Simonetti, Sr. VP Capitol Core
Todd Tatum, Sr. PA Capitol Core
Zubi Ruth Olin, Director Capitol Core
Steve Johnson, Stetson Engineering

DATE: September 7, 2021

SUBJECT: STAFF REPORT: State Funding Requests, Department of Water Resources and State Water Resources Control Board – IWVGA and City of Ridgecrest

Project Status Update – August 2021

Attached for the consideration and discussion of the Board of Directors of the Indian Wells Valley Groundwater Authority are the initial programmatic funding requests to the California Department of Water Resources (DWR) and the California State Water Resources Control Board (SWRCB). The request spans over five (5) projects totaling \$22.1 million to \$28.8 million in funding. Projects contained within the request may be mutually exclusive but were included at your direction within the overall package.

Within Capitol Core's scope of work, at Task 4, we are charged with identifying and securing potential State funding sources for infrastructure projects related implementation of the Groundwater Sustainability Plan (GSP) to meet Sustainable Groundwater Management Act (SGMA) compliance. Since 2019, Capitol Core has engaged with State policymakers (Legislators, Governor, and Agency personnel) to obtain needed State funding. This has included seeking programmatic funding through State Agencies and Legislatively directed authorizations or appropriations. Order of magnitude cost estimates and project briefings have been provided to State policymakers. The attached Funding Requests would be specific amounts from identified programs. Application for funding would be required for each programmatic area.

Background.

In July 2021, Governor Gavin Newsom signed into law Senate Bill 129 – *The Fiscal Year 2021 State Budget* which included a total of \$5.9 billion in authorized water infrastructure funding. This funding is administered by DWR and SWRCB to be disbursed through June 30, 2024, or until such funding has been expended. Capitol Core has analyzed the various programs included within SB 129 and have identified two (2) programmatic areas of eligible funding within four (4) separate schedules (subsections) of funding. DWR has provided implementation guidance for one of the programmatic schedules [see e-mail of September 3, 2021 on SGM program guidance]. The remaining two (3) programmatic schedules remaining pending for both Implementation Guidelines and Funding Opportunity Announcements.

Funding requests may only be made for project (or project components) to be completed within 18-months of June 30, 2024.

Requests and Next Steps.

Capitol Core requests the Board review and approve the individual project funding requests, including individual funding request amounts, for inclusion in an overall funding request packet to DWR and SWRCB. The Board should determine to whether or not to pursue funding requests labelled as “Option.”

From this approval, Capitol Core will engage with DWR, SWRCB, State Legislators and the Office of the Governor to seek support for the applications and position the projects for funding.

FUNDING REQUESTS

City of Ridgecrest, Wastewater Treatment Plant. A \$5 million request from the SWRCB per items 3940-106-0001, Schedule 1(a) and 1(d) which allocates \$650 million for wastewater projects. The funding would be utilized for local technical assistance.

[Option] **IWVGA Tertiary Treatment Facility.** A \$9.1 million to \$11.8 million funding request from the SWRCB per item 3940-106-0001, Schedule 1(a) which allocates \$650 million for wastewater projects. The funding would be used for complete project costs.

[Option] **IWVGA Water Recycling Plant.** A \$4 million to \$6 million funding request from SWRCB per item 3940-106-0001, Schedule 2 and 3 which allocated \$85 million for groundwater cleanup and water recycling projects. Funding would be utilized for planning, design, environmental permitting, required studies, and early construction activities completed within 18-months of June 30, 2024.

IWVGA Imported Water Interconnection Project. A \$4 million to \$6 million funding request from DWR per item 3860-101-001, Schedule 1(d) which allocated \$60 million for SGMA implementation. Funding will be utilized for planning and evaluation activities conducted between now and 18-months of June 30, 2024.

DISCUSSION

Funding Levels.

Cost estimates were provided by the City of Ridgecrest and Stetson Engineers for activities to be completed between current date and December 2026. Funding levels were determined by 1) cost needs of the City of Ridgecrest; 2) the total funding required during the funding period; or 3) reasonable portions of required funding based upon previous DWR and SWRCB grant award levels.

- The wastewater treatment plant funding request is based upon the required need of the City of Ridgecrest
- The tertiary treatment facility funding request is based upon the total amount required to construct the project

- The water recycling plant funding request is based upon a reasonable request of the funding required for the project from the period of September 2021 through December 2025.
- The imported water interconnection project funding request is based upon the total funds needed from the period September 2021 through December 2025.

“Shovel Ready.”

Implementation Guidelines for the three remaining outstanding programs/subprograms may include ‘shovel ready’ requirements. This requires the project to be completed within 18 months of the funding award and to demonstrate within the application the timeline for completion in order to be considered for the award.

Of the projects included in the Funding Request package, only the Wastewater Treatment Plant meets the “shovel ready” requirement. The tertiary treatment facility, water recycling facility, and the interconnection project do not meet the completion requirement of “shovel ready.”

Concerns.

The wastewater treatment plant and the tertiary treatment facility are requesting funds from the same programs administered by SWRCB. While these are ultimately different applicants, Capitol Core is concerned by the potential of the Agency to combine the funding applications during consideration. This would increase the overall funding request from that program to \$14.1 million to \$16.8 million for projects that are related but clearly at two separate stages of development. We believe it is imperative to maintain separation of the two project applications so as not to harm the ‘shovel ready’ project from funding award.

Further, the tertiary treatment facility does not contain matching funds from the IWVGA and requests 100% of total project costs. In our opinion, this will hamper funding consideration by SWRCB. If combined in the application stage, it could cause a rejection of both projects. While IWVGA may want to proceed with the funding request, the Authority should be ready to consider removing the request if SWRCB finds the project weak in its application or may jeopardize the consideration of the shovel ready project.

Revision.

The revision from the earlier packet removes the State Funding Request concerning the secondarily treated water pipeline to provide water from the WWTP to industrial uses at Searles Valley Minerals. It was determined on September 7, 2021, that such a project may not be feasible or provide an off-set of groundwater use.

PROJECT STATUS UPDATE – ACTIVITIES OF AUGUST 2021

Legislative.

With the passage of the FY2021 State Budget, Capitol Core’s August 2021 centered around analysis and development of specific funding requests associated with the significant appropriations made by the Legislature on Water Infrastructure.

In addition, the United State Senate passed its long-awaited version of the infrastructure bill in August with \$1.7T in spending allocated to water, transportation, energy and other project spending areas. Our analysis of the Senate-version of HR 3684 will be provided in an updated side-by-side report in early September. That bill now returns to the House of Representatives for concurrence with a vote scheduled on September 27, 2021.

Agency.

Capitol Core continued to work with IWVGA staff on the letter to NAWSCL based command concerning funding participation in the imported water interconnection project. We are awaiting revisions to the letter, based upon updated information, from staff and will coordinate with Navy personnel during September.

Imported Water Sources.

Pursuant to the report provided to the Board in Closed Session, significant advances were made in the identification of potential imported water sources during August. Two new long-term (permanent) water supplies have been identified and discussions with those suppliers were initiated. At your direction, we will significantly engage in discussions with suppliers during September 2021. In addition, as directed by the Board, a term-sheet (offer) was provided to a water supplier in August and discussions with the seller continue into September.

Capitol Core continues to engage with various agencies concerning long-term/permanent water supplies.

Should you have any questions concerning the State Funding Requests, please give me a call at 714.299.0053.

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GROUNDWATER SUSTAINABILITY PLAN IMPLEMENTATION
INFRASTRUCTURE REQUIREMENTS SUMMARY
INDIAN WELLS VALLEY GROUNDWATER BASIN

Sustainable Groundwater Management Act

Indian Wells Valley Groundwater Authority (GSA)
City of Ridgecrest, California (participating Member)



Purpose:

This document provides a summary of the necessary infrastructure requirements needed to bring the Indian Wells Valley Groundwater Basin into sustainability and meet the requirements of the Sustainable Groundwater Management Act (SGMA) pursuant to the Groundwater Sustainability Plan (GSP). It provides a timeline for construction of such infrastructure and cost-estimates. Attached hereto are three (3) separate funding requests pursuant to the California Budget Act of 2021 requirements.

Background:

Located at the junction of Inyo, Kern and San Bernardino Counties the Indian Wells Valley is a designated critically overdrafted groundwater basin. The region is home to the Naval Air Weapons Station China Lake, an important research and development base for the US Navy and Department of Defense; the City of Ridgecrest (Kern County), a designated disadvantaged community with a population of nearly 30,000. The area overlying the Basin provides critical housing, quality of life and defense community support. Several unincorporated areas of Inyo, Kern, and San Bernardino Counties overlie the Basin as well. The township of Trona (San Bernardino County) a small mining township with a population of 700 does not overlie the Basin but depends on water from Indian Wells Valley Groundwater Basin as its sole source of water.

The area at the present is totally reliant upon local groundwater and is isolated from connecting water resources. The Indian Wells Valley Groundwater Basin is over drafted by as much as approximately 25,000 acre-feet per year (AFY) with primary current water uses being agriculture, defense-related, domestic-related, and mining. To meet SGMA requirements, the Indian Wells Valley Groundwater Authority developed and submitted the GSP in 2020 which contained seven (7) measures to achieve groundwater sustainability in the region. Two (2) of these measures require significant infrastructure development and are contained herein as “funding requests” for consideration. The projects are:

- **The Water Recycling Plant:** The City of Ridgecrest currently processes approximately 2,700 acre-feet (AF) of effluent through the existing wastewater treatment plant (WWTP). The City is in process of developing a new WWTP. When coupled with additional tertiary treatment, advanced treatment facilities and pump structures (collectively known as the Water Recycling Plant (WRP)), it will produce up to 2,000 AF of recycled water toward a project to reduce the amount of imported water needed to balance the Basin.
- **The imported water supply interconnection project:** For sustainability, the Indian Wells Valley Groundwater Basin will require an additional 3,000 to 7,000 AFY of imported water. Imported water infrastructure will be required to deliver imported water supplies that the Authority plans to purchase.

A more specific description of those projects is below.

BRIEF PROJECT SUMMARIES

Wastewater Treatment Plant:

Owned and operated by the City of Ridgecrest, the WWTP will provide primary and secondary processing treatment of 2,700 AF of effluent on behalf of the City and the U.S. Navy. Slated to begin construction in January 2023, the plant is located on land leased from the U.S. Navy adjacent to the 77-year-old existing plant. While the project is on leased US Navy land, the City of Ridgecrest will own and operate all of the plant.

Secondary treatment capacity expansion within the new WWTP has an estimated cost between \$53 million and \$69 million. The City of Ridgecrest is currently undergoing its planning and environmental review for the project. Concurrently with project permitting, the City is actively seeking public funding to support the project as well as financing options for the local share of the costs. This process will continue until construction commences on the project in early 2023. It is the goal of the City to have public funding and financing lined up for the project so that these funds are ready to deploy in early 2023.

The City has an immediate revenue shortfall of \$3 million to \$5 million to cover pre-construction expenses. Without construction of the WWTP, the WRP would be unable to fulfill required needs to meet sustainability.

Water Recycling Plant:

Consisting of tertiary treatment facilities, advanced treatment facilities, brine concentration, pipelines, pump stations, storage and injection and monitoring wells, the WRP will be owned and operated by the Indian Wells Valley Groundwater Authority. Critical to providing 2,000 AFY to bring the Basin into sustainability, the WRP is in early planning stages with construction currently slated to be concurrent with the City’s WWTP. Current cost estimates for the WRP are between \$87.3 million and \$116.9 million with a tentative completion date of December 2026.

Construction Timelines:

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

| Task | WRP Start Date | Completion Date |
|----------------------------|-------------------|--------------------|
| Planning | July 2021 | July 2022 |
| Permitting | Jan. 2022 | Dec. 2026 |
| Pre-Design/ Preliminary | Jan. 2022 | May 2022 |
| Environmental Review | May 2022 | Jan. 2023 |
| Design/ RW | June 2022 | Jan 2023 |
| Agency Review/ Approval | Jan. 2023 | Dec. 2026 |
| Financing | July 2021 | Jan. 2023 |
| Construction | July 2023 | July 2026 |
| Testing/Start-Up | July 2026 | Dec. 2026 |

| Cost Estimate for WWTP/WRP | | |
|--|--|---------------------|
| Item | | Cost Range (\$M) |
| WWTP | | |
| Secondary Treatment Expansion | | \$53.0 to \$69.3 |
| WRP | | |
| Tertiary Treatment Facility | | \$9.1 to \$11.8 |
| Advanced Treatment (MF/RO, UV/H2O2 Disinfection) | | \$21.0 to \$28.0 |
| Brine Concentration and Evaporation Facilities | | \$16.5 to \$21.6 |
| Pipeline (10.5 miles of 16" dia. pipe) | | \$11.1 to \$16.6 |
| Equalizing Storage (1 MG gal tank) | | \$2.0 to \$2.6 |
| Pumping Station | | \$2.8 to \$3.6 |
| 2X – Injection Wells | | \$6.0 to \$7.8 |
| 6X – Monitoring Wells | | \$3.0 to \$3.9 |
| Environmental Review | | \$0.2 to \$0.3 |
| Permitting, Studies and Plans | | \$3.0 to \$5.0 |
| Total Cost Estimate | | \$140.3 to \$185.9 |

Imported Water Supply Interconnection:

The Indian Wells Valley Groundwater Basin does not currently have access to any outside water supplies. To bring imported water into the Basin will require obtaining access to existing water conveyance facilities and constructing additional infrastructure. The Groundwater Authority is evaluating potential options to be able to secure and deliver supplemental water to the Basin, as set forth in the Groundwater Sustainability Plan. Two conveyance facility interconnection points are possible.

The nearest existing conveyance facilities are the Los Angeles Department of Water and Power's Los Angeles Aqueduct (LADWP). A small portion of the Basin is located within the southern portion of the Antelope Valley-East Kern Water Agency (AVEK) which has a water transmission pipeline that terminates near California City, California approximately 50 miles south of the City of Ridgecrest, California.

Note that for either one of these options, the transfer partner would simply allow the Indian Wells Valley Groundwater Authority to tie into their existing water delivery infrastructure system and the Indian Wells Valley would build the infrastructure to delivery the water from the transfer partner’s existing delivery infrastructure to the where it will be used in the Indian Wells Valley. The Authority would purchase entitlement for water from other sources and exchange that water for water from the system that is near to the Basin. In either instance, the water going to the Indian Wells Valley would not put further strain on the existing water supplies of the transfer partner.

AVEK Interconnection:

Under this project the Indian Wells Valley Groundwater Authority would purchase a combination of California State Water “Table A” Entitlement along with short-term and long-term water supplies. Those water supplies would be transferred or wheeled, through existing AVEK facilities, specifically through the AVEK surface water treatment facilities and the California City Pipeline. AVEK staff has indicated there is available capacity within the existing pipeline to handle the Basin’s water needs in order to achieve sustainability. However, the water infrastructure that AVEK has closest to the Indian Wells Basin provides only treated water.

A 50-mile pipeline extension from AVEK’s California City Pipeline along California Interstate 14 would be required. Due to the elevation profiles, at least two pump stations would be required to lift the imported water supplies over the El Paso Mountains and through the El Paso area. Water tanks for storage would also likely be required. The treated water would be used to directly meet the needs of the Indian Wells Valley Groundwater Basin.

A total cost estimate is as follows:

| AVEK Conveyance and Direct Use: | |
|---|------------------|
| Item | Total |
| Infrastructure Capital Costs | \$177,975,000.00 |
| Water Rights Acquisition Costs | \$48,390,000.00 |
| Annual Operations and Maintenance Costs | \$2,280,000.00 |
| Annual Debt Service Costs | \$5,860,000.00 |

The Water Rights and Acquisition costs assume a State Water Project acquisition of 8,056 AF of permanent transfer at \$6,000.00 per acre-foot. The infrastructure costs assume two 8,800 gallon per minute pump stations, a 28 inch diameter steel pipeline approximately 50 miles in length, and a one-million-gallon steel reservoir.

Water costs would include infrastructure-capital, water rights acquisition, annual operations and maintenance (O&M), and debt service costs. This represents a major increase in water rates when coupled with the necessary reduction in total groundwater production as described in the GSP.

LADWP Interconnection:

Under this project the Indian Wells Valley Groundwater Authority would purchase a combination of State Water Table “A” entitlement and both short-term and long-term water supplies. The purchased water would be “wheeled” through the Metropolitan Water District’s system and delivered to LADWP for use in LADWP service area. Agreements between Metropolitan Water District, Indian Wells Valley Groundwater Authority

and LADWP would be required to “wheel” the water as described. LADWP would then provide water from its facilities in the Owens Valley to the Indian Wells Valley Groundwater Basin. This is an exchange agreement that would require no new/additional pumping from the Owens Valley and is not a water purchase agreement with LADWP.

A new turnout from the LADWP Los Angeles Aqueduct would be required along with new raw water pipelines conveying Owens Valley water to new spreading grounds located northwest of the Inyokern Airport. The exchanged water from LADWP would be recharged into the Indian Wells Valley Groundwater Basin at the spreading grounds and serve as a supplemental source of recharge to the Basin.

A summary of the conceptual costs, water rights acquisition costs, annual operations and maintenance, and annual service costs is listed below. Annual service costs would consist of water transportation and wheeling fees applied volumetrically to the Indian Wells Valley Groundwater Authority delivered imported water supplies. The costs presented are based upon an assumed average annual delivery of 5,000 AFY of imported water.

| LADWP Recharge Project | |
|---|-----------------|
| Item | Total |
| Capital Costs | \$55,046,000.00 |
| Water Rights and Acquisition Costs | \$48,390,000.00 |
| Annual Operations and Maintenance Costs | \$180,000.00 |
| Annual Service Costs | \$4,260,000.00 |

The turnout from the Los Angeles Aqueduct includes 28 inch diameter steel pipeline approximately 10 miles in length and approximately 800 acres of spreading grounds. Water costs assume a permanent transfer of 8,065-acre feet of State Water Project Title A at \$6,000.00/acre foot. Annual operations and maintenance costs are for spreading ground maintenance.

Interconnection Project Timing:

Final selection of the most feasible imported water infrastructure project (either AVEK or LADWP) will occur in January 2023 after preparation of an engineering report and negotiation with the relevant transfer agencies. Permitting will begin in 2023 and continue through January 2026. Construction on the project would begin in 2026 and be completed in January 2035.

Other GSP Implementations:

The Groundwater Sustainability Plan has identified the following actiond it will use to address the imbalances in pumping in the Basin:

- Implementation of an annual pumping allocation plan, transient pool, and fallowing program (specifically geared towards reducing current agricultural pumping).

The annual pumping allocation program generally assigns an allocation to civilian domestic water users and develops a fee for any groundwater extraction beyond the “sustainable yield” allocations. The fee will then be used to develop alternative water resources.

- This measure also provides a 51,000 acre-foot “transient pool” of water for agricultural pumpers not included in the allocation plan. This pool will be available until 2040. This “transient pool” is designed to facilitate the transition to reduced agricultural pumping in the basin. The transient pool is a one-time allocation of water; once it is used, there will be no further allocation for this category. The IWVGA Board implemented the transient pool and water replenishment fee policies in August 2020.

The measure also implements the fallowing of land for qualified agricultural users within the Indian Wells Valley Groundwater Basin.

Other measures include:

- Additional Basin-wide Conservation Measures
- Shallow Well Mitigation Program
- Dust Control Mitigation Program
- Civilian Pumping Optimization Project

Two additional measures are currently being evaluated/considered:

- Brackish Groundwater Treatment
- Direct Potable Reuse

Total Infrastructure Requirements (by activity timeline):

| Project | Item | Timing | Cost |
|-----------------|---|--------------------------------|--------------------|
| WWTP | Permitting Design Engineering | April 2021 to January 2023 | \$3 to \$5M |
| WRP | Planning | July 2021 to January 2023 | \$3.2 to \$4.2 |
| | Permitting | | \$3.2 to \$4.2 |
| | Design/Engineering | | \$9.4 to \$12.6 |
| Interconnection | Planning Project Selection Survey | January 2021 to January 2023 | \$3.6 to \$11.0 |
| Totals | | 2021 to 2023 | \$22.4 to \$37.0 |
| WWTP | Construction | January 2023 to September 2025 | \$50 to \$64 |
| WRP | Tertiary Treatment Construction | January 2023 to July 2026 | \$9.1 to \$11.8 |
| | Advanced Treatment Construction | | \$21.0 to \$28.0 |
| | Brine and Evaporation Pipeline | | \$16.5 to \$21.6 |
| | Storage | | \$11.1 to \$16.6 |
| | Pumping Station | | \$2.0 to \$2.6 |
| | Injection Wells | | \$2.8 to \$3.6 |
| | Monitoring Wells | | \$6.0 to \$7.8 |
| | | | \$3.0 to \$3.9 |
| Totals | | 2023 to 2026 | \$121.5 to \$159.9 |
| Interconnection | Construction | January 2026 to January 2035 | \$46.1 to \$149.6 |

| | | |
|---|--------------|--------------------|
| Totals | 2026 to 2035 | \$46.1 to \$149.6 |
| Total Infrastructure Requirements' Costs for GSP Implementation | 2021-2035 | \$190.0 to \$346.5 |

Strategic Funding Summaries:

WWTP:

The waste-water treatment plant will be funded primarily through City of Ridgecrest funds and local financing (through the City). A shortfall of \$3 million to \$5 million is requested as follows.

| Item | Cost (\$ M) |
|---|---------------------|
| Local Funding and Financing Requested Funding | \$50 to \$64 \$5 |

WRP:

| Item | Source of Funds | Cost (\$ M) |
|---|--|-----------------|
| Tertiary Treatment | U.S. Navy (Requirement for habitat mitigation) | \$9.1 to \$11.8 |
| Planning, Permitting, Design, Engineering | Funding Request | \$4.0 to \$6.0 |
| Construction and Equipment | | |

Interconnection Facilities:

| Item | Source of Funds | Cost (\$ M) |
|--|---------------------------|----------------|
| Planning, Project Selection and Survey | | \$0.0 to \$7.0 |
| | Funding Request | \$3.6 to \$6.0 |
| Construction | Local Match | \$2.0 to |
| | U.S. Navy Request | |
| | Additional State Request | |
| | WIFIA/SRF Loan Obligation | |

WASTEWATER TREATMENT PLAN
CITY OF RIDGECREST CALIFORNIA



Request to State Water Resources Control Board
Per Item 3940-106-0001 of the California State Budget Act FY2021 (SB 129, Section 127,
Schedule 1(a) and 1(d))
Chapter 69 Statutes of 2021

Request: \$3 million to \$5 million in allocated local technical assistance project funding for the treatment of wastewater. The project meets the requirements of capacity building by treating wastewater from the City of Ridgecrest and China Lake Naval Weapons Air Station. Discussion of the requirements are listed below.

The project is “shovel ready” with construction commencing in January 2023. The first phase of planning, permitting and environmental reviews is currently ongoing.

Requestor: The City of Ridgecrest, a municipality located in Kern County, California and a defense support community (home to China Lake Naval Weapons Air Station).

Funding: Item 3940-106-0001 of the California State Budget Act FY2021 (Bill 129, Section 127, 1A and 1D) appropriated \$650,000,000 to the State Water Resources Control Board. \$650 million shall be available for wastewater projects.

Project Background:

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

The wastewater treatment plant currently needs to be replaced. This funding request would allow for the City of Ridgecrest to complete build-out of the new wastewater treatment plant to better serve the needs of the weapons station and the city.

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

Eligibility of Funding:

Section 127 of SB 129, as signed into law provides \$1.385 billion to the State Water Resources Control Board for local assistance under its Water Quality program. Of the amount appropriated in this item, \$650,000,000 is available for drinking water and wastewater projects. The Section states:

- “(a) The State Water Resources Control Board shall prioritize disadvantaged communities for drinking water projects.” and,
- “(d) Up to 10 percent of funds may be utilized for technical assistance and capacity building in disadvantaged communities.”

The technical assistance that these funds would provide will be used to directly increase the capacity of water available for conversion to drinking water through the water recycling plant. The wastewater treatment plant is



sustainable, providing new supply potential for years to come for not only the citizens of Ridgecrest, but our service men and women. Further, the wastewater treatment plant will provide recycled water back into the Basin system and directly reduce the amount of imported water that the Basin will have to bring in during future years. The City of Ridgecrest qualifies as a disadvantaged community wherein Median household income is \$69,577 with a per capita income of \$32,499¹, and 12.7%-persons living poverty within the selected tracts.

The wastewater treatment plant provides an additional capacity of 2,000 AFY of secondary treated water for either advanced treatment or to replace the use of equal amounts groundwater from the Basin in industrial operations at Searles Valley Minerals in Trona, San Bernardino County, California.

Construction Schedule and Funding:

The City of Ridgecrest is in the process of environmental permitting, other permitting, pre-design/preliminary design, initial engineering of the WWTP. With State Agency approvals and construction scheduled to begin in 2023. Completion of the WWTP is scheduled for 2025.

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

Provision of local funds and locally obtained financing will fund between 92% and 94% of the WWTP. The requested \$3 million to \$5 million backstops a cash-shortfall needed to maintain the construction schedule of the WWTP and the water recycling plant.

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

¹ U.S. Census Bureau Data 2019



TERTIARY TREATMENT FACILITY
INDIAN WELLS VALLEY GROUNDWATER AUTHORITY



Request to State Water Resources Control Board
Per Item 3940-106-0001 of the California State Budget Act FY2021 (Senate Bill 129, Section 127, 1(a))
Chapter 69 Statutes of 2021

{OPTION PACKAGE}

Board Draft (for approval)

Request: \$9.1 million to \$11.8 million in allocated project funding for the tertiary treatment portion of the water conveyance structure needed for the “Continuing Formulation of the California Water Plan.” The project meets the requirements of better integrating groundwater and surface water management along with other water supply benefits. Discussion of the requirements are listed below.

The project planning phase will begin in 2021 and construction will begin in 2023. Construction of the Tertiary Treatment project will coincide with construction of a new wastewater treatment facility scheduled for completion in 2025.

Requestor: Indian Wells Valley Groundwater Authority is a local agency and subdivision of the State of California. Its purpose is to obtain and deliver water for municipal, agricultural, and industrial uses in the Basin and for the recharge of the groundwater basin. Their priority is to bring the Basin into sustainability per the California Sustainable Groundwater Management Act (SGMA) of 2014.

Funding: SEC. 127. Item 3940-106-0001 of the California State Budget Act Fiscal Year 2021 (Senate Bill 129, Section 127 Schedule 1, A, appropriated \$1,385,000,000 billion to the State Water Resources Control Board. Specifically, the appropriation provided \$650,000,000 million to for the prioritization of disadvantaged communities for drinking water projects.

Project Background:

To meet the goals of the 2014 Sustainable Groundwater Management Act (SGMA) within 20 years, the Indian Wells Valley Groundwater Authority developed and submitted a groundwater sustainability plan in 2020 which contains measures to achieve groundwater sustainability in the area. As part of the implementation of the Groundwater Sustainability Plan, the Groundwater Sustainability Agency is in the process of implementing the following policies and procedures to address the overdraft issues and bring the Basin back into balance to achieve regional water resilience.

- **Management Action:** Implement annual pumping allocation plan, transient pool, water replenishment fee and fallowing program (The IWVGA Board implemented the transient pool and water replenishment fee policies in August 2020)
- **Sustainability Projects:**
 - Develop imported water supplies to augment natural resources in the Basin
 - Optimize use of recycled water
 - Basin-wide conservation efforts
 - Shallow well mitigation program
 - Dust control mitigation project
 - Pumping optimization project

In addition to connecting to imported water supplies, using recycled water efficiently will be of crucial importance to the Basin. The City of Ridgecrest is in the process of developing a new Wastewater Treatment Plant to processes about 2,700-acre feet of wastewater. The City of Ridgecrest owns and operates a wastewater

treatment facility that is situated on the grounds of the China Lake Naval Weapons Air Station. The facility treats wastewater flows from both the City of Ridgecrest outside of the fence line as well as China Lake's flows. The average flow to the facility is approximately 2,588 AF per year. The City has operated the existing treatment facility since 1974, and the plant was expanded in 1976. The facility is outdated and needs to be replaced.

In October 2020, the City of Ridgecrest and the US Navy reached a 50-year land easement agreement and a 10-year wastewater service contract between the Navy and the City of Ridgecrest. This agreement creates the framework for the City of Ridgecrest to build a new wastewater treatment facility to serve the needs of the Base and the City. The tertiary treatment portion of the project request would couple the new treatment plant with advanced treatment facilities, and pump structures and injection and monitoring wells. This system will form the new Water Recycling Plant. The plant will produce up to 2,000-acre feet of recycled water, thus directly reducing the amount of imported water needed to bring the Basin into sustainability. The tertiary treatment portion of the system, the third and final step of wastewater treatment, will remove any remaining undesired bacteria, parasites, and chemicals in the water. The water recycling plant is in early planning stages with construction currently slated to be concurrent with the City's wastewater treatment plant. Current cost estimates for the water recycling plant are between \$87.3 million and \$116.9 million with a tentative completion date of 2025.

The project is an important component for the community. The facility will assist with the continued operations of the China Lake Naval Weapons Air Station, as the vast majority of its personnel live off of the base. The Navy has shown their support for the treatment plant upgrades by entering into the land easement and service agreements with the City of Ridgecrest in 2020. We have also briefed the Department of Water Resources on the project. It is vital for the Basin to complete these projects because every acre-foot of produced recycled water suitable for delivery back into the Basin directly lowers the amount of water that the Authority has to import. The planning phase of the project will start in 2023. Construction of the Tertiary Treatment project will coincide with construction of a new wastewater treatment facility scheduled for completion in 2025

How it Works

The treatment facility will provide an estimated 2,000 AF of treated water to the Indian Wells Valley Groundwater Authority, which in turn can be used to balance the Basin's overdraft. Over the long term, the Authority will have to balance any further water needs that the recycled water cannot fulfill with imported water. Bringing in imported water is very expensive, and the new and cleaned recycled water supply will reduce water costs that would normally be passed onto the consumer. By producing this extra 2,000-acre feet of local recycled water, the personnel at the base and the citizens and businesses in the Indian Wells Basin will have greater access to the water they need to sustain their economy and quality of life.

Construction of the wastewater treatment plant would take place between 2023 and 2025. Construction of the tertiary treatment portion of the water recycling plant would take place between 2023 and 2025 after the planning, permitting, design and engineering phases have been completed.

Eligibility of Funding:

Section 127 of SB 129, as signed into law states:

For local assistance, State Water Resources Control Board.

\$650,000,000 shall be available for drinking water projects.

(A) The State Water Resources Control Board shall prioritize disadvantaged communities for drinking water projects.

This general appropriation fund is for SGMA implementation. It is generally believed that policy priorities and implementation guidelines will prioritize initial funding for critically over drafted basins.

The Indian Wells Valley Groundwater Authority's tertiary treatment project would aid in providing for new source of sustainable and reliable water for the people of the City of Ridgecrest and the citizens and water users of the Indian Wells Basin. The project is SGMA complaint and assists a designated rural and disadvantaged community with a sustainable source of water per SGMA protocols.

Board Draft (for approval)

WATER RECYCLING PLANT
INDIAN WELLS VALLEY GROUNDWATER AUTHORITY



Request to State Water Resources Control Board
Per Item 3940-106-0001 of the California State Budget Act FY2021 (SB 129, Section 127, Schedule 2 and 3)
Chapter 69 Statutes of 2021

{OPTION PACKAGE}

Board Draft (for approval)

Request: \$4 million to \$6 million in allocated project funding for the construction of a water recycling facility designed to provide 2,000 AF of advanced treated water to supplement drinking water supplies provided by groundwater. Requested funding will be utilized for planning, design, environmental permitting, required studies and early construction activities.

The project planning phase will begin in 2021 and construction will begin in 2023. Construction of the Tertiary Treatment project will coincide with construction of a new wastewater treatment facility scheduled for completion in 2026.

Requestor: Indian Wells Valley Groundwater Authority is a local agency and subdivision of the State of California. Its purpose is to obtain and deliver water for municipal, agricultural, and industrial uses in the Basin and for the recharge of the groundwater basin. Their priority is to bring the Basin into sustainability per the California Sustainable Groundwater Management Act (SGMA) of 2014.

Funding: SEC. 127. Item 3940-106-0001 of the California State Budget Act Fiscal Year 2021 (Senate Bill 129, Section 127 appropriated \$1,385,000,000 billion to the State Water Resources Control Board for local assistance. Schedule 2 provides \$85 million for groundwater cleanup and water recycling projects with \$50 million scheduled for disbursement no later than February 1, 2022, and the remaining amounts unexpended to be disbursed prior to June 30, 2024.

Project Background:

Constructed in conjunction with the City of Ridgecrest wastewater treatment plant and the tertiary treatment facilities, the Water Recycling Plant provides advanced treatment and groundwater recharge for 2,000 acre-fee per year. At a current cost estimate between \$87.3 million and \$116.9 million, with a tentative completion date of December 2026, the requested funding of \$4 million to \$6 million would be utilized for activities occurring between 2022 and 2024. These include planning, permitting, preliminary design, and environmental review/permitting activities which total between \$11 million and \$20 million.

How it Works.

Secondary treated water from the City of Ridgecrest, California wastewater treatment facility undergoes tertiary treatment [see funding request from Item 3940-106-0001, Schedule 1(a)] and flows through to the IWVGA water recycling plant. This plant utilizes a combination of MF/RO, UV/H₂O₂ providing advanced treated water which meets State Water Resources Control Board, Cal-EPA, and USEPA standards for injection into the groundwater basin. The plant will also include ancillary brine concentration and evaporation facilities. A total of 10.5 miles of 16" diameter pipeline, six monitoring wells, 2 injection wells, and a one-million-gallon equalizing tank are required for the project.

Eligibility of Funding:

Section 127 of SB 129, as passed (Chapter 69 Statutes of 2021) provides \$1.385 billion to the State Water Resources Control Board. Under "schedule (2) of that Section, \$85 million has been allocated for groundwater cleanup and water recycling projects. \$50 million of those funds authorized under "schedule (2)" are to be

programmed by the SWRCB prior to February 1, 2022, with the remaining \$35 million to be expended through June 30, 2024. As a project seeking to provided advanced treatment and injection of water to augment groundwater supplies, the IWVGA Recycled Water Plant qualifies under Section 127 schedule 2 or schedule 3.

The requested funding is for activities associated with portions of the project to be completed prior to 2024.

Board Draft (for approval)

IMPORTED WATER INTERCONNECTION
INDIAN WELLS VALLEY GROUNDWATER AUTHORITY



Request to Department of Water Resources
Per Item 3860-101-001 of the California State Budget Act FY2021 (Senate Bill 129, Section 112-1(d))
Chapter 69 Statutes of 2021

Board Draft (for approval)

Request: \$4 million to \$6 million in allocated project funding for a conveyance structure needed for the “Continuing Formulation of the California Water Plan.” The project meets the requirements of better integrating groundwater and surface water management along with other water supply benefit. Discussion of the requirements are listed below.

The project planning phase will begin in 2023 and construction will begin in 2026. Project completion is expected in 2035. The Indian Wells Valley Groundwater Authority has already made general inquiries into the availability of imported water supplies and is in the process of planning and evaluation.

Requestor: Indian Wells Valley Groundwater Authority, a local agency and subdivision of the State of California. Its purpose is to sustainably manage the groundwater basin underlying the district. Their priority is achieving basin sustainability

Funding: Item 3860-101-001 of the California State Budget Act Fiscal Year 2021 (Senate Bill 129, Section 112 Schedule 1, D) appropriated \$663 million to the Department of Water Resources providing \$560 million to be allocated for the continuation of the formation of the California State Water Plan. \$60 million was appropriated for “Sustainable Groundwater Management Act Implementation” projects meeting specific requirements.

Project Background:

Located at the intersection of Inyo, Kern and San Bernardino Counties the Indian Wells Valley Basin is a designated critically over drafted groundwater basin under the Department of Water Resources’ Bulletin 118. The region is home to the Naval Air Weapons Station China Lake, a Department of Defense installation. The base is an important research and development base for both the Navy and Department of Defense. The City of Ridgecrest is located in Kern County and is a designated disadvantaged community with a population of 28,973. According to the US Census Bureau, as of 2019, 12.7% of the population lives in poverty. The town provides housing, quality of life and defense community support. Several unincorporated areas of Inyo, Kern, and San Bernardino Counties also overlie the Indian Wells Basin . The Basin is completely isolated from connecting water resources and only relies on groundwater sources and water from snowpack in the Sierra Nevada Mountains. The Indian Wells Valley Groundwater Basin currently overdrafts the natural recharge by as much as approximately 25,000 AFY with primary water uses being agriculture, mining, defense and domestic-related.

To meet the goals of the 2014 Sustainable Groundwater Management Act (SGMA) within 20 years, the Indian Wells Valley Groundwater Authority developed and submitted a groundwater sustainability plan in 2020 which contains measures to achieve groundwater sustainability in the region. By bringing imported water into the Basin and reaching sustainability by 2040, the authority hopes to obtain access to existing water conveyance facilities with new conveyance systems under their Groundwater Sustainability Plan.

The Groundwater Authority has identified two potential interconnection points needed to bring the Basin into sustainability per the Groundwater Sustainability Plan. The project would provide for a new water conveyance structure. The total infrastructure capital costs, depending on the route, is between \$55 and \$177 million.

The first structure identified as a possible interconnection point is the Los Angeles Department of Water and Power's Los Angeles Aqueduct (LADWP). The second is the Antelope Valley-East Kern Water Agency (AVEK) which has a water transmission pipeline that terminates near California City, California. For either one of these options, the transfer partner would simply provide the delivery infrastructure to allow the Indian Wells Valley Groundwater Authority to tie into their system. The Authority would purchase entitlement from other sources and exchange that water for water from the system that is near to the Basin. In addition, the water going to the Indian Wells Valley would not put further strain on the existing water supplies of the transfer partner.

The project is supported by the United States Navy, The Naval Air Weapons Station China Lake, The City of Ridgecrest and the California Department of Water Resources. The DWR and their policy staff have been briefed on the IWVGA projects. Interaction with DWR technical staff on behalf of the Authority has largely been accomplished by Stetson Engineering. The planning phase of the project will start in 2023. The project is slated to commence construction in 2026.

How it Works

AVEK Interconnection:

Under this project the Indian Wells Valley Groundwater Authority would purchase a combination of California state water "Table A" Entitlement along with short-term and long-term water supplies. Those water supplies would be transferred or "wheeled" through existing AVEK facilities, specifically through the AVEK surface water treatment facilities and the California City Pipeline. AVEK staff has indicated capacity within the existing pipeline to handle the Basin's water needs to achieve sustainability.

A 50-mile pipeline extension from the California City Pipeline facility along California Interstate 14 would be required. Two pump stations would be required to lift the imported water supplies over the El Paso Mountains and through the El Paso area. Water tanks for storage would also likely be required. The treated water would be used to directly meet the needs of the Indian Wells Valley Groundwater Basin.

LADWP Interconnection:

Under this project the Indian Wells Valley Groundwater Authority would purchase a combination of state water "Table B" entitlement and both short-term and long-term water supplies. The purchased water would be "wheeled" through the Metropolitan Water District's system and delivered to LADWP for use in LADWP service area. Agreements between Metropolitan Water District, Indian Wells Valley Groundwater Authority and LADWP would be required to "wheel" the water as described. LADWP would then provide water from its facilities in the Owens Valley to the Indian Wells Valley Groundwater Basin. This is an exchange agreement that would require no new or additional pumping from the Owens Valley and is not a water purchase agreement with LADWP. Final selection of the most feasible imported water infrastructure project (either AVEK or LADWP) will occur in January 2023 after preparation of an engineering report and negotiation with the relevant

transfer agencies. Permitting will begin in 2023 and continue through January 2026. Construction on the project would begin in 2026 and be completed in January 2035.

Eligibility of Funding:

Section 112 of SB 129, as signed into law states:

As previously states, for local assistance, Department of Water Resources: Schedule (1) Continuing Formulation of the California Water Plan. (D) Sustainable Groundwater Management Act Implementation (60,000,000)

- \$60 million to DWR for implementation of SGMA

This general appropriation fund is for SGMA implementation, and policy priorities and implementation guidelines may prioritize initial funding for critically over drafted basins.

- Eligible Programs for the Interconnection Project

Final eligibility will be determined by the policy discussions between the Governor, Assembly, and Senate as well as the implementation guidelines established by the individual agencies.

- \$650 million to SWRCB for “drinking water projects”

The interconnection project will help bring the Basin into balance regarding drinking water supplies and would qualify for these funds. This objective would provide both the people of the City of Ridgecrest and those living and working on the base with a more reliable source of drinking water.

- \$100 million to DWR from the General Fund for “water conveyance”

The interconnection project meets the definition of a water conveyance structure, as the structure would be made up of piping, pumping and storage segments to be considered “conveyance structures.” The very act of bringing water into the Basin meets this general fund requirement.

The Indian Wells Valley Groundwater Authority’s interconnection project would provide for new source of sustainable and reliable water for the people of the City of Ridgecrest and the United States Navy. The project is SGMA compliant and assists a designated rural and disadvantaged community with a source of clean water for years to come.

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Item 1. Pledge of Allegiance

Item 2. Call to Order - All current recognized members were present with the exception of voting members Tim Carrol and Camille Anderson, and non-voting member Tom Bickauskas. Camille Anderson and Tom Bickauskas had previously notified the chair of their intended absence due to conflicts.

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

None received

Item 4. Confirm PAC Member Representation and Attendance

- a. **Confirm Current Roster of Representatives** - The noted that all known current individual representatives were either present (or had notified the chair of their non-availability prior to the meeting) with the exception of the Inyokern CSD (and DAC) Representative, Tim Carrol. Confirmed open representative seats are for Business Interests, Large Agriculture, and the newly identified Trona community representative. See attached list for the current roster of PAC members.
- b. **New or Replacement Candidates**- The chair noted that candidates should submit nominations to the GA Board members for appointment to the PAC open positions . General Counsel Keith Lemieux confirmed that Director Itneyer is accepting applications for the newly established Trona community PAC representative.

Item 5. Confirm PAC Chair and Vice Chair and Assign Note Taker

David Janiec and Pat Quist will remain as PAC Chair and Vice Chair, respectively. The committee agreed that the PAC Report submitted by the chair would serve as minutes with the addition of recording all actions and votes by the members. Staff will provide a draft template for recording actions and votes to be incorporated in the PAC report. The PAC Report minutes would be subject to final approval by vote at the next committee meeting.

Member Comment: Judie Decker emphasized the importance of capturing member and public comment summary thoughts in the report for the GA Board as previously done. Renee Westa-Lusk and Lyle Fisher asked about the requirement for minutes since the PAC meetings are now video taped, telecasted, and archived. Keith Lemieux noted that the Brown act still requires the recording of actions and votes.

Item 6. Confirm Schedule for Standing Regular Meetings

The standing regular meetings of the PAC will be on the fourth Thursday of the month starting at 5PM in the Ridgecrest City Council chambers. All meetings will be video recorded, videocasted, and archived.

Item 7. Present Current "Open" TAC Member Seats

Per the bylaws, each PAC member has the opportunity to nominate to the GA board one TAC member from the stakeholder group they represent. The chair noted that staff will need to confirm current, active TAC members and provide a list of open positions to be available at the next meeting. Pending review of the TAC member list, PAC members may nominate qualified individuals to the board.

Member Comment: Nick Panzer noted that the education, experience and basin familiarity qualifications of the TAC members are such that any available resource to identify community members who may be candidates would be very helpful. He suggested that Water District may have some knowledge of potentially qualified individuals.

Item 8. Future Agenda Items (September PAC)

The committee had a lengthy discussion and prioritized the five items provided by staff, and added two for future consideration.

After much discussion, the PAC agreed that the final priority order for the committee consideration at the next PAC meetings were:

1. Public Communication and Engagement Plan (agenda item 8.a).
2. Draft Ordinance on Temporary/Emergency Water Use and Waiver Assessments (agenda item 8.c).
3. Provide recommendations on IWVGA “policy” for IWV water conservation efforts. Regulatory guidance is currently provided by IWWWD, the City of Ridgecrest, Kern County, San Bernardino County, and Inyo County. Given the potential state-wide emergency water management mandates there was consideration to move this higher in priority. However, given ongoing staff discussion of this item, we request GA Counsel provide update and clarification to the PAC on the necessity for the item, due to enforcement redundancy and GA enforcement limitations (agenda item 8.e).
4. POA&M discussion referenced below.

Member Comment: Nick Panzer suggested the next meeting be focused on communication, supported by West Katzenstein, Renee Westa-Lusk. The PAC members all agreed that the Public Communication and Engagement Plan was of the highest priority. An update is required, but not a redo. Nick Panzer addressed the need for communication supporting the GSP to identify impacts with respect to a backup plan for imported water, if required by DWR for their approval, or, if we are unable to get the necessary funding for the required infrastructure. This is necessary for the stakeholders to understand the potential impacts of the plan and potential outcomes.. Effective communications are required and we should focus on subject areas of information, as well as refine the tools and methods of communication. Judie Decker commented that the GA needed to critique the plan from their perspective prior to our review and update. The PAC agreed that input/critique from the board is needed, but in parallel with the urgent review of the plan by the PAC. The PAC requests that the GA board provide the their assessment and comments from their perspective and experience, thus far.

Judie Decker suggested that the PAC urge the GA to develop and adopt a general POA&M for ongoing operations. Nick Panzer noted that he had previously provided comments on some of these subjects during the past year and questioned the need do them again. Lyle Fisher also supported the need for a POA&M to better inform staff, the committees and the public. The chair noted that such a general POA&M is necessary for prioritizing the effective engagement of the PAC. The PAC members as whole supported this recommendation.

Judie Decker felt that it was important to have opportunities for a less formal atmosphere to encourage more interaction with the public stakeholders in both GA and PAC meetings. She also recommended we ask Stetson Engineers to present a current and ongoing status of the GSP with DWR and the GA response or actions resulting. Keith Lemieux noted that there is no official status until the DWR accepts or rejects the plan, as required, no later than January 2022.

West Katzenstein commented on the role of the PAC now. Keith Lemieux clarified that the role is to represent cohorts of stakeholders and act as a sounding board for the GA, achieving consensus where possible, and when unable, to provide the consolidated opinion and interests of the respective stakeholder cohorts so that it can be considered by the board. The chair requested counsel to provide future clarification of the PAC role in GSP implementation and enforcement issues, as described and limited in the bylaws.

Public Comment: Don Decker (TAC member) commented that the IWV/DRI Basin Model Draft Configuration Plan (agenda item 8.b) was very technical with limited policy implications. He recommended that the PAC move the POA&M discussion forward as fast as possible as it is fundamental to everything the GA is doing. He thanked the committee for engaging on these critical topics.

Item 9. Confirmed Next Regular PAC Meeting Date

Regular Meeting scheduled for 5PM Thursday, September 23, 2021.

Item 10. Member Comment

Nearly all members commented on their pleasure at being back together with in-person, public meetings and eager engage on the difficult subjects. They also expressed the critical need for improved, clear communication, as well as the responsibility for individuals to be aware and informed in a technologically advancing society where broad public communication is increasingly challenging. Renee Westa-Lusk pointed out that the November and December standing meeting dates would likely need to be adjusted for the holidays.

Item 11. Meeting Adjourned. Submitted by: David Janiec, IWVGA PAC Chair, 5 September 2021

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**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY
POLICY ADVISORY COMMITTEE (PAC) ROSTER
(August 2021)**

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

“The initial term of the member representatives shall be until the GSP is completed (January 2019) and approved by DWR (expected in 2022?). Subsequent terms shall be two years, culminating at the end of a calendar year.”

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