

# 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, December 8, 2021; 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 – 11:00 a.m.**

- a. Pledge of Allegiance
- b. Roll Call

### **2. AB 361 FINDING**

### **3. 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.

### **4. CONSENT AGENDA**

- a. Approve Minutes of Board Meeting November 10, 2021
- b. Approve 2022 Regular Board Meeting Schedule
- c. Approve Expenditures

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

- i. \$77,753.84 – Stetson Engineers
- ii. \$28,558.75 – Regional Government Services – (Replenishment / Extraction)
- iii. \$15,281.25 – Capitol Core Group – (Replenishment)

**5. WATER RESOURCES MANAGER REPORT**

- a. Grant Funding
  - i. Proposition 1
  - ii. Proposition 68
- b. GSP Implementation Projects/Management Action Updates
  - i. Recycled Water Program
  - ii. Project No. 1 – Surface Percolation Replenishment
  - iii. Project No. 4 – Shallow Well Impact Mitigation Program Update
- c. Miscellaneous Items
  - i. Policy on Temporary Use
  - ii. Annual Report for Water Year 2021

**6. BOARD REVIEW AND APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH REGIONAL GOVERNMENT SERVICES**

**7. BOARD REVIEW AND APPROVAL OF AMENDMENT NO. 4 TO AGREEMENT WITH CAPITOL CORE GROUP**

**8. 2022 BOARD ROTATION**

**9. UPDATE FROM WULFF HANSEN ON BOND PROGRESS**

**10. GENERAL MANAGER'S REPORT**

- a. Monthly Financial Report

**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 – JANUARY 12, 2022**

**14. ADJOURN**

**PUBLIC COMMENT NOTICE**

On September 16, 2021, Governor Newsom signed into law Assembly Bill 361, relating to the convening of public meetings in light of the COVID-19 pandemic. At this time, the Indian Wells Valley Groundwater Authority is continuing to hold board meetings in order to conduct essential business. IWVGA meetings will be open to the public for physical attendance; However, for those who wish to continue using virtual alternatives please follow the directions below for access to live stream video as well as ways to submit public comment.

• **Watch meetings on-line:**

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

• **Call in for public comments:**

If you wish to make verbal comment, *please call (760) 499-5010*. This phone line will allow only one caller at a time, so if the line is busy, please continue to dial. We will be allowing a 20-30 second

pause between callers to give time for media delays and callers to dial in. Due to media delays, please mute your streaming device while making public comment. If you wish to comment on multiple items, you will need to call in as each item is presented.

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

- **Submit written comments:**

We encourage submittal of written comments supporting, opposing, or otherwise commenting on an agenda item, for distribution to the Board prior to the meeting. Send emails to [akeigwin@rgs.ca.gov](mailto: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, November 10, 2021; 10:00 a.m.

### IWVGA Members Present:

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

Attending via teleconference is Tim Itnyre and John Vallejo, 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 10:09 a.m.

### 2. AB-361 FINDING:

Motion made by John Vallejo and seconded by Phillip Peters to make a finding that health and safety risks as stated in AB-361 are still of concern.

Motion carries by the following roll call vote:

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

### 3. PUBLIC COMMENT ON CLOSED SESSION:

None.

Chairman Hayman calls the meeting into Closed Session at 10:16 a.m.

*Vice Chair Rajtora joins the meeting for Closed Session*

### 4. CLOSED SESSION:

- CONFERENCE WITH REAL PROPERTY NEGOTIATIONS – (Government Code Section 54956.8) - Property: State Water Project Importation; Agency Negotiator: Capitol Core Group; Negotiating Parties: Various; Under Negotiation: Price and terms of payment.
- CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(b)) - Number of cases: (2)
- CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Government Code Section 54956.9): IWVGA v. Inyokern CSD.

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

Closed Session adjourned at 11:02 a.m.

## 5. OPEN SESSION:

Meeting reconvenes into Open Session at 11:08 a.m.

- a. Report on Closed Session:  
Counsel Lemieux reports no action was taken that would require disclosure under The Brown Act.
- b. The Pledge of Allegiance is led by Chairman Hayman
- c. April Keigwin calls the following roll call:

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

## 6. PUBLIC COMMENT:

The Board hears public comment from Mike Neel, Josh Nugent, Elaine Mead, Nick Panzer, West Katzenstein, and Judie Decker.

## 7. CONSENT AGENDA:

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

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

Motion made by Phillip Peters and seconded by Stan Rajtora to approve Minutes of Board Meeting October 13, 2021, Resolution 09-21 and the following expenditures in the amount of \$51,093.35 to Stetson Engineers, \$20,377.25 to Regional Government Services, \$10,000.00 to Capitol Core Group, and \$314.80 to WellIntel.

Motion carries by the following roll call vote:

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

## 8. WATER RESOURCES MANAGER REPORT:

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

- a. Grant Funding
  - i. Proposition 1
  - ii. Proposition 68
- b. GSP Implementation Projects/Management Action Updates
  - i. Recycled Water Program
  - ii. Project No. 1 – Surface Percolation Replenishment
  - iii. Project No. 4 – Shallow Well Impact Mitigation Program Update
- c. Miscellaneous Items
  - i. Policy on Temporary Use
  - ii. Annual Report for Water Year 2021

The Board hears public comment from Josh Nugent, Don Decker, Nick Panzer, West Katzenstein, Judie Decker, Mike Neel and Renee Westa-Lusk.

**9. BOARD REVIEW AND APPROVAL OF 2022 BUDGET:**

Carole Thomas-Keefer presents 2022 budget (documents made available on the IWVGA website).

The Board hears public comment from Josh Nugent, Nick Panzer, Judie Decker, Renee Westa-Lusk and Mike Sinnott.

Motion made by Phillip Peters and seconded by Scott Hayman to approve the 2022 Budget.  
Motion carries by the following roll call vote:

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

**10. GENERAL MANAGER’S REPORT:**

Carol Thomas-Keefer provides the Monthly Financial Report and 2022 Board rotation update. Jeff Simonetti of Capitol Core Group provides a Technical Memorandum and Sustainable Groundwater Management Act comment letter to be sent to Department of Water Resources (DWR). Roy Nelson of Wulff Hansen provides a presentation highlighting rates available in the current market (documents made available on the IWVGA website).

The Board hears public comment from Josh Nugent, Nick Panzer, Mike Neel, Renee Westa-Lusk and Mike Sinnott.

*Chairman Hayman calls for a recess at 2:00 p.m.  
Meeting reconvenes at 2:06 p.m.*

**11. PAC/TAC REPORT:**

PAC Chair, David Janiec gives a report from the October 28, PAC Meeting (document made available on the IWVGA website). Steve Johnson provides a status update on TAC reengagement.

**12. CLOSING COMMENTS:**

Vice Chair Rajtora questions how the loan from the augmentation fund to the pump fee in the 2022 budget will be paid back. Rajtora further states he would like to see project costs associated with each revenue stream applied to the appropriate funding source.

Director Vallejo addresses the numerous public comments concerning the facilitation letter received from DWR. Vallejo states it would be unwise to get involved in facilitation discussions while there is outstanding litigation as well as a groundwater adjudication. He further states that once the litigation items are resolved he feels the

GA should get involved to continue the dialogue in a way that won't compromise the ability of the GA to move forward with acquiring a sustainable groundwater future for the Basin.

Chairman Hayman addresses Vice Chair Rajtora's comments about the budget and states that revenue would cover project costs if there weren't numerous lawsuits going on.

**13. DATE OF NEXT MEETING** – December 8, 2021

**14. ADJOURN:**

Chairman Hayman adjourns the meeting at 3:04 p.m. on November 10, 2021.

Respectfully submitted,

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



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# 2022

## IWVGA REGULAR BOARD MEETING DATES

January						
S	M	T	W	T	F	S
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9	10	11	12	13	14	15
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February						
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**Invoice**

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

**Invoice Number: 2652-51**  
**Invoice Date: 11/23/21**

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

Professional Services through 10/31/2021

**Water Resources Management**

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

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	0.50	\$200.00	\$100.00
Senior Associate	0.50	\$120.00	\$60.00
Associate III	3.25	\$105.00	\$341.25
<i>Professional Services Subtotal:</i>			<u>\$501.25</u>
<i>POAM No. 15,16 Prop 1 Grant Administration Subtotal:</i>			<u>\$501.25</u>

**40 - 2021 General Engineering**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	8.00	\$230.00	\$1,840.00
Supervisor I	6.50	\$200.00	\$1,300.00
Senior Associate	20.25	\$120.00	\$2,430.00
Associate III	22.25	\$105.00	\$2,336.25
<i>Professional Services Subtotal:</i>			<u>\$7,906.25</u>
<i>2021 General Engineering Subtotal:</i>			<u>\$7,906.25</u>

**42 - TSS Coordination: Drilling Support**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	0.25	\$200.00	\$50.00
<i>Professional Services Subtotal:</i>			<u>\$50.00</u>
<i>TSS Coordination: Drilling Support Subtotal:</i>			<u>\$50.00</u>

**45 - 2021 Annual Report**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	0.25	\$200.00	\$50.00
Assistant I	0.75	\$95.00	\$71.25
<i>Professional Services Subtotal:</i>			<u>\$121.25</u>
<i>2021 Annual Report Subtotal:</i>			<u>\$121.25</u>

**46 - 2021 Data Management System Support**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Associate I	6.25	\$115.00	\$718.75
Assistant I	0.25	\$95.00	\$23.75
<i>Professional Services Subtotal:</i>			<u>\$742.50</u>
<i>2021 Data Management System Support Subtotal:</i>			<u>\$742.50</u>

**51 - 2021 Meetings and Prep**



**51 - 2021 Meetings and Prep**

**Professional Services**

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	21.00	\$230.00	\$4,830.00
Supervisor I	2.25	\$200.00	\$450.00
Senior Associate	6.25	\$120.00	\$750.00
Associate III	8.75	\$105.00	\$918.75

*Professional Services Subtotal:* \$6,948.75

**Reimbursables**

	<u>Charge</u>
Reproduction (Color)	\$45.39
Reproduction	\$0.30

*Reimbursables Subtotal:* \$45.69

*2021 Meetings and Prep Subtotal:* \$6,994.44

**53 - 2021 General Project Management**

**Professional Services**

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	5.00	\$230.00	\$1,150.00
Supervisor I	6.75	\$200.00	\$1,350.00
Senior Associate	1.50	\$120.00	\$180.00
Associate I	0.75	\$115.00	\$86.25
Associate III	2.75	\$105.00	\$288.75
Assistant I	1.25	\$95.00	\$118.75

*Professional Services Subtotal:* \$3,173.75

*2021 General Project Management Subtotal:* \$3,173.75

**55 - 2021 Grant Review/Application**

**Professional Services**

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Associate III	16.00	\$105.00	\$1,680.00

*Professional Services Subtotal:* \$1,680.00

*2021 Grant Review/Application Subtotal:* \$1,680.00

**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>
GIS Manager	0.50	\$115.00	\$57.50

*Professional Services Subtotal:* \$57.50

*Navy/Coso Royalty Fund: 2021 Rose Valley MW Permitting, Bid Doc Support & Dri* \$57.50

**59 - 2021 Data Collection**

**Professional Services**

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	9.50	\$200.00	\$1,900.00
Associate I	2.00	\$115.00	\$230.00
GIS Manager	11.00	\$115.00	\$1,265.00
Assistant I	100.00	\$95.00	\$9,500.00

*Professional Services Subtotal:* \$12,895.00

**Reimbursables**

	<u>Charge</u>
Car Rental	\$1,336.20
Field Supplies	\$16.87
Laboratory / Testing	\$1,840.00
Lodging	\$573.44
Meals	\$148.03
Mileage	\$7.06
Overnight Mail	\$340.72



**59 - 2021 Data Collection**

**Sub-Contractors**

Horizon Environmental, Inc.

*Reimbursables Subtotal:* \$4,262.32

Charge

\$10,096.58

*Sub-Contractors Subtotal:* \$10,096.58

*2021 Data Collection Subtotal:* \$27,253.90

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

**Professional Services**

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	8.50	\$230.00	\$1,955.00
Supervisor I	4.00	\$200.00	\$800.00
Associate III	17.50	\$105.00	\$1,837.50

*Professional Services Subtotal:* \$4,592.50

*2021 Imported Water: Negotiations and Coordination for Replenishment Fee Subtotal:* \$4,592.50

**61 - 2021 Imported Water: Engineering and Analysis for Replenishment Fee**

**Professional Services**

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	5.50	\$230.00	\$1,265.00
Associate III	1.00	\$105.00	\$105.00

*Professional Services Subtotal:* \$1,370.00

*2021 Imported Water: Engineering and Analysis for Replenishment Fee Subtotal:* \$1,370.00

**62 - 2021 Recycled Water for Replenishment Fee**

**Professional Services**

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	44.50	\$230.00	\$10,235.00
Supervisor I	19.25	\$200.00	\$3,850.00
GIS Manager	12.75	\$115.00	\$1,466.25
Associate II	7.25	\$110.00	\$797.50
Associate III	22.75	\$105.00	\$2,388.75
Assistant I	27.50	\$95.00	\$2,612.50
Technical Illustrator	8.50	\$85.00	\$722.50

*Professional Services Subtotal:* \$22,072.50

**Reimbursables**

Maps Charge

\$48.00

*Reimbursables Subtotal:* \$48.00

*2021 Recycled Water for Replenishment Fee Subtotal:* \$22,120.50

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

**Professional Services**

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	2.50	\$230.00	\$575.00
Senior Associate	0.50	\$120.00	\$60.00
Associate III	1.00	\$105.00	\$105.00

*Professional Services Subtotal:* \$740.00

*2021 Shallow Well Mitigation Program: Plan Development Subtotal:* \$740.00

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

**Professional Services**

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	1.50	\$230.00	\$345.00
Associate III	1.00	\$105.00	\$105.00

*Professional Services Subtotal:* \$450.00



Project #: 2652

Invoice No: 2652-51

November 23, 2021

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*2021 Litigation Support – Searles Valley Minerals & Mojave Pistachios Subtotal:* \$450.00

*Water Resources Management Subtotal:* \$77,753.84

**\*\*\* Invoice Total \*\*\*** **\$77,753.84**



## REIMBURSABLE SUMMARY

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

**Invoice Number: 2652-51**

**Invoice Date: 11/23/21**

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

Manager: Stephen Johnson

Professional Services through 10/31/2021

### 51 - 2021 Meetings and Prep

#### Reimbursables

Description	Date	Units	Unit Rate	Charge	Notes
Reproduction	10/31/2021	2.00	\$0.15	\$0.30	
Reproduction (Color)	10/31/2021	31.00	\$0.89	\$27.59	
Reproduction (Color)	10/31/2021	20.00	\$0.89	\$17.80	

2021 Meetings and Prep Sub-Total: \$45.69

### 59 - 2021 Data Collection

#### Reimbursables

Description	Date	Units	Unit Rate	Charge	Notes
Lodging	10/13/2021	1.00	\$573.44	\$573.44	
Mileage	10/16/2021	9.80	\$0.56	\$5.49	
Car Rental	10/17/2021	1.00	\$50.00	\$50.00	
Meals	10/17/2021	1.00	\$41.26	\$41.26	
Meals	10/17/2021	1.00	\$28.47	\$28.47	
Meals	10/17/2021	1.00	\$29.18	\$29.18	
Meals	10/18/2021	1.00	\$11.90	\$11.90	
Car Rental	10/19/2021	1.00	\$55.15	\$55.15	
Field Supplies	10/19/2021	1.00	\$8.10	\$8.10	
Overnight Mail	10/19/2021	1.00	\$92.48	\$92.48	
Field Supplies	10/20/2021	1.00	\$8.77	\$8.77	
Overnight Mail	10/20/2021	1.00	\$153.00	\$153.00	
Car Rental	10/21/2021	1.00	\$66.94	\$66.94	
Laboratory / Testing	10/21/2021	1.00	\$575.00	\$575.00	
Meals	10/21/2021	1.00	\$18.30	\$18.30	
Car Rental	10/22/2021	1.00	\$36.76	\$36.76	
Meals	10/22/2021	1.00	\$9.72	\$9.72	
Laboratory / Testing	10/23/2021	1.00	\$230.00	\$230.00	
Laboratory / Testing	10/23/2021	1.00	\$920.00	\$920.00	
Meals	10/23/2021	1.00	\$9.20	\$9.20	
Car Rental	10/24/2021	1.00	\$1,047.93	\$1,047.93	
Car Rental	10/24/2021	1.00	\$79.42	\$79.42	
Mileage	10/25/2021	2.80	\$0.56	\$1.57	
Overnight Mail	10/27/2021	1.00	\$95.24	\$95.24	
Laboratory / Testing	10/31/2021	1.00	\$115.00	\$115.00	

#### Sub-Contractors

Description	Date	Units	Unit Rate	Charge	Notes
Horizon Environmental, Inc.	10/31/2021	1.00	\$10,096.58	\$10,096.58	

2021 Data Collection Sub-Total: \$14,358.90

### 62 - 2021 Recycled Water for Replenishment Fee

#### Reimbursables

Description	Date	Units	Unit Rate	Charge	Notes
Maps	10/11/2021	1.00	\$48.00	\$48.00	

2021 Recycled Water for Replenishment Fee Sub-Total: \$48.00



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Carmel Valley, CA 93924

# Invoice

Date	Invoice #
10/31/2021	12662

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

P.O. No.	Due Date	Inv Sent
	11/30/2021	11/16/2021

Date	Description	Amount
10/31/2021	Contract Services for October - please see attached	28,258.75
		<b>Total</b> \$28,258.75

**Indian Wells Valley**

Month: **Oct, 2021**

Advisor Name	Hours and Rates by Pay Period				Monthly Total Billed
	1st -15th		16th - EOM		
	Reg Hrs	Bill Rate	Reg Hrs	Bill Rate	
Carol Thomas-Keefer	23.60	\$ 125.00	15.00	\$ 125.00	\$ 4,825.00
April Keigwin	78.30	\$ 100.00	70.50	\$ 100.00	\$ 14,880.00
Jefferson Kise	3.50	\$ 135.00	1.50	\$ 135.00	\$ 675.00
Glenn Lazof	0.00	\$ -	1.00	\$ 150.00	\$ 150.00
Gina M Schuchard	27.75	\$ 135.00	29.50	\$ 135.00	\$ 7,728.75
Roberto Moreno	0.00	\$ -	0.00	\$ -	\$ -
<b>Totals</b>	<b>133.15</b>		<b>117.50</b>		<b>\$ 28,258.75</b>

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Carmel Valley, CA 93924

# Invoice

Date	Invoice #
10/31/2021	12734

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

P.O. No.	Due Date	Inv Sent
	12/23/2021	11/23/2021

Date	Description	Amount
10/31/2021	Reimbursable Expenses for City of Ridgecrest Monthly Rent (\$300 -please see attached)	300.00
<b>Total</b>		<b>\$300.00</b>

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

**by and between**

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

**AGREEMENT:**

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

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

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

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

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

6. **Rental Consideration:**

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

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

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**CAPITOL  
CORE  
GROUP**

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

**BILL TO**

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

**INVOICE 2021-063**

**DATE** 12/01/2021 **TERMS** Net 45

**DUE DATE** 01/15/2022

DATE	ACCOUNT SUMMARY	AMOUNT
11/01/2021	Balance Forward	10,000.00
	Other payments and credits after 11/01/2021 through 11/30/2021	0.00
12/01/2021	Other invoices from this date	0.00
	New charges (details below)	15,281.25
	Total Amount Due	25,281.25

ACTIVITY	HOURS	RATE	AMOUNT
<b>Charges</b>			
Task 1 -- Identify and Secure Imported Water Sources			
<b>Government Relations: Intergovernmental Affairs</b> Agency 1: Negotiations and LOI {Tatum}	2.50	250.00	625.00
<b>Government Relations: Intergovernmental Affairs</b> Internal Water Calls re: Negotiations (various) {Tatum}	3.50	250.00	875.00
<b>Government Relations: Intergovernmental Affairs</b> Agency 1: Negotiations, clients calls, follow-up w/ seller, term sheet revisions {Simonetti}	4	225.00	900.00
Total Task 1 = \$2,400.00 (10 hours)			
Task 2 -- Secure Federal Funding			
<b>Government Relations: Federal</b> Direct Advocacy: Various House and Senate office meetings Committees/Members re: Interconnection, Navy, WWTP, WRP {McKinney}	6	250.00	1,500.00
<b>Government Relations: Federal</b> Direct Advocacy: Bipartisan Infrastructure Legislation -- HR 3684 (various offices)(Split) {McKinney}	3	250.00	750.00
<b>Government Relations: Federal</b> Direct Advocacy: Direct Project Advocacy (WWTP/WRP/Interconnection) Congressional Offices various {Frye}	6	250.00	1,500.00



ACTIVITY	HOURS	RATE	AMOUNT
<b>Government Relations:Federal</b> Direct Advocacy: Bipartisan Infrastructure Legislation (various Congressional Offices)(split){Frye}	3	250.00	750.00
<b>Government Relations:Local Governmental Affairs</b> Direct Advocacy: Agency Advocacy (interconnection/WWTP/WRP) w/ USEPA, USBOR {Frye}	4.50	250.00	1,125.00
<b>Government Relations:Federal</b> Direct Advocacy: FY2022 NDAA -- DCIP Amendment; meeting w/ Sen. Warren's staff, ADC calls, Senate/House ASC {Simonetti}	5.75	225.00	1,293.75
Total Task 2 = \$6,918.75 (28.25 hours)			
Task 3 -- U.S. Navy Liaison			
Total Task 3 = \$0.00			
Task 4 -- Secure State Funding			
<b>Government Relations:California</b> Direct Advocacy: DWR staff calls re: SGMA-IP and Urban/Multi-Benefit Programs (interconnection and WRP projects) {McKinney}	3.50	250.00	875.00
<b>Government Relations:California</b> SGMA-IP: Application follow-up, client memo, agency interactions {Frye}	6.50	250.00	1,625.00
<b>Government Relations:California</b> Direct Advocacy: SGMA-IP (follow-up, client meeting, grant coordination); SB 252 implementation, FY2022-2023 Budget {Simonetti}	6	225.00	1,350.00
Total Task 4 = \$3,850.00 (16 hours)			
Task 5 -- Administrative			
<b>Administrative</b> Client Meetings (various): Water negotiations; Navy; State Funding Requests {McKinney}	2.50	250.00	625.00
<b>Administrative</b> Board Meeting: November Closed Session {Tatum}	1	250.00	250.00
<b>Administrative</b> Board Materials Preparation, Closed Session, Open Session {Simonetti}	5.50	225.00	1,237.50
Total Task 5 = \$2,112.50 (9 hours)			

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

TOTAL OF NEW CHARGES

15,281.25

TOTAL DUE

**\$25,281.25**

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## IWVGA Board Meeting December 8, 2021

### Proposition 1 Status Update

- Invoice #10a
  - Covers January through March 2021
  - Total requested payment after retention: **\$77,720.33**
  - Status: Re-submitted October 1, 2021
    - Includes minor revisions on 2021 mileage rates and eligibility of equipment costs
  - Progress Reports combined for Prop 1 & Prop 68 re-submitted October 1, 2021
- Invoice #11a
  - Covers April through June 2021
  - Total requested payment after retention: **\$69,955.50**
  - Status: Submitted August 30, 2021
  - Progress Reports combined for Prop 1 & Prop 68 submitted August 30, 2021
- Invoice #12a
  - Covers July through September 2021
  - Total requested payment after retention: **\$1,843.88**
  - Status: Submitted November 30, 2021
  - Progress Reports combined for Prop 1 & Prop 68 submitted November 30, 2021
  - Also included the removed costs from Invoices 8a & 9a, totaling **\$130,850.07** after retention

AGENDA ITEM 8a.i



DRAFT						
IWVGA Proposition 1 Grant Payment Summary						
Invoice Number	Dates Covered	Total Amount Requested, before Retention <sup>1</sup>	Total Amount Requested, after Retention	Total Amount Paid, to-date	Remaining Amount Receivable <sup>2</sup>	Amount Retained
		[A]	[B]	[C]	[D]	[A] - [C] - [D]
1	7/1/2017 to 9/30/2018	\$372,851.88	\$335,566.69	\$335,566.69	\$0.00	\$37,285.19
2	10/1/2018 to 3/31/2019	\$391,172.46	\$352,055.21	\$352,055.21	\$0.00	\$39,117.25
3	4/1/2019 to 6/30/2019	\$206,873.01	\$186,185.71	\$186,185.71	\$0.00	\$20,687.30
4	7/1/2019 to 9/30/2019	\$101,087.69	\$90,978.92	\$90,978.92	\$0.00	\$10,108.77
5	10/1/2019 to 12/31/2019	\$68,448.38	\$61,603.54	\$61,603.54	\$0.00	\$6,844.84
6	1/1/2020 to 3/31/2020	\$44,687.54	\$40,218.79	\$40,218.79	\$0.00	\$4,468.75
7(a)	4/1/2020 to 6/30/2020	\$106,560.39	\$95,904.35	\$95,904.35	\$0.00	\$10,656.04
8(a)	7/1/2020 to 9/30/2020	\$153,073.02	\$137,765.72	\$82,904.06	\$54,861.66	\$15,307.30
9(a)	10/1/2020 to 12/31/2020	\$141,853.50	\$127,668.15	\$51,679.74	\$75,988.41	\$14,185.35
10(a)	1/1/2021 to 3/31/2021	\$86,355.92	\$77,720.33	\$0.00	\$77,720.33	\$8,635.59
11(a)	4/1/2021 to 6/30/2021	\$77,728.33	\$69,955.50	\$0.00	\$69,955.50	\$7,772.83
12(a)	7/1/2021 to 9/30/2021	\$2,048.75	\$1,843.88	\$0.00	\$1,843.88	\$204.87
<b>Total</b>	-	<b>\$1,752,740.87</b>	<b>\$1,577,466.79</b>	<b>\$1,297,097.01</b>	<b>\$280,369.78</b>	<b>\$175,274.08</b>

**Total Amount Due (Receivable + Retained): \$455,643.86**

**Total Amount Awarded in Prop 1: \$2,146,000.00**  
**Total Amount Remaining to Request: \$393,259.13**

**Notes**

- 1) 10% of amount requested is withheld by DWR until Project completion and submission/approval of Project Completion Reports.  
 2) For Invoices 8(a) & 9(a), amount paid was reduced until completion of CEQA concurrence. Reduced amounts were again requested as part of Invoice 12(a).

AGENDA ITEM 8a.i



## IWVGA Board Meeting December 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
- Invoice # 12b
  - Covers July through September 2021
  - Total requested payment after retention: **\$3,158.82**
  - Status: Submitted November 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
  - Draft amendment documents (scope, budget, and schedule for funding agreement) were submitted to DWR on August 23
  - Revisions were requested by DWR on October 22
  - Revised amendment documents were submitted to DWR on November 30

AGENDA ITEM 8a.ii



3

DRAFT						
IWVGA Proposition 68 Grant Payment Summary						
Invoice Number	Dates Covered	Total Amount Requested, before Retention <sup>1</sup>	Total Amount Requested, after Retention	Total Amount Paid, to-date	Remaining Amount Receivable	Amount Retained
		[A]	[B]	[C]	[D]	[A] - [C] - [D]
7(b)	5/18/2016 to 6/30/2020	\$273,725.60	\$246,353.04	\$246,353.04	\$0.00	\$27,372.56
8(b)	7/1/2020 to 9/30/2020	\$3,791.56	\$3,412.40	\$3,412.40	\$0.00	\$379.16
9(b)	10/1/2020 to 12/31/2020	\$4,831.42	\$4,348.28	\$4,348.28	\$0.00	\$483.14
10(b)	1/1/2021 to 3/31/2021	\$3,183.38	\$2,865.04	\$0.00	\$2,865.04	\$318.34
11(b)	4/1/2021 to 6/30/2021	\$3,946.80	\$3,552.12	\$0.00	\$3,552.12	\$394.68
12(b)	7/1/2021 to 9/30/2021	\$3,509.80	\$3,158.82	\$0.00	\$3,158.82	\$350.98
<b>Total</b>	-	<b>\$292,988.56</b>	<b>\$263,689.70</b>	<b>\$254,113.72</b>	<b>\$9,575.98</b>	<b>\$29,298.86</b>

<b>Total Amount Due (Receivable + Retained):</b>	<b>\$38,874.84</b>
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<b>Total Amount Awarded in Prop 68:</b>	<b>\$330,000.00</b>
<b>Total Amount Remaining to Request:</b>	<b>\$37,011.44</b>

**Notes**  
1) 10% of amount requested is withheld by DWR until Project completion and submission/approval of Project Completion Reports.

AGENDA ITEM 8a.ii



4

## IWVGA Board Meeting December 8, 2021

### Recycled Water Program Update

- Section 2: Characterization of WWTF effluent quantity and quality
  - Released to Technical Team and TAC on November 19, comments due December 10
- Section 3: Identification of recycled water alternatives
  - Anticipated to be released to Technical Team and TAC during week of December 13
  - Will include a preliminary rankings of each alternative in terms of priority and available information
    - Initial screening to be done as part of Tasks 6a/6b of scope of work, after release of Sections 4 & 5
- Section 4: Identification of regulatory/permitting requirements and environmental/legal constraints for Section 3 alternatives
  - Planning to be released around January 2022 Board meeting
- Next Steps
  - Continue work on Sections 3 & 4
  - Schedule next meeting of Technical Team for review of Sections 1, 2, & 3

AGENDA ITEM 8b.i



## IWVGA Board Meeting December 8, 2021

### ITEM 8.b.ii – Project No. 1 – Surface Percolation Replenishment Report

- Under review by the TAC November 15, 2021

### ITEM 8.b.iii– Project No. 4 – Shallow Well Impact Mitigation Program

### ITEM 8.c.i – Policy on Temporary Water Use

- Under review by the PAC November 16, 2021 (see PAC Report)

AGENDA ITEM 8.b.ii, 8.b.iii, and 8.c.i



## IWVGA Board Meeting December 8, 2021

### GSP 2022 Annual Report (WY 2020-21)

- **Current Status**
  - Stetson is preparing the draft Annual Report
  - Comments received on the previous Annual Report (WY 2019-20) are being incorporated into the current draft Annual Report
  
- **WY 2021 Annual Report Schedule (Revised)**
  - January 17-February 14: TAC/Staff Review of Draft Annual Report
    - Combined review period to allow for longer TAC review (per comments received at previous Board Meeting)
  - February 15-March 4: Preparation of Revised Draft Annual Report
    - Comments received will be evaluated and incorporated into the revised draft
  - March 9: Presentation to the Board
    - No Board action is required
  - March 10-April 1: Report Finalization
    - Additional comments received at Board Meeting will be incorporated
  - April 1: Submittal to DWR

AGENDA ITEM 8.c.ii



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# IWVGA ADMINISTRATIVE OFFICE

*STAFF REPORT*

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**TO:** IWVGA Board of Directors **DATE:** December 4, 2021

**FROM:** Carol Thomas-Keefer, General Manager

**SUBJECT:** **Agenda Item No. 9 – Renewal of Contract with Regional Government Services for Comprehensive Administrative Services**

## **BACKGROUND**

In February 2021, the IWVGA board of directors entered into a one-year agreement with Regional Government Services (RGS) for comprehensive administrative services. Through the agreement, RGS provides IWVGA with the services of a General Manager, Clerk of the Board, and accounting/finance staff. Although the agreement expires in February 2022, the IWVGA board has agreed to consider an early renewal in order to better align RGS services with the IWVGA budget and fiscal year, and to allow certain modifications to the agreement that will broaden the scope of work to include implementation of new accounting software as well as a higher level of financial management and reporting. The proposed term of the new agreement is one year -- January 1, 2022 through December 31, 2022.

## **DISCUSSION**

The existing RGS scope of work was developed in part through labor estimates from participating member agency staff based on in-kind services over the past year of more of operation. Over the past year, these estimates have proven to be workable for management time but inadequate for the amount of administrative, clerical and accounting work now required of IWVGA staff. In particular, the level of accounting work and financial reporting has increased considerably as a result of the implementation in 2021 of the IWVGA Replenishment Fee in addition to the existing Extraction Fee and management of grant funds. Legal challenges to the Replenishment Fee also increase the need for clear, accurate and timely financial reporting. Additionally, IWVGA is preparing for a bond issue, which will require a greater level of staff support, especially from accounting and finance staff. Finally, IWVGA is preparing an application for more than \$7 million in grant funds for Groundwater Sustainability Plan-related projects, and the administration of those funds is expected to require a higher level of effort than in past years.

To best accommodate IWVGA's growing needs and support its progress, RGS is proposing changes for the 2022 scope of work that will specifically enhance the Authority's financial management. These changes include 1) implementation of a new accounting software that is designed to manage multiple fund accounts; 2) a greater level of effort from finance staff to address



new system implementation as well as new and ongoing financial management needs; and 3) a recommendation to transfer financial management of IWVGA funds and banking from Kern County to IWVGA (RGS staff financial management with IWVGA board oversight). The proposed transfer of financial management responsibility is recommended for a variety of reasons, including closer board and staff oversight of financial matters, improved/faster response to auditor requests and comments, and easier and more efficient access to accounting records. The actual transition of IWVGA financial management and Treasurer responsibilities, should the IWVGA board decide to proceed with this change, will require separate board actions and will be subject to IWVGA attorney guidance.

The 2022 RGS proposal does not specify a monthly fee or a not-to-exceed annual amount, but rather provides its fee schedule with hourly rates for personnel contributing to IWVGA activities. The 2021 agreement similarly did not include not-to-exceed amounts but provided rough estimates of anticipated staff hours along with those hourly billing rates. The additional work proposed for 2022 (and already initiated in the last half of 2021 with increased labor requirements for budget development and financial reporting) is expected to remain in line with the amounts now billed since September – or approximately 50 percent higher than billings for the first half of 2021. Actual billings will reflect actual staff time and will vary from month to month, but may be higher in early 2022 as a result of new software implementation.

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

The IWVGA board should consider approval of the 2022 contract with Regional Government Services and associated Scope of Work for comprehensive administrative services for a one-year term beginning January 1, 2022.

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**PROFESSIONAL SERVICES AGREEMENT**  
**BETWEEN**  
**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY**  
**and**  
**REGIONAL GOVERNMENT SERVICES AUTHORITY**

THIS AGREEMENT is made and entered into this 8th day of December, 2021 (“Effective Date”), by and between Indian Wells Valley Groundwater Authority (“IWVGA”), and Regional Government Services Authority, a joint powers authority (“Consultant”).

**RECITALS :**

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

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

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

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

**1.0. SERVICES PROVIDED BY RGS**

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

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

1.3. Performance to Satisfaction of IWVGA. Consultant agrees to perform all the work to the complete satisfaction of the IWVGA and within the hereinafter specified. If the quality of work is not satisfactory, IWVGA in its discretion has the right to:

- (a) Meet with Consultant to review the quality of the work and resolve the matters of concern;
- (b) Terminate the Agreement as hereinafter set forth.

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

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

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

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

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

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

1.9. Delegation and Assignment. This is a personal service contract, and the duties set forth herein shall not be delegated or assigned to any person or entity without the prior

written consent of IWVGA. Consultant may engage a subConsultant(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Consultant's sole cost and expense.

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

## **2.0. COMPENSATION AND BILLING**

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

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

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

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

## **3.0. TIME OF PERFORMANCE**

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

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such

acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party.

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

4.1. Term. This Agreement shall commence on January 1, 2022 and shall continue for 1 year after the Effective Date, unless previously amended in accordance with Section 3.1 of this Agreement or unless terminated as provided herein.

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

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

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

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

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

#### **5.0. INSURANCE**

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

- (a) Commercial general liability, including premises-operations, products/completed operations, broad form property damage, blanket

contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than Two Million Dollars (\$2,000,000.00), combined single limits, per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or shall be twice the required occurrence limit.

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

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

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

- (e) The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

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

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

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

## 6.0. GENERAL PROVISIONS

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

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

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

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

IF TO CONSULTANT:

Regional Government Services

IF TO IWVGA:

Indian Wells Valley



P.O. Box 1350  
Carmel Valley, CA 93924  
  
Tel: (650) 587-7300  
Email: [contracts@rgs.ca.gov](mailto:contracts@rgs.ca.gov)  
Attn: Contracts

Groundwater Authority  
100 W. California Ave.  
Ridgecrest, CA 93555  
Tel: (760) 499-5001  
Fax: (760) 499-1500  
Attn: Scott Hayman

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

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

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

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

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

Consultant's obligations under this section apply regardless of whether or not such claim, charge, damage, demand, action, proceeding, loss, stop notice, cost, expense, judgement, civil fine or penalty, or liability was caused in part or contributed to by an Indemnitee. However, without affecting the rights of IWVGA under any provision of this agreement, Consultant shall not be required to indemnify and hold harmless IWVGA for liability attributable to the active negligence of IWVGA, provided such active negligence is determined by

agreement between the parties or by the findings of a court of competent jurisdiction. In instances where IWVGA is shown to have been actively negligent and where IWVGA's active negligence accounts for only a percentage of the liability involved, the obligation of Consultant will be for that entire portion or percentage of liability not attributable to the active negligence of IWVGA.

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

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

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

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

The IWVGA's ownership of the "documents and materials" described above shall not apply to Consultant's "proprietary information," which means for purposes of this Agreement, all information or material that has or could have commercial value or other utility in Consultant's business, including without limitation: Consultant's (i) computer or data processing programs; (ii) data processing applications, routines, subroutines, techniques or systems; desktop or web-

based software; (iii) business processes; (iv) marketing plans, analysis and strategies; and, (v) materials and techniques used. Except as otherwise required by law, IWVGA shall hold in confidence and shall not use (except as expressly authorized by this Agreement) or disclose to any other party any proprietary information provided, learned of or obtained by IWVGA in connection with this Agreement. The obligations imposed by this paragraph shall survive any expiration or termination of this Agreement or otherwise. The terms of this paragraph shall not apply to any information that is public information. This paragraph also shall not alter or limit the confidentiality and nondisclosure requirements set forth in this Agreement.

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

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

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

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

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

6.16. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the

extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the document referenced.

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

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

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

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

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

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

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

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

6.25. Corporate Authority. The persons executing this Agreement on behalf of the

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

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

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

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

INDIAN WELLS VALLEY  
GROUNDWATER AUTHORITY

\_\_\_\_\_ Date: \_\_\_\_\_  
Chairman of the Board

REGIONAL GOVERNMENT SERVICES  
AUTHORITY

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

APPROVED AS TO FORM:

\_\_\_\_\_ Date: \_\_\_\_\_  
Authority Counsel

APPROVED AS TO FORM:

\_\_\_\_\_ Date: \_\_\_\_\_  
IWVGA Board Attorney

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

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

A. COMPREHENSIVE ADMINISTRATIVE SERVICES

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

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

RGS will assign a team of employees to carry out the roles and activities described. The team currently consists of key RGS staff who are consistently assigned to the roles of General Manager and Clerk of the Board. During the Term of this agreement RGS will also provide financial and accounting expertise to support key staff efforts and Board decision making. The Finance Team will be led by a Finance Manager (CFO) charged with quality oversight and facilitation of best practices for public agency Finance.

RGS staff work remotely through various technologies; in-person office attendance will be provided only as necessary.

## B. CONSOLIDATION OF FINANCIAL SERVICES

RGS is prepared to implement an accounting software with associated transactional workflows and reporting to fully articulate and analyze the Agency's financial activities and status. This ongoing system will require transitioning financial activities from current JPA member systems, and coordination of grant funding data with the Agency's technical contractor. Completion of this service will support the Agency's ability to provide timely and transparent information to the Board and other stakeholders; facilitate effective decision making, and meet stringent audit requirements of potential and expected funding sources. Project components include:

- One-time Transition activities: System design, data compilation, workflow development, , etc.
- Ongoing financial management: AP/AR, annual budget cycle , monthly financial reporting, overseeing the independent financial audit, etc.
- Strategic recommendations for long term financial support of the agency mission as defined by the Board of Directors.

Following the proposed transition and implementation from Kern County to RGS, consultant will perform comprehensive Finance services at a level comparable to industry best practices. RGS only invoices for actual hours worked and will strive to use the most efficient resources to do so. For all services provided, RGS reserves the right to assign additional cost-comparable RGS resources to deliver the agreed-upon services as emergent circumstances in the Agency may require. Communication regarding services and our partnership with the Authority is paramount; therefore, RGS requires the designation of an Agency Board representative to serve as liaison with RGS to review service needs, agency plans, and workload data, and agree on necessary and appropriate adjustments to the services.

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

Hourly bill rates for Key Staff for 2022 are:

General Manager	\$130
Clerk of the Board	\$105

Rates for additional RGS staff assigned are shown below:

**RGS BILL RATES**

<b>CLASSIFICATION</b>	<b>HOURLY RATE*</b>
Finance Manager/CFO	\$130 to \$170
Senior/Lead Advisor	\$125 to \$190
Advisor	\$115 to \$160
Project Advisor	\$105 to \$125
Project Coordinator	\$85 to \$120
Technical Specialist	\$75 to \$115



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**To:** Carol Thomas-Keefer, General Manager – IWVGA

**From:** Michael W. McKinney, President

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

**Date:** December 8, 2021

**Subject:** Project Update Memorandum for November Activities

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

### Imported Water Supplies

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

### Identify and Secure Federal Funding Sources

#### Infrastructure Bill

On November 15<sup>th</sup>, the Congress was finally able to reach an agreement on the H.R. 3684, the *Infrastructure Investment and Jobs Act* (IIJA). President Biden signed the bill into law on the same day. The \$1.2 trillion plan has multiple opportunities for potential funding sources for IWVGA projects including the wastewater treatment plant. We are reviewing the full details of the programmatic funding in the water space and will provide you with a full set of recommendations in January to explore. Water infrastructure highlights in the bill include:

#### US EPA Water Funding:

The USEPA announced on December 2<sup>nd</sup> its allocation plans to distribute \$44 billion in water funding over the next 5-years and allocates \$7.4 billion in FY2022. The allocation plan dedicates \$609 million to California in FY2022. The Department of Water Resources will administer the \$609 million for the State.

**Why this is important:** 1) The criteria for the pending State Revolving Fund Loan (SRF) for the City's wastewater treatment plant has likely changed. 2) Potentially additional money is available for the Authority's Water Recycling Plant.

The Bipartisan Infrastructure bill established \$11.713 billion in direct mandatory appropriations *over the next five years* for the Clean Water State Revolving Fund (CWSRF) and \$11.713 billion for the Drinking Water State Revolving Fund (DWSRF). These funds are allocated to the States and administered by the California Department of Water Resources (DWR). The mandatory appropriations established in the bill set FY2022 levels at \$4.7 billion with California receiving the largest allocation of \$609 million, payable immediately.

Just over half of that money will be made available as low-interest loans to communities, while 49 percent will go out as grants or principal forgiveness loans. The state match has been reduced to 10 percent for more traditional SRF funds, and to zero for the \$15 billion marked for lead line service replacement. These dollars are NOT authorizations or mere promises of money but actual dollars that are guaranteed to be provided for each fiscal year (FY) outlined. Congress took the important step to clarify that these SRF increases are to be *on top of annual baseline spending* provided to the CWSRF through annual federal spending bills (currently \$1.639 billion per year).

### **Other Provisions of Interest Related to Water:**

- Authorizes (but does not appropriate) \$14.65 billion for the CWSRF over five years. This represents the first ever reauthorization of the CWSRF, and allows for step-wise increases in annual funding that will set the stage for continued robust funding on top of the IIJA's appropriated investments. For comparison, the FY21 appropriated level was \$1.639 billion. These new authorizations for additional funds are (by fiscal year):
  - FY22 = \$2.4 billion
  - FY23 = \$2.75 billion
  - FY24 = \$3 billion
  - FY25 & 26 = \$3.35 billion
- Codifies into law that no less than 10 percent of funds must be provided by each state in the form of additional subsidization each year.
- Authorizes \$280 million annually from FY22-FY26 for EPA's Sewer Overflow and Stormwater Reuse Municipal Grants program, up \$55 million over the current authorized level. It also includes policy changes that require EPA to work with States to prevent the non-Federal cost share requirements from being passed on to rural communities and [financially distressed communities](#).
- Authorizes \$125 million over five years for a new EPA Clean Water Infrastructure Resilience and Sustainability program to provide grants to municipalities, states, or other eligible governmental entities for the purpose of increasing the resilience of clean water utilities to a natural hazard or cybersecurity vulnerabilities.
- Authorizes \$225 million over five years for the Water Infrastructure Finance and Innovation Act (WIFIA) program, relatively level with recent years.
  - Reduces the number of final rating opinion letters required for each WIFIA applicant from two to one to help ease the administrative burdens on utilities pursuing WIFIA assistance.
  - Includes a reauthorization of SWIFIA (or SRF WIN), which allows state water finance authorities to bundle their projects into one WIFIA application.
- Authorizes \$125 million over five years for the EPA Alternative Water Source Projects Program to provide communities with resources to implement innovative projects to address unique local

challenges in water supply and water quality, such as the use of recycled wastewater effluent and capturing stormwater for reuse.

- Authorizes \$25 million over five years for EPA's Water Workforce Infrastructure grants program, an increase over the current \$3 million annual appropriation. The bill also expands eligibility of the program to public works agencies.

## **NDAA/ Defense Communities Infrastructure Program**

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

### **Defense Community Infrastructure Pilot Program**

#### **SEC. XXXX. Defense Community Infrastructure Pilot Program.**

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

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

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

The language was not included in the House-passed version of the NDAA. As such, to get the amendment considered, we need to get the language into the Senate version of the NDAA which has not yet been passed. We identified two potential Senators that are willing to help us, along with a consortium of interested defense communities, to push for the legislation. During the week of November 29<sup>th</sup>, the Senate tried to move forward their version of the NDAA. However, there was dissension between the parties on which amendments to include as well as what should be considered in the bill (for example, there was even discussion about putting the debt ceiling debate into the NDAA). As such, the Senate bill has not yet been passed. There has also been discussion of passing a stopgap bill to address the military into early 2022 and pass this year's version of the NDAA then. As a result of this timing uncertainty, we do not currently have clarity on what amendments will

get addressed and when the bill will come up for consideration. We will continue to monitor the outcome of this legislation through December.

## Identify and Secure State Funding Sources

### SGMA Program Funding Eligibility

On October 14, 2021, Capitol Core, Stetson and Carol met with Kelley List, Program Director for SGMA Implementation at DWR as well as members of the DWR team to discuss eligibility of the Interconnection Project to bring imported water in the basin. We received good news regarding the SGMA funding implementation program and the IWVGA's eligibility. That same day, DWR released its draft [Program Solicitation Package](#) (aka: Implementation Guidance or "PSP") for the SGMA Implementation Funding Program. The draft PSP was open for comments to the DWR prior to November 29, 2021. During the month, we worked with Stetson and IWVGA staff to pass and approve the comment letter that the Board approved at the November Board meeting.

**During our discussion DWR announced that both the Interconnection Project and Water Recycling Plant would be eligible for up to \$7.6 million.**

The application timeline is as follows:

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

Capitol Core is currently working with Stetson and IWVGA staff to create the documents necessary to submit for DWR's review in early 2022.

### Note Regarding Basin Adjudications and Funding Eligibility:

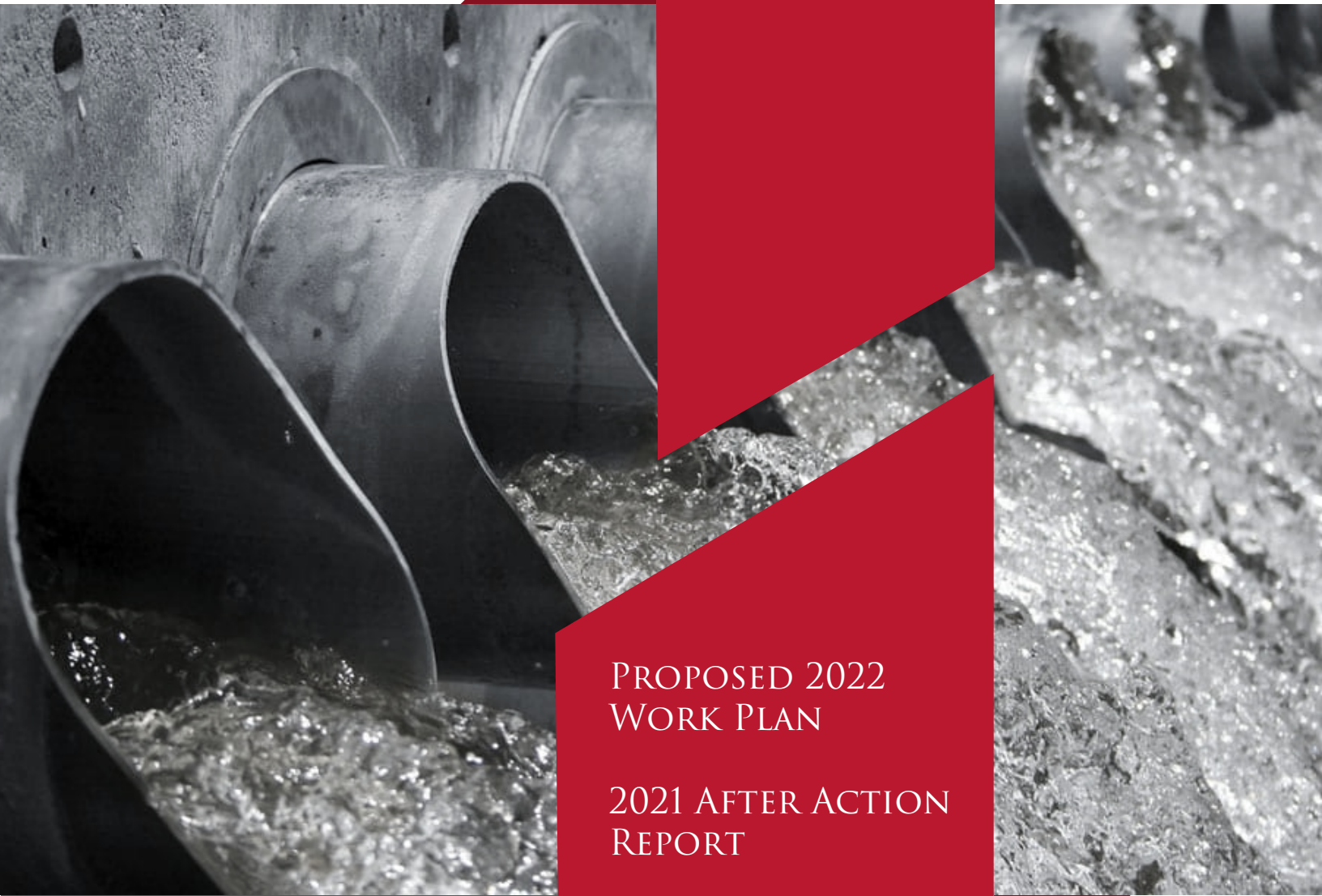
There has been discussions related to the potential adjudication of the Basin. The SGMA Proposal Solicitation Package (PSP, link [here](#)) on page 8 discusses eligibility requirements. The PSP states:

### Eligible applicants for the SGMA Implementation funding are:

- GSAs;
- Member agencies of GSAs;
- An entity that represents a GSA(s) which can include public agencies, non-profit organizations, public utilities, federally recognized Indian Tribes, State Indian Tribes listed on the Native American Heritage Commission's Tribal Consultation list, or mutual water companies; and
- Agencies with an approved Alternative, including those within basins that adjudicated after January 1, 2015 **or adjudications that have been filed but the court has not acted on the filing.** (emphasis added)

The Round 1 grant solicitation is limited to applicants who meet the criteria listed above and are located within eligible COD basins only. Note that if the basin moves forward with an adjudication proceeding and the court acts on that adjudication proceeding, the Basin will no longer be eligible for the \$7.6 million in funding offered through this program.

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PROPOSED 2022  
WORK PLAN

2021 AFTER ACTION  
REPORT

2021 Annual Report



CAPITOL  
**CORE**  
GROUP

Educate • Advocate • Win

INDIAN WELLS VALLEY  
GROUNDWATER AUTHORITY





## EXECUTIVE SUMMARY

### FORWARD

The Capitol Core Group team would like to thank the Indian Wells Valley Groundwater Authority Board of Directors and staff, and the residents of the Indian Wells Valley Basin for their dedication and continued support of our efforts to provide imported water and funding strategies in support of Sustainable Groundwater Management Act compliance. What began in 2019 as one of the most comprehensive and unique efforts to achieve sustainability for the region has now turned into actions that will bring sustainability to the region. A 7.1 magnitude earthquake, a pandemic, and extreme competition for funding in largest single-year funding opportunity for water infrastructure in U.S. history have not deterred this effort. Capitol Core has been proud to be part of this team. We know the efforts are far from complete, and we look forward to continuing to serve the region. Our Annual Report – detailing the actions and accomplishments of 2021 – and our 2022 Proposed Scope of Work are included within this document.

### 2021

In January of 2021, IWVGA directed Capitol Core Group to engage in four (4) main action items:

1. Secure Imported Water
2. Identify and Secure Federal Funding Sources
3. Act as the Liaison with the U.S. Navy on interconnection issues
4. Identify and Secure State Funding Sources

#### **Identifying and Securing Imported Water Supplies**

Over the course of 2021, Capitol Core has brought IWVGA approximately 20,000 of long-term or permanent supply for consideration. We remain in negotiation for over between ~3,000 to 7,000 acre-feet of water supplies for import. While the identified net-needs for imported water in the basin is between 3,000 and 5,000 acre-feet; we have strongly recommended that IWVGA continue negotiations in excess of supply requirements in case conditions, terms or other items stop a single negotiation. We are also actively working with potential sellers to determine the structure of pending water purchases and how water could be physically delivered to the Authority.

#### **Identifying and Securing Federal Funding**

2021 is a historical year for infrastructure funding. After three consecutive years of deliberations, Congress passed the Bipartisan Infrastructure Bill, HR 3684 – INVEST in American Act containing \$550 billion in water infrastructure funding authorized over a 10-year period. Since 2019, Capitol Core has worked to position the interconnection project; the wastewater treatment plant; and the water recycling plant for eligibility of programmatic (Agency) funding and sufficient funding authorization. The passage of the legislation is significant to IWVGA because it will bring further potential opportunities to assist in funding the interconnection, wastewater treatment, and water recycling facilities. Capitol Core will focus particularly on the Clean Water State Revolving Fund (CWSRF) as it applies to additional available funding, low-interest loans,

and loan forgiveness under certain circumstances. Additionally, our work in the Western Water Program will create significant opportunities for direct-authorization of the projects.

We also worked closely with the House and Senate Armed Services Committee and interested organizations such as the Association of Defense Communities (ADC) on potential amendments to the Defense Communities Infrastructure Program. Currently, the wastewater treatment facility is not eligible for funding through the DCIP. Although the City of Ridgecrest will own and operate the new facility, the actual property underlying the facility is on an easement from the US Navy. This fact would make the wastewater treatment facility ineligible for funding through the DCIP as currently written. ADC has proposed the language below that would allow projects located on leased military land to be eligible for the program, thus making the project eligible to make an application.

### **Defense Community Infrastructure Pilot Program**

#### **SEC. XXXX. Defense Community Infrastructure Pilot Program.**

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

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

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The language was not included in the House-passed version of the NDAA. As such, to get the amendment considered, we need to get the language into the Senate version of the NDAA which has not yet been passed. We identified two potential Senators that are willing to help us, along with a consortium of interested defense communities, to push for the legislation. During the week of November 29<sup>th</sup>, the Senate tried to move forward their version of the NDAA. However, there was dissension between the parties on which amendments to include as well as what should be considered in the bill (for example, there was even discussion about putting the debt ceiling debate into the NDAA). As such, the Senate bill has not yet been passed. There has also been discussion of passing a stopgap bill to address the military into early 2022 and pass this year’s version of the NDAA then. As a result of this timing uncertainty, we do not currently have clarity on what amendments will get addressed and when the bill will come up for consideration. We will continue to monitor the outcome of this legislation through December.

#### **U.S. Department of Navy**

Capitol Core, IWVGA staff and members of the China Lake Alliance met with representatives of the US Navy on a few occasions. The discussions continued on our request for the Navy’s consideration of participating in



the interconnection project. We first introduced the concept to then Assistant Secretary of the Navy for Energy, Installations and Environment (EI & E) Lucian Niemeyer in early 2020. At the time, Lucian understood the importance of the project to the long-term resiliency of the base. However, the change in Administration during the 2020 election meant that EI & E had three different Acting Secretaries during the transition. Further, the basin began a series of legal proceedings during 2021 regarding water rights, some of which included the US Navy. As such, the US Navy has been reluctant to discuss issues surrounding water issues due to the pending litigation. It has been our intent to separate the discussion of imported water infrastructure, which is necessary regardless of the outcome of any of the legal proceedings.

Towards that end, we had a series of meetings with the US Navy in a variety of venues. First, we met with Commander Pete Benson in mid-year to discuss the Defense Community Infrastructure Program (DCIP) and re-engaging with Base command on the issue. We also met with Paula Monachelli, Director of Basing at EI & E during the California Governor's Military Council fall meetings in September. We expressed the same interest in continuing the discussion with the Navy on infrastructure-related items. We plan to continue these discussions in 2022.

### **Identify and Secure State Funding**

2021 initially began with projections of severe economic impacts caused by the COVID-19 Pandemic response and planned austerity measures within the State budget. In March 2021, Governor Newsom announced a combination of federal money and unplanned tax revenues had created a budget surplus exceeding \$50 billion. Discussions with the Governor's office indicated a strong desire to move billions into infrastructure financing and particularly focusing on water. Severe drought conditions tempered infrastructure funding and refocused on emergency water conditions. The final state budget dedicated \$5.9 billion to water with the following appropriations:

- \$650 million to the State Water Resources Control Board for wastewater projects
- \$180 million to the State Department of Water Resources for SGMA-related projects

Over the course of the State Budget process (March-September), Capitol Core worked with policymakers to ensure sufficient funding in needed program areas that would benefit the interconnection project, recycled water plant, and wastewater treatment facility. Specific requests for legislatively-directed spending on the interconnection and wastewater treatment projects were tabled in favor of drought-emergency funding. However, our advocacy enabled us to obtain project funding through Agency application.

In September-October, Capitol Core developed and advanced State funding requests through the Department of Water Resources and State Water Resources Control Board totaling \$28 million. In October, Capitol Core prequalified and scoped funding for the interconnection project through DWR's SGMA Implementation Program. A request for \$7.6 million – the maximum allowable under the SGMA-IP – is pending. We are confident that DWR will approve that request and funding for the approved projects will be available in 2022. A \$6 million request for prequalification of the water recycling plant through the SWRCB remains pending.



## 2022 – PROPOSED SCOPE OF WORK

As previously stated, the work is far from completed. Our proposed scope of work builds upon the accomplishments in 2021 and seeks to complete several outstanding projects. Our outlined proposed scope of work, which is detailed in the sections below, focuses on the following priorities.

### 1. Secure Imported Water Supply

- **Goal:** Secure Imported Water Supplies to meet sustainability requirements
  - **Objective:** Complete negotiations for permanent water supplies with existing identified agencies
  - **Objective:** Secure storage, transfer and other conditions of agreement

Our 2022 efforts will focus on completing the two outstanding negotiations for permanent water supplies. In addition, we will build upon the knowledge base determined in 2019-2022 to begin negotiation of water storage, pending completion of the interconnection project, and transfer/conveyance agreements as well as more minor issues such as water treatment. We anticipate these actions will require between six and nine months to complete.

We strongly recommend IWVGA consider continuing negotiations with other agencies and determining potential water sources from other suppliers during the 2022 water year. These actions are meant as a back-up should negotiations with current sellers reach an impasse.

### 2. Securing Federal Funding

- **Goal:** Secure programmatic funding for interconnection, water recycling and wastewater treatment plant projects.
  - **Objective:** Work through federal agencies to secure programmatic funding opportunities through infrastructure act implementation
- **Goal:** Obtain \$5 million in federal funding for the wastewater treatment plant
  - **Objective:** Seek passage of the DCIP amendment in the FY2023 NDAA
  - **Objective:** Work with the Department of Navy to coordinate DCIP application in FY2023 funding round
- **Goal:** Obtain legislative authorization or appropriations for interconnection and/or water recycling plant projects.
  - **Objective:** Identify transfer route
  - **Objective:** Explore opportunities for water recycling plant and seek amendments as necessary
- **Goal:** Further discussions with U.S. Navy over interconnection project
  - **Objective:** Re-engage with active and productive discussions with DOD and Navy concerning the project



Implementation of the Bipartisan Infrastructure bill is in very early stages. Agencies are just now unpacking the requirements of the legislation and determining how best to begin programming funding. As we saw with State agencies in 2021, early discussions with agency personnel are critical to forming implementation guidance and positioning the projects as *first in line* is a priority. Over 2022, Capitol Core will work with the USEPA, Bureau of Reclamation, and other federal agencies to fully identify programmatic opportunities for funding. This will include conducting initial scoping meetings to determine project eligibility and application requirements.

An early focus of 2022 will be on the wastewater treatment plant. Without the plant, the water recycling plant is either delayed or not possible. The City has identified an immediate shortfall of \$5 million. Our goal is to find and obtain that funding in 2022. The DCIP amendments are a strong potential opportunity, and we will pursue that course during the year to allow for application. Other sources will also be identified and potential authorization/appropriation for the project remains a possibility.

Our goal in 2022 will be to build upon the pending \$7.6 million State award for the interconnection project. In conjunction with the implementation efforts of the infrastructure bill, this will be accomplished through pursuit of active legislative means.

### 3. Secure State Funding Sources

- **Goal:** Obtain \$15 million in SGMA-IP funding
  - **Objective:** Support \$7.6 million funding application with DWR
- **Goal:** Identify and Obtain funding for water recycling plant
  - **Objective:** Pursue \$6 million outstanding request with SWRCB
  - **Objective:** Identify and seek other legislative funding

Our 2022 efforts will build upon successes and challenges of 2021. The State has identified a potential \$30 billion surplus in revenues which may provide additional opportunities for water infrastructure. To meet our goals, we will actively be seeking direct-project authorization/appropriations for the interconnection and water recycling facilities. Our priority will be to obtain needed planning and feasibility funding for the water recycling plant in order to meet planned construction timelines.

Capitol Core also urges IWVGA to include development of a Strategic Funding Plan for the water recycling plant within our scope of work.





## 2021 – AFTER ACTION REPORT

### IDENTIFY AND SECURE IMPORTED WATER SOURCES

Building upon our 2019-2020 efforts, Capitol Core engaged with several water agencies and water rights owners concerning the purchase of permanent water supplies. As you are aware, 2021 marked a year of extreme drought conditions, limiting available supply, curbing water sales, and increasing prices. Despite those drought conditions, Capitol Core worked with several private sellers of Table A water supplies and several public agencies seeking to sell permanent supply. As this report is a public document and negotiations with many of those agencies are ongoing, we will generally reflect our accomplishments to date:

- **Private Seller 1:** In July 2021, Capitol Core presented a Table A supply of several hundred acre feet of water representing a portion of the imported water needs of the basin. IWVGA has approved an initial term sheet for the purchase of that water supply which is being considered by the seller. Negotiations are ongoing.
- **Agency 1:** Discussions with this agency began in 2019 and continued through into 2021. In July 2021, the agency notified Capitol Core of its intent to sell specific water supplies. In September, the IWVGA allowed Capitol Core to begin pursuit and structure of this water purchase. In November, a term sheet was developed and delivered to the Agency formally opening negotiations with IWVGA. Likely one of the most creative and comprehensive SGMA imported water solutions, these negotiations will continue into 2022. If accepted, it will allow IWVGA to purchase sufficient water to meet sustainability requirements.
- **Agency 2:** Discussions with this agency also began in 2020 and continued through 2021. The agency's focus was to sell spot and longer-term water supplies prior to focusing on sale of permanent supply. However, the Authority gave us direction in 2021 to focus our efforts exclusively on securing permanent water supplies.
- **Private Seller 2:** In September, Capitol Core identified a private seller with available/excess Table A supplies, banked water, and water banking access. Discussions with the seller continued through October. In light of the continuing negotiations with other sellers/agencies and other concerns, IWVGA chose not to pursue this seller.

**Current Status:** Capitol Core is currently engaged with two permanent water suppliers on between 3,000 and 6,000 acre-feet per year of water. Our negotiations are ongoing, and we anticipate these discussions to continue into 2022.

### IDENTIFY AND SECURE FEDERAL FUNDING

Federal funding for water infrastructure centered around the Bipartisan Infrastructure Act in 2021. That effort culminated with \$550 billion in water infrastructure authorization and approximately \$50 billion in mandatory appropriations. Capitol Core's significant efforts were focused primarily on Western Water Project funding through the Bureau of Reclamation, Water Infrastructure Financing and Investment Act (WIFIA) funding through USEPA, and State Revolving Fund programs also through USEPA. Of particular interest:

- \$11.713 billion in direct mandatory appropriations over the next five years for the Clean Water State Revolving Fund (CWSRF) and \$11.713 for the Drinking Water State Revolving Fund (DWSRF). This is important to IWVGA as the CWSRF provides potential financing opportunities which may now be forgiven under specific circumstances.
- \$1 billion in direct mandatory appropriations over five years for water recycling and water reuse projects in western states through the Bureau of Reclamation.
- Authorizes \$125 million over five years for a new EPA Clean Water Infrastructure Resilience and Sustainability program to provide grants to municipalities, states, or other eligible governmental entities for the purpose of increasing the resilience of clean water utilities to a natural hazard or cybersecurity vulnerabilities.
- Authorizes \$225 million over five years for the Water Infrastructure Finance and Innovation Act (WIFIA) program, relatively level with recent years.
- Authorizes \$125 million over five years for the EPA Alternative Water Source Projects Program to provide communities with resources to implement innovative projects to address unique local challenges in water supply and water quality, such as the use of recycled wastewater effluent and capturing stormwater for reuse.
- Authorizes \$25 million over five years for EPA's Water Workforce Infrastructure grants program, an increase over the current \$3 million annual appropriation. The bill also expands eligibility of the program to public works agencies.

The programs are significant because they provide significant funding opportunities for the interconnection project, wastewater treatment plant and water recycling plant.

In October, the Association of Defense Communities (ADC) issued desired amendments to the Defense Communities Infrastructure Program (DCIP) that would allow projects located within the installations on leased land to be eligible for funding application. This would make the Wastewater Treatment Plant DCIP eligible. Capitol Core Group actively supports this DCIP Amendment.

Policymakers indicated that any federal funding for the interconnection project would be subject to the choice of route by IWVGA. Further, policymakers at both the federal and State levels indicated a desire to see feasibility studies and cost-benefit analyses concerning the Water Recycling Plant.

**Current Status:** Agency implementation of the infrastructure legislation has only just begun. Capitol Core is in the process of engaging with these agencies to seek prequalification and influence implementation guidelines.

The DCIP amendment is currently pending on the Senate Floor and seeking inclusion into final "Managers' Amendments." Capitol Core is actively advocating for passage of the DCIP amendment. However, considering the current dissension between parties on the Senate side regarding amendments, we do not know when these amendments or the NDAA as a whole will be considered.



Efforts concerning interconnection project funding and water recycling plant funding are pending decisions concerning route and feasibility/cost-benefit analysis by IWVGA.

## LIAISON WITH U.S. DEPARTMENT OF NAVY

Capitol Core, IWVGA staff and members of the China Lake Alliance met with representatives of the US Navy on a few occasions. The discussions continued on our request for the Navy's consideration of participating in the interconnection project. We first introduced the concept to then Assistant Secretary of the Navy for Energy, Installations and Environment (EI & E) Lucian Niemeyer in early 2020. At the time, Lucian understood the importance of the project to the long-term resiliency of the base. However, the change in Administration during the 2020 election meant that EI & E had three different Acting Secretaries during the transition. Further, the basin began a series of legal proceedings during 2021 regarding water rights, some of which included the US Navy. As such, the US Navy has been reluctant to discuss issues surrounding water issues due to the pending litigation. It has been our intent to separate the discussion of imported water infrastructure, which is necessary regardless of the outcome of any of the legal proceedings.

Towards that end, we had a series of meetings with the US Navy in a variety of venues. First, we met with Commander Pete Benson in mid-year to discuss the Defense Community Infrastructure Program (DCIP) and re-engaging with Base command on the issue. We also met with Paula Monachelli, Director of Basing at EI & E during the California Governor's Military Council fall meetings in September. We expressed the same interest in continuing the discussion with the Navy on infrastructure-related items. We plan to continue these discussions in 2022.

## IDENTIFY AND SECURE STATE FUNDING

From March through September 2021, Capitol Core placed significant effort in the FY2021-2022 State Budget. Our efforts focused on ensuring eligibility for the interconnection, wastewater treatment, and water recycling projects within programmatic funding areas and increasing available funds to provide for the projects. A particular focus was given to the SGMA Implementation Program (SGMA-IP). Additional effort was placed on seeking direct-project authorization/appropriations.

While direct project authorization/appropriations were tabled in favor of emergency drought-funding, efforts to secure eligibility and additional funding in programmatic areas were successful. The passage of the State Budget Legislation (SB 129/SB 170) provided for \$5.9 billion in water funding with:

- \$400 million provided to State Water Resources Control Board
- \$160 million provided to DWR for SGMA-IP

In September-October, Capitol Core developed and advanced State funding requests through the Department of Water Resources and State Water Resources Control Board totaling \$28 million. Specifically, these requests included:

- \$6 million to DWR for interconnection project
- \$5 million to DWR for wastewater treatment plant





- \$9 million to \$11 million to SWRCB for tertiary treatment
- \$4 million to \$6 million to SWRCB for water recycling plant

At SWRCB's request, the tertiary treatment and water recycling plant requests were combined into a single \$6 million request under the water recycling program. The preliminary scoping meeting with DWR indicated eligibility of the interconnection project for a \$7.6 million award. The wastewater treatment plant qualified for an additional \$5 million under the State Revolving Fund Program.

**Current Status:** A \$7.6 million application submittal is pending with DWR for the interconnection project. A \$6 million request is pending with DWR for the water recycling plant. Implementation guidance for the SGMA-IP is pending final PSP.





## 2022 PROPOSED SCOPE OF WORK

As previously stated, our 2022 proposed scope of work builds upon the momentum created during 2021. We plan to take the successes of our met goals during 2021 and continue water negotiations and project funding discussions. The following will provide details of our proposed tasks and sub-tasks that will meeting the goals/objectives of IWVGA.

### TASK 1 – SECURE IMPORTED WATER SOURCES

- **Goal:** Secure Imported Water Supplies to meet sustainability requirements
  - **Objective:** Complete negotiations for permanent water supplies with existing identified agencies
  - **Objective:** Secure storage, transfer and other conditions of agreement

Negotiations for imported water supplies between ~3,000 and ~6,000-acre feet per year are in progress. In 2022, we anticipate a nine-month process to reach conclusion in those negotiations and begin the process of ancillary agreements and regulatory approvals. Finally, Capitol Core strongly recommends that additional water supplies be identified – as a back-up measure – during the 2022 water year. Our subtasks are designed to meet the goals/objectives stated above.

#### **Sub-Task A: Complete Negotiations with Existing Suppliers**

Negotiations with identified agencies are ongoing. This sub-task will continue our efforts to favorably complete those negotiations and settle on the detailed terms/conditions for bringing imported water supplies to the Indian Wells Valley Basin.

Deliverables for the sub-task will include:

- Negotiation and facilitation with sellers concerning imported water supplies
- Support for IWVGA staff in negotiations

#### **Sub-Task B: Transfer, Storage, and Other Ancillary Agreements**

Completion of water negotiations will trigger the need to negotiate storage, transfer/conveyance and other ancillary agreements with various agencies. This sub-task will be dependent upon completion of Sub-Task 1 but will focus on the “how” water gets to the Basin, “who” will store water until the interconnection project is completed, and “what” other agreements are necessary to assist in the transaction.

Deliverables for this sub-task will include:

- Negotiations of storage agreements
- Negotiation of conveyance/transfer agreements
- Assistance to the Board in the determination of an interconnection route

### Sub-Task C: Regulatory Approvals

Negotiations of water transfers are not just between the purchaser and seller of the water. State regulatory approvals are required and potential other local agency approvals may be necessary. This sub-task will focus on the State government relations and local government relations actions necessary to obtain approval for the water purchase/transfer.

Deliverables for this sub-task will include:

- Collateral and support material development for needed regulatory approvals
- Direct advocacy with State Agencies, including but not limited to DWR and SWRCB
- Direct advocacy, as needed, with other local agencies

### Sub-Task D: Identify and Secure Imported Water Supplies

As negotiations are in progress, Capitol Core believes it is necessary to continue the search for permanent water supplies. 2022 will likely continue the drought conditions and additional GSAs are looking for water supplies. Capitol Core will continue to look for new permanent water supplies during 2022 and will provide recommendations to IWVGA on the availability of permanent water for sale.

Deliverables for this sub-task will include:

- Identification of permanent water supplies for sale
- Negotiation with potential sellers
- Development of Term Sheets and Negotiation Materials

## TASK 2 – SECURE FEDERAL FUNDING

- **Goal:** Secure programmatic funding for interconnection, water recycling and wastewater treatment plant projects.
  - **Objective:** Work through federal agencies to secure programmatic funding opportunities through infrastructure act implementation
- **Goal:** Obtain \$5 million in federal funding for the wastewater treatment plant
  - **Objective:** Seek passage of the DCIP amendment in the FY2023 NDAA
  - **Objective:** Work with the Department of Navy to coordinate DCIP application in FY2023 funding round
- **Goal:** Obtain legislative authorization or appropriations for interconnection and/or water recycling plant projects.
  - **Objective:** Identify transfer route
  - **Objective:** Explore opportunities for water recycling plant and seek amendments as necessary
- **Goal:** Further discussions with U.S. Navy over interconnection project



- **Objective:** Re-engage with active and productive discussions with DOD and Navy concerning the project

### **Sub-Task A: Agency Advocacy**

Passage of the Bipartisan Infrastructure Legislation, HR 3684, is triggering massive Agency actions to develop new implementation guidance and funding program opportunities. Similar to our efforts with the State of California during the 4<sup>th</sup> Quarter of 2021, our federal agencies efforts will now shift to working to develop favorable implementation guidelines to allow for application for funding for all three projects. Further, we will continue to work with our agency contacts to develop funding requests, hold scoping meetings to determine eligibility, and position the projects to gain a vested interest from the Agencies in achieving IWVGA goals/objectives.

Our deliverables will include:

- Implementation guidance analysis
- Direct Agency advocacy on behalf of the three projects (WWTP, WRP, Interconnection)
- Funding request development
- Scoping meetings
- Application assistance

### **Sub-Task B: DCIP**

Capitol Core believes the DCIP amendment may not be amended into the FY2022 National Defense Authorization Act (NDAA) as a result of the significant partisan dissension on the NDAA in the Senate and the lack of clarity on timing when the Senate will consider the bill and associated amendments. Reintroduction of the amendment will be required in the FY2023 NDAA. Amendments to the DCIP will attempt to make the WWTP eligible for potential funding during 2023. Capitol Core will actively seek inclusion of the DCIP amendment in the FY2023 NDAA and will actively advocate for the amendments passage into law. We will work with Members of Congress, the Department of Defense and the Department of Navy to gain support for the amendment. Lastly, DCIP, as a now fully-authorized program, needs additional funding to meet the program's goals/objectives. Capitol Core will work with Appropriators to increase DCIP funding and advocate with Authorizers (Armed Services Committee) to increase requested amounts over the program-period.

Our deliverables will include:

- Gain introduction of the amendment in the FY2023 NDAA
- Obtain support for the DCIP Amendment
- Directly advocate with the Congress and Agency for passage



### **Sub-Task C: Congressional Advocacy**

Capitol Core will focus Congressional advocacy in 2022 on obtaining specific appropriations in support of Bipartisan Infrastructure programs, obtaining legislatively-directed authorizations and appropriations for the wastewater treatment plant, interconnection project, and water recycling plant.

Our deliverables will include:

- Congressional advocacy in support of needed appropriations for programmatic funding for eligible IWVGA projects
- Direct project authorization where possible
- Legislatively-directed spending requests, where possible

### **Sub-Task D: U.S. Navy Liaison**

## **TASK 3 – SECURE STATE FUNDING**

- **Goal:** Obtain \$15 million in SGMA-IP funding
  - **Objective:** Support \$7.6 million funding application with DWR
- **Goal:** Identify and Obtain funding for water recycling plant
  - **Objective:** Pursue \$6 million outstanding request with SWRCB
  - **Objective:** Identify and seek other legislative funding

In this task, Capitol Core will continue existing efforts on DWR and SWRCB funding requests for the interconnection project and water recycling plant. In addition, the Governor’s office has announced a potential \$30 billion State surplus with a potential to continue a “prime the pump” economic policy through specific-infrastructure funding. Capitol Core will directly advocate in support of increased infrastructure spending which implements SGMA and assists the State with drought-resiliency efforts.

### **Sub-Task A: SGMA-IP**

A \$7.6 million funding request to DWR for planning efforts on the interconnection project is pending. In this sub-task, Capitol Core will continue to position and support the funding request and will assist Stetson Engineering, as needed, to obtain the funding. This will likely occur within the first quarter of 2022.

Deliverables for this sub-task include:

- Continued advocacy and support for the \$7.6 million SGMA-IP funding application

### **Sub-Task B: Water Recycling Plant**

A \$6 million funding request to DWR, through the Urban and Multi-Benefit Drought Resilience Program, is pending. Early tranches of funding have focused on emergency drought relief pushing resiliency projects, such



as the water recycling plant, to the third-tier funding tranche. In this sub-task Capitol Core will continue to work with DWR to gain eligibility under this program and seek the application authorization for the \$6 million request.

Deliverables for this sub-task will include:

- Continued Advocacy and support for the \$6 million UMBDP funding application.

### **Sub-Task C: Legislative/Agency Advocacy**

As previously stated, the Governor has indicated additional funding resources to be programmed in the 2022-2023 State Budget. In this sub-task Capitol Core will position the interconnection project for implementation funding; position the water recycling plant for additional funding; and will seek a direct-appropriation for the wastewater treatment plant. Our goal will be to seek additional programmatic funding and direct project authorization/appropriations opportunities.

At Stetson's request, we will advocate for funding to help with water supply purchases and in support of real property requirements needed to carry out the interconnection project and water recycling plant.

Deliverables for this sub-task will include:

- Direct Legislative, Executive and Agency advocacy in support of IWVGA projects

### **TASK 4: ADMINISTRATIVE REQUIREMENTS**

Capitol Core will participate in staff and Board meetings as mutually agreed to in order to present findings and discuss strategies and next steps throughout the project assignment. In addition, we will produce needed reports sufficient to allow for Authority actions.





## COST PROPOSAL

Please see the attached spreadsheet for our detailed cost proposal.

A summary cost proposal is as follows:

Task 1:	Secure Imported Water Supplies	\$51,625.00
Task 2:	Secure Federal Funding	\$54,425.00
Task 3:	Secure State Funding	\$40,125.00
Task 4:	Board Meetings, Reports, and Administrative	\$28,200.00
Total		\$174,375.00



CAPITOL  
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GROUP

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2018 Rate Card  
Capitol Core Group

President	\$ 250.00
Sr. Vice Presidents	\$ 225.00
Sr. Client Advisor	\$ 250.00
Director	\$ 175.00
Associate	\$ 100.00

Total Project Budget Estimate \$ 175,000.00

Task 1: Secure Imported Water Supplies						
Sub-Task	President	Senior Vice President	Senior Client Advisor	Associate	Total Est. Hours	Total Est. Amount
1A: Complete Existing Negotiations	4	35	30	0	69	\$ 16,375.00
1B: Storage, Transfer & Other Agreements	0	40	30	0	70	\$ 16,500.00
1C: Regulatory & Local Approvals	10	25	10	10	55	\$ 11,625.00
1D: New Water Identification	0	15	15	0	30	\$ 7,125.00
1E: Water Purchases						
<b>Totals for Task 1</b>	<b>14</b>	<b>115</b>	<b>85</b>	<b>10</b>		<b>\$ 51,625.00</b>

Task 2: Secure Federal Funding						
Sub-Task	President	Senior Vice President	Director	Associate	Total Est. Hours	Total Est. Amount
2A: Agency Advocacy	35	35	15	8	93	\$ 20,050.00
2B: DCIP	15	15	0	0	30	\$ 7,125.00
2C: Congressional Advocacy	35	35	15	10	95	\$ 20,250.00
2D: Navy Liaison	10	20	0	0	30	\$ 7,000.00
<b>Totals for Task 2</b>	<b>95</b>	<b>105</b>	<b>30</b>	<b>18</b>		<b>\$ 54,425.00</b>

Task 3: Secure State Funding						
Sub-Task	President	Senior Vice President	Director	Associate	Total Est. Hours	Total Est. Amount
3A: SGMA-IP	15	15	0	0	30	\$ 7,125.00
3B: Water Recycling Plant	20	15	0	0	35	\$ 8,375.00
3C: Legislative/Agency Advocacy	45	45	10	15	115	\$ 24,625.00
<b>Totals for Task 3</b>	<b>80</b>	<b>75</b>	<b>10</b>	<b>15</b>		<b>\$ 40,125.00</b>

Task 4: Administrative						
Sub-Task	President	Senior Vice President	Senior Client Advisor	Associate	Total Est. Hours	Total Est. Amount
4A: Board Meetings	12	30	12	0	54	\$ 12,750.00
4B: Milestone Reports	10	12	6	4	32	\$ 7,100.00
4C: Ad Hoc Reports	15	12	6	4	37	\$ 8,350.00
<b>Totals for Task 4</b>	<b>37</b>	<b>54</b>	<b>24</b>	<b>8</b>		<b>\$ 28,200.00</b>

Total 2022 Estimated Budget	
Task 1	\$ 51,625.00
Task 2	\$ 54,425.00
Task 3	\$ 40,125.00
Task 4	\$ 28,200.00
<b>Totals</b>	<b>\$ 174,375.00</b>

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**AMENDMENT NO. 5 TO  
INDIAN WELLS VALLEY GROUNDWATER  
AUTHORITY AGREEMENT NO. 01-19**

**CONSULTANT’S SERVICES AGREEMENT  
WATER SUPPLY PROCUREMENT  
AND GOVERNMENT AFFAIRS**

WHEREAS, the **INDIAN WELLS VALLEY GROUNDWATER AUTHORITY** (“Authority”) and **CAPITOL CORE GROUP, INC.** (“CCG”) entered into an agreement on March 21, 2019 (“Agreement”), whereby CCG would provide water procurement and government affairs services to support the Authority’s goal of completing a Groundwater Sustainability Plan (“GSP”) for the Indian Wells Valley Groundwater Basin (“Basin”); and,

WHEREAS, the Agreement’s term expired on March 21, 2020; and,

WHEREAS, the Authority subsequently approved Amendments 2, 3 and 4 to continue these professional services through December 31, 2021; and,

WHEREAS, CCG has provided a 2022 Proposed Scope of Work and budget for continuing these services in 2022;

**NOW THEREFORE, IT IS HEREBY AGREED**, by and between Authority and CCG as follows:

1. Section “III. TERM PERIOD” of the Agreement is amended in whole to read as follows:

Unless otherwise terminated as provided herein, this Agreement shall continue in effect from the effective date of this Agreement until December 31, 2022. The parties reserve the right to extend this Agreement upon mutually agreeable terms.

2. The CCG “2022 Proposed Scope of Work” and associated budget is approved.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date last written below.

**CCG:**  
Capitol Core Group, Inc.

**AUTHORITY:**  
Indian Wells Valley Groundwater Authority

BY: \_\_\_\_\_  
Michael W. McKinney  
Founding Partner  
Capitol Core Group, Inc.

BY: \_\_\_\_\_  
Scott Hayman  
Board Chairperson  
IWVGA

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

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# IWVGA ADMINISTRATIVE OFFICE

*STAFF REPORT*

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**TO:** IWVGA Board Members

**DATE:** December 8, 2021

**FROM:** IWVGA Staff

**SUBJECT: AGENDA ITEM 8 – 2022 Board Rotation**

## **BACKGROUND**

The Joint Powers agreement for the Indian Wells Valley Groundwater Authority (IWVGA) provides that officers of the board shall be elected annually and that these positions may be removed at any time without cause. The Bylaws state in section 3.2, Appointment of Officers of the Board, the IWVGA Chair and Vice Chair are to rotate annually between the board member representing County of Kern, City of Ridgecrest and the Indian Wells Valley Water District (District).

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

## **DESCRIPTION**

During the past year, under advice of counsel, the Indian Wells Valley Water District has recused itself from participating in certain topics before the board such as whether to enforce replenishment fees, topics related to its adjudication action, as well the purchase of imported water. The water district is currently set to be the next entity in rotation to hold the Chair and General Counsel positions. In light of this, members of the board directed staff to provide a resolution that would remove the representative from the water district from serving as the board chair upon assumption of office at the first of the year.

Staff has provided the attached resolution for the board's consideration and adoption.

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

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**In the matter of:**

**Resolution No. 09-21**

**REMOVING THE REPRESENTATIVE FROM THE INDIAN WELLS VALLEY  
WATER DISTRICT AS CHAIRPERSON OF THE INDIAN WELLS VALLEY  
GROUNDWATER AUTHORITY PURSUANT TO SECTION 6.04 OF THE JOINT  
EXERCISE OF POWERS AGREEMENT CREATING THE INDIAN WELLS VALLEY  
GROUNDWATER AUTHORITY**

---

I, \_\_\_\_\_, Clerk of the Board of Directors for the Indian Wells Valley Groundwater Authority, do certify that the following resolution, on motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, was duly passed and adopted by the Board of Directors at an official meeting this 8<sup>th</sup> day of December, 2021, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

---

\_\_\_\_\_  
Clerk of the Board of Directors  
Indian Wells Valley Groundwater Authority

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**RESOLUTION**

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

**Section 1. WHEREAS** section 6.04 of the Joint Exercise Of Powers Agreement Creating The Indian Wells Valley Groundwater Authority provides that the board of directors shall annually appoint a chairperson to preside at all meetings.

**Section 2. WHEREAS** section 6.04 of the Joint Exercise Of Powers Agreement Creating The Indian Wells Valley Groundwater Authority also provides that officers of the board including the chairperson may be removed and replaced at any time with or without cause by a board vote.

**Section 3. WHEREAS** Section 3.2 of the Bylaws Of The Indian Wells Valley Groundwater Authority provides that the chairperson and vice chairperson shall rotate annually between the board members representing the county of Kern, the City of Ridgecrest, and the Indian Wells Valley Water District.

**Section 4. WHEREAS** the Indian Wells Valley Water District has indicated that there is a current and ongoing conflict of interest between the duties of the representative of the Water District to the Water District itself and the Groundwater Authority based on pending litigation and other related concerns and that based on this conflict of interest the representative of the Water District has not participated fully in any meeting during 2021.

**Section 5. WHEREAS** effective January 1, 2022, the representative of the Indian Wells Valley Water District would rotate into the chairperson position based on section 3.2 of the bylaws creating a risk the Chairperson could not preside over all portions of the Authority's meetings and could not freely communicate with staff regarding litigation topics.

**Section 6. THEREFORE, IT IS RESOLVED** by the Board of Directors of the Indian Wells Valley Groundwater Authority that effective January 1st, 2022, the representative of the Indian Wells valley water district shall be removed as Chairperson pursuant to section 6.04 of the Joint Exercise Of Powers Agreement Creating The Indian Wells Valley Groundwater Authority.

**Section 7.** This Resolution shall become effective immediately.

**PASSED, APPROVED, AND ADOPTED,** by the Indian Wells Valley Groundwater Authority this 8th day of December, 2021.

SIGNED:

\_\_\_\_\_  
President of the Board of Directors

ATTEST:

\_\_\_\_\_



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	DA Davidson	Brandis Tallman, A Division of Oppenheimer	Hilltop Securities
<b>Fees:</b>			
UW Discount (\$/ Bonds)	\$ 2.75	\$ 3.40	\$ 4.97
UW Discount (\$)*	\$ 68,750	\$ 85,000	\$ 124,250.00
Placement Agent Fee	\$ 25,000	\$ 25,000	\$ 25,000 **
<b>Financing Projections:</b>			
<u>Private Placement (25 years)</u>	Non-conforming,		***
TIC (True Interest Cost)	utilized interest rate	2.88%	2.75%
All-in TIC	swaps, not comparable	2.99%	2.87%
Total Debt Service	to other projections	\$ 35,726,886	\$ 35,214,380
<u>Public Offering (40 years)</u>			
TIC (True Interest Cost)	3.00%	3.01%	2.99%
All-in TIC	3.09%	3.22%	3.12%
Total Debt Service	\$ 44,801,313	\$ 44,628,338	\$ 43,922,026
<b>Additional Notes:</b>	Non-conforming public offering projections, utilized insurance and surety in place of reserve fund, not comparable to BT/Opp. Recommended dual-marketing approach.	Outlined recent experience working on a water rights acquisition financing for Rosamond CSD (Kern County), demonstrated creative solution to provide flexibility to client when faced with challenges create by the water seller. Oppenheimer demonstrated an in-depth understanding of the Authority's challenges and how they adapt to challenging circumstances - other respondents did not attempt to demonstrate such an understanding. Futhermore, they provided relevant guidance on what must be contained in a Water Purchase Agreement to enhance the security of the bonds.	Non-conforming public offering projections, utilized insurance and surety in place of reserve fund, not comparable to BT/Opp.

**Wulff Hansen recommendation**

\*Based on a \$25 million par amount of bonds

\*\*Would reduce placement fee to \$20,000 if par amount is below \$20 million

\*\*\*Oppenheimer was able to solicit a indicate quote for a 30-year Private Placement of 2.98% (TIC), other respondents were unable to obtain an indicative quote for such a 30-year term

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# BUDGET TO ACTUAL REPORT- OCTOBER

		ACTUALS BY REVENUE ALLOCATION					(B)	(A-B)	(B/A)	
		Restricted	Restricted	Restricted	Restricted	Restricted	\$	\$	%	
		Extraction	Augmentation	Shallow Well Mitigation	Prop. 1 SDAC	Prop. 1/68	ACTUAL	REMAINING	COMPLETED	
		(A)								
		BUDGET								
<b>1</b>	<b>REVENUE</b>								<b>1</b>	
<b>2</b>	Extraction Fee	1,959,673	1,167,003	-	-	-	<b>1,167,003</b>	792,670	60%	<b>2</b>
<b>3</b>	Augmentation Fee**	8,356,306	-	2,786,795	-	-	<b>2,786,795</b>	5,569,511	33%	<b>3</b>
<b>4</b>	IWVWD Credit -Advance of Funds Repayment	(615,083)	-	(615,083)	-	-	<b>(615,083)</b>	-	100%	<b>4</b>
<b>5</b>	Shallow Well Mitigation Fee	69,381	-	-	97,093	-	<b>97,093</b>	(27,712)	140%	<b>5</b>
<b>6</b>	Department of Water Resources (DWR) Grants	997,463	-	-	-	93,466	<b>145,209</b>	852,254	15%	<b>6</b>
<b>7</b>	<i>Prior Year DWR Grant Revenue Received in Jan 2021-Unbudgeted</i>	-	-	-	-	-	<b>342,257</b>	(342,257)	0%	<b>7</b>
<b>8</b>	Rose Valley Reimbursement by Navy	300,000	-	-	-	-	<b>-</b>	300,000	0%	<b>8</b>
<b>9</b>	<b>TOTAL REVENUES</b>	<b>11,067,740</b>	<b>1,167,003</b>	<b>2,171,712</b>	<b>97,093</b>	<b>93,466</b>	<b>3,923,274</b>	<b>7,144,466</b>	<b>35%</b>	<b>9</b>
<b>10</b>	<b>EXPENSES</b>									<b>10</b>
<b>11</b>	<b>Administration</b>									<b>11</b>
<b>12</b>	Administration	225,000	55,355	55,355	-	-	<b>110,710</b>	114,290	49%	<b>12</b>
<b>13</b>	Office Rent	-	600	600	-	-	<b>1,200</b>	(1,200)	0%	<b>13</b>
<b>14</b>	Office Supplies	-	-	-	-	-	<b>-</b>	-	0%	<b>14</b>
<b>15</b>	Postage and Delivery	-	-	-	-	-	<b>-</b>	-	0%	<b>15</b>
<b>16</b>	External Audit	7,000	1,000	1,000	-	-	<b>2,000</b>	5,000	29%	<b>16</b>
<b>17</b>	Council Chambers/IT Services	-	-	-	-	-	<b>-</b>	-	0%	<b>17</b>
<b>18</b>	General Counsel	10,000	3,120	-	-	-	<b>3,120</b>	6,880	31%	<b>18</b>
<b>19</b>	Insurance Premium	10,000	11,441	-	-	-	<b>11,441</b>	(1,441)	114%	<b>19</b>
<b>20</b>	Legal Notices	-	1,199	-	-	-	<b>1,199</b>	(1,199)	0%	<b>20</b>
<b>21</b>	Memberships	-	100	-	-	-	<b>100</b>	(100)	0%	<b>21</b>
<b>22</b>	Website	-	276	-	-	-	<b>276</b>	(276)	0%	<b>22</b>
<b>23</b>	Printing and Reproduction	-	-	-	-	-	<b>-</b>	-	0%	<b>23</b>
<b>24</b>	Bank Service Charges	-	-	-	-	-	<b>-</b>	-	0%	<b>24</b>
<b>25</b>	<i>Additional Admin</i>	<i>15,000</i>	-	-	-	-	<b>-</b>	15,000	0%	<b>25</b>
<b>26</b>	<i>Meetings &amp; Prep</i>	<i>12,000</i>	-	-	-	-	<b>-</b>	12,000	0%	<b>26</b>
<b>27</b>	<i>Public Education/Outreach</i>	<i>5,000</i>	-	-	-	-	<b>-</b>	5,000	0%	<b>27</b>
<b>28</b>										<b>28</b>

# BUDGET TO ACTUAL REPORT- OCTOBER

		ACTUALS BY REVENUE ALLOCATION					(B)	(A-B)	(B/A)	
		Restricted	Restricted	Restricted	Restricted	Restricted	\$	\$	%	
		Extraction	Augmentation	Shallow Well Mitigation	Prop. 1 SDAC	Prop. 1/68	ACTUAL	REMAINING	COMPLETED	
(A)	BUDGET									
29	<b>EXPENSES (Cont'd)</b>									29
30	<b>Non-Departmental</b>									30
31	Other Legal Services	350,000	-	289,777	-	-	289,777	60,223	83%	31
32	Lobbying Services	175,000	-	113,650	-	-	113,650	61,350	65%	32
33	Other Professional Services	-	-	-	-	-	-	-	0%	33
34	Repayment of Kern County Advance	500,000	-	-	-	-	-	500,000	0%	34
35	Repayment of City of Ridgecrest In-Kind Services	300,000	-	-	-	-	-	300,000	0%	35
36	Repayment of Unpaid Invoices*	619,825	478,497	-	-	35,580	514,077	105,748	83%	36
37	FY 2020 Invoices Paid in Current Year-Unbudgeted*	-	223,704	-	-	-	223,704	(223,704)	0%	37
38	Repayment of Unpaid Invoices-Unbudgeted*	-	-	-	-	18,641	18,641	(18,641)	0%	38
39	Reserve Requirements	255,315	-	-	-	-	-	255,315	0%	39
40										40
41	<b>Conservation Programs</b>									41
42	Outreach & Technical Services	481,651	-	-	-	156,831	156,831	324,820	33%	42
43										43
44	<b>Basin Management Administration</b>									44
45	Production Reporting, Transient Pool, and Fee Support	51,000	3,523	-	-	7,753	11,275	39,725	22%	45
46	Meetings and Prep	120,000	81,478	-	-	-	81,478	38,522	68%	46
47	Budget Support	5,000	4,048	-	-	-	4,048	953	81%	47
48	Stakeholder Coordination	10,000	-	-	-	-	-	10,000	0%	48
49	Litigation Support	30,000	27,238	-	-	-	27,238	2,763	91%	49
50										50
51	<b>Basin Management</b>									51
52	POAM No. 20 Data Management System**	-	2,467	-	-	2,467	4,934	(4,934)	0%	52
53	POAM No. 56 Monitoring Wells - Implementation**	-	100	-	-	100	200	(200)	0%	53
54	POAM No. 78 Aquifer Tests**	-	5,537	-	-	5,537	11,074	(11,074)	0%	54
55	Review of Ramboll Report (Task began in 2020)	11,330	-	-	-	-	-	11,330	0%	55
56	Prop 1 SDAC Program Support	12,000	910	-	-	3,365	8,069	3,931	67%	56
57	General Engineering	50,000	23,135	-	-	-	23,135	26,865	46%	57
58	TSS: El Paso Well Drilling Support	30,000	22,846	-	-	-	22,846	7,154	76%	58
59	TSS: General Coordination/Application Support	30,000	3,871	-	-	-	3,871	26,129	13%	59
60	Coordination with DWR on GSP Review	50,000	860	-	-	-	860	49,140	2%	60
61	Annual Report Preparation	30,000	25,283	-	-	-	25,283	4,718	84%	61

# BUDGET TO ACTUAL REPORT- OCTOBER

## ACTUALS BY REVENUE ALLOCATION

	(A) BUDGET	Restricted Extraction	Restricted Augmentation	Restricted Shallow Well Mitigation	Restricted Prop. 1 SDAC	Restricted Prop. 1/68	(B) \$ ACTUAL	(A-B) \$ REMAINING	(B/A) % COMPLETED	
<b>62</b>	<b>EXPENSES (Cont'd)</b>									
<b>63</b>	<b>Basin Management (cont'd)</b>									
64	Data Management System Support	26,000	13,313	-	-	-	13,313	12,688	51%	
65	Allocation Plan: Allocation Process & Transient Pool Support	-	5,729	-	-	-	5,729	(5,729)	0%	
66	Allocation Plan and Rules & Regs on Pumping/Restrictions	10,000	1,010	-	-	630	1,640	8,360	16%	
67	Allocation Plan: Following & Transient Pool Transfer Program	-	2,602	-	-	-	2,602	(2,602)	0%	
68	Conservation Efforts	20,000	-	230	-	-	230	19,770	1%	
69	General Project Management	50,000	18,613	-	-	-	18,613	31,388	37%	
70	Model Transfer and Upgrade	50,000	13,685	-	-	-	13,685	36,315	27%	
71	Navy/Coso Royalty Fund: Develop Projects & Secure Funding	40,000	6,728	-	-	-	6,728	33,273	17%	
72	Navy/Coso Royalty Fund: Rose Valley MW Permitting, Bid Doc Spt & Drillir	300,000	14,361	-	-	-	14,361	285,639	5%	
73	Data Collection, Monitoring, and Data Gaps	120,000	78,488	-	-	-	78,488	41,512	65%	
74	Imported Water: Negotiations and Coordination	50,000	-	9,615	-	-	9,615	40,385	19%	
75	Imported Water: Engineering and Analysis	126,500	-	3,060	-	-	3,060	123,440	2%	
76	Recycled Water	250,000	-	44,024	-	-	44,024	205,976	18%	
77	Shallow Well Mitigation Program: Plan Development	-	-	-	7,458	-	7,458	(7,458)	0%	
78	Shallow Well Mitigation Program: Outreach and Impacts Evaluation	20,000	-	-	1,894	-	1,894	18,106	9%	
79	Brackish Water Group: Data Review and Coordination	12,000	5,893	-	-	-	5,893	6,107	49%	
80	Well Monitoring Services	2,000	1,680	-	-	-	1,680	320	84%	
81	Weather Station Maintenance	2,000	-	-	-	-	-	2,000	0%	
<b>82</b>										
<b>83</b>	<b>Grant Management</b>									
84	Prop 1 / Prop 68 Grant Administration	-	26,186	-	-	-	26,186	(26,186)	0%	
85	Grant Review and Application Preparation	50,000	15,046	-	-	-	15,046	34,954	30%	
<b>86</b>										
<b>87</b>	<b>TOTAL EXPENSES</b>	<b>4,523,621</b>	<b>1,179,920</b>	<b>517,311</b>	<b>9,351</b>	<b>214,417</b>	<b>20,280</b>	<b>1,941,279</b>	<b>2,582,342</b>	<b>43%</b>
<b>88</b>										
<b>89</b>	<b>Surplus (Deficit)</b>	<b>6,544,119</b>	<b>(12,917)</b>	<b>1,654,401</b>	<b>87,742</b>	<b>(120,951)</b>	<b>373,720</b>	<b>1,981,994</b>	<b>4,562,125</b>	

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

\*\* YTD Adjustment - Entry correction. 1) Augmentation Revenue: Receipt of August payment in October. September payment received in November. 2) Basin Mgmt expense: data entry adjustment. Billing and receipt of reimbursement grant program revenue may cross over fiscal years with revenue received for prior year programs. Separate reconciliation will be completed for grant programs.

## OBLIGATION PAYMENTS

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

## OUTSTANDING OBLIGATIONS

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

\* IWWWD used restricted Augmentation Revenue to repay the Advance Agreement.

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

\*\* Capitol Core Invoice project tasks were associated with Imported Water/Augmentation Revenue. No additional obligation necessary.

\*\*\*\$619,824 included prior year invoices from CRWA, WaterWise and Stetson paid by the IWVGA. All but one invoice was paid in 2021. A Stetson invoice for \$105,747 was paid on 12/29/20. The allocation of expense to appropriate revenue will be reconciled according to the project completed.

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

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

**Item 2. Pledge of Allegiance**

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

None received.

**Item 4. Approve PAC Minutes of the October PAC Meeting**

PAC members noted that some minutes and attachments are not yet posted on the GA website. Chair Janiec agreed to work with the April Keigwin to ensure the minutes and attachments are updated on the website. Judie Decker moved to approve the minutes, seconded by Regina Troglin. Judie Decker submitted a document to be attached to the minutes clarifying her October meeting statement regarding Item 6 on the October meeting minutes. The motion was approved 8-0-1, with Lyle Fisher abstaining.

**Item 5. Communication and Engagement (C&E) Plan Review and Recommendations**

**a./b. Sub-Committee Report Recommendations** – Subcommittee chair West Katzenstein reported that the subcommittee had developed a draft report, but had not completed it due to an illness on the committee and interruptions by the holiday schedule. The item was deferred to the next PAC meeting.

**Item 6. First Draft GA Schedule Review and Comment**

Member individual written comments were provided to the GA General Manager on November 10<sup>th</sup>.

**Member Comment** – Judie Decker, Lyle Fisher, West Katzenstein, and Regina Troglin strongly reiterated that the schedule was too top level and requires more detail regarding schedule management activities, tasks, and projects, and must contain clear linkages to budget sources, allocations and expenditures. Judie Decker provided a statement for attachment to the minutes on this subject. The Shallow Well Mitigation policy was cited as an example of a task that has been referred to the PAC three times without resolution and questioned the task, process and schedule execution.

Members complemented the recent efforts and positive improvements in financial reporting by GM Carol Thomas-Keefer. Rene Westa-Lusk stated that the schedule should specifically detail those tasks that are required for the PAC and TAC.

David Janiec noted that the more detailed schedule with budget linkages was directly linked to the new financial accounting software the GM was in process implementing, and that PAC inputs were requested as part of that process. He also noted that the effort to accelerate the RGS contract timeline was done specifically to accelerate the implementation and integration of the financial software.

Regional Government Services (RGS) Project Coordinator April Keigwin stated that the implementation process had begun and is in the early stages. Based on prior RGS implement experience, the software would take a few months to fully develop and integrate across the GA operations. She also stated that an update of the software implementation process may be discussed during the RGS Professional Services Agreement item during the GA Board December 8<sup>th</sup>.

West Katzenstein asked for the software vendor and April Keigwin provided the name and a website link: MIP Fund Accounting Software by Community Brands, [www.mip.com](http://www.mip.com).

**Public Comment** – Don Decker stated that in any schedule, the contribution of individual tasks and projects should define their contribution toward the overall GA objectives to ensure their proper prioritization against other tasks and projects. He noted that the data “gaps” defined in the GSP may not be prioritized properly in comparison to others that move forward on the actual action plan for solving the overdraft the basin.

**PAC Action** - Chair David Janiec will work with GM Carol Thomas-Keefer regarding PAC opportunity to review incremental updates of the master schedule during the implementation process.

**Item 7. Draft Policy on Temporary (Short Term) Uses of Groundwater Supply Review and Comment**

The draft policy was discussed robustly and at length by all members.

**Member Comment**-Nearly every member shared wide ranging concern and comments on the draft policy, both general and specific. The discussion evolved down to three primary issues:

First, should there be ANY exemptions allowed? Any temporary use of water exempted from the replenishment fee still results in a permanent reduction in the basin supply if not compensated for. The uncompensated cost of replenishment of water beyond the recharge must be borne by the user, be spread across all users, or simply NOT replenished, further lowering the basin toward minimum sustainable levels. Any water used beyond the recharge must to be compensated for, or the annual allocation reduced by that exempt amount in a future year.

Second, PAC members agreed that the policy was too loosely defined in its current version. If there are to be ANY temporary uses that are viable for exemption without compensation, they must be clearly defined within specific criteria and limits. Clear definition of terms such as “temporary” are needed, with maximum time limits and quantities. Case-by-case determination, while providing flexibility for unanticipated needs, invites abuse and/or suspicion of favoritism. There should be a well-defined process for addressing a viable temporary use that has not been anticipated or delineated in the policy. Clear guidelines and requirements must be defined prior to adoption. PAC members provided several examples that might qualify and those that they didn’t think should be eligible. This greatly emphasized the need for clear, objective criteria and limits.

Third, if an exemption policy were to be implemented, all stakeholder groups are affected and deserve absolute transparency regarding the objective criteria and process for any exemption. It was clear from the committee discussion that the GA must be clear in defining and executing any temporary use exemption policy openly with all stakeholders in the basin, including the potential impact on them.

Judy Decker submitted written comments to be attached to the minutes. Additionally, she noted that the document should contain an author and date.

**Public Comment**- Don Decker stated that there should be no temporary use exemption and there is a legal component potentially involved. He recommended that we do an exercise to write the criteria we would use to determine an exemption eligibility.

Joshua Nugent of Mojave Pistachios recommended that the Water District be exempted for certain temporary uses, but suggested the GA explore funding resources and grants at the state level or possible charitable organizations to cover the use beyond allocation.

**PAC Action**-In view of the lengthy discussion that evolved with the substantive issues that surfaced, PAC members agreed that additional consideration was justified and the policy should be the second highest priority topic for the next meeting.

**Item 8. Confirm Next Regular Meeting for December**

Given that the PAC would be unable to meet for the regularly scheduled meeting on December 23<sup>rd</sup>, members tentatively agreed to meet in special session on December 16<sup>th</sup>, depending on the availability of City Council chambers. The two priority agenda items would be the C&E Plan and the Temporary Use Policy. During the rescheduling discussion, Don Zdeba noted that the City Council chambers would not be available the evening of December 14<sup>th</sup>, as the IWV Water District would be holding a workshop in the chambers regarding their comprehensive adjudication lawsuit.

**PAC Action** – The PAC Chair will contact the City staff to confirm the availability of the chambers, and notify members of the next meeting date.

**Item 9. Member Comments**

Judie Decker urged everyone in the basin to attend or view the IWVWD adjudication workshop on the 14<sup>th</sup> as it was the only legal action pending that after all users in the basin.

Renee Westa-Lusk asked Don Zdeba if the adjudication workshop would allow call-in questions and comments and he confirmed that it would.

Nick Panzer noted that SGMA provided new issues for the courts regarding groundwater management and “unfavorable results” impacting the entire basin, just as the GA wrestled with in developing the GSP.

David Janiec thanked all for their participation in this meeting and noted that the discussion on the proposed temporary use policy was one of the most appropriate and important topics for this committee he had witnessed.

**Item 10. Meeting Adjourned.**

Submitted by: David Janiec, IWVGA PAC Chair, 5 December 2021

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