

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, October 13, 2021

Closed Session 10:00 a.m.

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

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

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

Statements from the Public

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

1. CALL TO ORDER

2. BOARD CONSIDERATION AND ADOPTION OF RESOLUTION NO. 07-21 PERTAINING TO AB-361

3. PUBLIC COMMENT ON CLOSED SESSION

4. CLOSED SESSION

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

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

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

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

6. PUBLIC COMMENT

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

7. CONSENT AGENDA

- a. Approve Minutes of Board Meeting September 8, 2021
- b. Conflict Waiver Letter
- c. Approve Expenditures
**To view itemized invoices please visit <https://iwvga.org/iwvga-meetings>*
 - i. \$54,904.50 – Stetson Engineers
 - ii. \$18,575.00 – Regional Government Services – (Replenishment / Extraction)
 - iii. \$17,831.25 – Capitol Core Group (July & August) – (Replenishment)
 - iv. \$1,000.00 – Brown Armstrong – (Extraction)

8. WATER RESOURCES MANAGER REPORT

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

9. RECORD RETENTION / DESTRUCTION POLICY

10. BOARD CONSIDERATION OF BOND COUNSEL AGREEMENT WITH WULFF HANSEN

11. 6-MONTH CHECK IN WITH REGIONAL GOVERNMENT SERVICES

12. GENERAL MANAGER'S REPORT

- a. Monthly Financial Report
- b. Report on IWVGA's Water Marketer (Capitol Core Group)

13. PAC/TAC REPORT

14. CLOSING COMMENTS

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

15. DATE OF NEXT MEETING – NOVEMBER 10, 2021

16. ADJOURN

PUBLIC COMMENT NOTICE

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

- **Watch meetings on-line:**
All of our meetings are streamed live at <https://ridgecrest-ca.gov/369/Watch> (4 second streaming delay) or on YouTube at <https://www.youtube.com/cityofridgecrest/live> (22 second streaming delay) and are also available for playback after the meeting.
- **Call in for public comments:**
If you wish to make verbal comment, *please call (760) 499-5010*. This phone line will allow only one caller at a time, so if the line is busy, please continue to dial. We will be allowing a 20-30 second pause between callers to give time for media delays and callers to dial in. Due to media delays, please mute your streaming device while making public comment. If you wish to comment on multiple items, you will need to call in as each item is presented.
**Please Note – This process will be a learning curve for all, please be patient.*
- **Submit written comments:**
We encourage submittal of written comments supporting, opposing, or otherwise commenting on an agenda item, for distribution to the Board prior to the meeting. Send emails to akeigwin@rgs.ca.gov written correspondence may be sent to April Keigwin, Clerk of the Board, 100 W. California Ave., Ridgecrest, CA 93555. Please specify to which agenda item your comment relates.
- **Large Groups:**
If you are part of a large group that would like to comment on an agenda item, please consider commenting in writing. This will be as impactful to the Board as having a large group in attendance.

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IWVGA ADMINISTRATIVE OFFICE

STAFF REPORT

TO: IWVGA Board Members

DATE: October 13, 2021

FROM: IWVGA Staff

SUBJECT: Receive and Adopt Resolution No. 07-21 for use of AB-361 proposed exemptions to Brown Act teleconferencing requirements

SUMMARY

In response to the Covid -19 pandemic, the California State Legislature has proposed a new bill that would temporarily exempt certain requirements of the Brown Act and add additional requirements for public meetings held by teleconference. This staff report provides an analysis of the changes to the Brown Act per the proposed bill and recommends the Board's adoption of a Resolution that would put the temporary exemptions and changes into place.

INTRODUCTION

The Brown Act secures public access to the meetings of public commissions, boards, councils, and agencies in the state. (Gov. Code, tit. 5, div. 2, pt. 1, ch. 9, §§ 54950 et seq.) It affirms that the people have the right of access to information concerning the conduct of the people's business, and, therefore, the meetings of public bodies and the writings of public officials and agencies shall be open to public scrutiny. (Cal. Const., art. I, § 3(b)(1).)

Under the Brown Act, all meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any such meeting. The Brown Act as it presently exists, provides the following requirements for use of teleconferencing in connection with a meeting of a legislative body:

- a) Teleconferencing, as authorized, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall. (Gov. Code, § 54953(b)(2).)

- b) If the legislative body elects to use teleconferencing, it must post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of the local agency. (Gov. Code, § 54953(b)(3).)
- c) Each teleconferencing location shall be identified in the posted agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. (Gov. Code, § 54953(b)(3).)
- d) During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercised jurisdiction (Gov. Code, § 54953(b)(3).)
- e) The agenda shall provide an opportunity for members of the public to address the legislative body directly, as the Brown Act requires for in-person meetings, at each teleconference location. (Gov. Code, § 54953(b)(3).)
- f) For purposes of these requirements, “teleconference” means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. (Gov. Code, § 54953(b)(4).)

BACKGROUND

In March of 2020, the Governor of California issued Executive Order N-29-20, which waived Brown Act requirements found in Gov. Code § 54953(b)(3) for teleconference participation in public meetings. In particular, this Order waived:

- a) the requirement that state and local bodies notice each teleconference location from which a member will be participating in a public meeting;
- b) the requirement that each teleconference location be accessible to the public;
- c) the requirement that members of the public may address the body at each teleconference location;
- d) the requirement that state and local bodies post agendas at all teleconference locations; and
- e) the requirement that, during teleconference meetings, at least a quorum of the members of the local body participate from locations within the boundaries of the territory over which the local body exercises jurisdiction.

Executive Order N-29-20 is scheduled to expire on October 1, 2021. In light of this approaching expiration date, a recent bill (AB-361) has been signed into law by Governor Newsom to extend the provisions of N-29-20, subject to certain conditions, set out below, to be met by the local legislative body utilizing its exemptions. AB-361 would also impose certain new requirements, detailed below.

ANALYSIS

AB 361 exempts local legislative bodies from certain Brown Act requirements currently governing teleconferencing (see above). These exemptions may be used only in one of the following circumstances:

- a) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.
- b) The legislative body holds a meeting during a proclaimed state of emergency for purposes of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health and safety of attendees.
- c) The legislative body holds a meeting during a proclaimed state of emergency and has determined by majority vote pursuant to b) above that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

The IWVGA is subject to the Kern County Public Health Services Department, Health Officer Order, issued May 2, 2020. This order provided for the continued adherence to the State Governor's order to stay at home and practice social distancing. In the event the Kern County Health Officer Order changes to lift social distancing precautions, IWVGA may continue to avail itself of the teleconferencing exemptions under AB-361, *provided the IWVGA Board* determines that the state of emergency continues to present imminent risk to the health or safety of attendees at public meetings for the IWVGA Board and both the Policy Advisory Committee (PAC) and Technical Advisory Committee (TAC).

Further, AB-361 would require the IWVGA Board to reconsider the state of emergency and make such determination every 30 days after commencing use of its exemptions. However, if during the 30-day period the IWVGA Board or Committees wishes to meet in person, they may choose to do so despite adopting the proposed Resolution. The intent of the Resolution is merely to allow IWVGA Board and Committee members to avail themselves of the AB-361 teleconferencing conveniences if they so choose.

Finally, in addition to allowing for the above exemptions, AB-361 adds the following requirements:

- a) The legislative body must give notice of the meeting and post agendas as otherwise required by the Brown Act.
- b) The legislative body must allow members of the public to access the meeting, and the agenda must provide an opportunity for members of the public to address the legislative body directly pursuant to Brown Act requirements. In each instance where notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body must also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda must identify and include an opportunity for all persons to attend via call-in option or an internet-based service option. The

legislative body need not provide a physical location from which the public may attend or comment.

- c) The legislative body must conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body.
- d) In the event of a disruption that prevents the public agency from broadcasting the meeting to members of the public using the call-in or internet-based service options, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in or internet-based service options, the legislative body must take no further action on items appearing on the meeting agenda until public access to the meeting is restored. Actions taken on agenda items during a disruption preventing the broadcast of the meeting may be challenged as provided in the Brown Act.
- e) The legislative body may not require public comments to be submitted in advance of the meeting, and it must provide an opportunity for the public to address the legislative body and offer comment in real time.
- f) The legislative body may use an online third-party system for individuals to provide public comment that requires an individual to register with the system prior to providing comment. g) If a legislative body provides a timed public comment period, it may not close the comment period or the time to register to provide comment under f) until the timed period has elapsed. If the legislative body does not provide a time-limited comment period, it must allow a reasonable time for the public to comment on each agenda item and to register as necessary under f).

RECOMMENDED BOARD ACTION(S)

Therefore, it is recommended that the Board:

- 1) Adopt Resolution No. 07-21 authorizing use of AB-361 proposed exemptions to Brown Act teleconferencing requirements.

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

In the matter of:

Resolution No. 07-21

AUTHORIZING THE REVISED USE OF TELECONFERENCING FOR PUBLIC MEETINGS

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 13th day of October, 2021, by the following vote:

AYES:

NOES:

ABSENT:

Clerk of the Board of Directors
Indian Wells Valley Groundwater Authority

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

Section 1. This Resolution shall become effective immediately.

Section 2. WHEREAS, the Governor of the State of California (“Governor”) proclaimed a State of Emergency to exist as a result of the threat of COVID-19. (Governor’s Proclamation of a State of Emergency (Mar. 4, 2020).);

WHEREAS, the Governor’s Exec. Order No. N-25-20 (Mar. 12, 2020); Governor’s Exec. Order No. N-29-20 (Mar. 17, 2020); and Governor’s Exec. Order No. N-08-21 (Jun. 11, 2021) provided that local legislative bodies may hold public meetings via teleconferencing and make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the local legislative body and waived the Brown Act provisions found in Govt. Code section 54953(b)(3) which require the physical presence of the members, the clerk, or other personnel of the body, or the public, as a condition of participation in, or quorum for, a public meeting, including:

- a) The requirement that state and local bodies notice each teleconference location from which a member will be participating in a public meeting.
- b) The requirement that each teleconference location be accessible to the public.
- c) The requirement that members of the public may address the body at each teleconference location.
- d) The requirement that state and local bodies post agendas at all teleconference locations.
- e) The requirement that, during teleconference meetings, at least a quorum of the members of the local body participate from locations within the boundaries of the territory over which the local body exercises jurisdiction.

WHEREAS, the provisions of Governor’s Exec. Order No. N-25-20 (Mar. 12, 2020); Governor’s Exec. Order No. N-29-20 (Mar. 17, 2020); and Governor’s Exec. Order No. N-08-21 (Jun. 11, 2021) are set to expire on September 30, 2021 and will no longer remain in effect thereafter;

WHEREAS, the Center for Disease Control is currently contending with the Delta Variant of the COVID-19 virus and anticipates the development of potential other strains which may further impede public agency operations and prolong the need for social distancing requirements;

AND WHEREAS, recent legislation (A.B. 361) authorizes a local legislative body to use teleconferencing for a public meeting without complying with the Brown Act’s teleconferencing quorum, meeting notice, and agenda requirements set forth in Government Code section 54953(b)(3), in any of the following circumstances:

- a) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.
- b) The legislative body holds a meeting during a proclaimed state of emergency for purposes of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health and safety of attendees.
- c) The legislative body holds a meeting during a proclaimed state of emergency and has determined by majority vote pursuant to b) above that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

Section 3. NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Indian Wells Valley Groundwater Authority as follows:

Section 1. Incorporation of Recitals. All of the foregoing Recitals are true and correct and the Board so finds and determines. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.

Section 2. Adoption of AB-361. The Board has determined by majority vote that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

Section 3. Continued Implementation of AB-361. If the state of emergency remains active, or state or local officials have imposed measures to promote social distancing, the Board of Directors of the Indian Wells Valley Groundwater Authority shall, in order to continue meeting subject to this exemption to the Brown Act, no later than 30 days after it commences using the exemption, and every 30 days thereafter, make the following findings by majority vote:

- a) The legislative body has reconsidered the circumstances of the state of emergency; *and*
- b) Either (1) the state of emergency continues to directly impact the ability of the members to meet safely in person; or (2) state or local officials continue to impose or recommend measures to promote social distancing.

PASSED, APPROVED, AND ADOPTED, by the Indian Wells Valley Groundwater Authority this 13th day of October, 2021.

SIGNED:

President of the Board of Directors

ATTEST:

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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, September 8, 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.

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 10:07 a.m.

2. PUBLIC COMMENT ON CLOSED SESSION:

The Board hears public comment from Renee Westa-Lusk.

Chairman Hayman calls the meeting into Closed Session at 10:08 a.m.

3. CLOSED SESSION:

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

Closed Session adjourned at 11:15 a.m.

4. OPEN SESSION:

Meeting reconvenes into Open Session at 11:20 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

5. PUBLIC COMMENT:

The Board hears public comment from Michael Kennedy and Renee Westa-Lusk.

6. CONSENT AGENDA:

- a. Approve Minutes of Board Meeting August 11, 2021.
- b. Approve Expenditures

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

 - i. \$63,149.64 – Stetson Engineers
 - ii. \$18,302.50 – Regional Government Services – (Replenishment / Extraction)
 - iii. \$23,837.50 – Capitol Core Group (July & August) – (Replenishment)

Motion made by Phillip Peters and seconded by Scott Hayman to approve Minutes of Board Meeting August 11, 2021 and the following expenditures in the amount of \$63,149.64 to Stetson Engineers, \$18,302.50 to Regional Government Services, and \$23,837.50 to Capitol Core Group.

Motion carries by the following roll call vote:

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

7. WATER RESOURCES MANAGER REPORT:

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

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

The Board hears public comment from Renee Westa-Lusk and Michael Kennedy.

8. SEARLES VALLEY MINERALS FACILITIES TOUR:

Steve Johnson provides a verbal report and PowerPoint presentation describing the tour (documents made available on the IWVGA website).

The Board hears public comment from Michael Kennedy, Nick Panzer, West Katzenstein, Judie Decker, Dave Janiec.

9. STETSON STAFF TEAM RATES:

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

Motion made by Phillip Peters and seconded by Stan Rajtora approving Addendum No.1 to Agreement No. 02-17 increasing Stetson rates.

Motion carries by the following roll call vote:

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

10. GENERAL MANAGER’S REPORT:

Carol Thomas-Keefer provides updates on the following: Monthly Financial Update, Severely Disadvantaged Communities (SDAC) Program, and Past Due Accounts. Michael McKinney of Capitol Core Group provides a Technical Memorandum and additional staff report discussing potential state funding with Department of Water Resources and State Water Resource Control Board (documents made available on the IWVGA website). Board directs Capitol Core Group to move forward in the pursuit of new state funding with the suggested changes from Director Vallejo and Commander Turner.

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

11. PAC/TAC REPORT:

PAC Chair David Janiec provides a report from the August 26, 2021 PAC Meeting (document made available on the IWVGA website).

12. CLOSING COMMENTS:

Vice Chair Rajtora thanks the public for attending the meeting and providing input. Rajtora encourages those who attend to help get more constituents involved.

13. DATE OF NEXT MEETING – October 13, 2021

14. ADJOURN:

Chairman Hayman adjourns the meeting at 1:51 p.m. on September 8, 2021.

Respectfully submitted,

April Keigwin
Clerk of the Board
Indian Wells Valley Groundwater Authority

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September 30, 2021

By Email: shayman@ridgecrest-ca.gov

Scott Hayman
Indian Wells Valley
Groundwater Agency
100 W. California Avenue
Ridgecrest, CA 93555

Re: Conflicts Waiver Letter

Dear Mr. Hayman,

As you know, this firm serves as Board Counsel to the Indian Wells Valley Groundwater Agency ("IWVGA). Our firm will be retained by the County of San Bernardino to act as interim County Counsel for approximately 1-3 months, until the County selects a new County Counsel.

Although we do not believe that this represents an actual conflict of interest, in an abundance of caution we have provided the following correspondence to describe the matter to you and obtain your informed written consent.

This information is provided in context with Rule 1.7 of the California State Bar Rules of Professional Conduct. This Rule states:

Rule 1.7 Conflict of Interest: Current Clients (Rule Approved by the Supreme Court, Effective November 1, 2018) (a) A lawyer shall not, without informed written consent* from each client and compliance with paragraph (d), represent a client if the representation is directly adverse to another client in the same or a separate matter. (b) A lawyer shall not, without informed written consent* from each affected client and compliance with paragraph (d), represent a client if there is a significant risk the lawyer's representation of the client will be materially limited by the lawyer's responsibilities to or relationships with another client, a former client or a third person,* or by the lawyer's own interests. (c) Even when a significant risk requiring a lawyer to comply with paragraph (b) is not present, a lawyer shall not represent a client without written* disclosure of the relationship to the client and compliance with paragraph (d) where: (1) the lawyer has, or knows* that another lawyer in the lawyer's firm* has, a legal, business, financial, professional, or personal relationship with or responsibility to a party or witness in the same matter; or (2) the lawyer knows* or reasonably should know* that another party's lawyer is a spouse, parent, child, or sibling of the lawyer, lives with the lawyer, is a client of the lawyer or another lawyer in the lawyer's firm,* or has an intimate personal relationship with the lawyer. (d) Representation is permitted under this rule only if the lawyer complies with paragraphs (a), (b), and

(c), and: (1) the lawyer reasonably believes* that the lawyer will be able to provide competent and diligent representation to each affected client; (2) the representation is not prohibited by law; and (3) the representation does not involve the assertion of a claim by one client against another client represented by the lawyer in the same litigation or other proceeding before a tribunal. (e) For purposes of this rule, “matter” includes any judicial or other proceeding, application, request for a ruling or other determination, contract, transaction, claim, controversy, investigation, charge, accusation, arrest, or other deliberation, decision, or action that is focused on the interests of specific persons,* or a discrete and identifiable class of persons.*

OUR REPRESENTATION

Our serving as interim County Counsel for San Bernardino County will involve managing the affairs of the Office of County Counsel. We do not believe there is any direct adversity resulting from our firm’s representation of the IWVGA and the County, and see no significant risk our representation of the IWVGA will be limited by our acting as interim County Counsel. We believe we will continue to provide competent and diligent representation of the IWVGA.

YOUR CONSENT

If you are in agreement with our proposed representation of the County of San Bernardino, we need you to sign this consent letter. It is understood that this consent will not waive any protection that you may have with regard to attorney-client communications with us. Those communications will remain confidential and will not be disclosed to any third party without your consent.

We believe we have provided you a sufficiently-detailed description of the County of San Bernardino work for obtaining informed written consent. However, if you believe that there is any other information that you or I need to have before such consent can be granted, please let me know immediately.

In the event that circumstances change or we become aware of new information that requires a new consent from the parties, you will be notified of that fact immediately, and continued representation will be subject to the informed written consent of involved parties.

I should emphasize that you are entitled to and should consider obtaining an independent legal opinion regarding the advisability of signing this consent.

Your execution of this consent form will constitute an acknowledgment of full disclosure in compliance with the requirements of Rule 1.7 of the California Rules of Professional Conduct previously quoted in this letter.

If you have any questions, please do not hesitate to call.

Sincerely,

Olivarez Madruga Lemieux O'Neill

A handwritten signature in blue ink that reads "Steven O'Neill". The signature is written in a cursive style with a large initial "S".

Steven O'Neill

AGREED AND ACCEPTED

BY: _____

Dated: _____

cc: Carol Thomas, Ron Stand, April Keigwin, and Phil Hall.

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Invoice

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

Invoice Number: 2652-49
Invoice Date: 09/30/21

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

Professional Services through 8/31/2021

Water Resources Management

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

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	2.25	\$200.00	\$450.00
Senior Associate	13.50	\$120.00	\$1,620.00
Associate III	19.00	\$105.00	\$1,995.00
<i>Professional Services Subtotal:</i>			<u>\$4,065.00</u>
<i>POAM No. 15,16 Prop 1 Grant Administration Subtotal:</i>			<u>\$4,065.00</u>

37 - 2021 SDAC Program Support: Rebate Program

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	0.50	\$200.00	\$100.00
Associate III	12.25	\$105.00	\$1,286.25
<i>Professional Services Subtotal:</i>			<u>\$1,386.25</u>
<i>2021 SDAC Program Support: Rebate Program Subtotal:</i>			<u>\$1,386.25</u>

39 - 2021 Pump Fee Support

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	1.50	\$230.00	\$345.00
Associate III	14.00	\$105.00	\$1,470.00
<i>Professional Services Subtotal:</i>			<u>\$1,815.00</u>
<i>2021 Pump Fee Support Subtotal:</i>			<u>\$1,815.00</u>

40 - 2021 General Engineering

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	25.50	\$230.00	\$5,865.00
Supervisor I	9.50	\$200.00	\$1,900.00
Associate III	4.25	\$105.00	\$446.25
<i>Professional Services Subtotal:</i>			<u>\$8,211.25</u>
<i>2021 General Engineering Subtotal:</i>			<u>\$8,211.25</u>

41 - 2021 Production Reporting Support

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Associate III	2.50	\$105.00	\$262.50
<i>Professional Services Subtotal:</i>			<u>\$262.50</u>
<i>2021 Production Reporting Support Subtotal:</i>			<u>\$262.50</u>

42 - TSS Coordination: Drilling Support

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
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42 - TSS Coordination: Drilling Support

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	1.00	\$200.00	\$200.00
<i>Professional Services Subtotal:</i>			<u>\$200.00</u>
<i>TSS Coordination: Drilling Support Subtotal:</i>			<u>\$200.00</u>

44 - Coordination with DWR on GSP Review

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	1.00	\$230.00	\$230.00
Senior Associate	4.00	\$120.00	\$480.00
<i>Professional Services Subtotal:</i>			<u>\$710.00</u>
<i>Coordination with DWR on GSP Review Subtotal:</i>			<u>\$710.00</u>

45 - 2021 Annual Report

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
GIS Manager	1.00	\$115.00	\$115.00
Assistant I	10.25	\$95.00	\$973.75
<i>Professional Services Subtotal:</i>			<u>\$1,088.75</u>
<i>2021 Annual Report Subtotal:</i>			<u>\$1,088.75</u>

46 - 2021 Data Management System Support

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Senior Associate	2.50	\$120.00	\$300.00
Associate I	14.25	\$115.00	\$1,638.75
<i>Professional Services Subtotal:</i>			<u>\$1,938.75</u>
<i>2021 Data Management System Support Subtotal:</i>			<u>\$1,938.75</u>

51 - 2021 Meetings and Prep

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	28.00	\$230.00	\$6,440.00
Supervisor I	16.25	\$200.00	\$3,250.00
Senior Associate	10.75	\$120.00	\$1,290.00
Associate III	22.75	\$105.00	\$2,388.75
<i>Professional Services Subtotal:</i>			<u>\$13,368.75</u>
<i>2021 Meetings and Prep Subtotal:</i>			<u>\$13,368.75</u>

53 - 2021 General Project Management

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	10.00	\$200.00	\$2,000.00
Senior Associate	1.50	\$120.00	\$180.00
Associate III	0.50	\$105.00	\$52.50
<i>Professional Services Subtotal:</i>			<u>\$2,232.50</u>
<i>2021 General Project Management Subtotal:</i>			<u>\$2,232.50</u>

55 - 2021 Grant Review/Application

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	1.00	\$230.00	\$230.00
Senior Associate	0.50	\$120.00	\$60.00
Associate III	7.00	\$105.00	\$735.00
<i>Professional Services Subtotal:</i>			<u>\$1,025.00</u>
<i>2021 Grant Review/Application Subtotal:</i>			<u>\$1,025.00</u>



56 - 2021 Model Transfer and Upgrade

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	16.00	\$200.00	\$3,200.00

Professional Services Subtotal: \$3,200.00

2021 Model Transfer and Upgrade Subtotal: \$3,200.00

59 - 2021 Data Collection

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	23.00	\$200.00	\$4,600.00
Senior Associate	0.50	\$120.00	\$60.00
Associate I	1.25	\$115.00	\$143.75
Assistant I	0.25	\$95.00	\$23.75

Professional Services Subtotal: \$4,827.50

Reimbursables

	<u>Charge</u>
Reproduction (Color)	\$103.24
Car Rental	\$212.61
Lodging	\$117.97
Reproduction	\$8.55

Reimbursables Subtotal: \$442.37

Sub-Contractors

	<u>Charge</u>
Horizon Environmental, Inc.	\$2,384.63

Sub-Contractors Subtotal: \$2,384.63

2021 Data Collection Subtotal: \$7,654.50

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

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Associate III	1.50	\$105.00	\$157.50

Professional Services Subtotal: \$157.50

2021 Imported Water: Negotiations and Coordination for Replenishment Fee Subtotal: \$157.50

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

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	1.50	\$230.00	\$345.00

Professional Services Subtotal: \$345.00

2021 Imported Water: Engineering and Analysis for Replenishment Fee Subtotal: \$345.00

62 - 2021 Recycled Water for Replenishment Fee

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	4.50	\$230.00	\$1,035.00
Supervisor I	5.75	\$200.00	\$1,150.00
Associate III	14.25	\$105.00	\$1,496.25
Assistant I	5.25	\$95.00	\$498.75
Technical Illustrator	1.00	\$85.00	\$85.00

Professional Services Subtotal: \$4,265.00

2021 Recycled Water for Replenishment Fee Subtotal: \$4,265.00

63 - 2021 Shallow Well Mitigation Program: Plan Development

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	6.50	\$230.00	\$1,495.00
Supervisor I	0.75	\$200.00	\$150.00
Senior Associate	4.50	\$120.00	\$540.00



63 - 2021 Shallow Well Mitigation Program: Plan Development

Professional Services Subtotal: \$2,185.00

2021 Shallow Well Mitigation Program: Plan Development Subtotal: \$2,185.00

65 - Brackish Water Group Aquifer Performance Test

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	1.00	\$200.00	\$200.00
Assistant I	6.25	\$95.00	\$593.75

Professional Services Subtotal: \$793.75

Brackish Water Group Aquifer Performance Test Subtotal: \$793.75

Water Resources Management Subtotal: **\$54,904.50**

***** Invoice Total ***** **\$54,904.50**

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PO Box 1350
Carmel Valley, CA 93924

Invoice

Date	Invoice #
8/31/2021	12432

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

P.O. No.	Due Date	Inv Sent
	9/30/2021	9/14/2021

Date	Description	Amount
8/31/2021	Contract Services for August - please see attached	18,275.00

		Total	\$18,275.00
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Indian Wells Valley

Month: **Aug, 2021**

Hours and Rates by Pay Period					
	1st -15th		16th - EOM		Monthly
Advisor Name	Reg Hrs	Bill Rate	Reg Hrs	Bill Rate	Total Billed
Carol Thomas-Keefer	17.00	\$ 125.00	12.75	\$ 125.00	\$ 3,718.75
April Keigwin	66.70	\$ 100.00	76.50	\$ 100.00	\$ 14,320.00
Jefferson Kise	1.75	\$ 135.00	0.00	\$ -	\$ 236.25
Totals	85.45		89.25		\$ 18,275.00

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PO Box 1350
Carmel Valley, CA 93924

Invoice

Date	Invoice #
8/31/2021	12516

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

P.O. No.	Due Date	Inv Sent
	10/27/2021	9/27/2021

Date	Description	Amount
8/31/2021	Reimbursable Expense for Buraglio (\$300 City of Ridgecrest Monthly Rent - please see attached)	300.00
Total		\$300.00

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

by and between

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

AGREEMENT:

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

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

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

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

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

6. Rental Consideration:

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

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

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**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 2021-051

DATE 10/01/2021 **TERMS** Net 45

DUE DATE 11/15/2021

DATE	ACCOUNT SUMMARY	AMOUNT
09/01/2021	Balance Forward	23,837.50
	Other payments and credits after 09/01/2021 through 09/30/2021	0.00
10/01/2021	Other invoices from this date	0.00
	New charges (details below)	17,831.25
	Total Amount Due	41,668.75

ACTIVITY	HOURS	RATE	AMOUNT
Charges			
Invoice Period from 8/30/2021 through 9/24/2021			
Task 1 -- Secure Imported Water Sources			
Government Relations: Intergovernmental Affairs New Water Supplier Calls and Statewide Research {Simonetti}	3.50	225.00	787.50
Government Relations: Intergovernmental Affairs Negotiations w/ Table A Water Seller {Simonetti}	2.50	225.00	562.50
Government Relations: Intergovernmental Affairs Follow-up Discussions w/ Seller/Agency-I; meeting preparation {Simonetti}	2.50	225.00	562.50
Government Relations: Intergovernmental Affairs Follow-up Discussion w/ Seller/Agency-II {Simonetti}	2	225.00	450.00
Government Relations: Intergovernmental Affairs Discussion and scoping w/ Table-A Seller-II {Simonetti}	2	225.00	450.00
Government Relations: Intergovernmental Affairs Client call re: Water Supplies {Simonetti}	1.50	225.00	337.50
Government Relations: Intergovernmental Affairs Negotiations with Table A Water Seller {Tatum}	1	250.00	250.00
Government Relations: Intergovernmental Affairs Follow-up discussions with Seller/Agency-I {Tatum}	1	250.00	250.00
Government Relations: Intergovernmental Affairs Follow-up discussions with Seller/Agency-II {Tatum}	1.50	250.00	375.00
Government Relations: Intergovernmental Affairs Internal discussion re: Table A Seller-II {Tatum}	1	250.00	250.00

ACTIVITY	HOURS	RATE	AMOUNT
Government Relations: Intergovernmental Affairs Internal IWVGA Meeting RE: Water Supplies {McKinney}	1.50	250.00	375.00
Total Task 1 = \$4,650.00 (20 hours)			
Task 2 -- Secure Federal Funding Sources			
Government Relations: Federal Federal Infrastructure Legislation (monitoring and political analysis) (split) {Gillis}	3	100.00	300.00
Government Relations: Federal Direct Advocacy: National Defense Authorization Act (NDAA) -- House Floor Amendments IGSA; conference call w/ ADC and lobbying strategy {Simonetti}	2	225.00	450.00
Total Task 2 = \$750.00 (5 hours)			
Task 3 -- U.S. Navy Liaison			
Government Relations: Federal Direct Advocacy: USN meeting, preparation	1.75	225.00	393.75
Government Relations: Federal Direct Advocacy: DCIP Floor Amendments, analysis, ADC conf. call, lobbying strategy, outreach with other lobbying organizations, begin lobbying w/ U.S. Senate Committee Armed Services (City of Ridgecrest/IWVGA) {Simonetti}	2	225.00	450.00
Total Task 3 = \$843.75 (3.75 hours)			
Task 4 -- Secure State Funding Sources			
Government Relations: California Revise Tertiary Treatment/Water Recycling Plant Funding Request -- establish scoping meeting w/ SWRCB {Olin}	6	175.00	1,050.00
Government Relations: California Revised State Funding Request: Interconnection Project Multi-benefit program, establish meeting and brief SWRCB staff {Simonetti}	1.50	225.00	337.50
Government Relations: California Overall State Funding Request, Briefing w/ DWR staff, SGMA implementation staff meeting request {Simonetti}	2.50	225.00	562.50
Government Relations: California State Funding Request package preparation; State Legislative (Asm Fong/Sen. Grove) call; various internal discussions {Simonetti}	5	225.00	1,125.00
Government Relations: California State Funding Requests -- preparation; client-staff meeting, edits and prepare for Board meeting {McKinney}	6	250.00	1,500.00
Government Relations: California Implementation Memorandum and Analysis, DWR {McKinney}	2.50	250.00	625.00
Government Relations: California Direct Advocacy: State Funding Request conf. calls w/ Senator Grove's and Assembly Member Fong's offices {McKinney}	2.50	250.00	625.00
Government Relations: California Direct Advocacy: SWRCB Wastewater Program Scoping Meeting re: WWTP -- Revised WWTP Funding Request for State Revolving Fund Program scoping meeting {McKinney}	2.50	250.00	625.00

ACTIVITY	HOURS	RATE	AMOUNT
Government Relations:California Revise SWRCB Funding Request re: Tertiary Treatment, Combine and recast for Water Recycling Program scoping meeting -- edits to documents per Board direction {McKinney}	1.50	250.00	375.00
Government Relations:California Direct Advocacy: Internal meetings re: State Funding Requests, manage scoping meeting scheduling DWR/SWRCB {McKinney}	1	250.00	250.00
Government Relations:California State Funding Requests -- Review and Edit (Frye)	5	250.00	1,250.00
Government Relations:California DWR SMGA Implementation Program -- revise document, research and establish scoping meeting; pre-meeting w/ Kelley List {Frye}	3.50	250.00	875.00
Total Task 4 = \$9,200.00 (37 hours)			
Task 5 -- Board Meetings and Reporting			
Administrative Monthly Materials Updates/Reports/Memorandum and Board Meeting Preparation {Simonetti}	1.50	225.00	337.50
Administrative Board Meeting (Open and Closed Session) {Simonetti}	3	225.00	675.00
Administrative Closed Session (September Meeting) and client video conf. re: water purchases update (staff) {Tatum}	2.50	250.00	625.00
Administrative Staff Board Preparation Meeting (for September meeting) {McKinney}	2	250.00	500.00
Administrative Open Session Meeting/Presentation {McKinney}	1	250.00	250.00
Total Task 5 = \$2,387.50 (10 hours)			

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

TOTAL OF NEW CHARGES

17,831.25

TOTAL DUE

\$41,668.75

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Brown Armstrong Accountancy Corporation

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

INDIAN WELLS VALLEY GROUND WATER AUTHORITY
500 W. RIDGECREST BOULEVARD
RIDGECREST, CA 93555

Invoice No. 260687

Date August 29, 2021

Client No. 32711.001

Work in progress on 2020 audit:

(Contract amount/Billed to date: \$12,000/\$1,000)

Current Invoice Amount	\$	1,000.00
Beginning Balance		<u>0.00</u>
Balance Due	\$	<u>1,000.00</u>

0 - 30	31 - 60	61 - 90	91 - 120	Over 120	Balance
1,000.00	0.00	0.00	0.00	0.00	1,000.00

Please remit by: September 26, 2021

Credit Card and ACH Payments Accepted on BA Payment Portal, Bacpas.com

Click on "Make a Payment"

(3% Convenience Fee will Apply on Credit Cards)

Make checks payable to: **Brown Armstrong**

E-mail billing inquiries to: Candi White

cwhite@bacpas.com

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IWVGA Board Meeting
October 13, 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
- CEQA concurrence is complete, per September 13 email from DWR
 - Removed costs totaling **\$130,850.07** for Invoices 8a & 9a will be requested as part of Invoice 12

AGENDA ITEM 8a.i



IWVGA Board Meeting
October 13, 2021

Proposition 68 Status Update

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

AGENDA ITEM 8a.ii



IWVGA Board Meeting October 13, 2021

Recycled Water Program Update

- Alternatives Analysis Update
 - Met with Krieger & Stewart on September 29 to discuss IWVWD comments on joint scope of work
 - Revised joint scope of work released to TAC on October 11
 - Next Technical Team meeting to be scheduled for late October
 - Section 1: Draft write-up of City's of existing WWTF facilities, existing recycled water uses, and City's plans to upgrade and expand the WWTF
 - Released to TAC on October 11
 - Section 2: Characterization of WWTF effluent quantity
 - Based on findings of July 10 Provost & Pritchard technical memorandum on projected City populations, WWTF flow rates, and WWTF BOD loading
 - Will be released to Technical Team around week of October 18
 - Next Steps
 - Continue Section 2 characterization of WWTF effluent water quality
 - Continue review of regulatory, permitting, environmental, legal requirements for alternatives
 - Develop outline of recycled water alternatives to be evaluated

AGENDA ITEM 8b.i



IWVGA Board Meeting October 13, 2021

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

- Shallow Well Mitigation Report Form adopted in May
 - Report Form is posted on IWVGA website
 - No submittals to date
- Staff is currently revising and abbreviating written Program Description
 - Impacted wells will be evaluated when Report Forms are submitted

AGENDA ITEM 8b.ii



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Indian Wells Valley Groundwater Authority (“IWVGA” or the “JPA”) recognizes that it is a good business practice to manage Business Records and information in a consistent, systematic and reliable manner so that they can be retained for those periods required by law and for business purposes and retrieved as necessary for legal, regulatory, or operational reasons. The Records Retention Policy and Schedule (the “Policy”) provides guidance and governs the creation, classification, storage and destruction of all Business Records at IWVGA, regardless of format (electronic or paper) while enabling IWVGA to comply with applicable contractual, regulatory and legal recordkeeping requirements.

This Policy of the IWVGA is adopted in compliance with and pursuant to California Government Code §60200, et seq., §6250, et seq., and §12236, et seq.

I. PURPOSE

The purpose of this policy is to:

- a) ensure compliance with Federal and State statutory and regulatory requirements;
- b) ensure the retention of necessary records and assist in the prompt retrieval of records;
- c) assist in the identification, maintenance, and disposal of records in the normal course of business; and
- d) provide guidelines to IWVGA staff regarding the retention or destruction/disposal of IWVGA records.

II. DEFINITIONS

- 1) “Record” means record consisting of any handwriting, typewriting, printing, photo, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing, any form of communication, or representation, including but not limited to: letters, words, pictures, maps, sounds, or symbols, or combinations thereof, and any record thereby created, regardless of the manner in which the record has been stored.
- 2) “Public Record” means any “Record” containing information relating to the conduct of the public's business prepared, owned, used, or retained by IWVGA regardless of physical form or characteristics.
- 3) “Vital Record” means any of those records identified or described in Section III (1) of this Policy.

III. RECORDS WHICH SHOULD NOT BE DESTROYED

- 1) Original Vital Records having legal, financial, operational or historical value to the District may not be destroyed regardless of whether they have been duplicated, except as specified below. Examples of Vital Records include, but are not limited to:

- a) Records relating to formation, change of organization, or reorganization of the IWVGA.
- b) An ordinance adopted by the IWVGA, unless that ordinance has been repealed or is otherwise invalid or unenforceable, in which case it may be destroyed or disposed of five years after it was repealed or became invalid or unenforceable.
- c) Minutes of any meeting of the legislative body of the District.
- d) Records relating to any pending claim or litigation or any settlement or other disposition of litigation within the past two years.
- e) Records that are the subject of any pending request made pursuant to the California Public Records Act, whether or not the IWVGA maintains that the record is exempt from disclosure, until the request has been granted or two years have elapsed since the IWVGA provided written notice to the requester that the request has been denied.
- f) Records relating to any pending construction that the IWVGA has not accepted or as to which a stop notice claim may legally be presented.
- g) Records relating to any non-discharged debt of the IWVGA.
- h) Records relating to the title to real property in which the IWVGA has an interest.
- i) Records relating to any non-discharged contract to which the IWVGA is a party.
- j) Records which have not fulfilled the administrative, fiscal, or legal purpose for which it was created or received.
- k) An unaccepted bid or proposal, which is less than two years old, for the construction or installation of any building, structure, or other public work.
- l) Records specifying the amount of compensation paid to IWVGA employees or officers or to independent contractors providing personal or professional services to the IWVGA, or relating to expense reimbursement to IWVGA officers or employees or to the use of IWVGA-paid credit cards or any travel compensation mechanism. However, a record described in this paragraph may be destroyed or disposed of pursuant to this section seven years after the date of payment.

IV. NON-RECORDS

- 1) The following describes content that is not covered under this Policy and is not subject to the rules herein:
 - a) Material not usually included within the definition of records, such as unofficial copies of documents kept only for convenience or reference, working papers, appointment logs, stocks of publications and processed documents, and library or museum material intended solely for reference or exhibition. Also, documents such as rough notes, calculations or drafts assembled or created and used in the preparation or analysis of other documents.

V. DESTRUCTION OF RECORDS

- 1) The General Manager is authorized by the Board of Directors to implement and interpret this policy and may cause to be destroyed any or all such Records in accordance with the provisions of this Policy.
- 2) Originals of Records which are not “Vital” (as defined above) or listed in the attached schedule for preservation may be destroyed after two years if they are not prepared or received pursuant to a State or Federal statute requiring a longer retention period without the necessity of copying to photographic or electronic media.
- 3) The legislative body of the IWVGA may authorize at any time the destruction or disposition of any duplicate record, paper, or document, the original or a permanent photographic record of which is in the files of any officer or department of the IWVGA.
- 4) Nothing in this Policy shall require the destruction of Records that have been deemed by the General Manager, in his/her sole discretion, to be necessarily retained for a longer period than specified herein.
- 5) The General Manager shall be vested with the authority to determine the usefulness and retention schedule of non-records on a case-by-case basis, as necessary.

VI. RECORDATION AND DESTRUCTION OF ORIGINALS BEFORE EXPIRATION OF RETENTION DATE

- 1) Records which are not Vital or expressly required by law to be filed and preserved in their original format may be destroyed before the expiration of their retention date specified in Section VII herein if all of the following conditions are met:
 - a) The Record is photographed, micro-photographed, reproduced on film of a type approved for permanent photographic records by the National Bureau of Standards, or copies to an approved electronic media;
 - b) The device used to reproduce such Record on film, or retrieves and prints the Record from the electronic media, is one which accurately reproduces the original thereof in all details; and
 - c) The photographs, micro-photographs, or other reproductions on film are placed in conveniently accessible files and provisions are made for preserving, examining, and using the same, together with documents stored via electronic media.

VII. PROCEDURES FOR DESTRUCTION OF RECORDS

- 1) The IWVGA's General Manager shall cause the periodic review of the IWVGA Records in order to properly identify Records which are no longer required to be stored by the IWVGA, as provided for in this Policy.
- 2) Prior to destruction of any Record, the IWVGA's General Manager or designee will prepare a Record Destruction Authorization sheet which briefly describes the Record, the date the Record came into existence, the period the Record was required to be retained, and whether or not the Record has been duplicated for further retention (see Attachment "A").

1. ACCOUNTING DEPARTMENT

- a. Accounts Payable (Fiscal Year End + 7 years)
- b. Canceled Checks (Fiscal Year End + 5 years)
- c. Balancing Records (Fiscal Year End + 5 years)
- d. Tax Information (Calendar Year End + 6 years)
- e. Time Sheets (Fiscal Year End + 4 years)
- f. Customer Payments/Adjustments (Fiscal Year End + 2 years)

2. CUSTOMER ACCOUNTS DEPARTMENT

- a. On/Off Orders (a.k.a. Address Changes) (Fiscal Year End + 2 years, Stored Electronically)
- b. Daily Cash Receipts (Fiscal Year End + 2 years, Stored Electronically)
- c. Billing Schedule Trial Balances (Fiscal Year End + 2 years, Stored Electronically)
- d. Inactive Customer Account Records (Close of Account + 10 years, Stored Electronically)

3. OPERATIONS DEPARTMENT

- a. Telemetry Records (Fiscal Year End + 10 years)
- b. Operations Records (Fiscal Year End + 5 years)
- c. Safety Records (Calendar Year End + 5 years)

4. METER/FIELD SERVICES DEPARTMENT

- a. Meter Exchanges (Fiscal Year End + 3 years)
- b. Meter Maintenance Sheets (Fiscal Year End + 3 years)
- c. Meter Reading Sheets (Fiscal Year End + 2 years, Stored Electronically)

5. WAREHOUSE

- a. Purchase Orders (Fiscal Year End + 7 years)
- b. Work Orders (Fiscal Year End + 4 years)

6. HUMAN RESOURCES DEPARTMENT

- a. Personnel Files (Calendar Year of Separation + 10 years)

- b. Employee Applications, Job Announcements (Fiscal Year End + 4 years)
- c. Safety Training Records (Fiscal Year End + 5 years)
- d. OSHA Documents (Fiscal Year End + 5 years)
- e. FMCSA Documents (Fiscal Year End + 5 years)

7. ENGINEERING

- a. Water Quality Complaints (calendar year end + 5 years)
- b. Water Quality Data (calendar year end + 10 years)
- c. Records of violation corrections (3 years)
- d. Copies of Tier 1, Tier 2 and Tier 3 notices (calendar year end + 3 years)
- e. Consumer Confidence Reports (3 years)
- f. Copies of written reports, summaries or communications relating to sanitary surveys (calendar year end + 10 years)
- g. Routine biological monitoring plans (calendar year + 5 years)
- h. Routine chemical monitoring plans (calendar year + 10 years)

8. ADMINISTRATION

- a. General Correspondence Files (Calendar Year End + 7 years)
- b. Unaccepted Bids/Proposals for Construction, Installation, Engineering or Other Consulting Services (Construction Completion and/or Calendar Year End + 2 years)

9. I.T. / SYSTEMS ADMIN DEPARTMENT

- a. Emails, and content attached thereto (Fiscal Year End + 3 years)
- b. Social Media Writings (3 years)

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Record Destruction Authorization

Creation Date	Record Title	Reason for Destruction	Destruction Date

I hereby certify that I am authorized by the IWVGA to identify and dispose of public records in accordance with the IWVGA policy for the retention and destruction of records.

Signature

Title

Date

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IWVGA ADMINISTRATIVE OFFICE

Memorandum

TO: IWVGA Board Members **DATE: October 13, 2021**

FROM: IWVGA Staff

SUBJECT: Approve Resolution authorizing the commencement of proceedings in the connection with the issuance and sale of securities to finance the acquisition of water rights, retaining a municipal advisor, bond counsel and disclosure counsel and directing certain actions with respect thereto

RECOMMENDATION

Approve Resolution authorizing the commencement of proceedings in connection with the issuance and sale of securities to finance the acquisition of Class A Water rights, retaining a municipal advisor (Wulff, Hansen & Co.) and bond and disclosure counsel (Quint & Thimmig LLP) and directing certain actions with respect thereto.

BACKGROUND

As you know, local water supplies are insufficient to provide water for basic needs of residents within the Indian Wells Valley Basin or to provide for economic growth. As a result, the Authority has determined that there is an immediate need to import water supplies as early as practical. Last August the Authority adopted a replenishment fee calculated to fund the cost of acquiring title to state project water. The Authority projects that the total cost of the water needed will be approximately \$50 million.

The Authority needs to purchase this water as soon as possible because the costs of this water continue to increase annually, and the Authority must have certainty regarding the water rights before it begins the expensive process of have building a water conveyance system into the Basin. Accordingly, the Authority determined that it was necessary to collect the total cost of the water within five years of adoption of the fee so that the water could be purchased within this time.

It was theoretically possible for the Authority to collect the money within five years without requiring immediate payment from the replenishment fee by financing the cost of the water purchase through bonds or loans.

The Authority is now exploring issuing its own financing to purchase the water rights.

DISCUSSION

In exploring the financing of Class A Water rights, the District contacted Wulff, Hansen & Co., a municipal advisory firm that specializes in providing financial advice to issuers of municipal

securities, and bond and disclosure counsel firm Quint & Thimmig LLP to assist the Authority in preparing for a bond sale.

The attached Resolution, if approved, would give authority to the General Manager to execute contracts with Wulff, Hansen & Co. and Quint and Thimmig LLP, as well as authorize the commencement of proceedings in connection with the issuance and sale of municipal securities to finance the water rights and direct certain actions with respect thereto.

If approved, the attached Resolution would not immediately authorize the issuance of securities. Instead, we contemplate a two-step process. Initially, Wulff, Hansen & Co. and Quint and Thimmig LLP would perform analysis and collect information in order to determine the funding options available to the Authority. Once staff has reviewed these options and agreed upon a recommendation to the Board, we would again bring this matter before the board in order to receive authorization to begin preparing documents for a bond sale based on the staff recommendation. Once those documents are complete, we would bring them back to the Authority's Board for consideration and approval.

Scope of Services:

- Attendance at public meetings (including informational and educational meetings with the public but excluding routine matters);
- Attendance at staff meetings, board meetings, or meetings with the public,
- Telephone consultation with IWVGA staff members to answer questions about the financing and related matters;
- Develop and coordinate recommendations with members of the public, other public agencies, IWVGA staff, and Board members on matters relating to the Services;
- Assist in selecting any needed outside professionals (e.g., Bond Counsel, Underwriter/Placement Agent, consultants, accountants, Trustee, Escrow Agent, Continuing Disclosure/Dissemination Agent, and others as appropriate), if requested
- Prepare a Distribution List with contact information on all relevant participants in the project and a Financing Schedule indicating timing for significant steps in the process;
- Assist staff and/or special consultants in developing specific terms and conditions affecting the financing to best reflect IWVGA priorities and interests;
- Preparation of cash flow analysis and other schedules per IWVGA direction.
- Preparation of a debt capacity study, which considers contemplated future infrastructure needs relative to the delivery of the water that will be obtained through the purchase of Class A water rights.
- Facilitate issuance of securities to be sold to a private investor through Private Placement or Public Offering;
- Facilitate creation of the Bond and Offering Documents with Bond Counsel and Disclosure Counsel;
- Assist in obtaining an inaugural credit rating from one or more of the nationally recognized municipal bond credit rating agencies.
- Assist in the application process for bond insurance and a surety bond for the Debt Service Reserve requirement from the various Bond Insurers, if applicable;

- Assist the creation of an official Debt Management Policy, if applicable;
- Assist IWVGA and the Placement Agent/Underwriter, Bond Counsel and other members of the financing team in closing the transaction;
- Provide ongoing follow up consultation relating to the Financing, as necessary.

Term

The contract will terminate upon completion of the Services or on December 31, 2024 at the latest. However, either party may terminate sooner by 30 days written notice to the other.

Fees:

The schedule for Advisor's fees is as follows:

- For a financing with a par amount between \$25 million and \$50 million, Advisor's fee shall be \$97,500;
- For a financing with a par amount between \$15 million and \$25 million, Advisor's fee shall be \$77,500;
- For a financing with a par amount of up to \$15 million, Advisor's fee shall be \$57,500.

If the par amount exceeds \$50 million, IWVGA shall pass a resolution determining and authorizing the par amount. Advisor's fee will be determined through negotiation at that time.

A \$15,000 fee will be charged to IWVGA if IWVGA terminates the financing due to legal impediments (e.g. litigation concerning the replenishment fee). However, if IWVGA pays the fee but then resolves the impediment and closes the

FISCAL IMPACT

Apart from the Termination Fee of \$15,000, fees for both Wulff, Hansen & Co. and Quint & Thimmig are contingent and would not become payable until the Authority is further along in the process of preparing for the Bond sale.

ATTACHMENTS

Resolution No. 08-21
Municipal Advisory Agreement – Wulff, Hansen & Co.
Addendum A – Wulff, Hansen & Co.
Fee Agreement – Quint & Thimmig LLP

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September 23 , 2021

Carol Thomas-Keefer
Acting General Manager
Indian Wells Valley Groundwater Authority
100 W California Street
Ridgecrest, CA 93555

This is an Agreement (AGREEMENT) between Indian Wells Valley Groundwater Authority (CLIENT) and Wulff, Hansen & Co. (MUNICIPAL ADVISOR or ADVISOR or MA) a registered municipal advisory firm. The purpose of the AGREEMENT is to provide a framework allowing MUNICIPAL ADVISOR to provide municipal advisory services (SERVICES) to CLIENT from time to time as may be mutually agreed upon by both parties. All such SERVICES to be delivered under this Agreement will be specifically described in an Addendum to the AGREEMENT accepted by both parties, and no services will be provided in the absence of such an Addendum. The terms and conditions of this Agreement are set forth below. CLIENT understands and acknowledges that any information or services provided by ADVISOR pursuant to an Addendum to this Agreement are for the purpose of serving as Municipal Advisor to CLIENT and not as an Underwriter or otherwise facilitating the placement of municipal securities issued by CLIENT.

This AGREEMENT also contains various disclosures and other information required under MSRB Rule G-42 and, with its Addenda, will serve as written documentation of certain specific terms, disclosures and other items of information relating to our relationship as of the date this AGREEMENT is signed by ADVISOR. If this information materially changes during the relationship any such change will be described in writing and delivered to you.

1. Scope of Services.

(a) *Services to be provided.*

From time to time CLIENT may request that ADVISOR provide municipal advisory services relating to a specific project or projects. The scope of any such services, any limitations thereon, any compensation to be earned by ADVISOR in connection with their delivery, and any conflicts of interest (other than those disclosed in this AGREEMENT) that ADVISOR may have in connection with such services will be described in an Addendum to this AGREEMENT. No services which are not so described and documented in an Addendum will be provided by ADVISOR to CLIENT.

(b) *Limitations on Scope of Services*

Where an Addendum to this Agreement describes the scope of services to be provided under that Addendum, any limitations on such scope in addition to those included in this Agreement will be described in that Addendum.

Unless otherwise specifically provided in an Addendum to this Agreement, ADVISOR is not responsible for preparing any preliminary or final official statement, or for certifying as to the accuracy or completeness of any preliminary or final official statement, other than with respect to any information about Municipal Advisor provided by Municipal Advisor for inclusion in such documents. In addition, ADVISOR will not provide any of the following services in connection with any engagement pursuant to this Agreement or any associated Addenda:

- a) Legal services of any kind;
- b) Assistance to CLIENT with regard to CLIENT's responsibilities under the federal securities laws and regulations relating to initial or continuing disclosure in connection with municipal securities, inclusive of the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934. Such services will be provided only if ADVISOR is explicitly engaged by CLIENT in a separate contract unrelated to this Agreement or any Addenda thereto.
- c) Engineering services of any kind;
- d) Special Tax Rate Consulting

- e) Absorption Analysis or the review thereof;
- f) Feasibility Studies or the review thereof
- g) Fiscal Consulting;
- h) Underwriting or placement agent services;
- i) Accounting services;
- j) Investment advice concerning investment of excess bond proceeds, if any, resulting from an issuance of municipal securities
- k) Advice concerning derivative transactions or other municipal financial products, including but not limited to advice regarding swap transactions or strategies.

CLIENT acknowledges its responsibility with respect to compliance with federal securities laws and represents its intention to comply in all respects with such laws. CLIENT acknowledges and understands that state and federal laws relating to disclosure in connection with municipal securities may apply to the CLIENT and that the failure of ADVISOR to advise CLIENT respecting these laws shall not constitute a breach by ADVISOR of any of its duties and responsibilities under this Agreement.

2. Municipal Advisor's Regulatory Duties When Advising CLIENT.

MSRB Rule G-42 requires that Municipal Advisor make a reasonable inquiry as to the facts that are relevant to CLIENT's determination whether to proceed with a course of action or that form the basis for any advice provided by MA to CLIENT. The rule also requires that MA undertake a reasonable investigation to determine that it is not basing any recommendation on materially inaccurate or incomplete information. Municipal Advisor is also required under the rule to use reasonable diligence to know the essential facts about CLIENT and the authority of each person acting on CLIENT's behalf.

Accordingly, MA will seek CLIENT's assistance and cooperation, and the assistance and cooperation of CLIENT's agents, with the carrying out by Municipal Advisor of these regulatory duties, including providing to Municipal Advisor accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such duties. In addition, to the extent CLIENT seeks to have MA provide advice with regard to any recommendation made by a third party, MA requests that CLIENT provide to MA written direction to do so as well as any information it has received from such third party relating to its recommendation.

3. Term.

This AGREEMENT shall become effective upon acceptance by both parties and shall terminate **December 31, 2024** unless terminated earlier by one of the parties. Either party may terminate this AGREEMENT upon thirty days written notice to the other party or as may be mutually agreed by both parties. ADVISOR's engagement to provide municipal advice on a specific project or projects described in an Addendum to this document shall terminate as described in that Addendum.

4. Compensation.

The form and basis of any compensation for any of Municipal Advisor's services provided or expenses incurred pursuant to an Addendum to this AGREEMENT will be as described in that Addendum.

5. Limitation of Liability.

In the absence of willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of Municipal Advisor or any of its associated persons, Municipal Advisor and its associated persons shall have no liability to CLIENT for any act or omission in the course of, or connected with, rendering services hereunder, or for any error of judgment or mistake of law, or for any loss arising out of any issuance of municipal securities, any municipal financial product or any other investment, or for any financial or other damages resulting from CLIENT's election to act or not to act, as the case may be, contrary to any advice or recommendation provided by Municipal Advisor to CLIENT. No recourse shall be had against Municipal Advisor for loss, damage, liability, cost or expense (whether direct, indirect or consequential) of CLIENT arising out of or in defending, prosecuting, negotiating or responding to any inquiry, questionnaire, audit, suit, action, or other proceeding brought or received from the Internal Revenue Service in connection with any Issue or otherwise relating to the tax treatment of any

Issue, or in connection with any opinion or certificate rendered by counsel or any other party. Notwithstanding the foregoing, nothing contained in this paragraph or elsewhere in this Agreement shall constitute a waiver by CLIENT of any of its legal rights under applicable U.S. federal securities laws or any other laws whose applicability is not permitted to be contractually waived nor shall it constitute a waiver or diminution of Municipal Advisor's fiduciary duty to CLIENT under Section 15B(c)(1) of the Securities Exchange Act of 1934, as amended, and the rules thereunder.

6. Required Disclosures.

MSRB Rule G-42 requires that MUNICIPAL ADVISOR provide CLIENT with the following disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history.

(a) ***Disclosures of Conflicts of Interest.*** MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable. If no such material conflicts of interest are known to exist based on the exercise of reasonable diligence by the municipal advisor, municipal advisors are required to provide a written statement to that effect.

Accordingly, any material conflicts of interest known to MUNICIPAL ADVISOR in connection with the Scope of Services are disclosed below, including those conflicts applying to various forms of compensation which are described in a document attached to this AGREEMENT. We believe that these conflicts are mitigated by our duties to CLIENT as assigned to us under Federal and State laws and regulations and the rules of the Municipal Securities Rulemaking Board. In addition, because MUNICIPAL ADVISOR is a broker-dealer with significant business and economic interests due to the nature of its overall business, the success and profitability of MUNICIPAL ADVISOR is not dependent on maximizing short-term revenue generated from individualized recommendations to its clients but instead is dependent on long-term profitability built on a foundation of integrity, quality of service and strict adherence to its fiduciary duty where such duty exists. Furthermore, MUNICIPAL ADVISOR's municipal advisory supervisory structure, leveraging our long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of MUNICIPAL ADVISOR potentially departing from their regulatory duties due to personal interests.

Other Municipal Advisor or Underwriting Relationships.

MUNICIPAL ADVISOR serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of CLIENT. For example, MUNICIPAL ADVISOR serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to CLIENT under this Agreement. These other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various clients, MUNICIPAL ADVISOR could potentially face a conflict of interest arising from these competing client interests. In other cases, as a broker-dealer that engages in underwritings of new issuances of municipal securities by other municipal entities, the interests of MUNICIPAL ADVISOR to achieve a successful and profitable underwriting for its municipal entity underwriting clients could potentially constitute a conflict of interest if, as in the example above, the municipal entities that MUNICIPAL ADVISOR serves as underwriter or municipal advisor have competing interests in seeking to access the new issue market with the most advantageous timing and with limited competition at the time of the offering. None of these other engagements or relationships would impair MUNICIPAL ADVISOR's ability to fulfill its regulatory duties to CLIENT.

Broker-Dealer and Investment Advisory Business.

MUNICIPAL ADVISOR is a broker-dealer and investment advisory firm that engages in a broad range of securities-related activities to service its clients, in addition to serving as a municipal advisor or underwriter. Such securities-related activities, which may include but are not limited to the buying and selling of new issue and outstanding securities and investment advice in connection with such securities, including securities of CLIENT, may be undertaken on behalf of, or as counterparty to, CLIENT, personnel of CLIENT, and current or potential investors in the securities of CLIENT. These other clients may, from time to time and depending on the specific circumstances,

have interests in conflict with those of CLIENT, such as when their buying or selling of CLIENT's securities may have an adverse effect on the market for CLIENT's securities, and the interests of such other clients could create the incentive for MUNICIPAL ADVISOR to make recommendations to CLIENT that could result in more advantageous pricing for the other clients. Furthermore, any potential conflict arising from MUNICIPAL ADVISOR effecting or otherwise assisting such other clients in connection with such transactions is mitigated by means of such activities being engaged in on customary terms through units of the MUNICIPAL ADVISOR that operate separately from MUNICIPAL ADVISOR's municipal advisory business, thereby reducing the likelihood that the interests of such other clients would have an impact on the services provided by MUNICIPAL ADVISOR to CLIENT under this Agreement.

In addition to the considerations above, the fact that MUNICIPAL ADVISOR's staff are engaged in support of these other business activities could create a conflict when multiple demands exist on a particular individual's time and resources. We reasonably believe that this conflict is mitigated by our staff's desire to complete CLIENT's work in a timely manner and consequently be compensated by MUNICIPAL ADVISOR for their efforts.

Other Business Relationships

MUNICIPAL ADVISOR may have existing or future business relationships, unrelated to CLIENT or MUNICIPAL ADVISOR's services to CLIENT, with underwriters, placement agents, attorneys, accountants, financial institutions, contractors or other entities whose services it may recommend to CLIENT or whom CLIENT may select on its own initiative. MUNICIPAL ADVISOR's business relationships with such entities may include payments or referrals made to Advisor by such entities or payments or referrals made by Advisor to such entities in connection with matters wholly unrelated to CLIENT's business or activities. Because under no circumstances will Advisor accept any form of payment or other remuneration, directly or indirectly, from any third party in connection with Advisor's services to CLIENT, Advisor believes that none of these other engagements or relationships would create a material conflict or otherwise impair MUNICIPAL ADVISOR's ability to fulfill its regulatory duties to CLIENT.

Secondary Market Transactions in CLIENT's Securities.

MUNICIPAL ADVISOR, in connection with its sales and trading activities, may take a principal position in securities, including securities of CLIENT, and therefore MUNICIPAL ADVISOR could have interests in conflict with those of CLIENT with respect to the value of CLIENT's securities while held in inventory and the levels of mark-up or mark-down that may be available in connection with purchases and sales thereof. In particular, MUNICIPAL ADVISOR or its affiliates may submit orders for and acquire CLIENT's securities issued in an Issue under the Agreement from members of the underwriting syndicate, either for its own account or for the accounts of its customers. This activity may result in a conflict of interest with CLIENT in that it could create the incentive for MUNICIPAL ADVISOR to make recommendations to CLIENT that could result in more advantageous pricing of CLIENT's bond in the marketplace. Any such conflict is mitigated by means of such activities being engaged in on customary terms through staff members of the MUNICIPAL ADVISOR that operate independently from MUNICIPAL ADVISOR's municipal advisory business, thereby reducing the likelihood that such investment activities would have an impact on the services provided by MUNICIPAL ADVISOR to CLIENT under this Agreement.

Other Conflicts of Interest.

Municipal Advisor has worked with the City of Ridgecrest in the past and may work with the City again in the future. Should a conflict of interest become apparent, Municipal Advisor will work with both the City of Ridgecrest and the Client to mitigate such conflict to the satisfaction of all parties.

(b) ***Disclosures of Information Regarding Legal Events and Disciplinary History.*** MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel. Accordingly, Municipal Advisor addresses below the required disclosures and related information in connection with such disclosures.

Required disclosures include specific information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. Municipal Advisor and members of its staff have been subject to various such legal or disciplinary events. Municipal Advisor

reasonably believes that it as an entity has no such events that may be material to CLIENT's evaluation of Municipal Advisor as such. However, during its 88 years as a broker/dealer, Municipal Advisor has accumulated a number of such events related to its broker/dealer business as such and CLIENT may wish to review these. Members of MA's staff who have also been registered representatives of one or more broker/dealers have disclosures which could potentially be material to CLIENT's evaluation. Specific instances of such events can be found in Item 9 of our Form MA and, for staff members, Item 6 of Forms MA-I. Direct links to all of this information for the firm and each individual are provided on our website at: <https://www.wulffhansen.com/municipal-advisor-disclosures/>.

The date of the last material change to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed by Municipal Advisor with the SEC is December 10, 2019, which change consisted of adding historical disclosures about a newly affiliated third-party accountant. The disclosures were not related to the municipal advisory business.

(c) **Customer Protections.** Municipal Advisor is registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The latter's website is located at www.msrb.org. A municipal advisory client brochure is available on that website that describes the protections that may be provided by the MSRB's rules and how a client may file a complaint with an appropriate regulatory authority.

(d) **Future Supplemental Disclosures.** As required by MSRB Rule G-42, this information may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of Municipal Advisor. Municipal Advisor will provide CLIENT with any such supplement or amendment as it becomes available throughout the term of the Agreement.

7. Choice of Law.

This Agreement shall be construed and given effect in accordance with the laws of the State of California.

8. Entire Agreement. This instrument, including all Addenda and Appendices hereto, contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. This Agreement may not be amended, supplemented or modified except by means of a written instrument executed by both parties.

9. Severability. If any provision of this Agreement is, or is held or deemed to be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or for any other reason, such circumstances shall not make the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or make any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

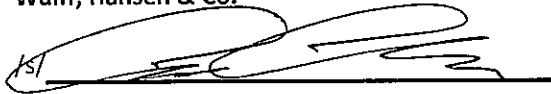
ACKNOWLEDGED and AGREED:
Indian Wells Valley Groundwater Authority

/s/ _____

Print Name and Title

Date: _____

ACKNOWLEDGED and AGREED:
Wulff, Hansen & Co.

/s/  _____

Chris Charles, President

Date: 9-23-21

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DISCLOSURE OF CONFLICTS OF INTEREST WITH VARIOUS FORMS OF COMPENSATION

The Municipal Securities Rulemaking Board requires us, as your Advisor, to provide written disclosure to you about the actual or potential conflicts of interest presented by various forms of compensation. We must provide this disclosure unless you have required that a particular form of compensation be used. You should select a form of compensation that best meets your needs and the agreed upon scope of services.

Forms of compensation; potential conflicts. The forms of compensation for Advisors vary according to the nature of the engagement and requirements of the client, among other factors. Various forms of compensation present actual or potential conflicts of interest because they may create an incentive for an Advisor to recommend one course of action over another if it is more beneficial to the Advisor to do so. This document discusses various forms of compensation and the timing of payments to the Advisor.

Fixed fee. Under a fixed fee form of compensation, the Advisor is paid a fixed amount established at the outset of the transaction. The amount is usually based upon an analysis by the client and the Advisor of, among other things, the expected duration and complexity of the transaction and the agreed-upon scope of work that the Advisor will perform. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the advisor may suffer a loss. Thus, the advisor may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. There may be additional conflicts of interest if the Advisor's fee is contingent upon the successful completion of a financing, as described below.

Hourly fee. Under an hourly fee form of compensation, the Advisor is paid an amount equal to the number of hours worked by the advisor times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if the client and the Advisor do not agree on a reasonable maximum amount at the outset of the engagement, because the advisor does not have a financial incentive to recommend alternatives that would result in fewer hours worked. In some cases, an hourly fee may be applied against a retainer (*e.g.*, a retainer payable monthly), in which case it is payable whether or not a financing closes. Alternatively, it may be contingent upon the successful completion of a financing, in which case there may be additional conflicts of interest, as described below.

Fee contingent upon the completion of a financing or other transaction. Under a contingent fee form of compensation, payment of an Advisor's fee is dependent upon the successful completion of a financing or other transaction. Although this form of compensation may be customary for the client, it presents a conflict because the Advisor may have an incentive to recommend unnecessary financings or financings that are disadvantageous to the client. For example, when facts or circumstances arise that could cause the financing or other transaction to be delayed or fail to close, an Advisor may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction.

Fee paid under a retainer agreement. Under a retainer agreement, fees are paid to an Advisor periodically (*e.g.*, monthly) and are not contingent upon the completion of a financing or other transaction. Fees paid under a retainer agreement may be calculated on a fixed fee basis (*e.g.*, a fixed fee per month regardless of the number of hours worked) or an hourly basis (*e.g.*, a minimum monthly payment, with additional amounts payable if a certain number of hours worked is exceeded). A retainer agreement does not present the conflicts associated with a contingent fee arrangement (described above).

Fee based upon principal or notional amount and term of transaction. Under this form of compensation, the Advisor's fee is based upon a percentage of the principal amount of an issue of securities (*e.g.*, bonds) or, in the case

of a derivative, the present value of or notional amount and term of the derivative. This form of compensation presents a conflict of interest because the advisor may have an incentive to advise the client to increase the size of the securities issue or modify the derivative for the purpose of increasing the Advisor's compensation.

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Agreement for Legal Services



INDIAN WELLS VALLEY GROUNDWATER AUTHORITY 2021 Water Rights Acquisition Financing Project

THIS AGREEMENT FOR LEGAL SERVICES is entered into this _____ day of _____, 2021, by and between INDIAN WELLS VALLEY GROUNDWATER AUTHORITY (the "Authority") and QUINT & THIMMIG LLP, Larkspur, California ("Attorneys");

WITNESSETH:

WHEREAS, the Authority has determined that is prudent at this time to issue and sell its revenue bonds or other securities to finance the acquisition of water rights (the "Securities");

WHEREAS, the Authority has determined that Attorneys are qualified by training and experience to perform the services of bond counsel and disclosure counsel and Attorneys are willing to provide such services; and

WHEREAS, the public interest, economy and general welfare will be served by this Agreement for Legal Services;

NOW, THEREFORE, THE PARTIES HERETO MUTUALLY AGREE AS FOLLOWS:

Section 1. Duties of Attorneys.

(a) Attorneys shall provide legal services, as *bond counsel*, in connection with the authorization, issuance and consummation of the financing proceedings relating to the Securities. Such services shall include the following:

(i) Consult and cooperate with officials of the Authority, Authority legal counsel, financing consultants, underwriters and other consultants, staff and employees of the Authority, and assisting such consultants, staff and employees in the formulation of coordinated financial and legal proceedings;

(ii) Attend all meetings of the Authority at which the financing is to be discussed (in person or virtually), as deemed necessary by for the proper planning of the financing proceedings or when specifically requested to attend;

(iii) Prepare any resolutions, notices and legal documents necessary for the proper conduct of the financial and legal proceedings;

(iv) Review all financial documents for legal sufficiency;

(v) Review, without undertaking an independent investigation, any official statement or other disclosure document prepared in connection with the Securities to assure correctness of disclosure relating to the legal documents;

(vi) Prepare and provide a signature and no-litigation certificate, an arbitrage certificate and any and all other closing documents required to accompany delivery of the Securities;

(vii) Prepare and provide a complete transcript of the proceedings necessary to accompany delivery of the Securities;

(viii) Subject to the completion of the proceedings, provide a legal opinion that (if tax-exempt) the interest due with respect to the securities is excluded from gross income for purposes of federal income taxation and that such interest is exempt from California personal income taxation;

(ix) Subject to the completion of proceedings, provide a legal opinion approving in all regards the legality of all proceedings relating to the Securities;

(x) Confer and consult with the Authority officials and agents with regard to problems which may arise during the servicing and payment of principal of and interest on the Securities; and

(xi) Such other and further services as are normally performed by bond counsel in connection with the issuance of securities similar to the Securities.

(b) If it is determined to sell the Securities pursuant to a public offering, Attorneys shall provide legal services, as *disclosure counsel*, in connection with the preparation of the preliminary and final official statements to be used in connection with the offering and sale of the Securities (the "Official Statements"), the continuing disclosure certificate and the bond purchase agreement between the Authority and the underwriter of the Securities. Such services shall include the following:

(i) Prepare the Official Statements;

(ii) Confer and consult with the officers and administrative staff of the Authority as to matters relating to the Official Statements;

(iii) Attend all meetings of the Authority and any administrative meetings at which the Official Statements are to be discussed in person or virtually), deemed necessary by Attorneys for the proper exercise of their due diligence with respect to the Official Statements, or when specifically requested by the Authority to attend;

(iv) On behalf of the Authority, prepare the continuing disclosure certificate in a form which is acceptable to the Authority and the underwriter;

(v) On behalf of the Authority, prepare the bond purchase agreement, if required, between the Authority and the underwriter in a form which are acceptable to the Authority and the underwriter; and

(vi) Subject to the completion of proceedings to the satisfaction of Attorneys, provide letters of Attorneys addressed to the Authority and the underwriter to the effect that, although Attorneys have not undertaken to determine independently or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement, in the course of Attorneys participation in the preparation of the Official Statement Attorneys have been in contact with representatives of the Authority and others concerning the contents of the Official Statement and related matters, and, based upon the foregoing, nothing has come to Attorneys attention to lead Attorneys to believe that the Official Statement (except for any financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion included therein, and information relating to The Depository Trust Company and its book-entry system, as to which Attorneys need express no view) as of the date of the Official Statement or the date of the closing contain any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) *Services Not Provided.* Attorneys shall not be responsible for:

(i) any continuing disclosure requirements under federal securities laws that may apply to the Securities during the period following the closing of the Securities, or

(ii) the representation of the Authority in connection with any litigation involving the Securities, except for the validation proceedings specified above.

Without limiting the generality of the foregoing, Attorneys shall not be responsible for preparing any documentation related to, or for providing any, ongoing continuing disclosure or litigation services in respect of the Securities without a separate agreement between the Authority and Attorneys. In addition, unless specifically retained to do so by a separate agreement between Attorneys and the Authority, Attorneys shall not be responsible for auditing or otherwise reviewing or assuring compliance by the Authority with any past or existing continuing disclosure obligations of the Authority related to any debt obligations.

Section 2. Compensation.

(a) For the services set forth under Section 1(a), Attorneys shall be paid a legal fee of computed in accordance with the following schedule:

1% of the principal issue amount up to \$1,000,000.

0.5% of the principal issue amount between \$1,000,001 and \$6,000,000.

0.25% of the principal issue amount between \$6,000,001 and \$21,000,000.

0.125% of the principal issue amount over \$21,000,000.

(b) For the services set forth under Section 1(b), if required, Attorneys shall be paid a legal fee of \$30,000.00.

(c) Said legal fees shall be inclusive of all out of pocket expenses of Attorneys.

(d) *Payment of said fees and expenses shall be entirely contingent,* shall be due and payable upon the issuance of the Securities and shall be payable solely from the proceeds of the Securities.

Section 3. Responsibilities of the Authority. The Authority shall cooperate with Attorneys and shall furnish Attorneys with certified copies of all proceedings taken by the Authority, or other deemed necessary by Attorneys to render an opinion upon the validity of such proceedings. All costs and expenses incurred incidental to the actual issuance and delivery of Securities, including the cost and expense of preparing certified copies of proceedings required by Attorneys in connection with the issuance of the Securities, the cost of preparing the Securities for execution and delivery, all printing costs and publication costs, and any other expenses incurred in connection with the issuance of Securities, shall be paid from the proceeds of the Securities.

Section 4. Non-Legal Services. In performing its services as bond counsel pursuant to this Agreement for Legal Services, it is understood and acknowledged by the Authority that Attorneys will not be providing financial advisory, placement agent, investment banking or other similar services. It is expected that the Authority will engage other consultants to provide any such services with respect to the financing.

Section 5. Termination of Agreement. This Agreement for Legal Services shall terminate at the time of issuance of the Securities but may be terminated at any earlier time by the Authority, with or without cause, following thirty (30) days written notice by the Authority to Attorneys. In the event of such termination, all finished and unfinished documents shall, at the option of the Authority, become its property and shall be delivered by Attorneys.

Section 6. Amendment or Modification. No amendment, modification, or other alteration of this Agreement for Legal Services shall be valid unless in writing and signed by both of the parties hereto.


Section 7. Entire Agreement. This Agreement for Legal Services contains the entire agreement of the parties hereto. No other agreement, statement, or promise made on or before the effective date of this Agreement for Legal Services will be binding on the parties hereto.

IN WITNESS WHEREOF, the Authority and Attorneys have executed this Agreement for Legal Services as of the date first above written.

INDIAN WELLS VALLEY GROUNDWATER
AUTHORITY

By _____
Name _____
Title _____

QUINT & THIMMIG LLP

By  _____
Brian D. Quint

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INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

RESOLUTION NO. 08-21

RESOLUTION AUTHORIZING THE COMMENCEMENT OF PROCEEDINGS IN CONNECTION WITH THE ISSUANCE AND SALE OF REVENUE BONDS OR OTHER SECURITIES TO FINANCE THE ACQUISITION OF WATER RIGHTS, RETAINING A MUNICIPAL ADVISOR, BOND COUNSEL AND DISCLOSURE COUNSEL AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO

RESOLVED, by the Board of Directors (the "Board") of the Indian Wells Valley Groundwater Authority (the "Authority"):

WHEREAS, the Authority has determined that is prudent at this time to issue and sell its revenue bonds or other securities to finance the acquisition of water rights (the "Securities");

WHEREAS, it is appropriate that the Board formally authorize the preparation of the necessary documents in connection with the issuance and sale of the Securities and to retain a municipal advisor, a placement agent/underwriter, bond counsel and disclosure counsel to assist the Authority;

NOW, THEREFORE, it is hereby DECLARED and ORDERED, as follows:

Section 1. The Authority authorizes the Chair, the Vice Chair, the General Manager,(the "Authorized Officers") and other appropriate officers and officials of the Authority to proceed with the preparation of the necessary documents in connection with the issuance and sale of the Securities, subject to the final approval by the Board at a subsequent meeting.

Section 2. Wulff Hansen & Co. is hereby retained as municipal advisor to the Authority in connection with the issuance and sale of the Securities. The compensation for such services is as set forth in such firm's agreement for municipal advisory services on file with the Secretary.

Section 3. Quint & Thimmig LLP is hereby retained as bond counsel and, if it is determined that a public offering of the Securities is in the best interest of the Authority, as disclosure counsel, in connection with the issuance and sale of the Securities, the compensation for such services to be as set forth in such firm's agreement for legal services on file with the Secretary. Any Authorized Officer is authorized to execute such agreement on behalf of the Authority.

Section 4. The Authorized Officers and other appropriate officers and officials of the Authority are hereby authorized and directed to take such action and to execute such documents as may be necessary or desirable to effectuate the intent of this Resolution.

Section 5. This Resolution shall be in full force and effect immediately upon its adoption.

I hereby certify that the foregoing resolution was duly adopted at a meeting of the Board of Directors of the Indian Wells Valley Groundwater Authority held on the 13th day of October, 2021, by the following vote:

AYES, and in favor of, Board Members:

NOES, Board Members:

ABSENT, Board Members:

By _____
Secretary

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ADDENDUM TO MUNICIPAL ADVISORY AGREEMENT

Addendum A

1. Purpose

This Addendum A to the Municipal Advisory Agreement dated September 23, 2021 between Indian Wells Valley Groundwater Authority (hereafter, "CLIENT") and Wulff, Hansen & Co. (hereafter, "Municipal Advisor" or "Advisor" or "MA") specifies and describes specific municipal advisory services to be performed by Municipal Advisor under that Agreement.

2. Services

2.1 Scope of Services

Municipal Advisor will provide the following services to CLIENT pursuant to this Addendum:

Municipal Advisor will advise and assist the CLIENT in developing a plan of financing for the purchase of Class A water rights in an amount to be determined by Client at a later time.

Services to be provided are as follows:

- a) Attendance at public meetings of the CLIENT, including telephonically or virtually, as appropriate, at which matters relating to the Services are considered, except routine matters, including informational and educational meetings with the public;
- b) Attendance at CLIENT's staff meetings, Board meetings, or meetings with members of the public, including telephonically or virtually, as appropriate, on matters relating to the Services, upon the request of the CLIENT after reasonable notice;
- c) Telephone consultation with staff members to answer questions about the financing and related matters;
- d) Work with members of the public, other public agencies, CLIENT staff, and Board members to address matters relating to the Services and develop and coordinate recommendations acceptable to interested parties;
- e) If requested, assist the CLIENT in its selection of any needed outside professionals (e.g., Bond Counsel, Underwriter/Placement Agent, consultants, accountants, Trustee, Escrow Agent, Continuing Disclosure/Dissemination Agent, and others as appropriate);
- f) Prepare a Distribution List with contact information on all relevant participants in the project and a Financing Schedule indicating timing for significant steps in the process;
- g) Assist any of the CLIENT's staff and/or special consultants in developing specific terms and conditions affecting the financing so as to best reflect the CLIENT's priorities and interests;
- h) Preparation of cash flow analysis and other schedules per CLIENT's direction and related consultation;
- i) Preparation of a debt capacity study, which considers contemplated future infrastructure needs relative to the delivery of the water that will be obtained through the purchase of Class A water rights based on currently available or proposed revenue sources;
- j) Assist and advise in preparing and arranging for any issuance of securities to be sold to a private investor through a placement agent (Private Placement) or alternatively through an underwriter (Public Offering);
- k) Assist the CLIENT in transmitting to the Bond Counsel and Disclosure Counsel requested information to be used in the creation of the Bond and Offering Documents;
- l) Assist the CLIENT in efforts to obtain an inaugural credit rating from one or more of the nationally recognized municipal bond credit rating agencies, including preparation of materials, presentation and conference calls in the process of application for rating, if applicable;

- m) Assist the CLIENT in the preparation of materials and presentation in the application process for bond insurance and a surety bond for the Debt Service Reserve requirement from the various Bond Insurers, if applicable;
- n) Assist the CLIENT with the creation of an official Debt Management Policy, if applicable;
- o) Assist the CLIENT and the Placement Agent/Underwriter, Bond Counsel and other members of the financing team in closing the transaction;
- p) Provide ongoing follow up consultation relating to the Financing, as necessary.

2.2 Limitations on Scope of Services

The services to be provided by Municipal Advisor to CLIENT pursuant to this Addendum are subject to the following limitations in addition to those described in the Agreement.

Municipal Advisor will accept the conclusions of CLIENT's Groundwater Model and other applicable studies at face value, will use those conclusions in formulating its advice to CLIENT, and will not be reviewing or otherwise rendering an opinion on the Groundwater Model or other applicable studies' conclusions.

Municipal Advisor will not provide advice relative to any current or forthcoming litigation, specifically as it relates to the Authority's Replenishment Fee that is anticipated to be used as security in the financing of the Class A water rights.

3. Termination

The provisions of this Addendum A shall terminate and thereafter be null and void upon the closing and completion of services described in Section 2.1 or December 31, 2024, whichever occurs first. Alternatively, if CLIENT and/or its counsel make a written determination that anticipated litigation has or is expected to create legal impediments to completion of the Financing, CLIENT may notify Municipal Advisor of this fact and terminate this Addendum at that time, but will be liable for the Extraordinary Termination Fee described in Section 4.2 below. This Addendum A may only be extended or amended by a written agreement between CLIENT and Wulff, Hansen & Co.

4. Fees

With regard to Services to be provided by Municipal Adviser under this Addendum A, Municipal Advisor shall be compensated as follows:

4.1 Terms of the Contingent Fee

Advisor's fee for Services described above shall be in accordance with the following schedule:

For a financing with a par amount between \$25 million and \$50 million, Advisor's fee shall be \$97,500;

For a financing with a par amount between \$15 million and \$25 million, Advisor's fee shall be \$77,500;

For a financing with a par amount of up to \$15 million, Advisor's fee shall be \$57,500.

In the event that the par amount exceeds \$50 million, Advisor's fee shall be subject to negotiation at the time that the authorized par amount is determined by the Authority's Board with the passing of a resolution of authorization.

Any compensation earned by Advisor, other than the below-described Extraordinary Termination Fee, under this Addendum A shall be contingent on the funding of the financing transaction as contemplated in this Addendum A and shall be paid from the proceeds of the transaction immediately following the closing of the transaction.

4.2 Extraordinary Termination Fee

CLIENT has informed Advisor that it anticipates litigation which could, if potentially resolved unfavorably, result in the removal of the contemplated source of funding for debt service on the Financing, which is a water replenishment fee to be charged by CLIENT to its customers. CLIENT and Advisor agree and acknowledge that this is an extraordinary risk which falls outside the normal course and scope of Advisor's contingent-fee practice, and that Advisor will be

making significant expenditures of time and resources long before the outcome, or likely outcome, of any such litigation becomes known. Therefore, if before the successful closing of the contemplated financing, CLIENT notifies Advisor that CLIENT has determined to terminate the proceedings of the contemplated financing due to legal impediments (e.g., litigation related to the validity and collection of the replenishment fee), Advisor shall be due an Extraordinary Termination Fee of \$15,000. CLIENT agrees to pay such fee to Advisor from any legally available funds within 30 days of receiving Advisor's invoice.

In the event that CLIENT pays an Extraordinary Termination Fee to Advisor, but subsequently resolves the legal impediments that previously precluded CLIENT from issuing the financing, CLIENT intends to resume pursuit and issuance of the financing with Advisor's assistance as described in Paragraph 2.1 above. Should the resumed financing then close within one year of CLIENT's payment of the Extraordinary Termination Fee to Advisor, Advisor's contingent fee at the closing of the financing shall be reduced by the amount of the Extraordinary Termination Fee that Advisor previously received from CLIENT.

5. Conflicts of Interest

The contingent fee scale in Section 4.1 above means that Advisor has an incentive to advise CLIENT to issue larger amounts of debt than might be necessary. Advisor reasonably believes that this potential conflict is mitigated by the fact that (a) The total amount of Class A water rights purchased will be the ultimate determinant of the amount of debt to be issued and (b) CLIENT intends to issue only such debt as is demonstrably required to cover the cost of its water rights purchase. Should CLIENT terminate the financing and pay Advisor the Extraordinary Termination Fee described in Section 4.2 above, and subsequently resume pursuit of the financing with Advisor's assistance, Advisor will have an incentive to delay completion of the financing until a full year has passed since its receipt of the Extraordinary Termination Fee. Advisor reasonably believes that this conflict is mitigated by the fact that it will be in Advisor's interest to complete the financing as soon as possible in order to collect its contingent fee and avoid the risk that market conditions or other developments could prevent the financing from being completed at all. Municipal Advisor is not aware of any additional material conflicts of interest to which it is subject in the context of this Addendum A other than those previously disclosed to CLIENT in connection with the Agreement.

APPROVED:
Indian Wells Valley Groundwater Authority

/s/ _____

Print Name and Title

Date: _____

APPROVED:
Wulff, Hansen & Co.

/s/ 

Chris Charles, President

Date: 7-23-21

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October 11, 2021

Board of Directors
INDIAN WELLS VALLEY GROUNDWATER AUTHORITY
100 West California Avenue
Ridgecrest, CA 93555

RE: 6-Month Status and Assessment

Dear Board Members:

At the February 10, 2021, meeting of the Indian Wells Valley Groundwater Authority (IWVGA), you approved the proposed agreement between Regional Government Services (RGS) and IWVGA for comprehensive agency administrative services.

Because the level of staffing effort and available resources were unclear and difficult to estimate prior to the start of the contract, the agreement provided for a review and assessment to be performed after 90 days and again after 180 days. This assessment is intended to provide an opportunity for RGS to present its findings and progress, and make recommendations for moving forward; it is also an opportunity for the Board to ensure that RGS is on track to meet your expectations. The 90-day status report was presented at the July 2021 meeting, and the following information updates that report for a 6-month assessment with recommendations for moving forward.

Initial Steps – Accomplished/In Progress

The following activities were identified as Initial Steps to be undertaken by RGS upon execution of the agreement:

- **Assign an RGS employee to serve as General Manager. Status: Complete.**
- **Develop transition plan for activities, data, records, and any IWVGA-owned office equipment or software assets. Status: Complete.**
- **Assign Clerk of the Board services. Status: Complete.**
- **Transition Agency financial records and transactional workflows to RGS. Status: In progress/mostly complete.** RGS staff has obtained available financial records and is currently working with Kern County personnel to understand the details of financial transaction workflow and determine if any changes to this process should be recommended. RGS staff also continues to refine and improve GA financial reporting.
- **Establish protocols for legacy systems, if any; and for communication channels between RGS staff and IWVGA staff to ensure completeness of transition. Status: Modified/Complete.** Communication channels have been firmly established, and the transition of staff duties is complete. After thorough evaluation of existing accounting systems and to minimize transition costs, RGS staff has determined that legacy data will likely not be transitioned to RGS's new accounting software but instead will be retained in existing format.

Sufficiency of Staffing Levels

The RGS agreement proposed an initial staffing level based on member agency labor estimates; the proposal also minimized management time to keep IWVGA administrative costs to a minimum, but with an expectation that actual hours would be tracked, compared to budget, and revisited to determine if contracted amounts were meeting IWVGA needs. Currently, the RGS agreement provides for 35.5 hours per week of staff time, allocated as follows:

Position	Hours/Week
General Manager	10
Clerk of the Board	18
Accounting Manager	1.5
Accountant	6

Actual time billed for the past six months indicate that managerial support has remained within estimates; however, administrative/Clerk of the Board duties have required approximately double the estimated hours per week. While some of this additional time was initially attributed to the transition, responsibilities of the Clerk of the Board have increased to include accounting support, meeting attendance and other roles that were not anticipated when the original estimate was developed. Additionally, we expect to see increased accounting staff hours over the next few months to support our annual audit, 2022 budget development, and refinement of financial reporting.

Future Outlook and Anticipated Needs

As RGS works to complete its first year of administrative services for IWVGA and considers needs for the coming year, we have identified two areas where we believe changes in scope will be beneficial: 1) as noted in our 3-month status report, RGS proposes to transition IWVGA accounting to the MIP fund accounting software. RGS has already deployed this software with other agency partners with great success and we are confident it will provide us with the clarity you want in the Authority’s financial reporting; and 2) as our Clerk of the Board’s responsibilities have grown, RGS must ensure this employee has adequate opportunity for both growth opportunities and for personal time off. Consequently, we will consider a recommendation to expand our staffing to include minimal time for an additional local RGS employee to assist as needed with clerical duties.

Conclusion and Recommendations

Over the past six months, RGS has made excellent progress in transitioning the IWVGA to an independent staff and office location. Additionally, RGS continues to refine existing financial information to provide clear reports, prepare a budget for 2022, and support the annual audit. The RGS/IWVGA administrative services contract will be considered for renewal in February 2022; however, IWVGA would benefit from an earlier implementation of the MIP accounting software. Therefore, RGS recommends that the IWVGA board consider renewing the RGS contract in December 2021 in order to align our services with the calendar year (and current IWVGA fiscal year) and allow our team to begin implementation of the MIP accounting by January 1, 2022. If the board concurs, RGS will present a proposal for a 12-month contract renewal to be effective January 1, 2022, with a modified

Board of Directors, IWVGA

October 11, 2021

Page 3

scope of work that will include, at a minimum, the estimates for MIP software implementation, along with a possible recommendation for additional local clerical support.

Thank you for the opportunity to provide administrative services to IWVGA. RGS staff looks forward to reviewing this report and our recommendations with you. In the meantime, if you have any questions regarding any of this information, please don't hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Sophia Selivanoff". The signature is written in a cursive style with a large, decorative flourish at the end of the name.

Sophia Selivanoff, Deputy Executive Director
REGIONAL GOVERNMENT SERVICES

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IVWGA : Monthly Financial Report as of 8/31/21

ACTUAL REVENUE	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	YTD Actuals through 8/31
Prop 1	3,412			4,348		134,584							142,344
Prop 68													-
Shallow Well Mitigation <i>(True up from IWVWD to come)</i>	9	2,716	7,763	11,229	13,164	14,119	13,903	16,637					79,541
Extraction Fee	59,430	52,912	88,269	92,753	123,306	165,687	190,755	118,147					891,258
Replenishment Fee	-		50,500	264,426	346,957	486,561	515,303	509,965					2,173,712
Total Revenue	62,852	55,628	146,533	372,756	483,426	800,950	719,962	644,749	-	-	-	-	3,286,856
ACTUAL EXPENSE													
Extraction Fee Expenses													
Administrative - other	21,990			4,875			176,955	24,324					228,143
Auditing Services			1,000					1,000					2,000
Insurance		100		11,441									11,541
IWVWD Reimbursement for Website Fees		276											276
Publishings	1,199												1,199
Regional Government Services (50%)				1,160	8,884	8,449	9,584	9,288					37,366
Stetson	138,470	59,675		121,050		48,996	41,863	34,239					444,293
Well Monitoring		1,680											1,680
Replenishment													
Capitol Core Group	11,563	10,113		23,831	11,788	15,963	10,288	17,831					101,375
Regional Government Services (50%)				1,160	8,884	8,449	9,584	9,288					37,366
Stetson	3,680	4,173		13,098		13,654	4,099	10,371					49,074
Shallow Well Mitigation													
Stetson	805	785	1,297	4,595	551	1,375	60	2,185					11,653
Grants													
California Rural Water Association	12,880		23,279	24,444	22,893		45,279						128,774
Stetson	81,555	8,562		7,986		786	4,502	1,765					105,156
WaterWise Consulting	5,640	5,000	6,660	5,250	5,350	750							28,650
Total Operating Expense	277,781	90,363	32,236	218,890	58,351	98,422	302,214	110,291	-	-	-	-	1,188,547
Operating Profit	(214,929)	(34,735)	114,297	153,866	425,076	702,529	417,748	534,458	-	-	-	-	2,098,309

Other Revenue & Balances													
Beginning balance	105,753												105,753
IWVWD Credit @ \$615,082.87		218,850	209,817	186,416									615,083
Sub-total	105,753	218,850	209,817	186,416	-	-	-	-	-	-	-	-	720,836
Other Expenses (Debts)													
Extraction													
City of Ridgecrest - Administrative Costs	230,000												230,000
Kern County - Advance of Funds	500,000												500,000
IWVWD - Advance of Funds	500,000	218,850	209,817	71,333									500,000
Replenishment													
IWVWD - Capitol Core / Augmented Water	115,083			115,083									115,083
*2020 Invoices approved, deferred (\$619, 824.74)	514,077	382,999	13,153				117,924						514,077
*2020 Invoices approved, deferred, not budgeted	18,641		5,845				12,796						18,641
Sub-total	1,877,801	601,849	228,815	186,416	-	-	130,720	-	-	-	-	-	1,877,800
Total Other	(1,772,048)	(382,999)	(18,998)	-	-	-	(130,720)	-	-	-	-	-	(1,156,964)
GRAND TOTAL	(1,772,048)	(597,928)	(53,733)	114,297	153,866	425,076	571,808	417,748	534,458	-	-	-	941,344

* True-up based on review of IWVWD Files

Balance @ Kern County	340,073
Balance at Mission Bank	525,088
Cash Position	865,161
Cash in Transit & Other Timing Items	76,183

Cash in transit may be due to the following reasons:

*Checks not yet deposited but reflected in previous month revenues

*EROD submitted to Kern but invoices paid not yet reflected

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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: October 13, 2021

Subject: Project Update Memorandum for September Activities

September activities were significant in all task-areas and the purpose of this memorandum is to provide an update/summary of those activities. Two specific directions are requested in the memorandum (NDAA and DCIP sections). Should you have any questions, please give me a call to discuss.

Imported Water Supplies

Throughout the month of September, Capitol Core has continued negotiations with identified potential permanent water suppliers to potentially 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

Political negotiations within the Congress on the federal infrastructure, budget reconciliation, debt-ceiling and Continuing [Budget] Resolution continue. Capitol Core monitored Congressional/ Administration activities closely during September. We urged Congressional Members, on behalf of all impacted clients, to pass the infrastructure legislation away from other budget/debt related activities. The negotiations in Washington, D.C. regarding the budget, infrastructure deal and debt ceiling remain fluid. Capitol Core will further monitor new details out of Washington and keep you informed of any changes that may affect you.

NDAA

The Association of Defense Communities alerted Capitol Core about an amendment to the House National Defense Authorization Act (NDAA) which sunsets the Intergovernmental Support Agreement program (aka, IGSA or DCS-G9 Program). This program allows local governments/agencies to enter into agreements to partner to provide broadly defined *infrastructure* so that military personnel may fulfill the installation's mission status. Capitol Core urges both the Authority and the City of Ridgecrest to **Support ADC's efforts to amend**

this language, as the currently-written language removes a current and future potential contracting/agreement tool as well as harms the potential for public-public-private partnership arrangements with the Navy. As the Authority has stated, NAWSCCL and the civilian communities are inextricably linked together. The vast majority of personnel and their families live, shop, work, play and go to school in town. The military depends on our surrounding communities to teach our children, protect our loved ones and provide infrastructure so that the personnel may fulfill their duties on the installation. Partnerships directly support Navy families through the creation of new jobs for spouses, increased educational programs that the children of Navy families can benefit from, and increased access to installation services. These services enhance the quality of life for the broader community, which, in turn supports Navy families that live off-installation. Generally, partnerships focused on training opportunities, children and youth services, spousal employment, and other Morale, Welfare and Recreation requirements benefit both military and community families. However, other partnerships focused on operational efficiencies also provide significant benefits to all families in the Navy and the local community.

In addition, members of multiple branches of the Department of Defense at the Pentagon level have expressed their concerns about the proposed language. The House version of the NDAA (HR 4350) passed with this language in it. The Senate version (S.2792) has not yet been passed, but the current draft has similar language in it. We are working with ADC to amend the Senate version of the bill so that it will have different language than the House bill. This will allow the language to be brought up in Conference Committee to reconcile the differences in language between the two bills.

Liaison with U.S. Navy

On September 27th, Capitol Core along with Ridgecrest City Manager Ron Strand and China Lake Alliance Executive Director Dave Janiec met with Paula Monachelli, Director of Basing (under the Assistant Secretary of the Navy for EI & E). John Kersey, the Planning Liaison Officer for NAWSCCL China Lake was also in attendance. We had a productive discussion with Paula and John. Paula expressed concerns about the ongoing adjudication that the Basin is going through, but said that she and the Navy are willing to look for ways to continue the dialogue surrounding the water and wastewater infrastructure needs of the basin to support both the mission and personnel at China Lake.

Defense Communities Infrastructure Program

The Association of Defense Communities (ADC) has provided authorizing amendments to make the Defense Communities Infrastructure Program (DCIP) a more permanent program. Contained within the amendments is language that would allow projects located on leased military land to be eligible for the program. This would make the City of Ridgecrest's wastewater treatment plant eligible for DCIP funding. The amendments would be offered to the NDAA on the Senate floor and would be a *conference committee* item, as similar language currently does not appear in the House-version of the NDAA. Capitol Core strongly urges the Authority and the City of Ridgecrest to support these amendments to the DCIP.

Identify and Secure State Funding Sources

Wastewater Treatment Plant

Proposed Implementation Guidelines for the State Water Resources Control Board (SWRCB) “wastewater treatment program” [Item 3940-106-001, Schedules 1(a) and 1(d), SB 129, Chapter 69 Statutes of 2021] limited direct award amounts to “small and disadvantaged communities,” defined by the Agency as less than 20,000 residents with a household income 80% of the established poverty limit. The City of Ridgecrest is approximately 8,000 residents above the “small” definition with a household income that exceeds the requirement by approximately \$14,000/year and is therefore ineligible for direct award under Schedule 1(a) and 1(d). Capitol Core met with James Garcia, program manager at SWRCB for the “wastewater treatment program” to seek eligibility and direction from the Agency.

Communities that do not meet the small and disadvantaged requirements are eligible for loans under the State Revolving Fund (SRF) [Item 3940-106-001 Schedule 1(c), *ibid*] and we have been referred to program manager, Bob Pontureri for discussion. We met with Robert and the project is eligible to make a State Water Revolving Fund loan application. There is a possibility under certain circumstances that some of the principal may be forgiven under this program. We are conducting further research to determine if this application will be eligible or principal forgiveness and if so, how much.

Tertiary Treatment Facility/Water Recycling Facility

A \$9.1 million to \$11.8 million funding request was made to the SWRCB under the “wastewater treatment program.” For the same reasons as described above, the funding request was denied and redirected to the “water recycling program” for a combined request. Capitol Core has been directed to program manager, Sandeep “Sunny” Kals for discussion. After our discussions with Sunny, he determined that our project is eligible for consideration under his program.

Proposed Implementation Guidelines for the “water recycling program” establish a ceiling of \$8 million in direct award for construction activities and limited planning activities to a \$250,000 direct award for “feasibility studies” only. This is far below the \$4 million to \$6 million request for planning of the advanced treatment portions of the water recycling plant and the \$9.1 million to \$11 million request for the planning and construction activities for the Tertiary Treatment Facility. In addition, both the staff from Assembly Member Fong’s and Senator Grove’s offices have expressed concern over the feasibility of funding for the water recycling facility. We are working through those concerns. We have revised and combined the funding request and continue to work with our legislative delegation and SWRCB on these issues.

Interconnection Facility

We have scheduled a scoping meeting with the Department of Water Resources’ (DWR) SGMA implementation program manager, Kelley List on October 14th. This will present the \$4 million to \$6 million request to DWR for the interconnection project planning activities. Original Implementation Guidelines on the SGM implementation program were rejected by the Secretary of Resources and new guidelines are currently pending. We are unclear if DWR met its self-established October 1, 2021, opening for the program. Awards

will be made on a first-come-first serve basis and Stetson personnel are gathering needed information to meet the quick turnaround for award.

The prospective implementation guidelines for this round of funding are [located here](#). The Funding Opportunity Announcement was expected as of October 1, 2021. This will be a direct award (first come – first serve) reimbursement program. It is only open to “Critically Overdrafted” basins.

In addition to the SGMA Implementation program, the interconnection facility may be eligible for funding under the SWRCB’s “Multi-Benefit” program. Capitol Core is preparing a funding request document for discussion with program manager, Ashley Gilbreth on the program. That request will be made early next week.

Budget Trailer Bill

Governor Newsom has signed into law Senate Bill 170 (Skinner, D-San Francisco) the *Fiscal Year 2021 Budget Act Amendment* providing additional funding to specific programs, clarifying legislative policy and combining certain programs at the request of SWRCB and DWR to simplify implementation. Capitol Core is in the process of preparing a side-by-side analysis of the legislation and will provide that under separate note.

Overall DWR Briefing

An overall briefing with DWR SGMA Implementation program director, Paul Gosselin has been requested to provide an update and briefing on all current funding requests. Scheduling of that briefing is pending at this time.

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Federal and State Funding Request
 Indian Wells Valley Groundwater Authority
 Status as of October 6, 2021

Project	Funding Source Request	Agency	Appropriated Amount	Requested Amount	Agency Program Manager	Mtg. Req.	Mtg. Date	Approval Status	CCG Assigned Mgr.
Wastewater Treatment Plant									
	Wastewater Program	SWRCB	\$650,000,000.00	\$5,000,000.00	James Garcia	Completed	23 Sept.	DNQ (moved to SRF)	Michael McKinney
	State Revolving Fund	SWRCB	\$650,000,000.00		Robert Pontureri	Completed	5 Oct.	Approved For Application	Michael McKinney
	DCIP	DOD	\$50,000,000.00	\$5,000,000.00		Possible amendments			Jeff Simonetti
Tertiary Treatment Facility									
	Wastewater Program	SWRCB	\$650,000,000.00	\$11,900,000.00	James Garcia	Completed	23 Sept.	DNQ (combined with WRP)	Zubi Olin
Water Recycling Facilities									
	Water Recycling Program	SWRCB	\$135,000,000.00	\$8,000,000.00	Sandeep "Sunny" Kals	Completed	30 Sept.	Approved for Application	Zubi Olin
	State Policy and Planning Fund	OPR	\$25,000,000.00			Pending			Jeff Simonetti
Interconnection Facility									
	SGMA Implementation	DWR	\$180,000,000.00	\$6,000,000.00	Kelley List	Scheduled	13 Oct.	Pending	Jason Frye
	Multi-Benefit Program	DWR	\$200,000,000.00		Ashley Gilreath	Pending			Jeff Simonetti
Overall SGMA Implementation									
	(Briefing only)	DWR			Paul Gosselin	Pending			Jeff Simonetti
	DCIP	DOD	Not Authorized FY	\$5,000,000.00		N/A		Eligible Not Shovel Ready	Jeff Simonetti

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Item 1. Call to Order - All nine current members were present with the exception of voting members Tim Carrol, and non-voting members Tom Bickauskas, John Kersey and Lorelei Oviatt. Tom Bickauskas is on an extended assignment out of town. Vice Chair Pat Quist had forwarded her resignation from the committee due to time commitments. She was commended for her outstanding, dedicated service on the PAC since it's inception. She suggested that small agriculture candidates, perhaps from west Brown Road, consider submitting a nomination to the GA Board as a replacement for her.

Item 2. Pledge of Allegiance

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

Trona resident Regina Troglin expressed concern about people and GA representatives that seem to make assumptions about her community, noting that they were entirely dependent on SVM facilities for potable water delivery to the community.

Item 4. Approve PAC Minutes of the August PAC Meeting

Lyle Fisher moved to approve the minutes with minor corrections noted below. The motion was seconded by Judie Decker and passed unanimously, 8-0. Judie Decker and Nick Panzer noted that their written comments should be included with the minutes. Don Zdeba provided the correct spelling for Director Itnyre's name.

Item 5. Review and Recommend Changes to the Public Communication and Engagement (C&E) Plan

The PAC generally agreed that the original plan was a good plan that required only minor additions, methods of communication, and updates, since it is now over three years old. PAC members will provide their individual recommended structural, corrections, and update inputs for consideration at the next PAC meeting.

The PAC also agreed that our most effective contribution to the plan would be to strongly recommend key subject content regarding focus areas to be addressed by the GA in public engagement during the GSP implementation period. These would focus on critical or controversial issues such as clear understanding of the GSP implementation alternatives' impact on water uses and user stakeholder groups. A subcommittee was formed to provide the key subject areas for focus and clear messaging at the next PAC meeting. The subcommittee includes Judie Decker, Lyle Fisher, West Katzenstein, and Nick Panzer.

The PAC again requests the GA board input on their assessment and critique from having gone through the communication and engagement process during the development of the GSP.

Member Comment - Written comments were provided by Judie Decker, West Katzenstein, and Nick Panzer, to be attached to the minutes.

Judie Decker suggested the General Manager do monthly column for newspapers and the GA website, to include the history of how we got here and clear financial information. She also recommended the use of social media to get the information out. Judie again requested the GA hold some "less formal" meetings with the public, including evening opportunities.

Lyle Fisher, Judie Decker and West Katzenstein stated that C&E Plan was very good, but not used well enough by GA, nor fully successful despite GA attempts to do so.

West also agreed that clear financial statements related to the schedule are necessary, and supports the key subject area approach for recommendation to the GA. Judie strongly supported the need to have a schedule or POA&M linked to expenditures. West Katzenstein also noted that not all stakeholder groups

have been alerted to the impacts to their water use and we need to focus and target those stakeholders. He noted that there is much disinformation and the GA needs to provide “high ground” introductory and detailed material to help inform those stakeholders. He provided a suggested plan for using the GA website to accomplish that. David Janiec stated that we had recommended that a schedule be made available to the PAC and public and staff is in process of developing a public draft and would welcome our review and suggestions upon review.

Nick Panzer noted that the major stakeholders have been represented well with the exception of the ratepayers. He recommended clear and simple one-page documents focused on summary information to alert and inform stakeholders and provided an example for the ratepayers, to be available at all GA involved functions. Ed Imsand stated that he did not agree with some of the numbers regarding the overdraft magnitude presented in Nick’s draft sample. He also noted that there are a large number of the domestic well owners who have not recognized the reporting requirements and questioned enforcement of the plan.

Don Zdeba provided the updated draft C&E Plan for the Owens Valley Basin received today as an example and reference for the review of our plan. It was distributed to the PAC. He also noted that the C&E Plan designation of our basin in our C&E Plan was referenced as “Medium” priority and should be corrected to “High” priority.

Renee Westa-Lusk stated that the C&E Plan would need to be updated regarding federal and state representatives and districts contact information as they change. She also noted we should consider adding new outreach methods as technology has advanced over the last three years.

Camille Anderson agreed that the plan was excellent and only required updating as suggested by Renee. She also noted that some written member input to the PAC has not been posted on the website and that should be corrected.

Ed Imsand agreed that the plan was good and that we should encourage the GA to adopt a clear public outreach program.

Chair David Janiec proposed a dual approach to address the C&E Plan at the next meeting: 1. The PAC form a subcommittee to develop concrete recommendations regarding focused subjects and content for the PAC to recommend directly to the GA board upon full PAC agreement, and 2. Each member provide Individual recommended changes, corrections or updates to the C&E Plan by the next PAC meeting. Judie Decker, Lyle Fisher, West Katzenstein and Nick Panzer agreed to serve on the subcommittee with West Katzenstein acting as chair. The subcommittee is limited to four members under the Brown Act as there are nine current voting members of the PAC. The final output of the subcommittee would be agreed-to by all PAC members prior to submission to the GA board.

Public Comment – Regina Troglin commented on the challenge of reading through the entire GSP, and noted that she had done so to develop videos based on her understanding of it. She added that any information presented to the public should not be “legaleaze”, as it is more difficult to understand. Regina stated the GA website is extremely cumbersome to use and navigate. She stated that one of the primary media sources used by the younger generations are YouTube and Tiktok. She also noted that the GA needed a Media Manager to coordinate this.

Don Decker stated that the GA and GSP websites are poorly structured, incomplete and in need of a good search method.

April Keigwin, GA Executive Assistant, noted that the website is in the process of being reconstructed and she welcomed good suggestions for consideration in the process.

Item 6. Confirm Current TAC Member Representation

Chair David Janiec noted that the TAC currently has eight open seats (out of twelve) for stakeholder representative groups. One vacancy is for Large Ag, one for Small Ag, two for Business Interests, two for

Residential Customers of a Public Water Agency, one for Domestic Well Owners, one for East Kern County Resource Conservation District. Each PAC member has the ability to nominate a member of the TAC for their stakeholder group. He solicited members of stakeholder groups who meet the TAC member qualifications to contact their PAC member representative for potential nomination to the GA board for approval. TAC member qualifications are prescribed in Article 5 of the GA Bylaws: "Members of the TAC must have a formal education and experience in a groundwater related field and an understanding of the technical aspects of the Basin or similar groundwater basins in California."

Member Comment – Judie Decker stated that the EKCRCD was soliciting for applicant to replace their former member who passed away. She asked if we really needed two seats for Residential Customers of a Public Water Agency since Tim Parker, representing the Water District, is on the TAC as a non-voting member. Don Zdeba stated the Water District's position is that their customers are represented by the Water District consultant, Tim Parker, and he agreed with Judie that an additional voting member is not necessary.

Don Decker, TAC member noted that the vast majority of analyses and written comments provided to the TAC have been done by the current members remaining on the TAC. He stated that while limited in number, the current TAC was the core group and still functioning actively. He noted that much of the public comment and questions that the TAC had received are nearly the same that the PAC receives. He also cited the difficulty in finding qualified applicants with the volunteer time commitment to contribute to the TAC.

Public Comment – Regina Troglin commented that it is very difficult to get members of the her generation involved and encouraged the use of social media to solicit for this, and she noted that there are younger community members who are now interested in helping with the water issue. She also mentioned that she had been unable to find the TAC Member qualifications.

Item 7. Future Agenda Items (October PAC)

The committee reviewed the prioritized list of tasks and the PAC agreed to focus on the C&E Plan and review progress toward a schedule, if available.

- a. Public Communication and Engagement Plan
- b. Review a schedule or POA&M, if available pending staff preparation

Member Comment- Judie Decker again noted the importance of the schedule/POA&M to the GA and that should be our next priority. She also noted that items b. (draft policy on IWV Water Conservation Efforts), and c. (GA policy for non-compliant pumpers, new pumping, pumping/water use for illegal operations, etc.) are enforcement related issue and require staff to enforce, and both are premature at this point. David Janiec noted that staff had responded to our request for clarification regarding item c. and it could be pushed further out in light of the relevant enforcement jurisdiction agencies that already have adopted an enforcement policy.

Renee Westa-Lusk recommended we focus on getting the updated C&E Plan and recommendations. West Katzenstein reiterated the need for a schedule/POA&M that linked tasks with budget.

Public Comment- Regina Troglin emphasized the need for the GA to have s financial committee since stakeholders requested it over four years ago. She strongly supported the need for a schedule/POA&M that links expenditures with schedule items.

Item 8. Confirm Next Regular PAC Meeting October 28, 2021

Confirmed by PAC chair David Janiec.

Item 9. Member Comment

Renee Westa-Lusk noted the November and December meeting dates would need to change for holiday considerations.

Don Zdeba noted that he would not be able to make the October meeting.

Renee Westa-Lusk pointed out that the November and December standing meeting dates would likely need to be adjusted for the holidays. She also asked if staff had provided the form to document actions and votes in the PAC meetings. The chair noted that it was not yet provided, but an alternative was available.

The chair noted the importance of the effort to solicit potentially qualified members for the TAC.

Item 11. Meeting Adjourned. Submitted by: David Janiec, IWVGA PAC Chair, 10 October 2021

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