

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

Ridgecrest City Hall 100 W California Ave., Ridgecrest, CA 93555 760-499-5002

BOARD OF DIRECTORS

A G E N D A

Wednesday, June 9, 2021

Closed Session 10:00 a.m.

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

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

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

Statements from the Public

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

1. CALL TO ORDER

2. PUBLIC COMMENT ON CLOSED SESSION

3. CLOSED SESSION

- CONFERENCE WITH REAL PROPERTY NEGOTIATIONS –
(Government Code Section 54956.8) - Property: State Water Project Importation;
Agency Negotiator: Capitol Core Group; Negotiating Parties: Various; Under
Negotiation: Price and terms of payment.
- CONFERENCE WITH LEGAL COUNSEL - 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.
- 4. OPEN SESSION – No earlier than 11:00 a.m.**
- a. Report on Closed Session
 - b. Pledge of Allegiance
 - c. Roll Call
- 5. BOARD TO RECEIVE AND FILE PUBLIC CAPITOL CORE GROUP REPORT DISCUSSING IMPORT WATER PURCHASE NEGOTIATIONS**
- 6. PUBLIC HEARING AND POSSIBLE ORDER ON MOJAVE PISTACHIOS (AND THE NUGENT FAMILY TRUST) FOR FAILURE TO PROPERLY REPORT AND PAY REPLENISHMENT FEES**
- 7. CONTINUANCE OF PUBLIC HEARING FOR SEARLES VALLEY MINERALS FOR FAILURE TO PROPERLY REPORT AND PAY REPLENISHMENT FEES (Does not include domestic water service provided through Searles Domestic Water)**

RECESS: The Board may call for a recess before resuming the meeting.

8. CONSENT AGENDA

- a. Approve Minutes of Board Meeting May 12, 2021
- b. Approve Expenditures
**To view itemized invoices please visit <https://iwvga.org/iwvga-meetings>*
 - i. \$63,435.63 – Stetson Engineers – (Replenishment Fee)
 - ii. \$16,898.75 – Regional Government Services – (Extraction Fee / Replenishment Fee)
 - iii. \$15,962.50 – Capitol Core Group – (Replenishment Fee)
 - iv. \$750.00 – WaterWise Consulting – (Prop. 1 Grant – SDAC)

9. WATER RESOURCES MANAGER REPORT

- a. Proposition 1 Grant Status Update
- b. Proposition 68 Grant Status Update
- c. Recycled Water Program Update
- d. Navy/COSO Royalty Fund 2021 Project(s)
- e. GSP Planned Projects – Project No. 4 Shallow Well Impact Mitigation Program Update
- f. GSP Planned Projects – Project No. 1 Surface Percolation Replenishment Update

10. GENERAL MANAGER’S REPORT

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

11. PUBLIC COMMENTS

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

12. CLOSING COMMENTS

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

13. DATE OF NEXT MEETING – JULY 14, 2021

14. ADJOURN

PUBLIC COMMENT NOTICE

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

• **Watch meetings on-line:**

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

• **Call in for public comments:**

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

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

• **Submit written comments:**

We encourage submittal of written comments supporting, opposing, or otherwise commenting on an agenda item, for distribution to the Board prior to the meeting. Send emails to 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.

The page intentionally blank

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

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

BOARD OF DIRECTORS MEETING MINUTES Wednesday, May 12, 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 Peter Benson, US Navy, DoD Liaison
Tim Itnyre, San Bernardino County	April Keigwin, Clerk of the Board
Thomas Bickauskas, Bureau of Land Management	

Attending via teleconference is Tim Itnyre, John Vallejo, Carol Thomas-Keefer, Steve Johnson, Commander Peter Benson, and Thomas Bickauskas.

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

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

1. CALL TO ORDER:

The meeting is called to order by Chairman Hayman at 10:06 a.m.

2. PUBLIC COMMENT ON CLOSED SESSION:

None.

Chairman Hayman calls the meeting into Closed Session at 10:06 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 11:08 a.m.

4. OPEN SESSION:

Meeting reconvenes into Open Session at 11:12 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 Don Decker and Judie Decker.

6. CONSENT AGENDA:

- a. Approve Minutes of Board Meeting April 14, 2021
- b. Approve Minutes of Special Board Meeting May 6, 2021
- c. Approve Expenditures
 - *To view itemized invoices please visit <https://iwvga.org/iwvga-meetings>
 - i. \$17,768.75 – Regional Government Services – (Extraction Fee / Replenishment Fee)
 - ii. \$11,787.50 – Capitol Core Group – (Replenishment Fee)
 - iii. \$5,350.00 – WaterWise Consulting – (Prop. 1 Grant – SDAC)
 - iv. \$22,893.07 – California Rural Water Association (Prop. 1 – SDAC)

Motion made by Phillip Peters and seconded by Stan Rajtora to approve Minutes of Board Meeting April 14, 2021, Minutes of Special Board Meeting May 6, 2021, and the following expenditures in the amount of \$17,768.75 to Regional Government Services, \$11,787.50 to Capitol Core Group, \$5,350.00 to WaterWise Consulting, and \$22,893.07 to California Rural Water Association.

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, and Steve Reich provide updates on the following grants/programs: Prop. 1 Grant Status, Prop. 68 Grant Status, Recycled Water Program, Navy/COSO Royalty Fund 2021 Project(s), GSP Planned Projects – Project No. 4 Shallow Well Impact Mitigation Program, GSP Planned Projects – Project No. 1 Surface Percolation Replenishment Update, and Introduction of Ordinance 01-21 – Water Conservation (presentations made available on the IWVGA website).

The Board hears public comment from Judie Decker, Don Decker, and Derek Hoffman.

8. GENERAL MANAGER’S REPORT:

Carol Thomas-Keefe provides updates on the following: Monthly Financial Update, Report on IWVGA’s Water Marketer (Capitol Core Group), Severely Disadvantaged Communities (SDAC) Program, and Delinquent Accounts (documents made available on the IWVGA website).

9. CLOSING COMMENTS:

Vice Chair Rajtora questions some of the numbers shown in the Annual Report concerning the El Paso area. He further expresses desire to return to in person meetings, create a critical projects list, and employ an independent general counsel, and he shares concerns for a potential need for dust mitigation.

10. DATE OF NEXT MEETING – June 9, 2021

11. ADJOURN:

Chairman Hayman adjourns the meeting at 12:42 p.m. on May 12, 2021.

Respectfully submitted,

April Keigwin

Clerk of the Board

Indian Wells Valley Groundwater Authority

The page intentionally blank



Invoice

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

Invoice Number: 2652-45
Invoice Date: 05/28/21

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

Professional Services through 4/30/2021

Water Resources Management

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

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	2.00	\$230.00	\$460.00
Associate I	1.00	\$115.00	\$115.00
Associate III	5.00	\$105.00	\$525.00
<i>Professional Services Subtotal:</i>			<u>\$1,100.00</u>
<i>POAM No. 15,16 Prop 1 Grant Administration Subtotal:</i>			<u>\$1,100.00</u>

37 - 2021 SDAC Program Support: Rebate Program

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Associate III	0.50	\$105.00	\$52.50
<i>Professional Services Subtotal:</i>			<u>\$52.50</u>
<i>2021 SDAC Program Support: Rebate Program Subtotal:</i>			<u>\$52.50</u>

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

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Associate III	0.50	\$105.00	\$52.50
<i>Professional Services Subtotal:</i>			<u>\$52.50</u>
<i>2021 SDAC Program Support: Water Auditt, Leak Detection & Repair Subtotal:</i>			<u>\$52.50</u>

39 - 2021 Pump Fee Support

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	1.50	\$200.00	\$300.00
Senior I	1.00	\$160.00	\$160.00
Associate I	1.50	\$115.00	\$172.50
<i>Professional Services Subtotal:</i>			<u>\$632.50</u>
<i>2021 Pump Fee Support Subtotal:</i>			<u>\$632.50</u>

40 - 2021 General Engineering

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	3.50	\$230.00	\$805.00
Supervisor I	11.75	\$200.00	\$2,350.00
Associate I	1.50	\$115.00	\$172.50
Associate III	1.00	\$105.00	\$105.00
<i>Professional Services Subtotal:</i>			<u>\$3,432.50</u>
<i>2021 General Engineering Subtotal:</i>			<u>\$3,432.50</u>

41 - 2021 Production Reporting Support



41 - 2021 Production Reporting Support

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	1.50	\$230.00	\$345.00
Supervisor I	0.50	\$200.00	\$100.00
Associate I	0.25	\$115.00	\$28.75
Associate III	4.75	\$105.00	\$498.75
<i>Professional Services Subtotal:</i>			<u>\$972.50</u>
<i>2021 Production Reporting Support Subtotal:</i>			<u>\$972.50</u>

42 - TSS Coordination: Drilling Support

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	0.25	\$200.00	\$50.00
Assistant I	0.25	\$95.00	\$23.75
<i>Professional Services Subtotal:</i>			<u>\$73.75</u>
Reimbursables			<u>Charge</u>
Laboratory / Testing			\$4,393.50
<i>Reimbursables Subtotal:</i>			<u>\$4,393.50</u>
<i>TSS Coordination: Drilling Support Subtotal:</i>			<u>\$4,467.25</u>

45 - 2021 Annual Report

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	2.00	\$230.00	\$460.00
Supervisor I	4.50	\$200.00	\$900.00
Senior Associate	3.00	\$120.00	\$360.00
GIS Specialist I	1.50	\$95.00	\$142.50
<i>Professional Services Subtotal:</i>			<u>\$1,862.50</u>
<i>2021 Annual Report Subtotal:</i>			<u>\$1,862.50</u>

46 - 2021 Data Management System Support

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	0.75	\$230.00	\$172.50
Supervisor I	0.50	\$200.00	\$100.00
Associate I	11.50	\$115.00	\$1,322.50
<i>Professional Services Subtotal:</i>			<u>\$1,595.00</u>
<i>2021 Data Management System Support Subtotal:</i>			<u>\$1,595.00</u>

47 - 2021 Allocation Plan: Allocation Process & Transient Pool Support

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	4.00	\$230.00	\$920.00
Associate III	3.25	\$105.00	\$341.25
<i>Professional Services Subtotal:</i>			<u>\$1,261.25</u>
<i>2021 Allocation Plan: Allocation Process & Transient Pool Support Subtotal:</i>			<u>\$1,261.25</u>

49 - 2021 Allocation Plan: Following & Transient Pool Transfer Program

Reimbursables	<u>Charge</u>
Equipment Purchase	\$2,172.17
<i>Reimbursables Subtotal:</i>	
<u>\$2,172.17</u>	
<i>2021 Allocation Plan: Following & Transient Pool Transfer Program Subtotal:</i>	
<u>\$2,172.17</u>	

51 - 2021 Meetings and Prep

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	14.00	\$230.00	\$3,220.00



51 - 2021 Meetings and Prep

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	6.50	\$200.00	\$1,300.00
Senior Associate	9.75	\$120.00	\$1,170.00
Associate III	13.25	\$105.00	\$1,391.25
			<u>\$7,081.25</u>
<i>Professional Services Subtotal:</i>			<i>\$7,081.25</i>
			<u>Charge</u>
Reimbursables			\$103.24
Reproduction (Color)			\$7.20
Reproduction			<u>\$7.20</u>
<i>Reimbursables Subtotal:</i>			<i>\$110.44</i>
<i>2021 Meetings and Prep Subtotal:</i>			<u><i>\$7,191.69</i></u>

52 - 2021 Budget Support

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	0.25	\$200.00	\$50.00
Senior Associate	1.50	\$120.00	\$180.00
			<u>\$230.00</u>
<i>Professional Services Subtotal:</i>			<i>\$230.00</i>
<i>2021 Budget Support Subtotal:</i>			<u><i>\$230.00</i></u>

53 - 2021 General Project Management

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	0.50	\$200.00	\$100.00
Senior Associate	2.50	\$120.00	\$300.00
Associate III	2.50	\$105.00	\$262.50
			<u>\$662.50</u>
<i>Professional Services Subtotal:</i>			<i>\$662.50</i>
<i>2021 General Project Management Subtotal:</i>			<u><i>\$662.50</i></u>

55 - 2021 Grant Review/Application

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Associate III	1.00	\$105.00	\$105.00
			<u>\$105.00</u>
<i>Professional Services Subtotal:</i>			<i>\$105.00</i>
<i>2021 Grant Review/Application Subtotal:</i>			<u><i>\$105.00</i></u>

56 - 2021 Model Transfer and Upgrade

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	2.00	\$200.00	\$400.00
			<u>\$400.00</u>
<i>Professional Services Subtotal:</i>			<i>\$400.00</i>
<i>2021 Model Transfer and Upgrade Subtotal:</i>			<u><i>\$400.00</i></u>

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

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	3.50	\$230.00	\$805.00
			<u>\$805.00</u>
<i>Professional Services Subtotal:</i>			<i>\$805.00</i>
<i>Navy/Coso Royalty Fund: Develop FY22 Project & Secure Funding Subtotal:</i>			<u><i>\$805.00</i></u>

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

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	1.50	\$230.00	\$345.00
Supervisor I	3.50	\$200.00	\$700.00
Associate I	6.50	\$115.00	\$747.50
			<u>\$1,792.50</u>
<i>Professional Services Subtotal:</i>			<i>\$1,792.50</i>



Navy/Coso Royalty Fund: 2021 Rose Valley MW Permitting, Bid Doc Support & Dri \$1,792.50

59 - 2021 Data Collection

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	12.50	\$200.00	\$2,500.00
Associate I	73.00	\$115.00	\$8,395.00
GIS Manager	0.75	\$115.00	\$86.25
Assistant I	30.00	\$95.00	\$2,850.00
<i>Professional Services Subtotal:</i>			\$13,831.25
			<u>Charge</u>
Reimbursables			
Car Rental			\$996.95
Field Supplies			\$25.43
Lodging			\$1,091.77
Meals			\$134.62
<i>Reimbursables Subtotal:</i>			\$2,248.77
<i>2021 Data Collection Subtotal:</i>			\$16,080.02

60 - 2021 Imported Water: Negotiations and Coordination

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	9.00	\$230.00	\$2,070.00
<i>Professional Services Subtotal:</i>			\$2,070.00
<i>2021 Imported Water: Negotiations and Coordination Subtotal:</i>			\$2,070.00

62 - 2021 Recycled Water

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	10.50	\$230.00	\$2,415.00
Supervisor I	14.50	\$200.00	\$2,900.00
Senior Associate	0.50	\$120.00	\$60.00
Associate III	37.25	\$105.00	\$3,911.25
<i>Professional Services Subtotal:</i>			\$9,286.25
<i>2021 Recycled Water Subtotal:</i>			\$9,286.25

63 - 2021 Shallow Well Mitigation Program: Plan Development

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	3.50	\$230.00	\$805.00
Supervisor I	0.75	\$200.00	\$150.00
<i>Professional Services Subtotal:</i>			\$955.00
<i>2021 Shallow Well Mitigation Program: Plan Development Subtotal:</i>			\$955.00

64 - 2021 Shallow Well Mitigation Program: Outreach & Impacts Evaluation

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	1.50	\$230.00	\$345.00
Associate III	9.50	\$105.00	\$997.50
<i>Professional Services Subtotal:</i>			\$1,342.50
<i>2021 Shallow Well Mitigation Program: Outreach & Impacts Evaluation Subtotal:</i>			\$1,342.50

65 - Brackish Water Group Aquifer Performance Test

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	2.00	\$230.00	\$460.00
GIS Manager	0.50	\$115.00	\$57.50
Assistant I	22.75	\$95.00	\$2,161.25
<i>Professional Services Subtotal:</i>			\$2,678.75



65 - Brackish Water Group Aquifer Performance Test

Reimbursables

	<u>Charge</u>
Car Rental	\$272.64
Meals	\$8.11
<i>Reimbursables Subtotal:</i>	<u>\$280.75</u>

Brackish Water Group Aquifer Performance Test Subtotal: \$2,959.50

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

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	8.50	\$230.00	\$1,955.00
<i>Professional Services Subtotal:</i>			<u>\$1,955.00</u>

2021 Litigation Support – Searles Valley Minerals & Mojave Pistachios Subtotal: \$1,955.00

***Water Resources Management Subtotal:* \$63,435.63**

***** Invoice Total *** \$63,435.63**

The page intentionally blank



PO Box 1350
Carmel Valley, CA 93924

Invoice

Date	Invoice #
4/30/2021	12019

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

P.O. No.	Due Date	Inv Sent
	5/30/2021	5/12/2021

Date	Description	Amount
4/30/2021	Contract Services for April - please see attached	16,898.75

	Total	\$16,898.75
--	--------------	--------------------

Indian Wells Valley

Month: **April, 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	14.50	\$ 125.00	10.75	\$ 125.00	\$ 3,156.25
April Keigwin	67.40	\$ 100.00	62.70	\$ 100.00	\$13,010.00
Jefferson Kise	2.50	\$ 135.00	2.00	\$ 135.00	\$ 607.50
Sandra Strong	1.25	\$ 100.00	0.00	\$ -	\$ 125.00
Totals	85.65		75.45		\$16,898.75

The page intentionally blank



**CAPITOL
CORE
GROUP**

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

BILL TO

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

INVOICE 2021-034

DATE 06/04/2021 **TERMS** Net 45

DUE DATE 07/19/2021

DATE	ACCOUNT SUMMARY	AMOUNT
05/03/2021	Balance Forward	11,787.50
	Other payments and credits after 05/03/2021 through 06/03/2021	0.00
06/04/2021	Other invoices from this date	0.00
	New charges (details below)	15,962.50
	Total Amount Due	27,750.00

ACTIVITY	HOURS	RATE	AMOUNT
Charges			
Task 1 -- Secure Imported Water Supplies			
Strategic Communications:Water Procurement Assistance	6	250.00	1,500.00
Water Agency Calls and Transfer Partner Update Calls (Various) [Tatum]			
Strategic Communications:Water Procurement Assistance	15.50	225.00	3,487.50
Water Agency Calls (Various), Transfer Partner Updates calls, IWVGA internal calls re:water supplies, water memorandum {Simonetti}			
Total Task 1 = \$4,987.50			
Task 2 -- Federal Funding Source			
Government Relations:Federal Legislative Affairs	8	250.00	2,000.00
Federal Legislative Outreach: Authorization Request WWTP/WRP (various); US Dept. of Commerce -- Economic Development Agency call; Memorandum Review on EDA Planning Grant {McKinney}			
Government Relations:Federal Legislative Affairs	4	250.00	1,000.00
Rep. McCarthy Office and Rep. Obernolte office interaction and letter prep/internal meetings {McKinney}			
Government Relations:Federal Legislative Affairs	13.50	225.00	3,037.50
Federal Legislative Outreach: Authorization request WWTP/Water Recycling (various); Representative Obernolte letter and response; House Resources Committee staff {Simonetti}			
Government Relations:Federal Legislative Affairs	2.50	225.00	562.50
Dept of Commerce -- Economic Development Agency preparation, call and follow-up {Simonetti}			

ACTIVITY	HOURS	RATE	AMOUNT
Government Relations:Federal Legislative Affairs USEPA Region 9 Follow-up {Simonetti}	1.50	225.00	337.50
Government Relations:Federal Legislative Affairs US Dept of Commerce -- EDA call and memorandum preparation {Olin}	3.50	175.00	612.50
Task 2 Total = \$7,550.00			
Task 4 -- State Funding Sources			
Government Relations:California Legislative Affairs Assm. Carbajal follow-up and budget request {McKinney}	1	250.00	250.00
Government Relations:California Legislative Affairs State May Budget Revision analysis and strategy development {McKinney}	3	250.00	750.00
Government Relations:California Legislative Affairs Assm. Carbajal follow-up and budget request; DWR Budget meeting {Simonetti}	2	225.00	450.00
Government Relations:California Legislative Affairs State May Budget Revision, AB 252 strategy development, and Senator Atkins staff meeting {Simonetti}	3	225.00	675.00
Government Relations:California Legislative Affairs State Budget Analysis, monitoring, AB 252 analysis and internal report {Gillis}	6	100.00	600.00
Total Task 4 = \$2,725.00			
Task 5 -- Board Meetings and Preparation			
Administrative Board Meeting and Preparation {Tatum}	1	250.00	250.00
Administrative Board Meeting, Preparation and Monthly Reporting {Simonetti}	2	225.00	450.00
Total Task 5 = \$700.00			

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

TOTAL OF NEW CHARGES 15,962.50

TOTAL DUE \$27,750.00

The page intentionally blank



**WaterWise
Consulting, Inc.**

"Conserving our natural resources for future generations"

1751 S. Grand Ave.
Glendora, CA 91740

Invoice

Date	Invoice #
5/18/2021	6744

Customer
Indian Wells Groundwater Authority Attn: Accounts Payable 500 W. Ridgecrest Blvd. Ridgecrest, CA 93555

Contract No.	Due Date	Terms
02-19	8/16/2021	Net 90

Item	Description	Amount
Rebate Administration	Indian Wells Groundwater Authority Water Conservation Rebate Program Service Period: May 2021 Task: Monthly Administration - \$5,000.00 x 0 = \$0.00 Task: Website Development - \$4,000.00 x 0 = \$0.00 Task: Program Manager - \$125.00 x 6 = \$750.00 Task: Design, Marketing & Outreach - \$80.00 x 0 = \$0.00 Task: Customer Rebates - \$0.00 TOTAL THIS INVOICE: \$750.00	750.00

Please Make Check Payable To: WaterWise Consulting, Inc.

Total	\$750.00
--------------	-----------------

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

Indian Wells Groundwater Authority

Water Conservation Rebate Program

Service Period: May 2021

Fixed Labor Cost Breakdown

<i>Classification</i>	<i>Staff Name(s)</i>	<i>Service Date(s)</i>	<i>Item Qty.</i>	<i>Fixed Rate</i>	<i>Total Billed</i>	<i>Labor Summary</i>
Monthly Administration			0	\$ 5,000.00	\$ -	
					\$ -	

Hourly Labor Cost Breakdown

<i>Classification</i>	<i>Staff Name</i>	<i>Service Date(s)</i>	<i>Qty. Hours</i>	<i>Hourly Rate</i>	<i>Total Billed</i>	<i>Labor Summary</i>
Program Manager	Rebecca Shields Moose / Ajay Dhawan	5/7/21, 5/10/21 to 5/13/21	4	\$ 125.00	\$ 500.00	Final Report
Program Manager	Rebecca Shields Moose / Ajay Dhawan	5/14/21 & 5/18/21	2	\$ 125.00	\$ 250.00	Program Closeout
			6		\$ 750.00	

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

Customer Rebates

<i>Customer Name</i>	<i>Address</i>	<i>City</i>	<i>State</i>	<i>Zip</i>	<i>Rebate Amount</i>	<i>Notes</i>
					\$ -	

Invoice Total: \$ 750.00

The page intentionally blank

IWVGA ADMINISTRATIVE OFFICE

Memorandum

TO: IWVGA Board Members **DATE:** June 9, 2021

FROM: IWVGA Staff

SUBJECT: Agenda Item No. 6 – Public Hearing and Possible Order on Mojave Pistachios (and Nugent Family Trust) For Failure to Properly Report and Pay Replenishment Fees

DISCUSSION

On August 21, 2020, pursuant to California Water Code Section 10730.2, this Board passed its Ordinance 03-20, thereby establishing a fee referred to as the “Replenishment Fee” in the amount of \$2,130 per acre foot of water extracted from the Indian Wells Groundwater Basin (“the Basin”). Two of the stated purposes for the fee were to fund the acquisition of water rights which could be the basis for bringing a firm source of supplemental water needed to create a state of sustainability in the Basin and to provide funds for mitigating damages to small, shallow wells located in the Basin susceptible to damage caused by continuing drops in Basin groundwater elevations.

The Replenishment fee was set to first become applicable to water production from the Basin during January 2021 and the first report of production and payment of the fee were set to be due on February 15, 2021, roughly six months after actual passage of the ordinance.

As of June 4, 2021, the Authority has not received any payment of the Replenishment Fee by Mojave Pistachios, LLC and/or the Nugent Family Trust (collectively referred to and known as Mojave Pistachios). Written notice of that delinquency was been transmitted along with proper notice for this hearing. In particular, that notice expressly provides that:

If payment is not made prior to the hearing, the Board shall consider all legal options afforded by law including, but not limited to, an order directing Mojave Pistachios to cease production of all groundwater from the Indian Wells Valley Groundwater Basin.

Some of the legal options afforded by law are found in California Water Code section 10730.6 which, among other things, specifies enforcement approaches available to the Authority to deal with the delinquency including bringing suit to collect all fees, interest and penalties and seeking an attachment on the property to secure payment, administratively applying remedies such as liens or taking other actions available to collect fees, and/or ordering production of Basin water to cease and desist until all delinquent fees are paid. Notably, subsection (f) expressly provides that “[t]he remedies specified in this section for collecting and enforcing fees are cumulative and may be pursued alternatively or may be used consecutively as determined by the governing body.”

A public hearing is required to be conducted by the Authority Board prior to its approval and issuance of a cease and desist water production order. Accordingly, that hearing has been noticed as required by law and is set to occur at 10 a.m. on June 9, 2021.

Staff requests that the Board conduct the required public hearing and then direct the staff to pursue an appropriate authorized remedy or remedies for the delinquency. A cease and desist pumping order has been prepared and provided to the Board for consideration should the Board decide to utilize that option.

RECOMMENDATION

Staff recommends the Board adopt Resolution No __-21 - Approving and Adopting an Order Directing Mojave Pistachios' to Pay All Outstanding Replenishment Fees Along with Interest or Cease Pumping.

The page intentionally blank

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

In the matter of:
No. __-21

Resolution

A RESOLUTION OF THE INDIAN WELLS VALLEY GROUNDWATER SUSTAINABILITY AUTHORITY APPROVING AND ADOPTING AN ORDER DIRECTING MOJAVE PISTACHIOS LLC AND NUGENT FAMILY TRUST TO PAY ALL OUTSTANDING REPLENISHMENT FEES ALONG WITH INTEREST AND APPLICABLE PENALTIES OR CEASE PUMPING WATER FROM THE INDIAN WELLS VALLEY GROUNDWATER

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 9th day of June 2021, by the following vote:

AYES:

NOES:

ABSENT:

Clerk of the Board of Directors
Indian Wells Valley Groundwater Authority

RESOLUTION

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

Section 1. WHEREAS the Indian Wells Valley Groundwater Authority conducted a hearing on June 9th, 2021 at the Ridgecrest City Hall located at 100 W California Ave Ridgecrest CA 93555 and reviewed all evidence presented by all interested parties.

Following this hearing the Authority finds that Mojave Pistachios LLC and Nugent Family Trust have not paid the replenishment fee as required by Ordinance Number 03-20. On that basis, the Authority finds that Mojave Pistachios LLC and Nugent Family Trust are in violation of Ordinance Number 03-20.

Section 2. THEREFORE, IT IS RESOLVED, the Indian Wells Valley Groundwater Authority approves and adopts the order attached hereto as Exhibit 1.

PASSED, APPROVED, AND ADOPTED, by the Indian Wells Valley Groundwater Authority this 9th day of June, 2021.

SIGNED:

President of the Board of Directors

ATTEST:

Resolution 04-22

EXHIBIT 1

ORDER OF THE INDIAN WELLS VALLEY GROUNDWATER AUTHORITY DIRECTING MOJAVE PISTACHIOS LLC AND NUGENT FAMILY TRUST TO PAY ALL OUTSTANDING REPLENISHMENT FEES ALONG WITH INTEREST AND APPLICABLE PENALTIES OR CEASE PUMPING WATER FROM THE INDIAN WELLS VALLEY GROUNDWATER BASIN

Having conducted a hearing on May 6th, 2021, continued to and concluded on June 9th, 2021, at the Ridgecrest City Hall located at 100 W California Ave Ridgecrest CA 93555 and after reviewing all evidence presented by all interested parties, the Indian Wells Valley Groundwater Authority (Authority) finds as follows:

The Authority is the groundwater sustainability agency (GSA) under the Sustainable Groundwater Management Act (SGMA), Water Code section 10720 et seq., charged with managing the Indian Wells Valley Groundwater Basin (Basin). The Basin's sustainable yield of 7,650 acre feet per year (AFY) is insufficient to meet the Basin's most minimal needs and current pumping is estimated to be roughly four times the sustainable yield. "Undesirable results" have already been observed such as infrastructure damage to high value sensitive facilities at the Naval Air Weapons Station (NAWS) China Lake, impact to groundwater dependent ecosystems, increased desertification caused by declining water tables, and jeopardy to domestic, industrial, and agricultural supplies. The State of California has determined that the Basin is currently experiencing critical overdraft and Basin modeling has shown that if the overdraft is left unchecked the Basin's infrastructure will not be able to meet the required water demands in roughly 45 years.

On August 21, 2020, the Authority adopted a Basin Replenishment Fee that provides the funding for two projects: (1) the augmentation/importation of water supplies and (2) the mitigation of damages to shallow wells which will continue to occur until augmented supplies are delivered to the basin. Augmentation projects are required as the Basin's most basic water supply needs alone exceed the Basin's safe yield. This project must be immediately funded because the Authority anticipates that demand for imported water will increase throughout the State due to drought conditions and the requirements of SGMA and so too will the price of importing water increase. If the Authority does not promptly raise revenue to secure the rights to such imported water, that cost could quickly become prohibitive.

Likewise, a shallow well mitigation program is needed immediately because it will take some time to build the required infrastructure to augment the Basin's supplies and during that time it would be impossible to reduce water supply demands to a level that does not cause impacts to shallow wells. The estimated damages that will occur without the implementation and funding of the Shallow Well Mitigation program are set forth in GSP's Shallow Well Impact Analysis. In sum, that analysis provides that without pumping changes 81 shallow wells, roughly 1 in 10, will be substantially impacted by 2030. By 2040, those impacts will increase and 31 wells, or

roughly 1 in 4 will be impacted. These shallow wells provide domestic service to an estimated total of 1,588 homes and the well repair damages alone are estimated at roughly 17.3 million dollars. Additionally, as the Basin's water levels decline even further, its anticipated that water costs would be increased substantially and permanently because of the need for additional water treatment facilities and technologies to combat worsening water quality.

Based on the foregoing the Authority finds that it is necessary to strictly enforce the Replenishment Fee to collect the money needed to promptly address these exigent water supply conditions and avoid further irreparable damage to the Basin. Notably, when compared to the long-term solution costs of imported water supplies, the alternative of continuing to overdraft the Basin without working to the solution is no longer a rational choice given the anticipated damages costs caused by the overdraft.

Based solely on the record for this hearing, the Authority finds that Mojave Pistachios LLC and Nugent Family Trust have not paid the Replenishment Fee as required by Ordinance Number 03-20. Mojave Pistachios LLC and Nugent Family Trust have self-reported to the Authority that they have pumped water without paying the required Replenishment Fee. On that basis, the Authority finds that Mojave Pistachios LLC and Nugent Family Trust are in violation of Ordinance Number 03-20.

Now therefore, based on the findings set forth above it is ordered as follows:

1. Pursuant to applicable law, Water Code section 10730.6 and Section 6 of the Indian Wells Valley Groundwater Authority Ordinance Number 03-20, Mojave Pistachios LLC and Nugent Family Trust shall cease production of all groundwater from the Indian Wells Valley Groundwater Basin until all fee payments are made current along with interest at a rate of 1% per month on the delinquent amount as well as a 10% penalty on the delinquent amount.
2. If Mojave Pistachios LLC and Nugent Family Trust continue to engage in the water production prohibited by this Order without paying replenishment fees following the effective date of this Order, legal counsel for the Authority shall initiate court proceedings to enforce this order. In addition, staff may send notice of a further hearing for the Board to consider the imposition of additional penalties pursuant to its legal authority.

The page intentionally blank



BOARD OF DIRECTORS

Scott Hayman, Chair
Stan Rajtora, Vice-Chair
Phillip Peters
Matt Kingsley
Paul Cook
CDR Peter Benson, DoD Liaison
Thomas Bickauskas

Carol Thomas-Keefer
General Manager
Keith Lemieux
Legal Counsel

March 23, 2021

RE: NOTICE OF UNREPORTED GROUNDWATER EXTRACTIONS

Dear Mojave Pistachios,

This letter serves as formal notice of your failure to provide the required written monthly report on your groundwater extractions as required by Indian Wells Valley Groundwater Authority (IWVGA) Ordinance. The last received extraction report was provided in October of 2020.

As you will recall, you also failed to provide these same monthly reports last year and it led to your removal from the two Committees. You were offered a chance to reapply for membership on the Committees but as of today you have not done so and you have once again failed to provide several months of written extraction reports. Given that your claimed water pumping in any one year is roughly equivalent to the determined Sustainable Yield of the Basin, your written extraction reports are critically important information that must be obtained.

Please be forewarned, the failure to abide by IWVGA Ordinances will trigger any and all available remedies authorized to the IWVGA by the State legislature. These remedies include, but are not limited to, imposition of a civil penalty up to \$1,000 plus an additional \$100 for each day the violation continues. This penalty becomes effective thirty (30) days after receipt of this Notice. The full text of the law authorizing this penalty is provided below:

Water Code 10732. Civil Penalties

(2) A person who violates any rule, regulation, ordinance, or resolution adopted pursuant to Section 10725.2 shall be liable for a civil penalty not to exceed one thousand dollars (\$1,000) plus one hundred dollars (\$100) for each additional day on which the violation continues if the person fails to comply within 30 days after the local agency has notified the person of the violation.

Please immediately submit your monthly report of groundwater extractions to avoid the imposition of the civil penalty and further actions by the IWVGA.

Respectfully,

Carol Thomas-Keefer
IWVGA General Manager

The page intentionally blank



BOARD OF DIRECTORS

Scott Hayman, Chair
Stan Rajtora, Vice-Chair
Phillip Peters
Matt Kingsley
Paul Cook
CDR Peter Benson, DoD Liaison
Thomas Bickauskas

Carol Thomas-Keefer
General Manager
Keith Lemieux
Legal Counsel

May 25, 2021

Pursuant to Section 6 of Ordinance 03-20 of the Indian Wells Valley Groundwater Authority, you are hereby given notice by Certified Mail that the Authority shall conduct a hearing for the purpose of determining whether to order Mojave Pistachios to cease production of all groundwater from the Indian Wells Valley Groundwater Basin until all fee payments are made current.

This hearing is scheduled to take place at 10:00 am on June 9th, 2021 at the Ridgecrest City Hall located at 100 W California Ave Ridgecrest CA 93555. Pursuant to Executive Order N-29-20 and given the current health concerns, this meeting is being conducted via WebEx Webinar. All persons having an interest in this matter may attend the hearing and give testimony and evidence which will be given due consideration by the Authority via Webinar. Information regarding access to the Webinar will be provided at the time the agenda is posted.

This hearing may be avoided if all outstanding fees currently owed are made current along with interest at a rate of 1% per month on the delinquent amount as well as a 10% penalty on the delinquent amount prior to June 7th, 2021. If payment is not made prior to the hearing, the Board shall consider all legal options afforded by law including, but not limited to, an order directing Mojave Pistachios to cease production of all groundwater from the Indian Wells Valley Groundwater Basin.

If you have any questions regarding any of the information contained in this notice, please contact James Markman at 714-990-0901.

Carol Thomas-Keefer
General Manager, IWVGA

The page intentionally blank

IWVGA ADMINISTRATIVE OFFICE

STAFF REPORT

TO: IWVGA Board Members **DATE:** June 9, 2021

FROM: IWVGA Staff (Water Resources Manager)
Stephen B. Johnson, President
Stetson Engineers Inc.

SUBJECT: **Agenda Item No. 7 – Searles Valley Minerals Threat to Shutdown its Searles Domestic Water Company**

DISCUSSION

IWVGA Staff was asked to investigate the claim/threat by Searles Valley Minerals (SVM) representatives at the Public Hearing of May 6, 2021 that if SVM must pay the Authority's Replenishment Fee, SVM will discontinue operations, and SVM cannot, or will not, continue to operate its wholly owned Public Utilities Commission (PUC) regulated water company Searles Domestic Water Company (SDWC).

It is of course impossible for anyone to "disprove" an abstract and unsupported verbal claim about a water system. SVM was placed on notice at the May 6, 2021 Public Hearing that staff would be investigating their claims of impossibility. To date, I have spoken with the responsible engineers at State Division of Drinking Water (DDW) (permitting agency for Searles Domestic Water System) and the PUC. SVM has not provided any additional information to support its claim. Puzzled by SVM's lack of response, we provided the attached letter on May 28, 2021 requesting a tour and certain items so that the claim could be investigated. We received the attached reply from SVM on June 3, 2021 and as of the writing of this Staff Report we still have not received any responsive information from SVM.

In my professional opinion, which has been developed over 40 years of professional engineering experience all in the area of water resources and water supply, the "claim" by SVM that they cannot separately serve the Domestic Water System does not make any sense and it would be directly counter to all water supply norms and best practices. When questioned during the May 6, 2021 Public Hearing, SVM provided no evidence or documentation to support its "claim." However, if this "claim" is true, (1) in my professional opinion, this should be corrected immediately, to avoid a number of serious consequences (no domestic water supply, human health impacts, distribution system dewatering and public health impacts, no fire protection or emergency water supply, among other impacts), and (2) it is Staff's understanding based on very recent discussions with the State Division of Drinking Water (DDW) (permitting agency for Searles Domestic Water System) that DDW is currently performing a "Sanitary Survey" evaluation of the SDWC system and they will investigate this SVM claim - and if found true – will require SVM to remedy this situation.

In summation, while at a micro level domestic water supply systems are somewhat complex, at a macro level they are fairly simple operations. In this instance, water is taken from wells near the Ridgecrest City hall, transported through a pipeline into the Trona community where it is then used by both the SVM and SDWC. Any argument that SVM must receive water in order for SDWC to receive water simply ignores that fact that any obstruction or diversion in the pipeline created by SVM can be bypassed. Moreover, as discussed above if such an obstruction does in fact exist it should be immediately corrected. For SVM to serve its SDWC, it should be as simple as delivering water from SVM wells to the Arsenic treatment facility and to the SDWC distribution system, while “by-passing” laterals serving the non-potable industrial operations.

Review of Documents, Information, and Regulatory Authority

Staff has collected and reviewed the following documents:

1. Agreement between SVM and SDWC for water supply.
 - ❖ This Agreement indicates SVM will supply SDWC with water that is “surplus” to SVM mining operations. “Surplus” means after mining operations water supply needs are met. If there are no mining operations, all water supplied to SDWC is still “surplus”.
2. State DDW Amended Water Supply Permit, PUC Certificate of Necessity and Convenience (Permit to Operate) and other Related Documents.
 - ❖ DDW and PUC permits are issued to SVM, and SDWC is wholly owned by SVM.
 - ❖ DDW permit indicates SVM shall comply with the State’s Safe Drinking Water Act and Health and Safety Code. **Any voluntary shutdown of the SDWC would be a violation of this permit requirement.**
 - ❖ SVM was provided by the Authority with a series of operational questions and a request to tour and inspect the entire SVM water system. **To date, SVM has not responded with documentation to support its claim or provided the requested tour.**
 - ❖ Very limited documents on SVM water system operations are publicly available.
3. Regulatory Compliance – Discussions with State PUC and DDW.
 - ❖ **Both PUC and DDW indicated SVM cannot legally stop supplying and serving the SDWC.**
 - ❖ Based on information provided by the Authority, including legal documents and the SVM testimony at the Public Hearing, both PUC and DDW may take action against SVM to prevent any shutdown of SDWC. PUC and DDW staff are

conferring with supervisors and legal counsel to determine their potential preemptive and actual enforcement actions for SVM to maintain water supply, and service to SDWC. PUC representatives indicated SVM does not have the “option” to stop operating SDWC. PUC and DDW representatives may participate in the continued Public Hearing on June 9, 2021.

- ❖ PUC and DDW enforcement actions may include:
 - a. The PUC may issue an “Order to Institute and Investigation “if it becomes clear that SVM may shutdown water supply and service to SDWC.
 - b. The PUC may step-in and take over or resume water supply and service (receivership) for SDWC if SVM abandons SDWC.
 - c. The PUC may order SVM, as holder of the PUC permit, to continue water supply and service to SDWC.
 - d. The DDW is investigating SVM compliance with Cross-Connection Control and with Backflow Prevention. These regulatory requirements essentially “isolate” the SDWC from SVM non-potable water system.
 - e. The DDW may assign an “Administrator” to take-over SVM operations of the SDWC, including needed SVM water system facilities.

CONCLUSIONS

We have found no documents, facts or reasons why the cessation of water being delivered to the industrial operations would cause the cessation of water service to Trona residents.

The page intentionally blank

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

In the matter of:
No. __-21

Resolution

A RESOLUTION OF THE INDIAN WELLS VALLEY GROUNDWATER SUSTAINABILITY AUTHORITY APPROVING AND ADOPTING AN ORDER DIRECTING SEARLES VALLEY MINERALS TO PAY ALL OUTSTANDING REPLENISHMENT FEES ALONG WITH INTEREST AND APPLICABLE PENALTIES OR CEASE PUMPING WATER FROM THE INDIAN WELLS VALLEY GROUNDWATER BASIN FOR ANY PURPOSE EXCEPT PROVIDING WATER TO SEARLES DOMESTIC WATER COMPANY IN AMOUNTS NEEDED AND QUALITY REQUIRED TO MEET THE DEMAND OF ALL PERSONS WHO HAVE A WATER CONNECTION TO AND ARE LOCATED WITHIN THE SERVICE AREA OF THAT COMPANY

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 9th day of June 2021, by the following vote:

AYES:

NOES:

ABSENT:

Clerk of the Board of Directors
Indian Wells Valley Groundwater Authority

RESOLUTION

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

Section 1. WHEREAS the Indian Wells Valley Groundwater Authority conducted a hearing on May 6th, 2021 and continued and concluded that hearing on June 9th, 2021 at the Ridgecrest City Hall located at 100 W California Ave Ridgecrest CA 93555 and reviewed all evidence presented by all interested parties.

Following this hearing the Authority finds that Searles Valley Minerals has not paid the replenishment fee as required by Ordinance Number 03-20. On that basis, the Authority finds that Searles Valley Minerals is in violation of Ordinance Number 03-20.

Section 2. THEREFORE, IT IS RESOLVED, the Indian Wells Valley Groundwater Authority approves and adopts the order attached hereto as Exhibit 1.

PASSED, APPROVED, AND ADOPTED, by the Indian Wells Valley Groundwater Authority this 9th day of June, 2021.

SIGNED:

President of the Board of Directors

ATTEST:

Resolution 04-21

EXHIBIT 1

ORDER OF THE INDIAN WELLS VALLEY GROUNDWATER AUTHORITY DIRECTING SEARLES VALLEY MINERALS TO PAY ALL OUTSTANDING REPLENISHMENT FEES ALONG WITH INTEREST AND APPLICABLE PENALTIES OR CEASE PUMPING WATER FROM THE INDIAN WELLS VALLEY GROUNDWATER BASIN FOR ANY PURPOSE EXCEPT PROVIDING WATER TO SEARLES DOMESTIC WATER COMPANY IN AMOUNTS NEEDED AND QUALITY REQUIRED TO MEET THE DEMAND OF ALL PERSONS WHO HAVE A WATER CONNECTION TO AND ARE LOCATED WITHIN THE SERVICE AREA OF THAT COMPANY

Having conducted a hearing on May 6th, 2021, continued to and concluded on June 9th, 2021, at the Ridgecrest City Hall located at 100 W California Ave Ridgecrest CA 93555 and after reviewing all evidence presented by all interested parties, the Indian Wells Valley Groundwater Authority (Authority) finds as follows:

The Authority is the groundwater sustainability agency (GSA) under the Sustainable Groundwater Management Act (SGMA), Water Code section 10720 et seq., charged with managing the Indian Wells Valley Groundwater Basin (Basin). The Basin's sustainable yield of 7,650 acre feet per year (AFY) is insufficient to meet the Basin's most minimal needs and current pumping is estimated to be roughly four times the sustainable yield. "Undesirable results" have already been observed such as infrastructure damage to high value sensitive facilities at the Naval Air Weapons Station (NAWS) China Lake, impact to groundwater dependent ecosystems, increased desertification caused by declining water tables, and jeopardy to domestic, industrial, and agricultural supplies. The State of California has determined that the Basin is currently experiencing critical overdraft and Basin modeling has shown that if the overdraft is left unchecked the Basin's infrastructure will not be able to meet the required water demands in roughly 45 years.

On August 21, 2020, the Authority adopted a Basin Replenishment Fee that provides the funding for two projects: (1) the augmentation/importation of water supplies and (2) the mitigation of damages to shallow wells which will continue to occur until augmented supplies are delivered to the basin. Augmentation projects are required as the Basin's most basic water supply needs alone exceed the Basin's safe yield. This project must be immediately funded because the Authority anticipates that demand for imported water will increase throughout the State due to drought conditions and the requirements of SGMA and so too will the price of importing water increase. If the Authority does not promptly raise revenue to secure the rights to such imported water, that cost could quickly become prohibitive.

Likewise, a shallow well mitigation program is needed immediately because it will take some time to build the required infrastructure to augment the Basin's supplies and during that time it would be impossible to reduce water supply demands to a level that does not cause impacts to shallow wells. The estimated damages that will occur without the implementation and funding

of the Shallow Well Mitigation program are set forth in GSP's Shallow Well Impact Analysis. In sum, that analysis provides that without pumping changes 81 shallow wells, roughly 1 in 10, will be substantially impacted by 2030. By 2040, those impacts will increase and 31 wells, or roughly 1 in 4 will be impacted. These shallow wells provide domestic service to an estimated total of 1,588 homes and the well repair damages alone are estimated at roughly 17.3 million dollars. Additionally, as the Basin's water levels decline even further, its anticipated that water costs would be increased substantially and permanently because of the need for additional water treatment facilities and technologies to combat worsening water quality.

Based on the foregoing the Authority finds that it is necessary to strictly enforce the Replenishment Fee to collect the money needed to promptly address these exigent water supply conditions and avoid further irreparable damage to the Basin. Notably, when compared to the long-term solution costs of imported water supplies, the alternative of continuing to overdraft the Basin without working to the solution is no longer a rational choice given the anticipated damages costs caused by the overdraft.

Based solely on the record for this hearing, the Authority finds that Searles Valley Minerals has not paid the Replenishment Fee as required by Ordinance Number 03-20. Searles Valley Minerals has self-reported to the Authority that it has pumped from January 1st to the present without paying the required Replenishment Fee. On that basis, the Authority finds that Searles Valley Minerals is in violation of Ordinance Number 03-20.

Searles Domestic Water Company, a regulated Public Utility, receives water from Searles Valley Minerals as its sole source for providing water to meet the demands of persons within its service area for domestic purposes in the Trona community. The production of water by Searles Valley Minerals for domestic use in Trona is not subject to the Replenishment Fee and the Authority makes no orders herein which will hinder the supply or increase the cost of water put to domestic use in Trona.

Searles Valley Minerals has repeatedly threatened to stop delivering water to Searles Domestic Water Company in the event that it is required to pay the Replenishment Fee and it elects to stop its operations. However, pursuant to California Public Utilities Code section 1826, Searles Valley Minerals has a continuing legal obligation to provide water to ensure sufficient domestic water supply to the residents of Trona if its industrial or other business operations cease for any reason. This obligation is subject to enforcement by the California Public Utilities Commission. Accordingly, the Authority finds that the water supply of Trona cannot be legally disturbed by Searles' election to shut down its other operations.

Moreover, the California Public Utilities Commission regulates the rates that may be charged by a regulated public utility such as Searles Domestic Water Company and since the domestic use in Trona is not subject to the Replenishment Fee, the Authority finds that there is no basis to increase the domestic water supply rates in Trona without a rate setting process held by the California Public Utilities Commission; a process that would be predicated on the fact that the Authority's Replenishment Fee is not charged to the domestic use in Trona.

Searles Valley Minerals has also claimed that the configuration of its water system prevents it from only pumping the water needed to meet the demands of domestic use in the Trona community. Accordingly, this order shall not become effective until July 1, 2021 so that Searles Valley Minerals is afforded a reasonable time to modify its water system to ensure that domestic water service shall not be disturbed in the event that Searles Valley Minerals ceases pumping for its industrial uses rather than paying the Replenishment Fee.

Now therefore, based on the findings set forth above it is ordered as follows:

1. Subject to the provisions of paragraph 2 below, and pursuant to applicable law, Water Code section 10730.6 and Section 6 of the Indian Wells Valley Groundwater Authority Ordinance Number 03-20, effective July 1, 2021, Searles Valley Minerals shall cease production of all groundwater from the Indian Wells Valley Groundwater Basin until all fee payments are made current along with interest at a rate of 1% per month on the delinquent amount as well as a 10% penalty on the delinquent amount.
2. This order shall not apply to any groundwater extraction by Searles Valley Minerals to meet its continuing obligation to provide water to Searles Domestic Water Company in order to meet the demand of all persons within the service area of Searles Domestic Water Company.
3. If Searles Valley Minerals intends to not pay the outstanding fees by the effective date of this order, Searles Valley Minerals shall employ all reasonable efforts to maintain, repair or alter its water system so that it is capable of extracting and delivering to Searles Domestic Water Company sufficient water to meet the demand of all persons within the service area of Searles Domestic Water Company in the absence of groundwater extraction for other uses.
4. If Searles Valley Minerals continues to engage in the water production prohibited by this Order without paying replenishment fees following the effective date of this Order, legal counsel for the Authority shall initiate court proceedings to enforce this order. In addition, staff may send notice of a further hearing for the Board to consider the imposition of additional penalties pursuant to its legal authority.

The page intentionally blank



2652-66

Reply to: Covina

May 28, 2021

Mr. Burnell Blanchard
Vice President-Operations
Searles Valley Minerals
13200 Main Street
Trona, CA 93562

Subject: Public Hearing and Possible Order on
Searles Valley Minerals for Failure to Report and Pay
Replenishment Fees
(Does not include domestic water services provided through
Searles Domestic Water)

Dear Mr. Blanchard:

Stetson Engineers Inc., as Water Resource Manager for the Indian Wells Valley Groundwater Authority (IWVGA), was asked to obtain information regarding claims made at the Public Hearing on May 6, 2021 that Searles Valley Minerals cannot provide water to Searles Domestic Water Company if water is not also supplied to, and used by, Searles Valley Mineral's mineral facilities.

The following are requested to assist in evaluating your claim. A failure to assist in this endeavor will be noted and made part of the upcoming hearing:

1. Please provide any and all Searles Domestic Water Company standard operating procedures, operation manuals, guidelines, water system design documents, as-builts, water system master plans, reports by/or to governmental or other regulatory agencies (DDW, PUC, SBCO, etc.), water system permits, and any other information on SVM water system design, construction, and operations that



Mr. Blanchard
May 28, 2021
Page 2

are needed to provide service to Searles Domestic Water Company by June 2, 2001.

2. Please provide any and all Searles Domestic Water Company System documents related to DDW, PUC, and SBCO, including but not limited to water supply assessments, engineers reports on water system performance, water system leaks, annual reports, and any water supply documents submitted to DDW, PUC, and SBCO by June 2, 2001.
3. Please provide any and all reports regarding the contingency plans, risk and resilience assessments, operating manuals and similar documents which would show how Searles Domestic Water Company will be provided domestic water supplies in the event that Searles Valley Mineral ceases operations temporarily or permanently by June 2, 2001.
4. Please provide us with a date and time, preferably between June 2, 2021 and June 4, 2021, to schedule an all-day inspection and visual tour of the water system that provides water to the Searles Domestic Water Company, from the wells used to pump ground water to the actual delivery to homes in the Trona community by the most knowledgeable operator of the system and or operator with the most advanced license.

Thank you for your assistance with this request.

Sincerely,

A handwritten signature in blue ink, appearing to read 'S. B. Johnson', is written over a faint, light blue circular stamp or watermark.

Stephen B. Johnson, P.E.
Stetson Engineers Inc.

The page intentionally blank



June 2, 2021

Stephen B. Johnson, P.E.
Stetson Engineers Inc.
861 Village Oaks Drive, Suite 100
Covina, California 91724
stevej@stetsonengineers.com

Subject: Your Letter Dated May 28, 2021, Requesting Information in Connection With the Indian Wells Valley Groundwater Authority (Authority) Public Hearing Scheduled for June 9, 2021 to Determine Whether to Shut off Searles Valley Mineral Inc.'s Groundwater Wells

Dear Mr. Johnson:

Searles Valley Minerals Inc. (Searles) is in receipt of your letter asking for information and documents pertaining to the Searles Domestic Water Company system operations and requesting an inspection tour of Searles' groundwater pumping and conveyance system. Our office received your letter midday on May 28th, the Friday preceding the Memorial Day holiday, with your deadline of only two business days (June 2) to provide all the requested information.

We are sending this preliminary response letter to inform you that we are examining the information you requested and expect to provide you with a more detailed response on or before Friday June 4.

The Authority has a second hearing on June 9, on your staff recommendation to shut off Searles' groundwater wells. Searles, again, expresses its opposition to the staff recommendation to shut off Searles' wells due to the devastating financial impact upon Searles, Searles Domestic Water Company, and the many hard-working residents and businesses in the local communities.

As has been made clear at the May 6 Authority Board meeting when it met to shut off Searles' groundwater wells and was only continued to allow you to attempt to gather more information to excuse shutting off the wells, Searles will hold accountable all persons and entities responsible for the harm to Searles, the Searles Domestic Water Company, and the persons and residents in the local communities for any and all harm and damages caused by a well shutoff.

Sincerely,

Burnell Blanchard
Vice President-Operations
Searles Valley Minerals Inc.

The page intentionally blank

June 4, 2021

Stephen B. Johnson, P.E.
Stetson Engineers Inc.
861 Village Oaks Drive, Suite 100
Covina, California 91724
stevej@stetsonengineers.com

Subject: Your Letter Dated May 28, 2021, Requesting Information in Connection With the Indian Wells Valley Groundwater Authority (Authority) Public Hearing Scheduled for June 9, 2021 to Determine Whether to Shut off Searles Valley Mineral Inc.'s Groundwater Wells

Dear Mr. Johnson:

Searles Valley Minerals Inc. (Searles) is in receipt of your letter asking for information and documents pertaining to the Searles Domestic Water Company (SDWC) system operations and requesting an inspection tour of Searles' groundwater pumping and conveyance system. Our office received your letter midday on May 28th, the Friday preceding the Memorial Day holiday, with your deadline of only two business days (June 2) to provide all the requested information.

The Authority has a second hearing on June 9 (first hearing was on May 6), on staff recommendation to shut off Searles' groundwater wells. Searles, again, expresses its opposition to the staff recommendation to shut off Searles' wells due to the devastating financial impact upon Searles, Searles Domestic Water Company, and the many hard-working residents and businesses in the local communities.

This letter serves as an addendum to the preliminary response letter we sent you on June 2, and provides a more detailed response to the information you requested below. Please note that much of this information has been in your possession since February 28, 2020.

- 1. Please provide any and all Searles Domestic Water Company standard operating procedures, operation manuals, guidelines, water system design documents, as-builts, water system master plans, reports by/or to governmental or other regulatory agencies (DDW, PUC, SBCO, etc.), water system permits, and any other information on SVM water system design, construction, and operations that are needed to provide service to Searles Domestic Water Company by June 2, 2001.**

SDWC was established in 1943 under Ordinance 539, adopted by the Board of Supervisors of San Bernardino County on Aug. 16, 1943. SDWC was granted a certificate of public convenience and necessity by the California Railroad Commission on January 12, 1944. SDWC came under the California Public Utilities Commission (CPUC) jurisdiction in 1946. Your office

requested and received copies of very detailed information pertaining to: (i) Searles' extractions in the Indian Wells Valley Groundwater Basin (Basin); and (ii) water that Searles sells to SDWC on a surplus basis "to provide potable water to customers." Searles' timely response to your request was made on February 28, 2020.¹ It consisted of 306 MB (approximately 1,700 pages) of documents that included maps of the SDWC potable water system, maps depicting areas served, acres within the areas served, quantity of water served, and mechanisms to measure (meters) water served to potable water customers in the SDWC service area.

As a privately-owned water company not pumping in the Basin, SDWC is not legally obligated to provide you or the Authority with information or documents that are not otherwise publicly available. Reports that SDWC is required by law to submit to the CPUC, as well as general information about SDWC services, are publicly available on the CPUC website.² Reports that SDWC is required by law to submit to the State Water Resources Control Board (State Board) are also publicly available on the State Board's website under the Electronic Annual Report (EAR) portal.³ According to the State Board, EAR "is a survey of public water systems, currently required annually, to collect critical water system information intended to assess the status of compliance with specific regulatory requirements such as source water capacity, provides updated contact and inventory information (such as population and number of service connections), and provides information that is used to assess the financial capacity of water systems, among other information reported."

- 2. Please provide any and all Searles Domestic Water Company System documents related to DDW, PUC, and SBCO, including but not limited to water supply assessments, engineers reports on water system performance, water system leaks, annual reports, and any water supply documents submitted to DDW, PUC, and SBCO by June 2, 2001.**

Please refer to response to your request No. 1 above.

- 3. Please provide any and all reports regarding the contingency plans, risk and resilience assessments, operating manuals and similar documents which would show how Searles Domestic Water Company will be provided domestic water supplies in the event that Searles Valley Mineral ceases operations temporarily or permanently by June 2, 2001.**

The CPUC groups water utilities into four separate categories based on number of service connections. Specific regulatory and reporting requirements vary for each category. SDWC falls within the Class C category. Water utilities under Class C are not required to prepare or submit an Urban Water Management Plan, a drought preparedness plan or water shortage contingency plan. Similarly, the State Board Division of Drinking Water (DDW) reporting requirements vary based on the number of service connections of a water utility system. The

¹ Please refer to information and documents submitted by Searles to your office on February 28, 2020 in response to the "IWVGA Questionnaire 1 Notice of Groundwater Extraction Reporting For Pumping Verification."

² Accessible at: <https://www.cpuc.ca.gov/water/>.

³ Accessible at: https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/eardata.html.

most recent report submitted by SDWC to the State Board is available online at:
https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/eardata.html.

- 4. Please provide us with a date and time, preferably between June 2, 2021 and June 4, 2021, to schedule an all-day inspection and visual tour of the water system that provides water to the Searles Domestic Water Company, from the wells used to pump ground water to the actual delivery to homes in the Trona community by the most knowledgeable operator of the system and or operator with the most advanced license.**

Please contact our office to schedule a tour of the Searles system. As mentioned above, SDWC is a privately-owned company that does not produce water in the Basin, and therefore is under no legal obligation to provide you or the Authority with access to any portion of its facilities that is not otherwise accessible to the general public.

As noted in our preliminary response and has been made clear at the May 6 Authority Board meeting when it met to shut off Searles' groundwater wells and was only continued to allow you to attempt to gather more information to excuse shutting off the wells, Searles will hold accountable all persons and entities responsible for the harm to Searles, SDWC, and the persons and residents in the local communities that rely on this water for any and all harm and damages caused by a well shutoff.

Sincerely,



Burnell Blanchard
Vice President-Operations
Searles Valley Minerals Inc.

The page intentionally blank



BOARD OF DIRECTORS

Scott Hayman, Chair
Stan Rajtora, Vice-Chair
Phillip Peters
Matt Kingsley
Paul Cook
CDR Peter Benson, DoD Liaison
Thomas Bickauskas

Carol Thomas-Keefer
General Manager
Keith Lemieux
Legal Counsel

March 23, 2021

RE: NOTICE OF UNPAID GROUNDWATER REPLENISHMENT FEES

Dear Searles Valley Minerals Inc.,

This letter serves as formal notice of unpaid, past-due groundwater Replenishment Fees, in violation of Ordinance 03-20. Groundwater extractors are required to self-report their monthly pumping activities and must pay the Groundwater Replenishment Fee within 15 days of the end of the prior month.

Our records indicate that you have not submitted your Replenishment Fees for the months of January and February 2021. Please remit payment within five (5) days of this notice. Failure to pay will trigger the available remedies authorized to the IWVGA by the State legislature. These remedies include, but are not limited to, requiring your attendance at a hearing before the IWVGA Board, after which the Board may order you to cease extraction of groundwater until all delinquent fees are paid. The full text of the laws authorizing these remedies is provided below:

Water Code 10730.6. FEE COLLECTION AND ENFORCEMENT

- (a) A groundwater fee levied pursuant to this chapter shall be due and payable to the groundwater sustainability agency by each owner or operator on a day established by the groundwater sustainability agency.
- (b) If an owner or operator knowingly fails to pay a groundwater fee within 30 days of it becoming due, the owner or operator shall be liable to the groundwater sustainability agency for interest at the rate of 1 percent per month on the delinquent amount of the groundwater fee and a 10-percent penalty.
- (c) The groundwater sustainability agency may bring a suit in the court having jurisdiction against any owner or operator of a groundwater extraction facility within the area covered by the plan for the collection of any delinquent groundwater fees, interest, or penalties imposed under this chapter. If the groundwater sustainability agency seeks an attachment against the property of any named defendant in the suit, the groundwater sustainability agency shall not be required to furnish a bond or other undertaking as provided in Title 6.5 (commencing with Section 481.010) of Part 2 of the Code of Civil Procedure.
- (d) In the alternative to bringing a suit pursuant to subdivision (c), a groundwater sustainability agency may collect any delinquent groundwater charge and any civil penalties and interest on the delinquent groundwater charge pursuant to the laws applicable to the local agency or, if a joint powers authority, to the entity designated pursuant to Section 6509 of the Government Code. The collection shall be in the same manner as it would be applicable to the collection of delinquent assessments, water charges, or tolls.
- (e) As an additional remedy, a groundwater sustainability agency, after a public hearing, may order an owner or operator to cease extraction of groundwater until all delinquent fees are paid. The groundwater sustainability agency shall give notice to the owner or operator by certified mail not less than 15 days in advance of the public hearing.

(f) The remedies specified in this section for collecting and enforcing fees are cumulative and may be pursued alternatively or may be used consecutively as determined by the governing body.

Water Code 10732. CIVIL PENALTIES

(2) A person who violates any rule, regulation, ordinance, or resolution adopted pursuant to Section 10725.2 shall be liable for a civil penalty not to exceed one thousand dollars (\$1,000) plus one hundred dollars (\$100) for each additional day on which the violation continues if the person fails to comply within 30 days after the local agency has notified the person of the violation.

Please remit payment of unpaid, past-due Groundwater Replenishment Fees within five (5) days of this Notice to continue your extractions and avoid a hearing before the Board.

Respectfully,

Carol Thomas-Keefer
IWVGA General Manager

The page intentionally blank



BOARD OF DIRECTORS

Scott Hayman, Chair
Stan Rajtora, Vice-Chair
Phillip Peters
Matt Kingsley
Paul Cook
CDR Peter Benson, DoD Liaison
Thomas Bickauskas

Carol Thomas-Keefer
General Manager
Keith Lemieux
Legal Counsel

April 19, 2020

Pursuant to Section 6 of Ordinance 03-20 of the Indian Wells Valley Groundwater Authority, you are hereby given notice by Certified Mail that the Authority shall conduct a hearing for the purpose of determining whether to order Searles Valley Minerals to cease production of all groundwater from the Indian Wells Valley Groundwater Basin until all fee payments are made current. The production of 217 acre feet annually for the direct and sole use by Searles Domestic Water Co. for domestic purposes in the Trona community is not subject of this hearing and such production is not in jeopardy of cessation.

This hearing is scheduled to take place at 10:00 am on May 6th, 2021 at the Ridgecrest City Hall located at 100 W California Ave Ridgecrest CA 93555. Pursuant to Executive Order N-29-20 and given the current health concerns, this meeting is being conducted via WebEx Webinar. All persons having an interest in this matter may attend the hearing and give testimony and evidence which will be given due consideration by the Authority via Webinar. Information regarding access to the Webinar will be provided at the time the agenda is posted.

This hearing may be avoided if all outstanding fees currently owed are made current along with interest at a rate of 1% per month on the delinquent amount as well as a 10% penalty on the delinquent amount prior to May 3rd, 2021. If payment is not made prior to the hearing, the Board shall consider all legal options afforded by law including, but not limited to, an order directing Searles Valley Minerals to cease production of all groundwater from the Indian Wells Valley Groundwater Basin, excluding the production by the Searles Domestic Water Co. for its domestic purposes.

If you have any questions regarding any of the information contained in this notice, please contact James Markman at 714-990-0901.

Carol Thomas-Keefer
General Manager, IWVGA

The page intentionally blank



BOARD OF DIRECTORS

Scott Hayman, Chair
Stan Rajtora, Vice-Chair
Phillip Peters
Matt Kingsley
Paul Cook
CDR Peter Benson, DoD Liaison
Thomas Bickauskas

Carol Thomas-Keefer
General Manager
Keith Lemieux
Legal Counsel

May 25, 2021

Pursuant to Section 6 of Ordinance 03-20 of the Indian Wells Valley Groundwater Authority, you are hereby given notice by Certified Mail that the Authority shall conduct a hearing for the purpose of determining whether to order Searles Valley Minerals to cease production of all groundwater from the Indian Wells Valley Groundwater Basin until all fee payments are made current. The production of 217 acre feet annually for the direct and sole use by Searles Domestic Water Co. for domestic purposes in the Trona community is not subject of this hearing and such production is not in jeopardy of cessation.

This hearing is scheduled to take place at 10:00 am on June 9, 2021 at the Ridgecrest City Hall located at 100 W California Ave Ridgecrest CA 93555. Pursuant to Executive Order N-29-20 and given the current health concerns, this meeting is being conducted via WebEx Webinar. All persons having an interest in this matter may attend the hearing and give testimony and evidence which will be given due consideration by the Authority via Webinar. Information regarding access to the Webinar will be provided at the time the agenda is posted.

This hearing may be avoided if all outstanding fees currently owed are made current along with interest at a rate of 1% per month on the delinquent amount as well as a 10% penalty on the delinquent amount prior to June 7, 2021. If payment is not made prior to the hearing, the Board shall consider all legal options afforded by law including, but not limited to, an order directing Searles Valley Minerals to cease production of all groundwater from the Indian Wells Valley Groundwater Basin, excluding the production by the Searles Domestic Water Co. for its domestic purposes.

If you have any questions regarding any of the information contained in this notice, please contact James Markman at 714-990-0901.

Carol Thomas-Keefer
General Manager, IWVGA

The page intentionally blank

IWVGA Board Meeting June 9, 2021

Proposition 1 Status Update

- Invoice #8a
 - Covers July through September 2020
 - Total payment after retention: \$137,765.72
 - Status: Submitted November 30, 2020
 - Progress Reports combined for Prop 1 & Prop 68 submitted November 30, 2020
 - Revised invoice with requested payment after retention of **\$82,904.06** was submitted on May 14 (removed costs subject to CEQA concurrence, per DWR recommendation)
- Invoice #9a
 - Covers October through December 2020
 - Total payment after retention: \$127,787.67
 - Status: Submitted February 26, 2021
 - Progress Reports combined for Prop 1 & Prop 68 submitted February 26, 2021
 - Revised invoice with requested payment after retention of **\$51,679.74** was submitted on May 14 (removed costs subject to CEQA concurrence, per DWR recommendation)
- DWR CEQA Concurrence for Prop 1 monitoring wells, stream gages, and weather stations
 - Environmental and site clearance documents were submitted on April 19, and are currently being reviewed by DWR.
 - Certain documents still being gathered by the Navy
 - Updated Environmental Information Form and letter certifying no legal challenges are currently being prepared.

AGENDA ITEM 9a



IWVGA Board Meeting June 9, 2021

Proposition 1 Status Update (cont.)

- Invoice #10a
 - Covers January through March 2021
 - Total requested payment after retention: **\$77,758.34**
 - Status: Submitted May 28, 2021
 - Progress Reports combined for Prop 1 & Prop 68 submitted May 28, 2021

AGENDA ITEM 9a

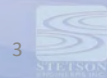


IWVGA Board Meeting
June 9, 2021

Proposition 68 Status Update

- Invoice # 9b
 - Covers October through December 2020
 - Total payment after retention: **\$4,348.28**
 - Submitted February 26, 2021
 - Status: Payment received May 24
- Invoice # 10b
 - Covers January through March 2021
 - Total requested payment after retention: **\$2,865.04**
 - Status: Submitted May 28, 2021

AGENDA ITEM 9b

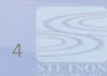


IWVGA Board Meeting
June 9, 2021

Recycled Water Program Update

- Recycled Water Use Alternatives Analysis was authorized at January 2021 Board meeting
 - Evaluate the potential uses of recycled water in the Basin and identify those uses that achieve the highest and most cost-effective benefits towards sustainable Basin management and reduction of imported water requirements
- Alternatives Analysis Update
 - Recycled Water Working Group consisting of technical staff from IWVGA (Stetson), City (MKN), and IWWWD (Krieger & Stewart)
 - Joint scope of work released to Recycled Water Working Group June 8, to be released to TAC after Working Group review and revision
 - Draft write-up of City's of existing WWTF facilities, existing recycled water uses, and City's plans to upgrade and expand the WWTF currently being reviewed internally

AGENDA ITEM 9c



IWVGA Board Meeting
June 9, 2021

Navy/COSO Royalty Fund 2021 Project(s)

FY 2021 COSO Project Status

- All paperwork completed and submitted
- BLM completing review of NEPA/SF 299 week of June 7th
- Submittal to Navy following BLM review

AGENDA ITEM 9d



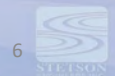
IWVGA Board Meeting
June 9, 2021

Navy/COSO Royalty Fund 2021 Project(s)

FY 2022 COSO Project Status

- Scope of work developed for two-year project discussed last month
- Waiting for FY 22 Energy Support Budget (ESB) guidance before submittal

AGENDA ITEM 9d

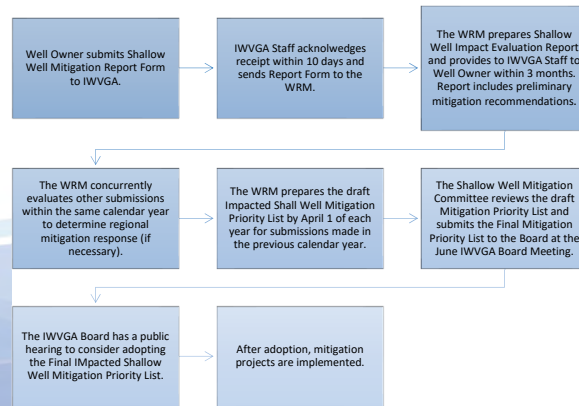


IWVGA Board Meeting June 9, 2021

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

- Shallow Well Mitigation Report Form adopted last month
- Draft Mitigation Program prepared
 - Currently in internal IWVGA staff review
 - Draft to be brought to TAC/PAC for review after staff review

• Draft Summary of Process



The page intentionally blank

Profit and Loss Statement
Actual vs Budget

	Administration		GSP Development		Replenishment Fee		Transient Pool (Mitigation)		TOTAL	
	<u>Actual</u>	<u>FY Budget</u>	<u>Actual</u>	<u>FY Budget</u>	<u>Actual</u>	<u>FY Budget</u>	<u>Actual</u>	<u>FY Budget</u>	<u>Actual</u>	<u>FY Budget</u>
REVENUE										
Pumping Fee			288,128	1,959,673	314,926	8,356,306	21,303	69,381	624,357	10,385,360
Allocation to Admin: Extraction Fee Revenue		911,050							-	911,050
Allocation to Admin: Replenishment Fee Revenue		910,401							-	910,401
Rose Valley Reimbursement by Navy		300,000							-	300,000
Prop 1 Grant -GSP Preparation @ \$1,500,000			7,761	324,494					7,761	324,494
Prop 1 Grant -SDAC Reimburse @ \$646,000				389,051					-	389,051
Prop 68				283,918					-	283,918
IWVWD Credit @ \$615,082.87										
TOTAL REVENUE	-	2,121,451	295,889	2,957,136	314,926	8,356,306	21,303	69,381	632,118	13,504,274
EXPENSES										
Beginning balance position		119,190		(156,525)					-	(37,335)
									-	-
Contract Administration(RGS)		225,000	1,160		1,160				2,320	225,000
Insurance		10,000							-	10,000
Audit		7,000	1,000						1,000	7,000
Public Ed/Outreach		5,000							-	5,000
Legal - GSP Implementation		100,000							-	100,000
Legal - Special Counsel		250,000							-	250,000
Meetings & Prep		12,000							-	12,000
General Engineering		50,000							-	50,000
Production Reporting Support		36,000							-	36,000
TSS Coordination: Drilling Support		30,000							-	30,000
TSS Coordination: Coordination/Application Supp		30,000							-	30,000
Coordination w/DWR on GSP Review		50,000							-	50,000
Annual Report		30,000							-	30,000
Data Management System		26,000							-	26,000
Allocation Plan for Sustainable Yield:									-	-
Allocation Plan for Sustainable Yield: Allocation Process and Pool Supp		30,000							-	30,000
Allocation Plan for Sustainable Yield: Rules/Regs on Pumping/restrictions		10,000							-	10,000

Profit and Loss Statement

Actual vs Budget

1/1/2021 - 4/30/2021

	Administration		GSP Development		Replenishment Fee		Transient Pool (Mitigation)		TOTAL	
	<u>Actual</u>	<u>FY Budget</u>	<u>Actual</u>	<u>FY Budget</u>	<u>Actual</u>	<u>FY Budget</u>	<u>Actual</u>	<u>FY Budget</u>	<u>Actual</u>	<u>FY Budget</u>
Expenses not aligned with budget expense items									-	-
Website Fees			266						266	-
Publishing			1,421						1,421	-
Well Monitoring			1,680						1,680	-
									-	-
									-	-
									-	-
Other	100								100	-
TOTAL EXPENSES	100	2,076,604	88,678	2,747,001	496,533	1,536,900	-	70,000	585,312	6,430,505
NET INCOME (LOSS)	(100)	44,847	207,210	210,135	(181,607)	6,819,406	21,303	(619)	46,806	7,073,768

The page intentionally blank



To: Carol Thomas, General Manager – IWVGA

From: Jeff Simonetti, Senior Vice President

cc: Michael McKinney
Todd Tatum
Steve Johnson, Stetson Engineering
Members of the IWVGA Board of Directors

Date: June 9, 2021

Subject: Project Update Memorandum for May 2021 activities

The following memo will serve as Capitol Core's update for activities that we completed in May:

2021 NDAA Schedule

As we have discussed in prior memos, we have submitted three policy-related requests to our congressional delegation for consideration in the 2021 NDAA. At this point, the NDAA markup process is delayed due to the delay of President Biden's overall budget. House Armed Services Committee Chair Adam Smith (D-WA) indicated in mid-May that he would not be able to conduct markups on the House defense bill until September as a result of the delay in President Biden's budget. On the Senate side, Armed Services Committee Chair Jack Reed (D-RI) indicated that his committee is still going to try to mark up their version of the bill in July prior to the summer recess, but there is no guarantee that this or a vote will happen prior to the summer recess.

2021 DCIP Funding Round

The Federal Funding Opportunity for this year's Defense Community Infrastructure Program (DCIP) is available for viewing. The link is [here](#) and applications are due by July 12th. This year's application will be judged differently than last year's applicant pool. For 2021, Military Value is the top criterion for consideration of a DCIP application. To determine this, the Office of Local Defense Community Cooperation (the administrator of the DCIP program) will be using the military value rankings determined in the Base Realignment and Closure (BRAC) Commission from 2005. Click [here](#) to see how the installations were ranked during this process.

While neither project is currently deemed "shovel ready" for the purposes of making a DCIP application, we are monitoring the progress of the DCIP applications this year and will be advocating for further DCIP authorizations in this year's NDAA as described above.

Overview of Federal Potential Wastewater Treatment Plant Funding Sources

Throughout the month, we met with our legislative delegation as well as a few federal agencies to determine potential project eligibility and project funding sources. The two areas that we are continuing to explore after our discussions this month are:

- **US Economic Development Administration:** Public Works and Economic Assistance Programs

- **US Environmental Protection Agency:** Drinking Water and Clean Water State Revolving Fund loans/grants

Federal Legislation We are Monitoring – Infrastructure Bill and Potential Wastewater Funding

The status of the infrastructure bill remains in flux. At the outset, the Biden Administration and Democratic Congressional Leadership pushed for a \$2 trillion infrastructure funding bill. House and Senate Republicans indicated that they would like to see the infrastructure bill pared back to \$621 billion in spending. They contend that much of the infrastructure projects that President Biden proposed do not follow the traditional definition of infrastructure such as roads, bridges, transit improvements, etc. Further, they want to use some of the funds from other stimulus bills that have so far not been spent and to ensure that taxes are not raised to pay for this bill.

On Wednesday June 2nd, the President came back with a \$1 trillion proposal that would include all “new spending (not using the prior stimulus monies that have not been spent). To pay for it, President Biden proposed a minimum 15% corporate tax rate. Republicans have not indicated support for this proposal, and the Senate Parliamentarian last week indicated that Senate Democrats may not be able to use the “budget reconciliation process” again to bypass the filibuster and vote on it by simple majority. Even if Senate Democrats could use the budget reconciliation procedure, moderate Democrats such as Senator Joe Manchin have expressed disapproval with using that process again.

As such, the bill is currently in a holding pattern until leadership makes a decision on how they want to proceed and what will be included in the bill. The appropriations cycle has also slowed. Our contacts on the Appropriations Committees are indicating to us that it is likely with how late the budget process is going that the Congress might be forced to pursue a Continuing Resolution. We will continue to monitor the progress on the infrastructure bill particularly related to the water provisions and will keep the Board and staff apprised on any necessary actions.

State Programs We are Monitoring – State Infrastructure Budget Line Items

As part of the American Rescue Plan Act (the last federal economic stimulus plan), the State of California received approximately \$26 billion in direct aid from the federal government. This federal assistance as well as the higher-than-projected tax receipts helped the State to switch from an estimated \$54 billion shortfall to an estimated \$75 billion budget surplus. As part of this budget surplus, the Governor and Senate Pro Tem Toni Atkins have proposed more than \$1 billion in spending on water-related projects. Please see the link [here](#) for a full overview of the budget proposal. Of specific potential interest to the IWVGA are the following categories:

- \$500 million to the Department of Conservation for multi-benefit land repurposing (see detailed discussion below on this item)
- \$300 million to the Department of Water Resources for SGMA implementation
- \$150 million for water recycling and groundwater cleanup projects
- \$150 million to assist small water systems (those that serve 15-2,999 connections) with drought contingency planning

To be clear – The California State budget has not yet passed and there still may be adjustments to this package. However, we are getting initial indications that this package has broad support and likely will be included as part of the 2021 budget. The legislature has also made it clear that they will not entertain programming of specific projects within the budget bill. All of these monies will go to the specific departments (e.g. DWR, Natural Resources, Conservation) and they will individually release funding opportunities through a competitive process for these funds.

In terms of timing, the California budget must be passed by June 15th. After that, we anticipate that it will take a few months for each individual department to determine specific eligibility requirements and to release funding requests for proposals.

State Programs We are Monitoring – AB 252

As we address above, the state has a large pot of money that it is allocating towards water infrastructure projects. One of the largest pots of money is going towards the Department of Conservation for repurposing of agricultural land. Capitol Core is getting indications that this funding source will be tied to AB 252, which sets the parameters for what a “multi-benefit” project is and what the programmed monies can be used for. A link to the bill is [here](#). Groundwater agencies, counties and local agencies such as a resource conservation district are eligible to apply for funding through this program should the bill and budget pass as proposed. For the purposes of this bill, “Land repurposing” means converting previously irrigated agricultural land to new uses through any of the following methods (Section 12285.2(e)):

- (1) Restoring upland habitat.
- (2) Creating pollinator habitat.
- (3) Restoring floodplains.
- (4) Creating dedicated wildlife-friendly recharge areas.
- (5) Dryland farming or planting cover crops.
- (6) Switching from irrigated agriculture to rangeland.
- (7) Creating parks or community recreation areas.

At the time of writing this draft, the bill passed out of the Assembly by a 78-0 vote and is awaiting referral in the Senate. We will continue to monitor this bill’s progress and how it ties into the budget proposal. We would like to get further feedback and direction from the Board/staff whether this is something that the IWVGA is potentially interested in pursuing.

State Programs We are Monitoring – Prop. 1 Grant Monies

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

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

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

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

While Capitol Core is not certain whether completing these requirements is feasible in the timeframe necessary, if they are, there is no cost to submit a feasibility review application to the CWC for review. We would also like direction from the Board and staff on whether A) this is pool of money that you are interested in pursuing and B) whether meeting the requirements for consideration are feasible within the application time frame.

Other Activities in May

In addition to the items discussed above, we attended parts of the May Board meeting and continued to assist staff with determining and monitoring potential water supplies for the Groundwater Authority. We also have a meeting scheduled in June with Navy base command to discuss the DCIP process and to bring them up to speed on our timing of potential infrastructure.

Should you have any questions, please feel free to reach me at 909-568-5645.

The page intentionally blank



BOARD OF DIRECTORS

Scott Hayman, Chair
Stan Rajtora, Vice-Chair
Phillip Peters
Matt Kingsley
Paul Cook
CDR Peter Benson, DoD Liaison
Thomas Bickauskas

Carol Thomas-Keefer
General Manager
Keith Lemieux
Legal Counsel

DATE

RE: Account Status

Water System
Mailing Address
City, State, Zip

On June 21, 2018, the Indian Wells Valley Groundwater Authority (IWVGA) Board of Directors set the original Groundwater Extraction Fee at \$30.00 per acre foot (A/F) to finance the development and adoption of the Groundwater Sustainability Plan. Ordinance No. 02-18 - Establishing Groundwater Extraction Fees and the Rules, Regulations and Procedures for their Imposition was subsequently adopted on July 19, 2018 and the fee became effective September 1, 2018. Ordinance No. 02-18 was later amended via Ordinance No. 02-20, adopting an increase to the fee from \$30.00 per A/F to \$105.00 per A/F on July 16, 2020 with the fee increase taking effect on September 1, 2020.

Since that time, your account with IWVGA has become delinquent. To avoid additional fees and penalties, please contact April Keigwin, Clerk of the Board via email at akeigwin@rgs.ca.gov or by phone (805) 764-5452 to discuss the information needed to bring the account current.

Thank you,

April Keigwin
Clerk of the Board
Indian Wells Valley Groundwater Authority

The page intentionally blank