

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, April 10, 2024

Closed Session – 10:15 a.m.

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

Pursuant to California Government Code 54953(b)(1) two additional call-in locations have been established for Board Members who will attend this meeting via teleconference at 14955 Dale Evans Parkway Apple Valley, CA. 92307.

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

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. ADOPTION OF AGENDA

3. PUBLIC COMMENT ON CLOSED SESSION

4. CLOSED SESSION

- CONFERENCE WITH REAL PROPERTY NEGOTIATIONS –
(Government Code Section 54956.8) - Property: Purchase of Water Rights; Agency Negotiator: Jeff Simonetti; Negotiating Parties: Palmdale Municipal Water District; Under Negotiation: Price and terms of payment.

- CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Government Code Section 54956.9(d)(1)): IWVGA v. Inyokern CSD – Kern County Superior Court BCV-22-100281

- 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. - Orange County Superior Court 30-2022-01239487-CU-MC-CJC

- 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. - Orange County Superior Court 30-2022-0139479-CU-MC-CJC

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

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

6. PUBLIC COMMENT

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

7. BOARD MEMBER COMMENTS

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

8. CONSENT AGENDA

- a. Approve Minutes of Special Board Meeting March 29, 2024
- b. Approve Expenditures
**To view itemized invoices please visit <https://iwvga.org/iwvga-meetings>*
 - i. \$138,059.36 – Stetson Engineers
 - ii. \$23,518.30 – Regional Government Services – (Replenishment / Extraction)
 - iii. \$21,793.75 – Capitol Core Group – (Replenishment)
 - iv. \$132,821.20 – Provost & Pritchard – (SGMA IP Grant)

9. BOARD TO RECEIVE AND FILE THE 2022 FINANCIAL AUDIT

10. AMENDMENT NO. 1 TO MASTER AGREEMENT CACA-059994 WITH BUREAU OF LAND MANAGEMENT

11. CONSOLIDATION GRANT PRESENTATION

12. WATER RESOURCES MANAGER REPORT

- a. Grant Funding
- b. GSP Implementation Projects/Management Action Updates
 - i. Imported Water Project
 - ii. Shallow Well Mitigation Program

- iii. GSP Update
- c. Miscellaneous Items
 - i. Data Collection and Monitoring
 - ii. IWVGA Basin Model Configuration Management Plan
 - iii. Rose Valley Subflow Update

13. GENERAL MANAGER'S REPORT

- a. Monthly Financial Report
- b. C&E Plan Update
- c. Report on IWVGA's Water Marketer (Capitol Core Group)

14. DATE OF NEXT MEETING – May 8, 2024

15. ADJOURN

PUBLIC COMMENT NOTICE

IWVGA meetings will be open to the public for physical attendance; However, for those who wish to continue using virtual alternatives please follow the directions below for access to live stream video as well as ways to submit public comment.

- **Watch meetings on-line:**

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

- **Call in for public comments:**

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

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

- **Submit written comments:**

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

- **Large Groups:**

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

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INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

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

BOARD OF DIRECTORS SPECIAL MEETING MINUTES Friday, March 29, 2024

IWVGA Members Present:

Chairman Phillip Peters, Kern County	Carol Thomas-Keefer, IWVGA General Manager
Scott Hayman, City of Ridgecrest	Phillip Hall, Legal Counsel
Chuck Griffin, IWVWD	Steve Johnson, Stetson Engineers
John Vallejo, Inyo County	Commander Turner, US Navy, DoD Liaison
Tim Itnyre, San Bernardino County	April Keigwin, Clerk of the Board
Emma Lynch, Bureau of Land Management	

Attending via teleconference is John Vallejo, Time Itnyre, Carol Thomas-Keefer, and Steve Johnson.

Meeting recording, public comment letters submitted, and all board meeting related documents are made available at:
<https://iwvga.org/iwvga-meetings/>

1. CALL TO ORDER:

Chairman Peters calls the meeting to order at 10:18 a.m.

2. ADOPTION OF AGENDA:

The Board hears public comment from Renee Westa-Lusk.

Motion made by Scott Hayman and seconded by Chuck Griffin to approve adoption of the agenda.

Motion carries by the following roll call vote:

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

3. PUBLIC COMMENT ON CLOSED SESSION:

None.

Chairman Peters calls the meeting into Closed Session at 10:19 a.m.

4. CLOSED SESSION:

- CONFERENCE WITH REAL PROPERTY NEGOTIATIONS –
(Government Code Section 54956.8) - Property: Purchase of Water Rights; Agency Negotiator: Jeff Simonetti; Negotiating Parties: Palmdale Municipal Water District; Under Negotiation: Price and terms of payment.
- CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Government Code Section 54956.9(c)): IWVGA v. Inyokern CSD

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- CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION
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Closed Session adjourns at 11:00 a.m.

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

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

- a. Report on Closed Session – Counsel Hall reports no reportable action was taken that would require disclosure under The Brown Act. Hall provides a general update for litigation, stating the judge did not entertain a motion to exclude those who pump small amounts of water from the adjudication lawsuit filed by IWVWD. Hall urges small water users to get involved and seek legal assistance to ensure their water rights are not determined without them present.
- b. Pledge of Allegiance is led by Chairman Peters
- c. Roll Call

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

6. PUBLIC COMMENT:

None.

7. BOARD MEMBER COMMENTS:

Director Griffin states the District has no intent of impacting water rights of small users. Griffin additionally states a press release yesterday deduces the District wants to limit the Navy’s water right, but states that is not their intention.

Vice Chair Hayman responds to Griffin that there is no objective data being presented in the courts or public that would solidify the District has no intention of hurting small users.

8. CONSENT AGENDA:

- a. Approve Minutes of Board Meeting February 14, 2024
- b. Insurance Renewal
- c. Approve Expenditures

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

- i. \$128,404.96 – Stetson Engineers
- ii. \$22,085.56 – Regional Government Services – (Replenishment / Extraction)
- iii. \$19,787.50 – Capitol Core Group – (Replenishment)
- iv. \$110,689.29 – Provost & Pritchard – (SGMA IP Grant)
- v. \$150.00 – TranSystems – (SGMA IP Grant)
- vi. \$1,573.20 – WellIntell – (Extraction)
- vii. \$100.00 – California Association of Mutual Water Companies (Extraction)

The Board hears public comment from Josh Nugent.

Motion made by Chuck Griffin and seconded by Scott Hayman to approve Minutes of Board Meeting February 14, Insurance Renewal, and the following expenditures in the amount of, \$128,404.96 to

Stetson Engineers, \$22,085.56 to Regional Government Services, \$19,787.50 to Capitol Core Group, \$110,689.29 to Provost & Pritchard, \$1,573.20 to WellIntel, and \$100.00 to California Association of Mutual Water Companies.

Motion carries by the following roll call vote:

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

9. BOARD TO RECEIVE AND FILE WATER YEAR 2023 ANNUAL REPORT:

Jeff Helsley provides staff report and final 2023 Water Year Report.

10. SHALLOW WELL MITIGATION FUNDING REQUEST

- a. Halpin
- b. Byerly

Jeff Helsley provides staff report and presentation.

The Board hears public comment from Lyle Fishcer.

Motion made by Chuck Griffin to approve shallow well funding in the amount of \$10,012 for the Halpin residence. Motion fails for lack of a second.

Motion made by Scott Hayman and seconded by John Vallejo to approve shallow well funding request for the Halpin residence.

Motion carries by the following roll call vote:

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

Motion made by Chuck Griffin to approve shallow well funding in the amount of \$20,289 for the Byerly residence. Motion fails for lack of a second.

Motion made by Scott Hayman and seconded by John Vallejo to approve shallow well funding request for the Byerly residence.

Motion carries by the following roll call vote:

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

11. APPROVAL IN CHANGE OF SCOPE OF WORK AND BUDGET FOR CONTRACT WITH PROVOST AND PRITCHARD CONSULTING GROUP FOR CEQA/NEPA DOCUMENTS AND PERMIT DOCUMENTATION SERVICES FOR THE IMPORTED WATER PIPELINE:

Bianca Cabrera presents staff report and contract change orders.

Motion made by Chuck Griffin and seconded by John Vallejo to approve the change in scope of work and budget

amendment for BLM NEPA assistance.

Motion carries by the following roll call vote:

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

Motion made by John Vallejo and seconded by Scott Hayman to approve change in scope of work and budget amendment for AVEK assistance with the imported water pipeline design.

Motion carries by the following roll call vote:

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

12. WATER RESOURCES MANAGER REPORT:

Steve Johnson provides updates on the following items:

- a. Grant Funding
- b. GSP Implementation Projects/Management Action Updates
 - i. Imported Water Project
 - ii. Shallow Well Mitigation Program
 - iii. GSP Update
- c. Miscellaneous Items
 - i. Data Collection and Monitoring
 - ii. IWVGA Basin Model Configuration Management Plan
 - iii. Rose Valley Subflow Update7

13. GENERAL MANAGERS REPORT:

Carol Thomas-Keefer provides the monthly financial report, updates to the C&E plan, and report from the water marketer.

14. DATE OF NEXT MEETING – APRIL 10, 2024:

15. ADJOURN:

Chairman Peters adjourns the meeting at 12:20 p.m. on March 29, 2024.

Respectfully submitted,

April Keigwin
 Clerk of the Board
 Indian Wells Valley Groundwater Authority

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Invoice

Indian Wells Valley Groundwater Authority
 Ms. Carol Thomas-Keefer
 100 W. California Ave.
 Ridgecrest, CA 93555

Invoice Number: 2652-79
Invoice Date: 04/03/24

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

Professional Services through 2/29/2024

Water Resources Management 2024

01 - Meetings & Prep

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	15.00	\$244.00	\$3,660.00
Supervisor I	12.25	\$212.00	\$2,597.00
Associate III	1.25	\$114.00	\$142.50
Assistant I	52.50	\$101.00	\$5,302.50
Assistant II	12.75	\$96.00	\$1,224.00
<i>Professional Services Subtotal:</i>			<u>\$12,926.00</u>
<i>Meetings & Prep Subtotal:</i>			<u>\$12,926.00</u>

01.02 - LADWP Releases Analysis and Presentation

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Special Project Director	12.00	\$244.00	\$2,928.00
Supervisor II	31.00	\$197.00	\$6,107.00
Associate III	18.75	\$114.00	\$2,137.50
<i>Professional Services Subtotal:</i>			<u>\$11,172.50</u>
<i>LADWP Releases Analysis and Presentation Subtotal:</i>			<u>\$11,172.50</u>

02 - Prop 1 / Prop 68 Grant Administration

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Senior III	0.50	\$138.00	\$69.00
Assistant I	0.50	\$101.00	\$50.50
<i>Professional Services Subtotal:</i>			<u>\$119.50</u>
<i>Prop 1 / Prop 68 Grant Administration Subtotal:</i>			<u>\$119.50</u>

02.01 - SGMA IP Grant Administration

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	1.00	\$244.00	\$244.00
Supervisor I	0.50	\$212.00	\$106.00
Senior III	3.50	\$138.00	\$483.00
Associate III	2.00	\$114.00	\$228.00
Assistant I	42.00	\$101.00	\$4,242.00
<i>Professional Services Subtotal:</i>			<u>\$5,303.00</u>
<i>SGMA IP Grant Administration Subtotal:</i>			<u>\$5,303.00</u>

02.02 - Urban Community Drought Relief Funding Administration

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
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02.02 - Urban Community Drought Relief Funding Administration

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Senior III	0.50	\$138.00	\$69.00
Assistant I	3.00	\$101.00	\$303.00
<i>Professional Services Subtotal:</i>			<u>\$372.00</u>
<i>Urban Community Drought Relief Funding Administration Subtotal:</i>			<u>\$372.00</u>

04 - Data Mgmt System Support

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Senior III	2.25	\$138.00	\$310.50
Senior Associate	32.00	\$132.00	\$4,224.00
<i>Professional Services Subtotal:</i>			<u>\$4,534.50</u>
<i>Data Mgmt System Support Subtotal:</i>			<u>\$4,534.50</u>

05 - General Project Mgmt

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	2.50	\$212.00	\$530.00
Senior III	0.50	\$138.00	\$69.00
<i>Professional Services Subtotal:</i>			<u>\$599.00</u>
<i>General Project Mgmt Subtotal:</i>			<u>\$599.00</u>

06 - Model Transfer & Upgrade

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Special Project Director	2.50	\$244.00	\$610.00
Supervisor I	1.75	\$212.00	\$371.00
Supervisor II	11.00	\$197.00	\$2,167.00
Assistant II	3.25	\$96.00	\$312.00
<i>Professional Services Subtotal:</i>			<u>\$3,460.00</u>
Sub-Contractors			<u>Charge</u>
Board of Regents			\$14,065.35
<i>Sub-Contractors Subtotal:</i>			<u>\$14,065.35</u>
<i>Model Transfer & Upgrade Subtotal:</i>			<u>\$17,525.35</u>

07.01 - Imported Water: Planning/Design/Environmental

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	18.00	\$244.00	\$4,392.00
Supervisor I	20.00	\$212.00	\$4,240.00
Assistant I	42.00	\$101.00	\$4,242.00
<i>Professional Services Subtotal:</i>			<u>\$12,874.00</u>
Reimbursables			<u>Charge</u>
Mileage			\$201.00
<i>Reimbursables Subtotal:</i>			<u>\$201.00</u>
<i>Imported Water: Planning/Design/Environmental Subtotal:</i>			<u>\$13,075.00</u>

07.02 - Imported Water: Engagement/Outreach

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	4.50	\$244.00	\$1,098.00
Supervisor I	0.50	\$212.00	\$106.00
<i>Professional Services Subtotal:</i>			<u>\$1,204.00</u>
<i>Imported Water: Engagement/Outreach Subtotal:</i>			<u>\$1,204.00</u>

11 - Data Collection, Monitoring & Data Gaps



11 - Data Collection, Monitoring & Data Gaps

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Special Project Director	4.75	\$244.00	\$1,159.00
Supervisor I	0.50	\$212.00	\$106.00
Senior Associate	16.25	\$132.00	\$2,145.00
Associate I	114.75	\$126.00	\$14,458.50
GIS Manager	2.50	\$126.00	\$315.00
Associate III	26.00	\$114.00	\$2,964.00
<i>Professional Services Subtotal:</i>			<u>\$21,147.50</u>

Reimbursables	<u>Charge</u>
Car Rental	\$1,627.46
Equipment Purchase	\$564.85
Field Supplies	\$313.36
Lodging	\$780.31
Meals	\$140.69
Mileage	\$52.26
Overnight Mail	\$35.83
Other Expenses	\$47.00
<i>Reimbursables Subtotal:</i>	
	<u>\$3,561.76</u>

Data Collection, Monitoring & Data Gaps Subtotal: \$24,709.26

12 - Shallow Well Consolidation Project

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	9.00	\$244.00	\$2,196.00
Supervisor I	9.25	\$212.00	\$1,961.00
GIS Manager	2.50	\$126.00	\$315.00
Assistant I	10.25	\$101.00	\$1,035.25
Assistant II	20.25	\$96.00	\$1,944.00
<i>Professional Services Subtotal:</i>			<u>\$7,451.25</u>

Shallow Well Consolidation Project Subtotal: \$7,451.25

18.1 - Navy/Coso Cooperative Agreement

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	1.50	\$244.00	\$366.00
Special Project Director	1.25	\$244.00	\$305.00
<i>Professional Services Subtotal:</i>			<u>\$671.00</u>

Navy/Coso Cooperative Agreement Subtotal: \$671.00

20 - Shallow Well Mitigation Program: Outreach & Impacts Evaluation

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	2.50	\$244.00	\$610.00
Supervisor I	3.50	\$212.00	\$742.00
Assistant I	10.00	\$101.00	\$1,010.00
<i>Professional Services Subtotal:</i>			<u>\$2,362.00</u>

Shallow Well Mitigation Program Outreach & Impacts Evaluation Subtotal: \$2,362.00

21 - General Engineering

Professional Services	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	0.75	\$212.00	\$159.00
Assistant II	0.25	\$96.00	\$24.00
<i>Professional Services Subtotal:</i>			<u>\$183.00</u>



General Engineering Subtotal: \$183.00

22 - GSP 5-Year Update

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	4.50	\$212.00	\$954.00
Supervisor II	89.50	\$197.00	\$17,631.50
GIS Manager	5.25	\$126.00	\$661.50
Associate III	2.75	\$114.00	\$313.50
Assistant II	80.75	\$96.00	\$7,752.00

Professional Services Subtotal: \$27,312.50

GSP 5-Year Update Subtotal: \$27,312.50

23 - Annual Report Preparation

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	2.00	\$244.00	\$488.00
Supervisor I	4.00	\$212.00	\$848.00
Senior III	5.50	\$138.00	\$759.00
GIS Manager	1.50	\$126.00	\$189.00
Associate III	1.25	\$114.00	\$142.50
Assistant II	5.50	\$96.00	\$528.00

Professional Services Subtotal: \$2,954.50

Annual Report Preparation Subtotal: \$2,954.50

27 - Litigation Support

Professional Services

	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	14.50	\$244.00	\$3,538.00
Special Project Director	6.00	\$244.00	\$1,464.00
Supervisor I	2.75	\$212.00	\$583.00

Professional Services Subtotal: \$5,585.00

Litigation Support Subtotal: \$5,585.00

***Water Resources Management 2024 Subtotal:* \$138,059.36**

***** Invoice Total *** \$138,059.36**

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PO Box 1350
Carmel Valley, CA 93924

Invoice

Date	Invoice #
2/29/2024	16437

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

P.O. No.	Due Date	Inv Sent
	3/30/2024	3/14/2024

Date	Description	Amount
2/29/2024	Contract Services for February - please see attached	22,906.30

Electronic Payment Information: Five Star Bank Routing: 121143037 Account: 003528782	Total \$22,906.30
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Indian Wells Valley

Month: **February, 2024**

Hours and Rates by Pay Period					
	1st -15th		16th - EOM		Monthly
Advisor	Reg Hrs	Bill Rate	Reg Hrs	Bill Rate	Total Billed
CT	17.00	\$ 134.00	21.70	\$ 134.00	\$ 5,185.80
AK	64.00	\$ 105.00	74.50	\$ 105.00	\$ 14,542.50
JK	0.00	\$ -	0.00	\$ -	\$ -
GL	0.00	\$ -	0.00	\$ -	\$ -
AM	0.00	\$ -	0.00	\$ -	\$ -
GS	4.50	\$ 137.00	17.50	\$ 137.00	\$ 3,014.00
EF	0.00	\$ -	0.00	\$ -	\$ -
RM	0.00	\$ -	1.00	\$ 164.00	\$ 164.00
Totals	85.50		114.70		\$ 22,906.30

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PO Box 1350
Carmel Valley, CA 93924

Invoice

Date	Invoice #
2/29/2024	16561

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

P.O. No.	Due Date	Inv Sent
	4/15/2024	3/26/2024

Date	Description	Amount
2/29/2024	Reimbursable Expenses for City of Ridegecrest Monthly Rent and Buraglio (\$300+60+252.00) - please see attached	612.00

Electronic Payment Information:Five Star Bank Routing:121143037 Account:003528782	Total	\$612.00
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Capitol Core Group, Inc.
 205 Cartwheel Bend (Operations Dept.)
 Austin, TX 78738 US
 512.568.3084
 operations@capitolcore.com
 www.capitolcore.com

BILL TO

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

INVOICE 2024-030

DATE 04/01/2024 **TERMS** Net 45

DUE DATE 05/16/2024

VENDOR ID
195953

INVOICE PERIOD
March 2024

DATE	ACCOUNT SUMMARY	AMOUNT
03/01/2024	Balance Forward	33,175.00
	Other payments and credits after 03/01/2024 through 03/31/2024	-16,387.50
04/01/2024	Other invoices from this date	0.00
	New charges (details below)	21,793.75
	Total Amount Due	38,581.25

ACTIVITY	HOURS	RATE	AMOUNT
Charges			
Project 1: Imported Water Supplies			
P1-A: Ongoing Supply Negotiations			
Government Relations: Intergovernmental Affairs	4.50	275.00	1,237.50
A: Water Purchase Negotiations -- Public Agency Seller #5 {Tatum}			
Government Relations: Intergovernmental Affairs	3.50	250.00	875.00
A: Public Agency Seller #5: Ongoing negotiations, and internal calls {Simonetti}			
P1-B: Other Required Agreements			
Government Relations: Intergovernmental Affairs	3	275.00	825.00
B: AVEK Agreements {Tatum}			
Government Relations: Intergovernmental Affairs	2.50	250.00	625.00
B: Interconnection and Wheeling Agreements (AVEK) -- meetings, clients meetings and document preparation {Simonetti}			
P1-C: Required Regulatory Approvals			
Government Relations: Intergovernmental Affairs	1	275.00	275.00
C: Agency: DWR (Gosselin) meeting {Tatum}			
P1-D: 2024 Water Marketing Activities			
Government Relations: Intergovernmental Affairs	5	275.00	1,375.00
D: 2024 Water Sales {Tatum}			
Government Relations: Intergovernmental Affairs	1	250.00	250.00
D: 2024 Water Supplies {Simonetti}			

ACTIVITY	HOURS	RATE	AMOUNT
Invoice Total Project 1: \$5,212.50			
Project 2: Interconnection Pipeline Project			
Government Relations:Federal Congressional: Direct Advocacy -- WRDA-24: House Committee on Transportation & Infrastructure/Senate Committee on Environment & Public Works {McKinney}	6	275.00	1,650.00
Government Relations:Federal Congressional: Direct Advocacy -- WRDA-24: Representative Garcia, Senator Padilla, Rep. Aguilar, Sen. Tester {McKinney}	2.50	275.00	687.50
Government Relations:California Agency: DWR Call (SGMA team) re: Pipeline {Simonetti}	1	250.00	250.00
Government Relations:California Agency: DWR policy meeting (policy team) re: Interconnection {Simonetti}	1	250.00	250.00
Government Relations:Federal Congressional: Interconnection Pipeline WRDA-24 Request Direct Advocacy House/Senate {Simonetti}	4	250.00	1,000.00
Government Relations:California Legislative: State Budget Request FY2024-2025 Direct Advocacy {Simonetti}	4.50	250.00	1,125.00
Government Relations:California Legislative: State Budget Report {Henderson}	0.25	175.00	43.75
Invoice Total Project 2: \$5,006.25			
Project 3: Other Projects Supporting the GSP			
P3-A: Water Recycling Plant			
P3-B: Wastewater Treatment Plant			
P3-C: Well Mitigation, Consolidations, and Repurposing			
P3-D: Governmental Affairs			
Government Relations:California Legislative: Bill Identification and Analysis; Tracking and Reports {McKinney}	4	275.00	1,100.00
Government Relations:Federal Agency: USACE Planning Assistance to States {McKinney}	0.50	275.00	137.50
Government Relations:Federal Congressional: Direct Advocacy -- CPFR-FY2025 E&WD: Rep. Obernolte, House Committee on Appropriations {McKinney}	2	275.00	550.00
Government Relations:California Legislative: Direct Advocacy -- SB 1210 document preparation, lobbying, and internal strategy {McKinney}	2	275.00	550.00
Government Relations:California Legislative: State Budget Request FY2024-2025 Asm. Fong and Senator Grove, lobbying and internal strategy {McKinney}	2	275.00	550.00
Government Relations:California Legislative: Amendments in support of adjudication and other items (all internal) {McKinney}	2	275.00	550.00
Government Relations:Federal Congressional: FY2024 and FY2025 Appropriations issues (split) {McKinney}	1.50	275.00	412.50

ACTIVITY	HOURS	RATE	AMOUNT
Government Relations:California Legislative: Briefing to State Legislators Adjudication {McKinney}	2	275.00	550.00
Government Relations:Federal Congressional: E&WD-FY2025 Community Project Funding Request: Direct Advocacy House/Senate {Simonetti}	3.50	250.00	875.00
Government Relations:Federal Agency: USACE Planning Assistance to States {Simonetti}	1	250.00	250.00
Government Relations:California Legislative: SB 1210 Direct Advocacy and internal meeting {Simonetti}	3.25	250.00	812.50
Government Relations:California Legislative: Direct Advocacy (various bills of interest) {Simonetti}	3	250.00	750.00
Government Relations:Federal Congressional: Community Project Funding Request report {Henderson}	2.50	175.00	437.50
Invoice Total Project 3: \$7,525.00			
Project Administration			
A: Board Meetings and Required Reports			
General Business Items:Project Administration Board Meeting Preparation: March 2024 {McKinney}	1.50	275.00	412.50
General Business Items:Project Administration Board Meeting: March 29, 2024 {McKinney}	2.50	275.00	687.50
General Business Items:Project Administration Board Meetings: March Board Meeting {Tatum}	2	275.00	550.00
General Business Items:Project Administration Board Meetings: Monthly Meeting and Materials Preparation {Simonetti}	3.50	250.00	875.00
B: Ad Hoc Reports and Requested Assistance			
General Business Items:Project Administration Ad Hoc: Client Calls and materials prep for water purchase {Simonetti}	1.25	250.00	312.50
C: Other Client Meetings Not Classified			
General Business Items:Project Administration Client Calls and Project Strategy (Internal) {McKinney}	3.50	275.00	962.50
Invoice Total Project Administration: \$3,800.00			

Regulatory Reporting Notes:			
IWVGA Federal Reporting on Invoice: \$6,000.00			
IWVGA Federal Reporting Qtr 1: \$15,237.50			
IWVGA State Reporting on Invoice: \$6,531.25			
IWVGA State Reporting Qtr 1: \$14,851.25			

PLEASE NOTE: First Quarter 2024 Financial Disclosure Reports are due to the CA Sec. of State by April 20, 2024.

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

SUBTOTAL	21,793.75
TAX	0.00
TOTAL	21,793.75
TOTAL OF NEW CHARGES	21,793.75

TOTAL DUE

\$38,581.25

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PROVOST & PRITCHARD CONSULTING GROUP

455 W Fir Ave • Clovis, CA 93611 • (559) 449-2700
www.provostandpritchard.com

April Keigwin
Indian Wells Valley Groundwater Authority
100 West California Avenue
Ridgecrest, CA 93555

April 04, 2024
Project No: 04101-23-002
Invoice No: 108770

Project Name: IWVGA Imported Water Conveyance Design Services

Client Project #:

See Monthly Progress Report attached to the front of this invoice.

Professional Services from March 01, 2024 to March 31, 2024

Phase: 121P Coordination Meetings

Labor

	Hours	Rate	Amount	
Senior Engineer	6.60	195.00	1,287.00	
Associate Engineer	24.70	133.00	3,285.10	
Project Administrator	.20	94.00	18.80	
Totals	31.50		4,590.90	
Total Labor				4,590.90
		Total this Phase:		\$4,590.90

Phase: 131P P&P General Project Management

Labor

	Hours	Rate	Amount	
Senior Engineer	193.40	195.00	37,713.00	
Principal Engineer	1.00	207.00	207.00	
Principal Engineer	14.50	227.00	3,291.50	
Principal Engineer	16.33	238.00	3,886.54	
Principal Engineer	50.00	248.00	12,400.00	
Project Administrator	12.40	101.00	1,252.40	
Totals	287.63		58,750.44	
Total Labor				58,750.44
		Total this Phase:		\$58,750.44

Phase: 221P Environmental & ROW Consultant Coordination

Labor

	Hours	Rate	Amount	
Senior Engineer	4.60	195.00	897.00	
Associate Engineer	6.00	133.00	798.00	
Assistant Specialist	.20	112.00	22.40	
Totals	10.80		1,717.40	
Total Labor				1,717.40
		Total this Phase:		\$1,717.40

Phase: 251P P&P Coordination Geotechnical Services

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For billing inquiries, please email Billing@ppeng.com.

Labor

	Hours	Rate	Amount	
Senior Engineer	3.50	195.00	682.50	
Totals	3.50		682.50	
Total Labor				682.50
Total this Phase:				\$682.50

Phase: 271P BLM Special Use Permit

Labor

	Hours	Rate	Amount	
Senior Engineer	8.50	195.00	1,657.50	
Senior Specialist	9.10	165.00	1,501.50	
Principal Engineer	3.80	248.00	942.40	
Totals	21.40		4,101.40	
Total Labor				4,101.40

Consultants

Consultants			1,590.66	
Total Consultants			1,590.66	1,590.66
Total this Phase:				\$5,692.06

Phase: 275P SCE Encroachment Permit (Transmission Line Under Crossing)

Labor

	Hours	Rate	Amount	
Senior Engineer	6.20	178.00	1,103.60	
Senior Engineer	.70	195.00	136.50	
Totals	6.90		1,240.10	
Total Labor				1,240.10
Total this Phase:				\$1,240.10

Phase: 321P P&P 60% Submittal

Labor

	Hours	Rate	Amount	
Senior Engineer	4.50	178.00	801.00	
Senior Engineer	2.00	171.00	342.00	
Senior Engineer	7.40	195.00	1,443.00	
Principal Engineer	1.00	227.00	227.00	
Totals	14.90		2,813.00	
Total Labor				2,813.00
Total this Phase:				\$2,813.00

Phase: 322D P&P Drafting 60% Submittal

Labor

	Hours	Rate	Amount	
Senior Technician	4.50	150.00	675.00	
Totals	4.50		675.00	
Total Labor				675.00
Total this Phase:				\$675.00

Phase: 326Q 60% Dahl Consultants

Consultants

Consultants			4,692.00	
	Total Consultants		4,692.00	4,692.00
		Total this Phase:		\$4,692.00

Billing Limits

	Current	Prior	To-Date	
Total Billings	80,853.40	2,214,503.16	2,295,356.56	
Budget			3,770,969.00	
Budget Remaining			1,475,612.44	
		Total this Invoice		<u><u>\$80,853.40</u></u>

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PROVOST & PRITCHARD CONSULTING GROUP

455 W Fir Ave • Clovis, CA 93611 • (559) 449-2700
www.provostandpritchard.com

April Keigwin
Indian Wells Valley Groundwater Authority
100 West California Avenue
Ridgecrest, CA 93555

March 18, 2024
Project No: 04101-23-001
Invoice No: 108193

Project Name: Indian Wells Valley Groundwater Authority-CEQA/NEPA Documents and Permit Documentation

Client Project #:

TSK 1 Initial Coordination: Continued Coordination tasks with staff, client, and agencies to keep project schedule on track. Administrative tasks for overall project progression. Weekly coordination meetings and tasks for project progression. Coordination meetings with sub consultants. Internal management meetings for project progression discussions, staff changes, and all related project status updates. Internal staff coordination based on agency feedback and updates from meetings. Follow up on amendments and notice to proceed. Attend all meetings with BLM and client and draft notes for review and sending out to group. Process sub consultant invoices, reimbursable expenses and timesheets for approval.

TSK 2 Geotechnical Studies: Continued email correspondence with CDFW to discuss boring sites and mitigation measures. Review and discuss boring locations and make edits to all prepared maps based on discussions. Submit resumes for qualified biological staff to BLM for approval for required additional botany surveys. Review mitigation measures for geotechnical work and revise based on meetings with BLM and CDFW. Map updates for geotechnical locations. Meeting with BLM to review and edits to POD and CMAs for geotechnical work and resolved questions/comments on prepared document. Check in with CDFW and email correspondence. Review revegetation plan for geotechnical work.

TSK 3 Technical Studies: Biological Resources - Surveys areas updated in alignment. Updates to biological technical reports based on comments/feedback from BLM and CDFW. Reimbursable Expenses - rental car and lodging for surveys.

TSK 4 Public Outreach: Updates to scoping report per meetings with BLM and coordination meetings.

TSK 5 Regulatory Compliance and Permitting: Follow up on submittal of permits for geotechnical work to CDFW, RWQCB, and USACE waivers. Review CDFW LSA Incomplete application letter. Compiling ARD comments and edits to have done for permit package resubmittal. Internal meeting with sub consultant for edits to the ARD based on LSA comments. Coordination with sub consultant on edits and updates to ARD report. Edits to figures.

TSK 6 CEQA/NEPA Documentation: Detailed coordination meetings and review of IS/EIR documents based on comments received and input from senior staff QAQC review. Revisions to each section of the documents to provide resource analysis support for project. Updates to maps for environmental document. Updates to project description. Letters prepared and mailed out to agencies for cumulative impacts. Revisions to EIR sections based on research and meetings. Edits to EA Sections based on research and meetings. Internal QAQC on EIR and EA sections for submittal to agencies and client. Edits to figures in environmental document.

Professional Services from February 01, 2024 to February 29, 2024

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For billing inquiries, please email Billing@ppeng.com.

Phase: TSK1 Initial Coordination (Kick Off Meetings)

Labor

	Hours	Rate	Amount	
Principal Engineer	.50	240.00	120.00	
Project Administrator	.70	114.00	79.80	
Principal Planner	9.80	198.00	1,940.40	
Senior Project Administrator	46.80	122.00	5,709.60	
Totals	57.80		7,849.80	
Total Labor				7,849.80

Consultants

Consultants			876.88	
Total Consultants			876.88	876.88

Total this Phase: \$8,726.68

Phase: TSK2 Geotechnical Studies

Labor

	Hours	Rate	Amount	
Associate Biologist	37.80	136.00	5,140.80	
Principal Biologist	3.00	180.00	540.00	
Totals	40.80		5,680.80	
Total Labor				5,680.80

Consultants

Consultants			4,847.25	
Total Consultants			4,847.25	4,847.25

Total this Phase: \$10,528.05

Phase: TSK3 Technical Studies

Labor

	Hours	Rate	Amount	
Senior Specialist	8.00	157.00	1,256.00	
Principal Engineer	.20	240.00	48.00	
Principal Planner	4.50	198.00	891.00	
Associate Biologist	40.90	136.00	5,562.40	
Principal Biologist	8.00	180.00	1,440.00	
Senior Project Administrator	13.80	122.00	1,683.60	
Totals	75.40		10,881.00	
Total Labor				10,881.00

Total this Phase: \$10,881.00

Phase: TSK4 Public Outreach

Labor

	Hours	Rate	Amount	
Senior Project Administrator	1.00	122.00	122.00	
Totals	1.00		122.00	
Total Labor				122.00

Consultants

Consultants			787.75	
Total Consultants			787.75	787.75

Total this Phase: \$909.75

Phase: TSK5 Regulatory Compliance and Permitting

Labor

	Hours	Rate	Amount	
Associate Specialist	7.40	127.00	939.80	
Principal Planner	2.70	198.00	534.60	
Associate Biologist	15.90	136.00	2,162.40	
Senior Project Administrator	2.50	122.00	305.00	
Totals	28.50		3,941.80	
Total Labor				3,941.80
				Total this Phase: \$3,941.80

Phase: TSK6 CEQA/NEPA Documentation

Labor



	Hours	Rate	Amount	
Senior Engineer	3.70	210.00	777.00	
Associate Specialist	1.10	120.00	132.00	
Senior Specialist	23.90	157.00	3,752.30	
Administrative Assistant	.70	81.00	56.70	
Project Administrator	1.80	114.00	205.20	
Associate Planner	61.20	124.00	7,588.80	
Assistant Planner	25.50	103.00	2,626.50	
Senior Planner	.20	152.00	30.40	
Principal Planner	7.20	198.00	1,425.60	
Associate Biologist	1.20	136.00	163.20	
Senior Project Administrator	1.80	122.00	219.60	
Totals	128.30		16,977.30	
Total Labor				16,977.30

Reimbursable Expenses

Postage/Shipping/Delivery			3.22	
Total Reimbursables			3.22	3.22
				Total this Phase: \$16,980.52

Total this Invoice: \$51,967.80

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**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Year Ended
December 31, 2022
(With Comparative Amounts as of December 31, 2021)**

NIGRO & NIGRO^{PC}

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

Board of Directors

As of December 31, 2022

Name	Title	Member Agency
Phillip Peters	Chair	County of Kern
Scott Hayman	Vice Chair	City of Ridgecrest
Stan Rajtora	Director	Indian Wells Valley Water District
Matt Kingsley	Director	County of Inyo
Paul Cook	Director	County of San Bernardino
Commander Benjamin Turner	Member	Dept. of the Navy DoD Liaison*
Thomas Bickauskas	Member	Bureau of Land Management (BLM)*

**** Non-voting Members***

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

For the Fiscal Year Ended December 31, 2022

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Financial Section



INDEPENDENT AUDITORS' REPORT

Board of Directors
Indian Wells Valley Groundwater Authority
Ridgecrest, California

Opinion

We have audited the accompanying financial statements of the Indian Wells Valley Groundwater Authority (Authority) which comprise the balance sheet as of December 31, 2022, the related statements of revenue, expenses, and changes in net position, and cash flows for the year then ended, and related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2022 and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements as a whole. Schedule of Balance Sheets – Combined – Internal Funds, Schedule of Revenues, Expenses, Changes in Net Position – Combined – Internal Funds, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Authority's financial statements for the year ended December 31, 2021, from which such partial information was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated April 1, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Murrieta, California
April 1, 2024

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

Management's Discussion and Analysis (Unaudited)

For the Fiscal Years Ended December 31, 2022

Management's Discussion and Analysis (MD&A) offers readers of Indian Wells Valley Groundwater Authority's financial statements a narrative overview of the Authority's financial activities for the fiscal years ended December 31, 2022. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to-prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

INTRODUCTION TO THE AUTHORITY

The Authority was formed in July 2016 in response to the 2014 Sustainable Groundwater Management Act (SGMA or the Act) for the purpose of achieving groundwater sustainability in the Indian Wells Valley Groundwater Basin. SGMA requires groundwater basins subject to the Act to form a Groundwater Sustainability Agency (GSA), which is then required to develop and implement a groundwater sustainability plan (GSP or Plan) and achieve sustainable groundwater management within 20 years of Plan adoption. The Authority received approval for the Plan from the Department of Water Resources in January 2022.

The Authority is a joint powers authority comprised of the following five local public agencies: County of Kern, Indian Wells Valley Water District, County of Inyo, County of San Bernardino and the City of Ridgecrest.

The Authority's Board of Directors is composed of 5 voting members, one from each member jurisdiction. The JPA also has non-voting Associate Members for the following federal agencies: United States Department of the Interior Bureau of Land Management and United States Navy Naval Air Weapons Station China Lake. The Authority's revenue sources include extraction fees, basin replenishment fees and Department of Water Resources (DWR) grant funding.

Authority administration and engineering services were outsourced since the inception of the JPA. Stetson Engineering provides Water Resource Manager services, engineering and grant administration for the Authority. Administration and financial services were originally shared between JPA members until January 2021, when Regional Government Services (RGS) was hired to provide outsourced administration and financial services for the Authority.

FINANCIAL HIGHLIGHTS

- In fiscal year 2022, the Authority's net position increased by 133.24%, or \$2,755,979 from the prior year's net position of \$2,433,655 to \$5,189,634, as a result of the year's operations.
- The Authority had 2022 operating revenue of \$5,757,626 as compared to 2021 operating revenue of \$5,844,996 primarily from decreased assessment revenue in 2022.
- The Authority's operating expenses for 2022 increased \$755,389 from \$2,024,899 in 2021 to \$2,780,288 in 2022 due primarily to an increase in groundwater management expenses and continued litigation costs.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A serves as an introduction to the Authority's financial statements. The Authority's basic financial statements reflect the combined results of the operating and capital programs and include four components: (1) Balance Sheet; (2) Statement of Revenues, Expenses and Changes in Net Position; (3) Statement of Cash Flows; and (4) Notes to the Financial Statements.

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The financial statements accompanying this MD&A present the net position and results of operations during the fiscal year ending December 31, 2022. These financial statements have been prepared using the accrual basis of accounting, which is similar to the accounting basis used by for-profit entities. Each financial statement is identified and defined in this section, and analyzed in subsequent sections of this MD&A.

REQUIRED FINANCIAL STATEMENTS

Balance Sheet

The Balance Sheet presents information on the Authority's assets and liabilities the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. However, other factors such as changes in economic conditions, population growth, zoning, and new or changed legislation or regulations also need to be considered when evaluating financial position. Assets exceed liabilities, resulting in a net position of \$5,189,634 as of December 31, 2022.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the Authority's net position changed during the fiscal year. All of the year's revenues and expenses are accounted for in this statement. This statement measures the results of the Authority's operations for the year and can be used to determine if the Authority has successfully recovered all of its costs through fees and charges. Operating revenues and expenses are related to the Authority's core activities. Non-operating revenues and expenses are not directly related to the core activities of the Authority. For the fiscal year ended December 31, 2022 net position increased by 113.24% or \$2,755,979.

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION

Analysis of Net Position

Table A-1: Condensed Balance Sheet

	<u>2022</u>	<u>2021</u>	<u>Change</u>
ASSETS			
Current assets	\$ 7,075,512	\$ 3,871,004	\$ 3,204,508
Capital assets, net (note 3)	18,629	22,769	(4,140)
Total assets	<u>\$ 7,094,141</u>	<u>\$ 3,893,773</u>	<u>\$ 3,200,368</u>
LIABILITIES			
Current liabilities	\$ 971,087	\$ 267,901	\$ 703,186
Non-current liabilities	933,420	1,192,217	(258,797)
Total liabilities	<u>1,904,507</u>	<u>1,460,118</u>	<u>444,389</u>
NET POSITION			
Investment in capital assets	18,629	22,769	(4,140)
Restricted	5,944,928	3,160,686	2,784,242
Unrestricted	(773,923)	(749,800)	(24,123)
Total net position	<u>5,189,634</u>	<u>2,433,655</u>	<u>2,755,979</u>
Total liabilities and net position	<u>\$ 7,094,141</u>	<u>\$ 3,893,773</u>	<u>\$ 3,200,368</u>

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2022

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)

In fiscal year 2022, the Authority's net position increased by 133.24%, or \$2,755,979 from the prior year's net position of \$2,433,655 to \$5,189,634, as a result of the year's operations.

Analysis of Revenues and Expenses

Table A-2: Condensed Statement of Revenues, Expenses and Changes in Net Position

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Operating Revenues	\$ 5,757,626	\$ 5,844,996	\$ (87,370)
Operating Expenses	<u>2,780,288</u>	<u>2,024,899</u>	<u>755,389</u>
Operating income	2,977,338	3,820,097	(842,759)
Non-Operating Revenues	<u>(221,359)</u>	<u>-</u>	<u>(221,359)</u>
Change in net position	2,755,979	3,820,097	<u>\$ (1,064,118)</u>
Net Position			
Beginning of year	<u>2,433,655</u>	<u>(1,386,442)</u>	
End of year	<u>\$ 5,189,634</u>	<u>\$ 2,433,655</u>	

The Authority's operating revenue decreased by 1.49%, or \$87,370 from \$5,844,996 in 2021 to \$5,757,626 in 2022, primarily from decreased assessment fee revenue in 2022.

The Authority's operating expenses for 2022 increased \$755,389 from \$2,024,899 in 2021 to \$2,780,288 in 2022 due primarily to an increase in groundwater management expenses and continued litigation costs.

Capital Assets

	<u>Balance</u> <u>December 31, 2022</u>	<u>Balance</u> <u>December 31, 2021</u>
Capital assets:		
Depreciable assets	\$ 28,979	\$ 28,979
Accumulated depreciation	<u>(10,350)</u>	<u>(6,210)</u>
Total capital assets, net	<u>\$ 18,629</u>	<u>\$ 22,769</u>

At the end of year 2022, the District's investment in capital assets amounted to \$18,629 (net of accumulated depreciation), respectively. There were no additions to capital assets in 2022. See Note 4 for further information.

FACTORS AFFECTING CURRENT FINANCIAL POSITION

The Authority anticipates that operating revenues and expenses for fiscal year 2023 will increase from fiscal year 2022, due to increased grant funding as well as increases in basin management expenditures. This is reflected in the Authority's budget for the 2023 fiscal year.

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2022

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is intended to provide the Board of Directors, creditors, and other interested parties with general overview of the Authority's financial operations and condition at the year ended December 31, 2022, and to demonstrate the Authority's accountability for the funds it receives. If you have any questions about this report or need additional information, you may contact the Authority's Management, at Indian Wells Valley Groundwater Authority, 100 W. California Ave., Ridgecrest, CA 93555 or by email at akeigwin@rgs.ca.gov.

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

Balance Sheets

December 31, 2022

(With Comparative Amounts as of December 31, 2021)

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents (note 2)	\$ 5,536,760	\$ 3,045,853
Accounts receivable, net (note 3)	740,546	332,862
Grant receivable	798,206	492,289
Total current assets	<u>7,075,512</u>	<u>3,871,004</u>
Non-current assets:		
Capital assets, net (note 4)	18,629	22,769
Total non-current assets	<u>18,629</u>	<u>22,769</u>
Total assets	<u>\$ 7,094,141</u>	<u>\$ 3,893,773</u>
<u>LIABILITIES AND NET POSITION</u>		
Current liabilities:		
Accounts payable	\$ 971,087	\$ 267,901
Total current liabilities	<u>971,087</u>	<u>267,901</u>
Non-current liabilities:		
Advances payable (note 5)	-	500,000
Due to other governments (note 6)	933,420	692,217
Total non-current liabilities	<u>933,420</u>	<u>1,192,217</u>
Total liabilities	<u>1,904,507</u>	<u>1,460,118</u>
NET POSITION		
Investment in capital assets	18,629	22,769
Restricted	5,944,928	3,160,686
Unrestricted (note 8)	<u>(773,923)</u>	<u>(749,800)</u>
Total net position	<u>5,189,634</u>	<u>2,433,655</u>
Total liabilities and net position	<u>\$ 7,094,141</u>	<u>\$ 3,893,773</u>

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY*Statements of Revenues Expenses and Changes in Net Position**For the Fiscal Year Ended December 31, 2022**(With Comparative Amounts for the Fiscal Year Ended December 31, 2021)*

	<u>2022</u>	<u>2021</u>
Operating Revenues		
Assessment fees	\$ 5,162,171	\$ 5,522,199
Operating grants	595,455	322,797
Total operating revenues	<u>5,757,626</u>	<u>5,844,996</u>
Operating Expenses		
Groundwater management	1,250,026	764,030
General and administrative	1,526,122	1,256,729
Depreciation expense	4,140	4,140
Total operating expenses	<u>2,780,288</u>	<u>2,024,899</u>
Operating income	<u>2,977,338</u>	<u>3,820,097</u>
Non-Operating Revenues		
Investment earnings	(221,359)	-
Assessment fees (note 3)	12,709,334	11,989,819
Bad debt expense (note 3)	(12,709,334)	(11,989,819)
Total non-operating revenues	<u>(221,359)</u>	<u>-</u>
Change in net position	2,755,979	3,820,097
Net Position		
Beginning of year	<u>2,433,655</u>	<u>(1,386,442)</u>
End of year	<u>\$ 5,189,634</u>	<u>\$ 2,433,655</u>

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY*Statements of Cash Flows**For the Fiscal Year Ended December 31, 2022**(With Comparative Amounts for the Fiscal Year Ended December 31, 2021)*

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Cash received from assessment fees	\$ 4,533,128	\$ 5,252,000
Cash received from grant revenue	289,538	487,467
Cash payments for operating expenses	<u>(1,831,759)</u>	<u>(2,340,610)</u>
Net cash provided by operating activities	<u>2,990,907</u>	<u>3,398,857</u>
Cash flows from financing activities:		
Principal payments on advances payable	<u>(500,000)</u>	<u>(500,000)</u>
Net cash used in financing activities	<u>(500,000)</u>	<u>(500,000)</u>
Net increase in cash and cash equivalents	<u>2,490,907</u>	<u>2,898,857</u>
Cash and cash equivalents:		
Beginning of year	<u>3,045,853</u>	<u>146,996</u>
End of year	<u>\$ 5,536,760</u>	<u>\$ 3,045,853</u>
	<u>2022</u>	<u>2021</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 2,977,338	\$ 3,820,097
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	4,140	4,140
Change in fair-value of investments	(221,359)	-
(Increase) decrease in assets:		
Assessment fee receivable	(407,684)	(270,199)
Grant receivable	(305,917)	164,670
Increase (decrease) in liabilities:		
Accounts payable	703,186	(530,008)
Due to other governments	<u>241,203</u>	<u>210,157</u>
Net cash provided by operating activities	<u>\$ 2,990,907</u>	<u>\$ 3,398,857</u>
Noncash investing, capital and financing transactions		
Change in fair-value of investments	<u>\$ (221,359)</u>	<u>\$ -</u>

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

Notes to Financial Statements

December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations of the Reporting Entity

The Indian Wells Valley Groundwater Authority (Authority) was formed under a Joint Exercise of Powers Authority on June 15, 2016, pursuant to Sections 6506 and 6507 of the Exercise of Powers Act, codified at California Government Code sections 6500, authorizes public agencies by agreement to exercise jointly any power common to the contracting parties. The Authority was formed between the City of Ridgecrest, the County of Inyo, the County of Kern, the County of San Bernardino, and the Indian Wells Valley Water District. Each Member is a local Authority, as defined by the Sustainable Groundwater Management Act of 2014 (SGMA), duly organized and existing under and by virtue of the laws of the State of California; whereby, each member can exercise powers related to groundwater management. The Authority is an independent public Authority separate from the Members. The Authority's board consists of one director from each of the Member agencies, as well as one Associate Member from the United States Department of the Interior Bureau of Land Management and the United States Navy Naval Air Weapons Station China Lake. The Associate Members are non-voting Members.

The purpose of the Authority is to develop a groundwater sustainability plan, implement projects and management activities which achieve sustainability by 2042, and to ensure sustainability for the following thirty years. The Authority serves as the GSA for the Indian Wells Valley Groundwater Basin, which has been designated as critically-over drafted (COD) basin by the Department of Water Resources (DWR).

Basis of Accounting and Measurement Focus

The Authority reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Authority is that the costs of providing services be financed or recovered primarily through user (member) charges, capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Financial Reporting

The Authority's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States Board (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the Authority's proprietary fund.

Operating revenues and expenses result from exchange transactions associated with the principal activity of the Authority. Exchange transactions are those in which each party receives and gives up essentially equal values. Management administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

Notes to Financial Statements

December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the Authority categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The Authority has the ability to access the holding and quoted prices as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the Authority's own assumptions about the factors market participants would use in pricing an investment and is based on the best information available in the circumstances.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

Capital assets are stated at cost or at their estimated fair value at date of donation. It is the Authority's policy to capitalize assets costing over \$5,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets.

Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

Investment in capital assets - This component of net position consists of capital assets net of accumulated depreciation.

Restricted – This component is restricted by external creditors, grantors, contributors or laws or regulations of other governments.

Unrestricted – This component of net position is the net amount of the assets less liabilities that are not included in the determination of the investment in capital assets component of net position.

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

Notes to Financial Statements

December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Extraction Fee

Effective September 1, 2018, and adopted by Ordinance No. 02-18, all groundwater extractions from and within the Basin shall be subject to measurement and the Groundwater Extraction. This fee, currently at \$105 per acre-foot of water pumped, is levied on all water producers within the Indian Wells Valley Basin, except for de minimis pumpers (those who produce less than two AF per year) and co-ops with less than four connections.

California Water Code Section 10730, enacted through SMA, authorizes the Groundwater Authority, the authority to impose a groundwater extraction fee. Pursuant to Section 10730(a), the fees may be used "to fund the costs of a groundwater sustainability program, including, but not limited to, preparation adoption, and amendment of a groundwater sustainability plan, and investigations, inspections, compliance assistance, enforcement, and program administration, including a prudent reserve." In addition, Water Code Section 10725(a) authorizes the Groundwater Authority to "perform any act necessary or proper to carry out the purposes of this part {SGMA}.

Pursuant to SGMA, all groundwater pumpers are subject to the groundwater extraction fee except for federal entities and those that qualify as de minimis extractors. SMA expressly provides that a "de minimis extractor" is a "person who extracts, for domestic purposes, two acre-feet or less per year" (California Water Code Section 10721(e)). "Person" for the purposes of this fee is any typical household including landscaping. One acre-foot of water is equivalent to 325,851 gallons.

Basin Replenishment Fee

On August 21, 2020, a public hearing was held to consider the adoption of the Basin Replenishment Fee by the Authority. Federal Interests and de minimis users, as defined by the SMA, are exempt from the Replenishment Fee. Likewise, residents in the Authority's small mutuals and the Inyokern Community Services District are exempted through Navy pronouncement that its water needs include off-Stations demands for its workforce, and their dependents. The Replenishment Fee is calculated so that the properties are only charged their fair share, and no more. At the hearing, the Authority conducted a majority protest proceeding and determined there was not a majority of protest letters received. The Board adopted Ordinance 03-20 setting the Basin Replenishment Fee.

The Basin Replenishment Fee is a composite per acre foot extraction fee to purchase import supplies for those that need them and to pay for mitigation of registered shallow wells that are damaged by continuing overdraft. The Basin Replenishment Fee can be lowered as it is proportional and based on the augmented supply needed so if the needed supply is lowered the ultimate cost is lowered.

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

Notes to Financial Statements

December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basin Replenishment Fee (continued)

Basin Replenishment Fees currently imposed by the Authority are as follows:

- **Shallow Well Mitigation Fee:** Currently at \$17.50/acre-foot (AF), this fee is paid by agricultural pumpers who joined the Transient Pool. The Transient Pool allocated agricultural users with an allotment of water that can be used until 2040.
- **Replenishment Fee:** This fee is levied on any water producers who exceed the allotment assigned to them from the Basin's sustainable safe yield; it is also levied on agricultural water users who chose not to join the Transient Pool. Currently, the Replenishment totals \$2,130/AF - comprised of two separate components: the Shallow Well Mitigation Fee (identified above) at \$17.50/AF, and an Augmentation Fee at \$2,112.50/AF. The purpose of the Replenishment Fee is to pay for activities associated with supplementing the Basin's natural water supply, including the purchase of rights to imported water supplies, construction of an imported water pipeline, and an advanced water treatment facility for reuse of recycled water.

Member Agency Contributions

The Authority's joint exercise of powers agreement provides that any member may make contributions of money or assets to the Authority; make or advance payments of public funds to defray the cost of Authority's operation; and contribute personnel, equipment or property instead of or in addition to other contributions or advances. Such contributions shall be paid to and disbursed by the Authority as set out in separate agreements between the Authority and the member and approved by the board and the governing body of the member.

Grants

Grant revenues are recorded when earned on grants that have been approved and funded by the grantor.

Member's Net Position

In the event of a member withdrawal, member termination, or dissolution of the Authority, any property interest remaining in the Authority, following a discharge of all obligations shall be disposed of pursuant to the Joint Powers Agreements as adopted by the Governing Board.

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

Notes to Financial Statements

December 31, 2022

NOTE 2 – CASH AND INVESTMENTS

Cash and investments at December 31, 2022, are classified on the balance sheet as follows:

Description	2023
Cash and cash equivalents	\$ 5,536,760
Total cash and investments	\$ 5,536,760

Cash and investments at December 31, 2022, consisted of the following:

Description	2023
Deposits with Kern County Treasury Investment Pool (KCTIP)	\$ 5,536,760
Total cash and investments	\$ 5,536,760

Demand Deposits with Financial Institutions

At December 31, 2022 the carrying amount of the Authority's demand deposits was \$0, and the financial institution's balance was \$430,217. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution's balance and the Authority's balance for the year.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

Kern County Treasury Investment Pool (KCTIP)

The Authority is a voluntary participant in the Kern County Treasury Investment Pool (KCTIP) pursuant to Government Code Section 53694. The cash flow needs of participants are monitored daily to ensure that sufficient liquidity is maintained to meet the needs of those participants. At the time deposits are made, the Kern County Treasurer may require the depositing entity to provide annual cash flow projections or an anticipated withdrawal schedule for deposits in excess of \$1 million. Projections are performed no less than semi-annually. In accordance with Government Code Section 27136, all request for withdrawal of funds for the purpose of investing or deposits the funds elsewhere shall be evaluated to ensure the proposed withdrawal will not adversely affect the principal deposits of the other participants. Pool detail may be obtained from the County of Kern Treasurer's Office – 1115 Truxtun Ave, Ste 2ND, Bakersfield, CA 93301 or the Treasurer's office website at www.kcttc.co.kern.ca.us.

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

Notes to Financial Statements

December 31, 2022

NOTE 2 – CASH AND INVESTMENTS (continued)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of December 31, 2022, the Authority's cash balance in the KCTIP was rated by Standard & Poor's as AAAs/S1.

Concentration of Credit Risk

The Authority has not adopted an investment policy; and therefore, relies on the California Government Code, which contains a limitation of 5% on the amount that can be invested in any one governmental agency or non-governmental issuer. There were no investments in any one governmental or non-governmental issuer that represented 5% or more of the Authority's total investments except for those in the KCTIP.

NOTE 3 – ACCOUNTS RECEIVABLE, NET

Accounts receivable, net of an allowance for doubtful accounts consisted of the following:

Description	Extraction Fund	Basin Replenishment Fund	Total
Accounts receivable	\$ 271,641	\$ 25,168,058	\$ 25,439,699
Allowance for doubtful accounts	(49,254)	(24,649,899)	(24,699,153)
Total accounts receivable, net	\$ 222,387	\$ 518,159	\$ 740,546

There are three water producers subject to the Basin Replenishment Fee - 1) Mojave Pistachios, LLC; 2) Searles Valley Minerals Inc.; and 3) Indian Wells Valley Water District.

Mojave Pistachios, LLC and Searles Valley Minerals have refused to pay the fee. Both have unsuccessfully attempted to challenge the collection of the fee through an injunction. Additionally, claims for damages by both Mojave Pistachios, LLC and Searles Valley Minerals were dismissed, and the Authority is now initiating efforts to collect the unpaid fees.

Changes to assessment receivables not being recognized are as follows as of December 31, 2022:

Water Producer	Balance Jan. 1, 2022	Additions	Deletions	Balance Dec. 31, 2022
Mojave Pistachios, LLC	\$ 7,251,138	\$ 7,540,580	\$ -	\$ 14,791,718
Searles Valley Minerals	4,722,141	5,136,040	-	9,858,181
inyokern Community Services District	16,540	32,714	-	49,254
	\$ 11,989,819	\$ 12,709,334	\$ -	\$ 24,699,153

The Authority has chosen not to recognize these receivable amounts as the legal process for collections moves forward. The Authority is confident in the collection of the Basin Replenishment outstanding receivables but for accounting purposes are listed under Allowance for Doubtful Accounts. These amounts are not to be considered as available for financing operations until the funds are collected.

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

Notes to Financial Statements

December 31, 2022

NOTE 4 – CAPITAL ASSETS AND DEPRECIATION

Changes in capital assets for the fiscal year ended December 31, 2022, were as follows:

Description	Balance Jan. 1, 2022	Additions	Deletions/ Transfers	Balance Dec. 31, 2022
Depreciable assets:				
Equipment	\$ 28,979	\$ -	\$ -	\$ 28,979
Total depreciable assets	<u>28,979</u>	<u>-</u>	<u>-</u>	<u>28,979</u>
Accumulated depreciation:				
Equipment	(6,210)	(4,140)	-	(10,350)
Total accumulated depreciation	<u>(6,210)</u>	<u>(4,140)</u>	<u>-</u>	<u>(10,350)</u>
Total depreciable assets, net	<u>22,769</u>	<u>(4,140)</u>	<u>-</u>	<u>18,629</u>
Total capital assets, net	<u>\$ 22,769</u>	<u>\$ (4,140)</u>	<u>\$ -</u>	<u>\$ 18,629</u>

In the fiscal year ended December 31, 2022, depreciation expense amounted to \$4,140.

NOTE 5 – ADVANCES PAYABLE

On June 26, 2018, the County of Kern (the County) provided the Authority with initial capital in the amount of \$500,000, to close the funding gap created by the delay in imposing a groundwater extraction fee, while simultaneously providing provisions that will ensure that the County's contributions are refunded to the County as the Authority becomes self-sufficient. The Authority repaid the entire \$500,000 advance to the County in fiscal year ended December 31, 2022. Changes in advances payable amounts for fiscal year ended December 31, 2022, were as follows:

Balance Jan. 1, 2022	Additions	Deletions/ Transfers	Balance Dec. 31, 2022
\$ 500,000	\$ -	\$ (500,000)	\$ -

NOTE 6 – DUE TO OTHER GOVERNMENTS

The City of Ridgecrest, a member agency, has provided the use of Council Chambers and IT equipment for meetings, IT services, and Legal Services since 2016 for the Authority. Repayment is restricted to Extraction Revenue, or an advance will be required from the Basin Replenishment Fund. Changes in due to other governments amounts for fiscal year ended December 31, 2022, were as follows:

Balance Jan. 1, 2022	Additions	Deletions/ Transfers	Balance Dec. 31, 2022
\$ 692,217	\$ 241,203	\$ -	\$ 933,420

Additions of \$241,203 were comprised of \$235,477 for legal services and \$5,727 for the use of council chambers and IT services.

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

Notes to Financial Statements

December 31, 2022

NOTE 7 – INTERFUND ACTIVITY

Due to/from other funds includes \$500,000 advanced by the Basin Replenishment Fund to the Extraction Fund for the repayment of an advance by JPA member Indian Wells Valley Water District. In fiscal year 2017, the Indian Wells Valley Water District (District) agreed to advance \$500,000 for the adoption, evaluation and approval of the Groundwater Sustainability Program (GSP). In 2021, the District, with Board approval, held back payment of the District's portion of the Basin Replenishment fees to repay itself the \$500,000. As the activities were related to the GSP, the action resulted in the Extraction Fund receiving an advance from the Basin Replenishment Fund. Due to/from other funds consisted of the following at December 31, 2022:

<u>Amount</u>	<u>Due To/From</u>		<u>Purpose</u>
	<u>From Fund</u>	<u>To Fund</u>	
<u>\$ 500,000</u>	<u>Extraction</u>	<u>Replenishment</u>	<u>Advance</u>

NOTE 8 – NET POSITION – UNRESTRICTED (DEFICIT)

As of December 31, 2022, the Authority had an unrestricted net position deficit of (\$773,923). The deficit stems from advances made to the Authority by member agencies for the purpose of providing funding until the Authority could establish and impose an extraction fee on all non-exempt groundwater pumpers. Due to the nature of the deficit, the Authority will continue to repay the advances from the extraction fee revenue, which will eliminate the deficit.

NOTE 9 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Authority has purchased commercial insurance products to guard against the various risks of loss noted above.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the Authority's insurance coverage during the years ending December 31, 2022, 2021, and 2020. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of December 31, 2022, 2021, and 2020.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Excluded Leases – Short-Term Leases and De Minimis Leases

The Authority does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12-months (or less), including any options to extend, regardless of their probability of being exercised.

Also, *de minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

Notes to Financial Statements

December 31, 2022

NOTE 10 – COMMITMENTS AND CONTINGENCIES (continued)

Grant Awards

Grant funds received by the Authority are subject to audit by the grantor agencies. Such an audit could lead to requests for reimbursements from the grantor agencies for expenditures disallowed under the terms of the grant. Management of the Authority believes that such disallowances, if any, would not be significant.

Litigation

The Authority is involved in routine litigation incidental to its business and may be subject to claims and litigation from outside parties. After consultation with legal counsel, management believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

NOTE 11 – SUBSEQUENT EVENTS

The Authority has evaluated subsequent events through April 1, 2024, the date on which the financial statements were available to be issued.

Supplementary Information

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

Balance Sheets – Combined – Internal Funds

December 31, 2022 (With Comparative Amounts as of December 31, 2021)

ASSETS	Extraction	Basin Replenishment	2022	2021
Current assets:				
Cash and cash equivalents	\$ 163,132	\$ 5,373,628	\$ 5,536,760	\$ 3,045,853
Accounts receivable, net	222,387	518,159	740,546	332,862
Grant receivable	798,206	-	798,206	492,289
Total current assets	1,183,725	5,891,787	7,075,512	3,871,004
Non-current assets:				
Due from other funds	-	500,000	500,000	500,000
Capital assets, net	18,629	-	18,629	22,769
Total non-current assets	18,629	500,000	518,629	522,769
Total assets	\$ 1,202,354	\$ 6,391,787	\$ 7,594,141	\$ 4,393,773
LIABILITIES AND NET POSITION				
Current liabilities:				
Accounts payable	\$ 716,782	\$ 254,305	\$ 971,087	\$ 267,901
Total current liabilities	716,782	254,305	971,087	267,901
Non-current liabilities:				
Due to other funds	500,000	-	500,000	500,000
Advances payable	-	-	-	500,000
Due to other governments	740,866	192,554	933,420	692,217
Total non-current liabilities	1,240,866	192,554	1,433,420	1,692,217
Total liabilities	1,957,648	446,859	2,404,507	1,960,118
NET POSITION				
Investment in capital assets	18,629	-	18,629	22,769
Restricted	-	5,944,928	5,944,928	3,160,686
Unrestricted	(773,923)	-	(773,923)	(749,800)
Total net position	(755,294)	5,944,928	5,189,634	2,433,655
Total liabilities and net position	\$ 1,202,354	\$ 6,391,787	\$ 7,594,141	\$ 4,393,773

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

*Statements of Revenues, Expenses and Changes in Net Position – Combined – Internal Funds
December 31, 2022 (With Comparative Amounts as of December 31, 2021)*

	<u>Extraction</u>	<u>Basin Replenishment</u>	<u>2022</u>	<u>2021</u>
Operating Revenues				
Assessment fees	\$ 1,265,274	\$ 3,896,897	\$ 5,162,171	\$ 5,522,199
Operating grant	595,455	-	595,455	322,797
Total operating revenues	<u>1,860,729</u>	<u>3,896,897</u>	<u>5,757,626</u>	<u>5,844,996</u>
Operating Expenses				
Groundwater management	1,052,319	197,707	1,250,026	764,030
General and administrative	826,011	700,111	1,526,122	1,256,729
Depreciation expense	4,140	-	4,140	4,140
Total operating expenses	<u>1,882,470</u>	<u>897,818</u>	<u>2,780,288</u>	<u>2,024,899</u>
Operating income	<u>(21,741)</u>	<u>2,999,079</u>	<u>2,977,338</u>	<u>3,820,097</u>
Non-Operating Revenues				
Investment earnings	(6,522)	(214,837)	(221,359)	-
Assessment fees	32,714	12,676,620	12,709,334	11,989,819
Bad debt expense	(32,714)	(12,676,620)	(12,709,334)	(11,989,819)
Total non-operating revenues	<u>(6,522)</u>	<u>(214,837)</u>	<u>(221,359)</u>	<u>-</u>
Change in net position	(28,263)	2,784,242	2,755,979	3,820,097
Net Position				
Beginning of year	(727,031)	3,160,686	2,433,655	(1,386,442)
End of year	<u>\$ (755,294)</u>	<u>\$ 5,944,928</u>	<u>\$ 5,189,634</u>	<u>\$ 2,433,655</u>

Other Independent Auditors' Reports



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Indian Wells Valley Groundwater Authority
Ridgecrest, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Indian Wells Valley Groundwater Authority (Authority) which comprise the balance sheet as of December 31, 2022, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 1, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Murrieta, California
April 1, 2024

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IWVGA ADMINISTRATIVE OFFICE

STAFF REPORT

TO: IWVGA Board Members **DATE:** April 10, 2024

FROM: IWVGA Staff

SUBJECT: **Agenda Item 10 – Amendment to the Master Agreement Between U.S. Department of the Interior Bureau of Land Management, Ridgecrest Field Office and Indian Wells Valley Groundwater Authority, CACA-059994**

BACKGROUND

Provost and Pritchard Consulting Group (P&P) is preparing CEQA/NEPA Documents and providing Permit Documentation services for the Imported Water Pipeline Project (Project) which will bring imported water supplies into the Indian Wells Valley Groundwater Basin through a connection with Antelope Valley – East Kern Water Agency’s California City pipeline to the Indian Wells Valley Water District water system.

The Bureau of Land Management (BLM) has NEPA responsibility for this Project and Antelope Valley – East Kern Water Agency (AVEK) is a responsible agency under CEQA. As such, both BLM and AVEK have vested interests in ensuring that the strongest documentation and environmental review possible is done while also respecting and ensuring that the costs are appropriately constrained.

As reported at the March 29, 2024 Special Board meeting, BLM requested P & P to conduct additional meeting coordination and biological resource tasks including Vegetation Mapping, Mohave Ground Squirrel Habitat Assessment, and additional botanical survey and reporting.

Additionally, AVEK requested that the Authority add an additional Phase to the Project for CEQA analysis that includes an enlarged carrying capacity for the California City pipeline going back to the AVEK Mojave Tank Farm.

DISCUSSION

In April 12, 2023, the Board authorized a reimbursement agreement with the BLM which included an initial baseline estimate of BLM’s costs of \$104,298.84 and required additional reimbursement of BLM’s eventual actual costs. To date, the IWVGA has reimbursed \$75,000.00 out of the authorized funds of \$104,298.84. Therefore, there is an available balance of \$29,298.84 in the BLM’s reimbursement account.

An amendment to the Master Agreement with BLM is needed in order for the BLM to complete their effort through the final approval of the NEPA document; including conducting field observations during geotechnical investigations, review of the Administrative Draft Environmental Assessment/Environmental Impact Report, preparing the Draft-Final

Environmental Assessment/Environmental Impact Report. In addition, the amendment is needed in order for the BLM to review the additional technical studies required to go back to the Mojave Tank Farm and the additional biological resource surveys and reports.

The amendment to the Master Agreement with BLM would provide an additional \$201,000.00 to reimburse BLM. This would bring the total authorized funding to \$305,298.84 of which an available balance of 230,298.84 would be remaining.

The Amendment to the Master Agreement and the Master Agreement are attached to this Staff Report for your review.

RECOMMENDED ACTION

Staff recommends the Board approve the Amendment to the Master Agreement Between U.S. Department of the Interior Bureau of Land Management, Ridgecrest Field Office and Indian Wells Valley Groundwater Authority, CACA-059994 authorizing up to an additional \$201,000.00 to reimburse the Bureau of Land Management.

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**FIRST AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING MASTER
AGREEMENT BETWEEN
THE INDIAN WELLS VALLEY GROUNDWATER AUTHORITY
AND U.S. DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT**

This First Amendment to the Agreement, made on the date last executed below, by and between the Indian Wells Valley Groundwater Authority ("IWVGA"), and U.S. Department of the Interior, Bureau of Land Management ("BLM") with reference to the following facts which are acknowledged by each party as true and correct:

RECITALS

A. IWVGA and BLM entered into a Memorandum of Understanding Master Agreement which was approved by the IWVGA Board on April 13, 2023 ("Agreement"), establishing reimbursement amounts for environmental assessments conducted by BLM related to IWVGA's Imported Water Pipeline (the "Project").

B. The parties wish to amend the Agreement to provide for additional funding to complete the BLM's efforts through the final approval of the Project's NEPA document, including conducting field observations during geotechnical investigations, review of the Administrative Draft Environmental Assessment/Environmental Impact Report, preparing the Draft-Final Environmental Assessment/Environmental Impact Report. In addition, it would provide additional funding for the BLM's review of additional technical studies, biological resource surveys and reports.

AMENDMENT

NOW, THEREFORE, it is agreed by and between the parties as follows:

1. The above recitals are true and correct.
2. The first paragraph of Section VI of the Agreement is hereby amended in its entirety to read as follows:

"The baseline estimates to fund the operation of the Ridgecrest Field Office is approximately **\$305,298.84**, (Exhibit A). IWVGA agrees to pay for all actual, reasonable costs incurred by the Ridgecrest Field Office (RIFO) in executing the terms and work actions covered by this MA. IWVGA agrees to pay full cost recovery for all actions processed under this agreement; the RIFO will also provide IWVGA with separate cost estimate calculations for each project or work action processed under this MA prior to and after the completions of the work, if requested by IWVGA. IWVGA deposited **\$25,000.00**, to initially fund activities under this MA and has subsequently deposited an additional **\$50,000.00**, with an outstanding available balance of **\$230,298.84**, and shall replenish the fund as needed up to **\$5,000.00**, dependent upon project proposed work by IWVGA. A minimum balance of **\$5,000.00** is expected to be maintained, and the BLM will inform IWVGA if the minimum balance is reached and if the account requires additional funding, dependent upon projected proposed work by IWVGA."

3. All other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to the Agreement to be executed the day and year first above written.

Signature Page to Follow.

Indian Wells Valley Groundwater Authority

U.S. Department of the Interior
Bureau of Land Management

Carol Thomas-Keefer, General Manager
Date:

Name:
Date:

APPROVED AS TO FORM

Phillip Hall, General Counsel

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United States Department of the Interior
BUREAU OF LAND MANAGEMENT

Ridgecrest Field Office
300 S. Richmond Road
Ridgecrest, CA 93555
www.blm.gov/ca/ridgecrest



May 5, 2023

IN REPLY REFER TO:
(LLCAD05000.55)
2800
CACA-0599994

CERTIFIED - RETURN RECEIPT REQUESTED: 7019 0700 0002 3278 5942

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

Enclosed are two original copies of a Master Agreement (MA) between the Bureau of Land Management (BLM) and Indian Wells Valley Groundwater Authority (IWVGA), hereinafter referred to as the Parties. Upon signature by the Parties, the subject MA for providing cost reimbursement to the United States for your Master Agreement will be in full force and effect. In addition to the aforementioned items, enclosed is a copy of "Cost Reimbursement Option Document" for the IWVGA. Please read this document, make the appropriate selection, sign, and return it with the MOA's.

Processing Fee Category Determined

Enclosed is a Cost Reimbursement Agreement/ Financial Plan (CRAFP) (Enclosure 1) with an estimating the cost of processing your application. Please review the CRAFP, and if it is acceptable and you wish to proceed with this project, sign both copies of the CRAFP where indicated and return it to this office to establish the cost reimbursement account. Furthermore, indicate the Proffer of Monetary contribution the distribution of any funds remaining in the account after the account is closed. Enclosure 2.

According to Federal regulations found at 43 CFR 2804.14, the BLM is required to be reimbursed for the costs incurred in processing a ROW application. Based on a preliminary review of the proposal and resource information available within this office, we have determined the appropriate processing category for your application is Category 5. When the estimated time to process an application exceeds 50 hours, the category is, by definition, a Category 5, for which the BLM is obligated to collect full reasonable costs according to the 2018-cost recovery schedule (Enclosure 3).

Other Fees

According to Federal regulations found at 43 CFR 2804.14, the BLM is required to be reimbursed for the costs incurred in monitoring a ROW application. If your application is granted, you will be required to pay additional fees for monitoring your ROW.

Return the signed CRA to this office with an initial deposit of \$25,000.00, via check, credit card, or electronic transfer per the enclosed form (Enclosure 4). LADWP shall submit or transfer the payment, within 30 days of receipt of this Decision. Please make your check or money order payable to USDOJ/BLM and reference serial number CACA-059994 on your payment, and mail it to BLM 300 South Richmond Rd., Ridgecrest, Ca. 93555, Attention: Paul Rodriguez. These fees are only estimates and, depending upon the labor necessary to review and process your application, this amount may change as stated in Section II of the CRAFP.

How to Appeal This Decision

This decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4 and the enclosed Form 1842-1 (Enclosure 5). If an appeal is taken, your notice of appeal must be filed in this office (at the above address) within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition (request) pursuant to regulations 43, CFR 2801.10 or 2881.10 for a stay (suspension) of the effectiveness of this decision during the time that the Board, the petition for a stay, is reviewing your appeal must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and petition for a stay must also be submitted to each party named in this decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (see 43 CFR 4.412) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

- (1) The relative harm to the parties if the stay is granted or denied,
- (2) The likelihood of the appellant's success on the merits,
- (3) The likelihood of immediate and irreparable harm if the stay is not granted, and
- (4) Whether the public interest favors granting the stay.

The BLM is making every effort to process applications in a timely manner. Should you have any questions or concerns, please contact Paul Rodriguez at (760) 384-5455 or prodriqu@blm.gov, Realty Specialist.



Thomas V. Bickauskas
Acting, Field Manager

Enclosures (4):

- 1) Master Agreement
- 2) Proffer of Monetary contribution the distribution
- 3) 2023 Cost Recovery Fee Schedule
- 4) Information required when pay the BLM WTH CREDIT (EFT)
- 5) Form 1842-1-Information on taking appeals to the Interior Board of Land Appeals

MASTER AGREEMENT

Between

U.S. Department of the Interior

Bureau of Land Management,

Ridgecrest Field Office

And

Indian Wells Valley Groundwater Authority

CACA-059994

City of California to City or Ridgecrest 20 or 24-inch Buried Water pipeline.

I. PREAMBLE

This Master Agreement is an agreement between the Bureau of Land Management Authorized Officer/Field Manager, and the Indian Wells Valley Groundwater Authority, hereinafter referred to as "Applicant", is proposing the construction of a 20 or 24 inch in diameter water pipeline, on public lands administered by the Department of Interior, Bureau of Land Management (BLM), Ridgecrest Filed Office (RIFO).

BLM has determined that an Environmental assessment (EA) is required. The Environmental Analysis (EA) must comply with the National Environmental Policy Act of 1969 (NEPA), 42 U.S.C. 4321 et seq., and related requirements, BLM NEPA Handbook H-1790-1. The EA will need to be prepared before a decision on the Project can be made.

The purpose of this Master of Agreement (hereinafter "MA") is to set forth the understanding between Bureau of Land Management (BLM) and Applicant, Indian Wells Valley Groundwater Authority (IWVGWA), (hereinafter "Parties") pertaining to conditions and procedures to be followed in preparing and completing an EA, including the environmental and technical information collection, analysis and reporting necessary to fully comply with the NEPA regulations and guidelines pertaining thereto, and to address any cost reimbursement aspects of the project. Processing includes such matters as, but is not limited to, environmental review; application processing; administrative management; long-term compliance, monitoring, and decommissioning for this ROW application and/or grants associated with the Indian Wells Valley Groundwater Authority.

II. PURPOSE

The purpose of this MA is to act as a written agreement between IWVGWA and BLM (RIFO) for monitoring of existing authorizations, renewal, and amendments, of existing ROW (s) grants. Additionally, this agreement will explain the process for review of proposed operations administration and maintenance activities that may not require a new or amended ROW grant, but would fall under a Notice to Proceed, of existing ROW (s). The MA will also explain how BLM will monitor and recover monitoring cost, and other provisions BLM deems necessary per 43 CFR 2804.18. This MA also establishes procedures for the full, reasonable cost recovery in advance for the costs expected to be incurred by the BLM in the processing and monitoring of ROWs and Notice to Proceed applications submitted by the authorizations issued to IWVGWA pursuant to 43 CRFR 2804.20 and 2804.21 and 2805.16, Processing fees (cost estimate) will be updated as specified in the Master Agreement, Enclosed Financial Plan Cost estimate (43 CFR 2804.14(b)).

II. GENERAL RESPONSIBILITIES

- A. The BLM shall be responsible for ensuring compliance with all requirements of the NEPA regulations, and shall be responsible for the scope and content of the EA.
- B. The Applicant shall engage an environmental consultant, referred to as the “contractor”, for appropriate baseline collection, scoping, project impact assessment, and preparation of the EA. The contractor may employ such other consultants and experts, with the approval of the BLM, as required for adequate data collection, analysis and EA preparation.
- C. BLM shall be responsible for consulting with the US Fish and Wildlife Service for a Section 7 Consultation under the Endangered Species Act of 1973, as amended, and the California State Historic Preservation Officer for a Section 106 Consultation under the National Historic Preservation Act. At the discretion of the BLM, the consultant shall furnish such data on information required to accomplish such consultation.

III. CONTRACTOR PROVISIONS

- A. The Applicant shall prepare and execute a contract (s) with the approved contractor for preparation of the EA, which is consistent with the MA and is agreeable to BLM. All costs incurred pursuant to the contract shall be the sole responsibility of the Applicant.
- B. The contract shall provide that the contractor agrees to hold harmless and indemnify BLM with respect to any and all claims, demands, cause(s) of action, and liabilities which may arise from the contractor’s performance, purchases or services utilized in the preparation of the EA.

- C. The contract shall provide that the contractor shall cooperate in defense of any suit involving the legality or adequacy of BLM's compliance with NEPA with regard to this EA.
- D. Applicant shall require full cooperation of the contractor with respect to participation in public meetings required by BLM to foster public familiarity and participation with respect to the NEPA process.
- E. If for any reason, a change in the contractor or subcontractors becomes necessary, the BLM and Applicant will jointly engage in selection procedures for a new contractor.

IV. GENERAL PROVISIONS

- A. Subject to confidentiality requirements in paragraph V.I., in all instances involving questions as to the content or relevance of any material (including all issues, data, analyses, conclusions, and wording) in the EA, BLM shall make the final determination on the inclusion, deletion, or revision of the material, and shall have the ultimate responsibility of ensuring compliance with the requirements of NEPA.
- B. Applicant agrees to hold harmless and indemnify the BLM, its officers, agents, and employees, with respect to any and all judgments or settlements arising from claims, demands or causes of action in connection with any failure by the APPLICANT to pay for the employment of the contractor or which may arise from the termination of performance of the Consulting Contracts or from any other failure by Applicant to pay the contractor for their services or purchases of materials utilized for the development and preparation of the EA, or from termination of this MA. This indemnification by Applicant does not extend to suits by third parties (other than the contractor against the BLM) involving the legality or adequacy of compliance with NEPA. In addition, Applicant agrees to hold harmless and indemnify BLM with respect to all judgments or settlements arising from all claims, demands or causes of action in connection with any portion or element or work to be performed by the applicant or any contractor as contemplated by and, or in connection with this MA.
- C. The Parties agree:
 - 1. In the preparation of the EA, the Parties shall be represented by their respective project representative or designee.

BLM:

Paul Rodriguez
 Realty Specialist
 Bureau of Land Management

OR

Max Wiegmann
 NEPA Coordinator
 Bureau of Land Management

For Indian Wells Valley Groundwater Authority:

Jeff Helsley, P.E.
Name/Title

Stetson Engineers Inc
Agency

861 Village Oaks Dr, Suite 100
Mailing Address

Covina, CA 91724
City/State/Zip

626-967-6202
Telephone/Cell Phone

jeffh@stetsonengineers.com
E-mail

project representatives shall keep each other advised of the developments affecting the preparation of the Draft EA. Meetings between the BLM, Applicant and contractor shall be held as needed to ensure close consultation.

2. To the maximum extent practicable under existing laws and regulations, all parties agree to share all relevant information.
3. BLM shall determine:
 - (a) The scope and content of the EA for the Project to ensure that the requirements of the various federal and state statutes are met and that the statutory findings required of the BLM for their decisions on the Project can be made.
 - (b) Whether the work performed by the Applicant and consultants is satisfactory and, if not, how best to correct the deficiencies in the work; and
 - (c) The division of responsibilities among co-lead agencies, if any.

V. PROCEDURES

- A. The contractor will be responsible for conducting scoping meetings with the public and other agencies at the beginning of the process. These meetings will be held to determine the areas of public and agency concerns pertaining to the proposed project, and to guide the Parties in scoping the EA. The BLM shall determine the final scope of the EA.
- B. Subject to paragraph I, the contractor shall have primary responsibility for writing or rewriting all sections, parts or chapters of the EA.
- C. The contractor shall produce an administrative draft EA for review by the BLM. The administrative draft shall include all text, maps, appendices, tables, charts and other materials that will be incorporated in the Draft EA. As determined by the BLM, a reasonable number of copies shall be provided by the contractor to each party to meet internal review needs.
- D. The BLM shall review the administrative draft EA and provide comments to the contractor in writing. The BLM may request revision of the administrative draft with further agency review if comments are substantial. Additional review may be required.
- E. The printing and mailing of the Draft EA shall be the responsibility of the Applicant/contractor. The BLM shall provide a mailing list to the contractor for distributing the EA to the public and to other Federal, State and local agencies as required by law.
- F. The BLM and contractor shall jointly schedule and conduct public meetings to receive comments on the Draft EA. The contractor shall receive and log all comments submitted on the Draft EA during the public review period and provide copies to BLM.

The contractor will prepare preliminary responses. BLM will review the responses for accuracy and identify any necessary revisions before they are incorporated into the Final EA. The Final EA will be prepared and reviewed in the same manner as the Draft EA.

- G. Upon acceptance and approval of the Final EA, BLM shall authorize the release of the Final EA to the public and to other Federal, State and local agencies. The final EA will be 508 compliance. The contractor shall be responsible for printing and mailing the Final EA.
- H. BLM reserves the right to prepare, at its option, selected sections of the Draft and/or Final EA. As appropriate, BLM will provide such prepared material in a time and manner consistent with the agreed upon schedule.
- I. Applicant and the contractor will, upon request, provide BLM all procedures and underlying data used in developing submitted sections of the Draft and/or Final EA including, but not limited to, final reports, subcontractor reports, and interviews with concerned private and public parties, whether or not such information may be contained in the working papers or the Draft or Final EA. BLM shall maintain confidentiality of all information, documents or materials which Applicant or the contractor designate as confidential in accordance with Federal and State laws, regulations and policies.
- J. BLM reserves the right to consult directly, without notice or report, with other Federal, State and local officials during the preparation of the EA to ensure objectivity and compliance with NEPA. BLM will immediately notify the Applicant and the contractor if matters discussed at any such consultation will require significant changes in the development of the EA or require significant costs pursuant to this MA.
- K. With respect to all analyses, including review, drafts and final copies of the EA, the Applicant and contractor shall be responsible for stenographic, 508 compliance, clerical, graphics, layout, printing and like costs. Applicant shall be solely responsible for the costs of preparing and providing to BLM sufficient copies of the Draft and Final EA and modifications as well as a copy of supporting technical documents prepared in conjunction with the Draft and/or Final EA by the contractor.
- L. Any and all media releases, public mail-outs, or formal/public discussions which are conducted by the BLM shall be conducted with the approval and at the direction of the BLM. This shall not affect the Applicant's rights to do public relations or work independently with respect to the Project, with the understanding that such public relations work may not appear to represent the BLM and will not attempt to influence the independent analysis, outcome, or decision-making process or the requirements of NEPA for BLM.

VI. COST REIMBURSEMENT AGREEMENT

- A. In accordance with Section 304(b) of FLPMA and 43 CFR 2804.19, Applicant agrees to reimburse BLM for the costs incurred by BLM for processing the application, and should the Application be approved, costs for issuing a right-of-way grant and monitoring the construction, operation, maintenance and termination of project facilities authorized by such right-of-way grant. Further, in accordance with 43 CFR 2804.14(f), Applicant waives consideration of reasonable costs, as would be determined under 43 CFR 2804.20 and 2804.21 and agrees to pay all actual costs incurred by the BLM related to this Application.
- B. This Agreement is subject to the Reimbursable Cost Provisions and the Descriptions of Direct and Indirect Costs /Financial Plan contained in Attachment #1. This cost estimate maybe amended should actual costs exceed estimated costs. A work plan schedule for the EAs will be prepared by BLM and the contractor and attached to this document as an Amendment.

The baseline estimates to fund the operation of the RIFO is approximately **\$104,318.84**, (Exhibit B). IWVGWA agrees to pay for all actual, reasonable costs incurred by the RIFO in executing the terms and work actions covered by this MA. IWVGWA agrees to pay full cost recovery for all actions processed under this agreement; the RIFO will also provide IWVGWA with separate cost estimate calculations for the project or work action processed under this MA prior to and after the completions of the work, if requested by IWVGWA. IWVGWA deposited **\$25,000.00**, to initially fund activities under this MA, with an outstanding balance of **\$79,318.84**, and replenish the fund as needed up to **\$10,000.00**, dependent upon project proposed work by IWVGWA. A minimum balance of **\$5,000.00** is expected to be maintained, and the BLM will inform IWVGWA if the minimum balance is reached and if the account requires additional funding, dependent upon projected proposed work by IWVGWA.

- C. Applicant will be advised as to the nature and extent of all major studies needed to complete the EA.
- D. Applicant agrees to fund and utilize third party assistance contractors to expedite processing the application. Third party assistance contractors may include, but are not limited to, contractors for preparation of NEPA documents, cultural resource inventories, biological inventories and surveys, engineering and design surveys, clerical staff support, NEPA adequacy reviews, resource specialist reviews, persons to aid in assembling the case file record, and compliance inspectors.
- E. BLM shall conduct monthly review of case processing and costs incurred. When BLM determines there are insufficient funds remaining for the next period of planned work, it shall inform the Applicant of the work proposed to be done and

request a further deposit. Deposits must be received prior to BLM incurring costs.

- F. Statements of BLM expenditures shall be furnished to Applicant upon request.
- G. Applicant shall have the right to conduct, at its own expense, reasonable audits of the books, records, and documents of BLM relating to the items on any particular accounting statement provided by BLM. Applicant shall have 90 days after receipt of the statement to raise objections to or dispute any particular entry of cost item.
- H. BLM shall provide full justification of any disputed entry or cost item within 30 days of receipt of the objection or will delete the entry or cost item. If Applicant still objects to the entry or cost item, an appeal to the State Director may be made within 30 days of receipt of BLM justification. The State Director's decision is the final administrative decision.
- I. Reimbursable funds, once obligated by BLM, are not refundable and will not be made refundable by termination of the Project, withdrawal of the Application, or non-issuance of a right-of-way grant.
- J. In accordance with 43 CFR 2804.27(a), if BLM denies the Application, Applicant must reimburse BLM for all costs BLM incurred in processing the Application. If the Applicant withdraws the application, Applicant will reimburse BLM for processing costs incurred by BLM in closing its review of the Application and which cannot reasonably be avoided after BLM receives written notice of withdrawal of the Application.
- K. Nothing herein shall be deemed to require BLM to maintain books, records, or documents other than those usually maintained by them, provided that such books, records, and documents reasonably segregate and identify the costs for which reimbursement is required and comply with generally accepted accounting practices for such documentation.

IV. REQUIREMENTS

- A. The parties to this MA agree to cooperate during the existence of this MA in the processing and or management of all action associated with Indian Wells Valley Groundwater Authority, application, or grants.
- B. This MA must not be considered by either Party as an indicator that any final approval of the Indian Wells Valley Groundwater Authority project has been reached by the BLM, either approving or rejecting any new projects.

- C. The parties to this MA agree to cooperate during the processing of any geological technical exploration studies, PODs associated with a project, and the terms and condition of the grant associated with a project processed under the MA.
- D. The BLM hereby agrees to only use the funds for the work associated with Indian Wells Valley Groundwater Authority project as identified within this MA. All work done will be accounted for. The BLM will provide an annual cost accounting to you, this will be provided by discipline and nature of expenditure how your monies were spent. BLM, upon request by Indian Wells Valley Groundwater Authority, will provide up to two additional accounting throughout the fiscal year.
- E. The costs and charges outlined herein are estimated by the BLM; therefore, this agreement and/or the financial plan may need to be adjusted at future date. This adjustment may be at the request of either party to the MA.
- F. Fund balances (if any), from this initial deposit will be carried over to other phases of the project, if the project expands beyond the scope of the geological technical exploration studies for road construction.
- G. Indian Wells Valley Groundwater Authority, or its assigns is required to maintain an MA and cost reimbursable account thru the existence of any Grant, which has been authorized. Indian Wells Valley Groundwater Authority, will maintain, at a minimum, a positive balance of \$5,000.00, in the account as agreed to herein. If the account balance falls below that balance IWVGWA bring the account back to the agreed \$10,000.00 balance.
- H. The BLM hereby determines that the costs and charges calculated under Section V- (Procedures), below reflect fair and reasonable methods for charging Indian Wells Valley Groundwater Authority, for the work being completed on the Indian Wells Valley Groundwater Authority Buried Pipeline construction Project, related projects. The individual Financial Plan for the project will reflect, based on the methods identified under the Cost Analysis, what is believed to be the fair and reasonable costs associated with each project and the related work involved in the processing of a geological technical exploration and right-of-way application(s) plus all work related to the issuance of the grant. This includes site visits, environmental documentation preparation, decisions, grant preparation, and post-grant compliance and monitoring as identified in Section II (General Responsibilities), above.
- I. Indian Wells Valley Groundwater Authority understands that BLM may need to hire from time-to-time temporary detailed employees to fill the gaps in staffing. Indian Wells Valley Groundwater Authority will agree to participate in the funding of such a position, but the BLM must provide a detailed amendment and financial plan identifying the work that will be completed on the project by the detailed employee and the specific benefit to Indian Wells Valley Groundwater Authority, that such funding will be gained.

- J. This MA, or a modified MA, will remain in full force and effect throughout the life of your buried water pipeline development operations, if active ROW grants exist on federal lands for current or future development.

V. COST ANALYSIS

- A. This MA currently reflects only what constitutes the BLM's costs based on the nature of the Indian Wells Valley Groundwater Authority's operation and project at the time of this MA. The estimated costs may vary from the actual total cost of Indian Wells Valley Groundwater Authority, as appropriate, with an annual updated audit and cost analysis. The costs of processing any additional applications and the long-term management of the grant, should any be issued, are broken down into three categories and are based on the following criteria.

1. **DIRECT COSTS:** Personnel costs occur in the form of base wages including allowances provided for benefits and leave surcharges. Wages are based on hourly wage and benefit adjustments allowed by law. In addition to wages, other direct costs include, but are not limited to, expenses related to travel, vehicles, including mileage, vehicle rental costs and other appropriate charges related to vehicle use. For Multi-year projects, wages and other direct costs may change and will influence the estimate.

2. **OPERATIONAL COSTS:** These are costs, which cannot be specifically identified with the processing of the application but are considered a cost to the organization. These operational costs have been estimated. Operational costs are for capitalized and non-capitalized equipment which includes, but is not limited to, space rental; telephone services; postage; budget and program development; educational programs; administrative and clerical support; training; safety management; public information; inquiries, reports; cartography and basic series mapping; telecommunications; maintenance equipment and system designs and implementation.

3. **INDIRECT ADMINISTRATIVE COSTS:** Indirect costs are those which cannot be specifically identified with the application. This is an account management surcharge assessed by the National Business Center in Denver Colorado. This portion of the account is managed from the 21.60% surcharge based on the monies expended from the account. This rate covers the establishing and handling of the cost reimbursement account at the National level. (This rate is subject to change by the National Business Center annually requiring recalculation of the costs associated with this MA.) The indirect costs are subject to change annually. This percentage figure has been developed in accordance with Department of the Interior procedures and represents those administrative and program costs, excluding management overhead, which can be attributed to processing the Application. Indirect costs include a portion of the costs for capitalized and non-capitalized equipment; space rental; telephone services; postage;

personnel transfer costs; budget and program development; administrative and clerical support; training; safety management; public information, inquiries and reports; cartography and basic series mapping; aviation management; telecommunications; maintenance of equipment and tools; and systems design and implementation.

B. This document is prepared in compliance with Section 504 (g) of the Federal Lands Policy Management Act of October 21, 1976, 43 U.S.C. 1761, and Title 43 Code of Federal Regulations 2800, which require an applicant for a ROW to reimburse the United States for all reasonable administrative and other costs incurred in the processing of an application for a ROW, and in the inspection and the monitoring of construction, operation, maintenance and termination of the ROW.

All category 5 and 6 rights-of-way applications and authorizations are subject to appropriate cost recovery fees for processing and monitoring as well as rental fees as required by 43 CFR 2804.14- Processing fees, CFR 2804.18-Provision of the Master Agreement, 43 CFR 2805.12-Terms and Conditions of Grants, 2805.16-Monitoring Fees, and -43 CFR 2806.10-Rental.

Rent:

The rental fee for a project area will be based on the total public land acreage of the project area included in the right-of-way grant.

BLM will use the Per Acre Rent Schedule (see paragraph (c) of this section) to calculate rent for all linear right-of-way authorizations, regardless of the granting authority (FLPMA, MLA, and their predecessors). Counties (or other geographical areas) are assigned to an appropriate zone in accordance with §2806.21. The BLM will adjust the per acre rent values in the schedule annually in accordance with CFR §2806.22.

(a), and it will revise the schedule at the end of each 10-year period in accordance with §2806.22.

(b) The annual per acre rent for all types of linear right-of-way facilities is the product of four factors: The per acre zone value multiplied by the encumbrance factor multiplied by the rate of return multiplied by the annual adjustment factor (see §2806.22(a)).

(c) You may obtain a copy of the current Per Acre Rent Schedule from any BLM State, district, or field office or by writing: U.S. Department of the Interior, Bureau of Land Management, 20 M Street SE., Room 2134LM, Washington, DC 20003. We also post the current rent schedule at <http://www.blm.gov>.

Bond: CFR §2805.20-Bonding Requirements.

The BLM requires bonding of all new commercial or non-commercial uses, ROW grants, and land use authorization on public lands, which are not specifically exempt.

The Bond, in a form acceptable to the authorized officer, shall be furnished by the applicant/holder prior to any grant or land use authorization being issued.

BLM will not issue the Right-away-grant until the bond is accepted.

If you hold a grant or lease under this part, you must comply with the following bonding requirements:

(a) The BLM may require that you obtain, or certify that you have obtained, a performance and reclamation bond or other acceptable bond instrument to cover any losses, damages, or injury to human health, the environment, or property in connection with your use and occupancy of the right-of-way, including costs associated with terminating the grant, and to secure all obligations imposed by the by the grant and applicable laws and regulations. If you plan to use hazardous materials in the operation of your grant, you must provide a bond that covers liability for damages or injuries resulting from releases or discharges of hazardous materials. The BLM will periodically review your bond for adequacy and may require a new bond, an increase or decrease in the value of an existing bond, or other acceptable security at any time during the term of the grant or lease.

(1) The BLM must be listed as an additionally named insured on the bond instrument if a State regulatory authority requires a bond to cover some portion of environmental liabilities, such as hazardous material damages or releases, reclamation, or other requirements for the project. The bond must:

(i) Be redeemable by the BLM.

(ii) Be held or approved by a state agency for the same reclamation requirements as specified by our right-of-way authorization; and

(iii) Provide the same or greater financial guarantee that we require for the portion of environmental liabilities covered by the State's bond.

(2) *Bond acceptance.* The BLM authorized officer must review and approve all bonds, including any State bonds, prior to acceptance, and at the time of any right-of-way assignment, amendment, or renewal.

(3) *Bond Amount.* Unless you hold a solar or wind energy lease under subpart 2809, the bond Amount will be determined based on the preparation of a RCE, which the BLM requires you to prepare and submit. The estimate must include our cost to administer a reclamation contract and will be reviewed periodically for adequacy. The BLM may also consider other factors, such as salvage value, when determining the bond Amount.

(4) You must post a bond on or before the deadline that we give you.

(5) Bond components that must be addressed when determining the RCE Amount include, but are not limited to:

(i) Environmental liabilities such as use of hazardous materials waste and hazardous substances, herbicide use, the use of petroleum-based fluids, and dust control or soil stabilization materials;

(ii) The decommissioning, removal, and proper disposal, as appropriate, of any improvements and facilities; and

(iii) Interim and final reclamation, re-vegetation, recontouring, and soil stabilization. This component must address the potential for flood events and downstream sedimentation from the site that may result in offsite impacts.

(6) You may ask us to accept a replacement performance and reclamation bond at any time after the approval of the initial bond. We will review the replacement bond for adequacy. A surety company is not released from obligations that accrued while the surety bond was in effect unless the replacement bond covers those obligations to our satisfaction.

(7) You must notify us that reclamation has occurred, and you may request that the BLM reevaluate your bond. If we determine that you have completed reclamation, we may release all or part of your bond.

(8) If you hold a grant, you are still liable under §2807.12 if:

(i) We release all or part of your bond;

(ii) The bond Amount does not cover the cost of reclamation; or

(iii) There is no bond in place.

4. **DEPOSIT:** Based on the criteria set forth within this MA, BLM requires a deposit of \$104,318.84. As listed in the Table of Cost Estimate to this MA. The financial plan is for the cost associated with the account set up and the estimate of the costs associated with the Processing of the application (s) for Geographical Testing, ROW application processing, and Environmental Assessment for the Indian Wells Valley Groundwater Authority Project.

VI. MODIFICATION OR TERMINATION

A. This MA may be amended, supplemented, or modified only by a written agreement signed by the parties.

B. This MA will terminate at such time when it is superseded by a subsequent agreement; or the termination of your application; or the termination of grants issued to Indian Wells Valley Groundwater Authority.

VI. AUTHORIZATION

IN WITNESS WHEREOF, the undersigned parties agree that the terms of this MA outlining estimated costs and charges for the environmental analysis, fieldwork, administrative and all other associated expenditures outlined herein are considered to be fair and reasonable. Further, the undersigned parties understand that modifications can be made to this MA at the request of either party but must be agreed to by both parties. Once signed, this MA will expire or terminate only by the terms set forth within this document.

VII. TERMINATION

- A. Any party to this MA may terminate the same upon 30 days written notice to the other party. During the 30-day period, the parties will actively attempt to resolve any disagreement.
- B. In the event of termination of the MA and if the preparation of an EA is still required, it is agreed as follows:
 - 1. BLM shall have access to all documentation, reports, analyses, and data developed by the Applicant and contractor.
 - 2. Liability to the contractor for termination shall be in accordance with Section IV. B.

VIII. MODIFICATION

This MA may be modified by the parties hereto by mutually agreed upon written amendment.

IX. MISCELLANEOUS

X. This MA will be effective as of the last date signed below:

For: Bureau of Land Management

For: Indian Wells Valley Groundwater Authority

Thomas V. Bickauskas

Thomas V. Bickauskas

Carol Thomas-Keefer

Name

General Manager

Title

Acting, Field Manager

May 5, 2023

Date

April 14, 2023

Date

Indian Well Ground Water Authority

DIRECT AND INDIRECT AND INDIRECT COST TABLE

DIRECT COST			
LABOR			
CALIFORNIA CITY TO RIDGECREST BURRIED WATERLINE			
TEAM STAFF	Hours	Labor Cost	SUBTOTAL
Field Manager	40	\$ 111.34	\$ 4,453.60
Assistant Field Manger	40	\$ 92.66	\$ 3,706.40
Realty Specialist	200	\$ 84.63	\$ 16,926.00
Realty Specialist-VRM	100	\$ 63.11	\$ 6,311.00
Planning and Environmental Planner	150	\$ 69.25	\$ 10,387.50
Cultural Resources	200	\$ 74.92	\$ 14,984.00
Geologist	40	\$ 64.50	\$ 2,580.00
Biologist/Wildlife	100	\$ 41.01	\$ 4,101.00
Natural Resource Specialist, air, water, and soils.	100	\$ 54.02	\$ 5,402.00
Range	80	\$ 70.76	\$ 5,660.80
Recreation	40	\$ 83.73	\$ 3,349.20
Range Land Management Specialists	40	\$ 83.78	\$ 3,351.20
Business Support Assistant	40	\$ 31.69	\$ 1,267.60
ESTIMATED SUBTOTAL			\$ 82,480.30
ESTIMATED SUBTOTAL NOC 21.10%			\$ 17,403.34
TOTAL			\$ 99,883.64

INDIRECT COST		
Travel/Vehicle		1,500.00
Miscellaneous Cost		500
Sub Total		2,000.00
estimated Indirect Cost @ 21.76%		435.20
Total Estimated indirect Cost		4,435.20
Total Direct and Indirect Cost Estimate		\$ 104,318.84

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

PROFFER OF MONETARY CONTRIBUTION

FORM APPROVED
OMB NO. 1004-0131
EXPIRES: JANUARY 31, 1986

State: (two digit code) [][]
Office: (three digit Org code) [][][]

INSTRUCTIONS

Submit one copy of each contributor, District grazing case file, and District job file.

I. Names(s)	Address(es) (include zip code)

do hereby contribute the sum of \$ _____ to the Bureau of Land Management. Contributions are made under the provisions of Section 9 of the Taylor Grazing Act (43 U.S.C. 315h), as amended, and Section 307 (c) of the Federal Land Policy and Management act (43 U.S.C. 1737). Specifically this contribution is for the purpose of *

<p>II. The unexpended balance, if any, remaining after completion of the work described in the paragraph above shall be: <input type="checkbox"/> Returned to the contributor(s) <input type="checkbox"/> Used for general purposes *</p>	<p>III. Contribution, made payable to the Bureau of Land Management, is attached in the form of (specify check, money order, etc.).</p>
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Signature of Contributor	Title (as applicable)	Date

Accepted in Behalf of the Secretary of the Interior for deposit in the Treasury of the United States and for Expenditure for the purpose specified herein

Signature of Authorized Officer	Title	Date

* contributions of general purposes are accepted to help pay for the expenses of construction or application of conservation and range improvement projects in general, or for the payment of expenses incident to the administration, use, protection, and improvement of lands in the district where this contribution is received. Such contributions shall *not* be used for specific administrative purposes.

such as the payment of salaries of named individuals or positions, or the performance of specific functions by such individuals, or the maintenance of offices at particular locations unless approved by the Director. The contribution shall *not* be used for any purpose at variance with existing Bureau policy, regulation, or law regarding the development, conservation, and use of the public lands.

**Calendar Year 2023 Cost Recovery Processing and Monitoring Fee Schedule
for FLPMA and MLA Rights-of-Way Actions**

Processing Category	Federal Work Hours Involved	Processing and Monitoring fee per application as of January 1, 2023. To be adjusted annually for changes in the IPD-GDP.
1. Applications for new grants, assignments, renewals, and amendments to existing grants.	Estimated Federal work hours are $>1 \leq 8$.	\$146
2. Applications for new grants, assignments, renewals, and amendments to existing grants.	Estimated Federal work hours are $> 8 \leq 24$.	\$516
3. Applications for new grants, assignments, renewals, and amendments to existing grants.	Estimated Federal work hours are $> 24 \leq 36$.	\$972
4. Applications for new grants, assignments, renewals, and amendments to existing grants.	Estimated Federal work hours are $> 36 \leq 50$.	\$1,393
5. Master agreements.	Varies.	As specified in the agreement.
6. Applications for new grants, assignments, renewals, and amendments to existing grants.	Estimated Federal work hours are > 50 .	Full reasonable costs (FLPMA) Full actual costs (MLA)

Information required when paying the BLM WITH CREDIT CARD

Cardholder Name																					
Amount Paid (Effective 6/1/2015 amount cannot exceed \$24,999.99)	\$																				
Bill for Collection Number																					
Credit Card Type	<table border="1"> <tr> <td>VISA</td> <td>MASTERCARD</td> <td>DISCOVER</td> <td>AMERICAN EXPRESS</td> </tr> </table>	VISA	MASTERCARD	DISCOVER	AMERICAN EXPRESS																
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Credit Card Expiration Date	<table border="1"> <tr> <td>MONTH</td> <td></td> <td>YEAR</td> <td></td> </tr> </table>	MONTH		YEAR																	
MONTH		YEAR																			
Phone Number (Required)	() -																				
Signature (Required)																					

Information collected from this form may be subject to the requirements of the Privacy Act (5 U.S.C. 552a). This form is used solely as a method of payment for goods and or services provided to federal agencies, businesses and private individuals by the Bureau of Land Management. The information collected will be stored in a secure location with access limited to designated employees. Any information collected may be subject to disclosure, but will be handled in accordance with the Privacy Act and Freedom of Information Act (FOIA) requirements to ensure protection of personal privacy in the face of required disclosure. Information will not be shared with outside parties except as required by law.

It is a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statement or representations as to any matter within its jurisdiction. (Title 18 U.S.C. Section 1001)

(Cut here and return to BLM)

BLM Information your bank requires when paying the BLM ELECTRONICALLY (ACH)

FIELD NAME	REQUIRED INFORMATION
BLM's ACH Account Number	312051
ACH ABA Number	051036706
Company/Individual Name	BLM's Office Name (Example - Wyoming State Office) and BLM POC
Identification Number	BLM Bill Number
BLM's ACH Bank Address	CASH LINK-ACH RECEIVER 5700 Rivertech Court Riverdale MD 20737 301-887-6600
BLM's Address	Bureau of Land Management Building 50, Denver Federal Center, PO Box 25047 Denver, CO 80225-0047
BLM Contact Information	CBS Customer Service Desk at 303-236-6795

You are responsible for any fees your financial institution may charge you for the actual transfer of funds. Please verify additional fees charged by your financial institution are not deducted from payment.

BLM Information your bank requires when paying the BLM ELECTRONICALLY (WIRE TRANSFER)

FIELD NAME	REQUIRED INFORMATION
Receiver DI Number/ Financial Institution	021030004 / Treasury NYC
Beneficiary Identifier/Account Number	14110008
Beneficiary Name	Bureau of Land Management (BLM)
Originator to Beneficiary Information	BLM Bill Number /BLM's Office Name (Example – Wyoming State Office)
BLM Contact Information	CBS Customer Service Desk at 303-236-6795
Financial Institution Address	TREASURY NYC 401 14 th Street SW Washington, DC 20327
BLM's Tax ID#	84-0437540

You are responsible for any fees your financial institution may charge you for the actual transfer of funds. Please verify additional fees charged by your financial institution are not deducted from payment.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

INFORMATION ON TAKING APPEALS TO THE INTERIOR BOARD OF LAND APPEALS

DO NOT APPEAL UNLESS

1. This decision is adverse to you,
AND
2. You believe it is incorrect

IF YOU APPEAL, THE FOLLOWING PROCEDURES MUST BE FOLLOWED

-
- | | |
|---|---|
| 1. NOTICE OF APPEAL..... | A person who wishes to appeal to the Interior Board of Land Appeals must file in the office of the officer who made the decision (not the Interior Board of Land Appeals) a notice that they wish to appeal. A person served with the decision being appealed must transmit the <i>Notice of Appeal</i> in time for it to be filed in the office where it is required to be filed within 30 days after the date of service. If a decision is published in the FEDERAL REGISTER, a person not served with the decision must transmit a <i>Notice of Appeal</i> in time for it to be filed within 30 days after the date of publication (43 CFR 4.411 and 4.413). |
| 2. WHERE TO FILE
NOTICE OF APPEAL..... | U.S. Bureau of Land Management
Ridgecrest Field Office
300 S. Richmond Road
Ridgecrest, CA 93555 |
| WITH COPY TO
SOLICITOR..... | U. S. Department of the Interior
Office of the Regional Solicitor
2800 Cottage Way, Room E1712
Sacramento, CA 95825 |
| 3. STATEMENT OF REASONS | Within 30 days after filing the <i>Notice of Appeal</i> , file a complete statement of the reasons why you are appealing. This must be filed with the United States Department of the Interior, Office of Hearings and Appeals, Interior Board of Land Appeals, 801 N. Quincy Street, MS 300-QC, Arlington, Virginia 22203. If you fully stated your reasons for appealing when filing the <i>Notice of Appeal</i> , no additional statement is necessary (43 CFR 4.412 and 4.413). |
| WITH COPY TO
SOLICITOR..... | U. S. Department of the Interior
Office of the Regional Solicitor
2800 Cottage Way, Room E1712
Sacramento, CA 95825 |
| 4. SERVICE OF DOCUMENTS | A party that files any document under 43 CFR Subpart 4, must serve a copy of it concurrently on the appropriate official of the Office of the Solicitor under 43 CFR 4.413(c) and 4.413(d). For a notice of appeal and statement of reasons, a copy must be served on each person named in the decision under appeal and for all other documents, a copy must be served on each party to the appeal (including intervenors). Service on a person or party known to be represented by counsel or other designated representative must be made on the representative. Service must be made at the last address of record of the person or party (if unrepresented) or the representative, unless the person, party or representative has notified the serving party of a subsequent change of address. |
| 5. METHOD OF SERVICE.... | If the document being served is a notice of appeal, service may be made by (a) Personal delivery; (b) Registered or certified mail, return receipt requested; (c) Delivery service, delivery receipt requested, if the last address of record is not a post office box; or (d) Electronic means such as electronic mail or facsimile, if the person to be served has previously consented to that means in writing. All other documents may be served by (a) Personal delivery; (b) Mail; (c) Delivery service, if the last address of record is not a post office box; or (d) Electronic means, such as electronic mail or facsimile, if the person to be served has previously consented to that means in writing. |
| 6. REQUEST FOR STAY..... | Except where program-specific regulations place this decision in full force and effect or provide for an automatic stay, the decision becomes effective upon the expiration of the time allowed for filing an appeal unless a petition for a stay is timely filed together with a Notice of Appeal (43 CFR 4.21). If you wish to file a petition for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Interior Board of Land Appeals, the petition for a stay must accompany your Notice of Appeal (43 CFR 4.21 or 43 CFR 2801.10 or 43 CFR 2881.10). A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the Notice of Appeal and Petition for a Stay must also be submitted to each party named in this decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay Except as otherwise provided by law or other pertinent regulations, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards: (1) the relative harm to the parties if the stay is granted or denied, (2) the likelihood of the appellant's success on the merits, (3) the likelihood of immediate and irreparable harm if the stay is not granted, and (4) whether the public interest favors granting the stay |
-

Unless these procedures are followed, your appeal will be subject to dismissal (43 CFR 4.402). Be certain that all communications are identified by serial number of the case being appealed.

NOTE: A document is not filed until it is actually received in the proper office (43 CFR 4.401(a)). See 43 CFR Part 4, Subpart B for general rules relating to procedures and practice involving appeals.

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IWVGA ADMINISTRATIVE OFFICE
STAFF REPORT

TO: IWVGA Board Members **DATE:** April 10, 2024
FROM: IWVGA Staff
SUBJECT: **Agenda Item 11 – CONSOLIDATION GRANT AND POTENTIAL PROJECTS**

BACKGROUND AND DISCUSSION

On October 12, 2022, the Indian Wells Valley Groundwater Authority (IWVGA) Board adopted Resolution 08-22, authorizing preparation and submittal of a grant application for the Shallow Well Consolidation Project under the Urban Community Drought Relief Grant (UCDRG) through the California Department of Water Resources. The UCDRG is intended to address impacts on communities that face the loss or contamination of their water supplies and address immediate impacts on human health and safety.

The IWVGA Shallow Well Consolidation Project was selected for funding and the UCDRG is providing \$3.3 million for planning, design, and construction for the Shallow Well Consolidation Project to consolidate shallow wells that may be impacted by declining groundwater levels into the Indian Wells Valley Water District’s (IWWVD) water distribution system.

On January 16, 2024, the Indian Wells Valley Groundwater Authority (IWVGA) entered into a Grant Agreement, to a work completion date of December 31, 2026. Staff has performed preliminary investigations into potential consolidation areas near currently impacted wells that have already applied for Shallow Well Mitigation Assistance. Staff has initiated discussions with the IWWVD, which currently has their own consolidation project underway for the Dune III Water System. Staff will continue to work with the IWWVD and investigate specific systems and shallow wells feasible for consolidation as well as preliminary designs for extension of the IWWVD distribution system. Impacted shallow wells that have already been replaced with new wells will not be considered for consolidation. Progress Reports are due 60 days after each Calendar Quarter with the first Progress Report due May 30, 2024.

An overview of the grant conditions and preliminary work on projects will be presented during the Board meeting. The presentation is included with this report.

ACTION(S) REQUIRED BY THE BOARD

This is an informational item. No Board Action is required.

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IWVGA ADMINISTRATIVE OFFICE

STAFF REPORT

TO: IWVGA Board Members

DATE: April 10, 2024

FROM: IWVGA Water Resources Manager

SUBJECT: AGENDA ITEM 12 – WATER RESOURCES MANAGER’S REPORT

AGENDA ITEM 12a – GRANT FUNDING UPDATE

Proposition 1/68 Grant Closeout

- Retention invoices for Proposition 1 and Prop 68 in the amount of \$187,678.87 and \$32,941.39, respectively, were submitted to DWR on February 28, 2023. The Proposition 1 retention invoice was revised and resubmitted on May 18 per DWR’s request. DWR has confirmed that the retention will be paid out this year.
- Post-performance report was submitted on 3/29/24

SGMA Implementation Round 1 Update

- Invoice #3
 - Covers January 2023 through March 2023
 - Total requested payment: \$417,072.61
 - Comments received from DWR on initial submittal
 - Status: Approved and awaiting payment
- Invoice #4
 - Covers April 2023 to June 2023
 - Total requested payment: \$1,061,117.14
 - Comments received from DWR on initial submittal
 - Status: Approved and awaiting payment
- Invoice #5
 - Covers July 2023 to September 2023
 - Total requested payment: \$851,669.63
 - Comments received from DWR on initial submittal
 - Status: Approved and awaiting payment
- Invoice # 6
 - Covers October 2023 to December 2023
 - Total requested payment: \$626,069.10
 - Status: Approved and awaiting payment

Urban Community Drought Relief Program Update

- The IWVGA has been awarded \$3,345,000 to consolidate shallow well system(s) into a

- public water system.
- DWR has executed the grant agreement.
- Potential systems/wells for consolidation in areas near impacted shallow wells are being further investigated.
- Ongoing discussion with IWVWD on collaboration with Dune III
- Meeting with DWR occurred on 4/5/24 regarding clarification on grant funds
- First Invoice and Progress Report will be due 5/30/24

2023 Drinking Water System Infrastructure Resilience and Sustainability Program

Staff submitted an application for federal funding on November 6, 2023 for approximately \$2.8 million to fund planning, design, environmental, and right-of-way tasks for the Imported Water Project. Funding awards are anticipated to be announced in late Spring 2024.

AGENDA ITEM 12.b – GSP IMPLEMENTATION PROJECTS/MANAGEMENT ACTION UPDATES

Imported Water Project

- Imported Water Pipeline Design Services
 - Coordination Meetings:
 - Bi-weekly meetings with BLM
 - Finalizing SF-299 Application per BLM comments in order to obtain a Special Use Permit
 - Draft Plan of Design in compliance with the BLM’s Desert Renewable Energy Conservation Plan being revised
 - BLM provided IWVGA with a Right of Way offer letter on March 15, 2024 to execute for the Geotech Special Use Permit
 - P&P and BLM are coordinating the Conservation Management Actions defined in the ROW offer letter
 - Coordinating approval of mitigation measures for endangered species with California Department of Fish and Wildlife
 - CDFW approval of the LSA for the boring locations next to aquatic features is the critical path to getting geotechnical results
 - Ongoing coordination with State Water Resources Control Board Division of Drinking Water (DDW), Caltrans, United Pacific Rail Road (UPRR), and Southern California Edison (SCE)
 - SCE reviewing Customer/ Project Information Sheet (CPIS) application
 - GM authorized the submittal and payment for the California State Parks Right of Entry Application to prepare an Encroachment Permit and a check for the initial fee of \$500
 - Future fees include an analysis fee of \$10,000 and a final easement fee of approximately \$25,000
 - UPRR provided a license agreement for railroad crossing near Neuralia Rd and Redrock Randsburg Road
 - Continuing soils borings in California City and Kern County right-of-way
 - Focusing on locations not adjacent to aquatic features until the California Department of Fish and Wildlife approves the Lake and Streambed

Alteration Agreement

- Continuing utility research and trenchless crossing identification
 - Working on scour analysis for the Cantil and Redrock Canyon drainage washes, in non-BLM land near Neuralia Rd and Redrock Randsburg Road
- Finalized 30% Design
- Initiated 60% Design level
- Next Steps:
 - Start geotechnical borings in BLM land after cultural surveys are completed
 - Provide the System Hydraulics and Transient Mitigation Analysis TM
 - Provide the updated Preliminary Permitting Requirements TM and Electrical Systems TM per Staff comments
 - Provide 60% Design Submittal by August
 - Next Milestones
 - Provide 90% Design Submittal by September 2024
 - Provide Final Design Submittal by April 2025
- Imported Water Pipeline Environmental Services
 - Coordination Meetings
 - Weekly meetings with BLM
 - Initiated additional biological survey requirements from BLM
 - South Environmental subconsultants completed botany survey late- March 2024
 - Initiating biological surveys along Mojave Tank Farm alignment in early-April 2024
 - BLM Reviewing NEPA Public Scoping Period Summary Report
 - BLM Reviewing draft EA
 - Completed cultural surveys on BLM land, to be followed by geotechnical surveys
 - Final Draft Cultural Report being prepared
 - On March 29, 2024, the Board authorized a Change Order for BLM's request for additional meeting coordination and biological resource tasks including Vegetation Mapping, Mohave Ground Squirrel Habitat Assessment, and additional botanical survey and reporting.
 - On March 29, 2024, the Board authorized a Contract Service Agreement for AVEK's request to add an additional Phase to the Project for CEQA analysis that includes an enlarged carrying capacity for the California City pipeline going back to the AVEK Mojave tank farm.
 - P&P to provide an updated schedule
 - Next Steps:
 - Begin geotechnical and biological monitoring on BLM lands
 - Finalize draft Environmental Impact Report, and BLM Environmental Assessment
 - Provide draft EA for Public Comment by mid-April
 - Next Milestones:
 - Finalize NEPA compliance for geotechnical borings and environmental surveys/ studies within BLM property
 - Conduct technical analyses/ Special Studies within BLM land
- Imported Water Pipeline Right-of-Way Services
 - Continue obtaining Rights of Entry from property owners along the pipeline alignment to allow performance of biological/technical studies and geotechnical

- borings
 - Next Milestone:
 - Provide a Right of Way Acquisition Plan by June 2024
- Submittals to DWR
 - Submit Initial Study due September 1, 2024
- US Army Corps of Engineers Planning Assistance to States (PAS) Program
 - USACE Staff reviewing final proposed project list to start the development of an agreement with Army Corps
 - Next Steps:
 - Execute an agreement with Army Corps

Shallow Well Mitigation Program

Impacted Shallow Wells	Evaluation Status
Stark Street	Application approved for partial funding. Completed
Heritage	Application Declined. Completed
Byerly	Application approved for partial funding. Completed
Halpin	Application approved for partial funding. Completed
Rademacher	Water Quality. Directed to the Shallow Well Mitigation Program and Capital Core. Kern County researching funding. Possible use of new DWR Consolidation Grant.

GSP Periodic Evaluation and Amendment

Revised Periodic Evaluation Schedule of Draft Releases

New Information Collected	March 2024
GSA Authorities and Enforcement Actions	April 2024
Monitoring Networks	April 2024
Outreach, Engagement, and Coordination	April 2024
Groundwater Conditions Relative to Sustainable Management Criteria	June 2024
Basin Setting Based on New Information/Changes in Water Use	July 2024
Status of Projects and Management Actions	August 2024
Summary of Proposed/Completed Revisions to Plan Elements	August 2024

Revised Submittal Process Schedule

Complete Draft Periodic Evaluation Released	September 2, 2024
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Complete Draft Plan Amendment Released	September 30, 2024
Periodic Evaluation Comment Period	September 3, 2024 – October 7, 2024
Plan Amendment Comment Period	October 1, 2024 – November 4, 2024
Final Periodic Evaluation for Board Approval	November 13, 2024
Final Plan Amendment for Board Approval	January 8, 2025
Submittal to DWR	January 31, 2025

2023 Annual Report

WY 2023 Annual Report

- Comments on the draft WY 2023 Annual Report were due to the WRM by February 2, 2024.
 - Comments were provided by Mohave Pistachio, LLC and Searles Valley Minerals Inc.
- The draft WY 2023 Annual Report and comments are available on the IWVGA website.
- The final WY 2023 Annual Report was provided at the IWVGA March Special Board Meeting and was due to DWR on April 1, 2024.
- WY 2023 Annual Report was successfully submitted to DWR on March 29, 2024

AGENDA ITEM 12c – MISCELLANEOUS ITEMS

Data Collection and Monitoring

- Feb 21-23, 2024
 - Repairs, modifications and routine maintenance of selected GWMP wells.
- March 4-8, 2024
 - Spring 2024 bi-annual basin-wide groundwater level measurements and datalogger downloads.
 - Wellhead survey of a subset of monitoring wells.

GSP Model Configuration Management Plan (CMP)

- Technical Model Group (TMG)
 - TMG includes the Navy, TAC representatives, DRI, and Stetson
 - Dec 6, 2023, DRI/Stetson working call to review model updates
 - Dec 18, 2023, TMG meeting/call reviewed and finalized structural model components: faults, model boundaries, clay extents, discussed aquifer properties, evapotranspiration, and groundwater pumping
 - Jan 12, 2024, TMG meeting/call discussed mountain front recharge distribution and aquifer connectivity
 - Jan 30, 2024 TMG meeting/call reviewed modeling progress with recharge distribution, hydraulic conductivity zones, and calibration
 - Mar 5, 2024, TMG meeting/call to review LADWP Releases Data and modelling progress
 - Mar 18, 2024 TMG meeting/call to review Rose Valley hydrogeology and modeling progress

- April 2, 2024 TMG meeting/call to review baseline pumping, Scenario 6.2 and modeling progress
- Spring 2024 Schedule
 - Model Calibration, sensitivity analysis
 - Development of GSP model scenarios and water budgets
 - Biweekly TMG meetings to be scheduled to monitor modeling progress

Subflow from Rose Valley to IWV

- GA Reimbursement is being processed for first monitoring well (April)
- Executed Cooperative Agreement Modification for time extension requested through 2024 to complete permitting and drilling second monitoring well
- Ongoing work with BLM regarding Cultural Survey and Permitting for second monitoring well

ACTION(S) REQUIRED BY THE BOARD

There are no actions required by the Board.

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To: Carol Thomas-Keefer, General Manager – Indian Wells Valley Groundwater Authority

From: Michael W. McKinney, Capitol Core Group

cc: Keith Lemieux, Counsel IWVGA
Phillip Hall, Counsel, IWVGA
Steve Johnson, Stetson Engineers
Jeff Simonetti, Capitol Core Group
Todd Tatum, Capitol Core Group

Date: April 3, 2024

Subject: March 2024 Project Update

The following will provide activities and updates for March 2024.

Task 1: Imported Water Supplies

Task 2: Interconnection Pipeline Project

UPDATE: *State Budget Act for Fiscal Year 2024-2025*

Capitol Core submitted the Authority's \$2.3 million State Budget Request for FY2024-2025 to complete the required planning funding. As reported last month, the LAO requests suspending all Legislative budget requests for this fiscal year. The Senate confirmed that they will not be entertaining member requests through the budget process. Senator Grove and Senator Atkins are working with the Budget Committee and the Senate President Pro Tem McGuire to determine if there are other avenues and funding sources outside of this year's budget process to seek a budget appropriation. Assembly Member Fong is working with Leadership to determine if the request can be submitted. The Assembly leadership and Budget Committee have not officially made a determination on whether they will accept member requests.

UPDATE: *Water Resources Development Act of 2024 ("WRDA-24")*

The interconnection pipeline project is now bicameral and enjoys bipartisan support.

Significant lobbying activity occurred in March in both the House and Senate for the Authority's WRDA-24 request. Representative Mike Garcia (R-CA, 23rd) confirmed that the request has been submitted and now resides with the House Committee on Transportation and Infrastructure. Capitol Core has begun

working with Committee staff and will lobby the Committee and Subcommittee Chairs in the coming weeks.

In addition, Senator Alex Padilla submitted the request earlier this year on the Senate side. Capitol Core continues to work with the Senate Environment and Public Works Committee staff to answer questions and discuss the importance of the interconnection project. The Senate is finalizing legislative drafts, and Chairman Carper's "Mark" of the bill (draft legislation) is expected as early as April.

Task 3: Other Projects Supporting the GSP

UPDATE: *Energy & Water Development Act for Fiscal Year 2025*

To meet Congressional deadlines, Capitol Core has submitted a Community Project Funding Request ("earmark") in the amount of \$1.6 million to the *Energy & Water Development Appropriations Act for Fiscal Year 2025 (E&WD FY25)*. Under consideration is re-programming the authorized amounts provided under the *E&WD FY23* to fund U.S. Army Corps of Engineers (USACE) assistance for watershed management planning ("GSP Updates"), validation of specific studies, including basin percolation and GSP findings validation, and water resource planning. The request replaces the Planning Assistance to States application for USACE assistance for interconnection pipeline planning activities that were not permitted due to SGMA-IP funding timelines required by DWR. The House Appropriations Committee has not provided guidance to Members, and the FY2025 cycle is in its early stages. The request is complete and awaiting the opening of the Member request portal.

Federal Legislative Updates

UPDATE REPORT: HR 7065 (Napolitano, D-CA 31st): Priority for Water Supply and Conservation Act of 2024

The U.S. Army Corps of Engineers acknowledges three aspects as its primary mission: 1) flood control, 2) environmental permitting, and 3) ancillary recreation protection. USACE has objected to projects that are not included in this interpretation of its primary mission. HR 7065 would statutorily clarify USACE's primary mission to include water supply and water conservation. This solidifies the eligibility of the Authority's infrastructure projects under USACE jurisdiction. The Authority is now taking a support position on HR 7065.

State Legislative Updates

UPDATE/REPORT: AB 1827 (Papan, D-21st): Local Government Finance: Higher Consumptive Water Rates

This bill would provide that the fees or charges for property-related water service imposed or increased, as specified, may include the incrementally higher costs of water service due to specified factors, including the higher water usage demand of parcels. The bill would provide that the costs associated with higher water usage demands, the maximum potential water use, or a projected peak water usage demand may

be allocated using any method that reasonably assesses the water service provider's cost of serving those parcels that are increasing potential water usage demand, maximum potential water use, or project peak water use demand. The bill would declare that these provisions are declaratory of existing law.

NEW REPORT/PRIORITY BILL: Assembly Constitutional Amendment 2: Water Resiliency Act of 2024

This measure would require the Treasurer to annually transfer an amount equal to 1.5% of all state revenues from the General Fund to the California Water Resiliency Trust Fund, which the measure would create. The measure would continuously appropriate money in the fund to the California Water Commission for its actual costs of implementing these provisions and for specified water infrastructure projects. The Author has pulled the bill from the Assembly Committee on Water, Parks, and Wildlife hearing scheduled.

UPDATE/REPORT: SB 1210 (Skinner, D-9th): Water Connection Charges

This bill limits the ability of the Water District and the City to charge a connection fee that exceeds one percent of the reported building permit value for new residential construction. It rewrites the Mitigation Fee Act on connection/capacity charges. It negatively impacts the IWV Water District (water supply) and the City of Ridgecrest (wastewater) by not allowing these jurisdictions the ability to charge the "actual value" of the connection charge by artificially capping such charges at one percent of the building permit value, which is a nebulous calculation. It may ultimately negatively impact the Authority. The authority is taking an *oppose unless amended* position. A coalition of lobbyists is working with the Author on amendment language. The Authority may remove its opposition pending the outcome of the proposed amendments from the Author.

Bill Tracking Report:

February 16th was the deadline for legislators to submit bills. Capitol Core listed a series of bills in our tracking report last month that we are monitoring for the IWVGA. We have initial text for bills that we are monitoring, with the exception of the final "spot bills" that were submitted. "Spot bills" are placeholder bills that provide a general area of law that legislators may want to amend but provide specifics on code later. The specifics of "spot bills" were due to Legislative Counsel at the end of February. Capitol Core is still reviewing the final spot bill submissions and will provide updates on these bills and hearing dates for priority bills in March.

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INDIAN WELLS VALLEY GROUNDWATER AUTHORITY
2024 Budget Analysis and Report

2024 PROJECT BUDGET	\$204,950.00
ESTIMATED PROJECT HOURS	782.00

SUMMARY BUDGET ANALYSIS

Service Month	Invoice Date	Invoice Number	Invoice Amount	Invoiced Hours	Remaining Budget	Remaining Hours
January	2-Feb-24	2024-009	\$16,387.50	61.5	\$188,562.50	720.50
February	1-Mar-24	2024-024	\$16,787.50	44.5	\$171,775.00	676.00
March	1-Apr-24	2024-030	\$21,543.75	81.25	\$150,231.25	594.75
1st QTR			\$54,718.75	187.25	\$150,231.25	594.75
April						
May						
June						
2nd QTR			\$0.00	0		
July						
August						
September						
3rd QTR			\$0.00	0		
October						
November						
December						
4th QTR			\$0.00	0		
YTD Totals			\$54,718.75	187.25	\$150,231.25	594.75

PROJECT 1 DETAIL: OBTAIN WATER SUPPLIES

2024 Budget Estimate	\$64,225.00
Estimated Hours for Project	244.00

Service Month	Invoice Date	Invoice Number	Invoice Amount	Invoiced Hours	Remaining Budget	Remaining Hours
January	2-Feb-24	2024-009	\$4,262.50	15.75	\$59,962.50	228.25
February	1-Mar-24	2024-024	\$5,687.50	21.5	\$54,275.00	206.75
March	1-Apr-24	2024-030	\$5,212.50	18.5	\$49,062.50	188.25
1st QTR			\$15,162.50	55.75	\$49,062.50	188.25
April						
May						
June						
2nd QTR						
July						
August						
September						
3rd QTR						
October						
November						
December						
4th QTR						
YTD Totals						

PROJECT 2: INTERCONNECTION PIPELINE PROJECT

2024 Budget Estimate \$47,250.00
 Estimated Hours for Project 180.00

Service Month	Invoice Date	Invoice Number	Invoice Amount	Invoiced Hours	Remaining Budget	Remaining Hours
January	2-Feb-24	2024-009	\$4,625.00	17.5	\$42,625.00	162.50
February	1-Mar-24	2024-024	\$2,781.25	10.5	\$39,843.75	152.00
March	1-Apr-24	2024-030	\$5,006.25	19.25	\$34,837.50	132.75
1st QTR			\$12,412.50	47.25	\$34,837.50	132.75
April						
May						
June						
2nd QTR						
July						
August						
September						
3rd QTR						
October						
November						
December						
4th QTR						
YTD Totals			\$12,412.50	47.25	\$34,837.50	132.75

PROJECT 3: OTHER PROJECTS SUPPORTING THE GSP

2024 Budget Estimate \$66,925.00
 Estimated Hours for Project 254.00

Service Month	Invoice Date	Invoice Number	Invoice Amount	Invoiced Hours	Remaining Budget	Remaining Hours
January	2-Feb-24	2024-009	\$5,137.50	19.25	\$61,787.50	234.75
February	1-Mar-24	2024-024	\$5,043.75	19	\$56,743.75	215.75
March	1-Apr-24	2024-030	\$7,525.00	29.25	\$49,218.75	186.50
1st QTR			\$17,706.25	67.5	\$49,218.75	186.50
April						
May						
June						
2nd QTR						
July						
August						
September						
3rd QTR						
October						
November						
December						
4th QTR						
YTD Totals			\$17,706.25	67.5	\$49,218.75	186.50

PROJECT ADMINISTRATION

2024 Budget Estimate \$26,550.00
 Estimated Hours 104.00

Service Month	Invoice Date	Invoice Number	Invoice Amount	Invoiced Hours	Remaining Budget	Remaining Hours
January	2-Feb-24	2024-009	\$2,362.50	9	\$24,187.50	95.00
February	1-Mar-24	2024-024	\$3,275.00	12.5	\$20,912.50	82.50
March	1-Apr-24	2024-030	\$3,800.00	14.25	\$17,112.50	68.25
1st QTR			\$9,437.50	35.75	\$17,112.50	68.25
April						
May						
June						
2nd QTR						
July						
August						
September						
3rd QTR						
October						
November						
December						
4th QTR						
YTD Totals			\$9,437.50	35.75	\$17,112.50	68.25

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INDIAN WELLS VALLEY GROUNDWATER AUTHORITY
Legislative Tracking Report

118th Congressional Session
2023-2024 California State Session

Updated to 3 April 2024





PRIORITY BILLS

Legislation of significant impact on operations or interests. Legislation where a public position may be taken with the legislative body. Updates are provided to staff as they occur, potentially requiring action, and reported herein.

Positions Taken:



Indicating a public position of support for the legislation.



Indicating a public position of opposition for the legislation



Indicating a neutral position on the legislation. Public position or no-public position taken.



Indicating a position of "Amend" and presenting amendments that would change the public position to support.



Indicating a position of oppose unless amended.

Federal – the 118th Congressional Session



HR 7065 (Napolitano, D-CA, 31st): Priority for Water Supply and Conservation Act of 2024



Introduced 01/22/2024.

This amendment to the Water Resources Development Act of 1974 adds water supply and conservation to the list of "primary mission" projects of the U.S. Army Corps of Engineers' civil engineering programs. Possible amendment to WRDA-24.

House Committee on Transportation & Infrastructure

[Current Text](#)

S. 3830 (Padilla, D-CA) – The Low-Income Household Water Assistance Program Act of 2024



A bill to establish a permanent Low-Income Household Water Assistance Program. Similar to LIHEAP.

As Introduced 02/28/2024

Senate Committee on Health, Education, Labor and Pensions

[Current Text](#)

WATER RESOURCES DEVELOPMENT ACT OF 2024

\$150 authorization request for interconnection pipeline project pursuant to Section 219 /Environmental Infrastructure of WRDA.

House Bill (Graves, R-MO 6th):

Status of IWVGA Authorization Request: Member Submitted the IWVGA request: House Committee on Transportation and Infrastructure

Status of Bill: Information Gathering; Oversight Hearings Pending; No bill on file.

Senate Bill (Carper, D-DE):

Status of IWVGA Authorization Request: Member Submitted the IWVGA request: Senate Committee on Environment and Public Works

Status of Bill: Oversight Hearings Held; bill in drafting stage; No bill on file.

State of California – 2023-2024 California Session



AB 560 (Bennett, D-38th) – Groundwater Adjudications



Requires parties in adjudication to seek a nonbinding advisory opinion from the SWRCB in conjunction with DWR on the impacts of a proposed settlement agreement to small farmers and the GSP.

As Amended 06/26/2023.

Senate Committee on Appropriations – Held on Suspense File (two-year bill)

[Current Text](#)

NEW INFORMATION: AB 1827 (Papin, D-21st): Local Government Finance: Water: Higher Consumptive Water Parcels

As Introduced 01/12/2024

This bill would provide that the fees or charges for property-related water service imposed or increased, as specified, may include the incrementally higher costs of water service due to specified factors, including the higher water usage demand of parcels. The bill would provide that the costs associated with higher water usage demands, the maximum potential water use, or a projected peak water usage demand may be allocated using any method that reasonably assesses the water service provider's cost of serving those parcels that are increasing potential water usage

demand, maximum potential water use, or project peak water use demand. The bill would declare that these provisions are declaratory of existing law. Moved to Priority List at request of counsel. **Bill is sponsored by Irvine Ranch Water District and California Coastal Keepers Association. Fact Sheet provided to staff for review. The main impact is on the Water District. Possible Support position.**

Assembly Committee on Local Government (pending hearing schedule)
[Current Text](#)

NEW ACTION: AB 2079 (Bennett, D-38th): SGMA: Groundwater Extraction: Large Diameter, High-Capacity Wells: Permits



As Amended 03/22/2024

The bill would require a groundwater sustainability agency with oversight for the area of the basin where the local enforcement agency has well-permitting jurisdiction to provide specified information to the local enforcement agency, including, but not limited to, the name of the applicable groundwater sustainability agency, the agency manager and contact information, and the applicable sustainable management criteria related to groundwater levels, including the groundwater level measurable objectives and minimum thresholds. The bill would provide various requirements for the local enforcement agency to consider before approving or denying a permit. The bill would provide exemptions for its provisions for specified wells if they are proposed to be constructed with well screens and pump depths below the applicable minimum thresholds for groundwater levels as reported by the groundwater sustainability agency.

Assembly Committee on Water, Parks and Wildlife (pending hearing schedule)
[Current Text](#)

NEW ACTION: AB 2799 (Fong, R-32nd): Sustainable Groundwater Management Act: Groundwater Sustainability Agencies.



As Amended 03/22/2024

This bill would require a groundwater sustainability agency to consider the efforts of small farms, as defined, that recharge groundwater into the basin upon which their property is located when imposing or increasing fees. This means calculating the return flows from farming and then subtracting that amount from the amount of groundwater pumped in order to charge a replenishment or other infrastructure fee based on the net water consumed.

Assembly Committee on Water, Parks, and Wildlife (pending hearing schedule)
[Current Text](#)

ACA 2 (Alanis, R-22nd): Water Resiliency Act of 2024

As Amended 03/06/2024

This measure would require the Treasurer to annually transfer an amount equal to 1.5% of all state revenues from the General Fund to the California Water Resiliency Trust Fund, which the

measure would create. The measure would continuously appropriate moneys in the fund to the California Water Commission for its actual costs of implementing these provisions and for specified water infrastructure projects.

Hearing Cancelled at the request of the Author: Assembly Committee on Water, Parks and Wildlife

SB 1156 (Hurtado, D-16th): Groundwater Sustainability Agencies: Financial Disclosure Reports



As Introduced 02/15/2024

The legislation requires a groundwater sustainability agency's board and executive staff members to provide annual financial disclosure reports (Form 700) and the FPPC to develop implementing regulations. It will also create additional regulatory requirements for staff.

HEARING SCHEDULED – APRIL 9, 2024: Senate Committee on Natural Resources and Water
Senate Committee on Elections and Constitutional Amendments (sequentially referred)

[Current Text](#)

NEW ACTION: SB 1210 (Skinner, D-9th): Water Connection Charges



As Amended 03/18/2024

This bill limits the ability of the Water District, the City, and the Authority to charge a connection charge that exceeds one percent of the reported building permit value for new residential construction. The amendments included municipal utilities. The Authority's initial proposed amendments were rejected. **Capitol Core worked with a coalition of opponents seeking amendments that included ACWA, League of California Cities, and CSAC. Amendments were accepted. Remove opposition once in print.**

Senate Committee on Appropriations (pending hearing schedule)

DISPOSITION: Do pass as amended by the Senate Committee on Energy, Utilities, and Communications (15-1)

[Current Text](#)



WATCH BILL LIST

Legislation of interest to the Authority. The Authority may adopt a “neutral” position, or no public position is taken. Updates are provided monthly unless the amendment warrants immediate notification to staff.

Federal – the 118th Congressional Session



HR 186 (McClintock, R-CA, 5th) – The Water Supply Permitting Coordination Act of 2023

Authorizes the Secretary of the Interior to coordinate Federal and State permitting processes related to the construction of new surface water storage projects on lands under the jurisdiction of the Secretary of the Interior and the Secretary of Agriculture and to designate the Bureau of Reclamation as the lead agency for permit processing. Hold for completion of federal permitting and monitor.

As Introduced
House Committee on Natural Resources

HR 215 (Valadao, R-CA 22nd) – Water for California Act of 2023

Authorizes several federal (CVP) and State Water Project authorizations. Designates the USBR as the lead agency for federal permitting requirements. To provide long-term water supply and regulatory reliability to drought-stricken California. The introduced version was incorporated into HR 1 and HR 2811. Hold for completion of federal permitting and monitor.

CBO Budget Estimate Provided to Rules Committee 02/22/2024. Scored at a financial impact of \$264 million over the life of the bill 2024-2033.

As Amended in the Nature of a Substitute
Ordered Reported (passed) House Committee on Natural Resources,
To the Committee on Rules

HR 1152 (Rouzer, R-NC 7th) – Water Quality Certification and Energy Project Improvement Act

This bill revises the water quality certification process under Section 401 of the Clean Water Act (CWA) for any activity that requires a federal license or permit and may result in a discharge of pollutants into the United States' waters. These activities include hydropower, natural gas pipelines, and mining projects.

Under the existing Section 401, an applicant for a federal license or permit to conduct such activities must provide the federal licensing or permitting agency with a certification. The certification must attest that the discharge will comply with enumerated sections of the CWA (i.e., Sections 301, 302, 303, 306, and 307) and with any other appropriate requirement of state law outlined in the certification. The certifying authority—usually the state where the discharge

originates, but sometimes an Indian tribe or the Environmental Protection Agency (EPA)—may grant with conditions, deny, or waive certification of a proposed federal license or permit. This bill limits the scope of the certification process by eliminating the requirement that the discharge comply with appropriate state law outlined in the certification. It also requires decisions to grant or deny a request for certification based only on the enumerated sections of the CWA and provisions of state law that implement water quality criteria under Section 303. In addition, it also limits the certification process to activities that may directly result in a discharge into the waters of the United States.

In addition, the bill requires certifying authorities to identify all materials or information necessary to grant or deny the request within 90 days of receiving a request for certification. They must also publish requirements for their water quality certifications. Hold for completion of federal permitting and monitor.

HR 1152: Ordered Reported House Committee on Transportation and Infrastructure
Incorporated in HR 1
Incorporated into HR 2811

HR 1430 (Valadao, R-CA 22nd) – NEPA Permit Streamlining Act of 2023

The bill directs the Secretary of the Interior and the Secretary of Agriculture to use certain previously completed environmental assessments and environmental impact statements to satisfy NEPA's review requirements. Hold for completion of federal permitting and monitor.

As Introduced
Incorporated into HR 1
House Committee on Natural Resources

HR 3809 (Davis, D-NC, 1st) – The Cybersecurity for Rural Water Systems Act of 2023

To include cybersecurity technical assistance in the Department of Agriculture's national rural water and wastewater circuit rider program.

As Introduced
House Committee on Agriculture

Consider Support if moves.

HR 4877 (Lee, D-PA, 12th) – Abandoned Well Remediation and Research Act of 2023

Amends the Energy Policy Act of 2005 to direct the Secretary of Energy to conduct a research, development, and demonstration program concerning abandoned wells.

As Amended during markup.
Reported by the House Science, Space, and Technology Committee (35-0)
To House Committee on Rules

HR 4540 (Cuellar, D-TX 28th) – Water Infrastructure Enhancement Act of 2023

Amends the Safe Drinking Water to enact a grant program to provide for the construction of water infrastructure in rural, small, and poverty-stricken communities. Redefines “poverty-stricken” to include communities where 20% of the population has lived in poverty as defined by the Census Bureau. Infrastructure grants include water pipelines, well upgrades, water tanks, water recycling, and wastewater treatment. Authorizes \$800 million in grant opportunities from FY2024 through FY2029.

As Amended during markup.

House Subcommittee on Environment, Manufacturing, and Critical Materials
House Committee on Energy and Commerce.

Move to Priority List if Reported by the Subcommittee (SUPPORT).



S. 660 (Markey, D-MA) – Water System Threat Resiliency and Preparedness Act of 2023

This bill would require the USEPA to develop and implement guidelines for a public water system (anything with a pipe that might become drinking water or wastewater treatment) for cyber and physical threats.

As Introduced

Senate Committee on Environment and Public Works

S. 806 (Baldwin, D-WI) – The Healthy H2O Act

The bill provides financial assistance to property owners (and non-profits assisting small water systems) for water filtration of contaminant found in groundwater supplies utilized for drinking water purposes. These contaminants include arsenic, nitrates, PFAS/PFOA, VOX and Chrome-6. The program is monitored through the Rural Decentralized Water Systems program at the U.S. Department of Agriculture under the *Consolidated Farm and Rural Development Act*. We have added the bill for tracking (“Watch Bill”) as it may have applications/benefits for de-minimis end-users or small water systems in the IWV Basin. Potential inclusion into the 2023 Farm Bill reauthorization.

As Introduced

Senate Committee on Agriculture, Nutrition and Forestry

S. 2102 (Wyden, D-OR) – Water for Conservation and Farming Act of 2023

A bill to provide for drought preparedness and improved water supply reliability.

As Introduced

Senate Committee on Energy and Natural Resources

S. 2162 (Feinstein, D-CA) – The STREAM Act

A bill to support water infrastructure in Reclamation States.

As Introduced
Senate Committee and Energy and Natural Resources

S. 2166 (Padilla, D-CA) – The Voluntary Land Re-Purposing Act of 2023

Introduced on 06/22/2023

This bill amends the Reclamation States Emergency Drought Relief Act of 1991 and the Omnibus Public Land Management Act of 2009 to provide grants to States and Indian Tribes for programs to repurpose agricultural land to reduce consumptive water use voluntarily and for other purposes. The author does not see a path forward without a California program.

Referred to the Senate Committee on Energy & Natural Resources, Subcommittee on Water

S. 2169 (Wyden, D-OR) – The Watershed Results Act of 2023

Authorizes the Secretary of the Interior to carry out watershed pilots.

As Introduced
Senate Committee on Energy and Natural Resources

S. 2202 (Feinstein, D-CA) – The RAIN Act

A bill to amend the Omnibus Public Land Management Act of 2009 to authorize the modification of transferred works to increase public benefits and other project benefits as part of extraordinary operation and maintenance work.

As Introduced
Senate Committee on Energy and Natural Resources

S. 2250 (Bennett, D-CO) and HR 4902 (Caraveo, D-CO 8th) – The Voluntary Groundwater Conservation Act of 2023

To amend the Food Security Act of 1985 to establish a groundwater conservation easement program.

S. 2250:
As Introduced
Senate Committee on Agriculture, Nutrition and Forestry
HR 4902:
As Introduced
House Committee on Agriculture

S. 3147 (Ricketts, D-NE): Flood Protection and Infrastructure Resilience Act of 2024

As Introduced 01/22/2024

The bill adds regional conservation programs and infrastructure to eligible projects under the Watershed Protection and Flood Prevention Act.

Senate Committee on Agriculture, Nutrition and Forestry.

Defense Community Support Program (Association of Defense Communities)

Legislative Proposal – Amendment to the NDAA-25

Provides public agencies with grants to carry out specific quality-of-life programs, including education, workforce training, tailing spouse employment, childcare, afterschool programs, post-military employment training, counseling, and mental health. The City of Ridgecrest has requested an amendment to the proposal expanding mental health to cover “rural health care facilities.” City-requested amendments are under consideration. Ancillary impact to the Groundwater Authority. Support if requested and move to the Priority Bill list for “me too” support of the greater effort. No public position is required.

State of California – 2023-2024 California Session



AB 828 (Connolly, D-12th): SGMA: Managed Wetlands and CSDs

As Amended 01/11/2024

The bill exempts groundwater uses by managed wetlands and small community water systems serving disadvantaged communities (DAC) from specified authorities of groundwater sustainability agencies (GSA) to regulate groundwater pumping under the Sustainable Groundwater Management Act (SGMA). The amendments remove the 10% annual increase in allocation and establish a 2028 sunset date. Consistent with SGMA and current Authority practices. No public position, remain as “Watch.”

Passed Assembly (47-15)

Senate Committee on Rules (awaiting referral)

AB 1205 (Bauer-Kahan, D-16th): Water Rights Transfers – Study Bill

As Amended 07/13/2023

AB 1205 would require the SWRCB to conduct a three-year study on the potential profiteering in the sale, transfer, or lease of an interest in any water right for profit on or below agricultural lands.

The bill is a two-year bill. Opposition was removed, and the bill was downgraded to “Watch.” No public position.

Senate Floor – To Inactive File (two-year bill)

AB 2592 (Grayson, D-15th): Local Planning: Housing Elements: Water and Sewer

As Amended 03/20/2024

Requires each public agency or private entity providing water or sewer services to grant a priority for the provision of these services to proposed housing developments, which the bill would define for these purposes to include both housing developments that include units sold or rented to lower-income households, as provided in existing law as described above, and housing developments constructed pursuant to specified laws providing for ministerial approval of certain housing developments or subdivision maps. The bill would also update the compliance date to adopt written policies and procedures to July 1, 2025, and continue to require adopting those written policies and procedures at least once every 5 years thereafter. Further requires the water use projections to include projected water use for single-family and multifamily residential housing for proposed housing developments, defined as described above, as identified in the housing element of any city, county, or city and county in the service area of the supplier.

Assembly Committee on Housing and Community Development (pending hearing schedule)

AB 2715 (Boerner-Horvath, D-77th): Brown Act: Public Agencies

As Introduced 02/15/2024

Authorize closed sessions to consider or evaluate matters related to cybersecurity, as specified, provided that any action taken on those matters is done in an open session.

Assembly Committee on Local Government (pending hearing schedule)

AMENDED IN: AB 3012 (Grayson, D-15th): Local Government: Water Supply

As Amended 03/11/2024

Amendments require local governments to post calculators on their websites to calculate development impact fees. This impacts the City of Ridgecrest and the Water District, but it has no direct impact on IWVGA.

Assembly Committee on Local Government (pending hearing schedule)

AB 3090 (Maienschein, D-76th): Drinking Water Standards: Non-Compliance

As Introduced 02/16/2024

This bill requires the Water District to develop a methodology for notifying customers by wireless communication through the federal Wireless Emergency Alert System in the event of a non-compliance issue [Notification of a boil notice by “Amber Alert”].

Assembly Desk (awaiting referral)

AB 3121 (Hart, D-37th): Urban Water Suppliers: Conservations Orders

As Introduced 02/16/2024

This bill extends the Water Resources Control Board’s required “Conservation Orders” to urban water suppliers by one year, from 2026 to 2027.

Assembly Desk (awaiting referral)



SB 1110 (Ashby, D-8th): Urban Retail Water Suppliers

As Introduced 02/15/2024

Amends the Water Resources Control Board requirements relative to urban retail suppliers that have not met their urban water management plant to “consider lower cost actions to achieve resiliency.”

Senate Committee on Natural Resources and Water (pending hearing schedule)

SB 1153 (Hurtado, D-16th): Agricultural Land: Hedge Fund Ownership and Interests

As Introduced 02/14/2024

SB 1153 would prohibit a hedge fund from purchasing, acquiring, leasing, or holding a controlling interest, as defined, in agricultural land within the State of California. The bill would define a “hedge fund,” for these purposes, to mean a privately offered investment vehicle, foreign or domestic, that pools the contributions of private investors in order to invest in a variety of asset classes, such as securities, futures contracts, options, bonds, currencies, real estate, agricultural land, water, energy, and other resources or commodities. This bill would exempt from this prohibition any agricultural land held by a hedge fund before the bill’s effective date. The bill would transfer land in violation of these provisions, subject to divestiture.

Senate Committee on the Judiciary (pending hearing schedule)
Senate Committee on Agriculture (sequential referral)

SB 1188 (Laird, D-17th): Drinking Water: Technical, Financial and Managerial Standards

As Amended 03/18/2024

Requires the State Water Resources Control Board to develop minimum standards for small water suppliers with fewer than 10,000 connections related to their technical, managerial, and financial capacity. Creates a new reporting requirement for such water systems. Makes false representation of such capacities a crime. Limits the ability of small water systems that do not meet such standards to receive State money (grants, programmatic funding, etc.).

Senate Committee on Rules (awaiting referral)

SB 1218 (Newman, D-29th): Emergency Water Supplies

As Introduced 02/15/2024

Encourages and incentivizes the development of emergency water supplies by “providers.” While the bill amends the Urban Water Management Plan requirements, it does not limit the development of emergency water supplies to retailers.

Senate Committee on Natural Resources and Water (pending hearing schedule)

NEW ACTION: SB 1255 (Durazo, D-26th): Public Water Systems: Needs Analysis

As Amended 04/01/2024

Amendments require the Water Resources Control Board to update needs analysis requirements and determine the financial requirement to lower water rates for low-income households by 20% in community water systems serving less than 3,000 connections. It no longer impacts the Water District and now applies to the community service districts and mutuals.

HEARING SCHEDULED: April 24, 2024: Senate Committee on Environmental Quality

SB 1330 (Archuleta, D-30th): Urban Retail Water Plans

As Amended 03/20/2024

Requires the State Board to develop an eligible variance list for items that would impact an urban water use management plan. Urban retail suppliers are required to apply for such variance and report it annually to the board. Amendments remove proposed irrigation calculation requirements and set penalties for urban retail water suppliers that do not meet State Board calculation requirements. No impact to the Authority; potential impact to the Water District.

Senate Committee on Natural Resources and Water (pending hearing schedule)

NEW ACTION: SB 1366 (Hurtado, D-16th): Real Estate Disclosures: Water Tank Assistance

02/16/2024

Requires the sale of real property to include disclosures if the property received water tank assistance. It may impact or discourage the emergency provision of water tank assistance provided under the shallow well mitigation or state-provided program. **There are pending amendments to remove the California Association of Realtors opposition to SB 1366.**

Senate Floor (pending file)

DISPOSITION: Do Pass with recognition of pending amendments by the Senate Committee on the Judiciary

AMENDED IN: SB 1373 (Cortese, D-15th): DWR: Water Data Dashboard

As Amended 03/25/2024

Requires DWR, in conjunction with the State Water Consortium to develop a web-based dashboard detailing California water supplies.

Senate Committee on Rules (awaiting referral)

SB 1390 (Caballero, D-14th): Groundwater Recharge: Flood Flow Diversions

As Introduced 02/16/2024

Amends 1242.1 of the Water Code extending the current water rights established for flood flow diversion for the purpose of capture and groundwater recharge to 2034.

Senate Committee Natural Resources and Water (pending hearing schedule)

CALIFORNIA “SPOT” BILLS BEING WATCHED



Bills introduced as placeholders making technical and non-substantive changes are known as “spot” bills. These bills are typically held under a specific subject matter to allow for maintenance of the germane rules.

AB 2000 (Mathis, R-CA 33rd): State Water Project: Permits and Licenses Conditions

As Introduced 01/30/2024

Non-substantive modification. Awaiting Amendments.

Assembly Desk (awaiting referral)

AB 2894 (Gallagher, D-3rd): Urban Water Use Targets: Indoor Water Utilization

As Introduced 02/15/2024

Makes non-substantive changes to 10608.2 of the Water Code. Awaiting Amendments

Assembly Desk (awaiting referral)

AB 3084 (Soria, D-27th): Sustainable Groundwater Management Act: Basin Management

“Spot Bill” making non-substantive changes to SGMA (no section identified) regarding groundwater sustainability plans. The author indicates this was a true placeholder bill and does not have any pending amendments. Holding the bill on the “Watch List” until the pending deadline.

Assembly Desk (awaiting referral)

AB 3187 (Carrillo, D-39th): Safe Drinking Water Act

As Introduced 02/16/2024

Makes non-substantive changes to the California Safe Drinking Water Act. Awaiting Amendments

Assembly Desk (awaiting referral)

FY2024-2025 CALIFORNIA STATE BUDGET



State Budget Act for Fiscal Year 2024-2025

The California State Budget includes several pieces of Legislation ranging from the main State Budget (required by the State Constitution to be passed before midnight 06.30.2024) to several “trailing” pieces of legislation. The details of the California State Budget can be found [here](#).

AB 1812/SB 917: State Budget Act of 2024-2025

As Introduced 01/10/2024

Governor’s Budget Proposal – “at the request” legislation. See the summary [here](#).

Assembly Committee and Senate Committee on Budget, respectively.

LEGISLATIVE ANALYST OFFICE (LAO): The updated fiscal analysis for February 20, 2024, can be found [here](#). It shows a \$78 billion State Budget Deficit.

IWVGA STATE BUDGET REQUEST:

Requests \$2.3 million in FY2024-2025 funding (earmark) for planning activities related to the interconnection pipeline project. The Assembly Committee on Budget has not opened up Member Request but is anticipating Member requests for the Fiscal Year. The Senate Committee on Budget is considering the LAO request to eliminate Member requests for the Fiscal Year.

Assembly Bill: (not introduced)

Status of IWVGA Request: Pending with Assembly Member Fong.

Status of Member Requests: No open at this time. Standby.

Senate Bill: (not introduced)

Status of IWVGA Request: Pending with Senator Grove and Senator Atkins

Status of Member Request: The Senate is considering not allowing Member Requests for FY2024-2025. Stand by for the final decision.

UPCOMING CALIFORNIA LEGISLATIVE DEADLINES OF IMPORTANCE

- April 26, 2024 – Policy Committee Deadline for 2024 bills requiring fiscal review.
- May 3, 2024 – Policy Committee Deadline for 2024 bills with no fiscal review required.
- May 17, 2024 – Last Day for Fiscal Committees to hear and report 2024 legislation introduced in the same chamber.
- May 24, 2024 – Last Day for the Chamber to pass 2024 legislation introduced in that Chamber (Floor Deadline)

FISCAL YEAR 2025 FEDERAL APPROPRIATIONS



None on File.

Energy & Water Development Appropriations Act for Fiscal Year 2025: Community Project Funding Request (Obernolte, R-CA 22nd): IWVGA Request

Requests \$1.6 million in appropriation to redirect U.S. Army Corps of Engineers Assistance, as required in WRDA-22, for planning activities related to watershed management (GSA update),

validation of specific groundwater studies, and assistance with watershed planning in future years.

The request is pending with Representative Obernolte's office.

FEDERAL REGULATIONS BEING TRACKED

None at this time.

STATE REGULATIONS BEING TRACKED

None at this time.



BILLS TO BE REMOVED FROM THE REPORT

REMOVE AT REQUEST: HR 1556 (Miller, R-IL, 15th) and S. 1022 (Braun, R-IN) – The Define the WOTUS Act of 2023

Provides a statutory definition of Waters of the United States. **The bill has no impact on IWVGA, per counsel. Counsel will watch the bill separately for potential action.**

HR 1556:

House Floor – To Union Calendar

House Subcommittee on Water Resources and Environment

S. 1022:

Senate Committee on Environment and Public Works

REMOVE AT REQUEST: HR 1740 (Bost, R-IL): WIFIA – State and Local Performance Requirements

WIFIA loan holders must provide a performance or payment obligation bond of 50% for the projects. **In reviewing the WIFIA program, IWVGA staff has determined that other more favorable programs exist and would not recommend WIFIA to the Board for consideration. Remove from report.**

As Introduced

House Committee on Transportation and Infrastructure, Subcommittee on Water Resources and Environment

FINAL ACTION/AMENDE IN: HR 2882 (Ciscomani, R-AZ): Spending for Remaining Agencies Appropriations Act for Fiscal Year 2024

Providing continuing spending for six (6) agencies for the remainder of Fiscal Year 2024. A \$1.2 trillion spending package for the Department of Defense, Homeland Security, Financial Services, Labor-Health and Human Services, Legislative Branch, and State and Foreign Operations. Completing FY2024 Appropriations cycle.

Public Law 118-47

FINAL ACTION: HR 7463 (Granger, R-TX 12th): The Extension of Continuing Appropriations and Other Matters Act of 2024

Making continuing appropriations for Fiscal Year 2024. The 5th CR for the FY2024 Budget.

Public Law 118-40

FINAL ACTION: HR 4366 (Carter, R-TX 31st): Minibus Federal Appropriations for FY 2024 Act

Appropriations for FY 2024 are being made for the Agriculture-FDA, Commerce-Justice-Science, Energy and Water Development, Interior and Environment, Military Construction and VA, and Transportation Housing & Urban Development Acts.

Public Law 118-42

REMOVE AT REQUEST: S. 802 (Braun, R-IN and Padilla, D-CA) – The Plant Bio-stimulant Act of 2023

This bill would amend the Federal Insecticide, Fungicide, and Rodenticide Act standards to include plant bio-stimulants under the regulations and require soil-health tests to determine the impacts on groundwater. The bill would establish limitations on using plant bio-stimulants based on soil type and impacts on groundwater supplies. The bill would further subject bio-stimulant manufacturers to the certification and labeling requirements under FIFRA at the USEPA. **No impact to IWVGA for testing of water supplies based upon point-to-point areas of imported water supplies. No impact to IWVGA; remove from report.**

As Introduced
Senate Committee on Agriculture, Nutrition and Forestry.

REMOVE AT REQUEST: S. 2928 (Kelly, D-AZ): Water Infrastructure Subcontractor and Taxpayer Protection Act of 2024

As Introduced 01/22/2024

Adds performance bonding requirements to WIFIA loan programs. Similar legislation to HR 1740. The issue should be considered if sustainability infrastructure requires a WIFIA loan. **In reviewing the WIFIA program, IWVGA staff has determined that other more favorable programs exist and would not recommend WIFIA to the Board for consideration. Remove from report.**

Senate Committee on Environment and Public Works

AMENDED OUT: AB 2214 (Bauer-Kahan, D-16th): Ocean Conservation: Microplastics

As Amended 03/22/2024

New amendments require the Ocean Protection Council to develop regulations for the protection of resources against microplastics.

Assembly Committee on Natural Resources (pending hearing schedule)

AMENDED OUT: AB 2517 (Fong, R-32nd): Water Districts and Irrigation Districts: Debris Removal

As Amended 03/20/2024

The bill now requires the SWRCB to respond to Irrigation District requests to approve long-term contracts for maintenance and canal debris removal within 120 days.

Assembly Committee on Water, Parks and Wildlife (pending hearing schedule).

AMENDED OUT: AB 2614 (Ramos, D-45th): Water

As Amended 03/21/2024

The bill now deals with water supplies for tribal communities. No impact on IWVGA. Remove from report.

Assembly Desk (awaiting referral)

[Current Text](#)

FINAL ACTION: HR 75 (Soria, D-27th): Groundwater Awareness Week

As Introduced 02/26/2024

House Resolution providing specific findings, declarations, and designating the week of March 10th-March 16th as “Groundwater Awareness Week” in the State of California. Resolutions have no force of law and establish a “sense of the Assembly.”

Adopted (69-0) 03/07/2024

EOR

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