

# INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

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

## BOARD OF DIRECTORS

### REVISED AGENDA

Thursday, July 16, 2020

**Closed Session 10:00 a.m.**

**Open Session 11:00 a.m.**

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

*In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact April Nordenstrom at (760) 384-5511. 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 Indian Wells Valley Water District, 500 Ridgecrest Blvd, 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. The Public Comments portion of the meeting shall be limited to three (3) minutes per speaker. Each person is limited to one comment during Public Comments.*

***Due to the length of the agenda, one or more recesses should be expected.***

#### **1. CALL ORDER**

#### **2. PUBLIC COMMENT ON CLOSED SESSION**

#### **3. CLOSED SESSION**

- CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
(Government Code Section 54956.9(d)(4)) Number of cases: 3 or more: Based on existing facts and circumstances, the Board of Directors, on the advice of legal counsel, is meeting to decide whether, and when, to initiate litigation for failure to properly provide well registration and reporting.
- CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION  
(Government Code Section 54956.9(d)(2)(e)(1)) Number of cases: One (1) Significant exposure to litigation in the opinion of the Board of Directors on the advice of legal counsel, based on: Facts and circumstances that might result in litigation against the

IWVGA but which are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed.

**4. OPEN SESSION - 11:00 a.m.**

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

**5. NOTICE OF ITEMS CONTINUED UNTIL AUGUST 20, 2020 MEETING**

In order to provide for additional review and comment, the public hearing on the Transient Pool and Fallowing Program and the consideration of the New Groundwater Extraction Well Policy have been continued until the August 20, 2020 regular Board meeting. Any dates or deadlines set forth in the drafts for said items will be changed/delayed to reflect the additional review period.

**6. PUBLIC COMMENTS**

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

**7. CONSENT AGENDA**

- a. Approve Minutes of Board Meeting June 18, 2020
- b. Approve Expenditures
  - i. \$4,647.50 - RWG Law
  - ii. \$8,912.50 - Capitol Core Group

**8. PUBLIC HEARING AND CONSIDERATION OF DATA PACKAGE ON AN INCREASE IN THE CURRENT GROUNDWATER EXTRACTION FEE AND ADOPTION OF CEQA FINDINGS AND ORDINANCE 02-20**

**9. BOARD CONSIDERATION AND ADOPTION OF RESOLUTION 06-20 AND RELATED CEQA FINDINGS ADOPTING THE REPORT ON THE INDIAN WELLS VALLEY GROUNDWATER BASIN'S SUSTAINABLE YIELD OF 7,650 ACRE-FEET**

**10. BOARD CONSIDERATION AND SETTING A PUBLIC HEARING FOR FRANK BELLINO FOR FAILURE TO REGISTER, REPORT AND PAY GROUNDWATER EXTRACTION FEES**

**11. BOARD CONSIDERATION AND SETTING A PUBLIC HEARING FOR PEARSONVILLE PARK FOR FAILURE TO REPORT AND PAY GROUNDWATER EXTRACTION FEES**

**12. WATER RESOURCES MANAGER REPORT**

- a. Report on Proposition 1 Grant Status
- b. Proposition 68 Grant Status Update
- c. Groundwater Pumping Verification
- d. Schedule

**13. GENERAL MANAGER'S REPORT**

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

- e. Delinquent Accounts
- f. Well Registration Update

#### 14. CLOSING COMMENTS

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

#### 15. DATE AND TIME OF NEXT MEETING – August 20, 2020

#### 16. ADJOURN

### PUBLIC COMMENT NOTICE

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

- **Watch meetings on-line:**

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

- **Call in for public comments:**

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

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

- **Submit written comments:**

We encourage submittal of written comments supporting, opposing, or otherwise commenting on an agenda item, for distribution to the Board prior to the meeting. Send emails to [apriln@iwvwd.com](mailto:apriln@iwvwd.com) written correspondence may be sent to April Nordenstrom, Clerk of the Board, 500 W. Ridgecrest Blvd., **Ridgecrest, CA 93555**. Please specify to which agenda item your comment relates. All communication, whether it is a formal letter or an online informal email, is read by the Clerk of the Board.

- **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 Council as having a large group in attendance.

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# INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

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

## BOARD OF DIRECTORS MEETING MINUTES Thursday, June 18, 2020; 10:00 a.m.

### IWVGA Members Present:

Chairman Mick Gleason, Kern County	Don Zdeba, IWVGA General Manager
John Vallejo, Inyo County	Phillip Hall, Legal Counsel
Ron Kicinski, IWVWD	Steve Johnson, Stetson Engineers
Scott Hayman, City of Ridgecrest	Commander Peter Benson, US Navy, DoD Liaison
Thomas Bickauskas, Bureau of Land Management	April Nordenstrom, Clerk of the Board
Bob Page, San Bernardino County	

Attending via teleconference is Bob Page, John Vallejo, Steve Johnson, Commander Peter Benson, Thomas Bickauskas.

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

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

### 1. CALL TO ORDER:

The meeting is called to order by Chairman Gleason at 10:00 a.m.

### 2. PUBLIC COMMENT ON CLOSED SESSION:

None.

Chairman Gleason calls the meeting into Closed Session at 10:02 a.m.

### 3. CLOSED SESSION:

- CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(4)) Number of cases: 3 or more: Based on existing facts and circumstances, the Board of Directors, on the advice of legal counsel, is meeting to decide whether, and when, to initiate litigation for failure to properly provide well registration and reporting.
- CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION (Government Code Section 54956.9(d)(2)(e)(1)) Number of cases: One (1) Significant exposure to litigation in the opinion of the Board of Directors on the advice of legal counsel, based on: Facts and circumstances that might result in litigation against the IWVGA but which are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed.

Closed Session adjourned at 10:53 a.m.

### 4. OPEN SESSION:

Meeting was reconvened into open session at 11:00 a.m.

a. Report on Closed Session:

Counsel Hall reports that no action was taken which would require disclosure under the Brown Act.

b. The Pledge of Allegiance is led by Director Kicinski

c. April Nordenstrom calls the following roll call:

Director Vallejo	Present
Director Kicinski	Present
Chairman Gleason	Present

Director Page	Present
Vice Chair Hayman	Present

**5. PUBLIC COMMENT:**

The Board hears public comments from Don Decker.

**6. CONSENT AGENDA:**

- a. Approve Minutes of Board Meeting May 21, 2020
- b. Approve Expenditures
  - i. \$3,542.50 - RWG Law
  - ii. \$113,815.49 - Stetson Engineers
  - iii. \$9,412.50 - Capitol Core Group
  - iv. \$14,000 – Packwrap Prop 218 Notice; Quote Received: \$10,705.24 17,000 Self-mailers

Don Zdeba asks the Board to approve up to \$20,000 to Packwrap rather than the \$14,000 shown.

Motion made by Ron Kicinski and seconded by Scott Hayman to approve Minutes of Board Meeting May 21, 2020 and the following expenditures in the amount of \$3,542.50 to RWG Law, \$113,815.49 to Stetson Engineers, \$9,412.50 to Capitol Core Group and up to \$20,000 to Packwrap for Prop 218 mailers.

Motion unanimously carries by the following roll call vote:

Director Vallejo	Aye
Director Kicinski	Aye
Chairman Gleason	Aye
Vice Chair Hayman	Aye
Director Page	Aye

**7. BOARD CONSIDERATION AND APPROVAL OF LITIGATION TOLLING AGREEMENTS WITH MEADOWBROOK DAIRY, MOJAVE PISTACHIO, AND SEARLES VALLEY MINERALS:**

Motion made by Scott Hayman and seconded by Ron Kicinski to approve Tolling Agreements with Meadowbrook Dairy, Mojave Pistachios, and Searles Valley Minerals (SVM).

Motion carries by the following roll call vote.

Director Vallejo	Aye
Director Kicinski	Aye
Chairman Gleason	Aye
Vice Chair Hayman	Aye
Director Page	Aye

**8. BOARD CONSIDERATION AND ADOPTION OF RESOLUTION 05-20 – ESTABLISHING A REPORTING POLICY FOR ALL NEW GROUNDWATER EXTRACTION WELLS IN THE BASIN:**

Counsel Hall provides a staff report for Resolution 05-20 (documents made available on the IWVGA website). Staff recommends sending Resolution 05-20 to the Policy Advisory Committee (PAC) and Technical Advisory Committee (TAC) for further review. Board approves.

The Board hears public comment from Elisabeth Esposito, Renee Westa-Lusk, Derek Hoffman, and Judie Decker.

**9. BOARD CONSIDERATION AND INTRODUCTION OF ORDINANCE 02-20 AND SUPPORTING DATA PACKAGE AMENDING ORDINANCE 02-18 TO PROVIDE FOR A NEEDED INCREASE IN THE CURRENT GROUNDWATER EXTRACTION FEE DUE TO INCREASED STUDIES AND LITIGATION COSTS:**

Jim Worth provides a staff report for introduction of Ordinance 02-20 and supporting Data Package amending Ordinance 02-18 (documents made available on the IWVGA website). Initial staff recommendation was introduce Ordinance 02-20 and send it and Data Package to the PAC and TAC for further review.

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

After Board discussion, Motion on staff recommendation was made by John Vallejo and seconded by Bob Page. Motion unanimously carries by the following roll call vote:

Director Vallejo	Aye
Director Kicinski	Aye
Chairman Gleason	Aye
Vice Chair Hayman	Aye
Director Page	Aye

**10. BOARD CONSIDERATION AND PRELIMINARY ADOPTION OF REPORT ON THE INDIAN WELLS VALLEY GROUNDWATER BASIN’S SUSTAINABLE YIELD OF 7,650 ACRE-FEET AND SETTING HEARING ON SAME FOR JULY BOARD MEETING:**

Counsel Hall provides a staff report and supporting documents for the Sustainable Yield Report (documents made available on the IWVGA website). Staff recommends preliminarily adoption of the Sustainable Yield Report for release to the public and Board committees for comment.

The Board hears public comment from Renee Westa-Lusk, Josh Nugent, Derek Hoffman, Elisabeth Esposito, Camille Anderson of SVM and Mike Sinnott.

Motion made by John Vallejo and seconded by Scott Hayman to preliminarily adopt the Report on the Indian Wells Valley Groundwater Basin’s Sustainable Yield of 7,650 Acre-Feet for release to the public and Board committees for comment and set hearing on same for July Board Meeting.

Motion unanimously carries by the following roll call vote:

Director Vallejo	Aye
Director Kicinski	Aye
Chairman Gleason	Aye
Vice Chair Hayman	Aye
Director Page	Aye

Chairman Gleason calls for a recess at 1:10 p.m.

Meeting is reconvened at 1:30 p.m.

**11. BOARD CONSIDERATION AND ADOPTION OF ENGINEER’S REPORT FOR THE ADOPTION OF A BASIN REPLENISHMENT FEE, AUTHORIZE THE MAILING OF NOTICES ON THE SAME AND SETTING HEARING FOR AUGUST BOARD MEETING:**

Counsel Hall provides a staff report and supporting documents for the Engineers Report for the adoption of a Basin Replenishment Fee (documents made available on the IWVGA website). Staff recommends sending the Engineers Report to the PAC and TAC for further review.

The Board hears public comment from Elisabeth Esposito, Camille Anderson of SVM, Derek Hoffman, Tom Mulvihill, Renee Westa-Lusk and Mike Sinnott

Motion made by Ron Kicinski and seconded by Scott Hayman to move forward with the Engineer’s Report, authorizing the mailing of notices and sending the Report to PAC and TAC for review.

Motion unanimously carries by the following roll call vote:

Director Vallejo	Aye
Director Kicinski	Aye
Chairman Gleason	Aye
Vice Chair Hayman	Aye

Director Page

Aye

**12. BOARD CONSIDERATION AND PRELIMINARY ADOPTION OF REPORT ON TRANSIENT POOL AND FALLOWING PROGRAM AND SETTING HEARING ON SAME FOR JULY BOARD MEETING:**

Counsel Hall provides a staff report for the Report on Transient Pool and Fallowing Program (documents made available on the IWVGA website). Staff recommends preliminarily adoption of the Report on Transient Pool and Fallowing Program for release to the public and Board committees for comment.

The Board hears public comment from Elisabeth Esposito, Josh Nugent, Derek Hoffman, Judie Decker and Renee Westa-Lusk.

Motion made by Ron Kicinski and seconded by Scott Hayman to preliminarily adopt the Report on Transient Pool and Fallowing Program for release to the public and Board committees for comment and set hearing on same for July Board Meeting.

Motion unanimously carries by the following roll call vote:

Director Vallejo	Aye
Director Kicinski	Aye
Chairman Gleason	Aye
Vice Chair Hayman	Aye
Director Page	Aye

**13. WATER RESOURCES MANAGER REPORT:**

Steve Johnson provides updates on the following grants/programs: Prop 1 Grant Status, Severely Disadvantaged Communities (SDAC) Program, Prop 68 Grant Status, Groundwater Pumping Verification Reports, Coso Royalty Funding, and Schedule (presentations made available on the IWVGA website).

Board and staff further discuss the grants/programs (video recording made available on the IWVGA website).

The Board hears public comment from David Janiec and Judie Decker.

**14. GENERAL MANAGER’S REPORT:**

Don Zdeba provides updates on the following; Monthly Financial Report, Report on IWVGA’s Water Marketer (Capitol Core Group), General Manager Recruitment, Delinquent Accounts, and Well Registration Update (documents made available on the IWVGA website).

**15. CLOSING COMMENTS :**

April Nordenstrom reads public comment submitted by Derek Hoffman into the record.

Counsel Hall states for the record, Director Page left the meeting at 3:10 p.m.

Director Kicinski declares the board is going to do what is best for the Community and expresses the need of transparency when considering these types of fees. Kicinski hopes to resume in-person meetings in the near future.

Chairman Gleason asks Don Zdeba if Mojave Pistachios has settled their accounts; Zdeba confirms. Gleason asks Zdeba to send a letter inviting Mojave Pistachios to reapply for their positions on both the TAC and PAC.

**16. DATE AND TIME OF NEXT MEETING – July 16, 2020; 10:00 a.m.**

**17. ADJOURN:**

Chairman Gleason adjourned the meeting at 3:40 p.m.



Respectfully submitted,

*April Nordenstrom*

Clerk of the Board  
Indian Wells Valley Groundwater Authority

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IWVGA ADMINISTRATIVE OFFICE

*STAFF REPORT*

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**TO:** IWVGA Board Members

**DATE:** July 16, 2020

**FROM:** IWVGA Staff

**SUBJECT:** Agenda Item No. 5 – Notice if Items Continued Until August 20, 2020

**DISCUSSION**

In order to provide for additional review and comment, the public hearing on the Transient Pool and Fallowing Program and the consideration of the New Groundwater Extraction Well Policy have been continued until the August 20, 2020 regular Board meeting. Any dates or deadlines set forth in the drafts for said items will be changed/delayed to reflect the additional review period.

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

None -

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CAPITOL  
CORE  
GROUP

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

**BILL TO**

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

**INVOICE 2020-036**

**DATE** 07/01/2020 **TERMS** Net 45

**DUE DATE** 08/15/2020

DATE	ACCOUNT SUMMARY	AMOUNT
06/05/2020	Balance Forward	\$9,412.50
	Other payments and credits after 06/05/2020 through 06/30/2020	-9,412.50
07/01/2020	Other invoices from this date	0.00
	New charges (details below)	8,912.50
	<b>Total Amount Due</b>	<b>\$8,912.50</b>

ACTIVITY	HOURS	RATE	AMOUNT
<b>Charges</b>			
Task 2 -- Transfer Partners			
<b>Strategic Communications:Water Procurement Assistance</b> Transfer Partner follow-up (Tatum)	1	250.00	250.00
<b>Strategic Communications:Water Procurement Assistance</b> Internal meetings client conference calls and strategy (Tatum)	1.50	250.00	375.00
Total Task 2 = \$625.00			
Task 3 -- Identify and Secure Funding Sources			
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: House Committee on Transportation and Infrastructure (House Infrastructure bill) (Newman)	3.75	150.00	562.50
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: Conference Call internal re: Lobbying Strategy House Infrastructure (Newman)	0.50	150.00	75.00
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: House Members INVEST Act (HR 2) Lobbying and bill analysis (Newman)	4	150.00	600.00
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: House Committee on Armed Services, National Defense Authorization Act (NDAA) Water Provisions lobbying and bill provisions (Newman)	4.50	150.00	675.00
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: DOD WATERS Act, preparation, analysis, meeting w/ Rep. Crow (Newman)	2	150.00	300.00

ACTIVITY	HOURS	RATE	AMOUNT
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: Preparation and conf. call with U.S. Navy Southwest Command (Simonetti)	2	225.00	450.00
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: Conf. Call w/ Senate Environment & Public Works Committee staff re: AWIA/DWIA (Simonetti)	1.25	225.00	281.25
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: Follow-up w/ U.S. Navy EIE (Simonetti)	0.50	225.00	112.50
<b>Government Relations:Federal Legislative Affairs</b> Reporting: Internal call w/ IWVGA (Simonetti)	1	225.00	225.00
<b>Government Relations:California Legislative Affairs</b> Direct Advocacy: Conf. Call w/ Governor's Military Council re: Navy Report (Simonetti)	1	225.00	225.00
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: Review of DOD WATERS Act, strategic counsel and internal meetings (Simonetti)	1.50	225.00	337.50
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: Conf. Call w/ Rep. Jason Crow re: DOD WATERS Act/NDAA (Simonetti)	0.75	225.00	168.75
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: Conf. Call w/ Rep. Cook re: DOD WATERS Act (Simonetti)	1	225.00	225.00
<b>Government Relations:California Legislative Affairs</b> Direct Advocacy: Analysis of Governor's revised budget and legislative action concerning state budget {McKinney}	1.50	250.00	375.00
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: Conference call and preparation with US Navy Southwest Command/NAVFAC {McKinney}	2	250.00	500.00
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: House of Representatives Infrastructure Legislation analysis and advocacy {McKinney}	2.50	250.00	625.00
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: Follow-up Senator Harris and Lobbying Strategy Development {McKinney}	1.50	250.00	375.00
<b>Government Relations:California Legislative Affairs</b> Direct Advocacy: IWVGA Call re: State Budget Status/Prop. 68 and US Navy discussion	1	250.00	250.00
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: WATERS Act analysis, lobbying strategy and briefing document development, follow-up with IWVGA {McKinney}	2.50	250.00	625.00
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: Conf. Call w/ Rep. Crow re: WATERS Act/NDAA Amendment {McKinney}	1	250.00	250.00
Total Task 3 = \$7,237.50			
Task 4 -- Reporting			
<b>Government Relations:Public Affairs</b> Reporting: Monthly Update Materials and IWVGA Administrative calls (Simonetti)	1.50	225.00	337.50

ACTIVITY	HOURS	RATE	AMOUNT
<b>Government Relations:Public Affairs</b> Meetings: Monthly Board Meeting conf. call attendance (Simonetti)	1.50	225.00	337.50
<b>Government Relations:Public Affairs</b> Reporting and Project Administration, Client Conference Calls {McKinney}	1.50	250.00	375.00

Total Task 4 = \$1,050.00

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

TOTAL OF NEW CHARGES 8,912.50

**TOTAL DUE \$8,912.50**

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# IWVGA ADMINISTRATIVE OFFICE

*Memorandum*

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**TO:** IWVGA Board Members **DATE:** July 16, 2020

**FROM:** IWVGA Staff

**SUBJECT:** ADOPTION, Ordinance No. 02-20 – Amending Ordinance No. 02-18 Establishing Groundwater Extraction Fees and the Rules, Regulations and Procedures For Their Imposition and Supporting Data Package Providing for an Increased Pumping Fee.

## DISCUSSION

On June 21, 2018, the Indian Wells Valley Groundwater Authority (“IWVGA”) Board of Directors (“Board”) set the original Groundwater Extraction Fee at \$30.00 per acre foot (“A/F”) to finance the development and adoption of the Groundwater Sustainability Plan (“GSP”). Ordinance No. 02-18 – Establishing Groundwater Extraction Fees and the Rules, Regulations and Procedures for their Imposition was subsequently adopted on July 19, 2018 and the fee became effective September 1, 2018.

The fee was intended to generate \$1,522,384.00 in approximately 24 months to finance the estimated costs to develop and adopt the GSP. To date, the fee has only generated around \$750,000 due to less than estimated pumping by those subject to the fee. This, along with additional studies and costs to develop the GSP have created a budget deficit and cashflow problem that needs to be addressed. The Board has directed staff to develop a revised groundwater extraction fee (“Revised Fee”) to address the GSP development costs and time needed to pay off these costs. Ordinance No. 02-20 (attached) is one component in implementing the Revised Fee.

### Authority to Increase Fees:

The existing Groundwater Extraction Fee was imposed pursuant to California Water Code Section 10730 (“Section 10730”), which was enacted through the California Sustainable Groundwater Management Act (“SGMA”). Section 10730 authorizes the IWVGA to not only impose, but also increase a fee pursuant to Section 10730. Accordingly, staff recommends the IWVGA Board increase the amount of the existing fee. Section 10730(a) states in part as follows:

- (a) A groundwater sustainability agency may impose fees, including, but not limited to, permit fees and fees on groundwater extraction or other regulated activity, 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 10725.2(a) authorizes the IWVGA to “perform any act necessary or proper to carry out the purposes of this part” [SGMA].

### Exempted Pumpers:

As with the original extraction fee, de minimis pumpers<sup>1</sup>, the United States Navy (“Navy”) and United States Department of Interior Bureau of Land Management (“BLM”) are not subject to the revised extraction fee. SGMA exempts federal agencies from the requirements of SGMA and prohibits the imposition of fees on de minimis extractors unless regulated pursuant to SGMA.<sup>2</sup>

### Public Engagement:

Before imposing or increasing a fee, a GSA shall hold a public meeting, “at which oral or written presentations may be made” (Section 10730(b)). The GSA must provide notice prior to the meeting, pursuant to California Government Code Section 6066, including the time and place of the public meeting, “a general explanation of the matter to be discussed and a statement that the data required by this section is available.” *Id.* At least 20 days prior to the meeting, the GSA “shall make available to the public data upon which the proposed fee is based. *Id.* After the public meeting, the fee shall be imposed or increased “only by ordinance or resolution.”

The draft Data Package for the Revised Fee was presented to the Board at the June 18, 2020 board meeting and released to the public, PAC and TAC for comments. Nine written comments have been received to date. The public meeting was set for July 16, 2020 and all notice requirements have been met.

### Gap Funding Requirement:

Initially, it is important to note that although the GSP has been adopted, GSP preparation costs don’t necessarily end upon adoption. In this regard, the tasks identified as “Expenditures” have been determined to be “preparation” costs authorized under Section 10730, and not “implementation” costs covered by Section 10730.2. Fees imposed pursuant to Section 10730.2 are to be used for “groundwater management”, as opposed to GSP preparation. The Board will recall that the proposed Replenishment Fee is pursuant to Section 10730.2

The original estimates used for the original fee were made in June 2018. Since that time, staff has become more knowledgeable about what is needed to complete the GSP. Staff, along with the Water Resources Manager (“WRM”), updated the original costs estimated to prepare the GSP. Additional tasks and the associated costs to complete the GSP were also identified. Additional revenue has also been added. The following provides an overview of the items included in this revised budget (see Table on page 4 and Exhibit 2, Data Package for supporting attachments for budget items).

Expenditures: The “Original Estimate” column shows the original estimates used to calculate the original fee, excepting the Proposition 1 grant award of \$646,000 for SDAC projects which is not included as the SDAC projects are fully funded by the grant and have no impact on the GSP budget or the fee. As shown, the Gap Funding needed was originally estimated at \$1,522,384. The “Revised Estimate” column provides updated estimates and also identifies “Additional Tasks” not included in the original fee calculation. The Revised Estimates were used

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1 “De minimis extractor” means a person who extracts, for domestic purposes, two acre-feet or less per year (California Water Code Section 10721(e)).

2 For purposes of this Proposal, any reference to groundwater pumpers excludes de minimis extractors, the Navy and BLM unless otherwise specified.

to calculate the Revised Fee. The “Variance” column provides the difference between original and revised estimates.

The WRM estimated the total cost of developing and adopting the GSP to be about \$3.1 million which was very close to budget. The \$87,600 for the USGS Recharge Study remains the same. The WRM initially identified \$435,250 in estimated costs not covered by the Proposition 1 grant for the WRM’s support of the IWVGA. Those “support costs” are now estimated at \$991,402. The WRM has also identified new “Additional Tasks” needed to complete the GSP estimated at \$934,992. The Water Importation Marketing Analysis consists of costs needed for GSP development (\$102,349). Water importation costs not needed for GSP development are not included and have been tracked and paid by those needing an imported water supply. IWVGA Administrative Costs originally estimated at \$161,500 have been reduced to \$24,968. Legal costs, originally estimated at \$200,000, have been increased \$500,000 for anticipated litigation. The City of Ridgecrest Reimbursable Costs originally estimated at \$210,466 for services and facilities increased \$76,667 for a new total of \$287,133. The \$500,000 advance by Kern County has also been included as this advance must be repaid. The \$500,000 advance by the Indian Wells Valley Water District has been removed and will be used by the District as a “credit” against future Replenishment Fees. Finally, the reserve in the amount of \$227,268 has been removed. Total expenditures for preparation of the GSP are now estimated at \$6,559,574.

Revenue: The California Department of Water Resources (“DWR”) awarded the IWVGA a Proposition 1 grant award of \$1.5 million for development of the GSP. The GSP development grant award requires a \$1.5 million local match. More than two-thirds (\$1,157,300) of the local match requirement was achieved with in-kind services and existing investments by parties in the Basin. The Initial General Member Agency Contribution of \$75,000 reflects the \$15,000 provided by each of the 5 General Members pursuant to the Joint Exercise of Powers Agreement creating the IWVGA (Section 9.02). The Proposition 1 Distressed Counties Grant total is \$250,000 which includes payment for the USGS Recharge Study and other GSP support costs. The total Proposition 1 Distressed Counties Grant revenue has been increased from \$170,000 to \$225,501 based on monies received. The revenue from the Pumping Fee, originally estimated at \$1,522,384, has been reduced to just over \$750,000 based on actual revenue collected. Finally, the Proposition 68 grant of \$300,000 has been added as revenue as well. Total revenue is now estimated at \$5,027,984.

The following table summarizes all of these estimated financial impacts resulting in a total estimated Gap funding requirement of \$1,531,590 which the proposed pumping fee would address:

Budget Items	Original Estimate	Revised Estimate	Variance
<b>EXPENDITURES</b>			
<b>GSP Preparation</b>	<b>\$3,102,600</b>	<b>\$3,086,960</b>	<b>\$15,640</b>
<b>USGS Recharge Study</b>	<b>\$87,600</b>	<b>\$87,600</b>	
<b>IWVGA Support Costs</b>	<b>\$435,250</b>	<b>\$991,402</b>	
Stetson-IWVGA /TAC/PAC Coordination	\$144,250	\$543,677	(\$399,427)
Stetson-Prop 1 Application/Reporting	\$103,000	\$207,468	(\$104,468)
Stetson-Schedule/Budget Management (POAM)	\$52,000	\$34,779	\$17,221
Stetson-Groundwater Pumping Fee Support	\$121,500	\$190,710	(\$69,210)
Stetson-Database Management Coordination (Ramboll)	\$10,000	\$10,298	(\$298)
Stetson - CASGEM Coordination	\$4,500	\$4,470	\$30
<b>IWVGA Administrative Costs</b>	<b>\$161,500</b>	<b>\$24,968</b>	
GSA Board Meetings	\$42,000		\$42,000
Consultant Management and GSP Development	\$24,500		\$24,500
Financial Management	\$8,500		\$8,500
Community Outreach	\$21,000		\$21,000
Budget Development & Admin	\$12,500		\$12,500
PAC/TAC Meetings	\$19,000	\$6,142	\$12,858
Travel	\$6,000	\$635	\$5,365
Insurance	\$15,000	\$9,967	\$5,033
Conferences/Training	\$3,000		\$3,000
Miscellaneous	\$10,000	\$8,224	\$1,776
<b>City of Ridgecrest Reimbursable Costs</b>	<b>\$210,466</b>	<b>\$287,133</b>	<b>(\$76,667)</b>
<b>Legal Costs</b>	<b>\$200,000</b>	<b>\$646,519</b>	<b>(\$446,519)</b>
<b>Reserve</b>	<b>\$227,268</b>		<b>\$227,268</b>
<b>Additional Tasks</b>		<b>\$934,992</b>	
Stetson - Data Management System Development		\$48,596	(\$48,596)
Stetson - Model Review		\$31,300	(\$31,300)
Stetson - GSP Management		\$39,634	(\$39,634)
Stetson - DWR Technical Support Services		\$10,096	(\$10,096)
Stetson - Brackish Water Study Coordination		\$23,113	(\$23,113)
Stetson - Imported Water Coordination for GSP		\$46,075	(\$46,075)
Stetson - Allocation Process Development		\$226,470	(\$226,470)
Stetson - Prop 68 Application/Processing		\$105,383	(\$105,383)
Stetson - Pumping Verification		\$125,000	(\$125,000)
Stetson - Sustainable Yield Report		\$15,000	(\$15,000)
Stetson - GSP Annual Report		\$40,000	(\$40,000)
Stetson - Fallowing Program Development		\$25,000	(\$25,000)
Stetson - Allocation Workshop/Meetings		\$8,000	(\$8,000)
Stetson - Develop GSP Rules/Regulations		\$10,000	(\$10,000)
Stetson - Coordination with DWR on GSP		\$30,000	(\$30,000)
Stetson/DRI - Review of Groundwater in Storage and HCM		\$42,700	(\$42,700)
Audit		\$6,276	(\$6,276)
Water Importation Marketing Analysis for GSP		\$102,349	(\$102,349)
<b>County Loan</b>		<b>\$500,000</b>	<b>(\$500,000)</b>
<b>Total Expenditures</b>	<b>\$4,424,684</b>	<b>\$6,559,574</b>	<b>(\$2,134,890)</b>
<b>REVENUE</b>			
<b>Proposition 1 Grant Award</b>			
GSP Preparation	\$1,500,000	\$1,500,000	
<b>In-kind Services</b>	<b>\$1,157,300</b>		
U.S. Navy/Federal/Searles in-kind Services	\$1,097,300	\$1,097,300	-
IWVWD/CITY in-kind Services	\$60,000	\$80,000	\$20,000
<b>Initial General Member Agency Contribution</b>	<b>\$75,000</b>	<b>\$75,000</b>	
<b>Proposition 1 Distressed Counties Grant</b>	<b>\$170,000</b>	<b>\$225,501</b>	<b>\$55,501</b>
<b>Pumping Fee</b>		<b>\$750,183</b>	<b>(\$772,201)</b>
<b>Kern County Loan</b>		<b>\$500,000</b>	<b>\$500,000</b>
<b>IWVWD Loan</b>		<b>\$500,000</b>	<b>\$500,000</b>
<b>Prop 68</b>		<b>\$300,000</b>	<b>\$300,000</b>
<b>Total Revenue</b>	<b>\$2,902,300</b>	<b>\$5,027,984</b>	<b>\$603,300</b>
<b>Gap Funding Needed</b>	<b>\$1,522,384</b>	<b>(\$1,531,590)</b>	<b>(\$1,531,590)</b>

Calculation of Fees:

The standard volumetric fee would be imposed on each Groundwater Extractor pumping groundwater and would be based on the amount of groundwater pumped. Groundwater Extraction Fees would be imposed based on the amount of groundwater pumped in relation to the funds required to prepare the GSP. We know that \$1,531,590 is needed to finance GSP preparation (Table, page 4). Since the original groundwater extraction fee was imposed, the IWVGA now requires monthly reporting by groundwater pumpers and pumping verifications are required as well. All of the sources have been used to refine and confirm anticipated pumping. These pumpers include the City, Kern County, IWVWD, Inyokern CSD, small mutuals and Searles Valley Minerals. (See Sustainable Yield Allocation attached as Exhibit 3 to the Data Package).

Estimated groundwater pumping by those subject to the fee is 10,000 A/F annually. A Groundwater Extraction Fee of \$155 per acre foot would generate \$1,531,590 in approximately one year. The lower the fee, the longer it takes until the GSP costs are paid.

Below are alternatives to collect the \$1,531,590 based on 10,000 A/F of annual pumping. Staff's recommended amount for the Revised Fee is in parenthesis depending on the duration of the fee selected.

IWVGA Pumping Fee Alternatives	
<b>Required Fund Gap</b>	\$1,531,590
<b>Assumed Total Pumping</b>	10,000 acre-feet
<b>Duration (Years)</b>	<b>Fee</b>
1	\$153.16 (\$155)
15 months	\$122.53 (\$125)
1.5	\$102.11 (\$105)
2	\$76.58 (\$80)

Staff is recommending a revised Groundwater Extraction Fee of (\$105) which should finance the final costs to prepare the GSP in approximately 18 months.

Groundwater Extractors Identification and Well Registration:

Existing Groundwater Extractors who would be charged the proposed fee were identified using well registrations required by Ordinance 02-18 imposing the original fee and Ordinance 01-19 which required all wells to be registered by October 1, 2019. (See list of registered non de minimis wells attached as Exhibit 4 to the Data Package). IWVGA and County records and other available public documents were also used to identify pumpers subject to the fee. The list of wells in IWV basin continues to be updated and verified.

Groundwater Extraction Measurement Method:

On March 19, 2020, the Board adopted Ordinance No. 01-20 – Requiring the Installation of, Use and Reporting on Metering Equipment for Groundwater Extraction Facilities in the Indian Wells Valley Groundwater Basin. Ordinance No.01-20 requires non de minimis pumpers to install an approved water meter on all wells. The Board also adopted Resolution No. 02-20 – Adopting Groundwater Well Flowmeter Standards for the Indian Wells Valley Groundwater Basin. The Resolution sets standard specifications and provides a list of approved meters and contractors to install and test the wells. The IWVGA requires monthly reporting by groundwater pumpers and pumping verifications as well. Moving forward, extractions will be measured using water meters that have been approved by the WRM.

Groundwater Extraction Reporting and Fee Payment.

Commencing on the first day of each month, Groundwater Extractors shall read and record the needed data for the measuring method used by the Groundwater Extraction Facility. By the 10<sup>th</sup> day of each calendar month, the Groundwater Extractor shall self-report the needed data from their Groundwater Extraction Facility on the self-reporting form provided by the IWVGA. Additionally, the Groundwater Extractor shall simultaneously pay the Groundwater Extraction Fee provided for on the Form. Payments would be made to the IWVGA. Payments not made with thirty (30) days of becoming due would be considered delinquent. The reporting and payment terms will not change for the revised fee.

If unusual circumstances exist, a Groundwater Extractor may request that their Groundwater Extraction Facility be placed on a modified reporting and billing schedule approved by both the IWVGA’s General Manager and the Water Resources Manager.

Delinquent Accounts:

Water Code Section 10730.6 of SGMA authorizes the IWVGA to collect groundwater fees imposed pursuant to Section 10730 and provides multiple remedies that the IWVGA may pursue to collect delinquent accounts. As prescribed by California Water Code section 10730.6, if the owner and/or operator of a Groundwater Extraction Facility knowingly fails to pay the Groundwater Extraction Fee within thirty (30) days of it becoming due, it is delinquent and the owner and/or operator shall be liable to the IWVGA for interest at a rate of one (1) percent per month on the delinquent amount of the Groundwater Extraction Fee and a ten (10) percent penalty on the delinquent amount of the Groundwater Extraction Fee.

As an additional remedy, the IWVGA may, after a public hearing, order an owner and/or operator to cease extraction of groundwater until all delinquent fees, interests and penalties are paid. In such an instance, the IWVGA shall give notice to the owner and/or operator by certified mail not less than 15 days in advance of the public hearing.

These above cited rights are additional rights to those rights which the IWVGA may otherwise be prescribed by law.

**RECOMMENDATION**

Staff recommends that your Board:

1. Make a finding that the proposed Ordinance is exempt from further environmental review pursuant to California Environmental Quality Act Guidelines section 15273 and Public Resources Code section 21080(b)(8) because it is the establishment of operational rates and charges. Additionally, it has been determined that this action is exempt from further environmental review pursuant Guidelines section 15061(b)(3) because it can be seen with a certainty that this action will not have a significant effect on the environment. Moreover it has been determined that this action is exempt from further environmental review pursuant Guidelines section 15378(b)(5) because it involves administrative activities that will not result in direct or indirect physical changes in the environment.
2. ADOPT Ordinance No. 02-20 – Amending Ordinance No. 02-18 Establishing Groundwater Extraction Fees and the Rules, Regulations and Procedures For Their Imposition and Supporting Data Package Providing for an Increased Pumping Fee.
3. Authorize staff to do all things necessary to implement the Revised Groundwater Extraction Fee.

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

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**In the matter of:**

**Ordinance No. 02-20**

**AMENDING ORDINANCE NO. 02-18  
ESTABLISHING GROUNDWATER  
EXTRACTION FEES AND THE RULES,  
REGULATIONS AND PROCEDURES  
FOR THEIR IMPOSITION**

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I, \_\_\_\_\_, Clerk of the Board of Directors for the Indian Wells Valley Groundwater Authority, do certify that the following ordinance, on motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, was duly passed and adopted by the Board of Directors at an official meeting this \_\_\_ day of July, 2020, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

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

\_\_\_\_\_  
**Deputy Clerk**

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**Section 1. WHEREAS**

(a) On July 19, 2018, the Board of Directors (Board) of the Indian Wells Valley Groundwater Authority (Authority) adopted Ordinance No. 02-18 - Establishing the Rules, Regulations and Procedures For The Imposition and Collection of Groundwater Extractions Fees.

(b) The Groundwater Extraction Fee was set at \$30 per acre foot and became effective September 1, 2018.

(c) The fee was intended to finance a portion of the estimated costs to develop and adopt the Groundwater Sustainability Plan (GSP). The Groundwater Extraction Fee only raised approximately half



of the expected revenue due to less than estimated pumping by those subject to the fee. Additional studies and costs to develop the GSP have created a need for additional funding to prepare the GSP.

(d) The Board directed staff to develop a revised groundwater extraction fee (“Revised Fee”) to address the GSP development costs and time needed to pay off these costs.

(e) Staff recommends amending Section 3 of Ordinance No. 02-18 and increasing the groundwater Extraction Fee to \_\_\_\_\_ (\$ ) per tenth (.10) of an acre foot.

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

**Section 2.** This Ordinance shall become effective 30 days from the date of adoption and the entire Ordinance shall be published in accordance with California Government Code section 25124.

**Section 3.** Section 3 of Ordinance No. 02-18 is hereby amended in whole to read as follows:

**Groundwater Extraction Fee.** Effective September 1, 2020, and continuing until rescinded by the Board, all groundwater extractions from and within the Basin shall be subject to measurement and the Groundwater Extraction Fee of \_\_\_\_\_ (\$ ) per tenth (.10) of an acre foot for all groundwater extracted from the Basin. The Groundwater Extraction Fee shall be determined and paid on a monthly basis with water extraction measurements rounded down to the nearest tenth (.10) of an acre foot per month.

**Section 4.** All other provisions of Ordinance No. 02-18 shall remain in full force and effect.

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**REVISED**

**GROUNDWATER EXTRACTION FEE**

**DATA PACKAGE**



**REVISED**

**GROUNDWATER EXTRACTION FEE**

**DATA PACKAGE**

**Contents**

Exhibit 1: IWVGA Staff Report

Exhibit 2: Estimated Costs Required to be Funded by the Revised Groundwater  
Extraction Fee

Exhibit 3: Calculation of Fee

Exhibit 4: List of Non De Minimis Groundwater Extractors

## **Exhibit 1: IWVGA Staff Report**

# IWVGA ADMINISTRATIVE OFFICE

*Memorandum*

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**TO:** IWVGA Board Members **DATE:** July 16, 2020

**FROM:** IWVGA Staff

**SUBJECT:** SECOND READING AND ADOPTION, Ordinance No. 02-20 – Amending Ordinance No. 02-18 Establishing Groundwater Extraction Fees and the Rules, Regulations and Procedures For Their Imposition and Supporting Data Package Providing for an Increased Pumping Fee.

## DISCUSSION

On June 21, 2018, the Indian Wells Valley Groundwater Authority (“IWVGA”) Board of Directors (“Board”) set the original Groundwater Extraction Fee at \$30.00 per acre foot (“A/F”) to finance the development and adoption of the Groundwater Sustainability Plan (“GSP”). Ordinance No. 02-18 – Establishing Groundwater Extraction Fees and the Rules, Regulations and Procedures for their Imposition was subsequently adopted on July 19, 2018 and the fee became effective September 1, 2018.

The fee was intended to generate \$1,522,384.00 in approximately 24 months to finance the estimated costs to develop and adopt the GSP. To date, the fee has only generated around \$750,000 due to less than estimated pumping by those subject to the fee. This, along with additional studies and costs to develop the GSP have created a budget deficit and cashflow problem that needs to be addressed. The Board has directed staff to develop a revised groundwater extraction fee (“Revised Fee”) to address the GSP development costs and time needed to pay off these costs. Ordinance No. 02-20 is one component in implementing the Revised Fee.

### Authority to Increase Fees:

The existing Groundwater Extraction Fee was imposed pursuant to California Water Code Section 10730 (“Section 10730”), which was enacted through the California Sustainable Groundwater Management Act (“SGMA”). Section 10730 authorizes the IWVGA to not only impose, but also increase a fee pursuant to Section 10730. Accordingly, staff recommends the IWVGA Board increase the amount of the existing fee. Section 10730(a) states in part as follows:

- (a) A groundwater sustainability agency may impose fees, including, but not limited to, permit fees and fees on groundwater extraction or other regulated activity, 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 10725.2(a) authorizes the IWVGA to “perform any act necessary or proper to carry out the purposes of this part” [SGMA].

### Exempted Pumpers:

As with the original extraction fee, de minimis pumpers<sup>1</sup>, the United States Navy (“Navy”) and United States Department of Interior Bureau of Land Management (“BLM”) are not subject to the revised extraction fee. SGMA exempts federal agencies from the requirements of SGMA and prohibits the imposition of fees on de minimis extractors unless regulated pursuant to SGMA.<sup>2</sup>

### Public Engagement:

Before imposing or increasing a fee, a GSA shall hold a public meeting, “at which oral or written presentations may be made” (Section 10730(b)). The GSA must provide notice prior to the meeting, pursuant to California Government Code Section 6066, including the time and place of the public meeting, “a general explanation of the matter to be discussed and a statement that the data required by this section is available.” *Id.* At least 20 days prior to the meeting, the GSA “shall make available to the public data upon which the proposed fee is based. *Id.* After the public meeting, the fee shall be imposed or increased “only by ordinance or resolution.”

### Gap Funding Requirement:

Initially, it is important to note that although the GSP has been adopted, GSP preparation costs don’t necessarily end upon adoption. The original estimates used for the original fee were made in June 2018. Since that time, staff has become more knowledgeable about what is needed to complete the GSP. Staff, along with the Water Resources Manager (“WRM”), updated the original costs estimated to prepare the GSP. Additional tasks and the associated costs to complete the GSP were also identified. Additional revenue has also been added. The following provides an overview of the items included in this revised budget (see Table on page 4 and Exhibit 2, Data Package for supporting attachments for budget items).

Expenditures: The “Original Estimate” column shows the original estimates used to calculate the original fee, excepting the Proposition 1 grant award of \$646,000 for SDAC projects which is not included as the SDAC projects are fully funded by the grant and have no impact on the GSP budget or the fee. As shown, the Gap Funding needed was originally estimated at \$1,522,384. The “Revised Estimate” column provides updated estimates and also identifies “Additional Tasks” not included in the original fee calculation. The Revised Estimates were used to calculate the Revised Fee. The “Variance” column provides the difference between original and revised estimates.

The WRM estimated the total cost of developing and adopting the GSP to be about \$3.1 million which was very close to budget. The \$87,600 for the USGS Recharge Study remains the same. The WRM initially identified \$435,250 in estimated costs not covered by the Proposition 1 grant for the WRM’s support of the IWVGA. Those “support costs” are now estimated at \$991,402. The WRM has also identified new “Additional Tasks” needed to complete the GSP estimated at \$934,992. The Water Importation Marketing Analysis consists of costs needed for GSP development (\$102,349). Water importation costs not needed for GSP development have

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1 “De minimis extractor” means a person who extracts, for domestic purposes, two acre-feet or less per year (California Water Code Section 10721(e)).

2 For purposes of this Proposal, any reference to groundwater pumpers excludes de minimis extractors, the Navy and BLM unless otherwise specified.

been tracked and paid by those needing an imported water supply. IWVGA Administrative Costs originally estimated at \$161,500 have been reduced to \$24,968. Legal costs, originally estimated at \$200,000, have been increased \$500,000 for anticipated litigation. The City of Ridgecrest Reimbursable Costs originally estimated at \$210,466 for services and facilities increased \$76,667 for a new total of \$287,133. The \$500,000 advances by Indian Wells Valley Water District and Kern County have also been included as these advances must be repaid. Finally, the reserve in the amount of \$227,268 has been removed. Total expenditures for preparation of the GSP are now estimated at \$7,059,574.

Revenue: The California Department of Water Resources (“DWR”) awarded the IWVGA a Proposition 1 grant award of \$1.5 million for development of the GSP. The GSP development grant award requires a \$1.5 million local match. More than two-thirds (\$1,157,300) of the local match requirement was achieved with in-kind services and existing investments by parties in the Basin. The Initial General Member Agency Contribution of \$75,000 reflects the \$15,000 provided by each of the 5 General Members pursuant to the Joint Exercise of Powers Agreement creating the IWVGA (Section 9.02). The Proposition 1 Distressed Counties Grant total is \$250,000 which includes payment for the USGS Recharge Study and other GSP support costs. The total Proposition 1 Distressed Counties Grant revenue has been increased from \$170,000 to \$225,501 based on monies received. The revenue from the Pumping Fee, originally estimated at \$1,522,384, has been reduced to just over \$750,000 based on actual revenue collected. Finally, the Proposition 68 grant of \$300,000 has been added as revenue as well. Total revenue is estimated at \$5,027,984.

The following table summarizes all of these estimated financial impacts resulting in a total estimated Gap funding requirement of \$2,031,590 which the proposed pumping fee would address:



Budget Items	Original Estimate	Revised Estimate	Variance
<b>EXPENDITURES</b>			
<b>GSP Preparation</b>	<b>\$3,102,600</b>	<b>\$3,086,960</b>	<b>\$15,640</b>
<b>USGS Recharge Study</b>	<b>\$87,600</b>	<b>\$87,600</b>	
<b>IWVGA Support Costs</b>	<b>\$435,250</b>	<b>\$991,402</b>	
Stetson-IWVGA /TAC/PAC Coordination	\$144,250	\$543,677	(\$399,427)
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Conferences/Training	\$3,000		\$3,000
Miscellaneous	\$10,000	\$8,224	\$1,776
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<b>Reserve</b>	<b>\$227,268</b>		<b>\$227,268</b>
<b>Additional Tasks</b>		<b>\$934,992</b>	
Stetson - Data Management System Development		\$48,596	(\$48,596)
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Stetson - Sustainable Yield Report		\$15,000	(\$15,000)
Stetson - GSP Annual Report		\$40,000	(\$40,000)
Stetson - Following Program Development		\$25,000	(\$25,000)
Stetson - Allocation Workshop/Meetings		\$8,000	(\$8,000)
Stetson - Develop GSP Rules/Regulations		\$10,000	(\$10,000)
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Stetson/DRI - Review of Groundwater in Storage and HCM		\$42,700	(\$42,700)
Audit		\$6,276	(\$6,276)
Water Importation Marketing Analysis for GSP		\$102,349	(\$102,349)
<b>County Loan</b>		<b>\$500,000</b>	<b>(\$500,000)</b>
<b>IWVWD Loan</b>		<b>\$500,000</b>	<b>(\$500,000)</b>
<b>Total Expenditures</b>	<b>\$4,424,684</b>	<b>\$7,059,574</b>	<b>(\$2,634,890)</b>
<b>REVENUE</b>			
<b>Proposition 1 Grant Award</b>			
GSP Preparation	\$1,500,000	\$1,500,000	
<b>In-kind Services</b>	<b>\$1,157,300</b>		
U.S. Navy/Federal/Searles in-kind Services	\$1,097,300	\$1,097,300	-
IWVWD/CITY in-kind Services	\$60,000	\$80,000	\$20,000
<b>Initial General Member Agency Contribution</b>	<b>\$75,000</b>	<b>\$75,000</b>	
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<b>IWVWD Loan</b>		<b>\$500,000</b>	<b>\$500,000</b>
<b>Prop 68</b>		<b>\$300,000</b>	<b>\$300,000</b>
<b>Total Revenue</b>	<b>\$2,902,300</b>	<b>\$5,027,984</b>	<b>\$603,300</b>
<b>Gap Funding Needed</b>	<b>\$1,522,384</b>	<b>(\$2,031,590)</b>	<b>(\$2,031,590)</b>

Calculation of Fees:

The standard volumetric fee would be imposed on each Groundwater Extractor pumping groundwater and would be based on the amount of groundwater pumped. Groundwater Extraction Fees would be imposed based on the amount of groundwater pumped in relation to the funds required to prepare the GSP. We know that \$2,031,590 is needed to finance the GSP (Exhibit 2, Data Package). Since the original groundwater extraction fee was imposed, the IWVGA now requires monthly reporting by groundwater pumpers and pumping verifications are required as well. All of the sources have been used to refine and confirm anticipated pumping. These pumpers include the City, Kern County, IWVWD, Inyokern CSD, small mutuals and Searles Valley Minerals. (See Sustainable Yield Allocation attached as Exhibit 3 to the Data Package).

Estimated groundwater pumping by those subject to the fee is 10,000 A/F annually. A Groundwater Extraction Fee of \$210 per acre foot would generate \$2,031,590 in approximately one year. The lower the fee, the longer it takes until the GSP costs are paid.

Below are alternatives to collect the \$2,031,590 based on 10,000 A/F of annual pumping. Staff's recommended amount for the Revised Fee is in parenthesis depending on the duration of the fee selected.

IWVGA Pumping Fee Alternatives	
<b>Required Fund Gap</b>	\$2,031,590
<b>Assumed Total Pumping</b>	10,000 acre-feet
<b>Duration (Years)</b>	<b>Fee</b>
1	\$203.16 (\$210)
1.5	\$135.44 (\$140)
2	\$101.58 (\$105)
2.5	\$81.26 (\$85)

Staff is recommending a revised Groundwater Extraction Fee of (\$140) which should finance the final costs to prepare the GSP in approximately 18 months.

Groundwater Extractors Identification and Well Registration:

Existing Groundwater Extractors who would be charged the proposed fee were identified using well registrations required by Ordinance 02-18 imposing the original fee and Ordinance 01-19 which required all wells to be registered by October 1, 2019. (See list of registered non de minimis wells attached as Exhibit 4 to the Data Package). IWVGA and County records and other available public documents were also used to identify pumpers subject to the fee. The list of wells in IWV basin continues to be updated and verified.

### Groundwater Extraction Measurement Method:

On March 19, 2020, the Board adopted Ordinance No. 01-20 – Requiring the Installation of, Use and Reporting on Metering Equipment for Groundwater Extraction Facilities in the Indian Wells Valley Groundwater Basin. Ordinance No.01-20 requires non de minimis pumpers to install an approved water meter on all wells. The Board also adopted Resolution No. 02-20 – Adopting Groundwater Well Flowmeter Standards for the Indian Wells Valley Groundwater Basin. The Resolution sets standard specifications and provides a list of approved meters and contractors to install and test the wells. The IWVGA requires monthly reporting by groundwater pumpers and pumping verifications as well. Moving forward, extractions will be measured using water meters that have been approved by the WRM.

### Groundwater Extraction Reporting and Fee Payment.

Commencing on the first day of each month, Groundwater Extractors shall read and record the needed data for the measuring method used by the Groundwater Extraction Facility. By the 10<sup>th</sup> day of each calendar month, the Groundwater Extractor shall self-report the needed data from their Groundwater Extraction Facility on the self-reporting form provided by the IWVGA. Additionally, the Groundwater Extractor shall simultaneously pay the Groundwater Extraction Fee provided for on the Form. Payments would be made to the IWVGA. Payments not made with thirty (30) days of becoming due would be considered delinquent. The reporting and payment terms will not change for the revised fee.

If unusual circumstances exist, a Groundwater Extractor may request that their Groundwater Extraction Facility be placed on a modified reporting and billing schedule approved by both the IWVGA's General Manager and the Water Resources Manager.

### Delinquent Accounts:

Water Code Section 10730.6 of SGMA authorizes the IWVGA to collect groundwater fees imposed pursuant to Section 10730 and provides multiple remedies that the IWVGA may pursue to collect delinquent accounts. As prescribed by California Water Code section 10730.6, if the owner and/or operator of a Groundwater Extraction Facility knowingly fails to pay the Groundwater Extraction Fee within thirty (30) days of it becoming due, it is delinquent and the owner and/or operator shall be liable to the IWVGA for interest at a rate of one (1) percent per month on the delinquent amount of the Groundwater Extraction Fee and a ten (10) percent penalty on the delinquent amount of the Groundwater Extraction Fee.

As an additional remedy, the IWVGA may, after a public hearing, order an owner and/or operator to cease extraction of groundwater until all delinquent fees, interests and penalties are paid. In such an instance, the IWVGA shall give notice to the owner and/or operator by certified mail not less than 15 days in advance of the public hearing.

These above cited rights are additional rights to those rights which the IWVGA may otherwise be prescribed by law.

### RECOMMENDATION

Staff recommends that your Board:

1. Make a finding that the proposed Ordinance is exempt from further environmental review pursuant to California Environmental Quality Act Guidelines section 15273 and Public Resources Code section 21080(b)(8) because it is the establishment of operational rates and charges. Additionally, it has been determined that this action is exempt from further environmental review pursuant Guidelines section 15061(b)(3) because it can be seen with a certainty that this action will not have a significant effect on the environment. Moreover it has been determined that this action is exempt from further environmental review pursuant Guidelines section 15378(b)(5) because it involves administrative activities that will not result in direct or indirect physical changes in the environment.
2. Read aloud the title, waive further reading and vote on adoption: Ordinance No 02-20 Amending Ordinance No. 02-18 Establishing Groundwater Extraction Fees and the Rules, Regulations and Procedures for the Imposition. **(Note: the ordinance may be described by reading only the title if the Board waives the full reading earlier in the meeting.)**
3. Authorize staff to do all things necessary to implement the Revised Groundwater Extraction Fee.

## **Exhibit 2: Estimated Costs Required to be Funded by the Revised Groundwater Extraction Fee**

### **Supporting Attachments**

- Proposition 1 Application Budget Tables
- Revised IWVGA Support Costs
- City of Ridgecrest Reimbursable Costs Budget Breakdown
- Advance Agreement Between Kern County and the IWVGA
- Advanced Funds Agreement Between the Indian Wells Valley Water District and the IWVGA
- Final Proposition 1 Funding Recommendations
- Final Proposition 68 Round 3 Final Award List

Budget Items	Original Estimate	Revised Estimate	Variance
<b>EXPENDITURES</b>			
<b>GSP Preparation</b>	<b>\$3,102,600</b>	<b>\$3,086,960</b>	<b>\$15,640</b>
<b>USGS Recharge Study</b>	<b>\$87,600</b>	<b>\$87,600</b>	
<b>IWVGA Support Costs</b>	<b>\$435,250</b>	<b>\$991,402</b>	
Stetson-IWVGA /TAC/PAC Coordination	\$144,250	\$543,677	(\$399,427)
Stetson-Prop 1 Application/Reporting	\$103,000	\$207,468	(\$104,468)
Stetson-Schedule/Budget Management (POAM)	\$52,000	\$34,779	\$17,221
Stetson-Groundwater Pumping Fee Support	\$121,500	\$190,710	(\$69,210)
Stetson-Database Management Coordination (Ramboll)	\$10,000	\$10,298	(\$298)
Stetson - CASGEM Coordination	\$4,500	\$4,470	\$30
<b>IWVGA Administrative Costs</b>	<b>\$161,500</b>	<b>\$24,968</b>	
GSA Board Meetings	\$42,000		\$42,000
Consultant Management and GSP Development	\$24,500		\$24,500
Financial Management	\$8,500		\$8,500
Community Outreach	\$21,000		\$21,000
Budget Development & Admin	\$12,500		\$12,500
PAC/TAC Meetings	\$19,000	\$6,142	\$12,858
Travel	\$6,000	\$635	\$5,365
Insurance	\$15,000	\$9,967	\$5,033
Conferences/Training	\$3,000		\$3,000
Miscellaneous	\$10,000	\$8,224	\$1,776
<b>City of Ridgecrest Reimbursable Costs</b>	<b>\$210,466</b>	<b>\$287,133</b>	<b>(\$76,667)</b>
<b>Legal Costs</b>	<b>\$200,000</b>	<b>\$646,519</b>	<b>(\$446,519)</b>
<b>Reserve</b>	<b>\$227,268</b>		<b>\$227,268</b>
<b>Additional Tasks</b>		<b>\$934,992</b>	
Stetson - Data Management System Development		\$48,596	(\$48,596)
Stetson - Model Review		\$31,300	(\$31,300)
Stetson - GSP Management		\$39,634	(\$39,634)
Stetson - DWR Technical Support Services		\$10,096	(\$10,096)
Stetson - Brackish Water Study Coordination		\$23,113	(\$23,113)
Stetson - Imported Water Coordination for GSP		\$46,075	(\$46,075)
Stetson - Allocation Process Development		\$226,470	(\$226,470)
Stetson - Prop 68 Application/Processing		\$105,383	(\$105,383)
Stetson - Pumping Verification		\$125,000	(\$125,000)
Stetson - Sustainable Yield Report		\$15,000	(\$15,000)
Stetson - GSP Annual Report		\$40,000	(\$40,000)
Stetson - Fallowing Program Development		\$25,000	(\$25,000)
Stetson - Allocation Workshop/Meetings		\$8,000	(\$8,000)
Stetson - Develop GSP Rules/Regulations		\$10,000	(\$10,000)
Stetson - Coordination with DWR on GSP		\$30,000	(\$30,000)
Stetson/DRI - Review of Groundwater in Storage and HCM		\$42,700	(\$42,700)
Audit		\$6,276	(\$6,276)
Water Importation Marketing Analysis for GSP		\$102,349	(\$102,349)
<b>County Loan</b>		<b>\$500,000</b>	<b>(\$500,000)</b>
<b>IWVWD Loan</b>		<b>\$500,000</b>	<b>(\$500,000)</b>
<b>Total Expenditures</b>	<b>\$4,424,684</b>	<b>\$7,059,574</b>	<b>(\$2,634,890)</b>
<b>REVENUE</b>			
<b>Proposition 1 Grant Award</b>			
GSP Preparation	\$1,500,000	\$1,500,000	
<b>In-kind Services</b>	<b>\$1,157,300</b>		
U.S. Navy/Federal/Searles in-kind Services	\$1,097,300	\$1,097,300	-
IWVWD/CITY in-kind Services	\$60,000	\$80,000	\$20,000
<b>Initial General Member Agency Contribution</b>	<b>\$75,000</b>	<b>\$75,000</b>	
<b>Proposition 1 Distressed Counties Grant</b>	<b>\$170,000</b>	<b>\$225,501</b>	<b>\$55,501</b>
<b>Pumping Fee</b>		<b>\$750,183</b>	<b>(\$772,201)</b>
<b>Kern County Loan</b>		<b>\$500,000</b>	<b>\$500,000</b>
<b>IWVWD Loan</b>		<b>\$500,000</b>	<b>\$500,000</b>
<b>Prop 68</b>		<b>\$300,000</b>	<b>\$300,000</b>
<b>Total Revenue</b>	<b>\$2,902,300</b>	<b>\$5,027,984</b>	<b>\$603,300</b>
<b>Gap Funding Needed</b>	<b>\$1,522,384</b>	<b>(\$2,031,590)</b>	<b>(\$2,031,590)</b>

## Excerpt from Prop 1 Grant Application

**Table 5 - Proposal Budget**

<b>Proposal Title: Indian Wells Valley Groundwater Basin - Groundwater Sustainability Plan Development and SDAC Groundwater Conservation Pilot Project</b>						
	Individual Project Title	(a) Requested Grant Amount	(b) Cost Share: Non-State Fund	(c) Other Cost Share	(d) Total Cost	(e) % Cost Share
1	Indian Wells Valley Groundwater Basin - Groundwater Sustainability Plan Development <sup>1</sup>	\$1,500,000	\$1,602,600	\$0	\$3,102,600	52%
	Proposal Total	\$1,500,000	\$1,602,600	\$0	\$3,102,600	52%

1. Sources of funding from the IWVGA (including Kern County, Inyo County, San Bernardino County, Indian Wells Valley Water District, and City of Ridgecrest), Searles Valley Minerals, and from the U.S. Navy. A breakdown of funding sources is provided in Table 4.

**Table 4 - Project Budget**

**Proposal Title: Indian Wells Valley Groundwater Basin - Groundwater Sustainability Plan Development and SDAC Groundwater Conservation Pilot Project**

**Project Title: Indian Wells Valley Groundwater Basin - Groundwater Sustainability Plan Development**

**Project serves a need of a DAC?:**  Yes  No

**Cost Share Waiver Request?:**  Yes  No

Tasks		(a)	(b)	(c)	(d)
		Requested Grant Amount	Cost Share: Non-State Fund Source	Other Cost Share	Total Cost
<b>Objective 1</b>					
1	<p><u>Task 1 - Model Development</u></p> <p>Task 1a - Hydrogeologic Conceptual Model</p> <p>Task 1b - Numerical Groundwater Model (Review Existing Model, Create Sustainable Basin Model Updates and Scenarios, Transport Modeling to Evaluate Groundwater Quality, Evaluate Potential Land Subsidence)</p> <p>Previous and Ongoing Model Development In-Kind Services</p>	<p><b>\$235,072</b></p> <p>\$24,137.54</p> <p>\$210,934.40</p> <p>\$0</p>	<p><b>\$691,328</b></p> <p>\$7,262<sup>1</sup></p> <p>\$63,466<sup>1</sup></p> <p>\$620,600<sup>2</sup></p>	<p><b>\$0</b></p> <p>\$0</p> <p>\$0</p> <p>\$0</p>	<p><b>\$926,400</b></p> <p>\$31,400</p> <p>\$274,400</p> <p>\$620,600</p>
2	<p><u>Task 2 - Salt and Nutrient Management Plan Development</u></p> <p>Task 2a - Loading Analysis (Existing)</p> <p>Task 2b - Mixing Model Development (Existing)</p> <p>Task 2c - Reporting and Coordination</p>	<p><b>\$20,000</b></p> <p>\$0</p> <p>\$0</p> <p>\$20,000</p>	<p><b>\$60,000<sup>3</sup></b></p> <p>\$30,000</p> <p>\$30,000</p> <p>\$0</p>	<p><b>\$0</b></p> <p>\$0</p> <p>\$0</p> <p>\$0</p>	<p><b>\$80,000</b></p> <p>\$30,000</p> <p>\$30,000</p> <p>\$20,000</p>



Tasks		(a)	(b)	(c)	(d)
		Requested Grant Amount	Cost Share: Non-State Fund Source	Other Cost Share	Total Cost
<b>Objective 2</b>					
3	<b>Task 3 - Data Management System</b>	<b>\$274,737</b>	<b>\$82,663</b> <sup>1</sup>	<b>\$0</b>	<b>\$357,400</b>
	Task 3a - Develop a Web-Based GeoDatabase (DMS)	\$37,436.24	\$11,264	\$0	\$48,700
	Task 3b - Establish Monitoring Protocols and Reporting Standards	\$23,753.18	\$7,147	\$0	\$30,900
	Task 3c - Populate Database with Historical Data	\$41,664.16	\$12,536	\$0	\$54,200
	Task 3d - Install Transducers and Telemetry Equipment	\$138,137.43	\$41,563	\$0	\$179,700
	Task 3e - Integrate GSP Goals and Objectives - Adaptive Management	\$33,746.43	\$10,154	\$0	\$43,900
4	<b>Task 4 - Identify and Evaluate Hydrogeologic Data Gaps</b>	<b>\$51,273</b>	<b>\$15,427</b> <sup>1</sup>	<b>\$0</b>	<b>\$66,700</b>
	Task 4a - Review Existing Model and Monitoring Network	\$32,593.36	\$9,807	\$0	\$42,400
	Task 4b - Identification and Prioritization of Data Gaps	\$18,679.69	\$5,620	\$0	\$24,300
5	<b>Task 5 - Monitoring Wells</b>	<b>\$108,619</b>	<b>\$509,381</b>	<b>\$0</b>	<b>\$618,000</b>
	Task 5a - Design and Location Siting	\$11,453.80	\$3,446 <sup>1</sup>	\$0	\$14,900
	Task 5b - Work Plan and Well Construction	\$0	\$476,700 <sup>4</sup>	\$0	\$476,700
	Task 5c - Collection of Monitoring Well Data	\$53,886.67	\$16,213 <sup>1</sup>	\$0	\$70,100
		\$43,278.45	\$13,022 <sup>1</sup>	\$0	\$56,300

Tasks		(a)	(b)	(c)	(d)
		Requested Grant Amount	Cost Share: Non-State Fund Source	Other Cost Share	Total Cost
6	<b>Task 6 - Stream Gages</b> Task 6a - Hydrologic Analysis Task 6b - Design and Location Siting Task 6c - Equipment Purchase, Installation, and Testing	\$114,154 \$16,373.55 \$31,978.39 \$65,801.69	\$34,346 <sup>1</sup> \$4,926 \$9,622 \$19,798	\$0 \$0 \$0 \$0	\$148,500 \$21,300 \$41,600 \$85,600
7	<b>Task 7 - Weather Stations</b> Task 7a - Design and Location Siting Task 7b - Equipment Purchase Task 7c - Installation and Testing	\$64,725 \$17,603.49 \$27,750.48 \$19,371.53	\$19,475 <sup>1</sup> \$5,297 \$8,350 \$5,828	\$0 \$0 \$0 \$0	\$84,200 \$22,900 \$36,100 \$25,200
8	<b>Task 8 - Water Quality and Stable Isotope Sampling and Analysis</b> Task 8a - Surface and Groundwater Sampling Task 8b - Perform Geochemical Reaction and Transport Analysis	\$83,559 \$62,649.98 \$20,908.95	\$25,141 <sup>1</sup> \$18,850 \$6,291	\$0 \$0 \$0	\$108,700 \$81,500 \$27,200
9	<b>Task 9 - Aquifer Tests</b> Task 9a - Prepare Aquifer Test Work Plan Task 9b - Perform Aquifer Testing	\$132,449 \$27,750.48 \$104,698.49	\$39,851 <sup>1</sup> \$8,350 \$31,502	\$0 \$0 \$0	\$172,300 \$36,100 \$136,200

Tasks		(a)	(b)	(c)	(d)
		Requested Grant Amount	Cost Share: Non-State Fund Source	Other Cost Share	Total Cost
<b>Objective 3</b>					
10	<b>Task 10 - Imported Water Study</b>	<b>\$134,524</b>	<b>\$40,476</b> <sup>1</sup>	<b>\$0</b>	<b>\$175,000</b>
	Task 10a - Evaluate Potential Imported Water Sources	\$57,653.35	\$17,347	\$0	\$75,000
	Task 10b - Evaluate Water Banking Alternatives and Extraction Schedule	\$19,217.78	\$5,782	\$0	\$25,000
	Task 10c - Evaluate Infrastructure Requirements	\$19,217.78	\$5,782	\$0	\$25,000
	Task 10d - Prepare Technical Memorandum	\$38,435.57	\$11,564	\$0	\$50,000
11	<b>Task 11 - Recycled Water Study</b>	<b>\$46,891</b>	<b>\$14,109</b> <sup>1</sup>	<b>\$0</b>	<b>\$61,000</b>
	Task 11a - Existing Supply and Demand Analysis	\$5,073.50	\$1,527	\$0	\$6,600
	Task 11b - Identify Existing Recycled Water Infrastructure and Users	\$4,612.27	\$1,388	\$0	\$6,000
	Task 11c - Review Regulatory and Institutional Requirements	\$2,613.62	\$786	\$0	\$3,400
	Task 11d - Identify and Evaluate Potential Recycled Water Users	\$15,374.23	\$4,626	\$0	\$20,000
	Task 11e - Prepare Technical Memorandum	\$19,217.78	\$5,782	\$0	\$25,000

Tasks		(a)	(b)	(c)	(d)
		Requested Grant Amount	Cost Share: Non-State Fund Source	Other Cost Share	Total Cost
<b>Objective 4</b>					
12	<b>Task 12 - GSP Development and Compilation</b>	<b>\$233,996</b>	<b>\$70,404</b> <sup>1</sup>	<b>\$0</b>	<b>\$304,400</b>
	Task 12a - Prepare Executive Summary Chapter	\$691,84	\$208	\$0	\$900
	Task 12b - Prepare Introduction Chapter	\$922,45	\$278	\$0	\$1,200
	Task 12c -Prepare Plan Area and Basin Setting Chapter	\$12,453.12	\$3,747	\$0	\$16,200
	Task 12d - Prepare Sustainable Management Criteria Chapter	\$23,061.34	\$6,939	\$0	\$30,000
	Task 12e - Prepare Projects and Management Actions to Achieve Sustainability Goal Chapter	\$38,435.57	\$11,564	\$0	\$50,000
	Task 12f - Prepare Plan Implementation Chapter	\$26,904.90	\$8,095	\$0	\$35,000
	Task 12g- Prepare References and Technical Studies Chapter	\$1,537.42	\$463	\$0	\$2,000
	Task 12h - Develop Draft and Final GSP	\$24,060.67	\$7,239	\$0	\$31,300
	Task 12i - Project Management	\$57,499.61	\$17,300	\$0	\$74,800
	Task 12j - Stakeholder/DWR Coordination	\$48,428.82	\$14,571	\$0	\$63,000
<b>Grand Total (Tasks 1-12)</b>		<b>\$1,500,000</b>	<b>\$1,602,600</b>	<b>\$0</b>	<b>\$3,102,600</b>

**Notes**

1. Funding Source: IWVGA
2. Funding Source: Navy
3. Funding Source: City of Ridgecrest and IWVWD
4. Funding Source: Navy, Searles Valley Minerals, and Kern County

Budget Items	Original Estimate	Additional Costs	Total Costs
<b>IWVGA Support Costs</b>			
Stetson-IWVGA /TAC/PAC Coordination	\$144,250	\$399,427	\$543,677
Stetson-Prop 1 Application/Reporting	\$103,000	\$104,468	\$207,468
Stetson-Schedule/Budget Management (POAM)	\$52,000	\$0	\$34,779
Stetson-Groundwater Pumping Fee Support	\$121,500	\$69,210	\$190,710
Stetson-Database Management Coordination(Ramboll)	\$10,000	\$298	\$10,298
Stetson - CASGEM Coordination	\$4,500	\$0	\$4,470
	<b>\$435,250</b>		<b>\$991,402</b>

**City of Ridgecrest Reimbursable Costs - Budget Breakdown**

Attorney Fees	2016	2017	2018	2019
Jan.	\$ 8,842.50	\$ 6,500.00	\$ 6,500.00	\$ 4,000.00
Feb.	\$ 4,860.00	\$ 6,500.00	\$ 6,500.00	\$ 4,000.00
Mar.	\$ 7,321.49	\$ 6,500.00	\$ 6,500.00	\$ 4,000.00
April	\$ 5,767.50	\$ 6,500.00	\$ 6,500.00	\$ 4,000.00
May	\$ 2,097.30	\$ 6,500.00	\$ 6,500.00	\$ 4,000.00
June	\$ 630.00	\$ 6,500.00	\$ 6,500.00	\$ 4,000.00
July	\$ 5,308.00	\$ 6,500.00	\$ 6,500.00	\$ 4,000.00
August	\$ 2,587.50	\$ 2,304.49	\$ 6,500.00	\$ 4,000.00
Sept.	\$ 2,452.50	\$ 2,551.87	\$ 6,500.00	\$ 4,000.00
Oct.	\$ 2,885.00	\$ 3,217.50	\$ 6,500.00	\$ 4,000.00
Nov.	\$ 8,857.78	\$ 3,037.50	\$ 6,500.00	\$ 4,000.00
Dec.	\$ 4,877.50	\$ 2,677.50	\$ 6,500.00	\$ 4,000.00
<b>Total Attorney Costs</b>	<b>\$ 21,260.28</b>	<b>\$ 48,615.65</b>	<b>\$ 78,000.00</b>	<b>\$ 48,000.00</b>
		<b>\$ 195,875.93</b>		

Total Attorney Costs	\$ 195,875.93
Total Chambers use costs	\$ 4,960.00
Total IT Support	\$ 9,650.00
<b>2016-2019 Cost to be reimbursed</b>	<b>\$ 210,485.93</b>

Chamber hours	2016	2017	2018	2019
Jan.		4	3	3
Feb.		3.5	3	3
Mar.		3	3	3
April		3	3	3
May		3	3	3
June		7	3	3
July		2.5	3	3
August		2	3	3
Sept.		3.5	3	3
Oct.		2	2.5	3
Nov.		2.5	4	3
Dec.		2.5	2	3
		<b>12.5</b>	<b>39.5</b>	<b>36</b>
Total Chamber hours			124	
X \$40/hour			\$ 40.00	
<b>Total Chamber costs</b>			<b>\$ 4,960.00</b>	

IT Support	2016	2017	2018	2019
Jan.	\$ 270.00	\$ 250.00	\$ 250.00	\$ 250.00
Feb.	\$ 240.00	\$ 250.00	\$ 250.00	\$ 250.00
Mar.	\$ 210.00	\$ 250.00	\$ 250.00	\$ 250.00
April	\$ 210.00	\$ 250.00	\$ 250.00	\$ 250.00
May	\$ 210.00	\$ 250.00	\$ 250.00	\$ 250.00
June	\$ 450.00	\$ 250.00	\$ 250.00	\$ 250.00
July	\$ 180.00	\$ 250.00	\$ 250.00	\$ 250.00
August	\$ 150.00	\$ 150.00	\$ 250.00	\$ 250.00
Sept.	\$ 240.00	\$ 210.00	\$ 250.00	\$ 250.00
Oct.	\$ 150.00	\$ 180.00	\$ 250.00	\$ 250.00
Nov.	\$ 180.00	\$ 270.00	\$ 250.00	\$ 250.00
Dec.	\$ 180.00	\$ 150.00	\$ 250.00	\$ 250.00
	<b>\$ 900.00</b>	<b>\$ 2,730.00</b>	<b>\$ 3,000.00</b>	<b>\$ 3,000.00</b>

Council Chamber IT services include:  
 Audio monitoring and leveling  
 Broadcasting to OTA Channel 41 and Mediacom Channel 6  
 Broadcasting to City webpage  
 Assistance with PowerPoint presentations  
 Digital copy of event/meeting within 2 business days

**Total IT Support \$ 9,650.00**

**ASSESSMENT ADVANCE AGREEMENT BETWEEN  
THE COUNTY OF KERN AND THE INDIAN WELLS  
VALLEY GROUNDWATER AUTHORITY**

This Advanced Fees Agreement (the "Agreement") is entered into as of June 26, 2018 ("Effective Date"), between the County of Kern ("County") and the Indian Wells Valley Groundwater Authority, a Joint Powers Authority created pursuant to the provisions of California Government Code sections 6500 et seq., ("Authority"). County and Authority are sometimes hereinafter individually or collectively called a "Party" or the "Parties".

**RECITALS**

**WHEREAS**, the Authority was formed after enactment of the "Sustainable Groundwater Management Act" ("SGMA") for the purpose achieving groundwater sustainability through the adoption and implementation of a Groundwater Sustainability Plans ("GSP") for the Indian Wells Valley basin.

**WHEREAS**, the County is a General Member of the Authority.

**WHEREAS**, the Authority was initially funded with General Member contributions of Fifteen Thousand Dollars (15,000.00) each.

**WHEREAS**, the Authority is authorized to levy assessments against the General Members of the Authority pursuant to Article IX of the Joint Exercise of Powers Agreement and the County is in the unique position of having police powers over the majority of non-federal lands within the Basin that currently extract groundwater from the Basin.

**WHEREAS**, the Authority is authorized to levy assessments, charges and fees as provided in SGMA, including permit fees and groundwater extraction fees pursuant to California Water Code section 10730 to fund the costs, including preparation and adoption, of a GSP.

**WHEREAS**, the Authority is currently in the process of imposing a groundwater extraction fees pursuant to California Water Code section 10730 to fund the Authority costs, including preparation and adoption, of a GSP.

**WHEREAS**, the Authority is in need of additional funds to continue preparation of the GSP.

**WHEREAS**, given the County's unique position, the County has agreed to advance funds to the Authority in lieu of the Authority imposing any additional assessments on its General Members for the purpose of filing the funding gap that has been created by the delay in imposing a groundwater extraction fee.

**NOW THEREFORE**, in consideration of the foregoing Recitals, which are incorporated

herein by this reference, and of the covenants and agreements herein contained, the Parties hereto agree as follows:

1. Purpose. The purpose of this Agreement is to provide the Authority with the initial funding capital 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.

2. Payment. County agrees to advance to the Authority up to Five Hundred Thousand Dollars (\$500,000.00) to fund preparation of the GSP and related Authority business. County agrees to immediately deposit with the Authority a sum of \$500,000 (Initial Deposit).

3. Reimbursement and/or Credit. The Authority hereby agrees that all monies paid by the County pursuant to this Agreement shall be subject to the following:

- (a) All money paid by the County pursuant to this Agreement shall have a first priority to reimbursement from other Authority funding sources, including Proposition 1 Grant funds, to the extent permitted by law.
- (b) The County shall receive credit for any money not reimbursed to the County pursuant to Section 2(a) herein, which shall be deducted from any future assessments, charges and/or fees imposed by the Authority on the County to fund the costs of the GSP and/or the costs of groundwater management pursuant to SGMA and/or the GSP.
- (c) The Parties reserve the right to mutually agree upon different terms subject to the written approval of the Parties.

4. Further County Payments. The Authority hereby agrees that it shall be an Authority priority to reimburse the County pursuant to Section 3 of this Agreement and this Agreement does not place an obligation on the County to pay any additional funds to the Authority.

5. Accounting. The Parties agree to each maintain separate and distinct accounting of any funds advanced by County pursuant to this Agreement. The Parties shall meet and confer on a monthly basis to compare and reconcile any discrepancies the Parties may have with respect to the accounting of County funds advanced pursuant to this Agreement.

6. Dispute Resolution. In the event there are disputes and/or controversies relating to the interpretation, construction, performance, termination or breach of this Agreement, the Parties shall in good faith meet and confer in an attempt to informally resolve such matter(s). If the Parties are unsuccessful in resolving such matter(s) through an informal meeting process, they may attempt to resolve such matter(s) through mediation, through arbitration under the rules and regulations of the American Arbitration Association or they may exercise whatever other legal rights and remedies they may have.



7. Indemnity. The Authority hereby agrees and undertakes to indemnify, defend and hold harmless the County, its officers, agents, volunteers and employees from any and all losses, costs, expenses (including reasonable attorneys' fees), claims, liabilities, actions or damages of any nature whatsoever, in any way arising out of or connected with or incident to or alleged to have arisen in any manner out of the County's performance of this Agreement or to have occurred as a result of any acts or omissions by the County, its officers, agents, volunteers and employees in the performance of this Agreement. Nothing herein shall alleviate the County from its obligations as a member of the Authority.

8. Termination. Either Party retains the right to terminate this Agreement, at its sole discretion, upon thirty (30) days written notice. Upon such termination, the Parties agree that any County funds advanced pursuant to this Agreement and/or further County payments shall be subject to the terms and provisions of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

**INDIAN WELLS VALLEY  
GROUNDWATER AUTHORITY**

By: Peggy Breeden  
Peggy Breeden, President  
Board of Directors

**COUNTY OF KERN**

By: Mike Maggard  
Mike Maggard, Chairman of the  
Board of Supervisors JUN 26 2018

By: Ryan J. Alsep  
Ryan J. Alsep, County Administrative  
Officer

Approved as to Form

By: Philip W. Hall  
Philip W. Hall,  
Deputy County Counsel

## **ADVANCED FUNDS AGREEMENT**

This Advanced Funds Agreement (the "Agreement") is entered into as of December 13, 2017 ("Effective Date"), between the Indian Wells Valley Water District, a County Water District ("District") and the Indian Wells Valley Groundwater Authority, a Joint Powers Authority created pursuant to the provisions of California Government Code sections 6500 et seq., ("Authority"). District and Authority are sometimes hereinafter individually or collectively called a "Party" or the "Parties".

### **RECITALS**

**WHEREAS**, the Authority was formed after enactment of the "Sustainable Groundwater Management Act" ("SGMA") for the purpose of becoming the exclusive Groundwater Sustainability Agency and achieving groundwater sustainability through the adoption and implementation of a Groundwater Sustainability Plan ("GSP") for the Indian Wells Valley basin.

**WHEREAS**, the District is a General Member of the Authority exercising water supply responsibilities and is a significant pumper of groundwater within the Authority's boundary.

**WHEREAS**, the General Members of the Authority each provided a contribution of Fifteen Thousand Dollars (15,000.00) to initially fund the Authority.

**WHEREAS**, the Authority is presently in need of additional funds to continue work on the preparation of the GSP while other funding streams are developed in accordance with legal mandates.

**WHEREAS**, the Authority may impose additional assessments on its General Members and/or is authorized to levy assessments, charges and fees as provided in SGMA, including permit fees and groundwater extraction fees pursuant to California Water Code section 10730 to fund the costs, including preparation and adoption, of a GSP.

**WHEREAS**, District agrees to advance funds to the Authority in lieu of the Authority imposing any additional assessments on its General Members pursuant to the Authority's Joint Exercise of Powers Agreement and/or any assessments, charges and/or fees authorized by SGMA.

**NOW THEREFORE**, in consideration of the foregoing Recitals, which are incorporated herein by this reference, and of the covenants and agreements herein contained, the Parties hereto agree as follows:

1. **Purpose.** The purpose of this Agreement is to provide the Authority with funding capital to continue preparation of the GSP while the Authority prepares for and seeks to implement other funding sources.

2. Payment. District agrees to advance to the Authority up to Five Hundred Thousand Dollars (\$500,000.00) to fund preparation, Authority adoption and DWR evaluation and approval of the GSP. District agrees to immediately deposit with the Authority the sum of One Hundred Thousand Dollars (\$100,000) ("Initial Deposit"). The remaining funds will be retained by the District and deposited with the Authority on a monthly basis as the Initial Deposit is used by the Authority. The monthly amount to be deposited by the District shall be the amount needed at that time to bring the funds held by the Authority back to the amount of the Initial Deposit. The Authority shall submit a monthly invoice to District requesting any additional funds needed to bring the funds held by the Authority back to the amount of the Initial Deposit. The invoice shall include copies of all invoices/charges paid by the Authority from the Initial Deposit. District shall remit payment within thirty (30) days receipt of said invoice.

3. Reimbursement and/or Credit. The Authority hereby agrees that all monies paid by the District pursuant to this Agreement shall be subject to the following:

- (a) All money paid by the District pursuant to this Agreement shall have a first priority to reimbursement from other Authority funding sources, including Proposition 1 Grant funds, to the extent permitted by law.
- (b) The District shall receive credit for any money not reimbursed to the District pursuant to Section 3(a) herein, which shall be deducted from any future assessments, charges and/or fees imposed by the Authority to fund the costs of the GSP and/or the costs of groundwater management pursuant to SGMA and/or the GSP.
- (c) The Parties reserve the right to mutually agree upon different terms subject to the written approval of the Parties

4. Further District Payments. The Authority hereby agrees that District shall not be required to pay any additional funds to the Authority unless and until all funds paid by the District pursuant to this Agreement have been reimbursed pursuant to Section 3(a) herein and/or District's "credit" pursuant to Section 3(b) herein has been fully exhausted.

5. Accounting. The Parties agree to each maintain separate and distinct accounting of any funds advanced by District pursuant to this Agreement. The Parties shall meet and confer on a monthly basis to compare and reconcile any discrepancies the Parties may have with respect to the accounting of District funds advanced pursuant to this Agreement.

6. Dispute Resolution. In the event there are disputes and/or controversies relating to the interpretation, construction, performance, termination or breach of this Agreement, the Parties shall in good faith meet and confer in an attempt to informally resolve such matter(s). If the Parties are unsuccessful in resolving such matter(s) through an informal meeting process, they may attempt to resolve such matter(s) through mediation, through arbitration under the rules and regulations of the American Arbitration Association or they may exercise whatever other legal rights and remedies they may have.

7. Indemnity. The Authority hereby agrees and undertakes to indemnify, defend and hold harmless District, its officers, agents, and employees from any and all losses, costs, expenses (including reasonable attorneys' fees), claims, liabilities, actions or damages of any nature whatsoever, in any way arising out of or connected with or incident to or alleged to have arisen in any manner out of District's performance of this Agreement or to have occurred as a result of any acts or omissions by District, its officers, agents, and employees in the performance of this Agreement. Nothing herein shall alleviate the District from its obligations as a member of the Authority.

8. Termination. Either Party retains the right to terminate this Agreement, at its sole discretion, upon thirty (30) days written notice. Upon such termination, the Parties agree that any District funds advanced pursuant to this Agreement and/or further District payments shall be subject to the terms and provisions of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

**INDIAN WELLS VALLEY  
WATER DISTRICT**

By: \_\_\_\_\_

Peter Brown, President  
Board of Directors

**INDIAN WELLS VALLEY  
GROUNDWATER AUTHORITY**

By: \_\_\_\_\_

Mick Gleason, Chairman  
Board of Directors

**AMENDMENT TO THE  
ADVANCED FUNDS AGREEMENT**

Whereas, the **INDIAN WELLS VALLEY WATER DISTRICT** (District) and the **INDIAN WELLS VALLEY GROUNDWATER AUTHORITY** (Authority) entered into an Advanced Funds Agreement on December 13, 2017, regarding the District's advancement of funds to the Authority to allow work to continue on the Groundwater Sustainability Plan (Agreement).

Whereas, Section 3 of the Agreement specifies the terms for reimbursement of said funds to the District.

Whereas, Section 3(c) of the Agreement states that "[T]he Parties reserve the right to mutually agree upon different terms subject to the written approval of the Parties."

Whereas, the Parties now desire to clarify the terms for reimbursement of said funds to the District.

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

1. Reimbursement and/or a credit of the \$500,000 Advance from the District will be deferred and the District will seek reimbursement and/or credit from "future assessments, charges and/or fees imposed by the Authority" to fund the costs of groundwater management pursuant to SGMA.
2. All other provisions of the Agreement shall remain in full force and effect.
3. This modification shall be effective immediately upon execution by the Parties.

Dated this 29 day of June, 2018.

**INDIAN WELLS VALLEY  
WATER DISTRICT**

By: RR Kicinski  
Ron Kicinski, President  
Board of Directors

**INDIAN WELLS VALLEY  
GROUNDWATER AUTHORITY**

By: Peggy Breeden  
Peggy Breeden, Chairperson  
Board of Directors

**Final Awards**  
**2017 Groundwater Sustainability Plans and Projects Solicitation**  
 April 2018

Note	Cal Map ID	Grantee	Project Title	Category 1	Category 2	Total Grant Award
				Grant Award <sup>a</sup>	Grant Award	
		Arroyo Santa Rosa Basin Groundwater Sustainability Agency	Arroyo Santa Rosa Basin Groundwater Sustainability Plan	\$ 177,081	\$ 177,081	\$ 177,081
1	20	Asian Business Institute Resource Center	Southeast Asian Groundwater and Sustainability Advocacy and Outreach Program	\$ 400,000	\$ -	\$ 400,000
		Atascadero Mutual Water Co	2017 Atascadero Basin Sustainable Groundwater Proposal	\$ 809,250	\$ -	\$ 809,250
		Bear Valley Basin Groundwater Sustainability Agency	Bear Valley Basin Groundwater Sustainability Plan	\$ 177,000	\$ -	\$ 177,000
		Bedford Colwater Sub-basin Groundwater Sustainability Agency	Bedford Colwater Sub-basin Groundwater Sustainability Plan Proposal	\$ -	\$ 1,000,000	\$ 1,000,000
1A		Big Bear Lake Department of Water and Power	Basin Resiliency Sawmill Well Pumping Plant Project	\$ 782,298	\$ -	\$ 782,298
4		Bula Community Services District	Bula Groundwater Recharge Project	\$ 705,000	\$ -	\$ 705,000
		Butte County Department of Water and Resource Conservation	Groundwater Sustainability Plan Development for the Vino, East Butte, West Butte and Wyandotte Creek Subbasins	\$ -	\$ 1,498,900	\$ 1,498,900
		Castro Lake Water Agency	Santa Clarita Valley Groundwater Sustainability Agency 2017 Sustainable Groundwater Planning Grant Program Category 2 Proposal	\$ -	\$ 416,106	\$ 416,106
		City of Brentwood	Tracy Subbasin Groundwater Sustainability Plan Development Prop 1 Proposal	\$ -	\$ 1,000,000	\$ 1,000,000
		City of Corona	Sustainable Groundwater Planning Grant for the City of Corona Temescal Subbasin	\$ -	\$ 732,338	\$ 732,338
		City of Modesto	Sustainable Groundwater Planning Grant for the Modesto Groundwater Subbasin	\$ -	\$ 1,000,000	\$ 1,000,000
		City of Paso Robles	Paso Robles Basin Groundwater Sustainability Plan Development	\$ -	\$ 1,500,000	\$ 1,500,000
		City of Redding	AGSA Enterprise and Anderson Subbasin Groundwater Sustainability Plan	\$ -	\$ 983,230	\$ 983,230
		City of San Diego - Public Utilities Department	Groundwater Sustainability Plan for the San Pasqual Valley Groundwater Basin	\$ -	\$ 989,550	\$ 989,550
		Lokita Groundwater Authority	Colusa Subbasin Groundwater Sustainability Plan Development	\$ -	\$ 1,000,000	\$ 1,000,000
10		Community Water Center	Facilitate Participation of Severely Disadvantaged Community Stakeholders in The Fular Lake Basin And Develop A Drinking Water Vulnerability Tool	\$ 614,353	\$ -	\$ 614,353
		County of Glenn	Groundwater Sustainability Plan Development in the Corning Subbasin	\$ -	\$ 999,980	\$ 999,980
		County of San Diego	San Diego County GSP Development	\$ 1,000,000	\$ 2,000,000	\$ 3,000,000
		County of San Luis Obispo	2017 County of San Luis Obispo Sustainable Groundwater Proposal	\$ -	\$ 1,397,125	\$ 1,397,125
		Cuyama Basin Groundwater Sustainability Agency	Cuyama Basin Groundwater Sustainability Plan	\$ 649,124	\$ 1,500,000	\$ 2,148,124
		Del Norte County	Smith River Plain Groundwater Basin GSP	\$ -	\$ 250,000	\$ 250,000
		East Bay Municipal Utility District	East Bay Plain Subbasin Groundwater Sustainability Plan Development	\$ -	\$ 1,000,000	\$ 1,000,000
		Eastern San Joaquin Groundwater Authority	Eastern San Joaquin Subbasin Groundwater Sustainability Plan Grant	\$ -	\$ 1,500,000	\$ 1,500,000
		Elsmore Valley Municipal Water District	Elsmore Valley Groundwater Sustainability Agency Groundwater Sustainability Planning Grant Proposal	\$ -	\$ 1,000,000	\$ 1,000,000
		Fillmore Piru GSA	Fillmore and Piru Basins Groundwater Sustainability Plans	\$ -	\$ 1,500,000	\$ 1,500,000
7		Freshwater Trust	Engaging Severely Disadvantaged Communities in the Development of the Solano Subbasin Groundwater Sustainability Plan	\$ 490,000	\$ -	\$ 490,000
13		Indian Wells Valley Groundwater Authority	Indian Wells Valley Groundwater Basin Groundwater Sustainability Plan Development and SDAC Groundwater Conservation Pilot Project	\$ 646,000	\$ 1,500,000	\$ 2,146,000
		Inyo Water Department, County of	Groundwater Sustainability Planning for the Owens Valley Groundwater Basin	\$ -	\$ 713,155	\$ 713,155
		Kern River Groundwater Sustainability Agency	Kern County Subbasin Groundwater Sustainability Plan Support 2017 Grant Application	\$ -	\$ 1,500,000	\$ 1,500,000
		Kaiser County	Big Valley Groundwater Sustainability Plan	\$ -	\$ 999,185	\$ 999,185
14		Leadership Counsel for Justice and Accountability	Partnering for Equitable Groundwater	\$ 758,000	\$ -	\$ 758,000
15		Linda County Water District	Linda County Water District-Well 17 Project Funding Application Groundwater Sustainability Planning Grant Program Proposal	\$ 999,500	\$ -	\$ 999,500
		Los Angeles County Waterworks District No. 37, Acton	Fringe Area Antelope Valley Groundwater Sustainability Plan	\$ -	\$ 300,000	\$ 300,000
		Lower Tule River Irrigation District Groundwater Sustainable Agency	Lower Tule River Irrigation District GSA, SGWP Planning Grant	\$ -	\$ 1,500,000	\$ 1,500,000
16		Madera County Water and Natural Resources	Groundwater Monitoring Well Installation and GSP Development For The Chowchilla Subbasin	\$ 1,000,000	\$ 1,500,000	\$ 2,500,000
11		Madera County Water and Natural Resources	Groundwater Monitoring Well Installation and GSP Development for the Madera Subbasin	\$ 1,000,000	\$ 1,500,000	\$ 2,500,000
		Marina Coast Water District	Nonleley Subbasin Groundwater Sustainability Plan Development	\$ -	\$ 1,000,000	\$ 1,000,000
		Mendocino County Water Agency	Phase 2 of the Ukiah Valley Basin Groundwater Sustainability Plan Development	\$ -	\$ 764,255	\$ 764,255
1		Merced Irrigation District	2017 Merced Groundwater Subbasin Sustainability	\$ 901,261	\$ 1,500,000	\$ 2,401,261
		Mid-Kaweah Groundwater Sustainability Agency	Kaweah Sub-Basin Groundwater Sustainability Plans Development	\$ -	\$ 1,500,000	\$ 1,500,000
		Mid-Kings River Groundwater Sustainability Agency	Fular Lake Subbasin GSP Development and SGMA Compliance Project	\$ -	\$ 1,500,000	\$ 1,500,000
		Mound Basin Groundwater Sustainability Agency	Mound Basin GSA and GSP	\$ -	\$ 758,100	\$ 758,100
2		North Cal-Neva Resource Conservation and Development Council, Inc.	Big Valley GSP Monitoring and Data Development	\$ 782,344	\$ -	\$ 782,344
		North Fork Kings Groundwater Sustainability Agency	Kings Basin Groundwater Sustainability Plans	\$ -	\$ 1,500,000	\$ 1,500,000
		Padre Dam Municipal Water District	San Diego River Valley Groundwater Sustainability Plan (GSP) Development Proposal	\$ -	\$ 600,000	\$ 600,000
COI		Pajaro Valley Water Management Agency	Pajaro Valley Groundwater Sustainability Plan	\$ -	\$ 1,500,000	\$ 1,500,000
		Petaluma Valley GSA	Petaluma Valley Groundwater Sustainability Plan Development of the South American Subbasin Groundwater Sustainability Plan (Bulletin 118 Subbasin NU 5-21 65)	\$ -	\$ 970,693	\$ 970,693
D		Sacramento Central Groundwater Authority	North American Subbasin Groundwater Sustainability Plan Development	\$ -	\$ 994,276	\$ 994,276
		Sacramento Groundwater Authority	Sacramento Valley Basin Groundwater Sustainability Plan	\$ -	\$ 1,500,000	\$ 1,500,000
		San Antonio Basin Groundwater Sustainability Agency	San Antonio Basin Groundwater Sustainability Plan	\$ -	\$ 300,000	\$ 300,000
		San Benito County Water District	Sustainable Groundwater Planning Grant for GSP Preparation: Botsu, Hollister, and San Juan Bautista Groundwater Subbasins	\$ -	\$ 830,336	\$ 830,336
		San Bernardino Valley Municipal Water District	Yucaipa Groundwater Sustainability Plan	\$ -	\$ 815,100	\$ 815,100
		San Geronimo Pass Water Agency	2017 Sustainable Groundwater Planning Grant for the San Geronimo Pass Subbasin	\$ 1,000,000	\$ 2,000,000	\$ 3,000,000
		Santa Cruz Mid-County Groundwater Agency	Santa Cruz Mid County Groundwater Sustainability Plan Development	\$ -	\$ 1,500,000	\$ 1,500,000
		Santa Margarita Groundwater Agency	Santa Margarita Groundwater Sustainability Plan Development	\$ -	\$ 1,000,000	\$ 1,000,000
		Santa Rosa Plain GSA	Santa Rosa Plain Groundwater Sustainability Plan	\$ -	\$ 1,000,000	\$ 1,000,000
		Santa Ynez River Water Conservation District	Santa Ynez River Valley Basin GSP Planning and Preparation	\$ -	\$ 1,000,000	\$ 1,000,000
8		Self-Help Enterprises	Self-Help Enterprises - SDACs Project	\$ 1,000,000	\$ -	\$ 1,000,000
19		Shasta Valley Resource Conservation District	Groundwater Monitoring Implementation Program for the Shasta Valley GSA	\$ 976,884	\$ -	\$ 976,884
		Siskiyou County Flood Control and Water Conservation District	Development	\$ -	\$ 1,367,000	\$ 1,367,000
		Solano Subbasin Groundwater Sustainability Agency	Solano Subbasin Groundwater Sustainability Plan Development	\$ -	\$ 1,000,000	\$ 1,000,000
		Sonoma Valley GSA	Sonoma Valley Groundwater Sustainability Plan	\$ -	\$ 1,000,000	\$ 1,000,000
		Southeast Sacramento County Agricultural Water Authority	Establishing a Groundwater Sustainability Plan and Governance Structure for the Cosumnes Groundwater Sub-Basin	\$ -	\$ 1,000,000	\$ 1,000,000
		Sutter County Development Services	Sutter Subbasin Groundwater Sustainability Plan Development	\$ -	\$ 956,814	\$ 956,814
		Tehama County Flood Control & Water Conservation District	Tehama County Groundwater Sustainability Plan Development Grant Application	\$ -	\$ 1,498,960	\$ 1,498,960
12		The Nature Conservancy	Demonstrating Multi-Benefit On-Farm Managed Aquifer Recharge in the Central Valley: Protecting Our Groundwater Resource: Securing a Sustainable Future for the Fule Lake Subbasin	\$ 300,000	\$ -	\$ 300,000
		Tublake Irrigation District	Upper Ventura River Basin GSA and GSP	\$ -	\$ 721,120	\$ 721,120
		Upper Ventura River Groundwater Agency	Upper Ventura River Basin GSA and GSP	\$ -	\$ 630,061	\$ 630,061
		Walnut Valley Water District	Spadra Groundwater Basin Groundwater Sustainability Plan Development	\$ -	\$ 338,500	\$ 338,500
17		West Stanislaus ID	2017 Sustainable Groundwater Planning Grant for the Delta-Mendota Subbasin	\$ 1,178,500	\$ 1,500,000	\$ 2,678,500
		West Turlock Subbasin GSA	Sustainable Groundwater Planning Grant for the Turlock Groundwater Subbasin	\$ -	\$ 1,000,000	\$ 1,000,000
		Western Municipal Water District	Riverside Arlington Subbasin Groundwater Sustainability Plan	\$ -	\$ 130,000	\$ 130,000
5		Westlands Water District	Groundwater Monitoring Well Installation Project and Groundwater Sustainability Plan Development for the Westside Subbasin	\$ 1,000,000	\$ 1,500,000	\$ 2,500,000
		White Wolf Groundwater Sustainability Agency	White Wolf Subbasin Groundwater Sustainability Plan Development	\$ -	\$ 557,998	\$ 557,998
		Yolo County Flood Control and Water Conservation District	Yolo Subbasin - GSP Planning and Preparation	\$ -	\$ 1,000,000	\$ 1,000,000
		Yuba County Water Agency	Groundwater Sustainability Plans for the North Yuba Subbasin and South Yuba Subbasin	\$ -	\$ 893,948	\$ 893,948
				\$ 16,182,264	\$ 69,569,961	\$ 85,752,225

A. All Category 1 Projects: Grantees shall obtain written (e.g., letter) approval of proposed scope of work from GSA, if extensive data/GSP whose project is indicated in prior to execution of Grant Agreement.  
 B. Recommended funding less than requested due to recalculation of Direct Project Administration (DPA) Costs.  
 C. Critical Over Draft Basin include in application.  
 D. Applicants submitted an Alternative Plan to TWR for review.



Table 1 – Proposition 68 SGM Grant Program's Planning – Round 3 Final Award List

Disclaimer: The Recommended Award and Total Project Cost are conditional until final terms and conditions are agreed upon and an agreement has been executed. The awarded grant amount listed in the executed agreement can be less than the Recommended Award amount listed here based upon final negotiations between the Awardee and DWR. DWR staff may determine certain tasks are not eligible or do not meet the requirements outlined in the 2019 SGM Grant Program Guidelines and 2019 SGM Grant Program Planning-Round 3 PSP and are subject to change.

Organization Name	Proposal Title	Recommended Revised Award Title	Notes	Recommended Award	Prop 68/Prop 1 Available Funds	Prop 1 Funds Subject to Future Appropriations	Minimum Required Local Cost Share	Total Project Cost	Percent Local Cost Share
Alameda County Water District	The Alternative Update and Model Upgrade Project	The Alternative Update and Model Upgrade Project	C	\$500,000	\$500,000	\$0	\$167,000	\$667,000	25.04%
Arroyo Seco GSA (ASBGS)	Arroyo Seco Groundwater Sustainability Plan	Salinas Valley Basin GSPs	B	\$0	\$0	\$0	\$0	\$0	-
Carpinteria Valley Water District	Carpinteria Groundwater Basin GSP Development	Carpinteria Groundwater Basin GSP Development	C	\$1,942,900	\$1,942,900	\$0	\$675,000	\$2,617,900	25.78%
City of Brentwood	East Contra Costa Subbasin GSP Development	East Contra Costa Subbasin and Tracy Subbasin GSP Development	A, G	\$1,078,600	\$970,000	\$108,600	\$359,500	\$1,438,100	25.00%
City of Modesto	Modesto Subbasin Monitoring Network Augmentation Proposal	Modesto Subbasin GSP Development and Monitoring Network Augmentation	-	\$1,000,000	\$1,000,000	\$0	\$0	\$1,000,000	0.00%
City of Redding	Enterprise Anderson Groundwater Sustainability Agency (EAGSA) Enterprise and Anderson Sub-Basin Groundwater Sustainability Plan	EAGSA Enterprise and Anderson Sub-Basin GSP	-	\$544,500	\$544,500	\$0	\$0	\$544,500	0.00%
Coachella Valley Water District	Indio Subbasin Modelling, Data Collection, and Alternative Plan Update	Indio Subbasin Alternative Plan Update	A, C	\$500,000	\$500,000	\$0	\$167,000	\$667,000	25.04%
Coachella Valley Water District	Mission Creek Subbasin Modelling, Data Collection, and Alternative Plan Update	Mission Creek Subbasin Alternative Plan Update	A, C	\$500,000	\$500,000	\$0	\$167,000	\$667,000	25.04%
Colusa Groundwater Authority	Colusa Subbasin Groundwater Sustainability Plan Development	Colusa Subbasin GSP Development	-	\$999,600	\$999,600	\$0	\$0	\$999,600	0.00%
County of Madera	Madera Subbasin Domestic Well Inventory and Groundwater Monitoring Well Installation Project	Madera Subbasin GSP Development, Domestic Well Inventory, and Monitoring Well Installation Project	H, I	\$0	\$0	\$0	\$0	\$0	-
County of Madera	Chowchilla Subbasin Domestic Well Inventory and Groundwater Monitoring Well Installation Project	Chowchilla Subbasin GSP Development, Domestic Well Inventory, and Monitoring Well Installation Project	I	\$500,000	\$500,000	\$0	\$0	\$500,000	0.00%
Cuyama Basin GSA	Cuyama Valley Groundwater Basin Supplemental GSP Development	Cuyama Basin GSP Development	I	\$500,000	\$500,000	\$0	\$0	\$500,000	0.00%
East Bay Municipal Utility District	East Bay Plain Subbasin Characterization and Data Management	East Bay Plain Subbasin GSP Development and Characterization and Data Management	G	\$758,467	\$680,000	\$78,467	\$134,000	\$892,467	15.01%
East Kaweah GSA	Kaweah Subbasin Groundwater Sustainability Planning Project	Kaweah Subbasin GSP Development	I	\$500,000	\$500,000	\$0	\$0	\$500,000	0.00%
Eastern Municipal Water District	West San Jacinto Groundwater Sustainability Plan and Monitoring	West San Jacinto GSP Development and Monitoring	C	\$1,166,500	\$1,166,500	\$0	\$390,000	\$1,556,500	25.06%



Organization Name	Proposal Title	Recommended Revised Award Title	Notes	Recommended Award	Prop 68/Prop 1 Available Funds	Prop 1 Funds Subject to Future Appropriations	Minimum Required Local Cost Share	Total Project Cost	Percent Local Cost Share
Eastern San Joaquin Groundwater Authority	Eastern San Joaquin Proposal for Studies and Equipment to Support GSP Development	Eastern San Joaquin GSP Development and Support	F, G, I	\$500,000	\$325,000	\$175,000	\$55,500	\$555,500	9.99%
Fox Canyon GMA	Develop GSPs for the Oxnard Subbasin, Pleasant Valley Basin and Las Posas Valley Basin	Oxnard Subbasin, Pleasant Valley Basin, and Las Posas Valley Basin GSP Development	C	\$854,600	\$854,600	\$0	\$285,000	\$1,139,600	25.01%
Humboldt County	Eel River Valley Groundwater Sustainability Plan and Monitoring Well Installation Project	Eel River Valley GSP and Monitoring Well Installation Project	C	\$1,900,000	\$1,900,000	\$0	\$0	\$1,900,000	0.00%
Indian Wells Valley Groundwater Authority	Indian Wells Valley Groundwater Basin - Implementation Projects and Additional GSP Development	Indian Wells Valley GSP Development and Projects	A, F, G, I	\$939,000	\$300,000	\$30,000	\$99,250	\$988,250	15.06%
Kern River GSA	Kern County Subbasin Groundwater Sustainability Plan Support - Phase II	Kern County Subbasin GSP Development	F, G, I	\$500,000	\$442,285	\$57,715	\$0	\$500,000	0.00%
Lake County Watershed Protection District	Big Valley Basin GSP	Big Valley Basin GSP	C	\$1,392,205	\$1,392,205	\$0	\$0	\$1,392,205	0.00%
Lower Tule River Irrigation District GSA	Tule Subbasin Sustainable Groundwater Management Planning Grant	Lower Tule River GSA Development	A, G, I	\$1,000,000	\$1,000,000	\$0	\$0	\$1,000,000	0.00%
Marina Coast Water District	GSP Development Activities in the Monterey Subbasin	Monterey Subbasin GSP Development	D, G	\$1,000,000	\$700,000	\$300,000	\$335,000	\$1,335,000	25.09%
Mendocino County Water Agency	Ukiah Valley Basin GSP Development Support	Ukiah Valley Basin GSP Development Support	-	\$1,233,800	\$1,233,800	\$0	\$0	\$1,233,800	0.00%
Merced Irrigation District	Merced Subbasin GSP Development Project for Addressing Critical Data Gaps	Merced Subbasin GSP Development and Addressing Critical Data Gaps	-	\$500,000	\$500,000	\$0	\$0	\$500,000	0.00%
Mid-Kings River GSA	Tulare Lake Subbasin Supplemental GSP Development	Tulare Lake Subbasin GSP Development and SGMA Compliance	F, G, I	\$500,000	\$450,000	\$50,000	\$0	\$500,000	0.00%
Modoc County GSA	Big Valley Groundwater Sustainability Plan Water Measurement Enhancement Project	Big Valley GSP Water Measurement Enhancement Project	C	\$987,660	\$987,660	\$0	\$0	\$987,660	0.00%
Montecito Groundwater Basin GSA	MGB GSA GSP and Sustainability Projects' Development	MGB GSA GSP and Sustainability Projects Development	C	\$1,627,205	\$1,627,205	\$0	\$544,000	\$2,171,205	25.06%
Napa County	Napa Valley Subbasin Groundwater Sustainability Plan and Monitoring Well Installation Project	Napa Valley Subbasin GSP and Monitoring Well Installation Project	C	\$1,958,500	\$1,958,500	\$0	\$655,000	\$2,613,500	25.06%
North Fork Kings GSA	Kings Basin SGMA Round 3 Planning Grant	Kings Basin GSP	I	\$500,000	\$500,000	\$0	\$0	\$500,000	0.00%
Ojai Basin Groundwater Management Agency	Ojai Valley Basin GSP Development	Ojai Valley Basin GSP Development	C	\$400,000	\$400,000	\$0	\$133,600	\$533,600	25.04%
Pajaro Valley Water Management Agency	Pajaro Valley Sustainable Groundwater Planning Project	Pajaro Valley Alternative Plan Update	C	\$500,000	\$500,000	\$0	\$167,000	\$667,000	25.04%



## **Exhibit 3: Calculation of Fees**

### **Supporting Attachments**

- Sustainable Yield Allocation
- IWVGA Pumping Fee Alternatives

<b>Pumping Group</b>	<b>Current Est Pumping</b>	<b>Navy Use/Carryover</b>	<b>Augment Supply Need</b>
<b>Navy</b>	<b>1,450</b>	<b>1,450</b>	<b>0</b>
<b>De Minimis Wells</b>	<b>800</b>	<b>800</b>	<b>0</b>
<b>City of Ridgecrest</b>	<b>373</b>	<b>373</b>	<b>0</b>
<b>Kern County</b>	<b>18</b>	<b>18</b>	<b>0</b>
<b>IWVWD</b>	<b>6,507</b>	<b>4,390</b>	<b>2,117</b>
<b>Inyokern CSD</b>	<b>102</b>	<b>102</b>	<b>0</b>
<b>Small Mutuals</b>	<b>300</b>	<b>300</b>	<b>0</b>
<b>Trona DM</b>	<b>217</b>	<b>217</b>	<b>0</b>
<b>SVM</b>	<b>2,413</b>	<b>0</b>	<b>2,413</b>
<b>Total</b>	<b>12,180</b>	<b>7,650</b>	<b>4,530</b>

<b>IWVGA Pumping Fee Alternatives</b>	
<b>Required GAP Funding</b>	\$2,031,590
<b>Assumed Total Pumping</b>	10,000 acre-feet
<b>Duration (Years)</b>	<b>Fee</b>
1	\$203.16 (\$210)
1.5	\$135.44 (\$140)
2	\$101.58 (\$105)
2.5	\$81.26 (\$85)

**Exhibit 4: List of Non De Minimis Groundwater Extractors**

Owner/System	# of Wells Registered	Type of Use
Amber Glow Ranch / Patricia Davis	2	Agriculture
BLUBAUGH, PATRICK	1	Agriculture
Brady's Café and Mini Mart	1	Commercial
Buttermilk Acres	1	Domestic
China Lake Acres Mutual Water Company	1	Domestic
CHLT Water Group	1	Domestic
City of Ridgecrest	5	Irrigation
Condon, Bethany	1	Domestic/livestock
Crestview Water System	1	Domestic
Desert Memorial Park	1	Irrigation
Desert Sands Mutual Water Co-Op	1	Domestic
Dixie Water Company	1	Domestic
DONNA SUE WATER CO-OP	1	Domestic
Dune I Water	1	Domestic
Dune III Mutual Water Company	2	Domestic
Dune V Water Company	1	Domestic
East Inyokern Mutual Water	3	Domestic
Ferran Water System	1	Domestic
Freeman, John	1	Domestic/Irrigation
Gateway Ace Hardware/Gateway Market	1	Commercial
Gilbert Mutual Water Company	1	Domestic
Hammar Water Co-Op	1	Domestic
Heritage Village	1	Irrigation
Hickle, Art (Hickle Family Trust)	2	Agriculture
Hometown Water Association	1	Domestic
Hovaten, Max	3	Agriculture
IAC Water Company	2	Domestic
Indian Wells Valley Water District	10	Municipal
Inyokern CSD	1	Domestic
Jumper St Water Co-op	1	Domestic
Kern County	1	Commercial
LIFE WATER CO-OP	1	Domestic
Marvin, Carey	1	Domestic/Irrigation
McGee, Mike	4	Agriculture
MEADOWBROOK DAIRY	10	Agriculture
Mirage St Water Co-Op	1	Domestic
MOJAVE PISTACHIO / RTS AGRI BUSINESS	13	Agriculture
Northeast Leliter Co-Op	2	Domestic
Owens Peak South	1	Domestic
Owens Peak Water Co Op	1	Domestic
Owens Peak West	1	Domestic
Pearson, Diana	1	Commercial/Irrigation
Pinon Water System	1	Domestic
Quist Farms/Don Quist	7	Agriculture

Ridgecrest Charter School	1	Irrigation
Schiller, Larry	1	Domestic/Irrigation
Searles Valley Minerals	5	Industrial
Shaklett, Scott and Gale	1	Agriculture
Sierra Shadows Ranch / John Thomas Conaway	4	Agriculture
Simmons Farms	1	Agriculture
South Desert Mutual Water Company	1	Domestic
Sweet Water Co-Op	1	Domestic
Szelog, Matt (John)	1	Domestic/Irrigation
Warren Water System	1	Domestic
WEST VALLEY MUTUAL WATER CO	2	Domestic
Yellow Bird Water Co-Op	1	Domestic

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# IWVGA ADMINISTRATIVE OFFICE

*STAFF REPORT*

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**TO:** IWVGA Board Members **DATE:** July 16, 2020

**FROM:** IWVGA Staff

**SUBJECT:** **Agenda Item No. 9 – Consideration and Adoption of Resolution 06-20 and Related CEQA Findings Adopting the Report on the Indian Wells Valley Groundwater Basin’s Sustainable Yield of 7,650 Acre-Feet**

## DISCUSSION

At the June Board meeting the attached Report on the Indian Wells Valley Groundwater Basin’s Sustainable Yield of 7,650 Acre-Feet (Report) was preliminary adopted for release to the public and the Board Committees. A matrix of comments and staff responses has been provide along with the Final Draft of the Report.

As the Board is aware, it has been determined that Basin cannot achieve sustainability without the development of an augmentation project. In order to establish fees to finance such a project, the IWVGA must determine who will be specially benefited by such a project. Accordingly, this Report provides for an analysis of the sustainable yield for the purposes of determining “beneficial impacts” only. The Report is not intended to, and does not, determine water rights and it is not a limitation on groundwater pumping.

The Report concludes that all groundwater extractors in the Basin, with the exclusion of De Minimis Extractors<sup>1</sup> and Federal Extractors,<sup>2</sup> are beneficially impacted by IWVGA’s overdraft mitigation and augmentation projects. This conclusion is based on:

- 1) Reported Navy production rates showing more than convincing evidence that the Basin’s entire sustainable yield is consumed by the Navy’s Federal Reserve Water Right interest;
- 2) The Supremacy Clause of the U.S Constitution which prohibits the IWVGA from limiting, regulating, and/or charging Navy groundwater production in any way;
- 3) The IWVGA’s legal inability to enquire into any challenges to the Navy’s reported production rates even if it had a sufficient basis to do so; and,
- 4) The IWVGA’s legal inability to adjudicate water rights.

Accordingly, all groundwater extractors in the Basin, with the exclusion of De Minimis Extractors and Federal Extractors, will be subject to the costs for overdraft mitigation and augmentation projects, unless an extractor obtains a court order showing they have quantifiable production rights superior to the Navy’s.

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<sup>1</sup> As defined by SGMA in Water Code section 10721(e) because SGMA has excluded them from the metering and reporting requirements of SGMA.

<sup>2</sup> United States Navy; Naval Air Weapons Station (NAWS), China Lake, CA and United States Department of the Interior; Bureau of Land Management.



**RECOMMENDED BOARD ACTION(S)**

- 1) Make finding that the action is exempt from further CEQA review because the action is ministerial, does not include a discretionary act, is mandated by law and is provided statutorily and categorical exemptions, and will not have a significant effect on the environment;
- 2) Adopt Report on the Indian Wells Valley Groundwater Basin's Sustainable Yield of 7,650 Acre-Feet via Resolution 06-20.

# BEFORE THE BOARD OF DIRECTORS INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

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In the matter of:

Resolution No. 06-20

## ADOPTING A REPORT ON THE INDIAN WELLS VALLEY GROUNDWATER BASIN'S SUSTAINABLE YIELD OF 7,650 ACRE-FEET

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I, \_\_\_\_\_, Secretary of the Board of Directors for the Indian Wells Valley Groundwater Authority, do certify that the following resolution, on motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, was duly passed and adopted by the Board of Directors at an official meeting this 18th day of June, 2020, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

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

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## RESOLUTION

Section 1. WHEREAS:

(a) The Sustainable Groundwater Management Act requires the IWVGA to bring the Basin into sustainability by 2040 at the latest to make ongoing reports on extractions and progress; and,

(b) In order to meet those requirements the IWVGA must obtain accurate data on all current and future groundwater extractions and the needs for import supplies.

(c) The attached and incorporated “Report on the Indian Wells Valley Groundwater Basin’s Sustainable Yield of 7,650 Acre-Feet” provides an analysis of the legal conditions and limitations and, in particular, the Board’s inability to regulate and/or require data from the Federal Groundwater Extractors.

Section 2. IT IS RESOLVED by the Board of Directors of the Indian Wells Valley Groundwater Authority, as follows:

1. This Board finds that the recited facts are true and that it has the jurisdiction to consider, approve, and adopt this Resolution.

2. This Board incorporates and makes all the findings recommended by staff, whether verbally or in their written reports.

3. This Board finds that this action is exempt from further CEQA review because the action is ministerial, does not include a discretionary act, is mandated by law and is provided statutorily and categorical exemptions, and will not have a significant effect on the environment.


4. This Board hereby adopts the attached “Report on the Indian Wells Valley Groundwater Basin’s Sustainable Yield of 7,650 Acre-Feet” effective immediately.

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**DRAFT**



**REPORT ON THE  
INDIAN WELLS VALLEY GROUNDWATER  
BASIN'S SUSTAINABLE YIELD  
OF 7,650 ACRE-FEET**



**JUNE 18, 2020**

**PREPARED BY:**

**STAFF AND CONSULTANTS FOR  
THE INDIAN WELLS VALLEY GROUNDWATER AUTHORITY**

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## **I. PURPOSE**

The Indian Wells Valley Groundwater Authority (IWVGA) has determined in its Groundwater Sustainability Plan (GSP) that the Indian Wells Valley Groundwater Basin (IWVGB or Basin) cannot achieve the required sustainability without the development of augmentation and overdraft mitigation projects. To establish fees to finance these projects, the IWVGA must determine who will be specially benefitted by them.

This report examines the use of water in the Basin to determine the “beneficial impacts” of Basin projects as a foundation for setting such fees. This Report will be used for fee setting purposes only and it is not a determination of water rights for any other purpose. This Report is not intended to be the basis for any limitation on groundwater extractions.

## **II. EXECUTIVE SUMMARY**

The analysis relies on, and incorporates where appropriate, all the data used in the adoption of the GSP, the timely responses to Groundwater Extraction Reporting For Pumping Verification Questionnaire 1, and the declassified report on Navy Demographics and Water Requirements at Naval Air Weapons Station (NAWS), China Lake, CA.

The GSP indicated that the IWVGA would review all pumping and make a determination of each producer’s allocation of the sustainable yield for purposes of establishing fees to support groundwater mitigation projects. After reviewing the information provided, this analysis concludes that all groundwater extractors in the Basin, with the exclusion of De Minimis Extractors<sup>1</sup> and Federal Extractors,<sup>2</sup> are beneficially impacted by IWVGA’s overdraft mitigation and augmentation projects and therefore it is not necessary to establish allocations for any extractor. This conclusion is based on:

- 1) Reported Navy groundwater production rates showing more than convincing evidence that the Basin’s entire sustainable yield is consumed by the Navy’s Federal Reserve Water Right interest;
- 2) The Supremacy Clause of the U.S Constitution which prohibits the IWVGA from limiting, regulating, and/or charging Navy groundwater production in any way;
- 3) The IWVGA’s legal inability to enquire into any challenges to the Navy’s reported production rates even if it had a sufficient basis to do so; and,

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<sup>1</sup> As defined by SGMA in Water Code section 10721(e) because SGMA has excluded them from the metering and reporting requirements of SGMA.

<sup>2</sup> United States Navy; Naval Air Weapons Station (NAWS), China Lake, CA and United States Department of the Interior; Bureau of Land Management.

- 4) The IWVGA's legal inability to adjudicate water rights.

Based on the foregoing, this report concludes that the Basin's entire sustainable yield is subject to a Federal Reserve interest and is therefore beyond the jurisdiction of the Authority to regulate pursuant to Water Code § 10720.3. Accordingly, all groundwater extractors in the Basin, with the exclusion of De Minimis Extractors and Federal Extractors, are extracting water beyond the sustainable yield and will be subject to the costs for overdraft mitigation and augmentation projects, unless an extractor obtains a court order showing they have quantifiable production rights superior to the Navy's. It is therefore not necessary (or possible) to establish any party's allocation of the sustainable yield and all pumping should be treated equally.

### **III. INTRODUCTION**

The IWVGA is the exclusive Groundwater Sustainably Agency (GSA) for the IWVGB. As such, the Sustainable Groundwater Management Act (SGMA) requires IWVGA to adopt, monitor, and implement a Groundwater Sustainability Plan (GSP) that achieves Basin sustainability by 2040. After considerable public examination of the technical data by the IWVGA Board and two separate committees, the IWVGA determined that the Basin's sustainability cannot be achieved through pumping reductions alone because the annual sustainable yield of 7,650 acre-feet (af) is insufficient to meet the Basin's most minimal needs; let alone the anticipated minimal needs of the Basin which require an additional importation of *at least* 5,000 af annually. Accordingly, the IWVGA also concluded that Basin sustainability must rely on a combination of mitigation and augmentation projects.<sup>3</sup>

The GSP generally described certain projects that would benefit the Basin and provided a rough estimate of the attendant costs but it did not assign benefits and/or describe who should pay for a project. When making these determinations the IWVGA is controlled by extensive regulatory provisions in California law including the requirement that the GSA may only charge those receiving a beneficial impact from the overdraft mitigation and augmentation projects<sup>4</sup>

### **IV. GENERAL BASIN DESCRIPTION**

The Basin has been listed as a high priority basin in critical overdraft and, as such, the IWVGA was required to adopt a GSP to achieve Basin sustainability by no later than January 31, 2020. On January 16, 2020, the IWVGA adopted its GSP which outlined the IWVGA's plans and strategies to achieve Basin sustainability by no later than 2040.

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<sup>3</sup> The data and supporting conclusions are more thoroughly described below and in the IWVGA's GSP, adopted on January 16, 2020.

<sup>4</sup> Additional provision of law also requires that the charges be applied proportionately. A flat rate volumetric charge by definition meets the proportionate requirements.



As more thoroughly discussed in the GSP, there are several unique factors that drive any analysis of this Basin and its unique groundwater production challenges:

- 1) The Basin has an arid, high desert, climate with the long-term natural recharge achieving an annual basin sustainable yield of 7,650 af.
- 2) The Basin is solely dependent on groundwater and the minor use of recycled water.
- 3) Current estimated Basin outflows are approximately four (4) times the estimated inflows.
- 4) In areas of groundwater production, the Basin groundwater levels are dropping by approximately 0.5 to 2.5 feet annually.
- 5) The GSP's Baseline Model projects that without changes to the severe overdraft the groundwater infrastructure in the Basin will not be able to produce the needed water by 2065.
- 6) The Basin does not have access to imported water supplies and up to 50 miles of infrastructure will need to be built to obtain access to imported water supplies from the Delta.
- 7) The majority of the Basin (approximately seventy-nine percent (79%)) overlies federal lands that cannot be regulated and/or charged for basin management activities by state and local agencies such as a GSA.
- 8) Through the efforts of groups like the Indian Wells Valley Groundwater Cooperative Group (IWVGCG), estimates of Basin production have been compiled since the 1970s that have documented severe overdraft conditions but there have been no infrastructure projects built to transport imported water supplies to the Basin.

A driving factor in the GSP's determination that sustainability cannot be achieved through extraction reductions alone is the estimated/reported Basin outflows which are approximately four (4) times the estimated inflows to the Basin. These overdraft conditions have caused groundwater levels to drop by approximately 0.5 feet to 2.5 feet annually near pumping areas. These declines in groundwater levels have historically and will continue to exceed the depths of some wells in the Basin leading to costly mitigation measures to deepen and/or replace Basin wells. Additionally, these declines in groundwater levels will cause increases in pumping costs due to the additional lifts required to produce groundwater from these lower depths. It is also reasonable to assume that these declines will lead to a degradation in water quality as contaminants will become more concentrated in the Basin's reduced groundwater storage.

## **V. GSP IMPORTATION MANAGEMENT ACTION**

Having concluded that the Basin cannot be brought into sustainability through extraction reductions alone, the GSP includes a management strategy of importing an average of 5,000 af of water annually. This is believed to be the minimum amount of water needed to achieve sustainability. While this level of water importation anticipates the likely cessation of large-scale agricultural uses in the Basin due to the increased cost for surface water, it does not prevent such a use.

At present, the Basin has no access to imported water supplies and up to 50 miles of infrastructure will need to be built to obtain access to imported water supplies from the Delta. As a result, a portion of the significant costs associated with infrastructure construction (roughly \$46 million for a Los Angeles Aqueduct Project or \$150 million for an AVEK Project) will be borne by the present farming operations.

In contrast, in the Central Valley of California, which is home to some of the most significant water projects in the world, including the State Water Project, the Central Valley Project, and numerous water banking projects, these significant infrastructure cost burdens have already been incurred and seasonal fluctuations and surpluses can be captured for later use. And yet, even with this significant economic advantage, the Central Valley is expected to see very significant reductions in crop lands due to import water supply costs.<sup>5</sup> Kern County alone is expected to see upwards of 185,000 acres of currently farmed land in the Central Valley to be permanently fallowed as a result of SGMA implementation.<sup>6</sup>

Additionally, State Water Contractors often have “first right of refusal” provisions which allow a landowner within that State Water Contractors’ boundaries to match any purchase price offered by the Authority. As a result, farmers in this Basin are at a significant disadvantage compared to competing farmers in the Central Valley.

Nevertheless, the conceptual design of the import infrastructure can support a very significant agricultural use in the Basin if there is such a demand. The facilities have been sized to take advantage of seasonally available surpluses and as a result the facilities have the capacity to deliver up to 20,000 acre-feet per year (afy) if the water was delivered on a continuous basis. Accordingly, an increased volume of imported water up to 20,000 afy, depending on the delivery schedule, would be possible. To the extent there are any additional costs, those costs would be limited to the water purchase and the associated transfer costs for that water, including operation and maintenance costs for the associated water banks and State or Federal water projects. These costs are the same for each acre foot (af) of imported water delivered and

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<sup>5</sup> Public Policy Institute of California; Water and the Future of San Joaquin Valley Report (February 2019).

<sup>6</sup> Indian Wells Valley Groundwater Authority Water Marketing Strategy Technical Memo (August 2019).

therefore, a volumetric pumping fee set at an expected annual production of 5,000 af would also be adequate for an expected delivery of up to 20,000 af annually as the costs would rise in direct proportion to the excess delivery volume. In the remote chance that the 5,000 af importation project has been inadequately sized, IWVGA will readjust once such commitments are received. In this instance, those commitments will be reflected through the payment of an adopted Replenishment Fee which will be first used for the purchase of import water supplies and mitigation of the impacts on shallow wells.

Accordingly, this management action is not a determination of water rights nor a restriction on their use. Rather, all groundwater extractors may produce groundwater provided they pay the appropriate fees to augment and mitigate their extractions. While this action will not directly limit groundwater extraction by any individual entity, it is anticipated that the water supply market costs will result in voluntary extraction reductions thereby assisting in achieving sustainability.

## **VI. ANALYSIS LIMITED TO SUSTAINABLE YIELD OF 7,650 ACRE FEET**

SGMA, and in particular Water Code section 10730.2, provides for the adoption of a groundwater extraction fee to fund sustainability projects. The authority provided in section 10730.2, in addition to any powers a groundwater sustainability agency has under any other law.

Under California law, in order to be subject to a fee to pay for the costs of an importation project, the payer must directly and specially benefit from that project. California law prohibits the GSA from charging for general benefits such as an increase in property value due to further community development. Accordingly, fees to pay for the costs to import water can only be charged to those that actually use the imported water.

Parties that have a legal right to extract a portion of the native sustainable yield are not benefitted by the imported water to the extent that their pumping can be ascribed to the native sustainable yield. If a groundwater user cannot meet their needs through their portion of the Basin's sustainable yield, they must be subject to the fee.

Accordingly, this Report is drafted for the sole purpose of determining the colorable legal claims to the Basin's sustainable yield, which has been established as 7,650 af. In order to make this threshold determination, the IWVGA must examine the history of water use in the Basin in accordance with the principles of California Water Law. There is no need to identify the claims to the use of water above the sustainable yield as all users of such water shall be subject to the fee based on their actual use.

## **VII. NON-FEDERAL PUMPING DATA**

The GSP shows that Basin extractions have been documented over the past 70 years: first, by the U.S. Geological Survey (USGS) with U.S. Navy participation and then by the U.S. Bureau of Reclamation (USBR). And then, for a period of roughly 20 years, starting in the mid 1990's, the annual production tally was maintained by the IWV Cooperative Group. Additional supporting data is more thoroughly provided and described in the IWVGA's GSP, adopted on January 16, 2020.

In early 2020, the IWVGA required each non-De minimis and non-Federal extractor in the Basin to provide it with pumping data to be used in the development of this Report. With a few notable exceptions, the majority of the significant pumpers in the Basin submitted timely pumping verification documentation to the IWVGA for inclusion in this Report.

A review of the information shows that the majority of the extractions in the Basin are undertaken by six large producers. Two of these pumpers, the Indian Wells Valley Water District (IWVWD) and Meadowbrook Dairy, have each reported historical extractions that have exceeded the Basin sustainable yield in a given year. Since 2010, the IWVWD and Meadowbrook Dairy have each reported a maximum annual extractions of approximately one-hundred percent (100%) (7,634 af) and one-hundred and seventeen percent (117%) (8,920 af) of the sustainable yield, respectively. A fourth extractor, Mojave Pistachio, reported estimated future extraction demands at tree maturity of 7,200 af, or roughly 94% of the Basin sustainable yield.<sup>7</sup>

Adding further complexity, one extractor (Searles Valley Minerals Inc) has reported a yearly production since 2010 of as much as 2,743 af of Basin extractions (approximately thirty-six percent (36%) of the Basin's sustainable yield). Searles Valley Minerals Inc.'s production is primarily for an industrial use in a different basin, the Searles Valley Groundwater Basin, which is located approximately 24 miles northeast of the City of Ridgecrest and the water used provides no known return flow to the IWVGB.

Collectively, the above noted production above alone is nearly three and a half (3.5) times the estimated inflows to the Basin. Without changes to the Basin's severe overdraft condition, the Baseline Model run projects that the Basin's groundwater infrastructure will not be able to produce the needed water by 2065.

## **VIII. FEDERAL PUMPING DATA**

Roughly seventy-nine percent (79%) of the land overlying the Basin are federal lands owned by the Bureau of Land Management (BLM) and/or the Naval Air Weapon Station China Lake (NAWS

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<sup>7</sup> Mojave Pistachios did not timely submit historical pumping data in response to Groundwater Extraction Reporting for Pumping Verification Questionnaire 1. Estimated future pumping demands were reported to the IWVGA by Mojave Pistachio on their Well Registration forms.

China Lake). In accordance with long standing principles of federalism, these federal lands cannot be regulated by the State of California, and by extension IWVGA, in any way. As a result, the IWVGA is unable to charge these federal lands with any of the costs associated with any importation or mitigation projects regardless of whether or not these lands are benefited.

SGMA recognizes that the IWVGA has no legal authority to require that the federal government provide any pumping information under existing law in Water Code section 10720.3(c), which expressly provides that any participation by the federal government shall be voluntary. SGMA further recognizes the Navy's Federal Reserve Water Right (FRWR) as distinct from water rights that are based in state law and directs that the FRWR be respected in full. Moreover, SGMA expressly provides that federal law shall prevail in the case of any conflict between federal and state law (Water Code Section 10720.3(d)). SGMA also directs that the IWVGA consider the interests of all beneficial uses and users of groundwater, listing the federal government, including, but not limited to, the military and managers of federal lands among those interests (Water Code Section 10723.2).

On June 17, 2019, the Navy provided a report titled Navy Demographics and Water Requirements at Naval Air Weapons Station (NAWS), China Lake, CA. In that report, the Navy provided fairly detailed data on its pumping history; however, the Navy expressly declined to provide its FRWR, thus, leaving it to IWVGA to estimate the Navy's FRWR from the provided data for the purpose of related fee determinations. To assist the GSA in making that determination, the Navy provided the following information:

- 1) The FRWR IS NOT limited to the current on base demand of 2,041 af.
- 2) The FRWR dates back to the establishment of the base in 1943.
- 3) The FRWR would likely be established, if ever, through litigation.
- 4) The water requirements of the Navy cannot be determined solely by the Navy's recent direct production amounts.
- 5) Since the Navy mission at NAWS China Lake requires its workforce, the full Navy water requirements are the combination of the on-Station requirements and those of the Navy workforce and their dependents off-Station.

Each of these assertions by the Navy have significant legal effect, and to one degree or another, each have been challenged by other extractors in the Basin. It should also be noted that while these assertions have been challenged, they have only been challenged in a very generic sense. To date, the IWVGA is unaware of, and has not been provided, any colorable legal argument that would even suggest that the IWVGA has any ability to regulate the Navy and/or consider, let alone determine, these disputes between the Navy and the other pumpers.

The Navy has asserted that its FRWR dates back World War II when it began the development of the Naval Ordnance Test Station in 1943. The development included the construction of hundreds of industrial and residential buildings, roads, runways, and other necessary infrastructure. As development by the Navy continued, more groundwater wells were drilled to supply the increased water demands. Most of the Indian Wells Valley's new permanent residents were associated with the naval operations and lived on Navy property during the 1940s and into the 1970s. The growth of the naval operations led to the incorporation of the City of Ridgecrest in 1963.

While other basins in California may also face this dilemma of an undefined FRWR that "must be respected in full," this Basin is uniquely burdened because a more than convincing argument can be made that the entire sustainable yield is assumed by the FRWR. In fact, at its high point in 1970, a more than rational point for determining the FRWR, reported Navy on-Station production alone exceeded the Basin' sustainable yield by approximately five percent (5%).

The reported high point of Navy production in 1970 is not an anomalous instance either. In fact, reported Navy production exceeded the Basin sustainable yield for each of the four years between 1969 and 1972. Moreover, for nine years within the 11-year time period between 1964 and 1974, annual Navy production exceeded 7,000 af. In addition, for nearly two decades (1959 to 1976) annual Navy production exceeded 6,000 af, or nearly eighty percent 80% of the Basin's sustainable yield.

1970 is also very significant because, in that same year, the Navy reports that it made a "strategic divestiture" to spur Ridgecrest development and rapid Navy population shifts off-Station. Since then, the Navy has reported a reduction of nearly ninety-five percent (95%) of its on-Station family dwelling units from 2,916 units in 1972 to 192 units in 2019. This drastic and purposeful population shift off-Station transferred Navy water demands from personnel living quarters on-Station to the off-Station water providers in the Ridgecrest, Inyokern and Trona communities and those individuals that invested in their own wells to meet their own domestic needs off-Station.

Figure 1 below provides the historical groundwater production for NAWS China Lake and the IWVWD. IWVWD is the predominant water supplier for the Ridgecrest community that began receiving those off-Station housing shifts in 1972. The increase in IWVWD production as NAWS China Lake production decreases graphically corresponds in part with the shift in Navy population off-Station into the Ridgecrest community. In the mid-2000s, decreases in IWVWD production represent increased conservation within its service area, including even further drastic reductions in the last decade in response to the historic drought conditions experienced statewide.

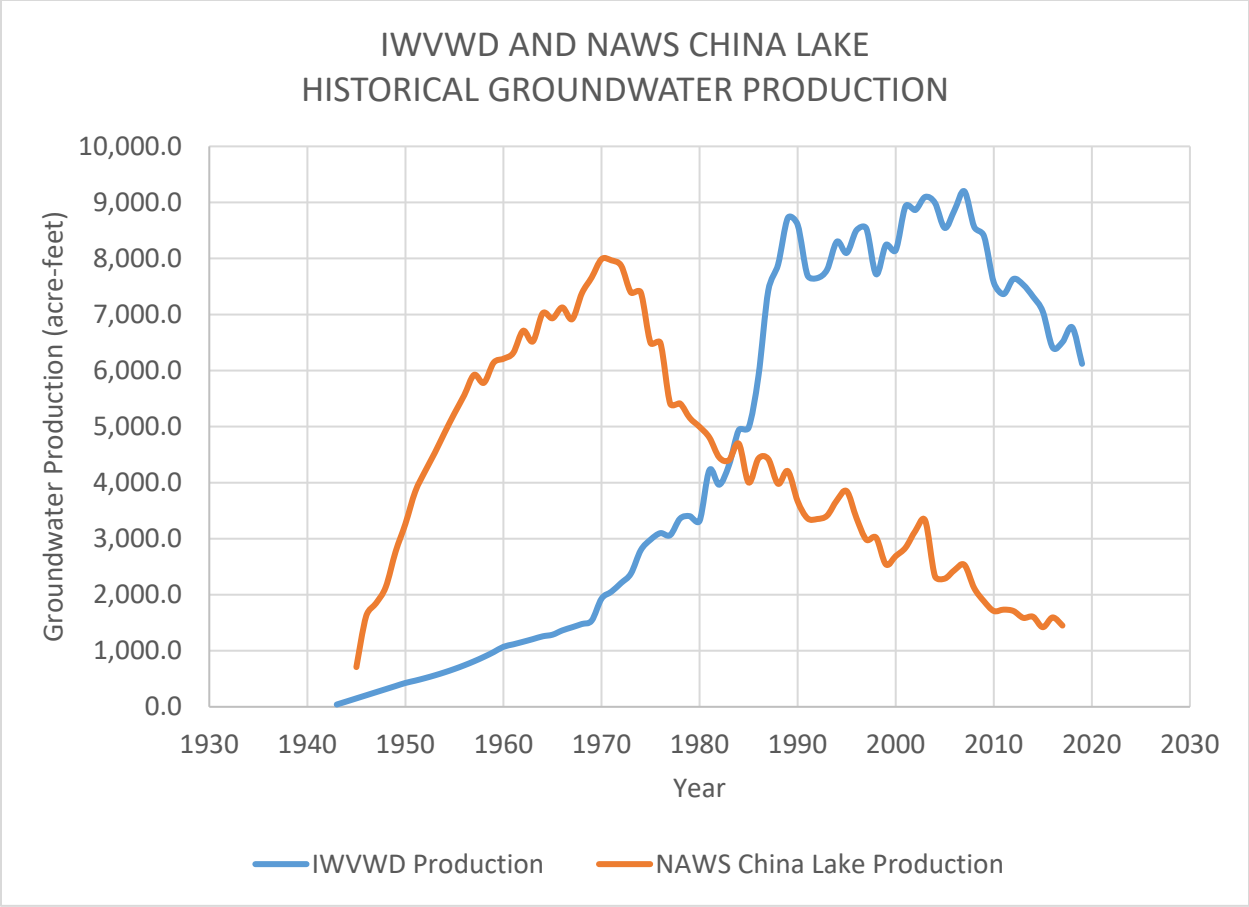


Figure 1: IWWVD and NAWS China Lake Historical Groundwater Production

Historical groundwater production by IWWVD and NAWS China Lake can also be graphically compared to the Basin sustainable yield, as shown in Figure 2.

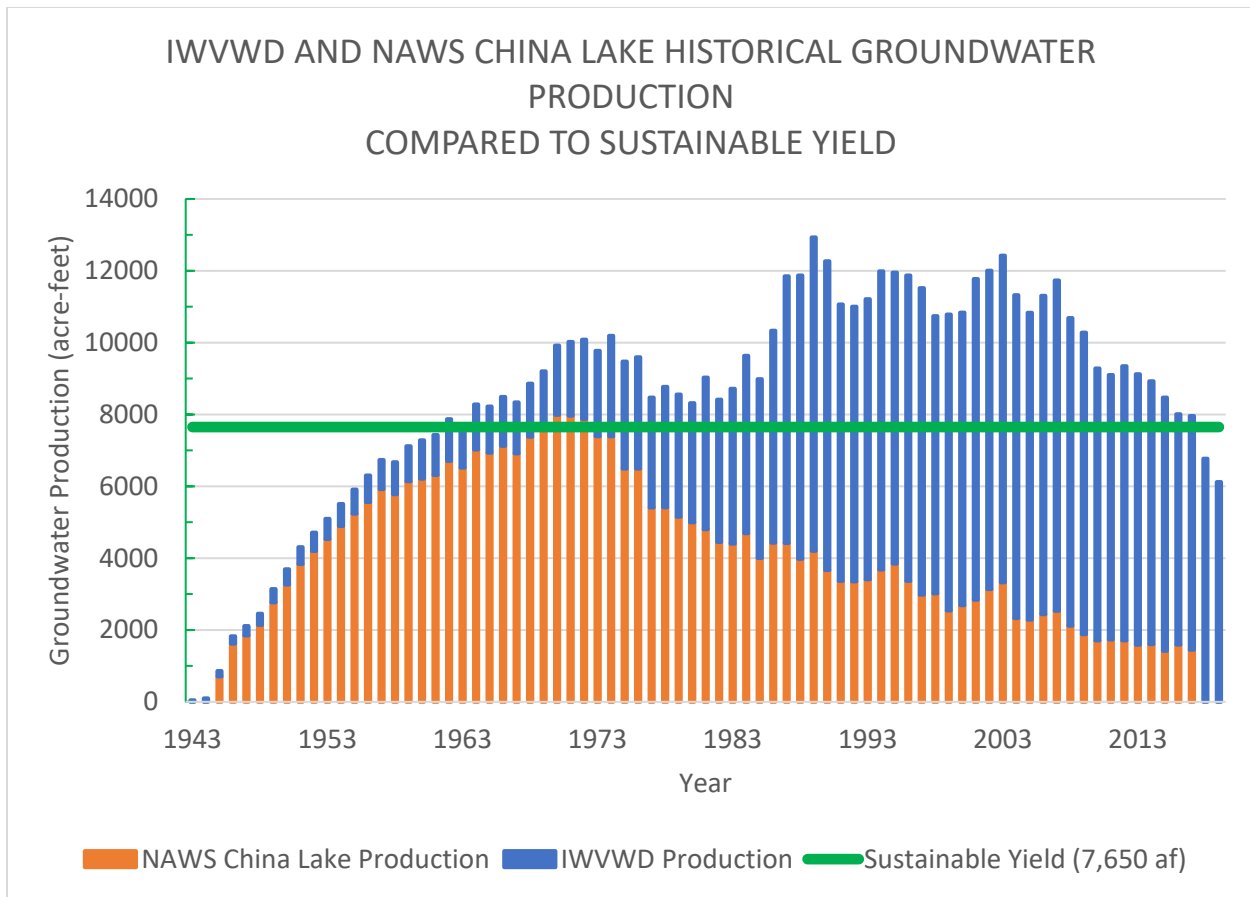


Figure 2: IWWVD and NAWS China Lake Historical Production Compared to Basin Sustainable Yield.

As graphically shown in Figure 1 and Figure 2, were this issue to be litigated, the Navy could, and very probably would, assert that its FRWR extends to entire sustainable yield of the Basin. Additionally, given the historical circumstances and the timing of the base’s establishment, which corresponds with the height of the Navy’s participation in World War II, a more than convincing argument can be made that any reviewing court will agree with the Navy’s express assertion that the FRWR began in 1943.

## IX. SGMA POWERS AND LIMITATIONS

Setting aside the very significant water production issues already mentioned, the IWVGA is also faced with an insurmountable legal dilemma because it has no legal authority to coerce or regulate the Navy in anyway. As previously explained, the Navy’s participation is completely voluntary and IWVGA cannot require that the Navy present it with extraction data. In point of fact, IWVGA’s expressed and repeated requests for the Navy’s estimation of its FRWR were repeatedly rebuffed by the Navy’s legal team.



SGMA is groundbreaking legislation that provides IWVGA with numerous powers and authorities for the purpose of locally managing the Basin. However, for all of the powers and authorities granted to IWVGA, the State did not, and could not, provide the IWVGA with the power to regulate the Navy in any way. SGMA acknowledges this fact and expressly provides that the participation of a FRWR holder “shall not subject that holder to state law regarding other proceedings or matter not authorized by federal law” and this “is declaratory of existing law”.

The Constitutional basis for this limitation is found in long standing principles of American federalism which are expressly provided for the Supremacy Clause of the U.S Constitution (Article VI, Clause 2). The Supremacy Clause generally prohibits State regulation of the Federal Government unless Congress clearly and unambiguously waives this sovereign immunity by statute. These legal doctrines are long standing and fundamental to American governance and jurisprudence. The federal sovereign immunity doctrine can be summarized as follows:

The United States and all of its departments and agencies cannot be sued without the United States express consent through a statutory waiver.

Accordingly, this doctrine prohibits any State regulation or lawsuit that does not follow within specific statutory exemptions. Even if there is such a statute allowing the regulation and/or suit, the regulation and/or suit is only permitted to the extent and degree that Congress chooses to allow and Courts are to interpret that allowance narrowly.<sup>8</sup>

There is no such statutory waiver for State regulation of groundwater through SGMA, and as such, the IWVGA has no ability to make any determinations in regards to FRWR disputes. If a groundwater extractor believes that the reported Navy data is in error, or if it disputes any of the five cited assertions by the Navy in regards to the FRWR, that extractor needs to make those assertions directly to the Navy and, if need be, adjudicate the issue with the Navy in Federal Court. The IWVGA simply does not have the legal authority to properly investigate the issue, let alone award any relief against the Navy. Moreover, since the IWVGA does not hold any water rights in the Basin, the IWVGA most likely lacks the legal standing to challenge the Navy’s assertions in court as such actions would most likely be limited to those that have conflicting water claims against the Navy.

As example, the Navy has asserted that its FRWR dates back to World War II. As part of the war effort, the Navy began the development of the Naval Ordnance Test Station in 1943. The development included the construction of hundreds of industrial and residential buildings, roads, runways, and other necessary infrastructure. Searles Valley Minerals on the other hand has asserted to the IWVGA that the FRWR does not begin until some years later. The express purpose

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<sup>8</sup> Notably, in 1952, Congress enacted the McCarran Amendment which waived federal sovereign immunity for the joinder of the United States as a defendant in court for general stream adjudications. Later in 1971, the United States Supreme Court ruled, in *United States v. District Court in and for Eagle County*, 401 U.S. 520 (1971), that the waiver of sovereign immunity under the McCarran Amendment (43 U.S.C § 666) also includes a waiver for the adjudication of FRWR provided that the rights of all competing claimants are adjudicated.

of this assertion is to claim a portion of the Basin's sustainable yield for Searles Valley Minerals instead of the Navy. As previously mentioned, the IWVGA has no ability to require that the Navy respond to this dispute in any degree. In fact, the IWVGA has made the Navy aware of Searles Valley Minerals' claims, but the Navy has not responded to any degree. Clearly, if the IWVGA cannot properly investigate the issue, it cannot make any determination of the issue and the proper and only venue for the determination of Searles Valley Minerals is in a court of law.

Likewise, Searles Valley Minerals claims that its production rates prior to 1943 are superior to the Navy's FRWR are not properly venued with the IWVGA. Those claims have been presented to the Navy but they have not been addressed by the Navy to date. It is presumed that when, and if, the Navy ever has to address these claims in a court of law, the Navy will vehemently argue that it is an unreasonable, and thus an unconstitutional, use of groundwater to take roughly thirty-six percent (36%) of an arid high desert basin's sustainable yield for a predominantly industrial use in a completely different basin with no return flows to this Basin. This argument is more than colorable, and may very well find a more than receptive audience, in light of the California Supreme Court's express holdings *Gin S. Chow*<sup>9</sup> and *Joslin*<sup>10</sup> that:

“[w]hat is a reasonable use or method of use of water is a question of fact to be determined according to the circumstances in each particular case.”

Most notably, the Supreme Court's reasoning in *Joslin* that “such an inquiry cannot be resolved in vacuo isolated from statewide considerations of transcendent important” lead the Court to conclude that *Joslin*'s use was unreasonable in light of the new municipal water supply demands. Whether these arguments are properly placed is not a question for the IWVGA because it simply does not have the legal authority to properly investigate the issue, let alone award any relief against the Navy, because SGMA prohibits the IWVGA from determining water rights.

Meadowbrook Dairy has repeatedly attacked the Navy's assertion that its water requirements cannot be determined solely by the Navy's recent direct production amounts and that the full Navy water requirements are the combination of the on-Station requirements and those of the Navy workforce and their dependents off-Station. Meadowbrook Dairy has actually argued that SGMA prohibits IWVGA from determining water rights and then demanded that the IWVGA determine that Meadowbrook's rights are superior to the Navy's off-Stations requirements. Remarkably, Meadowbrook Dairy has been unable, or unwilling, to provide any legal authority which the IWVGA can rely upon to address this issue and/or give Meadowbrook the permanent water right it demands without quantification. Again, the merits of these issues simply cannot be properly investigated let alone adjudicated by the IWVGA because SGMA prohibits the IWVGA from determining water rights.

Likewise, if and when, the Navy ever has to address this claim in a court of law, it is presumed that the Navy will strongly argue that Meadowbrook Dairy's use of one-hundred and seventeen

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<sup>9</sup> *Gin S. Chow v. City of Santa Barbara* (1933) 217 Cal. 673.

<sup>10</sup> *Joslin v. Marin Municipal Water District* (1967) 67 Cal.2d 132.

percent (117%) Basin's sustainable yield for growing alfalfa is an unreasonable, and thus an unconstitutional, use of groundwater. Although late, Meadowbrook Dairy now seems to acknowledge that its prior use was unreasonable and wasteful as it now claims that it has begun to shift its operations to less water intensive crops. Whether this shift to a less intensive use allows Meadowbrook to insulate itself from the presumed Navy claims is a matter of law for the courts and not the IWVGA.

SGMA did not provide the IWVGA with the ability to adjudicate water rights. In 2015 California adopted SB 266 and AB 1390 to streamline adjudications and harmonize the process with SGMA. These provisions set forth a process for rights holders to determine groundwater rights in manner that does not interfere with the GSA's jurisdiction. Any groundwater producer may invoke this judicial process if they believe that the Federal Interest is less than the entire sustainable yield or they believe they have a superior claim to the sustainable yield. However, until a judicial determination of the scope of Federal Interests is made, the IWVGA must use its best judgment to determine the amount of water that is outside of its jurisdiction.

## **X. DE MINIMIS EXTRACTOR EXCLUSION**

SGMA has excluded De minimis extractors from extraction fees by excluding them from reporting and metering requirements. This exclusion is in accordance with several principles of California Water Law, including Water Code section 106 which expressly provides that:

“It is hereby declared to be the established policy of this State that **the use of water for domestic purposes is the highest use of water** and that the next highest use is for irrigation.” (emphasis added)

## **XI. CONCLUSION**

For all the reasons previously stated, all groundwater extractors in the Basin, with the exclusion of De Minimis Extractors and Federal Extractors, are beneficially impacted by IWVGA's overdraft mitigation and augmentation projects. Primary supporting factors are:

- 1) Reported Navy production rates showing more than convincing evidence that the Basin's entire sustainable yield is assumed by the Navy's Federal Reserve Water Right interest;
- 2) The Supremacy Clause of the U.S Constitution which prohibits the IWVGA from limiting, regulating, and/or charging Navy production in anyway;
- 3) The IWVGA's legal inability to enquire into any challenges to the Navy's reported production rates even if it had a sufficient basis to do so; and,
- 4) The IWVGA's legal inability to adjudicate water rights.

Accordingly, all groundwater extractors in the Basin, with the exclusion of De Minimis Extractors and Federal Extractors, will be subject to the costs for overdraft mitigation and augmentation projects.

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## IWVGA ADMINISTRATIVE OFFICE

*STAFF REPORT*

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**TO:** IWVGA Board Members **DATE:** July 16, 2020

**FROM:** IWVGA Staff

**SUBJECT:** **Agenda Item No. 10 – Board Consideration and Setting a Public Hearing for Frank Bellino for Failure to Register, Report and Pay Groundwater Extraction Fees**

### **DISCUSSION**

The Board of the Indian Wells Valley Groundwater Authority adopted Ordinance 02-18 “Establishing Groundwater Extraction Fees and the Rules and Regulations and Procedures for Their Implementation” July 19, 2018. The Ordinance pertains to all non-deminimis extractors within the basin as defined in California Water Code section 10721(e). Section 4 of the Ordinance states, “No later than August 20, 2018, a Groundwater Extraction Facility within the boundaries of the Basin shall be registered with the Authority by the Groundwater Extractor.” Section 6 further states, “Before the 10th day of each calendar month, the Groundwater Extractor shall self-report the necessary data from its Groundwater Extraction Facility on the self-reporting form provided by the Authority and pay the Groundwater Extraction Fee set forth in Section 3 above.”

Frank Bellino has been confirmed, both by other local agriculture operations and aerial photographs, to be a non-deminimis agricultural extractor. County assessor’s data also confirms the property is being used to grow pistachios. Mr. Bellino has failed to register his well(s) and has failed to comply with payment of the groundwater extraction fee since the fee became effective September 2018. Mr. Bellino was mailed notices advising him of his failure to comply on three separate occasions; July 2018, November 2018 and January 2019. The letters have stated, “Please be advised that your continued failure to register your groundwater production well(s) using the enclosed Registration Form and payment of the groundwater extraction fee will subject you to legal action by the Authority, including a court order to prevent you from extracting groundwater from the basin and requiring payment of the groundwater extraction fee, with penalties, as a result of your non-compliance.” He has failed to respond to every outreach effort.

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

Staff recommends your Board set the date of August 20<sup>th</sup> for a public hearing.

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## IWVGA ADMINISTRATIVE OFFICE

*STAFF REPORT*

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**TO:** IWVGA Board Members **DATE:** July 16, 2020

**FROM:** IWVGA Staff

**SUBJECT:** **Agenda Item No. 11 – Board Consideration and Setting a Public Hearing for Pearsonville Park for Failure to Report and Pay Groundwater Extraction Fees**

### **DISCUSSION**

The Board of the Indian Wells Valley Groundwater Authority adopted Ordinance 02-18 “Establishing Groundwater Extraction Fees and the Rules and Regulations and Procedures for Their Implementation” July 19, 2018. The Ordinance pertains to all non-deminimis extractors within the basin as defined in California Water Code section 10721(e). Section 4 of the Ordinance states, “No later than August 20, 2018, a Groundwater Extraction Facility within the boundaries of the Basin shall be registered with the Authority by the Groundwater Extractor.” Section 6 further states, “Before the 10th day of each calendar month, the Groundwater Extractor shall self-report the necessary data from its Groundwater Extraction Facility on the self-reporting form provided by the Authority and pay the Groundwater Extraction Fee set forth in Section 3 above.”

Diana Pearson did register a well in Inyo County used for a commercial enterprise, Pearsonville Shell, and Pearsonville Park. The registration form mistakenly claimed deminimis status. Although she has been mailed Monthly Reporting Forms (MRF), she has failed to submit them and pay the groundwater extraction fee since the fee became effective September 2018. Ms. Pearson has also received letters notifying her of the requirement to pay the groundwater extraction fee. When contacted by phone, she requested “proof” of the requirement to pay the fee. Staff provided a copy of Ordinance 02-18 with another MRF March 24, 2020. Staff has since spoken to David Pearson who provided contact information for Phillip Barry, the “well manager”. Staff attempted to contact Mr. Barry on May 13, 2020 leaving a voicemail. There has been no response since that time.

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

Staff recommends your Board set the date of August 20<sup>th</sup> for a public hearing.



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## IWVGA Board Meeting July 16, 2020

- Prop 1 Status/Schedule
  - Invoice #3:
    - Covers April 2019 through June 2019
    - Total payment after retention: \$186,185.71
    - Status: Paid
  - Invoice #4:
    - Covers July 2019 through September 2019
    - Total payment after retention: \$90,978.92
    - Status: Paid
  - Invoice #5:
    - Covers October 2019 through December 2019
    - Total payment after retention: \$61,603.54
    - Status: Paid
  - Invoice #6:
    - Covers January 2020 through March 2020
    - Total Payment after retention: \$40,218.79
    - Status: Submitted May 25, 2020
    - Responses to DWR Questions Submitted July 8, 2020
  - Grant Agreement Revisions:
    - Grant Agreement fully executed with deadlines extended as requested.

AGENDA ITEM 12a



## IWVGA Board Meeting July 16, 2020

- Prop 68 Status
  - IWVGA awarded \$330,000 of the maximum eligible of \$330,827 (with \$300,000 currently available).
  - Grant agreement fully executed on May 4.
  - Working on 1<sup>st</sup> Invoice.
  - 1<sup>st</sup> Invoice due by September 4, 2020 (4 months after execution).

AGENDA ITEM 12b



## IWVGA Board Meeting July 16, 2020

### • **Groundwater Pumping Verification**

- Questionnaire Released on January 31, 2020
  - Sent to all known and suspected non-de minimis pumpers
- Response were due to GA/WRM by March 1, 2020
- As of May 18, 2020: **32 responses received** out of 55 registered non-de minimis pumpers
- GA Staff/Legal Reviewing Enforcement and Consequences
- All Reports reviewed by Staff Team including Legal.
- All Draft Reports released to Pumpers on June 3<sup>rd</sup>, comments to WRM by June 16<sup>th</sup>.
- Nine (9) Pumpers provided additional information. WRM addressed and resubmitted.
- Adoption of Pumping Verification Reports at August GA Board Meeting.

AGENDA ITEM 12c



## IWVGA Board Meeting July 16, 2020

### **DRAFT SCHEDULE**

#### **KEY DATES FOR GROUNDWATER AUTHORITY AND GSP**

##### **1. GA June Board Meeting.**

- Allocation of Sustainable Yield Report released for review
- Replenishment Fee Notices and Report released for review
- Transient Pool and Fallowing Program released for review
- All Reports provided to PAC/TAC members for review.
- GSP Pump Fee Adjustment Report Data released for review
- Transient Pool and Fallowing Program released for review
- New Extractor Policy and Reporting Adoption
- Pumping Verification Report Status

#### **KEY DATES**

**June 18<sup>th</sup>**  
**(DONE)**

AGENDA ITEM 12d



# IWVGA Board Meeting July 16, 2020

## DRAFT SCHEDULE

### KEY DATES FOR GROUNDWATER AUTHORITY AND GSP

#### 2. GA July Board Meeting.

- GSP Pump Fee Adjustment Board Consideration
- Consideration of Sustainable Yield Report
- Pumping Verification Reports Update

### KEY DATES

July 16<sup>th</sup>

#### 3. GA August Board Meeting

- Consideration of Prop 218 Report – New Replenishment Fee
- Replenishment Fee Public Hearing Adoption (effective September 20th)
- Transient Pool and Fallowing Program Adopted
- Pumping Verification Report Adopted
- Consideration on Policy for All New Groundwater Extraction Wells

August 20<sup>th</sup>

#### 4. Ag Fallow Program Final Decision Date

September 1<sup>st</sup>

AGENDA ITEM 12d



# IWVGA Board Meeting July 16, 2020

## DRAFT SCHEDULE

### KEY DATES FOR GROUNDWATER AUTHORITY AND GSP

#### 5. GSP Pump Fee Adjustment Reporting Begins

Sept. 1<sup>st</sup>

#### 6. Replenishment Fee Effective – Reporting Begins

Sept 20<sup>th</sup>

#### 7. Full Month GSP Pump Fee Adjustment – Partial Replenishment Fee

Oct 1<sup>st</sup>

AGENDA ITEM 12d



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**Indian Wells Valley Groundwater Authority  
May 2020 Financial Report**

	FY 2019 Actuals	2020 Budget	FYTD through May (GSP)	FYTD through May (Admin)
<b>Beginning Balance</b>	<b>476,713</b>		<b>83,900</b>	-
County of Kern Advance	-	-	-	-
IWVWD Advance	-	-	-	-
Navy in-Kind	-	-	-	-
IWVWD In-kind	-	-	-	-
Initial Member Contribution	-	-	-	-
<b>Beginning Balance</b>	<b>476,713</b>	-	<b>83,900</b>	-
<b>Revenues</b>				
DWR	-	-	-	-
Prop 1 Grant	851,406	-	174,984	-
-GSP Preparation @ \$1,500,000	-	-	-	-
-SDAC @ \$646,000	-	686,800	-	-
SDAC Reimbursement	-	244,165	-	-
Assessment Pumping Fee	567,846	506,000	232,621	-
<b>Total Revenue</b>	<b>1,419,253</b>	<b>1,436,965</b>	<b>407,605</b>	-

<b>Expenses</b>		
Task 1- Initial GSP Support Studies	31,762	NO LONGER USED FOR FY 2020
Task 2- Proposition 1 SGMA GSP Development Grant	43,389	
Task 3- Data Management System	96,332	
Task 4- GSP Development and Submittal	764,106	
Task 5- SDAC Projects	25,065	
Task 6- IWVGA Project Management and Administrative Tasks	123,178	
- City of Ridgecrest Reimbursement	-	
Task 7- Legal Services	112,305	
Task 8- Stakeholder/Authority Coordination	206,295	
- Additional PAC/TAC/Board Meeting Support	-	
- Additional Pump Fee Support	-	
Task 9- Groundwater Pumping Fee Support	103,023	
Stetson- TSS Support	7,333	
Stetson- Brackish Water Support	6,025	
Stetson- Imported Water Coordination	30,774	
Stetson- Allocation Process Support	97,073	
Stetson- Navy-Coso Funding Support	5,698	
Auditing Services & IWVWD Reimbursement for Website fees	6,276	
Banking Fees	-	
Addtl Insurance Cost	9,967	
PAC & TAC Meeting Costs	6,142	
Water Marketing	118,683	
Well Monitoring	15,590	
Water Smart Grant	3,050	
Undocumented Expenditures (pre-FY2018)	-	
<b>Total Expenses</b>	<b>1,812,065</b>	

	GSP Budget	Admin Budget	FYTD through May (GSP)	FYTD through May (Admin)
City of Ridgecrest Reimbursement	210,466	-	-	-
County of Kern Advance Reimbursement	500,000	-	-	-
IWV Water District Advance Reimbursement	500,000	-	-	-
Legal Services	68,228	350,000	15,976	11,145
Stetson	310,000	996,000	266,043	-
DRI	-	-	3,591	-
SDAC	537,163	-	-	-
Auditing Services	-	7,000	1,800	2,000
IWVWD Reimbursement for Website fees	-	-	-	276
Banking Fees	-	-	-	-
Additional Insurance Cost	-	10,000	-	9,993
PAC & TAC Meeting Costs	1,000	11,000	-	-
Water Marketing	-	-	-	27,835
Well Monitoring	-	-	-	1,260
Other (Mailer, etc.)	-	5,000	1,888	1,034
<b>Total Expenses</b>	<b>2,126,857</b>	<b>1,379,000</b>	<b>289,297</b>	<b>53,543</b>

<b>Ending Balance</b>	<b>(2,068,892)</b>	<b>148,665</b>
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<b>Unpaid Invoices</b>	
Capitol Core Group INV# 2020-036, 07/01/20	8,912.50 *
IWVWD Reimbursement, LA Times Direct INV# 607661, 06/25/20	9,185.37 *
RWG Law INV# 227581, 07/10/20	4,647.50
Stetson INV# 2652-27, 12/13/19 (approved, deferred)	183,634.49
Stetson INV# 2652-32, 04/16/20 (approved, deferred)	105,748.23
Stetson INV# 2652-33, 05/13/20 (approved, deferred)	118,814.82
Stetson INV# 2652-34, 06/10/20 (approved, deferred)	113,815.49
	<b>544,758.40</b>

\* Payment to be made by IWV Water District as credit towards future replenishment assessment

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TO: Don Zdeba, General Manager Indian Wells Valley Groundwater Authority

FROM: Jeff Simonetti, SVP Capitol Core Group

CC: Michael W. McKinney, Partner  
Todd Tatum, Senior Advisor Capitol Core Group

DATE: July 16, 2020

SUBJECT: Project Update Memorandum –June 2020 Activities

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In June, Capitol Core continued its work on both outreach for funding procurement as well as outreach with the US Navy. This memorandum will outline the specific tasks completed in June, and the next steps we will conduct during the month of July.

### **Navy Outreach**

As discussed in our May report, we met with the US Navy Department of Energy, Installations and Environment (EIE) to brief them on our project and their consideration of inclusion in the imported water project. As a follow-up to that conversation, we briefed members of Southwest Command and China Lake base command in early June about the details of the project, the progress that the Groundwater Authority has made in planning, and the request for participation in the program. We appreciate the time and consideration that the Navy gave our project during that call. They asked us to keep them apprised of our progress, and we will keep the lines of communication open as we address the water project and the Navy's consideration of our participation request.

### **Federal Legislation**

As part of our Scope of Work, Task 3 instructs us to determine potential funding sources that the Groundwater Authority may avail themselves so assist financially with the water infrastructure project. There are a few bills that we are monitoring and have actively engaged on including:

- **WATER Act (Rep. Crow, D-CO):** In June, Rep. Crow of Colorado introduced the WATER Act, intended to be included as an amendment to the National Defense Authorization Act (NDAA, see below). The WATER Act would require Department of Defense Installations to determine its water needs and report to the Armed Services Committee whether its water supplies (or lack thereof) presented resiliency challenges. The bill would have also required an annual reporting requirement back to the Committee on the status of the installation's water needs. This bill, in slightly different form, was folded into the NDAA report that came from the House Subcommittee on Readiness.
- **National Defense Authorization Act (Rep. Smith, D-WA):** While the WATER Act did not get inserted into the NDAA in its original draft form, language with the same intent of the WATER Act was inserted into the bill draft from the House Subcommittee on Readiness. Please see Section 2825 of the Report for the specific language. The annual reporting requirement was removed. However, the bill would require the Department of Defense to prioritize the bases that "are experiencing the greatest risks to sustainable water management and security" to evaluate the resiliency of the installation's water supply. The report on the installation resilience is due back to the Committee within



one year of the implementation of the bill. This language passed out of the House Armed Services Subcommittee on Readiness and will go forward to the full Committee shortly.

- **AWIA and DWIA (Sen. Barasso, R-WY):** As mentioned last month, these bills remain in Committee awaiting further markups. We will continue to monitor their progress in the upcoming month and determine whether these provisions may be rolled into omnibus infrastructure bills currently moving forward in the Congress.
- **Water for Tomorrow Act (Sen. Harris, D-CA):** Senator Harris introduced the Water for Tomorrow Act, which adds further programs that may be beneficial to the Authority's goals. Highlights of the bill include:
  - **Water Infrastructure and Sustainability**
    - Financing program to fund water infrastructure projects including storage, transport, desalination projects, and stormwater capture projects. Allows for access to federally-backed, low-cost loans. Prioritizes projects that will benefit low-income communities and communities impacted by climate change. Requires that projects provide fisheries or ecosystem benefits or improvements that are greater than mitigation and compliance.
    - Grant program to help disadvantaged communities facing declines in drinking water quality or quantity. Led in the House by Rep. Cox.
    - Increased funding for water recycling and reuse. Led in the House by Rep. Napolitano.
    - Increased funding for water management improvement.
    - Reauthorization and increased funding for rural water supply.
  - **Ecosystem Protection and Restoration**
    - Grant program to improve watershed health and mitigate against climate change.
    - Funding for the Cooperative Watershed Management Program, adding a focus on disadvantaged communities and projects that provide environmental benefits.
    - Support for refuge water deliveries, drought planning for fisheries, and aquatic ecosystem restoration.
  - **Improved Technology and Data**
    - Utilization of data from technologies like LIDAR to measure water availability in snowpack.
    - Study to examine the climate change vulnerabilities of Federal dams.

In addition to these bills, we are monitoring the multiple potential water infrastructure programs that are connected with the omnibus infrastructure bill moving forward in Congress, or the next proposed round of Coronavirus stimulus legislation. We will provide a report to staff of further details of these findings and suggested next steps on potential areas to pursue.

## State Legislation

As we mentioned in the May update, the COVID-19 pandemic has significantly decreased the State budget and increased the projected shortfalls. When Governor Newsom originally introduced the first budget draft at the beginning of 2020 (pre-COVID), the State was projecting a \$2 billion budget surplus. At the time of passage, the State's budget included a \$54 billion budget shortfall. The budget struck most appropriations related to water infrastructure and the \$40 million that was supposed to be allocated for SGMA implementation. However, the budget did retain the \$26 million in funding from Prop. 68 monies to defray the cost of implementation for SGMA requirements. The project will also create an inter-agency panel to work with stakeholders to identify tools and strategies to address the economic, environmental, and social effects of changing land use and agricultural production.

During June, we met with IWVGA staff to discuss the Prop. 68 funds and whether the Authority would be eligible for any of this appropriation. Staff is reviewing eligibility, and we are ready to assist should they need any help in intergovernmental affairs related to these funds. We also met with the Governor's Military Council staff to brief them about this funding and the opportunities available regarding the interagency team that the Department of Water Resources is putting together for the Prop. 68 funds. We urged the Council to engage on the interagency team, and advocate for the water needs of the military communities on that panel. They are reviewing the applicability of the military to this team, and we will keep in contact with them regarding their potential engagement.

### **Next Steps**

In July, we will continue to monitor the NDAA and other water-specific policy bills as they move forward in the Congress. We are engaging with members of the House Armed Services Committee and other committees to discuss the project, the provisions of the NDAA and our need for infrastructure funding. At the state level, we will continue to remain engaged with the Governor's Military Council and work with IWVGA staff to determine the efficacy of the Prop. 68 funding potentially available for the Authority. We will also remain engaged with the US Navy and continue the discussions with them as they consider our participation request related to the proposed imported water supplies project.

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## Project Budget Report

**Date:** Commencement to 06/30/2020  
**Client:** Indian Wells Valley Groundwater Authority  
**Project:** 102: Water Supply Procurement Services  
**Project Manager:** Jeff Simonetti  
**Status:** All  
**Type:** Summary  
**Include:** Header, Estimate, YTD, Difference  
**Show:** Header, Sum by Task Header, Hours, Fee



### Project Commencement to 03/31/2020

Date	Milestone/Task	Estimated Hours	YTD Hours	Remaining Hours	Approved Fees	YTD Fees	Remaining Budget
04/01/2019 to 03/31/2020	All (Tasks 1-4)	998.00	-345.25	363.75	\$229,475.00	-\$143,199.50	\$86,275.50
	Expenses				\$11,800.00	-\$5,636.50	\$6,163.50

\*Note: Contract extension and reorganization of Tasks approved by Board 03/19/2020: No modification to original contract amount; taking effect on 04/01/2020

### 2<sup>nd</sup> Quarter Expenditures by Task

Date	Milestone/Task	Estimated Hours	Q2 Hours	Remaining Hours	Approved Fees	Q2 Fees	Remaining Budget
04/01/2020 to 06/30/2020	Task 1	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00
	Task 2	110.00	-9.25	100.75	\$26,125.00	-\$2,281.25	\$23,843.75
	Task 3	218.00	-94.65	123.35	\$52,587.35	-\$19,091.25	\$33,496.10
	Task 4	35.75	-15.50	20.25	\$7,563.15	-\$3,662.50	\$3,900.65
	TOTAL	363.75	-119.40	244.35	\$86,275.50	-\$25,035.00	\$61,240.50
	Expenses				\$6,163.50	\$0.00	\$6,163.50

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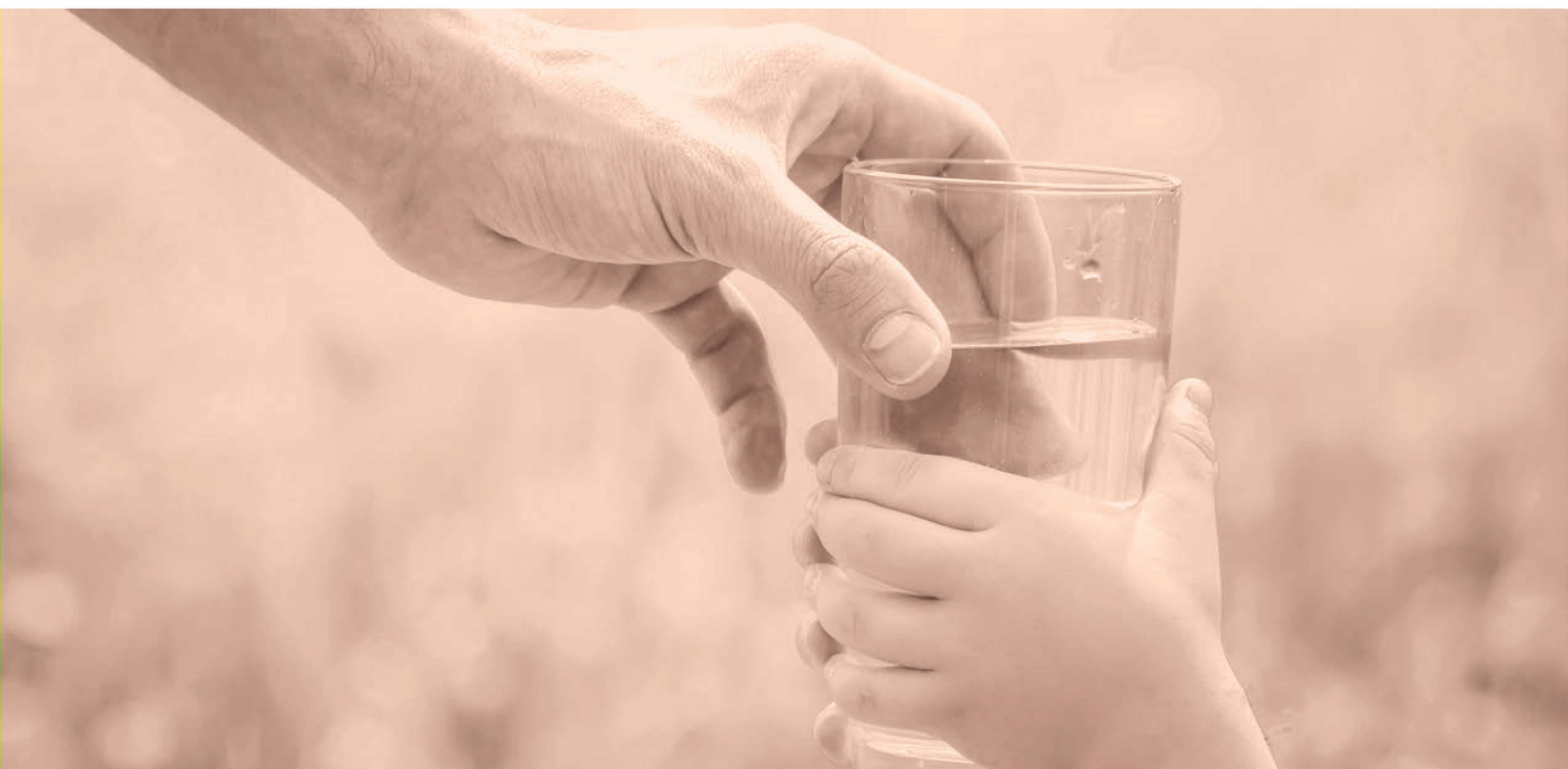


**GENERAL  
MANAGER**

**INDIAN  
WELLS  
VALLEY  
GROUNDWATER  
AUTHORITY**

## ABOUT THE AGENCY

The Indian Wells Valley Groundwater Authority (IWVGA) was formed in 2017 through a Joint Powers Authority Agreement. The IWVGA Board is comprised of five (5) voting members: Kern County, San Bernardino County, Inyo County, City of Ridgecrest, Indian Wells Valley Water District, and two (2) non-voting associate members; United States Navy (Naval Air Weapons Station - China Lake) and Bureau of Land Management. The GSA encompasses over 380,00 acres. The IWVGA serves as a Groundwater Sustainability Agency (GSA) in compliance with the Sustainable Groundwater Management Act (SGMA) of 2014 to protect existing surface water and groundwater rights. The GSA employs Stetson Engineers as the Water Resources Manager tasked with drafting and submitting the GSA Groundwater Sustainability Plan (GSP) for the Indian Wells Valley Groundwater Basin (IWVGB). The GSP was submitted to the Department of Water Resources for review and approval in January 2020.



## THE POSITION

This is a newly created executive management position reporting to the IWVGA Board of Directors. The incumbent's primary focus will be to develop, implement and manage a GSP that meets California Department of Water Resources (DWR) requirements; provide leadership and direction to member agencies, ensuring efficient and effective legislative and regulatory compliance, in accordance with Board directives; collaborate with State and local agencies; facilitate outreach efforts with stakeholders to strategically comply with legal requirements; and accomplish IWVGA goals and objectives. Examples of key responsibilities include:

- Direct the operations and general administration of the GSA including budget development and oversight, short and long range planning, and policy development and implementation.
- Ensure the timely and effective accomplishment of goals and objectives as determined by the Board.
- Implement and manage a GSP; update and/or revise the plan as needed.
- Administer various contracts and agreements to ensure compliance.
- Implement all aspects of fees adopted by the IWVGA Board.
- Oversee the consultant/contract selection process including determining scope of work, preparing RFP, negotiation of terms and contract development and review; monitor and evaluate consultant/contract performance.
- Prepare and present a variety of complex administrative and technical reports, recommending appropriate alternatives; follow-up on action items as required.
- Actively participate in, review and interpret analytical work completed by the Water Resources Manager; present results to the Board and member agencies.
- Identify additional future funding sources, and develop and implement funding strategies.
- Conduct outreach to appropriate stakeholders and other appropriate agencies.
- Develop, plan and implement compliance measures.
- Working in conjunction with other consultants under contract with the IWVGA and stakeholders as necessary, explore opportunities to import water to supplement supplies.
- Coordinate the activities and meetings of the IWVGA Board, Technical Advisory Committee and Policy Advisory Committee.
- Makes presentations to the Board of Directors, governing bodies, and a variety of boards and commissions; attends and participates in professional group meetings; stays abreast of new trends and innovations in the field.
- Monitors changes in laws, regulations, and technology that may affect GSA member agencies; implements policy and procedural changes as required.
- Track, review, analyze, and determine impact of legislative developments, state legislation, state and federal regulations, local ordinances, trends, practices and procedures in the field. Advise and make recommendations to decision makers on appropriate position or action to take in response to changes.
- Advocate for effective sustainability solutions.
- Work cooperatively with member agencies, other GSAs, and other County, State and Federal agencies to identify and develop programs/projects that will advance sustainability of the local groundwater resource.
- Identify stakeholders within the community and conduct public outreach relating to groundwater sustainability; develop and implement educational programs, including printed materials, web site information, school programs, ads, speaker programs and other activities.



## IDEAL CANDIDATE PROFILE

The GSA is seeking a candidate with previous administrative management experience related to water resource management and conservation programs. A bachelor's degree in a related field (geology, hydrology, engineering, environmental studies, business) is highly desirable, but any combination of experience and education that could likely provide the required knowledge, skill and ability is qualifying. The ideal candidate will have extensive knowledge of state and local laws, regulations related to water conservation programs, water resource management, and SGMA.

In working with the IWVGA Board of Directors, the General Manager will take an active and involved leadership role in the implementation of its goals and objectives. Regular and ongoing communications and interaction with the Board and stakeholders is an essential aspect to this role. As a leader, the new manager will be a creative thinker, politically astute, and will have the capability to evaluate and assess the big picture/long range aspects of the role. The ideal candidate will be a proven leader with the ability to be an influential advocate for issues and concerns relating to groundwater sustainability. A strong collaborator, the successful candidate will have a history of success in building and maintaining cohesive working relationships that best serve the short and long-term interests of organizations and communities.

The ideal candidate will be a well-rounded leader – a leader of people and resources and well versed in California water issues. This experienced individual will be both a big picture visionary and able to establish credibility as a decisive, results-oriented professional committed to excellence, independence, and fiscal accountability. Additionally, this top candidate will know how to effectively and efficiently run a business that is also a municipal organization. The successful candidate will also have strong financial acumen, including general knowledge of debt financing, bond issuance, debt management, and other funding strategies. Being comfortable in advising the Board about the full range of fiscal matters including rate structure and cost recovery efforts is of critical importance. This professional will be an exceptional listener, communicator, and an accomplished presenter with the ability to build strong relationships and engender trust among staff and the public.

The IWVGA is currently seeking all qualified candidates, both individuals and organizations. This is a contract position with salary commensurate with experience and final determination of full-time or part-time status. Interested individuals or consulting firms should submit a cover letter, resume and three professional references on or before **August 31, 2020**, to the following email address:

Indian Wells Valley Groundwater Authority  
Attn: Don Zdeba, Acting General Manager

[apriln@iwwvd.com](mailto:apriln@iwwvd.com)



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