

# INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

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

## BOARD OF DIRECTORS

### A G E N D A

Thursday, November 21, 2019

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

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

*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 Lauren Duffy at (760) 384-5502. 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.*

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

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

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.

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

- 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. 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.

**6. CONSENT AGENDA**

- a. Approve Minutes of Board Meeting October 17, 2019
- b. Approve Expenditures
  - i. \$94,090.01 - Stetson Engineers
  - ii. \$373.50 - City of Ridgecrest (unbudgeted)
  - iii. \$12,862.50 - Capitol Core Group
  - iv. \$1,200.00 - Sun Outdoor Reimbursement to IWVWD

**7. UPDATE ON IWVGA FINANCES**

- a. Monthly Financial Report
- b. Draft Cost Structure for Independent IWVGA Administration

**8. BOARD REVIEW AND APPROVAL OF 2020 IWVGA BUDGET**

**9. PRESENTATION ON POSSIBLE POST-GSP FEES**

**10. RESOLUTION NO. 08-19**

Approval of Agreement with Brown Armstrong to Conduct a Financial Audit of the IWVGA

**11. WATER RESOURCES MANAGER (WRM) REPORT**

- a. Report on Proposition 1 Grant Status
- b. Severely Disadvantaged Communities (SDAC) Programs Update
- c. Groundwater Sustainability Plan (GSP) Update
- d. Proposition 68 Grant Status Update

**12. UPDATE ON OUTREACH EFFORTS**

**13. BOARD QUESTIONS REGARDING POLICY ADVISORY COMMITTEE (PAC) AND TECHNICAL ADVISORY COMMITTEE (TAC) SPECIAL MEETING REPORT**

**14. GENERAL MANAGER'S REPORT**

- a. Report on IWVGA's Water Marketer (Capitol Core Group)
- b. Well Registration Update

**15. CLOSING COMMENTS**

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

**16. DATE AND TIME OF NEXT MEETING – December 19, 2019; 10:00 a.m.**

**17. ADJOURN**

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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, October 17; 10:00 a.m.

### IWVGA Members Present:

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

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 Kicinski at 10:00 a.m.

### 2. PUBLIC COMMENTS ON CLOSED SESSION:

Board hears public comment from Tom Bunn, legal counsel for Searles Valley Minerals.

Chairman Kicinski calls the meeting into Closed Session at 10:03 a.m.

### 3. CLOSED SESSION:

- 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:

Meeting was reconvened into Open Session at 11:00 a.m.

#### a. Report on Closed Session:

Jim Worth reported that no action was taken which would require disclosure under the Brown Act.

#### b. The Pledge of Allegiance is led by Mallory Boyd.

#### c. April Nordenstrom calls the following roll call:

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

**5. PUBLIC COMMENTS**

The Board hears public comments from Lorry Wagner and Shirley Kirkpatrick.

**6. CONSENT AGENDA:**

- a. Approve Minutes of Board Meeting September 19, 2019
- b. Approve Expenditures
  - i. \$9,620.00 - RWG Law
  - ii. \$21,524.96 - DRI
  - iii. \$102,654.54 - Stetson Engineers
  - iv. \$498.00 - City of Ridgecrest (unbudgeted)
  - v. \$14,190.04 - Capitol Core Group
  - vi. \$1,063.98 - Packwrap Reimbursement to IWVWD
  - vii. \$30.00 - Daily Independent

Motion made by Scott Hayman and seconded by Bob Page to approve Minutes of Board Meeting September 19, 2019, and the following expenditures in the amount of \$9,620.00 to RWG Law, \$21,524.96 to DRI, \$102,654.54 to Stetson Engineers, \$498.00 to City of Ridgecrest, \$14,190.04 to Capitol Core Group, \$1,063.98 to Packwrap and \$30.00 to Daily Independent. Motion unanimously carries by the following vote: (Ayes: Gleason, Hayman, Kicinski, Page, Vallejo. Nays: None. Abstain: None.)

Don Zdeba comments that the IWVGA has enough funds to pay all the current invoices. Zdeba asks the board for approval to pay the deferred Stetson invoices from previous months before paying the \$102,654.54 shown under the Consent Agenda. Zdeba also requests that agenda item #10 be discussed before agenda item #8. Chairman Kicinski approves.

**7. PROPOSITION 68**

Steve Johnson states that this item is an extension of the Prop 1 Grant but includes funding for both the planning and implementation of the Groundwater Sustainability Plan (GSP). Johnson explains that with Board approval of Resolution 07-19, Stetson will be authorized to pursue Prop 68 funding for the IWVGA.

Jeff Helsley provides a report on Prop 68 (see IWVGA Website for presentation). Helsley states the application is due November 1, 2019, and upon approval, IWVGA would see payment sometime in March 2020. There is approximately \$47,000,000 available through this grant for Groundwater Sustainability Agencies in California. Minimum grant approval payment would be \$200,000 and a maximum of \$2,000,000, however any money previously awarded through the Prop 1 grant would be subtracted from the amount awarded by Prop 68. There is generally a 25% minimum local share requirement, however as a result of Stetson's work documenting the disadvantaged communities in the basin, the IWVGA minimum match required is 15%. Grant funding through Prop 68 will cover various costs not originally covered by Prop 1. Going forward, the major item needing funding through this grant will be the Shallow Well Mitigation Plan.

Director Vallejo asks Steve Johnson to describe the staff work being put into submitting the application as well as the expected costs. Vallejo further inquires of the likelihood of IWVGA being approved. Johnson states that the Indian Wells Valley Water District and other staff will be providing in-kind services to help mitigate expenses, and Helsley projects an additional cost of \$20,000. Johnson feels the IWVGA is likely to be approved.

Motion made by Bob Page and Seconded by Mick Gleason to authorize Stetson Engineers to prepare and submit the application for the Prop 68 Grant solicitation on behalf of the IWVGA. Motion unanimously carries by the following vote: (Ayes: Gleason, Hayman, Kicinski, Page, Vallejo. Nays: None. Abstain: None.)

Board hears public comment from Renee Westa-Lusk.

Motion made by Bob Page and seconded by Mick Gleason to adopt Resolution No. 07-19. Motion unanimously carries by the following roll call vote:

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

## 8. BOARD REVIEW AND APPROVAL OF 2020 IWVGA BUDGET: Item tabled and addressed after item #10

Don Zdeba summarizes the three Pro-Forma scenarios presented in the Board Packet (presentations made available on the IWVGA Website). Zdeba states each scenario reflects a payment of \$646,000 from the Severely Disadvantaged Communities (SDAC) Grant, however the initial funding for the various SDAC programs would be paid by IWVGA until the grant is approved. A request for an extension was filed with Department of Water Resources (DWR), however approval has not been confirmed. Jim Worth emphasizes the same concern with cash flow. He states that there would still be an additional 60-75 days before the first invoice could be submitted, and based on past transactions with DWR, IWVGA could be waiting 2-3 months for the first reimbursement check to come through. Furthermore, Zdeba suggests closely monitoring Stetson and RWG Law to limit unnecessary expenses. He further advises slowing down Capitol Core Group and reprioritizing the tasks given, without jeopardizing their momentum.

Director Page questions if the Pro-Forma Scenarios reflect slowing down CCG. Zdeba responds that it does not, but with board approval of reprioritizing CCG it will have a positive impact on the projected finances. Page further questions if the SDAC Programs could qualify for Community Development Block Grant Programs (CDBG), and if any of the member agencies that have received this type of funding, could their remaining balances be used for the time being? Phillip Hall confirms this may be a possibility, but needs to be investigated further.

Pac Chair Dave Janiec adds to the CCG discussion. He states that we need to stay ahead of other Groundwater Agencies competing for the Defense Community Infrastructure Programs (DCIP) in order to not fall of the radar.

Director Vallejo agrees that expenses need to be reduced, but questions if other Board members are against raising the pumping fee. Vallejo believes reducing expenses will not be enough to solve the financial issue. Kicinski states that raising the fee is a discussion that needs to be had. Vallejo recommends looking further into the fee structure.

Vice Chair Gleason commends CCG for all their hard work and feels we should continue their momentum on seeking funding options.

Chairman Kicinski further supports CCG momentum, and continuing staff as in-kind services. He recommends staff looking into cutting any unnecessary expenses.

Board hears public comment from Josh Nugent, Stan Rajtora, Judie Decker, Sarah Ziegers, Renee Westa-Lusk, Mike Neel, Lorry Wagner.

## 9. WATER REOURCES MANAGER REPORT:

### a. Report on Proposition 1 Grant Status:

Check for invoice #2 has been cut and sent out in the mail. Invoice #3 (Apr. 2019 – June 2019) is scheduled to go out by end of next week.

### b. Severely Disadvantaged Communities (SDAC) Programs Update: **Item moved up to agenda item #8 for discussion**

### c. Groundwater Sustainability Plan (GSP):

Draft GSP will be given to staff to review on Monday, October 21<sup>st</sup> for comment. Once staff review is complete, the GSP will be given to Policy Advisory Committee (PAC) and Technical Advisory Committee (TAC) members before the November meetings. Johnson also states that it has been requested of him to attend both the PAC and TAC November Meetings.

Board hears public comment from Stan Rajtora, Nick Panzer, and Josh Nugent of Meadowbrook Dairy, who offers to give an additional \$5,000 this coming month to help pay for Stetson and Legal Counsel presence at the PAC and TAC Meetings.

**10. UPDATE ON IWVGA FINANCES: Item moved up to agenda item #8 for discussion**

Don Zdeba provides an update on finances (reports made available on the IWVGA Website). Zdeba states that after the invoices listed above are paid, the account balance is \$9,207.69. A check has been mailed in the amount of \$352,055.21, for the reimbursement of the second submittal for Prop 1. This will be used to pay three of the previously deferred Stetson invoices totaling \$286,244.34. Combining the current account balance with the rest of the grant reimbursement, there is a total of \$75,018.56 remaining.

Director Page points out a discrepancy between the Financial Report and the Consent Agenda regarding the invoices from RWG Law.

Jim Worth states there needs to be a new motion to authorize approval of the payments made for RWG Law.

Motion made by Bob Page and seconded by Mick Gleason to authorize approval of payment for RWG Law based on the total given in the Financial Report. Motion unanimously carries by the following vote: (Ayes: Gleason, Hayman, Kicinski, Page, Vallejo. Nays: None. Abstain: None.)

**11. UPDATE ON OUTREACH EFFORTS:**

Don Zdeba provides an update on the billboard, which will be up by October 28<sup>th</sup>.

**12. BOARD QUESTIONS REGARDING POLICY ADVISORY COMMITTEE (PAC) AND TECHNICAL ADVISORY COMMITTEE (TAC) REPORTS:**

Dave Janiec requests Stetson and Legal Counsel presence at the next PAC Meeting, to better answer the questions from the public. The Sustainable Yield Allocation Chart generated high volumes of comments and questions, mostly centered around the author of the documentation. Furthermore, many of those from the public shared a mutual concern as to why the Indian Wells Brewery was not part of the chart.

Eddy Teasdale shares similar concerns with the Sustainable Yield Allocation Chart and the short time frame for review of the GSP. He further expresses worry for the slow inflow of De Minimis Well Registration Forms. Teasdale shows support and enthusiasm in pursuing the Prop 68 Grant.

Board hears public comment from Elaine Mead, Judie Decker, Sarah Ziegers, and Don Decker.

**13. GENERAL MANAGER'S REPORT:**

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

Don Zdeba states majority of CCG's report provided in the board packet summarizes the previous months work that was devoted to the Draft Strategic Funding Plan

- b. Well Registration Update:

Since the ordinance was passed, there have been 60 De Minimis and 2 Non-De Minimis registered.

**14. CLOSING COMMENTS:**

Director Page addressed a comment made earlier in the meeting and states that sending a bill to the State of California does not guarantee payment.

Chairman Kicinski expresses gratitude for the work done by both the PAC and TAC.

**15. DATE AND TIME OF NEXT MEETING – November 21, 2019; 10:00 a.m.**

**16. ADJOURN:**

Chairman Kicinski adjourned the meeting at 1:08 p.m.

Respectfully submitted,

*April Nordenstrom*

Executive Secretary  
Indian Wells Valley Water District



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**Invoice**

County of Kern  
 County Administrative Office  
 1115 Truxton Ave., 5th Floor  
 Bakersfield, CA 9330  
 Attn.: Mr. Alan Christensen

**Invoice Number: 2652-26**  
**Invoice Date: 10/22/19**

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

Professional Services through 9/30/2019

**Water Resources Management**

**01 - POAM No. 134 Prep & Attend Board, PAC & TAC Mtgs/Consult w/ Authority & Co**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	29.50	\$230.00	\$6,785.00
Supervisor I	11.00	\$200.00	\$2,200.00
Senior Associate	32.00	\$120.00	\$3,840.00
GIS Manager	4.75	\$115.00	\$546.25
Associate III	7.75	\$105.00	\$813.75
Assistant I	16.25	\$95.00	\$1,543.75
<i>Professional Services Subtotal:</i>			\$15,728.75
			<u>Charge</u>
<b>Reimbursables</b>			
Reproduction (Color)			\$8.90
Car Rental			\$152.46
Meals			\$16.73
Mileage			\$324.80
Reproduction			\$0.75
Telephone - Conference Call			\$80.62
<i>Reimbursables Subtotal:</i>			\$584.26
			\$16,313.01

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

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Principal	1.50	\$230.00	\$345.00
Senior Associate	12.50	\$120.00	\$1,500.00
Associate III	0.50	\$105.00	\$52.50
Assistant I	3.00	\$95.00	\$285.00
Administrative II	2.00	\$65.00	\$130.00
<i>Professional Services Subtotal:</i>			\$2,312.50
<i>POAM No. 15,16 Prop 1 Grant Administration Subtotal:</i>			\$2,312.50

**04.02 - POAM No. 20 Data Management System**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Associate I	20.25	\$115.00	\$2,328.75
Assistant I	6.25	\$95.00	\$593.75
Technical Illustrator	3.00	\$85.00	\$255.00
Administrative II	5.00	\$65.00	\$325.00
<i>Professional Services Subtotal:</i>			\$3,502.50



POAM No. 20 Data Management System Subtotal: \$3,502.50

05 - POAM No. 126 Project Management Costs & Schedule

Table with 4 columns: Professional Services, Bill Hours, Bill Rate, Charge. Rows include Principal, Supervisor I, Senior III, Senior Associate, Associate III, and Professional Services Subtotal.

POAM No. 126 Project Management Costs & Schedule Subtotal: \$5,451.25

05A - POAM No. 125 POAM

Table with 4 columns: Professional Services, Bill Hours, Bill Rate, Charge. Rows include Senior Associate and Professional Services Subtotal.

POAM No. 125 POAM Subtotal: \$750.00

06 - POAM No. 36 IWVGW Basin 3rd Party Sustainability/Safe Yield Rev (GSP Compli:

Table with 4 columns: Professional Services, Bill Hours, Bill Rate, Charge. Rows include Supervisor I, Senior Associate, and Professional Services Subtotal.

POAM No. 36 IWVGW Basin 3rd Party Sustainability/Safe Yield Rev (GSP Complia \$2,000.00

07 - POAM No. 82 IWVGW Basin Oppty & Constraints for Alt Imported Water Suppli

Table with 4 columns: Professional Services, Bill Hours, Bill Rate, Charge. Rows include Principal, Supervisor I, Senior Associate, GIS Manager, Associate III, Assistant I, and Professional Services Subtotal.

POAM No. 82 IWVGW Basin Oppty & Constraints for Alt Imported Water Supplies \$25,953.75

07.01 - Imported Water RFP

Table with 4 columns: Professional Services, Bill Hours, Bill Rate, Charge. Rows include Principal, Supervisor I, and Professional Services Subtotal.

Imported Water RFP Subtotal: \$1,220.00

08.05.01 - Pumping Allocation

Table with 4 columns: Professional Services, Bill Hours, Bill Rate, Charge. Rows include Principal, Supervisor I, Senior Associate, Associate III, and Professional Services Subtotal.

Pumping Allocation Subtotal: \$7,096.25



**11.01 - POAM No. 56 Monitoring Wells - Planning**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	12.00	\$200.00	\$2,400.00
Associate I	3.50	\$115.00	\$402.50
Assistant I	25.25	\$95.00	\$2,398.75
<i>Professional Services Subtotal:</i>			<u>\$5,201.25</u>

<b>Reimbursables</b>		<u>Charge</u>
Field Supplies		\$794.66
<i>Reimbursables Subtotal:</i>		<u>\$794.66</u>

*POAM No. 56 Monitoring Wells - Planning Subtotal:* \$5,995.91

**11.03 - POAM No. 64 Stream Gages - Planning**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Associate I	16.00	\$115.00	\$1,840.00
<i>Professional Services Subtotal:</i>			<u>\$1,840.00</u>

*POAM No. 64 Stream Gages - Planning Subtotal:* \$1,840.00

**11.06 - POAM No. 74 Water Quality & Stable Isotope Sampling**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Associate I	23.25	\$115.00	\$2,673.75
GIS Manager	20.00	\$115.00	\$2,300.00
Assistant I	23.00	\$95.00	\$2,185.00
<i>Professional Services Subtotal:</i>			<u>\$7,158.75</u>

<b>Sub-Contractors</b>		<u>Charge</u>
Board of Regents		\$7,726.09
<i>Sub-Contractors Subtotal:</i>		<u>\$7,726.09</u>

*POAM No. 74 Water Quality & Stable Isotope Sampling Subtotal:* \$14,884.84

**11.07 - POAM No. 69 Weather Stations - Planning**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Supervisor I	2.00	\$200.00	\$400.00
Associate I	16.00	\$115.00	\$1,840.00
GIS Manager	1.00	\$115.00	\$115.00
<i>Professional Services Subtotal:</i>			<u>\$2,355.00</u>

*POAM No. 69 Weather Stations - Planning Subtotal:* \$2,355.00

**12 - POAM No. 119 SDAC Projects; Water Conservation & Rebate Program**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Senior Associate	2.00	\$120.00	\$240.00
Associate III	2.00	\$105.00	\$210.00
<i>Professional Services Subtotal:</i>			<u>\$450.00</u>

*POAM No. 119 SDAC Projects; Water Conservation & Rebate Program Subtotal:* \$450.00

**13 - POAM No. 120 SDAC Projects: Water Audit, Leak Detection & Leak Rpr Program**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Associate III	7.00	\$105.00	\$735.00
<i>Professional Services Subtotal:</i>			<u>\$735.00</u>

*POAM No. 120 SDAC Projects: Water Audit, Leak Detection & Leak Rpr Program S* \$735.00

**14 - POAM No. 139 Pumping Assessment Support**

<b>Professional Services</b>	<u>Bill Hours</u>	<u>Bill Rate</u>	<u>Charge</u>
Senior Associate	13.75	\$120.00	\$1,650.00



**14 - POAM No. 139 Pumping Assessment Support**

*Professional Services Subtotal:* \$1,650.00

*POAM No. 139 Pumping Assessment Support Subtotal:* \$1,650.00

**16 - Brackish Water Study Coordination**

**Professional Services**

Supervisor I

Bill Hours      Bill Rate      Charge

1.00      \$200.00      \$200.00

*Professional Services Subtotal:* \$200.00

*Brackish Water Study Coordination Subtotal:* \$200.00

**17 - Navy-COSO**

**Professional Services**

Principal

Bill Hours      Bill Rate      Charge

4.00      \$230.00      \$920.00

*Professional Services Subtotal:* \$920.00

*Navy-COSO Subtotal:* \$920.00

**18 - WellIntel Coordination**

**Professional Services**

Principal

Bill Hours      Bill Rate      Charge

2.00      \$230.00      \$460.00

*Professional Services Subtotal:* \$460.00

*WellIntel Coordination Subtotal:* \$460.00

***Water Resources Management Subtotal:* \$94,090.01**

**\*\*\* Invoice Total \*\*\* \$94,090.01**



**REIMBURSABLE SUMMARY**

County of Kern  
 County Administrative Office  
 1115 Truxtun Ave., 5th Floor  
 Bakersfield CA 93301  
 ATTN.: Mr. Alan Christensen

**Invoice Number: 2652-26**  
**Invoice Date: 10/22/19**

Project #: 2652 **Indian Wells Valley Groundwater Authority**  
 Manager: Stephen Johnson  
 Professional Services through 9/30/2019

**Water Resources Management**

**01 - POAM No. 134 Prep & Attend Board,PAC & TAC Mtgs/Consult w/ Authority & Committees to Dev GSP**

**Reimbursables**

Description	Date	Units	Unit Rate	Charge	Notes
Car Rental	09/04/2019	1.00	\$69.30	\$69.30	
Car Rental	09/05/2019	1.00	\$38.05	\$38.05	
Meals	09/05/2019	1.00	\$8.00	\$8.00	
Meals	09/05/2019	1.00	\$8.73	\$8.73	
Mileage	09/05/2019	280.00	\$0.58	\$162.40	
Car Rental	09/06/2019	1.00	\$45.11	\$45.11	
Telephone - Conference Call	09/12/2019	1.00	\$26.63	\$26.63	
Telephone - Conference Call	09/18/2019	1.00	\$27.24	\$27.24	
Mileage	09/19/2019	280.00	\$0.58	\$162.40	
Reproduction	09/30/2019	4.00	\$0.15	\$0.60	
Reproduction	09/30/2019	1.00	\$0.15	\$0.15	
Reproduction (Color)	09/30/2019	10.00	\$0.89	\$8.90	
Telephone - Conference Call	09/30/2019	1.00	\$26.75	\$26.75	
POAM No. 134 Prep & Attend Board,PAC & TAC Mtgs/Consult w/ Auth				\$743.29	

**11.01 - POAM No. 56 Monitoring Wells - Planning**

**Reimbursables**

Description	Date	Units	Unit Rate	Charge	Notes
Field Supplies	09/18/2019	1.00	\$794.66	\$794.66	
POAM No. 56 Monitoring Wells - Planning Sub-Total:				\$794.66	

**11.06 - POAM No. 74 Water Quality & Stable Isotope Sampling**

**Sub-Contractors**

Description	Date	Units	Unit Rate	Charge	Notes
Board of Regents	08/31/2019	1.00	\$7,726.09	\$7,726.09	
POAM No. 74 Water Quality & Stable Isotope Sampling Sub-Total:				\$7,726.09	



Costco #124  
1755 Hacienda Drive  
Uista, CA 92083

Member# 111879528864  
Invoice# 365  
Date: 09/05/19  
Time: 07:31  
Auth# 045367

DB Acct #  
\*\*\*\*\*3416

Pump Gallons Price  
12 11.327 \$ 3.359

Product Amount  
Regular \$ 38.05

Total Sale \$ 38.05

SALE- Card Swiped  
Approved  
TranID# 924812038365

STARBUCKS Store #10429  
14136 US Hwy 395  
Adelanto, CA (760) 530-9252

CHK 661116  
09/05/2019 09:53 AM  
1829342 Drawer: 1 Reg: 2

Vt Icd Cofw/Milk	3.45
No Classic	
Pumpkin Sauce	0.60
With Whole Milk	
Spinach Feta Wrap	3.95
Sbux Card	8.00
XXXXXXXXXXXX0629	
Subtotal	\$8.00
Total	\$8.00
Change Due	\$0.00

----- Check Closed -----  
09/05/2019 09:53 AM

Panda Express #1622  
Victorville, CA  
(760)843-5845  
9/5/2019 6:10:22 PM  
Order: 495618  
-Drive Thru-  
Server: Jessica M

1 PANDA BOWL	
CHOW MEIN-1/2	
CHOW MEIN-1/2	
ORANGE CKN	
1 XTRA ENTREE (BOWL)	
CKN EGG ROLL	1.40
SubTotal	8.10
TAX	0.63
Total	8.73
Discover	8.73
Acct:XXXXXXXX2171	
AuthCode:00595R	

G&M Oil st198  
1668 Oceanside Blvd  
Oceanside CA 92054

G & M #198  
L306959698001  
1668 OCEANSIDE BLVD  
OCEANSIDE, CA  
92054  
09/06/2019 165555206  
09:04:39 AM

XXXX XXXX XXXX 2171  
Discover  
INVOICE 067792  
AUTH 00674R

PUMP# 14  
REGULAR CR 13.429G  
PRICE/GAL \$3.359

FUEL TOTAL \$ 45.11

CREDIT \$ 45.11



Nichole Weedman &lt;nrweedman1992@gmail.com&gt;

**ENTERPRISE Rental Agreement 6YX14T**

1 message

**DoNotReply@erac.com** <DoNotReply@erac.com>  
To: NRWEEDMAN1992@gmail.com

Mon, Sep 9, 2019 at 3:24 PM



RA #: 6YX14T

Renter: WEEDMAN,NICHOLE

Dates & Times	Location
<b>Pickup</b> Sep 04, 2019 4:43 PM	1060 AUTO CENTER CT STE M CARLSBAD, CA 92008-4321 7609311111
<b>Return</b> Sep 09, 2019 3:23 PM	1060 AUTO CENTER CT STE M CARLSBAD, CA 92008-4321 7609311111

**Vehicle**

Make/Model: NISN/ROGU

Color: BLACK

Mileage: 1293

Fuel Out: 1/4

Fuel In: 1/4

License: 8KXL129

Unit #: 7S5KX8

Vehicle #: LP506795

Charges	Price/Unit	Total
TIME & DISTANCE 09/04 - 09/09	1.0 @ \$185.71/WEEK	\$185.71
VEHICLE LICENSE RECOVERY FEE	5.0 @ \$1.56/DAY	\$7.80
SALES TAX	7.7500%	\$14.39
<b>Total Charges:</b>		<b>\$207.90</b>
Charge To:		DISCOVER xxxx2171

2019-09-09 15:24:44





## Final Details for Order #114-1761520-8871444

[Print this page for your records.](#)

**Order Placed:** September 17, 2019  
**Amazon.com order number:** 114-1761520-8871444  
**Order Total: \$10.80**

### Shipped on September 17, 2019

#### Items Ordered

2 of: *Post-it Notes, Jaipur Colors, America's #1 Favorite Sticky Note, Great for Reminders, 3 in. x 3 in, 5 Pads/Pack, 100 Sheets/Pad (654-5UC)* \$4.99  
 Sold by: Amazon.com Services, Inc

Condition: New

#### Shipping Address:

Nichole Weedman  
 2319 PASEO DE LAURA APT 18  
 OCEANSIDE, CA 92056-3774  
 United States

Item(s) Subtotal:	\$9.98
Shipping & Handling:	\$0.00
	-----
Total before tax:	\$9.98
Sales Tax:	\$0.82
	-----

#### Shipping Speed:

Two-Day Shipping

**Total for This Shipment: \$10.80**

-----

### Payment information

#### Payment Method:

Discover | Last digits: 2171

Item(s) Subtotal:	\$9.98
Shipping & Handling:	\$0.00
	-----
Total before tax:	\$9.98
Estimated tax to be collected:	\$0.82
	-----

#### Billing address

Nichole Weedman  
 2319 PASEO DE LAURA APT 18  
 OCEANSIDE, CA 92056-3774  
 United States

**Grand Total: \$10.80**

#### Credit Card transactions

Discover ending in 2171: September 17, 2019: \$10.80

To view the status of your order, return to [Order Summary](#).

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Invoice for Stetson Engineers Inc. Isotopic Support

INVOICE TO

**Stetson Engineers Inc**  
**Attn: Accounts Payable**  
**2171 East Francisco Blvd. Suite K**  
**San Rafael, CA 94901**

INVOICE NUMBER: CI-06-2657 / 03 ✓  
 DATE: 09/12/19  
 AMOUNT: \$7,726.09 ✓  
 TERMS: Due Upon Receipt

Contract/Grant/Agreement/Purchase Order		Period Billed	
<b>Stetson Engineers Inc. Contract # 2652 - 001</b> ✓		From	To
<b>Contract Dated 5/24/19</b>		8/1/2019	8/31/2019
Title: Stetson Engineers Inc, / Isotopic Support - Indian Wells Valley Groundwater Authority			
P.I.: Chapman, Jenny			
DRI Acct: AWD-06-00000523 / GR09067 RC0068		TAX ID #: 886000024	
Cost Elements/Services	Current	Cumulative	

Stetson Engineers, Inc. - Isotopic Support - Indian Wells Valley Groundwater Authority ✓

Salaries	7,726.09	13,422.87
Travel	0.00	0.00
Operating	0.00	0.00
<b>Totals</b>	<u>7,726.09</u>	<u>13,422.87</u>

**Total Amount Due This Invoice** 7,726.09 ✓

Budget Amount	28,137.00
Invoiced to Date	<u>13,422.87</u>
Budget Balance	<b>14,714.13</b>

"I certify to the best of my ability that all expenditures reported are for appropriate purposes and in accordance with the provisions of the award documentation."

*Sherril Schmidt* \_\_\_\_\_ 09/12/19

Sherril Schmidt, Sponsored Research Specialist \_\_\_\_\_ Date

(775) 673-7404

Make Check Payable To: Board of Regents	Mail Check To:	Desert Research Institute Financial Services Office 2215 Raggio Parkway Reno, Nevada 89512-1095
---	----------------	--

\* Please return Invoice Copy with Check \*



Stetson Engineers - Isotopic Support - IWVGA

Awd-06-523 / GR09067

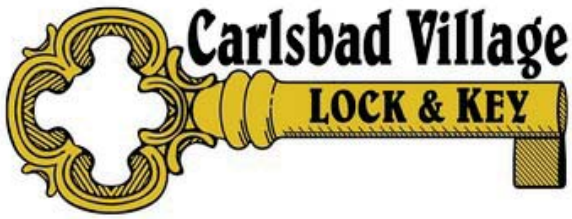
Stetson 2652 - 001

Aug-19

Position	Worker	Rate	Hours	Cost
Groundwater Modeler-SME	Karl Pohlmann	230.78	0.000000	0.00
Hydrogeologist-SME	Jenny Chapman	258.45	7.712014	1,993.17
Geochemist-SME	Jim Thomas	193.52	23.816866	4,609.04
Geochemist	Ron Hershey	184.51	0.000000	0.00
GIS Professional	Cheryl Collins	98.95	11.358060	1,123.88

**Total Salaries & Fringe**

**7,726.09**



# Invoice



Carlsbad Village Lock and Key  
3138 Roosevelt St Suite E  
Carlsbad, Ca 92008  
Office Phone: 760-434-6600  
cvlko3@gmail.com

**Invoice Number:** I190917902  
**Invoice Date:** 09/17/2019  
**Payment Terms:** 15 Payment 15 days after invoice date  
**Invoice Due Date:** 10/02/2019  
**Invoice Amount:** 794.66  
**Created By:** Michelle Pahl

**Bill To**  
Stetson Engineers  
785 Grand Ave #202  
Carlsbad, Ca 92008


**Ship To**  
Stetson Engineers

Item Name	Quantity	Unit Price	Taxable	Total
Merchandise Master padlock 1 3/4 body with 2 1/2 shackle List \$18.17	50.00	14.75	X	737.50

**Comments:**  
Lead time 4-6 weeks

M5KALJSTS Key:X5123  
Special order

Subtotal: \$ 737.50  
Tax Rate Rate: 7.75%  
Tax Rate Amount: 57.16  
**Invoice Amount \$ 794.66**  
Credit Card on 09/18/2019: (794.66)  
**Invoice Balance: \$ 0.00**

  
Customer Signature 09/18/2019

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# City of Ridgecrest

100 West California Avenue  
Ridgecrest, CA 93555  
Phone (760) 499-5002 Fax (760) 499-1500  
[www.ridgecrest-ca.gov](http://www.ridgecrest-ca.gov)

TO: IWV Groundwater Authority  
PO Box 1329  
Ridgecrest, CA 93556-1329

Invoice Date: 11/14/2019

ATTN: Lauren Duffy, Secretary

Event: PAC / TAC Meetings - Nov. 7, 2019

Description	Account Distribution	Unit Price	Total Price
4.5 hours Total 1 hour setup 3.5 hours meeting video		\$83.00	\$ 373.50
<b>Total Amount Due</b>			<b>\$ 373.50</b>

**Please make payable to:**

City of Ridgecrest

**Credit Card Payments:**

Please contact Ricca Charlon @ 760-499-5002

**Mail to:**

City of Ridgecrest  
ATTN: Ricca Charlon  
100 W. California Ave.  
Ridgecrest, CA 93555

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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 2019-050**

**DATE 11/04/2019 TERMS Net 45**

**DUE DATE 12/19/2019**

DATE	ACCOUNT SUMMARY	AMOUNT
10/02/2019	Balance Forward	\$14,190.04
	Payments and credits between 10/02/2019 and 11/04/2019	-14,190.04
	New charges (details below)	12,862.50
	Total Amount Due	\$12,862.50

ACTIVITY	HOURS	RATE	AMOUNT
<b>Charges</b>			
Task 1 -- Determination and Secure Sources of Imported Water Supplies			
NOTE: All invoiced items occurred between 10.01.2019 and 10.18.2019			
Total Task 1 = \$0.00			
Task 2 -- Negotiation of Transfer and Wheeling Agreements			
NOTE: All invoiced items occurred between 10.01.2019 and 10.18.2019 (unless noted)			
<b>Strategic Communications:Water Procurement Assistance</b>	1	225.00	225.00
Transfer Partner Advocacy: Meeting establishment and preparation Inyo County {SVP Simonetti}			
<b>Strategic Communications:Water Procurement Assistance</b>	2	225.00	450.00
Transfer Partner Advocacy: Meeting w/ Inyo County {SVP Simonetti}			
<b>Strategic Communications:Water Procurement Assistance</b>	1	250.00	250.00
Transfer Partner Advocacy: Internal calls 10.01-10.02 {Partner Tatum}			
<b>Strategic Communications:Water Procurement Assistance</b>	1.50	250.00	375.00
Transfer Partner Advocacy: Meeting Preparation for Inyo County {Partner Tatum}			
<b>Strategic Communications:Water Procurement Assistance</b>	2	250.00	500.00
Transfer Partner Advocacy: Meeting w/ Inyo County -- Independence, CA {Partner Tatum}			
<b>Strategic Communications:Water Procurement Assistance</b>	0.50	250.00	125.00
Transfer Partner Advocacy: Conf. Call w/ LADWP {Partner Tatum}			
<b>Strategic Communications:Water Procurement Assistance</b>	0.50	250.00	125.00
Transfer Partner Advocacy: AVEK Update Call {Partner Tatum}			



ACTIVITY	HOURS	RATE	AMOUNT
<b>Strategic Communications:Water Procurement Assistance</b> Transfer Partner Advocacy: Meeting w/ Stetson Engineering re: Draft GSP, transfer partner decision, and ongoing activities {Partner Tatum}	2	250.00	500.00
<b>Strategic Communications:Water Procurement Assistance</b> Transfer Partner Advocacy: Review of Strategic Funding Source Memorandum and water cost tables {Partner Tatum}	2	250.00	500.00
<b>Government Relations:Public Affairs</b> Reporting: Review of Task 2 scope of work and internal calls re: contract suspension 10.18.2019 {Partner Tatum}	1	250.00	250.00
Total Task 2 =\$3,300.00			
Task 3 -- Identification and Secure Potential Funding Source			
Items occurring between 10.01.2019 and 10.18.2019 (unless noted)			
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: F/up with ASECNAV Staff re: McKinney/Simonetti discussion and report back to Partner and Project Manager {SA Newman}	0.25	150.00	37.50
<b>Government Relations:Public Affairs</b> Reporting: Review/comment on Draft Strategic Funding Plan {SA Newman}	0.25	150.00	37.50
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: Meeting establishment, document preparation House Armed Services Committee Members, Conference Committee Members (SGMA Reporting and DCIP) {SA Newman}	3.50	150.00	525.00
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: Meetings w/ Representatives Garamendi (D-CA), Davis (D-CA), Cisneros (D-CA), Spier (D-CA) and Carbajal (D-CA) -- House Armed Services Committee Members, Conference Committee Members (SGMA Reporting and DCIP) {SA Newman}	4	150.00	600.00
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: F/up with Conference Committee Members, obtain support, and reports to Partner/Project Manager {SA Newman}	2.75	150.00	412.50
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: F/up w/ ASECNAV staff re: water costs and outstanding questions: materials preparation; Stetson Engineering items {SVP Simonetti}	2.25	225.00	506.25
<b>Government Relations:Public Affairs</b> Reporting: Review/Edit draft Strategic Funding Plan {SVP Simonetti}	2.50	225.00	562.50
<b>Government Relations:California Legislative Affairs</b> Reporting: Complete State After-Action Report {SVP Simonetti}	2.50	225.00	562.50
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: Calls w/ Senate Appropriations and Senate Armed Services staff re: DCIP/NDAA report language; monthly reporting requirements {SVP Simonetti}	2	225.00	450.00
<b>Government Relations:Public Affairs</b> Reporting: Internal calls re: work plan, review of memoranda, and status {SVP Simonetti}	1.75	225.00	393.75
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: Governors' Military Council Conference Call; f/up w/ legislators and Governor's office; f/up w/ Association of Defense Communities {SVP Simonetti}	3	225.00	675.00

ACTIVITY	HOURS	RATE	AMOUNT
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: DCIP/NDAA Reporting language -- Materials preparations, internal strategy, calls w/ non-CA members of the Conference Committee {SVP Simonetti}	2	225.00	450.00
<b>Government Relations:Public Affairs</b> Reporting: Conference call w/ Stetson Engineering and f/up re: infrastructure project timeline estimates {Partner, McKinney}	1.25	250.00	312.50
<b>Government Relations:Public Affairs</b> Reporting: Finalize Strategic Funding Plan, review draft w/ IWVGA staff, f/up on questions {Partner, McKinney}	3.50	250.00	875.00
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: Governors' Military Council Conference Call re: DCIP {Partner, McKinney}	1.25	250.00	312.50
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: Senate Committee Energy and Natural Resources, Committee staff Water Resources Development Act (WRDA) {Partner McKinney}	1	250.00	250.00
<b>Government Relations:Public Affairs</b> Reporting: WaterSMART grant questions 10.07.2019 and infrastructure cost-estimate questions 10.09.2019 from IWVGA -- research and response (email/conf. call) {Partner, McKinney}	1.50	250.00	375.00
<b>Government Relations:Federal Legislative Affairs</b> Direct Advocacy: Items in support...Grant explanation memorandum and budget preparation sheet {Partner McKinney}	1	250.00	250.00
Total Task 3 = \$7,587.50			
Task 4 -- Board Meetings, Staff Meetings and Reporting			
<b>Government Relations:Public Affairs</b> Reporting: Client Administration and internal conference call re: scope of work and project status {SA Newman}	2.75	150.00	412.50
<b>Government Relations:Public Affairs</b> Reporting: IWVGA work plan conference call 10.31.2019 {Partner Tatum}	1	250.00	250.00
<b>Government Relations:Public Affairs</b> Reporting: Client Administration, 3rd Quarter Lobbying Reports Preparation (LD1/LD2, Form 625, Form 635) {Partner, McKinney}	1.50	250.00	375.00
<b>Government Relations:Public Affairs</b> Reporting: Client Memorandum 10.15.2019 and 10.24.2019 (staff calls) {Partner, McKinney}	2.25	250.00	562.50
<b>Government Relations:Public Affairs</b> Reporting: IWVGA work plan conference call 10.31.2019 prep and call {Partner, McKinney}	1.50	250.00	375.00
Total Task 4 =\$1,975.00			

Capitol Core thanks you for being our client.

TOTAL OF NEW  
CHARGES

12,862.50

TOTAL DUE

**\$ 12,862.50**

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11221 Pacific Hwy SW  
 Lakewood WA 98499-5170  
 (253) 581-3118 ph (253) 581-6612 fax

# Invoice

Invoice No.: 57464  
 Contract No.: 20191190  
 Contract Duration: 10/28/19 - 11/24/19 TH

## INDIAN WELLS VALLEY WATER DISTRICT

PO BOX 1329  
 Ridgecrest, CA 93556-1329

**Advertiser:** 20191190

Customer ID	Date	Terms	Billing Period		
IWVW2	10/14/19	<b><i>DUE UPON RECEIPT</i></b>	Production P#1884		
Panel #	Location Description		Gross Amount	Commission	Net Amount

PRODCA	PRODUCTION Panel #1884	800.00	0.00	800.00
--------	------------------------	--------	------	--------

HWY 178 SL .4 MI W/O MAHAN  
 STREET, E/F  
 RIDGECREST REGION

Invoice subtotal	800.00
Invoice total	800.00

**FINANCE CHARGES OF 1.5% PER MONTH (ANNUAL RATE 18%) WILL BE APPLIED TO PAST DUE BALANCES**

*Detach & enclose this coupon with your payment.*

Invoice No.: 57464

*Please write your Company ID on your check or money order.*

**Amount Enclosed:** \_\_\_\_\_

**INDIAN WELLS VALLEY V**

**Additional Invoices Paid With Enclosed Check**

PO BOX 1329  
 Ridgecrest, CA 93556-1329

\_\_\_\_\_  
 \_\_\_\_\_



11221 Pacific Hwy SW  
 Lakewood WA 98499-5170  
 (253) 581-3118 ph (253) 581-6612 fax

# Invoice

Invoice No.: 57515  
 Contract No.: 20191190  
 Contract Duration: 10/28/19 - 11/24/19 TH

## INDIAN WELLS VALLEY WATER DISTRICT

PO BOX 1329  
 Ridgecrest, CA 93556-1329

Advertiser: 20191190

Customer ID	Date	Terms	Billing Period		
IWWW2	10/28/19	<b>DUE UPON RECEIPT</b>	10/28/19 - 11/24/19		
Panel #	Location Description		Gross Amount	Commission	Net Amount
1884	HWY 178 SL .4 MI W/O MAHAN STREET, E/F RIDGECREST REGION		400.00	0.00	400.00
			Invoice subtotal		400.00
			Invoice total		400.00

**FINANCE CHARGES OF 1.5% PER MONTH (ANNUAL RATE 18%) WILL BE APPLIED TO PAST DUE BALANCES**

*Detach & enclose this coupon with your payment.*

Invoice No.: 57515

*Please write your Company ID on your check or money order.*

Amount Enclosed: \_\_\_\_\_

INDIAN WELLS VALLEY V

Additional Invoices Paid With Enclosed Check

PO BOX 1329  
 Ridgecrest, CA 93556-1329

\_\_\_\_\_  
 \_\_\_\_\_

*OK  
 VanSelle  
 23 October 2019*

Please Remit To: Sun Outdoor Advertising LLC 11221 Pacific Hwy SW, Lakewood WA 98499

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**Indian Wells Valley Groundwater Authority  
October 2019 Financial Report**

	Project Budget/ POAM	Pre-FY 2018	FY 2018	2019 Budget	FYTD through October	
<b>Beginning Balance</b>				<b>231,368</b>	<b>476,713</b>	<b>* Includes Sweep Account of \$121,728.11</b>
County of Kern Advance	500,000	-	254,655	245,345	-	* Loan - Shouldn't be considered as revenue
IWVWD Advance	500,000	-	500,000	-	-	* To be credited against future Pumping Fees - Shouldn't be considered as revenue
Navy in-Kind	1,097,300	-	620,600	476,700	-	* Tasks being performed by the Navy as in-kind services
IWVWD In-kind	80,000	-	80,000	-	-	* Tasks being performed by the IWVWD as in-kind services
Initial Member Contribution	75,000	75,000	-	-	-	
<b>Beginning Balance</b>	<b>1,252,300</b>	<b>75,000</b>	<b>1,455,255</b>	<b>953,413</b>	<b>476,713</b>	
<b>Revenues</b>						
DWR	249,950	-	225,501	24,449	-	
Prop 1 Grant	2,146,000	-	-	931,325	687,622	
-GSP Preparation @ \$1,500,000						
-SDAC @ \$646,000						
Assessment Pumping Fee	1,522,384	-	121,788	762,973	510,162	* Anticipated Pumping Fee Revenue for FY 2019
<b>Total Revenue</b>	<b>3,918,334</b>	<b>-</b>	<b>347,288</b>	<b>1,718,747</b>	<b>1,197,784</b>	
<b>Expenses</b>						
Task 1- Initial GSP Support Studies	167,600	19,341	188,065	(39,805)	31,762	* Includes \$80,000 IWVWD/City In-Kind Contribution to Salt/Nutrient Plan
Task 2- Proposition 1 SGMA GSP Development Grant	102,880	27,280	50,481	25,119	35,579	
Task 3- Data Management System	371,105	3,686	75,143	292,276	89,942	
Task 4- GSP Development and Submittal	2,505,700	12,136	860,130	1,633,434	638,937	* FY 2018 Includes \$620,600 Navy In-Kind Contribution to Model Development
Task 5- SDAC Projects	646,000	1,969	45,073	598,959	19,713	
Task 6- IWVGA Project Management and Administrative Tasks	206,300	8,953	124,441	72,906	115,472	
- City of Ridgecrest Reimbursement	210,466	-	-	-	-	* To Be Paid in Out Years
Task 7- Legal Services	200,000	-	12,878	187,123	99,079	
Task 8- Stakeholder/Authority Coordination	289,250	-	29,424	259,826	157,599	
- Additional PAC/TAC/Board Meeting Support	100,000	-	-	100,000	-	* To Cover Expenses above POAM Budget
- Additional Pump Fee Support	36,000	-	-	36,000	-	* To Cover Expenses above POAM Budget
Task 9- Groundwater Pumping Fee Support	121,500	-	98,032	23,468	99,783	
Stetson- TSS Support	17,464	-	-	14,700	7,333	* Additional Tasks Outside of POAM
Stetson- Brackish Water Support	47,088	-	-	30,000	5,025	* Additional Tasks Outside of POAM
Stetson- Imported Water Coordination	48,710	-	-	45,000	27,472	* Additional Tasks Outside of POAM
Stetson- Allocation Process Support	104,015	-	-	50,000	76,580	* Additional Tasks Outside of POAM
Stetson- Navy-Coso Funding Support	13,382	-	-	10,000	4,778	* Additional Tasks Outside of POAM
Auditing Services & IWVWD Reimbursement for Website fees					6,276	-Unbudgeted
Banking Fees	60	-	60	-	-	* Deposit Forms
Addtl Insurance Cost	2,000	-	-	2,000	9,967	* To Cover Expenditures over POAM Budget
PAC & TAC Meeting Costs	7,470	-	-	7,470	5,769	* 2.5 hours for PAC + 3.5 hours for TAC each month x 83/hour plus 25%
Water Marketing	230,000	-	-	230,000	105,820	
Well Monitoring					14,580	
Water Smart Grant					3,050	
Undocumented Expenditures (pre-FY2018)	-	635	-	-	-	* \$93.95 for Horizon California Publication; \$541.25 for Springhill Suites
<b>Total Expenses</b>	<b>5,426,990</b>	<b>74,000</b>	<b>1,483,725</b>	<b>3,578,475</b>	<b>1,554,514</b>	
<b>Reserve Requirements</b>				<b>227,268</b>		
<b>Ending Balance</b>	<b>(256,356)</b>			<b>(1,133,583)</b>	<b>119,983</b>	
<b>Unpaid Invoices</b>						
Capitol Core Group INV# 2019-050, 11/04/19					12862.50	
City of Ridgecrest, 11/07/19 PAC/TAC Meetings, 11/14/19					373.50	
IWVWD Reimbursement for Sun INV# 57464, INV# 57515					1200.00	
Stetson INV# 2652-25, 09/27/19 (approved, deferred)					102654.54	
Stetson INV# 2652-26, 10/22/19					94090.01	
					<b>211,180.55</b>	

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**DRAFT**

**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY  
2020 Proposed Administration Budget**

EXPENSES	AMOUNT	ASSUMPTIONS/COMMENTS
1 . Salaries, Benefits & Employee Development		
a. Salaries	\$260,000	Includes GM (\$120K), CFO (\$90K) and Admin. Asst. (\$50K)
b. Overtime	\$1,250	OT for Admin. Asst. only @ 2.5% (1 hr./week)
c. Benefits	\$156,750	Benefits at 0.6 of salary
d. PERS ER Contributions	\$0	Included in Benefits calculation
e. Temporary Labor	\$1,680	80 hrs. @ \$15/hr X 1.4 (Temp Agency overhead)
f. Training/Conferences	\$2,000	Conference similar to ACWA (\$1,500)/2-one day training sessions (\$500)
2 . Meetings and Travel	\$5,000	WAG
3 . Insurance	\$10,000	Current GA Insurance Budget
4 . Office Supplies, Services, Rent and O&M		
a. Office Rent/Lease	\$14,400	\$1.00/sq.ft. average lease in Ridgecrest (1,200 sq.ft.)
b. Office Supplies	\$11,000	Use IWVWD Admin. Budget
c. Printing and Reproduction	\$1,250	
d. Postage	\$1,000	
e. Telephone/Cell Phone/Internet Service	\$3,060	2 cell phones @ \$60/mo. each and land line @ \$70/mo. Internet @ \$65/mo.
f. Stationary/Computer Supplies	\$2,000	Includes ink and toner for printers and copier
g. Computers/Software/Licenses	\$2,850	3 Desktops @ \$700 (Dell.com) 3 printer/scanners @ \$250 (HP.com)
h. Office Equipment/Maintenance	\$5,900	Copier @ \$4,400/yr. + Misc. \$1,500
i. Utilities	\$3,960	Electricity (\$250/mo.)/Gas (\$30/mo.)/Water (\$50/mo.)
j. Miscellaneous Supplies	\$9,000	"Kitchen"/restroom supplies/paper products
5 . Vehicle Expenses		
a. Vehicle Lease	\$350	Mid-size car lease
b. Vehicle Maintenance	\$1,000	
c. Fuel	\$1,014	1 vehicle X 260 days X 1 gal/day X \$3.90/gal
d. DMV Fees	\$400	From DMV website for 2019 mid-size
6 . Audit	\$7,000	Brown Armstrong proposal for two years (\$9,000)
7 . Public Education/Outreach	\$5,000	WAG
8 . Legal Services		
a. Implementation of GSP	\$100,000	WAG
b. Special Counsel/Water Rights/Litigation	\$250,000	Estimate provided by Jim Markman
9 . Meetings and Preparation (GA Staff)	\$12,000	Estimate \$1,000/mo.
10 . Engineering		
a. Prop 1 Grant		
i. Administration	\$50,000	Estimate \$60,000 in 2019, should reduce slightly
1. Coordination with DWR		
2. Invoices		Work is done quarterly.
3. Progress Reports		Work is done quarterly.
4. Final Reports		Assumes one final report, postponed to 2021 Budget.
ii. Project Implementation (SDAC Pilot Projects)		
b. GSP Work		
i. TSS Coordination		
ii. Coordination with DWR on GSP Review	\$24,000	Very difficult estimate, assumes minor clarification/changes in 2020
iii. Annual Report	\$30,000	Consistent with GSP estimate.
iv. Pump Fee Support		
1. Well Registration	\$12,000	Unknown WRM Scope, assumes minimal support to GA staff/IWVWD
2. Production Reports Support	\$24,000	Unknown WRM Scope, assumes minimal support to GA staff/IWVWD
3. Production Assessments	\$12,000	Unknown WRM Scope, assumes minimal support to GA staff/IWVWD. Assumes no tech support for future Pump Fees.
v. Data collection/monitoring	\$60,000	Includes all subtasks below. Very rough estimate.
1. Water Levels		
2. Water Quality		
3. Stream Gage		
4. Weather Station		
vi. Database Management	\$18,000	Assumes minimal monthly updates/management
vii. Aquifer Performance Testing (Potential)	\$165,000	Assumes three APTs. Remaining Prop 1 budget.
viii. Stream Gaging Station Installation (Potential)	\$50,000	Remaining Prop 1 budget.
ix. Weather Station Installation (Potential)	\$55,000	Remaining Prop 1 budget.
x. Allocation Plan, Transient Pool, and Following Program		
1. Allocation Process and Transient Pool Support	\$50,000	Support for GA staff and GA to develop process and Transient Pool.
2. Workshop/Meetings	\$8,000	Board hearing and other support for final action.
3. Technical Reports (50 x \$5,000 ea)	\$250,000	1 Technical Report for each non de minimis groundwater user (assumes 50 reports)
4. Rules/Regulations (on pumping/restrictions)	\$10,000	Assumes a new document draft/GA pumping Rules & Regs - based on allocations
5. Prepare Meter Testing Program	\$8,000	Assumes new procedural document for all required meter testing
6. Support for "Buy-Back/Following Program	\$15,000	Very rough estimate.
xi. Develop Imported Water Supply		
1. Imported Water Negotiations/Coordination	\$50,000	Unknown scope for WRM, assume \$50,000/year
xii. Optimize Use of Recycled Water		
1. Recycled Water Use Studies/Planning	\$25,000	Unknown scope for WRM assume included in 2021 budget
xiii. Basin-wide Conservation Efforts		
1. SDAC Project Implementation Support	\$12,000	Minor WRM Support to Contractors. Primary support by GA staff/IWVWD.
2. Additional Conservation	\$0	
xiv. Dust Control Mitigation Plan	\$70,000	Consistent with GSP
xv. Shallow Well Mitigation Program	\$70,000	Consistent with GSP
xvi. Pumping Optimization Project	\$0	Scheduled for after 2020
xvii. GA Model Transfer and Upgrade	\$10,000	Very rough estimate
xviii. Coordination on Navy/COSO Royalty Fund	\$10,000	Very rough estimate
c. Meetings and Preparation (Engineering Support)	\$144,000	Assumes GA & TAC monthly. No PAC attendance.
d. Annual Budget Support	\$5,000	Assumes minimal support to GA staff/IWVWD
SUBTOTAL	\$2,104,864	
11 . Contingency@ 15%	\$315,730	
TOTAL	\$2,420,594	

**Qualifications**

No WRM Engineering Support for any legal challenges to to GSP, allocations, etc. (no budget)  
Assumes continued/increasing GA support from IWVWD  
Assumes no Stetson PAC support in 2020

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# IWVGA ADMINISTRATIVE OFFICE

*STAFF REPORT*

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**TO:** IWVGA Board Members **DATE:** November 21, 2019

**FROM:** IWVGA Staff

**SUBJECT:** Agenda Item No. 8 – Board Review and Approval of IWVGA 2020 Budget

## **DISCUSSION**

The Indian Wells Valley Groundwater Authority (“Authority”) was formed under a Joint Powers Agreement approved by Resolution 02-16 December 8, 2016. Under Section 6.1 of the approved Bylaws:

“The Authority shall operate pursuant to an operating budget adopted in accordance with Section 9.07 of the Agreement. The Authority shall endeavor to operate each year pursuant to an annually balanced budget so that projected annual expenses do not exceed projected annual revenues. If the General Manager or Chairperson determines the approved budget is inadequate, he or she shall submit recommended modifications to the Board for consideration and action. The General Manager shall implement the approved or revised budget, provided all expenditures for capital improvements shall be approved by the Board before they are undertaken.”

At the October 17, 2019 Authority meeting, Staff presented a revised Pro forma through December 2020 showing an ending year negative balance of \$515,718. Three budget scenarios were also presented and are summarized as follows:

- The first scenario involved increasing the pumping fee from the current \$30 per acre-foot to \$60 per acre-foot and assumed no WaterSMART grant funds. This resulted in a positive balance by October 2020 continuing through December, ending the year with a positive balance of \$74,615.
- The second scenario involved increasing the current pumping fee to \$40 per acre-foot and assumed \$396,200 awarded through the WaterSMART grant. This resulted in a positive balance by July 2020, ending the year with a positive balance of \$49,178.
- The third scenario involved maintaining the current \$30 per acre-foot pumping fee, award of the \$396,200 WaterSMART grant, and \$25,000 contributions from each of the five voting members. This scenario also resulted in a positive balance by July 2020, but ended the year with only a \$5,512 positive balance.

Each of these scenarios did not include the impact of reimbursements to the County (\$500,000) and City (\$210,466), nor the pumping fee credit due the Water District (\$500,000).

Staff recommended temporarily suspending the work Capitol Core Group (CCG) is performing related to Task 1, Determine and Secure a Source of Imported Water Supplies. Staff, along with PAC Chair David Janiec, speaking for the China Lake Alliance, recommended continued engagement of CCG to include a water infrastructure project in the Defense Communities Infrastructure Program (DCIP) due to the criticality of the timing to do so. As the Federal budget discussions continue and appropriations bills have not been finalized, it is important to remain engaged. The Board authorized staff to request a revised task list from CCG listing only those actions directly related to the DCIP. A conference call between legal staff and CCG was also recommended to reprioritize tasks while awaiting approval of the Bureau of Reclamation WaterSMART grant to fund future Capitol Core activity. Finally, staff committed to seek opportunities to reduce costs and improve efficient use of Water Resource Manager and legal consultant resources as well as objectively evaluate all other future expenditures. The October 17<sup>th</sup> Staff report cited the following sources of revenue for the Authority:

#### Loans/Member Contributions

- Initial \$15,000 contribution (\$75,000 total) from the five voting members upon signing the Joint Powers Agreement.
- \$500,000 loan from Kern County (to be reimbursed)
- \$500,000 advance from Indian Wells Valley Water District (to be credited against future permanent pumping fee when established).
- \$210,466 of expenses incurred by the City of Ridgecrest for legal services and GA facility use (to be reimbursed).

#### Pumping Fee

The \$30 per acre-foot pumping fee, authorized by Ordinance 02-18, was primarily based on 2016 production reported to the Indian Wells Valley Cooperative Groundwater Management Group. In the first year, the fee was projected to result in revenue of \$648,579. Actual fees collected amount to \$580,723.14, short by \$67,855.86.

#### Grants

- \$249,950 Prop. 1 Administrative Grant
- \$1,500,000 Prop. 1 GSP Preparation Grant
- \$646,000 Prop. 1 Severely Disadvantaged Community (SDAC) Grant
- \$396,200 Bureau of Reclamation WaterSMART Grant (Pending)

It has since been brought into question the uncertainties as to the effect approval of the WaterSMART grant would have on FY2020 finances. This is largely due to any funds awarded requiring transfer from the Treasury to the Department of Interior and then to the Bureau of Reclamation resulting in unknown delays. Any funds recovered in FY2020 are considered an upside to the budget.

With limited sources of revenue and in consideration of the budget scenarios presented, the Board directed staff to look further at an increase to the pumping fee, both the process for doing so and the recommended increase.

Included in the Board packet are four scenarios; maintaining the current \$30 per acre-foot fee, increasing the fee to \$60 per acre-foot, increasing the fee to \$75 per acre-foot, and increasing the fee to \$90 per acre-foot. The increase in the pumping fee is reflected beginning in April 2020. The results, assuming all current pumpers continue to pump according to forecast are summarized below:

Pumping fee remains \$30 per acre-foot

Results: Negative balance throughout FY2020 with ending balance of (\$465,620)

Pumping fee increased to \$60 per acre-foot

Results: Positive balance in October ending FY2020 with a balance of (\$15,620)

Pumping fee increased to \$75 per acre-foot

Results: Positive balance in August ending FY2020 with a balance of \$209,380

Pumping fee increased to \$90 per acre-foot

Results: Positive balance in July ending FY202 with a balance of \$434,380

The process to increase the current pumping fee is as follows:

California Water Code Section 10730 (“Section 10730”), which was enacted through SGMA, grants a GSA the authority to impose a groundwater extraction fee. The current groundwater extraction fee was imposed pursuant to Section 10730(a) which 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.

Prior to imposing or **increasing** a fee, a groundwater sustainability agency shall hold at least one public meeting, at which oral or written presentations may be made as part of the meeting (Section 10730(b)(1)). The GSA must provide notice prior to the meeting, pursuant to California Government Code Section 6066<sup>1</sup> 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.” (Section 10730(b)(2)). The notice shall also be posted on the Authority’s website and sent to “any interested party who files a written request with the agency for mailed notice of the meeting on the new or increased fee”. *Id.*

At least 20 days prior to the public meeting, the GSA “shall make available to the public data upon which the proposed fee is based.” (Section 10730(b)(3)). After the public meeting, any action to impose or increase a fee shall be taken only by ordinance or resolution. (Section 10730(c)).

### **Proposed Timeline**

The following timeline would need to be met to increase the pumping fees beginning in April 2020:

#### December 19, 2019:

- a. Present the proposed “public data upon which the proposed fee increase is based” for Board review and approval:
- b. Set the time and place of the public meeting and authorize staff to provide notice and do all things necessary for the public meeting.

#### January 16, 2020:

- a. Hold public meeting:
- b. First reading of Ordinance increasing pump fee.

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<sup>1</sup> Ca Gov. Code § 6066 requires publication of notice once a week for two consecutive weeks in a newspaper published once a week or oftener, with at least five days intervening between the publication dates.

February 20, 2020:

- a. Second reading and adoption of Ordinance increasing pump fee. Not effective until 30 days after adoption.

April 1, 2020:

- a. Increased pump fee starts

**RECOMMENDED BOARD ACTION(S)**

The \$90 per acre-foot fee presents the best financial outlook, assuming pumping levels remain consistent with forecast. It positions the Authority to begin repayment of the loan from Kern County and carry a positive balance going forward, however it will likely be burdensome on some non-deminimis pumpers. The increase to \$75, though still likely to be a financial burden to some, would achieve enough of a balance at the end of the fiscal year to begin drawing down the balances owed Kern County and the City of Ridgecrest. It also provides some assurance in the event forecasted pumping falls short that the Authority will have a positive balance at the end of FY2020. It is the recommendation of Staff that the Board authorize Staff to begin the process of implementing an increase of the pumping fee from \$30 per acre-foot to \$75 per acre-foot.

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**Indian Wells Valley Groundwater Authority  
2020 Budget Pro-Forma**

30 \$ per Acre Foot

	Project Budget/ POAM	Estimated 2019	January	February	March	April	May	June	July	August	September	October	November	December	2020 Total
<b>Beginning Balance</b>	<b>1,252,300</b>	<b>476,713</b>	<b>(455,329)</b>	<b>(649,515)</b>	<b>(771,533)</b>	<b>(650,152)</b>	<b>(721,171)</b>	<b>(573,289)</b>	<b>(597,808)</b>	<b>(391,877)</b>	<b>(422,396)</b>	<b>(452,914)</b>	<b>(366,583)</b>	<b>(416,102)</b>	<b>(455,329)</b>
<b>Revenues</b>															
DWR	249,950	24,449													-
Prop 1 Grant	2,146,000	-													-
-GSP Preparation @ \$1,500,000 + SDAC @ \$646,000		912,622			203,400		203,400		216,450			131,850			755,100
WaterSmart Grant															-
Member Contributions @ \$25K		14,355													-
Brackish Group Reimbursement		14,355													-
Assessment Pumping Fee	1,522,384	532,754	20,000	20,000	16,000	27,000	45,000	66,000	80,000	60,000	60,000	45,000	41,000	26,000	506,000
<b>Total Revenue</b>	<b>3,918,334</b>	<b>1,484,180</b>	<b>20,000</b>	<b>20,000</b>	<b>219,400</b>	<b>27,000</b>	<b>248,400</b>	<b>66,000</b>	<b>296,450</b>	<b>60,000</b>	<b>60,000</b>	<b>176,850</b>	<b>41,000</b>	<b>26,000</b>	<b>1,261,100</b>
<b>Expenses</b>															
- City of Ridgecrest Reimbursement	210,466														
- County of Kern Repayment	500,000														
Task 7- Legal Services	200,000	98,260	5,686	5,686	5,686	5,686	5,686	5,686	5,686	5,686	5,686	5,686	5,686	5,686	68,228
Stetson	4,776,994	2,032,770	200,000	60,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	610,000
DRI		96,076	-	-	-	-	-	-	-	-	-	-	-	-	-
SDAC			-	48,833	48,833	48,833	48,833	48,833	48,833	48,833	48,833	48,833	48,833	48,833	537,163
Auditing Services & IWVWD															-
Reimbursement for Website fees		6,276		9,000											9,000
Banking Fees	60														-
Addtl Insurance Cost	2,000	9,967		10,000											10,000
PAC & TAC Meeting Costs	7,470	8,109	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Water Marketing	230,000	152,178	7,500	7,500	7,500	7,500	10,000								25,000
Other (Mailer, etc.)															-
Well Monitoring		12,587													-
<b>Total Expenses</b>	<b>5,926,990</b>	<b>2,416,222</b>	<b>214,186</b>	<b>142,019</b>	<b>98,019</b>	<b>98,019</b>	<b>100,519</b>	<b>90,519</b>	<b>90,519</b>	<b>90,519</b>	<b>90,519</b>	<b>90,519</b>	<b>90,519</b>	<b>90,519</b>	<b>1,271,391</b>
<b>Reserve Requirements</b>															
<b>Ending Balance</b>	<b>(756,356)</b>	<b>(455,329)</b>	<b>(649,515)</b>	<b>(771,533)</b>	<b>(650,152)</b>	<b>(721,171)</b>	<b>(573,289)</b>	<b>(597,808)</b>	<b>(391,877)</b>	<b>(422,396)</b>	<b>(452,914)</b>	<b>(366,583)</b>	<b>(416,102)</b>	<b>(480,620)</b>	<b>(465,620)</b>

\* \$500,000 credit due to the Indian Wells Valley Water District upon implementation of an administrative fee.

**Indian Wells Valley Groundwater Authority  
2020 Budget Pro-Forma**

60 \$ per Acre Foot

	Project Budget/ POAM	Estimated 2019	January	February	March	April	May	June	July	August	September	October	November	December	2020 Total
<b>Beginning Balance</b>	<b>1,252,300</b>	<b>476,713</b>	<b>(455,329)</b>	<b>(649,515)</b>	<b>(771,533)</b>	<b>(650,152)</b>	<b>(694,171)</b>	<b>(501,289)</b>	<b>(459,808)</b>	<b>(173,877)</b>	<b>(144,396)</b>	<b>(114,914)</b>	<b>16,417</b>	<b>7,898</b>	<b>(455,329)</b>
<b>Revenues</b>															
DWR	249,950	24,449													-
Prop 1 Grant	2,146,000	-													-
-GSP Preparation @ \$1,500,000 + SDAC @ \$646,000		912,622			203,400		203,400		216,450			131,850			755,100
WaterSmart Grant															-
Member Contributions @ \$25K		14,355													-
Brackish Group Reimbursement		14,355													-
Assessment Pumping Fee	1,522,384	532,754	20,000	20,000	16,000	54,000	90,000	132,000	160,000	120,000	120,000	90,000	82,000	52,000	956,000
<b>Total Revenue</b>	<b>3,918,334</b>	<b>1,484,180</b>	<b>20,000</b>	<b>20,000</b>	<b>219,400</b>	<b>54,000</b>	<b>293,400</b>	<b>132,000</b>	<b>376,450</b>	<b>120,000</b>	<b>120,000</b>	<b>221,850</b>	<b>82,000</b>	<b>52,000</b>	<b>1,711,100</b>
<b>Expenses</b>															
- City of Ridgecrest Reimbursement	210,466														
- County of Kern Repayment	500,000														
Task 7- Legal Services	200,000	98,260	5,686	5,686	5,686	5,686	5,686	5,686	5,686	5,686	5,686	5,686	5,686	5,686	68,228
Stetson	4,776,994	2,032,770	200,000	60,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	610,000
DRI		96,076	-	-	-	-	-	-	-	-	-	-	-	-	-
SDAC			-	48,833	48,833	48,833	48,833	48,833	48,833	48,833	48,833	48,833	48,833	48,833	537,163
Auditing Services & IWVWD															-
Reimbursement for Website fees		6,276		9,000											9,000
Banking Fees	60														-
Addtl Insurance Cost	2,000	9,967		10,000											10,000
PAC & TAC Meeting Costs	7,470	8,109	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Water Marketing	230,000	152,178	7,500	7,500	7,500	7,500	10,000								25,000
Other (Mailer, etc.)															-
Well Monitoring		12,587													-
<b>Total Expenses</b>	<b>5,926,990</b>	<b>2,416,222</b>	<b>214,186</b>	<b>142,019</b>	<b>98,019</b>	<b>98,019</b>	<b>100,519</b>	<b>90,519</b>	<b>90,519</b>	<b>90,519</b>	<b>90,519</b>	<b>90,519</b>	<b>90,519</b>	<b>90,519</b>	<b>1,271,391</b>
<b>Reserve Requirements</b>															
<b>Ending Balance</b>	<b>(756,356)</b>	<b>(455,329)</b>	<b>(649,515)</b>	<b>(771,533)</b>	<b>(650,152)</b>	<b>(694,171)</b>	<b>(501,289)</b>	<b>(459,808)</b>	<b>(173,877)</b>	<b>(144,396)</b>	<b>(114,914)</b>	<b>16,417</b>	<b>7,898</b>	<b>(30,620)</b>	<b>(15,620)</b>

\* \$500,000 credit due to the Indian Wells Valley Water District upon implementation of an administrative fee.

**Indian Wells Valley Groundwater Authority  
2020 Budget Pro-Forma**

75 \$ per Acre Foot

	Project Budget/ POAM	Estimated 2019	January	February	March	April	May	June	July	August	September	October	November	December	2020 Total
<b>Beginning Balance</b>	<b>1,252,300</b>	<b>476,713</b>	<b>(455,329)</b>	<b>(649,515)</b>	<b>(771,533)</b>	<b>(650,152)</b>	<b>(680,671)</b>	<b>(465,289)</b>	<b>(390,808)</b>	<b>(64,877)</b>	<b>(5,396)</b>	<b>54,086</b>	<b>207,917</b>	<b>219,898</b>	<b>(455,329)</b>
<b>Revenues</b>															
DWR	249,950	24,449													-
Prop 1 Grant	2,146,000	-													-
-GSP Preparation @ \$1,500,000 + SDAC @ \$646,000		912,622			203,400		203,400		216,450			131,850			755,100
WaterSmart Grant															-
Member Contributions @ \$25K		14,355													-
Brackish Group Reimbursement		14,355													-
Assessment Pumping Fee	1,522,384	532,754	20,000	20,000	16,000	67,500	112,500	165,000	200,000	150,000	150,000	112,500	102,500	65,000	1,181,000
<b>Total Revenue</b>	<b>3,918,334</b>	<b>1,484,180</b>	<b>20,000</b>	<b>20,000</b>	<b>219,400</b>	<b>67,500</b>	<b>315,900</b>	<b>165,000</b>	<b>416,450</b>	<b>150,000</b>	<b>150,000</b>	<b>244,350</b>	<b>102,500</b>	<b>65,000</b>	<b>1,936,100</b>
<b>Expenses</b>															
- City of Ridgecrest Reimbursement	210,466														
- County of Kern Repayment	500,000														
Task 7- Legal Services	200,000	98,260	5,686	5,686	5,686	5,686	5,686	5,686	5,686	5,686	5,686	5,686	5,686	5,686	68,228
Stetson	4,776,994	2,032,770	200,000	60,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	610,000
DRI		96,076	-	-	-	-	-	-	-	-	-	-	-	-	-
SDAC			-	48,833	48,833	48,833	48,833	48,833	48,833	48,833	48,833	48,833	48,833	48,833	537,163
Auditing Services & IWVWD															-
Reimbursement for Website fees		6,276		9,000											9,000
Banking Fees	60														-
Addtl Insurance Cost	2,000	9,967		10,000											10,000
PAC & TAC Meeting Costs	7,470	8,109	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Water Marketing	230,000	152,178	7,500	7,500	7,500	7,500	10,000								25,000
Other (Mailer, etc.)															-
Well Monitoring		12,587													-
<b>Total Expenses</b>	<b>5,926,990</b>	<b>2,416,222</b>	<b>214,186</b>	<b>142,019</b>	<b>98,019</b>	<b>98,019</b>	<b>100,519</b>	<b>90,519</b>	<b>90,519</b>	<b>90,519</b>	<b>90,519</b>	<b>90,519</b>	<b>90,519</b>	<b>90,519</b>	<b>1,271,391</b>
<b>Reserve Requirements</b>															
<b>Ending Balance</b>	<b>(756,356)</b>	<b>(455,329)</b>	<b>(649,515)</b>	<b>(771,533)</b>	<b>(650,152)</b>	<b>(680,671)</b>	<b>(465,289)</b>	<b>(390,808)</b>	<b>(64,877)</b>	<b>(5,396)</b>	<b>54,086</b>	<b>207,917</b>	<b>219,898</b>	<b>194,380</b>	<b>209,380</b>

\* \$500,000 credit due to the Indian Wells Valley Water District upon implementation of an administrative fee.

**Indian Wells Valley Groundwater Authority  
2020 Budget Pro-Forma**

90 \$ per Acre Foot

	Project Budget/ POAM	Estimated 2019	January	February	March	April	May	June	July	August	September	October	November	December	2020 Total
<b>Beginning Balance</b>	<b>1,252,300</b>	<b>476,713</b>	<b>(455,329)</b>	<b>(649,515)</b>	<b>(771,533)</b>	<b>(650,152)</b>	<b>(667,171)</b>	<b>(429,289)</b>	<b>(321,808)</b>	<b>44,123</b>	<b>133,604</b>	<b>223,086</b>	<b>399,417</b>	<b>431,898</b>	<b>(455,329)</b>
<b>Revenues</b>															
DWR	249,950	24,449													-
Prop 1 Grant	2,146,000	-													-
-GSP Preparation @ \$1,500,000 + SDAC @ \$646,000		912,622			203,400		203,400		216,450			131,850			755,100
WaterSmart Grant															-
Member Contributions @ \$25K		14,355													-
Brackish Group Reimbursement															-
Assessment Pumping Fee	1,522,384	532,754	20,000	20,000	16,000	81,000	135,000	198,000	240,000	180,000	180,000	135,000	123,000	78,000	1,406,000
<b>Total Revenue</b>	<b>3,918,334</b>	<b>1,484,180</b>	<b>20,000</b>	<b>20,000</b>	<b>219,400</b>	<b>81,000</b>	<b>338,400</b>	<b>198,000</b>	<b>456,450</b>	<b>180,000</b>	<b>180,000</b>	<b>266,850</b>	<b>123,000</b>	<b>78,000</b>	<b>2,161,100</b>
<b>Expenses</b>															
- City of Ridgecrest Reimbursement	210,466														
- County of Kern Repayment	500,000														
Task 7- Legal Services	200,000	98,260	5,686	5,686	5,686	5,686	5,686	5,686	5,686	5,686	5,686	5,686	5,686	5,686	68,228
Stetson	4,776,994	2,032,770	200,000	60,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	610,000
DRI		96,076													-
SDAC				48,833	48,833	48,833	48,833	48,833	48,833	48,833	48,833	48,833	48,833	48,833	537,163
Auditing Services & IWVWD															-
Reimbursement for Website fees		6,276		9,000											9,000
Banking Fees	60														-
Addtl Insurance Cost	2,000	9,967		10,000											10,000
PAC & TAC Meeting Costs	7,470	8,109	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Water Marketing	230,000	152,178	7,500	7,500	7,500	7,500	10,000								25,000
Other (Mailer, etc.)															-
Well Monitoring		12,587													-
<b>Total Expenses</b>	<b>5,926,990</b>	<b>2,416,222</b>	<b>214,186</b>	<b>142,019</b>	<b>98,019</b>	<b>98,019</b>	<b>100,519</b>	<b>90,519</b>	<b>90,519</b>	<b>90,519</b>	<b>90,519</b>	<b>90,519</b>	<b>90,519</b>	<b>90,519</b>	<b>1,271,391</b>
<b>Reserve Requirements</b>															
<b>Ending Balance</b>	<b>(756,356)</b>	<b>(455,329)</b>	<b>(649,515)</b>	<b>(771,533)</b>	<b>(650,152)</b>	<b>(667,171)</b>	<b>(429,289)</b>	<b>(321,808)</b>	<b>44,123</b>	<b>133,604</b>	<b>223,086</b>	<b>399,417</b>	<b>431,898</b>	<b>419,380</b>	<b>434,380</b>

\* \$500,000 credit due to the Indian Wells Valley Water District upon implementation of an administrative fee.

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# IWVGA ADMINISTRATIVE OFFICE

*MEMORANDUM*

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**TO:** IWVGA Board Members **DATE:** November 21, 2019

**FROM:** Donald Zdeba, IWVGA General Manager

**SUBJECT:** Resolution 08-19 – Approval of an Agreement with Brown Armstrong to Conduct a Financial Audit of the Authority

## **DISCUSSION**

The Indian Wells Valley Groundwater Authority (“Authority”) was formed under a Joint Powers Agreement (“JPA”). As such, the Authority’s financial accounts and records are subject to an annual audit by a certified public accountant (Government Code, § 6505). Section 9.06 of the JPA states “The Board shall contract with a certified public accountant to audit the accounts and records of the Authority as required by applicable accounting practices and the Act.”

The Authority is due for financial audits of fiscal years 2018 and 2019 (January 1, 2018 to December 31, 2019). Staff contacted Brown Armstrong Certified Public Accountants, who previously conducted the Audit of the Authority’s finances for the period July 1, 2016 to December 31, 2017 and they were agreeable to conduct the audit.

## **FINANCIAL IMPACT**

The audit cost will not exceed \$9,000.

## **RECOMMENDATION**

Staff recommends that your Board adopt the attached Resolution 08-19 authorizing the Acting General Manager Don Zdeba to enter into an agreement with Brown Armstrong to conduct an audit of the Authority’s finances (see attached agreement).

# BEFORE THE BOARD OF DIRECTORS INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

In the matter of:

Resolution No. 08-19

## RESOLUTION AUTHORIZING AN AGREEMENT WITH BROWN ARMSTRONG TO CONDUCT A FINANCIAL AUDIT OF THE IWVGA.

I, Lauren Duffy, Clerk of the Board of Directors for the Indian Wells Valley Groundwater Authority, do certify that the following resolution, on motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, was duly passed and adopted by the Board of Directors at an official meeting this 21st day of November 2019, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

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

## RESOLUTION

Section 1. **WHEREAS:**

(a) The Indian Wells Valley Groundwater Authority (“Authority”) was formed under a Joint Powers Agreement (“JPA”).

(b) The Authority’s financial accounts and records are subject to an annual audit by a certified public accountant (Government Code, § 6505).

(c) Section 9.06 of the JPA states “The Board shall contract with a certified public accountant to audit the accounts and records of the Authority as required by applicable accounting practices and the Act.”

(d) The Authority is due for financial audits of fiscal years 2018 and 2019 (January 1, 2018 to December 31, 2019).

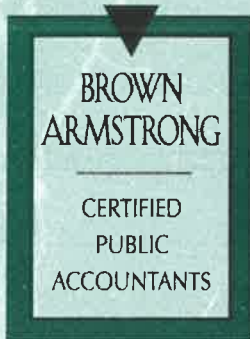
(e) Staff contacted Brown Armstrong Certified Public Accountants, who previously conducted the Audit of the Authority's finances for the period July 1, 2016 to December 31, 2017.

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

1. Authorizes the Acting General Manager, Donald Zdeba, to enter into an agreement with Brown Armstrong Certified Public Accountants to conduct an audit of the Authority's financial accounts and records for the period January 1, 2018 to December 31, 2019.







# BROWN ARMSTRONG

*Certified Public Accountants*

October 21, 2019

Mr. Donald Zdeba and the Board of Directors  
Indian Wells Valley Groundwater Authority  
500 West Ridgecrest Boulevard  
Ridgecrest, California 93555

Dear Mr. Zdeba and Board of Directors:

We are pleased to confirm our understanding of the services we are to provide Indian Wells Valley Groundwater Authority (the Authority) for the year ended December 31, 2018 and 2019. We will audit the statement of net position of the Authority as of December 31, 2018 and 2019, and the related statement of revenues, expenses, and changes in net position and statement of cash flows, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Authority as of and for the year ended December 31, 2018 and 2019. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Authority's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by accounting principles generally accepted in the United States of America and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis

## **Audit Objectives**

The objective of our audit is the expression of opinions as to whether the Authority's financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in

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4200 TRUXTUN AVENUE  
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BAKERSFIELD, CA 93309  
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EMAIL [info@bacpas.com](mailto:info@bacpas.com)

### **FRESNO OFFICE**

10 RIVER PARK PLACE EAST  
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FRESNO, CA 93720  
TEL 559.476.3592

### **LAGUNA HILLS OFFICE**

23272 MILL CREEK DRIVE  
SUITE 255  
LAGUNA HILLS, CA 92653  
TEL 949.652.5422

### **STOCKTON OFFICE**

1919 GRAND CANAL BLVD  
SUITE C6  
STOCKTON, CA 95207  
TEL 888.565.1040

[WWW.BACPAS.COM](http://WWW.BACPAS.COM)

Mr. Donald Zdeba and the Board of Directors  
Indian Wells Valley Groundwater Authority  
October 21, 2019  
Page Two

the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Authority is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

#### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Authority or to acts by management or employees acting on behalf of the Authority. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also

Mr. Donald Zdeba and the Board of Directors  
Indian Wells Valley Groundwater Authority  
October 21, 2019  
Page Three

inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by auditing standards generally accepted in the United States of America.

#### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the Authority and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Authority's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

#### **Other Services**

We will also assist in preparing the financial statements and related notes of the Authority in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

Mr. Donald Zdeba and the Board of Directors  
Indian Wells Valley Groundwater Authority  
October 21, 2019  
Page Four

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Management Responsibilities**

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the Authority from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Authority involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Authority received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Authority complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those

Mr. Donald Zdeba and the Board of Directors  
Indian Wells Valley Groundwater Authority  
October 21, 2019  
Page Five

audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

#### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Authority; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Brown Armstrong Accountancy Corporation and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the State Controller's Office or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Brown Armstrong Accountancy Corporation personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the State Controller. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately March 1, 2020, and to issue our reports no later than April 30, 2020. Thomas M. Young is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$9,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices

Mr. Donald Zdeba and the Board of Directors  
Indian Wells Valley Groundwater Authority  
October 21, 2019  
Page Six

for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

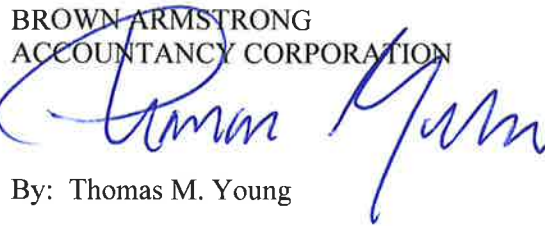
All disputes under this agreement shall be submitted to mediation. Each party shall designate an executive officer empowered to attempt to resolve the dispute. Should the designated representatives be unable to agree on a resolution, a competent and impartial third party acceptable to both parties shall be appointed to mediate. Each disputing party shall pay an equal percentage of the mediator's fees and expenses. No suit or arbitration proceedings shall be commenced under this agreement until at least 60 days after the mediator's first meeting with the involved parties. In the event that the dispute is required to be litigated, the court shall be authorized to assess litigation costs against any party found not to have participated in the mediation process in good faith.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letter of comment received during the period of the contract. Our most recent peer review report accompanies this letter.

We appreciate the opportunity to be of service to Indian Wells Valley Groundwater Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION



By: Thomas M. Young

TMY:mmj  
Enclosure

Pfx Engagement\32711 December 31, 2019 and 2018\PSR-02-1 Audit Engagement Letter Draft 2019

Mr. Donald Zdeba and the Board of Directors  
Indian Wells Valley Groundwater Authority  
October 21, 2019  
Page Seven

**RESPONSE:**

This letter correctly sets forth the understanding of Indian Wells Valley Groundwater Authority.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

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

Governance signature: \_\_\_\_\_

Title: \_\_\_\_\_

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



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## REPORT ON FIRM'S SYSTEM OF QUALITY CONTROL

June 27, 2019

To the Shareholders of  
Brown Armstrong Accountancy Corporation  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Brown Armstrong Accountancy Corporation (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended October 31, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### **Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Brown Armstrong Accountancy Corporation applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended October 31, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Brown Armstrong Accountancy Corporation has received a peer review rating of *pass*.

*Watson Coon Ryan, LLC*

Watson Coon Ryan, LLC

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## IWVGA SPECIAL COMBINED TECHNICAL AND POLICY ADVISORY COMMITTEE REPORT

**Item 1. Call to Order** - All members were present with the exception of PAC member Pat Quist, recovering from hip surgery. The meeting was co-chaired by the TAC Chair, Adam Bingham, and the PAC Chair, David Janiec. The circumstances and objectives for the Special Combined Meeting of the committees was explained, as well as the process and format to meet those objectives.

**Item 2. Public Comment** – None received.

**Item 3. Discussion of Draft Groundwater Sustainability Plan (Work in Progress)** - The Water Resource Manager (WRM) and Special Counsel provided a presentation and comments regarding the complete draft of the Groundwater Sustainability Plan provided to members and the public earlier in the week.

Overall, both committee's members thanked Stetson for their effort in getting the draft GSP to this level and meeting the November 4<sup>th</sup> deadline, while noting that additional work needs to be done. Members will submit their detailed individual comments addressing corrections and concerns to the Stetson and their respective committee chair, no later than November 15<sup>th</sup>, as requested.

**a. Technical Advisory Committee Draft GSP Comments –**

Wade Major asked whether there would be time in the process for additional adjustments to the sustainable management criteria as we go through the next round of revisions. Jeff Helsley answered affirmatively. He also asked what the net effect of all of the projects in the plan would be in terms of the water rates that users in the valley might expect. That would be dependent on what grant funds and other sources may be obtained, and therefore not yet known.

Don Decker stated that there are several inconsistencies in language and nomenclature that he will submit with his written comments. He noted that the word "fallowing" in the GSP is not necessarily consistent with the use of the term in agriculture and could be source of confusion. He also noted that perhaps the most important details will be in the implementation and the costs associated with it. Don stated that the management action associated with Searles Valley Minerals is incomplete and unclear.

Mallory Boyd commented that there is no delineation of a future view that includes adjustment plans for additional data and knowledge we acquire that could lead to tightening or loosening of management actions. He suggested that this should be addressed for the public workshop in December.

Earl Wilson noted some typographical errors and data corrections needed to the text and figures. The google drive download link for the GSP was difficult to download and he was unable to download section 5. The complete GSP posted on the IWVGA website is much easier to directly download.

Eddy Teasdale stated that comments he had provided on earlier chapters were not yet incorporated in this update. He expressed concern that comments are either incorporated or addressed in this process. He also expressed concern regarding how the GA can enforce or influence the Navy actions in response to negative impacts that may be occurring within the base, such as subsidence impacting the SNORT facilities. He noted that there may be future projects on base that could add to knowledge of the aquifer and the GA's ability to influence Navy actions. He requested more detail clarifying the \$19M cost listed for the Dust Control/Mitigation action.

Stefan Bork noted that if the Navy were to observe subsidence impacting mission facilities at the SNORT, they would be involved in corrective actions. He also sought additional detail on some of the projects and costing estimates and the plan to more fully flesh them out. Stetson indicated that DWR is not expecting any more detail now and that they would be working with the TAC to more fully develop the details. Stefan also announced that this would be his last TAC meeting as he is retiring in December. He thanked the Navy and the GA for the opportunity to serve in helping on this challenge.

Tim Parker asked if any more detail would be provided regarding the implementation plan costs for the first few years.

Adam Bingham noted that several items require more information in the descriptions as noted by several TAC members. All written comments from members will be posted and available for all committee members and the public, as well.

**b. Policy Advisory Committee Draft GSP Comments –**

John Kersey noted that there were specific comments the Navy had submitted previously regarding specific Navy data corrections that had not been incorporated in this draft. They will resubmit them in this process. He also noted that the imported water infrastructure annual costs in option 1 and 2 in Section 6 of the GSP appear to be significantly different than those contained in the Imported Water Technical Memorandum released Monday.

Camille Anderson requested and received clarification that the total pumping annual allocation amount would be 12000AFY after 2021 (excluding the transition pool). She also requested and received clarification that the annual individual pumper allocation amount after production verification would remain the same each year after 2020, assuming no undesirable effects. That could change however, based on the availability of imported water and pumpers actions to purchase and use imported water. The objective in the plan is for the basin to be sustainable by 2035. What is the augmentation fee amount and who will be paying it? It was noted that fees will be dependent on several factors including grant funding that may be obtained and they cannot be estimated with any certainty yet. Camille commented that the project costs for the first 5 years appear to be estimated at a minimum of \$75M and questioned whether that was realistic? It was noted that Capital Core was hired specifically to investigate and propose grant source programs to help fund these costs.

West Katzenstein echoed Mallory Boyd's comments regarding the process to review and adjust the management actions at every 5 year interval, at a minimum, in response to monitoring and new data from data gap-filling projects. A specific example would be the review of the feasibility of the imported water progress and be prepared to adjust, as required. This should include delineation of an option to undertake if imported water is not feasible; otherwise, our plan may be rejected by DWR. He supported the following program and the effort to compensate those who may be forced to give up their agriculture activities, at some level. He requested and received confirmation that the dust mitigation program would apply to any farm that stops producing.

Judie Decker asked if DWR had a timeline for their response on the GSP submittal. It was stated that there is no specified timeline for DWR response. It is expected that it may take a long time, but that there may be interim comments received from them. Under SGMA, once the GA submits the plan, implementation may begin and is not delayed pending the DWR response. Judie then questioned how this would be enforced and by who? She raised the issue that SGMA has created a process where a non-elected board can do this under a Joint Powers Agreement (JPA), and that could be challenged in court. It was noted that this issue had been raised in the Las Posas basin and currently in litigation. She also raised the question of whether we have identified all the pumpers in the valley. Judie recommended a table for the projects that not only listed the costs of the project, but the value (or cost benefit) that the project would provide, in order to help prioritize projects. She stated that inconsistencies in the document already noted, need to be fixed to provide confidence to the public in the validity of the plan.

Lyle Fisher reiterated that the GSP is plan for a plan, and that the implementation plan is where the real detail and actions are defined.

Lorelei Oviatt noted that the California Environmental Quality Act gave the GA an exemption for a high-level plan for projects, and not for the detailed level project plans that some members of both committees have requested. She gave specific examples where an additional public review process is required for some of the projects at that level of detail. She also noted that in a central valley basin on the west side of Kern County that is working with other government and non-governmental agencies to

identify program funding sources to compensate owners for land that is restored as habitat. She will provide recommended language for the plan that captures that.

Ed Imsand noted that the plan essentially eliminates Ag from the valley and does not consider efforts the Ag community is making to conserve while still providing sustenance to the population. He is working to ramp down by 3/4, but will still be forced to go out of business when the amount of water he has been allocated is exhausted.

Rene Westa-Lusk asked for and received clarification on some details and acronyms in the plan that need to be clarified for the general public and for submission to DWR. She asked if the annual pumping allocation chart was listed in priority order of water rights. Special Counsel noted that it was not listed in priority order. Renee also asked about the impacts if DWR requested certain portions of the plan to be modified and resubmitted. It was stated that unless the plan were rejected, there would be an expected response period for response and exchanges in reaching an acceptable plan. If the plan is ultimately not accepted, the state would take over. Rene asked who is eligible to purchase water rights in the basin, and is it limited to the GA? There was not a definitive answer and it remains an open question.

Nick Panzer provided written comments to the meeting for the committee members and the public.

Josh Nugent questioned whether the Navy Federal Reserve Right has been tested in court, including the off-base use. Special Counsel noted that there had not been a case deciding this, either way. He also asked about the legal specifics regarding the 5-year prescriptive period and when it begins. The period from 2010 through 2014 is defined as the prescriptive period in the GSP, and the production data for all users during that period still needs to be validated under the plan. He also questioned the difference between the taking of a water right and not allowing them to fully utilize their water right under an administrative action? Josh noted that the GSP does not give him and Ag users the information needed to plan for their operation in the future, given that they routinely must make immediate investment decisions that have monetary implications years later. He asked when they could expect to see actual allocation numbers so they know how long until they are put out of business. His business is involved with GSPs being developed under central valley GSAs and none are implementing a plan that suggested users could be put out of business within 12 months of implementation. He also stated that project 6 seems to imply that after agriculture is kicked out of an area, then that area would be mined to make up for deficiencies in other areas. He questioned how we could allocate \$325M for imported water projects and only allocate \$9M for a locally developed water through a fallowing program. Spread across all of the agricultural acreage, that is only \$3K/acre, Mojave Pistachios has almost \$20K/acre invested, and that is not a viable option. He asked if the endangered Tui Chub was defined as a Groundwater Dependent Ecosystem? Special Counsel noted that case law indicated that it is. Josh stated that the augmented fee approach would be economically prohibitive to Ag users and essentially a "taking". He expressed concern that one of the wells on their property is noted as a monitoring well for a plan that is designed to kick them out, and they were never approached about it. Also, the current agreement when they purchased the land was that the IWVWD would not pump north of Highway 178 for 25 years, and they have also not been approached about the pumping optimization plan that would impact that. He stated that the plan creates as many questions, controversies and litigation issues as it answers.

David Janiec echoed Mallory Boyd and West Katenstein's points that there should be more definition of the intermediate goals and the opportunity for adjustments and options, to include an off-ramp for imported water if it does not prove feasible. This would give the public more understanding and confidence in the depth and effectiveness of the plan. He noted the project costs in the GSP are daunting and suggested a notional table of comparison rate impacts to users if certain levels of grants are available to reduce the overall costs. That would also provide more information to the GA Board for a cost-benefit comparison regarding project prioritization. He recommended that GA and Navy relationship should be included in the GSP, as the Navy is a willing partner in many collaborative environmental efforts. The PAC and TAC Navy representatives confirmed there is language in the draft

GSP addressing this. David asked if desalination was discussed in the plan and it was confirmed that it was in the future project and management section under the Brackish Water Study.

Don Zdeba noted that the plan includes a lot of projects with significant costs that will impact the water district rate payers, and the IWWWD Board is sensitive to this. The district PAC and TAC representatives will align their comments with the direction provided from their board.

Public Comment –

Elaine Mead noted that modeling Scenario 6.2 included a 1% growth factor for the water district's demand, and is that factor still in the plan? Stetson stated that the plan does not propose to regulate growth, however the Scenario 6.2 results were used as the basis to set some of the sustainability management criteria. She asked for clarification of the term "fair market value" in the fallowing program, and how it would be determined. Stetson stated that they used a land appraisal value to determine what it might cost for the GSP estimates. Further definition would be part of the implementation plan for that management action. The goal of the program is to find a way to negotiate the reduction of the pumping and not necessarily acquire the land itself. The wording in the paragraph needs to be changed to reflect that.

Anita Imsand of Meadowbrook Dairy asked what the GA contracted appraisal value was on her property. She stated that the plan is for the GA to move their pumping up to north Brown Road and Meadowbrook Dairy, using Meadowbrook's wells. She expressed concern that the GA is taking a 101 year old family farm from them and not looking at the newer numbers that are available; the process is offensive. Stetson clarified that the Meadowbrook wells were used in the modeling scenario as a representative surrogate for pumping in the general area, but the plan was to drill new wells and a delivery pipeline for the actual pumping optimization program.

Larry Mead noted that all this was discussed in the early 90's and should have been resolved at that time. He agreed with Anita Imsand's comments.

Derrick Hoffman, attorney for Meadowbrook Dairy asked who will be the allocation ordinance process arbiter to evaluate and assess the claims and recommend allocations; will it include the originator of the draft allocation chart provided in the plan that stated the Navy could claim the entire natural yield of the aquifer? The WRM stated that the process has not yet been fully defined to that extent. Special Counsel indicated that it would likely include engineering, hydrological and legal input and the board would make the final decision. He asked how the GA member agencies that produce water would participate in that process? The WRM stated that it was his understanding that all pumping would go through this process. Derrick asked for the basis of the 51KAF pool in the GSP allocation chart. Stetson clarified that it was based on the 63KAF pool used in modeling scenario 6.2, minus the Searles Valley Minerals allocation. Special Counsel clarified that the number is not final and it will be determined by the board to define how much additional mining of water in the basin will be allowed. Derrick asked for the basis of the \$9M estimate for the fallowing program. Stetson stated it was based on land appraisal value for agricultural land records. Derrick noted that the term Commercial Ag is used several times; what is the definition of non-commercial Ag? Lorelei Oviatt stated that it is defined in the Kern County Zoning ordinance. Derrick asked if the city's growth of alfalfa falls under the definition? It was noted that the city uses recycled water, not groundwater. He asked if the GSP addresses management of new wells? The WRM stated that it does not.

Raymond Kelso stated that according to scientific reports presented to the Restoration Advisory Board, we are drinking water that is 10K-40K years old; there is no room for agriculture in the desert.

#### **Item 4. Future TAC/PAC Meeting Dates**

To be determined, as assigned by the GA Board

**Item 5. WATER RESOURCES MANAGER/COMMITTEE MEMBER ANNOUNCEMENTS OR COMMENTS**

**a. WRM** - None

**b. TAC Members** – None

**c. PAC Members** –

Ed Imsand noted that we finally got the GSP draft out and we can work together to solve the issues and make this work together.

Co-Chair Janiec thanked all for attending and thanked Josh Nugent and Mojave Pistachios for contributing to the GA to defer the cost of Stetson and Special Counsel attending the meeting.

**Item 6. Meeting Adjourned** - Co-Chair Bingham thanked all for attending and participating.

Submitted by: Adam Bingham, IWVGA TAC Chair; David Janiec, IWVGA PAC Chair; 16 November 2019



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

FROM: Jeff Simonetti, Senior Vice President

CC: Michael McKinney, Partner  
Todd Tatum, Senior Advisor

DATE: November 1, 2019

SUBJECT: Project Update Report October 2019

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This memorandum will serve as Capitol Core Group's general project update/status report for October 2019. As you know, IWVGA staff asked Capitol Core, for financial and cash flow reasons, to curtail operations in mid-October. At the October 17<sup>th</sup> Board meeting, the Board gave Capitol Core direction to continue focusing attention, albeit with a limited scope, on particular funding sources that the Authority may be able to leverage for future infrastructure projects. General Manager Don Zdeba further clarified this direction and the specific authorized tasks in a memo to Capitol Core dated October 31. This monthly memo reflects activities completed prior to the curtailment of operations in mid-October. Further activities for the remainder of the year, or until notified otherwise, will follow the limited scope of work outlined in the October 31<sup>st</sup> tasks list.

## TASK 2 – NEGOTIATION OF TRANSFER AND WHEELING AGREEMENTS

For this task, Capitol Core continued the discussions with the Authority's potential transfer partners regarding project timing, needed infrastructure, estimated costs and next steps in the planning process. We also met with representatives of Inyo County to discuss their comments and questions regarding the potential transfer partners, in particular, the Los Angeles Department of Water and Power. We discussed their concerns about further communities being reliant on water supplies from the Owens Valley should the IWVGA pursue this route, as well as the political and logistical challenges associated with this option.

## TASK 3 – IDENTIFICATION AND SECURE POTENTIAL FUNDING SOURCES

During October, Capitol Core Group completed a series of meetings and deliverables associated with both State and Federal advocacy associated with the program. As a follow-up to our activities in late August and September, we completed and submitted our State funding options memo to IWVGA staff and Board for review. In addition, we completed the following meetings and activities:

### **Defense Communities Infrastructure Program (DCIP)**

As we discussed and the Board approved at the September Board meeting, we believe that the Defense Communities Infrastructure Program (DCIP) may be an important potential source of early stage funding for infrastructure needs for the Authority. We worked closely with a group of legislators in both the House and Senate including members of the California Armed Services Committee and Appropriations Defense Subcommittee delegations to deliver the message that the DCIP is a priority for both the State of California and the Indian Wells Valley. At the time of writing this memo, the bills associated with the DCIP (The Department of Defense Appropriations Act, 2020 – H.R. 2968 and S.2474) are still waiting for go-ahead for a

Conference Committee to convene and reconcile the differences between the two bills. We will continue to monitor activity on the bills and act if and when the Conference Committee convenes.

### **Coordination with Governor's Military Council and Association of Defense Communities**

We continued coordination efforts with the California Governor's Military Council to prioritize the importance of the DCIP for defense communities across the State including the Indian Wells Valley. We participated in a statewide call with both the Governor's Military Council and the Association of Defense Communities regarding the DCIP and followed up with both agencies to continue to position the Indian Wells Valley project in a positive light. We will work further with both organizations as the DCIP discussions continue in Washington, D.C. towards the end of the year.

### **Bureau of Reclamation – WaterSMART Grant Application**

Decision from the Bureau of Reclamation on the WaterSMART Grant Application was expected during September 2019. The BOR has advised Capitol Core that delays reviewing the submitted grant applications within the Regional offices has occurred, rescheduling final decisions of awards. Capitol Core spoke to the Program Coordinator for the WaterSMART grant, and they hope that they will issue a decision on the grant by the end of November or early December at the latest (though this again subject to change). IWVGA's grant application requested \$400,000.00 as a match to existing budgeted (contracted) funds in order to continue efforts similar to those outlined within Task 1 and Task 2 of Capitol Core's current scope of work as well as specific activities included within Stetson Engineer's scope of work, legal team and administrative costs incurred by IWVGA.

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