

IWVGA ADMINISTRATIVE OFFICE

MEMORANDUM

TO: IWVGA Board Members

DATE: November 19, 2020

FROM: IWVGA Staff

SUBJECT: Agenda Item No. 13 - Board Consideration and Approval of Resolution 09-20 – Submitting an Application for New Prop 68 Grant Funding.

DISCUSSION

The California Department of Water Resources (DWR) is soliciting applications for Proposition 68 Implementation – Rounds 1 & 2 (Proposition 68) grants under the Sustainable Groundwater Management Grant Program. The Proposition 68 grants provide funding for eligible projects consistent with implementation of Groundwater Sustainability Plans (GSPs), including projects that address drought and groundwater challenges to achieve regional sustainability, groundwater replenishment, groundwater contamination cleanup, or other conjunctive use projects. Other eligible projects include those that support water supply reliability, water conservation, water use efficiency, water banking, exchange, and reclamation. The current Proposition 68 Round 1 grant solicitation will close on Friday, January 8, 2021 at 5:00 pm PST. The Proposition 68 Round 2 grant solicitation is currently anticipated to open in spring 2022.

The Proposition 68 grants funds could be used by the IWVGA to fund initial tasks associated with implementation of the imported water project and recycled water project(s) identified in the IWVGA's GSP. The first task includes conducting a project alternatives analysis for the two imported water projects identified in the GSP by further evaluating the technical, institutional, and financial constraints for each project. The intent is that the alternatives analysis would be the basis for selection of a preferred alternative. The second task includes conducting an alternatives analysis of potential recycled water projects to identify the most efficient and beneficial use of recycled water supplies from the City of Ridgecrest's wastewater treatment facility. The potential recycled water alternatives that may be considered include: groundwater replenishment with all or most of the available recycled water by injection, groundwater replenishment by surface spreading, direct use of recycled water by Searles Valley Minerals, and landscaping irrigation. Additionally, the grant funds could be used by the IWVGA to fund a portion of the environmental review, permitting, and design of the expansion and upgrade of the City of Ridgecrest's existing wastewater treatment facility, anticipating that benefits will be provided to the IWVGA in return.

The Proposition 68 grant solicitation is a competitive process, so funding is not guaranteed. However, if the IWVGA's application is successful, the minimum potential grant funding available to the IWVGA in Round 1 would be \$2,000,000, and the maximum potential grant funding available in Round 1 would be \$5,000,000. These minimum and maximum grant funding amounts also apply to Round 2 regardless of the final grant funding awarded in Round 1, so the IWVGA could potentially receive a maximum grant funding amount of up to \$10,000,000 through both Rounds 1 & 2. It should also be noted that the \$26,000,000 of total grant funding allocated to Proposition 68 Round 1 will be provided only to projects located within critically over-drafted groundwater basins, such as the Indian Wells Valley Basin.

The anticipated local cost share (i.e. matching funds) is 25%, however, this required share might be lowered to 15% if the proposed projects provide sufficient benefits to Underrepresented Communities (e.g. Disadvantaged Communities) in the Indian Wells Valley Basin. The request for a lowered cost share would need to be justified in the grant application through a minimum of five (5) letters of support provided by Underrepresented Communities in the Indian Wells Valley Basin. However, it is not clear at this time if (and to what degree that) the above proposed projects will meet the qualifications for a lower local cost share.

A motion is needed which requires two parts: (1) Authorization for Stetson Engineers Inc. (Stetson) to prepare and submit an application on behalf of the IWVGA for the Proposition 68 grant solicitation at an estimated cost of \$45,000; and (2) Adoption of a Resolution No. 09-20 Authorizing an Agreement with the State of California for Proposition 68 Grant Funding for Sustainable Groundwater Implementation.

Financial Impact:

Stetson Engineers estimates it will require a budget of approximately \$45,000 for preparation of the grant application.

RECOMMENDATION

Staff recommends that your Board authorize Stetson Engineers to prepare the Proposition 68 Implementation grant application and adopt the attached Resolution No. 09-20.

BEFORE THE BOARD OF DIRECTORS INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

In the matter of:

Resolution No. 09-20

AUTHORIZING AN AGREEMENT WITH THE STATE OF CALIFORNIA FOR PROPOSITION 68 GRANT FUNDING FOR SUSTAINABLE GROUNDWATER IMPLEMENTATION

I, April Keigwin, Clerk of the Board of Directors for the Indian Wells Valley Groundwater Authority, do certify that the following resolution, on motion of Director Kicinski, seconded by Vice-Chair Hayman, was duly passed and adopted by the Board of Directors at an official meeting this 19th day of November 2020, by the following vote:

AYES: Gleason, Hayman, Page, Kicinski

NOES: Vallejo

ABSENT:


Clerk of the Board of Directors
Indian Wells Valley Groundwater Authority

RESOLUTION

Section 1. **WHEREAS:**

(a) The "Sustainable Groundwater Management Act" (SGMA) requires that the Indian Wells Valley Groundwater Basin be managed under a Groundwater Sustainability Plan (GSP) by no later than January 31, 2020; and

(b) The stated purpose of SGMA, as set forth in California Water Code Section 10720.1, is to provide for the sustainable management of groundwater basins, and sub-basins, as defined by the California Department of Water Resources at a local level by providing local water supply, water management and land use agencies with the authority and technical and financial assistance necessary to sustainably manage groundwater; and

(c) Grant funding from DWR is available through Proposition 68 Round 1 under the Sustainable Groundwater Management (SGM) grant program for projects consistent with implementation of GSPs; and

(d) The Indian Wells Valley Groundwater Authority (IWVGA) is eligible to receive funding, up to \$5,000,000, through submittal of a Round 1 SGM Implementation grant program Application to DWR; and

(e) The SGM Implementation grant program Application solicitation was released on November 9, 2020 and is to be submitted to DWR by January 8, 2021 at 5:00 pm PST; and

(f) The SGM grant program Application requires submittal of a Resolution adopted by the Indian Wells Valley Groundwater Authority authorizing a representative to enter into an agreement with the State of California to receive grant funding.

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

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

2. Resolved by the Indian Wells Valley Groundwater Authority, that an Application be made to the California Department of Water Resources to obtain a grant under the Sustainable Groundwater Management (SGM) Grant Program Implementation – Round 1 Grant pursuant to the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 (Proposition 68) (Pub. Resources Codes, § 80000 et seq.), and to enter into an agreement to receive a grant for the following projects: (1) Imported Water Supply Alternatives Analysis, (2) Recycled Water Use Alternatives Analysis and/or (3) Recycled Water Project Phase 1: Treatment Design. The General Manager of the Indian Wells Valley Groundwater Authority, or designee, is hereby authorized and directed to prepare the necessary data, conduct investigations, file such application, execute a grant agreement and any future amendments (if required), submit invoices, and submit any reporting requirements with the California Department of Water Resources. Passed and adopted at a meeting of the Indian Wells Valley Groundwater Authority on November 19th, 2020.