

# INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

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

## BOARD OF DIRECTORS

### REVISED AGENDA

Wednesday, January 14, 2026

**Closed Session – 10:00 a.m.**

**Open Session no earlier than 11:00 a.m.**

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

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

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

#### Statements from the Public

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

#### 1. CALL TO ORDER

#### 2. ADOPTION OF AGENDA

#### 3. PUBLIC COMMENT ON CLOSED SESSION

#### 4. CLOSED SESSION

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

(Government Code Section 54956.9(d)(1) - Name of case: Mojave Pistachios, LLC v Indian Wells Valley Water District, et al. Orange County Superior Court Case No. 30-2021-01187275-CU-OR-CJ

**5. CALL TO ORDER – No earlier than 11:00 a.m.**

- a. Report on closed session
- b. Pledge of Allegiance
- c. Roll Call

**6. PUBLIC COMMENT**

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

**7. BOARD MEMBER COMMENTS**

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

**8. CONSENT AGENDA**

- a. Approve Minutes of Board Meeting December 10, 2025
- b. Approve Expenditures
  - \*To view itemized invoices please visit <https://iwvga.org/iwvga-meetings>.*
  - i. \$139,730.71 – City of Ridgecrest
  - ii. 79,888.87 – Provost & Pritchard – (SGMA IP)
  - iii. \$65,473.42 – Stetson Engineers
  - iv. \$31,929.80 – Regional Government Services – (Replenishment / Extraction)
  - v. \$13,261.25 – Capitol Core Group – (Replenishment)
  - vi. \$10,725.00 – Blue Mountain Development – (SGMA IP)
  - vii. \$9,310.00 – Westbound Communication – (Extraction)
  - viii. \$1,835.40 – Wellntel (Extraction)
  - ix. \$330.00 – Transystems (SGMA IP)

**9. BOARD TO RECEIVE AND FILE THE 2024 AUDIT**

**10. SUSTAINABLE GROUNDWATER MANAGEMENT ACT IMPLEMENTATION PROJECT (SGMA IP) GRANT AMENDMENT**

**11. URBAN COMMUNITY DROUGHT RELIEF GRANT PROJECT UPDATES**

**12. WATER RESOURCES MANAGER REPORT**

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

**13. GENERAL MANAGER’S REPORT**

- a. Monthly Financial Report

b. Outreach Update

**14. DATE OF NEXT MEETING – FEBRUARY 11, 2026**

**15. ADJOURN**

**PUBLIC COMMENT NOTICE**

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

• **Watch meetings on-line:**

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

• **Call in for public comments:**

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

• **Submit written comments:**

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

• **Large Groups:**

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

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# INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

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

## BOARD OF DIRECTORS MEETING NOVEMBER 12, 2025

### IWVGA Members Present:

Chairman Scott Hayman, City of Ridgecrest	Carol Thomas-Keefer, IWVGA General Manager
Phillip Peters, Kern County	Keith Lemieux, Legal Counsel
Tim Itnyre, San Bernardino County	Steve Johnson, Stetson Engineers
John Vallejo, Inyo County	April Keigwin, Clerk of the Board
David Saint-Amand, Indian Wells Valley Water District	

Attending via teleconference is John Vallejo, Tim Itnyre, and Steve Johnson.

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

### 1. CALL TO ORDER:

Chairman Hayman calls the meeting to order at 10:15 a.m.

### 2. ADOPTION OF AGENDA:

Motion made by Phillip Peters and seconded by David Saint-Amand to approve adoption of the agenda. Motion carries by the following roll call vote:

Chairman Hayman	Aye
Vice Chair Peters	Aye
Director Saint-Amand	Aye
Director Itnyre	Aye
Director Vallejo	Aye

### 3. PUBLIC COMMENT ON CLOSED SESSION:

None.

Chairman Hayman calls the meeting into Closed Session at 10:15 a.m.

### 4. CLOSED SESSION:

- CONFERENCE WITH REAL PROPERTY NEGOTIATIONS  
(Government Code Section 54956.8) - Property: Purchase of Water Rights; Agency Negotiator: Jeff Simonetti; Negotiating Parties: Renewable Resources Group; Under Negotiation: Price and terms of payment.
- CONFERENCE WITH REAL PROPERTY NEGOTIATIONS  
(Government Code Section 54956.8) - Property: Purchase of Water Rights; Agency Negotiator: Jeff Simonetti; Negotiating Parties: Silvertip; Under Negotiation: Price and terms of payment.
- CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION

(Government Code Section 54956.9(d)(1) - Name of case: Mojave Pistachios, LLC v Indian Wells Valley Water District, et al. Orange County Superior Court Case No. 30-2021-01187275-CU-OR-CJ

Closed Session adjourns at 10:49 a.m.

**5. OPEN SESSION – no earlier than 10:30 a.m.**

Meeting reconvenes into Open Session at 10:52 a.m.

- a. Report on Closed Session – Counsel Lemieux reports no reportable action was taken that would require disclosure under The Brown Act.
- b. Pledge of Allegiance is led by Chairman Hayman
- c. Roll Call

Chairman Peters	Present
Vice Chair Blades	Present
Director Saint-Amand	Present
Director Itnyre	Present
Director Vallejo	Present

**6. PUBLIC COMMENT:**

The board hears public comment from Renee Westa-Lusk.

**7. BOARD MEMBER COMMENTS:**

None.

**8. CONSENT AGENDA:**

- a. Approve Minutes of Board Meeting November 12, 2025
- b. 2026 Regular Board Meeting Dates
- c. Approve Expenditures

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

- i. \$94,619.88 – Stetson Engineers
- ii. \$33,685.80 – Regional Government Services – (Replenishment / Extraction)
- iii. \$14,605.32 – Provost & Pritchard – (SGMA IP)
- iv. \$13,270.00 – Westbound Communication – (Extraction)
- v. \$13,006.25 – Capitol Core Group – (Replenishment)
- vi. \$11,550.00 – Blue Mountain Development – (SGMA IP)
- vii. \$825.00 – Transystems (SGMA IP)

Motion made by Phillip Peters and seconded by Scott Hayman to approve Minutes of Board Meeting November 12, 2025 with amendment to Call to Order by Chairman Peters not Chairman Hayman and the following expenditures in the amount of, \$94,619.88 to Stetson Engineers, \$33,685.880 to Regional Government Services, \$14,605.32 to Provost & Pritchard, \$13,006.25 to Capitol Core Group, \$11,550.00 to Blue Mountain Development and \$825.00 to Transystems

Motion carries by the following roll call vote:

Chairman Hayman	Aye
Vice Chair Peters	Aye
Director Saint-Amand	Aye
Director Itnyre	Aye
Director Vallejo	Aye

**9. BOARD REVIEW AND APPROVAL OF RESOLUTION 02-25 REGARDING 2026 BOARD ROTATION:**

Counsel Lemieux presents staff report and resolution.

The Board hears public comment from Renee Westa-Lusk.

Motion made by Phillip Peters and seconded by John Vallejo to approve resolution regarding 2026 board rotation.

Motion carries by the following roll call vote:

Chairman Hayman	Aye
Vice Chair Peters	Aye
Director Saint-Amand	Abstain
Director Itnyre	Aye
Director Vallejo	Aye

**10. BOARD REVIEW AND APPROVAL OF RESOLUTION 03-25 ESTABLISHING POLICY FOR REMOTE TELECONFERENCING APPEARANCES:**

Keith Lemieux presents staff report and resolution.

The Board hears public comments from Judie Decker.

Motion made by Phillip Peters and seconded by David Saint-Amand to approve resolution establishing a teleconferencing policy as per California regulations.

Motion carries by the following roll call vote:

Chairman Hayman	Aye
Vice Chair Peters	Aye
Director Saint-Amand	Aye
Director Itnyre	Aye
Director Vallejo	Aye

**11. BOARD REVIEW AND APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH REGIONAL GOVERNMENT SERVICES:**

Carol Thomas-Keefer presents staff report and agreement.

Motion made by Phillip Peters and seconded by John Vallejo to approve agreement with Regional Government Services.

Motion carries by the following roll call vote:

Chairman Hayman	Aye
Vice Chair Peters	Aye
Director Saint-Amand	Abstain
Director Itnyre	Aye
Director Vallejo	Aye

**12. BOARD REVIEW AND APPROVAL OF 2026 LEGISLATIVE PRIORITIES, 2026 CAPITOL CORE GROUP WORKPLAN AND CONTRACT AMENDMENT:**

Michael McKinney presents legislative work plan and contract.

Motion made by Phillip Peters and John Vallejo to approve contract with Capitol Core Group.

Motion carries by the following roll call vote:

Chairman Hayman	Aye
Vice Chair Peters	Aye
Director Saint-Amand	Nay
Director Itnyre	Aye
Director Vallejo	Aye

**13. BOARD REVIEW AND APPROVAL OF AGREEMENT WITH WESTBOUND COMMUNICATIONS, INC FOR PUBLIC OUTREACH SERVICES:**

Carol Thomas-Keefer presents staff report and agreement.

The Board hears public comment from Judie Decker, Renee Westa-Lusk and Mike Sinnott.

Motion made by Phillip Peters and seconded by John Vallejo to approve contract with Westbound Communications, INC.

Motion carries by the following roll call vote:

Chairman Hayman	Aye
Vice Chair Peters	Aye
Director Saint-Amand	Nay
Director Itnyre	Aye
Director Vallejo	Aye

**14. PROVOST & PRITCHARD CHANGE ORDERS FOR THE IMPORTED PIPELINE PROJECT:**

- a. Change Order under Contract for Design Services
- b. Change Order under Contract for CEQA/NEPA Documents and Permit Documentation Services

Jeff Helsley, Omar Dandashi of Blue Mountain Development and Jeff Davis and Dawn Marple from Provost & Pritchard present staff report and contract documents.

Motion made by Phillip Peters and seconded by John Vallejo to approve change orders for design services and CEQA/NEPA documents for the imported pipeline project.

Motion carries by the following vote:

Chairman Hayman	Aye
Vice Chair Peters	Aye
Director Saint-Amand	Abstain
Director Itnyre	Aye
Director Vallejo	Aye

**15. BOARD REVIEW AND APPROVAL OF AGREEMENT WITH PROVOST & PRITCHARD FOR DESIGN SERVICES:**

Jeff Helsley provides staff report and contract documentation.

The Board hears public comment from Renee Westa-Lusk.

Motion made by Phillip Peters and seconded by David Saint-Amand to table the item until the January 14, 2026 regular board meeting.

Motion carries by the following vote:

Chairman Hayman	Aye
Vice Chair Peters	Aye
Director Saint-Amand	Nay
Director Itnyre	Aye
Director Vallejo	Abstain

**16. BOARD REVIEW AND APPROVAL OF AGREEMENT WITH PROVOST & PRITCHARD FOR CEQA/NEPA DOCUMENTATION SERVICES:**

Jeff Helsley provides staff report and contract documentation.

The Board hears public comment from Judie Decker, Renee Westa-Lusk and Mike Sinnott.

Motion made by John Vallejo and seconded by Scott Hayman to approve agreement with Provost & Pritchard for design services through March 31, 2026.

Motion carries by the following roll call vote:

Chairman Hayman	Aye
Vice Chair Peters	Aye
Director Saint-Amand	Abstain
Director Itnyre	Aye
Director Vallejo	Aye

**17. WATER RESOURCES MANAGER REPORT:**

Jeff Helsley provides updates on the following items:

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

The Board hears public comment from Mike Sinnott.

**18. GENERAL MANAGER REPORT:**

Carol Thomas-Keefer presents monthly financial report and updates on public outreach. April Keigwin presents multi-year credit overview. Michael McKinney of Capitol Core Group provides legislative update.

The Board hears public comment from Renee Westa-Lusk and Mike Sinnott.

**19. DATE OF NEXT MEETING – JANUARY 14, 2026**

**20. ADJOURN:**

Chairman Hayman adjourns the meeting at 12:31 p.m. on November 12, 2025.

Respectfully submitted,

April Keigwin  
Clerk of the Board  
Indian Wells Valley Groundwater Authority

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# City of Ridgecrest

100 West California Avenue

Ridgecrest, CA 93555

Phone (760) 499-5062 Fax (760) 499-1500

[www.ridgecrest-ca.gov](http://www.ridgecrest-ca.gov)

TO: IWV Groundwater Authority

Invoice Date: 12/8/2025

Re: Invoices June - Oct 2025

Description	Unit Price	Total Price
Contractor Invoice		
Jun-25		\$ 23,953.67
Jul-25		\$ 33,507.68
Aug-25		\$ 31,283.36
Sep-25		\$ 24,397.80
Oct-25		\$ 25,860.20
City Council Chambers		
Jun 8 GSA	canceled	\$ -
July 16 GSA		\$ 182.00
Aug 13 GSA		\$ 182.00
Sept 10 GSA		\$ 182.00
Oct 8 GSA		\$ 182.00
<b>Total Amount Due</b>		<b>\$ 139,730.71</b>

Received by: \_\_\_\_\_

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

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Please make payable to:

City of Ridgecrest

Mail to:

City of Ridgecrest

ATTN: Ricca Charlon

100 W. California Ave.

Ridgecrest, CA 93555

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# PROVOST & PRITCHARD CONSULTING GROUP

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

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

December 24, 2025  
Project No: 04101-23-002  
Invoice No: 126462

**Project Name: IWVGA Imported Water Conveyance Design Services**

**Client Project #:**  
**Professional Services from November 01, 2025 to November 30, 2025**

Phase: 121P Coordination Meetings

**Labor**

	Hours	Rate	Amount	
Senior Engineer	6.60	195.00	1,287.00	
Senior Specialist	.40	165.00	66.00	
Principal Engineer	10.59	227.00	2,403.93	
Totals	17.59		3,756.93	
<b>Total Labor</b>				<b>3,756.93</b>
			<b>Total this Phase:</b>	<b>\$3,756.93</b>

Phase: 131P P&P General Project Management

**Labor**

	Hours	Rate	Amount	
Travel Time	1.50	80.00	120.00	
Senior Engineer	139.99	195.00	27,298.05	
Principal Engineer	1.50	227.00	340.50	
Principal Engineer	49.67	248.00	12,318.16	
Administrative Assistant	1.00	76.00	76.00	
Project Administrator	6.80	101.00	686.80	
Totals	200.46		40,839.51	
<b>Total Labor</b>				<b>40,839.51</b>

**Reimbursable Expenses**

Travel & Mileage			191.59	
<b>Total Reimbursables</b>			<b>191.59</b>	<b>191.59</b>
			<b>Total this Phase:</b>	<b>\$41,031.10</b>

Phase: 221P Environmental & ROW Consultant Coordination

**Labor**

	Hours	Rate	Amount	
Senior Engineer	10.42	195.00	2,031.90	
Totals	10.42		2,031.90	
<b>Total Labor</b>				<b>2,031.90</b>
			<b>Total this Phase:</b>	<b>\$2,031.90</b>

Phase: 271P BLM Special Use Permit

\*\*\* Please make checks payable to Provost & Pritchard Consulting Group \*\*\*  
For billing inquiries, please email Billing@ppeng.com.

**Labor**

	Hours	Rate	Amount	
Senior Engineer	2.00	171.00	342.00	
Senior Engineer	26.00	195.00	5,070.00	
Associate Engineer	2.90	140.00	406.00	
Assistant Specialist	14.10	90.00	1,269.00	
Senior Technician	7.80	150.00	1,170.00	
Assistant Engineer	38.40	133.00	5,107.20	
Totals	91.20		13,364.20	
<b>Total Labor</b>				<b>13,364.20</b>
<b>Total this Phase:</b>				<b>\$13,364.20</b>

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

**Labor**

	Hours	Rate	Amount	
Senior Engineer	71.44	178.00	12,716.32	
Senior Engineer	9.20	195.00	1,794.00	
Administrative Assistant	2.90	76.00	220.40	
Totals	83.54		14,730.72	
<b>Total Labor</b>				<b>14,730.72</b>

**Reimbursable Expenses**

Travel & Mileage			23.35	
Other Direct Reimb Expenses			244.44	
<b>Total Reimbursables</b>			<b>267.79</b>	<b>267.79</b>
<b>Total this Phase:</b>				<b>\$14,998.51</b>

Phase: 276P Coordination with Cal Parks

**Reimbursable Expenses**

Filing Fees			3,450.00	
<b>Total Reimbursables</b>			<b>3,450.00</b>	<b>3,450.00</b>
<b>Total this Phase:</b>				<b>\$3,450.00</b>

Phase: 332D P&P Drafting 90% Submittal

**Labor**

	Hours	Rate	Amount	
Senior Engineer	5.30	195.00	1,033.50	
Associate Engineer	3.50	140.00	490.00	
Principal Engineer	1.00	248.00	248.00	
Totals	9.80		1,771.50	
<b>Total Labor</b>				<b>1,771.50</b>
<b>Total this Phase:</b>				<b>\$1,771.50</b>

**Billing Limits**

	Current	Prior	To-Date	
Total Billings	80,404.14	5,111,121.86	5,191,526.00	
Budget			5,862,730.38	
Budget Remaining			671,204.38	
<b>Total this Invoice</b>				<b><u><u>\$80,404.14</u></u></b>

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**Stetson Engineers**

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

Invoice number 2652-100  
 Date 01/05/2026

Project **2652 Indian Wells Valley Groundwater Authority**

Professional services through 11/30/2025

**2652-2025 Water Resources Management 2025**

**2652-2025:01 Meetings & Prep**

Professional Fees

	Hours	Rate	Billed Amount
<b>Principal</b>	19.00	244.00	4,636.00
<b>Supervisor I</b>	10.25	212.00	2,173.00
<b>Supervisor II</b>	2.00	197.00	394.00
<b>Associate II</b>	74.25	119.00	8,835.75
<b>Associate III</b>	5.50	114.00	627.00
<b>Assistant I</b>	1.00	101.00	101.00
Phase subtotal			16,766.75

**2652-2025:02.01 SGMA IP Grant Administration**

Professional Fees

	Hours	Rate	Billed Amount
<b>Principal</b>	5.50	244.00	1,342.00
<b>Supervisor I</b>	6.00	212.00	1,272.00
<b>Senior I</b>	5.00	170.00	850.00
<b>Associate II</b>	19.50	119.00	2,320.50
<b>Associate III</b>	0.50	114.00	57.00
<b>Assistant I</b>	18.50	101.00	1,868.50
Phase subtotal			7,710.00

**2652-2025:02.02 Urban Community Drought Relief Funding Administration**

Professional Fees

	Hours	Rate	Billed Amount
<b>Supervisor I</b>	0.50	212.00	106.00
<b>Senior I</b>	3.25	170.00	552.50
<b>Associate II</b>	8.00	119.00	952.00
<b>Assistant I</b>	5.00	101.00	505.00
Phase subtotal			2,115.50



**STETSON**  
ENGINEERS INC.

Indian Wells Valley Groundwater Authority

Project 2652 Indian Wells Valley Groundwater Authority

Invoice number 2652-100

Date 01/05/2026

**2652-2025 Water Resources Management 2025**

**2652-2025:02.03 EPA Resiliency Grant Administration**

Professional Fees

	Hours	Rate	Billed Amount
<b>Associate II</b>	5.00	119.00	595.00

**2652-2025:04 Data Mgmt System Support**

Professional Fees

	Hours	Rate	Billed Amount
<b>Supervisor II</b>	6.00	197.00	1,182.00
<b>Senior III</b>	0.25	138.00	34.50

Phase subtotal 1,216.50

**2652-2025:05 General Project Mgmt**

Professional Fees

	Hours	Rate	Billed Amount
<b>Supervisor I</b>	1.50	212.00	318.00
<b>Supervisor II</b>	1.00	197.00	197.00

Phase subtotal 515.00

**2652-2025:06 Model Transfer & Upgrade**

Consultant

	Units	Rate	Billed Amount
SUB Board of Regents			1,476.52

**2652-2025:07.03 Resiliency Grant: Design**

Professional Fees

	Hours	Rate	Billed Amount
<b>Principal</b>	1.50	244.00	366.00
<b>Supervisor I</b>	4.00	212.00	848.00
<b>Associate II</b>	15.75	119.00	1,874.25

Phase subtotal 3,088.25

**2652-2025:07.05 Resiliency Grant: Right of Way**

Professional Fees

	Hours	Rate	Billed Amount
<b>Associate II</b>	0.25	119.00	29.75

**2652-2025:08 Imported Water: Negotiations & Coordination**

Professional Fees

	Hours	Rate	Billed Amount
<b>Supervisor I</b>	3.50	212.00	742.00



**STETSON**  
ENGINEERS INC.

Indian Wells Valley Groundwater Authority  
 Project 2652 Indian Wells Valley Groundwater Authority

Invoice number 2652-100  
 Date 01/05/2026

**2652-2025 Water Resources Management 2025**  
**2652-2025:11 Data Collection, Monitoring & Data Gaps**  
 Professional Fees

	Hours	Rate	Billed Amount
<b>Senior Associate</b>	60.00	132.00	7,920.00

Reimbursables

	Units	Rate	Billed Amount
Car Rental and Gas			
Stephan Bork			53.54
			718.12
Subtotal			771.66
Subtotal			771.66

Equipment Purchase			
Stephan Bork			48.86
			21.15
			5.85
			38.52
Subtotal			114.38
Subtotal			114.38

Lodging			
Stephan Bork			505.52
Meals			
Stephan Bork			10.90
			17.47
			12.13
			11.22
			17.60
			16.34
			10.56
			5.12
			17.60
			7.65
Subtotal			126.59
Subtotal			126.59

Mileage			
Stephan Bork	11.00	0.70	7.70
	11.00	0.70	7.70
Subtotal			15.40
Subtotal			15.40

Storage Fee			
Non Vendor Reimbursables			105.60
Phase subtotal			9,559.15



**STETSON**  
ENGINEERS INC.

Indian Wells Valley Groundwater Authority

Project 2652 Indian Wells Valley Groundwater Authority

Invoice number 2652-100

Date 01/05/2026

**2652-2025 Water Resources Management 2025**

**2652-2025:12 Shallow Well Consolidation Project**

Professional Fees

	Hours	Rate	Billed Amount
<b>Associate II</b>	19.00	119.00	2,261.00
<b>Associate III</b>	0.50	114.00	57.00
Phase subtotal			2,318.00

**2652-2025:14 Production Reporting, Transient Pool & Fee Support**

Professional Fees

	Hours	Rate	Billed Amount
<b>Supervisor I</b>	5.50	212.00	1,166.00
<b>Assistant I</b>	24.00	101.00	2,424.00
Phase subtotal			3,590.00

**2652-2025:18.1 Navy/Coso Cooperative Agreement**

Professional Fees

	Hours	Rate	Billed Amount
<b>Associate II</b>	1.75	119.00	208.25

**2652-2025:21 General Engineering**

Professional Fees

	Hours	Rate	Billed Amount
<b>Supervisor I</b>	4.00	212.00	848.00
<b>Assistant I</b>	8.00	101.00	808.00
Phase subtotal			1,656.00

**2652-2025:23 Annual Report Preparation**

Professional Fees

	Hours	Rate	Billed Amount
<b>Supervisor II</b>	21.00	197.00	4,137.00

**2652-2025:26 Budget Support**

Professional Fees

	Hours	Rate	Billed Amount
<b>Associate II</b>	26.25	119.00	3,123.75

**2652-2025:27 Litigation Support**

Professional Fees

	Hours	Rate	Billed Amount
<b>Principal</b>	1.00	244.00	244.00
<b>Supervisor I</b>	1.25	212.00	265.00
<b>Supervisor II</b>	23.50	197.00	4,629.50
<b>Associate II</b>	12.50	119.00	1,487.50
Phase subtotal			6,626.00



**STETSON**  
ENGINEERS INC.

Indian Wells Valley Groundwater Authority

Project **2652 Indian Wells Valley Groundwater Authority**

2171 E. Francisco Blvd., Suite K • San Rafael, California 94901

Phone: (415) 457-0701 • Fax: (415) 457-1638 • Website: [www.stetsonengineers.com](http://www.stetsonengineers.com)

Northern California

• Southern California

• Arizona

• Oregon

Invoice number 2652-100

Date 01/05/2026

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Water Resources Management 2025 subtotal

65,473.42

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Invoice total

**65,473.42**

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*Thank you for your business!*

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# Invoice

PO Box 1350  
 Carmel Valley, CA 93924

Date	Invoice #
11/30/2025	19037

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

P.O. No.	Inv Sent
	12/29/2025

Date	Description	Amount
11/30/2025	Reimbursable Expenses for City of Ridegecrest Monthly Rent - please see attached	300.00

Invoice is due 30 days from Inv Sent date	<b>Total</b>	<b>\$300.00</b>
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**INVOICE**

Regional Government Services  
PO Box 1350  
Carmel Valley, CA 93924  
AR@rgs.ca.gov  
(650) 587-7300 x2



Indian Wells Valley Groundwater Authority  
April Keigwin  
akeigwin@rgs.ca.gov

November 30, 2025  
Invoice No: 20547  
**Total This Invoice \$31,329.80**

Project 04014.C210200000-40 Indian Wells Valley GA -Professional Employer Services  
**Professional Services from November 01, 2025 to November 30, 2025**

Phase IWVGA General Administration  
**Professional Personnel**

	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>	
PES Agency Chief Executive	30.50	150.00	4,575.00	
Senior Advisor	10.60	150.00	1,590.00	
Technical Specialist	112.70	116.00	13,073.20	
Totals	153.80		19,238.20	
<b>Total Labor</b>				<b>19,238.20</b>

**Additional Fees**

Technology Fee			600.00	
<b>Total Additional Fees</b>			<b>600.00</b>	<b>600.00</b>
<b>Total this Phase</b>				<b>\$19,838.20</b>

Phase IWVGA Finance  
**Professional Personnel**

	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>	
Strategic Services Consultant	1.70	176.00	299.20	
Senior Advisor	21.20	150.00	3,180.00	
Senior Finance Manager	39.50	140.00	5,530.00	
Technical Specialist	21.40	116.00	2,482.40	
Totals	83.80		11,491.60	
<b>Total Labor</b>				<b>11,491.60</b>

**Total this Phase \$11,491.60**

**Total this Invoice \$31,329.80**

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# Invoice

PO Box 1350  
 Carmel Valley, CA 93924

Date	Invoice #
10/31/2025	19034

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

P.O. No.	Inv Sent
	12/16/2025

Date	Description	Amount
10/31/2025	Reimbursable Expenses for City of Ridegecrest Monthly Rent - please see attached	300.00

Invoice is due 30 days from Inv Sent date	<b>Total</b>	<b>\$300.00</b>
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**Capitol Core Group**  
 205 Cartwheel Bend (Operations Dept.)  
 Austin, TX 78738 US  
 +15125683084  
 operations@capitolcore.com  
 www.capitolcore.com

**BILL TO**

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

**INVOICE 2025-106**

**DATE** 01/05/2026 **TERMS** Net 45

**DUE DATE** 02/19/2026

**VENDOR ID**  
195593

**INVOICE PERIOD**  
December 2025

DATE	ACCOUNT SUMMARY	AMOUNT
12/05/2025	Balance Forward	28,787.50
	Other payments and credits after 12/05/2025 through 01/04/2026	0.00
01/05/2026	Other invoices from this date	0.00
	New charges (details below)	13,261.25
	Total Amount Due	42,048.75

ACTIVITY	HOURS	RATE	AMOUNT
<b>Charges</b>			
Project 1: Imported Water Supplies			
P1-A: Ongoing Negotiations			
<b>Government Relations: Intergovernmental Affairs</b>	6	275.00	1,650.00
P1-A: Water Purchase Agreement {Tatum}			
<b>Government Relations: Intergovernmental Affairs</b>	5.50	275.00	1,512.50
P1-A: Water Comps; ad-hoc report request from Counsel {Tatum}			
<b>Government Relations: Intergovernmental Affairs</b>	1	275.00	275.00
P1-A: Follow up w/ private seller {Tatum}			
<b>Government Relations: Intergovernmental Affairs</b>	12	250.00	3,000.00
P1-A: Water Agreement Review and items {Simonetti}			
P1-B: Regulatory Approvals			
<b>Government Relations: Intergovernmental Affairs</b>	1	275.00	275.00
P1-B: Due Diligence on approval requirements {Tatum}			
P1-C: Other Required Approvals			
<b>Government Relations: Intergovernmental Affairs</b>	1	275.00	275.00
P1-C: Internal meeting re: interconnection {Tatum}			
P1-D: 2026 Water Marketing			
Invoice Total Project 1: \$6,987.90 (26.5 hours)			
Project 2: Water Replenishment Pipeline			
P2-A: 119th Congressional Session			

ACTIVITY	HOURS	RATE	AMOUNT
<b>Government Relations:Federal</b>	4.75	205.00	973.75
P2-A: Congressional: Senate and House Meetings E&WD FY2027 {Sionetti}			
P2-B: Environmental Mitigation Credits			
P2-C: Regulatory Support			
P2-D: USACE Transition			
<b>Government Relations:Federal</b>	4	275.00	1,100.00
P2-C: USACE Transition, PAS re-application, and internal meetings {McKinney}			
Invoice Total Project 2: \$2,073.75 (8.75 hours)			
Project 3: Other Projects Supporting the GSP			
P3-A: Well Mitigation and Systems Consolidations			
P3-B: Land Repurposing			
P3-C: Water Recycling			
P3-D: Groundwater Adjudication Legislation			
<b>Government Relations:California</b>	3	250.00	750.00
P3-D: Agency/Legislative -- AB 1413 and State Priorities 2026 (Gov, DWR, SWRCB, Assembly, Senate) {Simonetti}			
<b>Government Relations:California</b>	1	250.00	250.00
P3-D: Legislative: AB 1413 Direct Advocacy - Senate {Peterson}			
P3-E: General Governmental Affairs			
Invoice Total Project 3: \$1,000.00 (4 hours)			
Project Administration			
PA-A: Monthly Board Meetings			
<b>General Business Items:Project Administration</b>	2.50	275.00	687.50
PA-A: December Board Meeting {McKinney}			
<b>General Business Items:Project Administration</b>	2.50	275.00	687.50
PA-A: December Board Meeting {Tatum}			
<b>General Business Items:Project Administration</b>	1	250.00	250.00
PA-A: Monthly Materials Prep. {Simonetti}			
PA-B: Milestone Reports			
PA-C: Ad Hoc Reports			
<b>General Business Items:Project Administration</b>	3	275.00	825.00
PA-C: Review of materials for PRA and Research, Conf. w/ internal counsel {McKinney}			
<b>General Business Items:Project Administration</b>	3	250.00	750.00
PA-C: Water District Public Records Act Request Response {Peterson}			
Invoice Total Project Administration: \$3,200.00 (12 hours)			
*****			
REGULATORY REPORTING NOTES:			
State Reporting on Invoice: \$1,000.00			
Quarterly Reporting State: \$8,681.25			
Federal Reporting on Invoice: \$2,073.75			
Quarterly Reporting Federal: \$5,917.50			
*****			

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On behalf of the entire Capitol Core Group Team, thank you so much for being our client.

SUBTOTAL	13,261.25
TAX	0.00
TOTAL	13,261.25
TOTAL OF NEW CHARGES	13,261.25

<b>TOTAL DUE</b>	<b>\$42,048.75</b>
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# INVOICE

2423 Sebald Ave  
 Redondo Beach, CA 90278  
 Phone 310.993.9555

**DATE:** December 31, 2025  
**INVOICE #** IWVGA 03  
**FOR:** Imported Water Project

CLSB 982332 - A & B

**Bill To:**

**IWVGA**

100 W. California Avenue  
 Ridgecrest, California 93555

**Attn: Carol Thomas-Keefer, Agency Executive**

DESCRIPTION	DURATION	RATE	AMOUNT
<b>IMPORTED WATER PROJECT PROGRAM MANAGEMENT</b>			
12/1/25 IP Grant Amendment Planning, IWVGA Staff Meeting	2.0	\$ 275.00	\$550.00
12/3/25 IWVGA Staff Meeting, SCE Coordination Meeting	2.0	\$ 275.00	\$550.00
12/4/25 IP Grant Amendment Planning, AVEK Coordination Meeting	2.0	\$ 275.00	\$550.00
12/5/25 Project Planning and Analysis	3.0	\$ 275.00	\$825.00
12/8/25 IWVGA Staff Meeting	1.0	\$ 275.00	\$275.00
12/10/25 IWVGA Board Meeting	2.0	\$ 275.00	\$550.00
12/11/25 Environmental Planning Meeting, Project Planning, Scour Planning Meeting	3.0	\$ 275.00	\$825.00
12/12/25 Project Planning and Analysis	4.0	\$ 275.00	\$1,100.00
12/15/25 IWVGA Staff Meeting, SCE Planning Meeting	2.0	\$ 275.00	\$550.00
12/17/25 AVEK Planning Meeting, SCE Coordination Meeting	2.0	\$ 275.00	\$550.00
12/18/25 Project Development Team Meeting	1.0	\$ 275.00	\$275.00
12/19/25 Project Planning and Analysis	2.0	\$ 275.00	\$550.00
12/22/25 IWVGA Staff Meeting, Terminus Tank Planning Meeting	3.0	\$ 275.00	\$825.00
12/23/25 HWY 395 Planning Meeting	2.0	\$ 275.00	\$550.00
12/29/25 Site Review & Planning	8.0	\$ 275.00	\$2,200.00
<b>TOTAL HOURS</b>	<b>39.0</b>		

See enclosed task detail for the work effort for the month of December 2025.

**AMOUNT BILLED THIS INVOICE \$ 10,725.00**

**CONTRACT SUMMARY:**

DESCRIPTION OF SERVICES	CONTRACT AMOUNT	AMOUNT BILLED THROUGH THIS BILLING CYCLE	% COMPLETE THROUGH THIS BILLING CYCLE	AMOUNT BILLED THIS INVOICE
TASK 1 - PROGRAM MANAGEMENT SERVICES	\$ 220,000.00	\$ 27,362.00	12.4%	\$ 10,725.00
<b>TOTAL:</b>	<b>\$ 220,000.00</b>	<b>\$ 27,362.00</b>	<b>12.4%</b>	

**INVOICE PAYMENTS PAST DUE OVER 30 DAYS:**

Make all checks payable to **Blue Mountain Development, Inc.**  
 If you have any questions concerning this invoice, contact Nick Biro at 310-993-9555

**THANK YOU FOR YOUR BUSINESS!**

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**Westbound Communications, Inc.**  
3649 Mission Inn Ave., First Floor Rotunda  
Riverside, CA 92501 US  
951-462-1106  
tmoran@westboundcommunications.com  
www.westboundcommunications.com



**BILL TO**

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

**INVOICE 5969**

**DATE 12/29/2025 TERMS Net 30**

**DUE DATE 01/28/2026**

**P.O. NUMBER**

November 2025

DESCRIPTION	QTY	RATE	AMOUNT
Professional fees for public relations counsel and services in support of Indian Wells Valley Groundwater Authority. Period of Service: November 2025	38.75	240.00	9,300.00
			Subtotal: 9,300.00
Reimbursable expenses for the billing period:			
111025 Maven's Notebook target media outlet monthly subscription (11/01/25- 12/01/25)			10.00

**TOTAL DUE \$9,310.00**

We appreciate your business and look forward to helping you again soon.

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WellIntel Inc.  
 906 E. Hamilton St.  
 Milwaukee, WI 53202 US  
 +18449355426  
 accounting@wellIntel.com

# Order Estimate 1893



ADDRESS	SHIP TO	DATE	TOTAL
April Keigwin Indian Wells Valley Groundwater Authority 500 W. Ridgecrest Blvd. Ridgecrest, CA 93555 USA	April Keigwin Indian Wells Valley Groundwater Authority 500 W RIDGECREST BLVD RIDGECREST, CA 93555-4017 US	01/04/2026	\$1,835.40

**P.O. NUMBER**  
2026 WellIntel Data Service

**EMAIL**  
akeigwin@rgs.ca.gov

ITEM	DESCRIPTION	QTY	RATE	AMOUNT
<b>2DSNN12 - Annual</b>	Analytics Dashboard Data Services (annual) BC's Well MS's Well GH's Well GC's Well SZ's Well CH's Well McPeters Well	7	240.00	1,680.00T
<b>Sales Tax</b>	Sales Tax calculated by AvaTax for 23197-V2 at Mon Jan 5 01:59:42 UTC 2026	1	155.40	155.40

**TERMS**  
**ACCEPTANCE:** Upon acceptance of this Order Estimate, WellIntel will invoice 100% of project value . Applicable sales tax and shipping will be calculated and added to final invoice.  
**WARRANTY:** WellIntel warrants that the equipment will be free from defects in materials and workmanship for a period of one (1) year from the date of delivery.  
**PRIVACY:** WellIntel takes data privacy and security very seriously. Our systems are designed for end to end security and privacy with device-level encryption. Network and well owners control privacy and sharing settings. For more information, visit <https://wellIntel.com/privacy/>

<b>SUBTOTAL</b>	1,835.40
<b>TAX (0)</b>	0.00
<b>TOTAL</b>	<b>\$1,835.40</b>

THANK YOU.

Accepted By

Accepted Date

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# Invoice

Please remit payment to:  
P.O. Box 71368  
Chicago, IL 60694-1368

TranSystems Corporation

www.transystems.com

If you have any questions, please call:  
(562) 304-2000

**Client:**

Indian Wells Valley Groundwater Authorit  
Attn: April Keigwin - Clerk of the Board  
100 W California Ave.  
Ridgecrest, CA 93555

**Reference:**

Invoice Date: 12/15/2025  
Project No: P601230025  
Invoice No: INV-0005084124

Project Name: IWV-Imported Water Pipeline

For professional services rendered through November 30, 2025 for the above referenced project.

Staff Type	Name	Rate	Hours	Amount
<b>Labor</b>				
Project Consultant 4	Roy Guinaldo	165.00	2.00	\$330.00
<b>Total Labor</b>			<b>2.00</b>	<b>\$330.00</b>
<b>Invoice Total</b>				<b>\$330.00</b>

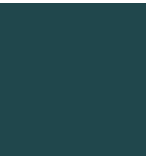

TranSystems Corporation

Roy E. Guinaldo  
Project Manager

**TERMS: PAYABLE UPON RECEIPT**

**1 1/2% INTEREST CHARGE PER MONTH WILL BE ADDED TO ALL PAST DUE INVOICES OLDER THAN 45 DAYS IF INDICATED IN THE CONTRACT TERMS**

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**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
For the Fiscal Year Ended  
December 31, 2024  
(With Comparative Amounts as of December 31, 2023)**

**NIGRO & NIGRO<sup>PC</sup>**

# INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

Board of Directors

*As of December 31, 2024*

---

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

***\* Non-voting Members***

**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY**

*For the Fiscal Year Ended December 31, 2024*

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***Financial Section***

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Indian Wells Valley Groundwater Authority  
Ridgecrest, California

### Opinion

We have audited the accompanying financial statements of the Indian Wells Valley Groundwater Authority (Authority) which comprise the balance sheet as of December 31, 2024, the related statements of revenue, expenses, and changes in net position, and cash flows for the year then ended, and related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2024 and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

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

### Responsibilities of Management for the Financial Statements

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

## **Required Supplementary Information**

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

## **Supplementary Information**

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

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

## **Prior-Year Comparative Information**

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Authority's financial statements for the year ended December 31, 2023, from which such partial information was derived.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a separate report dated January 14, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Murrieta, California  
January 14, 2026

# **INDIAN WELLS VALLEY GROUNDWATER AUTHORITY**

## *Management's Discussion and Analysis (Unaudited)*

*For the Fiscal Years Ended December 31, 2024*

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Management's Discussion and Analysis (MD&A) offers readers of Indian Wells Valley Groundwater Authority's financial statements a narrative overview of the Authority's financial activities for the fiscal years ended December 31, 2024. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to-prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

### **INTRODUCTION TO THE AUTHORITY**

The Authority was formed in July 2016 in response to the 2014 Sustainable Groundwater Management Act (SGMA or the Act) for the purpose of achieving groundwater sustainability in the Indian Wells Valley Groundwater Basin. SGMA requires groundwater basins subject to the Act to form a Groundwater Sustainability Agency (GSA), which is then required to develop and implement a groundwater sustainability plan (GSP or Plan) and achieve sustainable groundwater management within 20 years of Plan adoption. The Authority received approval for the Plan from the Department of Water Resources in January 2024.

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

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

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

### **FINANCIAL HIGHLIGHTS**

- In fiscal year 2024, the Authority's net position decreased by 3.42%, or \$284,687 from the prior year's net position of \$8,334,728 to \$8,050,041, as a result of the year's operations.
- The Authority's operating revenue for 2024 decreased by \$1,311,171 from \$8,812,990 in 2023 to \$7,501,819 in 2024 primarily from decreased assessment revenue in 2024.
- The Authority's operating expenses for 2024 increased \$2,034,233 from \$5,742,533 in 2023 to \$7,776,766 in 2024 due primarily to an increase in groundwater management expenses and related grant activity, as well as continued litigation costs.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

# INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

## Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2024

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### OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The financial statements accompanying this MD&A present the net position and results of operations during the fiscal year ending December 31, 2024. These financial statements have been prepared using the accrual basis of accounting, which is similar to the accounting basis used by for-profit entities. Each financial statement is identified and defined in this section, and analyzed in subsequent sections of this MD&A.

### REQUIRED FINANCIAL STATEMENTS

#### Balance Sheet

The Balance Sheet presents information on the Authority's assets and liabilities the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. However, other factors such as changes in economic conditions, population growth, zoning, and new or changed legislation or regulations also need to be considered when evaluating financial position. Assets exceed liabilities, resulting in a net position of \$8,050,041 as of December 31, 2024.

#### Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the Authority's net position changed during the fiscal year. All of the year's revenues and expenses are accounted for in this statement. This statement measures the results of the Authority's operations for the year and can be used to determine if the Authority has successfully recovered all of its costs through fees and charges. Operating revenues and expenses are related to the Authority's core activities. Non-operating revenues and expenses are not directly related to the core activities of the Authority. For the fiscal year ended December 31, 2024 net position decreased by 3.42% or \$284,687.

### FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION

#### Analysis of Net Position

Table A-1: Condensed Balance Sheet

	<u>2024</u>	<u>2023</u>	<u>Change</u>
<b>ASSETS</b>			
Current assets	\$ 10,128,692	\$ 10,686,624	\$ (557,932)
Capital assets, net (note 3)	10,349	14,489	(4,140)
<b>Total assets</b>	<u>\$ 10,139,041</u>	<u>\$ 10,701,113</u>	<u>\$ (562,072)</u>
<b>LIABILITIES</b>			
Current liabilities	\$ 694,340	\$ 1,677,201	\$ (982,861)
Non-current liabilities	1,394,660	689,184	705,476
<b>Total liabilities</b>	<u>2,089,000</u>	<u>2,366,385</u>	<u>(277,385)</u>
<b>NET POSITION</b>			
Investment in capital assets	10,349	14,489	(4,140)
Restricted	8,168,912	5,944,928	2,223,984
Unrestricted	(129,220)	2,375,311	(2,504,531)
<b>Total net position</b>	<u>8,050,041</u>	<u>8,334,728</u>	<u>(284,687)</u>
<b>Total liabilities and net position</b>	<u>\$ 10,139,041</u>	<u>\$ 10,701,113</u>	<u>\$ (562,072)</u>

## INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2024

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### FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)

In fiscal year 2024, the Authority's net position decreased by 3.42%, or \$284,687 from the prior year's net position of \$8,334,728 to \$8,050,041, as a result of the year's operations.

#### Analysis of Revenues and Expenses

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

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Operating Revenues	\$ 7,501,819	\$ 8,812,990	\$ (1,311,171)
Operating Expenses	<u>7,776,766</u>	<u>5,742,533</u>	<u>2,034,233</u>
Operating income	(274,947)	3,070,457	(3,345,404)
Non-Operating Revenues	<u>(9,740)</u>	<u>74,637</u>	<u>(84,377)</u>
Change in net position	(284,687)	3,145,094	<u>\$ (3,429,781)</u>
<b>Net Position</b>			
Beginning of year	<u>8,334,728</u>	<u>5,189,634</u>	
End of year	<u>\$ 8,050,041</u>	<u>\$ 8,334,728</u>	

The Authority had 2024 operating revenue for 2024 decreased by \$1,311,171 from \$8,812,990 in 2023 to \$7,501,819 in 2024 primarily from decreased assessment revenue in 2024.

The Authority's operating expenses for 2024 increased \$2,034,233 from \$5,742,533 in 2023 to \$7,776,766 in 2024 due primarily to an increase in groundwater management expenses and related grant activity, as well as continued litigation costs.

#### Capital Assets

	<u>Balance</u> <u>December 31, 2024</u>	<u>Balance</u> <u>December 31, 2023</u>
Capital assets:		
Depreciable assets	\$ 28,979	\$ 28,979
Accumulated depreciation	<u>(18,630)</u>	<u>(14,490)</u>
Total capital assets, net	<u>\$ 10,349</u>	<u>\$ 14,489</u>

At the end of year 2024, the District's investment in capital assets amounted to \$10,349 (net of accumulated depreciation), respectively. There were no additions to capital assets in 2024. See Note 4 for further information.

#### FACTORS AFFECTING CURRENT FINANCIAL POSITION

The Authority anticipates that operating revenues and expenses for fiscal year 2025 will increase from fiscal year 2024, due to increased grant funding as well as increases in basin management expenditures. This is reflected in the Authority's budget for the 2025 fiscal year.

**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended December 31, 2024*

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**CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This financial report is intended to provide the Board of Directors, creditors, and other interested parties with general overview of the Authority's financial operations and condition at the year ended December 31, 2024, and to demonstrate the Authority's accountability for the funds it receives. If you have any questions about this report or need additional information, you may contact the Authority's Management, at Indian Wells Valley Groundwater Authority, 100 W. California Ave., Ridgecrest, CA 93555 or by email at [akeigwin@rgs.ca.gov](mailto:akeigwin@rgs.ca.gov).

# INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

## Balance Sheets

December 31, 2024

(With Comparative Amounts as of December 31, 2023)

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
<b>Current assets:</b>		
Cash and cash equivalents (note 2)	\$ 6,568,013	\$ 5,739,968
Accounts receivable, net (note 3)	1,834,578	1,741,510
Grant receivable	1,726,101	3,205,146
<b>Total current assets</b>	<u>10,128,692</u>	<u>10,686,624</u>
<b>Non-current assets:</b>		
Capital assets, net (note 4)	10,349	14,489
<b>Total non-current assets</b>	<u>10,349</u>	<u>14,489</u>
<b>Total assets</b>	<u>\$ 10,139,041</u>	<u>\$ 10,701,113</u>
<b><u>LIABILITIES AND NET POSITION</u></b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 694,340	\$ 1,677,201
<b>Total current liabilities</b>	<u>694,340</u>	<u>1,677,201</u>
<b>Non-current liabilities:</b>		
Due to other governments (note 5)	1,394,660	689,184
<b>Total non-current liabilities</b>	<u>1,394,660</u>	<u>689,184</u>
<b>Total liabilities</b>	<u>2,089,000</u>	<u>2,366,385</u>
<b>NET POSITION</b>		
Investment in capital assets	10,349	14,489
Restricted	8,168,912	5,944,928
Unrestricted	(129,220)	2,375,311
<b>Total net position</b>	<u>8,050,041</u>	<u>8,334,728</u>
<b>Total liabilities and net position</b>	<u>\$ 10,139,041</u>	<u>\$ 10,701,113</u>

**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY***Statements of Revenues Expenses and Changes in Net Position**For the Fiscal Year Ended December 31, 2024**(With Comparative Amounts for the Fiscal Year Ended December 31, 2023)*

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	<u>2024</u>	<u>2023</u>
<b>Operating Revenues</b>		
Assessment fees	\$ 4,655,236	\$ 5,833,775
Operating grants	2,846,583	2,979,215
<b>Total operating revenues</b>	<u>7,501,819</u>	<u>8,812,990</u>
<b>Operating Expenses</b>		
Groundwater management	4,700,828	3,998,343
General and administrative	3,071,798	1,740,050
Depreciation expense	4,140	4,140
<b>Total operating expenses</b>	<u>7,776,766</u>	<u>5,742,533</u>
<b>Operating income</b>	<u>(274,947)</u>	<u>3,070,457</u>
<b>Non-Operating Revenues</b>		
Investment earnings	(9,740)	74,637
Assessment fees (note 3)	5,883,732	13,285,972
Bad debt expense (note 3)	(5,883,732)	(13,285,972)
<b>Total non-operating revenues</b>	<u>(9,740)</u>	<u>74,637</u>
<b>Change in net position</b>	(284,687)	3,145,094
<b>Net Position</b>		
Beginning of year	<u>8,334,728</u>	<u>5,189,634</u>
End of year	<u>\$ 8,050,041</u>	<u>\$ 8,334,728</u>

**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY***Statements of Cash Flows**For the Fiscal Year Ended December 31, 2024**(With Comparative Amounts for the Fiscal Year Ended December 31, 2023)*

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities:</b>		
Cash received from assessment fees	\$ 4,552,428	\$ 4,907,448
Cash received from grant revenue	4,325,628	572,275
Cash payments for operating expenses	<u>(8,050,011)</u>	<u>(5,276,515)</u>
<b>Net cash provided by operating activities</b>	<u>828,045</u>	<u>203,208</u>
<b>Net increase in cash and cash equivalents</b>	<u>828,045</u>	<u>203,208</u>
<b>Cash and cash equivalents:</b>		
Beginning of year	<u>5,739,968</u>	<u>5,536,760</u>
End of year	<u>\$ 6,568,013</u>	<u>\$ 5,739,968</u>
	<u>2024</u>	<u>2023</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income(loss)	\$ (274,947)	\$ 3,070,457
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation	4,140	4,140
Change in fair-value of investments	(9,740)	74,637
(Increase) decrease in assets:		
Assessment fee receivable	(93,068)	(1,000,964)
Grant receivable	1,479,045	(2,406,940)
Increase (decrease) in liabilities:		
Accounts payable	(982,861)	706,114
Due to other governments	<u>705,476</u>	<u>(244,236)</u>
<b>Net cash provided by operating activities</b>	<u>\$ 828,045</u>	<u>\$ 203,208</u>
<b>Noncash investing, capital and financing transactions</b>		
Change in fair-value of investments	<u>\$ (9,740)</u>	<u>\$ 74,637</u>

# INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

## *Notes to Financial Statements*

*December 31, 2024*

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Organization and Operations of the Reporting Entity**

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

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

#### **Basis of Accounting and Measurement Focus**

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

#### **Financial Reporting**

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

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

#### **Cash and Cash Equivalents**

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

# INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

## Notes to Financial Statements

December 31, 2024

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investments

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

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

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

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

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

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

#### Prepaid Expenses

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

#### Capital Assets

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

#### Net Position

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

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

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

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

# INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

## Notes to Financial Statements

December 31, 2024

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Use of Estimates

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

#### Extraction Fee

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

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

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

#### Basin Replenishment Fee

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

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

## **INDIAN WELLS VALLEY GROUNDWATER AUTHORITY**

*Notes to Financial Statements*

*December 31, 2024*

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Basin Replenishment Fee (continued)**

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

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

#### **Member Agency Contributions**

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

#### **Grants**

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

#### **Member's Net Position**

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

## INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

### Notes to Financial Statements

December 31, 2024

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#### NOTE 2 – CASH AND INVESTMENTS

Cash and investments at December 31, 2024, are classified on the balance sheet as follows:

Description	2024
Cash and cash equivalents	\$ 6,568,013
Total cash and investments	\$ 6,568,013

Cash and investments at December 31, 2024, consisted of the following:

Description	2024
Demand deposits with financial institutions	\$ 5,651
Deposits with Kern County Treasury Investment Pool (KCTIP)	6,562,362
Total cash and investments	\$ 6,568,013

#### Demand Deposits with Financial Institutions

At December 31, 2024 the carrying amount of the Authority's demand deposits was \$5,651, and the financial institution's balance was \$5,651. There were no outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution's balance and the Authority's balance at year end.

#### Custodial Credit Risk – Deposits

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

#### Kern County Treasury Investment Pool (KCTIP)

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

# INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

## Notes to Financial Statements

December 31, 2024

### NOTE 2 – CASH AND INVESTMENTS (continued)

#### Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of December 31, 2024, the Authority's cash balance in the KCTIP was rated by Standard & Poor's as AAf/S1.

#### Concentration of Credit Risk

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

### NOTE 3 – ACCOUNTS RECEIVABLE, NET

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

Description	Extraction Fund	Basin Replenishment Fund	Total
Accounts receivable	\$ 1,788,962	\$ 21,631,757	\$ 23,420,719
Allowance for doubtful accounts	(67,497)	(21,518,644)	(21,586,141)
Total accounts receivable, net	<u>\$ 1,721,465</u>	<u>\$ 113,113</u>	<u>\$ 1,834,578</u>

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

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

Changes to assessment receivables that are not being recognized were as follows as of December 31, 2024:

Water Producer	Balance Jan. 1, 2024	Additions	Deletions	Balance Dec. 31, 2024
Searles Valley Minerals	\$ 15,634,912	\$ 5,883,732	\$ -	\$ 21,518,644
Inyokern Community Services District	76,380	-	(8,883)	67,497
	<u>\$ 15,711,292</u>	<u>\$ 5,883,732</u>	<u>\$ (8,883)</u>	<u>\$ 21,586,141</u>

The Authority has chosen not to recognize these receivable amounts as the legal process for collections moves forward. These amounts are not to be considered as available for financing operations until the funds are collected.

## INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

### Notes to Financial Statements

December 31, 2024

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#### NOTE 3 – ACCOUNTS RECEIVABLE, NET (continued)

In January of 2025, a settlement was reached with Mojave Pistachios, LLC, in the amount of \$1,600,000 for the settlement of litigation associated with assessment fees for the years 2021 through 2024. The Authority recognized a \$1,200,000 receivable in fiscal year 2023 related to the \$14,791,718 of uncollected assessment fees from the years 2021 through 2024 and wrote off the remaining uncollectable balance. The Authority recognized the remaining \$400,000 from the settlement in fiscal year 2024.

#### NOTE 4 – CAPITAL ASSETS AND DEPRECIATION

Changes in capital assets for the fiscal year ended December 31, 2024, were as follows:

Description	Balance Jan. 1, 2024	Additions	Deletions/ Transfers	Balance Dec. 31, 2024
<b>Depreciable assets:</b>				
Equipment	\$ 28,979	\$ -	\$ -	\$ 28,979
<b>Total depreciable assets</b>	<u>28,979</u>	<u>-</u>	<u>-</u>	<u>28,979</u>
<b>Accumulated depreciation:</b>				
Equipment	(14,490)	(4,140)	-	(18,630)
<b>Total accumulated depreciation</b>	<u>(14,490)</u>	<u>(4,140)</u>	<u>-</u>	<u>(18,630)</u>
<b>Total depreciable assets, net</b>	<u>14,489</u>	<u>(4,140)</u>	<u>-</u>	<u>10,349</u>
<b>Total capital assets, net</b>	<u>\$ 14,489</u>	<u>\$ (4,140)</u>	<u>\$ -</u>	<u>\$ 10,349</u>

In the fiscal year ended December 31, 2024, depreciation expense amounted to \$4,140.

#### NOTE 5 – DUE TO OTHER GOVERNMENTS

The City of Ridgecrest, a member agency, has provided the use of Council Chambers and IT equipment for meetings, IT services, and Legal Services since 2016 for the Authority. Repayment is restricted to Extraction Revenue, or an advance will be required from the Basin Replenishment Fund. Changes in due to other governments' amounts for fiscal year ended December 31, 2024, were as follows:

Balance Jan. 1, 2024	Additions	Deletions/ Transfers	Balance Dec. 31, 2024
<u>\$ 689,184</u>	<u>\$ 1,205,476</u>	<u>\$ (500,000)</u>	<u>\$ 1,394,660</u>

Additions of \$1,205,476 were comprised of \$433,542 for legal services, \$8,019 for the use of council chambers and IT services, and a credit of \$763,915 for the overpayment of assessment fees related to prior fiscal years.

## INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

### Notes to Financial Statements

December 31, 2024

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#### NOTE 6 – INTERFUND ACTIVITY

Due to/from other funds includes \$500,000 advanced by the Basin Replenishment Fund to the Extraction Fund for the repayment of an advance by JPA member Indian Wells Valley Water District. In fiscal year 2017, the Indian Wells Valley Water District (District) agreed to advance \$500,000 for the adoption, evaluation and approval of the Groundwater Sustainability Program (GSP). In 2021, the District, with Board approval, held back payment of the District's portion of the Basin Replenishment fees to repay itself the \$500,000. As the activities were related to the GSP, the action resulted in the Extraction Fund receiving an advance from the Basin Replenishment Fund. At the close of fiscal year 2024, \$2,188,942 was advanced from the Basin Replenishment Fund to the Extraction Fund to cover a cash deficit for financial reporting purposes. Of the \$2,188,942 advanced, of the total amount advanced, \$1,726,101 is attributable to a grant receivable. The \$2,188,942 was repaid to the Basin Replenishment Fund in 2025. Due to/from other funds consisted of the following at December 31, 2024:

<u>Amount</u>	<u>Due To/From</u>		<u>Purpose</u>
	<u>From Fund</u>	<u>To Fund</u>	
<u>\$ 2,688,942</u>	<u>Extraction</u>	<u>Replenishment</u>	<u>Advance</u>

#### NOTE 7 – RISK MANAGEMENT

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

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the Authority's insurance coverage during the years ending December 31, 2024, 2023, and 2022. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of December 31, 2024, 2023, and 2022.

#### NOTE 8 – COMMITMENTS AND CONTINGENCIES

##### Excluded Leases – Short-Term Leases and De Minimis Leases

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

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

##### Grant Awards

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

## **INDIAN WELLS VALLEY GROUNDWATER AUTHORITY**

*Notes to Financial Statements*

*December 31, 2024*

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### **NOTE 8 – COMMITMENTS AND CONTINGENCIES (continued)**

#### **Litigation**

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

### **NOTE 9 – SUBSEQUENT EVENTS**

On January 14, 2025, the Authority reached a settlement agreement with Mojave Pistachios, LLC, regarding unpaid assessment fees from the years 2021 through 2024. The settlement totaled \$1,600,000. See Note 3 for additional details on the settlement's impact on these financial statements.

The Authority has evaluated subsequent events through January 14, 2026, the date on which the financial statements were available to be issued.

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***Supplementary Information***

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**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY***Balance Sheets – Combined – Internal Funds**December 31, 2024 (With Comparative Amounts as of December 31, 2023)*

<u>ASSETS</u>	<u>Extraction</u>	<u>Basin Replenishment</u>	<u>2024</u>	<u>2023</u>
<b>Current assets:</b>				
Cash and cash equivalents	\$ -	\$ 6,568,013	\$ 6,568,013	\$ 5,739,968
Accounts receivable, net	1,721,465	113,113	1,834,578	1,741,510
Grant receivable	1,726,101	-	1,726,101	3,205,146
<b>Total current assets</b>	<u>3,447,566</u>	<u>6,681,126</u>	<u>10,128,692</u>	<u>10,686,624</u>
<b>Non-current assets:</b>				
Due from other funds	-	2,688,942	2,688,942	2,485,871
Capital assets, net	10,349	-	10,349	14,489
<b>Total non-current assets</b>	<u>10,349</u>	<u>2,688,942</u>	<u>2,699,291</u>	<u>2,500,360</u>
<b>Total assets</b>	<u>\$ 3,457,915</u>	<u>\$ 9,370,068</u>	<u>\$ 12,827,983</u>	<u>\$ 13,186,984</u>
<b><u>LIABILITIES AND NET POSITION</u></b>				
<b>Current liabilities:</b>				
Accounts payable	\$ 539,284	\$ 155,056	\$ 694,340	\$ 1,677,201
<b>Total current liabilities</b>	<u>539,284</u>	<u>155,056</u>	<u>694,340</u>	<u>1,677,201</u>
<b>Non-current liabilities:</b>				
Due to other funds	2,688,942	-	2,688,942	2,485,871
Due to other governments	348,560	1,046,100	1,394,660	689,184
<b>Total non-current liabilities</b>	<u>3,037,502</u>	<u>1,046,100</u>	<u>4,083,602</u>	<u>3,175,055</u>
<b>Total liabilities</b>	<u>3,576,786</u>	<u>1,201,156</u>	<u>4,777,942</u>	<u>4,852,256</u>
<b>NET POSITION</b>				
Investment in capital assets	10,349	-	10,349	14,489
Restricted	-	8,168,912	8,168,912	8,140,637
Unrestricted	(129,220)	-	(129,220)	179,602
<b>Total net position</b>	<u>(118,871)</u>	<u>8,168,912</u>	<u>8,050,041</u>	<u>8,334,728</u>
<b>Total liabilities and net position</b>	<u>\$ 3,457,915</u>	<u>\$ 9,370,068</u>	<u>\$ 12,827,983</u>	<u>\$ 13,186,984</u>

**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY****Statements of Revenues, Expenses and Changes in Net Position – Combined – Internal Funds  
December 31, 2024 (With Comparative Amounts as of December 31, 2023)**

	<u>Extraction</u>	<u>Basin Replenishment</u>	<u>2024</u>	<u>2023</u>
<b>Operating Revenues</b>				
Assessment fees	\$ 1,347,060	\$ 3,308,176	\$ 4,655,236	\$ 5,833,775
Operating grant	2,846,583	-	2,846,583	2,979,215
<b>Total operating revenues</b>	<u>4,193,643</u>	<u>3,308,176</u>	<u>7,501,819</u>	<u>8,812,990</u>
<b>Operating Expenses</b>				
Groundwater management	4,182,307	518,521	4,700,828	3,998,343
General and administrative	307,180	2,764,618	3,071,798	1,740,050
Depreciation expense	4,140	-	4,140	4,140
<b>Total operating expenses</b>	<u>4,493,627</u>	<u>3,283,139</u>	<u>7,776,766</u>	<u>5,742,533</u>
<b>Operating income</b>	<u>(299,984)</u>	<u>25,037</u>	<u>(274,947)</u>	<u>3,070,457</u>
<b>Non-Operating Revenues</b>				
Investment earnings	(12,978)	3,238	(9,740)	74,637
Assessment fees	-	5,883,732	5,883,732	13,285,972
Bad debt expense	-	(5,883,732)	(5,883,732)	(13,285,972)
<b>Total non-operating revenues</b>	<u>(12,978)</u>	<u>3,238</u>	<u>(9,740)</u>	<u>74,637</u>
<b>Change in net position</b>	<u>(312,962)</u>	<u>28,275</u>	<u>(284,687)</u>	<u>3,145,094</u>
<b>Net Position</b>				
Beginning of year	194,091	8,140,637	8,334,728	5,189,634
End of year	<u>\$ (118,871)</u>	<u>\$ 8,168,912</u>	<u>\$ 8,050,041</u>	<u>\$ 8,334,728</u>

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***Other Independent Auditors' Reports***

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

Board of Directors  
Indian Wells Valley Groundwater Authority  
Ridgecrest, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Indian Wells Valley Groundwater Authority (Authority) which comprise the balance sheet as of December 31, 2024, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 14, 2026.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

Murrieta, California  
January 14, 2026

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# IWVGA ADMINISTRATIVE OFFICE

*STAFF REPORT*

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**TO:** IWVGA Board Members **DATE:** January 14, 2025

**FROM:** IWVGA Staff

**SUBJECT:** **Agenda Item 10 – APPROVAL OF THE AMENDMENT TO THE DWR SGMA IMPLEMENTATION GRANT**

## **BACKGROUND**

A Sustainable Groundwater Management Act (SGMA) Implementation Grant through the California Department of Water Resources is providing \$7.6 million for planning and design for the Imported Water Pipeline Project (Project), which will bring imported water supplies into the Indian Wells Valley Groundwater Basin through an imported water connection from Antelope Valley – East Kern Water Agency’s (AVEK) California City pipeline.

## **DISCUSSION**

The utilization of the funds available from the SGMA Implementation Grant Agreement is nearly complete. The complete date for all work funded by the grant, including administrative work, is March 31, 2026, and the last date to request funds is May 31, 2026. The continued planning and design of the Project will be funded by the EPA Resiliency Grant the Indian Wells Valley Groundwater Authority has been awarded.

During coordination of the upcoming close out of the grant with DWR, it was determined that the Grant Agreement should be amended to update the deliverables listed under the Grant Agreement to more closely match the work that has been funded under the Agreement. These items include the 60% Design Level Plans and Specifications, a Reimbursement Agreement with Antelope Valley East Kern, the Environmental Initial Study and Technical Studies, completed permits, and the draft Right of Way Acquisition Plan. After consulting with DWR, WRM Staff submitted these deliverables last month to meet the deliverables due date in the Grant Agreement of December 31, 2025. The attached redlined Agreement shows the proposed amendment to the deliverables listed in the Work Plan.

In addition to the proposed revision to the Grant Agreement to update the list of deliverables, the proposed Grant Amendment reallocates \$15,000 of funds from Category B: Planning, Design, and Environmental work towards Category A: Grant Agreement Administration to fund the preparation of the final quarterly invoices and Progress Reports for DWR’s review.

A redlined version of the SGMA Implementation Grant Agreement showing the proposed amendments are included in your Board Packet. The proposed amendments have been reviewed and tentatively approved by the DWR IP Grant Manager

**RECOMMENDED ACTION**

Staff recommends the Board approve the amendment for the SGMA Implementation Grant for budget reallocation and revision of the grant deliverables to match the work being funded under the agreement.

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**GRANT AGREEMENT BETWEEN THE STATE OF CALIFORNIA  
(DEPARTMENT OF WATER RESOURCES) AND  
INDIAN WELLS VALLEY GROUNDWATER AUTHORITY  
AGREEMENT NUMBER 4600014651**

**Amendment 24**

**SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) IMPLEMENTATION GRANT**

THIS GRANT AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the "State" or "DWR" and the Indian Wells Valley Groundwater Authority, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Grantee," which parties do hereby agree as follows:

1. **PURPOSE.** The State shall provide funding from the Budget Act of 2021 (Stats. 2021, ch. 240, § 80) to the Grantee to assist in financing the Indian Wells Valley Groundwater Basin Spending Plan Application (Project). By executing this Agreement, the Grantee certifies that the purpose of the Project is to implement SGMA as outlined in the Grantee's Groundwater Sustainability Plan (GSP) or Alternative to a GSP.
2. **TERM OF GRANT AGREEMENT.** The term of this Grant Agreement begins on JULY 21, 2022, and ends three (3) years following the final payment unless otherwise terminated or amended as provided in this Agreement. However, all work shall be completed by MARCH 31, 2026, and no funds may be requested after MAY 31, 2026.
3. **GRANT AMOUNT.** The maximum amount payable by the State under this Agreement shall not exceed \$7,600,000.
4. **GRANTEE COST SHARE.** Not applicable for this Agreement.
5. **BASIC CONDITIONS.** The State shall have no obligation to disburse money for the Project under this Grant Agreement until the Grantee has satisfied the following conditions:
  - A. The Grantee must demonstrate compliance with all eligibility criteria set forth on Pages 7 through 13 of the *SGM Grant Program 2021 Guidelines* (2021 Guidelines).
  - B. For the term of this Grant Agreement, the Grantee submits Quarterly Progress Reports, associated quarterly invoices, and all invoice backup documentation no later than sixty (60) days following the end of the calendar quarter (e.g., submitted by May 30<sup>th</sup>, August 29<sup>th</sup>, November 29<sup>th</sup>, and February 28<sup>th</sup>) and all other deliverables as required by Paragraph 12, "Submission of Reports" and Exhibit A, "Work Plan".
  - C. Prior to the commencement of construction or implementation activities, if applicable, the Grantee shall submit the following to the State:
    - i. Final plans and specifications certified by a California Registered Civil Engineer (or equivalent registered professional as appropriate) to certify compliance for each approved project as listed in Exhibit A, "Work Plan" of this Grant Agreement.
    - ii. Work that is subject to the California Environmental Quality Act (CEQA) process and/or environmental permitting shall not proceed under this Grant Agreement until the following actions are performed:
      - a. The Grantee submits to the State all applicable environmental permits as indicated on the Environmental Information Form (EIF) to the State,
      - b. Documents that satisfy the CEQA process are received by the State,
      - c. The State has completed its CEQA compliance review as a Responsible Agency, and
      - d. The Grantee receives written concurrence from the State of Lead Agency's CEQA document(s) and State notice of verification of environmental permit submittal.

The State's concurrence of Lead Agency's CEQA documents is fully discretionary and shall constitute a condition precedent to any work (i.e., construction or implementation activities) for

which it is required. Once CEQA documentation has been completed, the State will consider the environmental documents and decide whether to continue to fund the project or to require changes, alterations or other mitigation. The Grantee must also demonstrate that it has complied with all applicable requirements of the National Environmental Policy Act (NEPA) by submitting copies of any environmental documents, including environmental impact statements, Finding of No Significant Impact, mitigation monitoring programs, and environmental permits as may be required prior to beginning construction/implementation.

iii. A monitoring plan as required by Paragraph 14, "Project Monitoring Plan Requirements."

6. DISBURSEMENT OF FUNDS. The State will disburse to the Grantee the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Grant Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation. Any and all money disbursed to the Grantee under this Grant Agreement shall be deposited in a non-interest bearing account and shall be used solely to pay Eligible Project Costs.
7. ELIGIBLE PROJECT COST. The Grantee shall apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B, "Budget". Eligible Project Costs include the reasonable costs of studies, engineering, design, land and easement acquisition and associated legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Reimbursable administrative expenses are the necessary costs incidental but directly related to the Project included in this Agreement. Work performed on the Project after DECEMBER 17, 2021, shall be eligible for reimbursement.

Costs that are not eligible for reimbursement include, but are not limited to the following items:

- A. Costs for preparing and filing a grant application and/or Spending Plan.
- B. Costs associated with the formation of a GSA(s) or other board formation that is responsible for implementing SGMA.
- C. Operation and maintenance costs, including post construction performance and monitoring costs.
- D. Purchase of equipment not an integral part of a project.
- E. Establishing a reserve fund.
- F. Purchase of water supplies.
- G. Replacement of existing funding sources for ongoing programs.
- H. Travel and per diem costs, except for mileage.
- I. Support of existing agency requirements and mandates.
- J. Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project, as set forth and detailed by engineering and feasibility studies, or acquisition of land by eminent domain.
- K. Meals, food items, or refreshments.
- L. Costs incurred as part of any necessary response and cleanup activities required under the Comprehensive Environmental Response, Compensation, and Liability Act; Resource Conservation and Recovery Act; Hazardous Substances Account Act; or other applicable law.
- M. Overhead and indirect costs: "Indirect Costs" means those costs that are incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the funded project (i.e., costs that are not directly related to the funded project). Examples of Indirect Costs include, but are not limited to: central service costs; general administration of the Grantee; non-project-specific

accounting and personnel services performed within the Grantee's organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition and conference fees; forums, trainings, and seminars; and, generic overhead or markup. This prohibition applies to the Grantee and any subcontract or sub-agreement for work on the Project that will be reimbursed pursuant to this Agreement.

8. METHOD OF PAYMENT. After the disbursement requirements in Paragraph 5, "Basic Conditions" are met, the State will disburse the whole or portions of State funding to the Grantee, following receipt from the Grantee via US mail or Express mail delivery of a "wet signature" invoice or an electronic invoice certified and transmitted via DocuSign for costs incurred and timely Quarterly Progress Reports as required by Paragraph 12, "Submission of Reports." Payment will be made no more frequently than quarterly, in arrears, upon receipt of an invoice bearing the Grant Agreement number. Invoices must accompany a Quarterly Progress Report and shall be submitted within no later than sixty (60) days following the end of the calendar quarter (e.g., submitted by May 30<sup>th</sup>, August 29<sup>th</sup>, November 29<sup>th</sup>, and February 28<sup>th</sup>). The State will notify the Grantee, in a timely manner, whenever, upon review of an Invoice, the State determines that any portion or portions of the costs claimed are not eligible costs or is not supported by documentation or receipts acceptable to the State. The Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to the State to cure such deficiency(ies). If the Grantee fails to submit adequate documentation curing the deficiency(ies), the State will adjust the pending invoice by the amount of ineligible or unapproved costs.

Invoices submitted by the Grantee shall include the following information:

- A. Costs incurred for work performed in implementing the Project during the period identified in the particular invoice. If backup documentation provided is outside of the period identified in the particular invoice, the Grantee must provide justification within the associated Quarterly Progress Report and note the discrepancy on the Invoice Submittal Summary Sheet.
- B. Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for a project during the period identified in the particular invoice for the implementation of a project.
- C. Invoices shall be submitted on forms provided by the State and shall meet the following format requirements:
  - i. Invoices must contain the date of the invoice, either the time period covered by the invoice or the invoice date received within the time period covered, and the total amount due.
  - ii. Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B, "Budget". The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
  - iii. One set of sufficient evidence (i.e., receipts, copies of checks, time sheets) must be provided for all costs included in the invoice.
  - iv. Each invoice shall clearly delineate those costs claimed for reimbursement from the State's funding amount, as depicted in Paragraph 3, "Grant Amount".

Original signature and date (in ink) of the Grantee's Project Representative. Submit the original "wet signature" copy of the invoice form to the following address: Shelby Hoerner at P.O. Box 942836, Sacramento, CA 94236-0001 or an electronic signature certified and transmitted via DocuSign from authorized representative to Shelby Hoerner at [Shelby.Hoerner@water.ca.gov](mailto:Shelby.Hoerner@water.ca.gov).

All invoices submitted shall be accurate and signed under penalty of law. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein. The Grantee shall not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., match costs/cost share). Any eligible costs for which the Grantee is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing

for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of grant funds and/or termination of this Agreement requiring the repayment of all funds. Additionally, the State may request an audit pursuant to Paragraph D.5 and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. (Civ. Code, §§ 1572-1573; Pen. Code, §§ 470, 487-489.)

9. WITHHOLDING OF DISBURSEMENTS BY THE STATE. If the State determines that a project is not being implemented in accordance with the provisions of this Grant Agreement, or that the Grantee has failed in any other respect to comply with the provisions of this Grant Agreement, and if the Grantee does not remedy any such failure to the State's satisfaction, the State may withhold from the Grantee all or any portion of the State funding and take any other action that it deems necessary to protect its interests. Where a portion of the State funding has been disbursed to the Grantee and the State notifies the Grantee of its decision not to release funds that have been withheld pursuant to Paragraph 10, "Default Provisions," the portion that has been disbursed shall thereafter be repaid immediately at the time the State notifies the Grantee, as directed by the State. The State may consider the Grantee's refusal to repay the requested disbursed amount a contract breach subject to the default provisions in Paragraph 10. If the State notifies the Grantee of its decision to withhold the entire funding amount from the Grantee pursuant to this Paragraph, this Grant Agreement shall terminate upon receipt of such notice by the Grantee and the State shall no longer be required to provide funds under this Grant Agreement and the Grant Agreement shall no longer be binding on either party.

10. DEFAULT PROVISIONS. The Grantee will be in default under this Grant Agreement if any of the following occur:

- A. Substantial breaches of this Grant Agreement, or any supplement or amendment to it, or any other agreement between the Grantee and the State evidencing or securing the Grantee's obligations;
- B. Making any false warranty, representation, or statement with respect to this Grant Agreement or the application filed to obtain this Grant Agreement;
- C. Failure to operate or maintain the Project in accordance with this Grant Agreement.
- D. Failure to make any remittance required by this Grant Agreement, including any remittance recommended as the result of an audit conducted pursuant to Paragraph D.5.
- E. Failure to submit quarterly progress reports pursuant to Paragraph 5.
- F. Failure to routinely invoice the State pursuant to Paragraph 8.
- G. Failure to meet any of the requirements set forth in Paragraph 11, "Continuing Eligibility."

Should an event of default occur, the State shall provide a notice of default to the Grantee and shall give the Grantee at least ten (10) calendar days to cure the default from the date the notice is sent via first-class mail to the Grantee. If the Grantee fails to cure the default within the time prescribed by the State, the State may do any of the following:

- A. Declare the funding be immediately repaid.
- B. Terminate any obligation to make future payments to the Grantee.
- C. Terminate the Grant Agreement.
- D. Take any other action that it deems necessary to protect its interests.

In the event the State finds it necessary to enforce this provision of this Grant Agreement in the manner provided by law, the Grantee agrees to pay all costs incurred by the State including, but not limited to, reasonable attorneys' fees, legal expenses, and costs.

11. CONTINUING ELIGIBILITY. The Grantee must meet the following ongoing requirement(s) and all eligibility criteria outlined in the 2021 Guidelines to remain eligible to receive State funds:
- A. The Grantee must continue to demonstrate eligibility and the groundwater basin must continue to be an eligible basin as outlined in the 2021 Guidelines and 2021 PSP.
  - B. Grantee must adhere to the protocols developed pursuant to The Open and Transparent Water Data Act (Wat. Code, § 12406) for data sharing, transparency, documentation, and quality control.
  - C. If the Grantee diverting surface water, the Grantee must maintain compliance with diversion reporting requirements as outlined in Water Code section 5100 et seq.
  - D. If applicable, maintain compliance with the Urban Water Management Planning Act (Wat. Code, § 10610 et seq.).
  - E. If applicable, maintain compliance with Sustainable Water Use and Demand Reduction requirements outlined in Water Code Section 10608, et seq.
  - F. On March 4, 2022, the Governor issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. The EO may be found at: <https://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf>. “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under State law. The EO directs DWR to terminate funding agreements with, and to refrain from entering any new agreements with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine that the Grantee is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. The State shall provide the Grantee advance written notice of such termination, allowing the Grantee at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.
12. SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Grant Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to the State. All reports shall be submitted to the State’s Grant Manager, and shall be submitted via DWR’s “Grant Review and Tracking System” (GRanTS), or an equivalent online submittal tool. If requested, the Grantee shall promptly provide any additional information deemed necessary by the State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit F, “Report Formats and Requirements.” The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the State, of a Project Completion Report is a requirement for the release of any funds retained for such project.
- A. Quarterly Progress Reports: The Grantee shall submit Quarterly Progress Reports to meet the State’s requirement for disbursement of funds. Quarterly Progress Reports shall be uploaded via GRanTS, or an equivalent online submittal tool, and the State’s Grant Manager notified of upload. Quarterly Progress Reports shall, in part, provide a brief description of the work performed, the Grantees activities, milestones achieved, any accomplishments and any problems encountered in the performance of the work under this Grant Agreement during the reporting period. The first Quarterly Progress Report and associated quarterly invoice should be submitted to the State no later than NOVEMBER 30, 2022, with future reports then due on successive three-month increments based on the invoicing schedule and this date. The DWR Grant Manager will provide a Quarterly Progress Report template that shall be used for the duration of the Agreement.
  - B. Groundwater Sustainability Plan or Alternative: Not applicable to this Agreement.
  - C. Component Completion Report(s): Not applicable to this Agreement.

- D. Grant Completion Report: Upon completion of the Project included in Exhibit A, "Work Plan" the Grantee shall submit to the State a Grant Completion Report. The Grant Completion Report shall be submitted within ninety (90) calendar days of submitting the Completion Report for the final project to be completed under this Grant Agreement, as outlined in Exhibit F, "Report Formats and Requirements". Retention for the last project to be completed as part of this Grant Agreement will not be disbursed until the Grant Completion Report is submitted to be approved by the State. The Grantee must submit the draft Grant Completion Report to the DWR Grant Manager for comment and review 90 days before the work completion date listed in Paragraph 2. DWR's Grant Manager will review the Draft Grant Completion Report and provide comments and edits within 30 days of receipt, when possible. Prepare a Final Completion Report addressing the DWR Grant Manager's comments prior to the work completion date listed in Paragraph 2. The Grantee must obtain the DWR Grant Manager's approval of the report within 30 days after the work completion date.
- E. Post Performance Reports: Not applicable for this Agreement.
- F. Deliverable Due Date Schedule: The Grantee shall submit a Deliverable Due Date Schedule within 30 days of the execution date of the Grant Agreement. No invoices will be reviewed or processed until the Deliverable Due Date Schedule has been received by the DWR Grant Manager. Any edits to the schedule must be approved by the DWR Grant Manager and the revised schedule saved in the appropriate project files.
- G. Environmental Information Form (EIF): Prepare and submit the EIF within 30 days of the execution date of the Grant Agreement. No invoices will be reviewed or processed until the EIF has been received by the DWR Grant Manager.
13. OPERATION AND MAINTENANCE OF PROJECT. Not applicable for this Agreement.
14. PROJECT MONITORING PLAN REQUIREMENTS. Not applicable for this Agreement.
15. STATEWIDE MONITORING REQUIREMENTS. Not applicable for this Agreement.
16. NOTIFICATION OF STATE. The Grantee shall promptly notify the State, in writing, of the following items:
- A. Events or proposed changes that could affect the scope, budget, or work performed under this Grant Agreement. The Grantee agrees that no substantial change in the scope of a project will be undertaken until written notice of the proposed change has been provided to the State and the State has given written approval for such change. Substantial changes generally include changes to the scope of work, schedule or term, and budget.
  - B. Any public or media event publicizing the accomplishments and/or results of this Grant Agreement and provide the opportunity for attendance and participation by the State's representatives. The Grantee shall make such notification at least fourteen (14) calendar days prior to the event.
  - C. Discovery of any potential archaeological or historical resource. Should a potential archaeological or historical resource be discovered during construction, the Grantee agrees that all work in the area of the find will cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the State has determined what actions should be taken to protect and preserve the resource. The Grantee agrees to implement appropriate actions as directed by the State.
  - D. The initiation of any litigation or the threat of litigation against the Grantee regarding the Project or that may affect the Project in any way.
17. NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Grant Agreement shall be in writing. Notices may be transmitted by any of the following means:
- A. By delivery in person.

- B. By certified U.S. mail, return receipt requested, postage prepaid.
- C. By “overnight” delivery service; provided that next-business-day delivery is requested by the sender.
- D. By electronic means.
- E. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the below addresses. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.

18. PERFORMANCE EVALUATION. Upon completion of this Grant Agreement, the Grantee’s performance will be evaluated by the State and a copy of the evaluation will be placed in the State file and a copy sent to the Grantee.

19. PROJECT REPRESENTATIVES. The Project Representatives during the term of this Grant Agreement are as follows:

Department of Water Resources  
Arthur Hinojosa  
Manager, Division of Regional Assistance  
P.O. Box 942836  
Sacramento, CA 94236-0001  
Phone: (916) 902-6713  
Email: [Arthur.Hinojosa@water.ca.gov](mailto:Arthur.Hinojosa@water.ca.gov)

Indian Wells Valley Groundwater Authority  
Carol Thomas-Keefer  
General Manager  
100 W. California Avenue  
Ridgecrest, CA 93555  
Phone: (650) 587-7300 x17  
Email: [cthomaskeefer@rgs.ca.gov](mailto:cthomaskeefer@rgs.ca.gov)

Direct all inquiries to the Grant Manager:

Department of Water Resources  
  
Shelby Hoerner  
Environmental Scientist  
715 P Street, 6th Fl.  
Sacramento, CA 95814  
Phone: (916) 326-9980  
Email: [Shelby.Hoerner@water.ca.gov](mailto:Shelby.Hoerner@water.ca.gov)

Stetson Engineers Inc.  
(Water Resources Manager for IWVGA)  
  
Heather Steele, P.E.  
Project Engineer  
861 Village Oaks Drive, Suite #100  
Covina, CA 91724  
Phone: (626) 967-6202 x142  
Email: [heathers@stetsonengineers.com](mailto:heathers@stetsonengineers.com)

Either party may change its Grant Manager, Project Representative, or Project Manager upon written notice to the other party.

20. STANDARD PROVISIONS AND INTEGRATION. This Grant Agreement is complete and is the final Agreement between the parties. The following Exhibits are attached and made a part of this Grant Agreement by this reference:

- Exhibit A– Work Plan
- Exhibit B– Budget
- Exhibit C– Schedule
- Exhibit D– Standard Conditions

- Exhibit E– Authorizing Resolution Accepting Funds
- Exhibit F– Report Formats and Requirements
- Exhibit G– Requirements for Data Submittal
- Exhibit H– State Audit Document Requirements and Funding Match Guidelines for Grantees
- Exhibit I– Project Location
- Exhibit J– Monitoring and Maintenance Plan Components
- Exhibit K– Local Project Sponsors
- Exhibit L– Appraisal Specifications
- Exhibit M– Information Needed for Escrow Process and Closure
- Exhibit N– Project Monitoring Plan Guidance
- Exhibit O– Invoice Guidance for Administrative and Overhead Charges

DRAFT

IN WITNESS WHEREOF, the parties hereto have executed this Grant Agreement.

STATE OF CALIFORNIA  
DEPARTMENT OF WATER RESOURCES

Indian Wells Valley Groundwater Authority

\_\_\_\_\_  
Arthur Hinojosa  
Manager, Division of Regional Assistance

\_\_\_\_\_  
Carol Thomas-Keefer  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

Approved as to Legal Form and Sufficiency

\_\_\_\_\_ for

Robin Brewer  
Assistant General Counsel,  
Office of the General Counsel

Date \_\_\_\_\_

## **Exhibit A**

### **WORK PLAN**

**Project Title:** Indian Wells Valley Groundwater Basin Spending Plan

**Project Description:** This Work Plan includes activities associated with planning, development, and preparation of the Imported Water Interconnection Project Planning for the Indian Wells Valley Basin. The resulting plan will consist of the initial steps (alignment study, design, permitting, environmental compliance, right-of-way, and coordination of delivery terms) for constructing a new water conveyance pipeline and pump stations to convey new purchased imported water supplies to the Basin. This will result in the mitigation of Basin overdraft in the groundwater subbasin to support long-term sustainable groundwater management.

#### **Category (a): Grant Agreement Administration**

Prepare reports detailing work completed during reporting period as outlined in Exhibit F, "Report Formats and Requirements" of this Agreement. Progress Reports will include sufficient information for the DWR Grant Manager to understand and review backup documentation submitted with invoices. Quarterly invoices will accompany the Quarterly Progress Reports and should be submitted to the DWR Grant Manager for review to receive reimbursement of Eligible Project Costs. Collect and organize backup documentation by component, budget category, and task and prepare a summary Excel document detailing contents of the backup documentation organized by component, budget category, and task.

Prepare and submit the Environmental Information Form (EIF) within 30 days of the execution date of the Grant Agreement. No invoices will be reviewed or processed until the EIF has been received by the DWR Grant Manager. Submit a deliverable due date schedule within 30 days of the execution date of the Grant Agreement to be reviewed and approved by the DWR Grant Manager. Any edits to the schedule must be approved by the DWR Grant Manager and the revised schedule saved in the appropriate project files.

Prepare the Draft Grant Completion Report and submit to the DWR Grant Manager for comment and review 90 days before the work completion date listed in Paragraph 2. DWR's Grant Manager will review the Draft Grant Completion Report and provide comments and edits within 30 days of receipt, when possible. Prepare a Final Completion Report addressing the DWR Grant Manager's comments prior to the work completion date. The report shall be prepared and presented in accordance with the provisions of Exhibit F, "Report Formats and Requirements" and approved by the DWR Grant Manager within 30 days after the work completion report. However, all charges accrued after the work completion date in Paragraph 2 will not be reimbursed. The retention invoice must be received, process, and through DWR's accounting office by the final payment date outlined in Paragraph 2. All deliverables listed within the Work Plan shall be submitted with the Final Completion Report unless a new deliverable due date was approved by the DWR Grant Manager.

#### Deliverables:

- EIF
- Deliverable due date schedule
- Quarterly Progress Reports, Quarterly Invoices, and all required backup documentation
- Draft and Final Grant Completion Reports

#### **Category (b): Planning / Design / Environmental**

##### **Task 1. Project Alignment Study**

Review historic and projected available capacity of the California City Pipeline, analyze potential pipeline routes and rights-of-way, analyze potential delivery and connection points, and generate pre-design level cost estimation. Include a cost and feasibility comparison of alignments.

Deliverables:

- Technical memorandum of study
- Final project alignment selection

**Task 2: Design**

Develop preliminary design reports. Conduct surveying, geotechnical, and utility research. Begin dDesign of pipeline and pump stations. Coordinate design and a ~~wheeling or banking reimbursement~~ agreement with Antelope Valley East Kern (AVEK). Submit them to the Grant Manager for review and concurrence. The ~~final~~ 60 percent level design and specifications will be submitted to the DWR Grant Manager for review and concurrence.

Deliverables:

- Preliminary Design Report
- Documentation of research
- Meeting agendas and materials
- Design and specifications
- Agreement with AVEK

**Task 3: Permitting, Environmental, and Rights-of-Way**

Conduct literature reviews of prior regional CEQA and NEPA studies and reports. Prepare an Initial Study for the project. Begin cCompleting the required CEQA and NEPA documentation. Submit the ~~CEQA document(s)~~ Initial Study to the DWR Grant Manager for review. Obtain ~~all required~~ permits for the project and submit copies to the DWR Grant Manager.

Deliverables:

- Literature review documentation
- Initial Study
- ~~CEQA documentation~~ Technical Studies
- ~~NEPA documentation~~ Draft BA/BO
- Copies of ~~all required~~ permits
- Copies of draft rights-of-way Acquisition Plan

**Category (c): Implementation / Construction**

- Not applicable to this Agreement.

**Category (d): Monitoring / Assessment**

- Not applicable to this Agreement.

**Category (e): Engagement / Outreach**

- Not applicable to this Agreement.

**Exhibit B****BUDGET****Grant Title: Indian Wells Valley Groundwater Basin Spending Plan**

The Project serves a need of a DAC, SDAC, Tribe and/or Underrepresented Community?

(check all that apply): DAC, SDAC, Tribe, and/or Underrepresented Community

<b>Budget Categories</b>	<b>Grant Amount</b>
Category a: Grant Agreement Administration	\$1 <del>500</del> ,000
Category b: Planning / Design / Environmental	\$7, <del>485500</del> ,000
Category c: Implementation / Construction	\$0
Category d: Monitoring / Assessment	\$0
Category e: Engagement / Outreach	\$0
<b>Total:</b>	<b>\$7,600,000</b>

**Exhibit C**  
**SCHEDULE**

**Grant Title: Indian Wells Valley Groundwater Basin Spending Plan**

Categories	Start Date <sup>1</sup>	End Date <sup>1</sup>
(a) Grant Agreement Administration	July 19, 2022	March 31, 2026
(b) Planning / Design / Environmental	March 1, 2022	December 31, 2025
(c) Implementation / Construction	N/A	N/A
(d) Monitoring / Assessment	N/A	N/A
(e) Engagement / Outreach	N/A	N/A

**NOTES:**

<sup>1</sup>Exhibit C Schedule only dictates the work start date and the work end date for the Budget Category listed. The Grantee must adhere to the Deliverable Due Date Schedule that has been approved by the DWR Grant Manager. The dates listed in Exhibit C Schedule are date ranges that correlates to the Deliverable Due Date Schedule. Eligible costs for each line item will only be approved if the work completed falls within the date ranges listed in Exhibit C.

**Exhibit D**

**STANDARD CONDITIONS**

**D.1. ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:**

- A. **Separate Accounting of Funding Disbursements:** the Grantee shall account for the money disbursed pursuant to this Grant Agreement separately from all other Grantee funds. The Grantee shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. The Grantee shall keep complete and accurate records of all receipts and disbursements on expenditures of such funds. The Grantee shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by the State at any and all reasonable times.
- B. **Disposition of Money Disbursed:** All money disbursed pursuant to this Grant Agreement shall be deposited in a non-interest bearing account, administered, and accounted for pursuant to the provisions of applicable law.
- C. **Remittance of Unexpended Funds:** The Grantee shall remit to the State any unexpended funds that were disbursed to the Grantee under this Grant Agreement and were not used to pay Eligible Project Costs within a period of sixty (60) calendar days from the final disbursement from the State to the Grantee of funds or, within thirty (30) calendar days of the expiration of the Grant Agreement, whichever comes first.

**D.2. ACKNOWLEDGEMENT OF CREDIT AND SIGNAGE:** The Grantee shall include appropriate acknowledgement of credit to the State for its support when promoting the Project or using any data and/or information developed under this Grant Agreement. Signage shall be posted in a prominent location at Project site(s) (if applicable) or at the Grantee's headquarters and shall include the Department of Water Resources color logo and the following disclosure statement: "Funding for this project has been provided in full or in part from the Budget Act of 2021 and through an agreement with the State Department of Water Resources." The Grantee shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this paragraph.

**D.3. AMENDMENT:** This Grant Agreement may be amended at any time by mutual agreement of the Parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Grantee for amendments must be in writing stating the amendment request and the reason for the request. Requests solely for a time extension must be submitted at least 90 days prior to the work completion date set forth in Paragraph 2, "Term of Grant Agreement." Any other request for an amendment must be submitted at least 180 days prior to the work completion date set forth in Paragraph 2, "Term of Grant Agreement." The State shall have no obligation to agree to an amendment.

**D.4. AMERICANS WITH DISABILITIES ACT:** By signing this Grant Agreement, the Grantee assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. § 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

**D.5. AUDITS:** The State reserves the right to conduct an audit at any time between the execution of this Grant Agreement and the completion of the Project, with the costs of such audit borne by the State. After completion of the Project, the State may require the Grantee to conduct a final audit to the State's specifications, at the Grantee's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by the Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and the State may elect to pursue any remedies provided in Paragraph 10, "Default Provisions" or take any other action it deems necessary to protect its interests. The Grantee agrees it shall return any audit disallowances to the State.

Pursuant to Government Code section 8546.7, the Grantee shall be subject to the examination and audit by the State for a period of three (3) years after final payment under this Grant Agreement with respect of all matters connected with this Grant Agreement, including but not limited to, the cost of administering this Grant Agreement. All records of the Grantee or its contractor or subcontractors shall be preserved for this purpose for at least three (3) years after receipt of the final disbursement under this Agreement.

- D.6. BUDGET CONTINGENCY: If the Budget Act of the current year covered under this Grant Agreement does not appropriate sufficient funds for this program, this Grant Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of the State to make any payments under this Grant Agreement. In this event, the State shall have no liability to pay any funds whatsoever to the Grantee or to furnish any other considerations under this Grant Agreement and the Grantee shall not be obligated to perform any provisions of this Grant Agreement. Nothing in this Grant Agreement shall be construed to provide the Grantee with a right of priority for payment over any other Grantee. If funding for any fiscal year after the current year covered by this Grant Agreement is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, the State shall have the option to either cancel this Grant Agreement with no liability occurring to the State, or offer a Grant Agreement amendment to the Grantee to reflect the reduced amount.
- D.7. CALIFORNIA CONSERVATION CORPS: The Grantee may use the services of the California Conservation Corps or other community conservation corps as defined in Public Resources Code section 14507.5.
- D.8. CEQA: Activities funded under this Grant Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA). (Pub. Resources Code, § 21000 et seq.) Any work that is subject to CEQA and funded under this Agreement shall not proceed until documents that satisfy the CEQA process are received by the DWR Grant Manager and the State has completed its CEQA compliance. Work funded under this Agreement that is subject to a CEQA document shall not proceed until and unless approved by the Department of Water Resources. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. If CEQA compliance by the Grantee is not complete at the time the State signs this Agreement, once the State has considered the environmental documents, it may decide to require changes, alterations, or other mitigation to the Project; or to not fund the Project. Should the State decide to not fund the Project, this Agreement shall be terminated in accordance with Paragraph 10, "Default Provisions."
- D.9. CHILD SUPPORT COMPLIANCE ACT: The Grantee acknowledges in accordance with Public Contract Code section 7110, that:
- A. The Grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Family Code section 5200 et seq.; and
  - B. The Grantee, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- D.10. CLAIMS DISPUTE: Any claim that the Grantee may have regarding performance of this Agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the DWR Project Representative, within thirty (30) days of the Grantee's knowledge of the claim. The State and the Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.
- D.11. COMPETITIVE BIDDING AND PROCUREMENTS: The Grantee's contracts with other entities for the acquisition of goods and services and construction of public works with funds provided by the State

under this Grant Agreement must be in writing and shall comply with all applicable laws and regulations regarding the securing of competitive bids and undertaking competitive negotiations. If the Grantee does not have a written policy to award contracts through a competitive bidding or sole source process, the Department of General Services' *State Contracting Manual* rules must be followed and are available at: <https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/State-Contracting>.

- D.12. **COMPUTER SOFTWARE:** The Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Grant Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- D.13. **CONFLICT OF INTEREST:** All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code section 1090 and Public Contract Code sections 10410 and 10411, for State conflict of interest requirements.
- A. **Current State Employees:** No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
- B. **Former State Employees:** For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
- C. **Employees of the the Grantee:** Employees of the the Grantee shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act. (Gov. Code, § 87100 et seq.)
- D. **Employees and Consultants to the Grantee:** Individuals working on behalf of a Grantee may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.
- D.14. **DELIVERY OF INFORMATION, REPORTS, AND DATA:** The Grantee agrees to expeditiously provide throughout the term of this Grant Agreement, such reports, data, information, and certifications as may be reasonably required by the State.
- D.15. **DISPOSITION OF EQUIPMENT:** The Grantee shall provide to the State, not less than 30 calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by the State. The inventory shall include all items with a current estimated fair market value of more than \$5,000.00 per item. Within 60 calendar days of receipt of such inventory the State shall provide the Grantee with a list of the items on the inventory that the State will take title to. All other items shall become the property of the Grantee. The State shall arrange for delivery from the Grantee of items that it takes title to. Cost of transportation, if any, shall be borne by the State.
- D.16. **DRUG-FREE WORKPLACE CERTIFICATION:** Certification of Compliance: By signing this Grant Agreement, the Grantee, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of the State of California, compliance with the requirements of the Drug-Free Workplace Act of

1990 (Gov. Code, § 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:

- A. Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code section 8355.
  - B. Establish a Drug-Free Awareness Program, as required by Government Code section 8355 to inform employees, contractors, or subcontractors about all of the following:
    - i. The dangers of drug abuse in the workplace,
    - ii. The Grantee's policy of maintaining a drug-free workplace,
    - iii. Any available counseling, rehabilitation, and employee assistance programs, and
    - iv. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
  - C. Provide, as required by Government Code section 8355, that every employee, contractor, and/or subcontractor who works under this Grant Agreement:
    - i. Will receive a copy of the Grantee's drug-free policy statement, and
    - ii. Will agree to abide by terms of the Grantee's condition of employment, contract or subcontract.
- D.17. EASEMENTS: Where the Grantee acquires property in fee title or funds improvements to real property already owned in fee by the Grantee using State funds provided through this Grant Agreement, an appropriate easement or other title restriction shall be provided and approved by the State. The easement or other title restriction must be in first position ahead of any recorded mortgage or lien on the property unless this requirement is waived by the State.
- Where the Grantee acquires an easement under this Agreement, the Grantee agrees to monitor and enforce the terms of the easement, unless the easement is subsequently transferred to another land management or conservation organization or entity with State permission, at which time monitoring and enforcement responsibilities will transfer to the new easement owner.
- Failure to provide an easement acceptable to the State may result in termination of this Agreement.
- D.18. FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED CIVIL ENGINEER: Not applicable for this Agreement.
- D.19. GRANTEE'S RESPONSIBILITIES: The Grantee and its representatives shall:
- A. Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A, "Work Plan" and in accordance with Project Exhibit B, "Budget" and Exhibit C, "Schedule".
  - B. Must maintain eligibility requirements as outlined in the 2021 Guidelines and 2021 PSP and pursuant to Paragraph 11.
  - C. Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Grant Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by the Grantee in the application, documents, amendments, and communications filed in support of its request for funding.
  - D. Comply with all applicable California, federal, and local laws and regulations.
  - E. Implement the Project in accordance with applicable provisions of the law.
  - F. Fulfill its obligations under the Grant Agreement and be responsible for the performance of the Project.

- G. Obtain any and all permits, licenses, and approvals required for performing any work under this Grant Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project. The Grantee shall provide copies of permits and approvals to the State.
- H. Be solely responsible for design, construction, and operation and maintenance of projects within the work plan. Review or approval of plans, specifications, bid documents, or other construction documents by the State is solely for the purpose of proper administration of funds by the State and shall not be deemed to relieve or restrict responsibilities of the Grantee under this Agreement.
- I. Be solely responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to payment disputes with contractors and subcontractors. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.
- D.20. GOVERNING LAW: This Grant Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
- D.21. INCOME RESTRICTIONS: The Grantee agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Grantee under this Agreement shall be paid by the Grantee to the State, to the extent that they are properly allocable to costs for which the Grantee has been reimbursed by the State under this Agreement. The Grantee shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this paragraph.
- D.22. INDEMNIFICATION: The Grantee shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement, and any breach of this Agreement. The Grantee shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Agreement.
- D.23. INDEPENDENT CAPACITY: The Grantee, and the agents and employees of the Grantees, in the performance of the Grant Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.
- D.24. INSPECTION OF BOOKS, RECORDS, AND REPORTS: During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Grant Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Grant Agreement. Failure or refusal by the Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and the State may withhold disbursements to the Grantee or take any other action it deems necessary to protect its interests.
- D.25. INSPECTIONS OF PROJECT BY STATE: The State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Grant Agreement. This right shall extend to any subcontracts, and the Grantee shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Grant Agreement with the State.
- D.26. LABOR CODE COMPLIANCE: The Grantee agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's *Public Works Manual* at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>. The Grantee affirms that it is aware of the provisions of section 3700 of

the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance, and the Grantee affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.

- D.27. MODIFICATION OF OVERALL WORK PLAN: At the request of the Funding Recipient, the State may at its sole discretion approve non-material changes to the portions of Exhibits A, B, and C which concern the budget and schedule without formally amending this Funding Agreement (Level I – Informal). Non-material changes with respect to work plan are changes that help clarify the original language, addition of task without deleting others, and minor edits that will not result in change to the original scope. Non-material changes with respect to the budget are changes that only result in reallocation of the budget and will not result in an increase in the amount of the State Funding Agreement. Non-material changes with respect to the Project schedule are changes that will not extend the term of this Funding Agreement. Requests for non-material changes to the budget and schedule must be submitted by the Funding Recipient to the State in writing and are not effective unless and until specifically approved by the State's Program Manager in writing.
- D.28. NONDISCRIMINATION: During the performance of this Grant Agreement, the Grantee and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital status, and denial of medial and family care leave or pregnancy disability leave. The Grantee and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The Grantee and its contractors or subcontractors shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code, § 12990.) and the applicable regulations promulgated there under (Cal. Code Regs., tit. 2, § 11000 et seq.). The applicable regulations of the Fair Employment and Housing are incorporated into this Agreement by reference. The Grantee and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- The Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Grant Agreement.
- D.29. OPINIONS AND DETERMINATIONS: Where the terms of this Grant Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.
- D.30. PERFORMANCE BOND: Where contractors are used, the Grantee shall not authorize construction to begin until each contractor has furnished a performance bond in favor of the Grantee in the following amounts: faithful performance (100%) of contract value, and labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$25,000.00. Any bond issued pursuant to this paragraph must be issued by a California-admitted surety. (Pub. Contract Code, § 7103; Code Civ. Proc., § 995.311.)
- D.31. PRIORITY HIRING CONSIDERATIONS: If this Grant Agreement includes services in excess of \$200,000, the Grantee shall give priority consideration in filling vacancies in positions funded by the Grant Agreement to qualified recipients of aid under Welfare and Institutions Code section 11200 in accordance with Public Contract Code section 10353.
- D.32. PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION: The Grantee shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with the Grantee's service of water, without prior permission of the State. The

Grantee shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of the Grantee meet its obligations under this Grant Agreement, without prior written permission of the State. The State may require that the proceeds from the disposition of any real or personal property be remitted to the State.

- D.33. PROJECT ACCESS: The Grantee shall ensure that the State, the Governor of the State, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during Project construction and thereafter for the term of this Agreement.
- D.34. REMAINING BALANCE: In the event the Grantee does not submit invoices requesting all of the funds encumbered under this Grant Agreement, any remaining funds revert to the State. The State will notify the Grantee stating that the Project file is closed and any remaining balance will be disencumbered and unavailable for further use under this Grant Agreement.
- D.35. REMEDIES NOT EXCLUSIVE: The use by either party of any remedy specified herein for the enforcement of this Grant Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.
- D.36. RETENTION: The State shall withhold ten percent (10%) of the funds requested by the Grantee for reimbursement of Eligible Project Costs until the Project is completed and Final Report is approved. Any retained amounts due to the Grantee will be promptly disbursed to the Grantee, without interest, upon completion of the Project.
- D.37. RIGHTS IN DATA: The Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes and other written or graphic work produced in the performance of this Grant Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act. (Gov. Code, § 6250 et seq.) The Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Grant Agreement, subject to appropriate acknowledgement of credit to the State for financial support. The Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this paragraph for any public purpose.
- D.38. SEVERABILITY: Should any portion of this Grant Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Grant Agreement shall continue as modified.
- D.39. SUSPENSION OF PAYMENTS: This Grant Agreement may be subject to suspension of payments or termination, or both if the State determines that:
- A. The Grantee, its contractors, or subcontractors have made a false certification, or
  - B. The Grantee, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Grant Agreement.
- D.40. SUCCESSORS AND ASSIGNS: This Grant Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Grant Agreement or any part thereof, rights hereunder, or interest herein by the Grantee shall be valid unless and until it is approved by the State and made subject to such reasonable terms and conditions as the State may impose.
- D.41. TERMINATION BY THE GRANTEE: Subject to State approval which may be reasonably withheld, the Grantee may terminate this Agreement and be relieved of contractual obligations. In doing so, the Grantee must provide a reason(s) for termination. The Grantee must submit all progress reports summarizing accomplishments up until termination date.
- D.42. TERMINATION FOR CAUSE: Subject to the right to cure under Paragraph 10, "Default Provisions," the State may terminate this Grant Agreement and be relieved of any payments should the Grantee fail to

perform the requirements of this Grant Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 10, "Default Provisions."

- D.43. TERMINATION WITHOUT CAUSE: The State may terminate this Agreement without cause on 30 days' advance written notice. The Grantee shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- D.44. THIRD PARTY BENEFICIARIES: The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.
- D.45. TIMELINESS: Time is of the essence in this Grant Agreement.
- D.46. UNION ORGANIZING: The Grantee, by signing this Grant Agreement, hereby acknowledges the applicability of Government Code sections 16645 through 16649 to this Grant Agreement. Furthermore, the Grantee, by signing this Grant Agreement, hereby certifies that:
- A. No State funds disbursed by this Grant Agreement will be used to assist, promote, or deter union organizing.
  - B. The Grantee shall account for State funds disbursed for a specific expenditure by this Grant Agreement to show those funds were allocated to that expenditure.
  - C. The Grantee shall, where State funds are not designated as described in (b) above, allocate, on a pro rata basis, all disbursements that support the program.
  - D. If the Grantee makes expenditures to assist, promote, or deter union organizing, the Grantee will maintain records sufficient to show that no State funds were used for those expenditures and that the Grantee shall provide those records to the Attorney General upon request.
- D.47. VENUE: The State and the Grantee hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Agreement.
- D.48. WAIVER OF RIGHTS: None of the provisions of this Grant Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Grant Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Grant Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

**Exhibit E**

**AUTHORIZING RESOLUTION ACCEPTING FUNDS**

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

In the matter of:

Resolution No. 01-22

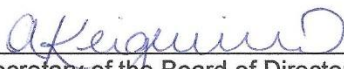
**AUTHORIZING AN AGREEMENT WITH  
THE STATE OF CALIFORNIA FOR SGMA  
IMPLEMENTATION GRANT FUNDING  
UNDER THE CALIFORNIA BUDGET ACT  
OF 2021**

I, April Keigwin, Secretary of the Board of Directors for the Indian Wells Valley Groundwater Authority, do certify that the following resolution, on motion of Director Peters, seconded by Director Vallejo, was duly passed and adopted by the Board of Directors at an official meeting this 9<sup>th</sup> day of February, 2022, by the following vote:

**AYES:** Peters, Hayman, Vallejo, Itnyre, Rajtora

**NOES:**

**ABSENT:**

  
Secretary of the Board of Directors  
Indian Wells Valley Groundwater Authority

**RESOLUTION**

Section 1. **WHEREAS:**

(a) The Board's adoption and submission of its Groundwater Sustainability Plan (GSP) to the California Department of Water Resources by no later than January 31, 2020, was a requirement of the "Sustainable Groundwater Management Act" (SGMA); 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) Round 1 grant funding from DWR is available through the California Budget Act of 2021 under the Sustainable Groundwater Management (SGM) grant program for projects consistent with implementation of GSPs; and

(d) The Indian Wells Valley Groundwater Authority (IWWGA) is eligible to receive funding, up to \$7,600,000, through submittal of a Round 1 SGMA Implementation grant application to DWR; and

(e) The Round 1 SGMA Implementation grant application solicitation was released on December 17, 2021 and is to be submitted to DWR by February 28, 2022 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 2021 Sustainable Groundwater Management (SGM) Grant Program SGMA Implementation Grant pursuant to the California Budget Act of 2021 (Stats. 2021, ch. 240, § 80) and to enter into an agreement to receive a grant for the Indian Wells Valley Groundwater Basin Spending Plan Application. 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 February 9<sup>th</sup>, 2022.

**Exhibit F****REPORT FORMATS AND REQUIREMENTS**

The following reporting formats should be utilized. Please obtain State approval prior to submitting a report in an alternative format.

**1. QUARTERLY PROGRESS REPORTS**

A Quarterly Progress Report template will be provided by the DWR Grant Manager. Grantees must use the template provided for all Quarterly Progress Reports to obtain reimbursement reported. The Quarterly Progress Report must accompany an Invoice and be numbered the same for ease of reference for auditing purposes. In addition, the reporting period for the Quarterly Progress Report must also align with the corresponding quarterly Invoice.

**2. COMPONENT COMPLETION REPORT**

Component Completion Reports shall generally use the following format. This report should summarize all work completed as part of this grant.. This is standalone document and should not reference other documents or websites. Web links are edited or removed over time. These grants can be audited several years after they are closed. Therefore, links are not appropriate to include in the close out reports.

EXECUTIVE SUMMARY – Should include a brief summary of project information and include the following items:

- Brief description of work proposed to be done in the original application
- Description of actual work completed and any deviations from the work plan identified in the Grant Agreement

REPORTS AND/OR PRODUCTS – The following items should be provided

- Final Evaluation report
- Electronic copies of any data collected, not previously submitted
- As-built drawings
- Final geodetic survey information
- Self-Certification that the Project meets the stated goal of the Grant Agreement (e.g. 100-year level of flood protection, HMP standard, PI-84-99, etc.)
- Project photos
- Discussion of problems that occurred during the work and how those problems were resolved
- A final project schedule showing actual progress versus planned progress

COSTS AND DISPOSITION OF FUNDS – A list of showing:

- The date each invoice was submitted to the State
- The amount of the invoice
- The date the check was received
- The amount of the check (If a check has not been received for the final invoice, then state this in this section.)
- A summary of the payments made by the Grantee for meeting its cost sharing obligations under this Grant Agreement.
- A summary of final funds disbursement including:
  - Labor cost of personnel of agency/ major consultant /sub-consultants. Indicate personnel, hours, rates, type of profession and reason for consultant, i.e., design, CEQA work, etc.

- Evaluation cost information, shown by material, equipment, labor costs, and any change orders
- Any other incurred cost detail
- A statement verifying separate accounting of funding disbursements
- Summary of project cost including the following items:
  - Accounting of the cost of project expenditure;
  - Include all internal and external costs not previously disclosed; and
  - A discussion of factors that positively or negatively affected the project cost and any deviation from the original project cost estimate.

**ADDITIONAL INFORMATION** – Any relevant additional Information should be included.

### **3. GRANT COMPLETION REPORT**

The Grant Completion Report shall generally use the following format. This report should summarize all work completed as part of this grant.. This is standalone document and should not reference other documents or websites. Web links are edited or removed over time. These grants can be audited several years after they are closed. Therefore, links are not appropriate to include in the close out reports.

- Executive Summary: consisting of a maximum of ten (10) pages summarizing information for the grant as well as the individual projects.
- Brief discussion whether the level, type, or magnitude of benefits of each project are comparable to the original project proposal; any remaining work to be completed and mechanism for their implementation; and a summary of final funds disbursement for each project.

**Additional Information:** Summary of the submittal schedule for the Post Performance Reports applicable for the projects in this Grant Agreement.

### **4. POST-PERFORMANCE REPORT**

The Post Performance Report (PPR) should be concise and focus on how each project is performing compared to its expected performance. The PPR should be following the Methodology Report for the specific project type(s) provided by the DWR Grant Manager. The PPR should identify whether the project is being operated and maintained. DWR requirements is for all funded projects should be maintained and operated for a minimum of 15 years. If the project is not being maintained and operated, justification must be provided. A PPR template may be provided by the assigned DWR Grant Manager upon request. The PPR should follow the general format of the template and provide requested information as applicable. The following information, at a minimum, shall be provided:

#### **Reports and/or products**

- Header including the following:
  - Grantee Name
  - Implementing Agency (if different from Grantee)
  - Grant Agreement Number and Project Name
  - Funding grant source
  - Report number
- Post Performance Report schedule
- Time period of the annual report (e.g., January 2018 through December 2018)
- Project Description Summary
- Discussion of the project benefits
- An assessment of any differences between the expected versus actual project benefits as stated in the original application. Where applicable, the reporting should include quantitative metrics (e.g., new acre-feet of water produced that year, etc.).

- Summary of any additional costs and/or benefits deriving from the project since its completion, if applicable.
- Any additional information relevant to or generated by the continued operation of the project.

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## Exhibit G

### REQUIREMENTS FOR DATA SUBMITTAL

#### **Surface and Groundwater Quality Data:**

Groundwater quality and ambient surface water quality monitoring data that include chemical, physical, or biological data shall be submitted to the State as described below, with a narrative description of data submittal activities included in project reports, as described in Exhibit G, "Requirements for Data Submittal."

Surface water quality monitoring data shall be prepared for submission to the California Environmental Data Exchange Network (CEDEN). The CEDEN data templates are available on the CEDEN website. Inclusion of additional data elements described on the data templates is desirable. Data ready for submission should be uploaded to your CEDEN Regional Data Center via the CEDEN website. CEDEN website: <http://www.ceden.org>.

If a project's Work Plan contains a groundwater ambient monitoring element, groundwater quality monitoring data shall be submitted to the State for inclusion in the State Water Resources Control Board's Groundwater Ambient Monitoring and Assessment (GAMA) Program. Information on the GAMA Program can be obtained at: [https://www.waterboards.ca.gov/water\\_issues/programs/gama/](https://www.waterboards.ca.gov/water_issues/programs/gama/). If further information is required, the Grantee can contact the State Water Resources Control Board (SWRCB) GAMA Program. A listing of SWRCB staff involved in the GAMA program can be found at: [https://www.waterboards.ca.gov/water\\_issues/programs/gama/contact.shtml](https://www.waterboards.ca.gov/water_issues/programs/gama/contact.shtml).

#### **Groundwater Level Data**

For each project that collects groundwater level data, the Grantee will need to submit this data to DWR's Water Data Library (WDL), with a narrative description of data submittal activities included in project reports, as described in Exhibit F, "Report Formats and Requirements." Information regarding the WDL and in what format to submit data in can be found at: <http://www.water.ca.gov/waterdatalibrary/>.

**Exhibit H****STATE AUDIT DOCUMENT REQUIREMENTS**

The following provides a list of documents typically required by State Auditors and general guidelines for Grantees. List of documents pertains to both State funding and the Grantee's Local Cost Share and details the documents/records that State Auditors would need to review in the event of this Grant Agreement is audited. Grantees should ensure that such records are maintained for each funded project.

**State Audit Document Requirements**Internal Controls

1. Organization chart (e.g., Agency's overall organization chart and organization chart for the State funded Program/Project).
2. Written internal procedures and flowcharts for the following:
  - a) Receipts and deposits
  - b) Disbursements
  - c) State reimbursement requests
  - d) Expenditure tracking of State funds
  - e) Guidelines, policy, and procedures on State funded Program/Project
3. Audit reports of the Agency internal control structure and/or financial statements within the last two years.
4. Prior audit reports on the State funded Program/Project.

State Funding:

1. Original Grant Agreement, any amendment(s) and budget modification documents.
2. A listing of all bond-funded grants, loans, or subventions received from the State.
3. A listing of all other funding sources for each Program/Project.

Contracts:

1. All subcontractor and consultant contracts and related or partners' documents, if applicable.
2. Contracts between the Agency and member agencies as related to the State funded Program/Project.

Invoices:

1. Invoices from vendors and subcontractors for expenditures submitted to the State for payments under the Grant Agreement.
2. Documentation linking subcontractor invoices to State reimbursement, requests and related Grant Agreement budget line items.
3. Reimbursement requests submitted to the State for the Grant Agreement.

Cash Documents:

1. Receipts (copies of warrants) showing payments received from the State.
2. Deposit slips (or bank statements) showing deposit of the payments received from the State.
3. Cancelled checks or disbursement documents showing payments made to vendors, subcontractors, consultants, and/or agents under the grants or loans.
4. Bank statements showing the deposit of the receipts.

Accounting Records:

1. Ledgers showing entries for funding receipts and cash disbursements.
2. Ledgers showing receipts and cash disbursement entries of other funding sources.
3. Bridging documents that tie the general ledger to requests for Grant Agreement reimbursement.

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

1. List of all contractors and Agency staff that worked on the State funded Program/Project.
2. Payroll records including timesheets for contractor staff and the Agency personnel who provided services charged to the program

Project Files:

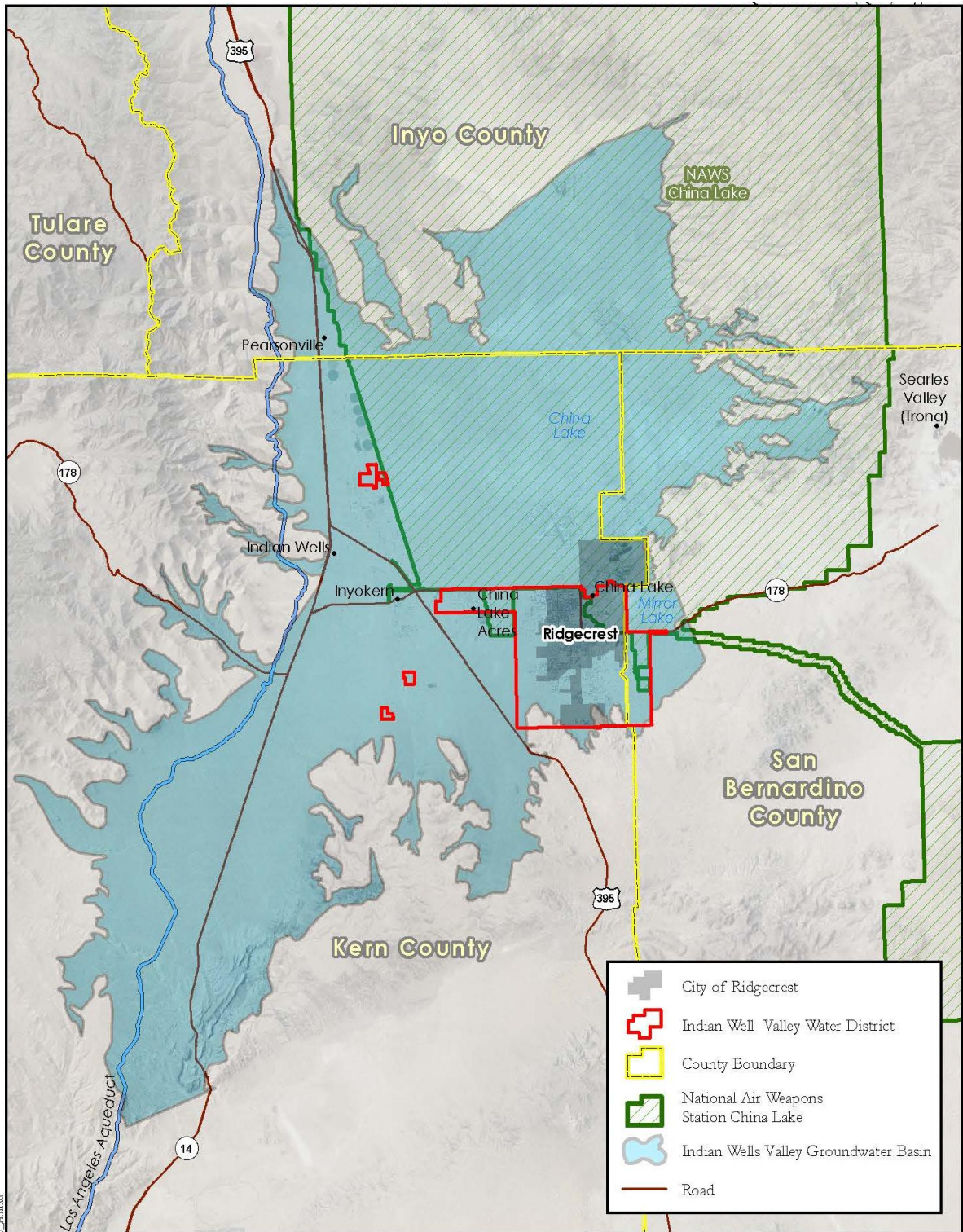
1. All supporting documentation maintained in the project files.
2. All Grant Agreement related correspondence.

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**Exhibit I**  
**PROJECT LOCATION**

The Project will generally be located within the Indian Wells Valley Groundwater Basin (Basin). The land overlying the Basin encompasses portions of the Counties of Kern, Inyo, and San Bernardino, with the majority being in Kern County. Approximately 80% of the land overlying the Basin is managed by either U.S. Navy or the U.S. Department of the Interior, Bureau of Land Management (BLM). Project activities will primarily occur within the Basin, though some activities (such as surveying and utility searches) may occur south of the Basin boundaries, within the jurisdiction of Kern County. Project activities are not anticipated to occur within the jurisdiction of the U.S. Navy, but activities may occur within the jurisdiction of BLM.

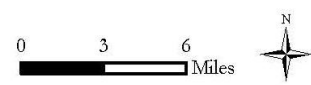
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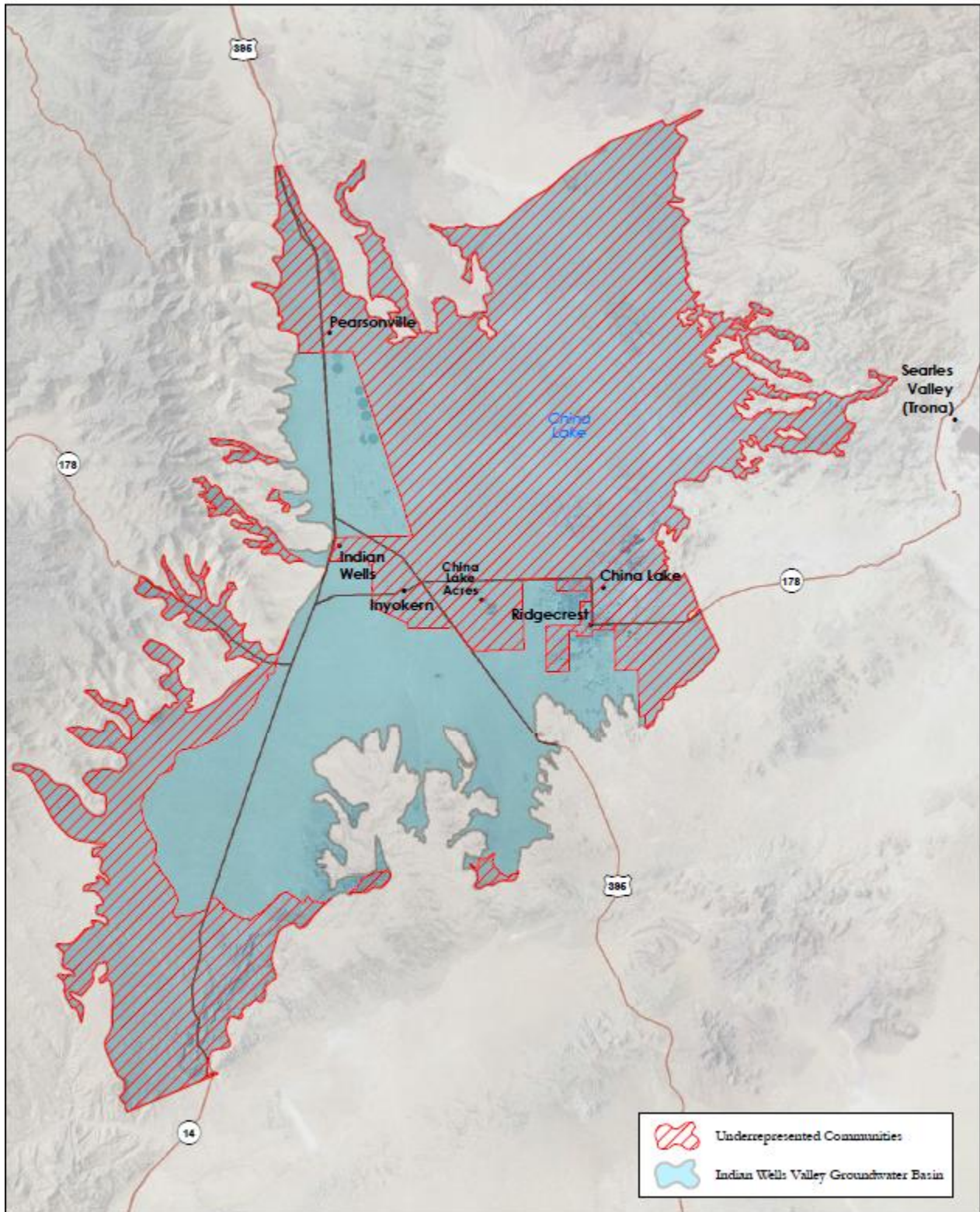


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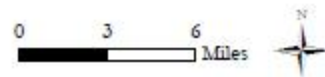
**PROJECT AREA  
 INDIAN WELLS VALLEY  
 GROUNDWATER BASIN**





**UNDERREPRESENTED COMMUNITIES  
(DACs, SDACs, EDAs, ENVDACs)  
INDIAN WELLS VALLEY GROUNDWATER BASIN**

Source: <https://data.cnr.ca.gov/dataset/dacs-census> (Used pursuant to DWR guidelines.)



**Exhibit J**

**MONITORING AND MAINTENANCE PLAN COMPONENTS**

*NOT APPLICABLE*

Introduction

- Goals and objectives of project
- Site location and history
- Improvements implemented
- Monitoring and Maintenance Plan

Detailed monitoring methods and protocols specific to the components listed in Exhibit A will be provided by the Grant Manager later. The full monitoring method report is available on the SGM Grant Program website at: [www.water.ca.gov/sgmgrants](http://www.water.ca.gov/sgmgrants).

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**Exhibit K**  
**LOCAL PROJECT SPONSORS**  
*NOT APPLICABLE*

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## Exhibit L

### APPRAISAL SPECIFICATIONS

For property acquisitions funded this Grant Agreement, the Grantee must submit an appraisal for review and approval by the Department of General Services or DWR's Real Estate Branch prior to reimbursement or depositing State funds into an escrow account. All appraisal reports, regardless of report format, must include all applicable Appraisal Specifications below. Appraisals for a total compensation of \$150,000 or more shall be reported as a Self-Contained Appraisal Report. Appraisals for a total compensation of less than \$150,000 may be reported as a Summary Appraisal Report, which includes all information necessary to arrive at the appraiser's conclusion. Appraisal Specifications 14, 16, 21, 23-25, and 28 shall be narrative analysis regardless of the reporting format.

1. Title page with sufficient identification of appraisal assignment.
2. Letter of transmittal summarizing important assumptions and conclusions, value estimate, date of value and date of report.
3. Table of contents.
4. Assumptions and Limiting Conditions, Extraordinary Assumptions, and Hypothetical Conditions as needed.
5. Description of the scope of work, including the extent of data collection and limitations, if any, in obtaining relevant data.
6. Definition of Fair Market Value, as defined by Code of Civil Procedure, section 1263.320.
7. Photographs of subject property and comparable data, including significant physical features and the interior of structural improvements, if applicable.
8. Copies of Tax Assessor's plat map with the subject marked along with all contiguous assessor's parcels that depict the ownership.
9. A legal description of the subject property, if available.
10. For large, remote or inaccessible parcels, provide aerial photographs or topographical maps depicting the subject boundaries.
11. Three-year subject property history, including sales, listings, leases, options, zoning, applications for permits, or other documents or facts that might indicate or affect use or value.
12. Discussion of any current Agreement of Sale, option, or listing of subject property. This issue required increased diligence since state agencies often utilize non-profit organizations to quickly acquire sensitive-habitat parcels using Option Agreements. However, due to confidentiality clauses, the terms of the Option are often not disclosed to the State. If the appraiser discovers evidence of an Option or the possible existence of an Option, and the terms cannot be disclosed due to a confidentiality clause, then the appraiser is to cease work and contact the client.
13. Regional, area, and neighborhood analyses. This information may be presented in a summary format.
14. Market conditions and trends including identification of the relevant market area, a discussion of supply and demand within the relevant market area, and a discussion of the relevant market factors impacting demand for site acquisition and leasing within the relevant market area. This information may be presented in a summary format.
15. Discussion of subject land/site characteristics (size, topography, current use, elevations, zoning and land use issues, development entitlements, General Plan designation, utilities, offsite improvements, access, land features such as levees and creeks, offsite improvements, easements and encumbrances, covenants,

conditions and restrictions, flood and earthquake information, toxic hazards, water rights, mineral rights, toxic hazards, taxes and assessments, etc.).

16. Description of subject improvements including all structures, square footage, physical age, type of construction, quality of construction, condition of improvements and/or identification of any permanent plantings. Discussion of construction cost methodology, costs included and excluded, accrued depreciation from all causes, remaining economic life, items of deferred maintenance and cost to cure, and incurable items. Construction cost data must include cost data source, date of estimate or date of publication of cost manual, section and page reference of cost manual, copies of cost estimate if provided from another source, replacement or reproduction cost method used, and supporting calculations including worksheets or spreadsheets.
17. Subject property leasing and operating cost history, including all items of income and expense.
18. Analysis and conclusion of the larger parcel for partial taking appraisals. For partial taking appraisals, Appraisal Specifications generally apply to the larger parcel rather than an ownership where the larger parcel is not the entire ownership.
19. Include a copy of a recent preliminary title report (within the past year) as an appraisal exhibit. Discuss the title exceptions and analyze the effect of title exceptions on fair market value.
20. For appraisals of partial takings or easements, a detailed description of the taking or easement area including surface features and topography, easements, encumbrances or improvements including levees within the subject partial take or easement, and whether the take area is characteristic of the larger parcel. Any characteristics of the taking area, including existing pre-project levees that render the take area different from the larger parcel must be addressed in the valuation.
21. Opinion of highest and best use for the subject property, based on an in depth analysis supporting the concluded use which includes the detail required by the complexity of the analysis. Such support typically requires a discussion of the four criteria of tests utilized to determine the highest and best use of a property. If alternative feasible uses exist, explain and support market, development, cash flow, and risk factors leading to an ultimate highest and best use decision.
22. All approaches to market value applicable to the property type and in the subject market. Explain and support the exclusion of any usual approaches to value.
23. Map(s) showing all comparable properties in relation to the subject property.
24. Photographs and plat maps of comparable properties.
25. In depth discussion of comparable properties, similarities and differences compared to the subject, adjustments to the comparable data, and discussion of the reliability and credibility of the data as it relates to the indicated subject property value. Improved comparable sales which are used to compare to vacant land subject properties must include an allocation between land and improvements, using methodology similar to methodology used in item 16 above to estimate improvement value when possible, with an explanation of the methodology used.
26. Comparable data sheets.
  - a) For sales, include information on grantor/Grantee, sale/recordation dates, listed or asking price as of the date of sale, highest and best use, financing, conditions of sale, buyer motivation, sufficient location information (street address, post mile, and/or distance from local landmarks such as bridges, road intersections, structures, etc.), land/site characteristics, improvements, source of any allocation of sale price between land and improvements, and confirming source.
  - b) For listings, also include marketing time from list date to effective date of the appraisal, original list price, changes in list price, broker feedback, if available.

- c) For leases, include significant information such as lessor/lessee, lease date and term, type of lease, rent and escalation, expenses, size of space leased, tenant improvement allowance, concessions, use restrictions, options, and confirming source. When comparing improved sales to a vacant land subject, the contributory value of the improvements must be segregated from the land value.
- 27. For appraisals of easements, a before and after analysis of the burden of the easement on the fee, with attention to how the easement affects highest and best use in the after condition. An Easement Valuation Matrix or generalized easement valuation references may be used ONLY as a reference for a secondary basis of value.
- 28. For partial taking and easement appraisals, valuation of the remainder in the after condition and analysis and identification of any change in highest and best use or other characteristics in the after condition, to establish severance damages to the remainder in the after condition, and a discussion of special and general benefits, and cost to cure damages or construction contract work.
- 29. There are occasions where properties involve water rights, minerals, or salable timber that require separate valuations. If an appraisal assignment includes water rights, minerals, or merchantable timber that requires separate valuation, the valuation of the water rights, minerals, or merchantable timber must be completed by a credentialed subject matter specialist.
- 30. For partial taking and easement appraisals, presentation of the valuation in California partial taking acquisition required format.
- 31. Implied dedication statement.
- 32. Reconciliation and final value estimate. Include analysis and comparison of the comparable sales to the subject, and explain and support conclusions reached.
- 33. Discussion of any departures taken in the development of the appraisal.
- 34. Signed Certification consistent with the language found in Uniform Standards of Professional Appraisal Practice.
- 35. If applicable, in addition to the above, appraisals of telecommunication sites must also provide:
  - a) A discussion of market conditions and trends including identification of the relevant market, a discussion of supply and demand within the relevant market area and a discussion of the relevant market factors impacting demand for site acquisition and leasing within the relevant market area.
  - b) An analysis of other (ground and vault) leases comparable to subject property. Factors to be discussed in the analysis include the latitude, longitude, type of tower, tower height, number of rack spaces, number of racks occupied, placement of racks, power source and adequacy, back-up power, vault and site improvements description and location on site, other utilities; access, and road maintenance costs.

## Exhibit M

### INFORMATION NEEDED FOR ESCROW PROCESSING AND CLOSURE

The Grantee must provide the following documents to the State Project Representative during the escrow process. Property acquisition escrow documents must be submitted within the term of this Grant Agreement and after a qualified appraisal has been approved.

- Name and Address of Title Company Handling the Escrow
- Escrow Number
- Name of Escrow Officer
- Escrow Officer's Phone Number
- Dollar Amount Needed to Close Escrow
- Legal Description of Property Being Acquired
- Assessor's Parcel Number(s) of Property Being Acquired
- Copy of Title Insurance Report
- Entity Taking Title as Named Insured on Title Insurance Policy
- Copy of Escrow Instructions in Draft Form Prior to Recording for Review Purposes
- Copy of Final Escrow Instructions
- Verification that all Encumbrances (Liens, Back Taxes, and Similar Obligations) have been Cleared Prior to Recording the Deed to Transfer Title
- Copy of Deed for Review Purposes Prior to Recording
- Copy of Deed as Recorded in County Recorder's Office
- Copy of Escrow Closure Notice

**EXHIBIT N**  
**PROJECT MONITORING PLAN GUIDANCE**

**Introduction**

For each component contained in Exhibit A, please include a brief description of the component (maximum ~150 words) including component location, implementation elements, need for the component (what problem will the project address) and responds to the requirements listed below.

**Project Monitoring Plan Requirements**

Detailed monitoring methods and protocols specific to the components listed in Exhibit A will be provided by the Grant Manager later. The full monitoring method report is available on the SGM Grant Program website at: [www.water.ca.gov/sgmgrants](http://www.water.ca.gov/sgmgrants).

DRAFT

## EXHIBIT O

### INVOICE GUIDANCE FOR ADMINISTRATIVE AND OVERHEAD CHARGES

The funds provided pursuant to this Agreement may only be used for costs that are directly related to the funded Project. The following provides a list of typical requirements for invoicing, specifically providing guidance on the appropriate methods for invoicing administrative and direct overhead charges.

#### Administration Charges

Indirect and General Overhead (i.e., indirect overhead) charges are not an allowable expense for reimbursement. However, administrative expenses that are apportioned directly to the project are eligible for reimbursement. Cost such as rent, office supplies, fringe benefits, etc. can be "Direct Costs" and are eligible expenses as long as:

- There is a consistent, articulated method for how the costs are allocated that is submitted and approved by the Grant Manager. The allocation method must be fully documented for auditors.
- A "fully-burdened labor rate" can be used to capture allowable administrative costs.
- The administrative/overhead costs can never include:
  - Non-project specific personnel and accounting services performed within the Grantee or an LPS' organization
  - Generic markup
  - Tuition
  - Conference fees
  - Building and equipment depreciation or use allowances
- Using a general overhead percentage is never allowed

#### Labor Rates

The Grantee must provide DWR with supporting documentation for personnel hours (see personnel billing rates letter in example invoice packet). The personnel rate letter should be submitted to the DWR Grant Manager prior to submittal of the first invoice. The supporting documentation must include, at a minimum, employee classifications that will be reimbursed by grant funds and the corresponding hourly rate range. These rates should be "burdened"; the burdened rate must be consistent with the Grantee's/Local Project Sponsors standardized allocation methodology. The supporting documentation should also provide an explanation of what costs make up the burdened rate and how those costs were determined. This information will be used to compare against personnel hours summary table invoice back up documentation. Periodic updates may be needed during the life of the grant which would be handled through a revised billing rate letter

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**TO:** IWVGA Board Members

**DATE:** January 14, 2025

**FROM:** IWVGA Staff

**SUBJECT:** Agenda Item 11 – Consolidation Grant Project Updates

### **BACKGROUND**

The Indian Wells Valley Groundwater Authority (IWVGA) has been awarded a \$3.3 million grant from the California Department of Water Resources' Urban Community Drought Relief Grant (UCDRG) Program to implement a Shallow Well Consolidation Project. The UCDRG Program is intended to address impacts to basin water supplies for the benefit of human health and safety. The \$3.3 million grant can be used for planning, designing, and constructing projects to consolidate shallow wells that may be impacted by declining groundwater levels into the Indian Wells Valley Water District's (IWVWD) water distribution system. Implementation of these projects requires close coordination with the IWVWD, as system connections are dependent upon IWVWD processes and timelines.

### **RADEMACHER PHASE 1**

The consolidation of the Desert Sands Mutual Water Company on Rademacher Way was the first Shallow Well Consolidation Project to be implemented using the grant funds. This consolidation was broken into two phases. The first phase planned to consolidate the two properties from the Desert Sands Mutual Water Company on Rademacher Way which were experiencing poor groundwater quality due to historical excessive pumping. There were five residences connected to the Desert Sands Mutual Water Company well. Two residences, Jones and Wise, are already connected to the Indian Wells Valley Water District (IWVWD), one residence (Smith) is using a neighbor's well, another residence (Bassett) was hauling water, and the Sanchez family was the only family actively using the well in their home. At the October 2024 Board meeting, the Board approved the Reimbursement Agreement between the IWVGA and the IWVWD for the IWVWD to construct the pipeline to provide water service from the IWVWD to residences. Phase one construction was anticipated to have begun in January 2025, however due to delays with the IWVWD's transmission pipeline project, construction was delayed until May 2025. In August 2025, Phase one was completed and the Bassett and Sanchez properties were successfully hooked up to the IWVWD.

### **RADEMACHER PHASE 2**

The second phase will connect the remaining residence (Smith) on the Desert Sands Mutual Water Company well on Gordon Street. The second phase will also connect any additional residents on Rademacher Way and Gordon Street that would like to consolidate. The second phase also loops the pipeline back to the Springer Avenue pipeline, which will prevent stagnation of water and provide better hydraulic performance for the new pipelines. The Reimbursement Agreement

between the IWVGA and the IWVWD also included IWVWD completion of design, CEQA documentation, obtaining easements, and construction of phase two. The estimated cost for Phase 2 is approximately \$1,152,800. The draft design for the second phase was completed in May 2025 and is currently under review by DWR for approval. The IWVWD has identified three properties in which easements still need to be obtained. Issues in obtaining these easements have been ongoing since April 2025. One property owner has asked for a guarantee of a service connection at no cost in exchange for signing the easement. The other two properties have not responded to any of the IWVWD's attempts to reach out to obtain the easement. As the IWVWD has expressed concerns about performing construction during summer months and high demand months, easements should be obtained as soon as possible.

### **ADDITIONAL CONSOLIDATION PROJECTS**

Stark St. was identified as an area for consolidation due to its location in a pumping hole. Additionally, Stark Street Mutual Water Company applied for assistance under the IWVGA Shallow Well Mitigation Program (SWMP) for a well failure in 2022. In March 2023, the IWVGA Board approved reimbursement of \$31,821 for the drilling of a new well. To date, no new well has been drilled due to difficulties in producing funding by the residents for the drilling of a new well. However, some residents have stated strongly that they do not want to consolidate with the IWVWD and would rather drill a new well. Residents are currently receiving hauled and bottled water assistance from Self-Help Enterprises (SHE).

SHE and DWR's Department of Financial Assistance (DFA) have expressed a desire to complete a consolidation as soon as possible. The previously proposed pipeline alignment for Phase 1 of a Stark St. consolidation is dependent upon the completion of the IWVWD's current Dune 3 Consolidation Project which was anticipated to have begun construction in spring of 2025. However, due to issues with obtaining right of entry agreements, the IWVWD is now anticipating construction to begin in spring of 2026. As it is not likely that the Dune 3 Consolidation Project will be completed in time to complete Stark St. within the grant end date, IWVWD has suggested a new alignment which would connect the Stark St system to IWVWD at Calvert Blvd, shown in Figure 1.

Since the Stark St. Mutual Water Company is a State Small Water System (SSWS), a service agreement with the IWVWD will have to be executed. Stark St. is also not located within the IWVWD's service boundaries and would therefore require Local Agency Formation Commission (LAFCo) coordination and approval, which will take approximately 4 months in addition to CEQA compliance.

Additionally, SHE has also identified Yellowbird Co-op as a potential system to consider alongside the Stark St. consolidation, due to its proximity to Stark St, also shown in Figure 1. However, there seems to be no reported issues with their well.

### **PLAN FOR REMAINING GRANT FUNDS**

The IWVGA was awarded \$3.3 million under the UCDRG Grant. As of October 1, the IWVGA has invoiced DWR for \$320,254.56 under the UCDRG Grant and has \$3,024,745.44 of grant funds remaining. The grant end date is December 31, 2026. Staff plan to use the remaining grant funds to consolidate Stark St. residents and complete construction of Phase 2 of the Rademacher

consolidation project.

Phase 2 of Rademacher was estimated by the IWVWD to be \$1,153,000. The IWVWD has currently estimated \$615,000 for design, installation, and connections of Stark St. No costs for consolidating Yellowbird have been estimated. After completion of these two consolidation projects, \$1,257,000 of UCDRG grant funds will remain.

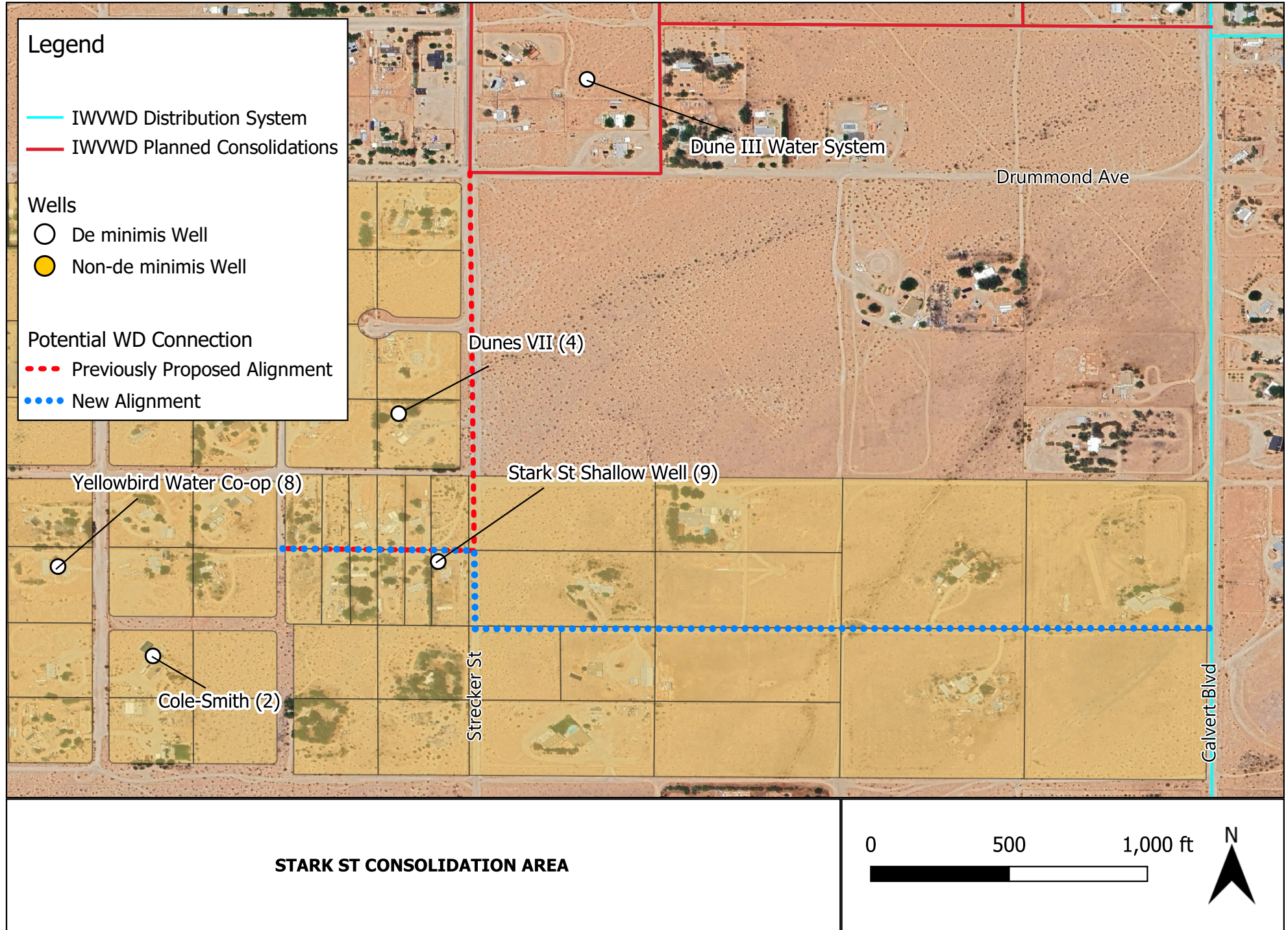
IWVGA staff have requested a grant end date extension by DWR, however the grant program manager had directed staff to amend grant deliverables instead. In February 2025, staff had informed the Board of plans to utilize additional grant funding to complete a Stark St phase 1 consolidation project and develop a feasibility study and prepare designs for a Stark St Phase 2. However, the grant program manager has informed staff that grant deliverables should be projects that provide immediate physical benefits to the community. Therefore, feasibility studies and shovel-ready projects will not be eligible and a large portion of the UCDRG grant funds may not be expended. Staff is coordinating another call with DWR to discuss a grant end date extension.

IWVGA staff will continue to coordinate with the IWVWD in developing the Stark St Consolidation Project, however there is concern regarding completion of these two projects before the grant end date. Staff will update and provide the Board with a refined cost estimate, schedule, and plan for moving forward with the project. A reimbursement agreement with the Stark St Consolidation will be needed. Due to issues in obtaining easements, staff are also exploring using a consulting firm specializing in easements and property acquisition services.

An issue that has been raised by residents who are interested in consolidation is if well destruction will be required. Currently the IWVWD does not require destruction of a well if a property or system is consolidated with the IWVWD. The grant agreement also does not require destruction of a well if the property or system is consolidated another system either. Staff suggest that the IWVGA not require destruction of a well if the property or system is consolidated under the IWVGA's program and that any consolidations that occur will require an agreement with the IWVGA that consolidated properties and systems that choose to keep their wells will no longer be eligible under the IWVGA's SWMP.

### **RECOMMENDED ACTION**

This is an informational item. No action from the Board is required.



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# IWVGA ADMINISTRATIVE OFFICE

*STAFF REPORT*

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**TO:** IWVGA Board Members **DATE:** January 14, 2025  
**FROM:** IWVGA Water Resources Manager  
**SUBJECT:** **AGENDA ITEM 12 – WATER RESOURCES MANAGER’S REPORT**

## **AGENDA ITEM 12a – GRANT FUNDING UPDATE**

### SGMA Implementation Round 1 Update

- Invoice #12
  - Covers April 2025 to June 2025
  - Total requested payment: \$416,489.14
  - Status: DWR approved, received payment.
- Invoice #13
  - Covers July 2025 to September 2025
  - Total requested payment: \$32,759.14
  - Status: Submitted to DWR, awaiting payment.
- Invoice #14
  - Covers October 2025 to December 2025
  - Due to DWR by end of February 2026
- Grant Completion Report submitted to DWR on December 31, 2025

### Urban Community Drought Relief Program Update

- The IWVGA has been awarded \$3,345,000 to consolidate shallow well system(s) into a public water system.
- Potential systems/wells for consolidation in areas near impacted shallow wells are being further investigated, preliminary feasibility study and cost estimates are currently being prepared.
  - Rademacher consolidation project currently underway
  - Reimbursement Agreement between IWVGA and IWVWD signed
  - Phase 1 construction complete
    - Two properties hooked up to completed pipeline (Sanchez and Bassett)
  - Phase 2 design completed and sent to Division of Drinking Water for approval
- Consolidation of Stark St being coordinated
- Request for Amendment to Grant Agreement underway
  - Reallocation of funds under Category A: Project Administration and Category B: Land Purchase/Easement to Category C: Planning/Design/Engineering/ Environmental Documentation and Category D: Construction/Implementation.
  - Amending Grant Deliverables to meet work completion date of December 31, 2026

- Invoice #6
  - Covers April 2025 to June 2025
  - Total requested payment: \$173,391.45
  - Status: DWR approved, received payment.
- Invoice #7
  - Covers July 2025 to September 2025
  - Total requested payment: \$15,080.72
  - Status: Submitted to DWR, awaiting payment.
- Invoice #8
  - Covers October 2025 to December 2025
  - Due to DWR by end of February 2026

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

### Imported Water Project

- Imported Water Pipeline Design Services
  - Continuing coordination with BLM for a Special Use Permit for pipeline construction
    - Staff is coordinating feedback from BLM on the extent existing roads are able to be used within the Spangler Hills Off-Highway Vehicle Area
    - P&P staff continue to work on addressing BLM’s comments on pipeline construction POD
    - Authority processing BLM’s request for an additional \$25,000 deposit under their existing Reimbursement Agreement with the Authority for review
  - December 18, 2025: Monthly coordination meeting with all Project consultants and WRM Staff to coordinate pathway forward for the Project
    - Attended several individual coordination meetings throughout December with WRM Staff, Blue Mountain, Env. and ROW consultants, and subconsultants for resolution planning of key technical issues
  - Continuing ongoing coordination with Caltrans, California Department of Parks and Recreation (Cal Parks), and Southern California Edison (SCE)
    - Bi- weekly meetings with SCE
    - SCE Staff has completed the design of bringing power to Pump Station No. 1 and Pump Station No. 2 and is currently working on the design of the powerlines between Pump Station No. 2 and Pump Station No. 3
    - Coordinating meeting with Cal Trans after the field meeting with BLM to discuss temporary and permanent access routes off Hwy 395 and the Hwy 395 jack and bore crossing.
  - Coordinating finalization of the location of the Hwy 395 crossing
    - Bennett Trenchless will finalize the Draft TM for the trenchless crossings (30% submittal deliverable) to include results of borings into the hydrofracturing analysis that were delayed due to obtaining the California Department of Fish and Wildlife Lake and Streambed Alternation Permit after finalizing the location of the Hwy 395 crossing
  - December 4, 2025: P&P, Stantec, and WRM Staff held a follow-up meeting with AVEK and Kennedy Jenks to discuss the updated results of the Technical

Memorandum for additional modeling of the California City Feeder and North Feeder's upstream hydraulic design considerations

- P&P analyzing results and recommendations for design plans
- Executed Change Order on December 17, 2025 for additional budget for project management and coordination with project stakeholders from April through October 2025, pursuant to the Contract's Extension No. 1 executed in February 2025 and additional coordination required with the Authority, BLM, and SCE
  - Blue Mountain drafting Project Completion Plan which will determine any additional budget required to complete the project in 2026
- Next Steps:
  - Finalize the following after analyzing updated AVEK (Kennedy/Jenks) hydraulic modeling results:
    - Tank TM (a 30% submittal deliverable)
    - Electrical Systems and Instrumentation and Controls TM (a 30% submittal deliverable)
    - Refined System Hydraulics and Transient Mitigation Analysis TM (a 30% submittal deliverable)
    - Draft Mechanical Pump Selection (a 30% submittal deliverable)
  - Provide the updated Preliminary Permitting Requirements TM
  - Provide Draft Corrosion Design TM
  - Incorporate additional SCE power infrastructure into design plans after SCE provides preliminary design for power infrastructure
  - Next Milestones
    - Provide 90% Design Submittal after completing the Next Steps above
    - Provide 100% Design Submittal
- Imported Water Pipeline Environmental Services
  - Coordination Meetings
    - Continuing coordination with the BLM
    - Continued to engage with SCE environmental staff and the Project's design consultant on the potential requirements for incorporating the new SCE infrastructure into the Environmental documents
    - December 18, 2025: Monthly coordination meeting with all Project consultants and WRM Staff to coordinate pathway forward for the Project
      - Attended several individual coordination meetings throughout December with WRM Staff, Blue Mountain, Design and ROW consultants, and subconsultants for resolution planning of key technical issues
  - Board approved extension of Contract with P&P for Environmental Services to March 31, 2026 to allow GA and WRM Staff to evaluate Project Completion Plan and remaining budget to complete the work
  - Incorporating Redacted Cultural Report completed by BLM and the US Department of Defense into EA/ EIR
    - SCE reviewing Redacted Cultural Report
  - Draft EA/ EIR joint document to be updated per additional SCE components
  - Draft Biological Evaluation to be updated for additional SCE components
  - Draft Biological Assessment to be updated for additional SCE component
  - Air Quality, Greenhouse Gas, Energy, and Noise reports to be updated for additional SCE components

- Executed Change Order on December 16, 2025 for additional budget for project management and coordination with project stakeholders from April through October 2025, pursuant to the Contract's Extension No. 1 executed in February 2025 and additional coordination required with the Authority, BLM, and SCE
  - Blue Mountain drafting Project Completion Plan which will determine any additional budget required to complete the project in 2026
- Next Steps:
  - Incorporate additional SCE components into EA/EIR after design plans include SCE preliminary design for power infrastructure
  - Provide updated schedule after SCE provides preliminary design to Design consultants
  - Provide draft EA for 45- day Public Comment Period after incorporating SCE into EA/EIR
  - Next Milestones:
    - Provide Final EA/ EIR
- Imported Water Pipeline Right-of-Way Services
  - December 18, 2025: Monthly coordination meeting with all Project consultants and WRM Staff to coordinate pathway forward for the Project
    - Attended several individual coordination meetings throughout December with WRM Staff, Blue Mountain, Env. and Design consultants, and subconsultants for resolution planning of key technical issues
  - Continuing Acquisition Services Task, Preliminary Title Report and Appraisal Report tasks
    - Updated draft Right of Way document templates per Staff comments
    - Staff reviewing draft Right of Way Acquisition Plan
    - Coordinating plats and legal descriptions with Design team
  - Next Milestone:
    - Provide a final Right of Way Acquisition Plan
    - Complete plats and legal descriptions
- Blue Mountain Development (Blue Mountain) Program Management Services
  - December 18, 2025: Monthly coordination meeting with all Project consultants and WRM Staff to coordinate pathway forward for the Project
    - Attended several individual coordination meetings throughout December with WRM Staff, Design, Environmental. and ROW consultants, and subconsultants for resolution planning of key technical issues to determine project completion strategies
  - Blue Mountain continued drafting integrated Master Schedule to identify risk factors with focus on technical, environmental, regulatory, fiscal, project phasing, and schedule impacts
    - Evaluating completeness of environmental documents prior to publication relative to current design technical issues, construction phasing, and long term operations.
    - Evaluating key biological surveys relative to current design, SCE alignment, and BLM requirements
    - Evaluating current design technical issues including AVEK connection, terminus receiving tank, scour issues, Caltrans crossing, and SCE power distribution for lift stations.

- Evaluating property acquisition strategy integrating construction phasing, and appropriation annual funding
    - Blue Mountain establishing central project document repository
    - Next Steps:
      - Complete integrated Master Schedule, identify risk factors and planning strategies to address and mitigate areas of concern.
        - Projected to provide draft for Staff review by early- January 2026
- Develop Project Completion Action Plan & Recommendations
- Submittals to DWR
    - Continuing monthly coordination meetings with DWR on IP Grant progress
    - November 25, 2025: Coordinated with DWR IP Grant Manager and Program Manager on an additional Amendment to the Grant Agreement to align the Grant deliverables with the work funded by Grant.
      - General Manager provided DWR IP Grant Manager the Amendment Request which proposes updating the list of deliverables due by the Grant's Planning Work Complete Date (12/31/25) to reflect the work being completed under the IP Grant, as recommended by DWR
        - Updated list of deliverables includes:
          - 60% Design Level Plans
          - Environmental Initial Study and Technical Studies
          - Draft Right of Way Acquisition Plan
      - Staff submitted deliverables per the proposed Amendment by December 31, 2025
- National Environmental Protection Agency (EPA) Drinking Water System Infrastructure Resilience and Sustainability Program (Resiliency Grant)
  - In August 2024, the EPA announced their grant of \$2.79 million to the IWVGA for Imported Water Project planning activities
  - Grant will be used as additional funding to complete planning tasks
  - GA staff have made three rounds of revisions to the Project grant documents at the request of grant coordinator
    - Grant coordinator requested that the project schedule is updated to reflect current estimates for project milestones and to provide more detailed descriptions and costs of the scope of work applicable to the EPA Grant in the budget breakdown
  - August 29, 2025: The Authority provided an updated schedule and more detailed budget breakdown to the Grant coordinator for review
  - September 26, 2025: Grant Agreement provided for review by the Authority
    - Any disagreements to terms and conditions of agreement must be submitted to EPA by October 17.
      - Staff notified EPA of acceptance and agreement with terms and conditions of the agreement on October 13.
    - Grant training completed before December 22 deadline.
    - Enrollment in EPA payment system, ASAP, completed.
      - Project invoices to be submitted through ASAP for work done starting June 30, 2025
- US Army Corps of Engineers Planning Assistance to States (PAS) Program
  - GA Staff is coordinating with USACE on tasks

## Shallow Well Mitigation Program

There are currently no active applications. There is an anticipated application from Mr. Matt Jackson on N. Bull Run Street in Inyokern. Mr. Jackson emailed IWVGA on January 16, 2025, and reported that he believes his well is running dry. IWVGA staff responded to Mr. Jackson with the application materials and notified him that the well must be registered with IWVGA. Mr. Jackson submitted an application on March 16, 2025, however a more recent well evaluation is needed to determine the well's flow rate and groundwater level. Mr. Jackson is currently waiting to have Garrison Brothers complete the evaluation.

## **AGENDA ITEM 12c – MISCELLANEOUS ITEMS**

### Data Collection and Monitoring

- Ongoing coordination with Navy for planned wellhead surveys and downhole video logging of selected Navy wells.
  - Navy wellhead surveys at Range wells completed week of September 2.
- Fall 2025 water level monitoring and water quality sampling events completed week of September 8.
- Data from Fall 2025 water level monitoring event were compiled and groundwater elevation maps are being compiled.
- Water quality results for samples collected from selected IWV wells week of September 8 were received and processed.
- Downhole Video: Stetson completed video logging of 17 IWV wells the week of November 10.
  - Purpose of downhole video logging to determine well construction details or the nature of obstructions or casing abnormalities, as needed.
  - Project findings will be summarized in internal Stetson memo
- Fall 2025 water levels uploaded to DMS week of December 2.
- During week of December 10
  - Staff used fabricated tools to clear obstructions in USBR1-MD and USBR1-D and to remove floating trash from Navy Well 25C02
  - Staff performed routine maintenance and/or inspection of five Wellintel units

### Subflow from Rose Valley to IWV

- Ongoing work with BLM regarding Cultural Survey and Permitting for second monitoring well
- Next steps: (1) obtain BLM concurrence on the scope of the cultural/archeological field survey, (2) conduct a cultural/archeological field survey, and (3) BLM Right-of-Way grant
- Periodic correspondence with BLM regarding delayed authorization of archeological survey at proposed RVS-2 well site.
- Continued coordination with BLM on permit to install next RVS Monitoring Well
  - In late October, the new BLM Archeologist, Liz Gonzalez Negrete, contacted Stetson regarding next steps on authorization to complete archeological field survey.
    - BLM requested an updated Request for Work Authorization via email and

- committed to moving the project forward
- Meeting with Epsilon and BLM to discuss the planned archaeological survey scheduled for the 1<sup>st</sup> week of January.
  - Permit documents and description of permit status were provided
  - Navy/Coso contract deadline extended to August 31, 2026 for completing the RVS Monitoring Well project.
    - Navy/Coso no-cost extension executed July 8, 2025.
  - Reimbursement of RVS-1 well underway
    - Need to cancel “Grants Voucher” submitted in January 2024

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

There are no actions required by the Board.

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# BUDGET TO ACTUAL REPORT: YEAR-END REPORT IN PROGRESS

		ACTUALS BY REVENUE ALLOCATION							(A-B)	(B/A)	
		Restricted	Restricted	Restricted	Restricted	Restricted	Restricted	\$	\$	%	
		Extraction	Augmentation	Shallow	SGMA IP	EPA Grant	Navy/COSO	Estimated	REMAINING	COMPLETED	
		Transient Pool		Well Mitigation		UCDR Grant	Fund				
	ORIGINAL										
<b>1</b>	<b>REVENUE</b>										<b>1</b>
<b>2</b>	Extraction Fee - Restricted	900,000	799,928	-	-	-	-	<b>799,928</b>	100,072	89%	<b>2</b>
<b>3</b>	<b>Transfer In/Loan from Augmentation Fund</b>	<b>588,701</b>	-	-	-	-	-	-	588,701	0%	<b>3</b>
<b>4</b>	<b>Prior Year Fund Balance</b>	<b>283,409</b>	-	-	-	-	-	-	283,409	0%	<b>4</b>
<b>5</b>	Augmentation Fee	2,180,781	-	1,837,492	-	-	-	<b>1,837,492</b>	343,289	84%	<b>5</b>
<b>6</b>	<b>Transfer In/Loan Repayment from Extraction Fund</b>	<b>-</b>	-	-	-	-	-	-	-	0%	<b>6</b>
<b>7</b>	Shallow Well Mitigation Fee	115,000	-	-	93,478	-	-	<b>93,478</b>	21,522	81%	<b>7</b>
<b>8</b>	Second Transient Pool Fee - Unrestricted		585,334	-	-	-	-	<b>585,334</b>	(585,334)	0%	<b>8</b>
<b>9</b>	Department of Water Resources (DWR) Grants -IP Grant	731,870	-	-	-	672,228	-	<b>672,228</b>	59,642	92%	<b>9</b>
<b>10</b>	Urban Community Drought Relief Grant Program	1,625,700	-	-	-	-	234,547	<b>234,547</b>	1,391,153	14%	<b>10</b>
<b>11</b>	EPA Resilience Grant	2,678,434	-	-	-	-	-	-	2,678,434	0%	<b>11</b>
<b>12</b>	Navy/COSO Royalty Fund	345,000	-	-	-	-	-	-	345,000	0%	<b>12</b>
<b>13</b>	Miscellaneous Revenue	-	-	-	-	-	-	-	-	0%	<b>13</b>
<b>14</b>										0%	<b>14</b>
<b>15</b>	<b>TOTAL REVENUES</b>	<b>9,448,895</b>	<b>1,385,262</b>	<b>1,837,492</b>	<b>93,478</b>	<b>672,228</b>	<b>234,547</b>	<b>4,223,006</b>	<b>5,225,889</b>	<b>45%</b>	<b>15</b>
<b>16</b>	<b>EXPENSES</b>										<b>16</b>
<b>17</b>	<b>Administration</b>										<b>17</b>
<b>18</b>	Administration (RGS)	340,000	155,173	155,173	-	-	-	<b>310,346</b>	29,654	91%	<b>18</b>
<b>19</b>	Office Rent (City of Ridgecrest)	3,600	1,950	1,950	-	-	-	<b>3,900</b>	(300)	108%	<b>19</b>
<b>20</b>	Office Supplies	1,000	573	573	-	-	-	<b>1,146</b>	(146)	115%	<b>20</b>
<b>21</b>	Postage and Delivery	360	-	-	-	-	-	-	360	0%	<b>21</b>
<b>22</b>	External Audit	37,000	9,250	9,250	-	-	-	<b>18,500</b>	18,500	50%	<b>22</b>
<b>23</b>	Council Chambers/IT Services (City of Ridgecrest)	8,500	1,806	-	-	-	-	<b>1,806</b>	6,694	21%	<b>23</b>
<b>24</b>	General Counsel (Aleshire & Wynder/City of Ridgecrest)	309,000	224,774	-	-	-	-	<b>224,774</b>	84,226	73%	<b>24</b>
<b>25</b>	Additional Legal Services (Aleshire & Wynder/City of Ridgecrest)	10,000	-	-	-	-	-	-	10,000	0%	<b>25</b>
<b>26</b>	Additional Legal Services-Imported Water Pipeline (Aleshire & Wynder)	-	-	-	-	-	-	-	-	0%	<b>26</b>
<b>27</b>	Insurance Premium	20,000	19,691	-	-	-	-	<b>19,691</b>	309	98%	<b>27</b>
<b>28</b>	Legal Notices (Daily Independent)	2,000	919	-	-	-	-	<b>919</b>	1,082	46%	<b>28</b>
<b>29</b>	Memberships (Cal. Assoc.Mutual Water Co)	100	-	-	-	-	-	-	100	0%	<b>29</b>
<b>30</b>	Printing and Reproduction	-	-	-	-	-	-	-	-	0%	<b>30</b>
<b>31</b>	Bank Service Charges	100	12	-	-	-	-	<b>12</b>	88	12%	<b>31</b>
<b>32</b>											<b>32</b>
<b>33</b>	<b>Non-Departmental</b>										<b>33</b>
<b>34</b>	Other Legal Services (RWG Law)	500,000	-	696,827	-	-	-	<b>696,827</b>	(196,827)	139%	<b>34</b>
<b>35</b>	Lobbying Services (Capitol Core)	216,625	11,963	204,301	-	-	-	<b>216,264</b>	361	100%	<b>35</b>
<b>36</b>	Other Professional Services (Garrison Brothers)	-	-	-	-	-	-	-	-	0%	<b>36</b>
<b>37</b>	California State Lands Commission	140	100	-	-	-	-	<b>100</b>	40	71%	<b>37</b>
<b>38</b>	Miscellaneous- IWVWD Grant Repayment	-	-	-	-	-	-	-	-	0%	<b>38</b>
<b>39</b>	Repayment of City of Ridgecrest In-Kind Services	500,000	145,873	354,127	-	-	-	<b>500,000</b>	-	100%	<b>39</b>
<b>40</b>	<b>Transfer Out/ Loan Repayment to Augmentation Fund</b>	<b>-</b>	-	-	-	-	-	-	-	0%	<b>40</b>
<b>41</b>	<b>Transfer Out/Loan to Extraction Fund</b>	<b>588,701</b>	-	-	-	-	-	-	588,701	0%	<b>41</b>

# BUDGET TO ACTUAL REPORT: YEAR-END REPORT IN PROGRESS

		ACTUALS BY REVENUE ALLOCATION							(A-B)	(B/A)	
		Restricted	Restricted	Restricted	Restricted	Restricted	Restricted	\$	\$	%	
		Extraction	Augmentation	Shallow	SGMA IP	EPA Grant	Navy/COSO	Estimated	REMAINING	COMPLETED	
		Transient Pool		Well Mitigation		UCDR Grant	Fund				
	ORIGINAL										
42											42
43	<b>Community Engagement</b>										43
44	Design Services	25,000	-	167,571	-	-	-	167,571	(142,571)	670%	44
45	Printing and Reproduction	10,000	-	-	-	-	-	-	10,000	0%	45
46	Website Services	15,000	-	-	-	-	-	-	15,000	0%	46
47	Website	315	-	-	-	-	-	-	315	0%	47
48											48
49	<b>Shallow Well Mitigation Program</b>										49
50	Shallow Well Mitigation Emergency Assistance Program	50,000	-	-	-	-	-	-	50,000	0%	50
51	Shallow Well Mitigation Program: Outreach and Impacts Eval.(Stetson)	15,000	-	-	6,161	-	-	6,161	8,839	41%	51
52											52
53	<b>NAVY/COSO Program</b>										53
54	Navy/Coso Royalty Fund: Rose Valley MW Permitting, Bid, Drilling (Stetsor)	45,000	149	-	-	-	-	149	44,851	0%	54
55	Navy/Coso Royalty Fund: Develop Projects & Secure Funding (Stetson)	15,000	848	-	-	-	-	848	14,153	6%	55
56	Navy/Coso Royalty Fund: Cooperative Agreement	10,000	2,435	-	-	-	-	2,435	7,565	24%	56
57	Rose Valley Construction	300,000	-	-	-	-	-	-	300,000	0%	57
58											58
59	<b>Basin Management Administration</b>										59
60	Production Reporting, Transient Pool, and Fee Support (Stetson)	35,000	5,346	-	-	-	-	5,346	29,655	15%	60
61	Meetings and Prep (Stetson)	170,000	78,001	78,001	-	-	-	156,002	13,998	92%	61
62	Budget Support (Stetson)	15,000	26,859	-	-	-	-	26,859	(11,859)	179%	62
63	Stakeholder Coordination (Stetson)	5,000	-	-	-	-	-	-	5,000	0%	63
64	Litigation Support (Stetson)	90,000	-	147,676	-	-	-	147,676	(57,676)	164%	64
65											65
66	<b>Basin Management</b>										66
67	General Engineering (Stetson)	50,000	17,702	-	-	-	-	17,702	32,298	35%	67
68	TSS: El Paso Well Drilling Support (Stetson)	-	-	-	-	-	-	-	-	0%	68
69	TSS: General Coordination/Application Support (Stetson)	10,000	-	-	-	-	-	-	10,000	0%	69
70	Coordination with DWR on GSP Review (Stetson)	-	-	-	-	-	-	-	-	0%	70
71	GSP 5-Year Update (Stetson)	100,000	33,174	-	-	-	-	33,174	66,826	33%	71
72	Annual Report Preparation (Stetson)	75,000	27,436	-	-	-	-	27,436	47,565	37%	72
73	Data Management System Support (Stetson)	40,000	27,369	-	-	-	-	27,369	12,631	68%	73
74	Allocation Plan: Allocation Process & Transient Pool Support (Stetson)	-	-	-	-	-	-	-	-	0%	74
75	Allocation Plan and Rules & Regs on Pumping/Restrictions (Stetson)	10,000	-	-	-	-	-	-	10,000	0%	75
76	Allocation Plan: Following & Transient Pool Transfer Program (Stetson)	-	-	-	-	-	-	-	-	0%	76
77	Configuration Management Plan (Stetson)	100,000	-	-	-	-	-	-	100,000	0%	77
78	General Project Management (Stetson)	40,000	16,339	-	-	-	-	16,339	23,662	41%	78
79	Model Transfer and Upgrade (Stetson)	-	14,771	-	-	-	-	14,771	(14,771)	0%	79
80	Data Collection, Monitoring, and Data Gaps (Stetson)	225,000	84,289	-	-	-	-	84,289	140,711	37%	80
81	Imported Water: Negotiations and Coordination(Stetson)	10,000	-	3,949	-	-	-	3,949	6,052	39%	81
82	Imported Water: Engineering and Analysis(Stetson)	-	-	-	-	-	-	-	-	0%	82
83	Recycled Water (Stetson)	25,000	-	106	-	-	-	106	24,894	0%	83
84	Planning Assistance to States: Army Corps Support (Stetson)	50,000	-	119	-	-	-	119	49,881	0%	84

# BUDGET TO ACTUAL REPORT: YEAR-END REPORT IN PROGRESS

		ACTUALS BY REVENUE ALLOCATION							(A-B)	(B/A)
		Restricted	Restricted	Restricted	Restricted	Restricted	Restricted	\$	\$	%
		Extraction	Augmentation	Shallow	SGMA IP	EPA Grant	Navy/COSO	Estimated	REMAINING	COMPLETED
		Transient Pool		Well Mitigation		UCDR Grant	Fund			
	ORIGINAL									
85	<b>Basin Management (Cont'd)</b>									
86	Review of Outside Studies and Coordination (Stetson)	15,000	-	-	-	-	-	-	15,000	0%
87	Well Monitoring Services (WellIntel Inc.)	1,700	2,398	-	-	-	-	2,398	(698)	141%
88								-	-	
89	<b>Grant Management</b>									
90	Grant Review and Application Preparation (Stetson)	75,000	2,172	-	-	-	-	2,172	72,828	3%
91	<b>IP Grant Management</b>									
92	IP Grant Administration (Stetson)	11,265	-	-	30,380	-	-	30,380	(19,115)	270%
93	Imported Water :Planning/Design/Environmental (Stetson)	50,000	-	-	49,953	-	-	49,953	47	100%
94	Imported Water :Engagement Outreach (Stetson)									
95	Imported Water :Planning/Design/Environmental (Provost & Pritchard)	520,605	-	-	1,091,929	-	-	1,091,929	(571,324)	210%
96	Imported Water :Planning/Design/Environmental (Blue Mountain)	-	-	-	21,725	-	-	21,725	498,880	4%
97	Pipeline Design					51,018	-	51,018	(51,018)	0%
98	Mojave Tank Farm						-	-	-	0%
99	CEQ/NEPA					1,509	-	1,509	(1,509)	0%
100	Imported Water :Planning/Design/Environmental (Transystems)	150,000	-	-	97,491	-	-	97,491	52,510	65%
101	Imported Water :Planning/Design/Environmental (Not Grant Reimb)	37,630	-	-	-	-	-	-	37,630	0%
102	Antelope Valley East Kern Water Agency -Reimb Agreement	-	-	-	75,000	-	-	75,000	(75,000)	0%
103										
104	<b>Urban Community Drought Relief Grant Program</b>									
105	Urban Community Drought Relief Funding Administration (Stetson)	20,000	-	-	-	8,190	-	8,190	11,810	41%
106	Shallow Well Consolidation Project (Stetson)	40,000	-	-	-	9,434	-	9,434	30,566	24%
107	Radmacher Consolidation Project Design	1,615,700	-	-	-	62,192	-	62,192	1,553,508	4%
108										0%
109	<b>EPA Resilience Grant</b>									
110	EPA Grant Administration	26,265	-	-	-	25,804	-	25,804	461	98%
111	Resilience Grant -Design/Environmental/ROW (Stetson)	116,667	-	-	-	61,119	-	61,119	55,549	52%
112	Resilience Grant - Design (Provost & Pritchard)	1,872,030	-	-	-	-	-	-	1,872,030	0%
113	Resilience Grant - Environmental (Provost & Pritchard)	216,805	-	-	-	-	-	-	216,805	0%
114	Resilience Grant - Mojave Tank Analysis (Provost & Pritchard)	92,182	-	-	-	-	-	-	92,182	0%
115	Resilience Grant - ROW (Transystems)	150,000	-	-	-	-	-	-	150,000	0%
116	City of California City	1,000	-	-	-	-	-	-	1,000	0%
117	Southern California Edison	115,000	-	-	-	-	-	-	115,000	0%
118	Cal Trans	15,000	-	-	-	-	-	-	15,000	0%
119	State Water Resources Control Board	2,985	-	-	-	-	-	-	2,985	0%
120	California Department of Fish & Wildlife	69,500	-	-	-	-	-	-	69,500	0%
121	CalOSHA	1,000	-	-	-	-	-	-	1,000	0%
122	Planning/Design/Env - (Not Grant Reimbursable)	161,120	-	-	-	-	-	-	161,120	0%
123										
124	<b>TOTAL EXPENSES</b>	<u>9,448,895</u>	<u>911,368</u>	<u>1,819,623</u>	<u>6,161</u>	<u>1,366,477</u>	<u>219,265</u>	<u>-</u>	<u>4,322,894</u>	<u>43%</u>
125	<b>Surplus (Deficit)</b>	<u>-</u>	<u>473,894</u>	<u>17,869</u>	<u>87,317</u>	<u>(694,249)</u>	<u>15,282</u>	<u>-</u>	<u>(99,888)</u>	
126										

## CASH BALANCE

### December 2025 Activity

Cash Receipts (Receipts over \$50,000 and all grants are detailed)

IWVWD Augmentation/Extraction/SWM	\$ 100,959.00
Second Transient Pool	-
SIGMA IP	79,011.89
All Other Cash Receipts -FY 2025	<u>38,177.84</u>
Total Cash Receipts	<u>\$ 218,148.73</u>

Cash Disbursements (Obligation payments are detailed)

Warrants - December	\$ 261,519.41
Total Cash Disbursements	<u>\$ 261,519.41</u>

### Cash Balance

Prior Month to Current Month Ending Balance Reconciliation

November Cash Balance By Investment

Kern County Treasurer	\$ 7,973,652.66
AltaOne Credit Union	<u>1,650,956.36</u>
Total End of Month Cash Balance	\$ 9,624,609.02

December Activity

Cash Receipts	\$ 218,148.73
Cash Disbursements	(261,519.41)
Banking Adjustment Pending	-
Total End of Month Activity	<u>\$ (43,370.68)</u>

December Ending Cash Balance	\$ 9,581,238.34
Less: Outstanding Warrants Approved	(215,649.14)
Less: Outstanding Warrants -Jan -Est	(403,893.20)
Total Available Cash By Activity	<u>\$ 8,961,696.00</u>

December Cash Balance by Investment

Kern County Treasurer	\$ 7,712,133.25
AltaOne - In Transit to Kern County	<u>1,869,105.09</u>
Total End of Month Balance	\$ 9,581,238.34
Less: Outstanding Warrants	<u>(619,542.34)</u>
Total Available Cash by Investment	<u>\$ 8,961,696.00</u>

*Cash Receipts are deposited in AltaOne Credit Union and sent electronically to Kern County Treasurer. Cash in Transit at month end will be reflected in the Kern County Treasurer balance. Warrants are approved by IWVGA Board and administratively processed by IWVGA staff. Warrants are executed by Kern County staff. Outstanding Warrants are vendor invoices received and not yet paid. Outstanding Obligations are detailed in a separate attached report.*

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