

**AGREEMENT BETWEEN the INDIAN WELLS VALLEY GROUNDWATER
AUTHORITY and the BOARD OF REGENTS of the NEVADA SYSTEM OF
HIGHER EDUCATION on behalf of the DESERT RESEARCH INSTITUTE**

As of May 23, 2018, Indian Wells Valley Groundwater Authority (hereinafter "SPONSOR"), and the Board of Regents of the Nevada System of Higher Education on behalf of the Desert Research Institute, (hereinafter "DRI") agree as follows:

1. Purpose

- (a) DRI has the knowledge and expertise in the groundwater model for Indian Wells Valley to assist SPONSOR in using this groundwater model to support SPONSOR's work on its State-required Groundwater Sustainability Plan (GSP);
- (b) DRI is willing and able to make facilities and qualified personnel available to conduct the desired research and/or perform the desired services;

2. Term and Responsibilities

- (a) Pursuant to this Agreement, DRI, for a period from June 1, 2018 to June 30, 2020, shall perform the duties/tasks in accordance with the DRI Scope of Work and Budget, a copy of which is attached hereto as "Exhibit A" and by reference made part of this Agreement. Either party may terminate this Agreement on thirty (30) days written notice.

3. Consideration

- (a) This Agreement is to be considered a cost reimbursement agreement for a total estimated cost of two hundred thirty nine thousand nine hundred thirty four dollars (\$239,934). Costs are to be established as outlined in the DRI cost proposal, attached hereto as "Exhibit A."
- (b) If the scope of work described under this Agreement expands, SPONSOR shall initiate an amendment to include added scope and funding that is mutually agreed upon by DRI and SPONSOR. All work will be authorized on a Task and associated Budget basis.
- (c) DRI agrees to use reasonable efforts to perform its research obligations and all other obligations described under this Agreement within the total estimated cost.
- (d) SPONSOR shall not be obligated to reimburse DRI in excess of the above-listed Agreement price, unless and until SPONSOR has notified DRI, in writing, that such Agreement price has been increased, and an amendment to the Agreement providing for such an increase is entered into.
- (e) DRI shall invoice SPONSOR on a monthly basis in the format contained in the DRI Cost Proposal. Payment is to be made by SPONSOR to DRI no later than sixty (60) days after receipt of the invoice.

4. Ownership of Property

- (a) If equipment not already owned by DRI shall be required for the research conducted under this Agreement, such additional equipment, with the approval of the SPONSOR, shall be built or purchased by DRI and the cost thereof shall be reimbursed by SPONSOR under this Agreement. DRI shall retain title to all property purchased under this Agreement.

(b) DRI shall utilize a groundwater model that was developed for the United States Navy. DRI has received authorization from the Navy to utilize the groundwater model for this Agreement with SPONSOR.

5. Patents

DRI shall own all right, title, and interest in and to any patent, trade secret, or other proprietary rights that develop out of or as a result of the research called for under this Agreement. DRI agrees to grant SPONSOR a perpetual, non-exclusive, royalty-free license to use throughout the world any such patent, trade secret, and/or proprietary rights.

6. Independent Contractor

DRI is acting as an independent contractor, and not an employee of SPONSOR.

7. Insurance

DRI is self-insured in accordance with the limitations of NRS 41.0305 to NRS 41.039. DRI shall maintain self-insurance with limits of liability as set forth in NRS 41.0305 to 41.039, and Workers Compensation coverage as required by Nevada State Law, during the term of this Agreement.

8. Project Monitorship

The project described under this Agreement will be monitored by Indian Wells Valley Water Resources Manager (IWV-WRM), project manager.

9. Publications

The major purpose of the work performed by DRI is to obtain information that may be made available to the public and industry through publications, conferences, or other means of public disclosure. DRI shall give SPONSOR thirty (30) days to review and comment on any proposed announcement or publication of work developed pursuant to this Agreement, and DRI shall consider SPONSOR's comments prior to public release. DRI shall recognize the support of SPONSOR and give credit in the text and/or on the title pages of any such announcement or publication of work.

10. Governing Law

This Agreement shall be interpreted and construed under, and the rights of the parties will be governed by, the laws of the State of Nevada.

11. Reports and Deliverables

Final results shall be provided by the end of the project.

12. Subcontracts

DRI shall not subcontract or assign responsibility for performance of any portion of this Agreement without the prior written consent of SPONSOR. Except as otherwise specifically approved by SPONSOR, DRI shall include appropriate provisions of this Agreement in subcontracts so rights conferred to SPONSOR by this Agreement shall not

be affected or diminished by subcontract. There shall be no contractual relationship intended, implied, or created between DRI and any subcontractor with respect to services under this Agreement.

13. Integration

This Agreement represents the entire understanding of SPONSOR and DRI as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

14. Miscellaneous

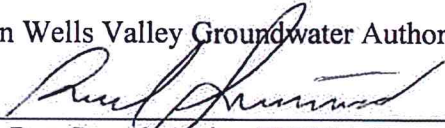
- (a) Neither party hereto shall assign, sublet, or transfer interests hereunder without first obtaining written consent from the other party.
- (b) The waiver by either party of any breach of this Agreement shall not bar the other party from enforcing any subsequent breach thereof.
- (c) Notices shall be deemed received when deposited in the U.S. Mail with postage prepaid and registered or certified addressed as follows unless advising in writing to the contrary:

Indian Wells Valley Groundwater Authority
C/o City of Ridgecrest, City Clerk
100 W. California Ave.
Ridgecrest, CA 93555

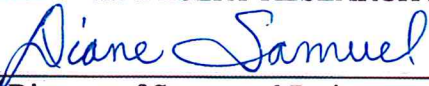
The Board of Regents of the Nevada System of Higher Education on
Behalf of the Desert Research Institute
[ADDRESS]

IN WITNESS WHEREOF, the parties hereby have caused this Agreement to be executed the date first above written.

Indian Wells Valley Groundwater Authority

By: 
Title: Ron Strand, Acting IWVGA General Manager
Address: 100 W. California Ave., Ridgecrest, CA 93555
Date: 5/22/18

THE BOARD OF REGENTS OF THE NEVADA SYSTEM OF HIGHER EDUCATION
on behalf of the DESERT RESEARCH INSTITUTE

By: 
Title: Director of Sponsored Projects and Compliance
Address: 2215 Raggio Parkway, Reno, NV 89512-1095
Date: 5-23-2018

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Exhibit A

Indian Wells Valley Groundwater Authority DRI Proposal for Full Support of GSP Development

April 27, 2018

Task 1 - Sustainable Management Alternatives through 2070

The calibrated groundwater model will be setup to simulate up to four (4) sustainable management alternative simulations through 2070. The sustainable management alternatives will be provided by the Technical Advisory Committee (TAC). Results will be presented as maps of drawdown in Indian Wells Valley, hydrographs at specific locations, and annual water budget tables for the basin and each management area including pumping by water use. The management area extents would be provided by the TAC and/or the Water Resource Manager (WRM) and would probably include 3 to 5 zones.

The personnel cost for this task is \$24,570.

Task 2 - Transport (Salinity) and Land Subsidence

A predictive simulation for TDS transport and land subsidence will be developed for the preferred sustainable management alternative. The transport model will be based on the published transport model but implemented on the updated model platform including additional salinity data if readily available. A revised conceptual model of land subsidence will be developed and integrated into the subsidence model framework. The transport and subsidence simulations will extend through 2070 and results will be presented as maps of TDS concentrations, concentrations through time at selected locations, and annual mass balance tables by management area for the preferred alternative.

The personnel cost for this task is \$36,498.

Task 3a – Attendance and Participation at TAC Meetings

DRI will attend and participate in eight (8) TAC meetings. Beyond general attendance and participation and discussions, DRI will present model calibration results, including baseline model assumptions, seasonally varying and constant boundary conditions, water budgets, and results of the steady-state, transient historical, and four (4) sustainable management alternatives, and TDS transport results.

Travel cost for this task is \$9,154 and personnel cost is \$47,343. Total cost for this task is \$56,497.

Task 3b – Attendance and Participation at TAC Workshop

Jenny Chapman and Greg Pohll will prepare for and lead two (2) 4-hour workshops for an ad hoc (3 member) committee from the TAC. DRI will collaborate with the WRM and the Navy for additional content. DRI will provide detailed information regarding model calibration results (steady-state and transient), model assumptions, seasonally varying recharge and pumping, and other boundary conditions, and water budgets. In addition, DRI will provide summary slides to the ad hoc committee and the full TAC following each workshop.

Travel cost for this task is \$4,409 and personnel cost is \$25,104. Total cost for this task is \$29,513.

Exhibit A

Task 4 – Coordination with the Water Resource Manager

This task will include ongoing coordination with the WRM. WRM support would include discussions, providing input, developing data tables, GIS locations and maps, etc. Other items that will be coordinated include a review of existing (and brackish water study) hydrogeologic conceptual models, development of sustainable water balance, development of monitoring plan, identification of data gaps, development of sustainable management criteria, providing tables and descriptions for GSP model section documentation, discussions regarding climate change, land use, potential recharge areas, and other management alternatives. DRI will also collaborate with the WRM to provide response to modeling comments from TAC, GSA Board, California Department of Water Resources (DWR), and the general public.

This task does not include travel and personnel cost is \$37,572.

Task 5 – Model Documentation

DRI will prepare a report that describes updates of the groundwater model since the last report. Updates will include changes made to the model since the last published report. Changes will include model re-calibration results, alterations to seasonally varying and constant boundary conditions, water budgets, and results of the steady-state, transient historical, and four (4) sustainable management alternatives, and TDS transport results. This report is not intended to replace the first edition of the modeling report as it will focus on model updates.

Personnel cost for this task is \$55,284.

Total Project Cost

The total project cost is \$239,934.

Exhibit A

DRI Cost Proposal
 IWV Basin Model Coordination - FULL PROPOSAL
 1 June 2018 through 30 June 2020

	Individual / Units	Rate, \$/hr	Hrs	Cost	Task 1		Task 2		Task 3a		Task 3b		Task 4		Task 5		
					Hrs	Cost, \$	Hrs	Cost, \$	Hrs	Cost, \$	Hrs	Cost, \$	Hrs	Cost, \$	Hrs	Cost, \$	
SALARIES & WAGES																	
Professional																	
S020 Environmental Scientist	C. Garner	106.70	480	51,217	100	10,670	166	17,713	24	2,561	24	2,561	0	0	166	17,713	
Subject Matter Expert	J. Chapman	237.98	296	70,443	0	0	40	9,519	48	11,423	48	11,423	80	19,039	80	19,039	
Subject Matter Expert	G. Pohl	231.66	452	104,710	60	13,900	40	9,266	144	33,359	48	11,120	80	18,533	80	18,533	
SUBTOTAL PERSONNEL				1,228	226,371	160	24,570	246	36,498	216	47,343	120	25,104	160	37,572	326	55,284
TRAVEL																	
Ridgecrest, CA - Meetings or Field Work																	
China Lake - DRI Vehicle																	
Lodging																	
Meals/Incidental expenses																	
SUBTOTAL TRAVEL																	
TOTAL COSTS					239,934	24,570	36,498	56,497	29,513	37,572	55,284						

All costs are fully burdened in accordance with DRI's standard business practice.

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