



To: Carol Thomas-Keefer, General Manager – Indian Wells Valley Groundwater Authority

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Date: May 2, 2024

Subject: April 2024 Project Update

The following will provide activities and updates for March 2024.

Task 1: Imported Water Supplies

In April, Capitol Core continued discussions with our potential water seller and transfer partner to determine next steps on the purchase and approvals for the water transfer. Our discussions with both entities are ongoing.

Task 2: Interconnection Pipeline Project

Work continued on the WRDA Authorization and the State Budget Request during the month of April. In addition, we supported engineering and permitting efforts in conjunction with Provost & Pritchard and various agencies/stakeholders with an interest in the permitting process.

Task 3: Other Projects Supporting the GSP

UPDATE: *Energy & Water Development Act for Fiscal Year 2025*

To meet Congressional deadlines, Capitol Core has submitted a Community Project Funding Request (“earmark”) in the amount of \$1.6 million to the *Energy & Water Development Appropriations Act for Fiscal Year 2025 (E&WD FY25)*. Representative Obernolte is considering our request to re-program the authorized amounts provided under the *E&WD FY23* to fund U.S. Army Corps of Engineers (USACE) assistance for watershed management planning (“GSP Updates”), validation of specific studies, including basin percolation and GSP findings validation, and water resource planning. The request replaces the Planning Assistance to States application for USACE assistance for interconnection pipeline planning activities that were not permitted due to SGMA-IP funding timelines required by DWR. The request has

been formally submitted to the Congressman for consideration. We should hear at some point in May whether the Representative has submitted the request to the larger bill.

Federal Legislative Updates

NEW REPORT: Priority Legislation: *S. 4157 (Padilla, D-CA): Water Resources Development Act: Compensatory Mitigation*

This bill would allow the Army Corps to contract with a third-party provider to deliver compensatory mitigation for Civil Works projects fully. It is designed to provide flexibility around compensatory and environmental mitigation for the U.S. Army Corps of Engineers Civil Works infrastructure projects. Capitol Core is currently reviewing the legislation for potential impacts to Section 404 permits required for the interconnection pipeline project. Compensatory mitigation refers to the restoration, establishment, enhancement, or preservation of wetlands, streams, or other aquatic resources for the purpose of offsetting unavoidable adverse impacts authorized by Clean Water Act section 404 permits and other Department of the Army permits. Not only does the Army Corps require Clean Water Act permittees to mitigate discharges into U.S. waters, but the Corps itself must also mitigate for impacts from Civil Works flood control, navigation, and water supply projects. The bill is under review by Authority staff.

NEW REPORT: Priority Legislation: Discussion Draft (Kelly, D-AZ and Padilla, D-CA): *WRDA: Drought Resilient Infrastructure Act of 2024*

This legislation establishes new and bolsters existing drought authorities for Corps projects in Colorado River Basin states. It adds certain drought-related projects to the Army Corps of Engineers' purview and streamlines portions of the Section 7001 process (Water Resource Projects)

State Legislative Updates

UPDATED/REPORT: FINAL ACTION: Assembly Constitutional Amendment 2: Water Resiliency Act of 2024

This measure would require the Treasurer to annually transfer an amount equal to 1.5% of all state revenues from the General Fund to the California Water Resiliency Trust Fund, which the measure would create. The measure would continuously appropriate money in the fund to the California Water Commission for its actual costs of implementing these provisions and for specified water infrastructure projects. The bill has died in the Assembly Committee on Water, Parks, and Wildlife.

UPDATE/REPORT: SB 1210 (Skinner, D-9th): Water Connection Charges

This bill limited the ability of the Water District and the City to charge a connection fee that exceeds one percent of the reported building permit value for new residential construction. It would have negatively impacted the IWW Water District (water supply) and the City of Ridgecrest (wastewater) by not allowing these jurisdictions the ability to charge the "actual value" of the connection charge by artificially capping such charges at one percent of the building permit value, which is a nebulous calculation. Capitol Core

worked with a coalition of lobbyists to successfully negotiate amendments in April. The amendments were accepted by the Author, and the Authority removed its opposition.

Bill Tracking Report:

May 4, 2024, was the Legislative deadline for legislation introduced during 2024 to have been reported by its first Committee of jurisdiction. Significant activity in Sacramento took place in April on behalf of the Authority. The "Policy Tracking Report" showing all legislative actions is attached.