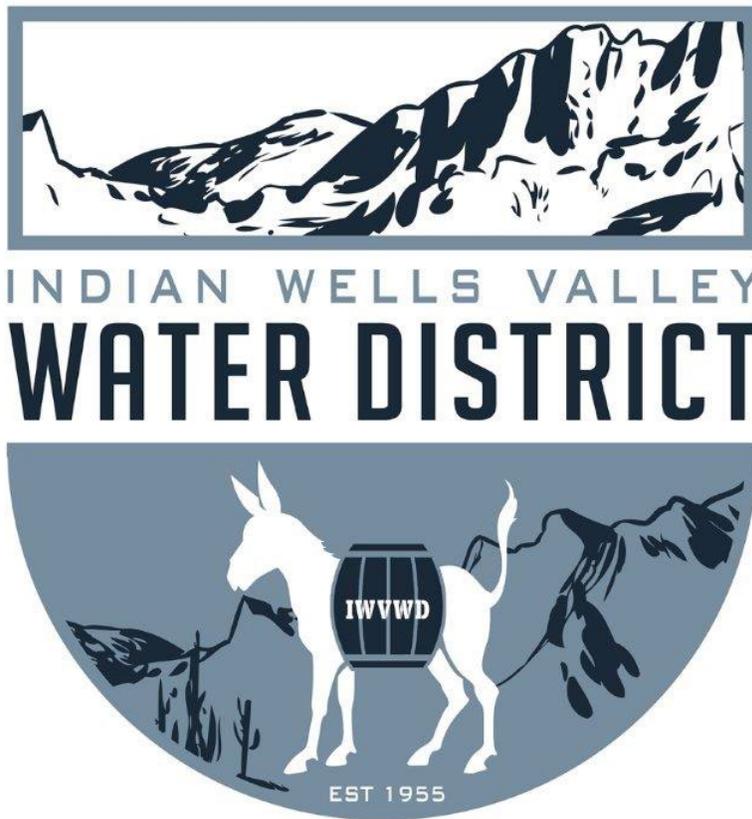


# INDIAN WELLS VALLEY WATER DISTRICT

Board of Directors Meeting



**September 11, 2023**



# INDIAN WELLS VALLEY WATER DISTRICT



**BOARD OF DIRECTORS**  
**Mallory J. Boyd, President**  
**Ronald R. Kicinski, Vice President**  
**Charles D. Griffin**  
**Stanley G. Rajtora**  
**David C. H. Saint-Amand**

**George D. Croll**  
*General Manager*  
**Krieger & Stewart, Incorporated**  
*Engineers*  
**McMurtrey, Hartsock, Worth & St. Lawrence**  
*Attorneys-at-Law*

## 2023 COMMITTEE ASSIGNMENTS

ADMINISTRATION/EXECUTIVE COMMITTEE  
 (BOYD/KICINSKI)

Personnel, Legal Matters, General Plan, Community Relations, Board Meeting Agendas, Ordinances, Rules, Regulations, Policies, Procedures, Customer Service, Variances, Director’s Manual, etc.

FINANCE COMMITTEE  
 (RAJTORA/SAINT-AMAND)

Rates, Cost-of-Service, Budget, Audits, Cost Allocation, Investments, Financial Services, Insurance, Loans/Grants, Water Sales & Service Policy Manual, Accounting, Assessment Districts, Billing, etc.

PLANT & EQUIPMENT COMMITTEE  
 (GRIFFIN/RAJTORA)

Transmission/Distribution System, Vehicles & Equipment, Wells, Reservoirs, Real Property Management, Telemetry, etc.

WATER MANAGEMENT  
 (GRIFFIN/KICINSKI)

Groundwater Sustainability Act, Indian Wells Valley Groundwater Authority, Water Management, Water Policy, Water Quality, Conservation, Urban Water Management Plan, California Urban Water Conservation Council, Title 22 Compliance, Alternative sources for water supply including Blending, Importation, Reuse, etc.

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Committee Meetings are generally scheduled on a regular day and time.  
 Committee Meetings are subject to change.

**Administration/Executive**  
**Finance**  
**Plant & Equipment**  
**Water Management**

Wednesday before the Board Meeting at 3:00 p.m.  
 Tuesday before the Board Meeting at 2:30 p.m.  
 Tuesday before the Board Meeting at 2:00 p.m.  
 Last Thursday of the month at 2:00 p.m.

BOARD OF DIRECTORS  
INDIAN WELLS VALLEY WATER DISTRICT

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REGULAR BOARD MEETING

AGENDA

MONDAY, SEPTEMBER 11, 2023  
**CLOSED SESSION - 4:30 P.M.**  
**OPEN SESSION - 6:00 P.M.**

BOARD OF DIRECTORS' HEARING ROOM  
500 W. RIDGECREST BLVD., RIDGECREST

➤ **Watch meetings on-line:**

All District meetings are streamed live on the District's YouTube channel at:

<https://www.youtube.com/@IWVWD>

Recordings will be available for viewing after the meeting on the District's YouTube page.

➤ **Call in for public comments:**

To make a public comment, please call: (760) 375-7548.

Callers will be placed in a queue and answered in the order they were received. If a member of the public wishes to comment on multiple items, they will need to call in as each item is presented to the Board.

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*(In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Lauren Smith at (760) 384-5502. Requests must be made as early as possible and at least one full business day before the start of the meeting. Pursuant to Government Code section 54957.5, any materials relating to an open session item on this agenda, distributed to the Board of Directors after the distribution of the agenda packet, will be made available for public inspection at the time of distribution at the following location: Indian Wells Valley Water District, 500 W. Ridgecrest Blvd., Ridgecrest, CA.)*

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Posting of Agenda Declaration
5. Conflict of Interest Declaration
6. Public Questions and Comments on Closed Session
7. Closed Session
  - A. Potential Litigation
  - Conference with Legal Counsel
  - 2 Matters
  - (Pursuant to Government Code Section 54956.9(d)(2)(4))

- B. Existing Litigation  
Conference with Legal Counsel  
*Mojave Pistachios, LLC v Indian Wells Valley Water District, et al.*  
Orange County Superior Court Case No. 30-2021-01187275-CU-OR-CJC  
(Pursuant to Government Code Section 54956.9(d)(1))
  - C. Existing Litigation  
Conference with Legal Counsel  
*Mojave Pistachios, LLC v Indian Wells Valley Groundwater Authority, et al.*  
Orange County Superior Court Case No. 30-2021-01187589-CU-WM-CXC  
(Pursuant to Government Code Section 54956.9(d)(1))
  - D. Existing Litigation  
Conference with Legal Counsel  
*Searles Valley Minerals Inc., v Indian Wells Valley Groundwater Authority, et al.*  
Orange County Superior Court Case No. 30-2021-01188089-CU-WM-CXC  
(Pursuant to Government Code Section 54956.9(d)(1))
  - E. Conference with Labor Negotiator  
District Representative: George Croll  
(Pursuant to Government Code Section 54957)
8. Public Questions and Comments  
*(This portion of the meeting is reserved for persons desiring to address the Board on any matter not on the agenda and over which the Board has jurisdiction. However, no action may be taken by the Board of Directors on any item not appearing on the agenda. Non-agenda speakers are asked to limit their presentation to five minutes. Public questions and comments on items listed on the agenda will be accepted at any time the item is brought forth for consideration by the Board. When you are recognized by the chairperson, please state your name and address for the record.)*
9. Current Business/Committee Reports
- A. Consent Calendar  
**Description:** Approval of Board Meeting Minutes and Accounts Payable Disbursements.
    - 1. Approval of Minutes:
      - i. August 14, 2023, Regular Board Meeting
    - 2. Approval of Accounts Payable Disbursements
  - B. Administrative Executive Committee
    - 1. WaterSmart 5-year Renewal  
**Description:** Board to review the 5-year renewal with WaterSmart and make a recommendation for the Board.  
**Committee Recommends the Following:** Board approve the 5-year renewal with WaterSmart.
    - 2. Assembly Bill (AB) 102 Budget Act of 2023 – Department of Water Resources Funding  
**Description:** Board to review Resolution No. 23-05: Entering into an agreement with the State of California DWR to receive funds for the Inyokern Pipeline

Replacement Project.

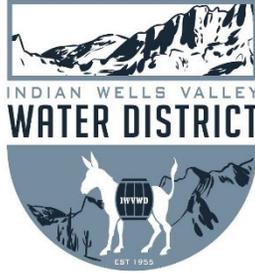
**Committee Recommends the Following:** Board approve Resolution No. 23-05.

- C. Imported Water/AVEK Pipeline  
**Description:** Board discussion of Funding Path for Imported Water/AVEK Pipeline.  
**Recommendation:** None.
- D. Indian Wells Valley Groundwater Authority  
**Description:** Report and discussion regarding the August 23, 2023, meeting of the Indian Wells Valley Groundwater Authority (IWVGA). Including, Board discussion and consideration of issues of importance requiring action by the IWVGA. Next meeting is scheduled for September 13, 2023.
- E. Comprehensive Adjudication  
**Description:** Report and discussion regarding the status of the Comprehensive Adjudication.
- F. General Manager and Staff Update (The Board will consider and may act on the following items):
1. Water Production, New Services, and Personnel Safety Record  
**Description:** Water produced from all District wells, report of the new services installed in the District, and personnel safety record for the preceding month.
  2. Public Outreach  
**Description:** Public Outreach Report.
  3. July 25, 2023, Special Board Workshop  
**Description:** Updates on the items below assigned at the July 25, 2023, Special Board Workshop:
    - ✓ Potential Strategic Planning Effort Ad-Hoc Committee
    - ✓ Variance for Evaporative Coolers
    - ✓ Letter to the IWVGA regarding potential sites for monitoring wells in the El Paso area to be drafted by Tim Parker
  4. Booster Stations and Tanks Projects  
**Description:** Update on these Capital Projects.
  5. Well 33 Update  
**Description:** Update on the status of Well 33.
  6. Financial Status  
**Description:** Report on the District's current financial status.

7. Conservation  
**Description:** Update on the Conservation Program and discussion on water conservation related items.
8. Inyokern Road Transmission Line  
**Description:** Update on the failure of the 30-inch transmission main.
9. Water Shortage Contingency Plan  
**Description:**  
Status Report on the District's Water Shortage Contingency Plan
10. Arsenic Treatment Facilities  
**Description:** Staff will update Committee on maintenance issues and production.
11. Operations  
**Description:** Staff report on operations.

10. Board Comments/Future Agenda Items

11. Adjournment



# Committee Reports

BOARD OF DIRECTORS  
INDIAN WELLS VALLEY WATER DISTRICT

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WATER MANAGEMENT COMMITTEE  
REGULAR MEETING MINUTES

THURSDAY, AUGUST 31, 2023 – 2:00 P.M.

BOARD ROOM  
500 W. RIDGECREST BLVD., RIDGECREST

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Attendees: Chuck Griffin, Ron Kicinski, Jason Lillion, Renée Morquecho, and Ty Staheli

**1. Call to Order**

The meeting was called to order at 2:02 p.m.

**2. Committee/Public Comments**

None.

**3. Indian Wells Valley Groundwater Authority (IWVGA)**

Director Griffin discussed the previous Groundwater Authority meeting. The GA is looking for direction on 1 of 2 funding options at the Federal level. One being a 75% reimbursement and a shorter timeline. The other is 100% covered but comes with a longer time frame.

The committee also would like to Kreiger and Stewart to reengage in the Recycled Water Project.

The District received a letter from the GA in response to the District's letter asking for clarifying information and additional data related to the imported water project. Further discussion to be had after the Board and Staff have reviewed the response.

**4. Future LADWP Aqueduct Water Release**

Committee wants to continue working on a long-term project for capture of future LADWP Aqueduct releases. Staff will resume the discussions after Mr. Croll is here.

**5. Potential Impact of Recycled Water on District's Need for Imported Water**

The Board has expressed interest in restarting discussions with the City of Ridgecrest and Stetson Engineering concerning recycled water. Director Griffin mentions the possible uses of both the waste water and the treated recycled water for different venues and events in the valley; watering hay, wetting the race track for View Finders. The Board feels that the IWVGA has decided that this project is not feasible due to the cost of treating the water and the limited uses.

**6. Brackish Water Study**

There is nothing to report on this subject. Director Kicinski believes that this is a discussion that the District has with the Navy base because the majority of the brackish water is under the base.

**7. Alternate Water Sources**

Director Griffin notes that there could be discussions regarding water banking and the possibility of trading Los Angeles Department of Water and Power aqueduct water for the Districts' water in Inyo county.

**a. Exploration of sub-basins within the valley**

Despite the IWVGA's opinion of this area's water not being considered as new water, Director Griffin feels that the exploration of this area is important. He would like to see a production well drilled at some point so that we can see what kind of flow and draw down that area has.

**8. Future Agenda Items**

Director Griffin would like to discuss the possibility of moving this meeting to a later time of the day, possibly 3pm.

**9. Adjournment**

Meeting was adjourned at 2:29 pm

BOARD OF DIRECTORS  
INDIAN WELLS VALLEY WATER DISTRICT

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PLANT AND EQUIPMENT COMMITTEE  
REGULAR MEETING

REPORT

TUESDAY , SEPTEMBER 5, 2023 – 2:00 PM  
BOARD ROOM  
500 W. RIDGECREST BLVD., RIDGECREST

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Attendees: Stan Rajtora, Chuck Griffin, George Croll, Ty Staheli, Jason Lillion, and Renee Morquecho.

**1. Call to Order**

The meeting was called to order at 2:00 pm.

**2. Committee/Public Comments**

None.

**3. Dedication of Facilities: Town Place Suites**

This item is being postponed.

**4. Well 33 Status: Update**

Best Drilling & Pump finished their installation and startup the second week of August. Staff has since disinfected and flushed the well in preparation for bacteriological testing.

**5. Inyokern Rd Transmission Pipeline Repair: Update**

The District was not awarded the funding under the Defense Communities Infrastructure Pilot Program. At this time, staff is evaluating the option of replacing the pipeline using District forces or having the work performed by a contractor. In addition, staff is researching several funding options for completing the project.

**6. Booster Station and Tanks Project: Update**

The MCC was delivered to the booster station site last week and complete electrical installation has begun. In addition, the connection pipelines are being chlorinated and tested.

At the College tank, the pipe modifications are complete for the old tank and the pipe supports were poured last week. The piping was then disinfected and flushed and then sampled for bacteriological analysis today.

**7. Arsenic Treatment Facilities: Update**

Unfortunately, the filter media for Plant 1 is now wet following tropical storm Hillary. It now must be dried before being sifted at a later date. Staff plans to do this during the off season and prepare the Plant for use next summer.

**8. Future Agenda Items**

- Springer Ave pipeline

**9. Adjournment**

The meeting was adjourned at 2:15 pm.

BOARD OF DIRECTORS  
INDIAN WELLS VALLEY WATER DISTRICT

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FINANCE COMMITTEE  
REGULAR MEETING

REPORT

TUESDAY SEPTEMBER 5, 2023 – 2:30 PM  
BOARD ROOM  
500 W. RIDGECREST BLVD., RIDGECREST

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ATTENDEES: David Saint-Amand, Stan Rajtora, George Croll, Ty Staheli, Jason Lillion, and Renee Morquecho

**1. Call to Order**

The Finance Committee Meeting was called to order at 2:30 pm.

**2. Committee/Public Comments**

None.

**3. Fraud Risk Discussion**

Description: Discuss potential or actual fraud risks within the organization.

None to report.

**4. State Revolving Fund Loan Program**

Description: Discussion on State Revolving Fund Loan Program

Staff reported continued engagement with the ACWA SRF working group and continued push to address timelines.

Director Rajtora requested Staff to continue reaching out to the elected representatives, especially, Speaker McCarthy to ensure California was using the SRF funds appropriately.

**5. Financial Statements August 31, 2023 (preliminary)**

Description: Presentation to Committee financial reports and graphs depicting current revenue and expense trends compared to budget and previous fiscal year actuals.

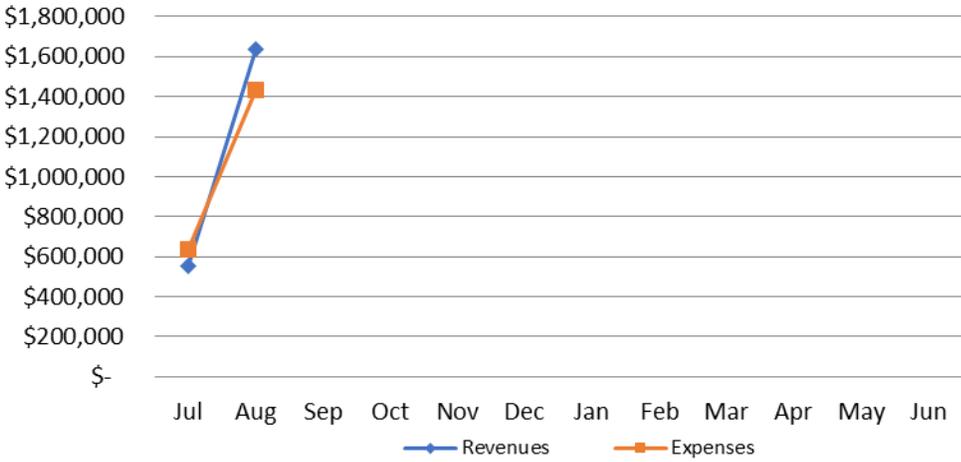
Estimated year-to-date revenues as of August 31, 2023, are \$2,187,750 and expenses are \$2,065,725, therefore revenues exceeded expenditures by \$122,025, which is better than budget by \$1,085,428.

Staff presented the following spreadsheet, which compares August year-to-date actual to budgeted revenues and expenses by category:

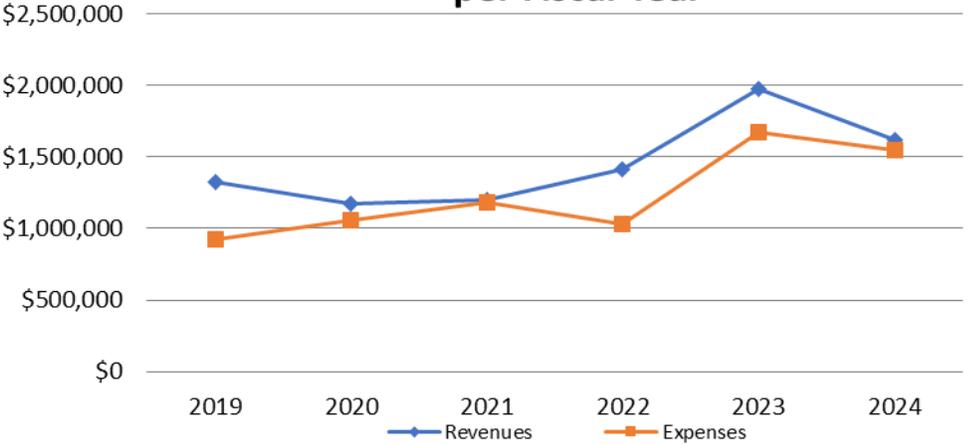
**Indian Wells Valley Water District**  
**Revenues vs. Expense**  
**Actuals & Budget through August 2023 (Preliminary)**

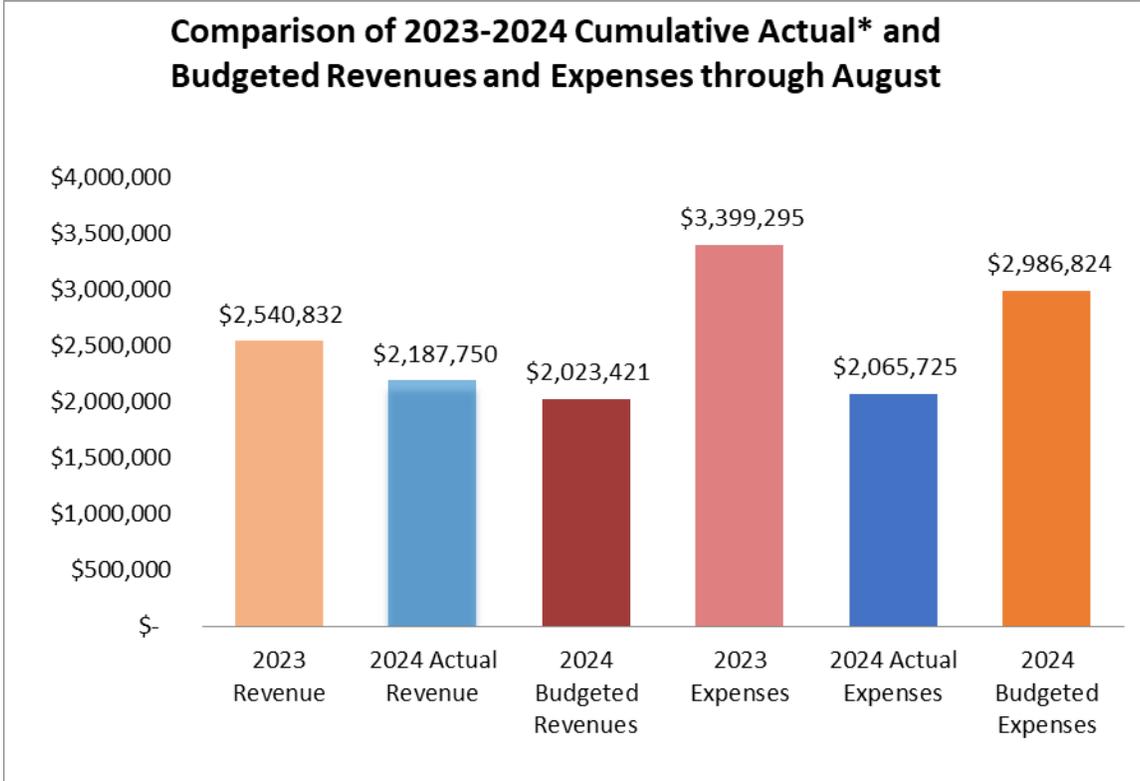
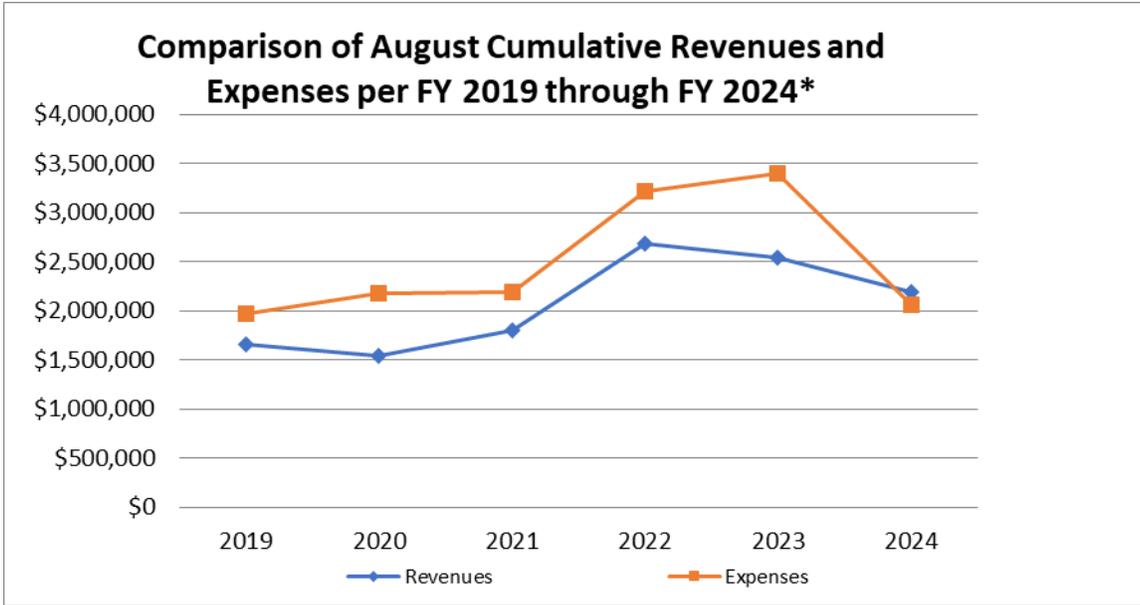
	Budget	Actuals	Δ
<b>Revenues</b>			
Total Water Sales	1,443,131	1,559,566	116,435
GSA Fees	451,851	542,633	90,782
Total Water Service Revenue	58,678	65,094	6,416
Total Non-Operating Income	42,849	5,913	-36,937
Capital Contributions	26,912	14,545	-12,367
<b>Total Revenues</b>	<b>2,023,421</b>	<b>2,187,750</b>	<b>164,329</b>
<b>Expenses</b>			
Water Supply	206,752	183,817	-22,935
Arsenic Treatment Plants	70,584	63,212	-7,372
Transmission & Distribution	352,103	167,667	-184,436
Engineering	84,787	85,077	290
Customer Service	82,772	54,135	-28,638
Field Services	88,295	44,974	-43,321
General & Administration	581,096	352,770	-228,326
Legislative	16,353	10,716	-5,637
Depreciation	550,000	550,000	0
Non-Operating, Interest	228,539	114,269	-114,269
Non-Operating, Miscellaneous	46,089	9,716	-36,373
GSA Fees	672,046	421,931	-250,115
Non-Operating, Conservation	5,838	3,263	-2,575
Non-Operating, Alternate Water	1,570	4,180	2,610
<b>Total Expenses</b>	<b>2,986,824</b>	<b>2,065,725</b>	<b>-921,099</b>
<b>Net Revenue Increase (Decrease)</b>	<b>-963,403</b>	<b>122,025</b>	<b>1,085,428</b>
<b>Capital Expenditures</b>		<b>292,499</b>	
<b>Debt Service Principle</b>		<b>185,277</b>	

### Comparison of FY 2023-2024 Revenues and Expenses by Month



### Comparison of August Revenues and Expenses per Fiscal Year





\*Actual Revenues and Expenses are Estimated

**6. Accounts Payable Disbursements**

Description: Presentation to Committee of Accounts Payable Disbursements reports for Board approval.

The Committee recommended approval of accounts payable disbursements totaling \$1,848,647.73 as follows:

Checks through:	<u>8/3/23</u>	<u>8/17/23</u>	<u>8/31/23</u>
Prepaid	\$ 512,688.05	\$ 472,828.06	\$ 154,484.94
Current	<u>169,346.77</u>	<u>401,175.97</u>	<u>138,123.94</u>
Total	<u>\$ 682,034.82</u>	<u>\$ 874,004.03</u>	<u>\$ 292,608.88</u>

**7. Future Agenda Items**

None

**8. Adjournment**

The Committee adjourned at 2:56 pm.

BOARD OF DIRECTORS  
INDIAN WELLS VALLEY WATER DISTRICT

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ADMINISTRATION/EXECUTIVE COMMITTEE  
MEETING MINUTES

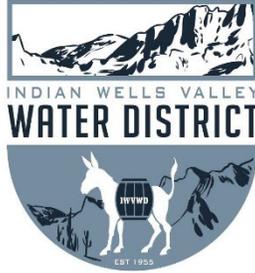
WEDNESDAY, SEPTEMBER 6, 2023 – 3:00 P.M.

BOARD ROOM  
500 W. RIDGECREST BLVD., RIDGECREST

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Attendees: Mallory Boyd, Ron Kicinski, George Croll, Jason Lillion, Ty Staheli, and Renée Morquecho

- 1. Call to Order**  
The meeting was called to order at 3:00 p.m.
- 2. Committee/Public Comments**  
None.
- 3. Discussion on Senate Bill (SB) 606 and Assembly Bill (AB) 1668**  
The State Water Resources Control Board (SWRCB) has released draft regulation text and support material for Water Use Efficiency. The draft outlines requirements for urban retail water suppliers, including efficiency standards, variances, water use objective, and commercial, industrial, and institutional (CII) measures. Association of California Water Agencies (ACWA) is reviewing the draft regulation and plans to provide comments to the SWRCB.
- 4. WaterSmart 5-year Renewal**  
The Committee reviewed the 5-year renewal with WaterSmart and the cost differences between the different year options. The Committee recommends the Board approve the 5-year renewal with WaterSmart. The 5-year renewal option guarantees the same cost over the 5-year contract.
- 5. Assembly Bill (AB) 102 Budget Act of 2023- Department of Water Resources (DWR) Funding**  
The Committee reviewed the draft Funding Agreement with DWR. The funding of \$3mm would go to the Northwest transmission mainline replacement. Staff is awaiting final wording to include in the agreement. The Committee recommends the Board approve Resolution No. 23-05: Enter Agreement with the State of California Department of Water Resources to receive funds for the Northwest transmission mainline replacement project and authorizing the General Manager to execute the agreement on behalf of the IWWWD.
- 6. Draft Agenda for the Regular Board Meeting of September 11, 2023**  
The Committee reviewed the agenda and made no changes.
- 7. Future Agenda Items**  
None.
- 8. Adjournment**  
The meeting adjourned at 3:26 p.m.



# Approval of Minutes

MINUTES OF THE REGULAR BOARD MEETING

BOARD OF DIRECTORS  
INDIAN WELLS VALLEY WATER DISTRICT

AUGUST 14, 2023

The Regular Meeting of the Board of Directors of the Indian Wells Valley Water District was called to order by President Boyd at 4:30 p.m. in the Board of Directors Hearing Room, 500 West Ridgecrest Boulevard, Ridgecrest, California. **CALL TO ORDER**

The Pledge of Allegiance was led by Jim Worth. **PLEDGE**

DIRECTORS PRESENT: President Mallory J. Boyd  
Vice President Ronald R. Kicinski  
Director Charles D. Griffin  
Director Stan G. Rajtora  
Director David C.H. Saint-Amand **ROLL CALL**

DIRECTORS ABSENT: None.

STAFF PRESENT: Tyrell Staheli, Interim General Manager  
Jim Worth, Attorney  
Jason Lillion, Operations Manager  
Renée Morquecho, Chief Engineer  
Lauren Smith, Recording Secretary

**AGENDA DECLARATION** **AGENDA DECLARATION**  
Recording Secretary, Lauren Smith, reported that the agenda for today's Regular Board Meeting was posted on Friday, August 11, 2023.

**CONFLICT OF INTEREST DECLARATION** **CONFLICT OF INTEREST**  
Director Saint-Amand stated his opinions shared during this meeting are his own and do not necessarily reflect the opinions of his employer, nor the Board.

**PUBLIC QUESTIONS AND COMMENTS ON CLOSED SESSION** **PUBLIC COMMENTS**  
None.

With no further Board or Public comments, President Boyd recessed the meeting and adjourned to Closed Session at 4:31 p.m.

**CLOSED SESSION** **CLOSED SESSION**  
The meeting was reconvened in Closed Session at 4:35 p.m.

Closed Session was adjourned at 5:56 p.m.

The meeting was reconvened to Open Session at 6:02 p.m.

No action was taken which would require disclosure under the Brown Act.

**PUBLIC QUESTIONS AND COMMENTS**

**PUBLIC  
COMMENTS**

None.

**CONSENT CALENDAR**

**CONSENT  
CALENDAR**

MOTION: was made by Vice President Kicinski and seconded by Director Saint-Amand approving the Minutes of the July 7, 2023, Special Board Meeting, July 10, 2023, Regular Board Meeting, July 11, 2023, Special Board Meeting, July 25, 2023, Special Board Meeting Workshop, and Payment of Accounts Payable totaling \$1,910,043.73. Motion was carried, unanimously. (Ayes: Boyd, Griffin, Kicinski, Rajtora, Saint-Amand. Nays: None. Absent: None.)

**WATER SHORTAGE CONTINGENCY PLAN**

**2023 WSCP  
SCHEDULE  
PUBLIC  
HEARING**

The Board discussed potential dates for the Public Hearing to adopt the 2023 Water Shortage Contingency Plan (WSCP). The WSCP was revised to include the new tier system. The draft redlined version of the WSCP will be sent to the Board for review.

The Board unanimously agreed to schedule the Public Hearing to coincide with the November Regular Board Meeting. Staff will take the appropriate measures to notify the newspaper and other agencies of the Public Hearing.

**FINANCE COMMITTEE**

**FINANCE  
WATER SALES &  
SERVICE  
POLICY**

Director Rajtora submitted a summary of his comments on the Water Sales and Service Policy for the record. (Attached to minutes.)

No action was taken.

**ADMINISTRATION EXECUTIVE COMMITTEE**

**ADMIN/EXEC  
ACWA REGION &  
ELECTIONS**

The Board reviewed the ballot for the Association of California Water Agencies (ACWA) Region 7 election for the 2023-'24 term of president and vice president. The Board unanimously agreed to concur with the Region 7 Nominating Committee's recommended slate.

MOTION: was made by Director Saint-Amand and seconded by Vice President Kicinski concurring with the Region 7 Nominating Committee's recommended slate. (Ayes: Boyd, Griffin, Kicinski, Rajtora, Saint-Amand. Nays: None. Absent: none.)

The Board reviewed the draft Probation & Reinstatement policy to be included in the Personnel Manual. The policy was distributed to all employees and a meeting was held last week with staff. The majority of staff in attendance approved of the policy as presented.

**PROBATION &  
REINSTATEMENT  
POLICY**

MOTION: was made by Vice President Kicinski and seconded by Director Saint-Amand approving the Probation & Reinstatement Policy as presented. (Ayes: Boyd, Kicinski, Rajtora, Saint-Amand. Nays: None. Absent: none. Abstain: Griffin)

**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY (IWVGA)**

**IWVGA**

Director Griffin discussed action items of the July 12, 2023, IWVGA meeting, including:

- Next IWVGA meeting is tentatively scheduled for August 23, 2023
- Communication & Engagement Plan discussion with little action or public input
- Director Griffin requested to change meeting times to allow greater public participation
- Scoping meeting is scheduled for August 23, 2023; 5:30 p.m. to receive input in preparation of an Environmental Impact Report (EIR) for the Imported Water Pipeline Project

The Board discussed a letter dated August 9, 2023, written by staff with assistance of Krieger & Stewart. The letter was addressed to IWVGA's General Manager, Carol Thomas-Keefe, and Stetson Engineers regarding the Imported Water Conveyance System Project and several questions the District hopes to have answered.

The letter will be published on the District's website and Facebook page. (Letter attached to minutes.)

The Board heard public comment from Judie Decker.

**COMPREHENSIVE ADJUDICATION**

**COMPREHENSIVE ADJUDICATION**

Jim Worth reported that a judge still has not been assigned by the judicial council. On August 2<sup>nd</sup>, the District filed a petition to the Supreme Court of California directly requesting an assignment of Judge Cluster.

The next Case Management Conference is scheduled for September 1, 2023; at 2:30 p.m.

**GENERAL MANAGER AND STAFF UPDATE**

**GENERAL MANAGER AND STAFF UPDATE SAFETY, PRODUCTION & NEW SERVICES**

Ty Staheli, Interim General Manager, reported as of today, employees at the Water District have worked 223 days since the last recordable injury.

Metered production at the wells for the month of July was 228,996,000 gallons (702.8 acre-ft). The number the State Water Resources Control Board (SWRCB) is using for comparison is metered water through the distribution system, or consumption, and non-revenue water which is water lost to leaks, flushing activities, blow-offs, etc. That number is 1182,050,000 gallons (558.7 acre-feet). The conservation results for July show consumption down 41.8% compared to July of 2013, the baseline year established by the State Water Board. The 20% conservation target established by the District Board took effect in June 2016 for comparison. Through July the cumulative result is at 24.4%.

Comparing the July conservation results to recent years, consumption in 2022 was 35.0% lower than the 2013 baseline year.

The Residential gallons per capita per day (R-gpcd) for the month was 144.3. This includes both indoor and outdoor usage. There was one new connection added during the month, the first month of the new fiscal year. The connection contributed \$5,068 in Capital Facility Fees.

Don Zdeba attended the August 1<sup>st</sup> Community Collaborative meeting at City hall and reported Los Angeles Department of Water & Power (LADWP) stopped releasing water into the basin from the aqueduct on July 18<sup>th</sup>. It is estimated 10,085 acre-feet flowed into the basin since releases began in April. It was also reported the District was awaiting results of its application for Defense Community Infrastructure Pilot Program funding in support of the Northwest Transmission Pipeline Replacement Project, the new 550,000 gallons College Tank is in service, letters reporting boron exceeding the Notification Level were mailed to the City of Ridgecrest, Kern County, and San Bernardino County on July 27<sup>th</sup>.

PUBLIC  
OUTREACH

Staff continues to work with Providence Strategic Consulting to promote WaterSmart on social media. As of this morning, there are 1,643 active WaterSmart accounts accounting for 12.3% of customers. There were 2,186 customer alerts issued in June and there have been 13,303 in the past twelve months.

The following updates were given on items assigned at the July 25, 2023, Special Board Workshop:

BOARD  
WORKSHOP  
UPDATES

- **Potential Strategic Planning Efforts**

The Committee plans to meet after the District's new General Manager, George Croll starts on September 1<sup>st</sup>.

- **Variance for Evaporative Coolers**

No update was available at this time.

- **Letter to the IWVGA regarding potential sites for monitoring wells in the El Paso area to be drafted by Tim Parker**

Once the letter is drafted it will be provided to the Board prior to distribution to the IWVGA.

The contractor expects delivery of the motor control center ("MCC") for the Booster Station this month. Meanwhile, the pumps and motors have been installed and the electrical installation continues. The new College tank is online and the old tank has been drained. The contractor is working on the pipe modifications to the old tank at this time. A punch list site walk was conducted last week and the list will be sent to the contractor.

BOOSTER  
STATIONS &  
TNKS

Best Drilling & Pump pulled the Well 33 pump last week. They also took the top portion from Well 34 (which staff took out years ago and rebuilt) to construct modifications to fit the Well 35 discharge head. Installation should be completed this week. With startup next week.

WELL  
UPDATE 33

The estimated year-to-date revenues as of July 31, 2023, are \$1,555,041 and expenses are \$633,199. Revenues exceeded expenditures by \$91,842, which is better than budget by \$1,421,965. Year-end revenue accruals have yet to be booked. This is resulting in lower revenue numbers for the period.

FINANCIAL  
STATUS

The Board reviewed the solar report provided by ENGIE Services for July 2022 through July 2023. There is no longer a guaranteed savings listed for Phase 1 since that part of the contract has ended. Staff will continue to review the solar production at each site. At the Well 35 site (Phase 2), actual savings for July was \$2,396.86 and the guaranteed savings was \$2,054.98. The total savings at the Well 35 site this calendar year is \$14,427.61.

SOLAR  
PRODUCTION

The Board directed staff to provide the solar production reports on an annual basis going forward, unless an issue arises.

Mr. Staheli reported on the following conservation items: CONSERVATION  
State Water Resources Control Board (SWRCB) Water Waster Report - Thus far in 2023, there have been a total of 60 water waste reports received with 60 contacts made. There has been 23 formal Second Notices and seven penalties issued.

Staff was informed that it did not rank high enough on the priority list to receive funding from the Defense Community Infrastructure Pilot Program. The interim General Manager will be continuing to reach out to Navy contacts to pursue other avenues of funding from the 2019 earthquake relief funds. Staff reached out to Weka to get a revised quote to cover the initial pipeline replacement project, which will not include any new appurtenances. INYOKERN RD TRANSM. MAIN

Plant 2 is running into the system and produced 52,511,000 gallons for the month. Staff continues to work on sifting the treatment media from the support in a cost savings effort. ARSENIC TREATMENT

Mr. Lillion reported for the month of July, 16 services were repaired and 30 were replaced. The NO-DES truck made four runs in July, filtering 52,170 gallons. Since inception, the NO-DES truck has filtered 8,947,275gallons. 15 valves were exercised. OPERATIONS

**BOARD COMMENTS/FUTURE AGENDA ITEMS**

Vice President Kicinski commented on the recent California Special District Association (CSDA) magazine published and encouraged the Board to read some specific articles in it. BOARD COMMENTS

Director Rajtora encouraged the public and staff to visit the Maturango Museum exhibit entitled, "Artistic Water-Wise Landscape". He also asked staff to continue following up with State Revolving Funds (SRF).

Board heard public comment from Judie Decker

**ADJOURNMENT**

With no further business to come before the Board, the meeting was adjourned at 7:16 p.m. ADJOURNMENT

Respectfully submitted,

Lauren Smith  
Recording Secretary

APPROVED: \_\_\_\_\_



# INDIAN WELLS VALLEY WATER DISTRICT



**BOARD OF DIRECTORS**  
**Mallory J. Boyd, President**  
**Ronald R. Kicinski, Vice President**  
**Charles D. Griffin**  
**Stanley G. Rajtora**  
**David C. H. Saint-Amand**

**Donald M. Zdeba**  
*General Manager*  
**Krieger & Stewart, Incorporated**  
*Engineers*  
**McMurtrey, Hartsock & Worth**  
*Attorneys-at-Law*

August 9, 2023

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

cc: Steve Johnson, Water Resources Manager  
Indian Wells Valley Groundwater Authority

**Subject:** Indian Well Valley Groundwater Authority  
Imported Water Conveyance System Project

Dear Ms. Thomas-Keefer,

We understand that the purpose of the Imported Water Conveyance System Project (Project) is to augment the supply of water within the Indian Wells Valley by importing water from the State Water Project (SWP), via the Antelope Valley East Kern Water Agency (AVEK) into the Indian Wells Valley for direct connection to the Indian Wells Valley Water District's (District's) domestic water system; thus providing in-lieu groundwater replenishment by reducing the District's groundwater extraction. As such, we believe that our participation in the Project is necessary for the Project's success, especially with a direct connection to the District's facilities currently being proposed. However, to date, the District's Board of Directors and other stakeholders have not been provided with sufficient information from the Indian Wells Valley Groundwater Authority (Authority) to allow it to formulate the District's position on the Project as currently conceived.

To proceed, it is incumbent upon the District to perform the necessary due diligence and accurately assess the various impacts of the Project on the District's customers and facilities, particularly with regard to costs. We appreciate the information provided to date by the Authority and its consultants to address our questions and concerns; but the provided details are not comprehensive enough to perform a thorough analysis, resulting in a number of questions remaining unanswered, which are set forth below. We believe that the Authority's responses will be informative for not only the District, but for other stakeholders as well.

Water Rights/Capital Cost

A comprehensive cost estimate covering the water rights purchase and capital costs of the Project has not been provided to date, but is necessary to assess the Project's financial impact on the District's ratepayers. It is anticipated that this cost estimate will need to address, at a minimum, the following questions:

- According to the current "letter of intent" that is in place per the Dudley Ridge Water District's (Dudley Ridge's) website, the Authority is to purchase 750 acre-feet per year (AFY) of SWP Table A water allocation from Dudley Ridge at a cost of \$8,528 per acre-foot (AF) for a total cost of \$6,396,000.
- The SWP is a variable water source that rarely provides 100% of the water allocations. Currently, the estimated long-term average allocation is approximately 42%, reducing the amount of the anticipated resulting "letter of intent" water allocation to 315 AFY. At this reduced rate, the Authority's future deliveries target of 6,431 AFY would require SWP Table A water allocations of 15,312 AFY. Assuming these additional water allocations would be acquired at a cost

similar to the Dudley Ridge "letter of intent" rate of \$8,528 per AF, this would be a total cost of approximately \$131,000,000.

- If an adequate amount of SWP Table A water allocation rights cannot be obtained, will alternate sources of water be pursued? If so, what are these sources and what are their anticipated costs?
- What is the Project's estimated capital cost? It appears likely to approach \$200 million, considering the Project consists of 50 miles of 20" or 24" pipeline, a 7 million gallon (MG) blending tank, three booster pump stations, disinfection station(s), and a pressure reducing valve (PRV) station.
- What are the estimated soft costs (design, permitting, construction engineering, inspection, etc.)?
- What is the estimated cost for CEQA/NEPA compliance, including anticipated related litigation and resulting Project delays?
- What is the estimated cost for the installation of the necessary Southern California Edison infrastructure to provide power to the three booster pump stations and one PRV station?
- What is the estimated cost for acquiring adequate easements for the installation of the conveyance system?
- What is the estimated cost for securing mitigation land needed to offset habitat disturbance resulting from Project construction?
- If loans/bonds are required to cover the above costs, what are the anticipated terms (interest rate and duration) and resulting financing costs?

#### Annual Operating Cost

It is anticipated that this cost estimate will need to address, at a minimum, the following questions:

- What are the SWP costs (both the fixed costs and variable transportation costs) required to secure the water on a yearly basis?
- What are AVEK's costs that will apply (treatment, delivery of treated SWP water to Project, injection/recovery of stored AVEK groundwater for delivery, wheeling, other)?
- What is the anticipated yearly cost (labor, electricity, disinfectant chemicals, repair materials, etc.) for operating and maintaining the conveyance system?

#### Future Capital Cost

The conveyance system will require replacement at the end of its design life (likely 50+ years for pipeline after completion, less for mechanical components), unless the basin demands are low enough that the system can be abandoned (which may then result in the Bureau of Land Management (BLM) requiring complete removal of the facility). What will be the estimated annual contribution to a "capital replacement fund" to prepare for such replacement activity?

#### Planning

- The District's current minimum day demand (typical for winter months) is between 1.0 and 1.5 MGD. The District's current maximum day demand is generally 5 MGD. The ultimate delivery of 6,431 AFY translates to about 5.8 MGD. What is the plan to accommodate the surplus delivery?
- Has delivery to a groundwater replenishment facility (either full-time or during low demand periods in the District's service area) been considered?

### Operation/Permitting

- The District has stated that it would prefer to take operational control at the blending tank where water will be delivered and not be responsible for operation of the conveyance facilities, but no agreement is currently in place. The State Water Resources Control Board, Division of Drinking Water (DDW) has informed us that the entity that operates the proposed conveyance facilities must be a public water system. Who will be the operator of the proposed conveyance system?
- Are the intended operating hours of the conveyance system planned to be outside of the peak Time of Use (TOU) rates imposed by Southern California Edison (in order to help reduce operating costs)?
- The District has been informed by DDW that introducing State Water Project Water directly into the District's system, even if it has been treated and passed through a groundwater banking facility, will result in the District requiring surface water system licensure, which would require additional certifications for District's employees and additional monitoring. Said certifications will impose additional costs on the District and will take time to obtain. Additional monitoring requirements will be dependent on the specific quality parameters of the water to be delivered to the District. Are the results of a complete water quality analysis of the water proposed to be delivered via the proposed conveyance system available so that potential water quality issues requiring action by the District are known?

### Water Quality

- Should any water quality constituents of the imported water, such as Total Dissolved Solids (TDS), exceed those of the existing groundwater supplies, will the City of Ridgecrest's Wastewater Treatment Plant be required to incorporate additional improvements to comply with its operating permit discharge regulations, and to prevent adverse impacts on the groundwater basin? If so, what are the estimated costs for said capital improvements?
- There is a potential issue with Trihalomethanes (THMs) in the AVEK system that we understand will need to be addressed with additional treatment at the connection point to the District's system. What is the proposed treatment process, and what is the anticipated cost of the necessary facilities?
- What is the plan for maintaining water quality in the pipeline (especially during low flow conditions)?

### Flushing/Disinfection

- It is possible that a complete flushing and disinfection will be required any time the system sits unused for a period of time. In these instances, it appears an expected loss of water of approximately 18-20 AF is possible for every flushing occurrence (which would constitute 2-6% of the initial water quantity anticipated to be conveyed by the pipeline). What is the plan to prevent/reduce the need for these flushing events (i.e., maintain a constant flow to percolation ponds during low flow periods, etc.)?
- Where will discharge points be located for flushing of the pipeline, and how will the flushing water be disposed? Are the necessary permits for flushing water disposal from California Department of Fish and Wildlife and the BLM currently being acquired?
- As it is understood that disinfectant levels will need to be maintained throughout the length of the conveyance system, where will the disinfection stations be located in the system? This will have a direct impact on the operating cost of the pipeline.
- Where will the associated disinfectant sampling stations be located in the conveyance system? This will also impact operating cost of the pipeline.

## Impact to the District's System

Introducing large flows into the proposed connection point of the 3.0 MG Ridgecrest Heights Reservoir in Pressure Zone B will require a minimum of the following improvements to the District's system. How will these improvements be funded?

- Replacement of the existing C Zone booster station at the Ridgecrest Heights Reservoir site: cost estimate of \$2.5 million in 2021 dollars.
- Replacement of the Springer Avenue, South Gateway Boulevard, and Bowman Road pipelines: cost estimates of \$3.4 million, \$2.5 million, and \$5.4 million, respectively, in 2021 dollars.
- Upgrades of the Bowman and Springer PRV stations: cost estimates of \$1 million each in 2021 dollars.

Because the Project capital cost will be hundreds of millions of dollars, and will result in significant annual operation and maintenance expenses, the District requests that the Authority prepare and present a comprehensive cost summary for consideration by the District, the Authority Board of Directors, the Indian Wells Valley community, and other interested local, regional, state, and federal individuals and entities. The summary should include all costs identified in the previous sections, together with other costs the Authority or its consultants are aware of, as may have been identified during their discussions/negotiations with State Water Contractors, Department of Water Resources, AVEK, and others. The summary should reflect total cost and annualized cost, which should be presented as both total cost per year and unit cost per AF. The summary should include ranges for "optimistic" conditions (delivery of 100% Table A allocations, securing grants as may be reasonably expected, and other factors) and "pessimistic" conditions (reduced delivery of Table A allocations such as 5% for recent years and 42% projected by State, no grants, and other factors). The summary should also include financing/interest costs for the capital expenditures. Lastly, the summary should include costs for short-term (initial allocation of 750 AFY) and long-term (ultimate allocation of 15,312 AFY), included in the "optimistic" and "pessimistic" scenarios.

The above described cost estimates should then be analyzed by the Authority in order to identify the funding mechanism(s) required for Project implementation and operation. Specifically, what fees (replenishment, pumping, other) will be imposed on the various groundwater pumpers as a result of this Project.

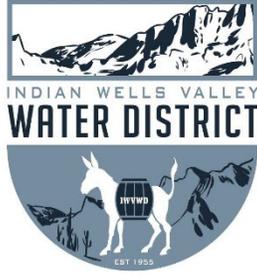
We appreciate the opportunity to present our questions and concerns to the Authority and look forward to your responses, which will allow the District's Board of Directors to proceed fully-informed with their deliberations regarding the District's potential support of the Project.

Sincerely,



Don Zdeba  
General Manager

1. The roles of the Board, Staff, and public need to be clear and unambiguous.
  - a. Staff action should be prefaced with, 'The staff ... (shall, will, or may)
  - b. The public should be able to appeal staff recommendations to the Board.
  - c. The public should be able to request a variance to Board policy with the concurrence of the GM, Board president, or any two Board members.
2. The ordinance should have numbered paragraphs to improve understanding and organization.
3. Add a paragraph identifying the key authorities and regulations governing water agency operation. This is standard practice in key ordinances.
4. Customer classes should be defined as spelled out in the American Water Works Manual. In particular, the Single-Family residence fee structure, should not be commingled with other customer classes with different usage characteristics.
5. The purpose of the landscape meter should be given. The landscape meter should be used solely for landscape water metering. It should never be used to reduce the fees of any account, be it SFR, multi-family residence, or CII.
6. The ordinance needs to include a "will-serve" policy that protects the existing rate-payers from increased fees and possible loss of water delivery in the future. Lack of a Board policy is currently putting the public at risk.
7. The ordinance should define both an appeal process and a variance process, which identifies both the staff and rate-payer responsibilities.
  - 7a. Any account wanting a variance to the connection fees for private fire service or landscape service should request a variance from the Board. Any new service creates new cost to the WD. Those fees have to be paid by someone. No new service should be automatically exempt.
  - 7b. If the staff does not want common variances listed in this document, an informal document needs to be developed for the use of the rate-payers. The Board has a responsibility to be transparent and provide complete information.
8. The ordinance should completely describe the purpose of an assessment district or provide a reference document for same. Do we still allow assessment districts? I have not seen any prohibition. Are there state or county laws governing them? Where are existing districts located. How do local contractors and realtors identify the locations? WD documentation needs to be complete.
9. The meter exchange should include an increase in both the Capital Facility Fee and the Distribution System Fee.



**9.B.1.**



1321 Upland Dr. Suite 8389  
Houston, TX 77043  
United States

## ORDER FORM

Prepared By: Eric Thompson  
Email: eric.thompson@vertexone.net  
Phone:

Client Name: Indian Wells Valley Water District  
Contact Name: Ty Staheli  
Email: ty.staheli@iwwvd.com  
Phone: (760) 384-5515

Offer Valid Through: 9/29/2023  
Effective Date: 9/11/2023  
Contract Term (months): 60  
Contract End Date: 9/10/2028  
Payment Frequency: Annually in Advance  
Payment Terms: Net 30  
Discount: 12.00

### Year 1

Services	Quantity	Sales Price	Total Price
WaterSmart Platform	13,425.00	\$1.87	\$25,045.68
		<b>TOTAL:</b>	<b>\$25,045.68</b>

### Year 2

Services	Quantity	Sales Price	Total Price
WaterSmart Platform	13,425.00	\$1.92	\$25,797.08
		<b>TOTAL:</b>	<b>\$25,797.08</b>

### Year 3

Services	Quantity	Sales Price	Total Price
WaterSmart Platform	13,425.00	\$1.98	\$26,571.03
		<b>TOTAL:</b>	<b>\$26,571.03</b>

### Year 4

Services	Quantity	Sales Price	Total Price
WaterSmart Platform	13,425.00	\$2.04	\$27,368.07
		<b>TOTAL:</b>	<b>\$27,368.07</b>



1321 Upland Dr. Suite 8389  
Houston, TX 77043  
United States

Year 5

Services	Quantity	Sales Price	Total Price
WaterSmart Platform	13,425.00	\$2.10	\$28,189.14
		<b>TOTAL:</b>	<b>\$28,189.14</b>

**ORDER TOTAL \$132,971.00**

## Terms and Conditions

### Introduction

This legally binding Quote will be governed by the Agreement dated 9/11/2018 made between WaterSmart Software Inc and Indian Wells Valley Water District ("Client"). Fees and further information for invoicing will be included in an Order Form as part of the Agreement. VertexOne pricing is presented in USD. VertexOne will provide an Order Form during contracting.

### Transactional Fees

Transactional Fees include, Composition Fee, Document Archival, SMS Pass Through and Print Pass Through. The Annual Pricing detailed in this Quote are based on average usage, actual pricing will be based on Client usage on a monthly basis. Transactional Fees are calculated by the volume of Services consumed. Unless explicitly stated otherwise, Transactional Fees are not cancelable, and Fees paid are not refundable.

### Payment Terms

The pricing quote may include payment terms, which are non-binding and subject to change at any time without notice. You are responsible for paying all fees and charges associated with the products or services provided by VertexOne.

### Liability

We are not liable for any loss or damage, including but not limited to, indirect or consequential loss or damage, arising out of or in connection with the use of the pricing quote.

### Confidentiality

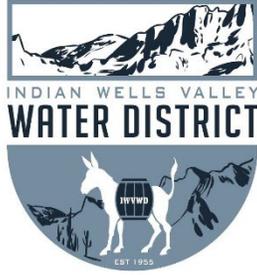
All information contained in the pricing quote is confidential and may not be disclosed to any third party without our prior written consent.

## Signatures

VertexOne	Client
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
Signature: _____	Signature: _____

**vertexone**<sup>TM</sup>

1321 Upland Dr. Suite 8389  
Houston, TX 77043  
United States



**9.B.2.**

**FUNDING AGREEMENT BETWEEN THE STATE OF CALIFORNIA  
(DEPARTMENT OF WATER RESOURCES) AND**

**<NAME OF FUNDING RECIPIENT>**

**AGREEMENT NUMBER 46000xxxxx**

THIS FUNDING AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the "State" and the <Name of Funding Recipient>, a <type of agency>, in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Funding Recipient," which parties do hereby agree as follows:

1. **PURPOSE.** State shall provide funding from the Budget Act of 2022 (Stats. 2022, ch. 249, § 207.) to Funding Recipient to assist in financing the <Name of Project> (Project).
2. **TERM OF FUNDING AGREEMENT.** The term of this Funding Agreement begins on the date this Funding Agreement is initially executed by the State, through Final Project Completion Report plus three (3) years unless otherwise terminated or amended as provided in this Agreement.
3. **FUNDING AMOUNT.** The maximum amount payable by the State under this Agreement shall not exceed \$<insert funding amount>.
4. **DISBURSEMENT OF FUNDS.** State will disburse to Funding Recipient the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Funding 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. Any and all money disbursed to Funding Recipient under this Funding Agreement shall be used solely to pay Eligible Project Costs.
5. **ELIGIBLE PROJECT COST.** Funding Recipient shall apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B. Eligible Project Costs include the reasonable costs of studies, engineering, design, land and easement acquisition, 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. Costs that are not eligible for reimbursement or payment include but are not limited to the following items:
  - A. Purchase of equipment not an integral part of the Project.
  - B. Purchase of water supply not an integral part of the Project.
  - C. Replacement of existing funding sources for ongoing programs.
  - D. Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of the Project, as set forth and detailed by engineering and feasibility studies.
  - E. 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.
6. **METHOD OF PAYMENT.** State will disburse the whole of State funding to Funding Recipient. The Funding Recipient shall submit one or more certified invoices, transmitted via electronic/digital signature system (e.g., DocuSign) or, via U.S. mail or Express mail delivery of a "wet signature." State will notify Funding Recipient, in a timely manner, whenever, upon review of the Invoice(s), 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 State. Funding Recipient shall, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to State to cure such deficiency(ies).

Invoices submitted by Funding Recipient shall include the following information:

- A. Costs incurred for work performed in implementing the Project during the period identified in the particular invoice.
- B. Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for the Project during the period identified in the particular invoice for the implementation of the Project.
- C. Invoices shall be submitted on forms provided by State and shall meet the following format requirements:
  - i. Invoices must contain the date of the invoice and the time period covered by the invoice.
  - ii. Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B. 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 incurred during that time period.
  - v. Each invoice shall contain the signature and date via electronic/digital signature system (e.g., DocuSign) of Funding Recipient's Project Representative. The invoice shall be certified and transmitted via electronic/digital signature system (e.g., DocuSign) or, via U.S. mail or Express mail delivery to the State's Project Manager.

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 Funding Recipient shall not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources. Any eligible costs for which the Funding Recipient is seeking State funding pursuant to this Agreement 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 funds and/or termination of this Agreement requiring the repayment of all funds disbursed hereunder. 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, 489-490.)

7. DEFAULT PROVISIONS. Funding Recipient will be in default under this Funding Agreement if any of the following occur:
- A. Substantial breaches of this Funding Agreement, or any supplement or amendment to it, or any other agreement between Funding Recipient and State evidencing or securing Funding Recipient's obligations;
  - B. Making any false warranty, representation, or statement with respect to this Funding Agreement;
  - C. Failure to operate or maintain Project in accordance with this Funding Agreement.
  - D. Failure to make any remittance required by this Funding Agreement, including any remittance recommended as the result of an audit conducted pursuant to Paragraph D.5.
  - E. Failure to submit timely progress reports.
  - F. Failure to routinely invoice State.
  - G. Failure to meet any of the requirements set forth in Paragraph 8, "Continuing Eligibility."

Should an event of default occur, State shall provide a notice of default to the Funding Recipient and shall give Funding Recipient at least ten (10) calendar days to cure the default from the date the notice is sent

via first-class mail to the Funding Recipient. If the Funding Recipient fails to cure the default within the time prescribed by the State, State may do any of the following:

- a. Declare the funding be immediately repaid at the time of the default.
- b. Terminate the Funding Agreement.
- c. Take any other action that it deems necessary to protect its interests.

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

8. CONTINUING ELIGIBILITY. Funding Recipient shall meet the following ongoing requirements (as applicable) to remain eligible to receive State funds:
  - A. An urban water supplier that receives state funds pursuant to this Agreement shall maintain compliance with the Urban Water Management Planning Act (UWMP; Water Code, § 10610 et seq.) and Sustainable Water Use and Demand Reduction (Water Code, § 10608 et seq.).
  - B. An agricultural water supplier receiving state funds shall comply with Sustainable Water Use and Demand Reduction requirements outlined in Water Code § 10608, et seq. and have their Agricultural Water Management Plan (AWMP) deemed consistent by DWR.
  - C. A surface water diverter receiving state funds shall maintain compliance with diversion reporting requirements as outlined in Part 5.1 of Division 2 of the Water Code.
  - D. Funding Recipient shall maintain continuing eligibility with the current Sustainable Groundwater Management Act (SGMA, Water Code §10720 et seq.) requirements as they come into effect.
  - E. If Funding Recipient is designated as a monitoring entity under the California Statewide Groundwater Elevation Monitoring (CASGEM) Program, Funding Recipient shall maintain reporting compliance, as required by Water Code §10932 and the CASGEM Program.
  - F. Funding Recipient shall adhere to the protocols developed pursuant to The Open and Transparent Water Data Act (Water. Code, § 12405, et seq.) for data sharing, transparency, documentation, and quality control.
  - G. 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 Funding Recipient 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 Funding Recipient advance written notice of such termination, allowing the Funding Recipient at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.
9. SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Funding 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 State. All reports shall be submitted to the State's Project Manager, and shall be submitted via DWR's "Grants Review and Tracking System" (GRanTS) or via e-mail. If requested, Funding Recipient shall promptly provide any additional information deemed necessary by State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit F. The timely submittal of reports is a requirement for initial and continued disbursement of State funds.

- A. Annual Progress Reports: Funding Recipient shall submit Annual Progress Reports to meet the State's requirement for disbursement of funds. Annual Progress Reports shall be uploaded via GRanTS, and the State's Project Manager notified of upload, or or via e-mail to the State's Project Manager. Annual Progress Reports shall, at a minimum, provide a brief description of the work performed, Funding Recipients activities, milestones achieved, any accomplishments and any problems encountered in the performance of the work under this Funding Agreement during the reporting period. The first Annual Progress Report should be submitted to the State no later than one year after the execution of the Agreement with future reports then due on successive year increments based on the first Annual Progress Report submittal date, with the exception of the final Annual Progress Report which may also serve as the Project Completion Report and can extend beyond a year-long increment to account for Project closeout information.
  - B. Project Completion Report: Funding Recipient shall prepare and submit to State a Project Completion Report, either separately or as part of the final Annual Progress Report. Funding Recipient shall submit the Project Completion Report within ninety (90) calendar days of Project completion. The Project Completion Report shall include, in part, a description of actual work done, any changes or amendments to the Project, and a final schedule showing actual progress versus planned progress, and copies of any final documents or reports generated or utilized during the Project.
10. NOTIFICATION OF STATE. Funding Recipient shall promptly notify State, in writing, of the following items:
- A. Events or proposed changes that could affect the scope, budget, or work performed under this Funding Agreement. Funding Recipient agrees that no substantial change in the scope of the Project will be undertaken until written notice of the proposed change has been provided to State and State has given written approval for such change. Substantial changes generally include changes to the scope of work, schedule or term, and budget.
  - B. Discovery of any potential archaeological or historical resource. Should a potential archaeological or historical resource be discovered during construction, the Funding Recipient 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 Funding Recipient agrees to implement appropriate actions as directed by the State.
  - C. The initiation of any litigation or the threat of litigation against the Funding Recipient regarding the Project or that may affect the Project in any way.
11. NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Funding Agreement shall be in writing.
- A. Notices may be transmitted by any of the following means:
    - i. By delivery in person.
    - ii. By certified U.S. mail, return receipt requested, postage prepaid.
    - iii. By "overnight" delivery service; provided that next-business-day delivery is requested by the sender.
    - iv. By electronic means.
  - B. 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.

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

Department of Water Resources	<Name of Agency>
Arthur Hinojosa	<Name>
Manager, Division of Regional Assistance	<Title>
P.O. Box 942836	<Mailing Address>
Sacramento, CA 94236-0001	<Phone>
Phone: 916-902-6713	<e-mail>
Email: Arthur.Hinojosa@water.ca.gov	

Direct all inquiries to the Project Manager:

Department of Water Resources	<Name of Agency>
<Name>	<Name>
<Title>	<Title>
<Mailing Address>	<Mailing Address>
<Phone>	<Phone>
<e-mail>	<e-mail>

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

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

Exhibit A – Work Plan

Exhibit B – Budget

Exhibit C – Schedule

Exhibit D – Standard Conditions

Exhibit E – Authorizing Resolution

Exhibit F – Report Formats and Requirements

Exhibit G – State Audit Document Requirements for Funding Recipients

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

STATE OF CALIFORNIA  
DEPARTMENT OF WATER RESOURCES

<NAME OF AGENCY>

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

\_\_\_\_\_  
<name>  
<title>  
Date \_\_\_\_\_

Approved as to Legal Form and Sufficiency

Approved as to Legal Form and Sufficiency (if applicable)

\_\_\_\_\_  
Robin Brewer, Assistant General Counsel  
Office of the General Counsel  
Date \_\_\_\_\_

\_\_\_\_\_  
<name>  
<title>  
Date \_\_\_\_\_

**EXHIBIT A**  
**WORK PLAN**

**PROJECT: Water System Improvements Project**

**IMPLEMENTING AGENCY:**

**PROJECT DESCRIPTION:**

**Budget Category A: Administration**

Task A.1: Agreement Administration

The Funding Recipient will respond to DWR's reporting and compliance requirements associated with the agreement administration and will coordinate with the Project managers responsible for implementing the Project. The Funding Recipient will be responsible for compiling invoices for submittal to DWR.

**Deliverables**

- Annual Invoices and associated backup documentation

Task A.2: Reporting

The Funding Recipient will be responsible for compiling progress reports for submittal to DWR. The Funding Recipient may retain consultants as needed to prepare and submit progress reports and final project completion report, as well as the funding agreement completion report.

Reports will meet generally accepted professional standards for technical reporting and the requirements terms of the contract with DWR outlined in Exhibit F of this Agreement.

**Deliverables**

- Documentation (e.g., photo) of "Acknowledgment of Credit" per Standard Condition D.2
- Annual Progress Reports
- Final Funding Agreement Completion Report

**Budget Category B: Permitting and Environmental Documentation**

Identify required environmental and regulatory permits for the Project and obtain required permits..

**Deliverables**

- Memorandum identifying CEQA compliance and environmental permits for the Project.
- Copies of permits as required.

**Budget Category C: Planning and Design****Task C.1: Preliminary Design Engineering Services**

(Example) Prepare preliminary water well siting feasibility study and detailed site study, including land use considerations, hydraulic analysis, consideration of alternative piping alignment, permitting requirements, infrastructure considerations, and cost analysis.

**Deliverables**

- Water Well Siting Feasibility Report
- Preliminary Engineering Design Report

**Task C.2: Final Design Engineering Services**

Prepare relevant 65%, 95% and 100% level construction drawings and technical specifications. Prepare Stormwater Pollution Preventions Plan (SWPPP) and Water Quality Management Plan (WQMP), if applicable. Prepare recommended construction schedule.

**Deliverables**

- 100% Design (Plans/Specs/Engineer's Estimate)
- SWPPP and WQMP (If applicable)
- Construction Schedule

**Budget Category D: Construction****Task D.1: Construction Administration**

Manage contractor submittal review, answer requests for information, and issue work directives. A full-time engineering construction observer will be on site for the duration of the project. Construction observer duties may include, but are not limited to: documenting of pre-construction conditions, daily construction on-site inspections of construction activities, preparing owner change orders, addressing questions of contractors on site via Request for Information or Request for Clarification, coordination of specialty inspection and testing, reviewing/updating project schedule, reviewing contractor log submittals and progress payment requests, notifying Contractor if work is not acceptable.

**Deliverables**

- Bid Documents
- Notice of Advertisement
- Notice of Award
- Fully executed Contract
- Purchase Order
- Notice to Proceed

Task D.2: Construction Activities

Construction activities are outlined below.

11(a): Mobilization and Demobilization <Add applicable detail>

11(b): Site preparation will include <Add applicable detail>

11(c): Install, construct, excavate <Add applicable detail>

11(d): Improve <Add applicable detail>

**Deliverables**

- Notice of Completion
- Record Drawings

**EXHIBIT B**

**BUDGET**

**PROJECT:**

<b>Budget Category</b>	<b>State Funds</b>	<b>Agency Cost</b>	<b>Total Project Cost</b>
<b>A: Administration</b>			
<b>B: Permitting and Environmental Documentation</b>			
<b>C: Planning and Design</b>			
<b>D: Construction</b>			
<b>Total</b>			

**EXHIBIT C  
SCHEDULE**

**PROJECT:**

<b>DESCRIPTION</b>	<b>START</b>	<b>FINISH</b>
<b>A: Administration</b>		
<b>B: Permitting and Environmental Documentation</b>		
<b>C: Planning and Design</b>		
<b>D: Construction</b>		

**EXHIBIT D**  
**STANDARD CONDITIONS**

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

- A. **Separate Accounting of Funding Disbursements:** Funding Recipient shall account for the money disbursed pursuant to this Funding Agreement separately from all other Funding Recipient funds. Funding Recipient shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. Funding Recipient shall keep complete and accurate records of all receipts, disbursements, and any interest earned on expenditures of such funds. Funding Recipient 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 State at any and all reasonable times.
- B. **Disposition of Money Disbursed:** All money disbursed pursuant to this Funding Agreement shall be deposited in a separate account, administered, and accounted for pursuant to the provisions of applicable law.

**D.2. ACKNOWLEDGEMENT OF CREDIT AND SIGNAGE:** Funding Recipient 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 Funding Agreement. Signage shall be posted in a prominent location at Project site(s) (if applicable) or at the Funding Recipient'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 California State Budget Act of 2022 and through an agreement with the State Department of Water Resources." The Funding Recipient 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 Funding 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 Funding Recipient for amendments must be in writing stating the amendment request and the reason for the request.

**D.4. AMERICANS WITH DISABILITIES ACT:** By signing this Funding Agreement, Funding Recipient assures 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:** State reserves the right to conduct an audit at any time between the execution of this Funding Agreement and the completion of the Project, with the costs of such audit borne by State. After completion of the Project, State may require Funding Recipient to conduct a final audit to State's specifications, at Funding Recipient's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by Funding Recipient to comply with this provision shall be considered a breach of this Funding Agreement, and State may elect to pursue any remedies provided in Paragraph 7 or take any other action it deems necessary to protect its interests. The Funding Recipient agrees it shall return any audit disallowances to the State.

Pursuant to Government Code section 8546.7, the Funding Recipient shall be subject to the examination and audit by the State for a period of three (3) years after final payment under this Funding Agreement with respect of all matters connected with this Funding Agreement, including but not limited to, the cost of administering this Funding Agreement. All records of Funding Recipient 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 Funding Agreement does not appropriate sufficient funds for this program, this Funding Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of State to make any payments under this Funding Agreement. In this event, State shall have no liability to pay any funds whatsoever to Funding Recipient or to furnish any other considerations under this Funding Agreement and Funding Recipient shall not be obligated to perform any provisions of this Funding Agreement. Nothing in this Funding Agreement shall be construed to provide Funding Recipient with a right of priority for payment over any other Funding Recipient. If funding for any fiscal year after the current year covered by this Funding 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 Funding Agreement with no liability occurring to the State, or offer a Funding Agreement amendment to Funding Recipient to reflect the reduced amount.
- D.7. **CEQA:** Activities funded under this Funding Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA). (Pub. Resources Code, § 21000 et seq.) 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 Funding Recipient is not complete at the time the State signs this Agreement, once State has considered the environmental documents, it may decide to require changes, alterations, or other mitigation to the Project. Should the State decide to not fund the Project, this Agreement shall be terminated in accordance with Paragraph 7.
- D.8. **CHILD SUPPORT COMPLIANCE ACT:** The Funding Recipient acknowledges in accordance with Public Contract Code section 7110, that:
- A. The Funding Recipient 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 Funding Recipient, 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.9. **CLAIMS DISPUTE:** Any claim that the Funding Recipient 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 Funding Recipient's knowledge of the claim. State and Funding Recipient 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.10. **COMPETITIVE BIDDING AND PROCUREMENTS:** Funding Recipient's contracts with other entities for the acquisition of goods and services and construction of public works with funds provided by State under this Funding 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 Funding Recipient 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.11. **COMPUTER SOFTWARE:** Funding Recipient certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Funding Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.

- D.12. **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 Funding Recipient:** Employees of the Funding Recipient 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 Funding Recipient:** Individuals working on behalf of a Funding Recipient 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.13. **DELIVERY OF INFORMATION, REPORTS, AND DATA:** Funding Recipient agrees to expeditiously provide throughout the term of this Funding Agreement, such reports, data, information, and certifications as may be reasonably required by State.
- D.14. **DISPOSITION OF EQUIPMENT:** Funding Recipient shall provide to State, not less than 30 calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by 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 State shall provide Funding Recipient with a list of the items on the inventory that State will take title to. All other items shall become the property of Funding Recipient. State shall arrange for delivery from Funding Recipient of items that it takes title to. Cost of transportation, if any, shall be borne by State.
- D.15. **DRUG-FREE WORKPLACE CERTIFICATION:** Certification of Compliance: By signing this Funding Agreement, Funding Recipient, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of 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. Funding Recipient'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 Funding Agreement:

- i. Will receive a copy of Funding Recipient's drug-free policy statement, and
- ii. Will agree to abide by terms of Funding Recipient's condition of employment, contract or subcontract.

D.16. EASEMENTS: Where the Funding Recipient acquires property in fee title or funds improvements to real property already owned in fee by the Funding Recipient or improved using State funds provided through this Funding Agreement, an appropriate easement or other title restriction providing for floodplain preservation and agricultural and/or wildlife habitat conservation for the subject property in perpetuity, approved by the State, shall be conveyed to a regulatory or trustee agency or conservation group acceptable to 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 Funding Recipient acquires an easement under this Agreement, the Funding Recipient 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.17. FUNDING RECIPIENT'S RESPONSIBILITIES: Funding Recipient 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. Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Funding Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Funding Recipient in the application, documents, amendments, and communications filed in support of its request for funding.
- C. Comply with all applicable California, federal, and local laws and regulations.
- D. Implement the Project in accordance with applicable provisions of the law.
- E. Fulfill its obligations under the Funding Agreement and be responsible for the performance of the Project.
- F. Obtain any and all permits, licenses, and approvals required for performing any work under this Funding Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project. Funding Recipient shall provide copies of permits and approvals to State.
- G. Be solely responsible for design, construction, and operation and maintenance of the Project within the work plan. Review or approval of plans, specifications, bid documents, or other construction documents by State is solely for the purpose of proper administration of funds by State and shall not be deemed to relieve or restrict responsibilities of Funding Recipient under this Agreement.
- H. 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 Funding Recipient 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 Funding Recipient and any other entity concerning responsibility for performance of work.

- D.18. GOVERNING LAW: This Funding Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
- D.19. INDEMNIFICATION: Funding Recipient 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, including, but not limited to any claims or damages arising from planning, design, construction, maintenance and/or operation of levee rehabilitation measures for this Project and any breach of this Agreement. Funding Recipient 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.20. INDEPENDENT CAPACITY: Funding Recipient, and the agents and employees of Funding Recipients, in the performance of the Funding Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.
- D.21. 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 Funding 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 Funding Agreement. Failure or refusal by Funding Recipient to comply with this provision shall be considered a breach of this Funding Agreement, and State may withhold disbursements to Funding Recipient or take any other action it deems necessary to protect its interests.
- D.22. INSPECTIONS OF PROJECT BY STATE: State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Funding Agreement. This right shall extend to any subcontracts, and Funding Recipient shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Funding Agreement with State.
- D.23. LABOR CODE COMPLIANCE: The Funding Recipient agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to payment 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 Funding Recipient 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 Funding Recipient 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.24. 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. 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.25. **NONDISCRIMINATION:** During the performance of this Funding Agreement, Funding Recipient 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 medical and family care leave or pregnancy disability leave. Funding Recipient 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. Funding Recipient 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. Funding Recipient 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.
- Funding Recipient shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Funding Agreement.
- D.26. **OPINIONS AND DETERMINATIONS:** Where the terms of this Funding 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.27. **PERFORMANCE BOND:** Where contractors are used, the Funding Recipient shall not authorize construction to begin until each contractor has furnished a performance bond in favor of the Funding Recipient 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.28. **PRIORITY HIRING CONSIDERATIONS:** If this Funding Agreement includes services in excess of \$200,000, the Funding Recipient shall give priority consideration in filling vacancies in positions funded by the Funding Agreement to qualified recipients of aid under Welfare and Institutions Code section 11200 in accordance with Public Contract Code section 10353.
- D.29. **PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION:** The Funding Recipient 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 Funding Recipient's service of water, without prior permission of State. Funding Recipient 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 Funding Recipient meet its obligations under this Funding Agreement, without prior written permission of State. State may require that the proceeds from the disposition of any real or personal property be remitted to State.
- D.30. **PROJECT ACCESS:** The Funding Recipient 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.31. **REMAINING BALANCE:** In the event the Funding Recipient does not submit invoices requesting all of the funds encumbered under this Funding Agreement, any remaining funds revert to the State. The State will notify the Funding Recipient stating that the Project file is closed, and any remaining balance will be disencumbered and unavailable for further use under this Funding Agreement.
- D.32. **REMEDIES NOT EXCLUSIVE:** The use by either party of any remedy specified herein for the enforcement of this Funding 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.33. RIGHTS IN DATA: Funding Recipient 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 Funding 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.) Funding Recipient may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Funding Agreement, subject to appropriate acknowledgement of credit to State for financial support. Funding Recipient 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.34. SEVERABILITY: Should any portion of this Funding Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Funding Agreement shall continue as modified.
- D.35. SUSPENSION OF PAYMENTS: This Funding Agreement may be subject to suspension of payments or termination, or both if the State determines that:
- A. Funding Recipient, its contractors, or subcontractors have made a false certification, or
  - B. Funding Recipient, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Funding Agreement.
- D.36. SUCCESSORS AND ASSIGNS: This Funding Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Funding Agreement or any part thereof, rights hereunder, or interest herein by the Funding Recipient shall be valid unless and until it is approved by State and made subject to such reasonable terms and conditions as State may impose.
- D.37. TERMINATION BY FUNDING RECIPIENT: Subject to State approval which may be reasonably withheld, Funding Recipient may terminate this Agreement and be relieved of contractual obligations. In doing so, Funding Recipient must provide a reason(s) for termination. Funding Recipient must submit all progress reports summarizing accomplishments up until termination date and repay all funds disbursed pursuant to this Agreement.
- D.38. TERMINATION FOR CAUSE: Subject to the right to cure under Paragraph 7, the State may terminate this Funding Agreement and be relieved of any payments should Funding Recipient fail to perform the requirements of this Funding Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 7.
- D.39. TERMINATION WITHOUT CAUSE: The State may terminate this Agreement without cause on 30 days advance written notice. The Funding Recipient shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- D.40. 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.41. TIMELINESS: Time is of the essence in this Funding Agreement.
- D.42. UNION ORGANIZING: Funding Recipient, by signing this Funding Agreement, hereby acknowledges the applicability of Government Code sections 16645 through 16649 to this Funding Agreement. Furthermore, Funding Recipient, by signing this Funding Agreement, hereby certifies that:
- A. No State funds disbursed by this Funding Agreement will be used to assist, promote, or deter union organizing.
  - B. Funding Recipient shall account for State funds disbursed for a specific expenditure by this Funding Agreement to show those funds were allocated to that expenditure.

- C. Funding Recipient 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 Funding Recipient makes expenditures to assist, promote, or deter union organizing, Funding Recipient will maintain records sufficient to show that no State funds were used for those expenditures and that Funding Recipient shall provide those records to the Attorney General upon request.
- D.43. VENUE: The State and the Funding Recipient 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 Funding Recipient hereby waives any existing sovereign immunity for the purposes of this Agreement.
- D.44. WAIVER OF RIGHTS: None of the provisions of this Funding Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties hereto that from time to time either party may waive any of its rights under this Funding Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Funding 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.

**RESOLUTION NO. 23-05**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDIAN WELLS VALLEY WATER DISTRICT AUTHORIZING THE INDIAN WELLS VALLEY WATER DISTRICT TO ENTER INTO AN AGREEMENT WITH THE STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES TO RECEIVE FUNDS FOR THE NORTHWEST TRANSMISSION MAINLINE REPLACEMENT PROJECT AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE THE AGREEMENT ON BEHALF OF THE INDIAN WELLS VALLEY WATER DISTRICT

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WHEREAS, the July 2023 Assembly Bill 102 designated \$3 million in funding to the Indian Wells Valley Water District, for its Northwest Transmission Mainline Replacement Project, a project to replace an earthquake damaged 30" mainline providing drinking water from three of the District's wells (collectively, the "Project"); and

WHEREAS, the responsibility for the administration of the fund, including establishing the necessary procedures for disbursement of the fund, to the California Department of Water Resources ("CDWR"); and

WHEREAS, the Board of Directors of The Indian Wells Valley Water District agrees that the funds should be allocated by CDWR to the Indian Wells Valley Water District; and

WHEREAS, CDWR requires a resolution from the Indian Wells Valley Water District authorizing the Indian Wells Valley Water District to enter into an agreement with CDWR to receive funds and to authorize the General Manager to execute the agreement.

NOW, THEREFORE, the Board of Directors of the Indian Wells Valley Water District does hereby resolve and find as follows:

**Section 1. Official Actions:** The Board of Directors authorize the Indian Wells Valley Water District General Manager, or his designee, to enter into an agreement with the State of California Department of Water Resources to receive \$3 million in funding for its Northwest Transmission Mainline Replacement Project and authorizes the General Manager, or designee, to execute the agreement, any amendments thereto; to do all things necessary to facilitate the agreement; and to submit any required documents, invoices, and reports required to obtain State funds.

PASSED, APPROVED, and ADOPTED this 11<sup>th</sup> day of September 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

**I HEREBY CERTIFY** that the foregoing resolution is the resolution of Indian Wells Valley Water District as duly passed and adopted by said Board of Directors at a legally convened meeting held on the 11<sup>th</sup> day of September, 2023.

**WITNESS** my hand and the official seal of said Board of Directors this 11<sup>th</sup> day of September, 2023

**ADOPTED AND APPROVED** this 11<sup>th</sup> day of September 2023.

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Mallory J. Boyd

President, Board of Directors

INDIAN WELLS VALLEY WATER DISTRICT

ATTEST:

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George D. Croll

Secretary, Board of Directors

INDIAN WELLS VALLEY WATER DISTRICT

SEAL)

## 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. **PROGRESS REPORTS**

Progress reports shall generally use the following format. In general, wherever possible please use bulleted format. This format may be modified as necessary to effectively communicate information.

##### PROJECT STATUS

Briefly describe the work performed during the time period covered by the report including but not limited to:

##### PROJECT INFORMATION (as applicable)

- Legal matters
- Engineering Evaluations
- Environmental matters
- Status of permits, easements, rights-of-way, rights of entry and approvals as may be required by other State, federal, and/or local agencies
- Major accomplishments during the reporting period (i.e. tasks completed, milestones met, meetings held or attended, press releases, etc.)
- Issues/concerns that have, will, or could affect the schedule or budget, with a recommendation on how to correct the matter
- Identify key issues that need to be resolved

##### COST INFORMATION (as applicable)

- Provide a list showing all project costs incurred during the time period covered by the report by the Funding Recipient and each contractor working on the Project and which of these costs are Eligible Project Costs
- A brief discussion on how the actual budget is progressing in comparison to the project budget included in the Work Plan
- A list of any changes approved to the budget in accordance with Funding Agreement and a revised budget, by task, if changed from latest budget in the Work Plan

##### SCHEDULE INFORMATION (as applicable)

- A schedule showing actual progress verses planned progress
- A brief discussion on how the actual schedule is progressing in comparison to the original or last reported schedule
- A list of any changes approved to the Schedule in accordance with Funding Agreement and a revised schedule, by task, if changed from latest reported schedule

The Final Annual Report shall contain the following Project completion information and shall generally use the following format.

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 Funding Agreement

COSTS AND DISPOSITION OF FUNDS – A list of showing:

- The date each invoice was submitted to 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.)
- Summary of project cost including the following items:
  - Accounting of the cost of project expenditure
  - Include all internal and external costs not previously disclosed
  - 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.

## EXHIBIT G

### STATE AUDIT DOCUMENT REQUIREMENTS FOR FUNDING RECIPIENTS

The following provides a list of documents typically required by State Auditors and general guidelines for Funding Recipients. List of documents pertains to both State funding and details the documents/records that State Auditors would need to review in the event of this Funding Agreement is audited. Funding Recipients 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 Project).
2. Written internal procedures and flowcharts for the following:
  - a) Receipts and deposits
  - b) Disbursements
  - c) State payment requests
  - d) Expenditure tracking of State funds
  - e) Guidelines, policy, and procedures on State funded Program/Project
3. Audit reports of the Funding Recipient internal control structure and/or financial statements within the last two years.
4. Prior audit reports on the State funded Project.

##### State Funding:

1. Original Funding Agreement, any amendment(s) and budget modification documents.
2. A listing of public funds received from the State.
3. A listing of all other funding sources for the Project.

##### Contracts:

1. All subcontractor and consultant contracts and related or partners' documents, if applicable.
2. Contracts between the Funding Recipient and other public agencies as related to the State funded Project.

##### Invoices:

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

Administration Costs:

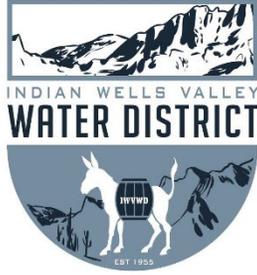
1. Supporting documents showing the calculation of administration costs.

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 Funding Recipient's personnel who provided services charged to the Project

Project Files:

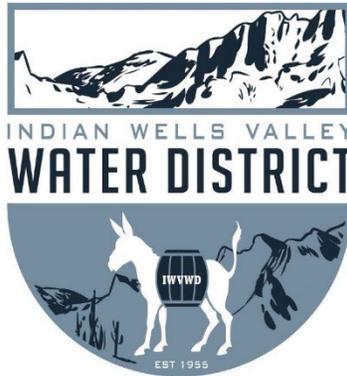
1. All supporting documentation maintained in the Project files.
2. All Funding Agreement related correspondence.



**9.F.7.**

### SWRCB Water Waster Report

	# of water waste reports received	# of contacts made (written or verbal)	# of formal warning actions	# of penalties issued
Jan-23	14	14	5	1
Feb-23	6	6	4	1
Mar-23	8	8	2	2
Apr-23	11	11	8	3
May-23	7	7	1	0
Jun-23	10	10	2	0
Jul-23	4	4	1	0
Aug-23	1	1	0	0
Sep-23				
Oct-23				
Nov-23				
Dec-23				
SUBTOTAL 2015	378	376	40	10
SUBTOTAL 2016	406	399	28	3
SUBTOTAL 2017	70	68	10	4
SUBTOTAL 2018	60	58	7	4
SUBTOTAL 2019	56	56	8	1
SUBTOTAL 2020	42	42	8	2
SUBTOTAL 2021	131	131	12	4
SUBTOTAL 2022	106	106	6	0
SUBTOTAL 2023	61	61	23	7
TOTAL	1310	1297	142	35
TOTAL PENALTIES BILLED				\$3,350
TOTAL PENALTIES COLLECTED				\$3,050



The Mission of the

## **Indian Wells Valley Water District**

is to deliver the highest quality water at the best possible price while continuing to serve as respectful stewards of the environment.

The Vision of the

## **Indian Wells Valley Water District**

is to provide for self-sustaining water resources now and for generations to come.

**Board of Directors**